

Unifiedpost takes the lead in building a compliant network for businesses

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PRESS RELEASE - REGULATED INFORMATION

Steady progress towards cash flow positivity strengthens commitment to financial sustainability

La Hulpe, Belgium – May 22, 2023, 7:00 a.m. CET - Unifiedpost Group (Euronext: UPG) (Unifiedpost, the Group, or the Company) is pleased to report strong Q1 2023 performance, driven by a double-digit increase in digital processing revenue. Positive results were observed in Belgium, France, Serbia, and the Nordic countries. The customer base surpassed 1,1 million, with 473.679 paying businesses and 660.027 customers paid by third parties. The Banqup product experienced continued growth, with a surge in new subscriptions. Unifiedpost Group reaffirms its target to achieve cash flow positivity over H2 2023, following the planned trajectory with diligent monitoring.

Highlights

- Unifiedpost Group's recurring digital processing revenue reached €32,0 million, showing a growth of 14,7% y-o-y.
- The company effectively executes its program to reach the target of being cash flow positive over H2 2023.
- The Group witnessed a significant rise in its customer base surpassing 1,1 million customers.
- The Banqup platform experienced substantial customer growth, with a total of 143.902 customers by the end of Q1 2023, showcasing the platform's popularity and robust organic growth.
- Unifiedpost Group's Banqup customers in Belgium (BilltoBox) reached 45.359, while Banqup customers in France (JeFacture) rose to 11.973, underscoring the company's success in expanding its customer base.

Commenting on the business update, Hans Leybaert, CEO and founder stated: "We are pleased to see continued growth of our network, with increased adoption in Belgium and France. As we expand throughout Europe, we are ideally placed to build a compliant network for businesses of all sizes and types. The VAT in the digital age (VIDA) initiative is driving more and more markets towards compliance, and Unifiedpost is leading the way in providing solutions for businesses to operate fully digitally, be compliant, and handle reporting requirements seamlessly. Our mission is to help all businesses in Europe achieve this goal so they can focus on their core business while we take care of the rest."

Key financial figures

(EUR million)	Q1 2023	Q1 2022	Change (%)
Digital processing revenue	33,4	29,6	+12,8%
Recurring digital processing revenue	32,0	27,9	+14,7%
Non-recurring digital revenue	1,4	1,7	-17,6%
Postage & parcel optimisation revenue	14,8	16,5	-10,3%
Group revenue	48,2	46,1	+4,1%

Key business KPI's

(#)	End Q1 2023	End Q4 2022	End Q3 2022	End Q2 2022
Customers	1.133.706	1.063.776	986.971	910.845
Paying customers	473.679	468.128	453.417	430.524
Customers paid by 3 rd parties	660.027	595.648	533.554	480.321
Companies in business network	2.186.270	2.109.297	2.023.460	1.745.401
Banqup customers	143.902	124.333	80.420	68.546
Organic growth (new subscriptions)	19.569	18.255	3.928	5.529
Migrated	0	70.582	7.847	7.116
Banqup customers Belgium (BilltoBox)	45.359	40.363	37.459	35.382
Banqup customers France (JeFacture)	11.973	5.428	4.087	3.591

Robust revenue growth and strategic focus drive success

Unifiedpost Group demonstrated robust growth in the first quarter of 2023, with revenue reaching €48,2 million, fuelled by a 14,7% y-o-y increase in recurring digital processing revenue. The Company is pleased to report a strong performance in digital revenue across Belgium, Serbia, and the Nordic countries, despite the negative impact of the SEK-EUR exchange rate on revenue in Sweden. These regions have consistently delivered positive results. In terms of geographical distribution, the top five countries for digital processing revenue remain consistent. Belgium leads the way with 22%, followed by Sweden with 19%, The Netherlands with 13%, Serbia with 8%, and Lithuania with 7%. Importantly, there were no substantial deviations from the budget for the countries where we are active, indicating stable and aligned performance across operations.

The revenue from postage & parcel optimisation, linked to the acquired business in the Scandinavian countries, showed a decline of 10,3% in revenue. This is largely attributed to the impact of the SEK-EURO exchange rate change.

During the first three months of the year, the project-based business is typically limited, a pattern observed in the previous years and also in 2023. The absolute differences compared to the previous year remained minimal.

Notably, 97% of the Group's revenue was recurring, highlighting the strong foundation of its business and the stability provided by the Group's loyal customer base. Unifiedpost Group continues to navigate the business landscape with resilience and adaptability, focusing on sustained growth and the development of innovative solutions that meet the evolving needs of the customers.

Unifiedpost Group achieved an average revenue per user (ARPU) of €23,5 in the first quarter, reflecting the ongoing growth and diversification of the digital processing business. The ARPU level is lower compared to the previous quarter (€27,3) primarily due to the absence of license revenue in the first quarter of this year, which was included in Q4 2022 with the closure of a large deal with ECMA (the French accountants federation). An increasing revenue contribution from Unifiedpost's SME business has also influenced the overall ARPU. This segment of the business typically exhibits a structurally lower ARPU, which results from its focus on serving a broader customer base and offering competitive pricing tailored to the needs of small and medium-sized enterprises.

Customer growth and network expansion fuelling Europe's digital transformation

Unifiedpost continues to witness remarkable growth in its customer base, reaching new heights in the first quarter of 2023. The number of customers surged to 1.133.706, reflecting a significant increase compared to the end of the previous year. Paying customers also showed a positive trajectory, with 473.679 businesses choosing Unifiedpost's services, highlighting the value and trust placed in the Unifiedpost solutions. Moreover, the company experienced a notable expansion in the number of customers paid by third parties, reaching 660.027, further solidifying Unifiedpost's position as a preferred partner for businesses across various industries.

Unifiedpost's commitment to building a robust business network remains unwavering, as the total number of companies in the network surpassed 2 million. This extensive network represents a substantial portion of businesses in Europe, estimated to encompass approximately 8% of the market.

Within the core SME product, Banqup, the growth trajectory continues. The number of Banqup customers grew strongly to 143.902, indicating a continued surge in adoption and showcasing the platform's appeal among SMEs. Notably, organic growth in new subscriptions contributed significantly to this achievement, with 19.569 new subscriptions added during the first quarter alone.

Unifiedpost's presence in key markets is thriving, as evidenced by the increasing number of Banqup customers in Belgium (Billtobox) and France (JeFacture). In Belgium, the Banqup customer base reached an impressive 45.359, while in France, the number rose to

11.973 at the end of the first quarter. These figures demonstrate the growing recognition and adoption of Unifiedpost's services, setting the stage for accelerated growth in the coming periods, particularly in the French market where e-invoicing will be mandatory as from 07/2024.

Unifiedpost remains dedicated to empowering businesses throughout Europe to embrace digitalisation, compliance, and streamlined reporting. With the comprehensive solutions, we enable businesses to focus on their core operations while relying on Unifiedpost for their essential financial and administrative needs.

Catalysing growth: Unifiedpost empowers businesses in the digital financial revolution

The market landscape is experiencing significant growth and transformation driven by the implementation of VIDA (VAT in the digital age) across various countries, revolutionising digital invoicing and reporting practices. This regulatory shift is prompting businesses to seek comprehensive solutions that encompass not only payments but also validation services, including tax compliance.

Unifiedpost has been diligently preparing its platform and solutions to meet these evolving market needs and is now well-positioned to capitalise on the emerging opportunities. The Group's extensive experience and expertise enable us to offer robust and tailored solutions that seamlessly integrate invoicing, payments, and tax validation services. By providing a holistic approach to digital financial processes, we empower businesses to streamline their operations, enhance efficiency, and ensure compliance with tax regulations.

As the market continues to evolve, the demand for comprehensive invoicing solutions coupled with tax compliance is expected to grow significantly in the coming years. Unifiedpost's forward-thinking approach and innovative solutions place the Company at the forefront of this market expansion. With its proven track record and established presence in numerous countries, Unifiedpost is strategically positioned to capture market share and forge strong partnerships with businesses seeking to optimise their financial processes.

Unifiedpost remains committed to driving growth, delivering exceptional value to its customers, and continuously innovating its solutions to stay ahead of market demands. By leveraging its extensive network, advanced technologies, and deep industry knowledge, Unifiedpost is poised to seize the exciting opportunities arising from the expanding market landscape and further strengthen its position as a leading provider of digital financial solutions across multiple countries.

Unifiedpost Group advances towards cash flow positivity

Unifiedpost Group remains committed to achieving cash flow positivity as its primary objective, considering the evolving economic landscape and business conditions. The company has implemented strategies to increase business contribution through sustained growth and diligent management of direct costs. Additionally, efforts have been made to reduce indirect costs, ensuring optimal efficiency throughout the organization.

The first-quarter results align with the planned trajectory, providing reassurance of the company's progress. The management team and board closely monitor the cash flow evolution on a monthly basis, promptly addressing any deviations from the plan. This proactive approach allows for swift interventions and adjustments to maintain the goal of becoming cash flow positive.

Based on the Q1 performance and the diligent monitoring and control measures in place, Unifiedpost Group confidently reconfirms its target to achieve cash flow positivity over the second half of 2023. The company's unwavering focus on financial sustainability and continuous improvement positions it well to realise this objective.

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Financial Calendar 2023

- 29 August 2023

Publication H1 2023 Financial Results

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About Unifiedpost Group

Unifiedpost is a leading cloud-based platform for SME business services built on “Documents”, “Identity” and “Payments”. Unifiedpost operates and develops a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Unifiedpost’s customers, their suppliers, their customers, and other parties along the financial value chain. With its one-stop-shop solutions, Unifiedpost’s mission is to make administrative and financial processes simple and smart for its customers. Since its founding in 2001, Unifiedpost has grown significantly, expanding to offices in 32 countries, with more than 500 million documents processed in 2021, reaching over 1.600.000 SMEs and more than 2.500 Corporates across its platform today.

Noteworthy facts and figures:

- Established in 2001, with a proven track record
- 2022 turnover €191 million
- 1400+ employees
- Diverse portfolio of clients across a wide variety of industries (banking, leasing, utilities, media, telecommunications, travel, social security service providers, public organisations, etc.) ranging from large internationals to SMEs
- Unifiedpost Payments, a fully owned subsidiary, is recognised as a payment institution by the National Bank of Belgium
- Certified Swift partner
- International M&A track record
- Listed on the regulated market of Euronext Brussels, symbol: UPG

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Attachments

- [20230522 UnifiedpostGroup PressRelease 2023Q1 BusinessUpdate FR v1.0](#)
- [20230522 UnifiedpostGroup PressRelease 2023Q1 BusinessUpdate ENG v1.0](#)