UNLOCKING VALUE THROUGH FOCUS ON CORE DIGITAL SERVICES

La Hulpe, Belgium —30 April 2024, 7:30 a.m. CET— Unifiedpost Group SA (Euronext: UPG) ("Unifiedpost"), a leader in cloud-based business process solutions for administrative and financial services, is holding a Strategic Update event today, in which we outline our refined strategic priorities and midterm objectives.

- **Core digital focus**: Emphasis on core digital services to accelerate growth while executing on a clear portfolio rationalisation strategy.
- **Modular approach:** The business model offers flexibility to meet specific customer requirements, broaden market reach and increase ARPU across our value chain.
- **Strategic partnerships:** Effective partnership approach is a key driver for network expansion, maximising reach and impact.
- **Regulatory preparedness:** A robust technological platform provides a strong platform to capture regulatory upside opportunities.
- **Clear financial framework:** Revised medium-term objectives with new revenue classification aligned to strategic focus, while adopting a disciplined approach to capital management.

Hans Leybaert, Chief Executive Officer and founder, commented:

"Following a detailed review of our business model, we are pleased to outline our refined strategic priorities with a clear focus on driving our core digital services. As digital transformation accelerates across our industry, we are streamlining our portfolio by divesting traditional services that are less relevant to our future. Our platform, allied to the flexibility offered by our modular approach to meet client demands, positions us strongly to capture opportunities in the short term and the benefits of incoming regulatory reforms. We have set ambitious yet realistic short and mid-term goals in line with our strategic objectives."

Strategic update

In 2023, we conducted a strategic review of the business model and assessed our core digital services *i.e.* e-identity, e-invoicing, e-payments and e-reporting, and our traditional communication service, *i.e.* our document data extraction, print and mail and paper-based services.

As digital transformation accelerates, the need for traditional communication services is decreasing. We are streamlining our portfolio to focus on the core digital services given the increased demand for complete digital solutions. As a result, our portfolio rationalisation is underway and several of our traditional communication services will potentially be divested in case opportunities arise. In this respect, we are in the process of divesting FitekIN and ONEA, *i.e.* two stand-alone products. This transaction is expected to be finalised in Q2 2024. In addition we have entered into exclusive negotiations in the Nordics. More information can be found on our press release which we issued at 7:00 this morning. Finally, we are currently making progress on other smaller divestment projects and signed several non-disclosure agreements in this respect. Potential proceeds from these divestment initiatives will be used to reduce net debt and strengthen our cash position.

Unifiedpost offers (i) an all-in-one solution for micro- enterprises and SMEs that consolidates financial tasks into one platform and (ii) an API integrations for our corporate clients under the brand name Banqup. Alongside this, eFaktura was launched in Serbia in 2023, our government licensable solution. Our solutions' modular capability provides the flexibility to meet specific customer requirements and broaden our target market.

We are focused on organically growing in this segment through our current footprint, upsells and upgrades, market share gains, and partner network strategy.

Our platform also positions us optimally for the upcoming regulatory wave which provides further upside opportunities to support scalability across multiple markets.

Financial framework

Revenue reclassification

We have reclassified our revenue segments to align with our strategic focus on the core digital services. Our previous revenue breakdown consisted of Digital Processing revenues (recurring and non-recurring) and Postage & Parcel optimisation revenue, where Digital Processing included core and hybrid services. Under the new reporting structure, the breakdown will be **Digital services** which represents our core business, and **Traditional Communication services** which represents hybrid digital and paper-based services.

Cash flow commitments

We remain committed to improving our cash flow position. The cost-cutting measures implemented over the last two years provide us with an improved foundation for future cash flow generation. This will be supported by EBITDA growth driven by organic revenue growth in our core digital services and higher gross margins in this division as well as a stabilised capex spend.

Our capital expenditure, in absolute terms, will be maintained at the level of the full year 2023, to facilitate strategic growth initiatives. Capex / Digital services revenue ratio is expected to decrease from 25-27% in FY 2023 towards ~6-7% in the mid-term.

FY 2024 objectives:

- Digital Service revenue growth: low teens
- Attaining free cash flow[1] breakeven under the current group structure (*i.e.* Pre disinvestments)

Medium-term objectives:

- Organic Digital Service revenue base case (Ex-regulation)
  - Revenue CAGR: mid-teens percentage growth
  - Drive gross margin close to ~70%
  - Capex as a ratio of Digital services revenue around 6-7%
- Regulation booster to be further quantified when mandatory laws in different countries are implemented.

Investors & Media webcast

Management will host a live video webcast for analysts, investors and media today at 2:00pm to 4:00pm CET.

A recording will be available shortly after the event. The event will occur virtually and be available to stream via a live webcast. To attend, please click the link below to subscribe:

https://onlinexperiences.com/Launch/QReg/ShowUUID=69A1FEE7-5AFC-4DC2-BD32-0ED753E88D51

A full replay be available after the webcast at: https://investors.unifiedpostgroup.com/

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[1] Free cashflow is defined as net income (i) plus non-cash items in the income statement, (ii) minus cash out for IFRS 16 adjustments, (iii) minus capital expenditure, (iv) minus reimbursement on loans and leasing for the reporting period