

**Transcript from broadcast of Asseco's 2022 earnings conference call****Artur Wiza – Vice President of the Management Board of Asseco Poland (AW)**

Good day to you all. I would like to welcome you very warmly to the conference dedicated to the results of the Asseco Group for 2022. As always at the annual summary, we have a broader line-up. With us is President of the Management Board Adam Góral, Vice President of the Management Board Karolina Rzońca-Bajorek and Vice President of the Management Board Marek Panek. As in our previous meetings, we will present to you our activities in 2022 and our prospects for coming years. Of course, you also have the opportunity to ask questions, which we will answer at the end of our meeting. We will start with an introduction and a few words from President of the Management Board Adam Góral.

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

Good day, a warm welcome to you. I am glad that we are together. Although, to be honest, I would rather we were truly here together. For all of us, appearing before the cameras is always difficult. But I am immensely pleased with this meeting, with this large participation on your part. All the more so because we come in great spirits. In 2022 we achieved the best results in our history. I am incredibly proud of this team that I have the pleasure of representing. I am proud of the fact that our strategy, which I will briefly talk about, is working well, including during this most difficult period, for which we were not prepared. I look at the post-pandemic time positively. Of course, the pandemic was a very difficult time for us, but I was proud of how we, as an organization, were prepared to work in a hybrid model. Today, I am happy that we continue to work in this direction.

On the other hand, my joy at the results is dampened by the situation in Ukraine and the war. Unfortunately, we have got used to what has been happening there, but everyone knows that people there are unjustly suffering, and we absolutely cannot accept that. As a Group, we don't have to deal with the problems associated with the war. We have neither benefits nor losses from it. We believe that someday Ukraine will be rebuilt with the participation of all civilized countries. We believe that we – the Poles – will play a role in this. We also believe that we – the people of Asseco – will be involved in the reconstruction process. I am talking here about the sphere of information technology.

I will now move to the results you can already see on slide 3. We are proud of the 20% increase in revenues, which amounted to PLN 17.4 billion, the increase in non-IFRS operating profit to PLN 2 billion, the increase in non-IFRS net profit to PLN 547 million and the 8% increase in net profit to PLN 503 million. As I said, we owe this to something that was obvious to me years ago. We, the Poles, should have ambitions when it comes to software solutions. We should have ambition when it comes to software production, implementation and maintenance. This way of thinking wins because it applies to the entire Group. You may remember that we have integrated many companies in Europe and around the world. We have targeted companies with similar ambitions. We are strong because we have many of our own products and are strongly diversified by sectors and regions. Of course, it's not that we're satisfied with everything in any given year, but diversification means that we can share very good information with you today. We have places that did great, we have places that did a little worse. We always believe in these places, too. My good fortune is a team of great people who work hard to bring you good news. Business stability is sometimes already hard for us to talk about, because most of you know us very well and we may seem boring to you. On the other hand, believe me, what seems so certain and repeatable is achieved through the efforts of many people. As I told you even at the previous meeting, I am very proud of how, during the pandemic period, our team carried out projects that one might think are impossible from the point of view of the methodology

of implementing such projects. I am referring to the (short) time we had at our disposal. Currently we are also carrying out such tasks. In this regard, it is easy to say: recurring revenue stream, business stability. But, believe me, it has been achieved with great effort and is the result of the positive energy of a great team. The Group's nearly 33,000 employees, the people who are my partners, give me reason to be proud of what we do.

As the Management Board, we have made a decision, which was approved yesterday by the Supervisory Board, to pay over PLN 290 million in a dividend, or PLN 3.50 per share. This is in line with this long-term strategy of ours. I hope this satisfies you, and I would like to emphasize that we are not paying the dividend at the expense of the Group's future. We are leaving free funds in the Group so that we can further develop our product sphere and further pursue our acquisition ambitions, looking for companies that fit the Group's culture, which effectively operates based on a federated model. There is faith in us that software from countries such as Poland, or smaller European countries/regions such as the Balkans, Slovakia or the Czech Republic, can be effective in competing with the big global players. Today, cooperation at the highest level with companies even larger than us shows that we have been able to build something that is recognized in Europe and increasingly in the world.

The foundation of our business remains our proprietary software and related services. I'm proud of these great people who are experts in many fields, because we are diversified by sectors. Years ago, I didn't want us to be reduced merely to a vendor role. For a while we, Polish IT, Poles, paid the price for this. This also applies to those smaller countries: Slovakia, the Czech Republic, Serbia, or Portugal, which are with us today. Thanks to these ambitions, we did not allow ourselves to be marginalized, which could have happened if we had remained just vendors. We would not have understood the processes of banks or insurance companies. We would not have understood different types of businesses. We have a lot of expert teams and we will continue to work hard. I'm proud of this because I feel responsible for an important part of onboarding. I meet with young people who come to us. There have been theories that the company, because of its history, experience, might not necessarily be an interesting place for young people to work. I'm proud of the fact that young people have been following us, and we have been learning from them, and today the role of my already more experienced team is to create a workplace where young people actually fulfill their dreams. The fact that we continue to hire, that a great number of young people want to work with us, is also something I am proud of. We will do our best to maintain this.

We have leading positions in our strategic sectors: banking, insurance, healthcare, energy, telecommunications, public administration. I can tell you a lot here, because I strongly follow each of these topics. Let me generalize: these teams have one thing in common – a beautiful respect for history. We, too, started with older technologies, and I am happy to see the progress in each area. Today we are working with the most modern technologies. Not for a moment have we disregarded the topic of cloud and cloud services. All teams, in all sectors, with their own strategy, have been successfully moving us into this world, which will be in place for many years to come. We are making tremendous progress in the ERP systems. Here, I would like to thank Rafał Kozłowski. I've probably told you about this before: about the moment when Rafał said he wanted to be closer to the business and it was time for Karolina to replace him. I remember saying at first: "Rafał, wait, maybe we'll think about it." It was Friday, but then as I thought it through on Saturday and Sunday, I was very happy and thought that we had a wonderful, wonderful woman, an outstanding specialist when it comes to finance. Of course, I agreed to the idea. Karolina has brought wonderful energy to the Management Board. Rafał has been achieving more than I thought. Our international silos operating in the ERP area so far had problems with cooperation. Rafał has been accepted there and brought people together, creating an asset of extraordinary value. We, in that area, have a very good outlook and an effective strategy.

Piotr Jeleński capably manages the business related to the payment area, namely Payten. We are also pleased with what we have achieved in trust services – here, I mean, among other things, our electronic signature. The wonderful team from Szczecin today is an extremely important part of our development.

I announced, probably 2 years ago, that Asseco would not give up its own cloud ambitions. We are very consistent in this. We have internal discussions with my team members, among whom there are opinions that we don't stand a chance with Google, Amazon, Microsoft and so on. Do you know how I respond to this? I heard the same thing in 1991. "Adam, what are you doing? A system for banks? There will be no Polish system for banks, it doesn't make sense." Where would we be today if there was no our system for banks? Our wonderful new BooX, with which we are already achieving a strong position in Poland and making further progress. I also believe that we will sell the system abroad, and we are working on sales channels. It is too an extremely labor-intensive process. Banking systems are strategic systems, so we have to be smart and patient in this area.

We have behind us the first year of operation of the Asseco Cloud team, which achieved about PLN 6 million in net profit. This is a great team led by Lech Szczuka, Marcin Lebiecki and Piotr Rogulski. Why is it successful? Because Asseco Cloud is led by very competent people who believe in it. We are about to start an analogous project in Slovakia, where we also have a great leader. This manager will run the business based on Polish experience. Together with Piotr Jeleński, we are working to create a leader in this area in the Balkans. Please think about how much we can achieve here. This will be the European cloud. At some point, we will want to combine activities from these areas. This will be a huge value, and the main asset will be the customer base being served. We are also one of the customers of this cloud, but I'm happy because about 60% of Asseco Cloud's profit comes from serving external customers, which include significant brands that follow our cloud. Of course, we also have a team of engineers who effectively move global companies to the clouds – we also work with them and have high respect for their achievements.

I am very pleased with the progress we have been making when it comes to cyber security. The awareness of many countries in this area needs to grow. We had great models to follow from Israel. For several years we didn't know how to use them. Today, the Israeli team and the Polish team, led by Krzysztof Dyki, work closely together. It's hard to imagine the scale and number of attacks on companies like ours. Without the vast knowledge, we could certainly have problems. The progress we have made in this area is enormous.

We won't give up what we are well versed in. Also acquisitions are still our goal. Of course, today we are working in a completely different market in this sphere than 10 years ago. We have a lot of competitors. These competitors are investment funds. On the other hand, we are still able to find partners for whom the Asseco's model is important, where we respect entrepreneurship, and they have a huge influence on what they're doing. This model has been working very well and continues to be very successful. In 2022, 16 companies joined our international team.

That's all from my side. Now, I will give the floor to Marek. Thank you very much.

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

Traditionally, I will discuss the activities of the Asseco Group in 2022. Let me start with the numbers. I will repeat the basic parameters of the profit and loss statement. Please, don't be surprised, but it's natural for us to enjoy these numbers, to be proud of them and still talk about them, even though it's already April. Of course, we are also thinking about the current year, as we are about to come back to you with the results for the first quarter of 2023.

Let's get back to what we have on the screen. Sales revenues amounted to nearly PLN 17.4 billion, which marks a 20% increase versus 2021. Our core business, namely proprietary software and services revenues, grew at a similar rate. In this area, we reached PLN 13.4 billion. Non-IFRS EBITDA was at PLN 2.6 billion, and non-IFRS EBIT was over PLN 2 billion. These results grew at a similar rate, or 14%. Non-IFRS net profit amounted to nearly PLN 550 million. As for reported profit, we exceeded PLN 500 million for the first time ever. As we said, we had another record year in terms of financial performance.

As always, I will talk a little about what has been happening in the various geographic segments and sectors in which we have been operating. However, due to the fact that the President is also participating in today's conference, I will be quite brief here, leaving more time for questions. By the way, I encourage you to ask them. This brief presentation on my side is also due to the fact that we are not surprising you with anything. We have been continuing all those trends in our business that we have been keeping you informed about.

Let's start with the Polish segment. In this area, we would like to highlight three issues. We had a very good year in the area of public administration. We have been working with a number of institutions for which we have been implementing long-term projects. 2022 was a very good year in banking and finance in Poland. We would also like to emphasize the good results of Asseco Cloud, which we have already mentioned today, and the nearly 2 times higher sales of ComCERT, our cybersecurity solutions. In the entire Asseco Poland segment, we recorded a 10% increase in sales.

In the Formula Systems segment, we recorded the highest growth, reaching 23%. When analyzing the numbers, please keep in mind that part of this growth, nearly half, was related to foreign exchange differences. On the other hand, this does not change the fact that Formula operated very effectively, with all of its member companies reporting double-digit sales growth. In addition, growth in this segment was supported by acquisitions. In this area, Formula Systems has remained very active and effective. This is a really healthy, very good part of our Group.

In the Asseco International segment, we recorded a 15% increase in sales. We would like to emphasize the effective operations of the ERP area, which includes the companies of the Asseco Enterprise Solutions holding. Very good results were recorded by Asseco South Eastern Europe. This was true for all business segments: payments, but also banking and dedicated solutions. On slide 9 you can see the sales structure by segment and the increases in each area. The bar chart shows the increases in each geographic segment over the last 5 years.

The next slide shows our sector diversification, that is, the breakdown of sales by the sectors in which we operate. Revenues from the general business sector accounted for 42% of the Group's sales, banking and finance for 33%, and public institutions for the remaining 25%. In the bar chart, you can see that in each of these segments our revenues have grown rapidly over the past five years.

A glance at what happened in the various sectors in which we operate. We'll start with banking and finance, where we achieved nearly PLN 5.8 billion in revenues, after a 14% increase. In this area, the Asseco International segment grew the fastest. We recorded dynamic growth in Asseco South Eastern Europe, but it's also worth noting that it was a very good year for our Portuguese company, Asseco PST, which operates in both Portugal and Portuguese-speaking countries in Africa. We are happy because this company started active M&A activities and bought 2 entities. These companies are also already visibly contributing to Asseco PST's results. In the Formula Systems segment, we recorded nearly PLN 3.8 billion in revenues from banking and finance, which marks a 10% increase. We have two major players in this segment. The first is Sapiens, which operates in the international

insurance market, and the second is Matrix, which has a strong position in Israel, where it serves many banking and finance clients. In Poland, we surpassed PLN 500 million in revenues, having grown by 15%, which makes us very happy. I would like to remind you that in this area we have been executing 3 core system implementation projects in parallel. We have been expanding cooperation with cooperative banks in the new cloud model. Increasingly more banks have been using our core system in this way. What is also noteworthy is that we have a steady, recurring revenue stream from servicing agreements, from long-term maintenance contracts that we have concluded with virtually all customers. We have even been working with some of them for more than 30 years.

In the general business sector, we recorded a significant 25% increase in sales. We achieved more than PLN 7.3 billion in revenues. The Formula Systems segment grew the fastest, with sales increasing by 31% and reaching over PLN 5 billion. The main contributors to this sector's results in the Formula Systems segment are Matrix IT and Magic Software. And let's not forget about new acquisitions. Last year, among others, ZAP joined the Formula Group. It was partially consolidated in 2021 and then for a full year in 2022. It therefore has a noticeable impact on Formula Systems Group's revenues. In the Asseco International segment, we generated a 16% increase in revenues from the general business sector. We would like to highlight the good sales performance in Asseco South Eastern Europe. Many projects in the ASEE Group are implemented for the general business sector - mainly in the area of dedicated solutions. Asseco Enterprise Solutions, a group of our ERP companies, generated dynamic growth, the largest in the German market. In Asseco Poland's general business segment, we recorded flat year-on-year results. It is important to note here the high base in 2021. At that time we recorded a significant one-time sale of third-party licenses. On the other hand, this is still a very healthy and stable business.

In the public institutions sector, we generated 20% growth and nearly PLN 4.3 billion in sales. Revenues traditionally grew fastest in the Formula Systems segment, but let's keep in mind the effect of exchange rate differences, which are particularly evident here. Matrix IT, which is a major player when it comes to public institutions in Israel, carries out a great deal of projects, and revenues from this company were the main driver of growth in this segment. In the Asseco International segment, sales were at a similar level year-on-year. We consider this a big success, given the geopolitical situation. I am talking in particular about the Czech Republic and partly the Slovak Republic. In Poland, we can see a 14% increase in sales and over PLN 860 million in revenues. This is the result of long-term contracts concluded with public sector institutions, about which we keep you informed. We emphasize significant growth in the health area – this is also a very healthy business. We have already mentioned the areas of cyber security and cloud, where we also carry out projects for the public institutions sector.

As a Group, we have been continuing our activities in the area of acquisitions. Last year, 16 new companies joined us. On the following slides we have a brief description of all the acquired entities. Traditionally, the most active part of Asseco in the M&A area is our Israeli companies, which have completed most of the acquisitions. Asseco South Eastern Europe also remains active in this area. There was one acquisition in the Polish market.

The order backlog for 2023 requires more commentary. Looking at the bar chart, we see that the backlog presented for 2023 is more or less at the level of the backlog we presented a year ago, both in constant and variable rates. In this context, two elements should be mentioned. First, last year we sold several businesses, whose revenues totaled about PLN 250 million. Secondly, Matrix IT, the largest company in the Israeli Group, which also contributes very significantly to consolidated revenues, changed its backlog calculation methodology. This was, among other things, due to a change of CFO at this company. The new person in this position has a more conservative view of how the backlog should be presented. Also keep in mind the specifics of Matrix IT's business. Most of the projects

implemented by this company are time and material projects. Up until now, framework contracts that, looking at history, generated recurring revenues were included in the backlog. Currently, the CFO has a more conservative approach and includes revenues from contracts actually signed. From a business perspective, nothing has changed, so we are not worried about sales in this area. We think the outlook for this year is good and we are optimistic. Of course, we are watching the market environment and are mindful of any turbulence caused by the war, rising inflation or the labor market situation. As for the other segments – in Poland we have a very good backlog and it is 20% higher than last year. In the Asseco International segment, the value is 5% higher. For this segment, it is important to remember the sale of our Danish operations, which accounted for more than PLN 100 million in revenues. All in all, we are satisfied with the presented backlog and are moderately optimistic when it comes to the current year.

That's all from my side. I will now give the floor to Karolina.

**Karolina Rzońca-Bajorek – Vice President, CFO Asseco Poland (KR-B)**

I will once again summarize the financial data presented. A glance at our profit and loss statement. We recorded a 20% increase in sales revenues, which exceeded PLN 17 billion. Half of the value of revenue growth is purely organic, while completed acquisitions are responsible for about 10% of the growth. In turn, the remainder is related to exchange rate differences – mainly on the following currency pairs: zloty-dollar, zloty-euro. Non-IFRS operating profit exceeded PLN 2 billion, reported operating profit was more than PLN 1.8 billion, which marks a 25% increase versus the previous year. Operating profitability stood at 10.5%, or 0.5 p.p. higher than in 2021. On the other hand, it is worth recalling here the impact of one-off events, which we have kept you informed of. After H1 2023, the impact of the sale of Infinity Labs by Matrix IT was evident, which had an approximate PLN 190 million positive impact on EBIT. In the past year, we wrote off our assets in Tecsis. In Q4 2022, we sold companies in Denmark and recorded a positive impact of PLN 15 million from this. Also in Q4, we wrote off goodwill in DahliaMatic worth PLN 5 million. In summary, Q4 2022 results were positively impacted by one-off events, in the amount of about PLN 10 million.

As for profit and loss statement items below EBIT, everything is in line with information presented in earlier quarters and in line with expectations. The interest result remains under control. You can see that while these costs are rising year-on-year, according to what you can read in our report, more than 80% of our debt, which I will remind you is mainly in the Formula Systems segment and partly in the Asseco International segment, has been taken out at fixed interest rates. As a result, I am expecting an increase in these costs in 2023, but it will be a very controlled increase. As for other important factors, it is worth mentioning the impact of hyperinflation, which we have already reported on after the first half of the year and after the third quarter. In Q4, the impact was mildly negative. For the full year, hyperinflation in Turkey had a positive impact of about PLN 23 million. The effective tax rate was at the level we expected, at around 22% for the full year. In the fourth quarter alone, we recorded a relatively higher tax rate in the parent company. The reported one-off transactions I have already mentioned had a total positive impact of PLN 18.5 million on net result vs. PLN 6 million in the previous year. As for the net result itself, let me emphasize again, we exceeded PLN 0.5 billion in net profit attributable to shareholders of the parent company.

Marek has already said a lot about companies and markets. On slide 21 we are presenting the figures for our largest units. In the parent company, we see dynamic sales growth and EBIT growth, both on a non-IFRS and IFRS basis. We are seeing an increase in the contribution to the Group's financial results. We are very satisfied with the parent

company's performance. Asseco Data Systems, our second largest Polish company, has been doing similarly well. From ADS alone we already have almost PLN 50 million contribution to the Group's result, so this is also already a really serious organization. The Formula Systems segment has already been discussed by Marek. In summary, we are very satisfied with the results of this Group. Our operations in the United States have been rebuilt, and we are pleased with the diversification of Sapiens in Europe. What is noteworthy is that costs in this segment have been kept stable. Average salaries in constant exchange rates are virtually unchanged year-on-year. As I mentioned after the third quarter, this is a result of the use, mainly by Sapiens, of human resources in Asia, where it is cheaper on average. In the Asseco International segment, on the other hand, we are seeing pressure in the Central European market, and operating profit declined in this area. In this segment, we recorded very good results in the ERP area, while we face some challenges in the public market in Central Europe. The Asseco South Eastern Europe Group, which operates in the market of South Eastern Europe, had a very good year. Virtually all operating segments saw increases, both in revenues and operating profit. In Western Europe, we saw an increase in sales and a stable operating result. As for this segment, it should be remembered that we sold operations in Denmark, so revenues will be lower in future periods.

We have a stable cash position. The 80% benchmark we set was exceeded in the Formula Systems segment. On the other hand, it should be remembered that the characteristic of this business is current invoicing, so the cash position there is in line with expectations. In the Asseco International segment, nothing worrisome is happening, although the ratio is a little lower. The cash conversion ratio in this segment is affected by inventories, mainly in Asseco Spain, and slightly worse cash position in Central Europe. In the Asseco Poland segment, in line with trends and expectations, we see a relatively high balance of valuations from contracts with customers, i.e. receivables that have not been invoiced in the parent company. This has a downward effect on the ratio. In contrast, I am expecting that in Q2-Q3 of this year we should return to standard benchmarks. There will be an invoicing of receivables from contracts of several years. We are expecting the ratio to improve.

We have a stable liquidity situation in the Group, with more than PLN 3.3 billion in cash. We have net cash in each segment. In the Asseco Poland segment, we have more than PLN 400 million in cash and PLN 390 million of net cash. Dividends can be paid without the need for debt financing. We are already receiving dividends from subsidiaries, so the situation is very stable.

That's all from my side.

**AW**

I would like to thank Karolina and Marek. We will now move on to questions from you. Please feel free to send your questions to our chat.

**Investor 1**

The value of your Group's order backlog fell slightly year-on-year to PLN 9 776 million. What actions is Asseco intending to take to increase the value of the portfolio in 2023?

**MP**

We've already talked a lot about the backlog, so I don't know if this still needs additional commentary. We are certainly not going to convince the CFO at Matrix IT to go back to the old methodology. Simply, from now on, the backlog will be calculated according to the adopted methodology. We do not observe anything of concern.

**Investor 1**

In your opinion, do you see a slowdown in the IT market in Poland or foreign countries where Asseco operates?

**AG**

Dear investors, in the sectors where we are strong in Poland, we have the best backlog ever. I would not want us to build 2024, 2025 based on this backlog. As for the public administration sector, we see the same problem in all countries. As elections approach, attention is somewhat diverted away from IT. As a result, companies that have an established position may always pay a price. I am very glad that Poland stands out here, as we absolutely do not pay this price, despite the fact that we have entered an election year. Slovakia and the Czech Republic, on the other hand, have been a bit harder in this regard for some time. The Czech Republic has been rebuilding itself anew with thinking about IT for the state after the elections, while Slovakia is still before the elections and it's much harder for Jozef Klein, as the leader, there. In spite of this situation, public administration revenues from these countries are fully satisfactory.

**Investor 1**

How is the Company intending to develop the government procurement segment?

**AG**

We have been taking care of the integration of our international teams for a long time. I want the progress we are seeing thanks to Rafał Kozłowski in ERP, Piotr Jeleński when it comes to payments, to happen in public administration as well. For several years we have followed the hypothesis that every country is different and has its own systems. Now we have appointed Piotr Sitek as the head of the Asseco Group Public Business Unit, who has led important projects for us, such as ZEFIR at the Ministry of Finance and CANARD at GiTD. Piotr now serves as the person integrating our knowledge of systems from different countries. We would like to be the company that shows what a modern state IT system should look like. This will also apply to the Balkan countries, where Piotr Jeleński is not yet too strongly present when it comes to software in administration. Of course, this does not guarantee winning tenders, but it is our great advantage over local companies focusing on a particular market. We believe very much in this segment. We have a lot of knowledge, and I would like to see it transfer better between our companies in different countries.

For example: Slovakia is a smaller country and sometimes we underestimate the solutions developed there. Our teams in Slovakia have done some systems that do not yet exist in Poland. This is how Asseco works. With this knowledge, we want to come to our public administration as well and make progress. Of course, tenders are being held in these areas, and I will never guarantee that we will be the winners. On the other hand, I think we are one of the few companies that can consciously show what the architecture of systems should look like. I like to participate in projects that I believe in, where we – IT companies – deliver real value to a country. This is a great passion of mine, and we will definitely continue this.

**Investor 1**

Is the Company planning to reduce its workforce?



**AG**

Absolutely not. We are hiring. As I mentioned, I am happy that we are hiring young people.

Currently, many tasks are carried out online. I miss direct contact, including with you. For me, direct meetings with you were a great pleasure. I miss the atmosphere, with direct questions and discussion with you.

**AW**

Our President wondered why we don't invite him to meetings every quarter – he keeps taking the opportunity to lead the meeting away from me and immediately answers all the questions he sees on the monitor.

**Investor 2**

Can I ask you for guidance on the Company's profitability in 2023? Wage dynamics in Q4 2022 seem to be slowing down compared to previous quarters. What kind of wage dynamics do you expect in 2023?

**KR-B**

As you know, we do not provide annual guidance. It's too early to say how the year may end. Indeed, wage growth slowed down a bit in the fourth quarter of 2022. On the other hand, as far as the budget is concerned, we assumed that the wage growth trend would be similar going forward. There is talk of a slowdown in the market, while frankly, in Poland or Central Europe, it is not felt. Our key resource is people, and as a result, our priority is that they stay with us. We have a good backlog for 2023, a record year in Poland, and this work needs to be done. Therefore, our long-term goal is to build a staff that will win new projects in the future and successfully execute the contracts we already have signed. This is what we are currently focusing on. As I told you during the meeting after Q3, some of our customers understand the market we are operating in and that IT-related costs are increasing, both with us and in internal IT departments. On the other hand, there is a certain imbalance when it comes to the rate at which cost growth is being passed on to revenue growth. For this reason, we saw a decline in profitability in 2022.

**Investor 3**

What is the reason for the very strong performance in Western Europe in Q4 2022, even after taking into account the one-off effect related to the sale of Danish companies? What, in your opinion, is Asseco International's earnings outlook for the current year?

**K-RB**

The fourth quarter of 2021 was the moment when Western Europe's result was charged with various types of write-downs. We wrote down an investment there in one jointly controlled company, which we then managed to sell. We try to be very careful, thus the write-down was made. We also wrote down revenues related to one large contract in Asseco Spain in that period, so the Q4 2021 result for Western Europe is not a "standard" result. I would rather say that the result in the previous year, 2022, is in line with expectations, while the one in 2021 was burdened by larger negative one-offs.

**Investor 3**

What would the change in backlog be without taking into account the change in methodology at one of the companies in Formula Systems, and what would it be at Asseco International without the Danish companies?

**KR-B**

Maybe I'll start with the Danish companies. If we looked at the backlog purely organically, the dynamics would be about 3%. On the other hand, I can't give you a precise figure in terms of the change in the methodology for calculating the backlog. Matrix IT, as a public company in Israel, didn't provide this either, so even if I knew the figure, I wouldn't have the authority to present it. Matrix has stated that it will now separate its revenues into backlog revenues, recurring revenues – we will now stick to it, as Marek has already said. We have no indication that we think anything has gone wrong business-wise at Matrix IT. Consequently, this is how I would answer the question.

**Investor 4**

Is the Company planning to buy back its own shares?

**AG**

As the Management Board, we are considering buying back our own shares. Times are complicated today, there is a change in the world order. There is more and more talk of crises, there is disturbing information from the United States. Therefore, as the Management Board we would like to be prepared, and it seems that we will be recommending to the Supervisory Board to buy back our own shares, in order to feel safe in situations that may surprise us.

**KR-B**

We've been getting questions about share buybacks for some time now. This has caused us to think about it. What Adam has said is not a decision of the Management Board to buy back shares. Today we do not have such an instrument and legally we are not ready to make such a decision. We want to secure a path for ourselves today to be able to make such a decision, but the decision itself has not yet been made.

**AG**

Yes, we are considering it. This topic undoubtedly interests us.

**Investor 3**

Are you considering changing your auditor to a firm that will not delay your communication of results to shareholders? I would like to ask for a comment on the situation with the consolidation of Formula's results.

**AG**

We wanted to present the same results to you, right after we asked for your patience and delayed the publication. I would like to apologize for that because – it was quite a difficult moment for us. We have a phenomenal year, we're incredibly happy and we wanted to close it out. We were a little bit disappointed. On the other hand, today I thank the team of Karolina and Gabriela Żukowicz. I also thank the Israeli team. We knew we had control over Formula Systems – we called it *de facto* control. The purpose of two people from Asseco Poland, Karolina and Gabriela, entering the Management Board at Formula was to maintain control. We were preparing to terminate the proxy, our relationship remains the same. Guy Bernstein, without consulting us, is not making any significant moves. We have control over everything. The salary program for Guy is also our initiative. I was proud of the fact that 95% of the shareholders voted for Karolina and Gabriela to be in the BoD of Formula Systems.

Of course we experienced disappointment and stress, but this moment must not destroy our good history with EY. This auditor had a positive impact, especially in that early period when we were doing something special and the team was still very young. Look at this, Karolina is still very young, and she has been in this team for many years. This team needed external opinions, etc. So we value this cooperation, and these 3 difficult weeks did not destroy it. On the other hand, naturally, next year, for legal reasons, EY will not be able to be the Group's auditor. This is not related to the recent situation. We would never apply any form of revanchism either. For me, these three weeks were such an artificial discussion. We have an asset in Israel, today we own 25.8% of the shares. This asset has a powerful value and is very important. This asset, if I'm not mistaken, gave us about PLN 80 million in profit to consolidate. I do not look at revenues and EBIT, I focus on profit. For me, this is the primary indicator of the effectiveness of the company and the Group. As such, it didn't matter much whether we officially consolidated Formula. For me, this Group would continue to remain the same Group. Similarly, as we talk about non-IFRS results, in the absence of Formula's consolidation we would also come to you with pro forma results. Today we are all happy because our thinking that we are in control has been reinforced. We didn't fully realize in Poland that with 25.8% we were outvoting the other shareholders, because institutional shareholders together can only vote up to 20%. Today I say it was painful, because Karolina didn't have Christmas. You can see what a combative player she is, smiling now, but I saw her at times tired of the situation. I didn't want it to be like that. Today I also look at another sphere. In the sphere of production – where we implement powerful systems – the implementation teams, which sometimes experience more difficult moments, have to be together. If we make a mistake somewhere, it has to be fixed quickly, we are under pressure. The back office team is also under great pressure with every report. Over these three weeks, the team integrated. We also look at it positively, and the auditor has also become more familiar with the rules and the right to consolidate. We remain in a decent relationship with EY. This is how I have taken the liberty of answering the question.

#### **AW**

Of course, we are happy to have met with you after these 3 weeks and we are already inviting you to our next meeting after Q1 2023. We have no more questions from you in our panel. We also have investors in place – are there any more questions? No. So that concludes our meeting.

#### **AG**

You have had your own representation in our office today. Thank you very much for the meeting and for your presence. Keep your fingers crossed for us. When one talks about numbers, it all seems so simple, but we can present them to you only thanks to the hard work of the team. Sometimes we worry, because we know how to estimate risks and we are very experienced. Life brings some surprises all the time, but I can promise that we will continue to represent you with dignity and we will certainly not disappoint. Although, of course, I can't promise that we will constantly break records. On the other hand, the team is full of energy and will strive for them.

#### **AW**

With that, we would like to thank you very much and cordially invite you to our next meeting, which will be about Q1 2023. If you have any questions, our IR department is at your disposal, as are Marek, Karolina and myself. If any of you would like to meet with the President – as we have always emphasized – we are at your disposal and are inviting you to contact us. Once again, thank you very much.