



Interim Condensed Consolidated Financial Statements

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

FINANCIAL HIGHLIGHTS

GENERAL INFORMATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED FINANCIAL STATEMENTS

28 October 2016

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I. FINANCIAL HIGHLIGHTS OF THE ASSECO CENTRAL EUROPE GROUP

THE ASSECO CENTRAL EUROPE GROUP	In thousand of PLN		In thousand of EUR	
	3 quarters cumulative	3 quarters cumulative	3 quarters cumulative	3 quarters cumulative
	1 Jan 2016 - 30 Sept 2016	1 Jan 2015 - 30 Sept 2015	1 Jan 2016 - 30 Sept 2016	1 Jan 2015 - 30 Sept 2015
SELECTED FINANCIAL DATA				
Sales revenues	485,419	391,965	111,111	94,256
Operating profit (loss)	40,407	37,905	9,249	9,115
Pre-tax profit (loss)	40,809	38,267	9,341	9,202
Net profit for the reporting period attributable to Shareholders of the Parent Company	31,499	28,968	7,210	6,966
Net cash provided by (used in) operating activities	(2,538)	18,281	(577)	4,396
Net cash provided by (used in) investing activities	(26,842)	(6,412)	(6,148)	(1,542)
Net cash provided by (used in) financing activities	(50,106)	(44,509)	(11,469)	(10,703)
Increase (decrease) in cash and cash equivalents	(79,486)	(32,640)	(18,194)	(7,849)
Total assets	607,475	622,006	140,880	146,748
Non-current liabilities	23,298	22,604	5,403	5,333
Current liabilities	139,648	166,424	32,386	39,264
Equity attributable to shareholders of the Parent Company	455,433	441,348	105,620	104,126
Share capital	3,057	3,005	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in PLN/EUR)	1.47	1.36	0.34	0.33
Book value per share (in PLN/EUR)	21.32	20.66	4.94	4.87
Declared or paid dividends per share (in PLN/EUR)	2.27	1.95	0.52	0.47
		31.12.2015		31.12.2015
Total assets		717,577		168,386
Non-current liabilities		20,353		4,776
Current liabilities		239,185		56,127
Shareholders' equity		466,766		109,531
Share capital		3,021		709

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ASSECO CENTRAL EUROPE, a. s. SELECTED FINANCIAL DATA	In thousand of PLN		In thousand of EUR	
	3 quarters cumulative	3 quarters cumulative	3 quarters cumulative	3 quarters cumulative
	1 Jan 2016 - 30 Sept 2016	1 Jan 2015 - 30 Sept 2015	1 Jan 2016 - 30 Sept 2016	1 Jan 2015 - 30 Sept 2015
Sales revenues	127,530	161,782	29,191	38,904
Operating profit (loss)	18,947	23,633	4,337	5,683
Pre-tax profit (loss)	42,015	48,908	9,617	11,761
Net profit attributable to majority shareholder	37,677	43,273	8,624	10,406
Net cash provided by (used in) operating activities	(14,378)	(2,936)	(3,291)	(706)
Net cash provided by (used in) investing activities	11,368	13,590	2,602	3,268
Net cash provided by (used in) financing activities	(48,524)	(41,747)	(11,107)	(10,039)
Increase (decrease) in cash and cash equivalents	(51,534)	(31,093)	(11,796)	(7,477)
Assets total	513,266	550,471	119,032	129,871
Current liabilities	32,806	73,514	7,608	17,344
Shareholders' equity to majority shareholder	480,460	476,957	111,424	112,527
Share capital	3,057	3,005	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in PLN/EUR)	1.76	2.03	0.40	0.49
Book value per share (in PLN/EUR)	22.49	22.33	5.22	5.27
Declared or paid dividends per share (in PLN/EUR)	2.24	1.99	0.52	0.47
		31.12.2015		31.12.2015
Total assets		575,486		135,043
Current liabilities		90,071		21,136
Shareholders' equity		485,415		113,907
Share capital		3,021		709

Selected items of Statement of financial position are recalculated at the average exchange rate announced by the Polish National Bank prevailing on the balance sheet date. Selected items in the Profit and loss account and Cash flows statement for the period are converted by the arithmetic average of average exchange rates announced by the Polish National Bank at the last day of each month of the period.

Exchange rates

Following exchange rates between PLN and EUR were used to recalculate financial information

- selected items of Statement of financial position as at 30 September 2016 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (EUR 1 = PLN 4.3120)
- selected items of Statement of financial position as of 30 September 2015 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (EUR 1 = PLN 4.2386)
- selected items of Statement of financial position as at 31 December 2015 were recalculated by exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = PLN 4.2615)
- selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2016 to 30 September 2016 were recalculated by average exchange rate calculated from exchange rates announced by National Bank of Poland for last day of each month of the reported period (EUR 1 = PLN 4.3688)
- selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2015 to 30 September 2015 were recalculated by average exchange rate calculated from exchange rates announced by National Bank of Poland for last day of each month of the reported period (EUR 1 = PLN 4.1585)
- the highest and lowest exchange rate for the reported periods:

		1 Jan 2016 - 30 Sept 2016	1 Jan 2015 - 30 Sept 2015
max	PLN -> EUR	4.4987	4.3335
min	PLN -> EUR	4.2355	3.9822

Exchange rate EUR/PLN was calculated by the exchange rate announced by the Polish National Bank.

II. GENERAL INFORMATION

1 COMPANY PROFILE

The parent company of the Asseco Central Europe Group (the "Group") is Asseco Central Europe, a. s. (the "Parent Company", "Company", "Issuer", — Asseco Central Europe, a. s. (SK)) with its registered seat at Trenčianska street 56/A, 821 09 Bratislava, Slovakia.

1.1 History and present days

The Company was established on 16 December 1998. The original name of the Company ASSET Soft, a. s. was changed to Asseco Slovakia, a. s. in September 2005. The new Company's name was registered in the Commercial Register on 21 September 2005. On 28 April 2010, the Company changed its name from Asseco Slovakia, a. s. to Asseco Central Europe, a. s. and registered it in the Commercial Register of the Slovak Republic on the same day.

Company is listed on the Warsaw Stock Exchange since 10 October 2006. At that time it was the first Slovak company directly listed on a foreign stock exchange.

The parent of Asseco Central Europe, a. s. (SK) is Asseco Poland S.A. As at 30 September 2016, Asseco Poland SA held a 93.51% stake in Asseco Central Europe, a. s.

Asseco Central Europe is one of the leading software houses in Central and Eastern Europe. It is active in Slovakia, the Czech Republic, Hungary, Germany, Switzerland and Austria. Members of the Asseco Central Europe Group are also other IT oriented companies and the Company thus employs 1,645 people.

The business profile of Asseco Central Europe, a. s. (SK) includes software and computer hardware consultancy, production of software as well as the supply of software and hardware. According to the classification adopted by the Warsaw Stock Exchange, the Company's business activity is classified as "information technology". Other undertakings of the Group conduct similar operations.

In addition to comprehensive IT services, the Group also sells goods including computer hardware. The sale of goods performed is to a large extent connected with the provision of software implementation services.

Companies of Asseco Central Europe Group implement challenging projects for commercial sector, as well as for public sector, central and local governments, industry, trade and services. Majority of them are built on the long-time experience in extensive projects of tailor made solutions, where it heavily emphasizes the support to the strategic intentions of its clients. Broad customer base of Asseco Central Europe Group includes large financial and insurance companies, public administration, international corporations, central healthcare institutions, healthcare providers and private companies.

1.2 General information

Company's name:	Asseco Central Europe, a. s.
Registered seat:	Trenčianska 56/A, 821 09 Bratislava
ID number:	35 760 419
VAT ID:	SK7020000691
Established:	12 February 1999
Legal form:	joint stock company
Share capital:	EUR 709,023.84
Number of shares:	21,360,000
Type of shares:	bearers' shares
Nominal value of share:	EUR 0.033194
Registered:	Commercial Register maintained by the District Court of Bratislava I., Section: Sa, File No.:2024/B,

1.3 Scope of activities

- Advice and consultancy in the fields of software and hardware and computer and organizational systems
- Provision of software/sale of finished programs based on an agreement with authors
- Market research in the fields of information systems
- Purchase and sales of computer technology

- Administrative operation
- Advertising and promotion activities
- Business mediation
- Automated data processing
- Organisation and performance of training course in the area of computer technology
- Provision of system software maintenance except for intervention with reserved technical equipment
- Lease of IT equipment
- Design and optimization of information technology solutions, their development and implementation
- Information system operation assurance
- Completing of computer networks and hardware, except for intervention into reserved technological equipment
- Completing of IT technology, installation of technology, computer and data networks in the scope of safe voltage
- Installation and configuration of operational systems, programmes (software) and their maintenance
- Management of computer networks and hardware with the exception of interference with reserved technical facilities
- Creation of computer and data networks and information systems
- Management in the area of information systems and information technology
- Assembly, repair and maintenance of office and computer technology in the scope of safe voltage
- Advisory and consultancy activity in the area of information systems in information technologies
- Providing of Internet access, transfer of data and other communication services, electronic transactions with authenticity, authorization and clearance
- Research and development in natural sciences and engineering.

2 SUMMARY AND ANALYSIS OF THE ASSECO CENTRAL EUROPE GROUP FINANCIAL RESULTS FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2016

2.1 Information on the Asseco Central Europe Group

The Group reported the following financial results for the period of nine months ended 30 September 2016 ("Q1 – Q3 2016") and the comparative period of nine months ended 30 September 2015 ("Q1 – Q3 2015"):

SELECTED ITEMS	Q1-Q3 2016	Margin	Q1-Q3 2015	Margin	Change y/y
Sales revenues	111,111	--	94,256	--	18%
Gross profit on sales	28,489	26%	25,236	27%	13%
Operating profit	9,249	8%	9,115	10%	1%
Pre-tax profit	9,341	8%	9,202	10%	2%
Net profit for the period reported	6,678	6%	6,456	7%	3%

Financial results of the Group for the reporting period were positively influenced mainly by following factors

- Contribution from infrastructure subsidiaries acquired in 2015 (sales revenue higher by EUR 19.7 million),
- Improved development in the Public sector in Czech Republic (revenue EUR +2.4 million, operating profit EUR + 1.6 million y/y),
- Continuous growth in ERP business (revenue growth EUR +3.8 million/+10% y/y).

As a result, the Group achieved overall 18% revenues increase (EUR +16.9 million). On the other hand Parent Company reported lower revenues by EUR 9.7 million y/y mainly due to very high base from previous year and lack of new projects in the Public segment after the March election.

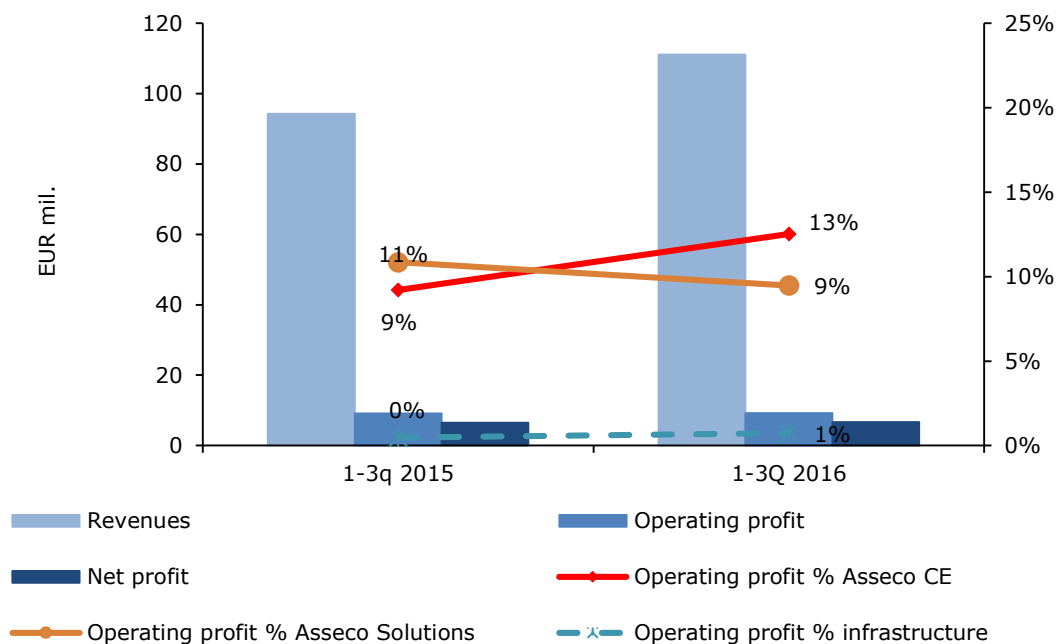
The combined entity in Hungary – Asseco CE Magyarorszag which was created by the merger of GlobeNet and Statlogics reported slightly lower revenues (EUR – 0.3 million) y/y mainly due to slow down in the sales of licenses for Hospital IS in Hungary.

The gross profit on sales increased by more than EUR 3.2 million y/y (+13%). Major part of this growth (EUR +1.7 million) represents the organic growth although the related revenues were lower by EUR 2.9 million.

Higher production costs related to investment into new products (mainly ERP) and intensified international sales activities caused lower growth of the operating profit in the reporting period (+1% y/y).

The pre-tax profit for the period increase accordingly by 2% y/y. The net profit for the reporting period was higher by 3%.

Reported financial performance

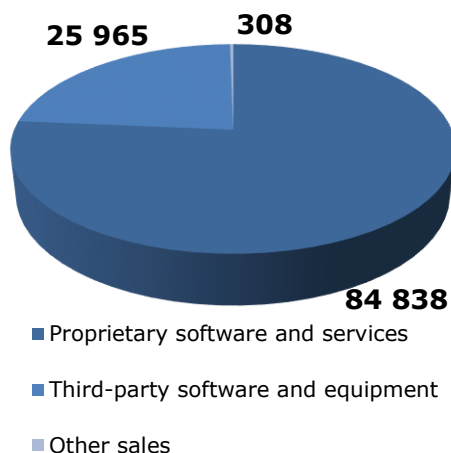


The operating profitability of project activities – performed mainly by Asseco CE – increased significantly from 9% to 13% in the y/y comparison. This positive result was achieved mainly due to significant improvement in the Czech Republic – from 0% in Q1-Q3 2015 to current +14% supported by the strong basis of the long term projects in Slovakia which maintained its 15% margin . The profitability of the product oriented segment represented mainly by Asseco Solutions was lower (9.5% in the Q1-Q3 2016 compared to 11% in the previous period) mainly due to heavy investments in new product development and sales activities which should contribute to future growth.

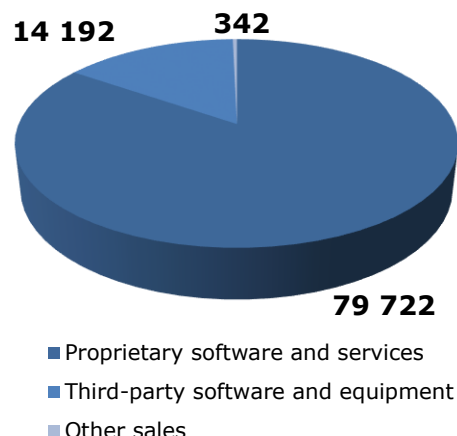
Majority of revenues were generated from sale of proprietary software and services which contributed 75% and 83% to total revenues of the Group in Q1-Q3 2016 and Q1-Q3 2015, respectively. The decrease is resulting from strengthening the infrastructure revenues - the sales of third party software and services and resale of hardware and infrastructure, which increased significantly due to companies acquired in Q3 2015 and now represent 24% of the overall revenues (15% in the previous period).

Logistics and outsourcing services increased in the reporting period by 49% y/y although its share remains very low (2% resp. 1% in the reporting and previous period).

**Structure by type of revenues in
Q1-Q3 2016**



**Structure by type of revenues in
Q1-Q3 2015**



All figures in thousands of EUR.

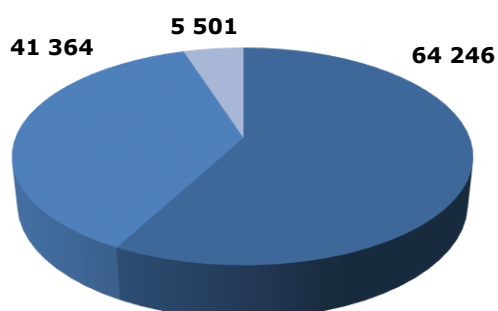
Asseco Central Europe and Asseco Solutions are the two main business entities which are presented as operating segments since 2013. The "Other" segment includes Hungarian companies and newly acquired Asseco Bel as at 30 September 2016.

Asseco Central Europe segment reported 26% increase of revenues from the external sale of the services in Q1-Q3 2016 y/y. The main contribution to this growth was the acquisition of new infrastructure business (EUR 19.7 million). Organically the sales revenues decreased by EUR 6.4 million (-13.6%) in the reporting period due to lower revenue from sale of equipment and 3rd party software and services in Asseco CE SK, operating profit from organic activities increased by 17.5% y/y due to higher profitability in Asseco CE CZ. The contribution of new subsidiaries was EUR 0.2 million so the total operating profit of the segment was higher by 15% (EUR +0.7 mil) compared to comparable period.

Segment Asseco Solutions organically increased its sales revenues from external sales by 10% (EUR + 3.7 million) in Q1-Q3 2016 y/y mainly due to higher sales activities both in the licenses and consulting area, mainly in DACH region. Operating profit was lower by EUR 0.2 million y/y mainly due to EUR 2 million investment into new ERP products in the reporting period.

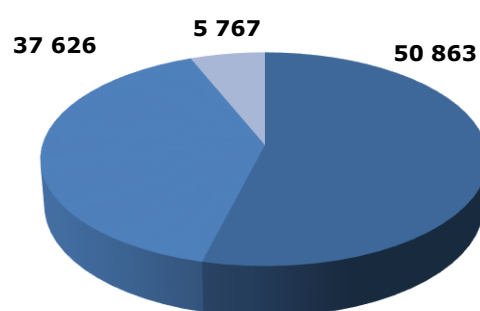
The financial results of Other segment represented mainly by Hungarian companies were lower (EUR -266 thousand in revenues and EUR -380 thousand in operating profit y/y respectively) due to very high base from sale of hospital IS in Hungary in previous period and due to contribution of Asseco Bel into costs of this segment.

Revenues by segments in
Q1-Q3 2016



■ Asseco Central Europe
■ Asseco Solutions
■ Other

Revenues by segments in
Q1-Q3 2015



■ Asseco Central Europe
■ Asseco Solutions
■ Other

All figures in thousands of EUR.

There are no customers exceeding 10% share in total revenues of the Group.

There are no suppliers exceeding 10% share in total revenues of the Group.

2.2 Information on subsidiaries

The table below shows the basic financial data for individual companies or groups belonging to Asseco Central Europe Group*.

	Asseco Central Europe Group sales in the period of		Asseco Central Europe Group net profits/(losses) in the period of	
	9 months ended	9 months ended	9 months ended	9 months ended
	30 Sept 2016	30 Sept 2015	30 Sept 2016	30 Sept 2015
Asseco CE SK	29,191	38,904	8,624	10,406
Asseco CE CZ	12,202	9,757	3,615	2,365
BERIT CH	879	877	(1)	-
BERIT DE	1,786	1,844	96	146
DanubePay	974	463	(1,213)	(1,371)
Interway	15,249	2,702	106	193
Exe	8,513	1,319	14	17
Asseco Solutions AG	22,372	19,559	1,353	1,443
Asseco Solution SK	7,573	7,117	409	589
Asseco Solution CZ	12,676	11,934	991	959
Asseco CE Magyarország	5,501	5,768	280	346
Asseco Hungary	-	33	(4)	(73)
Asseco Bel	-	-	7	-
	116,916	100,277	14,270	15,020

* Data exclude consolidation adjustments, new acquisitions and net profit attributable to non-controlling interest.

All figures in thousands of EUR, unless stated otherwise.

2.3 The Group's cash-flow generation

The Group's cash flow generation in the period of Q1-Q3 2016 is provided below.

	Q1-Q3 2016	Q1-Q3 2015 (restated)
Cash-flow from operating activities	(577)	4,396
Cash-flow used in/from investing activities	(6,148)	(1,542)
Cash-flow used in financial activities	(11,469)	(10,703)
Change in cash for the period	(18,194)	(7,849)
Net foreign exchange differences	11	235
Cash and cash equivalents, beginning of period	43,275	37,916
Cash and cash equivalents, end of period	25,092	30,302

All figures in thousands of EUR.

The Group's investment cash-flow

Net cash used in investing activities during the reporting period was EUR -6.1 million. It comprises mainly acquisition of tangible and intangible assets in amount of EUR 2.4 million, net loans granted (EUR 4.3 million) and interests and dividends received (EUR 0.4 million).

The Group's financial cash-flow

Net cash used in financing activities during the reporting period was negative of EUR 11.5 million. Cash outflow related to dividends payoff amounted to EUR 11.4 million.

2.4 Analysis of Asseco Central Europe, a. s. financial results for the Q1-Q3 2016

SELECTED ITEMS	Q1-Q3 2016	Margin	Q1-Q3 2015	Margin	Change y/y
Revenues	29,191	n/a	38,904	n/a	-25%
Gross profit on sales	6,903	24%	8,242	21%	-16%
Operating profit	4,337	15%	5,683	15%	-24%
Pre-tax profit	9,617	33%	11,761	30%	-18%
Net profit for the period	8,624	30%	10,406	27%	-17%

All figures in thousands of EUR, unless stated otherwise.

Revenues of Asseco Central Europe, a. s. (the "Parent Company") decreased by EUR 9.7 million in the reporting period mainly due to lack of new projects from the Public sector in Slovakia. Although the profitability of the operating profit slightly increased from 14.6% to 14.9% y/y, the total amount of the operating profit decreased accordingly to the sales revenues change by EUR 1.4 million. The absence of the new large project mainly in the Public Administration sector after the elections in March 2016 generates strong pressure on the long term projects in order to maintain the profitability of the Company.

Net financial income included lower intra-group dividends in the reporting period (by EUR 0.9 million y/y) resulted in lower pre-tax profit in the reporting period and net profit by EUR 2.1 million and EUR 1.8 million resp. in y/y comparison.

3 FACTORS INFLUENCING THE ACHIEVED FINANCIAL RESULTS

Slovakia

- Slovakia's economy expanded 3.7% year-on-year in the second quarter, according to official data released on 6 September.
- Slovakia is the 40th most attractive country for investors, according to the International Business Compass by BDO. The survey assesses the investment potential of 174 countries based on 20 economic, political and social criteria.
- The Slovak Republic is the 67th country in the sphere of advanced level of eGovernment (the computerization of public sector).
- The Slovak government has approved the National conception of informatization of public sector. This strategic document defines the principles of informatization management for eGovernment development. This document presents one of few conditions for projects financing from EU funds.
- Slovakia spends 2.5% of its state budget and 0.6% of its GDP on IT annually, which is the highest and the second highest share. Despite this, it ranks lowly 21st among the 28 EU members in terms of eGovernment services, according to the Value for Money analysis on IT prepared by the Finance Ministry.

Czech Republic

- GDP growth remained healthy but decelerated in Q2, mainly due to the drying up of EU investment funds.
- In August, unemployment declined, remaining at historically low levels. The labour market is in good shape, which is pushing up wages. This, together with low inflation, is increasing disposable income.
- At its meeting on 29 September, the Czech National Bank (CNB) decided to leave the two-week repo rate unchanged at its so-called "technical zero" of 0.05%. The CNB also decided to continue using the exchange rate as a tool for easing monetary conditions and confirmed its 27 CZK per EUR exchange rate floor, which the koruna is not permitted to appreciate beyond.
- The Czech Republic is the 26th most attractive country for investors, according to the International Business Compass by BDO.
- The Czech Republic is the 50th country in the sphere of advanced level of eGovernment (the computerization of public sector).
- The Czech government has approved the National plan of new generation network development. This strategic document defines particular steps how to ensure high quality of high speed internet connection for households and entrepreneurs as well. This activity will improve the development of the country.

Hungary

- Hungary's economy regained traction in Q2, expanding 2.6% in annual terms. A notable rebound in the external sector, which was supported by a recovery in the auto industry, and buoyant private consumption helped to overcome a sharp contraction in fixed investment due to lower EU funding.
- Inflation returned in September, coming in at 0.6%, after four months of falling prices and following August's 0.1% annual drop in prices. While the result was in line with market expectations, inflation rested well below the Central Bank's target of 3.0%, with a tolerance margin of plus/minus 1.0%.

The Central Bank of Hungary (NBH) held all rates constant at its 20 September monetary policy meeting, but continued easing monetary policy conditions by using unconventional monetary policy instruments. The NBH left its base rate at a record low of 0.90%, in line with market expectations. The NBH also kept the overnight collateralized lending rate at 1.15% and the overnight deposit rate at minus 0.05%. Hungary is the 41st most attractive country for investors, according to the International Business Compass by BDO.

4 ONE-OFF EVENTS INFLUENCING THE ACHIEVED FINANCIAL RESULTS DURING THE REPORTING PERIOD

There were no one-off transactions with significant impact on financial results of the Company and the Group in Q1-Q3 2016.

5 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On 23 March 2016, the Ordinary General Meeting of Shareholders adopted resolutions regarding approval of the Board's report on the business activities of the Company for the financial year 2015 and approval of the Board's report on the business activities of the group for the financial year 2015.

Furthermore, the Ordinary General Meeting of Shareholders adopted resolution regarding approval of Company's annual financial statements for the financial year 2015 and consolidated financial statements for the financial year 2015.

The Ordinary General Meeting of Shareholders adopted also resolution on distribution of the profit and payment of dividend for the year 2015 in the amount of EUR 11,786,160.98 as follows:

- 678,960.98 EUR to transfer this amount to the account of retained earnings,
- 11,107,200.00 EUR will be split between shareholders as dividend, the dividend per share is EUR 0.52.

The Ordinary General Meeting established a determining day for exercising the right to dividend on 5 April 2016 and the dividend payment date on 19 April 2016.

The Ordinary General Meeting of Shareholders also agreed to appoint an auditor Ernst & Young Slovakia, spol. s r. o. to audit the company Asseco Central Europe, a. s. for the year 2016.

Important business contracts realized

- Contract with Česko-moravská stavební spořitelna – new release 11/2016 (contract concluded in reporting period)
- Contract with Stavební spořitelna České spořitelny – new release 10/2016 (contract concluded in reporting period)
- Contract with Modrá Pyramida Stavební spořitelna – new release 9/2016 (contract concluded in reporting period)
- Contract with Poštová banka, a.s. – mortgage calculator modul (contract concluded in reporting period)
- Contract with Poštová banka, a.s. – 3D secure (contract concluded in reporting period)
- Contract with Slovenská sporiteľňa – banner modul (contract concluded in reporting period)
- Contract with Česko-moravská stavební spořitelna – service agreement for 2016 (contract being realized in reporting period)
- Contract with Wustenrot stavební spořitelna – new release 11/2016 (contract being realized in reporting period)
- Contract with Slovenská Sporiteľňa – ATM Recycler multivendor SW (contract being realized in reporting period)
- Contract with Slovenská Sporiteľňa – Upgrade DB (contract being realized in reporting period)
- Contract with Slovenská Sporiteľňa – George – beta (contract being realized in reporting period)
- Contract with Modrá Pyramida Stavební spořitelna – new release (contract being realized in reporting period)
- Contract with Stavební spořitelna České spořitelny – new release (contract being realized in reporting period)

The Company's Subsidiaries

Company	Significant events during the reporting period
Asseco Central Europe, a. s. (CZ)	<ul style="list-style-type: none"> ▪ Contract with Magistrat der Stadt Wien, Austria - Asset management information system (AIS) based on GIS (contract concluded in reporting period through Asseco BERIT GmbH) ▪ Frame contract with Ministry of Interior, Czech republic – VMware licences and services (contract concluded in reporting period) ▪ Contract with KSRZIS – Service ordering for National registers of health reproduction (contract being realized in reporting period) ▪ Contract with National Registers Authority of the Czech Republic – Provision of support services and the development of Registry of Rights and Obligations (contract being realized in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with Czech Social Security Administration – Individual insurers accounts register – development and operations (contract being realized in reporting period) ▪ Contract with Czech Social Security Administration – new CRs for Information and Communication Interface (contract being realized in reporting period) ▪ Contract Czech Social Security Administration – technical background for analytics operations (contract being realized in reporting period) ▪ Contract with Česko-moravská stavební spořitelna – Oracle Exadata extension (contract being realized in reporting period)
DanubePay, a. s. (SK)	<ul style="list-style-type: none"> ▪ Contract with MBank Polska SA – Transaction processing SKUP (contract being realized in reporting period) ▪ Contract with Asseco Central Europe, a.s. – czech branch office – Tachograph card production in Otrokovice (contract being realized in reporting period) ▪ Contract with Tatrabanka, a.s. – Transaction processing – card acceptance ATM (contract being realized in reporting period) ▪ Contract with Wolkswagen bank Poland, SA – Transaction processing – card issuance (contract being realized in reporting period) ▪ Contract with Fio Banka, a.s. – Transaction processing – card issuance (contract being realized in reporting period) ▪ Contract with Trustpay, a.s. – Transaction processing – card acceptance POS terminals (contract being realized in reporting period)
Asseco Solutions, a. s. (SK)	<ul style="list-style-type: none"> ▪ Contract with Trnava Municipality – SPIN Public (contract finished in reporting period) ▪ Contract with Presov Municipality – SPIN Public (contract finished in reporting period) ▪ Contract with Smart Media Star, s.r.o. – SPIN STD - (contract concluded in reporting period) ▪ Contract with Mores Resport, a.s. – HORECA (contract concluded in reporting period) ▪ Contract with FIRST SK, s. r. o. – HELIOS Orage (contract concluded in reporting period) ▪ Contract with Trnava Municipality – SPIN Public (contract being realized in reporting period) ▪ Contract with VUKI, a.s. – HELIOS Orange (contract being realized in reporting period) ▪ Contract with INVITA, s.r.o. – HELIOS Orange (contract being realized in reporting period) ▪ Contract with Consumer Finance Holding, a.s. – SPIN Enterprise (contract being realized in reporting period)
Asseco Solutions, a. s. (CZ)	<ul style="list-style-type: none"> ▪ Contract with Electrotechnical Testing Institute – licence and implementation of HELIOS Green (contract finished in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with Securitas SK, s.r.o. – licence and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with Mountfield, a.s. – licence and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with OK System, a.s. – licence and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with SERVIND, s.r.o. – licence and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with TTC Holding, a.s. – license and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with LUKAMASIV, s.r.o. - license and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with Biovendor – Laboratory Medicine, a.s. - license and implementation of HELIOS Green (contract being realized in reporting period) ▪ Contract with PMS Prerov, a.s. - implementation of HELIOS Green (contract being realized in reporting period)
<p>Asseco Solutions, AG (DE)</p>	<ul style="list-style-type: none"> ▪ Contract with Menk-Schmehmann GmbH&Co. KG – APplus, 154 Client (contract concluded in reporting period) ▪ Contract with Maschinenbau Leicht GmbH – Applus, 143 Client (contract concluded in reporting period) ▪ Contract with Suer Nutzfahrzeugtechnik GmbH – APplus, 130 Client (contract concluded in reporting period) ▪ Contract with Kässbohrer Transport Technik GmbH – Applus, 101 Client (contract concluded in reporting period) ▪ Contract with Herchenbach Industrie-Zeltebau GmbH – Applus, 32 Client (contract concluded in reporting period) ▪ Contract with Eaton AG – Upgrade to APplus 6.2 (contract being realized in reporting period) ▪ Contract with Kohl & Sohn – Upgrade to APplus 6.2 (contract being realized and finished in reporting period) ▪ Contract with F.Zimmermann GmbH – Upgrade to APplus 6.2 (contract being realized and finished in reporting period) ▪ Contract with TMS Stahl –und Metallbau S.A. – Upgrade to APplus 6.2 (contract being realized and finished in reporting period) ▪ Contract with LISSMAC Maschinenbau GmbH – APplus (contract finished in reporting period) ▪ Contract with ArcelorMittal – Applus (contract finished in reporting period)
<p>Asseco Central Europe Magyarország, Zrt.</p>	<ul style="list-style-type: none"> ▪ Contract with Eurasian Bank, Kazakhstan – Software license fee and support and maintenance services (contract being realized in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with Jóna András Oktatókórház (Nyíregyháza) – MedWorks extension (contract being realized in reporting period) ▪ Contract with Swiss project Phase 2 – Basic care (GP) software development (contract being realized in reporting period) ▪ Contract with Swiss project Phase 2 – Basic care (GP) software development (contract finished in reporting period)
Interway, a.s.	<ul style="list-style-type: none"> ▪ Contract with Ministry of Defence SR – Oracle SW Support (contract finished in reporting period) ▪ Contract with ATOS IT Solutions and Services – IT services (contract concluded in reporting period) ▪ Contract with Ministry of Defence SR – Oracle SW Support (contract concluded in reporting period) ▪ Contract with Central Office of Labour, Social Affairs and Family – IT Services (contract being realized in reporting period) ▪ Contract with Ministry of Defence SR – Oracle SW Support (contract being realized in reporting period) ▪ Contract with Slovak Railways – IT services and Oracle licenses (contract being realized in reporting period)
exe, a.s.	<ul style="list-style-type: none"> ▪ Contract with EMOS, s.r.o. – Microsoft Enterprise Agreement Subscription (contract finished in reporting period) ▪ Contract with Western Slovakia Distribution Company, a.s. – Microsoft Products and Services Agreement (online services) (contract concluded in reporting period) ▪ Contract with Secondary school of Informatics and services – Enrollment for Education Solutions Agreement (contract concluded in reporting period) ▪ Contract with Ministry of Education SR – Microsoft Campus Agreement (contract being realized in reporting period) ▪ Contract with Slovak Telecom a.s. – Microsoft SPLA Agreement (contract being realized in reporting period) ▪ Contract with Slovnaft, a.s. – Service Agreement (contract being realized in reporting period)

6 COMPOSITION OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD OF ASSECO CENTRAL EUROPE, A. S.

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 30 September 2016:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2016-30.9.2016	Adam Góral	1.1.2016-30.9.2016
Marek Grác	1.1.2016-30.9.2016	Andrej Košári	1.1.2016-30.9.2016
David Stoppani	1.1.2016-30.9.2016	Ján Handlovský	1.1.2016-23.9.2016
Branislav Tkáčik	1.1.2016-30.9.2016	Karol Kleibl	24.9.2016-30.9.2016
		Marek Panek	1.1.2016-30.9.2016
		Przemysław Sęczkowski	1.1.2016-30.9.2016

Karol Kleibl has been elected by the employees as a member of Supervisory board in accordance with the Commercial Code in Slovakia. Elections to the Supervisory board were conducted on 28 - 29 July 2016.

7 THE COMPANY'S SHARES HELD BY IT'S BOARD OF DIRECTORS AND IT'S SUPERVISORY BOARD

Members of the Board of Directors and the Supervisory Board of the Company do not hold any shares of the Company.

8 MAJOR SHAREHOLDERS OF ASSECO CENTRAL EUROPE, A. S.

According the information available to the Board of Directors following shareholders exceed the 5% share as at 30 September 2016:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	19,973,096	19,973,096	93.51

The share capital of the Company as at 30 September 2016 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer's shares with a nominal value of EUR 0.033194 each.

8.1 Changes in the shareholders structure

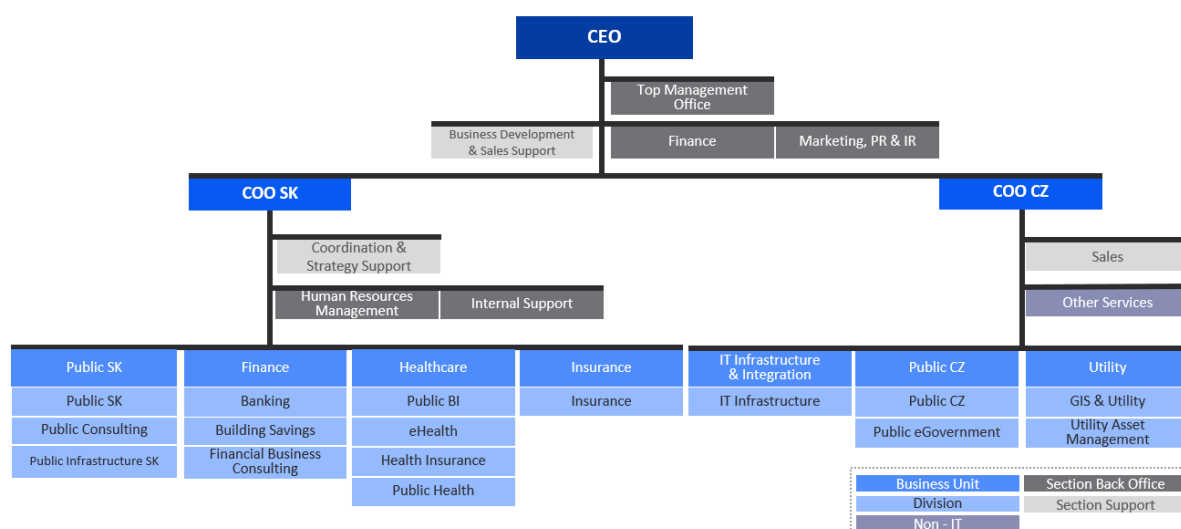
There were no reported changes in the structure of the shareholders owning more than 5% of shares reported during the reporting period.

9 ISSUANCE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

No securities were issued, redeemed or repaid during the reported period.

10 EFFECTS OF CHANGES IN THE ORGANIZATION STRUCTURE

The new organization structure introduced on 20 September 2016 matches business unit structure of the Group.



(As at 30 September 2016.)

11 ORGANIZATION AND CHANGES IN THE ASSECO CENTRAL EUROPE GROUP STRUCTURE, INCLUDING SPECIFICATION OF ENTITIES SUBJECT TO CONSOLIDATION

The Asseco Central Europe Group operates either directly or by means of its affiliated companies in eight European countries, namely in Slovakia, the Czech Republic, Hungary, Germany, Austria, Switzerland, Italy and Belarus and in Guatemala.

In particular, parent company Asseco Central Europe headquartered in the Slovak Republic, is a majority owner of two companies in Slovakia (Asseco Solutions – 100%, DanubePay – 55%), one in the Czech Republic (Asseco Central Europe – 100%), two in Hungary (Asseco Central Europe Magyarország Zrt. – 100%, Asseco Hungary – 100%) and one in Germany (Asseco Solutions – 100%) and one in Belarus (Asseco BEL – 60%). Company also owns 23% of shares at eDocu, a. s. and 40% of shares at LittleLane, a. s. in Slovakia.

Moreover, by means of Asseco Central Europe (CZ), the Parent Company controls Asseco Solutions (100%) in the Czech Republic, Asseco BERIT GmbH (100%) in Germany and Asseco BERIT AG (100%) in Switzerland. A minority block of shares at První certifikační autorita, a. s. (23.25%) is also owned by Asseco Central Europe (CZ). By means of Asseco Solutions AG (D), the Parent Company controls further Asseco Solutions GmbH (75%) in Austria and Asseco Solutions AG (100%) in Switzerland.

In 2016, the following changes in the Group structure were observed:

Establishing of SCS Smart Connected Solutions GmbH

On 8 February 2016, Asseco Solutions AG (DE) established a new company called SCS Smart Connected Solutions GmbH, seated in Karlsruhe, Germany. Asseco Solutions AG (DE) acquired 40% of its shares representing also 40% of voting rights at the company's general meeting of shareholders.

Establishing of Asseco Solutions S.A.

In March 2016, Asseco Solutions AG (DE) established a new company called Asseco Solutions S.A., seated in Guatemala. Asseco Solutions AG (DE) acquired 51% of its shares representing also 51% of voting rights at the company's general meeting of shareholders.

Acquisition of Asseco BEL LLC

On 30 March 2016, Asseco Central Europe, a. s. acquired a 60% stake in the company Asseco BEL LLC, Belarus. Asseco CE (SK) acquired those shares from Asseco Poland S.A. and treated that as acquisition under common control.

Establishment of Littlelane, a. s.

On 30 June 2016 Asseco Central Europe, a.s. (Slovakia) established with three other shareholders a new company called LittleLane, a.s. seated in Slovakia. Asseco Central Europe, a.s. acquired 40% of its shares representing also 40% of voting rights at the company's general meeting of shareholders.

Purchase of additional 35% interest in Axera, s. r. o.

On 22 June 2016 Asseco Solutions, a.s. (Slovakia) signed an agreement for acquisition of additional 35% interest in Axera, s. r. o. , effective from 1 July 2016. Due to transactions Asseco Solutions increased its interests in Axera from 50% to 85% and obtained control over that company.

Business combination of GlobeNet Zrt. and Statlogics Zrt.

On 30 June 2016 the merger of GlobeNet Zrt. and Statlogics Zrt. was registered, effective from 1 July 2016. The remaining company – Globenet changed its name for Asseco Central Europe Magyarország Zrt.

Purchase of additional 49% interest in Asseco Hungary Zrt

On 29 June 2016 Asseco Central Europe, a.s. (Slovakia) signed an agreement for acquisition of additional 49% interest in Asseco Hungary Zrt., effective from 8 July 2016. Due to transactions Asseco Central Europe increased its interests in Asseco Hungary from 51% to 100%.

Establishing of Asseco Solutions s.r.l.

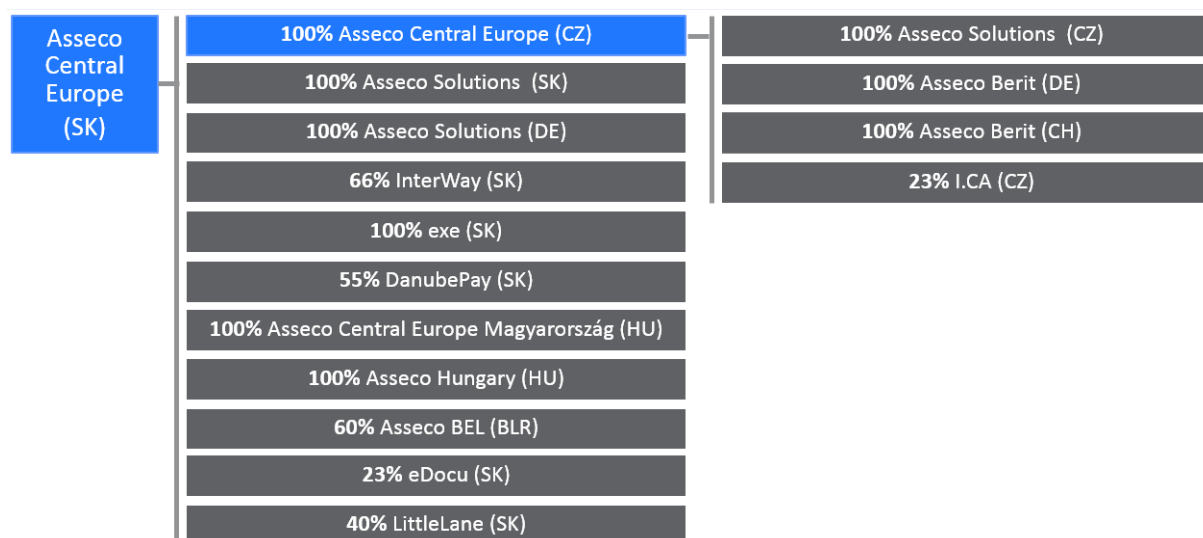
On 25 August 2016, Asseco Solutions AG (DE) established a new company called Asseco Solutions s.r.l., seated in Italy. Asseco Solutions AG (DE) acquired 51% of its shares representing also 51% of voting rights at the company's general meeting of shareholders.

Asseco Central Europe, a. s. and following subsidiaries and associated companies from the Group as at 31 December 2015, 30 September 2016 and 28 October 2016:

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				28 October 2016	30 September 2016	31 December 2015	28 October 2016	30 September 2016	31 December 2015
Subsidiary companies									
Asseco Solutions, a. s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Axera, s. r. o.	Slovak Republic	Software solutions	Indirect subsidiary	85%	85%	-	85%	85%	-
DanubePay, a. s.	Slovak Republic	Card and transaction business	Direct subsidiary	55%	55%	55%	55%	55%	55%
Asseco Central Europe, a. s. (CZ)	Czech Republic	Software, integration and outsourcing	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions, a. s. (CZ)	Czech Republic	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
NZ Servis s. r. o.	Czech Republic	Software for customs and communication with public administration	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco BERIT AG	Switzerland	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco BERIT GmbH	Germany	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco Central Europe Magyarország Zrt	Hungary	Banking IS, Hospital IS	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Hungary Zrt.	Hungary	Software, integration and outsourcing	Direct subsidiary	100%	100%	51%	100%	100%	51%
Asseco Solutions AG (G)	Germany	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions GmbH (A)	Austria	ERP solutions	Indirect subsidiary	75%	75%	75%	75%	75%	75%
Asseco Solutions AG (CH)	Switzerland	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions S.A. (GT)	Guatemala	ERP solutions	Indirect subsidiary	51%	51%	-	51%	51%	-
Asseco Solutions s.r.l. (IT)	Italy	ERP solutions	Indirect subsidiary	51%	51%	-	51%	51%	-
exe, a.s.	Slovak Republic	SW, integration	Direct subsidiary	100%	100%	100%	100%	100%	100%
InterWay, a.s.	Slovak Republic	SW, integration	Direct subsidiary	66%	66%	66%	66%	66%	66%
Asseco Bel LLC	Belarus	Software Solutions	Direct subsidiary	60%	60%	-	60%	60%	-
Galvaniho 5,s.r.o.	Slovak Republic		Direct subsidiary	51%	-	-	51%	-	-
Associated companies									
Prvni Certifikacni Autorita, a. s. (I.CA)	Czech Republic	IT security		23.25%	23.25%	23.25%	23.25%	23.25%	23.25%
Axera, s. r. o.	Slovak Republic	Software solutions		-	-	50%	-	-	50%
eDocu a.s.	Slovak Republic	Software solutions		23%	23%	23%	23%	23%	23%
SCS Smart Connected Solutions GmbH	Germany	ERP solutions		40%	40%	-	40%	40%	-
LittleLane a.s.	Slovak Republic	Educational Software		40%	40%	-	40%	40%	-

11.1 Structure of the Asseco Central Europe Group as at the date of publication of this report, i.e. 28 October 2016



Asseco Central Europe, a. s. (CZ)

Asseco Central Europe (CZ) became a member of the Asseco Group in January 2007. The company belongs to most significant providers of comprehensive solutions and services in the information technology field within the Czech Republic. It has undertaken challenging projects in both the commercial sector and for national and regional governments. The company has many years of experience in integrating and outsourcing projects, where it has been placing strong emphasis on security. It is a stable partner for its clients, helping them resolve all processes connected with information technologies, starting with IT infrastructure, backup systems, server and desktop virtualization, and specialized applications, such as geoinformation systems, or ECM and BI tailored solutions to support control and decision processes. For financial institutions and capital market the company provides for example, outsourcing of operating systems, delivers portals, direct banking systems optical card systems, and others.

Asseco Solutions (CZ, SK, DE, AT, CH)

Asseco Solutions is the largest producer of the ERP systems on the Slovak, Czech and German speaking markets. Software applications developed by Asseco Solutions are distributed also to other markets within Central Europe. ERP systems HELIOS cover the needs of companies of all sizes in a variety of business areas. The company is involved in development, implementation and support of tailored systems for companies of various sizes, in different fields of their business activities. The product portfolio ranges from information systems for a broad spectrum of enterprises involved in production, trade or services over products for public administration up to, for example, products covering specialized needs of companies providing accommodation and catering services. Moreover, the product portfolio is complemented by a wide offer of services and partners programs. Besides the basic modules and functionalities, they also provide tailored solutions. Asseco Solutions has obtained the Quality Certificate ISO 9001:2000. There were 744 people employed in the whole group as at 30 September 2016.

DanubePay (SK)

DanubePay is a processing centre with headquarters in Bratislava. The company was established on 27 July 2012 by Parent Company Asseco Central Europe in line with its growth strategy. The company is focused mainly on services connected with card and transaction business and providing "Software as a Service" solutions. The strongest assumption of company's success is stemming from offer of innovative products for suitable prices and flexibility of product portfolio. It provides its clients with cutting-edge know-how and the team of quality and experienced professional in the field of transaction processing and card and devices administration. DanubePay is able to deliver quality solutions for both Slovak and foreign markets. It has proved during its short existence that the financial market in Central Europe requires the services of this nature and the company has gradually worked in the domestic and foreign markets and has gained new customers. Asseco Central Europe owns 55% of the shares of DanubePay.

Asseco Central Europe Magyarország (HU)

Effective July 1st, 2016 GlobeNet and Statlogics merged together and created Asseco Central Europe Magyarország Zrt. In the company former Globenet and Statlogics operate as independent Healthcare and Finance divisions.

Company serves banking institutions mainly in Central and Eastern Europe. Its solutions manage more than 5 million credit applications per year for an amount exceeding 3 billion EUR, while assisting lenders in increasing their approval rates, lowering their credit losses and reducing their processing expenses.

Healthcare product MedWorkS, is a complete hospital information system - along with other related products of the company and is used daily in more than 60 healthcare institutions (clinics, hospitals and general practitioners). The software covers all hospital processes, supports ambulatory and outpatients care, diagnostic processes, pharmacy activities and medical controlling. It is closely integrated with other 3rd party systems like speech recognition, chemotherapy, patient queue management systems and EPR systems.

Asseco Hungary (HU)

Asseco Hungary is the newest addition to the Asseco Central Europe Group in Hungary. Its product and service portfolio is able to meet the various needs of its clients in the areas of manufacturing, administration and communication. The company is able to implement complex large-scale IT projects with the help of wide range of experience in international system integration.

As a Hungarian company, Asseco Hungary employs Hungarian workers in its activities in Hungary. It builds local competence to complete the projects to support domestic customers. The company cooperates with domestic partners in the process of project implementation. Asseco Hungary's main goal is to participate in public administration projects, and build long term relationship with its customers. Asseco Hungary further aims to build business opportunities in other sectors for Asseco's innovative products in Hungary.

Asseco BERIT (D, CH)

The Asseco BERIT Group is a bearer of competences in the field of geographic information systems, the assets administration system and systems supporting processes in utility administration within Asseco Central Europe. The group consists of its Utility Division and the affiliated companies Asseco BERIT GmbH, seated in Mannheim, Germany and Asseco

BERIT AG, seated in Sissach, Switzerland. The group currently employs 24 people – analytics, developers, consultants and project managers. The supplied solutions are based on their own development (LIDS, TOMS, AMES, AG Portal Technology, WFMS), which has continued over the twenty-year-long history of BERIT, a. s. and which has been incorporated in Asseco CE since 2008. Thanks to their own business-implementation network, the products developed in Asseco CE are used by customers in Germany, Switzerland, the Czech Republic, the Slovak Republic, Austria and Poland. Developers of the Asseco BERIT group utilize extensive experiences also within the work on further projects in the field of public administration (basic registers, transport agendas and applications, Czech Social Security Administration, Czech Statistical Office).

eDocu (SK)

eDocu is the youngest member of the Asseco Central Europe group. The investment in the company means that Asseco CE is expanding its portfolio of innovative and promising ideas. eDocu is a young software company (start-up) that designs cloud applications to simplify access to database services through SaaS (Software as a Service) for ordinary users, that is without the need of establishing an in-house IT department, investing in computer equipment and employing product specialists. A product of the company is an information system of things eDocu built upon things and objects which are interconnected with information using mobile devices, browsers and web services. The vision of eDocu is to develop and bring to market solutions that simplify life and help companies focus on their core business. The company creates standard solutions for standard needs, helping companies organize the internal processes with intuitive system so that the potential of the organization is directed to its customers.

12 INFORMATION ON PENDING LEGAL PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES OF ASSECO CENTRAL EUROPE OR IT'S SUBSIDIARIES

Currently there are no ongoing proceedings, arbitration proceedings or proceedings in front of public administration bodies, in which the party would be Asseco Central Europe, a. s. or any company of the Group, which would be subject to claims or liabilities of at least 10% of the equity of the Group.

13 OPINION ON FEASIBILITY OF THE BOARD OF DIRECTORS' FINANCIAL FORECASTS FOR YEAR 2016

The Board of Directors did not publish any forecast for 2016.

14 FACTORS WHICH IN THE BOARD 'S OPINION MAY AFFECT FINANCIAL PERFORMANCE BY THE END OF FINANCIAL YEAR 2016

External factors affecting the future financial performance of the Group include:

- The development of the economic situation in the countries of Central Europe and the economic situation of the customers market,
- The level of demand for IT solutions in the financial sector,
- The level of demand for IT solutions in public administration,
- The rapid pace of technological development,
- Actions of competitors from the IT industry,
- Exchange rate volatility,
- Pertaining delays in public tender decisions.

For the internal factors affecting the future financial performance of the Group of Asseco Central Europe include:

- Results of tenders and negotiation of new contracts in IT sector,
- Cooperation and synergies resulting from a collaboration with companies within the Group to maintain competitive advantages and strengthening the Group's position in the market,
- The Group expects further integration of the Group companies, based on planned synergies enabling more benefits for Asseco Central Europe and Asseco Solutions in the future.

15 OTHER SIGNIFICANT FACTORS AFFECTING ASSESSMENT OF THE GROUP'S HUMAN RESOURCES, FINANCIAL POSITION AND PERFORMANCE

15.1 Employment structure in the Asseco Central Europe Group

Asseco CE is one of the major employers in the IT field in Slovakia and the Czech Republic. The personnel policy of this Company is based on the principles of honesty, transparency, respect, integrity, personal responsibility and trust. In practice this means the daily integration of these principles into the running of the Company, its behaviour and communication towards external and internal environment.

Given the focus of the Company, the highest percentage of employees are developers. Software engineers, analysts, system and database specialists, testers, project experts and consultants represent more than 84% of the total number of employees. The model based on the transfer of experts - business consultants directly into production divisions to connect developers and consultants to support the preparation and delivery of solutions to our customers has been successful.

The age structure of employees has traditionally been balanced. Almost 60% of employees in Slovakia are in the age group 20-40 years, 27% of employees are younger than 30 years of age. However, the Company also employs employees over 50.

At the end of September 2016 there were 402 people employed by Asseco CE (Slovakia) and another 237 in the Czech Republic, together 639 staff members.

Employment structure in the Asseco Central Europe Group:

Number of employees as at	30 September 2016	30 September 2015
Board of Directors of the Parent Company	4	4
Boards of Directors the Group companies	17	16
Production and maintenance departments	1,331	1,296
Sales departments	162	131
Administration departments	212	198
TOTAL	1,726	1,645

Number of employees as at	30 September 2016	30 September 2015
Asseco Central Europe	840	841
Asseco Solutions	744	685
Other	142	119
TOTAL	1,726	1,645

15.2 Description of significant risks and threats

Market risks

Risks associated with the macroeconomic situation in the markets where the Group operates

Unpredictable development of the markets, mainly because of still appreciable effects of the global financial crisis, uncertain economic growth, decline in business investments in the previous periods which may repeat in future, decline in public procurement due to budgetary restrictions or increase in inflation can have a negative impact on the activities and financial situation of the Group, its financial results and prospects of development. In the same way can the Group effect changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labour and social security. Especially adoption of legislation, when some of the activities provided by the private institutions will be eliminated and moved to the State responsibility (health insurance, social security and pension insurance and selected banking activities) may lead to adverse changes of our Capital Group business.

Adverse changes in exchange rates, but clearly slowed by the introduction of euro in the Slovak Republic, especially in the case of Group companies that operate in the euro area and mostly invoice in euro could affect the actual amount of revenues from the projects.

Risks related to the increased competition in the IT market

The IT market in Slovakia, as well as in other Central and Eastern European countries, is rapidly evolving and becoming increasingly competitive. Competition is generally based on products' functionality, range of service offerings, customer service and price. Increasing competition on the IT market can have a negative impact on the ability of the companies of the Group to obtain new projects, which can result in reduction of profit margins and lead to a reduction in market share.

Risks linked with the development in the financial sector

Most of the Group's customers are customers from the financial sector, development in this sector will have an impact on the results of the Group.

Risks connected with the geographical inclusion of companies in the Group

The activities of companies in the Group are focused on one region, so the development in the region (positive or negative) may have a direct impact on the Group regardless of product diversification.

Risk of becoming dependent on the key customers

Our business is highly dependent on new projects acquisitions from existing as well as new clients. With the growth of our services, including new segments and regions, our dependence on main projects is decreasing, however it remains significant. Dependence on major customers, few big projects and any difficulties in obtaining new projects may have an adverse impact on the Group's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affect adversely the operation activities, forecasts, financial results and situation of the Group.

Risk associated with the failure in successful development and introduction of new products and services

The market for our products and services is characterized by rapid technological advances, changes in customer requirements and evolving industry standards. Thus, in order to remain competitive and increase our operating revenues, we must successfully introduce new products and services, or develop enhancements to and new features for our existing services, in a timely manner. Otherwise, our product and service offerings may become obsolete, less marketable and less competitive and our business will suffer. Failure in the successful development and introduction of new products and services may adversely affect the business, prospects, results of operations and financial condition of our Company and our Capital Group.

Regulatory and legal risks

Risk of changes in regulations and their interpretation

Asseco Central Europe SK was founded and operates in accordance with Slovak legislation. The Company is listed on the Warsaw Stock Exchange and is subject to the relevant legislation valid in Poland, which is available in Polish or English language. Furthermore, there is a risk of non-compliance of Polish or Slovak legislation with the legislation of the country where subsidiaries operate. There is an additional risk from not assessing the current situation of a subsidiary correctly from the public point of view. Interpretation of laws of a foreign legal system, with the inaccuracy of interpretation gives rise to the regulatory risk occurring in the environment in which Company operates.

Operating risks

Risk of losing the customers' trust

Most of the projects realised by the Company involve creating and providing to our clients' complex IT solutions. The complexity of these projects results in the risk of not meeting the contractual deadlines. There is also a potential risk that we will not be able to achieve all the targets set by our client in a given project. We are only partially able to manage this risk, since the development of solutions and thus the ability to provide them within the agreed milestones and business targets depend to a large extent on our clients and

sometimes also on third parties, like state authorities in the case of some legal framework changes which influence our solutions. There are some typical contractual penalties or indemnification clauses involved in most of our agreements.

There is also a risk that not meeting certain deadlines or business or other targets set by our clients may result in worsening our relations with a particular client even if it will not result in any contractual penalties.

There is also a risk of undue performance of our solutions provided to our clients, even some time after the project is successfully closed. We try to manage this risk by implementing several testing procedures, both our own and those of our clients; however we are not able to manage fully this risk, and in particular we are not able to insure this risk.

Possible payment of contractual penalties, worsening our relations with a particular client or undue performance of our solutions may, to a certain extent, adversely influence the business, prospects, and results of operations or financial condition of our Company and our Capital Group.

Risk related to adjusting our products to changes in law which may cause significant costs

The solutions we and our Capital Group members implement for our clients have to be in compliance with existing laws. As changes of law occur quite frequently in Slovakia and other CEE countries, we may be obliged to implement certain amendments to our solutions. On the basis of some agreements concluded with our clients, we are usually obliged to adjust our solutions in a very limited scope to the changing laws within the maintenance fee. More complex adjustments are made on a remuneration basis. In the process of budgeting we assume the potential consequences of changes in law. We cannot definitely exclude the risk that we may be subject to some financial losses in future due to the performance of these adjustments.

Risk related to limitation of cooperation with us by our main suppliers

Relationships with worldwide, well-known suppliers provide us access to the best technology supporting our competitive position on the market. As with all IT solutions providers, we may face the risk that one of our big suppliers, e.g. Microsoft or Oracle, may stop supporting a particular technology used in some of our projects. In our opinion, such steps are untypical for our business environment and, if they do happen, are always announced several years ahead and therefore there is a sufficient period to adapt. However, in the event that our main suppliers stop providing us their technologies and we would not be able to substitute them with other alternatives, we may face negative consequences on the business, prospects, and results of operations or financial condition of our Company and our Capital Group.

Risk related to difficulties on the side of our sub-contractors

In some cases we, and our Capital Group, provide our clients with solutions developed by our sub-contractors. The sub-contractors are in general obliged to service the solutions delivered by them. Our sub-contractors, in common with businesses generally, may face business and financial difficulties resulting in their becoming unable to fulfil their service obligations. This may negatively impact our credibility among our clients and adversely affect our business, prospects, and results of operations or financial condition.

In some particular projects having a role of integrator for the whole solution, we are not only responsible for our sub-contractors, but also for all other parties involved in the project, provided their solutions were chosen or recommended by us. In such cases any undue performance of the third-party solutions may also influence negatively our projects. This may adversely affect the business, prospects, and results of operations or financial condition of our Company and our Capital Group. We protect ourselves from these adverse effects to some extent by implementing similar contractual penalties to agreements with our subcontractors as are contained in our agreement with the client. We also try to take part in key development works, may it prove to be ensuring the successful execution of the integration project.

General risks of acquisition of companies

We closed several acquisition transactions. There is a risk that the post-merger integration process will not be successful and some of the targets will not perfectly fit into our Group strategy.

Risk related to carrying out of public tenders

Our Capital Group plans also in the future to participate in projects of the public sector, some of them co-financed from Operational programs of EU. Delay or restrictions of any kind of these projects could have an adverse effect on our business, prospects, and results of operations or financial condition.

Risks associated with the management of Asseco Central Europe

Our controlling shareholder has the ability to take actions that may conflict with the interests of other holders of our Shares.

The number of members of the Supervisory Board, which elect employees according to relevant provisions of the Statute, may not be consistent with the law.

Insurance policy may not cover all risks.

Rapid growth and development can lead to difficulties in obtaining adequate managerial and operational resources.

Company is dependent on key personnel, and their loss could have an adverse effect on the execution of IT contracts conducted by the Group companies, as well as on ensuring the required quality and range of services provided. At the same time, Company also faces the risk of persistence of difficult availability of IT professionals in the labour market.

Board of Directors members may take actions that may conflict with the interests of Supervisory Board members. Board members, who resign, may require compensation.

Group may not be able to maintain the existing corporate culture in relation with activities development.

Integration of management processes in the Group may be incorrectly interpreted and cause divergent decisions.

Polish courts issued rulings against the Company may be more difficult to apply in Slovakia than it would be if the Company and its management were in Poland.

Shareholders from Poland may have difficulty with the exercise of rights under the Slovak legislative.

Investors may not be able to sell shares of the Company at the expected price or the expected date due to the lack of an active or liquid market.

Excess supply of the Company shares on the stock market may have an adverse impact on their price.

15.3 Key clients

BANKING

Českomoravská záruční a rozvojová banka, a.s.

EXIMBANKA SR

GE Money Bank, a.s.

J&T Banka, a.s.

Poštová banka, a.s.

Slovenská sporiteľňa, a.s.

Wincor Nixdorf, s.r.o.

Wüstenrot hypoteční banka, a.s.

Českomoravská stavební spořitelna, a.s.

BUILDING SAVINGS

Českomoravská stavební spořitelna, a.s.

Modrá pyramida stavební spořitelna, a.s.

Stavební spořitelna České spořitelny, a.s.

Wüstenrot - stavební spořitelna, a.s.

Wüstenrot hypoteční banka, a.s.

INSURANCE

Allianz pojišťovna, a. s. Česká republika

Allianz - Slovenská poisťovňa, a.s.

ČSOB Penzijní společnost

Pojišťovna Všeobecné zdravotní pojišťovny, a.s.

STABILITA d.d.s., a.s.

Wapic Insurance Plc.

Wapic Life Assurance Limited

Wapic Insurance (Ghana) Limited

HEALTHCARE

Česká průmyslová zdravotní pojišťovna

Fakultná nemocnica s poliklinikou F. D. Roosevelta Banská Bystrica

Koordinační středisko pro resortní zdravotnické informační systémy

Ministerstvo zdravotnictva SR (Ministry of Health of the Slovak Republic)

Národní centrum zdravotnických informací (National Health Information Center, Slovak Republic)

Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví

Revírní bratrská pokladna, zdravotní pojišťovna

Svet zdravia

Union zdravotná poisťovňa, a.s.

Ústav zdravotnických informací a statistiky ČR (Institute of Health Information and Statistics of the Czech Republic)

Všeobecná zdravotná poisťovňa, a.s.

Vojenská zdravotní pojišťovna České republiky

Zaměstnanecká pojišťovna Škoda

PUBLIC CZ

Centrální depozitář cenných papírů
(Central Securities Depository, Czech Republic)

Český statistický úřad (Czech Statistical Office)

Český úřad zeměměřický a katastrální –
Zeměměřický úřad (Czech Geodetic and
Cadastre Office – Geodetic Office)

Generální finanční ředitelství ČR (General
Financial Directorate of the Czech
Republic)

Hlavní město Praha (Capital city Prague,
Czech Republic)

Liberecký kraj (Liberec County, Czech
republic)

Ministerstvo financí ČR (Ministry of
Finance of the Czech Republic)

Ministerstvo kultury ČR (Ministry of
Culture of the Czech Republic)

Ministerstvo vnitra ČR (Ministry of Interior
of the Czech Republic)

Ministerstvo spravedlnosti ČR (Ministry of
Justice of the Czech Republic)

Ředitelství silnic a dálnic ČR (Road and
Motorway Directorate of the Czech
Republic)

Řízení letového provozu (Air Navigation
Services)

Senát Parlamentu ČR (Senate of the
Parliament of the Czech Republic)

PUBLIC SK

Centrálny depozitár cenných papierov
Central Securities Depository, Slovak
Republic)

Česmad Slovakia

Finančné riaditeľstvo SR (Financial
Directorate of the Slovak Republic)

Ministerstvo dopravy, výstavby a
regionálneho rozvoja SR (Ministry of
Transport, Construction and Regional
Development of the Slovak Republic)

Ministerstvo vnútra Slovenskej republiky
(Ministry of Interior of the Slovak
Republic)

Ministerstvo zdravotníctva SR (Ministry of
Health of the Slovak Republic)

Najvyšší kontrolný úrad SR (The Supreme
Audit Office of the Slovak Republic)

Stredoslovenská energetika, a.s. Žilina

Štátny inštitút odborného vzdelávania
(State Institute of Vocational Education)

UTILITY

Brněnské vodárny a kanalizace, a.s.

E.ON Bayern

E.ON Česká republika, a.s.

ENNI Energie Wasser Niederrhein GmbH,
Moers

EWR Netz, Worms

Liechtensteinischen Kraftwerke Schaan

Magistratt der Stadt Wien, Austria

N-ERGIE Aktiengesellschaft, Nürnberg

RWE Power AG

Severoslovenské vodárne a kanalizácie,
a.s.

Stadtwerke Erkrath

SWU Stadtwerke Ulm

Technische Werke Ludwigshafen AG,
Ludwigshafen

Teplárny Brno, a.s.

Vodárenská akciová spoločnosť, a.s.

Žilinská teplárenská, a.s.

PRODUCTION

AUDI AG, plants in Ingolstadt,
Neckarsulm

BASF SE, Ludwigshafen

Bayer Industry Services GmbH & Co.
OHG, plants in Dormagen, Leverkusen,
Uerdingen

BP Europa SE Erdöl-Raffinerie Emsland,
Lingen

Daimler AG, plants in Berlin, Bremen,
Mannheim, Sindelfingen

Evonik Degussa

Fortischem a.s., Nováky

Linde Gas Produktionsgesellschaft mbH &
Co. KG Leuna

Mondi Business Paper, a.s. SCP
Ružomberok

Novartis Services AG, Werk Basel

Roche Diagnostics, Mannheim

RWE Power AG

SYNTHOS Kralupy, a.s.

ŠKODA AUTO, a.s.

Vattenfall Europe Mining AG, Cottbus
Sindelfingen

III. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT THE ASSECO CENTRAL EUROPE GROUP

	Note	9 months ended 30 Sept 2016	3 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated	3 months ended 30 Sept 2015 Restated
Continuing operations					
Sales revenues	<u>3.1</u>	111,111	35,749	94,256	37,147
Cost of sales	<u>3.2</u>	(82,622)	(26,413)	(69,020)	(28,307)
Gross profit on sales		28,489	9,336	25,236	8,840
Selling expenses	<u>3.2</u>	(9,598)	(3,114)	(7,631)	(2,859)
General administrative expenses	<u>3.2</u>	(9,660)	(3,074)	(8,549)	(3,111)
Net profit on sales		9,231	3,148	9,056	2,870
Other operating income		125	37	171	75
Other operating expenses		(107)	(42)	(112)	(51)
Operating profit		9,249	3,143	9,115	2,894
Financial income		211	92	254	22
Financial expenses		(141)	(49)	(296)	(63)
Share in net profit / loss of associates		22	19	129	45
Pre-tax profit		9,341	3,205	9,202	2,898
Corporate income tax (current and deferred portions)	<u>3.3</u>	(2,663)	(950)	(2,746)	(881)
Net profit for the period reported from continuing operations		6,678	2,255	6,456	2,017
Attributable to:					
Shareholders of the Parent Company		7,210	2,484	6,966	2,143
Non-controlling interest		(532)	(229)	(510)	(126)
Consolidated earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):					
Basic consolidated earnings per share		0.34	0.12	0.33	0.10
Diluted consolidated earnings per share		0.34	0.12	0.33	0.10
Basic consolidated earnings per share from continuing operations for the reporting period					
Basic consolidated earnings per share from continuing operations		0.34	0.12	0.33	0.10
Diluted consolidated earnings per share from continuing operations		0.34	0.12	0.33	0.10

All figures in thousands of EUR, unless stated otherwise.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**
THE ASSECO CENTRAL EUROPE GROUP

	Note	9 months ended 30 Sept 2016	3 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated	3 months ended 30 Sept 2015 Restated
Net profit for the reporting period		6,678	2,255	6,456	2,017
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		272	340	787	122
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Total other comprehensive income		272	340	787	122
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,950	2,595	7,243	2,139
Attributable to:					
<i>Shareholders of the Parent Company</i>		7,482	2,824	7,753	2,265
<i>Non-controlling interests</i>		(532)	(229)	(510)	(126)

All figures in thousands of EUR, unless stated otherwise.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
THE ASSECO CENTRAL EUROPE GROUP**

ASSETS	Note	30 Sept 2016	31 Dec 2015	30 Sept 2015
			Restated	Restated
Non- current assets		73,128	73,619	74,043
Property, plant and equipment	<u>3.6</u>	4,782	4,191	4,109
Goodwill	<u>3.8</u>	57,072	56,939	56,914
Intangible assets	<u>3.7</u>	8,356	9,526	9,631
Investments in associates		1,072	1,029	1,048
Non-current financial assets	<u>3.9</u>	301	7	11
Non-current receivables	<u>3.11</u>	427	435	516
Deferred tax assets		869	1,424	1,783
Non-current prepayments	<u>3.10</u>	249	68	31
Current assets		67,752	94,767	72,705
Inventories		569	624	612
Prepayments	<u>3.10</u>	4,269	4,590	2,677
Trade receivables	<u>3.11</u>	26,420	39,327	34,398
Current tax receivable	<u>3.11</u>	1,079	1,107	771
Receivables from state and local budgets	<u>3.11</u>	114	160	137
Other receivables	<u>3.11</u>	585	891	1,198
Current financial assets	<u>3.9</u>	7,632	3,568	628
Other current non-financial assets		289	274	498
Cash and short-term deposits	<u>3.12</u>	26,795	44,226	31,786
TOTAL ASSETS		140,880	168,386	146,748

All figures in thousands of EUR, unless stated otherwise.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
THE ASSECO CENTRAL EUROPE GROUP**

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 Sept 2016	31 Dec 2015	30 Sept 2015
			Restated	Restated
Shareholders' equity (attributable to Shareholders of the Parent Company)		105,620	109,531	104,126
Share capital		709	709	709
Share premium		74,901	74,901	74,901
Exchange differences on translation of foreign operations		(5,913)	(6,183)	(6,284)
Retained earnings		35,923	40,104	34,800
Non-controlling interest		(2,529)	(2,048)	(1,975)
Total shareholders' equity		103,091	107,483	102,151
Non-current liabilities		5,403	4,776	5,333
Interest-bearing bank credits, loans and debt securities		-	-	-
Deferred tax liability		895	470	356
Non-current provisions	3.16	15	18	18
Non-current financial liabilities	3.13	4,214	4,215	4,940
Non-current deferred income	3.15	144	73	6
Other non-current liabilities		135	-	13
Current liabilities		32,386	56,127	39,264
Interest-bearing bank credits, loans and debt securities	3.17	1,710	952	1,486
Trade payables	3.14	11,373	32,381	17,673
Current tax payable	3.14	236	559	319
Liabilities to state budget	3.14	3,076	5,194	2,943
Financial liabilities	3.13	1,053	2,088	1,421
Other liabilities	3.14	2,181	2,499	2,680
Provisions	3.16	533	1,131	689
Deferred income	3.15	7,317	5,473	6,521
Accrued expenses	3.15	4,907	5,850	5,532
TOTAL LIABILITIES		37,789	60,903	44,597
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		140,880	168,386	146,748

All figures in thousands of EUR, unless stated otherwise.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THE ASSECO CENTRAL EUROPE GROUP**

	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Shareholders' equity of the Parent Company	Minority interests	Total shareholders' equity
As at 1 January 2016	709	74,901	(6,183)	40,104	109,531	(2,048)	107,483
Net profit for the period	-	-	-	7,210	7,210	(532)	6,678
Other comprehensive income	-	-	272	-	272	-	272
Total comprehensive income	-	-	272	7,210	7,482	(532)	6,950
Dividend for the year 2015	-	-	-	(11,107)	(11,107)	(309)	(11,416)
Acquisitoin of non-controlling interests	-	-	-	(78)	(78)	136	58
Acquisitoin of subsidiaries under common control	-	-	(2)	3	1	3	4
Settlement of put options over non-controlling interest	-	-	-	(221)	(221)	221	-
Other	-	-	-	12	12	-	12
As at 30 September 2016	709	74,901	(5,913)	35,923	105,620	(2,529)	103,091
As at 1 January 2015	709	74,901	(7,071)	41,060	109,599	(1,322)	108,277
Net profit for the period	-	-	-	11,250	11,250	(316)	10,934
Other comprehensive income	-	-	888	-	888	-	888
Total comprehensive income	-	-	888	11,250	12,138	(316)	11,822
Dividend for the year 2014	-	-	-	(10,039)	(10,039)	(87)	(10,126)
Acquisitoin of non-controlling interests in Interway	-	-	-	-	-	596	596
Non-controlling interests transactions (put options)	-	-	-	(2,167)	(2,167)	(919)	(3,086)
As at 31 December 2015 (restated)	709	74,901	(6,183)	40,104	109,531	(2,048)	107,483

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Shareholders' equity of the Parent Company	Minority interests	Total shareholders' equity
As at 1 January 2015	709	74,901	(7,071)	41,060	109,599	(1,322)	108,277
Net profit for the period	-	-	-	6,966	6,966	(510)	6,456
Other comprehensive income	-	-	787	-	787	-	787
Total comprehensive income	-	-	787	6,966	7,753	(510)	7,243
Dividend for the year 2014	-	-	-	(10,039)	(10,039)	(87)	(10,126)
Acquisition of non-controlling interests	-	-	-	-	-	596	596
Settlement of put options over non-controlling interest	-	-	-	(3,187)	(3,187)	(652)	(3,839)
As at 30 September 2015 (restated)	709	74,901	(6,284)	34,800	104,126	(1,975)	102,151

All figures in thousands of EUR, unless stated otherwise.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
THE ASSECO CENTRAL EUROPE GROUP

	Note	9 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated
Cash flows - operating activities			
Pre-tax profit from continuing operations		9,341	9,202
Total adjustments:		(7,879)	(1,802)
Share of profit of an associates		(22)	(129)
Depreciation and amortization	3.2	3,080	2,848
Changes in working capital	3.18	(10,722)	(4,365)
Interest income and expense		(169)	(110)
(Gain) / loss on foreign exchange differences		12	(10)
(Gain) / loss on sales of subsidiaries		-	-
(Gain) / loss on investing activities		(52)	(31)
Other		(6)	(5)
Net cash generated from operating activities		1,462	7,400
Corporate income tax paid		(2,039)	(3,004)
Net cash provided by (used in) operating activities		(577)	4,396
Cash flows - investing activities			
Proceeds from sale of property, plant and equipment		104	150
Purchase of tangible fixed assets and intangible assets		(2,108)	(1,404)
Expenditures related to research and development projects		(325)	(32)
Acquisition of associated companies		(95)	-
Acquisition of subsidiary companies		(4)	(5,093)
Cash and cash equivalents of acquired subsidiary companies		155	2,336
Proceeds from sale of other financial assets		2	13
Acquisition of other financial assets		(25)	-
Loans granted		(7,817)	(3,926)
Loans collected		3,557	6,154
Interest received		203	75
Dividends received		205	185
Net cash provided by (used in) investing activities		(6,148)	(1,542)
Cash flows - financing activities			
Proceeds from borrowings		-	21
Repayment of borrowings		(1)	(521)
Payment of finance lease liabilities		(30)	(38)
Interest paid		(14)	(39)
Acquisition of non-controlling interests		(8)	-
Dividends paid to equity holders of the parent		(11,107)	(10,039)
Dividend paid to non-controlling interests		(309)	(87)
Other		-	-
Net cash provided by (used in) financing activities		(11,469)	(10,703)
Increase (decrease) in cash and cash equivalents		(18,194)	(7,849)
Net foreign exchange differences		11	235
Cash and cash equivalents as at 1 January		43,275	37,916
Cash and cash equivalents as at 30 September	3.12	25,092	30,302

All figures in thousands of EUR, unless stated otherwise.

SUPPLEMENTARY INFORMATION AND EXPLANATIONS TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

1 GENERAL INFORMATION

1.1 Basis for preparation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements of the Asseco Central Europe Group ("Group") were prepared in accordance with the historical cost principle, except for derivative financial instruments which were measured at their fair value.

The presentation currency of these interim condensed consolidated financial statements is euro (EUR), and all figures are presented in thousands of euros (EUR '000), unless stated otherwise.

Interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of authorisation of these interim condensed consolidated financial statements, the Parent Company's Board of Directors is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group entities.

1.2 Compliance statement

These interim condensed consolidated financial statements for the period of nine months ended 30 September 2016 have been prepared in accordance with International Financial Reporting Standard 34 endorsed by the European Union ("IAS 34").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2015 issued on 19 February 2016.

1.3 Professional judgement and estimates

Preparing the interim condensed consolidated financial statements requires making judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although the estimates and assumptions have been made based on the Group's management best knowledge of the current activities, the actual results may differ from those anticipated.

In the period of nine months ended 30 September 2016, the Group's approach to making estimates was not subject to any substantial changes compared to the previous periods.

Presented below are the main areas which in the process of applying the accounting policies were subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Group's future results.

i. Valuation of IT contracts as well as measurement of their completion

The Group carries out a number of contracts for construction and implementation of information technology systems. The valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses as well as it requires measurement of the contract's percentage of completion. This percentage is measured as a relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work-effort required.

ii. Rates of depreciation and amortization

The level of depreciation and amortization rates is determined on the basis of anticipated period of economic useful life of the components of tangible and intangible assets. The Group verifies the adopted periods of useful lives on an annual basis, taking into account the current estimates.

In 2016 the rates of depreciation and amortization applied by the Group were not subject to any substantial modifications.

iii. Impairment test of goodwill

In line with the Group's policy, every year as at 31 December, the Board of Directors of the Parent Company performs an annual impairment test on cash-generating units to which goodwill has been allocated. Whereas, as at each interim balance sheet date, the Board of Directors of the Parent Company performs a review of possible indications of impairment of cash-generating units to which goodwill has been allocated. In the event such indications are identified, an impairment test should be carried out as at the interim balance sheet date.

Each impairment test requires making estimates of the value in use of cash-generating units or groups of cash-generating units to which goodwill has been allocated. The value in use is estimated by determining both the future cash flows expected to be achieved from the cash-generating unit or units and a discount rate to be subsequently used in order to calculate the net present value of those cash flows. Details of the last impairment test that was carried out as at 31 December 2015 were presented in the Group's consolidated financial statements for the year ended 31 December 2015.

1.4 Changes in the accounting principles applied and new standards and interpretations effective in current period

The major accounting policies adopted by the Parent Company were described in the consolidated financial statements for the year ended 31 December 2014 which were issued on 19 February 2016.

The accounting principles (policy) adopted in preparation of these interim condensed consolidated financial statements are consistent with those applied for preparation of the Group's annual consolidated financial statements as at 31 December 2015, except for applying following amendments to standards and new interpretations effective for periods beginning on or after 1 January 2016:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions – effective for financial years beginning on or after 1 July 2014, in EU effective at the latest for financial years beginning on or after 1 February 2015;

- Annual Improvements to IFRSs 2010-2012 – in EU effective at the latest for financial years beginning on or after 1 February 2015;
- IFRS 14 Regulatory Deferral Accounts – effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization – effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 27 Equity Method in Separate Financial Statements – effective for financial years beginning on or after 1 January 2016;
- Annual Improvements to IFRSs 2012–2014 - effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation - effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 1 Disclosure Initiative – effective for financial years beginning on or after 1 January 2016

The Amendments and new standards have no material impact on the Group's financial position, comprehensive income and the scope of information presented in the Group's financial statements.

The Group did not decide on early adoption of any other standard, interpretation or amendment which has been published but has not yet become effective.

1.5 Corrections of material errors

In the reporting period, no events occurred that would require making corrections of any material misstatements.

1.6 Changes in the applied principles of presentation and changes in the comparative data

In the reporting period there were no changes in the applied principles of presentation.

Comparative data have been changed due to completion of purchase price allocation in the following subsidiaries: exe a.s. and InterWay, a.s.

The impact of the final PPA allocation on comparative data has been presented in the tables below:

Restatement of data for the period of 9 months ended 30 Sept 2015	9 months ended 30 September 2015	Changes resulting from PPA allocation	9 months ended 30 September 2015 Restated
Continuing operations			
Sales revenues	94,256	-	94,256
Cost of sales	(69,000)	(20)	(69,020)
Gross profit on sales	25,256	(20)	25,236
Selling expenses	(7,631)	-	(7,631)
General administrative expenses	(8,549)	-	(8,549)
Net profit on sales	9,076	(20)	9,056

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Other operating income	171	-	171
Other operating expenses	(112)	-	(112)
Operating profit	9,135	(20)	9,115
Financial income	254	-	254
Financial expenses	(296)	-	(296)
Share in net profit / loss of associates	129	-	129
Pre-tax profit	9,222	(20)	9,202
Corporate income tax (current and deferred portions)	(2,750)	4	(2,746)
Net profit for the period reported from continuing operations	6,472	(16)	6,456
Attributable to:			
Shareholders of the Parent Company	6,979	(13)	6,966
Non-controlling interests	(507)	(3)	(510)

ASSETS	31 Dec 2015	Changes resulting from PPA allocation	31 Dec 2015 Restated
Non- current assets	73,480	139	73,619
Property, plant and equipment	4,191	-	4,191
Goodwill	57,299	(360)	56,939
Intangible assets	9,027	499	9,526
Investments in associates	1,029	-	1,029
Non-current financial assets	7	-	7
Non-current receivables	435	-	435
Deferred tax assets	1,424	-	1,424
Non-current prepayments	68	-	68
Current assets	94,767	-	94,767
Inventories	624	-	624
Prepayments	4,590	-	4,590
Trade receivables	39,327	-	39,327
Current tax receivable	1,107	-	1,107
Receivables from state and local budgets	160	-	160
Other receivables	891	-	891
Current financial assets	3,568	-	3,568
Other current non-financial assets	274	-	274
Cash and short-term deposits	44,226	-	44,226
TOTAL ASSETS	168,247	139	168,386

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SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec 2015	Changes resulting from PPA allocation	31 Dec 2015 Restated
Shareholders' equity (attributable to Shareholders of the Parent Company)	109,502	29	109,531
Non-controlling interest	(2,048)	-	(2,048)
Total shareholders' equity	107,454	29	107,483
Non-current liabilities	4,666	110	4,776
Interest-bearing bank credits, loans and debt securities	-	-	-
Deferred tax liability	360	110	470
Non-current provisions	18	-	18
Non-current financial liabilities	4,215	-	4,215
Non-current deferred income	73	-	73
Other non-current liabilities	-	-	-
Current liabilities	56,127	-	56,127
Interest-bearing bank credits, loans and debt securities	952	-	952
Trade payables	32,381	-	32,381
Current tax payable	559	-	559
Liabilities to state budget	5,194	-	5,194
Financial liabilities	2,088	-	2,088
Other liabilities	2,499	-	2,499
Provisions	1,131	-	1,131
Deferred income	5,473	-	5,473
Accrued expenses	5,850	-	5,850
TOTAL LIABILITIES	60,793	110	60,903
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	168,247	139	168,386

ASSETS	30 Sept 2015	Changes resulting from PPA allocation	30 Sept 2015 Restated
Non-current assets	73,883	160	74,043
Property, plant and equipment	4,109	-	4,109
Goodwill	57,274	(360)	56,914
Intangible assets	9,111	520	9,631
Investments in associates	1,048	-	1,048
Non-current financial assets	11	-	11
Non-current receivables	516	-	516
Deferred tax assets	1,783	-	1,783
Non-current prepayments	31	-	31
Current assets	72,705	-	72,705
Inventories	612	-	612
Prepayments	2,677	-	2,677
Trade receivables	34,398	-	34,398
Current tax receivable	771	-	771
Receivables from state and local budgets	137	-	137
Other receivables	1,198	-	1,198
Current financial assets	628	-	628
Other current non-financial assets	498	-	498
Cash and short-term deposits	31,786	-	31,786
TOTAL ASSETS	146,588	160	146,748

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SHAREHOLDERS' EQUITY AND LIABILITIES	30 Sept 2015	Changes resulting from PPA allocation	30 Sept 2015 Restated
Shareholders' equity (attributable to Shareholders of the Parent Company)	104,081	45	104,126
Non-controlling interest	(1,975)	-	(1,975)
Total shareholders' equity	102,106	45	102,151
Non-current liabilities	5,218	115	5,333
Interest-bearing bank credits, loans and debt securities	-	-	-
Deferred tax liability	241	115	356
Non-current provisions	18	-	18
Non-current financial liabilities	4,940	-	4,940
Non-current deferred income	6	-	6
Other non-current liabilities	13	-	13
Current liabilities	39,264	-	39,264
Interest-bearing bank credits, loans and debt securities	1,486	-	1,486
Trade payables	17,673	-	17,673
Current tax payable	319	-	319
Liabilities to state budget	2,943	-	2,943
Financial liabilities	1,421	-	1,421
Other liabilities	2,680	-	2,680
Provisions	689	-	689
Deferred income	6,521	-	6,521
Accrued expenses	5,532	-	5,532
TOTAL LIABILITIES	44,482	115	44,597
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	146,588	160	146,748

All figures in thousands of EUR, unless stated otherwise.

2 INFORMATION ON OPERATING SEGMENTS

According to IFRS 8, an operating segment is a separable component of the Group's business for which separate financial information is available and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group identifies the following three operating segments:

- Asseco Central Europe – this segment includes two major companies: Asseco Central Europe, a. s. (SK) and Asseco Central Europe, a. s. (CZ) and their local distribution branches in Germany and Switzerland: Asseco Berit GmbH (DE) and Asseco Berit AG (CH) as well as DanubePay, a. s. (SK), exe, a. s. (SK), and InterWay, a. s (SK). Despite being different legal entities, both main companies have the identical Board of Directors and form one homogenous organisational and business structure with shared back-office departments. Performance of the segment is analysed on a regular basis by its Board of Directors. These companies offer comprehensive IT, outsourcing and processing services intended for a broad range of clients operating in the sectors of financial institutions, general business and public administration.
- Asseco Solutions – this segment includes seven ERP companies: Asseco Solutions, a. s. (SK), Asseco Solutions, a. s. (CZ), Asseco Solutions AG (DE), Asseco Solutions GmbH. (AT), Asseco Solutions AG (CH)), Asseco Solutions S.A. (GT) and Asseco Solutions s.r.l. (IT). Performance of this segment is analysed on a regular basis by its Board of Directors. These companies offer ERP products and related services to a wide variety of clients operating in the sectors of financial institutions, general business and public administration.
- Other – this segment includes three Hungarian companies: Asseco Central Europe Magyarország Zrt. (merged GlobeNet Zrt. and Statlogics Zrt.), Asseco Hungary Zrt. as well as and one Belarusian company: Asseco BEL LLC. Performance of these companies is periodically assessed by the Board of Directors of Asseco Central Europe, a. s. (SK). These companies offer comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, enterprises and public administration.

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For 9 months ended 30 September 2016 and as at 30 September 2016	Asseco Central Europe	Asseco Solutions	Other	Eliminations / Adjustments	Total
Sales revenues:	68,794	42,621	5,501	(5,805)	111,111
Sales to external customers	64,246	41,364	5,501	-	111,111
Inter/intra segment sales	4,548	1,257	-	(5,805)	-
Operating profit (loss) of reportable segment	5,249	3,920	80	-	9,249
Interest income	186	7	-	-	193
Interest expense	(40)	(12)	-	-	(52)
Share in net profit/loss of associates	(5)	27	-	-	22
Corporate income tax	(1,410)	(1,065)	(188)	-	(2,663)
<i>Non-cash items:</i>					
Depreciation and amortization	(1,961)	(665)	(454)	-	(3,080)
Net profit (loss) of reportable segment from continuing operations	3,947	2,865	(134)	-	6,678
Goodwill	19,462	30,997	6,613	-	57,072
Average workforce in the reporting period	804	671	132	-	1,607

All figures in thousands of EUR, unless stated otherwise.

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For 3 months ended 30 September 2016 and as at 30 September 2016	Asseco Central Europe	Asseco Solutions	Other	Eliminations / Adjustments	Total
Sales revenues:	21,991	13,906	1,792	(1,940)	35,749
Sales to external customers	20,475	13,476	1,798	-	35,749
Inter/intra segment sales	1,516	430	(6)	(1,940)	-
Operating profit (loss) of reportable segment	1,654	1,579	(90)	-	3,143
Interest income	79	2	-	-	81
Interest expense	(16)	(4)	-	-	(20)
Share in net profit/loss of associates	(12)	31	-	-	19
Corporate income tax	(458)	(427)	(65)	-	(950)
<i>Non-cash items:</i>					
Depreciation and amortization	(654)	(232)	(147)	-	(1,033)
Net profit (loss) of reportable segment from continuing operations	1,241	1,178	(164)	-	2,255
Goodwill	19,462	30,997	6,613	-	57,072
Average workforce in the reporting period	806	672	129	-	1,607

All figures in thousands of EUR, unless stated otherwise.

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For 9 months ended 30 September 2015 and as at 30 September 2015 (restated)	Asseco Central Europe	Asseco Solutions	Other	Eliminations / Adjustments	Total
Sales revenues:	55,866	38,610	5,801	(6,021)	94,256
Sales to external customers	50,863	37,626	5,767	-	94,256
Inter/intra segment sales	5,003	984	34	(6,021)	-
Operating profit (loss) of reportable segment	4,571	4,084	460	-	9,115
Interest income	121	10	3	-	134
Interest expense	(20)	(30)	(1)	-	(51)
Share in net profit/loss of associates	102	27	-	-	129
Corporate income tax	(1,406)	(1,117)	(223)	-	(2,746)
<i>Non-cash items:</i>					
Depreciation and amortization	(1,743)	(651)	(454)	-	(2,848)
Net profit (loss) of reportable segment from continuing operations	3,293	2,952	211	-	6,456
Goodwill	19,424	30,954	6,536	-	56,914
Average workforce in the reporting period	721	620	117	-	1,458

All figures in thousands of EUR, unless stated otherwise.

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For 3 months ended 30 September 2015 and as at 30 September 2015 (restated)	Asseco Central Europe	Asseco Solutions	Other	Eliminations / Adjustments	Total
Sales revenues:	23,949	13,045	1,904	(1,751)	37,147
Sales to external customers	22,525	12,718	1,904	-	37,147
Inter/intra segment sales	1,424	327	-	(1,751)	-
Operating profit (loss) of reportable segment	1,517	1,107	270	-	2,894
Interest income	25	1	1	-	27
Interest expense	(15)	(9)	-	-	(24)
Share in net profit/loss of associates	44	1	-	-	45
Corporate income tax	(428)	(369)	(84)	-	(881)
<i>Non-cash items:</i>					
Depreciation and amortization	(622)	(214)	(155)	-	(991)
Net profit (loss) of reportable segment from continuing operations	1,123	719	175	-	2,017
Goodwill	19,424	30,954	6,536	-	56,914
Average workforce in the reporting period	703	618	118	-	1,439

All figures in thousands of EUR, unless stated otherwise.

3 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1 Sales revenues

In the nine months ended 30 September 2016 and the corresponding comparative period, operating revenues were as follows:

Sales revenues by type of business	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept 2016	30 Sept 2016	30 Sept 2015	30 Sept 2015
Proprietary software and services	82,952	27,550	78,453	28,211
Third-party software and services	21,136	6,972	9,578	5,231
Computer hardware and infrastructure	4,829	563	4,614	3,143
Logistics and other outsourcing	1,886	602	1,269	449
Other sales	308	62	342	113
	111,111	35,749	94,256	37,147

All figures in thousands of EUR, unless stated otherwise.

Sales revenues by sectors	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept 2016	30 Sept 2016	30 Sept 2015	30 Sept 2015
Banking and finance	16,529	5,052	15,624	5,061
Enterprises	49,205	16,645	41,118	15,274
Public institutions	45,377	14,052	37,514	16,812
	111,111	35,749	94,256	37,147

All figures in thousands of EUR, unless stated otherwise.

3.2 Operating costs

During nine months ended 30 September 2016 and the corresponding comparative period, the operating costs were as follows:

Operating costs	9 months ended 30 Sept 2016	3 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated	3 months ended 30 Sept 2015 Restated
Cost of goods, materials and third-party services sold	(21,242)	(6,026)	(11,939)	(7,256)
Employee benefits	(47,861)	(15,345)	(43,292)	(15,010)
Depreciation and amortization	(3,080)	(1,033)	(2,848)	(991)
Third-party services	(19,155)	(6,875)	(18,243)	(7,604)
Other	(10,542)	(3,322)	(8,878)	(3,416)
	(101,880)	(32,601)	(85,200)	(34,277)
Cost of sales	(82,622)	(26,413)	(69,020)	(28,307)
Selling costs	(9,598)	(3,114)	(7,631)	(2,859)
General administrative expenses	(9,660)	(3,074)	(8,549)	(3,111)
	(101,880)	(32,601)	(85,200)	(34,277)

All figures in thousands of EUR, unless stated otherwise.

In the period of nine months ended 30 September 2016 other costs comprise mainly: property maintenance costs in the amount of EUR 6,327 thousand, costs of advertising in the amount of EUR 1,818 thousand, costs of domestic and international business trips in the amount of EUR 1,201 thousand.

The table below presents the reconciliation of depreciation and amortization charges reported in the profit and loss account with those disclosed in the tables of changes in property, plant and equipment (note 3.6) and in intangible assets (note 3.7):

	9 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated
Depreciation of fixed assets resulting from movement table of property, plant and equipment	(1,306)	(1,132)
Amortisation of intangible assets resulting from the movement table of intangible assets	(1,774)	(1,717)
Depreciation decrease as a result of grants	-	1
Total depreciation and amortization presented in the operating costs	(3,080)	(2,848)

All figures in thousands of EUR, unless stated otherwise.

3.3 Income tax

The main charges on the pre-tax profit due to corporate income tax (current and deferred portions):

	9 months ended 30 Sept 2016	3 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated	3 months ended 30 Sept 2015 Restated
Current portion of corporate income tax and prior years adjustments	(1,685)	(550)	(2,695)	(1,006)
Deferred income tax	(978)	(400)	(51)	125
Income tax expense as disclosed in the profit and loss account	(2,663)	(950)	(2,746)	(881)

All figures in thousands of EUR, unless stated otherwise.

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving the taxpayers of a possibility to refer to well established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations either between companies and public administration, or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of so determined liabilities must be paid with high interest. In effect the amounts disclosed in the financial statements may be later changed, after the taxes payable are finally determined by the taxation authorities.

The Group made an estimation of taxable income planned to be achieved in the future and concluded it will be able to utilise the deferred tax assets in the amount of EUR 869 thousand as at 30 September 2016 (EUR 1,424 thousand as at 31 December 2015 and EUR 1,783 thousand as at 30 September 2015).

3.4 Earnings per share

Basic earnings per share are computed by dividing the net profit for the reporting period, attributable to shareholders of the Parent Company, by the average weighted number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the financial period, attributable to shareholders of the Parent Company, by the adjusted (due to diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The tables below present net profits and numbers of shares used for calculation of basic earnings per share:

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	9 months ended 30 Sept 2016	3 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated	3 months ended 30 Sept 2015 Restated
Net profit attributable to Shareholders of the Parent Company	7,210	2,484	6,966	2,143
Average weighted number of ordinary shares, used for calculation of diluted earnings per share	21,360,000	21,360,000	21,360,000	21,360,000
Basic consolidated earnings per share	0.34	0.12	0.33	0.10

During both the reporting period and the comparative periods no events took place that would cause dilution of earnings per share.

3.5 Information on the dividends paid or declared

In the period of nine months ended ended 30 September 2016 and nine months ended 30 September 2015 the Parent Company paid out to its shareholders a dividend for the year 2015 and 2014, respectively.

By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 11,107,200 from net profit for the year 2015 was allocated to payment of a dividend of EUR 0.52 per share and the amount of EUR 678,960.98 remained in retained earnings. The payment date was 19 April 2016.

By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 10,039,200 from net profit for the year 2014 was allocated to payment of a dividend of EUR 0.47 per share and the amount of EUR 6,460,103.57 remained in retained earnings. The payment dates were 28 April 2015 and 5 June 2015.

3.6 Property, plant and equipment

The net book value of property, plant and equipment, during the period of nine months ended 30 September 2016 and in the comparative period, changed as a result of the following transactions:

	9 months ended 30 September 2016	9 months ended 30 September 2015
Net book value of property, plant and equipment as at 1 January	4,191	3,776
Increases, of which:	1,915	1,550
Purchases and modernization	1,911	1,171
Obtaining control over subsidiaries	1	314
Other	3	65
Decreases, of which:	(1,333)	(1,253)
Depreciation charges for the reporting period	(1,306)	(1,132)
Disposal and liquidation	(27)	(121)

Exchange differences on translation of foreign operations	9	36
Net book value of property, plant and equipment, as at 30 September	4,782	4,109

All figures in thousands of EUR, unless stated otherwise.

As at 30 September 2016, 31 December 2015 and 30 September 2015 no tangible assets served as collateral for credit facilities.

3.7 Intangible assets

The net book value of intangible assets, during the period of nine months ended 30 September 2016 and in the comparative period, changed as a result of the following transactions:

	9 months ended 30 Sept 2016	9 months ended 30 Sept 2015 Restated
Net book value of intangible assets, as at 1 January	9,526	10,587
Increases, of which:	585	739
Purchases	215	102
Capitalization of the costs of research and development projects	367	32
Obtaining control over subsidiaries	-	605
Other	3	-
Decreases, of which:	(1,774)	(1,717)
Amortisation charges for the reporting period	(1,774)	(1,717)
Impairment, write-downs	-	-
Exchange differences on translation of foreign operations	19	22
Net book value of intangible assets, as at 30 September	8,356	9,631

All figures in thousands of EUR, unless stated otherwise.

As at 30 September 2016, 31 December 2015 and 30 September 2015, no intangible assets served as security for bank loans.

3.8 Goodwill

For impairment testing purposes, goodwill is allocated by the Group in the following way:

- to the groups of cash-generating units that constitute an operating segment; or
- to individual subsidiaries.

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	30 Sep 2016	31 Dec 2015 Restated	30 Sep 2015 Restated
Segment Asseco Central Europe			
Asseco Central Europe (Slovakia)	1,075	1,075	1,075
Asseco Central Europe (Czech Republic)	14,934	14,934	14,844
Exe	1,436	1,436	1,436
InterWay	2,017	2,017	2,069
Segment Asseco Solutions			
Asseco Solutions (Slovakia)	7,650	7,647	7,647
Asseco Solutions (Germany)	16,706	16,706	16,706
Asseco Solutions (Czech Republic)	6,641	6,641	6,601
Segment Other			
	6,613	6,483	6,536
Total	57,072	56,939	56,914

All figures in thousands of EUR, unless stated otherwise.

Movements in the carrying amount of goodwill during nine months ended 30 September 2016 were only due to translation differences related to foreign operations.

In 2016 Asseco Central Europe completed the purchase price allocation related to acquisitions of InterWay, a.s. and exe, a.s.

Asseco Central Europe, a. s acquired 66% of shares in the company InterWay, a.s. in July 2015. The purchase price of the acquired 66% equity interest amounted to EUR 3,173 thousand and was paid in cash. As at 30 September 2016 the process of purchase price allocation was completed by the Group. The provisional and fair values of identifiable assets and liabilities in acquired company as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date EUR thousands	Fair value as at the acquisition date EUR thousands
Assets acquired	5,621	5,851
Property, plant and equipment	225	225
Intangible assets	103	333
Trade receivables	2,887	2,887
Receivables from state and local budgets	99	99
Financial assets	98	98
Cash and cash equivalents	2,094	2,094
Other assets	115	115
Liabilities acquired	4,048	4,099
Trade payables	3,346	3,346
Liabilities to the state and local budgets	91	91
Finance lease liabilities	58	58
Provisions	192	192
Deferred income	137	137
Deferred tax liability	2	53

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Other liabilities	222	222
Net assets value	1,573	1,752
Equity interest acquired	66%	66%
Value of non-controlling interests	535	596
Purchase price	3,173	3,173
Goodwill as at the acquisition date	2,135	2,017

All figures in thousands of EUR, unless stated otherwise.

Asseco Central Europe, a. s acquired 100% of shares in the company exe, a.s., in August 2015. The purchase price of the acquired 100% equity interest amounted to EUR 2,400 thousand, of which the amount of EUR 1,920 thousand has been paid and the rest of purchase price amounted to EUR 480 thousand has been deferred.

As at 30 September 2016 the process of purchase price allocation was completed by the Group. The provisional and fair values of identifiable assets and liabilities in acquired company as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date EUR thousands	Fair value as at the acquisition date EUR thousands
Assets acquired	2,355	2,665
Property, plant and equipment	89	89
Intangible assets	12	322
Trade receivables	1,313	1,313
Receivables from state and local budgets	10	10
Cash and cash equivalents	242	242
Prepayments	673	673
Other assets	16	16
Liabilities acquired	1,633	1,701
Trade payables	1,315	1,315
Liabilities to the state and local budgets	49	49
Provisions	175	175
Deferred tax liability	72	140
Other liabilities	22	22
Net assets value	722	964
Equity interest acquired	100%	100%
Value of non-controlling interests	-	-
Purchase price	2,400	2,400
Goodwill as at the acquisition date	1,678	1,436

All figures in thousands of EUR, unless stated otherwise.

3.9 Financial assets

As at 30 September 2016 and in the comparable period, the Group held the following financial assets:

	30 Sep 2016	31 Dec 2015	30 Sep 2015
Non-current loans, of which:	298	4	8
<i>loans granted to related parties</i>	275	-	-
<i>Loans granted to employees</i>	23	4	8
Financial assets available for sale	3	3	3
	301	7	11
Current loans, of which:	7,628	3,564	620
<i>Loans granted to related parties</i>	238	38	98
<i>Loans granted to employees</i>	8	9	5
<i>Other</i>	7,382	3,517	517
Current financial assets at fair value	4	4	8
	7,632	3,568	628

All figures in thousands of EUR, unless stated otherwise.

Under category "other loans" there are presented two bills of exchange of J&T Private Equity B.V in amount of EUR 7,382 thousand (EUR 5,375 thousand with maturity in October 2016, interest rate 4.00%; EUR 2,007 thousand with maturity in July 2017, interest rate 5%). These bills of exchange are classified as "Loans granted" and are carried at amortized cost. They are recognized as current assets as their maturity periods are shorter than 12 months from the balance sheet date.

3.10 Non-current and current prepayments

As at 30 September 2016 and in the comparable period, the Group held the following prepayments:

	30 Sept 2016	31 Dec 2015	30 Sept 2015
Non-current			
Pre-paid maintenance services	249	68	31
	249	68	31
Current			
Pre-paid maintenance services	3,501	4,151	1,443
Pre-paid licence fees	96	102	542
Pre-paid insurance	98	90	83
Pre-paid rents and pre-paid operating lease payments	31	36	10
Pre-paid consultancy services	24	16	30
Subscriptions and other pre-paid services	457	193	108
Other prepayments	62	2	461
	4,269	4,590	2,677

3.11 Non-current and current receivables

Non-current receivables

Non-current receivables	30 Sept 2016	31 Dec 2015	30 Sept 2015
Trade receivables, of which:	-	-	64
<i>Receivables from related companies</i>	-	-	-
<i>Receivables from other companies</i>	-	-	64
Deposits paid	427	435	452
Other receivables	-	-	-
	427	435	516

All figures in thousands of EUR, unless stated otherwise.

Non-current trade receivables and receivables from uninvoiced deliveries are not interest-bearing and were valued at their present (discounted) value.

Non-current receivables were not pledged as collateral for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 September 2016, 31 December 2015 nor at 30 September 2015.

Current receivables

Trade accounts receivable	30 Sept 2016	31 Dec 2015	30 Sept 2015
Invoiced trade receivables, of which:	22,339	39,618	26,776
<i>Receivables from related companies</i>	338	393	119
<i>Receivables from other companies</i>	22,001	39,225	26,657
Receivables from valuation of long-term IT contracts (PoC valuation), of which:	5,845	1,540	9,334
<i>Receivables from related companies</i>	-	-	-
<i>Receivables from other companies</i>	5,845	1,540	9,334
Receivables from uninvoiced deliveries, of which:	647	427	279
<i>Receivables from related companies</i>	-	-	-
<i>Receivables from other companies</i>	647	427	279
Revaluation write-down on doubtful accounts receivable(-)	(2,411)	(2,258)	(1,991)
	26,420	39,327	34,398

All figures in thousands of EUR, unless stated otherwise.

Trade receivables are not interest-bearing.

The Group has a relevant policy based on selling its products and services to reliable clients only. Owing to that in the management's opinion the related credit risk would not exceed the level covered by allowances for doubtful accounts as established by the Group.

Receivables from valuation of IT contracts (implementation, long-term contracts) result from the surplus of revenues recognized based on the percentage of completion of implementation contracts over invoices issued.

Receivables relating to uninvoiced deliveries result from the sale of third-party licenses and maintenance services, for which invoices have not yet been issued for the whole period of licensing or provision for maintenance services.

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As at 30 September 2016, 31 December 2015 and 30 September 2015 there were no receivables and future receivables that were pledged as collateral for credit facilities.

Transactions with related parties are presented in note 3.21 to these interim condensed consolidated financial statements.

Receivables from state and local budgets and other receivables	30 Sept 2016	31 Dec 2015	30 Sept 2015
Receivables from state and local budgets			
Social Insurance Institution	12	10	10
Value added tax	45	150	116
Other	57	-	11
	114	160	137
Corporate income tax (CIT)	1,079	1,107	771
Other receivables			
Receivables from deposits paid and guarantees of due performance of contracts	372	406	935
Other receivables	289	561	339
Revaluation write-down on other doubtful receivables (-)	(76)	(76)	(76)
	585	891	1,198

All figures in thousands of EUR, unless stated otherwise.

3.12 Cash and cash equivalents

	30 Sept 2016	31 Dec 2015	30 Sept 2015
Cash at bank	26,630	40,144	26,677
Cash on hand	111	112	138
Short-term deposits (up to 3 months)	48	3,950	4,951
Cash equivalents	6	20	20
Total cash and cash equivalents as disclosed in the statement of financial position	26,795	44,226	31,786
Accrued interest on cash as at the balance sheet date	-	-	-
Bank overdrafts which form an integral part of an entity's cash management	(1,703)	(951)	(1,484)
Total cash and cash equivalents as disclosed in the cash flow statement	25,092	43,275	30,302

All figures in thousands of EUR, unless stated otherwise.

The interest on cash at bank is calculated with variable interest rates which depend on bank overnight deposit rates. Current deposits are made for varying periods of maturity between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective current deposit rates.

Current deposits did not serve as collateral for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 September 2016, 31 December 2015 nor at 30 September 2015.

3.13 Non-current and current financial liabilities

Non-current	30 Sept 2016	31 Dec 2015	30 Sept 2015
Liabilities due to acquisition of shares in subsidiaries (put options)	4,185	4,185	4,912
Finance lease commitments	29	30	28
	4,214	4,215	4,940

All figures in thousands of EUR, unless stated otherwise.

Current	30 Sept 2016	31 Dec 2015	30 Sept 2015
Liability due to dividend payment	47	12	12
Finance lease commitments	25	54	69
Liabilities due to acquisition of shares	981	806	804
Other	-	1,216	536
	1,053	2,088	1,421

All figures in thousands of EUR, unless stated otherwise.

Non-current financial liabilities due to acquisition of shares in subsidiaries (put options) relate to:

- the put option granted to Mr. Markus Haller, who holds 25% of the share capital of Asseco Solutions GmbH. Under the agreement signed on 4 December 2014 by Asseco Solutions AG, Mr. Haller may exercise the put option upon the termination of his employment as managing director of the company. The purchase price shall be equal the amount of EUR 2.6 million, however in the case that Mr. Haller himself cancels his function as chairman of the management board, the price shall be EUR 1 million. According to the best knowledge and belief of the Board of Directors there are no plans or intentions to terminate the contract with Mr. Haller, therefore at the end of the reporting period, the Group has measured the financial liability at the amount of EUR 1 million. The Company does not expect the put option to be exercised in next financial year.
- the put liability granted to non-controlling interests in InterWay in the amount of EUR 3,912 thousand. Put option may be exercised either in April 2018 or in April 2019.

Liabilities due to acquisition of shares relate mainly to the deferred payments for shares in acquired subsidiary - exe, a.s. in the amount of EUR 480 thousands and deferred payment for shares in acquired associate - LittleLane, a.s in the amount of EUR 175 thousand.

3.14 Trade and other payables

As at 30 September 2016 and in the comparative periods, the Group had the following liabilities:

Current trade payables	30 Sept 2016	31 Dec 2015	30 Sept 2015
Invoiced current trade payables, of which:	6,131	24,748	10,765
<i>To related companies</i>	80	70	89
<i>To other companies</i>	6,051	24,678	10,676
Liabilities relating to valuation of IT contracts, of which:	272	3,200	715
<i>To related companies</i>	-	-	-
<i>To other companies</i>	272	3,200	715
Liabilities due to non-invoiced deliveries, of which:	4,970	4,433	6,193
<i>To related companies</i>	-	-	-
<i>To other companies</i>	4,970	4,433	6,193
	11,373	32,381	17,673

All figures in thousands of EUR, unless stated otherwise.

Trade payables are not interest-bearing. The transactions with related companies are presented in note 3.21 to these interim condensed consolidated financial statements.

Liabilities to the state and local budgets and other liabilities	30 Sept 2016	31 Dec 2015	30 Sept 2015
Liabilities to the state and local budgets			
Social Insurance Institution	1,397	1,503	1,362
Personal income tax (PIT)	652	801	661
Value added tax	1,026	2,869	896
Other	1	21	24
	3,076	5,194	2,943
Corporate income tax (CIT)	236	559	319
Other current liabilities			
Liabilities to employees relating to salaries and wages	1,930	2,331	1,926
Liabilities from purchase of property, plant, equipment and intangible assets	17	-	-
Trade prepayments received	26	29	18
Other liabilities	208	139	736
	2,181	2,499	2,680

All figures in thousands of EUR, unless stated otherwise.

Other liabilities are not interest-bearing.

3.15 Accrued expenses and deferred income

Accrued expenses comprise accruals for unused holiday leaves, for salaries and wages of the current period payable in future periods which result from the bonus schemes applied by Asseco Central Europe Group.

Current accrued expenses	30 Sep 2016	31 Dec 2015	30 Sep 2015
Accrual for unused holiday leaves	1,671	1,619	1,748
Accrual for the employee bonuses and severance payments	3,236	4,231	3,784
	4,907	5,850	5,532

All figures in thousands of EUR, unless stated otherwise.

The balance of deferred income relates mainly to prepayments for services such as maintenance and IT support. The received prepayments are related primarily to the software development projects implemented by the Group.

Non-current deferred income	30 Sep 2016	31 Dec 2015	30 Sep 2015
Maintenance services	144	73	6
	144	73	6

Current deferred income	30 Sep 2016	31 Dec 2015	30 Sep 2015
Maintenance services	6,940	5,287	5,963
Licence fees	110	6	312
Implementations	215	167	231
Subsidies	52	13	15
	7,317	5,473	6,521

All figures in thousands of EUR, unless stated otherwise.

3.16 Non-current and current provisions

During the period of nine months ended 30 September 2016, the following changes in provisions were observed:

	Provision for warranty repairs	Provision for loss on long-term IT contracts (PoC valuation)	Other provisions	Total
As at 1 January 2016	650	184	315	1,149
Acquisitions of subsidiaries (+)	-	-	-	-
Created during the reporting period (+)	98	130	50	278
Used or reversed during the reporting period (-)	(502)	(67)	(311)	(880)
Exchange differences on translation of foreign operations (+/-)	2	(1)	-	1
As at 30 September 2016	248	246	54	548
Current as at 30 September 2016	248	246	39	533
Non-current as at 30 September 2016	-	-	15	15

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	Provision for warranty repairs	Provision for loss on long-term IT contracts (PoC valuation)	Other provisions	Total
As at 1 January 2015	1,148	41	979	2,168
Acquisitions of subsidiaries (+)	-	-	3	3
Created during the reporting period (+)	1,268	154	163	1,585
Used or reversed during the reporting period (-)	(1,772)	(12)	(849)	(2,633)
Exchange differences on translation of foreign operations (+/-)	6	1	19	26
As at 31 December 2015	650	184	315	1,149
Current as at 31 December 2015	650	184	297	1,131
Non-current as at 31 December 2015	-	-	18	18

	Provision for warranty repairs	Provision for loss on long-term IT contracts (PoC valuation)	Other provisions	Total
As at 1 January 2015	1,148	41	979	2,168
Acquisitions of subsidiaries (+)	-	-	3	3
Created during the reporting period (+)	694	139	142	975
Used or reversed during the reporting period (-)	(1,628)	(44)	(786)	(2,458)
Exchange differences on translation of foreign operations (+/-)	4	1	14	19
As at 30 September 2015	218	137	352	707
Current as at 30 September 2015	218	137	334	689
Non-current as at 30 September 2015	-	-	18	18

The provision created for the costs of warranty repairs corresponds to provision of own software guarantee services as well as to handling of the guarantee maintenance services being provided by the producers of hardware that was delivered to the Group's customers. Other provisions include mainly provisions for costs related to on-going legal proceedings and tax risks.

3.17 Interest-bearing bank credits and debt securities issued

Short-term credit facilities	Name of entity	Maximum debt as at 30 Sept	Effective interest rate %	Currency	Date of maturity	30 Sept 2016	31 Dec 2015	30 Sept 2015
Overdraft	Asseco Solutions AG	1,000	EONIA +2.5%	EUR	-	-	-	-
Overdraft	Asseco Solutions AG	1,000	3M EURIBOR + 6%	EUR	-	-	-	-
Overdraft	DanubePay	-	EONIA+1.2%	EUR	-	-	951	996
Overdraft	DanubePay	2,000	2.5%	EUR	-	1,605	-	-
Overdraft	InterWay	1,000	1M EURIBOR + 1.99%	EUR	-	-	-	-
Overdraft	InterWay	20	19%	EUR	-	8	-	-
Overdraft	exe	1,000	1M EURIBOR + 1.4%	EUR	31.07.2016	90	-	-
Overdraft	exe	800	1M EURIBOR + 2%	EUR	-	-	-	488
Overdraft	Asseco Solution SK	1,000	1M EURIBOR + 2.5%	EUR	-	-	-	-
		7,820				1,703	951	1,484

Additionally, as at 30 September 2016 Asseco Bel LLC had a loan in the amount of EUR 7 thousand which has been granted by Asseco Poland S.A.

As at 30 September 2016 the total funds available to the Asseco Central Europe Group under credit facilities opened in the current accounts reached the level of EUR 7,8200 thousand.

As at 30 September 2016, 31 December 2015 and 30 September 2015 no assets served as collateral for credit facilities.

3.18 Notes to the Statement of Cash Flow

Cash flows – operating activities

The table below presents items included in the line “Changes in working capital”:

Changes in working capital	30 Sept 2016	30 Sept 2015
Change in inventories	55	(299)
Change in receivables	20,074	1,559
Change in liabilities	(31,421)	(5,759)
Change in prepayments, accruals and deferred income and other non-financial assets	1,172	1,509
Change in provisions	(602)	(1,375)
	(10,722)	(4,365)

All figures in thousands of EUR, unless stated otherwise.

Comments on cash flows from investing and financing activities are in section II. GENERAL INFORMATION part 2.3. The Group’s cash-flow generation.

3.19 Commitments and contingencies in favour of related parties

As at 30 September 2016, guarantees and sureties issued by and for Asseco Central Europe, a. s. (SK) in favour of related parties were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 2,000 thousand to secure its liabilities towards Slovenská sporiteľňa, a.s. under a framework credit agreement.
- Exe, a. s. (subsidiary) was granted a guarantee of EUR 14 thousand to secure its liabilities towards Ministerstvo financií under a framework credit agreement.
- Exe, a. s. (subsidiary) was granted a guarantee of EUR 300 thousand to secure its liabilities towards Železnice Slovenskej republiky under a framework credit agreement.

As at 30 September 2015, guarantees and sureties issued by and for Asseco Central Europe, a. s. (SK) in favour of related parties were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 1,000 thousand to back up its liabilities towards Komerční banka under a framework crediting agreement.

3.20 Commitments and contingent liabilities to other entities

As at 30 September 2016, guarantees and sureties issued by and for the Group were as follows:

- Asseco Central Europe a. s. (Slovak Republic) uses a bank guarantees issued by Komerční banka a. s. of EUR 878 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 30 April 2016).

- Asseco Solutions AG (Germany) uses a bank guarantees of EUR 173 thousand to secure the rent of an office building and the performance of the IT contracts.

As at 30 September 2015, guarantees and sureties issued by and for the Group were as follows:

- Asseco Central Europe a. s. (Slovak Republic) uses a bank guarantees issued by Komerční banka a. s. of EUR 878 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 30 April 2016).
- Asseco Central Europe a. s. (Czech Republic) uses a bank guarantees issued by Unicredit Bank Czech Republic and Slovakia, a. s. of EUR 587 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 12 months).

Within its commercial activities the Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies.

The Group is a party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following off-balance-sheet liabilities for future payments:

	30 Sep 2016	31 Dec 2015	30 Sep 2015
<i>Liabilities under lease of space</i>			
In the period up to 1 year	3,925	3,835	3,399
In the period from 1 to 5 years	10,258	10,403	10,246
In the period over 5 years	2,346	2,567	232
	16,529	16,805	13,877
<i>Liabilities under operating lease of property, plant and equipment</i>			
in the period shorter than 1 year	660	578	571
in the period from 1 to 5 years	538	430	432
in the period longer than 5 years	-	-	-
	1,198	1,008	1,003

3.21 Transactions with related parties

Asseco Central Europe Group sales to related parties:		9 months ended 30 Sept 2016	9 months ended 30 Sept 2015
Transactions with Asseco Poland S.A.			
Asseco Poland S.A.	<i>sales of IT services and licences</i>	209	127
		209	127
Transactions with related companies			
Matrix42 AG	<i>sales of IT services and licences</i>	-	8
		-	8
Transactions with associates			
První certifikační autorita. a.s.	<i>sales of IT services and licences</i>	2	2
eDocu, a.s.	<i>sales of IT services and licences</i>	26	-
SCS Smart Connected Solutions GmbH	<i>sales of IT services and licences</i>	258	-
		286	2
Transactions with entities related through Group's key management personnel			
Nowire, s.r.o. ¹⁾	<i>rental of the office space</i>	6	5
		6	5
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies			
Mariusz Lizon ²⁾	<i>sale of tangible assets</i>	9	9
Aleksander Duch ³⁾	<i>consultancy services</i>	9	-
		18	9
TOTAL		519	151

All figures in thousands of EUR, unless stated otherwise.

¹⁾ In the period of nine months ended 30 September 2016, Richard Weber - proxy in InterWay, served as the partner and management board member in Nowire, s.r.o

²⁾ In the period of nine months ended 30 September 2016 as well as in the comparative period, Mariusz Lizon was Member of the Management Board of Asseco Business Solutions S.A.

³⁾ In the period of nine months ended 30 September 2016 as well as in the comparative period, Aleksander Duch was a member of the management board of Asseco Western Europe S.A., member of the supervisory board of the Asseco Solutions a.s (Slovakia), and Asseco Solutions AG (Germany).

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Asseco Central Europe Group purchases from related parties:		9 months ended	9 months ended
		30 Sept 2016	30 Sept 2015
Transactions with Asseco Poland S.A.			
Asseco Poland S.A.	<i>purchase of IT services</i>	86	37
		86	37
Transactions with related companies			
Matrix42 AG	<i>purchase of general and administrative services</i>	-	27
Asseco Data Systems S.A.	<i>purchase of IT services</i>	1	-
Sintagma UAB	<i>purchase of IT services</i>	1	-
Exictos SGPS S.A.	<i>purchase of IT services</i>	4	-
Asseco SEE (Croatia)	<i>purchase of IT services</i>	1	1
Asseco SEE (Serbia)	<i>purchase of IT services</i>	-	5
Asseco SEE (Turkey)	<i>purchase of IT services</i>	18	36
		25	69
Transactions with associates			
SCS Smart Connected Solutions GmbH	<i>purchase of IT services</i>	51	-
		51	-
Transactions with entities related through Group's key management personnel			
PaR Solutions, s.r.o. ¹⁾	<i>purchase of IT services</i>	287	26
Nowire, s.r.o.	<i>purchase of IT services</i>	1	-
		288	26
Transactions with other related parties			
Aleksander Duch	<i>purchase of consultancy services</i>	56	-
		56	-
TOTAL		506	132

All figures in thousands of EUR, unless stated otherwise.

¹⁾ In the period of nine months ended 30 September 2016, Richard Weber and Petr Weber - proxies in InterWay, served as the partners and management board members in PaR Solutions, s.r.o.

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	Trade receivables and other receivables as at		Trade payables and other liabilities as at	
	30 Sept 2016	30 Sept 2015	30 Sept 2016	30 Sept 2015
Transactions with Parent Company				
Asseco Poland S.A.	58	3	7	-
	58	3	7	-
Transactions with related companies				
Matrix42 AG	-	-	-	3
Sintagma UAB	1	-	-	-
Exictos SGPS S.A.	-	-	4	-
Group Asseco SEE Serbia	-	-	1	2
	1	-	5	5
Transactions with associates:				
eDocu, a.s.	31	-	-	-
SCS Smart Connected Solutions GmbH	246	-	40	-
LittleLane	-	-	175	-
	277	-	215	-
Transactions with entities related through Group's key management personnel				
PaR Solutions, s.r.o.	-	98	28	6
Nowire, s.r.o.	3	18	-	78
	3	116	28	84
Transactions with other related parties	-	-	1,000	1,000
TOTAL	339	119	1,255	1,089

All figures in thousands of EUR, unless stated otherwise.

3.22 Seasonal and cyclical nature of business

The Group's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because bulk of sales revenues are generated from the IT services contracts executed for large companies and public institutions, the fourth quarter turnovers tend to be higher than in the remaining periods. Such phenomenon occurs for the reason that the above-mentioned entities close their annual budgets for implementation of IT projects and carry out investment purchases of hardware and licences usually in the last quarter.

3.23 Significant events after the balance sheet date

Until the date of preparing these interim condensed consolidated financial statements, i.e. 28 October 2016 the following significant events and transactions occurred:

- **Acquisition of Galvaniho 5, s.r.o**

On 10 October 2016 Asseco Central Europe, a.s purchased 51% of shares in Galvaniho 5, s.r.o.

- **Tender offer for the shares of Asseco Central Europe, a.s**

On 24 October 2016, Asseco Poland SA announced a tender offer for the shares of Asseco Central Europe, a.s. This call was announced for all the shares issued by the Company, excluding the shares held directly by Asseco Poland, that is 1,386,904 ordinary shares traded on Warsaw Stock Exchange in Warsaw S.A. Asseco Poland intends to obtain all 1,386,904 shares, which corresponds to 6.49% of the total number of votes at the General Meeting and 6.49% of the total number of shares of the Company, and as a result of this call to achieve 100% of the total number of votes at the General Meeting of the Company.

Shares covered by the offer will be purchased at a price of 23.50 PLN per share.

Deadlines for the tender offer:

- 15 November 2016 - The start date of the subscription for the Shares
- 14 December 2016 - Date of completion of the subscription for the Shares
- 19 December 2016 - The expected date of the transaction on the Stock Exchange
- 22 December 2016 - The expected settlement date by National Depository for Securities.

Asseco Poland, as a strategic investor of the Company and shareholder of the Company holding 93.51% of votes at the General Meeting of the Company, intends to submit a request to convene the General Meeting of the Company and request that the agenda includes the adoption of a resolution on the abolition of dematerialization of shares and withdraw them from trading on the Warsaw Stock Exchange

Apart from the mentioned above, until the date of preparing these interim condensed consolidated financial statements, i.e. 28 October 2016, no significant events and transactions occurred that might have an impact on the interim condensed consolidated financial statements.

3.24 Significant events related to prior years

Up to the date of preparing these interim condensed consolidated financial statements for the nine months period ended 30 September 2016, no significant events related to prior years occurred that might have an impact on the interim condensed consolidated financial statements.

IV. INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, A. S. FOR THE PERIOD ENDED 30 SEPTEMBER 2016

INTERIM PROFIT AND LOSS ACCOUNT ASSECO CENTRAL EUROPE, a. s.

	9 months ended 30 Sept 2016	3 months ended 30 Sept 2016	9 months ended 30 Sep 2015	3 months ended 30 Sep 2015
Sales revenues	29,191	5,602	38,904	15,315
Cost of sales (-)	(22,288)	(4,574)	(30,662)	(12,948)
Gross profit on sales	6,903	1,028	8,242	2,367
Selling expenses	(476)	(282)	(271)	(77)
General administrative expenses	(2,086)	(611)	(2,283)	(808)
Net profit on sales	4,341	135	5,688	1,482
Other operating income	76	46	31	1
Other operating expenses	(80)	(54)	(36)	(10)
Operating profit	4,337	127	5,683	1,473
Financial income	5,325	(755)	6,111	31
Financial expenses	(45)	(13)	(33)	(1)
Pre-tax profit	9,617	(641)	11,761	1,503
Corporate income tax (current and deferred)	(993)	20	(1,355)	(342)
Net profit for the period reported	8,624	(621)	10,406	1,161
Earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):				
<i>Basic consolidated earnings per share from continuing operations for the period reported</i>	0.40	(0.03)	0.49	0.05
<i>Diluted consolidated earnings per share from continuing operations for the period reported</i>	0.40	(0.03)	0.49	0.05

All figures in thousands of EUR, unless stated otherwise.

INTERIM STATEMENT OF COMPREHENSIVE INCOME
ASSECO CENTRAL EUROPE, a. s.

	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept 2016	30 Sept 2016	30 Sept 2015	30 Sept 2015
Net profit for the period reported	8,624	(621)	10,406	1,161
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,624	(621)	10,406	1,161

INTERIM STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a. s.

ASSETS	30 Sept 2016	31 Dec 2015	30 Sept 2015
Fixed assets	87,586	88,600	89,351
Property, plant and equipment	855	811	891
Intangible assets	4,965	6,055	6,420
Investments in subsidiaries	80,552	80,544	80,544
Investments in associates	688	430	430
Deferred income tax assets	526	760	1,066
Current assets	31,446	46,443	40,520
Inventories	9	-	-
Deferred expenses	1,979	2,019	383
Trade accounts receivable	12,715	17,949	23,691
Corporate income tax	540	911	385
Other receivables	336	93	229
Loans granted	2,854	2,520	2,234
Other financial assets	5,379	3,521	520
Cash and short-term deposits	7,634	19,430	13,078
TOTAL ASSETS	119,032	135,043	129,871

All figures in thousands of EUR, unless stated otherwise.

INTERIM STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a. s.

SHAREHOLDERS' EQUITY AND LIABILITIES	30 Sept 2016	31 Dec 2015	30 Sept 2015
Shareholders' equity (attributable to Shareholders of the Parent Company)			
Share capital	709	709	709
Share premium	74,901	74,901	74,901
Retained earnings	35,814	38,297	36,917
Total shareholders' equity	111,424	113,907	112,527
Current liabilities	7,608	21,136	17,344
Trade accounts payable	3,093	13,041	11,543
Corporate income tax payable	-	-	-
Liabilities to the State budget	745	1,976	810
Financial liabilities	655	1,696	1,016
Other liabilities	651	902	1,183
Provisions	14	54	186
Accrued expenses	1,564	2,658	1,998
Deferred income	886	809	608
TOTAL LIABILITIES	7,608	21,136	17,344
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	119,032	135,043	129,871

All figures in thousands of EUR, unless stated otherwise.

INTERIM STATEMENT OF CHANGES IN EQUITY
ASSECO CENTRAL EUROPE, a. s.

	Share capital	Share premium	Retained earnings	Total shareholders' equity
As at 1 January 2016	709	74,901	38,297	113,907
Net profit for the period	-	-	8,624	8,624
Dividend for the year 2015	-	-	(11,107)	(11,107)
As at 30 September 2016	709	74,901	35,814	111,424
As at 1 January 2015	709	74,901	36,550	112,160
Net profit for the period	-	-	11,786	11,786
Dividend for the year 2014	-	-	(10,039)	(10,039)
As at 31 December 2015	709	74,901	38,297	113,907
As at 1 January 2015	709	74,901	36,550	112,160
Net profit for the period	-	-	10,406	10,406
Dividend for the year 2014	-	-	(10,039)	(10,039)
As at 30 September 2015	709	74,901	36,917	112,527

All figures in thousands of EUR, unless stated otherwise.

INTERIM STATEMENT OF CASH FLOWS
ASSECO CENTRAL EUROPE, a. s.

	9 months ended	3 months ended	9 months ended	3 months ended
	30 Sept 2016	30 Sept 2016	30 Sept 2015	30 Sept 2015
Cash flows - operating activities				
Pre-tax profit from continuing operations and profit (loss) on discontinued operations	9,617	1,359	11,761	1,503
Total adjustments:	(12,528)	(2,063)	(9,537)	4,667
Depreciation and amortization	1,397	468	1,396	467
Changes in working capital	(8,631)	(2,451)	(4,816)	4,231
Interest income and expense	(201)	(77)	(152)	(32)
Gain (loss) on foreign exchange differences	4	(3)	5	-
Gain (loss) on investing activities	(5,098)	-	(5,960)	-
Other	1	-	(10)	1
Net cash generated from operating activities	(2,911)	(704)	2,224	6,170
Corporate income tax paid	(380)	(432)	(2,930)	(660)
Net cash provided by (used in) operating activities	(3,291)	(1,136)	(706)	5,510
Cash flows - investing activities				
Proceeds from disposal of tangible fixed assets and intangible assets	22	22	36	4
Acquisition of tangible fixed assets and intangible assets	(327)	(130)	(304)	(141)
Acquisition of intangible assets, excluding research and development projects	(7)	(7)	-	-
Acquisition of subsidiary companies (HTM) Acquisition of financial assets held to maturity	(8)	(8)	(5,093)	(5,058)
(FVPL) Acquisition/settlement of financial assets at fair value through profit or loss	-	-	-	-
(25)	(25)	(22)	-	-
Acquisition of associates and joint ventures	(75)	-	-	-
Loans granted	(5,616)	(2,085)	(4,107)	(4,042)
Loans collected	3,517	300	6,702	6,702
Interest received	192	77	66	1
Dividends received	4,927	-	5,955	-
Net cash provided by (used in) investing activities	2,602	(1,857)	3,268	(8,484)
Cash flows - financing activities				
Finance lease commitments paid	-	-	-	-
Dividends paid out to the shareholders of the parent entity	(11,107)	-	(10,039)	-
Net cash provided by (used in) financing activities	(11,107)	-	(10,039)	-
Increase (decrease) in cash and cash equivalents	(11,796)	(2,990)	(7,477)	645
Cash and cash equivalents as at 1 January/ 1 July	19,430	10,624	20,555	12,433
Cash and cash equivalents as at 30 September	7,634	7,634	13,078	13,078

All figures in thousands of EUR, unless stated otherwise.