SPYROSOFT S.A.
CAPITAL GROUP

CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION

The present financial information is drafted in compliance with the International Financial Reporting Standards approved by the EU on June 30, 2021

Wroclaw, 12 August 2021

Table of contents

Introduction

General information about the parent company and the Capital Group

Name:	SPYROSOFT
Legal form:	joint stock company
Registered office:	pl. Nowy Targ 28, 50–141 Wrocław
Main object of activity:	software related activities
REGON statistical number:	364386397
Tax identification number NIP:	8943078149
Duration of activity:	indefinite

As of June 30, 2021, the SpyroSoft S.A. Capital Group includes, aside from the parent company, also the following entities:

Entity	Country	Share in the capital	Relationship
Spyrosoft Solutions S.A.	Poland	50%	direct
Spyrosoft LTD	UK	100%	direct
GOD Nearshore SE	Germany	33%	direct
Unravel S.A.	Poland	75%	50% direct and 25% indirect
Spyrosoft Solutions doo	Croatia	35%	indirect
Spyrosoft Solutions LLC	USA	50%	indirect
Spyrosoft Solutions GMBH	Germany	50%	indirect
Finin Sp. z o.o.	Poland	100%	direct

All entities, except for Finin Sp. z o.o., run software related activities. Finin Sp. z o.o. operates in the field of accounting services and tax advisory.

Approval of historical financial information

These interim condensed financial information were approved for publication by the parent company's Management Board on July 8, 2021.

Continuity assumption

The consolidated interim condensed financial information have been prepared assuming that the company will continue its operations in the foreseeable future. As of the date of approval of the interim condensed financial information for publication, there are no circumstances that could potentially pose a threat to the continued operations of the Group for a period of at least 12 months from the date of approval of the interim condensed financial information for publication. The Management Board of the parent company has assessed the Capital Group's ability to continue its operations and did not find any significant uncertainties in this respect. The conducted analysis shows that none of the Group companies recorded a decrease in revenues in 2020 and in the period from 1/1/2021 to the date of approval of the historical financial information for publication, and did not apply for public aid in order to mitigate the effects of the pandemic. Therefore, the situation related to the coronavirus pandemic (COVID–19 disease) will not have any adverse effect on the Group's operations for a period of at least 12 months from the date of approval of the historical financial information for publication.

Selected financial data

Data in thousand PLN

Selected financial data	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Net revenue from sales of products, goods and materials	74 612	51 460
Profit (loss) from operating activity	9 783	8 689
EBITDA*	12 685	11 294
Gross profit (loss)	9 679	8 496
Net profit (loss)	6 362	6 061
Net inflows from operational activities	3 485	5 789
Net inflows from investment activities	(1 324)	(912)
Net inflows from financial activities	299	(4 540)
Net inflows – total	2 460	338
Net profit (loss) per one regular share (in PLN)	6.06	5.77

Selected financial data	as of 30.06.2021	as of 31.12.2020
Assets / Liabilities – total	68 292	56 893
Fixed assets	18 840	17 779
Current assets	49 452	39 114
Equity	34 013	26 394
Liabilities and Provisions for liabilities	34 279	30 499
Long–term liabilities	7 813	8 921
Short term liabilities	26 466	21 579
Number of shares	1 049 957	1 049 957
Book value per share (in PLN)	32.39	25.14

* EBITDA calculated as operating profit increased by depreciation.

The financial data presented above for the period of 6 months in 2021 and 2020 and as of 30/06/2021 and 30/06/2020 have been converted into EUR and are presented in the table below according to the following rules:

- assets and liabilities – according to the average exchange rate determined by the National Bank of Poland as of June 30th, 2021 – 4.5208 PLN/EUR, as of December 31st, 2020 – 4.6148 PLN/EUR.

- amounts regarding total revenues and cash flows – according to the exchange rate being the arithmetic mean of the average rates specified by the National Bank of Poland as at the last day of each month of the reporting period: from January, 1st to June 30th, 2021 – 4.5472 PLN/EUR, from January 1st to June 30th, 2020 – 4.4413 PLN/EUR.

Data in thousand EUR

SELECTED FINANCIAL DATA	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Net revenue from sales of products, goods and materials	16 408	11 587
Profit (loss) from operating activity	2 151	1 956
EBITDA*	2 790	2 543
Gross profit (loss)	2 129	1 913
Net profit (loss)	1 399	1 365
Net inflows from operational activities	766	1 303
Net inflows from investment activities	(291)	(205)
Net inflows from financial activities	66	(1 022)
Net inflows – total	541	76
Net profit (loss) per one regular share (in PLN)	1.34	1.29

SELECTED FINANCIAL DATA	as of 30.06.2021	as of 31.12.2020
Assets / Liabilities – total	15 106	12 328
Fixed assets	4 167	3 853
Current assets	10 939	8 476
Equity	7 524	5 719
Liabilities and Provisions for liabilities	7 583	6 609
Long–term liabilities	1 728	1 933
Short term liabilities	5 854	4 676
Number of shares	1 049 957	1 049 957
Book value per share (in PLN)	7.17	5.45

General information on the Capital Group

Consolidated statement of revenues presented cumulatively for the current financial year and for the current quarterly interim period

	Cumulative data		Quarterly data	
	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020	from 01.04.2021 to 30.06.2021	from 01.04.2020 to 30.06.2020
Revenues from sales	**74 611 996,79**	**51 459 830,40**	**39 107 137,99**	**26 214 413,44**
Net revenue from sales of products and services	74 553 608,10	51 398 483,55	39 078 258,33	26 210 532,45
Net revenue from sales of products, goods and materials	58 388,69	61 346,85	28 879,66	3 880,99
Cost of sold products, services, goods and materials	**52 312 291,65**	**33 344 864,61**	**27 816 673,65**	**17 279 410,23**
Manufacturing cost of products and services sold	52 254 452,68	33 281 018,13	27 787 794,01	17 259 169,65
Value of goods and materials sold	57 838,97	63 846,48	28 879,64	20 240,58
Gross profit (loss) from sales	**22 299 705,14**	**18 114 965,79**	**11 290 464,34**	**8 935 003,21**
Costs of sales	0,00	0,00	0,00	0,00
Cost of general management	12 813 749,92	9 361 719,99	7 135 265,59	4 209 641,98
Other operating revenues	351 742,67	76 953,61	185 728,55	34 106,01
Other operating costs	54 603,84	141 271,52	30 483,60	35 307,73
Profit (loss) from operating activity	**9 783 094,05**	**8 688 927,89**	**4 310 443,70**	**4 724 159,51**
Financial revenues	389,60	2 050,47	–395 290,24	–16 212,20
Financial costs	357 252,54	505 399,96	140 796,94	178 528,72
Deductions from goodwill impairment	103 072,12	0,00	0,00	0,00
Share profit of associates	355 536,80	310 548,20	170 702,82	148 472,88
Gross profit (loss)	**9 678 695,79**	**8 496 126,60**	**3 945 059,34**	**4 677 891,47**
Income tax	2 152 819,42	1 601 926,67	866 125,59	849 835,32
Net profit (loss) from continued operations	**7 525 876,37**	**6 894 199,93**	**3 078 933,75**	**3 828 056,15**
Net profit (loss) from discontinued operations	0,00	0,00	0,00	0,00
Net profit (loss)	**7 525 876,37**	**6 894 199,93**	**3 078 933,75**	**3 828 056,15**
Net profit (loss) attributable to minority shareholders	1 163 703,20	833 117,85	728 668,00	511 630,15
Net profit (loss) of the parent entity	6 362 173,17	6 061 082,08	2 350 265,75	3 316 426,00

Other revenues, including:	**(9 013,75)**	**(70 260,03)**	**10 339,66**	**(35 498,34)**
Exchange rate differences resulting from valuation of foreign entities	(9 013,75)	(70 260,03)	10 339,66	(35 498,34)
Other income	0,00	0,00	0,00	0,00
Total revenues attributable to minority shareholders	0,00	0,00	0,00	0,00
Total revenues of the parent entity	(9 013,75)	(70 260,03)	10 339,66	(35 498,34)

Net earnings per share				
Basic	6,06	5,77	2,24	3,16
Diluted	6,06	5,77	2,24	3,16

Consolidated statement of financial position

	as of 30.06.2021	as of 31.12.2020
Fixed assets	**18 840 068,58**	**17 778 828,10**
Non–tangible assets	1 352 629,58	881 568,25
Tangible fixed assets	14 402 458,15	14 151 545,20
Goodwill	0,00	0,00
Stocks and shares in affiliated entities	1 071 657,17	1 375 422,81
Stocks and shares in subsidiary entities not subject to consolidation	109 042,14	233 676,60
Accruals	5 594,16	14 132,32
Deferred tax assets	0,00	191 254,45
Other fixed assets	1 898 687,38	931 228,46
Current assets	**49 452 216,71**	**39 114 462,23**
Inventories	152 176,93	84 501,23
Trade receivables	26 124 961,13	23 051 957,79
Current tax receivables	7 874,00	445,00
Other receivables	4 393 729,70	3 118 491,96
Accruals	3 492 537,66	166 157,85
Financial assets	381 426,56	253 678,83
Cash and cash equivalents	14 899 510,73	12 439 229,57
Other current assets	0,00	0,00
Total assets	**68 292 285,29**	**56 893 290,33**

	as of 30.06.2021	as of 31.12.2020
EQUITY (FUND)	**34 013 003,55**	**26 393 885,70**
Share capital	106 756,60	106 756,60
Supplementary capital	22 568 041,72	7 415 520,94
Revaluation capital	600 000,00	600 000,00
Exchange rate differences	83 330,98	92 344,73
Capital from changes in proportion of minority shares	499 220,44	317 687,23
Retained earnings	–2 544 283,51	234 683,52
Net profit of the parent entity	6 362 173,17	12 373 553,75
Equity attributable to minority shareholders	6 337 764,15	5 253 338,93
Long–term liabilities	**7 813 056,72**	**8 920 856,07**
Credits and loans	0,00	0,00
Other financial liabilities	7 451 576,04	8 899 972,55
Other liabilities	30 451,35	20 883,52
Deferred tax reserves	331 029,33	0,00
Short–term liabilities	**26 466 225,02**	**21 578 548,56**
Credits and loans	4 198 441,06	1 328 791,46
Other financial liabilities	4 780 750,75	4 057 024,09
Trade liabilities	10 502 796,98	8 742 750,81
Income tax liabilities	1 275 548,43	3 214 212,67
Other liabilities	4 790 396,94	3 500 321,90
Provisions for employee benefits	512 389,95	500 461,95
Other provisions	0,00	0,00
Accrued expenses	405 900,91	234 985,68
Deferred income	0,00	0,00
Total liabilities	**68 292 285,29**	**56 893 290,33**

Consolidated statement of changes in equity

	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Opening balance of equity	**26 393 885,70**	**10 465 391,41**
Opening balance of share capital	106 756,60	102 976,60
Changes in share capital, including:	0,00	1 890,00
– issuance of shares (stocks)	0,00	1 890,00
Closing balance of share capital	**106 756,60**	**104 866,60**
Opening balance of supplementary capital	7 415 520,94	3 300 766,72
Changes in supplementary capital, including:	15 152 520,78	0,00
– issuance of shares above the nominal value	0,00	0,00
– profit distribution	15 152 520,78	0,00
Closing balance of supplementary capital (fund)	**22 568 041,72**	**3 300 766,72**
Opening balance of revaluation capital	600 000,00	451 890,00
Changes in revaluation capital, including:	0,00	(1 890,00)
– capital contributions before registration	0,00	0,00
– equity from share–based payments	0,00	0,00
– registration of previously paid–in capital	0,00	(1 890,00)
Closing balance of revaluation capital	**600 000,00**	**450 000,00**
Opening balance of exchange rate differences	92 344,73	35 101,70
Exchange rate difference	(9 013,75)	(70 260,03)
Closing balance of exchange rate differences	**83 330,98**	**(35 158,33)**
Opening balance of equity from the change in the proportion of minority shares	317 687,23	0,00
Changes in the value, including:	181 533,21	0,00
– benefits from increasing the proportion of minority shares	181 533,21	0,00
Closing balance of equity from the change in the proportion of minority shares	**499 220,44**	**0,00**
Opening balance of retained earnings	12 608 237,27	4 349 437,74
Changes in the value, including:	(15 152 520,78)	0,00
– changes from profit distribution	(15 152 520,78)	0,00
Closing balance of retained earnings	**(2 544 283,51)**	**4 349 437,74**
Net profit of the parent entity	**6 362 173,17**	**6 061 082,08**
Opening balance of capital attributable to minority shareholders	5 253 338,93	2 225 218,65
Changes in the value, including:	1 084 425,22	832 577,85
– taking the entity under control	102 855,23	0,00
– change in the proportion of minority shares	(182 133,21)	(540,00)
– net profit attributable to minority shares	1 163 703,20	833 117,85
Closing balance of capital attributable to minority shareholders	**6 337 764,15**	**3 057 796,50**
Closing balance of equity	**34 013 003,55**	**17 288 791,31**

Consolidated cash flow statement

	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
OPERATIONAL ACTIVITIES		
Gross profit (loss)	**9 678 695,79**	**8 496 126,60**
Total adjustments	**(2 837 953,87)**	**(1 514 805,57)**
Share in profits of affiliate entities	(355 536,81)	(310 548,20)
Depreciation	2 902 161,20	2 604 529,29
Goodwill write–off	66 256,51	0,00
Profit (loss) due to exchange rate differences	(11 905,74)	(42 825,93)
Interest	475 272,42	511 784,57
Profit (loss) on investment activities	(2 698,76)	(627,67)
Change in reserves	(324 110,07)	(79 133,62)
Change in inventories	(94 826,73)	(26 077,77)
Change in receivables	(5 314 809,99)	(2 348 623,42)
Change in liabilities	2 866 028,05	(654 316,90)
Change in other assets	(2 810 430,11)	(1 126 776,92)
Other adjustments to operating activities	(233 353,83)	(42 189,00)
Cash from operating activities	**6 840 741,92**	**6 981 321,03**
Income tax flows	(3 355 846,20)	(1 192 057,22)
Net cash flows from operating activities	**3 484 895,73**	**5 789 263,81**
INVESTMENT ACTIVITIES		
Inflow	**1 306 219,84**	**20 534,64**
Sales of intangible assets and tangible fixed assets	91 598,03	20 534,64
Sales of financial assets	0,00	0,00
Repayment of given loans	0,00	0,00
Other investment inflows	1 214 621,81	0,00
Expenses	**2 630 177,32**	**932 044,02**
Purchases of intangible assets and tangible fixed assets	2 257 717,32	678 736,12
Loans granted	0,00	0,00
Expenditures on other financial assets	600,00	207 482,50
Dividends and other payments to minority owners	0,00	0,00
Other investment expenses	371 860,00	45 825,40
Net cash flows from investment activities	**(1 323 957,48)**	**(911 509,38)**
FINANCIAL ACTIVITIES		
Inflow	**3 519 989,16**	**0,00**
Net cash inflow from issue of shares (stocks) and other capital instruments and additional capital contribution	0,00	0,00
Credits and loans	3 519 989,16	0,00
Other inflows	0,00	0,00
Expenses	**3 220 646,25**	**4 539 875,77**

Purchase of own shares and stocks	0,00	0,00
Dividends and other payments to owners	0,00	0,00
Repayment of credits and loans	584 934,86	1 749 908,54
Payment of lease liabilities	2 081 889,59	2 278 182,66
Interest	384 761,33	404 439,02
Other financial expenses	169 060,47	107 345,55
Net cash flows from financial activities	**299 342,91**	**(4 539 875,77)**
Total net cash flow	**2 460 281,16**	**337 878,66**
Balance sheet change in cash	2 460 281,16	337 878,66
Opening balance of cash	12 439 229,57	4 145 894,70
Closing balance of cash	14 899 510,73	4 483 773,36

Explanatory notes to consolidated interim condensed financial information

Compliance with International Financial Reporting Standards

These consolidated interim condensed financial information have been prepared in accordance with International Accounting Standard No. 34 Interim Financial Reporting and in accordance with the relevant International Financial Reporting Standards (IFRS), applicable to interim financial reporting, as approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretation Committee (IFRSIC) as in force on March 31st, 2021.

Changes to standards or interpretations in force and applied by the Group from 2020

To prepare the consolidated interim condensed financial information, the Group applies coherent accounting principles, except for amendments to standards, new standards and interpretations approved by the European Union, which are effective for reporting periods beginning on 01/01/2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – related to the IBOR reform – In response to the expected reform of the reference rates (IBOR reform), the International Accounting Standards Board published the second part of the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments relate to accounting issues that will arise when financial instruments based on IBOR are transferred to new interest rates. The amendments introduce a number of guidelines and exemptions, in particular, a practical simplification in the case of modifications to the contracts required by the reform, which will be recognized by updating the effective interest rate, exemption from the obligation to terminate hedge accounting, temporary exemption from the need to identify the risk component, and the obligation to provide additional disclosures.
- Amendment to IFRS 4 "Insurance Contracts" – "postpones the application of IFRS 9 "Financial Instruments" until 01/01/2023, when IFRS 17 "Insurance Contracts" enters into force.

The changes do not have a significant impact on the accounting principles (policy) applied by the Group in relation to the Group's operations or its financial results.

Published standards and interpretations that did not enter into force for the period beginning on 01/01/2021

When approving these financial information, the Group has not applied the following standards, changes to standards and interpretations that have not yet been approved for use in the EU:

- Amendments to IFRS 1, IFRS 9, examples to IFRS 16, IAS 41 under Annual Improvements 2018–2020 – applicable to annual periods beginning on or after 01/01/2022,
- Amendments to IFRS 3 – Business combinations – Reference to conceptual assumptions – applicable for periods beginning on or after 01/01/2022,
- Amendments to IAS 16 Tangible Fixed Assets: Revenue Earned Before Handover – applicable to periods beginning on or after 01/01/2022,
- Amendments to IAS 37 Onerous Contracts – Costs of Meeting Contractual Obligations – applicable to periods beginning on or after 01/01/2022,
- Amendments resulting from the review of IFRS 2018–2020: IFRS 1 First–time Adoption of International Financial Reporting Standards – First–time adopting subsidiary – applicable for periods beginning on or after 01/01/2022,
- Amendments resulting from the review of IFRS 2018–2020: IFRS 9 Financial Instruments – Fees under the 10% test on derecognition of financial liabilities – applicable to periods beginning on or after 01/01/2022,
- New IFRS 17 Insurance Contracts – applicable for periods beginning on or after 01/01/2023,
- Amendments to IAS 1 Classification of liabilities as short–term or long–term – applicable to periods beginning on or after 01/01/2023,
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – effective for periods beginning on or after 01/01/2023,
- Amendments to IAS 1 and Practice Statement 2: Disclosures about accounting policies (published on February 12, 2021) – applicable to annual periods beginning on or after 01/01/2023,
- IFRS 14 Regulatory Accruals (published on January 30, 2014) – in accordance with the decision of the European Commission, the approval process of the standard in its draft version will not be initiated before the publication of the final standard – until the date of approval of these interim consolidated financial information for publication, not approved by EU – applicable for annual periods beginning on or after 01/01/2016;
- Amendments to IFRS 10 and IAS 28: Transactions of sale or contribution of assets between an investor and its associate or joint venture (published on September 11, 2014) – the work leading to the approval of these amendments has been postponed by the EU indefinitely – the effective date has been deferred by the International Accounting Standards Board for an indefinite period.
- On March 31, 2021, the International Accounting Standards Board (IASB) published amendments to IFRS 16 Leases that extend for the period of one year the optional coronavirus pandemic (COVID–19) relaxation of operational requirements for lessees benefiting from the temporary suspension option leasing fees. According to the so–called “practical solution”, if a lessee obtains an exemption from COVID–19 leases, he does not need to assess whether the exemption is a modification of the lease, and instead recognizes the change in the books as if it was not a modification. The changes will be effective for periods beginning on or after April 1, 2021. The Group will apply these changes after they have been approved for use by the European Union, and the impact of this change on the consolidated interim condensed financial information is assessed as irrelevant.

The Group has not decided to apply any standard, interpretation, or amendment that has been published but is not yet effective. However, the changes do not have a significant impact on the accounting principles (policy) applied by the Group in relation to the Group's operations or its financial results.

Description of the adopted accounting principles (policy)

Revenues and costs of operational activities

Revenue is the inflow of economic benefits for a given period, arising in the ordinary course of business of the Group, resulting in an increase in equity, other than an increase in capital resulting from contributions from shareholders. The Group recognizes revenues using the so–called The Five Step Model under IFRS 15. Revenue includes only amounts received or receivable that are equal to the transaction prices that accrue to the Group after (or while fulfilling) its obligation to transfer a promised good or service (i.e. an asset) to the client. The transaction price is the amount of remuneration that – as expected by the Group – will be due to it in exchange for the delivery of the promised goods or services, minus applicable VAT. The Group also applies the principle of measuring of revenues and performance obligations fulfilled in time for those contracts, for which the performance of the service does not create an asset with an alternative use, and the Group has an enforceable right to payment for the service performed. For each performance obligation satisfied over time, an entity recognizes revenue over time by measuring the degree of complete satisfaction of that performance obligation. Revenue is measured using either the results–based or the expenditure–based method, depending on the terms of the contract concluded, determining which one better reflects the provisions of the contract.
The costs of materials, goods and finished products used and the costs of services are recognized by the Group in the same period in which revenues from the sale of these components or revenues from the provision of services for which these components are used are recognized, in accordance with the principle of matching revenues and costs.

Revenues and costs of financial activities

Financial revenues mainly include interest on deposits of free funds in bank accounts, commissions and interest on loans granted, interest on delay in settling receivables, the amount of released provisions for financial activities, income from the sale of securities, positive exchange rate differences (per balance) , restoration of the lost value of financial investments, value of redeemed credits and loans, profits from the settlement of derivatives. Financial costs mainly include interest on loans and borrowings, interest on late payment of liabilities, provisions for certain or probable losses on financial operations, value at purchase price of shares, stocks and securities sold, commissions and handling fees, write–downs on receivables interest and value of short–term investments, discount and exchange rate differences (per balance) and in the case of leasing, other fees, except for capital installments.

State subsidies

Subsidies are not recognized until there is reasonable assurance that the Group company will meet the necessary conditions and receive the subsidy. In order to receive state subsidies, the company has to purchase or produce certain fixed assets. As such, state subsidies are recognized in the balance sheet under deferred income and systematically charged to the profit and loss account over the expected economic useful lives of these assets.

Current and deferred taxes

Mandatory decrease of profit includes current tax, withholding tax paid abroad, and deferred tax. The current tax is calculated on the basis of the tax result (tax base) for a given financial year. Tax profit/(loss) differs from the accounting gross profit/(loss) due to the different moment of recognizing revenues and costs as realized for tax and accounting purposes, as well as due to permanent differences between the tax and accounting treatment of certain items of revenues and costs. Taxes are calculated based on the tax rates applicable in a given financial year. The current income tax relating to items recognized directly in equity is recognized directly in equity and not in the profit and loss account. Deferred tax is calculated using the balance sheet method as a tax to be paid or returned in the future, based on the differences between the balance sheet values of assets and liabilities and the corresponding tax values used to calculate the tax base. Provision for deferred tax is created from all taxable positive temporary differences, while the asset due to deferred tax is recognized to the amount potentially reducible from future tax profits by the recognized negative temporary differences. The value of the deferred tax asset is subject to analysis for each balance sheet date, and if the expected future tax profits will not be sufficient to realize the asset or its part, it is written off. Deferred tax is calculated using the tax rates that will apply when the asset is realized or the liability becomes due. Deferred tax is recognized in the profit and loss account, except when it relates to items recognized directly in Equity. In the latter case, deferred tax is also charged directly to Equity.

Tangible fixed assets

Tangible fixed assets are initially recognized by cost (purchase price or production cost) reduced in the subsequent periods by depreciation charges and impairment losses. External financing costs directly related to the acquisition or production of assets that require a longer period of time to be fit for use or resale are added to the production costs of such fixed assets until the fixed assets are put into use. Revenues from investments obtained as a result of short-term investment of obtained funds, and related to the formation of fixed assets, reduce the value of capitalized costs of external financing. Other external financing costs are recognized as costs in the period in which they were incurred. Depreciation is calculated for fixed assets, excluding land and fixed assets under construction, over the estimated useful economic lives of these assets, using the straight-line method. Fixed assets with a low initial unit value (i.e. not exceeding PLN 500) are redeemed in a simplified manner by making a one-off write-off. Profits or losses resulting from the sale/liquidation or cessation of use of fixed assets are defined as the difference between the sales revenues and the net value of these fixed assets.

Intangible assets

Intangible assets are recognized only if it is probable that in the future they will result in an inflow of economic benefits that may be related to these assets. Initial recognition of intangible assets is based on the purchase price or cost of production. After initial recognition, intangible assets are valued at acquisition or production cost, including a reduction by the costs amortization and impairment losses. Depreciation is calculated for intangible assets over the estimated useful economic lives of these assets, using the straight-line method. Intangible assets with a low initial value (i.e. not exceeding PLN 500) are redeemed in a simplified manner by making a one-off write-off. Profits or losses resulting from the sale/liquidation or cessation of use of intangible assets are defined as the difference between the sales revenues and the net value of these assets.

Goodwill

Goodwill (profit) is calculated as the difference of two values:

- the sum of the payment for the control of minority shares (measured in proportion to the acquired net assets) and the fair value of shares (stocks) held by the acquiree prior to the acquisition date,
- the fair value of the entity's identifiable net assets acquired.

The surplus of the sum calculated in the manner indicated above over the fair value of the identifiable acquired net assets of the entity is recognized in the assets of the consolidated statement of financial position as goodwill. Goodwill corresponds to a payment made by the acquirer in anticipation of future economic benefits on assets that cannot be identified individually or recognized separately. After initial recognition, goodwill is measured at acquisition cost minus total impairment losses. If the above-mentioned sum is lower than the fair value of the identifiable acquired net assets of the entity, the difference is immediately recognized in the result. The Group recognizes the gain on acquisition under the category of other operating income.

Leasing

The Group, as a lessee, classifies a contract as a lease or as a lease agreement if it transfers the right to control the use of an identified asset for a given period in exchange for remuneration. The right to control the use of an asset used under a lease agreement means, first of all, the right to obtain substantially all economic benefits from the use of the asset and the right to direct the use of an identified asset. The risk consists of the possibility of incurring losses due to unused production capacity, loss of technical usefulness or changes in the level of the achieved return, caused by changes in economic conditions. Benefits may include the expectation of profitable operation of an asset over its economic useful life and the expectation of profit from an increase in its value or the realization of its residual value. On the commencement date, the Group recognizes the right-of-use asset and the lease liability. The right-of-use is initially valued at cost consisting of the initial value of the lease liability, the initial direct costs, the estimate of the expected costs for dismantling the underlying asset and the lease payments paid on or before the commencement date, less any lease incentives. The Group amortizes the right to use using the straight-line method from the commencement date through the period of its expected useful life. As at the commencement date, the Group measures the lease liability at the present value of the outstanding lease payments using the lease interest rate if it can be easily determined. Otherwise, the lessee's incremental borrowing rate is used. In subsequent periods, the lease liability is reduced by repayments made and increased by accrued interest. The valuation of the lease liability is updated to reflect the contract changes and to reassess the lease term, exercise a call option, guaranteed residual value or lease payments based on an index or rate. Generally, the revaluation of the liability is recognized as an adjustment to the right-of-use asset.

<u>Loss of non–financial assets</u>

At each balance sheet date, the Group assesses whether there are any premises indicating that any of the non-financial fixed assets may be impaired. If it is found that such premises exist, or if it is necessary to conduct an annual impairment test, the Group estimates the recoverable amount of a given asset or cash-generating unit to which a given asset belongs. The recoverable amount of an asset or a cash-generating unit corresponds to its fair value less costs to sell the asset or cash-generating unit, respectively, or its value in use, whichever is higher. The recoverable amount is determined for individual assets, unless a given asset does not generate separate cash inflows largely independent of those generated by other assets or groups of assets. Impairment takes place if the carrying amount of an asset is higher than its recoverable amount, and an impairment loss is recognized up to the determined recoverable amount. When estimating value in use, the projected 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. Write-downs for impairment of property components used in continuing operations are recognized in those cost categories that correspond to the function of the asset for which impairment was identified. At each balance sheet date, the Group assesses whether there are any premises indicating that the impairment loss recognized in previous periods in relation to a given asset is unnecessary or whether it should be reduced. If such premises exist, the Group estimates the recoverable amount of this asset. The previously recognized impairment loss is reversed only when, since the last impairment loss was recognized, there has been a change in the estimated values used to determine the recoverable amount of a given asset. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased amount may not exceed the carrying amount of the asset that would have been determined (after amortization) if no impairment loss had been recognized for this asset in previous years. Reversal of an impairment loss for an asset is recognized immediately as income. After the write-down is reversed, in subsequent periods the depreciation write-off for a given asset is corrected in a way that allows, during the remaining useful life of this asset, to systematically write off its verified balance sheet value, reduced by the residual value.

<u>Shares and stocks in subordinated entities not subject to consolidation</u>

At the issuance date, the shares and stocks of affiliated entities not subject to consolidation are valuated according to their acquisition prices. At the balance sheet date, investments in subordinated entities are valued according to the purchase price adjusted by write-offs due to permanent loss of value.

<u>Financial assets</u>

Upon initial recognition, the Group classifies each financial asset into four categories of financial assets, the distinction of which is made depending on the Group's business model for asset management and the characteristics of the contractual cash flows:

- assets measured after initial recognition at amortized cost,
- assets measured after initial recognition at fair value through other comprehensive income,
- assets measured at fair value through profit and loss,
- hedging financial instruments.

Assets measured after initial recognition at amortized cost - these are financial assets held in accordance with a business model whose purpose is to hold a financial asset to obtain contractual cash flows and the contractual characteristics of these financial assets include the emergence of cash flows that are merely repayments of the amount. principal and interest. The Company uses the effective interest rate method to measure financial assets measured at amortized cost. After initial recognition, trade receivables are measured at amortized cost using the effective interest rate method, taking into account impairment write-offs, while trade receivables with a maturity date of less than 12 months from the date of arising (i.e. with no financing element), are not discounted and are measured at nominal value.

Assets measured after initial recognition at fair value through other comprehensive income - these are financial assets held in accordance with a business model whose purpose is both to hold financial assets to obtain contractual cash flows and to sell financial assets, and the contract characteristics for these financial assets it provides for the emergence of cash flows that are merely a repayment of principal and interest. Gains and losses on a financial asset that is an equity instrument for which the fair value through other comprehensive income option has been applied are recognized in other comprehensive income, except for dividend income.

Assets valued at fair value through profit or loss - these are all other financial assets. Profits or losses resulting from the valuation of a financial asset classified as measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise. Profits or losses resulting from the measurement of items at fair value through profit or loss also include interest and dividend income.

Hedging financial instruments are derivative instruments designated as hedging instruments. Hedging financial instruments are subject to valuation in accordance with the principles of hedge accounting. The Group does not apply hedge accounting, therefore the provisions of IFRS 9 in this respect do not apply to it.

Inventories

The initial value (cost) of inventories includes all costs (acquisition, production and other) incurred in bringing inventories to their present location and condition. The purchase price of the inventory includes the purchase price plus import duties and other taxes (not recoverable from the tax authorities), transportation, loading, unloading and other costs directly related to the acquisition of the inventory, minus discounts, rebates and other similar reductions. Inventories are measured at the initial value (purchase price or production cost) or at the net selling price that can be obtained, whichever is lower. The realizable net selling price corresponds to the estimated selling price less any costs necessary to complete production and the costs of bringing the inventory to sale or finding a buyer (ie Costs of sales, marketing, etc.). Due to the fact that in the Group there are only goods in the form of computer hardware purchased for resale, the cost is determined by detailed identification.

Trade and other receivables

Trade receivables are valued in the books at the value corresponding to the transaction prices adjusted with appropriate impairment allowances under the expected loss model.

Active accruals

The Group performs active accruals if the costs already incurred relate to future reporting periods, unless their amount is irrelevant to the financial statements, then the amount of costs is charged to costs on the date of purchase of the goods or service.

Cash and cash equivalents

Cash comprises cash on hand, demand deposits and bank deposits maturing up to 3 months. Cash equivalents are short-term, highly liquid investments that are easily convertible into specific amounts of cash and are exposed to an insignificant risk of changes in value. Unpaid overdraft facilities are presented in cash flows from financial activities under Loans and advances.

Assets held for sale and discontinued operations

Fixed assets (and groups of net assets) classified as held for sale are valued at the lower of the two values: their carrying amount or fair value less costs to sell. Fixed assets (and groups of net assets) are classified as held for sale if their carrying amount will be recovered rather as a result of a sale transaction than as a result of their continued use. This condition is deemed to be met only when the sale is highly probable and the asset (or a group of net assets held for sale) is available for immediate sale in its present condition. The classification of an asset as held for sale assumes the intention of the Group's management to complete the sale transaction within one year from the change of classification.

Equity

Equity is recognized in the books of accounts, separately for different types, and in accordance with the principles set out in the provisions of law and the provisions of the articles of association and contracts of the Group's Companies. The share capital is shown at the nominal value, in the amount consistent with the parent company's articles of association and the entry in the court register. Reserve capital is created from the generated profits. Reserve capital from the sale of shares above their nominal value is created from the surplus of the issue price of shares above their nominal value, less the issue costs. The costs of issuing shares, incurred when establishing a joint-stock company or increasing the share capital, reduce the supplementary capital to the amount of the surplus of the issue value over the par value of the shares. The reserve capital is the payments made towards the share capital increase until the increase is registered in the court register.

Provisions for liabilities

Provisions for liabilities are created when the Group has an existing obligation (legal or customary) resulting from past events and it is probable that the fulfillment of the obligation will reduce the resources embodying the economic benefits of the Group and the amount of the obligation can be reliably estimated. Provisions are not made for future operating losses. A provision for restructuring costs is recognized only when a Group Company has announced a detailed and formal restructuring plan to all interested parties.

Financial liabilities

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under potentially unfavorable conditions.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be required to deliver a variable number of its own equity instruments, or a derivative that will or may be otherwise settled than by exchanging a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, pre-emptive rights, options and warrants which enable the entity to acquire a fixed number of its own equity instruments for a fixed amount of cash in any currency, are equity instruments if the entity offers pre-emptive rights, options and warrants pro rata to all existing owners of the same tier non-derivative equity instruments.

At the moment of initial recognition, the Group classifies each component of financial liabilities as:

- components of financial liabilities at fair value through profit or loss,
- other financial liabilities measured at amortized cost.

Upon initial recognition, a financial liability is measured at fair value plus, in the case of a financial liability not classified as measured at fair value through profit or loss, by transaction costs that can be directly attributed to the financial liability.

Trade and other non–financial liabilities

Trade and other non–financial liabilities are shown in the amount payable. Other non-financial liabilities include, in particular, payables, liabilities to the tax office due to value added tax and income taxes, and liabilities due to received advances, which will be settled by the delivery of goods, services or fixed assets. Other non-financial liabilities are recognized at the amount due.

Accrued expenses

The Group estimates accrued expenses if costs that are known and certain to occur have not been included as a liability yet, even if they were already incurred, in the situation when the costs are related to the current period and the revenues generated in it.

Functional currency and presentation currency

Items included in the consolidated interim condensed financial information are measured in the currency of the primary economic environment in which the Group operates (functional currency). The consolidated interim condensed financial information is presented in Polish zloty (PLN), which is the functional and presentation currency of the Group.

Transactions expressed in foreign currencies are converted into the functional currency at the exchange rate applicable on the transaction date. Exchange gains and losses from the settlement of these transactions and the balance sheet valuation of monetary assets and liabilities expressed in foreign currencies are recognized in the financial result.

Professional judgment and uncertainty of estimates

The preparation of the consolidated financial statements of the Group requires the Management Board of the parent company to make judgments, estimates and assumptions that affect the presented revenues, costs, assets and liabilities as well as related notes and disclosures of contingent liabilities. Uncertainty about these assumptions and estimates may result in material adjustments to the carrying amounts of assets and liabilities in the future. The basic assumptions about the future and other key sources of uncertainty as at the balance sheet date that bear a significant risk of a significant adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below.

Deferred tax assets

The Group companies recognize a deferred tax asset based on the assumption that tax profit will be generated in the future that will allow for its use. Deterioration of the tax results obtained in the future could make this assumption unjustified.

Provision for deferred tax

The Group companies recognize a deferred tax liability based on the assumption that a tax obligation will arise in the future due to positive temporary differences, leading to its utilization.

Depreciation rates

The depreciation rates are determined on the basis of the expected period of economic usefulness of tangible fixed assets and intangible assets. Every year, the companies of the Group verify the assumed useful economic lives based on current estimates.

Valuation of reserves

Provisions for the costs of unused leaves were estimated for individual companies based on the available personnel and financial and accounting information. Provisions are calculated at the end of the financial year on the basis of the actual number of days of unused leaves in the current period and increased by the number of days of unused leaves from previous periods. The number of days obtained in this way for each employee is multiplied by the daily rate based on the average remuneration adopted to determine the remuneration for the leave.

Principles of consolidation

Financial information of a subsidiary, after taking into account adjustments to bring it into compliance with IFRS - are prepared for the same reporting period as the financial information of the parent company, using consistent accounting principles, based on uniform accounting principles applied for similar transactions and economic events. Adjustments are made to eliminate any discrepancies in the applied accounting principles. All significant balances and transactions between the Group's entities, including unrealized profits from transactions within the Group, have been fully eliminated. Unrealized losses are eliminated unless they prove impairment.
Subsidiaries are all entities over which the Group exercises control, manifesting itself in the simultaneous:

- being able to exercise authority, consisting in having current laws that provide the ability to manage and direct significant activities, i.e. activities that significantly affect the financial results of the entity,
- being exposed to variable financial results or having the right to variable financial results, consisting in the possibility of changing the financial results of the Group depending on the results of this entity,
- having the ability to use the exercised authority to influence the amount of the entity's financial results, consisting in using its power to influence the financial results attributed to the Group that are related to involvement in this entity.

In line with the accounting policy adopted by the Group, the parent entity may not fully consolidate its subsidiaries, provided that:

- the share of the balance sheet total of these entities in the balance sheet total of the Capital Group before consolidation exclusions does not exceed 5%,
- the share of these entities' revenues in the sales revenues of the Capital Group before consolidation exclusions do not exceed 2%.

Changes in accounting policy

By Resolution No. 27 of the Ordinary General Meeting of SpyroSoft S.A. on 23/06/2021, it was decided that, starting from 01/01/2021, the consolidated financial statements of the capital group will be prepared in accordance with the International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS) to the extent that they were announced in the form of a regulation The European Commission.

Additional information – Operating segments

Presentation of statements by business segment

The scope of financial information in the reporting on operating segments in the Group is defined in accordance with the requirements of IFRS 8. The result for a given segment is determined at the operating profit level.

Description of the segments

SpyroSoft PL

The activities of the segment are carried out by SpyroSoft S.A., which deals with software development. As part of the services provided, it offers comprehensive solutions in the field of software development, from embedded solutions to high–level systems based on public clouds. SpyroSoft also deals with software development in the areas of backend and frontend, mobile applications, data architecture, offers comprehensive project management in which company specialists manage projects and related requirements, create architecture, and write and develop the programming layer.
SpyroSoft works mainly with clients from the following industries:

- finances,
- industry 4.0,
- medicine,
- HR,
- geospatial services.

Thanks to the knowledge of the specific industries, the client is provided not only with the solution itself, but also to a wide range of consulting services regarding IT solutions best suited to the needs and regulations of their specific industry.

The company offers its services mainly on the Polish and EU markets.

Spyrosoft Solutions PL

The activities of the segment are carried out by Spyrosoft Solutions S.A., a company working in the field of production of embedded software, mainly for product companies from branches such as Automotive, Connectivity, Industry Automation, and Healthcare & Life Science. The company offers develops devices and software for their automation, creates communication solutions and applications for embedded devices. Spyrosoft Solutions provides programming services tailored to the needs and requirements of the client. The company supports clients from the moment of creating the product concept and choosing the technology, through the development of the architecture of the solution and its implementation, to the maintenance and development works with obtaining the necessary certifications and audits.

The company offers its services mainly on the German and Polish market.

Spyrosoft GB

The activities of the segment are carried out by Spyrosoft Ltd., dealing in software development. The scope of activities in this segment is analogous to the SpyroSoft PL segment, however, it is directed only to the British market.

Unravel PL

The activities of the segment are carried out by Unravel SA. The core of the company's activity is the field of creating digital products based on the challenges posed by the business expectations of customers. The company's activities include:

- discovery (design thinking, market research, experience mapping)

- testing (design sprint, rapid prototyping user testing)
- creating (developing a product, interface, design systems, directions of brand language and design)
- building (support for the product team and product management)
- testing (usability and A / B testing)
- scaling (data and analytical measurements)
- improvement (audits of products and their usability)

The company offers its services mainly on the Polish, British, and EU markets.

Spyrosoft Solutions HR

The activities of the segment are carried out by Spyrosoft Solutions d.o.o., a company producing embedded software mainly for product companies from the automotive industry. The scope of services is analogous to Spyrosoft Solutions PL, but aimed at the Balkan market.

Spyrosoft Solutions DE

The activities of the segment are carried out by Spyrosoft Solutions GmbH. The scope of services is analogous to Spyrosoft Solutions PL, but aimed at the German market.

Financial information about individual segments

	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Revenue from sales		
SpyroSoft PL	52 162 541,13	37 062 541,82
Spyrosoft Solutions PL	21 599 991,93	14 622 409,57
Spyrosoft GB	18 820 667,76	9 758 233,96
Unravel	2 205 726,88	0,00
Spyrosoft Solutions HR	1 845 006,85	0,00
Spyrosoft Solutions DE	12 891,22	0,00
Consolidation adjustments	(22 034 828,98)	(9 983 354,95)
Group's total revenue from sales	74 611 996,79	51 459 830,40

	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Cost of sold products, services, goods and materials		
SpyroSoft PL	40 218 586,36	26 896 368,76
Spyrosoft Solutions PL	14 473 378,20	7 654 802,68
Spyrosoft GB	16 721 378,74	8 777 048,12
Unravel	1 503 456,74	0,00
Spyrosoft Solutions HR	1 410 488,39	0,00
Spyrosoft Solutions DE	12 891,22	0,00
Consolidation adjustments	(22 027 888,00)	(9 983 354,95)
Group's total cost of sold products, services, goods and materials	52 312 291,65	33 344 864,61

	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Cost of general management		
SpyroSoft PL	6 169 080,63	4 003 098,64
Spyrosoft Solutions PL	4 497 582,19	5 100 729,77
Spyrosoft GB	1 460 584,54	503 692,13
Unravel	367 718,20	0,00
Spyrosoft Solutions HR	0,00	0,00
Spyrosoft Solutions DE	424 382,51	0,00
Consolidation adjustments	(105 598,15)	(245 800,55)
Group's total cost of general management	12 813 749,92	9 361 719,99

	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Profit (loss) from operating activity		
SpyroSoft PL	6 033 895,00	6 098 690,50
Spyrosoft Solutions PL	2 628 327,73	1 866 943,13
Spyrosoft GB	639 415,36	477 493,71
Unravel	334 578,43	0,00
Spyrosoft Solutions HR	434 518,46	0,00
Spyrosoft Solutions DE	(423 113,71)	0,00
Consolidation adjustments	135 472,78	245 800,55
Group's total profit (loss) from operating activity	9 783 094,05	8 688 927,89

	as of 30.06.2021	as of 31.12.2020
Fixed assets		
SpyroSoft PL	7 057 090,23	5 349 055,77
Spyrosoft Solutions PL	1 462 977,95	1 036 255,29
Spyrosoft GB	168 742,98	96 023,27
Unravel	97 033,71	80 617,25
Spyrosoft Solutions HR	125 946,74	0,00
Spyrosoft Solutions DE	11 003,90	0,00
Consolidation adjustments	9 917 273,07	11 216 876,52
Group's total fixed assets	18 840 068,58	17 778 828,10

	as of 30.06.2021	as of 31.12.2020
Current assets		
SpyroSoft PL	29 016 847,08	21 231 666,17
Spyrosoft Solutions PL	16 825 879,74	14 633 608,51
Spyrosoft GB	10 204 865,93	7 975 853,23
Unravel	1 207 128,33	747 000,86
Spyrosoft Solutions HR	1 056 011,51	0,00
Spyrosoft Solutions DE	332 780,57	0,00
Consolidation adjustments	(9 191 296,45)	(5 473 666,54)
Group's total Current assets	49 452 216,71	39 114 462,23

	as of 30.06.2021	as of 31.12.2020
Long–term liabilities (including provisions for liabilities)		
SpyroSoft PL	671 453,19	981 439,10
Spyrosoft Solutions PL	768 121,33	187 065,53
Spyrosoft GB	18 704,99	18 246,75
Unravel	7 685,17	7 685,17
Spyrosoft Solutions HR	0,00	0,00
Spyrosoft Solutions DE	0,00	0,00
Consolidation adjustments	6 347 092,04	7 726 419,52
Group's total long–term liabilities	7 813 056,72	8 920 856,07

	as of 30.06.2021	as of 31.12.2020
Short–term liabilities (including provisions for liabilities)		
SpyroSoft PL	16 613 129,37	12 216 939,73
Spyrosoft Solutions PL	5 395 865,60	5 362 422,07
Spyrosoft GB	7 416 640,81	5 617 369,62
Unravel	575 832,15	393 698,87
Spyrosoft Solutions HR	680 746,44	0,00
Spyrosoft Solutions DE	753 481,68	0,00
Consolidation adjustments	(4 969 471,03)	(2 011 881,73)
Group's total short–term liabilities	26 466 225,02	21 578 548,56

Additional information – Other explanatory notes

Note 1. Items unusual because of their nature, size or frequency

As of 30/06/2021, the Capital Group presents in short–term assets the value of future receivables due to revenues from services in progress in the amount of PLN 2,717,738.64. As of 31/12/2020, there was no such item of assets.

Apart from the above and apart from the information provided in the following notes, there were no unusual items in the presented period.

Note 2. Seasonality information

The activity of the Capital Group is not of a seasonal nature.

Note 3. Changes in accounting estimates

In the presented interim period, there were no changes in the accounting estimates of the amounts published in the previous financial years.

Note 4. Debt and equity securities

In the period covered by the interim financial information, no debt or equity securities were issued, redeemed or repaid.

Note 5. Dividends

No dividends were paid to shareholders in the period covered by the interim financial information.

Note 6. Purchase and sale of tangible fixed assets and intangible fixed assets

In the period from 01/01/2021 to 30/06/2021, the purchase and sale of tangible and intangible fixed assets was as follows:

– purchase of tangible fixed assets for the amount of PLN 1,781,133.53

– acquisition of intangible fixed assets for the amount of: PLN 476,583.80

– value of tangible fixed assets sold for the amount of: PLN 88,899.27

– the value of the intangible assets sold for the amount of: 0.00 PLN

In addition, in the presented period, lease agreements and similar agreements were disclosed in tangible fixed assets in the form of buildings and structures for the amount of PLN 1,296,698.67 and in the form of technical equipment and machines for the amount of PLN 73,665.73

Note 7. Goodwill and mergers

There was no goodwill in the periods presented.

As of 01/01/2021, the consolidated financial statements included two subsidiaries: Spyrosoft Solutions D.O.O. based in Croatia and Spyrosoft Solutions Gmbh based in Germany. The financial data related to the merger is as follows:

The name of the acquiree	**Spyrosoft Solutions D.O.O.**	**Spyrosoft Solutions Gmbh**
Acquisition date	1.01.2021	1.01.2021
Percentage of acquired shares	35%	50%
Goodwill	0,00	0,00
Fair value of payment in cash	15 074,50 zł	109 559,96 zł
Fair value of payment in other form	0,00	0,00
The amount of gain on a bargain purchase recognized in the revenue statement	36 815,61	0,00
The amount of the minority shares of the acquiree recognized at the acquisition date	96 367,35	6 487,88
Income of the acquiree	1 845 006,85	12 891,22
Profit / loss of the acquiree	354 381,14	(426 070,78)

The above–mentioned entities taken over on 01/01/2021 are consolidated in the manner provided for subsidiaries, despite the fact that the participation of the SpyroSoft S.A. Capital Group in them is does not exceed 50%. The Capital Group has an impact on the policy of these entities not only through capital participation, but also through participation in their governing bodies of persons who are at the same time managing the parent entity.

Note 8. Transactions with affiliated entities

Transactions with affiliated entities as of 30/06/2021 and in the period from 01/01/2021 to 06/30/2021:

Affiliated entity	Receivables (including loans)	Liabilities (including loans)	Revenues (incl. interest)	Costs (incl. interest)
ENTITIES AFFILIATED IN CAPITAL				
Spyrosoft Solutions LLC	2 340 302,64	0,00	2 667 253,12	0,00
Finin Sp. z o.o.	1 417,91	64 083,00	1 593,57	252 261,20
GOD Nearshore SE	31,92	19 621,99	560 296,82	127 142,84
ENTITIES AFFILIATED PERSONALLY				
Konrad Weiske	5 999,24	0,00	0,00	138 600,00
Wojciech Bodnaruś	0,00	29 766,00	0,00	156 500,00
Sebastian Łękawa	0,00	15 744,00	0,00	80 200,00
Sławomir Podolski	0,00	33 702,00	0,00	166 400,00
Wioletta Bodnaruś	0,00	113 231,98	0,00	0,00
Dorota Łękawa	0,00	550 189,01	0,00	0,00
Organizacja Pracodawców Usług IT	0,00	0,00	0,00	0,00

Med Band Sp. z o.o.	0,00	0,00	0,00	0,00

Transactions with affiliated entities as of 31/12/2020 and in the period from 01/01/2020 to 30/06/2020:

Affiliated entity	Receivables (including loans)	Liabilities (including loans)	Revenues (incl. interest)	Costs (incl. interest)
ENTITIES AFFILIATED IN CAPITAL				
Spyrosoft Solutions d.o.o.	231 468,35	0,00	0,00	966 584,04
Spyrosoft Solutions LLC	243 579,90	0,00	0,00	0,00
Spyrosoft Solutions gmbh	38 704,06	0,00	0,00	0,00
GOD Nearshore SE	0,00	96 772,57	300,02	22 936,80
ENTITIES AFFILIATED PERSONALLY				
Konrad Weiske	5 999,24	236 297,20	0,00	109 437,74
Wojciech Bodnaruś	0,00	0,00	0,00	133 150,00
Sebastian Łękawa	0,00	12 300,00	0,00	30 123,00
Sławomir Podolski	0,00	36 900,00	0,00	189 172,53
Wioletta Bodnaruś	0,00	113 231,98	0,00	0,00
Dorota Łękawa	0,00	550 189,01	0,00	0,00
Organizacja Pracodawców Usług IT	0,00	0,00	0,00	0,00
Med Band Sp. z o.o.	1 783,50	0,00	0,00	0,00

Note 9. Remuneration of the Management Board and Supervisory Board

Description	from 01.01.2021 to 30.06.2021	from 01.01.2020 to 30.06.2020
Management Board of the parent company	105 000,00	0,00
– Konrad Weiske	30 000,00	0,00
– Wojciech Bodnaruś	30 000,00	0,00
– Sławomir Podolski	30 000,00	0,00
– Sebastian Łękawa	15 000,00	0,00
Supervisory Board of the parent company	0,00	0,00
Total	**105 000,00**	**0,00**

Note 10. **Impact of transition to International Financial Reporting Standards**

Impact on equity	30.06.2021	31.12.2020	30.06.2020
Equity acc. to the current accounting principles	34 858 400,19	27 389 050,23	17 462 836,43
- income from adjustments from previous years	(995 164,53)	(72 579,79)	(72 579,79)
- adjustment due to the creation of write-offs for receivables	0,00	(162 714,68)	0,00
- adjustment due to the recognition and valuation of lease contracts	(193 443,08)	(822 028,45)	(101 465,33)
- other	161 677,76	62 158,38	0,00
Equity acc. to IFRS	**34 013 003,55**	**26 393 885,70**	**17 288 791,31**

Impact on the consolidated statement of revenues	from 01.01.2021 to 30.06.2021	from 01.01.2020 do 31.12.2020	from 01.01.2020 to 30.06.2020
Gross profit acc. to the current accounting principles	5 737 794,12	21 045 580,29	3 893 576,97
- adjustment due to the creation of write-offs for receivables	0,00	(162 714,68)	0,00
- adjustment due to the recognition and valuation of lease contracts	15 697,78	(1 024 377,41)	(75 341,84)
- share-based payment adjustment	0,00	(150 000,00)	0,00
- other	(19 855,45)	(255 528,85)	0,00
Gross profit acc. to IFRS	**5 733 636,45**	**19 452 959,36**	**3 818 235,13**

Note 11. **Post–balance sheet events**

By Resolution No. 19 of June 23, 2021, the Ordinary General Meeting of SpyroSoft S.A. decided to increase the share capital by way of a private subscription from PLN 106,756.60 to PLN 108,872.80, i.e. by PLN 2,116.20, through the issue of 21,162 series F bearer shares with a nominal value and an issue value of PLN 0.10.