

Your n°1  
payments  
partner



v 201903.1



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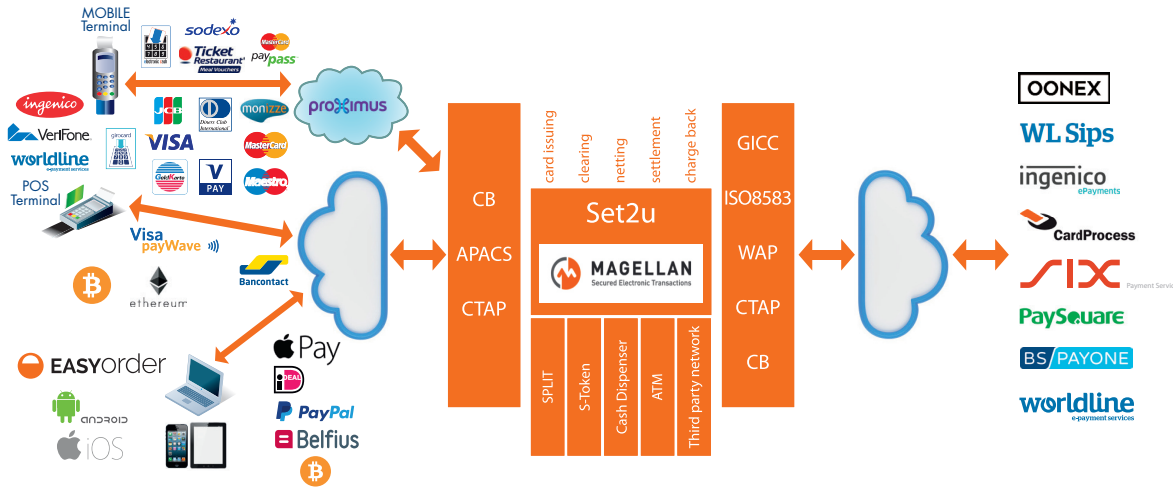
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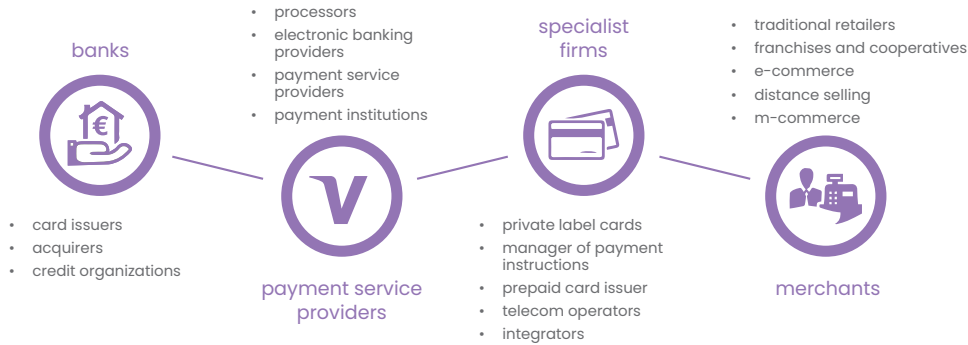
# FROM OMNICHANNEL PAYMENT SOLUTIONS TO FINTECH SOFTWARE DEVELOPMENT





# MAIN SAAS COMPONENTS

## Set2u



## SPLIT

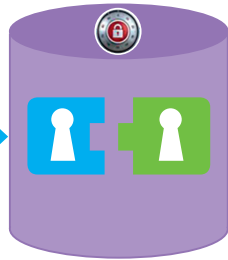


# S-Token

## Tokenization process

Real data  
(e.g., a credit card number)

3456789011121314

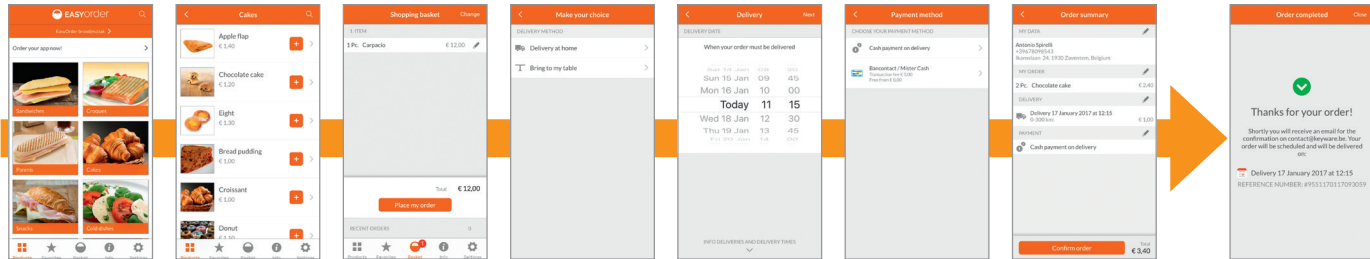


Tokenized number

1973809291015121

Secure token vault with link between real and token values

# EasyOrder



download app – register  
select products and confirm

choose delivery  
method and time

choose payment  
method

confirm

get  
confirmation

# KEYWARE – A COMPELLING STORY

**The acquisitions of Magellan and EasyOrder serve as growth accelerators for the terminals & transactions business lines and vice versa, e.g. :**

- SPLIT software sales boost payment transactions and adds an additional functionality to the payment terminals
- the rental of payment terminals facilitates the adoption of SPLIT
- the EasyOrder offering completes the omnichannel payment offering in the terminal business
- Set2U expands and internationalises the EasyOrder solution by offering payment service providing

**By deploying a SaaS-model, Keyware is now able to offer its FinTech software solutions on an international scale by direct sales as well as through business partners like integrators or resellers.**



# ROADMAP 2018-2019 – SOME HIGHLIGHTS



- Introduction of a Web Shop Terminal in Belgium and Germany
- Setup of an e-commerce site in Germany

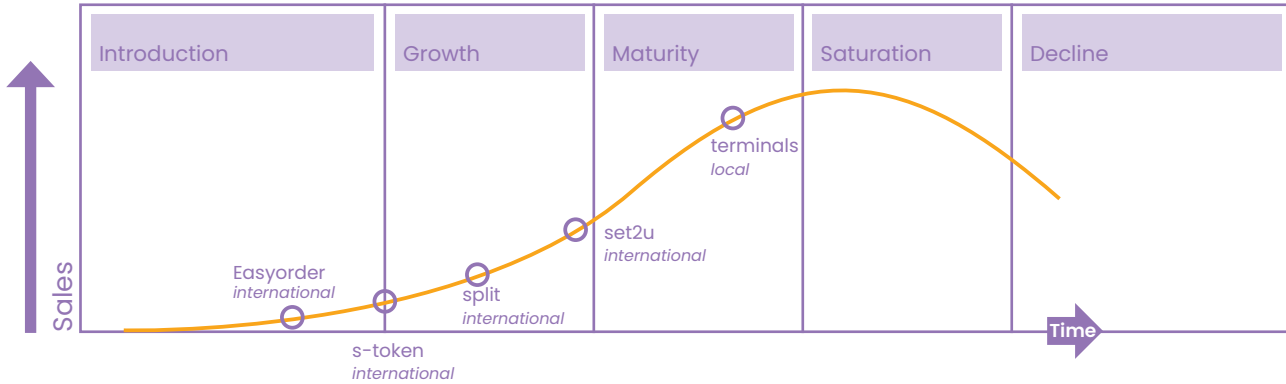


- End of Q1: fully new software release via up-to-date platform PHP 7.1 Laravel 5.5 backend with Ionic 2/Angular 2 frontend
- New features in the B2C solution
- Development of the B2B solution
- Project work
- Setup of an international e-commerce site



- Development of SPLIT for Europe
- PSP SPLIT
- Additional protocol converters (eg CTAP in/out)

# PRODUCT LIFE CYCLE



# Company presentation



# CORPORATE FACT SHEET

- Keyware Technologies is a public company since June 2000 (Nasdaq Europe: KEYW) and trades since 2003 on NYSE-Euronext, now Euronext (KEYW)

## Key figures



statutory capital  
€ 8.358.694



n° of shares  
22.543.793



fully diluted  
23.543.793



CAGR  
(FY 2013 – FY 2018)  
11,7%

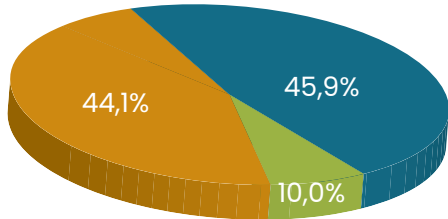


EBITDA  
margin  
16,2%



FTE's  
70

## Current shareholder structure



- Powergraph BVBA  
Guido Van der Schueren
- Big Friend NV  
Stéphane Vandervelde
- Others

Our vision: to reduce the cost of cash by promoting electronic payment through the development of state-of-the-art FinTech solutions.



# Organisation



# MANAGEMENT TEAM BELGIUM



**Stéphane  
Vandervelde**  
CEO

- over 30 years of experience in technology organisations
- co-founder of Keyware
- several positions as Board Member in multiple industries
- electronics engineer specialised in micro-electronics and chip design



**Wim  
Verfaillie**  
COO

- over 25 years of experience in streamlining operations
- extensive knowledge of retail, telco and payment technologies
- industrial engineer electricity
- @ Keyware since 2007



**Alain  
Hubert**  
CFO

- over 20 years of experience in finance
- former E&Y-director Transaction Advisory Services
- certified Auditor
- master in Applied Economics
- due diligence, quality & risk management specialisations
- @ Keyware since 2013

# MANAGEMENT TEAM BELGIUM



**Joris  
Maes**

CCO

- over 20 years of experience in international sales & marketing positions
- Master in Industrial Engineering
- MBA in General International Management
- @ Keyware since 2010



**Laurent  
Vandervelde**

Country Manager  
Germany

CCO EasyOrder

- Master Commercial Engineer @ Solvay Business School
- Sales and Marketing development at Readz
- Experienced in international sales and marketing strategies
- Market analysis for technology start-ups
- @ Keyware since 2016

# LOCAL MANAGEMENT TEAMS



**Franck  
Willmann**

CEO Magellan

- over 20 years of experience in payment solutions
- co-founder of Magellan
- co-creator of Caravel monetary solutions
- product and services director of Magellan for 12 years
- DESS Informatique Images et Réseaux (UCB)
- @ Magellan since 2002

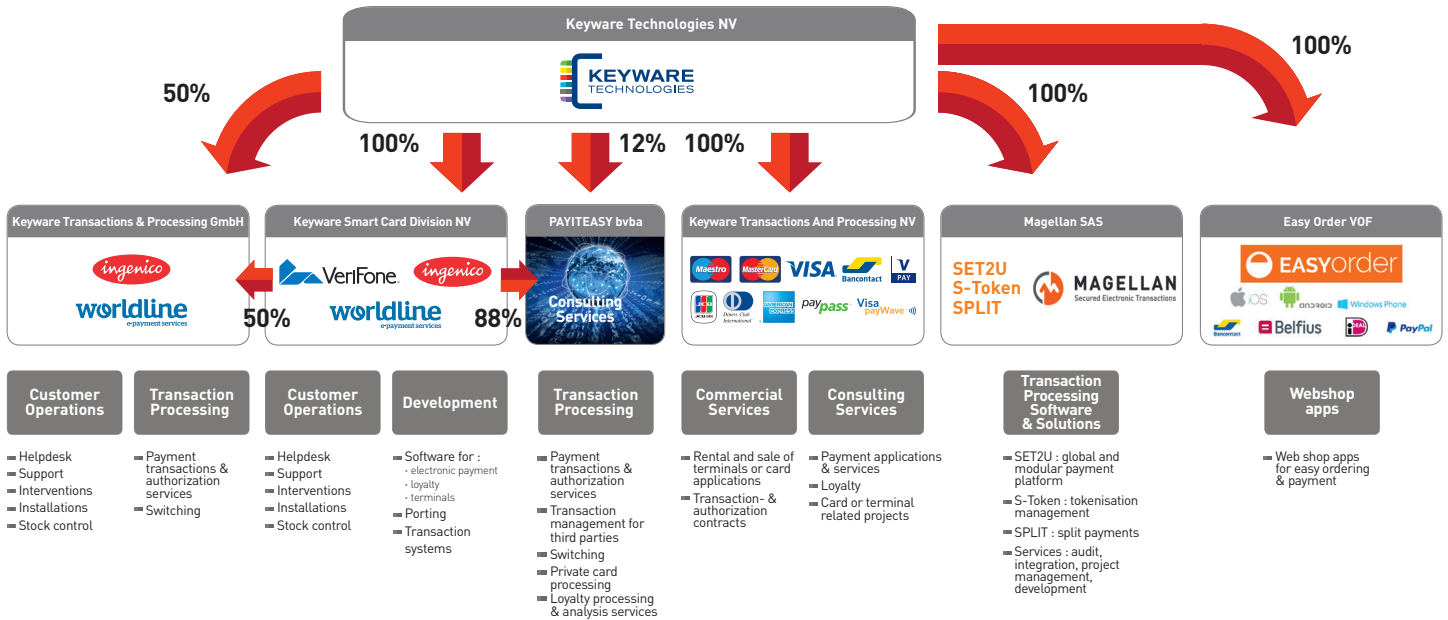


**David  
Fortino**

CCO Magellan

- Over 20 years of experience in IT organizations
- Management of Business Unit specialized in IT
- Expert in software project management for payment solution
- Product and services director of Magellan for 5 years
- Engineer graduate from the INSA Lyon (Institut National des Sciences Appliquées)
- @ Magellan since 2013

# ORGANISATIONAL STRUCTURE





# Why invest?



# INSIGHTS INTO KEYWARE'S ATTRACTIVENESS FOR INVESTORS

## Mature Group with diversified activities

- ability to quickly adopt new technologies, partners, products and solutions (e.g. Keyware's PayService platform)
- valuable partnerships with the world's industry leaders
- participation in innovative and profitable payment solutions providers (e.g. Magellan and EasyOrder)

## Robust financial results

- increasing share of recognized/recurring revenue
- decreasing financial leverage in the coming years
- EBITDA-margin stable at approx. 16%-20% of revenues
- increasing weight of software revenues and transactions generated revenues (highly profitable)
- second dividend paid out (EUR 0.03)

## High barriers to enter the market

- economies of scale, capital requirements
- brand identity
- access to partners and distribution
- development experience and costs
- PCI/DSS compliancy, Bancontact certificate holder

## Quests for growth by increasing market share

- steadily increasing market share in electronic payments
- seeking opportunities through acquisitions
- grasping market opportunities abroad (France, Germany, Luxembourg)
- measuring and enhancing customer's satisfaction
- need for local service providers in a globalized payment landscape
- additional market growth by European laws on prohibiting cash
- accelerated potential for payment transactions (new mobile payment devices, e-commerce and electronic payment solutions for micro-payments)
- huge potential in terms of market penetration

## Low risk

- future-proof developments, agile operational performance
- experienced and well-balanced product development team
- disruptive cost model





# Financials





Consolidated income statement	Fiscal year 2017	Fiscal year 2018
	<i>(in 000 €)</i> <i>(audited)</i>	<i>(in 000 €)</i> <i>(audited)</i>
Revenues	18 730	19 635
Other gains and losses	570	917
Raw materials and consumables	-8 275	-8 708
Salaries and employee benefits	-1 857	-2 259
Depreciations and amortizations	- 958	-1 465
Net impairment of current assets	-1 859	-1 597
Other expenses	-5 208	-6 260
<b>Operating result</b>	<b>1 143</b>	<b>263</b>
<b>EBITDA</b>	<b>3 725</b>	<b>3 178</b>
Financial income	1 176	846
Financial expenses	- 269	- 178
<b>Profit before taxes</b>	<b>2 050</b>	<b>931</b>
Taxes on the result	- 854	- 305
Result from associated enterprises and J.-V.	- 22	-
<b>Profit for the period from continued operations</b>	<b>1 174</b>	<b>626</b>
<b>Profit for the period</b>	<b>1 174</b>	<b>626</b>
<b>EBITDA / revenues (%)</b>	<b>19,9</b>	<b>16,2</b>
<b>EBIT / revenues (%)</b>	<b>6,1</b>	<b>1,3</b>
<b>Gross profit margin (%)</b>	<b>55,8</b>	<b>55,7</b>

IFRS Standards



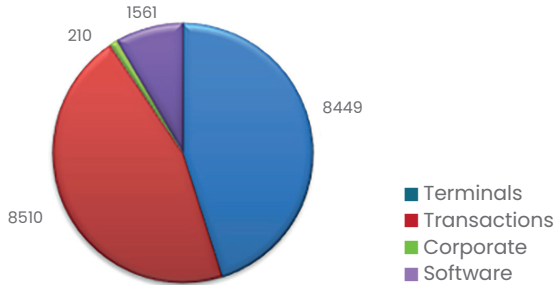
Breakdown per segment	Fiscal year 2017	Fiscal year 2018
	<i>(in 000 €)</i> <i>(audited)</i>	<i>(in 000 €)</i> <i>(audited)</i>
Revenues terminals	8 449	7 163
Cost of sales terminals	-1 731	-1 283
Gross margin terminals	6 718	5 880
Revenues authorizations	8 510	9 642
Cost of sales authorizations	-6 527	-7 377
Gross margin authorizations	1 983	2 265
Revenues software	1 561	2 830
Cost of sales software	-17	-48
Gross margin software	1 544	2 782
Revenues corporate	210	-
Cost of sales corporate	-	-
Gross margin corporate	210	-
<b>Revenues</b>	<b>18 730</b>	<b>19 635</b>
<b>Cost of sales</b>	<b>-8 275</b>	<b>-8 708</b>
<b>Gross margin</b>	<b>10 455</b>	<b>10 927</b>
<i>Gross profit margin terminals (%)</i>	<i>79,51</i>	<i>82,09</i>
<i>Gross profit margin authorizations (%)</i>	<i>23,30</i>	<i>23,49</i>
<i>Gross profit margin software (%)</i>	<i>98,91</i>	<i>98,30</i>
<i>Gross profit margin aggregate (%)</i>	<i>55,82</i>	<i>55,65</i>

IFRS Standards

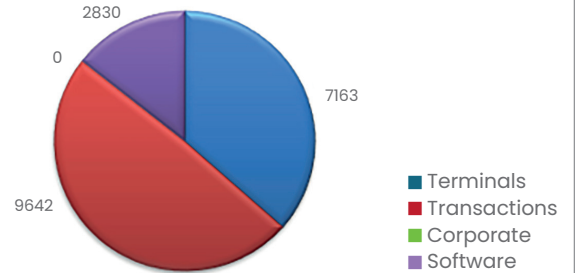




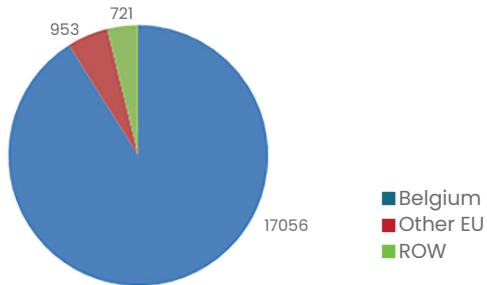
### Sales 2017 by segment



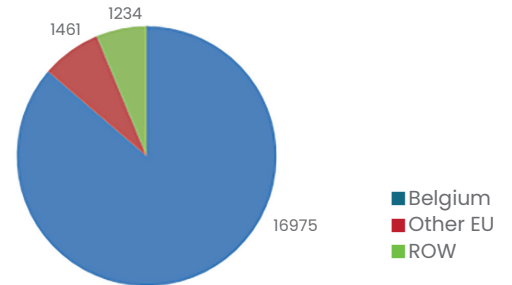
### Sales 2018 by segment



### Sales 2017 by region



### Sales 2018 by region





Consolidated balance sheet	Fiscal year 2017	Fiscal year 2018
	<i>(in 000 €)</i> <i>(audited)</i>	<i>(in 000 €)</i> <i>(audited)</i>
<b>Assets</b>		
<b>Non-current assets</b>	<b>27 230</b>	<b>27 042</b>
Goodwill	7 993	7 993
Other intangible fixed assets	6 679	6 332
Property, plant and equipment	992	2 050
Deferred tax assets	860	2 713
Receivables from finance leases	10 556	7 798
Other assets	150	156
<b>Current assets</b>	<b>15 668</b>	<b>15 865</b>
Inventories	1 276	928
Receivables from finance leases	8 183	8 342
Trade and other receivables	2 812	2 899
Deferred charges	72	176
Cash and cash equivalents	3 325	3 520
<b>Total assets</b>	<b>42 898</b>	<b>42 907</b>

IFRS Standards



Consolidated balance sheet	Fiscal year 2017	Fiscal year 2018
	<i>(in 000 €)</i>	<i>(in 000 €)</i>
	<i>(audited)</i>	<i>(audited)</i>
<b>Equity and liabilities</b>		
Shareholder's equity	27 433	27 592
Issued capital	7 412	7 682
Share premiums	3 063	3 208
Other reserves	797	797
Treasury shares	- 609	- 557
Result carried forward	16 770	16 462
Provisions	230	138
Deferred taxes	2 023	4 057
<b>Liabilities due after one year</b>	<b>6 465</b>	<b>3 198</b>
Borrowings	6 426	2 337
Lease obligations	39	861
<b>Liabilities due within one year</b>	<b>6 747</b>	<b>7 922</b>
Trade, fiscal and social debts	3 129	3 050
Borrowings	2 869	4 113
Lease obligations	217	207
Other debts	31	25
Incurred costs and deferred revenue	501	527
<b>Total liabilities and shareholder's equity</b>	<b>42 898</b>	<b>42 907</b>

IFRS Standards



Consolidated cash flows	Fiscal year 2017	Fiscal year 2018
	(in 000 €) (audited)	(in 000 €) (audited)
<b>Cash flow from operating activities</b>		
Profit for the period	1 174	626
Adjustments:		
- Deferred taxes	1 019	181
- Financial income	-1 176	-846
- Financial expenses	269	178
- Depreciations and amortizations	958	1 465
- Impairment on finance lease receivables and inventories	1 859	1 597
<b>Operating cash flow before changes in working capital components</b>	<b>4 103</b>	<b>3 201</b>
Decrease / (increase) of inventories	-208	236
Decrease / (increase) of finance lease receivables	-19	1 114
Decrease / (increase) of trade and other receivables	-1 861	-87
Decrease / (increase) of deferred charges	-36	-104
Increase / (decrease) of trade, fiscal and social debts	210	-79
Increase / (decrease) in other liabilities and deferred revenue	64	20
<b>Changes in working capital components, provisions and deferred taxes</b>	<b>-1 850</b>	<b>1 100</b>
Increase / (decrease) in provisions	230	-92
Increase / (decrease) in deferred tax liabilities	2 023	-
Non-cash adjustments	-1.963	133
Interest paid	-160	-178
Interest received	979	846
<b>Cash flow from operating activities</b>	<b>3 362</b>	<b>5 010</b>

IFRS Standards



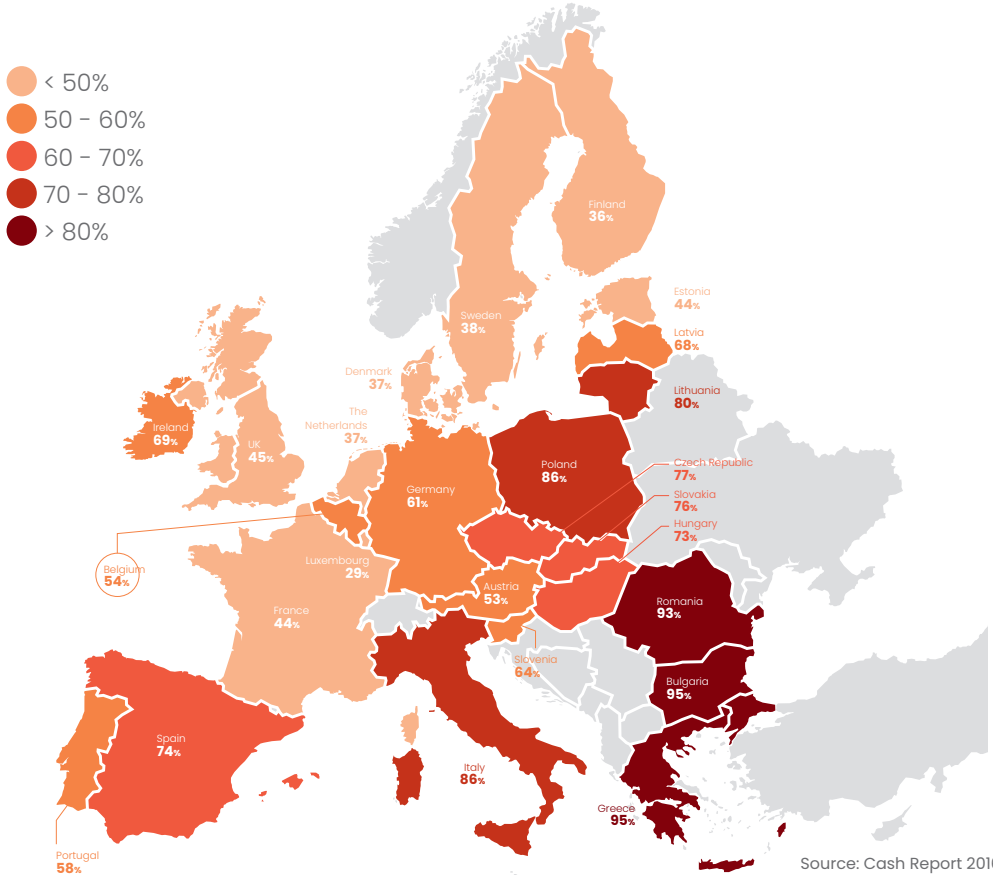


Consolidated cash flows	Fiscal year 2017	Fiscal year 2018
	(in 000 €) (audited)	(in 000 €) (audited)
<b>Cash flow from operating activities</b>	<b>3 362</b>	<b>5 010</b>
<b>Net cash from investing activities</b>		
Acquisition of subsidiaries (net of cash acquired)	- 3 719	-
Acquisition of intangible and tangible fixed assets (capex)	- 798	-1 360
Disposals of intangible and tangible fixed assets	102	162
Disposals of participations	597	-
Dividends from investments in associates	400	-
Result from investments in associates	22	-
(Increase)/decrease in warranties	- 8	- 6
<b>Cash flow from investing activities</b>	<b>-3 404</b>	<b>-1 204</b>
<b>Net cash from financing activities</b>		
Capital increase	413	415
Proceeds from borrowings	4 582	40
(Reimbursements) of borrowings	-1 862	-2 885
(Reimbursements) of lease debts	- 221	- 299
Payment of dividends	-	- 659
Treasury shares (buy back)	- 690	- 223
Disposals of treasury shares	100	-
<b>Cash flow from financing activities</b>	<b>2 322</b>	<b>-3 611</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>2 280</b>	<b>195</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1 045</b>	<b>3 325</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3 325</b>	<b>3 520</b>

IFRS Standards

# Markets

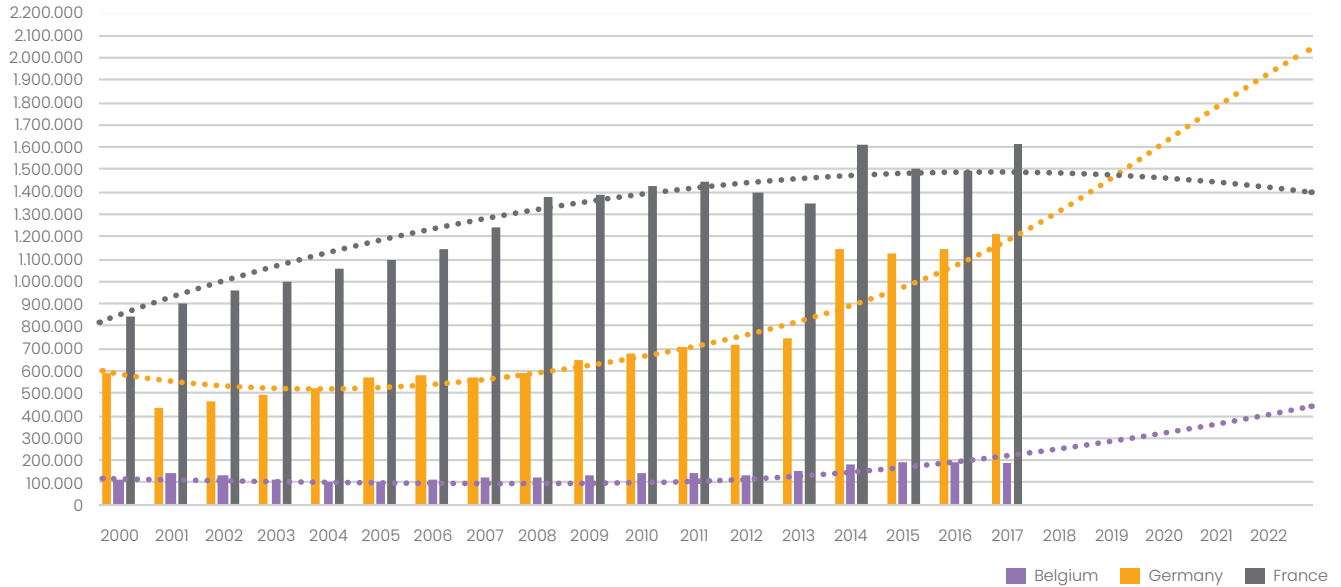
# PERCENTAGE OF CASH PAYMENTS IN TOTAL SHOP PAYMENTS



Source: Cash Report 2016 – Europe by G4S

# POS TERMINALS: MARKET TRENDS

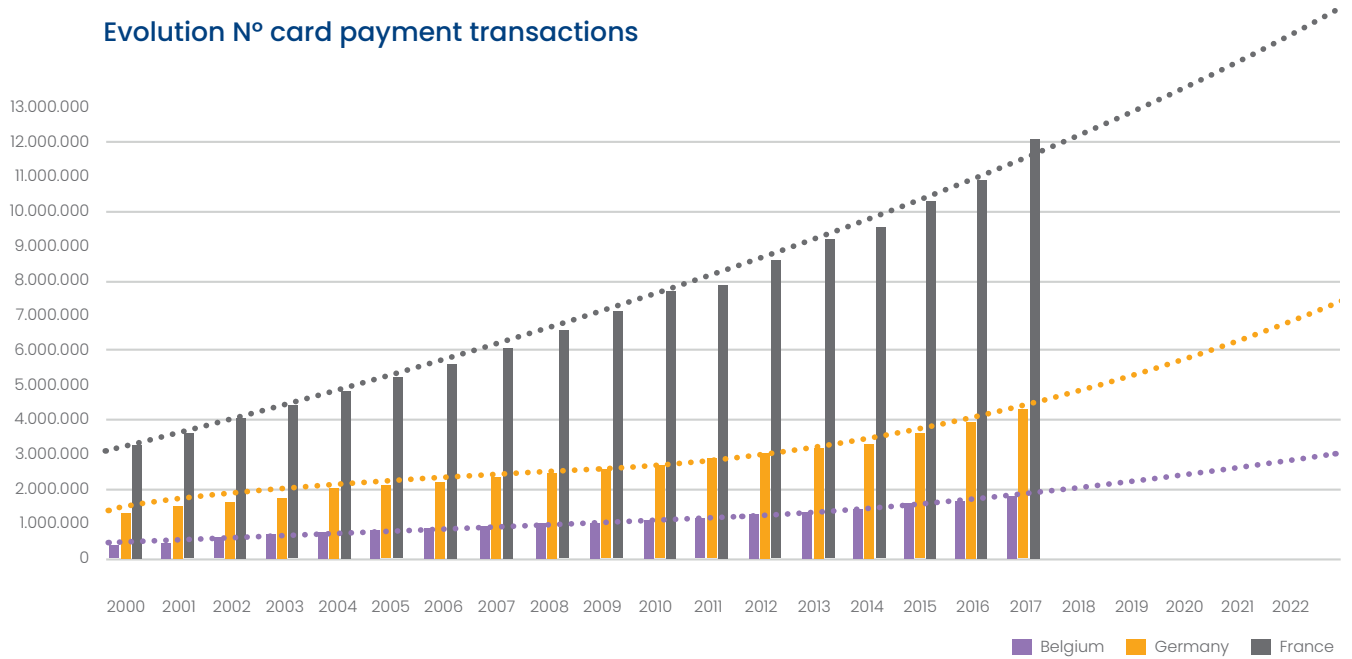
## Evolution N° of POS terminals



Source: ECB

# PAYMENT TRANSACTIONS: MARKET TRENDS

## Evolution N° card payment transactions



Source: ECB



# Operations



## ORGANISATION: HEADCOUNT:

	BELGIUM	GERMANY	FRANCE	TOTAL
SALES & MARKETING	20 FTE	-	2 FTE	22 FTE
DEVELOPMENT	7 FTE	-	13 FTE	20 FTE
ACCOUNTING, FINANCE & ADMIN	4 FTE	-	1 FTE	5 FTE
LEGAL & HR	1 FTE	-	1 FTE	2 FTE
CUSTOMER SUPPORT & INSTALLATIONS	11 FTE	- (*)	3 FTE	14 FTE
	<hr/> 43 FTE	<hr/> -	<hr/> 20 FTE	<hr/> 63 FTE

(\*) outsourced



# OPERATIONAL EXCELLENCE

## SAP Backbone

Keyware has an end-to-end integrated business process based on SAP.

### Advantages for our customers:

- at any moment and for each division : up-to-date customer status
- less overhead triggers lower operating costs, hence better prices
- faster order and fulfillment proces, reduced support and intervention time
- substantial error reduction

### Advantages for Keyware:

- ability to serve more customers in less time with better results
- automation reduces stress and results in a positive customer interaction
- reduction and better forecast of operational costs, thus better competitive positioning
- fast, precise and effective integration of new services, terminals or partnerships
- accurate forecasting
- transparency on all levels: stock, sales, finance, support, installed base,...
- complex processes are fully automated:
  - billing plans
  - depreciation / amortization tables
  - service and installation ticket allocation
- easily replicated on other entities (Keyware Transactions & Processing GmbH)



# CERTIFICATES



## PCI-DSS COMPLIANCE

A set of security standards for all organisations that manage and store credit and debit card information



## Certificate Holder – POS Gateway



## Certificate Holder – Terminal Provider

Keyware is the only provider for Bancontact on APAX-terminals



## electronic cash Netzbetreiber

Keyware provides an end-to-end solution for debit and credit card transactions



## PCI PA-DSS 3.2 compliance

SET2U has received the PCI PA-DSS certificate

# Customers

# ON OUR WAY TO SERVE 20.000 CUSTOMERS...





# Valuation



# SHARE PRICE EVOLUTION 2015-2019

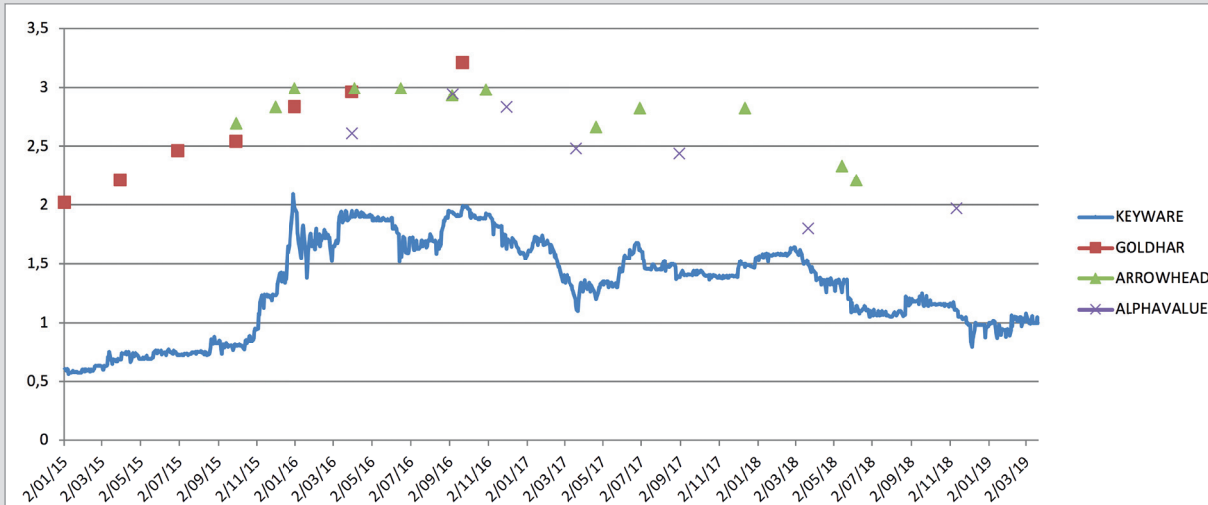
## Price Chart

01/01/2015

02/03/2019

Price

02/03/2019









## CONTACT

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