Unifiedpost Group

Annual report 2022

unifiedpost GROUP

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Message of the Chairman & CEO

We as Chairman and CEO of Unifiedpost Group are proud of the results the Company achieved in 2022. Although we were geopolitically confronted with unexpected challenges in Europe, our company has continued to grow double-digit and continued to expand its market presence, offering innovative solutions and services to our customers.

Our digital revenue has increased in 2022 by 19% compared to 2021, a clear indication of our sustained growth and success. This achievement is a testament to the hard work and dedication of our employees, as well as our ongoing commitment to deliver high-quality solutions to our customers.

In 2022 Unifiedpost has taken proactive measures to become cash flow positive by H2 2023, and we can say that we are on track to achieving this goal. Our focus on sustainable growth, coupled with the implementation of various cost control measures has enabled us to make significant progress in improving our financial position. We are confident that our efforts will continue to yield positive results.

In Q1 last year the company secured funding of €100 million from Francisco Partners, a global investment firm, to bridge the period until Unifiedpost becomes cash flow positive. The funding from Francisco Partners will provide Unifiedpost with the necessary resources to continue its growth trajectory and solidify its position as a leader in the European fintech space.

"At Unifiedpost, we believe that e-invoicing is an essential tool to succeed in the digital age. Businesses need to comply with new regulations but also free up time and resources to focus on their core business activities."

Stefan Yee
Chairman of Unifiedpost

We have made significant progress in developing and improving our digital platform, which has been instrumental in driving growth and innovation across our business. Unifiedpost's platform is highly scalable, and the company has invested heavily in technology to support its international expansion plans. By integrating Crossinx technology into the Unifiedpost platform, the company is now able to offer a comprehensive suite of services that can streamline and automate financial operations for businesses of all sizes. Overall, Unifiedpost's international roll-out is progressing well, and the company is well-positioned to continue its growth trajectory in new markets.

Our e-invoicing solutions have continued to gain traction, with more and more SMEs and large enterprises embracing our technology to streamline their invoicing processes. Over one million businesses across Europe are now connected to the Unifiedpost platform, a strong growth of 34% in 2022.

"Our e-invoicing solutions are designed to be fully compliant with new VAT regulations, making it easy for businesses to charge and collect from their customers in the EU. We are committed to help our customers navigate this new regulatory landscape."

Hans Leybaert
CEO and founder of Unifiedpost

As many of you are aware, the European Union has introduced new VAT regulations (and have announced more steps to come) to keep up with the changing digital landscape. Failure to comply with these regulations could result in penalties. We as Unifiedpost understand that these changes in legislation poses a significant challenge for companies, many of whom may not have the resources or expertise to comply with the new regulations. At Unifiedpost, we are committed to help our customers navigate this new regulatory landscape. Our e-invoicing solutions are designed to be fully compliant with the new VAT regulations.

Our solutions now also provide greater visibility and control over the payment process, which can help businesses to manage their cash flow more effectively. Moreover, we are expanding our offer with a range of additional services, such as e-signature, payment and invoice financing services, that can help our customers to streamline their processes even further and to free up time and resources to focus on their core business activities. They can improve cash flow, build stronger relationships with their customers, and gain a competitive edge in their market.

In conclusion, we want to reiterate our commitment to help our customers succeed in the digital age. We understand that the challenges in the coming years are significant, especially with the new VAT regulations coming into effect. However, we believe that e-invoicing can play a key role to meet these challenges head-on. At Unifiedpost, we are here to support SMEs and large enterprises every step of the way.

We want to express our gratitude to our employees, customers, and partners for their ongoing support and commitment to Unifiedpost. It is through our collective efforts that we have achieved such outstanding results, and we look forward to continue this journey with you all.

Hans Leybaert
CEO

Stefan Yee
Chairman

1. Management Report

1.1 Our mission

At Unifiedpost, we make business easy and smart by offering enterprises tools to build strong digital connections with their customers, suppliers and other stakeholders. By doing so, we help our customers become more efficient, cost effective and compliant.

Digitising ecosystems of consumers and organisations has been the mission of Unifiedpost ever since its foundation in 2001. Today that has evolved in a full support of collaboration, digital interactions, document exchanges, electronic payments and cash flow optimisation for all types of companies. This way we allow organisations to optimise and automate their purchase and sales processes, which will save them time and money. Finally, we want to support companies to be compliant with VAT regulations and other regulatory requirements they are subjected to.

Within our trusted network, we equip every verified participant with the right tools to digitise and automate business processes including order-to-cash and procure-to-pay processes. Those tools range from web platforms and smart mobile applications over software integrations all the way to fully documented APIs.

“The combination of our global approach with the tailored local footprint is a unique selling point of Unifiedpost and sets us apart from any competition. Connecting companies in one network is a must as doing business today is rarely limited by country borders.”

Hans Leybaert
CEO and founder of Unifiedpost

1.2 Unifiedpost at glance

1.2.1 Key figures

2001
Founded, HQ Belgium

500m+
Documents processed

92,5%
2022
Recurring revenue

1.400+
FTEs

33
Countries

€190,9m
2022
Revenue

1.000.000+
SMEs

5.000.000+
Connected users

8
Succesfull acquisitions last 3 years

2.500+
Large corporates and governments

1.2.2 Global presence, locally anchored

1.2.3 Key milestones in more than 20 years of history

2001

Foundation of Unifiedpost
Unifiedpost was founded in Belgium by our CEO, Hans Leybaert, with a central focus on document processing technology.

2004 - 2009

Early European expansion
Building on our success in Belgium, we quickly moved into Luxembourg (2004) and the Netherlands (2008) as we set our sights on European expansion. This culminated with the launch of our flagship "Development Centre" in Timisoara, Romania in 2009.

2012 - 2013

First acquisitions
Eager to catch the digitalisation wave, we knew we needed to combine organic growth with new capabilities. Our first acquisitions, PowertoPay (2012), a corporate payment hub, and Finodis (2013), a financial services provider, set us on the path to becoming an integrated cloud solution capable of serving our customers' entire document processing and financial value chain.

2014 - 2015

Welcoming new capabilities
Managing documents and approvals is a complex collaborative process that occurs within businesses and between entities. It is a critical element of the financial value chain and it's central to Unifiedpost's offering today.
This was made possible when we welcomed eID (2014) and Zet Solutions (2015), which combined brought identity recognition services, document signing tools and community platform solutions to the business.

2016

Unifiedpost becomes a payment institution
In 2016 we launched PAY-NXT (now Unifiedpost Payments), officially establishing Unifiedpost as a payment institution. Today with Unifiedpost Payments, customers can manage invoicing as well as payments using our platform.

2017

The future is integrated
A central tenet of digital transformation is the ability to share, store and access data remotely and collaboratively. The acquisition of Nomadesk brought this capability to our customers.
However, there was still one piece missing from the puzzle: automation. With the acquisition of Onea, which delivers automated processing of incoming invoices and ERP-integrated accounting solutions, our mission to serve the entire document processing and financial value chain was near complete.

2018

Consolidating our position
By the year 2018, it was all about consolidating Unifiedpost's complete offering. We brought further strength to our financial accounting integration solutions with the addition of ADM Solutions. In the same year, Inventive Designers brought more capabilities in the form of high-volume, omni-channel customer communications technology and other related consultative services.

2019

We set foot in the Baltics
The acquisition of Fitek Group gives direct market access to the Baltic States and Central and Eastern Europe. Together with our first steps on the UK market by the acquisition of Prime Document, our footprint was secured in eight new markets.

2020

Unifiedpost Group becomes a listed company
Since 22 September 2020 we are listed on the regulated market of Euronext Brussels. The capital increase related to initial public offering amounted to € 175 million and had an initial market capitalisation of € 608 million. Going public was an important milestone for Unifiedpost's future growth journey as an independent fintech company.
The digital accounting platform Jefacture was launched in France by partnering locally with Expert-Comptable Media Association (ECMA), the French organisation responsible for providing digital tools to chartered accountants.

2021

Expansion to +30 countries
2021 has been a construction year. Six major acquisitions were done: 21 Grams, BanqUP, Akti, Digithera, Sistema eFactura and Crossinx. The integration immediately took off.

2022

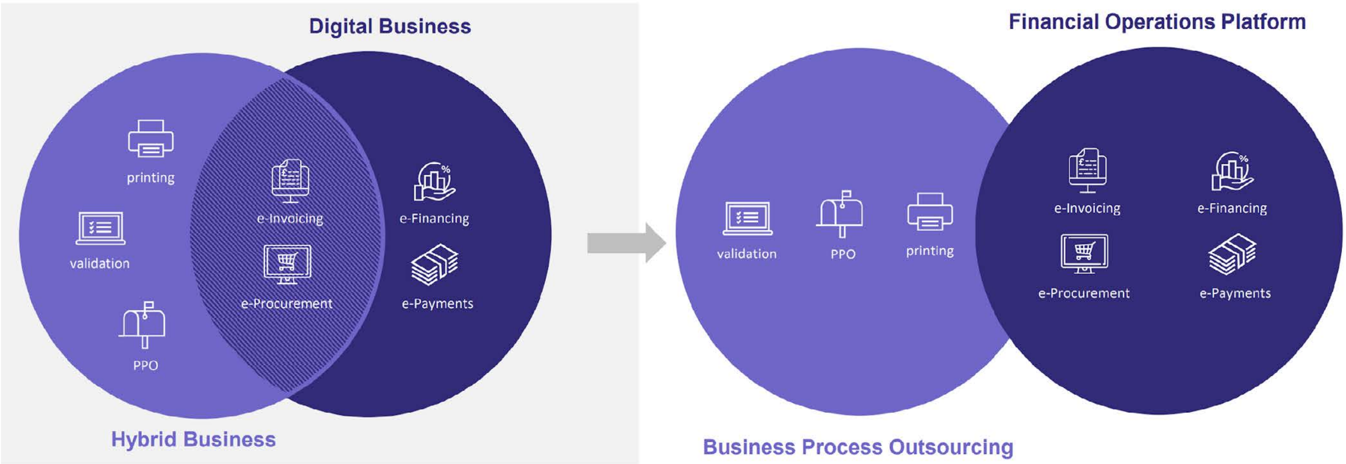
Ready for further growth
Francisco Partners, a leading global investment fund that specialises in partnering with technology-enabled businesses, entered into the capital and granted a senior facility loan of € 100 million to support further growth.

1.3 Business Activities

As we cover the entire market spectrum from micro to multinational organisations and consumers, we offer a comprehensive and scalable suite of products. Digital processing, including hybrid printing services when required, has been the core business of Unifiedpost since its foundation in 2001. After the acquisition of 21 Grams in 2021, our main activities were supplemented with postage & parcel optimisation services.

1.3.1 Digital processing services

Unifiedpost offers a range of digital platforms to serve small, medium and large businesses when it comes to document flows, payments and additional value added services: Banqup, Channel and Collect. Next to that, with Control we support governments in their real-time monitoring of invoice flows to guarantee a fair and tax compliant way of doing business in each country.

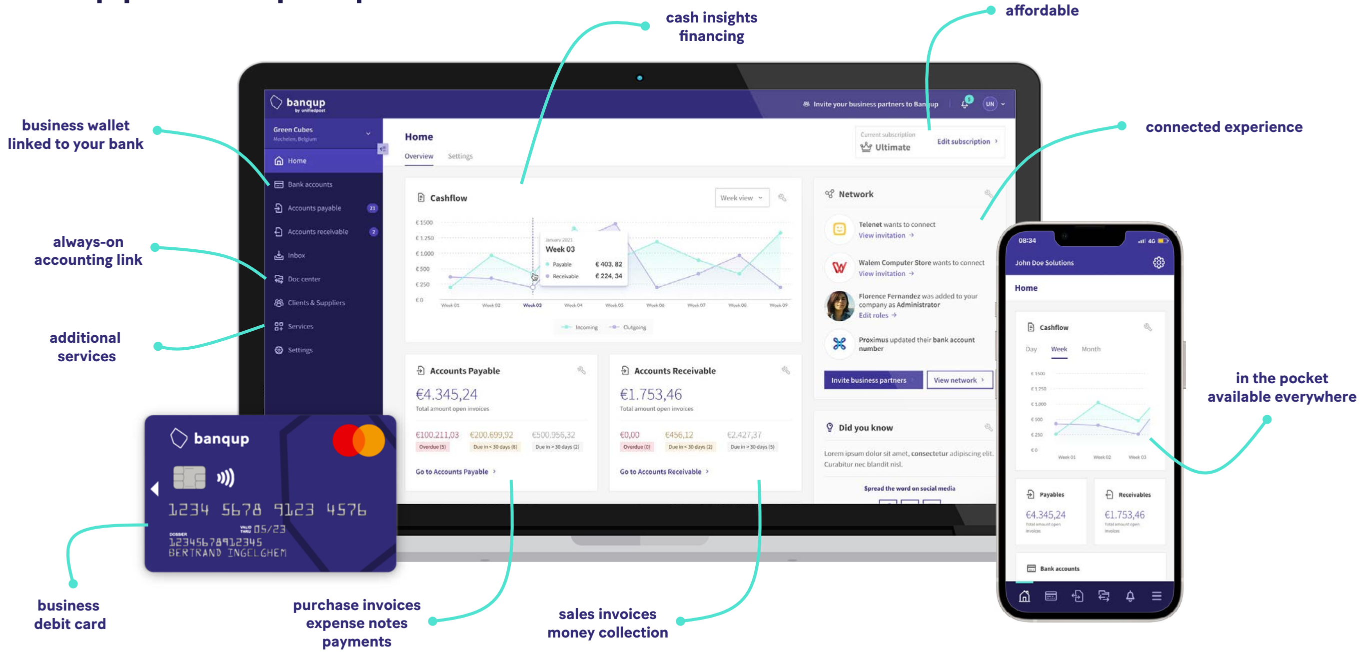


In order to allow Unifiedpost to have a fully hybrid product offering, we have six print hubs where offset printing and fulfilment activities are realised. These hubs are located in Belgium, Lithuania, Latvia, UK, Serbia and Slovakia, and support the Banqup, Channel and Collect product portfolio. With these print hubs, we still attract new customers who are, or will be, starting the digitisation process. We support them in turning their traditional businesses with printing activities into a new, digitised environment. In the delivery process, print activities are still important in order to serve all end customers, also the ones that have not embarked on the digital journey yet.

1.3.1.1 Banqup

Unifiedpost operates the financial operations platform Banqup, integrating e-invoicing, e-procurement, e-payments and e-financing. It makes buying and selling easy for a broad range of SMEs. We do this by connecting them in a global trusted network, by digitising and automating their financial processes and by making them tax compliant without effort.

Banqup - one stop shop for SMEs



Simplifying the operating efforts of SMEs

Banqup[1] is a one-stop-shop that simplifies SMEs daily business by significantly reducing time-consuming and costly administrative and banking tasks:

- Customers can easily manage their accounts payable, accounts receivable and bank accounts.
- The integrated invoicing solution accepts and sends invoices via a wide range of channels and formats. Digital purchase invoices (mostly PDFs) are turned into data via AI-driven text extraction, for further digital processing. Digital sales invoices are generated in multiple formats, and customised to e.g. reflect company logos. In the case of international electronic invoices, where the origin and destination country adheres to different formats, electronic invoices are converted to the imposed format.
- Payments can be executed in one integrated easy-to-use application that is available as a web portal and as a mobile app for Apple and Android devices.
- Based on all these available data, Banqup provides financial insights and ultimately allows cash flow optimisation. Additional value-added services, like invoice financing, payment reconciliation, debt management, dunning, dynamic discounting and supply chain finance, support SMEs to further optimise their Procure-to-Pay (P2P) and Order-to-Cash (O2C) processes, and allow for hands-on and effective working capital management.

Operate in a trustworthy environment

Trust is the cornerstone in conducting business. To fully benefit from Banqup's capabilities, a new customer is verified via an extensive Know Your Customer (KYC) process. Individuals representing a company are given a secure identification token, called Banqup ID, as part of the KYC process to make sure every network participant can be trusted. With Banqup ID, we make sure that customers throughout Europe can safely do business as it combines the private identity of a person with the officially published company mandates.

Conduct integrated business

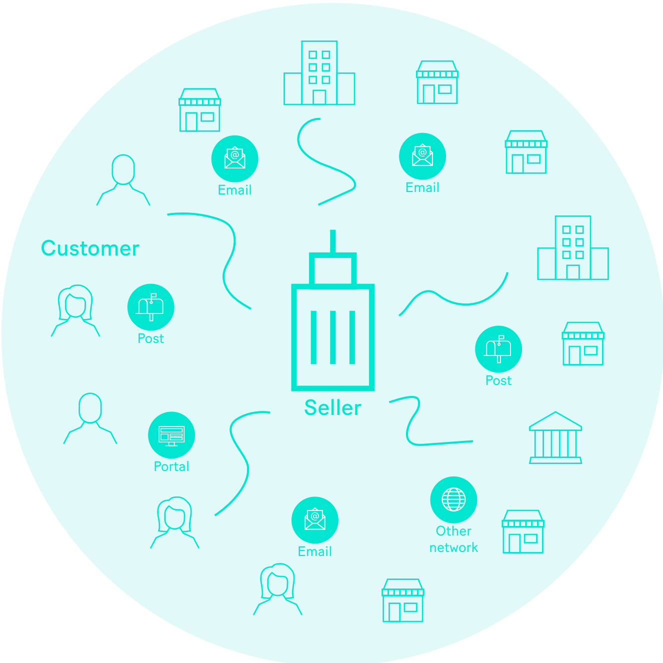
Banqup is a one-stop-shop that connects the SME in real time with all its stakeholders. It does integrate seamlessly with most accounting software. Once a connection is made with accounting software, invoices, receipts, payment and transaction information, and other documents are continuously shared. Via an accountant-specific module, the accountant can configure an integration with the accounting software of choice. For self-bookers, the integration with the accounting software can be configured from within the platform.

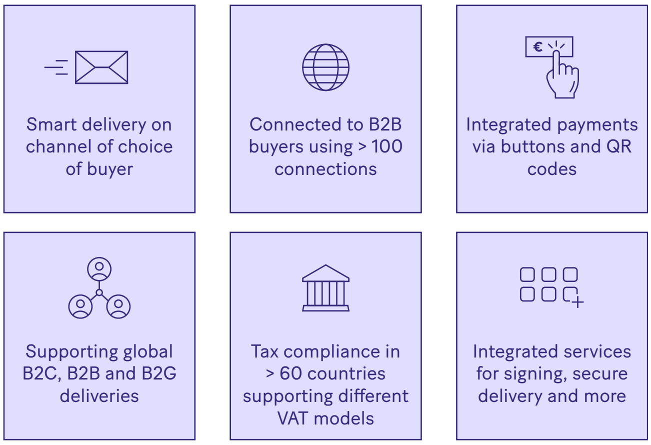
[1] In Belgium the Platform is branded as Billtobox and in France Unifiedpost operates the Jefacture Platform in partnership with Expert Comptable Media Association (ECMA), the French organisation responsible for providing digital tools to chartered accountants.

Additionally, our open solution fits with existing business and productivity tools like ERPs, CRMs and time tracking software. Via the service store, customers have access to an extensive library of services and integrations that are fully integrated and simple to test and activate. For software partners, there is an extensive library of APIs available via the developer portal. By using the APIs, a software partner can integrate their solution with Banqup and add a connector to their marketplace.

1.3.1.2 Channel

Channel is Unifiedpost's solution for outbound documents related to O2C-processes of large enterprises. As a fully digital, automated solution, Channel enables to seamlessly exchange documents data between consumers (B2C), businesses (B2B) and governments (B2G).





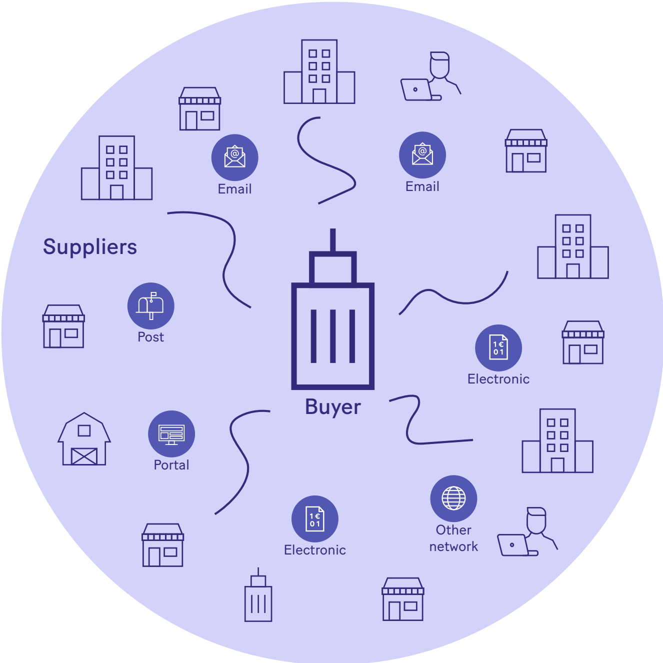
Channel enables to deliver a personalized experience on the channel of choice of the customer that is easy to act upon with the goal to reduce the Days Sales Outstanding (DSO) of an invoice

Covering the O2C needs of large sellers

Channel ensures your business meets local tax compliance and e-invoicing regulations. Channel enables large, often multinational companies to set up smart O2C-processes within B2B, B2G and B2C networks. The integration interfaces are built to ensure that Channel's capabilities are adequately embedded in the company's existing software solutions (like ERP and CRM software). The application is today tax compliant in more than 60 countries.

1.3.1.3 Collect

Collect enables large, often multinational companies to set up smart P2P-processes with businesses (B2B) and governments (B2G). Supplier documents can be received from different sources in many different formats.



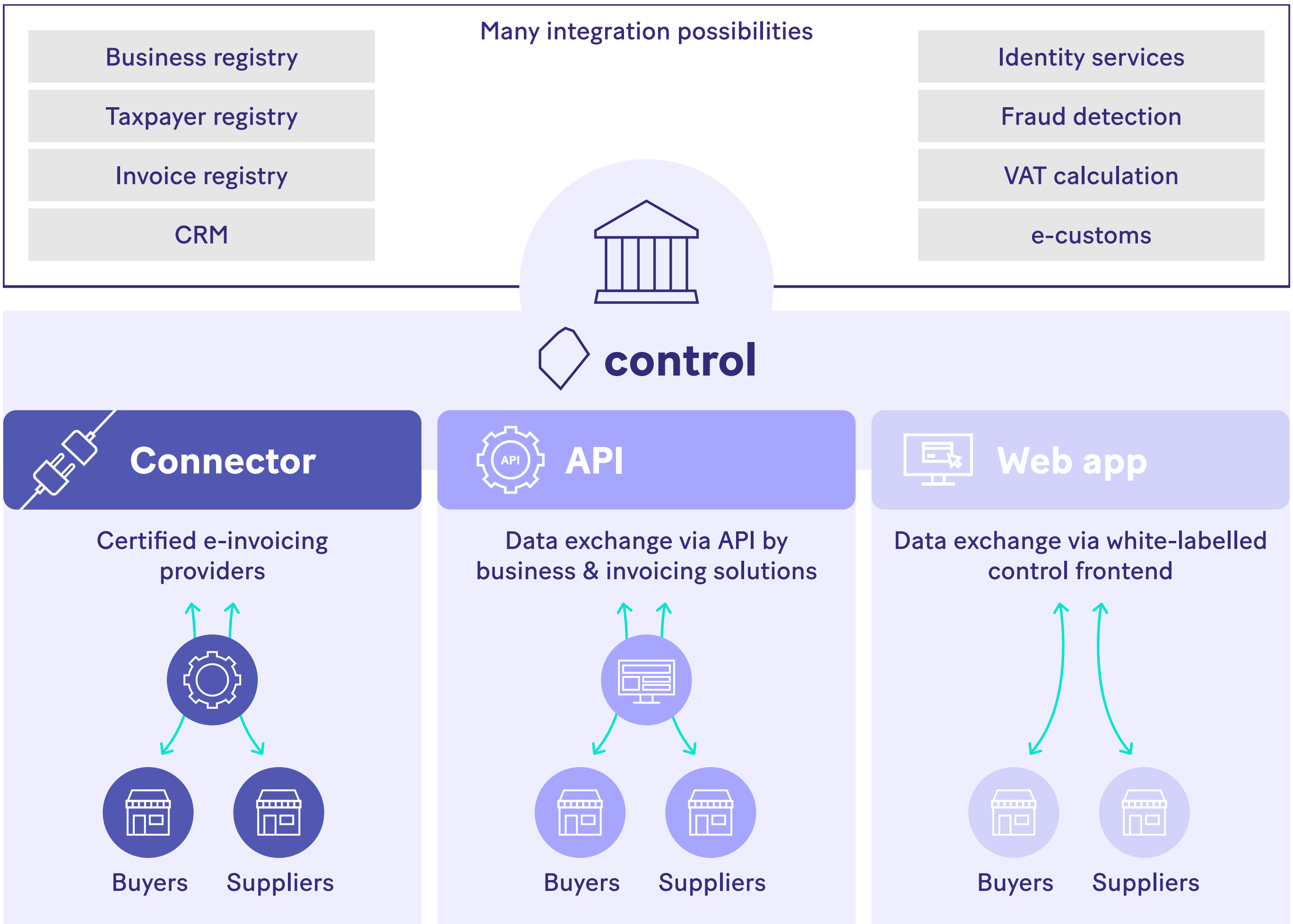
- Multichannel intake of documents and information
- Connected to B2B sellers using > 100 connections
- Wide range of electronic date formats supported
- Smart AI-driven data extraction and OCR services
- Invite your business partners with invitation campaigns
- 100% compatible with a wide range of ERP systems

Covering the procurement needs of large buyers

Collect is capable of accepting a wide range of supplier documents (and sending responses) in every phase of the procurement process via more than 100 connected third party B2B networks. It allows an enterprise to set up a broad range of digital connections, meeting the different integration capabilities of the different supplier groups, ranging from specific EDI connections to simple PDF-via-email connections. Multiple integration interfaces are provided to make sure documents that are accepted via Collect (and the related metadata) can be shared with the existing software solutions like ERP.

1.3.1.4 Control

Control is the product offering specifically intended for governments that want to control and monitor the various document flows (incoming and outgoing) with as objective reducing the VAT gap, amongst other things. This modular solution supports handling and reporting B2G and G2B incoming and outgoing invoice streams from large to small businesses.



Supporting governments with all tax compliance models

The different interfaces of Control gives governments the possibility to engage with all types of businesses: a web application interface for micro and small businesses, a programmable interface (API) for invoicing solutions and support for certified e-invoicing providers.

1.3.2 Postage & Parcel Optimisation Services

In January 2021, Unifiedpost Group acquired 21 Grams. This Swedish company was founded in 2004 and is a leading provider in the Nordic countries of mission-critical outbound document solutions and provides optimised postage and parcel services.

Given the highly liberalised postal market in Sweden, there is an opportunity for optimising large mailings/deliveries. 21 Grams has developed software to perform such optimisation, which constitutes the basis for its postage offering to clients. Depending on the client's wishes, 21 Grams service can be limited to 'optimisation only', or include further handling of print instructions to print partners and handling of all related postage costs. To complete the product offering to these postage customer base, Unfiedpost also offers them parcel distribution.

1.4 Market potential

As the importance of digitisation, the subsequent cost savings and mandatory e-invoicing is rising day by day in corporate management and government policies, Unifiedpost finds its core business in a favourable environment as it is propelled by these strong external growth drivers. In this context it is important to refer to the legislative proposal regarding VAT in the digital age ("ViDa-initiative") issued on 8 December 2022 by the European Commission (EC).

"With our product range, Unifiedpost contributes to a more fair and transparent way of doing business globally. At the same time, it allows entrepreneurs to save a significant amount of time and overhead costs."

Hans Leybaert
CEO and founder of Unifiedpost Group

1.4.1 Digitisation and sustainability

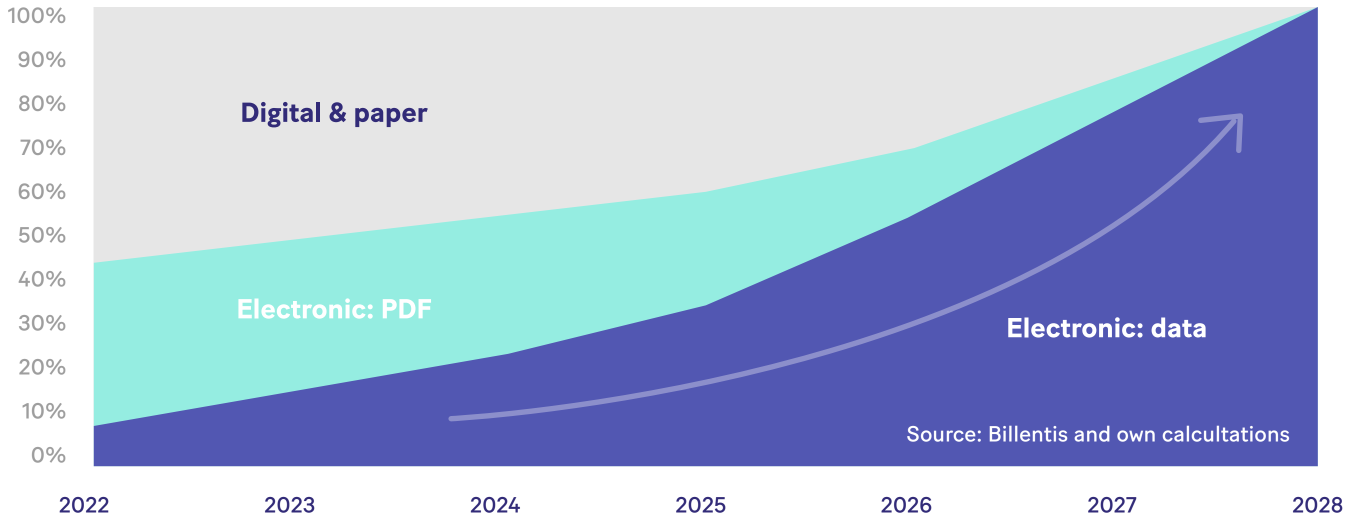
Worldwide, companies have been gradually digitising their operations over the past several decades. With the growth of the internet and advancements in technology, business administration flows are shifting from traditional paper-based systems to digital systems. This allows companies to streamline processes, improve communication, and increase the speed and accuracy of data processing. As a result, many companies have achieved greater competitiveness, improved customer experiences, and increased profits. Digitisation has also created new opportunities for companies, such as online commerce, big data analysis, and cloud computing.

Additionally, when it comes to digitisation of paper flows, significant volumes of paper are being saved. Sustainability is gaining more importance for companies of all sizes. We believe that digitisation of documents is a significant milestone in the ESG-framework of numerous companies. Hence, the awareness around sustainability is a natural growth driver for Unifiedpost.

Overall, digitisation has become a key driver of economic growth and innovation in Europe, and companies that embrace digital transformation are better positioned to succeed in today's rapidly changing business landscape.

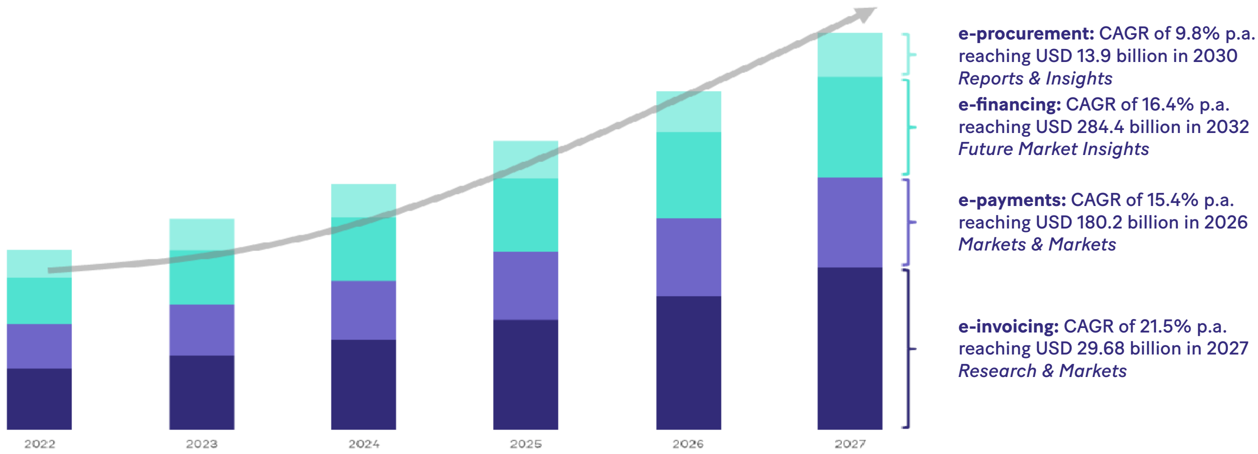
In 2021, only 55% of small and medium-sized enterprises (SMEs) in Europe reached at least a basic level in the adoption of digital technologies. Sweden and Finland have the most digitalised SMEs (86% and 82% having a basic level of digital intensity respectively), while Romania (22%) and Bulgaria (25%) have the lowest rates of SME digitalisation. Businesses are getting more and more digitalised, but the use of advanced digital technologies remains low. Although already 34% of enterprises rely on cloud computing (in 2021), only 8% use AI (in 2021) and 14% big data (in 2020). Following again EU's targets, at least 75% of companies should take up AI, cloud and big data technologies by 2030.[2]

[2] The Digital Economy and Society Index (DESI), https://digital-strategy.ec.europa.eu/en/policies/desi.



The e-invoicing adoption in Europe varies per region. While in Italy and the Nordic countries the adoption is over 40%, Western Europe has an adoption rate that varies between 20% and 40%. Eastern Europe lags behind with an adoption rate of less than 20%[3].

This poses a huge digitalisation opportunity for the years to come. Unifiedpost operates in four highly attractive markets with high growth rates:



1.4.2 Regulatory tailwinds

In current times of budgetary tightness, rising interest rates and mounting national debt, governments are seeking to close the so-called VAT gap. This is the difference between the VAT revenue a government expects to collect, and the actual collected amount.

The VAT gap in 2021 was estimated to be € 500 billion worldwide and € 140 billion in Europe.[4] This awareness feeds the most disruptive development in the global economy for decades, with various governments making e-invoicing mandatory for both B2G as B2B business transactions.

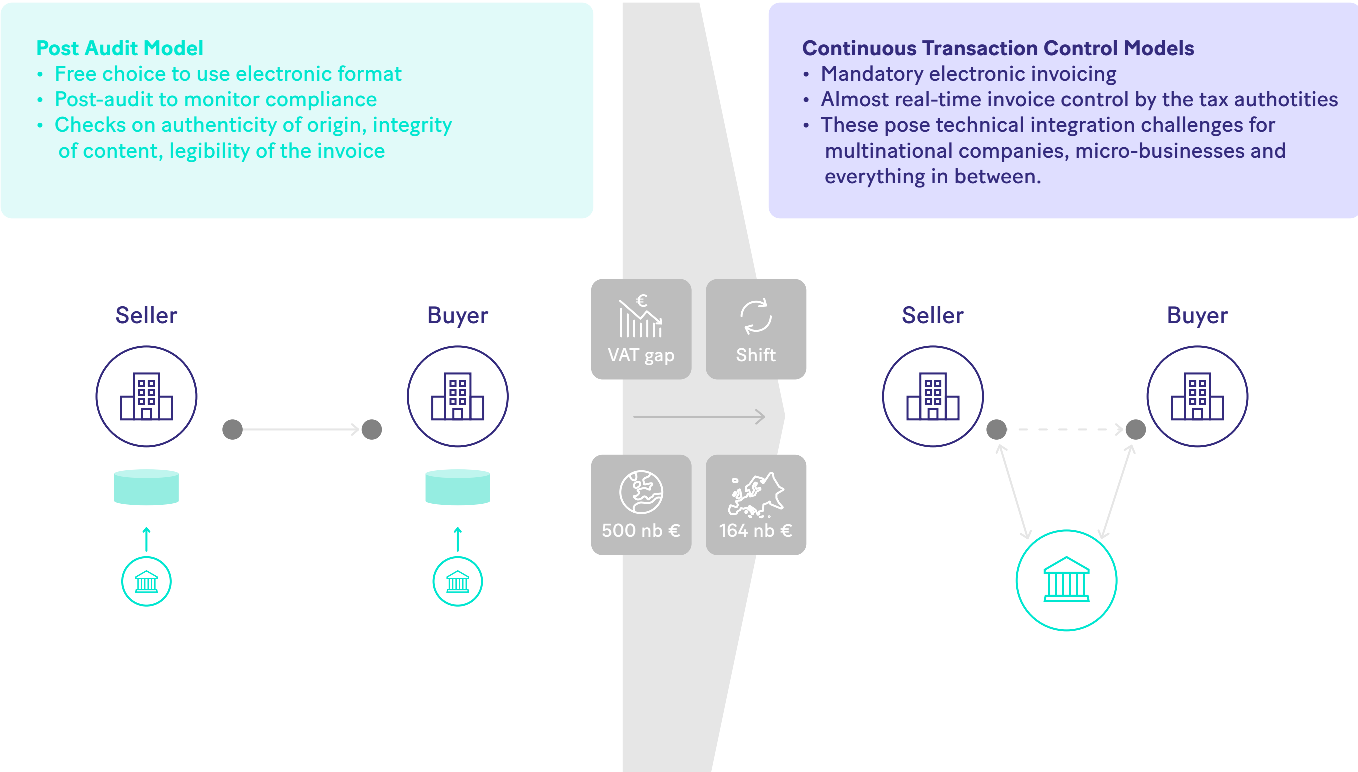
In Europe, currently our main operating market, e-invoicing is also a key topic in the digital agenda and activity plans of the EC as mentioned above. Due to the many e-invoice formats used across the EU, these various formats are often not interoperable and cause unnecessary complexity and high costs for businesses and public entities. As part of the European legislative proposal 'VAT in the digital age', all European countries are expected to make B2B e-invoicing mandatory in the next coming years.

[3] B.Koch, Billentis report : The e-invoicing journey 2019-2025 figure 18.
[4] VAT TRENDS: TOWARD CONTINUOUS TRANSACTION CONTROLS (2021) https://sovos.com/content-library/vat/sovos-global-vat-compliance-trends-2021/

1.4.2.1 From post audit to continuous controls

Across the globe, more governments are making electronic e-invoicing mandatory and set up tax compliance processes. Mandatory processes all began at different times and with different requirements, and therefore create number of e-invoicing and tax compliance process models. As e-invoicing mandates expand, businesses will likely need to comply with more than one country, model or mandate to cover cross-border transactions. Therefore, it is beneficial to understand the most common models and how they work in practice. Not one model is exactly the same, as all governments and tax authorities have different tax and invoicing requirements. However, at a high level, many mandatory requirements can be grouped into either of two models: the post-audit model and the clearance or continuous transaction control (CTC) model. The evolution from the first to the latter is based going from at random sampling to full data auditing.

A characteristic of the post audit model is that transactions are only controlled post factum based on smart sampling to increase detecting for errors or fraud. A CTC model validates each transaction at occurrence on the platform which allows a 100% control of the e-bills transmitted.



Post-audit model

The post-audit model requires businesses to create, keep and report invoices, without tax authorities involved in the process. Within the model, businesses must ensure their invoices are authentic, legible and accounted for, which means keeping the tax authorities up-to-date through periodical reporting. The integrity and authenticity can be ensured in the form of an electronic signature or a business process, providing evidence of a document traceability. Tax authorities may also undertake random audits for a certain period after a transaction. Therefore, businesses must keep a log of invoices to be compliant. The minimum timeframe of the log can vary from country to country.

Continuous Transaction Control model

A clearance model involves three parties: the seller, the tax administration and the buyer. Within this model, the tax authority must “clear” (validate) e-invoices at the moment of sending. Compared to the post-audit model, the clearance model monitors and tracks invoices at a far more detailed level. Invoices must be sent and registered with the tax authority, ensuring proof of both the buyer and the receiver. This provides the tax authority with full visibility on economic activity. Each invoice line is checked for applying the correct VAT rate. Countries such as Italy - who have been leading the way on mandatory e-invoicing - have benefitted from the clearance model for some time. The country’s use of a clearance model, combined with almost 100% of mandatory B2B electronic invoicing, has helped recover billions of VAT. Mexico, a pioneer of tax digitalisation, also uses the clearance model. With country mandated e-invoicing alongside live reporting to tax authorities. Mexico's model requires businesses to send invoices to certified third-party service providers, who are then responsible for sending the invoices to the tax authority.

In terms of tax compliance, the clearance model offers many benefits for both businesses and the tax authority. As such, while the post-audit model remains popular in Europe, many authorities are adopting the clearance model. Reasons for the adoption include:

- Structured communication: a real-time view of tax, helping to reduce tax fraud
- Automation: removes manual tax reporting and the likelihood of errors
- Revenue recovery: governments are able to increase their revenue due to tax compliance from businesses

1.4.2.2 'VAT in the digital age': Tremendous effects for businesses and governments

The European Commission has announced on the 8th of December 2022 the adoption of a new package 'VAT in the Digital Age', that demands mandatory intra-community electronic invoicing and mandatory business-to-business digital reporting. The directive states that all businesses must have the processes in place to be able to receive and issue electronic invoices by 2028, complying to the European standard for e-invoicing. However, there is no provision of how invoices will be exchanged between a supplier and a buyer.

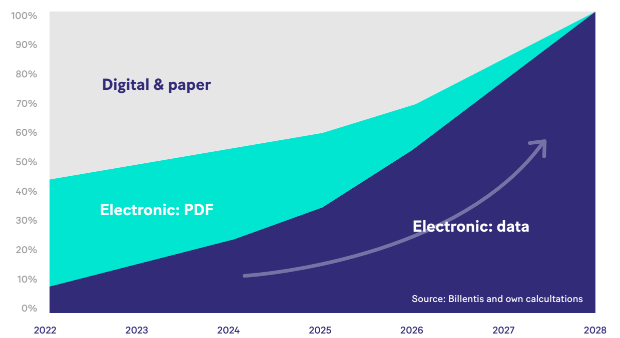
From 2028, all businesses in the EU will have to digitally report their intra-community business-to-business (B2B) transactions. The aim of this part of the directive is to improve reporting quality and comprehensiveness, and therefore unlock the opportunities provided by digitalisation.

EU announcement. Tremendous effects for Businesses and Governments.

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 than

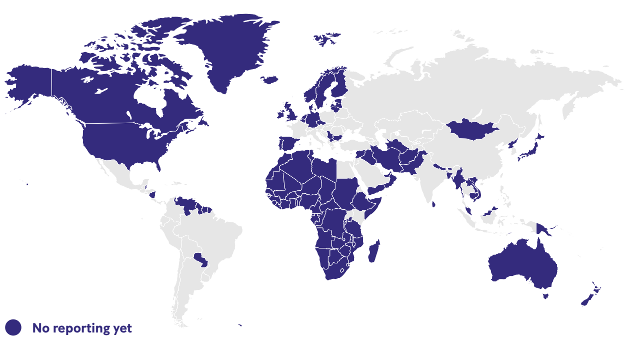
2028
Digital reporting

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

1.4.2.3 Mandatory e-invoicing as fuel for growth

This regulatory tailwind will fuel our growth in the years to come. The shift to mandatory electronic invoicing will result in an adoption growth from 45% to 100% between today and 2028 for B2B and B2G invoice flows in the EU. If we take into account that current electronic invoicing streams are still 80% PDF based (and not data based which is required for electronic reporting), we conclude that the total market for electronic B2B and B2G invoicing will grow from 9% today to 100% within the next 5 years.

As part of their efforts to close the VAT gap, more and more governments require extensive reporting from buyers and suppliers. They require insights in the complete workflow of invoices, starting from arrival, over validation and all the way up to payments.

Marcus Laube
Chief Sales Officer of Unifiedpost Group and Co-Chair of the European trade association for e-invoicing service providers (EESPA)

"Businesses are still sending PDF or paper supply chain documents between one another, while at the same time creating a separate process flow for the tax authority's needs. That will now quickly change, and our product offering will help companies to benefit fundamentally from the full business automation this evolution is implying."

1.5 Business Strategy

After executing our buy-and-build strategy in 2020 and completing it in 2021, Unifiedpost's strategy continued to focus on strong organic growth and on improving operational excellence in 2022. Economies of scale on the back of one global platform and product offering will continue to lead to cost synergies and margin improvements in 2023. Combined with the upcoming legislative frameworks for e-invoicing in Europe, our growth ambitions continue to be strong.

1.5.1 Digitising ecosystems

We have two decades of experience in building durable industry specific ecosystems that connect SMEs and large multinational companies to collaborate in financial supply chain processes. Our product portfolio is perfectly suited to cover all the needs of such ecosystems with the Channel and Collect product suite for large multinational companies, and Banqup for SMEs. Particularly in these ecosystems, network effects come into play quickly, with mainly large corporations inviting their small and medium sized suppliers and customers to join them on a common platform.

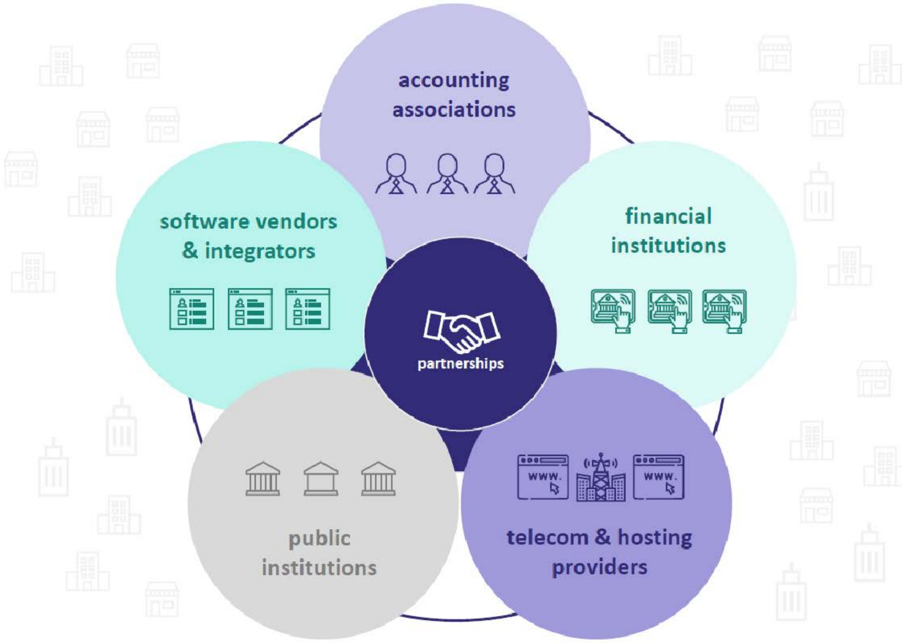
To meet industry requirements, specific solutions and value-added services have been put in place. These solutions allow collaborative workflows such as self-billing, dynamic discounting, dispute management and pro forma invoices. The standardisation of these flows results in optimal collaborations between the various actors in an ecosystem.

Construction sector digitalises billing through Unifiedpost

In times of significant labour and raw material shortages, digitalising the billing process can offer welcome administrative relief to countless companies, not least contractors and their suppliers. With precisely that in mind, Embuild, the Belgian trade association unifying more than 16.000 construction companies, announced in October 2022 that it will offer a digital billing platform to its members. Embuild therefore joined forces with Unifiedpost.

As part of its mission to support the construction sector in its transition towards further professionalisation and digitalisation, the Embuild trade association will be granting its 16.000 members access to the Billtobox digital billing platform, developed by Unifiedpost, so that documents — mainly invoices — can be exchanged electronically. In doing so, Embuild is not just seeking to significantly reduce the administrative burden faced by its members. The platform also enables them to quickly and easily make payments, meaning they can manage their cash flows in a much clearer way. On top of that, the platform also leaves users fully prepared for B2B billing requirements that will soon come into force.

1.5.2 Leveraging partnerships



Over the last years we have extended our network to support companies of all sizes, and we created a comprehensive standardised product portfolio that can easily be integrated. This allows Unifiedpost to engage in partnerships with accounting associations, financial institutions, large billers, public institutions and software vendors. Having a strong position within a specific commercially interesting area, these partners are incentivised to onboard SMEs onto Banqup. This indirect approach via partners is an essential part of our sales strategy and will enable us to grow further organically.

Through our experience in Belgium (Billtobox) and France (Jefacture), we are well-positioned to convince additional accounting associations in other countries to start an ambassador program for Banqup.

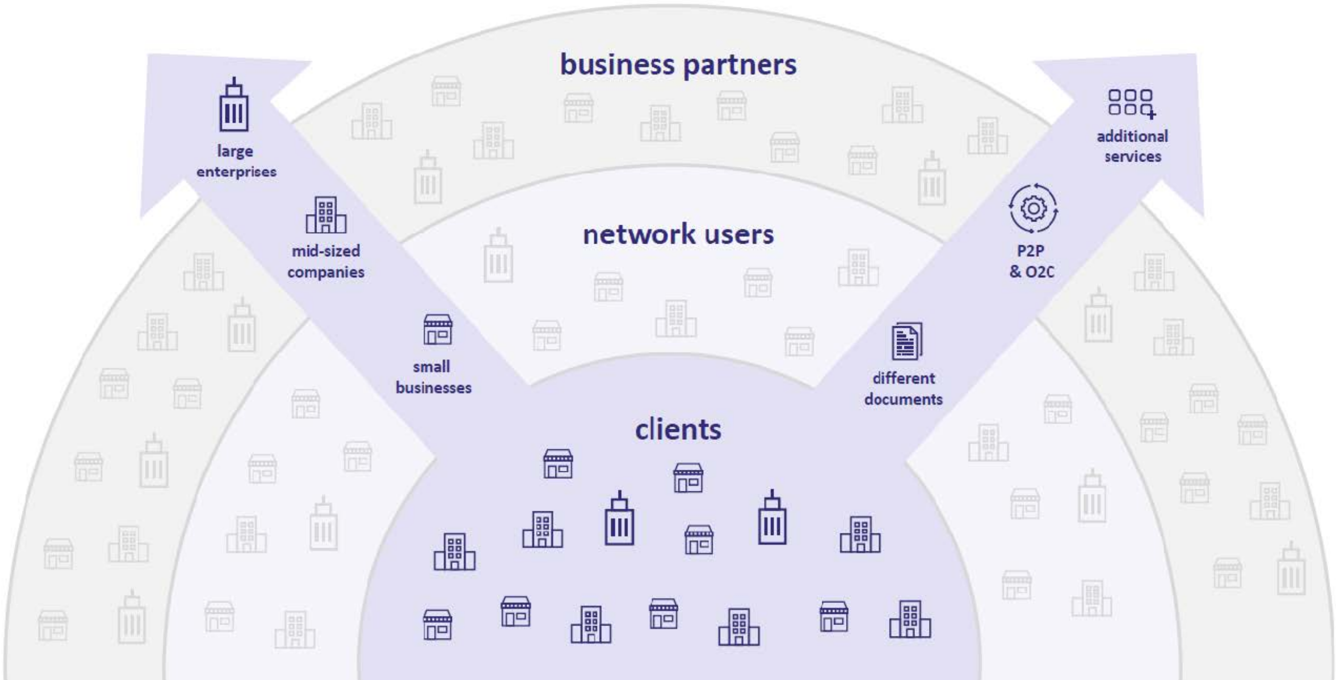
Through partnerships with software vendors, we are integrated into their ERP and CRM software in a standardised manner, which allows the software vendors' customers to use our products with the click of a button.

Unifiedpost and French federation of accountants sustainably join forces

In December 2022, we announced the anchoring of our ongoing partnership for the French e-invoicing platform jefacture.com for the long term in a joint venture with ECMA - the entity linked to the digitization of the cabinets of the French National Council of the Order of Chartered Accountants. This way, the full market potential of jefacture.com will be maximised. The e-invoicing developed by Unifiedpost for ECMA enables French chartered accountants to help their clients in the transition towards mandatory B2B e-invoicing. On top, Unifiedpost will have the ability to scale-up the e-invoicing connection towards a payment solution.

As from 1 July 2024, all French companies should be able to receive e-invoices. This implies a significant implementation of calibrated technology by all businesses to comply with this VAT-based regulation. Already in 2020, ECMA therefore closed a partnership with Unifiedpost in order to provide French accountants with a platform to manage the e-invoicing flows of their clients. Today jefacture.com enables SMEs to dematerialise and route all purchase and sales invoices in Factur-X format, and to integrate them in their management tools. In France, there are about 20.000 accountants serving 2,75 million SMEs. More than 600 million B2B invoices are sent out yearly in the country.

1.5.3 High cross-and upsell potential within current client base



Both the network customers and the network members possess a high cross- and upsell potential, where we actively offer to extend their current activity with additional batches and types of documents, additional services or additional processes. Furthermore, all products have the possibility to invite business partners. This enables our customers to invite their business partners to also join the network via invitation campaigns set up for different groups of customers or suppliers.

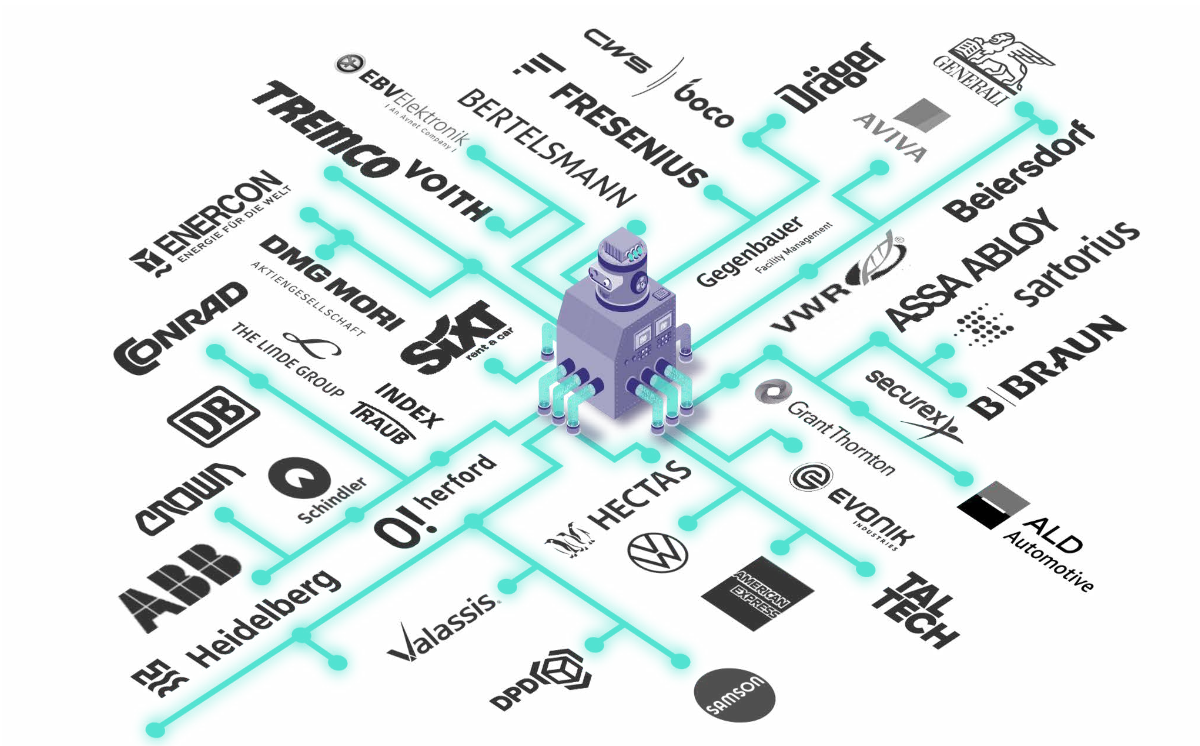
Currently, more than 1 million companies are connected to the various platform solutions. As the number of users grows and a critical mass of connected customers is reached, the activities on Banqup, Channel and Collect exponentially increase. This will enable the collection of even more data, which can then be used to further develop value-added services in the different platforms, in turn attracting more customers.

To accelerate the network effects, we are continuously leveraging the data in the network to identify accelerator companies. Those so-called super-connected accelerator companies, either an existing client or not, represent a potential for future onboarding of their respective clients and/or suppliers on our platform, and are the target of our sales efforts.

Our ultimate goal is to establish our solutions as one of the market standards, in order to reap the full benefits of the network effects.

1.5.4 Onboarding new corporate customers

Next to the more than one million SMEs on Unifiedpost's network, we have a proven track record in the corporate market segment, evidenced by our loyal customer base of over 2.500 large corporations.



Given that the loyalty of these customers validates our offering, and taking into account the comprehensiveness of our solution, we are well positioned to further strengthen our position in the corporate customer segment across Europe.

We will continue to market our comprehensive suite of services to large corporations. Next to fulfilling the specific needs of those corporations, we also seek for synergies with regards to the corporates' SME buyers (or suppliers). As a percentage of those SMEs are already Banqup users, collaborative workflows between Channel (or Collect) and Banqup are an obvious way to increase efficiency.

As we are convinced that corporations should look further than their own company if they want to digitally transform their business, we offer them an ambassadorship program to jointly convince their whole ecosystem, including SME customers (or suppliers) to join the digital revolution.

1.5.5 Ongoing innovation on robust technology framework

With intensive R&D as a continuous and sustained effort during the past decade, we have now constructed the framework of Unifiedpost's technology. Supplemented with technology gained from last year's acquisitions, the foundations are completed. With an ongoing innovative mindset, we now build further on this by developing new capabilities and tools on top of Banqup, Channel, Collect and Control. This implies a more condensed R&D-intensity compared to the past period, however developing innovative and state-of-the-art technology keeps on being the core of our business.

1.6 Business Highlights

1.063k customers

> 1.400 OpenBanking connections
>1.300% y-o-y

1.400+ FTEs
465 FTEs in R&D

CONNECTED
> 150 Software solutions

More than 150 ERP, CRM and accounting software solutions are connected.

One integrated global network
to transact & interact

crossnet
channel
banqup
collect

TRUSTED & CERTIFIED

ISEA 3402 | PCI/DSS
ISO 27001 | L2BA Partner
ISO 22301 | eIDAS

34,2%
customer organic growth

Customers & network

- Paying customers: **468k**
- Paid by 3rd party: **596k**
- Network: **1.046k**

> 2.109 entities
= accessible network

1.7 Financial highlights

1.7.1 Key financial results

Consolidated key figures

Income statement	**For the year ended 31 December**	
Thousands of Euro	**2022**	**2021**
Group Revenue	**190.963**	**170.533**
Digital processing revenue	126.916	106.884
Postage & parcel optimisation revenue	64.047	63.649
Recurring revenue (in % of total revenue)	**92,5%**	**92,8%**
Total gross profit	**60.153**	**53.882**
Total gross margin	**31,5%**	**31,6%**
Digital processing		
Gross profit	53.146	46.688
Gross margin	41,9%	43,7%
Organic growth	16,9%	15,6%
R&D costs (expensed and capitalised)	**-36.187**	**-33.149**
Loss from operations	**-29.900**	**-25.856**
EBITDA	**-6.389**	**-4.367**
EBITDA margin	**-3,4%**	**-2,6%**
Loss of the year	**-43.544**	**-25.579**

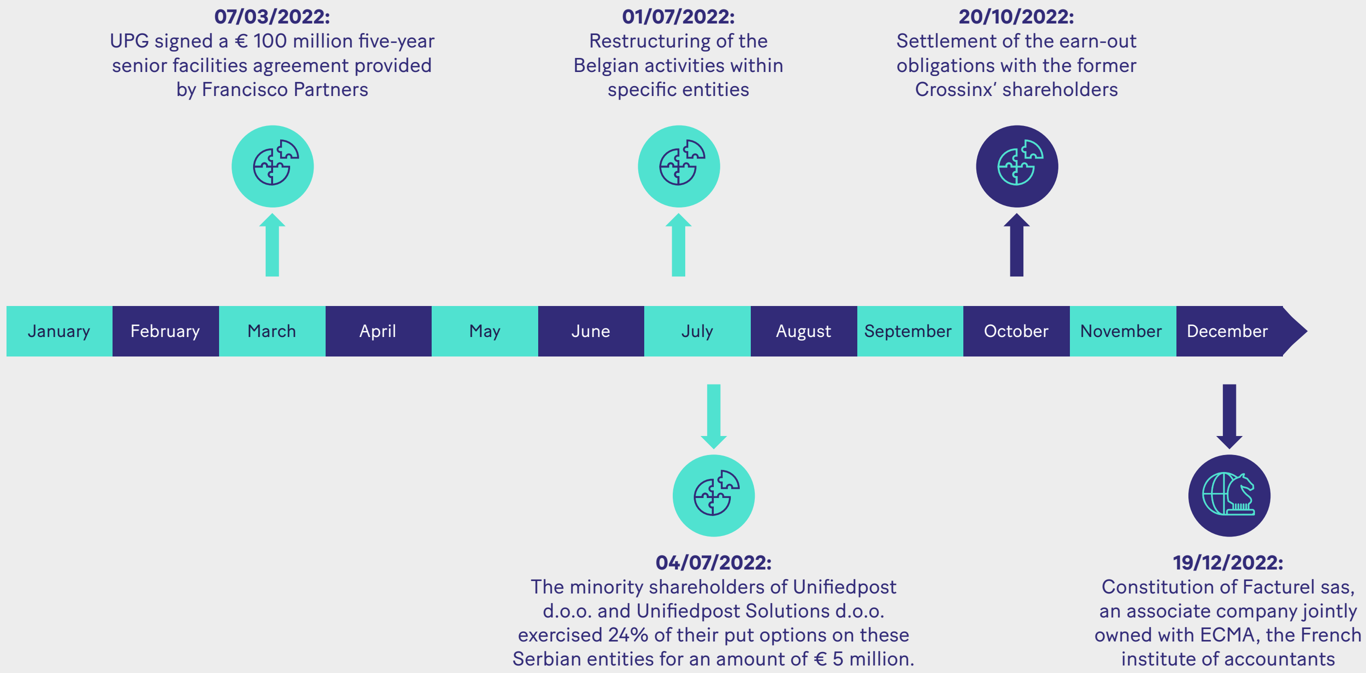
Balance sheet	For the year ended 31 December	
Thousands of Euro	**2022**	**2021**
Balance sheet total	340.337	311.976(*)
Equity	158.290	196.429
Goodwill	153.429	154.956
Other intangible assets	85.516	83.503
Cash and cash equivalents	40.033	16.970

(*) After careful assessment of our lease agreements, an amendment of an existing lease contract was not considered, causing the need for a restatement following IAS 8 of our comparative figures 31 December 2021. The right of use assets and the total lease liabilities were increased by € 925 thousand. After reassessing the process of the Funds in Transit between UP Payments SA and Stichting Unifiedpost Payments, it was concluded that in prior year receivables should have been cleared with the corresponding liability at the moment of pay-out to the merchant. Therefore, the balances of other receivables resp. other payables concerning these Funds in Transit, were both overestimated for an amount of € 6.083 thousand in the financial statements of 2021. Comparative figures have been restated in accordance with IAS 8.

Cash Flow Statement	For the year ended 31 December	
Thousands of Euro	**2022**	**2021**
Cash flow from operational activities	-12.375	4.063
Cash flow from investment activities	-32.199	-106.730
Cash flow from financing activities	67.637	-6.281
Net increase/(Decrease) in cash flow	23.063	-108.954

Other key figures	For the year ended 31 December	
	2022	**2021**
Net Financial (Debt)/Cash *(Thousands of Euro)*	-73.436	-23.846
Average number of shares	34.573.075	32.756.226
Earnings per share *(Euro)*	-1,26	-0,80
Total number of FTE per 31 December	1.454	1.418
Total number of customers	1.063.776	792.594
Revenue split *(in thousands of Euro)*		
Transaction revenue Document processing	80.128	69.643
Subscription revenue	28.248	20.841
ARPU *(Euro/month)*	27,3	27,9

1.7.2 Activity report - UPG's Milestones in 2022



07/03/2022: UPG signed a € 100 million five-year senior facilities agreement provided by Francisco Partners, structured in a term loan facility of € 75 million and a capex facility of € 25 million.

01/07/2022: Restructuring of the Belgian activities within specific entities

- Advanced Document Management Solutions NV (ADMS), Inventive Designers (ID), Akti NV, BanqUP BV and the eId Company SA merged into UP-nxt
- Unifiedpost SA contributed a branch of activity into UP-nxt
- UP-nxt transferred the existing commercial agreements from all the above cited entities to Unifiedpost SA

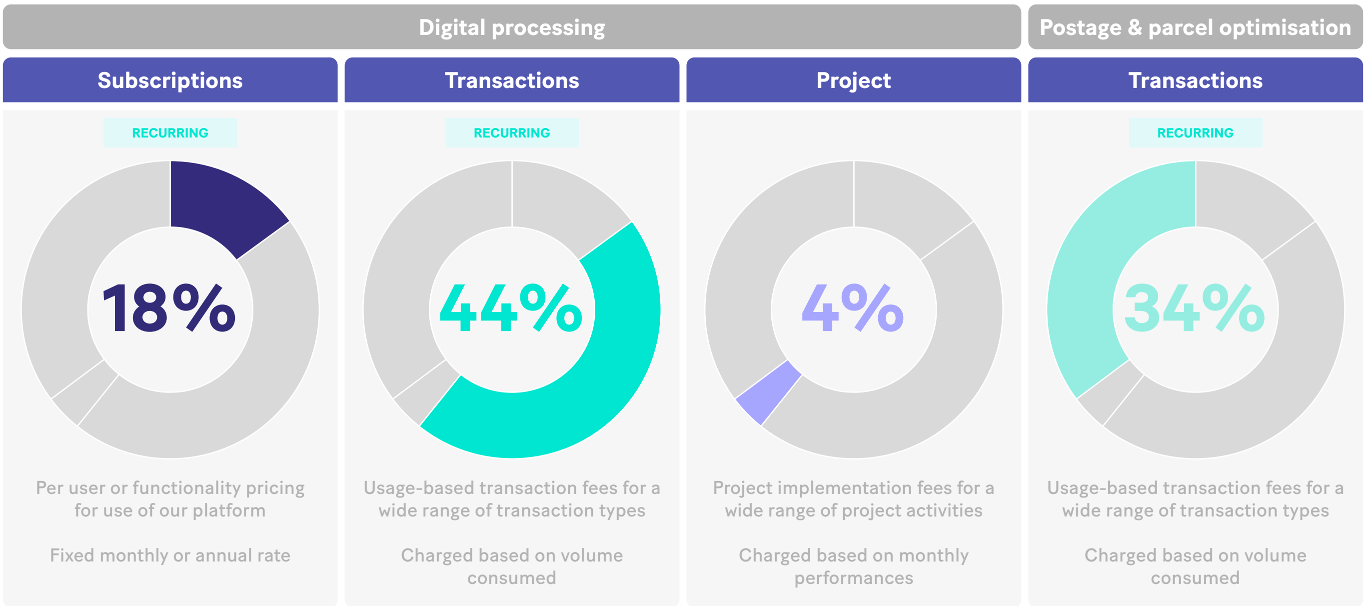
The objective of this transaction was to create a more transparent Belgian structure whereby UP-nxt owns and further develops the intellectual property related to our SME document processing activities and Unifiedpost SA is the commercial entity for the Belgian market and for the global document SME products (Banqup platform).

04/07/2022: The minority shareholders of Unifiedpost d.o.o. and Unifiedpost Solutions d.o.o. exercised 24% of their put options on these Serbian entities for an amount of € 5 million.

20/10/2022: Settlement of the earn-out obligations with the former Crossinx' shareholders through the issuance in aggregate of 1.277.723 new shares for a total amount of € 4.829 thousand.

19/12/2022: Constitution of Facturel sas, an associate company jointly owned with ECMA, the French institute of accountants. This partnership is essential in developing the French SME market with the product 'Jefacture'. Unifiedpost invested € 3,75 million.

1.7.3 Highlights from the financial report



1.7.3.1 Details of the financial results

Unifiedpost grew its revenue in FY 2022 by 12,0% to € 190,9 million, driven by double-digit growth of the digital processing revenue combined with a limited growth in postage and parcel optimisation services. Neither Covid-19 nor the geopolitical crisis in Europe has had a direct negative impact on the Unifiedpost business development. Similar to many other sectors, it is difficult to assess what the impact of the inflationary economy is on for example the number of transactions to process or the investment attitude driving our project business.

1.7.3.2 Digital processing

Unifiedpost's revenue resulting from digital processing amounted to € 126,9 million in FY 2022, an increase of 18,7% compared to FY 2021. The growth is predominantly supported by the strong growth of 19,1% in recurring digital processing revenue, spread over different countries and markets with the Nordics, Serbia, Romania, the Baltics and the Benelux showing accelerating growth rates.

The revenue coming from subscriptions from small and medium companies grew by 35,6% during the year. 88,8% of the total digital processing revenue resulted from recurring services, of which transaction revenue remains the most important. The customer base grew during 2022 by 34,2% year-on-year ('y-o-y') to over one million paying customers, either directly paid or paid by third parties.

The gross margin of the digital processing business slightly 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.

1.7.3.3 Postage & parcel optimisation

Revenue of postage and parcel optimisation services slightly increased over the year with +0,6% y-o-y to € 64 million. This limited growth is due to (i) an increasing shift from paper to digital and (ii) the devaluation of the Scandinavian currencies compared to the euro-currency (approximately 7% devaluation).

The postage and parcel optimisation services realised a gross margin of 10,9% for FY 2022, slightly down by 0,4% compared to FY 2021, also a consequence of inflationary effects.

1.7.3.4 Result for the period

Both segments combined led to a gross profit of € 60,2 million on a total revenue of € 190,9 million (31,5% gross margin).

During 2022, Unifiedpost spent € 36,2 million on R&D, of which 61% was capitalised. The R&D spending is equivalent to 28,5% of digital processing revenue. After having self-developed the platform successfully and rolling out the product, Unifiedpost has now been able to reduce its R&D spending as a percentage of total digital processing revenue.

G&A expenses for the period increased by 13% y-o-y to a total of € 45,8 million or 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. 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 17% y-o-y to € 29,2 million, equivalent to 15,3% of total revenue. The increase is caused by investments in the Group in local sales teams that are close to the business and customers. The 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.

Unifiedpost reported an EBITDA of € -6,4 million. After a negative H1 2022 with an EBITDA of € -6,5 million, Unifiedpost realised a slightly positive EBITDA in H2, in Q4 2022 even € +1,8 million.

The loss from operations amounted to € 29,9 million. The loss for the period was € 43,5 million, impacted by higher financial expenses of € 9,4 million (of which € 8,0 million linked to Francisco Partners funding), by a loss of € 1,9 million on an associate company (Facturel, a joint investment with ECMA in France) and by the change in fair value of financial liabilities of € 4,3 million linked to the earn-out with the former Crossinx' shareholders.

1.7.3.5 Goodwill

The goodwill amount decreased from 31 December 2021 to 31 December 2022 with € 1,5 million as a result of foreign exchange differences and amounts to € 153,4 million at year-end.

Goodwill has been tested for impairment, conform the principles foreseen in IFRS standards, at the end of the year, and no indications were identified which would lead to impairment.

1.7.3.6 Intangible assets

The other intangible assets increased by € 2,0 million compared to 31 December 2021. This increase is due to (net of disposals and foreign exchange differences) additions to other intangible assets of €20,3 million and amortisation for the year of € 18,3 million.

The net book value of € 85,5 million includes the following components: brand names for € 4,1 million, internally generated software for € 24,9 million, acquired software for € 10,9 million, customer relationships for € 26,4 million and assets under construction for € 19,2 million (mainly internally generated software).

1.7.3.7 Capital Increases

Unifiedpost increased its capital from € 309,2 million to € 326,8 million in 2022, and issued 2,3 million new shares. These capital increases were initiated (i) as part of the transaction with Francisco Partners in which they obtained an equity commitment fee of 3% of the share capital of Unifiedpost, representing € 12,8 million of share capital by issuing 1.082.862 new shares, and (ii) to settle the earn-out obligations as stipulated in the agreement with the former Crossinx' shareholders by issuing 1.277.723 new shares for a one-time payment of € 4,8 million.

1.7.3.8 Equity evolution

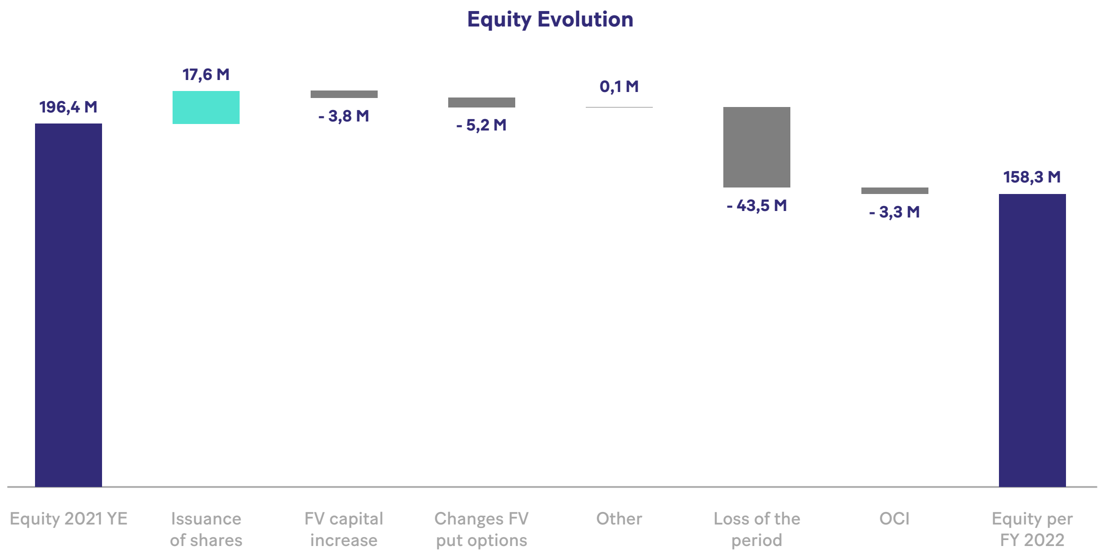
Apart from the movement in share capital, following transactions/results impacted the equity evolution:

(i) the settlement of share-based payments (ESOP) and own shares increased the reserve for share-based payments in equity by € 269 thousand

(ii) the change in the valuation of the liabilities associated with puttable non-controlling interest amounted to an effect in equity for a total of € -5,2 million

(iii) the change in the other comprehensive income (-€ 3,3 million)

(iv) the accumulated deficit (€ -43,5 million).



1.7.3.9 Cash flow evolution

The operational cash flow amounts to € -12,4 million, mainly due to (i) a negative EBITDA of € -6,4 million, (ii) the decrease in working capital of € 4,7 million and (iii) a cash out income tax of € -1,6 million.

The cash flow from investing activities is impacted by (i) the capitalisation as well as proceeds of internally generated software resp. property, plant & equipment (€ -21,9 million and € -1,6 million), (ii) the exercise of the call option regarding the joint venture in Unifiedpost Balkan (€ -5,0 million) and (iii) the investment made in an associate company (Facturel) for € 3,7 million.

The cash flow from financing activities on the one hand increases thanks to the five-year senior facilities agreement, provided by Francisco Partners, as well as the factoring line and some additional bank loans for a total amount of € 99,0 million. On the other hand, it decreases due to repayments of loans, lease liabilities and interest (€ -31,3 million).

1.7.3.10 Financing

Unifiedpost's cash and cash equivalents increased 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. At the end of the period, Unifiedpost's cash and cash equivalents amounted to € 40,0 million, being additionally backed by an undrawn financing facility of € 17,7 million.

1.7.4 Information about circumstances that could adversely affect the development

Unifiedpost generally expects the overall market conditions to remain favourable for the company. Nonetheless, there are certain circumstances that could possibly interfere in the daily operations and business development of Unifiedpost.

Compared to last year, the COVID-19 pandemic had limited impact in the more traditional paper-related segment of our business. Some migration projects from paper to digital were postponed impacting some of our operations temporarily.

The current geopolitical situation is still impacting Europe and its economy. Unifiedpost has no direct exposure to Russia or Ukraine. One of the Group subsidiaries is insourcing through a third party supplier a limited number of development services from Lviv (Ukraine). Furthermore, the Group has developed an important activity in the Baltic states. In so far as the current problems do not escalate further, Unifiedpost does not experience any significant negative effects of the current crisis, other than those resulting from general inflation.

Unifiedpost is still a cash burning company, mainly due to the continued R&D efforts in the new technology and efforts in rolling out their products in its Pan-European structure. It is the highest priority of the Board and top management to manage the company towards a cash-break even position in the second half of 2023. The continued cash burn may lead to a breach of the covenants agreed in Senior Loan Facility with Francisco Partners. In such situation, the going concern of Unifiedpost is potentially no longer assured, which would have a serious adverse effect on the further development of Unifiedpost business. A continued double-digit growth in the digital business results in a further growing gross margin and this together with the implementation of a severe cost saving program supports the set ambition to become cash break-even. Furthermore, the finance management closely monitors the cash evolution to prevent any infringement.

Another event that could possibly adversely affect the development of the business is the delay of yet-to-be-decided regulation and/or the delay of the implementation of the regulation on B2G and B2B communication and e-invoicing, which could slow down the roll-out of the Unifiedpost business solutions. On December 8, 2022, the European Commission announced the obligation for all European countries to implement digital billing applications before the end of December 2028 to close the VAT gap as much as possible, which provides a clear tailwind for the products and solutions of Unifiedpost.

For a more detailed analyses of the key risks Unifiedpost faces, as well as the key mitigating actions we undertake, please refer to chapter 3.3.

1.7.5 Research and development

Research and development is key for Unifiedpost, as it is crucial in order to achieve product excellence and a maximum added-value for our clients. Therefore, we invest substantial time, energy and resources to ensure we have a profound understanding of our customers' needs, and we continuously innovate to deliver value-added products and services through our platform. Moreover, we are focussed on developing new functionality and further enhancing the usability, reliability, and performance of existing products. There are five focus areas where we carry out R&D: (i) platform services, (ii) identity services, (iii) payment solutions, (iv) finance & services and (v) data warehousing & analytics.

The platform services product management teams invest considerable time and energy in understanding our current and potential customers' needs in procure-to-pay, purchase-to-cash and contract-to-sign processes. It furthermore invests a lot of effort in integrating or converting the different platforms into one operational network.

In the area of identity services, our R&D activities are mainly aimed at improving the online self-service options for our clients to enable highly secure access and transaction validation and signing capabilities, and to prepare our services for consumer/citizen applications. In addition, efforts are made in artificial intelligence, customer IT integration and locally required identity solutions.

Our payments division aims to develop its systems focussing on two axes: highly efficient transaction processing and a set of functional characteristics of payments processing. The development areas include online payments, mobile payments, interbank payment accounts, open banking, online onboarding, customer due diligence, transaction screening and fraud prevention. Development efforts mainly focus on building an universal payments infrastructure that operates cross-border and through a variety of clearing networks.

Moreover, we invest significant time in the R&D of premium financial and non-financial services, such as invoice financing products for both sellers and buyers, an e-commerce platform for SMEs, and a variety of third-party services.

Our last R&D area is data analytics. This key project enables us to do advanced business analytics on all its data. Data is a highly valuable asset that can be monetised for commercial purposes, such as a customer acquisition, retention and cross-sell opportunities, or supporting operational efficiency. By combining product, commercial, operational and financial data, within the boundaries and to the extent permitted by the applicable data privacy laws, we can distil highly advanced actionable insights, discover hidden gems in the complex data and even predict the future using artificial intelligence and machine learning techniques on this data.

All these R&D domains must be adapted to country specific systems, habits and regulations.

1.7.6 Important events after the balance sheet date

There are no important events to report by Unifiedpost that happened after the reporting date and could have a future impact on the financial reporting.

1.7.7 Statement by senior management in accordance with royal decree of 14 November 2017

Pursuant to article 13 § 2,3 of the Royal Decree of 14 November 2007, CEO Hans Leybaert and CFO Laurent Marcelis declare, on behalf of and for the account of Unifiedpost that, as far as is known to them:

a. the consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union and that they give a true and fair view of the equity and financial situation of the Group at 31 December 2022, and of its results and cash flows for the financial year ending on that date

b. the annual report gives a true and fair view of the development and results of Unifiedpost, as well as a description of the main risks and uncertainties with which it is confronted

1.8 Financial objectives

In 2023 and the years ahead, Unifiedpost's Group management expects to significantly benefit from the growth in its key markets. The mandatory digital e-invoicing policies several European countries have implemented or 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. As the pace of the market changes is unpredictable, Unifiedpost does no longer put forward its previous projected targets for digital processing revenue growth, gross margin and EBITDA margin. The target remains to be cash flow positive for H2 2023.

2. ESG Realisations and Objectives

A message from Hans Leybaert

"At Unifiedpost, we recognise and are aware that ESG is playing an important role in our corporate performance, as well as in those of our customers, as sustainable development is part of our DNA.

One of our major focus points is digital transformation by helping companies to shift from a paper world to an electronic way of doing business and by doing so guiding them into a digital future. Especially in uncertain times as we have been experiencing these last couple of years, organisations need to be accelerating digital transformation to remain relevant and capture opportunities, or risk their survival. Indeed, the pandemic and current economic and geopolitical crisis have suddenly accelerated the need for organisations to transform and respond to an unprecedented change in customer behaviour and market risks – with digital transformation being one of the key enablers of such change. In these difficult times, industries from all sectors over the world are in constant change. They are driven by hunger for speed and reliability, softwaretisation of almost everything and new technologies. Moreover, the search for these digital solutions will lead to higher operational efficiencies and cost reductions.

Our ambition is to further develop and grow a sustainable pan-European business connectivity network together with our employees, customers, partners and other stakeholders in order to improve efficiency, speed and costs within this network and further reduce the carbon footprint of each stakeholder. Our core business supports large and small companies to generate economic benefit in an environmentally and socially responsible manner.

As a technology innovator, we hold ourselves accountable for unifying our business communities and serving their needs so they can thrive whilst still allowing them to comply with their legal obligations.

Equally, we aim to be a large global employer where people are eager to work, develop their skills and achieve an optimal work-life balance. Diversity in gender, age and nationality is embedded into our company governance and a given in our workforce. This allows our people to maximise their potential and ensures that we can offer a high quality network to our business community.

By focusing on this twofold dimension of our sustainability drive, we aim to maximise the impact we have, as a facilitator of economic sustainable growth and as an employer.

We are just at the beginning of our ESG journey, but our goals - and our roadmap - are set in sight."

Hans Leybaert,

CEO and founder of Unifiedpost Group

2.1 Embracing ESG through Unifiedpost's digital solutions

At Unifiedpost, our mission is the digital transformation of the financial supply chain, including areas like e-invoicing, e-payment, e-procurement and e-financing. By doing so, our commitment to the planet remains at the heart of our business, as developer of a cloud platform that aims to eliminate the paper used in our customer's administrative processes.

The sustainable impact is high as the environmental ramifications of paper-based services are often overlooked. When paper reaches the end of its life cycle, it is sent to a landfill or incinerated, thus producing greenhouse gases like carbon dioxide (CO2) as it breaks down.

Studies have shown that the digitalisation and automation of administrative processes hold much, if not most, of the imminent productivity improvement potential.

That is particularly true for e-invoicing, facilitated by our core digital products. According to a European Expert group on e-invoicing, the migration to electronic structured invoicing is the most important step companies can take in this direction - both as productivity and sustainability enhancers and as a key enabler for unification and automation in procurement, tax, accounting processes and audits[5]. Indeed, empirical evidence from private sector e-invoicing suggests it is quite large. For example, a detailed study examining the emissions generated by invoices at a Finnish logistics services company compared emissions when processing paper invoices versus digital e-invoices. The study found a 63% reduction in greenhouse gas emissions per invoice, driven principally by efficiency gains[6].

2.2 Our ESG approach and Unifiedpost's core values

In view of our core business and with human capital as our most important asset, creating sustainability is a natural extension of the way we do business. We deliver value for our employees, clients, partners and stakeholders by investing in financial and human resources in ways that address social, environmental and economic needs.

We aim to create positive economic, environmental, and social impact using two key levers:

- Providing products and services that meet sustainable challenges and opportunities of our customers (enabler)
- Leading by example in our own sustainable business operations and practices (exemplar)

Our approach consists of:

- Delivering innovative products and services by enabling commerce and helping business grow
- Upholding the highest standards of corporate governance and integrity
- Promoting a culture that fosters inclusion, diversity and trust
- Safeguarding our clients' privacy and data
- Supporting actions for climate change and low carbon future

[5] DG Internal Market and Services, DG Entreprise and Industry, Final report of the expert group on e-invoicing (2009), NB-02-14-260-EN-N, available on the following website: Final report of the expert group on e-invoicing - Publications Office of the EU (europa.eu)
[6] Tenhunen, Maija and Penttinen, Esko, "Assessing the Carbon Footprint of Paper vs. Electronic Invoicing" (2010). ACIS 2010 Proceedings. 95.

Our ESG approach is intrinsically linked and intertwined with our corporate values:

TEAM UP

We work together in one company where everyone is valued, considered and takes responsibility. We are an important part of the value chain and aspire towards win-win solutions. We actively listen to our customers and create the best solution for their needs.

BUILD TRUST

We are open, honest and supportive to each other. We recognize great results, right efforts and inspire by leading by example. We build long-term relationships with customers and partners. We keep our promises. We value integrity and act in a sustainable way.

INNOVATE

We continuously develop ourselves and share our best practices and ideas with each other. We are one step ahead of the market demands and trends. We create new innovative solutions and processes for our customer, partners and ourselves.

2.3 Our core pillars (Unifiedpost's ESG framework)

The awareness of our responsibility that we have towards our global society and the impact we can have as a company and employer is rising every day. This awareness has been instrumental in developing our ESG framework. In this, we were guided by the United Nations' Sustainable Development Goals (SDGs). This framework allows us to contribute to achieving a better and more sustainable future for everyone. With all stakeholders in mind, we want to continuously maximise our impact via effective policy management and profound leadership.

Environmental

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Social

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

Governance

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

2.4 Governance of ESG

2.4.1 The ESG Committee

ESG Committee member	Function	Background	Attendance rate
Katrien Meire	Member	Board member	100%
Laurent Marcelis	Member	CFO	66,5%
Marcus Laube	Member	CSO	100%
Ignace Bruynseraede(*)	Member	Head of HR	100%
Alizée Jolie	Member	Legal counsel and ESG Manager	100%
Mathias Baert (**)	Member	Chief Legal counsel	100%

(*)Ignace Bruynseraede joined Unifiedpost in June 2022. He has participated in all the meetings since his arrival (only one meeting was held prior to his arrival).

(**)Mathias Baert, Head of Legal and Compliance, has replaced the former Chief Legal Officer since September 2022 and has participated in all meetings after her replacement.

The ESG Committee is composed of 6 members with various functions inside and outside of Unifiedpost. Members from the Board, Management, Finance, HR and Legal are represented in the ESG Committee. The ESG Committee is entrusted with the coordination of the ESG strategy of Unifiedpost and - given its composition - best placed to facilitate maximum interaction between all actors involved and to ensure appropriate accountability relating to ESG matters. The ESG Committee held three meetings in 2022 and Mathias Baert reported on the results of the ESG initiatives 2022 to the Chairman of the Board.

The ESG Committee has the following responsibilities:

- Develop a long term roadmap for Unifiedpost's ESG goals
- Drive the implementation of the ESG policy and set the KPIs
- Monitor and gather information on the progress made
- Report to the Board

2.4.2 Environmental (E), Social (S) and Governance (G)

At Unifiedpost, we are currently setting up ESG teams, consisting of highly motivated employee volunteers, who propose and implement tangible actions to raise awareness among other employees. These ESG teams will devote time to review the core elements of Unifiedpost's culture, especially around environmental sustainability and human capital management.

2.5 Our 2022 ESG KPIs and 2022 – 2026 Roadmap

We are just at the beginning of our ESG journey, but our goals - and our roadmap - have been established in 2021. Building further on these first sustainability pillars, 2022 was a year where Unifiedpost further embraced ESG by starting to collect the necessary data to have an understanding as to where our company stands.

2.5.1 Environmental

With ever increasing, demanding and changing requirements from society as a whole, regulators and the finance sector, incorporating ESG into our daily business and improving our environmental efforts is a constant work in progress. Sustainability aspects are especially important for fintech companies such as Unifiedpost, because they can have a significant impact on the sustainability and long-term success of the business.

"This year, we have put a lot of effort into reporting on our environmental KPIs and will continue to do so in the future. This is not an easy task in view of the complexity of our Group structure and the diversity of products we offer. However, this was undoubtedly a necessary first step to get an understanding of our carbon footprint. From there, we will be able to identify where we need to focus our efforts to make an impactful, long-term difference for our planet."

Alizée Jolie
Legal counsel and ESG Manager at Unifiedpost Group

Key performance indicators

+14% hybrid or electric cars in our Belgian fleet	**83%** of waste recycling rate within our printing production facilities	New carbon neutral site and **3 certified ISO14001 sites** within the Group

2.5.1.1 Sustainable and flexible mobility

In 2022, 19% of Unifiedpost's total car fleet was green. This number will only increase in the upcoming years as Unifiedpost decided to reorient its Belgian car policy towards a more sustainable and futureproof mobility approach by going for a green fleet of cars. This means that fossil-fuel cars will gradually disappear and be replaced by electric and hybrid cars. This ambition came together with investments in charging infrastructure for these electric cars. Employees in Belgium have the opportunity to request a charge installation at home the moment they switch to an electrified vehicle. In total, 18 home electric chargers were installed for employees.

Moreover, Unifiedpost provides for the possibility to lease bicycles as way of an even greener alternative to commute. At 31 December 2022, a total of 16 bicycles were leased for employees.

Finally, Unifiedpost has adopted an internal Working Remotely Policy enabling employees to combine flexibility and responsibility in our new way of working.

2.5.1.2 Lowering energy consumption in our facilities

The main action to directly reduce energy consumption in our facilities is cutting the overall footprint of our facilities. In that context, we have relocated our Antwerp office to a greener workplace in Kontich which is carbon neutral.

Our entity in Italy was recently relocated to a place near public transportation. This should also further minimise car usage.

The performance indicators that we currently started measuring for energy are threefold:

- The number of ISO 14001 certified plants: Three out of 6 printing plants are currently ISO-14001 certified, namely the Serbian, Lithuanian and UK plant. ISO 14001 defines the criteria for an environmental system and provides a framework that companies and other organisations can apply for effectively managing environmental footprint
- Scope 1 emissions: these emissions are caused by Unifiedpost's own sources within the company, such as the company car fleet
- Scope 2 emissions: these emissions are Unifiedpost's indirect CO_2 emissions linked to the consumption of purchased electricity or heating

<table>
<tr><th colspan="5">Unifiedpost Group SA - FY2022 GHG emissions report</th></tr>
<tr><th>Category</th><th colspan="3">Emission source category</th><th>t.CO2e</th></tr>
<tr><td rowspan="6">GHG Protocol Standards: Corporate Scope - 1 and 2, Value Chain - Scope 3</td><td rowspan="2">Scope 1</td><td>Direct emissions arising from owned or controlled stationary sources that use fossil fuels and/or emit fugitive emissions</td><td>Car fleet</td><td>767,81</td></tr>
<tr><td colspan="2">Total Scope 1</td><td>767,81</td></tr>
<tr><td rowspan="4">Scope 2</td><td rowspan="2">Location-based emissions from the generation of purchased electricity, heat, steam or cooling</td><td>Electricity</td><td>252,89</td></tr>
<tr><td>Heat and steam</td><td>104,34</td></tr>
<tr><td colspan="2">Total Scope 2</td><td>357,23</td></tr>
<tr><td colspan="2">Total Scope 3</td><td>Not measured</td></tr>
<tr><td colspan="4">Total Emissions</td><td>1.125,04</td></tr>
</table>

2.5.1.3 Waste Management and recycling rate at printing production facilities

Unifiedpost has 6 printing production facilities within its Group structure. The activities of these printing production facilities are by their nature associated with a need for adequate waste management. Hence, we are making it a priority to monitor the produced waste and the waste recycling rate as accurately as possible and keep the waste as minimal as possible.

The performance indicator is composed out of following measurement and supported by the underlying documentation as follows - this measurement is installed in each facility:

i. Recycled waste: 208 tonnes

ii. Non recycled waste: 23 tonnes

iii. Total waste: 231 tonnes (= recycled waste/ total waste)

For 2022, the recycling rate of the printing production facilities of the Group is 83% (= recycled waste/ total waste).

Definition of amount of recycled waste: Includes recycling of wastepaper, cardboard, wood, plastic and ink. For all our production sites, Unifiedpost partners up with external parties for waste collection, transportation and recycling or proper waste disposal. Measurements are taken during this process and are reported to the production site.

2.5.1.4 Digital carbon footprint

As a fintech company operating and developing primarily a cloud-based platform for administrative processes and services, our digital carbon footprint is an important metric to monitor.

From the reports gathered from Unifiedpost's major data centres providers (Amazon and Google), it appears that we have an emission of 0.1 and 0.74 Mt.CO2e respectively for the products we offer to our customers.

Moreover, when speaking about data centres, an important piece of data is the Power Usage Effectiveness (PUE). PUE is a metric developed by the Green Grid, and widely accepted for measuring energy efficiency in data centres. This metric is for Unifiedpost a key performance indicator and of importance in selection our provider.

Summarised, this metric relates to all the energy consumed by the data centres to that consumed by the servers. Unifiedpost major data centre providers, Amazon and Google, have respectively reported a PUE of 1.15 and 1.10. These data are directly derived from the reports received form our key providers.

For some smaller data centres used in our local entities, we do not yet possess the full data, but these are less significant. Unifiedpost is to the maximum degree possible migrating all its data to the main hubs managed by Amazon and Google.

2.5.2 Social

Unifiedpost instils a culture of respect and empathy for its employees and the community at large. Health and wellbeing, both physical and financial, are at the forefront of our HR policies, designed to help employees meet their own specific needs and maximise their potential. Moreover, Unifiedpost has embedded the respect for human rights in its Code of Conduct, which applies to all employees and freelance staff which are part of the Group. Employees and other stakeholders can report any case of human rights violation through our whistleblowing tool, available at any time on our website. More information can be found in section "2.5.3.3 Whistleblowing tool". If a human rights violation pertains to a work-related issue of a particular employee, we will address it through our internal channels.

"At Unifiedpost we strive to establish a mature and innovative management of our human resources, one that partners and challenges the business, while continuously improving the employee experience and all aspects of the employee life cycle."

Ignace Bruynseraede
Head of Human Resources at Unifiedpost Group

Recently, a summary of all applicable policies throughout the Group was published on our intranet in order to help all employees to easily navigate through them and effortlessly find the relevant information. By publishing such summary, our employees have been reminded of the content of existing policies including the importance Unifiedpost lays on fostering an environment of diversity and inclusion, and on respecting human rights.

In five years' time, Unifiedpost's staff grew exponentially, from 219 FTEs in 2017 to more than 1.400 today. Together with the strong geographical expansion of the company, our human resource management is now pushed to a higher level of quality, ambition and sustainability as we speak. When you add the ongoing global war for talent, especially in IT-related sectors, management strongly values a sustainable and well thought out mission when it comes to our human capital.

Unifiedpost recognises the vital importance of upholding human rights, and we have made the decision to approach this issue in a more comprehensive and organised manner. To this end, we will be implementing a specific human rights policy (separate from our Code of Conduct) that outlines our commitment to protecting and promoting human rights. This policy will be accompanied by periodic awareness training for all our employees and freelance staff, to ensure that they understand the importance of human rights and how to safeguard them in their daily work.

Furthermore, HR will conduct evaluations to assess the effectiveness of our human rights policy and identify areas for improvement. These evaluations will enable us to assess our progress and ensure that we are meeting our commitments and responsibilities towards human rights.

We believe that these measures will not only help us to comply with international human rights standards, but also demonstrate our commitment to ethical and responsible business practices. We are dedicated to create a safe, fair and respectful workplace for all, and this includes upholding the fundamental rights of every individual.

Key performance indicators

325 employees recruited in 2022	**41%** of the FTEs are female	**38** different nationalities represented worldwide

2.5.2.1 Workforce

Workforce*	**Unit**	**2022**
Total number of employees (FTE) for the Unifiedpost Group	**Number**	**1.239**
Total number of employees (FTE) by gender		
Female	%	40,57%
Male	%	59,43%
% of employees (FTE) per level compared to total		
Management	***%***	***13,35%***
Female	%	3,67%
Male	%	9,68%
Employees	***%***	***86,64%***
Female	%	36,89%
Male	%	49,75%
% of employees (FTE) by employment contract		
Defined duration	%	1%
Undefined duration	%	99%
Average age UPG employees	***Number***	***37,7***
Total number of employees (FTE) by age group		
Under 30	%	23,87%
30-50	%	61,21%
Over 50	%	14,92%
Total number of employees (FTE) by employment type and by gender		
Full time	***%***	***90%***
Female	%	33%
Male	%	57%
Part time	***%***	***10%***
Female	%	7%
Male	%	3%
Percentage of total employees covered by collective bargaining	**%**	**14,0%**

Definitions:

i. **Workforce:** number of active employees on Unifiedpost's payroll at the end of the period, excluding contractors. Those numbers include part-time and defined duration/replacement contract employees, but exclude employees with a dormant contract, long-term illness, students, contractors and sub-contractors.

ii. **Collective bargaining agreements:** the Collective Agreement (CA) refers to an agreement between Unifiedpost and its employee representatives.

2.5.2.2 Employee satisfaction survey 2022

	2021	2022
Participation rate	82%	85%
Satisfaction rate	78%	79%

Since 2019, Unifiedpost has been measuring employee wellbeing, engagement and satisfaction through an employee satisfaction survey. The feedback shows that Unifiedpost's top strengths are the autonomy and clarity of the role employees have at work (88%). Moreover, the survey has shown that there has been an increase (+7%) in the regular feedback given by managers to their teams.

Overall, our employees feel that they have the information, access and equipment they need to do their work and have the opportunity to do what they do best every day (81%).

The survey nevertheless also did show that there was still room for progress. Especially with the integration of all new entities over the last two years, Unifiedpost as a global company now has to take the next steps when it comes to a worldwide, 'unified' internal communication. Also, an enterprise-wide training and (internal) career opportunities policy should be set up. In the autumn of 2022, an Internal Communications Manager was therefore appointed to steer this, and the roll out of an HRIS was initiated. Both will be fully operational in 2023, with the ambition to immediately raise internal communication and the company's cultural unification, as well as to provide a helicopter view on the employee data. The latter serve as a basis for the further development of Learning and Development and Compensation and Benefits management.

Well-being, satisfaction and retention	Unit	2022
Results of employee engagent survey	**Average score**	**79%**
Total Rate of employee turnover (FTE) during the reporting period, by gender and age group	***%***	***19%***
Female	%	16%
Male	%	20%
Total number of employees that returned to work in the reporting period after parental 'leave ended, by gender		
Female	Number	14
Male	Number	0
Work-life balance		
Working from home	%	50%
Good physical and mental well-being	%	84%
Gender pay quality assessment		
Annual total compensation ratio (The ratio between the compensation of its highest paid individual and the median compensation for its employees)	***Remuneration***	***11,6***

Definitions:

i. **Turnover:** the number of employees, excluding contractors, who left the company during the reporting period. This number includes all kinds of leaves. The rate is calculated by dividing the number of leavers (FTEs) during the reporting period by the number of employees (FTEs) at the end of the reporting period.

ii. **Working from home:** a policy has been set in place that allows employees to work from home 50% of their working time viewed on a monthly basis.

iii. **Good physical and mental well-being:** this percentage has been calculated based on the company survey.

2.5.2.3 Talent retention, employee recommendation and referral program

The COVID-19 pandemic has shed light on the fact that Unifiedpost must stay connected with its customers but first and foremost with its employees to create a clear sense of belonging and community.

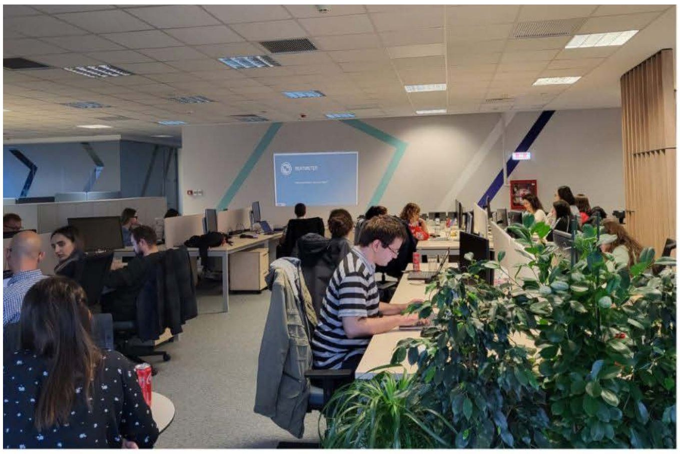
In that context, we organised the "Unifiedpost Conference" in May 2022, where numerous colleagues from all over the world were invited to reconnect with each other. This conference was also the perfect opportunity to align our Company vision and strategy, and share our insights on the fast-evolving market as well as celebrate the 20 years of the Unifiedpost Group.

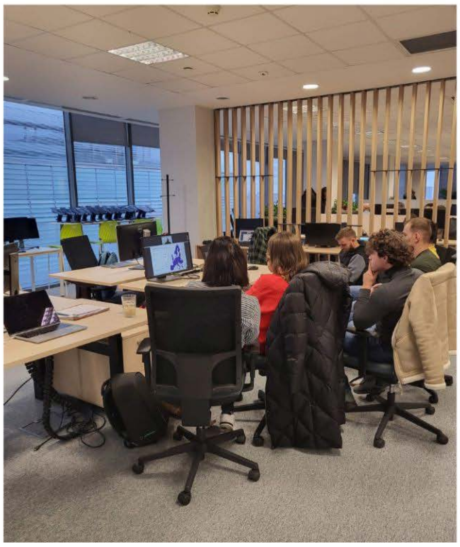
Moreover, at least once a year, individual employee performance is reviewed, and objectives are set so that everyone understands their role in the Company's mission and achievement of this mission.

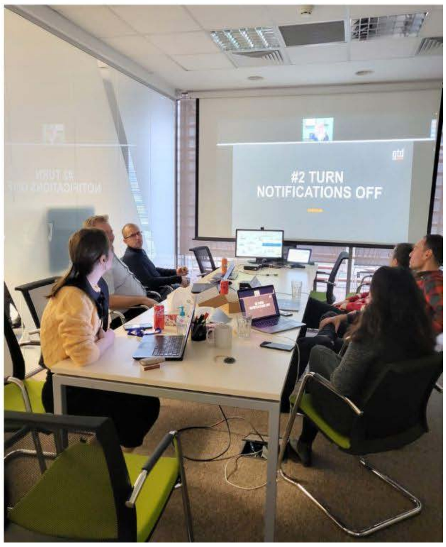
Finally, the employee satisfaction survey conducted this year showed that around 87% of employees would recommend Unifiedpost as a place to work. The vast majority is satisfied with their experience at Unifiedpost, even if there is still room for improvement. A referral bonus has been put in place and is granted to employees to encourage them to share job vacancies with their network.

2.5.2.4 Career management, employee learning and development

On 24 November 2022, the first Learn & Connect was organised for all offices and employees of Unifiedpost. By this collective training day we give people the opportunity to learn, grow and engage together with colleagues. All employees will be able to join a Learn & Connect and improve their knowledge and skills by training sessions given by inspirational speakers, personal development sessions and functional learning topics.







Unifiedpost is set on providing all employees a learning platform and encouraging self-empowered development, by triggering them to not only learn but also define their professional goals and ambitions with support from Human Resources colleagues.

High potentials and newly appointed staff will be offered a tailored learning and development program in order to fully encourage their ongoing transition to the level and/or job content they aspire.

2.5.2.5 Diversity and inclusion

	2020	2021	2022
Women/Men overall	37% / 63%	38% / 62%	41% / 59%
Women/Men in Board	37,5% / 62,5%	33% / 67%	33% / 67%

Diversity by age

23,8% under 30	**61,2%** between 30 and 50	**14,92%** above 50	**38** number of nationalities

Seen the complexity of an international group structure and the diversity of functions, the gender pay gap level is not yet available for 2022. This KPI will be measured and followed up in 2023.

Our company is committed to creating a diverse, inclusive and female-friendly environment. We strive to foster an atmosphere of acceptance and respect, and are dedicated to creating a workplace where everyone feels safe, supported and valued.

2.5.2.6 Internships and Prins Albert Fund

Unifiedpost offers internship opportunities to talented and motivated students and young professionals that introduce them into the fintech world from the outset of their careers.

Moreover, Unifiedpost has already participated twice in the "Prins Albert Fund", a leading non-profit organisation dedicated to help talented young professionals acquire experience in conducting international projects. This experience has proven to be very successful : e.g. after the completion of his internship Christophe Van Houtte became the full-time Country Manager of Singapore entity, which is now the largest player on the InvoiceNow network and connects almost 6.000 businesses to an electronic invoicing network.

"I started my Prince Albert Fund project for Unifiedpost Group back in 2021. My mission was to set up a local subsidiary for Unifiedpost Group and prepare for the launch of Banqup in Singapore. Despite the strict covid measures in Singapore, I managed to make the right contacts and write a solid business plan. Meanwhile, Banqup has been launched in Singapore and I got the chance to continue the project as Country Manager for Singapore".

Christophe Van Houtte
Country Manager of
Unifiedpost Singapore

2.5.3 Governance

As part of our commitment to business responsibility and ethical standards, Unifiedpost applies sound governance practices and has adopted several policies in direct support of our company's values and stakeholder interests. We are dedicated to creating solutions that are safe for our customers and offer an enjoyable user experience. This includes developing, implementing and enforcing policies across Unifiedpost and making sure that we are designing and building a safe platform.

As a licensed financial institution, proper governance is embedded in all our operations in the form of a 3 lines of defence model and we promote a compliant environment. We apply a centrally defined governance to all countries where we offer payment services, allowing country specific deviations based on a waiver granted by the centralised management. As payment services are a key component of our Group's business offering, we create group wide awareness on the risks associated with providing payment services.

Karl Janssens
Chief Compliance Office of Unifiedpost Payments SA

Key performance indicators

Renewal of the **ISO 27001 certification** for the Banqup.com platform, our "Documents" solutions, Leleu printing facility and several entities	**91,2%** of all employees within Unifiedpost have obtained awareness training about **IT security training**	**94,3%** of all employees within the entity Unifiedpost Payments (licensed entity) have followed **the awareness training Payments**
76,3% of employees have obtained awareness training about **insider trading training**	**Whistleblowing tool** has been put in place in 2022	**AML week awareness** has been organised

2.5.3.1 Anti-corruption training

In line with our ethical way in conducting our business, we take a zero-tolerance approach to bribery and corruption. The main risks associated with corruption and bribery include potential undue influence, conflicts of interest, non-objective pricing, subjective awarding of contracts, each of which could have a negative impact on our reputation.

Precisely because Unifiedpost does not want to be involved in any activity that could be considered as money laundering or the funding of terrorism, tailored training courses are provided at regular intervals to all employees of Unifiedpost Payments, as well as to Legal and Finance. The training session is followed by a test to ensure that the employees have fully integrated and understood the information.

All Unifiedpost employees must comply with all anti-bribery laws in all the jurisdictions in which we operate. An ACB policy has been adopted by Unifiedpost and the policy is sent to each new employee and freelancer. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

Finally, an AML awareness week has been organised at Group level, where each day of a whole week an article about Money Laundering risks and how to detect them has been sent to all employees to create maximum awareness and trigger staff to read more about the topic.

2.5.3.2 Data protection & IT security

Unifiedpost has a dedicated privacy and security organisation, which focuses on application, cloud, network and system security. This team is also responsible for security compliance, education and incident response.

An active security governance that manages the information security management system (ISMS) is in place and is internally followed-up for effectiveness. It is regularly reviewed in our continuous improvement processes. Additionally, Unifiedpost' security processes are subject to regular external assessments (also see further in this section : ISO27001 certification audits, ISAE 3402 assurance audits, PCI/DSS compliance audits, ... : each of these has its own focus areas and scope, but all contribute to increased comfort over the strength of our ISMS).

Unifiedpost has implemented governance, risk management and compliance practices that align with the most globally recognised information security frameworks. An ISO 27001 certification has been achieved for our Banqup.com platform, the Channel products and the eHerkenning solution within our Dutch entity. In addition, Unifiedpost Payment products carry the Payment Card Industry's Data Security Standards (PCI DSS 3.2).

All employees within the Unifiedpost must undergo a generic data protection and security training each year, where a successful test is needed to complete the session.

Moreover, we believe that continued compliance requires awareness from the employees within Unifiedpost. Hence, in addition to the generic GDPR training, we organise more specific and in-depth privacy training sessions for different departments such as Marketing, Sales, Product and HR. Our employees also receive guidelines on how to process personal data in their specific function and they must follow strict Privacy Group Policies.

Since the GDPR came into force in 2018, Unifiedpost has not received any complaints filed with the Belgian data protection authority or equivalent local authority for non-compliance with the legislation.

	2020	2021	2022
Number of data/GDPR/privacy incidents reported to data protection authorities	0	0	0

2.5.3.3 Whistleblowing tool

Unifiedpost encourages an open culture that allows everyone to express any concerns about unlawful or unethical behaviour within the Group. In addition, our integrity, financial information and legal compliance is critical to Unifiedpost' success.

Misconduct or misbehaviour will only be reported if the people observing such behaviour feel safe in reporting the issue. Employees, customers and providers speaking up when observing (potential) misbehaviour is the most effective way for companies to discover unethical behaviour. Therefore, having a whistleblowing policy and ensuring confidentiality and protection of the potential whistleblower is essential, and encourages people to speak up. Remaining silent about possible misconduct may worsen a situation and decrease trust.

In that context, Unifiedpost has set up a whistleblowing tool that is managed by an external and independent organisation which ensures that disclosures are at all times treated in a confidential manner.

	2021	2022
Number of matters flagged through the whistleblowing tool	0	0

2.5.3.4 Governance indicators

A. Governance

Governance	GRI standard	Scope	Unit	2021	2022
Percentage of independent Board members	GRI 102-22	Group	%	56	56
Average rate of attendance		Group	%	N/A	94
Percentage pf women on the Board	GRI 102-22, 405-1	Group	%	33	33
Number of Board meetings		Group	Number	9	7
Existence of an audit committee		Group	Yes/No	Yes	Yes
Existence of compensation & nomination committee		Group	Yes/No	Yes	Yes
Exictence of ESG Committee		Group	Yes/No	Yes	Yes
Percentage of women in Management		Group	%	17	21

Definitions

i. **Percentage of independent Board members:** a board member is considered to be independent in accordance with article 7:87 of the Belgian Companies Code and 2020 Code

ii. **Average rate of attendance:** represents the attendance of the Board members at Board meetings.

B. Ethics and compliance

Ethics and compliance	GRI standard	Scope	Unit	2021	2022
Presentation of ESG strategy to the Board/Chairman of the Board		Group	Yes/No	No	Yes
Formal policy on business conduct and anti-corruption measures		Group	Yes/No	Yes	Yes
Percentage of employees with awareness training on business conduct & anti-corruption policies	GRI 205-2	Group	%	/	/
Number of reported violations of the code of conduct		Group	Number	0	0
Existence of Whistleblowing system		Group	Yes/No	Yes	Yes
Number of incidents reported by a whistleblower		Group	Number	0	0
Formal policy on data privacy		Group	Yes/No	Yes	Yes
Number of reported data breaches to the authorities		Group	Number	0	0

2.6 EU Taxonomy Reporting

2.6.1 Introduction

The European Taxonomy (2020/852)[7] is a classification system, listing environmentally sustainable economic activities. It aims to play an important role in helping the EU to increase sustainable investment and implement the European New Deal. The European Taxonomy provides companies, investors and policy makers with appropriate definitions according to which economic activities can be considered environmentally sustainable.

According to the European Taxonomy an environmentally sustainable activity is one that:

i. is included in the Delegated Climate Act[8] of the EU Taxonomy (i.e. it is an "eligible activity")

ii. meets the technical screening criteria to prove substantial contribution to one or more environmental objectives - climate change mitigation, climate change adaptation, water, circular economy, pollution prevention and biodiversity. For the financial years 2021-2022, only climate change mitigation and climate change adaptation are considered

iii. does not significantly affect any of the other environmental objectives

iv. complies with the minimum safeguards (related to human rights, anti-corruption and anti-bribery matters)

As stated in the Disclosure Delegated Act (EU) 2021/2178 of 6 July 2021, Unifiedpost Group had to report on the share of economic activities considered to be an "eligible" and "non-eligible" under the EU Taxonomy in the revenue, capital expenditure (Capex) and operating expenditure (Opex), as well as on qualitative information for the financial year 2021.

[7] Regulation EU 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union on the June 22, 2020

[8] The Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021)

However, such report was omitted in Unifiedpost's non-financial statement of the annual report 2021. In order to rectify this, this report will report figures for both the financial years 2021 and 2022.

In addition, as of 1 January 2023, the reporting on the EU Taxonomy must be complemented by the publication of the shares of the three KPIs that are associated with economic activities "aligned" with the EU Taxonomy. These KPIs published in 2023 will cover data for the year 2022 without comparative information for the year 2021.

For the first eligibility and alignment assessment, the choice of methodology was based on a transversal work involving financial and extra-financial teams of Unifiedpost.

2.6.2 Procedure for assessing eligibility for the European Taxonomy for the financial years 2021 and 2022

An "eligible economic activity" is one that is described in the EU Taxonomy, regardless of whether it meets all the technical screening criteria laid out for that activity. Therefore, an "eligible" activity is not necessarily an environmentally sustainable activity, but an activity with the potential to be environmentally sustainable if it complies with the four steps described above in the introduction (it will then be considered an 'aligned' activity).

2.6.2.1 Eligibility of Unifiedpost Group's activities

The Taxonomy Regulation and the corresponding delegated acts contain terms and criteria that are subject to considerable uncertainties of interpretation. During the preparation of these disclosures, Unifiedpost has endeavoured to take into account to the best of its knowledge all statements made by the European Commission to clarify the content of the new disclosure requirements under Article 8 of the Taxonomy Regulation. The most recently published draft Commission Notices – on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets ("FAQs on the Disclosures Delegated Act as of 19 December 2022"), and on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm (DNSH) to other environmental objective ("FAQs on the Climate Delegated Act as of 19 December 2022") – have thus been considered. It should be noted that, in view of the remaining uncertainties of interpretation even after the recently published FAQs, it can be assumed that the assessment of the disclosure requirements under Article 8 of the Taxonomy Regulation – in particular, the assessment of Taxonomy-eligibility and Taxonomy-alignment – will require gradual adjustments over time.

The assessment of our EU Taxonomy-eligible activities involve the following steps:

i. Search for a match based on the Unifiedpost's main NACE code (NACE J.62.020 - Computer programming, consultancy and related activities)

ii. Screening our activities to match other activities described in the Taxonomy. From this screening an additional activity has been identified, i.e. Data processing, hosting and related activities(NACE J.63.11)

The eligible activity of Unifiedpost is the following:

Environmental objective	NACE	Activity described under the Delegated Act	Description of the activity	Corresponding activity of Unifiedpost Group
Climate change mitigation	J.63.11	Information and communication	Data processing, hosting and related activities (8.1)	This covers all digital document processing activities for both SMEs and enterprises.

We have carried out an eligibility assessment of the activity "8.2 Computer programming, consultancy and related activities" (NACE J.62) in relation to climate change adaptation. According to the EU Taxonomy, only activities classified as "enabling", i.e. those whose activities contribute substantially to climate change adaptation, can be included in the turnover KPI. However, activity 8.2 is not classified as an "enabling" activity and therefore we cannot attribute a turnover to it. Based on our current understanding of the FAQ document published by the European Commission on 2 February 2022, concerning the interpretation of certain legal provisions of the Delegated Act under Article 8 of the EU Taxonomy Regulation of 6 July 2021, we have concluded that Capex and Opex related to activity 8.2 (climate change adaptation) are not eligible for the EU Taxonomy.

Moreover, the analysis of the legislative texts has led Unifiedpost to consider that among its activities, the following are not eligible within the EU Taxonomy:

i. Payment and electronic financing activities

ii. Paper printing and paper delivery activities

Below we detail the three KPIs showing the share of our eligible and non-eligible activities in our revenue, capital expenditure (Capex) and the limited scope of operational expenditure (Opex) as required by EU legislation.

The assessment of eligible economic activities and the calculation of Unifiedpost's KPIs for the years 2021 and 2022 is based on our best interpretation of the European Taxonomy texts, including the 2021 version of the technical annex to the EU Taxonomy.

2.6.2.2 KPIs of activities eligible for the European Taxonomy

A. Financial year 2021

For the financial year 2021, Unifiedpost is not in a position to disclose the share of economic activities eligible under the EU Taxonomy for the three KPIs mentioned above. The main reason for this is that in 2021, Unifiedpost acquired several major companies. The acquired companies all had their own reporting systems that did not match Unifiedpost's system. The difference between these systems does not allow us to calculate the required KPIs accurately. Therefore, we opted for a conservative approach by reporting KPIs of 0%.

Eligible activities 2021	Turnover	Capex	Opex
Activities under J.63.11	0%	0%	0%
Total eligible	**0%**	**0%**	**0%**
Total non-eligible	**100%**	**100%**	**100%**

B. Financial year 2022

In 2022, Unifiedpost implemented a uniform system that was needed to report reliable information for the three KPIs, which are the following

Eligible activities 2021	Turnover	Capex	Opex
Activities under J.63.11	44,1%	74,8%	57,9%
Total eligible	**44,1%**	**74,8%**	**57,9%**
Total non-eligible	**55,9%**	**25,2%**	**42,1%**

I. Definition of KPIs and methodology of the activity eligible for the European Taxonomy for the financial year 2022

The share of eligible activities on revenue, Capex and Opex is calculated by dividing respectively the revenue, Capex and Opex associated with the eligible activity of Unifiedpost (the numerator), by the total turnover, Capex and Opex of Unifiedpost (the denominator).

The KPIs are determined on the basis of the financial data used for the preparation of the consolidated accounts of Unifiedpost, established in accordance with the IFRS international accounting standards.

- **Turnover** corresponds to the consolidated revenue as presented in the consolidated income statement, including the recurring as well as the non-recurring revenue (see chapter 4.1 Consolidated Financial Statements, note 5.7.2).
- CapEx corresponds to the capitalisation of own development. Own development is defined as the other intangible assets 'Assets under construction' and 'Internally generated software' (see note on Other intangible assets and Expenses in chapter 4.1 Consolidated Financial Statements, note 5.14 and 5.8.1 respectively).
- OpEX corresponds only to indirect, non-capitalized, costs that relate to short-term lease, building renovation measures and maintenance and repair. These costs are summarised as Facility costs, as part of the housing & facility costs as disclosed in the note on Expenses in our consolidated financial statements (see chapter 4.1 Consolidated Financial Statements, note 5.8.1).
- Unifiedpost had defined the **eligible activity** as corresponding to the cash generating unit (CGU) Digital Document Processing.
    - A **CGU** is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets.
    - The CGU **Digital Document Processing** groups all digital document processing activities for as well SME as Corporate customers. It covers inbound document flow (Collect) as well as the outbound document flow (Channel). The intermediate hub for channeling these documents will be amongst other local applications, our Banqup and our Crossnet application.

2.6.3 Unifiedpost Group's Business Alignment Process for the 2022 fiscal year

As of 2023, Unifiedpost must also report on the alignment of its eligible activities with the technical screening criteria set out in Annexes I and II of the Climate Delegated Act.

However, as Unifiedpost is only at the beginning of its ESG journey and in view of the complexity of the legislative texts relating to the European Taxonomy, it is not yet possible at this stage to determine with precision the percentage of activities aligned with the EU Taxonomy.

In conclusion, the three KPIs of Unifiedpost's aligned activities for the financial year 2022 are set on 0%

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Propotion of turnover (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')							Taxonomy-aligned proportion of turnover, 2022	Category (enabling activity or) (20)	Category '(transition al activity)' (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy(14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
		EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																	0	0	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None	/	0	0%	0%													0%	0%	
Total turnover of environmentally sustainable activities (Taxonomy-aligned) A.1	/	0	0%	0%	/					N	N	N	N	N	N	N	%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										/	/	/	/	/	/	/			
Information and communication	63.11	84.194.064	44,1%																
Total turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	63.11	84.194.064	44,1%																
Total (A.1 + A.2)	63.11	84.194.064	44,1%														%		
B. TAXONOMYNON NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		106.768.652	55,9%																
Total (A+B)		190.962.716	100%																

Economic activities (1)	Code(s) (2)	Absolute CAPEX (3)	Propotion of CAPEX (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')							Taxonomy-aligned proportion of CAPEX, 2022	Category (enabling activity or) (20)	Category '(transitional activity)' (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy(14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
		EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None	0	0	0%	0%															
Total CAPEX of environmentally sustainable activities (Taxonomy-aligned) A.1	0	0	0%	0%	/	/	/	/	/	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Information and communication	63.11	16.499.489	74,8%																
Total CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	63.11	16.499.489	74,8%																
Total (A.1 + A.2)	63.11	16.499.489	74,8%														0%	%	
B. TAXONOMYNON NON-ELIGIBLE ACTIVITIES																			
Total Capex of Taxonomy-non-eligible activities (B)		5.554.386	25,2%																
Total (A+B)		22.053.876	100%																

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code(s) (2)**	**Absolute OPEX (3)**	**Propotion of OPEX (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy(14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of OPEX, 2022**	**Category (enabling activity or) (20)**	**Category '(transitional activity)' (21)**
		EUR	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None		0	0%	0%															
Total OPEX of environmentally sustainable activities (Taxonomy-aligned) A.1		0	0%	0%	/	/	/	/	/	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Information and communication	63.11	1.222.635	57,9%																
Total OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	63.11	1.222.635	57,9%																
Total (A.1 + A.2)	63.11	1.222.635	57,9%														0%	%	
B. TAXONOMYNON NON-ELIGIBLE ACTIVITIES																			
Total OPEX of Taxonomy non-eligible activities(B)		888.718	42,1%																
Total (A+B)		2.111.352	100%																

Annex XII – template 1 Nuclear and fossil gas related activities	
Nuclear energy related activities	
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Annex XII – Template 2 Taxonomy-aligned economic activities (denominator)

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0	0	0	0	0
Total applicable KPI	0	0	0	0	0	0

Annex XII - Template 3 Taxonomy-aligned economic activities (numerator)

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0	0	0	0	0	0
Total applicable KPI	0	0	0	0	0	0

Annex XII – Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0	0	0	0	0
Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	0	0	0	0	0	0

Annex XII - Template 5 Taxonomy non-eligible economic activities

Economic activities	Amount	%
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0
Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	0	0

3. Corporate Governance

3.1 Corporate Governance Statement

3.1.1 General – management structure

Unifiedpost is committed to a high standard of corporate governance. A solid and transparent corporate governance structure is therefore key. In setting up, maintaining and monitoring our governance structure, we use the Belgian Code on Corporate Governance of 9 May 2019 (the Corporate Governance Code) as a reference code. As Unifiedpost is operating globally, international developments are closely monitored.

Unifiedpost's governance structure is one-tier in accordance with articles 7:85 to 7:100 of the BCCA, consisting of the Board of Directors ("Board"), which is competent to perform all acts necessary or useful for the realisation of the object of Unifiedpost, except those for which the General Meeting is competent by law. Moreover, Unifiedpost is operating pursuant to its Corporate Governance Charter, Articles of Association and certain other internal policies and procedures, such as for example the Dealing Code for the prevention of abuse of insider knowledge and prevention of market abuse. These documents are available on our website.

3.1.2 Board of Directors

3.1.2.1 Composition of the Board of Directors

Per 31 December 2022, Unifiedpost's Board is composed of 9 members and features a broad range of expertise from different operational fields. Currently, the CEO is the only executive member of the Board.

Hans Leybaert is the founder and Chief Executive Officer of Unifiedpost. Hans started his career as an analyst programmer for CSC, an IT system-integrating company and was subsequently promoted to project manager where he was in charge of larger projects for Belgian corporate customers. In 1997, he became an account manager at Baan, a Dutch software company, where he was responsible for all large accounts of Baan Belgium. This experience was followed by a partner position at Axias Belgium, where Hans overlooked general, sales and program management. In 2001, he founded Unifiedpost. Since June 2022, Sofias BVBA, represented by Hans Leybaert, is an independent director of Group S.

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Stefan Yee (Chairman) has more than 30 years of experience in audit, corporate law, mergers and acquisitions, corporate finance, investment banking and private equity with companies as KPMG, Linklaters, the Flemish investment bank, Lessius, the Belgian Corporation for International Investment (SBI/BMI), Beluga and as the founder and CEO of PE Group, a Belgian privately held general private equity firm.

He is and has been an investor and/or board member of several listed and private companies such as, amongst others, Beluga, Docpharma, Encare group (Mensura), AXI, The Reference, Alro Holdings, Loomans Group, United Brands, Capco, AED Rent, Uteron Pharma, Faseas International (Spacewell), HD Partners (Dekabo group), AED Rent, NRG New Generation, Imcyse, Axiles, Bionics and Hyloris Pharmaceuticals. Stefan holds master degrees in Law and Business Administration from the Universities of Brussels (VUB and ULB Solvay Business School) and the University of Chicago Law School (as a BAEF Fellow).

Joost Uwents is the CEO of Warehouses De Pauw (WDP), a public company which specializes in the logistics industry and semi-industrial real-estate. He is currently an independent member of the Board of Directors of Xior Student Housing. Before his career at WDP, Joost started as an account manager for the General Bank. He obtained a master's degree as a business engineer from the KU Leuven and subsequently did an MBA at Vlerick Business School.

Katrien Meire is founder and executive director of WorkNomads, an employer for digital nomads specialised in industrialised and ICT engineering while also offering worldwide flexible coliving. She started her career as a EU Competition lawyer in a magic circle law firm, before becoming CEO and Director of two English football clubs, i.e. Charlton Athletic and later on Sheffield Wednesday, as well as COO of football club Club Brugge NV. She also served as a council member for two years at the English Football Association. Katrien obtained a master's degree in Law from KU Leuven and a LLM in Competition Law from University College of London.

Katya Degrieck is a senior Executive at Google, where she is head of the Publishers Revenue and News for Northern Europe departments. She started her career as a management consultant at Andersen Consulting and has since then been active in the media industry for over 25 years, including several executive positions at Bertelsmann and Corelio (now Mediahuis). Katya is also an independent director of the publishing company Lannoo Group and Smartphoto, where she is a member of the remuneration committee and audit committee. Katya holds a master degree in business engineering and an MBA from the University of Brussels Solvay Business School.

Leon Cappaert is an investment manager at FPIM, the Belgian Federal Holding and Investment Company, where he is responsible for investments in technology and new energy. Leon has over 20 years of experience in asset management and private equity. Before joining FPIM, he worked as an analyst and fund manager at KBC Asset Management. Later he joined Korys, the family office of the Colruyt Group, as an investment director. Leon is a certified chartered financial analyst and obtained a master degree as a commercial engineer from the University of Antwerp.

Michael Kleindl is an experienced business angel and venture capital investor, serial entrepreneur and successful founder of a multitude of digital businesses during the last 20 years, including some early foodtech investments. He is currently on the forefront of a climate first venture capital platform called Collateral Good Ventures. Michael holds a University degree from the European Business School and his track record includes two IPOs and numerous exits of portfolio companies to prestigious buyers such as Amazon, Axel Springer, Deutsche Post DHL, Eventbrite and Just Eat.

Angeline (Marie-Ange) Marx is the COO of Keytrade Bank Belgium (a branch of Arkea Direct Bank) and a board member of Visa Belgium. After an initial career as a lawyer with De Backer & Associés in Brussels, she joined Keytrade Bank in 1999 as managing director of Keytrade Bank Luxembourg and group compliance officer, before being promoted to the COO function in 2007. Marie-Ange is also a board member of Europay Belgium and member of Euroclear's market advisory committee. She obtained master degrees in law from both the University of Brussels and the College of Europe in Bruges.

Philippe De Backer holds several master degrees in Biotechnology and earned a doctorate from Ghent University in 2009. In 2012 he received an MBA from Solvay Business School. After some years of working in the world of business, he made his political debut in 2011 as Member of the European Parliament. In 2016, he became Secretary of State for Social Fraud, Privacy and the North Sea. In 2018 he was promoted to Minister, gaining responsibility for Digital Agenda, Telecom, Postal Services and Administrative Simplification and this until the end of the legislature in October 2020.

3.1.2.2 About the Board of Directors

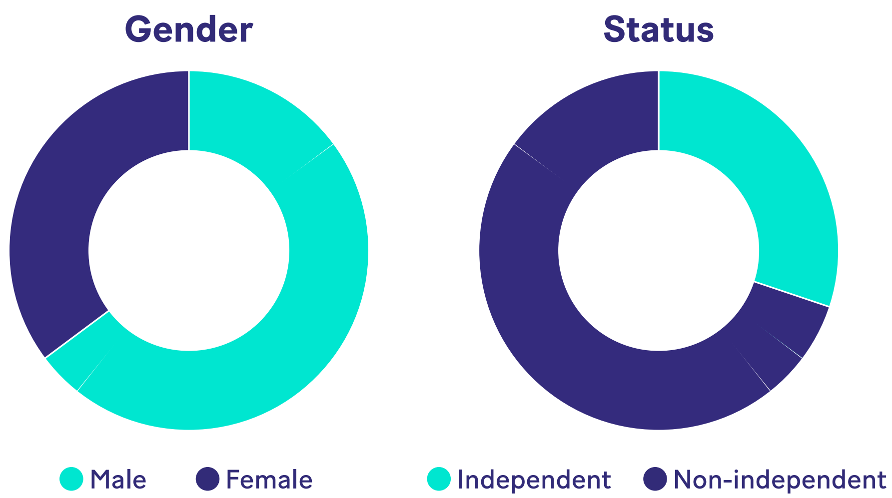
Name	Position	Year of initial appointment	Year of end of term	Independent director (1)	Attendance rate
AS Partners BV (permanently represented by **Stefan Yee**)	Chairman	2014	2026	NO	100 %
Sofias BV (permanently represented by **Hans Leybaert**)	CEO	2006	2026	NO	100%
FPIM – SFPI NV (permanently represented by **Leon Cappaert**)	Member	2020	2026	NO	57%
Joost Uwents	Member	2020	2026	YES	100%
RISUS Sports BV (permanently represented by **Katrien Meire**)(2)	Member	2021	2026	YES	100%
Fovea BV (permanently represented by **Katya Degrieck**)	Member	2020	2026	YES	86%
Angeline (Marie-Ange) **Marx**	Member	2020	2026	YES	100%
SophArth BV (permanently represented by **Philippe De Backer)**	Member	2021	2027	YES	100%
First Performance AG (permanently represented by **Michael Kleindl)**	Member	2021	2026	NO	100%

(1) Independent director pursuant to article 7:87 of the Belgian Companies Code and 2020 Code

(2) Katrien Meire was already appointed as a member of the Board of Directors in 2020, while RISUS Sports BV, permanently represented by Katrien Meire, was appointed as member of the Board of Directors in 2021

The composition of the Board meets the gender diversity requirement laid down in Article 7:86 of the BCCA, the Board will continue to monitor future compliance. In proposing candidates, particular consideration is given to diversity in gender, age, nationality, educational and professional background, as well as complementary skills, knowledge and experience.

Moreover, the Board is composed of 8 non-executive directors, 5 of which are independent in the sense of the Article 7:87, §1 of the BCCA.



Pursuant to Unifiedpost's Corporate Governance Charter and from 2022, Board Members can be appointed for a period of maximum (renewable) four years. As a rule they are appointed for a maximum period of three consecutive terms. However, in the interest of Unifiedpost and in order to avoid losing the contribution of Board Members who have been able to develop an increasing insight into Unifiedpost, its strategy and its operations, the Board may grant exceptions to this policy in case that the reasons for the exceptions are explained during the Shareholders' Meeting dealing with the approval of the appointment of the Board Members.

The Board is convened by the Chairman or the CEO every three months or whenever the interest of Unifiedpost so requires, or at the request of two Board Members. In principle, the Board will meet at least five times a year.

The Board's role is to pursue sustainable value creation in Unifiedpost by providing entrepreneurial leadership and enabling risks to be assessed and managed. It decides on Unifiedpost's values and strategy, its risk appetite and key policies. The Board Members will closely monitor Unifiedpost's performance and ensure that the necessary financial and human resources are in place to meet its defined objectives. They support the executive management in the execution of its tasks and should be prepared to challenge the executive management in a constructive manner when appropriate.

During its meetings in 2022, the Board dealt with matters pertaining to, among other things, our strategy and growth, the facilities agreement with Francisco Partners, the earn-out of the previous Crossinx shareholders (and related capital increase), the evaluation of business opportunities, the cost savings program and the preparation of resolutions to be submitted for approval to the shareholders, and review and approval of our financial reporting.

The Board has established three board committees which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Audit Committee (in accordance with Article 7:99 of the BCCA and Provision 4.10 to 4.16 of the Corporate Governance Code), the Remuneration and Nomination Committee (in accordance with Article 7:100 of the BCCA and Provision 4.17 to 4.23 of the Corporate Governance Code) and the Management Committee. The terms of reference of these Board committees are primarily set out in the Corporate Governance Charter.

3.1.3 Committees

3.1.3.1 Audit Committee

Audit Committee members	Function	Independent Director	Attendance rate
Joost Uwents	Chairman	YES	100%
Angeline (Marie-Ange) Marx	Member	YES	100%
Stefan Yee	Member	NO	83,3%

The role of the Audit Committee is to advise the Board on accounting, audit and internal control matters. It also reports regularly to the Board on the exercise of its duties, identifying any matters where it considers that action or improvement is needed and making recommendations as regards to the steps to be taken.

At the end of 2022, the Audit Committee consisted of three members, as identified in the table above: Joost Uwents (Chairman), Angeline (Marie-Ange) Marx and Stefan Yee. The Audit Committee's members are non-executive directors, with the majority of them being independent, and have the appropriate expertise and experience in this field as shown in the biographies in chapter 3.1.2.1.

There were no changes in the composition of the Audit Committee, which met 6 times during FY 2022. During these meetings, the Audit Committee Members dealt with matters pertaining to, among other things, supervising the financial reporting and information provided by finance department of Unifiedpost, discussion on complex accounting matters, internal audit activities and reports, the follow-up of the statutory auditor (i.e., BDO), monitoring compliance and risk. The attendance rate at the Audit Committee meetings in 2022 for each of its members is set forth in the table above.

3.1.3.2 Remuneration and Nomination Committee

Remuneration and Nomination Committee member	Function	Independent Director	Attendance rate
Stefan Yee	Chairman	NO	75%
Katrien Meire	Member	YES	100%
Katya Degrieck	Member	YES	100%

The role of the Remuneration and Nomination Committee is to advise the Board principally on matters regarding the remuneration and nomination of Board Members and the Management Committee.

The Remuneration and Nomination Committee also reports regularly to the Board on the exercise of its duties, identifying any matters where it considers that action or improvement is needed and making recommendations as regards to the steps to be taken.

At the end of 2022, the Remuneration and Nomination Committee consisted of three members, as identified in the table above: Stefan Yee (Chairman), Katrien Meire and Katya Degrieck, all being non-executive directors and a majority of them being independent directors. The committee has the necessary expertise in the area of remuneration policy.

There were no changes in the composition of the Remuneration and Nomination Committee, which met 3 times in 2022. During these meetings, the Remuneration and Nomination Committee handled , amongst other, the review of the remuneration policy and the remuneration report, the determination of the variable remuneration and KPIs of the management committee and the warrant plan. The attendance rate at the Remuneration and Nomination Committee meetings in 2022 for each of its members is set forth in the table above.

3.1.4 Management Committee

3.1.4.1 Composition of the Management Committee

Per 31 December 2022, the Management Committee consists of the following members:

Hans Leybaert – see chapter *3.1.2.1 Composition of the Board of Directors* for his biography.

Laurent Marcelis has 26 years of experience in consulting, financial services and management. He is an experienced chief financial officer with a demonstrated history of working in the information technology and services industry with a background in financial services, business process improvement and strategy. Before joining Unifiedpost in 2006, he gained experience as a financial services consultant at Coopers&Lybrand / PwC, and in management functions at Interpolis / Rabobank. In 2006 he started as chief operational officer of Unifiedpost, followed by several management functions and directorship at Unifiedpost. After having left Unifiedpost in 2014 for a management function at Belfius Bank, he returned in 2016 to become the chief financial officer of Unifiedpost.

Hans Jacobs is the Unifiedpost's chief commercial officer and has 24 years of experience in marketing, sales and business development in the financial industry with BNP Paribas Fortis SA/NV and ING Belgium SA/NV. During this period, he held, amongst others, functions such as sales & marketing director and directorship of BNP Paribas Fortis Factor NV for 10 years. In 2017 he joined Unifiedpost as chief commercial officer. Hans graduated from the Catholic University of Leuven as a commercial engineer (applied economics) and holds a master in Treasury Management from the Antwerp Management School.

Tom Van Acker has more than 20 years of international experience in consulting, IT & operations and general management, within both the technology & outsourcing services industry (at Electronic Data Systems) and the financial services industry (at Fortis, ABN Amro and BNP Paribas). Furthermore, Tom has been a member of the BNP Paribas Global retail banking IT management team and of the senior management community of BNP Paribas Group. He has been a board member of several commercial and receivables finance companies in Denmark, Sweden, Italy, France, Turkey, the UK and Germany. Tom holds a master degree of Business Engineering from the Catholic University of Leuven (KUL).

Marcus Laube joined Unifiedpost in April 2021 as chief sales officer. With over 20 years' experience, he is a pioneer of e-Invoicing and B2B digitization. Previously he was the founder and CEO of Crossinx and held senior positions at TietoEnator and Lufthansa. As Co-Chair, he is leading the European e-Invoicing Service Provider Association (EESPA).

Management Members	Position	Year of birth	Year of appointment
Hans Leybaert	Executive Director (CEO)	1970	2001
Laurent Marcelis	Chief Financial Officer (CFO)	1970	2016
Hans Jacobs	Chief Commercial Officer (CCO)	1970	2017
Tom Van Acker	Chief Operational Officer (COO)	1973	2016
Marcus Laube	Chief Sales Officer (CSO)	1968	2021
Marleen Mouton*	Chief Legal and Compliance Officer (CLO)	1971	2021

*Marleen Mouton has left Unifiedpost Group in November 2022.

The Management Committee is composed of the CEO, who chairs the Management Committee. The other Members of the Management Committee are appointed and removed by the Board upon advice of the CEO and the Remuneration and Nomination Committee.

The Management Committee exercises the duties assigned to it by the Board, in close consultation with the CEO. The tasks of the Management Committee include the following matters: the research, identification and development of strategic possibilities and proposals which may contribute to our development in general, management of the Group, the supervision of the actual performance of the business compared to strategic goals, plans and budget.

The Management Committee operates under the ultimate supervision of the Board, does not constitute an executive board but is merely an informal executive committee within the meaning of Article 3:6, §3 of the BCCA.

At the end of 2022, the Management Committee consisted of 5 members: Mr. Hans Leybaert (CEO), Mr. Laurent Marcelis (CFO), Mr. Hans Jacobs (CCO), Tom Van Acker (COO) and Marcus Laube (CSO).

The Management Committee members have different educational backgrounds, as can be read in each of their profiles above. They meet regularly, and in principle once every week.

3.1.5 Evaluation of the Board and its Committees

Regularly assessing the size, composition, functioning and performance of the Board and its Committees as well as the interaction with the executive management is an essential element of corporate governance. The principle of the Board assessment is laid down in the Corporate Governance Code as well as section in Article 3.6 of Unifiedpost's Corporate Governance Charter.

Under the lead of its Chairman, the Board will regularly evaluate its scope, composition and performance as well as those of its Committees, and its interaction with the executive management.

3.1.6 Annual General Meeting

The Annual general meeting is held on the third Tuesday of May. Shareholders can attend the meeting in person, submit written voting instructions or vote by proxy. The next Annual general meeting will be held on 16 May 2023.

Next to the ordinary general meeting, the Board also convened an extra-ordinary general meeting to approve the modifications of Unifiedpost's Articles of Association in relation to the transparency threshold (i.e. the introduction of an additional initial threshold of three percent).

Over the past years, shareholders' participation has been over 60%.

3.2 Remuneration Report for financial year 2022

3.2.1 General introduction

In accordance with article 7:89/1 of BCCA, Unifiedpost's remuneration policy[9] for the Members of the Board and the executive management was approved at the 2021 annual shareholder's meeting on 18 May 2021. The remuneration policy is applicable as from January 1, 2021 and will be submitted to the vote of the general meeting of shareholders at every material change and in any case at least every 4 years. It is designed to ensure fair, well balanced and competitive remuneration practice in order to attract, develop, engage and retain talented people who can help us reach our long term sustainable performance by successfully navigating in an increasingly complex and dynamic fintech environment.

Current remuneration report must be read in conjunction with the remuneration policy, which forms a part of this report as necessary. The remuneration granted to the Members of the Board, the CEO and the other members of the existing management in the financial year 2022 is consistent with the approved remuneration policy. This remuneration report covers the 2022 remuneration of the Members of the Board (chapter 3.2.1.1.), the CEO (chapter 3.2.1.2.), who is also a Member of the Board, and the other members of the executive management who are not part of the Board (chapter 3.2.1.2.).

We are committed to ensuring that our executive management is incentivised to deliver sustainable growth and value for our shareholders. Therefore, our remuneration policy is based on a set of performance criteria that are directly linked to Unifiedpost's financial and operational performance. The criteria are designed to balance risk and to reward and promote the interest of our stakeholders. For 2022, we have focussed on setting criteria which are critical to our growth and success.

[9] https://www.unifiedpost.com/en/about-us/corporate-governance

3.2.1.1 Remuneration for the Members of the Board

The remuneration of the Board Members only consists of a fixed cash amount. By not including performance-related components nor pensions schemes, we want to ensure the independence of our Board Members in their supervisory function over the Management Committee.

This means that, in deviation from article 7.6 of the Belgian Corporate Governance Code 2020, the non-executive directors did not receive remuneration in the form of shares of Unifiedpost. The reason for this is that the Board of Directors considershare incentives may have an adverse impact on the independence of the non-executive directors.

The remuneration package offered to our Board Members is designed to attract and retain individuals who possess the necessary experience and competencies required for this critical role. We take into account the significant responsibilities that our Members of the Board hold, as well as their commitment to the development of Unifiedpost. Our remuneration package is intended to reflect the importance of their role in shaping the direction and strategy of the Company, as well as in ensuring its long-term success. The CEO, who is also a Member of the Board, does not receive any remuneration for his mandate at the Board. This is in line with our commitment to promoting the independence of our Members of the Board and ensuring that there are no conflicts of interest that may arise from their role in the company's management. By providing a clear separation between the roles of the CEO and Member of the Board, we believe that we are better able to promote good governance and accountability across the organization.

In accordance with the remuneration policy, the remuneration of the Board Members for the exercise of their mandate during the financial year 2022 consisted of the following components:

Total remuneration Members of the Board *(in euro)*

Name and position	Fixed remuneration			Variable remuneration		Extraordinary Items	Pension Expenses	Total Remuneration	Portion of the fixed and variable remuneration	
	Base compensation as member of the Board	Base compensation as member of the Audit Committee	Base compensation as member of the Remuneration Committee	One year variable	Multi year variables				Fixed	Variable
AS Partners BV (permanently represented by **Stefan Yee**)	30.000	7.500	5.000	N/A	N/A	N/A	N/A	**42.500**	100%	0%
Sofias BV (permanently represented by **Hans Leybaert**)	-	-	-	N/A	N/A	N/A	N/A	**-**	100%	0%
FPIM – SFPI NV (permanently represented by **Leon Cappaert**)	20.000	-	-	N/A	N/A	N/A	N/A	**20.000**	100%	0%
Joost Uwents	20.000	7.500	-	N/A	N/A	N/A	N/A	**27.500**	100%	0%
RISUS Sports BV (permanently represented by **Katrien Meire**)	20.000	-	5.000	N/A	N/A	N/A	N/A	**25.000**	100%	0%
Fovea BV (permanently represented by **Katya Degrieck**)	20.000	-	5.000	N/A	N/A	N/A	N/A	**25.000**	100%	0%
Angeline (Marie-Ange) **Marx**	20.000	7.500	-	N/A	N/A	N/A	N/A	**27.500**	100%	0%
SophArth BV (permanently represented by **Philippe De Backer**)	20.000	-	-	N/A	N/A	N/A	N/A	**20.000**	100%	0%
First Performance AG (permanently represented by **Michael Kleindl**)	20.000	-	-	N/A	N/A	N/A	N/A	**20.000**	100%	0%

3.2.1.2 Remuneration for the Management Committee

Our pay decisions for the CEO and the Management Committee considered the following factors:

- Unifiedpost's strategic and long term goals
- the mix of mainly corporate KPIs, complemented with a number of individual KPIs
- the mix of financial and non-financial KPIs
- the mix of short and long term KPIs

Our remuneration structure for the Members of the Management Committee consists of an annual fixed cash amount and a variable remuneration. The latter consists of a short-term variable remuneration component which is settled in a cash bonus and a long-term variable component that consists of the grant of share options, taking the form of subscription rights or warrants under Belgian law. This warrant plan has been put in place on 29 October 2021 and has, to date, not yet been used.

In accordance with the remuneration policy, the total cash remuneration of the CEO consists of a 75% fixed remuneration and a 25% short-term variable component, the latter of which is linked to 90% corporate KPIs and 10% individual objectives.

As of January 2022, similar remuneration principles are applied to a limited number of members of the Management Committee as explained further. Due to some existing agreements, not all members of the Management Committee have a variable component. For those members who have a variable component, this component varies between 10 and 21 % (depending on the relevant member of the Management Committee). The variable component is linked to 60% corporate KPIs and 40% individual KPIs. In the Remuneration Committee held on Monday 28th February 2023, it was decided that these remuneration principles will be applied as of January 2023 for all members of the Management Committee. The variable remuneration will also be gradually increased to ensure that the variable component will consist of 25%.

Individual objectives (of the CEO and the other members of the Management Committee) are established annually by the Board upon the recommendation of the Remuneration and Nomination Committee and shall include a combination of several pre-determined and objectively measured financial and non-financial kKPIs. The KPIs are further detailed below.

The rating scale used to measure the KPIs, has been set as follows:

- rating scale of financial KPIs
- below 85% of target: no bonus
- as of 85% up to 90% of target: 25% of bonus
- as of 90% up to 95% of target: 50% of bonus
- as of 95% up to 100% of target: 75% of bonus increasing linear to 100% of bonus
- no (automatic) extra bonus in case of overachievement
- right of the Board of Directors to deviate in case of specific circumstances

A. The remuneration of the CEO

In 2022, our CEO received following compensation in his executive function as Chairman of the Management Committee:

Total remuneration of the CEO *(in euro)*											
Name and position	**Fixed remuneration**			**Variable remuneration**		**Extraordinary Items**	**Pension Expenses**	**Total Remuneration**	**Portion of the fixed and variable remuneration**	
	Base compensation	**Compensation as member of the board**	**Additional benefits**	**One year variable**	**Multi year variables**				**Fixed**	**Variable**
Sofias BV (permanently represented by **Hans Leybaert**	360.000	-	-	43.500	N/A	N/A	N/A	**403.500**	75%	25%

The CEO's base compensation is determined by the actual amount paid by Unifiedpost. In addition to this, the CEO is eligible for a variable compensation in the form of a bonus, which is contingent on achieving specific corporate and individual KPIs.

The corporate KPIs are set as follows:

- (over)achieving the approved budgeted consolidated gross profit
- (over)achieving the approved budgeted consolidated operational result
- (over)achieving 25% organic recurring digital revenue growth
- (over) achieving 100.000 accounts on Banqup

The individual KPI covers the contribution to increase the visibility and corporate image of the Company towards investors.

As requested by BCCA, Unifiedpost reports the pay ratio of the highest remuneration among the members of the management committee, i.e. the CEO remuneration, versus the lowest FTE remuneration in its legal entity. The 2022 pay ratio amounts to 11,6 at cost to Unifiedpost.

B. The remuneration of the Management Committee

The remuneration of the other members of the Management Committee for the year 2022 was as follows:

Total remuneration of the management committee *(in euro)*									
Name and position	**Fixed remuneration**		**Variable remuneration**		**Extraordinary Items**	**Pension Expenses**	**Total Remuneration**	**Portion of the fixed and variable remuneration**	
	Base compensation	**Additional benefits**	**One year variable**	**Multi year variables**				**Fixed**	**Variable**
Aprilis BV (permanently represented by **Tom Van Acker**) – General manager	270.185	-	11.638	N/A	N/A	N/A	**281.823**	90%	10%
Marcelis BV (permanently represented by **Laurent Marcelis**) – CFO	210.000	-	28.420	N/A	N/A	N/A	**238.420**	79%	21%
Kilauea Management Consulting BV (permanently represented by **Hans Jacobs**) – CCO	224.265	-	-	N/A	N/A	N/A	**224.265**	100%	0%
Marleen Mouton BV (permanently represented by **Marleen Mouton**) - CLO	262.900 (*)	-	-	N/A	N/A	N/A	**262.900 (*)**	100%	0%
Marcus Laube - CSO	248.000	-	-	N/A	N/A	N/A	**248.000**	100%	0%

(*) Marleen Mouton left the Company in November 2022. In line with the contractual arrangements, a termination indemnity was paid (which was included into the remuneration of 2022). Unifiedpost and Marleen agreed that no bonuses would be due.

The management committee (excluding CEO) base compensation is determined by the actual amount paid by Unifiedpost. In addition to this, certain members of the management committee are eligible for a variable compensation in the form of a short term bonus, which is contingent on achieving specific corporate (60% of the variable compensation) and individual KPIs (40% of the variable compensation).

The corporate KPIs are the same KPIs as those of the CEO.

The specific individual KPIs include the following:

- For Aprilis BV, with its permanent representative Tom Van Acker:
  - GRIP program: Banqup revenue from 20 countries
  - Migrate existing legacy portfolio's (Baltics) to new Banqup.com platform
  - Create 5 partnerships on Selective Invoice Finance
  - Cost reduction program: 3,5 million (capex/opex savings)
- For Marcelis BV, with its permanent representative Laurent Marcelis:
  - Central consolidation & reporting for all legal entities through CCH Tagetik
  - Obtaining additional non-equity funding of at least € 50 million
  - Having 1 additional external sell-side analyst
  - Centralising IP and building a transfer pricing system
  - Contribution to increase the visibility and corporate image of Unifiedpost towards investors

The Management Committee, including the CEO, do not benefit from contributions in a pension scheme, nor do they have extra-legal arrangements through an individual or group insurance paid by Unifiedpost. They neither receive any other fringe benefits, except for Hans Leybaert and Marcus Laube (company car).

3.2.1.3 Evolution over time

The remuneration of the Board Members evolved over the past 3 years as follows:

Members of the Board	Total remuneration					
	2022		2021		2020, as of date of the IPO	
	Fixed remuneration	Variable remuneration	Fixed remuneration	Variable remuneration	Fixed remuneration	Variable remuneration
AS Partners BV (permanently represented by **Stefan Yee**) (*)	42.500	-	42.500	-	21.875	-
Jinvest BV (permanently represented by **Jurgen Ingels**) (**)	-	-	27.500		26.250	
Sofias BV (permanently represented by **Hans Leybaert**)	-	-	-	-	-	-
FPIM - SFPI NV (permanently represented by **Leon Cappaert**)	20.000	-	20.000	-	5.000	-
Joost Uwents	27.500	-	27.500	-	6.875	-
RISUS Sports BV (permanently represented by **Katrien Meire**)	25.000	-	25.000	-	-	-
Katrien Meire	-	-	-	-	6.250	-
Fovea BV (permanently represented by **Katya Degrieck**)	25.000	-	25.000	-	6.250	-
Angeline (Marie-Ange) **Marx**	27.500	-	27.500	-	6.875	-
SophArth BV (permanently represented by **Philippe De Backer**)	20.000	-	20.000	-	-	-
First Performance AG (permanently represented by **Michael Kleindl**) (***)	20.000	-	-	-	-	-

(*) In 2020, AS Partners was remunerated for the directors function € 21.875 and for other consultancy fees amounting to € 59.000
(**) Jinvest BV, permanently represented by Jurgen Ingels, was a non-executive member of the Board of Directors until 17/12/2021
(***) In 2021, First erformance AG was remunerated for consulting services amounting to € 25.000 and received a fixed remuneration of € 30.000 as member of the Beirat Crossinx GmbH. First Performance AG (permanently represented by Michael Kleinkl) receives, as of 2022, a fixed remuneration of € 20.000 as a member of the Board of Unifiedpost Group SA.

For the management committee, the evolution of remuneration granted to its members over the past 3 years can be summarized as follows:

Management Committee	Total remuneration					
	2022		2021		2020, as of date of the IPO	
	Fixed remuneration	Variable remuneration	Fixed remuneration	Variable remuneration	Fixed remuneration	Variable remuneration
Sofias BV (permanently represented by **Hans Leybaert**) - CEO (*)	360.000	43.500	360.000	81.420	198.000	73.401
Aprilis BV (permanently represented by **Tom Van Acker**) - General Manager	270.185	11.638	270.075	-	267.035	-
Marcelis BV (permanently represented by **Laurent Marcelis**) - CFO (**)	210.000	28.420	250.000	50.000	235.800	-
Kilauea Management Consulting BV (permanently represented by **Hans Jacobs**) - CCO	224.265	-	222.666	-	230.870	-
Marleen Mouton BV (permanently represented by **Marleen Mouton**) - CLO (***)	262.900	-	250.000	-	-	-
Marcus Laube - CSO (****)	248.000	-	187.790	-	-	-
De Boel Management & Events (permanently represented by **Johan De Boel**) (*****)	-	-	-	-	150.336	-

(*) The variable remuneration of 2021 includes a one-off bonus of € 50 thousand rewarded for the exceptional work done during more than two years in preparing the IPO
(**) The variable remuneration of 2021 only includes a one-off bonus of € 50 thousand rewarded for the exceptional work done during more than two years in preparing the IPO
(***) Marleen Mouton left the Company in November 2022. In line with the contractual arrangements, a termination indemnity was paid (which was included in the remuneration of 2022). Unifiedpost and Marleen agreed that no bonuses would be due.
(****) Member of the Management Committee as of April 2021
(*****) The management agreement with De Boel Management & Events was terminated in June 2020, the total fee included a notice period until August 2020

3.2.2 Severance Clauses

The Members of the Management Committee are bound to Unifiedpost on the basis of a service agreement. These contracts are concluded for an indefinite period.

The service agreements provide for termination clauses with an indemnification equal to a maximum of 12 months, depending on the position. The notice period shall not be paid in case of termination in certain events of breach of contract.

In this regard, it should be noted that the service agreement of the general manager of Unifiedpost provides in an indemnification fee equal to 24 monthly fees in case of termination of his service agreement by Unifiedpost following a material change of ownership (whereby at least 50% of the shares change ownership).

Effective of November 22, 2022, Marleen Mouton, former CLO has left Unifiedpost. She was granted a termination indemnity equal to five months of remuneration whereby the remuneration basis included 5/12th of the base compensation. No bonuses where attributable.

Besides the aforementioned departure of Marleen Mouton, there were no departures from the Board of Directors or Management Committee.

Finally, the service agreements of the Management Committee include a non-competition clause for a period of up to one year from the date of termination or resignation restricting their ability to work for competitors.

3.2.3 Adjustments and claw-back

The variable remuneration is not subject to a claw-back by Unifiedpost.

3.2.4 Annual change in remuneration

The Group has detailed remuneration data of all Group companies including average FTEs and total remuneration paid to all staff since 2019.

- For the year 2021, the Group had a total staff cost of € 71.841 thousand or an average per FTE of € 54,8 thousand (1.312 FTE's)
- For the year 2022, the Group had a total staff cost of € 83.629 thousand or an average of € 57,3 thousand (1.460 FTE's)

The Group has not yet a 5 year overview of the annual change in average remuneration of Company's staff, other than the CEO and the members of the Management Committee. The above average figures are impacted by the geographical spread of our entities in Europe. In general, Unifiedpost applied an annual indexation policy specific per region. In addition, increases are granted in function of the performance and the defined career path.

Employees are in principle remunerated based on fix gross salary and thus the component of variable remuneration is irrelevant except for sales people whereby, in general, a maximum of one month of variable salary can be earned based on performance (sales) targets.

3.3 Internal Control & Risk Management

3.3.1 Our overall approach to Risk Management

We are operating in a rapidly evolving environment which inherently brings along certain risks. Given that context, we have adopted a three lines of defence model to properly identify and manage those risks. This model reflects the segregation between:

- The first line, i.e. our business who owns and manages the risk
- The second line, i.e. our controlling, risk and compliance teams who define Unifiedpost wide risks and policy framework and monitors adherence thereto
- The third line, i.e. our independent internal audit who provides cross-discipline independent audit services to cover all areas of our business (and reports to the Audit Committee, cf. description in chapter 3.1.3.1).

Further in this chapter we summarise the most important risks Unifiedpost currently faces (derived from the existing risk management initiatives), as well as our response to each of these. The risks described below are not the only ones we are facing, additional risks and uncertainties, that we are not aware of or that we deem immaterial, may also become important factors that may adversely impact our business.

3.3.2 Top risk themes and Unifiedpost's response

We have classified the main risks to Unifiedpost under four broader risk themes: strategic, financial, operational (including information technology) and compliance risks.

Strategic risk – Competition	
Risk description Unifiedpost offers services in a variety of countries, in each of which we may face new/established competitors with similar service offerings. In addition, new and rapidly changing technology may facilitate further entrance of competitors. Furthermore, even though there is a clear regulatory tailwind for our product offering, our experience to date is that customers tend to take it up in large numbers only when regulatory deadlines are nearby (which is not yet the case for all our target markets). **To realise our growth strategy and thus to increase our revenue from subscriptions we should onboard new customers and convert them from trial customers into paying ones, and to upgrade them into higher value-added service offerings at premium fees. As service offerings or customer expectations may evolve and competitors may introduce different products with other features, our ability to grow our business may be impacted.** These and other competitive factors could lower our potential to grow market share, to increase revenue, and to maintain/increase customer renewals and prices. Our effort to grow the business may thus prove costlier than we expect, and we may not be able to grow the business sufficiently to offset our increasing operating expenses. **Trend : increasing**	**2022 main actions** Whilst the competitive pressure is real, we are convinced that Unifiedpost's overall service offering cannot be matched easily by local players and our local market presence allows us to identify local trends early on so that we can react accordingly. Unifiedpost is also open to local partnerships where deemed appropriate to serve customer needs.

Strategic risk – Macro-economic situation (incl. inflation)

Risk description

We intrinsically face potential macro-economic changes and volatility in some of the markets our customers operate in.

At an overall level, there is a high degree of uncertainty over the geo-political and security situation in (Eastern) Europe, as well as over inflation and policy reactions to the latter (interest rate increases).

In case one or more adverse scenarios become reality, it will result in reduced demand for our services and products, which will negatively impact our business model or could delay our growth strategy.

Trend : increasing

2022 main actions

Whilst we cannot control the economic and political circumstances as such, we do believe that through our presence in multiple countries, and our continuous effort to develop and integrate sustainable and scalable products and services, we are less unduly exposed to individual adverse events.

Specifically regarding the geopolitical and security situation, Unifiedpost is not directly impacted by the crisis in Europe. Unifiedpost has no business in Ukraine and Russia and has no development centres in those countries.

With regards to inflation, the extra funding Unifiedpost obtained early 2022 has a fixed interest rate. We also closely monitor our cost base (target cash flow break-even by H2 2023), and raise prices to reflect inflation as per contractual agreements.

Strategic risk – Regulatory framework

The regulatory framework proposed by the European Commission "VAT in the digital age" (ViDa) requires all Member States to implement digital invoicing by 2028 at the latest. Each of the Member States can define country specific requirements which will further increase the development requirements, and which could impact the readiness of our products for specific areas.

There is a degree of uncertainty however, as to when and how exactly each country will enforce the mandatory requirements.

In case these requirements are very specific and complex, or implementation of mandatory character is still postponed by the countries until the end of the foreseen period, it may result in or (i) additional development efforts and/or (ii) it may result in further delay of roll-out of our products in specific markets.

Trend : stable

2022 actions

Whilst we cannot control how fast Member States will convert the European Commission recommendation into their legislation, we note an increasing pressure on further digitalisation, also inspired by other drivers such as ESG and the creation of competitive advantages.

The Unifiedpost products, especially those for the SME market, are built in a modular concept, and can be adapted for the specific country needs. It is also expected that the specifications will be more or less aligned between the Member States.

Financial risk – Profitability

Risk description

As a result of (amongst others) its buy-and-build strategy, which is paramount to Unifiedpost's business plan and a building block of its strategic vision, Unifiedpost reported operating losses, negative operating cash flows, negative net cash flows and an accumulated deficit.

Achieving profitability will depend on the realisation of the assumptions included in Unifiedpost's business plan and is subject to the ability of Unifiedpost to sustain and further improve its current growth rate. Currently Unifiedpost cannot assure that it will achieve profitability within the expected timeframe. If Unifiedpost achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. Failure to become and remain profitable may impair Unifiedpost's ability to sustain operations and adversely affect its ability to raise capital and to execute its business plan. If Unifiedpost is unable to generate positive cash flow within a reasonable period, it may be unable to pursue its business plan or continue operation, in which case potential investors may lose some or all of their investment.

Trend : increasing

2022 main actions

In 2022, Unifiedpost refocused its investment effort towards 6 key countries, where the launch of SME-products can result in short-term high revenue growth.

Maintaining the current growth levels in digital activities is supporting the further improvement of Unifiedpost operating results.

Unifiedpost is currently implementing a severe cost saving plan, with the dominant priority to become net cash break even in the second half of 2023.

Furthermore, Unifiedpost is investigating further financing opportunities in the broad financial markets.

Financial risk – Medium term funding

Risk description

In the past, Unifiedpost has funded its buy-and-build strategy through a mix of equity, equity linked and debt financings. The private placement in September 2020 at the Euronext stock exchange enabled the funding for an accelerated acquisitive growth track. To respond to new business opportunities and in order to be able to execute the strategy of product harmonisation and of rolling out our group offerings towards 33 countries. Unifiedpost got access to additional funding in March 2022 with a senior facility loan of € 100 million granted by Francisco Partners, a major US fund. This financing agreement does allow Unifiedpost to keep track with its ambitious growth pace.

This type of debt financing does also involve restrictive covenants relating to Unifiedpost's capital-raising activities and other financial and operational matters, which may make it more difficult for Unifiedpost to obtain additional capital and to pursue business opportunities in the future. In case Unifiedpost would not be capable of attracting timely additional funds, it could adversely affect its financial position and it may have an impact on the roll-out of its future plans and ambitions.

Trend : increasing

2022 main actions

Unifiedpost's ambitious plan and growing activities need a financial structure that adapts to its needs. Unifiedpost Management Committee is convinced that the additional senior facility was the next step in funding the company in an appropriate way to keep track with the expected development plans.

The Management Committee monitors the installed covenants and is in close contact with its financial stakeholders. It builds a relationship with its key financial stakeholders whereby transparency and a trustworthy environment are key drivers.

Unifiedpost is currently implementing a severe cost saving plan, with the dominant priority to become net cash break even in the second half of 2023.

Furthermore, Unifiedpost is investigating further financing opportunities in the broad financial markets.

Financial risk – Settlement and debtor risk

In particular within our Payment division Unifiedpost is confronted with specific regulations and contractual obligations relating to the settlement and related to the safeguarding of funds. The risk that at any moment all these obligations cannot be met, cannot be excluded.

Failure to comply with these obligations will, in addition to a financial impact, include a significant legal impact (litigation), and would also impair the reputation of the organization significantly.

In case such event should occur, it could impact the future growth potential of the business line, and consequently could also impact the development of the other group businesses in the same area or even for the business as a whole.

Trend: stable

2022 main actions

The group has stringent internal control and testing procedures to reconcile the outstanding balances, and to assure that at all moments the underlying databases are complete and correct. The monitoring of the databases on a continuous basis with integrated alarms in case of any technical failure is in place. Customer virtual accounts and Unifiedpost Payments physical bank accounts are continuously monitored to make sure sufficient liquidity is available to meet the obligations towards customers.

Financial risk - Volatile currency markets may impact Unifiedpost results adversely

Risk description

Unifiedpost operates across several countries, with its major operations in the Eurozone. It operates in each country predominately in the local currencies, respectively the Euro, the Romanian Lei (RON) and, the Vietnamese Don (VND) for its development centres in Romania and Vietnam, the British Pound (GBP) for the acquired Unifiedpost Ltd operations, the Serbian Dinar (RSD) for Fitek Balkan, the Swedish Krona (SEK), Norwegian Krona (NOK) and Danish Krone (DKK) for the acquired 21 Grams activities and the Singapore Dollar for its activities in Singapore.

Volatile currency markets in one of the countries where Unifiedpost is operating in, and not sufficiently benefiting from local hedges in these currencies may adversely impact the financial results of Unifiedpost.

Trend : stable

2022 main actions

Even if we do not have a policy of active currency hedging, Unifiedpost continuously monitors its liquidity and financial risk position, enabling us to intervene in case major currency valuation shifts would gather speed.

Operational risk – Scalability of products

Risk description

The further roll-out of the Banqup platform (for the SME market) on a large scale in multiple countries entails organisational and technical challenges in addition to the overall strategic and commercial risks highlighted earlier. In each country a sales function and local operational support teams need to be expanded, and we need to guarantee compliance with country-specific laws and regulations. Other challenges include the potential need for some degree of local customisation of the product (in addition to local language versions that were prepared as part of the roll-out program).

Next to that we need to continue onboarding new large customers on our Channel and Collect platform, in order to strengthen the interaction between the different networks. Due to local regulatory requirements, in some countries the markets are more demanding. Should we fail to respond timely to these needs from the industry, we may impact our growth model in an adverse way.

Whilst we are confident in our technical and organisational capabilities, the challenges could lead to roll-out delays in individual countries, in turn resulting in additional costs and lost opportunities.

Trend : stable

2022 main actions

As part of our strategic roll-out roadmap we have also defined standardised target local organisations and common support tools supported by Unifiedpost, so that the impact of local challenges are minimised to the degree possible.

Furthermore, during 2022 we redefined the organisation of both sales and operational support functions, to allow for easier knowledge transfer and cross-country support during potential local peak moments.

Operational risk – Resource allocation

Risk description

We still have a very wide product portfolio, with large-size development teams in different countries (Romania, Vietnam, Moldova, Belgium) and several smaller ones across different other entities.

As such, there is an inherent risk as to whether we can always allocate our resources in an optimal manner, balancing time-cost-quality for each of the different products.

Trend : decreasing

2022 main actions

Our main investment initiatives were concentrated in the 2020-2022 period, all conducted under clear project- and program management structures.

In Q4 2022, an initiative was launched to align all development teams (and related costs) with the current strategic objectives.

Operational risk – Human resources

Risk description

A skilled workforce is essential for the continued success of our business. Difficulties in attracting, retaining and developing employees could lead to continued vacancies in certain critical areas, higher employee dissatisfaction and turnover, lower performance and underutilisation of existing skills (all factors also to be seen in the context of current cost control initiatives). Staffing issues could result in a skillset not able to meet all competency requirements in view of rapidly moving technologies, changing business models and operational flexibility.

Trend : increasing

2022 main actions

Unifiedpost has a multi-faceted approach to reducing the staffing and skills risks, including :

- Competitive wage and benefits packages, tailored per location (also, thanks to our international presence we have the ability to attract talent from a broader population)
- Development opportunities
- Continuous improvement of internal HR processes

Operational risk – Information security

Risk description

Due to the nature of our business, we are inherently exposed to information security threats. Unifiedpost conducts a yearly threat assessment considering multiple scenarios, and identified the following as the most important ones :

- Web application hacking : Unifiedpost uses numerous web applications which might contain vulnerabilities that have not been detected yet, and could be abused by hackers to steal or alter data, fraudulent activity (e.g. financial fraud) or render the application unavailable
- Advanced hacking attack : an advanced and targeted attack could compromise Unifiedpost's infrastructure
- General cybercrime : activity relying on social engineering and/or malware might succeed in stealing information or funds from Unifiedpost, due to insufficient employee awareness and end-point security controls
- Internal errors : employees, especially those with privileged access rights, may unintentionally disclose/alter sensitive data or render information systems unavailable, due to inappropriate access restrictions or insufficient controls on the end-point system or applications
- Internal fraud : an employee could leverage their access to Unifiedpost's systems and facilities to earn financial gains, by stealing data or funds

Significant information security breaches could lead to direct and indirect financial impacts, in addition to the amplification of the risk around availability and reliability of our products (reputational and other impacts).

Trend : stable

2022 main actions

Unifiedpost has established an extensive information security program, that was continued in full during 2022, to reasonably ensure confidentiality, integrity, availability and security of our systems (mix of preventive, detective and continuous monitoring practices, including the yearly cyber threat assessment itself). The entire security approach is underpinned by policies and procedures, and for selected products and entities it is also formalised by obtaining ISO27000 certifications. Other risk reduction initiatives include an information security training and awareness program and a very broad penetration testing schedule, findings of which can then be responded to quickly and effectively.

Operational risk – Availability & reliability of platforms

Risk description

Through the offering of our products and services we obtain, process and share large amounts of data related to invoices and payment transactions. Reliability and availability of our platforms and underlying infrastructure is therefore essential. This is even more so the case for 2022 and beyond where we expect a significant growth in the number of customers, data and transactions processed.

Frequent unavailability or a failure to have reliable solutions would result in a significant impact on our organisation as it would harm our reputation, result in the payment of damages, or may drive customers to our competitors. Moreover, if such issues would occur within our Payments division, this could attract the attention of our financial supervisors and may lead to fines and penalties, and ultimately to the loss of our regulatory license.

Trend : stable

2022 main actions

Unifiedpost applies a range of risk mitigation measures to maintain high product availability and reliability, including :

- Ongoing attention for business continuity, and avoiding single points of failure in set-up of platforms and designing processes
- Use of trusted third party infrastructure where appropriate
- Permanent systems performance and availability monitoring

Operational risk – Fraud

Risk description

Fraud risk is the possibility that Unifiedpost and/or its customers become subject to fraudulent activity, either from within Unifiedpost, by our employees, or externally, by individuals abusing the services of Unifiedpost (directly and/or indirectly by targeting our customers). Internal or external fraud may negatively impact our customers, as well as result in reputational, operational and possibly regulatory consequences.

Trend : increasing

2022 main actions

We have continued to strengthen our compliance framework for our Payments activities (cf. also further under regulatory risks), as this is the area where we perceive the external risk as highest.

More broadly, there have been group-wide updates to controls over financial processes, and security awareness training has continued at full pace.

Operational risk – Reliance on third parties

Risk description

Our solutions often require the use of third party vendors, service providers and partners (e.g. accounting and ERP packages).

This collaboration model inherently brings multiple operational risks for Unifiedpost: availability of services and products, information security, privacy and business continuity. Dealing with third parties that do not meet our quality criteria or which do not perform in conformity with our quality standards, may have an impact on our product branding. Bad performance could negatively impact our growth strategy.

Trend : stable

2022 main actions

In order to reasonably reduce the risks related to outsourced activities, Unifiedpost has established procedures for up-front information security and privacy assessments for new suppliers and partners as well as an outsourcing policy for IT partners and suppliers to the Payment division (including ongoing monitoring of existing suppliers).

Compliance risk – Overall

Risk description

Our Payment division is headquartered in Belgium and is subject to the supervision of the National Bank of Belgium. With local branches in multiple countries, we need to comply with additional local laws, regulations and binding guidelines from national regulators, which may impact customer onboarding practices and how the payment services are offered precisely, all in the context of an increasing workload for compliance monitoring.

Whilst our Payment division is the one most obviously subject to formal regulation, Unifiedpost as a whole also has to comply with regulatory expectations (whistleblowing, prevention of insider trading, ...), all in the context of an evolving regulatory landscape.

Failure to comply with Belgian and international laws, regulations and guidelines may lead to potential fines, and ultimately the loss of our license for payment services.

Trend : stable

2022 main actions

In order to contain these regulatory risks, we continuously monitor the existing laws and regulations and scan the regulatory landscape for changes which could have an impact on our regulatory obligations. Where necessary, we use specialised outside counsel to verify our proposed solution and implementation of our regulatory framework.

Main 2022 focus areas related to the fine-tuning of our compliance framework, ongoing attention for compliance impacts resulting from product development or organisational changes, and AML/KYC & sanctions practices.

Precisely because Unifiedpost does not want to be involved in any activity that could be considered as money laundering or the funding of terrorism, tailored training courses are provided at regular intervals to all employees of UPP, Legal and Finance.

Compliance risk – Privacy	
Risk description We are subject to various data protection laws and regulations, such as GDPR, UK GDPR and Swiss Federal Act of Data Protection, ... (each of which is also subject to evolutions and changing interpretations). A failure to comply with privacy laws would have a direct reputational impact, and may also lead to proceedings against us or our customers, and to potential fines. **Trend : stable**	**2022 main actions** Unifiedpost has established a centralised Data Protection Office that performs compliance monitoring, data subject request handling, potential data breach handling, training and awareness campaigns, etc. for all of its group entities. In 2022, priorities were made based on a maturity assessment conducted end 2021, covering all privacy sub-areas for all entities. In addition, the Data Protection Office provides assistance on new product development and continuously monitors and advises on the existing regulatory landscape and upcoming changes to privacy laws.

3.3.3 Financial risk Management

The Group is exposed to a variety of financial risks. The Board has overall responsibility for the determination of the Group's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

3.3.3.1 Credit risk

Credit risk relates to the risk that a counterparty will fail to fulfil its contractual obligations with the result that the Group would suffer a loss. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts, taking into account their financial position, past experience and other factors. For higher risk clients future credit sales are made only with approval of the Management Committee. The Group monitors on a monthly basis the ageing of its trade receivables. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. (we refer to disclosure in financial section 5.30.2.1.)

3.3.3.2 Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), in foreign exchange rates (currency risk) or in other market factors (another price risk). (we refer to disclosure in financial section 5.30.2.2.)

3.3.3.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Management Committee reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient funds available to meet future working capital requirements and to take advantage of business opportunities (we refer to disclosure in financial section 5.30.2.3).

3.3.3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the following gearing ratio: Net debt divided by Total Equity.

3.3.4 Internal controls on financial reporting

As part of its responsibilities, Unifiedpost's Management Committee has established an internal control system to ensure, among other objectives, accurate financial reporting.

Applying overall risk management principles to the preparation of financial statements primarily involves the identification and evaluation of:

1. Significant financial reporting data and their purpose

2. Potential risks to the attainment of financial statement objectives/assertions (existence, accuracy, valuation, completeness, rights and obligations, and presentation and disclosure)

3. Control mechanisms and their effectiveness

Financial reporting objectives include (i) ensuring financial statements comply with IFRS, (ii) ensuring that the information presented in financial results is both transparent and accurate, (iii) using accounting principles appropriate to the sector and the company's transactions, and (iv) providing reasonable assurance over the reliability of financial reporting and the preparation and fair presentation of published financial statements.

3.4 Market abuse

Unifiedpost has adopted a dealing code, which complies with the requirements set in the EU Market Abuse Regulation EU 596/2014 of 16 April 2014.

This dealing code restricts transactions of Unifiedpost securities by Members of the Board and the Management Committee, senior management and certain other persons during closed and prohibited periods. It also contains rules concerning the disclosure of intended and executed transactions by leading managers and their closely associated persons through a notification to Unifiedpost and to the FSMA.

3.5 Conflict of interest

Unifiedpost follows the rules and procedures set in the BCCA for conflicts of interest (Article 3:6, §1, 7° juncto article 7:96, §1, 2 BCCA and article 7:97, §4/1, 4 BCCA).

Following two consecutive meetings of the Board on 20 October 2022, both the conflict of interest procedure pursuant to article 7:96 BCCA and the related party procedure pursuant to article 7:97 BCCA were applied.

A. General description

On 9 April 2021, Unifiedpost entered into a share purchase agreement with the then current shareholders of Crossinx GmbH. On 20 October 2022, Unifiedpost entered into an addendum to the original share purchase agreement (the "**Addendum**").

In the context of the signing and execution of the Addendum, two meetings were held by the Board on 20 October 2022:

- A first meeting at 6.30 pm regarding the approval of the Addendum (the **First Board Meeting**).
- A second meeting at 9.05 pm at the notary regarding the approval of the resulting capital increase (within the framework of authorised capital) (the **Second Board Meeting**).

Two of the former Crossinx shareholders, and thus parties to the Addendum, included (i) Mr. Michael Kleindl / First Performance AG (through the company KOMM Investment AG) and (ii) Mr. Marcus Laube. Mr. Michael Kleindl (through his company First Performance AG) is currently a member of the Board and Mr. Marcus Laube is a member of the Management Committee.

B. Application of the conflict of interest procedure pursuant to article 7:96 BCCA

In accordance with article 7:96 BCCA, KOMM Investment AG and its permanent representative Mr. Michael Kleindl disclosed their potential conflict of interest in advance to the Board and they did not participate in the First Board Meeting and the Second Board Meeting.

The Board described the nature and patrimonial consequences of the Addendum and following capital increase and the justifications thereof in the minutes of the First Board Meeting and the notarial minutes of the Second Board Meeting.

In accordance with Articles 3:6, §1, 7° juncto 7:96, §1, 2 BCCA the relevant passages of the respective Board minutes in this regard are quoted as follows (free English translation):

Minutes of the First Board Meeting:

"Prior the discussion and deliberation of the Special Report, the Chairman summarises the context of the Crossinx Addendum Transaction (as further defined):

On April 9, 2021, the Company entered into a sale and purchase agreement with the shareholders of Crossinx GmbH (Former Crossinx Shareholder(s)) at that time. Under this agreement, the Company acquired 100% of the shares of Crossinx (the Crossinx Shares). The acquisition shall hereafter be referred to as the Original Crossinx Transaction.

The overall consideration for the purchase of the Crossinx Shares under the Original Crossinx Transaction consisted of:

- *an amount of € 97.469.215 (the Initial Purchase Price)*
- *a deferred consideration (the Earn-Out) of up to a maximum of € 60 million payable in three tranches, if certain conditions would be reached (the Earn-Out Amount(s)).*

The Initial Purchase Price was payable for 50% in cash and for 50% in shares (at an issuance price of € 20 per share). The Earn Out Amounts are payable in cash and in shares. The maximum Earn Out Amount could be € 20 million in cash and € 40 million in shares (at an issuance price of € 20,00 per share).

The Company and the Former Crossinx Shareholders have been negotiating an addendum agreement to the Original Crossinx Transaction. Via this addendum the potential claims of the Former Crossinx Shareholders with respect to the Earn-Out Amounts would be replaced by a one-time fixed payment to be settled in shares of the Company (the Crossinx Addendum Transaction).

Specifically, the Former Crossinx Shareholders would receive a total amount of 1.277.723 Company shares at a issuance price of € 3,78 per share, which is the lowest trading price of the shares of the Company on the date of today, October 20, 2022. Consequently, this entails a Capital Increase for the Company of € 4.829.792,94 (1.277.723 multiplied by 3,78 EUR).

Mr. Kleindl, First Performance AG and Mr. Laube, are involved in the Crossinx Addendum Transaction as they are (indirectly respectively directly – as explained above) Former Crossinx Shareholders. As is detailed in the Special Report, Mr. Kleindl / First Performance AG (through KOMM Investment AG) owned 20,6201% of the shares in Crossinx and Mr. Marcus Laube (also taken into account the percentage he is entitled to as shareholder of Crossinx Mitarbeiterbeteiligungsgesellschaft bR) owned 19,4277%. These same percentages would apply to any issuance of the Company shares as a result of the Crossinx Addendum Transaction.

[…]

After deliberation, all directors agreed with the Special Report of the Committee and the conclusion therein. In particular, taking into account the extensive reasoning in the Special Report, they considered it to be in the best interest of the Company to complete the Crossinx Addendum Transaction.

Given the above, the Board decides by unanimity to approve the Crossinx Addendum Transaction."

Regarding the more detailed justification of the Addendum and resulting capital increase and why it is in the best interest of the Company, the minutes of the First Board Meeting refer to the special report of the committee of independent directors in application of the related party procedure pursuant to article 7:97 BCCA. The main arguments in the special report can be summarised as follows:

- The termination of the conditional earn-out obligations will eliminate the need to manage the activities of Crossinx separately from the activities of the Company and will allow for a smoother integration of the activities, which could accelerate the Company's future growth.
- The strengthening of the Company's balance sheet, as the former Crossinx shareholders received a share payment below the maximum potential earn-out amount (which could amount to a maximum of 60 million, of which € 20 million in kind and € 40 million in shares of the Company (at an issue price of € 20 per share).

Minutes of the Second Board Meeting:

"The Board of Directors unanimously acknowledges that (i) the capital increase in kind of the claims that the Contributors hold against the Company resulting from the Addendum to the Crossinx Acquisition is in the best interest of the Company, as described in detail in the minutes of the first meeting of the Board of Directors held on 20 October 2022, which took place prior to the present meeting, and (ii) the resolutions to be passed by this meeting are in the interest of the Company.

[...]

The board decides to increase the capital by an amount corresponding to the sum of the number of shares issued as consideration for the contribution, i.e. 1.277.723 new shares, multiplied by € 3,78, being the amount of the Issue Price, i.e. a capital increase of € 4.829.792,94, thereby increasing the Company's capital from € 321.975.562,88 to € 326.805.355,32."

For a more detailed description of the nature and patrimonial consequences of the capital increase and issuance of new shares, and the justification thereof, the Board of Directors refers to the required report of the Board of Directors d.d. October 20, 2022, that was published on the website and can be consulted via this link https://www.unifiedpost.com/en/investor-relations/publications/publication-in-accordance-with-article-15-of-the-law-october2022.

C. Application of the related party procedure pursuant to article 7:97 BCCA

As mentioned above, given the involvement of First Performance AG / Mr. Michael Kleindl and Mr. Marcus Laube as parties to the Addendum, the related party procedure pursuant to article 7:97 BCCA was also applied regarding the Addendum and following the capital increase. As a consequence hereof:

i. A special committee of independent directors was appointed and this committee delivered on 19 October 2022 the required special report.

ii. First Performance AG and Mr. Michael Kleindl did not participate in the First Board Meeting and Second Board Meeting.

iii. Immediately after the decision on and completion of the Addendum and resulting capital increase, the transaction was publicly announced via a press release on 21 October 2022 at 7 pm. The press release can be consulted on Unifiedpost's website via this link https://www.unifiedpost.com/en/investor-relations/publications/unifiedpost-settles-earn-out-obligations-to-former-crossinx-shareholders.

3.6 Share Capital, shares & shareholders

3.6.1 Shareholder structure

On 31 December 2022 the total capital of Unifiedpost amounted to € 326.805.355,82 and was represented by 35.824.154 shares without mention of nominal value.

All shares are ordinary shares and confer equal rights. Each share entitles its holder to one vote at the general meeting and the shares represent the denominator for the purpose of transparency notifications, as set forth hereafter.

3.6.2 Shareholders

3.6.2.1 Major shareholders of Unifiedpost

Based on the transparency notifications received by Unifiedpost and the FSMA, the shareholders owning 3% or more are NN Group, Alychlo, Sofias, PE Group and Francisco Partners.

Name	Number of shares, reported in the transparency notification	% of voting rights, reported in the transparency notification
NN Group N.V.[10]	5.374.021	15%
Alychlo[11]	4.120.282	11,93 %
Sofias BV (Hans Leybaert) [12]	3.904.970	12,84%
PE Group N.V.[13]	1.412.440	4,09%
Francisco Partners[14]	1.082.862	3,13%

The major shareholders, to the extent known to Unifiedpost, are published and updated on our website. Furthermore, none of the major shareholders have, to the extent known to Unifiedpost, special voting rights or control rights.

3.6.2.2 Agreement between Unifiedpost's shareholders

On the date of this report, Unifiedpost had no knowledge of the existence of any shareholders' agreement between its shareholders.

3.6.3 Authorised capital

In accordance with the Articles of Association of Unifiedpost, the extraordinary general meeting of 31 August 2020 has authorised the Board to issue new shares within the framework of the authorised capital and to increase the capital, in one or more times, up to a maximum (cumulative) amount of € 242.343.298,24. This authorisation is granted for a period of 5 years from the date of publication of this authorisation in the Annexes to the Belgian Official.

In 2022, the Board made use of this authorisation on two occasions to increase the capital for a total amount of € 17.585.907,30. On 31 December 2022, the Board is still authorised to issue new shares within the framework of the authorised capital and to increase the capital, in one or more instalments, up to a maximum (cumulative) amount of € 168.137.510,66.

[10] on the basis of the transparency notifications dd. 26/10/2022.
[11] on the basis of the transparency notification dd. 12/07/2022.
[12] on the basis of the transparency notification dd. 24/09/2020.
[13] on the basis of the transparency notification dd. 22/07/2022.
[14] on the basis of the transparency notification dd. 26/07/2022.

3.6.3.1 Dividend policy

Unifiedpost's dividend policy is the result of a yearly balancing of (i) return to shareholders and (ii) availability of free cash flow to finance growth opportunities. Hence, Unifiedpost may decide at any given time not to propose to pay out any dividend.

3.6.3.2 Holders of subscription rights

On 31 December 2022, the following subscription rights issued by Unifiedpost were outstanding:

- 100.000 "key man subscription rights", with an exercise price of € 18,30 (the "**Key Man Subscription Rights**"), issued by Unifiedpost on 5 October 2015, all allocated to Sofias BV, and each Key Man Subscription Right entitling the holder of such Key Man Subscription Right to ten (10) shares of Unifiedpost. The Key Man Subscription Rights can be exercised in whole or in part, at the sole discretion of Sofias BV at any relevant time, taking into account the expiration date thereof, being 5 October 2025;
- 35.250 "employee subscription rights", with an exercise price which has been determined by the Board (the "**ESOP Subscription Rights**"), issued by Unifiedpost in the context of an employee subscription right (stock option) plan on 5 October 2015 and each ESOP Subscription Right entitling the holder of such ESOP Subscription Right to ten (10) shares of Unifiedpost. During the term of the ESOP Subscription Rights, being ten (10) years as of 5 October 2015, vested ESOP Subscription Rights can be exercised at any time and, as the case may be, in case of a capital increase in cash in accordance with article 7:71 of the BCCA. The Board can decide, at its discretion, to foresee additional exercise periods. At the date of this report, 1.000 ESOP Subscription Rights have currently not been allocated;
- 500.000 "Stock Option Warrants" issued by Unifiedpost on 29 October 2021 (the "**Stock Option Warrants**"), allowing each to subscribe to one new ordinary share, and, subject to the condition precedent of the grant, acceptance and exercise of subscription rights and has increased the capital up to a maximum sum equivalent to the multiplication of the number of Stock Option Warrants subscription rights exercised by the exercise price of the Stock Option Warrants subscription rights, and this by the issuance of a maximum of 500.000 new shares. The beneficiaries of the subscription rights are members of the personnel of Unifiedpost within the meaning of article 1:27 of BCCA. On December 31, 2022, none of these new warrants were granted.

3.6.4 Anti-takeover provisions

In application of the Belgian law of 2 May 2007 on the disclosure of major shareholdings in issuers whose securities are admitted to trading on a regulated market and Article 11 of the Articles of Association of Unifiedpost, the applicable major shareholding notification thresholds are set at 3%, 5%, 10% and each successive multiple of 5% of Unifiedpost Group's total number of voting rights.

3.6.5 Major agreement to which Unifiedpost is a party that come into force, undergo amendments or expires in case of a change of control over Unifiedpost after a public takeover bid

The Annual general meeting of 17 May 2022 approved the change of control clause in connection with the senior facilities agreement entered into by Unifiedpost Group and some of its subsidiaries on 7 March 2022.

This clause specifies that if an individual or group (excluding a limited number of reference shareholders) acquires ownership and control of over 30% of the issued voting share capital of Unifiedpost Group, each lender will have the right to demand that all amounts owed under the senior facilities agreement become due and payable. There is a specific procedure that must be followed before the lenders can exercise that right.

3.7 Gender diversity

For companies whose securities are admitted to a regulated market for the first time, the requirement to have at least one-third of board members of an opposite gender than the other members is to be met as of the first day of the sixth financial year starting after the IPO. Hence, this requirement will be enforceable as of 1 January 2026 for Unifiedpost. Our Board is already currently 33% female as we have thoroughly invested in a specific gender related search.

3.8 Relevant information in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of securities which have been admitted to trading on a regulated market, requires that listed companies disclose certain items that may have an impact in the event of a takeover bid:

3.8.1 Capital structure

A comprehensive overview of our capital structure as at 31 December 2022 can be found in the "Capital Structure" section of this Corporate Governance Statement.

3.8.2 Restrictions on transfers of securities

Unifiedpost's articles of association do not impose any restrictions on the transfer of shares. Furthermore, Unifiedpost is not aware of such restrictions imposed by Belgian law except in the framework of the Market Abuse Regulation.

3.8.3 Holders of securities with special control rights

There are no holders of securities with special control rights other than the nomination rights set out below. Employee share plans where control rights are not exercised directly by the employee.

Unifiedpost has not set up employee share plans where control rights over the shares are not exercised directly by the employees.

3.8.4 Restriction on voting rights

The articles of association of Unifiedpost do not contain any restrictions on the exercise of voting rights by the shareholders, provided that the shareholders concerned comply with all formalities to be admitted to the Shareholders' Meeting.

3.8.5 Shareholder agreements

Unifiedpost is not aware of any shareholder agreement which includes, or could lead to, a restriction on the transfer of its shares or exercise of voting rights related to its shares.

3.8.6 Competence of the Board of Directors regarding buy back of shares or emission of shares

We refer in this regard to section 3.6.3 on the authorised capital, which can be used by the Board of Directors in the context of a takeover bid.

3.8.7 Major agreement to which Unifiedpost is a party that come into force, undergo amendments or expires in case of a change of control over Unifiedpost after a public takeover bid

We refer is this regard to section 3.6.5.

3.8.8 Agreements with directors or employees that include compensation in case of dismissal or resignation following a public takeover bid

We refer is this regard to section 3.2.2.

3.9 Consultation of Unifiedpost's documents

The stand-alone and consolidated financial statements, Articles of Association, annual reports and other information that is disclosed for the benefit of the shareholders are available and free of charge at Unifiedpost's registered office. The Articles of Association can be consulted on our corporate website (www.unifiedpost.com) in the section entitled "Investor relations".

3.10 Statutory auditor

The audit of the stand-alone financial statements of Unifiedpost is entrusted to the Statutory Auditor which is appointed at the Shareholders' Meeting, for renewable terms of three years. The Shareholders' Meeting determines the remuneration of the Statutory auditor.

Unifiedpost's current Statutory Auditor is BDO Bedrijfsrevisoren BV/BDO Réviseurs d'Entreprises SRL, having its registered office at Corporate Village, Da Vincilaan 9 box E.6, 1930 Zaventem, Belgium, represented by Ms. Ellen Lombaerts.

BDO is a member of the Institute of certified Auditors (Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises) (membership number B00023).

BDO has been re-appointed for a term of three years by the Company's Shareholders' Meeting held on 17 May 2022 so that its mandate will expire at the annual Shareholders' Meeting that will be asked to approve the stand-alone annual accounts and the consolidated accounts for the financial year ended on 31 December 2024. In years past, Unifiedpost has not had any disputes or material disagreements with BDO.

Article 3:71 of the BCCA and Article 24 of the Law of 7 December 2016 on the organisation of the profession of and the public supervision over auditors limit the liability of auditors of listed companies to € 12,0 million for, respectively, tasks concerning the legal audit of annual accounts within the meaning of Article 3:55 of the BCCA and other tasks reserved to auditors of listed companies by Belgian law or in accordance with Belgian law, except for liability resulting from the auditor's fraud or other deliberate breach of duty.

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1. Consolidated statement of profit or loss and other comprehensive income

Thousands of Euro, except per share data		**For the year ended 31 December**	
	Note	**2022**	**2021**
Digital processing revenues	5.7	126.916	106.884
Digital processing cost of services	5.8.1	(73.770)	(60.196)
Digital processing gross profit		**53.146**	**46.688**
Postage & Parcel optimisation revenues		64.047	63.649
Postage & Parcel optimisation cost of services		(57.040)	(56.455)
Postage & Parcel optimisation gross profit		**7.007**	**7.194**
Research and development expenses	5.8.1	(14.133)	(14.221)
General and administrative expenses	5.8.1	(45.788)	(40.473)
Selling and marketing expenses	5.8.1	(29.190)	(24.880)
Other income / (expenses)	5.9	(942)	(164)
Profit / (loss) from operations		**(29.900)**	**(25.856)**
Financial income		308	22
Financial expenses	5.10	(9.367)	(2.027)
Change in fair value of financial liabilities	5.30.1	(4.295)	2.477
Share of profit / (loss) of associates	5.17	(1.875)	-
Profit / (loss) before tax		**(45.129)**	**(25.384)**
Current Income tax	5.11.1	(1.178)	(850)
Deferred tax	5.11.1	2.763	655
PROFIT / (LOSS) FOR THE YEAR		**(43.544)**	**(25.579)**
Other comprehensive income / (loss):		**(3.286)**	**253**
Items that will not be reclassified to profit or loss, net of tax:			
Remeasurements of defined benefit pension obligations	5.21	50	109
Items that will or may be reclassified to profit or loss, net of tax:			
Exchange gains / (losses) arising on translation of foreign operations	5.21	(3.336)	144
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**(46.830)**	**(25.326)**
Profit / (loss) is attributable to:			
Owners of the parent		(43.550)	(26.130)
Non-controlling interests		6	551
Total comprehensive income / (loss) is attributable to:			
Owners of the parent		(46.836)	(25.878)
Non-controlling interests		6	552
Earnings per share attributable to the equity holders of the parent:			
Basic	5.12	(1,26)	(0,80)
Diluted	5.12	(1,26)	(0,80)

The notes form an integral part of these financial statements.

2. Consolidated statement of financial position

Thousands of Euro		At 31 December	
	Note	**2022**	**2021**
ASSETS			
Goodwill	5.13	153.429	154.956
Other intangible assets	5.14	85.516	83.503
Property and equipment	5.15	8.231	8.004
Right-of-use-assets	5.16	10.214	11.718(*)
Investments in associates	5.17	1.875	-
Non-current contract costs	5.7.6	872	945
Deferred tax assets	5.11.2	462	310
Other non-current assets		1.728	989
Non-current assets		**262.327**	**260.425**
Inventories		822	560
Trade and other receivables	5.18	31.890	28.743 (*)
Contract assets	5.7	426	853
Contract costs	5.7.6	1.859	2.042
Current tax assets		705	33
Prepaid expenses	5.19	2.275	2.350
Cash and cash equivalents	5.20	40.033	16.970
Current assets		**78.010**	**51.551**
TOTAL ASSETS		**340.337**	**311.976**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	5.21	326.806	309.220
Costs related to equity issuance		(16.029)	(15.926)
Share premium reserve	5.21	492	492
Accumulated deficit		(148.497)	(101.332)
Reserve for share-based payments	5.21, 5.33	1.813	1.545
Other reserve	5.21	(2.863)	2.529
Cumulative translation adjustment reserve		(3.713)	(376)
Equity attributable to equity holders of the parent		**158.009**	**196.152**
Non-controlling interests		281	277
Total shareholders' equity		**158.290**	**196.429**
Non-current loans and borrowings	5.22	97.408	8.868
Liabilities associated with puttable non-controlling interests	5.23	840	1.200
Non-current lease liabilities	5.25	6.438	7.860(*)
Non-current contract liabilities	5.7	4.039	3.623
Retirement benefit obligations	5.27	83	175
Deferred tax liabilities	5.11.3	5.720	8.702
Non-current liabilities		**114.528**	**30.428**
Derivative financial instruments	5.30	-	535
Current loans and borrowings	5.22	6.967	23.318
Current liabilities associated with puttable non-controlling interests	5.23	7.670	7.080
Current lease liabilities	5.25	3.800	3.744(*)
Trade and other payables	5.26	34.853	36.568 (*)
Contract liabilities	5.7	12.701	13.035
Current income tax liabilities		1.528	839
Current liabilities		**67.519**	**85.119**
TOTAL EQUITY AND LIABILITIES		**340.337**	**311.976**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

The notes form an integral part of these financial statements.

3. Consolidated statement of changes in equity

Thousands of Euro	Note	**Share capital**	**Costs related to equity issuance**	**Share premium reserve**	**Accumulated deficit**	**Share based payments**	**Other reserves**	**Cumulative translation adjustment reserve**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2021		**251.543**	**(15.926)**	**492**	**(73.818)**	**1.767**	**4.395**	**(520)**	**264**	**168.197**
Result for the period		-	-	-	(26.130)	-	-	-	551	(25.579)
Other comprehensive income / (loss)	5.21	-	-	-	109	-	-	144	-	253
Total comprehensive loss for the period		**-**	**-**	**-**	**(26.021)**	**-**	**-**	**144**	**551**	**(25.326)**
Difference in FV embedded derivative contribution in cash of June -July 2020	5.21	-	-	-	-	-	738	-	-	738
Conversion of investment rights linked to contribution in cash of June-July 2020	5.21	525	-	-	-	-	-	-	-	525
Share-based payments	5.33	-	-	-	-	243	-	-	-	243
Share-based payments - conversions	5.33	-	-	-	-	(465)	465	-	-	-
Issuance of shares from contribution in kind of vendor loan of 2021 acquisitions	5.21	56.620	-	-	-	-	(2.812)	-	-	53.808
Settlement of share-based payments (ESOP)	5.21	532	-	-	-	-	-	-	-	532
Put option JV Romania	5.23	-	-	-	-	-	(1.000)	-	-	(1.000)
Current year profit AND OCI of NCI with put option	5.23	-	-	-	-	-	539	-	(506)	33
Changes in carrying value of liabilities associated with puttable NCI	5.23	-	-	-	-	-	(424)	-	-	(424)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option (JV Slovakia)	5.23	-	-	-	(1.486)	-	1.274	-	-	(212)
Valuation put option JV Croatia	5.23	-	-	-	-	-	(647)	-	(33)	(680)
Other		-	-	-	(7)	-	1	-	1	(5)
Balance at 31 December 2021		**309.220**	**(15.926)**	**492**	**(101.332)**	**1.545**	**2.529**	**(376)**	**277**	**196.429**

Thousands of Euro	Note	**Share capital**	**Costs related to equity issuance**	**Share premium reserve**	**Accumulated deficit**	**Share based payments**	**Other reserves**	**Cumulative translation adjustment reserve**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2022		**309.220**	**(15.926)**	**492**	**(101.332)**	**1.545**	**2.529**	**(376)**	**277**	**196.429**
Result for the period		-	-	-	(43.550)	-	-	-	6	(43.544)
Other comprehensive income / (loss)	5.21	-	-	-	50	-	-	(3.336)	-	(3.286)
Total comprehensive loss for the period		**-**	**-**	**-**	**(43.500)**	**-**	**-**	**(3.336)**	**6**	**(46.830)**
Issuance of new shares	5.21	17.586	(103)	-	-	-	(3.801)	-	-	13.682
Share-based payments	5.33	-	-	-	-	74	-	-	-	74
Own Shares		-	-	-	-	194	-	-	-	194
Current year profit AND OCI of NCI with put option	5.23	-	-	-	-	-	3	-	(3)	-
Changes in carrying value of liabilities associated with puttable NCI	5.23	-	-	-	-	-	(5.230)	-	-	(5.230)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option (JV UP Balkan)	5.23	-	-	-	(3.637)	-	3.637	-	-	-
Other		-	-	-	(28)	-	(1)	(1)	1	(29)
Balance at 31 December 2022		**326.806**	**(16.029)**	**492**	**(148.497)**	**1.813**	**(2.863)**	**(3.713)**	**281**	**158.290**

The notes form an integral part of these financial statements.

4. Consolidated statement of cash flows

Thousands of Euro		**For the year ended 31 December**	
	Note	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		**(43.544)**	**(25.579)**
Adjustments for:			
- Amortisation and impairment of intangible fixed assets	5.14	17.891	16.206
- Depreciation and impairment of property, plant & equipment	5.15	1.452	1.241
- Depreciation of right-of-use-assets	5.16	4.168	4.044
- Impairment of trade receivables		35	(25)
- Gain on disposal of fixed assets	5.9	(18)	(17)
- Financial income		(308)	(22)
- Financial expenses	5.10	9.367	2.027
- Change fair value contingent consideration	5.21	4.830	-
- Change fair value of derivative	5.30	(535)	(2.477)
- Share of profit / (loss) of associate	5.17	1.875	-
- Income tax expense / (income)	5.11.1	(1.585)	195
- Share-based payment expense / own shares	5.33	269	243
- Contingent consideration	5.9	-	250
Subtotal		**(6.103)**	**(3.914)**
Changes in Working Capital			
- (Increase)/decrease in trade receivables and contract assets & costs		3.584	(6.727)
- (Increase)/decrease in other current and non-current receivables		(616)	(958)
- (Increase)/decrease in Inventories		(261)	(41)
- Increase/(decrease) in trade and other liabilities		(7.416)	17.095
Cash generated from/ (used in) operations		**(10.812)**	**5.455**
Income taxes paid		**(1.563)**	**(1.392)**
Net cash provided by / (used in) operating activities		**(12.375)**	**4.063**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments made for acquisition of subsidiaries, net of cash acquired	5.6	-	(82.903)
Payments made for purchase of associate	5.17	(3.750)	-
Exercise of the JV UP Slovakia put option		-	(2.000)
Exercise of the JV UP Balkan put option	5.23	(5.000)	-
Payments made for purchase of intangibles and development expenses	5.14	(22.242)	(19.792)
Proceeds from the disposals of intangibles and development expenses		316	56
Payments made for purchase of property, plant & equipment	5.15	(1.778)	(2.166)
Proceeds from the disposals of property, plant & equipment		119	55
Interest received		136	20
Net cash provided by / (used in) investing activities		**(32.199)**	**(106.730)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares	5.21	12.756	525
Costs related to equity issuance		(103)	-
Exercise price ESOP		-	532
Proceeds from loans and borrowings	5.24	86.242	8.725
Repayments of loans and borrowings	5.24	(23.974)	(11.047)
Repayment of lease liabilities	5.25	(4.326)	(4.347)
Interest paid on loans, borrowings and leasings		(2.958)	(669)
Net cash provided by/ (used in) financing activities		**67.637**	**(6.281)**
Effect of exchange rate changes		-	(6)
Net increase/(decrease) in cash & cash equivalents		**23.063**	**(108.954)**
Cash and cash equivalents at beginning of period	5.20	16.970	125.924
Cash and cash equivalents at end of period	5.20	40.033	16.970

The notes form an integral part of these financial statements.

5. Notes to the consolidated financial statements

5.1 General

Unifiedpost Group SA (the "Company") is a Belgian fintech company providing a complete technology portfolio for document processing, identity management, payment services, added value financial services and post and parcel optimisation activities. Unifiedpost Group SA is a limited liability company with its registered office at Avenue Reine Astrid 92, 1310 La Hulpe. The consolidated financial statements of Unifiedpost Group SA as of 31 December 2022 and 2021 (the "Consolidated Financial Statements") comprise Unifiedpost Group SA and its subsidiaries, together "the Group" as outlined in note 5.29.

These Consolidated Financial Statements were authorised for issue by the Board of Directors on 12 April 2023.

5.2 Basis of preparation

The consolidated financial statements of the Group for the two years ended 31 December 2022 and 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU-IFRS"). The Group adopted IFRS since 1 January 2017.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 5.36.

The accounting standards applied in the consolidated financial statements for the year ended 31 December 2022 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2021.

The Group has not early adopted any other Standard, interpretation or amendment that have been issued but is not yet effective.

Standards and interpretations applicable for the annual period beginning on or after 1 January 2022

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)

These amendments do not have a significant impact on the Group's financial statements.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2022

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024 or later, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the assets and liabilities that have been acquired as part of a business combination which have been initially recognised at fair value and certain financial instruments which are measured at fair value, as described in note 5.30.1.

The Consolidated Financial Statements are presented in thousands of Euro and all "currency" values are rounded to the nearest thousands, except where otherwise indicated.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in note 5.4.

5.3 New accounting policies and significant changes

A new accounting policy has been, compared to the 2021 Annual Financial Statements, approved in its 2022 Annual Financial statements regarding:

- the accounting treatment of the Francisco Partner Term Loan Facility. The Loan Facility is accounted for by applying IFRS 9 Financial Instruments. The financial liability is measured and classified at amortised cost. At closing, the financial liability is measured at its fair value, which equals the nominal value of the received amount in Euro minus the directly attributable incremental costs (upfront fee, commitment fee and other legal transaction costs). The commitment fee, payable in Unifiedpost's shares, has been valued at closing date at fair value of the contributed shares, by multiplying the number of shares with the market prices of these shares on the Brussels stock exchange.
- Subsequently, the financial liability is measured at cost by applying the effective interest rate method. The commitment fee, which had been deferred in its Interim Consolidated Financial Statements of June 2022, has been treated as transaction costs when the draw-down occurred in December 2022 and amortised as such from that moment on.
- The accounting treatment of investment in an associate is accounted by applying IAS 28 Investments in Associates and Joint Ventures. The associated company is accounted by applying the equity method, whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss, and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Gains and losses, resulting from 'upstream' and 'downstream' transactions between an entity from the consolidation range and its associate are recognised only to the extent of the unrelated investors interest in the associate. Any unrealised profits and losses from upstream and downstream transactions are eliminated,

to the extent of the entity's interest in the associate, on the line item 'share of profit/(loss) of equity accounted associates'.

- Certain comparative amounts in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income have been restated or reclassified, as a result of a correction of prior-period errors and a change in the classification of the expenses.
  - **Leases**: after careful assessment of our lease agreements, an amendment of an existing lease contract was not considered in prior year, causing the need for a restatement following IAS 8 of our comparative figures 31 December 2021. The right of use assets and the total lease liabilities were increased by € 925 thousand.
  - **Funds in transit**: after reassessing the process of the Funds in Transit between UP Payments SA and Stichting Unifiedpost Payments, it was concluded that in prior year receivables should have been cleared with the corresponding liability at the moment of pay-out to the merchant. Therefore, the balances of other receivables resp. other payables concerning these Funds in Transit, were both overestimated for an amount of € 6.083 thousand in the financial statements of 2021. Comparative figures have been restated in accordance with IAS 8.

Thousands of Euro	At 31 December		At 31 December
	2021		2021
Balance sheet		**Increase / (Decrease)**	**RESTATED**
ASSETS			
Right-of-use assets	10.793	925	11.718
Non-current assets	**259.500**	**925**	**260.425**
Trade and other receivables	34.826	(6.083)	28.743
Current assets	**57.634**	**(6.083)**	**51.551**
TOTAL ASSETS	**317.134**	**(5.158)**	**311.976**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Non-current lease liabilities	6.861	999	7.860
Non-current liabilities	**29.429**	**999**	**30.428**
Current lease liabilities	3.818	(74)	3.744
Trade and other payables	42.651	(6.083)	36.568
Current liabilities	**91.276**	**(6.157)**	**85.119**
TOTAL EQUITY AND LIABILITIES	**317.134**	**(5.158)**	**311.976**

  - **Change in classification of expenses**: during 2022, the Company modified the classification of certain expenses to the different categories of expenses by function to more appropriately disclose these expenses and in order to better present the performance of the Company. These changes in presentation did not impact previously reported gross profit or loss from operations. The classification was possible due to the 2022 implementation of a new reporting tool where a deeper granularity of financial data is available. Comparative information in the consolidated statement of profit or loss and other comprehensive income could not be reclassified for consistency, due to the fact that similar detailed data from prior year is not available.

5.4 Significant accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The judgements in accounting policies that are important for the presentation of the Financial Statements are addressed in the following note:

Going concern

- The accompanying consolidated financial statements of Unifiedpost have been prepared assuming the Group will continue as a going concern. The going concern basis of presentation assumes that Unifiedpost will continue in operation for a period of at least one year after the date these financial statements are issued and contemplates the realisation of assets and the settlement of liabilities in the normal course of business.
- Unifiedpost has incurred net losses and significant cash outflows from cash used in operating activities during past years, as it has been investing significantly in the development of its document processing and payment application as well as in the roll out of these products in its Pan-European structure. During the fiscal year ended December 31, 2022, the Company incurred a consolidated net loss of € 43.544 thousand and negative cash flows from operations and from investing amounted to respectively € 12,4 million and € 32,2 million. As of December 31, 2022, the Company had an accumulated deficit of € 148,5 million but a positive total equity balance of € 158,3 million.
- As of December 31, 2022, Unifiedpost had a net debt of € 69,4 million (see note 5.30.2.4) and had liquidity with the cash and cash equivalents of € 40,0 million supported by the access to a short-term factoring line of € 20 million, which at December 31, 2022, was only used to the extent of € 2,3 million.
- The management prepared a budget that was approved by the Board of Directors and which is based on further growth of the business, improved contribution, and margins, combined with measures around cost control and business activation. The Company has budgeted a positive cash flow as from the second half of the year, while limiting the negative cash flow in the first half of the year. This approach is designed to ensure that the funds available in the company, including any undrawn portion of the factoring line, are sufficient to meet the company's cash flow needs for a period of at least one year after the date these financial statements are issued. The budget also takes the covenants linked to the Francisco Partner loan into account. This includes a minimum required liquidity of € 12,5 million (see note 5.22.3). With the approved budget, the Company expects to meet this requirement at December 31, 2023, and beyond.
- Management recognises that material uncertainties exist in the budget due to uncertainties on (i) timing of governmental decision regarding the implementation of e-invoicing in the main European business regions, (ii) the speed and degree of adaptation of the Unifiedpost product line in the market which may impact the realisation of the budget in 2023 and the key assumptions made in there and (iii) the successful implementation of a cost saving plan and/or business activation plans as included in the approved budget. Management is committed and confident that all deviations from the cash flow in the budget can be mitigated with additional cost control measures on top of these that have been taken. This approach enables management to absorb budget uncertainty and deviations from the budget with no or minimal impact on cash flow. By managing budget uncertainty in this way, management can effectively address any challenges related to the company's going concern status and covenants linked to Francisco Partners funding.

The estimation of uncertainties that are important for the presentation of the financial statements are addressed in the following notes:

- **Valuation of intangible assets acquired in business combinations** – inputs used in the valuation models for acquisition-related intangibles based on the following methodologies: the multi-period excess earnings method, replacement cost method, and the relief from royalty method, for customer relationships, developed technology, and tradenames respectively (see note 5.6.3)
- **Amortisation of customer relations** – the useful life of customer relations has been estimated at 5 years. The useful life and the related accounting method are reviewed annually
- **Amortisation of trade names** – the useful life of brand names has been estimated at 5-10 years. The useful life and the related accounting method are reviewed annually
- **Impairment testing of goodwill and non-financial assets** – Estimate of future cash flows when determining the recoverable value of cash generating units including goodwill and determination of the discount rate to apply to those future cash flows (see note 5.13)
- **Development expenses** – Estimate about whether the conditions to capitalise development expenses in line with IAS38 are being met and more specifically whether there will be sufficient future economic benefits generated by the capitalised development expenses. Furthermore an important element of estimate is linked to the determination of the useful life of each of the internally developed intangibles assets (see note 5.8)

- **Deferred tax** – Estimate of timing and amount of future taxable profits against which unused tax losses can be utilised
- **Other loans** – To compute the effective interest rate on the loan facility of Francisco partners, an estimation / judgement was used whereby the compound interest rate was fixed every six months
- **Fair value measurement** – Fair value measurement of the contingent considerations, the anti-dilution clauses derivative as well as the liabilities associated with puttable non-controlling interest, are all categorised as a level 3 in the fair value hierarchy of IFRS 13 Fair Value Measurement (see note 5.30.1)

5.5 Significant events and transactions

Credit facility Francisco Partners

On March 7, 2022, Unifiedpost signed a € 100 million five-year senior facilities agreement provided by Francisco Partners (the SFA). The SFA will allow Unifiedpost to do all necessary investments to be ready with a pan-European full service digital invoicing solution in time to ride the wave of digitisation that will roll across Europe.

The facility is structured in a term loan facility of € 75 million and a capex facility of € 25 million.

See for impact on balance sheet and profit & loss in notes 5.10 and 5.22.3.

Merger of Belgian entities

On July 1, 2022, Unifiedpost completed a merger operation between part of its Belgian companies, and this to organise its activities more efficiently and to reflect the current organisation of business activities. After the merger, the Belgian structure is composed out of (i) a group holding company, (ii) one company per business line to organise the sales and operations, and (iii) one entity in which intellectual property and development efforts are centralised.

Acquisition of additional 24% stake in Serbian digital business

On July 4, 2022, the minority shareholders of Unifiedpost d.o.o. and Unifiedpost Solutions d.o.o. exercised 24% of their put options on these Serbian entities. Unifiedpost paid € 5,0 million for the additional stake in these entities.

Settlement earn-out Crossinx

On October 20, 2022, Unifiedpost settled the earn-out obligations with the former Crossinx' shareholders in exchange for a one-time payment of € 4.829 thousand through the issuance in aggregate of 1.277.723 new shares at an issuance price of € 3,78 per share (see note 5.21).

Announcement European Commission

On December 8, 2022, the European Commission proposed a series of measures to modernise and make the EU's value-added tax system (i) work better for business, (ii) more resilient to fraud and (iii) embracing and promoting digitalisation. This announcement is tailwind for the Unifiedpost products and solutions as all European countries and SME's are obliged to implement digital billing applications before the end of December 2028. This announcement will have a significant impact on the Unifiedpost business in the coming years.

COVID-19 pandemic

For 2021 and 2022, there were no indications that the Group's revenue was negatively impacted due to COVID-19. While the Group recovered quite well from the Covid-impact, in the more traditional paper-related segment of our business, we did note that some migration projects from paper to digital were postponed impacting some of our operations temporarily.

Geopolitical situation

The current geopolitical situation is impacting Europe and its economy. Unifiedpost has no direct exposure to Russia or Ukraine. One of the Group subsidiaries is insourcing through a third party suppliers a limited number of development services from Livv (Ukraine). Furthermore, the Group has developed an important activity in the Baltic States. In so far the current problems do not escalate further, the Group does not experience any significant negative effects of the current crises, other than those resulting from general inflation.

5.6 Business combinations during the current and previous period

5.6.1 Summary of acquisitions

The Group has made following acquisitions during the previous reporting period:

Thousands of Euro **Acquisitions**	**Principal activity**	**Date of acquisition**	**Proportion of shares acquired**	**Consideration transferred**
21 Grams Holding AB	Mailing Solutions	8/01/2021	100%	40.427
banqUP BV	Payment Solutions	8/01/2021	100%	7.380
Akti NV	E-commerce Solutions	8/01/2021	100%	1.488
Digithera S.r.l.	Financial process automation	24/03/2021	100%	1.549
Sistema Efactura SL	Financial process automation	18/03/2021	100%	1.934
Crossinx GmbH	Financial process automation	09/04/2021	100%	93.821
eInvoice	Financial process automation	03/11/2021	100%	119
Crossinx Dicompay	Dormant company	10/11/2021	100%	25

5.6.2 Consideration transferred

The total consideration transferred in the previous reporting period to affect the business combinations can be summarised as follows:

Thousands of Euro	**21 Grams**	**banqUP**	**Akti**	**Digithera**	**Sistema Efactura**	**Crossinx**	**eInvoice**	**Crossinx Dicompay**
Cash	31.356	2.098	-	1.140	418	46.911	119	25
Issuance of ordinary shares	3.279	3.884	1.284	282	-	45.080	-	-
Deferred payment	-	1.398	204	127	387	-	-	-
Bank loans immediately settled	5.792	-	-	-	1.129	-	-	-
Settlement of pre-existing relationships	-	-	-	-	-	1.830	-	-
Total consideration	**40.427**	**7.380**	**1.488**	**1.549**	**1.934**	**93.821**	**119**	**25**

5.6.3 Assets acquired and liabilities assumed at the date of acquisition

Details of the fair value of identifiable assets and liabilities acquired in the 2021 business combinations, and of the resulting goodwill are as follows (no measurement period adjustments were recorded in 2022):

Thousands of Euro	21 Grams	banqUP	Akti	Digithera	Sistema Efactura	Crossinx	eInvoice	Crossinx Dicompay
Trade name	2.491	290	-	-	-	2.278	-	-
Software	13.988	547	121	468	1.147	1.499	-	-
Customer relationships	5.528	342	136	121	82	2.869	-	-
Property and equipment	167	-	2	8	34	98	-	-
Right-of-use assets	1.314	87	52	62	44	842	-	-
Other non-current assets	17	57	-	-	3	18	-	-
Inventories	12	-	-	-	-	-	-	-
Trade and other receivables	10.165	192	15	255	80	976	-	-
Prepaid expenses	-	-	-	3	-	52	-	-
Cash and cash equivalents	4.619	396	49	418	227	2.183	-	25
Lease liabilities	(1.219)	(87)	(52)	(62)	(44)	(842)	-	-
Loans and borrowings	(483)	(152)	-	(124)	(4)	(4.102)	-	-
Deferred tax liabilities	(4.201)	(158)	(22)	(141)	(20)	(1.770)	-	-
Trade and other payables	(10.367)	(136)	(34)	(262)	(158)	(1.374)	(83)	-
Tax liabilities	-	(6)	-	(4)	-	60	-	-
Contract liabilities	-	(682)	-	-	(122)	(858)	-	-
Provisions	-	-	-	(54)	-	-	-	-
Total net assets	**22.031**	**690**	**267**	**688**	**1.269**	**1.929**	**(83)**	**25**
Goodwill	18.396	6.690	1.221	861	665	91.892	202	-
Consideration transferred	**40.427**	**7.380**	**1.488**	**1.549**	**1.934**	**93.821**	**119**	**25**

5.7 Revenue from contracts with customers

5.7.1 Revenue by type of transaction

The Group derives revenue from the provision of services over time and at a point in time from the following sources:

Thousands of Euro		For the year ended 31 December	
	Timing of revenue recognition	**2022**	**2021**
Revenue from Digital Services		**126.916**	**106.884**
Revenue from recurring services		**112.651**	**94.586**
- Transactions		82.029	71.568
Document processing	Over time	80.128	69.643
Print production	At a point in time	1.901	1.925
- Subscriptions	Over time	28.248	20.841
- Managed services	Over time	2.374	2.177
Revenue from non-recurring digital services		**14.265**	**12.298**
- Project revenue		7.774	10.661
Implementation requests	Over time when not distinct, at a point in time otherwise	4.211	3.619
Change requests	At a point in time	3.563	7.042
- Sale of licenses	At a point in time	6.491	1.637
Revenue from Postage and Parcel Optimisation (recurring)		**64.047**	**63.649**
- Transactions	At a point in time	64.047	63.649
Total		**190.963**	**170.533**

The Group expects its revenue from subscriptions, transactions and from managed services to repeat because the contracts with its customers generally extend over the current accounting period in exchange for active use of our services, or because they include auto-renewal provisions.

The growth in revenue from digital services between 2022 and 2021 amounts to 18,7% and growth in recurring digital services between 2022 and 2021 amounts to 19,1%.

The revenue from licenses includes the sale of the distribution rights on the French market for 'Jefacture' to Facturel for an amount of € 3.750 thousand (see note 5.17).

The growth in revenue from Postage and Parcel Optimisation services between 2022 and 2021 amounts to 0,6%.

Documents that are part of a digital process (preparation, generation, sharing, filing,…), but get at a certain moment in the process a paper delivery component, are presented as part of Document processing. Print production only relates to offset printing business and no longer includes the paper-related (printed) documents business.

5.7.2 Revenue by Cash Generating Unit and by type of transaction

The Group's revenue per CGU was as follows for the years ending 31 December 2022 and 2021:

Thousands of Euro	For the year ended 31 December 2022					
	Digital document processing	**Paper processing**	**Payment**	**Services and Apps**	**Postage and Parcel optimisation**	**Total**
Revenue from recurring services	**70.279**	**36.946**	**2.674**	**2.751**	**64.043**	**176.693**
- Transactions	44.461	36.946	620	1	64.023	146.051
- Subscriptions	25.348	-	2.054	846	20	28.268
- Managed services	470	-	-	1.904	-	2.374
Revenue from non-recurring services	**13.915**	**-**	**189**	**162**	**4**	**14.270**
- Implementation requests	4.074	-	137	-	-	4.211
- Change requests	3.349	-	52	162	-	3.563
- Sale of licenses	6.492	-	-	-	4	6.496
Total	**84.194**	**36.946**	**2.863**	**2.913**	**64.047**	**190.963**

Thousands of Euro	For the year ended 31 December 2021				
	Digital document processing + Paper processing (*)	**Payment**	**Services and Apps**	**Postage and Parcel optimisation**	**Total**
Revenue from recurring services	**88.477**	**3.294**	**2.815**	**63.649**	**158.235**
- Transactions	70.841	727	-	63.649	135.217
- Subscriptions	17.636	2.567	638	-	20.841
- Managed services	-	-	2.177	-	2.177
Revenue from non-recurring services	**11.971**	**80**	**247**	**-**	**12.298**
- Implementation requests	3.602	17	-	-	3.619
- Change requests	6.732	63	247	-	7.042
- Sale of licenses	1.637	-	-	-	1.637
Total	**100.448**	**3.374**	**3.062**	**63.649**	**170.533**

(*) The figures of 2021 have been updated compared to previous year as management decided in 2022 to update the financial segments (see note 5.13.2 and note 5.28), to better align them with the business activities and this after the integration of 8 business combinations in 2021. For 2021, the split between digital document processing and paper processing as defined for the financial year 2022, is not available. At the start of 2022, Unifiedpost has launched a new reporting tool where a deeper granularity of financial data is available.

5.7.3 Revenue by geographical market

The Group generated revenue in the following **primary geographical markets** (see note 5.28.3) during the years ending 31 December 2022 and 2021:

Thousands of Euro	**For the year ended 31 December**	
	2022	**2021**
Western Europe	63.870	57.046
- Of which in Belgium	*31.115*	*27.047*
Central Eastern Europe	4.285	2.956
South Europe	14.818	11.945
Northern Europe	107.978	98.586
Rest of the World	12	-
Total	**190.963**	**170.533**

5.7.4 Contract assets and liabilities

Contract assets arise when we recognise revenue exceeding of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation. The Group has not recognised significant impairment losses on contract assets for any of the periods presented. A portion of contract assets relates to a bill and hold agreement.

Thousands of Euro	**At 31 December**	
	2022	**2021**
Non-current	-	-
Current	426	853
Total Contract assets	**426**	**853**

Contract liabilities consist of billings or customer payments exceeding of amounts recognised as revenue. Current contract liabilities relate to performance obligations that will be satisfied within one year.

The Group's contract liabilities primarily arise from:

- Subscription fees that are invoiced in advance of the period of service and are recognised monthly when the performance obligation has been satisfied; and
- Fees for non-distinct implementation services ("NDIS") that are recognised rateably over the initial non-cancellable term of a Software-as-a-Service (SaaS) contract, which typically ranges from one to three years; and
- Revenue deferred until when Post-contract Customer Service ("PCS") obligations (including stand-ready obligations to provide unspecified software upgrades) have been satisfied.

Thousands of Euro	**At 31 December**	
	2022	**2021**
Non-current	4.039	3.623
Current	12.701	13.035
Total Contract liabilities	**16.740**	**16.658**

The following table provides an overview of contract liabilities from contracts with customers:

Contract liabilities as at 31 December 2022						
Thousands of Euro						**Income to be recognised in:**
	Total	**2023**	**2024**	**2025**	**2026**	**2027**
Subscription fees	14.479	10.579	2.987	913	-	-
Fees for NDIS	460	322	112	26	-	-
Revenues from PCS	1.801	1.800	1	-	-	-
Total Contract liabilities	**16.740**	**12.701**	**3.100**	**939**	**-**	**-**

Contract liabilities as at 31 December 2021						
Thousands of Euro						**Income to be recognised in:**
	Total	**2022**	**2023**	**2024**	**2025**	**2026**
Subscription fees	12.274	8.966	2.330	978	-	-
Fees for NDIS	1.274	1.056	174	39	5	-
Revenues from PCS	3.110	3.014	83	13	-	-
Total Contract liabilities	**16.658**	**13.036**	**2.587**	**1.030**	**5**	**-**

Movements in current contract liabilities for the years ending 31 December 2022 and 2021 are as follows:

Thousands of Euro	**Subscription**	**NDIS**	**PCS**	**Total**
At December 31, 2020	**8.749**	**864**	**2.987**	**12.600**
Revenue recognised that was included in the contract liability balance at beginning of period	(6.606)	(781)	(2.824)	(10.211)
Revenue deferred during the period	10.131	1.191	2.947	14.269
At December 31, 2021	**12.274**	**1.274**	**3.110**	**16.658**
Revenue recognised that was included in the contract liability balance at beginning of period	(8.966)	(1.056)	(3.014)	(13.036)
Revenue deferred during the period	11.171	242	1.705	13.118
At December 31, 2022	**14.479**	**460**	**1.801**	**16.740**

At 31 December 2022 contract liabilities for subscription fees billed in advance referred to the segments Digital Document Processing € 13.701 thousand; Payment € 544 thousand and Services and Apps € 234 thousand.

5.7.5 Remaining performance obligations

The transaction price allocated to remaining performance obligations that are unsatisfied, or partially unsatisfied, represents contracted revenue that will be recognised in future periods. The Group's future performance obligations consist primarily of SaaS hosting/subscription obligations relating to future periods of the one to three-year contractual term of its contracts, and to contracted but uncompleted PCS obligations. The amount of revenue recognised during any period presented from performance obligations satisfied in prior periods was not significant. Except for those amounts reported as contract liabilities, the Group generally has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. The Group therefore expects to recognise approximately € 12.701 thousand of revenue in the twelve months following 31 December 2022, corresponding to the reported amount of current contract liabilities, and € 4.038 thousand thereafter (see table 5.7.4). Excluded from the measure of remaining performance obligations are amounts related to future transactional or usage-based fees for which the value of services transferred to the customer will correspond to the amount that will be invoiced for those services.

5.7.6 Contract costs

Contract costs in the statement of financial position generally relate to costs directly related to specifically identified contracts that are incurred to fulfil these contracts and are expected to be recovered from them. The majority of the costs are to fulfil future performance obligations under our Identity contracts. Contract costs relate to Identity-subscriptions and are being released in profit and loss according to term of the related Identity-subscriptions.

Thousands of Euro	**At 31 December**	
	2022	**2021**
Non-current	872	945
Current	1.859	2.042
Total Contract costs	**2.731**	**2.987**

5.8 Disclosure of expenses

5.8.1 Expenses by cost centre, by nature and by type

Thousands of Euro	For the year ended 31 December	
	2022	**2021 (*)**
Expenses by cost centre		
- Cost of services (**)	131.116	
- IT-infrastructure	6.938	
- IT-Tooling	8.483	
- IT-Development	14.084	
- Housing and facility	5.654	
- Service operations	3.144	
- Customer care	6.339	
- Sales and account management	14.034	
- Marketing	8.816	
- Finance administration	8.829	
- HR administration	2.158	
- Legal services	2.994	
- General management	7.332	
Total	**219.921**	**196.225**
Expenses by nature		
- Direct operating expenses	116.521	100.153
- Indirect operating expenses	18.314	21.671
- Staff and related expenses	83.629	71.841
- Amortisation and depreciation expenses	23.511	21.488
- Impairment charges	-	-
- Capitalisation of own development cost	(22.054)	(18.928)
Total	**219.921**	**196.225**
Expenses by type		
Cost of services digital processing	73.770	60.196
Cost of services postage and parcel optimisation	57.040	56.455
Research and development expenses	14.133	14.221
General and administrative expenses	45.788	40.473
Selling and marketing expenses	29.190	24.880
Total	**219.921**	**196.225**

(*) In 2021, the Group did not have the same granularity in the expenses as in 2022 with the new reporting tool CCH Tagetik (see note 5.3).
(**) The 'cost of services' summarise all direct cost centres, however there is no one to one link with the reporting line 'Cost of Services' in the P&L.

The total expenses increased from € 196,2 million to € 219,9 million, mainly due to higher direct operating costs as well as staff and related expenses. The increase is attributable to (i) the acquisition of Digithera, Sistema Efactura and Crossinx in first quarter of 2021, (ii) inflation impacting paper price and salaries and (iii) the additional cost related the expansion of the pan-European structure.

5.8.2 Staff and related expenses

Thousands of Euro		For the year ended 31 December	
	Note	**2022**	**2021**
Wages, salaries, fees and bonuses		47.700	39.046
Social security		8.564	7.412
Fees paid to contractors		21.827	21.088
Pensions costs: defined contribution plans	5.27	1.087	1.002
Pensions costs: defined benefit plans	5.27	264	275
Employee benefits – company car		1.875	1.513
Other benefits		2.312	1.505
Total		**83.629**	**71.841**

Expenses and cost in thousands of Euro	**As per 31 December 2022**			**For the year ended 31 December 2022**
	FTE(**)	**Average FTE**	**Employee benefit expense**	**Cost per FTE**
Cost of services	434	428	13.661	32
Research and development expenses	458	465	25.865	56
General and administrative expenses	304	303	22.815	75
Selling and marketing expenses	258	264	21.288	81
Total	**1.454**	**1.460**	**83.629**	**57**

Expenses and cost in thousands of Euro	**As per 31 December 2021**			**For the year ended 31 December 2021**
	FTE(**)	**Average FTE**	**Employee benefit expense (*)**	**Cost per FTE (*)**
Cost of services	454	428	(*)	(*)
Research and development expenses	441	413	(*)	(*)
General and administrative expenses	280	254	(*)	(*)
Selling and marketing expenses	243	217	(*)	(*)
Total	**1.418**	**1.312**	**71.841**	**55**

(*) In 2021, the Group did not have the same granularity in the expenses as in 2022 with the new reporting tool CCH Tagetik (see note 5.3).
(**) FTE corresponds to the Full Time Equivalent of contract employees, temporary employees, contractors and sub-contractors

5.8.3 Amortisation and depreciation charges

Depreciation of property and equipment as well as of right-of-use assets, amortisation of intangible assets and impairments are reported in the following categories of expenses by function:

Thousands of Euro		**For the year ended 31 December**	
	Note	**2022**	**2021**
Depreciation (*)			
Cost of services digital processing		555	1.142
Cost of services postage and parcel optimisation		73	68
Research and development expenses		196	1.883
General and administrative expenses		4.533	1.467
Selling and marketing expenses		263	722
Total depreciation	5.15, 5.16	**5.620**	**5.282**
Amortisation (*)			
Cost of services digital processing		-	18
Cost of services postage and parcel optimisation		-	-
Research and development expenses		10.096	6.074
General and administrative expenses		3.190	4.958
Selling and marketing expenses		4.605	5.156
Total amortisation	5.14	**17.891**	**16.206**
Total amortisation and depreciation		**23.511**	**21.488**

(*) In 2021, the Group did not have the same granularity in the expenses as in 2022 with the new reporting tool CCH Tagetik (see note 5.3).

The increase in the amortisation is the effect of the continued investment in our digital platform.

5.9 Other income and expenses

Thousands of Euro	**For the year ended 31 December**	
	2022	**2021**
Contingent consideration on acquisition	-	(250)
Loss on sale of subsidiary	-	(2)
Income from recharge of costs	-	60
Gain or loss sale on plant, property and equipment	18	17
Gain on sale of hardware	28	-
Foreign exchange losses (*)	(862)	-
Impairment	(101)	-
Other	(25)	11
Total	**(942)**	**(164)**

(*) Until 2021, the foreign exchange losses/gains were mapped to financial expenses (see note 5.10).

5.10 Financial expenses

Thousands of Euro	For the year ended 31 December	
	2022	**2021**
Interest and finance charges paid/payable on financial liabilities not at fair value through profit or loss	8.636	937
Interest and finance charges paid/payable for lease liabilities	289	212
Foreign exchange losses	-	405
Other	442	473
Total	**9.367**	**2.027**

The total interest and finance charges paid/payable on the Francisco Partner loan amounts to € 7.979 thousand from which € 1.872 thousand is paid and € 6.107 thousand is accrued.

5.11 Income tax

5.11.1 Tax expense / (credit)

Thousands of Euro	For the year ended 31 December	
	2022	**2021**
Current tax expense		
Current tax on profits for the year	(1.178)	(850)
Total current tax expense	**(1.178)**	**(850)**
Deferred tax expense		
Origination and reversal of temporary differences	827	655
Recognition of tax assets arising from unused tax losses	1.936	-
Total deferred tax expense / (credit)	**2.763**	**655**
Total tax expense in profit and income statement	**1.585**	**(195)**
Profit / (loss) for the year	(43.544)	(25.579)
Income tax expense/(income)	(1.585)	195
Profit / (loss) before tax	**(45.129)**	**(25.384)**
Tax using the Company's domestic tax rate of 25% (2021: 25%)	**(11.282)**	**(6.346)**
Expenses not deductible for tax purposes (incl. GAAP differences)	1.008	43
Tax credit	(796)	(461)
Share-based payments	18	60
Tax effect of debt issuance	(476)	-
Conversion of embedded derivatives	-	185
Share of profit / (loss) of joint ventures and associates	468	-
Change in fair value of financial liabilities (earn-out Crossinx)	1.207	-
Change in fair value of derivatives	(134)	-
Income not taxable for tax purposes	(55)	-
Subtotal tax effect of amounts which are not deductible (taxable) in calculating taxable income	**1.240**	**(173)**
Addition to unrecognised tax losses	10.240	6.535
Previously unrecognised tax losses used to reduce	(568)	0
Subtotal changes in unrecognised tax losses	**9.672**	**6.535**
Recognition of previously unrecognised deferred tax assets	(1.722)	158
Expired deferred tax assets	-	-
Subtotal changes in unrecognised tax losses (deferred tax expense)	**(1.722)**	**158**
Different tax rates applied in other jurisdictions	**475**	**1.307**
Other	**32**	**(1.286)**
Total tax expense	**(1.585)**	**195**

5.11.2 Deferred tax assets

The following table presents for each temporary difference the amount of deferred tax assets recognised in the statement of financial position:

Thousands of Euro	Tax losses	Contract balances	Intangible assets	Property, plant and equipment	Other	Other receivables	Provisions	Total
At 1 January 2021	**511**	**(212)**	**(160)**	**31**	**21**	**7**	**7**	**205**
(Charged) / credited								
- To profit or loss	*(282)*	*212*	*160*	*(17)*	*(18)*	*2*	*1*	*58*
Business combinations	47	-	-	-	-	-	-	**47**
At 31 December 2021	**276**	**-**	**-**	**14**	**3**	**9**	**8**	**310**
(Charged) / credited								
- To profit or loss	*179*	*-*	*4*	*23*	*(16)*	*(5)*	*(33)*	*152*
At 31 December 2022	**455**	**-**	**4**	**37**	**(13)**	**4**	**(25)**	**462**

As positive evidence for recognising a deferred tax asset, the Company considered the increased level of profits which have offset existing tax losses as well as new contracts that were concluded creating additional revenues and related profits, as confirmed in the Company's business plans for the Dutch operations. On the other hand, there is also negative evidence as there are continued investments in other fast-changing technologies which are both expensive and without guaranteed return and which might even be a threat for existing revenue streams and relating operating profits and therefore the future recoverability of the capitalised development expenses and tax losses. Another negative evidence might be the overall profitability of the Group which might have an impact on existing transfer pricing principles.

The amounts of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the statement of financial position, amounted to € 139.979 thousand as at 31 December 2022 (€ 119.709 thousand as at 31 December 2021). These tax losses and credits can generally be carried forward indefinitely. Management believes that, at the date of the financial statements, no sufficient convincing evidence was available that future taxable profits will be available for the entities concerned to rebut the negative presumption created by the existence of unused tax losses.

5.11.3 Deferred tax liabilities

The following table presents for each temporary difference the amount of deferred tax liabilities recognised in the statement of financial position:

Thousands of Euro	Tax losses	Contract balances	Intangible assets	Property, plant and equipment	Other	Provisions	Total
At 1 January 2021	**-**	**1**	**(2.843)**	**(97)**	**27**	**-**	**(2.912)**
(Charged) / credited							
- To profit or loss	*510*	*(748)*	*327*	*52*	*139*	*-*	*280*
- To other comprehensive income	*-*	*-*	*-*	*-*	*(23)*	*-*	*(23)*
- Directly to equity	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Business combinations	-	-	(6.046)	-	-	-	**(6.046)**
At 31 December 2021	**510**	**(747)**	**(8.562)**	**(45)**	**143**	**-**	**(8.701)**
(Charged) / credited							
- To profit or loss	*(251)*	*45*	*3.654*	*(28)*	*(132)*	*(307)*	*2.981*
At 31 December 2022	**259**	**(702)**	**(4.908)**	**(73)**	**11**	**(307)**	**(5.720)**

In line with the applicable legislation in Estonia and Latvia, the profit of the subsidiaries registered in these jurisdictions is subject to income tax on distribution of dividends, and, thus, applying a 0% income tax rate to undistributed profit, deferred tax liabilities on subsidiary level are recognised at nil amount. The Group, directly or indirectly, controls these subsidiaries and, hence, controls these subsidiaries' profit distribution policy and is able to veto the payment of dividends, i.e. the Group controls the timing of reversal of the related taxable temporary differences. In connection with this, Group management has assessed that no dividends are planned or expected to be distributed by the subsidiaries, i.e. the related taxable temporary differences will not reverse in the foreseeable future. Thus, no deferred tax liability is recognised relating to investments in these subsidiaries.

In 2021, a deferred tax liability of € 6.312 thousand, was recognised as a result of the business combinations as incurred in 2021.

5.12 Earnings per share

Earnings per shares of 31 December 2022 and 2021, as well as the weighted number of shares for both reporting periods:

Thousands of Euro (except number of shares and earnings per share)	**At 31 December**	
	2022	**2021**
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	(1,26)	(0,80)
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	(1,26)	(0,80)
Basic earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(43.544)	(26.130)
Diluted earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(43.544)	(26.130)
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares for the purposes of basic earnings per share	34.573.075	32.756.226
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	34.573.075	32.756.226

To calculate the basic earnings per share, the weighted average of outstanding (and fully paid) shares per year has been computed by applying a pro rata approach on the capital increases during the year.

The weighted average number of shares used as the denominator to calculate diluted earnings per share includes all instruments that have a potential dilutive impact. However, in 2021 and 2022 the Group incurred net losses. Instruments that can be converted into ordinary shares would only be treated as dilutive when their conversion into ordinary shares would decrease earnings per share or increase loss per share. As a result, these instruments have an anti-dilutive effect in periods of losses and therefore the diluted loss per share is the same as the basic loss per share for these periods.

Potential dilutive instruments that have been assessed to result in an anti-dilutive impact on the earnings per share include, granted subscription rights (warrants) to acquire shares (as described in note 5.33) and the anti-dilution protection rights (as described in note 5.21).

5.13 Goodwill and impairment testing

5.13.1 Carrying amounts of goodwill

The carrying amount of goodwill is summarised as follows:

Thousands of Euro	Note	
At 1 January 2021		**35.159**
21 Grams	5.6.3	18.396
banqUP	5.6.3	6.690
Akti	5.6.3	1.221
Digithera	5.6.3	861
Sistema Efactura	5.6.3	665
Crossinx – First Business Post	5.6.3	91.892
eInvoice	5.6.3	202
Foreign exchange difference		(130)
At 31 December 2021		**154.956**
Foreign exchange difference		(1.527)
At 31 December 2022		**153.429**

The carrying amount of goodwill is expressed in local currency and yearly foreign exchange differences will occur for 21 Grams (Swedish Krona), Unifiedpost Limited (British Pound) and eInvoice (Singapore Dollar).

Allocation to various acquisitions over time

Goodwill acquired in a business combination is allocated, from the acquisition date, to the respective cash generating units ('CGUs') that are expected to benefit from the business combination in which the goodwill arose.

In the course of 2021, goodwill increased significantly because of the Group's investment in 6 new business combinations. The business combinations vary from geographical market extensions to product portfolio enforcements and possible combinations of both. In that context, the Group is distinguishing strategic groupwide products developed centrally from local market products.

5.13.2 Cash generating units

Following the different acquisitions in 2021, the Group updated its product strategy and go-to-market strategy in 2021 to roll out the products over the platform in its Pan European growth ambition. The newly defined CGUs, generating cash inflows which are largely independent of cash inflows from other assets or group of assets, and which are reported to group management, are defined in line with the product units/segments as follows:

- CGU Digital document processing
- CGU Paper processing
- CGU Payment
- CGU Services and Apps

Digital processing activities

- CGU Postage and Parcel optimisation

Compared to previous year the following changes were made:

- "CGU Platform" was renamed "CGU Digital document processing"
- The revenue out of stamps is transferred from CGU Digital document processing towards CGU Paper processing. This revenue had a positive impact last year on the free cash flow of the CGU Digital document processing of € 412 thousand, where in the current year it is nil. This transfer has a negative impact on the value in use of the CGU Digital document processing of € 2,3 million and consequently the opposite effect in the CGU Paper processing.

These units can be described in short as follows:

- The cash generating unit 'Digital document processing' groups all digital processing activities for as well SME clients as corporate clients. It covers the inbound document flow as well as the outbound document flow.
- The cash generating unit 'Paper processing' groups all offset printing activities and paper delivery activities (inclusive sales of stamps);
- The cash generating unit 'Payment' groups all regulated activities regarding payment activities, for which specific compliance rules are applicable and separate reporting and separate governing bodies are installed;
- The cash generating unit 'Services and Apps' groups all financial and other services offered to our clients whereby we make use of data gathered.
- The cash generating unit 'Postage and Parcel optimisation' is a separate group of entities in the Nordics for which the business model differs from our classic business. The business optimises the postage distribution in the Scandinavian market.

For each of these CGUs we notice that entity set up and sales organisations are different. Furthermore, sales decisions, go-to-market decisions, software development (capex) decisions, headcount allocation decisions are taken independently with different teams and steering groups.

The R&D teams working on the projects of each CGU are clearly defined and separated from each other. Finally, the management reporting (revenues, contribution margins, EBITDA, intangible assets, headcount) is in line with the defined CGUs and management decisions are thus considering the performance of each of these units.

Thousands of Euro	**At 31 December 2020**	**Acquisitions**	**Currency exchange**	**At 31 December 2021**	**Currency exchange**	**At 31 December 2022**
CGU Digital document processing	**33.900**	112.016	(130)	**145.786**	(1.527)	**144.259**
CGU Paper processing	**1.117**	-	-	**1.117**		**1.117**
CGU Payment	**142**	6.690	-	**6.832**		**6.832**
CGU Services and Apps	**-**	1.221	-	**1.221**		**1.221**
CGU Post and Parcel optimisation	**-**	-	-			
Total	**35.159**	**119.927**	**(130)**	**154.956**	**(1.527)**	**153.429**

5.13.3 Impairment testing

Goodwill is tested for impairment at least annually. The recoverable amounts of the CGUs are assessed using a value-in-use model. The value-in-use is calculated using a discounted cash flow approach, discounted with a pre-tax discount rate applied to the projected pre-tax cash flows and terminal value.

Based on year-end performance, the group has not identified indicators which would lead to an impairment. The current exercise is executed in the period December 2022 – January 2023.

The plan was built, starting from the approved budget 2023, extended with a business plan on another 4 years with per CGU specific growth expectations. Since there is a substantial growth of some revenue streams, the plan was extended with 5 additional years to be considered as a landing period where the markets in which the Group is operating are becoming more mature.

In a second step, the base model starting from the budget was re-assessed with two supplementary scenarios, named a modest cast and a stress case. The three scenarios, (i) base case (hereafter BC), (ii) modest cast (hereafter MC), and (iii) stress case (hereafter SC) are respectively weighted at 30%, 40% and 30%. The 'base case' is representing the ambition of Group management, while the 'modest case' starts with more conservative revenue growth rates and similar gross margins as in the 'base case' as well as an indirect cost structure that adapts taking into account revenue levels. And finally, the 'stress case' starts from low revenue growth rates with decreasing gross margins and an indirect cost structure that remains at a high level compared to the business level. For each of these cases the starting point is equal to the approved budget for FY 2023.

In each of these models inter CGU invoicing for services provided, based on business/economic reason, generating revenue and cost between CGUs, are foreseen mainly from the cash generating unit 'Services and Apps' towards as well the CGU 'Digital document processing' and 'Payment'.

This weighted average case is finally the model which was the basis for the impairment testing.

For each CGU a specific pre-tax discount rate was computed based on a weighted average cost of the capital model, and this taking into account specific risk factors for each of the CGUs.

Finally, a sensitivity analysis was performed on the obtained results.

The carrying value and value in use of each CGU is presented in the below table.

Thousands of Euro	**Value in use**	**Carrying value (*)**	**Headroom**
CGU Digital document processing	237.348	225.870	11.478
CGU Paper processing	22.586	5.846	16.740
CGU Payment	16.582	13.448	3.134
CGU Services and Apps	25.085	1.946	23.139
CGU Post and Parcel optimisation	8.722	7.220	1.502
Total	**310.323**	**254.330**	**55.993**

(*) carrying values were determined as at September 30, 2022

No impairment loss has been recognised, nor reversed in the income statement for any of these CGU.

5.13.3.1 Impairment testing CGU Digital document processing

		Base case	Modest case	Stress case	Weighted
Key assumptions	Sales growth rate 2023 - 2028	17,46%	13,72%	10,20%	13,93%
	Sales growth rate 2023 - 2032	11,48%	8,77%	6,56%	9,05%
	Gross Margin evolution 2023 - 2027	53,7% - 61,4%	53,7% - 58,2%	53,7% - 56,1%	53,7% - 58,8%
	Pre-tax discount rate	16,32%	16,32%	16,32%	16,32%
	Terminal growth rate	0,19%	0,19%	0,19%	0,19%
Results	Value in use minus Carrying value *(in thousands of Euro)*				11.477,4
	Headroom-% = Value in in use / Carrying value -1				5,1%
Sensitivity	Sensitivity CAGR 2023 - 2028 -1,00% Headroom-%		CAGR	12,93%	-4,2%
	Sensitivity CAGR 2023 - 2028 -0,50% Headroom-%		CAGR	13,43%	0,4%
	Sensitivity Discountrate 1,00% Headroom-%		Discount rate	17,32%	-3,1%
	Sensitivity Discountrate 0,50% Headroom-%		Discount rate	16,82%	1,0%

The weighted average case shows a weighted average growth rate of 13,93% over the upcoming 5-years with a gross margin growing, varying from 53,7% to 58,8%. Pre-tax discount rate is set at 16.32% and a terminal growth of 0,19%. The headroom for the CGU Digital document processing amounts to 5,1%.

The sensitivity analyses shows that a decrease in compound annual growth rate with 1,0% over the upcoming five years or a discount rate that increases by 1,0%, the carrying value will exceed the value in use.

5.13.3.2 Impairment testing CGU Paper processing

		Base case	Modest case	Stress case	Weighted
Key assumptions	Sales growth rate 2023 - 2028	1,70%	1,27%	0,85%	1,28%
	Sales growth rate 2023 - 2032	1,73%	1,29%	0,86%	1,30%
	Gross Margin evolution 2023 - 2027	17,7% - 19,4%	17,7% - 18,9%	17,7% - 18,5%	17,7% -19,0%
	Pre-tax discount rate	17,82%	17,82%	17,82%	17,82%
	Terminal growth rate	0,21%	0,21%	0,21%	0,21%
Results	Value in use minus Carrying value *(in thousands of Euro)*				16.739,6
	Headroom-% = Value in in use/ Carrying value -1				286,3%
Sensitivity	Sensitivity CAGR 2023 - 2028 -10,00% Headroom-%		CAGR	-8,72%	87,5%
	Sensitivity CAGR 2023 - 2028 -5,00% Headroom-%		CAGR	-3,72%	178,4%
	Sensitivity Discountrate 1,00% Headroom-%		Discount rate	18,82%	265,5%
	Sensitivity Discountrate 0,50% Headroom-%		Discount rate	18,32%	276,1%

The weighted average case shows a weighted average growth rate of 1,28% over the upcoming 5-years with a gross margin growing, varying from 17,7% to 19,0%. Pre-tax discount rate is set at 17,82% and a terminal growth of 0,21%. The high discount rate is impacted by regions where the business is developed. The headroom for the CGU Paper processing amounts to 286,3%.

The sensitivity shows that a decrease in compound annual growth rate with 10% over the upcoming five years or a discount rate that increases by 1,0%, the value in use will still substantially exceed the carrying value.

5.13.3.3 Impairment testing CGU Payment

		Base case	Modest case	Stress case	Weighted
Key assumptions	Sales growth rate 2023 - 2028	61,10%	41,31%	20,86%	44,42%
	Sales growth rate 2023 - 2032	33,09%	13,60%	12,35%	25,05%
	Gross Margin evolution 2023 - 2027	88,2% - 85,2%	88,2% - 83,6%	88,2% - 79,0%	88,2% - 83,9%
	Pre-tax discount rate	17,74%	17,74%	17,74%	17,74%
	Terminal growth rate	0,19%	0,19%	0,19%	0,19%
Results	Value in use minus Carrying value *(in thousands of Euro)*				3.134,2
	Headroom-% = Value in in use/ Carrying value -1				23,3%
Sensitivity	Sensitivity CAGR 2023 - 2028 -1,25% Headroom-%		CAGR	43,17%	-1,3%
	Sensitivity CAGR 2023 - 2028 -1,00% Headroom-%		CAGR	43,42%	3,5%
	Sensitivity Discountrate 1,00% Headroom-%		Discount rate	18,74%	5,4%
	Sensitivity Discountrate 0,50% Headroom-%		Discount rate	18,24%	14,5%

The weighted average case shows a weighted average growth rate of 44,42% over the upcoming 5-years with a gross margin growing, varying from 88,2% to 83,9%. Pre-tax discount rate is set at 17,74% and a terminal growth of 0,19%. The headroom for the CGU Payment amounts to 23,3%.

The sensitivity shows that a decrease in compound annual growth rate with 1,25% over the upcoming five years will result in a carrying value exceeding the value in use. An increase in discount rate with 1,0% still gives sufficient headroom whereby the value in use exceeds the carrying value.

5.13.3.4 Impairment testing CGU Services & Apps

		Base case	Modest case	Stress case	Weighted
Key assumptions	Sales growth rate 2023 - 2028	82,11%	45,19%	9,97%	55,43%
	Sales growth rate 2023 - 2032	45,44%	26,81%	7,11%	32,61%
	Gross Margin evolution 2023 - 2027	45,9% - 34,3%	45,9% - 36,0%	45,9% - 38,0%	45,9% - 35,0%
	Pre-tax discount rate	17,74%	17,74%	17,74%	17,74%
	Terminal growth rate	0,19%	0,19%	0,19%	0,19%
Results	Value in use minus Carrying value *(in thousands of Euro)*				23.139,3
	Headroom-% = Value in in use/ Carrying value -1				1189,1%
Sensitivity	Sensitivity CAGR 2023 - 2028 -10,00% Headroom-%		CAGR	45,43%	591,6%
	Sensitivity CAGR 2023 - 2028 -5,00% Headroom-%		CAGR	50,43%	872,3%
	Sensitivity Discountrate 1,00% Headroom-%		Discount rate	18,74%	1083,4%
	Sensitivity Discountrate 0,50% Headroom-%		Discount rate	18,24%	1137,2%

The weighted average case shows a weighted average growth rate of 55,43% over the upcoming 5-years with a gross margin growing, varying from 45,9% to 35,0%. Pre-tax discount rate is set at 17,74% and a terminal growth of 0,19%. The headroom for the CGU Services and Apps amounts to 1.189,1%, mainly since the carrying value within this CGU is rather low.

The sensitivity shows that a decrease in compound annual growth rate with 10,00% over the upcoming five years or a discount rate that increases by 1,0%, the value in use will still substantially exceed the carrying value.

5.13.3.5 Impairment testing CGU Postage and Parcel Optimisation

		Base case	Modest case	Stress case	Weighted
Key assumptions	Sales growth rate 2023 - 2028	3,00%	0,00%	-2,00%	0,38%
	Sales growth rate 2023 - 2032	3,00%	0,00%	-2,00%	0,45%
	Gross Margin evolution 2023 - 2027	10,7% - 12,2%	10,7% - 11,2%	10,7% - 10,5%	10,7% - 11,3%
	Pre-tax discount rate	13,56%	13,56%	13,56%	13,56%
	Terminal growth rate	0,23%	0,23%	0,23%	0,23%
Results	Value in use minus Carrying value *(in thousands of Euro)*				1.501,9%
	Headroom-% = Value in in use/ Carrying value -1				20,8%
Sensitivity	Sensitivity CAGR 2023 - 2028 -1,00% Headroom-%		CAGR	-0,62%	-4,3%
	Sensitivity CAGR 2023 - 2028 -0,50% Headroom-%		CAGR	-0,12%	8,1%
	Sensitivity Discountrate 1,00% Headroom-%		Discount rate	14,56%	14,3%
	Sensitivity Discountrate 0,50% Headroom-%		Discount rate	14,06%	17,7%

The weighted average case shows a weighted average growth rate of 0.38% over the upcoming 5-years with a gross margin growing, varying from 10,7% to 11,3%. Pre-tax discount rate is set at 13.56% and a terminal growth of 0,23%. The headroom for the CGU Postage and Parcel Optimisation amounts to 20,8%.

The sensitivity shows that a decrease in compound annual growth rate 1,0% over the upcoming five years will result in a carrying value exceeding the value in use. An increase in discount rate with 1,0% still gives sufficient headroom whereby the value in use exceeds the carrying value.

5.14 Other intangible assets

The cost, accumulated amortisation and net book values of intangible assets are summarised per relevant category as follows:

Thousands of euro	Note	**Brands**	**Assets under construction**	**Internally generated software**	**Customer relationships**	**Acquired software**	**Total**
(i) At Cost							
At 1 January 2021		**608**	**186**	**23.703**	**32.172**	**6.905**	**63.574**
Additions		-	8.682	10.538	119	453	**19.792**
Disposals		-	-	(39)	-	(196)	**(235)**
Transfers		-	(384)	401	-	(17)	**-**
Business combinations	5.6.3	5.059	638	-	9.077	17.131	**31.905**
Foreign exchange impact		(33)	-	(238)	617	25	**371**
At 31 December 2021		**5.634**	**9.122**	**34.365**	**41.985**	**24.301**	**115.407**
Additions		44	19.511	2.543	108	36	**22.242**
Disposals		-	(33)	(387)	(1.265)	(276)	**(1.961)**
Transfers		2	(9.412)	8.601	(25)	834	**-**
Business combinations	5.6.3	-	-	-	-	-	**-**
Other		205	-	4	1.032	230	**1.471**
Foreign exchange impact		53	-	968	(455)	(2.009)	**(1.443)**
At 31 December 2022		**5.938**	**19.188**	**46.094**	**41.380**	**23.116**	**135.716**
(ii) Accumulated amortisation							
At 1 January 2021		**108**	**-**	**6.423**	**6.128**	**3.050**	**15.709**
Amortisation charge	5.8.1, 5.8.3	677	-	7.002	4.386	4.141	**16.206**
Disposals		-	-	(1)	-	(196)	**(197)**
Foreign exchange impact		5	-	(192)	167	206	**186**
At 31 December 2021		**790**	**-**	**13.232**	**10.681**	**7.201**	**31.904**
Amortisation charge	5.8.1, 5.8.3	512	-	8.824	4.157	4.398	**17.891**
Disposals		-	-	(153)	(1.265)	(272)	**(1.690)**
Transfers		-	-	(79)	-	79	**-**
Other		250	-	4	1.032	230	**1.516**
Foreign exchange impact		300	-	(599)	310	568	**579**
At 31 December 2022		**1.852**	**-**	**21.229**	**14.915**	**12.204**	**50.200**
(iii) Net book value							
At 1 January 2021		**500**	**186**	**17.280**	**26.044**	**3.855**	**47.865**
Gross book value		5.634	9.122	34.365	41.985	24.301	**115.407**
Accumulated amortisation		(790)	-	(13.232)	(10.681)	(7.201)	**(31.904)**
At 31 December 2021		**4.844**	**9.122**	**21.133**	**31.304**	**17.100**	**83.503**
Gross book value		5.938	19.188	46.094	41.380	23.116	**135.716**
Accumulated amortisation		(1.852)	-	(21.229)	(14.915)	(12.204)	**(50.200)**
At 31 December 2022		**4.086**	**19.188**	**24.865**	**26.465**	**10.912**	**85.516**

The following table provides an overview of the intangibles **per cash generating unit**:

Thousands of euro	Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Digital document processing	2.886	6.321	17.371	30.802	16.667	**74.047**
Paper processing	203	-	-	73	-	**276**
Payment	259	1.813	3.577	320	341	**6.310**
Services and Apps	-	381	-	109	70	**560**
Post and Parcel optimisation	1.496	-	185	-	-	**1.681**
Corporate	-	607	-	-	22	**629**
At 31 December 2021	**4.844**	**9.122**	**21.133**	**31.304**	**17.100**	**83.503**
Digital document processing	2.765	14.668	19.777	24.203	9.150	**70.563**
Paper processing	97	-	-	35	5	**137**
Payment	-	3.939	3.664	-	-	**7.603**
Services and Apps	-	581	-	-	-	**581**
Post and Parcel optimisation	1.224	-	1.424	1.780	1.514	**5.942**
Corporate	-	-	-	447	243	**690**
At 31 December 2022	**4.086**	**19.188**	**24.865**	**26.465**	**10.912**	**85.516**

Internally generated software relates to the successive developments of the Group's service platform and of its applications. The internally generated software mainly relates to the following assets:

Thousands of euro	At 31 December 2022	At 31 December 2021	End of amortisation period
Development of Banqup-based platform software	8.091	8.862	2023-2027
Robotic Process automation solutions	242	269	2022-2027
Documents related software	5.809	2.091	2022-2027
FitekIN – Inbound approval workflow improvements	2.277	3.076	2026
Identity recognition and related solutions	1.492	1.235	2022-2027
Development software related to composing and designing document templates	1.892	1.837	2023-2027
Payment hub improvements and SEPA Direct Debit Mandate	146	261	2022-2027
Payment software related to Banqup optimum	2.365	1.940	2027
Payment software related to online collection services	1.250	1.376	2023-2027
Postage optimisation	888	185	2027
Finance and service solutions	158	-	2027
Corporate Datawarehouse solutions	255	-	2027
Other	-	1	2022
Total	**24.865**	**21.133**	

The customer relationships mainly relate to the following assets:

Thousands of Euro	At 31 December 2022	At 31 December 2021	End of amortisation period
Onea	-	11	2022
ADMS	18	36	2023
Inventive Designers	281	600	2023
Leleu Printing	35	73	2023
Facturis	446	894	2023
DS&DS	39	68	2024
Akti	81	109	2026
banqUP	297	320	2036
Unifiedpost Baltic entities	9.596	11.157	2029
Unifiedpost Slovakia	1.366	1.560	2029
Unifiedpost Limited	4.272	5.091	2029
Unifiedpost Balkan entities	2.759	3.148	2030
Tehnobiro	166	188	2030
21 Grams	4.429	5.191	2036
Digithera	79	103	2026
Sistema eFactura	67	76	2032
Crossinx	2.534	2.679	2036
Total	**26.465**	**31.304**	

5.15 Property and equipment

The cost, accumulated depreciation and net book values of property and equipment assets are summarised per relevant category as follows:

Thousands of euro	Note	**Land and Buildings**	**Furniture, fittings and equipment**	**Machinery and vehicles**	**Total**
(i) At Cost					
At 1 January 2021		**2.756**	**4.242**	**3.292**	**10.290**
Addition		452	1.129	597	**2.178**
Disposal		-	(546)	(635)	**(1.181)**
Transfer		13	(1.113)	1.100	**-**
Foreign exchange impact		(1)	3	3	**5**
Business combination	5.6.3	-	234	74	**308**
At 31 December 2021		**3.220**	**3.949**	**4.431**	**11.600**
Addition		13	1.222	543	**1.778**
Disposal		(13)	(310)	(376)	**(699)**
Transfer		19	(358)	339	**-**
Transfer to right-of-use assets		-	-	637	**637**
Foreign exchange impact		5	(15)	(73)	**(83)**
At 31 December 2022		**3.244**	**4.488**	**5.501**	**13.233**
(i) Accumulated depreciation					
At 1 January 2021		**42**	**1.242**	**2.228**	**3.512**
Addition	5.8.1, 5.8.3	84	649	508	**1.241**
Disposal		-	(540)	(629)	**(1.169)**
Transfer		3	(279)	276	**-**
Foreign exchange impact		-	10	2	**12**
At 31 December 2021		**129**	**1.082**	**2.385**	**3.596**
Addition	5.8.1, 5.8.3	87	656	709	**1.452**
Disposal		-	(305)	(365)	**(670)**
Transfer		(19)	358	(339)	**-**
Transfer to right-of-use assets		-	-	623	**623**
Foreign exchange impact		33	(138)	106	**1**
At 31 December 2022		**230**	**1.653**	**3.119**	**5.002**
(iii) Net book value					
At 1 January 2021		**2.714**	**3.000**	**1.064**	**6.778**
Gross book value		3.220	3.949	4.431	**11.600**
Accumulated amortisation		(129)	(1.082)	(2.385)	**(3.596)**
At 31 December 2021		**3.091**	**2.867**	**2.046**	**8.004**
Gross book value		3.244	4.488	5.501	**13.233**
Accumulated amortisation		(230)	(1.653)	(3.119)	**(5.002)**
At 31 December 2022		**3.014**	**2.835**	**2.382**	**8.231**

5.16 Right-of-use assets

Thousands of Euro	Note	Land and Buildings	Machinery and Hardware	Vehicles	Total
At 1 January 2021		**4.555**	**1.083**	**2.463**	**8.101**
Addition		4.453 (*)	119	926	**5.498 (*)**
Depreciation charge	5.8.1, 5.8.3	(2.357)	(590)	(1.097)	**(4.044)**
Disposal (-)		(1.089)	-	(1.266)	**(2.355)**
Reversal Depreciation charge – disposal		1.089	-	1.042	**2.131**
Transfer		-	-	-	**-**
Foreign exchange impact		(18)	4	-	**(14)**
Business combination	5.6.3	2.179	5	217	**2.401**
At 31 December 2021		**8.812 (*)**	**621**	**2.285**	**11.718 (*)**
Addition		1.204	-	1.737	**2.941**
Depreciation charge		(2.445)	(416)	(1.307)	**(4.168)**
Disposal (-)		(188)	(10)	(301)	**(499)**
Reversal Depreciation charge - disposal		126	10	235	**371**
Transfer		-	(637)	-	**(637)**
Depreciation charge – transfer		-	623	-	**623**
Foreign exchange impact		(124)	(7)	(4)	**(135)**
Business combination	5.6.3	-	-	-	**-**
At 31 December 2022		**7.385**	**184**	**2.645**	**10.214**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

5.17 Investment in associate

Unifiedpost Group and ECMA (Expert Comptable Media Association) founded jointly a new entity called "Facturel". The objective of this entity is to launch in collaboration the Banqup product "Je facture" in the French market.

Both parties agreed to contribute € 3.750 thousand in the newly created entity. The new company has an issued capital of € 7.500 thousand with two shareholders each owning 50% of the shares. Unifiedpost paid up his engagement for 100% while ECMA only paid up the issued capital for 50%. The remainder part can be called whenever the company needs additional funds. The company has issued 750.000 shares with each a nominal value of 10 €.

The newly created company Facturel is a "société par actions simplifiée" with registered office at Immeuble Le Jour 200-216 rue Raymond Losserand FR 7560 Paris Cedex 14. The company is known at the trade register under number 922.547.047 RCS Paris.

Based on the governance structure of the entity it is concluded that ECMA has full control over the entity and consequently the investment qualifies conform IFRS as an associate company.

Thousands of Euro	At 31 December	
	2022	**2021**
Investment in issued capital	3.750	-
Share in equity result	-	-
Elimination in result from downstream transaction	(1.875)	-
Total	**1.875**	**-**

In December 2022, Unifiedpost sold its distribution rights on the product 'JeFacture' for the French market to the associate company 'Facturel' for a price of € 3.750 thousand. The result of this downstream transaction was recognised 100% as a revenue (see note 5.7 'Revenue from sale of licenses'). However, conform IAS 28.28, any unrealised profits and losses from upstream and downstream transactions are eliminated, to the extent of Unifiedpost's interest in the associate on the line item Share of profit / (loss) of associates. Therefore, 50% of the unrealised gain has been eliminated as it represents an intangible asset in Facturel.

5.18 Trade and other receivables

Thousands of Euro	At 31 December	
	2022	**2021**
Trade receivables	*28.795*	*25.964*
Less: allowance for expected credit losses	*(184)*	*(149)*
Trade receivables – net	**28.611**	**25.815**
VAT receivable	2.294	2.438
Payment Solutions customers' Funds in Transit (*)	-	-
Other amounts receivable	985	490
Total	**31.890**	**28.743**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

Until 2022, Payment Solutions customers' Funds in Transit was processed as a receivable, related to cash received from the end-clients of Unifiedpost's Payment Solutions customers that still needed to be transferred to the Company's Payment Solutions customers. The liability relating to transfer had been disclosed in the trade and other payable disclosure (see note 5.26). The difference between the receivable and liability corresponds to the restricted cash (see note 5.20).

After reassessing the process of these Funds in Transit however, the receivables should have been cleared with the corresponding liability at the moment of pay-out to the merchant. Therefore, the balances of other receivables resp. other payables concerning these Funds in Transit, were both overestimated for the same amount in the financial statements of 2021. To have comparative figures 31 December 2021, the Payment Solutions customers' Funds in Transit receivable as well as the liability has been decreased with € 6.083 thousand. Per 31 December 2021, only a liability amounting to € 570 thousand has remained as Payment Solutions customers' Funds in Transit (see note 5.26). The restricted cash remains € 583 thousand per 31 December 2021.

Further disclosures on credit risk and ageing are included in note 5.30.2.1.

5.19 Prepaid expenses

Thousands of Euro	At 31 December	
	2022	**2021**
IT, Licenses and maintenance	1.185	426
Other prepaid expenses	1.090	1.924
Total	**2.275**	**2.350**

Prepaid expenses mainly relate to insurance and license expenses.

5.20 Cash and cash equivalents

Thousands of Euro	**At 31 December**	
	2022	**2021**
Cash in hand	16	16
Cash at bank	37.936	10.887
Restricted Cash (Payment Solutions customers' cash)	2.025	583
Other restricted cash	56	2.898
Cash equivalents	-	2.586
Cash and cash equivalents per statement of financial position	**40.033**	**16.970**

Cash and cash equivalents increased with € 23,1 million compared to 2021.

The cash mutation can be explained as follows:

Thousands of Euro		
Total Cash and cash equivalents	**1 January 2022**	**16.970**
Operating loss of the period		(6.103)
Increase in working capital needs		(4.709)
Income taxes paid		(1.563)
Put options		(5.000)
Capex PPE		(1.659)
Capex intangible assets		(21.926)
Financial assets at fair value		(3.750)
Interest received		136
Cash from equity instruments		12.756
Costs related to equity issuance		(103)
Proceeds from loans		86.242
Repayments of loans, interest and leasings		(31.258)
Total Cash and cash equivalents	**31 December 2022**	**40.033**

5.21 Share Capital and Reserves

Share capital

The total capital of Unifiedpost Group amounts to € 326.806 thousand and is represented by 35.824.154 shares without mention of nominal value. There are no preference shares. Each of these shares confers one voting right at the Shareholders' Meeting and these shares therefore represent the denominator for the purposes of notifications under the transparency regulations, i.e. notifications in the event that the statutory or legal thresholds starting at 3%, 5%, 10%, 15%, 20% (or every subsequent multiple of 5), of the total number of voting rights attached to Unifiedpost Group's securities are reached or exceeded. Unifiedpost Group's articles of association do not provide for any additional statutory thresholds.

Share capital transactions

The impact of the share capital transactions over the reporting period can be summarised as follows:

Thousands of Euro	Number of shares	Issued capital	Share premium	Other reserve
At 1 January 2021	**30.401.990**	**251.543**	**492**	**4.395**
Issuances of new shares from contribution in kind	2.810.319	56.620	-	(2.812)
Conversions of investment rights	53.130	531	-	
Settlements of share-based payments (ESOP)	198.130	526	-	
Conversions of share-based payments	-	-	-	465
Difference in fair value embedded derivative contribution				738
Valuation put option	-	-	-	(1.647)
Current year profit and OCI with put option	-	-	-	539
Changes in carrying value of liabilities associated with puttable NCI	-	-	-	(424)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option	-	-	-	1.274
Other	-	-	-	1
At 1 January 2022	**33.463.569**	**309.220**	**492**	**2.529**
Issuance of new shares in cash	1.082.862	12.756	-	(3.801)
Issuance of new shares from contribution in kind	1.277.723	4.830	-	-
Changes in carrying value of liabilities associated with puttable NCI	-	-	-	(5.230)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option	-	-	-	3.637
Other	-	-	-	2
At 31 December 2022	**35.824.154**	**326.806**	**492**	**(2.863)**

The capital increases since 1 January 2021 are summarised in following transactions:

a. Capital increase of 8 January 2021

On 8 January 2021, Unifiedpost Group SA completed the following 3 acquisitions of 100% of the shares of 21 Grams Holding AB, Akti SA and banqUP BV. In the framework of each acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 359.494 new shares (being 139.542 new shares relating to the 21 grams acquisition, 54.651 new shares relating to the Akti acquisition and 165.301 new shares relating to the banqUP acquisition), in consideration for the contribution in kind of the receivables resulting from the vendor loans. Thereafter, the Company has issued 120.000 new shares following the exercise of subscription rights.

b. Capital increase of 24 March 2021

On 24 March 2021, Unifiedpost Group SA completed the acquisitions of 100% of the shares of Digithera. In the framework of the acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 14.098 new shares in consideration for the contribution in kind of the receivables resulting from the vendor loans. Thereafter, the Company has issued 89.160 new shares following the exercise of subscription rights.

c. Capital increase of 9 April 2021

On 9 April 2021, Unifiedpost Group SA completed the acquisitions of 100% of the shares of Crossinx. In the framework of the acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 2.436.727 new shares in consideration for the contribution in kind of the receivables resulting from the vendor loans. Thereafter, the Company has issued 28.130 new shares following the exercise of subscription rights.

d. Capital increase of 29 October 2021

On 29 October 2021, Unifiedpost Group SA has issued 13.970 new shares following the exercise of subscription rights.

e. Capital increase of 18 March 2022

On 18 March 2022, the Company issued 1.082.862 new shares. As part of the transaction with Francisco Partners in which they provided a € 100 million five-year term loan facility to Unifiedpost, Francisco Partners obtained an equity commitment fee of 3% of the share capital of Unifiedpost, representing € 12,8 million of share capital.

f. Capital increase of 20 October 2022

On 20 October 2022, the Group issued 1.277.723 new shares for a one-time payment of € 4.830 thousand, to settle the earn-out obligations as stipulated in the agreement with the former Crossinx shareholders (see note 5.30).

After the forementioned issuances of the new shares, the share capital of the Company increases to € 326.805.355,82 represented by 35.824.154 shares without mention of nominal value.

Subscription rights

In 2021, a total of 5.376 anti-dilution rights have been converted into 53.760 shares representing capital of € 537 thousand. After this conversion, the Company still had 20.646 non-executed anti-dilution rights whereby each subscriber was entitled to additionally invest 25% of their initial investment at same subscription price. However, this clause expired as at 26 June 2022, which means these subscriptions rights are null and void.

Other equity

Other equity includes:

- the increase of costs related to equity issuance relates to the incurred costs due to the of the Crossinx earn-out obligations
- share-based payments reserve amounting to € 1.813 thousand at 31 December 2022 and € 1.545 thousand at 31 December 2021 (see note 5.33);
- cumulative translation adjustments: the cumulative amount of the exchange differences relating to a foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity;
- fair value adjustment in relation to the shares issued as a result of the conversion of vendor loans into shares and to the shares issued to Francisco Partners;
- the difference between the redemption liability associated with puttable non-controlling interests and the amounts of non-controlling interests derecognised (see note 5.23).

Other comprehensive income

A reconciliation of amounts recorded to Other comprehensive income or loss is as follows:

Thousands of euro	**2022**			**2021**		
	Before tax amount	**Tax (expense)/ benefit**	**Net-of-tax amount**	**Before tax amount**	**Tax (expense)/ benefit**	**Net-of-tax amount**
Exchange differences in translating foreign operations	(3.336)	-	**(3.336)**	144	-	**144**
Re-measurements of the net defined benefit liability	50	-	**50**	109	-	**109**
Other comprehensive income	**(3.286)**	**-**	**(3.286)**	**253**	**-**	**253**

5.22 Borrowings

Thousands of Euro	Note	At 31 December 2022			At 31 December 2021		
		Non-current	Current	Total	Non-current	Current	Total
Bank borrowings	5.22.1	5.061	6.053	**11.114**	7.783	21.429	**29.212**
Refundable government advances	5.22.2	260	75	**335**	284	74	**358**
Other loans	5.22.3	92.087	839	**92.926**	801	1.815	**2.616**
Total loans and borrowings		**97.408**	**6.967**	**104.375**	**8.868**	**23.318**	**32.186**

5.22.1 Bank borrowings

Thousands of Euro	At 31 December 2022			At 31 December 2021		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured						
Subordinated loan	3.200	800	**4.000**	4.000	-	**4.000**
Other bank borrowings	8	1.215	**1.223**	759	1.048	**1.807**
Total unsecured bank borrowings	**3.208**	**2.015**	**5.223**	**4.759**	**1.048**	**5.807**
Secured						
Acquisition facility Belfius Bank	-	-	**-**	-	11.525	**11.525**
Liquidity facility Belfius Bank	-	-	**-**	-	5.000	**5.000**
Acquisition facility Buildings Sirius Star	1.216	186	**1.402**	1.583	180	**1.763**
Investment Credit	637	495	**1.132**	976	793	**1.769**
Other bank borrowings	-	3.357	**3.357**	465	2.883	**3.348**
Total secured bank borrowings	**1.853**	**4.038**	**5.891**	**3.024**	**20.381**	**23.405**
Total bank borrowings	**5.061**	**6.053**	**11.114**	**7.783**	**21.429**	**29.212**

The Group's principal loans outstanding are:

a. BMI Subordinated Loan (unsecured)

Financial Automation Solutions OÜ, the Estonian subsidiary of the Company holding the previously Fitek group of entities, has, on 19 September 2019, entered into a Subordinated Loan Agreement with "Belgische Maatschappij voor Internationale Investering NV" (the "BMI Subordinated Loan"), with the Company acting as co-debtor. The BMI Subordinated loan has a term of 7,5 years, carries an interest of 7% per annum and explicitly ranks behind the Acquisition Facility for payment of principal and interest, as well as in the event of bankruptcy. On short-term, Financial Automation Solutions OÜ needs to repay € 800 thousand.

b. Acquisition Facility Buildings Sirius Star

This acquisition facility was granted by ProCredit Banka to Unifiedpost Balkan and relates to the real estate Sirius Star Building in Belgrade. The non-current secured acquisition facility outstanding per 31 December 2022 amounts to € 1.216 thousand and on short-term € 186 thousand is outstanding.

c. Acquisition Facility Belfius Bank

In order to refinance past acquisitions, the Company entered into an acquisition credit facility for a total amount of € 25 million with Belfius Bank NV on 12 March 2019, with an increase towards € 34 million on 4 April 2019. The Acquisition Facility was divided in a "Facility A" (€ 17 million) and a "Facility B" (€ 17 million). Pursuant to the terms, the Company has repaid end of September 2020 all outstanding loans under Facility B, together with any break costs and accrued interest thereon. Facility A was repayable in twelve semi-annual instalments. On 11 March 2022 the outstanding amount of € 16,4 million was entirely repaid.

d. Liquidity facility Belfius Bank

Belfius Bank NV has granted in August 2021 a liquidity facility of € 5 million to Unifiedpost Group, a revolving facility with a maximum term of 18 months, not covered by the Gigarant guarantee. This facility is entirely reimbursed on 11 March 2022.

e. Investment Credits Unifiedpost Balkan

- Unifiedpost d.o.o. has currently 4 investment loans agreed with UniCreditbanka (1 loan) and ProCredit Banka (3 loans). The long-term outstanding of these credits is € 507 thousand and short-term outstanding is € 396 thousand.
- Unifiedpost Solutions doo and New Image doo have 4 outstanding investment loans with UniCredit banka (2 loans), Eurobanka (1 loan) and Erste banka (1 loan) with a long-term outstanding of € 130 thousand and € 99 thousand at short term.

f. Other bank borrowings

- **Factoring agreement with Belfius/BNP**: The Company holds its receivables to collect its cash flows. In order to finance its operations, the company occasionally engages in factoring arrangements with financial institutions. These factoring arrangements do not result in an accounting de-recognition. The corresponding asset and liability are recognised, measured and extinguished in line with the guidance of IFRS 9 when the continuing involvement approach is applicable.
  - Trade receivables had been sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debt transferred and therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected.
  - The transfer of the outstanding factoring debts of € 2.261 thousand is included as short-term bank loans per 31 December 2022. Per 31 December 2021, there was an outstanding factoring debt that amounted to € 1.436 thousand. During 2022 we also sold the trade receivables of 21 Grams.
- **Long-term loan with Commerzbank**: On 17 March 2021, Crossinx GmbH entered into a 'Universal loan' agreement with Commerzbank. The loan has a fixed interest rate of 3,19% and a maturity at 31 January 2027 (€ 750 thousand). No redemption payment was due within the first 12 months. Covenant check will be only required from December 2022 onwards whereby a positive free cash flow is required and an EBIT of € 1 million. Per 31 December 2022, the outstanding debt amounts to € 631 thousand. As the Group did not reach a positive free cash flow nor an EBIT of 1 million, a waiver was required. As the waiver was received post balance, this loan has been transferred to short term.
- **Other**:
  - **Secured**: at the end of 2018, the Company entered into an agreement with BNP for € 2.237 thousand to take over the former Facturis customers of which an amount of € 466 thousand is outstanding per 31 December 2022;
  - **Unsecured**: Per 31 December 2022, the Group has € 1.215 thousand outstanding short-term loans for vacation pay or 13th month and a cash guarantee of € 7,5 thousand at long-term.

5.22.2 Refundable government advances

Prior to 1 January 2017, the Group has received financing from the Walloon Region government in the form of low interest-bearing loans funding certain research and development activities. In case the funded research is successful, and the Company exploits its results, 30% of the loan is repayable in fixed amounts, and up to 170% in the form of royalties. Repayment can be forgiven at any time if the Company assigns the results of the research to the government.

On transition date to IFRS and subsequently, the loans have been recorded at their amortised cost retrospectively applying the effective interest method in IFRS 9.

The table below provides details on the refundable government advances granted to the Group and repayments made in 2021 and 2022.

Thousands of euro						**2022**		**2021**	
Ref.	**Grant amount**	**Comments**	**Contract date**	**Decision year on fixed repayments part**	**% Fixed**	**Liability expressed in financial position**	**Paid**	**Liability on statement of financial position**	**Paid**
1.	304	Closed in 2019	2005	2007	6%	53	20	63	20
2.	830	Closed in 2019	2008	2012	6%	282	55	295	55
Total						**335**	**75**	**358**	**75**

5.22.3 Other loans

The other loans can be summarised as follows:

Thousands of euro	**At 31 December 2022**			**At 31 December 2021**		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Francisco Partners – Facility A + CAF	86.010	-	**86.010**	-	-	**-**
Francisco Partners – Accrued interest	6.069	38	**6.107**	-	-	**-**
Deferred considerations		801	**801**	801	1.815	**2.616**
Debt minority shareholder JV Bulgaria	8	-	**8**	-	-	**-**
Total other loans	**92.087**	**839**	**92.926**	**801**	**1.815**	**2.616**

The other loans outstanding are:

a. Facility Francisco Partners

On 7 March 2022, Unifiedpost signed a € 100 million five-year senior facilities agreement ("SFA"), provided by Francisco Partners, a leading global investment firm that specializes in partnering with technology-enabled businesses.

This new granted loan facility is and can be used for refinancing of existing financial debts, financing of working capital requirements, financing of permitted acquisitions, financing of exercised option rights, financing of committed deferred considerations and eventually earn-out payments, financing of transaction costs, fees and expenses.

The key elements out of the SFA are:

- The facility is structured in a term loan facility A ("Facility A") of € 75 million and a capex and acquisition facility ("CAF") of € 25 million. The term loan facility A is funded in full at closing. The CAF remains available for 24 months from the closing date. Unifiedpost Group has called the CAF in December 2022.
- The senior facility expires in 5 years from closing date on 7 March 2027.
- The loan bears a 3% cash interest payable at the end of each interest period and an 8% interest paid in kind and capitalised at the end of each interest period (default interest periods are 3 or 6 months). In addition, Francisco Partners received a fee/reinvestment for 3% equity which is already been reinvested in the equity (see note 5.21).
- An upfront fee of € 2,5 million was deducted from utilisation at closing.
- Pursuant to this facility, the Company is subject to two financial covenants, which need to be calculated on a quarterly basis:

- Financial Maintenance Covenant – Minimum Liquidity: the Group liquidity must be at least € 20 million, and can be decreased to a minimum of € 12,5 million if the subscription revenue is € 25 million (or more) or the last twelve month recurring digital processing revenue amounts to € 110 million (or more), and;
- Financial Incurrence Covenant applicable for various transactions such as permitted acquisitions, CAF utilisations – Annual Recurring Leverage Ratio ("ARR"): the ratio of the total net borrowings to the annual recurring revenue for the last twelve months is not greater than 1,50:1;

- The loan agreement stipulates mandatory prepayment provisions in case of change of control (>30% of the issued capital) and in case of sale of substantially all of the assets and business of the Unifiedpost Group. Furthermore, voluntary prepayments are generally permitted subject to 3 business days prior notice. The prepayment fees amount to 3% on the amount being repaid during 12 months following the closing and 2% during the 12 months thereafter. No fees are due in case of repayment after 24 months from closing date.
- The loan agreement includes various negative undertakings and restrictions on actions and activities outside the ordinary course of business unless these actions are permitted or pre-approved including restrictions on negative pledge, disposals of business assets, underwriting of new loans, granting guarantees, prohibition of making acquisitions or issuing shares, prohibition on moving jurisdiction...;
- The loan facility is guaranteed by a share pledge on the main Belgian entities, the Dutch entities, and the entities in Luxembourg, UK, Sweden and Germany. In addition to the share pledge, there is (i) an IP pledge on the intellectual property in Belgium and Germany, (ii) a Bank account pledge on Swedish bank accounts, (iii) a business assets pledge in UK and (iv) an intragroup receivable pledge on Unifiedpost Group SA.

Per 31 December 2022, the Group liquidity amounts to € 40,0 million (compared to the minimum Group liquidity required of € 12,5 million) and the Annual Recurring Leverage ratio is not greater the 1,50:1, together they entail that Unifiedpost is not in breach with its covenants.

The net proceeds from the Francisco Partner Loan can be summarised as follows:

Thousands of euro	**At 31 December 2022**
Facility A	75.000
Capex and acquisition facility	25.000
Upfront transaction fee	(2.500)
Equity fee	(12.756)
Transaction costs	(2.534)
Net proceeds received	**82.210**

b. Deferred considerations

The remaining deferred considerations of the 2021 acquisitions amount to € 801 thousand per 31 December 2022.

5.23 Liabilities associated with puttable non-controlling interests

Thousand of euro	Non-current	Current	Total
At 1 January 2021	**1.788**	**6.178**	**7.966**
Put option relating to created joint venture in Romania	1.000	-	**1.000**
Put option relating to created joint venture in Croatia	680	-	**680**
Changes in value of estimated redemption liability due to passage of time and other reasons	(480)	902	**422**
Unwinding and remeasuring effect -SK	212	-	**212**
De-recognition of liability due to exercise of put or linked call option – SK	(2.000)	-	**(2.000)**
At 31 December 2021	**1.200**	**7.080**	**8.280**
Changes in value of estimated redemption liability due to the passage of time and other reasons – joint venture Romania	(520)	430	**(90)**
Changes in value of estimated redemption liability due to the passage of time and other reasons – joint venture Croatia	(30)	-	**(30)**
Changes in value of estimated redemption liability due to passage of time and other reasons – joint venture Serbia	-	5.160	**5.160**
Put option relating – joint venture Bulgaria	190	-	**190**
Realisation put option joint venture Serbia	-	(5.000)	**(5.000)**
At 31 December 2022	**840**	**7.670**	**8.510**

Unifiedpost Serbia JV (previously named 'Fitek Balkan')

On 26 February 2020 a shareholder's agreement was signed in which the Group granted a put option to non-controlling shareholders of Unifiedpost Serbia whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price adjusted for the fair market value of the Sirius Star's building in Belgrade. The terms do not provide the Group with a present ownership interest in the shares subject to the put option. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within liabilities (€ 6.355 thousand, see note 5.30.1) with debit entries to derecognise non-controlling interests (€ 2.440 thousand) and a direct charge to the equity attributable to equity holders for the difference (€ 3.915 thousand). The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity. There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of € 902 thousand during 2021, which has been recorded directly in equity. At 31 December 2021, the Unifiedpost Serbia put option was valued at € 7.080 thousand.

On 4 July 2022, the Minority exercised the put option right to sell 24% of ownership interests in the digital business for a total amount of € 5 million. The remaining estimated redemption liability increased by a total of € 5.160 thousand during 2022, which was directly recorded in equity, to bring the value of the put option to € 7.240 thousand per 31 December 2022

Unifiedpost Romania JV

A shareholder's agreement was signed, upon the establishment of Unifiedpost Romania joint venture, in which the Group granted a put option to non-controlling shareholders of SC Unifiedpost s.r.l. whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price. The put option can only be exercised after 8 December 2023. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognised at the present value of the redemption amount within liabilities (€ 1.000 thousand, see note 5.30.1). The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity. There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of € 480 thousand during 2021, which has been recorded directly in equity. In 2022, the liability decreased further with another € 90 thousand, also recorded directly in equity.

Unifiedpost Croatia JV

On 8 July 2021, the Group established a joint venture Unifiedpost Limited Liability Company, with the aim to provide e-invoicing services in Croatia. The Group has a 51% ownership in this joint venture. On 11 June 2021 a shareholder's agreement was signed in which the Group granted a put option to non-controlling shareholders of Unifiedpost Croatia whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price. The put option can only be exercised following the 3rd anniversary of the incorporation. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognised at the present value of the redemption amount within liabilities (€ 680 thousand, see note 5.30.1). The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity. There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of € 30 thousand during 2022, which has been recorded directly in equity.

Unifiedpost Bulgaria JV

On 17 May 2022, the Group established a joint venture Unifiedpost Business Solutions Bulgaria OOD, with the aim to provide e-invoicing services in Bulgaria. The Group has a 70% ownership in this joint venture. In the shareholder's agreement the Group granted a put option to non-controlling shareholders of Unifiedpost Bulgaria whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price. The put option can only be exercised following the 3rd anniversary of the incorporation. The terms do not provide the Group with a present ownership interest in the shares subject to the put option. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within liabilities (€ 190 thousand, see note 5.30.1) with debit entries to derecognise non-controlling interests (€ 0 thousand) and a direct charge to the equity attributable to equity holders for the difference (€ 190 thousand).

Unifiedpost Slovakia

On 23 December 2019, the Group had granted a put option to non-controlling shareholders of Unifiedpost Slovakia whereby they have the right to sell their shares to the Group at some future date after 1 January 2022, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, with a price floor safeguard of € 900 thousand. The terms did not provide a present ownership interest in the shares subject to the put. The option on exercise was initially recognised at the present value of the redemption amount within liabilities (€ 2 million). The liability was subsequently adjusted for the changes in value, including the effect of unwinding of the discount, up to the redemption amount that is payable at the date at which the option first becomes exercisable. On 7 June 2021, the Group exercised the call option right to purchase the ownership interests of the 2 remaining minority shareholders of the company, who owned jointly 49% of the shares, for a total amount of € 2 million.

5.24 Reconciliation of liabilities arising from financing activities

The table below explains changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. For lease liabilities, we refer to note 5.25.

Thousands of Euro	**Non-current**	**Current**	**Total**
At 1 January 2021	**21.656**	**16.192**	**37.848**
Cash flows			
Debt drawdown	1.928	6.796	**8.724**
Repayments debts	(4)	(11.043)	**(11.047)**
Exercise of the put option in Slovakia	(2.000)	-	**(2.000)**
Non-cash changes			
Accrued interest	-	608	**608**
Business combinations	754	4.112	**4.866**
Reclass to current	(14.479)	14.479	**-**
Change in fair value of contingent consideration	-	250	**250**
Changes in the investment rights	-	(2.678)	**(2.678)**
Put option written on non-controlling interests	1.412	902	**2.314**
Deferred payments	801	1.315	**2.116**
At 31 December 2021	**10.068**	**30.933**	**41.001**
Cash flows			
Debt drawdown	83.150	3.092	**86.242**
Repayments debts	-	(23.974)	**(23.974)**
Exercise of the put option in Serbia	-	(5.000)	**(5.000)**
Non-cash changes			
Accrued interest	5.142	-	**5.142**
Discount effect on other borrowing	978	-	**978**
Reclass to current	(4.533)	4.533	**-**
Embedded derivatives in capital increase in cash	-	(535)	**(535)**
Put option written on non-controlling interests	(360)	5.590	**5.230**
Equity cost booked in other reserves	3.801	-	**3.801**
FX difference	2	(2)	**-**
At 31 December 2022	**98.248**	**14.637**	**112.885**

Per 31 December 2022, € 82.210 thousand debt drawdown and € 5.092 thousand accrued interest and discount effect of € 978 thousand concerned the loan facility of Francisco Partners (see note 5.22.3).

5.25 Lease liabilities

In the below table the lease liabilities are presented into non-current and current liabilities:

Thousands of Euro	Note	**Land and Buildings**	**Machinery and Hardware**	**Vehicles**	**Total**
At 1 January 2021		**4.656**	**963**	**2.438**	**8.057**
Addition		3.675 (*)	119	916	**4.710 (*)**
Interest expense		111	15	86	**212**
Effect of modification to lease terms		830	-	-	**830**
Lease payments		(2.458)	(682)	(1.207)	**(4.347)**
Disposal		-	-	(173)	**(173)**
Foreign exchange movement		(15)	20	-	**5**
Business combination	5.6	2.080	6	221	**2.307**
Other		-	-	3	**3**
At 31 December 2021		**8.879 (*)**	**441**	**2.284**	**11.604 (*)**
Addition		1.122	-	1.508	**2.630**
Interest expense		200	9	80	**289**
Effect of modification to lease terms		215	-	-	**215**
Lease payment		(2.687)	(344)	(1.295)	**(4.326)**
Disposal		(35)	-	(2)	**(37)**
Foreign exchange movement		(124)	(9)	(4)	**(137)**
Other		(137)	90	47	**-**
At 31 December 2022		**7.433**	**187**	**2.618**	**10.238**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

5.26 Trade and other payables

Thousands of Euro	**At 31 December**	
	2022	**2021**
Trade payables	22.116	22.915
VAT payable	2.044	3.555
Salaries and social security payable	7.155	6.667
Payment Solutions customers' Funds in Transit	1.996	570 (*)
Other amounts payable	818	845
Accrued expenses	724	2.016
Total	**34.853**	**36.568**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

As disclosed in note 5.18, the balance of other payables concerning the Payment Solutions customers' Funds in Transit, was overestimated. To have comparative figures 31 December 2021, the other liability needs to be decreased with € 6.083 thousand and only a liability amounting to € 570 thousand should have remained.

5.27 Retirement benefit schemes

The Group sponsors various post-employment benefit plans. These include both defined contribution and defined benefit plans as defined by IAS 19 Employee Benefits.

Defined contribution plans

For defined contribution plans outside Belgium, the Group pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the Group has no further payment obligation. The contributions are expensed in the year in which they are due. For 2022, contributions paid into defined contribution plans amounted to € 1.087 thousand (2021: € 1.002 thousand).

Defined benefit plans

The Group has group insurance plans for some of its Belgian employees funded through defined payments to insurance companies. The Belgian pension plans are by law subject to minimum guaranteed rates of return. In the past the minimum guaranteed rates were 3,25% on employer contributions and 3,75% on employee contributions. A law of December 2015 (enforced on 1 January 2016) modifies the minimum guaranteed rates of return applicable to the company's Belgian pension plans. For insured plans, the rates of 3,25% on employer contributions and 3,75% on employee contributions will continue to apply to the contributions accumulated before 2016. For contributions paid as from 2016, a variable minimum guaranteed rate of return with a floor of 1,75% applies. The Group obtained actuarial calculations, from an independent actuary, for the periods reported based on the projected unit credit method.

Thousands of Euro	**At 31 December**	
	2022	**2021**
The amounts recognised in the statement of financial position are as follows:		
- Present value of funded defined benefit obligations	(2.212)	(2.000)
- Fair value of plan assets	2.131	1.825
- Unrecognised past service cost	(2)	
Total	**(83)**	**(175)**
The amounts recognised in the statement of profit or loss are as follows:		
- Current service cost	265	275
- Interest cost	19	20
- Expected return on plan assets	(19)	(19)
- Effect of any curtailment or settlement	(236)	-
Total pension expense	**29**	**276**
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at beginning of year	**2.000**	**2.196**
- Current service cost	129	275
- Past service cost	135	-
- Interest cost	19	20
- Benefits paid	(53)	(308)
- Actuarial remeasurements	(18)	(183)
Defined benefit obligation at end of year	**2.212**	**2.000**

Thousands of Euro	At 31 December	
	2022	**2021**
Changes in the fair value of the plan assets are as follows:		
Fair value of plan assets at beginning of the year	1.825	1.934
Interest income on plan assets	19	19
Remeasurements	(5)	(41)
Contributions paid by the company and by participants	110	271
Benefits and expenses paid	182	(358)
Fair value of the plan assets at end of the year	**2.131**	**1.825**
Amounts recognised in other comprehensive (income)/loss in the period:		
Prior year cumulative actuarial remeasurements	(81)	28
Remeasurements	(38)	(109)
Cumulative number of actuarial gains and losses recognised in other comprehensive (income)/loss	**(119)**	**(81)**
Movements in the net (liability)/ asset recognised in the balance sheet are as follows:		
Net liability in the balance sheet at beginning of year	(175)	(262)
Total expense recognised in the income statement	(291)	(276)
Contributions paid by the company	110	254
Benefits paid directly	235	-
Amount recognised as recognised in other comprehensive (income)/loss	**38**	**109**
Defined benefit obligation at end of year	**(83)**	**(175)**
Actual return on plan assets is as follows:		
Actual return on plan assets	19	19
Remeasurement of plan assets	20	(41)
Actuarial return on plan assets	**39**	**(22)**

The principal actuarial assumptions used in determining the present value of the defined benefit obligations include:

	At 31 December	
	2022	**2021**
Discount rate	3,30%	0,91%
Future salary increases	3,30%	2,91%
Future inflation	2,30%	1,84%

5.28 Segment information

The Company's chief operating decision-maker is its Board of Directors, who reviews information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources. The key available information for the decision-makers are data per (i) operating segment, (ii) product level and (iii) country/regional level

5.28.1 Information per Operating segment

The Group has identified the following operating segments with separate business activities:

- Digital document processing: groups all digital document processing activities for as well SME clients as Corporate clients are part of this type of activity. It covers the inbound document flow (COLLECT) and the outbound document flow (CHANNEL)
- Paper processing: all offset printing activities and paper delivery activities including sale of stamps
- Payment: concerns all regulated activities on the supervision of the Belgian National Bank and which needs separate reporting and the payment activities linked to PSD2-applications and Corporate Payment HUB
- Services and Apps: groups all services which will be offered to our clients based on gathered data from the platform, such as factoring of receivables – collection management applications
- Postage and Parcel optimisation: this segment groups all optimisation activities for the postage distribution (today only in the Scandinavian market).

Compared to the segment information disclosed until 31 December 2021, capitalisation of own development has been added as of 2022.

Thousands of Euro	Digital document processing	Paper processing	Payment	Services and Apps	Post and Parcel optimisation	Corporate	Total
For the year ended 31 December 2022							
Total Revenue	84.194	36.946	2.863	2.913	64.047	-	190.963
Total revenue in %	44,1%	19,3%	1,5%	1,5%	33,6%	-	100%
At 31 December 2022							
Intangible assets - Capex	16.500	-	4.143	471	940	-	22.054
Intangible assets - net book value	70.563	137	7.603	581	5.942	690	85.516
Staffing in number of FTE (***) closing date	1.246	70	73	26	28	11	1.454

Thousands of Euro	Digital document processing + Paper processing	Payment	Services and Apps	Post and Parcel optimisation	Corporate	Total
For the year ended 31 December 2021						
Total Revenue (*)	100.448	3.374	3.062	63.649	-	170.533
Total revenue in %	58,9%	2,0%	1,8%	37,3%	-	100%

Thousands of Euro	**Digital document processing**	**Paper processing**	**Payment**	**Services and Apps**	**Post and Parcel optimisation**	**Corporate**	**Total**
At 31 December 2021							
Intangible assets – Capex (**)	na	na	na	na	na	Na	na
Intangible assets net book value	74.047	276	6.310	560	1.681	629	83.503
Staffing in number of FTE (***) closing date	1.187	67	87	37	28	12	1.418

(*) see note 5.7.2.
(**) data for previous financial year was not available in same format of presentation
(***) FTE corresponds to the Full Time Equivalent of contract employees, temporary employees, contractors and sub-contractors

5.28.2 Information per Product segment

Data per product/service segment are in line with the operating segment as defined above. No additional information can be added.

5.28.3 Information per geographical area

The Group defined following geographical regions:

- West Europe: Austria – Belgium – Switzerland – Germany – France – Luxemburg – The Netherlands – United Kingdom
- Central East Europe: Bulgaria - Czech Republic – Hungary – Poland – Slovakia
- South Europe: Albania – Bosnia-Herzegovina – Spain – Greece – Croatia – Italy – Moldova – Portugal – Romania – Republic of Serbia
- North Europe: Denmark – Estonia – Finland – Lithuania – Latvia – Norway – Sweden
- Rest of the World: Morocco – Singapore – Vietnam

The regional segment reporting for the same key financials are presented in the below table:

Thousands of Euro	**West Europe**	**Central East Europe**	**South Europe**	**North Europe**	**Rest of the World**	**Total**
For the year ended 31 December 2022						
Total Revenue	63.870	4.285	14.818	107.978	12	190.963
	33%	2%	8%	57%	0%	100%
At 31 December 2022						
Intangible assets - Capex	19.404	-	107	2.543	-	22.054
Intangible assets net book value	52.999	4	2.506	30.007	-	85.516
Staffing in number of FTE (**) closing date	520	76	504	289	65	1.454
For the year ended 31 December 2021						
Total Revenue	57.046	2.956	11.945	98.586	-	170.533
	33%	2%	7%	58%	-	100%
At 31 December 2021						
Intangible assets – Capex (*)	na	na	na	na	na	na
Intangible assets net book value	41.350	2.286	5.349	34.518	-	83.503
Staffing in number of FTE (**) closing date	556	70	458	294	40	1.418

(*) data for previous financial year was not available in same format of presentation
(**) FTE corresponds to the Full Time Equivalent of contract employees, temporary employees, contractors and sub-contractors

The revenue relating to the Belgian market, which is the local market of the Unifiedpost Group SA, amounts to € 31,1 million in 2022 (2021: € 27,0 million).

5.29 Investments

5.29.1 Investments in subsidiaries

The Group's financial statements consolidate the following entities, as from incorporation or acquisition date or date from which the group obtained control.

5.29.1.1 List with entities

Foundation/ Acquisition year	Name of entity	Registered office	Country	Company registration n°	Share at end FY 2022	Share at end FY 2021	Ref
2000	Unifiedpost SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0471.730.202	100%	100%	
2004	Unifiedpost SARL	15, Zone Industrielle, L-8287 Kehlen	Luxemburg	B99.226	100%	100%	
2006	Unifiedpost Group SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0886.277.617	100%	100%	
2008	Unifiedpost BV	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	KvK 39078749	100%	100%	
2009	SC Unifiedpost SRL	Strada Coriolan Brediceanu 10, Timișoara 300011	Romania	J35/901/2009	100%	100%	
2011	UP-nxt NV	Kortrijksesteenweg 1146, BE - 9051 Sint-Denijs-Westrem	Belgium	BE 0842.217.841	100%	100%	
2012	PowertoPay BV	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	KvK 30279124	-	-	(d)
2014	The eID Company SA	Rue du Congrès 35, BE - 1000 Bruxelles	Belgium	BE 0886.325.919	-	100%	(h)
2016	Unifiedpost Payments SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0649.860.804	100%	100%	
2017	Nomadesk NV	Kortrijksesteenweg 1146, BE - 9051 Gent	Belgium	BE 0867.499.902	100%	100%	
2017	Stichting Unifiedpost Payments	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	KvK 69248907	100%	100%	
2018	Leleu Document Services NV	Dorpstraat 85B, BE 1785 Merchtem	Belgium	BE 0716.630.753	100%	100%	
2018	Drukkerij Leleu NV	Dorpstraat 85B, BE 1785 Merchtem	Belgium	BE 0429.709.208	100%	100%	
2018	Advanced Document Management Solutions NV	Kortrijksesteenweg 1146, BE - 9051 Gent	Belgium	BE 0544.854.839	-	100%	(h)
2018	Inventive Designers NV	Sint-Bernardsesteenweg 552, BE - 2660 Antwerpen	Belgium	BE 0453.758.377	-	100%	(h)
2018	Unifiedpost I.K.E.	1 Ellis, 17235 Dafni, Athens	Greece	801073446	100%	100%	

2019	Financial Automated Solutions OÜ	Tartu maantee 2, 10145 Tallinn, Estonia	Estonia	12949376	100%	100%	
2019	Unifiedpost CEE SIA	Dēļu iela 4, Rīga, Latvia	Latvia	40103957063	100%	100%	
2019	Unifiedpost AS	Tartu mnt 43, Tallinn 10128, Estonia	Estonia	10179336	100%	100%	
2019	Unifiedpost AS	Delu street 4, Riga, Latvia	Latvia	40003380477	100%	100%	
2019	Unifiedpost UAB	Senasis Ukmergès kel. 2, Užubalių k., 14302 Vilniaus r., Lithuania	Lithuania	111629419	100%	100%	
2019	Unifiedpost s.r.o.	Nádražná 1958, Ivanka pri Dunaji 900 28, Slovakia	Slovakia	46950095	100%	100%	(a)
2019	Unifiedpost s.r.o.	Roztylská 1860/1, Chodov, 148 00 Prague	Czech Republic	6145132	100%	100%	(a)
2019	PDOCHOLCO Ltd.	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	09741928	100%	100%	
2019	Prime Document Trustee Ltd	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	10517855	-	100%	(c)
2019	Unifiedpost Limited	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	03732738	100%	100%	
2019	Unifiedpost Finance & Services SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0734.987.509	100%	100%	
2019	Unifiedpost SARL	Rue du Rhône 14, 1204 Genève	Switzerland	CHE-187.626.604	100%	100%	
2020	New Image d.o.o.	Tosin bunar 185, Belgrade 11070, Serbia	Serbia	20451653	51%	51%	
2020	Unifiedpost d.o.o.	Tosin bunar 185, Belgrade 11070, Serbia	Serbia	17245481	75%	51%	(i)
2020	Unifiedpost Solutions d.o.o.	Tosin bunar 185, Belgrade 11070, Serbia	Serbia	20006188	75%	51%	(i)
2020	Unifiedpost d.o.o. Banja Luka	Đ. Damjanovića 24, Banjaluka 78000, Bosnia	Bosnia and Herzegovina	11090249	75%	51%	(i)
2020	ImageSoft d.o.o.	Tosin bunar 185, Belgrade 11070, Serbia	Serbia	21301116	-	-	(c)
2020	Sirius Star d.o.o.	Tosin bunar 185, Belgrade 11070, Serbia	Serbia	21448150	75%	51%	(i)
2020	Tehnobiro d.o.o.	Varvarinska 14, Belgrade, Serbia	Serbia	17097512	51%	51%	
2020	Unifiedpost Business Solutions s.r.l.	Bucharest, Mihai Bravu Street no 325, block 55, scale 1, 10 floor, Ap. 37, Districkt 3	Romania	J40/7873/2020	51%	51%	

2020	Unifiedpost Ltd (Vietnam)	2nd floor, No. 94 Xyan Thuy, Thao Dien ward, district 2, Ho Chi Minh city, Vietnam	Vietnam	316455613	100%	100%	
2020	Unifiedpost SAS	Spaces La Défense 1-7 Cours Valmy 92800 Puteaux, France	France	880353339	100%	100%	
2021	21 Grams Holding AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	559024-4132	100%	100%	(b)
2021	21 Grams AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556666-3729	100%	100%	(b)
2021	21 Grams AS	Professor Birkelands vei 36, 1081 oslo, Norway	Norway	919043903	100%	100%	(b)
2021	21 Grams Ltd	7/8 Eghams Court Boston Drive, Bourne End, Buckinghamshire, United Kingdom, SL8 5YS	United Kingdom	5826757	-	100%	(b+f)
2021	Addoro AB	Västra Hamngatan 18, 403 13 Göteborg, Sweden	Sweden	556771-5957	100%	100%	(b)
2021	Europe Post ApS	Hedelykken 2-4, 2640 Hedehusene, Denmark	Denmark	33581920	100%	100%	(b)
2021	Mailworld Group AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556914-4081	100%	100%	(b)
2021	Mailworld AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556647-7658	100%	100%	(b)
2021	Mailworld Office AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556790-7778	100%	100%	(b)
2021	Mailworld Invest AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	559125-1920	-	100%	(b+g)
2021	Akti NV	Kantersteen 10, Brussel, 1000, Belgium	Belgium	BE0882.583.501	-	100%	(b+h)
2021	BanqUP BV	Kortrijksesteenweg 1146, Sint-Denijs-Westrem, 9051, Belgium	Belgium	BE0664929753	-	100%	(b+h)
2021	Banqware Sp.z.o.o.	Aleje Jerozolimskie 123A, Warszawa, 02-017, Poland	Poland	PL9512426439	100%	100%	(b)
2021	Digithera Srl	Via Paleocapa 1, Milano, 20121, Italy	Italy	IT08567210961	100%	100%	(b)
2021	Sistema Efactura SL	Calle Musgo 3, Madrid, 28023, Spain	Spain	ESB88554589	100%	100%	(b)
2021	Crossinx GmbH	Hanauer Landstrasse 291A, Frankfurt am Main, 60314, Germany	Germany	DE257417911	100%	100%	(b)
2021	Unifiedpost AG	Reissbachstrasse 59, Zurich, 8008, Switzerland	Switzerland	CHE-191.936.025 MWST	100%	100%	(b)
2021	I.C.S. Crossinx SRL	str. P.Moliva 21 of 9, Chisinau, MD-2004, Moldova	Moldova	TVA 40773114	100%	100%	(b)

2021	First Business Post Kft - Central Europe	Ábel Jenő utca 23, Budapest, 1113, Hungary	Hungary	HU14463053	100%	100%	(b)
2021	Unifiedpost PTE.LTD.	176 Orchard Rd, Level 5, The Centrepoint - JustCo, Singapore, 238843	Singapore	202103840H	100%	100%	
2021	Unifiedpost Limited Liability Company (Croatië)	Oreskoviceva ulica 6N/2, Zagreb (Grad Zagreb), Croatia	Croatia	34517716416	51%	51%	
2021	Unifiedpost Oy	Eteläesplanadi 2, 00130 Helsinki	Finland	3224862-5	100%	100%	
2021	Unifiedpost GmbH	Graben 19, 1010 Wien	Austria	567482h	100%	100%	
2021	Unifiedpost, Unipessoal LDA	Av. Da Liberdade n°110, Santo Antonio 1269 046 Lisboa	Portugal	516530070	100%	100%	
2021	eInvoice.SG PTE LTD	80 Robinson Road, #08-01, Singapore 068898	Singapore	201904946H	-	100%	(b) (e)
2021	Crossinx Dicompay GmbH	Hanauer Landstrasse 291A, Frankfurt am Main, 60314, Germany	Germany	HRB 124813	100%	100%	
2022	Unifiedpost SARL-AU	131 Bd d'Anfa Résidence Azur Bureau n° 11B, Casablanca	Morocco	3044642000032	100%	n.a.	
2022	Unifiedpost Payments Limited.	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	14383692	100%	n.a.	
2022	Unifiedpost Business Solutions Bulgaria OOD	Sofia, p.c. 1839, Kremikovtsi District, 272 Botevgradsko Shose Blvd.	Bulgaria	207046073	70%	n.a.	

(a) Call option exercised to increase ownership to 100% in 2021

(b) Business combinations of 2021

(c) Liquidated in 2021

(d) Merged with Unifiedpost BV on 1 January 2021

(e) Merged with Unifiedpost PTE LTD on 1 April 2022

(f) Strike off in 2022

(g) Sold in 2022

(h) Merged with UP-Nxt in July 2022

(i) Put option exercised to increase ownership to 75% in July 2022

Changes in the 2022 consolidation range

- 21 Grams Ltd was liquidated in March 2022
- eInvoice.SG PTE LTD merged with Unifiedpost PTE Ltd on 1 April 2022
- Unifiedpost SARL, a new company in Morocco, with its office in 131, Bd d'Anfa, Résidence Azur Bureau n° 11B in Casablanca, was incorporated on 4 April 2022
- The Belgian entities Advanced Document Management Solutions SRL, Inventive Designers SA, Akti SA, banqUP SRL, The eID Company SA merged into UP-NXT NV merged on 1 July 2022
- The minority shareholders exercised 24% of its put option of Unifiedpost Solutions doo, Unifiedpost doo for respectively a price agreed at € 500 thousand, € 4.500 thousand
- In 2022, a subsidiary has been established in Bulgaria

Changes in the 2021 consolidation range

- The Company finalized 8 acquisitions in 2021 adding 22 subsidiaries to the consolidation circle. These companies are fully consolidated.
- 100% subsidiaries have been established in Vietnam, France, Singapore, Finland, Austria and Portugal.
- In 2021, 1 joint venture has been established in Croatia. This joint venture is fully consolidated.
- 2 mergers took place in 2021: PowertoPay BV merged with Unifiedpost BV on 1 January 2021, Unifiedpost SARL merged with Crossinx AG on 1 October 2021.

5.29.1.2 List with branch offices

Foundation/ Acquisition year	Name of branch	Registered office	Country	Company registration n°	Brach office of...	Ref
2020	Unifiedpost Payments Société de droit étranger	Spaces La Défense, 1-7 Cours Valmy 92800 Puteaux	France	883319030	Unifiedpost Payments SA	
2021	Digithera Albania	Bul. Zogu Pare, P.33, H.23, Tirane	Albania	L51411004C	Unifiedpost S.R.L.	(a)
2021	Unifiedpost Payments, filial af Unifiedpost Payments SA, Belgium	Hedelykken 2 Flong, 2640 Hedehusene	Denmark	42457825	Unifiedpost Payments SA	
2021	Unifiedpost Payments Eesti filial	Harju maakond, Tallinn, Kesklinna linnaosa, Veerenni tn 40a, 10138	Estonia	16262334	Unifiedpost Payments SA	
2021	Unifiedpost Payments SA	Via Pietro Paleocapa 1, Milano (MI), CAP 20121	Italy	11859530963	Unifiedpost Payments SA	
2021	Unifiedpost Payments SA (Luxembourg)	Zone Industrielle 15, 8287 Kehlen	Luxemburg	B256243	Unifiedpost Payments SA	
2021	Unifiedpost Payments organizačná zložka	Nádrazná 1958 900 28 Ivanka pri Dunaji	Slovakia	8737/B	Unifiedpost Payments SA	
2021	UNIFIEDPOST PAYMENTS - SUCURSAL EM PORTUGAL	Av. Da Liberdade n°110, Santo Antonio 1269 046 Lisboa	Portugal	980728606	Unifiedpost Payments SA	
2021	Unifiedpost Payments filialas	Vilniaus r.sav., Avizieniu sen., Uzubaliu k., Senasis Ukmergés kel. 2-1	Lithuania	305918809	Unifiedpost Payments SA	
2021	Unifiedpost Payments SA filiale Latvia	Riga, Delu iela 4, LV-1004	Latvia	40203331328	Unifiedpost Payments SA	

2021	Unifiedpost Payments SPÓŁKA AKCYJNA ODDZIAŁ W POLSCE	Aleje Jerozolimskie 123A, Warszawa, 02-017, Poland	Poland	906618	Unifiedpost Payments SA
2021	Unifiedpost Payments NV (Belgium)	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	74001256	Unifiedpost Payments SA
2021	Unifiedpost Payments SA - ΥΠΟΚΑΤΑΣΤΗΜΑ ΑΛΛΟΔΑΠΗΣ	1 Ellis, 17235 Dafni, Athens	Greece	160457501001	Unifiedpost Payments SA
2021	Unifiedpost Payments S.A. Zweigniederlassung Österreich	Graben 19, 1010 Wien	Austria	559698k	Unifiedpost Payments SA
2021	Unifiedpost Payments Sweden Filial	Box 43, 121 25 Stockholm-Globen, Stockholm	Sweden	516412-7689	Unifiedpost Payments SA
2021	Unifiedpost Payments Sa German Branch	Hanauer Landstrasse 291A, Frankfurt am Main, 60314, Germany	Germany	HRB 124468	Unifiedpost Payments SA
2021	UNIFIEDPOST PAYMENTS SA SUCURSAL EN ESPAÑA	Calle Musgo 3, Madrid, 28023, Spain	Spain	W0098420C EUID: ES28065.082018876	Unifiedpost Payments SA
2021	Unifiedpost Payments Magyarországi Fióktelepe	Ábel Jenő utca 23, Budapest, 1113, Hungary	Hungary	EUID: HUOCCSZ.01-17-001449	Unifiedpost Payments SA
2022	Unifiedpost Payments SA, odštěpný závod	Roztylská 1860/1, Chodov, 148 00 Prague	Czech Republic	14384302	Unifiedpost Payments SA
2022	Unifiedpost Payments La Hulpe Sucursala Timisoara	Strada Coriolan Brediceanu 10, Timișoara 300011	Romania	J/35/1010/2022	Unifiedpost Payments SA
2022	Unifiedpost Payments SA Finland Branch	Eteläesplanadi 2, 00130 Helsinki	Finland	3272126-7	Unifiedpost Payments SA

(a) Call option exercised to increase ownership to 100% in 2021

To deliver a full payment services package to the SME market segment in 25 countries, including PSD2 connectivity and IBAN accounts, the group is gradually establishing branches of Unifiedpost Payments SA in 20 countries.

5.29.2 Investment in associate

Foundation/ Acquisition year	Name of entity	Registered office	Country	Company registration n°	Share at end FY 2022	Share at end FY 2021	Ref
2022	Facturel sas	200-216 Rue Raymond Losserand 75680 Paris CEDEX 14	France	922.547.047 RCS Paris	50%	n.a.	(a)

(a) Creation of the company Facturel in December 2022 (see note 5.17)

For associate companies, the Group applies the equity method to value the investment of the Group.

5.30 Financial instruments and financial risk management

5.30.1 Financial instruments

Categories and fair value of financial instruments

The following table discloses the carrying amount of the Group's financial instruments in categories:

		At December 31	
	Categories	**2022**	**2021**
Financial assets			
Trade and other receivables	FAAC (*)	31.890	28.743 (****)
Cash and cash equivalents	FAAC (*)	40.033	16.970
Total		**71.923**	**45.713**
Financial liabilities			
Subscription rights derivative liability	FLAFVTPL (****)	-	535
Loans and borrowings	FLAC (**)	104.376	32.186
Liabilities associated with puttable non-controlling interests	FLAFTE (***)	8.510	8.280
Lease liabilities	FLAC (**)	10.238	11.604 (*****)
Trade and other payables	FLAC (**)	34.853	36.568 (*****)
Total		**157.977**	**89.173**

(*) Financial assets measured at amortised cost
(**) Financial liabilities measured at amortised cost
(***) Financial liabilities at fair value through equity
(****) Financial liabilities at fair value through profit or loss
(*****) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

Trade and other receivables, cash and cash equivalents as well as trade and other payables have short terms to maturity, hence their carrying amounts are considered to be the same as their fair values.

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, because interest payable on those borrowings is either close to current market rates or the loans were taken recently. This also applies to the BMI loan which carries an interest of 7% per annum, which reflects the fair value since it relates to a subordinated loan (see note 5.22.1).

For the Francisco Partners loan, due to the fact that it was a lengthy process where different parties were considered and given the current financial position of the Group, the annual IRR of 14,01% reflects a fair value market rate.

Financial instruments recognised at fair value measurements

IFRS recognises the following hierarchy of fair value measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: One or more of the significant inputs is not based on observable market data.

The Group's financial assets and liabilities carried at fair value were measured as follows at 31 December 2022 and 31 December 2021:

Thousands of Euro		**Derivative fin. instr. re anti-dilution clauses**	**Liabilities associates with puttable non-controlling interests**	**Total**
	Note	**Level 3**	**Level 3**	**Level 3**
At 31 December 2020		**3.750**	**7.966**	**11.716**
Exercise of subscription rights derivative liability		(738)	-	**(738)**
Change in fair value through profit or loss		(2.477)	-	**(2.477)**
Put option relating to created joint venture Romania	5.23	-	1.000	**1.000**
Put option relating to created joint venture Croatia	5.23	-	680	**680**
Change in fair value through equity	5.23	-	424	**424**
Derecognition of the conversion option	5.23	-	(2.000)	**(2.000)**
Business combination		-	-	**-**
Unwinding & remeasurement effect	5.23	-	210	**210**
At 31 December 2021		**535**	**8.280**	**8.815**
Change in fair value through equity	5.23	-	5.160	**5.160**
Change in fair value through profit or loss		(535)	-	**(535)**
Put option relating to created joint venture Romania	5.23	-	(90)	**(90)**
Valuation put option joint venture Croatia	5.23	-	(30)	**(30)**
Put option relating to created joint venture Bulgaria	5.23	-	190	**190**
Derecognition of the conversion option	5.23	-	(5.000)	**(5.000)**
At 31 December 2022		**-**	**8.510**	**8.510**

a) The subscription rights are no longer valid since 30 June 2022, consequently these are valued at € 0 at balance sheet date.

b) The fair value of the contingent consideration, relating to Crossinx, had been valued at € 0 at 31 December 2021. On 20 October 2022 an addendum agreement to the initial SPA was signed in which Crossinx' shareholders agreed to the settlement of the potential earn-out against a debt to be paid in shares of UPG. Following the signature of the addendum agreement, the potential contingent consideration was valued at € 4.830 thousand. This contingent consideration was recorded as a debt and in the income statement in Change in fair value of financial liabilities.

c) The put options were valued applying a discounted cash flow method and conform with the methodology contractually agreed.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Unifiedpost Serbian entities active in digital business can be summarised as follows:

- The weighted annual growth rate of the revenues (11,42%): an increase or decrease of the annual growth rate of the revenues would not affect the fair value as put option liability has been capped with call option liability minimal value, which is not dependent on the revenues;
- The applied discount rate (9,7%): an increase of the discount rate by 1% would decrease fair value by € 180 thousand, a decrease of the discount rate by 1% would increase fair value by € 180 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Unifiedpost Serbian entities active in print business can be summarised as follows:

- The weighted annual growth rate of the revenues (8,92%): an increase or decrease of the annual growth rate of the revenues would not affect the fair value as put option liability has been capped with call option liability minimal value, which is not dependent on the revenues;
- The applied discount rate (9,7%): an increase of the discount rate by 1% would decrease fair value by € 40 thousand, a decrease of the discount rate by 1% would increase fair value by € 40 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Unifiedpost Romania can be summarised as follows:

- The weighted annual growth rate of the revenues (25,67%): an increase or decrease of the annual growth rate of the revenues would not affect the fair value as put option liability has been capped with call option liability minimal value, which is not dependent on the revenues;
- The applied discount rate (10,46%): an increase of the discount rate by 1% would decrease fair value by € 10 thousand, a decrease of the discount rate by 1% would increase fair value by € 10 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Unifiedpost Croatia can be summarised as follows:

- The weighted annual growth rate of the revenues (103,84%): an increase or decrease of the annual growth rate of the revenues would not affect the fair value as put option liability has been capped with call option liability minimal value, which is not dependent on the revenues;
- The applied discount rate (5,65%): an increase of the discount rate by 1% would decrease fair value by € 20 thousand, a decrease of the discount rate by 1% would increase fair value by € 20 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Unifiedpost Bulgaria can be summarised as follows:

- The weighted annual growth rate of the revenues (115,91%): an increase or decrease of the annual growth rate of the revenues would not significantly affect the fair value of the put option liability;
- The applied discount rate (5,75%): an increase of the discount rate by 1% would not change the fair value, a decrease of the discount rate by 1% would increase fair value by € 10 thousand.

5.30.2 Financial risk management

The Group is exposed to a variety of financial risks. The Board has overall responsibility for the determination of the Group's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

5.30.2.1 Credit risk

Credit risk relates to the risk that a counterparty will fail to fulfil its contractual obligations with the result that the Group would suffer a loss. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts, taking into account their financial position, past experience and other factors. For higher risk clients future credit sales are made only with approval of the Group's management. The Group monitors on a monthly basis the ageing of its trade receivables. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The Group's allowance as at 31 December 2022 and 2021 was determined as follows for both trade receivables and contract assets:

Thousands of Euro	Neither past due nor impaired	Past due but not impaired			Total
		< 3 months	3-6 months	6+ months	
31 December 2021					
Expected loss rate	0,18%	0,57%	3,28%	34,86%	**0,55%**
Gross carrying amount – trade receivables	19.339 (*)	6.244	176	205	**25.964 (*)**
Contract assets	853	-	-	-	**853**
Loss allowance	**36**	**36**	**6**	**71**	**149**
31 December 2022					
Expected loss rate	0,26%	0,81%	3,89%	16,86%	**0,63%**
Gross carrying amount – trade receivables	23.057	4.975	361	402	**28.795**
Contract assets	426	-	-	-	**426**
Loss allowance	**62**	**40**	**14**	**68**	**184**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

5.30.2.2 Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), in foreign exchange rates (currency risk) or in other market factors (another price risk).

Foreign exchange risk

The Group operates across several countries, with its major operations in the Eurozone. It operates in each country predominately in the local currencies, respectively:

(j) the Euro
(ii) the Romanian Lei (RON) for its development centre in Romania
(iii) the British pound (GBP) for the Unifiedpost Ltd operations
(iv) the Serbian Dinar (RSD) for Unifiedpost Serbian operations
(v) the Swedish Krona (SEK), for Unifiedpost Swedish operations
(vi) he Norwegian Krona (NOK) for Unifiedpost Norwegian operations
(vii) the Danish Krona (DKK) for Unifiedpost Danish operations
(viii) the Singapore Dollar (SGD) for the operations in Singapore
(ix) the Vietnamese Dong (VND) for its development centre in Vietnam
(x) the Czech Koruna (CZK) for the Unifiedpost Payments branch in Czech Republic
(xi) the Hungary Forint (HUF) for the Unifiedpost operations in Hungary
(xii) the Morocco Dirham (MAD) for the Unifiedpost operations in Morocco
(xiii) the Moldova Leu (MDL) for the Crossinx owned entity in Moldova
(xiv) the Bulgarian Lev (BGN) for the Unifiedpost operations in Bulgaria
(xv) the Croatian Kuna (KUN) for the Unifiedpost operations in Croatia
(xvi) the Polish Zloty (PLN) for the Unifiedpost operations in Poland
(xvii) the Swiss franc (CHF) for the Unifiedpost operations in Switzerland

The Group's policy to date has not been to actively hedge the net investment position in local operations.

At 31 December 2022, the currency risk on assets and liabilities was as follows based on notional amounts:

Thousands of Euro	RON	GBP	RSD	SEK	NOK	OTHER
Trade and other receivables	669	772	1.439	9.921	900	771
Trade and other payables	1.454	716	3.197	8.673	631	892
Loans payable	-	-	213	-	-	-

At 31 December 2021, the currency risk on assets and liabilities was as follows based on notional amounts:

Thousands of Euro	RON	GBP	RSD	SEK/NOK/DKK	OTHER
Trade and other receivables	520	738	3.995	11.034	54
Trade and other payables	981	725	1.451	10.164	67
Loans payable	-	-	459	-	-

A 10% strengthening or weakening of the Euro against these foreign currency rates would not significantly affect reported equity.

Cash flow and fair value interest rate risk

The Group's interest rate risk primarily is limited as the senior facility loan is expressed in euro and set at fixed rate. Also the BMI subordinated loan and the Sirius building loan is set at fixed interest rate. Other loans are less significant.

5.30.2.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient funds available to meet future working capital requirements and to take advantage of business opportunities.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on their remaining term at the reporting dates. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments.

Thousands of Euro	< 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 years and 5 years	> 5 years	Total
At 1 January 2021	**18.744**	**17.663**	**17.295**	**6.927**	**3.799**	**64.428**
Derivative financial instruments	-	535	-	-	-	**535**
Loans & Borrowings	7.988	15.977	2.117	5.286	942	**32.310**
Liabilities associated with puttable non-controlling interests	-	7.080	1.200	-	-	**8.280**
Lease liabilities	1.130 (*)	3.135 (*)	3.421 (*)	3.999 (*)	679 (*)	**12.364 (*)**
Trade & other payables	33.495 (*)	1.616	1.437	20	-	**36.568 (*)**
At 31 December 2021	**42.613**	**28.343**	**8.175**	**9.305**	**1.621**	**90.057**
Loans & Borrowings	3.894	6.262	5.086	160.103	257	**175.602**
Liabilities associated with puttable non-controlling interests	-	7.670	650	190	-	**8.510**
Lease liabilities	1.053	3.023	2.977	3.583	214	**10.850**
Trade & other payables	33.625	982	26	43	177	**34.853**
At 31 December 2022	**38.572**	**17.937**	**8.739**	**163.919**	**648**	**229.815**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

5.30.2.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital based on the following gearing ratio: Net debt divided by Total 'equity', as calculated below at each reporting date:

Thousands of Euro		At 31 December	
	Note	**2022**	**2021**
Net financial debt			
Cash and cash equivalents	5.20	(40.033)	(16.970)
Bank borrowings	5.22.1	11.114	29.212
Other loans (FP)	5.22.3	92.117	-
Lease liabilities	5.25	10.238	11.604 (*)
Net financial debt / (cash)		**73.436**	**23.846**
Net debt / cash (i.e. excl. subordinated loan)		**69.436**	**19.846**
'Equity'			
Reported shareholders' equity		158.290	196.429
Face value of automatically convertible bonds		-	-
'Equity'		**158.290**	**196.429**
Gearing ratio (Net financial debt / equity)		**46,4%**	**12,1%**

(*) The comparative figures 2021 have been restated following IAS 8 as explained in note 5.3.

The gearing ratio mainly increased at 31 December 2022 due to the new loan facility of Francisco Partners.

Furthermore, under the terms of this loan facility, the Group is subject to two financial covenants as described in note 5.22.3. The Financial Maintenance Covenant was met because per 31 December 2022, the Group liquidity was higher than the minimum liquidity of € 12,5 million (as the last twelve month subscription revenue exceeded € 25 million as well as the last twelve month digital processing revenue was higher than € 110 million). The Financial Incurrence Covenant was also met because the ARR did not exceed 1,50:1.

5.31 Significant agreements, commitments and contingencies

The Group does not have any significant commitments or contingencies other than described elsewhere in these financial statements.

5.32 Transactions with related parties

During the year the Group companies entered into the following transactions with related parties who are not members of the Group:

Thousands of Euro	Sales to related party		Services from related party	
	For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Key management	-	-	-	-
Associates & joint ventures	-	-	-	-
Members of the Board of Directors	-	-	238	240
Other related parties	-	-	-	-

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties:

Thousands of Euro	Amounts owed to related party		Amount owed by related party	
	For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Key management	569	232	-	-
Members of the Board of Directors	94	91	-	-
Other related parties		-	-	-

Amounts owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. The amounts owed to related parties are mainly related to outstanding invoices from key management or agreed fees for members of the Board of Directors.

No provisions of doubtful debts have been raised against amounts outstanding, and no expense has been recognised during the period in respect of bad or doubtful debts due from related parties.

The category members of the Board of Directors are used to present transactions with Board Members, who are not part of Key Management or Main Shareholders.

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel are members of the management committee.

The key management compensation reflects the fixed remuneration as well as the accrual for bonus. The bonusses have been approved in the Remuneration Committee of 28 February 2023. The difference between the accrual and the approved bonus regarding the fiscal year 2022 will be processed at the moment of payment in the course of 2023.

Thousands of Euro	For the year ended 31 December	
	2022	2021
Key management compensation	1.775	1.622
Share-based compensation	-	-
Total	**1.775**	**1.622**

5.33 Share-based payment schemes

5.33.1 Key Management Subscription Rights

At 31 December 2022, even as at 31 December 2021 135.250 subscription rights remained outstanding of which 134.250 had been granted as follows:

- 100.000 “Key Man Subscription Rights”, with an exercise price of € 18,30, which upon exercise, will convert into Class C shares initially, but after listing, in ordinary shares; and
- 34.250 “Employee Subscription Rights” granted under an employee stock option plan, with an exercise price which shall be determined by the Board of Directors, provided that the exercise price may never be lower than the nominal value of the shares. Upon exercise, these warrants would transform into Class C shares initially, but after the listing, in ordinary shares.

On 5 October 2015, the Company issued a total of 100.000 Key Man Subscription Rights, with an exercise price of € 18,30. All Key Man Subscription Rights were granted to Sofias BV (permanently represented by Mr. Hans Leybaert) in 2015 and vested immediately. These Key Man Subscription Rights originally expired three years after their grant date. In April 2017, their term was extended to 5 October 2020. In November 2019, their term was further extended to 5 October 2025, for which an expense of € 261 thousand was recognised in the 2019 statement of profit or loss and other comprehensive income. As a result of the share split of 31 August 2020, in which all the shares were split in 10, each Key Man Subscription Right now will entitle its holder to not 1 but 10 shares.

There are no remaining performance conditions attached to these options.

The Key Man Warrants can be exercised in whole or in part, at the sole discretion of Sofias BV at any relevant time, taking into account the expiration date thereof.

5.33.2 ESOP Subscription Rights

On 5 October 2015, the Company issued 55.000 Subscription Rights in the context of an employee stock option plan (“ESOP”). Upon exercise, each ESOP Subscription Right will entitle its holder to one share. 54.000 of those ESOP warrants were held by selected participants, 1.000 ESOP warrants were held by the Company and available for grant. In 2021, 19.750 ESOP Subscription Rights were exercised. Per 31 December 2022, 34.250 ESOP Subscription rights are still held as non-exercised by the selected participants. As a result of the share split of 31 August 2020, in which all the shares were split in 10, each ESOP now will entitle its holder to not 1 but 10 shares.

Warrants that were issued under the ESOP plans have identical characteristics and generally grade-vest over a three-year period from grant: one third vests 12 months after the grant date, one third vests 24 months after the grant date and one third vests 35 months after the grant date. As an exception, some options vested immediately. All warrants expire ten years after the date of grant, when an option holder ceases employment with the Group, or after an acquisition of the Company. There are no performance conditions attached to the options.

In the course of 2021, a total of 19.750 “Employee Subscriptions Rights” were converted into ordinary shares. With the capital increase (i) on 8 January 2021, 7.000 subscription rights were settled, (ii) another 8.666 subscription rights were exercised on 24 March 2021 and finally (iii) on 29 October 2021 the settlement of 1.334 subscription rights followed.

In 2022, no additional “Employee Subscription Rights’ were converted.

5.33.3 Warrant plan

At the end of October 2021, 500.000 new warrants were issued. On 31 December 2022 none of these new warrants were granted.

5.33.4 Summary table Share-based payment schemes

The table below summarises the main characteristics and number and weighted average exercise prices of subscription rights attributed:

Term	Exercise price	Attributed at 31 Dec. 2022	Granted 2022	Vested 2022	Converted 2022	Expired 2022	Attributed at 31 Dec. 2021	Granted 2021	Vested 2021	Converted 2021	Expired 2021
Key Management Subscription Rights											
31 December 2015 to 5 October 2025	18,30	100.000	-	-	-	-	100.000	-	-	-	-
ESOP Subscription Rights											
31 December 2015 to 30 December 2025	18,30	23.750	-	-	-	-	23.750	-	-	(6.250)	-
24 March 2017 to 23 March 2027	34,00	-	-	-	-	-	-	-	-	(10.000)	-
1 September 2017 to 31 August 2027	34,00	2.500	-	-	-	-	2.500	-	-	-	-
13 December 2017 to 12 December 2027	34,00	2.500	-	-	-	-	2.500	-	-	-	-
4 July 2019 to 3 July 2029	40,00	-	-	-	-	-	-	-	-	(2.000)	-
4 May 2020 to 3 May 2030	40,00	5.500	-	-	-	-	5.500	-	-	(1.500)	-
Total		**134.250**	**-**	**-**	**-**	**-**	**134.250**	**-**	**-**	**(19.750)**	**-**

The weighted average exercise price amounts to € 19,62 per title (2021: € 19,62). The weighted average remaining contractual life years for the ESOP subscription rights for the year ended December 2022 and December 2021 amount to respectively 3,07 years and 4,07 years.

The below table presents the number of titles that are still exercisable and the weighted average price of exercise:

	Exercisable at 31 December 2022	Exercisable at 31 December 2021
Number	133.270	133.270
Weighted average price of exercise	19,62	19,62

The assessed fair value of each subscription right is estimated on the date of grant using the binomial model by Black and Scholes using the following key assumptions:

- The three-year volatility of quoted peer companies (determined in a range of 50% to 60% depending on the grant date);
- The risk-free interest rate at the date of grant based on that of Belgian Sovereign Debt with a term equal to the expected life of the subscription rights;
    - for Key Management Subscription Rights, this was negative 0,22% in 2017 and negative 0,35% in 2019;
    - for ESOP Subscription Rights, this was 0,74% in 2017, 0,12% in 2019 and 0,02% in 2020.
- The expected lifetime of the subscription rights.

The share-based payment expense recognised in the statement of profit and loss was as follows:

Thousands of Euro	For the year ended 31 December	
	2022	2021
Selling and marketing expenses	-	176
General and administrative expenses	74	67
Total	**74**	**243**

5.34 Audit fees

Thousands of Euro	For the year ended 31 December	
	2022	2021
Audit fees	675	764
Fees for legal missions	61	30
Permitted non-audit services		
- Other assurance	70	56
Total	**806**	**850**

The audit fees disclosed concern the fees of BDO Bedrijfsrevisoren BV/BDO Réviseurs d'Entreprises SRL and its network (the "Auditor") to approve the consolidated accounts for the financial year 2022 as well as the fees for the Auditor to approve the statutory annual accounts of Unifiedpost Group SA and some of its subsidiaries.

5.35 Events after the reporting date

Unifiedpost has no important events to report that happened after the reporting date and could have a future impact on the financial reporting.

5.36 Accounting policies

5.36.1 Principles of consolidation and equity accounting

The consolidated financial statements include:

- the assets and liabilities, and the results and cash flows, of the Company and its subsidiaries; and
- the Group's share of the results and net assets of associates and joint ventures.

Subsidiaries

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The acquisition method of accounting is used to account for business combinations by the group (refer to accounting policy 5.35.3 for business combinations below).

The financial statements of entities consolidated are made up to 31 December each year.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions with non-controlling interests are recorded directly in equity.

Associates and joint ventures

Where the Group has the ability to exercise significant influence over entities, they are accounted for as associates. Joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement are accounted for as joint ventures. The results and assets and liabilities of associates and joint ventures are incorporated into the consolidated financial statements using the equity method of accounting. (See note 5.36.9).

5.36.2 Foreign currencies

Foreign currency transactions are booked in the functional currency of each Group entity at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the income statement.

On consolidation, assets and liabilities of Group entities whose functional currency is not the Euro are translated into Euros at rates of exchange ruling at the balance sheet date. Their results and cash flows are translated into Euros using average rates of exchange.

Exchange adjustments arising on translating foreign currency-denominated financial statements are taken to a separate component of equity.

5.36.3 Business combinations

Business combinations are accounted for using the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the sum of the acquisitiondate fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquired businesses (including those resulting from contingent consideration arrangements) and the equity interests issued by the Group. If the business combination is achieved in stages, consideration transferred also includes the fair value of the existing equity interest in the acquiree.

The excess of the consideration transferred, together with any non-controlling interests in the acquiree, over the fair value of the net assets, liabilities and contingent liabilities acquired, is recorded as goodwill. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

5.36.4 Segment reporting

To date, the Company manages its operations and allocates resources to the following operating segments (see note 5.28) with separate business activities:

- Digital document processing: Groups all digital document processing activities for as well SME clients as Corporate clients are part of this type of activity. It covers the inbound document flow (COLLECT) and the outbound document flow (CHANNEL)
- Paper processing: all offset printing activities and paper delivery activity, (including sale of stamps).
- Payment: concerns all regulated activities on the supervision of the Belgian National Bank and which needs separate reporting and the payment activities linked to PSD2-applications and Corporate Payment HUB
- Services and Apps: Groups all services which will be offered to our clients based on gathered data from the platform, such as factoring of receivables – collection management applications
- Postage and Parcel optimisation: this segments groups all optimisation activities for the postage distribution (today only in the Scandinavian market).

The Company's chief operating decision-maker is its Board of Directors, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources. See note 5.7 for information regarding the Company's revenue.

5.36.5 Revenue

The Group generates the majority of its revenue from software-as-a-service (SaaS) fees, which consist primarily of periodic fixed and usage-based fees paid by its customers for access to, and usage of, its cloud-based software solutions for a specified contract term. The Group also derives revenue from professional services fees, which primarily include fees related to the implementation of its customers onto its platform, typically including discovery, configuration and deployment, integration, testing, and training, as well as other ad hoc consulting services (for example, change requests by existing customers) and managed services to users outsourcing certain network and application resource procedures. Customers may also purchase a perpetual or term license for certain software products.

Revenue is recognised as the Group transfers goods and services to customers, at amounts it expects to receive as consideration under enforceable contractual arrangements. Revenue is recognised as the Group satisfies contractual performance obligations, which can occur either at a point in time or over time.

The Group recognises revenue according to a five-step model that involves:

- Identifying the contract (or contracts) with a customer;
- Identifying the performance obligations in the contract(s);
- Determining the transaction price;
- Allocating the transaction price to the contractual performance obligations; and
- Recognising revenue as we satisfy the performance obligations.

The Group considers a contract to exist when it has legally enforceable rights and obligations with a customer. The Group's contracts can take a variety of forms but are normally in writing and include all major commercial terms such as the goods or services it will be obligated to transfer under the arrangement, the amount the customer is obligated to pay us upon fulfilment of the Group's obligations and the payment terms.

Performance obligations in a contract are accounted for separately if they are determined to be distinct. The Group considers a performance obligation to be distinct if that good or service is separately identified from other items in the contract and if the customer can benefit from that performance obligation on its own or together with resources that are readily available to the customer. In assessing whether a customer can benefit from a performance obligation on its own, the Group considers factors such as the interdependency or interrelationship of the item with other goods or services in the contract, the complexity of any required integration or customization and the ability of the customer's personnel or other third-party providers to fulfil like goods or services. If a particular good or service is not considered to be distinct, it is combined with other performance obligations in the arrangement and revenue is recognised as the combined performance obligation is satisfied.

The transaction price is the amount of consideration the Group expects to be entitled to under a contract upon fulfilment of the performance obligations. The starting point for estimating the transaction price is the selling price stipulated in the contract, however the Group includes in the determination of the overall transaction price an estimate of variable consideration to the extent it is probable that it will not result in a significant future reversal of revenue. The Group excludes from the determination of the transaction price value-added or other taxes it bills to and collects from customers and remit to government authorities.

For contracts involving the sale of more than one good or service, the transaction price is allocated to contractual performance obligations on a relative standalone selling price basis.

Revenue is recorded, either at a point in time or over time, as the Group satisfies the performance obligations in a contract.

Transactions

Most of our SaaS-contracts are generally also subject to variable pricing fees based on customer processing, usage or volume. The Group sees its primary performance obligation to its customers as a stand-ready commitment to provide transaction processing services as the customers require, which is satisfied over time in periodic increments. Since the timing and quantity of transactions to be processed by the Company is not determinable, the total consideration is determined to be variable consideration. The variable consideration for our transaction processing services is usage-based and therefore specifically relates to our efforts to satisfy our obligation. The Company's progress towards complete satisfaction of its performance obligation is measured using an output method: revenue is recognised based on the value of services transferred to date determined by the number of transactions processed. The variability is satisfied each time the service is provided to the customer. Services are considered to be transferred when a transaction is captured. Transaction fees are accordingly recognised over time based on the actual number of transactions processed.

For service contracts with our customers, even in case it concerns long term contracts, the revenue is recognised each time the service is rendered. In practice, this means that revenue is recognised on monthly basis, derived from the number of documents processed during that period.

When the customer is entitled to periodic discounts based on volumes of transactions, the Group estimates at the end of each financial reporting period the amount of variable consideration included in the transaction price to constrain revenue recognised as performance obligations are satisfied to the extent that a significant revenue reversal will not occur.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have historically not experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, the amount of any estimated refunds related to these agreements in the consolidated financial statements is not material during the periods presented.

Postage & Parcel optimisation

The Group recognises revenue from postage & parcel optimisation services offered at a point in time upon completion of the performed service and acceptance by the customer.

Print production

The Group recognises revenue from print production services offered at a point in time upon completion of the performed service and acceptance by the customer.

Subscriptions

The Group generates subscriptions and transactions revenue through the provision of hosted SaaS-based solutions including e-invoicing, e-identity and payment processing. These can include contractually fixed revenue amounts as well as usage-based fees. Our SaaS arrangements consist of an obligation for us to provide continuous access to a technology solution that we host. They do not provide the customer with the right to take possession of our software operating our solutions suite at any time.

The Group's subscription agreements generally have annual contractual terms and a small percentage have multi-year contractual terms. Revenue is recognised rateably over the related contractual term beginning on the date that the platform is made available to a customer. Access to the platform represents a series of distinct services as the Company continually provides access to, and fulfils its obligation to the end customer, over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognises revenue rateably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's contracts are generally non-cancellable. The Company typically bills annually in advance for contracts with terms of one year or longer. The Company records contract liabilities when cash payments are received or due in advance of performance to deferred revenue. Deferred revenue primarily relates to the advance consideration received from the customer.

Managed services

Revenue from Managed services contracts, which includes hosting activities, is recognised as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value to the customer of the performance completed to date. Each performance obligation is satisfied over time as the client continuously receives and consumes the benefits of the services. The services are priced based on the number of hours spent on the contract. The amount to be billed is representative of the value of the service delivered to the customer and therefore, applying the right-to-bill practical expedient, revenue is recognised over time based on the hours spent. The related costs on resources-based contracts are expensed as incurred.

Implementation and change request services

For certain of our hosted or SaaS solutions, customers are charged a fee for implementation services. In determining whether the implementation services are distinct from the hosting services we consider various factors, including the level of customization, complexity of the integration, the interdependency and interrelationship between the implementation services and the hosting services and the ability (or inability) of the customer's personnel or other service providers to perform the services. Where we conclude that the implementation services in our hosting arrangements with multiple performance obligations are not distinct, we recognise fees for implementation services rateably over the initial non-cancellable term of the SaaS contract.

Our change request services typically represent distinct performance obligations which are provided on a time and materials basis. Revenue for them is recognised as the services are performed.

Sale of Licenses

Software licenses revenue reflects non-recurring fees the Group charges to license software on a perpetual basis when the customer is allowed to install the software on his own infrastructure. For software licenses that do not include significant customization the Group recognises revenue at the point in time where the customer has obtained access to the intellectual property and the license period has commenced. The Group's software licenses may be sold with post-contract customer support (PCS) which is comprised of technical assistance and unspecified software upgrades. Generally, the software license and PCS will each be distinct, because the software remains functional without the PCS. The Group recognises revenue for the updates and technical support service over time using an appropriate measure of progress that reflects the transfer of control of the promise, based on costs of delivering the updates, among others.

5.36.6 Intangible assets

Goodwill

Goodwill is measured as described in note 5.13. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Tradenames, licenses and customer relationships

Separately acquired trademarks and licences are shown at historical cost. Tradenames, licenses and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research and development

Research expenditure and development expenditure that do not meet the criteria in the paragraph above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and periods

The following table presents the estimated useful lives of intangible assets:

Intangible asset	Estimated useful life
Internally generated software	5 years
Acquired software	3 - 5 years
Customer relationships	5 – 10 years
Tradenames	5 years

The estimated useful life is reviewed annually.

5.36.7 Property and equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the related asset, which is generally three to seven years. Leasehold improvements are amortised on a straight-line basis over the shorter of their estimated useful lives or the term of the related lease.

5.36.8 Leases

The Group leases office space, data centres, and vehicles under operating leases with various expiration dates. It has adopted IFRS 16 Leases on transition date to IFRS (1 January 2017) using the full retrospective approach. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate for leases of premises and the implicit rate for leases of vehicles.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment, with initial value of € 5.000 or below. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.36.9 Investments in associate

An investment in an associate is accounted for its investment using the equity method. Under the equity method of accounting, the investments in associate are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Any unrealised profits and losses from upstream and downstream transactions are eliminated, to the extent of the entity's interest in the associate, on the line item Share of profit / (loss) of associates. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy for Impairment of assets below.

5.36.10 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

5.36.11 Financial assets

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Our financial liabilities are measured at amortized cost using the effective interest rate method.

Part of the trade receivables of the Group are sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debt transferred and therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model, unless the Group has irrevocably elected to classify them at fair value through other comprehensive income.

Impairment of financials assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

5.36.12 Cash and cash equivalents

The content of the account classes should be organised based on below description:

- Cash in hand
- Cash at bank
- Restricted cash (Payment Solutions customers' cash)

The Group chart of accounts is specifically designed to enable accounting teams to record for cash and cash equivalents, deposits in the categories as included in our consolidated financial statements. Separate G/L accounts are foreseen in our chart of accounts for all abovementioned categories, both for a balance sheet point of view as from an income statements- point of view.

5.36.13 Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments, the consideration paid is deducted from equity attributable to the owners of the parent until the equity instruments are cancelled or reissued. Where such equity instruments are subsequently reissued, any consideration received is included in equity attributable to the owners of the parent.

5.36.14 Financial Liabilities

Automatically convertible bonds

The Company has issued certain automatically convertible bonds in 2018 and 2019 ("the Bonds"). The Bonds have resulted in the Group receiving cash (a financial asset) and assuming an obligation to issue a variable number of shares to their holders in the future (the earlier of an Initial Public Offering (or other qualifying transaction) or maturity). The contract being a non-derivative financial instrument is classified as a financial liability.

These bonds were converted to share capital on 26 June 2020, 17 July and 24 September 2020.

The cash flows required by the contract and total return to the Bondholders are affected by the Bonds' terms in a manner similar to derivative instruments. The derivatives in the hybrid contract are accounted for as a single compound embedded derivative. The derivative liability is accounted for at fair value through profit or loss.

The host contract is carried at amortised cost using the effective interest rate method.

In its balance sheet, the Group presents the bifurcated embedded derivatives on a combined basis with the host contract.

Borrowings

All other borrowings are initially recorded at the fair value of proceeds received, net of transaction costs. They are subsequently carried at amortised cost using the effective interest rate method, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Anti-dilution subscription rights

The following anti-dilution subscription right exists: During a term of two years starting from the date of the capital increase of 26 June 2020 and 17 July 2020, each subscriber is entitled to additionally invest at the same subscription price of 10 € per share for an amount up to 25% of his initial investment. The instrument has been measured at fair value through profit or loss

The issuing of the shares is considered to be an equity transaction in accordance with the requirements of IAS 32.

The Company applied judgement when assessing the accounting treatment of the anti-dilution subscription rights. The subscription rights issue is treated as a single unit of account that should be classified in its entirety, because:

- it is a single bundle of rights issued at the same time together with the issue of the shares under the capital transaction and is not contractually separate;
- no premium is contractually defined for writing each of the options.

The subscription rights instrument meets the definition of a derivative financial instrument in IFRS 9, but does not meet the definition of an own equity instrument of the issuer in accordance with IAS 32, as the contract as a whole does not require the delivery of a fixed number of own equity shares for a fixed amount.

These changes in fair value of the non-executed subscription rights are recognised through profit and loss.

Put option over non-controlling interests

The Group has written put options (and acquired call options) over the equity of certain joint venture entities which permit the noncontrolling shareholders to put their shares in the respective subsidiary to the Group at a price to be determined at the time of exercise based on an agreed formula purporting to approximate market price. The terms do not provide the Group with a present ownership interest in the shares subject to the put options. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within financial liabilities with a corresponding charge directly to equity. The expected redemption amount is estimated by management based on a number of assumptions including cash flow projections, estimated likelihood of the exercise of the put options in different years, and the call option price, if lower than the calculated put option value given that if may indicate that it is more beneficial for the Group to exercise its call options at certain times. While the put options over the non-controlling interests put remains unexercised, the accounting at the end of each reporting period is as follows:

The Group determines the amount that would have been recognised for the non-controlling interests, including an update to reflect allocations of profit or loss and of changes in other comprehensive income;

- The Group derecognises the non-controlling interests as if they were acquired at that date;
- The Group recognises a financial liability at the present value of the estimated redemption amount; and
- The Group accounts for the difference between the estimated redemption amount and the amount of non-controlling interests derecognised as an equity transaction.

For avoidance of doubt, the remeasurements of the financial liability, including unwinding of the discounting impact are recognised in equity.

At date of exercise, the related "Liabilities associated with puttable non-controlling interests" is reversed against the price paid (additional investment value) and the difference recorded in "Other reserves". All changes in carrying value of liabilities associated with puttable NCI recorded in "Other reserves" as well as all "NCI" related to this put option since inception, are recycled to "Accumulated deficit".

Financial Liabilities

Transaction costs incurred in connection with the private placement and subsequent listing of its shares of 22 September 2020, relate to among other things, underwriter fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees, and similar expenses. Costs which related jointly to the share issuance and the listing have been allocated between these components based on the proportion of numbers of new shares issued upon the listing relative to the total number of shares. The Group deducted non-recurring incremental transactions costs that were directly attributable to the private placement and subsequent listing of its shares, from net proceeds to the issuer. For the year ended 31 December 2020, the Group incurred approximately € 18,8 million in fees and expenses related to the Group's transition to a publicly traded company, of which € 3,9 million has been expensed, the remaining 2020 transaction cost have been deducted from equity in addition to the € 0,6 million deferred transaction cost of previous years.

Trade and other payables

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

5.36.15 Government assistance

The Group has received government assistance from regional authorities in the form of low interest-bearing cash advances financing research and development projects. 30% of the cash received from the regional government is unconditionally repayable. The balance is repayable in cash only if the entity decides to exploit and commercialise the results of the project. The terms of that repayment can result in the Group repaying as much as twice the amount of the original cash proceeds if the project is successful. If the Group decides not to exploit and commercialise the results of the research phase, the cash received is not repayable in cash, but instead the Group must transfer to the government the rights to the research. The cash received gives rise to a financial liability initially measured at its fair value. The difference between the cash received and the fair value of the financial liability is treated as a government grant. The financial liability is subsequently measured at amortised cost using the effective interest method less repayments of principal.

5.36.16 Post-retirement benefits

The Group operates both defined benefit and defined contribution pension plans.

Pension plans in Belgium are of the defined benefit type because of the minimum promised return on contributions required by law. The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

5.36.17 Share-based compensation

The fair value of options granted under the Group's share-based compensation plans is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, normally using the Black-Scholes model. The fair value is expensed on a straight-line basis over the vesting period, based on an estimate of the number of options that will eventually vest.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve in equity.

5.36.18 Taxation

Current tax is provided at the amounts expected to be paid applying tax rates that have been enacted by the balance sheet date.

Deferred tax accounts for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognised if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the date of the statement of financial position.

The Group does not recognise deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries, joint ventures and associates where the parent company is able to control of the timing of the reversal of the temporary differences and it is not considered probable that the temporary differences will reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable based on all available positive and negative evidence that future taxable profits will be available against which the asset can be utilised. Such evidence includes, but is not limited to, recent cumulative earnings or losses, expectations of future taxable income by taxing jurisdiction, and the carry-forward periods available for the utilisation of deferred tax assets. The carrying amount of the deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Under the Estonian Income Tax Act and the Law on Corporate Income Tax of the Republic of Latvia, corporate profit for the year is not subject to income tax, i.e. the income tax rate applicable to undistributed profit is 0%. Income tax is instead levied on distributed profit (i.e. dividends) and conditionally or theoretically distributed profit (e.g. fringe benefits, gifts, donations, entertainment expenses, non-business expenditures, doubtful debts, excessive interest payments, transfer pricing adjustments). In accordance with IAS 12 Income taxes, income taxes payable by our subsidiaries in Estonia and Latvia include only such taxes that are based on the taxable profit, thus, corporate income tax calculated on the taxable base consisting of conditionally or theoretically distributed profit is shown under Other expenses. Deferred tax assets and liabilities arising in these subsidiaries are recognised by applying the rate applicable to undistributed profits – i.e. at nil amounts.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.36.19 Earnings per Share

We report both basic and diluted earnings per share. Basic earnings per share is calculated based on the weighted average number of ordinary shares outstanding and excludes the dilutive effect of stock options or any other type of convertible securities. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

5.36.20 Fair value measurement

The Group applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognised or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities, the Group considers the principal or most advantageous market in which it would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions, and credit risk. Fair value is estimated by applying the following hierarchy, which prioritises the inputs used to measure fair value into three levels and bases the categorisation within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

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UNIFIEDPOST GROUP SA

Statutory auditor’s report
to the general meeting
for the year ended 31 December 2022
(Consolidated financial statements)

Free translation

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STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF UNIFIEDPOST GROUP SA FOR THE YEAR ENDED 31 DECEMBER 2022 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of Unifiedpost Group SA ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 17 May 2022, following the proposal formulated by the administrative body and issued upon recommendation of the Audit Committee. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for 4 consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 340.337 thousand EUR and for which the consolidated statement of profit or loss shows a loss for the year of 43.544 thousand EUR.
In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2022, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium.
Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report.
We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 5.4 of the consolidated financial statements which describes the events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment of goodwill and intangible assets

Description of the Matter

The Group's evaluation of goodwill and intangible assets for impairment, involves the comparison of the recoverable amount of each cash generating unit ('CGU') to its carrying value. The Group uses the expected discounted cash flow model to estimate the recoverable amount of each of the CGU identified, which requires management to make significant estimates and assumptions related to forecasts of future revenue, gross margins, discount and perpetual growth rates. Changes in these assumptions could have a significant impact on the recoverable amount and potentially the amount of any goodwill impairment.

Given the significant judgments made by management to estimate the recoverable amount contributed to each of the CGUs, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve our valuation specialists.

Further disclosure regarding the Group's impairment can be found in Note 5.13.

Procedures performed

Our audit procedures related to the determination of forecasts of future revenue and gross margin used by management to estimate the recoverable amount of the CGUs, included the following:

- We evaluated the reasonableness of the valuation methodology and tested the mathematical accuracy of the exercise.
- We evaluated management's ability to accurately forecast future revenue and gross margin by comparing actual results to management's historical forecasts.
- We also evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to (i) the historical operating results of the Group for each of the CGUs, (ii) appropriate internal evidence and indications of growth such as new signed contracts; (iii) the implemented cost-saving plan and (iv) externally available information.
- We reviewed the sensitivity analysis prepared by management to understand the effect of a change in assumptions and performed our own sensitivity analysis.

- We verified the appropriateness and completeness of the goodwill and intangible assets impairment disclosures in the Group's financial statements.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, a statutory audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body. Our responsibilities regarding the continuity assumption applied by the administrative body are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the Audit Committee with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the contents of the director's report on the consolidated financial statements, the statement of non-financial information included in the director's report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mission and in accordance with the Belgian standard (version revised 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the director's report on the consolidated financial statements, the statement of non-financial information included in the director's report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, as well as to report on these elements.

Aspects relating to the director's report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the director's report, this director's report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the director's report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- 1.7 Financial highlights
- 2. ESG Realisations and objectives
- 3. Corporate governance

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information, as required by article 3:32, §2 of the Code of companies and associations, has been included in the director's report on the consolidated financial statements, which is part of section on Environmental, Social & Governance of the annual report (section 2 " ESG: Realizations and objectives"). In preparing this non-financial information, the Group has based itself on United Nations' Sustainable Development Goals ("SDG's"). In accordance with article 3:80, §1, first paragraph, 5° of the Code of companies and associations, we do not express an opinion on the question whether this non-financial information has been prepared in accordance with these SDG's.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.

- The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard of the Institute of Réviseurs d'Entreprises dated 25 November 2021 concerning the standard on auditing the conformity of financial statements with the European Single Electronic Format (hereinafter "ESEF"), we also audited the conformity of the ESEF format with the regulatory technical standards established by Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The administrative body is responsible for preparing, in accordance with ESEF requirements, the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "digital consolidated financial statements") included in the annual report on the consolidated financial statements.

It is our responsibility to obtain sufficient and appropriate supporting information to conclude that the format and mark-up language of the digital consolidated financial statements comply in all material aspects with the ESEF requirements under the Delegated Regulation.

Based on our work, we believe that the format and the mark-up of information in the official French version of the digital consolidated financial statements included in the annual report on the consolidated financial statements of Unifiedpost Group SA as at 31 December 2022 comply in all material aspects with the ESEF requirements under the Delegated Regulation.

Other statements

This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.

Zaventem, 12 April 2023

BDO Réviseurs d'Entreprises SRL
Statutory auditor
Represented by Ellen Lombaerts
Auditor

4.2 Statutory Financial Statements

The following information is extracted from the separate Belgian GAAP financial statements of Unifiedpost Group SA. These separate financial statements, together with the management report of the Board of Directors to the general assembly of shareholders as well as the auditors' report, will be filed with the National Bank of Belgium within the legally foreseen time limits. It should be noted that only the consolidated financial statements as set forth in chapter 4.1 present a true and fair view of the financial position and performance of the Unifiedpost Group. Therefore, these separate financial statements present no more than a limited view of the financial position of Unifiedpost Group SA. For this reason, the Board of Directors deemed it appropriate to publish only an abbreviated version of the non-consolidated balance sheet and income statement prepared in accordance with Belgian GAAP as at and for the year ended 31 December 2022. Participations in affiliated companies are recognized at purchase price. The statutory auditors' report is unqualified and certifies that the non-consolidated financial statements of Unifiedpost Group SA prepared in accordance with Belgian GAAP for the year ended 31 December 2022 give a true and fair view of the financial position and results of Unifiedpost Group SA in accordance with all legal and regulatory dispositions. The full statutory financial statements can be obtained at the registered office of the company at Avenue Reine Astrid 92A, B-1310 La Hulpe.

Thousands of Euro	**For the year ended 31 December**	
	2022	**2021**
Audit fees	675	764
Fees for legal missions	61	30
Permitted non-audit services		
Other assurance	70	56
Total	**806**	**850**

4.2.1 Income Statement

		At 31 December	
Thousands of Euro		**2022**	**2021**
Operating Income	**70/76A**	**18.044**	**9.077**
Turnover	**70**	**18.044**	**8.987**
Increase, decrease in stocks of finished goods, work and contracts in progress	71		
Own construction capitalised	72		
Other operating income	74		90
Non-recurring operating income	76A		
Operating charges	**60/66A**	**-21.112**	**14.280**
Raw materials, consumables and goods for resale	60		
Services and other goods	61	-20.495	- 13.734
Remuneration, social security costs and pensions	62		
Depreciation and amounts written off	630	-517	- 458
Amounts written off	631/4		
Provisions for liabilities and charges	635/8		
Other operating charges	640/8	-99	- 88
Operating charges capitalised as reorganisation costs	649		
Non-recurring operating charges	**66A**		
Operating profit / (loss)	**9901**	**-3.067**	**- 5.203**
Financial income	75/76B	3.499	1.917
Financial charges	65/66B	-12.372	- 2.330
Profit / (loss) for the period before taxes	**9903**	**- 11.941**	**- 5.616**
Income taxes	67/77		2
Profit / (loss) for the period	**9905**	**- 11.941**	**- 5.614**

4.2.2 Balance sheet

		At 31 December	
Thousands of Euro		**2022**	**2021**
Assets			
Formation expenses	**20**	**14.977**	**-**
Fixed assets	**21/28**	**416.214**	**254.232**
Intangible assets	21	689	1.206
Tangibles assets	22.27		
Financial assets	28	415.525	353.026
Current assets	**29/58**	**19.347**	**2.779**
Amounts receivable after more than one year	29		-
Stock and contracts in progress	3		
Amounts receivable within one year	40/41	840	252
Investments	50/53		-
Cash at bank and in hand	54/58	18.201	2.332
Deferred charges and accrued income	490/1	305	195
Total assets	**20/58**	**450.538**	**357.011**

		At 31 December	
Thousands of Euro		**2022**	**2021**
Liabilities			
Capital and reserves	**10/15**	**271.510**	**265.866**
Capital and reserves	10	326.805	309.219
Share premium accounts	11	492	492
Revaluation surplus	12		
Reserves	13	31	31
Profit / (loss) carried forward	14	- 55.818	- 43.876
Investment grants	15		
Advances to associates on net assets distribution	**19**		**-**
Provisions and deferred taxation	**16**		**-**
Creditors	**17/49**	**179.028**	**91.145**
Amounts payable after more than one year	17	105.092	801
Current portion of amounts payable after more than one year	42	801	1.575
Financial debts	43	38	16.342
Trade debts	44	15.970	8.805
Advances received on contracts in progress	46		
Taxes, remuneration and social security	45		
Other amounts payable	47/48	57.127	63.477
Accrued charges and deferred income	492/3		145
Total liabilities	**10/49**	**450.538**	**357.011**

5. Other

5.1 Glossary

ACB	:	Anti-Corruption and Bribery
AI	:	Artificial Intelligence
AML	:	Anti-Money Laundering (often considered in combination with Countering the Financing of Terrorism : AML/CFT obligations, applicable to credit and financial institutions, as well as selected other industries)
API	:	Application programming interface, which is a set of programming code that queries data, parses responses and sends instructions between one software platform and another
APMs	:	Alternative performance measures, i.e. Net financial cash/(debt) and Cash flow
Audit Committee	:	Audit committee of the Board established in accordance with Article 7:99 of the BCCA and Provisions 4.10 to 4.16 of the Corporate Governance Charter
B2B	:	Business to Business
B2C	:	Business to Consumer
B2G	:	Business to Government
Baltic States	:	Estonia, Latvia and Lithuania
BCCA		Belgian Code on Companies and Associations
BDO	:	BDO Bedrijfsrevisoren BV / BDO Réviseurs d'Entreprises SRL, having its registered office at the Corporate Village, Da Vincilaan 9 box E.6, 1930 Zaventem, Belgium, represented by Ms. Ellen Lombaerts
Belfius	:	Belfius Bank NV/SA, a limited liability company ("naamloze vennootschap" / "société anonyme") incorporated under the laws of Belgium, having its registered address at Karel Rogierplein 11, 1210 Sint-Joost-Ten-Node and registered with the Crossroads Bank for Enterprises under number 403.201.185
Board	:	Board of directors of Unifiedpost
BPO	:	Business Process Outsourcing
CAGR	:	Compound annual growth rate, which is the rate of growth from beginning to end, assuming that every period starts with the result of the previous period
CEO	:	Chief executive officer of Unifiedpost, currently being Sofias BV (permanently represented by Hans Leybaert)
CFO	:	Chief financial officer of Unifiedpost, currently being Marcelis BV (permanently represented by Laurent Marcelis)
CGU	:	Cash Generating Unit
Corporate Governance	:	The corporate governance charter adopted by Unifiedpost, conditional upon and with effect as of the realisation of the Conditions Precedent to the Private Placement, available on its website www.unifiedpost.com
Corporate or Corporates	:	Any customer of Unifiedpost that has over 500 full-time equivalent employees
CRM	:	Customer Relationship Management
ECMA	:	Expert Comptable Media Association
EDI	:	Electronic data interchange
e-Invoice	:	An invoice that has been issued in a structured data format (e.g., XML) in a VAT-compliant way, which allows for its automatic and electronic processing ("straight-through processing")
ERP	:	Enterprise Resource Planning, an integrated management system for main business processes

ESG	:	Environmental, Social and Governance
Euronext Brussels	:	Euronext Brussels SA/NV, located at 1 Rue du Marquis, 1000 Brussels
Francisco Partners	:	A leading global investment firm that specialises in partnering with technology and technology-enabled businesses, located at One Letterman Drive, San Francisco, CA 94129, United States of America
FSMA	:	Financial Services and Markets Authority (Belgium)
FTE	:	Full-time Equivalent
G&A	:	General and Administrative expenses
G2B	:	Government to Business
GDPR	:	General Data Protection Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
Group, Group entities or Unifiedpost	:	Unifiedpost and all of its direct or indirect, wholly or partially owned subsidiaries
HRIS	:	Human Resources Information System
IFRS	:	International Financial Reporting Standards, as adopted by the European Union
KPI	:	Key Performance Indicator
KYC	:	Know your customer
M&A	:	Mergers and acquisitions
Management	:	The members of the Management Committee
Member State	:	Member States of the European Union and where relevant other states that are party to the EEA Agreement
NBB	:	National Bank of Belgium
OCR	:	Optical character recognition
Organic Revenue	:	Represents the growth of the business after removing the impact of acquisitions or other scope changes as well as exchange rate movements
O2C & P2P	:	Order-to-Cash & Procure-to-Pay
PDF	:	Portable document format
PEPPOL	:	Pan-European Public Procurement On-Line, an EDI protocol designed to simplify the procure-to-pay process between government bodies and suppliers
Project Revenue	:	Covers one-off requests from customers in the context of a specific project, such as implementation requests (set-up of new customers), change requests (requests from existing customers) and sales of licenses (one-off sales of perpetual licenses)
PSD1 **PSD2**	:	The first Payment Services Directive (EU) 2007/64/EC of 13 November 2007 on payment services in the internal market The second Payment Services Directive (EU) 2015/2366 of 25 November 2015 on payment services in the internal market
R&D	:	Research and Development
Remuneration and Nomination Committee	:	Committee of the Board established in accordance with Article 7:100 of the BCCA and Provisions 4.17 to 4.23 of the Corporate Governance Charter.
Royal Decree of 14 November 2007	:	the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, as amended (Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereglementeerde markt / Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé belge)
SDG	:	Sustainable Development Goals

Share Capital	:	Share capital of Unifiedpost
Shareholder	:	Shareholder of Unifiedpost
Shareholders' Meeting	:	Annual, special or extraordinary general meeting of shareholders of Unifiedpost
Shares	:	Shares that represent the Share Capital, with voting rights and without designation of nominal value, issued by Unifiedpost
S&M	:	Sales and Marketing
SME	:	Any customer of Unifiedpost that is not a Corporate.
Statutory Auditor	:	Past, current and future statutory auditor of Unifiedpost (currently, the statutory auditor is BDO)
Subscription Rights	:	Key Man Subscription Rights, employee stock ownership plan ('ESOP') Subscription Rights, as well as any other subscription rights issued by Unifiedpost
Unifiedpost	:	Unifiedpost Group SA/NV, a public limited liability company under Belgian law with registered office at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and registered with the Register of Legal Entities under number 0886.277.617
Unifiedpost Payments		Unifiedpost Payments SA, a subsidiary of Unifiedpost that obtained a payment license under PSD1 on 12 October 2016 and an extension under PSD2
Unifiedpost Platform or Banqup platform	:	Fully cloud-based universal back-end platform for administrative and financial services, that allows real-time and seamless connections between Unifiedpost's customers, their suppliers, their customers and other parties in the financial supply chain
Unifiedpost Balkan	:	Albania, Bosnia Herzegovina, Croatia, Kosovo, Montenegro, North Macedonia, Serbia and Slovenia
VAT	:	Value Added Tax
VAT gap	:	The VAT gap is the overall difference between the expected VAT revenue and the amount actually collected
ViDa		Vat in the Digital Age : On 8 December 2022, the European Commission proposed a series of measures to modernize and make the EU's VAT system work better for businesses and more resilient to fraud by embracing and promoting digitalisation.
XML	:	Extensible Markup Language (a markup language is a set of codes, or tags, that describes the text in a digital document)

5.2 APM

The Alternative Performance Measures (APM's) are defined as follows or based on the following defined terms:

- **Net Financial Cash/(Debt)** is defined as cash and cash equivalents - investments minus interest bearing financials debts minus lease liabilities
- **Net Cash/(Debt)** is defined as net financial cash/(debt) excluding any subordinated loan
- **Cash flow** is defined as: Net income + depreciation/amortisation – capital expenditure – deferred taxation – fair value adjustments
- **ARPU** or **Average digital Revenue per Paying Users** is defined as the digital processing revenue per period divided by the number of paying customer at the end of that period

Unifiedpost measures its financial performance using the above listed alternative performance measures and believes that these measurements are useful for analysing and explaining changes and trends in the historical results of operations as they allow performance to be compared on a consistent basis.