Asseco Central Europe
Annual Report 2023

Ladies and gentlemen, dear colleagues, dear business partners,

The economic situation and all-society topics have been constantly creating new challenges for our everyday life, but also for the business environment of the Central Europe region. In recent years, Slovakia has unfortunately fallen in many important rankings of the European Union countries. Some rankings, such as DESI (the Digital Economy and Society Index), GDP per capita, and Prosperity Index, are uncompromisingly pointing at the lagging of the economy. All this has had a negative impact on the performance of many business entities (enterprises) that provide services with high added values, including our company. In an effort to overcome this difficult period, in 2023, we decided in Slovakia, and partially also in the Czech Republic, to devote ourselves to the consolidation and stabilization of our company and preparation for its growth in the years 2024-2026. We have started several central initiatives aimed at the company processes towards the efficiency of our projects, at products, but above all at the quality of deliveries.

We have completed the important national projects; we are still working on some others. In Slovakia, we launched a new information system for the client, the **Public Health Authority of the Slovak Republic**, although the complex rollout and change management are still ongoing at the customer's. In the Czech Republic, the **eCollection and eLegislation** project, a unique tool for digitizing and automating the national legislation processes of the Czech Republic, is being finalized. This is a key step in the digitalization of the Czech legal system. These and also other projects required enormous commitment and energy from the people, who worked on them. The complexity of the projects is always testing the cohesion of the teams and the professionalism of our colleagues. The two mentioned projects have sufficiently verified our ability to cope with a difficult environment – an ecosystem, in which the named customers are located, and with their requirements, which by far exceed the tendered scope of delivery.

Together, we create the conditions for a stable digital environment intended not only for our customers, but also for the whole countries. We are proud that, this year, together with Youplus, we have managed to promote our **looX** solution on another insurance market, this time the Swiss one. We are also developing our solutions and cooperation in the field of banking and building savings. For our customer, Modrá Pyramida in the Czech Republic, we have expanded the information system designed for the building savings banks with the comprehensive **Mortgage Loans** management solution. For our bank client in Slovakia, we are implementing and gradually putting into production operation an Omnichannel solution for modern and secure communication between clients, bankers and back office in the field of daily, transactional and investment banking. At Slovenská sporiteľna, we continued to develop key components for managing secure access to mobile and internet banking. For the first time, we have implemented the solution for the Fabasoft registry in the Czech Republic in the customer, the Probation and Mediation Service.

In this introduction, it is not possible to list all the challenging but also beautiful projects that we have implemented in the past period. You can read more in the Annual Report itself. We value every single client. We continue to maintain the long-lasting fair business relationships. I believe that we are, and want to stay, a RELIABLE COMPANY. We constantly strive for the timely delivery of high-quality systems and products that improve the user experience, meet the customer expectations, and help digitizing our customers and the countries, in which we operate.

A significant event of 2023 was the establishment of Asseco CE Cloud, a new subsidiary. The newly created Cloud means a continuation of the strategy of the entire Asseco Group, under which Asseco Cloud was established two years ago for the Polish market in Poland, the country of our headquarters.

However, we are also aware of another dimension of business success, its reach, and possible impact. Last year, in addition to the demanding projects, a high pace, implemented consolidation, strategic initiatives, and a number of extraordinary activities, we organized the 1st year of the Asseco UpSteer Incubator. We perceive the importance of supporting the start-up companies in Slovakia and the Czech Republic. We help motivating young people to develop their business plans in the domestic market. We have decided to continue in this initiative in the 2nd year as well.

The cohesion of the people at Asseco is incredible. Today, Asseco is formed by more than thousand employees; each one of us is different, unique. But we have one thing in common. We like to be a part of successful projects, at the bottom of which there is honest work, ideas, energy, and passion. And we are a strong team.

I appreciate my colleagues for their responsible approach, work, and everything they have sacrificed and given to the company and projects for our customers. Let's continue in digitizing our countries together and changing the world to a more automated and digital one.

Jozef Klein
CEO & Chairman of the Board of Directors

Contents

The complete Annual Report for 2023 including the Individual and Consolidated Financial Statements contains the enclosed USB key.

Technology for business, solutions for people.

Asseco **Group**

33,062 headcount

50+ countries

3.73 mld. € revenues 2023

WSE | NASDAQ | TASE stock exchange

Asseco is one of the leading software vendors in Europe and the largest provider of innovative IT solutions in Central and Eastern Europe. For over 30 years, it has been developing technologically advanced software for companies from key sectors of the economy. The company is present in 60 countries around the world and employs over 33 thousand people. It develops both organically and through acquisitions – it has carried out over 130 of them since 2004. Asseco is interested primarily in profitable entities with specialized and committed staff, willing to further develop themselves by joining the Asseco Group. Acquisitions are aimed at enhancing our competence in key business sectors, entering new geographical markets, or strengthening the position of the whole Group in countries where it is already present. Asseco's companies are listed on the Warsaw Stock Exchange (Asseco Poland, Asseco Business Solutions, Asseco South Eastern Europe), NASDAQ and Tel Aviv Stock Exchange (Formula Systems, Sapiens International and Magic Software are dually listed on the TASE and NASDAQ, Matrix IT is listed on the TASE).

The Asseco Group operates based on a unique system of cooperation – the federation model. Asseco Poland, as the Group's major shareholder, is the largest shareholder in the companies incorporated within the Group; however, it does not seek to own 100% of shares and does not seek to integrate Group members. The companies that decide to join the Asseco Group maintain a significant degree of autonomy in their day-to-day operations, while the Group determines the direction of their strategic development, sets their objectives and supervises their achievement.

The Group's function according to the federation model is based on mutual trust, people-based business and a set of clearly defined rules of cooperation between the Group entities. Hence, companies acquired by Asseco Poland retain their local character and are often managed by their former owners and management staff.

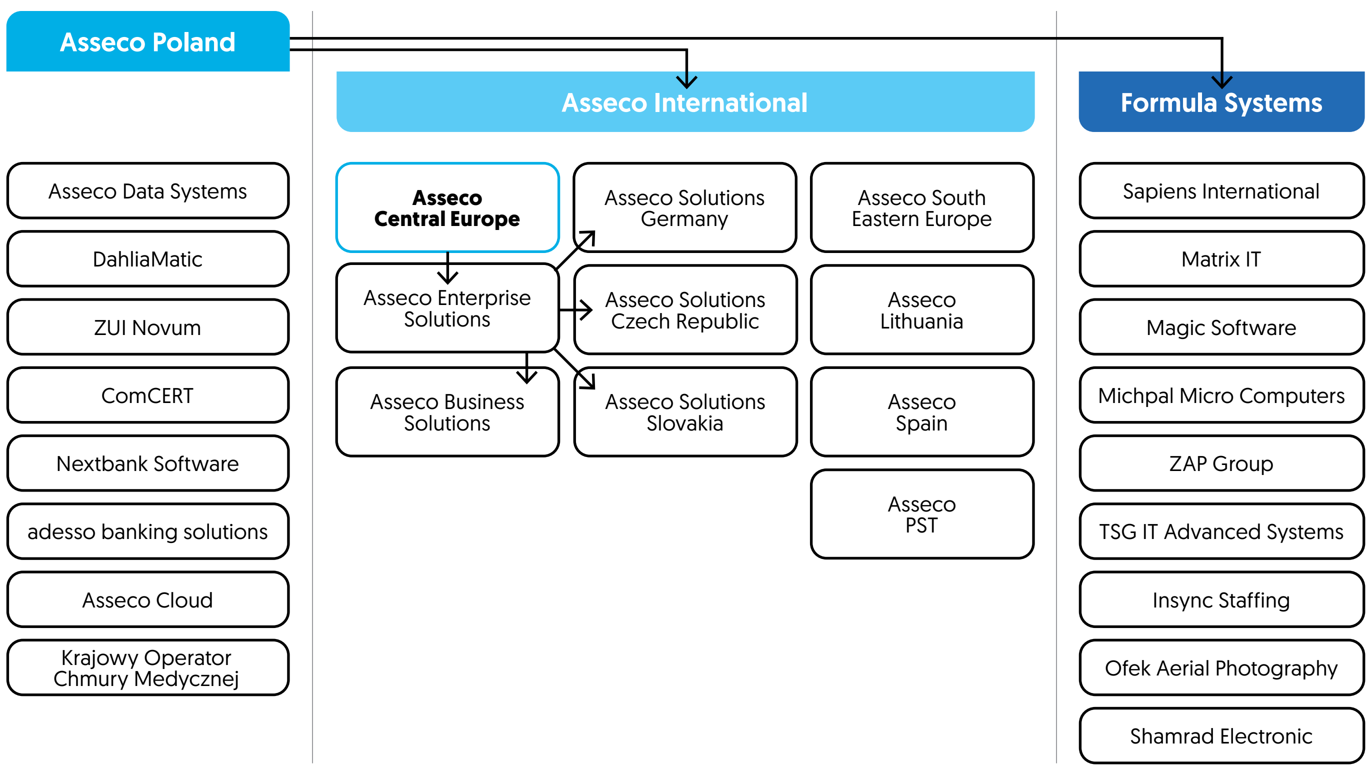
The Group derives the following benefits from this model of cooperation:

- strengthening market position and customer trust,
- access to interesting, locally well-known product solutions,
- knowledge of local markets, customers, business environment and unique considerations,
- access to local teams of native-speaking staff,
- responsible business conduct in relation to local stakeholders.

Companies that become part of the Asseco Group can count on:

- access to the products and experiences of other Group members,
- access to the Asseco Group's sales network,
- financial empowerment,
- an international brand and a strong market position,
- access to global contracts with equipment suppliers.

The Asseco Group has identified three geographical segments within which the Group companies operate: the Asseco Poland segment, the Formula Systems segment, and the Asseco International segment.



Major events in the Asseco Group

Asseco Poland

The Asseco Poland segment's organic growth is driven by a wide array of high-quality solutions, ranging from custom-made software specifically tailored to meet clients' needs, through industry-wide customizable products for various sectors of the economy, to pre-configured software products aimed at small and mid-sized enterprises. Asseco Poland operates in the three main sectors of banking and finance, public institutions and general business.

In the banking and finance sector, the company continued to work for its existing customers by performing, among others, long-term service contracts which accounted for over 30% of revenues from this sector in 2023.

It should be noted that during the period reported, the company was implementing three projects in parallel:

- at Bank Gospodarstwa Krajowego – transformation of a core transaction system,
- at Bank Polskiej Spółdzielczości – implementation of a core transaction system,
- as a key subcontractor to IBM, at one of the commercial banks which is part of a global financial group – implementation of a core transaction system.

In the case of Bank Gospodarstwa Krajowego, Asseco Poland provided services of maintenance, optimal development and transformation of the def2000 system into an open architecture, enabling further maintenance and development of the system without significant technological and legal restrictions, under a 4-year transformation services contract that was signed in 2022.

For Bank Polskiej Spółdzielczości, the company performed a 10-year contract, which was signed in 2021, covering the implementation of a new core banking system, including the main transaction system and data warehouse, and its operation using the data processing centers of Asseco. As part of the project, Asseco will also provide a next-generation Internet banking system for retail and corporate customers and a mobile application.

With regard to the project, in which the company acts as a key subcontractor of IBM, its activities focused on transforming one of the commercial banks and moving it to the cloud, based on the application technology elements of Asseco BooX (Bank out of the Box). As part of this project, the bank will migrate from its legacy system into the Asseco Core Banking system.

The company continued its long-term cooperation with the largest bank in the region, namely PKO BP, where it is engaged in the development and maintenance of the core IT system that handles transactions of bank clients, interbank settlements system, as well as debit card management and clearing system at PKO BP.

It also executed a contract with RCI Banque Group for development of a customer portal with leasing and banking functionalities. The portal will enable customers and users to take advantage of chatbot services and will be equipped with the latest Asseco Advanced Customer Intelligence solution, allowing to create dedicated offers for clients of the financial institution.

Asseco Poland's sales force engaged in activities aimed at acquiring new projects both in Poland and in foreign markets.

The Company supported the development of the Allegro Pay service. The system created by Asseco processes all contracts entered into under the BNPL (Buy Now Pay Later) service that was launched by Allegro in 2020. The Asseco Core Banking Platform, which is an important component of Allegro Pay, brings ready-made solutions proven successful in the banking sector and accommodates Allegro's accounting schemes. The Asseco system, among other things, prepares a repayment schedule, calculates and posts interest, records a loan disbursement, handles settlement of repayments, calculates arrears, and processes bookings, so that the seller immediately receives the entire amount and does not have to wait for subsequent instalments paid by the buyer. The Asseco systems also support Allegro Pay in post-sales customer service. This service is provided in the Software-as-a-Service model developed for the needs of financial institutions where payment is made on a subscription basis.

In addition, Asseco continued to develop its proprietary Asseco BooX (Bank out of the Box) platform which will be the basis of the company's offering for the banking sector in Poland and worldwide. Asseco BooX is the first in Poland, comprehensive technology and process platform for selling and handling financial products. Not only does it ensure access to all systems required to perform banking services, but it also includes IT BPO services provided by Asseco employees in the subscription fee. The first customers for this IT solution are cooperative banks, but it is also offered to commercial banks and fintech companies. BooX, being able to run as a cloud-based subscription platform, is an excellent solution for neo-banks, banks subject to consolidation, test and regulatory sandboxes, and marketplace solutions (in e-Commerce). It enables new business initiatives to demonstrate to the national regulator their high operational readiness already at the early stage of obtaining a banking license. Entities that are already present on the market can use the platform features (subscription, work in a technological sandbox) in the process of testing and launching new services. Carrying out transformation or consolidation of banks is a natural application of the BooX platform. Innovation necessary for the development of financial institutions will be ensured by the use of solutions built into the platform that were developed within the Asseco Innovation Hub, e.g. voicebots. Asseco BooX is available in the subscription model as well as upon purchasing a license. The solution can be operated on-premise or in a cloud-based or hybrid model. Both the availability of particular functionalities and the cost incurred by institutions depend on the actual level of their use.

The cooperative banking market is another important business area for the segment of Asseco Poland. Subsidiaries of Asseco Group operating in the Polish market provide services to nearly 80% of local cooperative banks and support a large number of them in the area of modern e-Banking solutions offered in the Software-as-a-Service (SaaS) model.

Asseco Poland holds a leading position among providers of IT solutions for institutions operating in the Polish capital market. In 2023, the company carried out work under contracts signed in previous reporting periods, including the implementation of ePROMAK NEXT solutions along with the ePROMAK NEXT investor platform, mobile solution and investment advisory support system at Santander Brokerage Office.

Asseco Poland is a leading provider of Business Intelligence solutions on the Polish market, which has so far implemented over 20 data warehouses for financial institutions. Company's reporting solutions, as well as analytical and compliance solutions are operated at more than 100 entities in the financial sector, in on-premise and on cloud models. In the reporting period, the company performed a contract signed last year with one of the major brokerage houses for design, construction and implementation of a data warehouse equipped with reporting tools as well as subsequent maintenance and development of the system. This is a pioneer project of this type at a brokerage house in Poland which is aimed to simplify and improve efficiency of the processes of obtaining and using distributed data within the organization.

In 2023, the company continued its cooperation with public sector institutions, including the Social Insurance Institution (ZUS), the National Healthcare Fund (NFZ), the Ministry of Finance, the Ministry of Justice, the Agency for Restructuring and Modernization of Agriculture (ARiMR), the Agricultural Social Insurance Fund (KRUS), and the General Inspectorate of Road Transport (GITD).

Asseco performed activities under the agreement for operational support and maintenance of the Comprehensive Information System (KSI) at the Social Insurance Institution (ZUS) that was signed in September 2022. The Company also implemented the framework agreement signed last year for modification and expansion of the KSI ZUS software.

Moreover, the company prepared the KSI system and the PUE Portal at ZUS to perform the tasks related to:

- the implementation of the Act on special solutions related to the prevention, counteracting and combating of COVID-19, other infectious diseases and emergencies caused by them,
- the Act on the Polish tourist voucher,
- handling of the family care capital (RKO) and co-financing of children nursery fees incurred by parents (the so called nursery subsidy),
- the payment of child benefits under the "Family 500+" program,
- the "Good Start" program,
- the amended rules of settlement and payment of health insurance contributions under "The Polish Deal",
- the awarding and payment of social benefits for refugees from Ukraine.

During the reporting period, the company performed the framework agreement of 2019 with the Agency for Restructuring and Modernization of Agriculture (ARiMR) for development and maintenance of their SIA system. Asseco Poland also developed the IRZplus application to support registration of animals, which was carried out under a supplementary order of 2021 to the said contract. In 2023, ARiMR has again contracted Asseco Poland to provide maintenance and development services on the SIA. The Company also focused on building the Central Beneficiary Support System (CSOB), along with implementation, maintenance and development services, as well as the delivery of supporting hardware and software.

The company carried out the contracts for the Ministry of Justice: for the construction, three-year maintenance and development of the IT system supporting the National Register of Debtors that facilitates restructuring and bankruptcy proceedings and for the maintenance, modification and trainings for the ICT system of Electronic Land and Mortgage Register (EKW). In addition, Asseco Poland signed a 45-month contract with the Ministry of Justice for maintenance and development of the National Court Register (KRS).

In 2023, Asseco Poland also performed activities under a 2-year contract for maintenance and development of the Forest System, being an integrated component of the State Forest Information System (SILP), which was signed in 2022.

Asseco Poland also worked for the Ministry of Finance, including projects for the maintenance and development of customs and tax systems implemented under the "Platform of Electronic Tax and Customs Services (PUESC)" program which is co-financed by the European Union. A noteworthy project implemented within this framework together with the company T4B Sp. z o.o. is to maintain and develop the Digital Border System. It is a highly advanced and innovative solution that enables efficient handling of people and entities at border crossings using mechanisms for automatic data exchange, among others with the Border Guard System, as well as automatic vehicle identification and traffic control.

During the period reported, the company, acting in a consortium with Pentacomp, carried out a contract for development, modernization and maintenance of components of the Tax and Customs Information System (SISC) in the area of Trading in Goods with Third Countries and Excise Duty Movements. Asseco Poland also expanded, modernized and developed the ZEFIR2 system which supports the collection and settlement of customs and tax liabilities for the benefit of the State Treasury and the EU budget. Furthermore, Asseco executed contracts for the maintenance and development of the Automatic Road Traffic Monitoring Center (CANARD) at the General Inspectorate of Road Transport (GITD). Asseco also continued its cooperation with the Agricultural Social Insurance Fund (KRUS).

Asseco Poland is one of the largest providers of IT solutions and services for the healthcare sector. Currently, it cooperates with more than 400 hospitals all over Poland. Whereas, in the segment of doctor offices, small and medium-sized outpatient clinics, and medical practices, the company supports 9.4 thousand locations (37.0 thousand users), representing about 40% of the market. In 2023 Asseco won further tendering procedures among others for delivery and implementation of e-Services or applications for many Polish hospitals.

Asseco implements software that is primarily intended to streamline patient registration for appointments, make it easier for patients to check the results of examinations, as well as to provide them with online access to medical records. New e-Services are fully integrated with the existing solutions operated at hospitals, including Hospital Information Systems (HIS) and entity management systems (ERP).

The company also performed numerous maintenance contracts for hospital systems that have been already deployed, which accounted for over 50% of revenues generated from the healthcare sector. Asseco Poland also continued implementation of its contracts with the National Healthcare Fund (NFZ) for maintenance and development of the NHF Operations Support System.

The company is also engaged in the project of developing e-Blood IT system which is implemented by the Centre for Healthcare Information Systems. Leveraging on many years of experience in the computerization of medical facilities, the company has developed several applications dedicated to patients: Medical Information (management of information provided by medical centers), Home Medicine Box (personal administration of medicines), and My Measurements (self monitoring of health condition by patients).

Digitization of the healthcare system not only allows to simplify and accelerate the existing processes, but also opens the possibility of creating new, innovative services. In 2021, Asseco established a new company – the National Medical Cloud Operator (Cloud for Health) – the purpose of which is to cooperate with the National Cloud in order to enable medical facilities to provide e-Services in the Software-as-a-Service (SaaS) model while maintaining the highest standards of security. The Cloud for Health specializes in the cloud-based implementations of Electronic Medical Records. It will also take care of efficient adjustment to legal regulations and contribute to the standardization of IT services in the healthcare sector. Currently, the National Medical Cloud Operator cooperates with about 300 customers.

Asseco Poland is a reputable provider of tailor-made software solutions and services for local and international defense organizations. So far, the company has finalized more than 70 advanced technology projects for the EU and NATO agencies. Its clients include institutions such as the NATO, the European Border and Coast Guard Agency (Frontex), the European Chemicals Agency (ECHA), the European Defense Agency (EDA), the European Space Agency (ESA), the Polish Ministry of National Defense and the National Cyberspace Security Center. For several years, Asseco Poland has developed proprietary product lines intended for the uniformed services and civilian market, including unmanned systems and cybersecurity systems. Asseco is also strengthening its position in the cybersecurity consulting segment thanks to its subsidiary ComCERT.

Asseco cooperates with major telecoms and energy companies. The company continued to work for leading energy industry groups under previously signed contracts and new orders. In the reporting period, Asseco Poland performed a contract with PSE to provide data migration services to the Central Energy Market Information System (CSIRE).

Asseco Poland continued its cooperation with Polkomtel as part of a three-stage project involving the transformation of sales automation systems, as well as retail customer service and billing systems (B2C) of Polsat Plus Group. In the reporting period, the company focused on carrying out the first stage of the project, which encompasses changes to IT systems dedicated to the sale of products and services of Polsat Plus Group. In addition, dedicated, separate teams carried out projects also for other telecommunications and media clients of Asseco.

2023 was a period of intensive work also for Asseco Poland's subsidiary Asseco Data Systems (ADS) operating in the Polish market. This company expanded its sales of trust services, including e-signature. During the reporting period, ADS also developed a platform for managing HR processes in business, as well as integrated IT solutions for managing universities, the teaching process, and development of employee competencies. Moreover, the company implemented Smart City projects, projects for leasing companies and local governments.

During the reporting period, Asseco Cloud carried out activities of development and implementation of its proprietary solutions and those of leading cloud technology providers, ensuring end-to-end support from design to deployment and maintenance, as well as providing professional expertise and IT outsourcing in the managed services model. The company continued and expanded cooperation in the area of cloud computing with customers from various industries, strengthening its position as a reliable integrator and expert in the Polish market. Asseco Cloud and the Polish Cloud undertook joint efforts aiming to integrate the market and raise awareness of Polish cloud-based solutions. An important part of these activities was to engage in making recommendations to government institutions and offices.

Asseco International

Asseco International Group achieved good performance across all major regions of its operations, Central Europe, South Eastern Europe and Western Europe.

During the period reported, Asseco Central Europe (ACE) companies operating in the Czech Republic and Slovakia executed projects for domestic public sector institutions. ACE cooperates in the Czech Republic with institutions such as the Ministry of the Interior, the Ministry of Labour and Social Policy, the Ministry of Finance, and the Ministry of Justice. Whereas, customers in the Slovak Republic include the Supreme Audit Office and the Financial Administration.

In 2023, ACE received a prestigious certificate from the Slovak Ministry of the Interior for the latest version of its process and document management system, Fabasoft eGov Suite 2023. The certificate confirms that the Asseco solution complies with the requirements of the Slovak Ministry of the Interior and meets the conditions for document exchange in public administration bodies applicable in the European Union and Slovakia.

ACE participated in the project to launch the Digital Administration Map Information System (IS DMVS), which is managed by the Czech Office for Surveying, Mapping and Cadastre. This information system encompasses the entire ecosystem of technical mapping and provides a range of functionality at the central level, including a common interface for displaying maps or the ability to update data.

ACE also conducted a system modernization project for the Czech Statistical Office. The goal of this project is to create a portal for distribution of statistical information, such as the level of inflation, income and expenditures of households, GDP, size and structure of population, as well as the results of important statistical events such as elections or the population census

ACE plays an active role in the healthcare sector. It cooperates closely with Slovakia's National Health Information Center and General Health Insurance Company, as well as with the Czech Social Security Administration. Moreover, it carries out a number of development initiatives in this area.

In 2023 the company intensified activities for digitalization of the insurance sector and further developed the functionality of its platform supporting the digitalization of insurance documents and processes – Asseco Digital Insurance Platform. The company strengthened its cooperation with Youplus, an international insurance company, for which it serves as a strategic technology partner.

In addition, ACE worked for financial institutions, including Société Générale – Modrá Pyramída, Komerční banka, Raiffeisen Bank International - Raiffeisen Building Savings Bank and ČSOB Building Savings Bank.

Asseco CEIT, a subsidiary of ACE Group, specializing in the digitalization of industrial enterprises and implementation of the Industry 4.0 concept, conducted projects for automotive companies (e.g. Volkswagen Slovakia, AUDI Hungaria) relating to the automation of intralogistics, including the delivery of AGV (Automated Guided Vehicle) systems. Research and development are among the key areas of the company's activities and they are carried out in its own R&D center. Asseco CEIT utilizes its private 5G campus network to develop technology and process innovations in its systems supporting the logistics and manufacturing industries.

ACE Group has recorded strong demand for ERP solutions that are marketed by Asseco Enterprise Solutions Group (AES Group). This is a result of the growing trend among enterprises to spend more on ERP solutions in all major markets where AES Group operates, which is paralleled by continuing development of the Group's product portfolio. AES Group products are currently used by over 70 thousand customers (over 700 thousand active users). Asseco companies engaged in the ERP area consistently implement the strategy of upgrading their software solutions with specialized artificial intelligence (AI) functions. A growing number of users of their ERP systems benefit from hints, recommendations and alerts generated by built-in AI algorithms. Over the next months, the Group companies plan to implement new AI functionalities, thereby strengthening their leading position as providers of AI-backed ERP solutions.

In 2023, Asseco Business Solutions (ABS) recorded stronger sales both in domestic and foreign markets. ABS systems support business in dozens of countries around the world. During the period reported, the largest foreign sales were recorded in countries of Great Britain, Germany, Austria, France, the Netherlands, Luxembourg and Romania.

A growing number of products and services offered by ABS (both in the ERP and SFA class) are available in the cloud model. The number of projects implemented in the full outsourcing model is systematically increasing, thanks to which the company takes over responsibility not only for the software itself, but also for such important elements of solutions as system and communication infrastructure, and supervision over the operation of integration processes. Such approach to project implementation is enabled by ABS's two own Data Centers, the operating parameters of which satisfy the highest requirements for security, reliability and efficiency of system operation. The company also offers access to Data Centers for solutions deployed outside Poland that are located, for instance, in China, India, the US and Brazil. Moreover, the company's technology and business partners include the world's major players such as Oracle, Microsoft, HP, IBM, and Citrix, just to mention a few.

In 2023, ABS continued to work on incorporating artificial intelligence algorithms into the products and services it offers, based on its proprietary Genius by Asseco engine. These solutions provide increasing support for a number of key processes. Based on the collected data, they generate recommendations and business notifications, enabling the system to adapt to the user work style, automate repetitive tasks, and offer intelligent analytics with predictive elements.

Favorable sales results were also reported by Asseco Solutions AG which operates in the markets of Germany, Austria, Switzerland and Italy. In 2023, this company expanded its cooperation with existing partners and gained more than a dozen new customers. APplus, the company's proprietary ERP system dedicated to the manufacturing sector, is currently used by over 80 thousand users in more than a thousand companies in 25 countries. During the analyzed period, Asseco Solutions launched the next generation of the APplus system. The latest version is tailored to satisfy the growing requirements from business customers for innovation, efficiency, rapid adaptability and ease of use.

The Czech-based company of Asseco Solutions, which has a 25% share in the local market of ERP solutions dedicated to the SME sector and offers four proprietary systems used by over a dozen thousand customers, both in the corporate and public sectors, generated a double-digit increase in revenues in the reporting period. Higher sales were recorded particularly in the area of solutions for small and medium-sized enterprises. The company also develops solutions for medium and large-sized enterprises, offering a new version of its ERP system called Nephrite.

The Slovakia-based company of Asseco Solutions, whose proprietary ERP systems have been implemented for more than 2 thousand customers, giving that company around 10% of share in the domestic market, focused on attracting new contractors. In this period, the company launched the Asseco Store which brings together cloud applications and add-ons for the ERP software it offers.

Asseco South Eastern Europe Group (ASEE Group), which operates in the South Eastern European markets, reported stronger financial results for 2023 than in the comparable period in the previous year, mainly due to the business growth in the segments dedicated solutions and banking solutions. In terms of geographical regions, the largest sales were generated in Serbia, Romania, Croatia, Spain, Turkey, Bosnia and Herzegovina and Macedonia. ASEE Group is actively looking for new acquisition targets. During the reporting period, Ifthenpay (a Portuguese company operating in the field of payments and e-commerce) and Dwelt (software company operating in the utility sector) and Avera (Slovenian company specializing in EFT POS payments) joined the Group.

In 2023, the Asseco Group was active in Western European markets. Asseco PST continued and expanded its cooperation with banks by providing maintenance and development of core banking systems. This company is present in Portugal and Portuguese-speaking countries in Africa (Angola, Mozambique, Cape Verde, East Timor, and Saint Thomas and Prince Islands), as well as in Namibia and Malta.

Asseco Spain, a subsidiary of Asseco Western Europe, gained new contracts for the supply of IT hardware, software and related services. The company was engaged in projects related to teleworking, remote education, cybersecurity and production automation.

In 2023, Asseco Lithuania signed a new contract for the maintenance and development of its billing system for Ignitis Group, one of the largest energy groups in the Baltic Sea region. The company commenced also a project for UAB Vilniaus Vandenys, Lithuania's largest water supply company which purchased the FAVAKA system consisting of three main modules: customer service (CRM), accounting (billing), and financial accounting. Asseco Lietuva provided also services for the Ministry of Finance of Lithuania – in 2023, together with its partner Alna Business Solutions, completed a 4-year project called FABIS – an accounting system for public sector entities.

Formula Systems

In the reporting period, revenues generated by the companies of the Formula Systems Group companies were similar to those achieved in the corresponding period of 2022.

Matrix IT – a leading IT company in Israel, whose position has been confirmed for over a dozen years by research firms IDC, STKI and Gartner, continued to implement strategic projects for large organizations, government and defense sector in Israel. The company is involved, among others, in the Nimbus project which aims to accelerate the deployment of cloud technologies in the Israeli public sector – it enables working in the cloud while saving data locally in Israel. The company has extensive experience in implementing artificial intelligence projects for the Israeli military sector (for both defense and civic purposes), as well as in conducting projects for foreign government institutions.

The company is involved in the most innovative technology projects in the Israeli healthcare system, including the printing of human organs for pre-operative procedures, research into the detection of lung and respiratory diseases using voice identification and artificial intelligence, as well as in telemedicine projects.

Matrix IT continues to pursue growth through innovation by developing and implementing state-of-the-art technologies in the areas of cloud computing, cyberspace, big data, artificial intelligence, machine learning, IoT, automation, and augmented reality. It combines organic growth with acquisitions in promising sectors. During the reporting period, the company took over Zebra A.G.R Technologies – company offers a wide range of cyber security and network management solutions along with consulting and training services.

The financial performance of Sapiens International, a leading global provider of software and IT services for the insurance industry, reflects the company's continued focus on supporting its over 600 existing customers located in more than 30 countries, leveraging on cross-selling and up-selling opportunities. In 2023 NCDC – company offering property and personal insurance platform, joined the Group.

Magic Software, a global provider of application development platforms and business process integration solutions as well as IT consulting services, in the reporting period focused on projects executed for the sectors of finance, healthcare, defense and public administration. The company supports its customers in migrating to the cloud – it currently manages cloud services (AWS, Azure and Google Cloud Platform) for more than 200 clients. In this period, approx. 20% of Magic Software's revenues were generated from the sale of IT solutions, while professional IT services accounted for approx. 80% of sales. The company is constantly looking for potential acquisition targets – small and mid-sized businesses that match its strategy for geographical expansion and will enlarge its product portfolio and customer base. In 2023, Magic Software finalized the acquisition of K.M.T (M.H.) Technologies Communication Computers, a provider of comprehensive ICT solutions and services, including a private cloud available to customers on 4 continents (Asia, North America, Africa, Europe).

Asseco **International**

8,475 headcount

40 countries

896.4 mil. € revenue 2023

Asseco
Central Europe

34 years on market

3,589 headcounts

7 countries

374.5 mil. € revenues 2023

ERP | Finance | Healthcare | Industry & Utility
Public | IT Infrastructure

Asseco CE history

The history of the Company goes back to 1990, when ASSET was established. After the separation of the software division, ASSET Soft was established on 16 December 1998, which formed a strategic partnership with Asseco Poland (then Comp Rzeszów) in 2004. Thus, both companies laid the foundations of an international Asseco Group. The Company operated under the original business name until 21 September 2005, when it was changed to Asseco Slovakia, a. s. In October 2006, the Company was quoted on the Warsaw Stock Exchange and thus became the first Slovak company directly listed on a foreign stock exchange. The Company entered the Czech market by acquiring PVT (later Asseco Czech Republic) in 2007. In July 2009, Asseco Slovakia and Asseco Czech Republic were integrated, thus increasing the extent of cooperation between the two companies. The business name Asseco Central Europe, a. s., was registered in both countries in spring 2010. Asseco Central Europe has increased its sales potential and competitiveness thanks to the joint strategy of new solution development, sharing of knowledge, and extending its range for customers.

Asseco CE today

Asseco Central Europe group (Asseco CE) is today one of the strongest software houses in Central and Eastern Europe. It is active in Slovakia, the Czech Republic, Hungary, Germany, Austria, Switzerland, Italy and Poland. Other IT companies are also a part of the Asseco Central Europe Group. The Company implements challenging commercial projects, as well as those for state administration and local government, built on long-term experience gained through extensive projects for tailor- made solutions, heavily emphasizing support to clients' strategic goals. In December 2017, Asseco International became the parent company of Asseco CE with its headquarters in Bratislava, Slovakia.

Our mission

Asseco Central Europe's mission is to develop our own software solutions to deliver the best digital services. We create the conditions for an innovative and sustainable digital environment not only for our customers, but also for the wider community.

Strategic objectives

- To be a trustworthy and reliable strategic partner to our customers and to support their growth and competitiveness by delivering modern information systems with high added value
- To continue to increase our customers' satisfaction, by increasing the quality of services and by applying the latest trends in the development of information systems
- To be a thought leader in software development and provision of IT services, strengthening the Company's position within Central European and international markets by promoting a strong, technically and morally astute customer-oriented employee base
- To support a strong, technically and morally capable and customer-oriented employee base
- To build a corporate culture that supports the Company's cooperation, creativity and dynamic development
- To develop and promote scientific and research-based activities in the field of IT.

Code of conduct

The Company's Code of Conduct represents a set of principles that are focused on its employees, as well as the surrounding environment. It primarily recognizes principles of ethical behavior while conducting business and upholds objectivity, transparency, accountability and openness in activities. Asseco CE declares that both now and in the future, it is committed to remaining a reliable partner for its customers, shareholders, business partners, employees and public in all the countries and regions where it operates. Asseco CE creates the conditions for an open and transparent corporate culture.

Relations within the Company

Asseco CE regards respect for people as one of its principal core values and as the basis for all interpersonal relationships. It also supports diversity. All forms of discrimination, abuse, humiliation, sexual harassment or indecent behavior against individuals or groups are prohibited within the Company. No-one can be disadvantaged, favored, harassed or excluded because of their gender, ethnicity, race, age, origin, religion or physical limitations and violation of the dignity, rights or privacy of any employee is outlawed. Next in terms of importance comes honest, conscientious and efficient work, communicative ethics, loyalty to the Company, upholding its reputation and safeguarding its assets and ethics in conflict resolution.

Relations with customers and suppliers

Relationships are built on respect, professional attitudes towards customers and appropriate conduct towards business partners. Domestic and international legal frameworks apply to all processes involving customers and business partners, as implemented by Asseco CE.

Our vision

Asseco CE's vision

Asseco Central Europe's vision is to deliver the best digital services that enhance the user experience through our own software. To be a catalyst for innovation and technological progress through the solutions we create. To be the next generation software house with the aim of delivering „best digital services". To be a strategic, trustworthy and reliable partner for customers in the national and international market. To build a reputation as a reliable and socially responsible company that supports not only its customers but also its employees in both successful and challenging times.

Asseco Group's vision

The vision of the Asseco Group is to build a reliable and profitable IT company, providing its clients with software and services of outstanding quality and with high added value. The strategy of the Asseco Group is based on three pillars. The first is organic growth, achieved through sales of proprietary software and services, the second involves expansion through acquisitions and the third involves support for promising start-ups as a strategic investor.

Organic growth

Asseco's strategy relies on good sector-specific business expertise, which is supported by technological competence. The Company builds long-term trust-based relationships with customers, becoming their strategic business partner. Asseco leverages the vast experience of its international affiliated companies to create a comprehensive portfolio of products satisfying the needs of thousands of its customers. The Company wants to be perceived as a "one-stop shop" and therefore, in addition to its own IT solutions and services, it also delivers infrastructure necessary for the proper operation of the product supplied.

Expansion through acquisitions

The Asseco Group and Asseco CE acquire companies that either strengthen their industry-specific capabilities or provide an opportunity to enter new geographic markets. Asseco Poland has successfully implemented its acquisition policy for several years and is currently one of the most experienced market consolidators in Poland. Asseco CE furthers its IT competences through acquisitions, while expanding its portfolio of products across a variety of business segments.

Expanding the portfolio with start-ups

As a former member of the Perry Talents accelerator, Asseco CE has been supporting and investing in start-ups for many years, helping them to realise interesting business ideas while expanding own portfolio of products and services. In September 2022, Asseco Central Europe expanded its activities aimed at supporting young ambitious entrepreneurs and established the UpSteer incubator to help and support their projects especially in the domain areas of Asseco Central Europe. The first edition took place in 2023.

Key values

Satisfied customers

The only reliable method of winning and retaining customers is to provide them with quality services and solutions with a high added value, enabling them to reach their strategic goals. Their satisfaction and resulting loyalty are the basis of Asseco CE's success.

Employee satisfaction

Our employees are a key input factor in the delivery of quality and stable services. Our commitment to being a leader in digital transformation is also reflected in our internal activities. Last year we launched several strategic initiatives in the areas of human resources, products, projects and service quality.

We consider the motivation and loyalty of our employees to be an integral part of the company's success. We strive to create a stimulating work environment that develops employees' creativity and encourages their personal growth and diversity. Asseco CE encourages any form of expression and comment that employees choose. At Asseco CE, we believe in a culture of open feedback, which any employee can address through the HR partner of their department.

Trust of shareholders

Making the right key decisions, while accounting for the interests of shareholders, meeting expectations and building confidence is another of the Company's key values. Central to fulfilling this value is a transparent approach to process management which is a precondition for long-term maintenance of shareholder confidence.

Constant organic growth

The Company attempts to track and create modern IT trends, continually improving and bringing to market advanced technologies and "solutions for the demanding customer", which meet customer requirements and bring significant added value to their businesses.

Social responsibility

Asseco CE Group seeks to contribute to improving the quality of life not only through compliance with legislation, but also through the development of innovative IT and support to scientific institutions also pursuing this goal. Costs of R&D (including non-capitalized costs) in 2023 were EUR 14,392 ths.

Asseco Central Europe - SK CZ -

Asseco BERIT - DE CH -	**Asseco CEIT** - SK CZ -	**Asseco Enterprise Solutions** - SK -	**Asseco Solutions** - SK CZ DE CH A PL IT GT -
Asseco CE Cloud - SK CZ -	**Asseco CE Magyarország** - HU -	**Asseco Business Solutions** - PL -	**exe** - SK HU - **PROSOFT Košice** - SK -

Major events

We opened the year as the main partner of the eGov ISSS conference traditionally taking place in Hradec Králove, at which we gave four talks and continued as an expert guarantor for conferences SME DIGITAL HEALTHCARE and SME HEALTHCARE SUMMIT 2023 held in Bratislava and a coffee break partner at the eGovernment conference held in Mikulov.

Asseco CE Cloud, our new subsidiary company, launched its activities on 1 July. The company focuses on provision of full-scale infrastructure solutions, which means customized designing, architecture development, implementation, and operation; outsourcing of IT services; migration of entire applications and systems; and private and public clouds.

We actively participated for the first time in Efficient Hospital, the largest healthcare conference held in the Czech Republic, which focuses on strategies for hospitals, health insurance companies, and outpatient clinics. We shared a stand with Prosoft Košice, a subsidiary company, where we presented the Universal Telemedicine System developed by Asseco Central Europe and NG HIS – a new generation hospital software product.

Our participation in Global InsurTech Summit held in London in the mid of April, where we presented our successful IT solutions for insurance companies, was a great success too.

Asseco participated in SlovakiaTech Forum-Expo 2023 where our experts captivated the audience with a presentation devoted to implementation of AI in business solutions.

We also partnered SMART CITY SUMMIT – a conference organized by SME in Bratislava. Our presentation was a part of the "Smart Transportation Solutions" block focusing on smart video detection of potholes, traffic signs, and other infrastructure attributes.

Our company successfully launched Asseco´s new incubator program – UpSteer intended for start-ups from Slovakia and the Czech Republic with new IT business ideas for banking, insurance business, healthcare, utility & Industry 4.0, and other specialized IT areas.

We attended JobStart FESTIVAL held at the Hradec Králové University where we had a stand and presented the career opportunities Asseco Central Europe offers. The Mendel University was a next stop where we had an opportunity to present our company during the Career Day.

In November 2023, we organized together with our subsidiary companies exe and Asseco CE Cloud a business breakfast for students from the Faculty of Informatics and Information Technologies of the Slovak Technical University in Bratislava, with a presentation about virtual reality, telemedicine, cloud solutions, and UpSteer Incubator.

Adam Goral, the chairman of the Board of Directors and founder of Asseco Poland, our parent company, was awarded the 30th Anniversary of Polska Izba Informatyki i Telekomunikacji Prize for his contribution towards development of the ICT industry in Poland.

We support talented people who do not hesitate to follow their dreams. In 2023, as the general partner of Junior Chamber International (JCI), we supported and awarded special prizes in competitions Young Innovative Entrepreneur, Slovak University Startup Cup, Student Business Prize, and Student Personality of Slovakia.

Major events - Subsidiaries

Asseco Solutions SK launched a new product, Asseco QASIDA in September 2023. The launch took place at conferences attended by existing customers and new potential clients. QASIDA is an innovative ERP and enterprise cloud application ecosystem, which is the successor to our Asseco SPIN and Asseco Wéčko systems. The Qasida CRM, Qasida Rental, Qasida Service and Qasida AI Platform are the first four pure cloud applications, launched in 2023.

In June and October 2023, Asseco Solutions SK organised information conferences on the community ERP in the cloud project, the development of which is financed by the Norwegian grant and co-financed by the State Budget. The programme presented to existing and potential customers, business partners, media representatives, and the professional public the progress achieved by the project in the past year. The main topics were: logistics and data warehouse management, AI recognition of food quality and its use in real restaurant operations, and online user communication behaviour. The project is scheduled for completion in April 2024.

The first edition of asolTECH, the first technology conference, was held in October 2023. Seven specialists from the Asseco Group and two external speakers guided the participants through interesting IT topics such as Well Architected Framework, Security, Devops, and Monitoring.

In 2023, the second edition of the awards for the best management and leadership of companies took place. Best Managed Companies is an acclaimed global programme that was established in 1993 in Canada. It relies on Deloitte's worldwide methodology, which evaluates companies based on four pillars that include a clear vision of strategy, a focus on productivity and innovation, developing a corporate culture, systematic and accountable management, and analysis of financial results. Asseco Solutions SK is one of the evaluators and a member of the jury.

Asseco Solutions CZ received the third Partner of the Year award from Geetoo for its ERPORT cloud solution and is already a stable player in the cloud world. Cooperation with Geetoo allows HELIOS ERP systems to operate in the cloud, which provides customers with flexibility and data security. Asseco Solutions has seen a more than threefold increase in cloud customers over the past eight years.

ANeT-WebTime, an innovative time and attendance system from ANeT-Advanced Network Technology, was selected in December by the editors of BusinessIT.cz as a Notable Product for 2024. This solution significantly exceeds conventional time and attendance systems with its broad functionality. Version 14 of ANeT-WebTime not only meets the expected attendance functions, but also provides extensive capabilities in the areas of contract work, HR and WorkForce management. With availability as an on-premises or cloud-based SaaS solution, the client can choose not only the range of features, but also the deployment model. The ANeT-WebTime solution is a product not only for customers of HELIOS systems produced by Asseco Solutions CZ, into which it is fully integrated, but also for other systems.

At Asseco BERIT GmbH, after intensive work on implementation, migration, training, and hyper care, three large GIS and asset management projects based on SAMO in Hamburg, Leverkusen, and Landsberg am Lech were successfully accepted.

A new sophisticated SAMO scheduling board module for workforce planning has been released and is being used in production mode by the first customer. The first increment of the SAMO Mobile workforce solution with offline capabilities has been developed and released.

Asseco Solutions celebrated its 30th anniversary in 2023. Founded as AP GmbH in 1993, the company has repeatedly acted as a technology pioneer – from its early use of web technology to Industry 4.0 to cutting-edge AI technology – establishing itself as a consistent force in the ERP market. Today, the company has more than 500 employees at more than ten locations in Germany, Austria, Switzerland, Italy, Poland, and Guatemala. The company's anniversary was celebrated in June with a two-day party for all employees. In addition, all solution and reseller partners were invited to an exclusive party in September to celebrate three decades of successful partnership.

In October, Asseco Solutions launched the latest generation of its ERP system: the APplus 8. At the heart of APplus 8 is an entirely new operational concept that enables the unification of data- and process-centric views of processes and maximises adaptability and speed through the use of assets, configurations, low-code, and templates. At the same time, it ensures significantly higher efficiency in day-to-day work.

Awards
for the company

The Asseco Group is one of the best FinTech companies in the world, according to IDC. Asseco is ranked 17th in the „IDC FinTech Rankings: Top 100"compiled by the international consulting and research company IDC in 2022. The ranking includes the largest technology providers to the financial sector.

The Informative Pension Application (IDA) for the Czech Social Security Administration won the prestigious IT Project of the Year 2021 award, organised by the Czech Association of Information Technology Managers (CACIO). The IDA application, an online service of the Czech Social Security Administration's ePortal, responds to a long-standing demand from the professional and lay public for greater predictability in the behaviour of the pension system in individual cases.

The International Safety Standards Association (ISSA) has awarded the project eNeschopenka, an electronic solution for reporting temporary disability implemented in Czech Republic, in Tallinn, Estonia. The ISSA Special Award (Certificate with Special Mention) for the eNeschopenka solution and implementation is the ISSA's second highest biennial award and is presented by the ISSA's Independent Board of Assessors.

The ePN project achieved a significant success in the form of the ITAPA 2022 Award in the category of the Best Digitisation Project of the Society, which has been awarded for more than 20 years to companies implementing ambitious projects in the field of digitisation in Slovakia. ePN has thus defended its importance and quality of processing in the field of health care and digitisation of state services.

The Company's
governing bodies

The Company's governing bodies are the General Assembly, Supervisory Board and Board of Directors.

General Assembly

The General Assembly is the supreme authority of Asseco CE. All shareholders or their attorneys have a right to participate in the General Shareholders' Meeting, in addition to members of the Board of Directors or Supervisory Board, in accordance with Company statutes. The Board of Directors convenes the General Shareholders' Meeting at least once a year, generally at Asseco CE's registered office.

Supervisory Board

The Supervisory Board is the governing authority of the Company, which supervises the performance of the Board of Directors, as well as the Company's business activities.

Adam Góral	Chairman
Andrej Košári	Vice Chairman
Marek Panek	Member
Przemysław Sęczkowski	Member
Miroslav Kepencay	Member (elected by employees)

Board of Directors

The Board of Directors is the statutory body of the Company. It acts on behalf of the Company in the manner specified in the statutes and laws.

Slovac Republic

Jozef Klein	Chairman
Vladimír Dzurilla	Member
Martin Chripko	Member (from 1.1. 2024)
Peter Lakata	Member till 12.7.2023)
Branislav Tkáčik	Member

Czech Republic

Jozef Klein	Chairman
Vladimír Dzurilla	Member
David Šindelář	Member (from 1.1. 2024)
Peter Lakata	Member (till 12.7.2023)
Branislav Tkáčik	Member

Management of the Company

The management of the Company comprises the Board of Directors and the top management of Asseco CE. The Board of Directors is the governing body of the companies comprising the Asseco CE Group. Its purpose is to ensure a consistent approach to the business activities and internal processes of the Group companies. It also has the authority to make decisions that ensure unified management of Asseco CE in the area of strategic and operational management of the companies.

Jozef Klein	Group CEO *
Vladimír Dzurilla	Country Manager CZ
Rastislav Bajtoš	Central Administration BU Director
Marek Grác	Public & Healthcare BU Director
Lenka Hritzová	Insurance BU Director
Martin Chripko	Banking BU Director
Vojtěch Kallab	Utility BU Director
David Šindelář	Public CZ BU Director
Miroslav Kepencay	Director of Delivery Quality Assurance & Security
Michal Navrátil	Director of Operations and Procurement
Michal Polehňa	Director of Strategic Business Development
Lucia Resch	Director of Human Resources Management
Simona Vaculová	Director of Marketing & PR
Miriam Nasterová	Head of Internal Audit
Branislav Tkáčik	Head of Team, Tax & Treasury and Corporate Governance
Peter Žák	Head of Team, Controlling

* the highest appointment indicated

Jozef Klein

Chairman of the Board of Directors

Jozef Klein graduated in Theoretical Cybernetics and Mathematical Informatics from the Mathematics and Psychics Faculty of Comenius University in Bratislava. He has worked for Asseco CE since 1996, first externally, and later as an internal employee in the position of Product and Project Manager in the field of DWH & BI. He has been the Chairman of the Board of Directors of Asseco Central Europe in Slovakia since 2002, and the Chairman of the Board of Directors of Asseco Central Europe in the Czech Republic since 2009, simultaneously holding the position of CEO in both companies. Since December 2020, Jozef Klein has been the Chairman of the Supervisory Board of Asseco Enterprise Solutions, a. s. and since November 2017, he has served as the Chairman of the Board of Directors of Asseco International, a. s. Jozef Klein acts as a Member of the Supervisory Board in the companies Asseco Solutions (SK), Asseco Solutions (CZ), and Asseco Solutions AG (DE), and as the Chairman of the Supervisory Board in the companies Asseco South Eastern Europe, Asseco Central Europe Magyarország, Asseco CEIT, Asseco CE Cloud, exe, and EdgeCom. He won EY Entrepreneur of the Year TM 2016 in the Slovak Republic.

Vladimír Dzurilla

Member of the Board of Directors

Vladimír Dzurilla graduated from the Slovak University of Technology in Bratislava and also completed studies in the Netherlands and at the British Open University. He worked at Accenture, O2, and Českomoravská stavebná sporiteľňa as a consultant and management advisor in projects replacing and implementing large IT systems and introducing organisational and process changes. He held the position of General Director of the state-owned enterprise Štátna pokladnica Centrum zdieľaných služieb, s.p., whose main task is to provide ICT services for the state administration and to operate the National Data Centre. He also headed the National Agency for Communication and Information Technology, which develops strategies for non-public communication networks, including proposals for the implementation of appropriate security measures, and delivers shared services to the public administration. Vladimír Dzurilla was formerly the Government Plenipotentiary for IT and digitalisation. In this position, he created and implemented the strategic concept Digital Czech Republic, which has contributed to a significant shift in state IT and the digital economy. Since 1 January 2023, he has been the Country Manager at Asseco Central Europe in the Czech Republic and since 1 May he has been a Member of the Board of Asseco Central Europe, a. s. Slovakia. He served as a Member of the Supervisory Board of Asseco CE Cloud from 10 January to 9 October 2023. Subsequently, he became the Chairman of the Management Board of Asseco CE Cloud. Since December 2023, he has been the Chairman of the Management Board of Asseco Berit AG (Switzerland).

Martin Chripko

Member of the Board of Directors (Asseco CE SK)

Martin Chripko studied software engineering in the Faculty of Electrical Engineering and Informatics at the Slovak University of Technology in Bratislava. Since 2000, he has been actively working in the IT field, holding various positions such as IT Manager, Senior Project Manager, Application Delivery Manager, and others. Throughout his career, he has managed large foreign projects as well as local Slovak projects in the areas of banking, public administration, telecom, finance, and others. From 2011, he worked at Oracle Slovakia - Consulting as an Application Business Unit Manager and Senior Project Manager. He has been with Asseco Central Europe since 2017, briefly working as an International Business Developer. Since October 2017, he has been working as the Banking Business Unit Director and also the Director of the Banking Division for Central Europe. From 2020, he worked as the Executive Director of TurboConsult until its successful integration into the Banking Business Unit of Asseco CE. Until 31 December 2023, he held the position of a proxy and from 1 January 2024, he became a Member of the Board of Directors of Asseco Central Europe. Within Asseco Central Europe Magyarország, he held the position of a Board Member until 31 December 2023, and subsequently became a Member of the Supervisory Board from 1 January 2024.

David Šindelář

Member of the Board of Directors (Asseco CE CZ)

David Šindelář graduated from the Faculty of Economics at the University of South Bohemia in České Budějovice. He has been working at Asseco Central Europe since 2000, starting as a DB Oracle specialist. He then worked as the Head of the Systems and Database Support Section, Head of the IT Consulting Section, Director of the IT Infrastructure Division, and Director of the IT Infrastructure & Integration Business Unit. Since December 2021, he has been working as the Public CZ Business Unit Director, and from 2019, he was a proxy in the company, holding this position until December 2023. He actively contributed to the successful implementation of significant projects for both public administration and the private sector. He ensures the comprehensive management and coordination of IT projects for dozens of small and large clients. His professional development includes a gradual transition from a programmer role to successful leadership and management of extensive projects as a division director, later as the IT Infrastructure & Integration Business Unit leader, and now in his current position as a Public CZ Business Unit Director. As of 1 January 2024, he is a Member of the Board of Directors of Asseco Central Europe CZ.

Branislav Tkáčik

Member of the Board of Directors

Branislav Tkáčik is a graduate of the Faculty of Business Management at the University of Economics in Bratislava and has been working for Asseco Central Europe since 1999. Beginning in 1999, he worked as a Financial Manager, later as the Financial Director and participated in building the financial department and implementing instruments of financial oversight. During the preparations for the IPO on the Warsaw Stock Exchange he was involved in the application of IFRS and subsequently put into practice the process of group reporting and consolidation. Currently he acts as a Member of the Boards of Directors for Asseco Central Europe in Slovakia and Asseco Central Europe in the Czech Republic. He also holds the position of Deputy Group CFO for the whole Asseco Central Europe Group & Corporate Governor. Branislav Tkáčik is a proxy in the company Asseco International, a.s. and member of the Supervisory Boards of the subsidiary companies Asseco Solutions AG (DE), Asseco Enterprise Solutions, exe (SK), and eDocu. He held the position of a Member of the Supervisory Board in the company Asseco Central Europe Magyarország until 30 September 2023. He is also a managing director at Galvaniho 5 s.r.o., Invention s.r.o., IPI s.r.o., and DSDP consulting, s.r.o.

Integrated
management system

The Integrated Management System (IMS), which includes quality management system, information security management system, business continuity management system, environmental management system, IT service management system, and software product quality requirements and evaluation, is a symbol of credibility and stability for Asseco CE in relation to customers, stakeholders, and employees of the Company.

IMS ensures a systematic approach to the implementation and delivery of solutions and services and prevents the occurrence of accidental discrepancies, loss of confidentiality, integrity and availability of the company's classified information and environmental damage.

Quality Management System

The Quality Management System (QMS) according to the international standard ISO 9001 was certified at Asseco CE for the first time in 2022 and the Company maintains its certification according to this ISO standard every year. The company's top management strives to maintain and continuously improve the effectiveness of the QMS in accordance with the requirements of the standard. One of the company's primary objectives is to achieve customer satisfaction with the solutions and services provided. In order to meet the expectations of its customers and business partners, Asseco CE is particularly focused on continuous improvement of the quality of services and products provided.

Environmental Management System

The Environmental Management System (EMS) according to the international ISO 14001 standard was certified at Asseco CE for the first time in 2009 and the Company maintains its certification according to this ISO standard every year. Asseco CE ensures environmental protection and compliance with legal and other requirements by upholding the Company's philosophy of being "environmentally responsible", preventing waste, conserving natural resources, and conducting volunteer activities.

Information Security Management System

The Information Security Management System (ISMS) according to the international standard ISO 27001 was certified at Asseco CE for the first time in 2010 and the Company maintains its certification according to this ISO standard every year. Asseco CE provides a high level of security to our customers and partners by operating, controlling, maintaining, and continuously improving all areas of information security in the context of the Company's business activities and risks.

IT Service Management System

The Information Technology Service Management System (ITSM) according to the international standard ISO 20000-1 was certified at Asseco CE for the first time in 2020 and the Company maintains its certification according to this ISO standard every year. This system, implemented within the Public CZ, Omnichannel Banking, Public SK, and Fabasoft divisions, provides support for the organization's process management in the area of optimal use of information technology, thus contributing to the improvement of the efficiency and quality of IT services provided.

PMS - Quality management. Guidelines for quality management in projects

PMS - Quality management. Guidelines for quality management in projects according to the international standard ISO 10006 was certified for the first time in Asseco CE in 2023. This system is introduced for the purpose of greater quality assurance in the provision of services within the company's projects.

Software Product Quality Requirements and Evaluation

Software Product Quality Requirements and Evaluation (SQuaRE) according to the international standard ISO 25000 were introduced at Asseco CE in the Slovak Republic in 2017, and the Company maintains its certification according to this ISO standard every year. This system is implemented within the Public SK division, where the certification covers the design, development, production, implementation, system integration and post-implementation support for information systems and software.

Company protection. Business Continuity Management Systems

BCMS – Security and resilience – Business continuity management systems (BCMS) according to the international standard ISO 22301 were introduced at Asseco CE in the Slovak Republic in 2021, and the Company maintains its certification according to this ISO standard every year. The implementation of this system ensures sustainable continuity of the Company's business as a stable guarantee of supply for our customers.

Information technology. Security techniques. Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors

Information technology - Security techniques - Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors according to the international standard ISO 27018 was introduced at Asseco CE in the Slovak Republic in 2022. With this system, the Company has made a permanent commitment to protect all information assets and personal data in the internal environment and in the cloud from external and internal threats, misuse, disclosure, or destruction in accordance with legislative requirements and internationally recognized security standards.

Business
partners

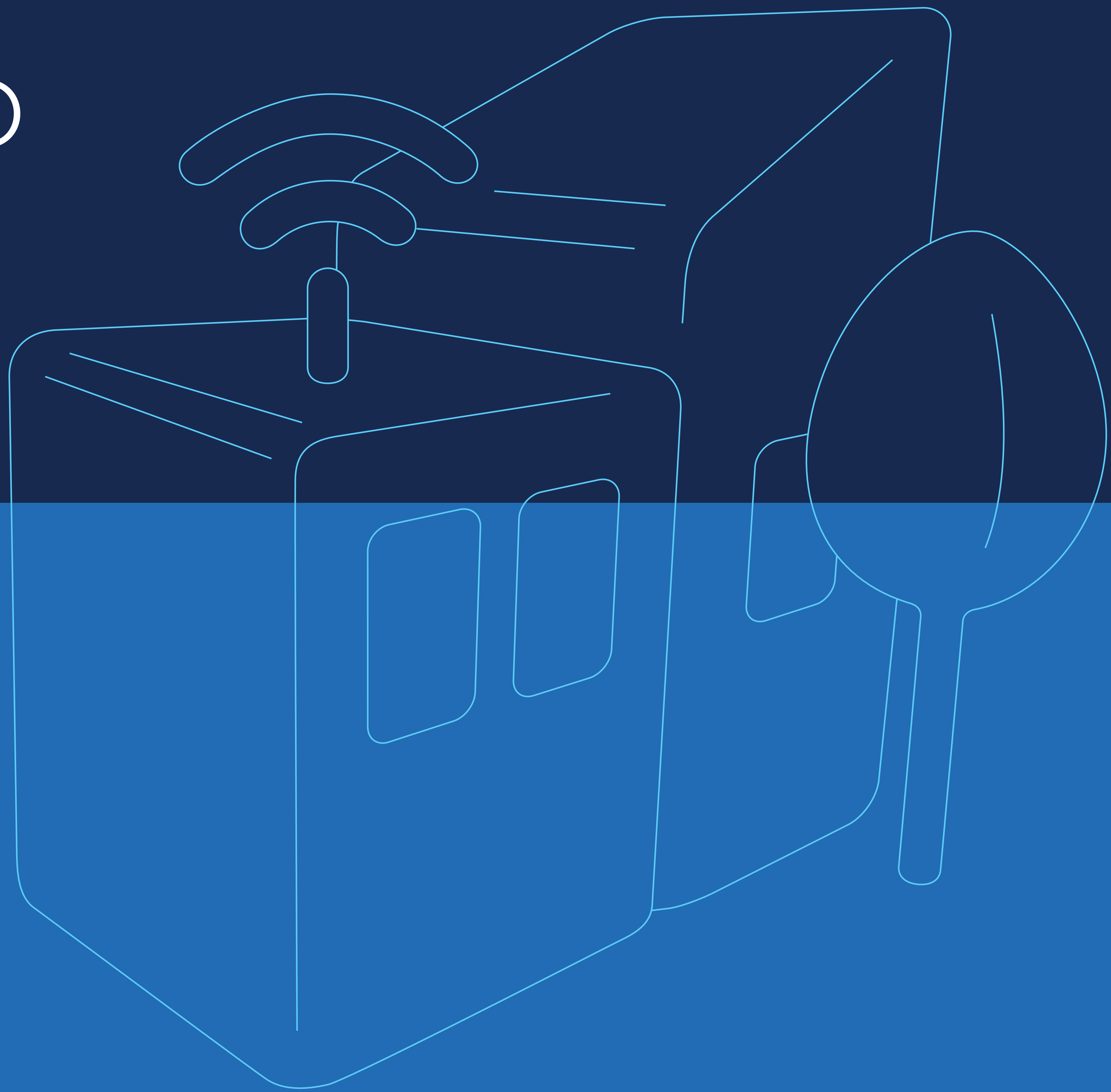
Asseco CE concluded partnership contracts with a number of leading global IT players. In many cases, the Company achieved its highest level of qualified partnership, has received numerous professional certificates and has actively participated in the implementation of projects and business cases. Strategic partnerships, continuing education and professional growth of employees improve the Company´s ability to follow the trends and standards of the IT market and to react promptly to increasing quality demands of IT solutions and services.

A10	CZ	Gold Partner
Dell EMC	SK/CZ	Solution Provider
HPE	SK/CZ	Silver Partner
Huawei	CZ	Sales Partner
CheckPoint	CZ	2 Star Partner
IBM	SK	Platinum Partner
Microsoft	SK/CZ	Gold Partner
Oracle	SK/CZ	OPN Member
RedHat	SK	Advanced Partner
RedHat	CZ	Ready Partner
VMware	SK	Advanced Partner
VMware	CZ	Partner
Veeam	SK	Silver Partner SK

ISO
certificates

SK/CZ	ISO 9001, Quality Management System
SK/CZ	ISO 10006, Quality management. Guidelines for quality management in projects
SK/CZ	ISO 14001, Environmental Management System
SK/CZ	ISO 20000-1, IT Services Management System
SK	ISO 22301 Security and resilience. Business continuity management systems
SK	ISO 25000, Quality Requirements and Quality Evaluation of Software Product
SK/CZ	ISO 27001, Security Management System
SK	ISO/IEC 27018 Information technology. Security techniques. Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors.
SK	Industrial Security Certificate, National Security Authority. Type of access to classified information: • Familiarisation - classification level „Secret“ • Transmission in material form - classification level „Secret“ • Electronic transmission - classification level „Confidential“ • Creation without the use of technical means - classification level „Secret“ • Creation of a technical means - classification level „Secret“
CZ	Entrepreneur Certificate at the "Secret" level, National Security Authority, Information system, classification "Confidential"

Portfolio
ERP



Asseco Enterprise Soutions

Asseco Solutions | Asseco Business Solutions

Asseco Enterprise Soutions (SK)

Business Information Systems from Asseco Enterprise Solutions address the needs of companies regardless of size in various sectors and public administration organizations. The company´s systems are complemented by a wide range of services and partner programs that are highly appreciated due to advanced technology and other characteristics resulting from perfect knowledge of local markets. Thanks to the geographical proximity of Asseco Enterprise Solutions branches and their immediate contact with customers, the company can modify its portfolio specifically according to local requirements in all sectors and offer excellent and professional services. Individual local solutions may also be offered in other countries after they prove themselves in practice.

Asseco Solutions (SK, CZ, DE, AT, CH, IT, GT)

Asseco Solutions is the largest provider of ERP systems in the Czech, Slovak, and German-speaking markets. The software applications developed by Asseco Solutions are distributed to all key markets in Central Europe and beyond. Asseco Solutions' Business Information Systems address the needs of companies of all sizes in a variety of business areas. To make sure every system is optimally tailored to the client's needs, Asseco Solutions provides development, implementation and support from a single source. The product portfolio ranges from information systems for a broad spectrum of enterprises in the manufacturing, trade, and service industries, to products for public administration and those addressing the specialised needs of companies providing accommodation and catering services. In addition, the product portfolio is complemented by a wide range of services and partner programmes. In addition to standard modules and functionality, Asseco Solutions also develops custom solutions, tailored specifically to the needs of a client. Dedicated to providing excellent software experiences to companies of all types and sizes, Asseco Solutions holds the Quality Certificates ISO 9001:2015, ISO 27 001:2013 and has been awarded international accolades over the years, for example, for the software's use of Artificial Intelligence. The company currently consists of branches in eight key countries: Slovakia, the Czech Republic, Austria, Switzerland, Germany, Italy, Poland, and Guatemala. As of 31 December 2023, the group employed 1,019 staff members, a number which is rising. (Asseco Solutions DE: 474 employees, Asseco Solutions CZ: 392 employees, Asseco Solutions SK: 153 employees).

www.assecosolutions.sk

www.assecosolutions.cz

www.asseco-store.com

www.asseco-qasida.com

www.helios.eu

Asseco Business Solutions (PL)

Asseco Business Solutions is a company listed on the Warsaw Stock Exchange. With its headquarters located in Poland (Lublin), the company is present in at least 50 countries worldwide.

Asseco Business Solutions furnishes modern IT solutions for enterprises of any size, character and industry. It offers a comprehensive range of innovative solutions, among which the most important are: Enterprise Resource Planning software and Omnichannel solutions for sales excellence and execution. The company's offers include:

- ERP systems designed to support various business processes in large and medium-sized enterprises (Softlab ERP by Asseco and Macrologic ERP by Asseco)
- A suite of applications for small-company management (Wapro ERP by Asseco)
- SFA solution for managing the consumer goods mobile workforce and (Mobile Touch by Asseco)
- Data Integration Platform aimed to exchange and process data and collect demand signals from distribution channels and retail stores (Connector Platform by Asseco)
- e-Commerce B2B&B2C platforms enabling virtual collaboration between business partners (Connector Platform by Asseco)
- Customer Portal supporting on-line cooperation between the manufacturers and retailers (Direct Portal by Asseco)
- A program handling factoring transactions (Factor by Asseco)

With high-quality products and related services, the software from Asseco Business Solutions has successfully supported the operations of tens of thousands of companies for many years. Its primary market is Poland, but Asseco Business Solutions also has installations in other European countries and the Middle East, Asia, Australia, Africa and the Americas. Its Data Centers operate across the globe, including EMEA, APAC and the Americas. The company has a dozen offices Poland-wide (including its own data centre) and a network of hundreds of commercial partners.

Asseco Business Solutions has led many industry ERP rankings related to the Polish IT marketplace for several years. The company has also been recognized as a global technology leader regarding the mobile retail execution technology for FMCG. Its selected customers are, for instance, Bacardi-Martini, Bahlsen, Dr. Oetker, Ferrero, McCormick, Mondelez, Nestle and Perfetti Van Melle.

www.assecobs.pl

Asseco SPIN – Product intended for the SME and Enterprise segment.

Asseco BLUEGASTRO – Intelligent restaurant system.

Asseco HOREC – Modern hotel system.

Qasida ERP – Successor to Asseco SPIN and Asseco Wéčka – Sophisticated new generation cloud ERP for SME and Enterprise segment.

Qasida Rental – A professional solution for every type of rental company.

Qasida Service – Application for recording and managing service orders.

Qasida CRM – A tool to increase business potential.

Qasida AI Platform – Stock forecasting tool.

Helios Nephrite – Product designed for the enterprise segment.

HELIOS iNuvio – Product designed for the SME segment.

HELIOS Pantheon – Product designed for the public sector.

HELIOS Fenix – Product designed for the public sector.

Asseco AP Plus – Product designed for large and medium-sized companies

Spiska – Document Management Software.

ANeT-WebTime – Attendance system.

Softlab ERP by Asseco – ERP class solution for managing large and medium-sized businesses.

Macrologic ERP by Asseco – ERP class software allowing you effectively manage business processes in medium and large companies.

Wapro ERP by Asseco – Enterprise software intended for fast-growing SMEs companies.

Mobile Touch by Asseco – The solution offers consumer goods manufacturers a leading-edge Sales Force Automation & Retail Execution solution. It covers fundamental features related to both sales planning and in-store execution. It also provides advanced functionality like Perfect Store, Retail Activity Optimisation, Motivation, and Coaching.

Connector by Asseco – allows the transfer of data from different sources, e.g., ePOS Retailer Data, Distributor/Wholesaler/Broker Data, 3rd Party Agency Data, Syndicated Data, or Crowd-Sourcing Data. It handles all the technical data exchange aspects, including cleansing and standardizing the data, and creates visibility of the sell-through across your distribution network.

Image Recognition

Image Recognition by Asseco is an AI-powered solution and a significant sell-more enabler for the consumer goods industry. It allows you to digitize POS auditing processes regularly at sales points. It, therefore, improves your in-store performance dramatically.

Recommendation System

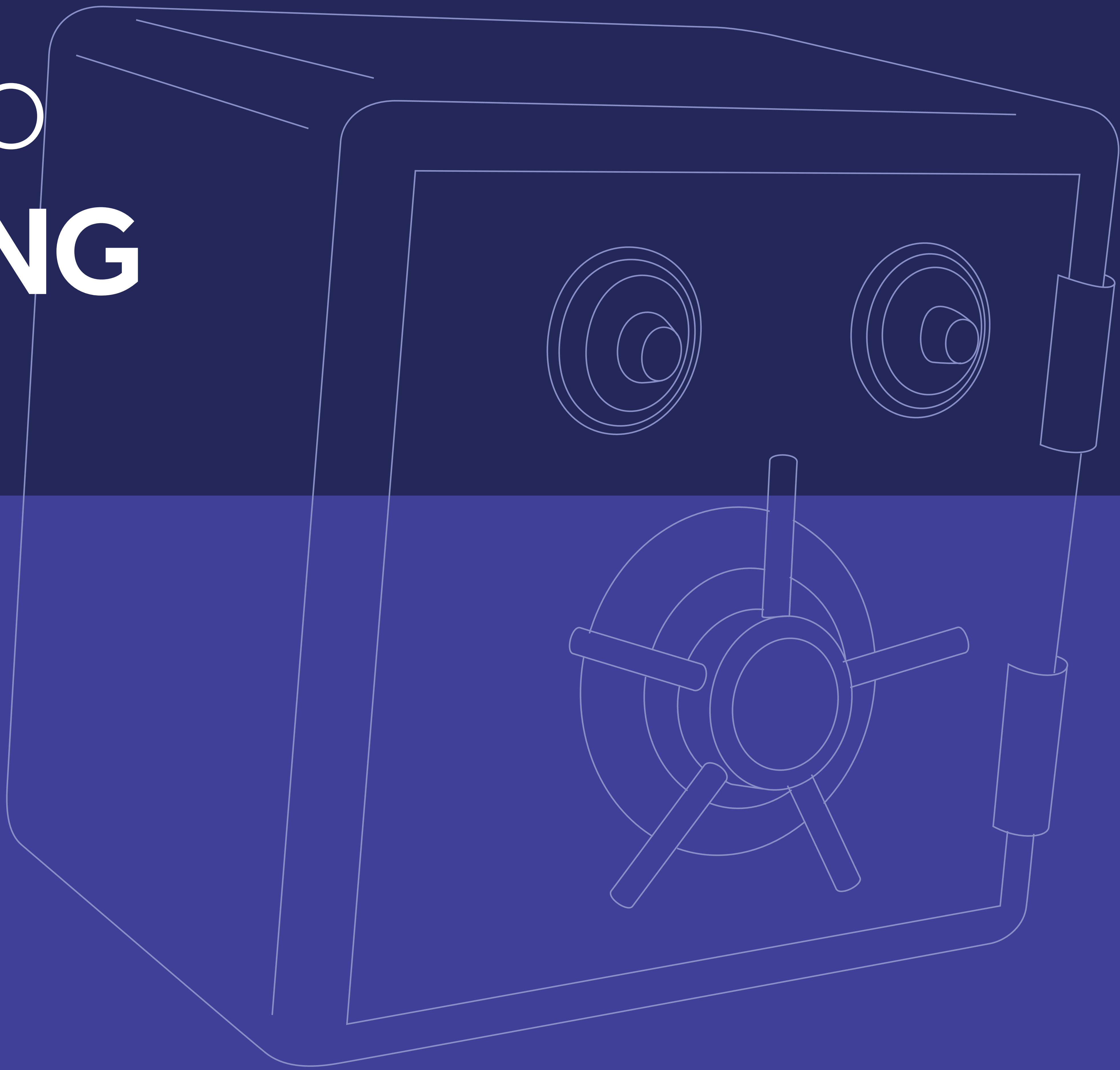
Recommendation System by Asseco offers leading-edge Data Intelligence capabilities to help leverage information coming from different sources. With AI-based Insights Generation and best quality in-store data, converted into insights and turned into actionable tasks.

Direct Portal by Asseco – is designed to connect manufacturers with online retail customers.

Factor by Asseco –is software that supports all types, forms, and varieties of factoring.

Portfolio

BANKING



Asseco CE (SK, CZ)

Asseco CE Banking Business Unit has been inspiring our customers for over 30 years in developing jointly with them and delivering a number of exceptional solutions, projects, and services whose importance extends beyond the region in which we operate. In addition to Central Europe, i.e. the Czech Republic, Hungary, and Slovakia, our solutions have also been deployed in Kazakhstan and Vietnam.

Our customers include various banking and financial institutions – commercial, mortgage, investment, and cooperative banks, building societies, companies processing card transactions, and many others.

One of our most comprehensive solutions is the Core Banking product further developed and supplied by our company to commercial, mortgage, and cooperative banks, and building societies. The package contains products StarBANK, StarBUILD, ELBOS, and CIBIS. In the Czech Republic, our solutions are used by literally all building societies, although in Slovakia it has been one building society so far.

StarBANK is a full-scale banking system for commercial banks and financial institutions. The solution serves for administration of clients, accounts, loans, deposits, accounting operations, and daily closings and covers all day-to-day financial institution processes. Its architecture consists of modules allowing development of customized solutions meeting individual needs of customers, which can be easily integrated with the banking information systems already in place. It supports keeping of accounts denominated in several currencies and has been designed for 24/7 operation.

StarBUILD is a comprehensive customized system covering all processes caried out by building societies and mortgage banks. In addition to the core banking system and a full-scale accounting system (to prevent reconciliation issues), StarBUILD also contains a fully integrated and extensive portfolio of add-on modules (e.g. electronic DMS archives, workflow, interconnection with registers, etc.) capable of meeting all needs of financial institutions.

The **ELBOS** system is a perfect solution for operations of smaller universal banks, cooperative banks, and/or other institutions engaged in banking operations and provides all necessary comprehensive functionalities. The system is designed to work with several currencies and allows administration of standard deposit and credit products (current accounts, fixed-term accounts, revolving deposit accounts, consumer and commercial loans, and overdraft facilities). It offers a wide range of functions covering both domestic and international payments. To work with an account, clients may use a simple but comfortable and safe internet banking solution. ELBOS® has been designed to operate in several regions and its implementation in individual countries is resolved through parametrization of a single core solution.

CIBIS is a specialized hosted information system designed to meet specific needs of building societies, whose development started already in 1994, comprises a whole range of banking system modules and supports unique financial products provided by individual financial institutions. In addition to the core banking system, the solution also offers a system for management of business network, clientele, and acquisition opportunities with an interface for dealers. Both clients and banks may access bank products via the Internet. This comprehensive solution can be implemented in any national environment and has been tested in practice and operated in the Czech Republic, Slovakia, and Croatia.

StarCARD represents our significant competence in the growing segment of transaction payments. The core system serves to process transactions and manages acceptance of payment cards by ATMs, POS terminals, and e-commerce and issuing of VISA a MasterCARD cards. It supports various payment schemes, e.g. ApplePay, GooglePay, GarminPay, FitbitPay, etc. and can be operated by both commercial banks and card processors.

Asseco ATM was introduced already in 2021 as a new software product for ATMs and deposit machines. The solution has been designed as independent from ATM manufacturers and thus banks may provide the same client experience regardless of the hardware in place. The solution has been successfully operated by the largest ATM network in Slovakia since 2022.

Asseco Recon represents an essential part of card products. It provides reconciliation services for various transactions and operations among several systems. In 2022, its upgrade and deployment into production for a customer operating in the Czech Republic were successfully completed and in 2023, it fully replaced the customer´s original reconciliation system.

Asseco Security Server SEZAM provides safe access to banking applications thanks to n-factor authorization and authentication. The solution can be supplied together with the Asseco Mobile Token solution for authentication and authorization of log-ins, payments, and other transactions carried out via mobile phones with operating systems iOS, Android, and Huawei. The current 3.0 version represents a modern safe banking solution.

Asseco Omnichannel CE secures identical client experience across various communication channels and not only in the banking sector. The Asseco Omnichannel CE solution is built on the Asseco Omnichannel platform that supports daily banking, investment banking, mobile banking, and assisted channels such as retail points, call centres, and third-party providers, including branches.

Asseco Notification Center Suite takes care of processing, formatting, management, and sending of notifications and other messages. It is a modern parametrizable solution with interfaces for sending push notifications, emails, and SMSs.

Asseco Entitlement Channel Management is a system for management of authorized persons, limits, access, and entire bank client infrastructures for all segments, including specific persons and companies with varying access and access verification requirements.

Asseco 24 is a comprehensive transaction persistence solution adding Store & Forward functions to Omnichannel ODS in order to secure availability of individual channels regardless of availability of core banking systems.

The **Asseco Data Transportation** solution serves to manage complex processes across various systems communicating one with another. In 2022, ADT was successfully deployed into production in the largest building society operating in both Slovakia and the Czech Republic and now it controls processes among 27 information systems.

Asseco Teller Office is a front-end solution covering basic bank branch services, including cash and non-cash transactions and teller transactions. The solution supports the entire range of usual Czech and Slovak banking products and includes functionalities for closings and four-eye control.

Our solutions have been implemented for a number of customers with whom we have been cooperating and developing relationships on a long-term basis. Our customers include large supranational groups, ERSTE Group may serve as an example. Asseco CE´s solutions have been in use at Slovenská sporiteľňa, Česká spořitelna, Stavební spořitelna České spořitelny – Buřinka, KBC – ČSOB Stavební spořitelna, and ČSOB Stavebná sporiteľňa in Slovakia, Société Générale – Modrá Pyramída, Komerční banka, Raiffeisen Bank International – RB stavební spořitelna, Moneta Money Bank, 365.BANK, J&T Bank, Danube Pay, and a number of other companies operating in the Central Europe region. One of our solutions has been deployed in Vietnam for Orient Commercial Bank.

By the end of 2023, Asseco CE Banking Business Unit had over 200 core employees and was active in 4 countries.

Our plan for 2024 is to expand our business by winning new customers whom we will address with our upgraded solutions and the new solutions we have been developing, factoring in the latest IT banking trends.

asseco.com/ce

Asseco CE Magyarország (H)

The Company has almost 100 employees, providing services in the banking and healthcare industries. Asseco's strategy is to further enhance its presence in Hungary, increasing revenue from existing businesses, acquiring new customers and initiating new development directions for business and products.

Asseco Magyarország's Finance BU made strategic decisions to focus on banking segment and closely cooperate with Asseco Central Europe Banking Business Unit in the region of Central Europe.

Credilogic – Asseco Risk Platform (ARP)

Asseco CE Magyarország has continued to work on our own Credilogic System and ARP, a Camunda based up-to-date decision engine that is used as part of credit loan origination. Credilogic covers the loan lifecycle, from origination, decision to loan accounting (Loan Account Management).

Asseco Magyarország FBU is closely cooperating with other Asseco Group members to bring their competitive products to the Hungarian market.

Asseco CE Magyarország has continued to support also other segments like Insurance, IFRS 17 and utility on a commercial basis. The delivery of solutions is in cooperation with partner companies within the Asseco Central Europe group as well as outside it.

RPA

ACEM completed projects in RPA (Robotic Process Automation), which are tailor-made automated softwares that replace any repetitive processes that Clients -regardless of their industry- encounter. As labor shortages are widespread in the country, and RPA projects are small and quick wins with exact projected ROI, we expect further market increase in this field..

asseco.hu

StarBANK by asseco

Clients & Products management
Domestic & foreign payment module
Transactions & fees module
End of day processing

StarBUILD by asseco

StarBUILD for mortgages
StarBUILD for building societies

ELBOS the banking information system

Client and relationship management
Management of deposit and loan products
Payment transactions
Client and financial accounting, reporting

CiBiS the building savings system

Client and account management, savings and credit products
Early debt collection
Subsidy consultancy, state support for building savings
Product modeling
Payment transactions
Financial accounting
Sales network, commission processing, business network portal

StarCARD by asseco

Authorisation
Clearing and Settlement
Card Management
Merchant Service

ATM by asseco

ATM Multivendor Software
ATM Management System

Recon by asseco

Security Server SEZAM by asseco

mToken mobile application
Mobile token
Mobile library for federated login
Administration console

Notification Center Suite by asseco

Notification Gateway
Notification Procesor

Data Transportation by asseco

Asseco Data Administration

Teller Office by asseco

Frontend for a bank teller

Portfolio

INDUSTRY & UTILITY

Asseco CE (SK, CZ)

The extensive portfolio of the Asseco CE Group is complemented by solutions in the area of management and operation of large assets, infrastructure, and geographic information systems (GIS). The Utility Business Unit offers customers a full-scale solution based on our proprietary modern software platform – SAMO. The platform provides implementing partners and end customers with an environment for development of applications and portal solutions and enables their integration into enterprise systems.

In developing SAMO, we applied our rich experience acquired during the thirty years of work in the area of development and implementation of specialized technical solutions. New SAMO is directly linked with successful software products TOMS, AG Portal, and WFMS and significantly expands the possibilities for application of our key system LIDS that forms the basis of the new platform.

In addition to SAMO, the Utility BU team has also been developing partial solutions in the area of Enterprise Asset Management (EAM) to support registration and documentation of all equipment and facilities through a GIS-type system, planning, construction, and maintenance processes, and technical infrastructure operations. Typical SAMO users are companies managing infrastructure assets, for instance, extensive distribution networks (power, gas, water, sewerage systems, telecommunications, central heating) and large industrial premises, municipalities developing "Smart City" infrastructures, traffic infrastructure administrators (roads, railways), state administration bodies, and insurance companies (assessment of flood-risk areas and other risks). These partial solutions are developed as modules able to cooperate – SAMO WFM for the management of field workers or SAMO Portal for development of portal solutions supporting communication with customers may serve as examples.

The modularity and flexibility of SAMO enables us to address other segments too. The SAMO AIS solution intended to support public administration processes brings a ready-to-use system configuration able to support all daily and strategic public administration processes. It covers entering of requests, evaluation workflow, notification services, data analysis, spatial content adding, collection of comments, and adoption of decisions that are subsequently automatically published in compliance with local legislation. All functions are based on metadata descriptions and thanks to that local administrators can either update old or create new templates and/or processes as necessary. Thanks to the integration options, SAMO AIS helps eliminate redundant data and optimize required data flows. SAMO AIS is ready for integration into other public administration systems, use of open data from various sources such as central or federal state administration registers (cadastre, citizens, business licences, etc.), and publication of all information in prescribed forms and at prescribed times. SAMO AIS can be successfully deployed by local, central or federal authorities of any kind, ranging from small municipalities to ministries responsible for the entire country. SAMO AIS is the way to develop and maintain efficient e-government and e-self-government and brings immediate added value for both users and citizens.

The SAMO platform is also available to external partners for implementation of their end-user solutions.

In addition to the development projects for existing customers, such as a portal upgrade for the Pražská plynárenská concern, supply of a specific work management functionality to Stredoslovenská distribučná, new portal extensions for Vodárenská akciová společnost, and development of agenda management systems for the State Land Office of the Czech Republic, the year 2023 also witnessed the successful delivery of an important contract with Czech Office for Surveying, Mapping and Cadastre, which involved supply of a brand new system for renewal of cadastral records.

Other important contracts included the support for our customers located abroad, e.g. distribution companies Stromnetz Hamburg, Technische Werke Ludwigshafen, NEW AG Mönchengladbach, companies owning large industrial premises (BASF, CURRENTA, Daimler AG), or organizations managing municipal assets, for instance, the Municipality of Vienna and its MA33 Public Lighting Department.

asseco.com/ce

www.samo-asseco.com

Asseco BERIT (DE, CH)

The Asseco BERIT Group holds competencies in the field of geographic information, asset management and other systems supporting processes in utility companies within Asseco CE. Asseco BERIT, a. s. has been integrated into Asseco CE since 2009. The group consists of its GIS & Utility Division and the subsidiary companies Asseco BERIT GmbH, seated in Mannheim, Germany and Asseco BERIT AG, seated in Sissach, Switzerland. The group currently employs more than 100 people – analysts, developers, consultants and project managers. The solutions supplied are based on their own development (SAMO EAM, SAMO LIDS, SAMO Portal and SAMO Workforce), continuing during the 38-year history of BERIT, a. s. Thanks to its own business and implementation network, the products developed by Asseco CE may be used by customers in many countries of Europe, especially in Germany, Switzerland, Czechia, Austria, Slovakia, Hungary and Poland.

www.asseco-berit.de

www.asseco-berit.ch

www.samo-asseco.com

Asseco CEIT (SK, CZ)

Asseco CEIT is an innovative technology company providing complex solutions in the field of technical and process innovations, industrial automation, digitization and optimization, as well as intelligent internal logistics. The mission of the company with its own research and development center is to support the productivity, efficiency and growth of competitiveness of industrial enterprises. The company, based in Žilina, successfully operates on a pan-European level, while its customers include important industrial enterprises, mainly from the automotive, engineering, chemical and electrotechnical industries. Asseco CEIT has been part of the Asseco international group since 2017.

www.asseco-ceit.com

samo Strategic Asset Management & Operations

SAMO Platform is intended for the customers who need to manage extensive records, process from hundreds to thousands requests, organize work tasks, assign tasks, monitor deadlines, send notifications, and distribute outputs. The platform offers an environment for fast development of information systems and their continuous improvements without the need to start from scratch.

Asseco CEIT mobile robot system (AGV)

Intelligent mobile robots that take care of reliable, efficient and safe automatic logistics in industrial halls.

Twiserion Design Manager

Twiserion Design Manager - An interactive tool for efficient planning and design of production and logistics. It enables production or logistics planning using parametric 3D models.

Twiserion Digital Manager

Twiserion Digital Manager - A software solution for a digital twin, which, thanks to the Real-Time Location System (RTLS) technology, enables determining the location of monitored objects indoors, optimizing and speeding up production and logistics processes, their management in real time and increased workplace safety..

Portfolio

HEALTHCARE

Asseco CE (SK, CZ)

Asseco Central Europe provides a wide range of solutions for the entire vertical line of the health sector – standardized software products or full-scale solutions developed to meet the specific requirements of our customers.

Insurance Healthcare companies segment

Mediform is a full-scale information system covering all important processes within an insurance company, e.g. IS administration, code lists and catalogues, client registers, receipt of insurance contributions, control and collection of contributions, annual insurance contribution settlement, calculation and payment of charges to healthcare providers, medical reviews of costs and refunds of costs to the insured persons from the EU. The system also includes the account file and accounting.

ZPIS (Zdravotný Poistný Informačný Systém – health insurance information system) is a central multi-layer information system (IS) intended for health insurance companies. It contains the full application software for administration of and support for the activities of health insurance companies. It is based on long-term experience in developing and enhancement of health insurance systems and contains the latest knowledge in the area of modern technologies. The system is universally applicable and modifiable based on relational database technology. The information system is integrated with an internet portal and an electronic filing room for the contact between the customer and their clients and partners and may be connected also to other supporting systems (ERP, MIS, call centers, etc.).

Physician Portal project (HCP) was created as a response to a need to simplify and expedite the process of sending physician's requests for patient-specific health care authorizations, while minimizing the time it takes for the insurance company to handle such requests. Based on pre-defined criteria for architecture, functionality and UX/UI, the portal has been designed so that the physician is no longer required to fill in their details each time he/she logs in. Now, the login details are integrated in the physician's outpatient system and only one click is required to log in.

The process of submitting a new request has been improved as well, and today uses a number of options and checks from the dials, the functionality of pre-populated items and logical relations between them. Security as one of the pillars of the portal's functionality has not been left unchanged. Every request submitted by a physician is electronically signed with the same signature with which the physician signs electronic prescriptions. Another supplied feature of the portal is an advanced form editor which makes it possible to create new requests or manage already created requests, allowing full autonomy in the processing of the stored content.

Jubula is a DRG module intended for assessment by physicians in health insurance companies to obtain and prepare data from the system on insured people, hospitalization cases and healthcare reported by healthcare providers in respect of provided benefits.

The **ATLAS** application developed for fast and intuitive communication of the insurance company's employee with the client, enables efficient search of the person and employer, provides an overview of the partner's basic data with the possibility of updating in the source system, processes and evaluates the indicators entered by the partner and facilitates the creation of information tasks or output forms of communication with the client. The platform on which the application is based can also be used for other tasks such as processing annual settlements, statistics and performance metrics for front-office and back-office staff. At the same time, the application can be connected to the call system in brick-and-mortar branches or it can be also used by the call center staff.

Hospital segment

The **Strix** software is the first product from the family of products supporting improvement of hospital care financing in Slovakia. Strix classifies hospital care into almost 1,200 so-called DRG groups, factoring in both medical issues and financial aspects of individual cases thanks to which it supports fair financing of hospitals.

Tyto is an expert extension module designed for integration with hospital IS. It helps physicians to code a hospitalisation case so that it corresponds to the actual course, meets the requirements of the SK DRG system and is accepted and reimbursed by the health insurance company. It contains more than 1,000 checks and expert rules to improve and simplify reporting.

Nesasio calculation module processes the hospital's cost data and subsequently assigns them to individual hospitalisation cases. It answers the question of how much money was spent on a specific hospitalization and what the cost structure was in terms of wages, drugs or devices.

The **Surnia** analytics module allows hospitals to view the DRG production, i.e., hospitalisation cases in terms of revenue and production structure. It answers questions such as the kind of revenue in the DRG system, how well data is reported to health insurance companies and which hospitalisations are profitable or loss-making by comparing their costs and revenues.

The **Otus** module is used to calculate the economic results of hospital cost centers in order to evaluate their efficiency. It helps hospitals to internally budget DRG costs and revenues and prepare outputs for accounting.

DRG BI is a business intelligence tool designed for hospital managers to process, analyze and present DRG data. It is based on a data warehouse where all DRG data processed or calculated by separate DRG modules are stored. The data is handled by the BI solution itself, built on the **Helios BI** product. Summary data is presented on the screens of the central dashboard. A specific area that is elaborated out of the box in the solution is the support of hospitalization case planning with revenue and cost projections.

Medical services

This is an extension of the STRIX product portfolio with the Medical Services Grouper. The product is used to uniquely identify medical services and programs for Hospital Network Optimization (UN) reporting purposes. It includes a program profile of individual hospitals resulting from the hospital network assignment by level and specialty. Controls whether and to what level a hospital is eligible to provide care in various medical programs. It assists physicians in determining the deadline for the maximum time availability of planned healthcare for waiting lists.

The creation of the Medical Services Grouper is a significant contribution to the implementation of the national project on Optimization of the hospital network project in practice and to the improvement of health care provision in Slovakia.

Telemedicine

The **Asseco MED** application allows remote monitoring and evaluation of the patient's health condition without the need for hospitalization. The use of the app not only shortens the patient's stay in hospital, but also optimizes his or her timely arrival, helping to prevent critical patient conditions. This technology was developed in collaboration with the Slovak University of Technology in Bratislava, Martin University Hospital and Jessenius Medical Faculty in Martin.

The most important clients of the Healthcare Business Unit include specialized health institutions, owners and operators of regional healthcare networks (Svet ZDRAVIA (SK) and other hospitals), and health insurance companies (Česká průmyslová zdravotní pojišťovna, Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví, Union zdravotná poisťovňa, Všeobecná zdravotná poisťovňa, Vojenská zdravotní pojišťovna České republiky, Zaměstnanecká pojišťovna Škoda, Dôvera, zdravotná poisťovňa). National Health Information Centre, F. D. Roosvelt Teaching Hospital with Polyclinic, out-patient departments, and general practitioners, Teaching Hospital in Nitra, and University Hospital in Bratislava – Nemocnica sv. Cyrila a Metoda.

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Insurance Healthcare companies segment

Plantago
by asseco

Electronic prescription system.

ATLAS
by asseco

System for fast, intuitive communication between the insurance company's employee and the client.

Chiroptera
by asseco

Unjustified claims management system for health insurance companies.

Jubula
by asseco

System for the work of medical reviewers in health insurance companies.

Physican Portal HCP
by asseco

System for direct online communication with healthcare providers.

Hospital segment

PROMIS
by asseco

Komplex hospital information system.

DRG BI
by asseco

A set of modules for creating reports and improving cost management, for monitoring the economic results of cost centres, for calculating the cost per case according to the methodology of the Health Care Authority, for planning hospitalization performances.

IMI
by asseco

Hospital information system.

Xanta
by asseco

Hospital information system, including hospital management system.

OnkoTeam
by asseco

Information system for oncological patient management (Assisted support in treatment of oncological diseases).

Asseco CE Magyarország (H)

Healthcare Strategic Business Unit consists of the following three departments:

- MedWorkS Team – development and support of our integrated hospital system
- Innovation and Knowledge Center – developing the new MedWorkS system and service package among other healthcare innovations
- Custom Development Team – software development based on individual needs of central and local public administration institutions, mostly in the healthcare field

In 2023, the MedWorkS Team fulfilled projects already contracted in 2022 but delayed by several months on the customer's part. Thus, in June we successfully closed the separation of the Central Hospital of Northern Pest from the Defense Hospital (Honvédkórház). This project is of particular importance. The Central Hospital of Northern Pest, a new central hospital was created in Budapest, separating the military part from the Defense Hospital – now all 7 central hospitals use the MedWorkS system. With user number reduced by a quarter resulted by the separation, MedWorkS was kept also in the Defense Hospital. The project was funded by the Ministry of Interior and the Ministry of National Defense with 108 million HUF revenue.

Among the maintenance fees of existing systems and individual product sales, the revenue of the healthcare business unit in 2023 was affected by closing 2 large EU funded projects – for which we had to integrate the MedWorkS systems at each of our clients. One of them is the Nursing Support System (ÁTR) and the other is the Outpatient Management System (JABIR). Both projects were originally supposed to be completed in December 2022, but we only handed over the first development milestones by then, the commissioning of the systems and closing the projects were postponed to 2023. For these integration projects CRs were also used from our company at the end of the year – representing unplanned sales revenue.

The projected sales revenue was exceeded by the Healthcare Business Unit, due to the postponed projects from 2022 and unplanned CRs – owing to the end of the 2021 EU financial cycle. The Government can implement healthcare IT sector-level projects only with involvement of hospitals – a significant number of which use our MedWorkS system.

Contrary to the Government's goal, the conquest of our competitor (purchased by the Government) and its introduction to all hospitals was not successful. We lost one of our smaller clients – they were merged and integrated into the maintaining county hospital. The Government's goal of standardization cannot be a success since no data conversion took place, the institution regressed in terms of functionality and the Ministry of Interior – which manages the portfolio – received negative feedback regarding customer satisfaction. At the same time the Government's intention of a unified national HIS system still hovers above the head of the company, but its implementation with the purchased IT system is not feasible.

Part of the 2022 consolidations were charged to 2023 – unfortunately our costs remained high (return of office space with payment of exit fee), and the inflationary effect also increased the company's costs. After the 2022 cost reduction – which largely affected the Innovation and Knowledge Center and the Custom Development Team – in both departments we managed to stabilize the reaming team.

In 2023, the Custom Development Team focused on projects abroad. We remained in cooperation with the German Asseco Solutions, although we support this activity with a minimum number of employees. At the beginning of 2023 we entered an agreement with Asseco Poland regarding the development of a smartphone application supporting nursing work. After the preparation phase from January to the end of March, we started the development and the end of March and successfully handed over the project at the end of November. Starting from 2024, Asseco Poland is planning to sell the application to its client hospitals, and we expect further cooperation in the future.

Our Innovation and Knowledge Center dealt with our existing two R&D projects at a maintenance level which are planned to be closed in 2024. In 2023 the team focused on foreign projects. Together with Asseco CE we worked on the delivery of the Telemedicine System ordered by the Slovak University of Technology in Bratislava. Asseco Magyarország delivered 3 products:

- MedWorkS 2021 Outpatient System,
- iCardio Decision Support System,
- Assseco Rooms Teleconsulation System.

In addition to the sales of licenses for the delivered systems we carried out the implementations as well as localization, customization, and integrations tasks. 42 cardiology clinics were equipped with telemedicine devices and software. We plan to sell the system to additional customers abroad.

asseco.hu

PROSOFT Košice (SK)

PROSOFT Košice was established in 1993. Since its very beginning, the company has focused on the development of software products for healthcare providers. It has implemented a quality management system under ISO 9001, ISO 20000 and ISO 27001, which is audited annually.

PROMIS® Medical Information System is a core SW product and comprises software for hospital wards, outpatient offices, shared examination and treatment facilities, transport and rescue medical services, and central data processing and management services for the entire healthcare facility. The information system consists of modules and therefore, in addition to the full-scale installation of the entire system, individual modules may be installed separately with the possibility of enhancing the system later and according to the customer's needs.

Customers include:

- Hospital networks, hospitals with polyclinics, specialized hospitals, specialized treatment facilities, polyclinics, spa facilities (55+)
- Smaller non-governmental health facilities, outpatient offices (doctors – specialists, GPOs, dentists), private laboratories, etc. (500+)
- Rescue Medical Service and Medical Transport Service (10+)
- Social Service Centres and hospice

Interoperability represents an important feature of the PROMIS® solution. This includes two-way communication with external laboratories, two-way interconnection with PACS from various suppliers, and interconnections with calling systems, medical devices, DRG Groupers, insurance companies' projects, ePrescription, eHealth, eVaccination and others. The system also enables interoperability with the economic information systems from various suppliers, and with the management system from Asseco CE.

In 2022, the company launched many new modules aimed at improving patient safety and optimising medical processes, mainly in the areas of patient identification, comprehensive source planning, blood bank, web for external order forms, patient kiosk, EHR, mobile app for staff, patient consent management and others. Specialised modules for Emergency Department, Oncology, ICU, Radiology, etc. have also been completed.

This software has already been implemented in the most modern hospital in Slovakia - Bory Hospital, and some modules also in other hospitals in Slovakia.

Simultaneously, the development of the next-generation medical information system New Generation Hospital Information System (NG HIS) is underway, some parts of which have already been implemented in Bory Hospital.

The company provides quality product support for our product in 8/5 mode and for key customers in 24/7 mode.

www.promis.sk .

Telemedicine

MED
by asseco

Telemedicine system allows to remotely monitor and evaluate the patient's health condition without the need for hospitalization.

iCardio
by asseco

CDSS system for cardio treatment.

Rooms
by asseco

Information system for teleconsultation.

UTSKA
by asseco

Universal Telemedicine System for Cardiology Outpatient Clinics.

Central systems

eZdravie
by asseco

The eZdravie system is a central repository of a patient's medical records and is a source of important information about the patient's health that can save his or her life.

Portfolio

INSURANCE

Asseco CE (SK, CZ)

The portfolio of Asseco Central Europe for the Insurance sector consists of information systems for commercial and pension insurance companies as well as public and private health insurance companies. For the commercial insurance sector, it includes the core information system **StarINS**, which comprehensively covers the operational needs of private insurers, i.e., life, non-life, and universal insurers. Asseco CE's offering of comprehensive core insurance solutions is complemented by the **iPortal** portal front-end solution, which, together with the StarINS solution, creates an ecosystem – a platform called **IooX** (Insurance out of the Box). iPortal can also operate independently by connecting to existing customer core solutions. iPortal represents a modern self-service front-end solution whose primary task is online insurance sales through various distribution channels, including brokers, agents, banks, and direct sales. Thanks to the use of the latest technologies and know-how from various international markets, along with the StarINS system and other third-party solutions (such as Hannover Re ReFlex), it forms an attractive solution supporting digital insurance.

Another product from the range of Insurance solutions is **SofiSTAR**, a production information system for administrators of citizens' pension savings. The system ensures front-office and back-office activities with a high degree of process automation, including clients' Internet access to personal pension accounts and automatic processing of electronic pension savings documents.

Clients of the Insurance BU are commercial insurance companies and pension savings management companies in Central Europe (Allianz – Slovenská poisťovňa, Stabilita d.d.s., Youplus Czech Republic, Youplus Slovakia, Youplus Austria, Youplus Switzerland, and Partners poisťovňa). Our efforts aimed at offering software products internationally have resulted in the successful launch of StarINS operations in Nigeria and Ghana (Coronation Insurance Plc. and Coronation Insurance Ghana Limited for non-life insurance, Coronation Life Assurance Ltd. for life insurance). In 2019, our IooX solution supporting digital insurance was successfully launched in the Czech Republic, in 2020 in Slovakia, and in 2021 in Austria under a contract with Aspecta Assurance International AG, based in Liechtenstein. In February 2023, IooX was launched in Switzerland.

asseco.com/ce

IooX – Insurance out of the box represents an end-to-end software suite for commercial insurance (i.e. life, non-life and composite insurance) covering the insurance carrier's front-end operations via its Asseco iPortal and back-office operations via Asseco StarINS integrated into one common platform supporting digital insurance.

StarINS – A comprehensive back-office solution, serving life, non-life, and composite insurance carriers, supporting all lines of business and covering most back-office operations present in the insurance business.

iPortal – A responsive self-service front-end solution providing features that streamline sales processes and minimise back-office operations by moving the most requested services to the portal.

Portfolio

PUBLIC

Asseco CE (SK)

Asseco CE specializes in development and supply of public administration solutions that cannot be implemented by standard means and tools without investing a great amount of creative work. The strongest domain of the company is the ability to design and implement systems processing large volumes of data with a sophisticated transaction logic and special portal solutions with an interface providing forms intended for the public administration, which are implemented with connections to the sectoral components of eGovernment and basic registers. The specific offer for the state administration includes designing and supply of full-scale systems, including HW, network infrastructure, integration platform, and specialized high-load applications with guaranteed high accessibility, which address specific requirements of the state administration concerning central information systems, agenda systems, registers, auditing information systems for distribution of the contributions and subsidies provided by the government and budgetary information systems for processing and publication of large data files. Another area covered by Public SK Business Unit is Business Intelligence. In this area, the Company has proceeded with software development from reporting tasks through dashboards and ad-hoc analyses to advanced methods of datamining and predictive modelling. The company provides its StarBI solution either as a turnkey project or through customization of already developed modules. It uses the standard BI platform and databases (IBM, Microsoft, Oracle and SAS). Asseco CE offers a wide range of solutions for monitoring and assessment of profitability (products, clients, business channels), reporting automation for internal and external environments (regular reporting, ad hoc outputs), deep data analysis via datamining tools and resolving various tasks such as fraud detection (insurance industry, state revenues – taxes), cross-selling, add-on selling, customer segmentation, and other types of tasks. The AQS (Asseco Quality Services) solution is intended for data consolidation and transfer among heterogenous systems. The solution combines a software product, methodology, and related services focusing on execution of data migration, consolidation, and cleaning.

Solutions for registries, Document Management Systems (DMS) and process management on the Fabasoft platform represent a significant area of Public SK Business Unit. Since 2002, the company's solutions have been used by more than 55,000 users in dozens of organizations in both the public and private sectors. It provides a full-scale DMS system that meets the legislative requirements applicable to the standardization of administrative document exchange among public administration and self-government bodies valid in the EU and the Slovak Republic. The document management service also includes approval processes. It contains registration, scanning, file number assignment, bar code assignment, and provides tools to manage and control the flow of documents within the organization such as approval processes, change history and compliance with the deadlines set out by legislation and internal directives. It makes use of various tools such as Document Management System, Workflow, integration platform and archives. It offers electronic versions of process areas exactly according to the customer´s needs and requirements. Products offer customers more efficient solutions for the area of document management while factoring in the entire document lifecycle from initiation to settlement. Implemented solutions increase speed, efficiency and transparency of administrative processes in practice.

Asseco CE also covers solutions and delivery of full-scale services for the education sector – specific works focusing on the coordination of work of experts, integrating innovative elements in implementation of full-scale programmes and systems resulting from the requirements of the labour market towards education. It provides an offer of services arising from the current trend of high economic growth contrasts with a lack of qualified manpower and this creates a demand for quality consultancy services and innovative solutions for education and labour market that builds on partnership with the Association of Employer Unions and Associations (Asociácia zamestnávateľských zväzov a združení Slovenska - AZZZ), Association of Industrial Unions and Transport (Asociácia priemyselných zväzov a dopravy - APZD), National EMployer Union (Republiková únia zamestnávateľov - RUZ), Trade Union Confederation (Konfederácia odborových zväzov -KOZ), Association of Towns and Villages of Slovakia (Združenie miest a obcí Slovenska - ZMOS), Ústredie práce sociálnych vecí a rodiny, etc.

The most extensive projects implemented in this area include supply of solutions for ministries (Ministry of Transport and Development of the Slovak Republic, Ministry of Finance of the Slovak Republic, Ministry of Interior of the Slovak Republic, Ministry of Health of the Slovak Republic), State Institute for Professional Education, and many other authorities and institutions.

Other important projects include deliveries of solutions for S upreme Audit Office of the Slovak Republic, Tax Directorate of the Slovak Republic. With regard to Data Warehousing and Business Intelligence solutions, major clients of the Business Unit include commercial organizations as well as non-commercial entities, where Asseco solutions significantly assist, for example, the Financial Directorate of the Slovak Republic to combat tax evasion, allow processing of the statistical data obtained from the Czech Statistical Office and serve to integrate data and systems.

asseco.com/ce

Asseco CE (CZ)

The company ranks among the most important providers of full-scale IT solutions and services in the Czech Republic. It implements demanding projects for the state administration and self-government as well as for the commercial sector. The company has extensive experience gained through years of integration and consultancy projects and places a strong emphasis on modern architecture of information systems and security. It has achieved the position of preferred and credible supplier of key information systems for the government (basic and public registers, modern portal solutions oriented towards the needs of citizens or eNeschopenka) and has become a recognized partner for creation of strategies for the government's digitization projects (eGovernment, eHealth). It is a stable partner for its customers and helps solve all the processes associated with extensive IT areas, including specialized customized applications, geo-information systems, solutions for digital technical maps, portal solutions, agenda systems, ECM or BI solutions supporting managing and decision-making processes, smart city solutions, IT infrastructure solutions, back-ups, and server and desktop virtualization or security. Furthermore, the company supplies portals, electronic banking systems, chip card systems, and other software to financial institutions and capital market entities.

The intensively developing competencies of our company in the area of public administration in Czech Republic may be enhanced by application of the Enterprise Architecture principles. We use those principles to map the current situation, to propose a future architecture of the target environment (in the segment concerned it is, for instance, an office or a central administration office), and to draft transformation projects and roadmaps. The TOGAF™ methodology along with the modeling language ArchiMate™ are used to develop projects of this type. Currently, so called Government Enterprise Architecture (GEA, EA modified for public administration) represents a significant trend in the public administration area with an increasing frequency of use. In the Czech Republic, the GEA principles serve as the basis for so-called National Architectonic Plan (NAP). Each new project in this area must comply with the architectonic templates and principles codified in NAP. To support further development of the BU Public in this area was the right decision. Application of GEA within digitization of public administration, including all its segments, contributes towards better arrangement and systematization within designing and implementation of new eGovernment projects, which results in more frequent use of that competence within the projects focusing directly on architecture creation. A specific offer for the public administration comprises design and supply of full-scale state administration systems, including HW, network infrastructure, and specialized high-load applications with guaranteed availability for specific requirements of the state administration, e.g., central registers, business registers, control systems for distribution of state benefits and subsidies and budgetary information systems for processing and publication of extensive data files on the platforms Informix or Oracle with the use of application servers Weblogic, topology Geocluster RAC and the Java development environment. Recently, the portfolio of the Public BU's solutions has been extended by a solution based on the microservices architecture making use of open-source technologies and platform services MS Azure and Oracle Cloud.

The most extensive projects implemented by the BU Public CZ include supply of solutions to ministries (Ministry of Interior of the Czech Republic, Ministry of Finance of the Czech Republic, Ministry of Work and Social Affairs, etc.) but we have also been cooperating with the Czech Statistical Office, and a number of other authorities and institutions, the Czech Social Security Administration being one of them. We are a reliable supplier of key projects of the Czech e-Government, such as the Register of Rights and Obligations, Register of Persons, the system for electronic reporting of temporary incapacity for work eNeschopenka, or the system for support of social and pension insurance agenda. Throughout the year, we continued the intensive work on one of the most extensive projects in the area of eGoverment of the Czech Republic in recent years - eSbírka and eLegislativa for the Ministry of Interior of the Czech Republic. This work culminated in the launch of part of the eSbírka project into full operation, and thanks to this, the complete database of Czech legislation (zakony.gov.cz) was made available to the public. In the last year, we also participated in continuing development of other functions of Portál občana. Similarly, we continued in development of the Register of Rights and Obligations with the Ministry of Interior of the Czech Republic that is a key element of eGovernment, containing records of all public administration institutions, agendas and services provided by the public administration, information systems and plans for the digitization of interactions between the public administration and its clients.

During 2023, Asseco CE implemented several important projects. In addition to already mentioned eSbírka, the Digital Public Administration Map for the State Administration of Land Surveying and Cadastre of the Czech Republic is definitely a project worth mentioning because it represents a key public administration system for the work with geodata. The Administrative Register of Economic Operators for the Ministry of Finance, the Fishing Information System providing services to 250 thousand fishermen, served for emission allowance purchases up to CZK 90 million. The end of the year was also marked with the first and successful implementation of the Fabasoft registry for the Probation and Mediation Service in the Czech Republic. Public CZ successfully finalized and justified in practice before a committee of the Ministry of Industry and Commerce the scientific research project entitled EMMA i.e. Embedded eGovernment, whose outputs are supposed to enhance the portfolio of our services in the area of digital cooperation between the public administration and the commercial sphere.

Thanks to the efforts in the last year, the Public Business Unit succeeded in maintaining several important long-term contracts (Czech Social Security Administration, Digital and Information Agency, Ministry of Justice, Ministry of Finance, and other customers), which fact not only confirms the satisfaction of our customers, but also provides a space for further development of our services.

asseco.com/ce

Fabasoft

Fabasoft eGov-Suite – A solution for complex digital registry management and efficient process management in public, small and large organisations.

Portfolio

INFRA STRUCTURE

Asseco CE Cloud (SK, CZ)

Asseco CE Cloud has been active on the information technologies market since 2023. The company supplies technological and infrastructure services and its core services focus on comprehensive infrastructure care, including customized designing, architecture, implementation, and operation, outsourcing of internal IT services, migration of entire applications and systems, private and public clouds, and implementation of various hybrid solutions. The company aims to provide its customers with the XaaS (Anything-as-a-service) level of services whose development therefore focuses on both technological aspects and comprehensive approach, including automation, efficiency, and close interconnection with applications. The company delivers efficient solutions, while focusing on data protection and cyber safety, and makes use of top technologies and expert services. In designing, it closely cooperates with Asseco Group entities to ensure that final solutions meet customer requirements as concerns functionalities, safety, performance, accessibility, scalability, extensibility, management, and supervision.

Asseco CE Cloud´s infrastructure solutions include the following core services:

- Implementation of and support for server systems, networks and their security, data storage systems, database systems, middleware, application servers, and user systems;
- Infrastructure development for containerization-based applications;
- Provision of cloud services as necessary and required by customers either the on-premise basis or via a commercial cloud or a hybrid model;
- Support to both external and internal customers – Asseco CE Cloud provides non-stop Call Centre and Helpdesk services.

Asseco CE Cloud arranges supply of hardware, software licenses, network and support infrastructures, and customer installations in cooperation with a majority of leading manufacturers and distributors of such technologies.

The company is a certified service provider under Quality Management System ISO 9001:2015, Information Technologies Standards, Services Management ISO/IEC 20000-1:2018, and Information Security Management system ISO/IEC 27001:2013.

The company has arranged designing, supply, implementation of and support for IT infrastructures for various major customers of Asseco Central Europe, e.g. the Ministry of Interior of the Czech Republic, Czech Statistical Office, Supreme Audit Office of the Slovak Republic, Czech Social Security Administration, (operation of e-Portal – an information and communication interface), Administration of Basic Registers (operation of the Rights and Obligations Register and the Register of Persons), the Capital City of Prague (operation of a crisis management information system), the DanubePay company (support for and operation of banking and payment systems), and the National Certification Authority (NCA).

In addition, Asseco CE Cloud operates and develops internal information systems for the Asseco Group, while continually upgrading the company´s infrastructure to increase the share of virtual technologies and cloud technologies. This approach greatly enhances the flexibility and efficiency of technological source sharing for projects implemented in the Czech Republic, Slovakia, and Hungary and enables efficient knowledge sharing across all companies. For development teams, Asseco Central Europe continuously designs, develops, and administers development and testing environments necessary for customer solution development and support.

asseco-ce.cloud

exe (SK)

The exe company has been active in the IT market since 1990. In 1991, the company became one of the first official partners of Microsoft in Slovakia. The company has been active in both the Slovak and Czech IT markets, especially in the area of infrastructure services, software development and sales, and is also an authorised Microsoft partner and holder of Microsoft Gold Certified Partner certification and many other certificates. The company ranks among the first holders of the title Microsoft Licensing Solution Partner. The exe company is also an established provider of translation and software localization services. Moreover, the company has become a successful system integrator with its own development centre. In the complex area of globalisation and internationalisation processes, it is able to efficiently support Slovak companies in marketing their products worldwide. Over the years, exe has recorded more than 800 successful projects for both business companies and public and state administration institutions.

The company enters the market as an important integrator of business software solutions with 30 years of history. One of the domains of exe is to assist in the digital transformation of companies that brings simplified administration and increased productivity. The solutions along with full-scale services are based mainly on the Microsoft SharePoint, Microsoft Dynamics CRM, and ABBYY platforms. The exe company offers its experts to guide companies in adopting and using cloud services that a customer can obtain through the implementation of hybrid solutions or migration into a cloud environment. An important aspect of these services involves supporting customers in the provision of operational infrastructure and information. Data analyses and their understandable visualisation via the Microsoft Power BI platform represent one of the current corporate pillars and help staff at different levels of the organisation to quickly obtain key information for the purpose of decision-making. The exe company covers the field of machine learning using Microsoft's Cognitive Services platform, delivering more advanced, custom-designed solutions for customers. Since 2022, the company has expanded its portfolio to include the delivery of virtual solutions used, for example, for training simulations or digital representation of the real world for management or educational purposes.

The company actively participated in the SOC project in 2023, aiming to enhance cybersecurity within the EU. In addition, it is a leading and highly acclaimed provider of translation and localisation services worldwide. Renowned market surveys, such as those conducted by CSA Research, have ranked the company among the Top 25 language service providers in Central and Eastern Europe. In the latest survey, it even secured the 15th position. The largest in business for 2023, as published by The Slovak Spectator, it ranked 3rd among translation agencies and 10th in the ranking among the largest IT companies in the software and system integration category. The company is a member of international professional associations, including the Globalization and Localization Association (GALA) and the Association of Translation Companies in Slovakia (ATCSK), where it currently holds a position on the association's supervisory board. The company is a certified service provider according to ISO 9001:2015, the translation standard ISO 17100:2015 (replacing EN15038), and the machine translation standard post-adjustment ISO 27001.

People at exe believe that modern technologies are reshaping the contemporary business definition. The future is already happening today, and the company's mission is to make it accessible to all its clients, unlocking the hidden potential in their business and turning it into an opportunity. Through the constant generation of new ideas and innovative technological solutions, the company facilitates modernisation and digitisation processes for businesses in the ever-evolving world of information technology. The company's strengths lie in new ideas, the courage to implement them, and a team of experienced professionals capable of turning ideas into reality. All of this succinctly encapsulates the company's creed: "Unlock Tomorrow".

www.exe.sk

Projects

Projects, products, services and solutions

Insurance out of the Box

The Insurance out of the Box (IooX) solution for the Youplus group, which covers front-end and back-office services provided by the insurer, has been deployed in several countries. The project implemented in the Czech Republic in 2019 was followed by a project implemented in Slovakia in 2020 and a project implemented in Austria in 2021. The solution for Youplus Switzerland, one of our major partners, was successfully launched in February 2023. The year 2023 gave us an opportunity to enter the German market through a project for Youplus Germany Group Life, which will also include implementation of StarINS.

In 2023, we customized for the PARTNERS insurance company, a member of strong financial group PARTNERS GROUP HOLDING SK, its already deployed solutions by making several interventions and updates of the company´s comprehensive end-to-end solution and its components.

Authorization server SEZAM

Asseco´s SEZAM authorization server was implemented for J&T BANKA as a tool securing reliable and comfortable user identification and user transaction authorization within the Bank´s information system. The successful completion of the implementation project was followed by the deployment of the server into production in both Slovakia and the Czech Republic.

The Bank´s clients have at disposal a wide range of security features, including the Asseco Mobile Token application, and the Bank can integrate this mobile authentication solution with other banking applications through API.

Digitization project for an investment bank

The implementation of a modern user interface for staff and clients of J&T BANKA, a foreign bank´s branch in Slovakia, continued in 2023. The interface is based on an operations and technology platform derived from Asseco´s Omnichannel platform. This comprehensive solution also includes Asseco´s Notification Centre, Sezam Security Server and Asseco 24

Following the deployment in 2022 of a new version of the Bank´s web interface, which included the transparent account functionality, we implemented, in cooperation with the Bank´s project team, another important component of both the Bank Employee Portal and the Electronic Banking Portal, which includes the Payment Centre, Notification Centre, Clients and Authorized Persons, Products, and Calculators. The delivery and acceptance of further solution modules are scheduled for 2024.

ARES - Administrative Register of Economic Operators

ARES – Administrativní registr ekonomických subjektů was established already in 1993 with the aim to collect data about legal entities and natural persons – entrepreneurs from various registers in order to compare and control the data. Originally, the project was to be carried out by the Czech Statistical Office, but later it was transferred to the Ministry of Finance of the Czech Republic. A massive upgrade of ARES took place in 2023 and included optimization of processes and full replacement of technologies. The upgraded ARES has been in full operation since then.

Mortgages

In September 2021, we signed a contract with Modrá pyramida stavební spořitelna (MPSS) for extension of the StarBUILD system by the Mortgage Module and migration of mortgages from Komerční banka (MPSS shareholder). StarBUILD, a multicore banking information system, meets all needs of banks and building societies associated with the financial products for housing purposes. In 2022, we signed an amendment to the contract with MPSS to enhance the scope of the project by including new functionalities.

Implementation of the last new functionalities in 2023 was accompanied by integration with the systems of Komerční banka and final E2E user acceptance tests. The pilot run of the StarBUILD system started in October 2023 when Komerční banka entered the first mortgages into the StarBUILD system. The technical migration of mortgages from Komeční banka to the StarBUILD system is scheduled for the second quarter of 2024.

During 2023, we worked on a feasibility study for MONETA Money Bank, which included an analysis of feasibility of the implementation of the StarBUILD project for mortgages provided by MONETA Money Bank and data migration from existing systems. The study was successfully completed in November 2023. MONETA Money Bank is supposed to decide in 2024 on the actual implementation of the project.

Czech Social Security Administration

In 2023, we succeeded in completing approximately 258 partial phases of a project for the Czech Social Security Administration, which involved deployment of several electronic services (flat-rate tax, Summer of Mercy, reservation system, English version of the e-Portal, EESSI development, Summer of No Mercy, etc.). In addition, further services pursuant to the Single Digital Gateway Regulation (EU) were launched – Online Pension Application (ZDOL) and Free Movement of Persons (OLA/VPO), which are referred to as the starting points of the digital revolution at Czech Social Security Administration and can be deemed to be the most complex services of the Czech e-Government.

eDoklady (eIDs)

In 2023, we finalized the eDoklady project – a Czech vanguard of the European Digital Identity Wallet (EDIW) under preparation. eDoklady has been developed to match EDIW with a perspective of its transformation into the Single European Wallet. The project involved development of an application for the upload of ID documents and will enable Czech citizens to use it to prove their identity.

IS for the Czech Fishing Union

We delivered a new information system for the Czech Fishing Union. In 2023, we programmed key modules for sale of fishing permits and related agenda, completed data migration to the central system, launched a pilot run, and prepared the system for deployment into production. The project involved successful migration of data from 500 organizations and 250 thousand members into the central system efficiently supporting further development of the Czech Fishing Union.

System for verification of qualifications for the Ministry of Education and the labour market

The delivery of the nationwide project entitled System for Verification of Qualifications in the Slovak Republic, which was implemented by the Public Consulting Division for the State Institute of Vocational Education, involved development of registers and methodology related materials, coordination of work of more than 600 experts, preparation and implementation of online and personally attended educational events, and coordination of qualification testing (almost 3,000 persons) in cooperation with authorized institutions and expert boards.

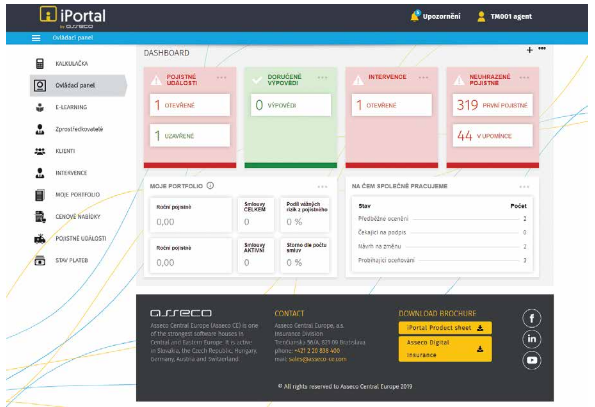
The successful delivery of the project strengthened the good relationships between Asseco CE and main project partners – Asociáciou zamestnávateľských zväzov a združení SR (Association of Employer Unions and Organizations of the SR), Asociáciou priemyselných zväzov a dopravy (Association of Industrial Unions and Transportation), Republikovou úniou zamestnávateľov (National Union of Employers), Konfederáciou odborových zväzov Slovenskej republiky (Trade Union Confederation of the Slovak Republic), Združením miest a obcí Slovenska (Association of Towns and Municipalities of Slovakia), Ústredím práce, sociálnych vecí a rodiny (Central Office of Labour, Social Affairs, and Family), and further 150 involved authorized institutions and more than 600 experts from 24 national economy sectors. The project enables obtaining professional qualification certificates without the need to complete further education.

Camera system upgrade - Nové Mesto nad Váhom

In December 2023, we delivered, in cooperation with our subcontractor – the CANEX company, a new operations centre and upgraded the camera system of the Municipal Police in Nové Mesto nad Váhom. The contract included an elaborated video management system using AI to evaluate and analyse video recordings, which enables operations centre users to search for, detect, and notify specific situations, persons wearing specific clothes, number plates without the permit to enter a defined area, etc. It facilitates the work of the operations centre staff by eliminating the need for tedious searches and real-time camera recording checks. In addition, we installed a camera system on the technical service vehicle that monitors road potholes within the city area.

State Agricultural Intervention Fund

We implemented a project for provision of the SZIF Portal services and a portal application for Monitoring Approach (SZIF Portal System) for Státní zemědělský intervenční fond. Our delivery included development of a front-end portal on the basis of the MACH program, which introduces the monitoring of agricultural areas by a satellite system to enable remote verification by the payer of subsidies. The system is able to check whether prescribed agricultural activities have been carried out on individual plots to verify whether subsidy grant requirements have been met.



iPortal of IooX solution.

ePortal ČSSZ.

The SOK project won the Project of the Year 2022 award in the Facility Innovation category of the Slovak Association of Facility Management.

Czech Office of Land Surveying and Cadastre

In 2021, we procured and developed for Czech Office of Land Surveying and Cadastre software products for renewal of cadastral records, land register data revisions, and creation of unmeasured entries and geometric plans and provided Czech Office of Land Surveying and Cadastre with maintenance services. The project included the development of special client applications OKO Desktop and Field (mobile client) based on the LIDS Explorer Client. We implemented a number of functionalities and extensions, e.g. project management (change procedure), VFK import, management and printing of drawings serving to establish borders, special editing functions for OKO, data control system, management of inconsistencies, automated plot mergers and renumbering, nomenclature revision function, transformation function enhancements, integration with the Groma application, special client and database derivation functions, data export to VFK, upload of renewed cadastral records to the Land Register Viewer, etc. The customer accepted the project by the end of 2023. Currently, the above functionalities are subject to final optimization steps that have to be completed prior to a pilot run. The start of the live operation is scheduled for the second quarter of 2024.

New IS for UVZ – Public Health Authority

A new information system delivered to the Public Health Authority was accepted in June 2023. The system resolves the issues critical in terms of national security and health. It is based on a unique cloud architecture infrastructure and contains 14 mutually integrated modules and a public portal with new electronic public health services allowing one-stop arrangement of the agenda that was not supported electronically, which means that people are able to settle various reporting and other obligations without being forced to visit the authority. Up to 37 independent websites merged into a single website with a uniform architecture and design. The modernized information system has significantly supported unification of the processes carried out by regional public health authorities and enhances public healthcare and protection in various areas, e.g. epidemiology, environmental health, workplace health, laboratory tests for public health purposes, state health surveillance, etc.

Upgrade of eGOV services of the Industrial Property Office of the SR

The project "Upgrade of eGOV services of the Industrial Property Office of the SR" was successfully finalized in 2023. The project aimed to optimize end services and electronic forms to achieve long-term sustainability in their provision to citizens and entrepreneurs and involved integration of the PES IS with reference registers, optimization of electronic form signing and sending processes, and implementation of a responsive design enabling the work with electronic forms on mobile devices. To achieve this goal, the integration between the PES IS and the Fabasoft IS had to be enhanced. In the Fabasoft IS, the agenda system of the Industrial Property Office, the automated uploading of data from electronic forms to the Fabasoft IS and vice versa was implemented. This modification will significantly facilitate the work of the IPO´s staff.

Further goals included development of a modern reporting and statistical tool required due to the continuously growing need to collect statistical and analytical information for compilation of analytical and statistical reports. The Fabasoft IS was adjusted to enable the statistical module to quickly and efficiently obtain all the data necessary to compile outputs.

eDotácie (eSubsidies) for the Ministry of Economy of the SR

In 2023, we continued the implementation of a superstructure module solution - eDotácie- for the Ministry of Economy within the Fabasoft system.

eEnergie – a solution for registration and processing of applications for subsidies to cover additional costs resulting from increased gas and electricity prices. The total number of processed applications during the 1st phase reached 16, 492. eEnergie has remained a live project, as the 2nd phase of the project is currently underway and has been accepted for the year 2023 260 484 applications.

Upgrade of Fabasoft eGOV-Suite from the 2016 version to the 2023 version for the Ministry of Interior of the SR

In 2023, we successfully upgraded the Fabasoft system and installed its 2023 version within the testing environment of the Ministry of Interior. Its full deployment into production is scheduled for the beginning of the second quarter of 2024 and it should include adding of other internal employees of the Ministry, which means an increase in the number of users.

Fabasoft eGOV-Suite upgrade from the 2016 version to the 2023 version for the Ministry of Investments, Regional Development, and Informatization

The Fabasoft system used by the Ministry of Investments, Regional Development, and Informatization was successfully upgraded in 2023 to the latest version. The production was launched on 8 January 2024 and this Ministry has been the first customer using the latest eGov Suite 2023 version meeting modern and user-oriented system criteria.

Košice Higher Territorial Unit – Implementation of Fabasoft 2023 Cloud for the Košice Self-Governing Region Office and organizations founded by it

In 2023, we implemented a project for the Košice Higher Territorial Unit and its subordinated organizations, whose aim was to launch a cloud registry, expand the use of the Fabasoft IS by the organizations founded by the Košice Self-Governing Region Office, migrate on-premise the data from current registry Fabasoft 2026 to Fabasoft 2023 Cloud Registry, and provide support for the solution already in place. The registry was successfully deployed into production on 2 January 2024.

DAC7 Module

In 2023, we implemented a brand-new system for information exchange among EU Member States / Contracting States to support cooperation in the area of tax administration. This step was a part of implementation of Council Directive (EU) 2021/514 in the Slovak Republic to meet the automated information exchange (AIE) requirements with the focus on obtaining and disclosure of the information provided by platform operators, so-called DAC7/DPI Module (information about the sellers with the notification obligation, who carry out selected activities such as lease of real estate or means of transportation, sale of goods, etc.). The solution included the on-premise integration with related agenda information systems of the Financial Directorate of the SR. DAC7/DPI Module was deployed into production by the end of 2023 to enable receiving of the data relevant for DAC7/DPI from the reporting platform operators registered in Slovakia as of 1 January 2024 in accordance with the legislative deadline.

Slovenská sporiteľňa SeCV

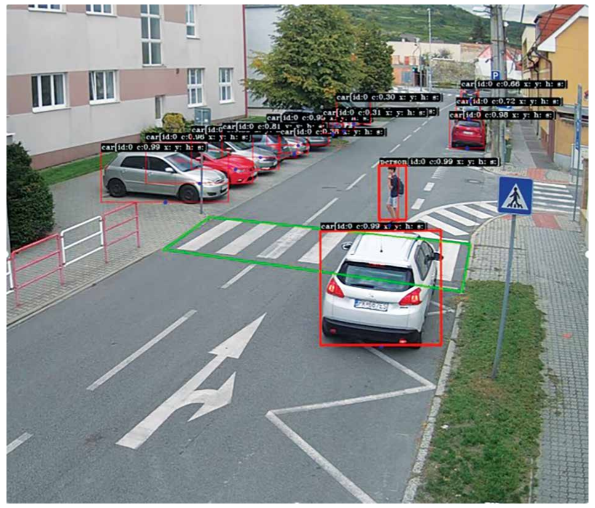
We implemented a new modern security core for Slovenská sporiteľňa to allow easy adding of new functionalities and enhancement of the scalability of performance and services. The implementation included preparatory steps for the integration of the Bank´s authentication and authorization services with the George system to facilitate client access to the Bank´s services via the Internet and mobile banking without the need to develop a special mobile application.

ATM software & management

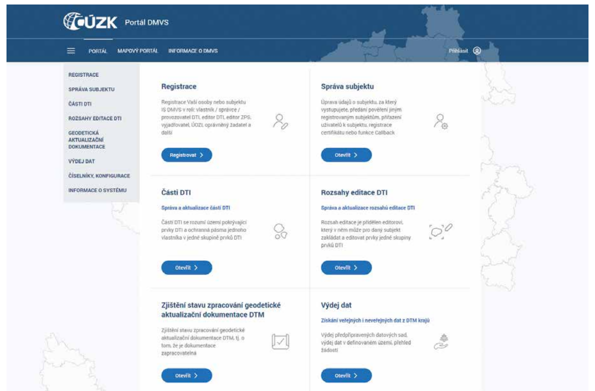
Asseco ATM Software solution implemented for Slovenská sporiteľňa enables transfer of certain work tasks from the Bank´s personnel to the ATM network. The implementation of this customizable software has increased the efficiency of execution of standard cash transactions and payment orders. Now, clients can draw cash using a mobile phone instead of a payment card.

eČakacie listiny (waiting lists)

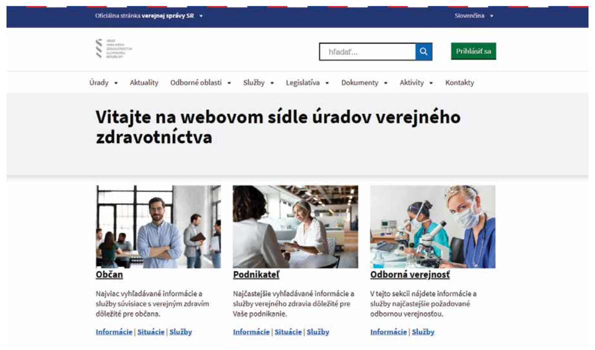
We expanded the portfolio of services and applications of VšZP (a health insurance company) by a comprehensive information system taking care of the list of insured persons waiting for planned healthcare provision. The information system had been developed to meet the legislative requirements set out by Act 540/2021 and Decree 316/2022 on hospital care categorization. In implementing the information system, we used the know-how acquired from registration of waiting lists pursuant to older legislation and the functionalities of the applications already in use, e.g. ePobočka, ZPIS, IPK, a mobile application, and IPEP, and developed a brand-new application – Waiting Lists through which VšZP personnel can actively manage suggested planned healthcare and communicate with both healthcare providers and the insured.



Video management system with elements of artificial intelligence for Nové Mesto nad Váhom.



Portal DMVS for ČUZK.



Portal ÚVZ.

Human **Resources**

Asseco CE is one of the major employers in the IT field in Slovakia and the Czech Republic. Our employees are the force behind all our success and create the values that last in the long run. The aim of our company and HR policy is therefore to find a space for the future enhancement of the knowledge and development of the skills of our employees, supporting their professional and personal potential, creating a suitable working environment at all levels, enabling the integration of work life and personal life, and engaging employees in contributing towards the success of their teams and thus also our entire company.

Mendel's career day.

My relationships as a mirror workshop.

Business breakfast at FIIT STU in Bratislava.

Employees of Asseco CE

Asseco CE deems each milestone in the working life of its employees to be important – be it recruitment, pre-onboarding, employee adaptation, incentives, remuneration, education, or employee evaluation, including changes in working conditions, promotion, and achieving higher added value within HR processes. Asseco CE selects employees carefully based on their knowledge, skills, practical experience, and personal characteristics required in respect of any given job regardless of their nationality, age, gender, etc.

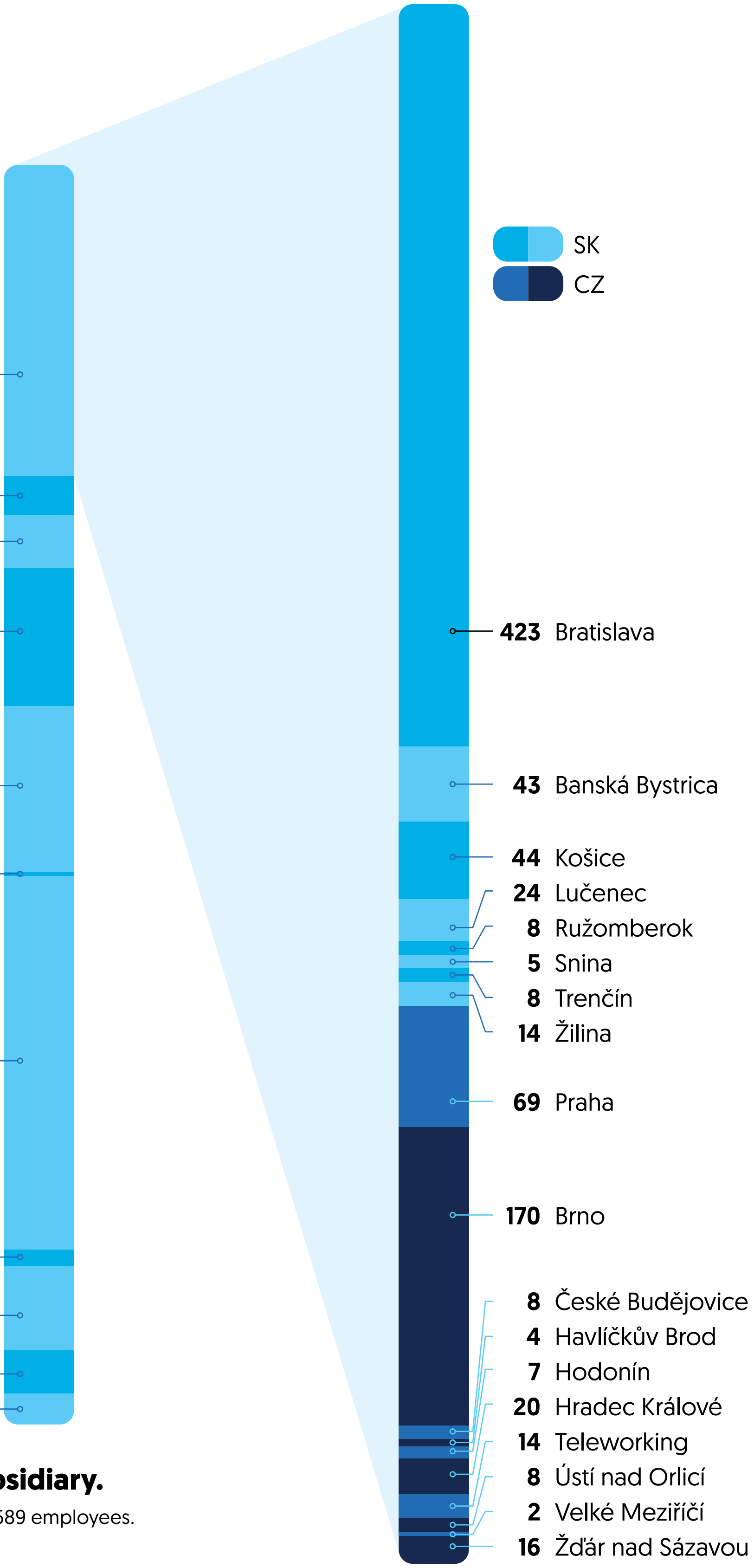
Employee care

Asseco CE employees are motivated not only by stable financial remuneration and various benefits depending on individual performance. The company cares systematically and provides an extensive social programme within which it organises and contributes towards various sports, cultural, and social activities to cater for relaxation after work and to support the loyalty and cohesion of work teams. Employees may benefit from discounts and contributions towards travel, cultural, sports events, and relaxation. In 2023, we also expanded family benefits to families with adopted or foster children or foster families. Active personal communication of the HR team with managers and employees in all countries has become a standard part of Asseco CE´s life, and HR activities have become an informal element in all divisions. Awards are distributed annually on service anniversaries to the best teams and other results are announced at company-wide events. During the last year, we continued activities aimed at support for employees' healthy lifestyles, such as Health Days and Fruit Days. We focused more intensively on the topic of well-being during our Mental Health Days. We continue the tradition of a Christmas Party for employees and a St. Nicholas event and presents for children. The company also promotes teamwork and building a cohesive team atmosphere through contributions to teambuilding activities. In addition to the already established programmes, we organised Robotics Days for the first time in 2023. In cooperation with Asseco CEIT and the ROBOmaniac initiative, the children of our colleagues could playfully try out the basics of programming, test their technical skills, and discover interesting facts from the world of technology. Other benefits provided by Asseco CE to its employees are a standard and stable part of the social programme.

As we are a company characterised by personal contact at work, our specificity is operating in a hybrid model. We are working to ensure that our employees are able to perform steadily both on and off the job, even after the COVID-19 pandemic. At the same time, mental health is an important topic for us, which is why our employees have the opportunity to use professional counselling and coaching online or on company premises, where they have the space to address both work and personal issues.

Number of employees by subsidiary.

At the end of 2023, Asseco CE group had 3,589 employees.



Employee structure Asseco CE SK and CZ by location.

At the end of 2023, the company and its subsidiaries with the same name in the Czech Republic had 887 employees, including 318 in the Czech Republic and 569 workers in Slovakia. Employees of Asseco CE work out of major cities (Bratislava, Prague) and at branches in the regions of Slovakia and the Czech Republic. The company thus promotes the employability of skilled professionals outside the capital city and closer proximity of workers to clients. Through its subsidiaries, the company employs almost 2,702 additional people

Development and education

Asseco CE perceives the development of employees as one of its key areas. Employee education is carried out in several forms:

ACE Academy – presents an internal employee education model. ACE Academy has become an important part of the employee development process. The objective of ACE Academy is to educate employees, to enhance their qualifications, expertise and skills via internal training and workshops taught by our senior employees. The training catalogue includes so-called hard skills training events that form the majority, but it also includes training events focusing on business topics such as finance. Employees may also choose from the catalogue training events focusing on soft skills, particularly communication and presentation skills. Some topics are presented via classical training forms, others include practical training or interactive workshops depending on the topic and preferences of the lecturer. Internal training events have proven to be an adequate form of employee development, which we continuously support and develop. In 2023, ACE Academy was attended by 140 employees and the number of training hours exceeded 950.

Inspiring workshops – an education programme aimed at promoting interpersonal and intrapersonal skills, through which every employee has an opportunity to perceive work approaches through their own personality. A workshop is any easy form of learning for each employee. As part of the inspiring development for everyone, we organised a series of five interactive workshops called Attitude Matters. The aim was to encourage forward thinking and engagement amongst our employees through an introduction to our company's vision and values. Employees have also greatly appreciated the practical first aid courses organised at several locations.

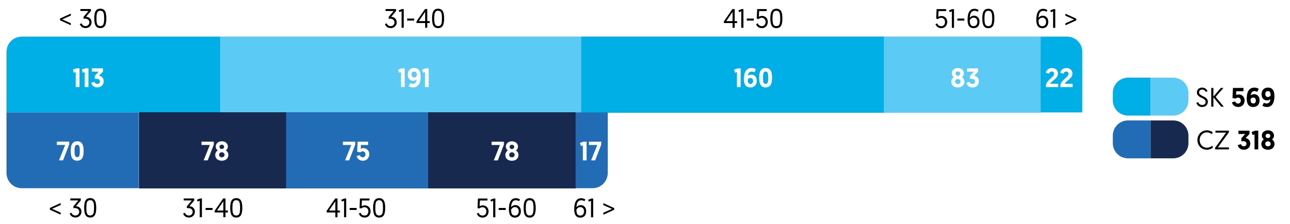
External education – participation in external educational activities, courses held locally and abroad, seminars, and conferences focusing on expertise and soft skills. The company makes efforts to coordinate these activities centrally and strategically while taking into account the individual needs of employees.

Certification programmes – acquisition of expert partner certificates allowing us to react to standards and trends within the IT market and represents an important part of educational activities.

As part of the new ACESHIP project, we started training team leaders in 2022 and 2023, supporting them in leadership communication and team leadership. In total, we have trained 135 ACE team leaders. In addition to developing leadership skills and sharing practical experience, the ACESHIP programme has also produced useful documents that we have incorporated into our internal regulations and are able to use in our daily management practice – namely the Managerial Competence Model, presenting an overview of the competences and their manifestations that every managerial employee of our company should meet, and the Standard for Managerial Employees, which provides various guidelines and practical tips for dealing with basic and common managerial situations in practice. The first rounds of systematic development have laid a solid foundation for the development of our leaders in the following periods.

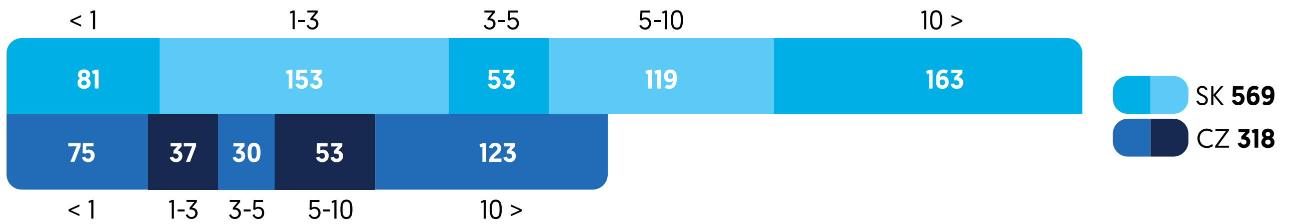
In the Czech Republic, we took the opportunity to train employees in contact positions in communication and presentation skills using funding from the EU funds. Under the guidance of a trainer, 74 employees were trained.

In 2023, 291 employees attended external technical training, with the total number of lessons exceeding 3,500. Soft skills training was attended by 106 employees and the total number of lessons exceeded 2,300. In addition, employees had the opportunity to attend language courses for up to two lessons per week.



Employee structure by age.

The employee age structure has been balanced over the long term. The average age in Slovakia is 40.77 years and 41.99 years in the Czech Republic.



Employee structure by length of service.

Hiring the workforce

Asseco CE primarily supports professional and career development from among its own staff. Another source of recruitment is the recommendation of external candidates by existing employees. It also uses online job portals, collaboration with universities, student organisations, and the services of recruitment agencies and today´s popular social media, thanks to which personal outreach to candidates is becoming an increasingly important tool in recruitment. Asseco CE sees the process of staffing as one of the most crucial processes, because the business is the product of human capital and we consider it to be important that new employees not only meet the qualifications but are also compatible with the company culture. Asseco CE develops its employer brand in the labour market throughout recruitment and other associated activities, which plays an important role when addressing and winning high-quality candidates. To improve the employee selection process, the company makes use of interviews held via the telephone and during personal meetings, expert testing and psychological diagnostic methods.

Cooperation with students

Asseco CE has actively cooperated with several tertiary education institutions in the Czech Republic and Slovakia. Asseco CE provides secondary school and university students with an opportunity to learn in practice all year around, both during the academic year and holidays, through study stays and practical training. Moreover, experts from our company share their knowledge and experience through consultations with university students working on their final papers, theses, or other scientific publications within their professional training. We realise that cooperation with students is key not only when it comes to winning quality employees and to achieving success in a relatively dynamic IT labour market, but it also represents an important pillar within the development of the employer brand in both countries.

Employer branding

In 2023, we were actively engaged in brand perception not only from the outside, but also from within the company, and received a large number of suggestions. Brand awareness, along with our values, is something that prospective job seekers evaluate us on and can be a significant factor in their decision-making process about changing employers.

Employee structure by gender.

Asseco CE employs 569 people in Slovakia, with 197 women. In the Czech Republic it employs 318 people, with 84 women.

Employee structure by education.

Asseco CE employs 392 university graduates in Slovakia and 216 in the Czech Republic.

Public **Relations**

UpSteer Community Event.

Radek Baloun (left) at the ISSS conference.

SME Healthcare Summit.

Christmas charity market at the headquarters of Asseco CE.

The Asseco CE company understands communication with the public as a necessary and, in particular, continuous process through which it presents the company brand and identity to external and internal target groups. The Company's communication consists of several lines. Firstly, the Company aims to increase brand awareness and to promote Asseco CE as a leader in the software development area and as an innovative and reliable company providing high quality services and products of the world-class excellence. Secondly, the Company wants to increase market awareness of its solutions and products, to foresee occurrence of future business opportunities within the competitive environment and to lead a dialogue with all stakeholders within creation of long-term relationships. Interactive communication with potential employees and students represents another important channel.

Relations with stakeholders

Our commitment to delivering innovative and reliable solutions, services and systems has translated into building open and proactive relationships with our international stakeholders and communities including employees.

We see both external and internal communication as an opportunity to spread our shared values and openness to change in relation to inform about our successful solutions for the digitalization of the society. Our goal in corporate responsibility is to bring benefit to the entire society and to offer our clients new opportunities to grow. Communication with the external environment has focused on raising brand awareness while designing, targeting and executing campaigns tailored to a selected audience with customer potential. Another part of external communication focused on partner communication with existing customers. Equally important were the activities aimed at consolidating dialogue with all stakeholders in order to create long-term and sustainable relationships and to perceive Asseco as a modern and innovative company attractive to future employees, including students.

Internal communication

In Asseco, we believe that behind all our results are our employees and how we motivate and inspire them. Therefore, we continuously focus on the content, accessibility and availability of information in our internal communications to help our colleagues in their work and to create an internal community.

Since 2021, we have been using intranet based on the Sharepoint platform, which is not only a working tool but also a space for open discussion. There is an internal magazine with outreach to every location and branch and a monthly newsletter for employees. Another information channel are screens in Bratislava, Prague and Brno, where we inform about current events, new projects and planned events. A team channel Asseco TALK was established, through which all employees can communicate on various topics from the project environment and everyday life in ACE. Asseco CE employees are also present on the company's social networks, which are Instagram, Facebook and LinkedIn (LI). These are thus used not only for external but also internal communication. The company regularly informs about the most recent projects and activities on its social networks.

In 2022, we launched the "Think Assecologically" campaign to inspire employees to behave in an environmentally friendly way. In the Bratislava headquarters, there are stickers with QR codes on which employees can find a variety of useful information supporting the campaign's idea. The platform of internal ambassadors has also become an integral part of internal communication, and through them we communicate the most important topics relevant to our employees. We care about the opinions of our employees and therefore we try to regularly gather feedback on the implemented events and activities through questionnaires. The suggestions are considered in the relevant way and help us to continuously improve and meet the current needs of our employees. Last year we launched a project focused on Employer Branding in the company and completed the first analytical phase.

External communication

The Company has been actively looking for various external presentation opportunities. We communicate with media via the Company's website, press releases, direct comments and interviews. In 2023, we continued the communication of important news and novelties via our company's LinkedIn, Facebook, and Instagram accounts. In the distribution of content in external communication, a large part of the support is provided by the employees themselves, who are ambassadors of the LI social network in particular. We contribute with expert articles about global business strategies in the area of digital solutions, opinions on various issues, authorial texts published in Czech and Slovak periodicals, and we also participate in events organized by those media. We present our knowledge gained through development of the latest IT solutions at expert conferences held in Slovakia, the Czech Republic and other countries. To support the digitization processes in both Slovakia and the Czech Republic, we often act as a partner of expert and social meetings such as SME Healthcare Summit and SME Digital Healthcare in Slovakia and ISSS in Hradec Králové or regular Czech e-government conference in Mikulov.

Sponsoring and social responsibility

The Company's business model for long-term sustainability envisages continuous efforts to balance the interests of shareholders and clients and requirements associated with the environment. In the last year, we further strengthened our cooperation with long-standing partners – non-profit organizations.

Because we see the importance of supporting start-ups in Slovakia and the Czech Republic, we opened the first year of the UpSteer incubator in 2023. We strive to help young people to be motivated to develop their business plans in the domestic market. In the Asseco CE UpSteer Incubator, over the course of about seven months, participants will receive mentoring from specialists in our domain areas, while we will also provide them with domain-specific support using insights from the field. This is why we primarily invite technology companies, ideally from our domain areas, to join the incubator.

During the year 2023, several volunteering activities took place in Slovakia and the Czech Republic. At the end of the first half of 2023, Asseco CE employees joined the most extensive corporate initiative for volunteers in Slovakia - Our Town - for the eleventh time, joining during this years more than 93,000 other volunteers.

We didn't forget about hospital patients either, and the Asseco Blood Drop project, which we organized in cooperation with the National Transfusion Station, only confirmed that good deeds are literally in our blood. Forty colleagues from ACE, exe and Asseco Solutions came to donate.

We took part in the collection of toys and books of the Yellow Duck Foundation and brought smiles to children from orphanages, special kindergartens and primary schools. During the pre-Christmas period volunteering activities continued. In the Czech Republic, specifically in Prague and Brno, we supported children and their parents from socially disadvantages families, asylum homes, and low-threshold centres within the national initiative "Krabice od bot" (Shoebox). Toys, school accessories, books, clothes and also dried fruit and gingerbread were delivered via collection points and then to the children in need. In Bratislava, we sent Christmas packages to the clients of the Social Services Centre in Petržalka, who had communicated their wishes to us in advance. At the same time, we had the opportunity to organize our traditional Asseco Charity Christmas Market with beautiful handmade products, which took place in a line-up of several sheltered workshops in Bratislava and Brno.

Within our Company we also strive to develop talents in the field of education, sports, culture as well as information technology. We cooperate with Slovak and Czech universities and their faculties focusing on IT and assist in professional preparation of students for practice (via experience exchange events, study stays) through which we have the opportunity to contribute to the improvement of conditions in the Slovak education system. In 2023, we again, as a general partner, supported the non-profit organization Junior Chamber International (JCI) Slovakia which organized the competition entitled Slovak University Startup Cup. The project aims to support young people and students to start a business, keep educating themselves, and to work on themselves. At the same time, we were a partner of the JCI Slovakia Annual Conference and a partner of the Student Personality of the Year competition, organized by JCI.

Analysis **of Financial Results**

Analysis of Financial Results
Asseco Central Europe

The Asseco Central Europe, a.s. Slovakia company reported the following financial results for the twelve-month period ending 31 December 2023 ("2023") and the comparable twelve-month period ending 31 December 2022 ("2022"):

EUR thousands	2023	Margin	2022	Margin	Change y/y
Sales revenues	59,719	--	63 598	--	-6.1%
Gross margin	7,988	13.4%	15,537	24.4%	-48.6%
Operating profit	1,607	2.7%	9,034	14.2%	-82.2%
Pre-tax profit	10,563	17.7%	10,751	16.9%	-1.7%
Net profit for the period	**10,075**	**16.9%**	**10,159**	**16.0%**	**-0.8%**

In 2023, the Company´s revenues dropped to EUR 59.7 million.

Sectors Insurance and Other Public Administration Entities recorded increases in revenues by EUR 0.3 mil and EUR 0.6 mil respectively. On the other hand, the Central and Local Governments sector recorded a drop by EUR 2.5 mil and sectors Healthcare, Other Entities, and Banking recorded drops by EUR 0.9 mil, EUR 0.8 mil, and EUR 0.7 mil respectively.

In terms of the structure of products, the Equipment sector recorded a year-on-year increase by EUR 0.6 mil. The sale of proprietary software and services and other services recorded a year-on-year drop by EUR 1.1 mil and the sale of third-party software and services recorded a year-on-year drop by EUR 3.3 mil, which was partially caused by the Cloud Division´s hive-off.

The Company continued optimization of both internal and external costs, but complex market and economic conditions had a negative impact on individual margin levels.

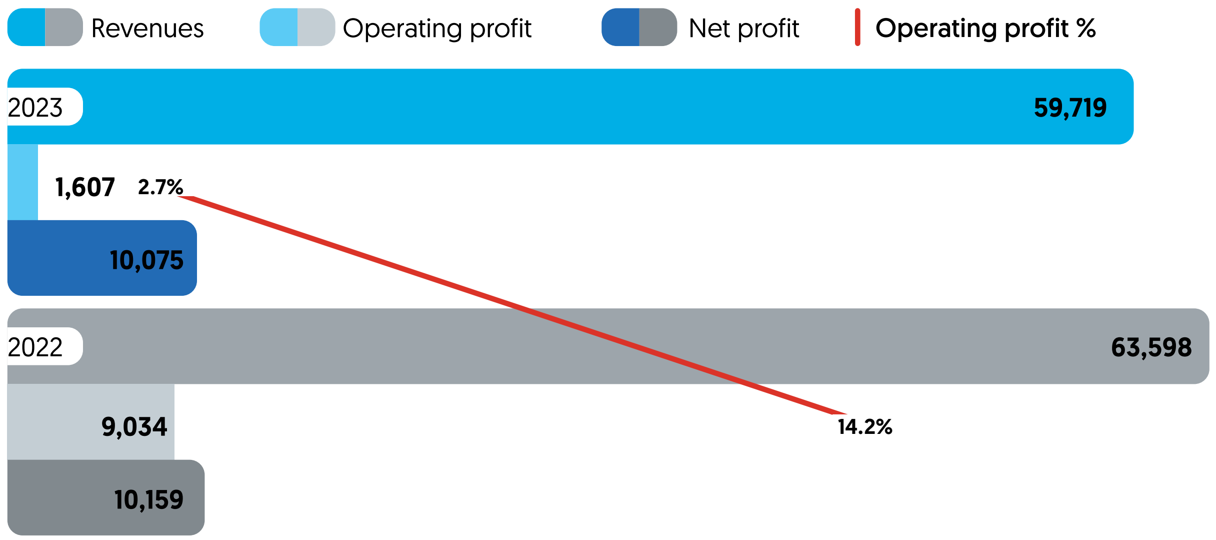
The gross margin dropped by EUR 7.5 mil. The Company has long been trying to reduce the share of purchased subdeliveries (compared to the year 2022, COGS dropped by 7.6%), but those efforts did not compensate for the year-on-year decline in revenues by almost EUR 3.9 mil (compared to 2022, the revenues dropped by 6.1%). This influence along with an increase in production costs, in particular in sectors Public and Healthcare, resulted in an EBIT drop by EUR 7.4 mil (sectors Public and Healthcare account for the largest share amounting to EUR 5.5 mil) and due to that the operating margin dropped from 14.2% to 2.7%.

The loss was compensated by an increase in the profit from financial activities, which amounted to EUR 7.2 mil (in 2022, the Company created provisions in the amount of EUR 5.5 mil for investments).

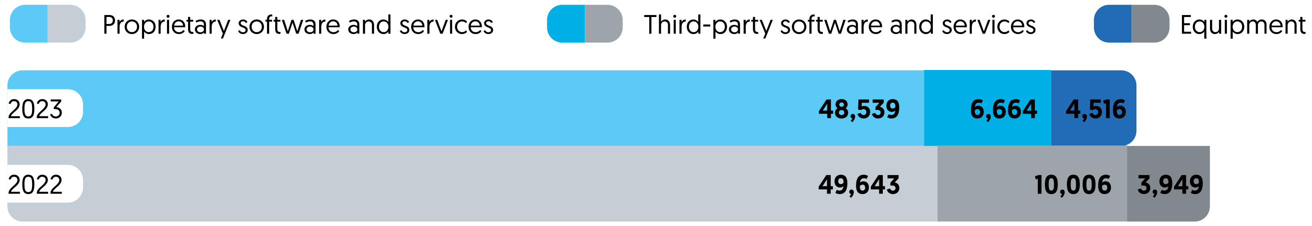
In 2023, the Company recorded the pre-tax profit in the amount of EUR 10.563 mil where dividends amounting to EUR 9.99 mil from subsidiary companies represent its largest portion.

In 2023, the Company recorded the net profit at the level of the preceding year (EUR 10.1 mil in 2023 vs. EUR 10.2 million in 2022).

Financial Results (EUR thousands)



Revenues structure by type (EUR thousands)



Analysis of Financial Results
Asseco Central Europe Group

The Group reported the following financial results for the twelve-month period ending 31 December 2023 ("2023") and the comparable twelve-month period ending 31 December 2022 ("2022"):

EUR thousands	2022	Margin	2021	Margin	Change y/y
Sales revenues	374,514	--	337,155	--	11.1%
Gross margin	98,388	26.3%	92,353	27.4%	6.5%
Operating profit	43,222	11.5%	43,101	12.8%	0.3%
Pre-tax profit	41,913	11.2%	41,216	12.2%	1.7%
Net profit for the period	**32,983**	**8.8%**	**33,887**	**10.1%**	**-2.7%**

The Group recorded an 11.1% year-on-year increase in revenues in connection with the following companies: AES Group (+ EUR 26.03 mil), EXE (+ EUR 6.97 mil), Asseco CZ (+ EUR 6.29 mil), and CEIT (+ EUR 3.51 mil). Asseco SK recorded a drop in revenues by EUR 3.88 mil and Berit DE and CH recorded jointly a drop by EUR 0.88 mil.

The gross profit increased by 6.5% on the year-on-year basis. Product-oriented companies achieved a growth of this indicator – AES Group (+ EUR 8.7 mil), Asseco CE operating in the Czech Republic (+ EUR 3.1 mil), and CEIT Group (+ EUR 2.0 mil). On the other hand, the poorer results of the project-oriented company Asseco CE operating in the Slovak Republic (a drop by 7.5 million EUR) resulted in a decline in this indicator.

The costs associated with sales increased by 7.3% on the year-on-year basis. Administrative costs recorded a 12.1% year-on-year increase, which translates in absolute numbers as EUR 3.6 million. It was primarily the ABS company who contributed to this situation with its increase in administrative costs by EUR 1.3 mil, and companies ASOL CZ and ASOL DE (belonging to the AES Group) whose administrative costs increased by EUR 0.9 mil and EUR 0.2 mil respectively.

The Group achieved the operating profit of EUR 43.22 mil (a 0.3% year-on-year increase).

The pre-tax profit increased by 1.7% on the year-on-year basis. The Group´s net profit dropped by EUR 0.9 mil and reached EUR 32.98 mil in total. The profit allocated to shareholders amounted to EUR 10.40 mil, which means a drop by EUR 4.2 mil compared to the previous year caused primarily by lower outputs of ACE SK and in Hungary.

A major part of revenues was generated through the sale of proprietary software and services – the 2023 sales amount to over EUR 297.6 mil, which represents an increase by more than EUR 38.5 mil compared to 2022. The infrastructure sector – sale of third-party software and services and re-sale of computer hardware and infrastructure – recorded a drop by EUR 1.2 mil.

The Asseco Central Europe Group covers four major operating segments.

The Asseco Central Europe segment includes the parent company and its Czech subsidiary company bearing the same name, companies Asseco Berit operating in Germany and Switzerland, Exe, Asseco CE Cloud, and Galvaniho .

The Asseco Solutions segment consists of the Asseco Enterprise Solutions Group supplying proprietary ERP products and related services.

The CEIT Group represents an independent operating segment; the "Others" segment consists of the ACE Magyarország company based in Hungary.

In 2023, the Asseco Central Europe segment recorded a 5.7% increase in the revenues from external customers (+ EUR 7.9 mil) with companies Asseco CZ and Exe being major contributors.

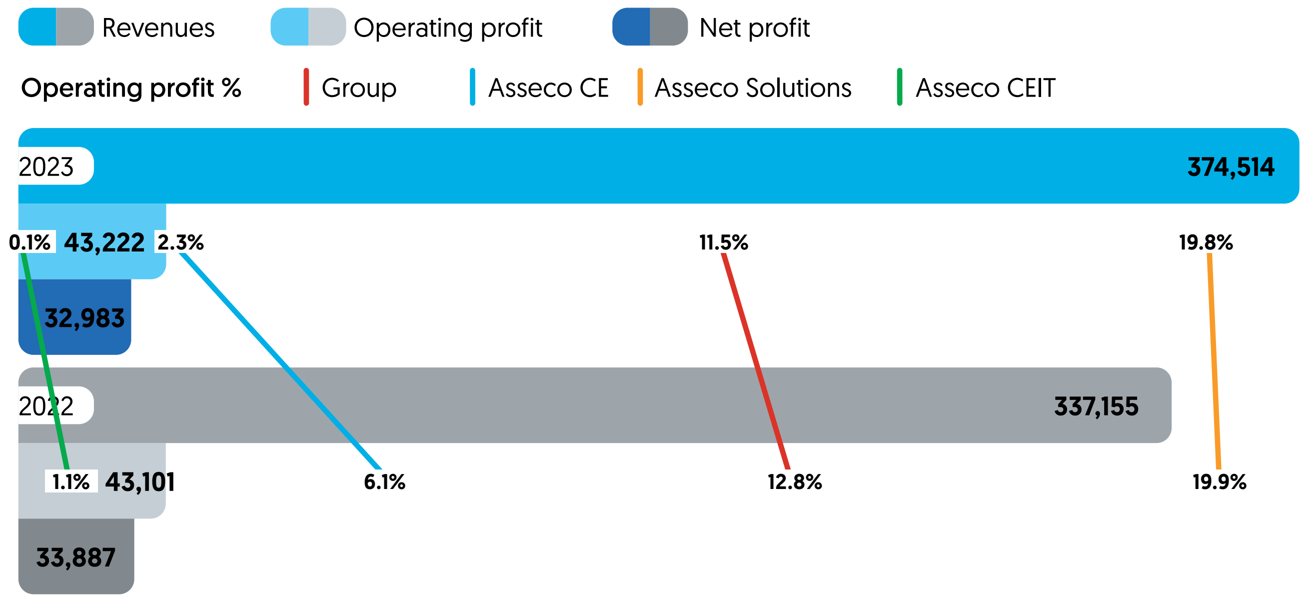
The operating profit in the Asseco Central Europe segment dropped by EUR 6.4 mil on the year-on-year basis down to EUR 2.3 mil due to a drop in the operating profit recorded by Asseco SK (- EUR 7.4 mil), which led to an operating profit drop from 6.0% to 1.4%.

Compared to 2022, the Asseco Solutions segment recorded better results in 2023 – its revenues increased by 14.5% and the operating profit increased by 13.8% and reached EUR 40.6 mil. Out of all segments, this one reports the highest profitability and achieved 19.8% in 2023.

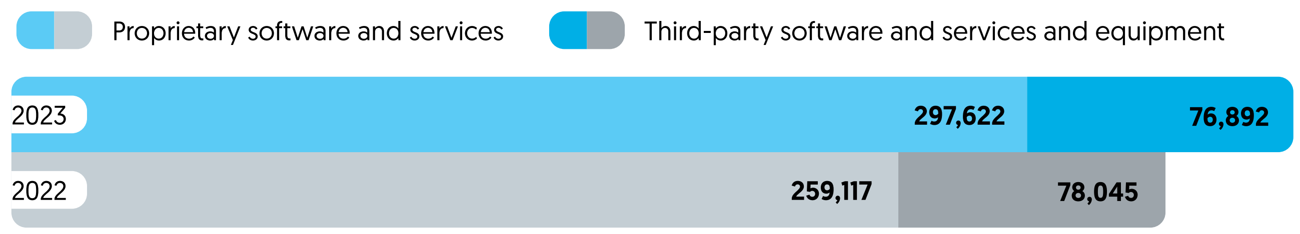
The CEIT segment consists of the companies belonging to the CEIT Group and in 2023, it recorded a year-on-year increase of EUR 3.5 mil in the revenues from external customers, which reached EUR 17.2 mil. The operating profit net of the effect of sale of assets increased by EUR 1.8 mil on the year-on-year basis.

Compared to 2022, the "Others" segment recorded an increase with the operating profit of EUR 0.9 mil.

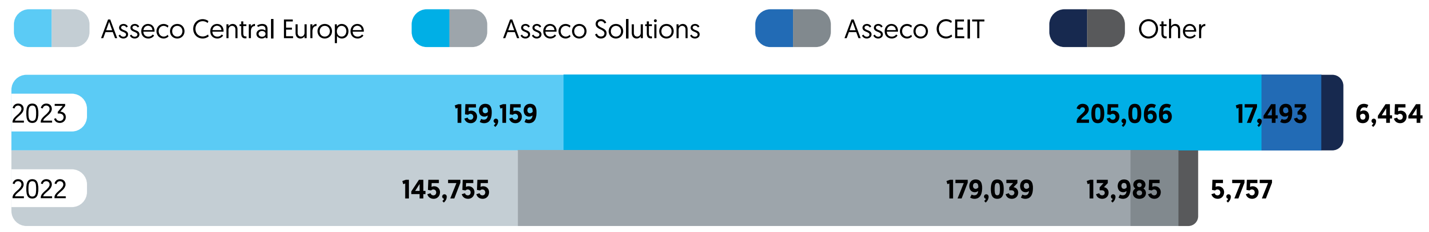
Financial Results (EUR thousands)



Revenues structure by type (EUR thousands)



Revenues structure by segments (EUR thousands)



Report on the Activities **of the Supervisory Board**

to the annual separate financial statement and consolidated financial statement of Asseco Central Europe, a. s. for the year 2023

In 2023, the Supervisory Board of the Company met, as required, online or via communication devices.

On January 25, 2023, we agreed to grant a separate proxy to Mr. Karol Csiffáry as resolved by the Company's Board of Management.

On February 21, 2023, we agreed to establish a new subsidiary company, DSDP consulting, Ltd.

At the meeting held on March 17, 2023, we noted and recommended the following to the General Meeting of the Company for approval:

- the Company's individual and consolidated results;
- the Company's Annual Report and the Company's Consolidated Annual Report for 2023;
- the distribution of the Company's profits as proposed by the Company's Board of Directors;
- The Supervisory Board's report on the financial statements and the activities of the Management Board for the year 2023;
- selection of the auditing company Ernst & Young Slovakia, spol. s r.o. to perform the auditing activities for the year 2023.

We took note of the Board of Directors' forecast of budget execution for Q1 2023 and until the end of 2023. Under miscellaneous items, the Chairman of the Board of Directors presented the Vision, Mission and Strategy of the Company for 2023-2025. We noted and approved the conclusion of the Shareholders' Agreement of Asseco Enterprise Solutions, a.s. dated March 15, 2023 regarding the increase of the share capital of Asseco Enterprise Solutions, a.s.

On April 27, 2023, at our meeting, we elected Ing. Vladimír Dzurilla as a member of board of directors with effect from May 01, 2023.

On May 26, 2023 we agreed to sell our own shares to Asseco International, a.s. in the amount of 213,600 units.

At the meeting held on June 30, 2023, we took note of the Company's individual and consolidated financial results for the first quarter of 2023 and the forecast of budget execution for the first half of 2023 and until the end of 2023. At the same time, we agreed to sell a part of the Company's business to the subsidiary Asseco CE Cloud, a.s., of which the Company is the sole shareholder. This company specializes in the provision of infrastructure and technical support services.

On the proposal of the Board of Directors, we dismissed Ing. Petr Lakata from the position of a member of the Board of Directors with effect from July 12, 2023.

At the meeting on September 22, 2023, we took note of the Company's individual and consolidated financial results for the first half of 2023 and the budget forecast for Q3 2023 and until the end of 2023 as well as the cash flow until the end of 2023.

The Chairman of the Board informed about the main external and internal reasons for the critical situation. At the same time, he presented a number of solutions to the unfavourable situation presented.

At the meeting on December 19, 2023, we took note of the forecast presented by the Board of Directors for budget execution until the end of 2023 and cash flow until the end of 2023. We approved the draft budget for 2024 as presented by the Board of Directors, with a forecasted net profit for the Group of € 20.40 million.

We elected Martin Chripek as a member of the Board of Directors with effect from January 01, 2024.

We have agreed to the submitted plan for consolidation of shares in EdgeCom, Inc. and exe, Inc. i.e. acquisition of the remaining 65% shareholding in EdgeCom, Inc. followed by contribution of 100% shares in EdgeCom, Inc. to exe, Inc. We noted the presentation on the status of the tax audit.

The Company's revenue for 2023 decreased by € 3.8 million, or -6.1%, mainly due to a decrease in sales of third party software (€ -3.3 million). For the consolidated results of the ASSECO CE Group, sales revenues increased by more than € 37.5 million, up 11% on the previous year, mainly due to the increase in sales of ERP products and services (up € 26 million).

Profit for 2023 remained at the same level as in 2022 (down € 84k or 0.8%). This decrease was due to a decrease in operating profit of more than € 7m, offset by a higher profit from financing activities (+€ 7.2m compared to 2022). The consolidated profit of the ASSECO CE Group for 2023 was €32.98 million (a decrease of €0.9 million), of which the profit attributable to the shareholders of the parent company amounted to € 10.398 million (a decrease of € 4.2 million or 28.6%). This decrease was mainly due to lower results in ASSECO CE SK and ASSECO CE Hungary.

The Supervisory Board, based on the information on the Company's activities, the review of the regular individual and consolidated financial statements for the financial year 2023 and the auditor's opinion, states that: the Company conducts its business activities in accordance with the applicable legislation, the Company's Articles of Association, the decisions of the General Meeting and the Supervisory Board;

- the company's accounts are properly kept in accordance with the facts and in accordance with the generally binding regulations of the Slovak Republic applicable in this area;
- the proper individual financial statements and the consolidated financial statements have been audited by the auditor, Ernst & Young Slovakia, spol. s r.o;
- the auditor's opinion on the presented annual separate financial statements and consolidated financial statements as at December 31, 2023 is unqualified.

The Supervisory Board recommends that the General Meeting of Shareholders approve the Ordinary Separate Financial Statements and the Ordinary Consolidated Financial Statements for the financial year 2023 and agrees with the Management Board's proposal for the distribution of the Company's profit for the financial year 2023 and recommends that the General Meeting of Shareholders give its approval to its implementation.

We express our gratitude to the Board of Directors of the Company for the management of the Company and the economic results achieved and agree to pay remuneration and bonuses to the Board of Directors.

Bratislava, March 20, 2024

Adam Góral
Chairman of the Supervisory Board

Andrej Košári
Vice-Chairman of the Supervisory Board

Miroslav Kepencay
Member of the Supervisory Board

Marek Panek
Member of the Supervisory Board

Przemyslaw Seczkowski
Member of the Supervisory Board

Company Information **and Contacts**

Company information

Business name: Asseco Central Europe, a. s.

Registered seat: Galvaniho 19, 821 04 Bratislava

Business ID: 35 760 419

V.A.T. ID: SK7020000691

Date of incorporation: 12 February 1999

Legal status: Joint-stock company

Share capital: € 709,023.84

No of shares: 21,360,000

Type and form of shares: ordinary shares, certified shares

Nominal value of share: € 0.033194

Registration: Commercial Register of District Court Bratislava I, Section Sa, insertion 2024/B

Asseco Central Europe's Annual Report is produced annually. It is intended for Company shareholders and clients, business partners and investors, analysts, banks and employees. The report is available electronically in PDF format on Asseco Central Europe's website.

Contacts

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Contact for investors:
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Contact for media:
marketing@asseco-ce.com

Publisher: Asseco Central Europe, a. s.

Company branches

Branches in Czech Republic are the branches of Asseco CE in Czech Republic, subsidiary company of Asseco CE in Slovakia.

Banská Bystrica
Asseco Central Europe, a. s.
J. Chalupku 3 a 5
974 01 Banská Bystrica
Slovak Republic

Košice
Asseco Central Europe, a. s.
Werferova 1
040 11 Košice
Slovak Republic

Lučenec
Asseco Central Europe, a. s.
Martina Rázusa 35
984 01 Lučenec
Slovak Republic

Ružomberok
Asseco Central Europe, a. s.
A. Bernoláka 6
034 50 Ružomberok
Slovak Republic

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Asseco Central Europe, a. s.
Strojárska 113
069 01 Snina
Slovak Republic

Trenčín
Asseco Central Europe, a. s.
Dolný Šianec 1
911 01 Trenčín
Slovak Republic

Žilina
Asseco Central Europe, a. s.
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010 08 Žilina
Slovak Republic

Praha - Headquarter
Asseco Central Europe, a. s.
Budějovická 778/3a
140 00 Praha 4
Czech Republic

Brno
Asseco Central Europe, a. s.
Šumavská 524/31
602 00 Brno
Czech Republic

České Budějovice
Asseco Central Europe, a. s.
Žižkova tř. 1915/1b
371 18 České Budějovice
Czech Republic

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Asseco Central Europe, a. s.
Smetanovo náměstí 279
580 01 Havlíčkův Brod
Czech Republic

Hodonín
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Za Dráhou 4268/1
695 01 Hodonín
Czech Republic

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500 02 Hradec Králové
Czech Republic

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562 01 Ústí nad Orlicí
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Czech Republic

Žďár nad Sázavou
Asseco Central Europe, a. s.
Havlíčkovo náměstí 2
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Czech Republic

asseco
CENTRAL EUROPE

Asseco Central Europe, a. s.

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Slovak Republic

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+421 220 838 555

ASSECO CENTRAL EUROPE, a. s.

SEPARATE FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION

BRATISLAVA, 14 MARCH 2024

FINANCIAL STATEMENTS
OF ASSECO CENTRAL EUROPE, a. s.
INCLUDING INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Contents

Financial Statements of Asseco Central Europe, a.s. including Independent Auditors´Report for the year ended 31 DECEMBER 2023

These financial statements were prepared on 14 March 2024 and authorized for publication by the Board of Directors of Asseco Central Europe, a. s. on 14 March 2024.

Board of Directors:

RNDr. Jozef Klein	Chairman of the Board of Directors
Ing. Branislav Tkáčik	Member of the Board of Directors
Ing Vladimír Dzurilla	Member of the Board of Directors
Ing Martin Chripko	Member of the Board of Directors

Person responsible for maintaining accounting books:

Zuzana Oravcová	Chief Accountant

Financial Statement of Income and Other Comprehensive Income

Asseco Central Europe, a. s.

INCOME STATEMENT	Note	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Sales revenues	4.1	59,719	63,598
Cost of sales	4.2	(51,731)	(48,061)
Gross profit on sales		**7,988**	**15,537**
Selling costs	4.2	(495)	(647)
General and administrative expenses	4.2	(5,951)	(5,873)
Net profit on sales		**1,542**	**9,017**
Other operating income	4.3	152	86
Other operating expenses	4.3	(87)	(69)
Operating profit		**1,607**	**9,034**
Financial income	4.4	10,027	14,999
Financial expenses	4.4	(1,071)	(13,282)
Pre-tax profit		**10,563**	**10,751**
Corporate income tax (current and deferred portions)	4.5	(488)	(592)
Net profit for the period reported		**10,075**	**10,159**
Earnings per share attributable to Shareholders of Asseco Central Europe, a. s. (in EUR): Earnings per share form counting operations for the reporting period	4.6	**0.47**	**0.48**

OTHER COMPREHENSIVE INCOME			
Net profit for the period	4.6	**10,075**	**10,159**
Other items of comprehensive income		**(804)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD attributable to:		**9,271**	**10,159**
Shareholders of the Parent Company		**8,560**	**9,277**
Non-controlling interests		711	882

All figures in thousands of EUR, unless stated otherwise 5

Financial Statement of Financial Position

Asseco Central Europe, a. s.

ASSETS	Note.	31 Dec 2023	31 Dec. 2022
Non-current assets			
Property, plant and equipment	5.1	2,175	2,833
Intangible assets	5.2	11,408	11,450
Right-to-use assets	5.3	11,303	12,331
Investment in subsidiaries and joint operation companies	5.5	94,224	92,443
Investment in associated companies	5.7	1,344	3,721
Non current loans	5.8	-	-
Non current other receivables	5.12	-	-
Deferred income tax assets	4.5	929	1,336
Non current deferred expenses	5.9	78	16
		121,461	**124,130**
Current assets			
Inventory	5.10	98	586
Trade accounts receivable	5.12	7,561	9,143
Contract assets	5.12	4,190	10,642
Corporate income tax receivable	5.12	784	460
Withholding tax and other taxes	5.12	36	213
Other receivables	5.12	2,989	3,933
Shares in non-listed companies	5.8	-	804
Loans granted	5.8	182	82
Other financial assets	5.8	40	209
Currency forwards	5.8	-	11
Cash and short-term deposits	5.13	10,873	3,990
Deferred expenses	5.9	1,709	661
Assets classified as held for sale	5.11	5,284	5,284
		33,746	**36,018**
TOTAL ASSETS		**155,207**	**160,148**

All figures in thousands of EUR, unless stated otherwise

Financial Statement of Financial Position

Asseco Central Europe, a. s.

SHAREHOLDERS' EQUITY AND LIABILITIES	Note.	31 Dec. 2023	31 Dec. 2022
Equity attributable to shareholders of the Parent Company			
Share capital	5.13	709	709
Share premium		74,901	74,901
Treasury shares		-	(1,371)
Other comprehensive income		(804)	-
Retained earnings and other capital reserves		42,598	40,323
Total equity		**117,404**	**114,562**
Non-current liabilities			
Interest-bearing loans	5.15	6,195	7,103
Non-current financial liabilities	5.16	-	150
Non-current lease liabilities	5.17	11,477	12,515
Contract liabilities	5.19	104	23
Non-current trade and other liabilities	5.18	36	108
Non-current deferred income	**5.20**	**-**	**-**
		17,812	**19,899**
Current liabilities			
Interest-bearing bank loans, other loans and debt securities	42 125	2,703	2,290
Trade liabilities	5.18	4,652	6,937
Corporate income tax payable	5.18	-	-
Liabilities to state and local budgets	5.18	2,227	2,166
Financial liabilities	5.16	9	3,589
Lease liabilities	5.17	1,039	656
Contract liabilities	5.19	2,045	2,017
Other liabilities	5.18	5,091	5,094
Provisions	5.20	62	62
Deferred income	5.21	-	-
Accrued expenses	5.21	2,163	2,876
		19,991	**25,687**
TOTAL LIABILITIES		**37,803**	**45,586**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**155,207**	**160,148**

All figures in thousands of EUR, unless stated otherwise

Financial Statement of Changes in Equity

Asseco Central Europe, a. s.

	Note.	Share capital	Share premium	Treasury shares	Other comprehensive income	Retained earnings	Ostatné kaitálové fondy	Total shareholders' equity
As at 1 January 2023		**709**	**74,901**	**(1,371)**	**-**	**40,323**	**-**	**114,562**
Net profit for the reporting period		-	-	-	-	10,075	-	10,075
Dividend for 2022	4.7	-	-	-	-	(8,117)	-	(8,117)
Other comprehensive income for the period		-	-	-	(804)	-	-	(804)
Treasury shares		-	-	1,371	-	-	317	1,688
As at 31 December 2023		**709**	**74,901**	**-**	**(804)**	**42,281**	**317**	**117,404**

	Note.	Share capital	Share premium	Treasury shares	Retained earnings	Total shareholders' equity
As at 1 January 2022		**709**	**74,901**	**-**	**40,417**	**116,027**
Net profit for the reporting period		-	-	-	10,159	10,159
Dividend for 2021	4.7	-	-	-	(10,253)	(10,253)
Treasury shares		-	-	(1,371)	-	(1,371)
As at 31 December 2022		**709**	**74,901**	**(1,371)**	**40,323**	**114,562**

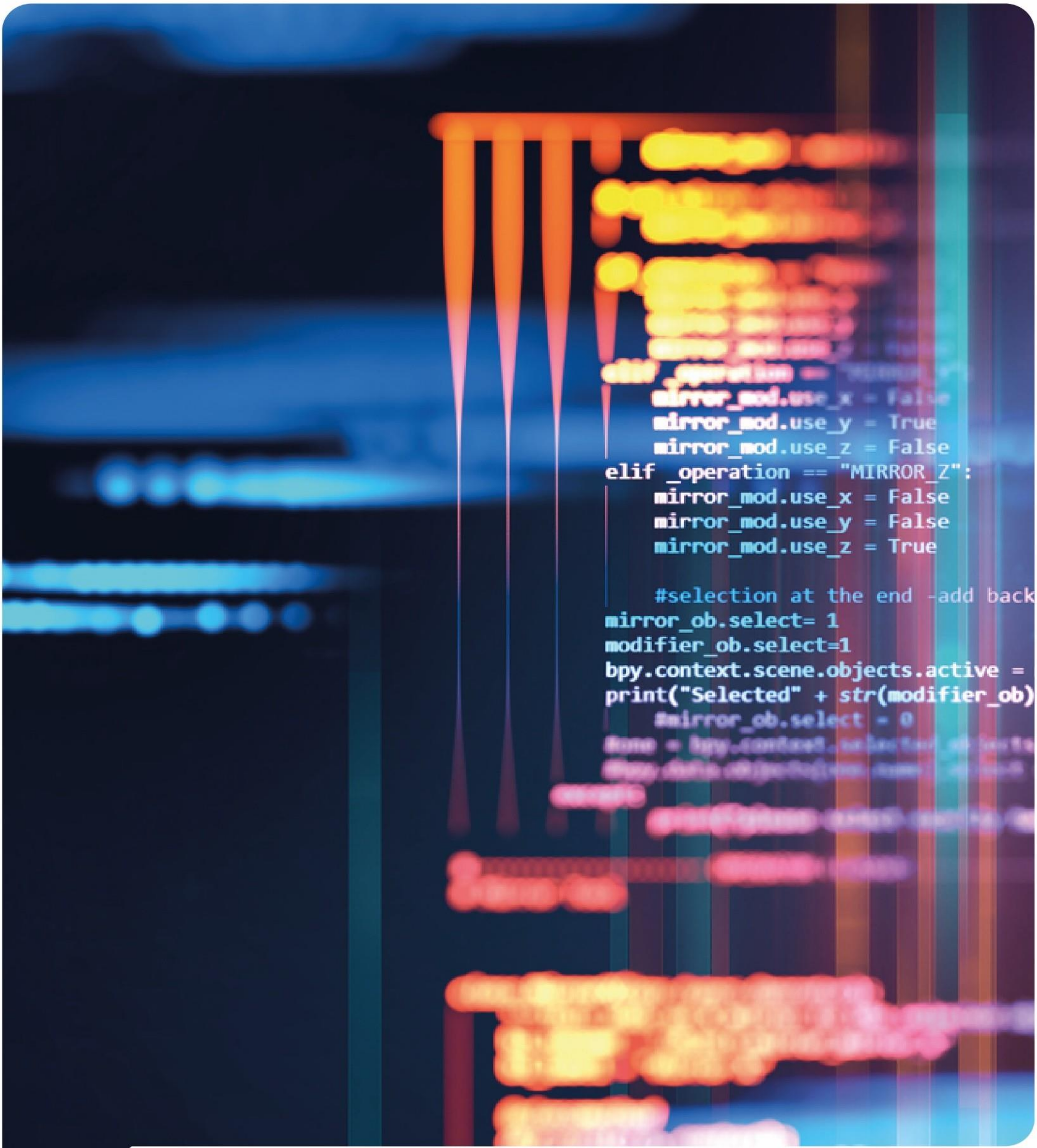
All figures in thousands of EUR, unless stated otherwise

Statement of Cash Flows

Asseco Central Europe, a. s.

	Note	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Cash flows – operating activities			
Pre-tax profit		10,563	10,751
Total adjustments:		**(1,968)**	**(1,539)**
Depreciation and amortization	4.2	2,513	2,237
Changes in working capital	6.1	4,906	3,351
Interest income/costs		233	170
Interest income/cost on lease liabilities		159	153
Foreign exchange differences - income/costs		69	(52)
Gain on investment activities (including dividends)		(9,998)	(14,790)
Profit/loss on disposal of intangible assets		(71)	(42)
Income/cost from financial assets		748	503
Write-off to Investment in subsidiaries		-	12,400
Other financial Income/cost		(19)	-
Asset held for sale		-	(5,284)
Other		-	(185)
Net cash provided by operating activities		**9,103**	**9,212**
Corporate income tax paid		(426)	(755)
Net cash provided by (used in) operating activities		**8,677**	**8,457**
Cash flows – investment activities			
Proceeds from disposal of tangible fixed assets and intangible assets		71	52
Cash inflows from investments in debt instruments at amortized cost	6.2	-	-
Cash inflows from sales/realization of financial assets at fair value through P&L		-	-
Proceeds from sale of investment in subsidiaries	6.2	153	580
Proceeds from sale of investment in associates	6.2	-	200
Acquisition of tangible fixed assets and intangible assets	6.2	(559)	(1,983)
Expenditures related to research and development projects	6.2	(806)	(2,516)
Purchase of financial assets	6.2	-	-
Purchases of investments in debt instruments at amortized cost	6.2	-	-
Purchases/realization of financial assets at fair value through P&L		(35)	(219)
Acquisition of subsidiaries	6.2	(5)	(300)
Acquisition of associated companies	6.2	-	(1)
Loans collected (inflow)	6.2	-	3,670
Loans granted (outflow)	6.2	(200)	(2,100)
Interest received		4	275
Dividends received	6.2	10,978	7,391
Other cash flows from investing activity	6.2	-	(241)
Net cash provided by (used in) investment activities		**9,601**	**4,808**
Cash flows – financing activities			
Proceeds from bank loans and other loans	6.3	982	-
Interest paid		(122)	(67)
Repayments of bank and other loans	6.3	(752)	(5,088)
Leases paid		(707)	(292)
Dividends paid to shareholders of the parent entity	6.3	(10,925)	(7,388)
Dividend paid to non-controlling interests	6.3	(622)	(889)
Acquisition of non-controlling interests	6.3	-	-
Other cash flows from financing activity	6.3	751	(1,071)
Net cash provided by (used in) financing activities		**(11,395)**	**(14,795)**
Net increase (decrease) in cash and cash equivalents		**6,883**	**(1,530)**
Net cash and cash equivalents as at 1 January		3,990	5,520
Net cash and cash equivalents as at 31 December	**5.12**	**10,873**	**3,990**

All figures in thousands of EUR, unless stated otherwise



Supplementary Information and Explanations of the Financial Statements

Supplementary Information and Explanations of the Financial Statements

I. General information

Asseco Central Europe, a. s. ("the Company", "the Parent Company", "the Issuer") "), is a joint-stock company with its registered seat at Galvaniho 19045/19, 821 04 Bratisława, Slovakia. During year 2021 and 2020 Company's registared seat was Trencianska street 56/A, 821 09 Bratislava, Slovakia and the change was done on February 2nd 2022. Company identification number (IČO) of the Company is 35760419 and its tax identification number (DIČ) of the Company is 2020254159.

The Company was established on 16 December 1998 and was entered in the Commercial Register on 12 February 1999 under its original name of the Company ASSET Soft, a. s. which was changed to Asseco Slovakia, a. s. and the the new name entered in the Commercial Register on 21 September 2005. On 28 April 2010, the Company again changed its name to Asseco Central Europe, a. s. which was entered in the Commercial Register of the District Court Bratislava I of the Slovak Republic on the same day.

The Company's shares were listed on the main market of the Warsaw Stock Exchange from 10 October 2006.

On 11 April 2017 the Polish Financial Supervision Authority published the decision taken to change the Company's shares from book-entry to paper form and delist them from the Warsaw Stock Exchange. This decision became effective on 22 May 2017.

The direct parent of Asseco Central Europe, a. s. is Asseco International, a.s., which in turn is a wholly-owned subsidiary of the ultimate parent of the Asseco Group i.e., Asseco Poland S.A. As at 31 December 2023, Asseco International, a.s. held a 92.33% stake in Asseco Central Europe, a.s.

Asseco Central Europe, a. s. is the parent company of the Asseco Central Europe Group ("the Asseco CE Group"). The business profile of Asseco Central Europe, a. s. includes software and computer hardware consultancy, production and supply of software and hardware and related business activities.

In addition to comprehensive IT services, the Company also sells goods including mainly computer hardware. The sale of goods is to a large extent connected with the provision of software implementation services.

These financial statements provide a description of the Company's core business broken down by relevant segment.

These financial statements cover the period of 12 months ended 31 December 2023 and contain comparative data for the period of 12 months ended 31 December 2022. They contain the Statement of profit and loss, Statement of comprehensive income, Statement of Financial position, Statement of changes in equity and Statement of Cash Flows.

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU for the current and comparative period. Asseco Central Europe, a. s. began to apply IFRS in 2006.

The Company prepared consolidated financial statements of the Asseco Central Europe Group in accordance with IFRS endorsed by the EU for the 12-month period ended 31 December 2023 and comparative period ended 31 December 2022, which were published on 14 March 2024. The consolidated financial statements of the Asseco Central Europe Group are available at the registered seat of the Parent Company.

Asseco Poland S.A. with its registered seat at ul. Olchowa 14, 35-322 Rzeszów, Poland prepares consolidated financial statements of the Asseco Group to which the Asseco Central Europe Group belongs.

Asseco Central Europe, a. s. is not an unlimited liability partner in any company.

Members of the Board of Directors (hereinafter "BoD") and Supervisory Board (hereinafter "SB") of Asseco Central Europe, a. s. as at 31 December 2023 and 14 March 2024 (date of publication) were as follows:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	01.01.2023-31.12.2023	Adam Góral	01.01.2023-31.12.2023
Branislav Tkáčik	01.01.2023-31.12.2023	Andrej Košári	01.01.2023-31.12.2023
Vladimír Dzurilla	01.05.2023-31.12.2023	Marek Panek	01.01.2023-31.12.2023
Peter Lakata	01.01.2023-12.07.2023	Przemysław Sęczkowski	01.01.2023-18.04.2023 25.04.2023-31.12.2023
Martin Chripko	Od 01.01.2024	Miroslav Kepencay	01.01.2023-31.12.2023

All figures in thousands of EUR, unless stated otherwise 12

II. Accounting principles applied when preparing financial statements

2.1. Basis for preparation of financial statements

The financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments which were measured at their fair value.

The presentation currency of these financial statements is euro (EUR), and all figures are presented in thousands of euro (EUR ´000), unless stated otherwise.

These financial statements were prepared on a going-concern basis, assuming the Company will continue its business activities in the foreseeable future.

These financial statements were prepared as regular individual financial statements in accordance with § 17 par. 6 the Act. 431/2002 Z. z. o on accounting as amended..

The Company's financial statements for the previous reporting period were approved by general meeting of the Company which took place on 25 April 2023.

Up to the date of approval of these financial statements, no circumstances indicating a threat to the Company's ability to continue as a going concern have been identified.

2.2. Impact of war in Ukraine on the Group’s business operations

As at the date of publication of these financial statements, based on the current analysis of risks, in particular those arising from the war in Ukraine, the Management Board concluded that the Group’s ability to continue as a going concern over a period not shorter than 12 months from 31 December 2023 is not threatened.

The Russian invasion of Ukraine in 2022 and ongoing war caused a radical change in the geopolitical situation of the entire region in which the Company is located. Company does not conduct though any significant business operations in Russia, Belarus or in Ukraine, nor does it hold any cash in Russian banks.

The war in Ukraine had no direct impact on these financial statements. At the time of publication of these financial statements, the Company has not observed any significant impact of the current economic and political situation in Ukraine or the sanctions imposed on Russia on the Group’s operations.

2.3. Compliance statement

These financial statements have been prepared in accordance with IFRS endorsed by the EU. As at the date of authorization of these financial statements, in light of the current process of IFRS endorsement in the EU and the nature of the Company’s activities, there is no difference between IFRS and IFRS endorsed by the EU. IFRS include standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

2.4. Functional currency and currency presentation

The Company's functional currency as well as the presentation currency of these financial statements is the euro (EUR) and all figures are presented in thousands unless otherwise stated.

Foreign currency transactions are initially recognized in the functional currency at the exchange rate at the transaction date. Assets and liabilities denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Non-cash items denominated in foreign currencies are stated at historical prices and are translated using the exchange rate at the date of the transaction. Non-cash items denominated in a foreign currency at fair value are translated at the date at which the fair value is determined.

The following table shows the rates that were used for valuation in the balance sheet:

Currency	31 Dec 2023	31 Dec 2022
EUR	1.00000	1.00000
USD	1.10500	1.06660
CZK	24.72400	24.11600
GBP	0.86910	0.88690
HUF	382.80000	400,87000
PLN	4.33950	4,68080

2.5. Significant accounting judgments, estimates and assumptions

Preparing financial statements in accordance with IFRS requires judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although the estimates and assumptions have been adopted on the basis of the Company management's best knowledge of the current activities and occurrences, the actual results may differ from those anticipated.

Details of the main areas subject to management's professional judgment and accounting estimates which, if changed, could significantly affect the Company's future results, are given below.

2.6. Changes in accounting policies

The accounting principles (policy) adopted in the preparation of these financial statements are consistent with those applied in preparing the Company's annual financial statements for the year ended 31 December 2023.

Amendments to the International Financial Reporting Standards effective from 1 January 2023:

- IFRS 17 'Insurance Contracts' and amendments to IFRS 17;
- Amendments to IAS 1 'Presentation of Financial Statements' and the IFRS's 'Practice Statement 2 on Disclosure of Accounting Policies';
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- Amendments to IAS 12 'Income Taxes'.

These new standards and amendments have no significant impact on the financial statements Company´s. The Company did not decide on early adoption of any standard, interpretation or amendment which has been published but has not yet become effective.

2.7. New standards and interpretations published but not yet in force according to group principles

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 IFRS 10 and IAS 28 'Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture' (issued on 11 September 2014) – work for the endorsement of these amendments has been postponed by the EU – the effective date of these amendments has been deferred indefinitely by the IASB;
- Amendments to IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent'– 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 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;

All figures in thousands of EUR, unless stated otherwise

- 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.

Due to the issued amendments to IAS 12 "Income taxes", which introduce a mandatory temporary exception to the requirements of IAS 12 under which the Group does not recognise or disclose information about deferred tax assets and liabilities related to the proposed Pillar Two model rules, the Group has decided to apply a temporary exception at 31 December 2023.

The Board of Directors of the Parent Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Company is currently conducting an analysis of how the amendments could impact its financial statements.

2.8. Correction of significant errors from prior periods

There were no events in the reporting period requiring corrections of any significant errors of prior periods.

III. Information on segments

The Company operates in the sector of information technology and telecommunications. Because the main business activities have a similar character, there is no reason to adopt the standard relating to segmental information. The organizational structure is homogeneous, without any independent part that would operate in different activities. On the basis of the above, the Company declares itself as one business segment.

The Company operates in more other regions, but almost 85 % of revenues come from the Slovak Republic. The rest come from the Czech Republic, where Asseco Central Europe has an international branch and from other countries are included in the financial statements submitted.

Geographical sectors are distinguished by the Company's geographical operations where economic activities are being conducted.

The figures in the tables below are after inter-company eliminations, and dividends are seen directly in the net profit of the reportable segment.

For 12 months ended 31 December 2023	Slovak market	Czech/other market	Total
Sales revenues			
Sales to external customers	*49,048*	*10,671*	*59,719*
Operating profit (loss) of reportable segment	***1,445***	***345***	***1,790***
Interest income	*10*	-	*10*
Interest expense	*(402)*	-	*(402)*
Corporate income tax	***(415)***	***(73)***	***(488)***
Non-cash items:			
Depreciation and amortization	*(2,513)*	-	*(2,513)*
Impairment write-downs on segment assets	*556*	-	*556*
Net profit (loss) of reportable segment	***9,803***	***272***	***10,075***
Segment assets	*151,834*	*3,373*	*155,207*
Segment capital expenditures	***(559)***	-	***(559)***

The impairment write-downs on segment assets of EUR 556 thousand include allowances for receivables and financial investments.

Za obdobie 12 mesiacov končiacich k 31.12.2022	Slovenský trh	Český/iný trh	Celkom
Sales revenues			
Sales to external customers	54,947	8,651	63,598
Operating profit (loss) of reportable segment	**7,739**	**1,295**	**9,034**
Interest income	117	-	117
Interest expense	(368)	-	(368)
Corporate income tax	**(320)**	**(272)**	**(592)**
Non-cash items:			
Depreciation and amortization	(2,237)	-	(2,237)
Impairment write-downs on segment assets	12,401	-	12,401
Net profit (loss) of reportable segment	**9,136**	**1,023**	**10,159**
Segment assets	148,084	12,064	160,148
Segment capital expenditures	**(1,983)**	-	**(1,983)**

The impairment write-downs on segment assets of EUR 12,401 thousand include allowances for receivables and financial investments.

All figures in thousands of EUR, unless stated otherwise

IV. Notes to the Profit and loss statement

4.1. Operating revenues

Significant accounting policies

IFRS 15 came into force on 1st January 2018. IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and applies to all contracts with customers, except for those which are within the scope of other standards, in particular IFRS 16.
The standard provides the so-called Five-Step Model for recognition of revenues from contracts with customers. According to IFRS 15, revenues ae recognized in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customers.
The Company is engaged in the sale of licenses and broadly defined IT services, and distinguishes the following types of revenue:

- Revenues from the sale of own licenses and services,
- Revenues from the sale of third-party licenses and services,
- Revenues from the sale of hardware.

a) Sale of own licenses and services

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

Comprehensive IT projects

A large proportion of those revenues is generated from the performance of comprehensive IT projects, whereby the Company is committed to providing the customer with a functional IT system. In those situations the customer can only benefit from a functional system, which is the final product, comprised of our own licenses and significant related services (for example, modifications or implementation). Under such contracts, the Company is virtually always required to provide the customer with comprehensive goods or services, including the supply of own licenses and/or own modification services and/or own implementation services. This means that the so-called comprehensive IT contracts most often result in a separate performance obligation that consists of providing the customer with a functional IT system. In the case of a performance obligation that involving the provision of a functional IT system, we closely examine the promise in granting a licence under each contract. Each license is analyzed as distinct from other goods or services promised in the contract. As a general rule, the Company considers that a commitment to sell a license under such performance obligation does not satisfy the criteria of being distinct, because the transfer of the license is only part of a larger performance obligation, and services sold together with the license present such a significant value so that it is impossible to determine whether the license itself is a predominant obligation.
Revenues from a performance obligation to provide a functional IT system are recognized over time, during the period of its development. This is because, in accordance with IFRS 15, revenues may be recognized during transferal of control of the supplied goods/services, as long as the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date throughout the duration of the contract. In the Management's opinion, in the case of execution of comprehensive IT projects the provider cannot generate an asset with an alternative use because such systems together with the accompanying implementation services are "tailor-made". Concurrently, the analysis carried out so far showed that essentially all contracts concluded by the Company meet the criterion of ensuring an enforceable right to payment for performance completed throughout the duration of the contract. This means that revenues from comprehensive IT projects, which include the sale of own licenses and own services, shall be recognized according to the percentage of completion method (based on the costs incurred so far) over time of transferring control of the sold goods/services to the customer. Relatively small IT projects are a specific case where revenues may be recognized in the amount the entity is entitled to invoice, in accordance with a practical expedient permitted under IFRS 15.

Sale of own licenses without significant related services

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

- a right to access the entity's intellectual property in the form in which it exists throughout the licensing period; or

- a right to use the entity's intellectual property in the form in which it exists at the time of granting the license.

The vast majority of licenses sold separately by the Company (thus representing a separate performance obligation) are intended to provide the customer with a right to use the intellectual property, which means revenues from the sale of such licenses are recognized at the point in time at which control of the licence is transferred to the customer. This is tantamount to stating that in the case of own licenses sold without significant related services, regardless of the licensing period, the arising revenues are recognized on a one-off basis at the point in time of transferring control of the licence. We have also identified instances of selling licenses the nature of which is to provide a right to access the intellectual property. Those licenses are, as a rule, sold for a definite period. Up until 31 December 2017, in line with our accounting policy for licenses granted for a definite period, the arising revenues were recognized over time (throughout the licensing period). In accordance with IFRS 15, the Company now recognizes such revenues based on the determination whether the license provides the customer with a right to access or a right to use.

Maintenance services and warranties

The category of 'Own licenses and services' also presents revenues from own maintenance services, including revenues from warranties. Our accounting policy regarding the recognition of revenues from maintenance services remained unchanged after the adoption of IFRS 15, because in the Management's opinion such services, in principle, constitute a separate performance obligation where the customer consumes the benefits of goods/services as they are delivered by the provider, as a consequence of which revenues are recognized over time during the service performance period.

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

b) Sale of third-party licenses and services

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

c) Sale of hardware

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

d) Variable consideration

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

The Company is party to a number of contracts which provide for penalties for non-performance or improper performance of contractual obligations. Any contractual penalties may therefore affect the consideration, which has been stated as a fixed amount in the contract, and make it subject to change due to such expected penalties. Therefore, stating from 1 January 2018, as part of estimating the amount of consideration receivable under a contract, the Company has estimated the expected amount of consideration while taking into account the probability of paying such contractual penalties as well as other factors that might potentially affect the consideration. This causes a reduction in revenues, and not an increase in the amount of provisions and relevant costs as was previously the case. Excepting contractual penalties, there are no other significant factors that may affect the amount of consideration (such as rebates or discounts), but in the event they were identified, they would also affect the amount of revenues recognized by the Company.

e) Significant financing component

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract is deemed to contain a significant financing component.

The ompany does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at the contract inception, that the period between when a promised good or service is transferred to the customer and when the customer pays for that good or service will be one year or less.

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

f) Costs of contracts with customers

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

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

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

g) Other practical expedients applied by the Company

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

In line with the chosen approach for the implementation of IFRS 15, the Company also decided to use a practical expedient not to restate contracts in respect of all modifications that were approved before the beginning of the earliest period presented.

In 2023 and the corresponding comparative period, operating revenues were as follows:

Sales revenues by type of business	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Own software and services	45,666	46,344
Third-party software and services	6,664	10,006
Computer hardware and infrastructure	4,516	3,949
Other sales	2,873	3,299
Total	**59,719**	**63,598**

The category Own software and services includes revenues from contracts with customers under which the Company delivers its own software and provides related services. These services can be performed by employees (internal resources) of the Company as well as by subcontractors (external resources). The involvement of subcontractors in this revenue category has no effect on the extent of liability or the relationship between the Company and the customer to whom the service was provided. The decision as to whether services for a particular type of project are to be performed by subcontractors or by its own staff is entirely within the competence of the Company. In addition, revenues from the provision of own services for third-party software and infrastructure are included in this category.

The category Third Party Software and Services includes revenue from the sale of third party licenses as well as from the provision of services that, due to technological or other legal reasons, must be performed by subcontractors (the definition refers to hardware and software maintenance services as well as outsourcing software services provided by manufacturers).

Sales revenues by sectors	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Banking and finance	17,447	17,724
Public institutions	40,246	43,052
Enterprises	2,026	2,822
Total	**59,719**	**63,598**

Sales revenues by territorial structure	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Slovakia	49,048	54,947
Czech Republic	8,717	6,942
Other European countries	1,823	1,536
Other non-European countries	131	173
Total	**59,719**	**63,598**

All figures in thousands of EUR, unless stated otherwise 20

4.2. Operating costs

The Company recognizes expenses in terms of both the purpose and the type breakdown. The cost of products sold consists of costs directly linked to the sale of goods or the creation of services sold. Cost of sales includes the cost of distribution activities. Administrative expenses include the Company's management and administration costs.
In the case of receiving grants corresponds to a specific cost item, then it is recognized as income proportionally to the incurrence of the costs which the subsidy is supposed to compensate.

	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Materials and energy used (-)	(406)	(629)
Cost of goods, materials and third-party services sold	(9,533)	(11,734)
Third party work (-)	(19,964)	(18,058)
Employee benefits (-)	(24,222)	(20,554)
Depreciation and amortization, which (-)	(2,513)	(2,237)
Depreciation base on IFRS 16	(1,028)	(945)
Taxes and charges (-)	(12)	(28)
Business trips (-)	(130)	(125)
Creation and reversal of provisions for warranty repairs and provisions for trade receivables (+)/(-)	(37)	1
Other (-)	(1,360)	(1,217)
Total	**(58,177)**	**(54,581)**
Cost of sales:	**(51,731)**	**(48,061)**
production cost (-)	(28,618)	(23,053)
cost of merchandise, materials and third party work sold (COGS) (-)	(23,113)	(25,008)
Selling expenses (-)	**(495)**	**(647)**
General administrative expenses (-)	**(5,951)**	**(5,873)**

During the year 2023 the company draw grants to cover part of its research and development costs in the total amount of EUR 900 thousand.

i. Employee benefits costs

	For 2023	For 2022
Salaries	(17,319)	(14,455)
Social security costs	(3,133)	(2,821)
Retirement benefit costs	(2,990)	(2,660)
Other costs for employee benefits	(780)	(618)
Employee benefits total	**(24,222)**	**(20,554)**

The Company provides short-term employee benefits (mainly comprising payroll expenses, costs of medical, health and social security and costs of creating a social fund). Over the course of the year, the Company makes contributions to social and health insurance from gross wages paid, and contributes to the unemployment fund as per the statutory rates. The costs of the contributions are posted in the profit and loss account in the same period as the relevant payroll expenses.
In respect of employees who have opted to participate in the program of supplementary pension insurance, the Company contributes up to 2.5% of the total monthly tariff wage for these purposes.
No Company pension scheme is currently in operation.

All figures in thousands of EUR, unless stated otherwise 21

The table below shows remuneration of the entity authorized to audit financial statements, paid or payable for the year ended 31 December 2023 and 31 December 2022, by type of services

	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Statutory audit of annual financial statements	99	99
Tax advisory	48	19
Total	**147**	**118**

4.3. Other operating income and expenses

In other operating activities, the Company recognizes revenues and expenses that are not related to its operating activities in the IT area.

Other operating income	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Gain on disposal of tangible fixed assets	77	52
Income from rental services	-	47
Profit on lease contract termination	-	-
Other	75	(13)
Total	**152**	**86**

Other operating expenses	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Residual value of tangible fixed assets sold	(6)	(10)
Charitable contributions (-)	(21)	(32)
Other (-)	(60)	(27)
Total	**(87)**	**(69)**

4.4. Financial income and expenses

Interest income

Interest income is recognized on a time-proportion basis (taking into account the effective yield - the interest rate which accurately discounts future cash flows during the estimated period of use of a financial instrument to the net book value of such a financial asset).

Interest income is recognised in profit and loss statement as accrued during the reporting period. Interest income includes interests from investments in debt instruments and deposits measured at amortised cost, interests from finance lease and trade receivables.

Interest income comprises interest on loans granted, investments in securities held to maturity, bank deposits and other items, and the discounts of costs (liabilities) according to the method of the effective interest rate.

Financial income	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Interest income on loans granted, debt securities and bank deposits	10	117
Gain on revaluation of financial derivatives	-	11
Gain on exercise of currency derivatives - forward contracts	-	-
Gain on foreign exchange differences	-	81
Dividends received	9,998	14,790
Other	19	-
Total financial income	**10,027**	**14,999**

All figures in thousands of EUR, unless stated otherwise

Financial expenses	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Interest expense on financial leases (-)	(402)	(368)
Loss on change in fair value of currency derivatives - forward contracts	-	-
Loss on disposal of investment in jointly-controlled entities	-	(15)
Loss from realization of derivative	(46)	(219)
Loss on foreign exchange differences	(104)	-
Write-off of investment subsidiaries	(350)	(12,400)
Write-off of loans	-	(280)
Impairment write-off of financial asset	(169)	-
Total financial expenses	**(1,071)**	**(13,282)**

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

4.5. Corporate income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

For the purposes of financial reporting, deferred income tax is calculated applying the balance sheet liability method to all temporary differences that exist, at the balance sheet date, between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred income tax provisions are established in relation to all positive temporary differences. This applies except when a deferred tax provision arises from an initial recognition of goodwill or initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre-tax profit, taxable income or tax loss, in relation to positive temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures. An exception to this situation is when the investor is able to control the timing of reversal of such temporary differences and when it is probable that such temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized in relation to all negative temporary differences, as well as unused deferred tax assets or unused tax losses carried forward to subsequent years, in such an amount that it is probable that future taxable income will be sufficient to allow the above temporary differences, assets or losses to be utilized. This does not apply to situations when deferred tax assets related to negative temporary differences arising from the initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre-tax profit, taxable income or tax loss. Furthermore, in the event of negative temporary differences arising from investments in a subsidiary or associated companies or from participation in joint ventures, deferred tax assets are recognized in the statement of financial position in such amounts only that it is probable that the above temporary differences will be reversed in the foreseeable future and that sufficient taxable income will be available to offset such negative temporary differences.

The book value of an individual deferred tax asset is verified on every balance sheet date and is duly decreased or increased to reflect any changes in the estimates of achieving taxable profit sufficient to utilize the deferred tax asset partially or entirely.

Deferred tax assets and deferred tax provisions are valued using the future tax rates anticipated to be applicable at the time when a deferred tax asset is realized or a deferred tax provision is reversed, the basis for which are the tax rates (and tax regulations) legally or factually in force at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset in accordance with IFRS.

Income tax related to items directly recognized in equity is recognized under equity and not in the profit and loss account. Revenues, expenses and assets are recognized in the amounts excluding value added tax (VAT) unless:

- value added tax paid at the purchase of merchandise or services is not recoverable from the tax authorities; in such an event the value added tax paid is recognized as a part of the purchase price of an asset or as an expense; and

All figures in thousands of EUR, unless stated otherwise 23

- receivables and liabilities are presented including value added tax.

The net amount of value added tax which is recoverable from or payable to the tax authorities is included in the statement of financial position as a part of receivables or liabilities to the state budget.

The main charges on the pre-tax profit are due to corporate income tax (CIT) (current and deferred portions):

	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Corporate income tax	(21)	(550)
Non-refundable withholding tax	(60)	-
Deferred tax	(407)	(42)
Related to temporary differences	(407)	(42)
Income tax expense as disclosed in the profit and loss account:	**(488)**	**(592)**

Regulations applicable to VAT, CIT, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving taxpayers of the possibility of referring to well-established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations of the taxation regulations, either between companies and public administration or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administrative bodies that are entitled to impose considerable fines, and the amounts of the liabilities determined must be paid with high interest. In effect, the amounts disclosed in the financial statements may later be changed, after the taxes payable are finally determined by the taxation authorities.

Reconciliation of CIT payable on pre-tax profit is according to the statutory tax rates with the CIT computed at the Company's effective tax rate.

	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Pre-tax profit	**10,563**	**10,751**
Statutory corporate income tax rate	21%	21%
Corporate income tax computed at the statutory tax rate	**2,218**	**2,258**
Non-taxable financial income - dividends	(2,100)	(3,106)
Other non-taxable income and non-deductible expenses	381	2,854
Tax-deductable goodwil depreciation	(11)	(1,161)
Deduction base on R&D taxable expenses	-	(253)
Adjustments of the prior years' income tax	-	-
Corporate income tax computed at the effective tax rate of 4,62% in 2023 and5,51% in 2022	**488**	**592**

The Company estimated future taxable income and concluded it will make feasible the recovery of deferred income tax assets (net of provisions) in the full amount as at 31 December 2023 and 31 December 2022.

The CIT rate was 21% in 2023 and 2022.

O	31 Dec 2023	31 Dec 2022
Corporate income tax - assets	827	1 223
Corporate income tax - liabilities	(21)	(550)
Current corporate income tax – assets (+)/Current corporate income tax – liabilities (-), net	**784**	**460**
Withholding tax - receivable	**22**	**213**

All figures in thousands of EUR, unless stated otherwise

	31 Dec 2023	31 Dec 2022
Tax rate used for calculation deferred income tax	21%	21%
Deferred income tax assets	3 303	3 928
Deferred income tax liability	(2 374)	(2 592)
Deferred income tax assets (+)/Deferred income tax provision (-), net	**929**	**1 336**

All figures in thousands of EUR, unless stated otherwise

The following table provides information on deferred tax assets and liabilities:

	Statement on financial position		Statementy of profit and loss	
	31 Dec 2023	31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2022
Deferred income tax liability				
Valuation of tangible assets at fair value and difference between tax depreciation and accounting depreciation	-	(2)	2	(2)
Leased property	(2,374)	(2,590)	216	(243)
Other	-	-	-	-
Deferred income tax liability, gross	**(2,374)**	**(2,592)**		
Deferred income tax assets				
Difference between tax and accounting depreciation	114	-	114	(20)
Write-off of intangible assets	55	87	(32)	(11)
Accrued expenses, provisions and other liabilities	488	1,072	(584)	(161)
Writte-offs to financial asset	-	-	-	(2)
Inventories allowances	-	-	-	-
Receivables allowances	18	3	15	(5)
Leased liabilities	2,628	2,766	(138)	402
Other	-	-	-	-
Deferred income tax assets, gross	**3,303**	**3,928**		
Deferred income tax assets, net	**929**	**1,336**		
Change in deferred income tax in the period reported, of which				
deffered income tax change recognized in profit or loss			(407)	(42)
Deffered income tax, net			**(407)**	**(42)**

For calculation of deferred income tax as at 31 December 2023, a rate of 21% was used.

All figures in thousands of EUR, unless stated otherwise

4.6. Earnings per share

Basic earnings per share are computed by dividing the net profit for the period reported, attributable to shareholders of the Company, by the average weighted number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the financial period, attributable to shareholders of the Company, by the adjusted (due to the diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The table below present net profit and number of shares used for calculation of basic and diluted earnings per share:

	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Net profit attributable to shareholders of the Parent Company	**10,075**	**10,159**
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	21,288,800	21,315,347
Dilution factors	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	**21,288,800**	**21,315,347**

Both in the current and corresponding prior reporting periods, no events took place that would cause dilution of earnings per share.

4.7. Information on dividends paid

Dividends

Dividends are recognized when the shareholders right to receive payment is vested.

By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s. amount of EUR 8,116,800 from the profit for 2022 was distributed as a dividend (i.e., EUR 0,38 per share) and the amount of EUR 2,042,113.08 was kept as retained earnings. The Dividend was paid from 30 Jun 2023 to 31 December 2023.

The remaining part of EUR 1 ths. consist of dividend to the other minority shareholders that did not take over as of 31 December 2023. As of the balance sheet date, the balance of not taken dividends by minority shareholders has not changed.

As in previous years, the Company intends to pay out dividends in 2024 from net profit achieved for the accounting period ending 31 December 2023.

All figures in thousands of EUR, unless stated otherwise 27

V. Notes to the Statement of Financial Position

5.1. Plant, property and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment write-downs. Any costs incurred after a tangible asset has been commissioned into use, such as costs of repairs, technical inspections or operating fees, are expensed in the reporting period in which they were incurred. At the time of purchase, tangible assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

Such assets are depreciated using the straight-line method over their expected useful lives which are as follows:

Type	Period of useful life
Buildings and structures	12-40
Machinery and technical equipment	4-12
Transport vehicles	3-6
Computer hardware	4-12

The appropriateness of the periods of useful life and residual values applied is subject to annual review which results in relevant adjustments to the depreciation charges to be made in subsequent years.

A tangible asset may be derecognized from the statement of financial position after it is disposed of or when no economic benefits are expected from its further use. Gain/loss on disposal of a tangible fixed asset is assessed by comparing the proceeds from such a disposal against the present book value of such an asset, and it is accounted for as an operating income/expense. Any gains or losses resulting from derecognition of a given item of property, plant and equipment from the statement of financial position (calculated as the difference between the net cash obtained from sales and the book value of this item) are recognized in the profit and loss account in the period in which the derecognition from the accounting books was made.

Investments in progress relating to tangible assets under construction are recognized at purchase price or production cost, decreased by any eventual impairment write-downs. Tangible assets under construction are not depreciated until their construction is completed and they are commissioned into use.

The Company's property, plant and equipment is insured by Colonnade Insurance S.A. up to EUR 4,335 thousand.

For 12 months ended 31 December 2023	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
As at 1 January 2023, less depreciation and impairment allowance	**818**	**1,461**	**488**	**4**	**62**	**2,833**
Additions, of which:	-	226	240	-	(48)	418
Purchases	-	-	-	-	418	418,
Other changes	-	226	240	-	(466)	-
Reductions, of which:	(22)	(828)	(226)	-	-	(1,076)
Depreciation charge for the reporting period (-)	(22)	(419)	(226)	-	-	(667)
Sale and disposal (-)	-	(2,053)	(190)	-	-	(2,243)
Depreciation of disposals and liquidations	-	1,644	190	-	-	1,834
As at 31 December 2023, less depreciation	**796**	**859**	**502**	**4**	**14**	**2,175**
As at 1 January 2023						0
Gross value	878	3,748	1,948	5	62	6,641
Depreciation and impairment write-downs (-)	(60)	(2,287)	(1,460)	(1)	-	(3,808)
Net book value as at 1 January 2023	**818**	**1,461**	**488**	**4**	**62**	**2,833**
As at 31 December 2022, less depreciation						0
Gross value	878	1,921	1,998	5	14	4,816
Depreciation and impairment allowance (-)	(82)	(1,062)	(1,496)	(1)	-	(2,641)
Net book value as at 31 December 2023	**796**	**859**	**502**	**4**	**14**	**2,175**

As at 31 December 2023, no tangible fixed assets served as security for bank credit.

Sale of computers and other office equipment at gross amount EUR 1,208 thousand was procured as the sale of a part of the company to Asseco CE Cloud, a.s.

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2022	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
As at 1 January 2022, less depreciation and impairment allowance	**796**	**1,083**	**323**	**4**	**24**	**2,230**
Additions, of which:	43	845	383	-	38	1,309
Purchases	-	128	113	-	1,068	1,309
Other changes	43	717	270	-	(1,030)	-
Reductions, of which:	(21)	(467)	(218)	-	-	(706)
Depreciation charge for the reporting period (-)	(21)	(467)	(208)	-	-	(696)
Sale and disposal (-)	-	(79)	(154)	-	-	(233)
Depreciation of disposals and liquidations	-	79	144	-	-	223
As at 31 December 2022, less depreciation	**818**	**1,461**	**488**	**4**	**62**	**2,833**
As at 1 January 2022						
Gross value	835	2,982	1,719	5	24	5,565
Depreciation and impairment write-downs (-)	(39)	(1,899)	(1,396)	(1)	-	(3,335)
Net book value as at 1 January 2022	**796**	**1,083**	**323**	**4**	**24**	**2,230**
As at 31 December 2021, less depreciation						
Gross value	878	3,748	1,948	5	62	6,641
Depreciation and impairment allowance (-)	(60)	(2,287)	(1,460)	(1)	-	(3,808)
Net book value as at 31 December 2022	**818**	**1,461**	**488**	**4**	**62**	**2,833**

As at 31 December 2022, no tangible fixed assets served as security for bank credit.

Purchase of computers and other office equipment at amount EUR 128 thousand and transport wehicles at amount EUR 113 thousand was procured as the purchase of a part of the company DWC Slovensko, a.s.

All figures in thousands of EUR, unless stated otherwise

5.2. Intangible assets

Purchased separately or acquired as a result of merger of companies.

Intangible assets purchased in a separate transaction are measured at initial recognition as cost. Intangible assets acquired as a result of a merger are measured at their fair value as at the date of merger.

The period of useful life of an intangible asset is assessed and classified as definite or indefinite. Intangible assets with a definite period of useful life are amortized using the straight-line method over their expected useful life, and amortization charges are expensed appropriately in the profit and loss account. The periods of useful life, being the basis for determination of amortization rates, are subject to annual verification and, if required, they are adjusted starting from the following financial year. Intangible assets are depreciated using the straight-line method. Below are the periods of useful life adopted for intangible assets:

Type	Period of useful life
Cost of development work	2-5
Computer software	2-8
Patents and licenses	2-8
Customer relations	2-7
Other	2-5

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The remaining intangible assets are tested for impairment if there are indications of a possible impairment in value. If the book value exceeds the estimated recoverable value (whichever is the higher of the net sales price or value in use), the value of these assets is reduced to the recoverable value.

Except for development work, intangible assets produced by the Company on its own are not capitalized, but the expenditures on their production are expensed in the profit and loss account for the period in which they were incurred.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to reliably measure the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Any gain or loss resulting from derecognition of an intangible asset from the statement of financial position (calculated as the difference between the net cash obtained from sales and the book value of an item) is disclosed in the profit and loss account for the period in which such derecognition disposal occured.

For 12 months ended 31 December 2023	Cost of development work	Costs of unfinished research and development projects	Computer software	Goodwill	Other	Total
As at 1 January 2023, less amortization and impairment allowance	**227**	**3,392**	**1,074**	**6,757**	**-**	**11,450**
Additions, of which:	1,280	(426)	41	-	-	895
Purchases	-	-	89	-	-	89
Capitalization of development project costs	-	806	-	-	-	806
Other changes	1,280	(1,232)	(48)			-
Reductions, of which:	(304)	-	(633)	-	-	(937)
Amortization charge for the reporting period (-)	(304)		(514)	-	-	(818)
Disposal and liquidation (-)	-		(119)	-	-	(119)
Other changes	-			-	-	-
Impairment, write-downs	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2023, less amortization and impairment allowances	**1,203**	**2,966**	**482**	**6,757**	**-**	**11,408**
As at 1 January 2023						
Gross value	1,242	3,392	16,039	6,757	2 407	29,837
Amortization and impairment allowance (-)	(1,015)	-	(14,965)	-	(2 407)	(18,387)
Net book value as at 1 January 2023	**227**	**3,392**	**1,074**	**6,757**	**-**	**11,450**
As at 31 December 2023, less amortization and provisions						
Gross value	2,522	2,966	15,717	6,757	2 407	30,369
Amortization and impairment allowance (-)	(1,319)	-	(15,235)	-	(2 407)	(18,961)
Net book value as at 31 December 2023	**1,203**	**2,966**	**482**	**6,757**	**-**	**11,408**

As at 31 December 2023, no intangible assets served as security for bank credits.

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2022	Cost of development work	Costs of unfinished research and development projects	Computer software	Goodwill	Other	Total
As at 1 January 2022, less amortization and impairment allowance	**391**	**876**	**1,302**	**1,083**	**-**	**3,652**
Additions, of which:	-	2,516	204	5,674	-	8,394
Purchases	-	-	204	5,674	-	5,878
Capitalization of development project costs	-	2,516	-	-	-	2,516
Other changes	-	-	-	-	-	-
Reductions, of which:	(164)	-	(432)	-	-	(596)
Amortization charge for the reporting period (-)	(164)	-	(432)	-	-	(596)
Disposal and liquidation (-)	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Impairment, write-downs	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2022, less amortization and impairment allowances	**227**	**3,392**	**1,074**	**6,757**	**-**	**11,450**
As at 1 January 2022						
Gross value	1,242	876	15,835	1,083	2,407	21,443
Amortization and impairment allowance (-)	(851)	-	(14,533)	-	(2,407)	(17,791)
Net book value as at 1 January 2022	**391**	**876**	**1,302**	**1,083**	**-**	**3,652**
As at 31 December 2022, less amortization and provisions						
Gross value	1,242	3,392	16,039	6,757	2,407	29,837
Amortization and impairment allowance (-)	(1,015)	-	(14,965)	-	(2,407)	(18,387)
Net book value as at 31 December 2022	**227**	**3,392**	**1,074**	**6,757**	**-**	**11,450**

As at 31 December 2022, no intangible assets served as security for bank credits.

All figures in thousands of EUR, unless stated otherwise

5.3. Right-to-use assets

In accordance with IFRS 16, a contract is a lease or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use is transferred under a contract if the lessee has both of the following:

- the right to obtain substantially all of the economic benefits from use of the identified asset; and
- the right to direct the use of the identified asset.

Therefore all the rights arising from agreements for rental, hire or use (including usufruct of land) that meet the above-mentioned definition have been measured and recognized by the Company in its consolidated statement of financial position, in a separate line called right-of-use assets (representing underlying assets).

The above-described principles for the identification of leases have been applied by the Company since the date of adopting the standard; however, the Company has used a practical expedient permitted by IFRS 16 to reassess whether a contract is a lease or contains a lease as at the date of initial application in respect of contracts that were entered into prior to the date of initial application of the new standard.

Initial recognition and measurement of right-of-use assets

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

Right-of-use assets are initially recognized at cost.

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

Subsequent measurement of right-of-use assets

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

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

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

Leasing agreements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of the leased asset, are treated as operating leasing. Lease payments under operating leasing are recognized as expenses in the profit and loss account on a straight-line basis over the leasing period.

For 12 months ended 31 December 2023	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Total
As at 1 January 2023, less depreciation and impairment allowance	**12,331**	**-**	**-**	**-**	**12,331**
Additions, of which:	-	-	-	-	-
New lease contracts	-	-	-	-	-
Other changes	-	-	-	-	-
Reductions, of which:	(1,028)	-	-	-	(1,028)
Depreciation charge for the reporting period (-)	(1,028)	-	-	-	(1,028)
Disposal and liquidation (-)	-	-	-	-	-
Depreciation of disposals and liquidations	-	-	-	-	-
As at 31 December 2023 less depreciation	**11,303**	**-**	**-**	**-**	**11,303**
As at 1 January 2023					
Gross value	13,347	-	-	-	13,347
Depreciation and impairment write-downs (-)	(1,016)	-	-	-	(1,016)
Net book value as at 1 January 2023	**12,331**	**-**	**-**	**-**	**12,331**
As at 31 December 2023 less depreciation					
Gross value	13,347	-	-	-	13,347
Depreciation and impairment allowance (-)	(2,044)	-	-	-	(2,044)
Net book value as at 31 December 2023	**11,303**	**-**	**-**	**-**	**11,303**

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2022	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Total
As at 1 January 2022, less depreciation and impairment allowance	**11,178**	**0**	**0**	**0**	**11,178**
Additions, of which:	2,098	0	0	0	2,098
New lease contracts	2,098	0	0	0	2,098
Other changes	0	0	0	0	0
Reductions, of which:	(945)	0	0	0	(945)
Depreciation charge for the reporting period (-)	(945)	0	-	-	(945)
Disposal and liquidation (-)	0	0	-	-	0
Depreciation of disposals and liquidations	0	0	-	-	0
As at 31 December 2022 less depreciation	**12,331**	**0**	**0**	**0**	**12,331**
As at 1 January 2022					
Gross value	11,249	0	0	0	11,249
Depreciation and impairment write-downs (-)	(71)	0	0	0	(71)
Net book value as at 1 January 2021	**11,178**	**0**	**-**	**0**	**11,178**
As at 31 December 2022 less depreciation					
Gross value	13,347	0	0	0	13,347
Depreciation and impairment allowance (-)	(1,016)	0	0	0	(1,016)
Net book value as at 31 December 2022	**12,331**	**0**	**0**	**0**	**12,331**

All figures in thousands of EUR, unless stated otherwise

5.4. Goodwill

	31 Dec 2023	31 Dec 2022
ISZP	533	533
MPI	550	550
DWC	5,524	5,524
XANTA	150	150
Total	**6,757**	**6,757**

The Company performs an impairment test of goodwill annually (as at 31 December) and whenever indicators of impairment exist. For the purpose of goodwill impairment tests, goodwill was allocated to a cash generating unit or a group of cash generating units (CGU) which benefit from the acquisitions.

Goodwill related to the acquisitions of ISZP and MPI Consulting was tested at the CGU level represented by the Healthcare Business Unit of Asseco Central Europe and the CGU represented by the Banking Division, respectively.

Goodwill related to the acquisitions DWC was tested at the CGU level represented by the Fabasoft Division of the Company.

Goodwill related to the acquisitions XANTA was tested at the CGU level represented by the acquired through this acquisition.

Each impairment test requires estimates of the recoverable value of a cash-generating unit or a group of cash-generating units to which goodwill is allocated. Impairment testing involves determination of their value in use by applying the model of discounted free cash flow to firm (FCFF). No impairment was recognized with respect to goodwill as at 31 December 2023 and 31 December 2022.

The Company carried out a sensitivity analysis of impairment tests conducted as at 31 December 2023, in order to determine how much the selected parameters applied in the model could be changed so that the estimated value in use of cash-generating units equaled their carrying amounts. Such sensitivity analysis examined the impact of changes in factors with influence on the recoverable value of a cash-generating unit, assuming other factors remain unchanged, as follows:

- nominal discount rate applied for the residual period, i.e. cash flows generated after 2028;
- compound annual growth rate of free cash flow changes over the forecast period, i.e. in the years 2024-2028;

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

Reasonable changes in the assumptions will not lead to impairment.

The results of the sensitivity analysis are presented in the table below:

		Discount rate		Compound annual growth rate of cash flows	
	Carrying amount of CGU	applied in the model for residual period %	Marginal %	applied in the model for forecast period %	Marginal %
MPI	25,124	8.8%	∞	2.3%	-43.4%
ISZP	18,969	8.8%	∞	6.1%	-37.4%
DWC	27,496	8.8%	19.3%	14.1%	-11.9%
Xanta	1,219	8.8%	12.8%	8.7%	-6.3%

∞ - means that the terminal discount rate for the marginal period is greater than 100%.

All figures in thousands of EUR, unless stated otherwise

5.5. Investment in subsidiaries and joint operation companies

Securities and shares in subsidiaries which are not classified as held-for-sale are recognized at the carrying value representing acquisition cost less potential accumulated losses of impairment.

Securities and shares in subsidiaries classified as held-for-sale are recognized at whichever is the lower of carrying value or fair value less disposal costs.

	% of ownership	31 Dec 2023	31 Dec 2022
Asseco Central Europe, a. s., Czech Republic	100%	26,643	26,643
Asseco Central Europe Magyarország Zrt.	100%	14,808	14,808
exe, a. s.	100%	2,413	2,413
Asseco Enterprise Solutions, a.s.	49,46%	31,370	31,370
IPI s.r.o. (CEIT)	51%	6,847	6,847
DWC, a.s. v likvidácii	100%	221	221
Galvaniho 5, s.r.o.	51%	1,867	-
Asseco CE Cloud, a.s.	100%	259	-
DSDP, s.r.o.	100%	5	-
Invention s.r.o.	100%	9,791	10,141
Total		**94,224**	**92,443**

As at 31 December 2023, the carrying amount of financial investments was EUR 94,224 thousand. The company created write-off on investment in subsidiary INVENTION, s.r.o. in value EUR 350 thousand.

DSDP, s.r.o.

In 2023, the company DSDP, s.r.o. was founded by the Company. As the only one shareholder owns 100% share amouted EUR 5 thousand.

Galvaniho 5, s.r.o.

The company Galvaniho 5, s.r.o. as a company with joint operations, it began to be reported together with subsidiaries from 2023. Until 2022, it was reported with joint venture company.

In 2023, the shareholders of Galvaniho 5, s.r.o. decided to reduce Other capital funds that were paid out to shareholders. For this reason, the value of the investment decreased by 153 thousand. EUR.

Asseco CE Cloud, a.s.

From 2023, there was a change in the reporting of the company Asseco CE Cloud, a.s., which began to be reported as a subsidiary. It was reported as an associated company until 2022.

5.6. Sensitivity analyses

The Company regularly undergoes assessment of the presence of impairment indicators in relation to its financial investments in subsidiaries. As at 31 December 2023 the Company performed impairment testing with no impairment identified. The sensitivity analysis revealed that no impairment would be charged for any financial investment as at 31 December 2023.

The Company carried out a sensitivity analysis in relation to investments impairment tests conducted as at 31 December 2023, in order to determine how much the selected parameters applied in the model could be changed.

Such sensitivity analysis examined the impact of changes in the applied:

- nominal discount rate applied for the residual period, i.e. cash flows generated after 2028;
- compound annual growth rate of free cash flow changes over the forecast period, i.e. during 2024 to 2028;

No impairment was recognized with respect to any of investments in subsidiaries as at 31 December 2023. The Company recognized impairment in subsidiaries Asseco Central Europe Magyarország and CEIT as at 31 December 2022.

All figures in thousands of EUR, unless stated otherwise. 38

The results of the sensitivity analysis are presented in the table below:

		Discount rate		Compound annual growth rate of cash flows	
	Carrying amount of CGU	applied in the model for residual period %	Marginal %	applied in the model for forecast period %	Marginal %
Asseco Central Europe (Czech Republic)	26,768	9.9%	32.9%	-0.3%	-27.2%
Asseco Solutions (Slovakia, Czech Republic, Germany)	31,387	8.1%	∞	9.9%	-69.0%
Asseco Central Europe Magyarország (Hungary)	14,808	13.7%	14.3%	14.6%	12.2%
exe	2,413	11.0%	∞	1.8%	-31.1%
CEIT	16,988	9.4%	11.8%	65.5%	56.2%
DWC	221	8.8%	∞	14.1%	∞

Reasonable change in the assumptions will not lead to impairment of investment.

5.7. Investment in associated and joint venture companies

Securities and shares in associated companies and joint ventures which are not classified as held-for-sale are recognized at the carrying value representing acquisition cost less potential accumulated losses of impairment. The Company used cost method for accounting of its shares in associated companies as at 31 December 2023 and 31 December 2022.
Securities and shares in subsidiaries, associated companies and joint ventures classified as held-for-sale are recognized at whichever is the lower of carrying value or fair value less disposal costs.

	31 Dec 2023	31 Dec 2022
eDocu a.s.	-	98
EdgeCom, a.s.	915	915
PROSOFT Košice, a.s.	429	429
Galvaniho 5, s.r.o.	-	2,020
Asseco CE Cloud, a.s.	-	259
Total	**1,344**	**3,721**

5.8. Other financial assets

Financial instruments are divided into the following categories:

- Financial assets held to maturity;
- Financial instruments valued at fair value through profit or loss;
- Loans granted and receivables;
- Financial assets available for sale;
- Financial liabilities valued at fair value,
- Other financial liabilities.

All financial assets are initially recognized at the purchase price equal to fair value of the effective payment, including costs related to the purchase of a financial asset, except for financial instruments valued at fair value through profit or loss.

Financial assets held to maturity are investments with identified or identifiable payments and with a fixed maturity date which the Company intends, and is able, to hold to maturity. Financial assets held to maturity are valued at amortized cost using the effective interest rate. Financial assets held to maturity are classified as non-current assets if their maturity exceeds 12 months from the balance sheet date.

All figures in thousands of EUR, unless stated otherwise.

Financial instruments acquired in order to generate profits from short-term price fluctuations are classified as financial instruments valued at fair value through profit or loss. Financial instruments valued at fair value through profit or loss are measured at fair value taking into account their market value as at the balance sheet date. Changes in these financial instruments are recognized as financial income or expenses. Financial assets valued at fair value through profit or loss are classified as current assets, provided the Board of Directors intends to dispose of them within 12 months of the balance sheet date.

Loans granted and receivables are carried at amortized cost. They are recognized as current assets unless their maturity periods are longer than 12 months from the balance sheet date. Loans granted and receivables with maturity periods longer than 12 months from the balance sheet date are recognized as non-current assets.

Any other financial assets constitute financial assets available for sale. These are carried at fair value, without deducting the transaction-related costs, taking into consideration their market value as at the balance sheet date. If the financial instruments are not quoted on an active market and it is impossible to determine their fair value reliably with alternative methods, financial assets available for sale are valued at the purchase price adjusted by impairment charges. Provided that financial instruments have a market price determined in a regulated active market, or it is possible to determine their fair value in another reliable way, the positive and negative differences between the fair value and the purchase price of such assets available for sale (after deducting any deferred tax liabilities) is recognized in the asset revaluation reserve. A decrease in the value of assets available for sale, resulting from their impairment, is recognized as a financial expense in the profit and loss account.

Purchases or disposals of financial assets are recognized in the accounting books at the transaction date. At initial recognition they are valued at purchase price, which is fair value plus the transaction-related costs.

Financial liabilities other than financial instruments valued at fair value through profit or loss are measured at amortized cost using the effective interest rate.

A financial instrument is derecognized from the statement of financial position if the Company no longer controls the contractual rights arising from such an instrument. This usually takes place when the instrument is sold or when all the cash flows to be generated by this instrument are transferred to an independent third party.

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans or receivables valued at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding impairment write-down on loans that have not yet been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of such assets is reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and assesses them collectively for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of a group of assets for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss can be reversed. This reversal of the impairment write-down is recognized in profit or loss to the extent that the carrying amount of the financial asset does not exceed its amortized cost at the date the impairment is reversed.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative instrument that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset involved and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

Financial assets available for sale

When there is objective evidence that a financial asset available for sale is impaired, then the difference between the purchase cost of the asset (net of any principal repayments and amortization) and its current value, decreased by any impairment charges on that financial asset, if it was previously recognized in profit or loss, is derecognized from equity and recognized in the profit and loss account. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, then the amount of such an impairment loss is reversed in the profit and loss account.

	31. 12. 2023		31. 12. 2022	
	Non-current	Current	Non-current	Current
Financial assets measured at fair value through other comprehensive income, of which:				
Stocks/shares in non-listed companies	-	-	-	804
Total	**-**	**-**	**-**	**804**
Financial assets measured at fair value through profit or loss, of which:				
Currency forward contracts	-	-	-	11
Other equity instruments	-	-	-	-
Total	**-**	**-**	**-**	**11**
Financial assets measured at amortized cost, of which:				
Bills of exchange	-	40	-	209
Loans granted, of which:				
granted to related parties	-	182	-	82
granted to employees	-	-	-	-
granted to other entities	-	-	-	-
Deposits between 3 and 12 months	-	-	-	-
Total	**-**	**222**	**-**	**291**
Total financial assets	**-**	**222**	**-**	**1,106**

i. Shares in non-listed companies

On February 2020 the Company purchased share of the company Riocath FNDB, a.s of EUR 804 thousand. Due to the ongoing court case, the Company decided to proceed with the revaluation of the share and created an writte-off in the amount of 100% of the value of the share.

ii. Loans granted non-current

Non-current loan grented for Galvaniho 5, s.r.o. was fully repaid during the year 2022.

iii. Loans granted current

Loans granted of EUR 182 thousand presented as at 31 December 2023 include

- A loan of EUR 127 thousand due from eDocu a.s. (principal EUR 264 thousand + interests EUR 39 thousand, interest rate 2.5% p.a., maturity on 31 December 2022. The Company created write-off to the loan of EUR 182 thousand.),
- A loans of EUR 55 thousand due from Asseco CE Cloud, a.s. (LittleLane, s.r.o.) (principal EUR 22 thousand plus interests EUR 1 thousand, interest rate 1% p.a., maturity on 31 December 2023, principal EUR 13 thousand plus interests EUR 1 thousand, interest rate 1% p.a., maturity on 31 December 2023, principal EUR 17 thousand plus interests EUR 1 thousand, interest rate 1% p.a., maturity on 31 December 2023).

All figures in thousands of EUR, unless stated otherwise. 41

Loans granted of EUR 82 thousand presented as at 31 December 2022 include

- A loan of EUR 24 thousand due from eDocu a.s. (principal EUR 264 thousand + interests EUR 39 thousand, interest rate 2.5% p.a., maturity on 31 December 2022. The Company created write-off to the loan of EUR 280 thousand.),
- A loans of EUR 54 thousand due from LittleLane, s.r.o. (principal EUR 22 thousand plus interests EUR 1 thousand, interest rate 1% p.a., maturity on 31 December 2023, principal EUR 13 thousand plus interests EUR 0 thousand, interest rate 1% p.a., maturity on 31 December 2023, principal EUR 17 thousand plus interests EUR 1 thousand, interest rate 1% p.a., maturity on 31 December 2023).

iv. Other financial assets

As at 31 December 2023, the Company owned bill of exchange totaling EUR 418 thousand, with maturity on 31 January 2021 (EUR 418 thousand, interest rate 6%). The company created writte-off to this bill of EUR 378 thousand, because there are doubts that it will be repaid. From this reason the interest was not calculated.

As at 31 December 2022, the Company owned bill of exchange totaling EUR 418 thousand, with maturity on 31 January 2021 (EUR 418 thousand, interest rate 6%). The company created writte-off to this bill of EUR 209 thousand, because there are doubts that it will be repaid. From this reason the interest was not calculated.

5.9. Deferred expenses

Deferred expenses comprise expenses incurred before the balance sheet date that relate to future periods.

In particular, deferred expenses may include the following items:

- rent paid in advance;
- insurances;
- subscriptions;
- prepaid third-party services to be provided in future periods;
- other expenses incurred that relate to future periods.

Current	**31 Dec 2023**	**31 Dec 2022**
Maintenance services	1,346	482
Pre-paid insurance	53	48
Pre-paid licence fees	274	85
Pre-paid other services	34	44
Other	2	2
Total	**1,709**	**661**

Non-current	**31 Dec 2023**	**31 Dec 2022**
Maintenance services	23	11
Pre-paid insurance	-	-
Pre-paid licence fees	55	-
Pre-paid other services	-	5
Other	-	-
Total	**78**	**16**

All figures in thousands of EUR, unless stated otherwise. 42

5.10. Inventories

Inventories are valued at whichever is the lower of purchase price/production cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Company measures the cost of inventories consumed by using the specific identification method. Revaluation write-downs of inventories are recognized in operating expenses.

The Company as at 31 December 2023 and in the comparative period register Inventory as it is presented in the table below:

	31 Dec 2023	31 Dec 2022
Raw materials, spare parts and other components used in implementation or maintenance of IT systems	-	-
Computer hardware, third party licenses and other goods for resale	560	586
Write-down of inventories	(462)	-
Total	**98**	**586**

Changes in the amount of write-down of inventories during the period of 12 months ended 31 December 2023 and in the comparable period are presented in the table below:

Write-down of inventories	31 Dec 2023	31 Dec 2022
Write-down of inventories as at 1 January	**-**	**-**
Recognized during the reporting period	(462)	-
Utilized during the reporting period	-	-
Acquisition of subsidiaries	-	-
Change of presentation	-	-
Write-down of inventories as at 31 December	**(462)**	**-**

5.11. Assets held for sale

As of December 31, 2023 and in the comparable period, the company registered asset sheld for sale presented in the table below:

	31 Dec 2023	31 Dec 2022
Assets held for sale for acctual reporting period	5,284	5,284
Assets held for sale from the begining of aquisitoin	5,284	5,284
Total	**5,284**	**5,284**

Assets held for sale represent properties in the cadastral territory of Žilina (land and buildings), which the Company acquired from the subsidiary Asseco CEIT, a.s. (SK) with the aim of its further sale to a third party - an external buyer. Properties are actively offered for sale through external mediator. As of the date of approval of these financial statements, the properties have not been sold.

5.12. Trade receivables, contract assets and other receivables

Trade receivables, payment terms of which usually range from 14 to 30 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectable receivables. Receivables with remote payment terms are recognized at the present value of expected payments less any allowances.
Loss allowance of trade receivables
To determine the value of loss allowance for trade receivables the Company uses a simplified approach and does not track the changes in credit risk of receivables. Loss allowance is recognized at the amount of lifetime expected credit losses. For this purpose the Company uses a provision matrix based on historical credit loss experience, adjusted by information on the future. The Company analyzes its receivables based on statistical

All figures in thousands of EUR, unless stated otherwise.

provision matrices, including the risk resulting from diversity of its customer base and type of business. When necessary The Company groups its customers into homogeneous segments.
Loss allowance is updated at each reporting date.
For trade receivables overdue by more than 180 days, in addition to the statistical method based on a provision matrix, the Company uses an individual approach. For each trade receivable overdue by more than 180 days and of significant value, the Company recognizes a loss allowance at a level determined by Management, using their professional judgment, based on analysis of customers' financial status and general economic circumstances.
The update of the carrying amount of trade receivables includes not only events that occurred up to the reporting date but also those disclosed subsequently, but prior to publication of these consolidated financial statements. Each year the Company analyzes whether the rules determining the value of loss allowances reflect the actual impairment loss of receivables.
Loss allowances of trade receivables are recognized as part of operating costs. Loss allowances for other receivables are recognized in other operating costs or in financial expenses if the related receivable was recognized as a result of a sale of investment transaction or other operation for which expenses and income relate to financial activity. Allowances of receivable accounts related to interest accrued are recognized in financial expenses.
If the reason for recognition of an allowance is no longer valid, the allowance is reversed, either in total or in an appropriate proportion, being recognized as an increase in the value of a relevant asset or as an adjustment to respective cost items.
At each reporting date the Company estimates the percentage of completed implementation contracts compared to invoices issued.
The Company estimates allowances for trade receivables and contract assets according to IFRS 9 Financial instruments. The simplified approach requires a statistical analysis, which is usually accompanied by the application of assumptions and professional judgment.

Trade receivable	31 Dec 2023	31 Dec 2022
Trade accounts receivable including:	**7,561**	**9,143**
Receivables from related companies, of which:	944	838
from subsidiaries	865	512
Receivables from other companies	6,847	8,498
Revaluation write-down on doubtful accounts receivable	(230)	(193)

Allowance for trade receivables	
As at 1 January 2022	**(193)**
Created during the reporting period (-)	(37)
Utilized during the reporting period (+)	-
Reversed during the reporting period (+)	-
As at 31 December 2022	**(230)**

Trade accounts receivable are not interest-bearing.

The Company has a policy of selling its products to reliable clients only. Consequently, in Management's opinion, credit sales risk does not exceed the level covered by allowances for doubtful accounts as established by the Company.

As at 31 December 2023 and 31 December 2022, no receivables served as security for bank credits.

Contracts assets

If the progress of costs incurred, reduced by expected losses and increased by profits included in the profit and loss account, exceeds the progress of invoiced sales, the amount of non-invoiced sales constituting this difference is presented as trade receivables.

All figures in thousands of EUR, unless stated otherwise.

On the other hand, if the progress of invoiced sales exceeds the proportion of costs incurred, decreased by expected losses and increased by profits included in the profit and loss account, future-related (unearned) revenues resulting from such differences are disclosed as trade liabilities.

In 2023 and 2022, the Company executed a number of IT implementation contracts. In line with IFRS 15, sales generated from such contracts are recognized according to their degree of completion. In 2023 and 2022 the Company measured this using the "cost" method (by determining the relation of costs incurred to overall project costs)

The following table includes basic data about contracts assets at 31 December 2023 and 31 December 2022:

	31.12.2023		31.12.2022	
	Non-current	Current	Non-current	Current
Contract assets (receivables from valuation of IT contracts)				
from related parties	-	-	-	-
from other entities	-	4,190	-	10,642
Total contract assets	**-**	**4,190**	**-**	**10,642**

The change in balance of contract assets during the period of 12 months ended 31 December 2023 resulted from the following movements:

	12 months to 31 .12.2023
	thous. EUR
Contract assets (Receivables from valuation of IT contracts) as at 1 January 2023	**10,642**
Recognition of revenues from invoices	(11,735)
Satisfaction of performance obligations without invoicing; Change in an estimate of the transaction price or costs, other changes in the assumptions	5,283
Contract assets as at 31 December 2023	**4,190**

Transactions with related companies are presented in notes 5.22 to these financial statements.

	As at 31 Dec 2023		As at 31 Dec 2022	
Receivables not yet due	10,852	92%	18,577	94%
Receivables past-due up to 3 months	571	5%	461	2%
Receivables past-due over 3 months	328	3%	747	4%
Total	**11,751**	**100%**	**19,785**	**100%**

Tax receivable	**31 Dec 2023**	**31 Dec 2022**
Corporate income tax	784	460
Withholding tax	22	213
Other taxes	14	-
Total	**820**	**673**

Other receivables	**31 Dec 2023**	**31 Dec 2022**
Receivables from prepayments paid	-	58
Receivables from dividends	2,285	3,780
Receivables from sold part of the company	538	-
Other receivables	166	95
Total	**2,989**	**3,933**

All figures in thousands of EUR, unless stated otherwise.

Other non-current receivables	31 Dec 2023	31 Dec 2022
Other receivables	-	-
Total	-	-

5.13. Cash and cash equivalents

Cash and cash equivalents presented in the Statement of Financial Position consist of cash kept in banks and in hand by the Company, current cash deposits with a maturity not exceeding three months, and other highly liquid instruments.

The balance of cash and cash equivalents disclosed in the Financial Statement of Cash Flows consists of the cash and cash equivalents as defined above. For the purposes of the Statement of Cash Flows, the Company decided not to present current account credits (used as an element of financing).

	31 Dec 2023	31 Dec 2022
Cash in bank	10,857	3,972
Cash in hand	6	8
Short-term deposits	-	-
Cash equivalents	10	10
Total	**10,873**	**3,990**

The interest on cash in bank is calculated with variable interest rates which depend on the bank overnight deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2023 or at 31 December 2022.

5.14. Share capital and capital reserves

Shareholders' equity is presented at nominal value. Shareholders' equity comprises the following items:

- share capital, presented in the amount of capital contributions made and paid up;
- share premium from the sale of shares over their par value;
- other comprehensive income;
- retained earnings, including the net profit for the reporting period.

The Company has capital stock amounting to EUR 709,023.84 which consists of 21,360,000 shares.

Par value on shares

All issued shares have a par value of EUR 0.033194 per share and have been fully paid up. In 2023 and 2022 there were no changes in the Company's share capital and share premium account.

Treasury shares

In year 2022 the Company purchased 213,600 own shares (treasury shares) that constitute 1% of all shares issued. Purchase price for the shares was EUR 1,371 thousand.

In May 2023 the Company sold all its own shares to Asseco International, a.s. Sales price was EUR 1,688 thousand and profit generated on this transaction (EUR 317 thousand) was recognized direcly in equity. Since the transaction and as at 31 December 2023 Asseco International, a.s. held a 92.33% stake in Asseco Central Europe, a.s.

Other comprehensive income

In year 2023 the Company created an written-off in amount EUR 804 thousand for a share in the company Rioacath FNDB, a.s., which was reported trough the other comprehensive income.

All figures in thousands of EUR, unless stated otherwise. 46

5.15. Bank loans, other loans and debt securities

Since 1 January 2018 a new standard regarding financial instruments (IFRS 9) has been in force. Classification of financial liabilities substantially has not changed in comparison to classification under provisions of previous standard - IAS 39.

The Company classifies its financial liabilities to the following categories:

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

Company classifies all bank loans, other loans and debt securities to be measured at amortised cost. All of the remaining financial liabilities are measured at fair value through profit and loss, besides liabilities arising from acquisition of non-controlling interests in subsidiaries (put options) that are measured in accordance with IFRS 3.

Initially all of bank loans, other loans and debt securities are recognised at purchase price (cost) that constitute fair value of cash received less the costs related directly to obtaining a loan, or issuing a debt security.

Subsequently bank loans, other loans and debt securities are measured at amortised cost using the effective interest rate method. Determination of the amortised cost takes into account the costs related to obtaining a loan, or issuing a debt security, as well as the discounts or bonuses obtained on repayment of the liability.

Loans collected of EUR 8,898 thousand presented as at 31 December 2023 include

- A loan EUR 8,518 thousand due from Asseco Enterprise Solutions, Slovak Republic (principal EUR 7,800 thousand, plus interest of EUR 718 thousand, as of 2023 interest rate was changed to 2,50% p.a., maturity on 31 December 2029. Instalment of 2023 was paid during Juanuary 2024 at amount EUR 1 200 thousand)
- A loan EUR 273 thousand due from IBM Capital Slovensko (principal EUR 273 thousand, no interests, maturity on 31 March 2024)
- A loan EUR 30 thousand due from Škoda Financial Services (principal EUR 30 thousand, interest rate 6,2% p.a., maturity on 25 August 2027)
- A loan EUR 27 thousand due from Škoda Financial Services (principal EUR 27 thousand, interest rate 2,84% p.a., maturity on 31 May 2027)
- A loan EUR 20 thousand due from Škoda Financial Services (principal EUR 20 thousand, interest rate 6,5% p.a., maturity on 10 October 2027)
- A loan EUR 15 thousand due from Škoda Financial Services (principal EUR 15 thousand, interest rate 5,4% p.a., maturity on 16 May 2026)
- A loan EUR 15 thousand due from Škoda Financial Services (principal EUR 15 thousand, interest rate 5,4% p.a., maturity on 15 May 2026)
- A loan EUR 932 thousand due from Asseco International, a.s., Slovak Republic was fully paid during 2023
- A loan EUR 142 thousand and EUR 23 thousand due from IBM Capital Slovensko were fully paid during 2023

Loans collected of EUR 9,393 thousand presented as at 31 December 2022 include

- A loan EUR 8,296 thousand due from Asseco Enterprise Solutions, Slovak Republic (principal EUR 7,800 thousand, plus interest of EUR 327 thousand, interest rate 3M Euribor + 1.2% p.a., maturity on 31 December 2029. Amount EUR 1 200 thousand is due during 2023)
- A loan EUR 932 thousand due from Asseco International, a.s., Slovak Republic (principal EUR 932 thousand EUR + interest of EUR 0 thousand, interest rate 2,5% p.a. maturity on 31 December 2023)
- A loan EUR 142 thousand due from IBM Capital Slovensko (principal EUR 142 thousand, no interest, maturity on 1 July 2023)

- A loan EUR 23 thousand due from IBM Capital Slovensko (principal EUR 23 thousand, interest rate 0,98% p.a., maturity on 1 Jun 2024)

5.16. Other financial liabilities

	31 Dec 2023	31 Dec 2022
Deferred payment for shares in acquired subsidiaries	-	150
Other financial liabilities	-	-
Contingent consideration recognized as part of business combination	-	-
Financial liabilities (non-current)	**-**	**150**
Company shareholders dividends	1	3,432
Deferred payment for shares in acquired subsidiaries	-	150
Other financial liabilities	8	7
Contingent consideration recognized as part of business combination	-	-
Financial liabilities (current)	**9**	**3,589**

5.17. Lease liabilities

In accordance with IFRS 16, a contract is a lease or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use is transferred under a contract if the lessee has both of the following:

- the right to obtain substantially all of the economic benefits from use of the identified asset; and
- the right to direct the use of the identified asset.

Lease liabilities – initial recognition

At the lease commencement date, the Company measures the lease liability at the present value of lease payments outstanding at that date. The lease payments are discounted by the Company using the incremental borrowing rate.

The lease payments comprise: fixed payments (including in-substance fixed lease payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable under residual value guarantees; the exercise price of a purchase option (if the Company is reasonably certain to exercise that option); and payments of penalties for terminating the lease (if the Company is reasonably certain to exercise that option).

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

Lease liabilities – subsequent measurement

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

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

Practical expedients for short-term leases and leases of low-value assets

The Company applies a practical expedient to rental contracts and other contracts of similar nature that are concluded for a period shorter than 12 months from the lease commencement date.

All figures in thousands of EUR, unless stated otherwise. 48

Whereas, the practical expedient for leases of low-value assets is applied by the Company primarily to leases of IT hardware and other equipment with a low initial value. According to guidance provided by the International Accounting Standards Board, items whose value does not exceed USD 5 thousand may be considered as low-value assets.

In both the above-mentioned exceptions, the lease payments are recognized as expenses basically on a straight-line basis, in the period to which they are related. In such case, the Company does not recognize any right-of-use assets or corresponding financial liabilities.

Exemptions from applying IFRS 16

The Company does not apply the provisions of IFRS 16 to rental contracts and other contracts of similar nature for which the underlying assets are recognized as intangible assets. Moreover, IFRS 16 does not apply to intellectual property licensing agreements which are within the scope of IFRS 15**.**

As at 31 December 2023, assets used under lease contracts where the Company is a lessee, included:

- office buildings

The table below presents the amounts of lease liabilities as at 31 December 2023 as well as at 31 December 2022

	31.12.2023		31.12.2022	
Lease liabilities	**Long-term**	**Short-term**	**Long-term**	**Short-term**
Leases of real estate	12,212	1,188	13,399	816
Leases of transportation vehicles	-	-	-	-
Leases of IT hardware	-	-	-	-
Total	**12,212**	**1,188**	**13,399**	**816**

Minimálne budúce peňažné toky a záväzky podľa dohôd o finančnom lízingu sú nasledovné:

Lease of office space	31.12. 2023	31.12. 2022
Minimal lease payments		
up to 1 year	1,188	816
over 1 year but less than 5 years	6,106	6,058
over 5 years	6,106	7,341
Future minimum lease payments	**13,400**	**14,215**
Future interest costs	(884)	(1,044)
Present value of lease liability		
up to 1 year	1,039	656
over 1 year but less than 5 years	5,560	5,459
over 5 years	5,917	7,056
Lease liability	**12,516**	**13,171**

Incremental interest rate used 1,25%.

All figures in thousands of EUR, unless stated otherwise.

5.18. Trade payable and other liabilities

Trade payables relating to operating activities are recognized and disclosed at the amounts stated on the invoices as received, and are recognized in the reporting periods to which they relate. Other liabilities relate to operating activities, although unlike trade payables related to operating activities, they have not been invoiced.

Current trade payable	31 Dec 2023	31 Dec 2022
Trade payable to related companies	325	350
Trade payable to other companies	3,423	3,651
Liabilities due to non-invoiced deliveries	904	2,762
Liabilities from project-related contractual penalties	-	174
Total	**4,652**	**6,937**

Non-current trade payable	31 Dec 2023	31 Dec 2022
Trade payable to other companies	-	-
Total	**-**	**-**

Trade payables are not interest-bearing. Transactions with related companies are presented in note 5.22 to these financial statements. The standard payment period for trade accounts payable is 30 days.

Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable	31 Dec 2023	31 Dec 2022
Value added tax	1,262	877
Corporate income tax (CIT)	-	-
Personal income tax (PIT)	203	264
Social Insurance Institution	762	818
Other	-	207
Total	**2,227**	**2,166**

The amount resulting from the difference between VAT payable and VAT receivable is paid to the relevant tax authorities on a monthly basis.

The subsidy advance represents the repayable advances received for the subsidy (grant). As there is doubt about its utilization, it is recognized as a liability.

Other current liabilities	31 Dec 2023	31 Dec 2022
Liabilities to employees relating to salaries and wages	1,190	1,198
Liabilities from purchase of property, plant, equipment and intangible assets to parent company and subsidiaries	-	-
Liabilities from purchase of property, plant, equipment and intangible assets to entities related through the company's key management personnel	72	72
Other liabilities to related parties	3,785	3,785
Other liabilities to unrelated parties	44	39
Total	**5,091**	**5,094**

Other non-current liabilities	31 Dec 2023	31 Dec 2022
Liabilities from purchase of property, plant, equipment and intangible assets to parent company	36	108
Total	**36**	**108**

All figures in thousands of EUR, unless stated otherwise. 50

Social fund liability is included under “Other liabilities”, according to Social Fund Act (Nr. 152/1994 Z.z.). The balance of social fund liability is EUR 46 thousand as at 31 December 2023.

5.19. Contract liabilities

In accordance with IFRS 15 Group presents contract liabilities that include liabilities arising from valuation of IT contracts and deferred income from right-to-access licences that have not been recognized as at the reporting date, as well as future revenues from the provision of services such as IT support (maintenance) which are recognized over time.

Because of wide range of performance obligations it is difficult to determine one moment at which Group normally satisfies its performance obligations. Usually for contracts for implementation of complex IT system and maintenance services, the Group satisfies its performance obligations when it renders these services to clients. In case of performance obligation of providing a right-to-use license to client, the Group considers the performance obligation to be satisfied in the moment of granting the license, but no sooner than at the beginning of the period in which the client can start using the software (most often in the moment of transferring the license key), which, according to Group assessment, is synonymous with transferring a control over the license to the client.

Contract liabilities, of which:	31.12.2023		31.12.2022	
	Non-current	Current	Non-current	Current
Liabilities arising from valuation of IT contracts	**-**	**451**	**-**	**988**
to related parties	-	-	-	-
to other entities	-	451	-	988
Deferred income	**104**	**1,594**	**23**	**1,029**
Maintenance services and license fees	104	1,573	2	1,016
Other prepaid services	-	21	21	13
Liability to transfer equipment	-	-	-	-
Total	**104**	**2,045**	**23**	**2,017**

The change in balance of contract liabilities during the period of 12 months ended 31 December 2023 resulted from the following movements:

	12 months to 31 December 2023
Contract liabilities as at 1 January 2023	**988**
Issue of invoices at the amount exceeding satisfaction of performance obligation	3,039
Satisfaction of performance obligations without invoicing; Change in an estimate of the transaction price or costs, other changes in the assumptions	(3,576)
Contract liabilities as at 31 December 2023	**451**

5.20. Non-current and current provisions for liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects that the expenditure required to settle a provision is to be reimbursed, e.g., under an insurance contract, this reimbursement is recognized as a separate asset when, and only when, it is virtually certain that such reimbursement will be received. The expense relating to such a provision is presented in the profit and loss account, net of the amount of any reimbursements.

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

Where the effect of the value of money in time is material, the amount of a provision is determined by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time and the risks related to the liability. Where the discounting method is used, the increase in a provision due to the passage of time is recognized as borrowing costs.

All figures in thousands of EUR, unless stated otherwise. 51

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or the service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. The average warranty period is six months.

The provision for the costs of warranty repairs is created in relation to the implementation of own software with no maintenance contract under which any potential issues or claims from the customer could be settled. Based on the experience from previous years, the warranty provision is released over the period of six months.

	Provision for warranty repairs	Provision for contractual penalties	Total
As at 1 January 2023	**-**	**62**	**62**
Provisions established during financial year (+)	-	-	-
Provisions reversed (-)	-	-	-
Provisions utilized (-)	-	-	-
As at 31 December 2023	**-**	**62**	**62**
Short-term as at 31 December 2023	-	62	62
Long-term as at 31 December 2023	-	-	-
As at 31 December 2022	**-**	**62**	**62**
Short-term as at 31 December 2022	-	62	62
Long-term as at 31 December 2022	-	-	-

Provisions for contractual penalties

Provisions for contractual penalties includes provisions for penalties and compensations created for contractual penalties, mostly related to delayed projects.

5.21. Accrued expenses and deferred income

Accrued expenses are recognized in profit and loss in the amount of the probable obligations related to the current reporting period, in particular resulting from the supplies delivered / services rendered to the entity by its contractors, when the obligation's amount can be reliably valued.

Utilization of accruals may fall according to the time or volumes of supplies / services. Time and manner of amortization is justified with the nature of the costs amortized, with respect to the prudence principle.

Deferred income (unearned revenues) relates mainly to prepayments received for the provision of maintenance services in future periods. The Company applies deferred expenses or deferred income accounts if such income or expenses relate to future reporting periods. By contrast, accrued expenses are disclosed in the amount of probable liabilities relating to the present reporting period.

Government subsidies

Government subsidies are a form of financial assistance provided to enterprises by the government in exchange for satisfying, in the past or in the future, certain conditions related to their operating activities. Government subsidies do not include any forms of government aid which have no precise value, nor any transactions conducted with the government which cannot be differentiated from ordinary business transactions of an enterprise.

Government subsidies are not recognized in accounts until there is sufficient certainty that a beneficiary company is going to meet the subsidy conditions and that the subsidy is going to be received, while the fact of actually having received a subsidy may not itself be perceived as convincing evidence that the subsidy conditions have been or will be met.

The method of subsidy accounting does not depend upon the manner in which it was granted. Therefore, a subsidy is accounted for using the same approach, irrespective of whether it was received in cash or in the form of a reduction of liabilities towards the government.

If a subsidy corresponds to a specific cost item, then it is recognized as income proportionally to the incurrence of the costs which the subsidy is supposed to compensate.

All figures in thousands of EUR, unless stated otherwise. 52

However, if a subsidy corresponds to a specific asset then its fair value is initially recognized in the deferred income account and amortized in the profit and loss account over the estimated useful life of the related asset.

Accrued expenses and deferred income are presented in the statement of financial position as non-current and current liabilities.

Current accrued expenses	31 Dec 2023	31 Dec 2022
Accrual for unutilized vacation	978	952
Accrual for employee bonuses	1,185	1,924
Total	**2,163**	**2,876**

Accrued expenses mainly consist of the accrual for unused vacation, accruals for salaries and wages of the current period to be paid out in future periods, which result from the bonus schemes applied by the Company as well as other employee-related accruals.

Quarterly (for the 4th quarter) and annual bonuses are included in accruals for employee bonuses as at 31 December 2023.

Current deferred income	31 Dec 2023	31 Dec 2022
Asset grants	-	-
Other	-	-
Total	**-**	**-**

Non - current deferred income	31 Dec 2023	31 Dec 2022
Asset grants	-	-
Prepaid rents and operating lease payments	-	-
Other	-	-
Total	**-**	**-**

The balance of deferred income mainly relates to prepayments for the provision of services such as maintenance and IT support and license fees.

All figures in thousands of EUR, unless stated otherwise.

5.22. Transactions with related companies

	Asseco Central Europe sales to related companies in the period of		Asseco Central Europe purchases from related companies in the period of		Asseco Central Europe receivables as at		Asseco Central Europe liabilities as at	
	12 months ended 31.12.2023	12 months ended 31.12.2022	12 months ended 31.12.2023	12 months ended 31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Transactions with parent company	**207**	**186**	**136**	**135**	**53**	**47**	**224**	**45**
Asseco Poland S.A.	-	-	126	134	-	-	224	45
Asseco International	207	186	10	1	53	47	-	-
Transactions with subsidiaries	**1,836**	**892**	**3,419**	**2,584**	**2,673**	**73**	**8,547**	**53**
Asseco Central Europe a.s. CZ	1,698	681	2,402	2,207	1,327	-	7	-
exe, a. s.	43	15	300	198	313	7	18	14
Asseco Central Europe Magyarorszag Zrt.	(26)	46	482	143	377	34	-	26
DWC, a.s. v likvidácii	-	32	-	24	-	-	-	-
IPI s.r.o.	-	-	-	-	347	-	-	-
INVENTION, s.r.o.	8	8	12	12	281	3	4	4
Asseco Enterprise Solutions, a.s.	113	110	223	-	28	30	8,518	10
Transactions with sister companies	**478**	**329**	**1,857**	**336**	**1,017**	**389**	**3,918**	**3,947**
Asseco Software Nigeria Ltd.	132	119	-	-	261	262	20	1
Dahliamatic Sp. z o.o.	-	-	88	29	-	-	-	-
Berit GmbH, Deutschland	24	106	-	-	-	1	-	-
Asseco Solutions a.s. SR	80	98	92	232	-	10	23	160
Asseco Solutions a.s. ČR	2	2	24	40	1	1	2	2
Asseco CE CLOUD, a.s.(LittleLane, .s.r.o.)	217	-	1,407	-	754	-	45	-
CEIT Slovakia, a.s.	23	16	246	35	1	115	3,828	3,785
Asseco Central Asia	-	(12)	-	-	-	-	-	-
Transactions with associates	**151**	**299**	**1,486**	**1,046**	**176**	**404**	**1**	**138**
eDocu, a.s.	6	2	4	4	127	56	1	-
Galvaniho 5, s.r.o.	45	42	1,332	902	22	7	-	57
LittleLane, s.r.o.	-	-	-	-	-	54	-	-
PROSOFT Košice, a.s.	92	255	150	140	27	287	-	81
EdgeCom, a.s.	8	-	-	-	-	-	-	-
Transactions with entities (individuals and/or legal entities) related through Group's key management personnel	**-**	**3**	**18**	**8**	**-**	**-**	**108**	**180**
ABK Design & Consulting, s.r.o.	-	-	18	8		-	-	-
Asset a.s.	-	1	-	-		-	108	180
KIUK spol s r.o	-	2	-	-		-	-	-
Total	**2,672**	**1,710**	**6,916**	**4,109**	**3,919**	**913**	**12,798**	**4,363**

All figures in thousands of EUR, unless stated otherwise

5.23. Information on transactions with other related entities

As at 31 December 2023 and as at 31 December 2022, according to information available to Asseco Central Europe, a. s., there were no significant liabilities due to transactions conducted with companies related through Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel themselves.

As at 31 December 2023 and as at 31 December 2022, according to information available to Asseco Central Europe, a. s., there were no significant receivables due to transactions conducted with companies related through Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel themselves.

In the 12-month periods ending 31 December 2023 and 31 December 2022, according to the accounting books and best knowledge of the management of Asseco Central Europe, a. s. there were no significant transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel.

VI. Notes to the Statements of Cash Flows

6.1. Cash flows from operating activities

The table below presents items representing changes in working capital as disclosed in the Statement of Cash Flows:

Changes in working capital	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Change in inventories	488	6
Change in receivables	7,870	(3,302)
Change in liabilities	(1,607)	7,085
Change in deferred and accrued expenses	(1,662)	(438)
Change in provisions	-	-
TOTAL	**5,089**	**3,351**

6.2. Cash flows from investment activities

For the period of 12 months ended 31 December 2023, the balance of cash flows from investment activities resulted mainly from the following income and expenditures:

- Acquisitions of tangible and intangible assets, including purchases of buildings and property, plant and equipment for EUR 418 thousand and purchases of intangible assets for EUR 141 thousand.
- Expenditures related to a research and development project for EUR 806 thousand.
- Dividend received for EUR 10,978 thousand.
- Acquisition of subsidiaries related to foundation of the company DSDP s.r.o. (EUR 5 thousand).
- Proceeds from sale of investment in subsidiaries related to repayment of the receivable from decrease of the Other Capital Founds of the company Galvaniho 5, s.r.o. (EUR 153 thousand).
- Loans granted (outflow) EUR 200 thousand represent loans granted to company Asseco Central Europe Magyarország Zrt.

6.3. Cash flows from financing activities

In the 12 months ending 31 December 2023, the balance of cash flows from financing activities resulted mainly from the following income and expenditures:

- Repayment of bank and other loans represented by repayment of the loans EUR 752 thousand provided by IBM Capital Slovensko (EUR 736 thousand) and Škoda Financial Services (EUR 16 thousand).
- Dividends paid to shareholders of the Parent Company of EUR 10,925 thousand.
- Dividends paid to non-controlling interests of EUR 622 thousand.
- Other cash flows from financing activity represent paid receivable for treasury shares EUR 751 thousand.

All figures in thousands of EUR, unless stated otherwise 56

VII. OBJECTIVES AND PRINCIPLES OF FINANCIAL RISK MANAGEMENT

The Company is exposed to a number of risks arising from the macroeconomic situation of the countries in which it operates. The main external factors that may have an adverse impact on the Company's financial performance are: (i) fluctuations in foreign currency exchange rates against the euro, and (ii) changes in market interest rates. Financial results are also indirectly affected by the pace of GDP growth, the value of public orders for IT solutions, the level of capital expenditures made by enterprises and the inflation rate. In addition, the internal factors with potential negative bearing on the Company's performance include: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of project costs when entering into contracts and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The Company's presentation currency is the euro; however, some contracts are denominated in foreign currencies. With regard to the above, the Company is exposed to potential losses resulting from fluctuations in foreign currency exchange rates versus the euro in the period between concluding a contract and invoicing.

Identification: According to the Company's procedures for entering into commercial contracts, each agreement concluded or denominated in a foreign currency, different from the Company's functional currency, is subject to detailed registration. Based on this solution, any currency risk involved is detected automatically.

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on one hand, and on the other by the amount of currency derivative instruments concluded in the financial market. The procedures applicable to the execution of IT projects require systematic updates of the project implementation schedules and the cash flows generated under such projects.

Objective: The purpose of countering the risk of fluctuations in foreign currency exchange rates is to mitigate their negative impact on the contract margins.

Measures: In order to hedge contracts settled in foreign currencies, the Company concludes simple currency derivatives such as forward contracts and, in the case of embedded instruments under foreign currency-denominated contracts, non-deliverable forward contracts. In addition, forward contracts with delivery of cash are applied for foreign currency contracts.

Matching: Hedging against foreign currency risk requires selection of suitable financial instruments to offset the impact of changes in the risk-causing factor on the Company's financial performance (the changes in embedded instruments and concluded instruments are balanced out). Nevertheless, because project implementation schedules and cash flows generated are characterized by a high degree of changeability, the Company is subject to changes in its exposure to foreign exchange risk. Therefore, the Company dynamically transfers its existing hedging instruments or concludes new ones with the objective of ensuring the most effective matching. It has to be taken into account that the valuation of embedded instruments changes with reference to the parameters as at the contract signing date (spot rate and swap points), while transfer or conclusion of new instruments in the financial market may only be effected on the basis of the current rates available. Hence, it is possible that the value of financial instruments will not be matched and the Company's financial result will be potentially exposed to foreign currency risk.

The overall impact of foreign currency risk on the financial statements, from changes in exchange rates, was insignificant as of 31 December 2023.

In order to hedge against the risk of changes in foreign currency exchange rates and in interest rates, the Company utilizes currency forward contracts. Such financial derivatives are measured at fair value. Derivative instruments are recognized as assets or liabilities depending on whether their value is positive or negative.

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

Gains and losses on changes in fair value of derivatives are recognized directly in profit or loss for the current financial reporting period, due to the fact that the Company does not use financial instruments which are qualified for hedge accounting.

Interest rate risk

Changes in market interest rates may have a negative influence on the financial results of the Company. The Company is exposed to the risk of interest rate changes primarily in two areas of its business activities: (i) credit facilities granted by external financial institutions, which are based on a variable interest rate, and (ii) changes in valuation of concluded and embedded derivative instruments, which are based on the forward interest rate curve. More information on factor (ii) may be found in the description of currency risk management.

Identification: The interest rate risk arises and is recognized at the time of concluding a transaction or a financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Company; hence the knowledge of that issue is complete and acquired directly.

Measurement: The Company measures exposure to interest rate risk by preparing statements of the total amount resulting from all the financial instruments based on a variable interest rate.

Objective: The purpose of reducing such a risk is to eliminate occurrence of higher expenses due to the concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Company may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements.

Matching: The Company gathers and analyzes the current market information concerning its present exposure to interest rate risk. Currently, the Company does not hedge against changes in interest rates due to the high degree of unpredictability of their credit repayment schedules.

Credit risk

The Company is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and goodwill of the contractors to whom the Company provides IT solutions, and secondly with the financial credibility of the contractors with whom supply agreements are concluded. The maximum exposure does not exceed the carrying amount of financial assets.

Identification: The risk is identified each time when concluding contracts with customers, and afterwards during the settlement of payments.

Measurement: Determination of this type of risk requires the knowledge of any complaints or pending judicial proceedings against a client already in existence at the time of signing an agreement. Every two weeks the Company is obliged to check the settlement of payments under concluded contracts, inclusive of profit and loss analysis for individual projects.

Objective: The Company strives to minimize this risk in order to avoid financial losses resulting from the commencement and partial implementation of IT solutions, and to sustain the margins adopted for executed projects.

Measures: As the Company operates primarily in the banking and financial sectors, its customers are concerned about maintaining their good reputation. Here the engagement risk control is usually limited solely to monitoring the timely execution of bank transfers and, if required, sending reminders of outstanding payments. However, in the case of smaller clients, it is quite helpful to monitor their industry press and analyze the Company's previous experiences and those of its competitors. The Company concludes financial transactions with reputable brokerage houses and banks.

Financial liquidity risk

The Company monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g., accounts receivable, other financial assets) and cash flows anticipated from operating activities.

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

The following table shows the Company's trade accounts payable and other liabilities as at 31 December 2023 and 31 December 2022, by maturity period based on contractual undiscounted payments.

Aging structure of trade trade payable and other liabilities	As at 31 Dec 2023		As at 31 Dec 2022	
	amount	structure	amount	structure
Liabilities already due	-	-	590	1%
Liabilities due within 3 months	9,787	31%	11,244	29%
Liabilities due within 3 to 12 months	2,693	8%	6,843	17%
Liabilities due after 1 year	19,606	61	20,644	53%
Total	**32,086**	**100%**	**39,321**	**100%**

Financial guarantees provided are described in Note 8.1.

Foreign currency risk

The Company tries to conclude contracts with clients in its functional currency to avoid exposure to the risk arising from fluctuations in foreign currency exchange rates.

The analysis of sensitivity of trade accounts payable and receivable to fluctuations in the exchange rates of the CZK and other currencies against the functional currencies of the company indicates that exposure to foreign currency risk is not significant.

Trade accounts receivable and payable as at 31 December 2023	Amount exposed to risk	Impact on financial results of the Company	
		-10%	10%
CZK:			
Trade accounts receivable	1	(28)	28
Trade accounts payable	18	2	(2)
USD:			
Trade accounts receivable	261	(28)	28
Trade accounts payable	-	-	-
HUF:			
Trade accounts receivable	-	-	-
Trade accounts payable	-	-	-
PLN:			
Trade accounts receivable	-	-	-
Trade accounts payable	14	1	(1)
Balance	**590**	**(53)**	**53**

All figures in thousands of EUR, unless stated otherwise

Trade accounts receivable and payable as at 31 December 2022	Amount exposed to risk	Impact on financial results of the Company	
		-10%	10%
CZK:			
Trade accounts receivable	708	(71)	71
Trade accounts payable	7	1	(1)
USD:			
Trade accounts receivable	406	(41)	41
Trade accounts payable	-	-	-
CHF:			
Trade accounts receivable	8	(1)	1
Trade accounts payable	-	-	-
PLN:			
Trade accounts receivable	1	-	-
Trade accounts payable	12	1	(1)
Balance	**1,142**	**(111)**	**111**

Effects of reducing interest rate risk

The analysis of sensitivity related to fluctuations in interest rates of loans granted indicates the following net impact on financial results:

Loans granted based on variable interest rates as at 31 December 2023	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans granted based on BUBOR	-	-	-

Loans granted based on variable interest rates as at 31 December 2022	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans granted based on BUBOR	-	-	-

Loans collected based on variable interest rates as at 31 December 2023	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans collected based on EURIBOR	-	-	-

Loans collected based on variable interest rates as at 31 December 2022	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans collected based on EURIBOR	8,296	(4)	4

Other financial assets (bills of exchange) and loans (eDocu, LittleLane, Asseco Enterprise Solutions, a.s.) are based on fixed interest rates and are not included in the sensitivity analysis.

All figures in thousands of EUR, unless stated otherwise

Methods adopted for conducting sensitivity analysis

The analysis of sensitivity to fluctuations in foreign exchange rates and interest rates, with potential impact on our financial results, was conducted using the percentage deviations of +/-10% and +/-15%, by which the reference exchange rates and interest rates, effective as at the balance sheet date, were increased or decreased.

Fair value

The Company considers three levels of hierarchy to nominate the fair value of financial instruments. First level: the fair value of financial instruments which are actively traded on organized financial markets is nominated based on quoted market prices. Second level: the fair value of financial instruments for which no quoted market price is available is nominated based on the actual market price of another instrument which is identical. Third level: fair value is determined based on discounted cash flows from the net assets underlying the financial instrument.

In practice the Company determines the fair value of its financial instruments using the second or third level, the actual market price of identical derivative financial instruments. There was no outstanding position of financial instruments at fair value as of 31 December 2023 except of share of the company Rioacath FNDB value of CZK 20,000 thousand (EUR 804 thousand) which, due to the ongoing court case, the Company has overvalued and records it at zero value as of 31 December 2023.

VIII. Other explanatory notes to the Individual Financial Statements

8.1. Contingent liabilities concerning related companies

As at 31 December 2023, guarantees and sureties issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses bank guarantees issued by Komerční banka a. s. of EUR 991 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to the end of the year 2024).

As at 31 December 2022, guarantees and sureties issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses bank guarantees issued by Komerční banka a. s. of EUR 1,636 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to the end of the year 2024).

As at 31 December 2023, guarantees and sureties issued by Asseco Central Europe a. s. were as follows:

- PROSOFT Košice, a.s. (subsidiary) was granted a guarantee of EUR 2,980 thousand to back up its liabilities towards Tatra banka, a.s. under a framework credit agreement.
- Asseco Central Europe, a. s. (Czech republic) (subsidiary) was granted a guarantee of CZK 100 000 thousand (EUR 4,045 thousand) to back up its liabilities towards Česká spořitelna, a.s. under a framework credit agreement.
- Asseco CEIT, a.s. (subsidiary) was granted a guarantee of EUR 3,500 thousand to back up its liabilities towards Slovenská sporiteľňa, a.s. under a framework credit agreement.
- Asseco Central Europe Magyarország Zrt. (subsidiary) was granted a guarantee of HUF 600 000 thousand (EUR 1 567 thousand) to back up its liabilities towards UniCredit Bank Hungary Zrt., under a framework credit agreement.

As at 31 December 2022, guarantees and sureties issued by Asseco Central Europe a. s. were as follows:

- PROSOFT Košice, a.s. (subsidiary) was granted a guarantee of EUR 2,980 thousand to back up its liabilities towards Tatra banka, a.s. under a framework credit agreement.
- Asseco Central Europe, a. s. (Czech republic) (subsidiary) was granted a guarantee of CZK 100 000 thousand (EUR 4,147 thousand) to back up its liabilities towards Česká spořitelna, a.s. under a framework credit agreement.
- Asseco CEIT, a.s. (subsidiary) was granted a guarantee of EUR 3,500 thousand to back up its liabilities towards Slovenská sporiteľňa, a.s. under a framework credit agreement.

8.2. Contingent liabilities in favor of other companies

Additionally, as at 31 December 2023 and 31 December 2022, the Company was a party to a number of leasing and tenancy contracts or other similar contracts, resulting in the following future liabilities:

Liabilities under lease of space	31 Dec 2023	31 Dec 2022
In a period up to 1 year	147	154
Total	**144**	**144**

8.3. Employment

Average Company workforce in the reporting period	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Management Board	3	3
Production departments	464	447
Direct sales departments	2	3
Indirect sales departments	4	4
Back-office departments	72	70
Total	**545**	**527**

All figures in thousands of EUR, unless stated otherwise

Company workforce as at	31 Dec 2023	31 Dec 2022
Management Board	3	3
Production departments	494	512
Direct sales departments	4	3
Indirect sales departments	6	4
Back-office departments	62	88
Total	**569**	**610**

8.4. Remuneration due to certified auditors or the entity authorized to audit financial statements

The table below discloses the total amounts due to the entity authorized to audit financial statements, Ernst & Young Slovakia, spol. s r. o., paid or payable for the years ended 31 December 2023 and 31 December 2022, broken down by type of service:

Type of service	31 Dec 2023	31 Dec 2022
Obligatory audit of annual financial statements	99	99
Total	**99**	**99**

8.5. Remuneration of Members of the Board of Directors and Supervisory Board of the Company

The table below presents in euros remuneration payable to Members of the Board of Directors and the Supervisory Board of the Company for performance of their functions during 2023 and 2022.

Remuneration for the period of	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Board of Directors	421	847
Supervisory Board	85	79

In addditon, there were paid bonuses for results achieved in 2023 in the amount of EUR 445 thousand in the reporting period (in 2022 it was EUR 591 thousand for results achieved in 2021).

8.6. Equity management

The main objective of the Company's equity management is to maintain a favorable credit rating and safe level of equity ratios to support the Company's operating activities and increase value for our shareholders.

The Company manages its equity structure in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2023 and the year ended 31 December 2022, the Company did not introduce any changes to its objectives, principles and processes adopted in this area.

The Company consistently monitors the balance of its capital using a leverage ratio, which is calculated by comparing net liabilities to total equity increased by net liabilities. It is the Company’s principle to maintain this ratio below 35%. Net liabilities include interest-bearing credits and loans, trade accounts payable and other liabilities, decreased by cash and cash equivalents. Equity comprises own equity attributable to the Company’s shareholders, decreased by reserve capitals from unrealized net profits

All figures in thousands of EUR, unless stated otherwise

Equity management	31 Dec 2023	31 Dec 2022
Bank loans and other loans	8,898	9,393
Lease liabilities	12,516	13,171
Trade accounts payable and other liabilities	14,155	16,322
Cash and cash equivalents (-)	(10,873)	(3,990)
Net (assets) and liabilities	**24,696**	**34,896**
Shareholders' equity	117,404	114,562
Total equity	117,404	114,562
Equity plus net liabilities	**142,100**	**149,458**
Leverage ratio	**17.38%**	**23.35%**

8.7. Seasonal and cyclical nature of business

The Company's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because the bulk of sales revenues are generated from IT service contracts executed for large companies and public institutions, fourth quarter turnovers tend to be higher than in the remainder of the year. This phenomenon occurs because the above-mentioned entities close their annual budgets for implementation of IT projects and usually carry out investment purchases of hardware and licenses in the last quarter.

8.8. Significant events after the balance sheet date

Up to the date of preparing these individual financial statements, 14 March 2024, folowing events occurred:

- In February 2024, the contribution to the other capital funds of Asseco CE Cloud, a.s. was paid. in the value of 840 thousand EUR.

All figures in thousands of EUR, unless stated otherwise 64

Building a better working world

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Independent Auditor's Report

To the Shareholders, Supervisory Board and Board of Directors of Asseco Central Europe, a. s.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asseco Central Europe, a. s. (the Company), which comprise the Financial Statement of Financial Position as at 31 December 2023, Financial Statement of Income and Other Comprehensive Income, Financial Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU ("IFRS EU").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Statutory Audit No 423/2015 Coll. and on amendments to the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Statutory Audit") related to ethics, including Auditor's Code of Ethics, that are relevant to our audit of the financial statements, and we have fulfilled other requirements of these provisions related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give true and fair view in accordance with IFRS EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the presented information as well as whether the financial statements captures the underlying transactions and events in a manner that leads to their fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Annual Report

Management is responsible for the information disclosed in the annual report, prepared based on requirements of the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting"). Our opinion on the financial statements expressed above does not apply to other information contained in the annual report.

In connection with audit of the financial statements it is our responsibility to understand the information disclosed in the annual report and to consider whether such information is not materially inconsistent with audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

The annual report was not available to us as at the date of issue of the auditor's report on the audit of the financial statements.

When we obtain the annual report, we will consider whether the Company's annual report contains information, disclosure of which is required by the Act on Accounting and based on procedures performed during the audit of financial statements, we will express our opinion considering whether:

- Information disclosed in the annual report, prepared for 2023, is consistent with the financial statements for the relevant year,

- The annual report contains information based on the Act on Accounting.

Additionally, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its situation, obtained in the audit of the financial statements.

14 March 2024
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Peter Potoček, statutory auditor
UDVA Licence No. 992

ASSECO CENTRAL EUROPE GROUP

CONSOLIDATED FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION

BRATISLAVA, 14 MARCH 2024

Consolidated financial statements of Asseco Central Europe Group for the year ended 31 December 2023

Contents

These consolidated financial statements for the year ended 31 December 2023 were prepared on 14 March 2024 and approved by the Board of Directors of Asseco Central Europe, a.s. on the same date.

Board of Directors:

RNDr. Jozef Klein	Chairman of the Board of Directors	
Ing. Vladimír Dzurilla	Member of the Board of Directors	
Ing. Branislav Tkáčik	Member of the Board of Directors	
Ing. Martin Chripko	Member of the Board of Directors	

Bratislava, 14 March 2024

Consolidated statement of profit and loss and other comprehensive income

Asseco Central Europe Group

PROFIT AND LOSS ACCOUNT	Note	12 months ended 31 December 2023	12 months ended 31 December 2022
Sales revenues	5.1	374,514	337,155
Cost of sales	5.2	(276,126)	(244,802)
Gross profit on sales		**98,388**	**92,353**
Selling expenses	5.2	(22,327)	(20,808)
General administrative expenses	5.2	(33,850)	(30,206)
Net profit on sales		**42,211**	**41,339**
Other operating income	5.3	1,379	2,141
Other operating expenses	5.3	(368)	(379)
Operating profit		**43,222**	**43,101**
Financial income	5.4	1,846	609
Financial expenses	5.4	(3,155)	(2,494)
Profit before tax and share in profits of associated companies		**41,913**	**41,216**
Corporate income tax (current and deferred portions)	5.5	(8,968)	(7,879)
Share in profits of associates	6.6	38	550
Net profit for the period		**32,983**	**33,887**
Attributable to:			
Shareholders of the Parent Company		**10,398**	**14,555**
Non-controlling interest		22,585	19,332
Basic / diluted consolidated earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):	5.6	0.49	0.68

OTHER COMPREHENSIVE INCOME		
Net profit for the period	**32,983**	**33,887**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	5,347	(561)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Loss on valuation of equity instruments at fair value through OCI	(1,154)	-
Actuarial gain/ losses	(150)	174
Income tax on items taken directly to equity	29	(34)
Total other comprehensive income, attributable to:	**4,072**	**(421)**
Shareholders of the Parent Company	**(168)**	**83**
Non-controlling interests	4,240	(504)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD attributable to:	**37,054**	**33,466**
Shareholders of the Parent Company	**10,229**	**14,638**
Non-controlling interests	26,825	18,828

(in EUR thousand) page 5

Consolidated statement of financial position
Asseco Central Europe Group

ASSETS	Note	31 December 2023	31 December 2022 (restated)
Non-current assets		**221,687**	**215,865**
Property, plant and equipment	6.1	39,274	37,031
Intangible assets	6.2	24,822	22,306
Right-to-use assets	6.3	21,688	22,714
Goodwill	6.4	127,851	124,037
Investments in associates	6.6	3,304	3,308
Trade and other receivables	0	1,131	1,258
Deferred income tax assets	5.5	2,999	4,244
Other non-financial assets		41	43
Other financial assets	6.8	13	366
Prepayments	6.9	564	558
Current assets		**156,106**	**146,747**
Inventories	6.10	3,771	5,242
Prepayments	6.9	14,602	9,400
Trade receivables	0	51,374	53,901
Contract assets	0	14,780	28,745
Tax receivable	0	1,541	726
Receivables from state and local budget	0	2,835	1,609
Other receivables	0	1,451	698
Other non-financial assets	6.9	271	1,125
Other financial assets	6.8	79	1,111
Cash and short-term deposits	6.12	65,402	44,190
Non-current assets held for sale	6.13	4,584	4,784
TOTAL ASSETS		**382,377**	**367,396**

(in EUR thousand) page 6

Consolidated statement of financial position
Asseco Central Europe Group

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31 December 2023	31 December 2022 (restated)
Shareholders' equity (attributable to Shareholders of the Parent Company)		**128,165**	**123,742**
Share capital	6.14	709	709
Share premium	6.14	74,901	74,901
Treasury shares	6.14	-	(1,371)
Non-controlling interest transactions		(16,412)	(17,034)
Exchange differences on translation of foreign operations		(5,317)	(6,330)
Retained earnings		74,284	72,867
Non-controlling interest		**103,827**	**92,652**
Total shareholders' equity		**231,992**	**216,394**
Non-current liabilities		**42,172**	**45,335**
Bank loans, other loans and debt securities	6.15	20,441	21,631
Lease liabilities	6.17	16,284	18,514
Other financial liabilities	6.16	567	1,072
Deferred tax liability	5.5	727	1,412
Provisions	6.20	935	606
Deferred income	6.21	1,431	1,149
Contract liabilities	6.19	1,630	556
Other liabilities	6.18	157	395
Current liabilities		**108,213**	**105,667**
Bank loans, other loans and debt securities	6.15	15,347	15,538
Lease liabilities	6.17	5,421	5,552
Other financial liabilities	6.16	597	4,287
Trade payables	6.18	20,268	24,813
Contract liabilities	6.19	29,877	21,223
Tax payable	6.18	1,520	2,855
Liabilities to state and local budget	6.18	14,680	12,533
Other liabilities	6.18	6,617	6,101
Provisions	6.20	1,774	1,025
Deferred income	6.21	393	104
Accrued expenses	6.21	11,719	11,636
Total Liabilities		**150,385**	**151,002**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**382,377**	**367,396**

(in EUR thousand) page 7

Consolidated statement of changes in equity

Asseco Central Europe Group

	Note	Share capital	Share premium and treasury shares	Exchange differences on translation of foreign operations	Retained earnings	Shareholders' equity of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2023		**709**	**73,530**	**(6,330)**	**55,833**	**123,742**	**92,652**	**216,394**
Net profit for the period		-	-	-	10,398	**10,398**	22,585	**32,983**
Other comprehensive income		-	-	1 013	(1,181)	**(168)**	4,239	**4,071**
Total comprehensive income		**-**	**-**	**1 013**	**9,217**	**10,230**	**26,824**	**37,054**
Dividend for the year 2022	5.7	-	-	-	(8,117)	**(8,117)**	(17,444)	**(25,561)**
Purchase of own shares	6.14	-	1,371	-	317	**1,688**	-	**1,688**
Decrease in parent ownership		-	-	-	622	**622**	1,795	**2,417**
As at 31 December 2023		**709**	**74 901**	**(5 317)**	**57,872**	**128,165**	**103,827**	**231,992**

	Note	Share capital	Share premium and treasury shares	Exchange differences on translation of foreign operations	Retained earnings	Shareholders' equity of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2022		**709**	**74,901**	**(6,381)**	**51,662**	**120,891**	**88,807**	**209,698**
Net profit for the period		-	-	-	14,555	**14,555**	19,332	**33,887**
Other comprehensive income		-	-	51	33	**83**	(505)	**(422)**
Total comprehensive income		**-**	**-**	**51**	**14,588**	**14,639**	**18,827**	**33,466**
Dividend for the year 2021	5.7	-	-	-	(10,253)	**(10,253)**	(16,000)	**(26,253)**
Purchase of own shares	6.14	-	(1,371)	-	-	**(1,371)**	-	**(1,371)**
Change of status from associate to joint operation		-	-	-	(109)	**(109)**	-	**(109)**
Increase in parent ownership		-	-	-	(1,778)	**(1,778)**	281	**(1,497)**
Decrease in parent ownership		-	-	-	1,723	**1,723**	737	**2,460**
As at 31 December 2022		**709**	**73,530**	**(6,330)**	**55,833**	**123,742**	**92,652**	**216,394**

(in EUR thousand)

Consolidated statement of cash flows
Asseco Central Europe Group

	Note	12 months ended 31 December 2023	12 months ended 31 December 2022
Cash flows - operating activities			
Profit before tax and share in profits of associates		**41,913**	**41,216**
Total adjustments:		**39,162**	**5,813**
Depreciation and amortization		17,617	15,721
Changes in working capital	7.1	20,193	(11,428)
Interest income and expense		1,698	1,323
(Gain) / loss on foreign exchange differences		(394)	284
Gain (loss) on financial assets (valuation, disposal, etc.)		203	488
Other financial income (expenses)		(100)	(22)
Gain (loss) on disposal of property, plant and equipment and intangible assets		(407)	(1,664)
Impairment write-off of tangible and intangible assets		237	1,196
Gain (loss) on liquidation of tangible and intangible assets		135	5
Other adjustments to pre-tax profit		(20)	(90)
Net cash generated from operating activities		**81,075**	**47,029**
Corporate income tax paid		(12,143)	(10,835)
Net cash provided by (used in) operating activities		**68,932**	**36,194**
Cash flows - investing activities			
Inflows		**7,315**	**2,594**
Disposal of tangible fixed assets and intangible assets		542	232
Cash and cash equivalents in acquired subsidiaries		-	834
Disposal of shares in subsidiaries		-	580
Disposal of investments in other debt instruments measured at amortized cost		-	200
Disposal/settlement of financial assets measured at fair value through profit or loss		12	-
Loans collected	7.2	6,757	323
Interest received		4	24
Dividend received		-	401
Outflows		**(21,984)**	**(21,477)**
Acquisition of tangible fixed assets and intangible assets	7.2	(7,749)	(9,836)
Expenditures related to research and development projects		(7,557)	(9,120)
Acquisition of subsidiaries and associates		-	(2,151)
Acquisition of financial assets measured at fair value through profit or loss		(35)	(219)
Acquisition of financial assets measured at fair value through other comprehensive income		-	(60)
Loans granted and term-deposits opened	7.2	(6,643)	(91)
Net cash (used in) provided by investing activities		**(14,669)**	**(18,883)**

(in EUR thousand) page 9

Consolidated statement of cash flows
Asseco Central Europe Group (continued)

	Note	12 months ended 31 December 2023	12 months ended 31 December 2022
Cash flows - financing activities			
Inflows		**8,893**	**11,455**
Proceeds from issuance of shares		2,433	-
Proceeds sale of treasury shares		751	-
Proceeds from bank and other loans	7.3	5,709	11,291
Grants received for purchases of property, plant & equipment and/or development projects		-	164
Outflows		**(47,768)**	**(43,955)**
Acquisition of non-controlling interests		-	(60)
Purchase of own shares		-	(1,071)
Repayments of bank and other loans	7.3	(9,520)	(10,405)
Repayment of finance lease liabilities	7.3	(7,310)	(7,026)
Interest paid	7.3	(1,625)	(1,220)
Dividends paid out to the shareholders of the Parent Company	7.3	(10,925)	(7,388)
Dividends paid out to non-controlling shareholders	7.3	(18,388)	(16,785)
Net cash (used in) provided by financing activities		**(38,875)**	**(32,500)**
Increase (decrease) in cash and cash equivalents		**15,388**	**(15,189)**
Net foreign exchange differences		709	84
Cash and cash equivalents as at 1 January	6.12	36,224	51,329
Cash and cash equivalents as at 31 December	6.12	**52,321**	**36,224**

(in EUR thousand) page 10

Supplementary information and explanations of the consolidated financial statements

1. GENERAL INFORMATION

The Parent Company of the Asseco Central Europe Group (“the Group”) is Asseco Central Europe, a. s. (“the Parent Company”, “Company”, “Asseco Central Europe (SK)”) with its registered seat at Galvaniho 19045/19, 821 04 Bratisława, Slovakia. As at December 31st 2021, the registered seat of the Company was Trenčianska 56/A, 82109 Bratislava, Slovak Republic. Subsequently, the registered seat of the company was changed on the effective date of February 2nd 2022, and as of that date of preparation of these financial statements, the registered seat of the Company is Galvaniho 19045/19, 821 04 Bratislava - Ružinov district, Slovak Republic.

The Parent Company identification number (IČO) is 35760419 and its tax identification number (DIČ) is 2020254159.

The Company was established on 16 December 1998. The original name of the company ASSET Soft, a.s. was changed to Asseco Slovakia, a.s. in September 2005. On 28 April 2010, the Company again changed its name from Asseco Slovakia, a. s. to Asseco Central Europe, a.s. which was entered in the Commercial Register of the District Court Bratislava I in the Slovak Republic on the same day.

The Company's shares were listed on the main market of the Warsaw Stock Exchange from 10 October 2006. However, on 28 November 2016 the Extraordinary General Meeting of Shareholders of the Parent Company adopted resolutions to discontinue trading of the shares on the Warsaw Stock Exchange and to change them from bearer shares to paper registered shares (re-materialization of shares). As a consequence of these resolutions, it ceased to be a public joint stock company and became a private joint stock company under Slovak law. On 27 December 2016 the Parent Company filed the application to the Polish Financial Supervision Authority for consent to change the form of shares and the decision came into force on 22 May 2017.

The business profile of Asseco Central Europe, a. s. (SK) includes software and computer hardware consultancy, production of software and supply of software and hardware. Other companies of the Group conduct similar operations.

In addition to comprehensive IT services, the Group also sells goods including computer hardware. The sale of goods is largely connected with the provision of software implementation services.

The direct parent of Asseco Central Europe, a. s. (SK) is Asseco International, a.s. which in turn is a wholly-owned subsidiary of the ultimate parent of the Asseco Group i.e. Asseco Poland S.A. As at 31 December 2023, Asseco International, a.s. held a 92.33% stake in Asseco Central Europe, a.s. Asseco Poland S.A. with its registered seat at ul. Olchowa 14, 35-322 Rzeszów, Poland prepares consolidated financial statements of the Asseco Group which include Asseco Central Europe Group.

Asseco Central Europe, a.s. is not an unlimited liability partner in any company.

2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis for preparation

The consolidated financial statements of the Asseco Central Europe Group ("Group") have been prepared on a historical cost basis, except for financial assets valued at fair value through profit and loss account, financial assets valued at amortized cost, financial liablities valued at fair value through profit and loss account and financial liabilities valued at amortized cost.

The presentation currency of these consolidated financial statements is the euro (EUR), and all figures are presented in thousands of euros (EUR ’000), unless stated otherwise.

Consolidated financial statements have been prepared based on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of authorization of these consolidated financial statements, the Parent Company’s Board of Directors is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group entities.

2.2. Impact of geopolitical and macroeconimic situation on the Group’s business operations

As at the date of publication of these financial statements, based on the current analysis of risks, in particular those arising from the war in Ukraine, the Management Board concluded that the Group’s ability to continue as a going concern over a period not shorter than 12 months from 31 December 2023 is not threatened.

The Russian invasion of Ukraine in 2022 and ongoing war 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. ACE Group does not conduct though any significant business operations in Russia, Belarus or in Ukraine, nor does it hold any cash in Russian banks. The war in Ukraine had no direct impact on these financial statements. At the time of publication of these financial statements, the Group has not observed any significant impact of the current economic and political situation in Ukraine or the sanctions imposed on Russia on the Group’s operations.

2.3. Compliance statement

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

As at the date of approval of these financial statements for publication, given the ongoing process of implementation of IFRS standards in the EU and the nature of the Group’s operations, within the scope of accounting policies applied by the Group, there are no differences between IFRS and EU IFRS.

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

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

2.4. Functional currency and presentation currency

The presentation currency of these consolidated financial statements is euro (EUR), and all figures are presented in thousands of euros (EUR ‘000), unless stated otherwise.

The functional currency applied by the Parent Company and, at the same time, the presentation currency used in these consolidated financial statements is euro (EUR). 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 EUR using the respective currency exchange rates as quoted by the European Central Bank (ECB) at the end of the reporting period in the case of the statement of financial position, or using the arithmetic average of such exchange rates as published by the ECB and effective on the last day of each month during the reporting period in the 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 “Foreign exchange differences on translation of foreign operations”.

2.5. Professional judgments and estimates

Preparing consolidated financial statements in accordance with IFRS requires judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities accompanying disclosures, and the disclosure of contingent liabilities. Although the estimates and assumptions have been made based on the Group's management best knowledge of the current activities, the actual results may differ from those anticipated.

The explanatory notes present the main areas which were subject to accounting estimates and the management's professional judgments in applying accounting policies, and which, if changed, could significantly affect the Group's future results.

2.6. Changes in accounting principles applied and new standards and interpretations effective in the current period

The accounting principles (policy) adopted in the preparation of these consolidated financial statements are consistent with those applied in preparing the Group's annual consolidated financial statements for the year ended 31 December 2022, except for new standards effective from 1 January 2023.

New standards or amendments to the International Financial Reporting Standards effective from 1 January 2023:

- IFRS 17 'Insurance Contracts' and amendments to IFRS 17;
- Amendments to IAS 1 'Presentation of Financial Statements' and the IFRS's 'Practice Statement 2 on Disclosure of Accounting Policies';
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- Amendments to IAS 12 'Income Taxes'.

The new standards and amendments have no significant impact on the consolidated financial statements of the Group.

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

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 IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) – the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB;
- Amendments to IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent'– 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) – effective for financial years beginning on or after 1 January 2024.
- 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 EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2024;
- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) – not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2025;

Due to the issued amendments to IAS 12 "Income taxes", which introduce a mandatory temporary exception to the requirements of IAS 12 under which the Group does not recognise or disclose information about deferred tax assets and liabilities related to the proposed Pillar Two model rules, the Group has decided to apply a temporary exception at 31 December 2023.

The specified effective dates have been provided 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 amendments are going to impact its financial statements.

2.8. Corrections of material errors

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

2.9. Changes in the comparative data

In the reporting period there were no changes in the applied principles of presentation.

According to paragraph 45 of IFRS 3 Business Combinations, the Group has 12 months from the acquisition date of the subsidiary to finalize the acquisition accounting. In 2023, the Group completed the final settlement of the acquisition of company ANeT-Advanced Network Technology s.r.o., requiring the transformation of comparable data.

As a result of the events mentioned above, certain assets and liabilities as of December 31, 2022, underwent changes. The tables below illustrate the impact of these changes on comparable balance sheet data

ASSETS	31 December 2022	PPA finalization ANET	31 December 2022 *(restated)*
Non-current assets	**215,815**	**50**	**215,865**
Property, plant and equipment	37,031	-	37,031
Intangible assets	22,306	-	22,306
Right-to-use assets	22,714	-	22,714
Goodwill	123,987	50	124,037
Investments in associates	3,308	-	3,308
Trade and other receivables	1,258	-	1,258
Deferred income tax assets	4,244	-	4,244
Other non-financial assets	43	-	43
Other financial assets	366	-	366
Prepayments	558	-	558
Current assets	**146,747**	**-**	**146,747**
TOTAL ASSETS	**367,346**	**50**	**367,396**

SHAREHOLDERS' EQUITY AND LIABILITIES	31 December 2022	PPA finalization ANET	31 December 2022 *(restated)*
Shareholders' equity (attributable to Shareholders of the Parent Company)	**123,742**	**-**	**123,742**
Non-controlling interest	**92,652**	**-**	**92,652**
Total shareholders' equity	**216,394**	**-**	**216,394**
Non-current liabilities	**45,285**	**50**	**45,335**
Bank loans, other loans and debt securities	21,631	-	21,631
Lease liabilities	18,514	-	18,514
Other financial liabilities	1,022	50	1,072
Deferred tax liability	1,412	-	1,412
Provisions	606	-	606
Deferred income	1,149	-	1,149

(in EUR thousand) page 14

Contract liabilities	556	-	556
Accrued expenses	395	-	395
Current liabilities	**105,667**	**-**	**105,667**
TOTAL LIABILITIES	**150,952**	**50**	**151,002**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**367,346**	**50**	**367,396**

(in EUR thousand) page 15

3. ORGANIZATION AND CHANGES IN STRUCTURE OF ASSECO CENTRAL EUROPE GROUP, INCLUDING INDICATION OF ENTITIES SUBJECT TO CONSOLIDATION

Significant accounting policies

Consolidation rules

The consolidated financial statements comprise the financial statements of the Parent Company as well as financial statements of its subsidiaries. Subsidiaries are all entities over which the Group has control. The control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has: (i)power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure or rights to variable returns from its involvement with the investee; (iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Business combination under common control

A business combination under common control is a business combination in which all of the entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory. In particular, this will include transactions such as the transfer of subsidiaries or businesses between entities within the Group.

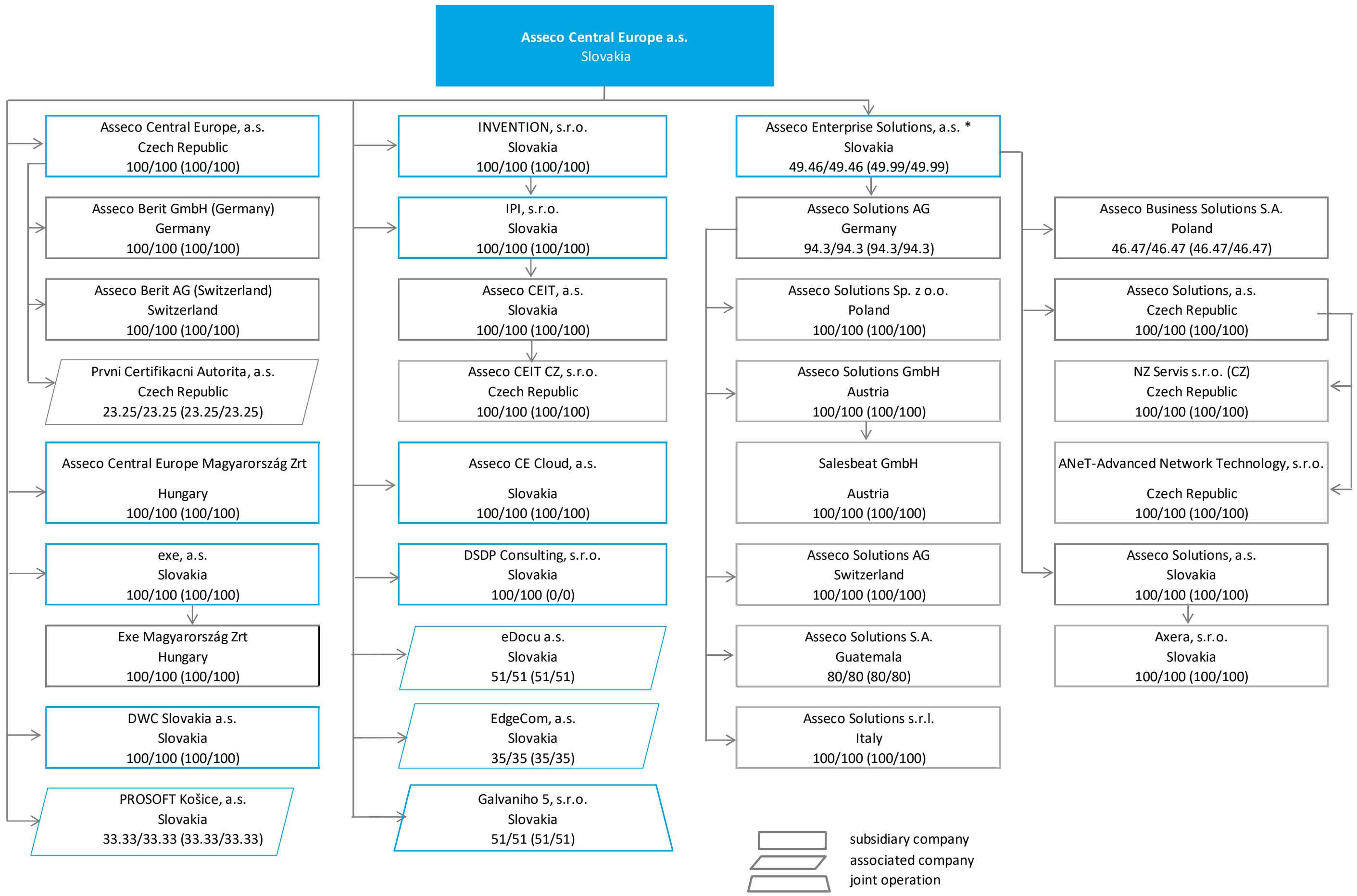
In the case of a business combination under common control, entities within the Group should apply the pooling of interest method with application of financial data from consolidated financial statements of the Parent entity.

The pooling of interest method is considered to involve the following:

(i) the assets and liabilities of the combining entities are reflected at their carrying amounts – i.e. no adjustments are made to reflect fair values or to recognize any new assets or liabilities, which would otherwise be done under the acquisition method; the only adjustments that are made are to harmonize accounting policies and eliminate inter-company balances;

(ii) no "new" goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid/transferred and the equity "acquired" is reflected within equity. Comparative data is not adjusted.

The table below presents the Group's structure along with its equity interests and voting interests held at the general meetings of shareholders/partners as at 31 December 2023 and in the comparative period:



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

* Asseco Central Europe, a.s. holds a 49.456601% stake in Asseco Enterprise Solutions, while the remaining 49.456623% of shares are held by Asseco International, a.s. Asseco Central Europe, a.s. maintains direct control over Asseco Enterprise Solutions, a.s.

In 2023 the following changes in the Group structure were observed:

Changes within the Asseco Central Europe group	Date of transaction	Percentage of voting rights after transaction	Impact on equity attributable to shareholders of the Parent Company (in EUR thousand)
LittleLane, a.s. changed its name to Asseco CE Cloud, a.s. (associate entity)	24 January 2023	100%	-
Asseco Central Europe, a.s. acquired control over ACE Cloud, a.s. ACE Cloud, a.s. has changed its status from associate to subsidiary.	1 February 2023	100%	-
Equity interest held by Asseco Central Europe, a.s. in Asseco Enterprise Solutions, a.s. dropped by 0,54% following an issuance of shares by Asseco Enterprise Solutions, a.s. The newly issued shares were acquired by the manager of Asseco Enterprise Solutions Group.	24 March 2023	49.45%	622
Asseco Central Europe, a.s. (Slovakia) established the company DSDP Consulting, s.r.o.	28 March 2023	100%	-
Asseco Central Europe, a.s. sold its treasury shares to Asseco International, a.s. as a result of which the percentage of voting rights held by Asseco International, a.s. in Asseco Central Europe, a.s. increased by 0.08%, and its equity interest increased by 1%.	29 May 2023	92.33%	1,688

4. 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 whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group identifies the following three operating segments:

Asseco Central Europe segment includes two major companies: Asseco Central Europe, a. s. (SK) and Asseco Central Europe, a. s. (CZ) and their local distribution branches in Germany and Switzerland: Asseco Berit GmbH (DE) and Asseco Berit AG (CH), as well as exe, a.s. Asseco Cloud a.s. and Galvaniho 5, s.r.o. Despite being different legal entities, both main companies have the identical Board of Directors and form one homogenous organisational and business structure with shared back-office departments. Performance of the segment is analyzed on a regular basis by its Board of Directors. These companies offer comprehensive IT, outsourcing and processing services as well as lease of office space intended for a broad range of clients operating in the sectors of financial institutions, general business and public administration.

Asseco Solutions segment includes ERP companies: Asseco Business Soutions S.A. (PL), Asseco Solutions, a. s. (SK), Asseco Solutions, a. s. (CZ), Asseco Solutions AG (DE), Asseco Solutions GmbH. (AT), Asseco Solutions AG (CH), Asseco Solutions S.A. (GT), Asseco Solutions s.r.l. (IT) and Axera s.r.o. Performance of this segment is analyzed on a regular basis by its Board of Directors. These companies offer ERP products and related services to a wide variety of clients operating in the sectors of financial institutions, general business and public administration.

CEIT segment includes companies: CEIT a.s., CEIT CZ s.r.o and CEIT IPI s.r.o. Performance of this segment is analyzed on a regular basis by its Board of Directors. These companies provide mainly products and services related to automatic guided vehicles (AGV) to customers from an automovite industry.

Other – this segment includes a Hungarian company Asseco Central Europe Magyarország Zrt. Performance of the company is periodically assessed by the Board of Directors of Asseco Central Europe, a. s. (SK). The company offers comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, enterprises and public administration.

Revenues from none of Group's clients exceeded 10% of total sales generated by the Group in the period of 12 months ended 31 December 2023.

12 months ended 31 December 2023	Segment Asseco Central Europe	Segment Asseco Solutions	Segment CEIT	Segment Other	Eliminations	Total
Operating revenues:	**159,159**	**205,066**	**17,493**	**6,454**	**(13,658)**	**374,514**
Operating revenues from external customers	147,084	204,840	17,230	5,360	-	374,514
Inter/intra segment operating revenues	*12,075*	*226*	*263*	*1,094*	*(13,658)*	-
Operating profit (loss) of reporting segment	**2,253**	**40,613**	**(684)**	**913**	**127**	**43,222**
Interest income [1)]	10	1,246	14	3	(226)	**1,047**
Interest expenses [2)]	(1,075)	(673)	(354)	(237)	226	**(2,113)**
Corporate income tax	**(754)**	**(7,915)**	**127**	**(426)**	**-**	**(8,968)**
Non-cash items:						
Depreciation and amortization (as disclosed in the cash flow statement)	(4,514)	(12,280)	(559)	(364)	100	**(17,617)**
of which amortization of intangible assets recognized in purchase price allocation (PPA)	(245)	(208)	(145)	-	-	***(598)***
Impairment losses on segment assets	(1,441)	(69)	100	(281)	-	**(1,691)**
Share of profits of associates and joint ventures	38	-	-	-	-	**38**
Net profit (loss) of operating segment	**8,996**	**25,142**	**(423)**	**299**	**(1,031)**	**32,983**
Goodwill	**25,959**	**91,100**	**5,441**	**5,351**	**-**	**127,851**

[1)] Interest income on loans granted, debt securities, leases, trade receivables, and bank deposits
[2)] Interest expense on bank loans, borrowings, debt securities, leases, and trade payables

12 months ended 31 December 2022	Segment Asseco Central Europe	Segment Asseco Solutions	Segment CEIT	Segment Other	Eliminations	Total
Operating revenues:	**145,755**	**179,039**	**13,985**	**5,757**	**(7,381)**	**337,155**
Operating revenues from external customers	139,159	178,717	13,898	5,359	22	337,155
Inter/intra segment operating revenues	*6,596*	*322*	*87*	*398*	*(7,403)*	-
Operating profit (loss) of reporting segment	**8,739**	**35,698**	**14**	**(1,137)**	**(213)**	**43,101**
Interest income [1)]	117	373	11	2	(210)	**293**
Interest expenses [2)]	(661)	(688)	(170)	(143)	210	**(1,452)**
Corporate income tax	**(1,768)**	**(6,596)**	**313**	**172**	**-**	**(7,879)**
Non-cash items:						
Depreciation and amortization (as disclosed in the cash flow statement)	(3,984)	(10,503)	(585)	(801)	152	**(15,721)**
of which amortization of intangible assets recognized in purchase price allocation (PPA)	(244)	(148)	(145)	-	-	***(537)***
Impairment losses on segment assets	(105)	(743)	(111)	(29)	-	**(988)**
Share of profits of associates and joint ventures	550	-	-	-	-	**550**
Net profit (loss) of operating segment	**15,387**	**21,308**	**(422)**	**(1,160)**	**(1,226)**	**33,887**
Goodwill	**26,452**	**86,984**	**5,441**	**5,110**	**-**	**123,987**

[1)] Interest income on loans granted, debt securities, finance leases, trade receivables, and bank deposits
[2)] Interest expense on bank loans, borrowings, debt securities, finance leases, and trade payables

(in EUR thousand) page 20

5. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

5.1. Operating revenues

Significant accounting policies

IFRS 15 came into force on 1st January 2018. IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and applies to all contracts with customers, except for those which are within the scope of other standards, in particular IFRS 16.
Significant accounting policies that were applied in a Group until 31st December 2017 are presented in point III of Supplementary Information and Explanation to the Consolidated Financial Statements for the year ended on 31st December 2017 that was published on 12 March 2018.
The new standard provides the so-called 'Five-Step Model' for recognition of revenues from contracts with customers. According to IFRS 15, revenues shall be recognized in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to customers.
The Group is engaged in the sale of licenses and broadly defined IT services, and distinguishes the following types of revenues:

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

a) Sale of own licenses and services

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

- ***Comprehensive IT projects***

A large portion of those revenues is generated from the performance of comprehensive IT projects, whereby the Group is committed to provide the customer with a functional IT system. In those situations the customer can only benefit from a functional system, being the final product that is comprised of our own licenses and significant related services (for example, modifications or implementation). Under such contracts, the Group is virtually always required to provide the customer with comprehensive goods or services, including the supply of own licenses and/or own modification services and/or own implementation services. This means that the so-called comprehensive IT contracts most often result in a separate performance obligation that consists in providing the customer with a functional IT system. In the case of a performance obligation that involves the provision of a functional IT system, we closely examine the promise in granting a licence under each contract. Each license is analyzed for being distinct from other goods or services promised in the contract. As a general rule, the Group considers that a commitment to sell a license under such performance obligation does not satisfy the criteria of being distinct, because the transfer of the license is only part of a larger performance obligation, and services sold together with the license present such a significant value so that it is impossible to determine whether the license itself is a predominant obligation.
Revenues from a performance obligation to provide a functional IT system are recognized over time, during the period of its development. This is because, in accordance with IFRS 15, revenues may be recognized over time of transferring control of the supplied goods/services, as long as the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date throughout the duration of the contract. In the Management's opinion, in the case of execution of comprehensive IT projects the provider cannot generate an asset with an alternative use because such systems together with the accompanying implementation services are "tailor-made". Concurrently, the analysis carried out so far showed that essentially all contracts concluded by the Group meet the criterion of ensuring an enforceable right to payment for performance completed throughout the duration of the contract. This means that revenues from comprehensive IT projects, which include the sale of own licenses and own services, shall be recognized according to the percentage of completion method (based on the costs incurred so far) over time of transferring control of the sold goods/services to the customer. Relatively small IT projects are a specific case where revenues may be recognized in the amount the entity is entitled to invoice, in accordance with a practical expedient permitted under IFRS 15.

- ***Sale of own licenses without significant related services***

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

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

The vast majority of licenses sold separately by the Group (thus representing a separate performance obligation) are intended to provide the customer with a right to use the intellectual property, which means revenues from the sale of such licenses are recognized at the point in time at which control of the licence is transferred to the customer. This is tantamount to stating that in the case of own licenses sold without significant related services, regardless of the licensing period, the arising revenues are recognized on a one-off basis at the point in time of transferring control of the licence. We have also identified instances of selling licenses the nature of which is to provide a right to access the intellectual *property. Those licenses are, as a rule, sold for a definite period. Up until 31 December 2017, in line with our accounting policy for licenses granted for a definite period, the arising revenues were recognized over time (throughout the licensing period). In accordance with IFRS 15, the Group now recognizes such revenues based on the determination whether the license provides the customer with a right to access or a right to use.*

- ***Maintenance services and warranties***

The category of 'Own licenses and services' also presents revenues from own maintenance services, including revenues from warranties. Our accounting policy regarding the recognition of revenues from maintenance services remained unchanged after the adoption of IFRS 15, because in the Management's opinion such services, in principle, constitute a separate performance obligation where the customer consumes the benefits of goods/services as they are delivered by the provider, as a consequence of which revenues are recognized over time during the service performance period.

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

b) Sale of third-party licenses and services

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

c) Sale of hardware

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

d) Variable consideration

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

The Group is party to a number of contracts which provide for penalties for non-performance or improper performance of contractual obligations. Any contractual penalties may therefore affect the consideration, which has been stated as a fixed amount in the contract, and make it subject to change due to such expected penalties. Therefore, stating from 1 January 2018, as part of estimating the amount of consideration receivable under a contract, the Group has estimated the expected amount of consideration while taking into account the probability of paying such contractual penalties as well as other factors that might potentially affect the consideration. This causes a reduction in revenues, and not an increase in the amount of provisions and relevant costs as it was until now. Apart from contractual penalties, there are no other significant factors that may affect the amount of consideration (such as rebates or discounts), but in the event they were identified, they would also affect the amount of revenues recognized by the Group.

e) Significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides

the customer or the Group's company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract is deemed to contain a significant financing component.
The Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at the contract inception, that the period between when a promised good or service is transferred to the customer and when the customer pays for that good or service will be one year or less.
A contract with a customer does not contain a significant financing component if, among other factors, the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to the customer, and the difference between those amounts is proportional to the reason for the difference. This usually occurs when the contractual payment terms provide protection from the other party failing to adequately complete some or all of its obligations under the contract.

f) Costs of contracts with customers

The costs of obtaining a contract are those additional (incremental) costs incurred by the Group in order to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognizes such costs as an asset if it expects to recover those costs. Such capitalized costs of obtaining a contract shall be amortized over a period when the Group satisfies the performance obligations arising from the contract.
As a practical expedient, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group would have otherwise recognized is one year or less.
Costs to fulfil a contract are the costs incurred in fulfilling a contract with a customer. The Group recognizes such costs as an asset if they are not within the scope of another standard (for example, IAS 2 'Inventories', IAS 16 'Property, Plant and Equipment' or IAS 38 'Intangible Assets') and if those costs meet all of the following criteria: (i) the costs relate directly to a contract or to an anticipated contract with a customer, (ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and (iii) the costs are expected to be recovered.

g) Other practical expedients applied by the Group

When appropriate, the Group also applies a practical expedient permitted under IFRS 15 whereby if the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date (for example, a service contract in which an entity bills a fixed amount for each hour of service provided), the Group may recognize revenue in the amount it is entitled to invoice.
In line with the chosen approach for the implementation of IFRS 15, the Group also decided to use a practical expedient not to restate contracts in respect of all modifications that were approved before the beginning of the earliest period presented.

Revenues other than revenues from contracts with customers (not subject to IFRS 15) – Group as a lessor

Revenues other than revenues from contracts with customers are generated by the Group mainly from lease contracts whereby the Group's assets (mainly office space, storage space) are leased to customers for a fee. Revenues from such services are recognized in accordance with IFRS 16 (the Group acting as a lessor). The Group determines whether the concluded contract transfers substantially all the risks and rewards incidental to ownership of the leased asset to the customer, and consequently makes and appropriate classification of contracts as operating or finance leases.

Professional judgements and estimates

As it is disclosed in point 2.5 (i) Group satisfies performance obligations of which most relates to providing to customers functional IT systems that are measured basing on percentage of completion method. This method requires to estimate future operating cash flows to assess stage of completion of specific project at each balance sheet date.
Percentage of completion is determined by comparing already incurred costs to total costs planned for the specific project or by comparing man-days worked to total man-days planned for the project. This measurement and related revenue recognition requires professional judgement and estimates.

Operating revenues generated during the period of 12 months ended 31 December 2023 and in the comparable period were as follows:

Sales revenues	12 months ended 31 December 2023	12 months ended 31 December 2022
Sales revenues by type of products		
Own software and services	297,622	259,117
Third-party software and services	67,306	65,343
Computer hardware and infrastructure	9,586	12,695
Total	**374,514**	**337,155**
Sales revenues by sectors		
Banking and Finance	26,505	28,534

(in EUR thousand) page 23

General Business	244,014	213,576
Public Administration	103,995	95,045
Total	**374,514**	**337,155**

The category of 'Own licenses/software and services' includes revenues from contracts with customers under which the Group supplies own software and provide related services. Such services may be performed by the Group's employees (internal resources) as well as by subcontractors (external resources). The engagement of subcontractors in this category of revenues has no impact on the scope of responsibility or relationship between the Group's company and the customer to whom a service is provided. It is entirely up to the Group to decide whether services required for this type of projects should be performed by subcontractors or by own employees. In addition, this category includes revenues from the provision of own services for third-party software and infrastructure.
The category of 'Third-party licenses/software and services' includes revenues from the sale of third-party licenses as well as from the provision of services which, due to technological or legal reasons, must be carried out by subcontractors (this applies to hardware and software maintenance services as well as to software outsourcing services provided by their manufacturers).

i. Breakdown of segment sales by type of product

Operating revenues (by type of products) generated by individual operating segments during the period of 12 months ended 31 December 2023 and in the comparable period were as follows:

12 months ended 31 December 2023	Asseco Central Europe	Asseco Solutions	CEIT	Other	Eliminations	Total
Own software and services	97,524	186,899	17,293	6,454	(10,548)	**297,622**
Third-party software and services	53,078	15,703	25	-	(1,500)	**67,306**
Hardware and infrastructure	8,557	2,464	175	-	(1,610)	**9,586**
Total operating revenues	**159,159**	**205,066**	**17,493**	**6,454**	**(13,658)**	**374,514**

12 months ended 31 December 2022	Asseco Central Europe	Asseco Solutions	CEIT	Other	Eliminations	Total
Own software and services	87,120	162,688	9,327	5,757	(5,775)	**259,117**
Third-party software and services	53,682	13,249	-	-	(1,588)	**65,343**
Hardware and infrastructure	4,953	3,102	4,658	-	(18)	**12,695**
Total operating revenues	**145,755**	**179,039**	**13,985**	**5,757**	**(7,381)**	**337,155**

ii. Breakdown of segment sales by sector

Operating revenues (by sectors) generated by individual operating segments during the period of 12 months ended 31 December 2023 and in the comparable period were as follows:

12 months ended 31 December 2023	Asseco Central Europe	Asseco Solutions	CEIT	Other	Eliminations	Total
Banking and Finance	24,375	3,472	-	814	(2,156)	**26,505**
General Business	43,644	190,140	17,491	6	(7,267)	**244,014**
Public Administration	91,140	11,454	2	5,634	(4,235)	**103,995**
Total operating revenues	**159,159**	**205,066**	**17,493**	**6,454**	**(13,658)**	**374,514**

12 months ended 31 December 2022	Asseco Central Europe	Asseco Solutions	CEIT	Other	Eliminations	Total
Banking and Finance	26,416	3,466	-	864	(2,212)	**28,534**
General Business	37,994	165,813	13,781	280	(4,292)	**213,576**

(in EUR thousand) page 24

Public Administration	81,345	9,760	204	4,613	(877)	**95,045**
Total operating revenues	**145,755**	**179,039**	**13,985**	**5,757**	**(7,381)**	**337,155**

iii. Revenues from contracts with customers by method of recognition in the income statement

Operating revenues	**12 months ended 31 December 2023 thous. EUR**	**12 months ended 31 December 2022 thous. EUR**
Operating revenues recognized in accordance with IFRS 15, of which:	**374,241**	**336,892**
From goods and services transferred at a specific point in time	95,968	79,368
Segment Asseco Central Europe	52,794	41,985
Segment Asseco Solutions	45,860	38,505
IC adjustment	(2,686)	(1,122)
From goods and services transferred over the passage of time	**278,303**	**257,524**
Segment Asseco Central Europe	106,148	103,772
Segment Asseco Solutions	159,133	140,454
Segment CEIT	17,317	13,721
Segment Other	6,453	5,756
IC adjustment	(10,748)	(6,179)
Operating revenues from operating leases in accordance with IFRS 16	273	263
Total operating revenues	**374,514**	**337,155**

iv. Remaining performance obligations

Tables below comprise the aging of remaining performance obligations that the Group will satisfy in the following periods:

Revenue from already signed contracts valued using PoC method that has not been yet recognised:	**thous. EUR**
Year 2024	16,499
Year 2025	5,054
Year 2026 and later	213
Total	**21,766**

Remaining future revenues from already signed contracts with clients (performance obligations not yet satisfied as at reporting date) for contracts ending later than 12 months after 31 December 2023	**thous. EUR**
Year 2024	7,486
Year 2025	7,737
Year 2026 and later	3,526
Total	**18,749**

Maturity analysis of lease payments (Group as a lessor in operating lease)

The table below presents the maturity analysis of undiscounted lease payments to be received by Group from the operating lease (Group as a lessor). The operating lease relates to rental of office space.

Undiscounted future lease payments to be received by the Group from operating leases	**thous. EUR**
up to 1 year	255
from 1 to 2 years	255

(in EUR thousand) page 25

from 2 to 3 years	255
from 3 to 4 years	209
from 4 to 5 years	176
above 5 years	176
Total	**1,326**

5.2. Operating costs

Significant accounting policies

The Group companies maintain cost accounting both by cost nature and by cost function. Cost of sales comprises the costs resulting directly from purchases of merchandise sold and generation of services sold. Selling expenses include the costs of distribution and marketing activities. General administrative expenses include the costs of the companies' management and administration activities.

COGS are the purchase costs of goods and third-party services (excluding outsourcing of human resources) used in realization of projects. COGS should be recognized in the period when goods and third-party services are resold to the client (with the exception of COGS related to purchase of subcontractors' services in contracts valuated according to percentage of completion – COGS are then recognized when incurred). If COGS refer to purchase of external services that are provided in more than one accounting period, then they should be settled in time according to accrual accounting (in each period only part of COGS that relate to services in that period).

Cost of employee benefits includes all elements of employees' remuneration for their job, post-employment and termination benefits.

Besides salaries and wages, cost of employee benefits includes also compensated absences, profit-sharing and bonuses payables resulting from bonuses system in entities within Group.

During the period of 12 months ended 31 December 2023 and the corresponding comparative period, the operating costs were as follows:

Operating costs	12 months ended 31 December 2023	12 months ended 31 December 2022
Cost of goods, materials and third-party services sold	(68,974)	(69,945)
Employee benefits	(165,148)	(143,358)
Depreciation and amortization	(17,617)	(15,721)
Third-party services	(55,852)	(44,209)
Other	(24,712)	(22,583)
Total	**(332,303)**	**(295,816)**
Cost of sales	(276,126)	(244,802)
Selling costs	(22,327)	(20,808)
General administrative expenses	(33,850)	(30,206)
Total	**(332,303)**	**(295,816)**

In the period of 12 months ended 31 December 2023 other costs comprised mainly: costs of company vehicles and property maintenance costs in the amount of EUR 8,447 thousand, costs of advertising in the amount of EUR 2,952 thousand, costs of domestic and international business trips in the amount of EUR 1,730 thousand.

i. Costs of employee benefits

Costs	12 months ended 31 December 2023	12 months ended 31 December 2022
Salaries	(126,991)	(111,205)
Social insurance contributions	(22,545)	(19,581)
Retirement benefit expenses	(9,821)	(8,255)
Other costs of employee benefits	(5,791)	(4,317)
Total employee benefit expenses	**(165,148)**	**(143,358)**

(in EUR thousand) page 26

The average level of employment during the reporting period presented in full-time salaried jobs, i.e. employment in full-time jobs adjusted for (reduced by) positions which are not salaried by the Group companies (such as an unpaid leave, maternity leave, etc.), exclusive of companies whose financial results are disclosed under other operating activities or discontinued operations, however inclusive of companies which joined the Group during the reporting period (calculated proportionally to the period of their consolidation) equalled 3,392 persons, as compared with 3,278 persons in the comparable period.

ii. Reconciliation of depreciation and amortization charges

The table below presents the reconciliation of depreciation and amortization charges reported in the income statement with those disclosed in the tables of changes in property, plant and equipment, as well as in intangible assets:

Amortization	Note	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
Depreciation of fixed assets resulting from movement table of property, plant and equipment	6.1	(5,116)	(4,497)
Amortization of intangible assets resulting from the movement table of intangible assets	6.2	(7,125)	(5,396)
Depreciation of right-to-use assets resulting from the movement table of right-of-use assets	6.3	(5,644)	(5,909)
Depreciation decrease as a result of grants and other		268	81
Total depreciation and amortization presented in statement of cash flow		**(17,617)**	**(15,721)**

5.3. Other operating income and expenses

Significant accounting policies

In other operating activity Group recognises income and expenses that are not related to its operating activity in the area of IT, including sales of PPE and intangible assets. Result of these activities are presented net, i.e. incomes and costs are netted out and only profit or loss is presented.

During twelve months ended 31 December 2023 and the corresponding comparative period, the other operating income and expenses were as follows:

Other operating income	12 months ended 31 December 2023	12 months ended 31 December 2022
Gain on disposal of non-current assets	407	1,636
Lease modifications	27	97
Reinvoicing	106	91
Inventory stock-taking surplus	236	-
Other	603	317
Total	**1,379**	**2,141**

Other operating expenses	12 months ended 31 December 2023	12 months ended 31 December 2022
Loss on lease modifications	(8)	(7)
Charitable contributions to unrelated companies	(173)	(108)
Cost of reinvoicing	(95)	(113)
Other	(92)	(151)
Total	**(368)**	**(379)**

(in EUR thousand) page 27

5.4. Financial income and expenses

Significant accounting policies

Interest income is recognised in profit and loss account as accrued during the reporting period. Interest income includes interests from investments in debt instruments and deposits measured at amortised cost, interests from investments in debt instruments measured at fair value through other comprehensive income, interests from finance lease and trade receivables.

Group recognised interests income from investments in debt instruments and deposits measured at amortised cost and interests from investments in debt instruments measured at fair value through other comprehensive income by applying the effective interest method.

During twelve months ended 31 December 2023 and the corresponding comparative period, the financial income were as follows:

Financial income	**12 months ended 31 December 2023**	**12 months ended 31 December 2022**
Interest income from investments in debt instruments and deposits measured at amortised cost	855	196
Interest income from investments in debt instruments measured at fair value through OCI, finance lease and trade receivables	192	97
Gain on foreign exchange differences	770	283
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	12	11
Other financial income	17	22
Total financial income	**1,846**	**609**

During twelve months ended 31 December 2023 and the corresponding comparative period, the financial expenses were as follows:

Financial expenses	**12 months ended 31 December 2023**	**12 months ended 31 December 2022**
Interest expense on bank credits, loans, debt securities	(1,286)	(614)
Interest expense on lease expenses	(690)	(702)
Other interest expenses	(137)	(137)
Loss on foreign exchange differences	(824)	(539)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(46)	(219)
Impairment write-off of investments in debt instruments at amortized cost	(169)	(280)
Other financial expenses	(3)	(3)
Total financial expenses	**(3,155)**	**(2,494)**

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.

(in EUR thousand) page 28

5.5. Corporate income tax

Significant accounting policies

Income tax includes current income tax and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss account. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and deferred tax liabilities are recognised in total as non-current and are not discounted. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Group recognises and measures assets and liabilities resulting from current income tax and deferred tax in accordance with IAS 12 Income tax.

Professional judgements and estimates

Group assesses at each reporting date whether deferred tax asset may be realisable.

Deferred tax assets for unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The main charges on the pre-tax profit due to corporate income tax (current and deferred portions):

	12 months ended 31 December 2023	12 months ended 31 December 2022
Current portion of corporate income tax and prior years adjustments	(8,423)	(9,671)
Deferred income tax	(545)	1,792
Income tax expense as disclosed in the profit and loss account	**(8,968)**	**(7,879)**

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving the taxpayers of a possibility to refer to well established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations either between companies and public administration, or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of so determined liabilities must be paid with high interest. In effect the amounts disclosed in the financial statements may be later changed, after the taxes payable are finally determined by the taxation authorities.

Reconciliation of the corporate income tax payable on pre-tax profit according to the statutory tax rates with the corporate income tax computed at the Group's effective tax rate:

	12 months ended 31 December 2023	12 months ended 31 December 2022
Pre-tax profit	**41,913**	**41,216**
Statutory corporate income tax rate	21%	21%
Corporate income tax computed at the statutory tax rate	**8,802**	**8,655**
Non-taxable accounting income	-	(41)
Taxable income which will never become accounting income	499	19
Tax-deductible costs which will never become accounting costs	(301)	(273)

(in EUR thousand) page 29

Difference in corporate income tax rates	(495)	(333)
Non-tax deductible accounting costs	1,125	677
Tax losses for which no deferred tax asset was recognized	99	108
Use of tax credits	(783)	(874)
Other	22	(59)
Corporate income tax at the effective tax rate of: 21.4% in 2023 and 19.1% in 2022	**8,968**	**7,879**

The table below presents the reconciliation of change of deferred tax asset (gross) and liability (gross) and deferred tax disclosed in profit or loss:

12 months ended 31 December 2023	Opening balance	acquisition of subsidiaries (+)	acquiring of joint control over joint operation (+/-)	exchange differences on translation of foreign operations (+/-)	Closing balance	Comprehen-sive income
Deferred income tax assets, gross	11,069	-	-	102	9,489	(1,682)
Deferred income tax liabilities, gross	8,236	-	-	145	7,215	1,166
Change of deffered tax disclosed in profit and loss						**(545)**
Change of deferred tax disclosed in other comprehensive income						**29**

The Group made an estimation of taxable income planned to be achieved in the future and concluded it will able to utilize the deferred tax assets in the amount of EUR 2,999 thousand as at 31 December 2023 (EUR 4,244 thousand as at 31 December 2022).

Deferred income tax	31 December 2023	31 December 2022
Deferred income tax assets	2,999	4,244
Deferred income tax liabilities	(727)	(1,412)
Deferred income tax assets (+)/Deferred income tax liability (-), net	**2,272**	**2,832**

As at 31 December 2023 and 31 December 2022 there were no defered tax assets resulting from prior year tax losses, which were not recognized by the Group.

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

	Deferred tax liability, gross		Deferred tax asset, gross	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Property, plant and equipment	773	666	204	68
Intangible assets	1,591	1 739	184	507
Right-to-use assets	3,432	4 317	8	2
Inventories	-	-	190	155
Prepayments and accrued income	-	-	-	1
Trade receivables	368	627	679	362
Assets held for sale	-	-	42	-
Provisions	7	-	458	380
Trade payables	3	3	772	2 070
Lease liabilities	-	13	3,595	4 614
Other liabilities	1,041	867	186	78
Accruals and deferred income	-	-	1,554	1920
Contract liabilities	-	4	809	-
Unused tax losses and unused tax credits	-	-	808	1 020
Deferred income tax liability, gross	**7,215**	**8 236**	**n/d**	**n/d**
Deferred income tax asset, gross	**n/d**	**n/d**	**9,489**	**11 177**

(in EUR thousand)

Decrease due to inability to realize a deferred tax asset	n/d	n/d	-	(108)
Deferred income tax asset, net	**n/d**	**n/d**	**9,489**	**11 069**
Deferred income tax asset/liability, net	**727**	**1 412**	**2,999**	**4 244**

5.6. Earnings per share

Significant accounting policies

Basic earnings per share are computed by dividing the net profit for the reporting period, attributable to shareholders of the Parent Company, by the average weighted number of ordinary shares outstanding during that financial period. Diluted earnings per share are computed by dividing net profit for the financial period, attributable to shareholders of the Parent Company, by the adjusted (due to diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The tables below present net profits and numbers of shares used for calculation of basic earnings per share:

Basic consolidated earnings per share	12 months ended 31 December 2023	12 months ended 31 December 2022
Net profit attributable to Shareholders of the Parent Company	10,398	14,555
Average weighted number of ordinary shares, used for calculation of diluted earnings per share	21,288,800	21,315,347
Basic consolidated earnings per share	**0.49**	**0.68**

During both the reporting period and the comparative periods no events took place that would cause dilution of earnings per share.

5.7. Information on dividends paid out

In the year 2023 and year 2022 the Parent Company paid out to its shareholders a dividend for prior years.

In 2023 by decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 8,116,800 from net profit for the year 2022 was allocated to payment of a dividend of EUR 0.38 per share and the amount of EUR 2,042,113 remained in retained earnings. The payment date was from 16 June 2023 to 31 December 2023.

In 2022 by decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 10,252,800 from net profit for the year 2021 was allocated to payment of a dividend of EUR 0.43 per share and the amount of EUR 6,480,344 remained in retained earnings. The payment date was from 2 May 2022 to 31 December 2022.

(in EUR thousand) page 31

6. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.1. Property, plant and equipment

Significant accounting policies

Property, plant and equipment are measured at cost less any accumulated depreciation and any impairment losses, if any. At recognition date Group recognises tangible assets at cost which comprise their purchase price and any costs directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by management. Any costs incurred after a tangible asset has been commissioned into use, such as costs of repairs and technical inspections or operating fees, are expensed in the reporting period in which they were incurred.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

A tangible asset may be derecognized from the statement of financial position after it is disposed of or when no economic benefits are expected from its further use. Gain/loss on disposal of a tangible fixed asset is assessed by comparing the proceeds from the disposal against the present book value of such asset, and it is accounted for as other operating income/expense. Any gains or losses resulting from the removal of a given item of property, plant and equipment from the statement of financial position (calculated as a difference between the net cash obtained from sales and the book value of this item) are recognized in the profit and loss account in the period in which the derecognition from the accounting books was made.

Tangible assets under construction are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Tangible assets under construction are not depreciated until their construction is completed and they are commissioned into use.

Impairment of tangible assets

At each reporting date Group assess whether there is any indication that a tangible asset may be impaired. If any such indication exists and it is necessary to conduct impairment tests Group estimates the recoverable amount of the asset or cash-generating unit, to which the asset was assigned. Impairment losses are recognised as part pf operating costs.

Borrowing costs

Group capitalise the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Borrowing costs are the costs that would have been avoided if the expenditure on the qualifying asset had not been made. Any other borrowing costs are recognised as expenses in the period to which they relate.

Professional judgments and estimates

At each reporting date Group assess whether there is any objective indication that a tangible asset may be impaired. Depreciation is normally charged to profit and loss account on straight-line basis over the asset's economic useful life. The depreciation rate is set basing on economic useful life of asset. In the reporting period there were no significant changes in determination of depreciation rates in the Group.

The net book value of property, plant and equipment, during the period of twelve months ended 31 December 2023 and in the comparative period, changed as a result of the following transactions:

For 12 months ended 31 December 2023	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
Net book value of property, plant and equipment as at 1 January 2023	**23,187**	**6,839**	**5,481**	**798**	**726**	**37,031**
Additions, of which:	**357**	**2,491**	**3,549**	**411**	**2,257**	**9,065**
Purchases and modernization	13	1,678	2,434	199	2,257	6,581
Puchase of asset that was previously subject to lease	-	-	518	-	-	518
Transfers from assets under construction	344	813	597	212	-	1,966
Reductions, of which:	**(835)**	**(2,269)**	**(1,919)**	**(206)**	**(2,225)**	**(7,454)**
Depreciation charge for the reporting period	(832)	(2,268)	(1,810)	(206)		(5,116)
Loss of control over subsidiaries	-	-	-	-	-	-
Disposal and liquidation	(3)	(1)	(109)	-	(130)	(243)

(in EUR thousand)

Transfers from tangible assets under construction	-	-	-	-	(1,966)	(1,966)
Transfer to Assets held for sale	-	-	-	-	(129)	(129)
Change of presentation (+/-)	-	(38)	35	-	-	(3)
Impairment write-off (-)	-	-	-	-	-	-
Exchange differences on translation of foreign operations (+/-)	69	214	292	34	26	635
Net book value of property, plant and equipment as at 31 December 2023	**22,778**	**7,237**	**7,438**	**1,037**	**784**	**39,274**

Change of presentation relates mostly to office building owned by entity Galvaniho 5, s.r.o., which changed its status from associate (consolidated using equity method) to joint operation (consolidated fully).

For 12 months ended 31 December 2022	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
Net book value of property, plant and equipment as at 1 January 2022	**7,928**	**4,822**	**3,452**	**754**	**159**	**17,115**
Additions, of which:	**3,075**	**3,317**	**3,400**	**345**	**4,658**	**14,795**
Purchases and modernization	28	1,994	1,606	308	4,658	8,594
Obtaining control over subsidiaries	-	40	37	-	-	77
Puchase of asset that was previously subject to lease	-	-	1,406	-	-	1,406
Transfers from assets under construction	3,047	1,283	351	37	-	4,718
Reductions, of which:	**(5,703)**	**(2,152)**	**(1,409)**	**(143)**	**(4,803)**	**(14,210)**
Depreciation charge for the reporting period	(919)	(2,135)	(1,329)	(114)		(4,497)
Disposal and liquidation	-	(17)	(80)	(29)	-	(126)
Transfers from tangible assets under construction	-	-	-	-	(4,718)	(4,718)
Transfer to Assets held for sale	(4,784)	-	-	-	(85)	(4,869)
Change of presentation (+/-)	17,870	891	-	(154)	710	19,317
Impairment write-off (-)	39	1	-	-	-	40
Exchange differences on translation of foreign operations (+/-)	(22)	(41)	38	(3)	(22)	(28)
Net book value of property, plant and equipment as at 31 December 2022	**23,187**	**6,838**	**5,481**	**799**	**726**	**37,031**

6.2. Intangible assets

Significant accounting policies

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired as a result of a business combination are measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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

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

(in EUR thousand) page 33

Until completion of the development work, accumulated costs directly attributable to such development work are disclosed as "costs of development projects in progress". Upon completion of the development work, the ready-made product of the development work is reclassified to the category of "Internally generated software" and from that time the Company begins to amortize such internally generated software. Following initial recognition of the internally generated software, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

All the intangible assets subject to amortization are amortized straight-line basis.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss resulting from derecognition of an intangible asset from the statement of financial position (calculated as the difference between the net cash obtained from sales and the book value of the item) is disclosed in the profit and loss account for the period in which the derecognition was made.

Professional judgments and estimates

Amortisation is normally charged to profit and loss account on straight-line basis over the asset's economic useful life. The amortisation rate is set basing on economic useful life of asset. In reporting period there were no significant changes in determination of amortisation rates in the Group.

Intangible assets acquired in acquisitions

As at 31 December 2023, net value of intangible assets recognized as part of purchase price allocations related to the Group's acquisitions of subsidiaries amounted to EUR 1,790 thousand (2022: EUR 2,386 thousand). The intangibles comprise various categories of assets including customer contracts and related customer relationships and software and licenses recognized in the acquisitions of subsidiaries.

The customer contracts and related customer relationships and software and licenses were initially recognized at fair values. The fair values were estimated using valuation methodologies which require making estimates regarding future cash flows generated by the intangible assets, discount rates to convert the projected cash flows to their present values, replacement or reproduction costs of the intangible assets as well as their normalized useful life and remaining useful life.

Cost of internally generated assets

Cost of an internally generated intangible asset are recognised and capitalised in accordance with Group's accounting policy. Determination of the moment when cost qualifies for recognition is subject to professional judgement of management whether there is a technical feasibility of completing the intangible asset so that it will be available for use or sale and that the asset will generate probable future economic benefits. This moment is achieved by completing a specified milestone within a project.

The net book value of intangible assets, during the period of twelve months ended 31 December 2023 and in the comparative period, changed as a result of the following transactions:

For 12 months ended 31 December 2023	Internally generated software and licenses	Costs of development projects in progress	Purchased software, patents, licenses and other intangibles	Intangible assets identified as part of the PPA process	Total
Net book value of intangible assets as at 1 January 2023	**8,437**	**8,751**	**2,732**	**2,386**	**22,306**
Additions, of which:	**10,726**	**7,562**	**1,299**	**-**	**19,587**
Purchases	-	-	1,242	-	1,242
Obtaining control over subsidiaries	-	-	57	-	57
Capitalization of costs of development projects		7,562	-	-	7,562
Transfers from the costs of development projects in progress	10,726	-	-	-	10,726

(in EUR thousand) page 34

Reductions, of which:	**(5,731)**	**(10,726)**	**(819)**	**(598)**	**(17,874)**
Amortization charge for the reporting period	(5,731)	-	(796)	(598)	(7,125)
Disposal and liquidation	-	-	(23)	-	(23)
Transfers to internally generated software		(10,726)	-	-	(10,726)
Impairment, write-downs	**(915)**	**878**	**-**	**-**	**(37)**
Change of presentation	**124**	**48**	**(52)**	**-**	**120**
Exchange differences on translation of foreign operations (+/-)	**524**	**210**	**(16)**	**2**	**720**
Net book value of intangible assets as at 31 December 2023	**13,165**	**6,723**	**3,144**	**1,790**	**24,822**

Based on the detailed analysis of costs of development projects in progress the Board of Directors of the Parent Company believes the carrying value of costs of development projects in progress do not exceed the recoverable amount.

For 12 months ended 31 December 2022	Internally generated software and licenses	Costs of development projects in progress	Purchased software, patents, licenses and other intangibles	Intangible assets identified as part of the PPA process	Total
Net book value of intangible assets as at 1 January 2022	**7,997**	**5,644**	**3,247**	**2,428**	**19,316**
Additions, of which:	**4,648**	**9,125**	**220**	**492**	**14,485**
Purchases	-	-	220	-	220
Obtaining control over subsidiaries	76	-	-	492	568
Capitalization of costs of development projects		9,125	-	-	9,125
Transfers from the costs of development projects in progress	4,572	-	-	-	4,572
Reductions, of which:	**(4,131)**	**(4,572)**	**(729)**	**(537)**	**(9,969)**
Amortization charge for the reporting period	(4,131)	-	(728)	(537)	(5,396)
Disposal and liquidation	-	-	(1)	-	(1)
Transfers to internally generated software		(4,572)	-	-	(4,572)
Impairment, write-downs	**-**	**(1,196)**	**-**	**-**	**(1,196)**
Change of presentation	**-**	**-**	**-**	**-**	**-**
Exchange differences on translation of foreign operations (+/-)	**(77)**	**(250)**	**(6)**	**3**	**(330)**
Net book value of intangible assets as at 31 December 2022	**8,437**	**8,751**	**2,732**	**2,386**	**22,306**

(in EUR thousand) page 35

6.3. Right-to-use assets

Significant accounting policies

In accordance with IFRS 16, a contract is a lease or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use is transferred under a contract if the lessee has both of the following:

- *the right to obtain substantially all of the economic benefits from use of the identified asset; and*
- *the right to direct the use of the identified asset.*

Therefore all the rights arising from agreements for rental, hire or use (including usufruct of land) that meet the above-mentioned definition have been measured and recognized by the Group in its consolidated statement of financial position, in a separate line called right-of-use assets (representing underlying assets).

The above-described principles for the identification of leases have been applied by the Group since the date of adopting the standard; however, the Group has used a practical expedient permitted by IFRS 16 not to reassess whether a contract is a lease or contains a lease as at the date of initial application in respect of contracts that were entered into prior to the date of initial application of the new standard.

Initial recognition and measurement of right-of-use assets

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

Right-of-use assets are initially recognized at cost.

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

Subsequent measurement of right-of-use assets

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

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

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

Professional judgements and estimates

The Group applies the provisions of IAS 36 'Impairment of Assets' to determine whether the right-of-use asset is impaired. Group assesses at each reporting date whether there is an objective indication that a right-of-use asset may be impaired. In addition, key personel of management of entities within Group make a professional judgement regarding rental agreements concluded for indefinite time to determine the most probable lease terms.

The net book value of intangible assets, during the period of twelve months ended 31 December 2023 and in the comparative period, changed as a result of the following transactions:

For 12 months ended 31 December 2023	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Total
Net book value of right-of-use assets as at 1 January 2023	**19,846**	**559**	**2,156**	**153**	**22,714**
Additions, of which:	**4,407**	**-**	**1,080**	**151**	**5,638**
New lease contracts	2,075	-	1,080	151	3,306
Modifications of existing lease contracts (extending the lease term, change of interest rate)	1,094	-	-	-	1,094
Increases resulting from the change in variable interest rates and indices (e.g. inflation)	1,238	-	-	-	1,238
Reductions, of which:	**(5,410)**	**(215)**	**(1,602)**	**(109)**	**(7,336)**
Depreciation charge for the reporting period	(4,236)	(215)	(1,084)	(109)	(5,644)
Contract termination (before the end of lease term)	(380)	-	-	-	(380)
Modifications of existing lease contracts (shortening of lease term, change of interest rate)	(626)	-	-	-	(626)
Decreases resulting from the change in the amount of lease payments due to changes in variable interest rates and indices (e.g. inflation)	(164)	-	-	-	(164)
Purchase of underlying asset	-	-	(518)	-	(518)
Other	(4)	-	-	-	(4)
Changes in presentation	**-**	**-**	**-**	**-**	**-**
Exchange differences on translation of foreign operations	**645**	**-**	**27**	**-**	**672**
Net book value of right-of-use assets as at 31 December 2023	**19,488**	**344**	**1,661**	**195**	**21,688**

For 12 months ended 31 December 2022	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Total
Net book value of right-of-use assets as at 1 January 2022	**35,601**	**321**	**3,652**	**121**	**39,695**
Additions, of which:	**5,894**	**484**	**1,186**	**96**	**7,660**
New lease contracts	1,869	484	1,186	96	3,635
Modifications of existing lease contracts (extending the lease term, change of interest rate)	3,537	-	-	-	3,537
Increases resulting from the change in variable interest rates and indices (e.g. inflation)	488	-	-	-	488
Other		-	-	-	-
Reductions, of which:	**(5,405)**	**(246)**	**(2,629)**	**(66)**	**(8,346)**
Depreciation charge for the reporting period	(4,374)	(246)	(1,223)	(66)	(5,909)
Modifications of existing lease contracts (shortening of lease term, change of interest rate)	(753)	-	-	-	(753)
Decreases resulting from the change in the amount of lease payments due to changes in variable interest rates and indices (e.g. inflation)	(280)	-	-	-	(280)
Purchase of underlying asset	-	-	(1,406)	-	(1,406)
Other	2	-	-	-	2
Changes in presentation	**(16,105)**	**-**	**-**	**-**	**(16,105)**
Exchange differences on translation of foreign operations	**(139)**	**-**	**(53)**	**2**	**(190)**
Net book value of right-of-use assets	**19,846**	**559**	**2,156**	**153**	**22,714**

(in EUR thousand)

6.4. Goodwill

Significant accounting policies

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired exceeds the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss. As at the acquisition date, the acquired goodwill is allocated to every cash-generating unit which may benefit from synergy effects arising from a business combination. Each cash-generating unit or group of units to which the goodwill is so allocated shall: (i) represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and (ii) not be larger than an operating segment identified in accordance with IFRS 8 Operating Segments.

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

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

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

For impairment testing purposes, goodwill is allocated by the Group in the following way:

- to the groups of cash-generating units that constitute an operating segment; or
- to individual subsidiaries.

Goodwill	31 December 2023	31 December 2022 (restated)
Segment Asseco Central Europe	**25,959**	**26,452**
Asseco Central Europe (Slovakia) - ISZP, MPI, DWC, XANTA	5,248	5,248
Asseco Central Europe (Czech Republic)	19,290	19,783
Exe	1,421	1,421
Segment Asseco Solutions	**91,100**	**87,034**
Asseco Solutions (Slovakia)	7,649	7,649
Asseco Solutions (Germany)	16,795	16,795
Asseco Solutions (Czech Republic)	8,105	8,310
Asseco Business Solutions S.A.	58,551	54,280
Segment CEIT	**5,441**	**5,441**
CEIT Group	5,441	5,441
Segment Other	**5,351**	**5,110**
Asseco Central Europe Magyarorszag	5,351	5,110
Total goodwill	**127,851**	**124,037**

(in EUR thousand) page 38

During the period of twelve months ended 31 December 2023, the following changes in goodwill were observed:

Goodwill as allocated to reporting segments:	Goodwill at the beginning of the period (restated)	Increase due to acquisition (+)	Foreign exchange differences (+/-)	Goodwill at the end of the period
Segment Asseco Central Europe	26,452	-	(493)	25,959
Segment Asseco Solutions	87,034	-	4,116	91,100
Segment CEIT	5,441	-	-	5,441
Segment Other	5,110	-	241	5,351
Total	**124,037**	**-**	**3,864**	**127,851**

Change of goodwill during the year ended 31 December 2023 was caused by foreign exchange differences. Acquisition of control over Asseco CE Cloud, a.s. (old name: LittleLane, a.s.) was not material and no goodwill was recognized on it.

6.5. Impairment testing

Significant accounting policies

In accordance with Group's accounting policy Management Board of Parent entity conduct as at 31 December annual impairment test for: (i) cash-generating units to which goodwill is allocated, (ii) capitalised costs of unfinished research and developments projects, (iii) and intangible assets with infinite useful life.
At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Professional judgments and estimates

Every time the impairment test is conducted it is necessary to estimate the value in use of an asset's or cash-generating unit's (CGU), to which goodwill or intangible assets are allocated.

Subsidiaries which shares are listed on active market

In the case of cash-generating units constituted by companies or groups of companies quoted in an active market, the recoverable amount may equal the market value (i.e. stock market capitalization) of a company/group or its value in use, whichever is higher. Therefore, for cash-generating units constituted by companies or groups of companies quoted in an active market, impairment testing was performed in two stages. First of all, the carrying value of a cash-generating unit was compared to its market value (stock market capitalization). If the market value exceeded the carrying value, the cash-generating unit was deemed not to have been impaired. Otherwise, the value in use of such cash-generating unit was estimated by applying the model of discounted free cash flow to firm (FCFF).

Companies or groups of companies within Asseco Enterprise Solutions Group quoted in an active market include Asseco Business Solutions S.A. (listed on Warsaw Stock Exchange). The table below compares the market value (calculated as an average price of shares of listed companies for last quarter) of the mentioned cash-generating unit against their carrying amount as at 31 December 2023:

(in EUR thousand) page 39

31 December 2023	Asseco Business Solutions S.A. thous. EUR
Net assets value of CGU	87,996
Market capitalization	369,645
excess (+)/shortage(-) of fair value over the book value	**281,649**

Subsidiaries which shares are not listed on active market

In line with the Group's policy, each year as at 31 December, the Board of Directors of the Parent Company performs an annual impairment test on cash-generating units or groups of cash-generating units, to which goodwill has been allocated.

Each impairment test requires making estimates of the recoverable value of a cash-generating unit or a group of cash-generating units to which goodwill is allocated. Impairment testing involve determination of their value in use by applying the model of discounted free cash flow to firm (FCFF).

In the calculation of the value in use of cash-generating units or groups, the following assumptions have been adopted:

- for each subsidiary, the so-called business units were analyzed which, when put together, comprise the budget and forecasts of the whole subsidiary company;
- detailed forecasts covered the period of 5 years, for which increasing cash flows were assumed, while for further time of each subsidiary operations the residual value was computed assuming no growth in cash flows;
- the assumed increases in cash flows depend upon the strategy of the entire Group, tactical plans of individual companies, they take due account of conditions prevailing in particular markets by region and sector, at the same time reflecting the present and potential order portfolios;
- the forecasts for foreign subsidiaries assumed growth of sales in their functional currencies;
- the discount rates applied were equivalent to the weighted average cost of capital for a given cash-generating unit. Particular components of the discount rate were determined taking into account the market values of risk free interest rates, the beta coefficient leveraged to reflect the market debt equity structure, as well as the expected market yield.

The conducted impairment tests, which involved the estimation of the value in use by applying the model of discounted free cash flow to firm (FCFF), indicated that the value in use of our cash-generating units or groups of cash-generating units is higher than their carrying value. Hence, the conducted impairment test did not indicate a necessity for the Parent Company to recognize any impairment write-offs on its cash-generating units as at 31 December 2023.

Sensitivity analysis

The Group carried out a sensitivity analysis in relation to other goodwill impairment tests conducted as at 31 December 2023, in order to find out how much the selected parameters applied in the model could be changed so that the estimated value in use of cash-generating units equaled their carrying amounts. Such sensitivity analysis examined the impact of changes in the applied:

- nominal discount rate applied for the residual period, i.e. cash flows generated after 2028;
- compound annual growth rate of free cash flow changes over the forecast period, i.e. in the years 2024-2028;

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

The results of the conducted sensitivity analysis are presented in the table below:

(in EUR thousand) page 40

	Carrying amount of CGU	Discount rate		Compound annual growth rate of cash flows	
		applied in the model for residual period	marginal	applied in the model for forecast period	marginal
	EUR thousand	%	%	%	%
Cash-generating units constituted by companies or groups of companies					
CEIT	20,813	9,4%	14,7%	65,5%	44,9%
Exe	9,358	11,0%	∞	1,8%	-27,9%
Asseco Central Europe (Czech Republic)	28,913	9,9%	33,5%	-0,3%	-27,4%
Asseco Central Europe Magyarország (Hungary)	9,658	13,7%	23,6%	14,6%	-5,5%
Asseco Central Europe (Slovakia) – Fabasoft (ex. DWC)	27,496	8,8%	19,3%	14,1%	-11,9%
Asseco Central Europe (Slovakia) – ISZP	18,969	8,8%	∞	6,1%	-37,4%
Asseco Central Europe (Slovakia) – MPI	25,124	8,8%	∞	2,3%	-43,4%
Asseco Central Europe (Slovakia) – XANTA	1,219	8,8%	12,8%	8,7%	-6,3%
Asseco Solutions (Slovakia, Czech Republic, Germany)	53,441	8,1%	∞	9,9%	-45,3%

∞ - means that the marginal discount rate for the residual period is greater than 100%.

6.6. Investment in associates and joint ventures

Significant accounting policies

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.
The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.
Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group's investments in joint venture are accounted for using the equity method. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

As at 31 December 2023, the Group's associates are: Prvni Certifikacni Autorita a. s., eDocu a. s., EdgeCom, s.r.o. There is also one joint venture company, namely PROSOFT Košice, a.s. All the above-mentioned investments are valued using the equity method.

In 2022 Group has acquired remaining 42,85% shares in LittleLane, a.s., increasing Group's share in the entity to 100%). On 24 January 2023 the name of the entity was changed to Asseco CE Cloud, a.s. and on 1 February 2023

Group acquired control over the entity. Since that date the Asseco CE Cloud, a.s. is no longer associate consolidated of using equity method.

The table below presents condensed information on the investments in associates and joint ventures held by the Group:

Financial data of associates and joint ventures	31 December 2023 thous. EUR	31 December 2022 thous. EUR
Current assets	7,597	6,613
Non-current assets	10,231	9,166
Current liabilities	1,695	3,281
Non-current liabilities	6,096	5,784
Net assets	**10,037**	**6,713**
Book value of investments	**3,304**	**3,308**

Financial data of associates and joint ventures	12 months ended 31 December 2023 thous. EUR	12 months ended 31 December 2022 thous. EUR
Revenues	15,881	15,275
Operating profit	1,758	2,528
Net profit (loss)	1,538	2,098
Share of profits of associates and joint ventures	**38**	**550**

Other comprehensive income of associates and joint ventures are not significant from Group point of view. Contingent liabilities relating to the Group's interest in the associates as at 31 December 2023 and 2022 are described in note 9.1.

6.7. Entities with significant non-controlling interests

Significant accounting policies

Non-controlling interest is equity in a subsidiary not attributable, directly or indirectly to the Parent. In the event of a transaction whereby the Group increases its equity interest in a subsidiary (partial or full buy-out of non-controlling interests), such a transaction is deemed not to be a business combination. The assets, liabilities and equity of such a subsidiary are measured at fair value at the date when an additional equity stake is acquired by the Group. The difference between the purchase price of non-controlling interests and the book value of net assets acquired is recognized directly in equity disclosed in the Group's consolidated financial statements.

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

In section III of these consolidated financial statements, we have presented information on entities in which the Group holds less than 100% of shares, including their company names, countries of registration, as well as equity interests and voting rights held by the Group.

In the Management's opinion, the entities with significant individual non-controlling interests are: Asseco Enterprise Solutions Group which, among others, includes Asseco Business Solutions. In the case of other entities with non-controlling interests, individual non-controlling interests do not exceed 2% of total non-controlling interests therein, hence they have not been considered as entities with significant non-controlling interests.

(in EUR thousand) page 42

The tables below present the selected financial data of entities with significant individual non-controlling interests for the period of 12 months ended 31 December 2022 and as at 31 December 2023, as well as for respective comparable periods. These figures are presented before consolidation adjustments, including the elimination of mutual transactions.

Percentage of non-controlling interests	31 December 2023	31 December 2022
AES Group	50.54%	50.01%

Group name	Carrying value of non-controlling interests*		Net profit attributable to non-controlling interests		Dividends to non-controlling interests	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	thous. EUR	thous. EUR	thous. EUR	thous. EUR	thous. EUR	thous. EUR
AES Group	103,827	92,623	22,585	19,302	(17,444)	(16,000)

** Carrying values of non-controlling interests have been adjusted for the value of put options granted to minority shareholders.*

AES Group – balance-sheet positions	31 December 2023	31 December 2022
Non-current assets	145,510	137,618
Current assets	75,106	66,137
of which cash and cash equivalents	41,750	35,117
Non-current liabilities	20,435	21,350
Current liabilities	41,475	39,341

6.8. Other financial assets

Significant accounting policies

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

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

The Group classifies its financial assets to a given category of assets basing on two criteria: the Group's business model for managing the group of assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. Group reclassifies its financial assets only when the model for managing its financial assets is changed.

In addition, the Group made a choice to classify at initial recognition its investments in equity instruments (other than investments in subsidiaries and associates), which are not held for trading and not quoted in an active market, as measured at fair value through other comprehensive income. Whereas, investments in equity instruments quoted in an active market are measured at fair value through profit or loss.

Initial measurement

Besides from some trade receivables, initially financial assets are measured at fair value. In case of financial assets that are not classified as measured at fair value through profit and loss, the initial value may be adjusted by any transaction costs that are incremental and directly attributable to the acquisition or issue of the financial instrument.

Derecognition

Group derecognises financial assets when: (i) the contractual rights to the cash flows from the financial asset expire, or (ii) contractual rights to cash flows were transferred together with risks and rewards of ownership of the financial asset.

Subsequent measurement

Measurement of financial assets at amortised cost

Financial asset is measured at amortised cost when both following conditions are met: (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(in EUR thousand) page 43

Measurement at amortised cost is applied by the Group for loans granted, cash and cash equivalents, trade receivables, contract assets and other receivables that are within the scope of IFRS 9. Interest income on investments in debt instruments is recognized by the Group as financial income. On disposal of investments in debt instruments, the Group recognises cumulative gains/losses through profit or loss.

The Group measures its financial assets at amortized cost using the effective interest method. Trade receivables with a maturity of less than 12 months are measured at an amount due for payment, less any allowance for expected losses. Long-term receivables that are within the scope of IFRS 9 are discounted as at the reporting date.

Measurement of financial assets at fair value through other comprehensive income

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

To this category of financial assets Group classifies: treasury and corporate bonds and investments in equity instruments that are not quoted on active market.

Gains/losses on valuation of investments in debt instruments and equity instruments, which on initial recognition are classified by the Group to this category of assets, are recognized through other comprehensive income. Dividends on equity instruments measured at fair value through other comprehensive income are recognized by the Group as financial income. Interest income on investments in debt securities is recognized by the Group as financial income.

On disposal of investments in debt instruments the Group recognizes cumulative gains/losses through profit or loss. Cumulative gains / losses from valuation of equity instruments are not recycled to profit and loss account, they are transferred within equity to retained earnings.

Measurement of financial assets at fair value through profit or loss

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

Impairment of financial assets

The Group applies the expected loss impairment model for estimating impairment losses on financial assets.

The expected loss impairment model is applied to financial assets measured at amortized cost as well as to financial assets measured at fair value through other comprehensive income, except for investments in equity instruments.

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

- *general approach,*
- *simplified approach.*

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

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

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

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

In the case of receivables and assets from contracts with customers, the Group applies the simplified approach and therefore changes in credit risk are not monitored, while an impairment allowance is measured at an amount equal to expected credit losses over the lifetime of receivables. The accounting policy regarding estimating of credit losses on trade receivables are presented in point 6.11. of these consolidated financial statements.

Fair value measurement

The Group measures financial instruments such as derivatives and investments in equity instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability, or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Professional judgments and estimates

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Both as at 31 December 2023 and 31 December 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.

Financial assets	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Financial assets measured at fair value through profit or loss, of which:				
Currency forward contracts	-	-	-	11
Other equity instruments	4	-	4	-
Total	**4**	**-**	**4**	**11**
Financial assets measured at fair value through other comprehensive income, of which:				
Shares in companies not quoted in an active market	-	-	350	804
Total	-	-	**350**	**804**
Financial assets measured at amortized cost, of which:				
Bills of exchange	-	40	-	209
Loans granted, of which:				
granted to related parties	-	29	-	78
granted to employees	9	10	12	7
granted to other entities	-	-	-	2
Deposits between 3 and 12 months	-	-	-	-
Total	**9**	**79**	**12**	**296**
Total financial assets	**13**	**79**	**366**	**1,111**

Loans granted to related parties

Loans to related parties were granted on an arm's length basis.

Loans granted to related parties as at 31 December 2023 comprise of loan granted to eDocu a.s. in the amount of EUR 29 thousand. As at 31 December 2022 there loan granted to eDocu, a.s. had value of EUR 24 thousand and there was also a loan granted to LittleLane in the amount of EUR 54 thousand.

As at 31 December 2023 and December 2022, the Company owned bill of exchange totaling EUR 418 thousand, with maturity on 31 January 2022 and interest rate 6%. The company created writte-off to this bill of EUR 379 thousand as at 31 December 2023 and EUR 209 thousand as at 31 December 2022, because there are doubts that it will be repaid. From this reason the interest was not calculated.

6.9. Non-current and current prepayments and other non-financial assets

Significant accounting policies

Prepayments comprise expenses incurred before the balance sheet date that relate to future periods or to future revenues. Prepayments may in particular include the following items: (i) prepaid services (including maintenance services, licence fees, insurance, consultancy services) which shall be provided in future periods; (ii) rents paid in advance; (iii) expenses incurred in relation to an issuance of shares, until such issuance is registered; (iv) any other expenses incurred in the current period, but related to future periods.

(in EUR thousand) page 45

In addition, Group recognizes as asset costs incurred to obtain a contract with customer and cost incurred to fulfil a contract with customer, if it expects to recover these costs.

As at 31 December 2023 and in the comparative period, prepayments and accrued income included the following items:

Prepaid services	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Prepaid services, of which:	564	14,320	558	9,085
maintenance services and license fees	*557*	*13,679*	*545*	*8,428*
rents and averaging of instalments under operating leases	*4*	*25*	*4*	*23*
insurances	*2*	*293*	*4*	*316*
other services	*1*	*323*	*5*	*318*
Expenses related to services performed for which revenues have not been recognized yet, of which:	-	-	-	-
cost incurred to obtain a contract with customer (IFRS 15)	-	-	-	-
cost incurred to fulfil a contract with customer (IFRS 15)	-	-	-	-
other cost, for which revenues haven't been recognized yet	-	-	-	-
Other prepayments and accrued income	-	282	-	315
Total	**564**	**14,602**	**558**	**9,400**

Other non-financial assets of EUR 312 thousand (EUR 1,125 thousand in prior year) are advances paid by the Gruop for purchase of inventories and property, plant and equipment.

6.10. Inventories

Significant accounting policies

Inventories are valued by Group at the lower of purchase price/production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group distinguishes two categories of inventories: (i) raw materials, spare parts and other components used in implementation or maintenance of IT systems; (ii) hardware, third party licences and other goods for resale.

Spare parts and other components used in implementation or maintenance of IT systems are recognised as costs on straight-line basis over the contract's life.

Every year the Group verifies whether the adopted principles for recognition of write-downs correspond to the actual impairment of its inventories. Write-downs on inventories shall be recognized as operating expenses.

Inventories	31 December 2023	31 December 2022
Raw materials, spare parts and other components used in implementation or maintenance of IT systems	3,428	3,853
Computer hardware, third party licenses and other goods for resale	2,015	2,155
Write-down of inventories	(1,672)	(766)
Total inventories	**3,771**	**5,242**

Changes in the amount of write-down of inventories during the period of 12 months ended 31 December 2023 and in the comparable period are presented in the table below:

Write-down of inventories	12 months ended 31 December 2023	12 months ended 31 December 2022
Write-down of inventories as at 1 January	**(766)**	**(329)**
Recognized during the reporting period	(934)	(454)
Utilized during the reporting period	3	17

(in EUR thousand) page 46

Reversed during the reporting period	31	-
Exchange differences	(6)	-
Write-down of inventories as at 31 December	**(1,672)**	**(766)**

6.11. Trade receivables, contract assets and other receivables

Significant accounting policies

Contract asset *is a is the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time.*
Contract assets result from the excess of the percentage of completion of implementation contracts over invoices issued. In the case of such assets, the Group has also completed its performance obligation but the right to payment is conditioned on something other than the passage of time – which distinguishes contract assets from trade receivables.
Trade receivables*, which payment term is usually ranging from 10 to 40 days, are recognised and disclosed at the amounts initially invoiced, less any allowances for uncollectable receivables. Receivables with remote payment terms are recognised at the present value of expected payments less any allowances.*
Uninvoiced receivables *are receivables relating to uninvoiced deliveries result from the supply of services which were performed during the reporting period (the Group has satisfied its performance obligation), but have not been invoiced until the end of the reporting period. As at the reporting date, according to the Group's assessment, the Group has an unconditional right to payment for its performance, therefore the respective amounts are classified as receivables.*
Loss allowance of trade receivables
To determine the value of loss allowance for trade receivables Group uses simplified approach and does not track the changes in credit risk of receivables. Loss allowance is recognised at the amount of lifetime expected credit losses. For this purpose Group uses provision matrix that is based on historical credit loss experience adjusted by information regarding future. Each entity within the Group analyses its receivables basing on statistical provision matrixes including the risk resulting from diversity of its customer base and type of business. When necessary entities group their customers into homogeneous segments.
Loss allowance is updated at each reporting date.
For trade receivables overdue by over 180 days besides from statistical method basing on provision matrix Group uses individual approach. For each trade receivable overdue by over 180 days and significant value, Group recognises loss allowance at the amount determined by Management basing on their professional judgement. Professional judgement is made basing on analysis of customers' financial condition and general economic circumstances.
Update of the carrying amount of trade receivables includes not only events that occurred till the reporting date but also the ones disclosed after this date but before the date of publishing of these consolidated financial statements. Each year Group analyses whether rules of determination of the value of loss allowances reflect the actual impairment loss of receivables.
Loss allowances of trade receivables are recognised as a part of operating costs. The loss allowances for other receivables are recognised in other operating costs or in financial expenses if the related receivable was recognised as a result of the transaction of sale of investment or other operation of which expenses and income relate to financial activity. Allowances of receivable accounts that relates to interests accrued are recognised in financial expenses.
If the reason for recognition of an allowance is no longer valid, such allowance shall be reversed, in the whole amount or in appropriate portion, being recognized as an increase in the value of a relevant asset or as an adjustment to respective cost items.

Estimates

At each reporting date the Group makes an estimates of percentage of completion for implementation contracts compared to invoices issued. A certain part of estimates and professional judgement is also required to allocate a transaction price to performance obligations.
The Group estimates allowances for trade receivables and contract assets according to IFRS 9 Financial instruments. The simplified approach requires a statistical analysis, which usually is connected with making assumptions and applying a professional judgement.

Table below presents trade and other receivables as at 31 December 2023 and 31 December 2022.

	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Trade receivables of which:				
Trade receivables	**376**	**51,374**	**541**	**53,901**
Invoiced receivables	-	52,962	-	55,241
from related parties	-	475	-	997

(in EUR thousand) page 47

from other entities	-	52,487	-	54,244
Uninvoiced receivables	-	2,019	-	1,229
from related parties	-	-	-	-
from other entities	-	2,019	-	1,229
Receivables from operating leases	-	33	-	13
Net investment in the finance lease	376	169	541	222
Allowance for doubtful receivables (-)	-	(3,809)	-	(2,804)
Corporate income tax receivable		**1,541**		**726**
Receivables from the state and local budgets	**-**	**2,835**	**-**	**1,609**
Value added tax		165		102
Other		2,670		1,507
Other receivables	**755**	**1,451**	**717**	**698**
Other receivables	755	1,489	717	736
Allowance for other doubtful receivables (-)	-	(38)	-	(38)
Total receivables	**1,131**	**57,201**	**1,258**	**56,934**

Related party transactions have been presented in explanatory note 6.22 to these consolidated financial statements.

Trade receivables are not interest-bearing.

As at 31 December 2023 EUR 122 thousand deposit paid (presented in Other receivables) was pledged as collateral in connection with financial guarantee received by entity Berit GmBH (EUR 122 thousand as at 31 December 2022).

The table below presents contract assets as at 31 December 2023 and 31 December 2022.

	31 December 2023		**31 December 2022**	
	Non-current	**Current**	**Non-current**	**Current**
Contract assets (receivables from valuation of IT contracts)				
from related parties	-	-	-	-
from other entities	-	14,780	-	28,745
Total contract assets	**-**	**14,780**	**-**	**28,745**

The change in balance of contract assets during the period of 12 months ended 31 December 2023 resulted from the following movements:

Contract assets	**12 months to 31 December 2023 thous. EUR**	**12 months to 31 December 2022 thous. EUR**
Contract assets (Receivables from valuation of IT contracts) as at 1 January	28,745	27,226
Recognition of revenues from invoices	(46,065)	(32,884)
Satisfaction of performance obligations without invoicing; Change in an estimate of the transaction price or costs, other changes in the assumptions	32,075	34,217
Exchange differences	25	186
Contract assets as at 31 December	**14,780**	**28,745**

The Group has a relevant policy based on selling its products and services to reliable clients only. Owing to that in the management's opinion the related credit risk would not exceed the level covered by allowances for doubtful accounts as established by the Group.

(in EUR thousand) page 48

The following table presents the ageing structure of trade receivables and contract assets as at 31 December 2023 and 31 December 2022:

	31 December 2023		31 December 2022	
	thous. EUR	%	thous. EUR	%
Trade receivables not yet due	**59,884**	**85.1%**	**76,027**	**88.4%**
Trade receivables overdue	**10,455**	**14.9%**	**9,964**	**11.6%**
Receivables overdue less than 3 months	5,413	7.7%	5,168	6.0%
Receivables overdue between 3 to 6 months	1,506	2.1%	1,713	2.0%
Receivables overdue between 6 and 12 months	816	1.2%	1,262	1.5%
Receivables overdue above 12 months	2,720	3.9%	1,821	2.1%
Total trade receivables excluding loss allowance	**70,339**	**100.0%**	**85,991**	**100.0%**
Loss allowance	**-3,809**		**-2,804**	
Carrying amount of trade receivables	**66,530**		**83,187**	

6.12. Cash and cash equivalents

Significant accounting policies

Cash and cash equivalents presented in the statement of financial position consist of cash held in banks and on hand, short-term bank deposits with maturities not exceeding 3 months, and other highly liquid instruments.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

	31 December 2023	31 December 2022
Cash at bank	44,137	33,240
Cash on hand	57	56
Current deposits	21,198	10,884
Cash equivalents	10	10
Total cash and cash equivalents as disclosed in the statement of financial position	**65,402**	**44,190**
Accrued interest on cash and restricted cash	(1,741)	(5)
Revolving loans that are part of cash management	(11,340)	(7,961)
Total cash and cash equivalents as disclosed in the cash flow statement	**52,321**	**36,224**

Restricted cash is related to guarantee received by CEIT, a.s.

The interest on cash at bank is calculated with variable interest rates which depend on bank overnight deposit rates. Current deposits are made for varying periods of maturity between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective current deposit rates.

6.13. Non-current assets held for sale

Assets held for sale represent properties in the cadastral territory of Žilina (land and buildings), owned by Asseco Central Europe, a.s. (Slovakia) with the aim of its further sale to a third party - an external buyer. Properties are actively offered for sale through external mediator. As of the date of approval of these financial statements, the properties have not been sold.

(in EUR thousand) page 49

6.14. Share capital

Significant accounting policies

Equity is composed of equity attributable to shareholders of Parent Company and non-controlling interest.
Shareholders' equity is disclosed at nominal value. Shareholders' equity comprises the following items:
(i) share capital, disclosed in the amount of capital contributions made and paid up;
(ii) share premium from the sale of shares over their par value;
(iii) exchange differences on translation of foreign operations;
(iv) retained earnings, including: retained earnings, other capital funds and net profit/loss for the reporting period;
(v) non-controlling interest.

Share capital	Par value per share	Number of shares	
		31 December 2023	31 December 2022
Ordinary shares	0,0331939	21,360,000	21,360,000

Par value on shares and treasury shares

All shares issued have the par value of EUR 0.0331939 per share and have been fully paid up.
In 2023 and 2022 there were no changes in the Parent Company's share capital and share premium account.
The direct parent of Asseco Central Europe, a. s. (SK) is Asseco International, a.s. that in turn is a wholly-owned subsidiary of the ulitimate parent of the Asseco Group i.e. Asseco Poland S.A.

In year 2022 Parent Company purchased 213,600 own shares (treasury shares) that constitute 1% of all shares issued. Purchase price for the shares was EUR 1,371 thousand. As at 31 December 2022 Asseco International, a.s. held a 91.33% stake in Asseco Central Europe, a.s.
In May 2023 Parent Company sold all its own shares to Asseco International, a.s. Sales price was EUR 1,688 thousand and profit generated on this transaction (EUR 317 thousand) was recognized direcly in equity. Since the transaction and as at 31 December 2023 Asseco International, a.s. held a 92.33% stake in Asseco Central Europe, a.s.

6.15. Bank loans, other loans and debt securities

Significant accounting policies

Since 1 January 2018 a new standard regarding financial instruments (IFRS 9) has been in force. Classification of financial liabilities substantially has not changed in comparison to classification under provisions of previous standard - IAS 39.
The Group classifies its financial liabilities to the following categories:

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

Group classifies all bank loans, other loans and debt securities to be measured at amortised cost. All of the remaining financial liabilities are measured at fair value through profit and loss, besides liabilities arising from acquisition of non-controlling interests in subsidiaries (put options) that are measured in accordance with IFRS 3.
Initially all of bank loans, other loans and debt securities are recognised at purchase price (cost) that constitute fair value of cash received less the costs related directly to obtaining a loan, or issuing a debt security.
Subsequently bank loans, other loans and debt securities are measured at amortised cost using the effective interest rate method. Determination of the amortised cost takes into account the costs related to obtaining a loan, or issuing a debt security, as well as the discounts or bonuses obtained on repayment of the liability.

The table below presents the Group’s debt outstanding as at 31 December 2023 and 31 December 2022.

(in EUR thousand) page 50

Type of credit facility	Maximum debt at 31 Dec 2023	Effective interest rate	Currency	Maturity date	Balance as at 31 December 2023		Balance as at 31 December 2022	
					Short-term	Long-term	Short-term	Long-term
Overdrafts								
Overdraft	4,000	3M Euribor +margin	EUR	infinite	-	-	-	-
Overdraft	3,700	EUROSTR +margin	EUR	infinite	-	-	-	-
Overdraft	2,000	O/N EUR LIBOR + margin	EUR	Infinite	-	-	-	-
Overdraft	6,900	€STR (EURO Short-Term rate) + margin	EUR	1 year revolving	6,515	-	1,388	-
Overdraft	11,000	1M EURIBOR + margin	EUR	Infinite	3,785	-	2,217	-
Overdraft	-	Fixed rate	EUR	Infinite	-	-	29	-
Overdraft	-	1M EURIBOR + margin	EUR	30.12.2024	-	-	2,157	-
Overdraft	1,045	1M BUBOR +margin	HUF	Indefinite	1,040	-	2,168	-
Overdraft	4,045	PRIBOR + margin	CZK	infinite	-	-	-	-
Overdraft	2,022	O/N PRIBOR +margin	CZK	Infinite	-	-	-	-
Debet card	60	fixed rate	EUR	Infinite	-	-	2	-
Overdraft	16,131	WIBOR 1M + margin	PLN	31.10.2025	-	-	-	-
Total overdrafts and revolving loans	**50,843**				**11,340**	-	**7,961**	**-**
Bank loans								
Bank loan	123	fixed rate	CHF	31.12.2028	31	92	29	115
Bank loan	-	fixed rate	CZK	24.07.2025	809	809	829	1,659
Bank loan	19,575	fixed rate	EUR	30.06.2027	703	18 872	561	19,455
Bank loan	1,098	1M EURIBOR + margin	EUR	31.1.2025	941	157	-	-
Bank loan	1,153	fixed rate	EUR	31.1.2025	1,153	-	2,219	-
Bank loan	21	fixed rate	CZK	27.07.2027	5	16		
Bank loan	15	fixed rate	EUR	23.11.2027	4	11		
Bank loan	-	3M EURIBOR + margin	EUR	31.12.2024	-	-	467	-
Bank loan	1,000	1M Euribor +margin	EUR	31.03.2027	-	-		
Bank loan	51	fixed rate	GTQ	31.08.2027	-	51	-	65
Bank loan	-	3M EURIBOR + margin	EUR	28.6.2025	-	-	1,786	-
Bank loan	-	1M EURIBOR + margin	EUR	31.12.2024	-	-	571	-
Total bank loans	**23,036**				**3,646**	**20,008**	**6,462**	**21,294**
Other loans								
IC loan	n/a	fixed rate	EUR	31.12.2023	-	-	932	-
Other loan	n/a	fixed rate	EUR	31.03.2024	273	-	-	-
Other loan	n/a	fixed rate	EUR	31.03.2026	-	274	-	274
Other loan	n/a	fixed rate	CZK	13.12.2025	-	-	25	56
Other loan	n/a	fixed rate	EUR	1.7.2023	-	-	142	-
Other loan	n/a	fixed rate	EUR	1.6.2024	-	-	16	7
Other loan	n/a	fixed rate	CZK	15.02.2027	13	31	-	-
Other loan	n/a	fixed rate	EUR	20.10.2027	40	77	-	-

(in EUR thousand) page 51

Total other loans		**361**	**433**	**1,115**	**337**
Total	**73,879**	**15,347**	**20,441**	**15,538**	**21,631**

As at 31 December 2023 the total funds available to the Asseco Central Europe Group under credit facilities opened in the current accounts reached the level of EUR 73,879 thousand (and EUR 73,519 thousand as at 31 December 2022).

Intercompany loan of EUR 932 thousand was granted to Asseco Central Europe, a.s. (Slovakia) by Asseco International, a.s. (direct parent of Parent Company) in year 2022. It was offset in year 2023.

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. As at 31 December 2023 one of ACE Group companies has broken covenants defined in their bank loan agreement. The total amount of debt affected by the breach of covenants was EUR 1,153 thousand. This amount is presented in current liabilities. Apart from the case described above, none of companies in the Group broken any covenants defined in their bank loan agreements.

Assets serving as security for bank loan facilities:

Category of assets	Net value of assets 31 December 2023 thous. EUR	 31 December 2022 thous. EUR
Land and buildings	20,666	20,938
Vehicles	38	-
Cash and cash equivalents	321	269
Inventories	2,039	3,402
Current and future receivables	11,449	13,531
TOTAL	**34,513**	**38,140**

Assets serving as security for financial guarantees:

Category of assets	Net value of assets 31 December 2023 thous. EUR	 31 December 2022 thous. EUR
Cash and cash equivalents	1,736	-
Current and future receivables	122	122
TOTAL	**1,858**	**122**

6.16. Other financial liabilities

Significant accounting policies

A contract that contains an obligation for an entity to purchase its own equity instruments gives rise to a financial liability for the present value of the redemption amount, even if the obligation to purchase is conditional on the counterparty exercising a right to redeem, for example in situations where the non-controlling interests are entitled to put shares of a subsidiary to be purchased by the Parent Company.

If concluded based on contractual terms that the acquirer does not have a present ownership interest in the shares concerned, the non-controlling interest is still attributed its share of the profits and losses (and other changes in equity) of the acquiree. The impact of the put option is the amount attributable to the non-controlling interest to be reclassified as a financial liability. The reclassification of the non-controlling interest is deemed to be equivalent to a change in the non-controlling interest. Therefore, the accounting at the end of the reporting period should replicate the accounting that would be adopted as if the option had been exercised at that date.

Accordingly, any difference between the liability under the put option at the end of the reporting period and the non-controlling interest reclassified is accounted for as a change in the equity attributable to the Parent Company. No amount

(in EUR thousand) page 52

is recognized in the profit or loss for the financial liability or separate accounting for the unwinding of any discount in respect of the liability. It also means that the liability resulting from the put option is not subject to any discount.
While the put option remains unexercised, the accounting at the end of each reporting period is as follows:
(i) the entity determines the amount that would have been recognized within equity for the non-controlling interest, including an update to reflect its share of profits and losses (and other changes in equity) of the acquiree for the period, and (ii) the entity accounts for the difference between (1) the amount determined above and (2) the fair value of the liability under the put option, as a change in the non-controlling interest.
If the put option is ultimately exercised, the same treatment will be applied up to the date of exercise. The amount recognized as the financial liability at that date will be extinguished by payment of the exercise price. If the put option expires unexercised, the position will be unwound, so that the non-controlling interest at that date is reclassified back to equity and the financial liability is derecognized.

Professional judgments and estimates

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Financial liabilities	**31 December 2023**		**31 December 2022 (restated)**	
	Non-current	**Current**	**Non-current**	**Current**
Liabilities from dividends	-	1	-	3,432
Liabilities due to acquisition of shares (deferred payments and contingent consideration)	567	588	1,072	848
Other financial liabilities	-	8	-	7
Total	**567**	**597**	**1,072**	**4,287**

Liabilities due to acquisition of shares relate to:

Liabilities due to acquisitions of shares	**31 December 2023**	**31 December 2022**
ASOL CZK	256	365
ACE SK treasury share (purchased from Asseco Poland)	-	300
ANeT	922	872
TurboConsult	-	333
Total	**1,155**	**1,870**

6.17. Lease liabilities

Significant accounting policies

In accordance with IFRS 16, a contract is a lease or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use is transferred under a contract if the lessee has both of the following:

- *the right to obtain substantially all of the economic benefits from use of the identified asset; and*
- *the right to direct the use of the identified asset.*

Lease liabilities – initial recognition

At the lease commencement date, the Group measures the lease liability at the present value of lease payments outstanding at that date. The lease payments are discounted by the Group using the incremental borrowing rate.

The lease payments comprise: fixed payments (including in-substance fixed lease payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable under residual value guarantees; the exercise price of a purchase option (if the Group is reasonably certain to exercise that option); and payments of penalties for terminating the lease (if the Group is reasonably certain to exercise that option).

(in EUR thousand) page 53

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

Lease liabilities – subsequent measurement

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

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

Practical expedients for short-term leases and leases of low-value assets

The Group applies a practical expedient to rental contracts and other contracts of similar nature that are concluded for a period shorter than 12 months from the lease commencement date.

Whereas, the practical expedient for leases of low-value assets is applied by the Group primarily to leases of IT hardware and other equipment with a low initial value. According to guidance provided by the International Accounting Standards Board, items whose value does not exceed USD 5 thousand may be considered as low-value assets.

In both the above-mentioned exceptions, the lease payments are recognized as expenses basically on a straight-line basis, in the period to which they are related. In such case, the Group does not recognize any right-of-use assets or corresponding financial liabilities.

Exemptions from applying IFRS 16

The Group does not apply the provisions of IFRS 16 to rental contracts and other contracts of similar nature for which the underlying assets are recognized as intangible assets. Moreover, IFRS 16 does not apply to intellectual property licensing agreements which are within the scope of IFRS 15.

Professional judgments and estimates

To apply the IFRS 16, the Group is required to make miscellaneous estimates and exercise professional judgment. This concernes mainly the assessment of the lease term in contracts concluded for an indefinite period as well as in contracts providing the Group with an option to extend the lease. In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive to exercise or not to exercise the option to extend the lease or the option to terminate the lease. When determining the lease term, the Group also takes into account the amount of expenditures incurred to adapt the leased asset to individual needs, and in the case of real estate leases – size of the market in a given location and the specific features of rented property.

As at 31 December 2023, assets used under lease contracts where the Group is a lessee, included:

- office buildings,
- cars,
- IT equipment.

The table below presents the amounts of lease liabilities as at 31 December 2023 as well as at 31 December 2022.

	31 December 2023		31 December 2022	
Lease liabilities	**Long-term**	**Short-term**	**Long-term**	**Short-term**
Leases of real estate	15,239	4,337	16,964	4,331
Leases of transportation vehicles	760	825	1,113	945
Leases of IT hardware	285	259	437	276
Total	**16,284**	**5,421**	**18,514**	**5,552**

(in EUR thousand) page 54

Minimum future cash outflows and liabilities under the lease agreements are as follows:

Lease of office space	31 December 2023	31 December 2022
Minimum lease payments		
up to 1 year	4,709	4,877
over 1 year but less than 5 years	14,346	14,126
over 5 years	3,267	4,237
Future minimum lease payments	**22,322**	**23,240**
Future interest costs	**(2,746)**	**(1,945)**
Present value of lease liability		
up to 1 year	4,337	4,331
over 1 year but less than 5 years	12,278	13,013
over 5 years	2,961	3,951
Lease liability	**19,576**	**21,295**
Effective lease rate	**4.3%**	**3.5%**

Lease of vehicles	31 December 2023	31 December 2022
Minimum lease payments		
up to 1 year	849	969
over 1 year but less than 5 years	776	1,145
over 5 years	-	-
Future minimum lease payments	**1,625**	**2,114**
Future interest costs	**(40)**	**(56)**
Present value of lease liability		
up to 1 year	825	945
over 1 year but less than 5 years	760	1,113
over 5 years	-	-
Lease liability	**1,585**	**2,058**
Effective lease rate	**1.6%**	**1.6%**

Summary of amounts related to lease and recognized in the profit and loss account for year ended 31 December 2023 are presented below:

Amounts related to lease contracts recognised in profit and loss account	note	31 December 2023	31 December 2022
Amortisation of right-to-use assets	6.3	(5,644)	(5,909)
Interest expenses related to lease liabilities	5.4	(690)	(702)
Expenses related to leases subject to low asset value exemption		(5)	(15)
Expenses related to leases subject to short-term exemption		(507)	(266)
Expenses related to variable lease payments not included in measurement of lease liabilities		-	-
Gain / loss from sale and leaseback transactions		-	-
Gain / loss from sublease of office space classified as right-to-use assets		12	37
Total		**(6,834)**	**(6,855)**

(in EUR thousand)

6.18. Trade and other payables

Significant accounting policies

Trade payables relating to operating activities are recognized and disclosed at the amounts due for payment, and are recognized in the reporting periods which they relate to.

The table below presents the structure of the Group's liabilities outstanding as at 31 December 2023 and 31 December 2022:

	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Trade payables, of which:	**5**	**20,268**	**13**	**24,813**
Invoiced payables	**-**	**14,311**	**-**	**16,604**
to related parties	-	343	-	259
to other entities	-	13,968	-	16,345
Uninvoiced payables	**5**	**5,908**	**13**	**7,991**
to related parties	-	19	-	79
to other entities	5	5,889	13	7,912
Liabilities from project-related contractual penalties	**-**	**49**	**-**	**218**
Corporate income tax payable	**-**	**1,520**	**-**	**2,855**
Liabilities to the state and local budgets	**-**	**14,680**	**-**	**12,533**
Value added tax (VAT)	-	7,973	-	6,434
Personal income tax (PIT)	-	2,263	-	1,863
Social insurance	-	4,404	-	3,973
Other	-	40	-	263
Other liabilities	**152**	**6,617**	**382**	**6,101**
Liabilities to employees (including salaries payable)	102	5,811	266	5,385
Other liabilities, of which:	**50**	**806**	**116**	**716**
to related parties	36	72	107	72
to other entities	14	734	9	644
Total	**157**	**43,085**	**395**	**46,302**

Trade payables are not interest-bearing. The transactions with related companies are presented in note 6.22 to these consolidated financial statements.

6.19. Contract liabilities

Significant accounting policies

In accordance with IFRS 15 Group presents contract liabilities that include liabilities arising from valuation of IT contracts and deferred income from right-to-access licences that have not been recognized as at the reporting date, as well as future revenues from the provision of services such as IT support (maintenance) which are recognized over time.

Because of wide range of performance obligations it is difficult to determine one moment at which Group normally satisfies its performance obligations. Usually for contracts for implementation of complex IT system and maintenance services, the Group satisfies its performance obligations when it renders these services to clients. In case of performance obligation of providing a right-to-use license to client, the Group considers the performance obligation to be satisfied in the moment of granting the license, but no sooner than at the beginning of the period in which the client can start using the software (most often in the moment of transferring the license key), which, according to Group assessment, is synonymous with transferring a control over the license to the client.

(in EUR thousand) page 56

Contract liabilities, of which:	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Liabilities arising from valuation of IT contracts	**-**	**3,556**	**-**	**3,724**
to related parties	-	-	-	24
to other entities	-	3,556	-	3,700
Deferred income	1,630	26,321	556	17,499
Maintenance services and license fees	281	22,580	535	16,111
Other prepaid services	-	53	21	92
Liability to transfer equipment	1,349	3,688	-	1,296
Total	**1,630**	**29,877**	**556**	**21,223**

The change in balance of contract liabilities during the period of 12 months ended 31 December 2023 resulted from the following movements:

	12 months to 31 December 2023	12 months to 31 December 2022
Contract liabilities as at 1 January 2023	**21,779**	**16,289**
Issue of invoices at the amount exceeding satisfaction of performance obligation	81,921	68,281
Satisfaction of performance obligations without invoicing; Change in an estimate of the transaction price or costs, other changes in the assumptions	(72,395)	(62,886)
Exchange differences	202	95
Contract liabilities as at 31 December 2023	**31,507**	**21,779**

(in EUR thousand)

6.20. Provisions

Significant accounting policies

A provision should be recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Onerous contracts

The Group recognizes provisions for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Onerous contract is a contract in which expected revenues are lower than COGS and production costs.

An onerous contract is a contract with client, in which total amount of revenues is lower that total amount of cost of goods sold (COGS) and production cost.

When an onerous contract is identified (it may be done in any moment of contract's realization) all expected loss resulting from this contract is expensed in the period in which it met the criteria to be classified as onerous contract.

Group verifies the carrying amounts of provisions for onerous contracts at each balance sheet date (at each balance sheet date provision shall be equal to the difference between whole expected loss on this contract and the loss that was already realised till the balance sheet date). It may results in increase or decrease in carrying amount of provision for onerous contracts.

Warranty provisions

The provision for warranty repairs is created to cover anticipated future costs of warranty or service obligations resulting from the executed IT contracts as long as the warranty meets the criteria to be classified as assurance-type under provisions of IFRS 15.

In accordance with IFRS 15 warranty is accounted for as a service-type when it provides a service to the customer in addition to assurance that the delivered product is as specified in the contract. For service-type warranty provision is not created as it constitutes a performance obligation and is recognised as part of revenues from contracts with customers.

At each balance sheet date Group verifies the carrying amounts of warranty provisions.

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

Provision for post-employment benefits

In accordance with labour regulations that are in force in each entity within the Group, employees have a right to post-employment benefits. The amount of post-employment benefits depends on Labour Law that exists in each country in which the entities within Group operate. Present value of these liabilities is estimated by independent actuary at each reporting date. Subsequent measurement of these liabilities result in actuarial gains/losses that are recognised in other comprehensive income and they are not recycled to profit and loss account.

Provision for contractual penalties

Provision for contractual penalties are created for ongoing legal claims basing on available information, including opinions of independent professionals. Provision for contractual penalties are recognised as a decrease in revenue.

The book value of provisions, during the period of twelve months ended 31 December 2023 and in the comparative period, changed as a result of the following transactions:

Provisions	Warranty repairs	Contractual penalties	Post-employment benefits	Tax and legal risks provision	Other provisions	Total
As at 1 January 2023	**77**	**62**	**629**	**725**	**138**	**1,631**
Acquisitions of subsidiaries	-	-	-	-	-	**-**
Created during the reporting period	170	-	142	739	146	**1,197**
Used during the reporting period	(93)	-	-	(35)	(3)	**(131)**
Reversed during the reporting period	(3)	-	(29)	(5)	(123)	**(160)**
Net actuarial gain or loss	-	-	152	-	-	**152**
Exchange differences on translation of foreign operations	(1)	-	42	(17)	(4)	**20**
As at 31 December 2023	**150**	**62**	**939**	**1,407**	**151**	**2,709**
Current as at 31 December 2023	150	62	24	1,407	131	**1,774**
Non-current as at 31 December 2023	-	-	915	-	20	**935**

(in EUR thousand)

	Warranty repairs	Contractual penalties	Post-employment benefits	Tax and legal risks provision	Other provisions	Total
As at 1 January 2022	**522**	**65**	**723**	**121**	**401**	**1,832**
Acquisitions of subsidiaries	-	-	-	-	-	**-**
Created during the reporting period	99	-	102	590	12	**803**
Reversed during the reporting period	(544)	-	(12)	-	(1)	**(557)**
Used or reversed during the reporting period	-	(3)	-	-	(282)	**(285)**
Net actuarial gain or loss	-	-	(174)	-	-	**(174)**
Exchange differences on translation of foreign operations	-	-	(10)	14	8	**12**
As at 31 December 2022	**77**	**62**	**629**	**725**	**138**	**1,631**
Current as at 31 December 2022	77	62	47	725	114	**1,025**
Non-current as at 31 December 2022	-	-	582	-	24	**606**

6.21. Accrued expenses and deferred income

Significant accounting policies

Accrued expenses are liabilities to pay for services that have been provided by employees but have not been paid, invoiced or formally agreed such as accruals for unused holiday leaves or employees bonuses. Amounts of accruals are estimated. While preparing the estimates, the generally accepted practices in the trade should be considered.

Deferred income is a liability showing the amount of future revenue (cash received or recorded by issued invoice but unearned) as at the balance sheet. Revenue is deferred until the services have been rendered or products have been delivered and is recognised in the profit and loss account as revenue over the period during which the service is performed.

Government subsidies

Government subsidies are a form of financial assistance provided to enterprises by the government in exchange for satisfying, in the past or in the future, certain conditions related to their operating activities. Government subsidies do not include any forms of government aid which have no precise value, nor any transactions conducted with the government which cannot be differentiated from ordinary business transactions of an enterprise.

Government subsidies are not recognized in accounts until there is sufficient certainty that a beneficiary company is going to meet the subsidy conditions and that the subsidy is going to be received, while the fact of actually having received a subsidy may not itself be perceived as convincing evidence that the subsidy conditions have been or will be met.

The method of subsidy accounting does not depend upon the manner in which it was granted. Therefore, a subsidy is accounted for using the same approach, irrespective of whether it was received in cash or in the form of a reduction of liabilities towards the government.

If a subsidy corresponds to a specific cost item, then it is recognized as income proportionally to the incurrence of the costs which the subsidy is supposed to compensate.

However, if a subsidy corresponds to a specific asset then its fair value is initially recognized in the deferred income account and amortized in the profit and loss account over the estimated useful life of the related asset.

	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Accruals, of which:				
Accrual for unused holiday leaves	-	4,131	-	3,687
Accrual for employee and management bonuses	-	7,588	-	7,949
Total accruals	**-**	**11,719**	**-**	**11,636**
Deferred income, of which:				
Grants for the development of assets	1,426	391	1,149	102
Other	5	2	-	2
Total deferred income	**1,431**	**393**	**1,149**	**104**

(in EUR thousand)

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 largest part of deferred income results from grants for the development of assets. Grants for the development of assets represent subsidies received by the Group in connection with its development projects or projects related to the creation of IT competence centres.

Deferred income from right-to-access licenses as well as future revenues from the provision of services such as IT support (maintenance) which are recognized over time, are presented under contract liabilities and disclosed in explanatory note 6.19.

6.22. Transactions with related parties

Table below presents sales of Asseco Central Europe Group to related parties for the period of 12 months ended 31 December 2023 and in comparative period:

	Sales		Purchases	
	12 months ended 31 December 2023 thous. EUR	12 months ended 31 December 2022 thous. EUR	12 months ended 31 December 2023 thous. EUR	12 months ended 31 December 2022 thous. EUR
Transactions with parent entities (Asseco Poland S.A. and Asseco International a.s)	1,889	1,320	1,001	910
Transactions with related companies	430	443	227	90
Transactions with associates and joint ventures	1,291	1,164	277	425
Transactions with entities related through Group's key management personnel	-	1	-	-
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies	5	22	571	528
Total transactions with related parties	**3,615**	**2,950**	**2,076**	**1,953**

Sales to and purchases from parent entities include mostly revenues from sale of IT services and licences, office rental as well as sales of bookkeeping, controlling and reporting services.

Sales to and purchases from related parties ans associates and joint ventures include revenues from sale of IT services and licences as well as consulting services.

Purchases from Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies relate mostly to consultancy services and purchase of office space.

Table below presents receivables and liabilites of Asseco Central Europe Group from related parties as at 31 December 2023 and in comparative period:

	Trade and other receivables		Trade and other liabilities	
	12 months ended 31 December 2023 thous. EUR	12 months ended 31 December 2022 thous. EUR	12 months ended 31 December 2023 thous. EUR	12 months ended 31 December 2022 thous. EUR
Transactions with parent entities (Asseco Poland S.A. and Asseco International a.s)	103	326	258	121
Transactions with related companies	266	310	73	35
Transactions with associates and joint ventures	107	361	31	145
Transactions with entities related through Group's key management personnel	-	-	108	180
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies	-	-	2,684	2,823
Total transactions with related parties	**475**	**996**	**3,154**	**3,304**

(in EUR thousand)

Liabilities to Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies includes lease liability regarding lease of office space owned by members of Asseco Business Soutions S.A. (EUR 2,684 thousand at 31 December 2023 and EUR 2,823 thousand at 31 December 2022).

As at 31 December 2023 the balance of receivables from related entities comprised trade receivables and contract assets in the amount of EUR 475 thousand. Whereas, as at 31 December 2022, receivables from related entities comprised trade receivables in the amount of EUR 996 thousand.

As at 31 December 2023, the balance of liabilities from related entities comprised trade payables and contract liabilities in the amount of EUR 362 thousand. Whereas, as at 31 December 2022, liabilities from related entities comprised trade payables in the amount of EUR 305 thousand.

Loans granted to related parties are described in note 6.8 to these financial statements.

7. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

7.1. Cash flows from operating activities

The table below presents items included in the line “Changes in working capital”:

Changes in working capital	12 months ended 31 December 2023	12 months ended 31 December 2022
Change in inventories	1,545	(1,252)
Change in receivables and other non-financial assets	15,567	(7,776)
Change in liabilities	6,460	(481)
Change in accruals and deferred income	(4,283)	(1,881)
Change in provisions	904	(38)
	20,193	**(11,428)**

7.2. Cash flows from investing activities

In the period of twelve months ended 31 December 2023, the balance of cash flows from investing activities was resulted mainly from the following proceeds and expenditures:

- Acquisitions of property, plant and equipment and intangible assets include purchases of property, plant and equipment for EUR 6,455 thousand and purchases of intangible assets for EUR 1,294 thousand.
- Loans granted and loans collected, that were short-time deposits in Asseco Business Solutions S.A.

7.3. Cash flows from financing activities

Tables below present changes in liabilities arising from financing activities in year 2023 and 2022, including both changes arising from cash flows and non-cash changes:

For 12 months ended 31 December 2023	Bank and other loans	Finance lease liabilities	Liabilities from dividends	Liabilities resulting from put options on non-controlling interests	Total
As at 1 January 2023	**29,208**	**24,064**	**3,432**	**-**	**56,705**
Changes in liabilities arising from cash flows	**(4,712)**	**(8,034)**	**(29,313)**	**-**	**(42,059)**
Inflow	5,709	-	-	-	5,709
Repayment of principal - Outflow	(9,520)	(7,310)	(29,313)	-	(46,143)
Repayment of interest - Outflow	(901)	(724)	-	-	(1,625)
Non-cash changes in liabilities	**(49)**	**4,918**	**25,561**	**-**	**30,430**
Interest accrued	904	690	-	-	1,594
Non-cash increase in liabilities	-	5,637	25,561	-	31,198
Non-cash decrease in liabilities	(953)	(1,193)	-	-	(2,146)
Changes in presentation (+)/(-)	-	-	-	-	-
Foreign exchange diferences inlcued in profit/ loss	-	(216)	-	-	(216)
Exchange differences on translation of foreign operations	1	754	321	-	1,076
As at 31 December 2023	**24,448**	**21,705**	**1**	**-**	**46,154**

(in EUR thousand) page 62

For 12 months ended 31 December 2022	Bank and other loans	Finance lease liabilities	Liabilities from dividends	Liabilities resulting from put options on non-controlling interests	Total
As at 1 January 2022	**13,745**	**40,859**	**2,489**	**1,000**	**58,093**
Changes in liabilities arising from cash flows	**400**	**(7,759)**	**(24,173)**	**-**	**(31,532)**
Inflow	11,292	-	-	-	11,292
Repayment of principal - Outflow	(10,405)	(7,026)	(24,173)	-	(41,604)
Repayment of interest - Outflow	(487)	(733)	-	-	(1,220)
Non-cash changes in liabilities	**15,328**	**(8,826)**	**25,321**	**(1,000)**	**30,823**
Interest accrued	507	702	-	-	1,209
Non-cash increase in liabilities	-	6,101	26,253	-	32,354
Non-cash decrease in liabilities	932	(1,087)	(932)	(1,000)	(2,087)
Unwinding of discount	13,889	(14,731)	-	-	(842)
Changes in presentation	-	189	-	-	189
Exchange differences on translation of foreign operations	(264)	(210)	(205)	-	(679)
As at 31 December 2022	**29,209**	**24,064**	**3,432**	**-**	**56,705**

8. OBJECTIVES AND PRINCIPLES OF FINANCIAL RISK MANAGEMENT

The Asseco Central Europe Group is exposed to a number of risks arising either from the macroeconomic situation of the countries in which entities within Group operate as well as from the microeconomic situation in individual entities. The main external factors that may have an adverse impact on the Group's financial performance are: (i) fluctuations in foreign currency exchange rates versus the EUR, and (ii) changes in the market interest rates. The financial results are also indirectly affected by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and the inflation rate. In addition, the internal factors with potential negative bearing on the Group's performance include: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of project costs when entering into contracts, and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The Group's presentation currency is the euro; however, some contracts are denominated in foreign currencies. With regard to the above, the Group is exposed to potential losses resulting from fluctuations in foreign currency exchange rates versus the euro in the period from concluding a contract to invoicing. Furthermore, the functional currencies of Group’s foreign subsidiaries are the local currencies of the countries in which these entities are legally registered and operate. Consequently, the assets and financial results of such subsidiaries need to be converted to the euro and their values presented in the Group financial statements remain under the influence of foreign currency exchange rates.

Identification: According to the Group's procedures pertaining to entering into commercial contracts, each agreement that is concluded or denominated in a foreign currency, different from the functional currency is subject to detailed registration. Owing to this solution, any currency risk involved is detected automatically.

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on one hand, and on the other by the amount of currency derivative instruments concluded in the financial market. The procedures applicable to the execution of IT projects require making systematic updates of the project implementation schedules as well as the cash flows generated under such projects.

Objective: The purpose of countering the risk of fluctuations in foreign currency exchange rates is to mitigate their negative impact on the contract margins.

(in EUR thousand) page 63

Measures: Contracts settled in foreign currencies are hedged with simple derivatives such as currency forward contracts, while instruments embedded in foreign currency denominated contracts are hedged with non-deliverable forward contracts. In addition, forward contracts with delivery of cash are applied for foreign currency contracts.

Matching the measures to hedge against the foreign currency risk means selecting suitable financial instruments to offset the impact of changes in the risk-causing factor on the Group's financial performance (the changes in embedded instruments and concluded instruments are balanced out). Nevertheless, because the project implementation schedules and cash flows generated thereby are characterized by a high degree of changeability, the Group companies are prone to changes in their exposure to foreign exchange risk. Therefore, the companies dynamically transfer their existing hedging instruments or conclude new ones with the objective to ensure the most effective matching. It has to be taken into account that the valuation of embedded instruments changes with reference to the parameters as at the contract signature date (spot rate and swap points), while transferring or concluding new instruments in the financial market, may only be effected on the basis of the current rates available. Hence, it is possible that the value of financial instruments will not be matched and the Group's financial result will be potentially exposed to the foreign currency risk.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Group. The Group is exposed to the risk of interest rate changes primarily in the following areas of its business activities: (i) changes in the value of interest charged on loans granted by external financial institutions to the Group companies, which are based on variable interest rates, and (ii) change in valuation of the concluded and embedded derivative instruments, which are based on the forward interest rate curve. More information on factor (ii) may be found in the description of the currency risk management.

Identification: The interest rate risk arises and is recognized by individual companies of the Group at the time of concluding a transaction or a financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Group companies, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Group companies measure their exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate.

Objective: The purpose of reducing such risk is to eliminate the incurrence of higher expenses due to concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Group companies may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements.

Matching: The Group gathers and analyzes the current market information concerning its present exposure to the interest rate risk. For the time being, the Group companies do not hedge against changes in interest rates due to a high degree of unpredictability of their credit repayment schedules.

The Group is exposed to the risk of interest rate changes due to change in the value of interest charged on credit facilities granted by external financial institutions to the Group companies, which are based on a variable interest rate. Financial assets and liabiities exposed to interest rate risk are presented in table below:

	Carrying amount	Amount exposed to interest rate risk	WIBOR	EURIBOR	ESTR	BUBOR
31 December 2023						
Cash and cash equivalents	65,402	46,548	11,920	6,473	-	461

Bank and other loans	35,788	29,865	-	1,098	3,785	1,040
Finance lease liabilities	21,705	21,689	16	-	-	-
31 December 2022						
Cash and cash equivalents	44,190	22,852	10,256	11,082	-	-
Bank and other loans	37,169	26,415	-	8,586	-	2,168
Finance lease liabilities	24,066	23,521	545	-		-

Besides positons listed above, there were not other financial assets or liabilties exposed to interest rate risk.

Credit risk

The Group is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and goodwill of the contractors to whom the Group companies provide their IT solutions, and secondly with the financial credibility of the contractors with whom supply agreements are concluded.

The maximum exposure on credit risk does not exceed the carrying amount of financial assets.

Identification: The risk is identified each time when concluding contracts with customers, and afterwards during the settlement of payments.

Measurement: Determination of this type of risk requires knowledge of the complaints or pending judicial proceedings against a client at the time of signing an agreement. Every two weeks the companies are obliged to control the settlement of payments under the concluded contracts, inclusive of the profit and loss analysis for individual projects.

Objective: The Company strives to minimize this risk in order to avoid financial losses resulting from the commencement and partial implementation of IT solutions as well as to sustain the margins adopted for the executed projects.

Measures: As the Group operates primarily in the banking and financial sector, its customers are concerned about their good reputation. Here the engagement risk control is usually limited to monitoring the timely execution of bank transfers and, if needed, to sending a reminder of outstanding payment. However, in the case of smaller clients, it is quite helpful to monitor their industry press as well as to analyze earlier experiences of the Group itself and of its competitors. The Group companies conclude financial transactions with reputable brokerage houses and banks.

Matching: It is difficult to discuss this element of risk management in such cases.

Financial liquidity risk

The Group monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g. accounts receivable, other financial assets) as well as the anticipated cash flows from operating activities.

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

The following table shows the Group's trade liabilities as at 31 December 2023 by maturity period, based on the contractual undiscounted payments:

Ageing structure of trade payables	At 31 December 2023		At 31 December 2022	
	amount	structure	amount	structure
Overdues liabilities	929	4.6%	3,862	15.6%
Current and future up to 3 months	17,967	88.6%	16,523	66.6%
Future payables between 3 and 6 months	1,372	6.8%	2,952	11.9%
Future payables over 6 months	5	0.0%	1,489	6.0%
Total trade liabilities	**20,273**	**100.0%**	**24,825**	**100.0%**

(in EUR thousand) page 65

Foreign currency risk

The Group tries to conclude contracts with its clients in the primary currencies of the countries in which its subsidiaries and associates operate in order to avoid exposure to the risk arising from fluctuations in foreign currency exchange rates versus their own functional currencies.

The sensitivity analysis of trade payables and trade receivables to fluctuations in the exchange rates of EUR against the functional currencies of the Group companies indicates the following net impact on the Group's financial results:

Trade accounts receivable and payable as at 31 December 2023	Amount exposed to risk	Impact on financial results of the Group (before tax) -10%	+10%
CZK:			
Trade accounts receivable	10,831	(1,083)	1,083
Trade accounts payable	6,958	696	(696)
Balance		**(387)**	**387**
CHF:			
Trade accounts receivable	1,599	(160)	160
Trade accounts payable	420	42	(42)
Balance		**(118)**	**118**
HUF:			
Trade accounts receivable	2,216	(222)	222
Trade accounts payable	258	26	(26)
Balance		**(196)**	**196**
USD:			
Trade accounts receivable	209	(21)	21
Trade accounts payable	-	-	-
Balance		**(21)**	**21**
PLN:			
Trade accounts receivable	10,648	(1,065)	1,065
Trade accounts payable	1,336	134	(134)
Balance		**(931)**	**931**

Trade accounts receivable and payable as at 31 December 2022	Amount exposed to risk	Impact on financial results of the Group (before tax) -10%	+10%
CZK:			
Trade accounts receivable	16,486	(1,649)	1,649
Trade accounts payable	6,087	609	(609)
Balance		**(1,040)**	**1,040**
CHF:			
Trade accounts receivable	1,414	(141)	141
Trade accounts payable	313	31	(31)
Balance		**(110)**	**110**
HUF:			
Trade accounts receivable	2,020	(202)	202
Trade accounts payable	650	65	(65)
Balance		**(137)**	**137**
USD:			
Trade accounts receivable	296	(30)	30
Trade accounts payable	8	1	(1)
Balance		**(29)**	**29**

(in EUR thousand)

PLN:			
Trade accounts receivable	9,121	(912)	912
Trade accounts payable	1,550	155	(155)
Balance		**(757)**	**757**

The analysis of sensitivity to fluctuations in foreign exchange rates, with potential impact on the Group's financial results, was conducted using the percentage deviations of +/-10% by which the reference exchange rates, effective as at the balance sheet date, were increased or decreased.

Other types of risk

Other risks are not analyzed for sensitivity, due to their nature and the impossibility of absolute classification.

9. OTHER EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Selected accounting policies

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

Lease contracts subject to practical expedients under IFRS 16 for short-term leases and leases of low-value assets

The Group applies a practical expedient permitted under IFRS 16 to rental contracts and other contracts of similar nature that are concluded for a period shorter than 12 months from the lease commencement date. Whereas, the practical expedient for leases of low-value assets is applied by the Group primarily to leases of IT hardware and other equipment with a low initial value. According to guidance provided by the International Accounting Standards Board, items whose value does not exceed 5 thousand USD may be considered as low-value assets. In both the above-mentioned exceptions, the lease payments are recognized as operating expenses basically on a straight-line basis, in the period to which they are related. In such case, the Group does not recognize any right-of-use assets or corresponding financial liabilities.

9.1. Commitments and contingencies in favuor of related parties

As at 31 December 2023 guarantees and sureties issued by Asseco Central Europe a. s. in favour of related parties were as follows:

- PROSOFT Košice, a.s. (joint venture) was granted a guarantee of EUR 2,980 thousand to back up its liabilities towards Tatra banka, a.s. under a framework crediting agreement;
- Asseco Central Europe, a.s. Czech republic (subsidiary) was granted a guarantee of 100,000 thousand CZK (EUR 4,045 thousand) to back up its liabilities towards Česká spořitelna, a.s., under a framework crediting agreement;
- Asseco CEIT a.s. (subsidiary) was granted a guarantee of EUR 3,500 thousand to back up its liabilities under a credit agreement;
- Asseco Central Europe Magyarorszag Zrt. (subsidiary) was granted a guarantee of HUF 600 000 thousand (EUR 1,567 thousand) to back up its liabilities under a credit agreement;

As at 31 December 2022 guarantees and sureties issued by Asseco Central Europe a. s. in favour of related parties were as follows:

- PROSOFT Košice, a.s. (joint venture) was granted a guarantee of EUR 2,980 thousand to back up its liabilities towards Tatra banka, a.s. under a framework crediting agreement;

(in EUR thousand) page 67

- Asseco Central Europe, a.s. Czech republic (subsidiary) was granted a guarantee of 100,000 thousand CZK (EUR 4,147 thousand) to back up its liabilities towards Česká spořitelna, a.s., under a framework crediting agreement;
- Asseco CEIT a.s. (subsidiary) was granted a guarantee of EUR 3,500 thousand to back up its liabilities under a credit agreement;

Aditionally, as at 31 December 2022 Asseco Business Solutions S.A. has granted EUR 64 thousand rental agreeement guarantee to members of its management.

9.2. Commitments and contingent liabilities to other entities

As at 31 December 2023, guarantees and sureties issued by and for the Group were as follows:

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a. s. of EUR 991 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to end of year 2024);
- Berit GmbH uses a bank guarantee of EUR 122 thousand;
- Asseco Business Solutions S.A. uses a bank guarantee of EUR 263 thousand.

As at 31 December 2022, guarantees and sureties issued by and for the Group were as follows:

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a. s. of EUR 1,636 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to end of year 2024);
- Berit GmbH uses a bank guarentee of EUR 122 thousand;
- Asseco Business Solutions S.A. uses a bank guarantee of EUR 172 thousand.

As at 31 December 2023 Group had a contingent liability regarding ongoing legal claim.

The Group is a party to a number of lease contracts which are subject to exemptions according to IFRS 16, resulting in off-balance-sheet liabilities for future payments.

	31 December 2023	31 December 2022
Liabilities under lease of space		
In the period up to 1 year	206	195
In the period from 1 to 5 years	-	-
In the period over 5 years	-	-
Total	**206**	**195**
Liabilities under operating lease of property, plant and equipment		
in the period shorter than 1 year	8	7
in the period from 1 to 5 years	48	53
in the period longer than 5 years	-	-
Total	**56**	**60**

(in EUR thousand) page 68

9.3. Employment

Number of employees in persons as at:	31 December 2023	31 December 2022
Management Board of Parent entity	3	3
Management Board of subsidiaries	30	28
Production departments	2,953	2,929
Sales departments	224	223
G&A departments	379	379
Total	**3,589**	**3,562**

Number of employees in persons as at:	31 December 2023	31 December 2022
Asseco Central Europe, a.s. (Slovakia)	569	610
Asseco Central Europe, a.s. (Czech Republic)	318	330
Asseco Berit AG	15	15
Asseco Berit GmbH	32	34
ACE Cloud a.s.	89	-
Asseco Solutions Group (Czech Republic)	392	405
Asseco Solutions Group (Slovakia)	153	166
Asseco Solutions Group (Germany)	474	442
Asseco Business Solutions S.A.	1 073	1,072
Asseco Enterprise Solutions a.s.	2	2
CEIT Group	241	249
exe, a.s.	122	108
ACE Asseco Central Europe Magyarorszag Zrt.	109	128
Total	**3,589**	**3,562**

9.4. Remuneration of the entity authorized to audit financial statements

The table below discloses the total amounts due to the entity authorized to audit consolidated financial statements of ACE Group and standalone financial statements of Asseco Central Europe a.s. (Slovakia), namely Ernst & Young Slovakia, spol. s r. o. paid or payable for the years ended 31 December 2023 and 31 December 2022, in breakdown by type of service:

Type of service	31 December 2023	31 December 2022
Obligatory audit of the annual financial statements	99	99
Tax advisory services	48	19
Total	**147**	**118**

9.5. Remuneration of Members of the Board of Directors and Supervisory Board of the Parent Company

Remuneration for the period of	12 months ended 31 December 2023	12 months ended 31 December 2022
Board of Directors	676	1,052
Supervisory Board	93	87

In additon, in year 2023 there were paid bonuses for results achieved in 2022 in the amount of EUR 445 thousand in the reporting period (in 2022 it was EUR 591 thousand).

(in EUR thousand)

The table and comment above presents the remuneration including all related costs and benefits payable to Members of the Board of Directors and the Supervisory Board of Asseco Central Europe, a. s. (SK) in EUR for acting as Members of the Board of Directors/ Supervisory Boards in Parent Company and Group subsidiaries in 2023 and 2022.

9.6. Equity management

The main objective of the Group's equity management is to maintain a favourable credit rating and safe level of equity ratios so as to support the Group's operating activities and increase the value for our shareholders.
The Group manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Group may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2023, as in the year ended 31 December 2022, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.
The Group consistently monitors the balances of its capital funds using the leverage ratio, which is calculated as a relation of net liabilities to total capital (sum of equity and net liabilities). Net liabilities include interest-bearing credits and loans, trade payables and other liabilities, decreased by cash and cash equivalents.

Equity management	**31 December 2023**	**31 December 2022**
Bank and other loans	35,788	37,170
Lease liabilities	21,705	24,066
Trade accounts payable and other liabilities	74,749	68,476
Cash and cash equivalents	(65,402)	(44,190)
Net liabilities	**66,840**	**85,522**
Shareholders' equity	128,165	123,741
Equity plus net liabilities	**195,005**	**209,263**
Leverage ratio	**34.3%**	**40.9%**

9.7. Seasonal and cyclical nature of business

The Group's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because bulk of sales revenues are generated from the IT services contracts executed for large companies and public institutions, the fourth quarter turnovers tend to be higher than in the remaining periods. Such phenomenon occurs because the above-mentioned entities close their annual budgets for implementation of IT projects and carry out investment purchases of hardware and licenses usually in the last quarter.

9.8. Significant events after the balance sheet date

Until the date of preparing these consolidated financial statements, i.e. 14 March 2024, below significant events occurred that might have an impact on these consolidated financial statements:

- In February 2024, the contribution to the other capital funds of Asseco CE Cloud, a.s. was paid in the value of EUR 840 thousand.

9.9. Significant events related to prior years

Up to the date of preparing these consolidated financial statements for the twelve months ended 31 December 2023, no significant events related to prior years occurred that might have an impact on these consolidated financial statements.

(in EUR thousand) page 70

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Independent Auditor's Report

To the Shareholders, Supervisory Board and Board of Directors of Asseco Central Europe, a. s.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asseco Central Europe, a. s. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU ("IFRS EU").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Statutory Audit No 423/2015 Coll. and on amendments to the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Statutory Audit") related to ethics, including Auditor's Code of Ethics, that are relevant to our audit of the consolidated financial statements, and we have fulfilled other requirements of these provisions related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management responsible for the preparation of the consolidated financial statements that give true and fair view in accordance with IFRS EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the presented information as well as whether the consolidated financial statements captures the underlying transactions and events in a manner that leads to their fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Consolidated Annual Report

Management is responsible for the information disclosed in the consolidated annual report, prepared based on requirements of the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting"). Our opinion on the consolidated financial statements expressed above does not apply to other information contained in the consolidated annual report.

In connection with audit of the consolidated financial statements it is our responsibility to understand the information disclosed in the consolidated annual report and to consider whether such information is not materially inconsistent with audited consolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated.

The annual report was not available to us as at the date of issue of the auditor's report on the audit of the financial statements.

When we obtain the annual report, we will consider whether the Group's annual report contains information, disclosure of which is required by the Act on Accounting and based on procedures performed during the audit of financial statements, we will express our opinion considering whether:

- Information disclosed in the annual report, prepared for 2023, is consistent with the financial statements for the relevant year,
- The annual report contains information based on the Act on Accounting.

Additionally, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Group and its situation, obtained in the audit of the financial statements.

14 March 2024
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Peter Potoček, statutory auditor
UDVA Licence No. 992

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APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT
to the annual report in accordance with the Act on Statutory Audit No 423/2015 Coll § 27 par. 6 and on amendments to the Act on accounting No 431/2002 Coll as amended by later legislation ("the Act on statutory audit")

To the Shareholders, Supervisory Board and Board of Directors Asseco Central Europe, a. s.:

I. We have audited the consolidated financial statements of Asseco Central Europe, a. s. and its subsidiaries („the Group") as at 31 December 2023, presented in the attached annual report, to which we issued on 14 March 2024 following independent auditor report from audit of consolidated financial statements:

"Independent Auditor's Report

To the Shareholders, Supervisory Board and Board of Directors of Asseco Central Europe, a. s.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asseco Central Europe, a. s. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU ("IFRS EU").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Statutory Audit No 423/2015 Coll. and on amendments to the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Statutory Audit") related to ethics, including Auditor's Code of Ethics, that are relevant to our audit of the consolidated financial statements, and we have fulfilled other requirements of these provisions related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management responsible for the preparation of the consolidated financial statements that give true and fair view in accordance with IFRS EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and content of the consolidated financial statements including the presented information as well as whether the consolidated financial statements captures the underlying transactions and events in a manner that leads to their fair presentation.*
- *Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."

II. We have audited the individual financial statements of Asseco Central Europe, a.s. ("the company") as at 31 December 2023, presented in the attached annual report, to which we issued on 14 March 2024 following independent auditor report from audit of individual financial statements:

"Independent Auditor's Report

To the Shareholders, Supervisory Board and Board of Directors of Asseco Central Europe, a. s.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asseco Central Europe, a. s. (the Company), which comprise the Financial Statement of Financial Position as at 31 December 2023, Financial Statement of Income and Other Comprehensive Income, Financial Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU ("IFRS EU").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Statutory Audit No 423/2015 Coll. and on amendments to the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Statutory Audit") related to ethics, including Auditor's Code of Ethics, that are relevant to our audit of the financial statements, and we have fulfilled other requirements of these provisions related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give true and fair view in accordance with IFRS EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*

- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and content of the financial statements including the presented information as well as whether the financial statements captures the underlying transactions and events in a manner that leads to their fair presentation.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."

II. Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Annual Report

Management is responsible for the information disclosed in the annual report, prepared based on requirements of the Act on Accounting. Our opinion on the individual and consolidated financial statements expressed above does not apply to other information contained in the annual report.

In connection with audit of the consolidated and individual financial statements it is our responsibility to understand the information disclosed in the annual report and to consider whether such information is not materially inconsistent with audited consolidated and individual financial statements or our knowledge obtained in the audit of the consolidated and individual financial statements, or otherwise appears to be materially misstated.

We considered whether the Company's annual report contains information, disclosure of which is required by the Act on Accounting.

Based on procedures performed during the audit of consolidated and individual financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2023 is consistent with the consolidated and individual financial statements for the relevant year,
- The annual report contains information based on the Act on Accounting.

Additionally, based on our understanding of the Company and its situation, obtained in the audit of the consolidated and individual financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

28 March 2024
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
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Ing. Peter Potoček, statutory auditor
UDVA Licence No. 992

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