



[Asseco Business Solutions S.A.](#)

Report of the Management Board on the Company's Operations
in the Year Ended 31 December 2021

CONTENTS

1.	The Management	4
2.	About Asseco Business Solutions.....	4
	2.1 Business profile	4
	2.2 Product offer	5
	2.3. User support during the COVID-19 pandemic	6
	2.4 Markets	7
	2.5. Company’s position in the IT sector	7
	2.6. Asseco Business Solutions S.A. in the capital market.....	8
	2.7. Asseco Business Solutions: development outlook.....	10
3.	Overview of the basic economic and financial figures and factors and events having a significant impact on the Company’s operations and achieved results.....	11
4.	Risk factors associated with the pursued operations.....	13
5.	Corporate governance statement.....	16
6.	Declaration on non-financial information	16
7.	Proceedings pending before court.....	17
8.	Agreements significant to the Company’s operations.....	17
9.	Organisational relations with other parties.....	17
10.	Related party transactions on non-market terms.....	18
11.	Concluded or terminated loan agreements.....	18
12.	Granted loans.....	18
13.	Granted and obtained sureties and guarantees	18
14.	Description of off-balance sheet commitments.....	18
15.	Proceeds from the issuance of shares.....	18
16.	Explanation of differences between the financial results and financial forecasts for the year	18
17.	Evaluation of management of financial resources.....	18
18.	Opinion on feasibility of investment projects.....	19
19.	Evaluation of factors and single-time events affecting the financial result	19
20.	Important factors for the Company’s development and an outline of business development prospects	20
21.	Information on other important factors that could affect the assessment of the financial position, assets and personnel	21
22.	Changes in the basic principles of Company management.....	21
23.	Agreements concluded between the Issuer and its executives	21
24.	Remuneration, bonuses and benefits of incentive programmes for the executives	21
25.	Shareholding structure.....	21
26.	Agreements that may result in the changing of proportions of shareholding	23
27.	Control of employee share schemes.....	23
28.	Information on the Company’s sponsoring and charity policy or any other similar activities.....	23
29.	Agreement with the entity authorized to audit the financial statements.....	23

Statement of the Management Board of Asseco Business Solutions S.A. prepared in accordance with Article 70(1)(6) of the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (“Regulation”).....	25
Statement of the Management Board of Asseco Business Solutions S.A. prepared in accordance with Article 70(1)(7) of the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (“Regulation”).....	26

DEAR SHAREHOLDERS OF ASSECO BUSINESS SOLUTIONS S.A.,

I am pleased indeed to be able to announce satisfactory financial results of Asseco Business Solutions in the last financial year.

In 2021 Asseco Business Solutions reported the revenues on sales of almost PLN 307.4 million (up by 9% compared with 2020). Besides, the year closed with the net profit of over PLN 80.6 million, which is an increase by 6% compared with the figure for 2020. Other indicators, such as EBITDA and EBIT also showed a growth of 4% and 2%, respectively.

Interestingly, the two-year's long COVID-19 situation has not significantly affected the operations and performance of our Company. We managed to continue our business effectively in the new circumstances and once again kept our financial results on the rise. During the lock-downs, we shifted to remote or hybrid work without detriment to our daily activity. We kept working on the development of the existing portfolio and on new solutions that can aid entrepreneurs in the fast-changing reality and boost their competitiveness in the near future. In addition, we never stopped pursuing projects in Poland and abroad.

One of our recent focus areas has been artificial intelligence (AI). We believe that the support of AI can take many companies to the next level of business operations and channel their energy towards activities that are most likely to be successful. We add AI components to our different product lines, including SFA and ERP solutions.

I also wish to point out that in the first six months of 2021 our Company paid its shareholders a dividend of over PLN 66.8 million. In summary, since our listing on the Warsaw Stock Exchange (2007), Asseco Business Solutions has paid its investors as many as 13 dividends totalling almost PLN 479.1 million.

We want to thank you for your trust and hope that the timely and regularly paid dividend demonstrates that our effort and invested funds yield desirable results. Please, read the attached Report of the Management Board on Operations of Asseco Business Solutions S.A. in the Year Ended 2021.

Wojciech Barczentewicz
President of the Management Board of Asseco Business Solutions S.A.

1. The Management

On 31 December 2021, the Management Board of Asseco Business Solution S.A. was made up of:

Wojciech Barczentewicz	President of the Board
Piotr Masłowski	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board

On 31 December 2021, the Supervisory Board of Asseco Business Solution S.A. was made up of:

Rafał Kozłowski	Chairman of the Supervisory Board
Adam Góral	Vice-Chairman of the Supervisory Board
Romuald Rutkowski	Member of the Supervisory Board
Zbigniew Pomianek	Member of the Supervisory Board
Marcin Murawski	Member of the Supervisory Board

On 16 April 2021, Mr Piotr Stępnik informed the Management Board of Asseco Business Solutions S.A. about his resignation as Member of the Supervisory Board of the Company.

On 11 May 2021, Mr Jozef Klein informed the Management Board of Asseco Business Solutions S.A. about his resignation as Chairman of the Supervisory Board of the Company.

On 9 June 2021, the General Meeting of Asseco Business Solutions S.A. appointed Messrs Marcin Murawski and Rafał Kozłowski as Members of the Supervisory Board of the Company.

On 16 June 2021, the Supervisory Board elected Mr Rafał Kozłowski Chairman of the Supervisory Board.

On 16 June 2021, Mr Adam Góral resigned as member of the Audit Committee. In connection with the resignation of Mr Piotr Stępnik as Member of the Supervisory Board and, by extension, as Chairman of the Audit Committee, on 16 June 2021, the Supervisory Board of Asseco Business Solutions S.A. appointed two new members of the Audit Committee of the Company: Messrs Marcin Murawski and Rafał Kozłowski. At the same time, the Supervisory Board nominated Mr Marcin Murawski Chairman of the Audit Committee.

As a result of these changes, part of the Supervisory Board is a three-person Audit Committee composed of Marcin Murawski (chairman) and Rafał Kozłowski and Romuald Rutkowski (members).

2. About Asseco Business Solutions

2.1. Business profile

The core business of Asseco Business Solutions S.A. is the design and development of enterprise software solutions. Companies that need modern management systems can benefit from the offering of Asseco Business Solutions as a complete and dedicated set of solutions dovetailed with the specific qualities, size, and needs of almost any business in any industry.

“The goal of Asseco Business Solutions is to provide innovative IT solutions that enhance the enterprise management capacity and help gain and develop a competitive advantage in the market. When designing its systems, Asseco Business Solutions is always open and responsive to companies’ needs and does its utmost to provide the most practical and effective tools that help grow the business.”

Mission Statement

The comprehensive offering of Asseco Business Solutions includes ERP systems that support business processes in SMEs, a suite of applications for small-company management, programs optimizing the HR area, mobile SFA applications for the mobile workforce marketed Europe-wide, data exchange platforms, and programs handling factoring transactions.

All products designed by Asseco BS are based on the knowledge and expertise of experienced professionals, proven project methodology and the use of tomorrow's information technology tools. With high quality products and related services, the software from Asseco BS has been successful in supporting the operations of tens of thousands of companies for more than fifteen years.

Asseco BS's track record covers dozens of completed software deployments in Poland and in most European countries.



Asseco Business Solutions is part of Asseco Poland S.A., a leading international vendor of proprietary software with focus on the European market. The Group is a constellation of enterprises engaged in the advancement of information technology and is present in over 50 countries around the world, including most European countries and the USA, Canada, Israel, and Japan.

2.2. Product offer

Asseco Business Solutions S.A. designs and markets modern IT solutions for enterprises, irrespective of their size, character, and industry. Within the Asseco Capital Group, Asseco Business Solutions S.A. is as a Competence Centre responsible for the development of ERP software, mobile reporting systems (SFA), factoring systems, and software for SMEs.

In the ERP segment, Asseco Business Solutions S.A. offers modern and integrated software (Softlab ERP by Asseco and Macrologic ERP by Asseco) handling the management of medium and large enterprises. These products feature a wealth of functions. Softlab ERP by Asseco streamlines the management of the vast area of any company's business: production, finance and accounting, HR and payroll, logistics as well as sales and inventory management. It also provides an array of managerial tools offering management and analytical capabilities. The Macrologic ERP by Asseco suite is a package of IT solutions and consulting knowledge supporting corporate resource planning and management, efficient information and knowledge management and business analysis. In addition, the Macrologic-branded system, Merit ERP by Asseco, is Poland-first process-oriented ERP solution that supports the implementation of business processes in enterprises.

ERP software for SMEs is WAPRO ERP by Asseco. It is a family of management applications intended for small and medium-sized enterprises to support the operations of internal departments: sales, finance and accounting, human resources and mobile personnel. WAPRO ERP by Asseco can be implemented in virtually any industry. They offer trouble-free installation, easy configuration and intuitive operation.

The offering of Asseco Business Solutions also features mature sales support systems (Mobile Touch by Asseco), including the mobile SFA and FFA solutions, and services of electronic exchange of commercial data between the different links in a distribution chain (mainly between manufacturers and their wholesale partners (Connector Platform by Asseco). The mobile systems by Asseco BS are among the leading SFA solutions in the world. They have been implemented in 50 countries worldwide and boast dozens of thousands of active users.

Additionally, Asseco Business Solutions, through Direct Portal by Asseco, supports commercial chains in streamlining their own processes and those carried out with POSs. On top of that, it offers retailers knowledge regarding sales visits, order history, producer's offer, promotions, discounts, targets, and

the entire business context of a POS. It also allows store personnel to place orders on their own and submit them to selected distributors. They can also participate and support producer's marketing, promotional, or merchandising campaigns. The platform also automates the billing process.

An increasing number of products and services marketed by Asseco Business Solutions (both in the ERP and SFA areas) is made available in the cloud model. There is a rapid growth of projects completed in the full outsourcing model. It means that the Company assumes the full responsibility not only for the programs but also for the most sensitive components of the solutions: the system infrastructure, communications, or supervision over integration processes. Such an implementation approach is possible thanks to Asseco BS's own Data Processing Centre.

Asseco Business Solutions SA has also designed the Faktor system: a novel application tailored to the needs of the financial market, enabling a comprehensive handling of factoring transactions.

In 2020 we launched our new sales concept and offered users an entire ecosystem of solutions supporting commercial processes across multiple channels and by various groups of users, with many tools, both traditional and online, based on valuable insights, and unlimited in terms of time, space, or resources. All this is intended to expedite, accelerate, and grow sales. Our new ecosystem contains such solutions and tools as: Sales Force Automation, Data Exchange and Integration Platform, Online Stores (B2B, B2C, D2C and Click&Collect), Manufacturer and Retailer Cooperation Platform, or AI components. This strategy was continued successfully in 2021.

In addition, the Company generates the so-called unallocated revenue which falls outside the main segment. This category includes revenues from sales and deployments of Central Data Processing systems (including deployments of terminal solutions), based on third-party technologies, e.g. Citrix.

2.3. User support during the COVID-19 pandemic

In the second year of the pandemic, we proposed our clients to transfer some of the sales processes to virtual reality. The idea was to enable them to begin effective digital cooperation with retail chains and stores (including those that they had not served before) using the Direct Portal by Asseco online platform.

Direct Portal by Asseco allows producers to alternate traditional sales visits in stores (offline channel) with remote contacts and direct communication with retail chains and outlets (online channel). The system keeps producers in touch with their business partners and supports their mobile workforce in chasing their targets. Currently, it has proven to be an excellent support in solving current business issues caused by the pandemic and limited mobility of sales representatives.

The Company has also broadened its offering of products and services for e-commerce channels (B2C, B2B, D2C). In 2021 a number of new functional enhancements were introduced for this sales channel, as well as increasing their scope of integration with external systems.

As for ERP solutions, a number of functionalities was added to enable users to go paperless, i.e. to digitize key business processes. Softlab ERP, Macrologic ERP, and Wapro ERP (Portal HR and Businesslink by Asseco) support electronic exchange of documents with suppliers and recipients and, through the manager and employee portal, with employees (also with the e-signature supported).

2.4. Markets

The primary market for Asseco Business Solutions S.A. is Poland. The Company is also increasingly getting a foothold on foreign markets. Our sales support systems have been deployed globally to benefit producers from over 50 countries. Originally, our business focused on Poland and other European markets. Over the past five years, we have expanded into Asia, Australia, the Middle East, and Latin America. In 2020, we entered Africa, and at the beginning of 2021, we closed our first implementation in North America. Therefore, in 2021 our solutions went into the hands of sales representatives on six continents.



Asseco Business Solutions has offices in 13 Polish cities (HQ in Lublin, a trade office in Warsaw), operates a network of several hundred business partners (distributing WAPRO ERP by Asseco) throughout the country and its own Data Centre in two sites in Lublin. The Company also offers access to Data Centres for solutions deployed outside Poland: in Russia, China, India, the USA, and Brazil. The technological and business partners of Asseco Business Solutions are the largest global software and hardware vendors, such as Oracle, Microsoft, HP, IBM, Citrix.

The Company's IT solutions are deployed at tens of thousands of companies in Poland and abroad. Among them, there are many market global leaders but also smaller organisations aspiring to gain a competitive edge in their home markets. Some of the users of Asseco BS's solutions: Atlas, Bacardi, Dr Oetker, Dr Zdrowie, Ekoinstal Holding, EURO RTV-AGD, Fakra, Ferrero, Grupa Topex, Handlopex, Herbapol, Igepa Polska, Intercars, Lorenz Bahlsen Snack-World, Lotte Wedel, Kamoka, Kuchnie Świata, McCormick, Mokate, Mondelez International, Nestlé, P4 (Play), Perfetti Van Melle, Pernod Ricard, Reckit Benckiser, Tchibo, Tikkurila, Topsil, USP Zdrowie, Wyborowa, Wydawnictwo Naukowe PWN, USP Zdrowie, ŻywiecZdrój and many more.

2.5. Company's position in the IT sector

For several years, Asseco Business Solutions has been leading many industry rankings related to the IT market in Poland and abroad (sales support solutions).

Asseco Business Solutions: the top vendor of ERP systems in Poland!

Asseco Business Solutions won the prestigious ranking of ERP vendors in Poland: Computerworld TOP200 (edition 2021). The Computerworld TOP200 report places ABS first among ERP system vendors in 2020 in terms of revenues from the sale of enterprise software. The Computerworld TOP200 report (edition 2021) draws the picture of the Polish ICT sector with several hundred leading IT companies and over several dozen telecom operators.

Asseco Business Solutions leading the SFA market

Asseco Business Solutions is classified as the leading global supplier of Sales Force Automation (SFA) solutions for the FMCG sector. The consulting and research company Quadrant Knowledge Solutions named ABS “Technological Leader.” When evaluating SFA software vendors, analysts from Quadrant Knowledge Solutions focused on technological innovations and the degree of impact on clients’ business.

Asseco Business Solutions and our Mobile Touch by Asseco also scored high in the 2021 Vendor Panorama for Retail Sales Execution and Monitoring in Consumer Goods, a report prepared by the international Promotion Optimization Institute (POI). ABS also received the prestigious POI Best-in-Class award for its innovative SFA solutions, such as Retail Activity Optimization, Gamification, Guided Selling, Artificial Intelligence/Machine Learning (suggesting activities, visits, orders, etc.). Moreover, POI perceived ABS as a global supplier of solutions ensuring better sales performance among FMCG businesses.

Image Recognition by Asseco was awarded the Golden Retail Innovation prize and took first place in the category of trade support solutions. The prize was awarded during the 3rd edition of the Golden Innovations of FMCG & Retail 2021 contest. Image Recognition by Asseco is an AI solution that allows manufacturers and retailers to enhance the auditing process based on images taken in the store. The solution helps obtain more objective data and enables it to be automatically translated into KPIs in real time. Golden Innovations of FMCG & Retail 2021 is the largest consumer contest in Poland for the most innovative FMCG products and retail solutions. The event is organized by the Fischer Trading Group. The last edition attracted nearly 300 products and solutions.

2.6. Asseco Business Solutions in the capital market

Asseco Business Solutions S.A. made its début on the Warsaw Stock Exchange on 19 November 2007. The total number of Company’s shares is 33,418,193. The Company is listed in the sWIG80 and the WIG-Informatyka.



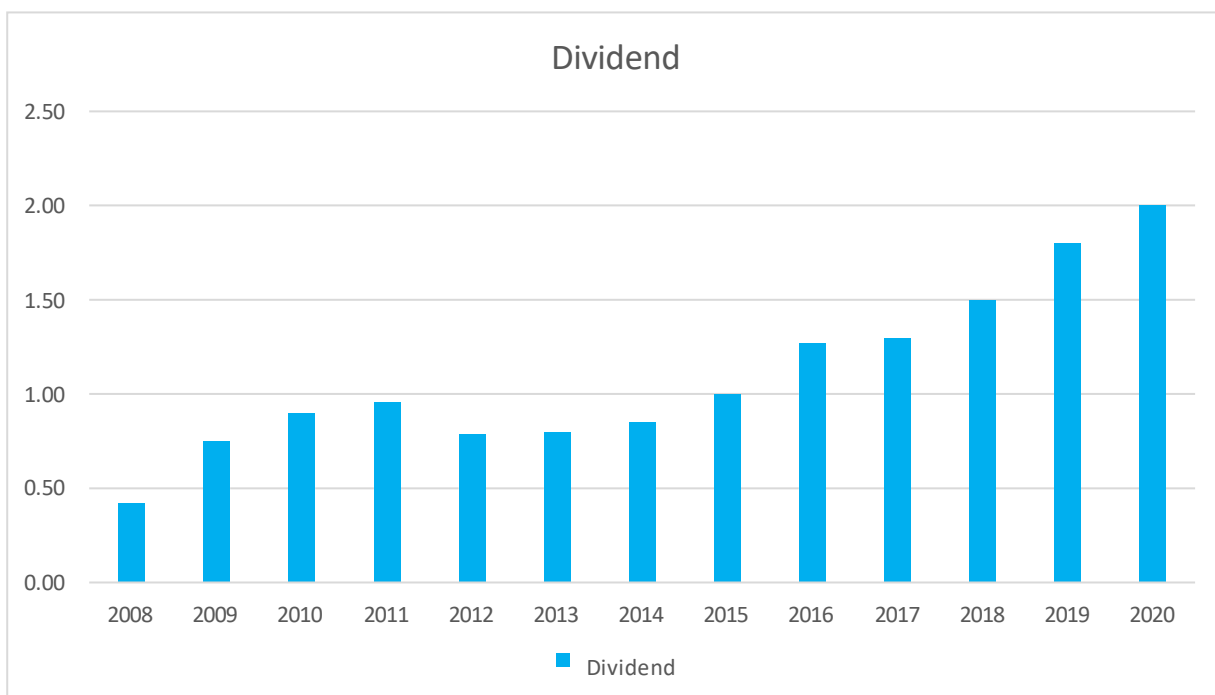
In the period from 01/01/2021 to 31/12/2021, the price of Asseco BS’s shares and its position in the WIG-20 index were as follows:



<https://www.inwestinfo.pl/>

In the period from 01/01/2021 to 31/12/2021, the price of Asseco BS’s shares ranged between PLN 33.8 and 44.2. The top listing was recorded on 13 December 2021. At the close of the market session on 30 December 2021, the price of shares of Asseco Business Solutions amounted to PLN 43.4 and was 12.4 % higher than at the close of the first market session of 2021 when it was reported at PLN 38.0.

For investors of Asseco Business Solutions, an important event in 2021 was the payment of dividend of PLN 2.0 per share. The chart below shows the historical dividend paid per share.



2.7 · Asseco Business Solutions: development outlook

The strategy of Asseco Business Solutions aims to build value for shareholders in the long term through organic growth and acquisitions. The Company focuses on improving its operating results and increasing its net profit, which is reflected in the long-term dividend policy.

The expected further profit surge and improved performance should increase the capitalization of the Issuer, which, in turn, should boost the liquidity of the Issuer's shares and encourage investment in the shares of Asseco Business Solutions S.A.

3- Overview of the basic economic and financial figures and factors and events having a significant impact on the Company's operations and achieved results

	12 months to 31 December 2021	12 months to 31 December 2020	Growth rate 12 mths 2021/ 12 mths 2020
	PLN thou.	PLN thou.	%
Operating income	307,432	282,116	9.0%
Gross profit on sales	132,535	125,178	5.9%
EBIT	94,583	92,540	2.2%
EBITDA	122,068	117,828	3.6%
Net profit	80,648	76,406	5.6%

EBITDA = EBIT + amortisation/depreciation

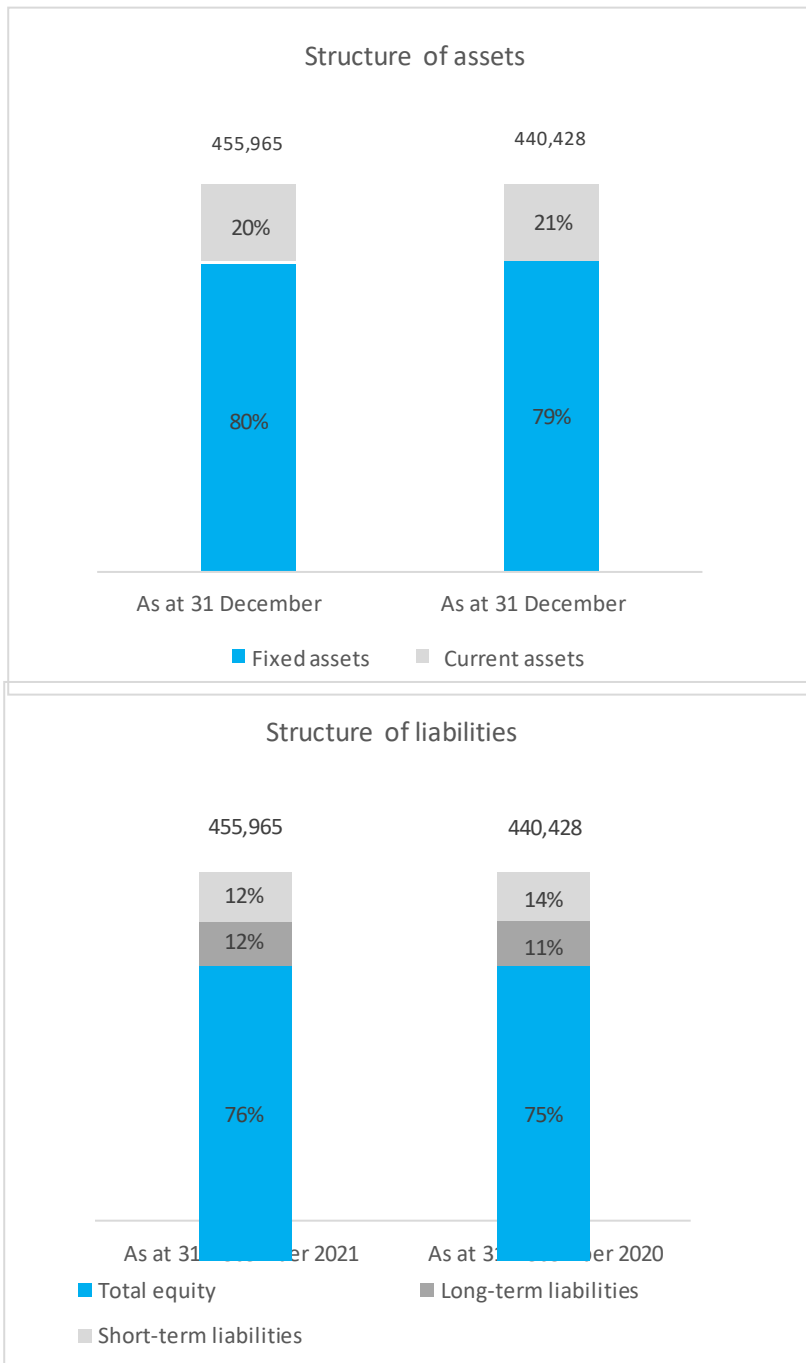
- In 2021 the operating income amounted to PLN 307,432 thousand and was 9% higher compared with 2020. The increase in receipts is attributable to the higher sales volume of the Company's products both on foreign and domestic markets.
- The increase in sales eventuated in the growing level of operating expenses. The basic operating expenses (excluding COGS) were higher than in 2020 by 10.1 %. The largest share in the Company's operating expenses (70.4%) was allocated to employee benefits (primarily salaries). Compared with 2020, these expenses grew by 7%. Another significant cost item is external services. They increased by 27.1%, and the value of goods, materials and external services sold (COGS) raised by 39.5%.
- The net profit of the Company realised in 2021 closed at PLN 80,648 thousand, compared with PLN 76,406 thousand in 2020 (up by 5.6%).
- EBITDA rose by 3.6 % from PLN 117,828 thousand to PLN 122,068 thousand.

Segment-by-segment analysis

The Company classifies its revenues by segments: ERP systems and unallocated revenue. In 2021 the revenues of the ERP Systems segment were 6.4 % higher than in 2020.

Receipts from sales by segment	12 months to 31 December 2021	12 months to 31 December 2020	Growth rate 12 mths 2021/ 12 mths 2020
	PLN thou.	PLN thou.	%
ERP systems	285,038	267,793	6.4%
Unallocated	22,394	14,323	56.4%
	307,432	282,116	9.0%

Structure of assets and liabilities



As at 31 December 2021, the total assets of the Company amounted to PLN 455,965 thousand, which is an increase by 3.5 % compared with 31 December 2020. The largest item in non-current assets is PLN 280,162 thousand worth of intangible assets (mainly goodwill). The share of this item in total assets is 61%. This is a rather standard situation among tech companies whose greatest asset is knowledge and intangible assets.

As at 31 December 2021, the Company's equity amounted to PLN 346,493 thousand and increased by 4% compared with the figure as at 31 December 2020. This change is due to the better financial result for the current year, reclassification of a part of the result from the previous year to supplementary capital and the payment of dividend.

Cash flow statement structure

	12 months to 31 December 2021	12 months to 31 December 2020
	PLN thou.	PLN thou.
Net cash from operating activities	96,486	113,321
Net cash from investing activities	17,369	(48,178)
Net cash from financing activities	(77,637)	(74,479)
Change in net carrying balance of cash	36,218	(9,336)

The value of cash flows from operating activities in 2021 amounted to PLN 96,486 thousand and fell compared to the previous year by PLN 16,835 thousand. The value of cash flows from investing activities amounted to PLN 17,369 thousand and changed compared to the previous year by PLN 65,547 thousand. The drop in investment expenditure is mainly due to the liquidation of bank deposits made for more than three months (which is disclosed in the financial statements as investment activities) and transferred to the current account.

Profitability ratios

The gross profit margin on sales in 2021 dropped compared to the previous year by 1.3 p.p. and amounted to 43.1%, while the net profit margin decreased by 0.9 p.p. and amounted to 26.2%.

Better Company results led to an increase in ROE and ROA. Return on equity for the 12 months ended 31 December 2021 was 23.3% and rose by 0.3 p.p., while return on assets increased by 0.4 p.p. to 17.7%.

Profitability ratios	12 months to 31 December 2021	12 months to 31 December 2020
Gross margin on sales	43.1%	44.4%
EBITDA profit margin	39.7%	41.8%
Operating margin	30.8%	32.8%
Net margin	26.2%	27.1%
Return on equity (ROE)	23.3%	23.0%
Return on assets (ROA)	17.7%	17.3%

These ratios have been calculated using the following formulas: Return on equity (ROE) = net profit/equity Return on assets (ROA) = net profit/total assets

4. Risk factors related to the Company's business

The Company is exposed to a number of risks that may have an adverse effect on its operations, financial standing and operating conditions as well as on its brands and corporate image. The Issuer's Management Board analyses the market setting and risk factors to which the Company is exposed on a regular basis. New projects and major transactions are subject to a thorough analysis. Detailed objectives and principles of financial risk management are presented in Note VII to the Financial Statements for the Year Ended 31 December 2021.

Discussed below are some basic risks that, if occurred, may have a significant impact on the Company's operations.

Risks associated with the economic situation in the country and abroad

The IT services sector development is inextricably intertwined with the overall domestic and global economic situation. The financial results achieved by the capital company Asseco Business Solutions are definitely driven by the growing GDP and the level of investment in enterprises. A relatively good situation in the domestic market encourages businesses to new investment, including in the IT infrastructure. This should result in a greater number of new IT projects.

Risks involved in the execution of IT projects

The Company raises most of its income from the sales of IT solutions to enterprises. Systems vended by the Company have a material impact on the key operations of our clients. Error-laden operation of the system can lead to significant financial losses at the customer's, resulting in legal claims that may dent the reputation of the Company, as well as its financial position and development outlooks. In extreme cases, clients may, even in the absence of explicit Company's fault, terminate the concluded agreements or demand contractual penalties applicable in the event of a delayed project implementation. Such circumstances might have an adverse impact on the operations, financial position and financial performance of the Company, as well as affecting its prospective development.

Risks related to a more intense competition in the domestic market

The Company operates in the IT services market. This economy segment is marked by rapid development, on the one hand, and, on the other, by strong competition. The Company's operations are under pressure from ever stronger competition, both from the local players and international IT corporations, and may have an adverse impact on the Company's operations, financial position, financial results and future development outlook. Acquisition of local companies by global market players and investment in new technologies, saturation of the domestic market and an increased use of in-house IT specialists by institutions and enterprises may also affect the Company's financial results.

Key account lock-in

ERP and HR software, mobile systems, Connector Platform and factoring systems comprise the core product portfolio and offering of the Company. The ERP software is the core sales revenue generator, still there is no single client that brings in revenues in excess of 10% of the total revenue. Revenue earned in cooperation with Asseco Poland S.A. account for approx. 1% of Company's receipts on sales. The loss of agreements with key customers will mean a change in the Company's financial results, which will also affect its financial position.

Risks of losing clients' trust

The implementation of IT systems in most cases involves long-term agreements with the system users and is based on users' trust. Clients' trust is built up on the quality of our solutions and quality of implementation services rendered by the Company. Should the level of quality in both the provided services and customer service be reduced, it may lead to undermined trust in the Company. This may tarnish the Company's image and reputation, which can affect both the current market activity and the prospecting for new contracts, as testimonials play a vital role in the entire sales process. Losing clients' trust would therefore have a substantial negative impact on the operations, financial position and results of the Company, as well as on its future development outlook.

Cybersecurity risk

Through intentional action of third parties as well as errors or carelessness of employees or subcontractors, Company's, or its customers', confidential data may be disclosed to unauthorized persons. In the event of such a situation, the image and perception of the Company by its clients is likely to undermine its operations as well as translating into less advantageous financial condition, results, or development outlook.

Risk of vendor lock-in

As part of its business, the capital company Asseco Business Solutions collaborates with global corporations that develop IT solutions and provide software and hardware. In the event that key suppliers modify their strategy of cooperation with local partners, e.g. begin favouring one partner over another, market their own services or products without intermediaries or revise the pricing policy, this may have a negative impact on the Company's operations and financial position, financial results and development prospects. Particular risks exist in the cooperation with Microsoft and Oracle because they are the only providers of database technology to the major ERP systems.

Risk involved in concluding contracts with the related parties

In the course of its business, the capital company Asseco Business Solutions enters into transactions with related parties within the Asseco Group. Such transactions ensure the effective operation of Asseco BS and include the exchange of services, supply of goods as well as other transactions. With regard to the tax regulations pertaining to dealings with related parties and especially to transfer pricing applied in such transactions, and the documentation required to be completed for such transactions, as well as due to the increasing interest of the tax authorities in the transfer prices and terms in related party transactions, it cannot be precluded that Asseco Business Solutions S.A. will be subject to tax audits or other controlling activities undertaken by the tax authorities in this respect. Furthermore, judging by the past taxation practices, when taxpayers engaged in transactions which were non-standard for their type of business and which helped decrease their tax charges, they were exposed to the accusations of tax evasion, which may have a negative impact on the Company's operations and financial result.

Risk related to the influence of the majority shareholder on the Issuer

On the date of this report, the majority shareholder – Asseco Enterprise Solutions a.s. – holds 46.47% of shares of Asseco Business Solutions S.A., which represents the same percentage of votes at the General Meeting.

The scope of powers related to the share held by Asseco Enterprise Solutions a.s. in the share capital of Asseco Business Solutions S.A. can lead to a situation in which the remaining shareholders will have limited impact on the management and operations of the Company. In addition, the exercise of those powers may not be coinciding with the intentions of the other shareholders of Asseco Business Solutions S.A. Moreover, there is no guarantee that other shareholder will not acquire a block of shares to allow them,

through their shares in the share capital and appointed representatives on the Supervisory Board, to have a significant impact on the Issuer's activities.

Risks of changes in legislation

Amendments, lack of cohesion and uniform interpretation of the provisions of law, in particular the tax regulations, the Act on Trading in Financial Instruments, the Act on Public Offering as well as the Polish Code of Commercial Companies and Partnerships give rise to the regulatory risk occurring in the environment in which the Company operates. Particularly frequent are changes to tax laws and their interpretation. In the event the tax authorities take a position that is different from the Asseco BS's interpretation of relevant fiscal regulations, the Company's operations, economic situation and financial results may be affected. The growth of the Company's operations on the IT market depends, to a large degree, on the ownership of intellectual property rights, especially copyright to computer programs. Potential (even illegitimate) claims of copyrights, that may be raised by third parties, will have a negative bearing on the Company's operations, financial position and results.

Risk related to the losing of key personnel

Successful fulfilment of the Company's contractual obligations depends to a large extent on highly skilled personnel. Also, the executives exert a material influence on the overall shape of the Company. Any loss of personnel, both experts and managers, may entail the risk of compromising the quality of rendered services and lead to delays in performing under valid agreements. The growing demand for IT professionals and competitors' activities may lead to the loss of key personnel, as well as disrupting the recruitment of new talents with the desired competence, experience, and qualification. It may also lead to wage pressures by specialists. In the case of a dynamic development of the Company, this may cause a substantial shortage of key IT and managerial personnel, which would seriously impact the Company's results. Similar effects could be seen in the case of unlawful conduct of employees (e.g. damage to third parties, disloyalty manifested in, for example, undertaking competitive activity, or disclosure of confidential corporate and professional information).

Dividend risk and share impairment

The payment of dividends by the Company depends on many factors, among them the results of the operating activities, financial standing, as well as cash demand in the future. The intention of the Management Board is to allocate an appropriate part of the profit to the payment of dividends in the future; however, the Company cannot guarantee the amount of payments, and whether the plans will be carried out each consecutive year.

The value of shares depends on market liquidity; therefore, the possible purchase or disposal of shares may not be carried out within the assumed period of time. The value of shares may fluctuate in the future, and investors may not be able to recover all of their investment.

5. Corporate governance statement

The Corporate Governance Statement is contained in a separate document attached to this Management Board's Report.

6. Declaration on non-financial information

According to Article 49b of the Accounting Act, Asseco Business Solutions S.A. is obliged to make a declaration on non-financial information for the year ended 31 December 2021. As a member of the Asseco Group, the Company is entitled to exemption referred to in Article 49b(11) of the Accounting Act.

Asseco Poland S.A., seated in Rzeszów, at ul. Olchowa 14, is a higher-tier parent preparing a declaration of the Group on non-financial information that covers the Issuer. Asseco Business Solutions S.A. will publish a consolidated declaration on non-financial information on its website www.assecobs.pl within 30 days from the date of approval of the consolidated non-financial report of Asseco Poland S.A.

7. Proceedings pending before the court

The Company is a party to several lawsuits and enforcement proceedings to recover payments for delivered products and services. Allowances have been made to the receivables covered by the above-mentioned proceedings.

In addition to the recovery of receivables, the Company is a party to a case connected with the decision of the Office of Competition and Consumer Protection of December 2013 imposing a fine on Asseco Business Solutions. The fine was associated with investigations by the OCCP related to the use of abusive clauses in agreements concluded by the Company (and its legal predecessors) with the distributors of the WAPRO-branded software. In November 2016, the Court of Appeal in Warsaw changed the contested decision of the District Court and revoked the decision of the President of the Office of Competition and Consumer Protection. The Office of Competition and Consumer Protection appealed to the highest instance against the decision of the Court of Appeal. The appeal contained, inter alia, a request for the cancellation of the contested decision of that court. In March 2017, the Company responded to the appeal. In accordance with the precautionary principle, the entire amount of the fine was secured by a provision created within the 2013 expenses. On 16 October 2019, the Court of Appeals issued a decision in the case referred by the Regional Court in Warsaw. The original judgement was set aside. On 2 July 2020, the District Court in Warsaw reduced the fine imposed on Asseco Business Solutions and waived mutual costs of proceedings between the parties. On 17 August 2020, the Company filed appeals against the judgement to the District Court. On 28 June 2021, the Court of Appeals in Warsaw dismissed the entire appeal. Asseco Business Solutions may appeal against the above-mentioned decision to the highest instance (the Supreme Court) within two months of receipt of the judgement with justification. On 9 November 2021, the Company received the judgement of the Court of Appeals of 28 June 2021 with justification. No appeal in cassation has been lodged in the case. The case has finally closed.

8. Company's major agreements

Selected important agreements concluded by Asseco Business Solutions S.A. in 2021:

- PROFI Sp. z o.o. – licensing and implementation of Asseco Softlab ERP and the provision of maintenance services,
- COLUMBUS ENERGY S.A. – licensing and implementation of Asseco Softlab LS and WMS in cloud and the provision of maintenance services,
- MFO S.A. – licensing and implementation of Asseco Softlab ERP and Softlab Analytics and maintenance services,
- Asseco Poland S.A. - licensing and implementation of Asseco Softlab ERP,
- Asseco Poland S.A. - implementation of Asseco Softlab ERP HR,
- BIOWET DRWALEW Sp. z o.o. – licensing and implementation of Asseco Softlab ERP in cloud and the provision of maintenance services,
- BUDMAX-METAL Sp. z o.o. – licensing and implementation of Asseco Softlab ERP and the provision of maintenance services,

9. Organisational relations with other parties

Asseco Business Solutions S.A. is owned by the Asseco Group through Asseco Enterprise Solutions (AES) which holds 46.47% of the shares of Asseco Business Solutions S.A. and exercises its mandate to the corresponding number of votes at the General Meeting. Asseco Enterprise Solutions is 100% owned by Asseco Poland. AES is the competence centre of Asseco for ERP solutions,

and Asseco Business Solutions S.A. is its mainstay. Through the membership in the Asseco Group, Asseco BS is implicitly organizationally linked with other companies making up the capital company Asseco.

10. Related party transactions on non-market terms

The Issuer did not enter into transactions with related parties other than based on the arm's length principle. Details of transactions with related parties are presented in Note 5.18 to the Financial Statements for the year ended 31 December 2021.

11. Concluded or terminated loan agreements

In January 2021, the Company annexed the agreement of 30 May 2017 concluded with BNP Paribas Bank Polska S.A. The annex covered:

- extension of the overdraft facility repayment deadline to 31 October 2022, and revolving loan for bank guarantees up to the amount of PLN 1,500 thousand PLN with the repayment date of 30 September 2022.

On 9 November 2021, the Company annexed the agreement to extend the repayment date of the overdraft facility until 31 October 2023 and the repayment date of the renewable limit for bank guarantees until 31 October 2023.

12. Originated loans

During the reporting period, the Issuer did not grant any loans, especially to parties related to the Issuer.

13. Granted and obtained sureties and guarantees

During the reporting period, the Issuer did not grant any sureties for credits or loans or guarantees, especially to parties related to the Issuer.

14. Description of off-balance sheet commitments

A description of significant off-balance sheet commitments in terms of the subject, object and value was presented in point 8.1 of the notes to the Financial Statements of Asseco Business Solutions for the Year Ended 31 December 2017.

15. Proceeds from the issuance of shares

During the reporting period, the Issuer did not issue any shares.

16. Explanation of differences between the financial results and financial forecasts for the year

The Management Board of Asseco Business Solutions S.A. did not publish performance forecasts for 2021.

17. Evaluation of management of financial resources

Over the 12 months ended 31 December 2021, Asseco Business Solutions financed its operations from funds generated from operating activities.

Debt ratios	12 months to 31 December 2021	12 months to 31 December 2020
General debt ratio	24.0%	24.6%

Total debt ratio = total liabilities/total assets

Working capital is defined as the difference between current assets and current liabilities and represents the volume of fixed capital (equity and long-term foreign capital) that finance current assets. As the most liquid part of capital, it secures the liabilities arising from the current cash cycle in the company. The Company's working capital as at 31 December 2021 amounted to PLN 36,654 thousand.

As a result, the Company's liquidity ratio improved compared to 2020.

Liquidity ratios	12 months to 31 December 2021	12 months to 31 December 2020
Working capital (in PLN thou.)	36,654	30,096
Current ratio	1.69	1.49
Quick ratio	1.66	1.44
Super quick ratio	0.80	0.11

These ratios have been calculated using the following formulas:

Working capital = current assets (short-term) - current liabilities

Current ratio = current assets (short-term) / current liabilities

Quick ratio = (current assets - inventories - accruals and prepayments) / current liabilities

Super quick ratio = (bonds and securities held to maturity + cash and short-term deposits) / current liabilities

18. Opinion on feasibility of investment projects

In the opinion of the Management Board of Asseco Business Solutions S.A., current financial situation of the Company is very good and promises advantageous conditions for further development in 2022. The Company satisfies all its obligations towards business partners and pays due contributions to the state. In 2021 Asseco Business Solutions realized the operating income of PLN 307,432 thousand and the net profit of PLN 80,648 thousand. The Company finances its investment activities from own resources and bank loans. Cash and short-term deposits below 12 months at the end of December 2021 amounted to PLN 42,832 thousand. Any prospective acquisitions will be financed from own resources or new issuance of shares.

19. Evaluation of factors and single-time events affecting the financial results

The occurrence of the COVID-19 pandemic during the reporting period ended 31 December 2021 did not materially affect the Company's financial result for that period. In view of the general economic slowdown resulting from the pandemic, the Management Board is aware of delays in settlements with customers, especially those operating in industries most affected by the pandemic. To the best knowledge of the Management Board, at the time of publication of these financial statements, there are no grounds to reasonably expect that payment backlogs could have a significant impact on the Company's position. During the 12 months ended 31 December 2021, there were no items materially affecting assets, liabilities, equity, net result or cash flows that were extraordinary in terms of type, value, or frequency.

Other information related to the assessment of the impact of Covid-19 on the results achieved in the period covered by these statements and on the forecast results in subsequent periods is presented in item II.2

of the Financial Statements of Asseco Business Solutions for the 12 Months Ended 31 December 2021.

20. Important factors for the Company's development and an outline of business development prospects

The condition of the Polish IT industry largely depends on the overall fitness of the country's economy. This is particularly evident in the case of IT solutions for business, which is closely associated with the private sector and depends on the prevailing economic conditions. Today, however, many analytical firms believe that the outlook for the IT industry in Poland is very promising, and Poland is leading the region in terms of the scale of expected IT investment, particularly in cloud computing and mobile technologies. A profound impact on the development of the IT market is also exerted by the use of ERP systems by Polish enterprises. It is still significantly lower than in the developed EU markets. It is expected that in the next few years the demand for management support systems in Polish enterprises is to grow steadily.

In the opinion of the Management Board, the most important external and internal factors that may affect the operations of the Company and its prospective results in the following year are:

External factors:

- the economic and political position of Poland, the European Union and other geographies where the Company has its operations,
- the attitude of potential clients to investment in IT against the backdrop of the general economic situation,
- risk of time-shifting of potential clients' investment decisions,
- intense direct and indirect competition from both Polish and foreign IT companies,
- risk related to technological saturation,
- the level of capital earmarked for IT investment in companies and the volume of used EU funds,
- changes to legislation,
- changes to the lending situation, financial liquidity,
- inflation and interest level,
- the prospects for expanding markets outside the existing Company's areas of operation,
- opportunities and risks associated with frequent technological changes and innovation in the IT market,
- market openness and absorption capacity for new product solutions.

Internal factors:

- the quality and comprehensive nature of Company's offering,
- the results of intense and ongoing trade activities both domestically and abroad,
- activities run under currently valid agreements,
- stability and experience of the managerial staff,
- effective action of sales departments,
- the need to attract and keep the most qualified and key employees,
- effects of work on new products.

21. Information on other important factors that could have affected the assessment of the financial position, assets and personnel

The Company is constantly monitoring the impact of the COVID-19 pandemic on the Company's operations, including its future financial position and financial results. At the time of publication of these financial statements, the Company did not report any significant impact of the pandemic crisis on its financial position and economic results, besides some organizational aspects of the Company's operations. As a consequence of entry into force of the Act of 2 March 2020 on special solutions related to the prevention, combating and eradication of COVID-19, other infectious diseases and crisis situations caused by them (Journal of Laws of 2020, item 374) and as a result of measures pursued by the Polish authorities, as well as out of concern for the Company's personnel and clients, the Company has taken steps to enable most of its employees to perform the so-called remote work so as to ensure business continuity and continuity of provision of IT services to the Company's clients. At the time of publication of these financial statements, all Company's departments operate unperturbed, and the Company performs its contractual obligations as provided for in relevant agreements.

Asseco Business Solutions S.A. has sufficient financial resources to continue its operations, including regular settlement of current liabilities. However, the Company cannot rule out a scenario that in the event of a prolonged pandemic and its negative impact on the domestic and global economy, this may have an adverse effect on the Company's operations or financial results, yet, at this point, it is not possible to determine to what extent or on what scale. At the time of publication of these financial statements, there are no grounds to reasonably expect that the situation caused by COVID-19 is likely to have a significant impact on the Company.

If the Management Board find that the Company's operations need to be adapted to new market conditions, it will take appropriate action.

22. Changes in the basic principles of Company management

In the reporting period, there were no changes to the basic principles of management of Asseco Business Solutions S.A.

23. Agreements concluded between the Issuer and its executives

In the reporting period, no agreements were concluded between Asseco Business Solutions S.A. and its management that would provide for compensation in case of their resignation or dismissal.

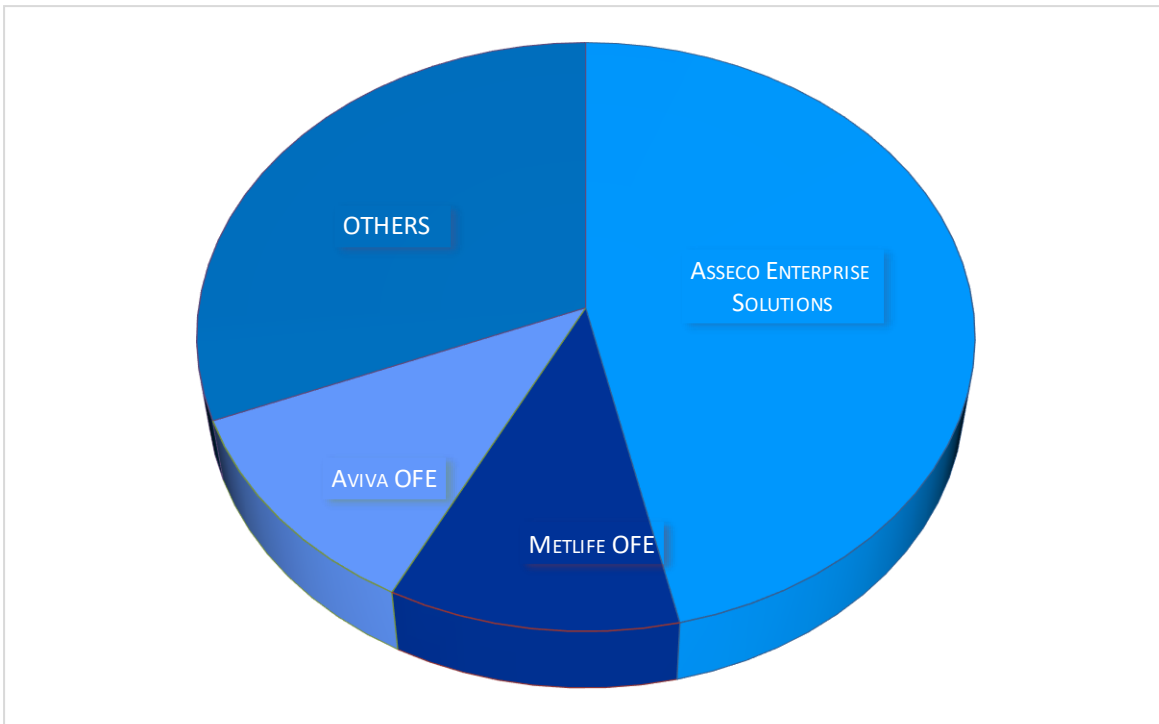
There are no service agreements entered into between Asseco Business Solutions S.A. and the members of the Supervisory Board, setting out the benefits paid upon termination of such agreements.

24. Remuneration, bonuses and benefits of incentive programmes for the executives

The remuneration of the executive and supervising persons are presented in item 8.5 of the notes to the Financial Statements of Asseco Business Solutions for the Year Ended 31 December 2021. There are no liabilities generated by pensions and similar benefits for former managers, supervisors or former members of the governance bodies.

25. Shareholding structure

To the best knowledge of the Management Board of the Issuer, that is, on 1 March 2021, as well as on 31 December 2021, and based on the notification of changes in the shareholding received later, the shareholders of Asseco Business Solutions S.A. holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting on the day of 9 June 2021 were as follows:



As at 31 December 2021, the shareholders of Asseco Business Solutions S.A., holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting were as follows:

Shareholder	Number of shares held	Shareholding in %	Number of votes	% share in total votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Metlife Otworthy Fundusz Emerytalny	3,700,000	11.07%	3,700,000	11.07%
Aviva Otworthy Fundusz Emerytalny Aviva BZ WBK	3,798,000	11.37%	3,798,000	11.37%
Other shareholders	10,391,623	31.09%	10,391,623	31.09%
	33,418,193	100.00%	33,418,193	100.00%

As at 31 December 2020, the shareholders of Asseco Business Solutions S.A., holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting were as follows:

Shareholder	Number of shares held	Shareholding in %	Number of votes	% share in total votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Metlife Otwarty Fundusz Emerytalny	3,769,780	11.28%	3,769,780	11.28%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	3,800,000	11.37%	3,800,000	11.37%
Other shareholders	10,319,843	30.88%	10,319,843	30.88%
	33,418,193	100.00%	33,418,193	100.00%

The number of shares attributable to the critical shareholders corresponds to the number of votes at the General Meeting. Overview of the Issuer's Shares or Rights to them Held by the Executive and Supervising Persons:

	31 December 2021		31 December 2020	
	number of shares held	% share in shareholding	number of shares held	% share in shareholding
Executive persons				
Wojciech Barcentewicz	500,000	1.50%	491,267	1.47 %
Piotr Masłowski	745,063	2.23%	745,063	2.23 %
Mariusz Lizon	183,000	0.55%	183,000	0.55 %
Supervising persons				
Romuald Rutkowski	426,828	1.28%	426,828	1.28 %
Rafał Kozłowski	4,407	0.01%	-	-
TOTAL	1,859,298	5.57%	1,846,158	5.53 %

26. Agreements that may result in the changing of proportions of shareholding

At the date of this report, the Management Board of Asseco Business Solutions S.A. has no knowledge of agreements, which could prospectively result in changes in the proportion of shares held by the existing shareholders.

27. Control of employee share schemes

In the reporting period, Asseco Business Solutions S.A. did not propose any employee share schemes.

28. Information on the Company's sponsoring and charity policy or any other similar activities

The Company supports financially different charity initiatives. Company's charitable activity is mainly the sponsoring of community organisations aiding people in need and supporting disadvantaged individuals and families and offering funding to socially beneficial charity.

29. Agreement with the entity authorized to audit the financial statements

The agreement with PriceWaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., seated in Warsaw, at ul. Polna 11, 00-633 Warszawa, the entity authorized to audit the financial statements

of Asseco Business Solutions S.A., was concluded on 14 february 2020. The agreement was concluded for a period sufficient to ensure that the Issuer is able meet its obligations in terms of information provided and reporting deadlines established by the Warsaw Stock Exchange. The work related to the auditing of the financial statements of Asseco Business Solutions S.A. closed on 23 February 2022. The basic remuneration for PriceWaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. amounted to PLN 132 thousand; an extra consideration of PLN 25 thousand was paid for additional services related to the audit of accounts (travel, accommodation, per diem allowances). For reviewing the semi-annual financial statements, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. was paid PLN 56 thousand. For reviewing the report on remuneration of the management board and supervisory board, the amount of PLN 23 thousand was paid.

The agreement with PriceWaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., seated in Warsaw, at ul. Polna 11, the entity authorized to audit the financial statements of Asseco Business Solutions S.A., was concluded on 14 February 2020. The agreement was concluded for a period sufficient to ensure that the Issuer is able meet its obligations in terms of information provided and reporting deadlines established by the Warsaw Stock Exchange. The work related to the auditing of the financial statements of Asseco Business Solutions S.A. closed on 25 February 2021. The basic remuneration for PriceWaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. amounted to PLN 127 thousand; an extra consideration of PLN 25 thousand was paid for additional services related to the audit of accounts (travel, accommodation, per diem allowances). For reviewing the semi-annual financial statements, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. was paid PLN 56 thousand.

Statement of the Management Board of Asseco Business Solutions S.A. pursuant to Article 70(1)(6) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (“Regulation”)

The Management Board of Asseco Business Solutions S.A. declares that to the best of its knowledge the annual financial statements of Asseco Business Solutions S.A. for the period ended 31 December 2021, and comparative figures for the 12 months ended 31 December 2020 have been prepared in accordance with the Group’s accounting policy and the International Financial Reporting Standards adopted by the EU, and reflects a reliable, accurate, clear and fair the financial position and financial performance of Asseco Business Solutions S.A. This Report of the Management Board on the Company’s Operations provides a true picture of the development and achievements of the Company, including an overview of major risks and uncertainties.

Management Board of Asseco Business Solutions S.A.:

Wojciech Barczentewicz

President of the
Management Board

Piotr Masłowski

Vice-President of the
Management Board

Mariusz Lizon

Member of the
Management Board

Statement of the Management Board of Asseco Business Solutions S.A. pursuant to Article 70(1)(6) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (“Regulation”)

The Management Board of Asseco Business Solutions S.A. declares that the entity authorized to audit the financial statements and reviewing the annual financial statements of Asseco Business Solutions S.A. has been selected in accordance with the law, and that this entity and the certified auditors reviewing the financial statements meet the requirements of issuing an impartial and independent opinion on the audited financial statements of Asseco Business Solutions S.A., in accordance with any relevant regulations and professional standards.

Management Board of Asseco Business Solutions S.A.:

Wojciech Barcentewicz	President of the Management Board
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Piotr Maślowski	Vice-President of the Management Board
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Mariusz Lizon	Member of the Management Board
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