

HiPay: 2019 financial results

Paris, March 27, 2020: HiPay (ISIN code FR0012821916 – HIPAY), the fintech specialized in Omnichannel payment solutions, announces its results for the year 2019¹.

In millions of euros	2019 ¹	2018 pro forma	Var. (%)
Consolidated Income Statements			
Transaction Volume	3 893	2 844	+37%
Revenue	34.9	28.8	+21%
EBITDA	0.1	-3.3	n.d.
Operating income	-3,9	-5.5	-29%
Net income	-5.7	-8.4	-32%
Consolidated Balance Sheets			
Shareholders' equity	36.8	42.5	-13%
Available cash	1.6	2.7	-41%

Commenting on the results, Grégoire Bourdin, CEO of HiPay, said: "2019 marks another year of growth for HiPay whose medium-term objective is to achieve operational profitability, while maintaining a high-level quality of service and innovation. Operational expenses remain under control, and cash-burn is halved between 2019 and 2018. Faced with the COVID-19 crisis, the teams are mobilized to provide the best support for our customers. HiPay is currently implementing all available levers to cushion its impact."

¹ The annual and consolidated accounts, which were approved by the board of directors of HiPay Group SA on March 26th, 2020, have been audited and the corresponding certification report is being issued. The annual financial report on the accounts closed on December 31st, 2019 will be available in the coming days on the website www.hipay.com in the "Investors" section.

Revenue

The 2019 turnover stood at €34.9 million, an increase of 21% (+3 points of growth vs. 2018). This activity increase reflects the success of the commercial strategy implemented for 2 years now, which is focused on the acquisition of new customers and supporting the growth of existing ones (+156 large account customers in 2019), and translated in €3.9 billion in flows in 2019, an increase of 37% compared to 2018 (+7 points of growth vs. 2018).

The turnover rate stood at 0.9%, down 0.1 points compared to 2018, which is explained by the growing share of large accounts in the client portfolio.

The French market, which accounts for 65% of all processed volumes, is once again the driving force for growth, with an increase of +56% in volumes.

The iGaming market is marking time in 2019, with only +1% of growth in processed volumes following a regulatory tightening in Belgium.

Profitability

The group's operating income stood at -€3.9 million compared to -€5.5 million on December 31st, 2018, an improvement of €1.6 million (+30%). This change is explained by:

- The €7 million growth in turnover.
- The upkeep of the rate of direct transaction costs on turnover.
- Reasoned growth in payroll (+€0.9 million, +7% vs. 2018).
- The stabilization of operating expenses and of depreciation and impairment (-€0.05 M, -0.6% vs. 2018).

These results were possible thanks to the pursuit of technological investments and the rational management of operational costs.

Net income

Net income is in clear progression at -€5.7 million in 2019, compared to -€8.4 million in 2018.

Balance sheet and cash position

As of December 31st, 2019, the cash balance amounted to €1.6 million. Added with the available balance on the first associate BJ Invest current account, the total available cash amounted to €2.5 million.

The latest cash flow forecasts show a need for additional financing of €3 million. In order to offset this financing need, BJ Invest, the reference shareholder of HiPay Group, has provided an additional financing capacity of €5 million.

As of December 31st, 2019, HiPay's equity stood at €36.8 million.

COVID-19

The various health security measures requested by the authorities have been applied to all employees. Telecommuting was strongly encouraged before the measures were announced by the President of the Republic, which enabled all staff to prepare for this new work organization, in order to guarantee continuity of operations for HiPay and its customers.

The Business Continuity Plan has been implemented and allows the company's activities to operate under good conditions. A crisis unit made up of executive committee members has been set up to detect and assess the difficulties specific to this situation.

This crisis, depending on its duration and the evolution of consumer behaviour on the different verticals, will have an impact on turnover, profitability and generated cash. Additional analysis are underway and the activity forecasts will be updated accordingly.

Appointment of a new independent administrator

During the general assembly that will take place to decide on the capital increase project, it will also be proposed to shareholders to appoint Ms. Stéphanie Le Beuze as independent administrator of the company, for a period of four years.

Stéphanie Le Beuze has a triple expertise in finance, innovation and artificial intelligence, three strategic areas for HiPay.

She spent the first ten years of her career leading several projects related to risk management in complex regulatory environments. Stéphanie then participated, within various French and international banks, in setting up LBO and private equity investment operations. Since 2011, Stéphanie Le Beuze has launched several innovative startups and supported them in their commercial development in France and abroad, as well as in their fundraising.

For the past two years, Stéphanie Le Beuze has dedicated herself to launching a consulting company, scient.fr, specializing in Product management, data and artificial intelligence.

Stéphanie is a graduate of ESCP and MIT Sloane (Artificial Intelligence).

Next financial communication: May 15th, 2020 – General Meeting Results



About HiPay

HiPay is a global payment provider. By harnessing the power of payment data, we participate in our merchants' growth by bringing them a 360° vision of their activities.

More information on hipay.com and find us on [LinkedIn](#) and [Twitter](#)

HiPay Group is listed on the Euronext Paris Compartment C (ISIN code: FR0012821916 - Mnemo: HIPAY).

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This press release does not constitute an offer to sell or the solicitation of an offer to buy HIPAY securities. If you would like more complete information about HiPay Group, please refer to our website hipay.com, Investors section. This press release may contain certain forward-looking statements. Although HiPay Group believes that these statements are based on reasonable assumptions as of the date of this press release, they are by their nature subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by these statements. HiPay Group operates in a highly evolving sector in which new risk factors may emerge. HiPay Group does not undertake any obligation to update these forward-looking statements to reflect new information, events or other circumstances.

Appendix 1/3
P&L

<i>in thousands of Euros</i>	Notes	December 31st, 2019	December 31st, 2018
Sales		34 872	28 816
Direct costs		- 17 442	- 13 793
Payroll charges	Note 4	- 12 321	- 11 470
General expenses		- 4 986	- 6 851
EBITDA ⁽¹⁾		124	- 3 298
Depreciation and amortization		- 4 041	- 2 229
Current operating profit		- 3 917	- 5 527
Stock based compensation		- 112	- 44
Other non-current income and charges		- 704	- 91
Operating profit		- 4 733	- 5 662
Other financial income and charges	Note 5	- 952	- 2 309
Earning of the consolidated companies		- 5 684	- 7 971
Earnings before tax of the consolidated companies		- 5 684	- 7 971
Income Tax	Note 6	- 66	- 446
Net income from continuing operations		- 5 750	- 8 417
Including minority interests		-	0
Including Group share		- 5 750	- 8 417
Net income from operations sold		-	-
Net income		- 5 750	- 8 417
Including minority interests		-	0
Including Group share		- 5 750	- 8 417

Annexes (2/3)
Balance Sheet

<i>ASSETS - in thousands of Euros</i>	Notes	December 31st, 2019	01/01/2019 restated	Impact IFRS 16	31/12/2018 published
Net Goodwill	Note 7	40 222	40 222	-	40 222
Net intangible fixed assets	Note 8	4 901	4 654	-	4 654
Net tangible fixed assets	Note 9	8 667	8 205	6 943	1 262
Deferred tax assets	Note 10	1 434	1 429	-	1 429
Other financial assets	Note 11	1 320	401	-	401
Non-current assets		56 545	54 911	6 943	47 968
Receivables and other debtors	Note 12	2 218	648	-	648
Other current assets	Note 13	76 384	60 893	-	60 893
Cash and cash equivalents	Note 14	1 557	2 662	-	2 662
Current assets		80 159	64 203	-	64 203
TOTAL ASSETS		136 704	119 114	6 943	112 171
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<i>LIABILITIES - in thousands of Euros</i>	Notes	December 31st, 2019	01/01/2019 restated	Impact IFRS 16	31/12/2018 published
Share capital		54 505	54 505	-	54 505
Premiums on issue and on conveyance		15 495	15 495	-	15 495
Reserves and retained earnings		- 27 470	- 19 097	-	- 19 097
Consolidated net income (Group share)		- 5 750	- 8 417	-	- 8 417
Shareholders' equity (Group share)		36 780	42 486	-	42 486
Minority interests		- 0	- 0	-	- 0
Shareholders' equity		36 780	42 486	-	42 486
Long-term borrowings and financial liabilities	Note 15	15 820	14 557	6 943	7 615
Non-current Provisions	Note 16	616	644	-	644
Deferred tax liabilities		-	1	-	1
Non-current liabilities		16 436	15 202	6 943	8 259
Short-term financial liabilities and bank overdrafts		45	143	-	143
Suppliers and other creditors		4 889	4 938	-	4 938
Other current debts	Note 17	78 553	56 344	-	56 344
Current liabilities		83 487	61 426	-	61 426
TOTAL LIABILITIES		136 704	119 114	6 943	112 171

Annexes (3/3)
Cash Flow Statement

in thousands of Euros	Notes	December 31st, 2019	December 31st, 2018
Net income		-5 750	-8 417
<i>Adjustments for:</i>			
Depreciation of the fixed assets		2 215	2 171
Depreciation of fixed assets IFRS 16		1 395	0
Other elements without impact on the cash		-87	92
Cost of debt IFRS 16		351	0
Financial income and charges		124	51
Take away earn out		0	2 000
Result on sale of equity securities		0	239
Net income on disposals of fixed assets		8	0
Costs of payments based on shares		112	44
Tax charge or proceeds	Note 6	63	445
Operating profit before variation of the operating capital need and provisions		-1 569	-3 375
Variation of the operating capital need	Note 18	2 460	-3 289
Cash flow resulting from operating activities		891	-6 664
Interest paid		-124	-51
Tax on earnings paid		-377	-883
Net Cash Flow Resulting From continuing Operating Activities		390	-7 598
Net Cash Flow Resulting From operating activities of divested operations		-	0
Net Cash Flow Resulting From Operating Activities		390	-7 598
Acquisition of fixed assets, debt		-3 718	-3 500
Variation of financial assets		-919	-486
Effect of the perimeter variations		-	0
Net Cash Flow Resulting From continuing investing Activities		-4 637	-3 986
Net Cash Flow Resulting From operating investing of discontinued operations		-	0
Net Cash Flow Resulting From Investing Activities		-4 637	-3 986
Repurchase of own shares		-	0
Minority transactions		-	0
New borrowings		4 643	6 284
Loan repayments		-237	-168
Repayment of rent debt IFRS 16		-941	0
Other financial liabilities variation		-225	0
Dividends paid to minority interests		-	0
Net Cash Flow Resulting From continuing Financing Activities		3 240	6 116
Net Cash Flow Resulting From Financing Activities		3 240	6 116
Effect of exchange rates variation		-	0
Net Variation Of Cash And Cash Equivalents from continuing Activities		-1 007	-5 468
Net Variation Of Cash And Cash Equivalents from divested operations		-	0
Net cash on January 1st		2 519	7 987
Net cash at the end of the period		1 512	2 519