

spyrosoft



INDIVIDUAL AND CONSOLIDATED
PERIODIC REPORT
SPYROSOFT S.A.

FOR THE 1 QUARTER 2021

Wroclaw, 13 May 2021

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The report of Spyrosoft S.A. for the first quarter 2021 was prepared in accordance with the current legal status, based on the Regulations of the Alternative Trading System of the Management Board of the Warsaw Stock Exchange and Appendix No. 3 to the ATS reg. - "Current and periodic information provided in the Alternative Trading System on the NewConnect market".

I. BASIC DATA ABOUT THE ISSUER

SPYROSOFT SPÓŁKA AKCYJNA	
Address	Pl. Nowy Targ 28, 50-141 Wrocław
Register data	KRS 0000616387 District Court for Wrocław-Fabryczna, 6th Commercial Division of the KRS (National Court Register) Share capital: PLN 106.756,60
Contact	tel. +48 500 104 042 www.spyro-soft.com office@spyro-soft.com
Managing Board.	Konrad Weiske - President of the Management Board Wojciech Bodnaruś - Member of the Managing Board Sebastian Łękawa - Member of the Managing Board Sławomir Podolski - Member of the Managing Board

II. BASIC INFORMATION ON THE ISSUER'S OPERATIONS

1. CHARACTERISTICS OF THE ISSUER'S ACTIVITIES

Spyrosoft is a company founded in 2016 in Wrocław, Poland, operating in the IT industry. It produces software. Spyrosoft offers comprehensive solutions in scope of the software development - from embedded solutions to high-level systems based on public clouds. Spyrosoft offers comprehensive project management in scope of which the specialists manage projects and related requirements, design the architecture as well as they write and develop the programming layer.

Spyrosoft renders programming services tailored to customer needs and individual requirements. The company supports clients from the moment of a product concept and technology selection, through the development of solution architecture and its implementation, ending with maintenance and development works. Spyrosoft cooperates mainly with clients representing the following industries: finance, automotive, industry 4.0, medicine, HR and geospatial services. Thanks to the knowledge of the industries and specific requirements, a client is provided not only with the solution itself, but also with consulting services in the scope of selection of the IT solutions suited to needs and regulations of a particular industry.

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2. SPYROSOFT GROUP'S OFFER

Spyrosoft Group of Companies offers the following services:

- **Business and Product Design** - designing digital products and services, prototyping and testing them
- **Technological Consulting** – technological audits, estimation of project costs, development of digital strategies, automation of software development processes, as well as consultancy in the use of public clouds
- **Enterprise Software** – software development in the areas of backend and frontend, mobile applications, data architecture
- **Embedded Software** – development of devices and software for their automation, creating communication solutions, applications for embedded devices
- **Artificial Intelligence and Machine Learning** – using AI and ML technologies in the designed digital solutions together with consultations regarding their functioning
- **Cloud Solutions** – migration to the cloud, cost optimisation and delivery of software in the cloud
- **Optimisation** – automation of software development, delivery and testing
- **Managed Services** – audits and acquisitions of IT systems, support and maintenance of operating systems, management and maintenance of servers, infrastructure optimisation, data security.

Dedicated services provided by the Spyrosoft Group of Companies are offered to the following industries:

▶ **Automotive**

As part of services for the automotive industry, Spyrosoft offers the production of embedded software as well as its integration and validation in accordance with the requirements of the A-Spice standards applicable within the industry. The offer for the automotive industry also includes the design and implementation of processes related to Functional Safety.

▶ **Financial Services**

Spyrosoft designs systems that comprehensively support loan processes and debt management systems in financial institutions. The Groups offer also includes the design of solutions in the area of digital banking and for the fintech sector. In addition, Spyrosoft offers the production of software supporting the processing and analysis of financial data.

▶ **Industry 4.0**

The Spyrosoft Group offer for enterprises from the industrial sector focuses on the automation and communication of industrial devices, as well as the provision of enterprise system solutions that allow the exchange of data between devices and the support of industrial equipment fleet management processes.

▶ **Geospatial Services**

Spyrosoft creates software for the comprehensive processing of spatial data. It offers solutions in the field of spatial data storage and its intelligent analysis. It also designs enterprise systems that enable the use and management of geospatial information.

▶ **HR and Education**

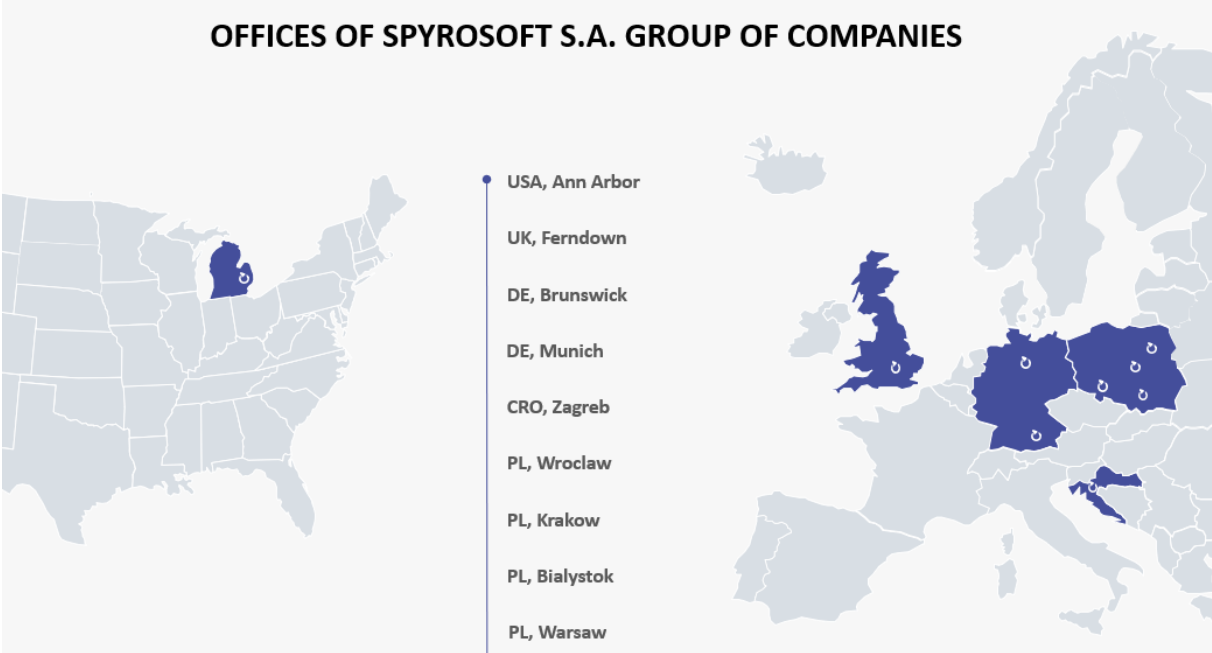
Spyrosoft provides solutions that automate processes related to human resource management. The Group's offer includes the design of temporary work systems, systems for managing remuneration and benefits, as well as educational systems.

▶ **Healthcare & Life Sciences**

Spyrosoft Group provides embedded software for medical devices, designs their communication and implements advanced algorithms to support accurate diagnostics performed by medical devices. In addition, it offers the design of enterprise systems - supporting the management of a medical enterprise, patient care or monitoring the operation of medical devices.

3. GEOGRAPHICAL COVERAGE OF SPYROSOFT GROUP

Spyrosoft Group conducts international activities, with particular emphasis on the United Kingdom, Germany and the USA. Thus, in addition to its presence in three Polish locations (Wrocław, Krakow and Białystok), the Group also has offices outside Poland, ensuring its services are available to international customers.



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III. QUARTERLY BRIEF FINANCIAL STATEMENT

The report presents individual and consolidated financial statement covering the balance sheet, profit and loss account, cash flow statement and statement of changes in equity for the first quarter of 2021, along with comparative data for the same period in 2020.

Individual financial data

BALANCE SHEET

Specification	Status as at 31.03.2021	Status as at 31.03.2020
ASSETS		
A. FIXED ASSETS	6 534 109,14	4 583 460,14
I. Intangible assets	952 224,88	248 551,53
1. Costs of completed development works	717 383,97	-
2. Goodwill	-	-
3. Other intangible assets	20 452,44	69 914,86
4. Advances for intangible assets	214 388,47	178 636,67
II. Tangible fixed assets	3 390 839,72	3 158 960,45
1. Fixed assets	3 390 839,72	3 158 960,45
a) land (including the right of perpetual usufruct of land)	-	-
b) premises and civil and water engineering structures	105 381,07	60 467,42
c) technical equipment and machinery	1 753 863,70	1 194 017,98
d) means of transport	-	-
e) other fixed assets	1 531 594,95	1 904 475,05
2. Capital work in progress	-	-
3. Advances for capital work in progress	-	-
1. From affiliated entities	-	-
2. From other entities	-	-
III. Long-term receivables	1 752 474,01	915 338,46
1. From affiliated entities	-	-
2. From other entities in which the entity has equity interests	-	-
3. From other entities	1 752 474,01	915 338,46
IV. Long-term investments	304 454,42	203 374,42
1. Real estate	-	-
2. Intangible assets	-	-
3. Long-term financial assets	304 454,42	203 374,42
a) in affiliated entities	304 454,42	203 374,42
- stocks or shares	304 454,42	203 374,42
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
b) in other entities in which the entity has equity interests	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
c) in other entities	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
4. Other long-term investments	-	-
V. Long-term prepayments and accruals	134 116,11	57 235,28
1. Assets on account of deferred income tax	130 378,36	50 258,49
2. Other prepayments and accruals	3 737,75	6 976,79



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Specification	Status as at 31.03.2021	Status as at 31.03.2020
B. CURRENT ASSETS	25 223 924,31	14 044 706,13
I. Inventory	2 414,63	140 544,36
1. Materials	-	1 581,06
2. Semi-finished products and work in progress	-	-
3. Finished products	-	-
4. Goods	-	105 159,03
5. Advances for deliveries	2 414,63	33 804,27
II. Short-term receivables	20 652 245,76	10 724 356,46
1. Receivables from affiliated entities	6 075 869,50	3 119 572,23
a) trade receivables, maturing:	6 075 869,50	3 119 572,23
- up to 12 months	6 075 869,50	3 119 572,23
- above 12 months	-	-
b) other	-	-
2. Receivables from other entities in which the entity has equity interests	-	-
a) trade receivables, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) other	-	-
3. Receivables from other entities	14 576 376,26	7 604 784,23
a) trade receivables, maturing:	11 715 441,40	6 135 816,15
- up to 12 months	11 715 441,40	6 135 816,15
- above 12 months	-	-
b) from taxes, subsidies, customs, social and health insurance and other public fees and levies and c	2 849 040,64	1 443 309,88
c) other	11 894,22	25 658,20
d) claimed at court	-	-
III. Short-term investments	3 550 971,54	3 115 313,85
1. Short-term financial assets	3 550 971,54	3 115 313,85
a) in affiliated entities	55 968,37	453 798,50
- stocks or shares	-	-
- other securities	-	-
- loans granted	55 968,37	453 798,50
- other short-term financial assets	-	-
b) in other entities in which the entity has equity interests	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other short-term financial assets	-	-
d) cash and other financial assets	3 495 003,17	2 661 515,35
- cash in hand and at bank	3 495 003,17	2 661 515,35
- other cash	-	-
- other cash assets	-	-
2. Other short-term investments	-	-
IV. Short-term prepayments and accruals	1 018 292,38	64 491,46
C. CALLED-UP SHARE CAPITAL (FUND)	-	-
D. OWN SHARES (STOCKS)	-	-
TOTAL ASSETS:	31 758 033,45	18 628 166,27



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Specification	Status as at 31.03.2021	Status as at 31.03.2020
LIABILITIES AND EQUITY		
A EQUITY (FUND)	16 546 833,60	7 572 228,58
I. Share capital	106 756,60	104 866,60
II. Supplementary equity (fund), including:	4 608 402,08	1 677 215,47
- surplus of sales value (issue value) over the nominal value of shares (stocks)	107 573,40	107 573,40
III. Revaluation equity (fund), including:	-	-
- due to fair value revaluation	-	-
IV. Other reserve capitals, including:	-	-
- created in accordance to the company deed (statute)	-	-
- for own shares (stocks)	-	-
V. Profit (loss) from previous years	8 667 184,43	3 480 820,22
VI. Profit (loss) net for the financial year	3 164 490,49	2 309 326,29
VII. Write-off on net profit during the financial year (negative value)	-	-
B. LIABILITIES AND PROVISIONS FOR LIABILITIES	15 211 199,85	11 055 937,69
I. Provisions for liabilities	804 184,05	161 328,45
1. Provision on account of deferred income tax	511 612,89	119 548,10
2. Provision for retirement and similar benefits	277 212,18	-
- long-term	-	-
- short-term	277 212,18	-
3. Other provisions	15 358,98	41 780,35
- long-term	-	-
- short-term	15 358,98	41 780,35
II. Long-term liabilities	468 932,76	2 023 942,58
1. To affiliated entities	-	-
2. To other entities in which the entity has equity interests	-	-
3. To other entities	468 932,76	2 023 942,58
a) credits and loans	-	-
b) arising from issuance of debt securities	-	-
c) other financial liabilities	448 049,24	1 960 863,12
d) bill-of-exchange liabilities	-	-
e) other	20 883,52	63 079,46
III. Short-term liabilities	13 938 083,04	8 870 666,66
1. To affiliated entities	764 529,27	332 594,99
a) trade liabilities, maturing:	760 300,89	328 297,54
- up to 12 months	760 300,89	328 297,54
- above 12 months	-	-
b) other	4 228,38	4 297,45
2. To other entities in which the entity has equity interests	-	-
a) trade liabilities, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) other	-	-
3. To other entities	13 173 553,77	8 538 071,67
a) credits and loans	881 268,19	851 327,95
b) arising from issuance of debt securities	-	-
c) other financial liabilities	883 920,28	-
d) trade liabilities, maturing:	7 343 326,53	5 423 830,07
- up to 12 months	7 343 326,53	5 423 830,07
- above 12 months	-	-
e) advances received for deliveries	209 285,12	-
f) bill-of-exchange liabilities	-	-
g) on account of taxes, customs, social security and other benefits	3 193 547,50	1 844 517,15
h) payroll liabilities	643 377,20	401 932,20
i) other	18 828,95	16 464,30
4. Special funds	-	-
IV. Prepayments and accruals	-	-
1. Negative goodwill	-	-
2. Other prepayments and accruals	-	-
- long-term	-	-
- short-term	-	-
TOTAL LIABILITIES AND EQUITY:	31 758 033,45	18 628 166,27



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PROFIT AND LOSS STATEMENT

Specification	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
A Net revenue from sales of products, goods and materials, including:	25 697 245,55	18 752 433,74
including: from affiliated entities	8 347 445,69	4 547 101,72
I. Net revenue from sale of products	25 643 512,58	18 694 967,88
II. Net revenue from sales of goods and materials	53 732,97	57 465,86
B. Cost of sold products, goods and materials, including:	19 379 840,27	13 364 270,96
including: from affiliated entities	-	-
I. Manufacturing cost of products sold	19 326 657,00	13 320 665,06
II. Value of goods and materials sold	53 183,27	43 605,90
C. Gross profit (loss) on sales (A-B)	6 317 405,28	5 388 162,78
D. Costs of sales	-	-
E. Cost of general management	2 775 071,73	2 301 236,69
F. Profit (loss) on sales (C-D-E)	3 542 333,55	3 086 926,09
G. Other operating revenues	138 183,17	41 518,26
I. Profit from disposal of non-financial fixed assets	941,32	627,76
II. Subsidies	113 276,07	-
III. Revaluation of non-financial assets	-	-
IV. Other operating revenues	23 965,78	40 890,50
H. Other operating costs	33 591,68	104 595,50
I. Loss from the disposal of non-financial fixed assets	-	-
II. Revaluation of non-financial assets	-	-
III. Other operating costs	33 591,68	104 595,50
I. Profit (loss) from operating activity (F+G-H)	3 646 925,04	3 023 848,85
J. Financial revenues	507 631,74	-
I. Dividends and share in profit, including:	-	-
a) from affiliated entities, including:	-	-
- in which the entity has equity interests	-	-
b) from other entities, including:	-	-
- in which the entity has equity interests	-	-
II. Interest, including:	4 241,11	-
- from affiliated entities	4 241,11	-
III. Profit from the disposal of financial assets, including:	-	-
- in affiliated entities	-	-
IV. Revaluation of investments	-	-
V. Other	503 390,63	-
K. Financial costs	70 823,29	125 533,56
I. Interest, including:	18 520,12	37 559,88
- for affiliated entities	-	-
II. Loss on the disposal of financial assets, including:	-	-
- in affiliated entities	-	-
III. Revaluation of investments	-	-
IV. Other	52 303,17	87 973,68
L. Gross profit (loss) (I+J-K)	4 083 733,49	2 898 315,29
M. Income tax	919 243,00	588 989,00
N. Other obligatory profit decrease (loss increase)	-	-
O. Net profit (loss) (L-M-N)	3 164 490,49	2 309 326,29

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CASH FLOW

Specification	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
A. CASH FLOWS FROM OPERATIONAL ACTIVITIES		
I. Net profit (loss)	3 164 490,49	2 309 326,29
II. Corrections together	-3 434 167,64	1 741 382,31
1. Amortisation and depreciation	400 298,43	259 082,87
2. Gains (losses) due to exchange differences	0,00	0,00
3. Interest and profit share (dividends)	66 069,59	37 559,88
4. Profit (loss) from investment activities	-941,32	-627,76
5. Change in provisions	161 007,98	-129,95
6. Change in inventory	71 041,59	-37 930,30
7. Change in receivables	-5 259 161,20	-342 177,56
8. Change in short-term liabilities, excluding credits and loans	1 998 355,49	1 774 193,67
9. Change in prepayments and accruals	-870 838,20	51 411,46
10. Other adjustments	0,00	0,00
III. Net cash flows from operating activities (I +/- II)	-269 677,15	4 050 708,60
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
I. Inflows	490 341,81	7 407,51
1. Disposal of intangible and tangible fixed assets	19 340,17	7 407,51
2. Disposal of investments in real property and in intangible assets	0,00	0,00
3. From financial assets, including:	471 001,64	0,00
a) in affiliated entities	471 001,64	0,00
b) in other entities	0,00	0,00
- disposal of financial assets	0,00	0,00
- dividends and profit share	0,00	0,00
- repayment of granted long-term loans	0,00	0,00
- interest	0,00	0,00
- other inflows from financial assets	0,00	0,00
4. Other inflows from investment activities	0,00	0,00
II. Outflows	699 870,20	353 838,20
1. Purchase of intangible and tangible fixed assets	699 870,20	303 838,20
2. investments in real property and in intangible assets	0,00	0,00
3. For financial assets, including:	0,00	50 000,00
a) in affiliated entities	0,00	50 000,00
b) in other entities	0,00	0,00
- purchase of financial assets	0,00	0,00
- long-term loans granted	0,00	0,00
4. Inne wydatki inwestycyjne	0,00	0,00
III. Net cash flows from investment activities (I - II)	-209 528,39	-346 430,69
C. CASH FLOWS FROM FINANCIAL ACTIVITIES		
I. Inflows	0,00	0,00
1. Net inflows from issuance of shares and other capital instruments	0,00	0,00
2. Credits and loans	0,00	0,00
3. Issuance of debt securities	0,00	0,00
4. Other inflows from financial activities	0,00	0,00
II. Outflows	290 518,88	2 367 425,48
1. Purchase of own shares (stocks)	0,00	0,00
2. Dividend and other payments to shareholders	0,00	0,00
3. Profit distribution liabilities other than profit distribution payments to shareholders	0,00	0,00
4. Repayment of credits and loans	0,00	2 096 665,23
5. Redemption of debt securities	0,00	0,00
6. On account of other financial liabilities	0,00	0,00
7. Payment of liabilities arising from financial leases	220 208,18	191 011,37
8. Interest	18 310,62	37 559,88
9. Other outflows from financial activities	52 000,08	42 189,00
III. Net cash flows from financial activities (I - II)	-290 518,88	-2 367 425,48
D. TOTAL NET CASH FLOWS (A.III+/-B.III+/-C.III)	-769 724,42	1 336 852,43
E. BALANCE SHEET CHANGE IN CASH, INCLUDING:	-769 724,42	1 336 852,43
- zmiana stanu środków pieniężnych z tytułu różnic kursowych	0,00	0,00
F. CASH OPENING BALANCE	4 264 727,59	1 324 662,92
G. CLOSING BALANCE OF CASH (F+/-D), INCLUDING:	3 495 003,17	2 661 515,35
- of limited disposability	41 165,56	1 773,33

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STATEMENT OF CHANGES IN EQUITY (FUND)

Specification	Status as at 31.03.2021	Status as at 31.03.2020
I.a. Opening balance of equity (OB)	13 382 343,11	5 262 902,29
a) changes in adopted accounting rules (policy).	0,00	0,00
b) corrections of fundamental errors	0,00	0,00
I.a. Opening balance of equity (OB) after corrections	13 382 343,11	5 262 902,29
1. Opening balance of share capital	106 756,60	102 976,60
1.1. Changes in share capital	0,00	1 890,00
a) increases (on account of)	0,00	1 890,00
- issuance of shares (stocks)	0,00	1 890,00
- other	0,00	0,00
b) decreases (on account of)	0,00	0,00
- redemption of shares (stocks)	0,00	0,00
- other	0,00	0,00
1.2. Closing balance of share capital	106 756,60	104 866,60
2. Opening balance of supplementary capital	4 608 402,08	1 677 215,47
2.1. Changes in supplementary capital	0,00	0,00
a) increases (on account of)	0,00	0,00
- issuance of shares above the nominal value	0,00	0,00
- profit distribution (statutory)	0,00	0,00
- profit distribution (above the statutory minimum value)	0,00	0,00
- other	0,00	0,00
b) decreases (on account of)	0,00	0,00
- cover of loss	0,00	0,00
- other	0,00	0,00
2.2. Closing balance of supplementary capital (fund)	4 608 402,08	1 677 215,47
3. Opening balance of revaluation capital	0,00	0,00
3.1. Changes in revaluation capital	0,00	0,00
a) increases (on account of)	0,00	0,00
b) decreases (on account of)	0,00	0,00
- disposal of fixed assets	0,00	0,00
3.2. Closing balance of revaluation capital	0,00	0,00
4. Opening balance of other reserve capitals	0,00	1 890,00
4.1. Changes in other reserve capitals	0,00	-1 890,00
a) increases (on account of)	0,00	0,00
- capital contributions	0,00	0,00
b) decreases (on account of)	0,00	1 890,00
- issuance of shares	0,00	1 890,00
4.2. Closing balance of other reserve capitals	0,00	0,00
6. Opening balance of profit (loss) from previous years	8 667 184,43	3 480 820,22
5.1. Closing balance of profit from previous years	8 667 184,43	3 480 820,22
a) changes in adopted accounting rules (policy).	0,00	0,00
b) corrections of fundamental errors	0,00	0,00
5.2. Opening balance of profit from previous years after corrections	8 667 184,43	3 480 820,22
a) increases (on account of)	0,00	0,00
- profit distribution from previous years	0,00	0,00
b) decreases (on account of)	0,00	0,00
5.3. Closing balance of profit from previous years	8 667 184,43	3 480 820,22
5.4. Opening balance of loss from previous years	0,00	0,00
a) changes in adopted accounting rules (policy).	0,00	0,00
b) corrections of fundamental errors	0,00	0,00
5.5. Opening balance of loss from previous years after corrections	0,00	0,00
a) increases (on account of)	0,00	0,00
- retained loss brought forward for covering	0,00	0,00
b) decreases (due to)	0,00	0,00
5.6. Closing balance of loss from previous years	0,00	0,00
5.7. Closing balance of profit (loss) from previous years	8 667 184,43	3 480 820,22
6. Net result	3 164 490,49	2 309 326,29
a) net profit	3 164 490,49	2 309 326,29
b) net loss	0,00	0,00
c) write-offs on profit	0,00	0,00
II. Closing balance of equity (CB)	16 546 833,60	7 572 228,58
III. Equity after proposed profit distribution (cover of loss)	16 546 833,60	7 572 228,58

The report of Spyrosoft S.A. for the first quarter 2021 was prepared in accordance with the current legal status, based on the Regulations of the Alternative Trading System of the Management Board of the Warsaw Stock Exchange and Appendix No. 3 to the ATS reg. - "Current and periodic information provided in the Alternative Trading System on the NewConnect market".

Consolidated financial data

BALANCE SHEET

Specification	Status as at 31.03.2021	Status as at 31.03.2020
ASSETS		
A. FIXED ASSETS	8 962 783,59	6 121 123,90
I. Intangible assets	1 037 313,01	289 048,90
1. Costs of completed development works	717 383,97	-
2. Goodwill	-	-
3. Other intangible assets	105 540,57	110 412,23
4. Advances for intangible assets	214 388,47	178 636,67
II. Goodwill of subordinated entities	-	25 077,78
1. Goodwill - subsidiaries	-	25 077,78
2. Goodwill - co-subsiidiaries	-	-
III. Tangible fixed assets	4 130 049,71	3 545 926,11
1. Fixed assets	4 130 049,71	3 545 926,11
a) land (including the right of perpetual usufruct of land)	-	-
b) premises and civil and water engineering structures	117 325,20	75 907,40
c) technical equipment and machinery	2 447 147,52	1 557 374,80
d) means of transport	-	-
e) other fixed assets	1 565 576,99	1 912 643,91
2. Capital work in progress	-	-
3. Advances for capital work in progress	-	-
1. From affiliated entities	-	-
2. From other entities	-	-
IV. Long-term receivables	1 779 483,39	931 228,46
1. From affiliated entities	-	-
2. From other entities in which the entity has equity interests	-	-
3. From other entities	1 779 483,39	931 228,46
V. Long-term investments	1 669 298,93	1 116 486,15
1. Real estate	-	-
2. Intangible assets	-	-
3. Long-term financial assets	109 042,14	233 676,60
a) in subsidiaries and co-subsiidiaries not valued by means of the full or proportionate consolidat	109 042,14	233 676,60
- stocks or shares	109 042,14	233 676,60
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
b) in subsidiaries, co-subsiidiaries and affiliated entities valued by means of the equity method	1 560 256,79	882 809,55
- stocks or shares	1 560 256,79	882 809,55
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
c) in other entities in which the entity has equity interests	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
d) in other entities	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other long-term financial assets	-	-
4. Other long-term investments	-	-
VI. Long-term prepayments and accruals	346 638,55	213 356,50
1. Assets on account of deferred income tax	339 830,84	57 049,82
2. Other prepayments and accruals	6 807,71	156 306,68

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Specification	Status as at 31.03.2021	Status as at 31.03.2020
B. CURRENT ASSETS	45 738 585,51	23 557 209,59
I. Inventory	40 073,18	155 134,15
1. Materials	-	1 581,06
2. Semi-finished products and work in progress	-	-
3. Finished products	-	-
4. Goods	-	105 159,03
5. Advances for deliveries	40 073,18	48 394,06
II. Short-term receivables	28 291 319,38	15 271 014,55
1. Receivables from affiliated entities	284 406,56	164 415,77
a) trade receivables, maturing:	284 406,56	164 415,77
- up to 12 months	284 406,56	164 415,77
- above 12 months	-	-
b) other	-	-
2. Receivables from other entities in which the entity has equity interests	-	-
a) trade receivables, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) other	-	-
3. Receivables from other entities	28 006 912,82	15 106 598,78
a) trade receivables, maturing:	23 879 985,44	12 753 859,74
- up to 12 months	23 879 985,44	12 753 859,74
- above 12 months	-	-
b) from taxes, subsidies, customs, social and health insurance and other public fees and levies	4 113 784,22	2 324 751,63
c) other	13 143,16	27 987,41
d) claimed at court	-	-
III. Short-term investments	14 074 952,55	6 916 117,11
1. Short-term financial assets	14 074 952,55	6 916 117,11
a) in subsidiaries and co-subsidiaries	381 426,56	217 943,94
- stocks or shares	-	-
- other securities	-	-
- loans granted	381 426,56	217 943,94
- other short-term financial assets	-	-
b) in affiliated entities	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other short-term financial assets	-	-
c) in other entities	-	-
- stocks or shares	-	-
- other securities	-	-
- loans granted	-	-
- other short-term financial assets	-	-
d) cash and other financial assets	13 693 525,99	6 698 173,17
- cash in hand and at bank	13 693 525,99	6 698 173,17
- other cash	-	-
- other cash assets	-	-
2. Other short-term investments	-	-
IV. Short-term prepayments and accruals	3 332 240,40	1 214 943,78
C. CALLED-UP SHARE CAPITAL (FUND)	-	-
D. OWN SHARES (STOCKS)	-	-
TOTAL ASSETS:	54 701 369,10	29 678 333,49



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Specification	Status as at 31.03.2021	Status as at 31.03.2020
LIABILITIES AND EQUITY		
A EQUITY (FUND)	26 132 422,98	11 581 066,71
I. Share capital	106 756,60	104 866,60
II. Supplementary equity (fund), including:	7 415 520,94	1 677 215,47
- surplus of sales value (issue value) over the nominal value of shares (stocks)	107 573,40	107 573,40
III. Revaluation equity (fund), including:	-	-
- due to fair value revaluation	-	-
IV. Other reserve capitals, including:	-	-
- created in accordance to the company deed (statute)	-	-
- for own shares (stocks)	-	-
V. Profit/loss from currency translation	72 991,32	340,01
VI. Profit (loss) from previous years	14 521 089,03	6 978 646,71
VII. Profit (loss) net for the financial year	4 016 065,09	2 819 997,92
VIII. Write-off on net profit during the financial year (negative value)	-	-
B. MINORITY INTERESTS	5 791 229,36	2 658 297,23
C. NEGATIVE GOODWILL OF SUBORDINATED ENTITIES	-	-
I. Negative goodwill - subsidiaries	-	-
II. Negative goodwill - co-subsidiaries	-	-
D. LIABILITIES AND PROVISIONS FOR LIABILITIES	22 777 716,77	15 438 969,55
I. Provisions for liabilities	1 202 126,69	520 477,05
1. Provision on account of deferred income tax	675 982,06	421 755,17
2. Provision for retirement and similar benefits	500 405,44	1 519,31
- long-term	-	-
- short-term	500 405,44	1 519,31
3. Other provisions	25 739,19	97 202,57
- long-term	-	-
- short-term	25 739,19	97 202,57
II. Long-term liabilities	490 690,76	2 023 942,58
1. To affiliated entities	-	-
2. To other entities in which the entity has equity interests	-	-
3. To other entities	490 690,76	2 023 942,58
a) credits and loans	-	-
b) arising from issuance of debt securities	-	-
c) other financial liabilities	469 807,24	1 960 863,12
d) bill-of-exchange liabilities	-	-
e) other	20 883,52	63 079,46
III. Short-term liabilities	20 720 228,52	12 703 487,81
1. To affiliated entities	34 993,76	-
a) trade liabilities, maturing:	30 765,38	-
- up to 12 months	30 765,38	-
- above 12 months	-	-
b) other	4 228,38	-
2. To other entities in which the entity has equity interests	-	-
a) trade liabilities, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) other	-	-
3. To other entities	20 685 234,77	12 703 487,81
a) credits and loans	891 599,41	1 287 525,86
b) arising from issuance of debt securities	-	-
c) other financial liabilities	927 039,14	21 735,38
d) trade liabilities, maturing:	10 331 885,33	7 088 164,49
- up to 12 months	10 331 885,33	7 088 164,49
- above 12 months	-	-
e) advances received for deliveries	209 285,12	-
f) bill-of-exchange liabilities	-	-
g) on account of taxes, customs, social security and other benefits	6 967 112,97	3 499 490,04
h) payroll liabilities	1 186 334,85	786 224,64
i) other	171 977,95	20 347,40
4. Special funds	-	-
IV. Prepayments and accruals	364 670,79	191 062,11
1. Negative goodwill	42 302,94	-
2. Other prepayments and accruals	322 367,85	191 062,11
- long-term	-	-
- short-term	322 367,85	191 062,11
TOTAL LIABILITIES AND EQUITY:	54 701 369,10	29 678 333,49

The report of Spyrosoft S.A. for the first quarter 2021 was prepared in accordance with the current legal status, based on the Regulations of the Alternative Trading System of the Management Board of the Warsaw Stock Exchange and Appendix No. 3 to the ATS reg. - "Current and periodic information provided in the Alternative Trading System on the NewConnect market".

PROFIT AND LOSS STATEMENT

Specification	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
A Net revenue from sales of products, goods and materials, including:	35 504 858,80	25 245 416,96
including: from affiliated entities	602 163,66	-
I. Net revenue from sale of products	35 475 349,77	25 187 951,10
II. Net revenue from sales of goods and materials	29 509,03	57 465,86
B. Cost of sold products, goods and materials, including:	24 495 618,00	16 065 454,38
including: from affiliated entities	0,00	-
I. Manufacturing cost of products sold	24 466 658,67	16 021 848,48
II. Value of goods and materials sold	28 959,33	43 605,90
C. Gross profit (loss) on sales (A-B)	11 009 240,80	9 179 962,58
D. Costs of sales	0,00	-
E. Cost of general management	5 824 930,48	5 252 004,83
F. Profit (loss) on sales (C-D-E)	5 184 310,32	3 927 957,75
G. Other operating revenues	129 198,52	42 847,60
I. Profit from disposal of non-financial fixed assets	1 388,42	627,76
II. Subsidies	113 276,07	-
III. Revaluation of non-financial assets	0,00	-
IV. Other operating revenues	14 534,03	42 219,84
H. Other operating costs	24 120,24	105 963,79
I. Loss from the disposal of non-financial fixed assets	0,00	-
II. Revaluation of non-financial assets	0,00	-
III. Other operating costs	24 120,24	105 963,79
I. Profit (loss) from operating activity (F+G-H)	5 289 388,60	3 864 841,56
J. Financial revenues	395 679,84	18 262,67
I. Dividends and share in profit, including:	0,00	-
a) from affiliated entities, including:	0,00	-
- in which the entity has equity interests	0,00	-
b) from other entities, including:	0,00	-
- in which the entity has equity interests	0,00	-
II. Interest, including:	176,10	1 133,93
- from affiliated entities	0,00	-
III. Profit from the disposal of financial assets, including:	0,00	-
- in affiliated entities	0,00	-
IV. Revaluation of investments	0,00	-
V. Other	395 503,74	17 128,74
K. Financial costs	85 707,23	151 602,58
I. Interest, including:	26 073,88	37 695,13
- for affiliated entities	0,00	-
II. Loss on the disposal of financial assets, including:	0,00	-
- in affiliated entities	0,00	-
III. Revaluation of investments	0,00	-
IV. Other	59 633,35	113 907,45
L. Profit (loss) on sales of the entirety of part of shares of subordinated entities	0,00	-
M. Profit (loss) from business activities	5 599 361,21	3 731 501,65
N. Write-off of goodwill	103 072,12	-
I. Write-off of goodwill - subsidiaries	103 072,12	-
II. Write-off of goodwill - co-subsidiaries	0,00	-
O. Write-off of negative goodwill	56 671,05	-
I. Write-off of negative goodwill - subsidiaries	56 671,05	-
II. Write-off of negative goodwill - co-subsidiaries	0,00	-
P. Profit (loss) from shares in subordinated entities valued by means of the equity method	184 833,98	162 075,32
R. Gross profit (loss) (M-N+O+/-P)	5 737 794,12	3 893 576,97
S. Income tax	1 286 693,83	752 091,35
T. Other mandatory reductions in profit (increases in loss)	0,00	-
U. Profit (loss) attributable to minority interests	435 035,20	321 487,70
W. Net profit (loss) (L-M-N)	4 016 065,09	2 819 997,92

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CASH FLOW

Specification	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES	2689488,135	5428040,714
I. Net profit (loss)	4 016 065,09	2 819 997,92
II. Total adjustments	-1 326 576,96	2 608 042,79
1. Profit (loss) attributable to minority interests	435 035,20	321 487,70
2. Profit (loss) from shares in entities valued by means of the equity method	-184 833,98	-162 075,32
3. Amortisation and depreciation	476 529,27	312 953,97
4. Write-offs of goodwill	103 072,12	0,00
5. Write-offs of negative goodwill	-56 671,05	0,00
6. Gains (losses) due to exchange differences	-19 353,41	-33 324,13
7. Interest and profit share (dividends)	80 085,97	0,00
8. Profit (loss) from investment activities	-1 388,42	-627,76
9. Change in provisions	171 233,92	-1 021 794,31
10. Change in inventory	44 428,05	-43 622,66
11. Change in receivables	-2 693 412,42	2 808 368,30
12. Change in short-term liabilities, excluding credits and loans	3 441 534,06	1 552 399,55
13. Change in prepayments and accruals	-2 889 482,43	-1 083 533,55
14. Other adjustments	-233 353,83	-42 189,00
III. Net cash flows from operating activities (I +/- II)	2 689 488,13	5 428 040,71
B. CASH FLOWS FROM INVESTMENT ACTIVITIES	-675 161,38	-595 568,34
I. Inflows	612 020,27	7 407,51
1. Disposal of intangible and tangible fixed assets	28 230,99	7 407,51
2. Disposal of investments in real property and in intangible assets	0,00	0,00
3. From financial assets, including:	0,00	0,00
a) in affiliated entities	0,00	0,00
b) in other entities	0,00	0,00
- disposal of financial assets	0,00	0,00
- dividends and profit share	0,00	0,00
- repayment of granted long-term loans	0,00	0,00
- interest	0,00	0,00
- other inflows from financial assets	0,00	0,00
4. Other inflows from investment activities	583 789,28	0,00
II. Outflows	1 287 181,65	602 975,85
1. Purchase of intangible and tangible fixed assets	915 321,65	368 433,42
2. Investments in real property and in intangible assets	0,00	0,00
3. For financial assets, including:	0,00	199 064,78
a) in affiliated entities	0,00	199 064,78
b) in other entities	0,00	0,00
- purchase of financial assets	0,00	0,00
- long-term loans granted	0,00	0,00
4. Dividends and other shares in profit disbursed to minority shareholders (stockholders)	0,00	0,00
5. Other outflows from investment activities	371 860,00	0,00
III. Net cash flows from investment activities (I - II)	-675 161,38	-595 568,34
C. CASH FLOWS FROM FINANCIAL ACTIVITIES	-760 030,34	-2 302 758,04
I. Inflows	0,00	0,00
1. Net inflows from issuance of shares and other capital instruments	0,00	0,00
2. Credits and loans	0,00	0,00
3. Issuance of debt securities	0,00	0,00
4. Other inflows from financial activities	0,00	0,00
II. Outflows	760 030,34	2 302 758,04
1. Purchase of own shares (stocks)	0,00	0,00
2. Dividend and other payments to shareholders	0,00	0,00
3. Profit distribution liabilities other than profit distribution payments to shareholders	0,00	0,00
4. Repayment of credits and loans	398 736,17	2 111 746,67
5. Redemption of debt securities	0,00	0,00
6. On account of other financial liabilities	0,00	0,00
7. Payment of liabilities arising from financial leases	246 980,70	191 011,37
8. Interest	54 983,21	0,00
9. Other outflows from financial activities	59 330,26	0,00
III. Net cash flows from financial activities (I - II)	-760 030,34	-2 302 758,04
D. TOTAL NET CASH FLOWS (A.III+-B.III+-C.III)	1 254 296,41	2 529 714,33
E. BALANCE SHEET CHANGE IN CASH, INCLUDING:	1 254 296,42	2 529 714,33
- zmiana stanu środków pieniężnych z tytułu różnic kursowych	0,00	0,00
F. CASH OPENING BALANCE	12 439 229,57	4 168 458,84
G. CLOSING BALANCE OF CASH (F+-D), INCLUDING:	13 693 525,99	6 698 173,17
- of limited disposability	41 165,56	3 408,63

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STATEMENT OF CHANGES IN EQUITY

Specification	Status as at 31.03.2021	Status as at 31.03.2020
I.a. Opening balance of equity (OB)	22 135 711,30	8 794 392,93
a) changes in adopted accounting rules (policy).	0,00	0,00
b) corrections of fundamental errors	0,00	0,00
I.a. Opening balance of equity (OB) after corrections	22 135 711,30	8 794 392,93
1. Opening balance of share capital	106 756,60	102 976,60
1.1. Changes in share capital	0,00	1 890,00
a) increases (on account of)	0,00	1 890,00
- issuance of shares (stocks)	0,00	1 890,00
- other	0,00	0,00
b) decreases (on account of)	0,00	0,00
- redemption of shares (stocks)	0,00	0,00
- other	0,00	0,00
1.2. Closing balance of share capital	106 756,60	104 866,60
2. Opening balance of supplementary capital	7 415 520,94	1 677 215,47
2.1. Changes in supplementary capital	0,00	0,00
a) increases (on account of)	0,00	0,00
- issuance of shares above the nominal value	0,00	0,00
- profit distribution (statutory)	0,00	0,00
- profit distribution (above the statutory minimum value)	0,00	0,00
- other	0,00	0,00
b) decreases (on account of)	0,00	0,00
- cover of loss	0,00	0,00
- other	0,00	0,00
2.2. Closing balance of supplementary capital (fund)	7 415 520,94	1 677 215,47
3. Opening balance of revaluation capital	0,00	0,00
3.1. Changes in revaluation capital	0,00	0,00
a) increases (on account of)	0,00	0,00
- ...	0,00	0,00
b) decreases (on account of)	0,00	0,00
- disposal of fixed assets	0,00	0,00
- ...	0,00	0,00
3.2. Closing balance of revaluation capital	0,00	0,00
4. Opening balance of other reserve capitals	0,00	1 890,00
4.1. Changes in other reserve capitals	0,00	-1 890,00
a) increases (on account of)	0,00	0,00
- capital contributions	0,00	0,00
b) decreases (on account of)	0,00	1 890,00
- issuance of shares	0,00	1 890,00
4.2. Closing balance of other reserve capitals	0,00	0,00
5. Exchange rate gains and losses from currency translation	72 991,32	340,01
6. Opening balance of profit (loss) from previous years	14 521 089,03	6 978 646,71
6.1. Closing balance of profit from previous years	14 521 089,03	6 978 646,71
a) changes in adopted accounting rules (policy).	0,00	0,00
b) corrections of fundamental errors	0,00	0,00
6.2. Opening balance of profit from previous years after corrections	14 521 089,03	6 978 646,71
a) increases (on account of)	0,00	0,00
- profit distribution from previous years	0,00	0,00
- ...	0,00	0,00
b) decreases (on account of)	0,00	0,00
- ...	0,00	0,00
6.3. Closing balance of profit from previous years	14 521 089,03	6 978 646,71
6.4. Opening balance of loss from previous years	0,00	0,00
a) changes in adopted accounting rules (policy).	0,00	0,00
b) corrections of fundamental errors	0,00	0,00
6.5. Opening balance of loss from previous years after corrections	0,00	0,00
a) increases (on account of)	0,00	0,00
- retained loss brought forward for covering	0,00	0,00
- ...	0,00	0,00
b) decreases (due to)	0,00	0,00
- ...	0,00	0,00
6.6. Closing balance of loss from previous years	0,00	0,00
6.7. Closing balance of profit (loss) from previous years	14 521 089,03	6 978 646,71
7. Net result	4 016 065,09	2 819 997,92
a) net profit	4 016 065,09	2 819 997,92
b) net loss	0,00	0,00
c) write-offs on profit	0,00	0,00
II. Closing balance of equity (CB)	26 132 422,98	11 581 066,71
III. Equity after proposed profit distribution (cover of loss)	26 132 422,98	11 581 066,71

The report of Spyrosoft S.A. for the first quarter 2021 was prepared in accordance with the current legal status, based on the Regulations of the Alternative Trading System of the Management Board of the Warsaw Stock Exchange and Appendix No. 3 to the ATS reg. - "Current and periodic information provided in the Alternative Trading System on the NewConnect market".

IV. INFORMATION ON THE PRINCIPLES ADOPTED TO PREPARE THE REPORT, INCLUDING INFORMATION ON CHANGES IN APPLIED ACCOUNTING PRINCIPLES (POLICY)

The financial statement has been prepared in accordance with the Company's accounting policy. In the periods covered by the financial statements no changes in the applied accounting principles took place. The data is presented in Polish zloty.

Accounting principles (policy):

Discussion regarding the adopted accounting principles (policies), to the extent the Act offers and individual a right to choose, including:

Shares and stocks in subsidiaries and other entities, both long-term and short-term, are valued at the purchase price with consideration to a possible impairment. Release of a long-term investment component is valued successively, at the prices of the components that the entity acquired the earliest (FIFO). Write-offs are made in case of permanent impairment of an investment, which takes place when there is a high probability that the investment will not generate expected economic profits in the future (partially or fully).

Financial liabilities are valued at their nominal value as of the date of the origin, and after initial booking, acc. to the adjusted purchase price. Short-term liabilities are valued at the value requiring payment due to insignificant discounting effects.

Monetary assets comprise assets in form of the national currency, foreign currency and foreign exchange. Cash assets also include accrued interest on financial assets. Financial assets payable or due within 3 months from their receipt, issuance, purchase or establishment (of a deposit) are classified as cash for the purposes of the cash flow statement.

methods of valuation of assets and liabilities (including depreciation):

Tangible fixed assets and intangible assets (including costs of completed development works) are valued acc. to acquisition price or production costs less depreciation or amortization write-offs and impairment losses. The Company applies annual depreciation rates determined individually for each fixed asset and intangible assets based on the expected period of use. Currently used property is depreciated at rates ranging from 14% to 50%. The correctness of accepted periods and depreciation rates is subject to regular verification. Fixed assets and intangible assets with the initial value exceeding PLN 0.5 thousand are recorded in the fixed assets register and depreciated on a straight-line basis from the month following the month of putting them to use. Assets of lower value are also included into the fixed assets register and they are depreciated once.

Receivables are valued at the amount of the payment due, on the basis of the prudent valuation principle, and shown in the net value (after deduction of receivables write-offs). The value of receivables is subject to revaluation, based on degree of probability of their payment, by means of revaluation write-offs.

An entity makes prepayments if they relate to future reporting periods, unless the amount is insignificant for the financial statements, in which case the amount is recorded as an expense at the date of purchase of the goods or services.

Provisions for liabilities are valued at a reasoned, reliably valued value. Provisions are made for certain or highly probable future liabilities amount of which can be reliably estimated, and in particular for losses on business transactions in progress, including guarantees, sureties, credit operations and the effects of pending legal proceedings.



determination of the financial result:

The financial net profit and loss figure comprises the result from operating activity, including other operating revenues and costs, the result from financial operations, obligatory charges to the financial result arising from the income tax which the entity is a taxpayer, and payments equal to it under separate regulations. The result from the operating activity is the difference between net revenues from the sale of products, goods and materials, including subsidies, discounts, rebates and other increases or decreases, without the VAT tax and other taxes directly related to turnover, and (between) other operating revenues and the value of sold products, goods and materials valued at production costs or purchase prices, increased by the total general management costs incurred since the beginning of the fiscal year, sales of products, goods and materials and other operating costs. The result of financial operations is the difference between financial revenues, in particular from dividends (shares in profits), interest, profits from sale and revaluation of investments other than those enumerated in Article 28.1.1a, as well as the surplus of positive exchange rate differences over negative ones, and financial costs, in particular from interest, losses from the sale and revaluation of investments other than those set out in Article 28.1.1a, the surplus of negative exchange rate differences over positive ones, except for interest, commissions, positive and negative exchange rate differences referred to in Article 28.4 and 8.2.

determination of the manner the financial statements are prepared:

The Company prepares financial statements on the grounds of the provisions established in the Accounting Act. The profit and loss account is presented as the calculation variant and the cash flow statement is based on the indirect method.

principles governing preparation of individual financial statements:

Financial statements of subsidiaries are generally prepared for the same reporting period as those for the parent unit (company). Only in case of consolidated financial statements for the fiscal year 2018, a subsidiary - Spyrosoft Solutions S.A. is presented for a shorter period, i.e. from 22 March 2018, i.e. from the date of registration of the company. The consolidated financial statement is prepared on the basis of consistent accounting principles, based on consolidated accounting principles applied to transactions and economic events of a similar nature, and in cases of differences, in order to eliminate any discrepancies in the applied accounting principles, certain consolidation adjustments are made.



V. SHORT DESCRIPTION OF THE ISSUER'S SIGNIFICANT ACHIEVEMENTS OR FAILURES IN THE REPORTING PERIOD, INCLUDING A DESCRIPTION OF THE MOST IMPORTANT FACTORS AND EVENTS, IN PARTICULAR OF AN UNTYPICAL NATURE, AFFECTING THE ACHIEVED RESULTS

As a result of an increase of demand for IT services, Spyrosoft Group S.A. reported a growth of revenues in all its companies in Q1 2021 and acquired 10 new clients from sectors such as: automotive, financial services, HR, media & entertainment, industry, and telemedicine. The growing number of clients and the stabilization of the demand for IT services on a level higher than before the outbreak of covid-19 pandemic provide a positive perspective for future development of the IT industry, which should result in steady growth of revenues for Spyrosoft Group in the upcoming quarters.

Considering that in the history of the financial results achieved by the Group it was always the last quarter of a given financial year that brought the highest revenues, maintaining such a tendency in the first quarter of the following year provides an optimistic forecast for planning the upcoming periods.

In March 2021, Spyrosoft achieved a high place in a prestigious ranking organized by The Financial Times. In this year's edition of FT 1000 Europe's Fastest Growing Companies 2021, the Group was ranked 5th, becoming the quickest developing IT company based in Europe. Such an achievement is predicted to have a positive impact on the global brand recognition and to contribute to a growth in interest of its services.

On March 23, 2021 Spyrosoft S.A. signed the preliminary shares purchase regarding 51% of shares of Norbsoft – a company specializing in developing mobile applications. Norbsoft is a company with 18 years of experience, a wide portfolio of B2B and B2C applications, and 70 clients, including globally known brands. Adding Norbsoft's offer to the Spyrosoft's portfolio of services will be an important reinforcement of competences in the field of mobile applications development.

In March 2021, Spyrosoft S.A. announced its plans to transfer the company's shares from New Connect market to the Main Market of the GPW.

Progressing in the realization of strategic objectives regarding increasing the Spyrosoft Group's presence in certain localizations, Ulf Magnus Wolkersdorfer took up the position of the Managing Director in Spyrosoft Solutions GmbH (Munich) in January 2021, and Rafał Gruszczyński became responsible for the site's development and increase of employment as a Site Manager in Warsaw.

Spyrosoft Group is dynamically increasing the number of its employees, both in Poland and on the foreign markets – in Q1 2021, 74 people have joined the team, increasing the number of Spyrosoft's specialists to 617 people (as for end of March 2021). The Group is planning to further develop the employment in the upcoming quarters of 2021.

In order to prepare for the forthcoming growth in employment, the organization launched internships and training programs, addressed to IT students and individuals planning professional reskilling, as well as intensified promotional activities regarding the referral program. Investing in an intensified training program for both current and future employees of Spyrosoft will also result in a growth of human capital costs.

Individual financial results for the 1st quarter of 2021

In Q1 2021, Spyrosoft S.A. achieved PLN 25.7 million in revenues, which means 14.2% growth in comparison with the previous quarter and around 37% (PLN 6.9 million) growth in comparison with Q1 2020. The increase results from growing portfolios of our current clients, as well as increasing the value of services provided to them.

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The cost of products and services sold reached PLN 19.4 million, which means a growth of PLN 6 million (45%) in comparison with Q1 2020 and of 16% (PLN 2.7 million) in comparison with the previous quarter. A quicker growth of costs as compared to the growth of revenues YOY is largely caused by the base effect: in Q1 2020, the company introduced measures directed at lowering the expenses without reducing employment in response to the concerns regarding a possible economic downturn due to the outbreak of covid-19 pandemic.

The company achieved gross profit of PLN 6.3 million, thus noting an increase of 17.2% in comparison to the corresponding period of the previous year and of 9.3% in comparison to the previous quarter, when the gross profit amounted to PLN 5.8 million. The gross margin on sales was 24.6%, i.e. it decreased by 4.1% YOY and by 1.4% Q/Q.

Q1 2021 brought about a decrease in general administrative expenses by 1.8% Q/Q – the expenses amounted to PLN 2.8 million. In comparison to Q1 2020, the expenses grew by 20.6%.

The profit on sales increased by 20% Q/Q and reached the amount of PLN 3.5 million. The sales margin amounted to 13.8%, which means it was lower by 2.7% compared to the same quarter of the previous year and 0.8% higher Q/Q.

Operating profit in Q1 2021 increased by 22.1% compared to the last quarter of 2020 and amounted to PLN 3.6 million. The result was also 22.1% higher than in the corresponding period of 2020. The margin on operating activities reached the level of 14.2% and was higher by 1.2 % Q/Q and 1.9% lower YOY.

Net profit amounted to PLN 3.2 million, noting a growth of 45.6% in comparison with the previous quarter. Comparing to Q1 2020 (net profit of PLN 2.3 million) the company has noted a growth of 37%. Net margin reached the level of 12.3%, which means it was identical as in the previous quarter and a 1.9% lower than the corresponding period of the previous year.

As of March 31, 2021, the balance sheet total amounted to PLN 31.8 million, which means it was higher by PLN 5.5 million than on December 31, 2020 and by PLN 13.1 million than on March 31, 2020. Short-term receivables increased by PLN 4.6 million Q/Q, reaching PLN 20.7 million, while short-term liabilities increased by PLN 2.1 million compared to the previous period, reaching PLN 13.9 million.

Equity reached the level of PLN 16.5 million and was higher by 24% higher in comparison to the situation on December 31, 2020, and by 119% in comparison to the situation on March 31, 2020.

Consolidated financial results for the 1st quarter of 2021

In Q1 2021, the consolidated income of the Spyrosoft Capital Group amounted to PLN 35.5 million, with an increase of 40.6% over the corresponding period of the previous year and of 1.9% over the previous quarter.

Consolidated cost of products and services sold by the Spyrosoft Capital Group in Q1 2021 amounted to PLN 24.5 million and was by 52.5% higher than in the corresponding period of the previous year and by 22.2% higher than in the previous quarter. A quicker growth of costs as compared to the growth of revenues YOY was caused by the extraordinary reduction of costs in Q1 2020, which resulted from the reaction to the outbreak of the pandemic. Also, since the beginning of 2021, the parts directly related to production were separated from the employee costs, which allowed to include some of them in direct costs. The increase in costs in Q1 2021 compared to Q4 2020 is in line with the Group's budget assumptions for 2021.

Gross profit on sales reached PLN 11 million, which is a result by 19.9% better than in the corresponding period of the previous year, and 25.6% lower than in Q4 2020. The gross margin on sales reached 31%, meaning a decrease by 5.4% YOY by 11% Q/Q.

Consolidated general administrative costs of the Spyrosoft Capital Group in Q1 2021 amounted to PLN 5.8 million, which means they were higher by PLN 0.6 million (10.9%) than the Group's general

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administrative expenses in Q1 2020 and lower by PLN 1 million (14.5%) than general administrative expenses in the previous quarter.

In Q1 2021, the Spyrosoft Group generated PLN 5.2 million profit on sales - a result by PLN 1.3 million (32%) higher than in the corresponding period of 2020 and by PLN 2.8 million lower than in the previous quarter.

Consolidated operating profit for the period from January to March 2021 decreased by 35% Q/Q and amounted to PLN 5.2 million. The margin on operating activities reached the level of 14.6%, which means a decrease by 1% compared to the previous quarter and by 6.3% compared to the same period of the previous year.

Net profit of the Spyrosoft Capital Group in the first quarter of 2021 amounted to PLN 4 million, which means an increase by 42.4% YOY and a decrease by 13.4% Q/Q. The net margin was 11.3% - 0.1% higher Q/Q and 2% lower YOY.

The balance sheet total as of March 31, 2021 amounted to PLN 54.7 million and was 16% higher compared to December 31, 2020. Short-term receivables increased by 5% Q/Q, reaching PLN 28.3 million. In the same period, short-term liabilities increased by PLN 3.5 million (20% Q/Q), to PLN 20.7 million.

The Group's equity increased by 19% after the first quarter of 2021 compared to the situation on December 31, 2020 and amounted to PLN 26.1 million.

VI. OPINION REGARDING POSSIBILITY OF MEETING THE PUBLISHED FORECASTS FOR THE YEAR IN THE LIGHT OF THE RESULTS PRESENTED IN THE QUARTERLY REPORT

Not applicable. The Issuer did not publish financial forecasts for 2021.

VII. DESCRIPTION OF THE STATUS OF THE ISSUER'S ACTIVITIES AND INVESTMENTS AND THEIR REALIZATION SCHEDULE

Not applicable.

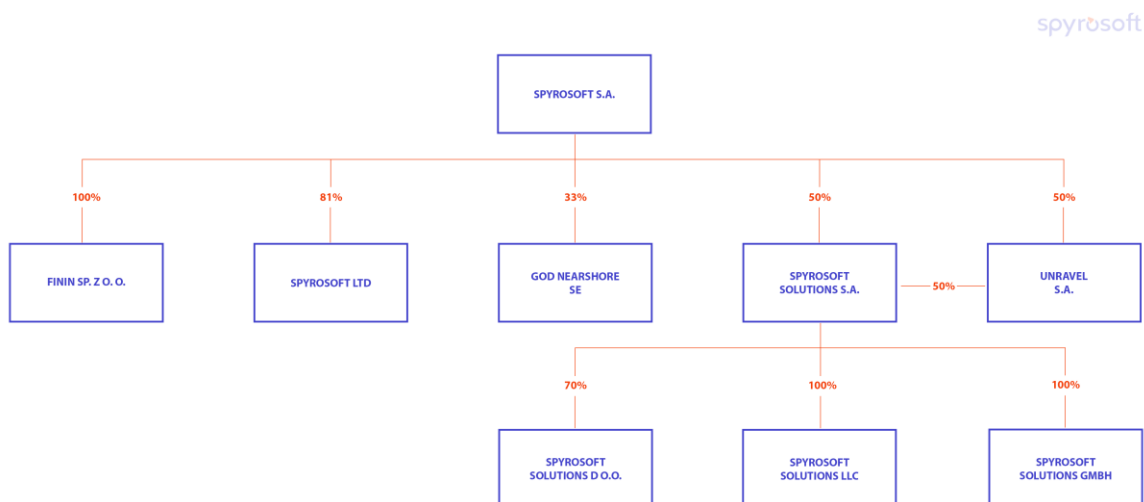
VIII. INFORMATION ON THE ACTIVITY IN THE FIELD OF INNOVATIVE SOLUTIONS IN THE ENTERPRISE

Not applicable. In the period covered by the report, the Issuer did not take any initiatives aimed to implement innovative solutions in the enterprise.



IX. DESCRIPTION OF THE ORGANISATION OF THE ISSUER'S CAPITAL GROUP, INCLUDING ENTITIES SUBJECT TO THE CONSOLIDATION

As of 31st of March 2021 the structure of Spyrosoft Capital Group is as follows:



The Issuer was a dominant entity towards five subsidiaries.

Consolidated data includes data of Spyrosoft Solutions S.A., Unravel SA, GOD Nearshore SE, Spyrosoft Ltd, Spyrosoft Solutions d.o.o. and Spyrosoft Solutions GmbH.

Basic data on the Issuer's subsidiaries:

Enterprise:	Spyrosoft Solutions S.A.
Legal form	Joint stock company
Registered office	Wrocław
Address	Pl. Nowy Targ 28, 50-141 Wrocław
Share capital	PLN 100 000
Object of the economic operation	embedded software mainly for product companies representing automotive industry and IT
Issuer's share in the share capital	50%
Issuer's share in the total number of votes	50%

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Enterprise:	GOD Nearshore SE European Joint Stock Company Branch in Poland
Legal form	Branch of a foreign entrepreneur
Registered office	Wrocław
Address	Pl. Nowy Targ 28, 50-141 Wrocław
Share capital	-
Object of the economic operation	provision of software and IT services to the automotive industry
Issuer's share in the share capital	33%
Issuer's share in the total number of votes	33%

Enterprise:	Spyrosoft Ltd
Legal form	Limited Liability Company
Registered office	Dorset
Address	Arena Business Centre, 9 Nimrod Way, BH21 7UH Ferndown, United Kingdom
Share capital	100 £
Object of the economic operation	development of software for UK clients
Issuer's share in the share capital	90%
Issuer's share in the total number of votes	90%

Enterprise:	Unravel S.A.
Legal form	Limited Liability Company
Registered office	Wrocław
Address	Pl. Nowy Targ 28, 50-141 Wrocław
Share capital	100,000 PLN
Object of the economic operation	development of embedded software for the automotive industry
Issuer's share in the share capital	50%
Issuer's share in the total number of votes	50%



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Enterprise:	Spyrosoft Solutions d.o.o.
Legal form	Limited Liability Company
Registered office	Zagreb
Address	Trsje 19,10000 Zagreb, Croatia
Share capital	20,000 HRK
Object of the economic operation	development of embedded software for the automotive industry
Issuer's share in the share capital	0%
Issuer's share in the total number of votes	0%

According to the structure of Spyrosoft Capital Group presented above, the issuer's subsidiary - Spyrosoft Solutions S.A. owns 70% of shares in Spyrosoft Solutions d.o.o.

Enterprise:	Spyrosoft Solutions GmbH
Legal form	Limited Liability Company
Registered office	Munich
Address	Riesstrasse 16, D-80992 Munich, Germany
Share capital	25,000 €
Object of the economic operation	Provision of IT software and services
Issuer's share in the share capital	0%
Issuer's share in the total number of votes	0%

According to the structure of Spyrosoft Capital Group presented above, the Issuer's subsidiary - Spyrosoft Solutions S.A. owns 100% of shares in Spyrosoft Solutions GmbH.

As at 31st of March 2021 the following entities from Spyrosoft Capital Group were not subject to consolidation:

Enterprise:	Spyrosoft Solutions LLC
Legal form	Limited Liability Company
Registered office	Ann Arbor
Address	301 East Liberty Street, Suite 500, Ann Arbor, MI 48104, USA
Share capital	-
Object of the economic operation	Provision of IT software and services
Issuer's share in the share capital	0%
Issuer's share in the total number of votes	0%

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According to the structure of Spyrosoft Capital Group presented above, the Issuer's subsidiary - Spyrosoft Solutions S.A. owns 100% of shares in Spyrosoft Solutions LLC.

Company:	FinIn Sp. z o.o.
Legal form	Limited Liability Company
Registered office	Wrocław
Address	Pl. Nowy Targ 28, 50-141 Wrocław
Share capital	PLN 100.000
Core activity	Accounting and bookkeeping activities
Issuer's share in the initial capital	100%
Issuer's proportion of voting rights	100%

X. INDICATION OF THE REASONS FOR THE LACK OF THE CONSOLIDATED FINANCIAL STATEMENT

The Company shall not consolidate their report with the following, associated companies:

- Spyrosoft Solutions LLC
- FinIn Sp. z o.o.

pursuant to Article 58 of the Accounted Act, as their financial data are nonsignificant to the Issuer's financial position.

XI. SELECTED FINANCIAL DATA OF THE ISSUER'S SUBSIDIARIES NOT COVERED BY CONSOLIDATION

SPYROSOFT SOLUTIONS LLC				
Profit and loss account	For the period from 01/01/2021 to 31/03/2021	For the period from 01/01/2020 to 31/03/2020	For the period from 01/01/2021 to 31/03/2021	For the period from 01/01/2020 to 31/03/2020
Net revenue from sales of products, goods and materials	1 364 387,70	0,00	1 364 387,70	0,00
Net profit/loss	16 447,89	0,00	16 447,89	0,00
Balance sheet	As at 31.03.2021		As at 31.03.2020	
Equities	82 488,94		0,00	
Total assets	1 833 496,77		10 366,50	



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FININ SP. Z O.O.				
Profit and loss account	For the period from 01/01/2021 to 31/03/2021	For the period from 01/01/2020 to 31/03/2020	For the period from 01/01/2021 to 31/03/2021	For the period from 01/01/2020 to 31/03/2020
Net revenue from sales of products, goods and materials	135 000,00	0,00	135 000,00	0,00
Net profit/loss	-4 784,66	0,00	-4 784,66	0,00
Balance sheet	As at 31.03.2021		As at 31.03.2020	
Equities	95 215,34		0,00	
Total assets	144 973,69		0,00	

XII. INFORMATION ON THE ISSUER'S SHAREHOLDING STRUCTURE, INDICATING THE SHAREHOLDERS HOLDING, AS OF THE DATE OF PUBLICATION OF THE REPORT, AT LEAST 5% OF VOTES AT THE GENERAL MEETING

The table below shows the shareholding structure with a detailed list of shareholders holding at least 5% of votes at the Company's General Meeting:

Table Shareholding structure (as of 13th of May 2021)

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes
Konrad Weiske	317 854	29,77 %	317 854	29,77 %
Dorota Łękawa	283 840	26,59 %	283 840	26,59 %
Wioletta Bodnaruś	289 300	27,10 %	289 300	27,10 %
Others	176 572	16,54 %	176 572	16,54 %
TOTAL	1,067 566	100,00 %	1,048 666	100,00%

The share capital amounts to PLN 106 756.60 and is divided to 1.067.566 shares with the face value of PLN 0.10 each:

- 850,000 shares of series A1,
- 150,000 A2 series shares,
- 18,900 B series shares,
- 10,866 C series shares,
- 18,900 D series shares,
- 18.900 E shares



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XIII. INFORMATION ON THE NUMBER OF PERSONS EMPLOYED BY THE ISSUER, IN FULL TIME EQUIVALENTS

Detailed employment levels in full-time equivalents are presented in the tables below:

Table: Employment in Spyrosoft S.A. as of 31.03.2021.

Form of employment	Number of employees	FTEs
Employment contract	93	91
Specific task contract, other	10	

Table: Employment in the Capital Group as at 31.03.2021.

Form of employment	Number of employees	FTEs
Employment contract	179	177
Specific task contract, other	22	

Wrocław, 13th of May 2021

Member of the Managing Board

Wojciech Bodnaruś



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