



Asseco Business Solutions S.A.

Interim Report of the Management Board on the
Company's Operations for the Six Months Ended
30 June 2023

CONTENTS

1. Selected financial data of Asseco Business Solutions S.A.....	3
2. The Management	4
3. About Asseco Business Solutions.....	4
3.1. Business profile.....	4
3.2. Product offer	5
3.3. The markets	6
3.4. Company's position in the IT Sector	7
3.5. Asseco Business Solutions in the capital market	8
4. Overview of the basic economic and financial figures and factors and events having a significant impact on the Company's operations and achieved results	10
5. Risk factors related to the Company's business	12
6. Proceedings pending before the court.....	15
7. Company's major agreements.....	15
8. Organisational relations with other parties	16
9. Related party transactions on non-market terms	16
10. Concluded or terminated loan agreements.....	16
11. Originated loans.....	16
12. Granted and obtained sureties and guarantees	16
13. Description of off-balance sheet commitments	16
14. Proceeds from the issuance of shares.....	17
15. Explanation of differences between the financial results and financial forecasts.....	17
16. Evaluation of factors and single-time events affecting the financial results.....	17
17. Important factors for the Company's development and an outline of business development prospects.....	17
18. Information on other important factors that could have affected the assessment of the financial position, assets and personnel.....	18
19. Changes in the basic principles of the Company management	19
20. Agreements concluded between the Issuer and its executives	19
21. Shareholding structure.....	19

1. Selected financial data of Asseco Business Solutions S.A.

	6 months to 30 June 2023	6 months to 30 June 2022	6 months to 30 June 2023	6 months to 30 June 2022
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>EUR thou.</i>	<i>EUR thou.</i>
Operating income	176,627	155,130	38,289	33,414
Operating profit	46,267	41,540	10,030	8,947
Profit before tax	47,221	41,050	10,237	8,842
Net profit	39,789	34,786	8,625	7,493
Net cash from operating activities	48,628	54,716	10,542	11,785
Net cash generated (used) in investing activities	(17,761)	(16,046)	(3,850)	(3,456)
Net cash from financing activities	(76,409)	(80,086)	(16,564)	(17,250)
Cash and cash equivalents at end of period (comparable period: 31/12/2022)	2,740	48,282	616	10,295
Net income per ordinary share (in PLN/EUR)	1.19	1.04	0.26	0.22

Selected financial data presented in these interim condensed financial statements has been converted into the EURO as follows:

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

On 30 June 2023, 1 EUR = 4.4503 PLN.

On 31 December 2022, 1 EUR = 4.6899 PLN.

- selected items from the interim condensed statements of comprehensive income and the interim condensed statements 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.

In the period from 1 January to 30 June 2023: EUR 1 = PLN 4,6130.

In the period from 1 January to 30 June 2022: EUR 1 = PLN 4,6427.

All amounts given in the financial statements are expressed in thousands of Polish złotys (PLN), unless stated otherwise.

2. The Management

On 30 June 2023, the Management Board of Asseco Business Solution S.A. was made up of:

Wojciech Barcentewicz	President of the Management Board
Piotr Masłowski	Vice-president of the Management Board
Mariusz Lizon	Member of the Management Board
Renata Łukasik	Member of the Management Board
Jacek Lisowski	Member of the Management Board
Rafał Mróz	Member of the Management Board

On 28 March 2023, the Supervisory Board of Asseco Business Solutions S.A. appointed, effective from 1 April 2023, the following persons as members of the Management Board in the current term of 2019-2023 (ending on 31 December 2023): Mrs Renata Łukasik, Mr Jacek Lisowski and Mr Rafał Mróz.

On 30 June 2023, 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
Artur Osuchowski	Member of the Supervisory Board

The Supervisory Board has a three-person Audit Committee composed of Marcin Murawski (chairman) and Rafał Kozłowski and Romuald Rutkowski (members).

3. About Asseco Business Solutions

3.1. 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 develop and strengthen 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.

Asseco Business Solutions S.A.

Report of the Management Board on the Company's Operations for the Six Months Ended 30 June 2023

On top of this, by harnessing the potential of AI, the Company designs tools enabling enterprise digitization processes and facilitating the use of corporate data.

Asseco Business Solutions S.A. operates two own Data Centres whose capacity parameters meet the highest standards of security, reliability and effectiveness of systems operation. 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 the original 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 many years. Asseco BS's track record covers dozens of completed software deployments in Poland and in several geographies worldwide.



Asseco Business Solutions is part of the international Asseco Group, a Europe-leading vendor of proprietary software. The Group is a constellation of enterprises engaged in the advancement of information technology and is present in over 60 countries around the world, including most European countries and the USA, Canada, Israel, and Japan.

3.2. 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 (in e-commerce channels) and inventory management. It also provides a number of managerial tools to enhance 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.

In 2022 the Company also broadened its offering of products and services for e-commerce channels (B2C, B2B, D2C). A number of new functional enhancements were introduced, and their integration capabilities with external systems were improved. In 2022, the Company launched a special version of Softlab ERP by Asseco. It manages sales and warehousing processes in businesses that sell through e-commerce channels.

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.

As for ERP solutions, a number of functionalities was added to enable users to go paperless, i.e. to digitize key business processes. The Company's products and services find application in two key areas: internal relations,

including communication and HR, and external relations and exchange of documents with contractors and public administration (including the e-invoice system KSeF). 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).

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 by far leading SFA solutions in the world. They have been implemented in 50 countries worldwide and boast dozens of thousands of active users.

On top of that, Asseco Business Solutions' Direct Portal by Asseco supports commercial chains in streamlining internal processes as well as integrating them with points of sale. On top of that, it offers retailers knowledge regarding sales visits, order history, producer's offer, promotions, discounts, targets, POS environment, etc. 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.

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.

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 Centres.

In 2022, the Company kept working on implementing (in its products and services) AI algorithms based on its original Genius by Asseco engine. The solution is gaining in importance as a facilitator of key processes. Based on collected data, Genius by Asseco can generate recommendations and business notifications; it can adapt the system to users' working styles; it automates repetitive activities; and it offers prediction-enabled smart analysis. We also grew the scope of our Image Recognition offer (mainly for clients from the FMCG and pharma industries). This is to enable digital analysis of the standard of product display in retail outlets (stores, pharmacies).

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.

3.3·The 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 work for clients in dozens of countries. At the beginning, we served mainly the Polish and a few other European markets. Over the past five years, we have expanded into Asia, Australia, the Middle East, and Latin America. In 2020, we entered the African market, and at the beginning of 2021, we closed our first implementation in North America. Therefore, in 2022 our solutions supported sales forces 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 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: Adecco, Agata, Atlas, Bacardi-Martini, Bahlsen, Bonduelle, Coty, Denckermann, Dr Oetker, Fiskars, Ferrero, Food Care, Hoop, Hortex, Kamoka, Lorenz Bahlsen, Lotte (Wedel), McCormick, Metsa Tissue, Maspex, Mokate, Mondelez, Nestle, Oshee, Polanglo, Perfetti Van Melle, Podravka, Reckitt Benckiser, Roleski, Storck, Tarczyński, Topsil, Tchibo, Tikkurila, USP Zdrowie, Wyborowa, Wydawnictwo Naukowe PWN, and many more.

3.4 Company's position in the IT Sector

For several years, Asseco Business Solutions has been leading many industry rankings related to the Polish and foreign IT markets (SFA solutions).

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

Once again, Asseco Business Solutions has been ranked among the top ERP vendors in Poland. The Computerworld TOP200 report ranked ABS second in the category of The Largest Suppliers of Enterprise Resource Planning (ERP) Systems in 2022. The Computerworld TOP200 report (edition 2022) provides a comprehensive picture of the Polish ICT sector. It describes several hundred of the most important Poland-based IT companies and over several dozen telecommunications operators.

Asseco Business Solutions leading the SFA market

Promotion Optimization Institute Award

In 2022, the Company's recommendation system (Recommendation System by Asseco) was placed among the top five (best-in-class) similar solutions in the world. The Promotion Optimization Institute is a recognized entity in the FMCG industry that grants awards (POI Best-in-Class) for the most innovative tools that enable manufacturers to boost sales. The POI Vendor Panorama report looks into world-class vendors of Sales Force Automation systems for the FMCG industry and points to the best solutions across several categories (Best-in-Class) that have a significant impact on the effectiveness of business processes. The report is a reliable source of knowledge for FMCG players on the SFA mobile technology currently available on the global market. Recommendation System by Asseco helps manufacturers in Route-to-Market processes. It is very effective, comprehensive, and easy to understand for all involved. The system harnesses AI components to process data sets into the so-called "insights." Insights are suggestions of action that, when taken, can create the greatest profits at a given time and have a positive impact on ROI.

Spark Matrix report

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." For more information, see the latest report, SPARK Matrix™: Retail Execution Platform 2021, published at the end of December 2021. The SPARK Matrix™ Quadrant Knowledge Solutions report offers a detailed analysis of the global market of SFA solutions and describes their vendors under several categories (only a few companies are named Leader). The report is a valuable source of knowledge for the manufacturers of consumer goods who are looking for new tech partners and development opportunities based on the use of latest sales support solutions.

Besides, the report provides information on the SFA market and its latest trends. When evaluating SFA software vendors, analysts from Quadrant Knowledge Solutions focused on technological innovations and the degree of impact on clients' business.

Golden Innovations of FMCG & Retail 2022

Recommendation System by Asseco was awarded the Golden Retail Innovation prize and won the category of Concepts of the Future. The prize was part of the latest edition of the Golden Innovations of FMCG & Retail 2022 contest. Golden Innovations of FMCG & Retail 2022 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.

3.5 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, WIG-Informatyka, and WIGDIV.



In the period from 1 January 2019 to 30 June 2023, the price of Asseco BS's shares and its position in the WIG-20 index were as follows:

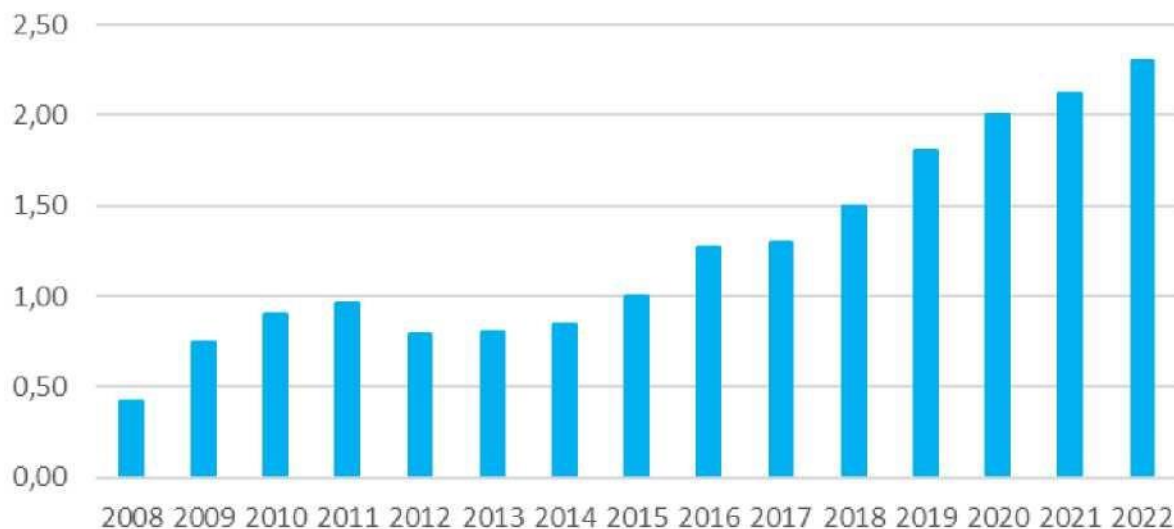


<https://www.inwestinfo.pl/>

In the period from 1 January 2023 to 30 June 2023, the price of Asseco BS's shares fluctuated between PLN 33.5 and 43.0. The top listing was recorded on 06 June 2023. At the close of the market session on 30 June 2023, the price of shares of Asseco Business Solutions amounted to PLN 39.4 and was 15.5 % higher than at the close of the first market session of 2023 when it was reported at PLN 34.1.

For investors of Asseco Business Solutions, an important event in 2023 was the payment of dividend of PLN 2.30 per share. The chart below shows the size of dividends paid in the years 2008-2022:

Dividend



3.6. 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.

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

The financial results of Asseco Business Solutions for the first six months of 2023 and for a comparable period:

	6 months to 30 June 2023	6 months to 30 June 2022	Growth rate 6 mts 2023/ 6 mts 2022
Operating income	176,627	155,130	13.9%
Gross profit on sales	68,143	59,529	14.5%
EBIT	46,267	41,540	11.4%
EBITDA	63,827	56,402	13.2%
Net profit	39,789	34,786	14.4%

EBITDA = EBIT + amortisation/depreciation

In the first six months of 2023 the operating income of Asseco Business Solutions S.A. amounted to PLN 176,627 thousand and were 13.9 % higher than in the comparable period. 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 the comparable period by 16.4 %. The largest share in the Company's operating expenses (70.3%) was allocated to employee benefits (primarily salaries). Compared with the first six months of 2022, these expenses grew by 14.3%. Another important cost item was the external services which grew by 25.3%.

The net profit of Asseco Business Solutions realised in the first six months of 2023 closed at PLN 39,789 thousand, compared with PLN 34,786 thousand earned in the comparable period of 2022 (up by 14.4%).

EBITDA rose by 13.2% from PLN 56,402 thousand to PLN 63,827 thousand.

Segment-by-segment analysis

The Company classifies its revenues by segments: ERP systems and unallocated revenue. In the first six months of 2023, the ERP segment revenues were 15.0 % higher than in the comparable period while the overall segment gains on sales increased by 10.4%.

Receipts from sales by segment	6 months to 30 June 2023	6 months to 30 June 2022	Growth rate 6 mts 2023/ 6 mts 2022
ERP systems	168,458	146,480	15.0%
Unallocated	8,169	8,650	-5.6%
	176,627	155,130	13.9%

Profitability ratios

	6 months to 30 June 2023	6 months to 30 June 2022
Gross margin on sales	38.6%	38.4%
EBITDA profit margin	36.1%	36.4%
Operating margin	26.2%	26.8%
Net margin	22.5%	22.4%
Return on equity (ROE)	12.3%	11.2%
Return on assets (ROA)	9.0%	8.2%

These ratios have been calculated using the following formulas:

Return on equity (ROE) = net profit/equity

Return on assets (ROA) = net profit/total assets

Liquidity ratios

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. Working capital in the Company as at 30 June 2023 was PLN 12,803 thousand and was higher by PLN 45,735 thousand compared with 31 December 2022. The decrease in working capital is attributed to a drop in current assets by PLN 42,103 thousand. The decrease in current assets is mainly due to lower cash levels in bank accounts and bank deposits. This is related to the payment of the dividend for 2022 in the second quarter of 2023.

Liquidity ratios	6 months to 30 June 2023	12 months to 31 December 2022
Working capital (in PLN thou.)	(12,803)	32,932
Current ratio	0.83	1.47
Quick ratio	0.78	1.44
Super quick ratio	0.04	0.69

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

The structure of Company's assets and liabilities

ASSETS	30 June 2023	share in balance sheet total	31 December 2022	share in balance sheet total
Non-current assets	383,114	86%	373,941	78%
Current assets	60,910	14%	103,013	22%
TOTAL ASSETS	444,024	100%	476,954	100%

LIABILITIES	30 June 2023	share in balance sheet total	31 December 2022	share in balance sheet total
Total equity	324,575	73%	361,648	76%
Long-term liabilities	45,736	10%	45,225	9%
Short-term liabilities	73,713	17%	70,081	15%
TOTAL EQUITY AND LIABILITIES	444,024	100%	476,954	100%

As at 30 June 2023, the total assets of the Company amounted to PLN 444,024 thousand, which is a decrease by 6.9% compared with 31 December 2022.

The Company's main asset component is non-current assets, which account for 86.3 % of the balance sheet total. Among them, intangible assets are the key item (mainly goodwill) amounting to PLN 288,591 thousand. The share of this item in total assets is 65.0%. This is a rather standard situation among tech companies whose greatest asset is knowledge and intangible assets.

As at 30 June 2023, the Company's equity amounted to PLN 324,575 thousand (73.1% of liabilities).

As at 30 June 2023, the Company had a long-term lease liability in the amount of PLN 43,776 thousand (mainly a real property lease in the amount of PLN 42,272 thousand) and short-term lease liabilities in the amount of PLN 8,398 thousand (11.8% of liabilities in total) (including a real property lease in the amount of PLN 7,696 thousand).

5· 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 2022.

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

Risk related to the economic situation in Poland and globally, including the effects of the war in Ukraine and the COVID-19 epidemic

The IT services sector development is inextricably linked to 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. As a result of the COVID-19 epidemic and the military conflict in Ukraine, the economic situation at home and in the world has changed significantly. The Company does not conduct economic operations in Russia, Belarus, or Ukraine, nor does it keep cash on bank accounts in these countries. At the moment, due to the volatile regional and global situation, it is not possible to determine the long-term economic effects and their impact on the general macroeconomic situation, which may indirectly affect the Company's performance.

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. Consolidation of the IT segment, the 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.

Risk of customer 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. Revenues yielded in cooperation with Asseco Poland S.A. account for about 1.1% of the sales receipts of Asseco Business Solutions S.A. 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 customers' trust

The implementation of IT systems in most cases involves long-term agreements with the system users and is based on users' trust. Customers' 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 customers' 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 the key suppliers modify their the 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 him, through his shares 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 legislation

Amendments, lack of cohesion and uniform interpretation of the provisions of law, in particular of tax regulations, the Act on Trading in Financial Instruments, the Act on Public Contracts, the Act on Public Offering, the Act on Personal Data Protection 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. The practice of tax authorities, as well as the related case-law, is far from uniform. 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).

Risk of a significant increase in energy prices as well as power shortages and interruptions in electrical energy supplies

The basic working tools of the Company's personnel employees are electronic devices. They need electrical energy to operate. This electrical energy is sourced from external suppliers. A significant increase in electricity prices may raise the costs of business. In addition, the Company is exposed to the risk of limitations or interruptions in power supplies due to possible grid failures or downtimes at the power supplier. Therefore, the Company's Data Centres are equipped with backup power sources: power generators are activated in the event of failures.

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.

6. 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.

7. Company's major agreements

Selected important agreements concluded by Asseco Business Solutions S.A. in the first six months of 2023:

- Fiskars UK – licensing and implementation of Mobile Touch; subscription agreement;
- Baltic Company Sp. z o.o. – licensing and implementation of JERP by Asseco; maintenance agreement;
- Euro Park Sp. z o.o. – implementation of and assistance services for Softlab ERP by Asseco;
- Edu-Książka Sp. z o.o. – licensing, implementation and maintenance of Softlab ERP by Asseco;

- Cermont Sp. z o.o. – licensing, implementation, and maintenance of Softlab ERP by Asseco and Softlab Analytics by Asseco;
- Schumacher Packaging Zakład Bydgoszcz Sp. z o.o. – U15157 computer program implementation agreement;
- Dino Polska S.A. – annexed Mobile Touch subscription agreement to increase the number of users;
- Mosso Kewpie Poland Sp. z o.o. – agreements to implement and maintain Mobile Touch and Connector Platform;
- PPG Deco Polska Sp. z o.o. – agreement to broaden the scope of implementation of Mobile Touch;
- Lyreco Polska S.A. – agreement to implement and maintain Merit ERP (at Lyreco Advantage Polska);
- Stabar Sp. z o.o. – agreement to implement and maintain Merit ERP.

8. 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 96.12% owned by Asseco Poland. AES is the ERP competence centre of the capital company of Asseco, and Asseco Business Solutions S.A. is its mainstay. Through the membership in the Asseco Group, Asseco BS is implicitly organizationally linked with the other companies making up the Group.

9. 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 related party transactions are presented in Note 2.14 to the Interim Condensed Financial Statements for the Six Months Ended 30 June 2023.

10. Concluded or terminated loan agreements

In the reporting period, the Issuer did not enter into or terminate any credit or loan facility.

11. Originated loans

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

12. Granted and obtained sureties and guarantees

In the current reporting period, the Issuer prolonged, based on existing and valid contracts, the rental payment guarantees for office space for related parties committed by or with the Company Executives in the amount of PLN 300 thousand.

13. 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 item 3.2 of the Notes to the Interim Condensed Financial Statements of Asseco Business Solutions for the Six Months Ended 30 June 2023.

14. Proceeds from the issuance of shares

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

15. Explanation of differences between the financial results and financial forecasts

The Management Board of Asseco Business Solutions S.A. did not publish performance forecasts for 2023.

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

During the reporting period, there were no significant factors and single-time events affecting the Company's financial result.

17. 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 of Asseco Business Solutions S.A., the current financial situation of the Company is stable, and its production potential and market position are sound. The Management Board is constantly monitoring the developments related to the military conflict in Ukraine. If the Management Board find that the Company's operations need to be adapted to new market conditions, it will take appropriate action.

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:

- impact of the war in Ukraine on the macroeconomic situation,
- a major increase in inflation,
- higher loan interest rates and bank margins,
- currency risk,
- the economic and political developments in Poland, the European Union and other countries in which the Company operates,
- 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 in the credit situation, financial liquidity, financing by customers,
- 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,
- changes in the credit situation, financial liquidity, financing by customers,
- market openness and absorption capacity for new product solutions.

In addition, the Management Board does not rule out a scenario that the operations of the Company and its results may be affected by adverse circumstances in the domestic and global economy related to the military conflict in Ukraine; yet, at this point, it is not possible to determine to what extent or on what scale.

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.

18. 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 war in Ukraine on the Company's business, including its future financial position and financial results.

On a global scale, the war in Ukraine and the COVID-19 epidemic have triggered inflation and have led to a volatile economic situation and an increase in interest rates. These changes do not affect the Company's results, and higher interest rates do not result in significantly higher interest costs.

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 the prolonged pandemic and war in Ukraine their negative impact on the domestic and global economy, it may have an adverse effect on the Company's operations or financial performance; yet, at this point, it is not possible to determine to what extent or on what scale.

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

19. 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.

20. 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.

21. Shareholding structure

To the best knowledge of the Management Board of the Issuer, that is, on 03 August 2023, 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 31 May 2023 are as follows:

Shareholder	Number of shares held	Shareholding	Number of votes	% in the total number of votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Powszechne Towarzystwo Emerytalne Allianz Polska S.A.	4,563,457	13.66%	4,563,457	13.66%
NNLife Otwarty Fundusz Emerytalny and NNLife Dobrowolny Fundusz Emerytalny managed by Generali Powszechne Towarzystwo Emerytalne S.A.	3,560,531	10.65%	3,560,531	10.65%
Other shareholders	9,765,635	29.22%	9,765,635	29.22%
	33,418,193	100.00%	33,418,193	100.00%

As at 30 June 2023, the shareholding structure was :

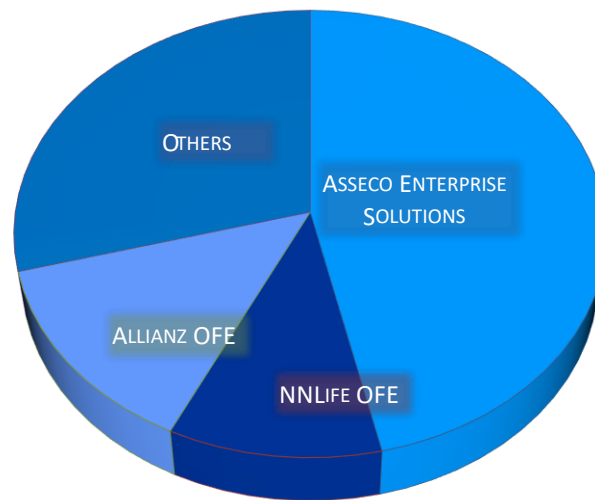
Shareholder	Number of shares held	Shareholding	Number of votes	% in the total number of votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Powszechne Towarzystwo Emerytalne Allianz Polska S.A.	4,563,457	13.66%	4,563,457	13.66%
NNLife Otwarty Fundusz Emerytalny and NNLife Dobrowolny Fundusz Emerytalny managed by Generali Powszechne Towarzystwo Emerytalne S.A.	3,560,531	10.65%	3,560,531	10.65%
Other shareholders	9,765,635	29.22%	9,765,635	29.22%

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:

	30 June 2023		31 December 2022	
	number of shares held	% share in shareholding	number of shares held	% share in shareholding
Executive persons				
Wojciech Barcentewicz	500,000	1.50%	500,000	1.50%
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	15,822	0.05%	15,822	0.05%
TOTAL	1,870,713	5.61%	1,870,713	5.61%

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”)

The Management Board of Asseco Business Solutions S.A. declares that, to the best of its knowledge, the interim condensed financial statements of Asseco Business Solutions S.A. for the period of six months ended 30 June 2023, and the corresponding figures for the 6 months ended 30 June 2022 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 Maślowski	Vice-president of the Management Board
-----------------	--

Mariusz Lizon	Member of the Management Board
---------------	--------------------------------

Renata Łukasik	Member of the Management Board
----------------	--------------------------------

Jacek Lisowski	Member of the Management Board
----------------	--------------------------------

Rafał Mróz	Member of the Management Board
------------	--------------------------------

Asseco Business Solutions S.A.

ul. Konrada Wallenroda 4c.

20-607 Lublin, Poland

Phone: +48 81 535 30 00 fax:

+48 81 535 30 05

@assecobs.pl www.assecobs.pl

The logo for Asseco, featuring the word "asseco" in a stylized, bold, black font. The letters are thick and blocky, with a modern, geometric feel. The 'a' and 's' are particularly distinctive, with sharp angles and a clean, sans-serif design.