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SOUTH EASTERN EUROPE



Solutions for Demanding Business

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Financial Results for 2014 And Business Update

February 19th, 2015

Warsaw

Q4 2014 and 2014 results

Q4 2014 highlights

Payment BU

- Delivery of ATMs to NLB Tutunska Bank (Macedonia), Erste bank (Croatia) and ProCredit (Serbia)
- POS for Ziraat bank in BiH

Banking

- ASEBA Core Banking in one of the top international banks in BiH
- ASEBA Core Banking for UniCredit Bank Srbija (students loan application and ASEBA KDP)
- Extension of ASEBA Mobile banking for one of the European banking groups
- New ASEBA Mobile banking for international bank in Serbia

System Integration

- Contact center solution for IKEA in Poland
- SI contract for the Agency of Real Estate Cadastre in Macedonia
- Multi vendor solution for a public administration client in Romania

2014 highlights

- Increased interest in **new investments** in the financial sector
- Appearing **new entrants** on the financial scene, both utilities and non present banks
- Continuing interest in payment processes **outsourcing**
- **Delivery** shows **weak** points and its reorganisation will be a major focus for this and next year
- **Positive turn-around** of Turkish ex-**Sigma** business, although further restructuring needed
- Preparing **profit focus restructuring** for **mobile** solutions business

Good results in Q4'14 due to better performance by Banking

mEUR	Q4 2014	Q4 2013	Δ YoY	Organic growth
Revenue Total	39,3	35,9	+10%	+9%
EBITDA	4,7	4,3	+10%	+6%
EBIT	3,7	3,2	+16%	+16%
NPAT	3,2	2,9	+11%	+11%
<i>EBITDA %</i>	<i>12,0%</i>	<i>11,9%</i>		
<i>EBIT %</i>	<i>9,5%</i>	<i>9,0%</i>		

mPLN	Q4 2014	Q4 2013	Δ YoY	Organic growth
Revenue Total	165,8	149,7	+11%	+10%
EBITDA	19,9	17,9	+11%	+7%
EBIT	15,8	13,4	+17%	+18%
NPAT	13,6	12,1	+12%	+12%

Improved numbers in 2014 as a result of better performance by Payments and Integration

mEUR	2014	2013	Δ YoY	Organic growth	mPLN	2014	2013	Δ YoY	Organic growth
Revenue Total	119,6	111,7	+7%	+5%	Revenue Total	500,9	470,2	+7%	+5%
EBITDA	16,5	13,3	+24%	+17%	EBITDA	69,3	56,1	+24%	+17%
EBIT	11,0	10,0	+10%	+8%	EBIT	46,2	42,1	+10%	+8%
NPAT	9,3	8,5	+9%	+7%	NPAT	39,0	36,0	+9%	+6%
<i>EBITDA %</i>	<i>13,8%</i>	<i>11,9%</i>							
<i>EBIT %</i>	<i>9,2%</i>	<i>9,0%</i>							

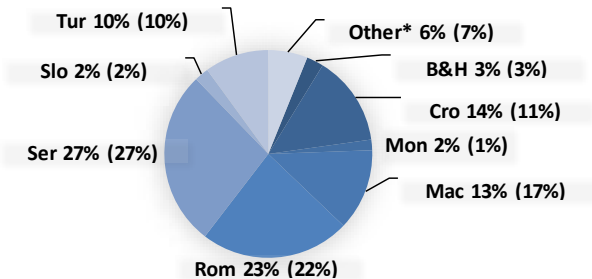
2014 by countries: Strong performance by Turkey, improvement in Serbia, Croatia and Macedonia

mEUR	Revenue 2014	Revenue 2013	Change	% Diff
B&H	3,2	3,4	-0,3	-8%
Cro	16,8	12,2	4,6	+38%
Mon	2,0	1,5	0,5	+31%
Mac	15,2	18,9	-3,7	-19%
Rom	27,8	24,8	3,1	+12%
Ser	32,7	30,4	2,3	+8%
Slo	2,7	2,2	0,5	+21%
Tur	11,9	10,9	1,0	+10%
Other*	7,3	7,5	-0,2	-2%
GASEE	119,6	111,7	7,9	+7%

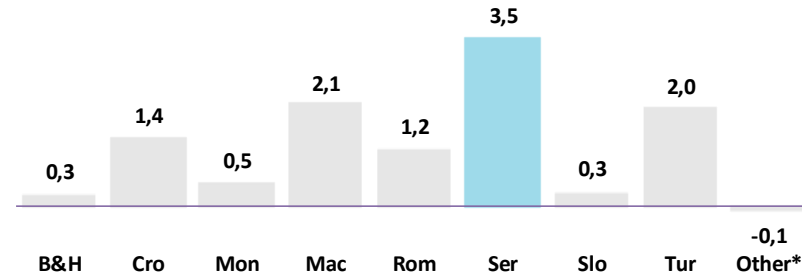
EBIT 2014	EBIT 2013	Change	% Diff
0,3	0,6	-0,3	-54%
1,4	0,8	0,6	+74%
0,5	0,4	0,1	+18%
2,1	1,9	0,2	+8%
1,2	1,3	-0,1	-9%
3,5	3,1	0,4	+13%
0,3	0,3	0,0	+5%
2,0	1,1	0,9	+82%
-0,1	0,6	-0,7	-116%
11,0	10,0	1,0	+10%

NPAT 2014	NPAT 2013	Change	% Diff
0,2	0,5	-0,3	-55%
0,9	0,6	0,2	+39%
0,4	0,4	0,0	+11%
1,8	1,8	0,1	+4%
1,1	1,2	-0,1	-11%
2,8	2,7	0,1	+4%
0,3	0,3	0,0	+4%
1,8	0,9	0,9	+95%
0,0	0,2	-0,2	-93%
9,3	8,5	0,8	+9%

Revenue 2014



EBIT 2014



*Other entities are Kosovo, Albania, Bulgaria and Poland

Safe liquidity position with outsourcing investments financed by third party debt

mEUR	Asseco SEE Group		
	2014 YE	2013 YE	Δ
Cash and cash equivalents	13,1	8,1	5,0
Short term investments	7,7	6,2	1,6
Short term and long term debt	-10,1	-3,2	-6,9
Net Cash	10,8	11,1	-0,3
Adjusted Net Cash*)	20,6	13,6	7,0
Receivables and Prepayments	30,5	32,9	-2,4
Liabilities, Provisions and Deferred Income	-28,3	-26,5	-1,8
Inventory	3,8	4,3	-0,4
Operational Balance	26,7	24,3	2,4

*) debt for purchase of hardware for outsourcing projects excluded (9.9 mEUR as at the end of Q4'14 and 2.6m EUR as at the end of Q4'13)

Very good operating cash flow in 2014 due to short-term decrease in working capital

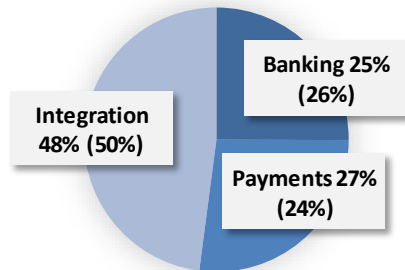
mEUR	Asseco SEE Group		
	2014	2013	2012
Operating cash flow	18,3	9,6	13,0
Debt increase	6,9	3,1	0,0
- CAPEX - IT Infrastructure for outsourcing	-11,0	-3,9	-3,0
- Other CAPEX	-1,5	-1,7	
- R&D	-1,9	-3,0	-2,1
Free cash flow	10,8	4,2	7,9
Cash conversion ratio*	98%	41%	63%

*Cash conversion ratio calculated as Free cash flow to EBIT

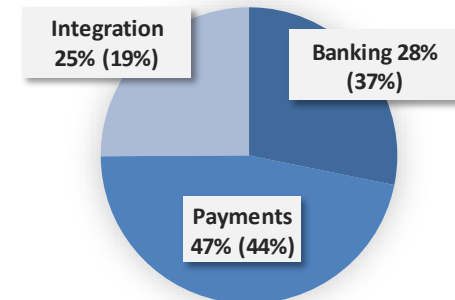
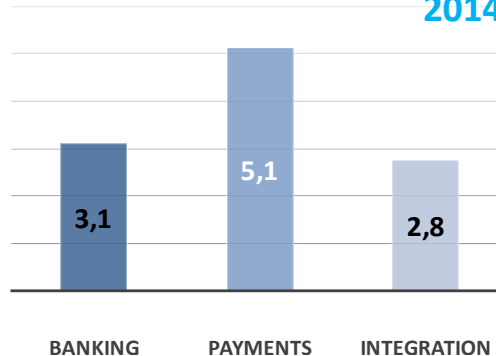
2014 by business units: good performance by Payments and Integration

mEUR	Revenue 2014	Revenue 2013	Change	EBIT 2014	EBIT 2013	Change
Banking	30,0	29,3	0,7	3,1	3,6	-0,5
Payments	32,3	26,6	5,7	5,1	4,3	0,8
Integration	57,3	55,7	1,6	2,8	1,9	0,8
AssecO SEE Group	119,6	111,7	7,9	11,0	10,0	1,0

Revenue per BUs
2014



EBIT contribution
2014



Banking BU: 2014 results and highlights

mEUR	2014	2013	Δ
Revenue Total	30,0	29,3	+2%
EBITDA	4,6	4,7	-3%
EBIT	3,1	3,6	-14%
EBITDA %	15,3%	16,2%	
EBIT %	10,3%	12,3%	

Highlights:

- **ASEBA Experience** and **ASEBA Multichannel** at **Telenor Bank** in Serbia (ASEE Serbia with ASEE Macedonia and ASEE Croatia – cross-sell)
- **ASEE core banking** in Makedonska Banka
- **ASEE core banking** in subsidiary of international bank in Bosnia&Herzegovina
- **ASEE core banking** in **Lovcen Banka** in Montenegro
- **Experience Customer Insight** and **Collateral Management** System for **Raiffeisen** in Bulgaria
- **Tezauri and regulatory reporting** for **AIK Bank** in Serbia
- **Fatca Compliance Solution** contracts signed in Romania and Turkey

Payment BU: 2014 results and highlights

mEUR	2014	2013	Δ	Organic
Revenue Total	32,3	26,6	+21%	+13%
EBITDA	8,2	5,6	+46%	+30%
EBIT	5,1	4,3	+19%	+14%
EBITDA %	25,2%	20,9%		
EBIT %	15,9%	16,2%		

Highlights:

- Signed 5Y **outsourcing** with Banca Intesa in Serbia
- Signed 7Y contract with Croatia Banka in Croatia for **outsourcing of terminals** starting June 2014
- Signed 8-year and 7-year contracts for **ATM outsourcing** for **Privredna Banka** in Croatia (ISP Group)
- **ATM** and **POS outsourcing** contracts with **NKBM** in Slovenia
- Implementation of **contactless POS terminals** for **BRD Bank** (Societe Generale), to be used in McDonald's restaurants in Romania
- **ATM outsourcing and accompanying software** for **Podravska Banka** in Croatia
- Signed contract with the biggest Turkish web-offering site for **Merchant Safe Unipay**

SI BU: 2014 results and highlights

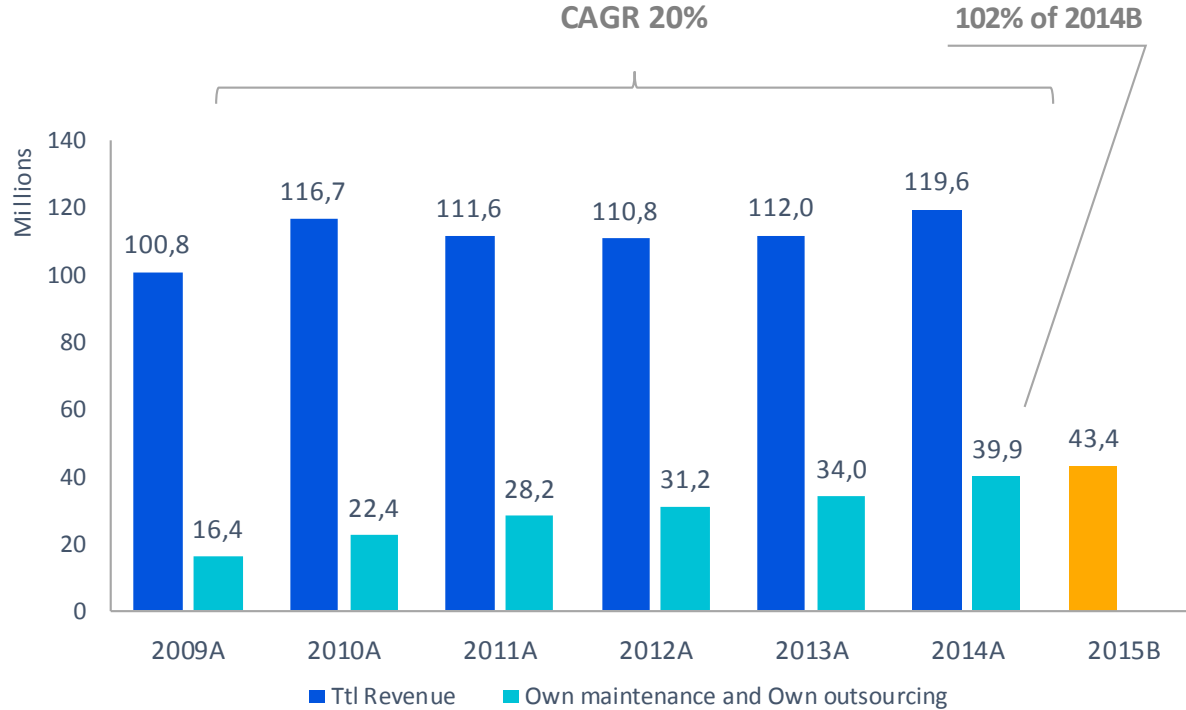
mEUR	2014	2013	Δ
Revenue Total	57,3	55,7	+3%
EBITDA	3,7	2,8	+32%
EBIT	2,8	1,9	+44%
EBITDA %	6,4%	5,0%	
EBIT %	4,8%	3,4%	

Highlights:

- **Information System for HR Management** for Ministry of Information in Macedonia
- **ASEBA CMS with CAS functionalities** for Electronic Health Card System in Croatia
- Contract with Electoral Authority in Romania for **expanding computing capacity and data storage**
- 3 new contracts with leasing companies, one in Saudi Arabia two in Turkey for **LeaseFlex**
- **Contact Center** in NLB Tutunska Banka in Macedonia (cross-sell from ASEE Croatia)
- **Application Performance Management system** based on **Compuware solution** for a bank in Turkey
- **ASEBA BPS** for an international bank operating in **Bulgaria** and for **Komercijalna Banka** in Serbia

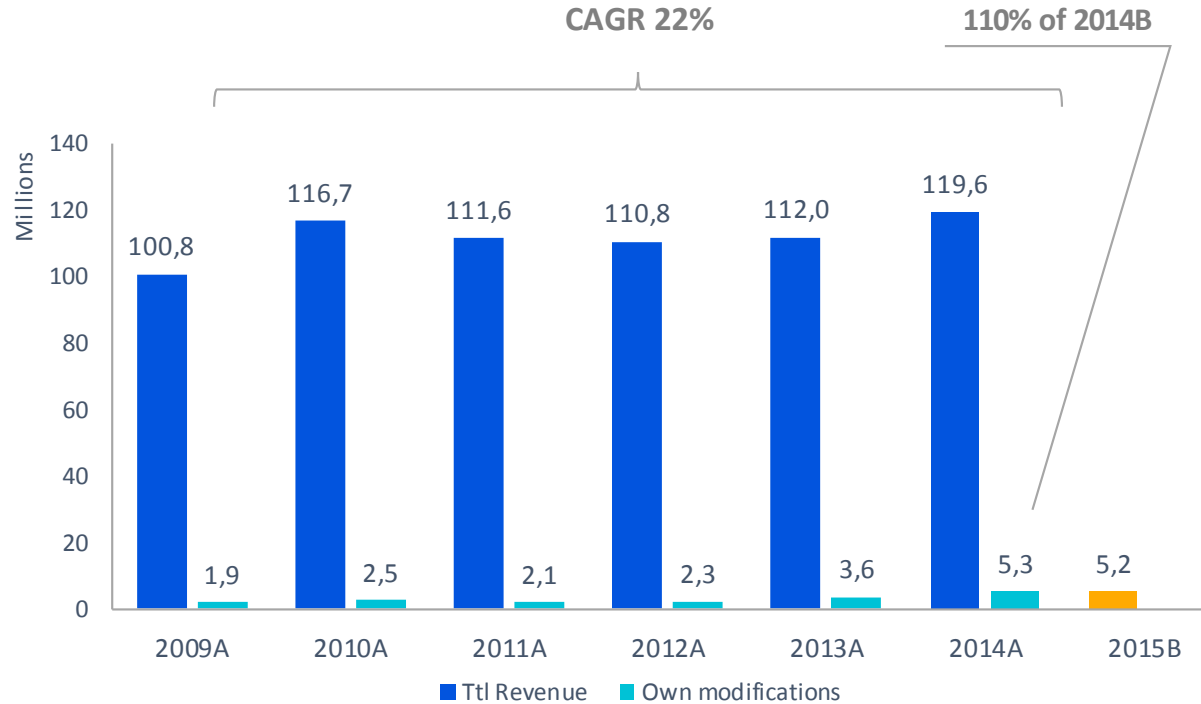
Strategic KPIs and outlook for the future

Maintenance and Outsourcing

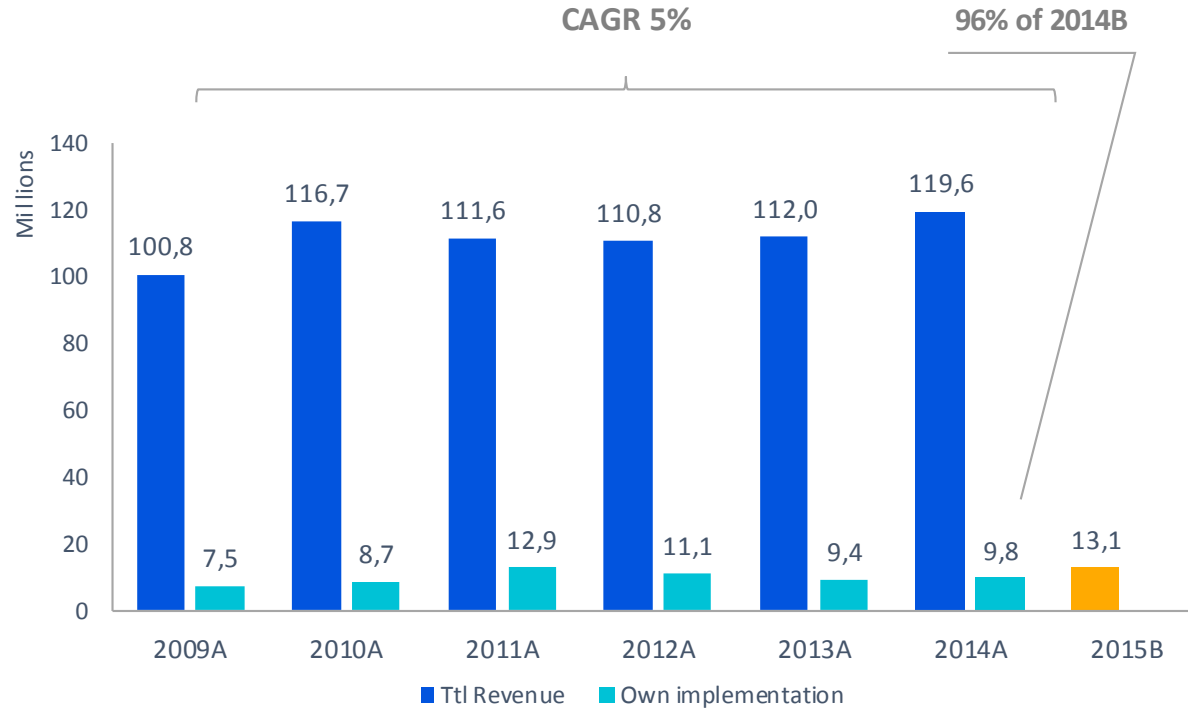


	2009A	2010A	2011A	2012A	2013A	2014A
Cost Coverage	53%	56%	60%	61%	60%	66%

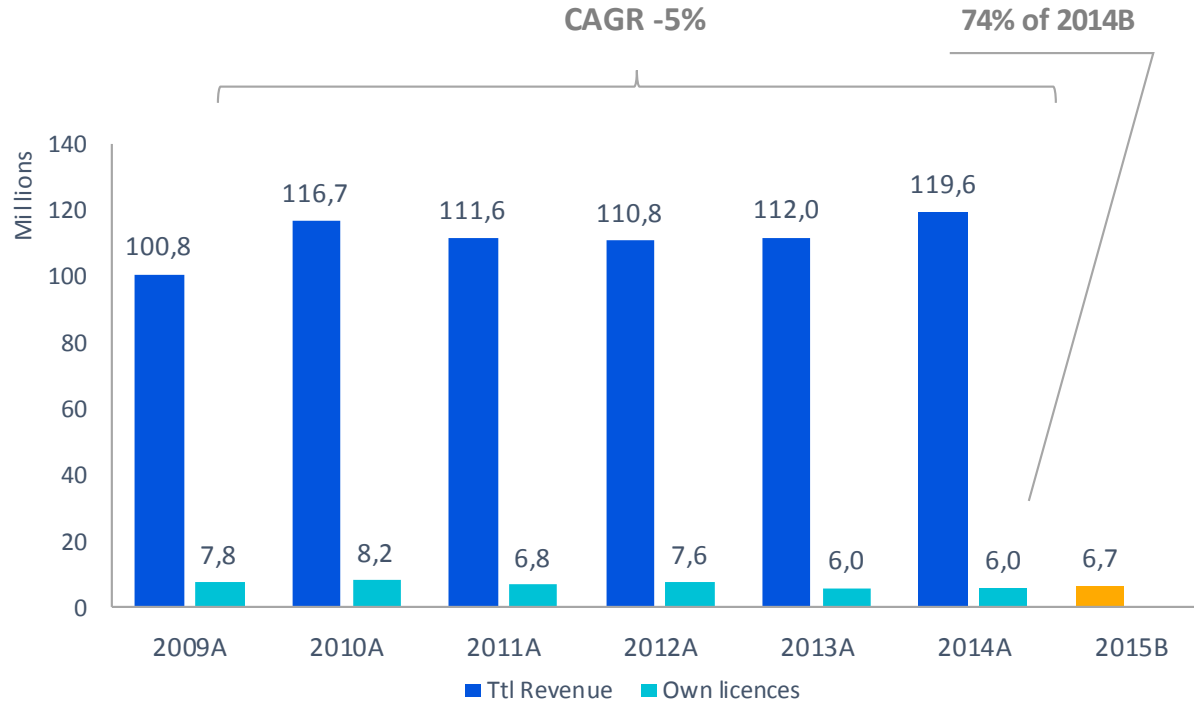
Modifications



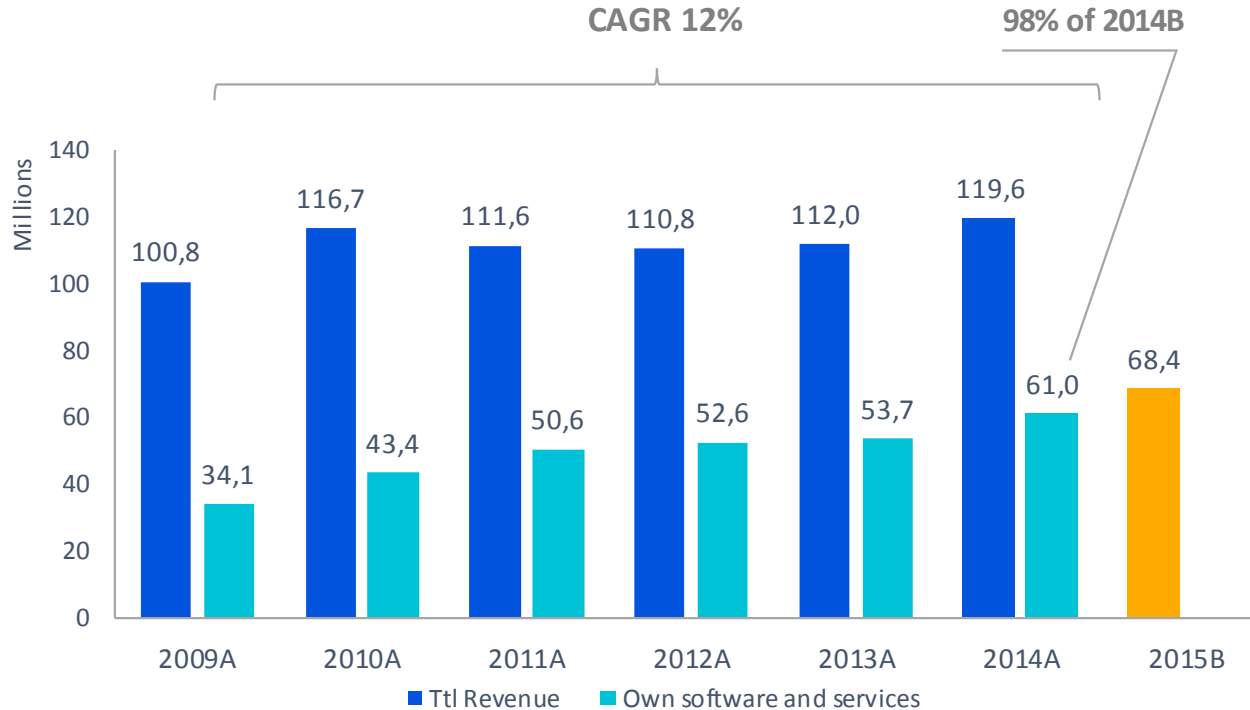
Implementations



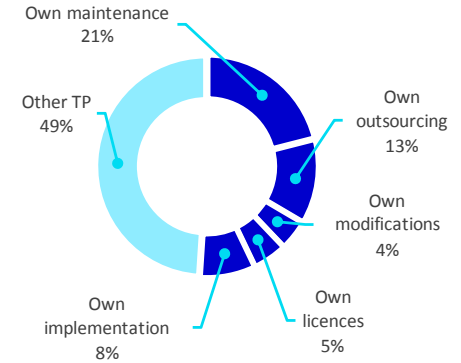
Licences



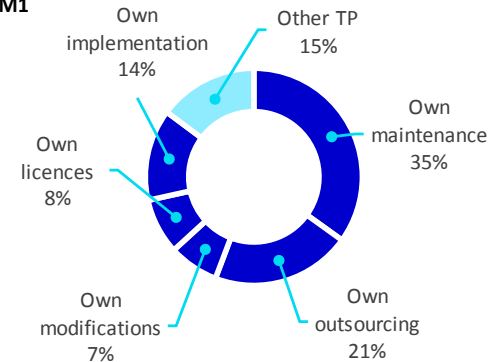
Own software and services



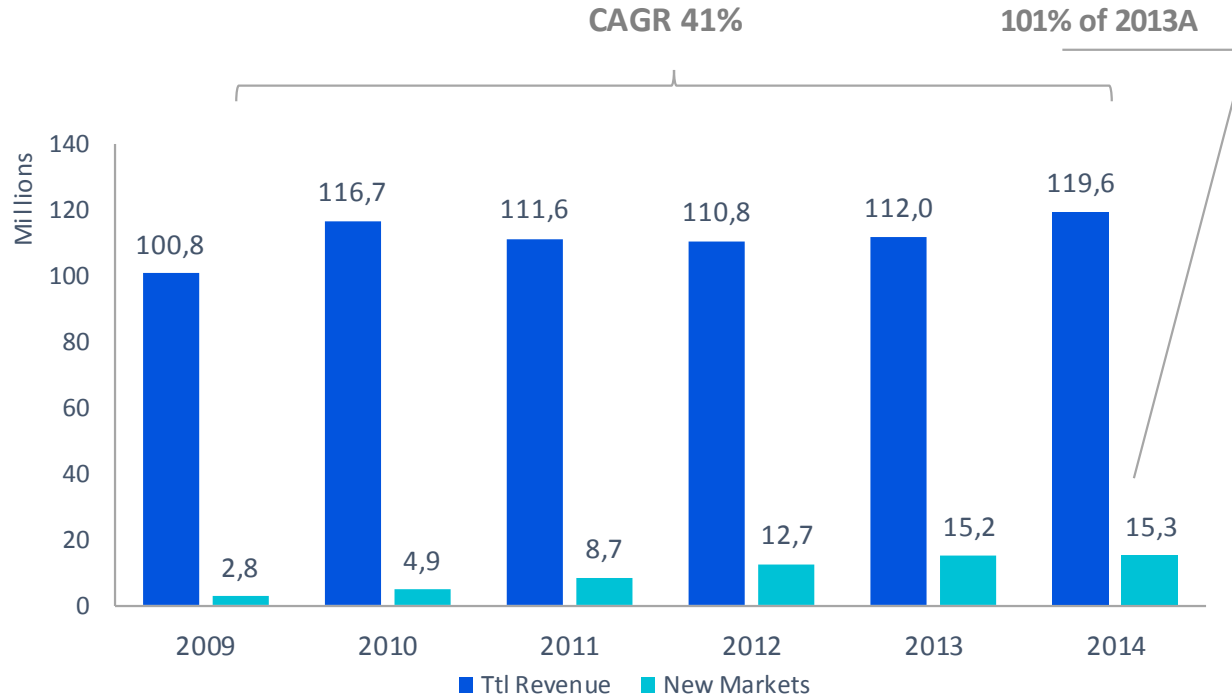
Reve



M1



New Markets*



*excluding EZR: €0,44m (2013) and €3,02m (2014)

Highlights for 2015

- **Outsourcing POS/ATM contracts** providing for better backlog for 2015
- **Ziraat Banking Group** potential core banking deals in the region
- Interest in enhancing **Front Office** and building **Multichannel** approach
- Continuing interest in **payment** processes **outsourcing**
- **Delivery** reorganisation will be a major focus for this year
- **Continue turn-around** of Turkish ex-**Sigma** business (replacement of ex-owners)
- **Turnaround in Bulgaria** – new business in Banking software
- **Restructuring** for **mobile** solutions business

2015 Strategic Focus – Sales and Markets

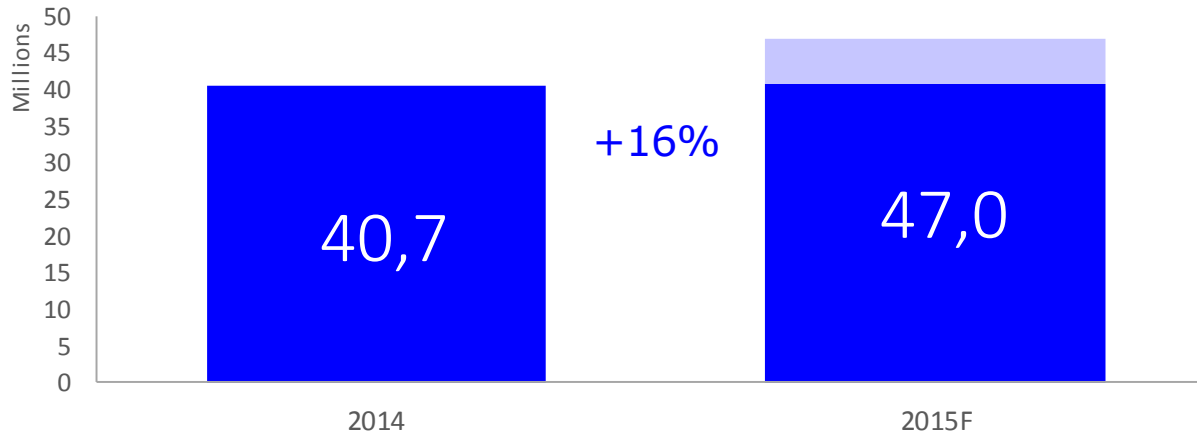
- Increase **sales coverage** and focus on **Big deals**
- **Net-New business acquisition** (new product sales, licence revenues):
 - **Strengthening streams:**
 - Banking: Serbia, Turkey, Romania
 - Payment: Serbia, Croatia, Turkey, Slovenia
 - Public: Serbia, MAK, Romania
 - Telco: MAK
 - **New streams:**
 - Banking: Bulgaria, Croatia
 - Payment: Romania
 - Telco: Serbia, Romania
- **Cross-sell** enhancement
- Focus on **International Banking Groups** and **Big Local**
- Re-evaluation of **sales teams**

2015 Challenges

- Introduction of the **professional services organization**
- Business development: **New Sectors, New Territories**
- Small **amount of Big deals** (over 250kE)
- Small amount of **Public deals** due to lack of distribution of EU funds (mainly in Romania)
- Still weak middle management, no proper **succession plan**
- **Consolidation of product portfolio**
- Organization **restructuring** processes in **Bulgaria, Croatia and Turkey**

Increase in backlog in 2015

mEUR	2014*	2015**	Diff
ReveBL	51,9	58,1	+12%
M1BL	40,7	47,0	+16%



Consensus forecast for 2015

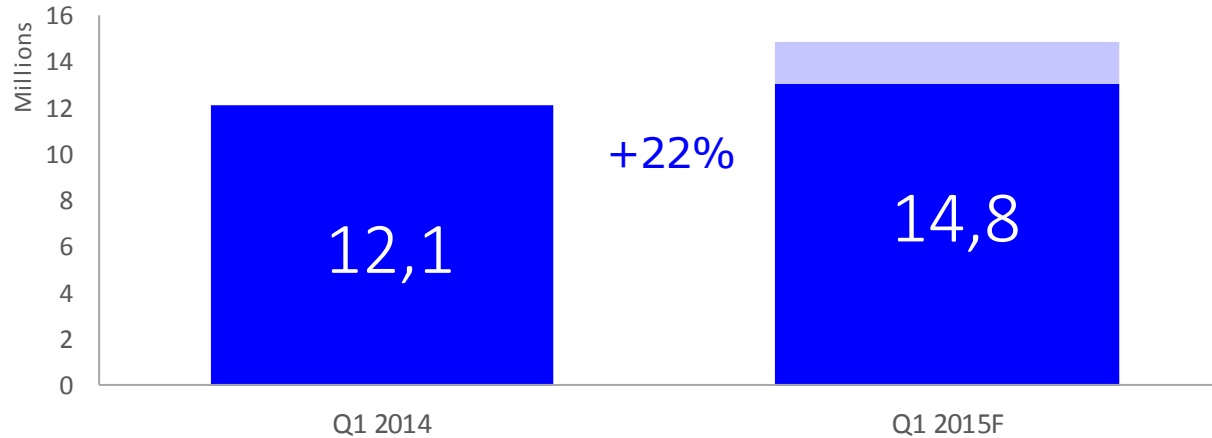
mEUR	2015F	Δ YoY
Revenue Total	122,5	+2%
EBITDA	17,7	+7%
EBIT	11,3	+2%
NPAT	9,4	+1%
EBITDA %	14,5%	
EBIT %	9,2%	

* 2014 as at 2014-01-17

** 2015 as at 2015-01-12

Increase in backlog in Q1 2015

mEUR	Q1 2014*	Q1 2015**	Diff
ReveBL	17,5	21,8	+24%
M1BL	12,1	14,8	+22%



* 2014 as at 2014-01-17

** 2015 as at 2015-01-12

Thank you

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