



**REPORT OF THE MANAGEMENT BOARD ON  
THE OPERATIONS OF ASSECO BUSINESS  
SOLUTIONS S.A. IN 2015**

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**Dear Shareholders of Asseco Business Solutions SA,**

We are pleased to inform you that in 2015 Asseco Business Solutions S.A. reported the revenue on sales of over PLN 152 million, which is 5% more than in 2014. Besides, the previous year closed with the net profit of over PLN 33.5 million, which represents a growth of 17% compared with the figure for 2014. Other indicators, such as EBITDA and EBIT also showed a growth of 11% and 18%, respectively.

We also reported very high liquidity. Company's cash and short-term deposits with maturity of above 3 months at the end of December 2015 amounted to PLN 65.9 million.

I also wish to point out that in the first six months of 2015, the Company paid the dividend of PLN 28.40 million zł (PLN 0.85 per share). We are proud to be among the listed companies that have regularly paid a dividend to their shareholders for a number of years. Since its listing on the Warsaw Stock Exchange (2007), Asseco Business Solutions S.A. has paid seven dividends of the total value of over PLN 183 million.

Our sound financial position is largely the effect of the consistently implemented development strategy rested upon the systematic development of the product offering and the continuous improvement of qualification and competence in the area of sales, implementation and technical support.

Our Company also boasts a large potential thanks to our long-term growth policy through the enhancement of the product portfolio which translates into the steadily broadening customer base. In Poland we cooperate with tens of thousands of companies: the users of our original ERP, HR, SFA, data exchange, and factoring software. We are gradually increasing the customer base by prospecting for foreign clients. These are mainly FMCG operators using our mobile sales support solutions. Our systems have been deployed in 35 countries, among them, the United Kingdom, Germany, Spain, Turkey, and Australia.

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.

Attached please find the Financial Statements of Asseco Business Solutions S.A. for the year 2015.

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

## 1. SELECTED FINANCIAL DATA OF ASSECO BUSINESS SOLUTIONS SA

	in PLN thou.		in EUR thou.	
	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Revenues on sale	151,834	145,024	36,283	34,618
Gross profit on sales	60,180	52,793	14,381	12,602
<b>Profit on operating activities</b>	40,459	34,223	9,668	8,169
Gross profit	41,607	35,525	9,942	8,480
Net profit	33,509	28,571	8,007	6,820
Net cash from financing activities	46,484	39,137	11,108	9,342
Net cash from investing activities	(34,993)	(9,665)	(8,362)	(2,307)
Net cash from financing activities	(28,286)	(26,734)	(6,759)	(6,388)
Cash and short-term deposits	40,658	57,483	9,541	13,486
Weighted average number of shares	33,418,193	33,418,193	33,418,193	33,418,193
Earnings per ordinary share	1.00	0.85	0.24	0.20

The selected financial data presented in these financial statements has been converted into the EURO as follows:

- the Company's cash position at the end of the current reporting period and the comparable previous reporting period is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date.

On 31 December 2015, 1 EUR = 4.2615 PLN,

On 31 December 2014, 1 EUR = 4.2623 PLN.

- selected items from the statement of comprehensive income and the statement of cash flows are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland on the last day of each month.

Between 1 January and 31 December 2015, 1 EUR = 4.1848 PLN.

Between 1 January and 31 December 2014, 1 EUR = 4.1893 PLN.

2015	EUR	Average exchange rate
January	4.2081	
February	4.1495	
March	4.0890	
April	4.0337	
May	4.1301	
June	4.1944	1 EUR = 4.1848 PLN
July	4.1488	
August	4.2344	
September	4.2386	
October	4.2652	

November	4.2639	
December	4.2615	
<b>2014</b>	<b>EUR</b>	<b>Average exchange rate</b>
January	4.2368	
February	4.1602	
March	4.1713	
April	4.1994	
May	4.1420	
June	4.1609	1 EUR = 4.1893 PLN
July	4.1640	
August	4.2129	
September	4.1755	
October	4.2043	
November	4.1814	
December	4.2623	

## 2. COMPANY'S POSITION IN THE IT SECTOR

**Lublin Companies of 25 Years** – Asseco Business Solutions S.A. has been awarded in a contest celebrating the 25th anniversary of the establishment of the local daily *Gazeta Wyborcza* as one of the region's five most successful enterprises of the last 25 years.

**Asseco Business Solutions in Gartner Report** – international research and advisory firm, Gartner, in its latest report, Market Guide for Retail Execution and Monitoring Solutions for the Consumer Goods Industry 2015, lists Asseco Business Solutions S.A. among the global vendors of SFA systems for the FMCG industry.

Gartner's report presents the profiles of 16 major global vendors and their mobile solutions that support the FMCG market leaders. This study is a reliable and valuable source of knowledge for the global producers of fast-moving consumer goods planning to implement innovative solutions for the management of their mobile workforce.

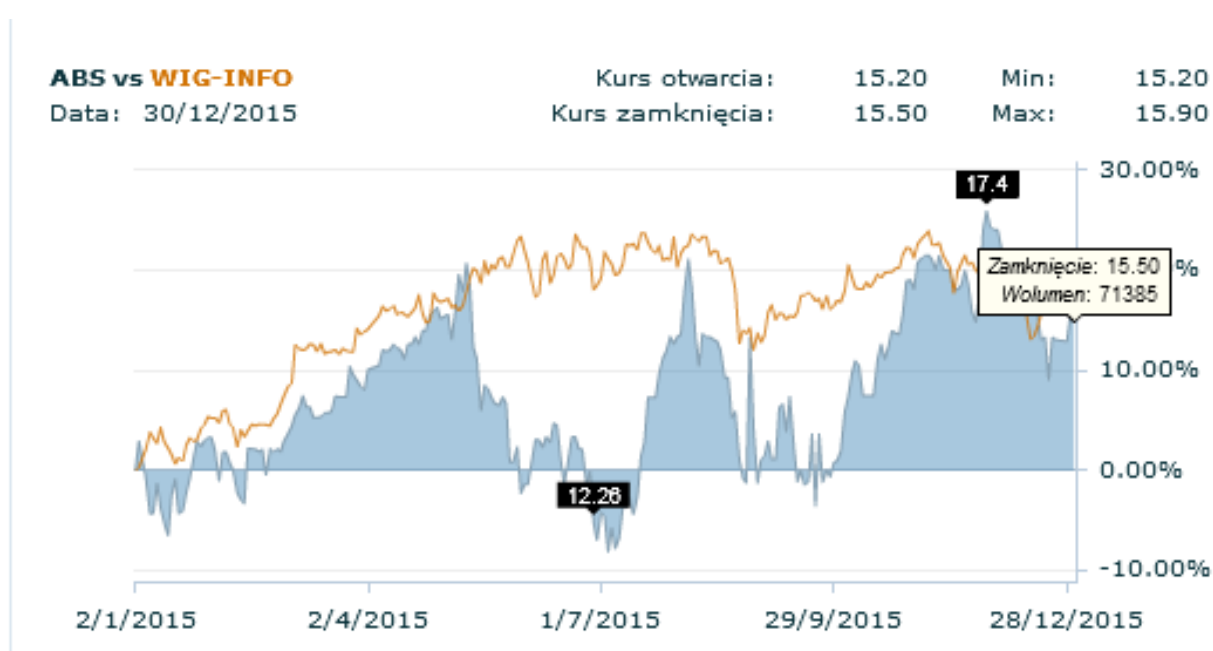
**Asseco Business Solutions awarded by Microsoft** – Asseco Business Solutions S.A. Has been invited to join the prestigious MS Cloud Network programme by Microsoft. It is a global initiative bringing together the key Microsoft business partners offering hybrid services based on the Azure platform – the Microsoft's cloud. Having joined MS Cloud OS, the Company has expanded its portfolio of cloud-based services and has improved the flexibility of developing IT infrastructures for customers. Asseco BS's partners can now use the hybrid solutions embracing both their own data centre as well as the private cloud of Asseco Business Solutions and software platform Windows Azure. From now on, new services can be delivered much more efficiently, both time- and cost-wise.

The cloud architecture has also enabled Asseco BS to increase the capacity of its services and their fitness to the users' needs.

### 3. ASSECO BUSINESS SOLUTIONS S.A. IN THE CAPITAL MARKET

Asseco Business Solutions S.A. Became listed on the Warsaw Stock Exchange on 19 November 2007. The total number of Company's shares is 33,418,193. The Company is among the sWIG80 index and the WIG-Informatyka index enterprises.

In the period from 1 January 2015 to 31 December 2015, the price of Asseco BS's shares and its position in the WIG-INFO index were as follows:



### 4. OVERVIEW OF THE BASIC ECONOMIC AND FINANCIAL FIGURES AND FACTORS AND EVENTS HAVING A SIGNIFICANT IMPACT ON THE COMPANY'S OPERATIONS AND PRODUCED RESULTS

	Year ended 31 December 2015	Year ended 31 December 2014	Growth rate over 12 mths 2015/ 12 mths 2014
Revenues on sale	151,834	145,024	4.70%
Gross profit on sales	60,180	52,793	13.99%
EBIT	40,459	34,223	18.22%
EBITDA	51,306	46,090	11.32%
Net profit	33,509	28,571	17.28%

- In the reporting period, Asseco Business Solutions S.A. generated the revenue on sales of 4.7% higher than in 2014, that is, PLN 151,834 thousand. The Company

managed to increase the share of higher profit-generating projects, which upped the gross profit on sales compared with the parallel period in the previous year.

- The basic operating costs (excluding COGS) were higher than in 2014 by 2.4%. The largest share in the Company's operating expenses was allocated to employee benefits (primarily salaries), external services and amortization/depreciation. These costs represent 95% of the Company's total operating expenses.
- The net profit of Asseco Business Solutions S.A. in 2015 closed at PLN 33,509 thousand, compared with PLN 28,571 thousand in 2014 (up by 17.3 %).
- EBITDA increased by 11.3% to PLN 51,306 thousand.
- The Company improved all its key profitability ratios, with the largest increase, of 3.2 percentage points, in the gross margin on sales.

<b>Profitability ratios</b>	Year ended 31 December 2015	Year ended 31 December 2014
Gross margin on sales	39.64%	36.40%
EBITDA profit margin	33.79%	31.78%
Operating margin	26.65%	23.60%
Net margin	22.07%	19.70%

- Asseco Business Solutions SA categorizes its revenues in the following segments: ERP systems and unallocated revenue. In 2015 the ERP segment revenues were 7.3% higher than in 2014, while the overall segment sales result increased by 23.5%.

<b>Revenue on sales by segment</b>	Year ended 31 December 2015	Year ended 31 December 2014
ERP Systems	137,683	128,358
Unallocated	14,151	16,666
	<b>151,834</b>	<b>145,024</b>

- At 31 December 2015, the Company's assets and liabilities comprised the following items:

<b>Non-current assets, including:</b>	<b>194,329</b>
Property, plant and equipment	10,277
Intangible assets	10,717
Goodwill from consolidation	170,938
Long-term receivables	599
Deferred tax assets	1,725
Long-term prepayments and accrued income	73
<b>Current assets, including:</b>	<b>95,710</b>
Inventories	365
Accrued income and expenses	601
Trade receivables	26,952
Other receivables	1,873
Financial assets valued at fair value through financial result	1

Other financial assets	25,260
Cash and short-term deposits	40,658
<b>Total equity</b>	<b>265,895</b>
Share capital	167,091
Surplus from the sale of shares above their nominal value	62,543
Retained profit/(loss) and current period	36,261
<b>Liabilities and provisions for liabilities, including:</b>	<b>24,144</b>
Non-current liabilities	781
Current liabilities	12,671
Accruals and deferred income	10,692

- In the financial year 2015, there were no factors or single-time events that had a significant impact on the Company's operations and achieved results.

## 5. RISK FACTORS ASSOCIATED WITH PURSUED 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 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 investments, including in the IT infrastructure. This should result in a greater number of new IT projects.

### Risks involved in the execution of IT projects

Asseco Business Solutions SA achieves most of its income on the execution of complex information technology projects. The 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 on the client's side, resulting in legal claims that may dent the reputation of the Company, as well as its financial position and development outlook. 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 delayed project deployments. Any of 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 intensified competition in the domestic market

The Company operates in the IT services market which, on the one hand, is marked by a fast development and, on the other, a high level of competitiveness. 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. The consolidation process observable in the industry, the saturation of the domestic IT market and an increased use of in-house IT specialists by ever more institutions and enterprises may also affect the Company's financial results.

#### **Risks of becoming dependent on key clients**

ERP and HR software, mobile systems, Connector platform and factoring systems comprise the core product portfolio and offering of Asseco Business Solutions SA. There has been a concentration of revenues from the sale of ERP software, still no client has generated revenues exceeding 10% of the Company's revenues on sales. Revenues yielded from the cooperation with Asseco Poland S.A. Account for ca. 2% of Asseco BS's receipts from sales. The loss of agreements with the 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 ERP and HR systems, mobile solutions, Connector platform or factoring systems in most cases involves long-term agreements with the system users and is based on client's 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 the loss of trust in Asseco BS. 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. The loss of clients' trust would have an adverse impact on the operations, financial position and financial performance of the Company, as well as affecting its prospective development.

#### **Risks of becoming overdependent on key suppliers**

As part of its business, 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**

As part of its business, Asseco Business Solutions SA enters into transactions with the subsidiaries of the main shareholder of Asseco Business Solutions, i.e. Asseco Poland S.A. Such transactions ensure the effective operation of the entire Asseco Group

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 SA may be subject to tax audits or other controlling activities undertaken by 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.

### **Risks involved in the influence of the majority shareholder on the Company**

On the date of this report, the majority shareholder - Asseco Poland SA holds 46.47% of shares of Asseco Business Solutions SA, and is entitled to the same percentage of votes at the General Meeting. According to the Company Articles of Association, it has the right to appoint three of the five members of the Supervisory Board as long as it remains a shareholder holding at least 20% of shares of Asseco BS.

The scope of powers related to the Asseco Poland's share in the share capital of Asseco BS 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 SA. Moreover, there is no guarantee that other shareholder will not acquire a block of shares that would allow it, through participation in the share capital and appointed representatives on the Supervisory Board, to have a significant impact on the Company's activities.

### **Risks of changes in regulations**

Amendments, lack of cohesion and uniform interpretation of rules and regulations, in particular tax regulations, the Act on Trading in Financial Instruments, the Act on Public Offering as well as the Polish Commercial Companies Code give rise to the regulatory risk occurring in the environment in which the Company operates. In the event the taxation authorities take a position that is different from Asseco Business Solutions SA's interpretation of tax regulations, the Company's operations, economic situation and financial results may be exposed to negative consequences. The growth of Asseco Business Solutions SA's operations in the market of IT products depends to a large degree on the ownership of intellectual property rights, especially copyrights 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.

**Risks related to losing key personnel**

A successful performance under the Company's awarded agreements depends to a large extent on highly skilled personnel. Also the managerial staff exert a material influence on the overall shape of Asseco Business Solutions S.A. Any personnel drain, both of experts and managers, may entail the risk of compromising the quality of rendered services and lead to delays in performing under valid agreements. 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).

**6. CORPORATE GOVERNANCE STATEMENT**

The declaration on the application of corporate governance is attached as a separate document to the Management Board's Report on the Operations of Asseco Business Solutions SA.

**7. PROCEEDINGS PENDING BEFORE COURT**

During the reporting period, no proceedings were pending before any court, competent authority for arbitration or a public administration body, whose value was at least 10% of the Issuer's equity.

**8. COMPANY'S PRODUCTS AND SERVICES**

Asseco Business Solutions SA furnishes modern IT solutions for enterprises, irrespective of their size, character and industry. Within the Asseco Capital Group, the Company serves as a Competence Centre accountable for ERP software, mobile reporting systems of SFA class, factoring systems and software for SMEs.

**ERP Segment**

In the ERP segment, Asseco Business Solutions S.A. offers modern and integrated software (Asseco Softlab ERP) handling the management of medium and large enterprises. This product features a wealth of functions. It 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 is also equipped with a number of management tools intended for administration and offering specific analytical capabilities. The ERP solutions for SMEs comprise a suite of management applications for small and medium-sized enterprises, supporting the work of internal departments: sales, finance and accounting, human resources, and mobile personnel. Asseco WAPRO can be implemented in any industry. Asseco WAPRO ERP is known for simple installation, easy configuration, and intuitive handling.

In addition to the ERP segment, Asseco Business Solutions offers a bespoke solution for human resources management. Asseco Softlab HR is an HRM-class product that supports all the processes in the area of personnel management and payroll. The system proves most effective in large and medium-sized organizations and always fits their individual needs and nature of the business. The solution handles both the HR and accounting for the workload, as well as offering an across-the-board system for human capital management.

The offering of Asseco Business Solutions also features mature sales support systems, including mobile SFA and FFA solutions, and services of electronic exchange of commercial data between different links in the distribution chain (mainly between manufacturers and their wholesale partners). The mobile systems from Asseco BS (including the latest Mobile Touch) lead the European SFA market.

In its latest report, Market Guide for Retail Execution and Monitoring Solutions for the Consumer Goods Industry 2015, the international market research and advisory company, Gartner, ranked Asseco Business Solutions as one of the key vendors of SFA systems for the FMCG industry and the world's first supplier that can embed the Retail Activity Optimization philosophy in practice in an SFA solution.

The vast majority of system deployments is concluded in the full outsourcing model. Such an approach to project execution is possible thanks to Asseco BS's own Data Processing Centre.

Asseco Business Solutions S.A. 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 addition, the Company generates the so-called unallocated revenue which falls outside the main segment of operation. 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.

## **9. MARKETS**

The primary market for Asseco Business Solutions SA is Poland. The Company is also increasing its exports. The products of Asseco Business Solutions SA have been implemented in more than 35 European countries, for example: Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Spain, the Netherlands, Ireland, Latvia, Lithuania, Portugal, Romania, Slovakia, Sweden, Turkey, Hungary, and the UK.

As regards its sales plans in foreign markets, Asseco Business Solutions S.A. aspires to vend its products across the entire European continent. A way to expand its markets is to take advantage of the membership in the Asseco Capital Group and the development of its networking capacity.

Asseco Business Solutions has 6 offices Poland-wide (the HQ in Lublin, a branch office in Warsaw), own Data Centre in Lublin and a network of hundreds of commercial partners (handling

the sale of Asseco WAPRO ERP products) across the country. The technological and business partners of Asseco BS are the largest global software and hardware vendors, such as: Oracle, Microsoft, HP, IBM, Citrix.

## 10. AGREEMENTS SIGNIFICANT TO THE COMPANY'S OPERATIONS

Selected important agreements concluded and performed by Asseco Business Solutions S.A. in 2015:

1. **Jacobs Douwe Egberts PL Sp. z o.o.** – licensing and deployment of Connector Enterprise and the provision of comprehensive maintenance services for the deployed solution.
2. **Polmos Bielsko Biała S.A.** – licensing and deployment of Mobile Touch and the provision of comprehensive maintenance services for the deployed solution.
3. **Profix Sp. z o.o.** – licensing and deployment of Asseco Softlab WMS and the provision of comprehensive maintenance services for the deployed solution.
4. **Dekofilm Polska Sp. z o.o.** – licensing and deployment of Asseco Softlab ERP and the provision of comprehensive maintenance services for the deployed solution.
5. **Reckitt Benckiser S.A.** – licensing and deployment of Connector Enterprise and the provision of comprehensive maintenance services for the deployed solution.
6. **Dr Oetker Polska Sp. z o.o.** – licensing and deployment of Connector Enterprise and the provision of comprehensive maintenance services for the deployed solution.
7. **TOPSIL Sp. z o.o. Spółka Komandytowa** – licensing and deployment of Asseco Softlab WMS.
8. **Przedsiębiorstwo SWORD Piły Taśmowe Roman Wójcik** – licensing and deployment of Asseco Softlab ERP.
9. **BZWBK Faktor** – licensing and deployment of Faktor Data Exchange.
10. **Wyborowa S.A., Pernod Ricard** – licensing and deployment of Connector Enterprise and the provision of comprehensive maintenance services for the deployed solution.
11. **Jan Becher - Karlovarská Becherovka a.s.** – licensing and deployment of Mobile Touch and the provision of comprehensive maintenance services for the deployed solution.
12. **McCormick Polska S.A.** – licensing and deployment of Mobile Touch and the provision of comprehensive maintenance services for the deployed solution.

**11. ORGANIZATIONAL RELATIONSHIPS WITH OTHER PARTIES**

Asseco Business Solutions SA is part of the Asseco Capital Group and serves as a competence centre for the ERP systems. Asseco Poland holds 46.47% of shares of Asseco Business Solutions SA, which corresponds to the same percentage of votes at the General Meeting. Through the membership in the Asseco Capital Group, Asseco BS is implicitly organizationally linked with the other companies making up the Asseco Capital Group.

**12. TRANSACTIONS WITH RELATED PARTIES ON TERMS DIFFERENT FROM MARKET CONDITIONS**

The Issuer did not enter into transactions with related parties, with a total value exceeding the PLN equivalent of EUR 500,000, which were not typical or routine transactions, entered into on commercial terms between related parties.

**13. CONTRACTED OR TERMINATED AGREEMENTS FOR CREDITS AND LOANS**

During the reporting period, the Issuer did not take any loans or credits.

**14. GRANTED LOANS**

During the reporting period, the Issuer did not grant any loan.

**15. GRANTED AND OBTAINED SURETIES AND GUARANTEES**

During the reporting period, the Issuer did not grant any sureties for credits or loans or guarantees – collectively to a single entity or its subsidiary.

**16. PROCEEDS FROM THE ISSUANCE OF SHARES**

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

**17. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS AND FINANCIAL FORECASTS**

The Management Board of Asseco Business Solutions SA did not publish financial forecast for 2015.

**18. EVALUATION OF MANAGEMENT OF FINANCIAL RESOURCES**

The Company's operations are financed from the proceeds of its current activity. The Company's liabilities increased by PLN 0.46 million compared to the end of 2014, while its assets increased by PLN 5.7 million, which resulted in the general debt ratio at the invariable level of 8.33%.

<b>Debt ratio</b>	31 December 2015	31 December 2014
Debt ratio	8.3%	8.3%

*Total debt ratio = total liabilities/total assets*

Free cash is invested in safe money market instruments. At the balance sheet date, the Company had invested approximately PLN 65,326 thousand in this manner.

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 the capital, it secures the liabilities arising from the current cash cycle in the company. The working capital in the Company as at 31 December 2015 was PLN 72,347 thousand and was lower by PLN 5,043 thousand compared with 31 December 2014.

A significant increase in the level of current assets, in particular cash and short-term deposits, led to the improvement in the Company's financial liquidity, which confirms the Company's ability to settle its current obligations and thus maintain a secure financial position.

<b>Liquidity ratios</b>	31 December 2015	31 December 2014
Working capital (in PLN thou.)	72,347	67,304
Current ratio	4.10	3.93
Quick ratio	4.06	3.89
Super quick ratio	1.74	2.50

*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*

## **19. OPINION ON FEASIBILITY OF INVESTMENT PROJECTS**

In the opinion of the Management Board of Asseco Business Solutions SA, current financial situation of the Company is satisfactory and promises advantageous conditions for further development in 2016. In 2015 Asseco Business Solutions SA reached the revenue on sales of PLN 151.8 million and the net profit of PLN 33.5 million. The Company's investment activity is financed from its own resources. Company's cash and short-term deposits with maturity of up to 6 months at the end of December 2015 amounted to PLN 65.9 million. Prospective acquisitions will be financed from own resources or new issuance of shares.

**20. EVALUATION OF FACTORS AND SINGLE-TIME EVENTS AFFECTING THE FINANCIAL RESULTS**

In the reporting period, there were no factors and single-time events that would affect the Company's results.

**21. DESCRIPTION OF FACTORS RELEVANT TO THE COMPANY'S DEVELOPMENT AND FURTHER DEVELOPMENT OUTLOOK**

The condition of the Polish IT industry largely depends on the overall economic fitness of the country. 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 outlooks for the IT industry in Poland is very good, and Poland is leading the region in terms of the scale of forecast IT investment.

In the opinion of the Management Board of Asseco Business Solutions SA, the current financial situation of the Company is satisfactory and conducive to further growth in 2016. In the opinion of the Management Board, the most important external and internal factors that may affect the operations of Asseco Business Solutions S.A. and its prospective results in the following year are:

**External factors:**

- The developments in the global financial and economic marketplace and their impact on the economic situation in Poland, the EU and other countries in which the Company undertakes operations,
- attitude of potential clients to investment in IT against the backdrop of the general economic situation,
- the level of capital for IT investments in companies and the efficiency of use of the EU funds,
- intensity of direct and indirect competitive activity,
- opportunities and risks associated with a relatively rapid technological progress and innovation in the IT market,
- market openness and absorption capacity for new product solutions.

**Internal factors:**

- The results of regular intense commercial activities,
- activities run under currently valid agreements,
- the need to attract and retain the most qualified and key employees,
- effects of work on new products.

**22. CHANGES IN THE BASIC PRINCIPLES OF THE 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 COMPANY AND ITS EXECUTIVES

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

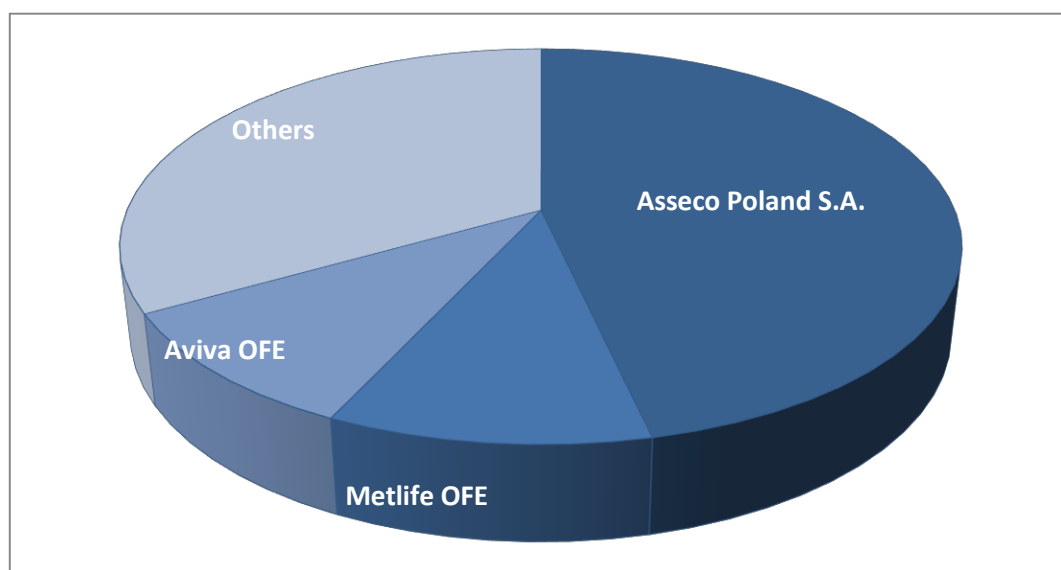
There are no service agreements entered into between Asseco Business Solutions SA and the members of the Supervisory Board, setting out the benefits paid upon termination of such agreements.

### 24. THE VALUE OF REMUNERATION, BONUSES AND BENEFITS OF INCENTIVE PROGRAMMES FOR THE MANAGEMENT

For the information on remuneration, see Note 31.3 of the financial statements.

### 25. SHAREHOLDING STRUCTURE

To the best knowledge of the Management Board of Asseco Business Solutions S.A., the status of shareholders holding, directly or through subsidiaries, at least 5% of the total vote in the General Meeting on the date of publication of these financial statements, i.e. 2 March 2016, is as follows:



Shareholder	Number of shares held	Shareholding %	Number of votes	% in the total number of votes at GM
Asseco Poland S.A.	15,528,570	46.47%	15,528,570	46.47%
Metlife Otworthy Fundusz Emerytalny	3,500,000	10.47%	3,500,000	10.47%

Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	3,330,000	9.96%	3,330,000	9.96%
Other shareholders	11,059,623	33.10%	11,059,623	33.10%
	<b>33,418,193</b>	<b>100.00%</b>	<b>33,418,193</b>	<b>100.00%</b>

The number of shares attributable to the significant 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:

##### Status on 31/12/2015

	31 December 2015		31 December 2014	
	number of shares held	shareholding in %	number of shares held	shareholding in %
<b>Executive persons</b>				
Wojciech Barczentewicz	461,267	1.38%	461,267	1.38%
Piotr Masłowski	715,063	2.14%	715,063	2.14%
Mariusz Lizon	240,000	0.72%	254,954	0.76%
<b>Supervising persons</b>				
Romuald Rutkowski	426,828	1.28%	426,828	1.28%
<b>TOTAL</b>	<b>1,843,158</b>	<b>5.52%</b>	<b>1,858,112</b>	<b>5.56%</b>

## 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 SA 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 implement any employee share schemes.

## 28. AGREEMENT WITH AN ENTITY AUTHORIZED TO AUDIT THE FINANCIAL STATEMENTS

The agreement with Ernst & Young Audyt Polska Sp. z o.o. sp. k., based in Warsaw, at Rondo ONZ 1, the entity authorized to audit the financial statements of Asseco Business Solutions SA, was concluded on 6 July 2015. The agreement was concluded for a period sufficient to ensure that the Company is able meet its obligations in terms of information provided and reporting deadlines established by the Warsaw Stock Exchange. The auditing of the financial statements ended on 3 March 2016. Remuneration

The basic remuneration for Ernst & Young Audyt Polska Sp. z o.o. sp. k. amounted to PLN 105 thousand; an extra consideration of PLN 10 thousand was paid for additional services (travel, accommodation, per diem allowances). For the review of the interim financial statements, Ernst & Young Audyt Polska Sp. z o.o. sp. k. was paid PLN 50 thousand; the entity received no more than PLN 10 thousand for additional services.

In 2014 the cost of the review of the interim financial statements amounted to PLN 50 thousand, and the cost of auditing the annual financial statements to PLN 114 thousand.

**STATEMENTS OF THE MANAGEMENT BOARD OF ASSECO BUSINESS SOLUTIONS SA TO THE ANNUAL REPORT FOR THE 12 MONTHS ENDED 31 DECEMBER 2015****1. STATEMENT OF THE MANAGEMENT BOARD ON THE ADOPTED ACCOUNTING STANDARDS**

The Management Board of Asseco Business Solutions SA declares that to the best of its knowledge the annual financial statements of Asseco Business Solutions SA for the period ended 31 December 2015 and comparative data for the 12 months ended 31 December 2014 have been prepared in accordance with the Company's accounting policy and the International Financial Reporting Standards adopted by the EU, and reflect a reliable, accurate, clear and fair financial position and financial performance of the Company. The report on operations of Asseco Business Solutions SA provides a true picture of the development and achievements of the Company, including an overview of the major risks and uncertainties.

Management Board of Asseco Business Solutions SA:

Wojciech Barczentewicz

President of the Management Board

Piotr Masłowski

Vice-President of the Management Board

Andreas Enders

Vice-President of the Management Board

Mariusz Lizon

Member of the Management Board

## **2. STATEMENT OF THE MANAGEMENT BOARD ON THE SELECTION OF ENTITY AUDITING THE ANNUAL FINANCIAL STATEMENTS**

The Management Board of Asseco Business Solutions S.A. declares that the entity authorized to audit the financial statements, reviewing the annual separate financial statements of Asseco Business Solutions SA, has been selected in accordance with 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, in accordance with any relevant regulations and professional standards.

Management Board of Asseco Business Solutions SA:

Wojciech Barcentewicz	President of the Management Board
Piotr Masłowski	Vice-President of the Management Board
Andreas Enders	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board