

Transcript from broadcast of Asseco's 2021 earnings conference call**Artur Wiza – Vice President of the Management Board, Asseco Poland (AW)**

Good day to you. We would like to warmly welcome you to the meeting dedicated to the results of the Asseco Group for 2021. At today's meeting, as always, we will try to present to you our activities during the whole year. Today's meeting will also be attended by President of the Management Board Adam Góral, who will start it by telling you how he assesses our operations and will share with you his vision of how our Group will develop. Then, Vice President Marek Panek will present the Group's activities after 12 months of 2021 and Vice President Karolina Rzońca-Bajorek will present the financial results of our company. During and after the presentation, we would like to invite you to send us your questions. We will try to answer all of them. We are at your disposal. You can follow our presentation, you can ask questions, which we will try to answer at the end of the conference. We will now start with a presentation by Adam Góral, President of the Management Board.

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

Good day, welcome. Thank you for accepting our invitation. Thank you, Artur, that I can meet with you, even though it happens once a year. Of course, I hoped that we would meet physically in this room, in a large group because I miss those "old" times, when we could sit together and talk. But it is as it is, the pandemic continues. Also, I never expected to start my presentation with something like what happened to us a month ago. I believed to the very end that evil would not win, that there would be no war. I have to start with this topic because I would like to emphasize that I am proud of the behavior of all the people working in the Asseco, who unequivocally condemned Russia's aggression against Ukraine. We are connected with this nation, we are emotionally attached. We help as much as we can. I am proud of the attitude of many people from Asseco, people who took in Ukrainian families. Of course, we are all hoping for peace, although each of us wonders how this peace will come about. We are afraid of what is happening. Luckily for us, business-wise this war has hardly affected us. We sold R-Style Softlab a year ago and one has to look at that a little bit in terms of luck. Of course we all know that we lost on this transaction, but we had had it written off long ago. But the very fact that some of the money "came back" was beneficial to us. Our electronic signature team at ADS was working with Yandex in Russia. Right after the war started, we broke that agreement. We acted unequivocally. It is about PLN 1 million in our revenues. We are a bit lucky that we did not grow strongly in that direction. In 2013, when we made the decision to buy R-Style Softlab, I - from a business perspective - very much believed that it made sense. I looked at it more broadly because I dreamed of a strong European Union working with Russia. I was wrong. Life later showed that this cooperation is impossible. I feel sorry for this because the lack of this cooperation has caused misfortune for many people today. This great business success of ours and my pride in the team that developed this success is enormous. 2 years ago, when the pandemic started, I had a lot of concerns. We were planning 7 days ahead. We wanted first and foremost, as the Management Board, to protect our teams. I was proud of the Management Board Members who came in and said: "Adam, we will not pay ourselves advances, let's wait to see how this year goes." Obviously these people are all wealthy, they could afford it, but it's about the very fact of that behavior. I had a beautiful example of a young man, a leading figure in our banking sector, who came and asked: "I don't want any bonuses, I don't want anything. What's important to me is this company."

We are coping well in these special times. We achieved revenue growth of 19% to PLN 14.5 billion, operating profit growth of 21% to PLN 1.8 billion, and non-IFRS net profit growth. Rafał Kozłowski taught us all what he meant by non-IFRS. We now see it. Of course I remember the amount of PLN 468 million, but PLN 516 million is the "real" result because we know what this PLN 468 million is attached to. I am proud of our team because this was achieved

in a difficult market, in times for which we had not been prepared. The pandemic changed our business model. There have also been problems. We have, as you know, an employee market. As a result, our organization has had to follow a model that our people "wish" for. I hope that this situation with pandemic will improve, we are already encouraging employees to return. We can ask ourselves: why do we keep succeeding? Why do I, as a leader, have great reason to be proud? Some of you may remember when we acquired Asset Soft shares in 2004. From the very beginning I said that the production of proprietary software and related services was sacred to us. We will continue to do so, we will be faithful to that, despite the fact that many years ago everyone said: "You're wrong, you'll lose, it doesn't make sense". Certainly the fact that we are faithful to it makes the results we are showing impressive and Asseco's foundations very firm. In addition, back in 2004, I said that I would first focus on building a regional position. This high regional position in Poland was strong. We managed to build a very strong position on the basis of Asseco Central Europe, and on the basis of Asseco South Eastern Europe - in the Balkans, and later in Israel. I still call it an "infancy stage" when it comes to the West, where the customer's awareness of strategic systems for countries makes it extremely difficult to break through, even with a very good offer. But we will never give it up and we will break through. Today we can be satisfied with what we have, but we will undoubtedly continue this strengthening in the regional direction. We have always focused on building sectoral positions - we have always focused on being strong in banking, insurance, healthcare, and we will mention a few more sectors as we discuss the presentation. Our desire is to diversify regionally, by sectors, but also by products, because as you know the position of the Group when it comes to ERP systems, electronic signature, payment systems, is also very strong, so this product dimension also looks good. Diversification allows us to defend ourselves in various situations, because it is not so that all sectors always grow, that all products always grow. I am happy that it works, but of course it works because of the teams I cooperate with. There was a time when we had the ease of executing acquisitions and we "attracted" many companies and entrepreneurs. The reason we promote the federation model is because we work best with people who are entrepreneurs, people who understand, experience what I experience. The course of thinking is very simple: you need to build something for which the customer will pay more than it cost us. Then you need to fairly divide a part of what you have earned among people, among investors. The remaining part should be spent on development. Of course, no books tell us in what proportions to do this. Over the years we have been trying to respect everybody, we have been trying not to do it at the expense of the team to which we, as investors, owe it. The Management Board of Asseco Poland must want to be richer, want to earn more, and if it earns more, the investor will see more benefits. That is why remuneration of everyone sitting at this table is related to the results of the whole Group, and remuneration of people in business divisions is related to what they "bring in", to margins. There is a logical system that if you bring in zero, you will only earn the fixed portion of your salary. If you tracked the remuneration of the Management Board Members, including bonuses, you would see that if someone "brought in" more, they earned more, if they "brought in" less, they earned less. I thank my colleagues for accepting such a system. No one from the Management Board came to me to increase the fixed part of the salary. In 2004 I established PLN 30,000, and at that time, when we took over Softbank, people were earning PLN 65,000 or 70,000 under the fixed part - and I took it away from them, and everyone agreed to that level of the fixed part. That PLN 30,000 in Poland, in gross terms of course, is still a lot. I am glad that I have the pleasure of working with people who know that the Management Board is responsible for the company and at the end takes money for what has been actually earned. So if some members of the Management Board have a worse year, they have to earn less and nobody complains about it. I believe that my team "gives its best". At the end of 2021, 30,400 people worked in our Group, including 26,300 in production departments.

I hope this dividend is ok for you, I am talking about my partners now - investors. We added about 9%, we are talking about the absolute value, which translates into PLN 3.36 per share. The Management Board recommends it, knowing that it does not come at the expense of the Group and its development. Asseco Poland will receive dividends from Asseco International, ADS and Formula, among others, but there will still be some money left in our companies. We control it because, as you know, I always prefer to buy with my own money than with borrowed money because I am aware of the acquisition risk. You, the investors, may not like it, but I make sure that we "keep our feet on the ground" so that we do not expose the company to "unwise" debt. I know that I may be "out of this world" because I realize that great success can also be achieved with the use of debt, but maybe we won't change this approach and as long as I am at the helm, this will be the policy. I want us to be prepared for more difficult moments as well. Why? Some of you remember the ŚKUP project - Silesian Public Services Card. Honestly speaking, it was our mistake - we managed to get 50% of revenues from what this project cost. I was angry about it, as an organization we made a mistake. We had too weak procedures at the time, but we learned our lesson. Today I'm happy that that mistake has now been turned into success and we are starting to grow. It's just that we have yet to regain everything we once lost. The Smart City team is showing very good results. This proves that there have been worse performing projects at Asseco, but thanks to the fact that it has been worked through, we will no longer make mistakes for the second time. The "old" ŚKUP was a fully integration project, we had Italians, Germans - one bankrupt company, everyone delivered to us, everyone made money, and we were supposed to "put something together" at the end. Now, when we have won the Innobaltica tender or the tender for the new ŚKUP, about 70% of these projects are based on our software. What is my point? We wouldn't have such a strong Smart City area in Asseco today if it wasn't for this (previous) project, which I evaluated as a bad one for years, and which I was furious about. Asseco is strong because it is able to draw conclusions and later turn those weaker moments into success.

Adam Góral, Adam Góral, it is not all about Adam Góral. I have a phenomenal team of people who have adopted the values that are the foundation of this business for me. You know most of these people. Jozef Klein, the phenomenal leader of Asseco Central Europe, Asseco International. It was no coincidence that we put him in charge of this part of the business, and it was no coincidence that we moved it to Slovakia, because I wanted to show Slovakia that Jozef had a huge share in building this group. We strengthened him in this country precisely because Asseco International is located there. We all know him very well. The money associated with that first acquisition has long since been paid back. Everything we do there has for long been bringing no risk for the Polish side - we get money from dividends. Jozef is doing great and will continue to do so, he is full of energy.

We also have Zbigniew Pomianek, who leads the banking sector brilliantly. Of course Piotr Jeleński plays a huge role, because the banking sector in ASEE is also very important. We have Roni Al-Dor, who is doing an excellent job in the area of systems for insurance companies. We have built a tremendous value - Sapiens is second, after Guidewire, among the global providers of software for the insurance industry.

We have Krzysztof Groyecki, who has a great team - we grew this year, in terms of healthcare, very significantly. We're investing there all the time. Apart from our HIS systems, yesterday we had a meeting about artificial intelligence. We will invest in this area because we have people prepared to lead this area.

Paweł Piwowar excels as a leader, he works with Tomasz Bendlewski in the area of solutions for the power industry. Now we are implementing a difficult project at PGNiG, so from electricity we have now moved to gas - already 2 million customers use our billing system. Soon we will have another migration of customers - there are 7 million of them.

We have a long history and some people may think of us as having systems based on old technology, that we can't keep up, that if someone has been in business for 31 years, they probably have been left behind. This is not true. On the other hand, I am proud of the way we are getting out of old technologies. For example, at PGNiG we have diversified our dependency, we had been dependent on Oracle database, we moved to Postgres. At PGNiG it means the addition of a new functionality, because it's a gas functionality - there are differences between energy billing, in terms of electricity and gas market billing. We are now operating in all spheres, but not doing it in such a way that someone comes to us, to the investors, and says: "Give me 50 million, give me 100 million, I'm going to get out of the old technologies, I'm going to open up a project and I'm going to play around for a few years." We know how to do it evolutionarily. We came out of old technologies in healthcare and there was this six-month very difficult period. I expected it would take longer to stabilize a new solution. But it only took us six months to stabilize a radically new solution. It's being done by the people I mentioned earlier, but they're doing it with their people who also don't want us - investors - to expose us to risks that are not necessary.

A year ago, on a Friday, Rafał Kozłowski said to me: "Karolina is ready, I have a great team there, but I face 'a wall' there. I would like to do something in business". I appreciate him very much and - I admit - I lead Rafał. He is a leading figure. He's phenomenally prepared to manage. I said to him: "Maybe you'd better not expose yourself, because it's all measurable there." And that was on a Friday. I went home and thought. I care a lot about women's careers - there's Karolina, Karolina will join the Management Board. I didn't fully believe that Rafał would be able to build synergies in the ERP area. We have a well run ABS, we have Asseco Solutions in Germany, we have a smaller, Austrian Asseco Solutions, we have Asseco Solutions companies in the Czech Republic and Slovakia. After giving it some thought, I said: "Fine, I will agree, because nothing bad will happen. However, I did not believe too much in building synergies, because our federation model works very well and so far we have not been particularly keen on joint projects. Rafał "got it in his head" that he could do it and today we feel that we will build Asseco International together. It turned out that the Germans have made some acceptable moves. Some of you go to meetings with ABS. At the last meeting I think Piotr Masłowski was already there? Yes, Piotr Masłowski was there. I appreciate everyone there incredibly, but I love this "restlessness" of Piotr's, his desire to grow, the fact that he does not look back at history but instead wants to focus on the future. Piotr is incredibly ambitious and for a while we had a problem that the advantage of ABS meant that the other companies in the area did not really want to cooperate. Rafał managed to solve that issue. These people are together and I was pleased to hear that Piotr started thinking about whether he would not "take" the artificial intelligence product from another company to himself. Rafał has already done more than I expected, he has been accepted by everyone. I used to want Piotr Masłowski to head the ERP area, but the rivalry between the companies did not allow it. There were no serious "frictions", but people representing individual companies in this area diverted their attention from important issues. I am glad with the current situation and after this year I want to say: "Thank you Rafał". I am very proud of Rafał, because he runs it very well. He has a fantastic team - including Markus Haller, Edita Angyalová, Jiří Hub. In the ABS team there are Wojciech Barcentewicz, Piotr Masłowski and Mariusz Lizon, who keeps a very good eye on the finances.

Piotr Jeleński is a multi-dimensional star to me. No worries, if he hears it, he is already old enough not to be "spoiled" by these words. Ten years ago I wouldn't have said that to him, because he was too young, but today he is mature and he is also pushing forward. In countries with lower business culture than the western culture, we - Poles - have made a huge progress and today we can really proudly say that we represent 100% western business culture. Piotr has beautifully integrated these different nations and religions, nations that for many years were in disagreement, even extreme one. He is an authority for these people. At the beginning - I don't know if you remember - we bought

a small company. At that time it did not seem so small to us. It was a Romanian company that specialized in core systems for banks. And this was an example when these people wanted to cheat us. They took the money, then moved the team out, went to some bank and - according to our standards - they tried to do something "with stolen money". They lost. Only one bank gave them a chance for a while. We are extremely strong in this region in banking. The assessment of this business culture is very intuitive, those countries still need some time. I believe they will reach at least our level of transparency when it comes to business. Piotr is doing phenomenally well with this and developing it. I remember that in 2013 or 2014 Piotr came to me and said: "Adam, I'd like to build a position in payments." He came in then with this crazy idea of a very significant investment. I always look at investments in such a way that what a given entity generates is the limit for it. It is not so that Asseco will pay for everything. I used to say: "Piotr, I will not give it to you". I felt so bad at that time because I love people with initiative. I blocked Piotr, but I said "Piotr, I want it too, but let's build it, just step by step". And we went down that path. We recalled that moment the other day. We have an incredibly strong payment area built step by step. We were learning, because I didn't believe at the time that Piotr fully understood what payment was, that he actually had the capabilities to prepare a strategy. We were discovering it, we were from a different field. Of course, we were familiar with software development, so that is what we had in common. Today, when you look at Piotr's EBIT related to payments, how it is growing beautifully, it is a great success. We laugh that I was of some use to him then, but this is his achievement as a leader. I, in turn, had no doubt that it was worth doing. Even though we were told that it was pointless, because there were these big companies from the payment area, that these companies would overwhelm us, and so on. No, no, we, as Asseco, will not give in to that.

I am extremely pleased with how we are growing when it comes to trust services. Here we have Andrzej Dopierała as a leader. But in Szczecin, you remember, we took over the bankrupt Unizeto and look how beautifully we led this team to a good path. We are growing in the electronic signature segment. Yesterday we were praised by Cyfrowy Polsat, which is now very strongly associated with the digital signature. They sent me a thank you yesterday. It was a pleasure to hear it. I am very proud of this team. I would like to emphasize again the role of our people. We are a strong team. We will stay on that path.

My two new goals that I'm devoting time to are cloud and cyber security. For a while we were thinking that we had to actually move everything to the cloud of Amazon, Microsoft. Then Oracle was starting to appear. I thought to myself that we were being dragged into a game that my age group in the early 1990s paid a huge price for. I thought: "here we go again, giving away the market for free". I said no. We're going to build our cloud. We created a company called Asseco Cloud. We are starting this year with revenues of PLN 45 million. A certain template is being created in Poland, we will take this template to Jozef, there we will create Jozef's cloud and we will take this template to Piotr.

Please take a look at what value we will build in the cloud. I do not exclude the possibility that in 15-20 years it may be for sale. We will not give it away. Because what is it? First of all, the team - I have great people here. I always start with this: there is a vision, but is there anyone to do it? Lech Szczuka, as a leader, is perfectly prepared. He has perfectly run for us the outsourcing for ZUS and KRUS. He is young, knows management very well and believes in what he is doing. We have Piotr Rogulski with us, who was responsible for the ICT department and who is phenomenally leading us in the field of cyber security as far as our own infrastructure is concerned. Piotr has also joined the Asseco Cloud team. We have Marcin Lebiecki, who has been able to work with the aforementioned clouds for years – by the way, earlier I haven't added Google cloud. We have educated people. We will not force the customer to use our cloud. We will also move to other clouds. We work with other clouds, but we start with

our cloud. Dino is already using it more and more. I am not prepared to give you all the details today, but if you see what kind of external references this cloud has already at the moment, these are very significant companies. This is what we need to do. In 2019, in the middle of the year, we were attacked and we came out of it – we didn't pay any “extortion” payment, nothing bad happened. I knew we came out strong because of the talent of the people and our work. We gave an incredible amount of priority to cybersecurity. As you know, we have had teams in Israel for years, which are extremely important for this country. Whereas I thought that Polish cyber security was very weak. We didn't spend money on it at all, so the best people preferred to work (I'm talking about the IT world) in the banking sector, in the insurance sector, where there were decent salaries. In the cyber security area, we didn't have people because there was no money from the market. It was quite natural. But I have to emphasize here that we have been laboriously building a team. At the beginning, when I sent this Polish team to Israel, they came back and said they had already known those things. And I knew what was going on - if you say so, you don't know how to ask or you are afraid to ask. Israel has an advantage over us in this sphere not because it has better educated or smarter people. It has an advantage over us because of experience. Israel has been under attack for years. Real cases are the best source of education. Now I have a team that knows how to work with Israel. I am glad that Krzysztof Dyki, who is a true expert when it comes to Polish cyber security and his opinions are widely respected, wants to build it with us. I believe that on the basis of ComCERT we already have definitely the leading team in Poland, and we will grow in this field. The needs will grow unbelievably. Unfortunately, we needed a war to truly understand what was really around us. The hacking world has been attacking us for years. Powerful banks around the world were being robbed. Of course, they couldn't admit it but I suspect they often even paid some “tributes”. We are aware of this. However, there will come a time when we will spend money on this. Today I can say with full responsibility: "Asseco is prepared to help various companies protect themselves".

Of course, it's still incredibly important for us to have a strategy when it comes to acquisitions. We're going to continue that. It is more difficult for us than it was years ago. You may laugh at me a little. I had such a meeting with prominent Polish entrepreneurs of the young generation, with start-ups. And during this meeting I was worried that there was a gap between their world and mine. And I think only mine makes sense, because I call an entrepreneur not the one who got money from an investor, but the one who created something on the market that others need and are willing to pay more for it than they spent. It worries me that in many spheres today we create almost financial pyramids. If a young man comes to Asseco and values something that has been operating for 6 years at PLN 80 million, and it has never earned a penny, I don't understand this world. Why am I talking about this today? We will lose in terms of acquisition projects to unlimited risk funds which, in my opinion, play with the business. On the other hand, we will 100% attract some of these young entrepreneurs, because among them there are those who will understand me at least a little. It is very easy to pretend, to create beautiful excel sheets with visions under the slogans of cloud, artificial Intelligence or healthcare. The market "goes for it", right? However, my approach is: “Do something, prove it”. We will invest. Today it turned out that we have been investing for 6-7 years in Smart City and were able to turn it into some good. And those are the kind of people we have and will continue to have. Our recent acquisition done by ADS is very efficient in terms of contact center in many spheres. It is efficient in terms of voice bot. I'm very pleased with it. These are people who have accepted our thinking, but they need us too. They have appreciated that we have spent decades building a brand that helps in the marketplace and with which you can accelerate growth. We are looking for such entrepreneurs. Marek Panek is with us today, so I'm sure he will talk more about it. Acquisitions are still extremely important to us. In 2021, we completed 18 acquisitions in the Group. We will continue to do that. In this area I have Marek, Josef Klein is also actively participating, as well as Piotr Jeleński and Guy Bernstein. In the past, when we were paying 8 P/E in the "old

days" Guy used to tell us "Adam, I'm buying at 3.5-4 P/E." Today we don't say anything when Guy is paying 20 P/E, because sometimes he pays that much. Guy is also evolving with the market, he has accepted a little bit that it is changing, and acquisitions are his passion and are a significant part when it comes to the development of the Formula Group.

That is all from my side. Thank you again as we have tremendous support from you. Even though I haven't had a share that gives power for years, I thank you for following us. I think we deserve it a little bit because we have never failed and we try to find a balance between the cost of the people who make up Asseco, between the Management Board and between the investors who expect a return on their investment.

I would also like to thank those of you present, as this performance in front of the camera would have been very difficult for me without your physical presence. I turn the floor over to Marek.

Marek Panek – Vice President of the Management Board, Asseco Poland (MP)

Thank you very much. Let me start by saying that, looking at the fourth quarter of the Asseco Group, from the business point of view, from the point of view of what was happening, it did not differ much from what I have told you about for the last three quarters of this year. Therefore, I hope you will not take offence if today I go through my slides much faster than usual, leaving some more time for potential questions to Adam. Let's take advantage of the fact that he is with us today.

AG:

Let's not exaggerate, I am always available. If someone really wants to, they can always make an appointment with me. Of course, I'm kidding, when I am saying that Artur "keeps me rested".

MP:

This meeting is for those more shy people who don't particularly want to come and now have the opportunity to ask questions.

AG:

You more or less know what I'm going to say. I can be boring to you. That's the way I see it, not like Marek said.

MP:

Back to the presentation. The basic financial figures, you've probably already looked at the report, so you know them well. I'll just highlight two numbers: PLN 14.5 billion in revenues, which is a 19% growth year-on-year, and the non-IFRS net profit, which exceeded PLN 500 million for the first time in history and reached PLN 516 million after a 14% increase compared to last year. I think we can all be satisfied with these numbers. On these slides, which are repeated every quarter, there are no major changes. We emphasize our strong sector diversification. In all the sectors in which we operate - general business, banking and finance and public institutions - we achieved satisfactory growth. This pie chart, on the other hand, shows how sales were distributed among the three sectors just mentioned.

A significant share of foreign markets in our sales has been visible for a long time. Today, the Asseco Poland segment represents, so to speak, only 11% of the Group's total sales. A significant portion, 64%, is sales by the Formula

Group, and 25% is accounted for by the Asseco International segment. The bars show how individual geographical segments have grown over the last 5 years.

As far as the non-IFRS operating profit is concerned, here the pie chart is slightly different - Poland has a larger share in the non-IFRS operating profit than in sales, that is 16%, Formula - almost 60%, and Asseco International – 25%. Again, the bars show how these operating profits in particular segments and geographic sectors have been growing over the last few years.

Looking at the whole Group and trying to find some business drivers in particular segments, we highlight the following. I will start with Poland. Asseco Poland segment - here we have a 9% increase in total sales. We emphasize two things. Firstly - dynamic growth of two sectors: public administration and healthcare. I mentioned this every time I saw you. This is the result of long-term contracts signed in the public sector in 2019-2021. All of this results in increased sales. The second issue that we pay attention to is Asseco Data System. In the case of this company, we also see dynamic growth, especially in the Smart City area, where we have new projects: InnoBaltica and the FALA system, a new stage in ŚKUP. We also noted very good growth in sales of our trust services, led by the electronic signature. Formula Systems grew the fastest; sales in this group increased by 23%. One can be satisfied with all the companies that make up the Formula group, which performed very well. Additionally, this business was supported by acquisitions. The largest of these was the acquisition of ZAP Group, which generated PLN 150 million in revenues last year. This is already a noticeable value in comparison to the entire Formula sales. In the Asseco International segment we achieved a 13% growth. Here we emphasize the strong growth in the ERP solutions area, which is consolidated in Asseco International. Asseco South Eastern Europe also reported very good results. Probably some of you had an opportunity to participate in the results meeting held by Piotr Jeleński, so you know very well where it comes from. I would like to make a short comment on the growth in overall sales, because we always talk about it. Nearly 60% of the growth is organic, less than 30% is thanks to acquisitions, and the remaining small percentage is thanks to exchange rate differences. It looks different in different years, but last year it was, if I am not mistaken, 14% for the whole Group.

I will now briefly comment on the situation in each sector. I will start with banking and finance - over PLN 5 billion in sales across the Group, or a 15% increase. The largest contributor and also the fastest growing segment was Formula Systems. We emphasize the role of Sapiens as it is a company operating exclusively in the financial sector. A company that is doing very well, increasingly emphasizing its presence in Europe. Once the company was strong in the United States and Israel, but today Europe accounts for about 50% of its sales. In Asseco International, we generated 12% growth. Asseco South Eastern Europe is doing very well because it is a major player in this segment. In the case of the Asseco Poland segment, we may say that it is flat. However, this is in line with our expectations. We are very pleased with what is happening in Poland. Especially that we are implementing several new core-banking systems, which is not that common, because there are not that many new implementations. That is why we are happy about them. I would also like to draw your attention to the fact that increasingly more often we implement these core-banking systems in a subscription formula, i.e. on a monthly fee basis, which has the consequence that at the moment the revenues are lower but we build in this way a stream of recurring revenues for the following years. An example here is one of our contracts signed for 15 years and these payments are spread over 15 years. It is a natural effect of moving to the subscription model.

As far as general business is concerned, we had a 24% increase in sales across the Group and revenues of nearly PLN 5.9 billion. Just as in the case of all our sectors, the largest contributor is the Formula Systems segment.

Whereas, in Formula Systems the largest enterprise players are Matrix IT and Magic Software, as well as the newly acquired ZAP, virtually all of whose sales are generated in the general business sector. Within the Asseco International segment, the ERP systems area stands out, which I have already mentioned, so I will not repeat myself. We are happy that Asseco CEIT, dealing with industrial automation, is back on track. It had a more difficult year in 2020 as a result of the pandemic. At the moment everything is back to normal. In the case of the Asseco Poland segment, where revenues increased by 12%, we are pleased with the project implemented for the Polsat Plus Group. It is a large undertaking that we are implementing step by step together.

And finally, public institutions. In this segment we recorded PLN 3.6 billion in sales, which is 17% more than a year ago. If we take a closer look at the bars, our CAGR for the last 5 years exceeded 18%. It is a very decent result. If we compare the CAGR for this period for all our sectors, we can see that public institutions grow the fastest on average per year. When analyzing the public sector in the Formula Systems segment, Matrix IT is the major player. It implements many government projects, primarily in Israel. In the case of Asseco International, as we indicated earlier, we had some perturbations and certainly weaker results when it comes to the public sector in the Czech Republic. There were some stagnations related to political changes there. However, we managed to make up for it and overall we achieved an 11% growth in the public institutions sector in the entire Asseco International segment. This was achieved, among others, owing to a bit faster growth in the operations of Asseco South Eastern Europe and Asseco Enterprise Solutions Group, where we sold ERP solutions to the public sector. In the Asseco Poland segment we recorded a 16% growth. We have already mentioned many times the drivers of such performance. These are long-term contracts: for the Social Insurance Institution (ZUS), the Agricultural Social Insurance Fund (KRUS), the National Healthcare Fund (NFZ), the Agency for Restructuring and Modernisation of Agriculture (ARiMR), the Ministry of Justice; probably a few more clients could be named here. Additionally, it is necessary to mention new contracts in Asseco Data Systems - mainly in the aforementioned Smart City, as well as our area of solutions for local governments did very well.

In terms of acquisitions, 18 new companies joined our Group last year. Please see the slides presented for details. I will not "bore" you with it at the moment. Acquisitions were made primarily in the Israeli market by the Formula Group, as well as in the European market by the Asseco South Eastern Europe Group. We also completed one acquisition in the US market. We continue our acquisition activities. At the beginning of the year, just after the reporting period, we acquired Pirios, a contact center solutions provider in Poland, which has already been mentioned today.

We emphasize the development of all our competence areas, which have already been mentioned today: ERP, insurance, payments - all these are doing well, and our new areas with which we have high hopes, namely cyber security, cloud solutions and robotics, are also doing well.

On my last slide you can see the consolidated order book. This time we showed two charts, because if we showed only the one on the right, that is based on current exchange rates, which we see have gone up strongly, we would have a very optimistic picture, that is the backlog is 28% higher than last year. That is why we decided to show the backlog recalculated at the same exchange rates as last year, and then the backlog is 18% higher, which of course is also a very good prognosis of what is going to happen. Let's hope that it will happen this year, because since one month we have a completely new situation and we have to look carefully at its development. We are doing our job, we are implementing projects, we are happy with the backlog that we have, because it is very decent in our opinion. Thank you very much and now I let Karolina take the floor.

Karolina Rzońca-Bajorek – Vice President of the Management Board, CFO, Asseco Poland (KR-B)

I will try to be very brief. Just a quick glance at our consolidated profit and loss statement - our revenues are up by 19%, of which about 60% is organic growth. As we said after the third quarter and after the half-year, we managed to maintain IFRS operating profitability at 10%. In terms of what happens below EBIT, here we have a couple of one-off events. One of them is certainly the settlement of the sale of R-Style Softlab, which Adam mentioned, and here we should count about PLN 18 million in plus from this transaction within financing activities. On the other hand, the line "Share of profit/loss of associates" probably draws attention. Here we have a significant minus of PLN 9 million, and this is due to a one-time write-down of an investment in the West European market in the fourth quarter, an investment in an associated company of Asseco Spain. The write down totals EUR 1.7 million, which is where this minus came from. As far as positive currency transactions are concerned, this is mainly the impact of Asseco South Eastern Europe and the Turkish lira transaction, and also partly the impact of Formula. A little higher than in 2020, by 1.7 percentage points, was the effective tax rate. The increases apply to all segments. The largest increase, by over 2 percentage points, was in the Asseco Poland segment, followed by Formula Systems and Asseco International, respectively. This is related, among others, to the fact that we attracted more dividends to Poland, hence the parent company's effective tax rate increased.

In terms of the regions' financial performance, Adam and Marek have already said a lot. We are very pleased that our most profitable segment, i.e. the Asseco Poland segment, which in 2021 contributed more strongly to the operating profit and to the net profit for shareholders of the parent company, did very well. The Parent Company reported very good results; whereas, Asseco Data Systems had a record year. The results of other companies in this segment were also very satisfactory. Let me just remind you that in the "Other companies" section we have DahliaMatic, here we will also show Asseco Cloud and other companies of the Polish market. In the Formula Systems segment, in the fourth quarter of last year, we observed the same trends as after three quarters, namely growth in virtually all of our business units, with the exception of flat results of Sapiens in the United States and a decline in the banking business unit of Matrix IT. Whereas, according to the budget for the current year, the results should already be better. I would like to draw your attention to an event that we described in our financial statements, in events after the balance sheet date. Matrix IT sold its material business in the first quarter of this year and reported in press releases that it will have about 160 million shekels in capital gain on it. Some portion, effectively about 12%, that is pre-tax profit, will be booked in Q1. Although we are still waiting for the anti-trust decision, so it may turn out that the transaction will be settled only in Q2. We will keep you informed about that, but of course part of this result will go to Asseco Poland. As far as the Asseco International segment is concerned, we reported very satisfactory results in the Central European market, basically because of our ERP business. Now, something Adam has already mentioned, namely a very good sales-mix in Asseco South Eastern Europe and a significant improvement in profitability, primarily in the banking sector. This can be seen in the full-year results, plus the effect of the lira, which gave us such a one-off impact on the net profit itself. The Western European market faced some problems, but we "cleaned up" the situation in Q4, so the prospects for the future seem already better. And as I have said, Q4 on this particular market is burdened, apart from the write-down of the associated company for EUR 1.7 million, with the downward estimation adjustment of revenues on one large contract. It is a very similar scale, so in total we wrote off about PLN 8 million above EBIT and another PLN 8 million on the line of associated companies. That is how we should look at these results. However, I think that the remaining items behaved in accordance with the plan.

In terms of cash and conversion of operating result to cash, on a full-year basis these results are a little bit worse than in 2020. We said in 2020 that Q4 was extraordinary, and this trend is repeated here, although to a lesser extent. If we look at Q4 itself, we can see what we were talking about. If the public sector is always the driving force in Poland, then cash flow comes later. On the slide you can see that in the fourth quarter, in the Asseco Poland segment, the cash flow is already satisfactory and the conversion of EBIT into cash reached almost 100%. In Q1 and Q2 we have some invoicing planned, especially in these Smart City projects in Asseco Data Systems, so here the operating cash flow will simply catch up with the operating result.

On the other hand, in the Asseco International segment we had 194% of cashed EBIT, and in Formula there was also a rebound. Following the budget approval in Israel, payments normalized, and although Q4 2021 was not as extraordinarily eventful as Q4 2020 in this respect, the cash conversion ratio was at 123%.

This slide presents a balance sheet picture of what our cash balance looks like. In the whole Group it is over PLN 3 billion, including almost PLN 320 million in the Asseco Poland segment. Net cash at the end of 2021 was PLN 1.8 billion. In Poland, which actually has no debt, it amounted to over PLN 300 million. That's all from my side. We can move on to the Q&A session.

AW:

Many thanks to the President, Karolina and Marek for presenting our business and finances. We will now move on to answer your questions. Of course, you can continue to ask further questions in the chat.

Investor 1:

Given the strong backlog growth rate and also cost inflation, is it possible to at least maintain a 10% EBIT margin in 2022?

AG:

That's a difficult question, journalists have asked me that. I am not in a position to make such declarations, because we operate in a difficult market as far as the job situation is concerned, and there is no doubt that we have to be careful and keep up with this market. Asseco is people and if you take a look at our HR costs in Q4, we rewarded this great year. It's just that we like to reward *post factum*. We do not like to take on too much responsibility. I believe strongly that we can do it and we will do everything we can to make the results great. Over the years we have proved to you that we are able to maintain this balance, but please forgive me for not answering this question precisely.

I cannot guarantee that the margin will be maintained. Honestly speaking, our goal, my goal as a leader, is also to maintain this team of people, to survive sometimes worse moments. In our field in Poland there are only a handful of such teams, i.e. people who combine knowledge about processes in a bank, in a power company, in an enterprise, with IT knowledge. This is because there are few Polish products. We have a few competitors, but we are an exception. Therefore, we will not sacrifice the company just for profitability. But we know how to do business and our backlog is promising. We will do everything so that you will not be disappointed. I apologize that this is not a precise answer, but it is the only one I can give at this point.

Investor 1:

Can you comment on the information coming from the press on the proceedings at the ZUS contract and possible exclusion of Comarch?

AG:

Thank you for this question, because it has reminded me about something. Speaking of people who play very important roles in Asseco, I haven't yet mentioned one very important person. This person is called Sławek Szymtkowski. Sławek is responsible for handling the public sector. He took over this role from Tadeusz Dyrka, a great leader. We worked well together for years. As any new leader, he brought in a bit of freshness. Our (strong) position in the public sector is not because we are particularly well-liked. When I have a supplier, if this supplier fulfills their obligations, then we, as individuals, when we build something, we like to cooperate with those who do not fail. Asseco defends itself with facts. You remember various articles from the years 2010-2011, conspiracy theories. Our position at ZUS is only thanks to the fact that the Asseco team and the ZUS team were able to do amazing things in the pandemic. Sławek led the entire team through a very difficult period. I mentioned at the beginning of 2021 that we were working 17 hours a day. We're handling the Family 500+ project because it's run by ZUS. At the moment we also got 500+ for Ukrainian citizens. I am full of admiration for this team and I'm glad that Sławek is with us, because we will also have hard moments. I am grateful to the public institutions that recognize this, that see and want to work with us. Comarch and this competition of ours probably helps both companies. The fact that Comarch has emerged as our competitor means that my team cannot be accused of having a sense of some kind of monopoly. That's what people have been saying about us for years, that we are a monopoly, that we go with whatever prices we want. Believe me, that was not true, that it was all reasonable. We saw the other side of the story, but it was hard to defend ourselves. Today we fight, we compete. If we win, we win because we deliver and are respected by the customer. We wish Comarch all the best. This company is run by a great entrepreneur, a man of unquestionable success. We compete. This is how I will comment on this question.

Investor 1:

Backlog at Asseco Poland is growing by 13% year on year. Could you please break down the growth into the following segments: public institutions, banking and finance, and general business?

Investor 2:

Could you please comment on the margins of these projects compared to 2021.

KR-B:

In terms of this segmentation, in the case of the parent company itself, 28% is public institutions, 10% is banking and finance and 3% is the general business area. In terms of the margins of these projects, it has to be taken into account that 2021 was an extraordinary year, however, and in that sense you can also see in the results of the parent company in Q4 2021 that people were rewarded as proportionally for this extraordinary effort. That is why I would not expect such profitability as regards this Polish segment, especially in the public administration area. We have hired people there, but we are also diversifying our revenues, because we have new clients in this segment, which is an unquestionable achievement of this place. That is how I would look at it. As Adam said, we will do everything to maintain the profitability of 2021. However, it will definitely be a challenge.

AG:

However, we care about it very much and we will do our best to make you satisfied.

AW:

It is worth emphasizing that in the area of public administration there are about 700 people working on projects for such clients as the Ministry of Justice or ARiMR. These are large projects that we won and started implementing in previous years. We have commented on this issue many times during our conferences. We had a moment when we started to be very selective about projects in this area, even because of what our competition in the market shows. It was very difficult. There are some companies that have disappeared from the market while handling these projects. As a result, we had to approach these projects very carefully. These are demanding projects in which it is difficult to change anything when the market changes. You just have to carry them out, even if they are done "underwater", and there were such projects.

KR-B:

Exactly right.

Investor 1:

Roughly, what value do Cloud services and the subscription model account for in Asseco's total revenues today?

KR-B:

As far as Cloud is concerned, in the total revenues it is 6%, so we are approaching a billion zlotys. As far as outsourcing is concerned, in the results shown for 2021, it is around 2%, or PLN 350-360 million.

Investor 3:

What will be your response to the significant energy market changes coming soon, including the introduction of CSIRE?

AW:

So maybe I'll answer. CSIRE is the Central Energy Market Information System. It is implemented by the Polish Power Grid - it collects all information on energy consumption. We have very extensive experience in this area. As regards electricity, 3 out of 5 bills that are settled in Poland are settled by our AUMS systems. At the moment we are also implementing solutions for the gas market. On the basis of our experience and products, we have created products and an offer, with which we approach our customers. In some cases we are already in advanced talks. As far as this area is concerned, we also organize tenders in which we participate. PSE and PGE have to adapt their systems to these changes. We have a very experienced team - Tomasz Bendlewski and Paweł Piwowar deal with this area. We believe that we will benefit from our rich experience, knowledge, skills and implementations completed so far.

AG:

It is apparent that we are an exception in the market, as we were surprised to learn that no one but us had come forward to tender for the migration of this system. The degree of complication of this project is much higher than the recipient initially thought and we will see how it will turn out. We are undoubtedly prepared. However, please

note that we do not have any competitors when it comes to the Polish energy sector. Nobody has managed to keep up, nobody has managed to build anything like AUMS. I know that Sygnity probably owns 50% of the old systems as far as PGE is concerned, so there is a solution there, but it is not promising and they have never managed to build a new solution either. AUMS is a result of a new project which we undertook there a few years ago. It is quite a success, so here we have only western competition, that is SAP and Oracle, which had a not very successful project at one of the distributors. Those are the facts. But, to be honest, I expected that we would have quite a lot of competition there. But in terms of the whole solution, CSIRE is an attempt to truly marketize the sale of electricity. Today an energy seller, trying to come to us with an offer, frankly speaking has no way of finding out how much we consume. But we don't have a system, this must be said. We are preparing ourselves, because most probably we will take part in this tender, but we haven't made a decision. Nobody in Poland has ever done anything like this. I will not get ahead of the facts. We "invited" one of the Western companies, which has references, to this even larger tender. We'll see how it turns out. We'll see how the client behaves. I don't know if the client is able to increase the budget, because as we looked at it, there were some simplifications. We calculated it honestly and there came out an amount where we leave ourselves some margin, but after all, we don't work on 50-60% margins. So we came out with some completely different pricing than the projected budget.

AW:

In addition, it is worth mentioning that these are projects that require a great deal of effort and expense. It is software production in a very short time. An example is the tender announced by PGE. At one time almost 10 companies took part in this tender, but it turned out that only two offers were submitted, based on solutions provided by the same company, with unprecedented disparity in prices.

AG:

But let's leave it at that.

AW:

I'm just talking about the fact that there are so many things going on.

AG:

Artur wanted to say that different things happen and we don't understand them all. We've already come to terms with that.

AW:

That's what I was trying to say.

Investor 4:

How dynamic y/y growth do you expect in new areas: cloud, cyber security, robotics? Are you planning any acquisitions there or are you relying mainly on organic growth?

AG:

When it comes to acquisitions, Marek is responsible for that. There will always be some exploration. In terms of capital investments, the difference between us today and 10 years ago is that today we have all the markets

carefully analyzed. For example, we know almost everything about the Spanish, French, German and Italian markets. Of course, there was a time when it was easier to buy at reasonable prices. I am happy because Marek has built a team, including a consulting team, which does the auditing. The audit work on this company we talked about was praised yesterday. We don't use any outside forces. We know how to do it.

MP:

I would add that in the case of the sectors mentioned in the question, i.e. cloud, cyber security, maybe robotics less, but probably also, this is a very visible effect that the President was talking about, i.e. price perceptions. We looked at many cloud and cyber security companies, not only in Poland, but most often it ended in discussions, because the price expectations were such that we came to the conclusion that we can not afford it. However, let's remember that we have the "beginning of something" in these areas, we already have these competencies. We have ComCERT and Asseco Cloud. We have experienced people with competencies. Today we put more emphasis on organic growth based on these people; however, if there are acquisition opportunities, we will naturally use them.

AG:

A couple of days ago, I called Marek's right hand and asked that we look specifically at the cyber security market at the moment. Right now we are leaning towards Slovakia and the Czech Republic first. I don't want to "throw myself" into the West, I want to build a base in Central and Eastern Europe which will be a partner for the big players in Western countries.

Will we find partners there? I don't know, because those countries are paying the price for underestimating it.

Therefore, I don't expect any big companies either. We are even interested in such a market as software for education. Internationally. Why? I am very interested in projects that are neglected by most investors.

These are projects where still that price can be tied to economics. We are searching and we are good at it. If we look at Asseco South Eastern Europe, it was a collection of very small companies. Together we have created something that is noticeable, which by acting together is the largest in that region. We are constantly looking for such topics.

There was an idea that unfortunately failed. We were trying to consolidate the market of consulting companies, especially those related to the telecommunications and banking sectors in Spain. We would have had revenues of EUR 100 million, so we would have built a very large company.

Unfortunately, the leader of this could be someone from the smallest company. That someone would not be accepted by the rest. There were two dimensions here. They all were aware of the fact that a leader was needed, that this concept was right. These people also knew that if they continued like this, they would "die". They wanted to create this "base". But later, when three leaders appeared, it was difficult to reach some kind of consensus. And we ourselves wouldn't go to manage it, because probably if I sent someone of my own, the others would finally reconcile. There was an impasse. That's what I felt sorry for. Anyway, this company was later sold to a fund.

MP:

Yes, it was sold. Someone followed our lead.

AG:

There is no doubt that in doing so we are suggesting these people what to do.

MP:

It was also a lot of money, so I don't know if we would have been able to afford it in the end.

AG:

But at that point we thought we could build a company like that in that market, go even public in that market, because they individually didn't have a chance. We are trying, but acquisitions should not be done at any cost. Organic growth is sacred for us. But of course we will look for investment opportunities.

AW:

We also had a question from the hall, as well, of course, please ask it.

Investor 5:

What kind of payroll fund growth do you expect this year? Will it be a high or low double-digit increase?

AG:

Please, you can answer the question.

KR-B:

As we budgeted for Asseco Poland, if you see the year-on-year change in the salary fund, well, it's a little bit higher, but not a high double-digit increase. That is how I would answer.

AG:

We have to be prepared for that because we really don't mess this company up. We have to increase in some places that portion that is our liability. But we try to do it in bonuses. We are fair in those bonuses. It is sacred. In 2021, we, as investors, could have been richer by some millions. I didn't regret it because Sławek Szmytkowski's team did a great job. Sorry for the ugly term - I pulled out money from the pot and said to Sławek, "Go split it." They didn't expect it. I think it also makes us investors feel like we're not succeeding at the expense of people. I apologize for that because maybe it's not exactly marketable, but I can't say that from the people's point of view we couldn't have done it cheaper. But I have one big achievement - practically almost everyone I've been with is still with me. It has to be emphasized, money is extremely important. It is somewhere near the first place in terms of importance. The atmosphere comes second, relationships between us. I have always said to those people who are with me: "Remember, you are free." If I don't live up to your expectations, you leave and don't care about me. After all, if someone in the market gets 100% more and I can't give him that, he should leave. Yes, he should want to have more. The only thing I've always asked for is, "Come and at least talk to me." Really, if you look at Rzeszów, we have Marek, who has been with me from the beginning. Marek and I were a team, not a bad team by the way, that sold management information systems. At the time, in banking we had something which earlier had not yet been thought of in Poland. Zbigniew Pomianek and Gabriela have also been with me from the beginning. If you look at Rzeszów, everyone is there. And from those companies which have joined us, practically everyone who is

important is still with us. They want to work. They give their best. Because my partners allow this policy and respect the great effort of our teams. I thank them very much for that.

AW:

I'll mention a little bit more about the issue of contract indexation in the public sector. This is a topic that Sławek and his team will be addressing, and not just with the public sector team, but now with commercial clients as well, because these rates increase not just for us. These rates are also going up for our clients who are also hiring IT professionals. Therefore, and we are also discussing it in the industry, we should develop such an approach that will take into account this increase in costs. The costs do not result only from the situation in Poland. First of all, they result from the fact that there is a huge demand for IT specialists in Western markets. Indexation of such long-term contracts is very important for us. We have such agreements and there are such agreements on the market which have not changed for many years. And we have to approach this issue in a certain way because it is impossible to execute some implementations at these costs. There are also new projects where sometimes we have to say no. We could do more projects, but if the customer assumes that the hourly rate on such a project will be lower than the rate for which you hire an IT specialist, then you simply have to say "no" to such projects. Sometimes it happens so, especially in public tenders, that these rates are lower and do not provide the possibility of getting employees or a team which could deal with such a thing. That is why we are bringing this topic to your attention. It is not only a matter of our long-term contracts and cooperation with clients, but also winning new tenders.

Investor 6:

What are the possibilities in dealing with this issue?

AW:

We will have to talk to the President of the Public Procurement Office about how to approach this. Sometimes it is even the case that tenders take so long before they are finalized that at the very end someone walks away from the tender because they are not able, at today's rates, to execute such a tender, for example, in the public sector.

KR-B:

Now we have 2 contracts based on the Public Procurement Law, which have indexation clauses, so it can be done. It also depends in what mode the contract is signed. In the Public Procurement Law itself, there is a paragraph that says that if circumstances have changed in such a way that the supplier could not foresee it, it can try to negotiate the price. We will try to use this possibility.

AW:

The next question is about the current market situation.

Investor 4:

Regarding the influx of immigrants, because of the war in Ukraine - do you notice a significant number of new talented people from the East in the IT labor market?

AG:

No, and we don't expect it. After all, we know that men are fighting. Mostly women with children are coming to Poland. Even if among these women there are people with IT skills, it will take some time before these people, these families, get organized. Also, while we are touching that subject, please also remember that the area of security remains a priority. An attack on Asseco is an attack on the Polish state. After all, if someone stopped our activities, the Polish financial sector would have a problem, the power industry would have a problem, the ZUS would have a problem, and so on. Such times have come that I, naive as I am, cannot trust anyone. I love people and I believe people. I am not ashamed of being fooled. I just believe the other person. Only when I am fooled once, do I start to change my view, it is a little different, and the second time - well, we will not cooperate together anymore. You would do the same. Therefore, we have to be very careful, because we expect that we can make a wrong recruitment. We act prudently. One thing is to help. I am proud of our team, we allocated funds, we cooperate with the Polsat Foundation, we got involved ourselves. We have a special staff – here, it was the ladies who undertook it. I was full of admiration, because they devoted themselves to it all day long. We have learnt how to act. This is one issue. However, the second issue is our responsibility for what we do. It's very hard for us to put some person who is among the refugees through our recruitment process because we don't have a full chance of verification. That is the truth of the matter. So we can't rely on refugees and we have to continue to build as we have done so far.

AW:

Of course, our employment procedures always provide for checking such people and this is clear. However, we also cooperate with state services which deal with this issue. On the occasion of the situation and tension with Belarus, when many Belarusians crossed the border, appropriate Polish agencies reacted and issued appropriate warnings. We always cooperate in such matters.

AG:

We have 23 people from Ukraine. I had a meeting with them a week after the war started. It was a moving meeting. I am connected with Ukraine. My parents were from Stanisławów, or Ivano-Frankivsk. In 1945, they came to Rzeszów. They left many friends in Ukraine. We kept in touch, despite the fact that historically different things happened. I have an emotional connection with Ukraine. The Ukrainian people are very close to me. Some people on our team took Ukrainian families under their roof. Our people told stories that the mom from Ukraine said she wouldn't leave her dad, and the dad couldn't imagine leaving because he wanted to fight. There are such beautiful attitudes there. After that meeting with our staff, I thought about all this for a long time. We are all experiencing this. People are sacred to us. Many people from Rzeszów got heavily involved. Marek also has such a nice person in his team. She was on maternity leave, has she returned yet?

MP:

Daria. No, she's still on maternity leave.

AG:

Great person.

MP:

She has been working with us for several years now.

AG:

She has strengthened Marek's team. We have to be smart, though, because I expect everything. I expect provocations. I expect events to occur that are designed to increase tensions with refugees. I'm sorry for that, but that's what we have to do.

AW:

I will ask another question that is related to this very area.

Investor 7:

Are you seeing increased demand for cyber security services due to the increased number of cyber attacks from the East?

AG:

We know it's going to happen. I still don't think the market is paying for it yet, but awareness is growing at an accelerated rate. At this point, I can't speak about the conversations we're having. There is also growing awareness in local governments. You probably remember that, I think in February 2021, the City Hall in Kraków was disorganized. There was an attack. Most likely, the preparation level for such risks was only average. I don't expect that these funds will be released quickly. However, the awareness that I am responsible if I am not interested in it, is growing. Asseco is well prepared. We are specialized in building SOCs. We have a group of great analysts. As far as SOCs are concerned, today it is not so much an art to create them, but it is an art to analyze what is going on. We have made huge progress in this area. There is one big reference in Poland which we cannot talk about. But there is also another one we did and – that one we can talk about. We have an incredible reference in Togo. We built a SOC together with that country. We did it very effectively and we did it in the pandemic period. We are hoping that Togo will become a leader for its neighboring countries, because it wanted to promote itself with the help of this project. The most important thing for me is that today I guarantee you that the Asseco team is already at a level similar to the one we have had in Israel for years. These people speak the same language, they help each other, there is an exchange of information. We had such an incident, where the Israelis immediately offered help and supported us. I was already satisfied, because we were - this did not concern Asseco Poland itself – prepared. We all need training when it comes to cyber security. Asseco is attacked internally nonstop. We simulate attacks ourselves. Even yesterday such a simulation took place. I will admit today that two and a half years ago about 30% of our highly conscious, IT-savvy people were fooled. Today that statistic is very good. I don't have a report yet on how many of us were fooled during yesterday's simulation. They think I'm fooled, so they "shield" me, and I have to admit that I don't see the attacks anymore. I've been trying to be careful for a while now and have learned to look where it's worth looking. We are making progress in this area. We have an internal team of great people. True experts run our crisis staff very well. Crisis staffs were launched because of the pandemic. But when the war started before 4 a.m., we were already ready at 8 a.m. Today, you have to pay attention to the fact that backup is necessary. If there is no other option, also not completely electronic methods should be applied to protect ourselves. We should expect everything. People do not even want to think about it, but it is worth doing. This is

simply the world we live in. Of course this doesn't give any guarantees and we can always make a mistake, we can always lose to some fraudster, but we are very aware of our responsibility.

AW:

The CEO mentioned women early on. Let me just add that women are also visible in cyber security, of course. We have Izabela Albrycht in the Supervisory Board, who works in several organizations related to cyber security, not only at the Polish level, not only in the National Security Council under the President, but also in international bodies. These are also our contacts.

AG:

I am proud of our Supervisory Board. The Supervisory Board and the Management Board - it's just like in Western culture. We all build the company. Our Supervisory Board members, as much as they can, like to be actively involved in sales. Darek Brzeski - at the moment in Togo. After all, Darek is responsible for Africa. Anyway, I tell him: "Darek, if you want, fly. I'm very interested in it, but you'll forgive me for not flying". He said: "Yes, I want to, it's my passion". We'll see how it develops. We have learned a lot. We are very strong in Angola. Now Togo has come up. In Ethiopia we haven't quite settled yet, but we will. A war came up there, a revolution again. A very poor country. I even met with important people there and then the revolution came, then the country stopped again for a while, so IT is no longer important. And we paid a price for that, I mean we didn't pay the real price, because we managed to collect the money back. But for a while we didn't know how to make money - I would call it that. Good news seems to be coming from there. Paweł Piwowar believes that this money will come in. How many more questions do we have?

AW:

Ending the cyber security topic, there is another question I'll read, but I guess - following Adam's suggestion - we'll invite Krzysztof Dyki to a presentation like this at some point.

AG:

Please do so.

AW:

What Adam said is important, that this cyber security team in Poland is already built and we can boast about it. On the other hand, due to the specificity of the activities, we won't talk about everything and Krzysztof is a good person here, who can balance what he can say and what he can't. I even saw his interview on TV, where he was silent for a while on a certain question, because he did not know what to say next, because he cannot comment on certain issues. I will read the question, but it is very detailed.

Investor 8:

What direction do you think the cyber security market will take in the era of trends related to the dispersion of IT infrastructure (once mainly on-premises, now more and more hybrid/private cloud, in the future probably more and more public cloud, as well as mixtures of the above solutions)? This seems to be a big challenge for current IT cyber security solutions. What is your cyber security strategy in the face of these trends?

AW:

I think we'll leave the answer to that very specific question for the meeting with Krzysztof. However, I would like to emphasize that this is the area in which we are investing. This is what Adam and Marek said earlier - we look for companies, we hire, we cooperate. Even if we don't talk about it, we are involved in most of the topics that are happening in Poland within cyber security. We believe that this is a very promising area. Therefore, we will invite Krzysztof to one of our meetings to tell you about this area.

AG:

I guess this is a good idea? When we brought Krzysztof into the company, I said that we would all get some insightful training. And from that some cool stuff started to appear, including ideas of simulating attacks etc. We all need it, because scammers are able to fool everyone, and such activities make us smarter and more careful.

AW:

That was the last question we had from the Internet. I don't see any more questions from the hall either. Therefore, we are closing our meeting. Thank you all very much for your participation in today's meeting and we are inviting you, of course, not only to the next meeting on Q1 results, but also to contact us on a daily basis. Our IR department and other Asseco representatives are available. The CEO has also expressed his willingness and readiness to participate in meetings. Should the need for such a meeting arise, we are of course always at your disposal. Once again, thank you very much and we would like to kindly invite you to another meeting.

AG:

We wish you peace and health. Guy Bernstein would say: happiness. Five or six years ago Guy asked us the question, "What is more important: health or happiness?" Which do you think is more important? Most people usually say health. To which Guy says: "On the Titanic they were all healthy, only they had no luck." So we all wish each other luck. I wish you all the best. Let us live through these difficult times. I think the world will not go crazy and we will get through this together. Thank you very much and see you around.

AW:

Thank you and see you again.

MP:

Thank you very much.

KR-B:

Thank you.

