



HiPay

2019 results
March 27th 2020

Agenda

- HiPay, a value added PSP
- 2019 key achievements
- 2019 financial metrics
- 2020 preliminary outlook



HiPay

HiPay, a value added PSP

HiPay

HiPay in a nutshell: *Value-Added Provider of Payment Solutions*

€~3.9b

2019 processed volumes

37%

YoY volume growth

€~35m

2019 revenues

>40%

Volumes outside France



Local and International Acquirers



Local payment methods



Payment terminals



Banks

HiPay value added processing platform

HiPay
INTELLIGENCE

- Comprehensive, real-time data analytics
- Omnichannel: mobile, desktop, in-store

HiPay
SENTINEL

- Advanced anti-fraud solution
- Proprietary machine learning

HiPay
OMNICHANNEL

- Frictionless payment experiences across channels
- Web-to-store / store-to-web

Our promise

Increasing revenue by data analytics, optimizing conversion while limiting risk

From e-commerce to proxi



Payment market growth to benefit to new players

Shopping behaviors

Historically: PoS



▶ **Traditional players**
(e.g. banks & gateways)

Mid 2000's: e-commerce



▶ **e-commerce PSPs**
(New distinct payment segment)

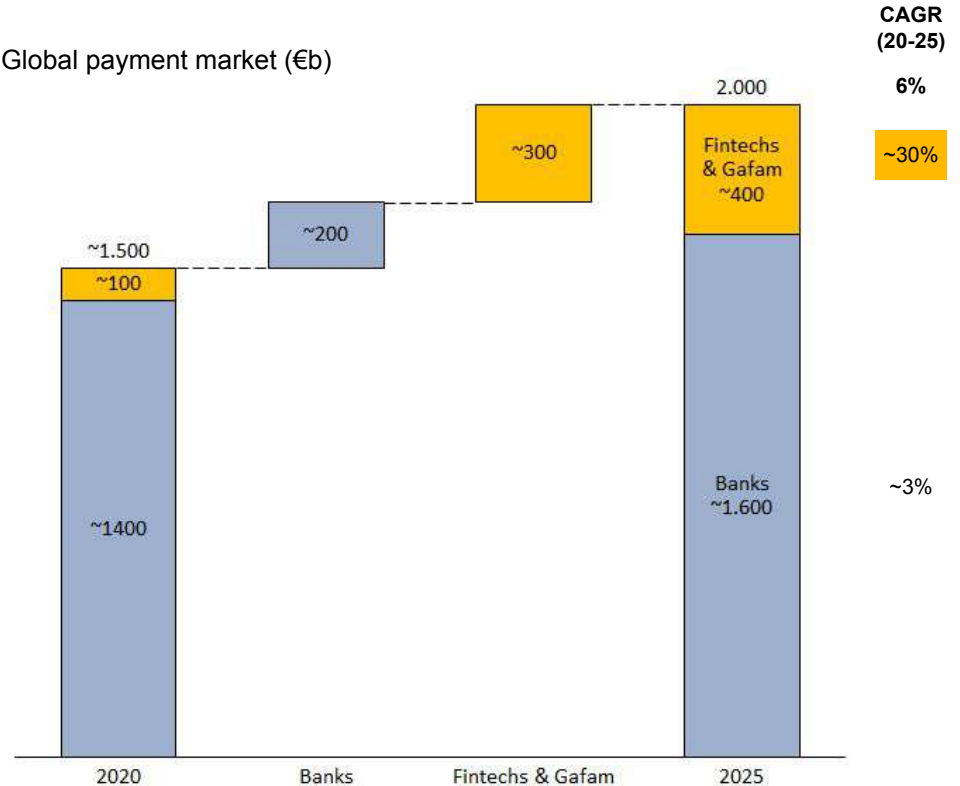
Mid 2010's: omnichannel



- ▶
- **Convergence of PSP segments**
 - **e-PSPs with competitive edge**

Payment Service Providers

Global payment market (€b)

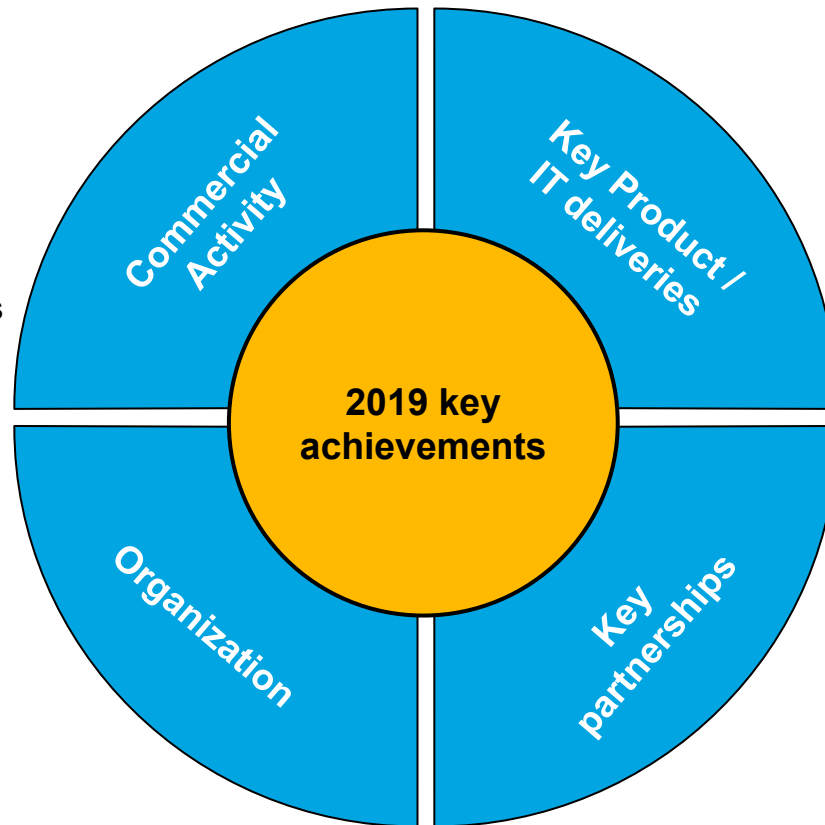


2019 key achievements

2019 key achievements

- +35% customers
- +37% volume processed
- +21% revenue
- Very dynamic in France, key market (58 % of the volume)
- New verticals: Franchises and Tourism

- HiPay spirit
- Executive committee



- PSD2 features
- Omnichannel
- Console
- Payment methods routing optimization



Strong acceleration in 2019

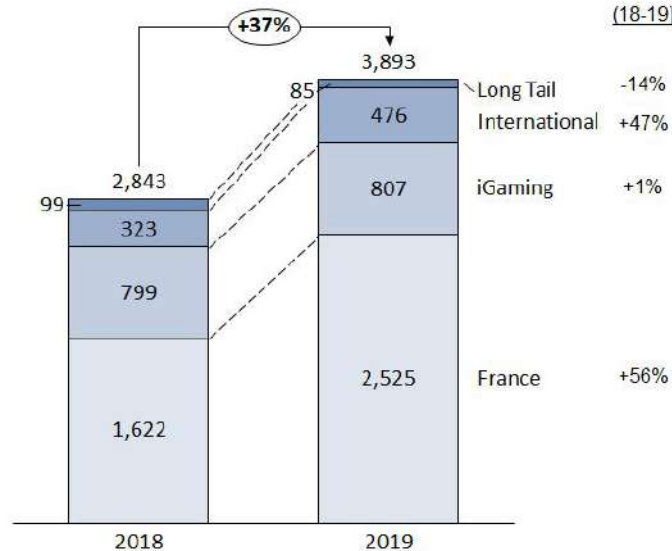
Metrics	Units	2018			2019			(18-19)		
		H1	H2	FY	H1	H2	FY	H1	H2	FY
Transactions - Captured	€m	1 325	1 518	2 843	1 761	2 132	3 893	33%	40%	37%
Revenues	€m	13,0	15,8	28,8	16,8	18,1	34,9	29%	14%	21%
	As % of captured transactions	0,98%	1,04%	1,01%	0,95%	0,85%	0,90%	-0,03pt	-0,19pt	-0,12pt
Direct costs	€m	(5,6)	(6,9)	(12,5)	(7,5)	(9,1)	(16,6)	34%	31%	32%
	As % of captured transactions	-0,42%	-0,46%	-0,44%	-0,43%	-0,42%	-0,43%	0,00pt	0,03pt	0,02pt

Key comments

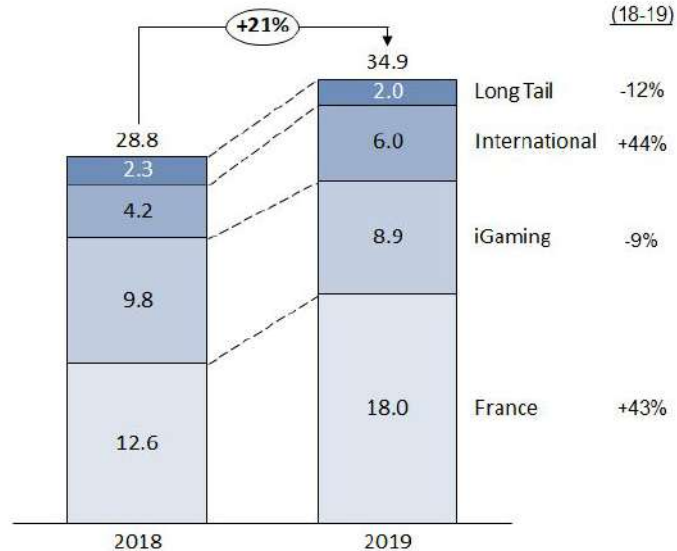
- Strong development over 2019
- Good monetization of transactions while HiPay commercial portfolio is being rebalanced towards key accounts (+156 key accounts joining HiPay in 2019)
- Direct cost under control in 2019, current Tech projects in the pipe to increase competitiveness in 2020

France and International BUs pulling growth at Group level

Captured transactions (€m)



Revenues (€m)

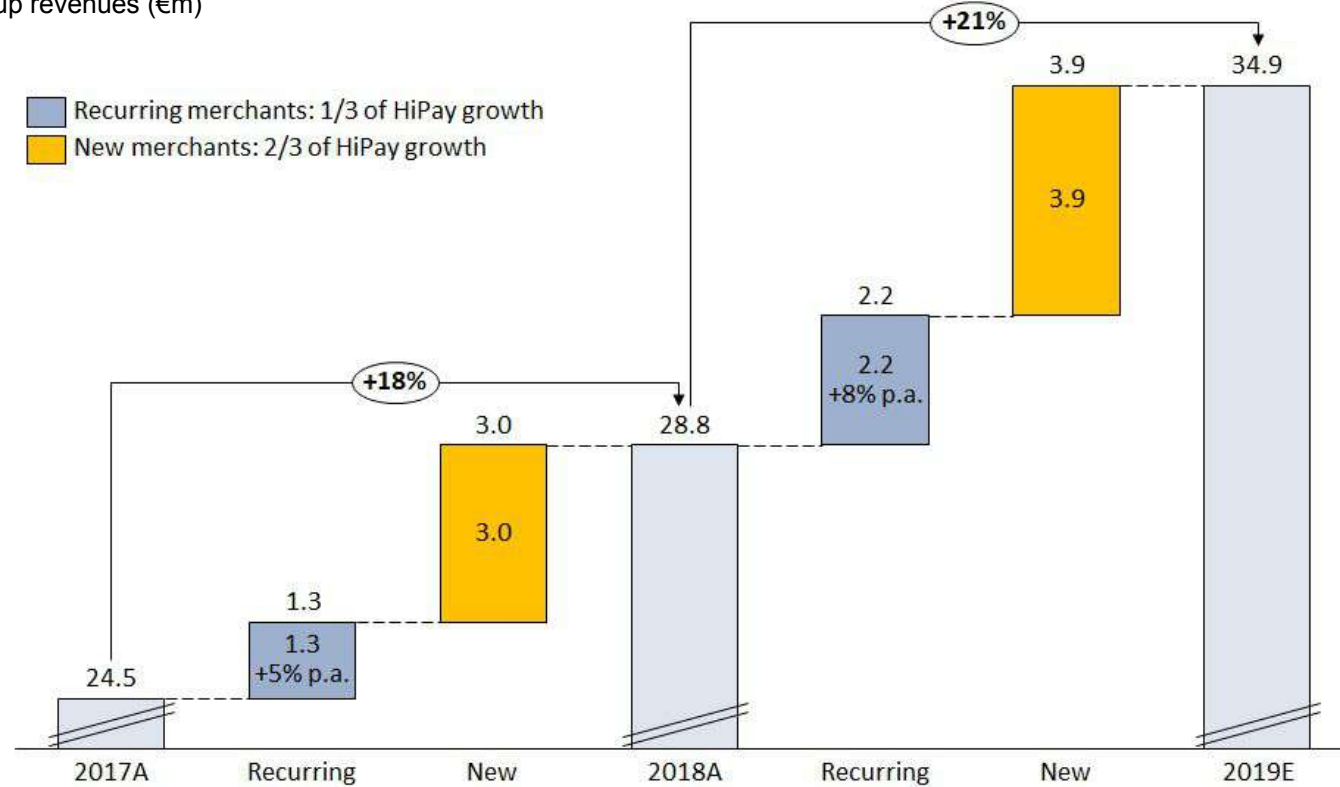


Key comments

- Strong strategic focus within France and International Business Units with successful results
- iGaming growth impacted by both 2018 as a high starting point (football world cup) and by a new regulation on gambling in Belgium as of June (“one-off” hit)
- Long tail development put “on-hold” in 2019 ; to be proactively re-addressed with new self onboarding tool launch

Revenue growth balanced through both recurring and new merchants

HiPay Group revenues (€m)



2019 financial metrics

P&L key metrics significantly improving vs. 2018

<i>In thousands of Euros</i>	December 31st, 2019	December 31st, 2018 IFRS 16 restated	December 31st, 2018 Published
Sales	34 872	28 816	28 816
Direct costs	- 17 442	- 13 510	- 13 793
Payroll charges	- 12 321	- 11 470	- 11 470
General expenses	- 4 986	- 5 880	- 6 851
EBITDA ⁽¹⁾	124	- 2 045	- 3 298
Depreciation and amortization	- 4 041	- 3 301	- 2 229
Current operating profit	- 3 917	- 5 345	- 5 527
Stock based compensation	- 112	- 44	- 44
Other non-current income and charges	- 704	- 91	- 91
Operating profit	- 4 733	- 5 480	- 5 662
Other financial income and charges	- 952	- 2 635	- 2 309
Earning of the consolidated companies	- 5 684	- 8 115	- 7 971
Earnings before tax of the consolidated companies	- 5 684	- 8 115	- 7 971
Income Tax	- 66	- 446	- 446
Net income from continuing operations	- 5 750	- 8 561	- 8 417
Including minority interests	-	0	0
Including Group share	- 5 750	- 8 561	- 8 417
Net income from operations sold	-	-	-
Net income	- 5 750	- 8 561	- 8 417
Including minority interests	-	0	0
Including Group share	- 5 750	- 8 561	- 8 417

Key comments

- Strong revenue growing to € 34.9m
- Direct costs development in line with transaction volumes to € -17.4m
- Operational expenditure under control at €17.3m, decreasing by -6% vs. 2018
- Breakeven at EBITDA level: € +124k
- Depreciation of Tech staff expenses + IFRS16 impact on rents leading to a € -3.9m current EBIT
- Financial results: € -0.952m
- Net Result reaching € -5.7m

Balance sheet

ASSETS - <i>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

LIABILITIES - <i>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

Key comments

- **Total Balance sheet € 137m as of 12/31/19**
- **Assets**
 - Goodwill confirmed by last impairment test conducted end of december
 - € +7m net tangible assets due to IFRS 16
 - Receivables impacted by Gateway business model and FAE*
 - Other Current assets increase reflecting the growth of the activity
 - Net cash end of period € 1.6m
- **Liabilities**
 - Shareholders' equity down to € 37m
 - € +7m long term borrowings impact due to IFRS 16
 - Net debt (excl. CIR, IFRS and merchant debt) reaching € 9m (Bpifrance, BNPP, BJ Invest)

Cash flows

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

in thousands of Euros	Notes	December 31st, 2019	December 31st, 2018
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

Key comments

- Positive Cash Flow Resulting From Operating Activities
- Cash burn* reduced by € 1.8m, from. € -3.4m in 2018 to € -1.6m over 2019
- Net cash end of period: € 1.5m

*Based on the Operating Profit Before Variation of the Operating Capital Need and Provisions

2020 outlook

2020 outlook

Business & Product priorities

- French & iGaming markets for Tier2 clients (€10m to € 200m), where we are the most successful
- Launch of our new interfaces Console: rich features, easy to play with
- Omnichannel features: full cover of the payment needs of our retail clients
- Onboarding capabilities: new clients no matter what their size, quicker go live
- PSD2 finetuning
- Payment Methods: some new, some better in their features or price, tokenization
- AI applied to fraud and payment interface optimization
- Infrastructure: reliability, stability, quality of services

Financial outlook

- Double digit growth
- EBITDA >0
- Update on funding
- COVID-19

Thank you

HiPay