

**Annual Report of the Supervisory Board of Asseco Business Solutions S.A. for 2020 covering the assessment of: the Company's position, the internal control systems, risk management, compliance, Company's corporate governance statement.**

**I. Assessment of the Company's position, including the assessment of internal control systems, risk management, compliance and internal audit function**

This part of the Annual Report of Supervisory Board contains an assessment of the Company's position expressed by the Supervisory Board in accordance with the requirements of Principle II.Z.10.1. of the Best Practices of WSE Listed Companies 2016.

In order to accurately assess the Company's standing in 2020, the Supervisory Board reviewed and analysed the following parameters referring to the core business areas of Asseco Business Solutions S.A.:

- operating income in 2020 amounted to PLN 282,116 thousand,
- operating profit amounted to PLN 92,540 thousand, with a margin of 32.8%,
- EBITDA amounted to PLN 117,828 thousand, with a margin of 41.8%,
- net profit for the reporting period amounted to PLN 76,406 thousand, with a margin of 27.1%,
- total assets amounted to PLN 440,428 thousand,
- pre-tax cash flows from operating activities amounted to PLN 125,930 thousand.

The Supervisory Board was positive about the Company's operations, in particular:

- increase in sales, especially in the Company's core business segment: ERP (an increase of 4.3% y/y);
- excellent profitability indicators at all operational levels (in particular EBITDA 41.8%, EBIT 32.8%) and a remarkable level of net profitability ratio at almost 27.1%.

Moreover, the Supervisory Board ranks very high the Company's business model based on the consistent building up of fixed revenues and a high backlog, which, at the beginning of 2021, accounted for 60% of sales in 2020.

The Supervisory Board also draws special attention to the Company's long-term dividend policy. The Company has regularly (for 12 years) paid a dividend of the considerable share of the net profit for the previous year while maintaining the top level of liquidity.

Excellent results in 2020 are a strong basis for ensuring a Company's safe position in the following year.

Having reviewed the financial statements and results of Asseco Business Solutions S.A. in 2020 thoroughly, the Supervisory Board is positive about the Company's financial standing and future prospects.

The Supervisory Board is positive about the system of internal control employed at the Company and the system of management of risks significant for the Company.

The Company is aware of the risks related to its business. Therefore, it implemented a consistent system of risk factor control. The system relied on a set of internal procedures and guidelines covering the key areas of the Company's operation. They enable efficient information flow between the organizational units of the Company, as well as ensuring an appropriate level of alert in the event of significant risks. Most processes (as part of the system) have been automated and are supported by the in-house, integrated ERP management system. Additionally, the system provides an ongoing functional control, handled by both every employee and their immediate supervisor. Moreover, in order to improve the control and information flow in the Company, regular meetings are held with the representatives of the key organizational units. During these meetings, the analysis of new or non-standard factors (problems, threats) is performed, surfacing in the various areas of Company's operations.

Supervision over the process of internal control and the risk management system is exercised by the department directors. Besides, they are responsible for the ongoing evaluation of execution procedures and reporting to the management on the effectiveness of the risk management systems put in place.

In the opinion of the Supervisory Board, the existing system of internal control is effective, and the implemented solutions enable the detection of risks that are significant for the Company's business, their management, and the establishment of their acceptable level.

In February 2020, a separate, single-person Internal Audit Department was established in the house.

The Audit Committee studied the annual 2020 Audit Plan drawn up by the Internal Auditor.

The Audit Committee monitored the activities of the Internal Audit Department throughout the year. During a meeting with the Company's Internal Auditor held on 22 October 2020, he familiarized himself with the status of implementation of the 2020 Audit Plan and the current and planned activities of the Internal Audit Department.

Compliance is ensured by the legal and finance departments.

In the opinion of the Supervisory Board, the Management Board of the Company has properly identified the types of risk significant for the Company and has managed them effectively in the volatile business environment.

Considering the foregoing, the Supervisory Board wishes to commend the Management Board and employees of Asseco Business Solutions S.A. on yet another year of committed and effective work. The Supervisory Board appreciates the efforts of the Management Board aimed at achieving a high position in the IT sector in Poland and striving to strengthen the recognition of the Asseco Business Solutions S.A. brand on the domestic market and abroad.

## II. Annual Report of the Supervisory Board of Asseco Business Solutions S.A. for the financial year 2020

### 1. The organisation of the Supervisory Board

In 2020 the Supervisory Board of Asseco Business Solutions S.A. consisted of:

Supervisory Board	Term
Jozef Klein	01/01/2020 - 31/12/2020
Adam Góral	01/01/2020 - 31/12/2020
Zbigniew Pomianek	01/01/2020 - 31/12/2020
Romuald Rutkowski	01/01/2020 - 31/12/2020
Piotr Stępniaak	01/01/2020 - 31/12/2020

### Performance of statutory duties by the Supervisory Board

In 2020 the Supervisory Board exercised a continuous supervision over the Company's current operations; in exercise of its supervisory powers, the Supervisory Board held four meetings.

Most of the meetings were attended by all members of the Supervisory Board; any absences were justified by the Chairperson.

The main focus of the Supervisory Board in 2020 was to assess the current performance of the Company, budget execution by the Management Board and to review the Company's strategy in all its provinces of activity. The Management Board regularly advised the Supervisory Board of the practicability of meeting the planned strategic objectives of the Company as well as of the Company's financial results. The Company's specific objectives and strategic plans were reported and discussed during meetings of the members of the Supervisory Board and the Management Board of the Company and obtained the Supervisory Board's approval.

The Supervisory Board resolves that the Management Board's strategy and the current activities of the Company in 2020 led to the occurrence of many positive and significant development factors resulting in the strengthening of the Company's position.

### Composition of the Audit Committee

In 2020 the Audit Committee operated at Asseco Business Solutions S.A. was composed of:

Piotr Stępniaak – Chairman of the Audit Committee,

Romuald Rutkowski – Member of the Audit Committee,

Adam Góral – Member of the Audit Committee.

The Supervisory Board, acting pursuant to Article 129 of the Act on Statutory Auditors, Audit Firms and Public Supervision as well as §14 of the Rules of Procedure of the Supervisory Board, assessed compliance of the Audit Committee with the said requirements as follows:

1. Romuald Rutkowski and Piotr Stępnik meet the independence criteria, the latter also having knowledge and competence in auditing financial statements,
2. All Members of the Supervisory Board have the knowledge of the industry in which Asseco Business Solutions S.A.

### **Scope of work of the Audit Committee**

In 2020 the Audit Committee performed its duties in the areas listed below.

The Company's Audit Committee performed the tasks assigned to audit committees under applicable regulations. In 2020 four meetings of the Audit Committee were held.

The Audit Committee of Asseco Business Solutions S.A. met with the auditor of PricewaterhouseCoopers Polska Sp. z o.o. Audyt sp.k. before the publication of its results for 2019. During the meeting, the representatives of the auditor presented a summary report on the audit of accounts of Asseco Business Solutions S.A. All relevant matters related to the financial statements were discussed, including, in particular, some key audit-related issues and the risk of misstatement. The auditor also submitted an additional report for the Audit Committee. After the discussion, the Audit Committee notified the other Members of the Supervisory Board of the results of the audit and the role of the Audit Committee.

The Audit Committee met with the representatives of the audit firm before the publication of the report on audit of the condensed semi-annual financial statements for the first half of 2020, and then informed the other Members of the Supervisory Board about the results of the audit and the role of the Audit Committee.

The discussion mainly revolved around the impact of the COVID 19 pandemic on going concern as envisaged in the financial statements, IFRS 16 Leases v. marginal lending rate, valuation of contracts with a value of PLN 100-500 thousand in the balance sheet, formalization of internal audit.

Based on interviews with and a statement submitted by PricewaterhouseCoopers Polska Sp. z o.o. Audyt sp.k., the Audit Committee assessed the audit firm as independent both during the meeting prior to the publication of the Auditor's Report on the Company's Financial Statements for 2019 and during the meeting prior to the publication of the Auditor's Report on the Review of the Interim Condensed Financial Statements for the first half of 2020.

In 2020, the Supervisory Board of Asseco Business Solutions S.A. cooperated with the current auditor auditing the Company's accounts for 2018 and 2019 (the relevant decision to extend the agreement with the auditor for the next three years, i.e. 2020, 2021 and 2022, was taken by the Company's Supervisory Board in 2019 (following the Audit Committee's recommendation).

The Audit Committee assessed the audit process, both regarding the annual and interim audit, as independent and the auditor as meeting the requirements for providing an impartial and independent opinion on the audit, in accordance with the relevant provisions of domestic law and professional standards.

The Audit Committee also positively assessed the functioning of internal control system in Asseco Business Solutions S.A. as corresponding to the scale of its activity.

In February 2020, a separate, single-person Internal Audit Department was established in the house.

The Audit Committee studied the annual 2020 Audit Plan drawn up by the Internal Auditor.

The Audit Committee monitored the activities of the Internal Audit Department throughout the year. During a meeting with the Company's Internal Auditor held on 22 October 2020, he familiarized himself with the status of implementation of the 2020 Audit Plan and the current and planned activities of the Internal Audit Department.

**III. The assessment of the Company's fulfilment of disclosure obligations concerning compliance with the corporate governance principles defined in the Rules of the Warsaw Stock Exchange and the regulations on current and periodic reports published by issuers of securities.**

The Supervisory Board is positive about the Company's compliance with disclosure obligations concerning compliance with the corporate governance principles defined in the Rules of the Warsaw Stock Exchange and the regulations on current and periodic reports published by the Company.

**IV. Assessment of the efficiency of the Company's policy as referred to in Recommendation I.R.2 of the Code of Best Practices for WSE Listed Companies 2016**

The Supervisory Board is positive about the extent of charitable initiatives carried out by the Company. The Company's charitable activity is mainly the sponsoring of civil society organisations aiding people in need and supporting disadvantaged individuals and families.

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Adam Góral

Vice-Chairman of the Supervisory Board