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SOUTH EASTERN EUROPE

ASEE Payment Strategic Direction - PAYTEN

Diversification & Expansion

expected business growth

Agenda.

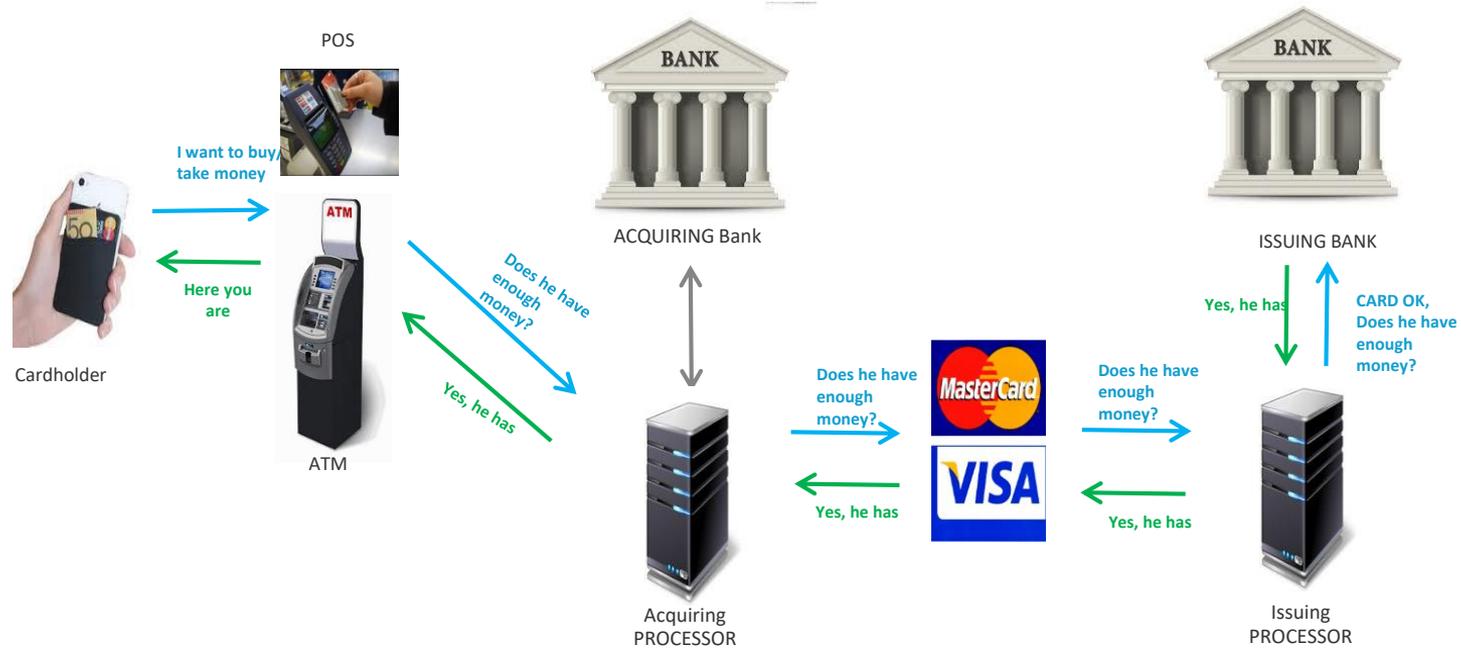
- ASEE Payment Overview
- ASEE Payment Vision
- Steps to Achieve Targets

ASEE Payment Overview.

Payment Industry **Covers.**

- Processing processes
 - switching, processing
 - settlement, clearing
- Issuing
 - payment instruments issuing (cash, payment cards, mWallet, eMoney)
 - card management and card personalization
- Acquiring
 - solutions and services for acceptance network (ATM, POS, virtual POS)
 - eCommerce incl. tokenization services
 - merchant aggregation
 - cash management
- Other
 - security and fraud protection, incl. 3D Secure 2.0
 - loyalty, contact center & additional services

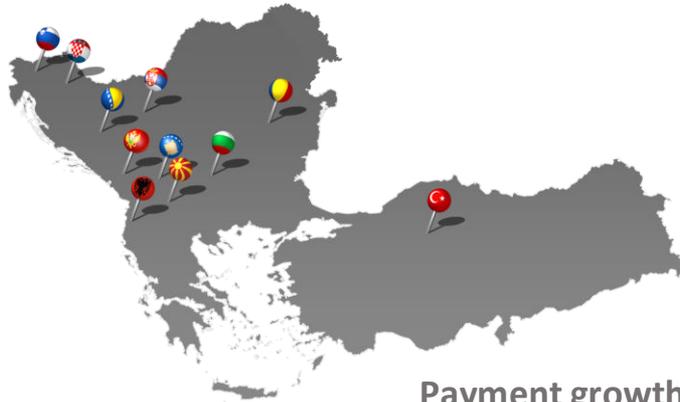
Who's Participating Cards.



Payment in ASEE – Focus Areas.

- ASEE offers:
 - **Processing** (A) (Acquiring, Issuing, Switching, Personalization, Call center, E-Top up solutions) instant payments and PSD2 psp; (B) **Aggregation** services, Fraud management)
 - **E-commerce solutions** (A) (Virtual POS, Online banking payment, Switching, Tokenization); (B) PSD resulting aggregation serv.
 - **Mobile payment** (B) (DigiCrdIssuing, Closed loop m-payment)
 - **EFT POS related services & solutions** (A)
 - **ATM related services & solutions** including ATM sharing (IAD) (A)
 - **Security and fraud protection**, incl. 3D Secure 2.0 (C)
 - **E-commerce VA services** (C) (synergies with payment)
 - **Loyalty, Contact center & Additional services** (B)

ASEE Payment Business and Markets.

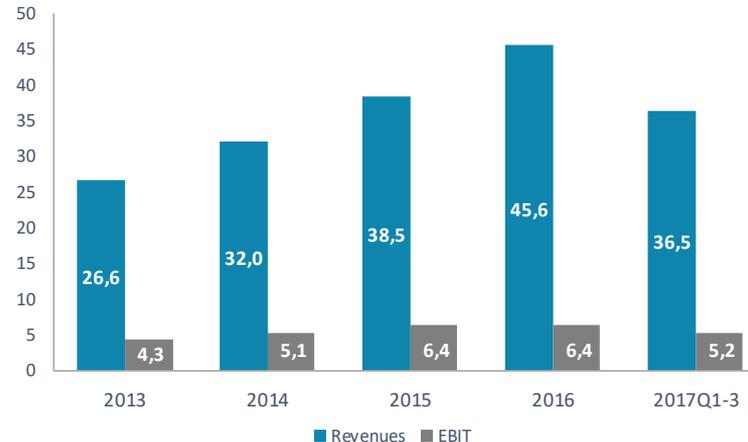


Strong presence in 12 SEE countries & other countries out of SEE (Marocco, Poland, Azerbejdan)

150+ banks customer

449 employees

Payment growth Reve and EBIT



ASEE Payment Business.

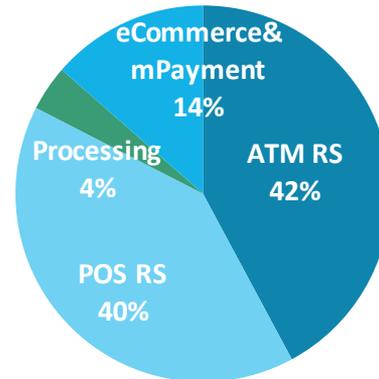
Major business lines today

- eCommerce
- POS related services and solutions
- ATM related services and solutions
- Processing
- M-payment and security

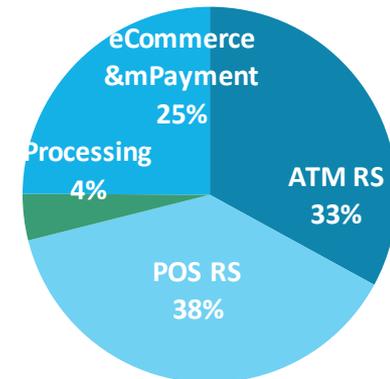
Numbers

- Transactions 37m/month PG
- Transactions 1.3m/month MSU
- Over 230k POS serviced – est. over 30% market share
- Over 6.700 ATM serviced – est. over 30% market share

2017Q1-3 Reve



2017Q1-3 EBIT



Growth in outsourcing business to 16.3mE 45% of Rev in Q1-3'2017
(18.4mE 40% of Rev in 2016)

Payment Industry Trends – Conclusions for ASEE.

- **Competition** intensifies on ASEE market
- **Consolidation** trends globally continue and are more visible on our markets
- Players that remain active **diversify** their offering
- PSD 2 will provide more opportunities/challenges

If ASEE wants to continue growing and being competitive in Payment business it needs to address these trends.

ASEE Payment Vision.

Growth Considerations and Assumptions.

- Payment is ready to become **fully independent business**
- Payment is **not recognised in valuations** and thus does not contribute positively to ASEE valuation (confirmed by analysts)
- ASEE business as well as Payment has **legacy of emerging markets risk** (SEE&Turkey)
- **Strategic Focus**
 - Participate in **consolidation of SEE markets**
 - Get **geographic diversification** including out of SEE through direct sales and acquisitions
 - Focus on all **5 business lines**
 - Develop **merchant relationships**
 - Monitor **new opportunities** in eCommerce & mPayment markets- **acquire**

Valuation Comparables.

Company	Market	Currency	Mcap	Sales	EBITDA	EBIT	NPAT	P/S	EV/EBITDA	P/E
Worldpay (UK)	London SE	GBP	8 110	1 124	424	339	132	6,8	20,5	48,6
Wirecard (Germany)	Frankfurt SE	EUR	10 390	1 059	294	234	267	8,5	28,7	50,8
FirstData (USA)	NYSE	USD	15 820	11 584	2 663	1 602	420	2,0	12,0	28,7
Square (USA)	NYSE	USD	15 340	1 709	-132	-170	-172	8,1		
PayPal (USA)	Nasdaq	USD	88 980	10 842	2 310	1 586	1 401	7,6	35,3	59,7
Verifone (USA)	NYSE	USD	2 000	1 992	212	33	-9	1,1	12,5	
Ingenico Group (France)	Paris SE	EUR	4 390	2 312	438	360	244	2,1	11,4	19,7
Euronet Worldwide (USA)	Nasdaq	USD	4 770	1 959	343	250	174	2,3	14,4	29,2
Fiserv (USA)	Nasdaq	USD	26 710	5 505	1 856	1 445	930	4,8	18,1	31,4
AVERAGE								4,8	19,1	38,3
Provus (Romania)	Wirecard	EUR	32,0	9,7	3,2	2,1	1,7	3,3	10,0	18,8
Other transactions*								3,1	15,5	26,1

		2016				PAYMENT EQUITY VALUE		
ASEE Payment (listed peers)	EUR	45,6	12,2	6,4	5,3	218,6	224,0	203,4
ASEE Payment (Provus transaction)						150,4	112,9	100,0
ASEE Payment (Precedent transactions)						141,4	180,0	138,6
ASEE Banking and System Integration		84,8	9,3	6,6	6,5			
Total ASEE Group		130,4	21,5	13	11,8			

Total ASEE Mcap/Equity Value (Ban+Pay+Other) 136,8

*) average multiples from transactions in Payment sector announced 2015-2017

Steps To Achieve Targets.

Strategic Areas of Growth and Sustainability.

EXISTING & NEW MARKETS

NEW PRODUCTS OFFERING

EFFICIENCY & business SECURITY

ACQUISITIONS and LISTING

Existing & New Markets– Enter New Geographies and New Product Areas (**organic***).

- **Strengthen** position and **market share** in three major BL
- **Central and Western Europe, N. Africa** for **e-commerce** and **m-payment** products & services
- **Romania growth** assumed for both **POS and ATM related Services**
- **Grow processing** client base with merchants directly and banks
- **Grow IAD** (Independent ATM Deployment) business
- Develop **Aggregation** services
- **Offer extended outsourcing solutions** (merchants (processing) and banks (aggregation & processing))
- **M-Payment** is expected to develop in many different structures (PSD2 will generate interest)

* Acquisition growth addressed on following slide

New Products Offering.

- Enhance eCommerce portfolio
 - Add functionalities (integration with **different payment schemas**) in PG
 - **New products** like card tokenization MSU
 - Offer Merchant **Aggregation** with new functionalities (for Marketplace)*
- Develop additional applications for ATM and POS business
 - New functionalities like personalised ATM screens, mCash (mobile/ATM)
 - Integration **software & services for other vendors** (vendor independency)
- New **M-Payment functionalities** (wallet, HCE)
- **Processing: Additional integration features** for merchants and new markets

*Merchant Aggregation in Turkey obtained licence and started with 'Paratika' brand from end of 2016

Improve Efficiency and Security of **Operations**.

Due to **margin erosion and competition increase** the need for efficiency maximization – in ATM, POS and eCommerce businesses

- Cost **control by KPIs**:
- Incident management, Efficiency management and **SLA management** implement and track/optimize

Vendors diversify into our business areas thus:

Necessity to **be multi-vendor** (agreements and software adaptation)

Enhance Growth through **Acquisitions.**

- Acquisitions to **consolidate existing SEE market** within 5 business lines
- Acquire **well established business on other markets**
- Already several acquisition targets in processing, merchant aggregation, POS related services

By acquisitions we want to **add**
at least 10m in revenue and up to 2m in EBIT by 2018.

Optionally List Payment as Separate Entity on International Stock Exchange.

Reasons:

- Not **recognised** payment in valuations (confirmed by analysts)
- More attractive for future M&A targets – joining **comparable structure**
- Obtaining **cash** for further expansion and growth

Necessary steps to take:

- **Spin off** of Payment business (to be completed in 2018)
- Let the company operate **1-2 years to mature**
- **Finalise acquisitions** in the pipeline
- Examine **selected markets** (London, Frankfurt ...)
- Decide on **additional acquisition** targets

Thank you.

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for demanding
business.

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