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BrandVoice

Leading the Fintech Revolution

Only four years ago, MARVIN BLAZHEVSKI gave birth to the idea of a company that offers infrastructure solutions for financial and digital transformation. Today, SEPA Cyber Technologies is a reality and it creates fintech innovations from Varna for the whole world.

BY VESELIN DIMITROV

During one of the more recent weekends, Marvin Blazhevski, the CEO of SEPA Cyber Technologies, received a message on his phone. It is Saturday night and the security system alerts him of the entrance at one of the company's offices in Varna. He quickly realizes that it is actually his colleagues who have come to work on an important project.

„I called them and told them to go home immediately, because work is not more important than their families,“ Blazhevski said with a smile. But I have to admit that I was also very happy with how dedicated they are to their work - for us in management, that means we are doing things right.”

Marvin Blazhevski is 32 years old and full of enthusiasm. Although young, he has over ten years

of experience in the financial field, loaded with entrepreneurial flair and global expertise. And not just because he is a German with Hungarian roots. Blazhevski has studied and worked in Switzerland, Austria, France, the United Kingdom, the United States, Germany and Croatia. He founded and developed his first business in Austria when he was only 21, namely a POS terminal management system.

„The idea was born while I was paying with my credit card for bread, which costed two euros, in Innsbruck,“ he recalls. That would have seemed strange in Germany at that time. Most merchants only accepted cash; card payments were almost embarrassing - even more so for small amounts. “Blazhevski began reading a lot about financial transactions around the world and relatively soon realized that he wanted to work in the field.



And so began his adventure in the financial sphere. Over the years, he gained experience and at the end of 2018 created SEPA Cyber Technologies. A main role in the company plays HAK Investment Group, an investment company active in 19 markets.

In 2016, Blazhevski was responsible for the development of HAK Investment Group's IT business which made him realize that the time had come to create a project that „added value to the financial industry“ he said. One that creates functional products that are affordable and easily scalable globally. „I come up with ideas every day,“ says Blazhevski, „but in this case I did a serious market analysis and saw that the time had come for just such a project.“

So HAK Investment Group began looking for a location to set up a technology company in Eastern Europe. The choice was between Romania, Ukraine and Bulgaria. The Romanian and Ukrainian options were quickly rejected, as it became clear that they did not offer the competitive environment that exists in Bulgaria. Namely, highly qualified professional staff, an efficient public administration that fuels new investments, and a stable macroeconomic environment guaranteed by national policies and membership of the European Union.

In other words, the analysis showed that Bulgaria would be most suitable for market success. „Our experience shows that the market here is the most favorable. It was a great decision, today we are very happy that we did our homework well, and we do not regret our choice. „said Marvin Blazhevski.

He himself chose Varna as the company's headquarters. The reason is that there are many young people in the city who are graduating with a degree in technology. They want to stay in Varna but go abroad due to lack of prospects. Blazhevski believes he can offer them a challenge that will keep them from leaving, and both sides can win.

Today, he says the decision was the right one. That SEPA Cyber Technologies has a „great team of select people.“ „For them, this is not just a job, but a way of life. In many cities we see a startup spirit, but here there is also a high quality of life, which leads to more motivated colleagues, and consequently to a better product.“

INNOVATIONS FOR THE FINTECH FIELD

In its fall 2019 report, The Business Research Company estimates that by 2022, the fintech industry, which is currently valued at about 150

bn USD, will reach a turnover of 310 bn USD.

Contributing to the jump will be companies that we traditionally perceive as fintech - digital banks such as Monzo, Revolut, N26, digital lending companies such as Klarna, virtual payment systems such as PayPal, but also new players in the field known as GAFA (Google, Amazon, Facebook, Apple).

However, all of them - even traditional banks, whether they want to or not, under the pressure of their customers, have to be digitalized - need a constantly evolving technological infrastructure. And here comes the role of SEPA Cyber Technologies.

„Let's compare the financial industry with the aviation industry. Airlines transport people from point A to point B and sell plane tickets. However, they buy their planes from manufacturers „- this is how Marvin Blazhevski's answer begins when Forbes asks him how he would explain the company's business to a fintech layman.

„Now imagine that we at SEPA Cyber Technologies make the planes and the banks are the airlines,“ he continues. We develop innovations, security systems and new technologies for the global financial industry. This allows companies to focus on their core business, which is to provide financial services.“

„All of these services are offered white label, which means that they can be customized with the customer's logo and colors. Although we insist, Blazhevski cannot name the company's clients because of the confidentiality of the contracts. However, he hints that among them are companies that are known and used by Bulgarian consumers.

„We are building the technological infrastructure for companies all over Europe, Turkey and other parts of the Middle East,“ Blazhevski says. Sometimes we do it on site in the companies themselves, sometimes in our own offices remotely.

„SEPA Cyber Technologies has its own data centers in five European cities - Varna, Sofia, Bremen, Munich and Greenwich. The company's offices are also located globally. SEPA Cyber Technologies is headquartered in Varna, with offices in Germany, Turkey and India. The operational activity - project management, back office, development of information technology, management, there is also a sales division - is concentrated in Bulgaria. The office in our southern neighbor is mainly engaged in business development. In Germany, a software quality evaluation is done and commercial activity is executed. IT development is carried out at the



company's branch in India. All this makes 700 employees, of which about 70 are in Varna.

The team in Varna is constantly increasing and even during the COVID-19 crisis more than 30 new colleagues have been hired. Blazhevski himself is also mainly in the Varna office, but he says that in 2019 he spent more time on flights than at his work desk.

This is necessary not only because the goal of SEPA Cyber Technologies is to work on even more new markets - Sudan is the latest example

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of this, but also because of the new standards in data storage. Many companies keep the most sensitive information about their customers in the country where they operate. Accordingly, SEPA Cyber Technologies must create legal entities in different territories and create an extended data storage infrastructure.

RESPONDING TO SPECIFIC CUSTOMER NEEDS

SEPA Cyber Technologies' product portfolio - SEPA CoreX, offers endless possibilities - from issuing payment tools (like debit cards) and eWallets, to platforms for payment processing, currency and cryptocurrency exchange to major banking systems. The services are easy to integrate with each other and with external platforms, they are scalable, with a high degree of automation, reliability (continuous operation 99.999%) and security.

Among SEPA Cyber Technologies' clients, in addition to financial institutions, there are also those from the government sector, the retail sector, and educational institutions.

„The cost of creating a platform like CoreX from scratch starts at 30-40 million euros,“ says Marvin Blazhevski. We provide it to large businesses, entrepreneurs and banks for a small part of these amounts as SaaS (Software as a Service). If you want to become a competitor in this market, you can use our platform, we will do your branding and business analysis.

Another category of services again from CoreX, which SEPA Cyber Technologies offers to its partners, ensures full compliance with the European directives against money laundering (AML) and terrorist financing. These are sensitive topics hiding behind the terms KYC (Know your customer), KYB (Know your business partner) or UBO (Ultimate Beneficial Owner). Through the services of SEPA Cyber Technologies, companies can obtain information about their customers and prevent illegal activities, as well as avoid hefty fines.

This sounds complicated and scary, but in fact there is an application for situations that each of us has encountered. Marvin Blazhevsky, for example, says that in the midst of the COVID-19 crisis in early 2020, a German university contacted SEPA Cyber Technologies to solve the problem of virtual exams.

Logically, the learning process in a digital environment reaches this point. However, how do you test someone behind the computer when anyone can stand in their place. The company's KYC system solves the case. We usually

encounter it when we are opening an account in a digital bank and we have to take a selfie with our smartphone to ensure that we are the same person as on our ID card.

In the case of tests, each subject must have a camera on. If they move from the computer, the test is paused, and if another person appears in their place, it is blocked. „This project shows that different types of companies and institutions from different fields come to us all over the world,“ says Marvin Blazhevski. “They need a solution - and we give it to them quickly!”

He adds that the projects his company offers are rarely similar. Yes, they save time, processes, money and resources and add value to the business, but they always have their specifics.

THE LAST ALERT

When Forbes asks SEPA Cyber Technologies' CEO about the effect of COVID-19 on business, he first wants to point out that he does not want to sound like he wants to take advantage of this global misfortune and the personal tragedy of millions.

I specify that we ask whether the acceleration of the process of digitalization is felt. „Of course,“ he says. COVID-19 was the latest hint to companies that did not want to innovate, did not want to change and develop. It was a signal to wake up and admit that we are already in the 21st century and they are forced to digitalize to save money and not be trapped in the past. ” During the state of emergency, the company's offices in Varna did not close, but the management made everything possible to ensure the safety of employees. When the masks in Bulgaria were exhausted, a special delivery from Turkey was organized, which included a disinfectant for all families of their employees. „We have not delayed payroll payments because we know we are responsible for them,“ Blazhevski said.

As it became clear at the beginning of the text, the respect is obviously mutual. And in general, he sounds enthusiastic about the location in Varna and the talent which the company finds there. Moreover, the company will soon launch its own academy, SEPA Labs, in which they will provide additional training to their employees. Lecturers will be leading specialists from Germany and Turkey.

„The satisfaction of our colleagues is key to the quality we provide to our customers, so we want to constantly provoke the brains of the team.”

We are constantly looking for new talent, we

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are even trying to convince people to relocate to Bulgaria „, adds Marvin Blazhevski. He is glad that customers of SEPA Cyber Technologies follow the example. He says that on his advice, three companies have already opened their back offices in Bulgaria, have hired over 1,200 employees and are very happy. We ask who the companies are, of course, but he smiles politely and says he cannot name any names.

„We are proud that our headquarters are in Bulgaria, but we are growing globally and so we manage to support the economy of a country with great people and great nature, about which, unfortunately, little is known. SEPA Cyber Technologies invests in local talent and adds value to the world of innovation with the „Made in Bulgaria“ stamp - says Marvin Blazhevski. „I think it is admirable - at least I would love for someone to want to do something like that in Germany.“ Then he thought for a moment and laughed, „okay, not that Germany needs it.“

What's next for SEPA Cyber Technologies? The company's goal is to increase its business almost threefold in 2020. It reports consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) for 2019 worth 10 million euros, the projected forecasts for this year are 27 to 35 million EUR. But won't the crisis thwart these plans? „I don't think so,“ said Marvin Blazhevski, „we know the market well enough to know what to expect from current and potential customers.“

In the more medium term, the bold goals of shareholders and management reach an initial public offering (IPO) on an international stock exchange within three to five years. „During this time, we need to become more global and build more turnover and profit,“ said SEPA Cyber Technologies' CEO. Asked if he saw any obstacles to this plan, he replies succinctly: „Time.“

In this situation, perhaps he should think twice before stopping the urge of his colleagues to work on a Saturday night again.