

**Report of Supervisory Board Asseco South Eastern Europe S.A for the year 2021**  
**(„Report”)**

This Report of the Supervisory Board („Supervisory Board”) incorporates:

1. *Report on assessment of the Management Board report on the activity of the Company and ASEE Capital Group in the year 2021 and assessment of financial statements of the Company and ASEE Group for the year 2021 as well as the assessment of the Management Board profit-sharing proposal in the year 2021 for submission to the general meeting in accordance with Article 382 § 3 of the Commercial Companies Code.*
2. *Report on the activity of the Supervisory Board in the year 2021 prepared pursuant to principle 2.11 of „Best Practice for WSE Listed Companies 2021” („Best practices”) containing:*
  1. *Information on the composition of the Supervisory Board and its committees, in accordance with principle 2.11.1 of the Best Practices.*
  2. *A summary of the activities of the Supervisory Board and its committees, in accordance with principle 2.11.2 of the Best Practices.*
  3. *Assessment of the Company's situation on a consolidated basis, in accordance with principle 2.11.3 of the Best Practices.*
  4. *Assessment of the Company's compliance with the corporate governance principles, in accordance with principle 2.11.4 of the Best Practices.*
  5. *Assessment of the rationality of expenditures referred in principle 1.5 of the Best Practices, in accordance with principle 2.11.5 of the Best Practices.*
  6. *Information on the status of implementation of the diversity policy referred to in principle 2.1 of the Best Practices, in accordance with principle 2.11.6 of the Best Practices.*

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**1. Report of the Supervisory Board about assessment of the Management Board report on the activity of the Company and ASEE Capital Group. in the year 2021 and assessment of financial statements Company and ASEE Capital Group for the year 2021 and also the Management Board profit-sharing proposal for submission to the General Meeting.**

Supervisory Board of the Company Asseco South Eastern Europe S.A. Acting pursuant to Article 382 § 3 of the Commercial Companies Code of 15 September 2000 (Journal of Laws of 2000 No. 94, item 1037, as amended) and § 13 Section 12 Item 1)-3) of the Company's Articles of Association, evaluated the following: the standalone financial statements Company for a year 2021 with the auditor's report, consolidated financial statements of Company Capital Group for a year 2021 with the auditor's report, and report of the Management Board's activities Company and Capital Group in the year 2021.

The subject of the examination and assessment was:

1. Financial Report of Asseco South Eastern Europe S.A. with registered seat at Rzeszów for the calendar year ended 31 December 2021, including:
  2. The balance sheet prepared at 31 December 2021, showing total assets and liabilities of **PLN 748,386 thousand**,
  3. Profit and loss account for the period from 1 January 2021 to 31 December 2021 showing a net profit of **PLN 100,371 thousand**,
  4. Statement of changes in equity for the period from 1 January 2021 to 31 December 2021, showing an increase in equity by **PLN 68,792 thousand**,
  5. Cash flow statement for the period from 1 January 2021 to 31 December 2021 showing a net increase in cash of **PLN 1,651 thousand**

and

- additional information and explanations.

6. Consolidated financial statements of ASEE Capital Group, in which the parent company is Asseco South Eastern Europe S.A. with registered seat at Rzeszów, including:
  - Consolidated balance sheet prepared at 31 December 2021, showing total assets and liabilities of **PLN 1,511,394 thousand**,
  - Consolidated profit and loss account for the period from 1 January 2021 to 31 December 2021 showing a net profit of **PLN 155,122 thousand**, including **PLN 150,329 thousand** for shareholders of the Parent Company,
  - Consolidated statement of changes in equity for the period from 1 January 2021 to 31 December 2021 showing an increase in equity of **PLN 58,381 thousand**,
  - Consolidated cash flow statement for the period from 1 January 2021 to 31 December 2021 showing a decrease in net cash by **PLN 22,493 thousand**.

and

- additional information and explanations.

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7. Report of the Management Board on the Company and ASEE Capital Group activities in the year 2021.

After analysis the Supervisory Board concludes that the standalone financial statements and the consolidated financial statements of ASEE Capital Group, and the Management Board's report on activity of the Company and the Capital Group for the year 2021 are consistent with the books and documents, and with the factual state. The Supervisory Board also gives its positive opinion on the motion of the Management Board concerning distribution of profit from activity in the year 2021.

The Supervisory Board recommends that the General Meeting approve them and grant the President of the Management Board Piotr Jeleński and Members of the Management Board, Marcin Rulnicki, Michał Nitka, Miljan Malis and Kostadin Slavkoski discharge in respect of the performance of their duties in the year 2021.

The Supervisory Board also assessment the conclusion of the Management Board Asseco South Eastern Europe S.A. regarding the distribution of profit from activity for the year 2021 in the amount of **PLN 100,370,509.48** (in words: one hundred million three hundred and seventy thousand five hundred and nine zloty fourty eight groszy), as follows:

- a) The amount of **PLN 8,029,640.76** (in words: eight million twenty-nine thousand six hundred and forty zloty and seventy six groszy) will be allocated for increasing the supplementary capital
- b) The amount of **PLN 66,424,641.28** (in words: sixty-six million four hundred and twenty-four thousand six hundred and forty-one zloty and twenty eight groszy) shall be distributed to all shareholders of the Company, for the payment of dividend in the amount of **PLN 1.28** (say: one zloty and twenty eight groszy) per one share of the Company
- c) The remaining part of the profit from the year 2021 in the amount of **PLN 25,916,227.44** (in words: twenty-five million nine hundred sixteen thousand two hundred twenty-seven zloty and fourty four groszy) will be allocated to the reserve capital created by Resolution No. 7 of the Ordinary General Meeting of the Company dated 31 March 2016 for the purpose of paying dividends in future years and financing the Company's investments.

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**2. Report Supervisory Board of the activity in the year 2021 prepared pursuant to principle 2.11 „Best Practice for WSE listed companies 2021” („Best Practices”) containing:**

- 1. Information on the composition of the Board and its committees with indication, which of the Board Members fulfills the independence criteria set out in the Act of 11 May 2017 about certified auditors, auditing companies and public supervision, as well as which of them do not have any actual and significant relationship with a shareholder holding at least 5% of the total number of votes in the company, as well as an information on the composition of the Supervisory Board in terms of its diversity;*

In the year 2021 Supervisory Board Asseco South Eastern Europe S.A. was in the following composition:

Jozef Klein	- Chairman of the Supervisory Board
Adam Góral	- Vice Chairman of the Supervisory Board
Artur Kucharski	- Member of the Supervisory Board
Adam Pawłowicz	- Member of the Supervisory Board
Jacek Duch	- Member of the Supervisory Board

The Supervisory Board acting pursuant to Art. 129 of Act on Statutory Auditors, Audit Firms and Public Supervision and § 14 of the Supervisory Board Statute have made the estimation of fulfilment of requirements for the Audit Committee, as follows:

1. the independence criteria are met by Adam Pawłowicz and Artur Kucharski, who at the same time has knowledge and skills in the field of auditing financial statements,
2. all members of the Audit Committee have knowledge of the industry in which Asseco South Eastern Europe S.A. operates.

*2. Summary of activities of the board and its committees;*

In the year 2021 Supervisory Board have conducted permanent supervision of the ongoing activities of the Company, in connection with performance of its supervisory powers the Supervisory Board held six meetings.

Significant area of the Supervisory Board activities in 2021 was to assess the current results of the Company, realization of the budget by the Management Board and to analyse the Company's strategy in all directions of its activity. The Management Board regularly informed the Supervisory Board of the feasibility of achieving the planned strategic objectives of the Company, as well as financial results of the Company. Individual objectives and strategic intentions of the Company were reported and discussed during the meetings between members of the Supervisory Board and the Management Board of the Company and have been approved by the Supervisory Board. The Supervisory Board received detailed information and explanations on the state and perspectives of cooperation with companies under the holding company and within the Capital Group and on the results of Company's subsidiaries.

In addition, the Supervisory Board finds that the situation of the Company in the year 2021 must be assessed by prism of the purpose for which the Company was formed, which is building a holding structure, which gather information technology companies from countries in the Central and Eastern

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Europe. The intention is to make as the main source of the Company's revenues dividends paid by Company's subsidiaries.

The Supervisory Board confirms the continuation of the very good cooperation with the Management Board of Asseco South Eastern Europe S.A.

In the year 2021, five meetings of the Audit Committee were held, during which the Audit Committee performed the tasks set out in Article 130 of the Act on Statutory Auditors, Audit Firms and Public Supervision. In addition, in connection with the adoption by the Audit Committee of the Work Plan for Year 2021, which describes in detail the scope of topics to be discussed at each meeting, the Audit Committee also realised the issues contained in the Work Plan.

The Audit Committee of Asseco South Eastern Europe S.A. held meetings with the auditor of Deloitte Audit Spółka z ograniczoną odpowiedzialnością sp. k. before publication of the financial results for the financial Y2020 and HY2021, during which representatives of Deloitte presented a summary report on the audit of the financial statements of the Company and Asseco South Eastern Europe Capital Group. All significant issues related to the financial statements have been discussed. Furthermore, during the meeting prior to publication of the annual financial statements, the auditor presented an additional report to the Audit Committee.

The Audit Committee, taking into account the statements of the audit firm and the statutory auditors, concluded that the audit firm and the persons carrying out the review of the condensed semi-annual financial statements of the Company and the Group for Y2020 and HY2021 met the independence requirements.

Furthermore, the Audit Committee assessed the audit process as independent, due to the fact that the auditor met the conditions for expressing an unbiased and independent opinion on the audit, in accordance with relevant national law and professional standards.

In addition, the Audit Committee verified the process of preparing financial statements and the effectiveness of key procedures to ensure that financial statements as well as management and financial reports are prepared properly and contain reliable data. In addition, the Audit Committee reviewed issues covered by the risk management process affecting the Company's financial reporting process. The Audit Committee concluded that its assessment of the financial statements was consistent with that of the Auditor.

During the meetings of the Audit Committee, prior to the publication of the financial results for the first and third quarter of 2021, the members of the Audit Committee acquainted themselves with the financial statements and the members of the Management Board answered additional questions of the Audit Committee.

Additionally, the Audit Committee reviewed the status of internal control, risk management and compliance including the status of implementation of corrective actions. Important matters related to internal control were pointed out, including its objectives, its participants. The structure of the internal control system was discussed. The role of the introduced document standardization and automation of processes and documents as well as the great role of IT tools support were emphasized.

Due to the lack of a separate dedicated team in the organizational structure of the Group and Group Companies, compliance tasks are currently performed by local legal teams (or by external teams if no in-house resources are available). The scope of compliance activities also includes the Internal Audit Manager.

The Committee pointed out that it is advisable to analyse the solutions used with a view to optimising the functioning of compliance in the business sense (possibly appointing a Compliance Officer), as well as securing customers with regard to compliance with the regulations applicable to them (the need to monitor the Company's compliance with such regulations) and adjusting its own offer.

The Audit Committee also reviewed dividend policy, promotional and marketing expenditures and sponsorships, consulting and legal costs, and tax issues.

The Audit Committee was engaged in monitoring the effectiveness of internal systems, including compliance and internal audit. To this end, the Audit Committee approved the audit plan for 2021 and then, during regular meetings with the Internal Audit Manager, reviewed the presented methodology for conducting audit work, its results, risk map, and non-audit activities. Internal Audit Department was also engaged in supporting ASEE's subsidiaries in various areas, such as identification of potential risks, definition of appropriate mitigating measures, GDPR, compliance issues, due diligence processes or business continuity management.

As part of its deliberations, the Audit Committee also analyzed periodically prepared by the Internal Audit Manager updates on the status of the implementation of corrective measures in the area of internal audit. The Audit Committee verified the Company's exposure to various risks, the methods of identifying and monitoring these risks and the actions undertaken by the Management Board in order to reduce their impact on the Company's operations. Following this verification, the Audit Committee assessed the Internal Audit Manager as an independent.

The subject of the Audit Committee meeting was also the analysis of the update of the work on the development of the risk management area in the Companies ASEE Capital Group. The Audit Committee also reviewed the compliance system, promotional and marketing policy, sponsorship policy, dividend policy, and reviewed disputes and insurance in the ASEE Group.

The Audit Committee found the Company's risk management and risk management systems are effective.

3. *An assessment of the company's situation on a consolidated basis, including an assessment of the internal control systems, risk management, compliance and the internal audit function, with information on the actions that the Supervisory Board has taken to make this assessment; this assessment shall include all relevant controls, including in particular those relating to reporting and operations;*

Creating the assessment of the Company's situation, it should be emphasized that the Company is the parent company of the Asseco South Eastern Europe Group (ASEE Group) and its main area of activity is holding activities. Considering the above, the assessment of the Company's financial situation should be made through the prism of the operations of the entire ASEE Group.

The Supervisory Board positively assesses the situation of the Company and the ASEE Group, in particular taking into account the following data.

The sales revenues of the ASEE Group for 2021 expressed in PLN once again amounted to over a billion PLN, to be exact PLN 1,146.6 million. This means an increase by PLN 120,2 milion, almost 12% compared to the previous year. The operating profit in the same period increased by PLN 36,3 milion (25%) and reached the level PLN 181,1 milion. Net profit attributable to equity holders of the parent in 2021 amounted to PLN 150.2 million, which mean increase by PLN 34.2 million (32%) compared to 2020. EBITDA achieved in 2021 amounted to PLN 258.3 million compared to PLN 222.9 million last year (up by 16%).

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Such a significant improvement in financial results as compared to the previous year was due to the increased scale of operations in all three segments and improved efficiency in the Payment Sector segment and the Dedicated Solutions segment. Better results of the ASEE Group is primarily due to organic growth and, to a lesser extent, completed acquisitions.

During the years 2020 and 2021, the ASEE Group closed a number of acquisitions. The impact of newly acquired companies on the ASEE Group's financial performance in 2021, computed as the difference between their impact on the Group's consolidated financial results in 2021 and 2020 for the periods subject to consolidation, amounted to EUR 6.9 million in revenues, and EUR 1.3 million in operating profit, and EUR 1.8 million in EBITDA.

Sales of the Payment Solutions segment in 2021 amounted to EUR 115,3 milion, which means an increase of EUR 12,5 milion (12%) compared to the same period last year.

The largest increase in sales (EUR 4,4 milion) was recorded by the line of the segment responsible for the maintenance of payment terminals.

Sales growth was also recorded by the lines responsible for sales to retail customers (independent terminal network IPD and electronic cash registers ECR). The year 2021 was also much better for the independent MoneyGet ATM network, which in the part focused on serving tourist traffic (Croatia, Montenegro and Albania) benefited from the recovery in tourist volumes that occurred in 2021.

The increase in sales of the line offering eCommerce solutions was primarily due to the growing volume of transactions processed by Payten Turkey and revenues from the payment gateway offered by Monri Croatia, whose revenues increased by nearly 50%. However, growth expressed in EUR was weighed down by the weakening of the Turkish lira, which resulted growth expressed in EUR was nearly 80% lower than that expressed in lira.

Operating profit for the Payment Solutions segment increased by EUR 4.9 million (34%) and in all 2021 year reached value EUR 19.4 million. Higher profits were recorded by all segment lines except the line responsible for ATMs, which generated a result at the same level as in 2020.

Value EBITDA of the Payment Solutions segment for 2021 amounted to EUR 32.0 million, an increase of EUR 4.1 million (15%) over the previous year.

The Banking Solutions segment in 2021 recorded sales of EUR 51.5 million which means an increase of EUR 5,1 milion (11%) compared to the previous year. The increase in revenue was primarily in the segment line offering multichannel and security solutions. In 2021, mainly in the first quarter, there were large one-off sales of licenses for central banking systems and other software and multichannel systems, which together generated approximately EUR 3.5 million in revenue in Serbia, Croatia and Bulgaria. In addition to licenses, also increased revenue from system implementations and maintenance services mainly in Serbia.

The segment's operating result at the end of December 2021 was almost EUR 13,1 milion, which means an increase of EUR 1,3 milion (11%). Higher EBIT was recorded by the segment's offers central banking systems and other software primarily through the Serbian operation, and security solutions primarily through the Croatian operation.

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Higher operating profit of the Banking Sector segment has increased value of EBITDA. In the year 2021 it amounted to nearly EUR 15.7 million, which means an increase of EUR 1.4 million (9%) compared to last year.

Sales of the Dedicated Solutions segment in whole 2021 amounted to EUR 83.7 million, which means an increase of EUR 3.5 million (4%) compared to the previous year. Higher revenues were achieved by the segment responsible for sales of proprietary dedicated solutions; whereas, revenues were lower in the line responsible infrastructure and for third party solutions. In own solutions, growth was achieved mainly due to the sale of BPM solutions in Croatia and Serbia and, to a lesser extent, due to increasing BPO services in Western Europe and Latin America.

The operating profit of the Dedicated Solutions segment in all year 2021 amounted to EUR 7 million and was EUR 1.0 million (17%) higher than in the previous year. The higher EBIT is the result of scale growth and efficiency improvements in Croatia, Turkey and Spain.

The EBITDA of the Dedicated Solutions segment achieved in 2021 amounted to EUR 8.8 million, increasing by EUR 1.2 million (15%) compared to the previous year.

ASEE Group's consolidated net profit for 2021 amounted to EUR 33.9 million, more than EUR 7.6 million (29%) than previous year, which is higher than the increase in operating profit. The result on financial activities in 2021 was EUR 2.6 million, compared to EUR -0.9 million in the same period last year. The profit increase year-to-year (EUR +3.5 million) are mainly due to foreign exchange gains recognized on the valuation of dollar assets held by Turkish companies. This is related to the depreciation of the Turkish lira, which occurred in 2021 and accelerated in the fourth quarter. The result of the revaluation of contingent liabilities from the acquisition of shares in subsidiaries increased by EUR 0.4 million, which is related to lower costs than in the comparative year resulting from the valuation of the liability for the contingent payment for the Turkish company Mobven. The Group also realized higher interest income, mainly in Turkey, and reduced interest expenses.

The effective tax rate in 2021 was 19.9%, which means that it increased by 3.3 percentage points compared with the previous year. The higher tax rate is mainly due to three reasons. The first is foreign exchange differences generated in Turkey, which with local regulations were taxed at a 25% income tax rate. This results in the increase of the effective tax rate by 1.0 percentage point. Furthermore, in the fourth quarter as part of the streamlining of the group structure was transfer of the Croatian company Monri Payments, which increased the tax rate by 0.6 percentage points. The third reason was the dividends received by the Holding Company from outside the European Union. The value of income from dividends from outside the EU in 2021 amounted to PLN 76.6 million, while in the corresponding period of 2020 it was PLN 32.7 million. Higher dividends generated higher tax expenses and increased the effective tax rate by 1.3 percentage points. Other changes resulted from operating activities and the geographical structure of the generated result.

Improvement of the ASEE Group results in recent quarters have increased in index ROE and ROA. Return on equity for the 12 months ended 31 December 2021 was 16.0%, an increase of 2.4 percentage points, while return on assets increased by 1.6 percentage points during the period to reach 10.4%.

The value of working capital at the end of December 2021 was PLN 174.4 million, which means a decrease of PLN 30.9 million as compared to the end of 2020.

During 2021, the value of current assets increased by PLN 18.7 million, mainly as a result of an increase in assets under customer contracts (by PLN 14.6 million), inventories (by PLN 8.7 million), accruals and deferred costs (by PLN 8.4 million), and other assets (by PLN 7.1 million). These increases were partially offset by decreases in cash and deposits (by PLN 18 million) and trade receivables (by PLN 2.0 million).

During the same period, current liabilities increased by PLN 50,0 million. The increase was primarily in other financial liabilities (by PLN 22,6 million), liabilities under agreements with customers (by PLN 19,2 million), bank credits and loans (by PLN 16,0 million), other short-term liabilities (by PLN 11,9 million) and lease liabilities (by PLN 1,8 million). This was partially offset by a decrease in the balance of trade payables (by PLN 21,9 million).

In conclusion, the Supervisory Board positively evaluates the financial results and operational activities conducted by the Company and the ASEE Capital Group.

The Supervisory Board positively evaluates the system of internal control, the system of management of risk significant to the Company, compliance system and internal audit function.

In the Supervisory Board's opinion, the existing system of internal control, risk management, compliance and internal audit function are effective and implemented solutions to enable to identify the types of risks significant to the Company, manage them and estimation of their acceptable level. The system of internal control, management of risk, compliance and internal audit function is designed in a manner taking into account the types of risks connected with both the operating and holding activities of the Company.

The system of internal control is based on the mechanisms of risk control (included in bylaws, instructions, procedures, job descriptions of respective employees) and control exercised by employees. Key personnel is responsible for design, implementation and monitoring of an effective and efficient internal control system as well as for identification and review of any risk exposures. Responsibilities under the internal control and risk management systems, as adopted by ASEE S.A. in the process of preparing its financial statements, are performed by the Management Board, Supervisory Board, Audit Committee and other employees.

The Company has a separate internal auditor unit. Since 1 March 2018, this role is performed by Internal Audit Manager Simeon Sumanski, whose task is to review and evaluate the control mechanisms operating in the Company and the Group and to build a risk map.

In the Supervisory Board's opinion, the Management Board properly identified the types of risks significant to the Company and managed them effectively in a dynamically changing environment.

4. *Assessment Company's application of the principles of compliance and corporate governance and the manner of fulfilling information obligations concerning their application, as specified in the Stock Exchange Rules and regulations concerning current and periodical information provided by issuers of securities, with information about actions taken by the Supervisory Board in order to perform this assessment;*

The Supervisory Board gives positive assessment of the Company's manner of fulfilling disclosure obligations concerning the compliance with the corporate governance defined in the Stock Exchange Rules and the regulations on current and periodic reports published by issuers of securities.

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*5. Assessment of rationality of expenditures referred to in principle 1.5 of the Best Practices;*

The Supervisory Board has no reservations as to the rationality of the Company's expenditures on sponsorship activities, because it's marginal activity of the Company.

*6. Information on the degree of implementation the diversity policy with respect to the Management Board and the Supervisory Board, including the achievement referred in principle 2.1 of the Best Practices.*

Taking into account that the principle 2.1 is not applied and there is no diversity policy in Company, the Supervisory Board report on activity doesn't include information in this regard.