



Semi-Annual Report  
of [Asseco Poland S.A.](#)  
for the period of 6 months ended 30 June 2020

ASSECO

# Semi-Annual Report of Asseco Poland S.A. for the period of 6 months ended 30 June 2020

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## Financial Highlights

### Asseco Poland S.A.

The following table presents the selected financial data of Asseco Poland S.A.

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN	6 months ended 30 June 2020 mEUR	6 months ended 30 June 2019 mEUR
Operating revenues	430.4	405.1	96.9	94.5
Operating profit	65.4	61.0	14.7	14.2
Pre-tax profit	192.6	163.0	43.4	38.0
Net profit for the reporting period	177.6	152.4	40.0	35.5
Net cash provided by (used in) operating activities	59.7	25.6	13.4	6.0
Net cash provided by (used in) investing activities	113.2	69.1	25.5	16.1
Net cash provided by (used in) financing activities	(262.4)	(324.3)	(59.1)	(75.6)
Cash and short-term deposits (comparable data as at 31 December 2019)	79.4	168.7	17.8	39.6
Earnings per ordinary share (in PLN/EUR)	2.14	1.84	0.48	0.43

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

- Items of the interim condensed statement of profit and loss and statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were respectively:
  - for the period from 1 January 2020 to 30 June 2020: EUR 1 = PLN 4.4413
  - for the period from 1 January 2019 to 30 June 2019: EUR 1 = PLN 4.2880
  
- The Company's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at daily mid exchange rates as published by the National Bank of Poland. These exchange rates were respectively:
  - exchange rate effective on 30 June 2020: EUR 1 = PLN 4.4660
  - exchange rate effective on 31 December 2019: EUR 1 = PLN 4.2585

All figures in this report are presented in millions of Polish zlotys (PLN), unless stated otherwise.



# Interim Condensed Financial Statements of **Asseco Poland S.A.** for the period of 6 months ended 30 June 2020

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

## Asseco Poland S.A.

STATEMENT OF PROFIT AND LOSS	Note	3 months ended	6 months ended	3 months ended	6 months ended
		30 June 2020	30 June 2020	30 June 2019	30 June 2019
		mPLN	mPLN	mPLN	mPLN
Operating revenues	<a href="#">4.1</a>	226.6	430.4	210.0	405.1
Cost of sales	<a href="#">4.2</a>	(160.5)	(302.9)	(146.3)	(281.9)
<b>Gross profit on sales</b>		<b>66.1</b>	<b>127.5</b>	<b>63.7</b>	<b>123.2</b>
Selling costs	<a href="#">4.2</a>	(10.8)	(20.6)	(10.5)	(21.4)
General and administrative expenses	<a href="#">4.2</a>	(21.7)	(42.6)	(21.4)	(40.3)
<b>Net profit on sales</b>		<b>33.6</b>	<b>64.3</b>	<b>31.8</b>	<b>61.5</b>
Other operating income		0.8	2.2	0.3	0.5
Other operating expenses		(0.3)	(1.1)	(0.2)	(1.0)
<b>Operating profit</b>		<b>34.1</b>	<b>65.4</b>	<b>31.9</b>	<b>61.0</b>
Financial income	<a href="#">4.3</a>	22.1	131.6	23.6	105.8
Financial expenses	<a href="#">4.3</a>	1.9	(4.4)	(1.7)	(3.8)
<b>Pre-tax profit</b>		<b>58.1</b>	<b>192.6</b>	<b>53.8</b>	<b>163.0</b>
Corporate income tax	<a href="#">4.4</a>	(9.4)	(15.0)	(4.8)	(10.6)
<b>Net profit</b>		<b>48.7</b>	<b>177.6</b>	<b>49.0</b>	<b>152.4</b>
<b>Earnings per share (in PLN):</b>					
basic earnings per share	<a href="#">4.5</a>	0.59	2.14	0.59	1.84
diluted earnings per share	<a href="#">4.5</a>	0.59	2.14	0.59	1.84

OTHER COMPREHENSIVE INCOME:	Note	3 months ended	6 months ended	3 months ended	6 months ended
		30 June 2020	30 June 2020	30 June 2019	30 June 2019
		mPLN	mPLN	mPLN	mPLN
<b>Net profit</b>		<b>48.7</b>	<b>177.6</b>	<b>49.0</b>	<b>152.4</b>
<i>Components that may be reclassified to profit or loss</i>		-	-	-	-
<i>Components that will not be reclassified to profit or loss</i>		-	-	(1.8)	(1.9)
Amortization of intangible assets recognized directly in equity, net of income tax		-	-	(1.8)	(1.9)
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(1.8)</b>	<b>(1.9)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>		<b>48.7</b>	<b>177.6</b>	<b>47.2</b>	<b>150.5</b>

# Interim Condensed Statement of Financial Position

## Asseco Poland S.A.

ASSETS	Note	30 June 2020	31 Dec. 2019
		<i>mPLN</i>	<i>mPLN</i>
<b>Non-current assets</b>			
Property, plant and equipment	<u>5.1</u>	291.7	284.6
Intangible assets	<u>5.2</u>	2,214.6	2,216.1
<i>of which goodwill from business combinations</i>	<u>5.4</u>	1,932.5	1,932.5
Right-of-use assets	<u>5.3</u>	90.1	87.0
Investment property		0.4	0.4
Investments in subsidiaries and associates	<u>5.5</u>	2,083.0	2,073.9
Other receivables and trade receivables	<u>5.9</u>	55.0	69.6
Prepayments and accrued income	<u>5.8</u>	12.3	14.1
Other assets	<u>5.7</u>	26.0	28.3
		<b>4,773.1</b>	<b>4,774.0</b>
<b>Current assets</b>			
Inventories	<u>5.11</u>	1.0	8.1
Trade receivables	<u>5.9</u>	131.8	170.9
Contract assets	<u>5.9</u>	100.3	50.1
Corporate income tax receivable		4.0	-
Receivables from the state and local budgets		-	1.4
Other receivables	<u>5.9</u>	20.1	21.1
Prepayments and accrued income	<u>5.8</u>	48.6	38.8
Other assets	<u>5.7</u>	3.2	2.6
Cash and short-term deposits	<u>5.10</u>	79.4	168.7
		<b>388.4</b>	<b>461.7</b>
<b>TOTAL ASSETS</b>		<b>5,161.5</b>	<b>5,235.7</b>

## Interim Condensed Statement of Financial Position

### Asseco Poland S.A.

EQUITY AND LIABILITIES	Note	30 June 2020	31 Dec. 2019
		<i>mPLN</i>	<i>mPLN</i>
<b>TOTAL EQUITY</b>			
Share capital		83.0	83.0
Share premium		4,180.1	4,180.1
Retained earnings		557.1	629.3
		<b>4,820.2</b>	<b>4,892.4</b>
<b>Non-current liabilities</b>			
Lease liabilities	<u>5.12</u>	61.7	55.0
Other financial liabilities	<u>5.13</u>	5.4	6.0
Deferred tax liabilities		28.3	22.3
Contract liabilities	<u>5.16</u>	19.1	17.5
Other liabilities	<u>5.15</u>	0.2	0.1
Provisions	<u>5.17</u>	3.6	3.6
Accruals and deferred income	<u>5.18</u>	45.1	32.7
		<b>163.4</b>	<b>137.2</b>
<b>Current liabilities</b>			
Lease liabilities	<u>5.12</u>	16.2	27.6
Other financial liabilities	<u>5.13</u>	2.3	0.7
Trade payables	<u>5.15</u>	46.0	70.4
Contract liabilities	<u>5.16</u>	46.2	34.9
Corporate income tax payable	<u>5.15</u>	-	4.6
Other liabilities	<u>5.15</u>	16.2	24.7
Provisions	<u>5.17</u>	8.4	8.7
Accruals and deferred income	<u>5.18</u>	42.6	34.5
		<b>177.9</b>	<b>206.1</b>
<b>TOTAL LIABILITIES</b>		<b>341.3</b>	<b>343.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,161.5</b>	<b>5,235.7</b>



## Interim Condensed Statement of Changes in Equity

### Asseco Poland S.A.

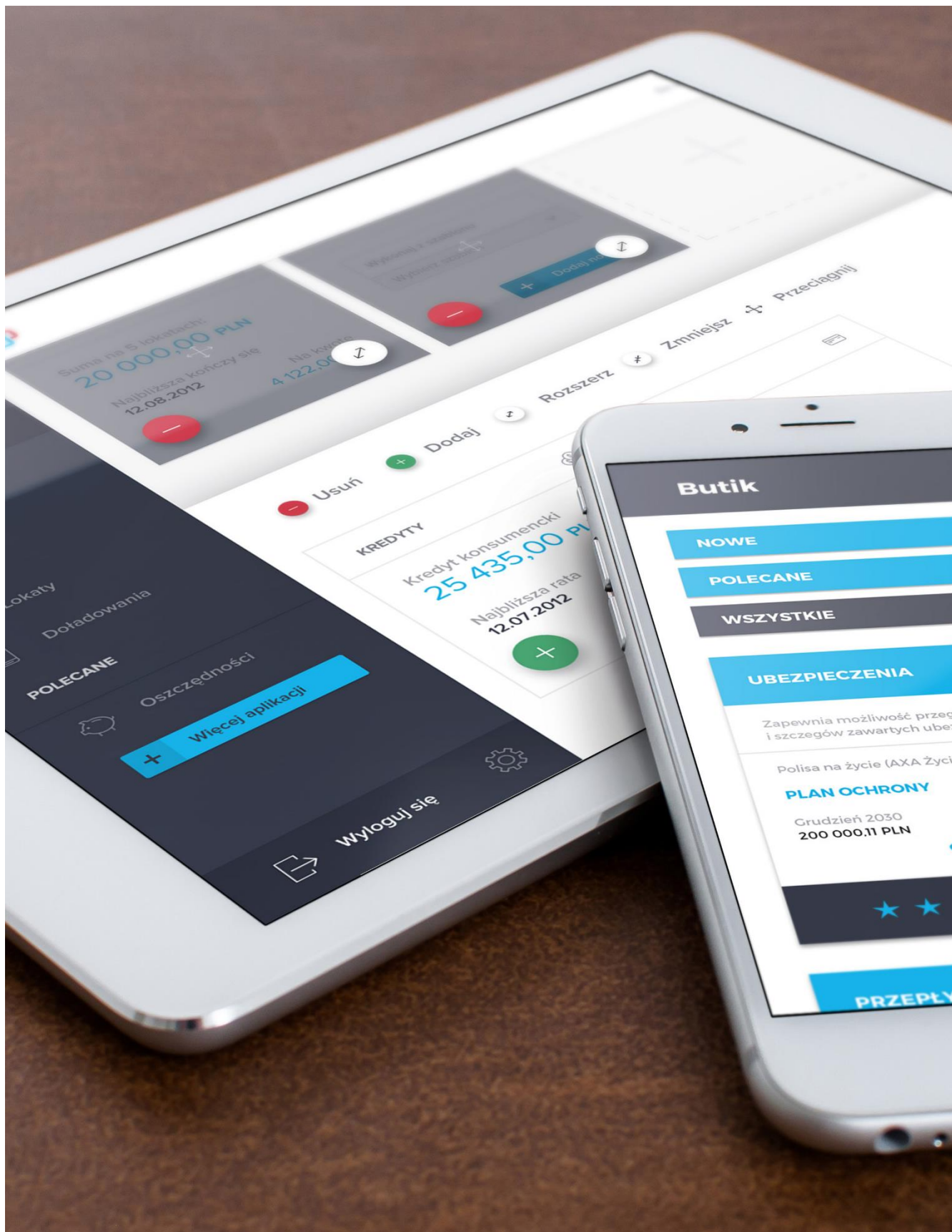
	Note	Share capital	Share premium	Retained earnings	Total equity
<b>As at 1 January 2020</b>		<b>83.0</b>	<b>4,180.1</b>	<b>629.3</b>	<b>4,892.4</b>
Net profit		-	-	177.6	177.6
Dividend for the year 2019	<u>4.6</u>	-	-	(249.8)	(249.8)
<b>As at 30 June 2020</b>		<b>83.0</b>	<b>4,180.1</b>	<b>557.1</b>	<b>4,820.2</b>
<b>As at 1 January 2019 (including impact of the adoption of IFRS 16)</b>		<b>83.0</b>	<b>4,180.1</b>	<b>679.7</b>	<b>4,942.8</b>
Net profit		-	-	152.4	152.4
Total other comprehensive income		-	-	(1.9)	(1.9)
Dividend for the year 2018	<u>4.6</u>	-	-	(254.8)	(254.8)
<b>As at 30 June 2019</b>		<b>83.0</b>	<b>4,180.1</b>	<b>575.4</b>	<b>4,838.5</b>

## Interim Condensed Statement of Cash Flows

### Asseco Poland S.A.

	Note	6 months ended 30 June 2020	6 months ended 30 June 2019
		mPLN	mPLN
<b>Cash flows – operating activities</b>			
Pre-tax profit		192.6	163.0
<b>Total adjustments:</b>		<b>(115.6)</b>	<b>(115.4)</b>
Depreciation and amortization		31.7	32.3
Changes in working capital	<u>6.1st</u>	(23.3)	(46.5)
Interest income/expenses		0.3	-
Gain/loss on foreign currency translation differences		(0.4)	(0.5)
Dividend income	<u>4.3</u>	(127.9)	(100.0)
Income from sale of shares in related companies		-	(0.7)
Other financial (income) expenses		2.0	-
(Gain) loss on investing activities		2.0	-
<b>Cash generated from operating activities</b>		<b>77.0</b>	<b>47.6</b>
(Corporate income tax paid)		(17.3)	(22.0)
<b>Net cash provided by (used in) operating activities</b>		<b>59.7</b>	<b>25.6</b>
<b>Cash flows – investing activities</b>			
<b>Inflows:</b>			
Disposal of property, plant and equipment, and intangible assets	<u>6.2nd</u>	1.0	4.1
Disposal of investments in related companies	<u>6.2nd</u>	25.0	4.7
Loans collected	<u>6.2nd</u>	2.4	0.9
Dividends received		128.6	93.5
Interest received		1.2	2.7
<b>Outflows:</b>			
Acquisition of property, plant and equipment, and intangible assets	<u>6.2nd</u>	(24.9)	(17.8)
Expenditures for development projects in progress	<u>6.2nd</u>	(9.8)	(13.5)
Acquisition of shares in related companies	<u>6.2nd</u>	(9.3)	(2.9)
Loans granted	<u>6.2nd</u>	(1.0)	(2.6)
<b>Net cash provided by (used in) investing activities</b>		<b>113.2</b>	<b>69.1</b>
<b>Cash flows – financing activities</b>			
<b>Inflows:</b>			
Grants received		5.6	2.3
<b>Outflows:</b>			
Dividends paid out	<u>6.3rd</u>	(249.8)	(254.8)
Repayments of bank loans and borrowings		-	(52.7)
Payments of lease liabilities		(16.6)	(16.2)
Interest paid		(1.6)	(2.9)
<b>Net cash provided by (used in) financing activities</b>		<b>(262.4)</b>	<b>(324.3)</b>

<b>Net change in cash and cash equivalents</b>	<b>(89.5)</b>	<b>(229.6)</b>
Net foreign currency translation differences	0.2	-
Cash and cash equivalents as at 1 January	168.7	264.7
<b>Cash and cash equivalents as at 30 June</b>	<b><u>5.10</u></b>	<b>35.1</b>



Explanatory Notes to the Interim Condensed  
Financial Statements of **Asseco Poland S.A.**

# Explanatory Notes to the Interim Condensed Financial Statements

## 1. General information

General information on the Parent Company	
<b>Name</b>	Asseco Poland S.A.
<b>Seat</b>	Rzeszów, 14 Olchowa St.
<b>National Court Register number</b>	0000033391
<b>Statistical ID number (REGON)</b>	010334578
<b>Tax Identification Number (NIP)</b>	522-000-37-82
<b>Core business</b>	Production of software

Asseco Poland S.A. (the “Company”, “Issuer”, “Asseco”) with registered office at 14 Olchowa St., Rzeszów, Poland, was established on 18 January 1989. On 4 January 2007, the Issuer changed its corporate name from Softbank S.A. to Asseco Poland S.A.

The period of the Company’s operations is indefinite.

Since 1998, the Company’s shares have been listed on the main market of the Warsaw Stock Exchange S.A.

Asseco Poland S.A. is one of the largest IT companies listed on the Warsaw Stock Exchange. The Company is also a major player in the European software producers market.

Asseco Poland S.A. focuses on the production and development of proprietary software, dedicated for each sector of the economy. As one of the very few companies in Poland, Asseco Poland develops and implements integrated core banking systems that are operated by over half of domestic banks. Furthermore, Asseco offers software solutions for the insurance industry and implements dedicated systems for the public administration, among others for the Polish Social Insurance Institution (ZUS) or the Ministry of Finance. Asseco carries out numerous IT projects for the energy industry, telecommunications, healthcare, local governments, agriculture, uniformed services as well as for international organizations and institutions, and it also provides Business Intelligence solutions.

As a leader of Asseco Group, Asseco Poland S.A. is actively engaged in mergers and acquisitions both in the Polish and foreign markets, seeking to strengthen its position across Europe and worldwide. The Company is expanding its investment spectrum for software houses, with an eye to gain insight into their local markets and customers, as well as access to innovative and unique IT solutions.

## 2. Basis for the preparation of interim condensed financial statements

### 2.1. Basis for preparation

These interim condensed 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, financial liabilities carried at fair value through profit or loss, as well as investment property measured at fair value.

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

These interim condensed financial statements do not include all information and disclosures required for annual financial statements and therefore they should be read together with the financial statements of Asseco Poland S.A. for the year ended 31 December 2019 which were published on 23 March 2020.

### 2.2. Impact of the COVID-19 epidemic on business operations of the Company

As at the date of publication of these financial statements, based on the current analysis of risks and in particular those arising from the COVID-19 pandemic prevailing in Poland and worldwide, the Management Board concluded that the Company's ability to continue as a going concern over a period not shorter than 12 months from 30 June 2020 is not threatened.

The Company is continuously monitoring how the situation caused by the COVID-19 pandemic affects its operations. Within its core business during the first half of 2020, the Company has not recorded a material direct impact of the coronavirus on its overall financial position and economic results. However, the epidemiological situation affected the organizational aspect of the Company's operations. As a consequence of the entry into force in Poland of the Act of 2 March 2020 on special solutions related to the prevention, counteracting and combating of COVID-19, other infectious diseases and emergencies caused by them (Journal of Laws of 2020, item 374, as amended) and also as a result of actions undertaken by Polish authorities, for the sake of the Company's employees and customers, the Company has made efforts to enable most of our employees to work remotely in order to ensure business continuity and continued provision of IT services to our customers. At the time of publication of this report, the Company operates on an ongoing basis and fulfils its contractual obligations within the deadlines specified in contracts.

Due to the existing circumstances, the Company is trying to minimize the possible negative effects of the pandemic on its future financial results, among others, by reducing selected costs and expenses. At the same time, the Company monitors the current situation in individual sectors of the economy, trying to take advantage of business opportunities in the market of IT products and services, which are also created by the epidemic.

As described in explanatory note 5.4, after a due analysis, the Company sees no significant risk of impairment of assets, and especially goodwill. We have also observed no significant changes in the collection of receivables, which is why the calculation of expected credit losses remained almost unchanged. The Company has sufficient financial resources to continue its business operations, including the settlement of current liabilities. The Company has not experienced a negative impact of the epidemic on its financial liquidity and fulfils its obligations under loan agreements and bonds on a timely basis. The Company decided not to use state aid funds as part of the anti-crisis shield, neither did it use any deferred deadlines for tax payments, and did not amend its lease contracts.

For obvious reasons, the Company cannot exclude the possibility that in the long run an undoubtedly negative impact of the pandemic on the overall economic situation in Poland and in the world may also have an adverse effect on the operations or financial results of the Company in the future; however, it is now impossible to determine to what extent or scale this could occur.

### 2.3. Compliance statement

These interim condensed financial statements have been prepared in conformity with the requirements set forth in the International Accounting Standard 34 'Interim Financial Reporting' as endorsed by the European Union (IAS 34).

The scope of these interim condensed financial statements, being a part of the semi-annual report, is in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (consolidated text: Journal of Laws of 2018, item 757) ("Regulation"), and covers the semi-annual reporting period from 1 January to 30 June 2020 and the comparable period from 1 January to 30 June 2019 in case of the statement of profit and loss and the statement of cash flows, as well as the financial data as at 30 June 2020 and the comparable data as at 31 December 2019 in case of the statement of financial position.

The cumulative data presented for the period of 6 months ended 30 June 2020 as well as for the comparable period have been reviewed by a certified auditor. Whereas, the quarterly data disclosed for the period from 1 April to 30 June 2020 and for the corresponding period of 2019 have not been subject to such a review; these data have been calculated as the difference between the semi-annual cumulative data and the data presented in the quarterly condensed consolidated financial statements of Asseco Group for the interim period ended 31 March 2020 which were published on 28 May 2020.

### 2.4. Functional currency and presentation currency

The presentation currency of these interim condensed financial statements is the Polish zloty (PLN), and all figures are presented in millions of PLN (mPLN), unless stated otherwise. Any inaccuracies in totals, amounting to PLN 0.1 million, are due to the adopted rounding of numbers. The Polish zloty is also the functional currency applied by Asseco Poland S.A.

Transactions denominated in currencies other than Polish zloty are, at the time of initial recognition, translated to Polish zlotys using the exchange rate effective on the transaction date.

At the reporting date:

- monetary items denominated in a foreign currency are translated at the closing exchange rate, this is at the mid exchange rate of that currency as quoted by the National Bank of Poland on the reporting date;
- non-monetary items carried at historical cost denominated in a foreign currency are translated using the exchange rate effective on the transaction date;
- non-monetary items carried at fair value denominated in a foreign currency are translated using the exchange rate effective on the fair value measurement date.

For valuation purposes, we have adopted the following exchange rates of euro and US dollar (and analogically the exchange rates of other currencies as quoted by the National Bank of Poland):

- exchange rate effective on 30 June 2020: EUR 1 = PLN 4.4660
- exchange rate effective on 30 June 2019: EUR 1 = PLN 4.2520
- exchange rate effective on 30 June 2020: USD 1 = PLN 3.9806
- exchange rate effective on 30 June 2019: USD 1 = PLN 3.7336

### 2.5. Professional judgement and estimates

Preparation of 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 Company's management best knowledge on the current activities and occurrences, the actual results may differ from those anticipated.

Presented below are the main areas which, in the process of applying our accounting policies, were subject not only to accounting estimates but also to the management's professional judgement, and whose estimates, if changed, could significantly affect the Company's future results.

In addition, the Company discloses changes to estimates presented in previous reporting periods that have a significant impact on the current period.

*i. Estimates*

In the period of 6 months ended 30 June 2020, our approach to making estimates was not subject to any substantial modification.

In relevant notes to these interim condensed financial statements, the Company has disclosed possible changes to estimates presented in previous reporting periods that have a significant impact on the current interim period.

The table below presents certain items of these interim condensed financial statements that are at significant risk of material adjustment to the carrying values of assets and liabilities.

Item	Significant accounting policies described in the financial statements for the year 2019	Estimates and assumptions
<b>Property, plant and equipment, intangible assets and right-of-use assets</b>	Note 5.1 Note 5.2	At each reporting date, the Company determines if there are any objective indications of impairment of a given component of property, plant and equipment, intangible assets and right-of-use assets. In addition, at the end of each financial year, the Company verifies the periods of useful life of property, plant and equipment, and intangible assets.
<b>Goodwill</b>	Note 5.4	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. Conducting an impairment test each time requires a significant amount of estimates and professional judgment.
<b>Financial assets – Loans granted</b>	Note 5.7	As required by IFRS 9 ‘Financial Instruments’, the Company classifies and measures loans granted at each reporting date, as well as estimates the amount of impairment losses.
<b>Receivables and contract assets</b>	Note 5.9	The Company estimates the amount of expected credit losses on receivables and assets from contracts with customers in accordance with the new requirements of IFRS 9 ‘Financial Instruments’.
<b>Deferred tax assets</b>	Note 4.4	The Company makes an assessment of realizability of deferred income tax assets at each reporting date.
<b>Provisions</b>	Note 5.17	The Company estimates the amount of provisions created based on the adopted assumptions, methodology and appropriate calculation methods. A provision should be recognized when the Company has a present obligation arising from past events, the settlement of which is probable to require an outflow of resources embodying economic benefits from the Company.

**2.6. Accounting policies applied**

Significant accounting policies applied by the Company in these interim condensed financial statements are consistent with those explained in the Company’s annual financial statements for the year 2019, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2020.

New standards or amendments effective from 1 January 2020:

- Amendments to IFRS 3: ‘Definition of a Business’;
- Amendments to IFRS 7, IFRS 9 and IAS 39: ‘Interest Rate Benchmark Reform’;
- Amendments to IAS 1 and IAS 8: ‘Definition of Materiality’;
- ‘Conceptual Framework for Financial Reporting’ issued on 29 March 2018.

The amended standards and interpretations that became effective starting from 2020 have had no significant impact of the interim condensed financial statements of the Company.



## 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 14 'Regulatory Deferral Accounts' (issued on 30 January 2014) – the European Commission has decided not to initiate the process of endorsement of this standard until the release of its final version – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture' (issued on 11 September 2014) – work for the endorsement of these amendments has been postponed by the EU – the effective date of these amendments has been deferred indefinitely by the IASB;
- IFRS 17 'Insurance Contracts' (issued on 18 May 2017) and amendments to IFRS 17 (issued on 25 June 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current' (issued on 23 January 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 3 'Reference to the Conceptual Framework' (issued on 14 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 16 'Property, Plant and Equipment – Proceeds before Intended Use' (issued on 14 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract' (issued on 14 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2022;
- Annual Improvements to IFRS Standards 2018-2020 (issued on 14 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2022;
- Amendment to IFRS 16 'Leases – Covid-19-Related Rent Concessions' (issued on 18 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 June 2020; Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020;
- Amendments to IFRS 4 'Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9' (issued on 25 June 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2021.

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

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

## 2.8. Corrections of material errors

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

### 3. Information on operating segments

According to IFRS 8, an operating segment is a separable component of the Company'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. The Company has identified the following reportable segments:

**Banking and Finance** – this segment offers comprehensive banking systems, capital market systems (for brokerage houses, banks, firms and institutions engaged in investing activities) as well as highly specialized solutions and IT services for the commercial insurance sector. During the period of 6 months ended 30 June 2020, the segment's major clients included: Bank PKO BP S.A., SGB-Bank S.A., Getin Noble Bank S.A, Bank Ochrony Środowiska S.A., and Idea Bank S.A. Only revenues obtained from Bank PKO BP S.A. exceeded the threshold of 10% of operating revenues generated by the Company in the period of 6 months ended 30 June 2020.

**Public Administration** – within this segment Asseco Poland S.A. carries out projects including the design, development, implementation and operation of dedicated IT systems. During the period of 6 months ended 30 June 2020, the segment's major clients included: Social Insurance Institution (ZUS), Agency for Restructuring and Modernization of Agriculture (ARiMR), National Healthcare Fund (NFZ), Frontex – European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, and the Ministry of Justice. Only revenues obtained from the Social Insurance Institution exceeded the threshold of 10% of operating revenues generated by the Company in the period of 6 months ended 30 June 2020.

**General Business** – this segment is engaged in the provision of dedicated IT solutions for large and medium-sized industrial enterprises. The core business areas of this segment include the sale of proprietary software (in particular billing systems) as well as information technology services such as IT consulting, systems integration and implementation, and related support services. During the period of 6 months ended 30 June 2020, the segment's major clients included: Cyfrowy Polsat Group (telecom and media), PGNIG Group (oil and natural gas), Tauron Group (energy industry), Enea Group (energy industry), and WARTA S.A. (insurance and reinsurance company). Revenues from none of the above-mentioned clients exceeded the threshold of 10% of operating revenues generated by the Company in the period of 6 months ended 30 June 2020.

None of the Company's operating segments needed to be combined with another operating segment in order to be identified as a reportable segment. The results achieved by individual segments are regularly monitored by the management in order to decide on allocation of resources among operating segments as well as to assess their performance and effects of such allocation. Operating profit (loss) is the main measure in evaluation of the segment's performance.

The column 'Other' includes revenues and costs related to the operations of the Group.

Financing activities (including financial expenses and income) as well as income taxes are monitored at the whole company level and therefore they are not allocated to individual operating segments. The Management also does not analyze cash flows in a breakdown to segments.

The transfer prices applied in transactions conducted between our operating segments are determined on an arm's length basis just as in case of transactions with unrelated parties.

The table below presents the key financial information reviewed by the chief operating decision maker in the Company. Apart from goodwill and intangible assets recognized in business combinations, assets of Asseco Poland S.A. are not essentially allocated to individual segments and are not subject to review by the Company's Management in this perspective. Whereas, net operating assets are allocated to the identified segments for the purpose of carrying out impairment tests, however, such allocation is made using the allocation key.

Period of 6 months ended 30 June 2020	Banking and Finance segment	Public Administration segment	General Business segment	Other	Total	Eliminations	Total
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
Sales to external customers	153.8	211.0	60.8	4.8	430.4	-	<b>430.4</b>
Inter-segment settlements	(0.5)	(0.6)	1.8	(0.6)	0.1	(0.1)	-
<b>Net profit on sales of reportable segment</b>	<b>40.3</b>	<b>25.2</b>	<b>11.8</b>	<b>(13.0)</b>	<b>64.3</b>	-	<b>64.3</b>
Depreciation and amortization	(8.8)	(14.8)	(3.1)	(2.5)	(29.2)	-	<b>(29.2)</b>
Average number of employees, recalculated into full-time salaried jobs	909	945	280	31	2,165	-	<b>2,165</b>
Intangible assets recognized in business combinations allocated to the segment	9.9	44.7	-	-	54.6	-	<b>54.6</b>
Goodwill from business combinations allocated to the segment	896.8	854.7	181.0	n/a	1,932.5	n/a	<b>1,932.5</b>

Period of 6 months ended 30 June 2019	Banking and Finance segment	Public Administration segment	General Business segment	Other	Total	Eliminations	Total
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
Sales to external customers	162.2	177.2	61.3	4.4	405.1	-	<b>405.1</b>
Inter-segment settlements	17.0	1.2	0.9	1.2	20.3	(20.3)	-
<b>Net profit on sales of reportable segment</b>	<b>43.8</b>	<b>21.2</b>	<b>9.2</b>	<b>(12.7)</b>	<b>61.5</b>	-	<b>61.5</b>
Depreciation and amortization	(10.3)	(14.0)	(2.7)	(2.4)	(29.4)	-	<b>(29.4)</b>
Average number of employees, recalculated into full-time salaried jobs	919	884	376	36	2,215	-	<b>2,215</b>
Intangible assets recognized in business combinations allocated to the segment	11.7	47.8	-	-	59.5	-	<b>59.5</b>
Goodwill from business combinations allocated to the segment	896.8	854.7	181.0	n/a	1,932.5	n/a	<b>1,932.5</b>

## 4. Explanatory notes to the statement of profit and loss and other comprehensive income

### 4.1 Structure of operating revenues

Operating revenues generated during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods were as follows:

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
<b>Operating revenues by type of products</b>				
Proprietary software and services	204.8	393.6	189.1	373.9
Third-party software and services	13.9	26.7	9.2	18.2
Hardware and infrastructure	7.9	10.1	11.7	13.0
<b>Total operating revenues</b>	<b>226.6</b>	<b>430.4</b>	<b>210.0</b>	<b>405.1</b>

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

Sales revenues of individual segments generated by type of products during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods were as follows:

	Banking and Finance mPLN	Public Administration mPLN	General Business mPLN	Other mPLN	Total mPLN
<b>3 months ended 30 June 2020</b>					
Proprietary software and services	73.3	98.8	30.4	2.3	<b>204.8</b>
Third-party software and services	1.0	10.5	2.4	-	<b>13.9</b>
Hardware and infrastructure	-	2.0	5.9	-	<b>7.9</b>
<b>Total sales revenues</b>	<b>74.3</b>	<b>111.3</b>	<b>38.7</b>	<b>2.3</b>	<b>226.6</b>
<b>6 months ended 30 June 2020</b>					
Proprietary software and services	151.6	186.0	51.3	4.7	<b>393.6</b>
Third-party software and services	2.1	21.5	3.0	0.1	<b>26.7</b>
Hardware and infrastructure	0.1	3.5	6.5	-	<b>10.1</b>
<b>Total sales revenues</b>	<b>153.8</b>	<b>211.0</b>	<b>60.8</b>	<b>4.8</b>	<b>430.4</b>
<b>3 months ended 30 June 2019</b>					
Proprietary software and services	82.5	74.5	29.5	2.6	<b>189.1</b>
Third-party software and services	0.7	8.0	0.4	0.1	<b>9.2</b>
Hardware and infrastructure	1.6	7.7	2.3	0.1	<b>11.7</b>
<b>Total sales revenues</b>	<b>84.8</b>	<b>90.2</b>	<b>32.2</b>	<b>2.8</b>	<b>210.0</b>
<b>6 months ended 30 June 2019</b>					
Proprietary software and services	158.8	153.3	57.6	4.2	<b>373.9</b>
Third-party software and services	1.7	15.1	1.3	0.1	<b>18.2</b>
Hardware and infrastructure	1.7	8.8	2.4	0.1	<b>13.0</b>
<b>Total sales revenues</b>	<b>162.2</b>	<b>177.2</b>	<b>61.3</b>	<b>4.4</b>	<b>405.1</b>

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

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
<b>Revenues from contracts with customers recognized in accordance with IFRS 15:</b>				
From goods and services transferred at a specific point in time, of which:	13.4	22.4	17.1	26.0
<i>Banking and Finance segment</i>	0.8	3.2	5.0	8.6
<i>Public Administration segment</i>	4.2	9.8	9.6	13.5
<i>General Business segment</i>	8.4	9.4	2.3	3.7
<i>Others segment</i>	-	-	0.2	0.2
From goods and services transferred over the passage of time, of which:	213.2	408.0	192.9	379.1
<i>Banking and Finance segment</i>	73.5	150.6	79.8	153.6
<i>Public Administration segment</i>	107.1	201.2	80.6	163.7
<i>General Business segment</i>	30.3	51.4	29.9	57.6
<i>Others segment</i>	2.3	4.8	2.6	4.2
<b>Total operating revenues</b>	<b>226.6</b>	<b>430.4</b>	<b>210.0</b>	<b>405.1</b>

iii. *Breakdown of operating revenues by countries in which they were generated*

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Poland	222.0	420.5	202.5	390.3
Foreign countries, including:	4.6	9.9	7.5	14.8
Austria	0.3	0.7	0.1	0.3
Belgium	0.6	1.3	0.3	1.1
Gibraltar	0.4	0.7	1.4	1.7
Germany	2.3	5.1	4.5	7.9
Nigeria	0.1	0.1	0.1	1.3
Slovakia	0.8	1.6	0.9	1.5
Other	0.1	0.4	0.2	1.0
<b>Total</b>	<b>226.6</b>	<b>430.4</b>	<b>210.0</b>	<b>405.1</b>

#### 4.2 Structure of operating costs

The table below presents operating costs incurred in the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods.

Operating costs	3 months ended	6 months ended	3 months ended	6 months ended
	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
Cost of goods, materials and third-party services sold	(20.0)	(34.2)	(19.1)	(29.0)
Employee benefits	(98.3)	(188.6)	(88.4)	(174.1)
Depreciation and amortization	(14.6)	(29.2)	(14.6)	(29.4)
Third-party services	(45.3)	(83.9)	(39.0)	(80.7)
Other	(14.8)	(30.2)	(17.1)	(30.4)
<b>Total</b>	<b>(193.0)</b>	<b>(366.1)</b>	<b>(178.2)</b>	<b>(343.6)</b>
Cost of sales	(160.3)	(302.5)	(146.5)	(284.2)
Selling costs	(10.8)	(20.6)	(10.5)	(21.4)
General and administrative expenses	(21.7)	(42.6)	(21.4)	(40.3)
(Recognition)/Reversal of allowances for trade receivables	(0.2)	(0.4)	0.2	2.3
<b>Total</b>	<b>(193.0)</b>	<b>(366.1)</b>	<b>(178.2)</b>	<b>(343.6)</b>

In the period of 6 months ended 30 June 2020, other operating costs included primarily maintenance of property and company cars in the amount of PLN 17.7 million, as well as business trips in the amount of PLN 1.3 million. Whereas, in the comparable period other operating costs included primarily maintenance of property and company cars in the amount of PLN 18.6 million, as well as business trips in the amount of PLN 4.1 million.

##### *i. Costs of employee benefits*

	3 months ended	6 months ended	3 months ended	6 months ended
	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
Salaries	(79.9)	(152.5)	(72.2)	(143.0)
Social insurance contributions	(7.4)	(14.1)	(5.9)	(12.7)
Costs of pension benefits	(8.4)	(17.3)	(7.3)	(13.7)
Other post-employment benefits	(0.8)	(1.0)	(1.4)	(1.4)
Other costs of employee benefits	(1.8)	(3.7)	(1.6)	(3.3)
<b>Total costs of employee benefits</b>	<b>(98.3)</b>	<b>(188.6)</b>	<b>(88.4)</b>	<b>(174.1)</b>

### 4.3 Financial income and expenses

Financial income earned during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods was as follows:

Financial income	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Interest income on investments in debt securities and bank deposits carried at amortized cost	0.4	1.6	1.5	2.9
Other interest income	0.1	0.1	(0.1)	-
Positive foreign currency translation differences	(1.5)	2.0	(1.3)	0.8
Dividends received and receivable	23.1	127.9	20.7	100.0
Gain on sale of shares in subsidiaries	-	-	1.0	1.0
Net gain on exercise and/or valuation of derivative instruments	-	-	1.3	0.6
Reversal of impairment losses on financial instruments	-	-	0.5	0.5
<b>Total</b>	<b>22.1</b>	<b>131.6</b>	<b>23.6</b>	<b>105.8</b>

Financial expenses incurred during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods were as follows:

Financial expenses	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Interest expenses on bank loans, debt securities and trade payables	-	-	-	(0.4)
Interest expenses on leases	(0.8)	(1.6)	(1.1)	(2.3)
Other interest expenses	(0.3)	(0.6)	-	(0.5)
Loss on exercise and/or valuation of derivative instruments	3.0	(2.1)	-	-
Other financial expenses	-	(0.1)	(0.6)	(0.6)
<b>Total</b>	<b>1.9</b>	<b>(4.4)</b>	<b>(1.7)</b>	<b>(3.8)</b>

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

### 4.4 Corporate income tax

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

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Current income tax and prior years' adjustments	(6.3)	(9.0)	(5.4)	(6.2)
Deferred income tax	(3.1)	(6.0)	0.6	(4.4)
<b>Income tax expense as disclosed in the statement of profit and loss</b>	<b>(9.4)</b>	<b>(15.0)</b>	<b>(4.8)</b>	<b>(10.6)</b>

During the period of 6 months ended 30 June 2020, our effective tax rate equalled 7.8%, as compared with 6.5% in the comparable period last year.

On 15 July 2016, Poland's Tax Code was amended to include the provisions of General Anti-Abuse Rule (GAAR). GAAR is intended to prevent the creation and use of artificial legal arrangements aiming to avoid payment of taxes in Poland. GAAR defines tax avoidance as an action carried out for the essential purpose of obtaining a tax benefit that under the circumstances is inconsistent with the object and purpose of relevant tax provisions. According to GAAR, an action shall not result in achieving a tax advantage if it is conducted on a non-genuine basis. The occurrence of (i) an unjustified division of operations, (ii) involvement of intermediaries without an economic or commercial reason, (iii) mutually cancelling or offsetting elements, as well as (iv) any other actions of similar nature may be considered to indicate the undertaking of artificial actions that are subject to GAAR provisions. The new regulations require much greater judgment when assessing the tax effects of each transaction.

The general anti-abuse rule shall apply to transactions conducted after its entry into force as well as to transactions that were carried out prior to its entry into force but brought tax benefits after that time or still continue to bring such benefits. The implementation of the above-mentioned regulations has enabled the Polish tax control authorities to put into question the legal arrangements and agreements undertaken by taxpayers, including the restructuring or reorganization of a group of companies.

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 are subject to control 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 control in a period of five years, counting from the end of the year in which relevant tax returns were filed. 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.

Presented below is the reconciliation of corporate income tax payable on pre-tax profit at the statutory tax rate, with corporate income tax computed at the effective tax rate.

	3 months ended 30 June 2020	6 months ended 30 June 2020	3 months ended 30 June 2019	6 months ended 30 June 2019
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
<b>Pre-tax profit from continuing operations</b>	<b>58.1</b>	<b>192.6</b>	<b>53.8</b>	<b>163.0</b>
Statutory corporate income tax rate	19%	19%	19%	19%
<b>Corporate income tax computed at the statutory tax rate</b>	<b>11.0</b>	<b>36.6</b>	<b>10.2</b>	<b>31.0</b>
Dividends received from subsidiaries and associates	(4.4)	(24.3)	(3.9)	(19.0)
Expenses related to tax-exempt dividend income	3.0	3.0	2.4	2.4
R&D tax reliefs (including prior year adjustments)	-	-	(3.4)	(3.4)
R&D tax reliefs – estimate	(0.5)	(1.0)	-	-
CIT (difference between corporate income tax recognized and the CIT-8 tax filing)	0.2	0.2	-	(0.8)
Provision for controlled foreign corporations (CFC)	0.1	0.1	0.2	0.4
Exceeding the limit of expenditures for intangible assets	0.9	0.9	-	-
Reversal of a write-down on deferred tax assets	(0.6)	(0.6)	-	-
Other permanent differences	(0.3)	0.1	(0.7)	-
<b>Corporate income tax computed at the effective tax rate</b>	<b>9.4</b>	<b>15.0</b>	<b>4.8</b>	<b>10.6</b>
<b>Effective rate of corporate income tax</b>	<b>16.2%</b>	<b>7.8%</b>	<b>8.9%</b>	<b>6.5%</b>



#### 4.5 Earnings per share

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

	3 months ended 30 June 2020	6 months ended 30 June 2020	3 months ended 30 June 2019	6 months ended 30 June 2019
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	83,000,303	83,000,303	83,000,303	83,000,303
Net profit attributable to shareholders of the Company for the reporting period (in millions of PLN)	48.7	177.6	49.0	152.4
<b>Earnings per share for the reporting period (in PLN)</b>	<b>0.59</b>	<b>2.14</b>	<b>0.59</b>	<b>1.84</b>

#### 4.6 Information on dividends paid out

On 27 April 2020, Asseco Poland S.A. held its Annual General Meeting of Shareholders which resolved that the whole amount of net profit for the financial year 2019, which equalled PLN 206.8 million, shall be distributed among Shareholders in the form of a dividend payment. Additionally, the GMS decided to increase such dividend payment by distributing a portion of prior years' retained earnings in the amount of PLN 43.0 million. This means that the total amount allocated to dividend payment reached PLN 249.8 million or PLN 3.01 per share. The dividend record date was set for 5 June 2020; whereas, the dividend payment was scheduled for 17 June 2020.

On 26 April 2019, Asseco Poland S.A. held its Annual General Meeting of Shareholders which resolved that the whole amount of net profit for the financial year 2018, which equalled PLN 166.5 million, shall be distributed among Shareholders in the form of a dividend payment. Additionally, the General Meeting of Shareholders decided to increase such dividend payment by distributing a portion of prior years' retained earnings in the amount of PLN 88.3 million. This means that the total amount allocated to dividend payment reached PLN 254.8 million or PLN 3.07 per share. The dividend record date was set for 20 May 2019; whereas, the dividend payment was scheduled for 5 June 2019.

## 5. Explanatory notes to the statement of financial position

### 5.1. Property, plant and equipment

The net book value of property, plant and equipment, during the period of 6 months ended 30 June 2020 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2020 <i>mPLN</i>	6 months ended 30 June 2019 <i>mPLN</i>
<b>Net book value of property, plant and equipment as at 1 January</b>	<b>284.6</b>	<b>268.4</b>
<b>Additions, of which:</b>	<b>19.6</b>	<b>15.5</b>
Purchases and modernization	19.6	14.6
Reclassification from assets held for sale	-	0.9
<b>Reductions, of which:</b>	<b>(12.5)</b>	<b>(12.7)</b>
Depreciation charges for the reporting period	(12.1)	(12.1)
Disposal and liquidation	(0.4)	(0.6)
<b>Net book value of property, plant and equipment as at 30 June</b>	<b>291.7</b>	<b>271.2</b>

### 5.2. Intangible assets

The net book value of intangible assets, during the period of 6 months ended 30 June 2020 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2020 <i>mPLN</i>	6 months ended 30 June 2019 <i>mPLN</i>
<b>Net book value of intangible assets as at 1 January</b>	<b>2,216.1</b>	<b>2,213.2</b>
<b>Additions, of which:</b>	<b>12.0</b>	<b>18.8</b>
Purchases and modernization	1.8	4.4
Costs of development projects in progress	10.2	14.4
<b>Reductions, of which:</b>	<b>(13.5)</b>	<b>(16.7)</b>
Amortization charges for the reporting period	(13.5)	(16.7)
<b>Net book value of intangible assets as at 30 June</b>	<b>2,214.6</b>	<b>2,215.3</b>

### 5.3. Right-of-use assets

The book value of right-of-use assets, during the period of 6 months ended 30 June 2020 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2020 <i>mPLN</i>	6 months ended 30 June 2019 <i>mPLN</i>
<b>Net book value of right-of-use assets as at 1 January</b>	<b>87.0</b>	<b>103.6</b>
<b>Additions</b>	<b>10.7</b>	<b>-</b>
Conclusion of new lease contracts	8.0	-
Modification of existing contracts (lease extension, interest rate change)	2.7	-
<b>Reductions, of which:</b>	<b>(7.6)</b>	<b>(8.1)</b>
Depreciation charges for the reporting period	(7.6)	(7.6)
Modification of existing contracts (lease shortening, interest rate change)	-	(0.5)
<b>Change in presentation</b>	<b>-</b>	<b>0.2</b>
<b>Net book value of right-of-use assets as at 30 June</b>	<b>90.1</b>	<b>95.7</b>

#### 5.4. Goodwill

The largest portion of intangible assets is constituted by goodwill recognized from business combinations that were carried out in previous years. As at 30 June 2020 and in the comparable period, goodwill arising from business combinations amounted to PLN 1,932.5 million.

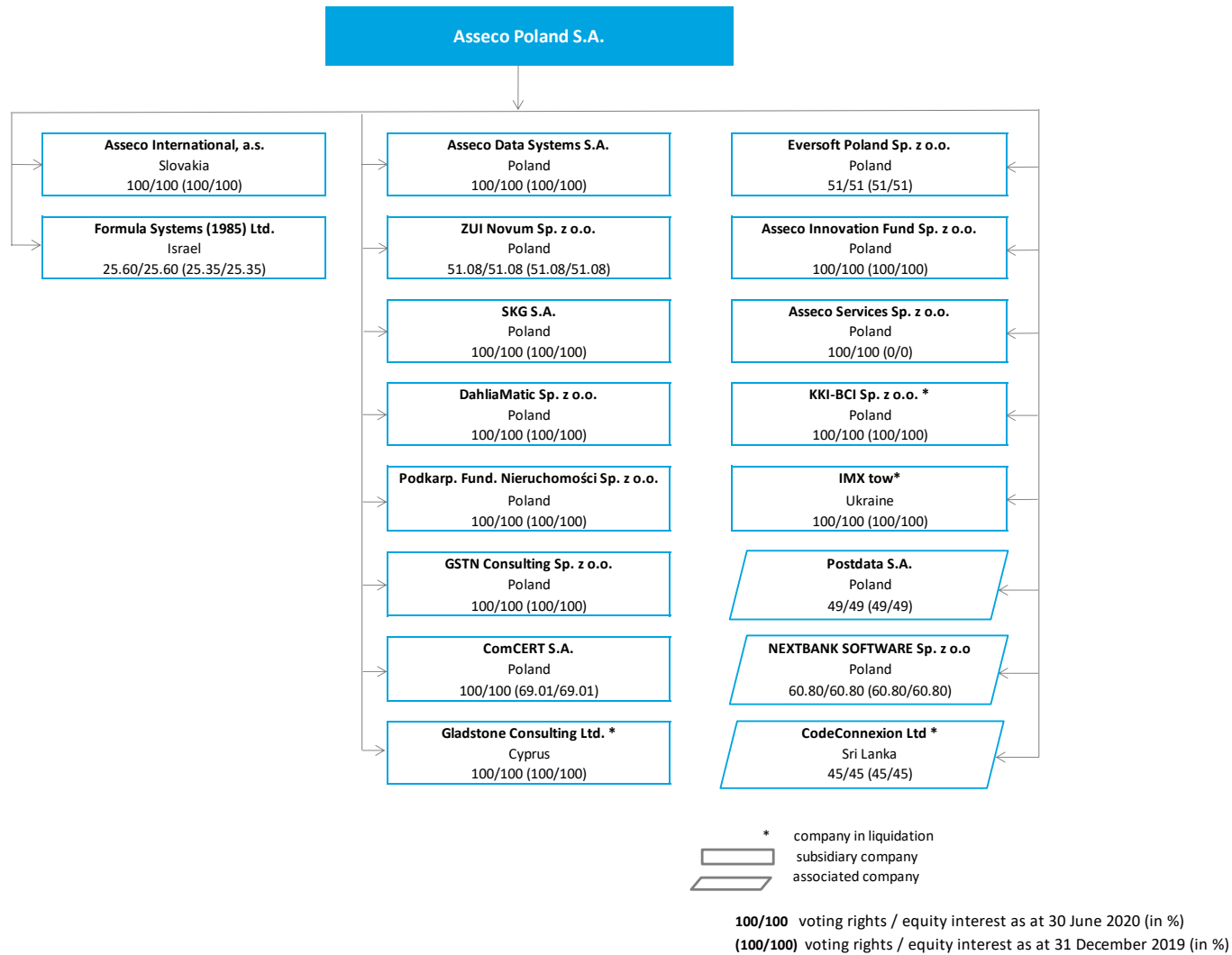
Goodwill is allocated to the following operating segments which are treated as cash-generating units:

	30 June 2020	31 Dec. 2019
	<i>mPLN</i>	<i>mPLN</i>
Goodwill allocated to the Banking and Finance segment	896.8	896.8
Goodwill allocated to the Public Administration segment	854.7	854.7
Goodwill allocated to the General Business segment	181.0	181.0
<b>Goodwill presented in intangible assets</b>	<b>1,932.5</b>	<b>1,932.5</b>

Goodwill is tested for impairment whenever there are indications of impairment, but at least once a year. The assessment of circumstances and indications that may require performing an impairment test as at 30 June 2020 has been described in explanatory note 5.6 to these interim condensed financial statements of Asseco Poland S.A.

5.5. Investments in subsidiaries and associates

The structure of Asseco Poland’s investments in subsidiaries and associates is presented in the chart below:



The Company's equity investments held as at 30 June 2020 and in the comparable period are disclosed in the table below:

	30 June 2020	31 Dec. 2019
	mPLN	mPLN
<b>Investments in companies quoted in an active market</b>		
Formula Systems (1985), Ltd.	249.2	242.6
<b>Investments in non-listed companies</b>		
Asseco International, a.s.	1,178.7	1,178.7
Asseco Data Systems S.A.	414.6	414.6
Podkarpacki Fundusz Nieruchomości Sp. z o.o.	89.2	89.2
DahliaMatic Sp. z o.o.	73.6	73.6
GSTN Consulting Sp. z o.o. and Gladstone Consulting Ltd	33.8	33.8
Nextbank Software Sp. z o.o. (associated company)	17.3	17.3
SKG S.A.	14.2	14.2
ZUI Novum Sp. z o.o.	3.9	3.9
ComCERT S.A.	5.1	3.5
Postdata S.A. (associated company)	1.0	1.0
Eversoft Poland Sp. z o.o.	0.5	0.5
Asseco Innovation Fund Sp. z o.o.	1.3	1.0
Asseco Services Sp. z o.o.	0.6	-
	<b>2,083.0</b>	<b>2,073.9</b>

During the period of 6 months ended 30 June 2020, Asseco Poland's investments in subsidiaries and associates changed as follows:

- **Establishing of a new company Asseco Services Sp. z o.o.**

On 18 March 2020, we established a new company called Asseco Services Sp. z o.o. The newly founded company is a 100% owned subsidiary of Asseco Poland S.A.

- **Acquisition of shares in Formula Systems (1985), Ltd.**

In March of this year, Asseco Poland S.A. acquired 37,755 shares in Formula Systems (1985) Ltd. The transaction value amounted to PLN 6.6 million. Following that transaction, Asseco Poland holds 3,915,601 shares, representing a 25.6% equity interest in that company.

- **Acquisition of shares in ComCERT S.A.**

On 16 June, Asseco Poland S.A. acquired 42,145 shares in the company ComCERT S.A. The transaction value amounted to PLN 1.5 million.

## 5.6. Impairment tests

### **Ref. 1 Assets employed in operating activities**

As described in explanatory note 5.4 to these interim condensed financial statements, goodwill arising from business combinations has been allocated to the Company's operating segments. The value of individual cash-generating units has been subsequently increased by net operating assets, which are used by such units to generate cash flows.

In accordance with the guidelines of the International Financial Reporting Standards, the Company's Management analyzed the indications for impairment testing, including in particular the prevailing global COVID-19 pandemic, and reviewed the execution of budgets by individual operating segments identified within the Company. The Management Board assessed that none of the above-mentioned indications requires performing an interim impairment test and, considering the industry in which the Company operates and the fact that all of its operating segments have met their budgets as at 30 June 2020, they concluded that the assumptions made in the impairment tests carried out as at 31 December 2019 remain realistic.

**Ref. 2 Assets related to investing activities**

In the case of cash-generating units constituted by companies quoted in an active market, factors indicating potential impairment may include: low market capitalization of a given cash-generating unit (i.e. excess of its book value over its market value).

Our companies or groups of companies quoted in an active market include: Asseco Business Solutions S.A., Asseco South Eastern Europe S.A., as well as Formula Systems (1985) Ltd. and its subsidiary subgroups.

The table below compares the market values of our investments in cash-generating units constituted by companies or groups of companies quoted in an active market against their carrying values as at 30 June 2020 as well as at the date of the last annual impairment test, this is as at 31 December 2019:

	Formula Systems (1985), Ltd.	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.
	mPLN	mPLN	mPLN
<b>30 June 2020</b>			
book value	249.2	268.8*	69.0*
fair value	1,152.2	911.9	527.9
<b>excess (+) / deficit (-) of fair value over carrying value</b>	<b>903.0</b>	<b>643.1</b>	<b>458.9</b>
<b>31 Dec. 2019</b>			
book value	242.6	268.8*	69.0*
fair value	1,012.1	602.4	432.3
<b>excess (+) / deficit (-) of fair value over carrying value</b>	<b>769.5</b>	<b>333.6</b>	<b>363.3</b>

\* As at 30 June 2020, our investments in Asseco South Eastern Europe and in Asseco Business Solutions S.A. both constituted indirect subsidiaries of Asseco Poland S.A. This means that the values of investments in these companies are presented as part of Asseco Poland's investment in Asseco International that maintains control over the above-mentioned companies.

The fair value of our investment in Formula Systems (1985), Ltd. is much higher than its carrying value, hence it was deemed unnecessary to perform any additional interim impairment test.

Concurrently, we have concluded that our investment in Asseco International, a.s. does not have to be tested for impairment as at the reporting date, because it comprises the groups of Asseco South Eastern Europe and Asseco Business Solutions whose market capitalizations are substantially higher than their historical carrying values, and the actual budget execution by other of its major subsidiaries is good. Moreover, we have determined that Asseco International achieved its budget goals.

As at 30 June 2020, the Company's Management has found indications of impairment only for our investments in non-publicly quoted companies that failed to execute their budgets for the first half of 2020. As a consequence, the Company considered it is necessary to conduct an impairment test only for our investments in SKG S.A. and DahliaMatic Sp. z o.o.

**Analysis of sensitivity**

Additionally, the Company carried out a sensitivity analysis in relation to the impairment test performed for our investing activity assets. Such sensitivity analysis examined the impact of changes in:

- a. discount rate applied for the residual period, i.e. for cash flows generated after 2024;
- b. compound annual growth rate of free cash flows over the period of forecast, i.e. in the years 2020-2024;

as factors with influence on the recoverable amount of a cash-generating unit, assuming other factors remain unchanged.

The objective of such sensitivity analysis was to find out how much the selected parameters applied in the model could be changed so that the estimated value in use of each cash-generating unit equalled its carrying value. The results of the conducted analysis are presented in the table below:

	Book value of investment	Discount rate for the residual period		Compound annual growth rate of free cash flows (FCFF)
		applied in the model	incremental	incremental
	mPLN	%	%	%
DahliaMatic Sp. z o.o.	73.6	10.8%	15.9%	(0.5%)

The conducted impairment tests did not indicate a necessity to recognize any impairment charges on our investments in subsidiaries as at 30 June 2020.

### 5.7. Other assets

#### i. Other financial assets

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

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	mPLN	mPLN	mPLN	mPLN
<b>Financial assets carried at amortized cost, of which:</b>	<b>15.3</b>	<b>0.5</b>	<b>16.7</b>	<b>0.5</b>
Loans granted to related parties	14.3	0.1	15.8	0.1
Loans granted to employees	1.0	0.4	0.9	0.4
<b>Financial assets carried at fair value through profit or loss, of which:</b>	<b>1.9</b>	<b>1.1</b>	<b>2.8</b>	<b>1.2</b>
Currency forward contracts	0.8	1.1	2.0	1.2
Shares in companies quoted in an active market (except for subsidiaries and associates)	1.1	-	0.8	-
<b>Financial assets carried at fair value through other comprehensive income, of which:</b>	<b>8.8</b>	<b>-</b>	<b>8.8</b>	<b>-</b>
Shares in non-listed companies (except for subsidiaries and associates)	8.8	-	8.8	-
<b>Total</b>	<b>26.0</b>	<b>1.6</b>	<b>28.3</b>	<b>1.7</b>

### 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 6 months ended 30 June 2020, the Company did not change its methods for measuring the fair value of financial instruments carried at fair value, did not transfer any instruments between individual levels of the fair value hierarchy, nor did it reclassify any financial instruments.

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

As at 30 June 2020	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	mPLN	mPLN	mPLN	mPLN
<b>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	1.9	-	1.9	-
Shares in companies listed on regulated markets	1.1	1.1	-	-
<b>Total</b>	<b>3.0</b>	<b>1.1</b>	<b>1.9</b>	<b>-</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies not listed on regulated markets	8.8	-	-	8.8
<b>Total</b>	<b>8.8</b>	<b>-</b>	<b>-</b>	<b>8.8</b>

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

As at 31 December 2019	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	mPLN	mPLN	mPLN	mPLN
<b>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	3.2	-	3.2	-
Shares in companies listed on regulated markets	0.8	0.8	-	-
<b>Total</b>	<b>4.0</b>	<b>0.8</b>	<b>3.2</b>	<b>-</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies not listed on regulated markets	8.8	-	-	8.8
<b>Total</b>	<b>8.8</b>	<b>-</b>	<b>-</b>	<b>8.8</b>

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

ii. *Non-financial assets*

The balance of other assets as at 30 June 2020 and as at 31 December 2019 comprised:

	30 June 2020	31 Dec. 2019
	mPLN	mPLN
Trade advance payments	1.6	0.9



### 5.8. Prepayments and accrued income

As at 30 June 2020 and 31 December 2019, prepayments and accrued income included the following items:

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Prepaid services, of which:	<b>12.0</b>	<b>19.7</b>	<b>13.9</b>	<b>20.8</b>
<i>maintenance services and license fees</i>	10.6	12.7	12.2	13.9
<i>rents</i>	-	0.4	-	0.3
<i>insurances</i>	0.1	1.0	0.1	0.5
<i>other services</i>	1.3	5.6	1.6	6.1
Expenses related to services performed for which revenues have not been recognized yet	-	26.8	-	17.5
Other prepayments and accrued income	0.3	2.1	0.2	0.5
<b>Total</b>	<b>12.3</b>	<b>48.6</b>	<b>14.1</b>	<b>38.8</b>

As at 30 June 2020 and at the end of the comparable period, prepayments and accrued income included primarily the costs of performing projects from which revenues will be recognized in future periods, and which qualify for capitalization in accordance with IFRS 15, as well as the costs of maintenance services and license fees that will be successively expensed in future periods.

### 5.9. Receivables and contract assets

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

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Trade receivables</b>	<b>7.1</b>	<b>140.9</b>	<b>1.4</b>	<b>186.0</b>
<b>From related parties, of which:</b>	-	<b>9.4</b>	-	<b>15.1</b>
Invoiced receivables	-	1.8	-	3.0
<i>from subsidiaries</i>	-	0.6	-	0.4
<i>from associates</i>	-	-	-	0.9
<i>from other related parties</i>	-	1.2	-	1.7
Uninvoiced receivables	-	7.6	-	12.1
<i>from subsidiaries</i>	-	2.2	-	5.1
<i>from associates</i>	-	0.2	-	0.3
<i>from other related parties</i>	-	5.2	-	6.7
<b>From other entities, of which:</b>	<b>7.1</b>	<b>131.5</b>	<b>1.4</b>	<b>170.9</b>
Invoiced receivables	-	83.6	-	98.9
Uninvoiced receivables	7.1	47.9	1.4	72.0
<b>Allowances for doubtful receivables (-)</b>	-	<b>(9.1)</b>	-	<b>(15.1)</b>
<b>Total trade receivables</b>	<b>7.1</b>	<b>131.8</b>	<b>1.4</b>	<b>170.9</b>

The decrease in allowances for doubtful receivables resulted mainly from the utilization and reversal of allowances created in previous reporting periods.

The table below presents assets from contracts with customers as at 30 June 2020 as well as at 31 December 2019.

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
<b>Contract assets</b>				
<b>from related parties, of which:</b>	-	<b>9.7</b>	-	<b>1.4</b>
Contract assets	-	9.7	-	1.4
<i>from subsidiaries</i>	-	1.5	-	1.1
<i>from associates</i>	-	0.1	-	0.3
<i>from other related parties</i>	-	8.1	-	-
<b>from other entities</b>	-	<b>90.6</b>	-	<b>48.7</b>
Contract assets	-	90.6	-	48.7
<b>Total contract assets</b>	-	<b>100.3</b>	-	<b>50.1</b>

Related party transactions have been presented in explanatory note 5.19 to these interim condensed financial statements.

The Company has adopted a relevant policy that allows for selling products and services to verified customers only. In the Management's opinion, as at 30 June 2020 there is no need to recognize additional allowances for expected credit losses. However, due to the situation caused by the COVID-19 pandemic in Poland and worldwide, the Company has implemented a process of even stricter monitoring of its receivables and has intensified its standard debt collection procedures. As at the date of publication of this report, we have found no indications to significantly increase the amount of allowances for expected credit losses or to amend the Company's policy in this respect.

The table below presents other receivables as at 30 June 2020 and as at 31 December 2019:

Other receivables	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
Receivables from dividends	-	15.6	-	18.5
Receivables from disposal of property, plant and equipment	0.7	-	0.8	-
Receivables from disposal of financial instruments or capital investments	43.9	7.2	64.4	8.2
Receivables from security deposits paid-in	3.2	5.3	3.0	5.4
Receivables in court litigation	-	0.7	-	0.8
Other receivables	0.1	3.1	-	1.0
Allowances for other doubtful receivables (-)	-	(11.8)	-	(12.8)
<b>Total other receivables</b>	<b>47.9</b>	<b>20.1</b>	<b>68.2</b>	<b>21.1</b>

### 5.10. Cash and cash equivalents

The table below presents cash and cash equivalents as at 30 June 2020 and in the comparable period:

	30 June 2020	31 Dec. 2019
	<i>mPLN</i>	<i>mPLN</i>
Cash at bank accounts	68.2	80.1
Cash at split payment accounts	0.9	4.4
Short-term (overnight) bank deposits	10.3	84.2
<b>Total cash and cash equivalents as disclosed in the statement of financial position</b>	<b>79.4</b>	<b>168.7</b>
Bank overdraft facilities utilized for current liquidity management	-	-
<b>Total cash and cash equivalents as disclosed in the cash flow statement</b>	<b>79.4</b>	<b>168.7</b>

Interest earned on cash at bank is variable and depends on interest rates offered on bank deposits. Short-term deposits are made for varying periods of between one day and three months and earn interest at their respective fixed interest rates.

### 5.11. Impairment losses on inventories

In the period of 6 months ended 30 June 2020 and in the comparable period, we did not recognize any significant impairment losses on inventories.

### 5.12. Lease liabilities

As at 30 June 2020, assets used under lease contracts where the Company is a lessee, included:

- office buildings,
- cars,
- IT hardware.

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

Lease liabilities	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
Leases of real estate	61.3	15.5	54.3	26.8
Leases of IT hardware	0.4	0.7	0.7	0.8
<b>Total</b>	<b>61.7</b>	<b>16.2</b>	<b>55.0</b>	<b>27.6</b>

### 5.13. Other financial liabilities

The table below presents other financial liabilities as at 30 June 2020 and in the comparable period:

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	mPLN	mPLN	mPLN	mPLN
<b>Financial liabilities, of which:</b>				
Liabilities from the acquisition of shares	0.3	2.2	2.2	0.5
Liabilities from forward contracts	5.1	0.1	3.8	0.2
	<b>5.4</b>	<b>2.3</b>	<b>6.0</b>	<b>0.7</b>

As at 30 June 2020 as well as at 31 December 2019, the Company had the following financial liabilities measured at fair value:

As at 30 June 2020	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	mPLN	mPLN	mPLN	mPLN
<b>Financial liabilities</b>				
Currency forward contracts	5.2	-	5.2	-
Liabilities carried at amortized cost	2.5	-	-	2.5
<b>Total</b>	<b>7.7</b>	<b>-</b>	<b>5.2</b>	<b>2.5</b>
<b>As at 31 December 2019</b>				
<b>Financial liabilities</b>				
Currency forward contracts	4.0	-	4.0	-
Liabilities carried at amortized cost	2.7	-	-	2.7
<b>Total</b>	<b>6.7</b>	<b>-</b>	<b>4.0</b>	<b>2.7</b>

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

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

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

The fair values of financial liabilities held by the Company both as at 30 June 2020 and 31 December 2019 did not significantly differ from their carrying values.

#### 5.14. Bank loans and debt securities issued

Both as at 30 June 2020 and 31 December 2019, the Company had no debt under any bank loans, but it had available credit facilities which are presented in the table below:

	Maximum debt limit available	Effective interest rate %	Repayment date	30 June 2020		31 Dec. 2019	
				Long-term	Short-term	Long-term	Short-term
<b>Bank overdraft facilities</b>				-	-	-	-
Bank overdraft facility	50.0	1M WIBOR + margin	2021-06-30	-	-	-	-
Bank overdraft facility	150.0	1M WIBOR + margin	2020-08-31	-	-	-	-
Bank overdraft facility	200.0	1M WIBOR + margin	2020-07-31	-	-	-	-
Bank overdraft facility	70.0	1M WIBOR + margin	2021-04-02	-	-	-	-
Bank overdraft facility	70.0	1M WIBOR + margin	2021-06-25	-	-	-	-
<b>TOTAL</b>				-	-	-	-

As at 30 June 2020, total funds available to Asseco Poland S.A. under bank overdraft facilities amounted to PLN 540 million but they remained unused. Whereas, as at 31 December 2019, total funds available to Asseco Poland S.A. under bank overdraft facilities amounted to PLN 570 million but they remained unused.

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

The table below presents the structure of the Company's trade payables outstanding as at 30 June 2020 and 31 December 2019:

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	mPLN	mPLN	mPLN	mPLN
<b>To related parties, of which:</b>	-	<b>12.2</b>	-	<b>13.1</b>
Invoiced payables	-	5.4	-	7.9
<i>from subsidiaries</i>	-	5.2	-	7.7
<i>from other related parties</i>	-	0.2	-	0.2
Uninvoiced payables	-	6.8	-	5.2
<i>from subsidiaries</i>	-	6.1	-	4.6
<i>from other related parties</i>	-	0.7	-	0.6
<b>To other entities, of which:</b>	<b>0.1</b>	<b>33.8</b>	-	<b>57.3</b>
Invoiced payables	0.1	16.8	-	40.1
Uninvoiced payables	-	17.0	-	17.2
<b>Total trade payables</b>	<b>0.1</b>	<b>46.0</b>	-	<b>70.4</b>

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 5.19 to these interim condensed financial statements.

As at 30 June 2020 and 31 December 2019, the Company had the following state budget liabilities and other liabilities:

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
<b>Corporate income tax payable</b>	-	-	-	<b>4.6</b>
<b>Other liabilities to the state and local budgets</b>				
Personal income tax (PIT)	-	2.2	-	5.2
Social security contributions	-	8.7	-	7.8
Other	-	2.7	-	0.2
<b>Total liabilities to the state and local budgets</b>	-	<b>13.6</b>	-	<b>13.2</b>
<b>Other liabilities</b>				
Received advances of grants related to assets	-	0.4	-	5.6
Liabilities from purchases of tangible assets and intangible assets	-	1.7	-	5.2
Other liabilities	0.1	0.5	0.1	0.7
<b>Total other liabilities</b>	<b>0.1</b>	<b>2.6</b>	<b>0.1</b>	<b>11.5</b>

#### 5.16. Contract liabilities

The table below presents the structure of the Company's liabilities from contracts with customers as at 30 June 2020 and 31 December 2019:

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
<b>Contract liabilities</b>				
<b>To related parties, of which:</b>	-	<b>0.3</b>	-	<b>0.7</b>
Deferred income arising from contracts with customers	-	0.3	-	0.7
<b>To other entities, of which:</b>	<b>19.1</b>	<b>45.9</b>	<b>17.5</b>	<b>34.2</b>
Deferred income arising from contracts with customers	19.1	40.0	17.5	26.5
Liabilities arising from valuation of IT contracts	-	5.9	-	7.7
<b>Total contract liabilities</b>	<b>19.1</b>	<b>46.2</b>	<b>17.5</b>	<b>34.9</b>

### 5.17. Provisions

Changes in the amount of provisions during the period of 6 months ended 30 June 2020 and in the comparable period are presented in the table below:

	Provision for compensations	Post- employment benefits	Provision for warranty repairs	Provision for onerous contracts	Other provisions	Total
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
<b>As at 1 January 2020</b>	-	<b>2.9</b>	<b>0.2</b>	<b>9.1</b>	<b>0.1</b>	<b>12.3</b>
Provisions created (+)	-	0.7	0.1	3.1	-	<b>3.9</b>
Unwinding of discount (+)	-	-	-	0.2	-	<b>0.2</b>
Provisions utilized / reversed (-)	-	-	(0.1)	(4.3)	-	<b>(4.4)</b>
<b>As at 30 June 2020, of which:</b>	-	<b>3.6</b>	<b>0.2</b>	<b>8.1</b>	<b>0.1</b>	<b>12.0</b>
Short-term	-	0.4	0.2	7.7	0.1	<b>8.4</b>
Long-term	-	3.2	-	0.4	-	<b>3.6</b>
<b>As at 1 January 2019</b>	<b>0.3</b>	<b>2.2</b>	<b>0.1</b>	<b>18.8</b>	<b>0.1</b>	<b>21.5</b>
Provisions created (+)	-	0.5	0.4	0.1	-	<b>1.0</b>
Unwinding of discount (+)	-	-	-	0.5	-	<b>0.5</b>
Provisions utilized / reversed (-)	(0.3)	-	-	(5.6)	-	<b>(5.9)</b>
<b>As at 30 June 2019, of which:</b>	-	<b>2.7</b>	<b>0.5</b>	<b>13.8</b>	<b>0.1</b>	<b>17.1</b>
Short-term	-	0.4	0.5	4.8	0.1	<b>5.8</b>
Long-term	-	2.3	-	9.0	-	<b>11.3</b>

The provision for post-employment benefits relates entirely to retirement benefits which are to be potentially paid to the Company's employees when they go into retirement. In compliance with the Labour Code provisions, Asseco Poland S.A. makes a severance payment in the amount of one-month average salary to each retiring employee.

### 5.18. Accruals and deferred income

	30 June 2020		31 Dec. 2019	
	Long-term	Short-term	Long-term	Short-term
	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>	<i>mPLN</i>
<b>Accruals, of which:</b>				
Accrual for unused holiday leaves	-	20.3	-	12.7
Accrual for employee and management bonuses	-	20.8	-	20.3
	-	<b>41.1</b>	-	<b>33.0</b>
<b>Deferred income, of which:</b>				
Grants related to assets	45.1	1.5	32.7	1.5
	<b>45.1</b>	<b>1.5</b>	<b>32.7</b>	<b>34.5</b>

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

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

### 5.19. Related party transactions

Revenues from related parties include sales of goods and IT services related to ongoing IT projects, as well as proceeds from letting of own office space and from other activities. Transactions with management board members of other companies of the Group are associated with proceeds from the sale of shares.

Purchases from related parties include purchases of goods and services related to ongoing IT projects, sponsorship activities, as well as purchases of consulting and telecommunication services.

	Revenues		Costs	
	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Transactions with subsidiaries	39.2	12.6	32.8	33.3
Transactions with entities related through the Key Management Personnel and Members of the Supervisory Board	0.8	0.8	0.1	-
Transactions with Members of the Management Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.3	0.4
Transactions with Members of the Supervisory Board	-	-	0.6	1.0
<b>Total related party transactions</b>	<b>40.0</b>	<b>13.4</b>	<b>33.8</b>	<b>34.7</b>

	Trade receivables, other receivables and contract assets as at		Trade payables and other liabilities as at	
	30 June 2020 mPLN	31 Dec. 2019 mPLN	30 June 2020 mPLN	31 Dec. 2019 mPLN
Transactions with subsidiaries	24.2	23.6	11.8	13.1
Transactions with the Group's Key Management Personnel	48.9	70.6	-	-
Transactions with entities related through the Key Management Personnel and Members of the Supervisory Board	0.3	0.3	0.1	0.2
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.7	0.6
<b>Total related party transactions</b>	<b>73.4</b>	<b>94.5</b>	<b>12.6</b>	<b>13.9</b>

As at 30 June 2020, receivables from related parties comprised trade receivables and contract assets amounting to PLN 19.1 million, as well as other receivables amounting to PLN 54.3 million. As at 31 December 2019, receivables from related parties comprised trade receivables and contract assets amounting to PLN 16.5 million, as well as other receivables amounting to PLN 78.0 million.

As at 30 June 2020, liabilities to related parties comprised trade payables and contract liabilities amounting to PLN 12.5 million, as well as other liabilities amounting to PLN 0.1 million. As at 31 December 2019, liabilities to related parties comprised trade payables amounting to PLN 13.8 million, as well as other liabilities amounting to PLN 0.1 million.

	30 June 2020 mPLN	31 Dec. 2019 mPLN
Loans granted to related parties		
Podkarpacki Fundusz Nieruchomości Sp. z o.o.	12.6	14.1
Eversoft Poland Sp. z o.o.	1.8	1.8
<b>Total</b>	<b>14.4</b>	<b>15.9</b>

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



## 6. Explanatory notes to the statement of cash flows

### 6.1st Cash flows – operating activities

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

	6 months ended 30 June 2020	6 months ended 30 June 2019
	<i>mPLN</i>	<i>mPLN</i>
Change in inventories	7.1	-
Change in receivables and contract assets	(18.5)	(23.3)
Change in other non-financial assets	(0.7)	0.7
Change in payables and contract liabilities	(24.3)	(12.2)
Change in prepayments and accruals	13.5	(7.3)
Change in provisions	(0.4)	(4.4)
<b>Total</b>	<b>(23.3)</b>	<b>(46.5)</b>

### 6.2nd Cash flows – investing activities

In the period of 6 months ended 30 June 2020, the amount of cash flows from investing activities was affected primarily by acquisitions of property, plant and equipment and intangible assets, as well as by expenditures for development projects:

	6 months ended 30 June 2020	6 months ended 30 June 2019
	<i>mPLN</i>	<i>mPLN</i>
Disposal of property, plant and equipment	1.0	4.1
Acquisition of property, plant and equipment	(23.2)	(13.5)
Acquisition of intangible assets	(1.7)	(4.3)
Expenditures for development projects	(9.8)	(13.5)

The table below presents expenditures for the acquisition of shares as well as proceeds from the sale of shares during the period of 6 months ended 30 June 2020:

Name of entity	Expenditures for the acquisition of shares	Proceeds from the sale of shares
	<i>mPLN</i>	<i>mPLN</i>
Asseco Innovation Fund	(0.5)	-
Asseco Services Sp. z o.o.	(0.6)	-
ComCERT S.A.	(1.7)	-
Asseco South Eastern Europe	-	2.6
Asseco Central Europe, a.s.	-	3.6
Formula Systems (1985), Ltd.	(6.5)	18.8
<b>Total</b>	<b>(9.3)</b>	<b>25.0</b>

The following table presents detailed cash flows relating to loans during the period of 6 months ended 30 June 2020:

Name of entity	Loans collected	Loans granted
	<i>mPLN</i>	<i>mPLN</i>
Podkarpacki Fundusz Nieruchomości Sp. z o.o.	1.5	-
Other entities (mainly loans for employees)	0.9	(1.0)
<b>Total</b>	<b>2.4</b>	<b>(1.0)</b>

### 6.3rdCash flows – financing activities

Dividends paid out represent the divided of PLN 249.8 million that was distributed by the Company for the year 2019, which has been described in detail in explanatory note 4.6;

## 7. Other explanatory notes

### 7.1st Off-balance-sheet liabilities

The table below presents our contingent liabilities as at 30 June 2020 and 31 December 2019:

Contingent liabilities	30 June 2020	31 Dec. 2019
	<i>mPLN</i>	<i>mPLN</i>
<b>Liabilities from guarantees of due performance of contracts</b>		
Liabilities falling due within 3 months	1.9	2.4
Liabilities falling due within 3 to 12 months	39.4	30.1
Liabilities falling due within 1 to 5 years	68.4	69.7
Liabilities falling due after 5 years	4.6	7.7
<b>Total</b>	<b>114.3</b>	<b>109.9</b>

In the Management's opinion, the probability of having to satisfy our liabilities from guarantees of due performance of contracts as presented in the table above is negligible; however, due to their amount, it was decided to make an appropriate disclosure in these interim condensed financial statements.

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 Company as at 30 June 2020 nor as at 31 December 2019.

As at 30 June 2020, the Company's contingent liabilities resulted from sureties granted by the Company for its related Asseco Lietuva UAB and were as follows:

- On 13 November 2017, Asseco Poland made a commitment to grant a surety up to the amount of PLN 6.2 million in favour of SG Equipment Leasing Polska Sp. z o.o. in order to secure a loan agreement. Asseco Poland's obligations resulting from this surety shall expire upon the repayment of all liabilities under the loan agreement by Asseco Lietuva UAB; however, not later than till 31 December 2020. As at the reporting date of 30 June 2020, such liabilities amounted to PLN 1.1 million.

### Disputes in litigation as at the end of the reporting period

As at 30 June 2020, the Company was party to court proceedings, in which the total value of the subject in dispute amounted to approx. PLN 13.3 million. The Company's Management assessed the validity of claims brought in court and considered them to be groundless, and consequently assessed the risk of an outflow of economic benefits from the Company to be so small that there was no need to create any provision. In the said disputes, the claimant makes unjustified demands upon the Company to transfer proprietary software copyrights and extend the licenses granted.

In addition, during 2019, a new court dispute was brought against the Company in which the claimant filed a claim for payment of PLN 17.1 million (the Company was sued jointly and severally with its subsidiary Asseco Data Systems S.A.). The Company's Management assessed the validity of claims presented in the lawsuit and considered them to be completely groundless. Thus the Management determined there was no need to create any provision for such claims as at 30 June 2020.

### 7.2nd Seasonal and cyclical business

The Company's operating revenues are subject to some seasonality in individual quarters of the year. The fourth quarter revenues tend to be somewhat higher than in the remaining periods, as bulk of such turnover is generated from the sale of IT services for large enterprises and public administration. Such entities often decide to make higher purchases of hardware and licenses in the last months of a year.

7.3rd Employment

Number of employees as at:	30 June 2020	31 Dec. 2019
Management Board	10	10
Production departments	1,879	1,879
Sales departments	83	80
Administration departments	343	355
<b>Total</b>	<b>2,315</b>	<b>2,324</b>

7.4th Significant events after the reporting period

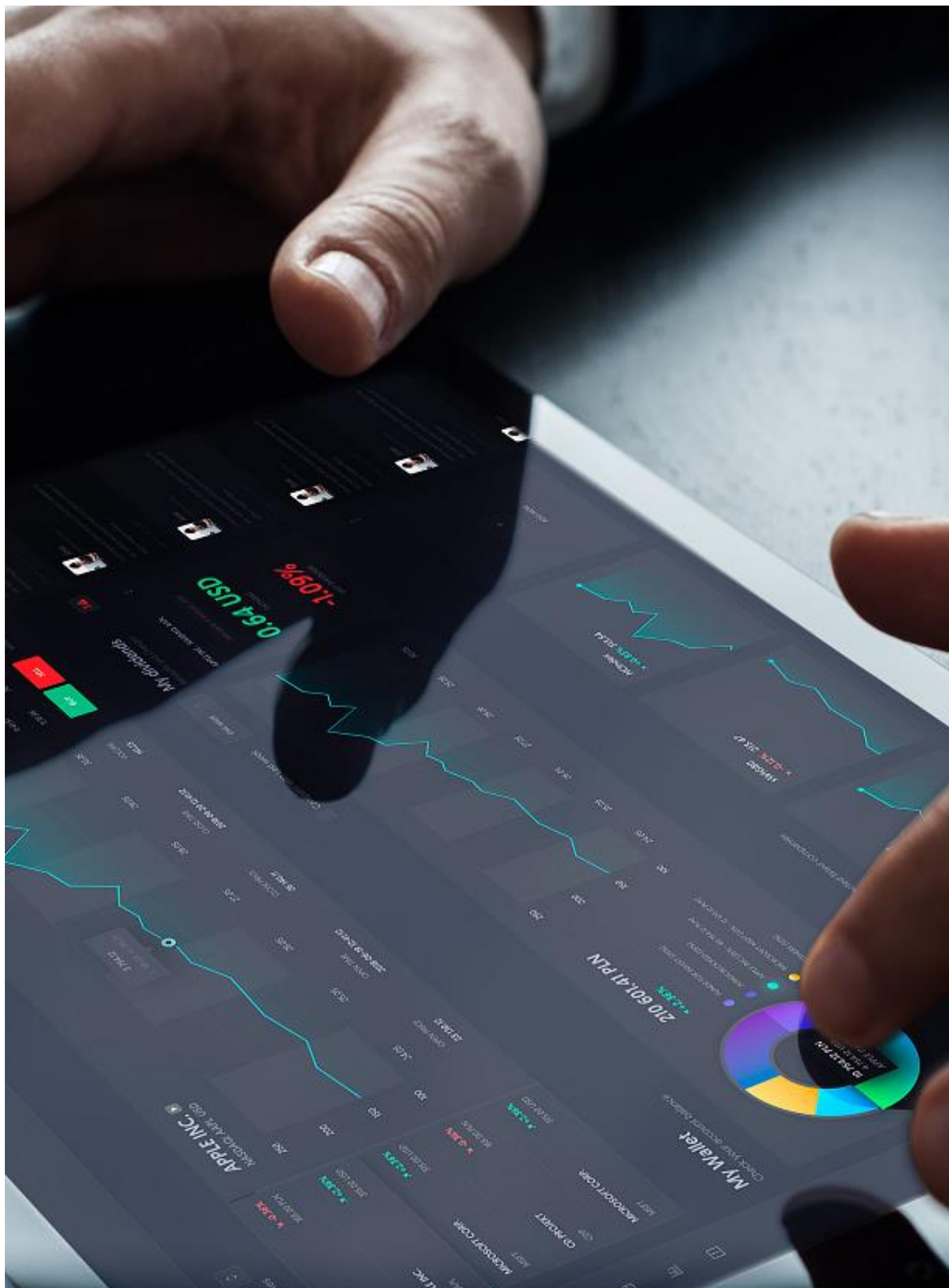
- **Registration of the merger of Asseco Poland S.A. with SKG S.A.**

On 1 July 2020, the District Court in Rzeszów made an entry in the register of entrepreneurs of the merger between Asseco Poland S.A. and SKG S.A. The merger of both the companies was carried out by transferring all the assets of SKG to Asseco Poland. Because the taking-over company already held all the shares in the acquired company, the merger was conducted without increasing the share capital of the taking-over company as well as without an exchange of shares in SKG S.A. (being the acquired company) for shares in Asseco Poland S.A. (acting as the taking-over company). As a result of the merger, the company of SKG S.A. has been dissolved without going into liquidation. The objective of the merger of Asseco Poland and SKG is to benefit from synergy effects as well as to further develop Asseco's competence in IT services provided to the public finance sector and in handling of customs, transport and forwarding processes. As at 30 June 2020, the investment in SKG was worth PLN 14.2 million, while its net assets value stood at PLN 8.9 million. Presented below are the financial results generated by SKG S.A. for the interim period ended 30 June 2020:

	6 months ended 30 June 2020
	mPLN
Total sales revenues	4.8
Total costs	(4.5)
Pre-tax profit	0.3
Net profit	0.2

7.5th Significant events related to prior years

Until the date of preparing these interim condensed financial statements for the period of 6 months ended 30 June 2020, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.



## Approval for publication by the Management Board

These condensed financial statements of Asseco Poland S.A. for the period of 6 months ended 30 June 2020 have been approved for publication by the Management Board of Asseco Poland S.A. on 27 August 2020.

**Management Board:**

President  
of the Management Board  
Adam Góral

Vice President  
of the Management Board  
Andrzej Dopierała

Vice President  
of the Management Board  
Krzysztof Groyecki

Vice President  
of the Management Board  
Rafał Kozłowski

Vice President  
of the Management Board  
Marek Panek

Vice President  
of the Management Board  
Paweł Piwowar

Vice President  
of the Management Board  
Zbigniew Pomianek

Vice President  
of the Management Board  
Sławomir Szmytkowski

Vice President  
of the Management Board  
Artur Wiza

Vice President  
of the Management Board  
Gabriela Żukowicz

**Person responsible for maintaining the accounting books:**

Chief Accountant

Renata Bojdo

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