

Payten
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SOUTH EASTERN EUROPE

Financial Results for Q2 2018

And Business Update

August 9th, 2018

Warsaw

Q2 2018 results

Q2 2018 highlights

- Strong quarter, with results comparable to very good Q2 2017
- Invariably good performance by Payment mainly due to ATM and POS deliveries and related services, new outsourcing and maintenance contracts
- Better than expected eCommerce performance
- Independent ATM network (MoneyGet) launched in Croatia and Montenegro
- Banking slowly improving results after weaker Q1, with better prospects for the 2nd half of the year
- Improved performance in Romanian Banking

Q2 ASEE Best Deals.

Banking Business Unit

- **Absolut core banking** for international bank in Romania due to its merger with another bank
- **Experience Collateral Management** for bank in Serbia
- **Absolute GDPR modules** for international banks in Romania
- **Tezauri BASEL III** and **Bapo Risk** for bank in Serbia
- **AML** solution for an international bank in BiH
- **InAct External Fraud** for payment services company in Turkey
- **SxS + Mobile Token** for Sterling Bank Nigeria
- **PKI** for UniCredit Banja Luka

System Integration

- **Remote Digital Signature for Online Customer Loans** for bank in Romania
- **Digital Account Enrollment System** for international bank in Romania
- **Information System** for Republic Geodetic Authority in Serbia
- **Custom made software** for Tax Administration in Serbia
- Dynatrace 3P solution for Turkish airlines

Q2 Payten Best Deals.

- **ATM delivery & related services** to Komercijalna banka a.d. Banja Luka
- **ATM delivery & related services** to Hrvatska poštanska banka in Croatia
- **ATM delivery & related services** to Raiffeisen bank in Croatia
- **POS delivery & services** to Erste Card Club in Croatia

Q2 2018: comparable to strong Q2 2017

	mEUR				mPLN		
	Q2 2018*	Q2 2017	% Diff		Q2 2018	Q2 2017	% Diff
Revenue	37.0	35.5	+4%	Revenue	158.7	149.6	+6%
EBITDA	6.8	6.6	+3%	EBITDA	29.2	27.7	+5%
EBIT	4.2	4.2	-1%	EBIT	17.8	17.9	-1%
NPAT	3.6	3.7	-2%	NPAT	15.5	15.5	+0%
<i>EBITDA %</i>	<i>18.4%</i>	<i>18.5%</i>					
<i>EBIT %</i>	<i>11.2%</i>	<i>12.0%</i>					

* Share based payment contributed 144k EUR/ 616k PLN to Q2 2018 costs

1HY 2018: improving results driven by Payment

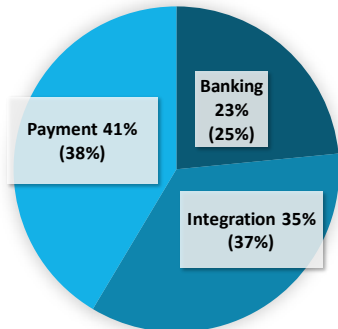
	mEUR				mPLN		
	1HY 2018*	1HY 2017	% Diff		1HY 2018	1HY 2017	% Diff
Revenue	70.1	66.6	+5%	Revenue	297.3	282.8	+5%
EBITDA	12.5	11.8	+6%	EBITDA	53.1	50.0	+6%
EBIT	7.3	7.2	+1%	EBIT	30.9	30.7	+1%
NPAT	6.3	6.0	+5%	NPAT	26.8	25.7	+4%
<i>EBITDA %</i>	<i>17.9%</i>	<i>17.7%</i>					
<i>EBIT %</i>	<i>10.4%</i>	<i>10.9%</i>					

* Share based payment contributed 284k EUR/ 1205k PLN to 1HY 2018 costs

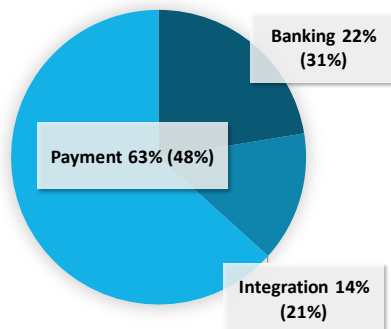
Strong Payment compensating drop in other segments

mEUR	Revenue			EBITDA			EBIT		
	1HY 2018	1HY 2017	Diff	1HY 2018	1HY 2017	Diff	1HY 2018	1HY 2017	Diff
Banking	16.5	16.8	-0.3	2.2	3.0	-0.8	1.6	2.3	-0.6
Integration	24.6	24.5	0.2	1.5	1.9	-0.4	1.0	1.5	-0.4
Non-Payment	41.1	41.3	-0.2	3.7	4.9	-1.3	2.7	3.7	-1.1
Payment	29.1	25.3	3.7	8.9	6.9	2.0	4.6	3.5	1.1
Asseco SEE Group	70.1	66.6	3.5	12.5	11.8	0.7	7.3	7.2	0.1

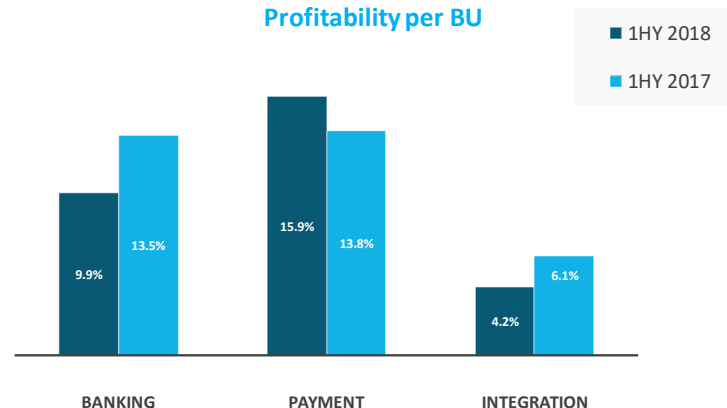
Revenue per BUs 1HY 2018



EBIT per BUs 1HY 2018



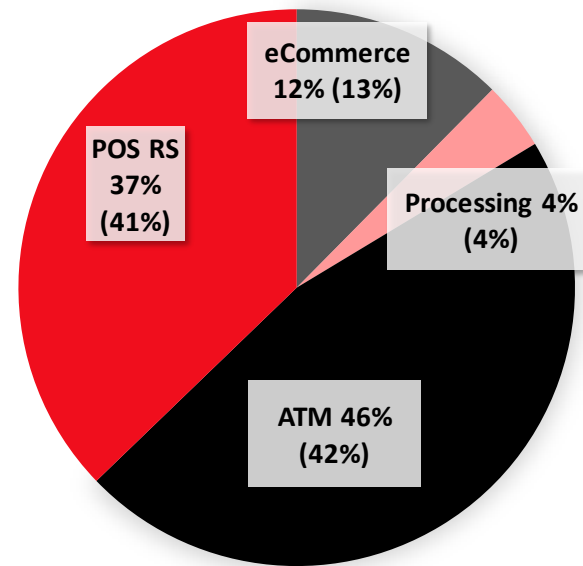
Profitability per BU



Payment: good performance by ATM business

mEUR	Revenue		
	1HY 2018	1HY 2017	Diff
eCommerce	3.6	3.4	0.2
Processing	1.2	0.9	0.2
ATM	13.5	10.6	2.9
POS RS	10.8	10.4	0.4
Payment	29.1	25.3	3.7

Revenue per BUs 1HY 2018



Strong Croatia, improvement in smaller operations

mEUR	Revenue				EBIT			
	1HY 2018	1HY 2017	Diff	% Diff	1HY 2018	1HY 2017	Diff	% Diff
B&H	3.0	2.4	0.6	+23%	0.6	0.5	0.1	+12%
Cro	15.1	13.1	2.0	+15%	2.1	1.6	0.5	+29%
Mon	1.4	1.4	0.0	+1%	0.3	0.3	0.0	+0%
Mac	6.2	6.1	0.1	+2%	0.5	1.1	-0.6	-54%
Rom	15.1	18.1	-3.0	-16%	0.5	0.7	-0.2	-27%
Ser	20.6	17.4	3.2	+18%	2.0	1.9	0.1	+6%
Slo	1.7	2.6	-0.9	-35%	0.2	0.2	0.0	-9%
Tur	6.1	6.0	0.1	+2%	0.9	0.8	0.1	+15%
Other*	3.9	2.8	1.1	+38%	0.3	0.0	0.3	+1179%
Eliminations	-2.8	-3.2	0.4		-0.1	0.1	-0.2	
GASEE	70.1	66.6	3.5	+5%	7.3	7.2	0.1	+1%

*Other entities include Kosovo, Albania, Bulgaria and Poland

Good overall cash position

	mEUR	Asseco SEE Group		
		1HY 2018	2017 YE	Diff
Cash and cash equivalents		11.7	16.4	-4.7
Short term investments		13.8	11.5	2.3
Short term and long term debt		-12.7	-10.8	-1.9
Net Cash		12.8	17.1	-4.3
Receivables and Prepayments		36.1	35.1	0.9
Liabilities, Provisions and Deffered Income		-26.2	-35.2	9.0
Inventory		5.3	5.9	-0.7
Operational Balance		28.0	23.0	5.0

PLN 27m (EUR 6,2m) dividend was distributed on July 12th (PLN 0.52 per share)

Temporarily lower cash conversion, expected improvement in 2H'18

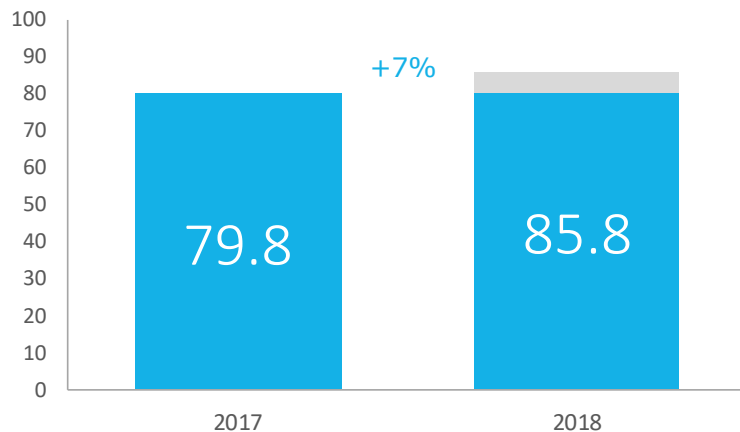
mEUR	Asseco SEE Group		
	H1 2018 LTM	2017	2016
Operating cash flow*	19.1	22.7	21.6
- IT Infrastructure for outsourcing	-11.1	-13.7	-6.1
- infrastructure for IAD	-1.1	0.0	0.0
- Capitalized R&D	-0.8	-0.8	-1.2
- M&A	0.0	-0.2	-2.5
- Other CAPEX	-1.5	-1.9	-2.0
Free cash flow	4.6	6.1	9.8
Debt Increase	7.5	5.2	2.9
Debt Service	-4.2	-4.7	-4.0
Total Cash Flow	7.9	6.5	8.7
Oper CF/EBITDA	86%	90%	101%
FCF/EBIT	35%	39%	75%

* Excluding investment in outsourcing equipment presented in Inventory

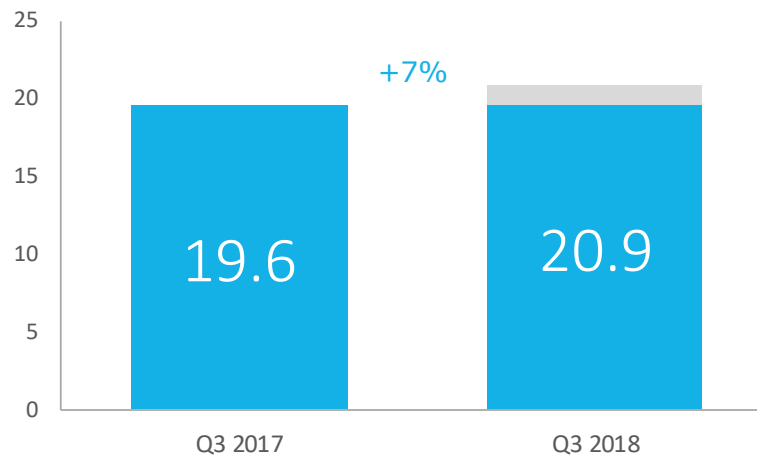
Outlook for 2018

Total ASEE Group

mEUR	2017	2018	% Diff
Revenues BL	112.9	124.0	+10%
Margin1 BL	79.8	85.8	+7%



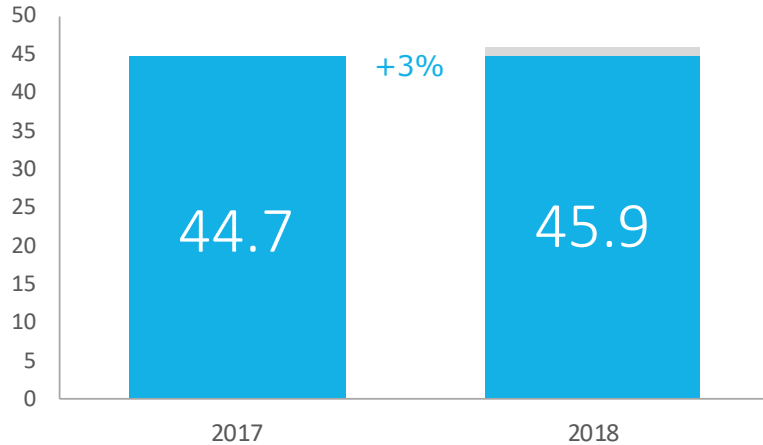
mEUR	Q3 2017	Q3 2018	% Diff
Revenues BL	26.5	28.9	+9%
Margin1 BL	19.6	20.9	+7%



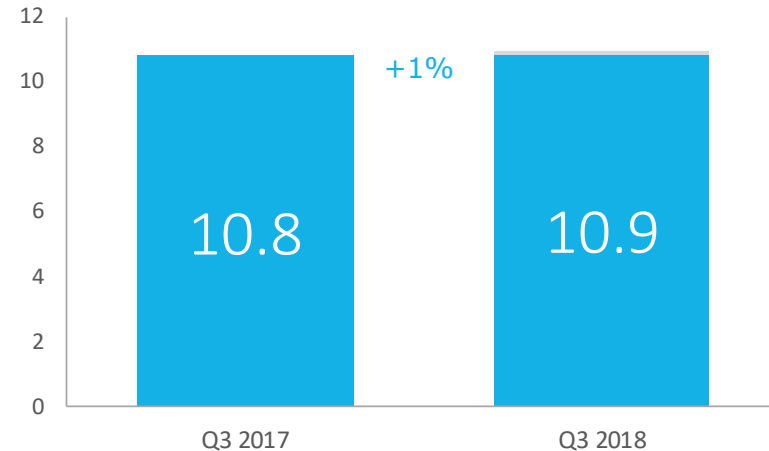
* Backlog data as at 12. July

Banking and System Integration

mEUR	2017	2018	% Diff
Revenues BL	69.1	73.8	+7%
Margin1 BL	44.7	45.9	+3%



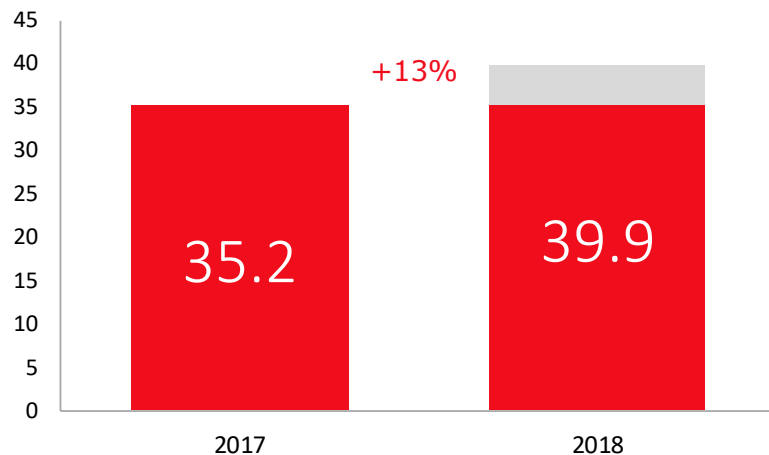
mEUR	Q3 2017	Q3 2018	% Diff
Revenues BL	16.3	16.7	+2%
Margin1 BL	10.8	10.9	+1%



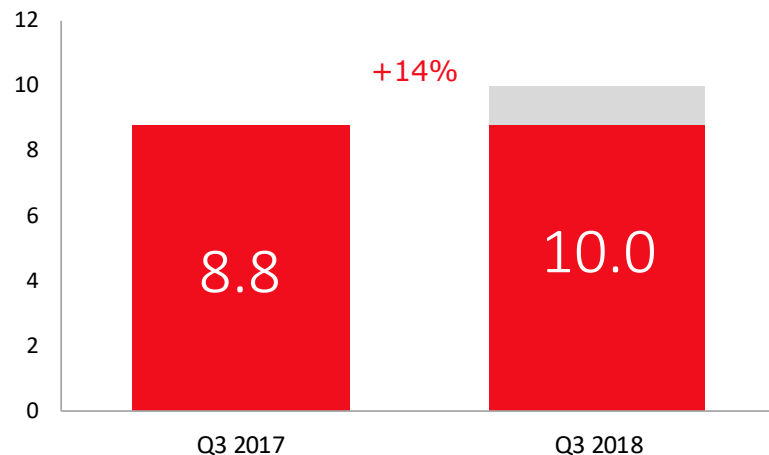
* Backlog data as at 12. July

Payment

mEUR	2017	2018	% Diff
Revenues BL	43.9	50.2	+14%
Margin1 BL	35.2	39.9	+13%



mEUR	Q3 2017	Q3 2018	% Diff
Revenues BL	10.2	12.2	+19%
Margin1 BL	8.8	10.0	+14%



* Backlog data as at 12. April

Payten Market Comparison

Payten - Market Comparison.

- ASEE (incl. Payten) market cap = 144m EUR.
- Applying 2018 comparable multiples to LTM actuals of Payten.
Market cap of Payten = 130-160m EUR.
- Above Payten market cap DOES NOT include valuation of Banking or SI business.

Comparable Industry Segment*	Price /Earnings	EV/EBITDA	EV/Revenue	Revenue Growth Rate
Merchant Acquiring /Processing	16,3	13,8	4,9	6
Online Focused Payments	32,0	22,8	7,8	33
Payments/ Card /ATM infrastructure	17,7	8,1	1,6	0
Payment POS Devices / Solutions	14,8	11,2	2,2	10

*Multiples for peer companies based on 2018 expected results. Prices as of April 30, 2018. Source: Wall Street Research, Reuters and Capital IQ.

Thank you

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