

HiPay: 2018 financial results

Paris, March 15th, 2019 : HiPay (code ISIN FR0012821916 – HIPAY), the french fintech company specialized in payments, announces its 2018 results.

In million euros	2018 ⁽¹⁾	2017	Var. %
Consolidated Income Statements			
Processed transaction volume	2 844	2 193	+ 30 %
Revenue	28.8	24.5	+ 17 %
Operating income	- 5.7	- 4.5	- 27 %
Net income	- 8.4	- 4.5	- 87 %
Consolidated Balance Sheets			
Shareholders' equity	42.5	50.9	- 17 %
Cash and cash equivalent	2.7	8.0	- 67 %

Commenting on the 2018 results, Grégoire Bourdin, CEO of HiPay, said: “Last year, HiPay continued to demonstrate significant growth. Our technological platform, linked to continuous support of our clients, enabled us to sign hundreds of key accounts to use our services. Having local implementation demonstrated its relevance as revenues from all our local offices grew. We heavily invested to grow the teams, to develop our technology as well as to manage smoothly the growth of our clients’ revenues.

2019 target will be to maintain a significant revenue increase while stabilizing operational costs”.

(1) Closed by the HiPay Group SA Board of Directors on March 12th, 2019, the annual consolidated financial statements have been audited and the corresponding certification report is being prepared. The annual report on the financial statements for the year ended December 31st, 2018, will be available within the legal deadline on the company’s website, www.hipay.com, under the “Investors” heading.

Business strategy success

2018 was a year where we signed more than 1200 new clients, including several blue chip references such as Veepee (ex. Vente Privée). The successful business strategy also included the growth of 19% of the average transaction volume generated by existing merchants.

Strengthened the international development

International development continued to be one of the strategic direction for HiPay by strengthening the international team and integrating new local payment methods.

A new country manager was recruited in Portugal and the international Business Development team was enlarged.

Innovation with the deployment of our Omnichannel solution

To answer the needs of merchants to unify their sales channels (instore and online) and to digitalise their point of sales, HiPay was developed an innovative Omnichannel solution.

Brands such as The Kooples were amongst the first to deploy the solution in their stores, allowing us to validate our technological and business choices.

Revenue

Total revenues for FY 2018 stood at €28.8 million up by 17%. Sales for the second half were up by 22% to reach €15.8 million. This growth reflects the success of our commercial strategy, well implemented and executed over the past two years, on both customer acquisition and supporting the growth of our existing portfolio, which enabled the company to process over €2.8 billion transactions in 2018 up by 30% vs 2017.

The turnover rate continues to remain slightly above the 1% threshold, demonstrating the group's ability to bring value to its customers in a context of a continued price pressure the past few years.

Profitability

The group Operating income stood at €-5.7 million vs €-4.5 million in 2017, down by 27%. This mainly reflects the continued investments made by the Group to reach Operational excellence over the last two years, including a complete redesign of the IT infrastructure, as well as the industrialization of the company processes and tools, resulting in the delivery of an improved quality of service for the customers. The investments translated in new organization of the R&D Teams supported by a hundred hires over 2017 and 2018 (+€2.1 million impact in 2018) to reach its optimal size in order to tackle properly the future challenges. G&A expenses

increased by 14% to reach €6.9 million in 2018, to absorb the human resources growth (notably office expenses).

Net income

The Net Income stood at €-8.4 million in 2018. Besides the decrease of the Operating Income, the Group suffered a net financial loss of €-2.3 million mainly due to a price adjustment related to the sale of the telecom activities in July 2017 (cancellation of the success fee, estimated in December 2017 at €2 million).

Balance sheet and cash position

HiPay's cutting edge technology was acknowledged in 2018 through two loans granted (€4.3 million) by Bpifrance (Public Investment Bank) and promoting innovation, thus reinforcing the past and future technological investments. To further strengthen the company financial situation, BJ Invest, HiPay Group's key shareholder, granted an overdraft facility of €5 million.

As of December 31, 2018, HiPay's equity amounted to €42.5 million and the company had a cash position of €2.7 million.

Next financial communication: April 30th, 2019 – General Meeting Results.

About HiPay

HiPay is a omnichannel payment platform. At HiPay, we believe payment is about more than transactions. Thanks to a unique, agile platform, we enable merchants to get more from their payment data, across all sales channels. Boost conversion rates, increase revenue and discover new opportunities.

More information on hipay.com You can also find us on Twitter and LinkedIn.

HiPay Group is listed in compartment C of Euronext Paris (ISIN code: FR0012821916 – HIPAY mnemonic)

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