Confidential

**Annual Report of the Supervisory Board of Asseco Business Solutions S.A. for the Financial Year 2021**

**(“Report”)**

This Annual Report of the Supervisory Board (“SB”) includes:

1. The Supervisory Board’s Report on Operations in 2021 prepared on the basis of Rule 2.11 of the Code of Best Practice for WSE Listed Companies 2021 (“Best Practice 2021”) containing:
2. information on the composition of the Supervisory Board and its committees, in accordance with Rule 2.11.1 Best Practice 2021;
3. an overview of the operations of the Supervisory Board and its committees, in accordance with Rule 2.11.2. Best Practice 2021;
4. consolidated assessment of the Company’s position, including the assessment of internal control and risk management systems, compliance and internal audit function, in accordance with Rule 2.11.3. Best Practice 2021;
5. assessment of the Company’s corporate governance and of the fulfilment of disclosure obligations, in accordance with Rule 2.11.4. Best Practice 2021;
6. assessment of the legitimacy of expenses referred to in Rule 1.5 Best Practice 2021, in accordance with Rule 2.11.5. Best Practice 2021;
7. information on the implementation of the diversity policy in relation to the Management Board and the Supervisory Board, in accordance with Rule 2.11.6. Best Practice 2021.
8. A Report on the Assessment of the Report of the Management Board on the Operations of Asseco Business Solutions S.A. in the Financial Year 2021 and on the Assessment of the Company’s Financial Statements for the Year Ended 2021 and on the assessment of the Proposal of the Management Board regarding the Distribution of Profit for the Financial Year 2021 to be submitted to the General Meeting, in accordance with Article 382§3 of the Code of *Commercial* Companies and Partnerships.

I. The Supervisory Board’ Report on Operations in 2021 prepared on the basis of Rule 2.11 of the Code of Best Practice for WSE Listed Companies 2021

1. Information on the composition of the Supervisory Board and its committees, along with indication which Members of the Supervisory Board meet the independence criteria within the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight, and which of them do not have actual and significant links with a shareholder holding at least 5% of the total number of votes in the Company, as well as information on the composition of the Supervisory Board in terms of diversity;

In the period from 1 January 2021 to 9 June 2021, the Supervisory Board of Asseco Business Solutions S.A. was composed of the following persons:

Jozef Klein

Adam Góral

Zbigniew Pomianek Piotr Stępniak Romuald Rutkowski

* Chairman of the Supervisory Board
* Vice-Chairman of the Supervisory Board
* Member of the Supervisory Board
* Member of the Supervisory Board
* Member of the Supervisory Board

From the persons sitting on the Supervisory Board, Mr Piotr Stępniak and Mr Romuald Rutkowski met the independence criteria in the aforesaid period.

In Q2 2021, Mr Piotr Stępniak and Mr Jozef Klein resigned as members of the Supervisory Board on 16 April and 11 May, respectively. The resignations became effective on the date of the Ordinary General Meeting of the Company, i.e. on 9 June 2021. Due to the resignations effective from 9 June 2021, the Ordinary General Meeting appointed Mr Marcin Murawski and Mr Rafał Kozłowski as Members of the Supervisory Board of the Company with a view to filling the vacancies in the composition of the Supervisory Board in the current term of office 2017-2022. During its meeting on 16 June 2021, the Supervisory Board elected Mr Rafał Kozłowski Chairman of the Supervisory Board.

Accordingly, in the period from 9 June 2021 to 31 December 2021, the Supervisory Board of the Company was as follows:

* Rafał Kozłowski - Chairman of the Supervisory Board (from 16 June 2021)
* Adam Góral - Vice-Chairman of the Supervisory Board
* Marcin Murawski - Member of the Supervisory Board
* Zbigniew Pomianek - Member of the Supervisory Board
* Romuald Rutkowski - Member of the Supervisory Board

Until the date of this Report, the composition of the Supervisory Board has not changed.

From the composition of the Supervisory Board shown above, Mr Piotr Stępniak and Mr Romuald Rutkowski met the independence criteria.



In the period from 1 January 2021 to 9 June 2021, the Audit Committee of Asseco Business Solutions S.A. was composed of the following persons:

Romuald Rutkowski - Member of the Audit Committee.

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

1. Romuald Rutkowski and Piotr Stępniak 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.

In Q2 2021, Mr Piotr Stępniak and Mr Jozef Klein resigned as members of the Supervisory Board on 16 April and 11 May, respectively. The resignations became effective on the date of the Ordinary General Meeting of the Company, i.e. on 9 June 2021. Due to the resignations effective from 9 June 2021, the Ordinary General Meeting appointed Mr Marcin Murawski and Mr Rafał Kozłowski as Members of the Supervisory Board of the Company with a view to filling the vacancies in the composition of the Supervisory Board in the current term of office 2017-2022. In addition, on 16 June 2021, Mr Adam Góral resigned as member of the Audit Committee. In response to the aforesaid changes, the Supervisory Board of Asseco Business Solutions S.A., at their meeting on 16 June 2021, changed the composition of the Company’s Audit Committee: in order to fill the vacancies in the Audit Committee, the Supervisory Board appointed Mr Rafał Kozłowski and Mr Marcin Murawski as members, the latter being additionally appointed Chairman of the Audit Committee.

In the period from 16 June 2021 to 31 December 2021, the Audit Committee of Asseco Business Solutions S.A. was composed of the following persons:

Marcin Murawski - Chairman of the Audit Committee;

Rafał Kozłowski - Member of the Audit Committee;

Romuald Rutkowski - Member of the Audit Committee.

The Supervisory Board confirmed that the new Audit Committee members complied with the requirements set out in Article 128(1) of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 as follows:

1. Mr Romuald Rutkowski and Mr Marcin Murawski meet the independence criteria;
2. Mr Marcin Murawski and Mr Rafał Kozłowski have expertise and skills in the field of accounting or auditing of accounts;
3. Mr Rafał Kozłowski and Mr Romuald Rutkowski have knowledge of the Company’s segment of operation.

Until the date of this report, the composition of the Audit Committee has not changed.

The Company has not drawn up a diversity policy for the members of its corporate bodies.

Adam Góral

Piotr Stępniak

* Chairman of the Audit Committee;
* Member of the Audit Committee;

2. An overview of the activities of the Supervisory Board and its committees;

Supervisory Board

The Supervisory Board oversaw the Company’s operations in 2021. To exercise its supervisory powers, the Supervisory Board convened four times.

The main focus of ​​the Supervisory Board in 2021 was to assess the current performance of the Company and budget execution by the Management Board and to review the Company’s strategy and actions across its business activity. The Management Board regularly advised the Supervisory Board of the feasibility 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 the 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 also obtained detailed information and explanation about the status and prospects of the Company’s operations. In addition, the Supervisory Board was regularly updated by the Audit Committee, in particular about the auditing of accounts (both annual and interim) in the Company and the committee’s role in this process, as well as receiving information obtained by the Audit Committee from the audit firm during the meetings of the two and during direct exchange with the audit firm.

The Supervisory Board finds that the Management Board’s strategy and the current activities of the Company in 2021 led to the occurrence of many positive and significant development factors resulting in the strengthening of the Company’s position. The Supervisory Board confirms that the cooperation with the Management Board of Asseco Business Solutions S.A. is invariably effective.

Audit Committee

In 2021 the Audit Committee met six times. During the meetings, the committee performed the tasks specified in Article 130 of the Act on Statutory Auditors, Audit Firms and Public Supervision. Moreover, following the adoption by the Audit Committee of the Work Plan for 2021, which contained detailed matters to be discussed during the meetings, the Audit Committee also followed the plan.

The Audit Committee verified the following:

* the process of preparing financial statements and the effectiveness of the key procedures ensuring that the financial statements and management and financial reports are drawn up properly and contain reliable data,
* Company’s exposure to specific risks, methods of identification and monitoring of risks and the operation of the Management Board aimed to mitigate their impact on the Company’s operations.

As part of its verification effort, the Audit Committee held meetings with the auditing company PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. prior to the publication of the financial results for 2020, as well as before the publication of the financial results for the first six months of 2021. During these meetings, the committee was presented the Company’s financial results and the relevant reports of the audit firm on the audit or review of the financial statements. Having read the complete documentation regarding the audit of the financial statements by the audit firm, including the auditor’s obligatory representations regarding independence, the members of the Audit Committee confirmed that the audit had been performed properly and effectively, in accordance with the applicable legal requirements,



and had covered the full scope provided for in the relevant laws, both with regard to the audit of the annual financial statements and the review of the interim financial statements. In addition, the Audit Committee examined the process applied at PricewaterhouseCoopers Polska Sp. z o. o. Audyt Sp. k. and aimed to ensure independence of the audit firm, the key statutory auditor, and the personnel performing the audit. The Audit Committee assessed both the audit firm and the audit process as independent. The statutory auditor met the conditions of an impartial and independent opinion on the audit, in accordance with the relevant EU and national laws and professional standards, both with regard to the audit of the annual financial statements and the review of the interim financial statements.

In addition, as part of its activities in 2021, the Audit Committee assessed the internal control systems in place at the Company. The Audit Committee was updated on the operation of internal audit on an ongoing basis (including annually). In mid-2021, a separate organizational unit (one-person function) was established in the Company responsible for risk management (Risk Manager). The Audit Committee regarded that initiative as an effective attempt to strengthen the internal control systems in the Company. The Audit Committee was also updated on risk management activities (including compliance).

1. Assessment of the Company’s situation on a consolidated basis, including the assessment of internal control systems, risk management, compliance, and internal audit function, along with information on steps taken by the Supervisory Board to perform this assessment; the assessment covers all important control mechanisms, in particular relating to reporting and operations;

In order to properly assess the Company’s situation in 2021, the Supervisory Board reviewed and analysed the following parameters referring to the core business areas of Asseco Business Solutions S.A.:

- operating income in 2021 amounted to PLN 307,432 thousand,

- operating profit amounted to PLN 94,583 thousand, with a margin of 30.8%,

- EBITDA amounted to PLN 122,068 thousand, with a margin of 39.7%,

- net profit for the reporting period amounted to PLN 80,648 thousand, with a margin of 26.2%,

- total assets amounted to PLN 455,965 thousand,

- pre-tax cash flows from operating activities amounted to PLN 111,488 thousand.

The Supervisory Board was positive in its assessment of the Company’s operations, in particular:

- increase in sales, especially in the Company’s core business segment: ERP (an increase of 6.4% y/y);

- excellent profitability indicators at all operational levels (in particular EBITDA 39.7%, EBIT 30.8%) and a remarkable level of net profitability ratio at almost 26.2%.

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 2022, accounted for 67.5% of sales in 2021.

The Supervisory Board also draws special attention to the Company’s long-term dividend policy. The Company has regularly (for more than 10 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 2022 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 2021 thoroughly, the Supervisory Board is positive about the Company’s financial standing and future prospects.

The Supervisory Board assessed the internal control systems on an ongoing basis, including the management of risk significant for the Company, compliance, and the internal audit function.

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) are automated and 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 order to improve the internal control system, in 2021 a separate organizational unit (one-person function) was established in the Company responsible for risk management (Risk Manager). The Audit Committee was also updated on risk management activities (including compliance). The Audit Committee assessed risk-related activities as effective and corresponding to the occurring events and circumstances.

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.

Compliance is ensured by the legal and finance departments.

In 2021 the Company established a separate organizational unit for internal audit purposes (one-person function). The internal audit pursued its objectives in accordance with the Internal Audit Plan for 2021 prepared by the Internal Auditor and adopted by the Audit Committee. The Audit Committee monitored the activities of the internal audit throughout the year. When meeting the internal auditor during successive meetings, the Audit Committee was updated on the progress status of the 2021 Audit Plan and the current and planned activities of the internal audit. The Audit Committee positively assessed the work of the internal audit in 2021 and found its activities effective.

Obraz zawierający tekst, zastawa stołowa, talerz, naczynia

Opis wygenerowany automatycznie

No grounds were identified for changes to the audit team composition, nor were there any requests for other organizational changes.

Having read the report of the internal auditor and the Management Board on the internal control systems in the Company (risk management, internal audit, compliance), the Audit Committee issued a positive opinion on their operation.

Having completed its assessment, the Audit Committee recognized the risk management method and the internal control systems in place at the Company as effective and adequate to the scale and extent of the Company’s business.

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

With the above in mind, the Supervisory Board expresses its appreciation to the Management Board and employees of Asseco Business Solutions S.A. for yet another year of dedicated 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.

1. Assessment of the Company’s application of the principles of corporate governance and of the fulfilment of disclosure obligations regarding that application, as specified in the Warsaw Stock Exchange Rules and the provisions on current and periodic information provided by issuers of securities, along with information on action taken by the Supervisory Board to perform this assessment;

In 2021 the Company published the following documents on its website: the Code of Best Practice of WSE Listed Companies 2016 adopted by Resolution No. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange dated 13 October 2015 and the Code of Best Practice of WSE Listed Companies 2021 adopted by Resolution No. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange dated 29 March 2021.

Pursuant to § 29(3) of the Warsaw Stock Exchange Rules, on 30 July 2021, Asseco Business Solutions S.A. made public a report containing information on the status of application by Asseco Business Solutions S.A. of the principles contained in the Code of Best Practice of WSE Listed Companies 2021; Information on the status of compliance by the Company with the principles contained in the Code of Best Practice for WSE Listed Companies 2021 is available on the Company’s website. The information published as indicated above is consistent with the facts.

The Supervisory Board issues a position opinion on the fulfilment of disclosure obligations concerning the application of the principles of corporate governance, as specified in the Warsaw Stock Exchange Rules and relevant regulations on current and periodic reports published by issuers of securities.

1. Assessment of the legitimacy of expenses referred to in Rule 1.5 Best Practice 2021;

The Company incurs minor expenses for purposes other than its basic activity, such as: supporting charity, cultural, sports, and social organizations, or other similar aims.

The Company’s charitable activity is mainly the co-financing (through donations) of civil society/charity organisations aiding people in need and the supporting of disadvantaged individuals and families. In 2021 the Company allocated a total of PLN 69,476 for the above aims (for 10 institutions selected by the Management Board).

The Supervisory Board has no objections to the legitimacy of the above-mentioned Company’s expenses and has a positive opinion on the Company’s limited charitable activity.

1. Information on the extent of implementation of the diversity policy in relation to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in Rule 2.1. Best Practice 2021.

Due to the non-application of Rule 2.1. and the absence of diversity policy in the Company, the Annual Report of the Supervisory Board does not contain any information on this topic.

II. **Report of the Supervisory Board on the Assessment of the Report of the Management Board on the Company’s Operations in the Financial Year 2021 and on the Assessment of Company’s Financial Statements for the Year Ended 2021 and the Proposal of the Management Board regarding the Distribution of Profit for the Financial Year 2021 to be submitted to the General Meeting.**

The Supervisory Board of Asseco Business Solutions S.A., acting pursuant to Article 382(3) of the Code of Commercial Companies and Partnerships of 15 September 2000 (Journal of Laws of 2017, item 1577) and Article 13(10)(1-3) of the Articles of Association of the Company, performed an assessment of: the Financial Statements of Asseco Business Solutions S.A. for the Year Ended 2021 together with the Independent Auditor’s Report and the Report of the Management Board on the Operations of Asseco Business Solutions S.A. in the Financial Year 2021.

The assessment and examination covered:

1. the financial statements of Asseco Business Solutions S.A., seated in Lublin, for the year ended 31 December 2021, including, in particular:
2. balance sheet as at 31 December 2021, with total assets and liabilities amounting to PLN 455,965 thousand,
3. statement of comprehensive income for the period from 1 January 2021 to 31 December 2021 with the net profit of PLN 80,648 thousand,
4. the cash flow statement for the period from 1 January 2021 to 31 December 2021, showing an increase in net cash by PLN 2,738 thousand and
5. additional notes and information.
6. Report of the Management Board on the Operations of Asseco Business Solutions S.A. in 2021.

During the assessment, the Supervisory Board relied upon the report of the independent statutory auditor, PricewaterhouseCoopers Polska Sp. z o.o. Audyt sp.k. (PWC), on the auditing of the financial statements of the Company for the financial year 2021 and an additional report by PWC drawn up in accordance with Article 131 of the Act on Statutory Auditors, Audit Firms and Public Oversight. Additionally, the Supervisory Board took account of the information of the Audit Committee on the audit of the financial statements in the Company



and the role of the committee in the process of auditing the financial statements, as well as information obtained from PWC during the meetings of the Audit Committee and during direct exchange with the audit firm. The Supervisory Board held an additional examination and sought additional information from the Management Board of the Company and the audit firm.

After careful analysis, the Supervisory Board finds that the Report of the Management Board on the Operations of the Asseco Business Solutions S.A. in the Financial Year 2021 and the Financial Statements of Asseco Business Solutions S.A. for the Year Ended 2021 are consistent with the accounts and documents as well as with the facts.

The Supervisory Board recommends that the General Meeting approve them.

The Supervisory Board also assessed the Management Board’s proposal of 1 March 2022 concerning the distribution of net profit in the amount of PLN 80,647,834.10 (eighty million six hundred forty seven thousand eight hundred and thirty four 10/100) as follows:

1. part of the net profit earned by the Company in the financial year 2021 in the amount of PLN 70,846,569.16 (seventy million eight hundred and forty six thousand five hundred and sixty nine zlotys 16/100) to be distributed among the Company’s shareholders as a dividend in the amount of PLN 2.12 (two złotys 12/100) per share;
2. the reminder of the net profit for the financial year 2021 in the amount of PLN 9,801,264.94 (nine million eight hundred and one thousand two hundred and sixty four zlotys 94/100) be allocated to supplementary capital.

The Supervisory Board also issues a positive opinion on the Management Board’s proposal for distribution of net profit raised by the Company in 2021.

The Supervisory Board recommends to the General Meeting that President of the Management Board Wojciech Barczentewicz, Vice-president of the Management Board Piotr Masłowski and Member of the Management Board Mariusz Lizon be given a vote of approval for the performance of their duties in 2021.

Rafał Kozłowski

Chairman of the Supervisory Board