

digital payments experts

FAQ I Reverse Stock Split

July 2015



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What is a reverse stock split?

A reverse stock split is the process of replacing a certain number of old shares in a certain ratio by a new share without changing the market capitalization of the company. In practice such an operation (i) raises the nominal value of the old shares by the chosen ratio and (ii) boosts the stock price because the share price is multiplied by the same ratio as the one of the reverse stock split.

What is the goal of this reverse stock split?

This reverse stock split's goal is to enable HiPay Group to regain a share price that is more consistent with the market standards as well as reducing share intrinsic volatility caused by the current value of the stock.

What is the reverse stock split parity proposed?

1 new share with a nominal value of 11€ will be exchanged for 11 old shares worth 1€ each. (In accordance with the General Assembly of Shareholders of June 15th, 2015.)

When will the reverse stock split be effective?

HiPay Group's reverse stock split is to take place on July 24th 2015.

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Is the Reverse stock split automatic?

For shares forming a multiple of 11, the shareholders do not have any formalities to fulfill: blocs of 11 old shares are consolidated by a financial intermediary (custody account keeper) that keeps HiPay Group's shares. For each block of 11 old shares having a nominal value of 1€ per share the shareholders will receive a new share with a nominal value of 11€.

What will happen if the number of shares of one shareholder is not a multiple of 11?

From now on until the 23rd of July 2015, the shareholders will be able to manage their shares by selling and buying on the stock market until they reach a multiple of 11.

After this time frame, all the shareholders that could not acquire a multiple of 11 old shares, which are needed to proceed with the consolidation, will be compensated in a 30 days period of time after July 24th by the custody account keeper. It is stated that former shares will be delisted from Euronext on the 24th of July 2015 and will be replaced by new consolidated shares. Starting from August 24th 2015, the custody account keeper will proceed with the compensation for the split.

For example: a shareholder who has 50 old shares will receive 4 new shares and a compensation corresponding to 0.54 new shares ($50 \times 1/11 = 4.54$ new shares)

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How will the compensation be paid ?

From July 24th until August 24th, 2015, the new consolidated shares originated by the old unconsolidated shares (odd lots) will be automatically sold on the market by the custody account keeper. The proceeds from the sale will be at the disposal of the holders of rights at their custody account keeper.

Each shareholder is invited to approach his custody account keeper for further information

Will the reverse stock split change HiPay Group's share face value?

Yes, the face value of HiPay Group's consolidated share is 11€ [face value before reverse stock split (1€) x 11]

Does a reverse stock split alter the share market price?

Yes the share price increases automatically in proportion to the reduction of the number of shares in circulation. For example the closing price on June 30th of 1.19€ is corresponding to a new price of 13.01€ after the split.

Does a reverse stock split modify the shareholder's portfolio value?

No the reverse stock split does not affect the value of the shareholder's portfolio.

After the operation the shareholders will have less shares in their portfolios but the value of each share will have increased.

For example: holding 44 shares worth 1.19€ each is equal to holding 4 shares worth 13.01 € each.

FAQ I Regroupement d'actions

What is the impact of the reverse stock split on the number of voting right held by shareholders?

- Each former unconsolidated share with simple voting right gives one vote and each new consolidated share with simple voting right gives one vote; and
- Each unconsolidated share with double voting right gives two votes and each new consolidated shares with double voting right gives two votes.

What will be the number of share after the operation?

Based on 54,504,715 shares in circulation on the 30th of June 2015, the capital of the company will be composed of 4,954,974 consolidated shares.

What is the ISIN code of the new consolidated shares?

Consolidated shares' ISIN code is: FR0012821916 (first quotation on July 24th 2015)

ISIN Code of former shares remains unchanged: FR0012767150 (last quotation on the 23rd of July 2015)

Will new consolidated shares have a new mnemonic?

New consolidated shares' mnemonic remains HIPAY (from July 24th 2015)

Former unconsolidated shares' mnemonic becomes HIPT during the session of the July 23rd 2015.