

Payten
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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 | | |
|-----------------|--------------|--------------|--------|
| | Q4 2018 | Q4 2017 | % Diff |
| Revenue | 51,6 | 38,0 | +36% |
| EBITDA | 8,5 | 7,8 | +10% |
| EBIT | 5,8 | 5,2 | +12% |
| NPAT | 4,7 | 4,3 | +9% |
| <i>EBITDA %</i> | <i>16,6%</i> | <i>20,5%</i> | |
| <i>EBIT %</i> | <i>11,2%</i> | <i>13,6%</i> | |

| | mPLN | | |
|--|---------|---------|--------|
| | Q4 2018 | Q4 2017 | % Diff |
| | 221,5 | 160,2 | +38% |
| | 36,7 | 32,9 | +12% |
| | 24,8 | 21,8 | +14% |
| | 20,1 | 18,1 | +11% |

2018: best year thanks to Payment and Banking

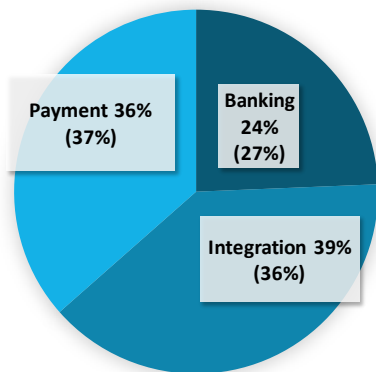
| | mEUR | | |
|-----------------|--------------|--------------|--------|
| | FY 2018 | FY 2017 | % Diff |
| Revenue | 157,1 | 134,5 | +17% |
| EBITDA | 28,2 | 25,1 | +12% |
| EBIT | 17,5 | 15,5 | +12% |
| NPAT | 15,3 | 13,0 | +18% |
| <i>EBITDA %</i> | <i>17,9%</i> | <i>18,7%</i> | |
| <i>EBIT %</i> | <i>11,1%</i> | <i>11,5%</i> | |

| | mPLN | | |
|---------|---------|---------|--------|
| | FY 2018 | FY 2017 | % Diff |
| Revenue | 670,4 | 570,9 | +17% |
| EBITDA | 120,1 | 106,5 | +13% |
| EBIT | 74,5 | 65,9 | +13% |
| NPAT | 65,2 | 55,0 | +18% |

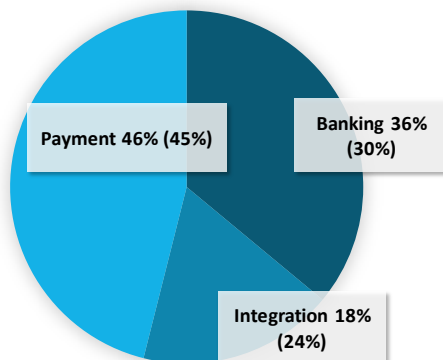
2018: Significant improvement in Banking and Payment

| 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 |

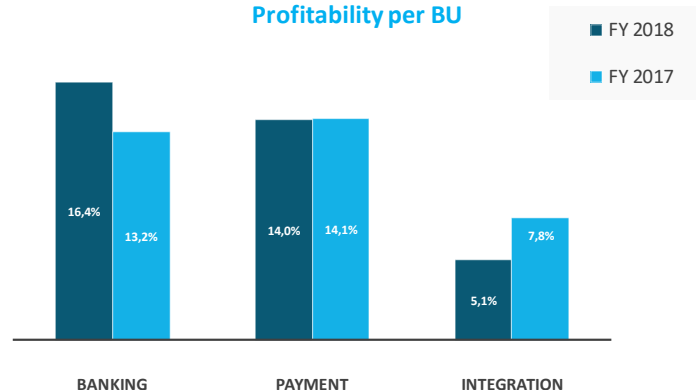
Revenue per BUs FY 2018



EBIT per BUs FY 2018



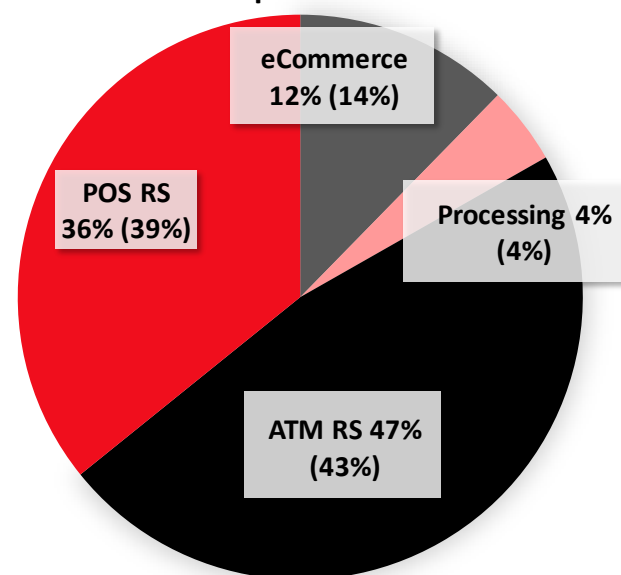
Profitability per BU



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

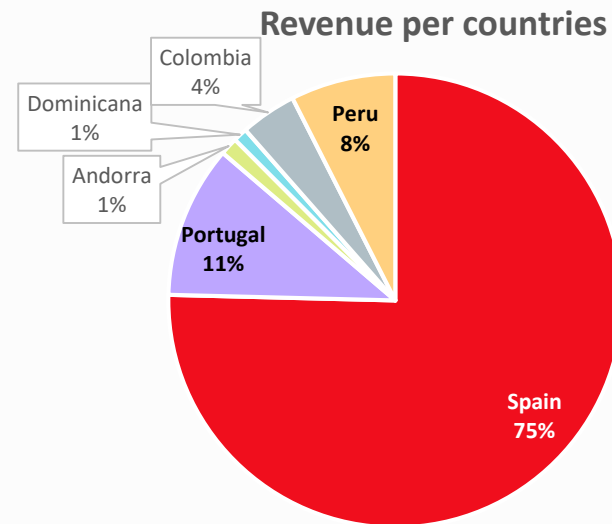
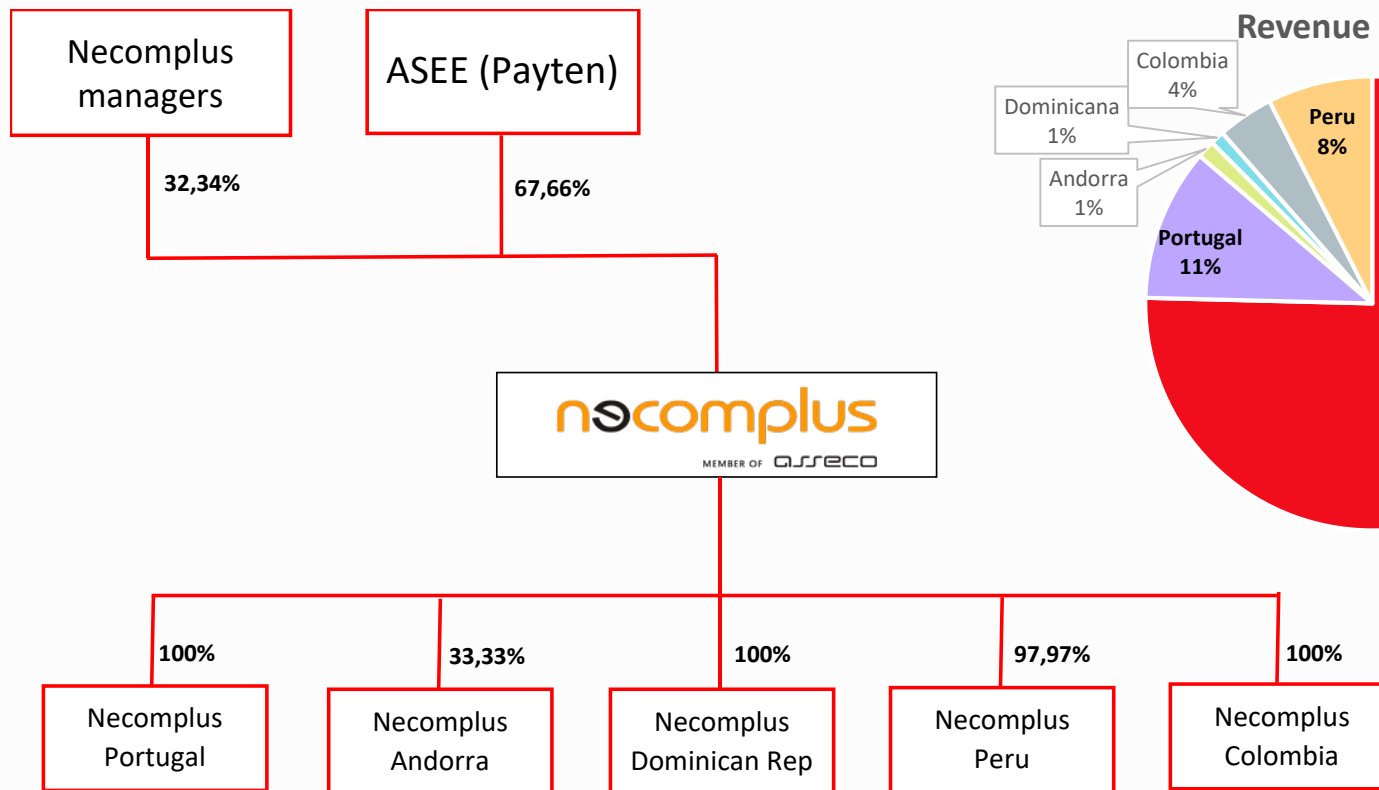


Necomplus

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 (Solvía), insurance companies and banks within a separate **BPO business line**
- **Serving big financial institutions**, including: Banco Sabadell, Bankia, Comercia, UniversalPay, BancInter, 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

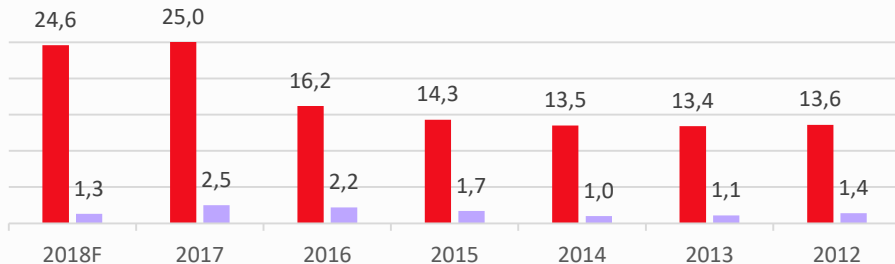


Financial results

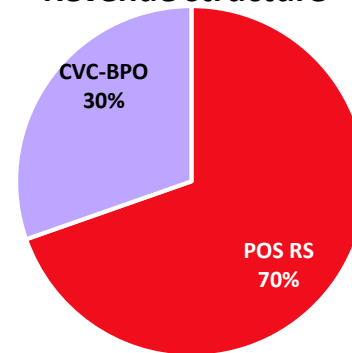
Necomplus Group consolidated (mEUR)

| | 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> | <i>5.3%</i> | <i>10.0%</i> | <i>13.8%</i> | <i>11.7%</i> |
| NPAT | 1.0 | 2.2 | 1.8 | 1.2 |
| <i>NPAT (%)</i> | <i>4.0%</i> | <i>8.9%</i> | <i>11.1%</i> | <i>8.7%</i> |

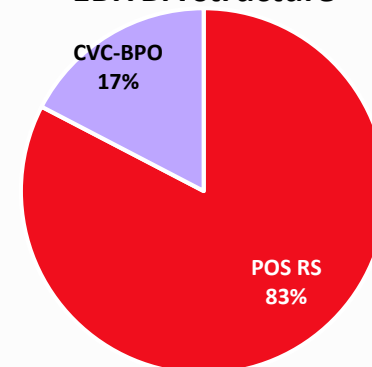
Revenues and EBIT (mEUR)



Revenue structure



EBITDA structure



Valuation and Transaction structure

- Purchase price for 67,66% of Necomplus 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 Necomplus equity = **EUR 11,335m**
- Necomplus 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 Necomplus (based on ACP/Necomplus previous agreement)

P/E = 11,6

EV/EBIT = 7,7

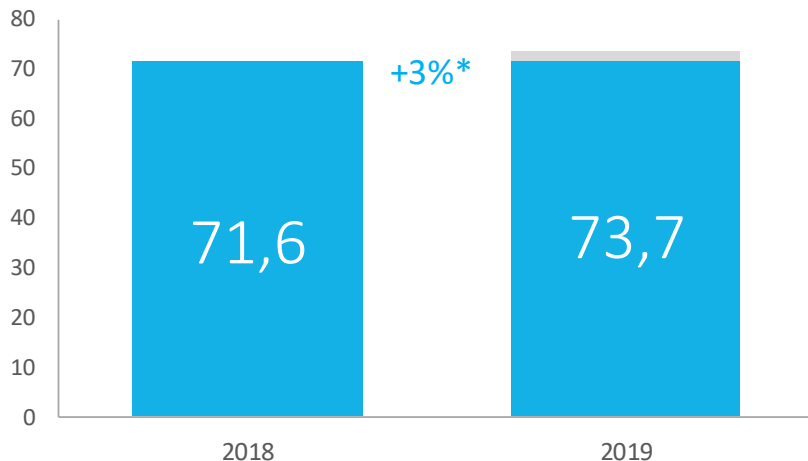
Transaction rationale for Payten – key points

- Necomplus **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 Necomplus 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

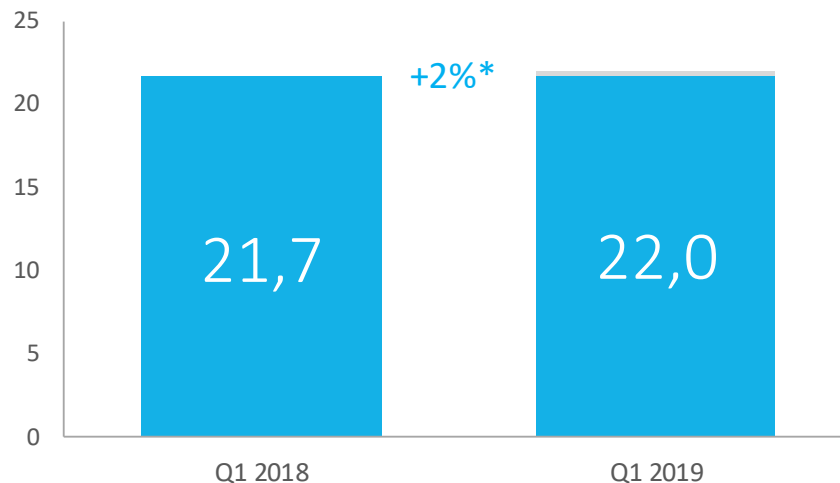
Outlook for 2019

Total ASEE Group

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



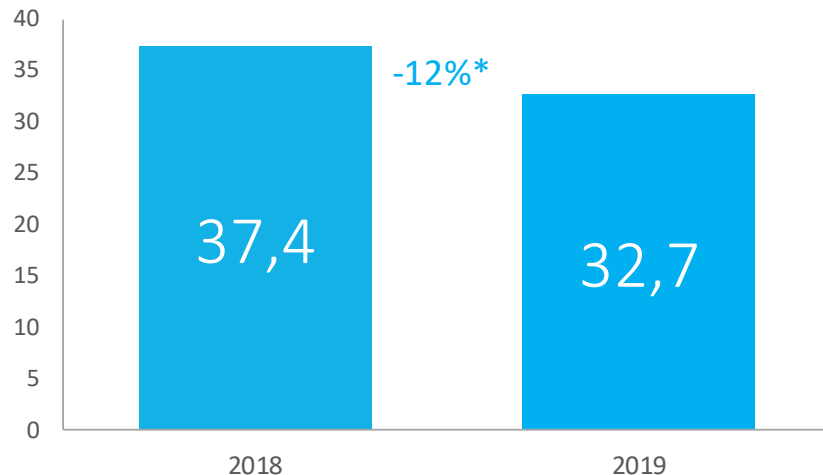
| mEUR | Q1 2018 | Q1 2019 | % Diff |
|-------------|---------|---------|--------|
| Revenues BL | 33,6 | 30,9 | -8% |
| Margin1 BL | 21,7 | 22,0 | +2% |



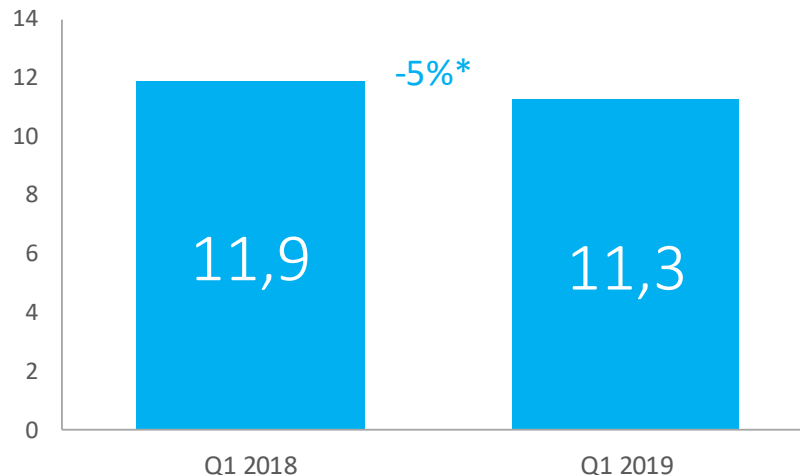
*2018 data including NKBM project (impact on FY=3,8 mEUR; Q1=0,6 mEUR) cancelled during the year, M1 BL dynamics excluding this project would be +9% (FY) and +4% (Q1)

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% |

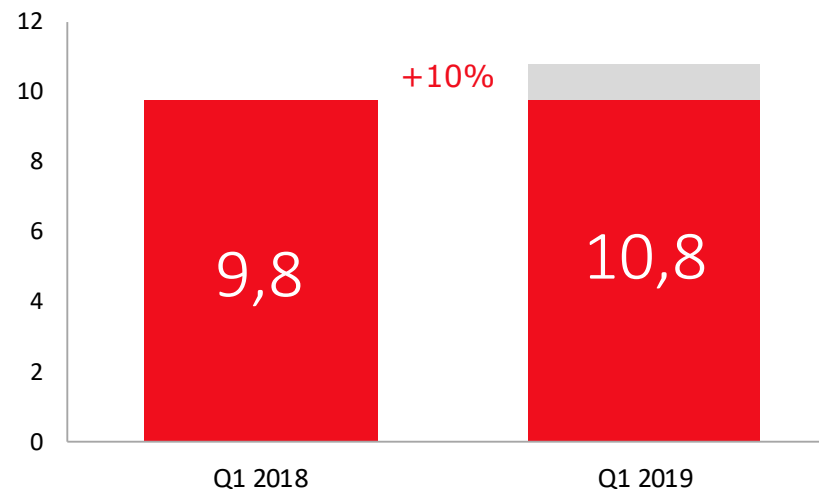
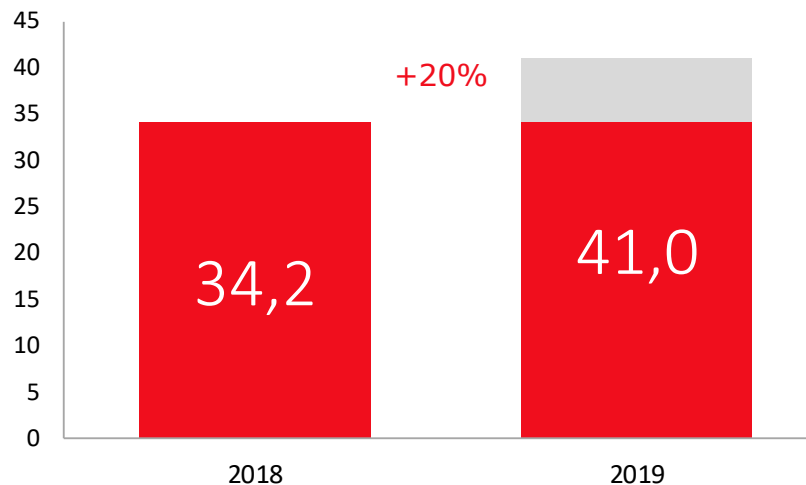


*2018 data including NKBM project (impact on FY=3,8 mEUR; Q1=0,6 mEUR) cancelled during the year, M1 BL dynamics excluding this project would be -3% (FY) and -1% (Q1)

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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