

# Pursuit of the growth and the investments

**Paris, March 15<sup>th</sup>, 2018, 7:45 am:** HiPay (code ISIN FR0012821916 – HIPAY), the fintech company specialized in payments, announces its 2017 results.

| In million euros                           | 2017 <sup>1</sup> | 2016<br>proforma <sup>2</sup> | Var. % |
|--|-------------------|-------------------------------|--------|
| <b>Consolidated Income Statements</b>      |                   |                               |        |
| Annual Flow                                | 2,193             | 1,470                         | +50%   |
| Revenue                                    | 24.5              | 19.2                          | +28%   |
| Current Operating Income                   | -4.5              | -3.3                          | -36%   |
| Net Income from The Consolidated Companies | -4.5              | -4.6                          | -2%    |
| <b>Consolidated Balance Sheets</b>         |                   |                               |        |
| Shareholders' Equity                       | 51.2              | 55.1                          | -7%    |
| Net Cash                                   | 6.8               | 8.8                           | -23%   |

Commenting on the 2017 results, Grégoire Bourdin, CEO of HiPay, said: *“HiPay successfully completed its transformation as a pure player specialist in payment technologies. The sale of the micropayment activity in mid-year allowed us to fully dedicate our energy and our means to this great activity. We have seen a strong increase of the flow and the revenue, especially thanks to the integration of important brands in France and abroad. 2017 also has been marked by several product innovations such as the use of artificial intelligence in our anti-fraud solution to improve its performances. The objective for 2018 is to accelerate the growth of our flow while maintaining investments in R&D to keep offering innovative solutions to our clients, fitted to their needs.”*

## Sustained growth of the flow and the revenue

The good clients' acquisition strategy has been pursued in 2017 to reach a revenue of 24.5 million euros (+28%), for a processed flow of 2.2 billion euros (+50%).

<sup>1</sup> Closed by the HiPay Group SA Board of Directors on March 13th, 2018, 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 31<sup>st</sup>, 2017, will be available within the legal deadline on the company's website, [www.hipay.com](http://www.hipay.com), under the “Investors” heading.

<sup>2</sup> The result does not include the micropayment activity which contributes from January 1<sup>st</sup>, 2017 to July 31<sup>st</sup>, 2017 and will be retreated in the consolidated financial statement in compliance with the IFR 5 “Non-current Assets Held for Sale and Discontinued Operations”. This result will be presented on a separate line of the income statement.



Around a hundred new merchants have chosen HiPay for the development of their activity in France and in Europe, like Rossignol, Oscaro, Déco.fr (M6 Group), Bouchara, Pixmania, Figaret, Metro Cash & Carry, Christian Lacroix, Pylones or Intermarché. The focus of the trade strategy on merchants with important transaction volume has been a success as the average flow by client saw a significant rise in 2017. This strategy slightly made the turnover rate go down and which established at 1.1% in 2017 but stayed superior to the sector.

The current operating income of the year, in loss of 4.5 million euros, demonstrated the importance of investments made on HiPay's platform which allowed us to preserve a technological advantage and to most quickly gain market shares in the coming years.

### **Ongoing international development**

HiPay successfully pursued its international expansion with notable sales investments in Europe. In fact, over half of HiPay's transactions are made by merchants established outside France. This strategy of geographical diversification should keep going on and accelerate in 2018 as much by supporting existing clients in their development project than by integrating new European references.

### **Enrichment of the platform**

We now offer to our clients the possibility to process payments as much on their online boutiques as well as in their physical stores and we also provide help on the implementation of innovative payment processes (store-to-web, web-to-store). HiPay also gives them a consolidated vision of their data, whatever the distribution channel is.

Our product is constantly evolving. HiPay has made one of its priorities to complete the payment methods available on its platform (as AliPay, ApplePay or MyBank this year) with the purpose to be a better guide to its clients in all their development plans.

### **Continued investment in technologies**

With the ambition to better help its clients and to increase their revenue, HiPay keeps investing in its proprietary technologies to offer a full-service payment platform among the most complete of the market.

Via *HiPay Intelligence*, our clients benefit from an analysis of their data. They can have a complete view of their purchase funnel as the solution collects data from Google Analytics to the payment page. This new use of the payment data allows merchants to precisely measure the ROI of their Marketing investments and to optimize the design of their buying journey.



2017 also has been marked by the use of artificial intelligence and machine learning on the platform. The learning algorithms are integrated to our anti-fraud module. Thanks to *HiPay Sentinel*, our clients maximize their benefits by raising their conversion rate while reducing fraud and thus human interventions.

Investments linked to artificial intelligence should keep going on in 2018 with the use of this technology in other features like the intelligent routing of transactions (it will be able to choose the most economic or most efficient acquisition routing) or also the optimization of the payment pages.

These investments are translated by the hiring of around twenty developers and data scientists, but also a reorganization of our Product Department to accelerate the go-to-market of this new features.

### **Revision of the organization around the client**

During the twelve last months, HiPay simplified its organization to be able to absorb the current growth and to be the most efficient. The concerned departments are now exchanging information in a more effectively way for a better exploitation of the data to improve our business knowledge and manage the activity. This change has also been an occasion to industrialize most of our tools and processes; evolution that should be completed in 2018.

Beside this new organization and in order to support the trade strategy in favor of important merchants, a lot of investments have been made on the support teams and the user experience, as much on the staff (around fifteen new recruitments) as on the internal applications. One goal: to always better serve our clients. A noticeable improvement of the customer satisfaction has been measured and observed. We have for ambition to get 90% of our clients fully satisfied in 2018.

### **A strong and healthy financial situation despite some operating loss**

The consolidated balance sheet, with a shareholders' equity of 52 million euros and a net cash equals to 8 million euros on December 31<sup>st</sup>, 2017, allows us to consider a serene future with a strong capacity to absorb all the necessary investments for the growth of the coming years. All available means are used to quickly reach our goals and place HiPay as referent actor on the European market.

**Next financial communication:** April 30<sup>th</sup>, 2018 – General Meeting Results.

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### **About HiPay Group**

We're a global payment provider processing more than 2bn € annually across 150 countries and 220 payment types. By harnessing data analytics we help deliver valuable customer insights that enable our clients businesses to succeed.



More information on [hipay.com](http://hipay.com)  
Find us on [Twitter](#), [LinkedIn](#) and [Google+](#)

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