

spyrosoft



GRUPA KAPITAŁOWA
SPYROSOFT S.A.

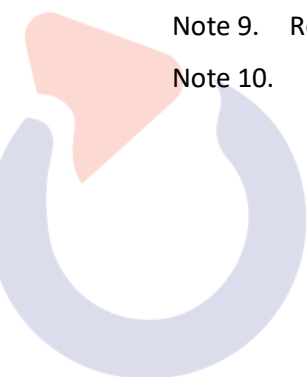
SKONSOLIDOWANE ŚRÓDROCZNE SKRÓCONE INFORMACJE FINANSOWE

sporządzone zgodnie z Międzynarodowymi Standardami
Sprawozdawczości Finansowej zatwierdzonymi przez Unię Europejską
na dzień 31 grudnia 2021 roku

Wrocław, 14 luty 2022

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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 31.12.2021, 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 Synergy S.A.	Poland	60,5%	51% direct and 9,5% indirect
Spyrosoft Solutions doo	Croatia	35%	indirect
Spyrosoft Solutions LLC	USA	50%	indirect
Spyrosoft Solutions GMBH	Germany	50%	indirect
Spyrosoft LLC	USA	100%	direct
Finin Sp. z o.o.	Poland	100%	direct

As of December 31st, 2021, the degree of the parent's relationship with other group entities and the adopted method of including the entity in consolidation is as follows:

Entity	Relationship	Consolidation method
Spyrosoft Solutions S.A.	subsidiary	full consolidation
Spyrosoft LTD	subsidiary	full consolidation
GOD Nearshore SE	associate	consolidation by means of equity
Unravel S.A.	subsidiary	full consolidation
Spyrosoft Solutions doo	subsidiary	full consolidation
Spyrosoft Solutions LLC	subsidiary	excluded from consolidation due to irrelevance
Spyrosoft Solutions GMBH	subsidiary	full consolidation
Spyrosoft LLC	subsidiary	excluded from consolidation due to irrelevance

Finin Sp. z o.o.	subsidiary	excluded from consolidation due to irrelevance
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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 interim financial information

These interim condensed financial information were approved for publication by the parent company's Management Board on 24th February 2022.

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 31/12/2021	from 01/01/2020 to 31/12/2020
Net revenue from sales of products, goods and materials	173 839	112 760
Profit (loss) from operating activity	25 678	20 221
EBITDA*	31 793	25 524
Gross profit (loss)	26 021	19 453
Net profit (loss)	17 000	12 374
Net inflows from operational activities	13 768	18 115
Net inflows from investment activities	(4 072)	(2 098)
Net inflows from financial activities	(5 528)	(7 723)
Net inflows – total	4 168	8 293
Net profit (loss) per one regular share (in PLN)	15,84	11,79

SELECTED FINANCIAL DATA	as of 31/12/2021	as of 31/12/2020
Assets / Liabilities – total	82 681	56 893
Fixed assets	18 188	17 779
Current assets	64 493	39 114
Equity	47 471	26 394
Liabilities and Provisions for liabilities	35 210	30 499
Long-term liabilities	6 298	8 921
Short term liabilities	28 912	21 579
Number of shares	1 072 958	1 049 957
Book value per share (in PLN)	44,24	25,14

* EBITDA calculated as operating profit increased by depreciation.

The financial data presented above for the period of 12 months in 2021 and 2020 and as of 31/12/2021 and 31/12/2020 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 31/12/2021– 4.5994 PLN/EUR, as of 31/12/2020– 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 01/01/2021 to 31/12/2021 – 4.5775 PLN/EUR, from 01/01/2020 to 31/12/2020 – 4.4742 PLN/EUR.

Data in thousand EUR

SELECTED FINANCIAL DATA	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
Net revenue from sales of products, goods and materials	37 977	25 202
Profit (loss) from operating activity	5 610	4 519
EBITDA*	6 945	5 705
Gross profit (loss)	5 685	4 348
Net profit (loss)	3 714	2 766
Net inflows from operational activities	3 008	4 049
Net inflows from investment activities	(890)	(469)
Net inflows from financial activities	(1 208)	(1 726)
Net inflows – total	911	1 854
Net profit (loss) per one regular share (in PLN)	3,44	2,55

SELECTED FINANCIAL DATA	as of 31/12/2021	as of 31/12/2020
Assets / Liabilities – total	17 976	12 328

Fixed assets	3 954	3 853
Current assets	14 022	8 476
Equity	10 321	5 719
Liabilities and Provisions for liabilities	7 655	6 609
Long-term liabilities	1 369	1 933
Short term liabilities	6 286	4 676
Number of shares	1 072 958	1 049 957
Book value per share (in PLN)	9,62	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 31/12/2021	from 01/01/2020 to 31/12/2020	od 01.10.2021 to 31/12/2021	od 01.10.2020 to 31/12/2020
Revenues from sales	173 838 540,64	112 759 654,09	54 357 038,13	34 631 313,56
Net revenue from sales of products and services	173 692 584,64	112 678 988,53	54 284 441,13	34 631 313,56
Net revenue from sales of products, goods and materials	145 956,00	80 665,56	72 597,00	0,00
Cost of sold products, services, goods and materials	115 697 370,65	70 310 374,42	31 878 174,16	20 439 068,47
Manufacturing cost of products and services sold	115 551 995,10	70 230 213,09	31 805 577,13	20 442 072,32
Value of goods and materials sold	145 375,55	80 161,33	72 597,03	-3 003,85
Gross profit (loss) from sales	58 141 169,99	42 449 279,67	22 478 863,97	14 192 245,09
Costs of sales	0,00	0,00	0,00	0,00
Cost of general management	32 489 910,94	21 462 407,88	12 720 016,32	6 241 284,65
Other operating revenues	441 459,92	263 117,00	61 372,38	153 716,04
Other operating costs	414 431,48	1 028 730,41	338 339,22	815 125,13
Profit (loss) from operating activity	25 678 287,49	20 221 258,38	9 481 880,81	7 289 551,35
Financial revenues	694 739,76	11 068,42	560 552,54	74 049,23
Financial costs	1 044 238,12	1 461 125,30	279 653,01	442 374,03
Deductions from goodwill impairment	103 072,12	0,00	0,00	0,00
Share profit of associates	795 607,79	681 757,86	222 649,99	147 123,22
Gross profit (loss)	26 021 324,80	19 452 959,36	9 985 430,33	7 068 349,77
Income tax	5 306 557,38	3 732 518,10	2 123 052,89	1 425 506,91
Net profit (loss) from continued operations	20 714 767,42	15 720 441,26	7 862 377,44	5 642 842,87
Net profit (loss) from discontinued operations	0,00	0,00	0,00	0,00
Net profit (loss)	20 714 767,42	15 720 441,26	7 862 377,44	5 642 842,87
Net profit (loss) attributable to minority shareholders	3 714 455,91	3 346 887,51	1 519 857,20	1 690 897,75
Net profit (loss) of the parent entity	17 000 311,51	12 373 553,75	6 342 520,24	3 951 945,12
Other revenues, including:	197 982,52	57 243,03	213 289,49	74 829,45
Exchange rate differences resulting from valuation of foreign entities	197 982,52	57 243,03	213 289,49	74 829,45

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	197 982,52	57 243,03	213 289,49	74 829,45

Net earnings per share

Basic	15,84	11,78	5,91	3,76
Diluted	15,84	11,78	5,91	3,76

Consolidated statement of financial position

	as of 31/12/2021	as of 31/12/2020
Fixed assets	18 188 419,97	17 778 828,10
Non-tangible assets	1 758 635,77	881 568,25
Tangible fixed assets	13 649 600,42	14 151 545,20
Goodwill	0,00	0,00
Stocks and shares in affiliated entities	1 613 811,35	1 375 422,81
Stocks and shares in subsidiary entities not subject to consolidation	109 042,14	233 676,60
Accruals	481 505,76	14 132,32
Deferred tax assets	0,00	191 254,45
Other fixed assets	575 824,53	931 228,46
Current assets	64 492 536,90	39 114 462,23
Inventories	183 588,50	84 501,23
Trade receivables	40 128 773,16	23 051 957,79
Current tax receivables	0,00	445,00
Other receivables	5 047 451,08	3 118 491,96
Accruals	2 144 000,55	166 157,85
Financial assets	381 426,56	253 678,83
Cash and cash equivalents	16 607 297,05	12 439 229,57
Other current assets	0,00	0,00
Total assets	82 680 956,87	56 893 290,33

	as of 31/12/2021	as of 31/12/2020
EQUITY (FUND)	47 471 007,07	26 393 885,70
Share capital	108 872,80	106 756,60
Supplementary capital	22 568 041,72	7 415 520,94
Revaluation capital	630 000,00	600 000,00

Exchange rate differences	290 327,25	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	17 000 311,51	12 373 553,75
Equity attributable to minority shareholders	8 918 516,86	5 253 338,93
Long-term liabilities	6 297 853,81	8 920 856,07
Credits and loans	82 782,12	0,00
Financial liabilities due to leasing	5 534 502,85	8 899 972,55
Other liabilities	9 567,83	20 883,52
Deferred tax reserves	671 001,01	0,00
Short-term liabilities	28 912 095,99	21 578 548,56
Credits and loans	1 000 288,29	1 328 791,46
Financial liabilities due to leasing	4 187 997,51	4 057 024,09
Trade liabilities	12 911 804,38	8 977 736,48
Income tax liabilities	3 126 623,70	3 214 212,67
Tax and other public law liabilities	4 579 605,97	2 585 010,23
Liabilities due to remuneration	1 829 882,47	888 247,91
Other liabilities	313 783,73	27 063,76
Provisions for employee benefits	517 929,49	500 461,95
Other provisions	0,00	0,00
Deferred income	444 180,45	0,00
Total liabilities	82 680 956,87	56 893 290,33



Consolidated statement of changes in equity

	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
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:	2 116,20	3 780,00
– issuance of shares (stocks)	2 116,20	3 780,00
Closing balance of share capital	108 872,80	106 756,60
Opening balance of supplementary capital	7 415 520,94	3 300 766,72
Changes in supplementary capital, including:	15 152 520,78	4 114 754,22
– issuance of shares above the nominal value	0,00	0,00
– profit distribution	15 152 520,78	4 114 754,22
Closing balance of supplementary capital (fund)	22 568 041,72	7 415 520,94
Opening balance of revaluation capital	600 000,00	451 890,00
Changes in revaluation capital, including:	30 000,00	148 110,00
– capital contributions before registration	0,00	0,00
– equity from share-based payments	30 000,00	150 000,00
– registration of previously paid-in capital	0,00	(1 890,00)
Closing balance of revaluation capital	630 000,00	600 000,00
Opening balance of exchange rate differences	92 344,73	35 101,70
Exchange rate difference	197 982,52	57 243,03
Closing balance of exchange rate differences	290 327,25	92 344,73
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	317 687,23
– benefits from increasing the proportion of minority shares	181 533,21	317 687,23
Closing balance of equity from the change in the proportion of minority shares	499 220,44	317 687,23
Opening balance of retained earnings	12 608 237,27	4 349 437,74
Changes in the value, including:	(15 152 520,78)	(4 114 754,22)
– changes from profit distribution	(15 152 520,78)	(4 114 754,22)
Closing balance of retained earnings	(2 544 283,51)	234 683,52
Net profit of the parent entity	17 000 311,51	12 373 553,75
Opening balance of capital attributable to minority shareholders	5 253 338,93	2 225 218,65
Changes in the value, including:	3 665 177,93	3 028 120,28
– taking the entity under control	132 855,23	0,00
– change in the proportion of minority shares	(182 133,21)	(318 767,23)
– net profit attributable to minority shares	3 714 455,91	3 346 887,51
Closing balance of capital attributable to minority shareholders	8 918 516,86	5 253 338,93

Closing balance of equity	47 471 007,07	26 393 885,70
Consolidated cash flow statement		
	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
OPERATIONAL ACTIVITIES		
Gross profit (loss)	26 021 324,80	19 452 959,36
Total adjustments	(7 856 315,69)	686 987,20
Share in profits of affiliate entities	(795 607,79)	(681 757,85)
Depreciation	6 114 873,51	5 302 661,82
Goodwill write-off	66 256,51	0,00
Profit (loss) due to exchange rate differences	190 419,97	996 970,30
Interest	532 110,47	909 775,62
Profit (loss) on investment activities	(10 393,18)	(10 094,50)
Change in reserves	(1 157,19)	273 137,61
Change in inventories	(126 238,30)	29 746,08
Change in receivables	(18 649 480,56)	(9 283 996,26)
Change in liabilities	7 237 451,96	3 059 586,65
Change in other assets	(2 181 197,26)	(64 781,29)
Other adjustments to operating activities	(233 353,83)	155 739,02
Cash from operating activities	18 165 009,11	20 139 946,55
Income tax flows	(4 396 829,14)	(2 025 367,52)
Net cash flows from operating activities	13 768 179,97	18 114 579,03
INVESTMENT ACTIVITIES		
Inflow	1 442 626,59	80 169,83
Sales of intangible assets and tangible fixed assets	198 004,78	80 169,83
Sales of financial assets	0,00	0,00
Repayment of given loans	0,00	0,00
Other investment inflows	1 244 621,81	0,00
Expenses	5 514 595,13	2 178 487,67
Purchases of intangible assets and tangible fixed assets	5 142 135,13	1 924 639,77
Loans granted	0,00	46 365,40
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	0,00
Net cash flows from investment activities	(4 071 968,54)	(2 098 317,84)
FINANCIAL ACTIVITIES		
Inflow	295 958,77	1 890,00
Net cash inflow from issue of shares (stocks) and other capital instruments and additional capital contribution	32 116,20	1 890,00
Credits and loans	263 842,57	0,00

Other inflows	0,00	0,00
Expenses	5 824 102,72	7 724 816,32
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	580 270,00	2 124 115,40
Payment of lease liabilities	4 680 345,43	4 689 907,22
Interest	563 487,29	752 681,75
Other financial expenses	0,00	158 111,95
Net cash flows from financial activities	(5 528 143,95)	(7 722 926,32)
Total net cash flow	4 168 067,48	8 293 334,87
Balance sheet change in cash	4 168 067,48	8 293 334,87
Opening balance of cash	12 439 229,57	4 145 894,70
Closing balance of cash	16 607 297,05	12 439 229,57

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. In case of programming services valued on the basis of hours of work ("time & material"), each hour of work is counted as performance of the obligation, and at the end of each reporting period, an entity recognizes revenue based on the hours actually worked and a fixed rate. In the case of services valued on the basis of a predetermined price for the programming work performed ("fixed price" or "milestone"), the full performance of the obligation is considered to be the moment of transferring the final effects. The progress of work is calculated with prudence in valuation in terms of the risk of failure to deliver the final results in the future. It is measured according to the expenditure-based method, based on the value of costs incurred in total costs planned, taking into account the expected or incurred losses. Revenue from this type of contract is recognized over time, based on a quarterly valuation.

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 instalments.

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.

Loss of non-financial assets

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.



Shares and stocks in subordinated entities not subject to consolidation

At the issuance date, the shares and stocks of affiliated entities not subject to consolidation are valued 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.

Financial assets

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

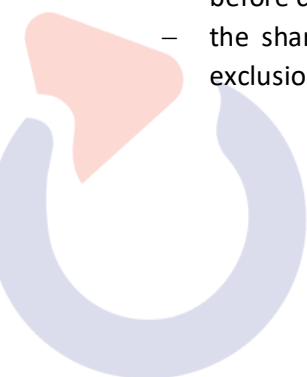
Financial information of a subsidiary, after taking into account adjustments to bring it into compliance with IFRS - are prepared for the same reporting period as the financial information of the parent company, using consistent accounting principles, based on uniform accounting principles applied for 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.

Spyrosoft Synergy PL

The activities of the segment are carried out by Spyrosoft Synergy S.A., which deals with software development and technological consulting. Spyrosoft Synergy makes use of many years of experience in order to improve clients' ability to respond to changes by:

- providing support in the development of software in the field of robotics, from embedded solutions to high-level systems based on public clouds
- creating graphical HMI (Human Machine Interface) interfaces between the user and the machine or IT system, enabling the use of one software code in all operating systems, platforms and screen types, from desktop computers and embedded systems to business-critical applications, automotive systems, portable and mobile devices connected to the Internet of Things;
- creating flexible technology platforms that change in line with business strategies;
- as well as designing, delivering and developing large-scale digital products and solutions in an optimal manner.
- Spyrosoft Synergy offers services in the field of creating HMIs and robotics mainly for clients from the following industries:
 - Automotive
 - Industrial Automation,
 - Consumer Electronics,
 - Medical.

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

Financial information about individual segments

	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
Revenue from sales		
SpyroSoft PL	116 767 781,39	78 736 118,00
Spyrosoft Solutions PL	53 690 679,77	34 545 058,59
Spyrosoft Synergy PL	208 735,35	0,00
Spyrosoft GB	41 615 301,06	22 796 040,29
Unravel	5 277 176,94	1 650 137,32
Spyrosoft Solutions HR	6 187 910,55	0,00
Spyrosoft Solutions DE	1 199 943,70	0,00
Consolidation adjustments	(51 108 988,12)	(24 967 700,11)
Group's total revenue from sales	173 838 540,64	112 759 654,09

	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
Cost of sold products, services, goods and materials		
SpyroSoft PL	85 248 104,42	58 478 676,56
Spyrosoft Solutions PL	35 100 577,72	15 803 372,36
Spyrosoft Synergy PL	171 053,20	0,00
Spyrosoft GB	36 327 466,41	19 708 108,58
Unravel	3 440 107,78	1 125 202,35
Spyrosoft Solutions HR	4 805 464,65	0,00
Spyrosoft Solutions DE	1 713 584,56	0,00
Consolidation adjustments	(51 108 988,09)	(24 804 985,43)
Group's total cost of sold products, services, goods and materials	115 697 370,65	70 310 374,42

	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
Cost of general management		
SpyroSoft PL	17 614 016,82	9 082 235,81
Spyrosoft Solutions PL	10 659 236,01	10 838 788,38
Spyrosoft Synergy PL	253 824,18	0,00
Spyrosoft GB	3 384 103,76	1 755 376,75
Unravel	846 781,12	168 476,70
Spyrosoft Solutions HR	0,00	0,00
Spyrosoft Solutions DE	235 820,49	0,00
Consolidation adjustments	(503 871,44)	(382 469,76)
Group's total cost of general management	32 489 910,94	21 462 407,88
	from 01/01/2021	from 01/01/2020

	to 31/12/2021	to 31/12/2020
Profit (loss) from operating activity		
SpyroSoft PL	14 164 278,82	11 043 686,92
Spyrosoft Solutions PL	7 656 873,18	7 300 724,11
Spyrosoft Synergy PL	(216 142,40)	0,00
Spyrosoft GB	1 908 327,94	1 300 838,34
Unravel	990 551,53	356 253,93
Spyrosoft Solutions HR	1 382 445,90	0,00
Spyrosoft Solutions DE	(748 734,49)	0,00
Consolidation adjustments	540 687,01	219 755,08
Group's total profit (loss) from operating activity	25 678 287,49	20 221 258,38

	as of 31/12/2021	as of 31/12/2020
Fixed assets		
SpyroSoft PL	6 696 035,89	5 349 055,77
Spyrosoft Solutions PL	2 299 757,03	1 036 255,29
Spyrosoft Synergy PL	234 218,91	0,00
Spyrosoft GB	191 296,53	96 023,27
Unravel	129 683,60	80 617,25
Spyrosoft Solutions HR	165 974,86	0,00
Spyrosoft Solutions DE	24 749,37	0,00
Consolidation adjustments	8 446 703,79	11 216 876,52
Group's total fixed assets	18 188 419,97	17 778 828,10

	as of 31/12/2021	as of 31/12/2020
Current assets		
SpyroSoft PL	35 988 455,67	21 231 666,17
Spyrosoft Solutions PL	23 122 283,56	14 633 608,51
Spyrosoft Synergy PL	545 652,89	0,00
Spyrosoft GB	14 667 920,07	7 975 853,23
Unravel	1 961 399,89	747 000,86
Spyrosoft Solutions HR	2 507 903,27	0,00
Spyrosoft Solutions DE	626 958,38	0,00
Consolidation adjustments	(14 928 036,83)	(5 473 666,54)
Group's total Current assets	64 492 536,90	39 114 462,23

as of 31/12/2021 as of 31/12/2020

Long-term liabilities (including provisions for liabilities)		
SpyroSoft PL	472 810,10	981 439,10
Spyrosoft Solutions PL	1 064 485,98	187 065,53
Spyrosoft Synergy PL	0,00	0,00
Spyrosoft GB	36 346,44	18 246,75
Unravel	7 685,17	7 685,17
Spyrosoft Solutions HR	275 940,42	0,00
Spyrosoft Solutions DE	0,00	0,00
Consolidation adjustments	4 440 585,70	7 726 419,52
Group's total long-term liabilities	6 297 853,81	8 920 856,07

	as of 31/12/2021	as of 31/12/2020
Short-term liabilities (including provisions for liabilities)		
SpyroSoft PL	17 017 474,51	12 216 939,73
Spyrosoft Solutions PL	7 935 626,74	5 362 422,07
Spyrosoft Synergy PL	898 825,39	0,00
Spyrosoft GB	10 665 901,42	5 617 369,62
Unravel	737 884,61	393 698,87
Spyrosoft Solutions HR	1 130 087,64	0,00
Spyrosoft Solutions DE	1 354 522,89	0,00
Consolidation adjustments	(10 828 227,21)	(2 011 881,73)
Group's total short-term liabilities	28 912 095,99	21 578 548,56

Additional information – Other explanatory notes

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

As of 31/12/2021, 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 1,709,851.77. 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 31/12/2021, the purchase and sale of tangible and intangible fixed assets was as follows:

- purchase of tangible fixed assets for the amount of: PLN 3,267,751.92
- acquisition of intangible fixed assets for the amount of: PLN 1,874,383.21
- value of tangible fixed assets sold for the amount of: PLN 187,611.60
- the value of the intangible assets sold for the amount of: PLN 0.00

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 148,804.13.

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	109 559,96
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.

In addition, the subsidiary Spyrosoft Synergy S.A. based in Szczecin was included in the consolidated financial statements in 2021. The financial data related to the merger is as follows:

The name of the acquiree	Spyrosoft Synergy S.A.	
Acquisition date	26.08.2021	
Percentage of acquired shares	60,5%	
Goodwill	0,00	
Fair value of payment in cash	70.000,00	
Fair value of payment in other form	0,00	
The amount of gain on a bargain purchase recognized in the revenue statement	0,00	
The amount of the minority shares of the acquiree recognized at the acquisition date	30.000,00	
Income of the acquiree	0,00	
Profit / loss of the acquiree	0,00	

Note 8. Transactions with affiliated entities

Transactions with affiliated entities as of 31/12/2021 and in the period from 1/01/2021 to 31/12/2021:

Affiliated entity	Receivables (including loans)	Liabilities (including loans)	Revenues (incl. interest)	Costs (incl. interest)
ENTITIES AFFILIATED IN CAPITAL				
Spyrosoft Solutions LLC	6 310 209,41	0,00	12 991 876,18	0,00
Finin Sp. z o.o.	3 660,48	11 439,00	5 921,88	485 261,20
GOD Nearshore SE	11 099,52	22 317,31	1 194 983,05	276 007,35
ENTITIES AFFILIATED PERSONALLY				
Konrad Weiske	5 754,06	29 028,00	0,00	337 295,22
Wojciech Bodnaruś	0,00	24 108,00	0,00	305 300,00
Sebastian Łękawa	0,00	9 348,00	0,00	154 820,30
Sławomir Podolski	0,00	34 194,00	0,00	335 000,00
Wioletta Bodnaruś	0,00	117 099,98	0,00	0,00
Dorota Łękawa	0,00	569 189,01	0,00	0,00
Organizacja Pracodawców Usług IT	0,00	0,00	0,00	4 998,00
Med Band Sp. z o.o.	619,92	0,00	504,00	0,00

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

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	7 675,34	1 829 972,09
Spyrosoft Solutions LLC	243 579,90	0,00	2 032 857,55	0,00
Spyrosoft Solutions Gmbh	38 704,06	0,00	509,89	0,00
GOD Nearshore SE	0,00	96 772,57	207 825,05	43 463,82
ENTITIES AFFILIATED PERSONALLY				
Konrad Weiske	5 999,24	236 297,20	0,00	316 054,10
Wojciech Bodnaruś	0,00	0,00	0,00	301 650,00
Sebastian Łękawa	0,00	12 300,00	0,00	90 123,00
Sławomir Podolski	0,00	36 900,00	0,00	376 572,53
Wioletta Bodnaruś	0,00	113 231,98	0,00	3 878,60
Dorota Łękawa	0,00	550 189,01	0,00	19 031,20
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	7 200,00

Note 9. Remuneration of the Management Board and Supervisory Board

Description	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
Management Board of the parent company	207 000,00	240 000,00
– Konrad Weiske	60 000,00	60 000,00
– Wojciech Bodnaruś	60 000,00	60 000,00
– Sławomir Podolski	60 000,00	60 000,00
– Sebastian Łękawa	27 000,00	60 000,00
Supervisory Board of the parent company	0,00	0,00
Total	207 000,00	240 000,00

Note 10. Impact of transition to International Financial Reporting Standards

Impact on equity	31/12/2021	31/12/2020
Equity acc. to the current accounting principles	48 310 715,81	27 389 050,23
- income from adjustments from previous years	(995 164,53)	(72 579,79)
- adjustment due to the creation of write-offs for receivables	0,00	(162 714,68)
- adjustment due to the recognition and valuation of lease contracts	(6 221,97)	(822 028,45)
- other	161 677,76	62 158,38
Equity acc. to IFRS	47 471 007,07	26 393 885,70



Impact on the consolidated statement of revenues	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
Gross profit acc. to the current accounting principles	17 056 388,93	21 045 580,29
- adjustment due to the creation of write-offs for receivables	0,00	(162 714,68)
- adjustment due to the recognition and valuation of lease contracts	(6 221,97)	(1 024 377,41)
- share-based payment adjustment	(30 000,00)	(150 000,00)
- other	(19 855,45)	(255 528,85)
Gross profit acc. to IFRS	17 000 311,51	19 452 959,36

