UNIFIEDPOST GROUP SA

Interim condensed consolidated financial statements for the six-month period ended 30 June 2021

(reviewed)

1. Interim consolidated statement of profit or loss and other comprehensive income

Thousands of Euro, except for share data	*Notes*	For the 6-month period ended 30 June	
		2021	**2020**
Digital processing revenues	*5.7*	50,359	33,494
Digital processing cost of services	*5.8*	(28,818)	(19,426)
Digital processing gross profit		**21,541**	**14,068**
Postage & Parcel optimisation revenues	*5.7*	30,315	-
Postage & Parcel optimisation cost of services	*5.8*	(26,994)	-
Postage & Parcel optimisation gross profit		**3,321**	**-**
Research and development expenses	*5.8*	(6,553)	(5,742)
General and administrative expenses	*5.8*	(18,572)	(13,050)
Selling and marketing expenses	*5.8*	(11,282)	(4,971)
Other income / (expenses)		(5)	600
Net impairment gains / (losses) on financial and contract assets		(1)	(107)
Loss from operations		**(11,551)**	**(9,202)**
Changes in fair value of financial liabilities	*5.20*	2,094	(2,312)
Financial income		15	59
Financial expenses		(962)	(5,000)
Share of profit / (loss) of associates & joint ventures		-	(51)
Loss before tax		**(10,404)**	**(16,506)**
Income tax		(666)	(408)
LOSS FOR THE PERIOD		**(11,070)**	**(16,914)**
Other comprehensive income:		**278**	**(669)**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension obligations		(37)	(52)
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		315	(616)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(10,792)**	**(17,583)**
Profit / (loss) is attributable to:			
Owners of the parent		(11,090)	(16,766)
Non-controlling interests		20	(148)
Total comprehensive income / (loss) is attributable to:			
Owners of the parent		(10,812)	(17,435)
Non-controlling interests		20	(148)
Earnings per share attributable to the equity holders of the parent			
Basic		(0.35)	(7.84)
Diluted		(0.35)	(7.84)

The notes form an integral part of these interim consolidated financial statements.

2. Interim consolidated statement of financial position

Thousands of Euro	*Notes*	As at 30 June 2021	As at 31 December 2020
ASSETS			
Goodwill	*5.9*	158,708	35,159
Other intangible assets	*5.10*	76,065	47,865
Property and equipment		7,562	6,778
Right-of-use-assets		9,572	8,101
Non-current contract costs		825	857
Deferred tax assets		101	205
Other non-current assets		695	586
Non-current assets		**253,528**	**99,551**
Inventories		513	507
Trade and other receivables	*5.11*	27,008	17,718
Contract assets	*5.7*	784	374
Contract costs		1,586	1,320
Current revenue assets		375	124
Prepaid expenses		2,186	1,610
Cash and cash equivalents	*5.12*	25,146	125,924
Current assets		**57,598**	**147,577**
TOTAL ASSETS		**311,126**	**247,128**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	*5.13*	309,189	251,543
Costs related to equity issuance		(15,926)	(15,926)
Share premium reserve	*5.13*	492	492
Accumulated deficit		(86,408)	(73,818)
Reserve for share-based payments		1,542	1,767
Other reserve	*5.13*	2,902	4,395
Cumulative translation adjustment reserve		(228)	(520)
Equity attributable to equity holders of the parent		**211,563**	**167,933**
Non-controlling interests		**296**	**264**
Total shareholders' equity		**211,859**	**168,197**
Non-current loans and borrowings	*5.14*	19,486	19,867(*)
Liabilities associated with puttable non-controlling interests	*5.15*	1,000	1,788
Non-current lease liabilities		5,769	5,087
Non-current contract liabilities	*5.7*	2,988	2,389
Retirement benefit obligations		297	262
Deferred tax liabilities		7,314	2,912
Non-current liabilities		**36,854**	**32,305**
Current derivative financial instruments	*5.20*	921	3,750
Current loans and borrowings	*5.14*	9,132	6,265(*)
Current liabilities associated with puttable non-controlling interests	*5.15*	6,267	6,178
Current lease liabilities		3,658	2,971
Trade and other payables	*5.17*	29,949	16,553
Contract liabilities	*5.7*	11,578	10,211
Current income tax liabilities		908	699
Current liabilities		**62,413**	**46,626**
TOTAL EQUITY AND LIABILITIES		**311,126**	**247,128**

(*) 543 thousand bank borrowings have been reclassed from current to non-current loans and borrowings in the 31 December 2020 statement of financial position

The notes form an integral part of these interim consolidated financial statements.

3. Interim consolidated statement of changes in equity

Thousands of Euro	Notes	Share capital *attributable to owners of the parent*	Costs related to equity issuance *attributable to owners of the parent*	Share premium reserve *attributable to owners of the parent*	Accumu-lated deficit *attributable to owners of the parent*	Reserve for share-based payments *attributable to owners of the parent*	Other reserve *attributable to owners of the parent*	Cumulative translation adjustment reserve *attributable to owners of the parent*	Non-controlling interests	Total shareholders' equity
Balance as at 1 January 2021		**251,543**	**(15,926)**	**492**	**(73,818)**	**1,767**	**4,395**	**(520)**	**264**	**168,197**
Result for the period		-	-	-	(11,090)	-	-	-	20	(11,070)
Other comprehensive income / (loss)		-	-	-	(13)	-	-	292	(1)	278
Total comprehensive income/ (loss) for the period		**-**	**-**	**-**	**(11,103)**	**-**	**-**	**292**	**19**	**(10,792)**
Difference in fair value embedded derivative related to the contribution in cash of June-July 2020	*5.13*	-	-	-	-	-	735	-	-	735
Conversion of investment rights linked to contribution in cash of June-July 2020	*5.13*	525	-	-	-	-	-	-	-	525
Share-based payments		-	-	-	-	185	-	-	-	185
Share-based payments - conversions		-	-	-	-	(410)	410	-	-	-
Issuance of shares from contribution in kind of vendor loan of 2021 acquisitions	*5.13*	56,620	-	-	-	-	(2,812)	-	-	53,808
Settlement of share-based payments (ESOP)		501	-	-	-	-	-	-	-	501
Put option JV Romania	*5.15*	-	-	-	-	-	(1,000)	-	-	(1,000)
Current year profit and OCI of NCI with put option		-	-	-	-	-	(13)	-	13	-
Changes in carrying value of liabilities associated with puttable NCI	*5.15*	-	-	-	-	-	(89)	-	-	(89)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option (JV Slovakia)	*5.15*	-	-	-	(1,487)	-	1,276	-	-	(211)
Balance as at 30 June 2021		**309,189**	**(15,926)**	**492**	**(86,408)**	**1,542**	**2,902**	**(228)**	**296**	**211,859**

Thousands of Euro	Notes	Share capital *attributable to owners of the parent*	Costs related to equity issuance *attributable to owners of the parent*	Share premium reserve *attributable to owners of the parent*	Accumu-lated deficit *attributable to owners of the parent*	Reserve for share-based payments *attributable to owners of the parent*	Other reserve *attributable to owners of the parent*	Cumulative translation adjustment reserve *attributable to owners of the parent*	Non-controlling interests	Total shareholders' equity
Balance as at 1 January 2020		**20,744**	**(389)**	**492**	**(40,420)**	**1,552**	**(1,173)**	**(4)**	**-**	**(19,198)**
Result for the period		-	-	-	(16,914)	-	-	-	-	(16,914)
Other comprehensive income / (loss)		-	-	-	(40)	-	-	(629)	-	(669)
Total comprehensive loss for the period		**-**	**-**	**-**	**(16,954)**	**-**	**-**	**(629)**	**-**	**(17,583)**
Transactions with owners in their capacity as owners										
Non-controlling interests on acquisition of subsidiary	*5.6*	-	-	-	-	-	-	-	2,440	2,440
Put option written over non-controlling interests	*5.6*	-	-	-	(22)	-	(3,925)	-	(2,440)	(6,387)
Share-based payments		-	-	-	-	54	-	-	-	54
Issuance of shares for cash	*5.13*	7,303	(24)	-	-	-	-	-	-	7,279
Issuance of shares upon conversion of convertible bonds	*5.13*	21,157	-	-	-	-	4,795	-	-	25,952
Embedded derivatives re capital increase in cash	*5.13*	-	-	-	-	-	(553)	-	-	(553)
Balance as at 30 June 2020		**49,204**	**(413)**	**492**	**(57,396)**	**1,606**	**(856)**	**(633)**	**-**	**(7,996)**

The notes form an integral part of these interim consolidated financial statements.

4. Interim consolidated statement of cash flows

Thousands of Euro	*Notes*	For the 6-month period ended 30 June 2021	For the 6-month period ended 30 June 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		**(11,070)**	**(16,914)**
Adjustments for:			
- Depreciation of property, plant & equipment		553	398
- Depreciation of right of use assets		1,967	1,559
- Amortisation of intangible fixed assets	*5.10*	7,661	4,460
- Impairments of trade receivables		12	168
- Financial income		(15)	(59)
- Financial expenses		962	5,000
- Share of (profit) / loss of joint ventures		-	51
- Gain from remeasurement of previously held interest upon assuming control over a subsidiary		-	(465)
- Share-based compensation		185	54
- Income tax expense / (income)		666	408
- Fair value change of derivative	*5.20*	(2,094)	2,312
Subtotal		**(1,173)**	**(3,028)**
Changes in Working Capital			
(Increase) / decrease in trade receivables and contract assets		1,712	(821)
(Increase) / decrease in other current and non-current receivables		(497)	(602)
(Increase) / decrease in Inventory		7	5
Increase / (decrease) in trade and other liabilities		1,660	9,184
Cash generated from / (used in) operations		**1,709**	**4,738**
Income taxes paid		(993)	(48)
Net cash generated from / (used in) operating activities		**716**	**4,690**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments made for acquisition of subsidiaries, net of cash acquired	*5.6*	(82,784)	1,298
Settlement of the Fitek Slovakia put option	*5.15*	(2,000)	
Payments made for purchase of property, plant & equipment		(1,033)	(959)
Proceeds from the disposals of property, plant & equipment		8	34
Payments made for purchase of intangibles and development expenses	*5.10*	(9,316)	(4,992)
Proceeds from the disposals of intangibles and development expenses	*5.10*	2	-
Interest received		15	59
Net cash generated from / (used in) investing activities		**(95,108)**	**(4,560)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares	*5.13*	525	7,303
Dividends paid to non-controlling interests		-	(14)
Exercise price ESOP	*5.13*	501	-
Proceeds from loans and borrowings	*5.16*	2,692	3,453
Repayments of loans and borrowings	*5.16*	(7,230)	(2,819)
Interest paid on loans and borrowings		(827)	(722)
Costs related to equity issuance		-	(24)
Repayment of lease liabilities		(2,067)	(1,760)
Net cash generated from / (used in) financing activities		**(6,406)**	**5,416**
Foreign currency translation impact on cash		20	(24)
Net increase / (decrease) in cash & cash equivalents		**(100,778)**	**5,522**
Cash and cash equivalents at beginning of period	*5.12*	125,924	3,046
Cash and cash equivalents at end of period	*5.12*	25,146	8,568

The notes form an integral part of these interim consolidated financial statements.

5. Notes to the interim 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 postage 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 interim consolidated financial statements of Unifiedpost Group SA for the 6-month period ended 30 June 2021 (the "Interim Consolidated Financial Statements") comprise Unifiedpost Group SA and its subsidiaries together "the Group" as outlined in note 5.19.

These Interim Consolidated Financial Statements were authorised for issue by the Board of Directors on 15 September 2021.

5.2 Basis of preparation

These Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2020 financial statements.

The accounting standards applied in the Interim Consolidated Financial Statements for the period ended 30 June 2021 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2020, except for the presentation of the revenue per product line and 453 thousand bank borrowings that have been reclassed from current to non-current loans and borrowings in the 31 December 2020 figures. The definition and therefore the content of print production product line has been adapted (see note 5.7.1).

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

Standards and interpretations effective for the annual period beginning on or after 1 January 2021

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

This amendment does not have a significant impact on the group's financial statements.

Standards and interpretations published, but not yet effective for the annual period beginning on 1 January 2021

- 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 but not yet endorsed in the EU)
- 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)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, 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, but not yet endorsed in the EU)
- 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, but not yet endorsed in the EU)
- 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, but not yet endorsed in the EU)

The Interim 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 5.20.1.

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

5.3 Significant changes in the accounting policies

Unifiedpost Group SA has applied the same accounting policies and methods of computation in its Interim Consolidated Financial Statements as in its 2020 Annual Financial Statements. For some 2021 business combinations, different useful lifetimes were used for intangible assets compared to previous business combinations. The updated table of estimated useful lives is as follows:

Intangible asset	Estimated useful life
Internally generated software	5 years
Acquired software	3 – 5 years
Customer relationships	5 – 15 years
Trade names	5 – 10 years

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 notes:

- **Going concern** – At 30 June 2021, the Group has € 10.1 million net debt. Net debt has been defined as cash and cash equivalents - investments minus interest bearing financial debts minus lease liabilities. After 30 June 2021, the current financial partners have committed an additional factoring credit line of € 20 million. This additional credit line will be used (i) to further finance the budgeted investment programs and projected cash drain for the next 12 months and (ii) to pay the deferred or contingent cash considerations payable within the next 12 months. Based on cash planning, the Group would spend parts of the additional credit line to fulfil all commitments in the next 12 months. This implies that meeting the present business plan is crucial and that any significant delay in realisation could result in cash shortfalls. In addition, the Group is confident to have sufficient opportunities to further expand current credit commitments with current or new financial parties. Furthermore, the Group has the ability to make quick savings in the current plan to avoid cash shortages.

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 5.10);
- **Amortisation of customer relations** – the useful life of customer relations has been estimated at 5-15 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 5.9);
- **Development expenses** – Estimate of future economic benefits to be generated by development expenditure and determination of the useful life of intangible assets for amortisation purposes (see note 5.8);
- **Deferred tax** – Estimate of timing and amount of future taxable profits against which unused tax losses can be utilised ; and
- **Fair value measurement** – Fair value measurement of the contingent considerations, value of newly issued shares at conversion of vendor loans, 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 5.20).

5.5 Significant events and transactions

2021 Acquisitions

In the 6-month period ending 30 June 2021, the Group successfully completed 6 acquisitions. On 8 January 2021, Unifiedpost Group SA completed 3 acquisitions of 100% of the shares of 21 Grams Holding AB, Akti NV and BanqUP BV. On 19 March 2021, Unifiedpost Group SA announced 2 acquisitions of 100% of the shares of Digithera S.r.l. and Sistema Efactura SL.

On 12 April 2021, Unifiedpost Group SA announced the acquisition of 100% of the shares of Crossinx GmbH. Prior to the acquisition, on 26 March 2021, Crossinx had concluded an agreement for the purchase of all shares in First Business Post in Hungary.

In addition to the 6 acquisitions listed above, The Group acquired on 7 June 2021 the remaining 49% shares of Fitek Slovakia through exercising the call option.

COVID-19 pandemic

In 2020, the group was negatively impacted by COVID-19, mainly in transactional revenue. An estimated revenue of € 1 million was lost by the reduction of economic activity over the 6-month period ending 30 June 2020. Project revenue was slightly impacted due to postponed projects by the lockdowns.

For the 6-month period ending 30 June 2021, there are no indications that the Group has been losing customers due to COVID-19. While the Group is recovering quite well from the Covid-impact incurred over last year in the more traditional paper-related segment of our business, we do note that some migration projects from paper to digital were postponed to the second half of the year impacting some of our operations temporarily.

5.6 Business combinations during the period

5.6.1 Summary of acquisitions

The Group has made the following acquisitions since 1 January 2020:

Acquisitions	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration *(Thousands of Euro)*
Fitek Balkan d.o.o.	Financial process automation	11/02/2020	51%	6,964
Tehnobiro d.o.o.	Financial process automation	3/07/2020	51%	340
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
Sistema Efactura SL	Financial process automation	18/03/2021	100%	1,934
Digithera S.r.l.	Financial process automation	24/03/2021	100%	1,549
Crossinx GmbH	Financial process automation	9/04/2021	100%	93,821

2021 Acquisitions

The 2021 and 2020 acquisitions are aligned with the Group's focused buy-and-build strategy and are intended to create and further expand a one-stop-shop service offering including the solutions of the acquired business, in existing markets as well as the acquired businesses' new local markets.

Akti

On 8 January 2021, the Company acquired 100% of the shares in Akti NV. Akti is a Belgian cloud company which provides SMEs with commerce and e-commerce solutions, including order management and invoice processing. The consideration transferred for the business combination amounts to a total of € 1.5 million of which € 0.2 million is a deferred payment. The remaining amount of the consideration is a € 1.3 million vendor loan received from the sellers which has been converted in capital subsequently. The fair value of the 54,651 shares issued as part of the vendor loan conversion (€ 1.3 million) was based on the published share price on 8 January 2021 of € 23.495 per share.

BanqUP

On 8 January 2021, the Company acquired 100% of the shares in BanqUP BV. The company has operational activities in Belgium and Poland. The consideration transferred for the business combination amounts to a total of € 7.4 million, including € 3.9 million vendor loans received from the sellers which have been converted in capital and a deferred payment of € 1.4 million. The remaining amount of the consideration has been paid in cash. The fair value of the 165,301 shares issued as part of the vendor loan conversion (€ 3.8 million) was based on the published share price on 8 January 2021 of € 23.495 per share.

21 Grams

On 8 January 2021, the Company acquired 100% of the shares in 21 Grams. 21 Grams (21 Grams Holding AB), with its headquarters in Stockholm and operations in Sweden, Norway and Denmark, provides mission-critical outbound mailing solutions as well as amortised post(age) and parcel services. The consideration transferred for the business combination amounts to a total of € 40.4 million consisting of a consideration in cash of € 31.3 million and € 3.3 million vendor loans received from the sellers which subsequently have been converted in capital and € 5.8 million loan repayment. The fair value of the 139,542 shares issued as part of the vendor loan conversion (€ 3.3 million) was based on the published share price on 8 January 2021 of € 23.495 per share.

Sistema Efactura

On 18 March 2021, the Company acquired an additional 100% of the shares in Sistema Efactura SL, a company based in Madrid, Spain. Sistema Efactura offers a full digital invoicing ecosystem for businesses and public administrations to lower costs, increase efficiency and security with access to payments and financing. The consideration transferred for the business combination amounts to total € 1.9 million. The acquisition is paid in cash for € 0.4 million. The remaining € 0.4 million concerns a deferred payment and € 1.1 million loan repayment.

Digithera

On 24 March 2021, the Company acquired 100% of the shares in Digithera S.r.l. Digithera is an Italian company, based in Milan, that provides an electronic invoicing platform to businesses that want to fulfil their Italian (electronic) invoicing obligations. The consideration transferred for the business combination amounts to total € 1.5 million consisting of a consideration in cash of € 1.1 million and € 0.3 million vendor loans received from the sellers which subsequently have been converted in capital and a deferred payment of € 0.1 million.

Crossinx

On 9 April 2021, the Company acquired 100% of the shares in Crossinx GmbH. Crossinx has a network reach to over 350,000 companies. The group offers flexible, scalable solutions for electronic invoice processing, EDI and supply chain financing in the Dach-region. The initial consideration transferred on the acquisition date for the business combination amounts to € 93.8 million. The initial consideration consists of a cash payment for an amount of € 46.9 million, € 45.1 million were vendor loans received from the sellers which subsequently have been converted in capital, and € 1.8 million relates to the settlement of pre-existing relationships. The fair value of the 2,426,727 shares issued as part of the vendor loan conversion (€ 45.1 million) was based on the published share price on 8 January 2021 of € 18.5 per share.

The total of the 3 subsequent 'on-target' contingent considerations on the revenue targets of 2021, 2022 and 2023, amounts to € 40 million (€ 13.3 million per year), of which 50% is to be paid in cash and 50% in shares. In addition, the maximum contingent consideration is capped based on a 150% revenue performance to an additional € 20 million payable in shares only. The fair value of the contingent consideration has been valued at € 0 thousand. Management has made the assessment that no contingent consideration will need to be paid based on the actual revenue recognised and current forecasts. The current forecasts are based on the information available at closing date and acquisition date.

Prior to the acquisition, on 26 March 2021, Crossinx had concluded an agreement for the purchase of all shares in First Business Post in Hungary. The initial consideration amounts to € 3.6 million consisting of a consideration in cash of € 3.3 million and a deferred payment of € 0.3 million. The fair value of a contingent consideration of € 0.3 million has been valued at € 0 thousand. Management has made the assessment that no contingent consideration will need to be paid based on the actual revenue recognised and current forecasts. The current forecasts are based on the information available at closing date and acquisition date.

Fitek Slovakia

The Group acquired on 7 June 2021 the remaining 49% shares of Fitek Slovakia through exercising the call option for an amount of € 2.0 million. On 23 December 2019, the Group gained control over Fitek Slovakia by acquiring an additional 1% of the shares in the entity in exchange for aggregate consideration of € 2.6 million, including a vendor loan of € 0.1 million, the settlement of an outstanding loan towards Fitek Slovakia of € 0.4 million and the fair value of the 50% equity previously held in the Fitek Slovakia joint venture of € 2.1 million.

The total acquisition expenses of the 2021 acquisitions amount to € 1,154 thousand.

2020 Acquisitions

Fitek Balkan

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan joint ventures, thereby obtaining control of them. The consideration transferred to affect the business combination amounts to € 7.0 million, including vendor loans received from the sellers of € 0.2 million, the settlement of pre-existing relationships of € 0.1 million and the fair value of the 50% equity previously held in the Fitek Balkan joint venture of € 6.8 million.

Tehnobiro

On 3 July 2020, the Fitek Balkan acquired 51% of the shares of Tehnobiro d.o.o., thereby obtaining control of them. The consideration transferred to affect the business combination is estimated to total € 340 thousand. A provisional fair value adjustment of € 54 thousand has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method.

5.6.2 Consideration transferred

The total consideration transferred to affect the business combinations can be summarised as follows:

	2021						2020	
Thousands of Euro	**21 Grams**	**BanqUP**	**Akti**	**Digithera**	**Sistema Efactura**	**Crossinx**	**Tehnobiro**	**Fitek Balkan**
Cash	31,357	2,098	-	1,140	418	46,911	270	-
Issuance of ordinary shares	3,278	3,884	1,284	282	-	45,080	-	-
Deferred payment	-	1,398	204	127	387	-	-	-
Bank loans not assumed but immediately settled	5,792	-	-	-	1,129	-	-	-
Contingent cash consideration	-	-	-	-	-	-	-	-
Vendor loan	-	-	-	-	-	-	70	150
Acquisition date fair value of the previously held equity interest	-	-	-	-	-	-	-	6,750
Settlement of pre-existing relationships	-	-	-	-	-	1,830	-	64
Total consideration	**40,427**	**7,380**	**1,488**	**1,549**	**1,934**	**93,821**	**340**	**6,964**

5.6.3 Assets acquired and liabilities assumed at the date of acquisition

Details of the provisional fair value of identifiable assets and liabilities acquired in the 2021 and 2020 business combinations, and of the resulting goodwill are as follows:

	2021						2020	
Thousands of Euro	**21 Grams**	**BanqUP**	**Akti**	**Digithera**	**Sistema Efactura**	**Crossinx**	**Tehnobiro**	**Fitek Balkan**
Trade name	2,491	290	-	-	-	2	54	-
Software	13,988	547	121	469	1,148	1,114	-	365
Customer relationships	5,528	342	136	121	82	-	222	3,895
Other intangible assets	-	-	-	-	-	-	-	21
Property and equipment	167	-	2	8	34	97	147	3,710
Right-of-use assets	1,314	87	52	62	44	842	3	119
Other non-current assets	17	57	-	-	3	18	-	-
Inventories	12	-	-	-	-	-	-	263
Trade and other receivables	10,165	192	15	253	79	976	111	1,241
Prepaid expenses	-	-	-	3	-	52	-	1
Cash and cash equivalents	4,619	396	49	418	227	2,183	93	1,298
Lease liabilities	(1,219)	(87)	(52)	(62)	(44)	(842)	(3)	(122)
Loans and borrowings	(483)	(152)	-	(124)	(4)	(4,102)	-	(3,309)
Deferred tax liabilities	(4,201)	(158)	(22)	(141)	(20)	-	(35)	(735)
Trade and other payables	(10,367)	(135)	(34)	(262)	(158)	(1,374)	(39)	(1,703)
Tax liabilities	-	(7)	-	(3)	-	61	-	-
Contract liabilities	-	(682)	-	-	(122)	(858)	-	-
Non-controlling interests	-	-	-	-	-	-	(272)	(2,440)
Provisions	-	-	-	(54)	-	-	-	-
Total net assets	**22,031**	**690**	**267**	**688**	**1,269**	**-1,831**	**281**	**2,604**
Goodwill	**18,396**	**6,690**	**1,221**	**861**	**665**	**95,652**	**59**	**4,360**
Consideration transferred	**40,427**	**7,380**	**1,488**	**1,549**	**1,934**	**93,821**	**340**	**6,964**

2021 Acquisitions

Akti

The Company has provisionally identified and valued € 136 thousand in intangible assets acquired in the business combination, relating to customer relationships. The customer relations are amortised based on their estimated remaining useful life of 5 years. Additionally, the acquired technology has been valued at € 121 thousand and are amortised based on their estimated remaining useful life of 5 years.

BanqUP

The Company has provisionally identified and valued € 1,179 thousand in intangible assets acquired in the business combination that were not recognised by the acquired business. These include trade names of € 290 thousand (estimated using the relief-from-royalty method), customer relationships of € 342 thousand (estimated using the multi-period excess earnings method) and technology of € 547 thousand (estimated using the reproduction cost approach). These intangibles are amortised based on estimated remaining useful lives of 5 years for technology, of 10 years for trade names and of 15 years for customer relationships.

21 Grams

The Company has provisionally identified and valued € 22,007 thousand in intangible assets acquired in the combination that were not recognised by the acquired business. These include trade names of € 2,491 thousand (estimated using the relief-from-royalty method), customer relationships of € 5,528 thousand (estimated using the multi-period excess earnings method) and technology of € 13,988 thousand (estimated using the reproduction cost approach). These intangibles are amortised based on estimated remaining useful lives of 5 years technology, of 10 years for trade names and of 15 years for customer relationships.

Digithera

The Company has provisionally identified and valued € 121 thousand in intangible assets acquired in the business combination, relating to customer relationships. The customer relationships are amortised based on their estimated remaining useful life of 5 years. Additionally, the acquired technology has been valued at € 469 thousand (estimated using the reproduction cost approach) and are amortised based on their estimated remaining useful life of 5 years.

Sistema Efactura

The Company has provisionally identified and valued € 82 thousand in intangible assets acquired in the business combination, relating to customer relationships. The customer relationships are amortised based on their estimated remaining useful life of 10 years. Additionally, the acquired technology has been valued at € 1,148 thousand (estimated using the reproduction cost approach) and are amortised based on their estimated remaining useful life of 4 years.

Crossinx

On 9 April 2021, the Company acquired 100% of the shares in Crossinx. The purchase price allocation is ongoing and per 30 June 2021 no intangible assets have been provisionally identified yet, that were not recognised by the acquired business.

The final purchase price allocation of the 2021 business combinations will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, software and trade names (2) changes in allocations to other intangible assets as well as goodwill and (3) other changes to assets and liabilities.

The goodwill of the 2021 business combinations, arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

2020 Acquisitions

Fitek Balkan

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan joint ventures, thereby obtaining control of them. The consideration transferred to affect the business combination is estimated at € 7.0 million, including a provisional determination of the fair value of the previously held equity interest and the settlement of pre-existing relationships with the acquired entity. A fair value adjustment of € 3,895 thousand has been determined to reflect the fair value of acquired customer relationships, using the multi-period excess earnings method. The gain realised on the revaluation of the previously held 50 % equity interest amounts to € 465 thousand, which the Company reported under Other income.

Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The Group has granted a put option to non-controlling shareholders whereby they have the right to sell their shares to the Group at some future date, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, price adjusted for the fair market value of the Sirius Star's building in Belgrade. The terms do not provide a present ownership interest in the shares subject to the put. The fair value of the put option has been determined to be € 6,355 thousand (see note 5.16). A non-current liability has been recorded by partly offsetting the non-controlling interest recognised upon acquiring control over Fitek Balkan of € 2,440 thousand, while the remaining balance has been charged directly to the other reserves in the equity attributable to equity holders of the parent. The Balkan put option was valued at € 6,267 thousand at 30 June 2021.

No changes were made to the initial purchase price allocation.

Tehnobiro

€ 70 thousand of total consideration of € 340 thousand was contingent upon the fulfilment of the Tehnobiro's 2020 business plan.

Goodwill will arise from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

No changes were made to the initial purchase price allocation.

5.6.4 Revenue and profit or loss contribution

The tables below present:

- the contribution of the acquired businesses to the Group's revenues and net profit or loss for the period from their date of acquisition to 30 June; and
- the hypothetical contribution of the acquired businesses to the Group's revenue and net profit or loss for the period in which the acquisition took place, as if the acquisition had occurred on 1 January of that year. These amounts have been calculated using the acquired business' results and adjusting them essentially for differences in the accounting policies between the group and the acquired business.

						Since date of acquisition (2021)
	8 Jan 2021	8 Jan 2021	8 Jan 2021	18 Mar 2021	24 Mar 2021	9 Apr 2021
Thousands of Euro	21 Grams	BanqUP	Akti	Sistema Efactura	Digithera	Crossinx
Revenues	40,647	670	96	96	256	1,573
Profit / (loss) for the period	649	33	39	(105)	(44)	(668)

	Since date of acquisition (2020)
Thousands of Euro	Fitek Balkan
Revenues	2,430
Profit / (loss) for the period	(181)

						For the 6-month period ended 30 June 2021
Thousands of Euro	21 Grams	BanqUP	Akti	Sistema Efactura	Digithera	Crossinx
Revenues	40,647	670	96	347	573	3,122
Profit / (loss) for the period	649	33	39	(129)	(25)	(1,219)

	For the 6-month period ended 30 June 2020
Thousands of Euro	Fitek Balkan
Revenues	2,763
Profit / (loss) for the period	(251)

5.7 Revenue from contracts with customers

5.7.1 Disaggregation of revenue from contracts with customers

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

		For the 6-month period ended 30 June	
Thousands of Euro	**Timing of revenue recognition**	**2021**	**2020**
Revenue from recurring services		**76,227**	**30,651**
Transactions		65,614	22,830
- Document processing	*Over time*	*34,469*	*11,714*
- Postage & Parcel optimisation	*At a point in time*	*30,315*	*-*
- Print production	*At a point in time*	*830*	*11,116*
Subscriptions	Over time	9,315	6,467
Managed services	Over time	1,298	1,354
Project Revenue		**4,447**	**2,843**
Implementation requests	Over time when not distinct, at a point in time otherwise	1,111	85
Change requests	At a point in time	3,311	2,115
Sale of licenses	At a point in time	25	643
Total		**80,674**	**33,494**

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.

As of 2021 onwards, 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. Consequently, as of 2021, Print production only relates to offset printing business and no longer includes the paper-related (printed) documents business. This causes a significant fluctuation in between categories from Print production towards Document processing. Print production revenue per 30 June 2020, according to new classification, would have amounted to about € 495 thousand.

As a result of the acquisitive growth of the Group, product lines were updated and now also includes postage and parcel optimisation. As a result, the prior year presentation has been adapted accordingly.

The Group's revenue per product line was as follows for the 6-month period ended 30 June 2021 and 30 June 2020:

					For the 6-month period ended 30 June 2021
Thousands of EUR	**Documents & B2Box**	**Payments & Identity**	**Finance & services**	**Postage & parcel optimization**	**Total**
Revenue from recurring services	**39,198**	**5,260**	**1,454**	**30,315**	**76,227**
Transactions	34,859	440	-	30,315	65,614
- Document processing	*34,029*	*440*	-	-	*34,469*
- Postage & Parcel optimisation	-	-	-	*30,315*	*30,315*
- Print production	*830*	-	-	-	*830*
Subscriptions	4,166	4,820	329	-	9,315
Managed services	173	-	1,125	-	1,298
Project Revenue	**4,150**	**186**	**111**	**-**	**4,447**
Implementation requests	962	149	-	-	1,111
Change requests	3,163	37	111	-	3,311
Sale of licenses	25	-	-	-	25
Total	**43,348**	**5,446**	**1,565**	**30,315**	**80,674**

				For the 6-month period ended 30 June 2020
Thousands of Euro	**Documents & B2Box**	**Payments & Identity**	**Finance & services**	**Total**
Revenue from repeated services	**25,565**	**3,485**	**1,601**	**30,651**
Transactions	22,759	71	-	22,830
- Document processing	*11,643*	*71*	-	*11,714*
- Print production	*11,116*	-	-	*11,116*
Subscriptions	2,656	3,415	397	6,467
Managed services	150	-	1,204	1,354
Project Revenue	**2,731**	**56**	**56**	**2,843**
Implementation requests	50	35	-	85
Change requests	2,038	21	56	2,115
Sale of licenses	643	-	-	643
Total	**28,296**	**3,541**	**1,657**	**33,494**

5.7.2 Contract assets and liabilities

Contract assets arise when we recognise revenue in excess 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.

Thousands of Euro	**As at 30 June 2021**	**As at 31 December 2020**
Contract assets	784	374

Contract liabilities consist of billings or customer payments in excess 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;
- Fees for non-distinct implementation services 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	**As at 30 June 2021**	**As at 31 December 2020**
Non-current	(2,988)	(2,389)
Current	(11,578)	(10,211)
Total Contract liabilities	**(14,566)**	**(12,600)**

The following table provides an overview of contract liabilities from contracts with customers for the period ended 30 June 2021:

						Revenue to be recognized in
Thousands of Euro	**Total**	**01/07/2021 – 30/06/2022**	**01/07/2022 – 30/06/2023**	**01/07/2023 – 30/06/2024**	**01/07/2024 – 30/06/2025**	**01/07/2025 – 30/06/2026**
Subscription fees	10,657	8,189	1,882	586	-	-
Fees for non-distinct implementation services	1,569	1,176	309	76	5	3
PCS	2,340	2,213	88	39	-	-
Total Contract liabilities per 30 June 2021	**14,566**	**11,578**	**2,279**	**701**	**5**	**3**

At 30 June 2021, non-current contract liabilities mainly relate to € 2,468 thousand for subscription fees billed in advance, in relation to identity services.

79% of the total contract liabilities of € 14,566 thousand, are expected to be recognised in revenue during period 1 July 2021 until 30 June 2022. In the following period, 1 July 2022 until 30 June 2023, about 16% will be recognised as revenue. The remaining 5% is predominantly attributable to the period 1 July 2023 until 30 June 2024.

The following table provides an overview of contract liabilities from contracts with customers for the period ended 31 December 2020:

						Revenue to be recognized in
Thousands of Euro	**Total**	**2021**	**2022**	**2023**	**2024**	**2025**
Subscription fees	8,749	6,606	1,662	481	-	-
Fees for non-distinct implementation services	864	781	47	31	4	1
PCS	2,987	2,824	144	19	-	-
Total Contract liabilities per 31 December 2020	**12,600**	**10,211**	**1,853**	**531**	**4**	**1**

At 31 December 2020, non-current contract liabilities mainly relate to € 2,143 thousand for subscription fees billed in advance, in relation to identity services.

81% of the total contract liabilities of € 12,600 thousand, were expected to be recognised in revenue during 2021. During 2022 about 15% will be recognised as revenue. The remaining 4% is predominantly attributable to 2023, and for a minor part to 2024 and 2025. (2019: 85% in 2020, 11% in 2021 and 4% in 2022).

Movements in current contract liabilities for the years ending 30 June 2021 and 31 December 2020 are as follows:

Thousands of Euro	**As at 30 June 2021**	**As at 31 December 2020**
Balance at 1 January	**12,600**	**7,924**
Revenue recognised that was included in the contract liability balance at the beginning of the period:	(10,417)	(6,753)
Subscriptions	*(7,005)*	*(5,755)*
Implementation services	*(539)*	*(300)*
PCS	*(2,872)*	*(698)*
Revenue deferred during the period	10,721	11,429
Business combinations (see note 5.6)	1,662	-
Balance	**14,566**	**12,600**

5.8 Disclosure of expenses

Details of expenses by nature and by type are as follows:

Thousands of Euro	**For the 6-month period ended 30 June 2021**	**For the 6-month period ended 30 June 2020**
Expenses by nature		
Scanning, printing and postage	47,943	11,335
Employee benefits	33,131	21,906
Subcontractors	1,062	618
Capitalization of own development costs	(8,746)	(4,746)
Cloud and other IT services	1,699	1,262
Marketing	917	967
Professional services	4,264	3,677
Facility costs	991	712
Depreciation of tangible assets	2,520	1,957
Amortisation of intangible assets	7,661	4,460
Other expenses	777	1,041
Total	**92,219**	**43,189**
Expenses by type		
Cost of services	55,812	19,426
Research and development expenses	6,553	5,742
General and administrative expenses	18,572	13,050
Selling and marketing expenses	11,282	4,971
Total	**92,219**	**43,189**

The total expenses increased from € 43.2 million to € 92.2 million. € 43.1 million increase in expenses relates to the expenses of the acquired businesses of 2021. Of this increase relates € 35.8 million to cost of services, € 0.7 million to research and development expenses, € 4.4 million to administrative expenses and € 2.2 million to selling and marketing expenses. The increase in cost of services relates for € 27.0 million to the cost of service in the product unit Post and Parcel optimisation.

The Professional services for the 6-month period ended 30 June 2021 includes acquisition expenses (€ 1.154 thousand), software consulting services, other consulting fees and the professional services of the acquired companies while for the 6-month period ended 30 June 2020 the costs were mainly related to legal, reporting accountants' and other fees expensed in preparation of the contemplated listing of the Company's shares on Euronext Brussels (2020: € 2.3 million).

Depreciations and amortization charges by type		
Thousands of Euro	**For the 6-month period ended 30 June 2021**	**For the 6-month period ended 30 June 2020**
Depreciation		
Cost of Services	603	661
Research and development expenses	548	437
General and administrative expenses	991	629
Selling and marketing expenses	378	230
Total	**2,520**	**1,957**
Amortisation		
Cost of services	-	19
Research and development expenses	2,893	2,038
General and administrative expenses	2,441	1,416
Selling and marketing expenses	2,327	987
Total	**7,661**	**4,460**

5.9 Goodwill and impairment testing

The carrying amount of goodwill is summarised as follows:

At 1 January 2021	**35,159**
Additions	123,485
Foreign exchange difference	64
At 30 June 2021	**158,708**

At 1 January 2020	**30,842**
Additions	4,360
Foreign exchange difference	(133)
At 30 June 2020	**35,069**

Allocation to Cash Generating Units (CGUs)

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

The carrying amount of goodwill is summarised as follows:

Thousands of Euro	As at 30 June 2021	As at 31 December 2020
Document processing solutions	21,259	21,258
Print production	1,117	1,117
Payment solutions	142	142
Fitek Baltics	3,048	3,048
Fitek Slovakia	1,757	1,757
Unifiedpost Limited	3,528	3,418
Fitek Balkan	4,360	4,360
Tehnobiro	59	59
21 Grams	18,349	-
BanqUP	6,690	-
Akti	1,221	-
Digithera	861	-
Sistema Efactura	665	-
Crossinx	95,652	-
Total	**158,708**	**35,159**

In the course of the first 6 months of 2021, goodwill increased significantly as a result 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.

Following the different acquisitions in 2021, the Group updated its product strategy and go-to-market strategy in 2021 in order to roll out the products over the platform in its Pan European growth ambition. This strategy change implied a review of the defined CGUs as reported in the 2020 Annual Financial Statements. 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 documents
- CGU Print production

Documents & B2Box

- CGU Payment and identity
- CGU Financial services
- CGU Post and Parcel optimisation

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 project 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 taking into account the performance of each of these units.

Thousands of Euro	**As at 31 December 2020**	**Transfer**	**Revised as at 31 December 2020**	**Acquisitions**	**Currency exchange**	**As at 30 June 2021**
Document processing solutions	21,258	(21,258)	-			-
Print production	1,117	(1,117)	-			-
Payment solutions	142	(142)	-			-
Fitek Baltics	3,048	(3,048)	-			-
Fitek Slovakia	1,757	(1,757)	-			-
Unifiedpost Limited	3,418	(3,418)	-			-
Fitek Balkan	4,360	(4,360)	-			-
Tehnobiro	59	(59)	-			-
CGU Digital documents		33,900	33,900	116,795	64	150,459
CGU Print production		1,117	1,117	-		1,117
CGU Payment and Identity		142	142	6,690		6,832
CGU Financial Services			-	-		-
Total	**35,159**	**-**	**35,159**	**123,485**	**64**	**158,708**

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 half-year performance, the group has not identified indicators which would lead to accelerate the impairment exercise. The current exercise is planned to be executed in the fourth quarter of 2021.

5.10 Other intangible assets

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

(i) Cost		Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro	*Notes*						
At 1 January 2021		**608**	**186**	**23,703**	**32,172**	**6,905**	**63,574**
Additions		-	596	8,430	-	290	9,316
Disposals		-	-	-	-	(185)	(185)
Transfers		-	(414)	432	-	(18)	-
Business combinations	*5.6*	2,783	638	-	6,209	16,749	26,379
Foreign exchange difference		(17)	-	16	101	(90)	10
At 30 June 2021		**3,374**	**1,006**	**32,581**	**38,482**	**23,651**	**99,094**
(ii) Accumulated amortisation							
Thousands of Euro							
At 1 January 2021		**108**	**-**	**6,423**	**6,128**	**3,050**	**15,709**
Amortisation charge	*5.8*	224	-	2,822	2,102	2,513	7,661
Disposals		-	-	-	-	(184)	(184)
Foreign exchange difference		1	-	5	(86)	(77)	(157)
At 30 June 2021		**333**	**-**	**9,250**	**8,144**	**5,302**	**23,029**
(iii) Net book value							
Thousands of Euro							
At 1 January 2021		**500**	**186**	**17,280**	**26,044**	**3,855**	**47,865**
Gross book value		3,374	1,006	32,581	38,482	23,651	99,094
Accumulated amortisation		(333)	-	(9,250)	(8,144)	(5,302)	(23,029)
At 30 June 2021		**3,041**	**1,006**	**23,331**	**30,338**	**18,349**	**76,065**

(i) Cost		Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro	*Notes*						
At 1 January 2020		**3,431**	**830**	**12,897**	**28,209**	**6,109**	**51,476**
Additions		-	416	4,283	-	293	4,992
Transfers		-	(333)	333	1	(2)	(1)
Business combinations	*5.6*	-	-	-	3,895	386	4,281
Foreign exchange difference		-	-	-	(475)	(23)	(498)
At 30 June 2020		**3,431**	**913**	**17,513**	**31,630**	**6,763**	**60,250**
(ii) Accumulated amortisation							
Thousands of Euro							
At 1 January 2020		**586**	**-**	**3,043**	**2,206**	**1,576**	**7,411**
Amortisation charge	*5.8*	343	-	1,579	1,867	671	4,460
Foreign exchange difference		-	-	-	(54)	(18)	(72)
At 30 June 2020		**929**	**-**	**4,622**	**4,019**	**2,229**	**11,799**
(iii) Net book value							
Thousands of Euro							
At 1 January 2020		**2,845**	**830**	**9,854**	**26,003**	**4,533**	**44,065**
Gross book value		3,431	913	17,513	31,630	6,763	60,250
Accumulated amortisation		(929)	-	(4,622)	(4,019)	(2,229)	(11,799)
At 30 June 2020		**2,502**	**913**	**12,891**	**27,611**	**4,534**	**48,451**

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:

Internally generated software	As at 30 June 2021	As at 31 December2020	End of amortisation period
Thousands of Euro			
Payment software related to online collection services	2,176	3,021	2023-2026
Development of Billtobox-based platform software	6,888	4,463	2023-2026
Robotic Process automation improvements	1,022	968	2022-2026
Documents registering, sharing and archiving functionality	4,402	2,957	2022-2026
Identity recognition and related solutions	1,396	1,311	2022-2026
Development software related to composing and designing document templates	2,103	1,621	2023-2026
Payment hub improvements and SEPA Direct Debit Mandate Mgr functionality	323	307	2022-2026
Platform for Finance and services	382	-	2026
Payment software related to Bill2Pay	1,639	-	2024-2026
FitekIn - Inbound approval workflow improvements	2,791	2,578	2026
Postage optimisation	163	-	2026
Other	46	54	2026
Total	**23,331**	**17,280**	

The customer relationships mainly relate to the following assets:

Customer relationships	As at 30 June 2021	As at 31 December 2020	End of amortisation period
Thousands of Euro			
DS&DS	82	97	2023
Onea	33	55	2021
ADMS	45	54	2022
Inventive Designers	757	913	2022
Leleu	92	112	2022
Facturis	1,119	1,342	2023
Akti	122	-	2026
BanqUP	330	-	2036
Fitek	11,925	12,693	2029
Fitek Slovakia	1,658	1,755	2029
Fitek Balkan	3,343	3,538	2030
Tehnobiro	199	211	2030
Unifiedpost Limited (Prime Document)	5,152	5,274	2029
21 Grams	5,286	-	2036
Digithera	115	-	2026
Sistema Efactura	80	-	2031
Total	**30,338**	**26,044**	

5.11 Trade and other receivables

Thousands of Euro	**As at 30 June 2021**	**As at 31 December 2020**
Trade receivables	22,146	12,198
Less: allowance for expected credit losses	(186)	(174)
Trade receivables – net	21,960	12,024
VAT receivable	1,277	1,205
Factoring receivables	-	2,080
Recoverable social security	4	-
Payment Solutions customers' Funds in Transit	2,562	1,663
Other amounts receivable	1,205	746
Total	**27,008**	**17,718**

The outstanding factoring debts of € 1,729 thousand are included as short-term bank loans per 30 June 2021, whereas per 31 December 2020, the outstanding factoring receivable amounted to € 2,080 thousand (see note 5.14.1 e).

Payment Solutions customers' Funds in Transit relates to cash received from the end-clients of Unifiedpost's Payment Solutions customers that still needs to be transferred to the Company's Payment Solutions customers. The liability relating to transfer has been disclosed in the trade and other payable disclosure (see note 5.17). The difference has been recorded as restricted cash (see note 5.12).

5.12 Cash and cash equivalents

Thousands of Euro	**As at 30 June 2021**	**As at 31 December 2020**
Cash in hand	25	5
Cash at bank	24,110	125,711
Restricted Cash (Payment Solutions customers' cash)	1,011	208
Total Cash and cash equivalents	**25,146**	**125,924**

Cash and cash equivalents decreased with € 100,8 million in comparison with 31 December 2020, mainly due to the cash paid for the new acquisitions, net of cash acquired in 2021 (€ 77,9 million) and the repayment of some outstanding loans, including interests (€ 15,0 million). For further detail we refer to the interim consolidated statement of cash flows.

5.13 Share capital and reserves

Share capital

The total capital of Unifiedpost Group amounts to € 309,189 thousand and is represented by 33,449,599 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 of 5%, or a 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	Share capital	Share premium reserve	Other reserve	Total
Balance as at 1 January 2021	**30,401,990**	**251,543**	**492**	**4,395**	**256,430**
Issuance of shares from contribution in kind of vendor loan of:					
- Akti	54,651	1,156	-	128	1,284
- BangUp	165,301	3,496	-	388	3,884
- 21 Grams	139,542	2,951	-	327	3,278
Conversion of investment rights linked to contribution in cash of June-July 2020	50,000	500	-	-	500
Settlement of share-based payments (ESOP)	70,000	160	-	-	160
Issuance of shares from contribution in kind of vendor loan of Digithera	14,098	282	-	-	282
Conversion of investment rights linked to contribution in cash of June-July 2020	2,500	25	-	-	25
Settlement of share-based payments (ESOP)	86,660	284	-	-	284
Issuance of shares from contribution in kind of vendor loan of Crossinx	2,436,727	48,735	-	-3,655	45,080
Settlement of share-based payments (ESOP)	28,130	57	-	-	57
Difference in fair value embedded derivative contribution in cash June-July 2020	-	-	-	735	735
Share-based payments- conversions	-	-	-	410	410
Put option JV Romania	-	-	-	-1,000	-1,000
Current year profit and OCI of NCI with put option	-	-	-	-13	-13
Changes in carrying value of liabilities associated with puttable NCI	-	-	-	-89	-89
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option (JV Slovakia)	-	-	-	1,276	1,276
Balance as at 30 June 2021	**33,449,599**	**309,189**	**492**	**2,902**	**312,583**

Thousands of Euro	Number* of shares	Issued capital	Share premium	Other reserve	Total
At 1 January 2020	**1,518,193**	**20,744**	**492**	**(1,173)**	**20,063**
Contribution in cash	73,026	7,303	-	-	7,303
Put option written over non-controlling interests	-	-	-	(3,925)	(3,925)
Embedded derivative contribution in cash	-	-	-	(553)	(553)
Nominal value bond conversion (at € 75 per share)	282,086	21,157	-	-	21,157
Difference fair value shares and nominal value bond conversion (at € 92)	-	-	-	4,795	4,795
At 30 June 2020	**1,873,305**	**49,204**	**492**	**(856)**	**48,840**

(*) number of shares 1 January 2020 and 30 June 2020 are presented prior to the share split by 10 of 31 August 2020

The 2021 capital increase took place in three rounds:

1. **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.

2. **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.

3. **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.

After the forementioned issuances of the new shares, the share capital of the Company increases to € 309,188,642.93 represented by 33,449,599 shares without mention of nominal value.

In order to be able to prepare for the listing, the shareholders' meeting of 31 August 2020, decided to abolish the existing Class A, Class B, Class C and Class D Shares (issued upon the 2020 bond conversion) and changed the rights attached to the Class A, Class B, Class C and Class D Shares so that each Share entitle its holder to the same rights. In addition, the existing shares were split in 10. The share split was approved by the general shareholders meeting of 31 August 2020.

Three anti-dilution protection clauses for the capital increase subscribers were attached to the capital increase of 26 June 2020 and 17 July 2020. 2 anti-dilution protection clauses became void as of the Private Placement and subsequent Listing in September 2020. Only the third anti-dilution clause remains applicable being: "During a term of two years starting from the date of the Principal Capital Increase, each subscriber will be entitled to additionally invest at the same subscription price as the Principal Capital Increase for an amount up to 25% of his initial investment in this Principal Capital Increase".

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 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. The instrument has been measured at fair value through profit or loss.

The third anti-dilution clause in which each subscriber of the capital increase of 26 June 2020 and 17 July 2020, will be entitled to additionally invest 25% of their initial investment at the same subscription price has been valued at 30 June 2021 at € 921 thousand. € 2,094 thousand fair value gain has been recognised through profit and loss relating to the anti-dilution rights in 2021 (see note 5.20.1).

In 2021 certain anti-dilution rights have been converted in 52,500 shares representing a capital of € 525 thousand.

Other equity

Other equity includes:

- 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;
- share-based payments reserve; this is reclassified to retained earnings upon exercise of the subscription rights; and for
- the difference between the redemption liability associated with puttable non-controlling interests and the amount of non-controlling interests derecognised (see note 5.15); if the non-controlling interests put is exercised, that treatment is applied up to the date of exercise; if the non-controlling put expires unexercised, the position is unwound so that the non-controlling interest is recognised at the amount it would have been, as if the put option had never been granted, and the financial liability is derecognised, with a corresponding credit to the reserve in equity.

5.14 Borrowings

Following is an overview of outstanding loans and borrowings at each reporting date:

Thousands of Euro			As at 30 June 2021			As at 31 December 2020
	Non-current	Current	Total	Non-current	Current	Total
Bank borrowings (5.14.1)	18,354	7,492	25,846	19,593	6,189	25,782
Refundable government advances	331	75	406	274	76	350
Other loans (5.14.2)	801	1,565	2,366	-	-	-
Total loans and borrowings	**19,486**	**9,132**	**28,618**	**19,867**	**6,265**	**26,132**

5.14.1 Bank Borrowings

The bank borrowings can be summarised as follows:

Thousands of Euro			As at 30 June 2021			As at 31 December 2020
Unsecured	Non-current	Current	Total	Non-current	Current	Total
Subordinated loan	4,000	-	4,000	4,000	145	4,145
Other bank borrowings	762	60	822	23 (*)	302 (*)	325
Total unsecured bank borrowings	**4,762**	**60**	**4,822**	**4,023 (*)**	**447 (*)**	**4470**
Secured						
Acquisition facility Belfius Bank	9,916	2,897	12,813	11,333	2,897	14,230
Acquisition facility Buildings Sirius Star	1,673	178	1,851	1,759	-	1,759
Investment credit	1,308	898	2,206	1,515 (*)	905 (*)	2,420
Other bank borrowings	695	3,459	4,154	963 (*)	1,940 (*)	2,903
Total secured bank borrowings	**13,592**	**7,432**	**21,024**	**15,570 (*)**	**5,742 (*)**	**21,312**
Total bank borrowings	**18,354**	**7,492**	**25,846**	**19,593**	**6,189**	**25,782**

(*) Disclosed unsecured other bank borrowings at Fitek Balkan in the 31st of December 2020 figures are reclassed to secured investment credits (€ 2,146 thousand) and to secured other bank borrowings (€ 658 thousand)

The Group's principal loans outstanding are:

a. the "Subordinated Loan" provided by the "Belgische Maatschappij voor Internationale Investering NV" (BMI) to which the Company is "Co-Debtor";
b. the "Acquisition Facility" provided by Belfius Bank NV;
c. the "Acquisition Facility Buildings Sirius Star" provided by ProCredit Banka;
d. Investment credits;
e. Other bank borrowings:
   - the factoring agreement with BNP;
   - the long-term loan with Commerzbank;

a. BMI Subordinated Loan (unsecured)

Financial Automation Solutions OÜ, the Estonian subsidiary of the Company holding the 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.

b. Acquisition Facility

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 (the "Acquisition Facility", as amended from time to time). All amounts borrowed by the Company under the Acquisition Facility have to be applied towards either the financing of permitted acquisitions or refinancing of acquisitions of ADM Solutions, Leleu Document Services and Inventive Designers (each a "Permitted Acquisition").

On 4 April 2019, the Acquisition Facility was amended to, among other things, increase the total amount available under the credit facility from € 25 million to € 34 million and to include the acquisition of Fitek as a Permitted Acquisition. In connection with the increase in the available amount, the Company entered into a guarantee agreement with Gigarant NV on 10 April 2019 in favour of Belfius Bank NV to secure a portion of € 9 million of the principal amounts due by the Group under the Acquisition Facility (the "Gigarant Guarantee").

The Acquisition Facility considered of facility A in the amount of € 17 million ("Facility A"), and facility B in the amount of € 17 million ("Facility B" and together with Facility A, the "Facilities"). 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 is repayable in twelve semi-annual instalments.

The Company has used the full amount available to it under the Facilities to finance its acquisition of Fitek, Leleu Document Services, Inventive Designers and ADM Solutions.

To secure the Acquisition Facility, the Company has pledged all of the shares it holds in Leleu Document Services, Inventive Designers, Unifiedpost SA and PDOCHOLCO Limited. Furthermore, the Company has given a first ranking omnibus pledge over its material moveable assets in the amount of € 30 million and a second ranking omnibus pledge over its material moveable assets in the amount of € 10.8 million.

Unifiedpost Payments NV, Unifiedpost BV, UP-Nxt NV, Unifiedpost SARL, Unifiedpost SA, Financial Automation Solutions OÜ and PDOCHOLCO Limited act as guarantors under the Acquisition Facility (each a "Guarantor"), whereby each Guarantor jointly and severally guarantees the performance of all payment obligations of the Company and the other Guarantors under the Acquisition Facility. On or before 30 September 2021, 21 Grams and Crossinx will be added as Guarantors.

The Gigarant Guarantee provides a guarantee for 26.48% of the Company's secured liability, which shall in any event not exceed an amount of € 9 million. Pursuant to the Gigarant Guarantee, the Company cannot incur any indebtedness, other than under the Acquisition Facility or any other existing debts, without the prior written consent of Gigarant NV.

Furthermore, the Company cannot use any of the Facilities to grant a loan or to provide any form of credit to any person, nor can it grant any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any third party or assume any third-party liabilities. Lastly, no change of control on the level of the Company is permitted without the written consent of Gigarant NV.

Pursuant to the Acquisition Facility, the Company is subject to several financial covenants and the Company cannot, and has to procure that no group companies will, create or permit to subsist any security or quasi-security over any of its assets, with the exception of certain permitted securities. The Company has to procure that no substantial change is made to the general nature of the business of the Group. The Company needs to ensure that its senior adjusted leverage (calculated as some ratio of consolidated net financial debt to adjusted pro forma consolidated EBITDA) shall not at any time exceed 3:1 and the Group is subject to a semi-annual test for compliance with such requirement.

Furthermore, the Company cannot incur or remain outstanding any financial indebtedness, other than such indebtedness allowed under the Acquisition Facility. Also, the Company cannot enter into transactions with a view to sell, lease, transfer or otherwise dispose of any asset, except for such transactions with respect to obsolete or redundant assets, transactions taking place on an intra-group level or transactions being made in the ordinary course of trading.

In the event that a change of control (i.e., the aggregate ownership of Sofias BVBA, PE Group NV, Smartfin Capital NV, Mr. Michel Delloye and the management and employees of the Company on 12 March 2019, the date of the Acquisition Facility, falling below 25%) takes place all Facilities will be cancelled and all outstanding loans, together with accrued interest, and all other amounts accrued under the relevant financial documents will become immediately due and payable. In January 2021, Smartfin Capital NV sold its shares in the Company.

And finally, the shares the Company holds in 21 Grams and Crossinx will be pledged on or before 30 September 2021, and both 21 Grams and Crossinx will then be added as additional Guarantors under the Acquisition Facility. However, for the guarantor coverage covenant calculation as at 30 June 2021, the assets of 21 Grams and Crossinx have already been included.

The loan covenants per 30 June 2021 were complied with:

- the Senior Leverage did not exceed the 3:1 ratio at 30 June 2021;
- the guarantor coverage percentage (including 21 Grams and Crossinx) was met at 30 June 2021.

c. Acquisition Facility Buildings Sirius Star

The non-current secured acquisition facility outstanding per 30 June 2021 of € 1,673 thousand relates to the loan relating to the Sirius Star building in Belgrade (Fitek Balkan).

d. Investment Credits

- On 15 March 2017, the Company entered into a € 1 million investment credit to finance the acquisition of Onea NV. The credit has a term of 5 years and carries an interest of 1.649% per annum. The credit is secured by a pledge over the shares of UP-NXT NV, following the merger between Onea NV and UP-NXT NV. The current outstanding is short term debt of € 173 thousand.
- Unifiedpost doo (Fitek Balkan) has currently 6 investment loans agreed with Erste Banka (1 loan), UniCreditbanka (1 loan), ProCredit Banka (3 loans) and Eurobanka (1 loan). The long-term outstanding of these credits is € 1.211 thousand and short-term outstanding is € 517 thousand.
- Unifiedpost Solutions doo and New Image doo (Fitek Balkan) have outstanding investment loans with UniCredit banka with a long-term outstanding of € 97 thousand and short-term outstanding of € 116 thousand;
- Digithera srl has an investment credit with final due date 09/03/2022 at an interest rate of 1,80% and with a short-term outstanding of € 93 thousand.

e. Other bank borrowings

- **Factoring agreement with 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.

  At 30 June 2021 and 31 December 2020, 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 € 1,729 thousand is included as short-term bank loans per 30 June 2021. Per 31 December 2020, there was an outstanding factoring receivable that amounted to € 2,080 thousand (see note 5.11).

- **Long-term loan with Commerzbank (unsecured)**: On March 17, 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 is due within the first 12 months. Covenant check is only required from December 2022 onwards whereby a positive free cashflow is required and an EBIT of € 1 million.

5.14.2 Other loans

The other loans relate to deferred considerations of the 2021 acquisitions (€ 2,116 thousand – see note 5.6 Business Combinations), as well as a loan of € 250 thousand to the previous shareholders of First Business Post.

5.15 Liabilities associated with puttable non-controlling interests

Thousands of Euro	**Liabilities associated with puttable non-controlling interests**		
	Non-current	**Current**	**Total**
At 1 January 2021	**1,788**	**6,178**	**7,966**
Put option relating to created joint venture	1,000	-	1,000
De-recognition of Fitek Slovakia put option liability due to exercise of linked call option	(2,000)	-	(2,000)
Unwinding & remeasurement effect	212	89	301
At 30 June 2021	**1,000**	**6,267**	**7,267**

Thousands of Euro	**Liabilities associated with puttable non-controlling interests**		
	Non-current	**Current**	**Total**
At 1 January 2020	**2,000**	**-**	**2,000**
Business combination	6,355	-	6,355
Unwinding & remeasurement effect	37	-	37
At 30 June 2020	**8,392**	**-**	**8,392**

Fitek Slovakia

On 23 December 2019, the Group had granted a put option to non-controlling shareholders of Fitek 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.

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 Fitek Balkan 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 added with the fair market value of the Sirius Star's building. 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 (€ 6,355 thousand) with debit entries to derecognise non-controlling interests (€ 2,440 thousand) and a direct charge to the equity attributable to equity holders (€ 3,915 thousand). 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. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity. At 30 June 2021, the Fitek Balkan put option was valued at € 6,267 thousand.

Unifiedpost Romania JV

A shareholder's agreement was signed 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). 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. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

5.16 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.

Thousands of Euro	Non-current	Current	Total
As at 1 January 2021	**21,112**	**16,736**	**37,848**
Cash flows			
Debt drawdown	706	1,988	2,694
Repayments debts	(1,264)	(5,966)	(7,230)
Non-cash changes			
Accrued interest	28	12	40
Business combinations	1,882	2,984	4,866
Reclass to current	(426)	426	-
Embedded derivatives in capital increase in cash	-	(2,829)	(2,829)
Put option written on non-controlling interests	(788)	89	(699)
Deferred payments	801	1,315	2,116
As at 30 June 2021	**22,051**	**14,755**	**36,806**

Thousands of Euro	Non-current	Current	Total
As at 1 January 2020	**57,010**	**39,497**	**96,507**
Cash flows			
Debt drawdown	1,037	2,416	3,453
Repayments debts	(13)	(2,806)	(2,819)
Non-cash changes			
Accrued interest	4,843	(652)	4,191
Business combinations	2,416	893	3,309
Reclass to current	(31,502)	31,502	-
Changes in fair value derivative embedded in convertible bond + capital increase	2,312	-	2,312
Conversion into capital of host liability	(25,952)	-	(25,952)
Embedded derivatives in capital increase in cash	553	-	553
Put option written on non-controlling interests	6,392	-	6,392
As at 30 June 2020	**17,096**	**70,850**	**87,946**

5.17 Trade and other payables

Thousands of Euro	As at 30 June 2021	As at 31 December 2020
Trade payables	17,431	8,806
Accrued expenses	1,437	609
VAT payable	1,317	684
Salaries and social security payable	5,440	3,764
Payment Solution customers' Funds in transit	3,573	1,871
Other amounts payable	751	819
Total	**29,949**	**16,553**

5.18 Segment information

Until December 2020, the Company has managed its operations and allocated its resources as a single operating segment. As announced earlier, 2021 is a year of construction for the Group with six acquisitions and at the same time the groupwide roll out of some strategic products.

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.

The company is currently revising its reporting structure and segment reporting in view of the Group's updated product strategy and go-to-market strategy in 2021 allowing for the roll out of central products over its platform. As per today, the Group has identified the following operating segments with separate business activities :

- Digital Documents
- Print Production
- Payments and Identity
- Financial Services
- Post and Parcel optimisation

Recent acquisitions seem to be in compliance with the above product units (operating segments) but the exercise has not yet been finalised. Some further refinements may come as a result of the 2021 acquisitions. The Group has started to organise financial information structuring within the different ERP's and in the consolidation and reporting tool allowing for the allocation of key financial information along these product units.

The following segment information per product unit could be completed:

Thousands of Euro	Digital documents	Print production	Payments and Identity	Financial Services	Post and Parcel optimisation	Overhead	Total
For the 6-month period ended 30 June 2021							
Revenue							
Total Revenue	42,518	830	5,446	1,565	30,315	-	80,674
As at 30 June 2021							
Intangible fixed assets							
Net book value	59,541	348	6,679	607	8,890	-	76,065
Staffing (FTE's) at closing date							
In Number (#) of FTE's	804	15	74	26	24	363	1,306

Thousands of Euro	Digital documents	Print production	Payments and Identity	Financial Services	Post and Parcel optimisation	Overhead	Total
For the 6-month period ended 30 June 2020							
Revenue							
Total Revenue	27,801	495	3,541	1,656	-	-	33,494
At 31 December 2020							
Intangible fixed assets							
Net book value	42,615	420	4,830	-	-	-	47,865
Staffing (FTE's) at closing date							
In Number (#) of FTE's	527	16	66	14	-	256	878

Next to the above operating segments, the Group is also monitoring its business performance by region. The regional segment reporting for the same key financials are presented in the below table:

Thousands of Euro	**West Europe**	**Central Europe**	**North Europe**	**South Europe**	**Rest of World**	**Total**
For the 6-month period ended 30 June 2021						
Revenue						
Total Revenue	27,620	1,389	47,620	4,045	-	**80,674**
%	34%	2%	59%	5%	0%	
As at 30 June 2021						
Intangible fixed assets						
Net book value	31,947	2,255	35,234	6,629	-	**76,065**
Staffing (FTE's)						
In Number (#) of FTE's	532	59	278	421	16	**1,306**

Thousands of Euro	**West Europe**	**Central Europe**	**North Europe**	**South Europe**	**Rest of World**	**Total**
For the 6-month period ended 30 June 2020						
Revenue						
Total Revenue	23,735	1,019	6,258	2,482	-	**33,494**
%	71%	3%	19%	7%	0%	
At 31 December 2020						
Intangible fixed assets						
Net book value	25,930	1,755	14,892	5,288	-	**47,865**
Staffing (FTE's)						
In Number (#) of FTE's	378	37	188	274	1	**878**

5.19 Investment in subsidiaries

The Group's interim consolidated financial statements consolidate the following entities, as from incorporation or acquisition date.

Foundation/ Acquisition year	Name of entity	Registered office	Country	Company registration n°	2021	2020	
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 (formerly UPM 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 32131857	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	-	100%	(e)
2014	The eID Company SA	Rue du Congrès 35, BE - 1000 Bruxelles	Belgium	BE 0886.325.919	100%	100%	
2016	Unifiedpost Payments SA (formerly Pay-Nxt 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 (formerly Stichting Pay-Nxt)	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%	100%	
2018	Inventive Designers NV	Sint-Bernardsesteenweg 552, BE - 2660 Antwerpen	Belgium	BE 0453.758.377	100%	100%	
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 (formerly Fitek Holding SIA)	Dēļu iela 4, Rīga, Latvia	Latvia	40103957063	100%	100%	
2019	Unifiedpost AS (formerly Fitek AS_EE2)	Tartu mnt 43, Tallinn 10128, Estonia	Estonia	10179336	100%	100%	
2019	Unifiedpost AS (formerly Fitek AS_LV2)	Delu street 4, Riga, Latvia	Latvia	40003380477	100%	100%	
2019	Unifiedpost UAB (formerly Fitek LT_LT1)	Užubalių k., Avižienių sen., 14180 Vilniaus r., Lithuania	Lithuania	111629419	100%	100%	
2019	Unifiedpost s.r.o. (formerly Fitek s.r.o.)	Nová rožňavská 136, 831 04 Bratislava, Slovakia	Slovakia	46950095	100%	51%	(a)
2019	Unifiedpost s.r.o. (formerly Fitek Czech Republic s.r.o.)	Roztylská 1860/1, Chodov, 148 00 Prague	Czech Republic	6145132	100%	51%	(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 (formerly Prime Document Limited)	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	03732738	100%	100%	
2019	Unifiedpost Finance & Services SA (formerly Fin-Nxt NV)	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.	Cara Dušana 212, Beograd 11080, Serbia	Serbia	20451653	51%	51%	(d)
2020	Unifiedpost d.o.o. (formerly Fitek Balkan d.o.o.)	Cara Dušana 212, Beograd 11080, Serbia	Serbia	17245481	51%	51%	(d)
2020	Unifiedpost Solutions d.o.o. (formerly Fitek Solutions d.o.o.)	Cara Dušana 212, Beograd 11080, Serbia	Serbia	20006188	51%	51%	(d)
2020	Unifiedpost d.o.o. Banja Luka (formerly Fitek Banja Luka d.o.o.)	Đ. Damjanovića 24, Banjaluka 78000, Bosnia	Bosnia and Herzegovina	11090249	51%	51%	(d)
2020	ImageSoft d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	Serbia	21301116	51%	51%	(d)
2020	Sirius Star d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	Serbia	21448150	51%	51%	(d)
2020	Tehnobiro d.o.o.	Varvarinska 14, Belgrade, Serbia	Serbia	17097512	51%	51%	(d)
2020	Unifiedpost Business Solutions s.r.l. (formerly Fitek Romania s.r.l.)	Bucharest, Mihai Bravu Street no 325, block 55, scale 1, 10 floor, Ap. 37, Districkt 3	Romania	J40/7873/2020	51%	n.a.	
2020	Unifiedpost Ltd (Vietnam)	2nd floor, No. 94 Xyan Thuy, Thao Dien ward, district 2, Ho Chi Minh city, Vietnam	Vietnam	316455613	100%	n.a.	

2020	Unifiedpost SAS	Spaces La Défense 1-7 Cours Valmy 92800 Puteaux, France	France	880353339	100%	n.a.	
2021	21 Grams Holding AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	559024-4132	100%	n.a.	(b)
2021	21 Grams AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556666-3729	100%	n.a.	(b)
2021	21 Grams AS	Professor Birkelands vei 36, 1081 oslo, Norway	Norway	919043903	100%	n.a.	(b)
2021	21 Grams Ltd	7/8 Eghams Court Boston Drive, Bourne End, Buckinghamshire, United Kingdom, SL8 5YS	United Kingdom	5826757	100%	n.a.	(b)
2021	Addoro AB	Västra Hamngatan 18, 403 13 Göteborg, Sweden	Sweden	556771-5957	100%	n.a.	(b)
2021	Europe Post ApS	Hedelykken 2-4, 2640 Hedehusene, Denmark	Denmark	33581920	100%	n.a.	(b)
2021	Mailworld Group AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556914-4081	100%	n.a.	(b)
2021	Mailworld AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556647-7658	100%	n.a.	(b)
2021	Mailworld Office AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	556790-7778	100%	n.a.	(b)
2021	Mailworld Invest AB	Lumaparksvägen 9, 120 31 Stockholm, Sweden	Sweden	559125-1920	100%	n.a.	(b)
2021	Akti NV	Kantersteen 10, Brussel, 1000, Belgium	Belgium	BE0882.583.501	100%	n.a.	(b)
2021	BanqUP BV	Kortrijksesteenweg 1146, Sint-Denijs-Westrem, 9051, Belgium	Belgium	BE0664929753	100%	n.a.	(b)
2021	Banqware Sp.z.o.o.	Aleje Jerozolimskie 123A, Warszawa, 02-017, Poland	Poland	PL9512426439	100%	n.a.	(b)
2021	Digithera Srl	Via Paleocapa 1, Milano, 20121, Italy	Italy	IT08567210961	100%	n.a.	(b)
2021	Digithera Albania	Bul. Zogu Pare, P.33, H.23, Tirane	Albania	L51411004C	100%	n.a.	(b)
2021	Sistema Efactura SL	Calle Musgo 3, Madrid, 28023, Spain	Spain	ESB88554589	100%	n.a.	(b)
2021	Crossinx GmbH	Hanauer Landstrasse 291A, Frankfurt am Main, 60314, Germany	Germany	DE257417911	100%	n.a.	(b)
2021	Crossinx AG	Reissbachstrasse 59, Zurich, 8008, Switzerland	Switzerland	CHE-191.936.025 MWST	100%	n.a.	(b)
2021	I.C.S. Crossinx SRL	str. P.Moliva 21 of 9, Chisinau, MD-2004, Moldova	Moldova	TVA 0208379	100%	n.a.	(b)
2021	First Business Post Kft - Central Europe	Ábel Jenő utca 23, Budapest, 1113, Hungary	Hungary	HU14463053	100%	n.a.	(b)
2021	Unifiedpost PTE.LTD.	16 Raffeles Quay #38-03 Hong Leong Building, Singapore	Singapore	202103840H	100%	n.a.	

a) Call option exercised to increase ownership to 100% in 2021
b) Business combinations of 2021
c) Liquidated in 2021
d) Business combination of the 2020 reporting period
e) Merged with Unifiedpost BV on 1 January 2021

5.20 Financial instruments and financial risk management

5.20.1 Financial instruments

Categories and fair value of financial instruments

The following table discloses the carrying amount of the Group's financial instruments in categories:

		As at 30 June	As at 31 December
		2021	2020
Thousands of Euro	Categories	Carrying amount	Carrying amount
Financial assets			
Trade and other receivables	FAAC (*)	27,008	17,718
Cash and cash equivalents	FAAC (*)	25,146	125,924
Total		**52,154**	**143,642**

Financial liabilities			
Subscription rights derivative liability	FLAFVTPL (****)	921	3,750
Contingent consideration Crossinx (earn-outs)	FLAFVTPL (****)	-	-
Loans and borrowings	FLAC (**)	28,618	26,132
Liabilities associated with puttable non-controlling interests	FLAFVTPL (****)	7,267	7,966
Lease liabilities	FLAC (**)	9,427	8,057
Trade and other payables	FLAC (**)	29,949	16,553
Total		**76,182**	**62,458**

(*) Financial assets measured at amortised cost

(**) Financial liabilities measured at amortised cost

(***) Financial assets at fair value through profit or loss

(****) Financial liabilities at fair value through profit or loss

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 5.14).

Recognised 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:

	Derivative fin. instr. re convertible bonds	Derivative fin. instr. re anti-dilution clauses	Liabilities associates with puttable non-controlling interests	Contingent consideration Crossinx (earn-outs)	Total
Thousands of Euro	Level 3	Level 3	Level 3	Level 3	Level 3
At 1 January 2021	**-**	**3,750**	**7,966**	**-**	**11,716**
Put option relating to created joint venture	-	-	1,000	-	1,000
Change in fair value through profit or loss	-	(2,094)	-	-	(2,094)
Derecognition of the conversion option (conversion into capital)	-	(735)	(2,000)	-	(2,735)
Business combination	-	-	-	-	-
Unwinding effect of discount	-	-	301	-	301
At 30 June 2021	**-**	**921**	**7,267**	**-**	**8,188**

	Derivative fin. instr. re convertible bonds	Derivative fin. instr. re anti-dilution clauses	Liabilities associates with puttable non-controlling interests	Total
Thousands of Euro	Level 3	Level 3	Level 3	Level 3
At 1 January 2020	**12.937**		**2,000**	**14,937**
Subscription rights derivative liability	533	-	-	553
Change in fair value through profit or loss	2,313	-	-	2,312
Derecognition of the conversion option (conversion into capital)	(7,358)	-	-	(7,358)
Business combination	-	-	6,355	6,355
Unwinding effect of discount	-	-	37	37
At 30 June 2020	**8,445**	**-**	**8,392**	**16,837**

The fair value of the derivative financial liability was calculated at inception using an option pricing model.

The following summarises information about the significant unobservable inputs used in the level 3 fair value measurement of the subscription rights derivatives:

The subscription rights derivatives were valued applying the Black-Scholes model. The fair value of the derivative amounts to € 921 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the subscription rights derivative, can be summarised as follows:

- the estimated current stock price: an increase of the estimated current stock price by € 10 would increase fair value by € 157 thousand; a decrease of the estimated current stock price by € 10 would decrease fair value by € 165 thousand;
- the volatility of the stock price (62% volatility assumed): an increase of the volatility by 10% would increase the fair value by € 70 thousand; a decrease of the volatility by 10% would decrease the fair value by € 72 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 Fitek Balkan can be summarised as follows:

- The weighted annual growth rate of the revenues (5,7%): an increase or decrease of the annual growth rate of the revenues would not affect 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 (2,9%): an increase of the discount rate by 1% would decrease fair value by € 263 thousand, a decrease of the discount rate by 1% would increase fair value by € 277 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 amounts to 12,1% as of 2024 (Unifiedpost Business Solutions needs to be considered as a start-up entity until 2023);
- The applied discount rate (4,85%): an increase of the discount rate by 1% would decrease fair value by € 51 thousand, a decrease of the discount rate by 1% would increase fair value by € 54 thousand.

On 7 June 2021, the Group exercised the call option right to purchase the ownership interests of the 2 remaining minority shareholders of Fitek Slovakia, who owned jointly 49% of the shares, for a total amount of € 2 million.

The fair value of the Crossinx contingent consideration has been valued at € 0 thousand. Management has made the assessment that no contingent consideration will need to be paid based on the actual revenue recognised and current forecasts. The current forecasts are based on the information available at closing date and acquisition date.

5.20.2 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.

5.20.3 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	**18,745**	**17,662**	**17,296**	**6,928**	**3,799**	**64,429**
Derivative financial instruments	-	921	-	-	-	921
Loans & Borrowings	3,112	5,893	12,436	2,422	5,114	28,977
Liabilities associated with puttable non-controlling interests	-	6,267	1,000	-	-	7,267
Lease liabilities	967	2,803	2,534	2,992	355	9,652
Trade & other payables	28,900	949	60	40	-	29,949
At 30 June 2021	**32,979**	**16,833**	**16,030**	**5,454**	**5,470**	**76,766**
At 1 January 2020	**50,130**	**8,637**	**6,209**	**8,342**	**4,032**	**77,350**
Derivative financial instruments	-	9,815	-	-	-	9,815
Loans & Borrowings	3,506	37,632	1,942	1,396	4,770	49,246
Liabilities associated with puttable non-controlling interests	-	-	-	8,392	-	8,392
Lease liabilities	834	2,295	2,475	2,812	560	8,976
Trade & other payables	23,035	-	-	-	-	23,035
At 30 June 2020	**27,375**	**49,742**	**4,417**	**12,600**	**5,330**	**99,464**

5.20.3.1 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', as calculated below at each reporting date:

			As at 30 June **As at 31 December**
Thousands of Euro	*Notes*	**2021**	**2020**
Net debt			
Cash and cash equivalents	*5.12*	(25,146)	(125,924)
Bank borrowings	*5.14*	25,846	25,783
Lease liabilities		9,427	8,057
Net debt / (Cash)		**10,127**	**(92,084)**
'Equity'			
Reported shareholders' equity		211,859	168,197
'Equity'		**211,859**	**168,197**
Gearing ratio		**5%**	**-55%**

The gearing ratio decreased at 30 June 2021 due to the different acquisitions performed.

Furthermore, under the terms of the Acquisition Facility provided by Belfius Bank NV, the Group is required to comply with its senior adjusted leverage covenant, as described in note 5.14. The Senior Leverage did not exceed the 3:1 ratio at 30 June 2021, therefore the Company is in compliance with the senior leverage covenant. In addition, the guarantor coverage percentage was met at 30 June 2021 including next to Fitek and PrimeDocument, also 21 Grams and Crossinx as additional guarantors.

5.20.3.2 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).

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 the Euro, the Romanian Lei (RON) for its development centre in Romania, the British pound (GBP) for the acquired Unifiedpost Ltd operations, the Serbian Dinar (RSD) for Fitek Balkan, the Swedish Krona (SEK), the Norwegian Krona and Danish Krona for the recently acquired 21 Grams activities and Singapore Dollar and the Vietnamese Dong for the starting up operations in Singapore and Vietnam.

The Group's policy to date has not been to actively hedge the net investment position in local operations.

At 30 June 2021, the currency risk on assets and liabilities was as follows based on notional amounts:

Thousands of Euro	RON	GBP	RSD	SEK
Receivables	31	560	1,597	8,901
Payables	377	547	830	9,244
Loans payable	-	-	500	-

At 31 December 2020, the currency risk on assets and liabilities was as follows based on notional amounts:

Thousands of Euro	RON	GBP	RSD
Receivables	111	863	1,517
Payables	639	698	1,014
Loans payable	-	-	500

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 arises from short-term and long-term borrowings at variable interest rates. The Acquisition Facility carries interest at Euribor + a margin. A hypothetical 1% increase or decrease of Euribor would cause interests to increase or decrease, respectively, by € 127 thousand on a full year basis.

5.21 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:

	Sales to related party For the 6-month period ended 30 June		Services from related party For the 6-month period ended 30 June	
Thousands of Euro	**2021**	**2020**	**2021**	**2020**
Shareholders	-	-	-	-
Key management	-	-	-	122
Associates & joint ventures	-	-	-	6
Members of the Board of Directors	-	-	108	-

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties:

	Amounts owed to related party		Amount owed by related party	
	As at 30 June	As at 31 December	As at 30 June	As at 31 December
Thousands of Euro	**2021**	**2020**	**2021**	**2020**
Shareholders	-	-	-	-
Key management	152	63	-	21
Associates & joint ventures	-	-	-	-
Members of the Board of Directors	108	58	-	-
Other related parties	-	3	-	-

Amounts owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. Amounts owed by related parties relate to cash advances made to key management.

No provisions for doubtful debts have been recognised against amounts outstanding, and no expense has been recognised during the period in respect of bad or doubtful debts due from related parties.

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. In the financials of 2021, the management of Fitek and Primedoc have not been included anymore as key management, in comparison with the June 2020 financials.

	For the 6-month period ended 30 June	
Thousands of Euro	**2021**	**2020**
Short-term employee benefits	711	1,089
Interest	-	42

5.22 Events after the reporting date

Unifiedpost Croatia JV

On 8 July 2021, the Group established a joint venture with the aim to provide e-invoicing services in Croatia. The Group has a 51% ownership in this joint venture. Unifiedpost Croatia JV is located in Zagreb.

Factoring credit line

The credit committees of BNP Paribas Fortis Factor and Belfius Commercial Finance approved to grant an additional factoring credit line of € 20 million to the Group in July 2021.

Unifiedpost Finland

On 23 July 2021, Unifiedpost Oy, was incorporated in Finland.

Branches

To deliver a full payment services package to the SME market segment in 25 countries, including PSD2 connectivity and IBAN accounts, the group will gradually be establishing branches of Unifiedpost Payments SA in 21 countries.

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Auditor's report to the Board of Directors of Unifiedpost Group SA on the review of interim condensed consolidated statements for the six-month period ended 30 June 2021

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Unifiedpost Group SA as of 30 June 2021 and the related interim consolidated statements of profit or loss and comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, 16 September 2021

Ellen Lombaerts

Digitaal ondertekend door Ellen Lombaerts
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BDO Réviseurs d'Entreprises SRL
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