

HiPay: A new year of profitable growth in 2021, operating cash flow of +6.8M€

- Annual revenues up 18% compared to an exceptional 2020
- EBITDA once again positive at 2.8 million euros, an increase of 88% excluding elements related to the public health crisis in 2020
- Strong cash flow of 6.8 million euros from operating activities

April 7, 2022 at 7:00 am: HiPay, a fintech specializing in omnichannel payment solutions announces its 2021 results.

In millions of euros (IFRS norms)	2020	2021	Var. %
Consolidated Income Statement¹			
Payment volume	5,565	6,612	+ 19 %
Revenue	45.7	53.9	+ 18 %
EBITDA	3.4	2.8	- 17 %
Current operating income	-0.1	-0.7	-
Net income	-1.8	-4.3	-
Consolidated Balance Sheet¹			
Shareholders' equity	34.5	29.9	- 13 %
Available cash	3.1	2.1	- 31 %

¹ Consolidated income at 31 December 2021 is currently being reviewed by external auditors. The accounts were closed on 31 March 2022 by the board of directors. The 2021 financial report as well as the auditors' report will be published on the company's website.

Sustained growth in 2021, after an exceptional 2020

In 2021, HiPay's payment volume reached 6.6 billion euros (1 billion euros more than in 2020), and revenue was 53.9 million euros (up 18% vs. 2020), corresponding to a stable revenue-to-payment volume ratio of 0.82%.

After 2020, which was strongly spurred by the pandemic and confinements and led many merchants to accelerate their digital transformations, HiPay managed to maintain a robust growth rate, due in particular to the continued growth of e-commerce. The group capitalized on its strong position with its core target group, tier-2 customers.

During the 2019/2021 period, the average annual growth rate was +24% compared to +19% during the 2017/2019 period.

Controlling operating costs

The direct cost rate remains at 0.45%, equivalent to that of 2020 and 2019, which attests to HiPay's ability to control its operating costs.

EBITDA was 2.8 million euros, which was positive for a second year in a row after 3.4 million euros in 2020, a year in which the company benefited from operating cost savings due to the public health situation, including partial business measures not renewed in 2021. When adjusted for this situation, EBITDA increased by 88%.

Taking into account a loss of -2.8 million euros from non-ordinary activities (total and prudent provision for a tax risk), a net loss of -0.6 million euros and a tax expense of 0.3 million euros, the net result is -4.3 million euros (vs. -1.8 million euros in 2020).

Strong operating cash flow generation

HiPay's 2021 performance resulted in an operating cash flow of 6.8 million euros, which is higher than its investments. It consists mainly of cash flow from operations of 3.6 million and a change in working capital of 3.2 million. HiPay's business model, once operational profitability is achieved, benefits from an advantageous working capital structure. Its main revenue components are collected much quicker than its direct costs and other operating expenses are disbursed.

As of December 31, 2021, the company has 2.1 million euros in available cash.

Additionally, there is a 3.7 million euro unused balance from the BJ Invest current account. Therefore, as of December 31, 2021, HiPay has a cash mobilization capacity of 5.8 million euros.

² Direct cost rate: commissions paid to payment partners and technical connection costs as a percentage of volume of business

Outlook

HiPay expects another year of double-digit growth in 2022, with first quarter sales growing at a more moderate pace than in the last quarter of 2021. At the same time, the group will continue to rigorously manage its expenses by striving to contain structural costs and by controlling the increase in its marketing budget in order to convert an increasingly significant portion of its growth into EBITDA and operating cash flow generation.

Additionally, HiPay will continue to grow profitably by expanding its client portfolio, increasing the average volume processed per client and regularly adding new value-added features to its platform.

Next financial communication: Q1 2022 revenue - May 19, 2022 before market opening.

About HiPay

HiPay is a global payment service provider. By harnessing the power of payment data, we help our merchants grow by providing them with a 360-degree view of their business.

More information on hipay.com

HiPay Group is listed on Euronext Growth (ISIN code: FR0012821916 – ALHYP).

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Consolidated Income Statements for 2021 and 2020

<i>in thousands of Euros</i>	2021	2020
Sales	53 944	45 713
Direct costs	- 29 934	- 25 105
Payroll charges	- 15 593	- 12 999
General expenses	- 5 619	- 4 221
EBITDA	2 798	3 387
Depreciation and amortization	- 3 478	- 3 514
Current operating profit	- 680	- 127
Stock based compensation	- 256	- 168
Other non-current income and charges	- 2 521	- 277
Operating profit	- 3 457	- 572
Other financial income and charges	- 579	- 1 164
Earnings before tax of the consolidated companies	- 4 036	- 1 736
Income Tax	- 312	- 142
Net income	- 4 348	- 1 878

Consolidated Balance Sheets for 2021 and 2020

<i>ASSETS - in thousands of Euros</i>	December 31st, 2021	December 31st, 2020
Net Goodwill	40 222	40 222
Net intangible fixed assets	7 077	5 480
Net tangible fixed assets	7 388	8 591
Deferred tax assets	1 438	1 437
Other financial assets	1 152	1 117
Non-current assets	57 278	56 847
Receivables and other debtors	2 214	2 239
Other current assets	90 338	101 263
Cash and cash equivalents	2 124	3 081
Current assets	94 676	106 583
TOTAL ASSETS	151 954	163 430

<i>LIABILITIES - in thousands of Euros</i>	December 31st, 2021	December 31st, 2020
Share capital	19 844	19 844
Premiums on issue and on conveyance	50 156	50 156
Reserves and retained earnings	- 35 745	- 33 686
Consolidated net income (Group share)	- 4 348	- 1 878
Shareholders' equity	29 907	34 436
Long-term borrowings and financial liabilities	13 015	16 233
Non-current Provisions	3 267	624
Non-current liabilities	16 282	16 857
Short-term financial liabilities and bank overdrafts	8 393	-
Suppliers and other creditors	4 917	4 323
Other current debts	92 454	107 814
Current liabilities	105 764	112 137
TOTAL LIABILITIES	151 954	163 430

Consolidated Cash Flow Statements for 2021 and 2020

Consolidated Cash Flow Statement - in thousands of Euros	2021	2020
Net income	-4 348	-1 878
<i>Adjustments for:</i>		
Depreciation of the fixed assets	2 047	2 023
Depreciation of fixed assets IFRS 16	1 457	1 503
Other elements without impact on the cash	-1	-59
Tax litigation	2 677	0
Cost of debt IFRS 16	325	85
Financial income and charges	601	391
Result on sale of equity securities	0	16
Net income on disposals of fixed assets	0	-1
Net income on disposals of fixed assets	0	-110
Costs of payments based on shares	256	168
Tax charge or proceeds	313	141
Operating profit before variation of the operating capital need and provisions	3 327	2 280
Variation of the operating capital need	3 755	-2 687
Cash flow resulting from operating activities	7 082	-407
Interest paid	-209	-11
Tax on earnings paid	-57	-2
Net Cash Flow Resulting From Operating Activities	6 816	-420
Acquisition of fixed assets, debt	-4 889	-3 592
Variation of financial assets	-35	204
Net Cash Flow Resulting From Investing Activities	-4 924	-3 388
New borrowings	0	6 522
Loan repayments	-1 036	-130
Repayment of rent debt IFRS 16	-1 488	-793
Other financial liabilities variation	-325	-220
Net Cash Flow Resulting From Financing Activities	-2 849	5 379
Net Variation Of Cash And Cash Equivalents from continuing Activities	-957	1 569
Net cash on January 1st	3 081	1 512
Net cash at the end of the period	2 124	3 081