

Payten
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SOUTH EASTERN EUROPE

Financial Results for 1H 2019 And Business Update

August 9th, 2019

Warsaw

1H 2019 results

2Q 2019 highlights

- Another quarter of growth thanks to all business segments and Necomplus acquisition
- Growing interest in Digital banking solutions
- Very good performance of eCommerce continued, including 3D Secure
- Buying out minority in Multicard (MoneyGet in Serbia) and reaching 100 independent ATM locations
- Taking over Bassilichi payment business in Serbia

Q2 ASEE Best Deals.

Banking Business Unit

- **PSD2 Enabler** for a local bank in Croatia and 2 banks in Romania
- **Digital Edge HUB** for one of the banks in Serbia
- **InAct** for 2 banks out of SEE region
- **Tesauri** solutions for 2 banks in Serbia

System Integration

- **BPM** solution for one of the international banks in Romania
- „Court cases" support propriety software developed for Distribution system operator "EPS Distribucija" Ltd. Belgrade
- Application "Bulletin board" developed for Ministry of Public Administration and Local Self-Government in Serbia for the purpose of informing public administration employees about public administration reform activities

Q2 Payten Best Deals.

E-Commerce

- **Trides2** for 3 banks

ATM and POS Related Services

- **Instant Payment POS Backend** solution, that enables retail customers to pay for goods and services using instant payment in store (cashier) with mobile app and POS terminal, for 2 banks in Serbia
 - reaching **10 IP payment deals** in 2019 and **22 IP banking deals** in 2019
- **ProView** ATM Network Management and Monitoring system for Borica AD, the largest Bulgarian PSP, which will be the largest ProView installation in Europe (4,000 ATMs in the next 2 years)

2Q'19: Another quarter of growing results

	mEUR		
	Q2 2019	Q2 2018	% Diff
Revenue	46.3	37.0	+25%
EBITDA	9.0	6.8	+33%
EBIT	5.3	4.2	+27%
NPAT	4.3	3.6	+18%
<i>EBITDA %</i>	<i>19.5%</i>	<i>18.4%</i>	
<i>EBIT %</i>	<i>11.4%</i>	<i>11.2%</i>	

	mPLN		
	Q2 2019	Q2 2018	% Diff
	198.2	158.8	+25%
	38.7	29.2	+32%
	22.6	17.8	+27%
	18.2	15.5	+17%

In kEUR:

- N+ acquisition impact (kEur): **Reve** +8 340, **EBITDA** +613, **EBIT** +247 (including -116 PPA amortization), **NPAT** 123
- Tax on civil law transactions: **EBITDA/EBIT/NPAT** -281
- Revaluation of share in Multicard (kEUR): **NPAT** +466
- IFRS16 impact (kEur): **EBITDA** +671, **EBIT** +27, **NPAT** -87

1H'19: solid organic growth supplemented by N+ results

	mEUR		
	H1 2019	H1 2018	% Diff
Revenue	87.9	70.1	+25%
EBITDA	17.4	12.5	+39%
EBIT	10.2	7.3	+40%
NPAT	8.5	6.3	+35%
<i>EBITDA %</i>	<i>19.8%</i>	<i>17.9%</i>	
<i>EBIT %</i>	<i>11.6%</i>	<i>10.4%</i>	

	mPLN		
	H1 2019	H1 2018	% Diff
	377.0	297.3	+27%
	74.7	53.1	+41%
	43.8	30.9	+42%
	36.6	26.8	+37%

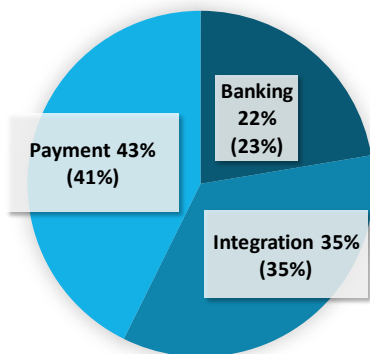
In kEUR:

- N+ acquisition impact: **Reve** +12 830; **EBITDA** +962; **EBIT** +353 (including -193 PPA amortization); **NPAT** +261
- Tax on civil law transactions: **EBITDA/EBIT/NPAT** -281
- Revaluation of share in Multicard: **NPAT** +466
- IFRS16 impact: **EBITDA** +1,451; **EBIT** +57; **NPAT** -127

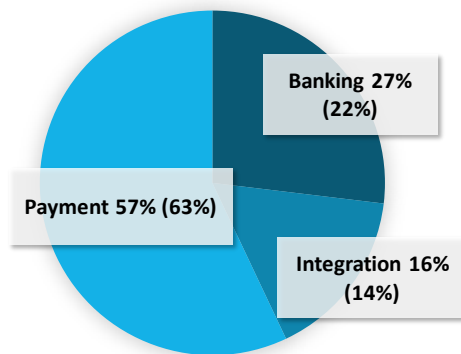
Improvement in all segments

mEUR	Revenue			EBITDA			EBIT		
	H1 2019	H1 2018	Diff	H1 2019	H1 2018	Diff	H1 2019	H1 2018	Diff
Banking	19.7	16.5	3.2	3.8	2.2	1.7	2.7	1.6	1.1
Integration	30.7	24.6	6.1	2.4	1.5	0.9	1.6	1.0	0.6
Non-Payment	50.4	41.1	9.3	6.2	3.7	2.6	4.4	2.7	1.7
Payment	37.5	29.1	8.5	11.2	8.9	2.3	5.8	4.6	1.2
Asseco SEE Group	87.9	70.1	17.8	17.4	12.5	4.9	10.2	7.3	2.9

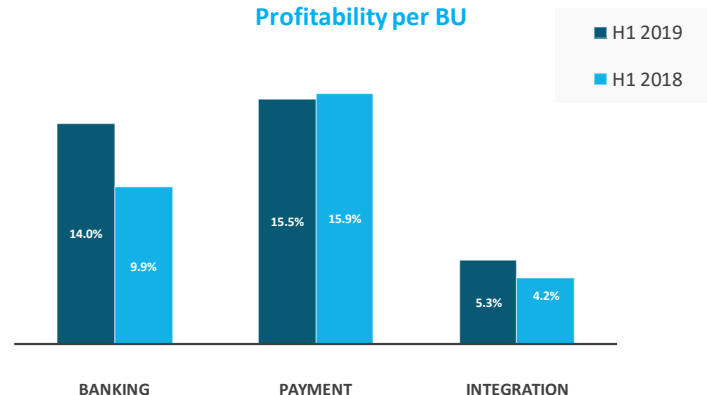
Revenue per BUs H1 2019



EBIT per BUs H1 2019

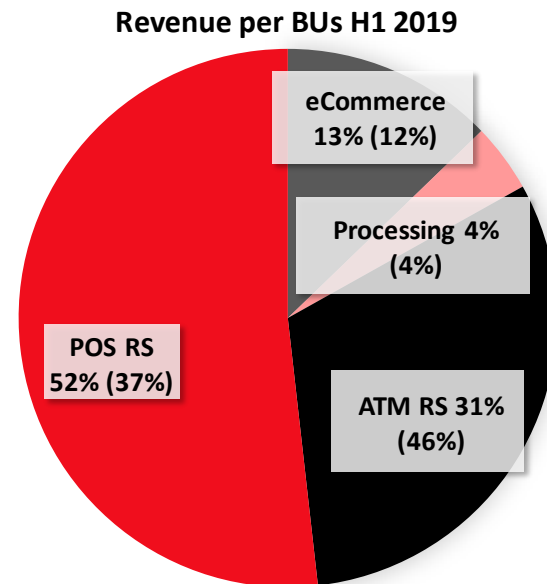


Profitability per BU



N+ contributing to POS RS. Still very good eCommerce

mEUR	Revenue		
	H1 2019	H1 2018	Diff
eCommerce	4.8	3.6	1.2
Processing	1.5	1.2	0.4
ATM RS	11.8	13.5	-1.7
POS RS	19.4	10.8	8.6
Payment	37.5	29.1	8.5



Outstanding Turkey, improvement in Macedonia and Serbia

mEUR	Revenue				EBIT			
	H1 2019	H1 2018	Diff	% Diff	H1 2019	H1 2018	Diff	% Diff
B&H	3.7	3.0	0.8	+25%	0.5	0.6	-0.1	-20%
Croatia	14.8	15.1	-0.3	-2%	1.9	2.1	-0.2	-9%
Iberia	11.6		11.6		0.3		0.3	
Latam	1.6		1.6		0.1		0.1	
Macedonia	5.8	6.2	-0.4	-6%	1.2	0.5	0.7	+146%
Romania	13.6	15.1	-1.5	-10%	0.4	0.5	0.0	-5%
Serbia	26.8	20.6	6.2	+30%	2.4	2.0	0.4	+21%
Turkey	7.2	6.1	1.1	+17%	2.4	0.9	1.5	+172%
Other	6.8	6.9	-0.1	-1%	1.0	0.9	0.2	+20%
Eliminations	-4.1	-2.8	-1.3	+46%	-0.1	-0.1	0.0	-5%
GASEE	87.9	70.1	17.8	+25%	10.2	7.3	2.9	+40%

*Other entities include Albania, Bulgaria, Kosovo, Montenegro, Poland, Slovenia

Net cash down due to IFRS16 and payment for N+

mEUR	Excluding N+ H1 2019	Asseco SEE Group		
		H1 2019	2018 YE	Diff
Cash and short term investments	32.2	33.4	39.2	-5.8
Lease liabilities	-12.6	-14.7	-0.4	-14.3
Financial liabilities*	-15.1	-17.8	-11.2	-6.6
Net Cash	4.5	0.9	27.6	-26.7
Receivables and Prepayments	42.8	50.0	41.0	9.0
Liabilities, Provisions and Deferred Income	-29.7	-37.4	-39.7	2.3
Inventory	4.6	8.2	4.0	4.3
Operational Balance	22.2	21.7	32.9	-11.1

PLN 27m (EUR 6,3m) dividend paid on July 11th (PLN 0,52 per share)

*Including short term part of deferred payment for N+ shares 1,1 mEur

Lower cash flow due to M&A and payment infrastructure

mEUR	Asseco SEE Group		
	H1 2019 LTM	2018	2017
Operating cash flow*	31.9	29.2	22.7
- IT Infrastructure for outsourcing	-10.0	-5.8	-13.7
- infrastructure for IAD	-0.5	-1.4	0.0
- Capitalized R&D	-0.2	-0.3	-0.8
- M&A	-6.0	0.0	-0.2
- Other CAPEX	-1.0	-2.6	-1.9
Free cash flow	14.0	19.1	6.1
Debt Increase	6.7	3.8	5.2
Debt Service	-8.0	-3.8	-4.7
Total Cash Flow	12.7	19.0	6.5
Oper CF/EBITDA	105%	119%	90%
FCF/EBIT	76%	128%	39%

*Excluding investment in outsourcing equipment presented in Inventory

Sonet acquisition

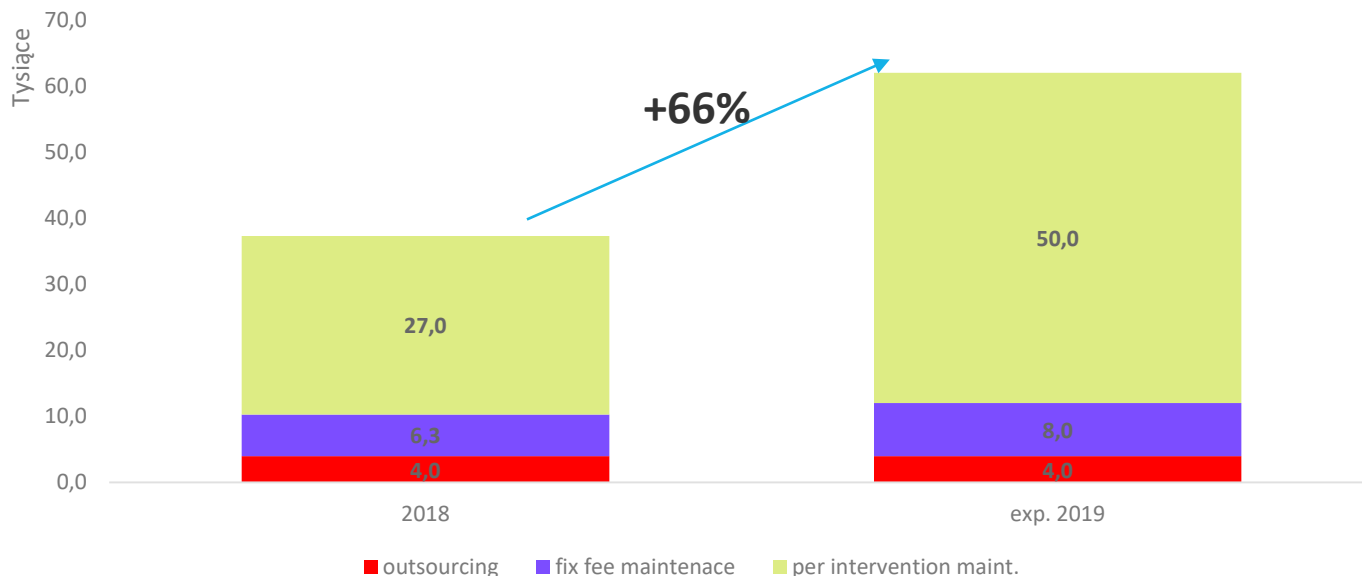
Sonet summary

Czech company providing solutions for **non-cash payments**

- Established in 1991
- Offering solutions for non-cash payments, including numerous **software applications** (POS terminal application, Smart Switch transaction gateway with transaction DWH, Posman for administration of POS networks and card product set-up by acquirers), as well as **POS terminals maintenance**
- **Operating mainly in Czech Republic and Slovakia**, with minor activity in Hungary, Romania and Mauritius
- Maintaining close to **38 thousand POS terminals** (CZ 27,3k; SK 10,5k) with an option to grow to over 60 thousand by the end of 2019
- **Headquarters in Brno (CZ)**; branch offices in Bratislava (Slovakia) and Budapest (Hungary)
- Currently **employing 70 people**, mainly in Czech Republic
- Owned by a Czech private individual

Number of POS terminals under maintenance

Expected huge growth in maintenance based in **2019** thanks to migration of one global customer



Estimated
market share:

CZ = 17%

SK = 16%

Transaction rationale for ASEE

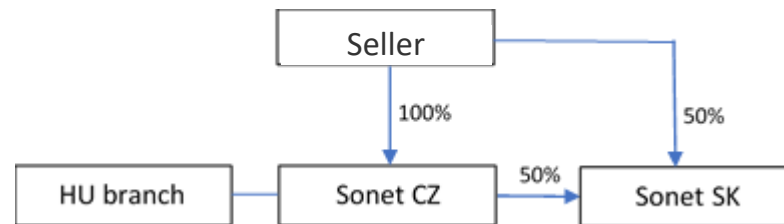
Strengthening business line **POS Related Services**

- Becoming no 1 regional POS RS service provider – one stop shop
- Consolidating market ahead of global players
- Strengthening bargaining power towards two vendors: Ingenico, Spire and Castles
- Covering almost whole region for key clients: Intesa San Paolo and Unicredit
- Combining software development teams for POS applications (Payten with 19 and Sonet with 25 employees)
- Adding new software functionalities to ASEE/Payten portfolio & selling functionalities of Payten in Cz and Sk
- Adding 3rd vendor to the portfolio

Transaction conditions

ASEE/Payten to obtain control over **100% shares** in Sonet CZ and Sonet SK

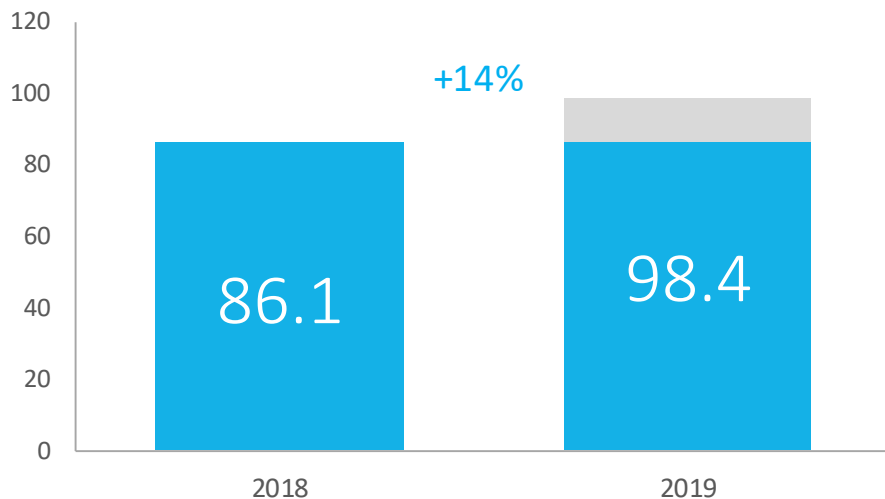
- Price for 100% shares in Sonet CZ and Sonet SK:
 - Payment at closing: **4m EUR** adjusted by net debt/cash*
 - Payment up to **150k EUR** based on EBIT realization in **2018**
 - Payment up to **200k EUR** based on EBIT realization in **2019**
- Acquisition from a Czech private individual
- Transaction multiples (2018):
 - $P/E = 6,2$
 - $EV/EBIT = 4,9$



Outlook for 2019

Total ASEE Group incl. Payten

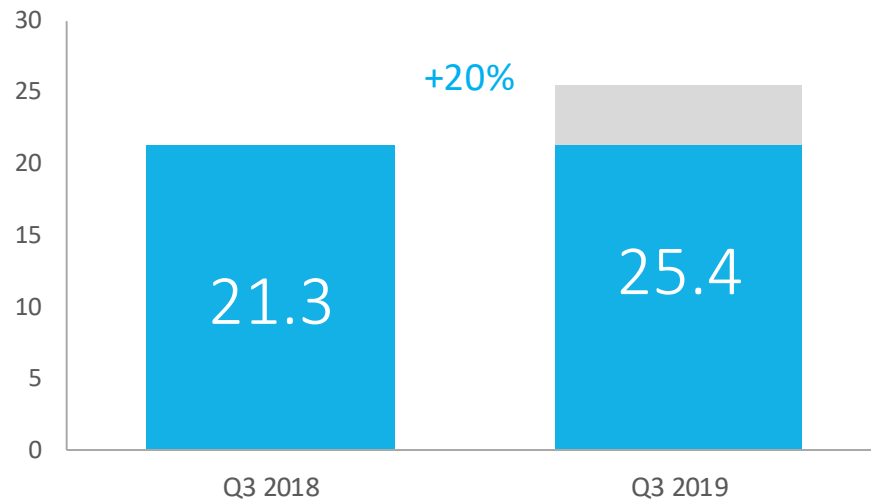
mEUR	2018	2019	% Diff
Revenues BL	124.4	138.0	+11%
Margin1 BL	86.1	98.4	+14%



* Backlog data as at July 23rd

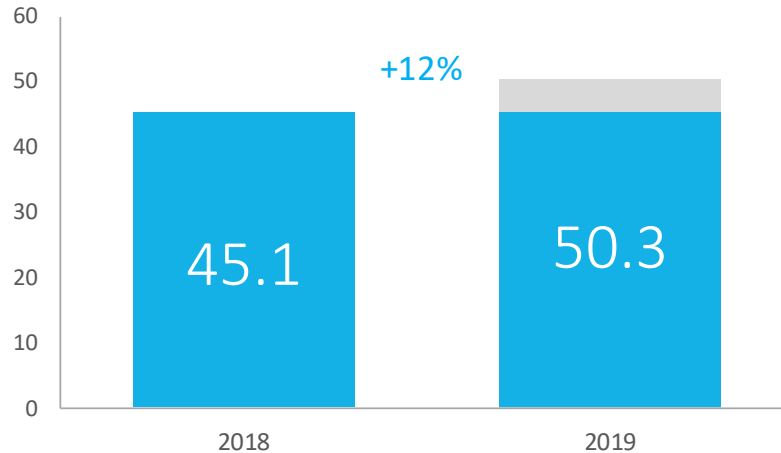
** excluding N+ data

mEUR	Q3 2018	Q3 2019	% Diff
Revenues BL	29.3	35.4	+21%
Margin1 BL	21.3	25.4	+20%

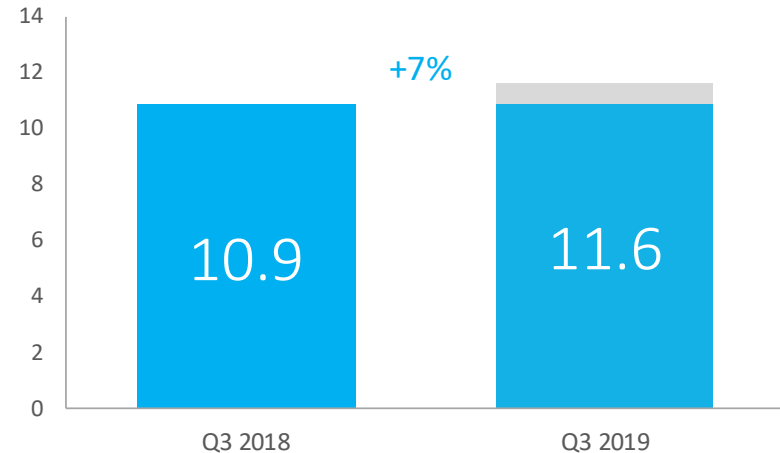


Banking and System Integration

mEUR	2018	2019	% Diff
Revenues BL	73.2	81.0	+11%
Margin1 BL	45.1	50.3	+12%



mEUR	Q3 2018	Q3 2019	% Diff
Revenues BL	17.1	17.9	+5%
Margin1 BL	10.9	11.6	+7%

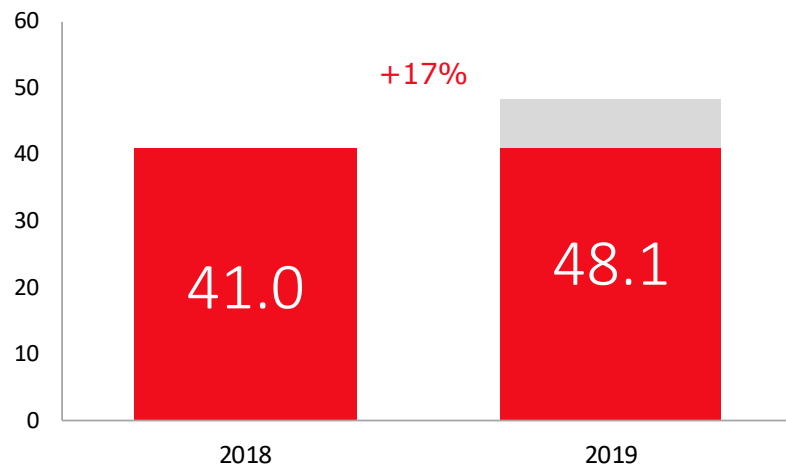


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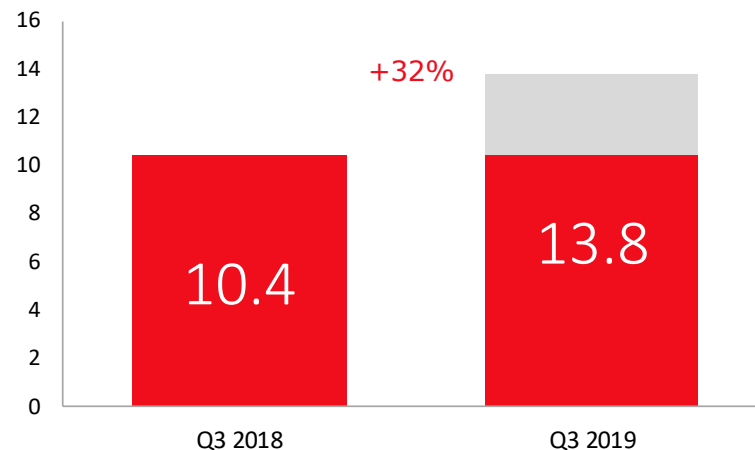
** excluding N+ data

Payten

	mEUR	2018	2019	% Diff
Revenues BL		51.2	57.0	+11%
Margin1 BL		41.0	48.1	+17%



	mEUR	Q3 2018	Q3 2019	% Diff
Revenues BL		12.2	17.4	+43%
Margin1 BL		10.4	13.8	+32%



* Backlog data as at July 23rd


** excluding N+ data

Thank you

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