



## Asseco Business Solutions S.A.

Interim Report of the Management Board on  
the Company's Operations for the Six Months  
Ended 30 June 2024

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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”) .....22

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

	6 months to 30 June 2024	6 months to 30 June 2023	6 months to 30 June 2024	6 months to 30 June 2023
	PLN thou.	PLN thou.	EUR thou.	EUR thou.
Operating revenue	201,320	176,627	46,700	38,289
Operating profit	52,689	46,267	12,222	10,030
Profit before tax	53,407	47,221	12,389	10,237
Net profit	47,126	39,789	10,932	8,625
Net cash from operating activities	59,391	48,628	13,777	10,542
Net cash generated (used) in investing activities	(20,381)	(17,761)	(4,728)	(3,850)
Net cash from financing activities	(5,400)	(76,409)	(1,253)	(16,564)
Cash and cash equivalents at end of period (comparable period: 31/12/2023)	86,609	52,999	20,081	12,189
Net income per ordinary share (in PLN/EUR)	1.41	1.19	0.33	0.26

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 2024, 1 EUR = 4.3130 PLN.
  - On 31 December 2023, 1 EUR = 4.3480 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 2024: EUR 1 = PLN 4.3109,
  - In the period from 1 January to 30 June 2023: EUR 1 = PLN 4,6130.

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

## 2. The Management

On 30 June 2024, 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

Effective from 1 January 2024, the persons named above were appointed by the Supervisory Board of Asseco Business Solutions S.A. as Members of the Management Board for a four-year term for the financial years 2024-2027.

On 30 June 2024, 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 25 June 2024, Mr Artur Osuchowski informed the Management Board of Asseco Business Solutions S.A. about his resignation as Member of the Supervisory Board of the Company. The resignation became effective on 25 June 2024.

On 25 July 2024, an Extraordinary General Meeting of Asseco Business Solutions S.A. appointed Mr Tomasz Stankiewicz as Member of the Supervisory Board to complete the current five-year term of office, covering the period from 31 May 2022. The appointment becomes effective as from 25 July 2024.

The Supervisory Board has a three-person Audit Committee composed of Marcin Murawski (chairman), Rafał Kozłowski and Tomasz Stankiewicz (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. 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.

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, including by means of elements of artificial intelligence.

Asseco Business Solutions S.A. operates two own Data Centres whose performance 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 ABS has been successful in supporting the operations of tens of thousands of companies for many years. ABS's track record covers dozens of completed software deployments in Poland and in several geographies worldwide.



Asseco Business Solutions S.A. is part of the international company Asseco Poland S.A., 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 59 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, ABS 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.

The Company also continued to broaden its offering of products and services for e-commerce channels (B2C, B2B, D2C). A number of new functional enhancements were introduced to support this channel in 2022-2023. Their integration capabilities with external systems were improved as well. Asseco BS offers a bespoke version of Softlab ERP by Asseco that enables enterprises to effectively manage sales and warehousing processes across e-commerce channels.

Asseco BS's 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 the 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 (SEOD – electronic document workflow, 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 among the leading SFA solutions in the world. They have been implemented in dozens of countries to date. On top of that, ABS's 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 ABS (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 2023 and in the first half of 2024, the Company kept working on implementing (in its products and services) AI algorithms. 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 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 (SFA) work for clients in dozens of countries. At the beginning, we served mainly the Polish and a few other European markets. Over the past few years, we have expanded to more geographies. Our solutions work for sales representatives on six continents.

Asseco BS 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. As for solutions deployed outside Poland, the Company also uses the infrastructure of public cloud providers, currently in Europe, North America, and Asia. The technological and business partners of ABS 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: Agata, Atlas, Bacardi-Martini, Bahlsen, Bonduelle, Coca-Cola HBC, Coty, Danstoker, 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, and many more.

### 3.4 Company's position in the IT sector

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

#### **Asseco Business Solutions S.A. – one of the leading ERP vendors in Poland!**

Once again, Asseco Business Solutions S.A. 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 2023. The Computerworld TOP200 report (edition 2024) 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.

In 2023 Asseco Business Solutions S.A. was named the second largest seller of ERP systems in the ITwiz Best100" (2023) report. ITwiz BEST100 prepares a ranking of top developers and vendors of IT products and services in Poland.

#### **Asseco Business Solutions S.A. leading the SFA market**

In 2023 Asseco BS's proprietary systems were distinguished by the Promotion Optimisation Institute in their industry report, 2023 Vendor Panorama for Consumer Goods Retail Sales Execution Capability & Solution Advancements. The POI Best-in-Class distinction (for software and technologies that support FMCG players in sales management) was awarded in as many as six categories:

1. Advanced Imaging Technology for merchandising (Image Recognition, Augmented Reality).

2. AI-driven Predictive and Prescriptive Analytics (AI, Machine Learning),
3. Omnichannel Engagement (eCommerce, B2B, DTC, Tele-virtual),
4. Retail Activity Optimization (RAO),
5. Mobile (User Experience, UX),
6. Coaching (feedback for manufacturers' sales developers).

The Promotion Optimisation Institute brings together manufacturers, retailers, providers, analysts, researchers and other industry leaders to jointly optimize industry processes and the promotion and distribution of consumer goods.

### 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 2024 to 30 June 2024, the price of Asseco BS's shares and its position in the WIG-20 index were as follows:

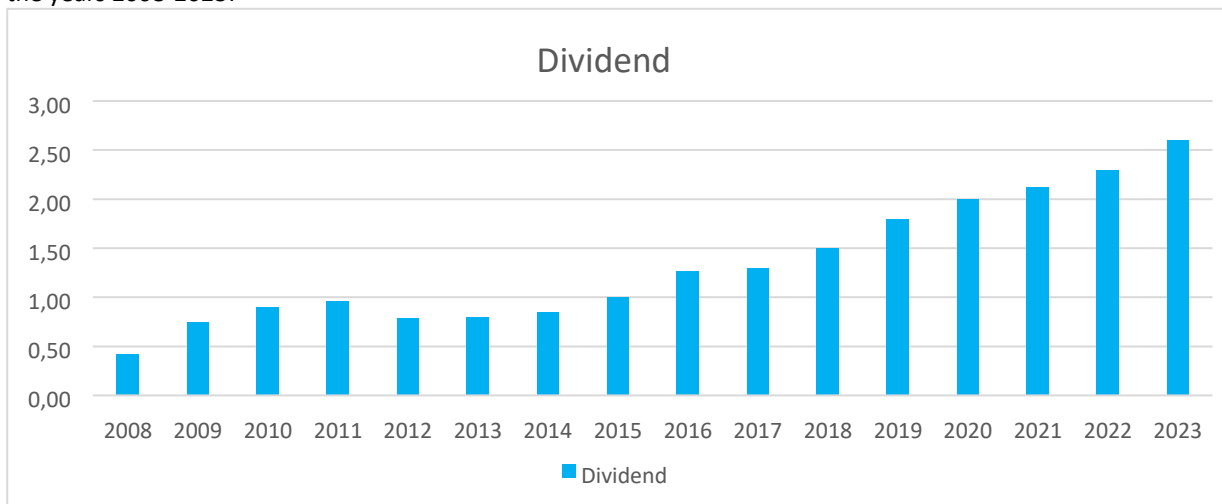


<https://www.inwestinfo.pl/>



In the period from 1 January 2024 to 30 June 2024, the price of Asseco BS's shares fluctuated between PLN 51.8 and 64.4. The top listing was recorded on 28 June 2024. At the close of the market session on 28 June 2024, the price of shares of Asseco Business Solutions amounted to PLN 64.4 and was 29.8 % higher than at the close of the first market session of 2024 when it was reported at PLN 49.6.

This year, the investors in Asseco Business Solutions have welcomed the decision of the Annual General Meeting, held on 16 July 2024, to pay a dividend of PLN 2.60 per share. The chart below shows the size of dividends paid in the years 2008-2023:



### 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 2024 and for a comparable period:

	6 months to 30 June 2024	6 months to 30 June 2023	Growth rate 6 mts 2024/ 6 mts 2023
Operating revenues	201,320	176,627	14.0%

Gross profit on sales	79,018	68,143	16.0%
EBIT	52,689	46,267	13.9%
EBITDA	72,393	63,827	13.4%
Net profit	47,126	39,789	18.4%

EBITDA = EBIT + amortisation/depreciation

In the first six months of 2024 the operating income of Asseco Business Solutions S.A. amounted to PLN 201,320 thousand and were 14.0 % 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 12.4%. The largest share in the Company’s operating expenses (69.6%) was allocated to employee benefits (primarily salaries). Compared with the first six months of 2024, these expenses grew by 11.3%. Another important cost item was the external services which grew by 18.6%.

The net profit of Asseco Business Solutions realised in the first six months of 2024 closed at PLN 47,126 thousand, compared with PLN 39,789 thousand earned in the comparable period of 2023 (up by 18.4%).

EBITDA rose by 13.4% from PLN 63,827 thousand to PLN 72,393 thousand.

#### Segment-by-segment analysis

The Company classifies its revenues by segments: ERP systems and unallocated revenue. In the first six months of 2024, the ERP segment revenues were 12.0 % higher than in the comparable period while the overall segment gains on sales increased by 12.5%.

Receipts from sales by segment	6 months to 30 June 2024	6 months to 30 June 2023	Growth rate 6 mts 2024/ 6 mts 2023
ERP systems	188,699	168,458	12.0%
Unallocated	12,621	8,169	54.5%
	201,320	176,627	14.0%

Profitability ratios

	6 months to 30 June 2024	6 months to 30 June 2023
Gross margin on sales	39.2%	38.6%
EBITDA profit margin	36.0%	36.1%
Operating margin	26.2%	26.2%
Net margin	23.4%	22.5%
Return on equity (ROE)	13.9%	12.3%
Return on assets (ROA)	8.6%	9.0%

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 2024 was PLN 6,693 thousand and was lower by PLN 46,985 thousand compared with 31 December 2023. The decrease in working capital is attributed to a rise in current liabilities by PLN 89,253 thousand. The rise is mainly due to an increase in liabilities for dividends declared but unpaid. The dividend day is 16 July 2024. This fact also drove the decline in liquidity ratios.

Liquidity ratios	6 months to 30 June 2024	12 months to 31 December 2023
Working capital (in PLN thou.)	(6,693)	40,292
Current ratio	0.96	1.58
Quick ratio	0.93	1.56
Super quick ratio	0.55	0.77

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 2024	share in balance sheet total	31 December 2023	share in balance sheet total
Non-current assets	393,960	72%	383,654	78%
Current assets	151,833	28%	109,565	22%
<b>TOTAL ASSETS</b>	<b>545,793</b>	<b>100%</b>	<b>493,219</b>	<b>100%</b>

LIABILITIES	30 June 2024	share in balance sheet total	31 December 2023	share in balance sheet total
Total equity	339,491	62%	379,260	77%
Long-term liabilities	47,776	9%	44,686	9%
Short-term liabilities	158,526	29%	69,273	14%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>545,793</b>	<b>100%</b>	<b>493,219</b>	<b>100%</b>

As at 30 June 2024, the total assets of the Company amounted to PLN 545,793 thousand, which is a growth by 10.7% compared with 31 December 2023.

The Company's main asset component is non-current assets, which account for 72.2 % of the balance sheet total. Among them, intangible assets are the key item (mainly goodwill) amounting to PLN 293,702 thousand. The share of this item in total assets is 53.8%. This is a rather standard situation among tech companies whose greatest asset is knowledge and intangible assets.

As at 30 June 2024, the Company's equity amounted to PLN 339,491 thousand (62.2% of liabilities).

As at 30 June 2024, the Company had a long-term lease liability of PLN 44,874 thousand (a property lease of PLN 44,874 thousand) and a short-term lease liability of PLN 8,479 thousand (totalling 9.8% of liabilities) (including a property lease of PLN 8,418 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 2023.

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** 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 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 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.

**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. 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 price drop**

The payment of dividend by the Company depends on many factors. Among them, there are operating results, financial standing, and cash requirements in the future. The intention of the Management Board is to allocate part of the earnings to dividends payable in the future. However, the Company cannot guarantee the amount of expected payments, and whether the payments will be executed 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 Company's shares may fluctuate in the future, and investors may not be able to have their investment outlays returned.

## **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 2024:

- Astra Coffee And More Sp. z o.o. – implementation and maintenance of Connector by Asseco;
- Syngenta Polska Sp. z o.o. – implementation and maintenance of Connector by Asseco;
- Polmlek Sp. z o.o. – implementation and maintenance of Connector Platform by Asseco and an agreement to implement and maintain Mobile Touch by Asseco;

- BREMBO Poland Manufacturing – implementation of Xpertis ERP by Asseco;
- OLMET PRZEMYSŁAW OLEŚ SPÓŁKA KOMANDYTOWA – implementation of Merit ERP by Asseco;
- PORTOS TR7 Sp. z o.o. – implementation and maintenance of Softlab ERP by Asseco and Softlab WMS by Asseco;
- Tryumf Sp. z o.o. – implementation and maintenance of Softlab WMS by Asseco. And an agreement to implement and maintain Connector B2B by Asseco and its integration with a sales system;
- Dr. Max Sp. z o.o. – an agreement to implement and maintain Softlab ERP by Asseco;
- UTA Sp. z o.o. – an agreement to implement and maintain Softlab ERP by Asseco;
- Selsey Sp. z o.o. – an agreement to implement and maintain Softlab ERP by Asseco;
- JOTUL POLAND Sp. z o.o. – an agreement to implement Merit HR by Asseco;
- Bank Millennium S.A. – an agreement to implement Faktor by Asseco;
- Perrigo Poland Sp. z o.o. – an agreement to comprehensive maintenance of Connector Platform by Asseco;
- FoodWell Sp. z o.o. – an agreement to comprehensive maintenance of Connector Platform by Asseco.

## 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 95.12% 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 2.13 to the Interim Condensed Financial Statements for the Six Months Ended 30 June 2024.

## 10. Concluded or terminated loan agreements

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

## 11. Granted 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 2024.

### **14. Proceeds from the issuance of shares**

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

### **15. Information on control of employee share schemes**

On 27 June 2024, the Annual General Meeting of Asseco Business Solutions S.A. resolved to establish an Executive Share Scheme for the Members of the Management Board and key executives of the Company for the period 2024-2026. The scheme will span three financial years of the Company, i.e. 2024-2026, subject to the condition that it will have been completed by 31 December 2027. The goal of the scheme is to create incentives for the Management Board Members and Company's key executives to pursue the Company's strategy and commit to the Company's business and interest on a long term, which should be conducive to the Company's operational efficiency, financial performance, and stability as a going concern. The shares for the participants of the scheme will come from the pool of own shares previously acquired by the Company as mandated by the General Meeting of Shareholders in Resolution No. 20 of the Company's Ordinary General Meeting of 27 June 2024 concerning a mandate to the Company's Management Board to acquire own shares and to create a reserve capital of PLN 60,500 thousand. As at 30 June 2024, the Executive Share Scheme has not yet commenced, as the share buy-back has not been carried out and the detailed terms and conditions of the scheme regulations are not known.

### **16. 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 2024.

### **17. 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.

### **18. 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 are

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,
- changing 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 risk of postponement by the Ministry of Finance of the decision to make the use of the National e-Invoicing System obligatory for all entrepreneurs;
- 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,
- risk of increased labour costs,
- 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,
- 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,
- the capacity to adapt products to changing legislation,

- risk related to misestimation of the scope of project effort,
- 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.

### 19. 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 has triggered inflation and has led to a volatile economic situation and an increase in interest rates. The changes do not affect the Company’s results.

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 if the military conflict in Ukraine continues and keeps undermining the national and global economies, the situation will 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.

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

### 21. 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.

### 22. 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.

### 23. Shareholding structure

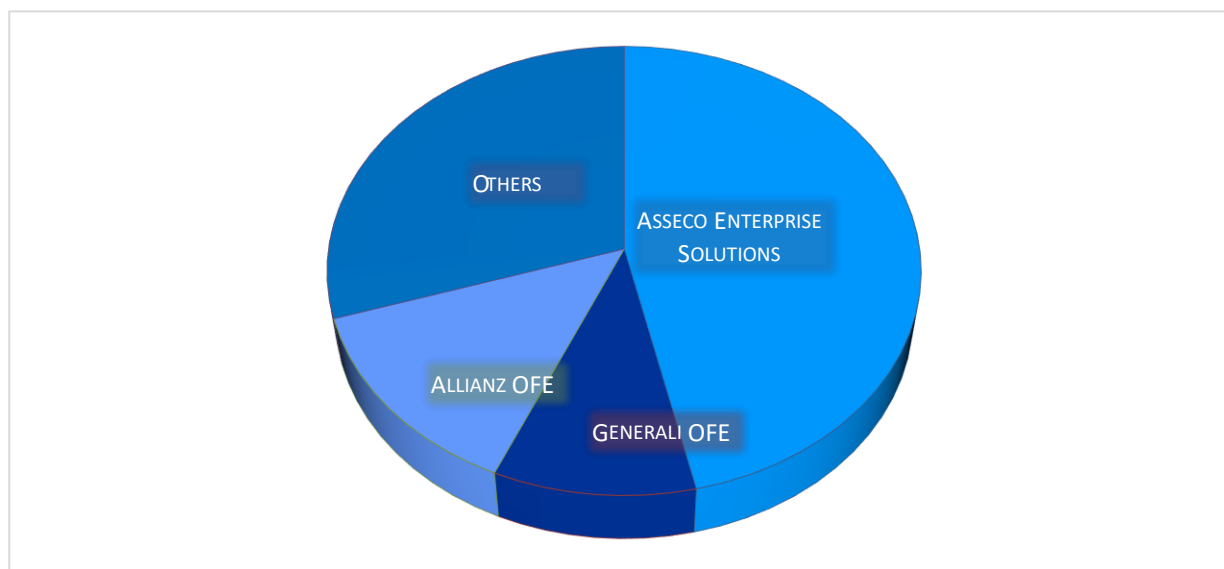
To the best knowledge of the Management Board of the Issuer, that is, on 1 August 2024, and based on the notification of changes in the shareholding received later, the shareholders of Asseco Business Solutions S.A. holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting on the day of 25 July 2024 are as follows:

Shareholder	Number of shares held	Shareholding	No. of votes	% in the total number of votes at GM
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Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Allianz Polska Otwarty Fundusz Emerytalny managed by Powszechne Towarzystwo Emerytalne Allianz Polska S.A.	4,521,436	13.53%	4,521,436	13.53%
Generali Powszechne Towarzystwo Emerytalne S.A.	3,360,531	10.06%	3,360,531	10.06%
Other shareholders	10,007,656	29.94%	10,007,656	29.94%
	<b>33,418,193</b>	<b>100.00%</b>	<b>33,418,193</b>	<b>100.00%</b>

As at 30 June 2024, the shareholding structure was:

Shareholder	Number of shares held	Shareholding	No. of votes	% in the total number of votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Allianz Polska Otwarty Fundusz Emerytalny managed by Powszechne Towarzystwo Emerytalne Allianz Polska S.A.	4,528,357	13.55%	4,528,357	13.55%
Generali Powszechne Towarzystwo Emerytalne S.A.	3,360,531	10.06%	3,360,531	10.06%
Other shareholders	10,000,735	29.92%	10,000,735	29.92%
	<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 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 2024		31 December 2023	
	number of shares	% share	number of shares	% share
	held	in shareholding	held	in shareholding
Executive persons				
Wojciech Barczentewicz	-	-%	500,000	1.50%
Piotr Masłowski	-	-%	745,063	2.23%
Jacek Lisowski	44,581	0.13%	44,581	0.13%
Mariusz Lizon	-	-%	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%
<b>TOTAL</b>	<b>487,231</b>	<b>1.46%</b>	<b>1,915,294</b>	<b>5.73%</b>

On 13 June 2024, the Vice-president of the Management Board, Piotr Masłowski, and Fundacja Rodzinna Rodziny Masłowskich w organizacji, as an entity closely related to a Company executive, notified the Company of transactions carried out on the Company's shares. Following the transaction, 745,063 shares representing 2.23% of the Company's share capital and carrying the right to exercise 745,063 votes representing 2.23% of the total number of votes at the Company's General Meeting of Shareholders, held by Vice-president of the Management Board Piotr Masłowski, became the property of Fundacja Rodzinna Rodziny Masłowskich w organizacji.

On 17 June 2024, the Member of the Management Board, Mariusz Lizon, and Lizon Fundacja Rodzinna w organizacji, as an entity closely related to a Company executive, notified the Company of transactions carried out on the Company's shares. Following the transaction, 183,000 shares representing 0.55% of the Company's share capital and carrying the right to exercise 183,000 votes representing 0.55% of the total number of votes at the Company's General Meeting of Shareholders, held by the Member of the Management Board, Mariusz Lizon, became the property of Lizon Fundacja Rodzinna w organizacji.

On 18 June 2024, the President of the Management Board, Wojciech Barczentewicz, and Wojciech Barczentewicz Fundacja Rodzinna w organizacji, as an entity closely related to a Company executive, notified the Company of transactions carried out on the Company's shares. Following the transaction, 500,000 shares representing 1.5% of the Company's share capital and carrying the right to exercise 500,000 votes representing 1.5% of the total number of votes at the Company's General Meeting of Shareholders, held by President of the Management Board Wojciech Barczentewicz, became the property of Wojciech Barczentewicz Fundacja Rodzinna w organizacji.



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