

Investor Day

November 2022

Investor day agenda



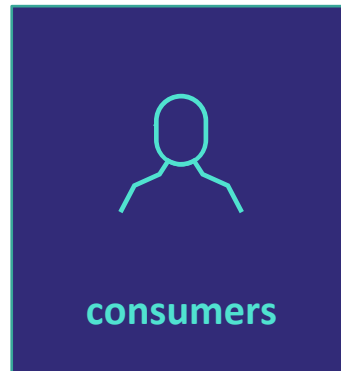
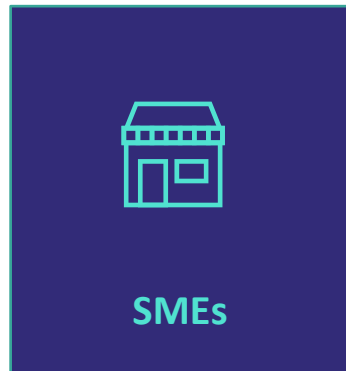
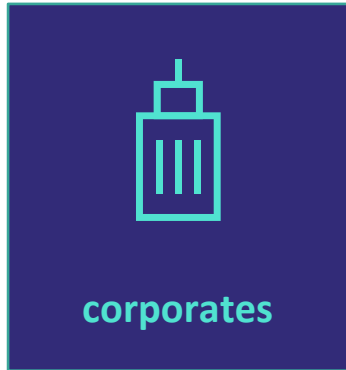
- 15:00 Welcome by host Sarah Heuninck (Investor Relations)
- 15:10 Strategy Update – Hans Leybaert (CEO)
- 15:45 Market Update – Marcus Laube (CSO)
- 16:05 Operational Update – Tom Van Acker (General Manager)
- 16:25 Financial Update: from investing to earning – Laurent Marcelis (CFO)
- 17:00 Live Q&A discussion with Senior Management

(CET times)

Strategy Update

Hans Leybaert - CEO

we make buying
and selling easy for...



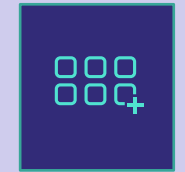
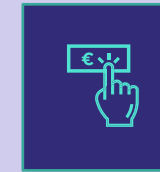
... by connecting them
in a global trusted
network



... by digitizing
and automating
financial processes

we streamline

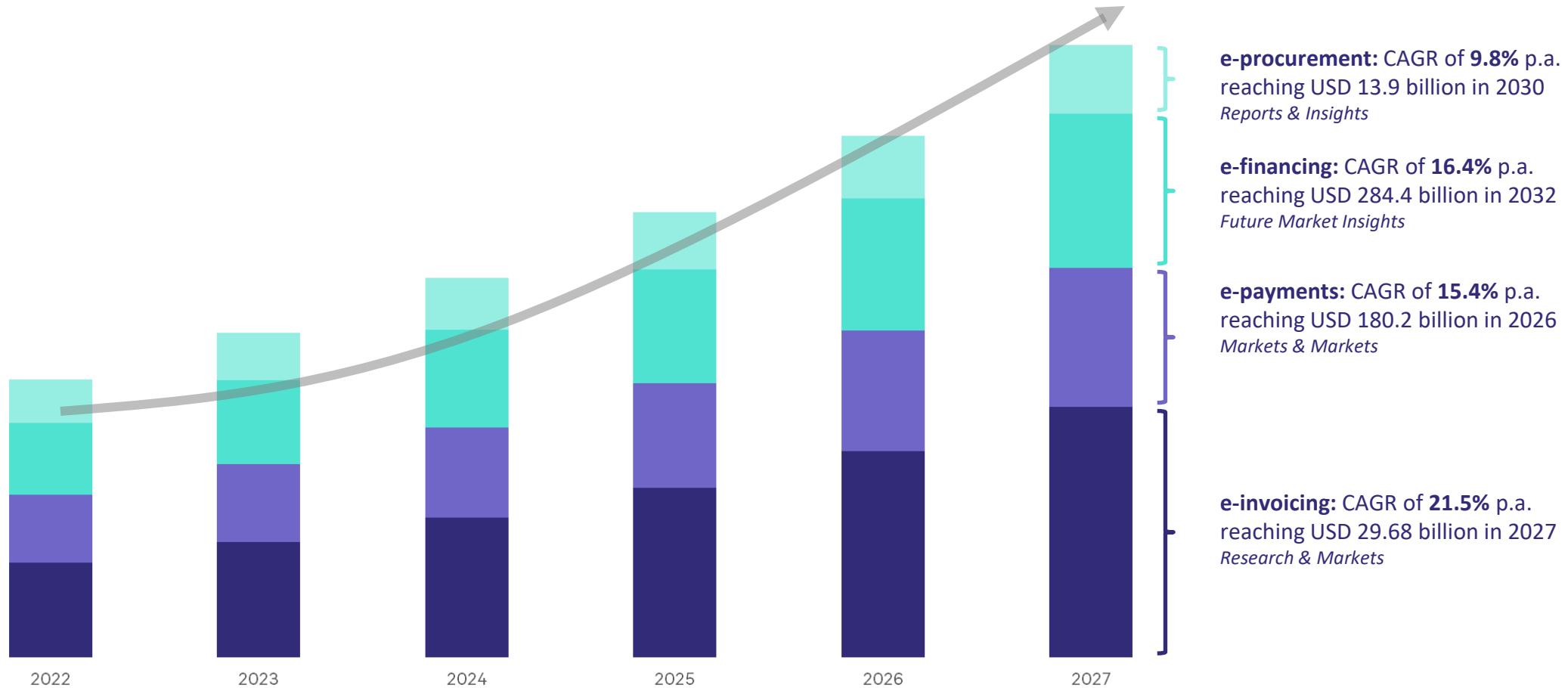
we integrate



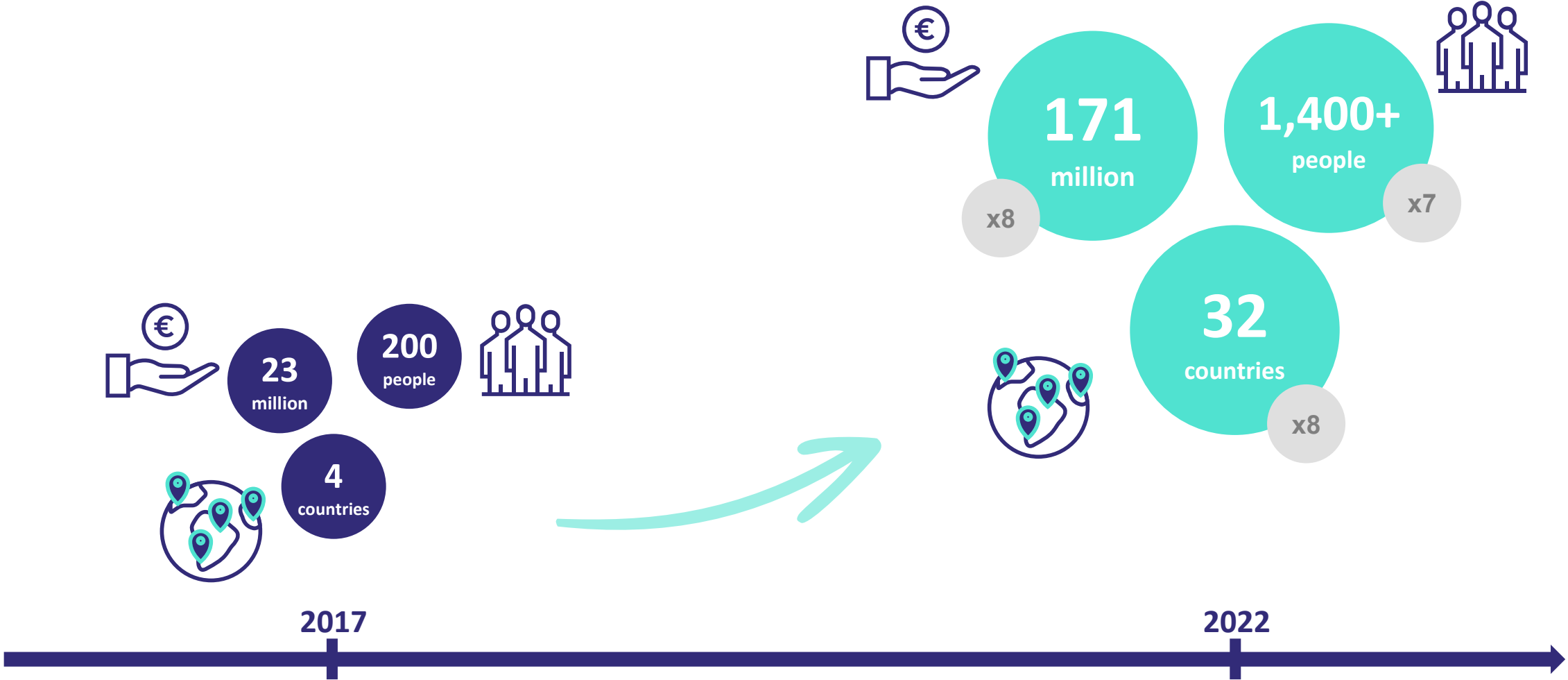
... by making them tax
compliant without
effort



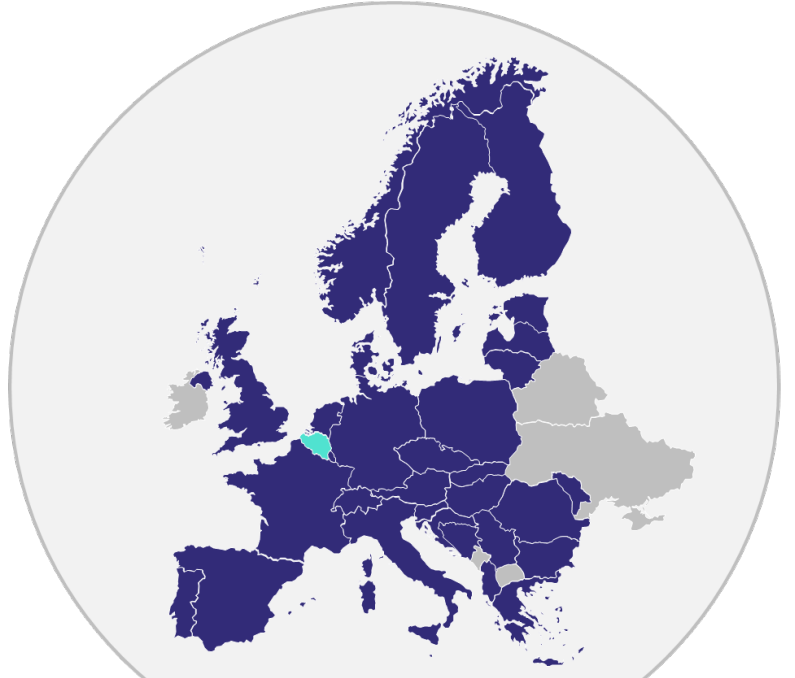
Unifiedpost Group. We operate in 4 highly attractive markets with high growth rates



Unifiedpost Group. We are a growth company with a proven track record



Unifiedpost Group. We are a growth company with a proven track record



Europe

Northern Africa

South-East Asia

 2001 Founded, HQ Belgium	 500m+ Documents processed
 1,400+ FTEs	 96.2% Q3 2022 Recurring revenue
 32 Countries	 €170.5m 2021 Revenue
 1,000,000+ SMEs	 5,000,000+ Connected users
 2,500+ Large corporates and governments	 8 Successful acquisitions last 3 years

(r)evolution



audit → monitoring
rise of continuous
transaction controls



PDF → data
data exchange
communication world

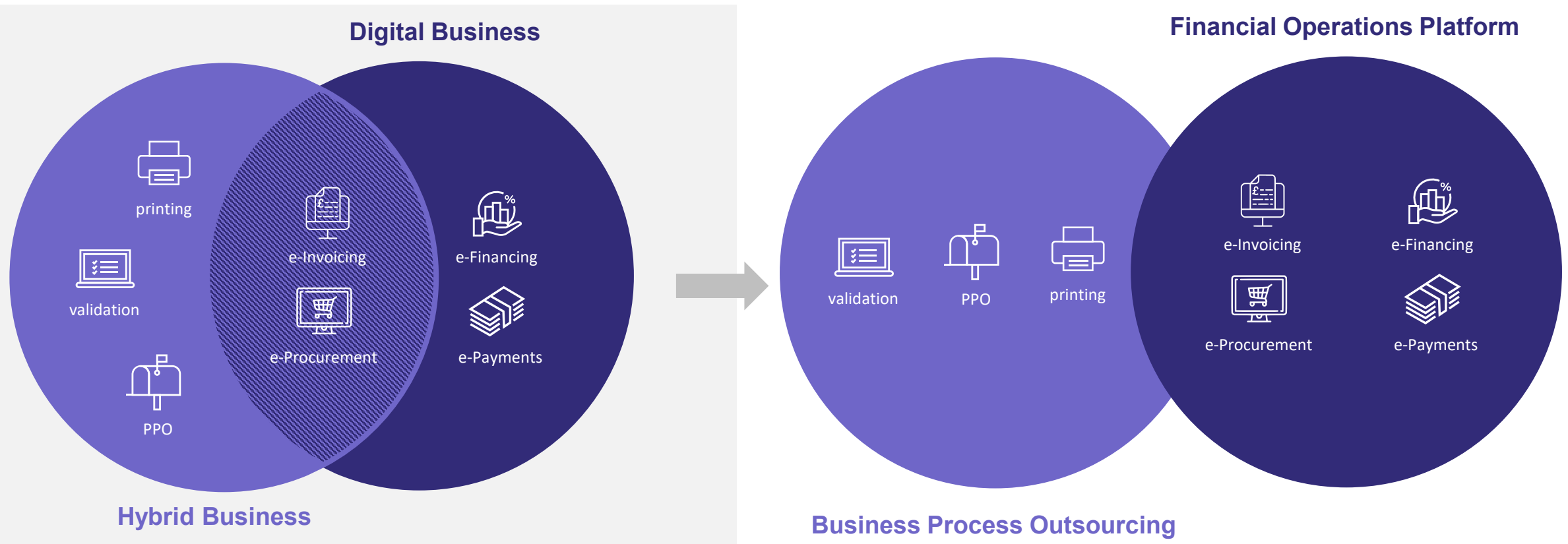


invest → earn
cash flow
positive H2 2023



many → one
organise after
growth

Focused business activities. Market aligned organisation in order to maximise profitability



Financial operations platform. Comprehensive and scalable offering for companies of all sizes



Transactions. Simplifying buying and selling is the foundation for additional services



Embedded payments. We make paying and getting paid straightforward



one view on all your cash and transactions

up-to-date cash insights & forecast

in-store payments with Banqup Terminal

Banqup wallet

business wallet linked to your bank

keep up-to-date with automatic reconciliation

business debit card

track and pay bills easy and simple

get paid faster adding online payment options to your invoices

in the pocket available everywhere

banqup by unifiedpost

Green Cubes
Mechelen, Belgium

Home Overview Settings

Current subscription: Ultimate

Cashflow (Week view)

Week	Incoming	Outgoing
Week 01	€250	€500
Week 02	€1000	€500
Week 03	€403,82	€224,34
Week 04	€1250	€500
Week 05	€1000	€500
Week 06	€1250	€500
Week 07	€1000	€500
Week 08	€1250	€500
Week 09	€1500	€500

Accounts Payable €4.345,24

Amount	Due in < 30 days	Due in > 30 days
€100.211,03	€200.699,92	€500.956,32

Accounts Receivable €1.753,46

Amount	Due in < 30 days	Due in > 30 days
€0,00	€456,12	€2.427,37

Network

- Telenet wants to connect
- Walem Computer Store wants to connect
- Florence Fernandez was added to your company as Administrator
- Proximus updated their bank account number

Did you know

Spread the word on social media

banqup Mastercard

1234 5678 9123 4576

VALID THRU 05/23

12345678912345

BERTRAND INGELGHEM

John Doe Solutions

Cashflow (Day, Week, Month)

Day	Week	Month
€250	€1000	€1000
€500	€500	€500
€1000	€1000	€1000

Payables €4.345,24

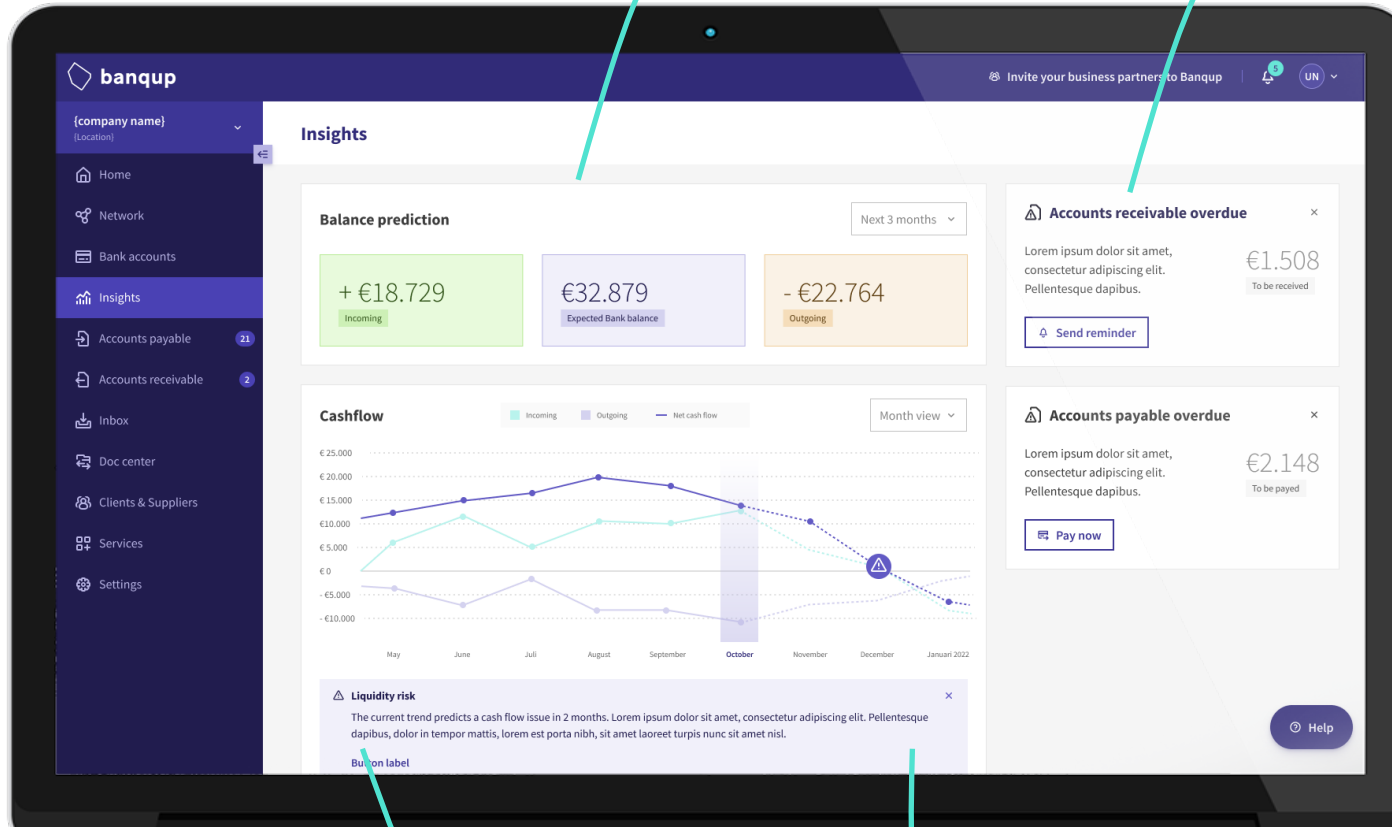
Receivables €1.753,46

Bank accounts

Embedded financing. We solve liquidity and investment challenges

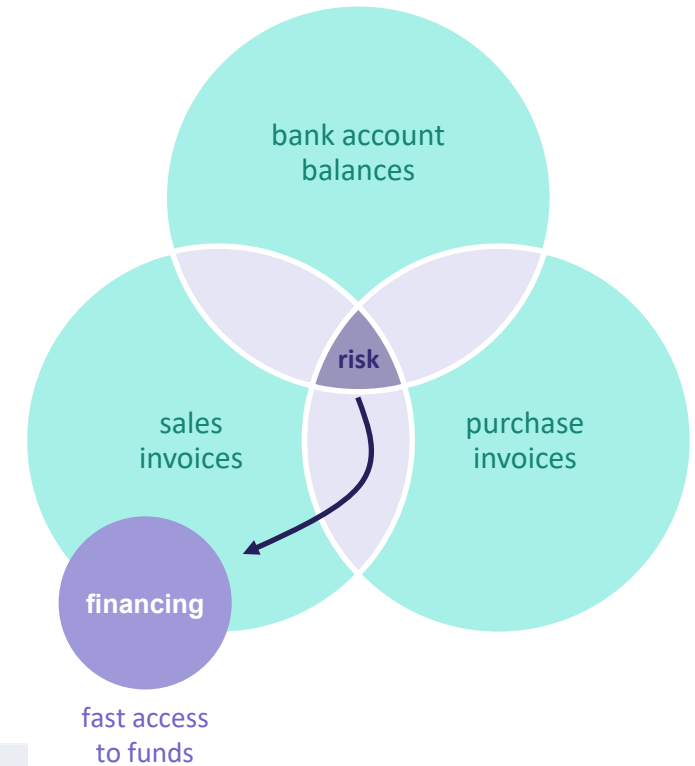
up-to-date
cash insights
& forecast

cash management
assistants

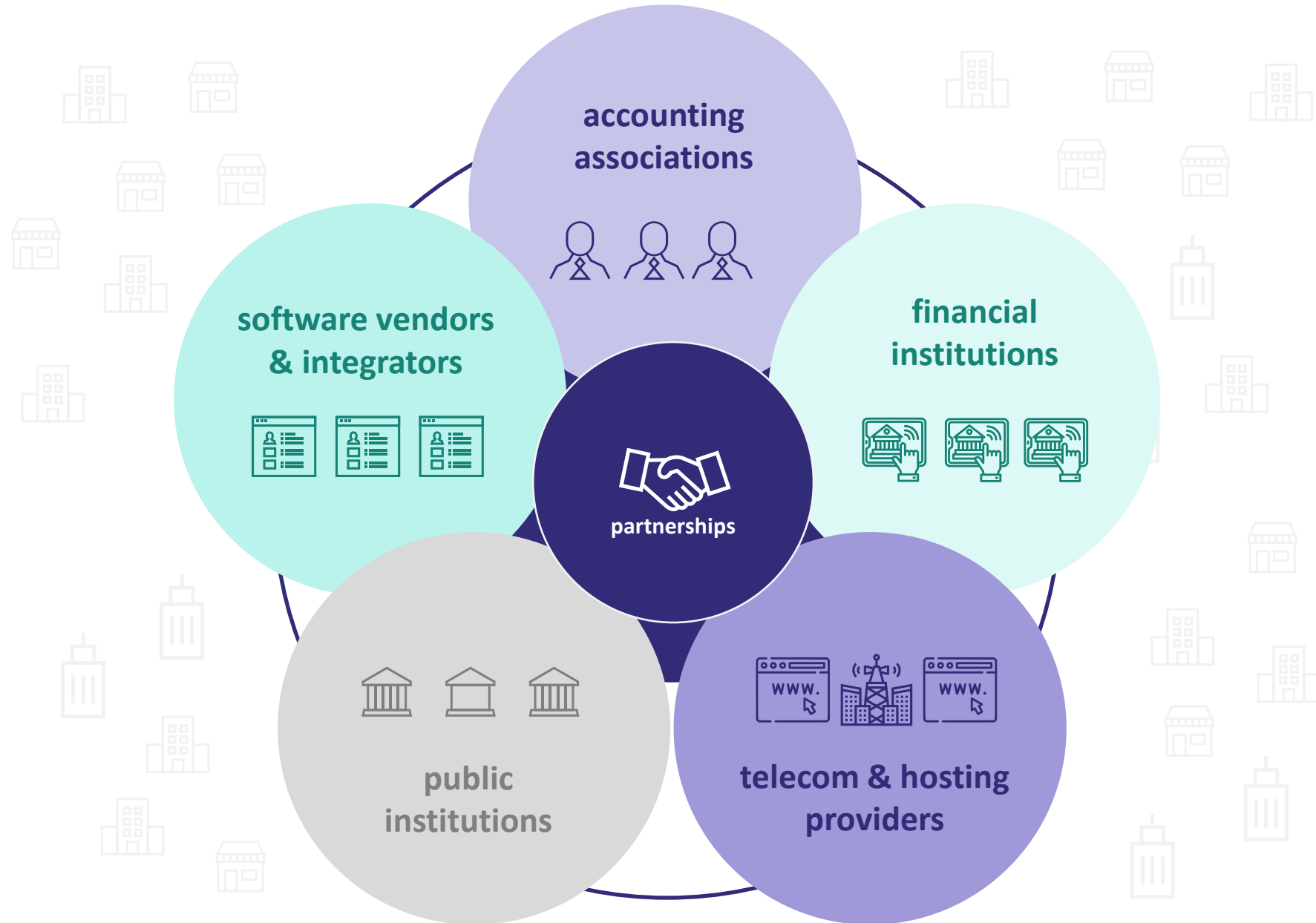


liquidity risk
indicators

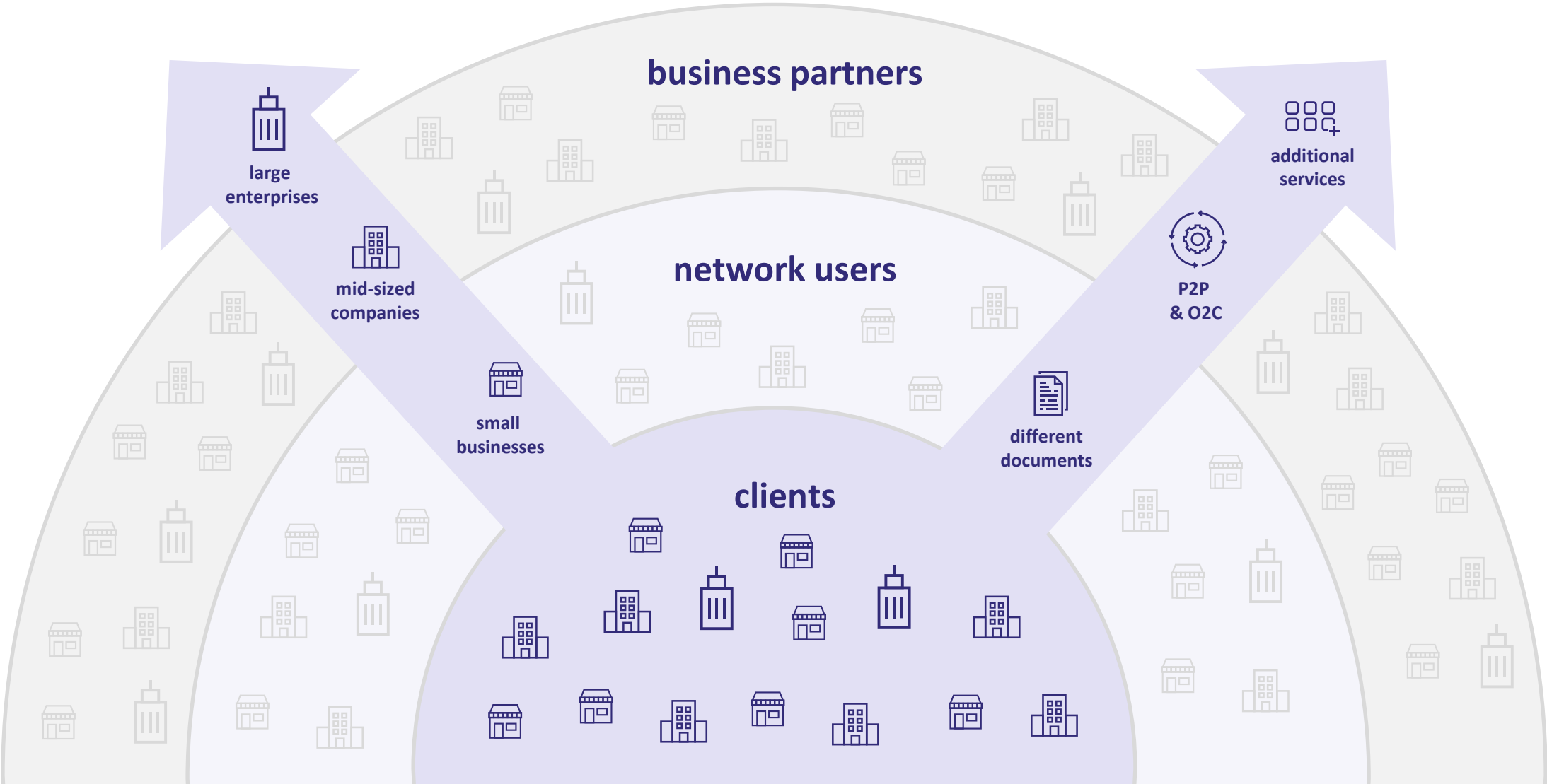
fast access
to financing



How we grow. We expand our network through mass onboarding via partners



How we grow. High cross- and upsell potential within current client base



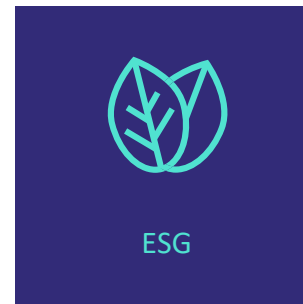
Growth drivers. We operate in a favorable environment propelled by various external growth drivers

Cost savings
10€ lower costs with electronic invoice
Earlier payment (approx. 5-7 days)
75% discount savings



Strong regulatory tailwind
500 billion € estimated global VAT gap (2021)
164 billion € expected VAT gap in Europe (2020)
Most disruptive development in global economy

Digitalization opportunity
e-invoicing adoption varies per region
Eastern Europe: <20%
Western Europe: 20-50%
Italy & Nordics: >50%



Environmental, social and corporate governance
EU Green Deal
1.4 billion tons CO2 reduction across Europe

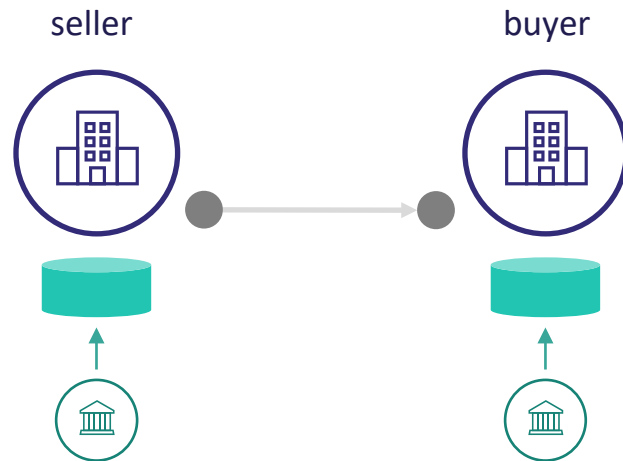
A favorable environment propelled by various external factors

Market Update

Marcus Laube - CSO

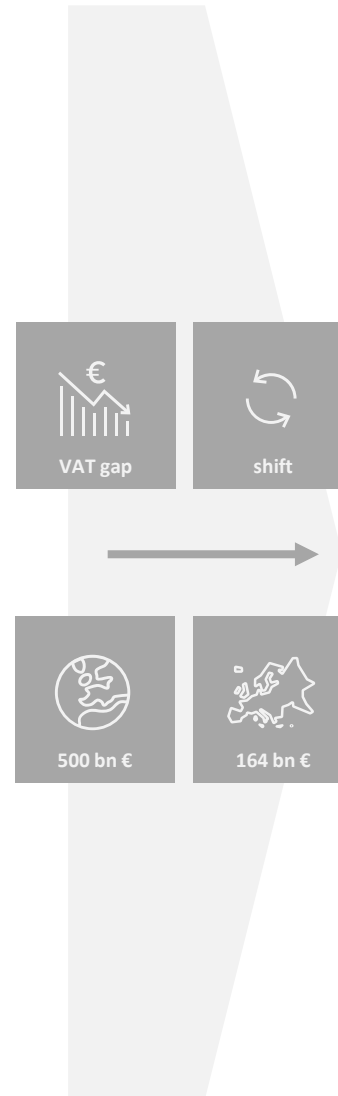
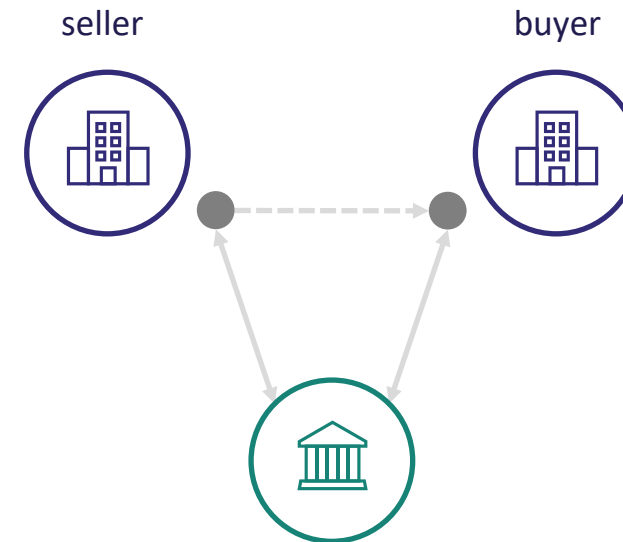
Post Audit Model

- Free choice to use electronic format
- Post-audit to monitor compliance
- Checks on authenticity of origin, integrity of content, legibility of the invoice

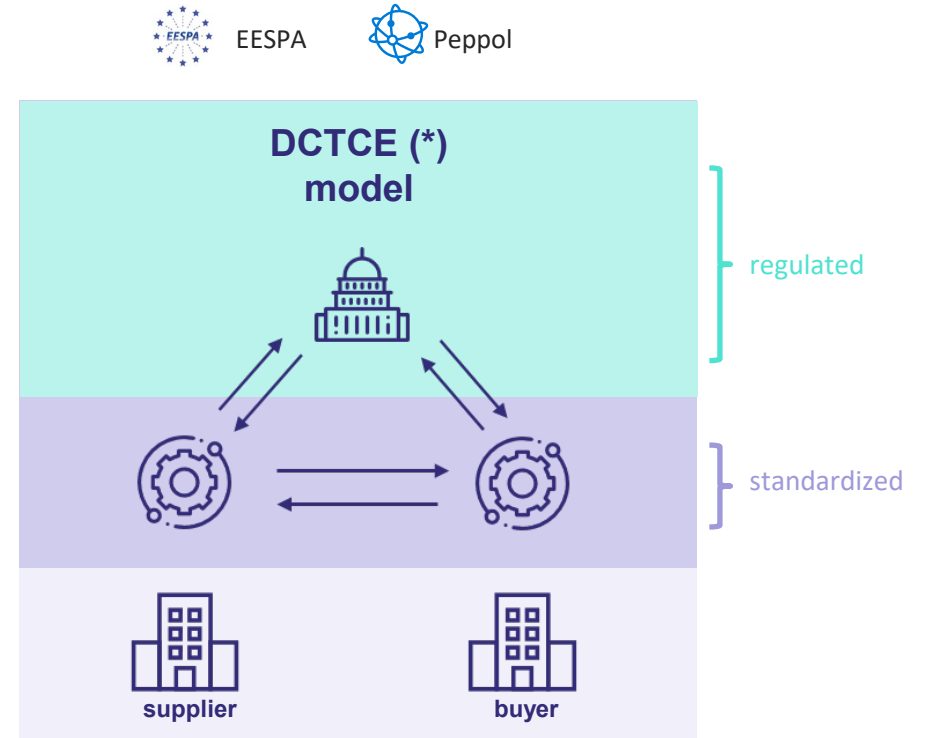
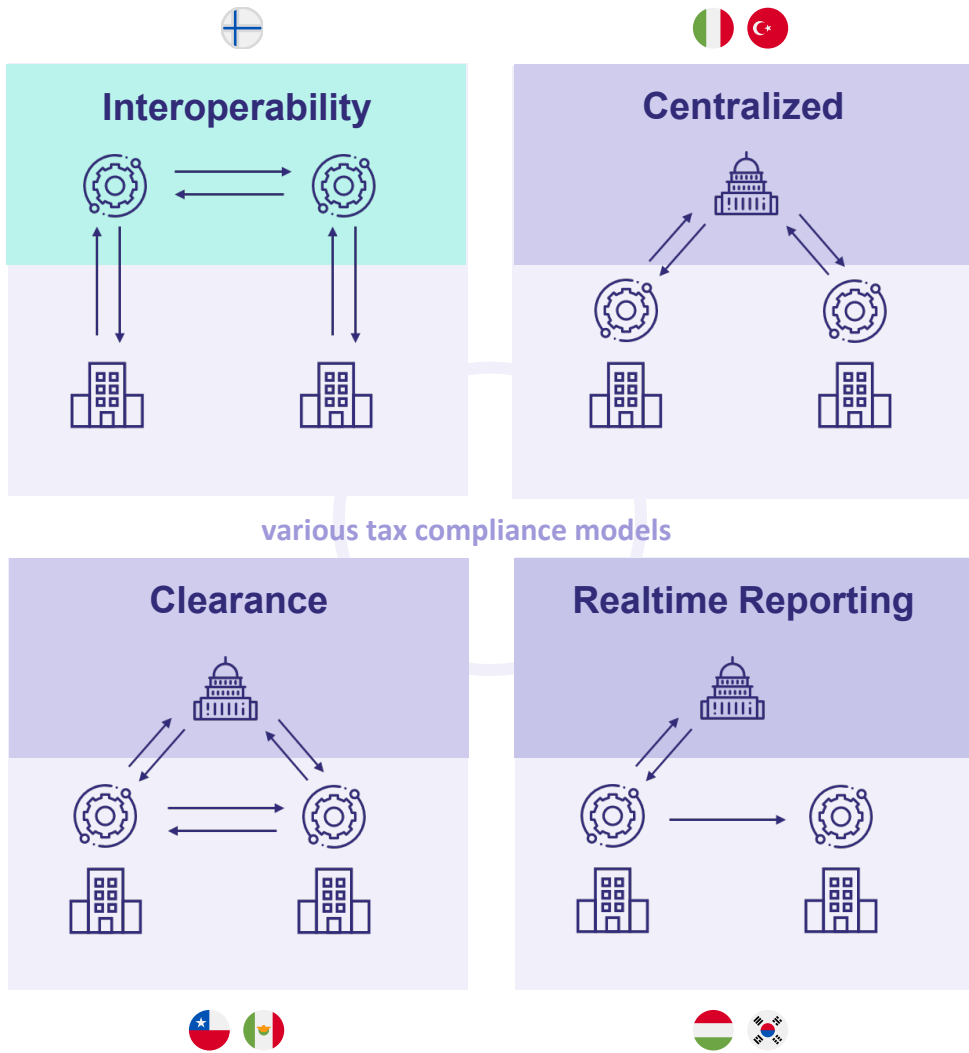


Continuous Transaction Control Models

- Mandatory electronic invoicing
- Almost real-time invoice control by the tax authorities
- These pose technical integration challenges for multinational companies, micro-businesses and everything in between.



Various CTC models driven by tax collection. DCTCE model also considers business automation



(*) Decentralized Continuous Transaction Controls and Exchange

Mandate rollout from July 2024.



30+ countries with roadmap until 2025. More than 100 still without, opening new markets opportunities



2021 2022 2023 2024 2025

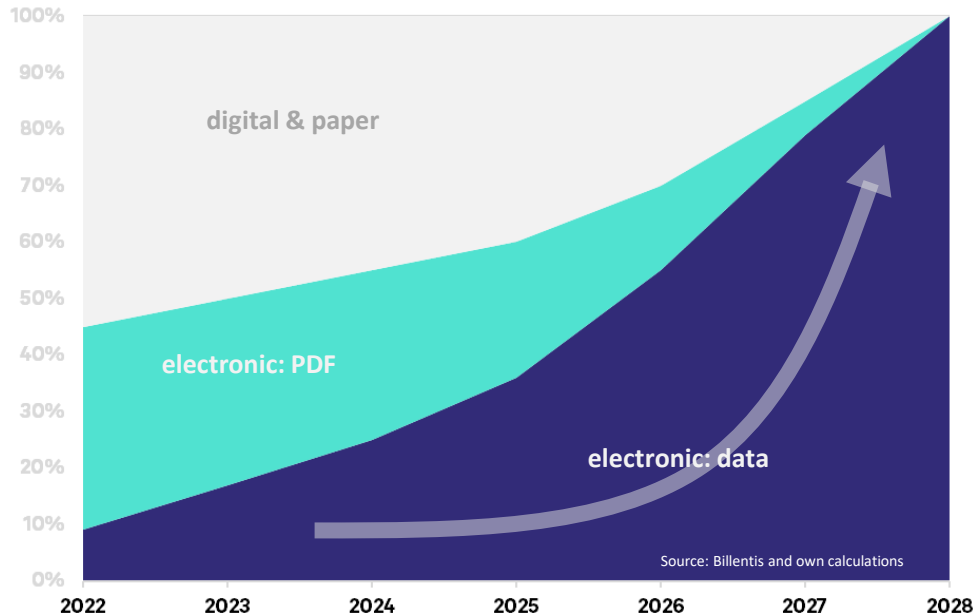
EU VAT in Digital Age

- Conclusions are expected on December 7th
- Introduction of intra-community e-Invoicing platform until 2028
- Expectation for mandatory B2B e-invoicing until then



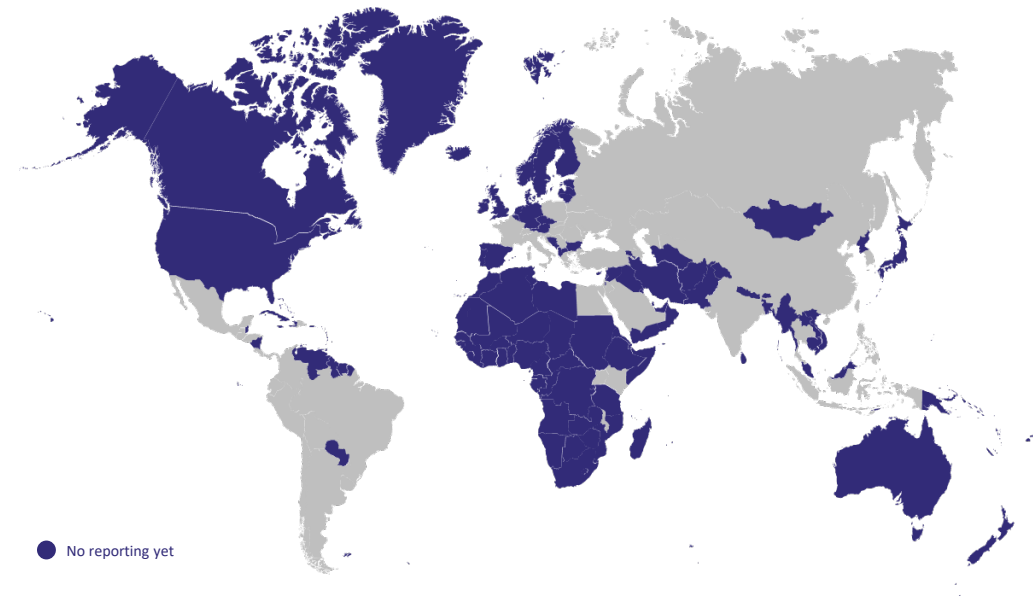
2028
digital reporting

Market Effects for Businesses



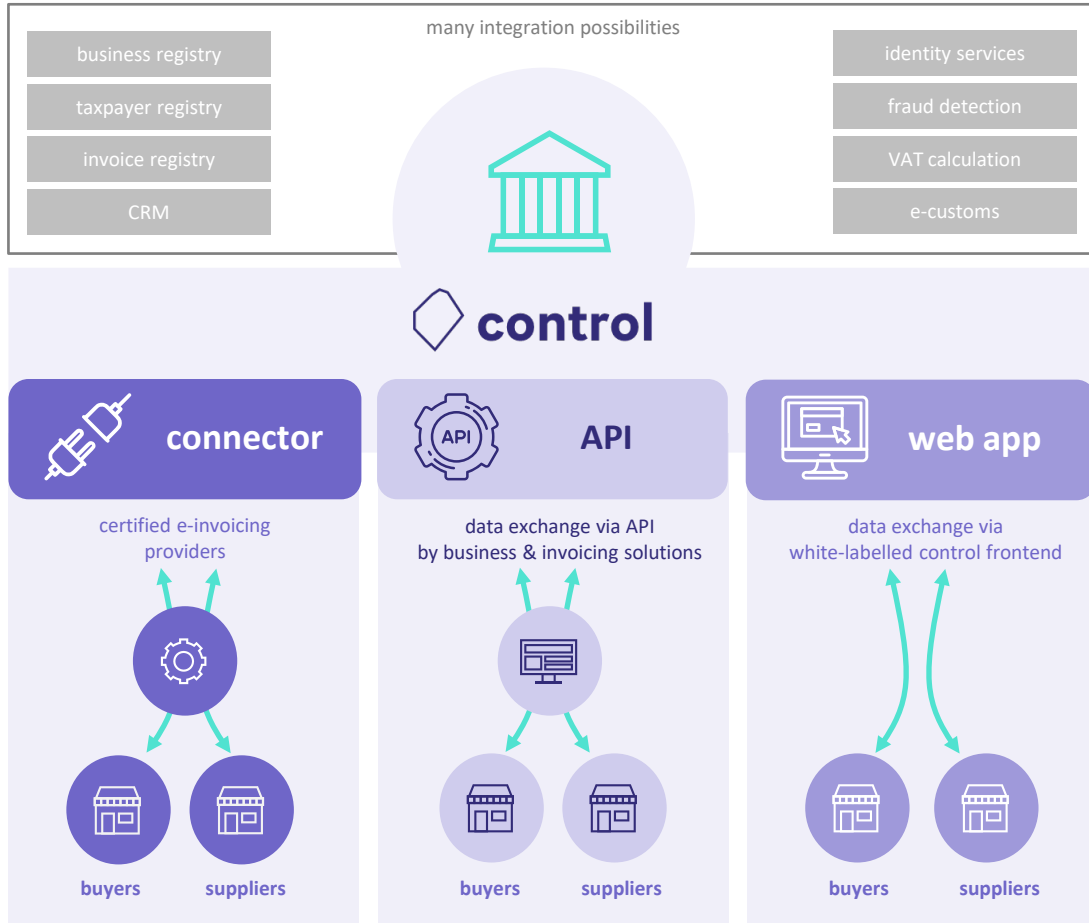
- E-invoicing penetration will grow from 45% to 100% until 2028
- Today 80% out of 45% electronic invoices are still PDF invoices that need to convert to structured data
- In total market growing from 9% to 100% within next 5 years

Market Effects for Governments



- Need for governments to become compliant with EU regulations and implement tax compliance solutions
- Additionally supports the trend to implement such models worldwide
- Market volume of 500 – 1,000 million € according to Billentis

New Product "Control". Supporting governments with all tax compliance models



Strong reference cases

Estonia and Serbia as reference cases for governments and upcoming e-invoicing mandates



Time & cost efficiency

Modular solution with possibility to customize in a time and cost-efficient way



VAT gap

Reduce the VAT gap by supporting multiple models of VAT reporting and detection of high-risk tax transactions



Phased approach

Deployable in multiple phases: B2G, G2B, B2B (receiving, sending, large businesses, small businesses)



Expertise

Strong team experience and knowledge in EU legal framework on electronic invoicing

Unifiedpost is prepared for upcoming mandates. Last years' hard work pays off



Compliant network

Scalable B2B products like build on a network prepared for data driven exchanges



Offering for all types of businesses

Solutions for micro, small, medium and large businesses: web interfaces, mobile apps and APIs



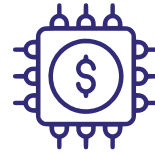
Largest e-invoicing provider in Europe

Benefits of being the largest e-invoicing provider across Europe with more than 1 million customers



Offering for governments

Estonia and Serbia as reference cases for governments and upcoming e-invoicing mandates



Embedded payments & financing

Benefits of an offering that goes well beyond electronic invoicing with embedded payments and financing



Global presence

Presence in 30+ countries worldwide including most of EU countries

pole position

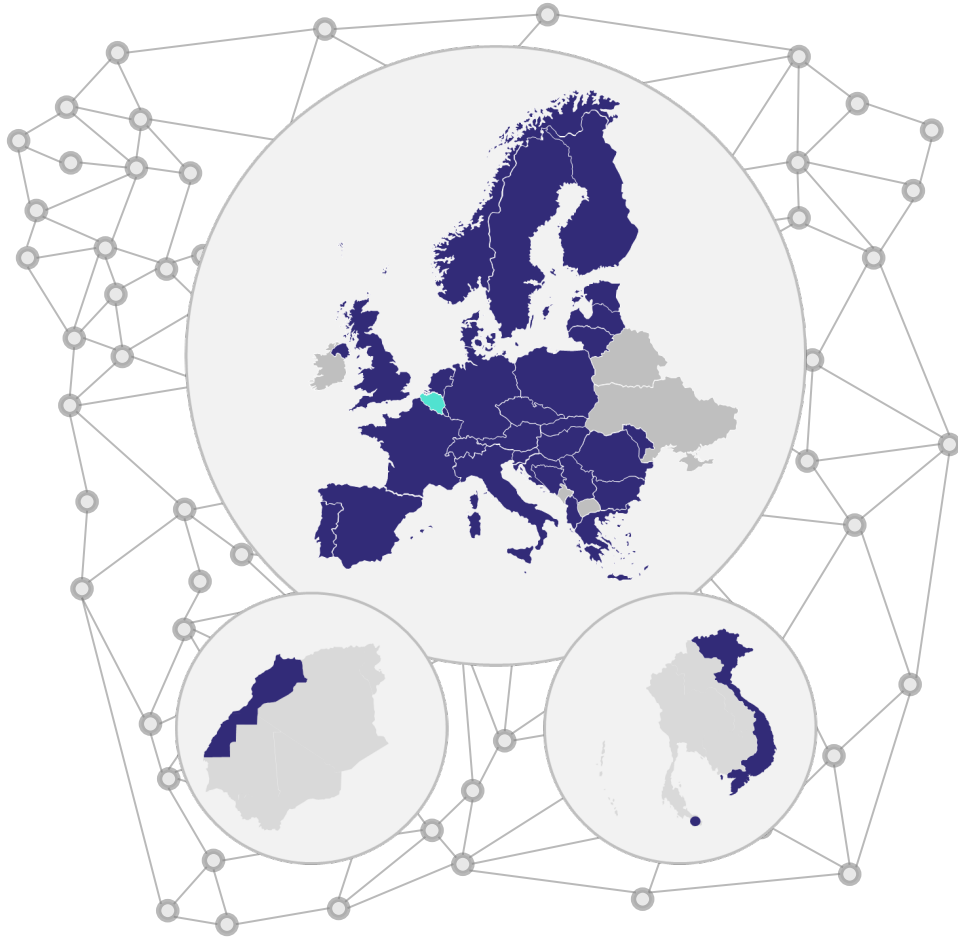


We are best positioned with business and government solutions for upcoming e-invoicing and e-reporting mandates

Operational Update

Tom Van Acker - General Manager

Banqup. One platform for invoices, payments, financing & services



DIRECT CUSTOMERS
> 100,000

More than 100,000 direct Banqup customers in 19 countries with upsell potential to payments and financing subscriptions



CUSTOMERS TO BE MIGRATED
> 35,000

More than 35,000 customers to be migrated in Q1 2023 in Latvia, Lithuania, Spain & Singapore



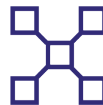
VALUE PROCESSED
> €16B

More than 9 million invoices were processed in 2022 through Banqup with an average invoice value of € 1,800



BANKING CONNECTIVITY

Close to 1500 Open Banking connections (vs 100 at year end 2021) IBAN/BIC ranges obtained in 19 countries



CONNECTED
> 150 software solutions

More than 150 ERP, CRM and accounting software solutions are connected. Armed with a competent team, the number of integrations will continue to grow rapidly



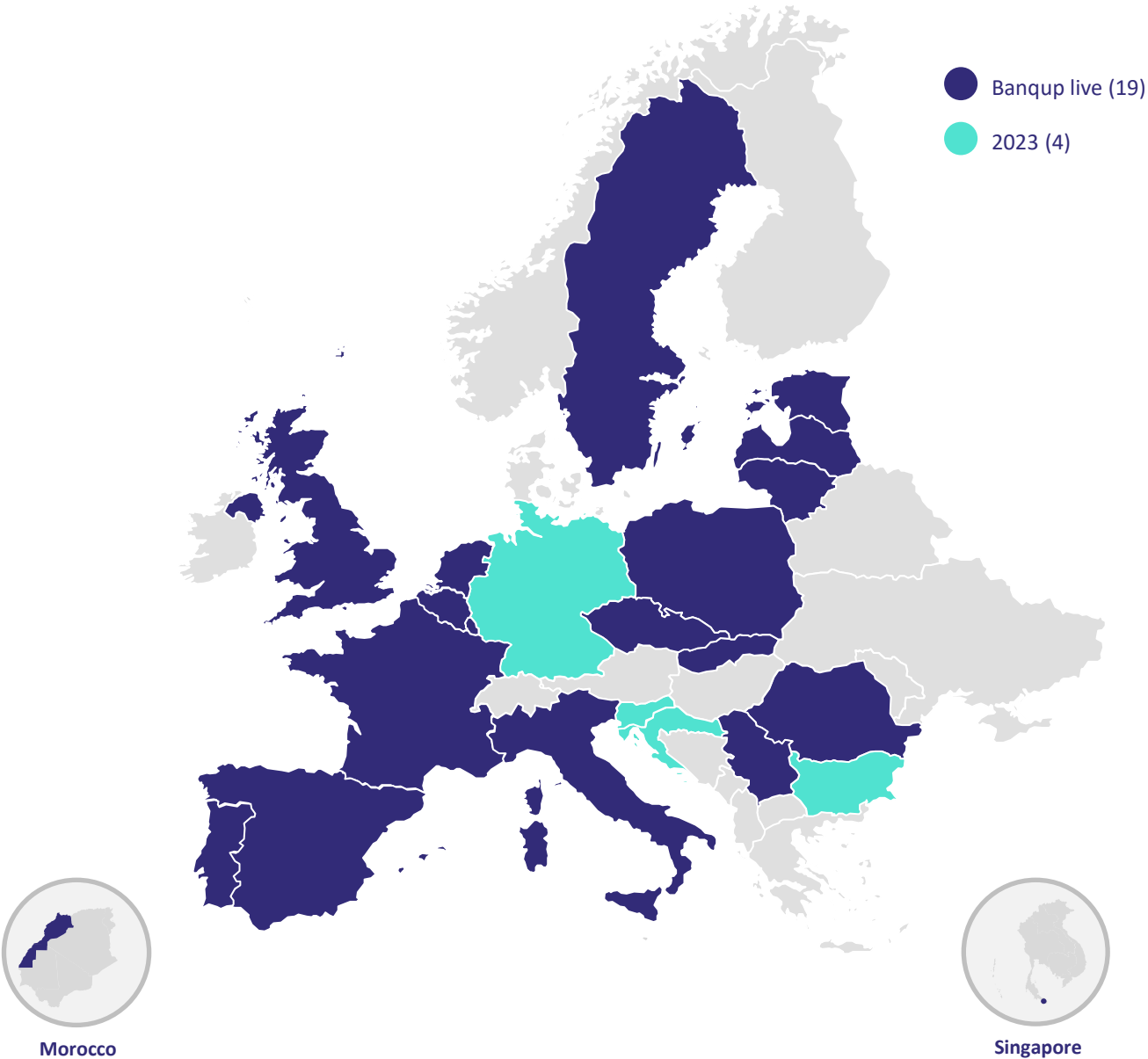
TRUSTED & CERTIFIED

ISAE 3402
ISO 27001
ISO 22301

PCI/DSS
L2BA Partner
eIDAS

25

Banqup. Realise network effects through full go-to-market strategy



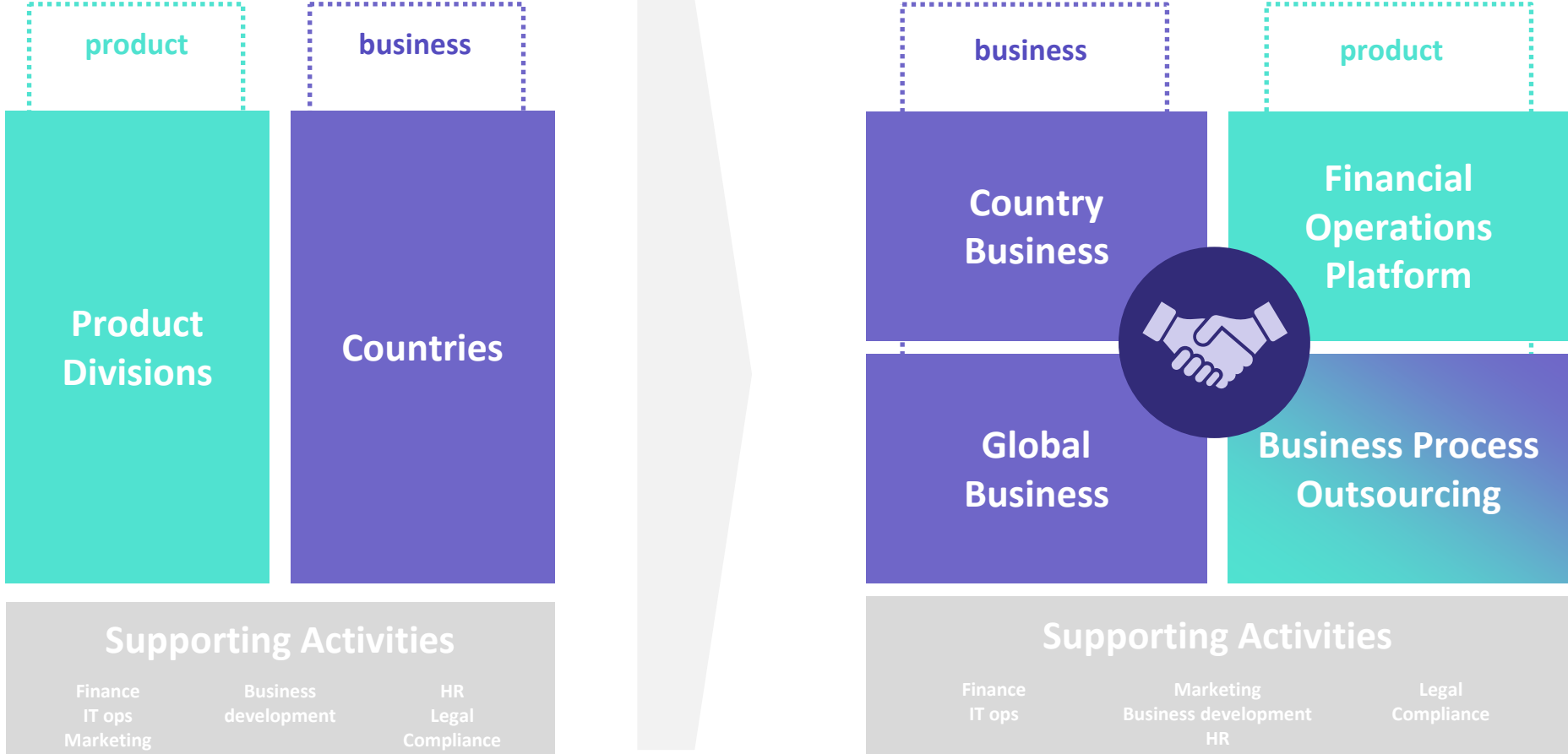
Banqup live

- ✓ Platform ready
- ✓ Team in place
- ✓ Commercially launched

Transition to full go-to-market & onboarding

- ✓ Government regulations on mandatory e-invoicing
- ✓ Cross & upselling existing portfolios
- ✓ Partnerships
- ✓ ERP/CRM/accounting software connections
- ✓ Ecosystems
- ✓ Accountant associations

Business & organisational evolution. Increasing efficiency & growth through new way of working



focus



integrate



optimise



growth

Financial Update

From investing to earning

Laurent Marcelis - CFO

Our financial mission



Invest
Expand the business

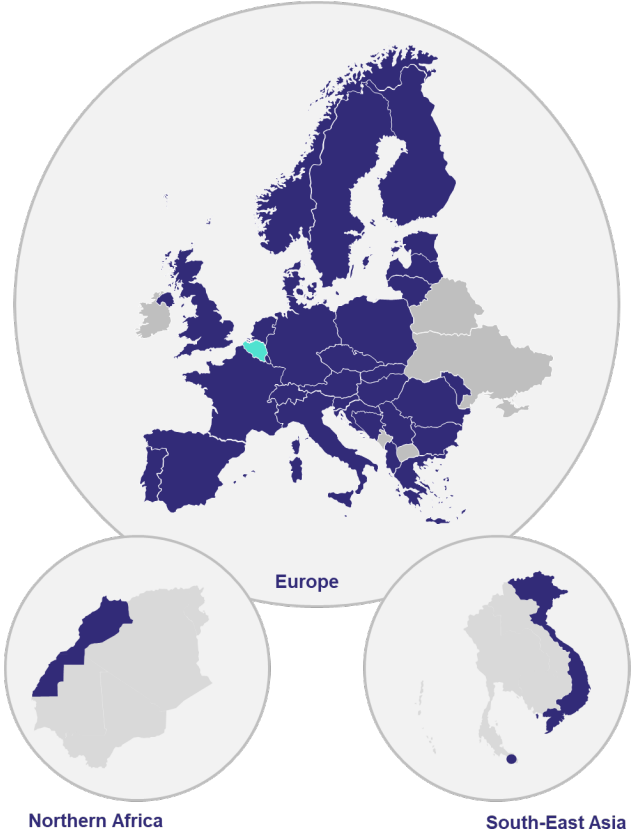
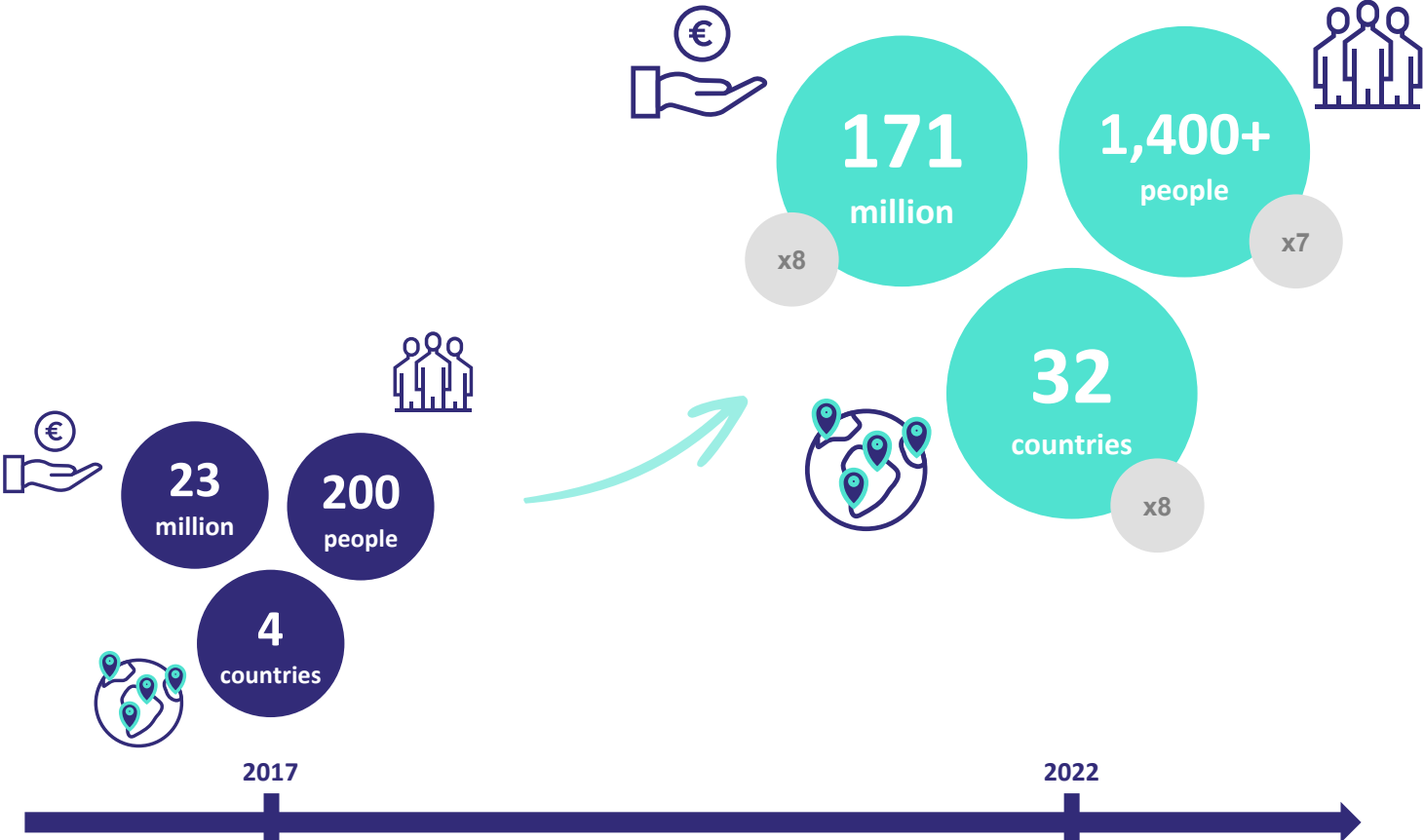


Earn
Cashflow generation

Cash flow positive H2 2023

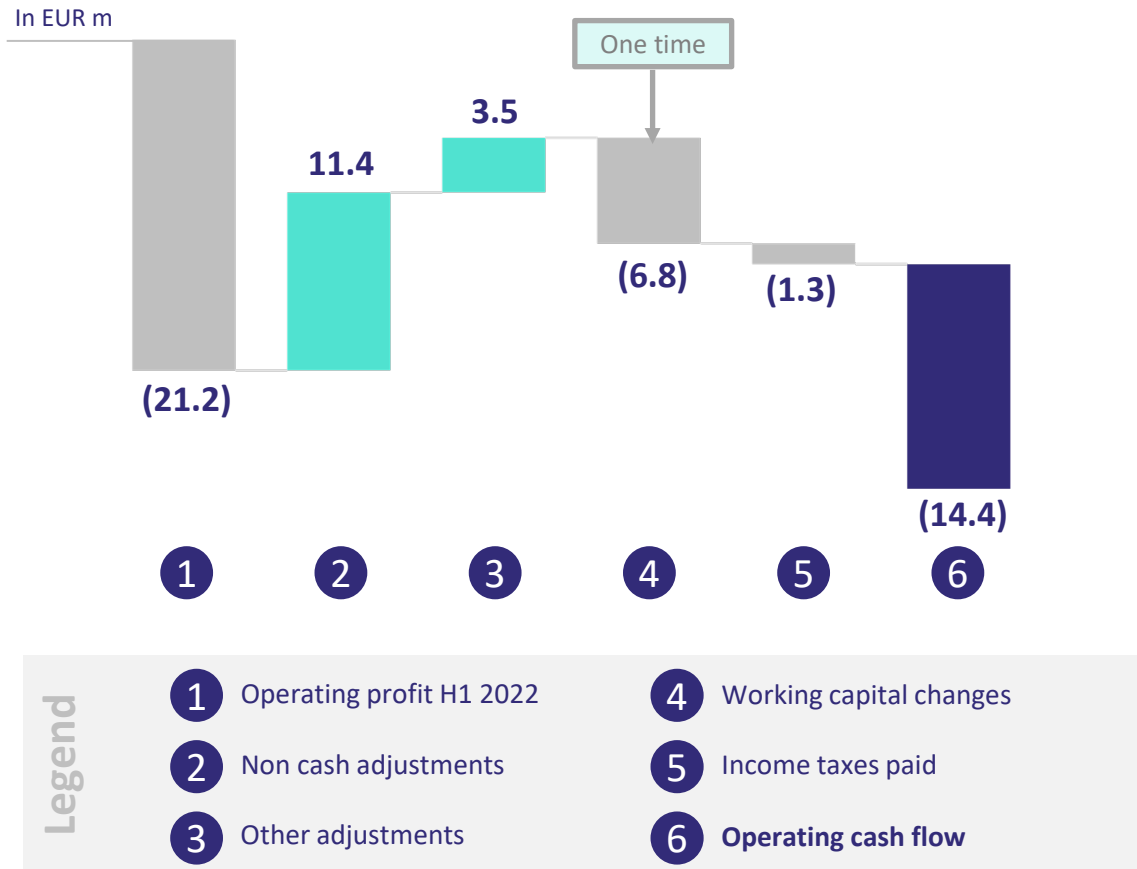
Cash Flow = Net income + Depreciation/Amortization – Capital Expenditure^(*)

Cash flow overview. Investments to expand the addressable market of the Group to Europe and beyond



Operating cash flow. Impacted by international expansion

UPG Operating Cash flow H1 2022



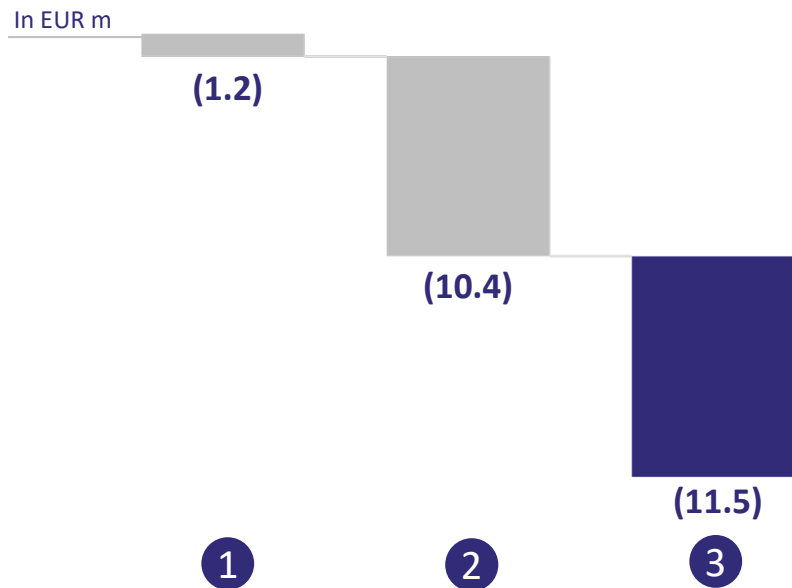
- ✓ Operating profit
- ✓ Exceptional working capital impact
- ✓ Non-recurring exceptional expenses
- ✓ **Adjusted operating cash flow (H1)**

In EUR m

Operating profit	(14.4)
Exceptional working capital impact	(6.8)
Non-recurring exceptional expenses	1.0
Adjusted operating cash flow (H1)	(6.6)

Create enough contribution from operations for investment & financing CF

UPG Investing Cash flow H1 2022



Legend

- 1 Property, plant & equipment
- 2 Intangible capital expenditure
- 3 Investing cash flow

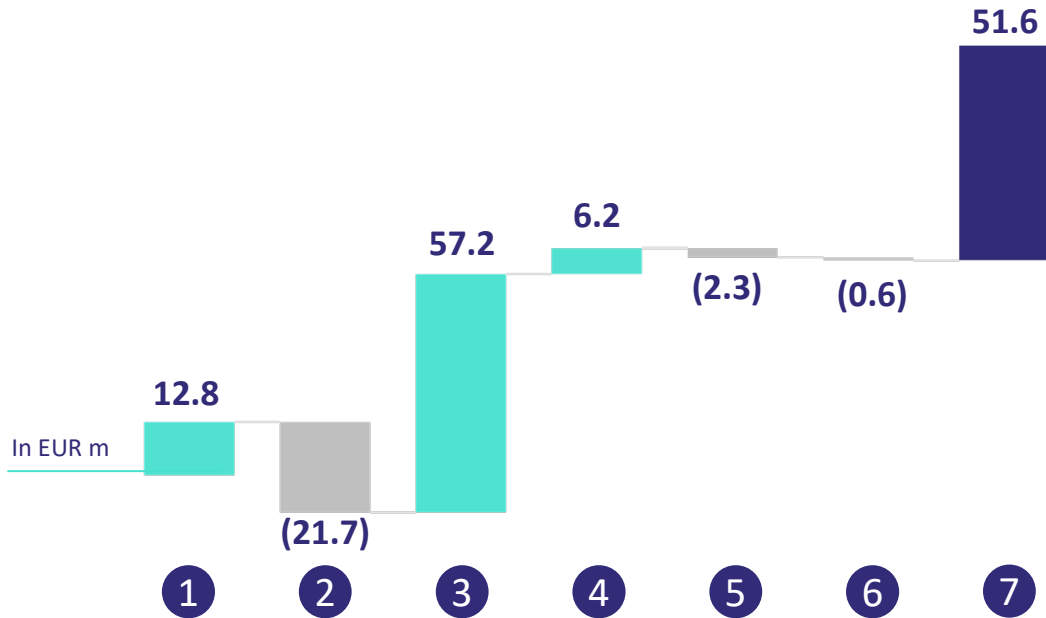
- ✓ Investing cash flow
- ✓ Exceptional PPE capex
- ✓ **Adjusted investing cash flow (H1)**

In EUR m

Investing cash flow	(11.5)
Exceptional PPE capex	1.2
Adjusted investing cash flow (H1)	(10.3)

Reduce capitalized own development cost

UPG Financing Cash flow H1 2022



Legend

- | | |
|-----------------------|-------------------------------|
| 1 Issuance of shares | 5 Repayment lease liabilities |
| 2 Repayment loans | 6 Interest paid |
| 3 Proceeds loans (FP) | 7 Financing cash flow |
| 4 Proceeds loans | |

- ✓ Financing cash flow impacted by Francisco Partners deal
- ✓ Proceeds used for loan repayments
- ✓ Interest paid €0.6m
- ✓ Francisco Partners interest on drawn €75m = €1.1m / HY



Become cash flow positive without additional funding

Cash position. Cash & undrawn financing secure liquidity

UPG Cash position end of H1 2022

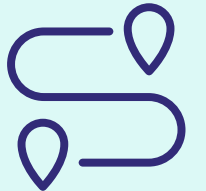
- ✓ €42.7m cash per H1 2022
- ✓ €25m undrawn R&D funding from Francisco Partners
- ✓ €14.3m undrawn invoice financing
- ✓ **Available cash: €82.1**
- ✓ Liquidity €20m (FP €12.5m)



Group has enough liquidity
to bridge to H2 2023

Cash impact

- ✓ Increased share in Balkan to 75% - €5m
- ✓ Earn-out Crossinx acquisitions: potential cash impact mitigated
- ✓ No acquisition strategy
- ✓ Going concern statement 09/2023



Become cash flow positive
by H2 2023

Unifiedpost **cash flow positive** by H2 2023

Operating CF
H1 2022 **-€6.6m**



Create **enough contribution** from operations for investing & financing CF

Investing CF
H1 2022 **-€10.3m**



Reduce capitalized own development cost processes

Financing CF
H1 2022 **-€0.6m / -€1.1**



Become cash flow positive **without new funding**

Addressing a large growing e-invoice market

- ✓ 32 countries addressable market
- ✓ e-invoicing: CAGR of 21.5% p.a.
- ✓ VAT in a digital age
- ✓ France, Poland, Serbia, Spain



Revenue growth p.c. > CAGR

Licence business



- ✓ Separate platform for governments
- ✓ Continuous Transaction Control
- ✓ Perpetual licences & maintenance
- ✓ Expanding business – multiple in pipeline



Perpetual licence €3m - €5m / ~ 20% maintenance

Payments & financing

- ✓ USP of Banqup – 19 countries
- ✓ e-payments: CAGR of 15.4% p.a.
- ✓ e-financing: CAGR of 16.4% p.a.
- ✓ Tier-1 partnerships



Target payment adoption +20%


Global sales approach




- ✓ +2,500 corporate customers in group
- ✓ From local to global follow up
- ✓ Centralised sales & support team
- ✓ Leverage of corporates in multiple countries




40 large corporates in target

Separating BU digital & BPO 


- ✓ Different business drivers
- ✓ Increasing shift to digital
- ✓ Focus on profitability
- ✓ Economies of scale



Improving GM of print +33% / rightsizing scanning

Validation 


- ✓ Validation as launching service
- ✓ No free validation
- ✓ Aligning capacity
- ✓ Variability in peak processing



Total cost validation in H1 2022 = €650k

Payments & financing

- ✓ Increasing upsell
- ✓ Payment GM = 78%
- ✓ Financing GM = 55% (launching)
- ✓ Banqup payments €17/month



Product mix changes GM

Economy of scale in support 

- ✓ Support close to customers
- ✓ First line close to customer
- ✓ Centralisation of second and third line
- ✓ Optimisation of support resources for growth



Grow business while managing support costs

Cash Flow
Operating – Investing – Financing

Limited impact of declining market

- ✓ Postal volumes down -14% in 2022
- ✓ Limited impact in transactions / documents
- ✓ E-invoicing B2C up 4% / B2B up 11%
- ✓ Signed additional volumes



Continue our business approach

Ensuring contribution from Postage & Parcel

- ✓ Separate business unit
- ✓ Increase efficiency
- ✓ Sales price indexation
- ✓ Improve contribution with slightly higher GM



Optimisation of contribution

Improving operating cash flow. Management operational costs

External cost management

- ✓ Optimise PO management
- ✓ Tender core services
- ✓ Reduce external advisory services
- ✓ Finalise change management and ERP integration

Reduce service fees

Targeted sales & marketing spending

- ✓ Markets develop close to legal window
- ✓ Dedicated go-to-market and marketing centralised
- ✓ Spend in line with market potential

Lean & mean go-to-market

Platform costs

- ✓ Private data centre downsizing
- ✓ One GCP cloud
- ✓ Align tooling and costs
- ✓ Dedicated & central IT operations team

Rationalise IT costs

Non-core applications

- ✓ Continue with legacy migration to core products
- ✓ Manage lifecycle non-core products

Manage product portfolio

Operating cash flow. Overview of the change to increase operating profit

In EUR m	H1 2021	H1 2022	Past	Future	
Digital processing revenue	50.4	59.3	↗	↗↗	✓ Accelerated growth with group products
Digital processing gross margin	42.8%	40.0%	↘	↗	✓ Data driven & value add services
Digital processing gross profit	21.5	23.7	↗	↗↗	✓ More contribution from core business
Postage & parcel optimisation revenue	30.3	32.4	↗	~	✓ Stable market
Postage & parcel optimisation gross margin	11.0%	10.3%	↘	↗	✓ Operational efficiency
Postage & parcel optimisation gross profit	3.3	3.3	~	↗	✓ Cash generation
Operating expenses	36.5	44.8	↗↗	~	✓ Cost management
Profit / loss from operations	(11.6)	(18.2)	-	+	✓ Increased contribution

Investing cash flow. End of a focussed investment period

In EUR m		Past	Future
Opex	7,548	↗	↗
Payroll	2,201	↗	↗
Operational	9	~	~
Depreciation	5,338	~	~
Capex	10,328	↗↗	↘↘
Total	17,876	↗	↘
% digital revenue	30%	~	↘

- ✓ R&D in both capex as opex
- ✓ Opex → improving existing software applications
- ✓ Capex → developing new software or adapting for new markets
- ✓ Major investment phase has come to an end

Financing cash flow. Securing the liquidity with Francisco Partners loan.

Key information

Committed amount	✓ EUR 100m
Tenor	✓ 5 years
Interest	✓ 3% + 8%
Structure	✓ Term Loan B facility: EUR 75m ✓ Capex facility: EUR 25m
Covenant	✓ Minimum liquidity
Lender	✓ Francisco Partners

Use of proceeds

Refinance existing debt
Support growth strategy
✓ R&D investments
✓ Working capital requirements
✓ Fund potential future transactions to additionally expand capabilities and geographical coverage

Unifiedpost **cash flow positive** by H2 2023

Operating CF
H1 2022 **-€6.6m**



Create **enough contribution** from operations for investing & financing CF

Investing CF
H1 2022 **-€10.4m**



Reduce capitalized own development cost processes

Financing CF
H1 2022 **-€0.6m / -€1.1**



Become cash flow positive **without new funding**



Q&A



Contact data



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