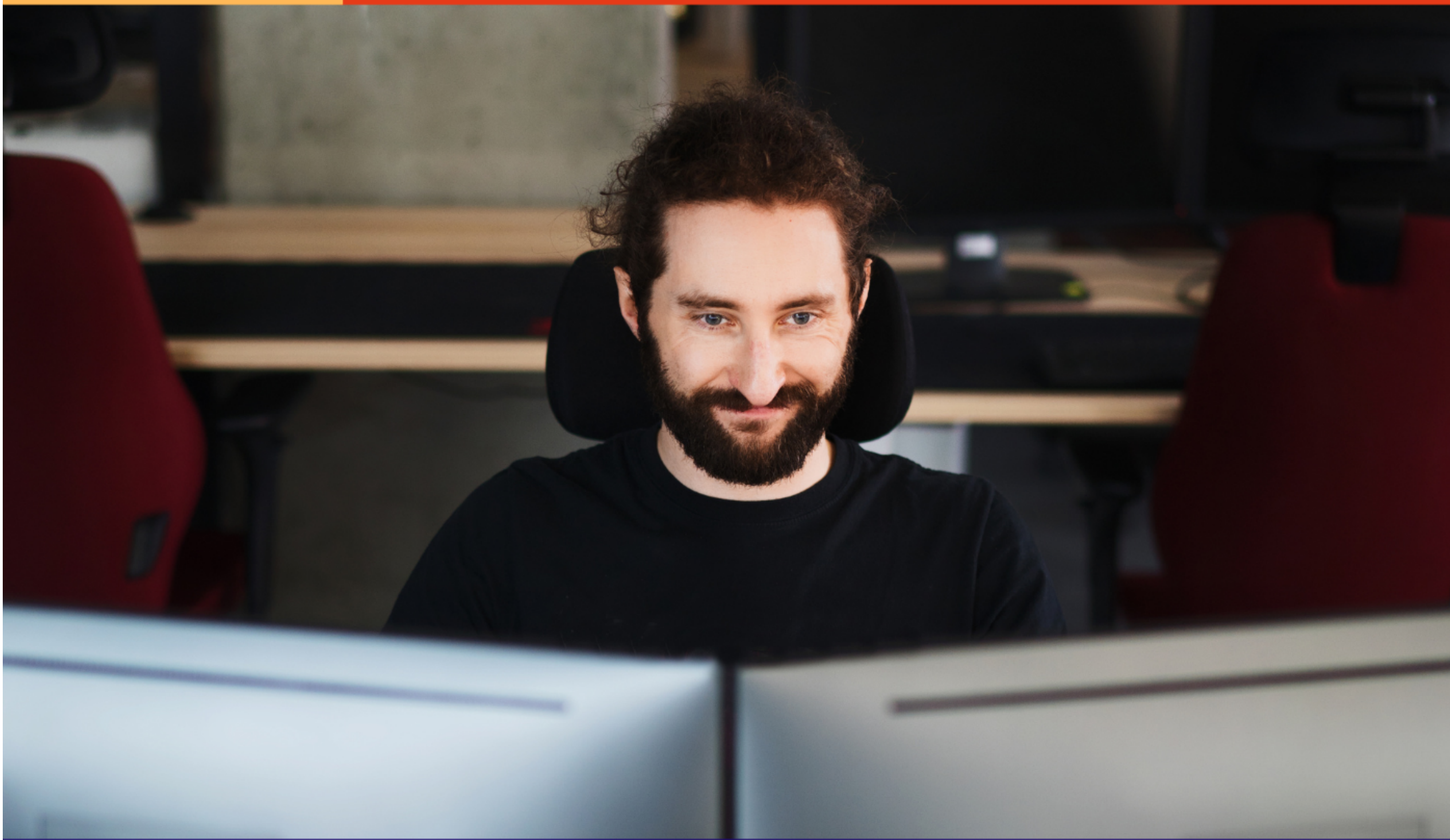

Spyrosoft SA Capital Group Consolidated periodic report 1st of January - 31st of December 2022

Wroclaw, 27th of April 2023

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Introduction

General information about the parent company

Address: pl. Nowy Targ 28, 50-141 Wrocław

Country of registration: Poland

Core business activity: software related activity

City of entity's residence: Wrocław

Explanation of changes in the name of the entity or other identification data: no changes

Legal form of the entity: joint-stock company

Name of the parent company: none

Name of the entity: SPYROSOFT S.A.

Name of the ultimate parent company: none

Primary place of business: Wrocław

Name:	SPYROSOFT
Legal form:	Joint-stock company
Address:	pl. Nowy Targ 28, 50-141 Wrocław
Core business activity:	software related activities
Statistical number (REGON):	364386397
Tax identification number (NIP) :	8943078149
Duration of activity:	Indefinite

Information on the Capital Group

As of 31.12.2022, 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	50,0%	direct
Spyrosoft LTD	UK	85,0%	direct
GOD Nearshore SE	Germany	33,0%	indirect
Unravel S.A.	Poland	67,5%	45% indirect and 22,5% indirect
Spyrosoft Solutions doo	Croatia	35,0%	indirect
Spyrosoft Solutions LLC	USA	50,0%	indirect
Spyrosoft Solutions GMBH	Germany	50,0%	indirect
Spyrosoft LLC	USA	100,0%	direct
Spyrosoft Solutions S.R.L.	Romania	47,5%	indirect
Spyrosoft Ecommerce S.A.	Poland	60,0%	direct

Better Software Group S.A.	Poland	60,0%	direct
Better Soft Services Sp. z o.o.	Poland	60,0%	indirect
Better Software Norge AS	Norway	60,0%	indirect
Spyrosoft Connect S.A.	Poland	80,0%	direct
Spyrosoft Synergy S.A.	Poland	52,5%	35% direct and 17.5% indirect
Spyrosoft India Private Ltd	India	75,0%	50% direct and 25% indirect
Finin Sp. z o.o.	Poland	100%	direct

As of 31.12.2022 the degree of the parent company's relationship with other group entities and the adopted method of including the entity in consolidation are as follows:

Entity	Status	Consolidation method
Spyrosoft Solutions S.A.	subsidiary	full consolidation
Spyrosoft LTD	subsidiary	full consolidation
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	unit has not yet begun operations
Spyrosoft Solutions S.R.L.	subsidiary	full consolidation
Spyrosoft Ecommerce S.A.	subsidiary	full consolidation
Better Software Group S.A.	subsidiary	full consolidation
Better Soft Services Sp. z o.o.	subsidiary	full consolidation
Better Software Norge AS	subsidiary	full consolidation
Spyrosoft Connect S.A.	subsidiary	unit has not yet begun operations
Spyrosoft Synergy S.A.	subsidiary	full consolidation
Spyrosoft India Private Ltd	subsidiary	unit has not yet begun operations
Finin Sp. z o.o.	subsidiary	excluded from consolidation due to irrelevance

Entity	Status	Consolidation method
GOD Nearshore SE	associate	consolidation by means of equity

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

This interim condensed financial information was approved for publication by the parent company's Management Board on 27.04.2023.

Statement of the board

The Management Board of the parent company declares that the financial statements have been prepared to the best of their knowledge, as at December 31, 2022, in accordance with the accounting principles applicable to the Capital Group. The consolidated financial statements reflect the property and financial situation as well as the financial result in a true, reliable and clear manner.

The Management Board of the parent company declares that, to the best of its knowledge, these consolidated financial statements have been prepared in accordance with the accounting principles that the Capital Group will apply in the preparation of the next published financial statements and that it reflects in a true, reliable and clear manner the property and financial situation as well as the financial result .

These consolidated financial statements for 2022 have been prepared in accordance with the International Financial Reporting Standards, which were approved by the European Union as at the date of their preparation and which will apply to the preparation of the next financial statements and in accordance with the requirements of Commission Delegated Regulation (EU) 2019/980 of on 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

Period covered by the consolidated financial statements

The consolidated financial statements cover the period from January 1 to December 31, 2022 and comparative data for the period from January 1 to December 31, 2021.

Continuity assumption

The consolidated interim condensed financial information has 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 has not identified any material uncertainties in this regard. The conducted analysis shows that none of the Group companies recorded in 2022 and in the period from 1 January 2023 to the date of approval of the consolidated financial statements for publication, negative effects of changes in the market and geopolitical situation.

Selected financial data

Data in thousand PLN

SELECTED FINANCIAL DATA	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Net revenue from sales of products, goods and materials	331 453	173 428
Profit (loss) from operating activity	45 103	23 062
EBITDA*	53 738	29 400
Gross profit (loss)	43 745	22 991
Net profit (loss)	26 734	14 679
Net inflows from operational activities	33 236	14 458
Net inflows from investment activities	(5 198)	(4 126)
Net inflows from financial activities	(10 406)	(6 224)
Net inflows – total	17 632	4 108

SELECTED FINANCIAL DATA	as at 31.12.2022	as at 31.12.2021
Assets / Liabilities – total	165 739	82 821
Fixed assets	50 433	19 122
Current assets	115 307	63 699
Equity	85 102	46 828
Liabilities and Provisions for liabilities	80 638	35 993
Long-term liabilities	21 159	6 369
Short-term liabilities	59 479	29 624
Number of shares	1 089 099	1 072 958
Net profit (loss) per one common stock (in PLN)	24,55	13,68
Book value per share (in PLN)	78,14	43,64

*EBITDA calculated as operating profit increased by depreciation.

The financial data presented above for the period of 12 months 2022 and 2021 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 at 31 December 2022 – 4.6899 PLN/EUR, as at 31 December 2021 – 4.5994 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 1 January to 31 December 2022 – 4.6883 PLN/EUR, from 1 January to 31 December 2021 – 4.5775 PLN/EUR.

Data in thousand EUR

SELECTED FINANCIAL DATA	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Net revenue from sales of products, goods and materials	70 698	37 887
Profit (loss) from operating activity	9 620	5 038
EBITDA*	11 462	6 423
Gross profit (loss)	9 331	5 023
Net profit (loss)	5 702	3 207
Net inflows from operational activities	7 089	3 158
Net inflows from investment activities	(1 109)	(901)
Net inflows from financial activities	(2 220)	(1 360)
Net inflows – total	3 761	897

SELECTED FINANCIAL DATA	as at 31.12.2022	as at 31.12.2021
Assets / Liabilities – total	35 340	18 007
Fixed assets	10 754	4 158
Current assets	24 586	13 849
Equity	18 146	10 181
Liabilities and Provisions for liabilities	17 194	7 826
Long-term liabilities	4 512	1 385
Short-term liabilities	12 682	6 441
Number of shares	1 089 099	1 072 958
Net profit (loss) per one common stock (in EUR)	5,23	2,97
Book value per share (in EUR)	16,66	9,49

Basic elements of the interim condensed financial information of the Capital Group

Consolidated statement of revenues

	Note	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Revenues from sales	1	331 453 342,01	173 428 367,55
Cost of sold products, services, goods and materials	2	221 832 481,47	113 123 013,29
Gross profit (loss) on sales		**109 620 860,54**	**60 305 354,26**
Costs of sales		0,00	0,00
Cost of general management	2	63 958 586,29	37 316 275,91
Other operating revenues	3	713 357,44	508 984,54
Other operating costs	3	1 272 735,49	435 585,07
Profit (loss) from operating activity		**45 102 896,20**	**23 062 477,82**
Financial revenues	4	317 581,28	299 887,33
Financial costs	4	2 442 754,05	1 037 936,45
Deductions from goodwill impairment		0,00	103 072,12
Share profit of associates		767 233,60	769 938,92
Gross profit (loss)		**43 744 957,03**	**22 991 295,50**
Income tax	5,6	6 402 936,67	4 797 868,03
Net profit (loss) from continued operations		**37 342 020,36**	**18 193 427,47**
Net profit (loss) from discontinued operations	7	0,00	0,00
Net profit (loss)		**37 342 020,36**	**18 193 427,47**
Net profit (loss) attributable to minority shareholders		10 608 171,81	3 514 617,93
Net profit (loss) of the parent company		26 733 848,55	14 678 809,54

			from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Net result			37 342 020,36	**18 193 427,47**
Other comprehensive income			**(104 870,37)**	**168 609,29**
Other comprehensive income to be recognized as profit or loss after taxation			**(104 870,37)**	168 609,29
Exchange rate differences resulting from valuation of foreign entities			(104 870,37)	168 609,29
Other comprehensive income not to be recognized as profit or loss after taxation			0,00	0,00
Total comprehensive income			**37 237 149,99**	18 362 036,76
Total comprehensive income attributable to minority shareholders			10 608 171,81	3 514 617,93
Total comprehensive income of the parent entity			26 628 978,18	14 847 418,83

Net profit per share

Net profit per share	**8**	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Basic		24,55	13,68
Net profit per share from continued operations		24,55	13,68
Net profit per share from discontinued operations		0,00	0,00
Diluted		24,55	13,68
Net profit per share from continued operations		24,55	13,68
Net profit per share from discontinued operations		0,00	0,00

Consolidated statement of financial situation

	Note	as at 31.12.2022	as at 31.12.2021
Fixed assets		**50 432 843,19**	**19 121 703,73**
Intangible assets	11	417 214,59	1 758 635,77
Material fixed assets	10	24 919 647,79	14 600 496,12
Goodwill	12	18 650 081,61	0,00
Stocks and shares in affiliated entities	14	920 486,53	1 588 142,49
Stocks and shares in subsidiary entities not subject to consolidation	13	158 846,07	109 042,14
Accruals	19	4 295 878,09	489 562,68
Deferred tax assets	6	0,00	0,00
Other fixed assets	15	1 070 688,51	575 824,53
Current assets		**115 306 534,34**	**63 698 836,57**
Current assets other than assets held for sale		115 306 534,34	63 698 836,57
Inventories	16	44 600,35	0,00
Trade receivables from related entities	17	8 154 455,52	5 946 846,28
Trade receivables from other entities		58 958 991,64	33 341 223,90
Receivables due to current income tax		544 342,00	0,00
Receivables due to taxes other than income tax	18	10 224 141,17	5 043 130,45
Other receivables	18	226 782,59	49 957,08
Short-term accruals and prepayments	19	2 355 201,65	2 346 266,09
Financial assets	20	619 427,11	424 397,08
Cash and cash equivalents	21	34 178 592,31	16 547 015,69
Other current assets		0,00	0,00
Fixed assets or assets held for sale		0,00	0,00
Total assets		**165 739 377,53**	**82 820 540,30**

	Note	as at 31.12.2022	as at 31.12.2021
Equity		**85 101 559,43**	**46 828 033,20**
Equity attributable to the parent entity's shareholders		**64 032 791,78**	38 103 354,32
Share capital	22	109 009,40	108 872,80
Capital from the surplus of issue value over nominal value of shares	23	107 573,40	107 573,40
Share-based capital	23	701 350,00	630 000,00
Exchange rate differences from valuation		156 083,65	260 954,02
Retained earnings	24	62 958 775,33	36 995 954,10
Equity attributable to minority shareholders	25	21 068 767,65	8 724 678,88

Liabilities		**80 637 818,10**	**35 992 507,10**
Long-term liabilities		**21 159 076,16**	**6 368 766,98**
Credits and loans	30	5 624 650,00	0,00
Financial liabilities due to leasing	31	9 124 779,83	6 164 648,59
Other financial liabilities	32	6 000 000,00	0,00
Other liabilities	33	0,00	9 567,83
Deferred tax reserves	6	409 646,33	194 550,56
Short-term liabilities		**59 478 741,94**	**29 623 740,12**
Short-term liabilities other than liabilities related to assets held for sale		**59 478 741,94**	29 623 740,12
Credits and loans	30	3 670 408,12	998 956,44
Financial liabilities due to leasing	31	6 582 451,66	4 401 618,42
Other financial liabilities	32	6 000 000,00	0,00
Trade liabilities	34	25 331 895,24	13 150 156,04
Income tax liabilities		2 690 493,33	3 087 302,02
Tax and other public law liabilities	35	6 923 158,18	4 449 770,73
Liabilities due to remuneration	35	3 872 662,00	1 851 500,43
Other liabilities	35	619 630,35	337 930,03
Provisions for employee benefits	28	1 200 074,40	879 657,53
Other provisions	29	2 125 756,10	28 056,34
Deferred income	37	462 212,56	438 792,14
Liabilities related to assets recognized as held for sale		**0,00**	0,00
Total liabilities		**165 739 377,53**	**82 820 540,30**

Consolidated statement of changes in equity

For the year 2022	Share capital	Capital from the surplus of issue value over nominal value	Share-based capital	Exchange rate differences from valuation	Retained earnings	Equity of the parent entity	Minority interest	Total equity
As at 01.01.2022	**108 872,80**	**107 573,40**	**630 000,00**	**260 954,02**	**36 995 954,10**	**38 103 354,32**	**8 724 678,88**	**46 828 033,20**
Issue of shares	136,60					136,60	20 211,03	20 347,63
Share-based payments			71 350,00			71 350,00		71 350,00
Putting the entity under control							944 678,61	944 678,61
Change in the proportion of shares					(771 027,32)	(771 027,32)	771 027,32	
Comprehensive income				**(104 870,37)**	**26 733 848,55**	**26 628 978,18**	**10 608 171,81**	**37 237 149,99**
Net result for the financial year					26 733 848,55	26 733 848,55	10 608 171,81	37 342 020,36
Other comprehensive income				(104 870,37)		(104 870,37)		(104 870,37)
Other changes								
Equity change	136,60	0,00	71 350,00	(104 870,37)	25 962 821,23	25 929 437,46	12 344 088,77	38 273 526,23
As at 31.12.2022	**109 009,40**	**107 573,40**	**701 350,00**	**156 083,65**	**62 958 775,33**	**64 032 791,78**	**21 068 767,65**	**85 101 559,43**

For the year 2021	Share capital	Capital from the surplus of issue value over nominal value	Share-based capital	Exchange rate differences from valuation	Retained earnings	Equity of the parent entity	Minority interest	Total equity
As at 01.01.2021	**106 756,60**	**107 573,40**	**600 000,00**	**92 344,73**	**20 233 872,04**	**21 140 546,77**	**5 253 338,93**	**26 393 885,70**
Issue of shares	2 116,20					2 116,20		2 116,20
Share-based payments			30 000,00			30 000,00		30 000,00
Putting the entity under control						-	132 855,23	132 855,23
Change in the proportion of shares					2 083 272,52	2 083 272,52	(176 133,21)	1 907 139,31
Comprehensive income				168 609,29	14 678 809,54	14 847 418,83	3 514 617,93	18 362 036,76
Net result for the financial year					14 678 809,54	14 678 809,54	3 514 617,93	18 193 427,47
Other comprehensive income				168 609,29		168 609,29		168 609,29
Other changes								
Equity change	**2 116,20**		**30 000,00**	**168 609,29**	**16 762 082,06**	**16 962 807,55**	**3 471 339,95**	**20 434 147,50**
As at 31.12.2021	**108 872,80**	**107 573,40**	**630 000,00**	**260 954,02**	**36 995 954,10**	**38 103 354,32**	**8 724 678,88**	**46 828 033,20**

Consolidated cash flow statement

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Operational activity		
Gross profit (loss)	**43 744 957,03**	**22 991 295,50**
Total adjustments	**(10 509 013,48)**	**(8 533 362,27)**
Share in profits of affiliate entities	(767 233,60)	(769 938,92)
Depreciation	8 634 537,85	6 337 877,91
Goodwill write–off	0,00	103 072,12
Gain from bargain purchases	0,00	(36 815,61)
Profit (loss) due to exchange rate differences	(148 197,96)	107 830,48
Interest	2 118 500,46	859 289,27
Profit (loss) on investment activities	(40 341,58)	(12 527,12)
Change in reserves	2 418 116,63	407 251,92
Change in inventories	(44 600,35)	46 305,19
Change in receivables	(33 408 475,38)	(18 026 492,80)
Change in liabilities	16 957 988,55	7 294 804,16
Change in other assets	(2 769 336,29)	(2 267 710,36)
Other adjustments to operating activities	3 135 127,38	1 698 385,48
Income tax flows	(6 595 099,19)	(4 274 693,99)
Net inflows from operational activities	**33 235 943,55**	**14 457 933,23**
INVESTMENT ACTIVITIES		
Sales of intangible assets and tangible fixed assets	331 102,24	198 004,78
Repayment of given loans	0,00	0,00
Purchases of intangible assets and tangible fixed assets	(6 840 592,79)	(5 202 633,17)
Loans granted	(732 590,24)	(371 860)
Expenditures on other financial assets	(8 049 803,93)	(600)
Other investment inflows	10 093 553,43	1 250 621,81
Net inflows from investment activities	**(5 198 331,29)**	**(4 126 466,58)**
FINANCIAL ACTIVITIES		
Net cash inflow from issue of shares (stocks) and other capital instruments and additional capital contribution	136,60	2 116,20
Inflow from credits and loans	10 936 273,67	176 007,15
Repayment of credits and loans	(12 435 105,46)	(580 270)
Payment of lease liabilities	(7 301 337,38)	(4 922 804,95)
Interest	(1 037 524,18)	(572 679,77)

Other financial inflows / expenses	(568 478,89)	(326 049,16)
Net inflows from financial activities	**(10 406 035,64)**	**(6 223 680,53)**
Net cash flows from financial activities	**17 631 576,62**	**4 107 786,12**
Results of changes in exchange rates on cash and cash equivalents	0,00	0,00
Balance sheet change in cash	17 631 576,62	4 107 786,12
Opening balance of cash	16 547 015,69	12 439 229,57
Closing balance of cash	34 178 592,31	16 547 015,69

Explanatory notes to consolidated interim condensed financial information

Compliance with International Financial Reporting Standards

The consolidated interim condensed financial information of the Group has been prepared in accordance with the International Financial Reporting Standards (hereinafter "IFRS"), approved by the European Union, effective for annual periods beginning on 1.01.2022.

Changes in standards or interpretations applicable and applied by the Group from 2021

When preparing the consolidated financial statements for 2022, the Group applies the same accounting principles as when preparing the annual financial statements for 2021, with the exception of amendments to standards and new standards and interpretations approved by the European Union, which apply to reporting periods beginning on January 1, 2022 year:

- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets, concerning the costs of performing onerous contracts. In May 2020, the IASB published amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the purpose of which is to specify which costs an entity takes into account when assessing whether a contract is burdensome or loss-making. The “directly related costs” approach was used when implementing the changes. Costs directly related to the contract for the provision of goods or services include both incremental costs (e.g. costs of direct labour), as well as the allocation of costs directly related to activities related to the contract (e.g. depreciation of equipment used to perform the contract, or costs of managing and supervising the contract). SG&A costs are excluded as they are not directly related to the contract. An exception is the situation when such costs are re-invoiced to the other party to the contract. 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 come into force for periods beginning on or after January 1, 2023.

When approving these consolidated financial statements, the Group did not apply the following standards, amendments to standards and interpretations that have not yet been approved for use in the EU:

- IFRS 17 Insurance Contracts - approved on November 19, 2021, applicable to reporting periods beginning on or after January 1, 2023,

- Amendments to IAS 1 and Practice Statement 2: Disclosure of Accounting Principles (Policy) (published on February 12, 2021) - approved on March 2, 2022, applicable to annual periods beginning on or after January 1, 2023,

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - approved on March 2, 2022, applicable to periods beginning on or after January 1, 2023,

- Amendments to IAS 12 Deferred Tax on Single Transaction Assets and Liabilities - approved on August 11, 2022, applicable to periods beginning on or after January 1, 2023,

- Amendments to IFRS 17 Insurance contracts for the first application of IFRS 17 and IFRS 9 - comparative information - approved on September 8, 2022, applicable to periods beginning on January 1, 2023 or later.

The Group did not decide to early adopt any standard, interpretation or amendment that was published but 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)

<u>Revenues and costs of operational activities</u>

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

Revenue is measured using either the results–based or the expenditure–based method, depending on the terms of the contract concluded, determining which one better reflects the provisions of the contract.

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 installments.

State subsidies

Subsidies are not recognized until there is reasonable assurance that the Group company will meet the necessary conditions and receive the subsidy. State subsidies, the essential condition of which is the purchase or production of fixed assets by the company, are recognized in the balance sheet under deferred income and systematically charged to the profit and loss account over the expected useful life of these assets. State subsidies related to current costs are recognized in other operating income in the same reporting period in which the costs were incurred.

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 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 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 options 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 (i.e. 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.

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 does not exceed 5%.

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 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 Solutions RO

The activities of the segment are carried out by Spyrosoft Solutions S.R.L. 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.

BSG

The activity of the segment is carried out by Better Software Group S.A. and its subsidiaries, dealing with consulting and development of software and comprehensive solutions for a wide range of video applications and services streaming. The services provided include developing custom projects and products, as well as carrying out integration processes with third party solutions, aimed mainly at media agencies, TV broadcasters, telecommunication companies, creators of audio and video materials, as well as other entities operating in the field of media and entertainment. Better Software Group, based on many years of experience, provides multi-level applications for companies operating globally. The company specializes in providing multi-platform solutions for a wide range of technologies and devices such as:

- web
- mobile
- Smart TV
- Connected TV
- Roku
- HbbTV
- set top boxes.

Spyrosoft eCommerce

The activity of the segment is carried out by SpyroSoft eCommerce S.A., dealing with the implementation of eCommerce B2C/B2B and PIM platforms. As part of its services, the segment offers comprehensive solutions for the implementation of Adobe Commerce platforms: Cloud, Magento and Shopware, as well as Akeneo and Ergonode PIMs. SpyroSoft eCommerce guides customers through the entire process: from the concept, strategy, design, functionality specification to implementation, maintenance and hosting. The subject of SpyroSoft eCommerce operations are all backend and frontend programming works (both PWA and native for a given platform). SpyroSoft eCommerce mainly works with clients from industries such as Retail, Wholesale, eCommerce, and Manufacturers.

Thanks to the knowledge of industry specifics, the client is provided not only with the solution itself, but also with consulting services regarding IT solutions and arranging eCommerce processes that are best suited to the business's needs and the industry in which it operates.

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

Financial information about individual segments

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Revenues from sales		
Spyrosoft PL	177 241 056,74	116 861 652,35
Spyrosoft Solutions	106 371 807,00	53 561 656,79
Spyrosoft Synergy	15 877 362,99	208 735,35
Spyrosoft GB	64 909 281,68	41 633 425,73
Unravel	10 055 095,30	5 298 700,14
Spyrosoft Solutions HR	13 278 376,74	6 187 910,55
Spyrosoft Solutions DE	4 567 680,53	1 199 943,70
Spyrosoft Solutions RO	10 295 181,86	-
Spyrosoft Ecommerce	254 681,31	-
BSG	44 131 693,28	-
Consolidation adjustments	(115 528 875,40)	(51 523 657,06)
Group's total revenues from sales	**331 453 342,01**	**173 428 367,55**

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Cost of sold products, services, goods and materials		
Spyrosoft PL	117 971 828,15	77 535 161,33
Spyrosoft Solutions	73 560 828,77	33 711 801,68
Spyrosoft Synergy	12 112 669,53	173 787,39
Spyrosoft GB	57 071 614,30	36 327 466,41
Unravel	6 418 580,09	3 134 191,07
Spyrosoft Solutions HR	11 944 084,90	4 792 853,15
Spyrosoft Solutions DE	4 175 276,70	1 713 584,56
Spyrosoft Solutions RO	7 214 184,17	-
Spyrosoft Ecommerce	638 895,55	-
BSG	30 532 909,57	-
Consolidation adjustments	(99 808 390,24)	(44 265 832,30)
Group's total cost of sold products, services, goods and materials	**221 832 481,48**	**113 123 013,29**

Cost of general management	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Spyrosoft PL	42 879 928,18	25 523 950,03
Spyrosoft Solutions	21 936 645,56	12 281 965,14
Spyrosoft Synergy	3 465 868,73	261 808,03
Spyrosoft GB	4 334 393,26	5 234 946,88
Unravel	1 818 772,20	1 178 157,44
Spyrosoft Solutions HR	0,00	0,00
Spyrosoft Solutions DE	298 651,76	252 837,12
Spyrosoft Solutions RO	1 320 844,80	-
Spyrosoft Ecommerce	887 014,73	-
BSG	3 771 720,82	-
Consolidation adjustments	(16 755 253,75)	(7 417 388,73)
Group's total cost of general management	**63 958 586,29**	**37 316 275,91**

Profit (loss) from operational activity	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Spyrosoft PL	16 301 646,40	14 117 027,84
Spyrosoft Solutions PL	10 460 712,99	7 285 088,88
Spyrosoft Synergy PL	295 696,17	(227 087,36)
Spyrosoft GB	3 523 349,71	75 609,49
Unravel	1 813 146,71	986 153,12
Spyrosoft Solutions HR	1 353 381,84	1 395 057,40
Spyrosoft Solutions DE	135 255,61	(765 751,12)
Spyrosoft Solutions RO	1 636 100,51	-
Spyrosoft ecommerce	(1 271 238,95)	-
BSG	9 816 938,64	-
Consolidation adjustments	1 037 906,57	196 379,57
Group's total profit (loss) from operational activity	**45 102 896,20**	**23 062 477,82**

Fixed assets	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Spyrosoft PL	32 088 499,98	6 844 748,95
Spyrosoft Solutions	5 138 259,08	2 037 513,17
Spyrosoft Synergy	1 074 180,66	292 016,94

Spyrosoft GB	1 240 558,90	191 296,54
Unravel	224 719,21	132 422,54
Spyrosoft Solutions HR	326 990,49	165 974,86
Spyrosoft Solutions DE	15 528,26	24 749,37
Spyrosoft Solutions RO	14 618,03	-
Spyrosoft Ecommerce	164 697,10	-
BSG	1 546 606,17	-
Consolidation adjustments	8 598 185,32	9 432 981,37
Group's total fixed assets	**50 432 843,19**	**19 121 703,74**

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Current assets		
Spyrosoft PL	50 776 504,56	36 068 303,34
Spyrosoft Solutions	41 432 255,27	22 861 165,39
Spyrosoft Synergy	5 457 101,87	517 450,52
Spyrosoft GB	21 036 459,84	14 687 966,28
Unravel	4 294 086,84	1 970 820,65
Spyrosoft Solutions HR	3 792 718,18	2 509 355,64
Spyrosoft Solutions DE	2 150 014,26	629 025,08
Spyrosoft Solutions RO	6 377 840,43	-
Spyrosoft Ecommerce	545 384,75	-
BSG	17 640 046,96	-
Consolidation adjustments	(38 195 878,62)	(15 545 250,33)
Group's total current assets	**115 306 534,34**	**63 698 836,57**

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Long-term liabilities (including provisions for liabilities)		
Spyrosoft PL	12 556 508,60	720 028,38
Spyrosoft Solutions	0,00	509 588,72
Spyrosoft Synergy	133 031,80	11 632,44
Spyrosoft GB	0,00	(282 676,28)
Unravel	0,00	12 538,72
Spyrosoft Solutions HR	0,00	0,00
Spyrosoft Solutions DE	0,00	0,00

Spyrosoft Solutions RO	0,00	-
Spyrosoft Ecommerce	0,00	-
BSG	217 212,68	-
Consolidation adjustments	8 252 323,08	5 397 655,00
Group's total long-term liabilities	**21 159 076,16**	**6 368 766,98**

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Short-term liabilities (including provisions for liabilities)		
Spyrosoft PL	29 677 938,92	17 009 475,89
Spyrosoft Solutions	18 826 148,35	8 364 909,20
Spyrosoft Synergy	6 312 682,62	908 061,98
Spyrosoft GB	14 850 127,22	10 640 237,70
Unravel	1 575 565,34	754 107,90
Spyrosoft Solutions HR	1 700 754,38	1 383 141,10
Spyrosoft Solutions DE	1 591 650,76	1 373 255,14
Spyrosoft Solutions RO	4 872 771,73	-
Spyrosoft Ecommerce	1 791 023,89	-
BSG	6 172 783,15	-
Consolidation adjustments	(27 892 704,42)	(10 809 448,79)
Group's total short-term liabilities	**59 478 741,94**	**29 623 740,12**

Additional information – Other explanatory notes

Note 1. Revenue from contracts with customers

Revenue from contracts with customers by geographical structure and by category is presented in the following years:

In the period from 01.01.2022 to 31.12.2022

	Domestic sales revenue	Revenue from sales to other EU countries	Revenue from other export sales	**Total**
Revenue from the sale of services, incl	119 848 371,36	115 856 106,09	95 664 304,12	**331 368 781,56**
programming services	113 293 035,15	115 803 592,98	95 660 899,89	324 757 528,02
office sublease	5 326 115,01	12 373,89	0,00	5 338 488,90
licensing and sale of copyrights	915 410,40	10 316,11	3 404,23	929 130,74
implementation of e-commerce solutions	165 958,66	0,00	0,00	165 972,00
other, including re-invoiced	147 852,14	29 823,10	0,00	177 675,24

Revenue from the sale of goods, incl	84 560,45	0,00	0,00	**84 560,45**
hardware	84 560,45	0,00	0,00	84 560,45
Total revenues from the sale of products, services, goods and materials:	119 932 931,81	115 856 106,09	95 664 304,12	**331 453 342,01**

In the period from 01.01.2021 to 31.12.2021

	Domestic sales revenue	Revenue from sales to other EU countries	Revenue from other export sales	Total
Revenue from the sale of services, incl	81 016 737,60	50 706 151,25	41 641 068,64	**173 363 957,49**
programming services	79 871 620,77	50 706 151,25	41 641 068,64	172 218 840,66
office sublease	1 131 475,49	0,00	0,00	1 131 475,49
other, including re-invoiced	13 641,34	0,00	0,00	13 641,34
Revenue from the sale of goods, incl	20 701,02	43 709,04	0,00	**64 410,06**
hardware	20 701,02	43 709,04	0,00	64 410,06
Total revenues from the sale of products, services, goods and materials:	81 037 438,62	50 749 860,29	41 641 068,64	**173 428 367,55**

Note 2. Operating costs

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Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
- depreciation	8 634 537,85	6 337 877,91
- consumption of materials and energy	1 336 664,31	509 320,95
- external services	198 650 371,79	111 256 382,88
- taxes and fees	684 617,92	319 127,43
- wages and salaries	57 208 081,90	23 337 173,33
- social security and other payments	11 053 668,36	6 168 267,28
- other costs by type	9 661 868,64	3 349 339,96
Total	**287 229 810,77**	**151 277 489,74**
change in products	(492 280,15)	(185 523,65)
cost of manufacture of products for the entity's own needs (negative value)	(1 021 571,54)	(716 644,21)
cost of sales (negative value)	0,00	0,00
general and administrative costs (negative value)	(63 958 586,29)	(37 316 275,91)
manufacturing cost of products sold	(221 757 372,79)	(113 059 045,97)

The value of the costs of external services consists mainly of the costs of services of external programmers, permanently cooperating with the capital group. In all presented periods, the costs of these services accounted for 70% of the total costs of external services. The increase in these costs is directly related to the increase in turnover, because these costs are incurred in direct connection with the generated revenue. The remaining cost of external services includes mainly the costs of monthly licenses and cloud services.

In subsequent years, the costs of salaries and salaries increase, similarly to the costs of external services described above, due to the increase in employment caused by the increase in the number of projects and the increase in the number of clients, and thus also the increase in revenues.

Other costs by type are costs of business trips and costs of meetings with customers, including catering services of a representational nature. These costs are characterized by an upward trend along with the increase in revenues, because to a large extent they are directly related to the generated revenues and the increase in the number of customers, and thus employees and associates.

The capital group divides the costs of running the core business into directly related to the generated revenues and general costs necessary to run the business. The latter include, among others, the depreciation costs of premises where the capital group operates, the area of which, and therefore the value of costs, increases with the increase in the number of employees and external programmers permanently cooperating with the capital group. General costs also include the costs of remuneration of persons performing administrative and supervisory functions in the capital group, whose number also increases along with the development of the group, and the costs of business trips and representative meetings.

Note 3. Other operating costs and revenues

Other operating revenues	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Income from disposal of non-financial fixed assets	40 341,58	12 527,12
Income from re-invoicing	278 373,77	65 067,83
Income from bargain acquisition of subsidiaries	0,00	56 671,05
Subsidies	131 821,71	274 343,64
Other	262 820,38	100 374,90
Total	**713 357,44**	**508 984,54**

Subsidies are not recognized until reasonable assurance is obtained that the Group company will meet the necessary conditions and will receive the subsidy. State subsidies, the essential condition of which is the acquisition or production of fixed assets by the company, are recognized in the balance sheet in the item of accrued income and included in the profit and loss account systematically over the expected period of economic use of these assets. State grants related to current costs are recognized in other operating income.

On December 7, 2020, the Company concluded an agreement with the National Center for Research and Development ("NCBiR"), based in Warsaw, for co-financing the Project: Development of a high-resolution simulation system for population mobility, based on geolocalized data and large, distributed data sets, for modeling and predicting the development of pandemics of infectious diseases, in particular SARS-CoV-2 under Sub-measure 1.1.1 of the Smart Growth Operational Program 2014-2020 co-financed by the European Regional Development Fund ("Co-financing Agreement").

Until the date of approval of these consolidated financial statements for publication, there were no events that would result in non-compliance with the conditions of the subsidy or emergence of contingent liabilities related to the presented government aid.

Other operating costs	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Loss from the disposal of non-financial fixed assets	0,00	0,00
Costs resulting from re-invoicing	338 081,76	65 067,83
Revaluation of non-financial assets	366 951,36	273 675,00
Asset write-off costs	93,30	0,00
Court fees costs	44 833,00	
Receivables write-off costs	124 681,33	28 071,52
Donations	300 457,07	
Other	97 637,67	68 770,72
Total	**1 272 735,49**	**435 585,07**

Income and costs from re-invoices are related to the fact that the capital group also purchases services on behalf of other entities, using, among others, the effect of scale when setting prices and simplified procurement procedures. As a result, costs incurred on behalf of other entities are disclosed in other operating expenses, and revenues constituting the transfer of these costs to these entities are presented in other operating revenues.

Note 4. Financial revenues and costs

Financial revenues	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Dividends	0,00	0,00
Interest	76 281,37	16 727,77
Gains due to exchange rate differences	241 299,91	283 159,56
Other	0,00	0,00
Total	**317 581,28**	**299 887,33**

Revenues from interest	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Interest	76 281,37	16 727,77
Total	**76 281,37**	**16 727,77**

Financial costs	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Interest	1 728 416,06	666 313,20
Loan and factoring provisions	615 787,51	0,00
Losses due to exchange rate differences	98 550,48	363 904,16
Other	0,00	7 719,09
Total	**2 442 754,05**	**1 037 936,45**

Costs from interest	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Interest	1 728 416,06	666 313,20
Total	**1 728 416,06**	**666 313,20**

Note 5. Current and deferred taxes

The reconciliation of the income tax charge with the income tax calculated on the gross profit before tax based on the applicable tax rate for the years ended 31 December 2022 and 31 December 2021 is as follows:

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Profit / loss gross	43 744 957,03	22 991 295,50
Income exempt from taxation	11 194 284,51	274 387,73
Non-taxable income in the current year	285 716,84	2 696 624,36
Costs that are not tax deductible (permanent differences)	1 267 690,11	45 578,19
Non-deductible costs (temporary differences)	13 566 723,21	4 250 903,58
Costs recognized as tax deductible costs, recognized in previous years	5 526 789,84	2 308 344,62
Loss from previous years	0,00	0,00
Other changes to the tax base	(4 462 445,66)	193 729,71
Income tax base	36 133 834,69	24 357 513,52
Income tax	**7 202 191,56**	**4 711 668,58**
Effective tax rate	16,46%	20,49%

Current tax and deferred tax presented in the statement of comprehensive income:

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Current income tax, incl.	5 986 920,56	4 711 668,58
- fiscal year tax	7 202 191,56	4 711 668,58
- corrections for previous years	(1 215 271,00)	0,00
Deferred income tax	340 325,73	86 199,45
Other	75 690,38	0,00
Total income tax	**6 402 936,67**	**4 797 868,03**

The current income tax disclosed in the statement of comprehensive income was determined based on the tax rates applied in the subsidiaries and in the parent company, taking into account the differences in the applicable tax regulations.

The deferred tax recognized in the statement of comprehensive income is the difference between the deferred tax provisions and assets at the end and beginning of the reporting periods.

Note 6. Assets and provisions for deferred income tax

Item	31.12.2022	31.12.2021
Assets for deferred income tax	1 422 803,94	927 668,51
Provisions for deferred income tax	1 832 450,27	1 122 219,07
Deferred tax assets presented in the financial statement	**0,00**	**0,00**
Provision for deferred tax presented in the financial statement	**409 646,33**	**194 550,56**

Deductible temporary differences serving as the basis for creating a deferred tax asset	31.12.2022	31.12.2021
Interest cost	126 087,48	131 567,39
Social security contribution costs	1 156 407,82	783 611,82
Costs related to civil law contracts	137 006,07	66 770,21
Valuation of financial liabilities	0,00	989 690,84
Provisions for unused holidays	2 618 548,46	847 341,00
Sales corrective invoices	552 737,06	0,00
Receivables value update	0,00	0,00
Other adjustments (including deductible tax losses)	586 867,76	449 475,43
Exchange differences from the balance sheet valuation	2 414 678,83	2 001 577,51
Deductible temporary differences – total	**7 592 333,48**	**5 270 034,20**
Deferred tax assets	**1 422 803,94**	**927 668,51**

Taxable temporary differences serving as the basis for creating a deferred tax provision	31.12.2022	31.12.2021
Accelerated tax depreciation	8 740 005,09	4 295 283,01
Interest income	246 054,18	28 527,72
Income from valuation of work in progress	1 016 861,04	1 723 725,22
Exchange differences from the balance sheet valuation	74 398,45	0,00
Purchase Correction Invoices	0,00	0,00
Other consolidation adjustments	0,00	0,00
Taxable temporary differences – total	**10 077 318,76**	**6 047 535,95**
Deferred tax provisions	**1 832 450,27**	**1 122 219,07**

Note 7. Discontinued activity

In the presented periods, there were no discontinued operations.

Note 8. Net profit per share

Basic earnings per share are calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares in the year.
Diluted earnings per share are calculated by dividing the profit for the year attributable to the company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued if all dilutive potential ordinary shares were converted into ordinary shares.
Data on earnings and shares used to calculate basic and diluted earnings per share are presented below:

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Weighted average number of shares in the period*	1 089 099	1 072 958
Net profit of the parent company in the period	26 733 848,55	14 678 809,54
Earnings per share	**24,55**	**13,68**

	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Weighted average number of shares in the period*	1 089 099	1 072 958
Net profit of the parent company in the period	26 733 848,55	14 678 809,54
Diluted earnings per share	**24,55**	**13,68**

Note 9. Dividends

No dividends were paid to shareholders in the periods covered by the consolidated financial statements.

Note 10. Tangible fixed assets

Changes in property, plant and equipment in the period from January 1, 2022 to December 31, 2022 are as follows:

Item	Land, including the right of perpetual usufruct	Buildings, premises and civil and water engineering facilities	Technical devices and machines	Means of transport	Other fixed assets	Total
GROSS VALUE						
As at 01.01.2022	0,00	19 056 511,35	6 065 339,00	0,00	2 472 542,60	27 594 392,95
Increases, including:	0,00	8 740 302,15	8 111 145,92	341 390,37	2 090 807,45	19 283 645,89
acquisitions	0,00	228 452,07	6 415 541,08	0,00	481 573,05	7 125 566,20
lease contracts	0,00	8 511 850,08	1 157 832,54	0,00	1 609 234,40	11 278 917,02
other	0,00	0,00	537 772,30	341 390,37	0,00	879 162,67
Decreases, including:	0,00	0,00	746 372,17	0,00	20 319,00	766 691,17
sales	0,00	0,00	746 372,17	0,00	20 319,00	766 691,17
As at 31.12.2022	0,00	27 796 813,50	13 430 112,75	341 390,37	4 543 031,05	46 111 347,67
CANCELLATIONS						
As at 01.01.2022	0,00	10 016 517,07	2 260 144,54	0,00	1 117 548,24	13 394 209,85
Increases, including:	0,00	4 613 943,78	2 631 520,36	165 005,34	915 820,50	8 326 289,98
depreciation	0,00	4 613 943,78	2 286 653,91	51 208,55	915 820,50	7 867 626,74

other	0,00	0,00	344 866,45	113 796,79	0,00	458 663,24
Decreases, including:	0,00	0,00	506 456,04	0,00	16 143,91	522 599,95
sales	0,00	0,00	506 456,04	0,00	16 143,91	522 599,95
As at 31.12.2022	0,00	14 630 460,85	4 385 208,86	165 005,34	2 017 224,83	21 197 899,88
REVALUATION WRITE-OFFS						
As at 01.01.2022	0,00	0,00	0,00	0,00	0,00	0,00
As at 31.12.2022	0,00	0,00	0,00	0,00	0,00	0,00
NET VALUE						
As at 01.01.2022	0,00	9 039 994,28	3 805 194,46	0,00	1 354 994,36	14 200 183,10
As at 31.12.2022	0,00	13 166 352,65	9 044 903,89	176 385,03	2 525 806,22	24 913 447,79

In addition, the balance of tangible fixed assets as at 31.12.2022 also includes advance payments for the purchase of these assets in the amount of PLN 6,200.

Changes in property, plant and equipment in the period from January 1, 2021 to December 31, 2021 are as follows:

Item	Land, including the right of perpetual usufruct	Buildings, premises and civil and water engineering facilities	Technical devices and machines	Means of transport	Other fixed assets	Total
GROSS VALUE						
As at 01.01.2021	0,00	16 551 167,84	3 132 799,87	0,00	2 287 093,71	21 971 061,42
Increases, including:	0,00	2 505 343,51	3 408 867,41	0,00	187 578,89	6 101 789,81
acquisitions	0,00	97 376,74	3 260 063,28	0,00	187 578,89	3 545 018,91
lease contracts	0,00	2 407 966,77	148 804,13	0,00	0,00	2 556 770,90
other	0,00	0,00	0,00	0,00	0,00	0,00
Decreases, including:	0,00	0,00	476 328,28	0,00	2 130,00	478 458,28
sales	0,00	0,00	476 328,28	0,00	2 130,00	478 458,28
As at 31.12.2021	0,00	19 056 511,35	6 065 339,00	0,00	2 472 542,60	27 594 392,95
CANCELLATIONS						
As at 01.01.2021	0,00	5 999 682,82	1 186 355,70	0,00	633 477,70	7 819 516,22
Increases, including:	0,00	4 016 834,25	1 361 850,31	0,00	485 526,06	5 864 210,62
depreciation	0,00	4 016 834,25	1 297 869,59	0,00	485 526,06	5 800 229,90
other	0,00	0,00	63 980,72	0,00	0,00	63 980,72
Decreases, including:	0,00	0,00	288 061,47	0,00	1 455,52	289 516,99
sales	0,00	0,00	288 061,47	0,00	1 455,52	289 516,99
As at 31.12.2021	0,00	10 016 517,07	2 260 144,54	0,00	1 117 548,24	13 394 209,85
REVALUATION WRITE-OFFS						
As at 01.01.2021	0,00	0,00	0,00	0,00	0,00	0,00
As at 31.12.2021	0,00	0,00	0,00	0,00	0,00	0,00
NET VALUE						
As at 01.01.2021	0,00	10 551 485,02	1 946 444,17	0,00	1 653 616,01	14 151 545,20
As at 31.12.2021	0,00	9 039 994,28	3 805 194,46	0,00	1 354 994,36	14 200 183,10

The ownership structure of property, plant and equipment in the individual periods presented was as follows:

Item	31.12.2022	31.12.2021
Own fixed assets	8 646 370,74	3 924 093,56

Item	31.12.2022	31.12.2021
Fixed assets used under rental, tenancy and other contracts, including lease contracts	16 267 077,05	10 276 089,54

Note 11. Intangible assets and expenditures on development works

Changes in intangible assets in the period from January 1, 2022 to December 31, 2022 are as follows:

Item	Costs of completed development works	Goodwill	Other intangible assets	Advances for intangible assets	Total
GROSS VALUE					
As at 01.01.2022	768 625,68	0,00	746 532,08	1 014 899,13	1 116 088,24
Increases, including:	1 049 862,00	0,00	116 301,06	0,00	1 166 163,06
- acquisitions	0,00	0,00	116 301,06	0,00	116 301,06
- lease contracts	0,00	0,00	0,00	0,00	0,00
- other	1 049 862,00	0,00	0,00	0,00	1 049 862,00
Decreases	0,00	0,00	2 581,29	1 014 899,13	1 017 480,42
As at 31.12.2022	1 818 487,68	0,00	860 251,85	0,00	2 678 739,53
CANCELLATIONS					
As at 01.01.2022	281 829,42	0,00	489 591,70	0,00	771 421,12
Increases, including:	1 197 369,59	0,00	295 310,52	0,00	1 492 680,11
- deprecation	471 600,59	0,00	295 310,52	0,00	766 911,11
- other	725 769,00	0,00	0,00	0,00	725 769,00
Decreases	0,00	0,00	2 581,29	0,00	2 581,29
As at 31.12.2022	1 479 199,01	0,00	782 320,93	0,00	2 261 519,94
REVALUATION WRITE-OFFS					
As at 01.01.2022	0,00	0,00	0,00	0,00	0,00
Increases	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	0,00	0,00	0,00
As at 31.12.2022	0,00	0,00	0,00	0,00	0,00
NET VALUE					
As at 01.01.2022	486 796,26	0,00	256 940,38	1 014 899,13	1 758 635,77
As at 31.12.2022	339 288,67	0,00	77 930,92	0,00	417 219,59

Changes in intangible assets in the period from January 1, 2021 to December 31, 2021 are as follows:

Item	Costs of completed development works	Goodwill	Other intangible assets	Advances for intangible assets	Total
GROSS VALUE					
As at 01.01.2021	0,00	0,00	347 462,56	768 625,68	1 116 088,24
Increases, including:	768 625,68	0,00	400 157,32	1 014 899,13	2 183 682,13
- acquisitions	0,00	0,00	392 026,88	1 014 899,13	1 406 926,01
- lease contracts	0,00	0,00	0,00	0,00	0,00
- other	768 625,68	0,00	8 130,44	0,00	776 756,12

Decreases	0,00	0,00	1 087,80	768 625,68	769 713,48
As at 31.12.2021	768 625,68	0,00	746 532,08	1 014 899,13	2 530 056,89
CANCELLATIONS					
As at 01.01.2021	0,00	0,00	234 519,99	0,00	234 519,99
Increases, including:	281 829,42	0,00	255 818,59	0,00	537 648,01
- deprecation	281 829,42	0,00	255 818,59	0,00	537 648,01
Decreases	0,00	0,00	746,88	0,00	746,88
As at 31.12.2021	281 829,42	0,00	489 591,70	0,00	771 421,12
REVALUATION WRITE-OFFS					
As at 01.01.2021	0,00	0,00	0,00	0,00	0,00
Increases	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	0,00	0,00	0,00
As at 31.12.2021	0,00	0,00	0,00	0,00	0,00
NET VALUE					
As at 01.01.2021	0,00	0,00	112 942,57	768 625,68	881 568,25
As at 31.12.2021	486 796,26	0,00	256 940,38	1 014 899,13	1 758 635,77

In all presented financial years, other intangible assets include one-off licenses with an expected useful life of more than one year.

The ownership structure of intangible assets in the particular periods presented was as follows:

Item	31.12.2022	31.12.2021
Own intangible assets	394 717,16	1 712 370,77

Item	31.12.2022	31.12.2021
Intangible assets used on the basis of rental, tenancy and other contracts, including lease contracts	22 502,43	46 265,00

Note 12. Goodwill and mergers

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Goodwill at the beginning of the period	0,00	0,00
Creation of goodwill as a result of the merger	18 589 640,15	0,00
Goodwill write-down	0,00	0,00
Goodwill at the end of the period	**18 589 640,15**	**0,00**

On April 13, 2022, Spyrosoft S.A. acquired shares in Better Software Group S.A., which in turn is held by Better Software Services S.A. and Better Software Norway AS. The financial data related to the merger are as follows:

The name of the acquiree	Better Software Group S.A. Capital Group
Acquisition date	13.04.2022
Percentage of acquired shares	60%
Goodwill	18.589.640,15
Fair value of payment in cash	20.000.000,00
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	940.239,90
Income of the acquiree	28.743.521,88
Profit / loss of the acquiree	6.701.014,14

In 2022 the consolidated financial statements included one subsidiary: Spyrosoft Ecommerce S.A. based in Wroclaw, Poland. The financial data related to the merger is as follows:

The name of the acquiree	Spyrosoft Ecommerce S.A.
Acquisition date	08.03.2022
Percentage of acquired shares	60%
Goodwill	0,00
Fair value of payment in cash	60.000,00
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	40.000,00
Income of the acquiree	49.633,67
Profit / loss of the acquiree	- 761.989,59

In Q2 2022 the consolidated financial statement also includes a subsidiary: Spyrosoft Solutions S.R.L. based in Romania, registered on 17.03.2022. The financial data related to the merger is as follows:

The name of the acquiree	Spyrosoft Solutions S.R.L.
Acquisition date	17.03.2022
Percentage of acquired shares	47,50%
Goodwill	0,00
Fair value of payment in cash	88.141,00
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	4.733,00
Income of the acquiree	4.012.263,03
Profit / loss of the acquiree	456.599,57

Note 13. Shares and stocks in subordinated entities not subject to consolidation

Item	31.12.2022	31.12.2021
Stocks and shares in affiliated entities	158 846,07	109 042,14
Total	**158 846,07**	**109 042,14**

Affiliated entities not subject to consolidation presented in this item are:

- Spyrosoft Solutions LLC based in the USA (in the capital group since 2019)

- Finin Sp. z o. o. based in Poland (in the capital group since 2020)

- Spyrosoft India Private Ltd based in India (in the capital group from 2022)

These entities were not consolidated using the full method, due to their insignificance for the correctness and transparency of the consolidated financial statements, in accordance with the provisions of the International Accounting Standard No. 1.

Changes in investments in non-consolidated subsidiaries in the periods covered by the consolidated financial statements were as follows:

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at beginning of period	**109 042,14**	**233 676,60**
Increases, including:	49 803,93	0,00
- acquisitions	49 803,93	0,00
- other increases	0,00	0,00
Decreases, including:	0,00	124 634,46
- consolidation	0,00	124 634,46
- other decreases	0,00	0,00
As at end of period	**158 846,07**	**109 042,14**

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Note 14. Shares and interests in associates accounted for using the equity method

Changes in investments in associates in the periods presented were as follows:

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at beginning of period	**1 588 142,49**	**1 375 422,81**
Increases, including:	767 233,59	872 022,13
- acquisitions of shares or stocks	0,00	102 083,21
- valuation under the equity method	767 233,59	769 938,92
Decreases, including:	1 434 889,54	659 302,45
- dividends paid	1 434 889,54	659 302,45
- valuation under the equity method	0,00	0,00
As at end of period	**920 486,54**	**1 588 142,49**

Note 15. Other fixed assets

Item	31.12.2022	31.12.2021
Deposits paid to affiliated entities	0,00	0,00

Deposits paid to other entities	325 721,74	575 824,53
Total	**325 721,74**	**575 824,53**

Note 16. Inventories

Item	31.12.2022	31.12.2021
Computer hardware for resale	44 600,35	0,00
Prepayments	0,00	0,00
Total	**44 600,35**	**0,00**

In the Spyrosoft S.A. Capital Group there are only goods in the form of computer hardware purchased for resale.

Note 17. Trade receivables

Item	31.12.2022	31.12.2021
Gross value of receivables	69 167 718,51	40 948 747,99
Write-downs on receivables	2 054 271,35	1 660 677,81
Trade receivables	**67 113 447,16**	**39 288 070,18**
- from affiliated entities	8 154 455,52	5 946 846,28
- from other entities	58 958 991,64	33 341 223,90

Changes in write-downs on receivables were as follows:

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at the beginning of period	**1 660 677,81**	**930 175,62**
Increases, including:	393 593,54	783 017,67
- as a result of an impairment loss	366 951,36	273 675,00
- due to exposure to credit risk	26 642,18	370 792,28
- due to other factors	0,00	138 550,39
Decreases, including:	0,00	52 515,48
- used	0,00	52 515,48
- dissolved	0,00	0,00
As at the end of period	**2 054 271,35**	**1 660 677,81**

Exposure to credit risk in the presented periods, depending on the period of overdue as at the balance sheet date, was as follows:

Overdue	Timely	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year

Exposure indicator	0,47%	0,76%	5,63%	35,50%	70,20%	80,49%

The currency structure of trade receivables in gross amounts, i.e. before deducting impairment losses, converted into PLN in the presented periods is as follows:

Item	31.12.2022	31.12.2021
PLN	16 383 005,12	4 382 888,81
EUR	31 191 880,40	13 771 686,43
USD	2 567 128,18	6 481 324,35
GBP	18 647 144,65	15 608 406,67
RON	0,00	0,00
HRK	378 560,15	704 441,72
CAD	157 528,00	0,00
NOK	2 707 639,55	0,00
Total	**69 167 718,51**	**40 948 747,99**

The age structure of trade receivables as at December 31, 2022 is presented in the table below:

Overdue	timely	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year
Gross receivables	51 875 847,64	14 355 772,34	966 609,94	333 258,41	480 258,78	1 155 971,40
Revaluation write-downs	208 202,64	109 313,59	54 449,22	118 304,88	414 982,64	1 149 018,37
Trade receivables	**51 667 645,00**	**14 246 458,75**	**912 160,72**	**214 953,53**	**65 276,14**	**6 953,03**

The age structure of trade receivables as at December 31, 2021 is presented in the table below:

Overdue	timely	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year
Gross receivables	27 492 874,97	8 916 586,76	2 989 184,73	809 158,14	0,00	740 943,39
Revaluation write-downs	136 472,54	209 419,36	174 111,00	399 731,52	0,00	740 943,39
Trade receivables	**27 356 402,43**	**8 707 167,40**	**2 815 073,73**	**409 426,62**	**0,00**	**0,00**

Note 18. Other receivables

Other receivables presented in the statement of financial position include the following items in individual years.

Item	31.12.2022	31.12.2021
VAT receivables	10 099 380,26	5 043 130,45
Subsidy receivables	124 205,19	0,00
Settlements with employees	411,73	2 414,71

Deposits paid	138 562,09	0,00
Other	88 364,49	47 542,37
Total	**10 450 923,76**	**5 093 087,53**

There were no impairment losses on other receivables in any of the presented periods.

Note 19. Active accruals

Long-term	31.12.2022	31.12.2021
property and personal insurance	252,00	0,00
servers, electronic licenses	2 388,51	2 943,89
development costs in progress	4 292 101,77	486 395,66
other	1 135,81	223,13
Total	**4 295 878,09**	**489 562,68**

Krótkoterminowe	31.12.2022	31.12.2021
ubezpieczenia majątkowe i osobowe	147 592,42	40 552,11
serwery, licencje elektroniczne	782 070,03	304 955,76
składki członkowskie	0,00	0,00
usługi pozostałe	136 313,70	493,82
przedpłaty i przyszłe należności	1 208 459,96	1 907 747,00
koszty na przełomie roku	80 765,54	92 517,40
Total	**2 355 201,65**	**2 346 266,09**

Note 20. Other financial assets

Item	31.12.2022	31.12.2021
Loans granted to affiliated entities including:	487 196,94	424 397,08
- Spyrosoft Solutions d.o.o.	0,00	0,00
- Spyrosoft Solutions LLC	487 196,94	424 397,08
- Spyrosoft Solutions GMBH	0,00	0,00
Loans granted to other entities	0,00	
Other assets from the valuation of currency transactions	132 230,17	0,00
Total	**619 427,11**	**424 397,08**

Credit risk related to financial instruments in the form of loans granted above has not increased significantly since initial recognition. When determining the level of credit risk, the following factors were taken into account:

- full knowledge of the financial situation of these entities and the significant impact of the Capital Group on their financial policy, financial plans and their implementation,

- the fact that there are no overdue assets, and the decisions to extend the repayment date were made due to the investment plans agreed with these entities and were not related to any loss of liquidity in these entities

In none of the presented periods, write-downs of loans granted were created.

Note 21. Cash and cash equivalents

The structure of cash in the presented periods was as follows:

Item	31.12.2022	31.12.2021
Cash in hand	17 054,26	4 459,83
On bank accounts (PLN)	8 940 783,54	2 295 355,99
- including on the VAT account	422 789,28	80 799,78
On foreign currency accounts	25 220 754,51	14 247 199,87
Cash in transit	0,00	0
Total	**34 178 592,31**	**16 547 015,69**

Restricted cash in the presented periods includes only the funds accumulated on the VAT account, which have been separated above.

A significant increase in total cash in the presented years results from the consolidation of the Better Software Group S.A. capital group, whose cash balance at the end of the financial year amounted to PLN 6.5 million, and is the result of the capital group generating financial surpluses indirectly related to positive financial results in individual years, accumulated in the supplementary capital. The increase in cash in foreign currencies is also related, in addition to the above factors, to the generated financial surpluses in the UK-based subsidiary, whose cash is denominated in GBP.

Note 22. Share capital

Structure of share capital as at December 31, 2022:

Series	Number of shares	Nominal value	Series total value
A1	850 000	0,10 zł	85 000,00 zł
A2	150 000	0,10 zł	15 000,00 zł
B	18 900	0,10 zł	1 890,00 zł
C	10 866	0,10 zł	1 086,60 zł
D	18 900	0,10 zł	1 890,00 zł
E	18 900	0,10 zł	1 890,00 zł
F	21 162	0,10 zł	2 116,20 zł
H	1 366	0,10 zł	136,60 zł
Total	**1 090 094**	-	**109 009,40 zł**

Note 23. Other capitals

Item	31.12.2022	31.12.2021
Reserve capital from the sale of shares above the nominal value	107 573,40	107 573,40
Supplementary capital created from the distribution of the result from previous years	40 824 526,15	22 460 468,32
Reserve capital	701 350,00	630 000,00
Equity from the concentration of shares in subsidiaries	1 629 932,43	2 400 959,75
Total	**43 263 381,98**	**25 599 001,47**

Note 24. Retained earnings

Item	31.12.2022	31.12.2021
Profit / Loss from previous years of the parent company	-6 229 531,80	-2 544 283,51
Unconsolidated results transferred to supplementary capital	40 824 526,15	22 460 468,32
Capital from changes in shares in subsidiaries	1 629 932,43	2 400 959,75
Net profit (loss) of the parent company	26 733 848,55	14 678 809,54
Total	**62 958 775,33**	**36 995 954,10**

Note 25. Capital attributable to non-controlling shareholders

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at the beginning of period	**8 724 678,88**	**5 253 338,93**
Increases, including:	12 344 088,77	3 647 473,16
- bringing the unit under control	899 945,60	132 855,23
- financial results for the current year	10 608 171,81	3 514 617,93
- due to the dilution of the share of the parent company	771 027,32	0,00
- other increases	64 944,05	0,00
Decreases, including:	0,00	176 133,21
- financial results for the current year	0,00	0,00
- due to the concentration of the share of the parent company	0,00	176 133,21
- other reductions	0,00	0,00
As at the end of period	**21 068 767,65**	**8 724 678,88**

Note 26. Capital management

The Group's capital management aims to protect the ability to continue as a going concern to continue generating shareholder returns and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the parent company may change the dividend payment to shareholders, return capital to shareholders or issue new shares.

Note 27. Share-based payments

Resolution of the Ordinary General Meeting of the company under the name Spyrosoft Spółka Akcyjna with its registered office in Wrocław of June 23, 2022 on the establishment of an incentive program in the Company, conditional increase of the Company's share capital with the exclusion of the pre-emptive right of the existing shareholders in full, in connection with the issue of ordinary bearer shares series G, the issue of series A registered subscription warrants, excluding the pre-emptive rights of the existing shareholders in full, an Incentive Scheme was established in the Company based on financial and non-financial criteria achieved in individual financial years, starting from the financial year ending on December 31, 2022 until the financial year ending on December 31, 2025. For the purposes of the Incentive Scheme, the Company will issue no more than 33,700 subscription warrants with the right to subscribe for no more than 33,700 series G ordinary bearer shares. Key employees and collaborators of the Company included in the list of persons participating by resolution of the Supervisory Board will be entitled to subscribe for Series A Warrants. The aim of the program is to create mechanisms motivating employees and associates of the Company to implement the Company's strategy, acting in the interest of the Company and its shareholders, and mechanisms that will ensure their stronger bond with the Company, which will result in a stable increase in the Company's value. In connection with the adoption of the programme, the Company made a conditional increase in capital by PLN 3,370.

At Spyrosoft S.A. there is also one option agreement constituting an element of the incentive plan, to which a partner cooperating with the Company is a party, under which the partner is entitled to purchase Spyrosoft S.A. shares in the years 2022-2024 in a total number not exceeding 0.5% of the share capital of Spyrosoft S.A.

The Group recognizes services received as part of a share-based payment transaction when it receives these services, i.e. in each year of the incentive scheme. At the same time, the corresponding increase in equity is recognized as reserve capital.

In the presented periods, the change in equity on this account was as follows:

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at the beginning of period	**630 000,00**	**600 000,00**
Recognition of share-based payments for the financial year	71 350,00	30 000,00
As at the end of period	**701 350,00**	**630 000,00**

Note 28. Provisions for employee benefits

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at the beginning of period	**879 657,53**	**500 461,95**
Creation of provisions	1 200 074,40	879 657,53
Use of provisions	879 657,53	500 461,95
As at the end of period	**1 200 074,40**	**879 657,53**
- of which: short-term provisions	1 200 074,40	879 657,53
- of which: long-term provisions	0,00	0,00

The item of provisions for employee benefits consists only of provisions for unused holidays, which employees are entitled to as at the balance sheet date. Due to the age structure of employees, no provisions are created for retirement severance pay. There are also no jubilee awards or other titles requiring the creation of such provisions.

Note 29. Other provisions

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
As at the beginning of period	**0,00**	**0,00**
Creation of provisions	2 125 756,10	0,00
Use of provisions	0,00	0,00
As at the end of period	**2 125 756,10**	**0,00**
- of which: short-term provisions	2 125 756,10	0,00
- of which: long-term provisions	0,00	0,00

In the current financial year, the capital group created provisions for costs related to the acquisition of the Better Software Group S.A. capital group, in the part relating to activities performed in 2022, and settled in full in the first quarter of the following year. In addition, a provision was also created for the costs of additional remuneration of the managerial staff in the capital group, related to the financial results achieved for the current financial year, settled and paid in the next financial year. This item also includes provisions for corrective invoices regarding revenues generated in the current year and which will be issued in the next year, related to the so-called "cash back", i.e. a bonus for timely payments, and provisions for costs related to the year-end summary, which are usually takes place at the end of the calendar year, but this year it was, exceptionally, moved to the beginning of 2023.

Note 30. Credits and loans

Item	31.12.2022	31.12.2021
Overdraft	1 098 778,39	0,00
Investment loan	8 124 850,00	0,00
Loans received	71 429,73	998 956,44
Total	**9 295 058,12**	**998 956,44**
- of which: long-term	5 624 650,00	0,00
- of which: short-term	3 670 408,12	998 956,44

The maturity analysis of liabilities under loans and advances received is presented in the table below:

Until the due date	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year
Liabilities as at 31.12.2022	1 378 558,12	416 700,00	625 050,00	1 250 100,00	5 624 650,00
Liabilities as at 31.12.2021	132 233,50	0,00	686 288,99	180 433,95	0,00

In the financial year covered by the report and after its completion, until the preparation of the financial statements, the following loan agreements were signed or were in force in the Capital Group:

Bank	Borrower	Subject of the agreement	Date of the contract	Sum (PLN thousand)	Maturity date	Interest
ING BŚ S.A.	Spyrosoft S.A.	Working capital loan agreement	6.04.2022	10 000	31.03.2024	WIBOR 1M + margin

ING BŚ S.A.	Spyrosoft S.A. Spyrosoft Synergy SA Unravel SA	Multi-product agreement - guarantee limit and overdraft (annex)	20.12.2022	6 800	19.12.2023	WIBOR 1M + margin
ING BŚ S.A.	Spyrosoft S.A.	Multi-product agreement - credit in the bank account	20.12.2022	6 000	19.12.2023	WIBOR 1M + margin
ING BŚ S.A.	Spyrosoft Solutions S.A.	Multi-product agreement - credit in the bank account	20.12.2022	1 500	19.12.2023	WIBOR 1M + margin

Note 31. Lease agreements

Lease agreements as at 31.12.2022:

Subject of the lease agreement	Financing	Contract number	The initial value of the liability	Deadline	The value of the liability at the end of the period
Maintenance Canoe Pro	Grenkeleasing	142003694	72 007,78	01.12.2023	24 722,98
Set of computers	DELL BANK INTERNATIONAL	0146045-002	104 300,00	01.01.2023	9 169,01
Office furniture	ING Leasing	907660-ST-0	57 162,50	26.12.2023	16 680,45
Set of computers	ING Leasing	914361-ST-0	73 665,73	31.03.2024	26 420,21
Set of computers	ING Leasing	925611-ST-0	75 138,40	31.10.2024	40 555,30
Hardware	ING Leasing	932790-ST-0	145 137,00	25.02.2026	130 736,80
Hardware	ING Leasing	934278-ST-0	113 726,00	29.04.2025	75 217,18
Conference set	ING Leasing	933110-ST-0	237 669,78	29.03.2025	153 802,04
Office furniture	ING Leasing	923835-ST-0	1 123 730,34	30.04.2025	534 146,14
Office furniture	ING Leasing	938733-ST-0	130 140,00	24.09.2025	79 891,59
Hardware	ING Leasing	941391-ST-0	178 850,00	03.11.2025	117 647,87
Office furniture	ING Leasing	942833-ST-0	115 266,00	25.12.2025	78 377,31
Hardware	Santander Leasing	CR1/05950/2022	254 000,00	12.11.2025	214 249,93
Hardware	Santander Leasing	CR1/00076/2022	33 951,14	29.01.2025	20 521,70
Hardware	Santander Leasing	CR1/00084/2022	18 915,00	29.01.2025	11 433,13
Hardware	Santander Leasing	CR1/00085/2022	13 196,01	29.01.2025	7 976,29
Hardware	Santander Leasing	CR1/00549/2022	8 408,00	26.02.2025	5 138,68

Office furniture	ING Leasing	931030-ST-0	83 052,00	29.04.2025	54 024,69
Office furniture	ING Leasing	934639-ST-0	58 448,25	29.05.2025	30 950,77
Office furniture	ING Leasing	937958-ST-0	65 070,00	29.09.2025	41 434,74
Office furniture	ING Leasing	940724-ST-0	63 990,00	26.10.2025	40 737,28
Car	Volkswagen Financial Services	9733852-1420-13442	306 178,86	16.07.2024	234 961,82
Hardware	mLeasing	5050742021/WR/541685	90 053,13	16.03.2024	10 629,81
Hardware	mLeasing	5571832022/WR/580740	120 601,94	16.04.2024	85 778,13
Hardware	mLeasing	5257592021/WR/560161	107 847,82	25.11.2023	54 458,14
Hardware	mLeasing	4909422021/WR/535287	94 118,73	15.06.2023	23 529,91
Total	**-**	**-**	**3 511 154,13**	**-**	**2 123 191,88**

Similar contracts as at 31.12.2022:

Subject of the lease agreement	Financing	The initial value of the liability	Deadline	The value of the liability at the end of the period
Office space in Wrocław	Nowy Targ	13 732 738,14	31.07.2024	5 087 470,14
Office space in Kraków	High Five	6 861 577,91	14.03.2027	5 938 226,58
Office space in Osijek	Osijek	258 062,24	30.06.2027	236 242,60
Office space in Szczecin	Technopark	1 111 268,10	04.11.2026	595 407,70
Office space in Zagreb	Zagreb	736 576,06	31.12.2023	404 590,90
Office space in Warsaw	Spark C	1 391 537,23	31.07.2024	1 322 101,69
Total	**-**	**24 091 759,68**	**-**	**13 584 039,61**

Lease agreements as at 31.12.2021:

Subject of the lease agreement	Financing		The initial value of the liability	Deadline	The value of the liability at the end of the period
Maintenance Canoe Pro	Grenkeleasing	142003694	72 007,78	01.12.2023	48 530,52
IT equipment	ING Lease (Polska)	877313-ST-0	181 035,04	15.04.2022	20 137,40
IT equipment	ING Lease (Polska)	883451-ST-0	168 301,00	16.08.2021	0,00
Office furniture	ING Lease (Polska)	881067-ST-0	1 625 445,81	16.08.2022	334 134,87
Office furniture	ING Lease (Polska)	882051-ST-0	191 768,38	16.08.2022	40 258,86
Office furniture	ING Lease (Polska)	883483-ST-0	265 767,78	16.09.2022	62 615,70
Set of computers	DELL BANK INTERNATIONAL	0146045-001	115 200,00	01.08.2022	28 377,10
Set of computers	DELL BANK INTERNATIONAL	0146045-002	104 300,00	01.01.2023	42 201,38
Set of computers	ING Lease (Polska)	914361-ST-0	73 665,73	31.03.2024	49 236,94
Set of computers	ING Lease (Polska)	925611-ST-0	75 138,40	31.10.2024	63 710,35
Office furniture	ING Lease (Polska)	907660-ST-0	57 162,50	26.12.2023	33 811,10
Total	**-**	**-**	**2 780 988,29**	**-**	**723 014,23**

Similar contracts as at 31.12.2022:

Subject of the lease agreement	Financing	The initial value of the liability	Deadline	The value of the liability at the end of the period
Office space in Wrocław	Nowy Targ	13 732 738,14	31.07.2024	7 754 987,09
Office space in Kraków	Miquido	560 122,61	15.04.2022	114 836,60
Office space in Osijek	Kolejowa 7	834 142,53	31.08.2022	196 301,49
Office space in Szczecin	Technopark	1 111 268,10	04.11.2026	1 078 518,58
Office space in Zagreb	Zagrzeb	736 576,06	31.12.2023	616 786,71
Office space in Warsaw	North Gate	153 243,99	15.10.2023	81 822,30
Total	**-**	**17 128 091,43**	**-**	**9 843 252,78**

Lease liabilities broken down into payable within 12 months from the balance sheet date and later are as follows:

Liabilities under lease agreements with payment dates	31.12.2022	31.12.2021
up to 1 year, including	6 582 451,66	4 401 618,42
- up to 30 days	772 581,34	410 919,87
- 31 to 90 days	1 043 421,88	807 444,23
- 91 to 180 days	1 575 712,21	1 089 581,01
- 181 to 365 days	3 190 736,23	2 093 673,30
up to 3 years	5 124 091,00	5 724 675,40
over 3 years	4 000 688,83	439 973,19
Total	**15 707 231,49**	**10 566 267,01**
- of which: short-term liabilities	6 582 451,66	4 401 618,42
- of which: long-term liabilities	9 124 779,83	6 164 648,59

Note 32. Other liabilities

Financial liabilities as at December 31, 2022, in addition to the above-mentioned liabilities under lease agreements and similar agreements, also include liabilities for the purchase of shares in the subsidiary Better Software Group S.A., in the amount of PLN 12,000,000.00, of which, due to due to contractual payment dates, PLN 6,000,000.00 is presented in short-term liabilities, and PLN 6,000,000.00 in long-term liabilities.

Note 33. Other long-term liabilities

Item	31.12.2022	31.12.2021
Deposits from affiliated entities	0,00	0,00
Deposits from other entities	0,00	9 567,83
Total	**0,00**	**9 567,83**

Note 34. Trade liabilities

Item	31.12.2022	31.12.2021
Trade liabilities	25 331 895,24	13 150 156,04
- of which: from affiliated entities	84 040,18	29 527,93
- of which: from other entities	25 247 855,06	13 120 628,11

The currency structure of trade payables translated into PLN in the presented periods is as follows:

Item	31.12.2022	31.12.2021

PLN	22 580 153,67	11 478 993,93
EUR	1 149 106,78	1 271 747,58
GBP	138 290,56	111 319,31
USD	778 561,06	107 771,98
DKK	250,49	0,00
NOK	26 771,85	0,00
RON	552 004,97	0,00
HRK	106 755,85	180 323,24
Total	**25 331 895,24**	**13 150 156,04**

The age structure of trade liabilities is presented in the table below:

Overdue	Timely	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year
Trade liabilities as at 31.12.2022	22 856 386,77	1 820 525,61	567 760,37	48 659,36	33 102,86	5 460,27
Trade liabilities as at 31.12.2021	12 250 227,94	858 301,83	20 007,21	615,22	2,01	21 001,83

The maturity analysis of trade liabilities is presented in the table below:

Until the due date	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year
Trade liabilities as at 31.12.2022	22 251 343,47	604 679,22	364,08	0,00	0,00
Trade liabilities as at 31.12.2021	11 705 630,24	539 193,62	0,00	3 765,72	1 638,36

Note 35. Other short-term liabilities

Item	31.12.2022	31.12.2021
VAT liabilities	3 327 852,92	1 598 748,71
Personal income tax liabilities	669 110,45	226 402,00
Liabilities due to social security contributions	2 770 805,99	731 146,55
PFRON and PPK liabilities	132 903,47	28 712,97
other taxes	22 485,36	0,00
Total tax and other public law liabilities	**6 923 158,19**	**2 585 010,23**
Payroll liabilities	3 872 662,00	1 851 500,43
Other settlements with employees	51 314,94	36 699,04
Advances received	523 151,34	209 285,12
Other	45 164,07	91 945,87
Total other liabilities	**619 630,35**	**337 930,03**

Note 36. Contingent liabilities

As at the end of the current financial year, there were no contingent liabilities towards entities outside the capital group.
In the financial year covered by this report, the following bill of exchange sureties were in force in the Capital Group for the existing loan and factoring agreements within the entities belonging to the capital group:

Party	Issuer	Beneficiary	Guarantee amount	Currency	Subject
Unravel S.A.	Spyrosoft S.A.	ING BŚ S.A.	125 000	PLN	Guarantee for a promissory note issued by Unravel S.A. (50%) to secure a PLN 250 000 credit agreement
Unravel S.A.	Spyrosoft Solutions S.A.	ING BŚ S.A.	125 000	PLN	Guarantee for a promissory note issued by Unravel S.A. (50%) to secure a PLN 250 000 credit agreement
Spyrosoft Solutions S.A.	Spyrosoft S.A.	ING Commercial Finance (Polska) S.A.	1 200 000	PLN	Guarantee for a promissory note issued by Spyrosoft Solutions S.A. to secure a EUR 800 000 factoring limit

Note 37. Deferred income

Item	31.12.2022	31.12.2021
Revenue invoiced in advance	462 212,56	438 792,14
Total	**462 212,56**	**438 792,14**
- of which: short-term	13 900,32	195 594,00
- of which: long-term	448 312,24	243 198,14

Note 38. Information about financial instruments

As at December 31, 2022

Financial instruments (assets)	Trade receivables	Loans granted	Total
Interest received / paid	0	0	**0**
Interest accrued and revaluation	0	27 071,07	**27 071,07**
Impairment write-off	-393 593,54	0	**-393 593,54**
Total amounts included in net profit	-393 593,54	27 071,07	**-366 522,47**
Total amounts recognized in other comprehensive income	0	0	**0**
Total amounts recognized in the statement of comprehensive income	**-393 593,54**	**27 071,07**	**-366 522,47**

Financial instruments (liabilities)	Loans received	Leasing liabilities	Bank loans	**Total**

Interest received / paid	-99 814,58	-161 484,33	-783 841,85	**-1 045 140,76**
Interest accrued and revaluation	-38 344,44	-633 989,10	0	**-672 333,54**
Other	0	0	0	**0**
Total kwoty ujęte w zysku netto	-138 159,02	-795 473,43	-783 841,85	**-1 717 474,30**
Total amounts recognized in other comprehensive income	0	0	0	**0**
Total amounts recognized in the statement of comprehensive income	-138 159,02	-795 473,43	-783 841,85	**-1 717 474,30**

As at December 31, 2021

Financial instruments (assets)	Trade receivables	Loans granted	Total
Interest received / paid	0	0	**0**
Interest accrued and revaluation	0	42 970,52	**42 970,52**
Impairment write-off	(644 467,28)	0	**(644 467,28)**
Total amounts included in net profit	(644 467,28)	42 970,52	**(601 496,76)**
Total amounts recognized in other comprehensive income	0	0	**0**
Total amounts recognized in the statement of comprehensive income	**(644 467,28)**	**42 970,52**	**(636 111,49)**

Financial instruments (liabilities)	Loans received	Leasing liabilities	Bank loans	**Total**
Interest received / paid	(37 928,71)	(491 619,42)	(43 131,64)	**(572 679,77)**
Interest accrued and revaluation	(9 007,59)	45 071,02	0	**36 063,43**
Other	0	0	0	**0**
Total kwoty ujęte w zysku netto	(46 936,30)	(446 548,40)	(43 131,64)	**(536 616,34)**
Total amounts recognized in other comprehensive income	0	0	0	**0**
Total amounts recognized in the statement of comprehensive income	(46 936,30)	(446 548,40)	(43 131,64)	**(536 616,34)**

Note 39. Transactions with affiliated entities

Transactions with affiliated entities as at December 31, 2022 and in the period from January 1, 2022 to December 31, 2022:

Affiliated entity	Receivables (including loans)	Liabilities (including loans)	Revenue (including interest)	Costs (including interest)
ENTITIES AFFILIATED BY CAPITAL				
Spyrosoft Solutions LLC	8 564 470,14	12 493,54	31 599 820,04	479 832,63
Finin Sp. z o.o.	5 458,62	68 757,00	4 026,00	621 600,00
GOD Nearshore SE	71 723,70	7 018,02	1 220 018,85	177 656,99

PERSONALLY AFFILIATED ENTITIES				
Konrad Weiske	0,00	54 612,00	0,00	532 476,01
Wojciech Bodnaruś	0,00	51 700,87	0,00	518 871,30
Sebastian Łękawa	0,00	40 380,04	0,00	401 833,42
Sławomir Podolski	0,00	48 708,00	0,00	535 000,00
Wioletta Bodnaruś	0,00	0,00	0,00	1 261,07
Dorota Łękawa	0,00	0,00	0,00	6 187,74

Transactions with affiliated entities as at December 31, 2021 and in the period from January 1, 2021 to December 31, 2021:

Affiliated entity	Receivables (including loans)	Liabilities (including loans)	Revenue (including interest)	Costs (including interest)
ENTITIES AFFILIATED BY CAPITAL				
Spyrosoft Solutions LLC	6 339 094,06	0,00	12 999 939,02	0,00
Finin Sp. z o.o.	3 660,48	11 439,00	5 921,88	491 261,20
GOD Nearshore SE	31 473,95	22 317,31	1 194 983,05	276 007,35
PERSONALLY AFFILIATED ENTITIES				
Konrad Weiske	0,00	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	3 868,00
Dorota Łękawa	0,00	569 189,01	0,00	19 000,00
Codefix Ltd	0,00	0,00	0,00	0,00
Organizacja Pracodawców Usług IT	0,00	0,00	0,00	7 200,00
Med Band Sp. z o.o.	619,92	0,00	504,00	0,00

Note 40. Remuneration of the Management Board and the Supervisory Board

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Parent company Management Board	240 000,00	207 000,00
- 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	60 000,00	27 000,00
Parent company Supervisory Board	5 000,00	0,00
Total	**245 000,00**	**207 000,00**

Note 41. Impact of the transition to international financial reporting standards

Impact on equity	31.12.2022	31.12.2021
Equity in accordance with the existing accounting principles	65 225 150,52	39 458 725,93
- impact of adjustments for previous years	(1 355 371,61)	(995 164,54)
- adjustment due to creation of write-downs on receivables	(26 642,18)	(370 792,28)
- adjustment due to the recognition and valuation of lease agreements	189 655,05	30 440,66
- other	0,00	(19 855,45)
Equity in accordance with IFRS	**64 032 791,78**	**38 103 354,32**

Impact on the consolidated statement of comprehensive income	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Gross profit in accordance with the existing accounting principles	43 611 993,37	23 369 582,74
- adjustment due to creation of write-downs on receivables	(26 642,18)	(370 792,28)
- adjustment due to the recognition and valuation of lease agreements	230 955,84	42 360,49
- adjustment for share-based payments	(71 350,00)	(30 000,00)
- other	0,00	(19 855,45)
Gross profit in accordance with IFRS	**43 744 957,03**	**22 991 295,50**

Note 42. Events after the balance sheet date

There are no events that would require disclosure in the consolidated financial statements.

Note 43. Information on transactions with the entity auditing the financial statements

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Audit of financial statements	40 000,00	63 500,00
Audit of the consolidated financial statements	30 000,00	25 000,00
Audit of historical financial information	0,00	0,00
Other	4 000,00	5 0000,00
Total	**74 000,00**	**93 500,00**

Note 44. Explanations to the statement of cash flows

Item	from 01.01.2022 to 31.12.2022	from 01.01.2021 to 31.12.2021
Change in receivables in the statement of financial position	(33 183 213,21)	(18 210 707,96)
- change in long-term receivables due to security deposits	(250 102,79)	355 403,93
- adjustment for receivables from investing activities	0,00	0,00
- adjustments for compensations made	7 595,14	(171 188,77)
- other adjustments	17 245,48	0,00
Change in receivables from the cash flow statement	**(33 408 475,38)**	**(18 026 492,80)**
Change in short-term liabilities in the statement of financial position	16 957 988,54	7 311 298,84
- adjustment for liabilities of an investment nature		
- change in liabilities due to long-term deposits		(11 315,69)
- change in factoring liabilities related to operating activities	0,00	0,00
- other adjustments		(5 178,99)
Change in short-term liabilities in the cash flow statement	**16 957 988,54**	**7 294 804,16**
Change in inventory in the statement of financial position	(44 600,35)	73 456,22
- adjustments	0,00	(27 151,03)
Change in inventory in the cash flow statement	**(44 600,35)**	**46 305,19**
Change in provisions in the statement of financial position	2 418 116,63	407 251,92
- adjustments	0,00	0,00
Change in provisions in the cash flow statement	**2 418 116,63**	**407 251,92**
Change in accruals in the statement of financial position	(3 784 235,41)	(2 205 701,45)
- adjustments for reclassification from non-current assets	1 014 899,12	0,00
- compensation adjustments with accruals		(62 008,91)
Change in accruals in the cash flow statement	**(2 769 336,29)**	**(2 267 710,36)**
Other adjustments		
- adjustment for the cost of remuneration paid in the form of shares	71 350,00	30 000,00
- proceeds from long-term deposits	0,00	0,00
- change in assets and liabilities due to consolidation	3 196 007,56	(233 353,83)
- other	(132 230,18)	1 901 739,31
Other adjustments presented in	**3 135 127,38**	**1 698 385,48**

Note 45. Guarantees and sureties received and granted

In the financial year covered by this report, the following guarantees were in force in the Capital Group:

Party	Issuer	Beneficiary	Guarantee amount	Currency	Due date	Subject
Spyrosoft S.A.	ING BŚ S.A.	Nowy Targ Wrocław Real Estate Sp. z o.o.	1 416 480,88	PLN	31.07.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	INESITE 1 Sp. z o.o.	159 342,51	EUR	30.04.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Stena H5 Sp. z o.o.	2 466 480,00	PLN	15.08.2022	bank guarantee - liabilities under the lease agreement

Spyrosoft S.A.	ING BŚ S.A.	Stena H5 Sp. z o.o.	172 110,38	EUR	22.03.2024	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	INWEST POPULARNA s.c.	75 000,00	PLN	31.10.2022	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Miquido Sp. z o.o. Sp. k.	120 126,12	PLN	15.03.2022	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Miquido Sp. z o.o. Sp. k.	265 575,28	PLN	15.03.2022	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Skanska SA	50 784,62	EUR	31.07.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Instytut Medycyny Innowacyjnej	244 436,67	PLN	31.07.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft Solutions S.R.L.	ING BŚ S.A	Vox Technology Par S.R.L	19 367,50	EUR	24.07.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft Synergy S.A.	ING BŚ S.A	Szczeciński Park Naukowo-Technologiczny Sp. z o.o.	172 090,53	PLN	06.11.2023	bank guarantee - liabilities under the lease agreement

In addition, Spyrosoft SA, Spyrosoft Synergy SA and Unravel SA are jointly and severally liable with the other co-borrowers for repayment of the full amount of the multi-product line limit in the amount of PLN 6,800,000, mentioned in note 30.

In the financial year covered by this report, the following sureties received were valid in the Capital Group:

Party	Issuer	Beneficiary	Guarantee amount	Currency	Due date	Subject
Spyrosoft S.A.	BGK on the basis of the FGP Guarantee Line Portfolio Agreement	ING BŚ S.A.	5 280 000	PLN	19.03.2026	surety for current account loan amounting to PLN 6,000,000.00
Spyrosoft Solutions S.A.	BGK on the basis of the FGP Guarantee Line Portfolio Agreement	ING BŚ S.A.	1 360 000	PLN	19.03.2026	surety for current account loan amounting to PLN 1,500,000.00
Spyrosoft S.A.	BGK on the basis of the FGP Guarantee Line Portfolio Agreement	ING BŚ S.A.	8 000 000	PLN	20.06.2024	surety for working capital loan amounting to PLN 10,000,000.00

Note 46. Risk identification and management principles

Spyrosoft S.A. Capital Group as the most important risk factors, based on the probability of their occurrence and the expected scale of their negative impact, identifies the risk related to the loss of managerial staff and the loss or failure to acquire qualified employees, the risk of an increase in remuneration costs and the risks related to IT security.

<u>Risk related to the loss of managerial staff and the loss or failure to acquire qualified employees</u>

The Group's operating activity is based on a wide team of specialists - programmers, designers and testers. Due to the fact that there is a shortage of qualified IT specialists on the Polish and foreign labor market, the Group is exposed to the risk of losing, not obtaining or delayed obtaining appropriate human resources. In addition, the Group's operations and its development prospects are largely dependent on the knowledge, experience and qualifications of key employees and associates, in particular members of the Management Board. Key members of the Group's management staff, including members of the Management Board of the parent company, have extensive knowledge of the Group's operations and the market environment in which it operates. In Poland, there is a lot of competition in the field of acquiring qualified personnel, including key managerial staff, which may increase personnel costs and make it difficult to employ and motivate qualified personnel. The Group indicates that it may not be able to prevent the departure of key managers, business partners and clients due to the above factors. The group may also not be able to replace them with people with similar competencies and experience in a timely manner. Due to the fact that the Group offers its clients services related to the comprehensive implementation of IT projects, including the preparation of IT software, work on individual IT projects depends on the complexity of the solution and the comprehensiveness of the service and may take up to several months. Teams are created for the duration of a given IT project. In view of the above, in the event of a sudden need for the implementation of one type of IT projects, the Group may not be able to accept and implement all potential orders and immediately recruit new employees in order to increase the number of implemented projects. In the past, the Group identified such situations, but they were not significant in the scale of its operations. Despite this, the occurrence of such a situation may adversely affect the Group's reputation and the possibility of acquiring new customers in the future. Trust in the Group is one of the key factors determining the interest of customers in maintaining long-term relationships. Factors that may affect the loss of customer trust include poor quality and untimely performance of services. With the rapid increase in orders and the lack of qualified staff, the Group may encounter limitations in meeting its obligations on time and in a qualitative manner. To this end, the Group's HR policy provides for increasing the share of employees with extensive experience. The Group tries to recruit as many employees as possible with several years of experience in the profession, who are able to independently and effectively manage teams of programmers, therefore, in the Group's employee structures, approx. 50% of employees have over 4 years of experience in the industry in which the Group operates, while approx. 25% of the Group's employees are people with over 2 years of experience. In addition, the Group's significant competition on the labor market are international, prestigious holding companies offering high salaries. Limiting the availability of human resources may lead to a reduction in the Group's development potential and to a reduction in projected cash flows. In addition, there is a risk related to the implementation of the projects themselves if one of the key members of the technical team is unable to participate in the work for some time. Failure to deliver and implement solutions on time may expose the Group to additional costs related to contractual penalties or damages. The Group tries to prevent the materialization of this risk by monitoring the labor market on an ongoing basis and adapting to the prevailing trends, including the remuneration offered. For this purpose, payroll reports are prepared, as well as constantly monitored employees' non-salary expectations and their analysis in terms of market trends. In addition, the Group undertakes a number of activities aimed at increasing the satisfaction of employees and associates. The package of benefits received includes, among others, such elements as: co-financing of private health care and sports activities, training budget and group insurance. Despite the actions implemented by the Group, however, it cannot fully exclude the risk of qualified employees leaving, which, combined with difficulties in recruiting replacements, will have a negative impact on the Group's operations, including ensuring the appropriate quality and scope of services, which in turn may have a significant negative impact on its financial situation, development prospects, results or market price of shares. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, because in the Group's opinion, the number of employees and associates per the date of approval of the consolidated financial statements for publication allows for ensuring business continuity even in the event of further deterioration of the position of employers on the labor market in the IT sector. In addition, the increase in demand for employees from the IT sector is strongly correlated with the increase in demand for the Group's services, which extends the possibility of managing the risk in question in a cost-intensive manner (for example, by quickly adjusting salaries to changes in the labor market). The significance of this risk factor is assessed by the Group as high.

<u>The risk of an increase in remuneration costs</u>

The main cost items in the Group's operations are salaries and external services (mainly programming). With the aim of employing the best specialists and keeping them on the market, where demand still outweighs supply, the Group takes into account the increase in the costs of employees and associates in the current and subsequent financial years. The costs of salaries and external services have been a significant value of all operating costs of the Group for years. The Group is therefore particularly vulnerable to the risk of an increase in remuneration costs. Of key importance for the results is the maintenance of appropriate, specialized staff and maintaining cooperation with a team of highly qualified external specialists, which is an essential means to ensure the appropriate quality of services provided, which in turn will affect the sales level, having a direct impact on the Group's financial results. In addition, the said high increase in costs also results from possible changes in legal regulations, in particular those regarding the taxation of civil law contracts, personal income tax and corporate income tax, as well as unification of the amount of health insurance premium and the method of its calculation for entrepreneurs, which may increase salary expectations of the Group's employees and associates. A sharp increase in the cost of salaries with a constant or slight increase in revenues will have a negative impact on the Group's financial situation, development prospects, results or the market price of SpyroSoft S.A. shares. At the same time, the Group must constantly offer a competitive level of remuneration on the labor market in order to maintain the possibility of quickly and efficiently acquiring new human capital. Additional factors that increase the pressure on wage growth are international, prestigious holding companies offering high salaries, which are a significant competition for the Group on the labor market. In addition, the increase in salaries is influenced by the increase in demand for IT services and the process of consolidation of smaller entities by leaders in the IT industry. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, although the amount of remuneration remains the main motivating force for a possible change of employer, the importance of the brand and implemented projects partially mitigate the size of this risk, and the weakening trend of increasing salaries in the industry additionally lowers them. Therefore, the Group assesses the significance of this risk factor as low.

Risk related to failure to implement the Group's development strategy

The Group's development strategy is described in the General outline of operations section. The main goals of the Group include: concentration of activities in industries in which the Group has specialization and the highest level of knowledge, i.e.: finance, GIS, media & entertainment, employer experience, education, IOT & Industry 4.0, development on foreign markets, increasing sales for currently served entities, as well as acquiring new contractors and acquiring , development and retention of talented employees. However, due to events beyond the Group's control, especially of a legal, economic or social nature, the Group may have difficulties in achieving its goals and fulfilling its strategy, or fail to implement it at all. It cannot be ruled out that as a result of changes in the external environment, the Group will have to adapt or change its goals and strategy. A similar situation may occur if the costs of implementing the strategy exceed the planned expenditures, for example: in connection with the need to start cooperation with additional people, economic changes causing a significant increase in operating costs, or failures and sudden events resulting in the need to purchase new devices. The indicated situations may adversely affect the implementation of the strategy by the Group and result in the achievement of smaller benefits than originally assumed. Further difficulties in the implementation of the Company's strategy may be related to such circumstances as the lack of interest in the Group's products on the part of business customers with high revenue potential, with particular emphasis on entities operating in the markets of highly developed countries, such as the DACH countries, Great Britain or the USA, low customers from the services provided by the Group, insufficient adjustment of the services provided to the needs of customers, no expansion of the portfolio, no increase in market share in selected countries. The occurrence of even one of the above factors may cause difficulties in implementing the Group's strategy, which in turn may have a significant negative impact on the Group's financial situation, development prospects, results or the market price of SpyroSoft S.A. shares. Difficulties in the implementation of the Company's strategy may also result from legislative changes and difficulties related to changing the economic policy in the area of financing innovative companies, e.g. from the technology industry, as a result of which the Company will be forced to change the structure of financing its operations, which may delay the implementation of further projects by the Company. Considering the above, there is a risk that the Company's strategy will not be implemented at all or to a lesser extent than expected, with a significant delay or with unsatisfactory results. If the Company encounters unexpected barriers during the implementation of the developed strategy, the Company may be forced to change it, withdraw from it or develop a new strategy, which may have a negative impact on its financial results. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of occurrence of this risk as low, as the Group has proven to be highly flexible in its approach to plans and assumptions. Therefore, the Group assesses the significance of this risk factor as low.

Risk related to delays in the production of software and the provision of services

The Group implements complex IT projects, including comprehensive software development services. Software development and software testing is a complex and multi-stage process, depending not only on the human factor and the implementation of subsequent stages of work, but also on technical factors and a sufficient level of financing. In addition, these processes require the greatest expenditure at the beginning of the process, while the revenues from their implementation are obtained by the Group in subsequent periods. Often, starting the next stage of production or testing is possible only after the completion of the previous stage. Therefore, there is a risk of delay at a given stage of production or testing, which may additionally affect the delay in the completion of the entire IT project. Therefore, a prolonged process of developing software or applications or testing may adversely affect the Group's financial situation. Excessive delays in the execution of works may also cause the client to withdraw from the concluded contract, which will have a negative impact on the Group's operating activity and its financial results. Failure to meet the assumed production schedule may delay the completion of a given project, which may have a negative impact on the level of remuneration received for the implementation of an IT project, further cooperation with a given contractor and achievement of the expected financial results by the Group. The majority of projects implemented by the Group are settled based on the T&M model, in which a fixed price for the project is agreed in advance at the stage of contract negotiations, together with a detailed scope and schedule, therefore such situations occurred sporadically in the past and had no significant impact on the Group's operations and financial results. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, as it has extensive experience in the industry, enabling effective planning of work, taking into account possible difficulties. Therefore, the Group assesses the significance of this risk factor as low.

Risk of deterioration of the Group's image

The development of the Group's operations depends on the future demand for the services it offers. The Group can support the increase in demand for its services through marketing and image-building activities. The most important indicator of the quality of services offered by the Group is the market opinion about them. As at the date of approval of the consolidated financial statements for publication, the Group has no information about negative information published about it on any of the industry portals on the Internet. However, the Group identifies the risk related to exposure to unfair competition, materializing through attempts to damage the Group's reputation as a result of providing false information on the Group's activities on various channels. Potential pejorative opinions on the Group's operations could adversely affect the future level of demand for the Group's services and the resulting cash flows. In addition, the Group's position as a good employer may suffer, which will limit the availability of qualified staff and increase salary costs. The risk of image deterioration may be associated primarily with untimely or inaccurate implementation of projects entrusted to the Group, hardware and system failures, or the human factor. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, because it cares about its image and implements the assumptions of the brand communication strategy using its own activities and PR and IR agencies cooperating with the Group. Therefore, the Group assesses the significance of this risk factor as low.

Risk of losing key customers

The Group continuously conducts activities aimed at diversifying the structure of recipients of its services in accordance with the adopted development strategy. The portfolio of the Group's clients is highly diversified, and the share of the most important client in total revenues does not exceed several percent. In addition, most orders and services provided on their basis (over 90% in value) are permanent. The nature of the services provided by the Group to customers assumes a relatively long notice period for contracts (from 3 to 6 months). In addition, the relatively high demand for professional software development services means that, in the opinion of the Management Board, the Group is not exposed to high risk due to the lack of customers. However, it cannot be ruled out that as a result of actions beyond the Group's control, e.g. due to financial problems of a given customer, the number of potential customers will decrease, and the Group will not be able to win new contracts for more than a month. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, because in the history of its operations it has mainly executed long-term contracts and has demonstrated a high level of flexibility in approaching customer expectations. However, taking into account the economic downturn and the resulting potential difficulties for existing customers, the Group assesses the significance of this risk factor as medium.

Risk of payment backlogs or insolvency of recipients

The Group may be exposed to a situation where one of the recipients will not be able to settle its liabilities on time. In addition, some customers may not meet their financial obligations due to the Group in accordance with the signed agreements. The described situation may have a negative impact on the Group's liquidity situation, and additionally it will make it necessary to create provisions for overdue receivables. This phenomenon will have a negative impact on the Group's financial result. Moreover, the described situation may concern one of the Group's key clients, which would require termination of the previously signed contract, and consequently a significant reduction in cash flows. Settlement of receivables for services provided by the Group is constantly monitored, and moreover, the fact of knowing the customers causes that all arrears are paid and do not require additional actions aimed at their recovery. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, because the Group uses settlement methods that limit the risk of long-term liabilities, and efficient supervision over receivables guarantees the highest level of effectiveness in their enforcement. Therefore, the Group assesses the significance of this risk factor as low.

Risk of failure of a product developed by the Group

The Group's activity, like any other production activity, is subject to the risk of manufacturing a defective product. It cannot be ruled out that in the event of certain design defects, the product developed by the Group will fail. The resulting dysfunction may be so significant that some of the activities undertaken by the Group's employees will have to be interrupted in order to eliminate the failure. There is a risk that as a result of a system failure at one of the contractors, design tasks related to the project currently being implemented for another entity will be neglected. This may lead to a delay in the implementation of a given system and expose the Group to additional delay costs. The Group has not identified such events in the past, moreover, the Company and the Group have insurance policies that cover risks specific to the IT industry, which prevents the consequences of the materialization of this risk category. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, because having many years of experience in the industry and cooperating with highly qualified specialists, it produces high-quality software with a low risk of failure. Therefore, the Group assesses the significance of this risk factor as low.

Risks related to intellectual property law

Agreements for the provision of IT services concluded by the Group contain clauses regarding the transfer of part or all of the copyright related to the implementation of a given project to the principal. The Group also allows modification of the work done by third parties. Hereby, there is a risk that the Group's product will go to entities that may compete with the Group. Moreover, it may turn out that the Group's product will serve as the basis for creating a completely new system in another enterprise. The risk presented above is limited by the specification of the system, which includes many details regarding a specific counterparty. However, it cannot be ruled out that some entities with which the Company's clients will cooperate in the future will follow the solutions developed by the Group. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, as the Group implements projects with a high degree of product matching to the needs of a specific customer, with low possibility of universal application. Therefore, the Group assesses the significance of this risk factor as low.

Risk related to transactions with affiliated entities

Between the entities of the Group, business transactions have been concluded and will be concluded in the future, referred to as transactions with related entities. Transactions with related parties are subject to additional requirements and restrictions from the perspective of tax law, which are also characterized by a significant degree of complexity. In addition, they may be subject to examination by tax authorities, both Polish and foreign - competent for other countries in which the Group operates. In the case of each study, its criterion is the analysis of compliance of financial and non-financial parameters. Transactions with related parties should be concluded on an arm's length basis. To the best of the Group's knowledge, the prices used in intra-group settlements correspond to market prices for this type of transaction. Despite the application of internal rules for determining the terms of transactions between related parties, it cannot be ruled out that the transfer pricing documentation may be questioned by the tax authorities conducting tax inspections in the Group. If domestic or foreign tax authorities successfully challenge the tax interpretation of the economic events that have occurred, through inspections or otherwise, the effective tax rate may increase and the Group may be required to pay additional taxes, penalties and interest, as well as be exposed to legal costs defense in court disputes or concluding a settlement with the relevant tax authority. Each of the above situations may have an adverse effect on the business, operating results and financial condition of the Group. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as low, because all data and financial documentation are subject to periodic audits, so far they have not raised any objections. Therefore, the Group assesses the significance of this risk factor as low.

Risk of growth rate decrease

The Group has been developing dynamically in recent years, however, maintaining this trend and the level of growth requires a significant increase in the level of sales. This is possible only by enlarging the team and, from a certain moment, by making expenditures on marketing activities aimed at promoting the Group and its products among potential customers. At the same time, acquiring qualified sales representatives on the markets where the Group operates and target markets is a time-consuming process and generates high costs. In view of the above, as well as in the face of macroeconomic conditions, in particular high inflation and economic slowdown, the Group may not develop at the assumed rate in the near future. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, as it has proven its flexibility in implementing the adopted budget assumptions, moreover, it has an effective sales team supported by a number of tools that facilitate active participation in the market, but at the same time it has no impact on the macroeconomic situation. Therefore, the Group assesses the significance of this risk factor as medium.

IT security risk

The Group, operating in the programming industry, cannot rule out all kinds of cyberattack attempts aimed at its IT systems and other operating systems. Failure of these systems may prevent the Group from operating effectively and efficiently in the scope of the services provided, as well as cause a temporary disruption or interruption in operation. Restoring the full functionality of such systems may prove impossible, time-consuming or take longer than expected, and may require significant financial outlays. In addition, the Group's technologies and operating systems may be susceptible to damage or disruption caused by, among others, malware, computer virus attacks that take advantage of vulnerabilities in the Group's IT systems, human errors, breaches of security rules, unauthorized access and other similar events. These circumstances may result in interruption of the provision of services by the Group. In the event of the above events, the Group's customer service may be disrupted, it may also lead to leakage or other unauthorized access to personal data. Any disruptions in the provision of services by the Group may, in turn, significantly damage its reputation and cause a reduction in the trust of recipients, which in turn may significantly adversely affect its ability to attract and retain customers. In addition, any actual or perceived failure or unsatisfactory customer response to service may adversely affect customer satisfaction. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, because despite the exercise of the utmost diligence and the employment of professional employees and associates in the Group, protection against professional hacker attacks and, as a consequence, possible system failures is difficult to prevent. The materialization of the risk in question may have an adverse effect on the Group's development prospects, change in business assumptions and strategy adopted by the Group, and, consequently, on the Group's operating results and financial standing. Considering the above, the Group assesses the significance of the above risk as high.

Risk related to the economic situation in the IT industry

The economic situation in the IT industry depends on many economic factors. The level of expenditure of enterprises on IT solutions is particularly important in this case. According to the Report Digitization of the Polish MSME Sector presenting the results of a study conducted by Home.pl, Konfederacja Lewiatan and the Polish branch of Microsoft, the level of investment of micro, small and medium-sized enterprises in solutions from the entire ICT segment (IT segment and telecommunications segment) is mainly caused by adapting the situation of the enterprise to current technical progress, and not the desire to implement modern technologies in order to achieve a competitive advantage. Enterprises relatively more often prefer to invest in fixed assets than in ICT solutions. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, because the strength of technical progress generates a high level of demand for programming services, and the pace of technological progress forces companies to invest in a level that guarantees further growth of the IT industry. Additionally, the Polish market is not the Group's main sales market. Therefore, the Group assesses the significance of this risk factor as medium.

Short-term contracts risk

A characteristic feature of the programming industry is the short-term nature of some contracts and orders with customers, often not exceeding 3-6 months. The Group is unable to ensure that after the execution of an order received from a given client, the same client will be interested in continuing to use the Group's services. The nature of short-term contracts, typical for the IT industry, forces the Group to actively expand its customer base. In the absence of an influx of orders from new clients and termination of cooperation with existing clients, these circumstances may have a negative impact on the business, financial situation, development prospects, results of the Company or the market price of shares. The Group minimizes this risk by focusing on ensuring the highest quality of services offered in order to ensure customer loyalty and long-term revenues, as well as striving to win contracts that guarantee long-term revenues. In addition, the Group is actively expanding its customer base by increasing its involvement in foreign markets. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, because practice shows that initially planned short-term contracts often turn into long-term cooperation, moreover, the Group has a chance to win long-term contracts as well. Therefore, the Group assesses the significance of this risk factor as medium.

Currency risk

The company incurs software development costs in the domestic currency (PLN), however, a significant part of its revenues is generated in foreign currencies. Therefore, a significant risk from the point of view of future cash flows are changes in exchange rates. This applies in particular to the following currency pairs: EUR/PLN, GBP/PLN, and USD/PLN. In addition, an upward trend in the value of revenues earned in foreign currencies is indicated. Considering the above, the Company emphasizes that currency fluctuations may decrease the value of receivables or increase the value of liabilities, resulting in exchange rate differences charging the financial result. There is a risk that in the case of large fluctuations in exchange rates, the revenues from concluded transactions may differ significantly from those assumed. In the case of the appreciation of PLN against EUR, GBP, and USD and the limited possibility of transferring the currency burden to customers, the Company is exposed to a decrease in projected revenues in proportion to the decrease in the exchange rate of currency pairs, and consequently lower profitability. The Company does not hedge against exchange rate fluctuations, but monitors exchange rates in order to allow modifications of product prices in a situation where the exchange rate change is so large that the actual profit does not reach the expected range. In addition, in order to protect against risk materialization, the Company tries to maximize the so-called natural hedging, adjusting the currency of the invested capital to the currencies in which the income is realized. As at the date of approval of the financial statements for publication, the Company does not use financial instruments hedging currency risk. There is no certainty that the methods used by the Company to mitigate the existing currency risk through the use of selected instruments will turn out to be fully effective. As at the date of approval of the financial statements for publication, the Company did not conclude an insurance contract to protect against the materialization of the described risk. Due to the fact that as at the date of approval of the financial statements for publication, the Company is still actively developing its operations, thus it does not identify the exchange rate risk as a significant threat to the level of assumed profitability of operating activities. However, this risk may have an intensified impact along with the development of business activities, including the implementation of key projects. The Company constantly monitors the level of revenues achieved in foreign currencies, and in cases requiring it, the Company will use currency risk management instruments available on the banking market. As at the date of approval of the financial statements for publication, the Company assesses the probability of this risk as medium, because despite the lack of use of financial instruments hedging currency risk, the Company has procedures for monitoring exchange rates and maximizes the so-called natural hedging by adjusting the currency of the invested capital to the currencies in which its revenues are realized. As at the date of approval of the financial statements for publication, the described risk has not materialized in the past. However, the materialization of the risk may result in a decrease in the value of the Company's revenues, which does not threaten the Company's operations, and as a consequence may reduce the financial results achieved. Therefore, the Company assesses the significance of this risk factor as medium.

Risk related to the competitive environment

The market of software and IT solutions is characterized by a very dynamic development and a growing level of competitiveness. The services offered by the Company are among the innovative products, belonging to the so-called advanced technology. A number of entities operating on this market have much more experience and capital resources than the Company. Due to the high dynamics of the market, there is also a risk of the emergence of a new entity whose offer will be more innovative than the Company's offer. Obtaining a competitive advantage is possible through the implementation of innovative, unique solutions that are attractive in terms of use and economy for potential customers. The key aspects related to IT activities are the ability to effectively complete projects, cost optimization (with particular emphasis on human resource cost management), customer trust and awareness of the presence of a given company on the market. As at the date of approval of the consolidated financial statements for publication, the Group cannot exclude the risk that in the future it will not be able to respond quickly or effectively to the changing market environment in terms of project implementation time or costs of delivered technological solutions, which may lead to the loss of market position by company. The occurrence of this risk may have a negative impact on the sale of the Company's products and services and, consequently, on its financial results. Currently, due to the size of the enterprise, the range of services offered and the target group of consumers, the Company considers such enterprises as: EPAM, Luxoft, Xebia, Netguru, Intive, Unity Group and other entities involved in the production of software on commission, as direct competition due to the size of the enterprise, the range of services offered and the target group of consumers. The company also sees an indirect threat in outsourcing companies from countries that are former republics of the former USSR, offering the rental of human capital (in the remote work model or directly at the client's). There is a risk that the Company will not be able to effectively and quickly respond to the expectations of customers who may decide to use competitive solutions. In the long run, such a situation may have a negative impact on the Company's sales and financial results. In order to minimize the likelihood of materialization of this risk, the Company actively researches and monitors the software and IT solutions market in order to identify the prevailing quality and price standards for the products supplied, as well as the dates of their delivery by entities competing with the Group. As at the date of approval of the consolidated financial statements for publication, the Group assesses the probability of this risk as medium, because, in particular, on the international arena, there is a high level of highly dispersed competition, while the Group assesses the significance of the above risk as low. As at the date of approval of the consolidated financial statements for publication, the Group sees no threat to its operations from new entities, due to the fact that the scope of the Company's services includes a comprehensive analysis of the client's environment, analysis of the development strategy, detailed design of the client's business processes, which in turn leads to offering a well-adjusted IT solution, implementation, implementation and maintenance of the system in a sufficiently short time and for remuneration appropriate to market standards. At the same time, it cannot be ruled out that a possible future change in business models by entities competing with the Group or changes in the market environment may significantly reduce the Group's market share, which in turn may have a negative impact on the Group's operations, development prospects, financial standing or results.

Risk related to technological changes in the IT industry

The dynamics of the market on which the Group operates makes it necessary to constantly adapt the offer to new technological requirements. The dynamics prevailing on the market of modern IT solutions forces continuous work on the modernization of products, as well as the creation of new IT solutions. The lack of sufficient design facilities may cause the aging of products, and thus weaken the Group's competitive position. It may lead to a decrease in the Group's sales and, consequently, to a decrease in the value of its financial results. The Company cannot fully exclude the risk of such significant technological changes in the software it offers that the Group's competitive position on the market will be weakened. Such a situation may occur when the products offered by the Group, as a result of the introduction of new technological solutions, significantly differ in quality from the products offered by competitors. Actions taken by the Group to counteract this risk focus on maintaining the employment of a permanent group of employees with a high level of competence in the area of technology. In addition, the Group engages additional financial resources in prospective investments regarding innovative projects and IT solutions that may determine the market advantage of a given entity in the future. The significance of the above risk is assessed by the Group as low, because the Company constantly monitors technological trends in the IT industry and, depending on the situation, implements new solutions to new standards on an ongoing basis. In addition, the Company has implemented an internal process of continuous improvement of qualifications of all employees, which allows them to master new technological solutions on an ongoing basis. Therefore, the Group assesses the significance of this risk as medium.

Risk related to the consolidation processes of competitive entities

Consolidation processes in the IT industry lead to the strengthening of the market position of several of the largest entities, which limits the possibilities of other enterprises operating in the market of software and IT solutions. The strongest domestic companies strive to take over smaller companies, especially from the sector of small and medium-sized enterprises, serving niche segments of the IT market. Thanks to this, the largest entities expand their competences or gain access to new groups of recipients. Considering the above, the Group points out that the described phenomenon of consolidation among competitors may contribute to the weakening of the Company's position on both the domestic and international market. This is primarily due to the fact that larger companies operating in the IT industry are, as a rule, more recognizable entities and have a longer history of activity, which can be characterized by a higher level of trust among potential contractors. In addition, as a result of consolidation processes, a greater number of entities competing with the Company may gain access to innovative technological solutions, as a result of which they will be able to provide services at a similar or higher level than the Company's. In addition, as a result of consolidation processes, competitive enterprises may gain access to new distribution channels or new customer groups, which will lead to an increase in their sales results and, as a result, to an improvement in their financial situation, which in turn will lead to strengthening their position on the market in relation to the Group. The significance of this risk factor is assessed by the Group as low. The company conducts high-quality service activities, confirmed by the trust of current and existing customers. The risk from potential, new, consolidated entities is limited as a result of continuous specialization and development of the Group within the segment in which it operates. Therefore, the Group assesses the probability of occurrence of this risk as low.

Credit risk

Credit risk is the risk of incurring financial losses as a result of failure by a customer or counterparty being a party to a financial instrument to fulfill its contractual obligations. Credit risk is mainly related to the collection of receivables, including loans granted. The Management Board applies a credit policy under which exposure to credit risk is monitored on an ongoing basis. Credit risk management is based on customer verification and systematic, weekly analysis of receivables. On this basis, both in the long and short term, decisions are made regarding the shape of the credit policy in a given area or in relation to a given client. The company concludes transactions only with reputable companies with good creditworthiness. Thanks to the above activities, exposure to the risk of uncollectible receivables is insignificant. In the case of loans granted to related entities, credit risk is directly related to the financial situation of these entities, which the Company has a significant impact on and constantly monitors. There is no significant concentration of credit risk in the Company, and the exposure to this risk is defined as low.

Liquidity risk

Financial liquidity risk is the risk of the Company's inability to repay its financial liabilities when they fall due. The Company's management monitors the risk of lack of funds, however, due to its stable financial position, this risk is insignificant. Positive financial results accumulated in supplementary capital result in financial surpluses, and low credit risk is reflected in timely repayments of receivables, thanks to which the Company is not exposed to the risk of delays in the repayment of liabilities, including the repayment of financial liabilities, i.e. loans and credits and leasing.

Note 47. Other significant information having a significant impact on the assessment of the property and financial situation and the financial result of the entity.

Spyrosoft S.A. aware of the threats resulting from military operations in Ukraine, has been monitoring the situation on an ongoing basis since the start of hostilities. As a company, we identify potential risks and threats to Spyrosoft's current operations. From the initial analysis of the incoming information, it seems that the greatest threat is the uncertainty regarding the scale and timing of the conflict.

It seems that at the moment the direct threat of military operations on Polish territory is negligible. The type of business conducted by the Company is not exposed to the risk of reducing or interrupting the supply chain. A significant threat is the impact of the war on Poland's macroeconomic situation, GDP, unemployment and inflation. Inflationary pressure and the related potential increase in salaries may affect the assumed financial results.

Another risk factor related to the situation in Ukraine is undoubtedly limited or blocked access to potential employees of Ukrainian nationality. Spyrosoft S.A. implemented the 'Work from Anywhere' program as part of the new remote work policy. It enables complete freedom in choosing the place of work, which is a significant convenience for employees and a significant asset on the labor market. It is also a kind of security in the context of maintaining business continuity.

Due to the ongoing armed conflict, the company undertakes a number of activities aimed at supporting Ukraine. In addition to donating funds to charity, Spyrosoft provides assistance to employees of Ukrainian nationality and conducts information activities among employees related to increasing awareness of the events taking place in Ukraine.

The highest level of inflation in the company's history and a record-breaking inflation level in the last 30 years of the Polish economy have an impact on the company's financial results and operations. The high level of price growth translates into wage pressure. Remuneration and external services are the main category of costs, and their increase may lead to a decrease in the Company's profitability. The Management Board closely follows market trends and strives to cool the pressure on wage increases, among others by introducing salary ranges for individual positions. In addition, actions are taken to increase the prices of the services provided in order to maintain the profitability of the implemented projects.

Growing inflation also affects the high level of interest rates in the Polish economy, which, on the one hand, generates an increase in the level of operating costs, and on the other hand, reduces the level of investment profitability and has a significant impact on the deterioration of the economic situation in the entire economy. From the company's point of view, this may mean a much slower growth rate of the customer portfolio in relation to the adopted assumptions and its operational capabilities.

Person in charge of compiling the financial statement	Management Board
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	Wojciech Bodnaruś – Member of the Management Board
	Sebastian Łękawa – Member of the Management Board
	Sławomir Podolski – Member of the Management Board

Wrocław, 26 April 2023