



FULL YEAR RESULTS

2021

FINANCIAL COMMUNICATION

Casablanca – March 2022

hps-worldwide.com

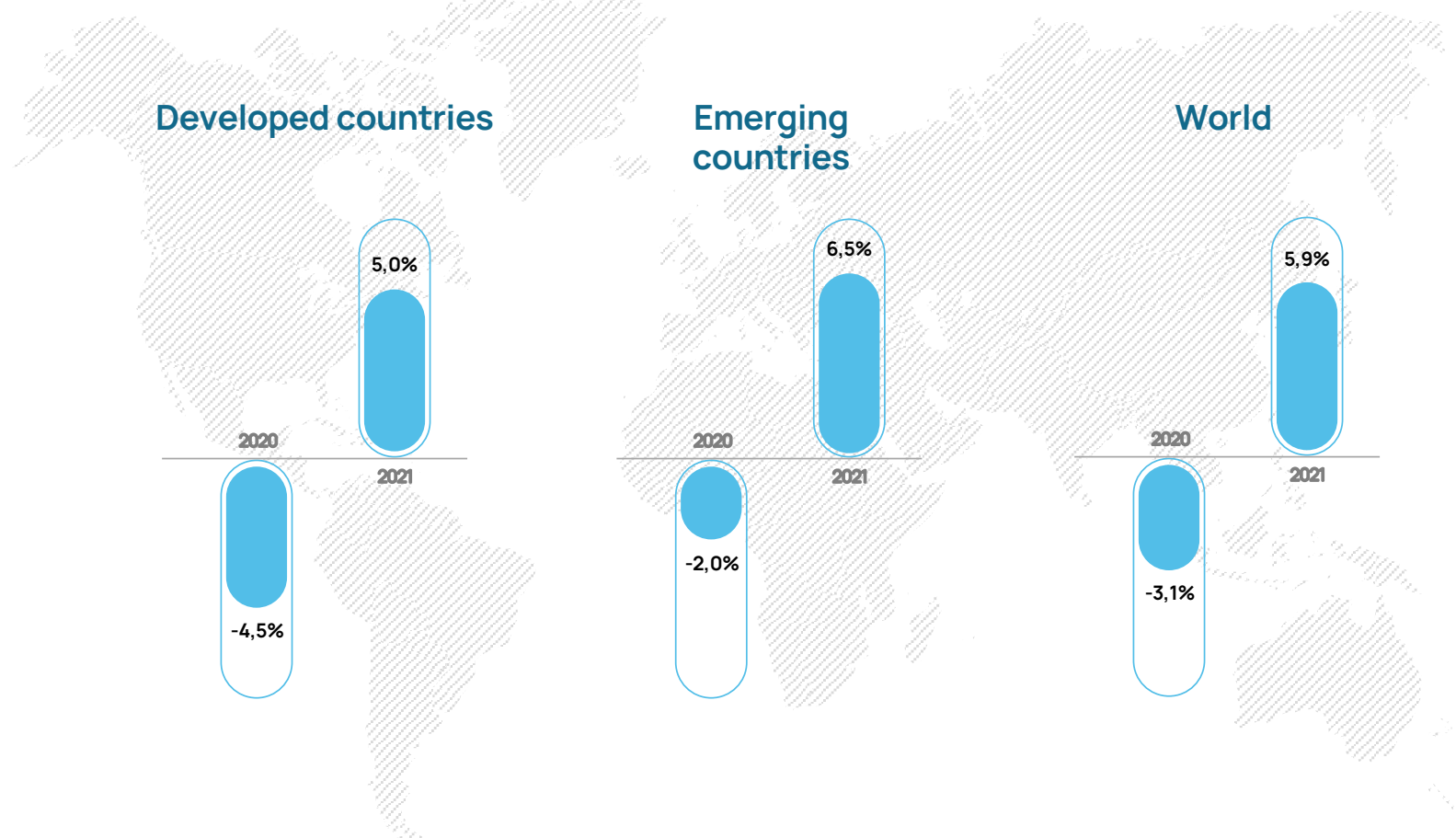
SUMMARY

- 01 MARKET TRENDS
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The background is a dark navy blue with a pattern of diagonal streaks in shades of teal, purple, and magenta. A white parallelogram is positioned in the center-right. The text "MARKET TRENDS" is written in white, bold, uppercase letters to the right of the parallelogram.

MARKET TRENDS

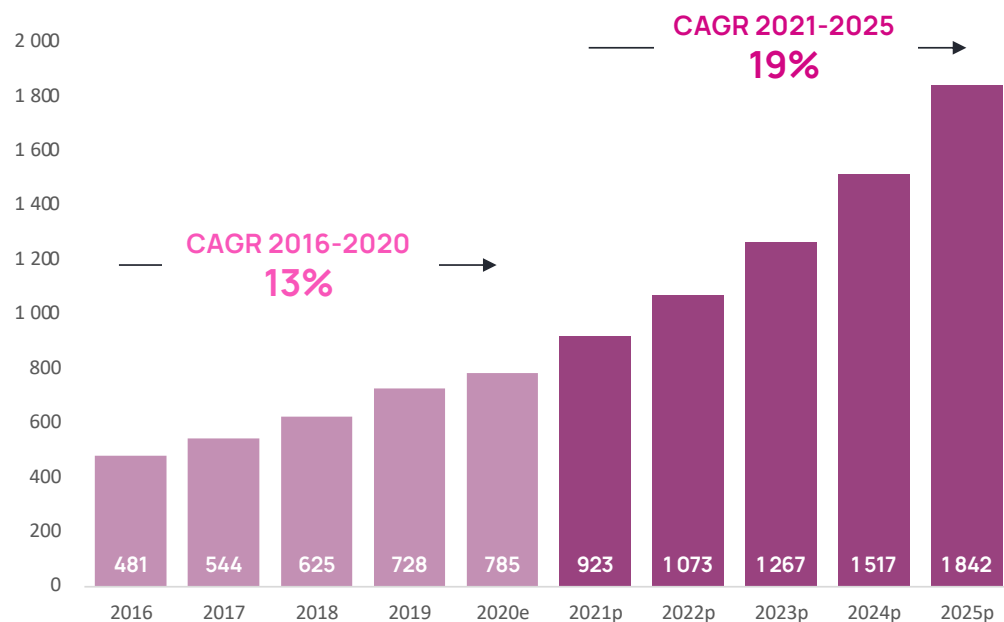
World Economy: Economic Growth Confirmed in 2021



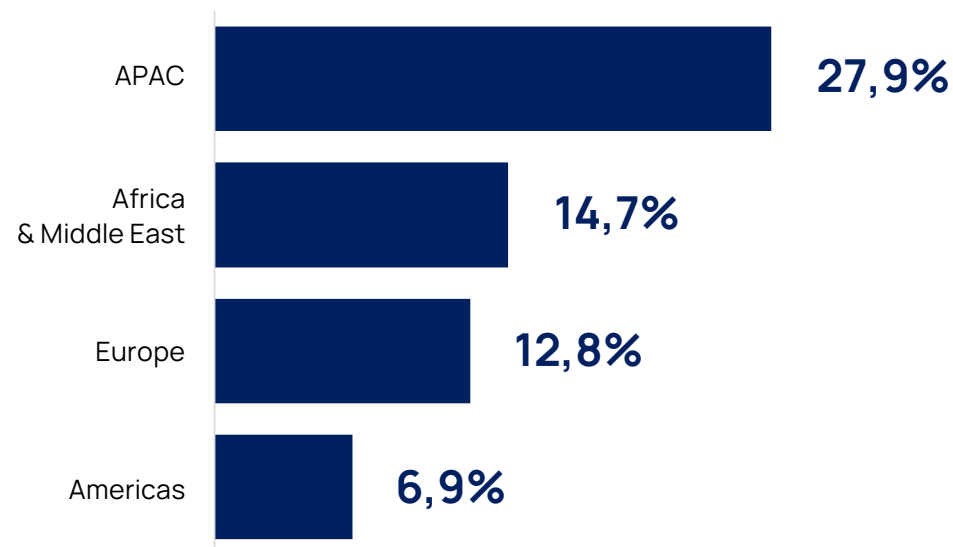
Source: International Monetary Fund, January 2022

Payment Industry Trends

Non-cash payments (in billion USD)

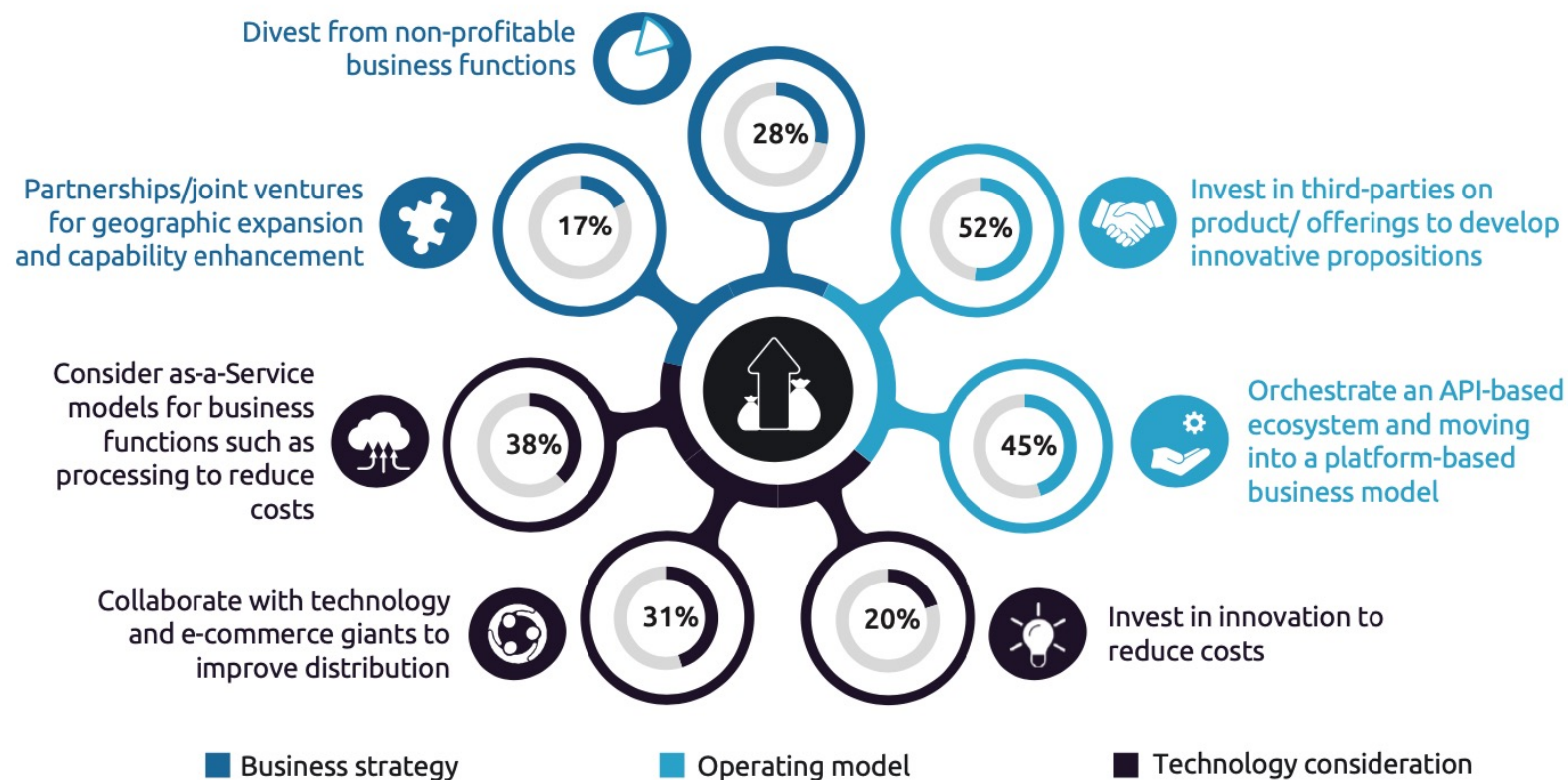


Non-cash payment outlook by region
CAGR (2020-2025)



Source : World Bank Global Economic Prospects, June 2021

How Banks Plan to Boost Payments Profitability



Source: Capgemini World Payment Report 2021



2021 HIGHLIGHTS

2021 Highlights



**ICPS & IPRC Acquisitions
with 100 MMAD revenue
contribution per annum**



**Ramp up of the
Processing activity**



**Backlog
strengthening**



**Increased share of
recurring revenues**



**Strengthened R&D
investments
around Version 4**

IPRC: High Value Added Services for HPS Clients

IPRC at a glance

- ▶ **Over 7 million** cards managed
- ▶ **45%** of transactions carried out in Morocco
- ▶ **Over 5,500 ATMs** managed
- ▶ **7%:** gain in ATMs availability time
- ▶ **2 European countries** opened since acquisition

Main customers



IPRC Activities

GAB MONITORING

- ▶ Real-time management of ATMs
- ▶ Automatic reporting of incidents to customers
- ▶ Real-time update of instructions
- ▶ Management of interfaces with international protocols (Visa, Mastercard, etc.)

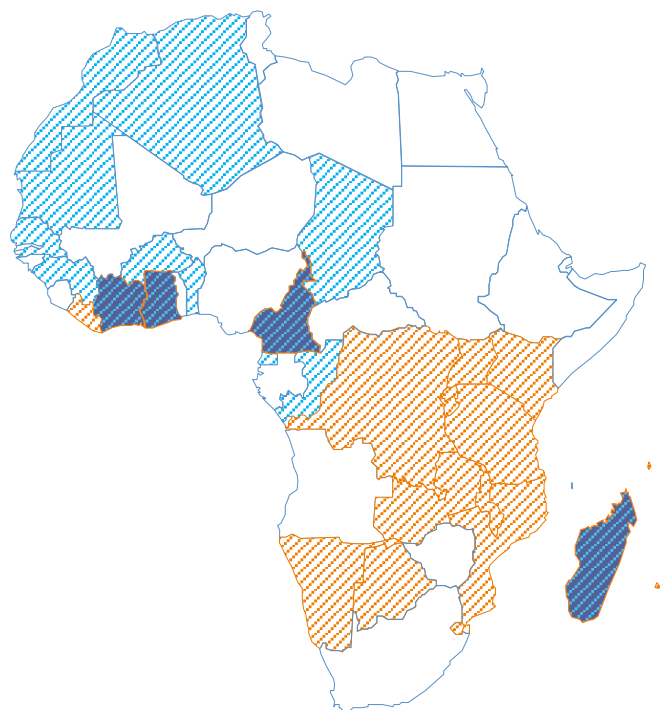
MONITORING AND FOLLOW-UP OF FRAUD

- ▶ Monitoring of fraud activities
- ▶ Customer Relationship Management
- ▶ Real-time management of requests and instructions
- ▶ Recall management
- ▶ Automatic e-mail editing
- ▶ Portal with a customer area dedicated to the management of the service

DATA ANALYTICS

- ▶ Branch & ATM Cash forecasting
- ▶ ATM malfunctioning prediction

ICPS Acquisition : HPS, Africa's Leading Processing Company






HPS in Africa

1 Technology : PowerCARD
 2 Data centers
 13 countries
 +50 experts

ICPS

1 Technology: PowerCARD
 2 Data centers
 18 countries
 +100 experts

-  HPS presence (SaaS offer)
-  ICPS presence
-  Common presence

FUTURE VISION



Establish a Centre of Excellence around PowerCARD technology in Mauritius for the benefit of customers in the region

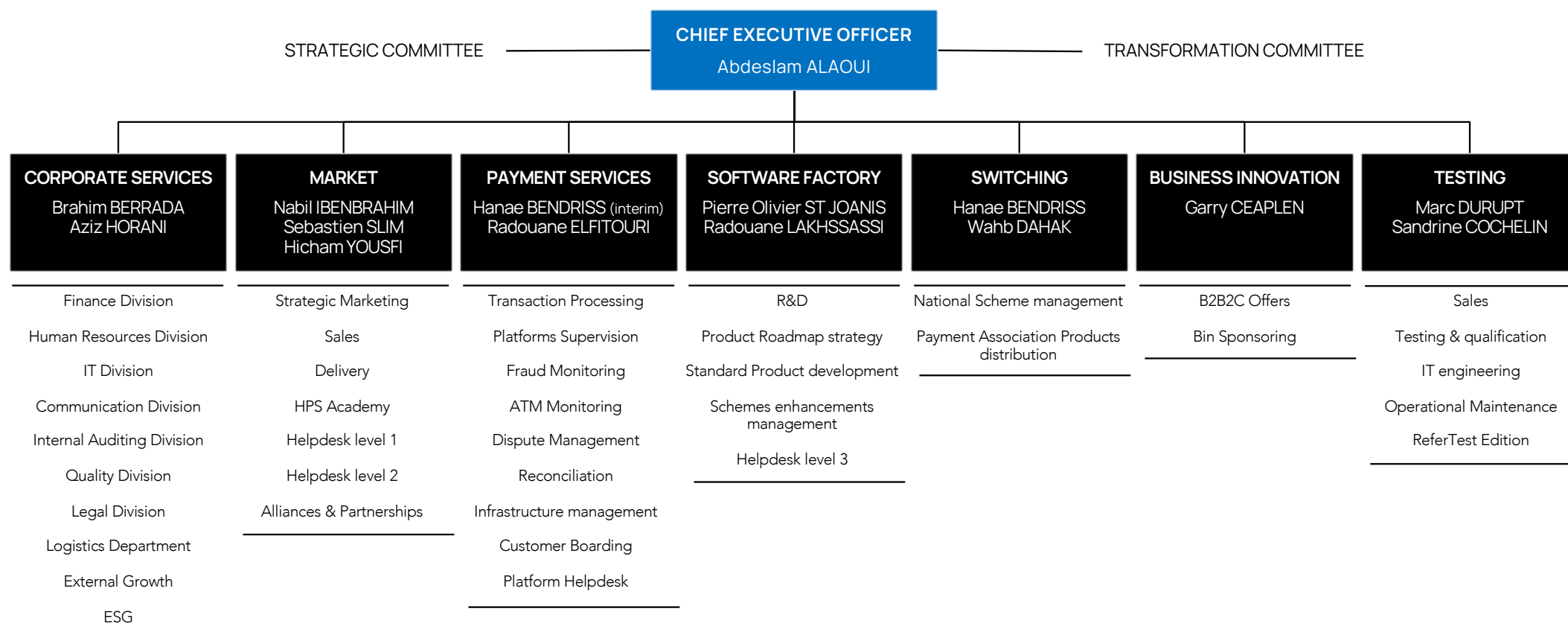


Double the size of the business in Africa within 5 years and become the leader in payment processing in Africa



Addressing an offer to African Tier 1 and Tier 2 banks based on our great expertise and the critical size reached

New Organization to Support Our Growth





ACHIEVEMENTS & FINANCIAL REVIEW

Key Figures

REVENUES	RECURRING REVENUES	EBITDA MARGIN	BACKLOG	CASH POSITION
833 MMAD +14.4%	531 MMAD +18.4%	22.6% vs. 22.0%	733 MMAD +28.1%	306 MMAD + 36.5%
<ul style="list-style-type: none"> ▶ Ramp-up of the Processing activity with strong organic growth of its two Payment & Switching components and with the acquisition of IPRC and ICPS ▶ Solutions growth momentum picks up despite H1 lags ▶ Start of recovery of the Online Services activity with the improvement of the health situation in France 	<ul style="list-style-type: none"> ▶ Strong growth of recurring revenues : contribution to consolidated revenues 64% vs. 62% in 2020 	<ul style="list-style-type: none"> ▶ Profitability improved despite exceptional R&D efforts (PowerCARD V4) and the impact of exchange rate changes ▶ Deployment of important synergies between the different HPS activities 	<ul style="list-style-type: none"> ▶ Growth of the Processing activity backlog through the integration of new acquisitions ▶ Increased order intake for Solutions projects 	<ul style="list-style-type: none"> ▶ Continued optimization of WCR thanks to better control of projects' deployment cycle ▶ Improvement of recovery processes

2021 Highlights by Activity

Processing

+111.6% & +18.4% pro forma

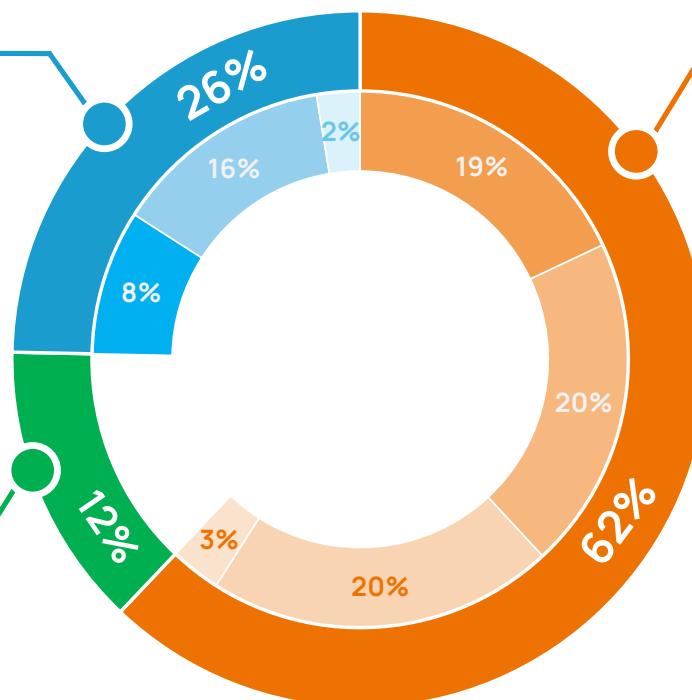
● Switching ● Payment ● Monitoring

- ▶ Strong recovery of the Switching activity in Morocco with the easing of restrictions
- ▶ Very strong organic growth in Payment with the roll out of new customers on the platform
- ▶ Strong contribution to the growth of new acquisitions

Services

-5.1%

- ▶ Slight improvement in activity from Q4 following the improvement of the health context in France
- ▶ Strengthening synergies with the Group's other activities
- ▶ Resumption of business development efforts



Solutions

+3.6% & +4.6% pro forma

● Projects ● Maintenance
● Upselling ● License

- ▶ Growth slowed by persistent global restrictions impacting project deployment
- ▶ Resumption of project implementation from Q4 2021
- ▶ Client portfolio expansion, particularly in Asia
- ▶ Strong impact of the devaluation of the USD against the MAD (-5.7%)

Solutions Activity

Strategic Directions

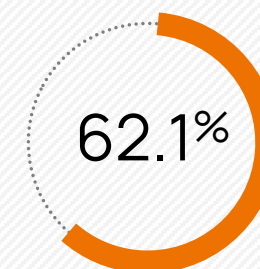
- ▶ Defend our market shares in historical markets (French speaking region in Africa and Middle East)
- ▶ Consolidate the growth in Europe and south of Africa
- ▶ Prepare future growth in Asia and Americas

Highlights

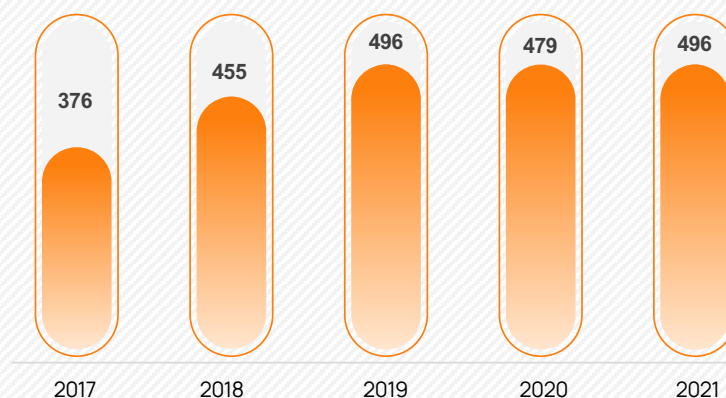
- ▶ **PowerCARD Projects**
 - Growth of +32%
 - Continuous execution of major projects
 - Sales recovery and projects execution rebound during Q4
- ▶ **Upselling**
 - Revenues down by -5.7%
 - Revenues impacted by USD exchange rate and by sales decline by 7.8%
 - Continued migration of our customers to Version 3.5
- ▶ **Pipeline**
 - Partnership in progress with IBM for the US market
 - Several opportunities in Europe and English speaking region in Africa

Share in Consolidated Revenues

495.8 MMAD
+3.6%



Activity revenues in MMAD: CAGR 7.2%



Processing Activity

Strategic Directions

- ▶ Build a strong HPS processing brand in Africa & Middle East
- ▶ Capture opportunities in other markets
- ▶ Consolidate HPS's unique position as a Switch in Morocco

Highlights

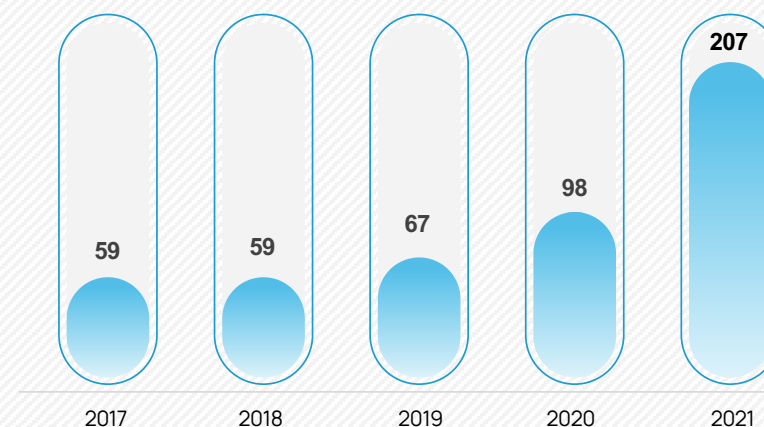
- ▶ **Payment**
 - +40% organic growth
 - Roll out of new Société Générale subsidiaries on HPS platform (Cameron, Congo, Chad, Equatorial Guinea, Benin)
 - Loomis ATM expansion in France and activity starts in Belgium
 - Start of operations for a major franchisor in Middle East (Oman, Jordan, Saudi Arabia)
 - ICPS activity integration
- ▶ **Switching**
 - Solid 32% growth following restrictions ease in Morocco
 - Still low use of mobile payments
 - Strong growth of e-commerce payments
- ▶ **Monitoring services**
 - Successful integration of IPRC services & offering

Share in Consolidated Revenues

207.1 MMAD
+111.6%

26.0%

Activity revenues in MMAD: CAGR 36.9%



Services Activity

Strategic Directions

- ▶ Diversification of the business towards high value-added services
- ▶ Diversification throughout France and establishment of regional branches

Highlights

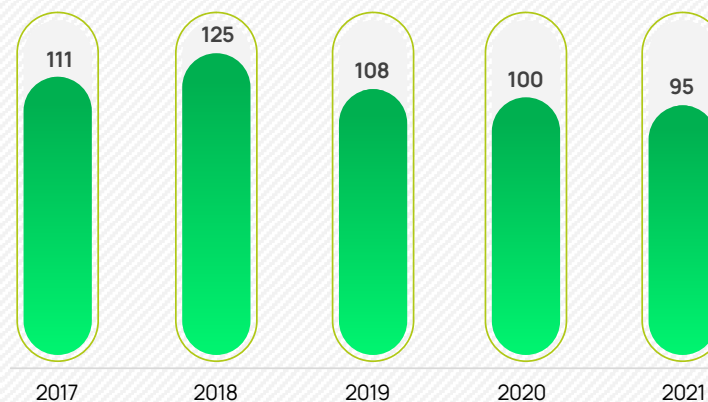
- ▶ Easing of lockdowns and slight economic recovery in France
- ▶ Recovery from Q4 held back by shortage of qualified staff
- ▶ Synergies with other Group activities
- ▶ Sales process reengineering (team, tools & methods)
- ▶ Recruitment process improvement
- ▶ Strengthening of client base

Share in Consolidated Revenues

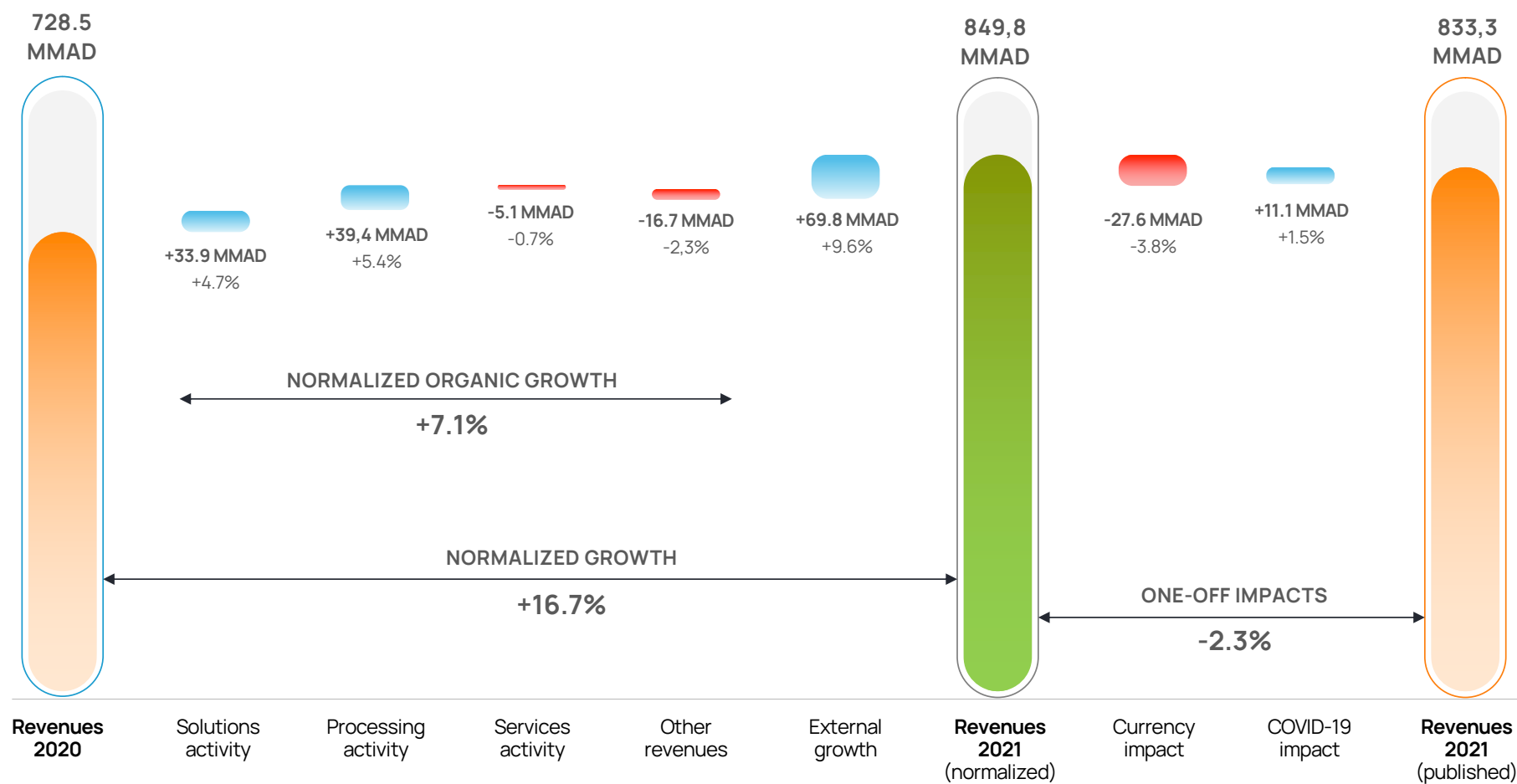
94.5 MMAD
-5.1%

11.8%

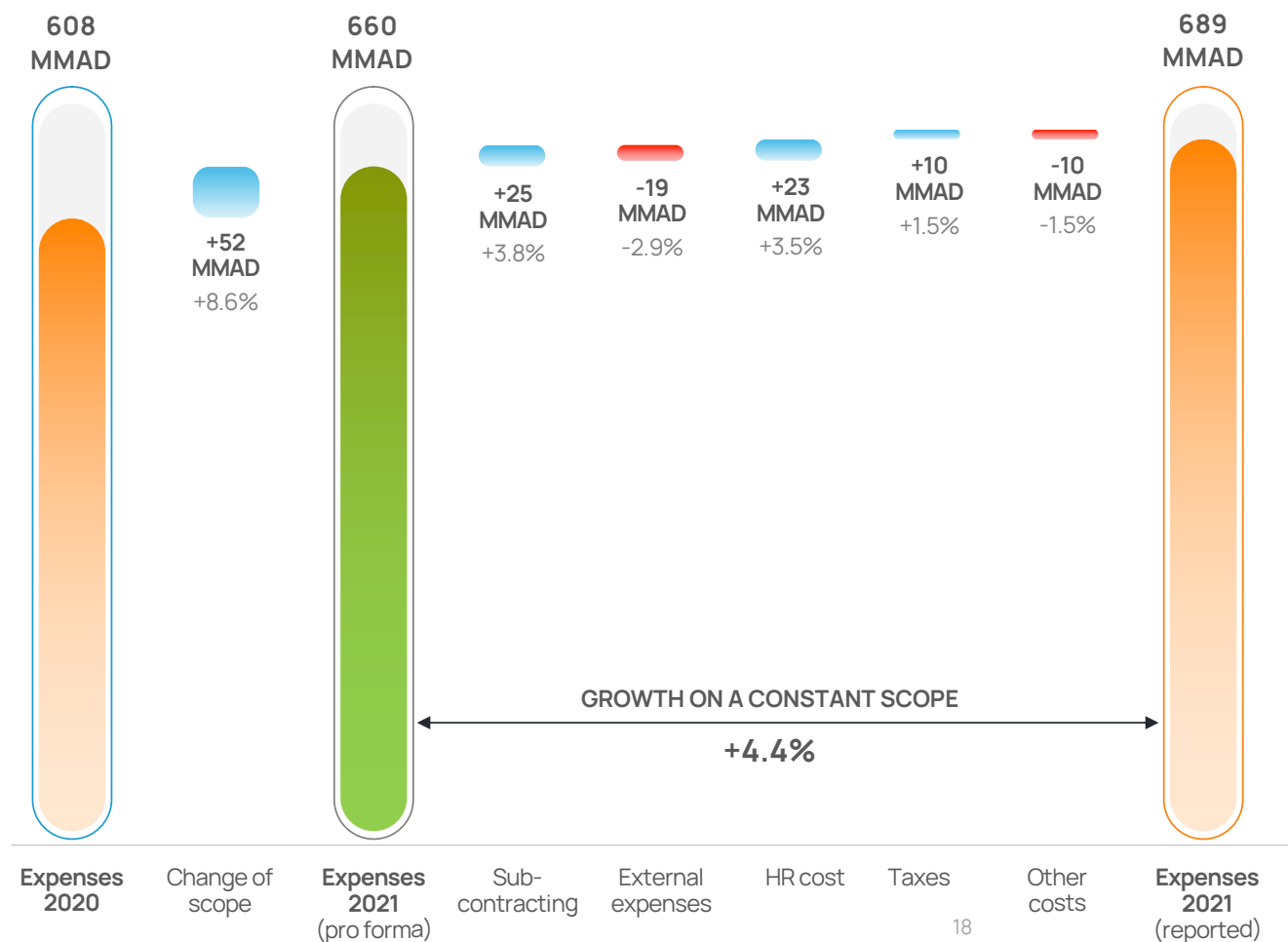
Activity revenues in MMAD: CAGR -3.9%



Revenues (+14.4%): Summary of Impacts

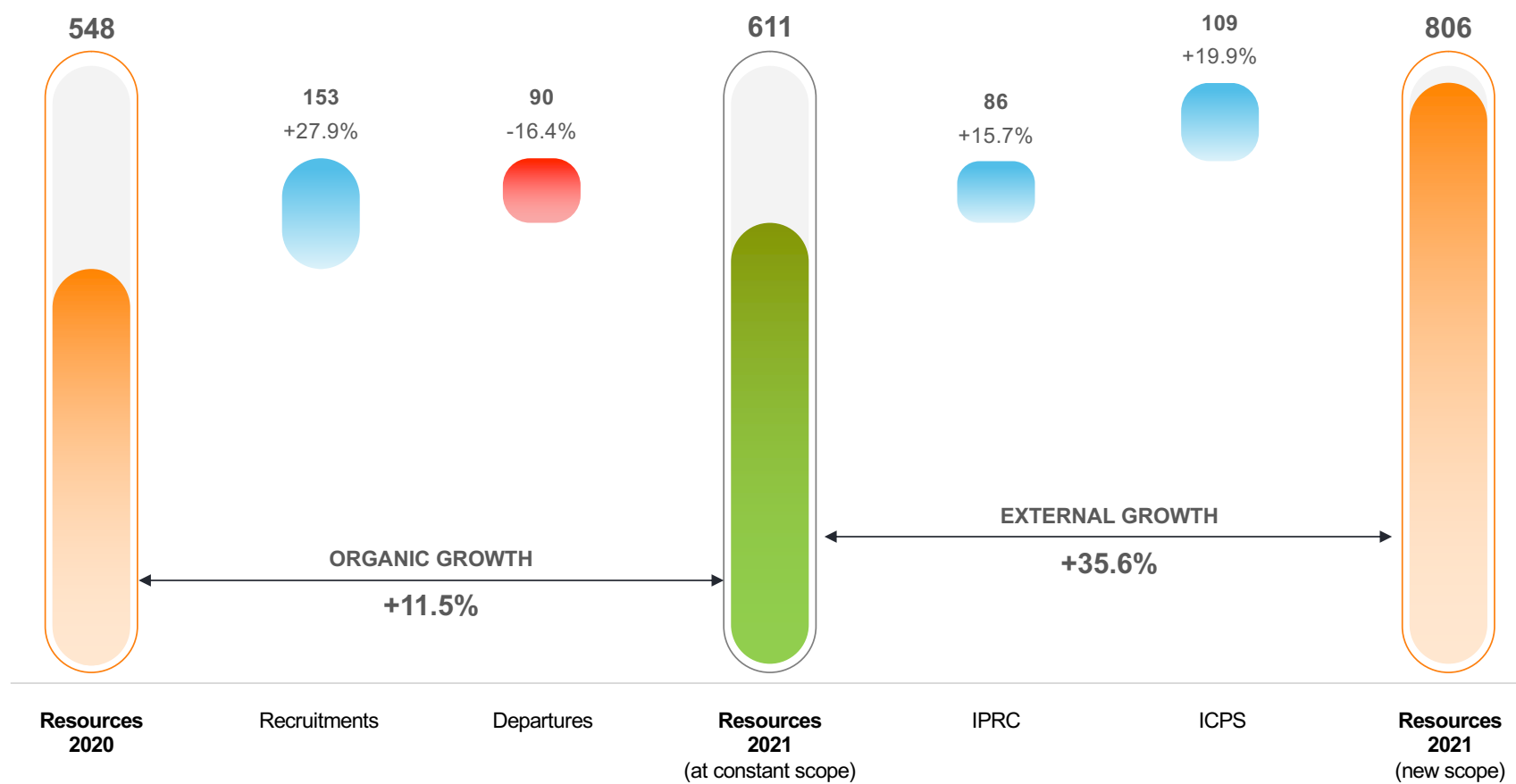


Changes in Operating Expenses



- ▶ **Personnel costs: 365 MMAD (+6.6%)**
Contained growth linked essentially to recruitments (+10% on a pro forma basis)
- ▶ **Subcontracting: 138 MMAD (+22,2%)**
Increase in subcontracting to support the R&D effort and as part of the strengthening of the partnership with Capgemini for major projects
- ▶ **External expenses: 104 MMAD (-15.4%)**
Slight increase in commercial expenses compared to 2020 balanced by the decrease of M&A fees
- ▶ **Taxes: 21.5 MMAD (+85%)**
Increase of withholding taxes, mainly Tier 1 bank project in Mexico
- ▶ **Acquisition expenses**
75% of expenses: Personnel costs, subcontracting and rental expenses

Change in Resources



Research & Development

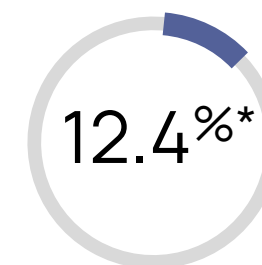
Strategic Directions for PowerCARD

- ▶ Develop an "infinitely scalable" model
- ▶ Take advantage of the cloud possibilities to make infrastructure costs more variable – cf. peaks management
- ▶ Make all PowerCARD processing real-time to meet the challenges of new instant payment methods
- ▶ Free from Oracle licence

Investment in R&D

103.2 MMAD
+11.3%

* Share in consolidated revenues



On-Premise and Cloud
compliant: Hybrid Cloud



V4 must be compatible with
v3.X clients existing IT
infrastructure



Infinite Scalability



Database
agnostic

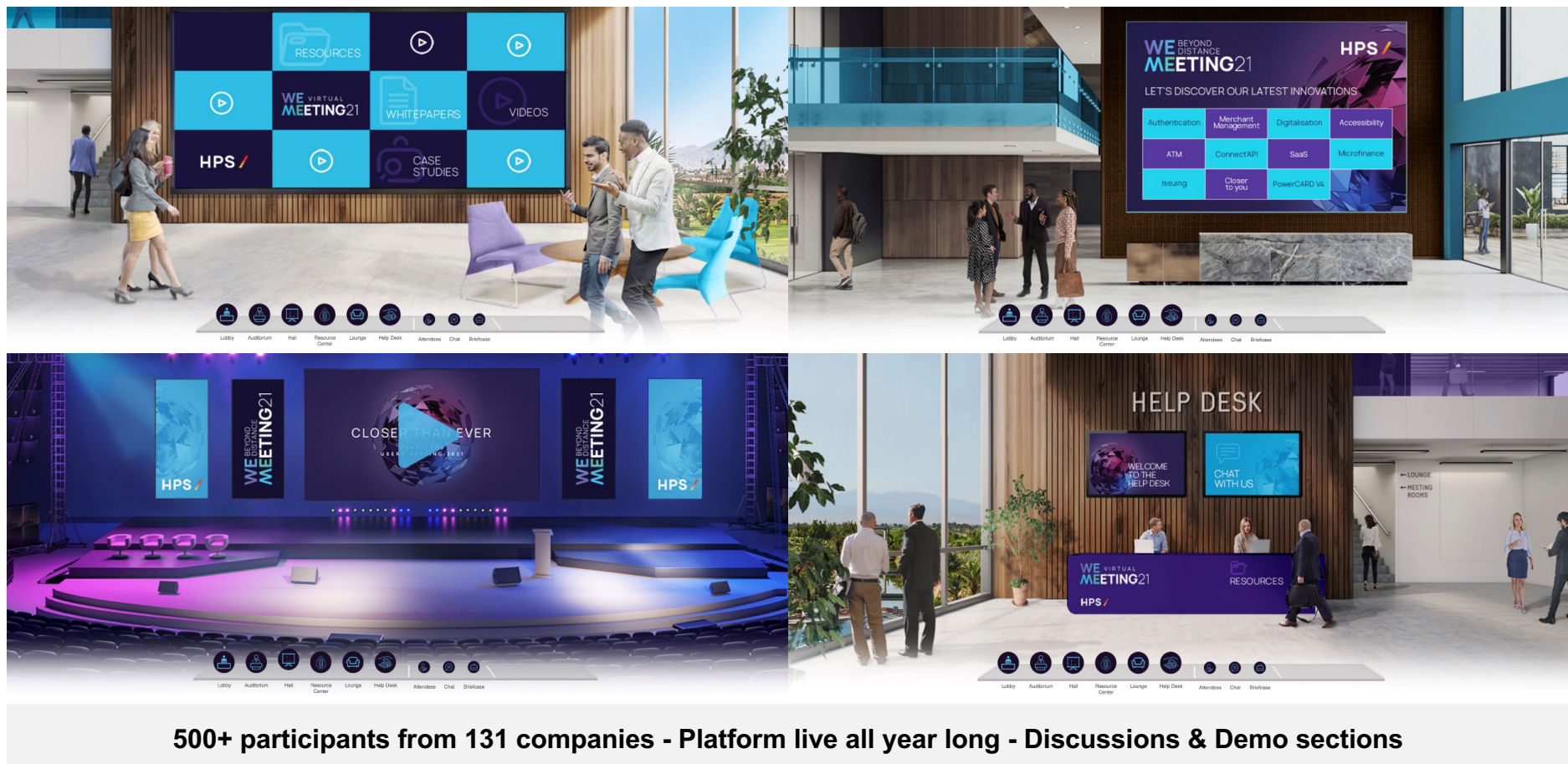


From monolith to small
blocks independent
updates

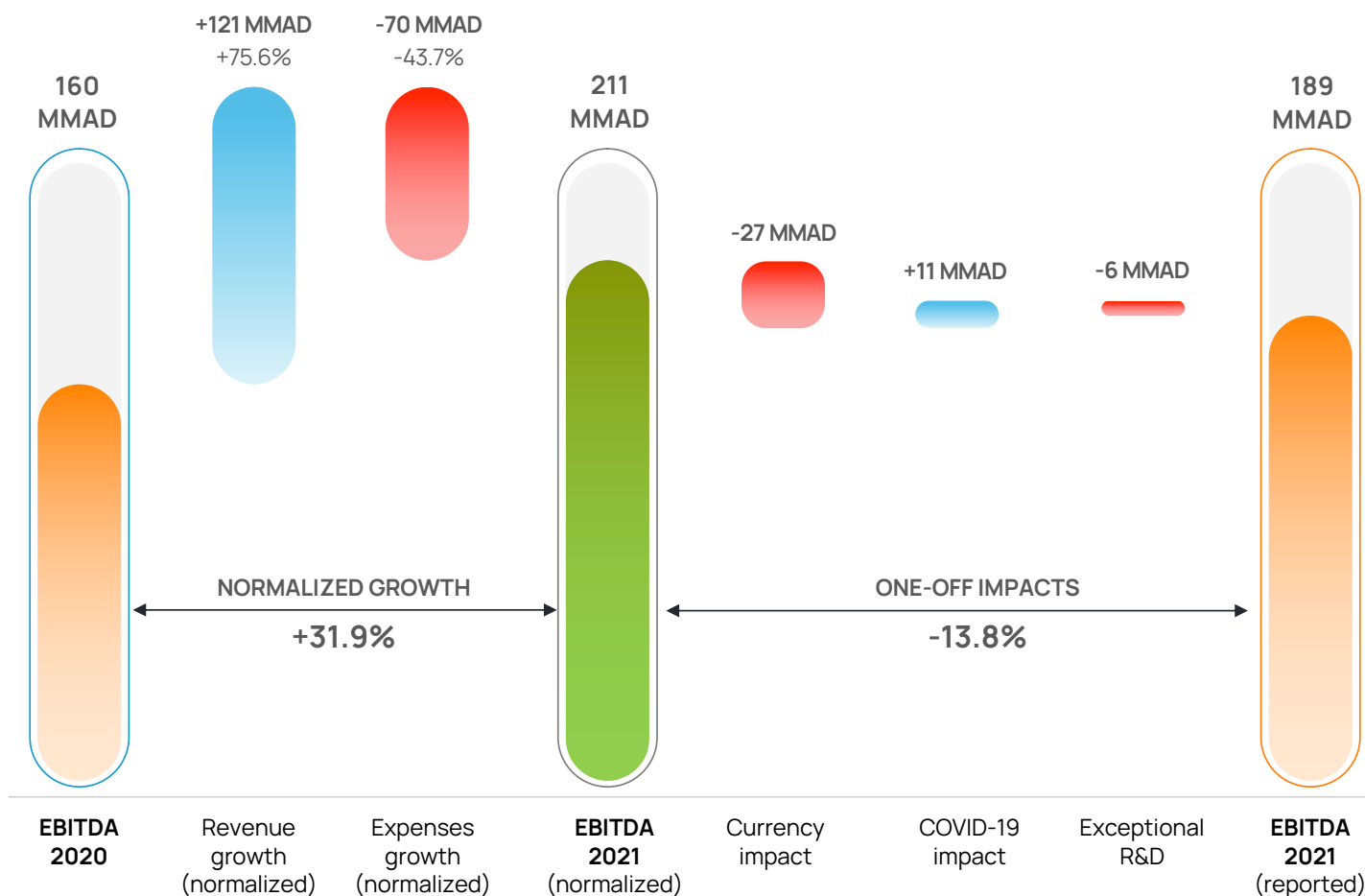


All services are real-
time with
supervision

PowerCARD Users Meeting 2021 – Virtual Edition



EBITDA



EBITDA 2020

- 160 million MAD
- Margin: 22%

Normalized developments

- Change in revenues at constant exchange rates and excluding restrictions
- Change in expenses at constant exchange rates and excluding exceptional R&D

EBITDA 2021 (normalized)

- 211 million MAD
- Margin: 25.3%

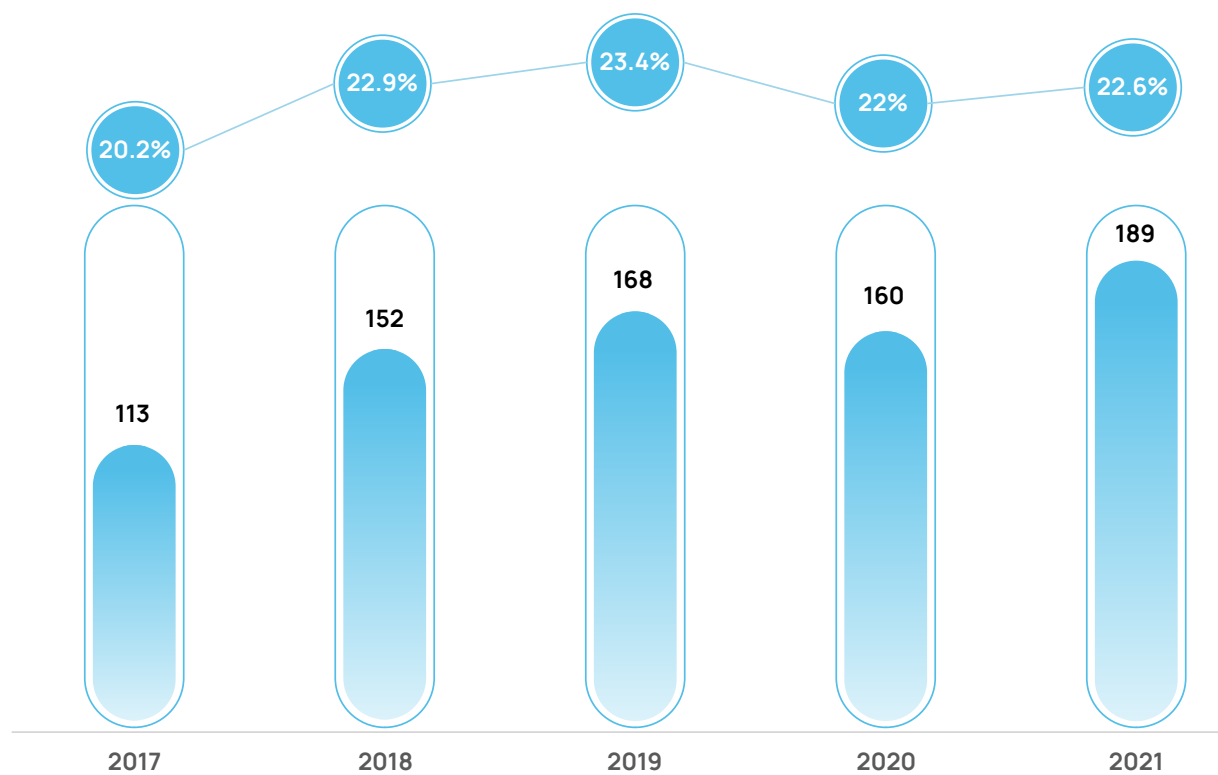
One-off impacts

- USD down by 5.7%
- R&D in 2021 to 21% of Solutions revenues against 19% in 2020 and 16% before 2020
- COVID: production on the backlog of 51% against 50% in 2020

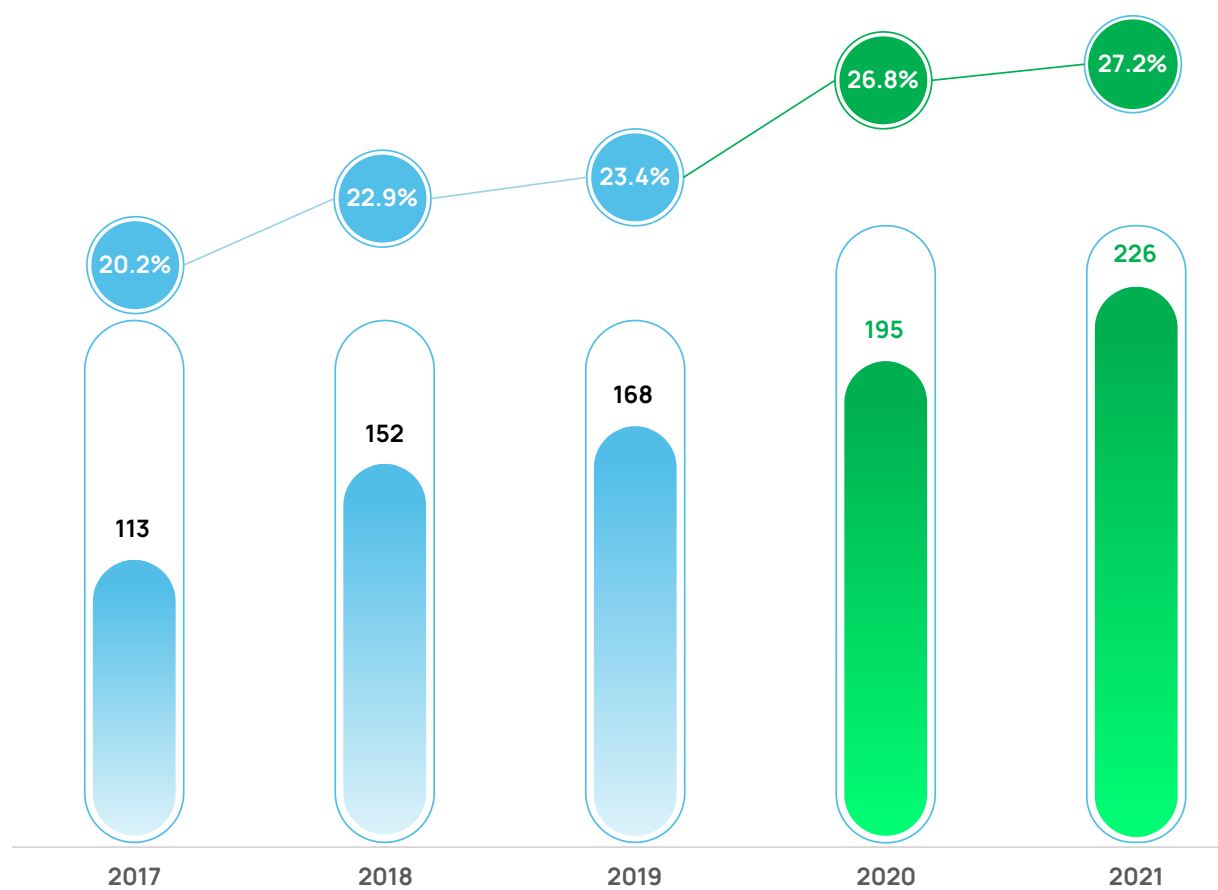
EBITDA 2021 (reported)

- 189 million MAD
- Margin: 22.6%

Reported EBITDA Evolution in MMAD



Normalized EBITDA Evolution in MMAD



Backlog

Processing

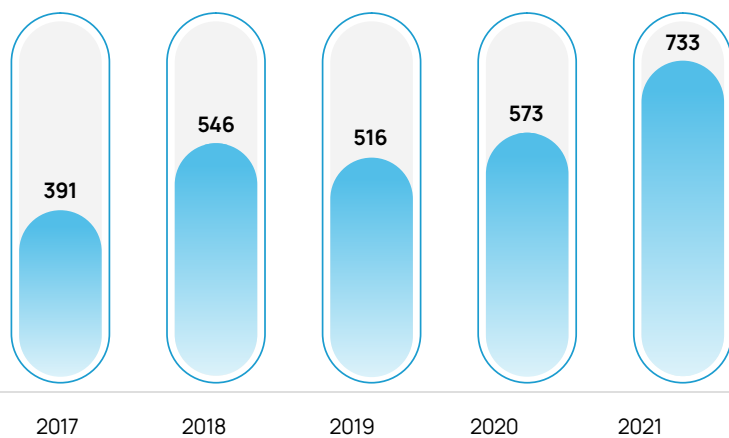
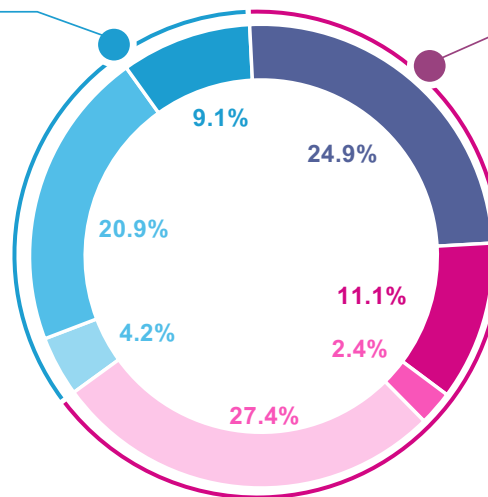
34%

- Annual Switching fee ●
- Annual Processing fee ●
- Annual Monitoring fee ●

Solutions

66%

- Projects ●
- Upselling ●
- Annual Licenses ●
- Annual maintenance fee ●



- ▶ **Backlog of MAD 733 million up 28%,** representing a book-to-bill ratio of 88% at the end of 2021, compared to 78% end 2020
- ▶ Confirmation of several major projects in the

Solutions activity

- ▶ Significant contribution of Recurring revenues in the Backlog (75%)
- ▶ **80% (585 MMAD)** of the backlog to be recognized in 2022.

Strengthened Liquidity Position

► Cash flow from Operations

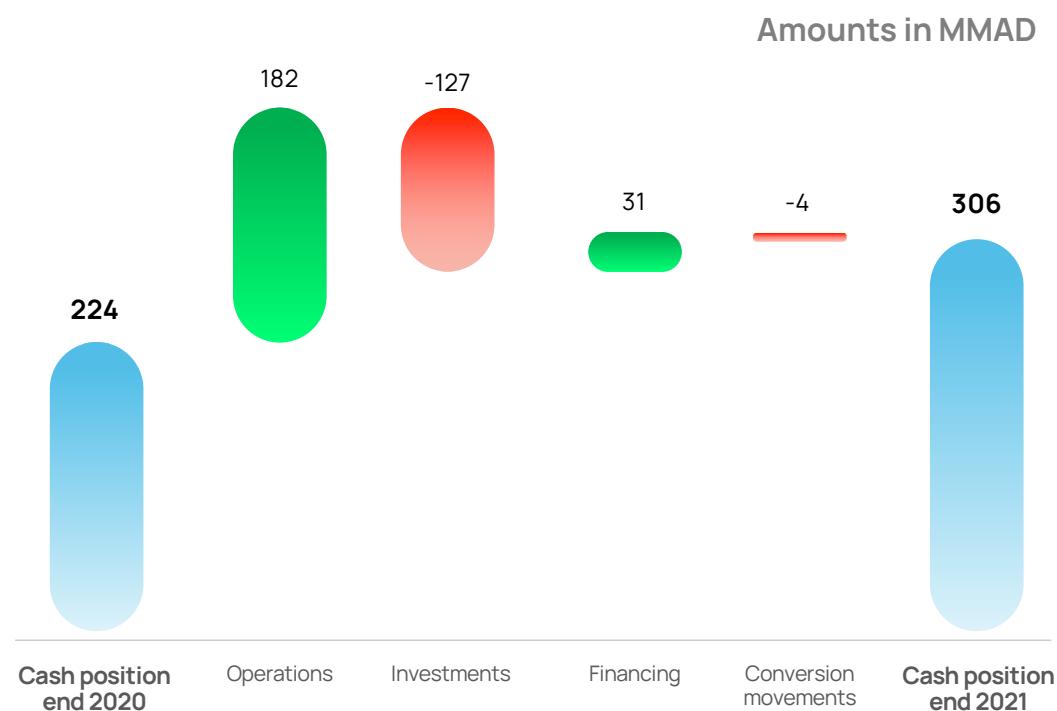
Continued optimization of WCR thanks to control of projects' implementation cycle and recovery process

► Cash flow from Investments

Finalization of ICPS and IPRC acquisitions
Regular investments in material and equipment necessary for the functioning of the different activities (office, IT...)

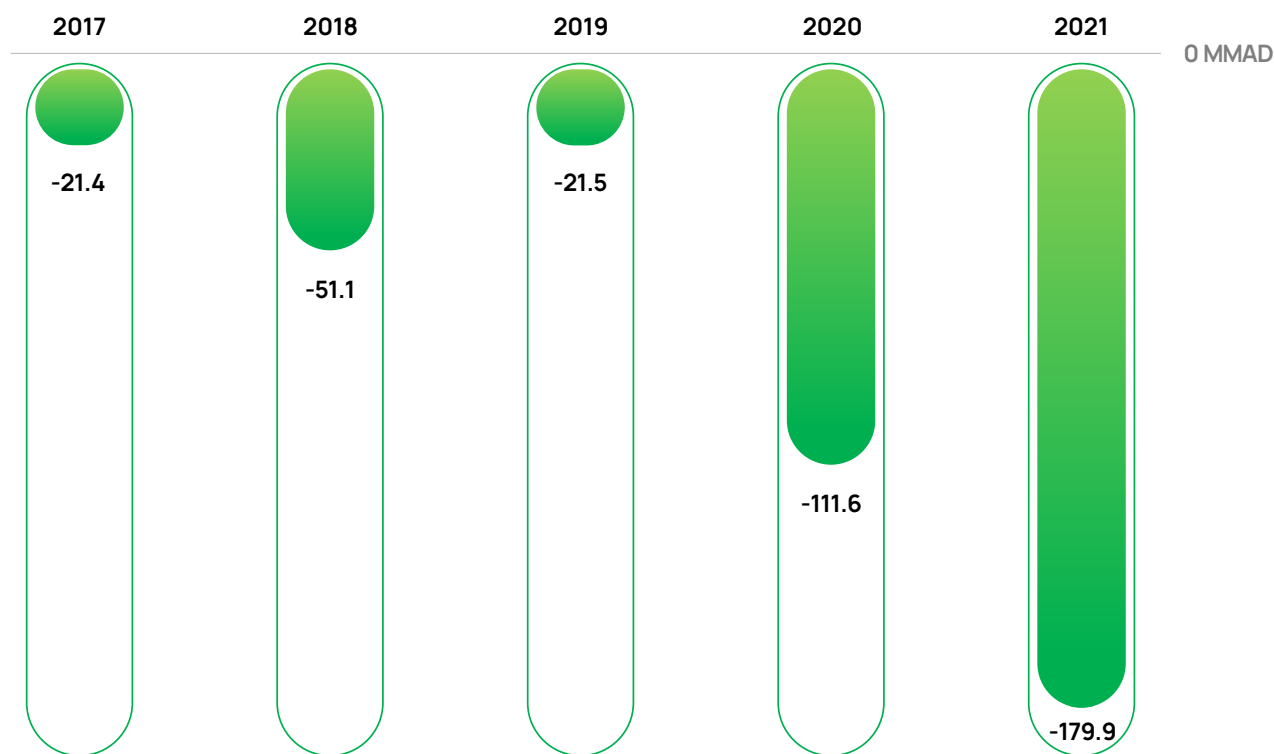
► Cash flow from Financing

Increase in debt levels to partially finance acquisitions
Dividend payment for the year 2020



Change in Net Debt 2017-2021

Amounts in MMAD





OUTLOOK

Strategic Initiative Plan



Payment activities

IN-HOUSE OFFER

- Defend our position in historical markets: Product innovation
- Consolidate the growth in Europe and south of Africa: Expansion of local delivery centres & product innovation
- Prepare future growth in Asia and Americas: Partnerships, local delivery centres & product innovation

SaaS OFFER

- Build a strong HPS processing brand in Africa & Middle East: Enhancements of our platform and services capabilities
- Capture opportunities in other markets to start positioning our SaaS offer



Switching activities

- Take advantage of HPS's unique position to evolve from a technology player to a broader role in Morocco to accelerate cards payments
- Work closely with Central Bank, banks, financial institutions and Fintechs to accelerate mobile payments



Business Innovation

- Build a B2B2C offer to address Fintech players
- Propose BIN Sponsoring to new banks and/or Fintechs on top of our SaaS offer

ORGANIC GROWTH

M&A

- M&A targets in processing for consolidation
- M&A targets for product innovations

- Not applicable

- M&A targets for payment offers not already covered by HPS

Outlook for 2022



Continued Strong Organic Revenue Growth

- Strong improvement in Pipeline
- Strengthening client base in Asia & Europe
- Several major opportunities are being finalized
- The new organisation fitted to support the growth



Maintaining the R&D effort around V4

- Version 4 to be a strong growth driver
- Investment level maintained for 2022



Profitability improvement

- EBITDA improvement on a normalized basis

Mid-Term Outlook



Continued strong organic revenue growth

- Partnership with Capgemini should increase our ability to address Tier 1 clients
- Partnership with IBM in progress to address the American market
- Continued growth in Processing activity
- V4, a growth driver, particularly in the Tier 1 market



Continued improvement of profitability

- The definitive lifting of restrictions and the return to a "normalized" R&D efforts should contribute to the improvement of EBITDA
- The strong development of the Processing activity should balance the revenue mix and contribute to the improvement of profitability



Growth acceleration through external growth

- Pursue an external growth strategy. Objectives: Consolidation, opening of new markets, or acquisition of technologies/services
- Ambition: generate annual growth of between 10% and 15% through new acquisitions

Conclusion



**Solid outlook and
strengthening fundamentals**



**Successful integration of new
acquisitions and continuation of the
external growth strategy**



**Continued deployment of our
Strategic Plan Initiatives**

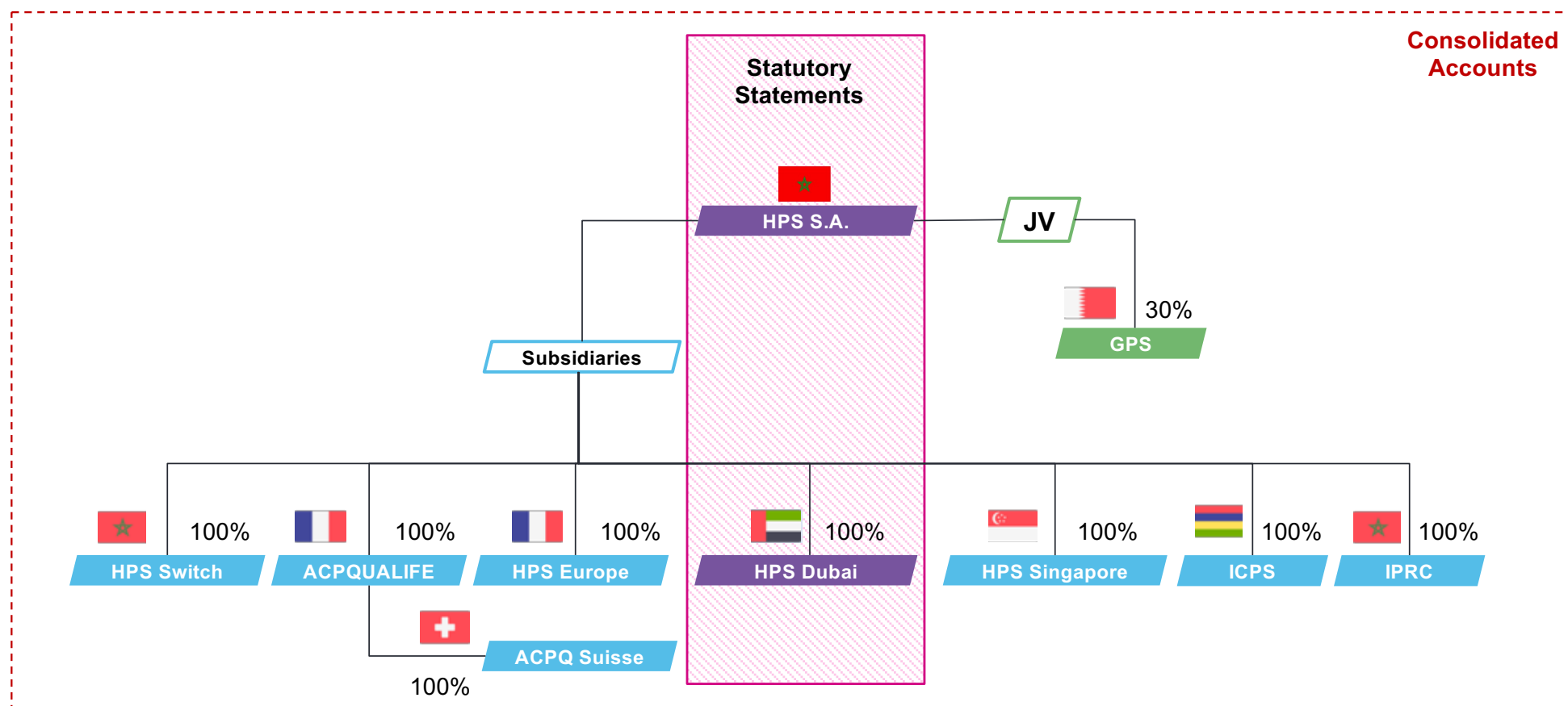
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Q&A



APPENDICES

Scope of Consolidation



Consolidated P&L Statement in MAD

P&L STATEMENT	31/12/2021	31/12/2020	Variation	31/12/2020 PROFORMA	Variation
Operating Revenues	833 329 233	728 485 158	14%	800 466 938	4%
Turnover	796 695 604	674 068 852	18%	746 082 487	7%
Change in product inventories	2 152 441	7 772 201	-72%	7 772 201	-72%
Other operating income	34 481 187	46 644 105	-26%	46 612 250	-26%
Operating Expenses	- 688 897 731	- 607 957 978	13%	- 660 044 888	4%
Purchases of Goods resold	- 28 161	-		-	-
Purchases consumed	- 138 014 359	- 103 705 915	33%	- 112 918 182	22%
External expenses	- 103 725 845	- 113 566 853	-9%	- 122 549 237	-15%
Personnel expenses	- 365 161 711	- 311 911 399	17%	- 342 443 961	7%
Other operating expenses	- 16 227 439	- 27 465 273	-41%	- 27 465 273	-41%
Taxes and duties	- 21 491 992	- 11 615 178	85%	- 11 719 849	83%
EBITDA	188.680.493	160.220.540	18%	183.370.435	3%
<i>EBITDA margin</i>	<i>22.6%</i>	<i>22.0%</i>	<i>60 bps</i>	<i>22.9%</i>	<i>- 30 bps</i>
Operating allowances	- 44 248 226	- 39 693 360	11%	- 42 948 385	3%
Operating Income	144 431 501	120 527 180	20%	140 422 050	3%
<i>Operating margin</i>	<i>17,3%</i>	<i>16,5%</i>	<i>180 bps</i>	<i>17,5%</i>	<i>- 20 bps</i>
Financial income and expenses	- 2 379 932	- 19 080 401	-88%	- 18 521 064	-87%
Current result of integrated companies	142 051 569	101 446 779	40%	121 900 985	17%
Non-current income and expenses	- 10 477 761	- 5 900 698	78%	- 5 900 776	78%
Income taxes	- 34 320 340	- 24 949 967	38%	- 28 910 456	19%
Net income of integrated companies	97 253 469	70 596 113	38%	87 089 754	12%
Share in the results of MEE enterprises	10 698 548	15 696 617	-32%	13 594 095	-21%
Amortization of goodwill	- 9 098 740	- 1 898 851	379%	- 10 997 591	-17%
Net income of the consolidated group	98 853 277	84 393 880	17%	89 686 258	10%
Minority interests	-	-		-	
Net Income (Group Share)	98 853 277	84 393 880	17%	89 686 258	10%
<i>Net margin</i>	<i>11,9%</i>	<i>11,6%</i>	<i>30 bps</i>	<i>11,2%</i>	<i>70 bps</i>
EPS	140	120	17%	127	10%

Consolidated Cash Flows Statement in MAD

CASH FLOW STATEMENTS	31/12/2021	31/12/2020
NET INCOME (group share)	98 853 277	84 393 879
Elimination of net non-cash income and expenses		
- Depreciation and amortization	33 048 322	22 912 855
- Change in deferred taxes	927 547	-475 407
- Capital gain or loss on disposal	-865 198	2 500 761
- Other non-cash income (expense), net	-45 195	1 954 650
- Share in the result of MEE companies net of dividends received	-4 894 510	-8 676 520
Cash flow of integrated companies	127 024 242	102 610 218
Dividends received from companies accounted for by the equity method	-	-
Change in working capital requirements related to operations	54 863 594	23 575 774
Net cash flow from operating activities	181 887 836	126 185 992
Acquisition of tangible and intangible assets	-12 348 284	-17 882 428
Disposal of fixed assets net of tax	896 744	-
Disposal of shares in companies accounted for by the equity method	-	-
Net acquisition of shares of consolidated companies	-115 765 321	-7 409 203
Cash flows from investing activities	-127 216 861	-25 291 630
Dividends paid to shareholders of the parent company	-35 179 950	-
Capital increase in cash	-	-
Other	-306 154	-16 093
Changes in borrowings	66 813 989	36 356 236
Cash flows from financing activities	31 327 886	36 340 143
Translation movements	-4 384 169	856 301
Change in cash position	81 614 693	138 090 806
Cash and cash equivalents at the beginning of the year	223 557 149	85 466 344
Cash and cash equivalents at the beginning of the year	305 171 842	223 557 149

Consolidated Balance Sheet in MAD – Assets

CONSOLIDATED BALANCE SHEET – ASSETS	31/12/2021	31/12/2020
Fixed Assets	293 636 527	186 410 028
Goodwill	103 589 946	-
Intangible assets	89 980 610	89 781 771
Property, plant and equipment	38 175 789	40 461 825
Financial assets	3 863 551	1 926 364
Investments in equity affiliates	58 026 630	54 240 069
Current Assets	1 072 019 170	996 509 440
Inventories and work in progress	73 786 898	77 185 457
Trade receivables and related accounts	609 663 322	561 401 760
Deferred tax assets	5 067 906	4 028 568
Other receivables and accruals	77 715 988	130 336 506
Marketable securities	-	-
Cash	305 785 055	223 557 149
TOTAL ASSETS	1 365 655 697	1 182 919 468

Consolidated Balance Sheet in MAD – Liabilities

CONSOLIDATED BALANCE SHEET – LIABILITIES	31/12/2021	31/12/2020
Shareholders' Equity	556 582 145	494 307 750
- Capital	70 359 900	70 359 900
- Share premium	31 623 410	31 623 410
- Consolidated reserves	355 745 559	307 930 561
- Consolidated results	98 853 277	84 393 879
Shareholders' Equity, Group Share	556 582 145	494 307 750
Minority interests	-	-
Total Shareholders' Equity	556 582 145	494 307 750
Long-term Liabilities	185 492 666	117 021 475
Long-term financial liabilities	179 938 745	111 964 036
Received grants	-	-
Conditioned proceeds	-	-
Provisions for liabilities and charges	5 553 921	5 057 438
Current Liabilities	623 580 886	571 590 244
Accounts payable and related accounts	66 298 856	56 741 144
Other liabilities and accruals	554 717 641	514 849 101
Deferred tax liabilities	1 951 177	-
Cash and cash equivalents	613 213	-
TOTAL LIABILITIES	1 365 655 697	1 182 919 468

Subsidiaries' Performance in MAD

SUBSIDIARIES	2021			2020		
	Operating Revenue	Operating Income	Net Income	Operating Revenue	Operating Income	Net Income
Full Consolidation (Morocco)						
HPS SA	613 754 290	72 235 220	76 555 397	589 572 595	86 755 675	72 356 116
HPS Switch	64 534 695	31 685 393	21 596 079	57 881 281	28 132 344	20 070 271
Full Consolidation (Global)						
HPS Europe	12 846 425	205 242	268 040	13 018 811	649 831	440 694
ACPQUALIFE	177 849 399	8 620 901	2 601 072	166 577 639	4 660 990	3 914 564
ACPQUALIFE Switzerland	- 242 150	- 471 303	- 470 064	1 746 304	710 471	705 283
HPS Singapore	56 337 737	12 020 414	9 742 604	11 390 041	- 685 229	- 638 869
ICPS*	63 579 600	7 839 510	5 885 880	74 270 490	20 401 080	17 044 860
IPRC	19 731 245	7 943 243	5 454 182	16 837 603	5 866 556	4 117 326
Equity method						
GPS	106 114 843	38 485 670	38 231 807	102 256 121	40 211 940	40 871 985

* Figures at the end of June 2021 Vs End of June 2020

HPS /

hps-worldwide.com

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