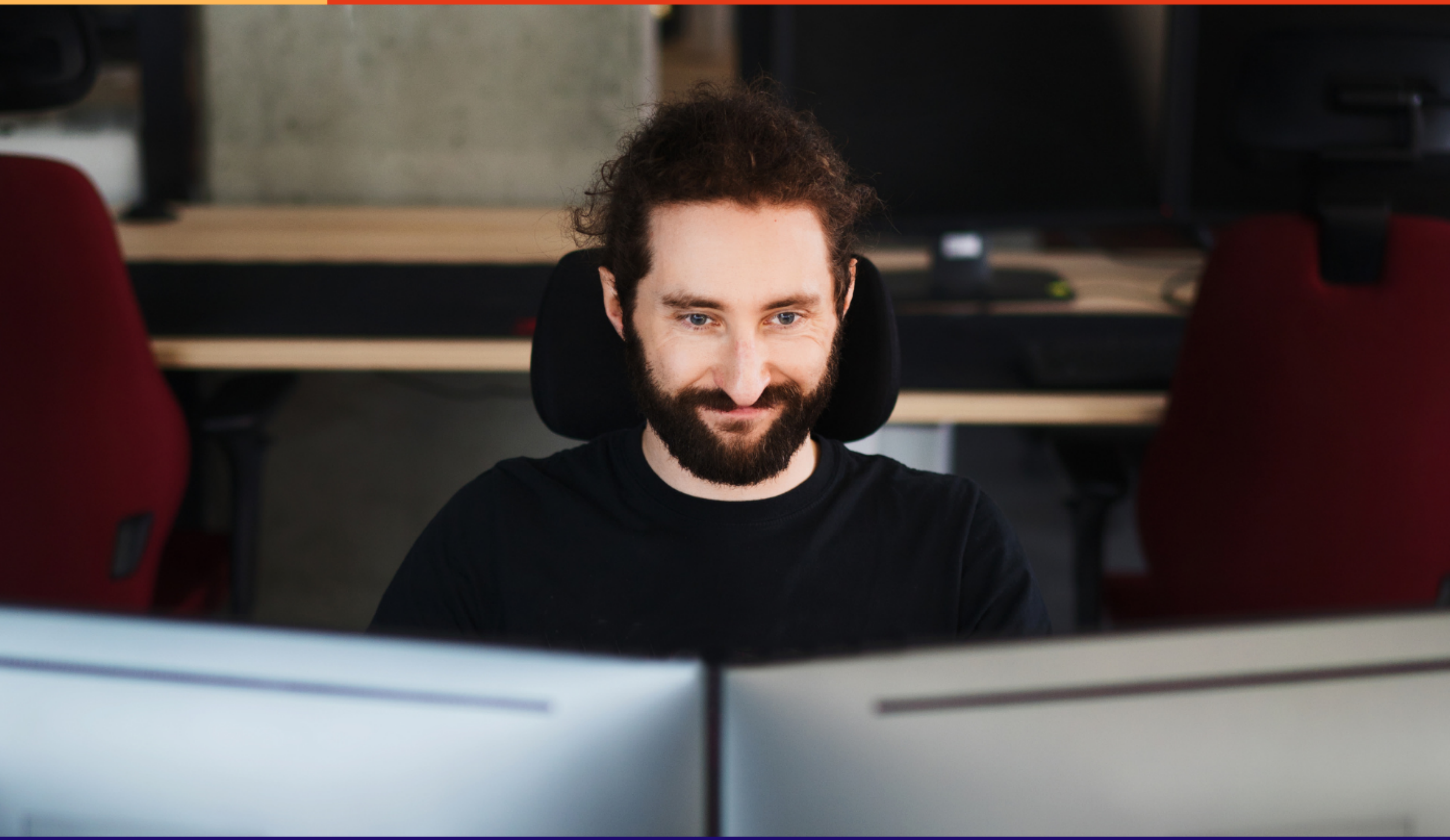
spyrosoft



Spyrosoft S.A. Capital Group Consolidated periodic report 1.01.2023 - 31.12.2023

Wroclaw, 26 of April 2024

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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 31.12.2023, 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	83,3%	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 31.12.2023 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	full consolidation
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 financial information

This consolidated financial statement was approved for publication by the parent company's Management Board on 25.04.2024.

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, 2023, 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 2023 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, 2023 and comparative data for the period from January 1 to December 31, 2022.

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 2023 and in the period from 1 January 2024 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 thousands PLN)

SELECTED FINANCIAL DATA	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Net revenue from sales of products, goods and materials	416 109	331 453
Profit (loss) from operating activity	30 930	45 103
EBITDA*	42 014	53 738
Gross profit (loss)	23 565	43 745
Net profit (loss)	19 708	26 734
Net inflows from operational activities	11 910	33 236
Net inflows from investment activities	(10 139)	(5 198)
Net inflows from financial activities	8 776	(10 406)
Net inflows – total	10 546	17 632

SELECTED FINANCIAL DATA	as at 31.12.2023	as at 31.12.2022
Assets / Liabilities – total	198 517	165 739
Fixed assets	54 747	50 433
Current assets	143 770	115 307
Equity	108 847	85 102
Liabilities and Provisions for liabilities	89 670	80 638
Long-term liabilities	8 841	21 159
Short-term liabilities	80 830	59 479
Number of shares	1 090 453	1 089 099
Net profit (loss) per one common stock (in PLN)	18,07	24,55
Book value per share (in PLN)	99,82	78,14

*EBITDA calculated as operating profit increased by depreciation.

The financial data presented above for the period of 12 months 2023 and 2022 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 2023 – 4.3480 PLN/EUR, as at 31 December 2022 – 4.6899 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 2023 – 4.5284 PLN/EUR, from 1 January to 31 December 2022 – 4.6883 PLN/EUR.

(Data in thousands EUR)

SELECTED FINANCIAL DATA	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Net revenue from sales of products, goods and materials	91 889	70 698
Profit (loss) from operating activity	6 830	9 620
EBITDA*	9 278	11 462
Gross profit (loss)	5 204	9 331
Net profit (loss)	4 352	5 702
Net inflows from operational activities	2 630	7 089
Net inflows from investment activities	(2 239)	(1 109)
Net inflows from financial activities	1 938	(2 220)
Net inflows – total	2 329	3 761

SELECTED FINANCIAL DATA	at 31.12.2023	at 31.12.2022
Assets / Liabilities – total	45 657	35 340
Fixed assets	12 591	10 754
Current assets	33 066	24 586
Equity	25 034	18 146
Liabilities and Provisions for liabilities	20 623	17 194
Long-term liabilities	2 033	4 512
Short-term liabilities	18 590	12 682
Number of shares	1 090 453	1 089 099
Net profit (loss) per one common stock (in EUR)	4,16	5,23
Book value per share (in EUR)	22,96	16,66

Basic elements of the consolidated financial statement of the Capital Group

Consolidated statement of revenues

(data in thousands PLN)

	Note	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Revenues from sales	1	416 109,26	331 453,34
Cost of sold products, services, goods and materials	2	285 631,61	221 832,48
Gross profit (loss) on sales		**130 477,65**	**109 620,86**
Costs of sales		1 868,06	0,00
Cost of general management	2	97 992,70	63 958,59
Other operating revenues	3	1 034,65	713,36
Other operating costs	3	721,36	1 272,73
Profit (loss) from operating activity		**30 930,18**	**45 102,90**
Financial revenues	4	130,82	317,58
Financial costs	4	8 455,98	2 442,75
Deductions from goodwill impairment		0,00	0,00
Share profit of associates		960,26	767,23
Gross profit (loss)		**23 565,28**	**43 744,96**
Income tax	5,6	(152,13)	6 402,94
Net profit (loss) from continued operations		**23 717,41**	**37 342,02**
Net profit (loss) from discontinued operations	7	0,00	0,00
Net profit (loss)		**23 717,41**	**37 342,02**
Net profit (loss) attributable to minority shareholders		4 009,19	10 608,17
Net profit (loss) of the parent company		19 708,22	26 733,85

			from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Net result			23 717,41	37 342,02
Other comprehensive income			**(895,63)**	**(104,87)**
Other comprehensive income to be recognized as profit or loss after taxation			**(895,63)**	**(104,87)**
Exchange rate differences resulting from valuation of foreign entities			(895,63)	(104,87)
Other comprehensive income not to be recognized as profit or loss after taxation			0,00	0,00
Total comprehensive income			**22 821,78**	**37 237,15**
Total comprehensive income attributable to minority shareholders			4 009,19	10 608,17
Total comprehensive income of the parent entity			18 812,59	26 628,98

Net profit per share

Net profit per share	**8**		od 01.01.2023 do 31.12.2023	od 01.01.2022 do 31.12.2022
Basic			18,07	24,55
Net profit per share from continued operations			18,07	24,55
Net profit per share from discontinued operations			0,00	0,00
Diluted			18,07	24,55
Net profit per share from continued operations			18,07	24,55
Net profit per share from discontinued operations			0,00	0,00

Consolidated statement of financial situation

(data in thousands PLN)

	Note	as at 31.12.2023	as at 31.12.2022
Fixed assets		**54 747,42**	**50 432,85**
Intangible assets	11	6 811,70	417,21
Material fixed assets	10	23 121,34	24 919,65
Goodwill	12	18 650,08	18 650,08
Stocks and shares in affiliated entities	14	1 009,88	920,49
Stocks and shares in subsidiary entities not subject to consolidation	13	158,85	158,85
Accruals	19	3 298,70	4 295,88
Deferred tax assets	6	438,50	0,00
Other fixed assets	15	1 258,37	1 070,69
Current assets		**143 770,03**	**115 306,53**
Current assets other than assets held for sale		143 770,03	115 306,53
Inventories	16	16,40	44,60
Trade receivables from related entities	17	10 320,71	8 154,46
Trade receivables from other entities		62 042,75	58 958,99
Receivables due to current income tax		5 018,68	544,34
Receivables due to taxes other than income tax	18	10 863,27	10 224,14
Other receivables	18	473,90	226,78
Short-term accruals and prepayments	19	9 988,70	2 355,20
Financial assets	20	313,73	619,43
Cash and cash equivalents	21	44 724,44	34 178,59
Other current assets		7,45	0,00
Fixed assets or assets held for sale		0,00	0,00
Total assets		**198 517,45**	**165 739,38**

	Note	as at 31.12.2023	as at 31.12.2022
Equity		**108 847,05**	**85 101,56**
Equity attributable to the parent entity's shareholders		**83 979,94**	**64 032,79**
Share capital	22	109,15	109,01
Capital from the surplus of issue value over nominal value of shares	23	107,57	107,57
Share-based capital	23	1 939,75	701,35
Exchange rate differences from valuation		(739,55)	156,08
Retained earnings	24	82 563,02	62 958,78
Equity attributable to minority shareholders	25	24 867,11	21 068,77
Liabilities		**89 670,40**	**80 637,82**
Long-term liabilities		**8 840,69**	**21 159,08**
Credits and loans	30	0,00	5 624,65
Financial liabilities due to leasing	31	8 041,66	9 124,78
Other financial liabilities	32	0,00	6 000,00
Other liabilities	33	799,03	0,00
Deferred tax reserves	6	0,00	409,65
Short-term liabilities		**80 829,71**	**59 478,74**
Short-term liabilities other than liabilities related to assets held for sale		**80 829,71**	**59 478,74**
Credits and loans	30	29 480,67	3 670,41
Financial liabilities due to leasing	31	6 245,63	6 582,45
Other financial liabilities	32	4 000,00	6 000,00
Trade liabilities	34	26 090,51	25 331,90
Income tax liabilities		407,28	2 690,49
Tax and other public law liabilities	35	6 232,32	6 923,16
Liabilities due to remuneration	35	4 295,30	3 872,66
Other liabilities	35	152,86	619,63
Provisions for employee benefits	28	1 753,84	1 200,07
Other provisions	29	1 722,99	2 125,76
Deferred income	37	448,31	462,21
Liabilities related to assets recognized as held for sale		**0,00**	**0,00**
Total liabilities		**198 517,45**	**165 739,38**

Consolidated statement of changes in equity

(data in thousands PLN)

For the year 2023	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 01.01.2023	**109,01**	**107,57**	**701,35**	**156,08**	**62 958,78**	**64 032,79**	**21 068,77**	**85 101,56**
Issue of shares	0,14					0,14	665,17	665,31
Share-based payments			1 238,40			1 238,40		1 238,40
Putting the entity under control						0,00	0,00	0,00
Change in the proportion of shares					(103,98)	(103,98)	103,98	0,00
Comprehensive income				**(895,63)**	**19 708,22**	**18 812,59**	**4 009,19**	**22 821,78**
Net result for the financial year					19 708,22	19 708,22	4 009,19	23 717,41
Other comprehensive income				(895,63)		(895,63)		(895,63)
Other changes						0,00	(980,00)	(980,00)
Equity change	0,14	0,00	1 238,40	(895,63)	19 604,24	19 947,15	3 798,34	23 745,49
As at 31.12.2023	**109,15**	**107,57**	**1 939,75**	**(739,55)**	**82 563,02**	**83 979,94**	**24 867,11**	**108 847,05**

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	**108,87**	**107,57**	**630,00**	**260,95**	**36 995,95**	**38 103,35**	**8 724,68**	**46 828,03**
Issue of shares	0,14					0,14	20,21	20,35
Share-based payments			71,35			71,35		71,35
Putting the entity under control						0,00	944,68	944,68
Change in the proportion of shares					(771,03)	(771,03)	771,03	0,00
Comprehensive income				**(104,87)**	**26 733,85**	**26 628,98**	**10 608,17**	**37 237,15**
Net result for the financial year					26 733,85	26 733,85	10 608,17	37 342,02
Other comprehensive income				(104,87)		(104,87)		(104,87)
Other changes						0,00		0,00
Equity change	0,14	0,00	71,35	(104,87)	25 962,82	25 929,44	12 344,09	38 273,53
As at 31.12.2022	**109,01**	**107,57**	**701,35**	**156,08**	**62 958,78**	**64 032,79**	**21 068,77**	**85 101,56**

Consolidated cash flow statement

(data in thousands PLN)

	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Operational activity		
Gross profit (loss)	**23 565,28**	**43 744,96**
Total adjustments	**(11 655,68)**	**(10 509,02)**
Share in profits of affiliate entities	(960,26)	(767,23)
Depreciation	11 083,65	8 634,54
Goodwill write–off	0,00	0,00
Gain from bargain purchases	0,00	0,00
Profit (loss) due to exchange rate differences	(211,23)	(148,20)
Interest	2 880,20	2 118,50
Profit (loss) on investment activities	(71,20)	(40,34)
Change in reserves	151,00	2 418,12
Change in inventories	28,20	(44,60)
Change in receivables	(6 785,64)	(33 408,48)
Change in liabilities	183,18	16 957,99
Change in other assets	(13 322,28)	(2 769,34)
Other adjustments to operating activities	2 169,67	3 135,12
Income tax flows	(6 800,97)	(6 595,10)
Net inflows from operational activities	**11 909,60**	**33 235,94**
INVESTMENT ACTIVITIES		
Sales of intangible assets and tangible fixed assets	404,88	331,10
Repayment of given loans	0,00	0,00
Purchases of intangible assets and tangible fixed assets	(3 471,40)	(6 840,59)
Loans granted	(1 459,62)	(732,59)
Expenditures on other financial assets	(8 000,00)	(8 049,80)
Other investment inflows	2 386,76	10 093,55
Net inflows from investment activities	**(10 139,38)**	**(5 198,33)**
FINANCIAL ACTIVITIES		
Net cash inflow from issue of shares (stocks) and other capital instruments and additional capital contribution	0,14	0,14
Inflow from credits and loans	28 304,71	10 936,27
Repayment of credits and loans	(8 124,85)	(12 435,11)
Payment of lease liabilities	(8 148,28)	(7 301,34)
Interest	(2 143,96)	(1 037,52)
Dividends and other payments to minority owners	-340	0,00
Other financial inflows / expenses	(772,13)	(568,48)
Net inflows from financial activities	**8 775,63**	**(10 406,04)**
Net cash flows from financial activities	**10 545,85**	**17 631,57**
Results of changes in exchange rates on cash and cash equivalents	**0,00**	**0,00**

Balance sheet change in cash	10 545,85	17 631,57
Opening balance of cash	34 178,59	16 547,02
Closing balance of cash	44 724,44	34 178,59

Explanatory notes to consolidated financial information

Compliance with International Financial Reporting Standards

The consolidated financial statement 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 1.01.2023.

Changes in standards or interpretations applicable and applied by the Group from 2023 r.

While preparing the consolidated financial statement for 2023, the Group adheres to the same accounting principles as those used in preparing the annual financial statement for 2021, with the exception of amendments to standards and new standards and interpretations approved by the European Union, which are applicable for reporting periods beginning on January 1, 2023:

- FRS 17 Insurance Contracts - approved on November 19, 2021, applicable to reporting periods starting on or after January 1, 2023. This new standard regulates the recognition, measurement, presentation, and disclosures related to insurance and reinsurance contracts. It replaces the previous IFRS 4 Insurance Contracts.
- Amendments to IAS 1 and Practice Statement 2: Disclosure of Accounting Policies (published on February 12, 2021) - approved on March 2, 2022, applicable for annual periods beginning on or after January 1, 2023. The IASB clarified which information about accounting policies applied by the Group is material and requires disclosure in the financial statements. The principles focus on tailoring disclosures to the specific circumstances of the Group. The Board warns against the use of standardized wording copied from IFRS and expects that the basis of valuation of financial instruments will be considered significant information.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates, and Errors - approved on March 2, 2022, applicable for periods beginning on or after January 1, 2023. The Board introduced a definition of accounting estimates into the standard: Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
- Amendments to IAS 12 Income Taxes regarding Deferred Tax Assets and Liabilities from a Single Transaction - approved on August 11, 2022, applicable for periods beginning on January 1, 2023, or later. The Board has introduced a principle that if a transaction simultaneously gives rise to equal positive and negative temporary differences, deferred tax assets and liabilities must be recognized even if the transaction does not result from a business combination and does not affect the accounting or taxable profit. This requires the recognition of deferred tax assets and liabilities, for example, when equal temporary differences occur in the case of leasing (separate temporary differences from the liability and from the right of use) or in the case of restoration obligations. The existing rule that assets and liabilities for deferred income tax are offset only if they relate to current tax assets and liabilities remains unchanged.
- Amendments to IFRS 17 Insurance Contracts concerning the Initial Application of IFRS 17 and IFRS 9 - Comparative Information - approved on September 8, 2022, applicable for periods beginning on January 1, 2023, or later. The Board established transitional provisions for comparative data for entities that are implementing IFRS 17 and IFRS 9 simultaneously in order to reduce potential accounting mismatches arising from differences between these standards.
- Amendments to IAS 12 Income Tax concerning the International Tax Reform - Global Anti-Base Erosion Model Rules (Pillar Two) - approved on November 8, 2023, applicable to annual reporting periods beginning on or after January 1, 2023. The amendment introduces a temporary exemption from recognizing deferred tax resulting from the implementation of the international tax reform (Pillar Two) and the requirement to provide additional disclosures related to this.

The changes do not have a significant impact on the accounting principles (policies) applied by the Group with regard to its operations or financial results.

Published standards and interpretations that have not yet come into effect for periods beginning on January 1, 2023.

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

- Amendments to IFRS 16 Leases: Lease Liability in Sale and Leaseback Transactions - applicable for reporting periods beginning on or after January 1, 2024.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Long-term Liabilities with Covenants - applicable for reporting periods beginning on or after January 1, 2024.

The Group has not opted for early adoption of any standard, interpretation, or amendment that has been published but has not yet come into effect. These changes do not have a significant impact on the accounting principles (policies) applied by the Group in relation to its operations or financial results.

Description of the adopted accounting principles (policy)

In preparing this consolidated financial statement, the same accounting principles and calculation methods were applied as in the preparation of the consolidated financial statement for 2022. No changes were made to comparative data or corrections of errors. However, the presentation of data has been changed such that starting from January 1, 2023, financial data, including the consolidated financial statements of Spyrosoft S.A. Capital Group, are presented in thousands of PLN. Consequently, the comparative data in this report are also presented in thousands of PLN.

Revenues and costs of operational activities

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

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

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 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.

Spyrosoft Solutions

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, Polish, Romanian, and Croatian 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 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.

Spyrosoft Connect

The segment's activities are carried out by the company Spyrosoft Connect. The company focuses its operations on systems related to customer service and customer relationship management. The company's activities include the following areas:

- consulting services
- analysis and implementation of CRM systems, especially based on Salesforce (Sales Cloud, Service Cloud, CPQ, Commerce Cloud, Experience Cloud)
- analysis and implementation of marketing automation systems
- system integration
- application testing services
- utilization of artificial intelligence

The company primarily offers its services in the Polish market, the EU, and the UK.

Financial information about individual segments

Revenues from sales	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	209 796,42	177 241,06
Spyrosoft GB	71 117,73	64 909,28
Spyrosoft Solutions	140 235,42	134 513,05
Unravel	13 913,77	10 055,10
Spyrosoft Synergy PL	35 025,28	15 877,36
BSG	57 368,54	44 131,69
Spyrosoft ecommerce	7 224,36	254,68
Spyrosoft Connect	10 340,33	0,00
Consolidation adjustments	(128 912,59)	(115 528,88)
Group's total revenues from sales	**416 109,26**	**331 453,34**

Cost of sold products, services, goods and materials	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	138 569,67	117 971,83
Spyrosoft GB	63 511,89	57 071,61
Spyrosoft Solutions	100 915,88	96 894,37
Unravel	8 865,87	6 418,58
Spyrosoft Synergy	26 485,47	12 112,67
BSG	40 860,84	30 532,91
Spyrosoft ecommerce	5 516,59	638,90
Spyrosoft Connect	5 623,05	0,00
Consolidation adjustments	(104 717,66)	(99 808,39)
Group's total cost of sold products, services, goods and materials	**285 631,61**	**221 832,48**

Cost of general management	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	60 763,51	42 879,93
Spyrosoft GB	5 792,19	4 334,39
Spyrosoft Solutions	33 111,60	23 556,14
Unravel	3 484,25	1 818,77
Spyrosoft Synergy	6 232,19	3 465,87
BSG	10 022,09	3 771,72
Spyrosoft ecommerce	1 692,50	887,01
Spyrosoft Connect	1 157,14	0,00
Consolidation adjustments	(24 262,77)	(16 755,25)
Group's total cost of general management	**97 992,70**	**63 958,59**

Profit (loss) from operational activity	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	10 582,01	16 301,65
Spyrosoft GB	(52,24)	3 523,35
Spyrosoft Solutions	6 394,44	13 585,45
Unravel	1 566,54	1 813,15
Spyrosoft Synergy	2 314,17	295,70
BSG	6 482,23	9 816,94
Spyrosoft ecommerce	15,33	(1 271,24)
Spyrosoft Connect	3 559,85	0,00
Consolidation adjustments	67,84	1 037,91
Group's total profit (loss) from operational activity	**30 930,18**	**45 102,90**

Fixed assets	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	33 946,58	32 088,50
Spyrosoft GB	1 420,97	1 240,56
Spyrosoft Solutions	8 841,28	5 495,40
Unravel	202,38	224,72
Spyrosoft Synergy PL	958,81	1 074,18
BSG	774,95	1 546,61
Spyrosoft ecommerce	458,71	164,70
Spyrosoft Connect	158,60	0,00
Consolidation adjustments	7 985,14	8 598,19
Group’s total fixed assets	**54 747,42**	**50 432,84**

Current assets	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	67 531,61	50 776,50
Spyrosoft GB	20 303,71	21 036,46
Spyrosoft Solutions	45 408,88	45 342,84
Unravel	5 213,22	4 294,09
Spyrosoft Synergy	9 251,42	5 457,10
BSG	22 759,94	17 640,05
Spyrosoft ecommerce	2 108,42	545,38
Spyrosoft Connect	4 815,27	0,00
Consolidation adjustments	(33 622,44)	(29 785,89)
Group's total current assets	**143 770,03**	**115 306,53**

Long-term liabilities (including provisions for liabilities)	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
SpyroSoft PL	1 845,31	12 556,51
Spyrosoft GB	0,00	0,00
Spyrosoft Solutions	0,00	0,00
Unravel	0,00	0,00
Spyrosoft Synergy	75,42	133,03
BSG	171,23	217,21
Spyrosoft ecommerce	0,00	0,00
Spyrosoft Connect	0,00	0,00
Consolidation adjustments	6 748,74	8 252,32
Group's total long-term liabilities	**8 840,69**	**21 159,08**

Short-term liabilities (including provisions for liabilities)	od 01.01.2023 do 31.12.2023	od 01.01.2022 do 31.12.2022
SpyroSoft PL	50 968,13	29 677,94
Spyrosoft GB	14 699,84	14 850,13
Spyrosoft Solutions	20 733,15	18 581,34
Unravel	1 247,11	1 575,57
Spyrosoft Synergy	8 719,05	6 312,68
BSG	6 894,72	6 172,78
Spyrosoft ecommerce	3 763,56	1 791,02
Spyrosoft Connect	1 617,00	0,00
Consolidation adjustments	(27 812,84)	(19 482,72)
Group's total short-term liabilities	**80 829,71**	**59 478,74**

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:

From 1.01.2023 to 31.12.2023

	Domestic sales revenue	Revenue from sales to other EU countries	Revenue from other export sales	**Total**
Revenue from the sale of services, incl	149 008,38	157 769,95	109 257,63	**416 035,96**
programming services	144 466,07	157 624,84	108 619,37	410 710,27
office sublease	1 192,63	0,00	0,00	1 192,63
licensing and sale of copyrights	56,72	18,43	638,27	713,42
implementation of e-commerce solutions	2 930,20	0,00	0,00	2 930,65
other, including re-invoiced	362,76	126,68	0,00	489,43
Revenue from the sale of goods, incl	73,30	0,00	0,00	**73,30**
hardware	73,30	0,00	0,00	73,30
Total revenues from the sale of products, services, goods and materials:	149 081,68	157 769,95	109 257,63	**416 109,26**

From 1.01.2022 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	119 848,37	115 856,11	95 664,30	**331 368,78**
programming services	113 293,04	115 803,59	95 660,90	324 757,53
office sublease	5 326,12	12,37	0,00	5 338,49
licensing and sale of copyrights	915,41	10,32	3,40	929,13
implementation of e-commerce solutions	165,96	0,00	0,00	165,97
other, including re-invoiced	147,85	29,82	0,00	177,68
Revenue from the sale of goods, incl	84,56	0,00	0,00	**84,56**
hardware	84,56	0,00	0,00	84,56
Total revenues from the sale of products, services, goods and materials:	119 932,93	115 856,11	95 664,30	**331 453,34**

Note 2. Operating costs

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
- depreciation	11 083,64	8 634,54
- consumption of materials and energy	1 069,60	1 336,66
- external services	269 751,76	198 650,37
- taxes and fees	2 358,78	684,62
- wages and salaries	78 382,07	57 208,08
- social security and other payments	15 979,55	11 053,67
- other costs by type	12 164,09	9 661,87
Total	**390 789,49**	**287 229,81**
change in products	(376,91)	(492,28)
cost of manufacture of products for the entity's own needs (negative value)	(4 992,96)	(1 021,57)
cost of sales (negative value)	(1 868,06)	0,00
general and administrative costs (negative value)	(97 992,70)	(63 958,59)
manufacturing cost of products sold	(285 558,86)	(221 757,37)

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 conducting its core activities into those directly related to the revenues generated and general overheads necessary for operating. The latter includes, among others, the depreciation costs of premises where the capital group's activities are conducted. The area and, therefore, the cost value has increased over the past years with the rise in the number of employees and external programmers permanently cooperating with the capital group, and the long-term contracts signed at that time continue to impact the cost level in the current year. Due to the currently reduced need for office space, the capital group offsets the incurred costs by subleasing the unused areas, which in the current year has generated revenues totaling PLN 955,000. General overheads also include the salaries of individuals performing administrative and supervisory functions within the capital group, as well as costs of business trips and meetings of a representational nature.

Note 3. Other operating costs and revenues

Other operating revenues	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Income from disposal of non-financial fixed assets	71,20	40,34
Income from re-invoicing	475,03	278,37
Income from bargain acquisition of subsidiaries	0,00	0,00
Subsidies	19,68	131,82
Other	468,74	262,82
Total	**1 034,65**	**713,36**

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.

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Loss from the disposal of non-financial fixed assets	0,00	0,00
Costs resulting from re-invoicing	227,08	338,08
Revaluation of non-financial assets	132,68	366,95
Asset write-off costs	0,00	0,09
Court fees costs	0,00	44,83
Receivables write-off costs	354,73	124,68
Donations	6,85	300,46
Other	0,00	97,64
Total	**721,35**	**1 272,74**

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Dividends	870,86	0,00
Interest	130,82	76,28
Gains due to exchange rate differences	0,00	241,30
Other	0,00	0,00
Total	**1 001,68**	**317,58**

Revenues from interest	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Interest	130,82	76,28
Total	**130,82**	**76,28**

Financial costs	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Interest	2 434,34	1 728,42
Loan and factoring provisions	770,43	615,79
Losses due to exchange rate differences	5 251,21	98,55
Other	0,00	0,00
Total	**8 455,98**	**2 442,75**

Costs from interest	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Interest	2 434,34	1 728,42
Total	**2 434,34**	**1 728,42**

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 2023 and 31 December 2022 is as follows:

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Profit / loss gross	23 565,28	43 744,96
Income exempt from taxation	12 797,78	11 194,28
Non-taxable income in the current year	7 673,09	285,72
Costs that are not tax deductible (permanent differences)	0,00	1 267,69
Non-deductible costs (temporary differences)	19 698,21	13 566,72
Costs recognized as tax deductible costs, recognized in previous years	11 874,74	5 526,79
Loss from previous years	4 484,43	0,00
Other changes to the tax base	926,10	(4 462,45)
Income tax base	(19 983,88)	36 133,83
Income tax	**1 608,85**	**7 202,19**
Effective tax rate	6,83%	16,46%

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

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Current income tax, incl.	696,01	4 711,67
- fiscal year tax	1 608,85	4 711,67
- corrections for previous years	(912,84)	0,00
Deferred income tax	(848,14)	86,20
Other		0,00
Total income tax	**(152,13)**	**4 797,87**

The current income tax related to previous years is primarily the result of actions taken in the current year to take advantage of the tax relief for research and development activities for the years 2018 and 2019, which allowed for a reduction in tax liabilities totaling PLN 1,091.58 thousand.

The current income tax reported in the statement of comprehensive income was determined based on the tax rates applied in the subsidiary entities and the dominant unit, taking into account differences in the tax regulations that apply to them.

The deferred tax reported in the statement of comprehensive income represents the difference between the reserves and deferred tax assets at the end and beginning of the reporting periods.

Note 6. Assets and provisions for deferred income tax

Item	31.12.2023	31.12.2022
Assets for deferred income tax	3 771,19	1 422,80
Provisions for deferred income tax	3 332,69	1 832,45
Deferred tax assets presented in the financial statement	**438,50**	**0,00**
Provision for deferred tax presented in the financial statement	**0,00**	**409,65**

Deductible temporary differences serving as the basis for creating a deferred tax asset	31.12.2023	31.12.2022
Interest cost	632,48	126,09
Social security contribution costs	652,28	1 156,41
Costs related to civil law contracts	238,09	137,01
Valuation of financial liabilities	0,00	0,00
Provisions for unused holidays	2 534,37	2 618,55
Sales corrective invoices	2 212,06	552,74
Receivables value update	951,41	0,00
Other adjustments (including deductible tax losses)	727,45	586,87
Exchange differences from the balance sheet valuation	12 132,29	2 414,68
Deductible temporary differences – total	**20 080,44**	**7 592,33**
Deferred tax assets	**3 771,19**	**1 422,80**

Taxable temporary differences serving as the basis for creating a deferred tax provision	31.12.2023	31.12.2022
Accelerated tax depreciation	8 123,44	8 740,01
Interest income	635,79	246,05
Income from valuation of work in progress	8 992,80	1 016,86
Exchange differences from the balance sheet valuation	10,32	74,40
Purchase Correction Invoices	0,00	0,00
Other consolidation adjustments	0,00	0,00
Taxable temporary differences – total	**17 762,35**	**10 077,32**
Deferred tax provisions	**3 332,69**	**1 832,45**

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Weighted average number of shares in the period*	1 090 453	1 089 099
Net profit of the parent company in the period	19 708 221,73	26 733 848,55
Earnings per share	**18,07**	**24,55**

	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Weighted average number of shares in the period*	1 090 453	1 089 099
Net profit of the parent company in the period	19 708 221,73	26 733 848,55
Diluted earnings per share	**18,07**	**24,55**

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, 2023 to December 31, 2023 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 01.01.2023	0,00	27 796,81	13 430,11	341,39	4 543,03	46 111,35
Increases, including:	0,00	4 960,75	3 974,77	209,52	540,13	9 685,17
acquisitions	0,00	7,46	2 541,10	21,34	454,28	3 024,19
lease contracts	0,00	4 953,28	1 433,67	0,00	85,85	6 472,80
other	0,00	0,00	0,00	188,18	0,00	188,18
Decreases, including:	0,00	398,74	1 024,12	0,00	4,62	1 427,48
sales	0,00	0,00	983,44	0,00	4,62	988,07
Other		398,74	40,68	0,00	0,00	439,42
As at 31.12.2023	0,00	32 358,82	16 380,76	550,91	5 078,54	54 369,04
CANCELLATIONS						
As at 01.01.2023	0,00	14 630,46	4 385,21	165,01	2 017,22	21 197,90
Increases, including:	0,00	6 316,52	3 425,54	68,53	934,19	10 744,78
depreciation	0,00	6 316,52	3 425,54	68,53	934,19	10 744,78
other	0,00	0,00	0,00	0,00	0,00	0,00
Decreases, including:	0,00	0,00	650,45	0,00	3,77	654,21
sales	0,00	0,00	650,45	0,00	3,77	654,21
As at 31.12.2023	0,00	20 946,98	7 160,30	233,53	2 947,65	31 288,47
REVALUATION WRITE-OFFS						
As at 01.01.2023	0,00	0,00	0,00	0,00	0,00	0,00
As at 31.12.2023	0,00	0,00	0,00	0,00	0,00	0,00
NET VALUE						
As at 01.01.2022	0,00	13 166,35	9 044,90	176,39	2 525,81	24 913,45
As at 31.12.2022	0,00	11 411,84	9 220,46	317,38	2 130,89	23 080,57

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 40,77 thousand.

Changes in property, plant and equipment in the period from January 1, 2023 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	19 056,51	6 065,34	0,00	2 472,54	27 594,39
Increases, including:	0,00	8 740,30	8 111,15	341,39	2 090,81	19 283,65
acquisitions	0,00	228,45	6 415,54	0,00	481,57	7 125,57
lease contracts	0,00	8 511,85	1 157,83	0,00	1 609,23	11 278,92
other	0,00	0,00	537,77	341,39	0,00	879,16
Decreases, including:	0,00	0,00	746,37	0,00	20,32	766,69
sales	0,00	0,00	746,37	0,00	20,32	766,69
As at 31.12.2022	0,00	27 796,81	13 430,11	341,39	4 543,03	46 111,35
CANCELLATIONS						
As at 01.01.2022	0,00	10 016,52	2 260,14	0,00	1 117,55	13 394,21
Increases, including:	0,00	4 613,94	2 631,52	165,01	915,82	8 326,29
depreciation	0,00	4 613,94	2 286,65	51,21	915,82	7 867,63
other	0,00	0,00	344,87	113,80	0,00	458,66
Decreases, including:	0,00	0,00	506,46	0,00	16,14	522,60
sales	0,00	0,00	506,46	0,00	16,14	522,60
As at 31.12.2022	0,00	14 630,46	4 385,21	165,01	2 017,22	21 197,90
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	9 039,99	3 805,19	0,00	1 354,99	14 200,18
As at 31.12.2022	0,00	13 166,35	9 044,90	176,39	2 525,81	24 913,45

Additionally, the balance of tangible fixed assets as of December 31, 2022, also includes advance payments made for the purchase of these assets, amounting to PLN 6,20 thousand.

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

Item	31.12.2023	31.12.2022
Own fixed assets	8 124,14	8 646,37

Item	31.12.2023	31.12.2022
Fixed assets used under rental, tenancy and other contracts, including lease contracts	14 956,43	16 267,08

Note 11. Intangible assets and expenditures on development works

Changes in intangible assets in the period from January 1, 2023 to December 31, 2023 are as follows:

Item	Costs of completed development works	Goodwill	Other intangible assets	Advances for intangible assets	Total
GROSS VALUE					
As at 01.01.2023	1 818,49	0,00	860,25	0,00	2 678,74
Increases, including:	6 725,73	0,00	7,62	0,00	6 733,35
- acquisitions	0,00	0,00	7,62	0,00	7,62
- lease contracts	0,00	0,00	0,00	0,00	0,00
- other	6 725,73	0,00	0,00	0,00	6 725,73
Decreases	0,00	0,00	0,00	0,00	0,00
As at 31.12.2023	8 544,22	0,00	867,87	0,00	9 412,09
CANCELLATIONS					
As at 01.01.2023	1 479,20	0,00	782,32	0,00	2 261,52
Increases, including:	259,32	0,00	79,55	0,00	338,86
- deprecation	259,32	0,00	79,55	0,00	338,86
- other	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	0,00	0,00	0,00
As at 31.12.2023	1 738,52	0,00	861,87	0,00	2 600,38
REVALUATION WRITE-OFFS					
As at 01.01.2023	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 31.12.2023	0,00	0,00	0,00	0,00	0,00
NET VALUE					
As at 01.01.2023	339,29	0,00	77,93	0,00	417,22
As at 31.12.2023	6 805,70	0,00	6,00	0,00	6 811,70

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	768,63	0,00	746,53	1 014,90	1 116,09
Increases, including:	1 049,86	0,00	116,30	0,00	1 166,16
- acquisitions	0,00	0,00	116,30	0,00	116,30
- lease contracts	0,00	0,00	0,00	0,00	0,00
- other	1 049,86	0,00	0,00	0,00	1 049,86
Decreases		0,00	2,58	1 014,90	1 017,48
As at 31.12.2022	1 818,49	0,00	860,25	0,00	2 678,74
CANCELLATIONS					
As at 01.01.2022	281,83	0,00	489,59	0,00	771,42

Increases, including:	1 197,37	0,00	295,31	0,00	1 492,68
- deprecation	471,60	0,00	295,31	0,00	766,91
- other	725,77				725,77
Decreases		0,00	2,58	0,00	2,58
As at 31.12.2022	1 479,20	0,00	782,32	0,00	2 261,52
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	486,80	0,00	256,94	1 014,90	1 758,64
As at 31.12.2022	339,29	0,00	77,93	0,00	417,22

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	31.12.2023	31.12.2022
Own intangible assets	6 811,70	394,72

Item	31.12.2023	31.12.2022
Intangible assets used on the basis of rental, tenancy and other contracts, including lease contracts	0,00	22,50

Note 12. Goodwill

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Goodwill value at the beginning of the period	0,00	0,00
Creation of goodwill as a result of the merger	18 589,64	18 589,64
Adjustment to write down the value of goodwill	0,00	0,00
Goodwill value at the end of the period	**18 589,64**	**18 589,64**

In 2023, the consolidated financial statement included the subsidiary Spyrosoft Connect S.A., based in Wrocław. The financial data related to the merger are presented as follows:

Name of the acquired entity	**Spyrosoft Connect S.A.**
Date of acquisition	01.01.2023
Percentage of shares acquired	80%
Goodwill value	0,00
Fair value of consideration paid in cash	80.000,00
Fair value of consideration paid in another form	0,00

Gain on bargain purchase recognized in the statement of comprehensive income	0,00
Non-controlling interest in the acquired entity recognized on the date of acquisition	20.000,00
Revenues of the acquired entity	10.340,33
Profit / loss of the acquired entity	3.256,88

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

Item	31.12.2023	31.12.2022
Stocks and shares in affiliated entities	158,85	158,85
Total	**158,85**	**158,85**

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at beginning of period	**109 042,14**	**109 042,14**
Increases, including:	49 803,93	49 803,93
- acquisitions	49 803,93	49 803,93
- other increases	0,00	0,00
Decreases, including:	0,00	0,00
- consolidation	0,00	0,00
- other decreases	0,00	0,00
As at end of period	**158 846,07**	**158 846,07**

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at beginning of period	**920,49**	**1 588,14**
Increases, including:	960,26	767,23
- acquisitions of shares or stocks	0,00	0,00
- valuation under the equity method	960,26	767,23
Decreases, including:	870,86	1 434,89
- dividends paid	870,86	1 434,89
- valuation under the equity method	0,00	0,00
As at end of period	**1 009,88**	**920,49**

Note 15. Other fixed assets

Item	31.12.2023	31.12.2022
Deposits paid to affiliated entities	0,00	0,00
Deposits paid to other entities	367,37	325,72
Total	**367,37**	**325,72**

Note 16. Inventories

Item	31.12.2023	31.12.2022
Computer hardware for resale	16,40	44,60
Prepayments	0,00	0,00
Total	**16,40**	**44,60**

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	31.12.2023	31.12.2022
Gross value of receivables	74 458,10	69 167,72
Write-downs on receivables	2 094,63	2 054,27
Trade receivables	**72 363,46**	**67 113,45**
- from affiliated entities	10 320,71	8 154,46
- from other entities	62 042,75	58 958,99

Changes in write-downs on receivables were as follows:

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at the beginning of period	**2 054,27**	**1 660,68**
Increases, including:	196,96	393,59
- as a result of an impairment loss	132,68	366,95
- due to exposure to credit risk	64,28	26,64
- due to other factors	0,00	0,00
Decreases, including:	156,60	0,00
- used	0,00	0,00
- dissolved	156,60	0,00
As at the end of period	**2 094,63**	**2 054,27**

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	0,44%	0,71%	4,86%	26,14%	62,13%	71,54%

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	31.12.2023	31.12.2022
PLN	5 079,19	16 383,01
EUR	36 302,44	31 191,88
USD	13 255,27	2 567,13
GBP	17 963,13	18 647,14
RON	3,32	0,00
HRK	0,00	378,56
CAD	0,00	157,53
NOK	1 854,74	2 707,64
Total	**74 458,10**	**69 167,72**

The age structure of trade receivables as at December 31, 2023 is presented in the table below:

Overdue	timely	up to 30 days	31 - 90 days	91 - 180	181 - 365	over a year
Gross receivables	51 364,91	19 066,33	2 148,57	317,57	403,24	1 157,47
Revaluation write-downs	182,44	134,99	104,37	112,12	403,24	1 157,47
Trade receivables	**51 182,48**	**18 931,34**	**2 044,20**	**205,45**	**0,00**	**0,00**

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	51 875,85	14 355,77	966,61	333,26	480,26	1 155,97
Revaluation write-downs	208,20	109,31	54,45	118,30	414,98	1 149,02
Trade receivables	**51 667,65**	**14 246,46**	**912,16**	**214,95**	**65,28**	**6,95**

Note 18. Other receivables

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

Item	31.12.2023	31.12.2022
VAT receivables	10 852,50	10 099,38
Subsidy receivables	0,00	124,21
Settlements with employees	12,49	0,41
Deposits paid	429,36	138,56
Other	42,82	88,36
Total	**11 337,16**	**10 450,92**

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

Note 19. Active accruals

Long-term	31.12.2023	31.12.2022
property and personal insurance	0,18	0,25
servers, electronic licenses	0,00	2,39
development costs in progress	3 298,53	4 292,10
other	0,00	1,14
Total	**3 298,70**	**4 295,88**

Short-term	31.12.2023	31.12.2022
Property and personal insurance	271,17	147,59
Servers, electronic licenses	478,87	782,07
Membership fees	0,46	0,00
Other services	125,94	136,31
Prepayments and future receivables	9 077,54	1 208,46
Year-end costs	31,77	80,77
Total	**9 985,76**	**2 355,20**

Note 20. Other financial assets

Item	31.12.2023	31.12.2022
Loans granted to affiliated entities including:	0,00	487,20
- Spyrosoft Solutions d.o.o.	0,00	0,00
- Spyrosoft Solutions LLC	0,00	487,20
- Spyrosoft Solutions GMBH	0,00	0,00
Loans granted to other entities	313,73	0,00
Other assets from the valuation of currency transactions	0,00	132,23
Total	**313,73**	**619,43**

Credit risk related to financial instruments in the form of loans granted above has not increased significantly since initial recognition.

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	31.12.2023	31.12.2022
Cash in hand	9,78	17,05
On bank accounts (PLN)	7 669,32	8 940,78
- including on the VAT account	198,61	422,79
On foreign currency accounts	36 995,04	25 220,75
Cash in transit	50,30	0,00
Total	**44 724,44**	**34 178,59**

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

Note 22. Share capital

Structure of share capital as at December 31, 2023:

Series	Number of shares	Nominal value	Series total value
A1	850 000	0,10 zł	85,00
A2	150 000	0,10 zł	15,00
B	18 900	0,10 zł	1,89
C	10 866	0,10 zł	1,09
D	18 900	0,10 zł	1,89
E	18 900	0,10 zł	1,89
F	21 162	0,10 zł	2,12
H	2 732	0,10 zł	0,27
Total	**1 091 460**	**-**	**109,15**

Note 23. Other capitals

Item	31.12.2023	31.12.2022
Reserve capital from the sale of shares above the nominal value	107,57	107,57
Supplementary capital created from the distribution of the result from previous years	66 623,08	40 824,53
Reserve capital	1 939,75	701,35
Equity from the concentration of shares in subsidiaries	1 525,95	1 629,93
Total	**70 196,36**	**43 263,38**

Note 24. Retained earnings

Item	31.12.2023	31.12.2022
Profit / Loss from previous years of the parent company	(5 294,24)	(6 229,53)
Unconsolidated results transferred to supplementary capital	66 623,08	40 824,53
Capital from changes in shares in subsidiaries	1 525,95	1 629,93
Net profit (loss) of the parent company	19 708,22	26 733,85
Total	**82 563,02**	**62 958,78**

Note 25. Capital attributable to non-controlling shareholders

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at the beginning of period	**21 068,77**	**8 724,68**
Increases, including:	4 778,34	12 344,09
- bringing the unit under control	0,00	899,95
- financial results for the current year	665,17	0,00
- due to the dilution of the share of the parent company	4 009,19	10 608,17
- other increases	103,98	771,03
Decreases, including:	0,00	64,94
- financial results for the current year	980,00	0,00
- due to the concentration of the share of the parent company	0,00	0,00
- other reductions	0,00	0,00
As at the end of period	980,00	0,00
As at the beginning of period	**24 867,11**	**21 068,77**

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at the beginning of period	**701,35**	**630,00**
Recognition of share-based payments for the financial year	1 238,40	71,35
As at the end of period	**1 939,75**	**701,35**

Note 28. Provisions for employee benefits

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at the beginning of period	**1 200,07**	**879,66**
Creation of provisions	1 753,84	1 200,07
Use of provisions	1 200,07	879,66
As at the end of period	**1 753,84**	**1 200,07**
- of which: short-term provisions	1 753,84	1 200,07
- 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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
As at the beginning of period	**2 125,76**	**0,00**
Creation of provisions	1 722,99	2 125,76
Use of provisions	2 125,76	0,00
As at the end of period	**1 722,99**	**2 125,76**
- of which: short-term provisions	1 722,99	2 125,76
- of which: long-term provisions	0,00	0,00

This item mainly includes provisions for adjusting invoices related to revenues earned in the current year, which will be issued in the following year, associated with so-called "cash back" amounting to PLN 780.54 thousand, and provisions for additional remuneration created in the subsidiary Spyrosoft Solutions S.R.L, in accordance with locally applicable law, amounting to PLN 875.84 thousand.

Note 30. Credits and loans

Item	31.12.2023	31.12.2022
Overdraft	24 072,52	1 098,78
Investment loan	0,00	8 124,85
Loans received	5 403,92	71,43
Total	**29 476,44**	**9 295,06**
- of which: long-term	0,00	5 624,65
- of which: short-term	29 476,44	3 670,41

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 31.12.2023	29 476,44	0,00	0,00	0,00	0,00
Liabilities as at 31.12.2022	1 378,56	416,70	625,05	1 250,10	5 624,65

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. Spyrosoft Solutions S.A Spyrosoft Synergy S.A. Unravel S.A. Better Software Group S.A. Spyrosoft Connect S.A. Spyrosoft Ltd.	Multi-product agreement - guarantee limit and overdraft (annex)	28.08.2023	43 500	27.08.2025	WIBOR 1M + margin
ING BŚ S.A.	Spyrosoft eCommerce S.A.	Multi-product agreement - credit in the bank account	28.08.2023	1 500	27.08.2025	WIBOR 1M + margin

Note 31. Lease agreements

Lease agreements as at 31.12.2023:

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
Set of computers	ING Leasing	914361-ST-0	73,67	31.03.2024	5,84
Set of computers	ING Leasing	925611-ST-0	75,14	31.10.2024	19,57
Set of computers	ING Leasing	932790-ST-0	145,14	25.02.2026	94,84
Set of computers	ING Leasing	934278-ST-0	113,73	29.04.2025	45,17
Conference set	ING Leasing	933110-ST-0	237,67	29.03.2025	93,76
Office furniture	ING Leasing	923835-ST-0	1 123,73	30.04.2025	325,44
Office furniture	ING Leasing	938733-ST-0	130,14	24.09.2025	54,10
Set of computers	ING Leasing	941391-ST-0	178,85	03.11.2025	81,21
Office furniture	ING Leasing	942833-ST-0	115,27	25.12.2025	54,48
Set of computers	Santander Leasing	CR1/05950/2022	254,00	12.11.2025	147,96
Set of computers	ING Leasing	949074-ST-0	142,87	26.07.2026	100,38
Set of computers	Santander Leasing	CR1/02474/2023	1 290,80	27.08.2026	1 028,69
Set of computers	Santander Leasing	CR1/00076/2022	33,95	29.01.2025	10,99
Set of computers	Santander Leasing	CR1/00084/2022	18,92	29.01.2025	6,12
Set of computers	Santander Leasing	CR1/00085/2022	13,20	29.01.2025	4,27

Set of computers	Santander Leasing	CR1/00549/2022	8,41	26.02.2025	3,18
Office furniture	ING Leasing	931030-ST-0	83,05	29.04.2025	33,46
Office furniture	ING Leasing	934639-ST-0	58,45	29.05.2025	19,74
Office furniture	ING Leasing	937958-ST-0	65,07	29.09.2025	27,24
Office furniture	ING Leasing	940724-ST-0	63,99	26.10.2025	28,02
Office furniture	Santander Leasing	CR1/01052/2023	85,85	25.05.2026	61,78
Car	Volkswagen Financial Services	9733852-1420-13442	306,18	16.07.2024	208,33
Set of computers	mLeasing	5257592021/WR/560161	107,85	25.11.2023	1,07
Set of computers	mLeasing	5571832022/WR/580740	120,60	16.04.2024	5,56
Total	**-**	**-**	**4 846,50**	**-**	**2 461,20**

Similar contracts as at 31.12.2023:

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	13 732,74	31.07.2024	1 735,09
Office space in Kraków	High Five	6 861,58	14.03.2027	4 979,67
Office space in Osijek	Osijek	258,06	30.06.2027	169,84
Office space in Szczecin	Technopark	1 111,27	04.11.2026	1 169,34
Office space in Zagreb	Zagrzeb	736,58	31.12.2023	124,91
Office space in Warsaw	Spark C	1 391,54	31.07.2024	444,41
Office space in Bialystok	Świętojańska	2 517,62	28.02.2026	2 144,01
Office space in Timisoara		1 575,23	04.11.2026	1 058,82
Total	**-**	**28 184,61**	**-**	**11 826,09**

Lease agreements as at 31.12.2022:

Przedmiot leasingu	Finansujący	Numer umowy	Wartość początkowa zobowiązania	Termin zakończenia	Wartość zobowiązania na koniec okresu
Maintenance Canoe Pro	Grenkeleasing	142003694	72 007,78	01.12.2023	24,72
Set of computers	DELL BANK INTERNATIONAL	0146045-002	104 300,00	01.01.2023	9,17
Office furniture	ING Leasing	907660-ST-0	57 162,50	26.12.2023	16,68
Set of computers	ING Leasing	914361-ST-0	73,67	31.03.2024	26,42
Set of computers	ING Leasing	925611-ST-0	75,14	31.10.2024	40,56
IT equipment	ING Leasing	932790-ST-0	145,14	25.02.2026	130,74
IT equipment	ING Leasing	934278-ST-0	113,73	29.04.2025	75,22
Conference set	ING Leasing	933110-ST-0	237,67	29.03.2025	153,80
Office furniture	ING Leasing	923835-ST-0	1 123,73	30.04.2025	534,15
Office furniture	ING Leasing	938733-ST-0	130,14	24.09.2025	79,89
IT equipment	ING Leasing	941391-ST-0	178,85	03.11.2025	117,65
Office furniture	ING Leasing	942833-ST-0	115,27	25.12.2025	78,38
IT equipment	Santander Leasing	CR1/05950/2022	254,00	12.11.2025	214,25
IT equipment	Santander Leasing	CR1/00076/2022	33,95	29.01.2025	20,52
IT equipment	Santander Leasing	CR1/00084/2022	18,92	29.01.2025	11,43
IT equipment	Santander Leasing	CR1/00085/2022	13,20	29.01.2025	7,98
IT equipment	Santander Leasing	CR1/00549/2022	8,41	26.02.2025	5,14
Office furniture	ING Leasing	931030-ST-0	83,05	29.04.2025	54,02
Office furniture	ING Leasing	934639-ST-0	58,45	29.05.2025	30,95
Office furniture	ING Leasing	937958-ST-0	65,07	29.09.2025	41,43
Office furniture	ING Leasing	940724-ST-0	63,99	26.10.2025	40,74
Car	Volkswagen Financial Services	9733852-1420-13442	306,18	16.07.2024	234,96
IT equipment	mLeasing	5050742021/WR/541685	90,05	16.03.2024	10,63
IT equipment	mLeasing	5571832022/WR/580740	120,60	16.04.2024	85,78
IT equipment	mLeasing	5257592021/WR/560161	107,85	25.11.2023	54,46

IT equipment	mLeasing	4909422021/WR/535287	94,12	15.06.2023	23,53
Total	**-**	**-**	**3 511,15**	**-**	**2 123,19**

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	13 732,74	31.07.2024	5 087,47
Office space in Kraków	High Five	6 861,58	14.03.2027	5 938,23
Office space in Osijek	Osijek	258,06	30.06.2027	236,24
Office space in Szczecin	Technopark	1 111,27	04.11.2026	595,41
Office space in Zagreb	Zagrzeb	736,58	31.12.2023	404,59
Office space in Warsaw	Spark C	1 391,54	31.07.2024	1 322,10
Total	**-**	**24 091,76**	**-**	**13 584,04**

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	31.12.2023	31.12.2022
up to 1 year, including	6 245,63	6 582,45
- up to 30 days	660,39	772,58
- 31 to 90 days	1 329,46	1 043,42
- 91 to 180 days	2 001,83	1 575,71
- 181 to 365 days	2 253,95	3 190,74
up to 3 years	8 041,66	5 124,09
over 3 years	0,00	4 000,69
Total	**14 287,29**	**15 707,23**
- of which: short-term liabilities	6 245,63	6 582,45
- of which: long-term liabilities	8 041,66	9 124,78

Note 32. Other liabilities

Financial liabilities as at December 31, 2023, 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 4.000.000,00, of which, due to due to contractual payment dates, total amount is presented in short-term liabilities.

Note 33. Other long-term liabilities

Item	31.12.2023	31.12.2022
Deposits from affiliated entities	0,00	0,00
Deposits from other entities	0,00	0,00
Total	**0,00**	**0,00**

Note 34. Trade liabilities

Item	31.12.2023	31.12.2022
Trade liabilities	26 090,51	25 331,90
- of which: from affiliated entities	22,26	84,04
- of which: from other entities	26 068,25	25 247,86

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

Item	31.12.2023	31.12.2022
PLN	24 601,11	22 580,15
EUR	842,34	1 149,11
GBP	86,72	138,29
USD	536,69	778,56
DKK	0,00	0,25
NOK	23,64	26,77
RON	0,00	552,00
HRK	0,00	106,76
Total	**26 090,51**	**25 331,90**

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 31.12.2023	25 761,88	305,28	7,80	1,31	1,28	12,96
Trade liabilities as at 31.12.2022	22 856,39	1 820,53	567,76	48,66	33,10	5,46

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 31.12.2023	24 627,27	1 077,75	56,86	0,00	0,00
Trade liabilities as at 31.12.2022	22 251,34	604,68	0,36	0,00	0,00

Note 35. Other short-term liabilities

Item	31.12.2023	31.12.2022
VAT liabilities	2 373,37	3 327,85
Personal income tax liabilities	786,22	669,11
Liabilities due to social security contributions	2 877,37	2 770,81
PFRON and PPK liabilities	178,09	132,90
other taxes	17,28	22,49
Total tax and other public law liabilities	**6 232,32**	**6 923,16**
Payroll liabilities	4 295,30	3 872,66
Other settlements with employees	68,57	51,31
Advances received	42,79	523,15
Other	41,48	45,16
Total other liabilities	**152,85**	**619,63**

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	Status	Subject
Unravel S.A.	Spyrosoft S.A.	ING BŚ S.A.	125,00	PLN	inactive	Guarantee for a promissory note issued by Unravel S.A. (50%) to secure a PLN 125 000 credit agreement
Spyrosoft Solutions S.A.	Spyrosoft S.A.	ING Commercial Finance (Poland) S.A.	1 500,00	EUR	active	Guarantee for a promissory note issued by Spyrosoft Solutions S.A. to secure a EUR 1,5 mln factoring limit
Spyrosoft eCommerce S.A.	Spyrosoft S.A.	ING Commercial Finance (Poland) S.A.	1 000,00	PLN	active	Guarantee for a promissory note issued by Spyrosoft eCommerce to secure a PLN 1,0 mln factoring limit
Spyrosoft Solutions S.A.	Spyrosoft S.A.	ING Commercial Finance (Poland) S.A.	2 000,00	GBP	active	Guarantee for a promissory note issued by Spyrosoft Ltd. to secure a GBP 2,0 mln factoring limit

Note 37. Deferred income

Item	31.12.2023	31.12.2022
Grants received for the purchase of fixed assets	403,14	403,14
Reimbursements received for future period costs	45,18	59,08
Total	**448,31**	**462,21**
- of which: short-term	13,90	13,90
- of which: long-term	434,41	448,31

Note 38. Information about financial instruments

As at December 31, 2023

Financial instruments (assets)	Trade receivables	Loans granted	Total
Interest received / paid	0,00	0,00	0,00
Interest accrued and revaluation	0,00	130,82	130,82
Impairment write-off	(196,96)	0,00	(196,96)
Total amounts included in net profit	(196,96)	130,82	(66,14)
Total amounts recognized in other comprehensive income	0,00	0,00	0,00
Total amounts recognized in the statement of comprehensive income	**(196,96)**	**130,82**	**(66,14)**

Financial instruments (liabilities)	Loans received	Leasing liabilities	Bank loans	**Total**
Interest received / paid	(170,26)	(240,36)	(1 131,21)	(1 541,83)
Interest accrued and revaluation	(135,84)	(752,51)	0,00	(888,35)
Other	0,00	0,00	0,00	0,00
Total kwoty ujęte w zysku netto	(306,10)	(992,87)	(1 131,21)	(2 430,18)
Total amounts recognized in other comprehensive income	0,00	0,00	0,00	0,00
Total amounts recognized in the statement of comprehensive income	**(306,10)**	**(992,87)**	**(1 131,21)**	**(2 430,18)**

As at December 31, 2022

Financial instruments (assets)	Trade receivables	Loans granted	Total
Interest received / paid	0,00	0,00	**0,00**
Interest accrued and revaluation	0,00	27,07	**27,07**
Impairment write-off	(393,59)	0,00	**(393,59)**
Total amounts included in net profit	(393,59)	27,07	**(366,52)**
Total amounts recognized in other comprehensive income	0,00	0,00	**0,00**
Total amounts recognized in the statement of comprehensive income	**(393,59)**	**27,07**	**(366,52)**

Financial instruments (liabilities)	Loans received	Leasing liabilities	Bank loans	**Total**
Interest received / paid	(99,81)	(161,48)	(783,84)	**(1 045,14)**
Interest accrued and revaluation	(38,34)	(633,99)	0,00	**(672,33)**
Other	0,00	0,00	0,00	**0,00**
Total kwoty ujęte w zysku netto	(138,16)	(795,47)	(783,84)	**(1 717,47)**
Total amounts recognized in other comprehensive income	0,00	0,00	0,00	**0,00**
Total amounts recognized in the statement of comprehensive income	(138,16)	(795,47)	(783,84)	**(1 717,47)**

Note 39. Transactions with affiliated entities

Transactions with affiliated entities as at December 31, 2023 and in the period from January 1, 2023 to December 31, 2023:

Affiliated entity	Receivables (including loans)	Liabilities (including loans)	Revenue (including interest)	Costs (including interest)
ENTITIES AFFILIATED BY CAPITAL				
Spyrosoft Solutions LLC	10 189,13	0,00	47 364,89	57,60
Finin Sp. z o.o.	11,88	22,26	52,83	1 282,50
GOD Nearshore SE	119,71	0,00	1 206,13	17,32
PERSONALLY AFFILIATED ENTITIES				
Konrad Weiske	0,00	54,61	0,00	590,57
Wojciech Bodnaruś	0,00	51,70	0,00	586,73
Sebastian Łękawa	0,00	40,38	0,00	582,83
Sławomir Podolski	0,00	48,71	0,00	540,00
Wioletta Bodnaruś	0,00	2 028,26	0,00	118,67
Dorota Łękawa	0,00	2 028,26	0,00	94,85

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	8 564,47	12,49	31 599,82	479,83
Finin Sp. z o.o.	5,46	68,76	4,03	621,60
GOD Nearshore SE	71,72	7,02	1 220,02	177,66
PERSONALLY AFFILIATED ENTITIES				
Konrad Weiske	0,00	54,61	0,00	532,48
Wojciech Bodnaruś	0,00	51,70	0,00	518,87
Sebastian Łękawa	0,00	40,38	0,00	401,83
Sławomir Podolski	0,00	48,71	0,00	535,00
Wioletta Bodnaruś	0,00	0,00	0,00	1,26
Dorota Łękawa	0,00	0,00	0,00	6,19

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

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Parent company Management Board	240,00	240,00
- Konrad Weiske	60,00	60,00
- Wojciech Bodnaruś	60,00	60,00
- Sławomir Podolski	60,00	60,00
- Sebastian Łękawa	60,00	60,00
Parent company Supervisory Board	2,50	5,00
Total	**242,50**	**245,00**

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

Impact on equity	31.12.2023	31.12.2022
Equity in accordance with the existing accounting principles	85 332,12	65 225,15
- impact of adjustments for previous years	(1 192,36)	(1 355,37)
- adjustment due to creation of write-downs on receivables	(64,28)	(26,64)
- adjustment due to the recognition and valuation of lease agreements	8,44	189,66
- other	(103,98)	0,00
Equity in accordance with IFRS	**83 979,94**	**64 032,79**

Impact on the consolidated statement of comprehensive income	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Gross profit in accordance with the existing accounting principles	24 843,35	43 611,99
- adjustment due to creation of write-downs on receivables	(64,28)	(26,64)
- adjustment due to the recognition and valuation of lease agreements	24,61	230,96
- adjustment for share-based payments	(1 238,40)	(71,35)
- other	0,00	0,00
Gross profit in accordance with IFRS	**23 565,28**	**43 744,96**

Note 42. Events after balance sheet

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 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Audit of financial statements	40,00	40,00
Audit of the consolidated financial statements	34,00	30,00
Audit of historical financial information	0,00	0,00
Other	30,00	4,00
Total	**104,00**	**74,00**

Note 44. Explanations to the statement of cash flows

Item	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
Change in receivables in the statement of financial position	(6 136,26)	(33 183,21)
- change in long-term receivables due to security deposits	(41,64)	(250,10)
- adjustment for receivables from investing activities	0,00	0,00
- adjustments for compensations made	(607,74)	7,60
- other adjustments		17,25
Change in receivables from the cash flow statement	**(6 785,64)**	**(33 408,48)**
Change in short-term liabilities in the statement of financial position	23,64	16 957,99
- adjustment for liabilities of an investment nature	0,00	0,00
- change in liabilities due to long-term deposits	0,00	0,00
- change in factoring liabilities related to operating activities	0,00	0,00
- other adjustments	159,55	
Change in short-term liabilities in the cash flow statement	**183,18**	**16 957,99**
Change in inventory in the statement of financial position	28,20	(44,60)
- adjustments	0,00	0,00
Change in inventory in the cash flow statement	**28,20**	**(44,60)**
Change in provisions in the statement of financial position	151,00	2 418,12
- adjustments	0,00	0,00
Change in provisions in the cash flow statement	**151,00**	**2 418,12**
Change in accruals in the statement of financial position	(6 650,23)	(3 784,24)
- adjustments for reclassification from non-current assets	(6 483,38)	1 014,90
- compensation adjustments with accruals	(188,67)	
Change in accruals in the cash flow statement	**(13 322,28)**	**(2 769,34)**
Other adjustments		
- adjustment for the cost of remuneration paid in the form of shares	1 238,40	71,35
- proceeds from long-term deposits	799,04	0,00

- change in assets and liabilities due to consolidation	0,00	3 196,01
- other	132,23	(132,23)
Other adjustments presented in	**2 169,67**	**3 135,13**

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.	1 584,52	PLN	31.07.2024	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Stena H5 Sp. z o.o.	179,88	EUR	31.01.2025	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Miquido Sp. z o.o. Sp. k.	414,00	PLN	28.04.2024	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Skanska SA	50,78	EUR	31.07.2024	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Instytut Medycyny Innowacyjnej	244,44	PLN	31.07.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Inopa Investment C200 Sp. z o.o.	32,49	PLN	06.09.2024	bank guarantee - liabilities under the lease agreement
Spyrosoft S.A.	ING BŚ S.A.	Centralny Ośrodek Informatyki	600,00	PLN	04.04.2024	bank guarantee – public tender
Spyrosoft Solutions S.R.L.	ING BŚ S.A	Vox Technology Park S.R.L	19,37	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.	163,02	PLN	02.06.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft Synergy S.A.	ING BŚ S.A	Szczeciński Park Naukowo-Technologiczny Sp. z o.o.	240,14	PLN	06.11.2023	bank guarantee - liabilities under the lease agreement
Spyrosoft Synergy S.A.	ING BŚ S.A	Szczeciński Park Naukowo-Technologiczny Sp. z o.o.	241,69	PLN	21.10.2024	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.	5 280,00	PLN	30.08.2023	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.	1 360,00	PLN	30.08.2023	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.	6 502,51	PLN	30.08.2023	surety for current account loan amounting to EUR 1,730,000.00 during the repayment period

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.

Risk related to the loss of managerial staff and the loss or failure to acquire qualified employees

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.

<u>Risk related to failure to implement the Group's development strategy</u>

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 Group incurs software production costs in the local currency (PLN), but a significant portion of the Group's revenues is generated in foreign currencies. As a result, fluctuations in exchange rates represent a significant risk in terms of future financial flows. This is particularly relevant for the following currency pairs: EUR/PLN, GBP/PLN, and USD/PLN. Furthermore, there is an upward trend in the value of revenues the Group earns in foreign currencies. In 2021, foreign currency revenues accounted for 85% of all revenues, and in 2022, this figure rose to 88%.

Considering the above, the Group highlights that currency fluctuations may reduce the value of the Group's receivables or increase the value of its liabilities, leading to exchange rate differences that affect the Group's financial results. There is a risk that revenues from transactions may vary significantly from the Group's projections in the event of large currency fluctuations. In the event of an appreciation of the Polish złoty against the EUR, GBP, and USD, and with limited ability to transfer the currency burden to customers, the Group is exposed to a decrease in projected revenues proportional to the currency pair rate drop, resulting in lower profitability for the Group. The Group does not engage in hedging activities to protect against currency fluctuations. The Group monitors exchange rates to enable pricing adjustments when a currency change is significant enough that the actual profit does not meet the expected range. Additionally, to protect against the risk materialization, the Company tries to maximize so-called natural hedging by aligning the currency of invested capital with the currencies in which the Group's revenues are generated.

As of the date of approval of the consolidated financial statement for publication, the Group does not use financial instruments to hedge foreign exchange risk. There is no certainty that the methods used by the Company to limit existing foreign exchange risk through selected instruments will be fully effective. As of the date of approval of the consolidated financial statement for publication, the Group has not entered into an insurance agreement to protect against the materialization of the described risk. Given that as of the date of approval of the consolidated financial statement for publication, the Group is still actively expanding its operations, it does not identify exchange rate risk as a significant threat to the level of assumed profitability of its operational activities. However, this risk may have an intensified impact as the Group's business activities develop, including the realization of key projects. The Group continuously monitors the level of revenues in foreign currencies, and where necessary, the Company will use available market banking instruments for managing foreign exchange risk. As of the date of approval of the consolidated financial statement for publication, the Group assesses the probability of this risk occurring as medium, because despite the lack of financial instruments to hedge foreign exchange risk, the Company has procedures to monitor exchange rates and maximizes so-called natural hedging by aligning the currency of invested capital with the currencies in which its revenues are generated. As of the date of approval of the consolidated financial statement for publication, the described risk has not materialized in the past. However, the materialization of the risk could lead to a reduction in the value of revenues obtained, and consequently may reduce the financial results achieved by the Group. Given this, the Group 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.

The management of Spyrosoft S.A., aware of the risks arising from the war activities in Ukraine, has been closely monitoring the situation since the start of the hostilities. The capital group identifies potential risks and threats to the current operations of the Company and the Group. The greatest ongoing threat is the uncertainty regarding the scale and duration of the conflict. Currently, the direct threat of war activities on Polish territory appears to be negligible. The nature of the Company's operations does not expose it to the risk of reduction or interruption in the supply chain. A significant threat is the impact of the war on Poland's macroeconomic situation, its GDP, unemployment rate, and inflation level, all of which could collectively impact financial results. Another risk factor related to the situation in Ukraine is the limited or even blocked access to potential employees of Ukrainian nationality. As part of its new remote work policy, Spyrosoft Capital Group has implemented the 'Work from Anywhere' program across all its companies. This allows complete freedom in choosing the place of work, which is a significant convenience for employees and a substantial advantage in the labor market. It also serves as a kind of security in terms of maintaining work continuity. In response to the ongoing armed conflict, Spyrosoft Capital Group has undertaken several actions to support Ukraine. In addition to transferring financial resources to charitable causes, Spyrosoft has provided support to employees of Ukrainian nationality and conducts information activities among employees to increase awareness of the events taking place in Ukraine.

Person in charge of compiling the financial statement	**Management Board**
Agnieszka Przybyt - Statutory Auditor no 10625	Konrad Weiske – President of the Management Board Wojciech Bodnaruś – Member of the Management Board Sebastian Łękawa – Member of the Management Board Sławomir Podolski – Member of the Management Board

Wrocław, 25 April 2024