RS2

together beyond payments

Offer of 28,571,400 Preference Shares at an Offer Price of €1.75

Friday, 26 February 2021

Agenda

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1. **RS2 background**
2. Business lines and revenue models
3. Payments market landscape
4. RS2 Strategy
5. Financial highlights
6. Information about the Offer

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Key figures

250
Banks and PSPs served

>95%
Customer retention

350 Million
Cards issued

16 Million
Merchants served indirectly

480
Employees

25 Billion
Transactions processed

80 Million
Transactions per hour

Large and scalable platform used by marquee clients across the globe

*All figures relate to the BankWORKS® software

>30 years in the industry

RS2 History

Over 30 years of experiences in payments and early mover in e-commerce & omni/multi-channel in 2001

- **1988** – RS2 – Founded as a core banking software provider in Frankfurt
- **1989** – One Financial Institution in Malta becomes the first client
- **1991** – Expands into Eastern Europe
- **1996** – Expands into Western Europe and Middle East
- **2001** – One of the largest processors becomes a client
- **2008** – RS2 – Lists on the Malta Stock Exchange
- **2009** – One of the largest US-Acquirers becomes a client
- **2012** – Managed Payment Solutions – Processing Solution introduced
- **2013** – One of the top 3 banks in UK becomes a client and shareholder of RS2
- **2014** – One of the largest processors becomes a client globally
- **2015** – One of the largest processors becomes a client
- **2017** – RS2 – Expands into US
- **2019** – One of the largest US acquirers becomes a client
- **2020** – RS2 – Expands into Merchant Solutions (Acquiring & Issuing)

RS2 has gradually transformed into a global, diversified provider of comprehensive payment solutions

Group Structure

RS2 Software p.l.c.
Mosta, MLT
~317 Employees
Holding company, software development, licensing

Software Solutions

Processing Solutions

- 100% — **RS2 Germany GmbH**
  Neu-Isenburg, GER
  ~ 28 employees
  Service provider for RS2 Software p.l.c., product management, implementation
- 99.99% — **RS2 Software APAC**
  Metro Manila, PHL
  ~27 employees
  Sales for RS2 Software p.l.c. & RS2 Processing Ltd., vice versa service center for both
- 99% — **RS2 Software LAC LTDA**
  Sao Paulo, BRA
  ~ 1 employee
  Sales & service office for Latin America
- 100% — **RS2 Merchant Services Europe GmbH**
  Neu-Isenburg, GER
  0 employees
  Holding company for merchant business in Europe
  - 100% — **RS2 Financial Services GmbH**
    Neu-Isenburg, GER
    ~5 employees
    Acquiring business, E-Money for Europe
  - 100% — **RS2 Zahlungssysteme GmbH**
    Neu-Isenburg, GER
    ~ 8 employees
    ISO for Germany (Sales, Service, NSP)
- 99.92% — **RS2 Smart Processing Ltd.**
  Mosta, MLT
  ~ 35 Employees
  Processing business for financial institutions globally, excluding US
- 57.05% — **RS2 Software, Inc.**
  Denver, USA
  ~54 employees
  Processing for US, sub-licensing for key accounts

Merchant Solutions

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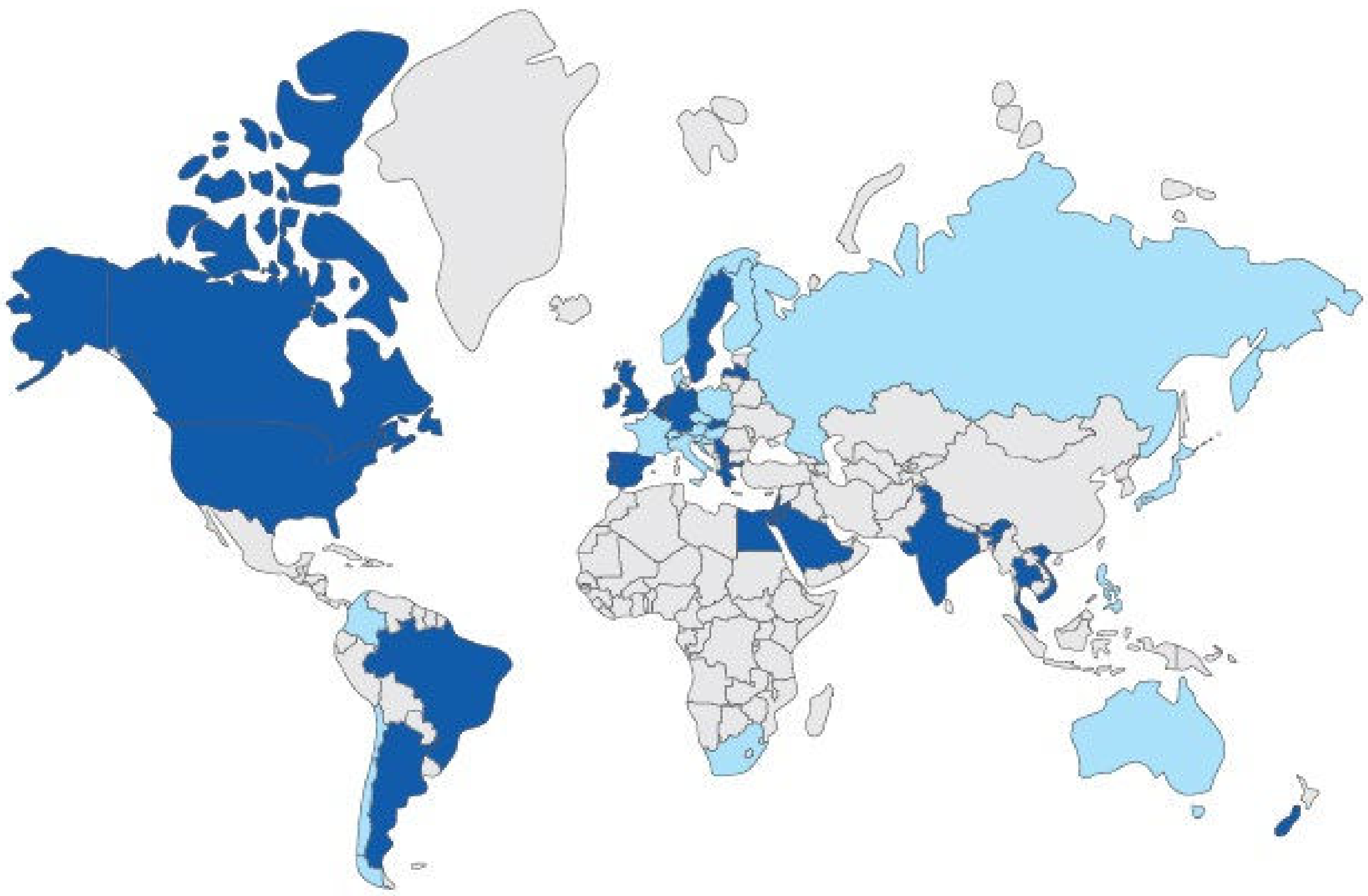
Worldwide presence

Strong Global Presence and Large Untapped Market Potential



■ Direct Countries
■ Indirect Countries

6
Offices worldwide
Offices in Mosta (Malta),
Frankfurt (Germany),
Denver (USA),
Amman (Jordan),
BGC (Philippines),
Sao Paulo (Brazil)

26
Number of countries with active clients

71
Number of countries with interchange coverage

1
Country with Merchant Services live
Germany

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Business lines

Software Solutions

Licencing of BankWORKS® software to banks and financial institutions

- Selling term or perpetual licences
- Customisation, implementation and installation services
- Upgrades, enhancement and update mandated by card organisations
- Additional services including onsite support for testing, implementation, training
- Enhanced services

Processing Solutions

Processing of payment transactions utilising BankWORKS® software

- BankWORKS® as a managed service
- Clients can access payments as a service on a private/public cloud solution for acquiring, issuing, clearing and settlement covering multiple omni-channels
- Provision of installation services (setup)
- Other services including statements, chargebacks, merchant portal, e-commerce gateway

Merchant Solutions

Offering issuing and acquiring payment solutions directly to merchants

- Acquiring (merchant's products and services)
- Issuing (consumer products and services)
- Authorisation
- Clearing and reconciliation
- Fraud and risk management
- Settlement and funding services

Revenue Model Transformation

Software Solutions

Traditional Licensing Revenue

- Periodical change requests
- Fixed yearly Maintanance fee
- One time Implementation fee
- One time Licence fee

Processing Solutions

Recurring Processing Revenue

- Service based (fixed fee per): Transaction Auth. Settlement Charge back etc.
- Off the shelf service
- One time Implementation fee

Merchant Solutions

Merchant Services

- Merchant service charge
- Participation in transaction volumes
- POS rental fee Gateway service

Transforming the Group's revenue generation model from dependence on one-time licence fees to ongoing and recurring revenue based on number and value of transactions processed

Revenue Model Transformation

Illustrative Revenue Models

Software Solutions

Traditional Licensing Revenue

- Periodical change requests
- Fixed yearly Maintanance fee
- One time Implementation fee
- One time Licence fee

Revenue Example:

License fee:
€1000 one time payment

Implementation fee:
€200 one time payment

Maintenance:
21% of 1000
= €210 paid yearly

Project lifecycle between 8-24 months

Processing Solutions

Recurring Processing Revenue

- Service based (fixed fee per): Transaction Auth. Settlement Charge back etc.
- Off the shelf service
- One time Implementation fee

Revenue Example of 1000 Transactions:

Implementation fee:
€100

Authorization fee:
0.2x1000=€200

Settlement fee:
0.3x1000=€300

Chargeback fee:
2X5=€10

Customer total bill per month
=EUR 510X10=5.100

Project Lifecycle between 1-4 months

Merchant Solutions

Merchant Services

- Merchant service charge
- Participation in transaction volumes
- POS rental fee Gateway service

Revenue Example:

Consumer buys for:
€100

Issuing Bank charges:
€1.00

Card Schemes charges:
€0.50

RS2FS:
0.2 + 1.5% = €1.677x1000.000=1,670.000
Per day
Merchant paid = €96,82
+ Fixed Transaction Routing-Fee
= 5 - 10 Cent / Tx
+ Optional Value Add Fees (DCC, Charge Back etc.)
+ Rental Fee for Terminal/Gateway
= €10 - €40 per month

Project Lifecycle 2 weeks

Revenue Model Transformation

Illustrative Revenue Model for a merchant having €100,000,000 yearly turnover

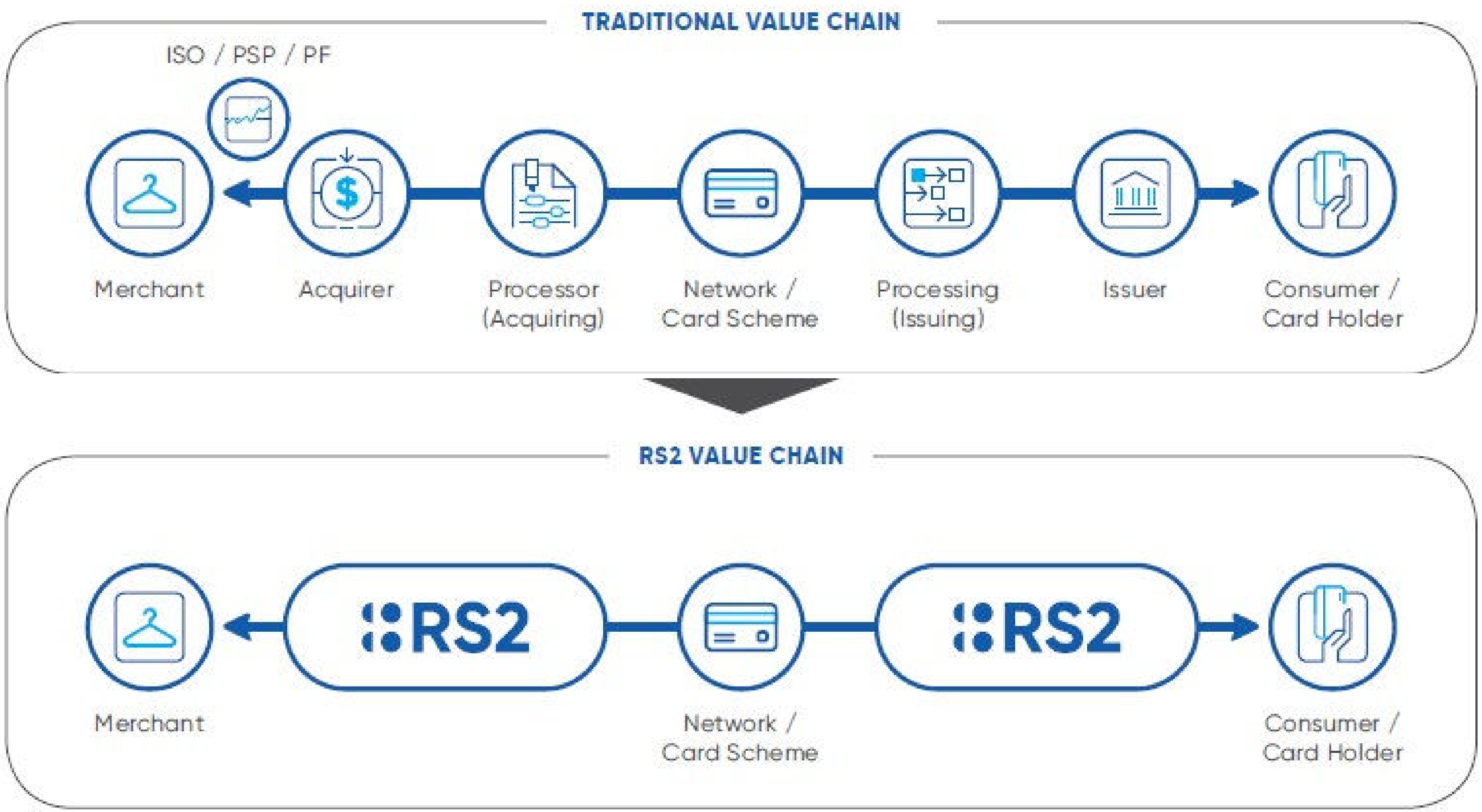
Processing Solutions	Merchant Solutions
Recurring Processing Revenue	**Merchant Services**
4,000,000 Transactions @ average ticket of EUR 25	EUR 100,000,000 @ 1.5% (Average of bundled Services)

Bundled transaction charge of EUR 0.04 / transaction	RS2 Revenue p.a. **EUR 160,000**

Participation in the transaction value	RS2 Revenue p.a. **EUR 1,500,000**

BEING PART OF THE TRANSACTION, INSTEAD OF BEING AROUND IT

RS2 in the Value Chain



The RS2 Way

- Control the value chain
- Take out complexities
- Lift synergies to build a better solution

Merchant Solutions business line

RS2's market approach

- Obtain EMI licence from BaFin in Germany – required to manager merchant funding and to provide acquiring services and issue payment instructions
- Build a high performance team
- Market entry strategy – primarily Europe and in a second step the US
- Product and service offering to attract target clients

Current status

- EMI in an advanced stage of approval process
- Management team and organisation structure in place
- Market entry strategy defined, first acquisition made in January 2020 – Kalicom Zahlungssysteme GmbH – starting point for RS2's direct merchant business (>4000 terminals, >2000 merchants)

Roll-out of services in phases over the coming twelve to eighteen months

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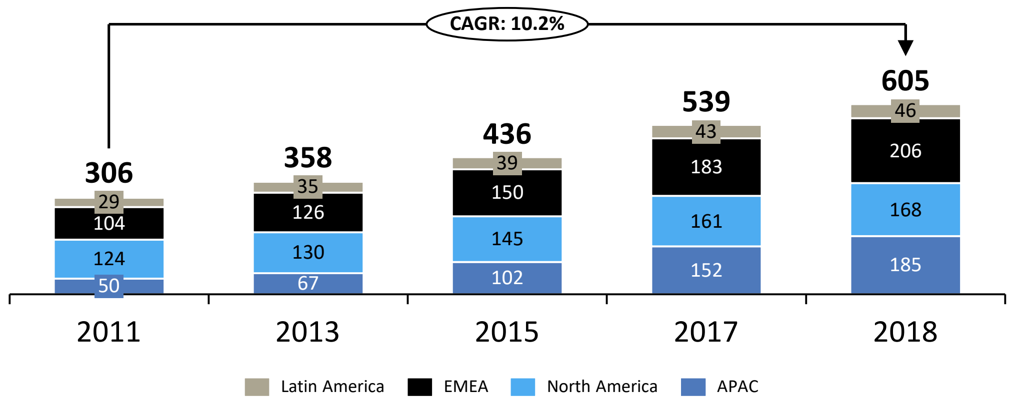
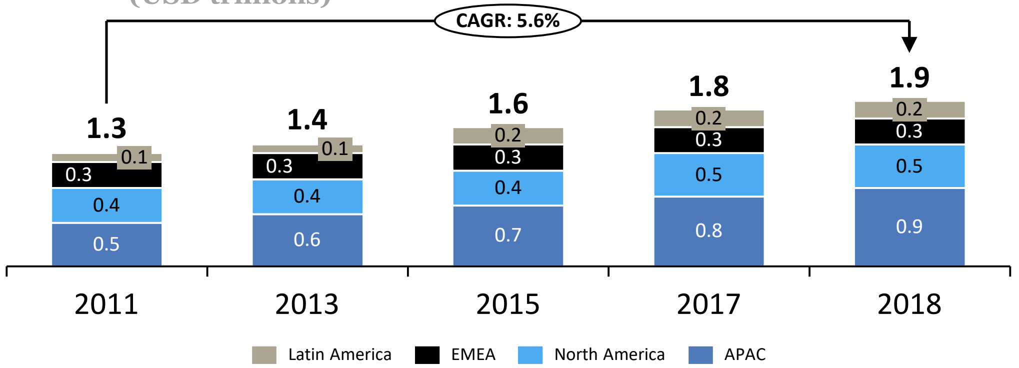
Payments market global development

Five main trends for opportunities and challenges in the payments ecosystems

Global non-cash transactions
(trillions)



Global payment revenues by region
(USD trillions)



Source: McKinsey Global Payments Map, Capgemini World Payments Report

Market trends

Dynamic market growth: Non-cash transactions grew by 12% globally during 2018, Asia and CEMEA growing by 20-30%. Drivers are mobile payments, contactless payments and shift to e-commerce.

Technology invests of incumbents: Main payment providers modernized their operations and infrastructure to support new product offerings and new technologies in order to generate new revenue sources.

Consolidations: The payments market is undergoing an unprecedented wave of consolidation with intensive M&A in payment services related to acquiring and broader merchant servicing.

Boosted competition: New entrants, especially Big Techs, have changed the dynamics in the industry as businesses and consumers shift from cash to digital payment methods – Apple as a game-changer.

Regulatory environment: The EU has developed a comprehensive legislative payment framework aimed at keeping pace with the rapid evolution of the industry as well as preserve financial stability, while creating a more competitive payment system (PSD2) and ICF regulation.

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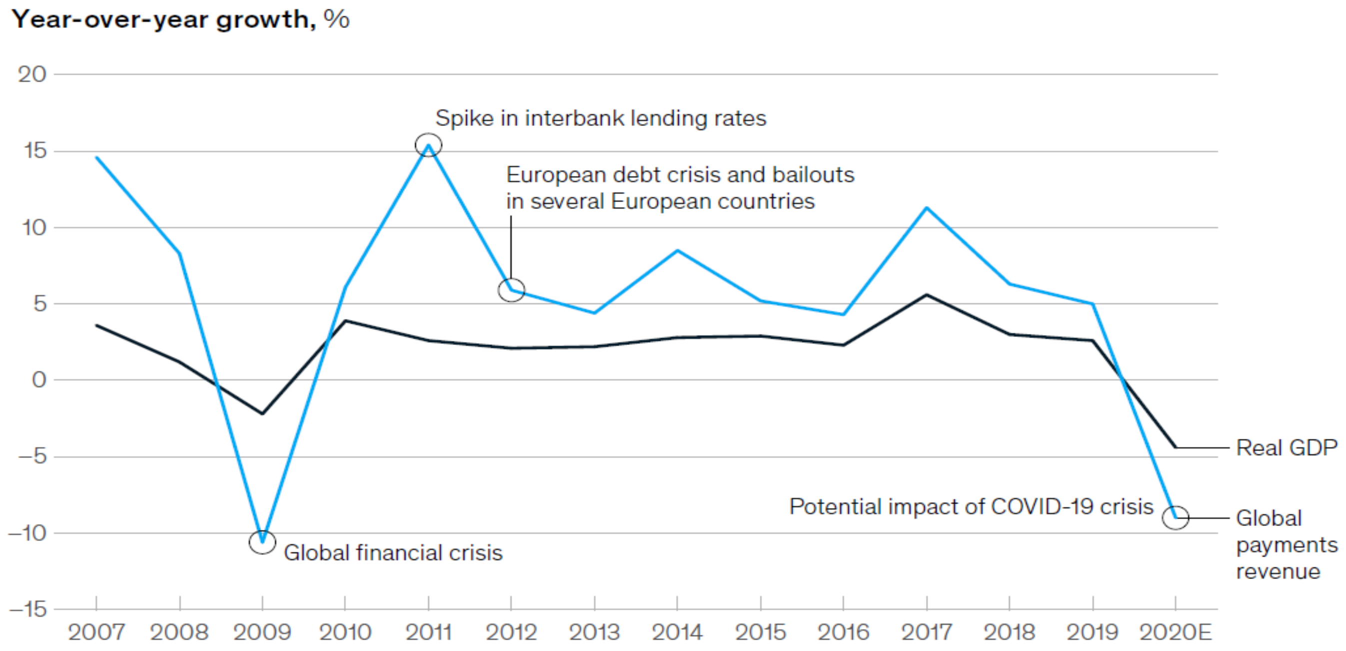
Impact of COVID-19 on payments

According to McKinsey, the economic impact of COVID-19 is comparable to financial crisis



- The economic impact of COVID-19 is comparable to that of the 2008/2009 financial crisis.
- Instead of growing by 6%, as projected by McKinsey, activity could drop by as much as 8% to 10% of total revenues
- Payment data on COVID-19 impact is still very limited, scenarios still trend based rather than data based.
- Projection of industry performance rests on assumption about overall economic activity

- Payment systems have proved resilient and reliable
- Card payments, especially contactless, are rising strongly

COVID-19 has accelerated cash-less payments globally

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Impact of COVID-19 on payments

Impact on RS2

Seamlessly triggered business continuity plan, switched over to home productivity with minimal disruption

→ Noted decreased momentum from some clients, improved during 2nd quarter of the year

→ Number of transactions processed still to reach COVID-19 level, counteracted with new business being on boarded

Impact on payment industry

Short term	Mid-long term
• Significant decrease of global payment-revenue with negative growth • Most affected industries: Hospitality and tourism, retail, airlines, events, hotels, restaurants. But also some segments can benefit from the crisis, like: E-Commerce, garden/flower-retail, food delivery service, supermarkets. • Acceleration of cash displacement towards contactless payment infrastructure and migration to terminals without pin-pads	• Accelerated shift from POS to E-Commerce • Shift in consumer behavior will lead in an accelerated growth for card based payments at POS • Self-checkout or “order & collect” solutions gaining popularity pre-crisis, contactless payment cards with increasing penetration • Expected uptake in regional travel on the back of certain international travel (e.g. cruises) shifting spending patterns and revenue opportunities. • Proven effectiveness of virtual meetings reducing business travel expected could lead to a lasting drop for some segments, like airlines and hotels.

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RS2 Unique Selling Propositions

Key differentiators

Reliable performance
Robust 99.999 % availability and high performance engine

One Global Platform
Global state of the art solution and global coverage, instant and real time payments

Scalable
Cloud-based solution linearly scalable with no lead-time for infrastructure upgrade

Omni Channel
True omni-channel covering all payment sources (online, offline, mobile)

API enabled
Single platform with single API integration – one source code for SMEs and large Enterprises

Highly Configurable
Configurable by client, region, currency, business type and channel

Customer experience
High integration over the payment value chain enables superior customer support

- Process local and international payments
- Single view of their transactions
- Quicker time to market

Value-added services
DCC, MCA, Installments, reporting, merchant and partner portal, global reconciliation, FX

RS2 Vision and Mission Statement

Truly global & fully integrated E2E digital omni/multi-channel payment service provider

Vision

Our ambition is to become a **fully integrated, digital omni-/multichannel payment service provider** – simple, innovative, targeted to consumer demands and with global reach

Mission

Deliver all payment services out of one hand, worldwide scalable and agile solutions combined with best in class customer service – we empower financial service provider & merchants to benefit from digitalization of payment and on-us processing

Cornerstones of RS2 Group Strategy

Five pillars will drive the strategy, to build an integrated omni-channel service provider

Processing

- Best-in class Processing for Issuing & Acquiring - Global platform with a single API
- Switching
- Disputes
- Risk-Management
- ICF/CSF-Optimization
- Empowering on-us

Acquiring & Issuing

- Direct merchant acquiring-business under own license in EU
- Strong position in Germany and US as a starting point for further growth in other countries (as follow your customer strategy)
- Issuing for Loyalty, Prepaid, closed-loop cards

PSP / Alternative Payments

- PSP-solution, incl. capability to offer integrated one-stop-shop payment solutions ("omni-channel")
- Alternative payments in E-Commerce (e.g. Billpay, Ratepay, iDeal, Elo, Wallets)

Terminal & Technical Network

- Own technical network operations
- Sales & Rent of terminals incl. own terminal management

Strategic Add-on Services

- Dunning/Collection
- Factoring
- Cash Management
- B2B payment

One Contract + Reconciliation + Reporting + Billing

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Financial Highlights

Strategic shift from Licence Solutions to Processing Solutions and Merchant Solutions

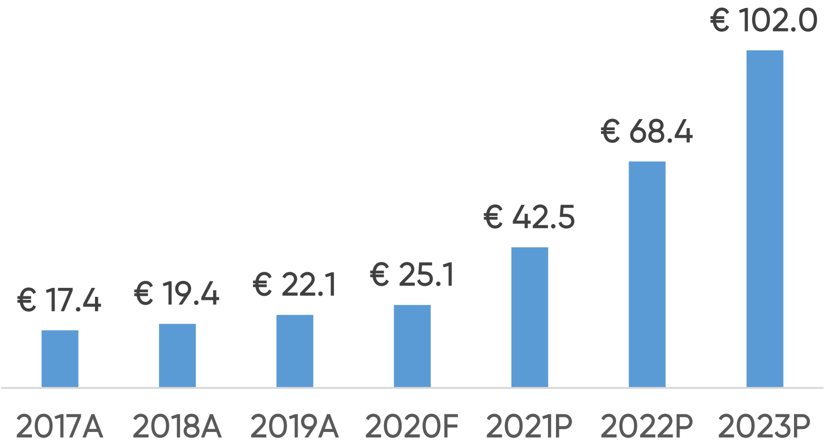
Transforming the revenue generation model from dependence on one-time licence fees to ongoing and recurring revenue based on number and value of transactions processed

On boarding of high volume clients

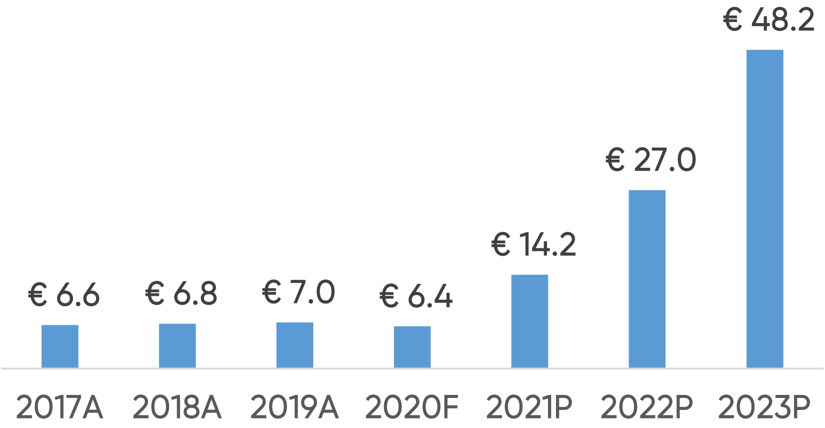
Constant increase in volume processed

Cost of sales expected to increase at a slower rate than the expected ramp up of revenue, increasing gross profit margins

Revenue (€millions)



Gross Profit (€millions)



Financial Highlights

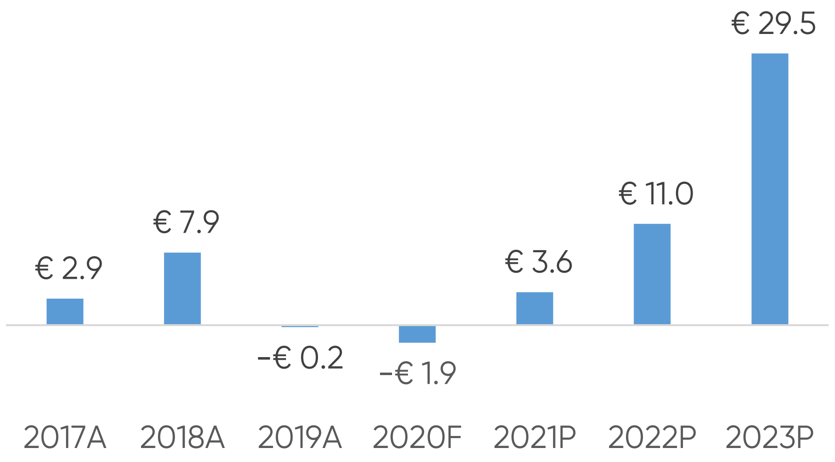
A period of significant investment during the past three years in the United States and in Merchant Solutions – costs increasing at a faster rate than revenue

A large extent of investment is of an operational nature, up to 2020 absorbed within the Income Statement

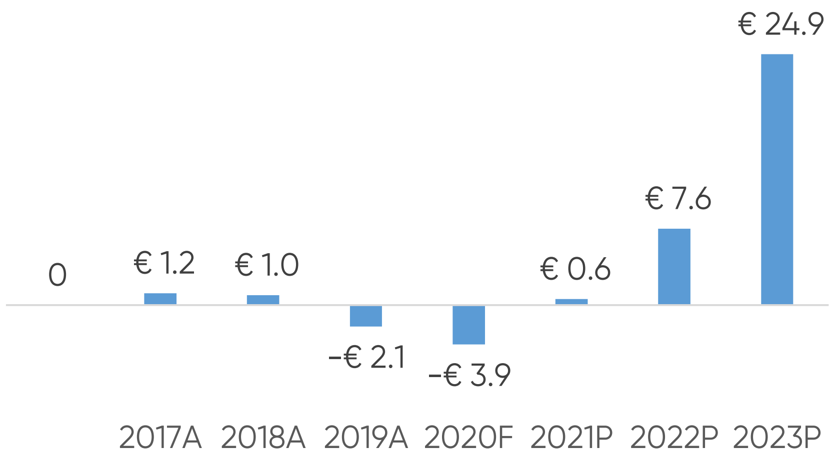
As from end 2020, early 2021 transitioning from implementation mode on significant clients to processing mode, revenues realised

Investment in the Group's own micro services capabilities, slower rate of increase in infrastructure costs compared to the rate of increase in transactions processed

EBITDA (€millions)



Profit before tax (€millions)



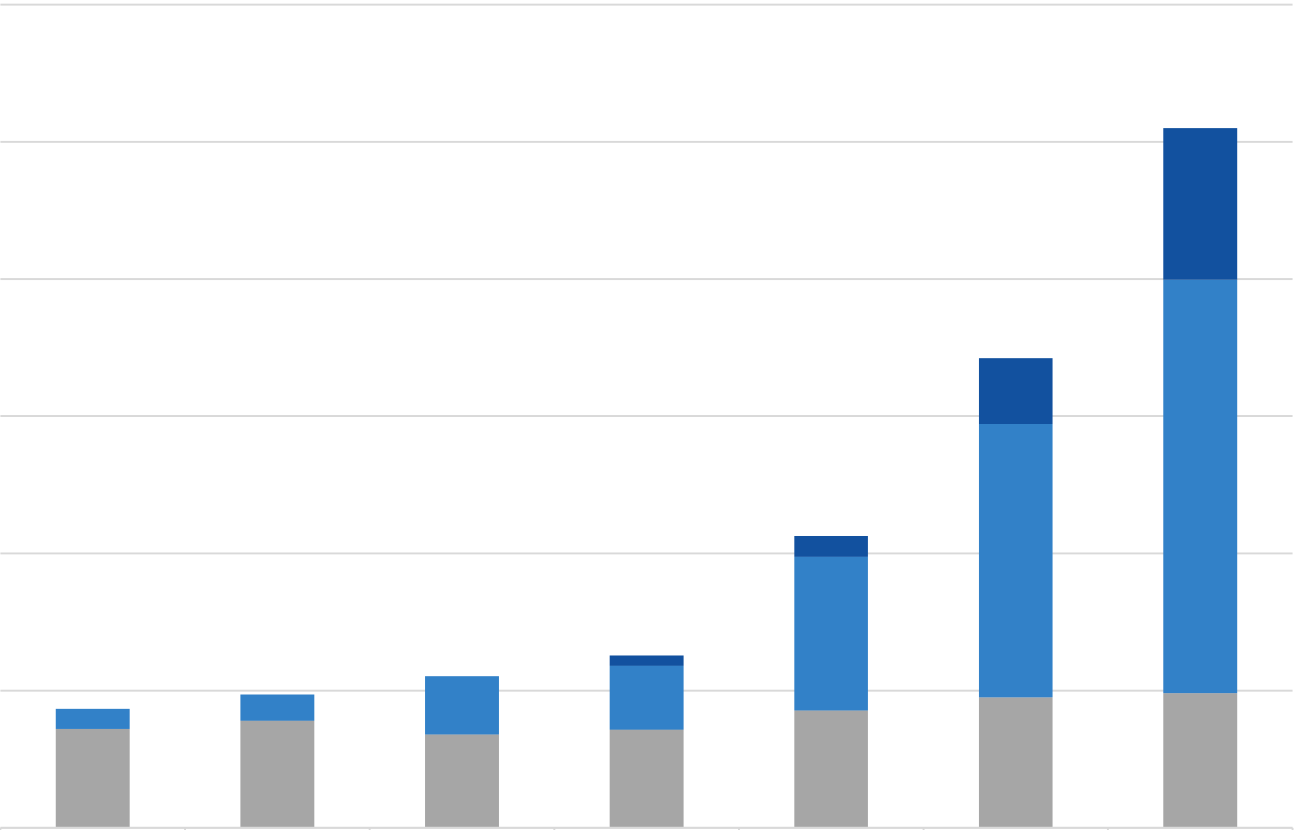
Financial Highlights

Merchant solutions gains momentum in 2022, increases further in 2023

Processing solutions to increase threefold over 2021-2023

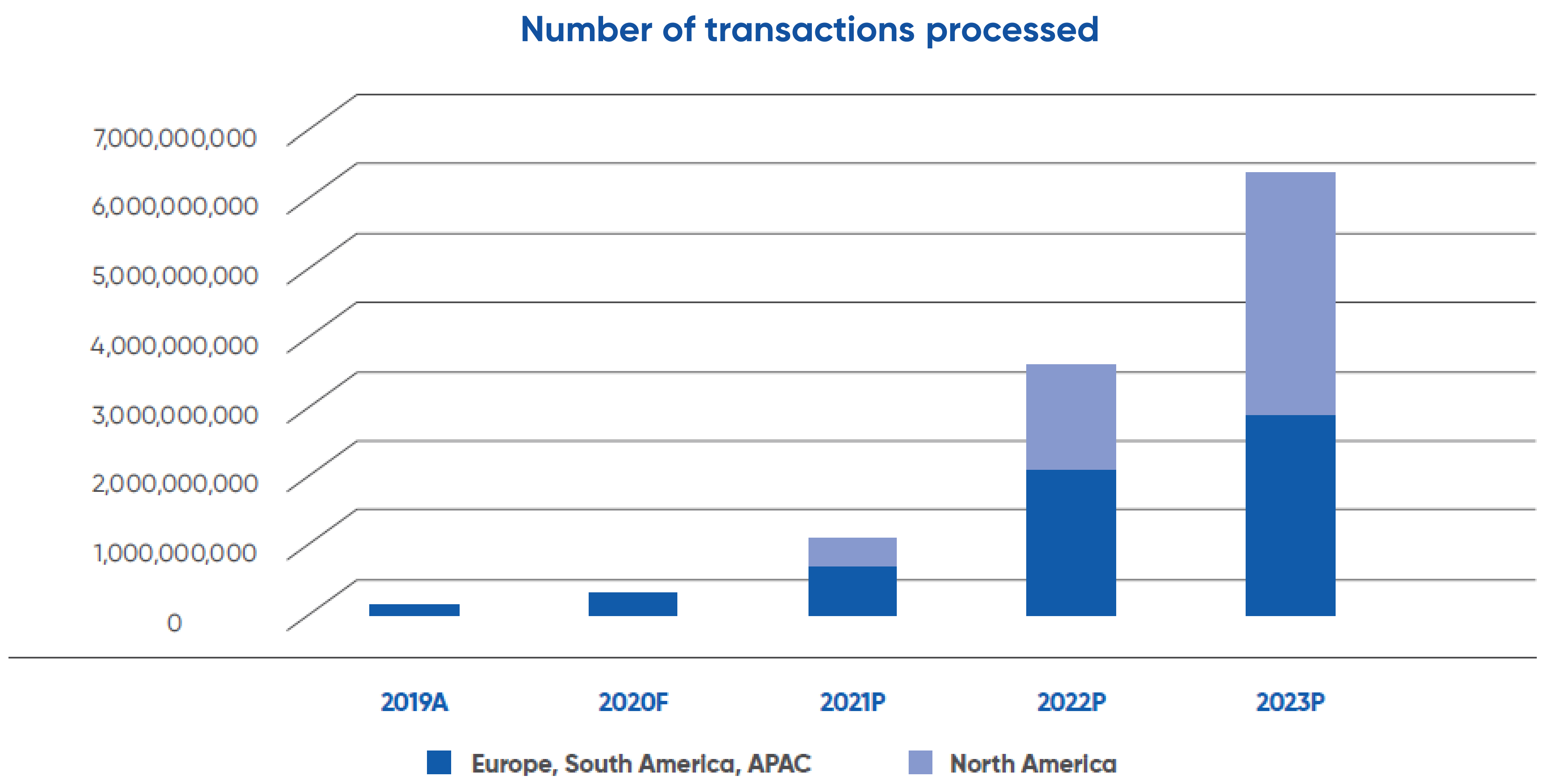
Software Solutions remains stable

Revenue by Business Segment 2017 – 2023 (€millions)



	2017A	2018A	2019A	2020F	2021P	2022P	2023P
Merchant Solutions	–	–	–	1.5	3.0	9.6	22.1
Processing Solutions	2.9	3.8	8.5	9.3	22.4	39.8	60.3
Software Solutions	14.4	15.6	13.6	14.3	17.1	19.0	19.6

Financial Highlights



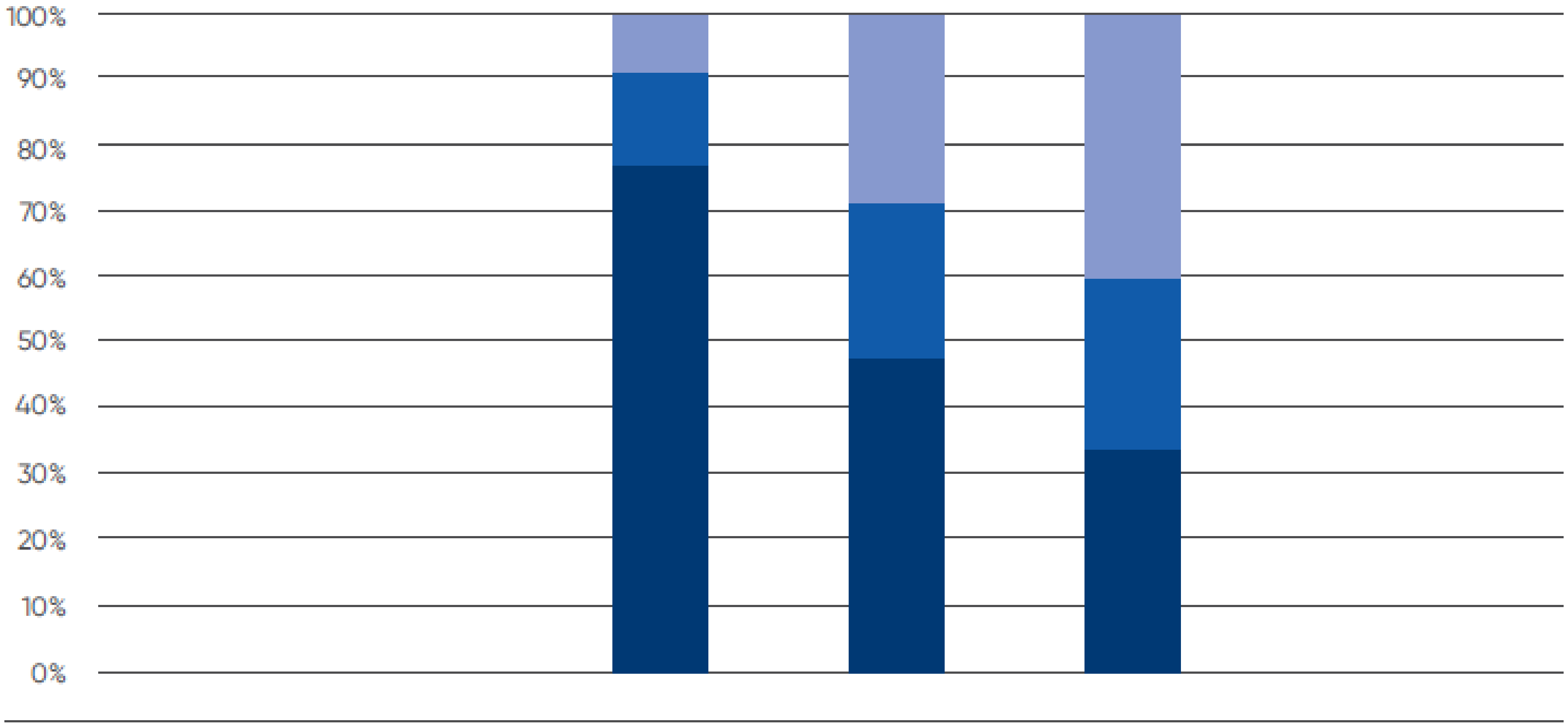
Small niche provider → Leading global payments provider

Financial Highlights

High degree of revenue from existing, contracted, committed clients

High visibility of future revenue streams

Revenue generation



	2021P	2022P	2023P
Business Pipeline	9%	29%	40%
New contracted/committed clients	14%	23%	26%
Existing clients	77%	48%	34%

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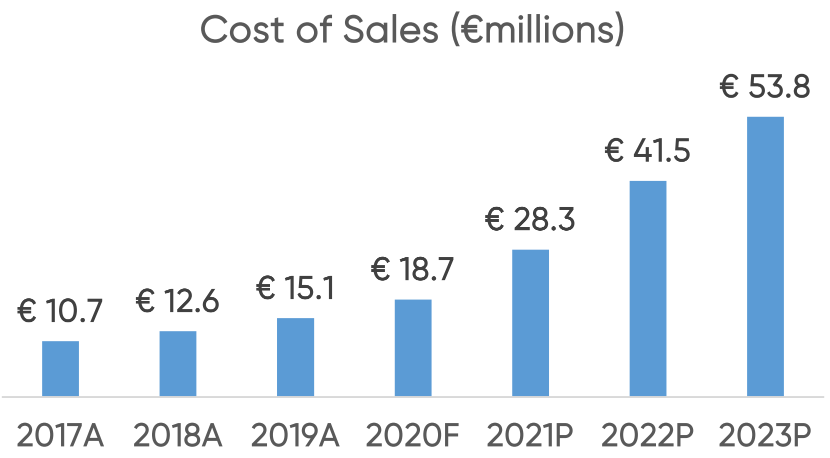
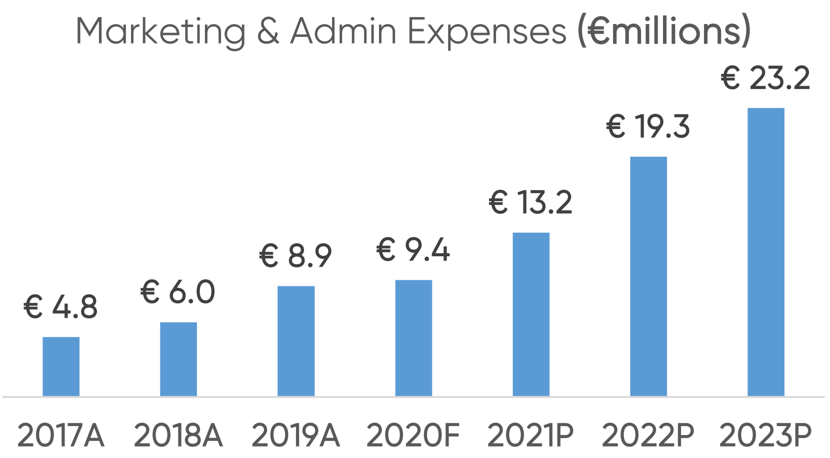
Financial Highlights





Supplementing the operations teams for the Processing Solution in Europe and the US

Increasing headcount relative to value added services

Ramping up headcount in Merchant Solution for full launch

Formation of Product Enhancement Focus team

Strengthening group infrastructure, increasing technical unit

Investment in infrastructure costs to meet increased demand

Increased efforts in marketing to boost group profile and brand awareness

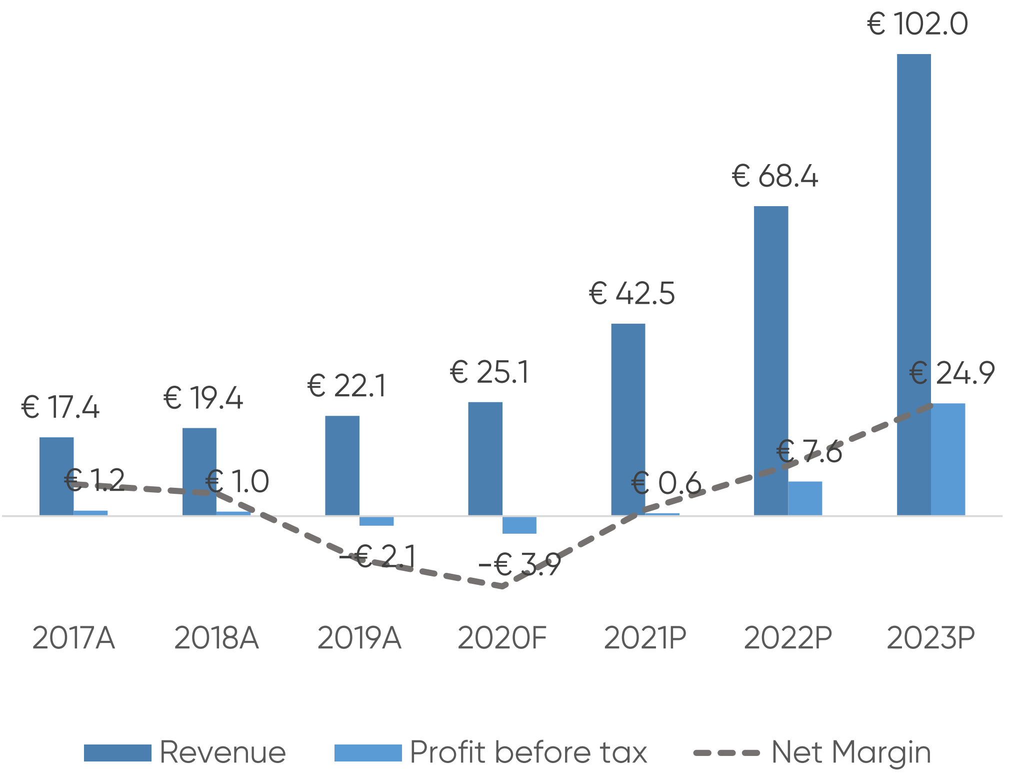
Strengthening its sales and marketing team in order to ensure a healthy pipeline

Enhanced administrative functions to reflect growth

Increased amortisation (COS) and depreciation expenses (Admin) reflecting enhanced investment in BankWORKS® and infrastructure necessary to increase processing capacity

Financial Highlights

Revenue vs. Profit before Tax (€millions)



Investments paying off

- Shift from Software Solutions into Processing and Merchant Solutions
- Major clients with high transaction volumes going live late 2020/early 2021
- Onboarding of new high-volume clients, additional volumes from existing clients
- Major customer in US on a hybrid Software and Processing Solutions model
- Limited revenues from other US clients in past results, 2021 will see the launch of the core processing business in the US
- Merchant Solutions first full year of revenues – Europe in 2022, USA in 2023
- Investment in the Group's own micro services capabilities, slower rate of increase in infrastructure costs compared to the rate of increase in transactions processed.

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Rationale for Preference Share Issue

- Increase group profile and brand awareness
- Foster organic growth investment to ramp up and strengthen operations by focusing on Europe and USA
- Invest in organisation and regional expansion by scaling up sales, marketing and market communication
- Invest further in its own acquiring business initially in Europe and the US and subsequently globally
- Develop and execute the technology roadmap to enhance product capability and service offering
- Support RS2 in pursuing growth over profitability in the medium term
- Repay short-term bank facilities mainly composed of bank overdrafts taken to finance the Group's investment in operating expenditure necessary to execute its growth plans
- Sign accretive add-on acquisitions of companies to enhance our capability, to scale and improve time-to market through M&A transactions

Use of Proceeds

€4m	Further investment in United States
€6m	Additional investment in Merchant Services
€5m	Product enhancements in line with Product Road Map
€10m	Repayment of short term bank facilities

The first €25m have been modelled into the financial projections for 2021 to 2023

€15m	M&A transactions to complement Group's business & growth plans
€10m	Further investment in platform and service offering

Due to their nature, M&A transactions cannot be timed or can they be assessed. The additional investment in the technical capabilities will be required following the attainment of certain levels of growth and operations. Impact on income statement cannot be assessed at this time, thus not reflected in financial projections

Information about the Offer

Up to 28,571,400 Preference Shares having nominal value of €0.06 per share at an Offer Price of €1.75

(Offer Price of €1.75 representing a discount of circa 18% to the trade weighted average price of the Company's Ordinary Shares over a twelve-month period from 11 February 2020 to 8 February 2021 and a premium of €1.69 over nominal value)

Available for subscription as follows:

Up to 14,285,700 Preference Shares reserved for subscription by Financial Intermediaries through an Intermediaries' Offer*;

Remaining balance** available for subscription by:

a) Preferred Applicants
b) the general public.

*minimum applications of 150,000 Preference Shares per underlying applicant and in multiples of 100 Preference Shares thereafter
** minimum applications of 1,000 Preference Shares per underlying applicant and in multiples of 100 Preference Shares thereafter

Preferred Applicants:

RS2 shareholders - holders of ordinary shares in RS2 Software p.l.c. appearing on the share register as at 19 February 2021 (with last trading on 17 February 2021)

RS2 employees - those persons employed by the Company and its subsidiaries as at 19 February 2021

In determining the allocation policy, the Company will be giving preference to Preferred Applicants.

Rights attaching to the Shares

	Preference Shares	Ordinary Shares
Dividends	✓ Premium of =/> 10% over Ordinary Shares	✓
Bonus Shares	✓	✓
Voting Rights	✓ 1 vote per share In specific circumstances as outlined in M&A	✓ 2 votes per share At all general meetings of the Company
Capital Distributions	✓	✓
Pre-emption	✓	✓
Assets upon Liquidation	✓	✓
Other	✓ Non-cumulative, non-redeemable, non-convertible	N/A

Expected timetable

Event	Date
1. Application Forms mailed to RS2 Ordinary Shareholders	26 February 2021
2. Opening of Offer Period	3 March 2021
3. Intermediaries' Offer date	17 March 2021
4. Closing of Offer Period	30 March 2021
5. Announcement of basis of acceptance through a company announcement	9 April 2021
6. Refund of unallocated monies, if any	16 April 2021
7. Dispatch of allotment letters	16 April 2021
8. Expected date of admission of the Preference Shares to listing	16 April 2021
9. Expected date of commencement of trading in the Preference Shares	19 April 2021

Offer Period may close before 30 March 2021 in the event of over-subscription

Investment Rationale

Key highlights and growth strategy

1 Comprehensive technical solution	• RS2 is one of the only providers to offer a global omni/multi-channel platform • 30 years market experience Worldwide presence with blue chip customer portfolio • Uniquely positioned for global customers to process international & local payment
2 Solid financial base and market out-performance	• Healthy financial position • Solid and prime long-term oriented shareholder-structure • Over last years, RS2 significantly outperformed the stock market
3 Highly attractive industry	• Double digit market growth in payment over last years • Digitalization drives innovation and disruption and offers new revenue streams • Future tailwind is coming from consumer behavior, regulation and digitalization
4 Strong market momentum	• Consolidation process offers opportunities, both for organic and inorganic growth • Influence of leading-edge technology increases, software is a crucial advantage • High liquidity and cheap re-financing allow significant investments
5 Clear Strategy for accelerated growth	• Future-driven strategy around the big opportunities in the payments-industry • Ambition to become a full integrated, digital, omni-/multi-channel payment provider • Developed a clear strategic roadmap to implement strategy and to maintain focus

Thank you.

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Question time.

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