

Payten

MEMBER OF asseco

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SOUTH EASTERN EUROPE

Financial Results for 2018 And Business Update

February 21st, 2019

Warsaw

Q4 2018 results

Q4 2018 highlights

- Very good quarter and the best year in ASEE/Payten history
- Numerous new projects in Banking (including Instant Payments) with positive impact on results of the segment
- Strong Mobile banking continues its good trend
- Good performance of Voice line of business (Live solution)
- Traditionally good quarter for SI-AIS

Q4 ASEE Best Deals.

Banking Business Unit

- Instant payment solution for 5 banks in Serbia
- WEB Corporate Solution Digital Edge and SxS for a bank in Romania
- Mobile banking, PKI and mToken for an international bank in Croatia
- PKI & PKI Hardware for banks in Croatia

System Integration

- Live proprietary customer engagement platform to banks in Serbia and Macedonia, a bank and insurance company in Croatia
- Oracle licenses and support as well as purchase of goods for the upgrade of the unique data center JP EPS - Electric power company „Elektroprivreda Srbije“
- Genesys TP solution for call center company in Turkey

Q4 Payten Best Deals.

E-Commerce

- **MSU**, payment card tokenization solution, sold to a food industry company in Turkey

ATM and POS Related Services

- **TermHost**, own inter-server platform for faster and simpler realization of ATM transactions, to a bank in Serbia
- **150 ATMs outsourcing** for 8 years for a bank in Croatia
- Delivery of **recyclers** to BANCA COMERCIALA ROMANA
- **First CashIn ATMs** in Albania for FIB Bank
- **ATM RS & POS RS delivery** for Komercijalna banka a.d. Banja Luka (ATMRS) & for a bank in Macedonia (POS RS)

Q4 2018: record-high sales and growing profits

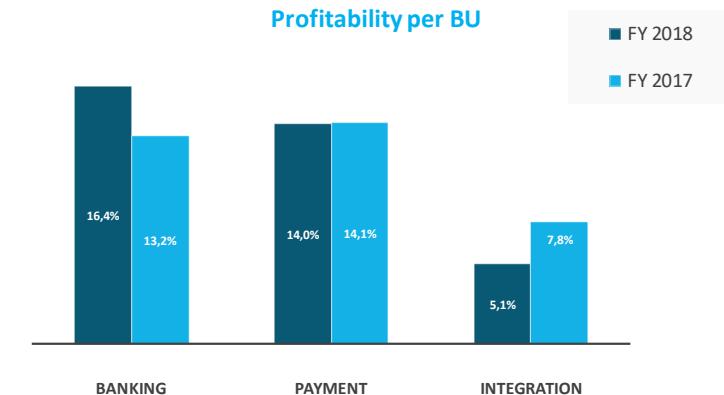
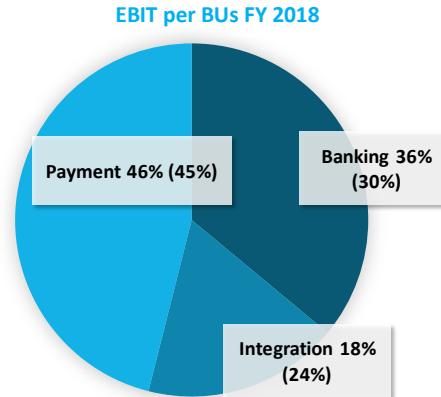
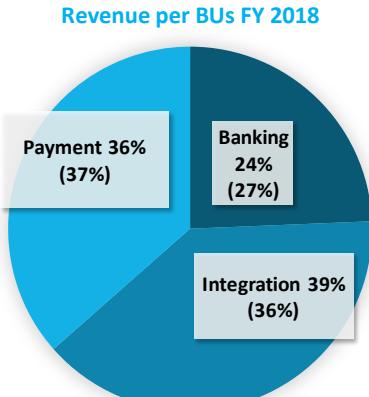
	mEUR			mPLN		
	Q4 2018	Q4 2017	% Diff	Q4 2018	Q4 2017	% Diff
Revenue	51,6	38,0	+36%	221,5	160,2	+38%
EBITDA	8,5	7,8	+10%	36,7	32,9	+12%
EBIT	5,8	5,2	+12%	24,8	21,8	+14%
NPAT	4,7	4,3	+9%	20,1	18,1	+11%
<i>EBITDA %</i>	<i>16,6%</i>	<i>20,5%</i>				
<i>EBIT %</i>	<i>11,2%</i>	<i>13,6%</i>				

2018: best year thanks to Payment and Banking

	mEUR			mPLN		
	FY 2018	FY 2017	% Diff	FY 2018	FY 2017	% Diff
Revenue	157,1	134,5	+17%	670,4	570,9	+17%
EBITDA	28,2	25,1	+12%	120,1	106,5	+13%
EBIT	17,5	15,5	+12%	74,5	65,9	+13%
NPAT	15,3	13,0	+18%	65,2	55,0	+18%
<i>EBITDA %</i>	<i>17,9%</i>	<i>18,7%</i>				
<i>EBIT %</i>	<i>11,1%</i>	<i>11,5%</i>				

2018: Significant improvement in Banking and Payment

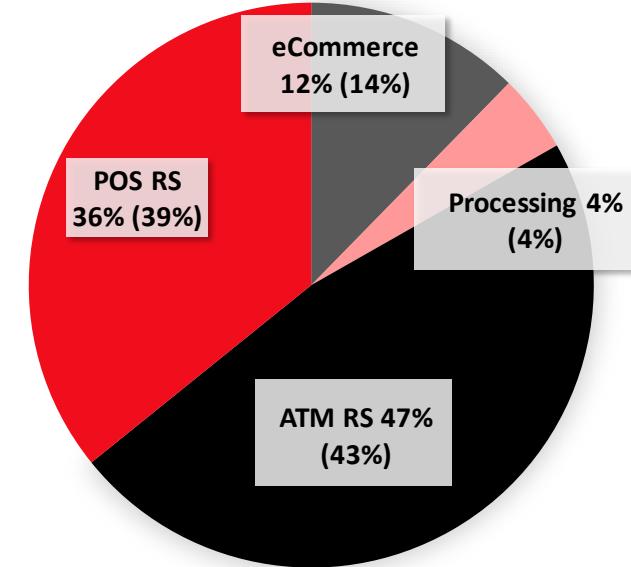
mEUR	Revenue			EBITDA			EBIT		
	FY 2018	FY 2017	Diff	FY 2018	FY 2017	Diff	FY 2018	FY 2017	Diff
Banking	38,3	35,9	2,4	7,3	6,2	1,2	6,3	4,7	1,5
Integration	61,5	48,7	12,8	4,0	4,7	-0,7	3,1	3,8	-0,7
Non-Payment	99,8	84,6	15,2	11,3	10,9	0,5	9,4	8,5	0,9
Payment	57,3	49,9	7,4	16,8	14,2	2,6	8,0	7,0	1,0
Asseco SEE Group	157,1	134,5	22,6	28,2	25,1	3,1	17,5	15,5	1,9



Payment: good performance in ATM RS business

mEUR	Revenue		
	FY 2018	FY 2017	Diff
eCommerce	7,1	6,9	0,2
Processing	2,5	2,0	0,6
ATM RS	27,2	21,6	5,6
POS RS	20,5	19,4	1,1
Payment	57,3	49,9	7,4

Revenue per BUs FY 2018



Improving results in BH, Croatia, Serbia, Turkey & Other

mEUR	Revenue				EBIT			
	FY 2018	FY 2017	Diff	% Diff	FY 2018	FY 2017	Diff	% Diff
B&H	9,6	5,2	4,4	+85%	1,3	0,8	0,5	+55%
Cro	30,1	24,4	5,7	+24%	4,4	3,7	0,7	+18%
Mon	2,9	3,3	-0,5	-14%	0,6	0,9	-0,3	-35%
Mac	14,2	11,6	2,6	+23%	2,7	2,8	-0,1	-4%
Rom	33,8	31,8	2,0	+6%	0,9	1,4	-0,5	-35%
Ser	52,4	40,3	12,1	+30%	5,6	4,5	1,1	+24%
Slo	4,4	6,4	-2,0	-31%	0,6	0,5	0,1	+27%
Tur	11,7	12,4	-0,7	-5%	0,7	0,4	0,4	+109%
Other*	7,4	6,9	0,5	+7%	0,9	0,5	0,4	+77%
Eliminations	-9,5	-7,9	-1,6		-0,3	-0,1	-0,2	
GASEE	157,1	134,5	22,6	+17%	17,5	15,5	1,9	+12%

*Other entities include Kosovo, Albania, Bulgaria and Poland

Ready for new investments and dividend payment

	mEUR	Asseco SEE Group		
		2018 YE	2017 YE	Diff
Cash and cash equivalents	18,7	16,4	2,3	
Short term investments	20,5	11,5	9,0	
Short term and long term debt	-11,6	-11,4	-0,2	
Net Cash	27,6	16,5	11,1	
Receivables and Prepayments	41,0	35,1	5,9	
Liabilities, Provisions and Deffered Income	-39,7	-35,0	-4,7	
Inventory	4,0	5,9	-2,0	
Operational Balance	32,9	22,6	10,2	

PLN 27m (EUR 6,2m) dividend proposed to be distributed in 2019 (PLN 0.52 per share)

Cash flow improved as expected

mEUR	Asseco SEE Group		
	2018	2017	2016
Operating cash flow*	29,2	22,7	21,6
- IT Infrastructure for outsourcing	-5,8	-13,7	-6,1
- infrastructure for IAD	-1,4	0,0	0,0
- Capitalized R&D	-0,3	-0,8	-1,2
- M&A	0,0	-0,2	-2,5
- Other CAPEX	-2,6	-1,9	-2,0
Free cash flow	19,1	6,1	9,8
Debt Increase	3,8	5,2	2,9
Debt Service	-3,8	-4,7	-4,0
Total Cash Flow	19,0	6,5	8,7
Oper CF/EBITDA	119%	90%	101%
FCF/EBIT	128%	39%	75%

* Excluding investment in outsourcing equipment presented in Inventory

Necomplus

Company profile and
Transaction summary

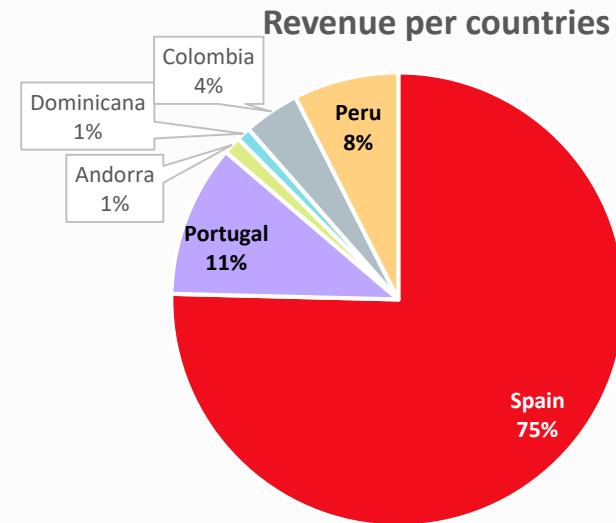
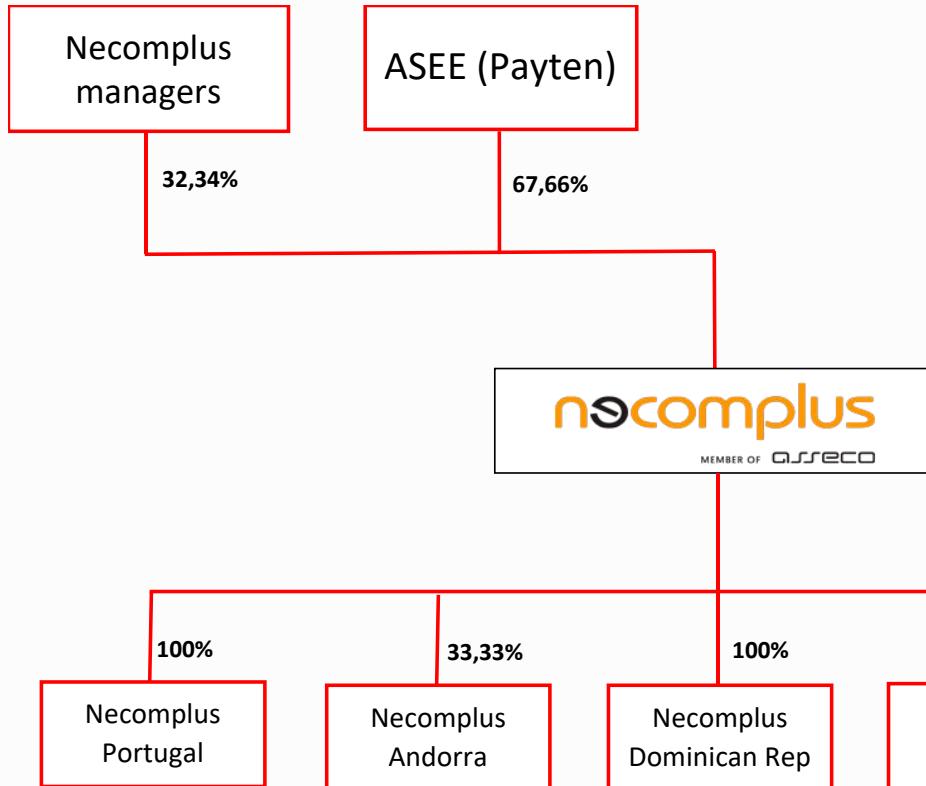


Necomplus

Spanish (Alicante) based company offering **POS maintenance** as well as **BPO services**

- Operating in **Spain, Portugal, Andorra, Colombia, Peru and Dominican Republic**
- Specialized in **POS maintenance for financial institutions**, including POS devices installation and in-field maintenance, off-field device repair and logistics, POS software development and IT related services, hardware and software sales
- Offering call center outsourcing to tourism (Goldcar/Europcar), real estate (Solvia), insurance companies and banks within a separate **BPO business line**
- **Serving big financial institutions**, including: Banco Sabadell, Bankia, Comercia, UniversalPay, BancaInter, Credibanco Colombia, PMP Peru, Visa Peru & Columbia, MC Peru
- Currently **employing 851 people** (out of which 312 in BPO)
- Owned by **Asseco SEE (Payten) (67,66%)** and three Spanish minority shareholders (managers of Necomplus)

Group structure

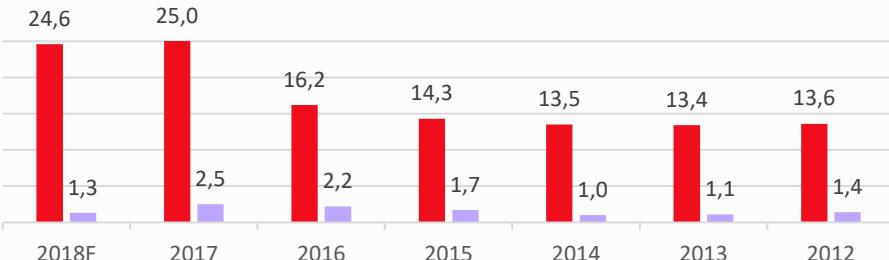


Financial results

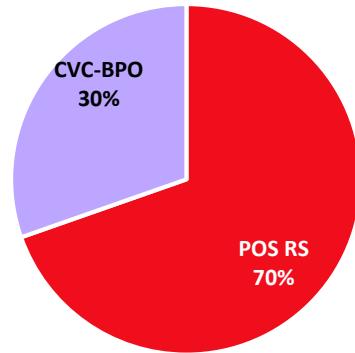
Necomplus Group consolidated (mEUR)

	2018F	2017	2016	2015
Revenues	24.6	25.0	16.2	14.3
EBITDA	1.9	3.1	2.7	2.2
EBIT	1.3	2.5	2.2	1.7
<i>EBIT (%)</i>	5.3%	10.0%	13.8%	11.7%
NPAT	1.0	2.2	1.8	1.2
<i>NPAT (%)</i>	4.0%	8.9%	11.1%	8.7%

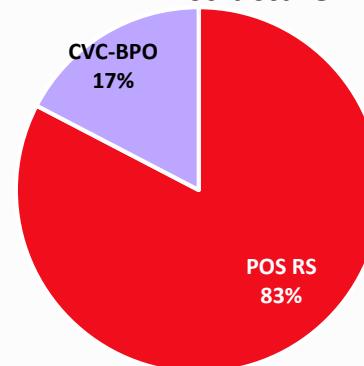
Revenues and EBIT (mEUR)



Revenue structure



EBITDA structure



Valuation and Transaction structure

- Purchase price for 67,66% of Necoplus shares = **EUR 7,669m**
- Payment to be made in **three instalments**:
 - EUR 5,368 (70%) at closing
 - EUR 1,151 (15%) at the 1st anniversary of the closing
 - EUR 1,150 (15%) at the 2nd anniversary of the closing
- Valuation of 100% of Necoplus equity = **EUR 11,335m**
- Necoplus to remain a party of a **loan agreement** signed with Asseco Western Europe for EUR 2,18m, to be repaid 2019-2021
- ASEE (Payten) signed the **Shareholders' Agreement** including a PUT option for minority shareholders of Necoplus (based on ACP/Necoplus previous agreement)

P/E = 11,6

EV/EBIT = 7,7

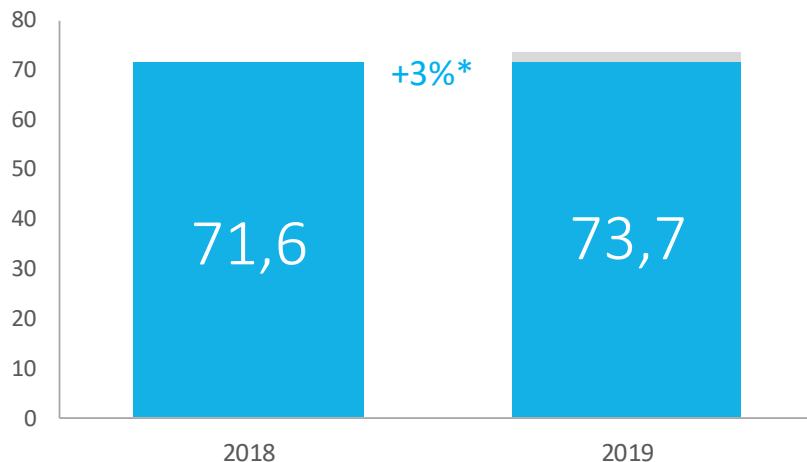
Transaction rationale for Payten – key points

- Necoplus **business lines in-line with** these at **Payten**, creating synergies
- Expected growth of the company EBIT as a result of **extending the offer** and **more aggressive sales strategy**
- **Adding new business lines** into Necoplus and modifying sales structure (eg., independent POS deployment, online payment gateway, revenue share/success fee based models in CC)
- Utilising common, **central procurement** of hardware to lower purchase price
- **Combining POS software** (at least part of) and sharing **developments** in the Group, reducing software development and new implementation costs

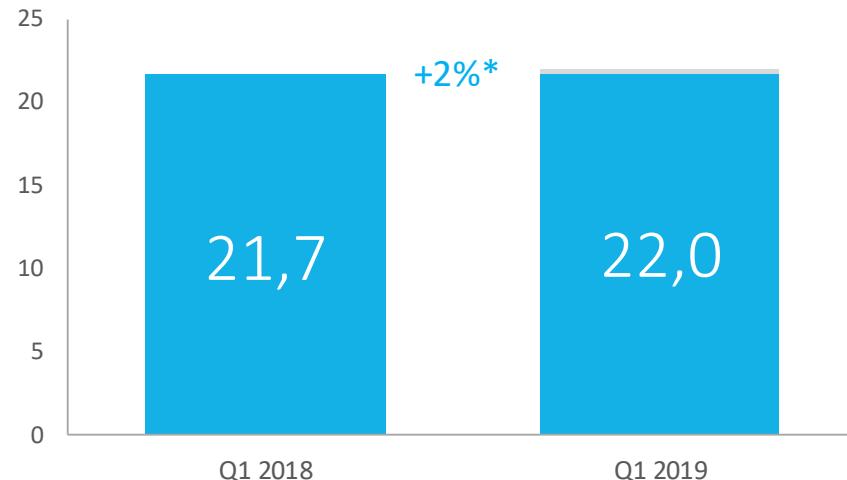
Outlook for 2019

Total ASEE Group

mEUR	2018	2019	% Diff
Revenues BL	95,1	92,7	-3%
Margin1 BL	71,6	73,7	+3%



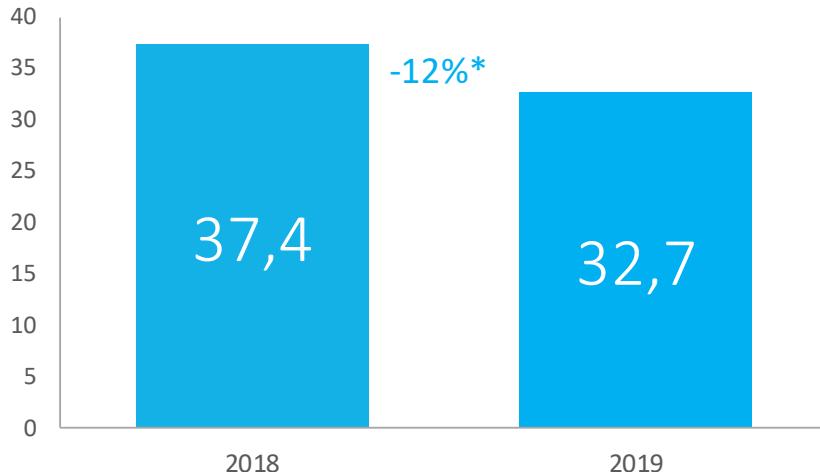
mEUR	Q1 2018	Q1 2019	% Diff
Revenues BL	33,6	30,9	-8%
Margin1 BL	21,7	22,0	+2%



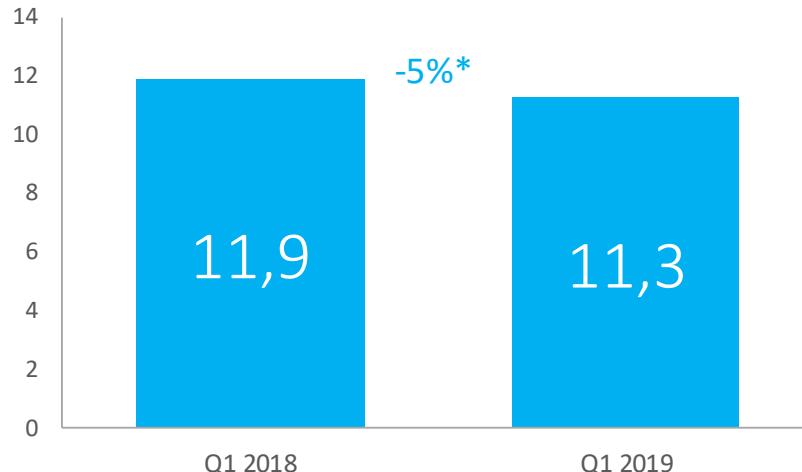
*2018 data including NKBM project (impact on FY=3,8 mEUR; Q1=0,6 mEUR) cancelled during the year, M1 BL dynamics excluding this project would be +9% (FY) and +4% (Q1)

Banking and System Integration

mEUR	2018	2019	% Diff
Revenues BL	55,1	47,0	-15%
Margin1 BL	37,4	32,7	-12%



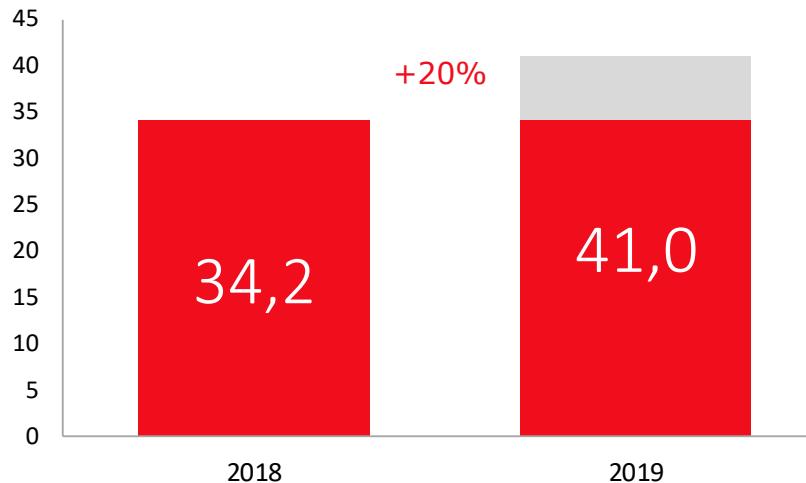
mEUR	Q1 2018	Q1 2019	% Diff
Revenues BL	19,0	16,7	-12%
Margin1 BL	11,9	11,3	-5%



*2018 data including NKBM project (impact on FY=3,8 mEUR; Q1=0,6 mEUR) cancelled during the year, M1 BL dynamics excluding this project would be -3% (FY) and -1% (Q1)

Payment

mEUR	2018	2019	% Diff
Revenues BL	40,0	45,8	+14%
Margin1 BL	34,2	41,0	+20%



mEUR	Q1 2018	Q1 2019	% Diff
Revenues BL	14,6	14,1	-3%
Margin1 BL	9,8	10,8	+10%



**Backlog data as at 19th February

Thank you

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