

**Payten**  
MEMBER OF asseco

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SOUTH EASTERN EUROPE

# Financial Results for 1-3Q 2020 And Business Update

October 28th, 2020

Warsaw

# 3Q 2020 results

## 3Q 2020: Highlights

- **Growth** in Payment and **improving efficiency** in Banking continues
- eCommerce and new business lines in POS drive **growth in Payment** despite much lower revenues by MoneyGet (IAD)
- Demand for multichannel solutions and mobile banking together with higher efficiency translate to further **growth in profitability of Banking**
- Significantly lower revenues in resale part of Dedicated solutions but with no negative impact on results due to **cost savings** and better **sales mix**
- **No** significant impact of **COVID-19** on overall ASEE and Payten business **so far**

# Q3 2020 ASEE Best Deals.

## Banking Business Unit

- Implementation of new mobile banking with **Asseco Adaptive Elements Platform** for one of international banking groups
- **Ab-Solut Trade Finance Platform** for ING bank in Romania to automate the bank's documentary transactions and all related events, covering both export and import.
- **Digital Origination** for a bank in Serbia

## Dedicated solutions

- Development of **e-government tools** for General Secretariat of the Government -Dezvoltarea instrumentelor de e-guvernare (EGOV)-2020 in Romania
- **Dynatrace** 3P solution for Insurance and IT companies in Turkey
- **Office administration management application** for a Public Institution in Serbia (Office for IT and e-Government)
- **Electronic system for handling requests for placing a medicine** on the list of medicines of the National Health Insurance Fund in Serbia and medicine price updates
- **Service bus platform implementation** with all components for integration with other work environments, licenses & hardware for a Public Institution in Serbia (Ministry of Finance)
- **JAVA BPM and Kofax - Email dispatch automation-2020** for E.ON ENERGY ROMANIA SA to improve digital customer experience

# Q3 2020 Payten Best Deals.

## ATM and POS Related Services

- **Monitoring, HW and SW maintenance of the biggest ATM network in Serbia** for Komercijalna banka Beograd
- **POS outsourcing** for SKB banka d.d.
- **Delivery of TETRA POS** to CREDINS Bank Albania

## E-Commerce

- **MSU** for an insurance company: Payten completed the first online transaction with card tokenization in insurance industry of Turkey

## 3Q'20: Growing profits despite flat sales

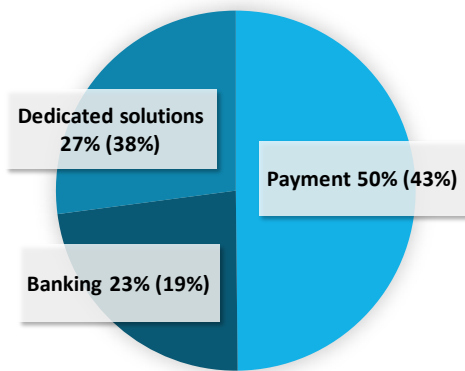
	mEUR		
	Q3 2020	Q3 2019	% Diff
Revenue	51.2	52.7	-3%
EBITDA	12.8	11.0	+17%
EBIT	8.4	7.0	+20%
NPAT	7.1	5.9	+21%
<i>EBITDA %</i>	<i>25.0%</i>	<i>20.8%</i>	
<i>EBIT %</i>	<i>16.4%</i>	<i>13.3%</i>	
EBIT non-IFRS	8.5	7.1	+21%
NPAT non-IFRS	7.6	6.0	+27%

	mPLN		
	Q3 2020	Q3 2019	% Diff
	227.5	228.8	-1%
	56.8	47.6	+19%
	37.3	30.4	+23%
	31.7	25.6	+24%
	37.8	30.7	+23%
	33.8	26.2	+29%

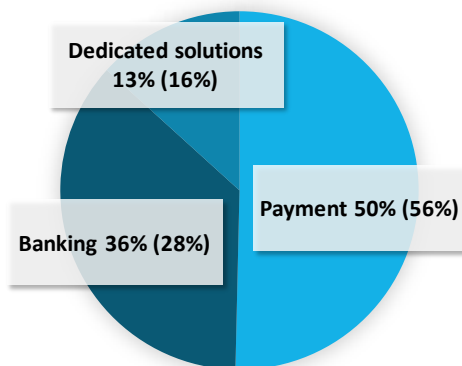
## 3Q'20: Growth in Payment. Higher efficiency in Banking

mEUR	Revenue			EBITDA			EBIT		
	Q3 2020	Q3 2019	Diff	Q3 2020	Q3 2019	Diff	Q3 2020	Q3 2019	Diff
Payment	25.5	22.7	2.8	7.5	6.9	0.7	4.2	3.9	0.3
Non-Payment	25.7	30.0	-4.3	5.3	4.1	1.2	4.2	3.1	1.1
Banking	11.8	10.2	1.6	3.7	2.6	1.1	3.1	2.0	1.1
Dedicated solutions	13.9	19.8	-5.9	1.5	1.5	0.0	1.1	1.1	0.0
<b>Asseco SEE Group</b>	<b>51.2</b>	<b>52.7</b>	<b>-1.5</b>	<b>12.8</b>	<b>11.0</b>	<b>1.8</b>	<b>8.4</b>	<b>7.0</b>	<b>1.4</b>

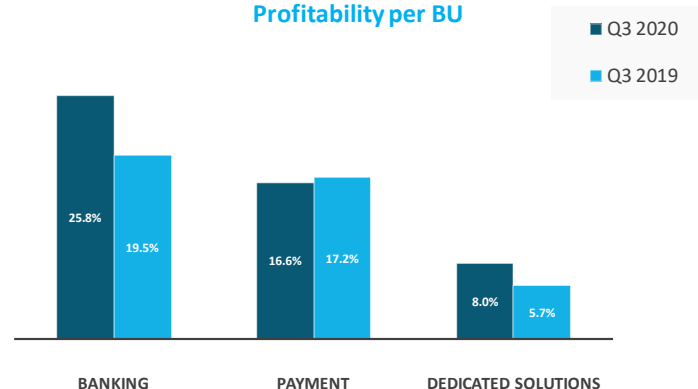
Revenue per BUs Q3 2020



EBIT per BUs Q3 2020



Profitability per BU

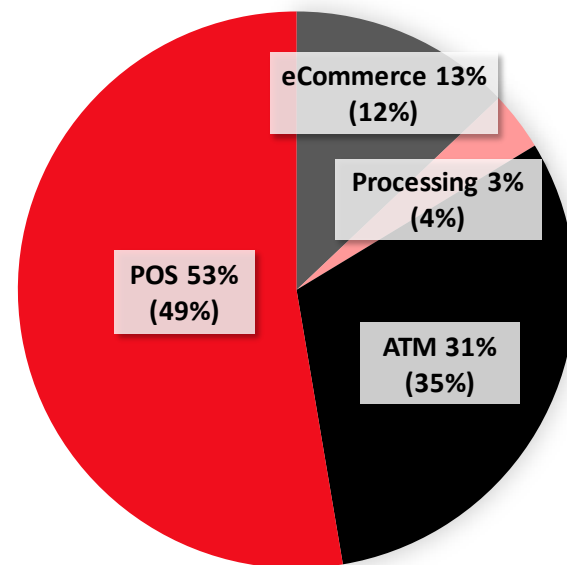




## 3Q'20: Continued growth in POS and eCommerce

mEUR	Revenue		
	Q3 2020	Q3 2019	Diff
eCommerce	3.3	2.6	0.7
Processing	0.9	1.0	-0.1
ATM	7.9	8.0	-0.1
POS	13.4	11.0	2.4
<b>Payment</b>	<b>25.5</b>	<b>22.7</b>	<b>2.8</b>

Revenue per BUs Q3 2020



## 3Q'20: EBIT growth driven by Serbia and Macedonia

mEUR	Revenue				EBIT			
	Q3 2020	Q3 2019	Diff	% Diff	Q3 2020	Q3 2019	Diff	% Diff
B&H	2.7	1.4	1.3	+87%	0.5	0.3	0.2	+75%
Croatia	8.3	8.8	-0.5	-6%	1.6	2.2	-0.6	-28%
Iberia	5.6	6.2	-0.6	-9%	0.2	-0.1	0.3	
Latam	1.1	1.1	0.0	+1%	-0.1	0.1	-0.2	
Macedonia	3.8	2.8	1.1	+38%	1.1	0.6	0.5	+95%
Romania	5.7	6.5	-0.8	-13%	0.2	0.3	-0.1	-29%
Serbia	17.9	18.8	-0.9	-5%	3.4	1.7	1.7	+98%
Turkey	4.3	3.7	0.6	+15%	1.0	0.9	0.2	+20%
Central Europe	2.0	0.9	1.1	+116%	0.2	0.3	0.0	-14%
Other*	3.0	4.3	-1.3	-31%	0.4	1.0	-0.5	-54%
Eliminations	-3.2	-1.9	-1.3		-0.1	-0.1	0.0	
<b>GASEE</b>	<b>51.2</b>	<b>52.7</b>	<b>-1.5</b>	<b>-3%</b>	<b>8.4</b>	<b>7.0</b>	<b>1.4</b>	<b>+20%</b>

\*Other entities include: Albania, Bulgaria, Egypt, Kosovo, Montenegro, Slovenia

# 1-3Q 2020 results

# 1-3Q'20: Continued growth and improving efficiency

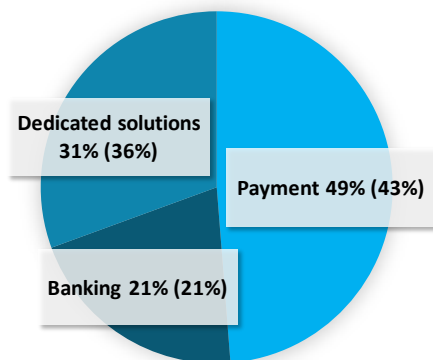
	mEUR		
	Q1-3 2020	Q1-3 2019	% Diff
Revenue	155.7	140.6	+11%
EBITDA	35.9	28.4	+27%
EBIT	22.8	17.4	+31%
NPAT	18.7	14.6	+28%
<i>EBITDA %</i>	<i>23.1%</i>	<i>20.2%</i>	
<i>EBIT %</i>	<i>14.6%</i>	<i>12.4%</i>	
EBIT non-IFRS	23.3	17.8	+31%
NPAT non-IFRS	19.6	14.7	+34%

	mPLN		
	Q1-3 2020	Q1-3 2019	% Diff
	691.8	605.8	+14%
	159.5	122.3	+30%
	101.3	75.0	+35%
	82.9	62.8	+32%
	103.5	76.8	+35%
	87.3	63.2	+38%

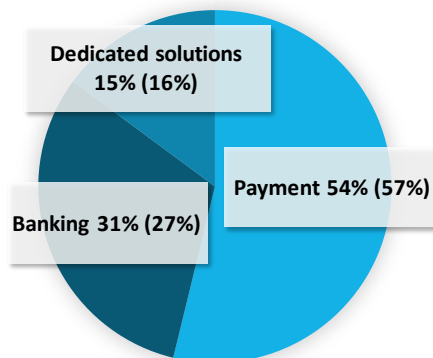
# 1-3Q'20: Higher EBIT in all segments.

mEUR	Revenue			EBITDA			EBIT		
	Q1-3 2020	Q1-3 2019	Diff	Q1-3 2020	Q1-3 2019	Diff	Q1-3 2020	Q1-3 2019	Diff
Payment	75.9	60.2	15.7	22.2	18.0	4.2	12.3	9.9	2.4
Non-Payment	79.8	80.4	-0.6	13.7	10.4	3.4	10.5	7.6	3.0
Banking	32.2	29.9	2.3	9.0	6.4	2.6	7.2	4.7	2.4
Dedicated solutions	47.6	50.5	-2.9	4.7	3.9	0.8	3.4	2.8	0.6
<b>Asseco SEE Group</b>	<b>155.7</b>	<b>140.6</b>	<b>15.1</b>	<b>35.9</b>	<b>28.4</b>	<b>7.5</b>	<b>22.8</b>	<b>17.4</b>	<b>5.4</b>

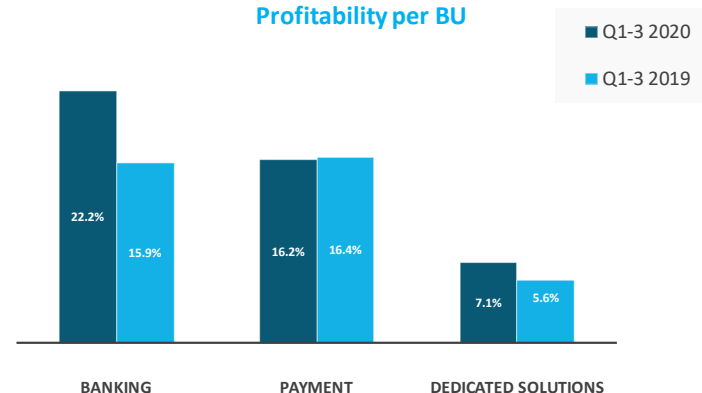
Revenue per BUs Q1-3 2020



EBIT per BUs Q1-3 2020



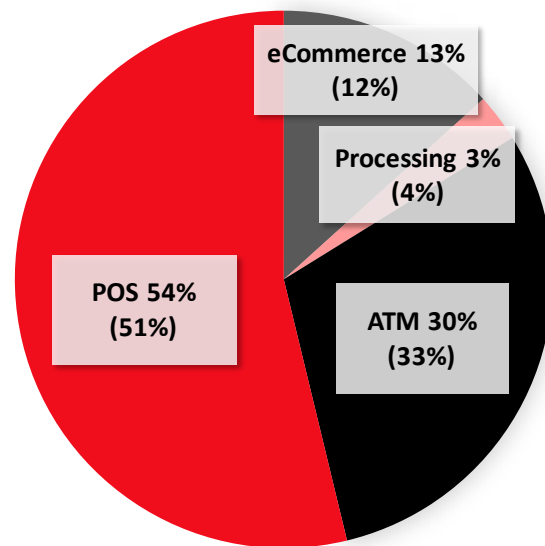
Profitability per BU



# 1-3Q'20: New acquisitions contributing mainly to POS

mEUR	Revenue		
	Q1-3 2020	Q1-3 2019	Diff
eCommerce	10.1	7.4	2.7
Processing	2.2	2.5	-0.4
ATM	22.8	19.8	3.0
POS	40.8	30.5	10.4
<b>Payment</b>	<b>75.9</b>	<b>60.2</b>	<b>15.7</b>

Revenue per BUs Q1-3 2020



# 1-3Q'20: Improvement in most markets. Strong Serbia

mEUR	Revenue				EBIT			
	Q1-3 2020	Q1-3 2019	Diff	% Diff	Q1-3 2020	Q1-3 2019	Diff	% Diff
B&H	6.9	5.2	1.7	+33%	1.0	0.7	0.3	+43%
Croatia	24.8	23.7	1.1	+5%	4.1	4.1	-0.1	-1%
Iberia	18.5	17.8	0.7	+4%	1.1	0.4	0.7	+200%
Latam	3.2	2.7	0.5	+18%	-0.1	0.2	-0.3	
Macedonia	11.8	8.6	3.1	+37%	2.1	1.8	0.3	+17%
Romania	18.9	20.2	-1.2	-6%	0.7	0.7	0.0	+1%
Serbia	48.9	45.6	3.3	+7%	7.3	4.1	3.3	+80%
Turkey	13.7	10.9	2.8	+25%	3.9	3.3	0.6	+18%
Central Europe	6.1	2.1	4.0	+193%	1.0	0.7	0.3	+44%
Other*	10.4	10.0	0.4	+4%	2.0	1.6	0.4	+23%
Eliminations	-7.2	-6.0	-1.2		-0.2	-0.2	-0.1	
<b>GASEE</b>	<b>155.7</b>	<b>140.6</b>	<b>15.1</b>	<b>+11%</b>	<b>22.8</b>	<b>17.4</b>	<b>5.4</b>	<b>+31%</b>

\*Other entities include: Albania, Bulgaria, Egypt, Kosovo, Montenegro, Slovenia

# Liquidity



## Net cash up despite dividend payment in July

mEUR	Asseco SEE Group		
	30 Sept'20	2019 YE	Diff
Cash and short term investments	39.8	47.0	-7.2
Lease liabilities	-14.2	-15.6	1.3
Bank loans and credit lines	-15.2	-21.8	6.6
Deferred payments for acquisitions (short-term)	-3.0	-3.3	0.2
<b>Net Cash</b>	<b>7.4</b>	<b>6.3</b>	<b>1.0</b>
Receivables and Prepayments	48.7	54.4	-5.6
Liabilities, Provisions and Deferred Income	-40.9	-57.1	16.2
Inventory	5.9	8.7	-2.9
<b>Operational Balance</b>	<b>21.1</b>	<b>12.3</b>	<b>8.7</b>

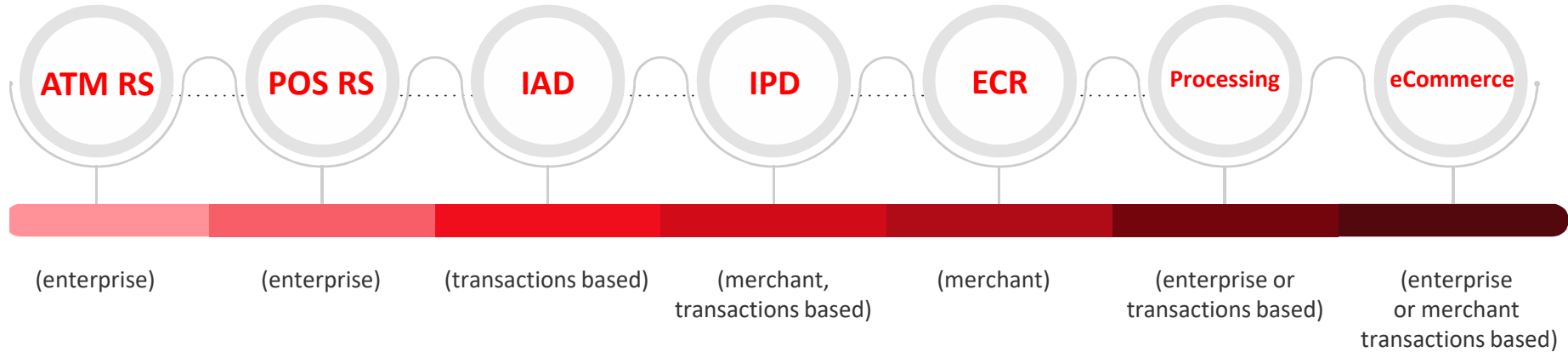
# Strong operating cash flow in 3Q improving LTM values

mEUR	Asseco SEE Group		
	Q3 2020 LTM	2019	2018
Operating cash flow*	49.6	38.1	29.2
- Infrastructure for outsourcing	-5.4	-10.0	-5.8
- infrastructure for IAD	-0.4	-0.5	-1.4
- Capitalized R&D	-0.2	0.0	-0.3
- M&A	-9.8	-10.6	0.0
- Other CAPEX	-1.1	-2.1	-2.6
Free cash flow	32.7	14.9	19.1
Debt Increase	3.0	12.7	3.8
Debt Service	-15.6	-12.3	-3.8
Total Cash Flow	20.2	15.2	19.0
Oper CF/EBITDA	103%	93%	104%
FCF/EBIT	106%	58%	109%

\*Excluding investment in outsourcing equipment presented in Inventory

# Payten solutions for merchants

# Payment **business lines**



Recently Payten expanded to businesses, that provides **services to the merchants**;  
Idea is to provide payment related **bundle of services** minimizing need of merchant to interact with many vendors

# Services **to merchants**

By introducing previously mentioned Payment business lines for merchants (IPD, eCommerce and ECR), Payten is achieving the following benefits:

- Business **diversification**
- Increasing own **bargaining power**
- Strengthening overall **recurring revenue**
- Increasing overall **client retention** rate by creating a one-stop-shop for merchants



# IPD Payment business line - SinglePOS

## Croatia case study

Integrated with  
**5 largest**  
acquiring banks in  
Croatia covering  
more than **95%**  
of the issued cards

Signed deals with  
**4 out of the 7**  
largest retailers  
in Croatia (2  
domestic, 2  
international; SPAR  
and Mueller)

Currently  
processing more  
than **1b EUR**  
with more than  
60m trx annually

Started 2019  
with 420 POS  
terminals, now  
at **3.000**  
**terminals**  
across Croatia

## Next steps

- Already piloting the solution on the market of **Bosnia and Herzegovina**
- Entering the market of **Romania** by starting integrations with local acquiring banks

# ECR Payment **business line**

- **Products** offered include:
  - cash registers, point of sale software
  - basic accounting and back office software
  - ordermans for table ordering
  - self ordering kiosks
  - kitchen ordering software
  - management reporting tools,
  - basic loyalty and voucher system
  - hotel management software solutions for small and mid-sized hotels
- **Cloud based** solution, SaaS with monthly recurring billing
- **24/7 client support** with regular remotely updates
- Already integrated with some of the biggest and widely used ERP systems



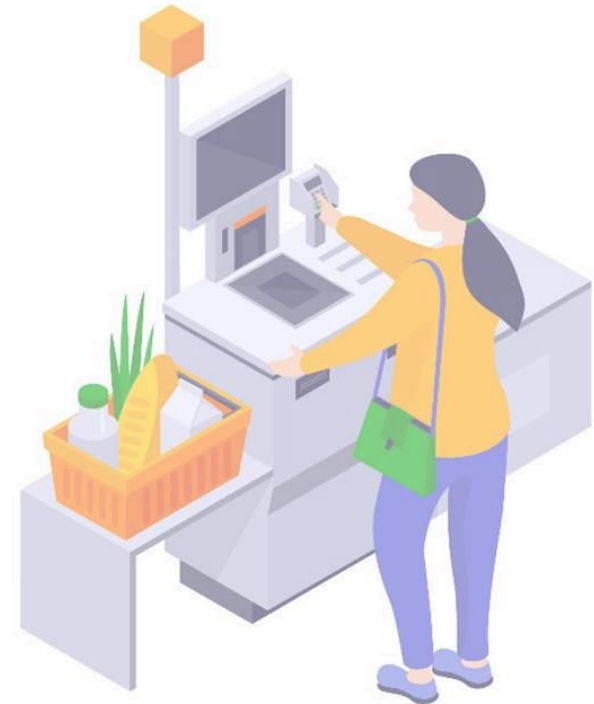
# ECR Payment **business line**

## Croatia case study

- Under the ECR Payment currently servicing more than **5.000 merchants** across Croatia with more than **8.000 cash registers**
- Most of the merchants are from the **HORECA** (more than **50% of market**) and more than 80% of market in mid and high-profile restaurants

## Next steps

- Already piloting solutions on the market of Slovenia
- Targeting to enter countries with similar fiscal policy as in BH, Croatia, Serbia, Montenegro...





## Services to merchants

### - Synergy strategy POS RS / IPD / ECR / eComm

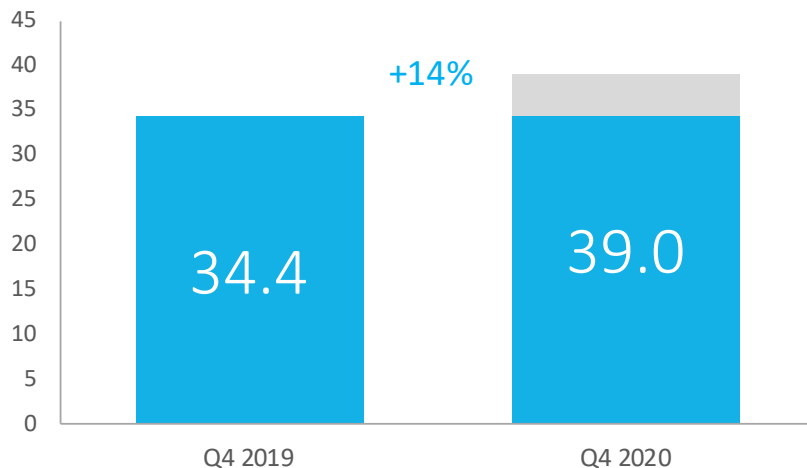
- Create a **one-stop-shop** merchant experience for merchants by giving them all services on one place:
  - **ECR** (fiscal software, domain business management software)
  - **IPD** (in store card and payments acceptance)
  - **eComm** (Online card and payment acceptance)
  - **POS RS** (HW and field support)
  - **Single call center** support point for merchants
  - **One** contract for **full IT support** for SME business needs

Implementation of the strategy would result in **increased profitability in all business lines.**

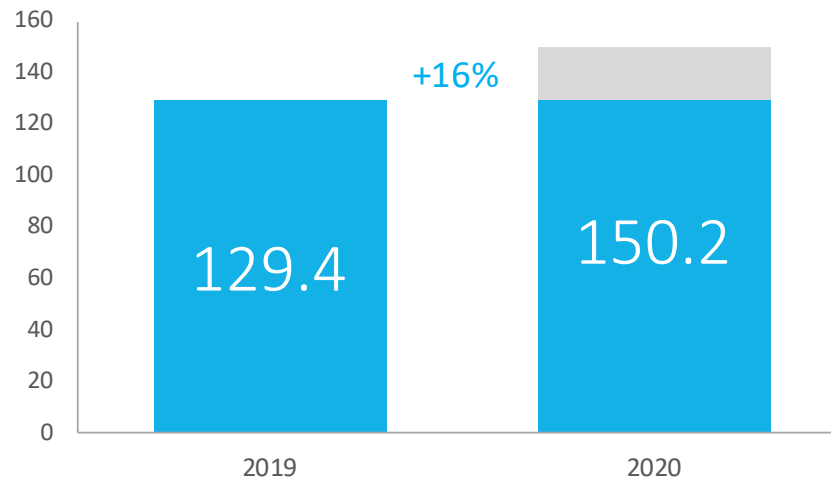
# Outlook for 2020

## Total ASEE Group incl. Payten

	mEUR	Q4 2019	Q4 2020	% Diff
Revenues BL		51.2	58.2	+14%
Margin1 BL		34.4	39.0	+14%



	mEUR	2019	2020	% Diff
Revenues BL		191.8	214.0	+12%
Margin1 BL		129.4	150.2	+16%

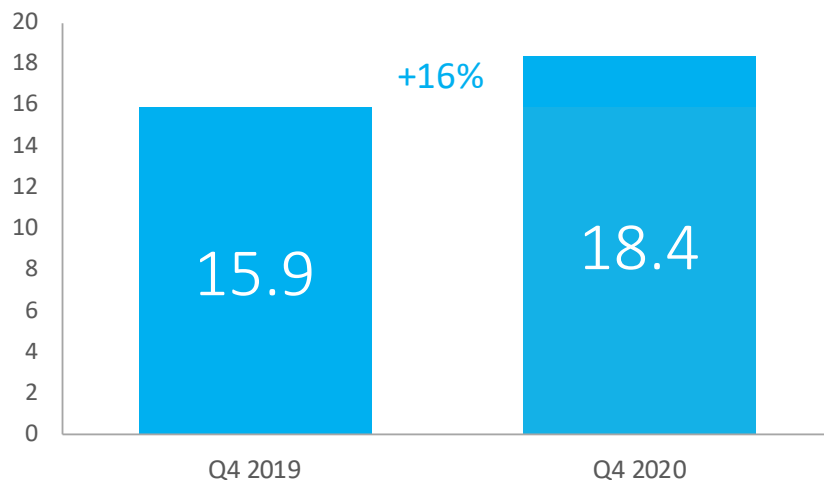


\*Backlog data as at October 22<sup>nd</sup>, 2020

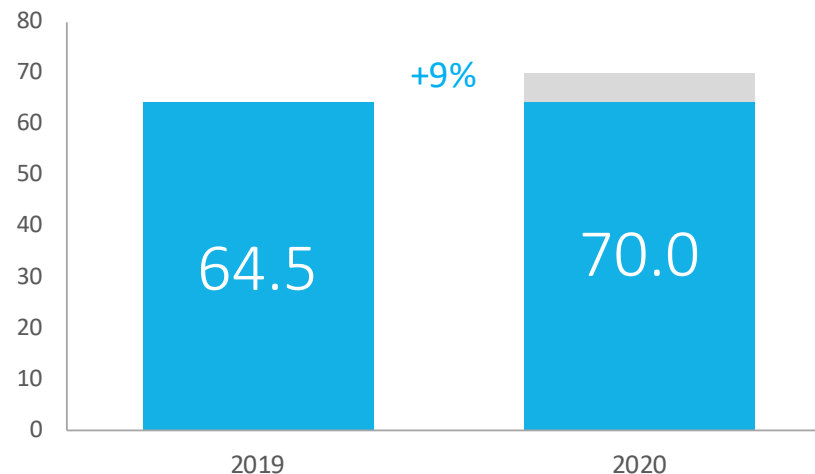
\*\* 2019 backlog calculated pro rata for acquired entities

# Banking and Dedicated solutions

	mEUR	Q4 2019	Q4 2020	% Diff
Revenues BL		27.8	34.2	+23%
Margin1 BL		15.9	18.4	+16%



	mEUR	2019	2020	% Diff
Revenues BL		108.1	114.0	+5%
Margin1 BL		64.5	70.0	+9%

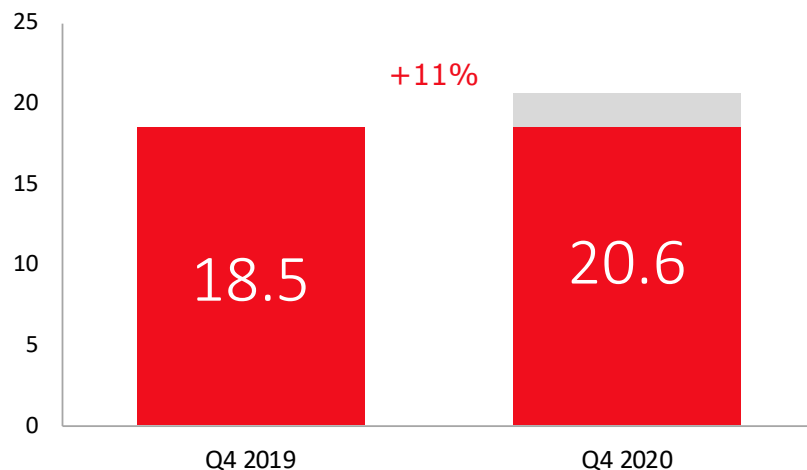


\*Backlog data as at October 22<sup>nd</sup>, 2020

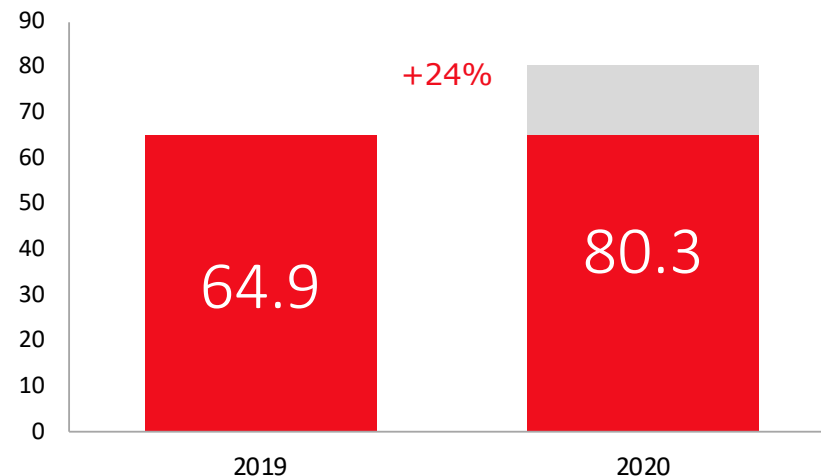
\*\* 2019 backlog calculated pro rata for acquired entities

# Payten

	mEUR	Q4 2019	Q4 2020	% Diff
Revenues BL		23.4	24.0	+3%
Margin1 BL		18.5	20.6	+11%



	mEUR	2019	2020	% Diff
Revenues BL		83.6	100.0	+20%
Margin1 BL		64.9	80.3	+24%



\*Backlog data as at October 22<sup>nd</sup>, 2020

\*\* 2019 backlog calculated pro rata for acquired entities

# Thank you

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