

**Quarterly Report
of Asseco South Eastern Europe Group
for the period of 9 months ended
30 September 2023**



Present in
23 countries



PLN 1,153.9 million
in sales revenues



3,827
highly committed
Employees



PLN 154.6 million
of net profit
for Shareholders
of the Parent Company

Quarterly Report of Asseco South Eastern Europe Group for the period of 9 months ended 30 September 2023

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2023	1
FINANCIAL HIGHLIGHTS	5
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	12
EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	13
I. GENERAL INFORMATION	13
II. BASIS FOR THE PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS	14
2.1. Basis for preparation	14
2.2. Compliance statement	14
2.3. Functional currency, presentation currency and hyperinflation	15
2.4. Professional judgement and estimates	15
2.5. Accounting policies applied.....	15
2.6. New standards and interpretations published but not in force yet	16
2.7. Changes in the presentation methods applied.....	16
2.8. Correction of errors.....	16
2.9. Changes in the comparable data.....	16
2.10. Accounting effects of Turkey's status as a hyperinflationary economy	21
III. ORGANIZATION AND CHANGES IN THE STRUCTURE OF ASSECO SOUTH EASTERN EUROPE GROUP, INCLUDING THE ENTITIES SUBJECT TO CONSOLIDATION	26
IV. INFORMATION ON OPERATING SEGMENTS	28
V. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS	31
5.1. Structure of operating revenues	31
5.2. Structure of operating costs.....	33
5.3. Other operating income and expenses	34
5.4. Financial income and expenses.....	35
5.5. Corporate income tax	36
5.6. Earnings per share.....	36
5.7. Information on dividends paid out.....	36
VI. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	37
6.1. Property, plant and equipment.....	37
6.2. Intangible assets	37
6.3. Right-of-use assets	38
6.4. Goodwill	38
6.5. Other financial assets.....	41
6.6. Prepayments and accrued income	43
6.7. Receivables and contract assets.....	43
6.8. Inventories	44
6.9. Cash and cash equivalents	45
6.10. Lease liabilities	45
6.11. Bank loans and borrowings	46
6.12. Other financial liabilities	47
6.13. Trade payables, state budget liabilities and other liabilities	49
6.14. Provisions.....	50
6.15. Accruals and deferred income	50
6.16. Related party transactions	50
VII. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS	53
7.1. Cash flows – operating activities	53
7.2. Cash flows – investing activities	53
7.3. Cash flows – financing activities	53

VIII.	OTHER EXPLANATORY NOTES	55
8.1.	Off-balance-sheet liabilities	55
8.2.	Seasonal and cyclical business	56
8.3.	Employment.....	56
8.4.	Significant events after the reporting period	56
8.5.	Significant events related to prior years	57
SUMMARY AND ANALYSIS OF THE FINANCIAL RESULTS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2023		58
I.	FINANCIAL RESULTS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE THIRD QUARTER OF 2023.....	59
II.	FINANCIAL RESULTS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2023 /CUMULATIVE/.....	62
III.	ANALYSIS OF FINANCIAL RATIOS.....	65
IV.	STRUCTURE OF THE STATEMENT OF CASH FLOWS	66
V.	INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS	67
VI.	NON-RECURRING EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE	68
VII.	AUTHORITIES OF ASSECO SOUTH EASTERN EUROPE S.A.	68
VIII.	SHAREHOLDERS STRUCTURE OF ASSECO SOUTH EASTERN EUROPE S.A.	69
IX.	OTHER INFORMATION	70
9.1	Issuance, redemption and repayment of non-equity and equity securities	70
9.2	Changes in the organizational structure of the Issuer's Group	70
9.3	Information on significant judicial proceedings	70
9.4	Related party transactions	70
9.5	Bank loans, borrowings, sureties, guarantees and off-balance-sheet liabilities	70
9.6	Changes in the Group management policies.....	70
9.7	Agreements concluded by the Group and Company with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions	70
9.8	Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders	70
9.9	Opinion on feasibility of the Management's financial forecasts for 2023	70
9.10	Information on monitoring of employee stock option plans.....	71
9.11	Factors which in the Management's opinion will affect the Group's financial performance at least in the next quarter	71
9.12	Other factors significant for the assessment of human resources, assets and financial position	72
INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE S.A. FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2023.....		73
FINANCIAL HIGHLIGHTS		74
INTERIM CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME.....		75
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION		76
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY.....		78
INTERIM CONDENSED STATEMENT OF CASH FLOWS.....		79

Financial Highlights

Asseco South Eastern Europe Group

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000	9 months ended 30 September 2023 EUR'000	9 months ended 30 September 2022 EUR'000
Operating revenues	1,153,937	1,080,586	252,100	230,499
Operating profit	164,286	154,272	35,891	32,908
Pre-tax profit	192,296	186,267	42,011	39,733
Net profit for the reporting period	159,333	157,492	34,809	33,595
Net profit attributable to Shareholders of the Parent Company	154,559	152,657	33,766	32,563
Net cash provided by (used in) operating activities	136,899	156,754	29,908	33,437
Net cash provided by (used in) investing activities	(46,974)	(72,284)	(10,262)	(15,419)
Net cash provided by (used in) financing activities	(121,376)	(76,657)	(26,517)	(16,352)
Cash and cash equivalents at the end of the period (comparable data as at 31 December 2022)	252,891	298,034	54,554	63,548
Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	2.98	2.94	0.65	0.63
Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	2.98	2.94	0.65	0.63

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

- Items of the consolidated statement of profit and loss and consolidated statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
 - for the period from 1 January 2023 to 30 September 2023: EUR 1 = PLN 4.5773
 - for the period from 1 January 2022 to 30 September 2022: EUR 1 = PLN 4.6880
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 30 September 2023: EUR 1 = PLN 4.6356
 - exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899

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

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

Asseco South Eastern Europe Group

STATEMENT OF PROFIT AND LOSS		3 months ended 30 September 2023	9 months ended 30 September 2023	3 months ended 30 September 2022 (restated)	9 months ended 30 September 2022 (restated*)
	Note	PLN'000	PLN'000	PLN'000	PLN'000
Operating revenues	5.1	398,346	1,153,937	419,488	1,080,586
Cost of sales	5.2	(287,052)	(840,942)	(317,034)	(798,059)
Allowances for trade receivables	5.2	(1,165)	(4,845)	(530)	(1,083)
Gross profit on sales		110,129	308,150	101,924	281,444
Selling costs	5.2	(25,561)	(73,148)	(23,325)	(65,814)
General and administrative expenses	5.2	(24,245)	(71,483)	(22,796)	(62,752)
Net profit on sales		60,323	163,519	55,803	152,878
Other operating income	5.3	728	1,834	1,184	2,291
Other operating expenses	5.3	(481)	(1,150)	(219)	(897)
Share of profits of associates		65	83	-	-
Operating profit		60,635	164,286	56,768	154,272
Financial income	5.4	18,338	42,783	12,350	44,475
Financial expenses	5.4	(3,010)	(14,755)	(6,586)	(12,467)
Impairment loss on financial instruments		(6)	(18)	(3)	(13)
Pre-tax profit		75,957	192,296	62,529	186,267
Corporate income tax (current and deferred tax expense)	5.5	(12,321)	(32,963)	(10,569)	(28,775)
Net profit for the reporting period		63,636	159,333	51,960	157,492
<i>Attributable to:</i>					
Shareholders of the Parent Company		62,545	154,559	49,936	152,657
Non-controlling interests		1,091	4,774	2,024	4,835
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)					
	5.6	1.21	2.98	0.96	2.94
OTHER COMPREHENSIVE INCOME					
Net profit for the reporting period		63,636	159,333	51,960	157,492
Components that may be reclassified to profit or loss		37,103	(47,688)	30,442	73,632
Net gain/loss on valuation of financial assets		15	87	-	7
Exchange differences on translation of foreign operations		37,088	(47,775)	30,841	40,806
Restatement of non-monetary assets as at 1 January – impact of hyperinflation		-	-	(399)	32,819
Components that will not be reclassified to profit or loss		-	-	-	-
Actuarial gains/losses		-	-	-	-
Total other comprehensive income		37,103	(47,688)	30,442	73,632
TOTAL COMPREHENSIVE INCOME attributable to:		100,739	111,645	82,402	231,124
Shareholders of the Parent Company		98,763	106,738	79,338	225,151
Non-controlling interests		1,976	4,907	3,064	5,973

*The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

Asseco South Eastern Europe Group

ASSETS	Note	30 September	30 June	31 December	30 September
		2023	2023	2022	2022
		PLN'000	(restated) PLN'000	(restated) PLN'000	(restated*) PLN'000
Non-current assets					
Property, plant and equipment	<u>6.1</u>	136,011	130,895	135,969	137,475
Intangible assets	<u>6.2</u>	49,685	51,538	59,616	65,600
Right-of-use assets	<u>6.3</u>	49,416	45,743	43,131	43,735
Investment property		516	504	550	573
Goodwill	<u>6.4</u>	785,610	743,784	794,100	795,804
Investments accounted for using the equity method		262	189	170	-
Other receivables	<u>6.7</u>	8,698	7,457	7,886	9,074
Deferred tax assets		13,762	13,519	11,417	13,167
Other financial assets	<u>6.5</u>	1,561	1,486	2,424	1,354
Prepayments and accrued income	<u>6.6</u>	1,330	1,189	1,454	2,670
		1,046,851	996,304	1,056,717	1,069,452
Current assets					
Inventories	<u>6.8</u>	112,661	70,974	57,045	74,361
Prepayments and accrued income	<u>6.6</u>	49,708	44,291	48,008	43,726
Trade receivables	<u>6.7</u>	222,736	201,676	290,358	203,908
Contract assets	<u>6.7</u>	134,001	116,940	78,739	110,601
Corporate income tax receivable	<u>6.7</u>	2,336	2,129	2,433	2,476
Receivables from the state and local budgets	<u>6.7</u>	8,288	4,739	3,806	8,221
Other receivables	<u>6.7</u>	31,306	22,993	23,822	20,611
Other non-financial assets		5,112	6,210	9,936	6,942
Other financial assets	<u>6.5</u>	823	1,014	319	287
Cash and bank deposits	<u>6.9</u>	252,891	295,764	298,034	244,250
		819,862	766,730	812,500	715,383
TOTAL ASSETS		1,866,713	1,763,034	1,869,217	1,784,835

*The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

Asseco South Eastern Europe Group

EQUITY AND LIABILITIES	Note	30 September	30 June	31 December	30 September
		2023	2023	2022	2022
		PLN'000	(restated) PLN'000	(restated) PLN'000	(restated*) PLN'000
Equity <i>(attributable to shareholders of the Parent Company)</i>					
Share capital		518,943	518,943	518,943	518,943
Share premium		38,826	38,826	38,826	38,826
Transactions with non-controlling interests		(35,841)	(34,957)	(35,692)	(38,053)
Other capitals		490	313	(77)	(237)
Exchange differences on translation of foreign operations		(126,212)	(162,406)	(78,304)	(43,642)
Retained earnings		745,262	682,716	666,469	631,297
		1,141,468	1,043,435	1,110,165	1,107,134
Non-controlling interests		7,654	7,966	8,515	8,097
Total equity		1,149,122	1,051,401	1,118,680	1,115,231
Non-current liabilities					
Bank loans and borrowings	6.11	43,288	32,772	48,635	48,111
Lease liabilities	6.10	32,472	29,164	25,700	25,939
Other financial liabilities	6.12	79,415	75,582	91,566	77,655
Deferred tax liabilities		5,951	6,173	7,205	9,065
Provisions	6.14	3,465	3,211	3,886	2,976
Contract liabilities	6.13	4,272	6,588	8,455	8,863
Other liabilities	6.13	50	59	74	573
		168,913	153,549	185,521	173,182
Current liabilities					
Bank loans and borrowings	6.11	52,508	62,177	66,455	58,196
Lease liabilities	6.10	18,355	17,976	19,418	19,659
Other financial liabilities	6.12	62,236	142,190	62,071	54,753
Trade payables	6.13	152,613	104,551	123,980	130,388
Contract liabilities	6.13	130,176	119,229	148,360	121,006
Corporate income tax payable	6.13	10,696	9,217	9,081	8,359
Liabilities to the state and local budgets	6.13	26,185	23,872	46,357	22,326
Other liabilities	6.13	39,114	31,491	48,894	27,923
Provisions	6.14	6,078	5,474	5,289	4,926
Deferred income	6.15	3,113	2,899	2,570	2,405
Accruals	6.15	47,604	39,008	32,541	46,481
		548,678	558,084	565,016	496,422
TOTAL LIABILITIES		717,591	711,633	750,537	669,604
TOTAL EQUITY AND LIABILITIES		1,866,713	1,763,034	1,869,217	1,784,835

* The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	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 (restated)		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		-	-	-	-	-	154,559	154,559	4,774	159,333
Other comprehensive income for the reporting period		-	-	-	87	(47,908)	-	(47,821)	133	(47,688)
Total comprehensive income for the reporting period		-	-	-	87	(47,908)	154,559	106,738	4,907	111,645
Share-based payment transactions with employees		-	-	-	480	-	-	480	-	480
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(149)	-	-	-	(149)	87	(62)
Dividend	<u>5.7</u>	-	-	-	-	-	(75,766)	(75,766)	(5,855)	(81,621)
As at 30 September 2023		518,943	38,826	(35,841)	490	(126,212)	745,262	1,141,468	7,654	1,149,122

Interim Condensed Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2022		518,943	38,826	(19,887)	(500)	(116,129)	545,066	966,319	4,157	970,476
Net profit for the reporting period		-	-	-	-	-	187,828	187,828	7,728	195,556
Other comprehensive income for the reporting period		-	-	-	5	37,825	-	37,830	372	38,202
Total comprehensive income for the reporting period		-	-	-	5	37,825	187,828	225,658	8,100	233,758
Share-based payment transactions with employees		-	-	-	418	-	-	418	-	418
Obtaining control over subsidiaries		-	-	-	-	-	-	-	4	4
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(15,805)	-	-	-	(15,805)	51	(15,754)
Dividend	<u>5.7</u>	-	-	-	-	-	(66,425)	(66,425)	(3,797)	(70,222)
As at 31 December 2022 (restated)		518,943	38,826	(35,692)	(77)	(78,304)	666,469	1,110,165	8,515	1,118,680

Interim Condensed Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

Note	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2022	518,943	38,826	(19,887)	(500)	(116,129)	545,066	966,319	4,157	970,476
Net profit for the reporting period	-	-	-	-	-	152,657	152,657	4,835	157,492
Restatement of non-monetary assets as at 1 January – impact of hyperinflation	-	-	-	-	32,819	-	32,819	-	32,819
Other comprehensive income for the reporting period	-	-	-	7	39,668	-	39,675	1,138	40,813
Total comprehensive income for the reporting period	-	-	-	7	72,487	152,657	225,151	5,973	231,124
Share-based payment transactions with employees	-	-	-	256	-	-	256	-	256
Obtaining control over subsidiaries	-	-	-	-	-	-	-	4	4
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	-	-	(18,166)	-	-	-	(18,166)	1,565	(16,601)
Dividend	<u>5.7</u>	-	-	-	-	(66,425)	(66,425)	(3,602)	(70,027)
As at 30 September 2022 (restated)	518,943	38,826	(38,053)	(237)	(43,642)	631,297	1,107,134	8,097	1,115,231

Interim Condensed Consolidated Statement of Cash Flows

Asseco South Eastern Europe Group

	Note	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 (restated) PLN'000
Cash flows – operating activities			
Pre-tax profit		192,296	186,267
Total adjustments:		(19,777)	3,187
Depreciation and amortization	5.2	67,188	69,500
Changes in working capital	7.1	(67,936)	(44,370)
Interest income/expenses		3,450	3,056
Gain/loss on foreign exchange differences		(194)	(2,022)
Gain/loss on financial assets (valuation, disposal, etc.)		(440)	457
Income/expenses from sale of subsidiaries		-	3,029
Other financial income/expenses		134	2,648
Gain/loss on sale, disposal and impairment of property, plant and equipment, intangible assets, and right-of-use assets		504	(156)
Costs of share-based payment transactions with employees		480	256
Impact of hyperinflation		(22,833)	(29,223)
Other adjustments to pre-tax profit		(130)	12
Cash provided by (used in) operating activities		172,519	189,454
Corporate income tax paid		(35,620)	(32,700)
Net cash provided by (used in) operating activities		136,899	156,754
Cash flows – investing activities			
Inflows			
Disposal of property, plant and equipment, and intangible assets		746	999
Sale of shares in subsidiaries, net of cash and cash equivalents in subsidiaries sold		-	1,211
Disposal/settlement of financial assets carried at fair value through profit or loss or through other comprehensive income		-	3
Disposal of investments in other debt securities carried at amortized cost (cash deposits)		61	7
Loans collected		269	49
Interest received		1	2
Outflows			
Acquisition of property, plant and equipment, and intangible assets (including R&D expenditures)	7.2	(38,389)	(42,463)
Acquisition of subsidiaries, net of cash and cash equivalents in subsidiaries acquired	7.2	(9,485)	(31,456)
Acquisition/settlement of financial assets carried at fair value through profit or loss		(38)	(447)
Loans granted		(139)	(189)
Net cash provided by (used in) investing activities		(46,974)	(72,284)
Cash flows – financing activities			
Inflows			
Proceeds from issuance of shares		-	4
Proceeds from bank loans and borrowings	7.3	1,275	40,099
Received grants related to assets and/or development projects		566	654
Outflows			
Repayments of bank loans and borrowings	7.3	(21,311)	(27,589)
Payments of lease liabilities	7.3	(16,844)	(16,519)
Interest paid	7.3	(3,112)	(2,949)
Acquisition of non-controlling interests		(330)	(201)
Dividends paid out by the Parent Company	7.3	(75,766)	(66,425)
Dividends paid out to non-controlling shareholders	7.3	(5,854)	(3,731)
Net cash provided by (used in) financing activities		(121,376)	(76,657)
Net increase (decrease) in cash and cash equivalents		(31,451)	7,813
Net foreign exchange differences		(15,719)	2,608
Net cash and cash equivalents as at 1 January		264,750	204,629
Net cash and cash equivalents as at 30 September	6.9	217,580	215,050

Explanatory notes to the Interim Condensed Consolidated Financial Statements

I. General information

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

General information on the Parent Company

Name	Asseco South Eastern Europe S.A.
Registered seat	Rzeszów, 14 Olchowa St.
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, as well as in Egypt, Turkey, Colombia, Peru, and the Dominican Republic.

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

The parent company of ASEE S.A. is Asseco International a.s. (“AI”) based in Bratislava which is part of Asseco Poland Group. The ultimate parent company of the entire Asseco Poland Group is Asseco Poland S.A.

II. Basis for the preparation of interim condensed financial statements

2.1. Basis for preparation

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

These interim condensed consolidated financial statements do not include all information and disclosures required for annual consolidated financial statements, and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2022 which were published on 22 February 2023.

These interim condensed consolidated financial statements have been prepared on a going-concern basis, assuming the Group will continue its business activities over a period not shorter than 12 months from 30 September 2023. Till the date of preparing these interim condensed consolidated financial statements, we have not observed any circumstances that would threaten the Group's ability to continue as a going concern.

Economic and political situation on the territory of Ukraine

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

ASEE Group does not conduct any significant business operations in Russia, Belarus or in Ukraine. In the period of 9 months ended 30 September 2023, the Group's aggregate sales to the above-mentioned countries represented just 0.01% of our total revenues, as compared to 0.1% in the whole year 2022. The Group does not hold any cash at bank accounts in Russia. The existing situation does not have a significant impact on these financial statements.

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

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

Hyperinflation

In 2022, Turkey was recognized as a country with a hyperinflationary economy. The Group consolidates the financial data of several subsidiaries operating in Turkey, including ASEE Turkey, Payten Turkey (including Smarttek), Paratika, and Mobven, whose functional currency is that of a hyperinflationary economy. Therefore, these interim condensed consolidated financial statements contain the financial data of our subsidiaries operating in Turkey adjusted for the rate of inflation so that they reflected changes in the appropriate price index. The effects of hyperinflation adjustments have been described in explanatory note 2.10. to these interim condensed consolidated financial statements.

2.2. Compliance statement

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

The scope of these interim condensed consolidated financial statements, being a part of the quarterly report, is in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (consolidated text: Journal of Laws of 2018, item 757) ("Regulation"), and covers the reporting period from 1 January to 30 September 2023 and the comparable period from 1 January to 30 September 2022 in case of the statement of profit and loss and the statement of

cash flows, as well as the financial position data as at 30 September 2023 and the comparable data as at 30 June 2023, 31 December 2022 and 30 September 2022 in case of the statement of financial position.

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

2.3. Functional currency, presentation currency and hyperinflation

The presentation currency of these interim condensed consolidated financial statements is the Polish zloty (PLN) and all figures are presented in thousands of PLN (PLN'000), unless stated otherwise. Any inaccuracies in totals, amounting to PLN 1 thousand, are due to the adopted rounding of numbers.

The functional currency applied by the Parent Company and, at the same time, the presentation currency used in these interim condensed consolidated financial statements is the Polish zloty (PLN). Functional currencies applied by our subsidiaries consolidated in these financial statements are the currencies of primary business environments in which they operate. For consolidation purposes, financial statements of our foreign subsidiaries are translated into PLN using the respective currency exchange rates as quoted by the National Bank of Poland at the end of the reporting period in case of the statement of financial position, or using the arithmetic average of exchange rates as published by the National Bank of Poland and effective on the last day of each month during the reporting period in case of the statement of comprehensive income as well as the statement of cash flows. The effects of such conversion are recognized in equity as 'Exchange differences on translation of foreign operations'.

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

2.4. Professional judgement and estimates

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

In the period of 9 months ended 30 September 2023, our approach to making estimates was not subject to any substantial modification in relation to the principles described in the consolidated financial statements for the year ended 31 December 2022.

2.5. Accounting policies applied

Significant accounting policies adopted by the Parent Company have been described in its consolidated financial statements for the year ended 31 December 2022 which were published on 22 February 2023.

Significant accounting policies applied by the Group in these interim condensed consolidated financial statements are consistent with those explained in the Group's annual consolidated financial statements for the year 2022, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2023. New standards or amendments effective from 1 January 2023:

- IFRS 17 'Insurance Contracts' and amendments to IFRS 17;
- Amendments to IAS 1 'Presentation of Financial Statements: Disclosure of Accounting Policies';
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates';
- Amendments to IAS 12 'Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction'.

The amended standards and interpretations that were first applied in 2023 had no significant impact of the interim condensed consolidated financial statements of the Group.

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

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

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (issued on 15 August 2023) – 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 2025;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures: Supplier Finance Arrangements' (issued on 25 May 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 12 'Income Taxes: International Tax Reform – Pillar Two Model Rules' (issued on 23 May 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IFRS 16 'Leases – Lease Liability in a Sale and Leaseback' (issued on 22 September 2022) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 1 'Presentation of Financial Statements': 'Classification of Liabilities as Current or Non-current' (issued on 23 January 2020), 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date' (issued on 15 July 2020), 'Non-current Liabilities with Covenants' (issued on 31 October 2022) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024.

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

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

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

2.7. Changes in the presentation methods applied

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

2.8. Correction of errors

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

2.9. Changes in the comparable data

The Group has changed the comparable data disclosed as at 30 September 2022 due to changes in the values of assets acquired that were recognized in the purchase price allocation of our subsidiary companies Web Studio and Bithat Solutions s.r.l., and the comparable data disclosed as at 31 December 2022 due to the completion of the purchase price allocation of Bithat Solutions s.r.l. and Helius Systems Sh.p.k, as well as the comparable data disclosed as at 30 June 2023 due to the completion of the purchase price allocation of Helius Systems Sh.p.k.

Detailed information on accounting for the acquisition of Web Studio has been presented in explanatory note 6.4. to the Group's consolidated financial statements for the year 2022 which were published on 22 February 2023 as the purchase price allocation processes was completed in 2022.

Detailed information on the acquired assets and liabilities of Bithat Solutions s.r.l. and Helius Systems Sh.p.k has been presented in explanatory note 6.4 to these interim condensed consolidated financial statements.

The tables below present how the said changes affected the comparable data disclosed for the period of 9 months ended 30 September 2022 and as at 30 September 2022:

STATEMENT OF PROFIT AND LOSS	9 months ended	Purchase price	9 months ended
	30 September 2022	allocation of subsidiaries	30 September 2022 (restated)
	PLN'000	PLN'000	PLN'000
Operating revenues	1,080,586	-	1,080,586
Cost of sales	(797,180)	(879)	(798,059)
Allowances for trade receivables	(1,083)	-	(1,083)
Gross profit on sales	282,323	(879)	281,444
Selling costs	(65,814)	-	(65,814)
General and administrative expenses	(62,752)	-	(62,752)
Net profit on sales	153,757	(879)	152,878
Other operating income	2,291	-	2,291
Other operating expenses	(897)	-	(897)
Operating profit	155,151	(879)	154,272
Financial income	44,475	-	44,475
Financial expenses	(12,488)	21	(12,467)
Impairment loss on financial instruments	(13)	-	(13)
Pre-tax profit	187,125	(858)	186,267
Corporate income tax (current and deferred tax expense)	(28,926)	151	(28,775)
Net profit for the reporting period	158,199	(707)	157,492
<i>Attributable to:</i>			
Shareholders of the Parent Company	153,364	(707)	152,657
Non-controlling interests	4,835	-	4,835
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)			
	2.96	-	2.94
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	158,199	(707)	157,492
Components that may be reclassified to profit or loss			
Net gain/loss on valuation of financial assets	7	-	7
Exchange differences on translation of foreign operations	40,841	(35)	40,806
Restatement of non-monetary assets as at 1 January – impact of hyperinflation	32,819	-	32,819
Components that will not be reclassified to profit or loss			
Actuarial gains/losses	-	-	-
Total other comprehensive income	73,667	(35)	73,632
TOTAL COMPREHENSIVE INCOME attributable to:	231,866	(742)	231,124
Shareholders of the Parent Company	225,893	(742)	225,151
Non-controlling interests	5,973	-	5,973

9 months ended 30 September 2022	Banking Solutions	Payment Solutions	Dedicated Solutions	Change – Banking Solutions	Change – Payment Solutions	Change – Dedicated Solutions	Banking Solutions	Payment Solutions	Dedicated Solutions
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
							(restated)		
Operating revenues	204,320	548,791	347,451	-	-	-	204,320	548,791	347,451
Sales to external customers	191,439	530,899	343,559	-	-	-	191,439	530,899	343,559
Sales between and/or within segments	12,881	17,892	3,892	-	-	-	12,881	17,892	3,892
Gross profit on sales	69,895	143,989	63,078	(21)	(712)	(146)	69,874	143,277	62,932
Selling costs	(11,409)	(31,666)	(22,060)	-	-	-	(11,409)	(31,666)	(22,060)
General and administrative expenses	(17,141)	(28,448)	(16,209)	-	-	-	(17,141)	(28,448)	(16,209)
Net profit on sales	41,345	83,875	24,809	(21)	(712)	(146)	41,324	83,163	24,663
Other operating activities	(48)	535	916	-	-	-	(48)	535	916
Operating profit	41,297	84,410	25,725	(21)	(712)	(146)	41,276	83,698	25,579

ASSETS	30 September 2022	Purchase price allocation of subsidiaries PLN'000	30 September 2022
	PLN'000		(restated) PLN'000
Non-current assets			
Property, plant and equipment	137,475	-	137,475
Intangible assets	58,281	7,319	65,600
Right-of-use assets	43,735	-	43,735
Investment property	573	-	573
Goodwill	804,259	(8,455)	795,804
Other receivables	9,074	-	9,074
Deferred tax assets	13,170	(3)	13,167
Other financial assets	1,354	-	1,354
Prepayments and accrued income	2,670	-	2,670
	1,070,591	(1,139)	1,069,452
Current assets			
Inventories	74,361	-	74,361
Prepayments and accrued income	43,726	-	43,726
Trade receivables	203,908	-	203,908
Contract assets	110,003	598	110,601
Corporate income tax receivable	2,476	-	2,476
Receivables from the state and local budgets	8,221	-	8,221
Other receivables	20,611	-	20,611
Other non-financial assets	6,942	-	6,942
Other financial assets	287	-	287
Cash and bank deposits	244,250	-	244,250
	714,785	598	715,383
TOTAL ASSETS	1,785,376	(541)	1,784,835

EQUITY AND LIABILITIES	30 September 2022	Purchase price allocation of subsidiaries PLN'000	30 September 2022
	PLN'000		(restated) 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	(38,053)	-	(38,053)
Other capitals	(237)	-	(237)
Exchange differences on translation of foreign operations	(43,606)	(36)	(43,642)
Retained earnings	632,132	(835)	631,297
	1,108,005	(871)	1,107,134
Non-controlling interests	8,097	-	8,097
Total equity	1,116,102	(871)	1,115,231
Non-current liabilities			
Bank loans and borrowings	48,111	-	48,111
Lease liabilities	25,939	-	25,939
Other financial liabilities	77,655	-	77,655
Deferred tax liabilities	7,814	1,251	9,065
Provisions	2,976	-	2,976
Contract liabilities	8,863	-	8,863
Other liabilities	573	-	573
	171,931	1,251	173,182
Current liabilities			
Bank loans and borrowings	58,196	-	58,196
Lease liabilities	19,659	-	19,659
Other financial liabilities	57,442	(2,689)	54,753
Trade payables	130,388	-	130,388
Contract liabilities	119,202	1,804	121,006
Corporate income tax payable	8,359	-	8,359
Liabilities to the state and local budgets	22,326	-	22,326
Other liabilities	27,961	(38)	27,923
Provisions	4,924	2	4,926
Deferred income	2,405	-	2,405
Accruals	46,481	-	46,481
	497,343	(921)	496,422
TOTAL LIABILITIES	669,274	330	669,604

TOTAL EQUITY AND LIABILITIES	1,785,376	(541)	1,784,835
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The tables below present how the said changes affected the comparable data disclosed as at 31 December 2022:

ASSETS	31 December 2022	Purchase price allocation of subsidiaries PLN'000	31 December 2022 (restated)
	PLN'000		PLN'000
Non-current assets			
Property, plant and equipment	135,969	-	135,969
Intangible assets	51,807	7,809	59,616
Right-of-use assets	43,131	-	43,131
Investment property	550	-	550
Goodwill	801,626	(7,526)	794,100
Investments accounted for using the equity method	170	-	170
Other receivables	7,886	-	7,886
Deferred tax assets	11,417	-	11,417
Other financial assets	2,424	-	2,424
Prepayments and accrued income	1,454	-	1,454
	1,056,434	283	1,056,717
Current assets			
Inventories	57,045	-	57,045
Prepayments and accrued income	48,008	-	48,008
Trade receivables	290,358	-	290,358
Contract assets	78,739	-	78,739
Income tax receivable	2,433	-	2,433
Receivables from the state and local budgets	3,806	-	3,806
Other receivables	23,822	-	23,822
Other non-financial assets	9,936	-	9,936
Other financial assets	319	-	319
Cash and bank deposits	298,034	-	298,034
	812,500	-	812,500
TOTAL ASSETS	1,868,934	283	1,869,217

EQUITY AND LIABILITIES	31 December 2022	Purchase price allocation of subsidiaries PLN'000	31 December 2022 (restated)
	PLN'000		PLN'000
Equity (attributable to shareholders of the Parent Company)			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(35,692)	-	(35,692)
Other capitals	(77)	-	(77)
Exchange differences on translation of foreign operations	(78,297)	(7)	(78,304)
Retained earnings	666,899	(430)	666,469
	1,110,602	(437)	1,110,165
Non-controlling interests	8,515	-	8,515
Total equity	1,119,117	(437)	1,118,680
Non-current liabilities			
Bank loans and borrowings	48,635	-	48,635
Lease liabilities	25,700	-	25,700
Other financial liabilities	91,566	-	91,566
Deferred tax liabilities	6,485	720	7,205
Provisions	3,886	-	3,886
Contract liabilities	8,455	-	8,455
Other liabilities	74	-	74
	184,801	720	185,521
Current liabilities			
Bank loans and borrowings	66,455	-	66,455
Lease liabilities	19,418	-	19,418
Other financial liabilities	62,071	-	62,071
Trade payables	123,980	-	123,980

Contract liabilities	148,360	-	148,360
Corporate income tax payable	9,081	-	9,081
Liabilities to the state and local budgets	46,357	-	46,357
Other liabilities	48,894	-	48,894
Provisions	5,289	-	5,289
Deferred income	2,570	-	2,570
Accruals	32,541	-	32,541
	565,016	-	565,016
TOTAL LIABILITIES	749,817	720	750,537
TOTAL EQUITY AND LIABILITIES	1,868,934	283	1,869,217

The tables below present how the said changes affected the comparable data disclosed as at 30 June 2023:

ASSETS	30 June 2023	Purchase price allocation of subsidiaries	30 June 2023 (restated)
	PLN'000	PLN'000	PLN'000
Non-current assets			
Property, plant and equipment	130,895	-	130,895
Intangible assets	47,207	4,331	51,538
Right-of-use assets	45,743	-	45,743
Investment property	504	-	504
Goodwill	748,531	(4,747)	743,784
Investments accounted for using the equity method	189	-	189
Other receivables	7,457	-	7,457
Deferred tax assets	13,519	-	13,519
Other financial assets	1,486	-	1,486
Prepayments and accrued income	1,189	-	1,189
	996,720	(416)	996,304
Current assets			
Inventories	70,974	-	70,974
Prepayments and accrued income	44,291	-	44,291
Trade receivables	201,676	-	201,676
Contract assets	116,940	-	116,940
Income tax receivable	2,129	-	2,129
Receivables from the state and local budgets	4,739	-	4,739
Other receivables	22,993	-	22,993
Other non-financial assets	6,210	-	6,210
Other financial assets	1,014	-	1,014
Cash and bank deposits	295,764	-	295,764
	766,730	-	766,730
TOTAL ASSETS	1,763,450	(416)	1,763,034

EQUITY AND LIABILITIES	31 December 2022	Purchase price allocation of subsidiaries	31 December 2022 (restated)
	PLN'000	PLN'000	PLN'000
Equity (attributable to shareholders of the Parent Company)			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(34,957)	-	(34,957)
Other capitals	313	-	313
Exchange differences on translation of foreign operations	(162,392)	(14)	(162,406)
Retained earnings	683,335	(619)	682,716
	1,044,068	(633)	1,043,435
Non-controlling interests	7,966	-	7,966
Total equity	1,052,034	(633)	1,051,401
Non-current liabilities			
Bank loans and borrowings	32,772	-	32,772
Lease liabilities	29,164	-	29,164
Other financial liabilities	75,582	-	75,582
Deferred tax liabilities	5,956	217	6,173
Provisions	3,211	-	3,211
Contract liabilities	6,588	-	6,588
Other liabilities	59	-	59

	153,332	217	153,549
Current liabilities			
Bank loans and borrowings	62,177	-	62,177
Lease liabilities	17,976	-	17,976
Other financial liabilities	142,190	-	142,190
Trade payables	104,551	-	104,551
Contract liabilities	119,229	-	119,229
Corporate income tax payable	9,217	-	9,217
Liabilities to the state and local budgets	23,872	-	23,872
Other liabilities	31,491	-	31,491
Provisions	5,474	-	5,474
Deferred income	2,899	-	2,899
Accruals	39,008	-	39,008
	558,084	-	558,084
TOTAL LIABILITIES	711,416	217	711,633
TOTAL EQUITY AND LIABILITIES	1,763,450	(416)	1,763,034

2.10. 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.

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 30 September 2023; whereas, all transactions conducted in Turkey in the period of 9 months ended 30 September 2022 were converted into PLN using the exchange rate of 30 September 2022, 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 9 months ended 30 September 2023 reached 50%.

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

Inflation rate for particular periods	
September 2023 – December 2022	50%
September 2023 – September 2022	62%
December 2022 – December 2021	64%
December 2021 – December 2020	36%
Three-year cumulative inflation rate	
September 2023 – September 2020	254%
December 2022 – December 2019	156%

- Currency exchange rate:

All financial data of our subsidiary operations in Turkey, both in the statement of financial position and the statement of profit and loss are translated into the Group's presentation currency (PLN) using the TRY/PLN exchange rate effective on the reporting date, which is contrary to the Group's usual practice of translating the statement of profit and loss at the average exchange rate for the reporting period. As at 30 September 2023, this exchange rate was: TRY 1 = PLN 0.1593.

Assumptions for the approach and timing of hyperinflation restatements:

- Hyperinflation restatements in the local currency
 - The Group has analyzed items of the statement of financial position of its subsidiaries in Turkey and divided them into monetary and non-monetary assets/liabilities. Monetary items have not been restated because they are already expressed in terms of the monetary unit current at the end of the reporting period.
 - Significant non-monetary items existing in our Turkish subsidiaries include: goodwill arising from the acquisition of these companies, property, plant and equipment, intangible assets, right-of-use asset, prepayments, and liabilities from contracts with customers. Right-of-use assets have not been additionally revalued because they are periodically indexed by the inflation rate. Other non-monetary items have been restated to reflect the effects of inflation based on changes in the price index. Effects of changes in the price index in the period from initial recognition till 31 December 2022 have been recognized in the financial data for the year 2022. Whereas, effects of changes in the price index since 1 January till 30 September 2023 have been recognized in the financial statements for the current reporting period.

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

- Due to the revaluation of non-monetary assets and liabilities, deferred tax calculated as the difference between the tax value and the book value was also revalued.
- All transactions included in the statement of profit and loss for the period of 9 months ended 30 September 2023 have been restated to reflect changes in the price index from the month when recognized till 30 September, 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 30 September 2023.
- In correspondence to the restatement of the statement of profit and loss and the statement of financial position for the inflation rate in the current reporting period, the Group has recognized a gain/loss on the net monetary position, disclosed financial income/expenses in the statement of profit and loss. In correspondence to the revaluation of items in the statement of financial position for the inflation rate from the date of their initial recognition till the end of 2021, the Group has recognized exchange differences on translation of foreign operations disclosed separately in other comprehensive income for 2022 and in equity.

- Translation of financial data into the Group's presentation currency

- Once the financial statements of our subsidiaries operating in Turkey were restated for the effects of inflation in the local currency, they have been translated into PLN which involved translating the statement of financial position and all items of the statement of profit and loss for the reporting period, using the TRY/PLN exchange rate effective on the reporting date. As at 30 September 2023, this exchange rate was: TRY 1 = PLN 0.1593. 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 the period of 9 months ended 30 September 2023 is summarized below:

STATEMENT OF PROFIT AND LOSS	9 months ended	Impact of hyperinflation	9 months ended
	30 September 2023 without impact of IAS 29		30 September 2023 according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
Operating revenues	1,146,752	7,185	1,153,937
Cost of sales	(834,379)	(6,563)	(840,942)
Allowances for trade receivables	(4,845)	-	(4,845)
Gross profit on sales	307,528	622	308,150
Selling costs	(73,014)	(134)	(73,148)
General and administrative expenses	(70,901)	(582)	(71,483)
Net profit on sales	163,613	(94)	163,519
Other operating income	1,823	11	1,834
Other operating expenses	(1,119)	(31)	(1,150)
Share of profits of associates and joint ventures	83	-	83
Operating profit	164,400	(114)	164,286
Financial income	21,362	21,421	42,783
Financial expenses	(14,877)	122	(14,755)
Impairment loss on financial instruments	(18)	-	(18)
Pre-tax profit	170,867	21,429	192,296
Corporate income tax (current and deferred tax expense)	(33,741)	778	(32,963)
Net profit for the reporting period	137,126	22,207	159,333
<i>Attributable to:</i>			
Shareholders of the Parent Company	132,472	22,087	154,559
Non-controlling interests	4,654	120	4,774
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	137,126	22,207	159,333
Components that may be reclassified to profit or loss	(33,177)	(14,511)	(47,688)
Net gain/loss on valuation of financial assets	87		87
Exchange differences on translation of foreign operations	(33,264)	(14,511)	(47,775)
Restatement of non-monetary assets as at 1 January – impact of hyperinflation	-		-
Total other comprehensive income	(33,177)	(14,511)	(47,688)
TOTAL COMPREHENSIVE INCOME attributable to:	103,949	7,696	111,645
Shareholders of the Parent Company	99,162	7,576	106,738
Non-controlling interests	4,787	120	4,907

ASSETS	30 September 2023	Impact of hyperinflation	30 September 2023
	without impact of IAS 29		according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
Non-current assets			
Property, plant and equipment	132,047	3,964	136,011
Intangible assets	48,963	722	49,685
Right-of-use assets	49,416	-	49,416
Investment property	516	-	516
Goodwill	720,463	65,147	785,610
Investments accounted for using the equity method	262	-	262
Other receivables	8,698	-	8,698
Deferred tax assets	13,578	184	13,762
Other financial assets	1,561	-	1,561
Prepayments and accrued income	1,230	100	1,330
	976,734	70,117	1,046,851
Current assets			
Inventories	112,661	-	112,661
Prepayments and accrued income	46,363	3,345	49,708
Trade receivables	222,736	-	222,736
Contract assets	134,001	-	134,001
Corporate income tax receivable	2,336	-	2,336
Receivables from the state and local budgets	8,288	-	8,288
Other receivables	31,306	-	31,306
Other non-financial assets	5,112	-	5,112
Other financial assets	823	-	823
Cash and bank deposits	252,891	-	252,891
	816,517	3,345	819,862
TOTAL ASSETS	1,793,251	73,462	1,866,713

EQUITY AND LIABILITIES	30 September 2023	Impact of hyperinflation	30 September 2023
	without impact of IAS 29		according to IAS/IFRS
	PLN'000	PLN'000	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	(35,841)	-	(35,841)
Other capitals	490	-	490
Exchange differences on translation of foreign operations	(117,260)	(8,794)	(126,054)
Retained earnings	669,647	75,615	745,262
	1,074,805	66,821	1,141,626
Non-controlling interests	7,496	-	7,496
Total equity	1,082,301	66,821	1,149,122
Non-current liabilities			
Bank loans and borrowings	43,288	-	43,288
Lease liabilities	32,472	-	32,472
Other financial liabilities	79,415	-	79,415
Deferred tax liabilities	5,244	707	5,951
Provisions	3,465	-	3,465
Contract liabilities	3,758	514	4,272
Other liabilities	50	-	50
	167,692	1,221	168,913
Current liabilities			
Bank loans and borrowings	52,508	-	52,508
Lease liabilities	18,355	-	18,355
Other financial liabilities	62,236	-	62,236
Trade payables	152,796	(183)	152,613
Contract liabilities	124,573	5,603	130,176
Corporate income tax payable	10,696	-	10,696
Liabilities to the state and local budgets	26,185	-	26,185
Other liabilities	39,114	-	39,114
Provisions	6,078	-	6,078
Deferred income	3,113	-	3,113
Accruals	47,604	-	47,604
	543,258	5,420	548,678
TOTAL LIABILITIES	710,950	6,641	717,591
TOTAL EQUITY AND LIABILITIES	1,793,251	73,462	1,866,713

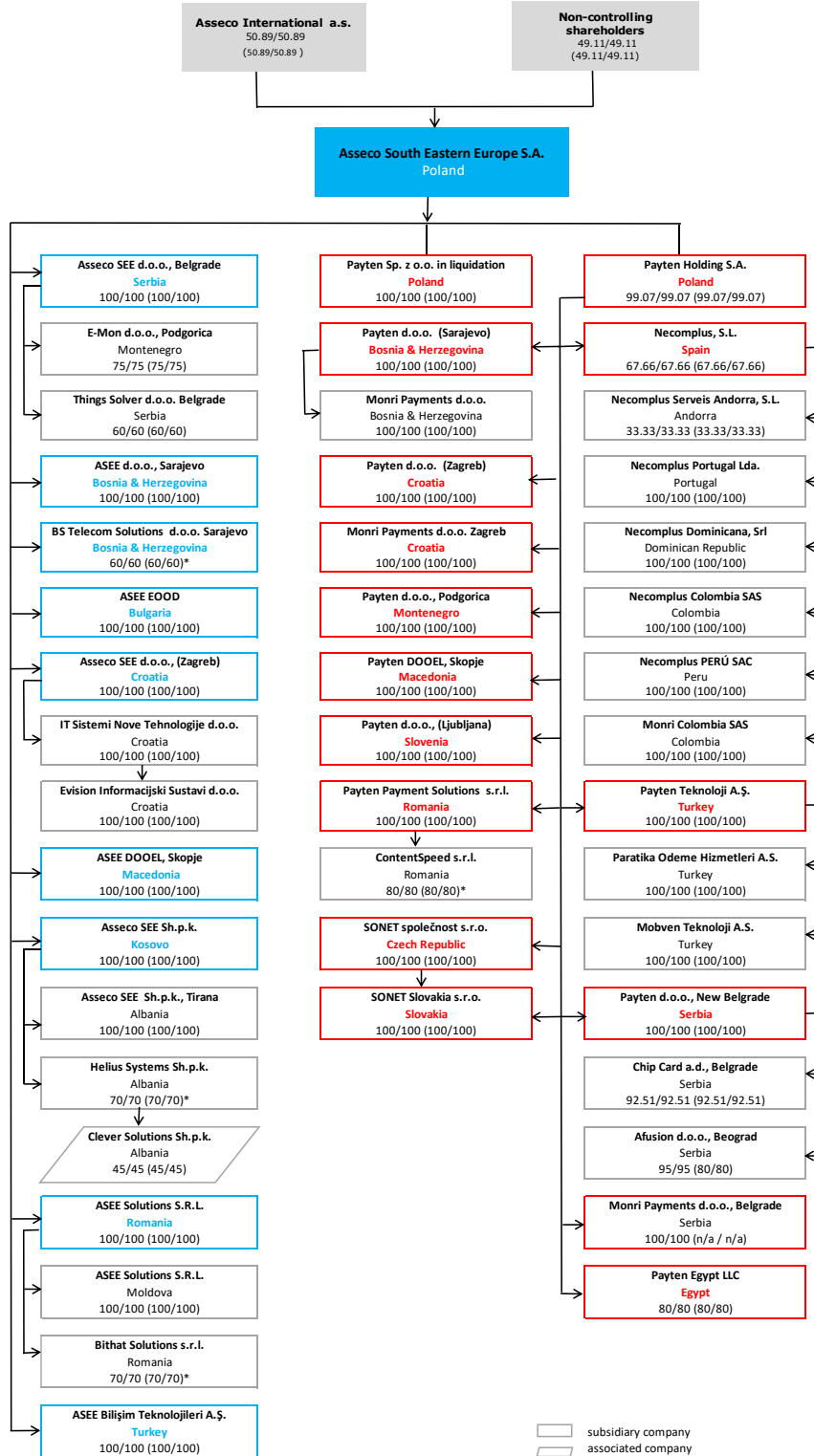
As described in section IV. Information on operating segments, the Management analyzes the operations of individual segments and their financial performance without the impact of hyperinflation revaluations. Therefore, in the explanatory note on operating segments, the impact of hyperinflation has been 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.

9 months ended 30 September 2023	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	235,167	235,302	554,562	555,659	398,048	404,001
Gross profit on sales	83,550	83,683	153,794	152,895	70,184	71,572
Selling costs	(12,334)	(12,357)	(35,741)	(35,863)	(24,939)	(24,928)
General and administrative expenses	(21,975)	(21,989)	(31,361)	(31,825)	(17,565)	(17,669)
Net profit on sales	49,241	49,337	86,692	85,207	27,680	28,975
Other operating activities	93	91	196	199	415	394
Share of profits of associates	-	-	83	83	-	-
Operating profit	49,334	49,428	86,971	85,489	28,095	29,369
Goodwill as at 30 September 2023	222,780	228,580	186,909	220,870	310,774	336,160

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

Organizational structure of Asseco South Eastern Europe Group is presented in the chart below:



100/100 voting rights / equity interest as at 30 September 2023 (in %)
 (100/100) voting rights / equity interest as at 31 December 2022 (in %)

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

During the period of 9 months ended 30 September 2023, the Group's composition changed as follows:

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

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

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

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

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

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

- ***Establishing of a new company Monri Payments d.o.o., Belgrade***

The establishment of Monri Payments d.o.o., based in Belgrade, was registered on 7 April 2023. 100% of shares in this company were acquired by Payten Holding S.A.

- ***Commencing the liquidation of Payten Sp. z o.o.***

On 27 April 2023, the shareholders of Payten Sp. z o.o. adopted a resolution to liquidate this company.

- ***Changing the name of a subsidiary company to ASEE Solutions S.R.L.***

On 20 July 2023, our subsidiary company operating in Romania was renamed from Asseco SEE S.R.L. to ASEE Solutions S.R.L.

- ***Merger of Payten Teknoloji A.Ş. and Smarttek Yazılım ve Endüstriyel Oto Sanayi Ve Ticaret A.S.***

The companies of Payten Teknoloji A.Ş. and Smarttek Yazılım ve Endüstriyel Oto Sanayi Ve Ticaret A.S. merged on 3 August 2023 and from that date they have operated as one company called Payten Teknoloji A.Ş. The said transaction had no impact on the consolidated financial statements of the Group.

- ***Changing the name of a subsidiary company to ASEE EOOD***

On 16 August 2023, our subsidiary company operating in Bulgaria was renamed from Asseco SEE EOOD based in Sofia to ASEE EOOD.

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

On 18 September 2023, our subsidiary company operating in Bosnia and Herzegovina was renamed from Asseco SEE d.o.o. Sarajevo to ASEE d.o.o. Sarajevo.

- ***Changing the name of a subsidiary company to ASEE Solutions S.R.L.***

On 20 September 2023, our subsidiary company operating in Moldova was renamed from Asseco SEE s.r.l. Moldova to ASEE Solutions S.R.L.

IV. Information on operating segments

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

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

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

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

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

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

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

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

Revenues from none of our clients exceeded 10% of total sales generated by the Group in the period of 9 months ended 30 September 2023.

Selected financial data for the period of 9 months ended 30 September 2023, in a breakdown by operating segments:

9 months ended 30 September 2023	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenues:	235,167	554,562	398,048	(41,025)	7,185	1,153,937
Sales to external customers	223,549	537,325	385,878	-	7,185	1,153,937
Sales between and/or within segments	11,618	17,237	12,170	(41,025)	-	-
Gross profit on sales	83,550	153,794	70,184	-	622	308,150
Selling costs	(12,334)	(35,741)	(24,939)	-	(134)	(73,148)
General and administrative expenses	(21,975)	(31,361)	(17,565)	-	(582)	(71,483)
Net profit on sales	49,241	86,692	27,680	-	(94)	163,519
Other operating activities	93	196	415	-	(20)	684
Share of profits of associates	-	83	-	-	-	83
Operating profit	49,334	86,971	28,095	-	(114)	164,286
Non-cash items						
Depreciation and amortization	(9,841)	(44,797)	(11,147)	-	(1,403)	(67,188)
Impairment losses on assets	(768)	(1,642)	(3,057)	(16)	-	(5,483)
Goodwill as at 30 September 2023	222,780	186,909	310,774	-	65,147	785,610

9 months ended 30 September 2023	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Sales revenues:	51,377	121,155	86,961	(8,963)	1,570	252,100
Sales to external customers	48,839	117,389	84,302	-	1,570	252,100
Sales between and/or within segments	2,538	3,766	2,659	(8,963)	-	-
Gross profit on sales	18,253	33,599	15,333	-	136	67,321
Selling costs	(2,695)	(7,808)	(5,449)	-	(29)	(15,981)
General and administrative expenses	(4,801)	(6,851)	(3,838)	-	(127)	(15,617)
Net profit on sales	10,757	18,940	6,046	-	(20)	35,723
Other operating activities	20	43	91	-	(4)	150
Share of profits of associates	-	18	-	-	-	18
Operating profit	10,777	19,001	6,137	-	(24)	35,891
Non-cash items						
Depreciation and amortization	(2,150)	(9,787)	(2,435)	-	(307)	(14,679)
Impairment losses on assets	(168)	(359)	(668)	(3)	-	(1,198)
Goodwill as at 30 September 2023	48,059	40,320	67,041	-	14,054	169,474

The financial results presented above have been converted at the average exchange rate for the period of 9 months ended 30 September 2023: EUR 1 = PLN 4.5773, whereas the financial position data have been converted at the exchange rate effective on 30 September 2023: EUR 1 = PLN 4.6356.

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 9 months ended 30 September 2022, in a breakdown by operating segments:

9 months ended 30 September 2022	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenues:	204,320	548,791	347,451	(34,665)	14,689	1,080,586
Sales to external customers	191,439	530,899	343,559	-	14,689	1,080,586
Sales between and/or within segments	12,881	17,892	3,892	(34,665)	-	-
Gross profit on sales	69,874	143,277	62,932	-	5,361	281,444
Selling costs	(11,409)	(31,666)	(22,060)	-	(679)	(65,814)
General and administrative expenses	(17,141)	(28,448)	(16,209)	-	(954)	(62,752)
Net profit on sales	41,324	83,163	24,663	-	3,728	152,878
Other operating activities	(48)	535	916	-	(9)	1,394
Share of profits of associates	-	-	-	-	-	-
Operating profit	41,276	83,698	25,579	-	3,719	154,272
Non-cash items						
Depreciation and amortization	(8,979)	(48,117)	(11,187)	-	(1,217)	(69,500)
Impairment losses on assets	(168)	(1,035)	(183)	-	-	(1,386)
Goodwill as at 31 December 2022	225,668	193,653	316,568	-	58,211	794,100
9 months ended 30 September 2022	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Sales revenues:	43,584	117,063	74,114	(7,395)	3,133	230,499
Sales to external customers	40,836	113,246	73,284	-	3,133	230,499
Sales between and/or within segments	2,748	3,817	829	(7,394)	-	-
Gross profit on sales	14,905	30,562	13,424	-	1,144	60,035
Selling costs	(2,434)	(6,755)	(4,706)	-	(145)	(14,040)
General and administrative expenses	(3,656)	(6,068)	(3,458)	-	(203)	(13,385)
Net profit on sales	8,815	17,739	5,260	-	796	32,610
Other operating activities	(10)	114	196	-	(2)	298
Share of profits of associates	-	-	-	-	-	-
Operating profit	8,805	17,853	5,456	-	794	32,908
Non-cash items						
Depreciation and amortization	(1,962)	(10,512)	(2,444)	-	(266)	(15,184)
Impairment losses on assets	(37)	(226)	(40)	-	-	(303)
Goodwill as at 31 December 2022	48,118	41,291	67,500	-	12,412	156,909

The financial results presented above have been converted at the average exchange rate for the period of 9 months ended 30 September 2022: EUR 1 = PLN 4.6880, whereas the financial position data have been converted at the exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899.

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

5.1. Structure of operating revenues

Operating revenues generated during the periods of 3 and 9 months ended 30 September 2023 as well as in the comparable periods were as follows:

	3 months ended 30 September 2023 PLN'000	9 months ended 30 September 2023 PLN'000	3 months ended 30 September 2022 PLN'000	9 months ended 30 September 2022 PLN'000
Operating revenues by type of products				
Proprietary software and services	306,387	839,071	269,947	736,415
Third-party software and services	42,491	104,031	46,043	109,838
Hardware and infrastructure	49,468	210,835	103,498	234,333
Total	398,346	1,153,937	419,488	1,080,586

i. Segment revenues in a breakdown by type of products

Operating revenues of individual segments from sales to external customers by type of products during the period of 9 months ended 30 September 2023 and in the comparable period were as follows:

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
9 months ended 30 September 2023				
Proprietary software and services	216,582	411,404	211,085	839,071
Third-party software and services	2,639	3,463	97,929	104,031
Hardware and infrastructure	4,463	123,555	82,817	210,835
Total operating revenues	223,684	538,422	391,831	1,153,937

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
9 months ended 30 September 2022				
Proprietary software and services	182,384	363,749	190,282	736,415
Third-party software and services	3,401	4,382	102,055	109,838
Hardware and infrastructure	6,053	168,745	59,535	234,333
Total operating revenues	191,838	536,876	351,872	1,080,586

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

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Revenues from contracts with customers recognized in accordance with IFRS 15, of which:	1,081,980	1,010,652
From goods and services transferred at a specific point in time	313,002	336,741
From goods and services transferred over the passage of time	768,978	673,911
Other operating revenues (mainly from leases)	71,957	69,934
Total operating revenues	1,153,937	1,080,586

Operating revenues, which are not recognized in accordance with IFRS 15, represent primarily revenues generated by the Group from the provision of ATMs and POS terminals outsourcing services. Such contracts are treated as operating lease contracts and revenues generated therefrom are recognized in accordance with IFRS 16.

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

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Operating revenues by countries		
Albania	13,854	9,050
Austria	19,040	18,109
Bosnia and Herzegovina	70,386	73,166
Bulgaria	10,010	8,862
Croatia	133,932	145,520
Montenegro	15,786	21,473
Czech Republic	20,588	15,260
Spain	130,581	136,051
Colombia	8,957	7,465
Kosovo	20,547	14,793
Macedonia	38,868	45,605
Malta	8,455	341
Germany	11,486	5,505
Peru	15,962	11,159
Poland	9,242	8,889
Portugal	11,066	14,473
Romania	170,347	141,349
Serbia	269,523	260,265
Slovak Republic	6,807	5,982
Slovenia	18,795	17,631
Turkey	112,272	92,761
Italy	15,804	11,520
Other countries	21,629	15,357
Total operating revenues	1,153,937	1,080,586

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

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

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Future minimum lease payments		
(i) within 1 year	87,898	98,899
(ii) within 1 to 5 years	53,476	76,379
(iii) within more than 5 years	1,778	249
Total	143,152	175,527

5.2. Structure of operating costs

The table below presents operating costs incurred during the periods of 3 and 9 months ended 30 September 2023 and in the comparable periods.

Operating costs	3 months ended	9 months ended	3 months ended	9 months ended
	30 September 2023	30 September 2023	30 September 2022 (restated)	30 September 2022 (restated)
	PLN'000	PLN'000	PLN'000	PLN'000
Cost of goods, materials and third-party services sold (COGS)	(119,507)	(378,138)	(171,466)	(399,138)
Employee benefits	(146,935)	(412,177)	(127,536)	(350,800)
Third-party non-project services and outsourcing of employees	(21,424)	(51,833)	(16,839)	(44,819)
Depreciation and amortization	(22,857)	(67,188)	(24,019)	(69,500)
Maintenance costs of property and company cars	(17,163)	(47,630)	(14,326)	(37,890)
Business trips	(2,371)	(6,591)	(2,154)	(5,151)
Advertising	(2,003)	(7,034)	(2,280)	(6,668)
Other operating expenses	(5,763)	(19,827)	(5,065)	(13,742)
Total	(338,023)	(990,418)	(363,685)	(927,708)
Cost of sales	(287,052)	(840,942)	(317,034)	(798,059)
Selling costs	(25,561)	(73,148)	(23,325)	(65,814)
General and administrative expenses	(24,245)	(71,483)	(22,796)	(62,752)
Recognition (reversal) of allowances for trade receivables	(1,165)	(4,845)	(530)	(1,083)
Total	(338,023)	(990,418)	(363,685)	(927,708)

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

The costs of this share-based payment plan disclosed in the interim condensed consolidated financial statements of ASEE Group for the period of 9 months ended 30 September 2023 amounted to PLN 218 thousand, as compared to PLN 218 thousand in the comparable period, of which costs related to shares acquired by Members of the Management Board amounted to PLN 136 thousand. In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the annual consolidated financial statements of ASEE Group which were published on 22 February 2023.

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 costs of this share-based payment plan disclosed in the interim condensed consolidated financial statements of ASEE Group for the period of 9 months ended 30 September 2023 amounted to PLN 262 thousand, as compared to PLN 38 thousand in the comparable period. In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the annual consolidated financial statements of ASEE Group which were published on 22 February 2023.

i. Reconciliation of depreciation and amortization charges

The table below presents the reconciliation of depreciation and amortization charges recognized in the statement of profit and loss with those disclosed in the tables of changes in property, plant and equipment, intangible assets, right-of-use assets, as well as in investment property:

	3 months ended 30 September 2023 PLN'000	9 months ended 30 September 2023 PLN'000	3 months ended 30 September 2022 (restated) PLN'000	9 months ended 30 September 2022 (restated) PLN'000
Depreciation charges as disclosed in the table of changes in property, plant and equipment	(12,706)	(37,423)	(12,576)	(36,760)
Amortization charges as disclosed in the table of changes in intangible assets	(4,540)	(13,470)	(5,738)	(16,339)
Depreciation charges as disclosed in the table of changes in right-of-use assets	(5,602)	(16,269)	(5,696)	(16,375)
Depreciation charges on investment property	(9)	(26)	(9)	(26)
Total depreciation and amortization charges disclosed in the statement of profit and loss and in the statement of cash flows	(22,857)	(67,188)	(24,019)	(69,500)

5.3. Other operating income and expenses

Other operating income and expenses recognized in the periods of 3 and 9 months ended 30 September 2023 and in the comparable periods were as follows:

Other operating income	3 months ended 30 September 2023 PLN'000	9 months ended 30 September 2023 PLN'000	3 months ended 30 September 2022 PLN'000	9 months ended 30 September 2022 PLN'000
Gain on disposal of property, plant and equipment	155	338	178	387
Income from letting of own office space	13	39	13	42
Reversal of a provision for the costs of court litigation relating to other operations	12	35	(60)	11
Grants and subsidies received	109	394	214	513
Gain on modification of lease contracts	182	220	491	491
Other	257	808	348	847
Total	728	1,834	1,184	2,291

Other operating expenses	3 months ended 30 September 2023 PLN'000	9 months ended 30 September 2023 PLN'000	3 months ended 30 September 2022 PLN'000	9 months ended 30 September 2022 PLN'000
Loss on disposal of property, plant and equipment	(2)	(9)	(13)	(110)
Charitable contributions to unrelated parties	(308)	(639)	(34)	(196)
Provisions created, including for the costs of court litigation relating to other operations	(5)	(20)	(50)	(50)
Other	(166)	(482)	(122)	(541)
Total	(481)	(1,150)	(219)	(897)

5.4. Financial income and expenses

Financial income earned during the periods of 3 and 9 months ended 30 September 2023 and in the comparable periods was as follows:

Financial income	3 months ended	9 months ended	3 months ended	9 months ended
	30 September 2023	30 September 2023	30 September 2022	30 September 2022
	PLN'000	PLN'000	PLN'000	PLN'000
Interest income on loans granted and bank deposits	661	1,990	560	1,404
Positive foreign exchange differences	7,372	17,017	8,946	19,767
Gain on exercise and/or valuation of financial assets/ liabilities carried at fair value through profit or loss	(186)	436	2	83
Gain on revaluation of conditional payments in transactions to obtain control	243	2,251	-	-
Gain on the net monetary position – hyperinflation	10,245	21,069	2,855	23,193
Other financial income	3	20	(13)	28
Total financial income	18,338	42,783	12,350	44,475

Gain on the net monetary position resulted from the hyperinflation revaluation of non-monetary assets and liabilities of our subsidiaries operating in Turkey. The impact of hyperinflation has been described in detail in explanatory note 2.10 to these interim condensed consolidated financial statements.

Financial expenses incurred during the periods of 3 and 9 months ended 30 September 2023 and in the comparable periods were as follows:

Financial expenses	3 months ended	9 months ended	3 months ended	9 months ended
	30 September 2023	30 September 2023	30 September 2022	30 September 2022
	PLN'000	PLN'000	PLN'000	PLN'000
Interest expenses on bank loans and borrowings	(553)	(2,499)	(709)	(1,795)
Interest expenses on leases	(593)	(1,461)	(377)	(1,164)
Other interest expenses	(135)	(420)	(39)	(377)
Negative foreign exchange differences	(784)	(7,990)	(1,627)	(2,813)
Loss on revaluation of conditional payments in transactions to obtain control and/or buyout of minority interests	(300)	(667)	6	(1,236)
Loss on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(641)	(1,643)	(597)	(1,311)
Loss on exercise and/or valuation of financial assets/ liabilities carried at fair value through profit or loss	-	(57)	(221)	(579)
Loss on sale of a subsidiary company	-	-	(3,029)	(3,029)
Other financial expenses	(4)	(18)	7	(163)
Total financial expenses	(3,010)	(14,755)	(6,586)	(12,467)

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

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

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

Loss on sale of a subsidiary company in the comparable period resulted from the sale of our subsidiary Vebspot doo because the value of net assets disposed (including goodwill recognized as at the acquisition date) was higher than the selling price.

5.5. Corporate income tax

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

	3 months ended 30 September 2023	9 months ended 30 September 2023	3 months ended 30 September 2022 (restated)	9 months ended 30 September 2022 (restated)
	PLN'000	PLN'000	PLN'000	PLN'000
Current corporate income tax expense as disclosed in the statement of profit and loss, of which:	(12,409)	(37,026)	(11,599)	(31,022)
<i>Current portion of income tax</i>	(12,405)	(38,564)	(11,762)	(32,810)
<i>Adjustments to prior years' income tax</i>	(4)	1,538	163	1,788
Deferred income tax	88	4,063	1,030	2,247
Income tax expense as disclosed in the statement of profit and loss	(12,321)	(32,963)	(10,569)	(28,775)

During the period of 9 months ended 30 September 2023, our effective tax rate equalled 17.1% as compared to 15.4% in the comparable period. The effective tax rate increased mainly due to the one-time earthquake-related income tax charged in Turkey, as well as higher income tax on dividends received by ASEE S.A. and Payten Holding S.A. from their subsidiaries located outside of the European Union. Income from operating activities was taxed at a similar level as in the previous year.

5.6. Earnings per share

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

	3 months ended 30 September 2023	9 months ended 30 September 2023	3 months ended 30 September 2022 (restated)	9 months ended 30 September 2022 (restated)
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251	51,894,251	51,894,251
Net profit attributable to shareholders of the Parent Company for the reporting period (in thousands of PLN)	62,545	154,559	49,936	152,657
Consolidated earnings per share for the reporting period (in PLN)	1.21	2.98	0.96	2.94

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 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.

In 2022, the Parent Company paid out to its shareholders a dividend for the year 2021. The Annual General Meeting of Asseco South Eastern Europe S.A. seated in Rzeszów acting on the basis of art. 395 § 2 item 2) of the Commercial Companies Code as well as pursuant to §12 sec. 4 item 2) of the Company's Articles of Association, on 21 June 2022 adopted a resolution to pay out a dividend in the total amount of PLN 66,425 thousand or PLN 1.28 per share to all of the Company's shareholders.

The Company's Annual General Meeting established 29 June 2022 as the dividend record date. The dividend was paid out on 12 July 2022. The number of shares eligible for dividend was 51,894,251.

VI. Explanatory notes to the consolidated statement of financial position

6.1. Property, plant and equipment

Changes in the net book value of property, plant and equipment that took place during the period of 9 months ended 30 September 2023 and in the comparable period are presented below:

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Net book value of property, plant and equipment as at 1 January	135,969	129,349
Additions, of which:	39,929	38,464
Purchases and modernization	32,665	32,980
Obtaining control over subsidiaries	-	121
Other	7,264	5,363
Reductions, of which:	(39,158)	(39,939)
Depreciation charges for the reporting period	(37,423)	(36,760)
Impairment losses	(639)	-
Disposal and liquidation	(779)	(1,164)
Loss of control over subsidiaries	-	(61)
Other	(317)	(1,954)
Change in presentation	3	(183)
Impact of hyperinflation	5,104	3,673
Exchange differences on translation of foreign operations	(5,836)	6,111
Net book value of property, plant and equipment as at 30 September	136,011	137,475

As at 30 September 2023, tangible assets with a book value of PLN 16,826 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities.

6.2. Intangible assets

Changes in the net book value of intangible assets that took place during the period of 9 months ended 30 September 2023 and in the comparable period are presented below:

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 (restated) PLN'000
Net book value of intangible assets as at 1 January (restated)	59,616	68,338
Additions, of which:	4,079	9,854
Purchases and modernization	2,947	2,647
Obtaining control over subsidiaries	-	5,772
Costs of development projects in progress	1,132	1,435
Reductions, of which:	(13,470)	(16,562)
Amortization charges for the reporting period	(13,470)	(16,339)
Disposal and liquidation	-	(223)
Change in presentation	(13)	(14)
Impact of hyperinflation	855	728
Exchange differences on translation of foreign operations	(1,382)	3,256
Net book value of intangible assets as at 30 September	49,685	65,600

As at 30 September 2022, intangible assets did not serve as collateral for any bank loans.

6.3. Right-of-use assets

Changes in the net book value of right-of-use assets that took place during the period of 9 months ended 30 September 2023 and in the comparable period are presented below:

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Net book value of right-of-use assets as at 1 January	43,131	51,216
Additions, of which:	24,797	8,912
Conclusion of new lease contracts	20,584	7,448
Modification of existing contracts	4,213	1,308
Obtaining control over subsidiaries	-	137
Other	-	19
Reductions, of which:	(17,302)	(18,910)
Depreciation charges for the reporting period	(16,269)	(16,375)
Acquisition of right-of-use assets	-	-
Early termination of contracts	(874)	(282)
Modification of existing contracts (lease shortening, interest rate change)	-	(2,253)
Other	(159)	-
Change in presentation	56	170
Exchange differences on translation of foreign operations	(1,266)	2,347
Net book value of right-of-use assets as at 30 September	49,416	43,735

6.4. Goodwill

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

The following table presents changes in the amounts of goodwill during the period of 9 months ended 30 September 2023 and in the comparable periods, in a breakdown by operating segments:

Goodwill	9 months ended 30 September 2023 PLN'000	6 months ended 30 June 2023 (restated) PLN'000	12 months ended 31 December 2022 (restated) PLN'000	9 months ended 30 September 2022 (restated) PLN'000
Goodwill at the beginning of the period (restated)	794,100	794,100	680,774	680,774
Banking Solutions	230,982	230,982	205,431	205,431
Payment Solutions	223,101	223,101	198,392	198,392
Dedicated Solutions	340,017	340,017	276,951	276,951
Change in consolidation goodwill due to the acquisition of shares (+/-)	-	-	51,721	26,736
Banking Solutions	-	-	16,240	-
Payment Solutions	-	-	-	-
Dedicated Solutions	-	-	35,481	26,736
Change in consolidation goodwill due to the sale of shares (+/-)	-	-	(5,348)	(5,487)
Banking Solutions	-	-	-	-
Payment Solutions	-	-	(5,348)	(5,487)
Systems Integration	-	-	-	-
Change due to hyperinflation (+/-):	30,981	13,515	70,739	65,336
Banking Solutions	2,651	1,156	6,480	6,018
Payment Solutions	16,884	7,366	35,630	32,685
Systems Integration	11,446	4,993	28,629	26,633
Foreign exchange differences (+/-)	(39,471)	(63,831)	(3,786)	28,445

Banking Solutions	(5,053)	(13,169)	2,831	10,552
Payment Solutions	(19,115)	(24,692)	(5,573)	5,435
Dedicated Solutions	(15,303)	(25,970)	(1,044)	12,458
Total goodwill	785,610	743,784	794,100	795,804
Banking Solutions	228,580	218,969	230,982	222,001
Payment Solutions	220,870	205,775	223,101	231,025
Dedicated Solutions	336,160	319,040	340,017	342,778
Total at the end of the period	785,610	743,784	794,100	795,804

In the period of 9 months ended 30 September 2023, the balance of goodwill arising from consolidation was affected by the transactions described below.

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 2023, translated at the exchange rate of 30 September 2023, amounted in total to PLN 21,069 thousand which was recognized in financial income, under 'Gain/Loss on the net monetary position', for the period of 9 months ended 30 September 2023.

The inflation-related revaluation of goodwill from the date of obtaining control till the end of 2022 amounted in total to PLN 58,210 thousand which was recognized and described in detail in the consolidated financial statements for 2022. Foreign exchange differences arising from the hyperinflation restatement of prior year goodwill, at the exchange rate of 30 September 2023, 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 2.10.

ii. Allocation of the purchase price of shares in Bithat Solutions s.r.l.

On 16 June 2022, ASEE Solutions S.R.L. (formerly Asseco SEE s.r.l.) (Bucharest) acquired 70% of shares in Bithat Solutions s.r.l., a company based in Bucharest (Romania), for the total amount EUR 7.2 million. The purchase price includes conditional payments in the amount of EUR 0.8 million depending on financial results achieved by the acquired company. All non-controlling interests are subject to put/call options and accounted for using the present ownership method. As at the acquisition date, the value of put options was measured at purchase price amounting to EUR 3.5 million, while the carrying amount of non-controlling interests stood at 0.

The process of purchase price allocation was completed in the first half of 2023. The fair values of identifiable assets and liabilities of Bithat Solutions s.r.l. as at the date of obtaining control are presented below (converted at the exchange rate of PLN/RON effective on the acquisition date):

	Provisional values as at the acquisition date RON'000	Provisional values as at the acquisition date PLN'000	Fair values as at the acquisition date RON'000	Fair values as at the acquisition date PLN'000	Level in fair value hierarchy PLN'000
Assets acquired					
Property, plant and equipment	128	121	128	121	3
Intangible assets, of which:	2,590	2,458	6,102	5,790	3
<i>Intangible assets recognized as at the acquisition date (PPA)</i>	-	-	3,512	3,333	3
Right-of-use assets	144	137	144	137	3
Trade receivables	1,666	1,581	1,666	1,581	3
Contract assets	608	577	608	577	
Cash and cash equivalents	1,821	1,728	1,821	1,728	3
Other assets	433	411	433	411	3
Total assets	7,390	7,013	10,902	10,345	
Liabilities acquired					
Lease liabilities	145	138	145	138	3

Trade payables	317	301	317	301	3
Contract liabilities	1,834	1,740	1,834	1,740	
Liabilities to the state and local budgets	132	125	132	125	3
Deferred tax liabilities, of which:	-	-	561	532	3
<i>Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)</i>	-	-	561	532	3
Other liabilities	321	305	321	305	3
Total liabilities	2,749	2,609	3,310	3,141	
Net assets value	4,641	4,404	7,592	7,204	
Equity interest acquired	100%*	100%*	100%*	100%*	
Value of non-controlling interests	-	-	-	-	
Purchase price	35,767	33,939	35,767	33,939	
Goodwill as at the acquisition date	31,126	29,535	28,175	26,735	

*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. 17 June 2022: RON 1 = PLN 0.9489

Input data were derived from the company's financial statements drawn up as at 30 June 2022. 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 enterprise document management software. 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 Bithat Solutions s.r.l. was allocated to the Dedicated Solutions segment.

iii. Allocation of the purchase price of shares in Helius Systems Sh.p.k.

On 27 September 2022, Asseco SEE Sh.p.k. (Kosovo) signed an agreement to acquire 70% of shares in Helius Systems Sh.p.k., a company based in Albania. The Group obtained control over Helius company after the acquisition had been entered into the Albanian register of commercial companies which took place 19 October 2022. The total purchase price equalled EUR 6.9 million. The purchase price includes conditional payments in the amount of EUR 2.0 million depending on financial results achieved by the acquired company. All non-controlling interests are subject to put/call options and accounted for using the present ownership method. As at the acquisition date, the value of put options was measured at purchase price amounting to EUR 2.3 million, while the carrying amount of non-controlling interests stood at 0.

As at 30 September 2023, the process of purchase price allocation has already been completed by the Group. The fair values of identifiable assets and liabilities of Helius Systems as at the date of obtaining control are presented below (converted at the exchange rate of PLN/ALL effective on the acquisition date):

	Provisional values as at the acquisition date ALL'000	Provisional values as at the acquisition date PLN'000	Fair values as at the acquisition date ALL'000	Fair values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired					
Property, plant and equipment	10,998	450	10,998	450	3
Intangible assets, of which:	450	18	120,230	4,924	3
<i>Intangible assets recognized as at the acquisition date (PPA)</i>	-	-	119,780	4,906	3
Right-of-use assets	8,107	332	8,107	332	3
Investments accounted for using the equity method	4,569	187	4,569	187	3
Trade receivables	42,486	1,740	42,486	1,740	3
Financial assets	6,633	272	6,633	272	3
Cash and cash equivalents	58,015	2,376	58,015	2,376	3
Other assets	1,739	71	1,739	71	3
Total assets	132,997	5,446	252,777	10,352	
Liabilities acquired					
Lease liabilities	8,107	332	8,107	332	3
Trade payables	5,790	237	5,790	237	3
Contract liabilities	6,447	264	6,447	264	3
Liabilities to the state and local budgets	19,560	801	19,560	801	3
Prepayments and accrued income	3,151	129	3,151	129	3
Deferred tax liabilities, of which:	-	-	5,989	245	3

Asseco South Eastern Europe Group
Quarterly Report for the period of 9 months ended 30 September 2023 (in thousands of PLN)

Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)	-	-	5,989	245	3
Other liabilities	650	27	650	27	3
Total liabilities	43,705	1,790	49,694	2,035	
Net assets value	89,292	3,656	203,083	8,317	
Equity interest acquired	100%*	100%*	100%	100%	
Value of non-controlling interests	-	-	-	-	
Purchase price	813,078	33,302	813,078	33,302	
Goodwill as at the acquisition date	723,786	29,646	609,995	24,985	

*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. 19.10.2022: ALL 1 = PLN 0.0410

Input data were derived from the company's financial statements drawn up as at 31 October 2022. The input data were prepared in accordance with the ASEE Group's accounting policy.

As a result of the purchase price allocation process, the Group recognized intangible assets constituted by three products: core banking system, ERP system, and notary office system. 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 Helius Systems was allocated to the Banking Solutions segment in the amount of PLN 16,240 thousand and to the Payment Solutions segment in the amount of PLN 8,745 thousand.

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

6.5. Other financial assets

As at 30 September 2023, 30 June 2023, 31 December 2022 and 30 September 2022, apart from receivables and cash and cash equivalents described in other notes, the Group also held other financial assets as presented in the table below.

	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Financial assets carried at fair value through profit or loss, of which:								
Currency forward contracts	-	-	-	164	-	19	-	-
Shares in companies not listed on regulated markets	-	26	-	25	-	27	-	27
	-	26	-	189	-	46	-	27
Financial assets carried at fair value through other comprehensive income, of which:								
Shares in companies quoted in an active market	48	1	29	1	28	1	30	1
Shares in companies not listed on regulated markets	22	-	21	-	22	-	23	-
Other financial assets	199	556	195	536	1,035	-	-	-
	269	557	245	537	1,085	1	53	1
Financial assets carried at amortized cost, of which:								
Loans granted, of which:	9	20	9	81	15	63	-	257
<i>granted to related parties</i>	-	-	-	-	-	-	-	-
<i>granted to employees</i>	9	20	9	81	15	63	-	257
<i>granted to other entities</i>	-	-	-	-	-	-	-	-
Cash deposits	1,283	220	1,232	207	1,324	209	1,301	2
	1,292	240	1,241	288	1,339	272	1,301	259
Total	1,561	823	1,486	1,014	2,424	319	1,354	287

As at 30 September 2023, financial assets carried at amortized cost include term cash deposits which serve as collateral for bank loans that were obtained to finance the performance of contracts.

Changes in the fair value measurement of financial instruments carried at fair value, and changes in the classification of financial instruments

In the period of 9 months ended 30 September 2023, the Group did not change its methods for measuring the fair value of financial instruments carried at fair value nor did it transfer any instruments between individual levels of the fair value hierarchy.

As at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022, the fair values of financial assets were not significantly different from their book values.

As at 30 September 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	-	-	-	-
Shares in companies not listed on regulated markets	26	-	-	26
Total	26	-	-	26
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	49	49	-	-
Shares in companies not listed on regulated markets	22	-	-	22
Other financial assets	755	-	-	755
Total	826	49	-	777

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

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

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

As at 30 June 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	164	-	164	-
Shares in companies not listed on regulated markets	25	-	-	25
Total	189	-	164	25
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	30	30	-	-
Shares in companies not listed on regulated markets	21	-	-	21
Other financial assets	731	-	-	731
Total	782	30	-	752

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

As at 31 December 2022	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	19	-	19	-
Shares in companies not listed on regulated markets	27	-	-	27
Total	46	-	19	27
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	29	29	-	-
Shares in companies not listed on regulated markets	22	-	-	22
Other financial assets	1,035	-	-	1,035
Total	1,086	29	-	1,057

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

As at 30 September 2022	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				
Shares in companies not listed on regulated markets	27	-	-	27
Total	27	-	-	27
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	31	31	-	-
Shares in companies not listed on regulated markets	23	-	-	23
Total	54	31	-	23

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

6.6. Prepayments and accrued income

As at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022, prepayments and accrued income included the following items:

	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Prepaid services, of which:	1,277	48,075	1,185	40,659	1,451	46,204	2,665	41,763
<i>maintenance services, license and subscription fees</i>	863	40,865	1,107	33,026	1,254	39,200	2,380	34,137
<i>insurances</i>	-	2,457	-	2,966	-	1,719	4	2,025
<i>rents and averaged instalments under operating leases</i>	80	183	70	267	-	363	-	252
<i>prepaid consulting services</i>	-	103	-	141	-	24	-	72
<i>other services</i>	334	4,467	8	4,259	197	4,898	281	5,277
Expenses related to services performed for which revenues have not been recognized yet	-	126	-	1,771	-	687	-	795
Other prepayments and accrued income	53	1,507	4	1,861	3	1,117	5	1,168
Total	1,330	49,708	1,189	44,291	1,454	48,008	2,670	43,726

6.7. Receivables and contract assets

The table below presents the amounts of receivables as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022.

	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Trade receivables, of which:	-	222,736	-	201,676	-	290,358	-	203,908
Trade receivables:	-	228,857	-	203,791	-	291,539	-	203,767
<i>from related parties</i>	-	757	-	1,122	-	925	-	595
<i>from other entities</i>	-	228,100	-	202,669	-	290,614	-	203,172
Receivables from operating leases	-	7,854	-	10,307	-	9,229	-	9,906
Allowances for trade receivables	-	(13,975)	-	(12,422)	-	(10,410)	-	(9,765)
Corporate income tax receivable	-	2,336	-	2,129	-	2,433	-	2,476
Receivables from the state and local budgets	-	8,288	-	4,739	-	3,806	-	8,221
Value added tax	-	6,342	-	2,745	-	1,406	-	5,545
Other	-	1,946	-	1,994	-	2,400	-	2,676
Other receivables	8,698	31,306	7,457	22,993	7,886	23,822	9,074	20,611
Security deposits receivable	732	1,288	707	1,197	758	1,387	670	1,455
Other receivables	7,966	30,105	6,750	21,883	7,128	22,522	8,404	19,242
Allowances for other doubtful receivables (-)	-	(87)	-	(87)	-	(87)	-	(86)
Total receivables	8,698	264,666	7,457	231,537	7,886	320,419	9,074	235,216

The balance of other receivables includes, among others, restricted cash intended for settlement of other liabilities arising from payment transactions, receivables relating to guarantees of due performance of contracts (i.e. security deposits provided to customers in order to compensate for their potential losses in case we fail to fulfil any contractual obligations), receivables arising from deferred payments for shares in Payten Holding S.A. which were sold by ASEE S.A. to the managers of ASEE Group companies, receivables from disposal of tangible assets, receivables from security deposits paid-in, as well as other receivables.

As at 30 September 2023, trade receivables in the amount of PLN 10,730 thousand and other receivables in the amount of PLN 834 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities.

The table below presents receivables from contracts with customers as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022.

Contract assets	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Uninvoiced receivables	-	49,169	-	38,055	-	14,375	-	55,371
from related parties	-	-	-	-	-	26	-	-
from other entities	-	49,169	-	38,055	-	14,349	-	55,371
Receivables from valuation of IT contracts	-	84,832	-	78,885	-	64,364	-	55,230
from related parties	-	886	-	728	-	727	-	715
from other entities	-	83,946	-	78,157	-	63,637	-	54,515
Total contract assets	-	134,001	-	116,940	-	78,739	-	110,601

Related party transactions have been presented in explanatory note 6.16 to these interim condensed consolidated financial statements.

Changes in the amount of allowances for trade receivables during the period of 9 months ended 30 September 2023 and in the comparable period are presented in the table below:

Allowances for trade receivables	9 months ended	9 months ended
	30 September 2023	30 September 2022
	PLN'000	PLN'000
Allowances as at 1 January	(10,410)	(7,696)
Recognized during the reporting period	(8,289)	(5,488)
Utilized during the reporting period	813	85
Reversed during the reporting period	3,444	4,410
Obtaining control over subsidiaries	-	(985)
Loss of control over subsidiaries	-	45
Foreign exchange differences	467	(136)
Allowances as at 30 September	(13,975)	(9,765)

6.8. Inventories

The table below presents inventories as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022:

Inventories	30 September 2023	30 June 2023	31 December 2022	30 September 2022
	PLN'000	PLN'000	PLN'000	PLN'000
Computer hardware, third-party software licenses and other goods for resale	114,702	72,713	58,756	76,047
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	17,248	16,132	15,145	15,230
Impairment losses on inventories	(19,289)	(17,871)	(16,856)	(16,916)
Total	112,661	70,974	57,045	74,361

Changes in the amount of impairment losses on inventories during the period of 9 months ended 30 September 2023 and in the comparable period are presented in the table below:

Impairment losses on inventories	9 months ended	9 months ended
	30 September 2023	30 September 2022
	PLN'000	PLN'000
Impairment losses as at 1 January	(16,856)	(16,058)
Recognized during the reporting period	(4,670)	(3,087)
Utilized during the reporting period	228	-
Reversed during the reporting period	1,784	3,112
Loss of control over subsidiaries	-	10
Foreign exchange differences	225	(893)
Allowances as at 30 September	(19,289)	(16,916)

6.9. Cash and cash equivalents

The table below presents cash and cash equivalents as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022:

	30 September 2023	30 June 2023	31 December 2022	30 September 2022
	PLN'000	PLN'000	PLN'000	PLN'000
Cash at bank and on hand	211,994	269,448	241,925	181,357
Cash at split payment accounts	-	10	57	18
Short-term bank deposits (up to 3 months)	33,906	26,303	55,923	62,840
Cash in transit and other cash equivalents	6,991	3	129	35
Total cash and cash equivalents as disclosed in the statement of financial position	252,891	295,764	298,034	244,250
Interest accrued on cash and cash equivalents	(16)	(17)	(10)	(8)
Bank overdraft facilities utilized for current liquidity management	(35,295)	(31,028)	(33,260)	(29,192)
Total cash and cash equivalents as disclosed in the cash flow statement	217,580	264,719	264,764	215,050

As at 30 September 2023, cash in the amount of PLN 12,008 thousand held in bank accounts of ASEE S.A. was subject to a registered pledge in order to secure the repayment of a bank loan. As at the reporting date, liabilities under the loan secured with these assets amounted to PLN 34,767 thousand.

6.10. Lease liabilities

As at 30 September 2023, the Group was a lessee under lease contracts. Assets leased under such contracts included:

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

The table below presents the amounts of lease liabilities as at 30 September 2023, as well as at 30 June 2023, 31 December 2022, and 30 September 2022.

Financial liabilities	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Leases of real estate	26,456	14,105	23,858	14,357	21,233	15,104	21,582	15,164
Leases of transportation vehicles	5,512	3,359	5,260	3,469	4,369	3,696	4,229	3,547
Leases of IT hardware and other assets	504	891	46	150	98	618	128	948
	32,472	18,355	29,164	17,976	25,700	19,418	25,939	19,659

6.11. Bank loans and borrowings

The table below presents the Group's debt under bank loans and borrowings outstanding as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022.

	Curren- cy	Repayment date	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
			Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
			PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Bank overdraft facilities			-	35,295	-	31,028	-	33,260	-	29,192
<i>fixed interest rate</i>	MKD	30.09.2023	-	44	-	37	-	40	-	36
<i>fixed interest rate</i>	EUR	05.10.2023	-	98	-	70	-	97	-	82
<i>fixed interest rate</i>	TRY	06.10.2023	-	34	-	27	-	111	-	75
<i>fixed interest rate</i>	COP	03.10.2023	-	5	-	23	-	20	-	41
<i>fixed interest rate</i>	BGN	30.04.2025	-	-	-	-	-	4	-	-
<i>fixed interest rate</i>	BAM	14.06.2024	-	3,441	-	596	-	3,379	-	-
<i>fixed interest rate</i>	BAM	10.05.2024	-	2,509	-	3,707	-	4,036	-	4,176
<i>fixed interest rate</i>	BAM	25.10.2023	-	1,179	-	1,142	-	-	-	1,228
<i>fixed interest rate</i>	BAM	24.05.2024	-	3,533	-	3,421	-	3,600	-	3,685
<i>fixed interest rate</i>	BAM	15.12.2023	-	3,643	-	3,532	-	5,954	-	3,731
<i>fixed interest rate</i>	BAM	12.01.2024	-	164	-	-	-	2	-	-
<i>fixed interest rate</i>	BAM	15.09.2023	-	-	-	2,739	-	8,646	-	8,843
<i>fixed interest rate</i>	BAM	12.05.2024	-	1,410	-	1,365	-	-	-	-
<i>fixed interest rate</i>	BAM	01.04.2023	-	-	-	-	-	1,920	-	1,965
<i>fixed interest rate</i>	BAM	28.03.2024	-	1,079	-	-	-	537	-	-
<i>fixed interest rate</i>	BAM	28.09.2024	-	1,175	-	-	-	1,200	-	1,228
<i>fixed interest rate</i>	BAM	29.01.2023	-	-	-	-	-	3,700	-	3,783
<i>fixed interest rate</i>	BAM	15.05.2023	-	-	-	-	-	14	-	-
<i>fixed interest rate</i>	BAM	15.08.2023	-	-	-	963	-	-	-	-
<i>fixed interest rate</i>	BAM	15.12.2024	-	3,536	-	3,424	-	-	-	-
<i>fixed interest rate</i>	BAM	28.12.2025	-	1,765	-	1,704	-	-	-	-
<i>fixed interest rate</i>	BAM	21.03.2024	-	1,415	-	1,373	-	-	-	-
<i>fixed interest rate</i>	BAM	28.12.2025	-	2,350	-	2,275	-	-	-	-
<i>fixed interest rate</i>	EUR	10.03.2025	-	18	-	-	-	-	-	-
<i>fixed interest rate</i>	RSD	22.06.2024	-	228	-	-	-	-	-	-
1M EURIBOR + margin	EUR	01.11.2023	-	1,061	-	-	-	-	-	-
3M EURIBOR + margin	EUR	23.02.2024	-	6,146	-	4,630	-	-	-	-
6M EURIBOR + margin	EUR	31.12.2023	-	462	-	-	-	-	-	319
Other bank loans			43,288	17,213	32,772	31,149	48,635	33,195	48,111	28,984
1M EURIBOR + margin	EUR	31.07.2023	-	-	-	-	-	2,680	-	4,174
3M EURIBOR + margin	EUR	30.06.2024	-	2,814	-	3,241	1,708	3,701	2,660	3,547
3M EURIBOR + margin	EUR	31.12.2022	-	-	-	-	-	-	-	268
3M EURIBOR + margin	EUR	29.09.2028	34,767	-	23,107	10,270	29,763	5,411	24,724	2,060
6M EURIBOR + margin	BAM	22.04.2024	-	403	-	556	235	694	954	231
6M EURIBOR + margin	BAM	25.10.2025	1,460	193	1,414	371	1,489	778	-	-
6M EURIBOR + margin	EUR	05.02.2024	-	138	-	212	56	299	143	298
6M EURIBOR + margin	EUR	30.09.2023	-	4	-	17	-	44	-	59
6M EURIBOR + margin	EUR	08.07.2026	910	496	993	477	1,339	460	1,521	478
1Y EURIBOR + margin	EUR	22.06.2027	2,809	911	2,920	863	3,529	458	3,821	-
<i>fixed interest rate</i>	EUR	30.11.2022	-	-	-	-	-	-	-	1,437
<i>fixed interest rate</i>	EUR	22.04.2023	-	-	-	-	-	939	-	1,683
<i>fixed interest rate</i>	EUR	30.06.2024	-	1,304	-	1,669	879	1,759	1,370	1,826
<i>fixed interest rate</i>	EUR	10.01.2025	2,303	6,909	3,341	7,239	7,626	6,453	9,620	4,810
<i>fixed interest rate</i>	EUR	20.04.2025	-	3,158	-	4,200	2,011	4,827	3,298	4,950
<i>fixed interest rate</i>	EUR	10.08.2023	-	-	-	519	-	2,187	-	3,121
<i>fixed interest rate</i>	EUR	30.11.2023	-	615	-	1,181	-	2,490	-	-
<i>fixed interest rate</i>	EUR	28.06.2027	1,039	268	997	334	-	-	-	-
<i>fixed interest rate</i>	PEN	13.02.2023	-	-	-	-	-	15	-	42
Loans										
<i>fixed interest rate</i>	BAM	22.04.2024	-	-	-	-	-	-	-	20
Total			43,288	52,508	32,772	62,177	48,635	66,455	48,111	58,196

The Group's total debt amounted to PLN 95,796 thousand as at 30 September 2023, as compared to PLN 115,090 thousand as at 31 December 2022. The total amount of debt decreased due to the repayment of instalments under bank loans that were obtained to finance our company acquisitions, expenditures for infrastructure being used in our payment process outsourcing projects, as well as working capital.

Total proceeds from and repayments of bank loans disclosed in the statement of cash flows for the period of 9 months ended 30 September 2023 amounted to PLN 1,275 thousand (proceeds) and PLN 21,311 thousand (repayments).

As at 30 September 2023, tangible assets with a book value of PLN 16,826 thousand, trade receivables in the amount of PLN 10,730 thousand, cash in the amount of PLN 12,008 thousand, as well as financial assets carried at amortized cost (long-term cash deposits) in the amount of PLN 1,234 thousand served as collateral for bank loans and open bank guarantee facilities. As at 30 September 2023, liabilities that were secured with such assets amounted to PLN 54,903 thousand.

In the reporting period, the margins realized by lenders to ASEE Group companies ranged from 1.0 to 5.2 percentage points on an annual basis. Whereas, in the comparable period such margins ranged from 1.2 to 5.2 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 the bank. These ratios are related to the level of indebtedness, e.g. debt to EBITDA. Both as at 30 September 2023 and 31 December 2022, ASEE Group companies did not infringe on any covenants defined in their bank loan agreements.

Fair value of financial liabilities

In the period of 9 months ended 30 September 2023, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy.

As at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022, the fair values of bank loans were not significantly different from their book values, and they were determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets (level 3 of the fair value hierarchy).

6.12. Other financial liabilities

The table below presents other financial liabilities outstanding as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022:

Financial liabilities	30 September 2023		30 June 2023		31 December 2022 (restated)		30 September 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Dividends payable	-	3,993	-	79,820	-	4,067	-	-
Liabilities under deferred and/or conditional payments for controlling interests / buyout of minority interests	960	11,361	894	17,644	13,735	10,546	8,390	6,630
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	78,455	46,858	74,688	44,724	77,691	47,135	68,405	47,973
Currency forward contracts	-	22	-	-	140	317	860	144
Other financial liabilities	-	2	-	2	-	6	-	6
	79,415	62,236	75,582	142,190	91,566	62,071	77,655	54,753

As at 30 September 2023, ASEE Group recognized liabilities under put options granted to non-controlling shareholders in the total amount of PLN 125,313 thousand which were related to the following companies: Necomplus – PLN 46,858 thousand, ContentSpeed – PLN 5,141 thousand, BS Telecom – PLN 48,999 thousand, Bithat Solutions – PLN 13,135 thousand, and Helius Systems – PLN 11,180 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 30 September 2023, liabilities under conditional payments for controlling interests amounted in total to PLN 12,321 thousand and were related to acquisitions of the following companies: Smarttek – PLN 960 thousand, ContentSpeed – PLN 4,005 thousand, Bithat Solutions – PLN 905 thousand, and Helius Systems – PLN 1,262 thousand. The amount of PLN 5,189 thousand represents a conditional payment for the buyout of non-controlling interests in IPS company. The above-mentioned liabilities have been estimated using the price calculation formula as defined in the acquisition agreement, which corresponds to the company's profit for the contractual term multiplied by a predetermined coefficient.

As at 30 September 2023, as well as at 30 June 2022, 31 December 2022 and 30 September 2022, the fair values of financial liabilities were not significantly different from their book values.

As at 30 September 2023	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
Dividends payable	3,993	-	-	3,993
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	12,321	-	-	12,321
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	125,313	-	-	125,313
Currency forward contracts	22	-	22	-
Other financial liabilities	2	-	-	2
Total	141,651	-	22	141,629

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

As at 30 June 2023	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
Dividends payable	79,820	-	-	79,820
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	18,538	-	-	18,538
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	119,412	-	-	119,412
Other financial liabilities	2	-	-	2
Total	217,772	-	-	217,772

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

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

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

As at 30 September 2022	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	15,020	-	-	15,020
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	116,378	-	-	116,378
Currency forward contracts	1,004	-	1,004	-
Other financial liabilities	6	-	-	6
Total	132,408	-	1,004	131,404

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

6.13. Trade payables, state budget liabilities and other liabilities

The table below presents the Group's liabilities outstanding as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022:

	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Trade payables, of which:	-	152,613	-	104,551	-	123,980	-	130,388
Trade payables	-	134,113	-	84,393	-	106,743	-	113,122
from related parties	-	99	-	111	-	191	-	122
from other entities	-	134,014	-	84,282	-	106,552	-	113,000
Uninvoiced payables	-	17,296	-	20,158	-	17,237	-	17,266
from related parties	-	47	-	46	-	48	-	49
from other entities	-	17,249	-	20,112	-	17,189	-	17,217
Liabilities arising from contractual penalties	-	1,204	-	-	-	-	-	-
Corporate income tax payable	-	10,696	-	9,217	-	9,081	-	8,359
Liabilities to the state and local budgets	-	26,185	-	23,872	-	46,357	-	22,326
Value added tax (VAT)	-	12,251	-	12,332	-	30,959	-	10,839
Personal income tax (PIT)	-	2,621	-	2,111	-	4,270	-	2,404
Social insurance	-	9,149	-	8,079	-	9,636	-	8,065
Withholding income tax	-	1,222	-	863	-	1,137	-	109
Other	-	942	-	487	-	355	-	909
Other liabilities	50	39,114	59	31,491	74	48,894	573	27,923
Liabilities to employees (including salaries payable)	-	11,635	-	11,283	-	24,613	-	11,603
Liabilities from purchases of tangible assets and intangible assets	-	669	-	2,599	-	2,562	506	2,042
Other liabilities	50	26,810	59	17,609	74	21,719	67	14,278
Total	50	228,608	59	169,131	74	228,312	573	188,996

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 6.16 to these interim condensed consolidated financial statements.

Other liabilities represent primarily liabilities to counterparties arising from processed payment transactions.

Contract liabilities

The table below presents liabilities arising from contracts with customers as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022.

	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Liabilities from valuation of IT contracts, of which:	-	30,375	-	22,608	-	33,872	-	22,946
From related parties	-	-	-	1	-	2	-	14
From other entities	-	30,375	-	22,607	-	33,870	-	22,932
Deferred income from IT projects, of which:	4,272	99,801	6,588	96,621	8,455	114,488	8,863	98,060
Maintenance services, license and subscription fees	4,109	74,401	6,073	65,895	8,455	67,400	8,863	61,947
Prepaid implementation services	163	14,065	515	17,927	-	12,240	-	10,988
Obligations to supply hardware	-	11,306	-	12,770	-	34,822	-	25,094
Other prepaid services	-	29	-	29	-	26	-	31
Total contract liabilities	4,272	130,176	6,588	119,229	8,455	148,360	8,863	121,006

6.14. Provisions

Changes in the amount of provisions during the period of 9 months ended 30 September 2023 and in the comparable period are presented in the table below:

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
As at 1 January	9,175	6,364
Provisions created during the reporting period	6,519	4,313
Provisions utilized/reversed during the reporting period	(5,327)	(2,855)
Loss of control over subsidiaries	-	(14)
Exchange differences on translation of foreign operations	(824)	94
As at the end of the reporting period, of which:	9,543	7,902
Short-term	6,078	4,926
Long-term	3,465	2,976

6.15. Accruals and deferred income

The table below presents the amounts of accruals as at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022:

	30 September 2023		30 June 2023		31 December 2022		30 September 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Accruals, of which:								
Accruals for unused holiday leaves	-	9,595	-	10,532	-	8,440	-	7,675
Accruals for employee and management bonuses	-	38,009	-	28,476	-	24,101	-	38,806
	-	47,604	-	39,008	-	32,541	-	46,481
Deferred income, of which:								
Grants related to assets	-	3,113	-	2,899	-	2,570	-	2,405
	-	3,113	-	2,899	-	2,570	-	2,405

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

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

6.16. Related party transactions

The table below discloses the total values of transactions conducted with our related parties during the period of 9 months ended 30 September 2023 and the period of 9 months ended 30 September 2022, as well as outstanding balances of receivables and liabilities arising from such transactions as at 30 September 2023 and 31 December 2022:

	Sales to related parties	Purchases from related parties	Trade receivables and other receivables	Trade payables and other liabilities	Lease liabilities
	9 months ended 30 September PLN'000	9 months ended 30 September PLN'000	30 September 2023/ 31 December 2022 PLN'000	30 September 2023/ 31 December 2022 PLN'000	30 September 2023/ 31 December 2022 PLN'000
Transactions with Asseco Poland					
2023	-	602	47	7	-
2022	-	270	47	10	-
Transactions with entities of Asseco Poland Group					
2023	2,633	361	1,643	-	-
2022	1,224	729	1,620	93	-

Transactions with associates					
2023	-	-	-	-	-
2022	-	-	58	-	-
Transactions with entities or individuals related through the Group's Key Management Personnel					
2023	-	3,196	-	140	6,951
2022	47	2,148	-	133	10,213
Transactions with Members of Management Board and Supervisory Board of ASEE S.A. and companies of ASEE Group					
2023	-	14	8,295	9	235
2022	-	27	8,166	28	62

As at 30 September 2023, total receivables from related parties comprised trade receivables amounting to PLN 757 thousand, contract assets amounting to PLN 886 thousand, and other receivables amounting to PLN 8,342 thousand, of which PLN 8,295 thousand represent receivables arising from the sale of shares in Payten Holding S.A. to the managers of ASEE Group companies, and PLN 47 thousand constitute deposits for rental of office space.

As at 31 December 2022, total receivables from related parties comprised trade receivables amounting to PLN 925 thousand, contract assets amounting to PLN 753 thousand, and other receivables amounting to PLN 8,213 thousand, of which PLN 8,166 thousand represent receivables arising from the sale of shares in Payten Holding S.A. to the managers of ASEE Group companies, and PLN 47 thousand constitute deposits for rental of office space.

As at 30 September 2023, total liabilities to related parties comprised trade payables amounting to PLN 146 thousand, liabilities arising from valuation of IT contracts amounting to PLN 1 thousand, and other liabilities amounting to PLN 9 thousand. As at 31 December 2022, total liabilities to related parties comprised trade payables amounting to PLN 239 thousand and other liabilities amounting to PLN 25 thousand.

Purchases from and sales to related parties presented in the table above resulted from purchases and sales of hardware and services that were conducted by companies of ASEE Group with related companies of Asseco Poland Group as well as with parties related through the Key Management Personnel or directly with the Key Management Personnel. The Group also incurs costs arising from rentals of space from MHM d.o.o., 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 7,186 thousand as at 30 September 2023.

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

Furthermore, Asseco International a.s., our parent company, received a dividend from ASEE S.A. in the total gross amount of PLN 38,554 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 2,476 thousand, compared to PLN 2,171 thousand distributed in 2022. The numbers of ASEE shares held by its Management Personnel as well as by their related parties have been presented in section VIII of these interim condensed financial statements. The dividend was paid out on 13 July 2023.

On 23 September 2021, Asseco International a.s. and managers of ASEE Group companies signed agreements for the acquisition of shares in ASEE S.A., which has been described in detail in explanatory note 5.2 in this report. Members of the Management Board of ASEE S.A., acting directly or through their related parties, acquired the following numbers of shares:

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 30 September 2023, Mini Invest d.o.o. held 348,336 shares in ASEE S.A.

Management Board Members	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 interim condensed consolidated financial statements for the period of 9 months ended 30 September 2023, the costs of share-based payment plan related to shares acquired by Members of the Management Board amounted to PLN 136 thousand.

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

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’:

	9 months ended 30 September 2023	9 months ended 30 September 2022
	PLN'000	PLN'000
Change in inventories	(62,404)	(38,238)
Change in receivables and non-financial assets	(18,419)	(64,386)
Change in liabilities	13,800	16,856
Change in prepayments and accruals	(2,105)	39,941
Change in provisions	1,192	1,457
Total	(67,936)	(44,370)

7.2. Cash flows – investing activities

In the period of 9 months ended 30 September 2023, the amount of cash flows in investing activities was affected primarily by:

- acquisitions of property, plant and equipment for PLN 34,109 thousand, purchases of intangible assets for PLN 3,148 thousand, and expenditures for development projects in the amount of PLN 1,132 thousand;
- expenditures for acquisition of subsidiaries, net of cash and cash equivalents in subsidiaries acquired, as disclosed in the table below:

	Acquisition of subsidiaries	Cash in subsidiaries acquired
	PLN'000	PLN'000
Bithat Solutions	(1,372)	-
Heliuss Systems	(7,690)	-
Smarttek	(423)	-
Total	(9,485)	-

7.3. Cash flows – financing activities

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

Change in financial liabilities	Interest-bearing bank loans and borrowings	Lease liabilities	Dividends payable	Total
	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2023	81,830	45,118	4,067	131,015
Changes arising from cash flows	(21,687)	(18,305)	(81,620)	(121,612)
Inflows	1,275	-	-	1,275
Outflows	(21,311)	(16,844)	(81,620)	(119,775)
Interest paid	(1,651)	(1,461)	-	(3,112)
Non-cash changes	1,097	25,199	81,620	107,916
Interest accrued	1,655	1,461	-	3,116
Non-cash increase in liabilities	-	24,798	81,620	106,418
Non-cash decrease in liabilities	-	(1,034)	-	(1,034)
Foreign exchange differences recognized in financial income/expenses	(558)	(26)	-	(584)
Exchange differences on translation of foreign operations	(739)	(1,185)	(74)	(1,998)
As at 30 September 2023	60,501	50,827	3,993	115,321

Change in financial liabilities	Interest-bearing bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividends payable PLN'000	Total PLN'000
As at 1 January 2022	60,695	54,134	-	114,829
Changes arising from cash flows	10,725	(17,683)	(70,156)	(77,114)
Inflows	40,099	-	-	40,099
Outflows	(27,589)	(16,519)	(70,156)	(114,264)
Interest paid	(1,785)	(1,164)	-	(2,949)
Non-cash changes	3,703	6,767	70,156	80,626
Interest accrued	1,795	1,164	-	2,959
Non-cash increase in liabilities	-	8,756	70,156	78,912
Non-cash decrease in liabilities	-	(2,535)	-	(2,535)
Obtaining control over subsidiaries	-	137	-	137
Foreign exchange differences recognized in financial income/expenses	1,908	(755)	-	1,153
Exchange differences on translation of foreign operations	1,991	2,380	-	4,371
As at 30 September 2022	77,114	45,598	-	122,712

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, as presented in the interim condensed consolidated statement of cash flows for the period of 9 months ended 30 September 2023, represent payments to the minority shareholders of Necomplus, eMon, Payten Holding and ChipCard in the current reporting period, as well as to the minority shareholders of Necomplus, eMon, ContentSpeed and ChipCard in the comparable period.

VIII. Other explanatory notes

8.1. Off-balance-sheet liabilities

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

The resulting contingent liabilities equalled PLN 68,561 thousand as at 30 September 2023, as compared to PLN 73,472 thousand as at 30 June 2023, PLN 74,612 thousand as at 31 December 2022, and PLN 65,222 thousand as at 30 September 2022.

Assets serving as collateral for bank guarantee facilities:

Category of assets	Net value of assets				Amount of granted guarantee secured with assets			
	30 September 2023 PLN'000	30 June 2023 PLN'000	31 December 2022 PLN'000	30 September 2022 PLN'000	30 September 2023 PLN'000	30 June 2023 PLN'000	31 December 2022 PLN'000	30 September 2022 PLN'000
Financial assets	35	33	-	-	35	33	-	-
Trade receivables	-	-	-	1,868	-	-	-	5,742
Other receivables	834	974	379	325	834	803	379	325
Total	869	1,007	379	2,193	869	836	379	6,067

None of the above-described guarantee obligations meet the definition of a financial guarantee under IFRS 9, and therefore they are not recognized as liabilities in the statement of financial position of the Group as at 30 September 2023.

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

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

As at 30 September 2023, as well as at 30 June 2023, 31 December 2022 and 30 September 2022, the above-mentioned contracts resulted in the following off-balance-sheet liabilities to make future payments:

	30 September 2023 PLN'000	30 June 2023 PLN'000	31 December 2022 PLN'000	30 September 2022 PLN'000
<i>Liabilities from rental of space</i>				
In the period up to 1 year	3,532	4,078	3,567	3,641
In the period from 1 to 5 years	1,166	2,550	3,356	24
Over 5 years	-	-	-	-
	4,698	6,628	6,923	3,665
<i>Liabilities under operating leases of equipment</i>				
In the period up to 1 year	146	201	469	425
In the period from 1 to 5 years	-	-	-	-
Over 5 years	-	-	-	-
	146	201	469	425

The said contracts meet the definition of a lease under IFRS 16. Off-balance-sheet liabilities disclosed as at 30 September 2023 are related to lease contracts that were subject to exemptions provided under IFRS 16 (short-term leases and leases of low-value assets).

Disputes in litigation as at the end of the reporting period

During the reporting period, no significant proceedings were pending before any court, arbitration authority or public administration authority, concerning any liabilities or receivables of ASEE Group companies.

8.2. Seasonal and cyclical business

The Group's sales revenues are subject to some seasonality in individual quarters of the year. Such seasonality is observed mainly in the supply of hardware (the Payment Solutions and Dedicated Solutions segments), intelligent traffic management systems (the Dedicated Solutions segment), transactions carried out within the MoneyGet ATM network (the Payment Solutions segment), as well as in the volume of payment transactions processed within the business lines of e-Commerce, IPD and Processing. The fourth quarter revenues tend to be higher than in the remaining periods, as bulk of such turnover is generated from the sale of IT services for large enterprises and public administration. Such entities often decide to make higher purchases of hardware and licenses in the last months of a year.

8.3. Employment

Number of employees in the Group companies as at	30 September 2023	30 June 2023	31 December 2022	30 September 2022
Management Board of the Parent Company	4	4	4	4
Management Boards of the Group companies	60	60	64	62
Production departments	3,135	3,116	3,189	3,037
Sales departments	273	265	275	269
Administration departments	355	344	342	326
Total	3,827	3,789	3,874	3,698

Number of employees in the Group companies as at:	30 September 2023	30 June 2023	31 December 2022	30 September 2022
ASEE S.A.	33	32	31	31
ASEE B&H	108	108	111	111
ASEE Bulgaria	18	18	17	17
ASEE Macedonia	252	250	248	243
ASEE Turkey	102	102	100	96
BS Telecom Solutions	143	138	134	138
ASEE Croatia Group	359	354	347	330
ASEE Kosovo Group	149	147	150	87
ASEE Romania Group	154	149	146	140
ASEE Serbia Group	611	610	608	614
Necomplus Group	710	725	866	815
Payten B&H Group	70	65	68	69
Payten Romania Group	115	107	107	107
Payten Serbia Group	217	215	207	198
Payten Turkey Group	383	369	349	327
Sonet Group	87	84	83	85
Monri Croatia	119	120	106	106
Payten Croatia	102	103	102	100
Payten Montenegro	19	18	19	20
Payten Egypt	9	9	9	-
Payten Macedonia	34	33	33	34
Payten Slovenia	33	33	33	30
Total	3,827	3,789	3,874	3,698

8.4. Significant events after the reporting period

▪ *Changing the name of a subsidiary company to ASEE DOOEL Skopje*

On 2 October 2023, our subsidiary company operating in Macedonia was renamed from Trade Company for production, service and trade ASSECO SEE Dooel Skopje (short name: ASSECO SEE Dooel Skopje) to Trade Company for production, service and trade ASEE DOOEL Skopje (short name: ASEE DOOEL Skopje).

- **Acquisition of shares in Ifthenpay Lda**

On 13 October 2023, the Group obtained control over the company Ifthenpay, Lda based in Santa Maria de Lamas, after receiving the decision from the National Bank of Portugal not to oppose the purchase of this company and upon concluding the share transfer agreement.

The purchase price of this 80% stake is not expected to exceed EUR 9.7 million and it may fluctuate depending on financial results achieved by the acquired company. All non-controlling interests are subject to put/call options.

In the period from 30 September 2023 till the date of approval of these interim condensed consolidated financial statements, this is until 24 October 2023, we have not observed any other major events, the disclosure of which might significantly affect the assessment of human resources, assets and financial position of ASEE Group.

8.5. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 9 months ended 30 September 2023, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.



**Summary and analysis of the financial results
of Asseco South Eastern Europe Group
for the period of 9 months ended 30 September 2023**

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

PLN'000	3 months ended		Change	3 months ended		Change
	30 September 2023			30 September 2022		
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	398,346	419,488	-5%	88,305	88,103	0%
Gross profit on sales	110,129	101,924	8%	24,395	21,368	14%
Net profit on sales	60,323	55,803	8%	13,353	11,701	14%
Operating profit	60,635	56,768	7%	13,422	11,906	13%
EBITDA	83,492	80,787	3%	18,491	16,935	9%
Net profit for the reporting period	63,636	51,960	23%	14,064	10,864	30%
Net profit attributable to Shareholders of the Parent Company	62,545	49,936	25%	13,819	10,438	32%

Financial results achieved by ASEE Group in the third quarter of 2023, presented in EUR, were stronger than in the comparable period of the previous year. The Group's sales revenues remained at a similar level as in the previous year while we observed a change in the revenue structure from individual business activities. The resale of third-party solutions declined by EUR 10 million; however, we managed to boost our revenues by a similar amount from the provision of own services, including mainly implementation, SaaS, subscription and outsourcing services. Operating profit reached EUR 13.4 million increasing by 13%, while EBITDA for the third quarter of 2023 amounted to EUR 18.5 million showing an improvement by 9%. Net profit attributable to shareholders of the Parent Company for the third quarter of 2023 amounted to EUR 13.8 million, reflecting an increase by EUR 3.4 million or 32%.

The said improvement of financial performance resulted primarily from higher sales generated by the Payment Solutions segment, owing to its business lines responsible for processing of payment transactions, e-Commerce as well as for solutions dedicated to non-financial customers, such as electronic fiscal cash registers (ECR) and Single POS solutions. The Dedicated Solutions segment also recorded an increase in sales, both in the business line offering proprietary software and in the business line responsible for hardware and third-party solutions. Here, the situation was analogous when looking at sales net of the value of goods and services resold. In the Banking Solutions segment, stronger sales were traditionally generated from the sale of proprietary services.

The growing scale of operations is also partly attributable to the consolidation of several new companies by ASEE Group, including Bithat consolidated from the beginning of the second half of 2022 and Helios consolidated from the fourth quarter of 2022. The newly acquired subsidiaries of ASEE Group generated EUR 0.9 million of sales revenues in the third quarter of 2023. Taking into account depreciation and amortization of assets recognized in the purchase price allocation process, the impact of our new subsidiaries on EBIT was EUR -0.1 million while their impact on the level of EBITDA was insignificant.

The above-mentioned results for the third quarter of 2023 also include the effects of hyperinflation related to our Turkish operations, recognized in accordance with IAS 29. Such impact is presented in the table below.

	3 months ended		Impact of hyperinflation	3 months ended		3 months ended		
	30 September 2023			30 September 2023			30 September 2023	
	Without IAS 29	PLN'000		According to IFRS	PLN'000		Without IAS 29	EUR'000
Sales revenues	377,286	21,060	398,346	83,727	4,578	88,305		
Gross profit on sales	103,564	6,565	110,129	22,970	1,424	24,395		
Net profit on sales	57,341	2,982	60,323	12,707	646	13,353		
Operating profit	57,737	2,898	60,635	12,794	628	13,422		
EBITDA	79,471	4,021	83,492	17,617	874	18,491		
Net profit for the reporting period	47,798	15,838	63,636	10,594	3,471	14,064		
Net profit attributable to Shareholders of the Parent Company	46,827	15,718	62,545	10,375	3,444	13,819		

More detailed information on financial reporting in hyperinflationary conditions is provided in explanatory note 2.10 to the interim condensed consolidated financial statements.

Described below are the financial results of individual operating segments which do not include the effects of hyperinflation. This approach is in line with information on operating segments that is reviewed by the Management Board.



Results of the **Payment Solutions** segment

Payment Solutions	3 months ended			3 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
<i>(data without the impact of IAS 29)</i>	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	171,679	201,311	-15%	38,125	42,255	-10%
Operating profit	33,137	31,751	4%	7,331	6,664	10%
EBITDA	47,803	48,275	-1%	10,586	10,124	5%

In the third quarter of 2023, sales generated by the **Payment Solutions** segment reached EUR 38.1 million, declining by EUR 4.1 million or 10% in relation to the comparable period last year.

Weaker revenues were reported by the business lines responsible for maintenance and sale of POS terminals and ATMs, whose sales were lower by EUR 4.7 million and EUR 3.2 million, respectively, than in the comparable period last year. In the POS terminals business line, the decrease was a consequence of a lower volume and value of terminals delivered in Western Europe; whereas, the decrease in the ATMs business line was due to smaller deliveries of ATMs in Serbia. Such deterioration was partially offset by higher revenues from our independent ATM network in Albania and Serbia primarily owing to increased tourist traffic and new services available on our ATMs. The business line responsible for POS terminals recorded stronger sales of solutions dedicated to non-financial customers, such as electronic cash registers (ECR) and Single POS solutions. Revenues from these solutions increased by 34% year on year which was achieved mainly by our operations in Croatia and, to a lesser extent, in Romania.

The remaining two business lines responsible for handling of e-Commerce transactions and for processing of card payments generated higher revenues by EUR 1.5 million and EUR 0.7 million, respectively. In the e-Commerce business, such increase was achieved mainly owing to a higher number of customers and transactions served by our operations in Turkey, Romania and Serbia, in spite of revenues in Turkey being affected by the weakening of the Turkish lira. In the business of card payment processing, traditionally the growth was achieved by our operations in Serbia, where our processing competence center is located.

Operating profit of the Payment Solutions segment for the third quarter of 2023 amounted to EUR 7.3 million, improving by EUR 0.7 million or 10%. The increase in EBIT was generated primarily by the business lines responsible for e-Commerce, payment processing and solutions dedicated to non-financial customers, such as electronic cash registers (ECR) and Single POS solutions. Weaker operating results were recorded by the business lines responsible for sale and maintenance of POS terminals and ATMs, which was mainly attributable to the smaller deliveries of equipment as described above.

Consolidated EBITDA of the Payment Solutions segment for the third quarter of 2023 amounted to EUR 10.6 million, improving by EUR 0.5 million or 5% in relation to the comparable period last year.



Results of the **Banking Solutions** segment

Banking Solutions	3 months ended			3 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
<i>(data without the impact of IAS 29)</i>	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	73,315	71,544	3%	16,272	15,011	8%
Operating profit	14,361	14,725	-3%	3,196	3,086	4%
EBITDA	17,716	17,909	-1%	3,941	3,752	5%

In the third quarter of 2023, the **Banking Solutions** segment generated EUR 16.3 million in sales revenues, achieving an increase by EUR 1.3 million or 8% in relation to the comparable period last year. Stronger revenues were recorded chiefly by the business line offering multi-channel solutions, primarily from implementation services and modifications carried out in Serbia, Croatia, Bulgaria, and Kosovo.

Operating profit of the Banking Solutions segment for the third quarter of 2023 amounted to EUR 3.2 million, reflecting an increase by EUR 0.1 million or 4% in relation to the comparable period last year. Operating performance improved in the business lines responsible for multi-channel solutions and security solutions, while the business line responsible for core banking systems reported a weaker result.

Consolidated EBITDA of the Banking Solutions segment for the third quarter of 2023 increased by EUR 0.2 million or 5%, reaching the level of EUR 3.9 million.



Results of the **Dedicated Solutions** segment

Dedicated Solutions <i>(data without the impact of IAS 29)</i>	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	30 September 2023	30 September 2022		30 September 2023	30 September 2022	
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	132,293	135,069	-2%	29,331	28,377	3%
Operating profit	10,238	7,052	45%	2,266	1,465	55%
EBITDA	13,951	10,878	28%	3,091	2,266	36%

In the third quarter of 2023, the **Dedicated Solutions** segment generated EUR 29.3 million in sales revenues, achieving an increase by EUR 1.0 million or 3%. The main engines of growth were the business line responsible for sale of third-party solutions and, to a lesser extent, the business line offering proprietary solutions. Such increase was accompanied by a change in the geographical structure of revenues, with weaker sales observed in the territory of Bosnia and Herzegovina and higher sales generated by our operations in Romania.

Operating profit of the Dedicated Solutions segment for the third quarter of 2023 reached EUR 2.3 million and was higher by EUR 0.8 million or 55% than in the comparable period last year. Such improvement was achieved mainly by the business line responsible for road traffic solutions, BPM class solutions and the sale of third-party solutions.

EBITDA of the Dedicated Solutions segment for the third quarter of 2023 increased by EUR 0.8 million or 36% and reached EUR 3.1 million.

Net profit

Consolidated net profit of ASEE Group for the third quarter of 2023 amounted to EUR 14.1 million, increasing by EUR 3.2 million or 30% in relation to the comparable period last year. In the third quarter of 2023, net result on financial activities equalled EUR 3.4 million, as compared to EUR 1.2 million reported for the comparable period last year. Financial income increased basically as a result of a much higher gain on the net monetary position recognized due to the inflation-related revaluation of non-monetary items in the statement of financial position and the statement of profit and loss (which changed by EUR +1.6 million year on year). This increase is mainly attributable to a higher gain on the inflation-related revaluation of goodwill. In addition, the change in net financial result was positively affected by the one-off loss on equity transactions recognized in the previous year (EUR 0.6 million).

In the third quarter of 2023, our effective tax rate equalled 16.2%, decreasing by 0.7 percentage points in relation to the comparable period of 2022. The effective tax rate has been discussed in more detail under the cumulative interim data.

	3 months ended	Impact of	3 months ended	3 months ended	Impact of	3 months ended
	30 September 2023	hyperinflation	30 September 2023	30 September 2023	hyperinflation	30 September 2023
	Without IAS 29		According to IFRS	Without IAS 29		According to IFRS
	PLN'000	PLN'000	PLN'000	EUR'000	EUR'000	EUR'000
Financial activities	1,731	13,591	15,322	386	2,982	3,369
Pre-tax profit	59,468	16,489	75,957	13,180	3,611	16,791

Corporate income tax	(11,670)	(651)	(12,321)	(2,587)	(140)	(2,726)
Net profit for the reporting period	47,798	15,838	63,636	10,594	3,471	14,064

II. Financial results of Asseco South Eastern Europe Group for the period of 9 months ended 30 September 2023 /cumulative/

PLN'000	9 months ended		Change	9 months ended		Change
	30 September 2023	30 September 2022		30 September 2023	30 September 2022	
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	1,153,937	1,080,586	7%	252,100	230,499	9%
Gross profit on sales	308,150	281,444	10%	67,321	60,035	12%
Net profit on sales	163,519	152,878	7%	35,724	32,610	10%
Operating profit	164,286	154,272	7%	35,891	32,908	9%
EBITDA	231,474	223,772	3%	50,570	47,733	6%
Net profit for the reporting period	159,333	157,492	1%	34,809	33,595	4%
Net profit attributable to Shareholders of the Parent Company	154,559	152,657	1%	33,766	32,563	4%

Financial results achieved by ASEE Group in the first three quarters of 2023, presented in EUR, were stronger than in the comparable period of the previous year. Sales revenues totalled EUR 252.1 million, growing by EUR 21.6 million or 9% in relation to the comparable period of 2022. Operating profit reached EUR 35.9 million increasing by 9%, while EBITDA for the first three quarters of 2023 amounted to EUR 50.6 million showing an improvement by 6%. Net profit attributable to shareholders of the Parent Company for the first three quarters of 2023 amounted to EUR 33.8 million, reflecting an increase by EUR 1.2 million or 4%.

All of our three operating segments improved their financial performance in the first three quarters of 2023, while the Banking Solutions segment enjoyed the largest growth in operating profit. The second highest increase in EBIT was achieved by the Dedicated Solutions segment, and the lowest increase was recorded by the Payment Solutions segment.

The growing scale of operations is also partly attributable to the consolidation of several new companies by ASEE Group. The newly acquired companies of ASEE Group contributed EUR 0.1 million to our operating profit for the first three quarters of 2023. These results include amortization charges on intangible assets recognized in the process of purchase price allocation. The contribution of our new subsidiaries to EBITDA amounted to EUR 0.5 million in 2023.

The above-mentioned results for the first three quarters of 2023 also include the effects of hyperinflation related to our Turkish operations, recognized in accordance with IAS 29. Such impact is presented in the table below.

	9 months ended		Impact of hyperinflation	9 months ended		Impact of hyperinflation	9 months ended
	30 September 2023	Without IAS 29		30 September 2023	30 September 2023		
	PLN'000	PLN'000	PLN'000	PLN'000	EUR'000	EUR'000	According to IFRS
Sales revenues	1,146,752	7,185	1,153,937	250,530	1,570	252,100	
Gross profit on sales	307,528	622	308,150	67,185	136	67,321	
Net profit on sales	163,613	(94)	163,519	35,744	(21)	35,724	
Operating profit	164,400	(114)	164,286	35,916	(25)	35,891	
EBITDA	230,184	1,290	231,474	50,288	282	50,570	
Net profit for the reporting period	137,126	22,207	159,333	29,958	4,852	34,809	
Net profit attributable to Shareholders of the Parent Company	132,472	22,087	154,559	28,941	4,825	33,766	

More detailed information on financial reporting in hyperinflationary conditions is provided in explanatory note 2.10 to the interim condensed consolidated financial statements.

Described below are the financial results of individual operating segments which do not include the effects of hyperinflation. This approach is in line with information on operating segments that is reviewed by the Management Board.



Results of the **Payment Solutions** segment

Payment Solutions <i>(data without the impact of IAS 29)</i>	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 September 2023	30 September 2022		30 September 2023	30 September 2022	
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	537,325	530,899	1%	117,389	113,246	4%
Operating profit	86,971	83,698	4%	19,001	17,853	6%
EBITDA	131,766	131,816	0%	28,787	28,118	2%

Sales generated by the **Payment Solutions** segment in the first three quarters of 2023 reached EUR 117.4 million, increasing by EUR 4.1 million or 4% in relation to the comparable period last year. Just as indicated above, in the commentary to the third quarter results, stronger revenues were achieved mainly in the business lines responsible for processing of payment transactions, e-Commerce and for solutions dedicated to non-financial customers, such as electronic cash registers (ECR) and Single POS solutions. The key revenue driver was the e-Commerce business line which generated EUR 4.0 million more in sales than in the same period last year, mainly owing to our operations in Turkey, and to a much lesser extent in Serbia, Romania and Croatia. Dynamic revenue growth was also recorded from solutions dedicated to non-financial customers which increased by 39% year on year, mainly in Croatia and Romania. In the business lines responsible for processing of payment transactions, cumulative revenues for the first three quarters of 2023 showed the same trend as described above for the third quarter results and increased by 45% year on year to reach EUR 5.8 million. The business line responsible for maintenance and sale of POS terminals generated revenues at a similar level as a year ago, with a slightly changed geographical structure. Stronger revenues were recorded mainly by our operations located in Central Europe, Latin America and Bulgaria, while sales in Serbia decreased. The business line responsible for maintenance and sale of ATMs was the only one to report weaker revenues year on year. The decrease was mainly caused by lower deliveries of equipment and related services in Serbia and Croatia, which was partially offset by higher revenues in Romania and Bulgaria and higher revenues from our independent MoneyGet ATM network in Serbia and Albania.

Operating profit earned by the **Payment Solutions** segment in the first three quarters of 2023 amounted to EUR 19.0 million, improving by EUR 1.1 million or 6%. The increase in EBIT was generated primarily by the business line engaged in processing of payment transactions, the business line responsible for solutions dedicated to non-financial customers, as well as the business line dealing with maintenance and sale of POS terminals. On the other hand, weaker operating results were recorded by the business line responsible for maintenance and sale of ATMs due to lower equipment deliveries, and the e-Commerce business line basically due to our operations in Turkey being affected by the local economic situation facing high inflation and exchange rate volatility.

Consolidated EBITDA of the **Payment Solutions** segment for the first three quarters of 2023 amounted to EUR 28.8 million, improving by EUR 0.7 million or 2% in relation to the comparable period last year. In nominal terms, EBITDA increased less than EBIT as a result of higher depreciation and amortization charges recognized in the business line responsible for solutions dedicated to non-financial customers as well as in the business lines responsible for POS terminals and ATMs.



Results of the **Banking Solutions** segment

Banking Solutions <i>(data without the impact of IAS 29)</i>	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 September 2023	30 September 2022		30 September 2023	30 September 2022	
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	223,549	191,439	17%	48,839	40,836	20%

Operating profit	49,334	41,276	20%	10,777	8,805	22%
EBITDA	59,174	50,253	18%	12,928	10,719	21%

Sales generated by the **Banking Solutions** segment in the first three quarters of 2023 reached over EUR 48.8 million, improving by EUR 8.0 million or 20% in relation to the comparable period last year. Stronger revenues were recorded by all of the segment's three business lines: core banking systems, multi-channel solutions, and security solutions. The largest growth was achieved by the first two business lines mainly due to revenues from software implementation services provided by our operations Serbia and Croatia. While the increase in the business line responsible for security solutions resulted from ongoing implementation projects in Turkey.

Operating profit earned by the Banking Solutions segment in the first nine months of 2023 amounted to EUR 10.8 million, improving by EUR 2.0 million in relation to the comparable period of the previous year. EBIT increased while realizing a similar margin of profit as a year ago.

Consolidated EBITDA of the Banking Solutions segment for the first three quarters of 2023 increased by EUR 2.2 million to the level of EUR 12.9 million.



Results of the **Dedicated Solutions** segment

Dedicated Solutions <i>(data without the impact of IAS 29)</i>	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 September 2023	30 September 2022		30 September 2023	30 September 2022	
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	385,878	343,559	12%	84,302	73,284	15%
Operating profit	28,095	25,579	10%	6,137	5,456	13%
EBITDA	39,244	36,765	7%	8,574	7,842	9%

Sales revenues generated by the **Dedicated Solutions** segment in the first three quarters of 2023 reached EUR 84.3 million, reflecting an increase by EUR 11.0 million or 15%. The main engines of growth were third-party solutions provided along with related services primarily in Serbia, Romania, Kosovo, and the Czech Republic.

Operating profit earned by the Dedicated Solutions segment in the first three quarters of 2023 reached EUR 6.1 million and was higher by EUR 0.7 million or 13% than in the comparable period last year, basically owing to our intelligent traffic infrastructure solutions.

EBITDA of the Dedicated Solutions segment for the first three quarters of 2023 amounted to EUR 8.6 million, increasing by EUR 0.7 million or 9%.

Net profit

Consolidated **net profit** of ASEE Group for the first three quarters of 2023 amounted to EUR 34.8 million, reflecting an increase by EUR 1.2 million or 4% in relation to the comparable period last year.

Net result on financial activities equalled EUR 6.1 million in the first three quarters of 2023, decreasing by EUR 0.7 million year on year. Our financial income declined basically due to the lower balance of positive and negative exchange rate differences, which dropped by EUR 1.6 million. This decrease is mainly attributable to fluctuations between EUR and PLN currencies and the resulting valuations of assets. Gain on the net monetary position recognized due to the inflation-related revaluation of non-monetary items in the statement of financial position and the statement of profit and loss also declined by EUR 0.3 million year on year. These declines were partially offset by a gain on revaluation of conditional liabilities and put options (EUR 0.5 million) and the loss on equity transactions recognized in the previous year (EUR 0.6 million).

In the first three quarters of 2023, our effective tax rate equalled 17.1%, increasing by 1.7 percentage points in relation to the comparable period of 2022. Such increase was caused by several factors, the first being the one-time earthquake-related income tax charged in Turkey in the amount of nearly EUR 0.5 million, the second being a lower amount of non-taxable gain on the net monetary position recognized due to the inflation-related revaluation, and the third being a higher income tax on dividends received by ASEE S.A.

and Payten Holding S.A. from their subsidiaries located outside of the European Union. Income from operating activities was taxed at a similar level as in the previous year.

	9 months ended 30 September 2023 Without IAS 29 PLN'000	Impact of hyperinflation PLN'000	9 months ended 30 September 2023 According to IFRS PLN'000	9 months ended 30 September 2023 Without IAS 29 EUR'000	Impact of hyperinflation EUR'000	9 months ended 30 September 2023 According to IFRS EUR'000
Financial activities	6,467	21,543	28,010	1,413	4,706	6,119
Pre-tax profit	170,867	21,429	192,296	37,329	4,682	42,011
Corporate income tax	(33,741)	778	(32,963)	(7,371)	170	(7,201)
Net profit for the reporting period	137,126	22,207	159,333	29,958	4,852	34,809

III. Analysis of financial ratios

The analysis of financial ratios was performed based on the data disclosed in the interim condensed consolidated financial statements, which are presented in thousands of PLN.

Profitability ratios

	3 months ended 30 September 2023	3 months ended 30 September 2022	9 months ended 30 September 2023	9 months ended 30 September 2022
Gross profit margin	27.6%	24.3%	26.7%	26.0%
EBITDA margin	21.0%	19.3%	20.1%	20.7%
Operating profit margin	15.2%	13.5%	14.2%	14.3%
Net profit margin	15.7%	11.9%	13.4%	14.1%
Return on equity (ROE)			16.9%	19.2%
Return on assets (ROA)			10.4%	12.7%

In the first three quarters of 2023, our gross profit margin equalled 26.7% and it was by 0.7 percentage points higher than in the corresponding period last year. Analyzing individual operating segments, profitability in the Banking Solutions segment increased by 1.3 pp, in the Payment Solutions segment it increased by 1.6 pp, while the Dedicated Solutions segment suffered a slight decrease in profitability by 0.5 pp.

Our EBITDA margin in the first three quarters of 2023 equalled 20.1% as compared to 20.7% realized in the comparable period last year. While operating profit margin dropped from 14.3% in the first 9 months of 2022 to 14.2% this year. EBIT margin only declined in the Dedicated Solutions segment by 0.3 pp. Whereas, the Banking Solutions segment and the Payment Solutions segment both achieved a higher EBIT margin by 0.8 pp and 0.4 pp, respectively.

The net profit margin reached 13.4%, falling by 0.7 percentage points in comparison with the first 9 months of 2022.

The weaker margins of profit of ASEE Group in recent quarters resulted in lower values of ROE and ROA ratios. Return on equity for the trailing 12 months ended 30 September 2023 equalled 16.9%, decreasing by 2.3 percentage points, while return on assets dropped by 2.3 percentage points to the level of 10.4%.

Liquidity ratios

	30 September 2023	30 June 2023	31 December 2022	30 September 2022
Working capital (in thousands of PLN)	271,184	208,646	247,484	218,961
Current liquidity ratio	1.5	1.4	1.4	1.4
Quick liquidity ratio	1.2	1.2	1.3	1.2
Absolute liquidity ratio	0.5	0.5	0.5	0.5

The above ratios have been computed using the following formulas:
Working capital = current assets - current liabilities

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

At the end of September 2023, our working capital amounted to PLN 271.2 million, reflecting an increase by PLN 23.7 million in relation to the level reported at the end of 2022.

In the first 9 months of 2023, the value of current assets increased by PLN 7.4 million, primarily as a result of increases in inventories by PLN 55.6 million as well as in contract assets by PLN 55.3 million. The value of inventories grew mainly due purchases needed for the implementation of projects (including deliveries of POS terminals, ATMs and third-party licenses) as well as inventories purchased for internal purposes or for contracts that have not yet been signed. Such increase was partially offset by decreases in trade receivables by PLN 67.6 million and in cash and bank deposits by PLN 45.1 million.

In the same period, our total current liabilities declined by PLN 16.3 million. This resulted primarily from decreases in liabilities to the state and local budgets by PLN 20.2 million, in contract liabilities by PLN 18.2 million, as well as in bank loans and borrowings by PLN 13.9 million. Such decrease was partially offset by an increase in trade payables by PLN 28.6 million.

Our liquidity ratios at the end of the third quarter of 2023 remained at similar levels as at the end of 2022.

Debt ratios

	30 September 2023	30 June 2023	31 December 2022	30 September 2022
Total debt ratio	38.4%	40.4%	40.2%	37.5%
Debt / equity ratio	12.8%	13.5%	14.3%	13.6%
Debt / (debt + equity) ratio	11.3%	11.9%	12.5%	12.0%

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

The total debt ratio decreased from 40.2% reported at the end of 2022 to the level of 38.4% as at 30 September 2023, mainly due to a significant decrease in total liabilities over that period.

During the first 9 months of 2023, current liabilities decreased by PLN 16.3 million, while non-current liabilities dropped by PLN 16.6 million. Looking at particular categories, we can notice declines in liabilities from bank loans and borrowings by PLN 19.3 million, in other financial liabilities by PLN 12 million, in liabilities to the state and local budgets by PLN 20.2 million, as well as in contract liabilities by PLN 18.2 million. On the other hand, trade payables increased by PLN 28.6 million and accruals by PLN 15.1 million.

Our debt to equity ratio decreased by 1.6 percentage points, while the ratio of debt to total interest-bearing liabilities plus equity dropped by 1.2 percentage points as compared to the end of 2022. We managed to decrease our debt ratios by reducing the amount of bank loans and borrowings from PLN 115.1 million outstanding as at 31 December 2022 to PLN 95.8 million as at 30 September 2023 (a decrease by PLN 19.3 million). Such decrease resulted from repayments of existing bank loans in line with the planned schedules. In addition, the value of equity increased by PLN 30.4 million.

IV. Structure of the statement of cash flows

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Net cash provided by (used in) operating activities	136,899	156,754
Net cash provided by (used in) investing activities	(46,974)	(72,284)
Net cash provided by (used in) financing activities	(121,376)	(76,657)
Net change in cash and cash equivalents	(31,451)	7,813
Cash and cash equivalents at the end of the period	217,580	215,050

In the first three quarters of 2023, our operating activities provided PLN 136.9 million of net cash inflows, reflecting a decrease by PLN 19.9 million in relation to the comparable period of the previous year. The decrease in operating cash flows was caused by higher expenditures for working capital. Such change resulted from the cycle of contracts performed and their invoicing, as well as from purchases of equipment to be resold in the coming months.

Net cash outflows in our investing activities amounted to PLN 46.9 million in the first 9 months of 2023. Our investing cash flows were most considerably influenced by the acquisitions of property, plant and equipment and intangible assets for the total amount of PLN 38.4 million, as well as by the acquisitions of subsidiary companies for PLN 9.5 million. The acquisitions of tangible and intangible assets included, among others, our expenditures for infrastructure used in the outsourcing of payment processes. Expenditures for the acquisition of subsidiaries included the settlement of conditional portions of consideration for shares in the companies: Smarttek, Bithat Solutions, and Helius Systems.

In the first 9 months of 2023, net cash used in our financing activities amounted to PLN 120.9 million which resulted primarily from the dividend distributed to the shareholders of ASEE in the amount of PLN 75.8 million and the dividend paid to non-controlling shareholders in the amount of PLN 5.9 million, as well as from repayments of bank loans and borrowings in the amount of PLN 21.3 million and payment of lease liabilities in the amount of PLN 16.8 million. Cash inflows presented under financing activities included basically proceeds from bank loans and borrowings in the amount of PLN 1.3 million.

The above-mentioned cash flows resulted in a decrease in cash and cash equivalents by PLN 31.5 million during the first 9 months of 2023, as compared to those disclosed at the end of 2022.

V. Information on geographical structure of financial results

The table below presents the basic financial data from the statement of profit and loss for the period of 9 months ended 30 September 2023, in a breakdown by geographical area:

For the period of 9 months ended 30 September 2023	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
in thousands of PLN													
Sales revenues	82,744	170,656	42,389	183,819	304,349	112,230	142,676	25,880	43,779	79,255	(41,025)	7,185	1,153,937
Cost of sales	(57,567)	(115,918)	(29,567)	(156,983)	(214,712)	(73,198)	(117,808)	(20,669)	(34,263)	(55,566)	41,872	(6,563)	(840,942)
Recognition / reversal of allowances for trade receivables	(495)	(1,359)	14	(1,100)	(1,310)	(15)	-	(31)	(23)	(526)	-	-	(4,845)
Gross profit on sales	24,682	53,379	12,836	25,736	88,327	39,017	24,868	5,180	9,493	23,163	847	622	308,150
Selling costs	(5,056)	(16,099)	(3,134)	(9,056)	(17,767)	(11,777)	(3,874)	(1,345)	(2,470)	(3,570)	1,134	(134)	(73,148)
General and administrative expenses	(5,428)	(12,042)	(4,124)	(8,069)	(14,688)	(9,561)	(5,394)	(2,551)	(2,628)	(4,139)	(2,277)	(582)	(71,483)
Net profit (loss) on sales	14,198	25,238	5,578	8,611	55,872	17,679	15,600	1,284	4,395	15,454	(296)	(94)	163,519
Other operating income	150	1,241	214	126	307	137	100	27	9	118	(606)	11	1,834
Other operating expenses	(149)	(319)	(20)	(27)	(153)	(449)	(170)	(39)	(46)	(47)	300	(31)	(1,150)
Shares in associates	-	-	-	-	-	-	-	-	-	83	-	-	83
Operating profit (loss)	14,199	26,160	5,772	8,710	56,026	17,367	15,530	1,272	4,358	15,608	(602)	(114)	164,286

For the period of 9 months ended 30 September 2023	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
in thousands of EUR													
Sales revenues	18,077	37,283	9,261	40,159	66,491	24,519	31,170	5,654	9,564	17,315	(8,963)	1,570	252,100
Cost of sales	(12,577)	(25,325)	(6,459)	(34,296)	(46,908)	(15,992)	(25,737)	(4,516)	(7,485)	(12,139)	9,148	(1,434)	(183,720)
Recognition / reversal of allowances for trade receivables	(108)	(297)	3	(240)	(286)	(3)	-	(7)	(5)	(116)	-	-	(1,059)
Gross profit on sales	5,392	11,661	2,805	5,623	19,297	8,524	5,433	1,131	2,074	5,060	185	136	67,321
Selling costs	(1,105)	(3,517)	(685)	(1,978)	(3,882)	(2,573)	(846)	(294)	(540)	(780)	248	(29)	(15,981)
General and administrative expenses	(1,186)	(2,631)	(901)	(1,763)	(3,209)	(2,089)	(1,178)	(557)	(574)	(905)	(497)	(127)	(15,617)
Net profit (loss) on sales	3,101	5,513	1,219	1,882	12,206	3,862	3,409	280	960	3,375	(64)	(20)	35,723
Other operating income	33	271	47	28	67	30	22	6	2	25	(132)	2	401
Other operating expenses	(33)	(70)	(4)	(6)	(33)	(98)	(37)	(9)	(10)	(10)	66	(7)	(251)
Shares in associates	-	-	-	-	-	-	-	-	-	18	-	-	18
Operating profit (loss)	3,101	5,714	1,262	1,904	12,240	3,794	3,394	277	952	3,408	(130)	(25)	35,891

The above figures have been converted at the average exchange rate for the period from 1 January 2023 to 30 September 2023: EUR 1 = PLN 4.5773

The table below presents the basic financial data from the statement of profit and loss for the period of 9 months ended 30 September 2022, in a breakdown by geographical area:

For the period of 9 months ended 30 September 2022 (restated) in thousands of PLN	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
Sales revenues	100,494	161,980	49,954	148,317	285,446	87,183	152,593	19,656	30,423	64,515	(34,664)	14,689	1,080,586
Cost of sales	(74,116)	(114,789)	(35,384)	(127,331)	(215,099)	(47,950)	(124,431)	(14,350)	(21,905)	(45,533)	32,156	(9,327)	(798,059)
Recognition / reversal of allowances for trade receivables	(64)	(599)	(89)	(126)	(88)	(67)	-	13	74	(137)	-	-	(1,083)
Gross profit on sales	26,314	46,592	14,481	20,860	70,259	39,166	28,162	5,319	8,592	18,845	(2,508)	5,362	281,444
Selling costs	(5,238)	(14,792)	(3,793)	(7,988)	(14,955)	(8,901)	(3,316)	(1,526)	(2,167)	(3,335)	876	(679)	(65,814)
General and administrative expenses	(4,980)	(10,911)	(3,875)	(6,947)	(12,386)	(7,200)	(6,800)	(2,486)	(2,792)	(3,494)	73	(954)	(62,752)
Net profit (loss) on sales	16,096	20,889	6,813	5,925	42,918	23,065	18,046	1,307	3,633	12,016	(1,559)	3,729	152,878
Other operating income	198	910	384	142	205	76	519	2	4	201	(353)	3	2,291
Other operating expenses	(35)	(204)	(261)	(67)	(265)	(106)	(48)	(39)	(43)	(139)	322	(12)	(897)
Shares in associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	16,259	21,595	6,936	6,000	42,858	23,035	18,517	1,270	3,594	12,078	(1,590)	3,720	154,272

For the period of 9 months ended 30 September 2022 (restated) in thousands of EUR	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
Sales revenues	21,436	34,552	10,656	31,637	60,888	18,597	32,550	4,193	6,490	13,762	(7,394)	3,132	230,499
Cost of sales	(15,810)	(24,486)	(7,548)	(27,161)	(45,883)	(10,228)	(26,542)	(3,061)	(4,673)	(9,710)	6,859	(1,990)	(170,233)
Recognition / reversal of allowances for trade receivables	(14)	(128)	(19)	(27)	(19)	(14)	-	3	16	(29)	-	-	(231)
Gross profit on sales	5,612	9,938	3,089	4,449	14,986	8,355	6,008	1,135	1,833	4,023	(535)	1,142	60,035
Selling costs	(1,117)	(3,155)	(809)	(1,704)	(3,190)	(1,899)	(707)	(326)	(462)	(712)	186	(145)	(14,040)
General and administrative expenses	(1,062)	(2,327)	(827)	(1,482)	(2,642)	(1,536)	(1,451)	(530)	(596)	(745)	16	(203)	(13,385)
Net profit (loss) on sales	3,433	4,456	1,453	1,263	9,154	4,920	3,850	279	775	2,566	(333)	794	32,610
Other operating income	42	194	82	30	44	16	111	-	1	44	(75)	1	490
Other operating expenses	(7)	(44)	(56)	(14)	(57)	(23)	(10)	(8)	(9)	(30)	69	(3)	(192)
Shares in associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	3,468	4,606	1,479	1,279	9,141	4,913	3,951	271	767	2,580	(339)	792	32,908

The above figures have been converted at the average exchange rate for the period from 1 January 2022 to 30 September 2022: EUR 1 = PLN 4.6880

VI. Non-recurring events with impact on our financial performance

Non-recurring events which affected the financial performance, financial position and cash flows of ASEE Group in the third quarter of 2023 and in the comparable period included changes in the Group's organizational structure as described in the section 'Organization and changes in the structure of Asseco South Eastern Europe Group, including the entities subject to consolidation'.

Moreover, due to the existence of hyperinflation in Turkey, the Group has applied IAS 29 and made the inflation-related revaluation of non-monetary assets and liabilities as well as the statement of profit and loss. The impact of hyperinflation on our interim condensed financial statements has been described in detail in explanatory note 2.10 to the interim condensed consolidated financial statements of ASEE Group for the period of 9 months ended 30 September 2023.

VII. Authorities of Asseco South Eastern Europe S.A.

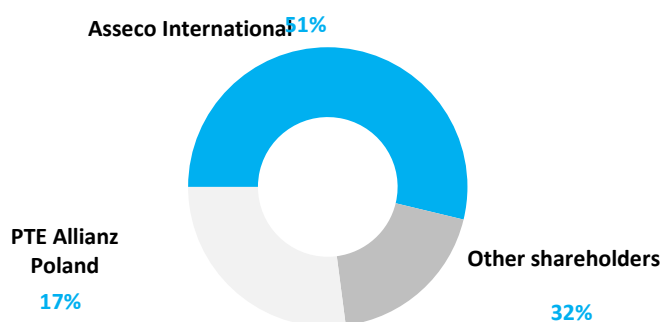
As at the date of publication of this report, this is on 24 October 2023, the Company's Management Board, Supervisory Board and Audit Committee were composed of the following persons:

Supervisory Board	Management Board	Audit Committee
Jozef Klein	Piotr Jeleński	Artur Kucharski
Adam Góral	Miljan Mališ	Adam Pawłowicz
Jacek Duch	Michał Nitka	Jacek Duch
Artur Kucharski	Kostadin Slavkoski	
Adam Pawłowicz		

During the third quarter of 2023, the compositions of the Issuer's management and supervisory bodies remained unchanged.

In the period from 30 September 2023 till the publication of this report, this is till 24 October 2023, the compositions of the Company's Management Board, Supervisory Board and Audit Committee remained unchanged.

VIII. Shareholders structure of Asseco South Eastern Europe S.A.



As at 30 September 2023, Asseco International a.s. (our higher-level parent) held 26,407,081 shares representing 50.89% in the share capital of our Company, which carried 26,407,081 votes or 50.89% of total voting rights at the Company's General Meeting of Shareholders. The parent company of Asseco International a.s. is Asseco Poland S.A.

To the best knowledge of the Company's Management Board, as at the date of publication of this report, this is on 24 October 2023, as well as on 30 September 2023, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

	Number of shares held	Percentage of total voting rights
Asseco International a.s.	26,407,081	50.89%
Pension Funds managed by PTE Allianz Poland S.A.*	8,738,000	16.84%
Other shareholders	16,749,170	32.28%
Total	51,894,251	100.00%

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

To the best knowledge of the Company's Management Board, as at 31 December 2022, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

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

Shares held by the management and supervisory personnel

The numbers of Asseco South Eastern Europe shares held by its management and supervisory staff are presented in the table below:

	24 October 2023	30 September 2023	2 August 2023	31 December 2022
Piotr Jeleński	1,253,492	1,253,492	1,253,492	1,253,492
Miljan Mališ ¹⁾	348,336	348,336	348,336	348,336

Michał Nitka	45,000	45,000	45,000	45,000
Kostadin Slavkoski	44,315	44,315	44,315	44,315

1) Miljan Mališ, Member of the Management Board of ASEE S.A. is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.

Members of the Supervisory Board did not hold any shares in Asseco South Eastern Europe S.A. in any of the above-mentioned periods.

IX. Other Information

9.1 Issuance, redemption and repayment of non-equity and equity securities

During the reporting period, the Parent Company did not conduct any transactions of issuance, redemption or repayment of equity or debt securities.

9.2 Changes in the organizational structure of the Issuer's Group

Description of the organizational structure of Asseco South Eastern Europe Group and changes thereto is provided in section III of the explanatory notes to the interim condensed consolidated financial statements of the Group.

9.3 Information on significant judicial proceedings

Both as at 30 September 2023 and the date of publication of this report, neither Asseco South Eastern Europe S.A. nor Asseco South Eastern Europe Group were party to any proceedings pending before any court, arbitration authority or public administration.

9.4 Related party transactions

Transactions with our related parties have been presented in explanatory note 6.16 to the interim condensed consolidated financial statements of Asseco South Eastern Europe Group for the period of 9 months ended 30 September 2023. All transactions with related parties are carried out on an arm's length basis.

9.5 Bank loans, borrowings, sureties, guarantees and off-balance-sheet liabilities

Bank loans and borrowings obtained, sureties and guarantees granted, as well as off-balance-sheet liabilities have been disclosed in explanatory notes 6.11 and 8.1 to the interim condensed consolidated financial statements of Asseco South Eastern Europe Group for the period of 9 months ended 30 September 2023.

9.6 Changes in the Group management policies

During the period of 9 months ended 30 September 2023, the Group's management practices remained unchanged.

9.7 Agreements concluded by the Group and Company with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions

The Group companies did not conclude any agreements with their management officers that would provide for payment of compensations in the event such persons resign or are dismissed from their positions without substantial reason, or when they are dismissed as a result of a company merger by acquisition.

9.8 Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders

There are no agreements which may result in future changes of the equity interests held by the existing shareholders and bondholders.

9.9 Opinion on feasibility of the Management's financial forecasts for 2023

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

9.10 Information on monitoring of employee stock option plans

On 23 September 2021, Asseco International a.s. and managers of ASEE Group companies signed agreements for the acquisition of shares in ASEE S.A. The whole incentive plan 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.

Moreover, on 22 August 2022, ASEE S.A. signed agreements to sell shares in Payten Holding S.A. to the managers of ASEE Group companies. The whole incentive plan 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.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the interim condensed consolidated financial statements of ASEE Group for the period of 9 months ended 30 September 2023.

9.11 Factors which in the Management's opinion will affect the Group's financial performance at least in the next quarter

Because Asseco South Eastern Europe S.A. is primarily engaged in holding activities, factors significant for the Company's development need to be examined taking into account the development and business operations of the entire ASEE Group.

The Management Board of ASEE S.A. believes the Group's current financial standing, operating potential and market position pose no threats to its ability to continue as a going concern throughout the year 2023. However, there are numerous factors, of both internal and external nature, which may directly or indirectly affect the Group's financial performance in the next quarters.

External factors with a bearing on the future financial performance of ASEE Group include:

- Geopolitical situation in the regions of ASEE Group operations, where potential political tensions and instability of local governments may undermine the climate for investments and thus induce the customers of ASEE companies and Payten to delay or even abandon the implementation of IT projects. Another consequence of potential political and social tensions might be an interruption of IT investments in the public administration bodies that are clients of ASEE Group; Furthermore, the Russian invasion of Ukraine, launched on 24 February 2022, caused a radical change in the geopolitical situation of the entire region. The Group continues to analyze geopolitical developments and their impact on the Group's financial position and financial performance in the future. At the moment, due to the dynamically changing situation, it is difficult to assess the long-term economic effects for this region of Europe and impact on the overall macroeconomic situation, which indirectly affects the financial results of ASEE Group.
- Condition of the IT market and payment services market in the regions of ASEE and Payten operations; it seems South Eastern Europe, Turkey and South America remain still underinvested as compared to the West European countries, which may generate additional demand for technology solutions offered by ASEE Group;
- Opportunities and risks resulting from rapid technological changes and innovations in the IT market, as well as in the banking and payments sector;
- Regulatory changes in the banking and payments sector, which may generate demand for additional services performed by the Group, but on the other hand may open up access to the sector for new players and new technologies that may reduce the competitive advantages of solutions offered by ASEE and Payten;
- Informatization processes in the public administration of South Eastern European countries, aiming to upgrade the quality and functionality of their services to international standards and especially to the requirements of the European Union;
- Availability of the EU structural funds in Romania, Bulgaria, Slovenia, Czech Republic, Slovakia and Croatia, as well as pre accession funds in other South Eastern European countries;
- Consolidation and development of the banking sector which may result in mergers and liquidations of business entities that are clients of ASEE Group, but also in gaining new customers in the sector;

- Development of the payments sector, including globalization and consolidation in processing of payment transactions, as well as introduction of new payment methods;
- Outlook for expansion of the Group's operations into new markets through cooperation with local partners;
- More and more severe competition both from local and international IT companies which is observed especially when it comes to the execution of large and prestigious contracts;
- Changes in the credit standing, financial liquidity and availability of financing for the customers of ASEE Group;
- Inflation and fluctuations in the currency exchange rates of countries in which ASEE Group operates;
- Level of interest rates in the Eurozone because a significant portion of debt in ASEE Group, including Payten, is denominated in EUR.

Internal factors with a bearing on the future financial performance of our Group are as follows:

- Quality and comprehensive offering of ASEE and Payten;
- Research and development expenditures made by ASEE Group;
- Prospects for expanding the product portfolio of ASEE and Payten on the back of organic growth or potential future acquisitions;
- Stability and experience of our managerial staff;
- Transparent organizational structure and efficient operations of the Group;
- Experience in the execution of complex IT projects involving the provision of diversified services in broad geographical regions;
- Effective activities of our sales force;
- Execution of complex information technology projects carried out under long-term contracts;
- Implementation of the Group's business strategy that involves focusing on strategic products and services, expansion into new markets, and improving operating efficiency;
- Successful completion of potential company acquisitions in the future.

9.12 Other factors significant for the assessment of human resources, assets and financial position

Except for the information provided above, we are not aware of any events the disclosure of which might significantly affect the assessment of human resources, assets and financial position of Asseco South Eastern Europe Group.



**Interim Condensed Financial Statements
of Asseco South Eastern Europe S.A.
for the period of 9 months ended
30 September 2023**

Financial Highlights

Asseco South Eastern Europe S.A.

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000	9 months ended 30 September 2023 EUR'000	9 months ended 30 September 2022 EUR'000
Revenues from holding activities	90,973	60,726	19,875	12,953
Revenues from operating activities	9,147	9,186	1,998	1,959
Operating profit	78,566	49,180	17,164	10,491
Pre-tax profit	77,459	48,148	16,922	10,270
Net profit for the reporting period	75,095	43,658	16,406	9,312
Net cash provided by (used in) operating activities	19,874	43,073	4,342	9,188
Net cash provided by (used in) investing activities	57,159	26,824	12,487	5,722
Net cash provided by (used in) financing activities	(79,255)	(71,305)	(17,315)	(15,210)
Cash and cash equivalents at the end of the period (comparable data as at 31 December 2022)	18,122	20,344	3,909	4,338
Basic earnings per ordinary share for the reporting period (in PLN/EUR)	1.45	0.84	0.32	0.18
Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	1.45	0.84	0.32	0.18

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

- Items of the statement of profit and loss and statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
 - for the period from 1 January 2023 to 30 September 2023: EUR 1 = PLN 4.5773
 - for the period from 1 January 2022 to 30 September 2022: EUR 1 = PLN 4.6880
- The Company's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 30 September 2023: EUR 1 = PLN 4.6356
 - exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899

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

Interim Condensed Statement of Profit and Loss and Other Comprehensive Income

Asseco South Eastern Europe S.A.

STATEMENT OF PROFIT AND LOSS	3 months ended 30 September 2023 PLN'000	9 months ended 30 September 2023 PLN'000	3 months ended 30 September 2022 PLN'000	9 months ended 30 September 2022 PLN'000
Holding activities	13,270	90,973	4,254	60,726
Dividend income	9,075	78,604	-	48,283
Revenues from sale of services	4,195	12,369	4,254	12,443
Operating activities	2,868	9,147	3,055	9,186
Revenues from sale of IT services and software	2,868	9,147	3,055	9,186
Total operating revenues	16,138	100,120	7,309	69,912
Cost of sales	(5,562)	(18,453)	(8,032)	(19,129)
Recognition/reversal of allowances for trade receivables	(3)	(3)	110	74
Gross profit on sales	10,573	81,664	(613)	50,857
Selling costs	(394)	(809)	(297)	(656)
General and administrative expenses	(739)	(2,287)	(277)	(997)
Net profit on sales	9,440	78,568	(1,187)	49,204
Other operating income	1	9	1	2
Other operating expenses	-	(11)	(2)	(26)
Operating profit	9,441	78,566	(1,188)	49,180
Financial income	128	1,939	3,857	7,333
Financial expenses	513	(2,860)	(347)	(8,472)
Recognition/reversal of impairment losses on loans granted and other financial instruments	(54)	(186)	4	107
Pre-tax profit	10,028	77,459	2,326	48,148
Corporate income tax	(930)	(2,364)	(626)	(4,490)
Net profit for the reporting period	9,098	75,095	1,700	43,658
Earnings per share (in PLN):				
basic earnings per share	0.18	1.45	0.03	0.84
diluted earnings per share	0.18	1.45	0.03	0.84

COMPREHENSIVE INCOME:	3 months ended 30 September 2023 PLN'000	9 months ended 30 September 2023 PLN'000	3 months ended 30 September 2022 PLN'000	9 months ended 30 September 2022 PLN'000
Net profit	9,098	75,095	1,700	43,658
Other comprehensive income:	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	9,098	75,095	1,700	43,658

Interim Condensed Statement of Financial Position

Asseco South Eastern Europe S.A.

ASSETS	30 September 2023 PLN'000	30 June 2023 PLN'000	31 December 2022 PLN'000	30 September 2022 PLN'000
Non-current assets				
Property, plant and equipment	313	340	310	341
Intangible assets	5,072	5,223	5,525	5,663
<i>of which goodwill from business combinations</i>	<i>4,567</i>	<i>4,567</i>	<i>4,567</i>	<i>4,567</i>
Right-of-use assets	377	18	73	100
Investments in subsidiaries	691,414	691,414	691,407	613,818
Deferred tax assets	422	631	93	1,234
Other receivables	7,093	6,798	7,175	8,451
Other financial assets	11,019	5,572	62,742	70,730
	715,710	709,996	767,325	700,337
Current assets				
Prepayments and accrued income	2,567	3,227	2,053	3,247
Trade receivables	3,661	3,950	4,335	2,766
Corporate income tax receivable	-	-	-	-
Receivables from the state and local budgets	-	-	-	-
Other receivables	7,488	7,159	14,502	255
Other financial assets	9,229	5,715	13,660	7,991
Cash and short-term deposits	18,122	91,115	20,344	14,734
	41,067	111,166	54,894	28,993
TOTAL ASSETS	756,777	821,162	822,219	729,330

Interim Condensed Statement of Financial Position

Asseco South Eastern Europe S.A.

EQUITY AND LIABILITIES	30 September 2023 PLN'000	30 June 2023 PLN'000	31 December 2022 PLN'000	30 September 2022 PLN'000
TOTAL EQUITY				
Share capital	518,943	518,943	518,943	518,943
Share premium	38,826	38,826	38,826	38,826
Other capitals	3,344	3,286	3,172	3,114
Retained earnings	149,842	140,744	150,513	122,960
	710,955	701,799	711,454	683,843
Non-current liabilities				
Bank loans	34,767	23,107	29,763	24,724
Lease liabilities	238	-	-	-
Other financial liabilities	-	-	141	860
Deferred tax liabilities	-	-	-	-
	35,005	23,107	29,904	25,584
Current liabilities				
Bank loans	-	10,270	8,091	6,234
Lease liabilities	146	21	90	118
Other financial liabilities	22	75,766	61,179	144
Trade payables	1,024	942	1,746	1,334
Contract liabilities	3,452	4,173	1,541	4,301
Corporate income tax payable	-	45	742	979
Liabilities to the state and local budgets	604	392	295	421
Other liabilities	203	261	406	310
Accruals	5,366	4,386	6,771	6,062
	10,817	96,256	80,861	19,903
TOTAL LIABILITIES	45,822	119,363	110,765	45,487
TOTAL EQUITY AND LIABILITIES	756,777	821,162	822,219	729,330

Interim Condensed Statement of Changes in Equity

Asseco South Eastern Europe S.A.

	Share capital	Share premium	Other capitals	Retained earnings	Total equity
As at 1 January 2023	518,943	38,826	3,172	150,513	711,454
Net profit for the reporting period	-	-	-	75,095	75,095
Total comprehensive income for the reporting period	-	-	-	75,095	75,095
Dividend	-	-	-	(75,766)	(75,766)
Valuation of share-based payment plan	-	-	172	-	172
As at 30 September 2023	518,943	38,826	3,344	149,842	710,955

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

As at 1 January 2022	518,943	38,826	2,981	145,728	706,478
Net profit for the reporting period	-	-	-	43,658	43,658
Total comprehensive income for the reporting period	-	-	-	43,658	43,658
Dividend	-	-	-	(66,425)	(66,425)
Valuation of share-based payment plan	-	-	133	-	133
As at 30 September 2022	518,943	38,826	3,114	122,960	683,843

Interim Condensed Statement of Cash Flows

Asseco South Eastern Europe S.A.

	9 months ended 30 September 2023 PLN'000	9 months ended 30 September 2022 PLN'000
Cash flows – operating activities		
Pre-tax profit	77,459	48,148
Total adjustments:	(78,551)	(41,372)
Depreciation and amortization	675	740
Change in receivables	495	(1,227)
Change in liabilities, accruals and provisions	(623)	4,034
Interest income/expenses	(340)	(1,905)
Gain/loss on foreign exchange differences	(112)	(2,701)
Gain/loss on investing activities	(78,816)	(40,446)
Valuation of share-based payment plan	172	133
Other	(2)	-
Selected operating cash flows	21,781	38,067
Sale of shares in subsidiaries	-	1,436
Acquisition of shares in related entities	(61,254)	(9,628)
Dividends received	83,035	46,259
Cash generated from operating activities	20,689	44,843
(Corporate income tax paid)	(815)	(1,770)
Net cash provided by (used in) operating activities	19,874	43,073
Cash flows – investing activities		
Inflows:	75,182	44,975
Disposal of property, plant and equipment, and intangible assets	-	-
Disposal/settlement of financial assets carried at fair value through profit or loss	-	-
Loans collected	73,210	43,302
Interest received	1,972	1,673
Outflows:	(18,023)	(18,151)
Acquisition of property, plant and equipment, and intangible assets	(141)	(147)
Acquisition/settlement of financial assets carried at fair value through profit or loss	(38)	(423)
Loans granted	(17,844)	(17,581)
Net cash provided by (used in) investing activities	57,159	26,824
Cash flows – financing activities		
Inflows:	-	-
Proceeds from bank loans and borrowings	-	-
Outflows:	(79,255)	(71,305)
Dividends paid out	(75,766)	(66,425)
Repayments of bank loans	(2,611)	(4,317)
Payments of lease liabilities	(89)	(97)
Interest paid	(789)	(466)
Net cash provided by (used in) financing activities	(79,255)	(71,305)
Net change in cash and cash equivalents	(2,222)	(1,408)
Net foreign exchange differences	-	-
Cash and cash equivalents as at 1 January	20,344	16,142
Cash and cash equivalents as at 30 September	18,122	14,734

This quarterly report has been approved for publication by the Management Board of Asseco South Eastern Europe S.A. on 24 October 2023.

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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Technology for business, solutions for people.

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