

Transcript from broadcast of Asseco's 2020 earnings conference call**Marek Panek – Vice President of the Management Board, Asseco Poland (MP):**

In this introduction by Adam it has already been mentioned a couple of times how good this previous year was for us, I am talking here about 2020, which we are now officially closing. Indeed, it was good. My role will be to show you some figures and some facts proving it. I will start traditionally with a slide summarizing the whole year. I will draw your attention to some important facts. I suppose you have already seen the numbers in the report, and I think we can all have reason to be pleased here, because they are simply impressive, especially considering what a difficult time we had to live and work in. We feel really great satisfaction, because firstly the figures are high, and secondly we observe dynamic growth versus last year. We will return to these figures in a moment. However, I would like to emphasize here what the main drivers of our growth were. It certainly helped us that our business is based on our proprietary software and services. We offer things that are necessary even in times of the pandemic, and this goes without saying. We have also been a little lucky, but we are happy because our customers appreciate what we do and they use our products and services consistently all the time. The second point that we have always emphasized and has become even more important in the face of the pandemic is the diversification of our business and the fact that we are not dependent on one country, sector or product. Our business is so diversified that even if we have a slightly weaker period in some place for a while, and such cases occurred precisely in connection with the pandemic, we are able to make up for it in other places, which in turn grew very dynamically. The third point is that in the face of the pandemic, customer interest in some of our products has also increased. I am talking about remote working solutions, digital signature and cyber security. These are areas in our product portfolio that have become particularly important and have grown very rapidly.

Turning to the numbers, you see on the screen the basic financial parameters of 2020. Sales revenues increased by 14% to reach PLN 12.9 billion. We are approaching PLN 10 billion in revenues from proprietary software and services. Last year we did not exceed this value, although we were close, generating – after 11% growth – over PLN 9.6 billion. EBITDA amounted to over PLN 1.9 billion, representing a 19% growth. We generated nearly PLN 1.5 billion in non-IFRS operating profit – a very dynamic growth of 23%. Non-IFRS net profit amounted to PLN 454 million and was higher by 24% y/y. We feel great satisfaction with these numbers, considering the circumstances that accompanied their achievement, i.e. the time of the pandemic, which was not easy for anyone.

We traditionally show charts that highlight sector diversification, that is, a breakdown of the main sectors in which we operate: general business, banking and finance, public institutions. On the bar charts you can see how sales have been distributed, growing over the last few years.

Here we have a similar chart, i.e. the division of our sales by geographical segments in which we operate. The Polish segment represents, you could say, only 12%, but this is a consequence of our international growth, which is helping us a lot today. The other two segments: Formula Systems and Asseco International account for 62% and 26% of sales respectively.

Now we see an analogous slide showing the distribution of non-IFRS operating profit by segments: Asseco Poland – 16%, Formula Systems – 57% and Asseco International – 27%.

Let's now have a look at each segment, as we have been usually doing. On the right-hand side you can see a pie chart and the distribution of sales by segments along with the sales increases that we recorded there. Let me start

with Poland, where we have 18% growth. I will highlight two points. The first is really significant revenue growth in the public institutions and general business sectors, mainly in utilities and telecommunications. I will comment on that later in the presentation. Secondly, I would like to highlight the growth in sales of security and trust services which reached over 30%. We see really very strong customer interest in these areas, which is certainly to some extent related to the pandemic and the need to pay attention to these aspects. In the Formula Systems segment we have a 15% increase in sales. Let me remind you that about 25% of this growth is related to foreign exchange differences, while the remaining 75% is organic growth and growth through acquisitions. There can be only one comment on Formula Systems – that this group has been developing very well for years and we have always recorded growth. Practically all companies in this segment are doing well and growing their businesses. We are full of admiration for Guy for the way he leads the Formula Group. Finally, there is Asseco International, where we reported a 10% increase in sales. We would like to highlight what took place in Asseco South Eastern Europe. Probably some of you have listened to Piotr Jeleński and you know very well that our payments segment has been developing very well. Also in banking, let's call it traditional software sales to banks, 2020 was a very successful year. We are pleased with the sales of our ERP solutions, with which we still have very high hopes. We will also return to this topic. Finally, we would like to emphasize the dynamic of sales growth of our companies in Spain, Denmark and Lithuania. In Spain this was largely thanks to the pandemic and the sales of remote working solutions.

A quick glance at the sectors we operate in. We will start with banking and finance. Across the whole Group we exceeded PLN 4.4 billion in sales and that marked a 9% growth. The largest contributor is the Formula Group. Sapiens deserves special mention, as the company grew at the highest rate. 2020 was a really good year for Sapiens, which saw significant revenue growth. It acquired many new customers, both in America and Europe. It made a number of successful acquisitions led by the biggest one which has yet to have any material impact on results as it took place in Q4 2020. Sapiens bought the Danish company Tia, which has long been active on the market of software developers for the insurance sector. This is yet another step towards reinforcing Sapiens's position in Europe. While speaking of the Formula Group, we should not forget about Matrix IT, which has for years implemented projects for Israel's largest banks (Leumi, Hapoalim). This is a long-lasting and close cooperation which obviously results in substantial revenues. I have already mentioned Asseco South Eastern Europe – Payten, banking. A very good year for this group. We are pleased with the development of Asseco Central Europe in the insurance sector. This is a new opening for our insurance system StarINS. We have signed several new, interesting contracts, even international ones. For example, we provide IT services to an international insurance group that operates in Luxembourg and Switzerland. We should also comment on the results of Asseco Poland. Although the results are flat we are extremely satisfied with them because we had a large base in 2019. And we were able to maintain it. This is a really big success. The high base was related to an exceptional 2019, in which we implemented a lot of changes resulting from regulatory amendments. The banking market in Poland is going through a difficult period and not everyone is investing IT as much as they did in the past. Taking that into account, we have to appreciate the fact that we were able to generate PLN 440 million in revenues. I would also like to emphasize that we are strongly focused on exporting our Polish solutions. We have already completed several projects abroad. I have talked about them from time to time, so I will not repeat their names now. Together with the adesso company, with which, as you remember, we established a joint venture last year, we are still working on the German market. We are hoping that the first potential projects will appear there.

As far as the general business sector is concerned, at the Group level we generated revenues in excess of PLN 4.7 billion, representing a 17% increase. In the Formula Systems segment, Matrix IT and Magic Software are the companies with the largest shares in the general business sector, which grew very dynamically. In Asseco

International we recorded an 18% growth and almost PLN 1.5 billion in revenues. Here I would like to emphasize the role of our ERP solutions which had a significant impact on these results. We are also pleased with the sale of remote work solutions by our subsidiary based in Spain. The growth there was in fact very dynamic. Finally, I will discuss Poland – the most dynamic growth of 21%. This has to do with the projects we conducted in the utilities sector and in telecommunications. Let me just remind you that 2019 was a difficult year for our telecommunications division because we finished a project with Huawei in Polkomtel and a project in Orange during that period. Last year, we rebuilt the position of our Telecommunications and Media Division mainly thanks to the cooperation with Cyfrowy Polsat and the launch of a major project there. There was also a lot going on in the utilities sector. We executed a large project in Tauron and we are still executing a very large project in PGNiG. In PGNiG everything is on the right track. We are currently conducting tests with the customer there.

In the public institutions sector we exceeded PLN 3 billion in sales, representing a 20% increase year on year. Traditionally, the largest contributor to this sector is the Formula Systems segment. The main company operating in this area within the Formula Group is Matrix IT, which is doing very well there. The 25% growth across the entire Formula Group is partly organic. Some new contracts have been signed, including a large contract with the Ministry of Education in 2019. The sales of remote working solutions, especially in Q1 and Q2 2020, also had an impact on the results presented. All this translated into such significant increases. We need to comment on the result in the Asseco International segment, which is flat year-on-year. This flat result is a big success for us, considering the difficult situation in the Slovak public sector last year. There was a change of government there and all projects were stopped, including those signed and in progress. It all looked quite pessimistic. We are happy because this has been partially rebuilt. The end of 2020 was already much better. Jozef did everything that was possible. He was able to unfreeze some projects that were stopped. He did a really big job and we are grateful to him for that. Once again, I would like to emphasize that such a result of the Asseco International segment is a great success for us. In the Asseco Poland segment we recorded PLN 657 million, after a 34% increase. We talked about it for three quarters and we expected it. This had to do with the large number of multi-million, multi-year contracts we signed in this sector in 2019. Let me just remind you of clients such as the National Health Fund, KRUS, ARiMR, the Ministry of Justice. This group was joined by the Social Insurance Institution (ZUS) – there was a development and servicing contract, contracts and annexes related to the development of this institution's systems to support the government's Anti-Crisis Shield program and the Polish Tourist Voucher. These COVID-linked projects were implemented under a very tight time regime. We are glad, because we fulfilled it very well. We received a lot of praise from ZUS for the hard work we did in 2020.

We have not stopped our acquisition activity. In 2020, 15 new companies joined our Group. On the following slides you can see their names with a brief description. I will not bore you and read it. For those interested – this presentation is available on our website. I am glad, because the most active players, when it comes to M&A, were companies of the Formula Group and Asseco South Eastern Europe Group. Of course, in other places as well, these acquisition processes are going on all the time.

We are taking care of the development of our international competence centers, which we have laboriously built, i.e. ERP, payments, insurance, among others. These are the places where we are already internationally visible with significant revenues. We do not forget about new areas where we have an ambition to grow and be visible. These numbers are already significant, i.e. cloud solutions – PLN 649 million, cyber security – PLN 257 million, robotics (industry 4.0) – PLN 69 million. These are good foundations to build a significant position in Europe.

Now I am presenting a slide that we do not usually show in our results presentations. This time we decided to show it. It is our "everyday life" and we often forget to present it to you. Business cooperation in our Group takes place all the time and it results in new projects. On the slide we are presenting a summary of the last 2 years. Thanks to the cooperation of the Group companies, we have submitted bids worth over PLN 1.6 billion. The value of won projects exceeded PLN 100 million. I am glad, because here a lot of things happen by themselves. Our companies come up with initiatives. They know where to look for products if they do not have them themselves. People know each other and are willing to cooperate. We also share references, competences and certificates of our employees. This is often important in public tenders, where we have to show a certain number of such formal documents. The fact that we benefit from the whole Group is really important.

At the end of my part I am presenting the order backlog. It is presented a little differently than before, because we limited it to proprietary software and services. This form of presentation is not because we do not want to show the entire order book, but because proprietary software and services are our most important segments, which translates into operating profit. In this area, we have a 13% growth compared to what we showed in the same period of 2020. The backlog exceeds PLN 7.6 billion, which allows us to look at 2021 with optimism. Although, on the other hand, the pandemic, that still does not want to end, requires from us to be cautious and keep watching what is happening.

Thank you and I turn the floor over to Rafał who will present the finance section.

Rafał Kozłowski – Vice President of the Management Board, CFO, Asseco Poland (RK):

Thank you, Marek. Traditionally, we will start with a slide that summarizes the profit and loss statement. Revenues amounted to PLN 12.2 billion in the whole of 2020. In Q4 alone, the dynamics was even better – revenues grew by 19%. Operating profit exceeded PLN 1.2 billion and a similar relation to the dynamics as in the case of revenues is observed here as well. The dynamics was much higher in the fourth quarter. Operating profitability in the whole of 2020 was improved and reached the level of 10%. These are the IFRS figures. I would still urge you to follow the non-IFRS figures, i.e. after adjustment for the amortization related to acquisitions, among other things. Then the numbers look slightly different – PLN 1.5 billion of non-IFRS operating profit (similar dynamics, 23% growth). Operating profitability in this case is 12%.

On this slide we can see the reconciliation between operating profit and net profit. Let's start with net profit, which amounted to PLN 402 million. This is a very good result. I would like to draw your attention to two elements. Going from the bottom of this slide, let's stop for a moment at the effective tax rate. I will talk about it on the next slide, but please notice that it is 1.5 p.p. lower on annual basis. Please note the level of financing activities – we have a couple of items whose cost is higher than the level observed a year ago – they include interest income, foreign exchange transactions and M&A transactions, respectively. Most of these amounts come from the Formula Systems segment, so our net profit is only affected to a limited extent. Interest income and foreign currency transactions are self-explaining items. Whereas, as far as M&A transactions are concerned, we are mainly talking about the revaluation of contingent payments. When we buy companies we assume a certain level of liability related to the expected results, and based on these results we usually build models of contingent payments. When these results are higher in the future than we originally expected, there is an effect of the difference between this liability that we assumed at the beginning and the liability actually performed. That is accounted for through the profit and loss statement and that is what is shown in this item. Interpreting this in business terms – the acquired companies performed better than we had originally expected.

Here we see the effective tax rate table which I have already mentioned. I will not go through it in great detail, but if there are additional questions, I kindly invite you to contact me directly. There are two segments worth noting. The first one is the Asseco Poland segment, where we see a noticeably lower rate. Let's focus please on the left side of the table, that is for 2020. We see that the effective tax rate improved in the Asseco Poland segment by almost 2 percentage points. This is mainly thanks to the application of reliefs that were introduced by the legislator: R&D and IP Box. We have already taken advantage of the R&D tax relief, so we are only slightly increasing its effect by applying it more broadly in our Polish companies. However, as far as the IP Box is concerned, apart from Asseco Business Solutions, Asseco Poland and Asseco Data Systems started to use this tax relief effectively only in 2020. This is a very interesting relief. I would like to remind you that the normal tax rate is 19%, while revenues generated from sales of proprietary products (property rights, software licenses) may be subject to a preferential rate of 5%. This is a very big difference. Of course, a curious listener might ask – why, if most of your income is based on your proprietary products, can't you apply such a rate in a wider scope? It's not that simple. It's fairly easily applied to boxed sales. For more complex, implementation projects where there are elements of training, modifications, etc., it's more complicated. However, we've learned how to do that. We have a number of requests for interpretation. In 2021, we will try to expand the set of projects where we will use this preferential rate. To sum up Asseco Poland – it seems that this 17.6% rate is something that can be expected in the future. Perhaps we will even improve it a bit. I would also like to draw your attention to the Western European market, the penultimate row in the table. Especially our companies in Spain also benefit from various reliefs. Spain is quite active when it comes to such preferences for companies like ours. We benefit from that. Finally, I would like to comment on the difference between the rate observed in Q4 2020 vs. the average rate for the whole year. This comes from the fact that the correct accounting, especially of the IP Box relief, is possible at the end of the year. We will consider whether we will sort of anticipate the expected effect in advance and reflect that in the profit and loss statement that will be prepared for each quarter.

I won't spend a lot of time on this slide because here most of the numbers are growing very nicely for us. It is prepared for the purposes of your financial models. If you have any detailed questions, feel free to ask them. We can see that all the segments – Asseco Poland, Formula Systems, Asseco International – are growing. We are very pleased with how it turned out. It is also worth mentioning that in the case of the Asseco Poland segment the presented growth is based primarily on organic activities. Whereas, in the Formula Systems segment such growth was split between organic operations, acquisitions and the impact of fx. To make it simple – at the level of sales revenues, organic growth represents ca. 25%, M&A-driven growth accounts for ca. 50%, while the remaining 25% are effects of foreign currency translation differences. At the operating profit level, these proportions are different – 50% of growth is attributable to organic operations, 30% to M&A and 20% to fx effects. In the case of the Asseco International segment, 40% of revenue growth is attributable to organic operations, while 20% of the increase is attributable to M&A. Whereas, at the level of operating profit 80% of growth in this segment results from organic activities.

Traditionally, we show cash flow in individual segments and in the whole Group. We see that the situation is very decent. You remember that for us the reference level is 80-100%. Then we believe that all is well. In the Asseco Poland segment this parameter is 85%. The fourth quarter greatly improved the cash flow for the whole year 2020. However, we need to remember that this year was very much a growth year. You remember the significant increases in revenues. As a result, some funds were accumulated in the form of working capital. This capital will come back to us in 2021.

This slide presents the liquidity position of the Asseco Group. The column on the left shows the Group's cash and cash equivalents, which amount to nearly PLN 2.9 billion. Net operating assets amount to PLN 2.4 billion. The situation is very healthy in each business segment. This makes us happy. I think it is a natural consequence of the good business situation in companies and segments.

I turn the floor over to Adam.

Adam Góral – President of the Management Board, Asseco Poland (AG):

Thank you very much Marek and Rafał. As for the details, you know you can count on us. Now it's my turn. I am ashamed to admit, but we haven't looked into our dividend policy for years, which I don't remember which year we set it in. We assumed there that we would pay out between 10% and 40% of our profit as dividends. Meanwhile, for the benefit of our investors, we always paid out as much as it was possible so that it would not come at the expense of the company. All dividends paid out by Asseco were not at the expense of our growth. For years, we have had open credit lines of high value, which cost us almost nothing. Today, with such cheap money, we know that we do not have any limitations should we have any new ideas. We've paid that dividend for years. Now we have improved our dividend policy, in which we have written that we will pay more than 50% of the profit. This dividend does not come as a surprise – PLN 3.11 per share, which means a total payout of PLN 258 million. We are still leaving ourselves a certain amount of money as we are constantly looking for acquisition targets. We are consistent in this matter.

On this slide we are presenting our growth prospects. We stick to one thing – our proprietary software and related services. This sacred assumption, which in our case has lasted since 1991, pays off in the current situation of the company. When you look at the share of proprietary software and services in total sales, it is overwhelming. Our passion and belief that these local products are worth keeping, that we should not give in to marketing slogans that they will "die", works beautifully. We have been investing in these products for years. Once these technologies, products were old and coming out of them is not easy. We do it in an evolutionary way. Today, most of our products are ready for the cloud model. In the beginning, in 2004, when we went public, I said that I cared a lot about building the position of a software vendor in particular regions. We started with Central and Eastern Europe. Then came the Balkans, an attempt to build a position in the West, and a splendid acquisition of Formula Systems. Already then I communicated that we would work on it for some more years. Our goal is to build a strong position of a software vendor in specific sectors. I was very much focused on banking, which is where I come from and which I "feel" best, but also on solutions for insurance companies, telecommunications, healthcare, energy, and public administration. We will continue to be consistent in this regard. I am very pleased because our offerings are keeping up with the times. Even the year under review shows that we generated better results in all these sectors than in "normal" 2019. We are also making sure that we continue to grow in the product segments. I have already shared my opinion with you on several occasions that I am very keen on the ERP area, where we are the leading European software manufacturer. We are proud of all our companies operating in this area. Rafał's decision to head the ERP area shows how we treat this segment. I am happy with what Piotr is doing when it comes to payment systems. I remember our first discussions during the Supervisory Board meetings, when Piotr said that he strongly believed that this would be successful. I had some doubts at the time, because it seemed to me that these payments are highly capital-intensive and, in the fight against the biggest players, it will not be easy for Piotr to consolidate the market. I am glad that my fears turned out to be wrong. Piotr, as the leader, is doing an excellent job. This segment has become a key segment for Asseco South Eastern Europe in terms of results. Another element relates to a topic that

I hoped would accelerate in other times – trust services and our electronic signature. Even at the meeting with journalists I emphasized that surviving until we start using this, start understanding that paperless is not a marketing slogan but something inevitable, was not easy. When we took over Unizeto, there was not much faith that something would come of it. I admit that we were a bit lucky, because we took it at the time when the digitization processes were already accelerating, when we started to feel that electronic signature was necessary. Of course I would prefer that such a radical acceleration took place in other times, because everyone is very saddened by the pandemic. However, this acceleration of digitization has happened and our electronic signature is doing great. I receive positive opinions from many places. I recently have attended a meeting organized by Forbes and it turned out that all the participants were using electronic signatures. My share in the sale of this product was zero, so it is nice to hear such flattering comments. We believe very much in this business. I met with this team a few days ago and we have prospects, we are exporting. This export is growing. Of course Poland is still the most important. I'm glad because we have survived through the worse years. And if someone else makes first steps in this area today, it will take years for him to gain this knowledge that is already with us. We have an advantage here. In terms of acquisitions, nothing changes – we are looking at them, but not at any cost. What kind of companies are we looking for? If someone has a product better than ours, then this company may suit us. We take over this company and on the basis of what it has created we build a new offer. However, such situations are unlikely today. I do not want to call us the most innovative, because in my opinion this is a very dangerous slogan for an investor. It may be an interesting slogan for an investor who wants to spend money. We represent investors who hope that what they have invested in will pay off in the end. Marek's team works very hard. In Poland, we analyze the market from scratch every year. We talk to many companies, trying to show them that in our federation model they don't lose their identity, and the fact that we work in bigger teams, on bigger markets, can open their perspective. However, we have also come across the following ideas – somebody says: "I have PLN 5 million in turnover and PLN 1 million operating profit." And for such an owner the company is worth PLN 70 million. Then we say 'no'. I am a bit concerned about what is happening in the world. When I look at the P/E ratio at the level of 150, 170 or 200, then the people participating in this game have no idea that it is a gamble, a disconnection from the real value of a company. That's the way the world has worked out. I can say that I do not understand it, but I am glad that when talking about Asseco you do not have to deal with such a situation. Hypothetically, each of us would be richer if we multiplied that profit by 170, but I say this is hypothetical wealth. In my opinion, this is no different than a financial pyramid scheme where people are drawn into the game, often poor people who lose all their money. I understand that this situation can happen, it is legal, but I am proud of my team for not participating in it. We are looking at the real values that we are building – the team, the products, our relationship with the customer and what we can deliver. Asseco will be true to that, respecting our investors and trying to pay dividends, supporting our people, and creating performance-related remuneration systems. I care about the Management Board members – they know that they count on a certain financial base, and the rest is based on the achieved results. If certain levels are not achieved, then the variable part is not paid. I've been doing this since 2004 and I haven't yet encountered a situation where someone from the Management Board would come up and say "Adam, I want to have a bigger fixed part of my salary". We all earn well, but with the feeling that we have not hurt anyone along the way – we have settled accounts with our teams, we pay dividends to investors. Investors agree with us, leaving us some money and not blocking our growth. We will not mindlessly buy companies. We look for acquisition targets in a professional manner. This is the role of Marek and his team. I hope that more companies that like our thinking "we don't want to kill your entrepreneurship, we give you something, you promise us something, you can count on us, but it's you who should build the value" will join us. We are looking for such thinking people. Yesterday, for example, we talked to a company from the ERP area. I apologize for speaking in such code, but unfortunately

I can't tell you with whom this conversation took place. We are also looking for interesting companies in the area of cyber security, which is becoming very important for us. How do we do that? In Poland we deal directly with Poland, Asseco International deals with Europe and Formula Systems deals with Israel, Europe and America, where it is extremely effective.

Now I will move on to what is becoming our passion – cloud services and cyber security. These two areas worry me when it comes to the level of the Polish market. In terms of cloud services, we have started to give away the market a little bit chaotically to big entities for whom this market will never be of great importance. If I give away something which is very important for somebody, I become their partner. If not, I become very dependent. We misuse the word cloud. Just because someone doesn't use the cloud doesn't mean they won't be effective and make money. 25 years ago, if someone had told me that COBOL-based systems would still exist 25 years from now, I would have said they didn't know what they were talking about. It was a dying technology back then. However, the 500 largest companies in the world are still dependent on this technology. That's because the backoffice systems that were made at that time and were then supported by new front-end systems are very much alive. Nobody demands anything from these systems anymore. These systems are maintained by a relatively small team. The profitability there is several tens of percent. Please do not give in to trendy slogans. What is happening today under the slogan "cloud" reminds me of 1991 when big companies came in and paid high salaries to outstanding Poles. Those people did not know how to learn, they knew how to sell. Polish IT, in terms of Polish software products, is not strong, because we gave up then. Asseco Cloud will initially integrate and optimize our service (private cloud), which will serve us even better than it does today, despite the fact that this private cloud will be created by our current resources. We have several data centers and optimization will come out of the integration itself. People who are scattered today and will work together will definitely be better prepared for the changing world. We have been moving to third-party public clouds for years and we have a team of people who understand third-party cloud services very well. Let's say we're spending 25 million today on in-house IT, and we're going to spend that 25 million to build something that's going to market. Then it will be ours. Whereas if I went to a public cloud and it would serve me, I would give it away for free. There I would pay PLN 25 million for someone to educate their people. This is just a difference in approach. It's not creating a big competitor to the Google, Microsoft or AWS people. These are examples of great successes, companies that have an advantage over us today. In 1991 I was asked why I was doing that, why I needed that banking software, I was told that there were big global companies, that the market would consolidate and what I was doing would be unnecessary. Due to the fact I persevered and didn't listen to those people, and one has to know that it was easiest to make money on hardware, made me where I am today. Now we are at the same stage. I look at such projects from a several-years-perspective. For example, let's look at the German market. Our current partner, who 30 years ago had a huge advantage, has now turned to us to act together on this market, because it "can't catch up" anymore. If we Europeans have cloud ambitions, we will do it. There will be a European cloud. Why do we need it? A friend of mine once asked me what I thought was our, collectively in Europe, greatest achievement. In the first moment I felt puzzled. He didn't give me much time to think and said that peace was the greatest value common for all Europeans. The fact that we are together, we exchange information, although sometimes we also quarrel, is a value. Those who were born a little before me remember the war times. Only the European cloud can be a partner. In the business world, capitals of comparable levels are merging. Asseco is a perfect example of the possibility of combining different nations, cultures, religions. These 402 million zlotys of net profit that we are showing is an expression of hard work and agreement of very different people who work for it. These people want to work together. We have created a mini-union. We have shown that if you build a model that is fair to all parties (the federation model), you don't have to worry about

various irregularities. After all, we are playing in the same team. I believe that the European cloud will be created one day. There are projects like Gaia-X, but these projects need initiatives like the one Asseco is starting today. I believe that a similar initiative will be created one day in the Cyfrowy Polsat Group. We are very close to them and it is a great pleasure to cooperate with them. We exchange information, in line with law, and I believe that someday interesting ideas will come out of our joint reflections.

The second area is cyber security. Why is this area my passion? Because I often like to build something from the beginning. I think that Polish cyber security is in its infancy. We are at the beginning of the road. We are not yet really aware of what bad things can happen. It is a fight against the world of evil, against people sometimes invisible, doing things that are hard to detect. It is a very difficult fight because it has become big business (phishing, blackmail, etc.). Terrible things have started to happen. Poland has been bypassed for many years. We have nothing to be ashamed of our human potential. On the other hand, we Poles have low awareness in the field of cyber security. We have educated a handful of people who know what it really means. With ComCERT I set myself the goal to integrate the best and the most aware Poles in this area. They will be 100-percent partners for the Israelis, where we have people from the "top shelf". This cooperation is already taking place. In case of any attacks, we immediately act together and help each other. We want to fight together against the world of evil. This is a terrible evil, which has gained huge money from blackmails, etc. Krzysztof Dyki feels this world much better than I do. Krzysztof jokingly says about himself that he used to be a hacker. I believe that together with Krzysztof Dyki and Andrzej Dopierala, who takes care of this area, we will represent a very high level of expertise. I will do everything to make it happen. Krzysztof starts his work on April 1. In the pandemic we have been implementing a very successful project in Togo, which has helped us to probably become a leader in several African countries. Our team there impresses with their knowledge. Whereas for me the benchmarks are the best players in the world. The fact that there were no funds and people in these poorer countries is also an opportunity for us. We are already going to these countries, we have something to sell and we know how to help them. However, we set ourselves the highest goals. We are not outstanding yet, but when we get on the right track, we will be outstanding. It is a matter of time and we will be consistent in it.

Now let's turn to an issue that probably surprised you and I would like to comment on it. What happened? It happened one Friday 2-3 months ago. Rafał came to me and said that his team was fully prepared to operate independently and he would like to add his contribution to leading business teams. Rafał is an amazing leader. Karolina will probably confirm this right away, because I will also give her the floor in a moment. About 3 years ago we talked to Karolina and told her that we were preparing her to become Rafał's successor. We didn't specify a time frame at that moment. Rafał and Karolina cooperate very closely business-wise and probably they could talk in more detail than I do about some aspects. When Rafał came to me, I asked him where he wanted to develop further. In reply I heard that he would like to lead Asseco Enterprise Solutions. I asked for a moment to think and to have another talk after the weekend. Over the weekend, I gave the matter some thought. Jozef, who is currently responsible for the ERP area, still has too much on his mind, which prevents him from being super thorough. I thought that if Rafał were to devote all his time to this very important area, he would be a great link between Asseco Business Solutions and its subsidiaries. We feel that in the area of ERP solutions we have some reserves. We have not transferred some nice solutions from one country to another. Rafał is 100% accepted in our companies. Jozef is appointed the Chairman of the Supervisory Board of Asseco Enterprise Solutions. Rafał became President of the Management Board of Asseco Enterprise Solutions and is present on Supervisory Boards of all Asseco Solutions companies. We do not want to tear anything down there as we have excellent companies working together in this area. However, we have set ourselves some goals to make it even better.

Karolina, in turn, is a well-prepared person for this position. She is yet another woman, after Gabriela Żukowicz, in the Management Board of Asseco Poland. Gabriela has led us through the period of pandemic and she is the head of crisis management. We, men, often panic, women are more composed. During one meeting with Forbes I said that I was not a fan of quotas because I did not think women needed them. I want women to have freedom of choice. I have a lot of respect for women for being able to catch the balance in life between family and career. Gabriela and Karolina are perfect examples of this and I congratulate them greatly. Recently I have had a meeting with my team, not just the Management Board, but all the division leaders and their teams. I saw how fast the number of women has been growing every year. Women don't need men's "pity". They hold high positions because they are good. Women are beautifully breaking down the stereotypes that once existed. I am glad that I have two women on the Management Board who will "control" the male group. Rafał did an incredible job. He has educated a dozen or so "top-class" people. The Israelis come to us to think over the organization of working together. Jozef recognized long ago that we were leaders in this area. Piotr Jeleński thinks the same. After all, we – Karolina and her team – are consolidating balance sheets and results from all these countries. Today I would like to thank Rafał on my behalf and probably on behalf of everyone here. Rafał created the Shared Services Center (CUW) and built it step by step. CUW helps to introduce Asseco Poland standards to smaller companies. Thanks to this, our security is greater. We do not sell it to these companies for more money than they have paid for such services so far. Our CUW is a great success. Rafał – thank you very much. Karolina is not taking over all of Rafał's functions. He remains CFO of the Asseco Group. Karolina always has Rafał's support, although she doesn't need it. For our teams it was a surprise, but Karolina will surely manage. Karolina, Rafał's student, is supposed to be better than him in this sphere someday.

RK:

She already is.

AG:

The teacher is to enjoy and take the ERP area to an even higher level. Rafał – please, a few words from you.

RK:

Thank you very much for those words, but let's really focus on Karolina. She is well prepared for this position and you will see that she will take this area to the next level. She has a lot of ideas and now she will have the opportunity to fully implement them. You have known her for several years, she has been to more than one conference and spoken to you. She has long been the designated successor and my right hand with whom I have discussed everything. There have been no secrets. Substantively, I can safely say that she is even much better prepared than I am. You will see the results. It is only a matter of time. Karolina, two words from you, please.

Karolina Rzońca-Bajorek – Director of Asseco Group Finance Division (KR-B):

I am very grateful for this opportunity and I will certainly work very hard to support our business from the financial side. Of course I will also be at your disposal. I will try to cope with the task, because Rafał has set the bar high. I will keep my fingers crossed that thanks to Rafał the potential that is still there will be released in our ERP area. I am counting on the fact that this group will be even more effective in this configuration. What I can say is that I will do my best and work hard. In conclusion I would just like to add that it is a great joy for me to work in a Polish company which is truly global. And what Adam mentioned – in the financial area we cooperate really closely with

each other, with Israel, with the Slovaks, with the companies in Poland, etc. This is a great value, because it gives you an opportunity to work in a global company. This is a great value, because it gives us a sense of empowerment. It makes your heart grow to see how we can strive together to build value.

AG:

I would like to make you laugh a little bit at the end. I wrote an informative email to everyone yesterday regarding Karolina and I told Gabriela that I would not title the email "Changes in the Management Board" because many of us only read the subject line and do not go deeper. To make everybody curious I titled it "Rafał and Karolina". Then Paweł Piwowar called me and told me that he called Karolina, congratulated her, and she accepted the congratulations as follows: "You know Paweł, but it will be more difficult with me than with Rafał". With Rafał and Karolina we know what we are doing and these places are and will be well managed. I love internal careers. The people who are with us know what they are going to do, they are prepared. Karolina has friends in all of us, so she will continue to be successful.

At this point, we will conclude the presentation part and ask for questions. Your cameras are not turned on. Look how my team is listening to me – all the cameras are on. If someone wants to ask a question, a polite request to turn the camera on, it's always more pleasant to talk that way. We can smile or make serious faces. Questions are very welcome.

Artur Wiza – Vice President of the Management Board, Asseco Poland (AW):

Total silence. We don't see anyone and we don't see questions in chat.

AG:

Well, OK. In summary, we are satisfied. With today's meeting, we close out the year, which becomes history. We are now fighting for 2021. 2020 exceeded our expectations, while the pandemic situation is much worse now than it was a year ago. Our uncertainties are much higher. The economic consequences of a prolonged pandemic are enormous. The Management Board last year gave up on advanced payments. This year we told ourselves we would pay out 50% over what we had in traditional times. I would like to emphasize one thing again. We are drawing conclusions from the past year. We will continue to have a very tough time, and we need to spend our funds wisely and be careful. Of course, I don't deny that we have been somewhat fortunate. We serve large companies that have not lost their way. We all depend on information technology. We are working in an area that is in great need. We're going to behave similarly. We will also be focused on a post-pandemic model. I'm passionate about re-building this organization. Post-pandemic, we will have a hybrid model, with a significant share of remote work. No one has done that to date. The fact that we have advanced work on this, that we're going to move this organization to a new model, that's going to make us stronger, too. I am glad that a lot of people associated with me think the same way, that we are taking action in the HR sphere (from recruitment processes to wellbeing – we have hired, among others, a company psychologist). You know – any of us can get lost in these times. I'm not even talking about the physical aspect, but mostly about the mental sphere. It's hard for us to live with the knowledge that people are suffering next to us. Let's even look at someone's stay in the hospital, when no one can visit that person, be by their side. It is hard to live through such situations. The pandemic has affected us all. At Asseco, we try to take care of all dimensions, both physical and mental aspects. In my opinion, this post-pandemic model is inevitable. I am afraid that masks will become part of our closet for years.

MP:

Adam – we got an investor coming in. I guess that heralds what kind of question we will hear.

AG:

Please, ask the question.

Investor 1:

Yes, my appearance heralds a question. Good morning, welcome everyone and congratulations on the great results in 2020. I would like to ask whether Rafał's taking charge of the ERP segment heralds any moves at the Group level. I mean a greater integration of particular companies operating within this segment and some movements at the level of ownership of these companies.

AG:

At the ownership level, we do not change anything – the group of companies remains the same, operating in the federation model. Everything is owned by Asseco Enterprise Solutions. Rafał wants to integrate the leaders from individual companies and make them a real team. This idea is fully accepted by all parties. What was missing was the work on a common strategy. Let's assume that in a few countries we have a product that has a 5-8 year perspective. I no longer want to allow a situation in which each country works separately on something new. Such situations have happened in our federation model. If Rafał sees that such situations are taking place, he will stop it. We will also form joint teams. In our strategy I still assume cannibalism, because in the ERP segment winning by standard, due to local regulations, is extremely difficult. Currently we are even talking to an innovative foreign company that is successful in one country. This entity counts on us to help it achieve international success (in Poland, Hungary, Slovakia, etc.). But it is mistaken. Rafał and I are wondering if we should build such a model which will help us localize things, bring innovation, to the sector of very small companies, even below Wapro's target group. For the time being Rafał has to devote 100% to the ERP segment. He will report back to us later. If the topic concerns ERP, Rafał is at your disposal. You can safely arrange a meeting with him. Now we will keep him accountable for his achievements. Let him work hard for a while. He wanted this, let him have it. Please, be calm. We won't surprise you with anything. All the companies are performing well, including ABS. I assume you attend ABS performance meetings.

Investor 1:

Of course.

AG:

Do Piotr Masłowski and Mariusz Lizon attend performance meetings?

Investor 1:

Yes, but more often Mariusz Lizon.

AG:

Then push Mariusz to bring Piotr. You will see how much strength and energy he has. The meetings of the Supervisory Board with his participation are simply phenomenal. I hold both Piotr and Mariusz in high esteem. Markus Haller has already improved profitability with Rafał, which was not possible before. When we showed him the benchmarks, he always explained what was limiting him. Rafał – am I right in saying that we are happy with this?

RK:

Yes, we are.

AG:

Rafał hasn't managed to do much yet, and it's already better. There are probably reserves there that we will explore together. We are making a very good move. Rafał wanted it badly and needed it for his development. My people are free. I am happy to follow them. When they ask me for something, of course I always have to think for a while, but I want them to continue to develop and have beautiful careers. That is the real reason for our decision. Rest assured, ERP will continue to be strong.

Investor 1:

Thank you.

AG:

I have talked for ages. Thank you for willing to listen to me a little bit once a year. It has been a pleasure to meet with you. You have a stake in what we do and I thank our investors for putting up with me as a leader all these years. I continue to do so with great pleasure and satisfaction. I wish you a good day and I'll see you around.

AW:

Thank you very much, Adam. Before we finish, I would also like to say that if you have any questions or need to talk, we are always available – Joanna, me, Marek and Karolina. Rafał will only be asked about what's going on in business. Yesterday I already asked him why these results are at such levels? He declared that he was already working on it.

We look forward to future meetings and, of course, we will continue to communicate our activities and results on an ongoing basis. Again, thank you very much for your participation today and we look forward to seeing you at our Q1 2021 results meeting. We look forward to seeing you there.

AG:

See you later. Let's be healthy. All the best.