

COMP CAPITAL GROUP



COMP | CENTRUM
INNOWACJI

ELZAB¹⁹⁶⁹

ENIGMA

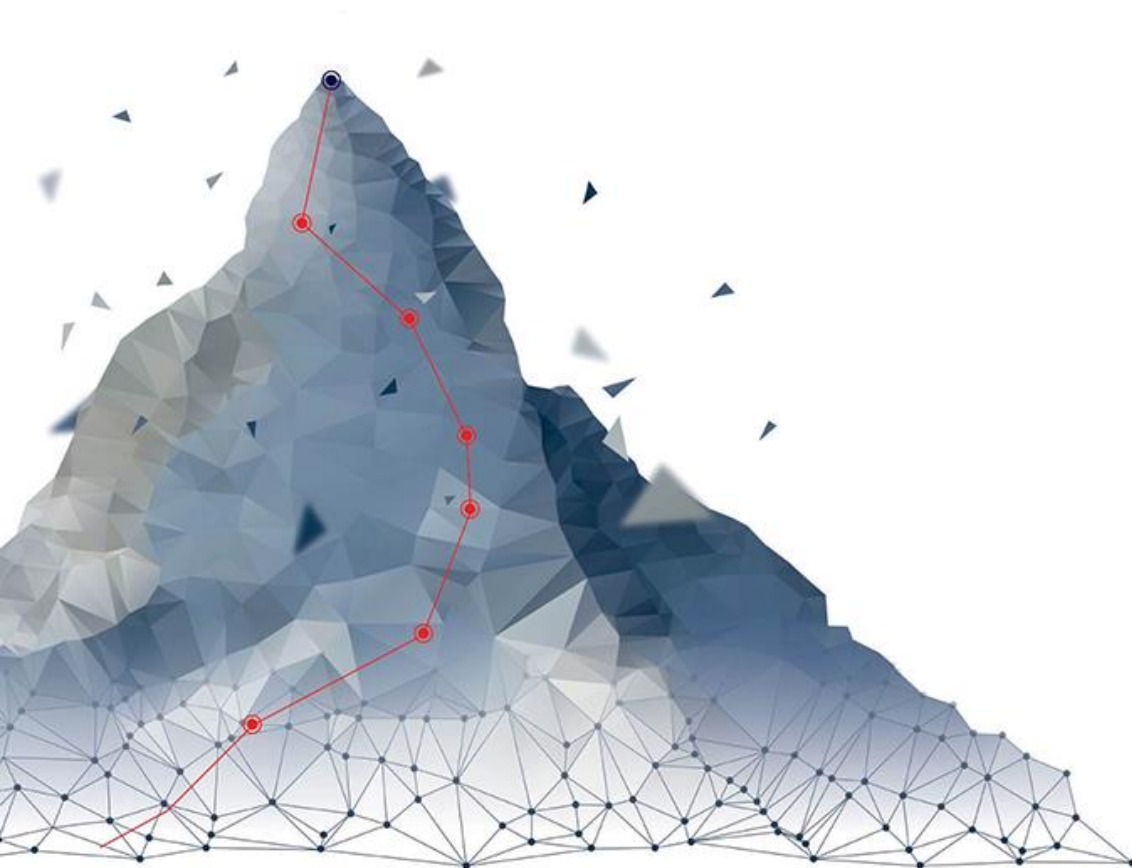


M/platform

NOVITUS

CSS | CENTRUM
USEUG IT

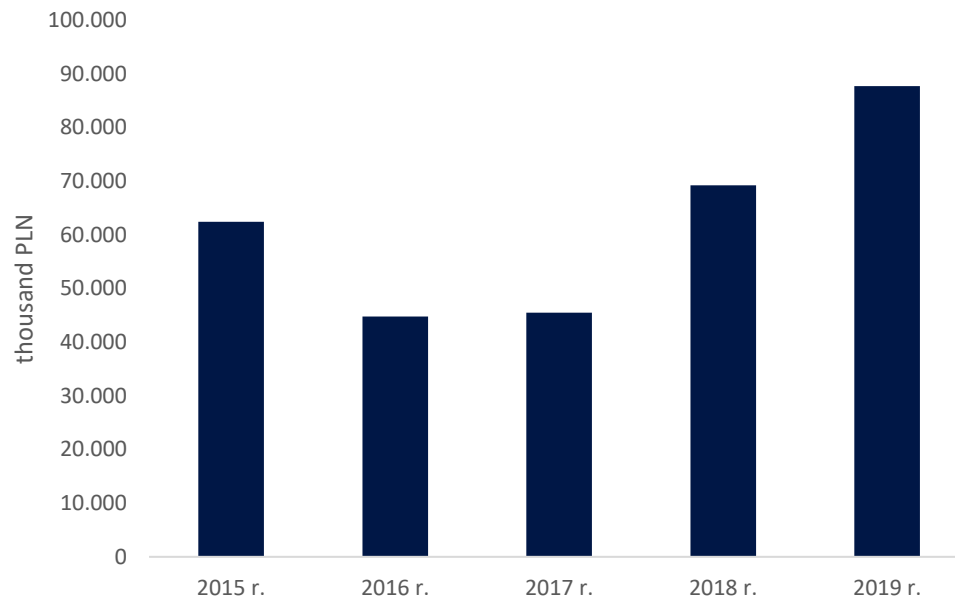
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SELECTED CAPITAL GROUP FINANCIAL
DATA FOR 2019 (PLN THOUSAND)

734 770
Net Sales Revenues

EBITDA. Comp Capital Group



- Over 28 years on the Polish IT market
- Over 1000 highly qualified employees
- PLN 730+ million revenue and PLN 88 million EBIDTA profit (2019 data)
- Fiscal market leader (49% market share in Poland, 43% in Hungary)
- Capital Group made of 12 companies, balanced business of retail and IT sectors
- Comp S.A. and Elzab S.A. listed on the Warsaw Stock Exchange
- ISO 9001:2008 Certificate, Ministry of Interior and Administration licenses, first degree Industrial Security Clearance
- Some of the most recognized brands on the Polish IT and fiscal markets
- Largest partner sales and distribution channels for products and services in the retail segment
- Our own research & development and innovation centers
- Specialization in creating cyber security systems, which is a top priority for the government and large enterprises
- Leading producer of cryptographic security solutions for entities dealing with restricted information
- Recurring portfolio of IT projects from large institutions. Large base of credentials

- Comp is an IT integrator that is market leader on two areas: IT cybersecurity and production of ECR (fiscal devices).
- IT cybersecurity covers all the world class technologies available on the market as well as special security specializing on production of encryption devices for the local authorities.
- ECRs are obliged by law in many countries including Poland. Comp is a market leader in Poland and exports to ca 20 countries in the world.
- The third area of Comp activity is project M/platform which purpose is consolidation of the activity of traditional trade in Poland and elsewhere, thanks to tools of modern trade such as promotions, b2b marketplace between retailers and wholesalers and loyalty system. The strategic partner of Comp in this area is Heineken Group that is minority shareholder of Comp Plus SA - our subsidiary monetizing M/platform.
- Year 2019 has been the best in 30y history of the company with EBITDA around PLN 88 mio which is equivalent of EUR 20 mio.
- In connection with the resolutions of the General Meeting (2020), Comp has the possibility to make buyback.
- At the same time, Comp announces the payment of dividends in the years from 2021.

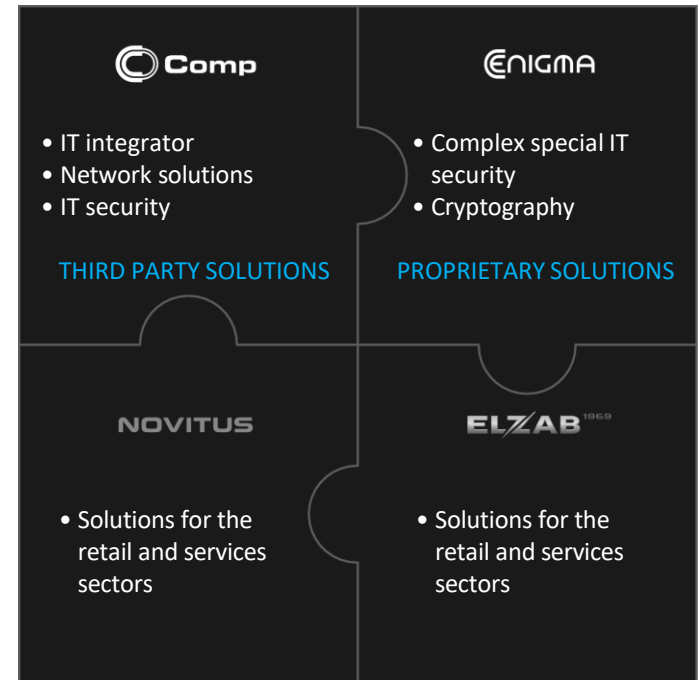
The Comp Group focuses on a few attractive market niches and bases its business on unique competences and high market entry barriers for each of them:

- IT and electronic security, which makes up the core of the IT segment
- Services for small and medium companies as well as production of fiscal equipment, which makes up the core of the Retail segment

We identify favorable external conditions in each of the key niches of our business, i.e.: in the field of cybersecurity, including special security, the online fiscalization program, developing value added services for small and medium retailers.

IT

RETAIL



The **RETAIL SEGMENT** consists of the following solutions:



- **Sales Technologies**

Production of integrated system solutions supporting the work of trade and services. In particular fiscal devices: cash registers, printers, and non-fiscal equipment: devices for automatic identification (barcode readers and printers, data collectors), electronic weighting scales and sales systems.

Bulk payment services, sale of electronic products and services and the processing of electronic payment transactions.



- **Innovative solutions for the Retail sector**

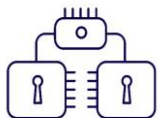
Design and implementation of innovative solutions / technologies in terms of hardware and software, mostly related to the Retail segment – the M/platform project, payment stations, “cloud” solutions, etc.



- **IT services**

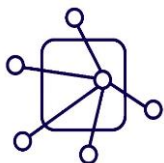
Providing comprehensive maintenance services of computer and office equipment together with the IT infrastructure maintenance services (including outsourcing).

The **IT SEGMENT** includes the following groups of solutions:



- **Corporate Security and Networks**

Providing optimized and efficient infrastructure, ensuring business process continuity as well secure access to data, applications, systems and networks



- **System Solutions**

Providing clients with IT systems dedicated to management of key business processes. The Group offer includes designing and implementation of dedicated IT systems both in terms of hardware as well as software and integration in data processing centers



- **Special Security and Cryptography**

Projects related to ICT security, ranging from the design and production of cryptographic equipment and software, through implementation and training, up to security management

WHAT IS M/PLATFORM?

- Solution, that
 - leverages:
 - fiscal devices and
 - nationwide sales network (over 1200 active dealers)
 - To enable
 - mass rollout of value-added services that are attractive for SMB owners
- Gradual transition
 - from manufacturing of regular fiscal cash registers
 - to multifunctional devices with additional services

WHY IS TRADITIONAL TRADE SEGMENT IMPORTANT FOR THE MANUFACTURER'S PROFIT MARGIN?

PROFIT MARGIN DIFFERENCES

- at large retail chains they sell with a 30-40% discount
- in traditional trade segment with just a 15-20% discount

DISPLACEMENT OF THE TRADITIONAL STORES

- For the manufacturers, each new modern trade store that replaces traditional trade stores is a progressive decline of profit margin

30-40%
discount at
modern
trade

15-20%
discount at
traditional
trade

WHICH MANUFACTURERS AND WHY SEE THE SENSE IN OUR TOOL?

HOW MUCH OF A MANUFACTURER'S BUDGET GOES VIA PROMOTIONS?

- Example:
- a large manufacturer of alcoholic beverages
 - PLN 500mn price architecture – effectiveness ca. 90%
 - PLN 120mn promotion calendar – effectiveness ca. 50%
- Total annual leakage: 50 + 60 million or 110 million PLN

up to 50%
recoverable
budget

HOW IMPORTANT IS THE TRADITIONAL TRADE FOR ALCOHOL PRODUCERS?

- It's crucial for the business, so supporting it is very important!
 - Generates over 60% of turnover and 70% of profit margin
- Therefore, we have a 100% convergence of interests with the manufacturers and their commitment to support us in protecting this segment of the market.

60%+
turnover in
traditional
trade

BENCHMARK IN TERMS OF PRICING

M/PLATFORM IS AN INNOVATIVE TOOL

- it has no existing counterpart in the market
- therefore it is difficult to find a price benchmark

A REFERENCE POINT

- The only point of reference is an offer recently developed by the “Żabka” retail chain, which asks the manufacturers to pay 4.5% (excluding taxes) of their turnover at “Żabka” in exchange for access to the point of sales data.
- This is a very high pricing, and while the big manufacturers will likely manage to negotiate a discount, the smaller manufacturers will have a problem.

4.5%
of turnover
(benchmark)

RETAIL STORES IN THE PROGRAMME



M/platform is the first and the largest in Poland digital services platform, created with the aim to support local traditional trade stores

M/platform

PLATFORM TURNOVER

OUR RETAILERS GENERATE
PLN 15,6 bn
 OF ANNUAL TURNOVER



TOP 15 food & beverages categories in stores that joined M/platform
 (annual sales value in PLN million)

M/platform

PROGRAMME PARTNERS

SO FAR IN THE PROGRAMME



MORE PARTNERS COMING SOON

M/platform

VALUE FOR THE MANUFACTURERS

INSIGHTS



The fastest insights in the market
(in real time)



Which product? At which store?
At which price?



Where are my products missing
while the competition is there?



Where will my products
go out of stock?



What is the competition doing?
(**deep segmentation**)

PROMOTIONS



The fastest promotions in the market
(in real time)



Mass processed but... personalised



On which products can I raise prices
without losing the demand?



MultiBuys/PromoSztuki in traditional trade
(the only such solution on the mass market)



Transparent settlements from fiscal
registers (**not a single penny is lost**)

m/platform

VALUE FOR THE RETAILER

- The capability of carrying out advanced promotions previously unavailable in the traditional trade channel
- The cash flow from the promotions is the fastest on the market (1 week vs. 2-3 months using traditional methods)
- Promotional offers same as in the big retail chains (or even better, depending on the manufacturer)
- Average basket size growth, also on non-promoted items
- Additional sales insights and purchase recommendations

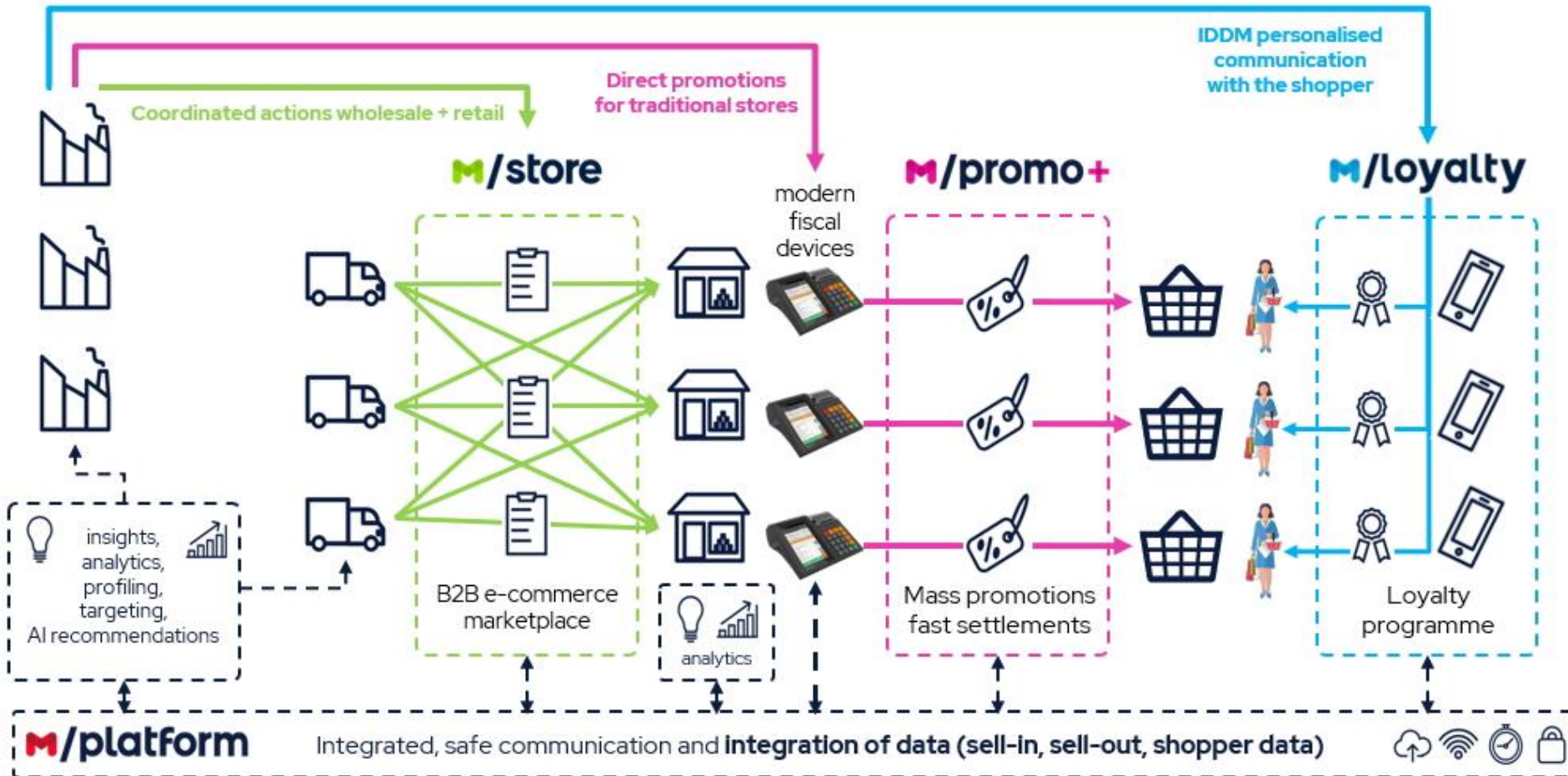
VALUE FOR THE RETAILERS



Promotions increase average basket value. Customers who buy at least one product in **M/promo+** promotion spend on average 59.6% more.

M/promo+

Source: own data M/platform 05.2020



M/promo+

promotions

sales insights

M/platform

The #1 platform for promotions & sales insights in traditional trade in Poland



B2B ONLINE
ORDERING



OPTIMISED
ORDERS

M/store



WHOLESALE
PROMOS



AI ENGINE
CROSS-SELL

multi-distributor B2B e-commerce

true marketplace

M/platform

The 1st true marketplace for small & medium distributors in Poland



CROSS-PROMO
RETAIL/HORECA



PERSONALISED
OFFERS

m/loyalty
e-Mka
Twoje Zakupy



LOYALTY
PROGRAMME



CLICK & COLLECT
HOME DELIVERY

multi-partner B2C programme

consumer insights & IDDM

m/platform



The 1st multi-partner B2C programme for traditional trade

TARGET MONETIZATION MODEL

- We will be present on the market for no less than PLN 30 billion (today over PLN 15 billion),
- We assume a 50% market penetration with our main 3/M services (realistic assumption, possible upside after reaching 20,000 stores)
- The target level of revenues from M/promo +, M/store and M/loyalty is 1.0-2.0%, i.e. approx. PLN 300-600 million per year on a high margin

GROWTH PLANS



m/platform is the first and the largest in Poland digital services platform, created with the aim to support local traditional trade stores

m/platform