UNIFIEDPOST GROUP SA

Interim condensed consolidated financial statements
for the six-month period ended 30 June 2022
(unaudited)

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

Thousands of Euro, except for share data	Notes	For the 6-month period ended 30 June	
		2022	**2021**
Digital processing revenues	5.7	59.260	50.359
Digital processing cost of services	5.8	(35.557)	(28.818)
Digital processing gross profit		**23.703**	**21.541**
Postage & Parcel optimisation revenues	5.7	32.404	30.315
Postage & Parcel optimisation cost of services	5.8	(29.067)	(26.994)
Postage & Parcel optimisation gross profit		**3.337**	**3.321**
Research and development expenses	5.8	(7.549)	(6.553)
General and administrative expenses	5.8	(22.659)	(18.572)
Selling and marketing expenses	5.8	(14.624)	(11.282)
Other income / (expenses)		(440)	(5)
Net impairment gains / (losses) on financial and contract assets		-	(1)
Loss from operations		**(18.232)**	**(11.551)**
Changes in fair value of financial liabilities	5.19	535	2.094
Financial income		245	15
Financial expenses	5.9	(3.552)	(962)
Loss before tax		**(21.004)**	**(10.404)**
Income tax		(146)	(666)
LOSS FOR THE PERIOD		**(21.150)**	**(11.070)**
Other comprehensive income:		**(1.971)**	**278**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension obligations		-	(37)
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		(1.971)	315
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(23.121)**	**(10.792)**
Loss is attributable to:			
Owners of the parent		(20.760)	(11.090)
Non-controlling interests		(390)	20
Total comprehensive loss is attributable to:			
Owners of the parent		(22.731)	(10.812)
Non-controlling interests		(390)	20
Earnings per share attributable to the equity holders of the parent			
Basic		(0.61)	(0.35)
Diluted		(0.61)	(0.35)

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

2. Interim consolidated statement of financial position (unaudited)

Thousands of Euro	Notes	As at 30 June	As at 31 December
		2022	**2021**
ASSETS			
Goodwill	5.10	154.153	154.956
Other intangible assets	5.11	83.762	83.503
Property and equipment		8.427	8.004
Right-of-use-assets		11.810	11.718(*)
Non-current contract costs		1.040	945
Deferred tax assets		329	310
Other non-current assets		1.268	989
Non-current assets		**260.789**	**260.425**
Inventories		862	560
Trade and other receivables		34.693	34.826
Contract assets		730	853
Contract costs		2.341	2.042
Current revenue assets		672	33
Prepaid expenses	5.12	4.546	2.350
Cash and cash equivalents	5.13	42.664	16.970
Current assets		**86.508**	**57.634**
TOTAL ASSETS		**347.297**	**318.059**

SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	5.14	321.976	309.220
Costs related to equity issuance		(15.926)	(15.926)
Share premium reserve	5.14	492	492
Accumulated deficit		(122.108)	(101.332)
Reserve for share-based payments		1.597	1.545
Other reserve	5.14	(4.908)	2.529
Cumulative translation adjustment reserve		(2.347)	(376)
Equity attributable to equity holders of the parent		**178.776**	**196.152**
Non-controlling interests		233	277
Total shareholders' equity		**179.009**	**196.429**
Non-current loans and borrowings	5.15	71.931	8.868
Non-current liabilities associated with puttable non-controlling interests	5.16	1.300	1.200
Non-current lease liabilities		8.069	7.860(*)
Non-current contract liabilities		4.718	3.623
Retirement benefit obligations		178	175
Deferred tax liabilities		8.204	8.702
Non-current liabilities		**94.400**	**30.428**
Current derivative financial instruments	5.19	-	535
Current loans and borrowings	5.15	10.776	23.318
Current liabilities associated with puttable non-controlling interests	5.16	10.270	7.080
Current lease liabilities		3.640	3.744(*)
Trade and other payables		36.149	42.651
Contract liabilities		12.299	13.035
Income tax liabilities		768	839
Other current liabilities		(14)	-
Current liabilities		**73.888**	**91.202**
TOTAL EQUITY AND LIABILITIES		**347.297**	**318.059**

(*) After careful assessment of our lease agreements, an amendment of an existing lease contract was not considered, causing the need for a restatement following IAS 8 of our comparative figures 31 December 2021. The right of use assets and the total lease liabilities were increased by € 925 thousand.

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

3. Interim consolidated statement of changes in equity (unaudited)

	Notes	Share capital	Costs related to equity issuance	Share premium reserve	Accumu-lated deficit	Reserve for share-based payments	Other reserve	Cumulative translation adjustment reserve	Non-controlling interests	Total shareholders' equity
Thousands of Euro		attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent		
Balance as at 1 January 2022		**309.219**	**(15.926)**	**492**	**(101.331)**	**1.545**	**2.529**	**(376)**	**277**	**196,429**
Result for the period		-	-	-	(20.760)	-	-	-	(390)	(21.150)
Other comprehensive income / (loss)		-	-	-	-	-	-	(1.971)	-	(1.971)
Total comprehensive income/(loss) for the period		**-**	**-**	**-**	**(20.760)**	**-**	**-**	**(1.971)**	**(390)**	**(23.121)**
Share-based payments		-	-	-	-	53	-	-	-	53
Current year profit and OCI of NCI with put option		-	-	-	-	-	(346)	-	346	-
Changes in carrying value of liabilities associated with puttable NCI	5.16	-	-	-	-	-	(3.290)	-	-	(3.290)
Issuance of new shares	5.14	12.756	-	-	-	-	(3.801)	-	-	8.955
Other		1	-	-	(17)	(1)	-	-	-	(17)
Balance as at 30 June 2022		**321.976**	**(15.926)**	**492**	**(122.108)**	**1.597**	**(4.908)**	**(2.347)**	**233**	**179.009**

	Notes	Share capital	Costs related to equity issuance	Share premium reserve	Accumu-lated deficit	Reserve for share-based payments	Other reserve	Cumulative translation adjustment reserve	Non-controlling interests	Total shareholders' equity
Thousands of Euro		attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent	attributable to owners of the parent		
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 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	5.14	-	-	-	-	-	735	-	-	735
Conversion of investment rights linked to contribution in cash of June-July 2020	5.14	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	5.14	56.620	-	-	-	-	(2.812)	-	-	53.808
Settlement of chare-based payments (ESOP)		501	-	-	-	-	-	-	-	501
Valuation Put option	5.16	-	-	-	-	-	(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	5.16	-	-	-	-	-	(89)	-	-	(89)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option	5.16	-	-	-	(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**

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

4. Interim consolidated statement of cash flows (unaudited)

Thousands of Euro	Notes	For the 6-month period ended 30 June 2022	For the 6-month period ended 30 June 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		**(21.150)**	**(11.070)**
Adjustments for:			
- Amortisation of intangible fixed assets	5.11	8.994	7.661
- Depreciation of property, plant & equipment		757	553
- Depreciation of right of use assets		2.002	1.967
- Impairments of trade receivables		105	12
- Financial income		(245)	(15)
- Financial expenses	5.9	3.552	962
- Share-based compensation		53	185
- Income tax expense / (income)		146	666
- Fair value change of derivative	5.19	(535)	(2.094)
Subtotal		**(6.321)**	**(1.173)**
Changes in Working Capital			
(Increase) / decrease in trade receivables and contract assets		(243)	1.712
(Increase) / decrease in other current and non-current receivables		(237)	(497)
(Increase) / decrease in Inventory		(302)	7
Increase / (decrease) in trade and other liabilities		(6.023)	1.660
Cash generated from / (used in) operations		**(13.126)**	**1.709**
Income taxes paid		(1.260)	(993)
Net cash generated from / (used in) operating activities		**(14.386)**	**716**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments made for acquisition of subsidiaries, net of cash acquired		-	(82.784)
Settlement of put option	5.16	-	(2.000)
Payments made for purchase of intangibles and development expenses	5.11	(10.359)	(9.316)
Proceeds from the disposals of intangibles and development expenses	5.11	1	2
Payments made for purchase of property, plant & equipment		(1.237)	(1.033)
Proceeds from the disposals of property, plant & equipment		14	8
Interest received		56	15
Net cash generated from / (used in) investing activities		**(11.525)**	**(95.108)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares, Francisco Partners	5.14	12.756	-
Issue of ordinary shares	5.14	-	525
Exercise price ESOP		-	501
Proceeds from loans and borrowings, Francisco Partners	5.15	57.210	-
Proceeds from loans and borrowings, other	5.17	6.150	2.692
Repayments of loans and borrowings	5.17	(21.696)	(7.230)
Repayment of lease liabilities		(2.252)	(2.067)
Interest paid on loans and borrowings		(563)	(827)
Net cash generated from / (used in) financing activities		**51.605**	**(6.406)**
Foreign currency translation impact on cash		-	20
Net increase / (decrease) in cash & cash equivalents		**25.694**	**(100.778)**
Cash and cash equivalents at beginning of period	5.13	16.970	125.924
Cash and cash equivalents at end of period	5.13	42.664	25.146

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

5. Notes to the interim consolidated financial statements (unaudited)

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 2022 (the "Interim Consolidated Financial Statements") comprise Unifiedpost Group SA and its subsidiaries together "the Group".

These unaudited Interim Consolidated Financial Statements were authorised for issue by the Board of Directors on 14 September 2022.

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 2021 financial statements.

The accounting standards applied in the Interim Consolidated Financial Statements for the period ended 30 June 2022 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2021.

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

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

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

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

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

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023, 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)
- 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.

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, are disclosed in note 5.4.

5.3 New accounting policies and significant changes

Unifiedpost Group SA has applied the same accounting policies and methods of computation in its Interim Consolidated Financial Statements as in its 2021 Annual Financial Statements.

A new accounting policy was approved regarding the accounting treatment of the Francisco Partner Term Loan Facility. The Loan Facility is accounted by applying IFRS 9 Financial Instruments. The financial liability is measured and classified at amortised cost.

At closing, the financial liability is measured at its fair value, which equals the nominal value of the received amount in Euro minus the directly attributable incremental costs (upfront fee, commitment fee and other legal transaction costs). The commitment fee, payable in Unifiedpost's shares, has been valued at closing date at the fair value of the contributed shares, by multiplying the number of shares with the market price of these shares on the Brussels stock exchange.

Subsequently, the financial liability is measured at cost by applying the effective interest rate method. The commitment fee has been deferred in the proportion that the total committed loan facility is not yet drawn down. This deferred portion will be treated as transaction costs when the draw-down occurs and thus it is not amortised prior to the draw-down.

The accounting treatment is further disclosed in note 5.9, 5.12, 5.15.2 and 5.19.

5.4 Significant accounting estimates and judgements

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

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

- **Going concern** – At 30 June 2022, the Company has € 50,6 million net debt. Net debt has been defined as cash and cash equivalents - investments minus interest bearing financial debts (bank borrowings) minus lease liabilities. The Company still has a committed but unclaimed Capex and Acquisition Facility at its disposal amounting to € 25 million, as well as an unused factoring line of € 14,3 million. Based upon the cash forecast for the upcoming twelve months (period: July 2022 until June 2023), the Group will still have sufficient liquidities. Due to the changed business conditions, the Company has decided to make the target to become cash flow break-even its predominant priority. The target is to be cash flow break-even by the second semester of 2023. All costs and investments will further be aligned to B2B e-invoice market developments and market growth. The costs of the Group are meanwhile impacted directly and indirectly by the current inflation and this largely compensated by price increases. The realisation of the growth plan on the one hand, and strong cost control on the other hand, are crucial in achieving this target. Any delay in growth and/or failure to realise the cost control plan can result in cash shortfalls. The group is confident that it can realise this plan or, if necessary, avoid cash shortfalls with additional cost-cutting measures.

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 5.11);
- **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 5.10);
- **Development expenses** – Estimate about whether the conditions to capitalize development expenses in line with IAS38 are being met and more specifically whether there will be sufficient future economic benefits generated by the capitalized development expenses. Furthermore an important element of estimate is linked to the determination of the useful life of each of the internally developed intangibles assets (see note 5.8);
- **Deferred tax** – Estimate of timing and amount of future taxable profits against which unused tax losses can be utilised;
- **Fair value measurement** – Fair value measurement of the contingent considerations, the anti-dilution clauses derivative as well as the liabilities associated with puttable non-controlling interest, are all categorised as a level 3 in the fair value hierarchy of IFRS 13 Fair Value Measurement (see note 5.19); and
- **Valuation of financial debt** – In the context of the valuation of the loan facility, an estimate was made regarding the timing of the call-up of this facility, given the impact on the deferral of part of the transaction cost and the impact on the determination of the annual interest cost of this loan.

5.5 Significant events and transactions

2022 Credit facility

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

The facility is structured in a term loan facility of € 75 million and a capex facility of € 25 million. This capex facility is available for 24 months from the closing date.

See for impact on balance sheet and profit & loss in notes 5.9, 5.12 and 5.15.2.

COVID-19 pandemic

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

Geopolitical situation

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

5.6 Business combinations during the current and previous period

5.6.1 Summary of acquisitions

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

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

5.6.2 Consideration transferred

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

								2021
Thousands of Euro	**21 Grams**	**banqUP**	**Akti**	**Digithera**	**Sistema Efactura**	**Crossinx**	**eInvoice**	**Crossinx Dicompay**
Cash	31.356	2.098	-	1.140	418	46.911	119	25
Issuance of ordinary shares	3.279	3.884	1.284	282	-	45.080	-	-
Deferred payment	-	1.398	204	127	387	-	-	-
Bank loans immediately settled	5.792	-	-	-	1.129	-	-	-
Settlement of pre-existing relationships	-	-	-	-	-	1.830	-	-
Total consideration	**40.427**	**7.380**	**1.488**	**1.549**	**1.934**	**93.821**	**119**	**25**

5.6.3 Assets acquired and liabilities assumed at the date of acquisition

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

								2021
Thousands of Euro	**21 Grams**	**banqUP**	**Akti**	**Digithera**	**Sistema Efactura**	**Crossinx**	**eInvoice**	**Crossinx Dicompay**
Trade name	2.491	290	-	-	-	2.278	-	-
Software	13.988	547	121	468	1.147	1.499	-	-
Customer relationships	5.528	342	136	121	82	2.869	-	-
Property and equipment	167	-	2	8	34	98	-	-
Right-of-use assets	1.314	87	52	62	44	842	-	-
Other non-current assets	17	57	-	-	3	18	-	-
Inventories	12	-	-	-	-	-	-	-
Trade and other receivables	10.165	192	15	255	80	976	-	-
Prepaid expenses	-	-	-	3	-	52	-	-
Cash and cash equivalents	4.619	396	49	418	227	2.183	-	25
Lease liabilities	(1.219)	(87)	(52)	(62)	(44)	(842)	-	-
Loans and borrowings	(483)	(152)	-	(124)	(4)	(4.102)	-	-
Deferred tax liabilities	(4.201)	(158)	(22)	(141)	(20)	(1.770)	-	-
Trade and other payables	(10.367)	(136)	(34)	(262)	(158)	(1.374)	(83)	-
Tax liabilities	-	(6)	-	(4)	-	60	-	-
Contract liabilities	-	(682)	-	-	(122)	(858)	-	-
Provisions	-	-	-	(54)	-	-	-	-
Total net assets	**22.031**	**690**	**267**	**688**	**1.269**	**1.929**	**(83)**	**25**
Goodwill	**18.396**	**6.690**	**1.221**	**861**	**665**	**91.892**	**202**	**-**
Consideration transferred	**40.427**	**7.380**	**1.488**	**1.549**	**1.934**	**93.821**	**119**	**25**

5.7 Revenue from contracts with customers

5.7.1 Revenue by type of transaction

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

		For the 6-month period ended 30 June	
Thousands of Euro	**Timing of revenue recognition**	**2022**	**2021**
Revenue from recurring services		**88.255**	**76.227**
Transactions		73.846	65.614
Document processing	Over time	40.412	34.469
Postage & Parcel optimisation	At a point in time	32.393	30.315
Print production	At a point in time	1.041	830
Subscriptions	Over time	13.413	9.315
Managed services	Over time	996	1.298
Project Revenue		**3.409**	**4.447**
Implementation requests	Over time when not distinct, at a point in time otherwise	1.361	1.111
Change requests	At a point in time	1.884	3.311
Sale of licenses	At a point in time	164	25
Total		**91.664**	**80.674**

5.7.2 Revenue by business line and by type of transaction

The Group's revenue per product line was as follows for the 6-month period ended 30 June 2022 and 30 June 2021:

					For the 6-month period ended 30 June 2022
Thousands of Euro	**Documents & Banqup**	**Payments & Identity**	**Finance & Services**	**Postage & Parcel optimization**	**Total**
Revenue from recurring services	**47.281**	**7.170**	**1.401**	**32.403**	**88.255**
Transactions	41.045	408	-	32.393	73.846
Document processing	40.004	408	-	-	40.412
Postage & Parcel optimisation	-	-	-	32.393	32.393
Print production	1.041	-	-	-	1.041
Subscriptions	6.216	6.762	425	10	13.413
Managed services	20	-	976	-	996
Project Revenue	**3.290**	**26**	**93**	**-**	**3.409**
Implementation requests	1.349	12	-	-	1.361
Change requests	1.777	14	93	-	1.884
Sale of licenses	164	-	-	-	164
Total	**50.571**	**7.196**	**1.494**	**32.403**	**91.664**

					For the 6-month period ended 30 June 2021
Thousands of Euro	**Documents & Banqup**	**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**

5.7.3 Revenue by geographical market

The Group generated revenue in the following **primary geographical markets** during the 6-month period ending 30 June 2022 and 2021:

	For the period 1 January till 30 June	
Thousands of euro	**2022**	**2021**
Western Europe	30.774	27.620
Of which in Belgium	14.004	13.441
Central Eastern Europe	2.193	1.389
South Europe	4.921	4.045
Northern Europe	53.765	47.620
Rest of the World	11	-
Total	**91.664**	**80.674**

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 2022**	**For the 6-month period ended 30 June 2021**
Expenses by nature		
Scanning, printing and postage	56.336	47.943
Employee benefits	41.229	33.131
Subcontractors	283	1.062
Capitalization of own development costs	(10.328)	(8.746)
Cloud and other IT services	3.562	1.699
Marketing	1.522	917
Professional services	3.049	4.264
Facility costs	1.103	991
Depreciation of tangible assets	2.758	2.520
Amortisation of intangible assets	8.994	7.661
Other expenses	948	777
Total	**109.456**	**92.219**
Expenses by type		
Cost of services	64.624	55.812
Research and development expenses	7.549	6.553
General and administrative expenses	22.659	18.572
Selling and marketing expenses	14.624	11.282
Total	**109.456**	**92.219**

The total expenses increased from € 92,2 million to € 109,4 million, mainly due to higher cost of services and employee benefits. The increase is attributable to (i) the acquisition of Digithera, Sistema Efactura and Crossinx end of March and beginning of April 2021, (ii) inflation in the first half of the year impacting paper price and salaries, (iii) increasing efforts in marketing expenses and (iv) the additional cost related the expansion of the pan-European structure.

Professional services are lower by € 1,2 million for the 6-month period ended 30 June 2022 compared to the same period last year. These services for the first part of 2022 include legal, accounts reporting, recruitment and other fees while during the first part of 2021 the costs were mainly related to acquisition expenses, software consulting services, other consulting fees and the professional services of the acquired companies.

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

Amortization and depreciation charges by type

Thousands of Euro	Notes	For the 6-month period ended 30 June 2022	For the 6-month period ended 30 June 2021
Amortization			
Cost of Services		-	-
Research and development expenses		5.150	2.893
General and administrative expenses		1.377	2.441
Selling and marketing expenses		2.467	2.327
Total	5.11	**8.994**	**7.661**
Depreciation			
Cost of services		364	603
Research and development expenses		189	548
General and administrative expenses		2.046	991
Selling and marketing expenses		159	378
Total		**2.758**	**2.520**

5.9 Financial expenses

Details of financial expenses are as follows:

Thousands of Euro	For the 6-month period ended 30 June 2022	For the 6-month period ended 30 June 2021
Interest and finance charges paid/payable on financial liabilities not at fair value – Francisco Partners	2.847	-
Interest and finance charges paid/payable on financial liabilities not at fair value	392	684
Interest and finance charges paid/payable for lease liabilities	79	102
FX losses	-	78
Other	234	98
Total	**3.552**	**962**

An accrual for the interest on the Francisco Partners loan (incl. portion of transaction cost) covering the period from 7 March until 30 June 2022 is amounting to € 2.847 thousand. None of this interest has been paid yet, as the first expiry date is foreseen at 10 September 2022.

5.10 Goodwill and impairment testing

The carrying amount of goodwill is summarised as follows:

At 1 January 2021	**35.159**
21 Grams	18.396
banqUP	6.690
Akti	1.221
Digithera	861
Sistema Efactura	665
Crossinx – First Business Post	91.892
eInvoice	202
Foreign exchange difference	(130)
At 31 December 2021	**154.956**
Foreign exchange difference	(803)
At 30 June 2022	**154.153**

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 in the below table:

Thousands of Euro	As at 30 June 2022	As at 31 December 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	3.643	3.529
Fitek Balkan	4.360	4.360
Tehnobiro	59	59
21 Grams	17.276	18.202
banqUP	6.690	6.690
Akti	1.174	1.174
Digithera	861	861
Sistema Efactura	665	665
Crossinx – First Business Post	91.892	91.892
eInvoice	211	202
Total	**154.153**	**154.956**

Thousands of Euro	As at 31 December 2020	Acquisitions	Currency exchange	As at 31 December 2021	Currency exchange	As at 30 June 2022
CGU Digital documents	33.900	112.016	(130)	145.786	(803)	144.983
CGU Print production	1.117	-	-	1.117	-	1.117
CGU Payment and Identity	142	6.690	-	6.832	-	6.832
CGU Financial Services	-	1.221	-	1.221	-	1.221
CGU Postage and Parcel optimisation	-	-	-	-	-	-
Total	**35.159**	**119.927**	**(130)**	**154.956**	**(803)**	**154.153**

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 2022.

5.11 Other intangible assets

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

Thousands of euro **(i) Cost**	Notes	**Brands**	**Assets under construction**	**Internally generated software**	**Customer relationships**	**Acquired software**	**Total**
At 1 January 2022		**5.634**	**9.122**	**34.365**	**41.985**	**24.301**	**115.407**
Additions		-	9.082	1.246	-	31	10.359
Disposals		45	-	(1)	-	-	44
Transfers		-	(6.291)	5.202	296	793	-
Foreign exchange difference		105	-	(620)	(267)	(467)	(1.249)
Other		-	-	3	-	-	3
At 30 June 2022		**5.784**	**11.913**	**40.195**	**42.014**	**24.658**	**124.564**
(ii) Accumulated amortisation							
At 1 January 2022		**790**	**-**	**13.232**	**10.681**	**7.201**	**31.904**
Amortisation charge	5.8	272	-	4.662	2.193	1.867	8.994
Disposals		45	-	-	-	-	45
Foreign exchange difference		196	-	(447)	83	25	(143)
Transfer		-		(178)	308	(128)	2
At 30 June 2022		**1.303**	**-**	**17.269**	**13.265**	**8.965**	**40.802**
(iii) Net book value							
At 1 January 2022		**4.844**	**9.122**	**20.492**	**31.279**	**17.766**	**83.503**
Gross book value		5.784	11.913	40.195	42.014	24.658	124.564
Accumulated amortisation		1.303	-	17.269	13.265	8.965	40.802
At 30 June 2022		**4.481**	**11.913**	**22.926**	**28.749**	**15.693**	**83.762**

(i) Cost		**Brands**	**Assets under construction**	**Internally generated software**	**Customer relationships**	**Acquired software**	**Total**
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							
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							
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**

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

Thousands of Euro	Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
CGU Digital documents	2.732	9.079	17.555	28.291	15.067	72.724
CGU Print production	150	-	-	54	-	204
CGU Payment and Identity	247	1.883	4.654	309	296	7.389
CGU Financial Services	-	590	178	95	53	916
CGU Postage and Parcel optimisation	1.353	-	252	-	-	1.605
CGU Corporate	-	361	286	-	277	924
At 30 June 2022	**4.482**	**11.913**	**22.925**	**28.749**	**15.693**	**83.762**

Thousands of Euro	Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
CGU Digital documents	2.886	6.321	17.371	30.802	16.667	74.047
CGU Print production	203	-	-	73	-	276
CGU Payment and Identity	259	1.813	3.577	320	341	6.310
CGU Financial Services	-	381	-	109	70	560
CGU Postage and Parcel optimisation	1.496	-	185	-	-	1.681
CGU Corporate	-	607	-	-	22	629
At 31 December 2021	**4.844**	**9.122**	**21.133**	**31.304**	**17.100**	**83.503**

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 *Thousands of euro*	As at 30 June 2022	As at 31 December 2021	End of amortisation period
Banqup-based platform software	7.950	8.862	2023-2026
Documents related software	2.746	2.091	2022-2026
FitekIn – Inbound approval workflow improvements	2.688	3.076	2026
Payment software relate to Banqup optimim	2.678	1.940	2026
Identity recognition and related solutions	1.775	1.235	2022-2026
Software related to composing and designing document templates	1.596	1.837	2023-2026
Payment software related to online collection services	1.556	1.376	2023-2026
Postage optimization	959	185	2026
Robotic Process automation solutions	315	269	2022-2026
Payment hub improvements and SEPA Direct Debit Mandate Mgr functionality	197	261	2022-2026
Corporate Datawarehouse solutions	286	-	2026
Finance and Services solutions	178	-	2026
Other	1	1	2026
Total	**22.925**	**21.133**	

5.12 Prepaid expenses

Thousands of Euro	As at 30 June 2022	As at 31 December 2021
Transaction costs – Francisco Partners	2.239	-
IT, Licenses and maintenance	1.073	426
Other prepaid expenses	1.234	1.924
Total	**4.546**	**2.350**

At 30 June 2022, 25% of the fair market value of the new shares issued for Francisco Partners is deferred. This commitment fee will be treated as a transaction cost at the moment Unifiedpost will call the capex facility of € 25 million.

The other prepaid expenses mainly relate to insurance and license expenses.

5.13 Cash and cash equivalents

Thousands of Euro	As at 30 June 2022	As at 31 December 2021
Cash in hand	1	16
Cash at bank	40.973	10.887
Restricted Cash (Payment Solutions customers' cash)	1.476	583
Other restricted cash	6	2.898
Cash equivalents	208	2.586
Total Cash and cash equivalents	**42.664**	**16.970**

Cash and cash equivalents increased with € 25,7 million in comparison with 31 December 2021.

This cash mutation can be explained as follows:

Thousands of Euro	Period from 1 January till June 30
Operating loss of the period	(6.321)
Increase in working capital needs	(6.805)
Income taxes paid	(1.260)
Cash out related to investing activities (capex)	(11.596)
Cash in from disposal of assets	15
Cash in form issuance of ordinary shares	12.756
Proceeds from borrowing	63.360
Reinstalments of borrowings	(23.948)
Interests and financial expenses paid	(507)
Total Cash and cash equivalents	**25.694**

5.14 Share capital and reserves

Share capital

The total capital of Unifiedpost Group amounts to € 321.976 thousand and is represented by 34.546.431 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	Issued capital	Share premium	Other reserve
At 1 January 2021	**30.401.990**	**251.543**	**492**	**4.395**
Issuances of new shares from contribution in kind	2.810.319	56.620	-	(2.812)
Conversions of investment rights	53.130	531	-	
Settlements of share-based payments (ESOP)	198.130	526	-	
Conversions of share-based payments	-	-	-	465
Difference in fair value embedded derivative contribution				738
Valuation put option	-	-	-	(1.647)
Current year profit and OCI with put option	-	-	-	539
Changes in carrying value of liabilities associated with puttable NCI	-	-	-	(424)
True up of liabilities associated with puttable NCI and unwind of other reserve due to exercise of linked call option	-	-	-	1.274
Other	-	-	-	1
At 1 January 2022	**33.463.569**	**309.220**	**492**	**2.529**
Issuance of new shares in cash	1.082.862	12.756	-	(3.801)
Valuation put option Fitek Balkan	-	-	-	(3.190)
Valuation put option JV Romania	-	-	-	80
Valuation put option JV Croatia	-	-	-	(180)
Current year profit and OCI with put option	-	-	-	(346)
At 30 June 2022	**34.546.431**	**321.976**	**492**	**(4.908)**

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

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.

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

After the forementioned issuances of the new shares, the share capital of the Company increases to € 321.975.562,88 represented by 34.546.431 shares without mention of nominal value.

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 and to the shares issued to Francisco Partners;
- 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 5.16).

5.15 Borrowings

The below table presents an overview of outstanding loans and borrowings at each reporting date:

Thousands of Euro				As at 30 June 2022			As at 31 December 2021
	Notes	Non-current	Current	Total	Non-current	Current	Total
Bank borrowings	5.15.1	6.226	9.200	15.426	7.783	21.429	29.212
Refundable government advances		309	75	384	284	74	358
Other loans	5.15.2	65.396	1.501	66.897	801	1.815	2.616
Total loans and borrowings		**71.931**	**10.776**	**82.707**	**8.868**	**23.318**	**32.186**

5.15.1 Bank borrowings

The bank borrowings can be summarised as follows:

			As at 30 June 2022			As at 31 December 2021
Thousands of Euro	Non-current	Current	Total	Non-current	Current	Total
Unsecured						
Subordinated loan	4.000	-	4.000	4.000	-	4.000
Other bank borrowings	8	1.119	1.127	759	1.048	1.807
Total unsecured bank borrowings	**4.008**	**1.119**	**5.127**	**4.759**	**1.048**	**5.807**
Secured						
Acquisition facility Buildings Sirius Star	1.310	183	1.493	1.583	180	1.763
Acquisition facility Belfius Bank	-	-	-	-	11.525	11.525
Liquidity facility Belfius Bank	-	-	-	-	5.000	5.000
Investment credit	674	640	1.314	976	793	1.769
Other bank borrowings	234	7.258	7.492	465	2.883	3.348
Total secured bank borrowings	**2.218**	**8.081**	**10.299**	**3.024**	**20.381**	**23.405**
Total bank borrowings	**6.226**	**9.200**	**15.426**	**7.783**	**21.429**	**29.212**

The Group's principal loans outstanding are:

a. BMI Subordinated Loan (unsecured)

Financial Automation Solutions OÜ, the Estonian subsidiary of the Company holding the 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 Buildings Sirius Star

This acquisition facility was granted by ProCredit Banka to Fitek Balkan and relates to the real estate Sirius Star Building in Belgrade. The non-current secured acquisition facility outstanding per 30 June 2022 amounts to € 1.310 thousand and on short-term € 183 thousand is outstanding.

c. Acquisition Facility Belfius Bank

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

d. Liquidity facility Belfius Bank

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

e. Investment Credits Fitek Balkan

- Unifiedpost doo has currently 4 investment loans agreed with UniCreditbanka (1 loan) and ProCredit Banka (3 loans). The long-term outstanding of these credits is € 675 thousand and short-term outstanding is € 460 thousand.
- Unifiedpost Solutions doo and New Image doo have 3 outstanding investment loans with UniCredit banka (2 loans) and ProCredit Banka (1 loan) with a short-term outstanding of € 180 thousand.

f. Other bank borrowings

- **Factoring agreement with Belfius/BNP:** The Company holds its receivables to collect its cash flows. In order to finance its operations, the company occasionally engages in factoring arrangements with financial institutions. These factoring arrangements do not result in an accounting de-recognition. The corresponding asset and liability are recognised, measured and extinguished in line with the guidance of IFRS 9 when the continuing involvement approach is applicable.
- Trade receivables had been sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debt transferred and therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected.
- The transfer of the outstanding factoring debts of € 5.667 thousand is included as short-term bank loans per 30 June 2022. Per 31 December 2021, there was an outstanding factoring debt that amounted to € 1.436 thousand. This increase of our outstanding factoring debt was caused by selling also the trade receivables of 21 Grams.
- **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 was due within the first 12 months. Covenant check will be only required from December 2022 onwards whereby a positive free cashflow is required and an EBIT of € 1 million. Per 30 June 2022, the outstanding debt amounts to € 703 thousand.
- **Other:**
  - **Secured:**
    - At the end of 2018, the Company entered into an agreement with BNP for € 2.237 thousand to take over the foreign Facturis customers of which an amount of € 695 thousand is outstanding per 30 June 2022;
    - At SEB Bank in the Baltics, the overdraft facility amounts to € 700 thousand and at Banca Intesa in the Balkan to € 200 thousand per 30 June 2022;
    - A overdraft facility in Crossinx GmbH is agreed of € 230 thousand per 30 June 2022;
  - **Unsecured**: Per 30 June 2022, the Group has € 424 thousand outstanding short-term loans for vacation pay or 13th month.

5.15.2 Other loans

The other loans can be summarised as follows:

	As at 30 June 2022			As at 31 December 2021		
Thousands of Euro	Non-current	Current	Total	Non-current	Current	Total
Francisco Partners – Facility A	63.249	-	63.249	-	-	-
Francisco Partners – Accrued interest	2.147	700	2.847	-	-	-
Deferred considerations	-	801	801	801	1.315	2.216
Total other loans	**65.396**	**1.501**	**66.897**	**801**	**1.315**	**2.216**

The other loans outstanding are:

a. Facility Francisco Partners

On 7 March2022, Unifiedpost signed a € 100 million five-year senior facilities agreement ("SFA"), provided by Francisco Partners, a leading global investment firm that specializes in partnering with technology-enabled businesses. This new granted loan facility is and can be used for refinancing of existing financial debts, financing of working capital requirements, financing of permitted acquisitions, financing of exercised option rights, financing of committed deferred considerations and eventually earn-out payments, financing of transaction costs, fees and expenses.

The key elements out of the SFA are:

- The facility is structured in a term loan facility A ("Facility A") of € 75 million and a capex and acquisition facility ("CAF") of € 25 million. The term loan facility A is funded in full at closing. The CAF remains available for 24 months from the closing date. This part of the facility has not been called per 30 June 2022.
- The senior facility expires in 5 years from closing date on 7 March, 2027.
- The loan bears a 3% cash interest payable at the end of each interest period and an 8% interest paid in kind and capitalised at the end of each interest period (default interest periods are 3 or 6 months). In addition, Francisco Partners received a fee/reinvestment for 3% equity which is already been reinvested in the equity (see note 5.14).
- An upfront fee of € 2,5 million was deducted from utilisation at closing.
- Pursuant to this facility, the Company is subject to two financial covenants, which need to be calculated on a quarterly basis:
  - Financial Maintenance Covenant – Minimum Liquidity: the group liquidity must be at least € 20 million, and can be decreased to a minimum of € 12,5 million if the subscription revenue is € 25 million (or more) or the last twelve month recurring digital processing revenue amounts to € 110 million (or more), and;
  - Financial Incurrence Covenant applicable for various transactions such as permitted acquisitions, CAF utilisations – Annual Recurring Leverage Ratio ("ARR"): the ratio of the total net borrowings to the annual recurring revenue for the last twelve months is not greater than 1,50:1;
- The loan agreement stipulates mandatory prepayment provisions in case of change of control (>30% of the issued capital) and in case of sale of substantially all of the assets and business of the Unifiedpost Group. Furthermore, voluntary prepayments are generally permitted subject to 3 business days prior notice. The prepayment fees amount to 3% on the amount being repaid during 12 months following the closing and 2% during the 12 months thereafter. No fees are due in case of repayment after 24 months from closing date.
- The loan agreement includes various negative undertakings and restrictions on actions and activities outside the ordinary course of business unless these actions are permitted or pre-approved including restrictions on negative pledge, disposals of business assets, underwriting of new loans, granting guarantees, prohibition of making acquisitions or issuing shares, prohibition on moving jurisdiction…;
- The loan facility is guaranteed by a share pledge on the main Belgian entities, the Dutch entities, and the entities in Luxembourg, UK, Sweden and Germany. In addition to the share pledge, there is (i) an IP pledge on the intellectual property in Belgium and Germany, (ii) a Bank account pledge on Swedish bank accounts, (iii) a business assets pledge in UK and (iv) an intragroup receivable pledge on Unifiedpost Group SA.

  Per 30 June 2022, the group liquidity amounts to € 42,7 million and the Annual Recurring Leverage ratio is not greater the 1,50:1, together they entail that Unifiedpost is not in breach with its covenants.

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

Thousands of euro	
Facility A	75.000
Upfront transaction fee	(2.500)
Equity fee	(12.756)
Transaction costs	(2.534)
Net proceeds received	57.210

b. Deferred considerations

The remaining deferred considerations of the 2021 acquisitions amount to € 801 thousand per 30 June 2022.

5.16 Liabilities associated with puttable non-controlling interests

Thousands of Euro	Non-current	Current	Total
At 1 January 2021	**1.788**	**6.178**	**7.966**
Put option - joint venture in Romania	1.000	-	1.000
De-recognition of liability due to exercise of put-call option Slovakia	(2.000)	-	(2.000)
Unwinding & remeasurement effect – Slovakia	212	89	301
At 30 June 2021	**1.000**	**6.267**	**7.267**
Put option - joint venture in Croatia	680	-	680
Changes in value of estimated redemption liability due to passage of time and other reasons	(480)	902	422
Unwinding & remeasurement effect – Slovakia	-	(89)	(89)
At 31 December 2021	**1.200**	**7.080**	**8.280**
Changes in value of estimated redemption liability due to passage of time and other reasons	100	3.190	3.290
At 30 June 2022	**1.300**	**10.270**	**11.570**

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 adjusted for the fair market value of the Sirius Star's building in Belgrade. The terms do not provide the Group with a present ownership interest in the shares subject to the put option. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within liabilities. The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity. There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of € 902 thousand during 2021, which has been recorded directly in equity. At 31 December 2021, the Fitek Balkan put option was valued at € 7.080 thousand. In the first half of 2022, the estimated redemption liability increased again by a total of € 3.190 thousand, recorded directly in equity, to a total amount of € 10.270 thousand at 30 June 2022.

Unifiedpost Romania JV

A shareholder's agreement was signed, upon the establishment of Unifiedpost Romania joint venture, in which the Group granted a put option to non-controlling shareholders of SC Unifiedpost s.r.l. whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price. The put option can only be exercised after 8 December 2023. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognised at the present value of the redemption amount within liabilities. The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity. There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of € 480 thousand during 2021, and by a total of € 80 thousand in the first 6 months of 2022, which have both been recorded directly in equity.

At 31 December 2021 and June 30 2022, the Unifiedpost Romania put option was valued at respectively € 520 thousand and € 440 thousand.

Unifiedpost Croatia JV

On 8 July 2021, the Group established a joint venture Unifiedpost Limited Liability Company, with the aim to provide e-invoicing services in Croatia. The Group has a 51% ownership in this joint venture. On 11 June 2021 a shareholder's agreement was signed in which the Group granted a put option to non-controlling shareholders of Unifiedpost Croatia whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price. The put option can only be exercised following the 3rd anniversary of the incorporation. The terms do not provide the Group with a present ownership interest in the shares subject to the put option. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within liabilities. The estimated redemption liability increased by € 180 thousand during the first part of 2022, which has been recorded directly in equity.

At 31 December 2021 and June 30 2022, the Unifiedpost Croatia put option was valued at respectively € 680 thousand and € 860 thousand.

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. The liability was subsequently adjusted for the changes in value, including the effect of unwinding of the discount, up to the redemption amount that is payable at the date at which the option first becomes exercisable. On 7 June 2021, the Group exercised the call option right to purchase the ownership interests of the 2 remaining minority shareholders of the company, who owned jointly 49% of the shares, for a total amount of € 2 million.

5.17 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 change, for loans and borrowings as well as liabilities associated with puttable non-controlling interest.

Thousands of Euro	2022	2021
As at 1 January	**41.001**	**37.848**
Cash flows		
Debt drawdown – Francisco Partners	63.249	-
Debt drawdown – other	6.150	2.694
Repayments debts	(21.696)	(7.230)
Non-cash changes		
Accrued interest – Francisco Partners	2.847	-
Debt drawdown – other	62	40
Business combinations	-	4.866
Embedded derivatives in capital increase in cash	(535)	(2.829)
Put option written on non-controlling interests	3.290	(699)
Deferred payments	-	2.116
Foreign exchange difference	(91)	-
As at 30 June	**94.277**	**36.806**

5.18 Segment information

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.

As per today, the Group has identified the following operating segments with separate business activities:

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

Furthermore the group defined following geography regions:

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

The following segment information per CGU could be completed:

Thousands of Euro	Digital documents	Print production	Payment and Identity	Financial Services	Postage and Parcel optimisation	Corporate	Total
For the 6-month period ended 30 June 2022							
Revenue							
Total Revenue	49.429	6.962	1.376	1.493	32.404	-	**91.664**
As at 30 June 2022							
Intangible fixed assets							
Net book value	72.724	204	7.389	916	1.605	924	**83.762**
Staffing (FTE's) at closing date							
In Number (#) of FTE's	1.235	70	107	23	30	14	**1,479**

Thousands of Euro	Digital documents	Print production	Payment and Identity	Financial Services	Postage and Parcel optimisation	Corporate	Total
For the 6-month period ended 30 June 2021							
Revenue							
Total Revenue	42.181	5.252	1.361	1.565	30.315	-	**80.674**
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**

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 2022						
Revenue						
Total Revenue	30.774	2.193	53.765	4.921	11	**91.664**
%	34%	2%	59%	5%	0%	
As at 30 June 2022						
Intangible fixed assets						
Net book value	48.442	1.626	4.973	28.721	-	**83.762**
Staffing (FTE's)						
In Number (#) of FTE's	565	78	490	287	59	**1.479**

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**

5.19 Financial instruments and financial risk management

5.19.1 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 2022	As at 31 December 2021
Thousands of Euro	Categories	Carrying amount	Carrying amount
Financial assets			
Trade and other receivables	FAAC (*)	34.693	34.826
Cash and cash equivalents	FAAC (*)	42.664	16.970
Total		**77.357**	**51.796**
Financial liabilities			
Subscription rights derivative liability	FLAFVTPL (****)	-	535
Loans and borrowings	FLAC (**)	82.707	32.186
Liabilities associated with puttable non-controlling interests	FLAFVTPL (****)	11.570	8.280
Lease liabilities	FLAC (**)	11.709	10.679
Trade and other payables	FLAC (**)	36.149	42.651
Total		**142.135**	**94.331**

(*) 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 5.15).

For the Francisco Partners loan, due to the fact that it was a lengthy process where different parties were considered and given the current financial position of the Group, the annual IRR of 14,26% reflects a fair value market rate.

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	Total
Thousands of Euro	Level 3	Level 3	Level 3	Level 3
At 1 January 2022	**-**	**535**	**8.280**	**8.815**
Change in fair value through profit or loss	-	(535)	-	(535)
Change in fair value through equity	-	-	3.290	(3.290)
At 30 June 2022	**-**	**-**	**11.570**	**11.570**

The subscription rights are no longer valid since 30 June 2022, consequently these are valued at € 0 at balance sheet date.

The fair value of the contingent consideration, relating to Crossinx, has been valued at € 0 at 31 December 2021. This estimate is still appropriate per 30 June 2022.

The put options were valued applying a discounted cash flow method and conform with the methodology contractually agreed.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Fitek Balkan can be summarised as follows:

- The weighted annual growth rate of the revenues (14,18%): 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 (5%): an increase of the discount rate by 1% would decrease fair value by € 180 thousand, a decrease of the discount rate by 1% would increase fair value by € 190 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 (49,50%): 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 (5%): an increase of the discount rate by 1% would decrease fair value by € 20 thousand, a decrease of the discount rate by 1% would increase fair value by € 20 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Unifiedpost Croatia can be summarised as follows:

- The weighted annual growth rate of the revenues (97,36%): 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 (3,5%): an increase of the discount rate by 1% would decrease fair value by € 40 thousand, a decrease of the discount rate by 1% would increase fair value by € 30 thousand.

5.19.2 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.

5.19.2.1 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.

Except for the SFA with Francisco Partners (see note 5.15.2), there are no other important changes to our liquidity risk per 30 June 2022 compared to 31 December 2021.

5.19.2.2 Credit risk

Credit risk relates to the risk that a counterparty will fail to fulfil its contractual obligations with the result that the Group would suffer a loss. Compared to 31 December 2021, there are no changes impacting our credit risk per 30 June 2022.

5.19.2.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital 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	**2022**	**2021**
Net debt			
Cash and cash equivalents	5.13	(42.664)	(16.970)
Bank borrowings	5.15.1	15.426	29.212
Other loans – Francisco Partners	5.15.2	66.096	-
Lease liabilities		11.709	10.679
Net debt / (Cash)		**50.567**	**22.921**
Equity'			
Reported shareholders' equity		179.009	196.429
'Equity'		**179.009**	**196.429**
Gearing ratio		**28%**	**12%**

5.20 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		Services from related party	
	For the 6-month period ended 30 June		For the 6-month period ended 30 June	
Thousands of Euro	**2022**	**2021**	**2022**	**2021**
Key management	-	-	-	-
Associates & joint ventures	-	-	-	-
Members of the Board of Directors	-	-	106	108
Other related parties	-	-	-	-

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

	Amounts owed to related party		Amounts owed by related party	
Thousands of Euro	**For the 6-month period ended 30 June**	**For the year ended 31 December 2021**	**For the 6-month period ended 30 June**	**For the year ended 31 December 2021**
Key management	55	232	-	-
Members of the Board of Directors	-	91	-	-
Other related parties	-	-	-	-

Amounts owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. The amounts owed to related parties are mainly related to outstanding invoices from key management or agreed fees for members of the Board of Directors.

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

The category members of the Board of Directors are used to present transactions with Board Members, who are not part of Key Management or Main Shareholders.

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel are members of the management committee.

The key management compensation only reflects approved remunerations, and thus does not include accruals for bonus which have not yet been approved by the Remuneration Committee.

	For the 6-month period ended 30 June	For the 6-month period ended 30 June
Thousands of Euro	**2022**	**2021**
Key management compensation	767	711
Share-based compensation	-	-
Total	**767**	**711**

5.21 Investment in subsidiaries

Compared to 31 December 2021:

- 21 Grams Ltd was liquidated in March 2022;
- eInvoice.SG PTE LTD merged with Unifiedpost PTE Ltd on 1 April 2022; and
- Unifiedpost SARL, a new company in Morocco, with its office in 131, Bd d'Anfa, Résidence Azur Bureau n° 11B in Casablanca, was incorporated on 4 April 2022.

5.22 Events after the reporting date

Belgian restructuring of activities

On 1 July 2022 a restructuring of the Belgian activities was executed in order to simplify the group structure of Unifiedpost Group SA whereby activities were grouped in some entities with focus on specific objectives:

- The Belgian entities Advanced Document Management Solutions SRL, Inventive Designers SA, Akti SA, banqUP SRL, THE eID COMPANY SA merged into UP-NXT SA. These mergers have been carried out to consolidate the main intellectual property within UP-NXT SA;
- In a second stage, Unifiedpost SA contributed a branch of activity (intellectual property, all related assets to the development activities and people allocated to these business assets) into UP-NXT SA;
- Finally, UP-NXT SA transferred all the existing commercial agreements from all the above cited entities to Unifiedpost SA.

UP-NXT SA is now the entity owning the main intellectual property rights relating to the "Documents" business part, and will thus further develop the new features of this product line. Unifiedpost SA will be the commercial entity for the Belgian market on the one hand and in principal also for the global document SME products (Banqup) on the other hand.

Put option Serbia

On 4 July 2022 the minority shareholder exercised 24% of its put option of Unifiedpost Solutions doo. The price was agreed between parties, conform the stipulations of the shareholders agreement, and was set at € 500 thousand. The price is fully paid.

On 4 July 2022 the minority shareholder exercised 24% of its put option of Unifiedpost doo. The price was agreed between parties, conform the stipulations of the shareholders agreement and was set at € 4.500 thousand. The price is fully paid.

Phone: +32 (0)2 778 01 00
Fax: +32 (0)2 771 56 56
www.bdo.be

The Corporate Village
Da Vincilaan 9, Box E.6
Elsinore Building
B-1930 Zaventem

Statutory auditor's report to the Board of Directors of Unifiedpost Group SA on the review of interim condensed consolidated financial information for the six-month period ended 30 June *2022*

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Unifiedpost Group SA as of 30 June 2022 and the related interim consolidated statements of profit or loss and other 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 this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information 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 consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, 14 September 2022

BDO Bedrijfsrevisoren BV
Statutory auditor
Represented by Ellen Lombaerts