

HIPAY GROUP – Growth acceleration in Q2

- Half-year gross margin: €12.5 m (+10% vs. H1 2014)
- **Growth acceleration in second quarter**
 - Volume of transactions: +70% vs. Q2 2014
 - Gross margin: +12% vs. Q2 2014
- Listing on Euronext Paris on June 29, 2015
- Outlook 2015: sustained growth and improvement in profitability

Paris, July 30, 2015, 7 AM - HiPay Group (Code ISIN FR0012821916 - HIPAY), digital payment expert, releases its financial results for the first semester of 2015.

6-month period – in €M	H1 2015	H2 2014*	H1 2014*
Turnover ¹	12.5	11.9	11.3
EBITDA²	1.5	1.5	2.1
Depreciation and amortization	(1.2)	(1.4)	(1.3)
Current Operating Income³	0.3	0.1	0.8
Other non-current earnings and charges	(2.6)	(1.3)	(2.7)
Operating income	(2.3)	(1.2)	(1.9)
Financial result	0.1	(0.9)	(0.5)
Pre-tax earnings	(2.2)	(2.1)	(2.4)
Net income of the consolidated companies	(2.5)	(2.4)	(3.1)

*The financial data related to 2014 are based on the combined account of HiPay Group prepared in the context of the IPO

Commenting on results of the first semester of 2015, Gabriel de Montessus, CEO of HiPay Group, declared: “The first semester is consistent with our roadmap. Our Full Service activities are significantly growing as testifies the volume of transactions processed. We are hence going to continue technological developments of our platform and anticipate our

¹ In the context of a recent European legislative change, from January 1st 2015, the group constituted of entities from the payment activity has modified the recognition of its turnover from so-called “micropayment” activities using telecom resources, thus going from recognition of gross sales to a net recognition as is already the case for other sources of income from payment activities. The net turnover corresponds to the current gross profit

² Current Operating Income before depreciation and amortization

³ Before stock based compensation and non-current earnings and charges

customers' needs to reinforce even more our competitive advantage. At the same time, we succeeded our Initial Public Offering and our teams are currently entirely focused on the acceleration of the growth momentum."

SUSTAINED BUSINESS GROWTH

In the first semester of 2015 the volume of transactions increased by approximately 65%. This trend has been reinforced during the second quarter with a 70% rise, driven by the electronic banking flows which have doubled compared to 2014 2nd quarter.

The top line also accelerated in the second quarter (+12%) enabling to reach a 10% increase in the first semester.

These performances, rising strongly in comparison to previous semesters, confirmed the relevance and the success of the last technological platform launched 18 months ago. Accordingly, the turnover of the Full Service activity is up 80% over the semester and represents now more than 50% of the Group's turnover.

Commercial development of the Full Service activity focuses, at this stage, on the *retail* segment in France and abroad. 60% of the transactions are initiated outside of France,

Micropayment remains mainly positioned on the online gaming industry (75% of the activity).

CONFIRMED OPERATING PROFITABILITY

On June 30, 2015, the consolidated gross margin amounted to €12.5 million, a 10% rise compared to the first semester 2014.

In view of the strong Full Service activity growth, direct costs increased by 35% in the first part of the year.

Operating expenses (purchases and HR expenses) are up 10%. The Group continues to structure itself and attract the best talents to support the platforms technological deployment and the commercial development.

The *EBITDA* reached €1.5 million, stable compared to the second semester 2014. Depreciations, due to investments in technology carried out over the past few years, are steady.

The Current Operating Income of the Group is positive at €0.3 million, a slight decrease over the year but progressing compared to the second semester 2014 in spite of the additional costs.

Furthermore, the Group recorded several non-recurring elements, generating extraordinary charge of €2.6 million, mostly linked to the separation with HiMedia, the change of offices

and the initial public offering process. Therefore, the operating income amounted to -€2.3 million.

The financial result over the period landed at €0.1 million. The income tax expense amounted to -€0.3 million. Finally, the net income after tax amounted to -€2.5 million compared to -€3.1 million for the first half of 2014.

SOLID FINANCIAL SITUATION

HiPay Group has an extremely sound financial profile with €14.5 million of cash available on June 30, 2015, no long-term indebtedness and €58 million of shareholders equity.

2015 OUTLOOK

The observed trend in the first semester and commercial successes recorded over the last months, should allow HiPay Group to record a sustained growth of its gross margin over the year and an improvement of its profitability in the second semester while continuing to deploy its latest generation payment platform.

The half-year accounts approved by HiPay Group SA's board of July 28, 2015, have been subjected to a limited audit by the Group auditors, and the corresponding report has been issued. The half-year financial report on the accounts closed as at June 30, 2015 will be available on the company's website www.hipay.com, in the "Investors" section.

Next financial communication: Quarterly results (3rd quarter 2015) published November 4, 2015, after market closing.

About HiPay Group

With over 12 million transactions processed every month, HiPay is an expert in online payments.

It offers online publishers and e-retailers next generation payment solutions in order to leverage their businesses. HiPay brings added value to payment processing with specific solutions on data, mobile and international development. HiPay owns two European licenses: e-money issuer and payment institution in order to support merchant in all payment needs. HiPay has offices in 6 European countries, Brazil and has over 125 employees

The company is listed on the Euronext Paris Compartment C since 29 June 2015. (ISIN Code: FR0012767150 / Mnemo: HIPAY)

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Press release

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