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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%
<b>GASEE</b>	<b>89,5</b>	<b>83,6</b>	<b>6,0</b>	<b>+7%</b>	<b>8,3</b>	<b>9,3</b>	<b>-1,0</b>	<b>-10%</b>

\*Other entities include Kosovo, Albania, Bulgaria and Poland; data for 2015 with positive impact (140k EUR) of returned tax on civil law transactions overpaid in 2008-10

# 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
<b>Net Cash</b>	<b>7,2</b>	<b>13,7</b>	<b>-6,5</b>
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
<b>Operational Balance</b>	<b>18,8</b>	<b>18,5</b>	<b>0,3</b>



# Cash conversion ratio lower after Q3 2016

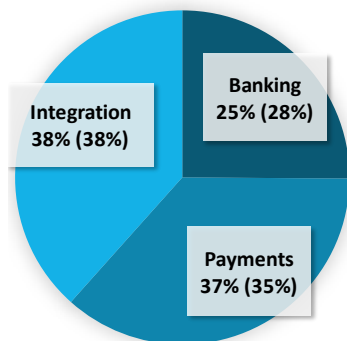
mEUR	Asseco SEE Group		
	Q3 2016 LTM	2015	2014
Operating cash flow*	14,1	18,4	18,2
- IT Infrastructure for outsourcing	-7,1	-7,3	-10,4
- Capitalized R&D	-1,0	-1,2	-1,9
- M&A	-1,7	-0,4	0,0
- Other CAPEX	-1,6	-2,0	-2,4
Free cash flow	2,8	7,4	3,4
Debt Increase	4,5	4,3	10,5
Debt Service	-4,3	-4,3	-3,0
Total 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

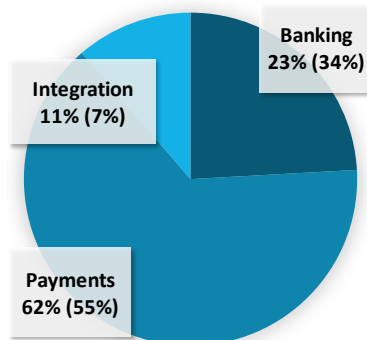
# Increasing gap in Banking results partially offset by Payments and Integration

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
<b>Asseco SEE Group</b>	<b>89,5</b>	<b>83,6</b>	<b>6,0</b>	<b>14,6</b>	<b>14,6</b>	<b>0,0</b>	<b>8,3</b>	<b>9,3</b>	<b>-1,0</b>

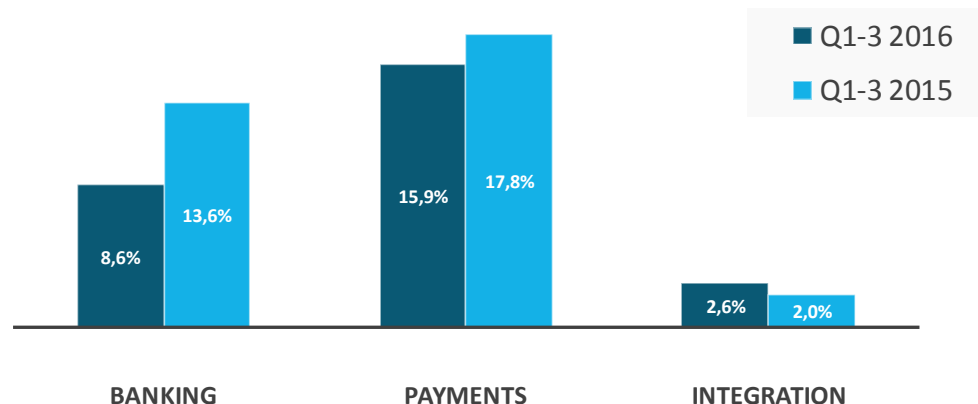
Revenue per BUs Q1-3 2016



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

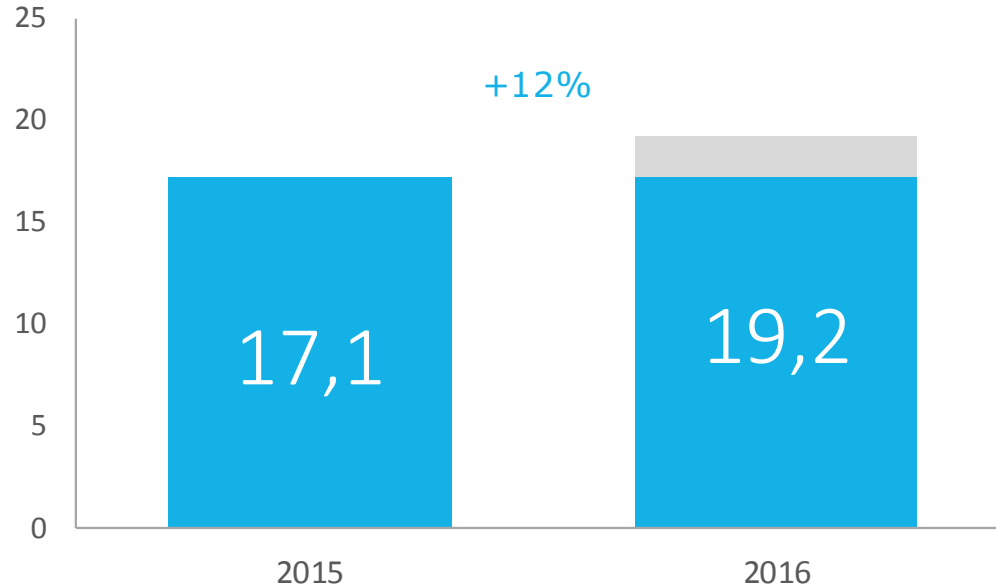


- **LeaseFlex** integration kit to one of the leasing companies in Turkey
- **Live** contact center solution for Public revenue office in Macedonia
- Delivery of equipment for Government of the Republic of Macedonia, General Secretariat, and Directorate for Personal Data Protection
- Microsoft Enterprise 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

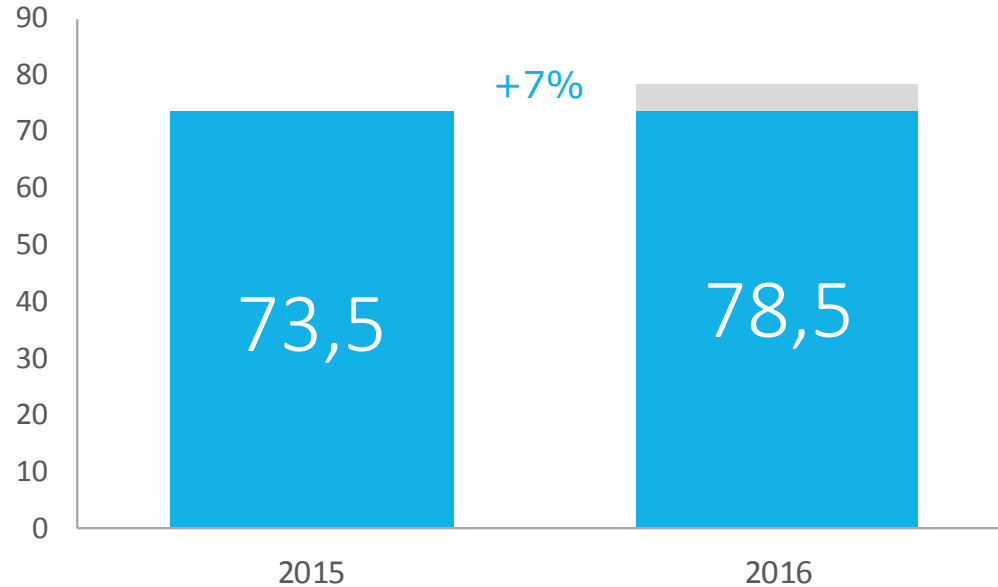
	mEUR	2015*	2016*	% Diff
Revenues BL		24,3	30,6	+26%
Margin1 BL		17,1	19,2	+12%



\* 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

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