

Unifiedpost shows significant growth in recurring digital processing achieving threshold of 1 million of customers

Focus on cash flow starts to become visible – positive EBITDA in H2 2022

La Hulpe, Belgium – March 6, 2023, 7:00 a.m. CET – [INSIDE INFORMATION] - Unifiedpost Group (Euronext: UPG) (Unifiedpost, the Group or the Company) is pleased to announce for FY2022 a significant double-digit recurring digital processing revenue growth (19,1% y-o-y). The customer base grew by a strong 34,2% in 2022, exceeding the threshold of one million customers, 2,1 million companies were YE2022 in the Unifiedpost digital network. Unifiedpost has finalised its accelerated investment phase and shifted its focus to cash flow generation and is well on the way to become cash flow positive for the period of H2 2023.

Highlights

- Strong growth of core recurring digital processing revenue 19,1% y-o-y
- FY2022 Group revenue increased by 12,0% y-o-y to €190,9 million
- Acceleration of customer growth in 2022 (+34,2%), strong growth for core SME product Banqup (+251,1%)
- Good EBITDA improvement over the year, positive EBITDA in H2 2022, in Q4 2022 up to +€1,8 million
- A positive cash flow for the full H2 2023 is the key priority for Unifiedpost

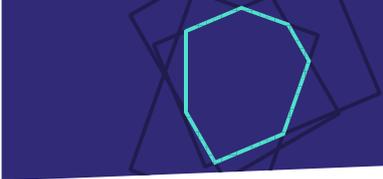
Commenting on the FY2022 results, Hans Leybaert, CEO and founder, stated: "In 2022, Unifiedpost underpinned its ambitious growth path. In a year of geopolitical tensions, the war in Ukraine, the energy crisis in Europe and general price increases, our double-digit growth remained undisputed. The significant acceleration of new customer onboarding in 2022 proves the growing momentum for full digital invoicing and payments. A further acceleration is expected in the coming years as the European Commission has submitted a legislative proposal on December 8th 2022 as part of their 'VAT in the digital age' program. This is a first step towards mandatory e-invoicing for all European companies. I would like to thank all Unifiedpost employees and partners for their continued contribution to our strategic execution and for joining us in our ambitious way forward."

Key financial figures

(EUR million)	FY2022	FY2021	Change (%)
Group revenue	190,9	170,5	+12,0%
Digital processing revenue	126,9	106,9	+18,8%
Recurring digital processing revenue	112,7	94,6	+19,1%
Non-recurring digital revenue (licences + project)	14,2	12,3	+15,4%
Postage & parcel optimisation revenue	64,0	63,6	+0,6%
Recurring revenue (in % of total revenue)	92,5%	92,8%	-0,3pts
Gross margin digital processing	41,9%	43,7%	-1,8pts
EBITDA margin	-3,4%	-2,6%	-0,8pts
R&D costs (expensed and capitalised)	36,2	33,1	+9,4%
Loss for the period	-43,5	-25,6	-69,9%
Cash and cash equivalents	40,0	17,0	+135,3%

Key business KPI's

(#)	End Q4 2022	End Q4 2021	Change (%)
Customers	1.063.776	792.594	+34,2%
Paying customers	468.128	368.277	+27,1%
Customers paid by 3 rd parties	595.648	424.317	+40,4%
Companies in business network	2.109.297	1.504.895	+40,2%
Banqup customers	124.333	35.408	+251,1%
Growth (new subscriptions)	18.255	16.346	-
Migrated	70.582	-	-
Banqup customers Belgium (BilltoBox)	40.363	28.864	+39,8%
Banqup customers France (JeFacture)	5.428	2.072	+162,0%



Double-digit growth rates in digital processing business

Unifidpost grew its revenue in FY2022 by 12,0% y-o-y to €190,9 million, driven by double-digit growth of the digital processing revenue of 18,8% combined with a limited growth in postage and parcel optimisation services.

The Group saw its revenue from digital processing increasing to €126,9 million in FY2022. This was predominantly thanks to the strong growth rate of 19,1% y-o-y in recurring digital processing revenue, i.e. digital platform revenue excluding the project and licence business. The growth is spread over different countries and markets, with the Nordics, Serbia, Romania, the Baltics, and the Benelux showing accelerating growth rates. The subscription revenue growth (i.e. SME business) was high with a 35,6% growth y-o-y.

The project and licence business, which is non-recurring, contributed €14,2 million to the FY2022 revenue. As indicated in the H1 2022 financial update, the non-recurring revenue is depending on the timely closing of major deals (before YE). In Q4 a large distribution deal for the French market was realised with ECMA (the French accountants federation), which includes the creation of a joint venture between the two companies. Unifidpost made also promising progress with several other deals, without closing them prior to YE2022. The Group expects to close these in 2023.

The gross margin of the digital processing business decreased to 41,9%, a decrease of 1,8%pts y-o-y, reflecting some inflationary effects and larger customers with hybrid communication going live.

Solid low single-digit growth in postage & parcel optimisation business

Revenue of postage and parcel optimisation services slightly increased over the year (+0,6% y/y to €64,0 million). For existing customers, the shift from paper to digital continues and is accelerating. As a result, Unifidpost realised lower revenue growth in the postage and parcel optimisation business. However, this was offset by two factors: Unifidpost onboarded major new customers and increased its prices in this segment. Consequently, Unifidpost still managed to achieve a slight growth in postage and parcel revenue over the year. It is important to underline that the postage and parcel optimisation business, which yields lower margins, is being overtaken by the digital services business, which generates higher margins and is experiencing steady double-digit growth. The postage & parcel optimisation realised a gross margin of 10,9% for FY2022, slightly down by 0,4%pts compared to FY2021, also as a consequence of inflationary effects.

Unifidpost services over 1 million companies representing 8% of all SMEs in Europe

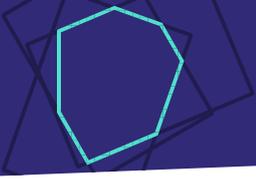
Unifidpost was and is ambitious in its targets for new customer onboarding. At the end of the period the customer growth was 34,2% y-o-y, a third consecutive year with a growth of at least 30%. In the fourth quarter of 2022 a new high of 76.805 new customers were onboarded onto our platform, most of them SME's. At year-end, the Group had a total of 1.063.776 paying customers, either directly paying or paid by third parties. Unifidpost's business network expanded in 2022 to over 2 million companies (2.109.297), representing an estimated 8,4% of SMEs in Europe. Today Unifidpost is the most dominant e-invoice and e-payment provider in the SME-segment.

The number of Banqup (incl. BilltoBox and JeFacture) customers strongly grew to 124.333, reflecting a growth rate of 251,1% y-o-y. Although France has delayed the adoption of mandatory e-invoicing, over 5.428 early adopters onboarded on the JeFacture solution.

Overall average revenue per user (ARPU) in the digital processing business amounted to €27,3 in Q4 2022. This is an increase due to the strong quarter for non-recurring digital revenue. 88,8% of the total digital processing revenue resulted from recurring services.

FY2022 EBITDA / result impacted by a peak in roll-out cost and inflation

Both segments combined, i.e. combining the digital processing revenue and postage and parcel optimisation services, led to total revenue of €190,9 million and a gross profit of €60,2 million. Gross margin slightly decreased to 31,5% (FY 2021: 31,6%).



During FY2022, the Group spent €36,2 million on research and development (R&D), of which 61% was capitalised. The R&D spending is equivalent to 28,5% (down 2,5%pts y-o-y) of digital processing revenue. After having self-developed the platform successfully and rolling out the product, Unifedpost has now been able to reduce its R&D spending as a percentage of total digital processing revenue. General and Administrative cost (G&A) accounted to €45,8 million, 24,0% of the Group's total revenue. The Group was able to stabilise its G&A costs in a year with increasing service and labour cost. Consequently, G&A cost ratio went up by just 0,3%pts compared to last year. Some operational costs related to the roll-out of Banqup have reached their peak during 2022 and have started to decline in absolute levels.

Sales & Marketing expenses went up from €24,9 million in 2021 to €29,2 million in FY2022, or from 14,6% of total revenue to 15,3% in FY2022. The increase is caused by investments of the Group in local sales teams that are close to the business and customers. This platform and sales set-up was an important step for the Group in 2022. It was in line with the strategic approach to operate the global platform locally, with local teams and software that is adapted to local requirements and legislation.

The Group reported an EBITDA loss of -€6,4 million for FY 2022. After a negative H1 2022 (H1 2022 EBITDA of -€6,5 million), Unifedpost released a slightly positive EBITDA in H2, in Q42022 even +€1,8 million. The positive development on the EBITDA-level proves that Unifedpost is well on track to reach its goal delivering a positive cash flow for H2 2023.

The loss from operations for the period amounted to €29,9 million. The loss for the period is €43,5 million. The loss for the period is impacted by higher financial expenses (-€9,4 million of which -€8,0 million is linked to Francisco Partners funding), by a loss of -€1,9 million on an associate company (Facturel, joint investment with ECMA in France) and by the change in fair value of financial liabilities (-€4,3 million). The latter is linked to the settlement of the earn-out with the former Crossinx shareholders, as published on 21st October 2022 (-€4,8 million). By settling the earn-out agreement with Crossinx, Unifedpost eliminated the risk of having to pay out an earn-out of €60 million in the future - of which €20 million in cash. The settlement of the earn-out through the repayment of 1,3 million shares worth €4,8 million is therefore fully in line with our announced focus on making our cash flow positive.

Funding secured

The cash flow from financing activities amounted to +€67,6 million at the end of the period. Unifedpost's cash and cash equivalents increased from €17,0 million at YE 2021 to €40,0 million at YE 2022. The Group also has €17,7 million of undrawn financing facilities. The increase in cash position was due to the €100 million five-year senior facilities agreement, provided by Francisco Partners, a leading global investment firm that specialises in partnering with technology-enabled businesses. The facility is structured in a term loan facility A of €75 million which has been drawn at closing and a capex facility B of €25 million which has been drawn in December 2022. Unifedpost met all covenants checks during the year 2022.

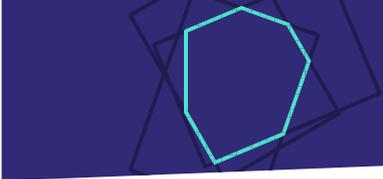
The Group's net debt position at year end 2022 amounted to €69,4 million.

Sufficient liquidity for growth path

Unifedpost's management expects that the Group is equipped with sufficient liquidity until cash flow break-even will be reached. The Group targets to be cash flow positive by the second semester of 2023. The Group is well on the way with the cost management program and can benefit from the growth of the customer base and increasing recurring processing revenue.

Increasing tailwinds in the addressable markets: EU Commission publishes law proposal to revamp EU's VAT system

With the geographical expansion in 2021, Unifedpost unlocked the market potential in these countries in the course of 2022 driven by the rollout-out of business. The momentum and trend of digitisation as well as governments wanting to close the VAT-gap remain key in all markets. In response to sustainably growing digitisation of the economy, on 8 December 2022 the European Commission published its long-awaited proposals to revamp the EU's VAT system. With this proposal, the EU wants to further modernise VAT



reporting obligations and to address the challenges of the platform economy, by updating the VAT rules applicable. These are positive proposals in view of Unifiedpost's business model.

ESG

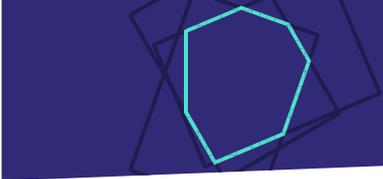
A good corporate citizenship has always been fundamental and part of Unifiedpost's DNA. The Company recognizes its responsibility to consider the impact of its business on the environment and society, and is committed to integrating sustainability into our business strategy. In 2022, the ESG-roadmap drawn up the year before, was further implemented and for the first time, data gathering across all entities was kicked off.

Positive cash flow expected for H2 2023

[INSIDE INFORMATION] In 2023 and the years ahead Group management expects to significantly benefit from the growth in its key markets. The mandatory digital e-invoicing policies several European countries have implemented and will implement will have a positive effect on customers and revenue. With the changed economic circumstances and business conditions, the Company has decided to make the target to become cash flow positive its only target. The target remains to be cash flow positive for H2 2023.

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The auditor, BDO Réviseurs d'Entreprises SRL, has confirmed that audit of the consolidated financial information for the year ended 31 December 2022 as included in this press release is substantially completed.



Investors & Media webcast

Management will host a live video webcast for analysts, investors and media today at 10:00 a.m. CET.

A recording will be available shortly after the event. To attend, please register at <https://onlinexperiences.com/Launch/QReg/ShowUUID=72838B62-440A-4AF9-938F-7725F11EA13F>. Participants can also join via telephone. They can obtain their personal dial-in details by registering with this link: <https://register.vevent.com/register/BI0e29ae9ca20e46b2acba56c18730b31e>.

A full replay be available after the webcast at: <https://www.unifiedpost.com/en/investor-relations>

Financial Calendar 2023

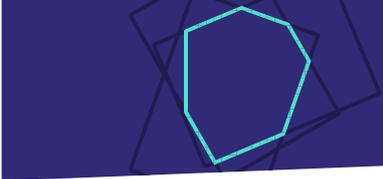
- 14 April 2023 Publication Annual Report 2022
- 16 May 2023 Annual General Meeting of Shareholders
- 22 May 2023 Publication Q1 2023 Business Update
- 29 August 2023 Publication H1 2023 Financial Results
- 16 November 2023 Publication Q3 2023 Business Update

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About Unifidpost Group

Unifidpost is a leading cloud-based platform for SME business services built on “Documents”, “Identity” and “Payments”.

Unifidpost operates and develops a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Unifidpost’s customers, their suppliers, their customers, and other parties along the financial value chain. With its one-stop-shop solutions, Unifidpost’s mission is to make administrative and financial processes simple and smart for its customers. Since its founding in 2001, Unifidpost 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
- Unifidpost 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

() Warning about future statements: The statements contained herein may contain forecasts, future expectations, opinions and other future-oriented statements concerning the expected further performance of Unifidpost Group on the markets in which it is active. Such future-oriented statements are based on the current insights and assumptions of management concerning future events. They naturally include known and unknown risks, uncertainties and other factors, which seem justified at the time that the statements are made but may possibly turn out to be inaccurate. The actual results, performance or events may differ essentially from the results, performance or events which are expressed or implied in such future-oriented statements. Except where required by the applicable legislation, Unifidpost Group shall assume no obligation to update, elucidate or improve future-oriented statements in this press release in the light of new information, future events or other elements and shall not be held liable on that account. The reader is warned not to rely unduly on future-oriented statements.*