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SOUTH EASTERN EUROPE

Financial Results for Q3 2016 And Business Update

October 24th, 2016

Warsaw

Q3 2016 results

Q3 2016 highlights

- **Paratika granted a license** as virtual POS solution for merchant aggregation in Turkey (estimated investment expensed in 2016 = EUR 0,44m)
- Over 17m transactions/annum **to be processed and switched by ChipCard** under a new contract with a leading retail chain in Serbia
- **First ATM delivery and maintenance** by ASEE Romania within strategic partnership with Diebold Nixdorf
- Gap to prior year results still maintained in **Banking**
- Slower quarter in **System Integration** but results up to date above last year

Group Performance Q3 2016

	mEUR		
	Q3 2016	Q3 2015	% Diff
Revenue	30,2	30,2	-0%
EBITDA	5,0	5,3	-6%
EBIT	2,9	3,5	-18%
NPAT	2,5	3,0	-16%
<i>EBITDA %</i>	<i>16,7%</i>	<i>17,7%</i>	
<i>EBIT %</i>	<i>9,5%</i>	<i>11,6%</i>	

	mPLN		
	Q3 2016	Q3 2015	% Diff
Revenue	131,2	127,1	+3%
EBITDA	21,9	22,5	-2%
EBIT	12,5	14,7	-15%
NPAT	10,9	12,6	-13%

Group Performance Q1-3 2016

	mEUR			mPLN		
	Q1-3 2016	Q1-3 2015	% Diff	Q1-3 2016	Q1-3 2015	% Diff
Revenue	89,5	83,6	+7%	391,2	347,5	+13%
EBITDA	14,6	14,6	-0%	63,7	60,7	+5%
EBIT	8,3	9,3	-10%	36,5	38,7	-6%
NPAT	7,2	7,8	-8%	31,3	32,4	-4%
<i>EBITDA %</i>	<i>16,3%</i>	<i>17,5%</i>				
<i>EBIT %</i>	<i>9,3%</i>	<i>11,1%</i>				

- 2016: capitalized software development expenses=0,7m EUR, related amortization=1,2m EUR (negative impact on EBIT=0,5m EUR vs. 0,1 mln EUR in 2015)
- 2015 including return of tax on civil law transactions overpaid in 2008-10; positive impact on EBIT=140k EUR, NPAT=260k EUR

Lower EBIT in Serbia and Turkey

mEUR	Revenue				EBIT			
	Q1-3 2016	Q1-3 2015	Diff	% Diff	Q1-3 2016	Q1-3 2015	Diff	% Diff
B&H	2,9	2,7	0,2	+6%	0,5	0,5	0,0	+9%
Cro	14,2	13,7	0,4	+3%	0,7	0,6	0,1	+10%
Mon	1,7	1,5	0,1	+9%	0,5	0,4	0,1	+28%
Mac	8,9	8,9	0,0	+0%	1,9	1,9	0,0	-3%
Rom	18,1	16,0	2,1	+13%	0,4	0,5	0,0	-2%
Ser	26,9	23,5	3,3	+14%	2,4	2,8	-0,4	-15%
Slo	2,8	2,3	0,5	+23%	0,4	0,4	0,0	+2%
Tur	10,0	9,5	0,5	+6%	1,0	1,4	-0,4	-28%
Other*	4,2	5,4	-1,2	-23%	0,4	0,8	-0,3	-42%
GASEE	89,5	83,6	6,0	+7%	8,3	9,3	-1,0	-10%

Dividend payment and cash cumulated in working capital

mEUR	Asseco SEE Group		
	Q3 2016	2015 YE	Diff
Cash and cash equivalents	10,4	9,8	0,6
Short term investments	7,7	14,6	-6,9
Short term and long term debt	-10,8	-10,6	-0,2
Net Cash	7,2	13,7	-6,5
Receivables and Prepayments	30,4	27,2	3,2
Liabilities, Provisions and Deferred Income	-25,6	-26,0	0,4
Inventory	6,8	3,6	3,2
Operational Balance	18,8	18,5	0,3

Cash conversion ratio lower after Q3 2016

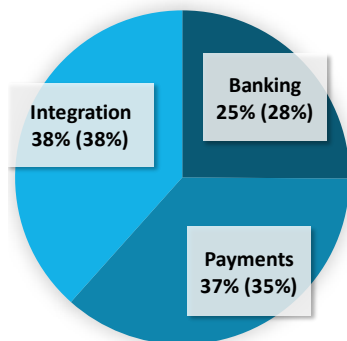
mEUR	Asseco SEE Group		
	Q3 2016 LTM	2015	2014
Operating cash flow*	14,1	18,4	18,2
- IT Infrastructure for outsourcing	-7,1	-7,3	-10,4
- Capitalized R&D	-1,0	-1,2	-1,9
- M&A	-1,7	-0,4	0,0
- Other CAPEX	-1,6	-2,0	-2,4
Free cash flow	2,8	7,4	3,4
Debt Increase	4,5	4,3	10,5
Debt Service	-4,3	-4,3	-3,0
Total Cash Flow	3,1	7,5	10,9
Oper CF/EBITDA	71%	92%	110%
FCF/EBIT	24%	59%	30%

* Excluding investment in outsourcing equipment presented in Inventories

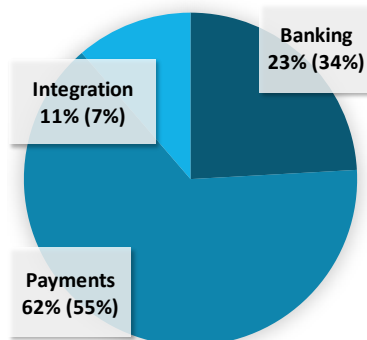
Increasing gap in Banking results partially offset by Payments and Integration

mEUR	Revenue			EBITDA			EBIT		
	Q1-3 2016	Q1-3 2015	Diff	Q1-3 2016	Q1-3 2015	Diff	Q1-3 2016	Q1-3 2015	Diff
Banking	22,5	23,1	-0,6	3,0	4,2	-1,2	1,9	3,2	-1,2
Payments	32,7	28,8	3,8	9,4	8,4	1,0	5,2	5,1	0,1
Integration	34,4	31,6	2,8	1,8	1,5	0,3	0,9	0,6	0,3
Asseco SEE Group	89,5	83,6	6,0	14,6	14,6	0,0	8,3	9,3	-1,0

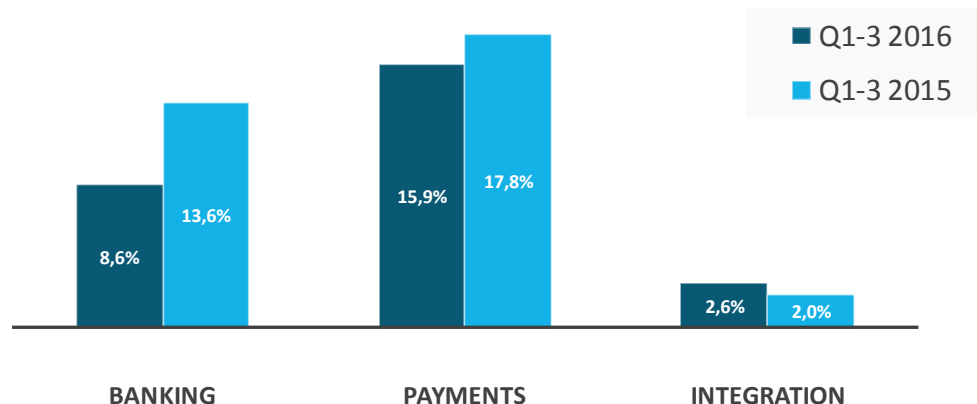
Revenue per BUs Q1-3 2016



EBIT per BUs Q1-3 2016



Profitability per BU



Q3 2016 Best Deals

Banking



- Implementation of **InAct** antifraud **solution** in on of the Dutch banks
- **HCE** solution for one of the banks in Croatia
- First implementation of core APIs as part of **Omnichannel** solution at one of the banks in Serbia
- Delivery of Vasco security equipment to one of the banks in Croatia

Payment



- Outsourcing of **POS** with **transaction processing** and **switching** for Delhaize Serbia, part of Ahold Delhaize
- Outsourcing of new **ATMs** to Privredna banka Zagreb
- **POS** attended four year contract with BRD bank in Romania
- **Troy Payment Scheme** implementation at Payment service provider in Turkey
- **MSU** for one of the holding groups, mobile device distributor, payment company, University, Telekom, e-commerce company in Turkey

System Integration

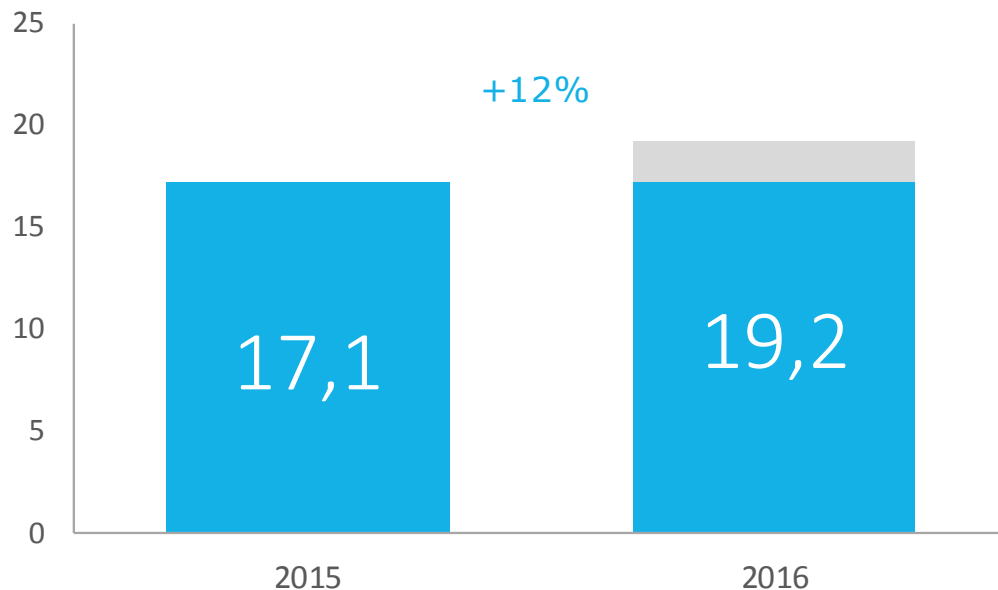


- **LeaseFlex** integration kit to one of the leasing companies in Turkey
- **Live** contact center solution for Public revenue office in Macedonia
- Delivery of equipment for Government of the Republic of Macedonia, General Secretariat, and Directorate for Personal Data Protection
- Microsoft Enterprise Subscription Agreement for one of the Romanian banks
- Delivery of storage, network and security infrastructure to one of the banks in Serbia
- Delivery and implementation of storage and networking equipment to Serbian Tax Administration

Outlook for 2016

Increase in backlog for Q4 2016

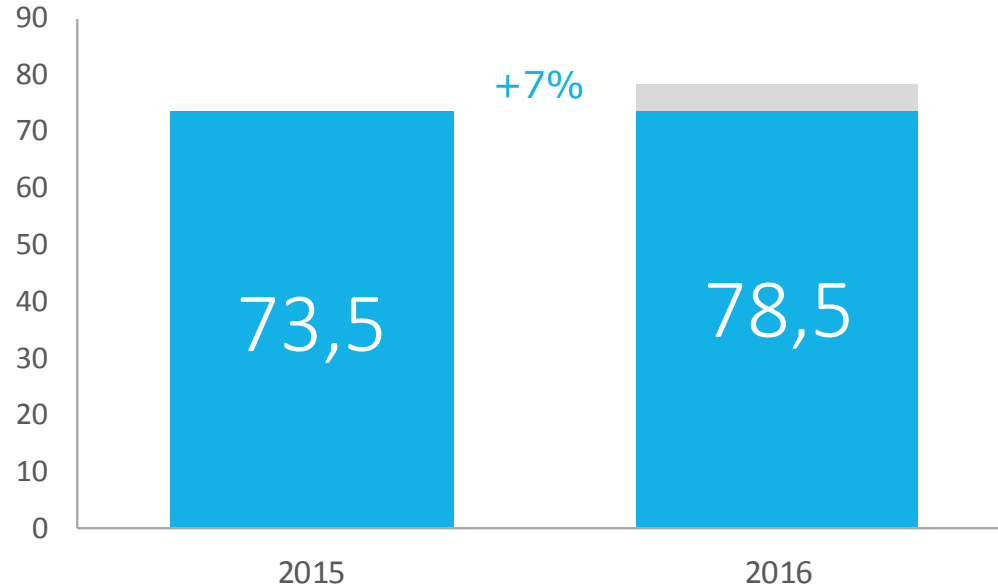
	mEUR	2015*	2016*	% Diff
Revenues BL		24,3	30,6	+26%
Margin1 BL		17,1	19,2	+12%



* 2015 as at 12-Oct-2015, 2016 as at 12-Oct-2016

Increase in backlog for 2016

mEUR	2015*	2016*	% Diff
Revenues BL	107,8	121,6	+13%
Margin1 BL	73,5	78,5	+7%



* 2015 as at 12-Oct-2015, 2016 as at 12-Oct-2016

Thank you

<http://asseco.com/see/>

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