

The Board of Directors of HPS met on March 26th, 2025, under the chairmanship of Mr. Mohamed HORANI, to review the company's operations and approve the financial statements as of December 31st, 2024.

HPS achieves record year: strong sales growth and SaaS acceleration

Key Highlights

- ▶ Strong sales momentum: Total Contract Value (TCV*) of MAD 1,100 million concluded in 2024, compared to MAD 235 million in 2023, illustrating accelerating demand for PowerCARD V4.
- ▶ Growing adoption by top-tier global banks: 3 new Top 100 global banks onboarded with HPS in 2024.
- ▶ Strong SaaS revenue growth (+16.6%), driven by the acquisition of strategic new clients expected to generate over MAD 180 million in additional annual SaaS revenue within three years, with limited additional costs.
- ▶ Strategic integration of CR2: contribution of MAD 76 million in four months and forecasted MAD 320 million in 2025.

* TCV : refers to the total contract value commitment of newly acquired clients, including the value of the Build phase and five years of recurring revenues from either Maintenance or SaaS services.

«2024 marks a key milestone in the execution of our Acceler8 strategic roadmap, with an unprecedented acceleration in the shift towards the SaaS model and the acquisition of Tier-1 clients in North America and Australia. To support this momentum, we made strategic investments, particularly in the development of our SaaS platforms and the establishment of local teams to support these operations. As anticipated, these structural decisions have temporarily impacted our profitability, but they enhance the resilience and predictability of our business model. The positive effects will be visible from 2025, driven by the ramp-up of recurring revenues and the gradual improvement in EBITDA margin.»

Mr. Mohamed HORANI, Chairman of HPS Group.

«The integration of CR2, the acceleration of our SaaS model and the rollout of our Convergence plan further reinforce our position as a global leader in payment solutions. In 2024, we strengthened our footprint in new markets and optimized our infrastructure to support future growth and consolidate our leadership. We will carry this momentum into 2025 to ensure sustainable and profitable growth.» Mr. Abdesselam ALAOUI SMAILI, CEO of HPS Group.

Consolidated key Figures

CONSOLIDATED KEY FIGURES	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE	DECEMBER 31, 2023*	CHANGE
Revenues	1,267.3	1,191.5	6.4%	1,264.5	0.2%
Of which Regular & Recurring Revenues	904.3	808.6	11.8%	835.4	8.2%
EBITDA	219.8	246.6	-10.9%	230.1	-4.5%
EBITDA Margin	17.3%	20.7%	-3.4 Pt	18.2%	-0.9 Pt
Operating income	153.6	196.4	-21.8%	177.2	-13.4%
Operating margin	12.1%	16.5%	-4.4 Pt	14.0%	-1.9 Pt
Operating margin	75.3	99.9	-24.7%	68.1	11.0%
Net Margin	6.0%	8.4%	-2.4 Pt	5.4%	0.6
Earnings per Share (in MAD)	10.17	13.49	-24.7%	68.0	10.6%
Research & Development	156.1	145.5	7.3%	145.5	7.3%
Cash position	204.2	211.0	-3.2%	211.0	-3.2%
Backlog	885.0	820.7	7.8%	820.7	7.8%

*proforma figures

Business Review

2024: a year marked by successful execution of the AccelR8 plan in line with strategic guidelines

In 2024, HPS reached a new milestone in the execution of its AccelR8 strategic plan, reinforcing its leadership in global payment solutions. The year was characterized by transformational external growth, notably the successful integration of CR2, which enriched the Group's digital banking offering and accelerated its expansion into new markets. These strategic developments, coupled with the increasing adoption

of the SaaS model, position HPS for sustainable, profitable, and long-term growth.

The Total Contract Value (TCV) increased by over 360% compared to 2023, reflecting strong commercial traction and growing interest in PowerCARD Version 4, whose technological advances stand out in the market. This performance was bolstered by contracts signed with three Tier-1 banks among the world's top 100, reaffirming HPS's position as a global leader in payment solutions and the strength of its technological offering.

Transition to a resilient SaaS model

HPS continues to transition toward a SaaS-based business model, enhancing the predictability and stability of its revenue streams. Unlike the On-Premise model—which, from the deployment phase, generates non-recurring revenues from license sales in addition to implementation service fees—the SaaS model only recognizes revenue for services delivered during the construction of the client's SaaS platform.

Once operational, the SaaS model generates significantly higher annual recurring fees, whereas the On-Premise model, at that stage, yields only maintenance-related income. Accordingly, the SaaS projects currently being deployed in 2024 are expected to generate an additional MAD 180 million in annual recurring revenue by 2027. Had these projects been delivered under an On-Premise model, they would have generated MAD 80 million in non-recurring revenue in 2024, corresponding to license fees recognized during the implementation phase, and would have resulted in a significant increase in the EBITDA margin for the year..

The Payments activity recorded annual growth of 7.5%, driven by the successful integration of CR2, confirming its strategic role in supporting the Group's expansion into high-potential markets. On a like-for-like basis, HPS maintained a solid and resilient business performance. While the SaaS transition had a neutral short-term impact, it supported strong growth in recurring revenues, with a 16.6% increase in SaaS fees and a 10.4% rise in maintenance revenue compared to pro forma 2023 figures.

Recurring and predictable revenues continued on an upward trajectory, reaching MAD 904 million, up 11.8% year-on-year, and representing 74% of total activity revenue (compared to 71% in 2023). This trend further consolidates the Group's financial stability and reaffirms the relevance of its strategy focused on sustainable and profitable growth.

Expanded capabilities and technological synergies through the integration of CR2

2024 was marked by the strategic integration of CR2, a recognized player in the fields of Digital Banking and Digital Payments. This acquisition enables HPS to enhance its offering with a mature digital layer, thereby reinforcing its positioning in the digital payments and banking services market.

CR2's BankWorld platform, deployed by more than 90 banks across over 50 countries, further enriches the PowerCARD ecosystem by providing HPS clients with a comprehensive suite of digital services – ranging from online banking and digital wallets to merchant acquiring and ATM management.

Beyond its strategic value, CR2 is also contributing to the Group's commercial momentum, with MAD 76 million in revenue generated over just four months, and projected revenues of MAD 320 million in 2025.

Sustained growth in switching activity driven by the rise of digital payments and interoperability

Switching activity recorded a 14.7% increase, fueled by higher transaction volumes and the onboarding of new partners. This momentum was further supported by the development of high value-added services and the reinforcement of payment infrastructure.

The growing adoption of interoperable payments – driven by the surge in digital transactions and the emergence of new domestic fintech players – also contributed to this positive trend.

Moderate decline in testing activity amid challenging economic conditions

Testing activity recorded a slight decrease of 2.3%, primarily due to an unfavorable economic environment and the postponement of several projects. Despite this downturn, HPS continues to actively expand its client portfolio and strengthen its positioning in this segment.

Strengthened geographical expansion

- **Americas** : the region recorded a notable increase in its contribution to the Group's revenue, up by 4 points, driven by strong performance in North America.
- **Australia & Asia** : new strategic contracts signed, including a major SaaS agreement with one of the world's largest banking groups in Australia.
- **Africa**: The Group further consolidated its leadership position, with the region accounting for 41.8% of consolidated activity-related revenue.

2024 EBITDA: profitability maintained amid strategic investments to support a high-margin model

In 2024, HPS recorded an EBITDA of MAD 219.8 million, representing a margin of 17.3% (19.2% excluding CR2), compared to 20.7% in 2023. This reflects preserved profitability despite a phase of strategic investment. The decline is mainly attributed to an accelerated transformation context, which impacted both the Group's revenue structure and operating expenses.

The transition to a SaaS model led to a temporary shortfall in license revenue compared to traditional On-Premise projects. However, this strategic evolution is accompanied by a significant increase in recurring revenue, reinforcing the Group's long-term financial stability and resilience. Despite the short-term impact on profitability, recurring revenues grew by 12.6% in 2024, further strengthening HPS's financial robustness. The expansion of the SaaS client base and their gradual migration to HPS platforms will enable strong operating leverage on profitability.

This transformation also involves major strategic investments, particularly in cloud infrastructure (cloud service providers, data centers), cybersecurity, and regulatory compliance, in order to meet the increasingly stringent requirements of Tier-1 clients. These investments, while driving a 19.7% increase in external expenses in 2024, are essential to securing a robust and scalable model. This investment phase, concentrated in 2024 and 2025, is expected to stabilize from 2026 onwards, allowing for a normalization of the cost structure and continuous improvement in EBITDA margin.

The combined effect of sustained SaaS revenue growth and progressive cost control paves the way for a steady improvement in EBITDA margin starting in 2025, further reinforcing the strength and long-term viability of HPS's business model.

Strategic Investments to Strengthen Innovation and Agility

In 2024, R&D investments reached MAD 156 million, up 7.3%, representing 13.1% of consolidated revenue (excluding CR2). This increase reflects the Group's commitment to advancing its technology roadmap and proactively addressing the ongoing evolution of the payments industry.

These investments also enable HPS to integrate the latest technological advancements and respond effectively to the constantly changing business and regulatory requirements, particularly in the Group's newly entered markets.

Cash position & financial strength

As of year-end 2024, HPS's cash position stood at MAD 204.2 million, reflecting a slight decrease compared to 2023 (MAD 211 million). This evolution illustrates disciplined cash flow management in a context of strong business expansion and strategic investments.

Operating cash flow grew significantly to MAD 49 million, up from MAD 43 million in 2023, confirming the Group's ability to generate solid liquidity while financing its growth initiatives.

The year 2024 was marked by the execution of major strategic projects, including the acquisition of CR2 and continued investments in IT infrastructure and equipment to support the opening of new offices in Canada, India, and Australia.

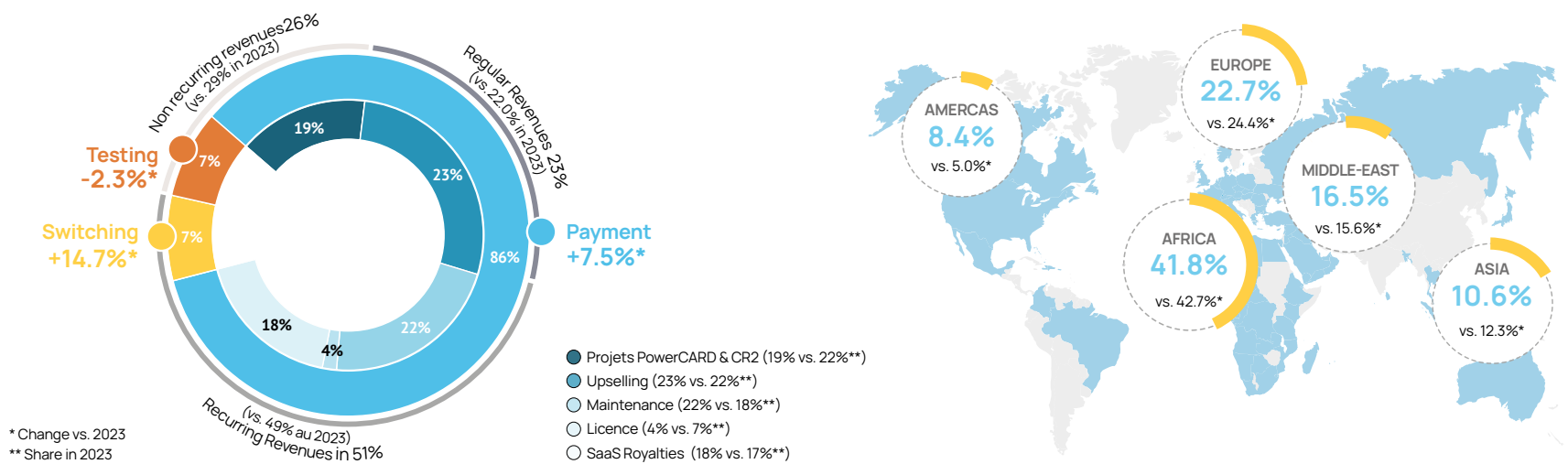
Significant backlog growth in 2024 reflecting a resilient business model and successful expansion

At the end of 2024, HPS's backlog stood at MAD 885 million, representing a 7.8% increase compared to the previous year. This growth reflects the Group's sustained commercial momentum and the successful transition of its business model toward SaaS.

It also highlights the continued strength of order intake, particularly in Africa, supported by the opening of new subsidiaries and the expansion of HPS's presence in strategic markets.

(* Backlog : Represents the total contractual commitment of active clients, including the remaining value of project deployment (Build phase) as well as one year of recurring revenues from Maintenance or SaaS services.

Breakdown of Revenues By Business and Geography as of December 31st, 2024



Outlook for 2025 and Beyond

2025: profitability acceleration driven by exceptional sales momentum

- Following record sales in 2024 and the progressive go-live of new SaaS contracts, HPS anticipates significant revenue growth in 2025, including on an organic basis.
- A strong increase in EBITDA is expected, supported by economies of scale as SaaS clients ramp up, along with initial synergies from the integration of CR2.
- Despite continued strategic investments – including the buildout of the SaaS platform in Australia – EBITDA margin is projected to follow a slightly upward trajectory, reflecting the robustness of HPS's business model.

2026 and beyond: operating leverage and consolidation of a high-margin, resilient model

- Continued expansion of SaaS activities, with increasing leverage on profitability.
- Further improvement in EBITDA margin, driven by the growth of recurring revenues.
- Consolidation of a business model combining long-term growth, resilience, and operational efficiency.

After a year of strategic investments, HPS remains firmly committed to the execution of its Acceler8 roadmap, aligned with its 2027 objectives. The Group will continue to capitalize on strong commercial momentum, the expansion of its SaaS model, and synergies resulting from its strategic initiatives.

For the 2024 fiscal year, the Board of Directors will propose to the Ordinary General Assembly the distribution of a dividend of MAD 7 per share, up from 2023, reflecting the Group's confidence in its underlying growth and future earnings potential.

About HPS

HPS is a worldwide leading provider of payment solutions and services for issuers, acquirers, card processors, independent sales organisations (ISOs), retailers, mobile network operators (MNOs), and national & regional switches around the world. PowerCARD is HPS' comprehensive suite of solutions that covers the entire payment value chain by enabling innovative payments through its open platform that allows the processing of any transaction coming from any channel initiated by any means-of-payment. PowerCARD is used by more than 500 institutions in over 95 countries. HPS has been listed on the Casablanca Stock Exchange since 2006 and has offices located in major business centres (Africa, Europe, Asia, Middle East). For more information: www.hps-worldwide.com

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