ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus (the "document") relating to Unifiedpost Group SA/NV (the "Company") dated 18 September 2020 accessed from this page or otherwise received.

This document has been prepared by the Company, in connection with the contemplated admission to trading and listing on the regulated market of Euronext Brussels of (i) all existing shares of the Company, (ii) a maximum of 9,722,222 newly issued shares of the Company without nominal value in a prior private placement (i) to qualified investors (as defined in article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) – each a "Qualified Investor") and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation in Belgium and various other jurisdictions outside the United States and (ii) in the United States only to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A ("Rule 144A") under the US Securities Act (the "US Securities Act")) (collectively the "Private Placement " and such Qualified Investors, high net worth individuals and QIBs, the "Qualified Persons"), and (iii) a maximum of 671,020 newly issued shares of the Company without nominal value pursuant to a conversion of bonds. The Private Placement outside the United States will be made in compliance with Regulation S ("Regulation S") under the US Securities Act. The prospectus is only made available to you in your capacity of "Qualified Person" in connection with the Private Placement.

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STATE OR OTHER JURISDICTION OF THE UNITED STATES OR IN ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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Confirmation of your representation: By accepting electronic delivery of the document, you are deemed to have represented to Joh. Berenberg, Gossler & Co KG (the “Sole Global Coordinator”) and together with Van Lanschot Kempen Wealth Management N.V., Bank Degroof Petercam NV/SA and Belfius Bank NV/SA (acting with its subcontractor Kepler Cheuvreux S.A.) as joint bookrunners (together with the Sole Global Coordinator the “Underwriters”), the Company and PE Group NV, Smartfin Capital NV, Mr. Michel Delloye and EJF Funding Designated Activity Company (the “Selling Shareholders”) that (i) you are acting on behalf of, or you are either (a) an institutional investor outside the United States (as defined in Regulation S under the Securities Act), or (b) in the United States and a QIB that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the UK, you are a Relevant Person; (iii) if you are in any Relevant State, you are a Qualified Investor or – subject to the explicit prior approval by the Company – any other Qualified Person; (iv) the securities acquired by you in the Private Placement have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any Relevant State to Qualified Investors; and (v) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave us and to which the document has been delivered are not located in such jurisdictions) you are a person into whose possession the document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

A hard copy of the document will be made available to you only upon request.

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THE DOCUMENT IS IN PRELIMINARY FORM AND CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THE FINALISED PROSPECTUS OR ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION

None of the Underwriters, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Private Placement. The Underwriters and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Underwriters are acting exclusively for the Company, the Selling Shareholders and no one else in connection with the Private Placement. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Private Placement and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their clients nor for giving advice in relation to the Private Placement or any transaction or arrangement referred to herein.

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Warning

An investment in the Shares involves substantial risks and uncertainties, including the risk that (i) Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices, (ii) Unifiedpost's strategy of growing its business organically and adding more SME customers to its Business Ecosystem solutions is highly dependent upon Sponsors and may prove unsuccessful, including as a result of the more complex and unpredictable sales cycle and roll-out for SME customers, (iii) Unifiedpost may fail to effectively cross- or upsell higher margin products and services to existing and new customers, (iv) If Unifiedpost does not continue to acquire new businesses, it may not continue to grow its business at similar rates, (v) In the opinion of the Company, Unifiedpost does not have sufficient working capital for its present requirements for the 12 months following the date of this Prospectus. To the extent Unifiedpost would not be able to attract sufficient new funds (beyond its existing cash and cash equivalents), it expects to run out of working capital by January 2021 (with a shortfall of €1.4 million). Assuming Unifiedpost maintains its current strategy and development activities as set forth in Section 7 – "Use of Proceeds", the maximum working capital shortfall in the 12 months' period following the date of this Prospectus, assuming that Unifiedpost is not be able to attract additional funds, is estimated to amount to approximately €6.5 million at 30 September 2021. Assuming the completion of the Private Placement, Unifiedpost is of the opinion that the amount of the Pre-Commitments (i.e. i.e. approximately €97,653,204 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank), together with its available cash and cash equivalents, will provide sufficient working capital to meet its present requirements and working capital needs for a period of at least 12 months from the Closing Date, (vi) Unifiedpost has a history of negative net-equity (at a consolidated level) and breaches of financial covenants under its Acquisition Facility, (vii) Unifiedpost has incurred operating losses, negative operating cash flows and an accumulated deficit and may not be able to achieve or subsequently maintain profitability, and (viii) In case of bankruptcy, shareholders may not be able to recover their investment in whole or in part, given that Unifiedpost's goodwill and intangible assets represent a material part of its assets and that Unifiedpost has a significant debt. Prospective investors should read the entire document and, in particular, should see the Section "Risk Factors" for a discussion of certain factors which should be considered in connection with an investment in the Shares. All of these factors should be considered before investing in the Shares. Prospective investors must be able to bear the economic risk of an investment in the Shares and should be able to sustain a partial or total loss of their investment. See "Summary" and "Risk Factors".

unifiedpost
GROUP

UNIFIEDPOST GROUP SA/NV

(a public limited liability company ("naamloze vennootschap" / "société anonyme") under Belgian law with registered office at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and registered with the Register of Legal Entities under number 0886.277.617)

ADMISSION TO TRADING ON EURONEXT BRUSSELS OF ALL EXISTING SHARES, A MAXIMUM OF 9,722,222 NEWLY ISSUED SHARES TO BE OFFERED IN A PRIVATE PLACEMENT WITHIN A PRICE RANGE OF €18.00 AND €20.00 AND A MAXIMUM OF 671,020 NEW SHARES TO BE ISSUED PURSUANT TO A CONVERSION OF BONDS

This prospectus relates to the admission to listing and trading on the regulated market of Euronext Brussels of (i) all existing shares of Unifiedpost Group SA/NV, a public limited liability company ("*naamloze vennootschap" / "société anonyme*") under Belgian law with registered office at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and registered with the Register of Legal Entities under number 0886.277.617 (the "**Company**"), (ii) a maximum of 9,722,222 newly issued shares without nominal value to be offered by the Company in a private placement (the "**Placement Shares**") within a price range of €18.00 and €20.00 (the "**Price Range**"), and (iii) a maximum of 671,020 newly issued shares to be issued by the Company pursuant to conversion of the Bonds (as defined hereafter) (such new shares, together with the existing shares and Placement Shares, the "**Shares**"). In the Private Placement (as defined hereafter), the Company targets to raise the maximum gross proceeds in the amount of €175 million.

The Private Placement consists solely of private placements (i) to qualified investors (as defined in article 2(e) of the Prospectus Regulation) and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation in Belgium and various other jurisdictions outside the United States and (ii) in the United States only to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A ("**Rule 144A**") under the US Securities Act (the "**US Securities Act**")) (collectively the "**Private Placement** " and such qualified investors, high net worth individuals and QIBs, the "**Qualified Persons**"). The Private Placement outside the United States will be made in compliance with Regulation S ("**Regulation S**") under the US Securities Act.

Prior to the Private Placement, six new qualified investors, i.e. (i) funds advised by Capital International Investors, (ii) Swedbank Robur Fonder AB, (iii) Legal & General Investment Management, (iv) Invesco Asset Management Limited, (v) WCM Investment Management and (vi) Sycomore Asset Management (the "**Pre-Committed Investors**") have irrevocably committed themselves vis-à-vis the Company to subscribe for Placement Shares in the Private Placement at the final Placement Price, in exchange for a guaranteed allocation, for an aggregate amount of approximately €97,653,204 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank) upon completion of the Private Placement (the "**Pre-Commitments**"), subject only to the following conditions at the date of this Prospectus: (i) full allocation of their respective Pre-Commitment, (ii) the Company not being under any obligation during the Private Placement Period to publish a Prospectus Supplement as a result of a material mistake or material inaccuracy relating to the information included in the Prospectus, and (iii) the completion of the Private Placement on or prior to 30 September 2020. In the event the Private Placement is oversubscribed, the Pre-Commitments will not be reduced but will be entirely allocated with priority to the Pre-Committed Investors. The Pre-Committed Investors are not bound by any contractual lock-up restrictions.

At the date of this Prospectus, the Company has a total of 184 automatically convertible bonds (the "**Bonds**") outstanding, which have been subscribed for an aggregate nominal amount of €9.2 million by Participatiemaatschappij Vlaanderen NV ("**PMV**"), Michael Howells, Colin Manson and Martin Hurley (the "**Bondholders**"). Each Bond has a nominal value of €50 thousand. The Bonds bear interest as from their respective issue date, at the rate of 7% per annum. The Bonds will automatically be converted into Shares following the completion of the Private Placement. The number of Shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Placement Price minus a discount of 25% (for PMV) or 15% (for the other Bondholders). The exact number of Shares to be issued upon conversion of the Bonds is unknown at the date of this Prospectus. If the Placement Price is set at the low end of the Price Range, i.e. €18.00, 671,020 Shares will be issued upon conversion of the Bonds.

There has not yet been a public market for the Shares. An application has been made to list the Shares on the regulated market of Euronext Brussels under the symbol "UPG" (the "**Listing**"). The Company reserves the right to withdraw its application for listing of the Shares in case (i) the Private Placement is withdrawn or suspended, (ii) the minimum amount set for the Private Placement is not raised or (iii) the Underwriting Agreement is terminated. Trading of the Shares on the regulated market of Euronext Brussels is expected to commence, on an "if-and-when-issued and/or delivered" basis, on or about 22 September 2020 (the "**Listing Date**"). Delivery of the Placement Shares is expected to take place in book-entry form against payment therefor in immediately available funds on or about 24 September 2020 (the "**Closing Date**") to investors' securities accounts via Euroclear Belgium, the Belgian central securities depository.

The Private Placement Period (the "**Private Placement Period**") will begin on 18 September 2020 and is expected to end no later than 06:00 p.m (CEST) on 21 September 2020, subject to early closing, suspension or extension.

The Price Range is an indicative price range and the price per Placement Share (the "**Placement Price**") and the exact number of Placement Shares offered in the Private Placement will be determined at the end of the Private Placement Period by the Company, after consultation with the Sole Global Coordinator on the basis of the bookbuilding process with Qualified Persons only and taking into account market conditions, a qualitative assessment of demand for the Placement Shares and other factors deemed appropriate. Up until allocation of the Placement Shares, the maximum number of Placement Shares can be increased or decreased. The Placement Price can be amended up until the end of the Private Placement Period and may be set within the Price Range or below the lower end of the Price Range but will not exceed the higher end of the Price Range. Any change in the number of Placement Shares and/or the Price Range will be announced in a press release, through electronic information services such as Reuters or Bloomberg, and on its website (https://www.unifiedpost.com/investor-relations/publications). The Placement Price and the exact number of Placement Shares will be announced through a press release and on the Company's website, and in any event no later than the first business day after the end of the Private Placement Period.

Any early closing of the Private Placement Period will be announced by means of a Company press release and on the Company's website and the dates for each of pricing and allocation, publication of the Placement Price and results of the Private Placement, conditional trading and closing of the Private Placement will in such case be adjusted accordingly. The Company reserves the right to withdraw the Private Placement at any time prior to the allocation of the Placement Shares. Any withdrawal or suspension of the Private Placement will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg, and, to the extent legally required, in a Prospectus Supplement.

Joh. Berenberg, Gossler & Co KG ("**Berenberg**) is acting as sole global coordinator for the Private Placement (in such and other capacity, the "**Sole Global Coordinator**") and together with Van Lanschot Kempen Wealth Management N.V. ("**Kempen & Co**"), Bank Degroof Petercam NV/SA ("**Bank Degroof Petercam**") and Belfius Bank NV/SA ("**Belfius Bank**") as joint bookrunners for the Private Placement (together with the Sole Global Coordinator the "**Joint Bookrunners**" and "**Underwriters**").

The Selling Shareholders (i.e. PE Group NV, Smartfin Capital NV (a private investment company with fixed capital incorporated under Belgian law) ("*private privak naar Belgisch recht*" / "*pricaf privée de droit belge*") ("**Smartfin Capital**"), Michel Delloye and EJF Funding Designated Activity Company) are expected to grant an irrevocable and unconditional option to Berenberg, on behalf of itself and the Underwriters, to increase the number of Placement Shares by up to 25% through the private placement of up to 2,430,554 existing Shares from their holdings (the "**Increase Option**"). Any decision to exercise the Increase Option will be communicated, at the latest, on the date of the announcement of the Placement Price.

Certain Selling Shareholders (i.e. PE Group NV, Smartfin Capital and Mr. Michel Delloye) are also expected to grant to Berenberg, as stabilization manager (the "**Stabilization Manager**"), on behalf of itself and the Underwriters, an irrevocable and unconditional option to purchase additional Shares in an aggregate amount equal to up to 15% of the number of Placement Shares sold in the Private Placement (including pursuant to any effective exercise of the Increase Option) at the Placement Price to cover over-allotments or short positions, if any, in connection with the Private Placement (the "**Over-allotment Option**"). The Over-allotment Option will be exercisable for a period of 30 days following the Listing Date (as defined below). As used herein, the term "Placement Shares" shall include any Shares offered pursuant to the Increase Option and any over-allotted Shares (unless the context requires otherwise). The Stabilization Manager, acting on behalf of the Underwriters, may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares during a period of 30 calendar days following the Listing Date (the Stabilization Period). These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. Stabilization will not be executed above the Placement Price. Such transactions may be effected on Euronext Brussels, in the over-the-counter markets or otherwise. In order to be able to effect any over-allotments made prior to the exercise of the Over-allotment Option, it is expected that the Selling Shareholders will lend a corresponding number of shares to the Stabilization Manager. Within one week after the end of the Stabilization Period (as defined below), information in relation to stabilization activities, if any, will be made public.

This document constitutes a listing prospectus for purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017, the "**Prospectus Regulation**"). The English version of this Prospectus was approved by the FSMA on 18 September 2020.

A Prospectus Supplement will be published in accordance with Article 23 of the Prospectus Regulation in the event an important new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares arises between the time when the Prospectus is approved and the Closing Date or the Listing Date, whichever occurs later. An important factor may include but is not limited to: (i) a withdrawal of the Private Placement and/or Listing, (ii) a decrease of the lower limit of the Price Range or if the Placement Price is set below the lower end of the Price Range, (iii) a reduction of the minimum amount of the Private Placement, or (iv) the non-execution or termination of the Underwriting Agreement.

In accordance with Article 12.1 of the Prospectus Regulation, this Prospectus is valid for a period of twelve months as of the date on which it was approved by the FSMA i.e. 18 September 2020. The obligation to publish a supplement to the Prospectus in accordance with Article 23 of the Prospectus Regulation (a "Prospectus Supplement"), in the event of an important new factor, material mistake or material inaccuracy is not applicable when the validity of this Prospectus has expired.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of the Placement Shares in any jurisdiction or to any person to whom it would be unlawful to do so. The distribution of this Prospectus outside Belgium may in certain jurisdictions be restricted by law. Persons into whose possession this Prospectus comes must therefore inform themselves about and observe such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, subject to certain exceptions, this Prospectus must not be distributed, forwarded to or transmitted in or into the United States, Japan, Canada, Australia or South Africa. Shareholders who have a registered address in or who are resident or located in, jurisdictions other than Belgium and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside Belgium should read Section 4 - "*Notices to prospective investors*".

The Shares have not been and will not be registered under the US Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. For a description of certain restrictions on transfer of the Shares, see Section 20 - "*Transfer Restrictions*".

The contents of this Prospectus are not to be construed as investment, legal, business or tax advice. Each prospective investor should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice respectively.

Sole Global Coordinator and Joint Bookrunner

BERENBERG
PARTNERSHIP SINCE 1590

Joint Bookrunners

Kempen

Degroof Petercam

Belfius
Bank & Insurance

Prospectus dated 18 September 2020

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<u>ANNEXES (*F-PAGES*)</u>

1 SUMMARY

1.1 *INTRODUCTION AND WARNINGS*

Introduction:

Name and international securities identification number	"UPG" with ISIN-code BE0974371032
Identity and contact details	**Unifiedpost Group SA,** a public limited liability company ("*naamloze vennootschap" / "société anonyme"*) organized and existing under the laws of Belgium, having its registered office at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and is registered with the Register of Legal Entities ("*rechtspersonenregister – RPR*" / "*registre des personnes morales- RPM*") (Brabant Wallon) under enterprise number 0886.277.617 and with LEI-number 254900QIETDP1T932G86**.**
Competent authority	**Belgian Financial Services and Markets Authority (FSMA), Congresstraat 12-14, 1000 Brussels.**
Date of approval Prospectus	**18 September 2020.**

Warnings: This summary must be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor may, under the national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Shares.

1.2 *KEY INFORMATION ON THE ISSUER*

WHO IS THE ISSUER OF THE SECURITIES?

Identity of the Company: The Company is a public limited liability company ("*naamloze vennootschap" / "société anonyme"*) organized and existing under the laws of Belgium, having its registered office at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and is registered with the Register of Legal Entities ("*rechtspersonenregister – RPR*" / "*registre des personnes morales- RPM*") (Brabant Wallon) under enterprise number 0886.277.617. The legal and commercial name of the Company is "Unifiedpost Group" or "UPG". It carries out its business (including through its subsidiaries) under the name of "Unifiedpost" and associated registered trademarks (the "**Group**" or "**Unifiedpost**"). The Company's ISIN-code is BE0974371032 and LEI-code is 254900QIETDP1T932G86.

Principal activities: Unifiedpost operates and develops a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Unifiedpost's customers, their suppliers, their customers and other parties along the financial value chain (the "**Unifiedpost Platform**" or the "**Platform**"). The Unifiedpost Platform has a universal back-end and is therefore easily scalable as its front-end can be tailored to specific customer needs. Unifiedpost's mission is to make administrative and financial processes simple and smart. Unifiedpost believes that businesses seek to digitalize and optimize the various steps in their administrative and financial value chains: from contract to invoice, from invoice to paid invoice and from payment to other related processes, such as invoice financing. This requires a reliable platform connecting various economic operators (i.e., customers, suppliers, financial institutions, governments, accountants, etc.). Whereas Corporates typically seek tailored solutions that can be integrated into their own business systems, Unifiedpost believes that SMEs seek an accessible, reliable and secure "one-stop shop" solution.

Unifiedpost wants to become the leading cloud-based platform for SME business services built on Documents, Identity and Payments. Unifiedpost operates in and predominantly services European customers and has offices in 15 countries.

Main security holders: The following table sets forth information with respect to the current Shareholders and holders of Subscription Rights at the date of this Prospectus. The Company is not controlled by one single Shareholder nor by multiple Shareholders acting in concert.

Shareholder / holder of Subscription Rights	Number of Shares	% Shares	Number of Subscription Rights(2)	% Subscription Rights(2)	Number of Shares (fully diluted) (3)	% (fully diluted) (3)
Sofias BV	3,904,970	18.55%	100,000	55.24%	4,904,970	21.46%
PE Group NV	2,360,290	11.21%	3,125	1.73%	2,391,540	10.46%
Smartfin Capital	2,366,430	11.24%	8,500	4.70%	2,451,430	10.72%
Michel Delloye	1,925,000	9.15%	1,250	0.69%	1,937,500	8.48%
DVP Invest BV (Dirk Van Praag)	1,188,700	5.65%	0	0%	1,188,700	5.20%
Pegavica CV	834,450	3.96%	0	0%	834,450	3.65%
FPIM – SFPI NV	720,590	3.42%	0	0%	720,590	3.15%
EJF Debt Opportunities Master Fund L.P.	720,590	3.42%	0	0%	720,590	3.15%
EJF Funding Designated Activity Company	694,790	3.30%	0	0%	694,790	3.04%
Other **(1)**	6,332,260	30.09%	68,147	37.65%	7,013,730	30.68%
Total	**21,048,070**	**100.00%**	**181,022**	**100.00%**	**22,858,290**	**100.00%**

Note 1. 1,000 subscription rights are held by the Company and have not yet been allocated pursuant to the employee stock option plan.
Note 2. The Subscription Rights do not include the Adjustment Subscription Rights or the Anti-Dilution Subscription Rights, given that the Adjustment Subscription Rights will expire following the conversion of the Bonds and that the Anti-Dilution Subscription Rights will expire following the Private Placement, taking into account the low-end of the Price Range.
Note 3. These columns do not take into account the dilutive effect of conversion of the Bonds, the Adjustment Subscription Rights or the Anti-Dilution Subscription Rights.

The following table sets forth information with respect to the Bondholders at the date of this Prospectus:

Bondholder	Number of Bonds	% Bonds
Participatiemaatschappij Vlaanderen NV	160	86.96%
Michael Howells	2	1.09%
Colin Manson	1	0.54%
Michael Howells and Colin Manson (jointly)	1	0.54%
Martin Hurley	20	10.87%
Total	**184**	**100%**

Key directors: Following the realization of the Conditions Precedent to the Private Placement, the Board of Directors will be composed of the following eight directors: (i) Sofias BV (permanently represented by Hans Leybaert) as CEO, (ii) AS Partners BV (permanently represented by Stefan Yee) as Non-Executive Director and Chairman, (iii) Jinvest BV (permanently represented by Jürgen Ingels) as Non-Executive Director, (iv) FPIM – SFPI NV (permanently represented by Leon Cappaert) as Non-Executive Director, (v) Joost Uwents as Independent Director, (vi) Katrien Meire as Independent Director, (vii) Fovea BV (permanently represented by Katya Degrieck) as Independent Director, and (viii) Angeline (Marie-Ange) Marx as Independent Director.

Statutory auditor: BDO Bedrijfsrevisoren CVBA / BDO Réviseurs d'Entreprises SCRL ("**BDO**"), having its registered office at the Corporate Village, Da Vincilaan 9 box E.6, 1930 Zaventem, Belgium, represented by Ms. Ellen Lombaerts.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Key historical financial information of the Company: The following tables set forth selected consolidated financial information of the Company and its consolidated subsidiaries as of and for (i) the six months ended 30 June 2020 and 30 June 2019, and (ii) the years ended 31 December 2019, 31 December 2018 and 31 December 2017.

Consolidated statement of profit and loss data:	For the six months ended 30 June		For the years ended 31 December		
(€ thousands)	2020 (unaudited)	2019 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
Revenue	33,494	21,030	46,952	27,617	23,439
Profit / (loss) from operations	(9,202)	(7,843)	(15,681)	(3,520)	1,351
Profit/(loss)	**(16,914)**	**(10,780)**	**(22,365)**	**(6,165)**	**593**

Earnings per share (EPS) attributable to the equity holders of the parent	For the six months ended 30 June		For the years ended 31 December		
(€)	2020	2019	2019	2018	2017
Basic	(7.84)	(5.20)	(10.59)	(3.36)	0.41
Diluted	(7.84)	(5.20)	(10.59)	(3.36)	0.38

Consolidated statement of financial position data:	As of 30 June		As of 31 December		
(€ thousands)	2020 (unaudited)	2019 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
Assets					
Total assets	126,794	111,297	111,297	62,385	32,415
Equity and liabilities					
Total equity	(7,996)	(19,198)	(19,198)	4,240	10,513

Consolidated statement of cash flow data:	As at 30 June		As at 31 December		
(€ thousands)	2020 (unaudited)	2019 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
Net cash provided by/(used in) operating activities	4,690	(3,342)	(4,521)	(803)	4,297

Net cash used in investing activities	(4,560)	(28,152)	(40,774)	(18,029)	(6,287)
Net cash provided by financing activities	5,416	29,780	43,413	23,307	1,849

Key historical financial information of Fitek Group: The Company acquired Financial Automation Solutions OÜ ("**Fitek**" and, together with its consolidated subsidiaries, the "**Fitek Group**") on 29 March 2019 (the "**Fitek Acquisition**"). The Prospectus contains the audited consolidated financial statements of the Fitek Group as of and for the years ended 31 December 2019 and 31 December 2018 (the "**Fitek Audited Consolidated Financial Statements**") prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Key historical financial information of Unifiedpost Limited Group: The Company acquired PDOCHOLCO Limited ("**Unifiedpost Limited**" and, together with its consolidated subsidiaries, the "**Unifiedpost Limited Group**", formerly known as the Prime Documents Group) on 29 November 2019 (the "**Unifiedpost Limited Acquisition**"). The Prospectus contains the audited consolidated financial statements of the Unifiedpost Limited Group as of and for the nine-month period ended 31 December 2019, as well as of and for the twelve-month period ended 31 March 2019 (the "**Unifiedpost Limited Audited Consolidated Financial Statements**") prepared in accordance with UK GAAP.

Selected key pro forma financial information: The Company has included an unaudited consolidated pro forma statement of profit or loss of the Company for the year ending 31 December 2019 to reflect (i) the Fitek Acquisition in 2019, (ii) the Unifiedpost Limited Acquisition in 2019, and (iii) the acquisition of an additional 1% of the shares in the Fitek Slovakia Joint Venture on 23 December 2019 and the Fitek Balkan Joint Ventures on 11 February 2020 (the "**Unaudited FY 2019 Pro Forma Income Statement**") and an unaudited consolidated pro forma statement of profit or loss of the Company for the half year ending 30 June 2020 to reflect the acquisition of an additional 1% of the shares in the Fitek Balkan Joint Ventures (the "**Unaudited H1 2020 Pro Forma Income Statement**"). The Unaudited FY 2019 Pro Forma Income Statement and the Unaudited H1 2020 Pro Forma Income Statement are for informational purposes only, merely provide a hypothetical indication of actual results as if such transactions had taken place on 1 January 2019 and 1 January 2020 respectively and do not purport to indicate the Company's future consolidated results of operations or financial position.

Unaudited Pro Forma Consolidated Statement of Profit and Loss data: *(€ thousands)*	For the half year ended 30 June 2020	For the year ended 31 December 2019
Consolidated statement of profit / (loss)		
Revenue	33,827	69,034
Profit / (loss) from operations	(9,729)	(15,158)
Profit / (loss) for the year / period	(17,399)	(24,434)

Earnings per share (EPS) attributable to the equity holders of the parent (€)	For the half year ended 30 June 2020	For the year ended 31 December 2019
Basic and Diluted	(7.88)	(10.61)

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

Risks related to Unifiedpost's business and industry

- **Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices**: Unifiedpost operates in highly fragmented markets, both in terms of geography, products and services which are rapidly evolving and are/or may become highly competitive. While Unifiedpost currently only operates in Europe, current and future competition for its products and services is global, not regional.
- **Unifiedpost's strategy of growing its business organically and adding more SME customers to its Business Ecosystem solutions is highly dependent upon Sponsors and may prove unsuccessful, including as a result of the more complex and unpredictable sales cycle and roll-out for SME customers**: Unifiedpost's organic growth strategy is premised on its ability to attract a greater mix of SME customers and may therefore prove to be unsuccessful for reasons specific to SMEs, including, among others, the unique sales strategy required to attract their business. Unlike Corporate customers, SMEs are primarily targeted indirectly through Vertical Business Ecosystems and Horizontal Business Ecosystems, which implies the further commercial roll-out of the Company's products with SMEs (its main target group) is to a large extent out of its control. These Business Ecosystems are set up in collaboration with Sponsors, which are targeted directly, and Unifiedpost relies and is dependent on these Sponsors for the further commercialization of its products with SMEs.
- **Unifiedpost may fail to effectively cross- or upsell higher margin products and services to existing and new customers**: As part of its direct sales approach for organic growth, Unifiedpost currently offers free trial periods for some of its products to new customers. Unifiedpost's growth strategy is therefore partly dependent on the adoption by these new clients of its paying products and services. In addition, Unifiedpost aims to transition from primarily providing its customers with traditional document processing services (part of its Documents business line) to providing more higher margin value-added services on top of its Document services, such as Payments, Identity and Platform Services.
- **If Unifiedpost does not continue to acquire new businesses, it may not continue to grow its business at similar rates**: In addition to its organic growth strategy, acquisitions have been an important part of Unifiedpost's growth strategy. Unifiedpost has relied on and intends to continue to rely on acquisitions to grow its business and add customers, specialized employees, complementary companies, products and technologies.
- **If Unifiedpost fails to manage its technical operations infrastructure, Unifiedpost's existing customers may experience service outages and new customers may experience delays in the implementation of the platform**: Reliability of Unifiedpost's platforms is particularly critical because the full-time availability of Unifiedpost's products and services is necessary to enable it to attract customers.

Risks related to financial position:

- **In the opinion of the Company, Unifiedpost does not have sufficient working capital for its present requirements for the 12 months following the date of this Prospectus:** To the extent Unifiedpost would not be able to attract sufficient new funds (beyond its existing cash and cash equivalents), it expects to run out of working capital by January 2021 (with a shortfall of €1.4 million). Assuming Unifiedpost maintains its current strategy and development activities, the maximum working capital shortfall in the 12 months' period following the date of this Prospectus, assuming that Unifiedpost is not be able to attract additional funds, is estimated to amount to approximately €6.5 million at 30 September 2021. Assuming the completion of the Private Placement, Unifiedpost is of the opinion that the amount of the Pre-Commitments (i.e. approximately €97,653,204 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank), together with its available cash and cash equivalents, will provide sufficient working capital to meet its present requirements and working capital needs for a period of at least 12 months from the Closing Date. However, Unifiedpost may still require additional financing in order to execute its business plan and fund its operations, which may not be available on favorable terms or at all.
- **Unifiedpost has a history of negative net-equity (at a consolidated level) and breaches of financial covenants under its Acquisition Facility**: As at 31 December 2019 and 30 June 2020, the Company had a total shareholders' equity of negative €19,198 thousand, respectively negative €7,996 thousand at consolidated level and was in breach of various financial covenants under the Belfius Acquisition Facility.
- **Unifiedpost has incurred operating losses, negative operating cash flows and an accumulated deficit and may not be able to achieve or subsequently maintain profitability**: Although Unifiedpost was profitable until 2011, its business plan and strategic vision have led to a significant cost increase in the following years. As a result of (amongst others) its buy-and-build strategy, which is paramount to Unifiedpost's business plan and a building block of its strategic vision, Unifiedpost has incurred operating losses, negative operating cash flows and an accumulated deficit.
- **In case of bankruptcy, shareholders may not be able to recover their investment in whole or in part, given that Unifiedpost's goodwill and intangible assets represent a material part of its assets and that Unifiedpost has a significant debt**: On a consolidated basis, the goodwill and intangible assets of Unifiedpost represent together 65.9% of total assets as at 30 June 2020, while Unifiedpost has a gross indebtedness of €111.3 million as at 30 June 2020, including €29.8 million of Bonds and related interest payable outstanding (i.e. not taking into account the Second Capital Increase), €34.5 million of drawings under the Acquisition Facility (of which €17 million will be repaid following completion of the Private Placement with the use of proceed) and €4.0 million of drawings under the BMI Subordinated Loan. The determination and valuation of Unifiedpost's goodwill and corresponding amortization are based on subjective assumptions and due judgement of these assumptions remains important.

Risks related to regulation:

- **Failure to comply with AML, KYC, anti-terrorism, anti-corruption and sanctions regulations may lead to administrative sanctions, criminal penalties and/or reputational damage**: Monitoring compliance with AML, KYC, anti-terrorism, anti-corruption and sanctions rules imposes a significant financial burden on both Unifiedpost and its customers (which may need to comply with their own procedures) as this requires significant technical capabilities.
- **The regulatory environment to which Unifiedpost is subject gives rise to significant legal and financial compliance costs and management time and non-compliance could result in monetary and reputational damages**: In Europe, Unifiedpost is inter alia exposed to the requirements of the GDPR, PSD2, eIDAS, the E-Invoicing Directive, as well as local implementing measures

1.3 *KEY INFORMATION ON THE SHARES*

WHAT ARE THE MAIN FEATURES OF THE SHARES?

Type and class of Shares: On the date of this Prospectus, the Share Capital of the Company amounts to €67,343,298.24 and is represented by 21,048,070 fully paid-up ordinary Shares, each with a fractional value of €3.199 and representing one 21,048,070th of the Share Capital. The Private Placement relates to the issuance by the Company of a maximum number of 9,722,222) newly issued ordinary Shares having no nominal value (the **"Placement Shares"**) within a Price Range of €18.00 to €20.00, but up to a maximum amount of gross proceeds of €175 million, and – as the case may be – the sale of existing Shares pursuant to the exercise of the Increase Option and/or Over-allotment Option, in each case to Qualified Persons only. Following the Private Placement, the Bonds will be converted into maximum 671,020 newly issued ordinary Shares having no nominal value. On the date all Shares are admitted to trading on Euronext Brussel, these will represent the entire Share Capital of the Company All Shares are in registered or dematerialized form and will have ISIN-code BE0974371032.

Rights attached to the Shares: All Shares have the same rights provided in the Articles of Association and the BCCA. Each Share entitles its holder to one vote at the Shareholders' Meeting. The Shares carry the right to participate *pro rata temporis* in dividends and other entitlements declared after the Closing Date, in respect of the financial year ending 31 December 2020 and future years.

Share transfer restrictions: Subject to the selling restrictions relating to the Private Placement and the contractual lock-up restrictions applicable to the Company, Selling Shareholders (i.e. PE Group NV, Smartfin Capital, Michel Delloye and EJF Funding Designated Activity Company), Reference Shareholders (DVP Invest BV, EJF Debt Opportunities Master Fund L.P., FPIM – SFPI NV and Pegavica CV), Other Shareholders, Bondholders (PMV, Michaels Howells, Colin Manson and Martin Hurley) and Management, there are no provisions restricting the free transferability of the Shares. The Pre-Committed Investors will not be subject to any lock-up restrictions.

Seniority in the event of insolvency: All Shares issued by the Company are junior to equity instruments issued by the Company from time to time, as well as any debt and rank *pari passu* in the event of insolvency.

Dividend policy: The Company has not declared or paid dividends prior to the Private Placement. The Company intends to retain any profits to expand the growth and development of the Company's business and, therefore, does not anticipate paying dividends to its Shareholders in the foreseeable future.

WHERE WILL THE SHARES BE TRADED?

An application has been submitted to admit the Shares to listing and trading on the regulated market of Euronext Brussels under the trading symbol "UPG" (the "**Listing**"). Subject to an early closing, suspension or extension of the timetable for the Private Placement, trading of the Shares is expected to commence on an "*if-and-when-issued and/or delivered*" basis on or about 22 September 2020.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SHARES?

Risks related to the Shares to be admitted to trading and Listing

- **Given that, following the Private Placement, a large number of Unifiedpost's Shares may be held by a limited number of Shareholders and that the Selling Shareholders, Reference Shareholders, Other Shareholders, Bondholders and Management (but not the Pre-Committed Investors) are expected to be subject to customary lock-up undertakings, the limited free float following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amount of Shares or the perception that such sales could occur, could affect the market value of the Shares.**
- **The Shares will be listed and traded on the regulated market of Euronext Brussels on an "if-and-when-issued/delivered" basis from the Listing Date until the Closing Date. Euronext Brussels may annul (i) all transactions effected in the Shares if the application is withdrawn or (ii) all transaction in the Placement Shares if the Placement Shares are not delivered.**

1.4 *KEY INFORMATION ON THE LISTING*

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THE SHARES?

Listing: This Prospectus is being produced in connection with the Listing of the Shares (i.e. all existing Shares, the Placement Shares and the new Shares to be issued pursuant to the conversion of the Bonds) on the regulated market of Euronext Brussels. In order to provide potential investors in the Shares of the Company after the Listing with the necessary information on the Company's envisaged Private Placement, which is expected to be completed immediately prior to the Listing on or around 21 September 2020, the Company has included detailed information on the Private Placement in this Section.

Private Placement: The Private Placement relates to the issuance by the Company of up to a maximum number of 9,722,222 Placement Shares, and – as the case may be – the sale of up to 2,430,554 existing Shares pursuant to the exercise of the Increase Option and up to 1,822,915 existing Shares pursuant to the exercise of the Over-allotment Option. In the Private Placement, the Company targets to raise the maximum gross proceeds in the amount of €175 million. The Private Placement consists solely of private placements to "Qualified Persons", i.e. (i) qualified investors (as defined in article 2(e) of the Prospectus Regulation) and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation in Belgium and various other jurisdictions outside the United States and (ii) in the United States only persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A under the US Securities Act). The Private Placement outside the United States will be made in compliance with Regulation S under the US Securities Act.

Conditions Precedent to the Private Placement: The Shareholders' Meeting of the Company held on 31 August 2020 approved the Private Placement, subject to the conditions precedent of (i) the FSMA approving the Prospectus, (ii) the execution of the Underwriting Agreement and the absence of termination of this Underwriting Agreement pursuant to its provisions, (iii) the delivery by a representative of the Underwriters of a bank certificate in respect of the capital increase in cash (certifying that the proceeds of the Private Placement have been received in the blocked bank account of the Company in accordance with Article 7:195 of the BCCA), and (iv) the confirmation of admission to trading and listing of the Shares of the Company on the regulated market of Euronext Brussels (the "**Conditions Precedent to the Private Placement**").

Indicative timetable: Subject to early closing, suspension or extension or withdrawal of the Private Placement, the timetable below lists certain expected key dates for the Private Placement and the Listing. The Company reserves the right to amend the timing of or even withdraw the Listing, in case the (i) the Private Placement is withdrawn or suspended, (ii) the minimum amount set for the Private Placement is not raised or (iii) the Underwriting Agreement is terminated. In such event, the Company will notify Euronext Brussels and inform investors through a Company press release and on its website (https://www.unifiedpost.com/investor-relations/publications). In addition, to the extent required by law, the Company will publish a Prospectus Supplement:

Expected start of the Private Placement Period	18 September 2020
Expected end of the Private Placement Period	21 September 2020 at 06:00 p.m. (CEST)
Expected publication of the Placement Price and results of the Private Placement	21 September 2020
Expected Listing Date (listing and start of conditional trading)	22 September 2020
Expected Closing Date	24 September 2020
Expected last possible exercise of the Over-allotment Option	22 October 2020

Increase Option: The Selling Shareholders (i.e. PE Group NV, Smartfin Capital, Michel Delloye and EJF Funding Designated Activity Company) are expected to grant to Berenberg, on behalf of itself and the Underwriters, an irrevocable and unconditional option to increase the number of Shares in the Private Placement by up to 25% through the private placement of up to 2,430,554 existing Shares from their holdings. Any decision to exercise the Increase Option will be communicated, at the latest, on the date of the announcement of the Placement Price.

Reduction of minimum amount of the Private Placement: The minimum amount of the Private Placement is set at the amount of Pre-Commitments received by the Company, below which the Private Placement will not be completed. The Company reserves the right to reduce the minimum amount of the Private Placement at any time prior to the allocation of the Placement Shares. Any reduction of the minimum amount during the Private Placement Period will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg and, to the extent legally required, in a Prospectus Supplement.

Placement Price: The Placement Price will be determined on the basis of a bookbuilding process in which only Qualified Persons can participate. The Placement Price is expected to be within the Price Range of €18.00 and €20.00 per Placement Share. The Price Range is indicative and the Placement Price may be set within the Price Range or below the lower end of the Price Range but will not exceed the higher end of the Price Range. If the Placement Price is set below the lower end of the Price Range, this will be announced by means of a Company press release and the Company will publish a Prospectus Supplement. Any changes to narrow the Price Range will not give rise to an obligation to publish a Prospectus Supplement.

Pre-Commitments; Prior to the Private Placement, the Pre-Committed Investors have irrevocably committed themselves vis-à-vis the Company to subscribe for Placement Shares in the Private Placement at the final Placement Price, in exchange for a guaranteed allocation, for an aggregate amount of approximately €97,653,204 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank) upon completion of the Private Placement, subject only to the following conditions at the date of this Prospectus: (i) full allocation of their respective Pre-Commitment, (ii) the Company shall not be under any obligation during the Private Placement Period to publish a Prospectus Supplement as a result of a material mistake or material inaccuracy relating to the information in the Prospectus, and (iii) the completion of the Private Placement on or prior to 30 September 2020. In the event the Private

Placement is oversubscribed, the Pre-Commitments will not be reduced but will be entirely allocated with priority to the Pre-Committed Investors. The Pre-Committed Investors are not bound by any contractual lock-up restrictions.

Private Placement Period: The Private Placement Period will begin on 18 September 2020 and is expected to close no later than 06:00 p.m. (CEST) on 21 September 2020, subject to the possibility of early closing, suspension or extension. In the event of an acceleration or extension of the Offer Period, pricing, allotment, admission and first trading of the Placement Shares, as well as payment (in euro) for and delivery of the Placement Shares in the Private Placement may be advanced or extended accordingly.

Closing Date: The Closing Date is expected to be 24 September 2020 unless the Private Placement Period is closed earlier.

Allocation: Allocation of the Placement Shares ("**Allocation**") is expected to take place after the closing of the Private Placement Period on or about 21 September 2020 (subject to early closing, suspension or extension) and will be determined by the Company, in consultation with the Sole Global Coordinator. In the event that the Private Placement is oversubscribed, investors (save for the Pre-Committed Investors) may receive fewer Placement Shares than they applied to subscribe for.

Results of the Private Placement: The results of the Private Placement and the Placement Price will be announced by means of a Company press release, which is currently expected to take place on or about 21 September 2020 and in any event no later than the first business day after the end of the Private Placement Period.

Share Lending and Over-allotment Option: Certain Selling Shareholders (i.e. PE Group NV, Smartfin Capital and Mr. Michel Delloye) are expected to agree to lend to Berenberg, as Stabilization Manager (on behalf of itself and the Underwriters) a number of Shares equal to up to 15% of the number of subscribed and purchased Placement Shares (including pursuant to any effective exercise of the Increase Option), in order to enable the Stabilization Manager to settle any over-allotments. The Selling Shareholders are furthermore expected to grant to the Stabilization Manager (on behalf of itself and the Underwriters) an Over-allotment Option, i.e., an option to purchase additional Shares in an aggregate amount equal to up to 15% of the aggregate number of subscribed Placement Shares (including the Placement Shares sold pursuant to the effective exercise of the Increase Option) (the "**Additional Shares**") to cover over-allotments or short positions, if any, at the Placement Price. The Over-allotment Option may be exercised for a period of 30 days following the Listing Date.

Payment: Payment for the Placement Shares and payment for Additional Shares pursuant to the Over-Allotment Option, if such option has been exercised prior to the Closing Date, is expected to take place on the Closing Date.

Delivery, Clearing and Settlement: Delivery of the Placement Shares and the Additional Shares pursuant to the Over-Allotment Option, if such option has been exercised prior to the Closing Date, is expected to take place on the Closing Date through the book-entry facilities of Euroclear Belgium, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Placement Shares and, if applicable, the Additional Shares, in immediately available funds.

Dilution: As a result of the Private Placement, the economic interest and the voting interest of the Existing Shareholders of the Company will be diluted. The maximum dilution for the Existing Shareholders would be 31.6%, based on the maximum number of Placement Shares (including the exercise of the Increase Option) and assuming that the Placement Price is at the lower end of the Price Range. As a result of the automatic conversion of the Bonds on the Closing Date, the additional dilution for the Shareholders would be 2.1%, based on the low end of the Price Range.

Expenses: The expenses related to the Private Placement are currently estimated at €12,294,997 (based on the mid-point of the Price Range). All fees and expenses related to the Private Placement (including those related to the exercise of the Increase Option and Over-allotment Option) will be borne by the Company.

Conversion of Bonds: At the date of this Prospectus, the Company has a total of 184 Bonds outstanding, which have been subscribed for an aggregate nominal amount of €9.2 million by PMV, Michael Howells, Colin Manson and Martin Hurley. Each Bond has a nominal value of €50 thousand. The Bonds bear interest as from their respective issue date, at the rate of 7% per annum. The Bonds will automatically be converted into Shares following the completion of the Private Placement. The number of Shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Placement Price minus a discount of 25% (for PMV) or 15% (for the other Bondholders). The exact number of Shares to be issued upon conversion of the Bonds is unknown at the date of this Prospectus. If the Placement Price is set at the low end of the Price Range, i.e. €18.00, 671,020 Shares will be issued upon conversion of the Bonds.

WHY IS THIS PROSPECTUS BEING PRODUCED?

Listing: This Prospectus is being produced in connection with the Listing, following the Private Placement.

Use and estimated net proceeds: The primary reason for the Private Placement is to enable Unifiedpost to acquire additional financial means in order to carry out its growth strategy. The Company targets to raise maximum gross proceeds in the amount of €175 million in the Private Placement. Assuming a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, the Company will receive gross proceeds in the amount of €175 million from the Private Placement. The net proceeds of the Private Placement (i.e. approximately €162 million) will be used as follows, in the following order of priority (descending):

- €17 million (excluding accrued interests and break fees, estimated at €148,750) will be used in the short term for the repayment of an existing acquisition finance bullet facility ("Facility B") with Belfius;
- €6 million will be used to further execute the development of the Unifiedpost Platform and current roll-out of the Unifiedpost Platform's functionality. For Documents and core-Payments services, no material incremental investments are expected compared to the previous years. Unifiedpost will however make additional capital expenditures and investments in the development of its Identity (identity schemes) and Payments offering (PSD2 integration with local financial institutions).
- €139 million will be used for additional platform investments in accordance with Unifiedpost's overall growth strategy. Unifiedpost has identified clear building blocks to grow its existing customer base by capitalizing on cross- and upselling opportunities and to develop and launch business Ecosystems in new markets, including further development and customization of the Unifiedpost Platform to local needs (e.g. JeFacture in France). The Company estimates that the investments in business Ecosystems will comprise approximately €5 million for JeFacture in France and €23 million

for other organic growth initiatives in business Ecosystems in other geographies. The remaining €111 million, together with other sources of funding, will be used in accordance with Unifiedpost's make-or-buy approach. Unifiedpost has demonstrated a strong buy-and-build track record in recent years and plans to capitalize on potential inorganic growth opportunities in the future to further accelerate its growth strategy. The management team is continuously monitoring potential acquisitions targets to drive regional expansion and further development of Unifiedpost's platform services. However, the final allocation of the remaining primary proceeds will be subject to management's assessment of future organic and inorganic growth opportunities in line with its growth strategy.

Should only the minimum amount of the Private Placement be realized (i.e. the amount of Pre-Commitments received), Unifiedpost will allocate only €66 million to develop and launch Business Ecosystems in new markets and to finance future acquisitions, together with other sources of acquisition financing facilities.

Underwriting agreement: The Company and the Selling Shareholders, on the one hand, and Berenberg (the "**Sole Global Coordinator**") and Kempen & Co, Bank Degroof Petercam and Belfius Bank (together with the Sole Global Coordinator, the "**Joint Bookrunners**" and "**Underwriters**"), on the other hand, are expected to enter into a "soft" underwriting agreement (the "**Underwriting Agreement**") with respect to the Private Placement on 21 September 2020. Under the terms and subject to the conditions set forth in the Underwriting Agreement, the Underwriters severally agree to procure purchasers for the Placement Shares and, if the procured purchasers fail to purchase the Placement Shares, to purchase the Placement Shares themselves. In addition, subject to the exercise of the Increase Option, the Selling Shareholders are expected to severally agree to sell their part of the Placement Shares to the purchasers procured by the Underwriters or to the Underwriters themselves. If the Underwriting Agreement is terminated in accordance with its terms, the Underwriters shall be released from the obligation to subscribe for any new Shares or to purchase any other Placement Shares. If the Underwriting Agreement is terminated, the Company shall publish a Prospectus Supplement and the Company reserves the right to withdraw its application for the Listing.

Material interests to the Private Placement (including conflicting interest): Pursuant to the Underwriting Agreement, the Underwriters shall be entitled to underwriting fees and, as the discretion of the Company, incentive fees and receive reimbursement of certain expenses. Certain of the Underwriters and/or their respective affiliates have in the past been engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or Selling Shareholders or any parties related to any of them, in respect of which they have received and may in the future receive, customary fees and commissions. The Company and/or other members of the Group have also entered into the Acquisition Facility with Belfius. In connection with the Private Placement, each of the Underwriters and any of their respective affiliates, may take up a portion of the Placement Shares in the Private Placement as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Placement Shares or related investments and may offer or sell such Placement Shares or other investments otherwise than in connection with the Private Placement. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Placement Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned or could potentially conflict, with investors' and the Company's interests. Except as disclosed above, no other party has a material interest in the Private Placement other than the Company's management, the Selling Shareholders, the Bondholders and the Company.

2 RISK FACTORS

An investment in the Shares involves a high degree of risk. Prospective investors should carefully consider the risks and uncertainties described below, together with other information described elsewhere in this Prospectus, including the consolidated financial statements and the related notes contained elsewhere in this Prospectus, before deciding to purchase any Shares.

The risk factors included in this Section 2 are ranked in accordance with Article 16 of the Prospectus Regulation. As a result, in each sub-section, the risk factors that the Company considers to be most relevant on the basis of the likelihood of the risk actually materializing, the potential significance of the risk and the scope of any potential harm to Unifiedpost's business, results of operations, financial condition and prospects as a result of the risk are listed first. The order in which the subsequent risk factors are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to Unifiedpost's business, results of operations, financial condition and prospects. While the risk factors have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this Section.

Although Unifiedpost believes that the risks and uncertainties described below are the most material risks and uncertainties facing Unifiedpost's business and the Shares, they are not the only ones relating to Unifiedpost and the Shares. There could be other risks, facts or circumstances that are not presently known to Unifiedpost or that Unifiedpost currently deems to be less material than the risks detailed herein or not specific to Unifiedpost.

Prospective investors should read and carefully review the entire Prospectus and should reach their own views before making an investment decision with respect to any Shares. Furthermore, before making an investment decision with respect to any Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers and carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of their personal circumstances.

2.1 Risk related to Unifiedpost's business and industry

2.1.1 <u>Risks relating to Unifiedpost's strategy and competition</u>

(i) ***Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices***

Unifiedpost operates in highly fragmented markets, both in terms of geography, products and services which are rapidly evolving and are/or may become highly competitive. While Unifiedpost currently only operates in Europe, current and future competition for its products and services is global, not regional. The introduction of new technologies and the influx of new entrants into the market may intensify competition in the future, which could harm Unifiedpost's business and its ability to increase revenue, maintain or increase customer renewals and maintain prices, which may have a negative effect on its business, financial condition, results of operations and prospects.

In each of the areas in which Unifiedpost is active (i.e. Documents, Identity, Payments and Platform Services), it faces competition from service providers which focus solely or primarily on specific industries or geographies (see Section 19.2.2 – "*Competitive environment*"). However, Unifiedpost's primary competition comes from companies that also seek to offer a suite of business services to their customers. Although currently only a limited number of service providers offer an integrated one-stop-shop cloud based platform (i.e. Bill.com, which is based in and focuses on the United States of America, and Esker SA, which is based in France and focuses on medium to large Corporate SaaS players), Unifiedpost expects that current and future competitors will also expand their products and services and offer packaged solutions like Unifiedpost. In particular, software and technology companies and financial institutions have begun to develop or may in the future develop one-stop-shop platforms that will provide services similar to those of Unifiedpost and these companies may have substantial means to invest in or expand their activities into areas for services that have traditionally had higher barriers to entry such as payment and financing services. Other areas for certain services Unifiedpost provides (such as e-document processing and e-identity industries) have low barriers to entry. It is therefore essential that Unifiedpost remains at the forefront in all aspects of its one-stop-shop offering in order to remain ahead of its competitors (see also Risk Factor 2.1.2(i) - "*Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices"* and Section 19.1.5 – "*Competitive strengths*"). Furthermore, Unifiedpost's current and prospective customers may decide to develop their own solutions in-house, thereby decreasing Unifiedpost's addressable market.

As Unifiedpost is dependent on Sponsors of SME Ecosystems in various jurisdictions to roll-out its platforms for SMEs, it particularly faces competition in these markets from local companies that have a strong national presence and an ongoing or historic relationship with the local professional and section federations. Furthermore, in certain countries, such as France, Unifiedpost has experienced that professional and sector federations may be more inclined to work with national players.

Unifiedpost's current or future competitors may develop products, features or services that are similar to those of Unifiedpost or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, may adopt more aggressive pricing policies or may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than Unifiedpost. Unifiedpost's competitors may also be able to offer products or functionalities similar to those of Unifiedpost at a more attractive price by integrating or bundling such products with their other product offerings.

Furthermore, new services and technologies, offered by existing, new and/or yet unknown competitors or other market players may be superior to, cheaper than, impair or render obsolete the products and services that Unifiedpost currently offers or the technologies that it currently uses to provide them. Some of Unifiedpost's current and potential competitors have significantly greater resources and better competitive positions in certain markets. These factors may allow Unifiedpost's competitors to respond more effectively to new or emerging technologies and changes in market requirements.

Competitors with significantly greater resources or better competitive positions in the markets in which Unifiedpost is active may also respond more effectively to acquisition opportunities than Unifiedpost, which may materially impact Unifiedpost's buy-and-build strategy. Unifiedpost's actual and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and offerings in the markets Unifiedpost addresses. Acquisitions and consolidation in Unifiedpost's industry may provide its competitors with even more resources and may increase the likelihood that its competitors will offer bundled or integrated products with which Unifiedpost cannot compete effectively. Unifiedpost believes that a defragmented market with a large number of competitors targeting the same population of users, will foremost have a negative impact on revenue and margins.

Unifiedpost believes that the probability of occurrence of this risk is high. If materialized, the negative impact of this risk on Unifiedpost's revenue and margins may be moderate but could be severe as it relates to specific geographies or business lines.

(ii) ***Unifiedpost's strategy of growing its business organically and adding more SME customers to its Business Ecosystem solutions is highly dependent upon Sponsors and may prove unsuccessful, including as a result of the more complex and unpredictable sales cycle and roll-out for SME customers***

Between 2017 and 2019, Unifiedpost's Organic Revenue from Repeated Services grew by a compounded annual growth rate of 14%. Beginning in 2021 Unifiedpost expects to accelerate organic revenue growth, after which Unifiedpost is targeting as from 2022 an annual organic growth rate of more than 25% (see Section 12.2 – "Medium Term Objectives") including by (i) generating incremental revenue from its existing customer base, for instance through cross- and upselling supplementary integrated value-added services on top of its Document services, such as Payments, Identity and Platform Services, in respect of which margins are higher, (ii) onboarding additional Business Ecosystems to attract new SME customers, (iii) adding more Corporate customers and partnerships, (iv) expanding its service offering, and (v) international expansion (see Section 19.4.2 – "*Organic growth*). Unifiedpost may ultimately be unsuccessful at executing any of the aspects of its organic growth strategy and in particular at attracting the greater mix of SME customers envisioned in its business plan.

Unifiedpost's organic growth strategy is premised on its ability to attract a greater mix of SME customers and may therefore prove to be unsuccessful for reasons specific to SMEs, including, among others, the unique sales strategy required to attract their business. Unlike Corporate customers, SMEs are primarily targeted indirectly through Vertical Business Ecosystems and Horizontal Business Ecosystems, rather than by the Group itself, and as a result, the further commercial roll-out of the Group's products with SMEs (as envisaged in its business plan) is to a large extent out of its control. These Business Ecosystems are set up in collaboration with Sponsors, which are targeted directly. In addition, SMEs are targeted directly through e-commerce, but Unifiedpost believes that the indirect approach is most important to its sales strategy to grow the Unifiedpost Platform solutions (see Section 19.4.2(ii)(A) – "*Indirect Sales: Sponsors of Business Ecosystems*"). However, indirect sales are less certain because they rely on third parties such as Sponsors of Business Ecosystems to engage with SMEs in order to promote the Unifiedpost Platform.

Examples of existing Business Ecosystems set up in cooperation with Sponsors are AgroBox in the Netherlands (a Vertical Ecosystem set up with two large Corporates: GD Animal Health and Vion, see Section 19.4.2(ii)(C) – "*Business case Vertical Business Ecosystem: AgroBox*") and JeFacture in France (a Horizontal Ecosystem set up in cooperation with ECMA, see Section 19.4.2(ii)(B) – "*Business case Horizontal Business Ecosystem: JeFacture*").

Unifiedpost relies and is dependent on Sponsors for the further commercialization of its products with SMEs. In some cases, the relationship with a Sponsor might be governed by a fixed term agreement, which can only be renewed on the basis of the consent of all parties involved, or provides a unilateral termination right for the Sponsor, and Unifiedpost does not have control over the intentions of the Sponsor. This is the case for the agreement with ECMA regarding JeFacture.

The timing of Unifiedpost's sales via Sponsors of Business Ecosystems and related revenue recognition are difficult to predict because of the length and lack of predictability of the sales cycles for these customers. Sponsors of Business Ecosystems (like Corporate customers) often require a significant amount of time to evaluate and implement Unifiedpost's solutions. This is particularly true in regulated industries. Lengthy sales cycles cause Unifiedpost to experience delays between the incurrence of operating expenses for such sales efforts and the generation of the corresponding revenue. Given that the development of a business relationship with a Sponsor of a Business Ecosystem is often viewed as a strategic decision and a significant investment, Unifiedpost often spends significant time and resources on contract negotiations and sales efforts to better educate and familiarize potential Sponsors of Business Ecosystems with Unifiedpost's value proposition. Furthermore, even once a Sponsor has decided to pursue the relationship with Unifiedpost, as opposed to the relatively limited time required for the effective roll-out of Unifiedpost's customized solutions for Corporates, the effective roll-out of a platform for Business Ecosystems requires substantially more time. In addition, Sponsors of Business Ecosystems may require considerable time to evaluate and test the relevant product offering prior to entering into, renewing or expanding a subscription.

Furthermore, purchase and deployment of Unifiedpost's products and services by SME customers is often entirely dependent upon the Sponsor of the relevant Business Ecosystem. Once a Business Ecosystem has been set up, the length of Unifiedpost's sales cycle for SME customers, from initial evaluation to payment for Unifiedpost's products and services is relatively short, but can still vary substantially from customer to customer.

It is unclear whether Unifiedpost's strategy to grow its business organically by attracting more SME customers will prove successful in the future. Absent expansion of Unifiedpost's customer base, Unifiedpost may not be able to maintain or outperform past Organic Revenue from Repeated Services growth rates. If Unifiedpost's business model no longer suffices to increase growth and revenue, Unifiedpost may need to shift its business model in order to secure further growth. In such case, Unifiedpost may have to drastically change its operational and/or marketing strategy, its sales force and its strategic partners. All of these efforts would require Unifiedpost to invest significant financial, management and other resources. Unifiedpost's believes that the impact of this risk is foremost related to the Organic Revenue from Repeated Services across all of its business lines.

Unifiedpost believes that the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's Organic Revenue from Repeated Services across all of its business lines would be high.

(iii) ***Unifiedpost may fail to effectively cross- or upsell higher margin products and services to existing and new customers***

Unifiedpost's organic growth strategy is based, in part, on its ability to effectively cross- and upsell additional products and services through its platforms to its existing customers and to offer these higher margin services to its new customers (see Section 19.4.2(i)(B) – "*Cross- and upselling opportunities*") and to successfully develop and add additional Platform Services to its offering.

Unifiedpost aims to transition from primarily providing its customers with traditional document processing services, such as processing, printing and delivery of outbound paper-based documents related to business transactions, as well as the processing of digital outbound messages (e.g., in PDF or XML) related to such business transactions (part of its Documents business line) to providing more higher margin value-added services on top of its Document services, such as Payments, Identity and Platform Services. These higher margin products and services rely, in certain cases, on Unifiedpost's access to the customers' documents. Today, Unifiedpost already offers Identity services, certain Payments services, as well as a limited number of Platform Services such as robotic process automation (RPA), the Financing Marketplace and Legal Archiving (see Section 19.3.5 – "*Platform Services*"). Additional Platform Services (such as Debtor Management, Dunning & Collection Services and Credit Insurance) are still in development and are expected to be offered in the near future (2021 at the earliest) (see Section 19.3.5 – "*Platform Services*").

Unifiedpost's business plan currently takes into account an "average revenue per user" (or ARPU) of €5 per month for documents-only and an additional €20 per month for the whole base offering (comprising e-invoicing (€5) and Payments (€15), excluding Platform Services) and additionally €45 per month for the premium offering (Platform Services). Through the future roll-out of its "premium services" and "professional solutions" Unifiedpost estimates that it can increase its subscription fees for clients using these services from €25 to €100. Reaching the break-even point or profitability depends on a combination of factors, including the number of users and the percentage of existing users that use services in addition to the documents-only offering. As part of its direct sales approach for organic growth, Unifiedpost offers and may continue to offer free trial periods for some of its products to new customers. Unifiedpost's growth strategy is therefore partly dependent on the adoption by these new clients of its paid products and services.

In 2019, approximately 7% of Unifiedpost's Pro Forma Revenue originated from cross- and upselling additional services to existing 2018 SME and Corporate customers (after taking into account limited churn, i.e. loss of revenue of existing customers).

Unifiedpost's ability to generate revenue through cross- and upselling to its Corporate customers is dependent on the appetite of its Corporate customers' clients for additional products and services and the effectiveness of its direct sales strategy. With respect to payment functionalities, Unifiedpost cannot be certain whether it will be successful at selling these additional services to a significant number of its existing Corporate customers. With respect to SME's, Unifiedpost's ability to generate revenue through cross- and upselling is primarily dependent on the initiatives undertaken by the relevant Sponsors *vis-à-vis* its members with respect to the promotion of additional products and services of the platform, as well as the effective uptake of these additional functionalities by the SMEs that are part of the relevant Business Ecosystem. Although Unifiedpost's strategy aims to incentivize Sponsors to promote these products and services to their SME members, Unifiedpost does not control the Sponsors and they may not successfully sell additional products and services to their members in significant numbers or at all.

In addition, in order to successfully offer and sell such additional products and services, Unifiedpost relies on its customers' consent to use information and data received from underlying (Documents and Payments) solutions as well as on data received from third parties. For example, with respect to Payments, Unifiedpost is partly dependent on third party access to accounts provided by financial institutions (see Risk Factor 2.2.4 –"*Unifiedpost is partly dependent on the adoption of new regulations and the correct and timely implementation thereof, including the implementation of XS2A under PSD2 by financial institutions in various jurisdictions*"). The acceptance of such new products or services by

Unifiedpost's existing customers may also be uncertain or delayed if Unifiedpost's supplementary products and services do not meet customer demand or requirements (see also Risk Factor 2.1.2(iii) – "*Unifiedpost's success depends on its ability to develop and/or acquire new products and services to address the rapid and significant technological changes and evolving markets in which it is active*").

The success of Unifiedpost's enhancements, new features and new products and services depends on several factors, including the timely completion, introduction and market acceptance of the enhancements or new features or services (see Risk Factor 2.1.2(iii) – "*Unifiedpost's success depends on its ability to develop and/or acquire new products and services to address the rapid and significant technological changes and evolving markets in which it is active*").

Finally, as Unifiedpost's service offering is transitioning further away from traditional Document services, revenue generated by Unifiedpost's printing and postage services will decline, and may not be sufficiently replaced by revenue related to Documents, Identity, Payments and Platform Services, including revenue from cross- and upselling of higher margin products and services.

If Unifiedpost is not able to successfully cross- and/or upsell additional products and services, its revenues and margins would be negatively impacted.

Unifiedpost believes that the probability of occurrence of this risk is high. If materialized, the negative impact of this risk on Unifiedpost's revenue and margins would be moderate.

(iv) ***If Unifiedpost does not continue to acquire new businesses, it may not continue to grow its business at similar rates***

In addition to its organic growth strategy, acquisitions have been an important part of Unifiedpost's growth strategy. Unifiedpost has relied on and intends to continue to rely on acquisitions to grow its business and add specialized employees, complementary companies, products and technologies (see Section 19.4.3 – "*Buy-and-build*"). Assuming a full placement of the Placement Shares at the mid-point of the Price Range, Unifiedpost envisages to apply €97 million of the net proceeds of the Private Placement to finance, in combination with other sources of funding, future M&A (see Section 7 – "*Use of Proceeds*" and Risk Factor 2.1.3(iv) – "*Unifiedpost may not be able to secure financing on favorable terms, or at all, to meet its future capital needs*"). Unifiedpost finances its acquisitions through a combination of equity and debt (see Risk Factor 2.1.3(iv) – "*Unifiedpost may not be able to secure financing on favorable terms, or at all, to meet its future capital needs*").

Over the last three years, in accordance with its buy-and-build strategy, Unifiedpost acquired seven companies, including two in 2019 (Fitek Group and Unifiedpost Limited) and three in 2018 (Inventive Designers, ADM Solutions and Leleu Group).

As a result of the above acquisitions, the Group's revenue increased from €23,439 thousand for the year ended 31 December 2017 to €27,617 thousand and €46,952 thousand for the years ended 31 December 2018 and 2019, respectively (€69,034 thousand for the year ended 31 December 2019 on a pro forma basis). In particular, for the year ended 31 December 2018, €665 thousand of the Group's revenue increase resulted from acquisitions made during the year, as compared to €3,513 thousand of revenue increase resulting from organic growth in the same period. The Group's revenue increase for the year ended 31 December 2019 included acquired revenue of €10,198 thousand resulting from acquisitions made during the year, and the upwards effect of the 2018 acquisitions for an amount of €9,116 thousand, whereas growth in Adjusted Organic Revenue in the same period contributed €1,621 thousand. For further details on the Group's Adjusted Organic Revenue and Organic Revenue from Repeated Services for the periods under discussion, see Section 3.9 – "*Important Information — Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

If Unifiedpost does not continue to acquire new businesses and execute its buy-and-build growth strategy, Unifiedpost's may not continue to grow at similar rates. Unifiedpost believes that if this risk were to materialize, it would have a negative impact on both the rate of growth and the speed at which the Group is able to grow internationally, in particular in the regions where Unifiedpost is not yet active (and therefore is less able to grow the business organically).

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on the rate of growth would be moderate and the negative impact of this risk on the speed at which the Group is able to grow internationally would be high.

(v) ***Unifiedpost's success depends on the continued contributions of its principal founder-led management team, key technological personnel and sales force. Unifiedpost might fail to retain key management or personnel and/or attract and train new highly qualified personnel***

Unifiedpost's success largely depends on the continued contributions of its principal founder-led management, in particular the CEO and founder Hans Leybaert (through its management company, Sofias BV), key technological personnel and sales force (including employees and independent contractors). If Unifiedpost loses the services of certain key members of its management team or personnel, the execution of its growth strategy may be seriously and adversely affected.

If Unifiedpost does not succeed in attracting, hiring, training and integrating capable personnel or retaining and motivating its existing personnel, Unifiedpost might be unable to grow effectively. Furthermore, Unifiedpost might not be able to retain and where necessary attract such personnel on acceptable terms, given the competition for experienced people from numerous specialized IT companies. For example, in order to ensure the continuity and further development of certain of its services such as document digitalization and IT support, Unifiedpost relies on specialized IT personnel and contractors located in countries in and outside of the European Union (such as Vietnam, Romania and Greece) which may give rise to increased or additional difficulties as a result of language barriers, different time zones, etc. Furthermore, in some of these countries (such as Romania), employees and/or independent contractors may have strong bargaining power due to low unemployment rates and high demand from employers. In addition, as a result of its buy-and-build strategy, Unifiedpost is required to invest considerable resources to retrain and integrate personnel of the acquired businesses (predominantly sales persons), in order to ensure an efficient migration and implementation of its marketing and sales strategy.

In general, Unifiedpost's employees can terminate their employment with Unifiedpost at any time. Unifiedpost's anticipated growth and expansion into areas and activities requiring additional expertise such as payments and financial transactions are expected to place increased demands on Unifiedpost's resources. These demands are expected to require the addition of new personnel and/or managers and the development of additional expertise by current personnel and/or managers. Unifiedpost operates within a niche sector and its future performance depends on the continued services of key personnel. Unifiedpost's personnel require a high level technical expertise and knowledge and the market for persons with these competences is limited. The loss of the services of any of Unifiedpost's key personnel, Unifiedpost's inability to attract highly qualified key personnel, failure to adequately train personnel or a loss of an entrepreneurial company culture which fosters talent and innovation may materially and adversely affect its ability to realize its growth strategy.

Unifiedpost believes that the probability of occurrence of this risk is low.

(vi) ***Unifiedpost may not be able to properly and timely integrate acquired businesses and their services***

Unifiedpost's ability to realize the anticipated benefits of the businesses it has acquired or will acquire in the future, will depend, in part, on Unifiedpost's ability to successfully and efficiently integrate the acquired businesses and operations with its own business, either by migrating the acquired businesses' existing technology and customers to its own platform or by integrating and offering Unifiedpost's products and services together with those of the acquired businesses through such businesses' existing network. Volume acquisitions are never fully integrated into Unifiedpost. For such acquisitions, Unifiedpost's aim is the integration of the products and services offering, rather than full operational integration of the acquired business into Unifiedpost. Complementary acquisitions, on the other hand, such as Leleu Group, Inventive Designers and ADM Solutions, are intended to be fully integrated (see Section 19.4.3 – "*Buy-and-build*"). The integration and/or migration of acquired operations with Unifiedpost's existing business can be complex, costly and time-consuming and may result in additional demands on Unifiedpost's resources, systems, procedures and controls, disruption of its ongoing business and diversion of management's attention from other business concerns.

In order to manage changes to Unifiedpost's business effectively, Unifiedpost must continuously strengthen its internal infrastructure and operational procedures, enhance its internal controls and reporting systems, monitor costs and operational issues involved with integration and ensure that it timely and accurately addresses issues as they arise. The difficulties and risks associated with the integration and/or migration of acquired businesses include, among others:

- the increased scope and complexity of Unifiedpost's operations, in particular taking into account the number of acquisitions Unifiedpost has undertaken during the last three years. Primarily as a result of the seven acquisitions that Unifiedpost has completed over the last three years, Unifiedpost has grown from approximately 150 FTEs (i.e. employees and independent contractors) at the end of 2015 to approximately 757 FTEs as of the date of this Prospectus. As Unifiedpost's headcount increases, there is a risk that its core values, strategies and goals will not be effectively communicated to and embraced by its personnel worldwide;

- the exposure to new legal and regulatory environments in foreign jurisdictions, particularly in those jurisdictions in which Unifiedpost is now active following the Fitek Acquisition, that are not EU member states, such as the Republic of Serbia and Bosnia and Herzegovina (see Risk Factor 2.1.4(iv) – "*As a result of the Fitek Acquisition, Unifiedpost recently expanded into countries where it may be exposed to increased regional business, legal and economic risks and Unifiedpost may continue to develop its activities in these countries or in countries where it may be exposed to similar increased risks*"). Following "Brexit", the legal and regulatory framework governing Unifiedpost's activities in the United Kingdom (a.o. through Unifiedpost Limited) may also substantially change (see Risk Factor 2.1.4(ii) – "*The UK* *referendum resulting in the United Kingdom's exit from the EU and the UK withdrawal agreement and its practical implications could create political and economic uncertainty and risk*");

- the incompatibility of customized technology and platforms used by acquired businesses with Unifiedpost's own technology and platform. In order to integrate the acquired company's product and service offering into that of Unifiedpost's, existing technology, platforms and customers may need to be migrated, which requires additional time and focus from Unifiedpost's management and may divert its attention from other day-to-day business;

- difficulties in conforming the acquired company's accounting, books and internal controls to Unifiedpost's. For example, prior to the Fitek Acquisition, the consolidated subsidiaries of Fitek reported in accordance with various local GAAP systems (i.e. Estonian GAAP, Latvian GAAP, Serbian GAAP, etc.). Unifiedpost Limited reported in accordance with UK GAAP. Neither Fitek, nor Unifiedpost Limited, have previously reported in accordance with IFRS;

- coordinating geographically separate organizations, operations, relationships and facilities. Unifiedpost structures its operations on the basis of Functional and Geographical Business Units, which all report to the Company's top management team (see Section 19.5 – "*Operational Structure*"). Managing foreign operations may place increased demands on management and may divert its attention from Unifiedpost's daily operations. Furthermore, this may give rise to increased travel, infrastructure and legal compliance costs;

- integrating personnel with diverse business backgrounds, corporate cultures and management philosophies, in particular new sales people who require specialized training to sell Unifiedpost's combined service offering. For example, when acquiring PowertoPay in 2012, Unifiedpost experienced significant migration issues which arose from a difference in corporate cultures between Unifiedpost and PowertoPay. This eventually resulted in the closing of the Dutch office of PowertoPay and the buy-out of the original management team, resulting in a significant additional cost for Unifiedpost;

- preserving important strategic and customer relationships. Although Unifiedpost operates its acquired business under the existing local brand and with the continued involvement of the existing management teams, it may face challenges when upselling its integrated product and services offering through local brands. Furthermore, Unifiedpost may face competition from third parties that have greater experience in such local markets than Unifiedpost or that have pre-existing relationships with potential customers in such markets (see Risk Factor 2.1.1(i) – "*Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices*");

- ensuring continued compliance with applicable rules and regulations, in particular relating to payment services, know your customer obligations ("**KYC**"), anti-money laundering obligations ("**AML**") and privacy and data processing (see also Risk Factor 2.2.1 – *"Failure to comply with anti-money laundering, know-your-customer, anti-terrorism, anti-corruption and sanctions regulations may lead to administrative sanctions, criminal penalties and/or* *reputational damage*"). This may particularly be the case for the countries in which Unifiedpost is active following the Fitek Acquisition (see also Risk Factor 2.1.4(iv) – "*As a result of the Fitek Acquisition, Unifiedpost recently expanded into countries where it may be exposed to increased regional business, legal and economic risks and Unifiedpost may continue to develop its activities in these countries or in countries where it may be exposed to similar increased risks*");

- retaining key employees, particularly in those countries where Unifiedpost is active in which employees have strong bargaining power (see also Risk Factor 2.1.1(v) – "*Unifiedpost's success depends on the continued contributions of its principal founder-led management team, key technological personnel and sales force. Unifiedpost might fail to retain key management or personnel and/or attract and train new highly qualified personnel*"); and

- inability to adequately identify obligations of the acquired businesses during the due diligence process and/or successfully eliminate duplicative overhead and overlapping and redundant marketing, finance, general and administrative functions and other expenses which may offset synergies from the acquisitions.

As a result of these difficulties and risks, Unifiedpost might not accomplish the integration and/or migration of acquired businesses smoothly, successfully or within its budgetary expectations and anticipated timetables, which would primarily impact the cost of operations and speed of international expansion and may result in a failure to realize some or all of the anticipated benefits of its acquisitions.

Unifiedpost believes that the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's speed of international expansion would be moderate and the negative impacts of this risk on Unifiedpost's cost of operations would be limited.

(vii) ***Unifiedpost may prove to be unsuccessful in identifying, negotiating and consummating favorable transaction opportunities***

In light of its buy-and-build strategy, Unifiedpost continuously screens the market for potential acquisition opportunities. Unifiedpost mainly focuses on acquiring providers of services currently offered by Unifiedpost (such as e-Invoicing and identity services) in order to expand its customer base ("**Volume Acquisitions**"), as well as providers of products or services that are supplementary to the Unifiedpost Platform ("**Supplementary Acquisitions**"). Unifiedpost considers such targets in countries in which it is already active and in countries where it wishes to expand. Unifiedpost mainly focuses on the European market, but may consider other opportunities as they arise.

At any given time, Unifiedpost may be engaged in discussions or negotiations with respect to one or more of these or other types of transactions, any of which could, individually or in the aggregate, be material to its financial condition and results of operations. Identifying and completing potential acquisitions may require substantial expenditures and take considerable management time and resources. If Unifiedpost's financial position is negatively affected or if it's management and personnel do not effectively assess and identify market opportunities, Unifiedpost may not be successful in identifying, negotiating, consummating and integrating favorable transaction opportunities (see Risk Factor 2.1.1(iv) - "*If Unifiedpost does not continue to acquire new businesses, it may not continue to grow its business at similar rates*"). When Unifiedpost engages in negotiations but is ultimately not able to complete the transaction (including, *inter alia*, because of additional requirements or restrictions imposed on the parties by the competent merger control authorities), significant time and resources are wasted. Furthermore, Unifiedpost might be obliged to pay certain break fees if it ultimately decides not to pursue a certain transaction.

In addition, these transactions may require Unifiedpost to issue additional equity securities, spend Unifiedpost's cash and/or incur additional debt (with a corresponding increase in interest expense), liabilities, or amortization expenses related to intangible assets or write-offs of goodwill, which could dilute the economic and voting rights of the Shareholders.

Unifiedpost believes that if this risk were to materialize, it would have a negative impact on both the rate of growth and the speed at which the Group is able to grow internationally, in particular in the regions where Unifiedpost is not yet active.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on the rate of growth would be moderate and the negative impact of this risk on the speed at which the Group is able to grow internationally would be high.

2.1.2 ***Risks relating to Unifiedpost's products and service offering and technology***

(i) ***If Unifiedpost fails to manage its technical operations infrastructure, Unifiedpost's existing customers may experience service outages and new customers may experience delays in the implementation of the platform***

Reliability of Unifiedpost's platforms is particularly critical because the full-time availability of Unifiedpost's products and services is necessary to enable it to attract customers. Unifiedpost has experienced significant growth in the number of users, transactions and data that its operations infrastructure supports and expects growth to continue in the coming years. Unifiedpost seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all of its customers. Unifiedpost also seeks to maintain excess capacity to facilitate the expansion of its existing offering of products and services. In addition, Unifiedpost needs to properly manage its technological operations infrastructure in order to support version control, changes in hardware and software parameters and the evolution of its platform. However, any efforts to further scale the platform or increase its complexity to handle a larger number or more complicated transactions could result in performance issues, including downtime.

Unifiedpost has experienced and may in the future experience, website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In some instances, Unifiedpost might not be able to identify the cause or causes of these performance problems within an acceptable period of time. If Unifiedpost does not accurately predict its infrastructure requirements, existing customers may experience service outages that may subject Unifiedpost to financial penalties, financial liabilities and customer losses. If Unifiedpost's operations infrastructure fails to keep pace with increased sales, customers may experience delays as Unifiedpost seeks to obtain additional capacity.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be high.

(ii) ***If Unifiedpost's security measures are compromised, Unifiedpost's solutions may be perceived as not being secure, which may result in customers curtailing or ceasing their use of Unifiedpost's solutions and harm to Unifiedpost's reputation***

Unifiedpost, its customers, partners (including third-party data centers and cloud service solutions that Unifiedpost uses) and others who use its services, obtain and process a large amount of sensitive data. Unifiedpost's operations involve the storage and/or transmission of sensitive customer information including the names, addresses, national identification numbers, bank account information of their management and ultimate beneficial owners and data regarding the performance of their businesses.

Cyberattacks and other malicious internet-based activity continue to increase and cloud-based platform providers of services have been and are expected to continue to be targeted. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks (aimed at locking a machine or network or making it inaccessible to its users), sophisticated governmental and government supported actors now engage in attacks (including advanced persistent threat intrusions). Such events could lead to, amongst other things, a leakage of customer data, damage related to incursions, destruction of documents, inability or delays in processing transactions and unauthorized transactions. Any real or perceived privacy breaches or improper use of, disclosure of or access to such data could harm Unifiedpost's reputation as a trusted brand in the handling and protection of this data and may lead to loss of revenue and customers. The existing security measures of a potential target company are assessed as part of the due diligence process. Unifiedpost implements its security policy across all its affiliates as soon as possible following the acquisition.

Unifiedpost has experienced and expects to continue to experience denial-of-service attacks and other events or conditions from time to time that interrupt the availability of or reduce or affect the speed or functionality of its products and services. Although until the date of this Prospectus, such events have been rare and have had a limited impact on Unifiedpost's operations, Unifiedpost's information security and disaster recovery programs may not be sufficient to protect against and address all eventualities. A prolonged interruption in the availability of or a reduction in the availability, speed or other functionality of Unifiedpost's products and services would have serious reputational consequences for the Company. In addition, frequent or persistent interruptions in Unifiedpost's services could cause current or potential customers to believe that Unifiedpost's systems are unreliable, leading them to switch to a competitor or to avoid Unifiedpost's products and services and could permanently harm Unifiedpost's reputation and brands. Moreover, to the extent that any system failure or similar event results in damages to Unifiedpost's customers or their business partners, these customers or partners could seek significant compensation or contractual penalties from Unifiedpost for their losses through legal action, which, even if unsuccessful, could likely be time-consuming and costly for Unifiedpost to address and divert management attention.

The techniques used to obtain unauthorized, improper or illegal access to Unifiedpost's systems, its data or its customers' data and the techniques used to disable or degrade service or sabotage systems are constantly evolving, may be difficult to detect quickly and often are not recognized until launched against a target. Unauthorized parties may attempt to gain access to Unifiedpost's systems or facilities through various means, including, among others, hacking into its systems or facilities or those of its customers, partners or vendors or attempting to fraudulently induce its employees, customers, partners, vendors or other users of its systems into disclosing user names, passwords, payment card information or other sensitive information, which may in turn be used to access Unifiedpost's information technology systems. Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Although Unifiedpost has developed systems and processes that are designed to protect its data and customer data and to prevent data loss and other security breaches, Unifiedpost expects to continue to expend significant resources to bolster these protections, however, due to the continuously evolving and ever more sophisticating techniques used to breach IT systems, Unifiedpost's security measures might prove insufficient.

An increasing number of organizations, including large customers and businesses, other large technology companies, financial institutions and government institutions, have disclosed breaches of their information security systems, some of which have involved sophisticated and highly targeted attacks, including on portions of their websites or infrastructure. Unifiedpost's information technology and infrastructure may be vulnerable to cyber-attacks or security breaches and third parties may be able to access its customers' personal or proprietary information and data that are stored on or accessible through those systems. Unifiedpost's security measures may also be breached due to human error, malfeasance, system errors or vulnerabilities or other irregularities. Any actual or perceived breach of Unifiedpost's security could interrupt its operations, result in its systems or services being unavailable, result in improper disclosure of data, materially harm its brands, result in significant legal and financial exposure, require Unifiedpost to expend significant funds to remedy problems caused by breaches and to implement measures to prevent further breaches, expose Unifiedpost to legal risk and potential liability including those resulting from governmental or regulatory investigations, class action, contractual fines, litigation and costs associated with remediation, such as fraud monitoring, lead to loss of customer confidence in or decreased use of, its products and services and adversely affect its business and results of operations. In addition, any breaches of network or data security at any of Unifiedpost's merchants, partners or vendors (including data center and cloud computing providers) could have similar negative effects. Furthermore, actual or perceived vulnerabilities or data breaches could lead to claims against Unifiedpost. Any security breach at a company providing services to Unifiedpost, its customers or other users of its services could have similar effects.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be high.

(iii) ***Unifiedpost's success depends on its ability to develop and/or acquire new products and services to address the rapid and significant technological changes and evolving markets in which it is active***

Rapid and significant technological and regulatory changes in the industries in which Unifiedpost operates drives customer demand for new types of products and services. Unifiedpost's future success will depend, in part, on its ability to respond to its clients' demand for such new products, services, capabilities and technologies on a timely and cost-effective basis, either by acquiring companies which already offer such new services and technologies or by developing such services and technologies itself. Unifiedpost's success in adapting to new technological developments largely depends on its ability to successfully migrate and integrate new products, services, capabilities and technologies into its own integrated platform and upgrade its systems from old to new, more advanced systems. These migration, integration and upgrading processes might cause significant delays and take up considerable amounts of time and resources.

The success of Unifiedpost's enhancements, new features and new products and services depends on several factors, including the timely completion, introduction and market acceptance of the enhancements or new features or services. Unifiedpost may develop such new features or services in-house, but occasionally works with third party service providers to increase its overall software development capabilities. Unifiedpost's ability to develop new products and services may furthermore be inhibited by industry-wide standards, such as standards imposed by credit card issuers (e.g. Payment Card Industry Data Security Standard, "**PCI-DSS**"), payment networks, laws and regulations, resistance to change from merchants or their customers' or third-parties' intellectual property rights.

Developing new features and services and incorporating new technologies may require substantial expenditures and take considerable time and Unifiedpost may not be successful in realizing a return on these efforts in a timely manner or at all. Unifiedpost's business plan and product pipeline are based on its own assessment of the current demand in the market and, as a result, it is uncertain whether the new products or services that Unifiedpost decides to acquire or develops will achieve significant commercial acceptance and/or whether the effective life cycle of new products or services will be as long as anticipated. If Unifiedpost is unable to accurately predict or respond effectively to developments in Unifiedpost's industry or if it is unable to acquire and/or develop enhancements and new features for its products and services that achieve market acceptance or that keep pace with rapid technological developments and evolving industry standards, Unifiedpost may lose market share and or customers to existing or future competitors.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be moderate.

(iv) ***Failure to deal with errors, misconduct and fraud could severely diminish customer confidence in Unifiedpost's services***

Unifiedpost's business depends on its employees and third-party service providers to process a large number of invoices, documents and increasingly complex transactions, including payment processing transactions that may involve significant amounts. Given the nature of its business Unifiedpost is subject to the risk of errors, misconduct and fraudulent activities associated with its platform or by its employees, contractors and third-party service providers. This is particularly the case for these activities which involve manual input and human diligence and compliance (such as document and invoice digitizing activities). Unifiedpost could be materially adversely affected if platform users were not appropriately identified, payments were redirected or misappropriated (or transactions were otherwise improperly executed) or if personal and business information was disclosed to unintended recipients or otherwise used for illegal activities. For example, an employee of Unifiedpost could knowingly process fraudulent invoices or make unauthorized changes to bank account details in Unifiedpost's possession, both of which could also result in a pay-out of funds to inappropriate persons.

Unifiedpost is also exposed to the risk of fraudulent activities by customers using Unifiedpost's platform. This risk may be particularly severe with respect to SMEs, which may be less organized and have less internal control mechanisms which could prevent the detection of fraudulent activities. Unifiedpost's exposure will increase as it continues to diversify its customer base towards SMEs. For example, customer representatives, agents of a customer's representatives or identity thieves, could submit fraudulent invoices, changes in bank account details or commit other deceptive or malicious practices, thereby resulting in a pay-out of funds to inappropriate persons.

If employees, third-party service providers, customers or other third parties take, convert or misuse funds, documents, data or intellectual property, Unifiedpost could be liable for damages and subject to regulatory actions and penalties. Unifiedpost could also be perceived to have facilitated or participated in illegal misappropriation of funds, documents or data and therefore be subject to civil or criminal liability. It is not always possible to identify and deter misconduct or errors by prospective customers, employees or third-party service providers and the precautions Unifiedpost takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. Any of these occurrences could result in Unifiedpost's diminished ability to operate its business, potential liability to existing customers, inability to attract future customers, reputational damage, regulatory intervention and financial harm.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be high.

(v) ***Unifiedpost's business may be affected by the increasing trend of customers, governments and authorities requiring that personal data is exclusively stored in their own jurisdiction***

In order to deliver its products and services to customers and develop new features, Unifiedpost makes use of a number of specialized international service providers offering cloud services (including, in particular, Amazon Web Services), external information resource databases for KYC compliance and telecommunication services. In certain countries in which Unifiedpost is active (in particular, in the countries addressed by the Fitek Group and in Romania and France), there is an increasing trend of local customers requesting that Unifiedpost exclusively stores customer data on servers which are located in their jurisdiction. Other local governments and authorities could also require this in the future. As a result, Unifiedpost may be forced to require its existing service providers, which may use servers and databases in the entire EEA, to comply with such customer requirements, renegotiate its existing agreements or find local cloud service providers, external information resource database providers for KYC compliance and telecommunication service providers. Imposing such additional requirements on Unifiedpost's counterparties may give rise to significant costs and as a result Unifiedpost may not be able to enter into contracts on suitable conditions.

Even though Unifiedpost would be able to replace its existing service providers, reliable alternative providers may be hard to find in certain regions where Unifiedpost operates (in particular in those regions where Unifiedpost is only recently active as a result of the Fitek Acquisition).

Despite any precautions Unifiedpost may take, the occurrence of unanticipated problems with a third-party service provider could result in lengthy interruptions in Unifiedpost's services and related liabilities. If any third-parties were to stop providing services to Unifiedpost or its customers (for example as a result of bankruptcy or business interruption), Unifiedpost might be unable to procure alternatives from other third parties in a timely and efficient manner and on acceptable terms or at all, and migrating Unifiedpost's systems and data might require significant time and resources from local management. In addition, if Unifiedpost is forced to develop in-house the services currently offered by third parties, Unifiedpost might encounter problems with finding qualified personnel (see Risk Factor 2.1.1(v) – "*Unifiedpost's success depends on the continued contributions of its principal founder-led management team, key technological personnel and sales force. Unifiedpost might fail to retain key management or personnel and/or attract and train new highly qualified personnel*").

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be limited.

2.1.3 ***Risks relating to financial position***

(i) ***In the opinion of the Company, Unifiedpost does not have sufficient working capital for its present requirements for the 12 months following the date of this Prospectus***

To the extent Unifiedpost would not be able to attract sufficient new funds (beyond its existing cash and cash equivalents), it expects to run out of working capital by January 2021 (with a shortfall of €1.4 million). Assuming Unifiedpost maintains its current strategy and development activities, the maximum working capital shortfall in the 12 months' period following the date of this Prospectus, assuming that Unifiedpost is not be able to attract additional funds, is estimated to amount to approximately €6.5 million at 30 September 2021 (see Section 8.2 – "*Working capital statement*"). The Private Placement is intended to provide Unifiedpost with additional capital necessary to meet its present requirements and to execute the next phase of its business plan. In the Private Placement, Unifiedpost targets to raise maximum gross proceeds in the amount of €175 million and has set forth its expected use of the proceeds of the Private Placement in Section 7 – "*Use of Proceeds*".

Assuming the completion of the Private Placement, Unifiedpost is of the opinion that the amount of the Pre-Commitments (i.e. approximately €97,653,204 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank), together with its available cash and cash equivalents, will provide sufficient working capital to meet its present requirements and working capital needs for a period of at least 12 months from the Closing Date.

Although Unifiedpost is of the opinion that following the completion of Private Placement, even if only the amount of the Pre-Commitments would be raised, it will have sufficient working capital to meet its obligations for the 12 months following the Closing Date, Unifiedpost may require additional financing in order to execute its business plan and fund its operations, which may not be available on favorable terms or at all (see Risk Factor 2.1(c)(iv) – "*Unifiedpost may not be able to secure financing on favorable terms, or at all, to meet its future capital needs*"). If the Company is unable to generate or obtain additional working capital in the future, investors may lose some or all of their investment.

If Unifiedpost is unable to generate or obtain additional working capital in the future, or the assumptions underlying its assessment of its short term working capital needs turn out to be incorrect, it may be unable to meet its current obligations, continue to grow, execute its business plan or respond to business challenges.

Unifiedpost believes that, assuming the Private Placement would not take place, the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's ability to meet its current obligations, continue to grow, execute its business plan or respond to business challenges would be severe.

(ii) ***Unifiedpost has a history of negative net-equity (at a consolidated level) and breaches of financial covenants under its Acquisition Facility***

As at 31 December 2019 and 30 June 2020, the Company had a total shareholders' equity of negative €19,198 thousand, respectively negative €7,996 thousand at consolidated level and was in breach of various financial covenants under the Belfius Acquisition Facility.

As a result of the negative net equity (at consolidated level), Unifiedpost had to comply with the procedure under article 7:228 BCCA, which provides that if, as a result of losses incurred, the ratio of a company's net assets (determined in accordance with Belgian legal and accounting rules for non-consolidated financial statements) to share capital is less than 50%, the board of directors must convene a general shareholders' meeting within two months as of the date upon which the board of directors discovered or should have discovered this undercapitalization, to resolve on either the continuation or the dissolution of the company. In addition, pursuant to article 7:229 BCCA, if the amount of the company's net assets is below €61,500 (the minimum amount of share capital of a corporation with limited liability organized under the laws of Belgium ("*naamloze vennootschap*" / "*société anonyme*")), any interested party is entitled to request the competent court to dissolve the company. The court can order the dissolution of the company or grant a grace period within which the company is to remedy the situation. The shareholders' meeting of Unifiedpost resolved on 26 June 2020, in accordance with article 7:228 BCCA, to continue the activities of Unifiedpost, taking into account the anticipated effects of the First Capital Increase and Second Capital Increase.

Following the First Capital Increase, Unifiedpost's net equity improved from negative €19,198 thousand as at 31 December 2019 to negative €7,996 thousand as at 30 June 2020 (not taking into account the Second Capital Increase). Following the Second Capital Increase, on 17 July 2020, the Company completed capital increase of €3.1 million and there was a voluntary conversion of 285 Bonds in the amount of €15.0 million. Therefore, at 17 July 2020, Unifiedpost's net equity is positive in the amount of €13,442 thousand and article 7:228 and 7:229 BCCA are no longer applicable (see Section 8.1 – "*Capitalization and indebtedness*"). Following the Private Placement and the conversion of the remaining Bonds, Unifiedpost's net equity will further improve.

Pursuant to the Acquisition Facility with Belfius, Unifiedpost is subject to various financial covenants (see Section 11.6.1– "*Sources of funding*" and Section 8.1 – "*Capitalization and indebtedness*"), including that the Company needs to ensure that its senior adjusted leverage shall not at any time exceed 3.00:1 (tested semi-annually) and that the Company cannot incur or have outstanding any financial indebtedness, other than such indebtedness allowed under the Acquisition Facility. As at 31 December 2019 and 30 June 2020, Unifiedpost was in breach of the senior adjusted leverage requirement, as well as the prohibition on incurrence of other financial indebtedness (as a consequence of entering into the

BMI Subordinated Loan and the issuance of Bonds in 2019). A breach of these covenants constitutes an "Event of Default" under the Acquisition Facility, which in turn would trigger the acceleration provision, pursuant to which Belfius may (i) cancel its financial commitments, (ii) declare that all outstanding amounts become immediately due and payable, (iii) declare that all outstanding amounts become payable on demand, (iv) exercise any or all of the other rights, remedies, powers or discretions it has pursuant to the agreement. The remedy period for Events of Default is 15 days.

On 9 July 2020, Unifiedpost obtained a waiver from Belfius whereby Belfius agreed to waive these breached covenants. The BMI Subordinated Loan and 2019 Bond issuances now constitute "Permitted Indebtedness". The next compliance assessment with respect to the senior adjusted leverage covenant under the Acquisition Facility will take place on 31 December 2020. The Company intends to repay 50% of the Acquisition Facility with proceeds raised through the Private Placement (see Section 7 – "*Use of Proceeds*"), thereby improving the senior adjusted leverage ratio to the extent that Unifiedpost will have negative net debt and will therefore no longer be in breach of this covenant.

Unifiedpost believes that, assuming the Private Placement would not take place, the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's ability to meet its current obligations, continue to grow, execute its business plan or respond to business challenges would be severe.

(iii) ***Unifiedpost has incurred operating losses, negative operating cash flows and an accumulated deficit and may not be able to achieve or subsequently maintain profitability***

Although Unifiedpost was profitable until 2011, its business plan and strategic vision have led to a significant cost increase in the following years. As a result of (amongst others) its buy-and-build strategy, which is paramount to Unifiedpost's business plan and a building block of its strategic vision, Unifiedpost has incurred operating losses, negative operating cash flows and an accumulated deficit.

From January 2017 to 31 December 2019, the Company incurred a net loss of €27,937 thousand. For the year ended 31 December 2019, Unifiedpost generated revenue of €46,952 thousand, incurred a net loss of €22,365 thousand and its operations required €4,521 thousand of cash and cash equivalent. In addition, Unifiedpost experienced a negative equity of €19,198 thousand as of 31 December 2019, mainly due to continuous net losses.

Following the completion of the Private Placement, Unifiedpost expects to incur further substantial expenses mainly resulting from research and development costs and further depreciation of its goodwill. Furthermore, achieving profitability will depend on the realization of the assumptions included in Unifiedpost's business plan and is subject to the ability of Unifiedpost to sustain its current growth rate. As a result, Unifiedpost is currently uncertain that it will achieve profitability within the expected time frame or will ever achieve it. If Unifiedpost achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. Failure to become and remain profitable may impair Unifiedpost's ability to sustain operations and adversely affect its ability to raise capital and to execute its business plan. If Unifiedpost is unable to generate positive cash flow within a reasonable period of time, it may be unable to pursue its business plan or continue operation, in which case potential investors may lose some or all of their investment (see Risk Factor 2.1.3(vi) – "*In case of bankruptcy, shareholders may not be able to recover their investment in whole or in part, given that Unifiedpost's goodwill and intangible assets represent a material part of its assets and that Unifiedpost has a significant debt*").

Unifiedpost believes that the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's ability to meet its current obligations, continue to grow, execute its business plan or respond to business challenges would be severe.

(iv) ***Unifiedpost may not be able to secure financing on favorable terms, or at all, to meet its future capital needs***

Unifiedpost has funded its buy-and-build strategy through a mix of equity, equity linked and debt financings. Even though Unifiedpost has to this date been able to generate sufficient cash to fund its ongoing operations (excluding its buy-and-build strategy), it may require additional capital primarily to respond to new business opportunities and facilitate its buy-and-build strategy, as well as for refinancing needs, regulatory requirements, or unforeseen circumstances and may decide to engage in equity or debt financings or enter into credit facilities for other reasons. Unifiedpost may not be able to secure any such debt or equity financing or refinancing on favorable terms, in a timely manner, or at all. Any debt financing obtained by Unifiedpost in the future could also involve restrictive covenants relating to Unifiedpost's capital-raising activities and other financial and operational matters, which may make it more difficult for Unifiedpost to obtain additional capital and to pursue business opportunities, including potential acquisitions. If Unifiedpost is unable to obtain adequate financing or financing on terms satisfactory to Unifiedpost when it requires it, its ability to continue to grow or support its business plan and to respond to business challenges could be significantly limited.

Unifiedpost believes that the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's ability to continue to grow or support its business plan and to respond to business challenges would be severe.

(v) ***If the Private Placement would not raise its target gross proceeds of €175 million, Unifiedpost may have to consider additional funding, reduce its level of investments, or a combination of both***

In the Private Placement, the Company targets to raise the maximum gross proceeds in the amount of €175 million, through issuance of a maximum number of 9,722,222 Placement Shares within a Price Range of €18.00 and €20.00 (see Section 7 – "*Use of Proceeds*"). Unifiedpost has a right to proceed with the Private Placement for a lower amount in case the Private Placement is not fully subscribed, but there is a minimum amount equal to the amount of Pre-Commitments (gross proceeds) set for the Private Placement (below which the Private Placement will not be completed, unless the minimum amount is being reduced). If the Company would not raise the target gross proceeds of €175 million (it being understood that the minimum amount of the Private Placement is equal to the amount of Pre-Commitments (gross proceeds)), the Company may have to consider additional funding, reduce its level of investment or a combination of both. In case of a reduction of the level of investment, priority shall be given to the proposed uses as set forth in Section 7 – "*Use of Proceeds*".

Unifiedpost believes that the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost's ability to meet its current obligations, continue to grow, execute its business plan or respond to business challenges would be limited.

(vi) ***In case of bankruptcy, shareholders may not be able to recover their investment in whole or in part, given that Unifiedpost's goodwill and intangible assets represent a material part of its assets and that Unifiedpost has a significant debt***

On a consolidated basis, the goodwill and intangible assets of Unifiedpost represent together 65.9% of total assets as at 30 June 2020, while Unifiedpost has a gross indebtedness of €111.3 million as at 30 June 2020, including €29.8 million of Bonds and related interest payable outstanding (i.e. not taking into account the Second Capital Increase), €34.5 million of drawings under the Acquisition Facility and €4.0 million of drawings under the BMI Subordinated Loan (see Section 11.6.1– "*Sources of funding*"). The determination and valuation of Unifiedpost's goodwill and corresponding amortization are based on subjective assumptions and due judgement of these assumptions remains important. Under the Acquisition Facility, €17 million will be repaid following completion of the Private Placement with the use of proceeds (see Section 7 – "*Use of Proceeds*").

In the event of bankruptcy or insolvency, creditors, whether or not secured, shall rank prior to the shareholders with respect to the liquidation of the assets and investors may not be able to recover, in whole or in part, their investment in the Shares, given the type and nature of Unifiedpost's assets.

Unifiedpost believes that the probability of occurrence of this risk is limited.

2.1.4 ***Risks relating to the political, legal and macroeconomic environment***

(i) ***The outbreak of COVID-19 has impacted and may continue to impact the business of Unifiedpost Group and its Corporate and SME customers***

The novel coronavirus (SARS-CoV-2) and related respiratory disease (coronavirus disease (COVID-19) was declared a pandemic by the World Health Organization on 11 March 2020 and there are cases in approximately 215 countries, areas or territories at the date of this Prospectus.

The outbreak of this coronavirus has led (and may continue to lead) to disruptions to the worldwide economy and financial markets, including jurisdictions in which Unifiedpost operates and will operate. As governmental authorities have imposed partial or even full "lockdown" and quarantine restrictions, the activities of many businesses are materially reduced or even prohibited. Especially SME customers, which are the main focus of Unifiedpost's growth strategy, are vulnerable, as they most often do not dispose of sufficient financial reserves to bridge long periods of low (or even no) economic activity. For example, as a result of COVID-19, Unifiedpost has seen a 20% to 30% decrease in revenue generated from temporary worker contracts on Adminbox (Interimsign), its designated platform for the Belgian temporary labour industry (see Section 11.2.6 – "*COVID-19 pandemic*" for a discussion on the impact of COVID-19 on the Company's financial position). Although Unifiedpost has business continuity plans and strategies in place, COVID-19 could lead to the interruption of operations of Unifiedpost itself or the operations of Unifiedpost's partners.

On the other hand, the COVID-19 pandemic has also been an incremental driver for the acceleration of digital transformation. Cloud-based platforms facilitating administrative and financial communications have been enabling the acceleration of digital transformation to partly cope with these COVID-19 induced issues, including remote stakeholder communication and cost-cutting and liquidity management. This has been evidenced by the surge in adoption rates for the Unifiedpost Platforms over the months March and April 2020, where onboarding increased by up to three times the average monthly onboarding rate.

However, Unifiedpost also experienced a delay in the growth plan in April and May 2020 due to the fact that the level of printing transactions was lower and the roll-out of the payment functionalities was delayed. It is impossible to determine the long term effects of this outbreak on Unifiedpost and its customers. Unifiedpost believes that the potential negative impact of a continued outbreak of COVID-19 or any other widespread public health epidemics primarily relates to revenue.

Unifiedpost believes that the probability of occurrence of this risk is high. If materialized, the negative impact of this risk on Unifiedpost's revenue would be limited.

(ii) ***The UK referendum resulting in the United Kingdom's exit from the EU and the UK withdrawal agreement and its practical implications could create political and economic uncertainty and risk***

The UK referendum resulting in the United Kingdom's exit from the EU, and the UK withdrawal agreement from the EU ("**Brexit**"), have created volatility in the global financial markets and could contribute to prolonged uncertainty around certain aspects of the European and global economies as well as European companies and consumers. Brexit may have ongoing adverse effects on European and worldwide economic conditions and could contribute to greater instability in the global financial markets before and after the terms of the United Kingdom's future relationship with the EU are settled. Brexit could also affect the general political environment in the EU as well as the stability and standing of the EU as a single market.

Until more clarity is provided by the results of negotiations between the United Kingdom and the EU as it pertains to the legal, political and economic relationship between the United Kingdom and the EU following the United Kingdom's exit political and economic uncertainty, notably in European markets, may occur, which could lead to a downturn in the markets in which Unifiedpost operates. Furthermore, as a result of this uncertainty, regional (including European) and worldwide economic and market conditions could contribute to instability in global economic, financial and foreign exchange markets, which may cause business interruptions, difficulties in obtaining financing and volatility in the value of the British pound and euro, which in turn could adversely affect the parties with which Unifiedpost does business, particularly in the United Kingdom. 13% of Unifiedpost's Pro Forma Revenue for 2019 was billed to customers located in the United Kingdom (a.o. through Unifiedpost Limited). Currently, the Pro Forma Revenue billed to customers in the United Kingdom is only related to Documents services. Therefore, the cross- and upselling potential in the United Kingdom may be adversely affected.

Economic and financial uncertainty around Brexit may also materially impact Unifiedpost's buy-and-build strategy with respect to targets in the United Kingdom. Unifiedpost continues to review potential acquisition targets in the UK, but ongoing or increased political uncertainty leading to market and business disruption may make it more difficult for Unifiedpost to identify potential targets, complete transactions at favorable conditions and obtain the necessary financing.

Brexit could also lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which EU laws to replace or replicate. In particular, Unifiedpost may face new regulatory costs and challenges, including the following:

- Unifiedpost could lose its ability for its EU operations to automatically passport into the UK market through the payment service provider license of Unifiedpost, which is licensed and subject to regulation as a payment service provider in Belgium and its corresponding ability to work with Belgian regulators as the lead authority for various aspects of its UK operations;

- in the event that automatic passporting rights into the UK are no longer available, Unifiedpost could be required to obtain additional regulatory licensing or authorization to operate in the UK market, adding costs and potential inconsistencies to its business; and

- Unifiedpost could be required to comply with regulatory requirements in the UK that are in addition to or inconsistent with, the regulatory requirements of the EU.

Unifiedpost believes that the potential negative impact of this risk primarily relates to revenue in the UK.

Unifiedpost believes that the probability of occurrence of this risk is high. If materialized, the negative impact of this risk on Unifiedpost's revenue would be limited.

(iii) ***Completed buy-and-build acquisitions may not render the anticipated benefits if the macroeconomic or other assumptions underlying such acquisitions prove incorrect***

Prior to any potential buy-and-build transaction, Unifiedpost prepares detailed investment plans aimed at forecasting investment returns. These models rely on certain target-produced and market-based information and assumptions, such as macroeconomic assumptions about the local market, growth forecasts, pricing and competition in order to determine a given investment's timing, cost and expected profitability for Unifiedpost.

If actual conditions deviate from the assumptions underlying these models, whether as a result of difficulties in establishing familiarity with local markets, inaccurate assumptions, errors or otherwise, it may take Unifiedpost longer than expected to fully realize the anticipated benefits of these transactions and those benefits may ultimately be smaller than anticipated or may not be realized at all. The risk that Unifiedpost's assumption regarding an acquisition may turn out to be incorrect is particularly acute given the constantly evolving regulatory and legislative environment in the markets where Unifiedpost is active.

Unifiedpost believes that the potential negative impact of this risk will primarily impact the cost of operations of Unifiedpost and its speed of its international expansion.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's cost of operations and speed of international expansion would be moderate.

(iv) ***As a result of the Fitek Acquisition, Unifiedpost recently expanded into countries where it may be exposed to increased regional business, legal and economic risks and Unifiedpost may continue to develop its activities in these countries or in countries where it may be exposed to similar increased risks***

Following the Fitek Acquisition and the Unifiedpost Limited Acquisition, Unifiedpost has offices in 15 countries in Europe.

The Fitek Group is active in countries where Unifiedpost has limited or no experience with the regional business, legal and economic conditions, such as Estonia, Latvia and Lithuania, as well as various jurisdictions in the central- and southeastern European region, including the Republic of Serbia, Bosnia and Herzegovina, Slovakia and the Czech Republic. Compared to other parts of Europe, central- and southeastern Europe is considered a high risk region with respect to money laundering, bribery, terrorist financing and corruption. This risk is even more present in countries that are not part of the European Union, such as the Republic of Serbia and Bosnia and Herzegovina. Regionally specific risks may include a higher occurrence of cash transactions, which may result in difficulties establishing the source of funds; a large number of transactions to or from high-risk countries; a significant number of investments and financial transactions involving residents in or from Russia, where the source of funds is often poorly disclosed; and a high corruption perception index as defined by Transparency International.

Following the Fitek Acquisition, the economic and regulatory conditions in these markets are important to Unifiedpost's consolidated results of operations and financial condition. Unifiedpost may continue to develop its activities in these countries or in countries where it may be exposed to similar increased risks in the future. As the Fitek Group represents approximately one third of Unifiedpost's Pro Forma Revenue (as per 31 December 2019), any negative events relating to regional business, legal or economic risks in these countries where the Fitek Group is active could adversely affect Unifiedpost's revenue in the countries where it is active as a result of the Fitek Acquisition.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's revenue in the countries where it is active as a result of the Fitek Acquisition would be limited.

2.2 Risk related to regulation

2.2.1 *Failure to comply with AML, KYC, anti-terrorism, anti-corruption and sanctions regulations may lead to administrative sanctions, criminal penalties and/or reputational damage*

Monitoring compliance with AML, KYC, anti-terrorism, anti-corruption and sanctions rules imposes a significant financial burden on both Unifiedpost and its customers (which may need to comply with their own procedures) as this requires significant technical capabilities. In addition, despite its efforts, Unifiedpost's internal controls, policies, procedures, techniques and processes may not be sufficient to identify all of the risks to which Unifiedpost and the users of the Unifiedpost Platform are exposed, to enable mitigating the risks it has identified or to identify additional risks to which Unifiedpost and the users of Unifiedpost's platforms might become subject in the future. Given that the Unifiedpost Platform operates as an intermediate one-stop transaction hub, Unifiedpost does not only process payments and transactions initiated by its own customers, but also payments and transactions initiated by its customers' own customers, suppliers and other counterparties. Unifiedpost cannot guarantee that its customers have adequate controls, policies, procedures, techniques and processes in place to ensure compliance with the aforementioned regulations. More specifically, Unifiedpost faces a significant risk of violating KYC and AML regulation with regard to its SME customers. Unifiedpost is focusing increasingly on expanding its customer base towards SME customers, which are often less organized, are more susceptible to fraudulent actions and increase the likelihood of KYC failure or AML violations.

In recent years, enforcement of these laws and regulations, in particular against financial and payment institutions, has become more stringent, resulting in several landmark fines against financial and payment institutions and reputational damage. Certain activity that may be legal in one country may be illegal in another country and a merchant may intentionally or inadvertently be found responsible for importing or exporting illegal goods, which may result in liability for Unifiedpost. Changes in law have increased the penalties for intermediaries providing payment services for certain illegal activities and additional payments-related proposals are under active consideration by government authorities. In addition, Unifiedpost may be held liable by merchants or payment networks or other related third parties arguing that any failure to prevent the use of Unifiedpost's payment services for illegal purposes constitutes a breach of Unifiedpost's duty of care as a regulated payment institution *vis-á-vis* such customers or third parties.

A failure to adopt effective measures against fraud, money laundering, corruption and terrorism financing may lead to litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is medium. If materialized, the negative impact of this risk on Unifiedpost’s reputation, number of customers, liability for damages and revenue would be moderate.

2.2.2 ***The regulatory environment to which Unifiedpost is subject gives rise to significant legal and financial compliance costs and management time and non-compliance could result in monetary and reputational damages***

In Europe, Unifiedpost is *inter alia* exposed to the requirements of the GDPR, PSD2, eIDAS, the E-Invoicing Directive, as well as local implementing measures (see Section 20 - “*Supervision and Regulation*”). In addition, Unifiedpost is subject to laws and regulations relating to AML, KYC, anti-terrorism, anti-corruption and sanctions regulations (see Risk Factor “2.2.1” – “*Failure to comply with anti-money laundering, know-your-customer, anti-terrorism, anti-corruption and sanctions regulations may lead to administrative sanctions, criminal penalties and/or reputational damage*”).

These laws, regulations and standards may furthermore be subject to varying interpretations and may evolve over time. The large number of legislative initiatives, in particular with respect to the financial services industry, requires constant attention from Unifiedpost’s senior management and consumes significant levels of resources to identify and analyze the implications of these initiatives. Unifiedpost may have to adapt its strategy, operations and businesses, including policies, procedures and documentation, to comply with these new legal requirements. Based on the volume of existing initiatives, it cannot be excluded that certain new requirements will not be implemented in a timely fashion or implemented without errors or in a manner satisfactory to the applicable supervisory authority, resulting in non-compliance and possible associated negative consequences, such as administrative fines or public reprimands.

Unifiedpost is uncertain whether it will be able to obtain and/or remain fully compliant with any of the required regulatory licenses, certifications and regulatory approvals in the countries where it provides services, as these depend not only on continued compliance by Unifiedpost’s personnel but also on Unifiedpost’s ability to comply with certain demands and requests of the relevant authorities. Moreover, these factors could impose substantial additional costs and involve considerable delay to the development or provision of Unifiedpost’s products or services or could require significant and costly operational changes or prevent Unifiedpost from providing certain products or services in certain markets. If Unifiedpost is unable to commit sufficient resources to regulatory compliance, this could lead to delays and errors in compliance and may force Unifiedpost to choose between prioritizing compliance matters over administrative support for business activities which could ultimately force Unifiedpost to cease offering certain products or services.

Any delays or errors in complying with regulatory requirements could lead to substantial monetary damages and fines, public reprimands, reputational harm, punitive measures in the form of cease and desists orders, increased regulatory compliance requirements or other potential regulatory restrictions on Unifiedpost's business, enforced suspension of operations and in extreme cases, withdrawal of regulatory licenses or authorizations to operate particular businesses or criminal prosecution in certain circumstances (see also Risk Factor 2.2.3 – "*PSD2 introduces new regulations for providers of payment services such as Unifiedpost Payments. If Unifiedpost Payments fails to comply with these regulations, it may face administrative sanctions, criminal penalties and/or reputational damage*").

In addition to non-compliance by Unifiedpost itself, Unifiedpost may in the future suffer negative consequences of non-compliance by its customers or its customers' clients who have direct access to its systems. Unifiedpost may also suffer negative consequences of customers whose activities Unifiedpost could be held to monitor, which operate businesses or schemes in violation of applicable rules and regulations (see Risk Factor 2.2.1 – "*Failure to comply with AML, KYC, anti-terrorism, anti-corruption and sanctions regulations may lead to administrative sanctions, criminal penalties and/or reputational damage*"). Unifiedpost might have to denounce or interrupt its extension of services to such merchants and, if necessary, terminate the relationship with such merchants, resulting in a loss of revenue. Unifiedpost may be required to make greater expenditures and devote additional resources and management time to addressing these liabilities and requirements.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be moderate.

2.2.3 ***PSD2 introduces new regulations for providers of payment services such as Unifiedpost Payments. If Unifiedpost Payments fails to comply with these regulations, it may face administrative sanctions, criminal penalties and/or reputational damage***

On 12 October 2016, Unifiedpost Payments obtained a payment institution license under PSD2, thereby establishing its status as a licensed and regulated payment service provider. As a payment institution, Unifiedpost Payments is subject to extensive laws and regulations applicable to licensed payment institutions in Belgium, the Eurozone and the EU, in particular PSD2. Even though the cross-border activities of Unifiedpost Payments are primarily subject to home member state supervision (Belgium), some EEA Member States may impose other regulatory requirements on foreign payment service providers.

PSD2 imposes certain disclosure, reporting, capitalization, corporate governance and other requirements for licensed and regulated payment institutions such as Unifiedpost Payments (see Risk Factor 2.2.2 – "*The regulatory environment to which Unifiedpost is subject gives rise to significant legal and financial compliance costs and management time and non-compliance could result in monetary and reputational damages*"). In addition, PSD2 introduces new concepts such as strong customer authentication ("**SCA**") and third-party access to accounts ("**XS2A**") (see Section 20.3 - "*Supervision and Regulation —*

Payment Services Directive 2 (PSD2)").

Unifiedpost expects that it needs to implement SCA for a portion of the transactions it processes. In accordance with Article 47 § 5 of the Belgian law of 11 March 2018, Unifiedpost shall be entitled to rely on certain exemptions for the application of SCA as documented in the regulatory technical standards ("**RTS**") drawn up by the European Banking Association ("**EBA**"), which have entered into force on 14 September 2019, to reduce the impact on its customers. Unifiedpost expects, amongst others, to be able to rely on the exemption that SCA is not required where transactions handled for specific customers are determined by Unifiedpost to be low risk, such as on the basis of historical fraud levels. The application by Unifiedpost of such exemption is subject to a subsequent review by the competent supervisory authority (i.e. the NBB for Unifiedpost Payments). If Unifiedpost is not able to determine the risk on a customer-by-customer basis, but only for all customers on an aggregated basis, Unifiedpost may be required to apply SCA to all its merchants despite the risk being caused by one or a limited number of customers. This may significantly increase the costs of compliance with the regulations and may make Unifiedpost less attractive as a service provider for some of its customers that would otherwise not be affected by the SCA rules. Alternative mitigation measures for its merchants may be required if the regulatory authorities would challenge or limit the applicability of any exemptions.

A breach of PSD2 and its implementing legislation in Belgium may give rise to a number of administrative sanctions (up to maximum €15 million or 10% of total annual revenue, increased with – if such breach gave rise to profits or the avoidance of certain losses – up to three times the amount of such profits / losses), criminal penalties (imprisonment up to two years and a criminal fine up to €10 thousand) and possibly the revocation of Unifiedpost Payments' license as payment institution, which may materially damage the reputation of Unifiedpost towards authorities and its customers.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be limited.

2.2.4 *Unifiedpost is partly dependent on the adoption of new regulations and the correct and timely implementation thereof, including the implementation of XS2A under PSD2 by financial institutions in various jurisdictions*

Unifiedpost's strategy is partly dependent on the adoption of new regulations applicable to various segments of its business, which is beyond Unifiedpost's control. For example, in Documents, Unifiedpost's ability to increase its volume of e-invoices will be influenced by the decision of legislators to make B2G, B2B and B2C e-Invoicing mandatory (see Section 19.2.1(i) – "*Market size and growth - Invoicing & document exchange*"). In Identity, the harmonization of national eID schemes will impact the adoption rate of Unifiedpost's solutions (see Section 19.2.1(ii) – "*Market size and growth - Identity Management*"). In Payments, PSD2 is the main driver of Unifiedpost's future growth (see Section 19.2.1(iii) – "*Market size and growth - Payments*").

With the eIDAS Regulation (2014), the European Union intended to enhance trust in electronic transactions in the internal market by providing a common foundation for secure electronic interaction between citizens, businesses and public authorities, thereby increasing the effectiveness of public and private online services, electronic business and electronic commerce in the European Union (see Section 20.5 – "*e-IDAS Regulation*"). However, Member States continued to take different approaches to eID management systems and the evolution towards a harmonized approach has been slow (see Section 19.2.1(ii) – "*Market size and growth - Identity Management*"). In a recent bid to develop a more harmonized and resilient market for electronic identification systems, the European Commission has recently (July 2020) sought to update the rules on electronic identification operations in the European Union, as part of the eIDAS Regulation. It is expected that the Commission will put forward a proposal for a "European Digital Identification" initiative by mid-2021. An EU-wide eID will, especially for cross-border digital services, contribute to grow the digital economy and will be a material contributor to Unifiedpost's Identity business.

Unifiedpost is also partly dependent on the timely and correct implementation of applicable regulations, most importantly, in Payments, the implementation of XS2A by financial institutions (which is beyond Unifiedpost's control) to offer its payment services to its customers (see also Risk Factor 2.2.4 – "*Unifiedpost is partly dependent on the adoption of new regulations and the correct and timely implementation thereof, including the* implementation of XS2A under PSD2 by financial institutions in various jurisdictions").

PSD2 introduces requirements for financial institutions to grant other banks and payment institutions, such as Unifiedpost Payments, access to its customer's online payment accounts/payment services (XS2A) in a regulated and secure way (see Risk Factor 2.2.3 – "*PSD2 introduces new regulations for providers of payment services such as Unifiedpost Payments. If Unifiedpost Payments fails to comply with these regulations, it may face administrative sanctions, criminal penalties and/or reputational damage*"). In order to broaden competition in the payment services market, payment services should be offered without any payment cards, so that payment service providers can receive access to existing accounts to initiate payments directly (without commissions being charged by card issuers). The XS2A rule mandates, in the first instance, that banks or other account-holding payment service providers facilitate secure access via APIs. However, PSD2 does not impose technical requirements on financial institutions on how such XS2A should be effected in the member states of the EEA. As a consequence, the technical implementation of XS2A may substantially differ between financial institutions and may differ from country to country, depending on local implementing measures.

The adoption of Payment services on Unifiedpost's Platforms is currently still rather limited, mainly as a result of the lengthy implementation process of XS2A, Unifiedpost expects the adoption rate will increase in 2021. Although some financial institutions have already provided such access (including, among others, ING, BNP Paribas Fortis and Deutsche Bank), others have not yet done so and this is beyond Unifiedpost's control. Expanding Unifiedpost's payment solutions to other financial institutions will continue to require considerable time, effort and expenses. Even though statutory deadlines for XS2A implementation have expired, European regulators currently still take a rather lenient approach towards enforcement until sensible migration plans are finalized and agreed upon, often without specific timelines.

The growth in Organic Revenue from Repeated Services related to the Payments business line between 2017 and 2019 amounted to negative €0.1 million, which represents negative 2.5% of Unifiedpost's total growth in Organic Revenue from Repeated Services between 2017 and 2019. The Pro Forma Revenue for 2019 associated with the Payments business line amounted to €1.0 million, which represents 1.5% of Unifiedpost's total Pro Forma Revenue for 2019. The Company's Medium Term

Objectives rely on the increasing importance of its Payment services (see Section 19.4.1 – "*Business Strategy*"). Therefore, if access to third party accounts is not organized in a uniform manner or if compliance with PSD2 is further delayed or if financial institutions introduce additional barriers, Unifiedpost's ability to realize its Medium Term Objectives may be materially and negatively affected. Unifiedpost believes that the potential negative impact of this risk primarily reflects upon its revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's revenue would be moderate.

2.2.5 ***Unifiedpost and its customers, partners and others who use its services, obtain and process a large amount of sensitive data. Any real or perceived privacy breaches or improper use of, disclosure of or access to such data could harm Unifiedpost's reputation as a trusted brand***

Unifiedpost's operations involve the storage and/or transmission of sensitive information. In its capacity as service provider, Unifiedpost acts as an intermediary between customers and their suppliers. In the scope of its provision of service, Unifiedpost receives personal data, which includes data relating to the identity of its customers, its customers' clients, bank account data and financial transaction data, etc.

Consequently, Unifiedpost is subject to complex and evolving laws, rules, regulations orders and directives in Belgium, Europe and the other jurisdictions in which it operates relating to the collection, use, retention, security, processing and transfer of personally identifiable information about its customers, their suppliers, third parties and others and their transactions (which Unifiedpost refers to as "personal data") in the countries where Unifiedpost operates (including GDPR). Much of the personal data processed by Unifiedpost, especially financial information, is regulated by multiple privacy laws and, in some cases, the privacy laws of multiple jurisdictions. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between or among the Company and its subsidiaries.

Unifiedpost expects that there will continue to be new proposed laws, regulations and industry standards relating to privacy, data protection, marketing, electronic signatures, consumer communications and information security in the EU and other jurisdictions and cannot determine the impact such future laws, regulations and standards may have on its business. In addition to government regulation, privacy advocates and industry groups may also propose new and different self-regulatory standards that may apply to Unifiedpost.

Because the interpretation and application of privacy and data protection laws, regulations, rules and other standards are still uncertain, it is possible that these laws, rules, regulations and other actual or alleged legal obligations, such as contractual or self-regulatory obligations, may be interpreted and applied in a manner that is inconsistent with Unifiedpost's existing data management practices or the functionality of its solutions. Future restrictions on the collection, use, sharing or disclosure of data or additional requirements for express or implied consent of its customers, partners or end consumers for the use and disclosure of such information could require Unifiedpost to incur additional costs or modify its solutions, possibly in a material manner and could limit its ability to develop new functionalities, maintain and grow its customer base and increase revenue.

If Unifiedpost fails to comply with the laws, regulations, policies, legal or contractual obligations, industry standards or regulatory guidance relating to privacy or data security, it may be forced to implement costly new measures to reduce its exposure to liability and it may face administrative sanctions, criminal penalties and/or reputational damage (see also Section 20.4 - "*Data Protection Legislation*"). The GDPR imposes sanctions for data protection compliance violations of up to a maximum of €20 million or 4% of Unifiedpost's global annual net turnover, whichever is higher.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be limited.

2.2.6 ***Many customers deploy Unifiedpost's solutions globally and therefore, must comply with legal and regulatory requirements in various countries. If Unifiedpost's solutions fail to meet such requirements, Unifiedpost could incur significant liabilities***

Customers use Unifiedpost's solutions globally to comply with certain safe harbors and legislation in the countries in which they transact business. For example, some customers rely on Unifiedpost's certification under eIDAS or compliance with the GDPR or other applicable regulations in the European Union to help satisfy their own legal and regulatory compliance requirements. If Unifiedpost's solutions are found by a court or regulatory body to be inadequate to meet a compliance requirement for which they are being used, Unifiedpost could be exposed to liability and documents executed through its solutions could in some instances be rendered unenforceable. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm Unifiedpost's reputation or otherwise impact the growth of its business.

Unifiedpost believes that the potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk on Unifiedpost's reputation, number of customers, liability for damages and revenue would be limited.

2.3 Risks relating to the Shares to be admitted to trading and Listing

2.3.1 ***Given that, following the Private Placement, a large number of Unifiedpost's Shares may be held by a limited number of Shareholders and that the Selling Shareholders, Reference Shareholders, Other Shareholders, Bondholders and Management (but not the Pre-Committed Investors) are expected to be subject to customary lock-up undertakings, the limited free float following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amount of Shares or the perception that such sales could occur, could affect the market value of the Shares***

Following the Private Placement and Listing, a large number of Unifiedpost's Shares will be held by a relatively limited number (14) of Shareholders (see also Risk Factor 2.3.3 – "*After the Private Placement, certain significant shareholders may have different interests from Unifiedpost and/or from the minority shareholders and may be able to control Unifiedpost, including the outcome of shareholder votes*").

Furthermore, the Issuer, Selling Shareholders, Reference Shareholders, Other Shareholders, Bondholders, and Management are expected to agree pursuant to the Underwriting Agreement (which is expected to be entered into on 21 September 2020), in the case of the Issuer and the Selling Shareholders, or have agreed pursuant to separate lock-up letters, in the case of the Reference Shareholders, Other Shareholders, Bondholders and Management, that following the Closing Date their Shares will be subject to certain lock-up restrictions, as described in Section 13.8 - "*Standstill and lock-up restrictions*". Subject to the terms of the Underwriting Agreement and separate lock-up letters, the Issuer, Selling Shareholders, Reference Shareholders, Other Shareholders and Bondholders will be subject to a lock-up of 180 days and Management will be subject to a lock-up of 360 days. The Pre-Committed Investors will not be subject to any such restrictions.

Assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) the exercise in full of the Increase Option and Over-allotment Option, (iv) conversion of the Bonds, and (v) full exercise of the Investment Subscription Rights, then immediately after the realization of the Conditions Precedent to the Private Placement (see Section 13.1 – "*Purpose of this Prospectus - Listing on Euronext Brussels*") and the conversion of the Bonds, (i) 51.2% of Unifiedpost's then outstanding Shares (on a non diluted basis) will be held by 14 Shareholders: Sofias BV (12.6%), Funds advised by Capital International Investors (6.2%), Smartfin Capital (4.1%), PE Group NV (4.0%), DVP Invest BV (3.8%), Swedbank Robur Fondur AB (3.8%), Michel Delloye (2.7%), Pegavica CV (2.7%), Legal & General Investment Management (2.6%), FPIM – SFPI NV (2.3%), EJF Debt Opportunities Master Fund L.P. (2.3%), Invesco Asset Management Limited (1.8%), WCM Investment Management (1.1%), Sycomore Asset Management (1.0%), and (ii) 57% of the Unifiedpost's then outstanding Shares will be subject to the lock-up arrangement at the Closing Date and the free float will be equal to 43% (on a non-diluted basis).

Given that Unifiedpost has a right to proceed with the Private Placement for a lower amount than the targeted maximum gross proceeds of €175 million in case the Private Placement is not fully subscribed (taking into account a minimum amount equal to the Pre-Commitments received by the Company (gross proceeds) below which the Private Placement will not be completed, unless the minimum amount is being reduced), the number of Placement Shares that will be available for trading and hence the free float of the Shares may even be smaller than expected.

A limited free float may have a negative impact on the liquidity of the Shares and result in a low trading volume of the Shares, which could have an adverse effect on then prevailing market price for the Shares and could result in increased volatility of the market price for the Shares.

Following the expiration of these lock-up provisions or upon waiver by the Sole Global Coordinator and at least one of the three other Underwriters, future sales of the Shares could be made by Unifiedpost, the Selling Shareholders, Reference Shareholders, Other Shareholders, Bondholders or Management. The Pre-Committed Investors shall not be subject to any lock-up provisions and are therefore free to trade their Shares. Sales of a substantial number of Shares by any such party or parties to the Underwriting Agreement or the perception that such sales could occur, could – in particular taking into account a limited free float - adversely affect the market price of the Shares and make it more difficult for Unifiedpost to raise capital through the issuance of equity securities in the future.

Unifiedpost believes that the probability of occurrence of this risk is high. If materialized, the negative impact of this risk on Unifiedpost's Share price would be moderate, although depending on the market circumstances at that time, the impact could also be severe.

2.3.2 *The Shares will be listed and traded on the regulated market of Euronext Brussels on an "if-and-when-issued/delivered" basis from the Listing Date until the Closing Date. Euronext Brussels may annul (i) all transactions effected in the Shares if the application is withdrawn or (ii) all transaction in the Placement Shares if the Placement Shares are not delivered*

An application has been submitted to admit the Shares to Listing on the regulated market of Euronext Brussels. Listing and conditional trading, on and "*if-and-when-issued/delivered*" basis, on the regulated market of Euronext Brussels is expected to commence on or about 22 September 2020 (the **Listing Date**). Unconditional trading is expected to commence on or about 24 September 2020 and will start at the latest on the Closing Date.

The Company reserves the right to withdraw the Listing in case the (i) the Private Placement is withdrawn or suspended (see Section 13.4.5 – "*Withdrawal and suspension of the Private Placement*"), (ii) the minimum amount set for the Private Placement is not raised or (iii) the Underwriting Agreement is terminated.

Investors who wish to effect transactions in Shares prior to the Closing Date, whether such transactions are effected on the regulated market of Euronext Brussels or otherwise, should be aware that the issuance and delivery of the Placement Shares may not take place on the expected Closing Date or at all, if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or do not occur on or prior to such date.

Euronext Brussels may annul all transactions effected in the Shares if the Placement Shares are not delivered on the Closing Date. Euronext Brussels cannot be held liable for any damage arising from the listing and trading on an "*if-and-when-issued/delivered*" basis as of the Listing Date until the expected Closing Date.

Unifiedpost believes that the probability of occurrence of this risk is low, taking into account normal market circumstances. If materialized, the negative impact of this risk could be severe.

2.3.3 *After the Private Placement and Listing, certain significant shareholders may have different interests from Unifiedpost and/or from the minority shareholders and may be able to control Unifiedpost, including the outcome of shareholder votes*

Following the Private Placement and Listing, a large number of Unifiedpost's Shares will be held by a relatively limited number (14) of Shareholders, some of which are also members of the Board of Directors (see Risk Factor 2.3.1 – "*Given that, following the Private Placement, a large number of Unifiedpost's Shares may be held by a limited number of Shareholders and that the Selling Shareholders, Reference Shareholders, Other Shareholders, Bondholders and Management (but not the Pre-Committed Investors) are expected to be subject to customary lock-up undertakings, the limited free float following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amount of Shares or the perception that such sales could occur, could affect the market value of the Shares*" - Section 15.1 – "*Shareholder Structure*"). Currently, all of the existing shareholders (and most of the security holders) of Unifiedpost have entered into a Shareholders' Agreement, which will terminate as of the realization of the Conditions Precedent to the Private Placement (see Section 13.1 – "*Purpose of this Prospectus - Listing on Euronext Brussels*").

As of the date of this Prospectus, Unifiedpost is not aware of shareholders entering into a new shareholders' agreement or agreeing to act in concert following the closing of the Private Placement and Listing (other than certain lock-up undertakings as set forth in Section 13.8 – "*Standstill and lock-up restrictions*". Nevertheless, they could, alone or together, have the ability to elect or dismiss directors, and, depending on how broadly the Issuer's other Shares are held, take certain other shareholders' decisions that require at least 50%, 66.67%, 75% or 80% of the votes of the shareholders that are present or represented at General Shareholders' Meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to impose certain shareholders' decisions, they could still have the ability to block proposed shareholders' resolutions that require at least 50%, 66.67%, 75% or 80% of the votes of the shareholders that are present or represented at general shareholders' meetings where such decisions are submitted to voting by the shareholders. Furthermore, a shareholder that is also a member of the Board of Directors and/or the Management Committee will, in some instances and in comparison with minority shareholders, have a better understanding of the particulars of Unifiedpost and its business. Such shareholders could use such knowledge, within the boundaries of applicable law, to their own benefit when submitting or voting on items on the agenda of a General Shareholders' Meeting. Any such voting by such significant shareholders may not be in accordance with the interests of Unifiedpost or the minority shareholders of Unifiedpost.

Following the realization of the Conditions Precedent to the Private Placement (see Section 13.1 – "*Purpose of this Prospectus - Listing on Euronext Brussels*"), the following members of the Board of Directors and/or the Management Committee will also be shareholders: Sofias BV (holding 12.6% of the Shares), Jinvest BV (holding 0.7% of the Shares through its permanent representative, Jürgen Ingels[1]), AS Partners BV (holding 0.3% of the Shares through its permanent representative, Stefan Yee[2]), FPIM – SFPI NV (holding 2.3% of the Shares), Laurent Marcelis (holding 0.3% of the Shares) and Tom Van Acker (holding 0.4% of the Shares in personal title and holding 0.4% of the Shares as permanent representative of Aprilis BV).[3] Unifiedpost believes that the probability of occurrence of this risk is low. If materialized, the negative impact of this risk will be dependent on the identity and intentions of the person or group of persons holding such majority interest. Based on the identity and intentions of Unifiedpost's current major shareholders, the negative impact would be limited.

2.3.4 *Declaration of No Objection for a Qualifying Holding in a Payment Service Provider*

Unifiedpost offers regulated payment services in accordance with PSD2 (see Section 20.3 – "*Payment Services Directive 2 (PSD2)*"), through its wholly owned subsidiary Unifiedpost Payments (formerly: PAY-NXT). Unifiedpost Payments is licensed as a payment institution granted by the National Bank of Belgium (NBB). The license has been passported to all other EU member states as well as the United Kingdom (see Risk Factor 2.1.4(ii) – "*The UK referendum resulting in the United Kingdom's exit from*

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[1] Note that Jürgen Ingels and Jinvest BV are also minority shareholders of Smartfin Capital, which would hold 4.1]% in this scenario (see footnote 3). Smartfin Capital is not an "affiliate" (within the meaning of art. 1:21 BCCA) of Jinvest BV or Jürgen Ingels.

[2] Note that Stefan Yee is also a minority shareholder of PE Group NV, which would hold 4.0]% in this scenario (see footnote 3). PE Group NV is not an "affiliate" (within the meaning of art. 1:21 BCCA) of AS Partners BV or Stefan Yee.

[3] Each time on an undiluted basis and giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) assuming full exercise of the Increase Opion and the Over-allotment Option, (iv) conversion of the Bonds, (v) a full exercise of the Investment Subscription Rights.

the EU and the UK withdrawal agreement and its practical implications could create political and economic uncertainty and risk").

Each person or group of persons acting in concert is required to obtain a declaration of no-objection from the NBB before it may directly or indirectly acquire or increase a qualifying holding in a licensed payment service provider with its corporate seat in Belgium. The Law of 11 March 2018 further provides that NBB must be notified in advance of any acquisition of or change in a qualifying holding (i) as a result of which the size of this holding increases beyond the following thresholds: 20%, 30% or 50% or as a result of which the payment service provider concerned becomes a subsidiary, or (ii) as a result of which the size of this holding falls below 10%, 20%, 30% or 50% or as a result of which the payment service provider ceases to be a subsidiary.

In the event of a change in the shareholding structure of an entity with a Qualifying Holding in a payment service provider, each individual shareholder thereof has to verify whether its indirect participation, on a weighted basis, surpasses the above thresholds in accordance with Annex 8 to Communication NBB_2017_22 of 14 September 2017 (*Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector*). In the event the NBB would not issue a declaration of no-objection, such person may be obliged to sell its Shares in the Company or will be prohibited from purchasing additional Shares in the Company.

Unifiedpost believes that the probability of occurrence and the negative impact will depend on the person who is obliged to file these notifications. The impact on Unifiedpost in case a person would fail to meet these requirements is limited. On the basis of the expected shareholdings of the Pre-Committed Investors and the existing Shareholders (see Risk Factor 2.3.1 – "*Given that, following the Private Placement, a large number of Unifiedpost's Shares may be held by a limited number of Shareholders and that the Selling Shareholders, Reference Shareholders, Other Shareholders, Bondholders and Management (but not the Pre-Committed Investors) are expected to be subject to customary lock-up undertakings, the limited free float following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amount of Shares or the perception that such sales could occur, could affect the market value of the Shares*"), no new Qualifying Holding will need to be notified to the NBB, it being understood that PE Group NV and Smartfin Capital will fall below the 10% thresholds.

3 IMPORTANT INFORMATION

3.1 Approval of the Prospectus

This Prospectus has been approved by the FSMA as competent authority under the Prospectus Regulation. The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The FSMA's approval should not be considered as an endorsement of the Company or the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

This Prospectus has been prepared in French and English. The Summary of the Prospectus has also been translated into Dutch. The Company is responsible for the consistency between the French and English versions of the Prospectus as well as the French, English and Dutch versions of the Summary. The FSMA approved the English version of this Prospectus on 18 September 2020 in accordance with Article 20 of the Prospectus Regulation. Without prejudice to the responsibility of the Company for inconsistencies between the different language versions of the Prospectus or the Summary of the Prospectus, the English version approved by the FSMA will prevail in the case of discrepancies between the different versions of the Prospectus or the Summary. However, the translations may be referred to by investors in transactions with the Company.

No public offering is made outside of Belgium and the Prospectus has not been submitted for approval to any supervisory body or governmental authority outside of Belgium.

3.2 Persons responsible for the Prospectus

The Company, represented by its Board of Directors, accepts responsibility for the information in this Prospectus in accordance with Article 26 of the Prospectus Law and for the content of the Summary, in accordance with Article 26, §3 of the Prospectus Law. Certain Sections of this Prospectus relating to (i) the description of the Selling Shareholders and their shareholding in the Company on page 166; and (ii) the description of the Increase Option and Over-allotment Option granted by the Selling Shareholders on page 165 (and following) have been drafted on the basis of the information provided by the Selling Shareholders. The Selling Shareholders also assume responsibility for these (and only these) Sections of the Prospectus.

Each of the Company (for the entirety of this Prospectus) and the Selling Shareholders (only with respect to the Sections for which they assume responsibility) attest that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

The Underwriters make no representation or warranty, express or implied, as to and do not assume any responsibility for, the accuracy or completeness or verification of the information in this Prospectus and nothing in this Prospectus is or shall be relied upon as, a statement or representation by the Underwriters or any of their affiliates, whether as to the past or the future. Accordingly, the Underwriters or any of their affiliates disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, in respect of this Prospectus or any such statement or representation.

3.3 Prospectus Supplement

The information in this Prospectus is as of the date printed on the front cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in the Company's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In accordance with Article 23 of the Prospectus Regulation, in the event of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Shares during the period from the date of approval of the Prospectus to the Listing Date, a Prospectus Supplement shall be published. Any Prospectus Supplement is subject to approval by the FSMA in the same manner as this Prospectus and must be made public in the same manner as this Prospectus.

3.4 Stabilization

In connection with the Private Placement, Berenberg or its affiliates will act as Stabilization Manager on behalf of itself and the Underwriters and may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares or any options, subscription rights or rights with respect to or other interest in, the Shares or other securities of the Company for up to 30 days from the Listing Date (the "**Stabilization Period**"). These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. Stabilization will not be executed above the Placement Price. Such transactions may be effected on Euronext Brussels, in the over-the-counter markets or otherwise. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may discontinue any of these activities at any time and they must terminate at the end of the Stabilization Period.

Within one week of the end of the Stabilization Period, the following information will be made public in accordance with Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse and Article 6.3 of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures: (i) whether or not stabilization was undertaken, (ii) the date at which stabilization started, (iii) the date on which stabilization last occurred, (iv) the price range within which stabilization was carried out, for each of the dates on which stabilization transactions were carried out, (v) the final size of the Private Placement, including the result of the stabilization and the exercise of the Over-allotment Option and the Increase Option, if any, and (vi) the trading venue on which the stabilization transactions were carried out, where applicable.

3.5 Availability of the Prospectus

Subject to selling and transfer restrictions, this Prospectus is available in French and English and the Summary is available in French, English and Dutch.

Subject to the restrictions in this Prospectus, this Prospectus will be made available to investors free of charge, as from 18 September 2020, in Belgium, at the registered office of the Company, Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and will also be made available to investors free of charge upon request by the Underwriters. In addition and subject to the same restrictions, the Prospectus and Summary are available on the Company website: https://www.unifiedpost.com/investor-relations/publications.

The posting of the Prospectus on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person.

No consent has been given by the Company or the Selling Shareholders to the use of the Prospectus for the purpose of subsequent resale of the Shares or their final placement by financial intermediaries, other than offers made by the Underwriters which constitute the final placement of Placement Shares contemplated in this prospectus.

3.6 Other Company Information and Documentation

The Company's deed of incorporation is filed and the Company must file its coordinated Articles of Association and all other deeds that are to be published in the annexes to the Belgian State Gazette with the clerk's office of the enterprise court of Brabant Wallon, where they are available to the public. The Company is registered with the register of legal entities (Brabant Wallon) under enterprise number 0886.277.617. A copy of the Company's most recent Articles of Association, as adopted by the Shareholders' Meeting on 31 August 2020 and which will only enter into force subject to completion of the Conditions Precedent to the Private Placement, are available on its website https://www.unifiedpost.com/investor-relations/corporate-governance.

In accordance with Belgian law, the Company will also prepare audited annual statutory and consolidated financial statements. The annual statutory financial statements, together with the report of the Board of Directors and the audit report of the statutory auditor, as well as the consolidated financial statements, together with the report of the Board of Directors and the audit report of the Statutory Auditor thereon, will be filed with the NBB, where they will be available to the public. Furthermore, as a listed company, the Company must publish an annual financial report (comprised of the financial information to be filed with the National Bank of Belgium and a responsibility statement) and a semi-annual financial report (comprised of condensed financial statements, the report of the statutory auditor, if audited or reviewed and a responsibility statement). These reports will be made publicly available on the Company's website.

All regulated information on the Company will be made available on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via stori.fsma.be or www.fsma.be. As a listed company, the Company must also disclose "inside information", information about its Shareholder structure and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market ("*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een gereglementeerde markt" / "Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé"*), Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse and the Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information, such information and documentation will be made available through the Company's website, press releases, the communication channels of Euronext Brussels, on STORI or a combination of these means. All press releases published by the Company will be made available on its website.

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the US Securities Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the US Exchange Act, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, on the request of such holder, beneficial owner or prospective purchaser, the information required to be provided to such persons pursuant to Rule 144A(d)(4) under the US Securities Act. The Company is not currently subject to the periodic reporting requirements of the US Exchange Act.

3.7 Documents incorporated by reference - website

The Articles of Association are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association (or copies thereof) may be obtained in electronic form free of charge from the Company's website at https://www.unifiedpost.com/investor-relations/corporate-governance.

The other contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of and are not incorporated by reference into this Prospectus.

3.8 Presentation of Financial and Other Information included in this Prospectus which has been audited or reviewed by the Statutory Auditor

3.8.1 *Company Financial Information*

This Prospectus contains selected consolidated financial information of the Company and its consolidated subsidiaries as of and for (i) the years ended 31 December 2019, 31 December 2018 and 31 December 2017, which has been derived from the audited consolidated financial statements of the Company and its consolidated subsidiaries (the "**Company Audited Consolidated Financial Statements**") prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and separately incorporated herein, and (ii) the six months ended 30 June 2020 and 30 June 2019, which has been derived from the unaudited interim consolidated financial statements of the Company and its consolidated subsidiaries (the "**Company Unaudited Interim Consolidated Financial Statements**", and together with the Company Audited Consolidated Financial Statements, the "**Company Consolidated Financial Statements**") which have been prepared in accordance with IAS 34 and separately incorporated herein.

The Company Audited Consolidated Financial Statements have been audited by BDO Bedrijfsrevisoren CVBA / BDO Réviseurs d'Entreprises SCRL ("**BDO**"), an independent registered public audit firm, as set forth in its audit report separately incorporated herein. The Company Unaudited Interim Consolidated Financial Statements have been reviewed by BDO, as set forth in its report separately incorporated herein. In its report on the Company Audited Consolidated Financial Statements, BDO highlights the following "emphasis of matter": "*Without qualifying our opinion, we draw attention to note 5.3 of the consolidated financial statements in which the administrative body makes reference to a material uncertainty regarding the going concern*."

The Company acquired Fitek on 29 March 2019 and the results of operations of the acquired Fitek business were consolidated in the Company Audited Consolidated Financial Statements from that date (see Section 10 - “*Selected Company Financial Information*”).

The Company acquired Unifiedpost Limited on 29 November 2019 and the results of operations of the acquired Unifiedpost Limited business were consolidated in the Company Audited Consolidated Financial Statements from that date (see Section 10 - “*Selected Company Financial Information*”).

3.8.2 *Fitek Group Financial Information*

The Prospectus contains the audited consolidated financial statements of Financial Automation Solutions OÜ as of and for the years ended 31 December 2019 and 31 December 2018 (the “**Fitek Audited Consolidated Financial Statements**”) prepared in accordance with IFRS. The Fitek Audited Consolidated Financial Statements have been audited by KPMG Baltics OÜ (“**KPMG**”), an independent audit firm, as set forth in its audit report separately incorporated herein. The aforementioned audit report issued by KPMG contains an emphasis-of-matter paragraph which states that there are certain events or conditions, including, amongst others, Fitek Group’s financial guarantee issued in light of the Company’s Acquisition Facility and Unifiedpost’s future ability to obtain additional long-term financing and to comply with the contractual provisions of the Acquisition Facility, indicating a material uncertainty which may cast significant doubt about the Fitek Group’s ability to continue as a going concern.

3.8.3 *Unifiedpost Limited Group Financial Information*

The Prospectus contains the audited consolidated financial statements of the Unifiedpost Limited Group as of and for the nine-month period ended 31 December 2019, and as of and for the twelve-month period ended 31 March 2019 (the “**Unifiedpost Limited Audited Consolidated Financial Statements**”) prepared in accordance with UK GAAP. The Unifiedpost Limited Audited Consolidated Financial Statements have been audited by Mazars LLP (“**Mazars*”)***, an independent audit firm, as set forth in its audit report separately incorporated herein. The aforementioned audit report issued by Mazars contains an emphasis-of-matter paragraph on the impact of the outbreak of COVID-19, stating that the outbreak of COVID-19 became material in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the United Kingdom. Mazars states that the full impact of COVID-19 is however still unknown and that it is therefore not possible to evaluate all the potential implications to the Company, its trade, customers, suppliers and the wider economy.

3.8.4 *Unaudited FY 2019 Pro Forma Income Statement*

Where indicated herein and particularly in Section 9.1 - “*Pro Forma Income Statement*” this Prospectus includes an Unaudited FY 2019 Pro Forma statement of profit or loss of the Company for the period ending 31 December 2019 to reflect (i) the Fitek Acquisition in 2019, (ii) the Unifiedpost Limited Acquisition in 2019, and (iii) the acquisition of an additional 1% of the shares in the Fitek Slovakia Joint Venture in 2019 and the Fitek Balkan Joint Ventures in 2020, in each case, as if they had occurred on 1 January 2019 (the “**Unaudited FY 2019 Pro Forma Income Statement**”). The Unaudited FY 2019 Pro Forma Income Statement has been prepared in accordance with the basis of preparation as described therein and has not been audited; however, it has been reported on in accordance with ISAE 3420 by BDO, as indicated in their report separately incorporated herein.

The Unaudited FY 2019 Pro Forma Income Statement is for informational purposes only and merely provides a hypothetical indication of actual results that would have been achieved had (i) the Fitek

Acquisition in 2019, (ii) the Unifiedpost Limited Acquisition in 2019, and (iii) the acquisition of an additional 1% of the shares in the Fitek Slovakia Joint Venture in 2019 and the Fitek Balkan Joint Ventures in 2020, occurred on 1 January 2019, and do not purport to indicate the Company's future consolidated results of operations. The actual results may differ significantly from the hypothetical results reflected in the Unaudited FY 2019 Pro Forma Income Statement for a number of reasons, including, but not limited to, differences in assumptions used to prepare the Unaudited FY 2019 Pro Forma Income Statement.

The Unaudited FY 2019 Pro Forma Income Statement should be read in conjunction with the information contained in Sections 7 - "*Use of Proceeds*", 10 - "*Selected Company Financial Information*", 11 - "*Operating and Financial Review and Prospects*" and the Company Audited Consolidated Financial Statements appearing elsewhere in this Prospectus.

3.8.5 ***Unaudited H1 2020 Pro Forma Income Statement***

Where indicated herein and particularly in Section 9.2 - "*Unaudited H1 2020 Pro Forma Income Statement* " this Prospectus includes an unaudited pro forma statement of profit or loss of the Company for the period ending 30 June 2020 to reflect the acquisition of an additional 1% of the shares in the Fitek Balkan Joint Ventures in 2020, as if it had occurred on 1 January 2019 (the "**Unaudited H1 2020 Pro Forma Income Statement**"). The Unaudited H1 2020 Pro Forma Income Statement has been prepared in accordance with the basis of preparation as described therein and has not been audited nor reviewed; however, it has been reported on in accordance with ISAE 3420 by BDO, as indicated in their report separately incorporated herein.

The Unaudited H1 2020 Pro Forma Income Statement is for informational purposes only and merely provides a hypothetical indication of actual results that would have been achieved had the acquisition of an additional 1% of the shares in the Fitek Balkan Joint Ventures in 2020 occurred on 1 January 2019, and do not purport to indicate the Company's future consolidated results of operations. The actual results may differ significantly from the hypothetical results reflected in the Unaudited H1 2020 Pro Forma Income Statement for a number of reasons, including, but not limited to, differences in assumptions used to prepare the Unaudited H1 2020 Pro Forma Income Statement.

The Unaudited H1 2020 Pro Forma Income Statement should be read in conjunction with the information contained in Sections 7 - "*Use of Proceeds*", 10 - "*Selected Company Financial Information*", 11 - "*Operating and Financial Review and Prospects*" and the Company Audited Consolidated Financial Statements appearing elsewhere in this Prospectus.

3.9 **Non-IFRS Financial Measures, APMs and Other Metrics**

This Prospectus contains certain financial measures that are not recognized financial measures under IFRS, including Adjusted Organic Revenue, Organic Revenue from Repeated Services, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA excluding Expensed R&D, and Adjusted EBITDA excluding Expensed R&D margin ("**APMs**").

The Company is of the view that these APMs provide additional information to investors and enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. These APMs are non-IFRS financial measures and have not been audited or reviewed and are not recognized measures of financial performance under

IFRS, but are used by management to monitor the underlying performance of the Company's business and operations. These APMs may not be indicative of the Company's historical operating results, nor are such measures meant to be predictive of the Company's future results.

The Company has presented these APMs in this Prospectus for the following reasons:

- Adjusted Revenue, Adjusted Organic Revenue, Organic Revenue from Repeated Services, because they provide a "like-for-like" comparison with the previous year in constant scope and constant currency, enabling a deeper understanding of the business and evolution of revenue.

- Adjusted EBITDA and Adjusted EBITDA excluding Expensed R&D, because the Company believes that (i) "adjusted EBITDA" is commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to certain other factors that are non-cash or non-operating or non-recurring, but that (ii) cash expensed research and development expenses are discrete and unstable from year to year or between companies, which creates material and directionally different changes in profit measures. Accordingly the Company has presented these two APMs to permit a more complete and comprehensive analysis of its underlying operating performance relative to other companies and across periods.

- Adjusted EBITDA margin and Adjusted EBITDA excluding Expensed R&D margin, because the Company believes that such APMs are useful to enhance comparability with other companies and provide a better understanding of its financial performance.

However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the APMs contained in this Prospectus and they should not be considered as a substitute for financial measures computed in accordance with IFRS. Investors should read them in conjunction with the Company Unaudited Interim Consolidated Financial Statements, Audited Consolidated Financial Statements, Unaudited FY 2019 Pro Forma Income Statement and Unaudited H1 2020 Pro Forma Income Statement included in this Prospectus.

The APMs are defined as follows or based on the following defined terms:

- Adjusted Revenue for a period, as the revenue of the Company's business, adjusted for the effect of Facturis ("**Adjusted Revenue**").

- Adjusted Organic Revenue for a period, as the revenue of the Company's business, adjusted for the effect of Facturis, removing the impact of acquisitions as well as exchange rate movements ("**Adjusted Organic Revenue**").

- Organic Revenue from Repeated Services for a period, as the Revenue from Repeated Services, excluding the impact of acquisitions as well as exchange rate movements ("**Organic Revenue from Repeated Services**").

- Organic Sales for a period, as the Sales excluding acquisitions for that period, excluding the currency effects ("**Organic Sales**");

- Revenue from Repeated Services, as the revenue from repeated services, including transactions (document processing and print production), subscriptions (including maintenance on licenses) and managed services, given that these services are expected to be delivered continuously in the future ("**Revenue from Repeated Services**").

- EBITDA for a period, as profit / (loss) from operations, plus amortization (of intangible assets) and depreciation (of property, equipment and right-of-use assets) (**EBITDA**);

- EBITDA margin for a period, as the ratio of EBITDA to revenue for the period (" **EBITDA Margin**");

- Adjusted EBITDA for a period, as EBITDA plus share-based payment expense, Non-Recurring Operational Expenses, acquisitions expenses, costs in relation with the Company's contemplated listing and the issuance of Bonds, less other income and expenses ("**Adjusted EBITDA**");

- Adjusted EBITDA margin for a period, as the ratio of Adjusted EBITDA to revenue for the period ("**Adjusted EBITDA Margin**");

- Adjusted EBITDA excluding Expensed R&D for a period, as Adjusted EBITDA excluding expensed research and development costs ("**Adjusted EBITDA excluding Expensed R&D**");

- Adjusted EBITDA excluding Expensed R&D margin for a period, as the ratio of Adjusted EBITDA excluding Expensed R&D to revenue for that period ("**Adjusted EBITDA excluding Expensed R&D Margin**");

- Non-Recurring Operational Expenses, as one-time expenses ("**Non-Recurring Operational Expenses**").

For a reconciliation of these APMs from their most comparable IFRS financial measures, see Section 10 – "*Selected Company Financial Information*".

3.10 Rounding

Certain monetary amounts and other numeric figures that appear in this Prospectus have been subject to rounding adjustments and currency conversion adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them. Any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding. In tables, negative amounts are shown by "–" or "negative" before the amount.

3.11 Currency

In this Prospectus, unless otherwise indicated: all references to "EUR", "euro" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union (the "**EMU**") pursuant to the Treaty on the functioning of the European Community (the "**EC**"), as amended from time to time; all references to the "United States" or the "US" are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and all references to "US dollars", "US$" or "$" are to the lawful currency of the United States and all references to the British Pound or Pound Sterling are to the lawful currency of the United Kingdom.

4 NOTICES TO PROSPECTIVE INVESTORS – SELLING RESTRICTIONS

4.1 General

In making an investment decision, investors must rely on their own assessment, examination, analysis and enquiry of the Company and the contents of this Prospectus, including the merits and risks involved. Any purchase of the Shares should be based on the assessments that an investor may deem necessary, including possible tax consequences that may apply, before deciding whether or not to invest in the Shares. In addition to their own assessment of the Company, investors should rely only on the information contained in this Prospectus, including the risk factors described herein.

Investors must also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus; and (ii) they have relied only on the information contained in this Prospectus and that no person has been authorized to give any information or to make any representation concerning the Company or its subsidiaries or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company, the Selling Shareholders or the Underwriters.

None of the Company, the Selling Shareholders or the Underwriters or any of their respective representatives, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

No person has been authorized to give any information or to make any representation in connection with the Private Placement or the Listing other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized. Without prejudice to the Company's obligation to publish Prospectus Supplements when legally required, neither the delivery of this Prospectus nor any sale made at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The Underwriters are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Private Placement and the Listing. They will not regard any other person (whether or not a recipient of this document) as their respective customers in relation to the Private Placement and the Listing and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective customers nor for giving advice in relation to the Private Placement and the Listing or any transaction or arrangement referred to herein.

The distribution of this Prospectus may, in certain jurisdictions, be restricted by law and this Prospectus may not be used for the purpose of or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer to sell or an invitation of an offer to purchase, any Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company, the Selling Shareholders and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions. The Company, the Selling Shareholders and the Underwriters reserve the right in their own absolute discretion to reject any applications to subscribe to Shares that the Company, the Selling Shareholders, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they offer, purchase, subscribe for, re-sell, pledge or otherwise transfer the Shares or possess or distribute this Prospectus, in each case at their own expense, and must obtain any consent, approval or permission required for the offer, purchase, subscription for, resale, pledge or other transfer of the Shares, under the laws and regulations in force in any jurisdiction in which any offer, purchase, subscription for, resale, pledge or other transfer is made. Neither the Company nor the Underwriters are making an offer to sell the Shares or soliciting an offer to purchase any of the Shares to any person in any jurisdiction where such an offer or solicitation is not permitted. Neither the Company, the Selling Shareholders nor the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Shares, of any such restrictions.

4.2 Information about the Private Placement

The Private Placement consists solely of private placements to "Qualified Persons", i.e. (i) qualified investors (as defined in article 2(e) of the Prospectus Regulation) and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation in Belgium and various other jurisdictions outside the United States and (ii) in the United States only persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A under the US Securities Act). The Private Placement outside the United States will be made in compliance with Regulation S under the US Securities Act.

4.3 Notice to prospective investors in the United States

The Shares have not been and will not be registered under the US Securities Act or with any state securities regulatory authority for offer or sale as part of their distribution.

The Placement Shares are being offered and sold in the Private Placement: (i) in the United States only to "qualified institutional buyers" as defined in and in reliance on Rule 144A or pursuant to another exemption from or transaction not subject to the registration requirements under the US Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the US Securities Act and in accordance with applicable law.

Any offer or sale of Shares in reliance on Rule 144A or pursuant to another exemption from or transaction not subject to, the registration requirements of the US Securities Act will be made by broker-dealers who are registered as such under the US Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the US Securities Act. Resales of the Shares are restricted as described under Section 21 - "*US Transfer restrictions*".

The Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein.

Distribution of this Prospectus to any person other than the offeree specified by the Underwriters or their representatives and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire, the Shares.

4.4 Notice to prospective investors in the EEA and the United Kingdom

An offer to the public of any Shares may not be made in any Member State of the European Economic Area ("**EEA**") and the United Kingdom (each a "**Relevant State**") unless an offering prospectus has been approved by the competent authority in such Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation. For the purposes of this provision, the expression "offer to the public" in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of an offering and the Shares so as to enable an investor to decide to purchase Shares

This Prospectus relates to the Listing of all Shares and has been prepared on the basis that all offers of Placement Shares in the Private Placement will be to qualified investors (as defined in article 2(e) of the Prospectus Regulation) and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation. Accordingly, any person making or intending to make any offer within the EEA of Shares which are the subject of the Private Placement or Listing contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholders or the Underwriters to produce a prospectus for such offer. Neither the Company, the Selling Shareholders nor the Underwriters have authorized, nor do the Company, the Selling Shareholders or the Underwriters authorize, the making of any offer of Shares through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of Placement Shares in the Private Placement.

Each person in a Relevant State who initially acquires any Placement Shares in the Private Placement or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation, unless the Company makes such offer in the Private Placement in accordance with any other exception set forth in Article 1(4) of the Prospectus Regulation (as set forth above), so that no such offer of Placement Shares shall result in a requirement for the publication by the Company, the Selling Shareholders or the Underwriters of a prospectus pursuant to Article 3(1) of the Prospectus Regulation or Prospectus Supplement pursuant to Article 23 of the Prospectus Regulation

In the case of any Placement Shares being offered to a financial intermediary as that term is used in Article 5 (1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Placement Shares acquired by it in the Private Placement have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Placement Shares to the public other than their offer or resale in a Relevant State to Qualified Persons or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

No consent has been given by the Company or the Selling Shareholders to the use of the Prospectus for the purpose of subsequent resale of the Shares or their final placement by financial intermediaries, other than offers made by the Underwriters which constitute the final placement of Placement Shares in the Private Placement. The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements

4.5 Notice to prospective investors in the United Kingdom

The Private Placement is only open to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to Section 85(1) of the U.K. Financial Services and Markets Act 2000, as amended.

Any investment or investment activity to which the Prospectus relates is available only to and will be engaged in only with, persons who (i) are investment professionals falling within Article 19(5) or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of the Prospectus and should not act or rely on it.

4.6 Notice to prospective investors in Japan

None of the Shares have been and will not be registered under the Japanese Financial Instruments and Exchange Law, as amended. This Prospectus is not an offer of securities for sale or subscription, directly or indirectly, in Japan or to or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for re-offer or resale, directly or indirectly, in Japan or to or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the Japanese Financial Instruments and Exchange Law and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

4.7 Notice to prospective investors in Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Swiss Exchange Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Private Placement may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Private Placement, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA and the Private Placement has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes. The investor protection afforded to acquirers of interests in collective investment schemes under the Swiss Federal Act on Collective Investment Schemes does not extend to acquirers of Shares.

4.8 Notice to prospective investors in Canada

The Shares may be sold only to purchasers purchasing or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario) and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, Section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Company, the Selling Shareholders and the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Private Placement.

4.9 Notice to prospective investors in Dubai

This Prospectus relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the Dubai Financial Services Authority. It must not be delivered to or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Placement Shares should conduct their own due diligence on the Shares. If investors do not understand the contents of this Prospectus they should consult an authorized financial advisor.

4.10 Notice to prospective investors in Australia

This document (a) does not constitute a prospectus, a product disclosure statement or other disclosure document under the Corporations Act 2001 of the Commonwealth of Australia (within this subsection the "**Corporations Act**"), (b) does not purport to include the information required of a prospectus, a product disclosure statement or other disclosure document under the Corporations Act; (c) has not been, nor will it be, lodged as a disclosure document with or registered by, the Australian Securities and Investments Commission (within this subsection the "**ASIC**"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (d) may not be provided in Australia other than to select investors (within this subsection the "**Exempt Investors**") who are able to demonstrate that they both (i) fall within one or more of the categories of investors under Section 708(8) or 708(11) of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of Section 761G of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold and no invitations to subscribe for or buy, the Shares may be issued and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Placement Shares, each purchaser or subscriber of Placement Shares represents and warrants to the Company, the Selling Shareholder, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Placement Shares will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Placement Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Placement Shares each purchaser or subscriber of Placement Shares undertakes to the Company, the Selling Shareholder and the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Placement Shares, offer, transfer, assign or otherwise alienate those Placement Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

4.11 Notice to prospective investors in New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Prospectus does not constitute a product disclosure statement or other disclosure document under the FMC Act and does not purport to include the information required for a product disclosure statement or other disclosure document under the FMC Act. The Shares are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, other than to a person who (i) is an "investment business" within the meaning of Clause 37 of Schedule 1 of the FMC Act, or (ii) meets the investment activity criteria specified in Clause 38 of Schedule 1 of the FMC Act, or (iii) is "large" within the meaning of Clause 39 of Schedule 1 of the FMC Act, or (iv) is a "government agency" within the meaning of Clause 40 of Schedule 1 of the FMC Act (each a "**Wholesale Investor**").

Each person who initially acquires Shares or to whom any offer is made will be deemed to have represented and warranted to, and agreed with, the Company and the Underwriters that (i) it is (or any person for whom it is acquiring any Shares is) a Wholesale Investor, (ii) the Shares must not be offered for sale in New Zealand in the twelve month period after the date of the allotment, except to a Wholesale Investor or where such offer does not require disclosure to investors in accordance with Part 3 of the FMC Act and that it will observe such New Zealand on-sale restrictions, and (iii) it has provided a valid "safe harbor certificate" to the Company in accordance with clause 44 of Schedule 1 of the FMC Act.

4.12 **Notice to prospective investors in South Africa**

This Prospectus may not be circulated or otherwise be made available in South Africa and the Shares may not be offered, sold or exercised, directly or indirectly, by any person in South Africa unless such circulation, offering, sale or exercise is allowed under applicable securities laws of the relevant jurisdiction.

5 INDUSTRY DATA AND OTHER STATISTICAL INFORMATION

Unless otherwise mentioned in the Prospectus, industry data and market size/share data provided in the Prospectus are derived from independent publications by leading organizations, reports by market research firms and other independent sources or from own estimates by the Company's management, which the latter believes to be reasonable. When information has been derived from third parties, the Prospectus refers to such third parties.

The third-party and main industry sources the Company has used generally state that the information they contain has been obtained from sources believed to be reliable. These third-party sources also state, however, that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data or statistical information and economic indicators contained in these third-party sources, the Company is unable to verify such information. The Company confirms that any information sourced from third parties has been accurately reproduced and, as far as the Company is aware and was able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although this information has been accurately reproduced with no omissions that would render it misleading and the Company believes it to be reliable, the Company cannot guarantee its overall accuracy or completeness.

Certain market share information and other statements in the Prospectus regarding the industry and the Company's position relative to its competitors may not be based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Company's best estimates based upon information obtained from trade and business organizations and associations consultants and other contacts within the industries in which the Company competes, information published by competitors and the Company's own experience and knowledge of conditions and trends in the markets in which the it operates. This information from the Company's internal estimates and surveys has not been verified by any independent sources.

The Company cannot assure that any of the assumptions that it has made while compiling this data from third-party sources are accurate or correctly reflect the Company's position in the industry and none of its internal estimates have been verified by any independent sources. None of the Company, the Selling Shareholder or the Underwriters makes any representation or warrants as to the accuracy or completeness of this information. None of the Company, the Selling Shareholders or the Underwriters has independently verified this information and, while the Company believes it to be reliable, none of the Company, the Selling Shareholders or the Underwriters can guarantee its accuracy. The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

6 FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking statements" within the meaning of the securities laws of certain jurisdictions, including statements under the Sections 1 - "*Summary*", 2 - "*Risk factors*", 11 - "*Operating and Financial Review and Prospects*" and 19 - "*Business and Industry*" and in other Sections. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, capital expenditures, use of proceeds from this Private Placement, dividend policy, introduction of new products and enhancements to the Company's current platforms, regulatory compliance, plans for growth and future operations, the size of the Company's addressable market and market trends, as well as assumptions relating to the foregoing.

In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends", "may," "will," "plans," "continue," "on-going," "potential," "predict," "project," "target," "seek" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions.

In addition, statements that "the Company believes" and similar statements reflect the Company's beliefs and opinions on the relevant subject. These statements are based upon information available as of the date of this Prospectus and while the Company believes such information forms a reasonable basis for such statements, such information may be limited or incomplete and these statements should not be read to indicate that the Company has conducted an exhaustive inquiry into or review of, all potentially available relevant information.

The forward-looking statements contained in this Prospectus are based primarily on the Company's current expectations and projections about future events and trends, which the Company believes may affect its business, financial condition, results of operations, prospects, business strategy and financial needs. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors described, *inter alia*, under Section 2 - "*Risk factors*" and elsewhere in this Prospectus, because they relate to events and depend on circumstances that may or may not occur in the future. These risks and others described under Section 2 - "*Risk factors*" are not exhaustive. New risks can emerge from time to time and it is not possible to predict all such risks, nor can the Company assess the impact of all such risks on its business or the extent to which any risks or combination of risks and other variables, may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of future performance. A prospective investor should not place undue reliance on these forward-looking statements. Any forward looking statements are made only as of the date of this Prospectus and the Company does not intend and does not assume any obligation, to update forward-looking statements set forth in this Prospectus.

7 USE OF PROCEEDS

Unifiedpost wishes to raise additional funding through the Private Placement in order to (partly) repay the Acquisition Facility with Belfius and realize its strategic objectives and growth strategy (see Section 19.4 – "*Business Strategy*"). Unifiedpost seeks to grow its business organically by (i) growing its existing customer base, for instance through cross- and upselling supplementary integrated platform services, such as Payments, Identity and Platform Services, in respect of which margins are higher, (ii) onboarding additional Business Ecosystems, (iii) adding more Corporate customers and partnerships, (iv) expanding its service offering, and (v) international expansion. Unifiedpost's primary focus is on accelerating the extension of its customer base - both in the Corporate and SME market - across Europe, including major markets such as Germany, France, the UK, central-east and southern Europe. Unifiedpost is currently in discussions to set up new Ecosystems in Spain, Germany, Italy and the Nordics, leveraging its recent experiences with JeFacture (France) and Billtobox (Belgium and several other countries).

Unifiedpost's buy-and-build strategy serves as an accelerator for its international expansion. Unifiedpost is primarily focused on Volume Acquisitions to increase the critical mass of connected customers, resulting in more activities taking place on the platform (in the form of document and transaction flows) which in turn enables the collection of more data that can be used to further develop the Unifiedpost Platform and increase cross- and upselling opportunities. Furthermore Unifiedpost may also consider acquiring Supplementary Acquisitions, to expand the scope and quality of Unifiedpost's products and services offering as a whole. Unifiedpost may consider such targets in countries in which it is already active, as well as in countries in which it wishes to expand. Unifiedpost mainly focuses on the European market, but may consider other opportunities as they arise.

The primary reason for the Private Placement is to enable Unifiedpost to acquire additional financial means in order to carry out its growth strategy. In the Private Placement, the Company targets to raise the maximum gross proceeds in the amount of €175 million, through the placement of maximum 9,722,222 Placement Shares within a Price Range between €18.00 and €20.00.

Assuming a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, the Company will receive estimated net proceeds from the Private Placement of approximately €161.8 million - after deduction of underwriting commissions (including incentive-based fees) in the amount of approximately €10.1 million and expenses in the amount of approximately €3.1 million.

Assuming full exercise of the Increase Option and that the Placement Price is at the mid-point of the Price Range and that the Over-allotment Option is exercised in full, the Selling Shareholders will receive aggregate gross proceeds from the Private Placement of approximately €76.6 million. The Company will not receive any of the proceeds of the Increase Option and Over-allotment Option, all of which will be paid to the Selling Shareholders. All fees and expenses related to the Private Placement (including those related to the exercise of the Increase Option and Over-allotment Option) will be borne by the Company.

The net proceeds of the Private Placement (i.e. approximately €162 million) will be used as follows, in the following order of priority (descending):

- €17 million (excluding accrued interests and break fees, estimated at €148,750) will be used in the short term for the repayment of an existing acquisition finance bullet facility ("Facility B") with Belfius;

- €6 million will be used to further execute the development of the Unifiedpost Platform and current roll-out of the Unifiedpost Platform's functionality. For Documents and core-Payments services, no material incremental investments are expected compared to the previous years. Unifiedpost will however make additional capital expenditures and investments in the development of its Identity (identity schemes) and Payments offering (PSD2 integration with local financial institutions).

- €139 million will be used for additional platform investments in accordance with Unifiedpost's overall growth strategy. Unifiedpost has identified building blocks to grow its existing customer base by capitalizing on cross- and upselling opportunities and to develop and launch business Ecosystems in new markets, including further development and customization of the Unifiedpost Platform to local needs (e.g. JeFacture in France). The Company estimates that the investments in business Ecosystems will comprise approximately €5 million for JeFacture in France and €23 million for other organic growth initiatives in business Ecosystems in other geographies. The remaining €111 million, together with other sources of funding, will be used in accordance with Unifiedpost's make-or-buy approach (see Sections 19.4.2 – "*Organic growth*" and19.4.3 – "*Buy-and-build*").

Should only the minimum amount of the Private Placement be realized (i.e. the amount of Pre-Commitments received), Unifiedpost will allocate only €66 million to develop and launch Business Ecosystems in new markets and to finance future acquisitions, together with other sources of acquisition financing facilities.

Unifiedpost continuously evaluates potential investment opportunities but is not, at the date of this Prospectus, engaged in any binding M&A process. The Company may fund future acquisitions through (a combination of) available cash, cash equivalents, the issuance of equity-like instruments (such as subscription rights, options, etc.) and third-party financing (to the extent possible under its existing credit arrangements). However, as of the date of this Prospectus, the Company cannot predict the actual amounts that will be spent or allocated or the timing of the uses set forth above, which will be subject to the Company's discretion, with actual allocation and timing of the Company's investments depending on, amongst other matters, market conditions, the timing of the relevant opportunities, the Company's existing business investment needs, the Company's business development and on the amount of proceeds actually raised in the Private Placement.

If the Company would not raise the targeted maximum gross proceeds of €175 million (it being understood that the minimum amount of the Private Placement has been set at the amount of the Pre-Commitments received by the Company (gross proceeds)), the Company will have to reduce its level of investment, in which case priority shall be given to the proposed uses as set forth above, consider additional funding or a combination of both (see Risk Factor 2.1.3(v) – "*If the Private Placement would not raise its target gross proceeds of €175 million, Unifiedpost may have to consider additional funding, reduce its level of investments, or a combination of both*"). The Company may in such case look for further external funding in order to fund the above proposed uses.

8 CAPITALIZATION, INDEBTEDNESS AND WORKING CAPITAL

8.1 Capitalization and indebtedness

8.1.1 *Overview*

The table below sets out the Company's consolidated capitalization as of 30 June 2020:

- On a historical basis;
- As adjusted to reflect the Second Capital Increase; and
- As adjusted to reflect the Second Capital Increase and the conversion of the remaining Bonds in connection with the Private Placement.

See Section 11 - "*Liquidity and Capital Resources*" for additional details on the 2020 Capital Increases and the conversion of the remaining Bonds in connection with the Private Placement.

This table should be read in conjunction with the following Sections 7 - "*Use of Proceeds*," 10 - "*Selected Company Financial Information*" and 11 - "*Operating and Financial Review and Prospects*" and the consolidated financial statements and related notes separately incorporated in this Prospectus.

€ thousands	30 June 2020 **Actual** *(note 1)*	30 June 2020 **As adjusted for the Second Capital Increase** *(note 2)*	30 June 2020 **As adjusted for the Second Capital Increase and conversion of the remaining 184 Bonds** *(note 3)*
Total current debt	**96,939**	**78,575**	**67,033**
Guaranteed	3,054	3,054	3,054
Secured	38,375	38,375	38,375
Unguaranteed/unsecured	55,510	37,146	25,604
Total non-current debt	**14,426**	**14,654**	**14,654**
Guaranteed	5,722	5,722	5,722
Secured	2,966	2,966	2,966
Unguaranteed/unsecured	5,738	5,966	5,966
Total indebtedness	**111,365**	**93,230**	**93,230**
Equity attributable to equity holders	**(7,996)**	**13,219**	**24,761**
Share capital	49,204	67,343	76,543
Costs related to equity issuance	(413)	(438)	(438)
Share premium reserve	492	492	492
Accumulated deficit	(57,396)	(57,396)	(57,396)
Reserve for share-based payments	1,606	1,606	1,606
Other reserves	(856)	2,245	4,587
Cumulative translation adjustment reserve	(633)	(633)	(633)
Total equity	**(7,996)**	**13,219**	**24,761**

Note 1: this column only takes into account the capital increase dated 26 June 2020, including the conversion of 400 Bonds.
Note 2: this column is a pro forma correction of column 1, whereby the capital increase dated 17 July 2020 is taken into account, including the conversion of 285 Bonds.

Note 3: this column is a pro forma correction of column 1, whereby the capital increase dated 17 July 2020, including the conversion of 285 Bonds, as well as the conversion of the remaining 184 Bonds are taken into account.

The following table sets out the net financial indebtedness of the Company as of 30 June 2020:

- On a historical basis;
- As adjusted to reflect the Second Capital Increase; and
- As adjusted to reflect the Second Capital Increase and the conversion of the remaining Bonds in connection with the Private Placement.

See Section 11 - "*Liquidity and Capital Resources*" for additional details on the 2020 Capital Increases and the conversion of the remaining Bonds in connection with the Private Placement.

€ thousands	30 June 2020 **Actual** *(note 1)*	30 June 2020 **Adjusted for the Second Capital Increase** *(note 2)*	30 June 2020 **Adjusted for the Second Capital Increase and conversion of the remaining 184 Bonds** *(note 3)*
A. Cash	8,568	11,673	11,673
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquidity (A + B + C)	**8,568**	**11,673**	**11,673**
E. Current financial debt	70,850	52,486	40,944
F. Current portion of non-current financial debt	3,054	3,054	3,054
G. Current financial indebtedness (E + F)	**73,904**	**55,540**	**43,998**
H. Net current financial indebtedness (G - D)	**65,336**	**43,867**	**32,325**
I. Non-current financial debt	13,876	13,876	13,876
J. Debt instruments	8,942	9,170	9,170
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	22,818	23,046	23,046
M. Net financial indebtedness (H + L)	88,154	66,913	55,371

Note 1: this column only takes into account the capital increase dated 26 June 2020, including the conversion of 400 Bonds.
Note 2: this column is a pro forma correction of column 1, whereby the capital increase dated 17 July 2020 is taken into account, including the conversion of 285 Bonds.
Note 3: this column is a pro forma correction of column 1, whereby the capital increase dated 17 July 2020, including the conversion of 285 Bonds, as well as the conversion of the remaining 184 Bonds are taken into account.

8.1.2 *Conversion of the Bonds*

The number of Shares issued upon conversion of the 184 remaining outstanding Bonds following the Private Placement will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Placement Price minus a discount of 25% (for PMV) or

15% (for the other Bondholders).

The exact number of Shares to be issued upon conversion of the Bonds is unknown at the date of this Prospectus. On the basis of hypothetical Placement Prices, the potential dilution can be calculated as follows (see Section 14.7.3 – "*Bonds*"):

- if the Placement Price is set at the low end of the Price Range, i.e. €18.00, 671,020 Shares will be issued upon conversion of the Bonds;
- if the Placement Price is set at the mid-point of the Price Range, i.e. €19.00, 635,703 Shares will be issued upon conversion of the Bonds;

  if the Placement Price is set at the high end of the Price Range, i.e. €20.00, 603,920 Shares will be issued upon conversion of the Bonds.

8.1.3 ***Covenants under the Acquisition Facility***

Pursuant to the Acquisition Facility with Belfius, Unifiedpost is subject to various financial covenants (see Section 11.6.1– "*Sources of funding*"), including that the Company needs to ensure that its "*senior adjusted leverage*" shall not at any time exceed 3.00:1 (Unifiedpost is subject to a semi-annual test for compliance with such requirement). The Company is also subject to an indebtedness covenant, under which the Company may not incur or have outstanding any financial indebtedness, other than such indebtedness allowed under the Acquisition Facility.

Under the Acquisition Facility, the "*senior adjusted leverage*" for a relevant period is defined as the "*senior leverage*", being the ratio of "*consolidated net financial debt*" (i.e. the aggregate amount of all obligations of members of the Group at the end of such "*relevant period*" to "*consolidated adjusted EBITDA*" for that same period, adjusted on a pro forma basis to include the effects of "*permitted acquisitions*" within a period of 12 months after the commencement of that "*relevant period*" on the "*consolidated net financial debt*", "*consolidated adjusted EBITDA*" and cash of the "*relevant period*" (in each case as if such acquisition had been completed at the beginning of the "*relevant period*"). For purposes of this calculation, the "*consolidated adjusted EBITDA*" must be read to include the operating profit before interest, tax, depreciation and amortization of the "*relevant target*" and taking into account (on a pro forma basis) "*identifiable cost savings*". All terms in between quotations marks are defined terms under the Acquisition Facility.

As at 31 December 2019 and 30 June 2020, Unifiedpost was in breach of the senior adjusted leverage requirement, as well as the prohibition on incurrence of other financial indebtedness (as a consequence of entering into the BMI Subordinated Loan and the issuance of Bonds in 2019). A breach of these covenants constitutes an "Event of Default" under the Acquisition Facility, which in turn gives rise to a standard acceleration provision whereby Belfius may (i) cancel its financial commitments, (ii) declare that all outstanding amounts become immediately due and payable, (iii) declare that all outstanding amounts become payable on demand, (iv) exercise any or all of the other rights, remedies, powers or discretions it has pursuant to the agreement. The remedy period for Events of Default is 15 days.

On 9 July 2020, Unifiedpost obtained a waiver from Belfius whereby Belfius agreed to waive these breached covenants. The BMI Subordinated Loan and 2019 Bond issuances now constitute "Permitted Indebtedness". The next compliance assessment with respect to the senior adjusted leverage covenant under the Acquisition Facility will take place on 31 December 2020. However, given that the Company intends to repay 50% of the Acquisition Facility with proceeds raised through the Private Placement (see Section 7 – "*Use of Proceeds*"), the senior adjusted leverage ratio will improve to the extent that Unifiedpost will have negative net debt and will therefore no longer be in breach of this covenant following this repayment. Unifiedpost does not expect to be in breach at the date of the next compliance assessment (31 December 2020).

8.2 Working capital statement

As of the date of this Prospectus and not taking into account the proceeds of the Private Placement, Unifiedpost is of the opinion that Unifiedpost (on a consolidated basis) does not have sufficient working capital to meet its present requirements and cover its working capital needs for a period of at least 12 months from the date of the Prospectus, taking into account its available cash and cash equivalents.

To the extent Unifiedpost would not be able to attract sufficient new funds (beyond its existing cash and cash equivalents), it expects to run out of working capital by January 2021 (with a shortfall of €1.4 million). Assuming Unifiedpost maintains its current strategy and development activities as set forth in Section 7 – "*Use of Proceeds*", the maximum working capital shortfall in the 12 months' period following the date of this Prospectus, assuming that Unifiedpost is not be able to attract additional funds, is estimated to amount to approximately €6.5 million at 30 September 2021.

If the Private Placement is not completed, Unifiedpost intends to reassess its strategy and development activities.

Assuming the completion of the Private Placement, Unifiedpost is of the opinion that the amount of the Pre-Commitments (i.e. approximately €97,653,204 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank), together with its available cash and cash equivalents, will provide sufficient working capital to meet its present requirements and working capital needs for a period of at least 12 months from the date of this Prospectus.

9 PRO FORMA INCOME STATEMENTS

9.1 Unaudited FY 2019 Pro Forma Income Statement

9.1.1 *Introduction*

The Unaudited FY 2019 Pro Forma Income Statement set forth in this Section has been prepared in accordance with item 18.4.1 of Annex I of the Commission Delegated Regulation 2019/980.

The Unaudited FY 2019 Pro Forma Income Statement should be read in conjunction with the information contained in Section 7 - "*Use of Proceeds*", Section 10 - "*Selected Consolidated Financial Information*", Section 11 - "*Operating and Financial Review and Prospects*" and the Company Audited Consolidated Financial Statements appearing elsewhere in this Prospectus.

9.1.2 *Transactions covered by the Unaudited FY 2019 Pro Forma Income Statement*

The Unaudited FY 2019 Pro Forma Income Statement has been prepared for illustrative purposes only, to give effect to the following transactions (the "**Transactions**"), as if they had occurred on 1 January 2019:

The Fitek Acquisition

- The acquisition of Financial Automation Solutions OÜ, its subsidiaries and joint venture interests on 29 March 2019, for an aggregate consideration of €28.8 million, including cash consideration of €19.5 million, the assumption and repayment of liabilities to the former owners in the amount of €7.9 million which totals a cash consideration of €27.4 million, and the issuance of Bonds to a subset of the former owners in the amount of €1.4 million; followed by:

- The acquisition of an additional 1% in the Fitek Slovakia Joint Venture on 23 December 2019 and of an additional 1% in the Fitek Balkan Joint Ventures on 11 February 2020, for consideration transferred of €2.6 million and €7.0 million, respectively, including the remeasurement of the previously held 50% interest in the investments and the settlement of pre-existing relationships with the acquired entity, resulting in the Company obtaining a controlling interest in a step acquisition. The aggregate consideration of Fitek Slovakia of €2.6 million, includes a vendor loan of €50 thousand, the fair value of the previously held 50% equity interest of €2.1 million, and the settlement of an outstanding loan towards Fitek Slovakia for the amount of €0.4 million. The aggregate consideration of Fitek Balkan of €7.0 million, includes a vendor loan of €150 thousand, the fair value of the previously held 50% equity interest of €6.8 million, and the settlement of a pre-existing relationship for the amount of €0.1 million.

The Unifiedpost Limited Acquisition

- The acquisition of 100% of the shares in PDOCHOLCO Limited (United Kingdom) and subsidiaries on 29 November 2019, for an aggregate consideration of the equivalent of €9.4 million, including cash consideration of €8.2 million (£7.0 million) and the issuance of Bonds to the sellers in the amount of €1.2 million.

The financing of the Fitek and Unifiedpost Limited Acquisitions

- The issuance of Bonds in direct connection with the Fitek and the Unifiedpost Limited Acquisitions in the respective amounts of €1.4 million and €1.2 million, in combination with drawdowns under the Belfius Acquisition Facility (€34 million in total) and the BMI Subordinated Loan (€4 million), as well as with the issuance of other Bonds (see Section 9.1.5(iv) – "*Note D – Pro forma financing*").

9.1.3 *Basis of preparation and accounting policies adopted*

The Unaudited FY 2019 Pro Forma Income Statement has been presented for illustrative purposes only. This pro forma information is not necessarily indicative of what Unifiedpost's financial performance actually would have been had the Transactions been completed as of the dates indicated and does not purport to project the operating results of Unifiedpost.

The Unaudited FY 2019 Pro Forma Income Statement has been derived from the following information included in this Prospectus:

- The Company Audited Consolidated Financial Statements;
- The Fitek Audited Consolidated Financial Statements; and
- The Unifiedpost Limited Audited Consolidated Financial Statements.

The following information included in the Unaudited FY 2019 Pro Forma Income Statement has been derived from financial information not included in, or incorporated by reference to, the Prospectus as described below:

- Fitek's unaudited consolidated profit or loss information for the nine-month period ended 31 December 2019, derived from the IFRS accounting records used as the basis for preparation of the Fitek Audited Consolidated Financial Statements and the Company Audited Consolidated Financial Statements;
- Fitek Slovakia's unaudited profit or loss information for the year and for the nine-month period ended 31 December 2019, derived from the IFRS accounting records used as the basis for preparation of the Fitek Audited Consolidated Financial Statements and the Company Audited Consolidated Financial Statements;
- Fitek Balkan's unaudited combined profit or loss information for the year and for the nine-month period ended 31 December 2019, derived from the IFRS accounting records used as the basis for preparation of the Fitek Audited Consolidated Financial Statements and the Company Audited Consolidated Financial Statements;
- Unifiedpost Limited's unaudited consolidated profit or loss information for the year ending 31 March 2019, derived from the UK GAAP accounting records used as the basis for preparing the Unifiedpost Limited Audited Consolidated Financial Statements; and
- Unifiedpost Limited's unaudited consolidated profit or loss information[4] for the one-month

[4] Please also see the definition of Unifiedpost Limited Audited Consolidated Financial Statements: "*The Company acquired PDOCHOLCO Limited ("**Unifiedpost Limited**" and, together with its consolidated subsidiaries, the "**Unifiedpost Limited Group**", formerly known as the Prime Documents Group) on 29 November 2019 (the "**Unifiedpost Limited Acquisition**"). The Prospectus contains the audited consolidated financial statements of the Unifiedpost Limited Group as of and for the nine-month period ended 31 December 2019, as well as of and for the twelve-month period ended 31 March 2019 (the "**Unifiedpost Limited Audited Consolidated Financial Statements**") prepared in accordance*

period ended 31 December 2019, derived from UK GAAP accounting records used as the basis of preparation of the Unifiedpost Limited Audited Consolidated Financial Statements.

All Transactions have been accounted for by use of the acquisition method for accounting under the provisions of IFRS with the Company as the ultimate acquirer. The acquisition method of accounting in accordance with IFRS applies the fair value concepts and requires, amongst others, that the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair values as of the acquisition date, whereby any excess of the purchase consideration over the fair value of identifiable net assets acquired is recognized as goodwill.

The Unaudited FY 2019 Pro Forma Income Statement reflects the application of pro forma adjustments that are based upon available information and certain assumptions, described in the accompanying notes set forth in this Section, which the management of the Company believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying Unaudited FY 2019 Pro Forma Income Statement. The Unaudited FY 2019 Pro Forma Income Statement has been prepared by the management for illustrative purposes only and, because of its nature, addresses a hypothetical situation, and is therefore not necessarily indicative of the results of operations that would have been actually realized had the Transactions been completed as of the date indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations. In addition, the accompanying Unaudited FY 2019 Pro Forma Income Statement does not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the Transactions.

The accounting policies adopted in preparing the Unaudited FY 2019 Pro Forma Income Statement are in accordance with IFRS and are consistent with the accounting policies adopted by the Company in the Company Audited Consolidated Financial Statements.

The Unaudited FY 2019 Pro Forma Income Statement has been prepared on the basis described therein and has not been audited; however, it has been reported on in accordance with ISAE 3420 by BDO, as indicated in their report separately incorporated herein.

Unless otherwise indicated, all amounts in this Section are expressed in thousands of euros. Rounding adjustments to the nearest whole number have been made, therefore figures shown as totals may not be exact arithmetic aggregations of the figures that precede them.

9.1.4 *Unaudited FY 2019 Pro Forma Income Statement*

	For the year ended 31 December 2019					
	Consolidated IFRS Unifiedpost (audited)	Pro Forma Consolidated Fitek (3 months), Fitek Balkan Joint Ventures & Fitek Slovakia Joint Venture (12 months)	Pro Forma Consolidated Unifiedpost Limited (11 months)	Elimination of 1% acquisition in Fitek Balkan Joint Ventures and Fitek Slovakia Joint Venture	Additional Pro Forma Financing of the Acquisitions	Pro Forma Total
Notes		A	B	C	D	

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with UK GAAP."

€ thousands							
CONSOLIDATED INCOME STATEMENT							
Revenue		46,952	16,076	6,006	-	-	69,034
Cost of services		(24,812)	(12,540)	(3,062)	-	-	(40,414)
Gross profit		**22,140**	**3,536**	**2,944**	**-**	**-**	**28,620**
Research and development expenses		(9,083)	(194)	-	-	-	(9,277)
General and administrative expenses		(21,422)	(2,066)	(2,298)	896	-	(24,890)
Selling and marketing expenses		(7,970)	(1,123)	(710)	-	-	(9,803)
Other income / (expenses)		683	(462)	-	-	-	221
Net impairment losses on financial and contract assets		(29)	-	-	-	-	(29)
Profit / (loss) from operations		(15,681)	(309)	(64)	896	-	(15,158)
Changes in fair value through profit and loss of financial liabilities		(573)	-		-	-	(573)
Financial income		3	(11)	-	-	-	(8)
Financial expenses		(6,181)	(165)	(693)	-	(1,440)	(8,479)
Share of profit / (loss) of associates		278	(278)	-	-	-	-
Profit / (loss) before tax		**(22,154)**	**(763)**	**(757)**	**896**	**(1,440)**	**(24,218)**
Income tax		(211)	(42)	37	-	-	(216)
PROFIT / (LOSS) FOR THE YEAR		**(22,365)**	**(805)**	**(720)**	**896**	**(1,440)**	**(24,434)**
Total profit / (loss) after tax attributable to:							
Owners of Unifiedpost		(22,365)	(956)	(720)	896	(1,440)	(24,585)
Non-controlling interests		-	151	-	-	-	151
Earnings per share (EPS) attributable to the equity holders of the parent (basic and diluted)	**E**	**(10.59)**					**(10.61)**

9.1.5 *Notes to the Unaudited FY 2019 Pro Forma Income Statement*

(i) *Note A - Fitek Acquisition, including the acquisition of an additional 1% in the Fitek Slovakia Joint Venture and the Fitek Balkan Joint Ventures*

Unifiedpost Group acquired 100% of the Fitek group of companies on 29 March 2019. Unifiedpost acquired 100% of the shares of Financial Automation Solutions, holding 95% of the shares in Fitek Holding SIA, as well as the remaining 5% of the shares in Fitek Holding SIA, hereby acquiring 100% of the shares of Fitek Holdings SIA and its subsidiaries. Fitek Holding SIA holds 100% of the shares in four entities in the Baltics and, at the time of the acquisition, held 50% ownership in the Fitek Balkan Joint Ventures and Fitek Slovakia Joint Venture. Unifiedpost obtained control of the Fitek Group, in exchange for an aggregate consideration of €28.8 million, including cash consideration of €19.5 million, the assumption of liabilities to the former owners in the amount of €7.9 million and the issuance of new Bonds to a subset of the former owners in the amount of €1.4 million.

The Fitek Acquisition has been accounted for using the acquisition method of accounting under which the purchase consideration is allocated to assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The excess of the purchase consideration over the fair value of the identifiable net assets acquired has been allocated to goodwill.

At the time of the Fitek Acquisition, Fitek Holding SIA (Latvia) was a 50% partner in the Fitek Slovakia Joint Venture and the Fitek Balkan Joint Ventures.

On 23 December 2019, the Group acquired 1% of the shares in the Fitek Slovakia Joint Venture and on 11 February 2020, the Group acquired 1% of the shares in the Fitek Balkan Joint Ventures, so that the Group currently holds 51% of the shares in these entities. The Fitek Slovakia and Fitek Balkan Joint Ventures have been consolidated in the Unaudited FY 2019 Pro Forma Income Statement.

The Company has made a preliminary allocation of the aggregate consideration transferred to effect the Fitek Slovakia and Fitek Balkan business combinations to the acquired net assets. As at the date of this Prospectus, the Company has not finalized all of the detailed valuation studies in determining the fair values for the assets acquired and the liabilities assumed. The Company will continue its valuation exercise and accordingly, the final fair values recorded at consolidation may differ from the amounts used herein.

The following table sets forth adjustments related to the Fitek Acquisition, and to the acquisition of an additional 1% in the Fitek Slovakia Joint Venture and the Fitek Balkan Joint Ventures, to the Unaudited FY 2019 Pro Forma Income Statement, including the effects of the preliminary purchase price allocations for the net assets acquired in the Fitek Slovakia and Fitek Balkan business combinations.

€ thousands	Fitek Historical 12m 12m to 31 Dec. Audited	Reclasses	Fitek Historical 12m consolidated	Deduct: Fitek Historical 9m 9m to 31 Dec.	Fitek Historical 3m 3m to 29 Mar.	Fitek Baltics - Purchase price allocation adjustments 3m to 29 Mar.	Reverse: Equity Accounting Fitek Slovakia 9m to 22 Dec.	12 months loss Fitek Slovakia 12m to 22 Dec.	Fitek Slovakia - Preliminary purchase price allocation adjustments 12m to 31 Dec.	Fitek Slovakia - Non-recurring gain 12m to 31 Dec.	Reverse: Equity Accounting Fitek Balkan 9m to 31 Dec.	12 months profit Fitek Balkan 12m to 31 Dec.	Fitek Balkan - Preliminary purchase price allocation adjustments 12m to 31 Dec.	Additional Pro Forma Contribution Fitek, incl. Fitek Slovakia and Fitek Balkan
	A 1.1	A 1.1.1	A 1.1.2	A1.2	A1.3	A.2.1	A 3.1	A 3.2	A 3.3	A 3.4	A 4.1	A 4.2	A 4.3	A
CONSOLIDATED STATEMENT OF PROFIT OR LOSS														
Global Revenue	13,086	-	13,086	(9,606)	3,480	-	-	2,503	-	-	-	10,093	-	16,076
Cost of services	(7,612)	290	(7,322)	5,108	(2,214)	-	-	(2,248)	-	-	-	(8,078)	-	(12,540)
Gross profit	5,474	290	5,764	(4,498)	1,266	-	-	255	-	-	-	2,015	-	3,536
Research and development expenses	-	(385)	(385)	322	(63)	(131)	-	-	-	-	-	-	-	(194)
General and administrative expenses	(5,645)	83	(5,562)	4,537	(1,025)	-	-	(289)	-	-	-	(752)	-	(2,066)
Selling and marketing expenses	(191)	-	(191)	149	(42)	(333)	-	(25)	(195)	-	-	(138)	(390)	(1,123)
Other income / (expenses)	413	2,102	2,515	(858)	1,657	-	-	(26)	-	(2,102)	-	9	-	(462)
Net impairment losses on financial and contract assets	(12)	12	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (loss) from operations	39	2,102	2,141	(348)	1,793	(464)	-	(85)	(195)	(2,102)	-	1,134	(390)	(309)
Gain from remeasurement of	2,102	(2,102)	-	-	-	-	-	-	-	-	-	-	-	-

previously held interest upon assuming control over a subsidiary														
Changes in fair value through profit and loss of financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial income	44	-	44	(40)	4	-	-	(32)	-	-	-	17	-	(11)
Financial expenses	(358)	-	(358)	286	(72)	-	-	(8)	-	-	-	(85)	-	(165)
Share of profit / (loss) of associates	276	-	276	(474)	(198)	-	135	-	-	-	(215)	-	-	(278)
Profit / (loss) before tax	2,103	-	2,103	(576)	1,527	(464)	135	(125)	(195)	(2,102)	(215)	1,066	(390)	(763)
Income tax	(45)	-	(45)	34	(11) -	17	-	-	41	-	-	(145)	56	(42)
PROFIT / (LOSS) FOR THE YEAR	2,058	-	2,058	(542)	1,516	(447)	135	(125)	(154)	(2,102)	(215)	921	(334)	(805)
Profit / (loss) for the year attributable to owners of the parent	2,058	-	2,058	(542)	1,516	(447)	135	(64)	(78)	(2,102)	(215)	470	(170)	(956)
Profit / (loss) for the year attributable to NCI	-	-	-	-	-	-	-	(61)	(76)	-	-	451	(164)	151

A.1 Fitek Group – Historical financial information

The Fitek Group has been included in the Company Audited Consolidated Financial Statements since its acquisition date 29 March 2019. For pro forma purposes the Fitek Group should be included as of 1 January 2019. Therefore 3 months of the Fitek Group's financial statements were added to the Company Audited Consolidated Financial Statements.

The historical financial information for the Fitek Group is derived from the Fitek Audited Consolidated Financial Statements in which the classification of balances was aligned to the classification in the Company Audited Consolidated Financial Statements (A.1.1). Certain reclassifications were made to align the Fitek Group's historical income statement presentation with the Group's financial statement presentation (column A 1.1.1). To arrive at the consolidated statement of profit or loss for the three-month period ended 28 March 2019 (A.1.3), the unaudited consolidated profit or loss information for the nine-month period ended 31 December 2019, derived from the IFRS accounting records used as the basis for preparation of the Fitek Audited Consolidated Financial Statements and the Company Audited Consolidated Financial Statements (A.1.2), was deducted from the historical financial information derived from the Fitek Audited Consolidated Financial Statements (A.1.1).

A.2 Fitek Group - Purchase price allocation

The Company acquired 100% of the shares in Financial Automation Solutions OÜ (FAS) (Estonia) and 5% of the shares in Fitek Holding SIA (Latvia) on 29 March 2019, hereby acquiring 100% of the Lithuanian, Latvian, Estonian and UK operations of Fitek, hereafter together referred to as Fitek Baltics, as well as a 50% interest in the Fitek Slovakia and Fitek Balkan Joint Ventures.

Consideration transferred to effect the Fitek Acquisition totaled €28.8 million. The Company appointed an external appraiser to perform a valuation of identifiable assets acquired and liabilities assumed in the business combination. As disclosed in note 5.4 to the Company Audited Consolidated Financial Statements, the Company has identified and valued €19,863 thousand in intangible assets acquired in the business combination. These include tradenames in the amount of €2,627 thousand (estimated using the relief-from-royalty method), customer relationships in the amount of €15,351 thousand (estimated using the multi-period excess earnings method) and technology in the amount of €1,885 thousand (estimated using the reproduction cost approach). The transaction resulted in a goodwill amount of €3,048 thousand. In addition to the nine-month amortization expense recorded in the Company Audited Consolidated Financial Statements, an additional three-month amortization expense of €464 thousand has been recorded in the Unaudited FY 2019 Pro Forma Income Statement, based on estimated remaining useful lives of five years for tradenames and technology, and of ten years for customer relationships.

The Unaudited FY 2019 Pro Forma Income Statement reflects the tax effect of these pro forma purchase price allocation adjustments using a tax rate of 3.7%, resulting in a deferred tax credit of €17 thousand. The tax rate used is the effective tax rate at which the temporary differences are expected to reverse, considering that the intangible assets are predominantly recognized in tax jurisdictions where the income tax rate attributable to undistributed profit is 0%.

The Company expects the recurring annual amortization expense for recognized intangible assets to amount to €2,284 thousand, resulting in an annual net-of-tax effect of €2,200 thousand.

A.3 Fitek Slovakia Companies

In the Fitek Audited Consolidated Financial Statements, Fitek Group accounted for its interest in the Fitek Slovakia Joint Venture using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

On 23 December 2019, the Company acquired an additional 1% of the shares in the Fitek Slovakia Joint Venture, thereby obtaining control. The Unaudited FY 2019 Pro Forma Income Statement includes Fitek Slovakia's unaudited profit or loss information for the year ended 31 December 2019, derived from the IFRS accounting records used as the basis for preparation of the Fitek Audited Consolidated Financial Statements (see note 19(vi) of the Fitek Audited Consolidated Financial Statements) and the Company Audited Consolidated Financial Statements, presenting the Fitek Slovakia Joint Venture as a controlled entity with 49% of non-controlling interests for the entire period (A.3.2). Equity accounting for the period from 29 March 2019 to 22 December 2019 has been reversed (A.3.1).

Consideration transferred to effect the business combination totaled €2.6 million, including a preliminary determination of the fair value of the previously held equity interest, as determined by an external appraiser hired by the Company. The same appraiser estimated a preliminary fair value adjustment of €1,950 thousand to reflect the fair value of acquired customer relationships, determined using the "income approach" which requires an estimate or forecast of expected future cash flows through the use of either the multi-period excess earnings method or the relief-from-royalty method. The transaction resulted in a goodwill amount of € 1,757 thousand. Accordingly, additional annual amortization expense of €195 thousand, relating to the acquired customer relationship, has been recorded to the Unaudited FY 2019 Pro Forma Income Statement, based on an estimated remaining useful life of 10 years (A.3.3). Tax has been applied based on the tax rate of 21% enacted in the Republic of Slovakia, resulting in a deferred tax credit of €41 thousand (A.3.3). The related net charge of €154 thousand is expected to recur in future accounting periods.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustment. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities. These would in turn affect the Unaudited FY 2019 Pro Forma Income Statement.

The acquisition of an additional interest of 1% in the Fitek Slovakia Joint Venture by Fitek Group (a 100% indirect subsidiary of the Company) triggered the recognition of a remeasurement gain on the revaluation of the previously held 50% equity interest in the Fitek Slovakia Joint Venture, both on the level of the Fitek Group and on the level of the Company. The remeasurement is equal to €412 thousand in the Company Audited Consolidated Financial Statements and is equal to €2.1 million in the Fitek Audited Consolidated Financial Statements. Since the Unaudited FY 2019 Pro Forma Income Statement is prepared based on the presumption that control over the Fitek Slovakia Joint Venture was acquired on 1 January 2019, these remeasurement gains in both the Company Audited Consolidated Financial Statements and Fitek Audited Consolidated Financial Statements have to be excluded for the Unaudited FY 2019 Pro Forma Income Statement.

A.4 Fitek Balkan Joint Ventures

In the Fitek Audited Consolidated Financial Statements, Fitek Group accounted for its interest in the Fitek Balkan Joint Ventures using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan Joint Ventures thereby obtaining control. The Unaudited FY 2019 Pro Forma Income Statement includes Fitek Balkan's unaudited combined profit or loss information for the year ended 31 December 2019, derived from the IFRS accounting records used as the basis for preparation of the Fitek Audited Consolidated Financial Statements (see note 19 of the Fitek Audited Consolidated Financial Statements) and the Company's Audited Consolidated Financial Statements, presenting the Fitek Balkan Joint Ventures as controlled entities with 49% of non-controlling interests for the entire period (A.4.2). Equity accounting for the nine-month period ended 31 December 2019, as included in the Audited Consolidated Financial Statements, has been reversed (A.4.1).

Consideration transferred to effect the business combination totaled €7.0 million, including a provisional determination of the fair value of the previously held equity interest, as determined by an external appraiser hired by the Company. The same appraiser estimated a preliminary fair value adjustment of €3,895 thousand to reflect the fair value of acquired customer relationships, determined using the "income approach" which requires an estimate or forecast of expected future cash flows through the use of either the multi-period excess earnings method or the relief-from-royalty method. The transaction resulted in a goodwill amount of €4,360 thousand. Accordingly, additional annual amortization expense of €390 thousand, relating to the customer relationships, has been recorded to the Unaudited FY 2019 Pro Forma Income Statement, based on an estimated remaining useful life of ten years (A.4.3). Tax has been applied to the fair value adjustment based on the 14.5% tax rate enacted in the Republic of Serbia, resulting in a deferred tax credit of €56 thousand (A.4.3). The related net charge of €334 thousand is expected to recur on an annual basis in accounting periods following the acquisition of the Fitek Balkan Joint Ventures.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustment. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities. These would in turn affect the Unaudited FY 2019 Pro Forma Income Statement.

(ii) *Note B – The Unifiedpost Limited Acquisition*

On 29 November 2019, the Company acquired 100% of PDOCHOLCO Limited (United Kingdom) in exchange for an aggregate consideration equal to the equivalent of €9.4 million. PDOCHOLCO Limited is the 100% parent company of Prime Document Limited (United Kingdom) and Prime Document Trustee Limited (United Kingdom). Following the acquisition, PDOCHOLCO Limited was renamed "Unifiedpost Limited" and the Prime Document Group was renamed "Unifiedpost Limited Group".

The Unifiedpost Limited Acquisition has been accounted for using IFRS 3, Business Combinations, under which the purchase consideration was preliminarily allocated to assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The excess of the purchase consideration over the fair value of the identifiable net assets acquired has been allocated to goodwill.

The following table sets forth adjustments related to the Unifiedpost Limited Acquisition to the Unaudited FY 2019 Pro Forma Income Statement, including the effects of the preliminary purchase price allocations for the net assets acquired in the business combination.

€ thousands	Unifiedpost Limited Historical UK GAAP GBP 12m to 31 Dec.	Deduct: Unifiedpost Limited Historical UK GAAP GBP 1m to 31 Dec.	Unifiedpost Limited Historical UK GAAP GBP 11m to 29 Nov.	Unifiedpost Limited Historical UK GAAP EUR 11m to 29 Nov.	UK GAAP to IFRS Adjustments: Goodwill EUR 11m to 29 Nov.	UK GAAP to IFRS Adjustments: Leases EUR 11m to 29 Nov.	Preliminary purchase price allocation adjustments EUR 11m to 29 Nov.	Additional Pro Forma Contribution Unifiedpost Limited
	B1.1	B1.2	B1.3	B1.4	B2.1	B2.2	B3	B
CONSOLIDATED STATEMENT OF LOSS								
Revenue	5,786	(502)	5,284	6,006	-	-	-	6,006
Cost of services	(2,962)	268	(2,694)	(3,062)	-	-	-	(3,062)
Gross profit	2,824	(234)	2,590	2,944	-	-	-	2,944
Research and development expenses	-	-	-	-	-	-	-	-
General and administrative expenses	(2,413)	197	(2,216)	(2,518)	213	7	-	(2,298)
Selling and marketing expenses	(109)	3	(106)	(121)	-	-	(589)	(710)
Other income / (expenses)	-	-	-	-	-	-	-	-
Net impairment losses on financial and contract assets	-	-	-	-	-	-	-	-
Profit / (loss) from operations	302	(34)	268	305	213	7	(589)	(64)
Changes in fair value through profit and loss of financial liabilities	-	-	-	-				
Financial income	-	-	-	-	-	-	-	-
Financial expenses	(619)	21	(598)	(680)	-	(13)	-	(693)
Share of profit / (loss) of associates	-	-	-	-	-	-	-	-
					-	-	-	-
Profit / (loss) before tax	(317)	(13)	(330)	(375)	213	(6)	(589)	(757)
Income tax	(52)	(4)	(56)	(63)	-	-	100	37
(LOSS) FOR THE YEAR	(369)	(17)	(386)	(438)	213	(6)	(489)	(720)

B.1 Unifiedpost Limited Historical results and reclassifications

The historical income statement has been derived from the unaudited consolidated profit or loss information for the twelve-month period ended 31 December 2019, derived from the UK GAAP accounting records used as the basis for preparing the Unifiedpost Limited Audited Consolidated Financial Statements, presented in thousands of British Pounds (B.1.1). To arrive at the consolidated statement of profit or loss for the eleven-month period ended 28 November 2019 (B.1.3), the unaudited consolidated profit or loss information for the one-month period ended 31 December 2019 derived from the UK GAAP accounting records used as the basis for preparation of the Unifiedpost Limited Audited Consolidated Financial Statements and the Company Audited Consolidated Financial Statements (B.1.2) was deducted from the unaudited consolidated profit or loss information for the twelve-month period ended 31 December 2019, derived from the UK GAAP accounting records used as the basis for preparing the Unifiedpost Limited Audited Consolidated Financial Statements (B.1.1). This historical financial information was then translated from British pounds sterling to Euros using the average exchange rate for the eleven-month period ended 28 November 2019 of 1.1364 (source: www.oanda.com).

B.2 UK GAAP to IFRS adjustments

Unifiedpost Limited prepares its financial statements according to UK GAAP. For the purpose of preparing the Unaudited FY 2019 Pro Forma Consolidated Income Statement, Unifiedpost Limited historical financial information has been adjusted for material known differences between UK GAAP and IFRS, translated from the British pound to the Euro using the aforementioned rate of 1.1364, as follows:

- A goodwill amortization expense of £187 thousand (€213 thousand) required by UK GAAP, but not authorized by IFRS, has been reversed;
- Accounting for leases under IFRS 16 has resulted in the reversal of lease operating expenses under UK GAAP of £180 thousand (€206 thousand) and the recording of a depreciation expense of £174 thousand (€199 thousand), and of an interest expense of £11 thousand (€13 thousand) under IFRS (B2.2). The resulting tax effect was omitted for immateriality.

B.3 Preliminary purchase price allocation

The total consideration to effect the Unifiedpost Limited Acquisition was the equivalent of €9.4 million. The Company appointed an external appraiser to perform a valuation of identifiable assets acquired and liabilities assumed in the business combination. As disclosed in note 5.4 to the Company Audited Consolidated Financial Statements, the Company has provisionally identified and valued €6,426 thousand in intangible assets acquired in the business combination, relating to customer relationships. The transaction resulted in a goodwill amount of €3,520 thousand. Accordingly, additional eleven-month amortization expense of €589 thousand has been recorded to the Unaudited FY 2019 Pro Forma Income Statement, based on an estimated remaining useful life of ten years (B.3.1). Tax has been applied to the fair value adjustment based on the 17% tax rate enacted in the United Kingdom, resulting in a deferred tax credit of €100 thousand (B.3.2).

In constant currency, the Company expects the recurring annual amortization expense for recognized intangible assets to amount to €643 thousand, resulting in an annual net-of-tax effect of €534 thousand.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustment. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities. These would in turn affect the Unaudited FY 2019 Pro Forma Income Statement.

(iii) *Note C - Transaction costs*

The Company incurred total transaction costs of €658 thousand in connection with the Fitek Acquisition, and €238 thousand in connection with the Unifiedpost Limited Acquisition, primarily comprising financial, legal and advisory costs. These costs have been eliminated from general and administrative expenses as an adjustment to the Unaudited FY 2019 Pro Forma Income Statement because they are non-recurring charges that are directly attributable to the transaction and will not have a continuing impact (C). This adjustment does not have a tax impact, since, for tax reporting purposes, the costs were reported by a Unifiedpost entity with tax losses for which no deferred tax asset is recognized.

(iv) *Note D – Pro forma financing*

In direct connection with the Acquisitions, the Company issued new Bonds to a subset of the former owners of Fitek and to the former owners of Unifiedpost Limited in the respective amounts of €1.4 million and €1.2 million. In addition, between 1 January 2019 and 31 December 2019, the Company incurred incremental indebtedness of €51.1 million to finance the Fitek Acquisition and the Unifiedpost Limited Acquisition as well as its capital spending (including research and development) and working capital needs. The debt incurred carried interest at the following annual effective rates for the period when outstanding (for the Bonds, the annual effective rate exceeds the face interest rate of 7% because, on inception, the embedded conversion feature is separated from its host contract so that the initial carrying amount of the host debt is the residual amount after separating the embedded derivative, so is less than the nominal amount of the Bond):

	Debt incurred	**Effective interest rate[1]**
Financing - specific		
Bonds – Fitek	€1.4 million	19.1%
Bonds – Unifiedpost Limited	€1.2 million	19.4%
Financing - unspecific		
Other Bonds	€13.1 million	23.3%
Belfius Acquisition Facility	€34.0 million	2.3% (including Gigarant guarantee fee)
BMI Subordinated Loan	€4.0 million	7.0%
Total unspecific	€51.1 million	8.0% (weighted average interest rate)

Note 1: The effective interest rate of the Bonds is effectively the investor's yield-to-maturity, which takes into account the conversion discount.

Pro forma financing adjustments reflect:

- For the Fitek Acquisition, interest expense that would have accrued for the three-month period to 28 March 2019 on the Bonds issued to a subset of the former Fitek owners in the amount of €1.4 million (€67 thousand), plus interest expense that would have accrued for the three-month period to 28 March 2019 on the remaining balance of the acquisition price of €27.4 million, calculated using the blended average effective interest rate accruing on unspecific financing (€552 thousand); and

- For the Unifiedpost Limited Acquisition, interest expense that would have accrued for the eleven-month period to 28 November 2019 on the Bonds issued to the former Unifiedpost Limited owners in the amount of €1.2 million (€213 thousand), plus interest expense that would have accrued for the eleven-month period to 28 November 2019 on the remaining balance of the acquisition price of €8.2 million, calculated using the blended average effective interest rate accruing on unspecific financing (€608 thousand).

The pro forma interest expense does not have a pro forma tax impact, as, for tax reporting purposes, it is an expense recorded by a Unifiedpost entity with tax losses for which no deferred tax asset is recognized.

The pro forma interest expense adds to the actual interest expense of €1,896 thousand included in the Company Audited Consolidated Financial Statements in relation with the Fitek and Unifiedpost Limited Acquisitions. If the Transactions had occurred on 1 January 2019, their total financing cost would have been €3,336 thousand.

(v) *Note E – Pro forma earnings per share*

Pro forma basic and diluted earnings per share is calculated by dividing the pro forma net loss attributable to equity holders of the Company by the pro forma weighted average number of shares and (automatically convertible) Bonds outstanding as adjusted with the pro forma impact to the weighted average number of Bonds issued to a subset of the former owners of Fitek Group and to the former owners of Unifiedpost Limited in connection with the Fitek and Unifiedpost Limited Acquisitions, and with the pro forma impact to the weighted average number of Bonds issued that have otherwise financed these Acquisitions. The pro forma weighted average number of Bonds used in the calculation (799,327) assumes the most advantageous exercise price from the standpoint of their holders, i.e. the conversion price of EUR 50 that would apply at maturity. The following table sets forth the pro forma earnings per share attributable to equity holders of the Company:

€ thousands	**For the year ended 31 December 2019**
Pro forma net loss attributable to equity holders of the Company	(24,585)
Number of shares and Bonds:	
Weighted average number of outstanding shares and Bonds – historical	2,111,693
Pro forma adjustment from Bonds issued in direct connection with the Acquisitions, weighted average number of Bonds	31,589
Pro forma adjustment from Bonds issued to otherwise finance the Acquisitions, weighted average number of Bonds	174,238
Pro forma weighted average number of outstanding shares and Bonds – basic	**2,317,520**
Dilution effect – historical	-
Pro forma weighted average number of outstanding shares – diluted	**2,317,520**
Pro forma earnings per share attributable to equity holders of the parent - basic and diluted, EUR	**(10.61)**

The number of Shares issued upon conversion of the Bonds following the Private Placement will be calculated as set forth in Section 8.1.2.

9.1.6 *Pro Forma consolidated revenue*

The tables below presents pro forma revenue disaggregated by type and business unit of the Company:

2019 consolidated revenue	Timing of Revenue Recognition	Documents	Identity	Payments	Platform Services	Total
Revenue from Repeated Services		32,421	4,337	918	4,758	42,434
Transactions		29,017	-	-	739	29,755
Document processing	Over time	15,450	-	-	739	16,189
Print production	At a point in time	13,567	-	-	-	13,567
Subscriptions (including maintenance on licenses)	Over time	3,274	4,337	918	1,658	10,187
Managed Services	Over time	130	-	-	2,361	2,492
Project Revenue		3,583	364	131	440	4,518
Implementation	Over time when not distinct, at a point in time otherwise	28	-	-	-	28
Change requests	At a point in time	3,356	364	131	440	4,291
Sale of licenses	At a point in time	199	-	-	-	199
TOTAL		36,003	4,702	1,049	5,198	46,952

2019 Pro Forma consolidated revenue	Timing of Revenue Recognition	Documents	Identity	Payments	Platform Services	Total
Revenue from Repeated Services		48,024	4,337	918	5,144	58,424
Transactions		44,586	-	-	966	45,552
Document processing	Over time	15,630	-	-	966	16,596
Print production	At a point in time	28,956	-	-	-	28,956
Subscriptions (including maintenance on licenses)	Over time	3,274	4,337	918	1,817	10,347
Managed Services	Over time	164	-	-	2,361	2,526
Project Revenue		9,676	364	131	440	10,611
Implementation	Over time when not distinct, at a point in time otherwise	4,685	-	-	-	4,685
Change requests	At a point in time	3,563	364	131	440	4,499
Sale of licenses	At a point in time	1,427	-	-	-	1,427
TOTAL		57,700	4,702	1,049	5,584	69,034

Difference Pro Forma and consolidated revenue 2019	Timing of Revenue Recognition	Fitek IFRS 3 months ending 29 March 2019	12 months P&L Fitek Balkan Joint Ventures	12 months P&L Fitek Slovakia Joint Ventures	Unifiedpost Limited 11 months ending 29 November 2019 UK GAAP	Total
Revenue from Repeated Services		2,205	6,431	1,574	5,779	15,989
Transactions		2,170	6,331	1,550	5,745	15,796
Document processing	Over time	88	256	63	-	407
Print production	At a point in time	2,083	6,074	1,487	5,745	15,389
Subscriptions (including maintenance on licenses)	Over time	34	100	25	-	159
Managed Services	Over time	-	-	-	34	34
Project Revenue		1,275	3,662	929	227	6,093
Implementation	Over time when not distinct, at a point in time otherwise	1,275	2,434	929	19	4,657
Change requests	At a point in time	-	-	-	208	208
Sale of licenses	At a point in time	-	1,228	-	-	1,228
TOTAL		3,480	10,093	2,503	6,006	22,082

9.1.7 *BDO Report*

See separate document included hereafter.

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Board of Directors of
Unifiedpost Group SA

REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of pro forma financial information of Unifiedpost Group SA by Board of directors. The pro forma financial information consists of the pro forma income statement for the year ended 31 December 2019 and related notes as set out in section 9.1 of the prospectus issued by the company. The applicable criteria on the basis of which Board of directors has compiled the pro forma financial information are specified in Annex 20 of the Commission Delegated Regulation 2019/980 and described in section 9.1 Unaudited FY 2019 Pro Forma Income Statement of the Prospectus.

The pro forma financial information has been compiled by Board of directors to illustrate the impact of the Fitek, Fitek Slovakia joint venture, Fitek Balkan joint venture and Prime Document (now Unifiedpost Limited) Acquisitions and financing thereof, set out in Note 9.1, on the company's financial performance for the period ended 31 December 2019 as if the Fitek, Fitek Slovakia joint venture, Fitek Balkan joint venture and Prime Document (now Unifiedpost Limited) acquisitions and financing thereof had taken place at 1 January 2019. As part of this process, information about the company's financial performance has been extracted by Board of directors from the company's financial statements for the year ended 31 December 2019, on which an audit report has been published.

Board of director's Responsibility for the Pro Forma Financial Information

Board of directors is responsible for compiling the pro forma financial information on the basis of the applicable criteria as specified in Annex 20 of the Commission Delegated Regulation 2019/980.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by the Commission Delegated Regulation 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by Board of directors on the basis of the applicable criteria and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Board of directors has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Board of directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated in section 9.1 Unaudited FY 2019 Pro Forma Income Statement of the Prospectus and the basis stated is consistent with the accounting policies applied by Unifiedpost Group SA.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the Prospectus.

Zaventem, 17 September 2020

BDO Bedrijfsrevisoren CVBA
Represented by Ellen Lombaerts
Partner

9.2 Unaudited H1 2020 Pro Forma Income Statement

9.2.1 *Introduction*

The Unaudited H1 2020 Pro Forma Income Statement set forth in this Section has been prepared in accordance with item 18.4.1 of Annex I of the Commission Delegated Regulation 2019/980.

The Unaudited H1 2020 Pro Forma Income Statement should be read in conjunction with the information contained in Section 7 - "*Use of Proceeds*", Section 10 - "*Selected Consolidated Financial Information*", Section 11 - "*Operating and Financial Review and Prospects*" and the Company Audited Consolidated Financial Statements appearing elsewhere in this Prospectus.

9.2.2 *Transactions covered by the Unaudited H1 2020 Pro Forma Income Statement*

The Unaudited H1 2020 Pro Forma Income Statement has been prepared for illustrative purposes only, to give effect to the following transaction (the "**Transactions**"), as if they had occurred on 1 January 2019:

The Fitek Balkan Acquisition

- The acquisition of an additional 1% in the Fitek Balkan Joint Ventures on 11 February 2020, for consideration transferred of €7.0 million, including the remeasurement of the previously held 50% interest in the investments and the settlement of pre-existing relationships with the acquired entity, resulting in the Company obtaining a controlling interest in a step acquisition. The aggregate consideration of Fitek Balkan of €7.0 million, includes a vendor loan of € 150 thousand, the fair value of the previously held 50% equity interest of €6.8 million, and the settlement of a pre-existing relationship for the amount of €0.1 million.

  The first 50% interest resulted from the acquisition of Financial Automation Solutions OÜ, its subsidiaries and joint venture interests on 29 March 2019, for an aggregate consideration of €28.8 million, including cash consideration of €19.5 million, the assumption of liabilities to the former owners in the amount of €7.9 million, and the issuance of Bonds to a subset of the former owners in the amount of €1.4 million.

The financing of the Fitek Balkan Acquisition

- The acquisition of the additional 1% interest in Fitek Balkan was financed with a vendor loan of €150 thousand. On 17 July 2020, the vendor loan was converted in to Bonds, which were converted into capital on the same day. The remaining consideration of Fitek Balkan of € 7.0 million, includes the fair value of the previously held 50% equity interest of € 6.8 million and the settlement of a pre-existing relationship for the amount of € 0.1 million.

9.2.3 *Basis of preparation and accounting policies adopted*

The Unaudited H1 2020 Pro Forma Income Statement has been derived from the following information included in this Prospectus:

- The Company Unaudited Interim Consolidated Financial Statements for the 6 months period ended 30 June 2020 (Review performed in compliance with ISRE 2410 -"Review of Interim Financial Information Performed by the Independent Auditor of the Entity").

The following information included in the Unaudited H1 2020 Pro Forma Income Statement has been derived from financial information not included in, or incorporated by reference to, the Prospectus as described below:

- Fitek Balkan's unaudited H1 2020 combined profit or loss information for the one-month period ended 31 January 2020, derived from the IFRS accounting records used as the basis for preparation of the Fitek unaudited interim consolidated financial statements and the Company Audited Consolidated Financial Statements.

All Transactions have been accounted for by use of the acquisition method for accounting under the provisions of IFRS with the Company as the ultimate acquirer. The acquisition method of accounting in accordance with IFRS applies the fair value concepts and requires, amongst others, that the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair values as of the acquisition date, whereby any excess of the purchase consideration over the fair value of identifiable net assets acquired is recognized as goodwill.

The Unaudited H1 2020 Pro Forma Income Statement reflects the application of pro forma adjustments that are based upon available information and certain assumptions, described in the accompanying notes set forth in this Section, which the management of the Company believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying Unaudited H1 2020 Pro Forma Income Statement. The Unaudited H1 2020 Pro Forma Income Statement has been prepared by the management for illustrative purposes only and, because of its nature, addresses a hypothetical situation, and is therefore not necessarily indicative of the results of operations that would have been actually realized had the Transactions completed as of the date indicated, nor is it meant to be indicative of any anticipated financial position or future results of operations. In addition, the accompanying Unaudited H1 2020 Pro Forma Income Statements do not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the Transactions.

The accounting policies adopted in preparing the Unaudited H1 2020 Pro Forma Income Statement are in accordance with IFRS and are consistent with the accounting policies adopted by the Company in the Company's Audited Consolidated Financial Statements.

The Unaudited H1 2020 Pro Forma Income Statement has been prepared on the basis described therein and has not been audited; however, it has been reported on in accordance with ISAE 3420 by BDO, as indicated in their report separately incorporated herein.

Unless otherwise indicated, all amounts in this Section are expressed in thousands of euros, except for the earning per share which are presented in euro Rounding adjustments to the nearest whole number have been made, therefore figures shown as totals may not be exact arithmetic aggregations of the figures that precede them.

9.2.4 *Unaudited H1 2020 Pro Forma Income Statement*

	For the half year ended 30 June 2020							
	Unifiedpost Group Historical	Additional Pro Forma Contribution Fitek Balkan	Reverse: Equity Accounting Fitek Balkan	Fitek Balkan - Preliminary purchase price allocation adjustments	Fitek Balkan - Non-recurring gain	Transaction cost	Additional Pro Forma Financing of the Acquisitions	Pro Forma Total
	6m to 30 June. unaudited	*January 2020*	*January 2020*	*January 2020*	*January 2020*			
Notes *€ thousands*		***A***	***B***	***C***	***D***	***E***	***F***	
CONSOLIDATED STATEMENT OF LOSS								
Revenue	33,494	333						33,827
Cost of services	(19,426)	(334)						(19,760)
Gross profit	14,068	(1)	-	-	-	-	-	14,067
Research and development expenses	(5,742)	-						(5,742)
General and administrative expenses	(13,050)	(69)		(32)		27		(13,124)
Selling and marketing expenses	(4,971)	(7)						(4,978)
Other income / (expenses)	600				(465)			135
Net impairment losses on financial and contract assets	(107)	20						(87)
Profit / (loss) from operations	(9,202)	(57)	-	(32)	(465)	27	-	(9,729)
Changes in fair value through profit and loss of financial liabilities	(2,312)	-						(2,312)
Financial income	59	-						59
Financial expenses	(5,000)	(9)					(1)	(5,010)
Share of profit / (loss) of joint ventures	(51)		51					-
Profit / (loss) before tax	(16,506)	(66)	51	(32)	(465)	27	(1)	(16,992)
Income tax	(408)	(4)		5				(407)
PROFIT / (LOSS) FOR THE YEAR	(16,914)	(70)	51	(28)	(465)	27	(1)	(17,399)
Total profit / (loss) after tax attributable to:								
Equity holders of the parent	(16,766)	(35)	26	(14)	(237)	14	(1)	(17,013)
Non-	(148)	(34)	25	(14)	(228)	13	(0)	(386)

controlling interests		
(Loss) per share (Basic and Diluted) *E*	(7.84)	(8.06)

9.2.5 *Notes to the Unaudited H1 2020 Pro Forma Income Statement*

(i) *Note A-D Fitek Balkan*

On 29 March 2019, the Company acquired 100% of the shares in Financial Automation Solutions OÜ (FAS) (Estonia) and 5% of the shares in Fitek Holding SIA (Latvia), thereby obtaining control of Fitek. At the time of the Fitek Acquisition, Fitek Holding SIA (Latvia) was a 50% partner in the Fitek Slovakia Joint Venture and the Fitek Balkan Joint Ventures.

In the Fitek Audited Consolidated Financial Statements, Fitek Group accounted for its interest in the Fitek Balkan Joint Ventures using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan Joint Ventures thereby obtaining control. The Unaudited H1 2020 Pro Forma Income Statement includes Fitek Balkan's Unaudited H1 2020 combined profit or loss information for the 1 month period ended 31 January 2020, derived from the IFRS accounting records used as the basis for preparation of the Fitek unaudited interim consolidated financial statements **(A)**. Equity accounting for the one-month period ended 31 December 2019, as included in the Audited Consolidated Financial Statements, has been reversed **(B)**.

Consideration transferred to effect the business combination totaled €7.0 million, including a provisional determination of the fair value of the previously held equity interest, as determined by an external appraiser hired by the Company. The same appraiser estimated a preliminary fair value adjustment of €3,895 thousand to reflect the fair value of acquired customer relationships, determined using the "income approach" which requires an estimate or forecast of expected future cash flows through the use of either the multi-period excess earnings method or the relief-from-royalty method. The goodwill of this transaction amounts to €4,3 million. Accordingly, additional 1 month amortization expense of €32 thousand has been recorded to the Unaudited H1 2020 Pro Forma Income Statement, based on an estimated remaining useful life of ten years **(C)**. Tax has been applied to the fair value adjustment based on the 14.5% tax rate enacted in the Republic of Serbia, resulting in a deferred tax credit of €5 thousand **(C)**. The related net charge of €334 thousand is expected to recur on an annual basis in accounting periods following the acquisition of the Fitek Balkan Companies.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustment. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities. These would in turn affect the Unaudited H1 2020 Pro Forma Income Statement.

The gain realized on the revaluation of the previously held 50% equity interest in the Fitek Slovakia

Joint Venture, amounting to €465 thousand, recognized in the Group's unaudited interim consolidated financial statements, has been excluded from the pro forma income statement as a non-recurring item that is directly related to the transaction of acquiring 1% additional share in the Balkan Joint Venture and that will not have a continuing impact **(D)**.

(ii) *Note E - Transaction costs*

The Company incurred total transaction costs of €27 thousand in connection with the Fitek Balkan Acquisition primarily comprising legal and advisory costs. These costs have been eliminated from general and administrative expenses as an adjustment to the Unaudited H1 2020 Pro Forma Income Statement because they are non-recurring charges that are directly attributable to the transaction and will not have a continuing impact **(E)**. This adjustment does not have a tax impact, since, for tax reporting purposes, the costs were reported by a Unifiedpost entity with tax losses for which no deferred tax asset is recognized.

(iii) *Note F – Pro forma financing*

Pro forma financing adjustment reflects for the Fitek Balkan Acquisition, interest expense that would have accrued for the one-month period ending 31 January 2020 on the vendor loan issued to a subset of the former Fitek Balkan owners in the amount of €1 thousand, calculated using the blended average effective interest rate of 8% accruing on unspecific financing **(F)**.

The pro forma interest expense does not have a pro forma tax impact, as, for tax reporting purposes, it is expense recorded by a Unifiedpost entity with tax losses for which no deferred tax asset is recognized.

(iv) *Note E – Pro forma earnings per share*

Pro forma basic and diluted earnings per share is calculated by dividing the pro forma net loss attributable to equity holders of the Company by the pro forma weighted average number of shares and (mandatorily convertible) Bonds outstanding as adjusted with the pro forma impact to the weighted average number of Bonds issued to a subset of the former owners of Fitek Balkan in connection with the Fitek Balkan Acquisition, and with the pro forma impact to the weighted average number of Bonds. The pro forma weighted average number of Bonds used in the calculation (632,160) assumes the most advantageous exercise price from the standpoint of their holders, i.e. the conversion price of EUR 50 that would apply at maturity. The following table sets forth the pro forma earnings per share attributable to equity holders of the Company:

€ thousands	**For the half year ended 30 June 2020**
Pro forma net loss attributable to equity holders of the Company	(17,013)
Number of shares and Bonds:	
Weighted average number of outstanding shares and Bonds – historical	2,158,127
Pro forma adjustment from Bonds issued in direct connection with the Acquisitions, weighted average number of Bonds	-
Pro forma adjustment from Bonds issued to otherwise finance the Acquisitions, weighted average number of Bonds	-
Pro forma weighted average number of outstanding shares and Bonds – basic	-
Dilution effect – historical	-
Pro forma weighted average number of outstanding shares – diluted	-
Pro forma earnings per share attributable to equity holders of the parent - basic and diluted, EUR	**(7.88)**

9.2.6 *Pro Forma consolidated revenue*

The tables below present pro forma revenue disaggregated by type and business unit of the Company:

	30 June 2020 consolidated revenue					
	Timing of Revenue Recognition	**Documents**	**Identity**	**Payments**	**Platform Services**	**Total**
Revenue from Repeated Services		23,967	2,863	621	3,200	30,651
Transactions		21,904	-	70	856	22,830
Document processing	Over time	10,788	-	70	856	11,714
Print production	At a point in time	11,116	-	-	-	11,116
Subscriptions	Over time	1,990	2,863	551	1,062	6,466
Managed services	Over time	73	-	-	1,282	1,355
Project Revenue		1,970	31	25	817	2,843
Implementation requests	Over time when not distinct, at a point in time otherwise	41	17	18	9	85
Change requests	At a point in time	1,849	14	7	245	2,115
Sale of licenses	At a point in time	80	-	-	563	643
Total		25,937	2,894	646	4,017	33,494

	30 June 2020 Pro Forma consolidated revenue					
	Timing of Revenue Recognition	**Documents**	**Identity**	**Payments**	**Platform Services**	**Total**
Revenue from Repeated Services		24,300	2,863	621	3,200	30,984
Transactions		22,237	-	70	856	23,163
Document processing	Over time	10,799	-	70	856	11,725
Print production	At a point in time	11,438	-	-	-	11,438
Subscriptions	Over time	1,990	2,863	551	1,062	6,466
Managed services	Over time	73	-	-	1,282	1,355
Project Revenue		1,970	31	25	817	2,843
Implementation requests	Over time when not distinct, at a point in time otherwise	41	17	18	9	85
Change requests	At a point in time	1,849	14	7	245	2,115
Sale of licenses	At a point in time	80	-	-	563	643
Total		26,270	2,894	646	4,017	33,827

Difference Pro Forma and consolidated revenue 30 June 2020						
	Timing of Revenue Recognition	**Documents**	**Identity**	**Payments**	**Platform Services**	**Total**
Revenue from Repeated Services		333	-	-	-	333
Transactions		333	-	-	-	333
Document processing	Over time	11	-	-	-	11
Print production	At a point in time	322	-	-	-	322
Subscriptions	Over time	-	-	-	-	-
Managed services	Over time	-	-	-	-	-
		-	-	-	-	-
Project Revenue		-	-	-	-	-
Implementation requests	Over time when not distinct, at a point in time otherwise	-	-	-	-	-
Change requests	At a point in time	-	-	-	-	-
Sale of licenses	At a point in time	-	-	-	-	-
Total		333	-	-	-	333

9.2.7 *BDO Report*

See separate document included hereafter.

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Board of Directors of
Unifiedpost Group SA

REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of pro forma financial information of Unifiedpost Group SA by Board of directors. The pro forma financial information consists of the pro forma income statement for the six month period ended 30 June 2020 and related notes as set out in section 9.2 of the Prospectus issued by the company. The applicable criteria on the basis of which Board of directors has compiled the pro forma financial information are specified in Annex 20 of the Commission Delegated Regulation 2019/980 in section 9.2 Unaudited H1 2020 Pro Forma Income Statement of the Prospectus.

The pro forma financial information has been compiled by Board of directors to illustrate the impact of the Fitek Balkan Acquisition and financing thereof, set out in Note 9.2 on the company's financial performance for the six month period ended 30 June 2020 as if the Fitek Balkan acquisition and financing thereof had taken place at 1 January 2019. As part of this process, information about the company's financial performance has been extracted by Board of directors from the company's financial statements for the six month period ended 30 June 2020, on which a review report has been published.

Board of director's Responsibility for the Pro Forma Financial Information

Board of directors is responsible for compiling the pro forma financial information on the basis of the applicable criteria as specified in Annex 20 of the Commission Delegated Regulation 2019/980.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by the Commission Delegated Regulation 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by Board of directors on the basis of the applicable criteria and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Board of directors has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Board of directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis as stated in Section 9.2 Unaudited H1 2020 Pro Forma Income Statement of the Prospectus and the basis stated is consistent with the accounting policies applied by Unifiedpost Group SA.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the Prospectus.

Zaventem, 17 September 2020

BDO Bedrijfsrevisoren CVBA
Represented by Ellen Lombaerts
Partner

10 SELECTED COMPANY FINANCIAL INFORMATION

10.1 General

The following tables set forth selected information from the Company Consolidated Financial Statements which have been prepared in accordance with IFRS and separately incorporated herein. The Company Audited Consolidated Financial Statements have been audited by BDO, as set forth in its audit report separately incorporated herein. The Company Unaudited Interim Consolidated Financial Statements have been reviewed by BDO, as set forth in its report separately incorporated herein.

The Company acquired the Fitek Group on 29 March 2019 and the results of operations of the acquired Fitek business were consolidated in the Company Audited Consolidated Financial Statements from that date.

The Company acquired the Unifiedpost Limited on 29 November 2019 and the results of operations of the acquired Unifiedpost Limited business were consolidated in the Company Audited Consolidated Financial Statements from that date.

The information included in this Section should be read in conjunction with the financial statements included in Annex 1 - "*Company Audited Consolidated Financial Statements*" and Annex 2 – "*Company Unaudited Interim Consolidated Financial Statements*", and in conjunction with Section 11 - "*Operating and Financial Review and Prospects*".

10.2 Consolidated statement of profit or loss

€ thousands	**For the six months ended 30 June**		**For the years ended 31 December**		
	2020 (unaudited)	**2019 (unaudited)**	**2019 (audited)**	**2018 (audited)**	**2017 (audited)**
Revenue	33,494	21,030	46,952	27,617	23,439
Cost of services	(19,426)	(11,005)	(24,812)	(14,354)	(9,808)
Gross profit	**14,068**	**10,025**	22,140	13,263	13,631
Research and development expenses	(5,742)	(4,714)	(9,083)	(6,803)	(4,277)
General and administrative expenses	(13,050)	(9,592)	(21,422)	(6,067)	(5,202)
Selling and marketing expenses	(4,971)	(3,645)	(7,970)	(3,575)	(2,843)
Other income/(expenses)	600	98	683	(342)	52
Net impairment gains/(losses) on financial and contract assets	(107)	(15)	(29)	4	(10)
Profit/(loss) from operations	**(9,202)**	**(7,843)**	(15,681)	(3,520)	1,351
Changes in fair value of financial liabilities	(2,312)	(410)	(573)	(431)	-
Financial income	59	81	3	9	23
Financial expenses	(5,000)	(2,677)	(6,181)	(2,732)	(309)
Share of profit/(loss) of associates and joint ventures	(51)	31	278	(500)	(182)
Profit/(loss) before tax	**(16,506)**	**(10,818)**	(22,154)	(7,174)	883
Income tax	(408)	38	(211)	1,009	(290)
Profit/(loss) for the year	**(16,914)**	**(10,780)**	(22,365)	(6,165)	593

(€)	For the six months ended 30 June 2020 (unaudited)	2019 (unaudited)	For the years ended 31 December 2019 (audited)	2018 (audited)	2017 (audited)
Earnings per share (EPS) attributable to the equity holders of the parent					
Basic	(7.84)	(5.20)	(10.59)	(3.36)	0.41
Diluted	(7.84)	(5.20)	(10.59)	(3.36)	0.38

10.3 Consolidated statement of financial position

	As at 30 June	As at 31 December		
	2020 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
€ thousands				
Assets				
Goodwill	35,069	30,842	22,517	12,967
Other intangible assets	48,451	44,065	13,790	5,109
Property and equipment	5,779	1,549	1,546	710
Right of use assets	8,668	7,708	5,873	3,411
Interests in associates and joint ventures	-	6,394	-	612
Non-current contract costs	802	283	71	24
Deferred tax assets	817	830	1,094	18
Other non-current assets	227	471	196	175
Non-current assets	**99,813**	**92,142**	**45,087**	**23,026**
Inventories	461	205	58	-
Trade and other receivables	14,031	13,317	10,495	7,059
Contract assets	198	200	73	74
Contract costs	1,208	610	207	1,341
Current tax assets	90	191	252	10
Prepaid expenses	2,425	1,586	741	433
Financial assets at fair value through profit or loss	-	-	544	-
Cash and cash equivalents	8,568	3,046	4,928	472
Current assets	**26,981**	**19,155**	**17,298**	**9,389**
Total assets	**126,794**	**111,297**	**62,385**	**32,415**
Shareholders' equity and liabilities				
Share capital	49,204	20,744	20,744	20,744
Costs related to equity issuance	(413)	(389)	(389)	(389)
Share premium reserve	492	492	492	492
Accumulated deficit	(57,396)	(40,420)	(17,840)	(11,697)
Reserve for share-based payments	1,606	1,552	1,244	1,375
Other reserve	(856)	(1,173)	-	-
Cumulative translation adjustment reserve	(633)	(4)	(11)	(12)
Equity attributable to equity holders of the parent	(7,996)	(19,198)	4,240	10,513
Non-controlling interests	-	-	-	-
Total shareholders' equity	**(7,996)**	**(19,198)**	**4,240**	**10,513**

Non-current convertible bonds	-	34,999	28,783	-
Non-current derivative financial instruments	550	12,937	3,091	2,051
Liabilities associated with puttable non-controlling interests	8,392	2,000	-	-
Non-current loans and borrowings	8,154	7,074		
Non-current lease liabilities	5,722	5,306	4,776	2,518
Non-current contract liabilities	2,275	1,202	440	321
Retirement benefit obligations	426	345	132	49
Deferred tax liabilities	3,200	2,469	553	-
Non-current liabilities	**28,719**	**66,332**	**37,775**	**4,939**
Current convertible bonds	21,248			
Current derivative financial instruments	7,894			
Interest payable on convertible bonds	615	1,431	1,237	-
Current loans and borrowings	41,093	38,066	3,241	3,927
Current lease liabilities	3,054	2,602	1,339	963
Trade and other payables	23,035	14,918	9,443	8,497
Contract liabilities	8,254	6,722	4,696	3,218
Current income tax liabilities	878	424	414	358
Current liabilities	**106,071**	**64,163**	**20,370**	**16,963**
Total liabilities	**134,790**	**130,495**	**58,145**	**21,902**
Total equity and liabilities	**126,794**	**111,297**	**62,385**	**32,415**

10.4 Consolidated statement of cash flows

	For the six months ended 30 June		**For the years ended 31 December**		
€ thousands	**2020 (unaudited)**	**2019 (unaudited)**	**2019 (audited)**	**2018 (audited)**	**2017 (audited)**
Cash flows from operating activities					
Profit/(loss) for the year	(16,914)	(10,780)	(22,365)	(6,165)	593
Adjustments for:					
Depreciation of property and equipment	398	292	743	312	243
Depreciation of right of use assets	1,559	916	2,115	1,133	900
Amortization of intangible fixed assets	4,460	2,328	5,358	1,315	603
Impairments of trade receivables	168	15	-	-	-
Financial income	(59)	(81)	(3)	(9)	(23)
Financial expenses	5,000	2,677	6,181	2,732	309
Share of (profit)/loss of associates	-	-	-	500	182
Share of (profit)/loss of joint ventures	51	(31)	(278)	-	-
Gain on disposal of associates	-	-	-	(175)	-
Gain from remeasurement of previously held interest upon assuming control over a subsidiary	(465)	-	(412)	-	-
Share-based payment	54	14	308	85	599

expense					
Income tax	408	(38)	211	(1,009)	290
Fair value change of financial asset	-	(23)	(23)	14	-
Fair value change of derivative	2,312	410	573	431	-
Adjustment for variable lease payment adjustments	-	-	-	-	(65)
Subtotal	**(3,028)**	**(4,301)**	**(7,592)**	**(836)**	**3,631**
Changes in working capital					
(Increase)/decrease in trade and other receivables	(821)	827	(991)	2,465	(2,291)
(Increase)/decrease in other current and non-current receivables	(602)	(520)	(666)	(329)	(54)
(Increase)/decrease in inventory	5	-	(8)	46	-
Increase/(decrease) in trade and other liabilities	9,184	714	4,905	(1,791)	3,181
Cash generated from/(used in) operation	4,738	(3,280)	(4,352)	(445)	4,467
Income taxes paid	(48)	(62)	(169)	(358)	(170)
Net cash provided by/(used in) operating activities	**4,690**	**(3,342)**	**(4,521)**	**(803)**	**4,297**
Cash flows from investing activities					
Payments made for acquisition of subsidiaries, net of cash acquired	1,298	(25,793)	(33,876)	(11,465)	(1,568)
Payments made for purchase of property, plant & equipment	(959)	(123)	(376)	(568)	(320)
Proceeds from the disposals of property, plant & equipment	34	-	26	84	-
Payments made for purchase of intangibles and development expenses	(4,992)	(2,869)	(7,253)	(6,089)	(4,422)
Proceeds from sale of financial assets at fair value through profit or loss	-	552	567	-	-
Interest received	59	81	3	9	23
Dividend payments received from joint ventures	-	-	135	-	-
Net cash provided by/(used in) investing activities	**(4,550)**	**(28,152)**	**(40,774)**	**(18,029)**	**(6,287)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of ordinary shares	7,303	-	-	-	487

Dividends paid to non-controlling interests	(14)	-	-	-	-
Purchase of own equity instruments	-	-	-	(216)	-
Proceeds from loans and borrowings	3,453	34,847	52,794	27,509	4,395
Repayments of loans and borrowings	(2,819)	(1,669)	(4,291)	(2,520)	(1,914)
Interest paid on loans and borrowings	(722)	(2,216)	(2,753)	(485)	(186)
Costs related to equity issuance	(24)	-	-	-	-
Repayment of lease liabilities	(1,760)	(1,182)	(2,337)	(981)	(933)
Net cash provided by/(used in) financing activities	**5,416**	**29,780**	**43,413**	**23,307**	**1,849**
FX impact cash	(24)	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	**5,522**	**(1,714)**	**(1,882)**	**4,475**	**(141)**
Cash and cash equivalents at beginning of period	3,046	4,928	4,928	453	594
Cash and cash equivalents at end of period	8,568	3,214	3,046	4,928	453

10.5 APMs and reconciliation to nearest IFRS measures

The following table sets forth the Group's Adjusted Organic Revenue for the periods indicated and a reconciliation from the nearest IFRS measure. For definition and further information about the Group's use of APMs, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*".

	For the six months ended 30 June		For the years ended 31 December		
(€ thousands)	**2020**	**2019**	**2019**	**2018**	**2017**
Revenue	33,494	21,030	46,952	27,617	23,439
Facturis	-	-	-	(1,600)	1,600
Adjusted revenue	**33,494**	**21,030**	**46,952**	**26,017**	**25,039**
Less: Acquired revenue (2020 acquisitions)	(2,481)	-			
Less: Acquired revenue (2019 acquisitions)	(7,794)	(3,006)	(10,198)	-	-
Less: Acquired revenue (2018 acquisitions)	-	-	(9,116)	(665)	-
Less: Acquired revenue (2017 acquisitions)	-	-	-	-	(1,585)
Adjusted revenue excluding acquisitions	**23,219**	**18,024**	**27,638**	**25,352**	**23,454**
Currency effects	-	-	-	-	-
Adjusted Organic Revenue	**23,219**	**18,024**	**27,638**	**25,352**	**23,454**
Organic Growth of Adjusted Revenue	*2,189*	-	*1,621*	*313*	*2,110*
Organic Growth (%) of Adjusted Revenue	*10.4%*	-	*6.2%*	*1.2%*	*9.9%*
Organic compound growth (%) of Adjusted Revenue (2017-2019)	-	-	*8.6%*	-	-

In the six months ended 30 June 2020, Organic Growth of Adjusted Revenue was €2,189 thousand, or 10.4%, which is defined as the increase from Adjusted Revenue of €21,030 thousand for the six months ended 30 June 2019 to Adjusted Organic Revenue of €23,219 thousand for the six months ended 30 June 2020. The increase was due to the increase of transactions and subscription revenue.

In 2019, Organic Growth of Adjusted Revenue was €1,621 thousand, or 6.2%, which is defined as the increase from Adjusted Revenue of €26,017 thousand for the year ended 31 December 2018 to Adjusted Organic Revenue of €27,638 thousand for the year ended 31 December 2019. The increase was due to the increase in Revenue from Repeated Services.

In 2018, Organic Growth of Adjusted Revenue was €313 thousand, or 1.2%, which is defined as the increase from Adjusted Revenue of €25,039 thousand for the year ended 31 December 2017 to Adjusted Organic Revenue of €25,352 thousand for the year ended 31 December 2018. The increase was primarily attributable to an increase in the volume of platform-enabled SaaS by existing clients.

For further information on the evolution of Adjusted Organic Revenue, see Section 11.2 – "*Key factors affecting the Company's results of operation*."

The following table sets forth the Group's Organic Sales for the periods indicated and a reconciliation from the nearest IFRS measure. For definition and further information about the Group's use of APMs, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*".

	For the six months ended 30 June	
(€ thousands)	**2020**	**2019**
Sales	35,877	21,466
Less: Acquired sales (2020 acquisitions)	(2,481)	-
Less: Acquired sales (2019 acquisitions)	(7,794)	(3,006)
Sales excluding acquisitions	**25,602**	**18,460**
Currency effects	-	-
Organic Sales	**25,602**	**18,460**
Organic Growth of Sales	*4,136*	-
Organic Growth (%) of Sales	*19.3%*	-

The Group's Organic Growth of Sales is higher than the Organic Growth of Adjusted Revenue, as a result of an increasing portion of deferred revenues relating to an increase of subscription revenues.

The following table sets forth the Group's Organic Revenue from Repeated Services for the periods indicated and a reconciliation from the nearest IFRS measure. For definition and further information about the Group's use of APMs, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*".

	For the six months ended 30 June		**For the years ended 31 December**		
(€ thousands)	**2020**	**2019**	**2019**	**2018**	**2017**
Revenue from Repeated Services	30,651	18,819	42,434	22,798	19,177
Less: Acquired revenue (2020 acquisition)	(1,900)	-	-	-	-
Less: Acquired revenue (2019 acquisition)	(7,641)	(3,006)	(10,020)	-	-
Less: Acquired revenue (2018	-	-	(7,504)	(424)	-

(€ thousands)	For the six months ended 30 June 2020	2019	For the years ended 31 December 2019	2018	2017
acquisition)					
Revenue from Repeated Services excluding acquisitions	**21,110**	**15,813**	**24,910**	**22,374**	**19,177**
Currency effects	-	-	-	-	-
Organic Revenue from Repeated Services	**21,110**	**15,813**	**24,910**	**22,374**	**19,177**
Organic Growth of Revenue from Repeated Services	2,291	-	*2,112*	*3,197*	-
Organic Growth (%) of Revenue from Repeated Services	-	-	*9.3%*	*16.7%*	-
Organic Growth (%) of Revenue from Repeated Services (H1 2019 – H1 2020)	*12.2%*	-	-	-	-
Organic compound growth (%) of Revenue from Repeated Services (2017-2019)	-	-	*14.0%*	-	-

Excluding the effect of the acquisitions in 2020, Organic Growth of Revenue from Repeated Services was €2,291 thousand, or 12.2%, which is defined as the increase from Revenue from Repeated Services of €18,819 thousand for the six months ended 30 June 2019 to Organic Revenue from Repeated Services of €21,110 thousand for the six months ended 30 June 2020.

Excluding the effect of the acquisitions in 2019 and 2018, Organic Growth of Revenue from Repeated Services was €2,112 thousand, or 9.3% in 2019, which is defined as the increase from Revenue from Repeated Services of €22,798 thousand for the year ended 31 December 2018 to Organic Revenue from Repeated Services of €24,910 thousand for the year ended 31 December 2019.

Excluding the effect of the acquisitions in 2018, Organic Growth of Revenue from Repeated Services was €3,197 thousand, or 16.7% in 2018, which is defined as the increase from Revenue from Repeated Services of €19,177 thousand for the year ended 31 December 2017 to Organic Revenue from Repeated Services of €22,374 thousand for the year ended 31 December 2018.

For further information on the evolution of Organic Revenue from Repeated Services, see Section 11.2 – "*Key factors affecting the Company's results of operation*."

The following table sets forth the Group's Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA excluding Expensed R&D and Adjusted EBITDA excluding Expensed R&D margin for the periods covered and a reconciliation from the nearest IFRS measures. For definition and further information about the Group's use of APMs, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*".

(€ thousands)	For the six months ended 30 June 2020	2019	For the years ended 31 December 2019 (pro forma)	2019	2018	2017
Profit / (loss) from operations	(9,202)	(7,843)	(15,158)	(15,681)	(3,520)	1,351
Amortization and Depreciation	6,417	3,536	11,232	8,216	2,760	1,746
EBITDA	(2,785)	(4,307)	(3,926)	(7,465)	(760)	3,097

(€ thousands)	For the six months ended 30 June 2020	2019	For the years ended 31 December 2019 (pro forma)	2019	2018	2017
Share-based payment expense	54	14	308	308	85	599
Non-Recurring Operational Expenses	-	-	142	142	-	-
Acquisition expenses	27	506	-	896	251	137
Costs is relation with the Company's contemplated listing and the issuance of Bonds	2,278	909	2,223	2,223	368	-
Other income and expenses	(600)	(98)	(96)	(683)	342	(52)
Adjusted EBITDA	**(1,026)**	**(2,976)**	**(1,349)**	**(4,579)**	**286**	**3,781**
Expensed research and development	3,267	2,983	5,513	5,513	5,050	3,204
Adjusted EBITDA excluding Expensed R&D	**2,241**	**7**	**4,164**	**934**	**5,336**	**6,985**
EBITDA Margin	(8.3)%	(20,5)%	(5.7)%	(15.9)%	(2.8)%	13.2%
Adjusted EBITDA margin	(3.1)%	(14.2)%	(2.0)%	(9.8)%	1.0%	16.1%
Adjusted EBITDA excluding expensed R&D margin	6.7%	(0.03)%	6.0%	2.0%	19.3%	29.8%

For the business model of the Company, the reference year of Adjusted EBITDA and Adjusted EBITDA excluding Expensed R&D is 2017. The relevant margins have decreased since 2017 primarily as a result of the acquisitions performed which impacted the margin unfavorably. This trend is also explained by the evolution of gross margin in that the increase in revenue has not absorbed the higher increase in operating expenses. See Section 11.5 – "*Results of operations of the Company*".

11 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following is a discussion and analysis of the Company's results of operations and financial condition (i) as of and for the six months ended 30 June 2020 and 2019, which has been derived from the Company Unaudited Interim Consolidated Financial Statements or from operational data such as processed volumes and number of transactions, and (ii) as of and for the years ended 31 December 2019, 2018 and 2017, which has been derived from the Company Audited Consolidated Financial Statements or from operational data such as processed volumes and number of transactions (collectively, the "periods under review"). Except where otherwise noted in Section 3.9 – "Important Information - Non-IFRS Financial Measures, APMs and Other Metrics", the discussion of the Company's results of operations below is based on the financial information extracted without material adjustment from the Company Consolidated Financial Statements or from operational data such as processed volumes and number of transactions.

In the discussion below, the periodic data of the Company reflects the Company's operations, excluding Fitek and Unifiedpost Limited, except as otherwise noted in Section 11.2(a) – "Acquisitions and Strategic Partnerships". Any pro forma information should be read in conjunction with "Unaudited FY 2019 Pro Forma Income Statement."

The discussion in this section contains forward-looking statements that reflect the Company's plans, estimates and beliefs and involve risks and uncertainties. The Company's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in Sections 2 – "Risk Factors" and 6 – "Forward-Looking Statements."

11.1 Overview

Unifiedpost operates and develops a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Unifiedpost's customers, their suppliers, their customers and other parties along the financial value chain (the "**Unifiedpost Platform**" or the "**Platform**"). The Unifiedpost Platform has a universal back-end and is therefore easily scalable as its front-end can be tailored to specific customer needs.

Unifiedpost's mission is to make administrative and financial processes simple and smart.

Unifiedpost believes that businesses seek to digitalize and optimize the various steps in their administrative and financial value chains: from contract to invoice, from invoice to paid invoice and from payment to other related processes, such as invoice financing. This requires a reliable platform connecting various economic operators (i.e., customers, suppliers, financial institutions, governments, accountants, etc.). Whereas Corporates typically seek tailored solutions that can be integrated into their own business systems, Unifiedpost believes that SMEs seek an accessible, reliable and secure "one-stop shop" solution.

Unifiedpost wants to become the leading cloud-based platform for SME business services built on Documents, Identity and Payments.

11.2 Key factors affecting the Company's results of operations

11.2.1 *Acquisitions, Strategic Partnerships and Organic Growth*

Acquisitions and strategic partnerships play a crucial role in the Group's growth strategy, which is focused on expanding its total addressable market geographically and acquiring technologies to enhance the Group's platform. For further information, see Section 18.4 – "*Business and Industry – Business Strategy*". The Group selectively evaluates acquisitions and partnership opportunities as means to expand its business and international footprint and to enter new markets. For example, in 2019, the Group expanded its geographical scope to the Baltic States, Balkan States and Central and Eastern Europe as a result of the Fitek acquisition. With the acquisition of Unifiedpost Limited (formerly known as Prime Document), the Group also expanded into the UK market. Similarly, in 2018, the Group's acquisition of Inventive Designers allowed the Group to further grow its document generation and distribution capabilities and to increase its European client base and partner network. As part of the Group's growth strategy, the Group will continue to use acquisitions to expand or strengthen its service and geographic reach. The Group may also from time to time enter into strategic partnerships to enable it to offer products and services that supplement its offering. For example, the Group has established partnerships with accountants in Belgium and France, forming Horizontal Business Ecosystems to serve SMEs.

The continued growth of the Group's platform and the financial performance of its business rely heavily on the number of acquisitions that the Group completes and the profitability of the target companies that the Group acquires in a given period. Acquisitions have the potential to provide substantial revenue synergy opportunities for the Group's business, and the Group aims to acquire businesses that are profitable and that can bring both volume and revenue. In addition, the acquisitions serve as an additional enabler of organic growth. On one hand, newly acquired geographic operations act as strong foundation to kick-start organic growth in these new geographies. On the other hand, acquisitions of client books and volumes provide ample cross- and upsell opportunities for the Group.

The Group completed two acquisitions in 2017, three acquisitions in 2018 and two acquisitions in 2019 (not considering Fitek Slovakia as a separate acquisition):

- On 29 November 2019, the Group acquired 100% of the equity of Unifiedpost Limited. Unifiedpost Limited, based in the UK, specializes in printing, postage and digital assignments with a focus on the corporate client segment. Unifiedpost Limited also processes digital data into specific documents such as invoices, payslips and tax records. The result of operations of Unifiedpost Limited have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. For further information, see Section 11.3 – "*Key factors affecting the comparability of the Company's results of operations— Unifiedpost Limited Acquisition*". The acquisition has established the Group's presence in the UK market.

- On 29 March 2019, the Group acquired 100% of the equity of the Fitek Group. The Fitek Group, headquartered in Estonia, provides document processing platforms and financial automation services. The results of operations of the Fitek Group have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. For further information, see Section 11.3 – "*Key factors affecting the comparability of the Company's results of operations—*

Fitek Acquisition". This acquisition has enabled the Group to establish presence in seven new markets in the Baltic States, Balkan States and Central and Eastern Europe.

- On 20 December 2018, the Group acquired 100% of the equity of Leleu Document Services. Leleu Document Services is a commercial printing and mailing service provider. The results of operations of Leleu Document Services have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. With this acquisition, the Group was able to extend its control over part of its document printing and postal distribution facilities.

- On 29 November 2018, the Group acquired 100% of the equity of Inventive Designers. Inventive Designers is an advanced customer communications management technology and service provider. The results of operations of Inventive Designers have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. With this acquisition, the Group was able to grow its document generation and distribution capabilities, in addition to its European client base and partner network.

- On 9 November 2018, the Group acquired 100% of the equity of Advanced Document Management Solutions BVBA (ADM Solutions). ADM Solutions provides automatic invoice recognition and links to various accounting systems. The results of operations of ADM Solutions have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. With the acquisition, the Group strengthened its position in financial accounting integration solutions.

- On 24 March 2017, the Group acquired 100% of the equity of Onea NV. Onea is a procure-to-pay solution that allows for an integrated handling of the purchase cycle from order note to payment transaction. The results of operations of Onea NV have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. With the acquisition of Onea, which delivers automated accounting services with ERP-integrated accounting solutions, the Group's mission to serve the entire document processing and financial value chain was nearly complete.

- On 2 February 2017, the Group acquired 100% of the equity of Nomadesk NV. Nomadesk offers business file sharing & synchronization software that allows customers to edit, share, synchronize and secure files from online and offline environments. The results of operations of Nomadesk have been consolidated in the Company Consolidated Financial Statements since the date of acquisition. The acquisition of Nomadesk resulted in the acquired capability of sharing, storing and accessing data remotely and collaboratively for the Group's customers.

As a result of the above acquisitions, the Group's revenue increased from €23,439 thousand for the year ended 31 December 2017 to €27,617 thousand and €46,952 thousand for the years ended 31 December 2018 and 2019, respectively (€69,034 thousand for the year ended 31 December 2019 on a pro forma basis).

In particular, for the year ended 31 December 2018, €665 thousand of the Group's revenue increase resulted from acquisitions made in 2018. From the year ended 31 December 2018 to the year ended 31 December 2019, the Group's revenue increase included acquired revenue of €10,198 thousand resulting from acquisitions made in 2019, and the upwards effect of the 2018 acquisitions for an amount of €9,116 thousand.

The acquisitions in 2019 and 2018 have increased the cost of services during these years considerably. See Section 10 – "*Selected Company Financial Information*" and Section 11.6 – "*Results of operations of the Company*" for additional information on the Company's results of operations for the periods under review.

Going forward, in the context of the recent and future acquisitions of the Group, we expect that the ongoing centralization of our operations will lead to a decrease in operating expenses, mainly as a result of our single platform solution which has and will continue to lead to greater efficiencies and a decrease in research and development expenses, as well as lower management and support services costs resulting in a decrease in general and administrative expenses.

In 2018, Organic Growth of Adjusted Revenue was €313 thousand, or 1.2%, which is defined as the increase from Adjusted Revenue of €25,039 thousand for the year ended 31 December 2017 to Adjusted Organic Revenue of €25,352 thousand for the year ended 31 December 2018. The increase was primarily attributable to an increase in the volume of platform-enabled SaaS by existing clients. In 2019, Organic Growth of Adjusted Revenue was €1,621 thousand, or 6.2%, which is defined as the increase from Adjusted Revenue of €26,017 thousand for the year ended 31 December 2018 to Adjusted Organic Revenue of €27,638 thousand for the year ended 31 December 2019. The increase was due to the increase in Revenue from Repeated Services.

Excluding the effect of the acquisitions in 2018, Organic Growth of Revenue from Repeated Services was €3,197 thousand, or 16.7% in 2018, which is defined as the increase from Revenue from Repeated Services of €19,177 thousand for the year ended 31 December 2017 to Organic Revenue from Repeated Services of €22,374 thousand for the year ended 31 December 2018. Excluding the effect of the acquisitions in 2019 and 2018, Organic Growth of Revenue from Repeated Services was €2,112 thousand, or 9.3% in 2019, which is defined as the increase from Revenue from Repeated Services of €22,798 thousand for the year ended 31 December 2018 to Organic Revenue from Repeated Services of €24,910 thousand for the year ended 31 December 2019. This resulted in an Organic CAGR of Revenue from Repeated Services of 14.0% (2017 – 2019).

For further details on the Group's Adjusted Organic Revenue and Organic Revenue from Repeated Services for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

Future growth is expected to come from SMEs and from business generated through the offering of Platform services (where the Company would allow third-parties to offer services (such finance marketplace and credit risk insurance services) via its Platform and charge a commission). As a result, the Company's strategy has shifted away from a focus on growing its Corporate business, which involves custom-made implementation tracks. As a result, the Company experienced a drop in the non-recurring portion of its revenue, and specifically, implementation revenue.

11.2.2 ***Volume of documents processed and number of platform services used***

The Group charges its customers as they use its various products and services. The majority of the Group's revenue of its volume-driven business is Revenue from Repeated Services, which is primarily comprised of fee per transaction revenue and subscription-based revenue. The Group's principal sources of revenue are fees charged for the use of its services (relating to its document processing services), which are reasonably expected to recur. The Group expects to generate revenue in the form of commissions paid by third party service providers (relating to its Platform services), which would also be Revenue from Repeated Services. For an overview of the Group's products and services and pricing, see Section 18.3 "*Business operations*".

The Group generates a significant portion of its revenue on a per transaction basis through fees charged to its customers in the form of fixed fee per document processed. As a result, the majority of the Group's revenue depends directly on the total volume of documents and invoices that it processes. In principle, the volume of documents and invoices processed by the Group is in turn driven by the number of customers the Group on-boards and maintains relationships with, as well as the proportion of documents that each customer directs for processing through the Group's platform. For example, after setting up its accounting ecosystem, the Group began providing invoice services through Billtobox to SMEs and their accountants. As a result, the number of documents processed by Billtobox increased from 1,577 in April 2018 to 56,903 in April 2019. The number of monthly onboarded SMEs for Billtobox were 711, 494, 1,774 and 1,410 for January, February, March and April 2020, respectively. For further financial information for the periods covered, see Section 10 – "*Selected Company Financial Information*" and Section 11.5 – "*Results of operations of the Company*". In addition, given that customers cannot easily shift to other document platform providers and that the Group has built a large customer portfolio over the years (primarily corporate clients that are repeatedly processing significant amounts of documents), the Group benefits from an important amount of recurring transactions that build a significant Revenue from Repeated Services base on a monthly basis.

Another large portion of the Group's revenue is generated on a subscription basis as the Group charges either a monthly or yearly fee for the services provided, especially with regards to Identity services, Payment services and Platform services. While the Document services are primarily charged on a fee per transaction basis, several Ecosystems within the Documents services are also charged on a subscription basis (for example, Billtobox and JeFacture). This portion of the Group's subscription-based revenue thus depends directly on the total number of customers using its services, although also, to a lesser extent, indirectly on the total volume of documents processed or total number of Platform services used by customers as they tend to purchase more products and services as their businesses become more advanced and they need to handle increasingly complicated business needs.

In addition, the Group's revenue is also generated through managed services and projects. Managed services refer to revenue generated from the management (i.e. hosting) of the finance applications which is outsourced by the clients of the Group. Project Revenue includes implementation requests (revenue from set-up of new customers), change requests (requests from existing customers) and one-off sales of perpetual licenses.

Finally, the Group expects to generate revenue in the form of commissions by enabling Platform services from third party providers on its Platform where they pay commissions as a percentage of the service charge. For example, by providing the finance market place and credit risk insurance services via its Platform, the Group would generate revenue by charging intermediary commissions. The commission earned through the Platform services would directly correlate with the number of Platform services used and the amount charged by third party providers for such services. Therefore, the ability to offer integrated Platform services (such as through applications) is becoming increasingly important to the

Group's results of operations, as this may create new opportunities for business from customers facing increasingly complex demands.

11.2.3 ***Customer Base***

The Group's results of operations are significantly affected by the size of the customer base using its services, which is in turn driven by the Group's ability to (i) grow its customer base and (ii) retain and expand relationships with existing customers. The Group is highly focused on continuing to acquire new customers to support its long-term growth.

During the periods under review, the Group has succeeded in attracting a large and diverse collection of customers. As of 31 July 2020, the Group had a reach of over 250 Corporates and over 400,000 SMEs on the platform. Once acquired, the Group works both reactively and proactively to retain customers by providing quality customer support in order to achieve high customer satisfaction. The Group has been successful in retaining its customer base during the periods under review. The cohort analysis as part of the defined set of KPIs applied on sales per customer for the periods of 2018 and 2019 shows a negative churn (i.e. loss of revenue from existing customers; loss of customers were not taken into account) of 7%. This is largely compensated by cross- and upselling to existing customers, which amounted to 7% more sales in 2019. We believe that this low churn rate is indicative of a solid, stable customer base. The Group's business is also focused on effectively and efficiently introducing new products and services that meet existing customers' needs and on continuing to attract new customers.

For a detailed discussion of the Company's growth strategy for corporate and SME clients, see Section 18.4(c) – "*Business and Industry—Business Strategy—Organic Growth*".

The composition of the Group's customer base can also impact its revenue and profitability. As of 31 July 2020, the Group had over 400,000 SME customers and more than 250 Corporates connected to its platform. As a result of the Fitek and Unifiedpost Limited acquisitions, more than 90,000 SME clients were added and more than 75 Corporates became part of the Group (included as part of the total figures mentioned above). Unifiedpost defines SMEs as clients with less than 500 FTEs employed. Entities exceeding 500 FTEs are classified as Corporates. While the Group's large corporate customers have historically contributed significantly to Revenue from Repeated Services as compared to its SME customers, the Group's view is that the SME market has more growth potential. Therefore, the Group's strategy is now focused on diversifying its customer base towards SME customers and expanding its SME customer base through the development of Business Ecosystems, and by using volume to allow the Group to achieve scalability of its business more effectively. As of 31 July 2020, Unifiedpost had over 400,000 SME customers which represents a growth of 17.5% since January 2020 (year-to-date). Unifiedpost does not have any significant customer concentration as its top five customers (excluding the one-off perpetual license of the Serbian government of 2019, hence only recurring customers) account for 7.9% of their total revenue 2019 on a pro forma basis. For further information, see Section 18.4 – "*Business and Industry—Business Strategy*".

The addition or loss of any Business Ecosystem or sizable Corporate in a given period can have a significant impact on the volume of documents processed and the number of services used in that period and the following periods, resulting in changes in the Group's results of operations.

11.2.4 *Composition of products and services mix*

The Group's revenue and profitability are impacted by the composition of its products and services mix. Historically, a significant portion of the Group's revenue has been generated from its document processing services, which therefore has had a significant impact on the overall gross margin. While Document services traditionally generate relatively lower margins, Identity, Payment and Platform services, including financing and operational applications, are increasingly profitable, due to generally lower direct costs, greater complexity and less price competition. As the Group continues to grow its position as a provider of a wide range of digital solutions by adding new services, the relative revenue contribution from Payment and Platform services is expected to increase. Similarly, the Group believes that the revenue contribution from Document services, and the related lower margin impact, will decrease in the long term as the Group further develops its fully integrated, one-stop shop, cloud-based platform tailored to the needs of SMEs to further digitize their business processes. Overall, the migration from Documents services to Payments and Platform services will improve the Group's margin and therefore the ability to cross- and upsell affects its results of operations. In addition, the effect of digitization within Documents services (by shifting from paper to digital) will also improve the Group's gross margin and profitability. For further financial information for the periods covered, see Section 10 – "*Selected Company Financial Information*" and Section 11.6 – "*Results of operations of the Company*".

11.2.5 *Regulatory environment*

Regulatory developments in the financial technology industry have significant impacts on the Group's revenue and results of operations. The Group's businesses, especially its payment businesses, are subject to complex and evolving laws and regulations in Belgium, the European Union and other jurisdictions. In particular, PSD2 is a fundamental piece of payments-related legislation in the EU that came into force in January 2016 and was fully implemented in September 2019. PSD2 introduces, among other things, requirements for banks to grant third-party providers access to the bank's customers' online payment accounts in a regulated and secure way. PSD2 has created opportunities for non-bank institutions, including the Group, to build an integrated payments platform and therefore PSD2 is a key element in developing the Group's payment services through Unifiedpost Payments. Following the introduction of PSD2, Unifiedpost Payments is able to set up an IBAN network for its clients and initiate payments to and from client accounts directly, which facilitates more seamless payments and broadens the Group's service scope. For further information on PSD2, see Section 19.3 – "*Supervision and Regulation—Payment Services Directive 2 (PSD2)*".

PSD2 seeks to enable new payment models whereby a newly formed category of regulated payment providers would be able to access bank and payment accounts for the purposes of accessing account information or initiating a payment on behalf of a customer. Prior to PSD2, the Group did not have access to such bank and payment accounts. Such access subjects the Group to data security and other legal and financial risks and could create new competitive forces and new types of competitors in the European payment services market, all of which are opportunities for the Group in terms of its strategy to roll out its banking-as-a-service platform. Therefore, the level of maturity in the implementation, illustration and enforcement of PSD2 will directly impact the growth of the Group's payment services. To date, the Group has made investments of €2,324 thousand related to such access. In the future, the Group expects to face certain security, legal and financial risks relating to such access, such as risk of unauthorized access, the costs of which could materially adversely affect its results of operations. For further information about the risks involved in PSD2, see Risk Factor 2.2.3 – "*PSD2 introduces new regulations for providers of payment services such as Unifiedpost Payments. If Unifiedpost Payments fails to comply with these regulations, it may face administrative sanctions, criminal penalties and/or reputational damage*".

Moreover, PSD2 seeks to regulate online platforms that handle payments for their sellers. PSD2 also imposes new standards for payment security and SCA that may make it more difficult and time consuming to carry out payment transactions. For further information about PSD2, see Section 19.3 – "*Supervision and Regulation—Payment Services Directive 2 (PSD2)*". The Group has prepared itself for the implementation of these requirements, and estimate that following such implementation it be able to launch its payment business in full.

While its effects are less material to the Group's business, the Interchange Fees Regulation – which seeks to create a level playing field by removing barriers between national payment markets and allowing new entrants to enter the market – also impacts the Group's business. In particular, it has contributed to downward pressure on service fees for Unifiedpost Payments. For a variety of reasons, however, the Group does not view the current or potential impact of the Interchange Fees Regulation as material. For example, given that the Interchange Fee represents a cost to Unifiedpost Group as well, the decrease of the Interchange Fee and therefore the overall payment fees should not affect margin. Furthermore, as a result of PSD2 payments such interchange fees will no longer apply. For further information about the Interchange Fees Regulation and its impact on the Group, see Section 19.3(g) – "*Supervision and Regulation—Payment Services Directive 2 (PSD2)—Interchange Fees Regulation*".

11.2.6 ***COVID-19 pandemic***

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus (**COVID-19**) a global pandemic and recommended containment and mitigation measures worldwide. These containment measures and the prohibition of non-essential activities have been implemented to varying degrees in the countries in which the Unifiedpost Group operates. Some of these countries have released in the meantime some of these confinement plans.

The COVID-19 pandemic creates uncertainty and risks regarding the performance of the Group, and the related financial results. The rapid development and volatility of the situation currently makes any prediction of the possible impact of the coronavirus pandemic on the business impossible. Given the above-mentioned great uncertainty, it is impossible to predict the ultimate impact of COVID-19 on business performance. The final assessment will depend on the extent and duration of this global health crisis.

The Group's priority has been to protect the health of its employees and contractors, as well as the continuity of its services for its customers. The technological environment allows the business to continue to operate and for the employees to work remotely.

Some of Unifiedpost's customers have been, and may continue to be, negatively affected by the economic consequences of the pandemic, which may continue to have negative implications for the demand for goods and services, the supply chain, production of goods and transportation. A negative impact on our customers could cause them to cease their activities, or to request an extension of payment periods or the cancellation of the supply of our services. Each of these measures would have a negative impact on the Group's operating results, its liquidity and its future financial results. Based on the interim results available to date, the impact of the economic crisis on demand for the group's services appears limited.

In the medium term, however, we believe that the pandemic will probably accelerate the transition to digital solutions based on fintech, which should help improve the Group's performance.

Given the current impact of the COVID-19 pandemic on populations and economies worldwide, Unifiedpost is constantly evaluating the need for additional action. The following actions have been taken:

- Communicate with customers to coordinate actions in its services to understand their current and expected needs;
- Analysis of customers portfolio per industry and assessment of COVID-19 impact per industry;
- Communicate with suppliers on payment plans and with financial institutions on reimbursement plans;
- Prepare for possible cost savings to deal with a potential decrease in demand for Unifiedpost's services, should it occur.

At the date of this Prospectus, Management considers that the COVID-19 crisis does not increase the risk of Unifiedpost being unable to continue its activities, nor does it give rise to a significant adjustment of the 2020 recognized assets or liabilities. The exact effects of the pandemic remain difficult to assess and quantify, given the uncertainty as to the length and severity of the pandemic's impact and mitigating actions taken to contain its further expansion.

11.3 **Key factors affecting the comparability of the Company's results of operations**

As a result of its buy-and-build growth strategy, the Group frequently undertakes acquisitions. See Section 11.2(a) - "*Acquisitions and Strategic Partnerships*". As a result of these acquisitions, the Group's results may not be comparable due to transaction costs of the acquisitions as well as transition, acquisition and integration costs associated with the acquisitions. Other line items may also be impacted, including depreciation and amortization expenses, interest expenses and income taxes.

Fitek Acquisition

On 29 March 2019, the Company acquired 100% of shareholding of the Fitek Group with a purchase price of €28.8 million, including cash consideration of €19.5 million, the assumption of liabilities of the former owners in the amount of €7.9 million and the issuance of new Bonds to a subset of the former owners in the amount of €1.4 million. Fitek is a service provider in Central and Eastern Europe focusing on financial processes automation. Fitek lowers its clients' costs by optimizing and accelerating their financial processes. The Fitek Group operates in Estonia, Latvia, Lithuania, the UK, Slovakia, Czech, Serbia, Bosnia and Herzegovina.

The Group's acquisition of the Fitek Group provides for an instant expansion outside of Benelux, with market access to the Baltic States, Balkan States and Central and Eastern Europe. The acquisition provides the potential for revenue synergies by developing the Group's payment services on the outbound invoices volume, allowing it to access regional SME ecosystems and providing opportunities to offer third-party invoice financing services (in addition to other up- and cross-selling opportunities). The acquisition also has product synergies as Fitek has invested in a simplified and premium model of order-to-pay platform called FitekIN. FitekIN is specifically targeting European SMEs and could be launched by the Group in its other markets. Fitek also has a complete electronic data interchange ("**EDI**") platform, which complements the Group's current offering. The EDI platform enables businesses to electronically communicate information that was traditionally communicated on paper and allows the Group to process larger invoice volumes. Prior to the Fitek acquisition, the Group did not have an EDI platform in-house; the Group believes that the addition of the EDI platform will lead to increased turnover potential. Lastly, the cost synergies of the Fitek acquisition include replacing Fitek's legacy systems with the Group's solutions and adding the digitization capabilities of Fitek to the Group. The Group expects to reach full synergies within three to five years, depending on the adoption rate of the payment solution.

Fitek itself originated out of a management buyout of the former Baltic operations of OpusCapita and several smaller acquisitions. For further information relating to Fitek and the Fitek acquisition, see Section 9 – "*Pro Forma Income Statement*".

Unifiedpost Limited Acquisition

On 29 November 2019, the Company acquired 100% of PDOCHOLCO Limited (United Kingdom), for an aggregate consideration of €9.4 million, including cash consideration of £7.0 million (€8.2 million) and €1.2 million of the consideration payable was settled through the issuance of convertible bonds by the Group. PDOCHOLCO Limited is the 100% parent company of Prime Document Limited (United Kingdom) and Prime Document Trustee Limited (United Kingdom). As a result, the Company acquired 100% of Unifiedpost Limited Group.

Unifiedpost Limited (formerly known as Prime Document) is a Manchester-based provider of multi-channel, transactional, document processing services and a multi-channel document management and distribution company specializing in invoice distribution, electronic payroll and business print and mail. Because Unifiedpost Limited has a service offering closely related to the Group's business operations with market presence predominantly located in the UK, the Company considers the Unifiedpost Limited acquisition as an opportunity to expand its operating base into the UK. Furthermore, Unifiedpost Limited provides solutions similar to those of the Company to well-defined and sizeable ecosystems, thereby providing a strong installment base for further cross- and upselling of the Company's payment solutions to Unifiedpost Limited's existing customers (see Section 18.4 – "*Business and Industry—Business Strategy*"). Unifiedpost Limited processed nearly 23 million outbound documents in 2019, of which 5 million were invoices that can be enriched with a payment option. 2.25 million of these invoices processed were still in print and can be further digitalized.

Pursuant to the above, the Company believes the Unifiedpost Limited acquisition fits well within its buy-and-build strategy (see Section 18.4 – "*Business and Industry—Business Strategy*"). For further information relating to Unifiedpost Limited and the Unifiedpost Limited acquisition, see Section 9 – "*Pro Forma Income Statement*".

11.4 Material developments after 30 June 2020

11.4.1 *Tehnobiro business combination*

On 3 July 2020, Fitek Balkan acquired 51% of the shares of Tehnobiro d.o.o., thereby obtaining control over this entity. The consideration transferred to effect the business combination is estimated to total

€340 thousand. A provisional fair value adjustment of €54 thousand has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method.

Details of the provisional fair value of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

(€ thousand)	**Tehnobiro** *as at 3 July 2020*
Customer relationships	54
Property and equipment	119
Right-of-use assets	3
Trade and other receivables	111
Cash and cash equivalents	93
Deferred tax liabilities	(18)
Trade and other payables	(32)
Non-controlling interests	(161)
Total net assets	**169**
Goodwill	172
Consideration transferred	**341**

€70 thousand of the total consideration of €341 thousand is contingent upon the fulfilment of the Tehnobiro's 2020 business plan.

Goodwill will arise from synergies, primarily those offered by the enlargement of the total addressable market for the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the above table. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

The pro forma contribution of the Tehnobiro to the Group's revenue and net profit or loss for the first semester, as if the acquisition had occurred on 1 January 2020, would have been €364 thousand and €76 thousand, respectively.

11.4.2 *Capital increase*

On 26 June 2020, an extraordinary Shareholders' Meeting approved to increase the Company's share capital through issuance of 73,026 Class B Shares for an aggregate amount of €7.3 million.

This capital increase was the first of two subscription rounds in the framework of a capital increase in cash for a maximum amount of €11 million. The extraordinary Shareholders' Meeting held on 26 June 2020 also approved the conversion of 400 Bonds into 282,086 Class D Shares for a total amount of €21.2 million.

The second subscription round took place on 17 July 2020. On 17 July 2020, an extraordinary Shareholders' Meeting approved to increase the Company's share capital by issuing 31,050 Class B Shares for an aggregate amount of €3.1 million as part of the second subscription round. The extraordinary Shareholders' Meeting held on 17 July 2020 also approved the conversion of 285 Bonds into 200,452 Class D shares for a total amount of €15.0 million.

The capital amount of the Company was increased to €67.3 million per 17 July 2020:

(€ thousand)	**Total**
At 30 June 2020	**49,204**
Contribution in cash	3,105
Nominal value bond conversion	15,034
At 31 July 2020	**67,343**

The following table shows the impact of the capital increase as at 17 July 2020 on the other reserves:

(€ thousand)	**Total**
At 30 June 2020	**(856)**
Embedded derivative contribution in cash	(228)
Difference fair value shares and nominal value bond conversion	3,330
At 31 July 2020	**2,246**

11.4.3 *Investment Subscription Rights*

On 17 July 2020, the Company issued 26,022 Investment Subscription Rights in the context of a capital increase. At the date of this Prospectus, the Investment Subscription Rights are allocated to selected participants, all of whom are also Shareholders of the Company. The Investment Subscription Rights have a term of 24 months and can be exercised at the sole discretion of their holder at any time during these 24 months. The exercise price of the Investment Subscription Rights is equal to €100.00 and one Investment Subscription Right will entitle its holder to ten shares (taking into account the prior Share split with a factor 10 carried out by the Company pursuant to the extraordinary Shareholders' Meeting of 31 August 2020).

11.4.4 *Anti-Dilution Subscription Rights*

On 17 July 2020, the Company issued 30 Anti-Dilution Subscription Rights to certain Shareholders, all of which have been subscribed for, free of charge. At the date of the Prospectus, the Anti-Dilution Subscription Rights are allocated to selected participants, all of whom are also Shareholders of the Company. The Anti-Dilution Subscription Rights entitle their holders to subscribe for new Shares, at an exercise price of €0.01 per Anti-Dilution Subscription Right in case the Company would issue new Shares at a price per share which is lower than €11.765 (taking into account the prior Share split with a factor 10 carried out by the Company pursuant to the extraordinary Shareholders' Meeting of 31 August 2020), with the exception of issuances pursuant to a stock option or remuneration plan and issuances pursuant to the conversion of Bonds or other Subscription Rights.

The number of new Shares to be issued pursuant to the exercise of the Anti-Dilution Subscription Rights is dependent on the transaction triggering their exercisability.

The Anti-Dilution Subscription Rights automatically expire on the earlier of (i) 17 July 2023, (ii) at the moment the Company is listed on a stock exchange or (iii) the date of issuance of new shares by the Company, which does not trigger the Anti-Dilution Subscription Rights.

11.4.5 *Adjustment Subscription Rights*

On 17 July 2020, the Company issued 30 Adjustment Subscription Rights to certain Shareholders, all of which have been subscribed for, free of charge. At the date of the Prospectus, the Adjustment Subscription Rights are allocated to selected participants, all of whom are also Shareholders of the Company. The Adjustment Subscription Rights entitle their holders to subscribe for new Shares, at an exercise price of €0.01 per Adjustment Subscription Right only in case the Bonds would convert automatically at their maturity date, i.e. 27 April 2021.

The number of new Shares to be issued pursuant to the exercise of the Adjustment Subscription Rights is equal to the amount of Shares subscribed to by the holder of such Adjustment Subscription Right pursuant to the extraordinary Shareholders' Meetings of the Company dated 26 June 2020 respectively 17 July 2020. Taken into account the Share split carried out by the Company pursuant to the extraordinary Shareholders' Meeting of 31 August 2020, this number has to be multiplied by ten.

The Adjustment Subscription Rights are subject to a term which expires on 31 July 2021. The Adjustment Subscription Rights however automatically expire if and when (i) the Bonds convert automatically pursuant to their issue terms and conditions without triggering the Adjustment Subscription Rights, or (ii) all Bondholders decide to convert all (and not part) of their Bonds pursuant to a voluntary conversion event.

11.4.6 *Covenant breach remediation*

As per 30 December 2019 and 30 June 2020, the Company was in breach of the senior adjusted leverage requirement, as well as the covenant pursuant to which the Company cannot incur or remain outstanding any financial indebtedness (as a consequence of entering into the BMI Subordinated Loan and Bond issuances in 2019), other than such indebtedness allowed under the Acquisition Facility.

On 9 July 2020, the Company obtained a waiver from Belfius Bank whereby Belfius Bank agreed to waive all covenants that were in breach under the Acquisition Facility. The next compliance assessment with respect to the covenants under the Acquisition Facility will take place on 31 December 2020.

11.4.7 *Unifiedpost Limited Liability Company*

On 24 August 2020, Unifiedpost Limited Liability Company was founded in Vietnam.

11.5 **Results of operations of the Company**

The following table sets out selected line items of the statement of profit and loss and other comprehensive income of the Company for the six months ended 30 June 2019 and 2020, and for the years ended 31 December 2017, 2018 and 2019, as extracted from the Company's consolidated financial information included elsewhere in this prospectus.

(€ thousands)	**For the six months ended 30 June**		**For the years ended 31 December**		
	2020 (unaudited)	**2019 (unaudited)**	**2019 (audited)**	**2018 (audited)**	**2017 (audited)**
Revenue	33,494	21,030	46,952	27,617	23,439
Cost of services	(19,426)	(11,005)	(24,812)	(14,354)	(9,808)
Gross profit	**14,068**	**10,025**	**22,140**	**13,263**	**13,631**
Research and development expenses	(5,742)	(4,714)	(9,083)	(6,803)	(4,277)
General and administrative expenses	(13,050)	(9,592)	(21,422)	(6,067)	(5,202)
Selling and marketing expenses	(4,971)	(3,645)	(7,970)	(3,575)	(2,843)
Other income / (expenses)	600	98	683	(342)	52
Net impairment gains / (losses) on financial and contract assets	(107)	(15)	(29)	4	(10)
Profit / (loss) from operations	**(9,202)**	**(7,843)**	**(15,681)**	**(3,520)**	**1,351**
Change in the fair value of financial liabilities	(2,312)	(410)	(573)	(431)	-
Financial income	59	81	3	9	23
Financial expenses	(5,000)	(2,677)	(6,181)	(2,732)	(309)
Share of profit / (loss) of associates and joint ventures	(51)	31	278	(500)	(182)
Profit / (loss) before tax	**(16,506)**	**(10,818)**	**(22,154)**	**(7,174)**	**883**
Income tax	(408)	38	(211)	1,009	(290)
PROFIT / (LOSS) FOR THE PERIOD / YEAR	**(16,914)**	**(10,780)**	**(22,365)**	**(6,165)**	**593**

11.5.1 *Comparison of the six months ended 30 June 2020 to the six months ended 30 June 2019*

For the six months ended 30 June 2020, the Company recorded €33,494 thousand in revenue, €14,068 thousand in gross profit and €(16,914) thousand in loss for the period, compared to €21,030 thousand in revenue, €10,025 thousand in gross profit and €(10,780) thousand in loss for the six months ended 30 June 2019.

(i) *Revenue*

Revenue increased by €12,464 thousand, or 59.3%, from €21,030 thousand for the six months ended 30 June 2019 to €33,494 thousand for the six months ended 30 June 2020. This increase was primarily driven by the acquisition of the Fitek group in March 2019 adding €9,758 thousand revenue to the group in 2020 compared to €3,006 thousand during the first half of 2019. An additional effect of €3,428 thousand is explained by the acquisition of Unifiedpost Limited in December 2019.

For information on the Group's Adjusted Organic Revenue for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

During the six months ended 30 June 2020, the Company's revenue was derived from the following revenue types as compared to six months ended 30 June 2019:

(€ thousands)	**For the six months ended 30 June**			
	2020	**2019**	**Variance**	**Variance %**
Revenue from Repeated Services	**30,651**	**18,819**	**11,832**	**62.9%**

Transactions [1]	22,830	13,211	9,619	72.8%
Document processing	11,714	9,159	2,555	27.9%
Print production	11,116	4,052	7,064	174.3%
Subscriptions (including maintenance on licenses) [2]	6,467	4,227	2,240	53.0%
Managed services [3]	1,354	1,381	(27)	(2.0%)
Project Revenue	**2,843**	**2,211**	**632**	**28.6%**
Implementation requests [4]	85	-	85	-
Change requests [5]	2,115	2,211	(96)	(4.3)%
Sale of licenses [6]	643	-	643	-
Total	**33,494**	**21,030**	**12,464**	**59.3%**

(1) Transactions include revenue from platform-enabled processing of (e-)documents including (e-)invoices as well as paper document processing including printing services.

(2) Subscriptions are revenue related to annual or plurennial usage contracts, primarily of our Identity, customer communication software solutions and subscriptions for SME-ecosystems.

(3) Managed services refer to fee revenue for the application management of customers (outsourced by our clients).

(4) Implementation requests represent revenue from set-up of new customers.

(5) Change requests represent change requests from existing customers.

(6) One-off sales of perpetual licenses.

Revenue from Repeated Services increased by €11,832 thousand, or 62.9%, from €18,819 thousand for the six months ended 30 June 2019 to €30,651 thousand for the six months ended 30 June 2020, primarily as a result of increased revenue in transactions (€9,619 thousand) and to a lesser extent also explained by a higher contribution in subscriptions (€2,240 thousand). However, the increased revenue from print production is explained by the acquisition of Unifiedpost Limited contributing €3,090 thousand during the first half of 2020. The compensating effect is primarily originating from a drop in organic revenue from print production (explaining a decrease of €567 thousand) given that traditional print business in the Benelux home market was negatively impacted as a result of COVID-19. The increased revenue from document processing is primarily affected by the bolt-on acquisition of the 1% equity stakes in both Fitek Serbia and Slovakia, thus contributing to the increased contribution by the Fitek Group, amounting to €1,416 thousand, related to document processing.

Excluding the contribution of Fitek and Unifiedpost Limited, Documents processing revenue remained strong during the period under review as well (an increase of 12% or €972 thousand), despite difficult economic circumstances.

A similar – even stronger – growth trend is to be noted with respect to the evolution of the Revenue from Repeated Services related to subscriptions (an increase of 53.0% or €2,240 thousand) of which €1,407 thousand is explained by the increase in our Identity business (an increase of 96.6%), €122 thousand is explained by improved payment-related turnover whereas €395 thousand is linked to Documents-related subscriptions (Scriptura). Our Ecosystems business unit increased by €145 thousand, or 92.2%, from €157 thousand for the six months ended 30 June 2019 to €302 thousand for the six months ended 30 June 2020. This increase mainly relates to the increase in Billtobox subscriptions.

For information on the Group's Organic Revenue from Repeated Services for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

Project Revenue increased by €632 thousand, or 28.6%, from €2,211 thousand for the six months ended 30 June 2019 to €2,843 thousand for the six months ended 30 June 2020, almost entirely explained by the increase in the revenue related to "one off" sales of licenses by Fitek.

During the six months ended 30 June 2020, the Company's revenue was derived from the following geographic markets (using customer base location) as compared to six months ended 30 June 2019:

	For the six months ended 30 June			
(€ thousands)	2020	2019	Variance	Variance %
Belgium	11,556	10,322	1,234	12.0%
Netherlands	6,215	5,148	1,067	20.7%
United Kingdom	4,346	878	3,468	395.0%
Lithuania	2,583	1,141	1,442	126.4%
Serbia	2,327	-	2,327	-
Estonia	1,894	1,007	887	88.1%
Latvia	1,612	777	835	107.5%
Slovakia	784	-	784	-
Luxemburg	486	457	29	6.3%
France	218	611	(393)	(64.3%)
The rest of the world	1,473	689	784	113.8%
Total	**33,494**	**21,030**	**12,464**	**59.3%**

The Company's revenue recorded its strongest growth in the UK as a result of the acquisition of Unifiedpost Limited. The increase in the revenue of the Baltic states (Lithuania, Estonia and Latvia) represents the effect of an extra quarter (Q1) of consolidation of Fitek results vis-à-vis the same period of last year. The increase in revenue of €1,067 thousand in the Netherlands mainly resulted from the increased revenue out of 1-year and/or 3-year Identity subscriptions. An overall trend is that the Company grew the most outside of the Benelux region.

During the six months ended 30 June 2020, the Company's revenue was derived from the following business units as compared to six months ended 30 June 2019:

	For the six months ended 30 June					
	2020		2019			
(€ thousands)	Revenue	% of total revenue	Revenue	% of total revenue	Variance	Variance %
Documents	25,937	(77.4%)	16,348	(77.7%)	9,589	58.7%
Identity	2,894	(8.6%)	1,644	(7.8%)	1,250	76.0%
Payments	646	(2.0%)	482	(2.3%)	164	34.0%
Platform Services	4,017	(12.0%)	2,556	(12.2%)	1,461	57.2%
Total	**33,494**	**(100%)**	**21,030**	**(100%)**	**12,464**	**59.3%**

The Company's revenue increased the most in the Documents business units, primarily resulting from acquired Documents business related to the Fitek Acquisition (€5,687 thousand) and the Unifiedpost Limited Acquisition (€3,428 thousand), complemented with the organic revenue increase of our Document business (after the unfavorable impact of COVID-19 on our classical print production). The Identity business grew by 76% during the six months ended 30 June 2020 compared to the six months ended 30 June 2019, as a result of the increased requirements for Dutch tax payers to use e-Herkenning tools in dealing with the Dutch authorities.

The table below sets forth the breakdown of the Documents business unit revenue in the periods under discussion:

Business unit - Documents (€ thousands)	For the six months ended 30 June 2020	2019	Variance	Variance %
Revenue from Repeated Services	**23,967**	**14,460**	**9,507**	**65.7%**
Transactions (1)	21,904	12,819	9,085	70.9%
Document processing	10,788	8,767	2,021	23.1%
Print production	11,116	4,052	7,064	174.3%
Subscriptions (including maintenance on licenses) (2)	1,990	1,595	395	24.8%
Managed Services (3)	73	46	27	58.7%
Project Revenue	**1,970**	**1,888**	**82**	**4.3%**
Implementation requests (4)	41	-	41	-
Change requests (5)	1,849	1,888	(39)	(2.1%)
Sale of licenses (6)	80	-	80	-
Total	**25,937**	**16,348**	**9,589**	**58.7%**

(1) Transactions include revenue from platform-enabled processing of (e-)documents including (e-)invoices as well as paper document processing including printing services.

(2) Subscriptions are revenue related to annual or plurennial usage contracts, primarily of our Identity, customer communication software solutions and subscriptions for SME-ecosystems.

(3) Managed services refer to fee revenue for the application management of customers (outsourced by our clients).

(4) Implementation requests represent revenue from set-up of new customers.

(5) Change requests represent change requests from existing customers.

(6) One-off sales of perpetual licenses.

The growth of subscriptions revenue (as part of the Documents business) in the six months ended 30 June 2020 resulted from increased sales related to Identity solutions in the Netherlands. For further information on the business strategy in this aspect (particularly organic and mergers and acquisitions ("**M&A**") growth perspective, customer acquisitions and the adoption of ecosystem), see Section 18.4 – "*Business and Industry—Business Strategy*".

During the six months ended 30 June 2020, the Company's revenue was derived from the following customer types as compared to six months ended 30 June 2019**:**

(€ thousands)	For the six months ended 30 June 2020	2019	Variance	Variance %
Corporates	16,000	9,547	6,453	67.6%
SMEs	17,494	11,483	6,011	52.3%
Total	**33,494**	**21,030**	**12,464**	**59.3%**

Organic revenue from Corporates increased by €1,914 thousand, or 21.8% from €8,765 thousand for the six months ended 30 June 2019 to €10,680 thousand for the six months ended 30 June 2020. The acquisitions of Fitek and Unifiedpost Limited further contributed to the 2020 revenue from Corporates.

The increase was driven by the growth of customer communication software solutions (primarily in the Corporate market segment). In the same period, organic revenue from SMEs increased by €3,679 thousand, or 39.7%, from €9,259 thousand for the six months ended 30 June 2019 to €12,937 thousand for the six months ended 30 June 2020. This reflects the Group's growth in Ecosystems and Identity services.

Unifiedpost Limited increased by €3,428 thousand (€3,048 thousand of which in the Corporate market segment). With regard to Fitek, there was an increase of €3,006 thousand (€782 thousand of which in the Corporate market segment) to €9,758 thousand (of which €2,927 thousand related to the Corporate market segment).

(ii) *Cost of services*

Cost of services increased by €8,421 thousand, or 76.5%, from €11,005 thousand for the six months ended 30 June 2019 to €19,426 thousand for the six months ended 30 June 2020. The increase in cost was primarily driven by increased volume, including as a result of the acquisitions during the period, especially the remaining 1% of the Fitek JVs as well as the additional quarter of consolidation of Fitek (consolidated as of April 2019) (contributing €4,401 thousand in addition to the same period last year) and UK business (with Unifiedpost Limited contributing €2,472 thousand). The increase of the organic part of cost of services between 2019 to 2020 amounts to €1,548 thousand and is again volume related.

(iii) *Gross profit*

Gross profit increased by €4,043 thousand, or 40.3%, from €10,025 thousand for the six months ended 30 June 2019 to €14,068 thousand for the six months ended 30 June 2020. The increase primarily resulted from the combined effect of above described revenue increase, which was mildly offset by the cost of increase for the period ended 30 June 2020.

Gross profit margin decreased during the period, falling 5.7% from 47.7% in six months ended 30 June 2019 as compared to 42.0% in the six months ended 30 June 2020 as a result of the lower margin contributions of acquisitions of businesses active in more traditional businesses. Excluding the acquisitions, gross profit margin remained relatively stable at 45.9% for the six months ended 30 June 2020 compared to 48.6% over the same period in 2019.

(iv) *Operating expenses*

Operating expenses comprise research and development expenses, general and administrative expenses, selling and marketing expenses, other income / (expenses) and net impairment gains / (losses) on financial and contract assets. Operating expenses increased by €5,402 thousand, or 30.2%, from €17,868 thousand for the six months ended 30 June 2019 to €23,270 thousand for the six months ended 30 June 2020, primarily as a result of the acquired business. For the average number of FTEs for the periods covered, see Section 18.6(a) – "*Business and Industry—Key Business Aspects—Employees*".

The following table summarizes the Company's operating expenses for the periods indicated.

	For the six months ended 30 June			
(€ thousands)	**2020**	**2019**	**Variance**	**Variance %**
Research and development expenses	(5,742)	(4,714)	(1,028)	21.8%
General and administrative expenses	(13,050)	(9,592)	(3,458)	36.1%
Selling and marketing expenses	(4,971)	(3,645)	(1,326)	36.4%
Other income / (expenses)	600	98	502	512.2%
Net impairment gains / (losses) on financial and contract assets	(107)	(15)	(92)	613.3%
Total	**(23,270)**	**(17,868)**	**5,402**	**30.2%**

Research and development expenses increased by €1,028 thousand, or 21.8%, from €4,714 thousand for the six months ended 30 June 2019 to €5,742 thousand for the six months ended 30 June 2020, partially attributable to acquired R&D activities from the Fitek operations (€174 thousand) but more importantly explained by increased R&D expenses from existing operations. The latter increase is explained by higher personnel costs mainly from increase of development-related collaborators from 58.7 FTEs per June 2019 to 97.2 FTEs per June 2020, mainly in Research & Development Vietnam.

General and administrative expenses increased by €3,458 thousand, or 36.1%, from €9,592 thousand for the six months ended 30 June 2019 to €13,050 thousand for the six months ended 30 June 2020, primarily attributable to the acquired G&A departments of Fitek (€2,700 thousand) and Unifiedpost Limited (€520 thousand) in addition to an increase of existing organic operations of the initial Unifiedpost entities, i.e. excluding Fitek and Unifiedpost Limited (€238 thousand) to support of growth of Ecosystems, related to Payments and Identity.

Selling and marketing expenses increased by €1,326 thousand, or 36.4%, from €3,645 thousand for the six months ended 30 June 2019 to €4,971 thousand for the six months ended 30 June 2020, primarily due to the increased onboarding capacity of our Identity team required for the initial contracting of 1 year and 3 year Identity subscriptions.

(v) *Financial income*

Financial income decreased by €22 thousand, or 27.2%, from an income of €81 thousand for the six months ended 30 June 2019 to €59 thousand for the six months ended 30 June 2020, primarily attributable to interest income on bank accounts.

(vi) *Financial expenses*

Financial expenses increased by €2,323 thousand, or 86.8%, from €2,677 thousand for the six months ended 30 June 2019 to €5,000 thousand for the six months ended 30 June 2020, primarily as a result of increased finance expenses of the holding company Unifiedpost Group SA, which almost fully relates to a 6 month period effect of the interest charges on M&A funding and on the (meanwhile mainly converted) convertible bonds.

(vii) *Share of profit / (loss) of associates & joint ventures*

Share of profit / (loss) of associates & joint ventures decreased by €82.0 thousand, from a profit of €31 thousand for the six months ended 30 June 2019 to a loss of €51 thousand for the six months ended 30 June 2020. The loss in the six months ended 30 June 2020 resulted from the acquisition of the remaining 1% of the equity stake in Fitek Balkan (which was fully consolidated as of February 2020).

(viii) *Income taxes*

Income tax expense increased by €446 thousand, from a credit of €38 thousand for the six months ended 30 June 2019 to an expense of €408 thousand for the six months ended 30 June 2020. The increase was primarily due to local income taxes payable on our Romanian, Luxemburg and some Belgian operations.

(ix) *Profit / (Loss) for the period*

Net result decreased by €6,134 thousand, or 56.9%, from a loss of €10,780 thousand for the six months ended 30 June 2019 to a loss of €16,914 thousand for the six months ended 30 June 2020. The decrease in net result was mainly attributable to the combined effect of the above of which the interest charges (finance expenses) strongly outweigh gross profit contributions from operations.

11.5.2 *Comparison of the year ended 31 December 2019 to the year ended 31 December 2018*

For the year ended 31 December 2019, the Company recorded €46,952 thousand in revenue, €22,140 thousand in gross profit and €22,365 thousand in loss for the year, compared to €27,617 thousand in revenue, €13,263 thousand in gross profit and €6,165 thousand in loss for the year ended 31 December 2018.

(i) *Revenue*

Revenue increased by €19,335 thousand, or 70%, from €27,617 thousand for the year ended 31 December 2018 to €46,952 thousand for the year ended 31 December 2019. This increase was partially driven by the acquisitions of the Fitek Group in March 2019 (contributing €9,606 thousand of revenue) and of Unifiedpost Limited at the end of November 2019 (adding €592 thousand of revenue) and partially driven by organic growth. For information on organic growth, see Section 11.2(a) – "*Key Factors Affecting the Company's Results of Operations—Acquisitions, Strategic Partnerships and Organic Growth*". During the period of 2017 to 2019, revenue has increased at a compound annual growth rate (CAGR) of 42%.

For information on the Group's Adjusted Organic Revenue for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

During the year ended 31 December 2019, the Company's revenue was derived from the following revenue types as compared to the year ended 31 December 2018:

	For the year ended 31 December			
(€ thousands)	**2019**	**2018**	**Variance**	**Variance %**
Revenue from Repeated Services	**42,434**	**22,798**	**19,636**	**86%**
Transactions [(1)]	29,756	14,927	14,829	99%
Document processing	*16,189*	*14,775*	*1,414*	*10%*
Print production	*13,567*	*152*	*13,415*	-
Subscriptions (including maintenance on licenses) [(2)]	10,187	5,517	4,670	85%
Managed services [(3)]	2,491	2,354	137	6%
Project Revenue	**4,518**	**4,819**	**(301)**	**(6)%**
Implementation requests [(4)]	28	190	(162)	(85)%
Change requests [(5)]	4,291	4,629	(338)	(7)%
Sale of licenses [(6)]	199	-	199	-
Total	**46,952**	**27,617**	**19,335**	**70%**

(1) Transactions include revenue from platform-enabled processing of (e-)documents including (e-)invoices as well as paper document processing including printing services.

(2) Subscriptions are revenue related to annual or plurennial usage contracts, primarily of our Identity, customer communication software solutions and subscriptions for SME-ecosystems.

(3) Managed services refer to fee revenue for the application management of customers (outsourced by our clients).

(4) Implementation requests represent revenue from set-up of new customers.

(5) Change requests represent change requests from existing customers.

(6) One-off sales of perpetual licenses.

Revenue from Repeated Services increased by €19,636 thousand, or 86%, from €22,798 thousand for the year ended 31 December 2018 to €42,434 thousand for the year ended 31 December 2019, primarily as a result of increased revenue in transactions and subscriptions, including the increase in Identity business in the Netherlands, but also as a result of the growth of the number of transactions over SME ecosystems. Finally, as a result of the 2018 acquisitions, primarily Inventive Designers, €7,504 thousand of the aforementioned increase is explained. During the period of 2017 to 2019, Revenue from Repeated Services has increased at a CAGR of 49%. For information on the Group's Organic Revenue from Repeated Services for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

Project Revenue decreased by €301 thousand, or 6%, from €4,819 thousand for the year ended 31 December 2018 to €4,518 thousand for the year ended 31 December 2019, driven by a decrease in revenue generated from implementation and change requests as the Company is shifting the focus from Corporate customers requiring tailor-made solutions (i.e. implementation requests) towards SME clients running on platforms (i.e. transactions per piece and subscription revenue). During the period of 2017 to 2019, Project Revenue has increased at a CAGR of 3%.

During the year ended 31 December 2019, the Company's revenue was derived from the following geographic markets (using customer base location) as compared to the year ended 31 December 2018:

	For the year ended 31 December			
(€ thousands)	**2019**	**2018**	**Variance**	**Variance %**
Belgium	21,231	13,529	7,702	57%
Netherlands	9,654	7,718	1,936	25%
Lithuania	3,581	-	3,581	-
Estonia	3,093	-	3,093	-
United Kingdom	2,465	1,893	572	30%
Latvia	2,332	-	2,332	-
France	1,204	958	246	26%
Luxembourg	991	858	133	16%
Rest of the World	2,401	2,661	(260)	(10)%
Total	**46,952**	**27,617**	**19,335**	**70%**

The Company's revenue recorded its strongest growth in Belgium and the Netherlands. The increase in revenue in Belgium mainly resulted from the full year effect of 2018 acquisitions (ADMS, Inventive Designers and Leleu) that primarily operate in the Belgian market. The increase in revenue in the Netherlands, amounting to €1,936 thousand, was driven by the growth of the Company's Identity business. Following the acquisition of Fitek, the Company now also operates in the Baltic countries. Revenue in the United Kingdom was boosted in December with the effect of the acquisition of Unifiedpost Limited. As a result, on a pro forma basis, the Company grew the most outside of the Benelux region.

During the year ended 31 December 2019, the Company's revenue was derived from the following business units as compared to the year ended 31 December 2018:

(€ thousands)	For the year ended 31 December 2019 Revenue	% of total revenue	2018 Revenue	% of total revenue	Variance	Variance %
Documents	36,004	76.7%	18,717	67.8%	17,287	92%
Identity	4,701	10.0%	3,367	12.2%	1,334	40%
Payments	1,049	2.2%	979	3.5%	70	7%
Platform Services	5,198	11.1%	4,554	16.5%	644	14%
Total	**46,952**	**100%**	**27,617**	**100%**	**19,335**	**70%**

The Company's revenue increased the most in the Documents and Identity business units, primarily resulting from new regional markets in the Baltics, UK and Central and Eastern Europe and the government regulations favoring e-identification in the Netherlands. The Documents' revenue increase was further boosted by the full year impact of the 2018 acquisitions.

The table below sets forth the breakdown of the Documents business unit revenue in the periods under discussion:

Business unit - Documents (€ thousands)	For the year ended 31 December 2019	2018	Variance	Variance %
Revenue from Repeated Services	**32,421**	**14,719**	**17,702**	**120%**
Transactions [(1)]	29,017	14,531	14,486	100%
Document processing	*15,450*	*14,379*	*1,071*	*7%*
Print production	*13,567*	*152*	*13,415*	-
Subscriptions (including maintenance on licenses) [(2)]	3,274	151	3,123	-
Managed Services [(3)]	130	37	93	251%
Project Revenue	**3,583**	**3,998**	**(415)**	**(10)%**
Implementation requests [(4)]	28	68	(40)	(59)%
Change requests [(5)]	3,356	3,930	(574)	(15)%
Sale of licenses [(6)]	199	-	199	-
Total	**36,004**	**18,717**	**17,287**	**92%**

(1) Transactions include revenue from platform-enabled processing of (e-)documents including (e-)invoices as well as paper document processing including printing services.

(2) Subscriptions are revenue related to annual or plurennial usage contracts, primarily of our Identity, customer communication software solutions and subscriptions for SME-ecosystems.

(3) Managed services refer to fee revenue for the application management of customers (outsourced by our clients).

(4) Implementation requests represent revenue from set-up of new customers.

(5) Change requests represent change requests from existing customers.

(6) One-off sales of perpetual licenses.

The growth of subscriptions revenue (as part of the Documents business) in 2019 resulted from the growth acquired from Inventive Designers and the increasing customer adoption of several newly launched ecosystems, such as Billtobox. For further information on the business strategy in this aspect (particularly organic and mergers and acquisitions ("**M&A**") growth perspective, customer acquisitions and the adoption of ecosystem), see Section 18.4 – "*Business and Industry—Business Strategy*".

During the year ended 31 December 2019, the Company's revenue was derived from the following customer types as compared to the year ended 31 December 2018:

	For the year ended 31 December 2019	2018	Variance	Variance %

(€ thousands)				
Corporates	17,588	10,052	7,536	75%
SMEs	29,364	17,565	11,799	67%
Total	**46,952**	**27,617**	**19,335**	**70%**

Disregarding the acquisitions in 2019 and 2018, the organic revenue on Corporates decreased by €1,006 thousand, from €10,052 thousand for the year ended 31 December 2018 to €9,045 thousand for the year ended 31 December 2019. In line with above, the decrease results from less implementation revenue for customized corporate solutions and more focus on growing the SME segment. In the same period, organic revenue for SMEs increased by €1,693 thousand, or 10%, from €16,900 thousand for the year ended 31 December 2018 to €18,593 thousand for the year ended 31 December 2019. This reflects the Group's strategic decision to focus on SME growth.

Revenue from Corporates customers increased primarily in the Documents business unit revenue, partially offset by the decrease in the Identity business unit revenue. Revenue from SME customers increased primarily in both the Documents and Identity business units, along with a slight growth in the Platform services business unit. The top five customers of the Company account for less than 10% of its total consolidated revenue, evidencing a rather low dependency on larger customers.

(ii) *Cost of services*

Cost of services increased by €10,458 thousand, or 73%, from €14,354 thousand for the year ended 31 December 2018 to €24,812 thousand for the year ended 31 December 2019. The increase in cost was primarily driven by increased volume as a result of the acquisitions, especially the new regional Baltic and UK business (with Fitek and Unifiedpost Limited contributing €5,108 thousand and €316 thousand, respectively, to cost of services), as the organic part of cost of services have only slightly increased from 2018 to 2019. Cost of services also increased as a result of the 2018 acquisitions (contributing €6,100 thousand to the increase from 2018 to 2019). During the period of 2017 to 2019, cost of services has increased at a CAGR of 59%.

(iii) *Gross profit*

Gross profit increased by €8,877 thousand, or 67%, from €13,263 thousand for the year ended 31 December 2018 to €22,140 thousand for the year ended 31 December 2019. The increase primarily resulted from the net effect of the above-mentioned revenue increases, which are larger than the respective cost of services increases. During the period of 2017 to 2019, gross profit has increased at a CAGR of 27%.

Gross profit margin remained relatively stable, falling 1% from 48% in the year ended 31 December 2018 as compared to 47% in the year ended 31 December 2019, indicating that the acquisitive effect of early-stage (less digitized) Documents business (traditionally at lower margins) is almost entirely compensated by higher margin businesses such as Identity. In addition, this trend has the opportunity to improve margins in the years after the acquisitions.

Disregarding the effect of acquisitions, from the year ended 31 December 2018 to the year ended 31 December 2019, the organic part of gross profit and its margin increased by €1,089 thousand and 8.2%, respectively. Acquiring companies in an earlier stage of digitization (involving often lower marginal contributions) and adding other solutions is a cornerstone of the Company's strategy.

(iv) *Operating expenses*

Operating expenses comprise research and development expenses, general and administrative expenses, selling and marketing expenses, other income / (expenses) and net impairment gains / (losses) on financial and contract assets. Operating expenses increased by €21,058 thousand, or 125%, from €16,783 thousand for the year ended 31 December 2018 to €37,821 thousand for the year ended 31 December 2019, primarily as a result of the increase in the number of full time equivalents employed. For the average number of FTEs for the periods covered, see Section 18.6(a) – "*Business and Industry—Key Business Aspects—Employees*". During the period of 2017 to 2019, operating expenses have increased at a CAGR of 75%.

The following table summarizes the Company's operating expenses for the periods indicated.

(€ thousands)	For the year ended 31 December 2019	2018	Variance	Variance %
Research and development expenses	(9,083)	(6,803)	(2,280)	34%
General and administrative expenses	(21,442)	(6,067)	(15,375)	253%
Selling and marketing expenses	(7,970)	(3,575)	(4,395)	123%
Other income / (expenses)	683	(342)	1,025	-
Net impairment gains / (losses) on financial and contract assets	(29)	4	(33)	-
Total	**(37,841)**	**(16,783)**	**(21,058)**	**125%**

Research and development expenses increased by €2,280 thousand, or 34%, from €6,803 thousand for the year ended 31 December 2018 to €9,083 thousand for the year ended 31 December 2019, partially attributable to the acquired R&D activities of the Fitek Group, and more importantly, explained by the group development of the Documents platform for B2B and other ecosystems (such as AgroBox and UPconstruct) as well as group development of Payment solutions (primarily relating to the additional functionality of Payment solutions by integrating payment functionality into existing ecosystems). During the period of 2017 to 2019, research and development expenses have increased at a CAGR of 46%.

General and administrative expenses increased by €15,375 thousand, or 253%, from €6,067 thousand for the year ended 31 December 2018 to €21,442 thousand for the year ended 31 December 2019, primarily attributable to increased payroll costs of both acquisitions in 2018 (full year effect) and 2019. Additionally, as a result of various M&A, financing, and initial public offering workstreams, Unifiedpost has incurred a significant increase in advisory costs. Moreover, the Company's group services for finance and legal were established. During the period of 2017 to 2019, general and administrative expenses have increased at a CAGR of 103%.

The Company's acquisitions with the largest impact on general and administrative expenses were closed in the last quarter of 2018 and through 2019. Given this short time-frame, the integration to optimize general and administrative expenses has not yet been completed. Furthermore, in the case of acquisitions where the Group expanded its territory (in most cases Volume Acquisitions), the Group has kept the local management in place, which have become the leadership team and represent Unifiedpost Group in that particular territory (e.g., Fitek and Unifiedpost Limited). This impacted general and administrative expenses. In the case of Supplementary Acquisitions, where the Company acquires providers of products or services that are supplementary to the Unifiedpost Platform, the Company can benefit from cost synergies with respect to the management overhead. In the case of such acquisitions, the product and services teams can more easily shift their reporting to the existing Unifiedpost Group research and development management.

Selling and marketing expenses increased by €4,395 thousand, or 123%, from €3,575 thousand for the year ended 31 December 2018 to €7,970 thousand for the year ended 31 December 2019, primarily due to an increase in staffing of the marketing team (€2,601 thousand) and a rebranding of the "Unifiedpost brand" and marketing campaigns for the launch of the Billtobox ecosystem. During the period of 2017 to 2019, selling and marketing expenses have increased at a CAGR of 67%.

(v) *Financial income*

Financial income decreased by €6 thousand, or 67%, from an income of €9 thousand for the year ended 31 December 2018 to €3 thousand for the year ended 31 December 2019, primarily attributable to interest income on bank accounts.

(vi) *Financial expenses*

Financial expenses increased by €3,449 thousand, or 126%, from €2,732 thousand for the year ended 31 December 2018 to €6,181 thousand for the year ended 31 December 2019, primarily as a result of increased financing in the form of convertible bond funding and M&A financing. For further details on the bond and M&A financing interest, see Note 5.21 of the Group's consolidated financial statements for the year ended 31 December 2019.

(vii) *Share of profit / (loss) of associates & joint ventures*

Share of profit / (loss) of associates & joint ventures increased by €778 thousand, from a loss of €500 thousand for the year ended 31 December 2018 to a profit of €278 thousand for the year ended 31 December 2019. The loss in the year ended 31 December 2018 resulted from the Group's 33% share in the loss of Facturis Group BV and the profit in the year ended 31 December 2019 was attributable to the combination of the Group's 50% share in the profit of Fitek Balkan, offset by the Group's 50% share in the loss of Fitek Slovakia. The Group's interest in Facturis was realized in December 2018. For further details on the sale of Facturis stake, see Note 5.29 of the Group's consolidated financial statements for the year ended 31 December 2019.

(viii) *Income taxes*

Income tax expense increased by €1,220 thousand, from a credit of €1,009 thousand for the year ended 31 December 2018 to an expense of €211 thousand for the year ended 31 December 2019. The increase was primarily due to the recognition of a deferred tax asset from available tax losses in the prior year.

(ix) *Profit / (Loss) for the year*

Net result decreased by €16,200 thousand, or 263%, from a loss of €6,165 thousand for the year ended 31 December 2018 to a loss of €22,365 thousand for the year ended 31 December 2019. The decrease in net result was mainly attributable to the combined effect of above-mentioned factors, particularly as the Company made important investments into both the Fitek and Unifiedpost Limited acquisitions, the organizational structure and expenses for researching and developing new products.

11.5.3 *Comparison of the year ended 31 December 2018 to the year ended 31 December 2017*

For the year ended 31 December 2018, the Company recorded €27,617 thousand in revenue, €13,263 thousand in gross profit and €7,174 thousand in loss, compared to €23,439 thousand in revenue, €13,631 thousand in gross profit and €883 thousand in profit for the year ended 31 December 2017.

(i) *Revenue*

Revenue increased by €4,178 thousand, or 18%, from €23,439 thousand for the year ended 31 December 2017 to €27,617 thousand for the year ended 31 December 2018.

For information on the Group's Adjusted Organic Revenue for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

During the year ended 31 December 2018, the Company's revenue was derived from the following product type as compared to the year ended 31 December 2017:

	For the year ended 31 December			
(€ thousands)	**2018**	**2017**	**Variance**	**Variance %**
Revenue from Repeated Services	**22,798**	**19,177**	**3,621**	**19%**
Transactions (1)	14,927	11,243	3,684	33%
Document processing	*14,775*	*11,243*	*3,532*	*31%*
Print production	*152*	*-*	*152*	*-*
Subscriptions (including maintenance on licenses) (2)	5,517	5,362	155	3%
Managed Services (3)	2,354	2,572	(218)	(8)%
Project Revenue	**4,819**	**4,262**	**557**	**13%**
Implementation requests (4)	190	166	24	14%
Change requests (5)	4,629	4,096	533	13%
Sale of licenses (6)	-	-	-	-
Total	**27,617**	**23,439**	**4,178**	**18%**

(1) Transactions include revenue from platform-enabled processing of (e-)documents including (e-)invoices as well as paper document processing including printing services.

(2) Subscriptions are revenue related to annual or plurennial usage contracts, primarily of our Identity.

(3) Managed services refer to fee revenue for the application management of customers (outsourced by our clients).

(4) Implementation requests represent revenue from set-up of new customers.

(5) Change requests represent change requests from existing customers.

(6) One-off sales of perpetual licenses.

Revenue from Repeated Services increased by €3,621 thousand, or 19%, from €19,177 thousand for the year ended 31 December 2017 to €22,798 thousand for the year ended 31 December 2018, primarily as a result of the increase in document transactions. For information on the Group's Organic Revenue from Repeated Services for the periods under discussion, see Section 3.9 – "*Important Information—Non-IFRS Financial Measures, APMs and Other Metrics*" and Section 10.5 – "*APMs and reconciliation to nearest IFRS measures*".

Project Revenue increased by €557 thousand, or 13%, from €4,262 thousand for the year ended 31 December 2017 to €4,819 thousand for the year ended 31 December 2018, primarily due to a larger implementation project with Facturis, partially offset by a decrease in other Project Revenue. The implementation project with Facturis represents a one-time recognition of revenue for the onboarding of Facturis customers on the platform of the Group's associate partner upon reaching an agreement as to the price for services rendered.

During the year ended 31 December 2018, the Company's revenue was derived from the following geographic markets as compared to the year ended 31 December 2017:

	For the year ended 31 December			
(€ thousands)	**2018**	**2017**	**Variance**	**Variance %**
Belgium	13,529	13,333	196	1%
Netherlands	7,718	5,034	2,684	53%
United Kingdom	1,893	1,570	323	21%
France	958	604	354	59%
Luxembourg	858	724	134	19%
Rest of the World	2,661	2,174	487	22%
Total	**27,617**	**23,439**	**4,178**	**18%**

In absolute terms, the Company's revenue increased the most in the Netherlands, France and the Rest of the World. The increase of revenue in the Netherlands was primarily attributable to a larger implementation project with Facturis, complemented by the significant development of Identity business, as a result of the Dutch government's efforts to promote e-identity token and identity access. Revenue contribution in France increased mainly due to new business with Lampiris France (Total).

Revenue in Belgium partially resulted from the acquisitions made in the fourth quarter of 2018 which generated €665 thousand revenue in Belgium, partially offset by a decline in Belgium's recurring transactions and natural organic growth.

During the year ended 31 December 2018, the Company's revenue was derived from the following business units as compared to the year ended 31 December 2017:

	For the year ended 31 December					
	2018		**2017**			
(€ thousands)	**Revenue**	**% of total revenue**	**Revenue**	**% of total revenue**	**Variance**	**Variance %**
Documents	18,717	67.8%	14,530	62.0%	4,187	29%
Identity	3,367	12.2%	2,908	12.4%	459	16%
Payments	979	3.5%	1,138	4.9%	(159)	(14)%
Platform Services	4,554	16.5%	4,863	20.7%	(309)	(6)%
Total	**27,617**	**100%**	**23,439**	**100%**	**4,178**	**18%**

The Company's revenue in the Documents business unit increased as a result of the increase in Revenue from Repeated Services, which is in turn primarily driven by growth in transactional revenue generated from Belgian entities, complemented by the settlement (one-time effect) of Facturis revenue amounting to €1,950 thousand. The increase in the Identity business unit revenue was primarily due to growth in subscription revenue and Project Revenue in the Netherlands. Payments business unit's revenue decreased as a result of the decrease in subscription revenue and change requests' revenue. Platform services' revenue decreased as a result of the decrease in Revenue from Repeated Services, partially offset by a slight increase in Project Revenue.

The table below sets forth the breakdown of Documents business unit revenue in the periods under discussion:

Business Unit - Documents (€ thousands)	For the year ended 31 December 2018	2017	Variance	Variance %
Revenue from Repeated Services	**14,719**	**10,836**	**3,883**	**36%**
Transactions [(1)]	14,531	10,836	3,695	34%
Document processing	*14,379*	*10,836*	*3,543*	*33%*
Print production	*152*	-	*152*	-
Subscriptions (including maintenance on licenses) [(2)]	151	-	151	-
Managed Services [(3)]	37	-	37	-
Project Revenue	**3,998**	**3,694**	**304**	**8%**
Implementation requests [(4)]	68	60	8	13%
Change requests [(5)]	3,930	3,634	296	8%
Sale of licenses [(6)]	-	-	-	-
Total	**18,717**	**14,530**	**4,187**	**29%**

(1) Transactions include revenue from platform-enabled processing of (e-)documents including (e-)invoices as well as paper document processing including printing services.

(2) Subscriptions are revenue related to annual or plurennial usage contracts, primarily of our Identity, customer communication software solutions and subscriptions for SME-ecosystems.

(3) Managed services refer to fee revenue for the application management of customers (outsourced by our clients).

(4) Implementation requests represent revenue from set-up of new customers.

(5) Change requests represent change requests from existing customers.

(6) One-off sales of perpetual licenses.

During the year ended 31 December 2018, the Company's revenue was derived from the following customer types as compared to the year ended 31 December 2017:

(€ thousands)	For the year ended 31 December 2018	2017	Variance	Variance %
Corporates	10,052	8,998	1,054	12%
SMEs	17,565	14,441	3,124	22%
Total	**27,617**	**23,439**	**4,178**	**18%**

Revenue from Corporate customers increased primarily as a result of increases in the Identity and Platform services business units, partially offset by the decrease in revenue of the Documents business unit. Revenue from SME customers increased primarily as a result of an increase in revenue of the Documents business unit, partially offset by a decrease in revenue of the Identity business unit.

For further information on the customer acquisitions and the adoption of ecosystem, see Section 18.4 – "*Business and Industry—Business Strategy*".

(ii) *Cost of services*

Cost of services increased by €4,546 thousand, or 46%, from €9,808 thousand for the year ended 31 December 2017 to €14,354 thousand for the year ended 31 December 2018. The increase resulted from the acquisitions made in 2018, which contributed to an increase in cost of services of €490 thousand, and from higher IT costs related to the cloud storage infrastructure which was required in order to permanently deal with higher volumes and more transactions over the platform and to comply with all regulators and accreditors as the Company is preparing the platform for growth.

(iii) *Gross profit*

Gross profit decreased by €368 thousand, or 3%, from €13,631 thousand for the year ended 31 December 2017 to €13,263 thousand for the year ended 31 December 2018. The decrease resulted from the increase in cost of services for the period, partially offset by an increase in revenue.

Gross profit margin decreased from 58% for the year ended 31 December 2017 to 48% for the year ended 31 December 2018. This was primarily due to higher IT costs as further expenses related to the cloud storage infrastructure was required in order to permanently deal with higher volumes and more transactions over the platform and to comply with all regulators and accreditors as the Company is preparing the platform for growth. The Group believes it will achieve higher margin by developing and investing in more digitalized product and service offerings.

(iv) *Operating expenses*

Operating expenses comprise research and development expenses, general and administrative expenses, selling and marketing expenses, other income / (expenses) and net impairment gains / (losses) on financial and contract assets. Operating expenses increased by €4,503 thousand, or 37%, from €12,280 thousand for the year ended 31 December 2017 to €16,783 thousand for the year ended 31 December 2018, primarily as a result of the increase in research and development expenses as well as general and administrative expenses.

The following table summarizes the Company’s operating expenses for the periods indicated.

	For the year ended 31 December			
(€ thousands)	**2018**	**2017**	**Variance**	**Variance %**
Research and development expenses	(6,803)	(4,277)	(2,526)	59%
General and administrative expenses	(6,067)	(5,202)	(865)	17%
Selling and marketing expenses	(3,575)	(2,843)	(732)	26%
Other income / (expenses)	(342)	52	(394)	-
Net impairment gains / (losses) on financial and contract assets	4	(10)	14	-
Total	**(16,783)**	**(12,280)**	**4,503**	**37%**

Research and development expenses increased by €2,526 thousand, or 59%, from €4,277 thousand for the year ended 31 December 2017 to €6,803 thousand for the year ended 31 December 2018, primarily attributable to increased headcount and greater allocation of hours to develop new ecosystems, such as Billtobox, and platforms, particularly the Group’s payment solutions platform (which is one technical platform with several branded versions). The increase in research and development expenses in 2018 also partially resulted from the acquisitions made in 2018, especially the acquisition of Inventive Designers which provides customer communication management technology and the acquisition of ADMS which provides automatic invoice recognition and links to different accounting systems. These acquisition-related research and development expenses are expenses incurred by the R&D teams of the acquired companies, instead of expenses related to integration of such companies.

General and administrative expenses increased by €865 thousand, or 17%, from €5,202 thousand for the year ended 31 December 2017 to €6,067 thousand for the year ended 31 December 2018, primarily attributable to the consulting and advisory costs relating to acquisitions and the pre-Listing financing.

Selling and marketing expenses increased by €732 thousand, or 26%, from €2,843 thousand for the year ended 31 December 2017 to €3,575 thousand for the year ended 31 December 2018, to a large extent explained by higher personnel cost of €224 thousand (mainly due to acquisitions), increased expenses for marketing campaigns of €217 thousand as well as travel and representation costs of €138 thousand.

Other income / (expenses) decreased from an income of €52 thousand to an expense of €342 thousand, primarily attributable to the cost of settling contractual relationships with the former owners of PowertoPay of €510 thousand, offset by the gain on the sale of the associate undertaking in Facturis amounting to €175 thousand.

The change in the fair value of the derivative liabilities embedded in the convertible loan as per December 31, 2018 amounted to €431 thousand and is explained by the value increase of the Company's shares over the course of 2018 thus increasing the convertible element of the bonds.

(v) *Financial income*

Financial income decreased by €14 thousand, or 61%, from €23 thousand for the year ended 31 December 2017 to €9 thousand for the year ended 31 December 2018, as a result of lower interest income on the Company's outstanding cash positions.

(vi) *Financial expenses*

Financial expenses increased by €2,423 thousand, or 784%, from €309 thousand for the year ended 31 December 2017 to €2,732 thousand for the year ended 31 December 2018, primarily as a result of the effective interest charge accruing at a rate above the nominal rate of 7% per annum on the Bonds issued in 2018 in the aggregate amount of €27,550 thousand. The difference between the nominal interest rate and the effective interest rate originates from the significant impact of the conversion discount of the Bonds.

(vii) *Share of profit / (loss) of associates & joint ventures*

Share of loss of associates & joint ventures increased by €318 thousand, or 175%, from €182 thousand for the year ended 31 December 2017 to €500 thousand for the year ended 31 December 2018, primarily attributable to the Group's non-consolidated interest in Facturis, which was sold in December 2018.

(viii) *Income taxes*

Income tax expense decreased by €1,299 thousand, from an expense of €290 thousand for the year ended 31 December 2017 to a credit of €1,009 thousand for the year ended 31 December 2018. The decrease was attributable to the accounting for a deferred tax asset of €1,069 thousand from available tax losses carried forward, relating to those jurisdictions in which it is probable that the Company will be able to offset future income tax payable against tax losses carried forward.

(ix) *Profit / (loss) for the year*

Net result decreased by €6,758 thousand, from a profit of €593 thousand for the year ended 31 December 2017 to a loss of €6,165 thousand for the year ended 31 December 2018. The decrease in net result was mainly attributable to increases in costs of services, operating expenses and financial expenses, partially offset by an increase in revenue and a decrease in income tax expense.

11.6 Liquidity and capital resources

11.6.1 *Sources of funding*

The Company's liquidity requirements consist mainly of debt and tax servicing requirements and funding of its growth and working capital. The Group's principal sources of liquidity have been the Bonds, the Acquisition Facility and its equity base.

As of 30 June 2020, the Company had in total €49.2 million loans and borrowings, with a current portion of €41.1 million. The Company had in total €8.8 million lease liabilities.

During June 2020 and July 2020, the Company raised €10.4 million in new growth capital in a funding round predominantly led by pre-existing shareholders. In connection therewith, the share capital was increased following a voluntary early conversion of the majority of Bonds in the amount of €36.2 million. As a result, the Company strengthened its equity base ahead of the Listing by €46.6 million.

Specifically, on 26 June 2020, the Company completed capital increase of €7.3 million with issuance of 73,026 new shares, issued at €100.00 per share. On the same date, there was a voluntary conversion of 400 Bonds in the amount of €21.2 million with issuance of 282,086 new shares, issued at a price of €75.00 per share (i.e. 25% discount) (such conversion of bonds, together with the capital increase on the same date the **First Capital Increase**). On 17 July 2020, the Company completed capital increase of €3.1 million with issuance of 31,050 new shares, issued at €100.00 per share. On the same date, there was a voluntary conversion of 285 Bonds in the amount of €15.0 million with issuance of 200,452 new shares, issued at the price of €75.00 per share (25% discount) (such conversion of bonds, together with the capital increase on the same date the "**Second Capital Increase**", and, together with the First Capital Increase, the "**2020 Capital Increases**").

At 31 December 2019, the Company had a total of 868 issued Bonds outstanding, out of which 865 were subscribed for an aggregate nominal amount of €43.25 million and which bore interest at a nominal rate of 7% per annum. The Bonds were subscribed by existing shareholders of the Company and by certain new investors. 415 Bonds were issued on 27 April 2018, 85 Bonds were issued on 22 June 2018, 82 Bonds were issued on 30 April 2019 (of which three conditionally), 169 Bonds were issued on 20 November 2019 and 117 Bonds were issued on 20 December 2019. The Bonds are issued in registered form. At the date of this Prospectus, and following the 2020 Capital Increases (as described above), the Company still has a total of 184 issued Bonds outstanding, which are subscribed for at an aggregate nominal amount of €9.2 million, out of which €8.0 million are subscribed by PMV and €1.2 million by other private investors.

For a detailed description of the Bonds, see Section 14.7.3 – "*Bonds*". Following the completion of the Private Placement and Listing, the Bonds will automatically be converted into shares with a discount of 25% (for PMV) or 15% (for the other bondholders).

In order to refinance past acquisitions and facilitate any potential future acquisitions, the Company entered into an acquisition credit facility for a total amount of €25 million with Belfius Bank NV on 12 March 2019 (the "**Acquisition Facility**", as amended from time to time). All amounts borrowed by the Company under the Acquisition Facility have to be applied towards either the financing of permitted acquisitions or refinancing of acquisitions of ADM Solutions, Leleu Document Services and Inventive

Designers (each a “**Permitted Acquisition**”). On 4 April 2019, the Acquisition Facility was amended to, among other things, increase the total amount available under the credit facility from €25 million to €34 million and to include the acquisition of Fitek as a Permitted Acquisition. In connection with the increase in the available amount, the Company entered into a guarantee agreement with Gigarant NV on 10 April 2019 in favor of Belfius Bank NV to secure a portion of the principal amounts due by the Group under the Acquisition Facility (the “**Gigarant Guarantee**”).

The Acquisition Facility consists of facility A in the amount of €17 million (“**Facility A**”), and facility B in the amount of €17 million (“**Facility B**” and together with Facility A, the “**Facilities**”). Pursuant to the Facilities, on or before Closing of the Private Placement, the Company is required to repay all outstanding loans under Facility B, together with any break costs and accrued interest thereon. The total amount that will be repaid upon the Closing of the Private Placement is approximately €17,148,750.

In the event that a change of control (i.e. the aggregate participation of Sofias BV, PE Group NV, Smartfin Capital NV (a private investment company with fixed capital incorporated under Belgian law) (“*private privak naar Belgisch recht*” / “*pricaf privée de droit belge*”) (“**Smartfin Capital**”), Mr. Michel Delloye and the management and employees of the Company at 12 March 2019, the date of the Acquisition Facility, falling below 25% of the Shares) takes place after the Closing of the Private Placement, all Facilities will be cancelled and all outstanding loans, together with accrued interest, and all other amounts accrued under the relevant financial documents will become immediately due and payable.

To secure the Acquisition Facility, the Company has pledged all of the shares it holds in Leleu Document Services, Inventive Designers and Unifiedpost SA. Furthermore, the Company has given a first ranking omnibus pledge over its material moveable assets in the amount of €30 million and a second ranking omnibus pledge over its material moveable assets in the amount of €10.8 million. Unifiedpost Payments, Unifiedpost BV, Up-Nxt NV, Fitek and Unifiedpost SARL act as guarantors under the Acquisition Facility (each a “**Guarantor**”), whereby each Guarantor jointly and severally guarantees the performance of all payment obligations of the Company and the other Guarantors under the Acquisition Facility.

The Gigarant Guarantee provides a guarantee for 26.48% of the Company’s secured liability, which shall in any event not exceed an amount of €9 million. Pursuant to the Gigarant Guarantee, the Group cannot incur any indebtedness, other than under the Acquisition Facility or any other existing debts, without the prior written consent of the guarantor. Furthermore, the Company cannot use any of the Facilities to grant a loan or to provide any form of credit to any person, nor can it grant any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any third party or assume any third party liabilities. Lastly, no change of control on the level of the Company is permitted without the written consent of the Guarantor.

Pursuant to the Acquisition Facility, the Group is subject to various financial covenants and the Company cannot, and has to procure that no Group companies will, create or permit to subsist any security or quasi-security over any of its assets, with the exception of certain permitted securities. The Company has to procure that no substantial change is made to the general nature of the business of the Group. The Company needs to ensure that its senior adjusted leverage shall not at any time exceed 3.00:1 and the Group is subject to a semi-annual test for compliance with such requirement.

Under the Acquisition Facility, the "*senior adjusted leverage*" for a relevant period is defined as the "*senior leverage*", being the ratio of "*consolidated net financial debt*" (i.e. the aggregate amount of all obligations of members of the Group at the end of such "*relevant period*" to "*consolidated adjusted EBITDA*" for that same period, adjusted on a pro forma basis to include the effects of "*permitted acquisitions*" within a period of 12 months after the commencement of that "*relevant period*" on the "*consolidated net financial debt*", "*consolidated adjusted EBITDA*" and cash of the "*relevant period*" (in each case as if such acquisition had been completed at the beginning of the "*relevant period*"). For purposes of this calculation, the "*consolidated adjusted EBITDA*" must be read to include the operating profit before interest, tax, depreciation and amortization of the "*relevant target*" and taking into account (on a pro forma basis) "*identifiable cost savings*". All terms in between quotations marks are defined terms under the Acquisition Facility.

Furthermore, the Company cannot incur or remain outstanding any financial indebtedness, other than such indebtedness allowed under the Acquisition Facility. Lastly, the Company cannot enter into transactions with a view to sell, lease, transfer or otherwise dispose of any asset, except for such transactions with respect to obsolete or redundant assets, transactions taking place on an intra-group level or transactions being made in the ordinary course of trading.

As per 30 December 2019 and 30 June 2020, the Company was in breach of the senior adjusted leverage requirement (see Risk Factor 2.1.3(ii) - "*Unifiedpost has a history of negative net-equity (at a consolidated level) and breaches of financial covenants under its Acquisition Facility*"), as well as the covenant pursuant to which the Company cannot incur or remain outstanding any financial indebtedness (as a consequence of entering into the BMI Subordinated Loan and Bond issuances in 2019), other than such indebtedness allowed under the Acquisition Facility.

On 9 July 2020, the Company obtained a waiver from Belfius whereby Belfius agreed to waive all covenants that were in breach relating to the Acquisition Facility. The next compliance assessment with respect to the covenants under the Acquisition Facility will take place on 31 December 2020. For additional information, see Section 8.1(c) – "*Capitalization, Indebtedness and Working Capital— Capitalization and indebtedness— Covenants under the Acquisition Facility*". The Company has used the full amount available to it under the Facilities to finance its recent acquisitions. The Company will repay Facility B on the Closing Date of the Private Placement (see Section 7 – "*Use of Proceeds*").

Following the Private Placement and the repayment of the Acquisition Facility in the amount of 17 million (excluding accrued interests and break fees, estimated at €148,750).

In addition, on 19 September 2019, Financial Automation Solutions OÜ, the Estonian subsidiary of the Company holding the Fitek group of entities, entered into a Subordinated Loan Agreement with Belgische Maatschappij voor Internationale Investering NV (the "**BMI Subordinated Loan**"), with the Company acting as co-debtor. The BMI Subordinated Loan has a term of 7.5 years, carries an interest of 7% per annum and ranks after the Acquisition Facility for payment of principal and interest, as well as in the event of bankruptcy.

11.6.2 *Cash flows*

The table below sets forth the principal components of the Group's cash flows for the six months ended 30 June 2020 and 2019, and for the three years ended 31 December 2019, 2018 and 2017.

(€ thousands)	For the six months ended 30 June 2020 (unaudited)	2019 (unaudited)	For the years ended 31 December 2019 (audited	2018 (audited)	2017 (audited)
Net cash flows provided by / (used in) operating activities	4,690	(3,342)	(4,521)	(803)	4,297
Net cash flows used in investing activities	(4,560)	(28,152)	(40,774)	(18,029)	(6,287)
Net cash flows provided by financing activities	5,416	29,780	43,413	23,307	1,849
FX impact cash	(24)	-	-	-	-
Net increase/(decrease) in cash & cash equivalents	**5,522**	**(1,714)**	**(1,882)**	**4,475**	**(141)**

(i) *Cash flow provided by / (used in) operating activities*

The Company's cash inflow from operating activities increased by €8,032 thousand in the first half of 2020, from an outflow of €3,342 thousand in the six months ended 30 June 2019 to an inflow of €4,690 thousand in the six months ended 30 June 2020. The increase was primarily due to a temporary increase of the trade and other liabilities (of €9,184 thousand) ahead of the First Capital Increase moderated by negative cash contribution generated from operations before changes in working capital amounting to €3,028 thousand.

The Company's cash outflow from operating activities increased by €3,718 thousand in 2019, from an outflow of €803 thousand in the year ended 31 December 2018 to an outflow of €4,521 thousand in the year ended 31 December 2019. The decrease was primarily due to the loss for the year partly compensated by a temporary decrease in working capital.

The Company's cash flow from operating activities decreased by €5,100 thousand in 2018, from a cash flow of €4,297 thousand in the year ended 31 December 2017 to an outflow of €803 thousand in the year ended 31 December 2018. The outflow was due to an increase in other current and non-current receivables of €329 thousand and a decrease in trade and other liabilities of €1,791 thousand, as well as a negative cash generated from operations before changes in working capital. The outflow was partially offset by a decrease in trade receivables and contract assets (€2,465 thousand).

(ii) *Cash flow provided by / (used in) investing activities*

The Company's cash outflow from investing activities decreased by €23,592 thousand in the first half of 2020, from an outflow of €28,152 thousand in the six months ended 30 June 2019 to an outflow of €4,560 thousand in the six months ended 30 June 2020. The decrease was primarily due to the lower outflow for acquisition of subsidiaries compared to 2019 (which included, notably, the Fitek acquisition in the first half of 2019).

The Company's cash outflow from investing activities increased by €22,745 thousand in 2019, from an outflow of €18,029 thousand in the year ended 31 December 2018 to an outflow of €40,774 thousand in the year ended 31 December 2019. The increase was primarily due to the payments made for the acquisitions of Fitek and Unifiedpost Limited.

The Company's cash flow used in investing activities increased by €11,742 thousand in 2018, from an outflow of €6,287 thousand in the year ended 31 December 2017 to an outflow of €18,029 thousand in the year ended 31 December 2018. The increase was a result of the acquisition of subsidiaries (including

Leleu, Inventive Designers and ADMS), the acquisition of the corporate client portfolio of Facturis as well as the result of capitalizing own development expenditure.

(iii) *Cash flow provided by / (used in) financing activities*

The Company's cash flow provided by financing activities decreased by €24,364 thousand in the first half of 2020, from €29,780 thousand in the six months ended 30 June 2019 to €5,416 thousand in the six months ended 30 June 2020. The decrease was due to the important amount of proceeds from loans and borrowings in order to finance the acquisition of Fitek in 2019, whereas the figures for the six months ended 30 June 2020 mainly reflect the effect of the First Capital Increase in cash amounting to €7,303 thousand, offset by loan- and leasing repayments.

The Company's cash flow provided by financing activities increased by €20,106 thousand in 2019, from €23,307 thousand in the year ended 31 December 2018 to €43,413 thousand in the year ended 31 December 2019. The increase was due to proceeds from loans and borrowings, particularly the Acquisition Facility and the Bonds.

The Company's cash flow provided by financing activities increased by €21,458 thousand in 2018, from €1,849 thousand in the year ended 31 December 2017 to €23,307 thousand in the year ended 31 December 2018. The increase was a result of the proceeds from the Bonds the Company issued, partially offset by the interest paid on loans and borrowings and the repurchase of some vested subscription rights.

11.6.3 ***Research & Development Investments***

For the periods under discussion, the Company has made significant investments relating to research and development. In the first half of 2020, the Company invested €4,616 thousand in research and development, primarily in connection with Document platform developments and Payments solutions. In 2019, the Company invested €9,083 thousand in research and development, primarily in connection with Documents platform improvements and Payments solutions. In 2018, the Company incurred €6,803 thousand of research and development expenses, in large parts due to internally generated software related to the Company's Billtobox (community) platform and the integration of payment solutions thereon (which is one technical platform with several branded versions). In 2017, the Company spent €4,277 thousand on research and development, relating largely to internally generated software primarily related to payment solutions.

11.7 **Qualitative and quantitative disclosure about market risk**

The Group is exposed to a variety of financial risks. The Board has overall responsibility for the determination of the Group's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

11.7.1 *Credit risk*

Credit risk relates to the risk that a counterparty will fail to fulfil its contractual obligations resulting in losses suffered by the Group. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts, taking into account their financial position, past experience and other factors. For higher risk clients future credit sales are made only with approval of the Group's management. The Group monitors on a monthly basis the ageing of its trade receivables. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The Group's allowance as at 31 December 2019, 31 December 2018 and 31 December 2017 was determined as follows for both trade receivables and contract assets:

	Neither past due nor	Past due but not impaired			
31 December 2019	**impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
(€ thousands)					
Expected loss rate	0.06%	0.16%	3.70%	19.04%	0.83%
Gross carrying amount – trade receivables	8,078	3,346	371	413	12,208
Contract assets	200	-	-	-	200
Loss allowance	**5**	**5**	**14**	**79**	**103**

	Neither past due nor	Past due but not impaired			
31 December 2018	**impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
(€ thousands)					
Expected loss rate	0.06%	0.08%	1.12%	13.70%	0.65%
Gross carrying amount – trade receivables	4,746	3,560	712	343	9,361
Contract assets	73	-	-	-	73
Loss allowance	**3**	**3**	**8**	**46**	**61**

	Neither past due nor	Past due but not impaired			
31 December 2017	**impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
Expected loss rate	0.10%	0.07%	3.04%	7.67%	0.93%
Gross carrying amount – trade receivables	1,951	3,653	339	605	6,548
Contract assets	74	-	-	-	74
Loss allowance	**2**	**3**	**10**	**46**	**61**

11.7.2 *Market risk*

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) *Foreign exchange risk*

The Group operates across several countries, with its major operations in the Eurozone. It operates in each country predominately in the local currencies, including the Euro and the Romanian Lei (RON) for its development center in Romania and the British pound (GBP) for the newly acquired Unifiedpost Limited operations. The Group matches local operating revenue to costs in GBP in this market. The Group further holds an investment in a joint venture in Serbia, therefore its equity is also exposed to the

Serbian Dinar (RSD).

The Group's policy to date has not been to actively hedge the net investment position in local operations.

As the Unifiedpost Limited acquisition occurred only in 2019, the Group's exposure to foreign currencies for its revenue has been minimal to date.

At 31 December 2019, the currency risk on assets and liabilities was as follows based on notional amounts:

(thousands)	RON	GBP	RSD
Investment in joint ventures	-	-	6,394
Receivables	351	980	-
Payables	399	848	-
Loans payable	19	214	-

A 10% strengthening or weakening of the Euro against the RON and the GBP would not significantly affect reported equity. A 10% strengthening or weakening of the RSD would have increased, respectively decreased, reported equity by €639 thousand.

(ii) *Cash flow and fair value interest rate risk*

The Group's interest rate risk primarily arises from short-term and long borrowings at variable interest rates. The Acquisition Facility carries interest at Euribor + a margin. A hypothetical 1% increase or decrease of Euribor would cause interests to increase or decrease, respectively, by €340 thousand on a full year basis.

11.7.3 ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient funds available to meet future working capital requirements and to take advantage of business opportunities.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on their remaining term at the reporting dates. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments.

(€ thousands)	**< 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 years and 5 years**	**> 5 years**	**Total**
Convertible bonds	-	-	-	-	-	-
Loans & Borrowings	2,751	1,223	906	898	306	6,084
Lease liabilities	187	562	732	1,765	430	3,676
Trade & other payables	8,497	-	-	-	-	8,497
At 31 December 2017	**11,435**	**1,785**	**1,638**	**2,663**	**736**	**18,257**
Convertible bonds	-	1,879	1,929	2,302	-	6,110
Loans & Borrowings	1,414	1,892	1,067	1,839	276	6,488
Lease liabilities	323	1,000	1,715	2,603	839	6,480
Trade & other payables	9,443	-	-	-	-	9,443
At 31 December 2018	**11,180**	**4,771**	**4,711**	**6,744**	**1,115**	**28,521**
Convertible bonds	-	2,440	2,775	-	-	5,215
Loans & Borrowings	35,090	3,568	1,244	3,909	3,322	47,133

Liabilities associated with puttable non-controlling interests	-	-	-	2,000	-	2,000
Lease liabilities	725	2,027	2,190	2,433	710	8,085
Trade & other payables	14,315	603	-	-	-	14,918
At 31 December 2019	**50,130**	**8,638**	**6,209**	**8,342**	**4,032**	**77,351**
Convertible bonds	-	9,815	-	-	-	9,815
Loans & Borrowings	3,507	37,632	1,942	1,396	4,770	49,247
Liabilities associated with puttable non-controlling interests	-	-	-	8,392	-	8,392
Lease liabilities	670	1,843	1,933	2,190	560	7,196
Trade & other payables	23,035	-	-	-	-	23,035
At 30 June 2020	**27,212**	**49,290**	**3,875**	**11,978**	**5,330**	**97,685**

11.8 Significant and critical accounting policies, judgments, estimates and assumptions

The preparation of the Group's consolidated historical financial information requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the historical information presented is based on conditions that existed at the reporting date. The estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

11.8.1 *Revenue Recognition*

The Group generates the majority of its revenue from software-as-a-service (SaaS) fees, which consist primarily of periodic fixed and usage-based fees paid by its customers for access to, and usage of, its cloud-based software solutions for a specified contract term. The Group also derives revenue from professional services fees, which primarily include fees related to the implementation of its customers onto its platform, typically including discovery, configuration and deployment, integration, testing, and training, as well as other ad hoc consulting services (for example, change requests by existing customers) and managed services to users outsourcing certain network and application resource procedures. Customers may also purchase a perpetual or term license for certain software products.

Revenue is recognized as the Group transfers goods and services to customers, at amounts it expects to receive as consideration under enforceable contractual arrangements. Revenue is recognized as the Group satisfies contractual performance obligations, which can occur either at a point in time or over time.

The Group recognizes revenue according to a five-step model that involves:

- Identifying the contract (or contracts) with a customer;
- Identifying the performance obligations in the contract(s);
- Determining the transaction price;
- Allocating the transaction price to the contractual performance obligations; and
- Recognizing revenue as we satisfy the performance obligations.

The Group considers a contract to exist when it has legally enforceable rights and obligations with a customer. The Group's contracts can take a variety of forms but are normally in writing and include all major commercial terms such as the goods or services it will be obligated to transfer under the arrangement, the amount the customer is obligated to pay us upon fulfillment of the Group's obligations and the payment terms.

Performance obligations in a contract are accounted for separately if they are determined to be distinct. The Group considers a performance obligation to be distinct if that good or service is separately identified from other items in the contract and if the customer can benefit from that performance obligation on its own or together with resources that are readily available to the customer. In assessing whether a customer can benefit from a performance obligation on its own, the Group considers factors such as the interdependency or interrelationship of the item with other goods or services in the contract, the complexity of any required integration or customization and the ability of the customer's personnel or other third party providers to fulfill like goods or services. If a particular good or service is not considered to be distinct, it is combined with other performance obligations in the arrangement and revenue is recognized as the combined performance obligation is satisfied.

The transaction price is the amount of consideration the Group expects to be entitled to under a contract upon fulfillment of the performance obligations. The starting point for estimating the transaction price is the selling price stipulated in the contract, however the Group includes in the determination of the overall transaction price an estimate of variable consideration to the extent it is probable that it will not result in a significant future reversal of revenue. The Group excludes from the determination of the transaction price value-added or other taxes it bills to and collects from customers and remit to government authorities.

For contracts involving the sale of more than one good or service, the transaction price is allocated to contractual performance obligations on a relative standalone selling price basis.

Revenue is recorded, either at a point in time or over time, as the Group satisfies the performance obligations in a contract.

(i) *Subscriptions*

The Group generates subscriptions and transactions revenue through the provision of hosted SaaS-based solutions including e-invoicing, e-identity and payment processing. These can include contractually fixed revenue amounts as well as usage-based fees. Our SaaS arrangements consist of an obligation for us to provide continuous access to a technology solution that we host. They do not provide the customer with the right to take possession of our software operating our solutions suite at any time.

The Group's subscription agreements generally have annual contractual terms and a small percentage have multi-year contractual terms. Revenue is recognized rateably over the related contractual term beginning on the date that the platform is made available to a customer. Access to the platform represents a series of distinct services as the Company continually provides access to, and fulfils its obligation to the end customer, over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes revenue rateably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's contracts are generally non-cancelable. The Company typically bills annually in advance for contracts with terms of one year or longer. The Company records contract liabilities when cash payments are received or due in advance of performance to deferred revenue. Deferred revenue primarily relates to the advance consideration received from the customer.

(ii) *Transactions*

Most of our SaaS-contracts are generally also subject to variable pricing fees based on customer processing, usage or volume. The Group sees its primary performance obligation to its customers as a stand-ready commitment to provide transaction processing services as the customers require, which is satisfied over time in periodic increments. Since the timing and quantity of transactions to be processed by the Company is not determinable, the total consideration is determined to be variable consideration. The variable consideration for our transaction processing services is usage-based and therefore specifically relates to our efforts to satisfy our obligation. The Company's progress towards complete satisfaction of its performance obligation is measured using an output method: revenue is recognized based on the value of services transferred to date determined by the number of transactions processed. The variability is satisfied each time the service is provided to the customer. Services are considered to be transferred when a transaction is captured. Transaction fees are accordingly recognized over time based on the actual number of transactions processed.

When the customer is entitled to periodic discounts based on volumes of transactions, the Group estimates at the end of each financial reporting period the amount of variable consideration included in the transaction price to constrain revenue recognized as performance obligations are satisfied to the extent that a significant revenue reversal will not occur.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have historically not experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, the amount of any estimated refunds related to these agreements in the consolidated financial statements is not material during the periods presented.

(iii) *Print production*

The Group recognizes revenue from print production services offered at a point in time upon completion of the performed service and acceptance by the customer.

(iv) *Managed services*

Revenue from Managed services contracts is recognized as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value to the customer of the performance completed to date. Each performance obligation is satisfied over time as the client continuously receives and consumes the benefits of the services. The services are priced based on the number of hours spent on the contract. The amount to be billed is representative of the value of the service delivered to the customer and therefore, applying the right-to-bill practical expedient, revenue is recognized over time based on the hours spent. The related costs on resources-based contracts are expensed as incurred.

(v) *Implementation and change request services*

For certain of our hosted or SaaS solutions, customers are charged a fee for implementation services. In determining whether the implementation services are distinct from the hosting services we consider various factors, including the level of customization, complexity of the integration, the interdependency and interrelationship between the implementation services and the hosting services and the ability (or inability) of the customer's personnel or other service providers to perform the services. Where we conclude that the implementation services in our hosting arrangements with multiple performance obligations are not distinct, we recognize fees for implementation services rateably over the initial non-cancelable term of the SaaS contract.

Our change request services typically represent distinct performance obligations which are provided on a time and materials basis. Revenue for them is recognized as the services are performed.

(vi) *Sale of Licenses*

Software licenses revenue reflects non-recurring fees the Group charges to license software on a perpetual basis when the customer is allowed to install the software on his own infrastructure. For software licenses that do not include significant customization the Group recognizes revenue at the point in time where the customer has obtained access to the intellectual property and the license period has commenced. The Group's software licenses may be sold with post-contract customer support (PCS) which is comprised of technical assistance and unspecified software upgrades. Generally, the software license and PCS will each be distinct, because the software remains functional without the PCS. The Group recognizes revenue for the updates and technical support service over time using an appropriate measure of progress that reflects the transfer of control of the promise, based on costs of delivering the updates, among others.

11.8.2 ***Going concern***

Since 2018, the Group has experienced net losses and significant cash outflows from cash used in operating and investment activities. At 31 December 2019 Unifiedpost incurred an accumulated deficit of €40,420 thousand, a loss of €22,365 thousand and net cash used in operating activities of €4,521 thousand. The Group expects that, based on its current business plan, the result of the year and the cash used in operating activities will become positive as of 2021. However, the Group may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect its business plan.

The Group will need additional funds to further develop its assets and grow its operations, in line with its business plan. There is significant uncertainty about the Group's ability to continue as a going concern in case the Group would not succeed in attracting additional funding.

As at the approval date of its 2019 Company Audited Consolidated Financial Statements, the Group is of the opinion that, taking into account its available cash and cash equivalents following the recent Capital Increases, which took place after the reporting date, and additional external financing, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months following the approval date of its 2019 Company Audited Consolidated Financial Statements.

Through the Private Placement, the Group intends to strengthen its financial position and is confident that the proceeds of the Private Placement (together with its available cash and cash equivalents) will provide sufficient working capital in order to meet its present requirements and cover the working capital needs for a period of at least 12 months following the date of the approval its 2019 Company Audited Consolidated Financial Statements. As a result, the Group decided to apply the accounting principles on the basis of going concern, which assumes the recovery of the Group's assets and the satisfaction of liabilities in the normal course of business.

Should the Private Placement not be completed, the Group is confident that it will manage its working capital in a manner which enables it to continue as a going concern. Notably, the Group intends to make the necessary adjustments to its working capital requirements (such as minimizing R&D investments) and, to the extent possible, the Group will issue additional Shares or enter into new financing agreements, in particular to further finance its development costs.

If the Group fails to secure additional funding (to the extent required) on acceptable terms, the Group may be forced to delay, reduce or terminate further development or commercialization efforts with respect to all or part of its ongoing projects that currently support its growth, or the Group may be unable to maintain its current market position.

11.8.3 *Valuation of intangible assets acquired in business combinations*

Input used in the valuation models for acquisition-related intangibles are based on the following methodologies: (i) the multi-period excess earnings method for customer relationships, (ii) the replacement cost method for developed technology, and (iii) the relief from royalty method for tradenames (see also Note 5.4 of the Company Audited Consolidated Financial Statements). Customer relations are amortized over their estimated useful life, with a maximum of 10 years.

11.8.4 *Impairment testing of goodwill and non-financial assets*

Estimates of future cash flows are used when determining the recoverable value of cash generating units, including goodwill and determination of the discount rate to be applied to such future cash flows.

11.8.5 *Development expenses*

Estimate of future economic benefits to be generated by development expenditure and determination of the useful life of intangible assets for amortization purposes.

11.8.6 *Deferred tax*

Estimate of timing and amount of future taxable profits against which unused tax losses can be utilized.

11.8.7 *Fair value measurement*

Fair value measurement of the derivative embedded in the convertible bonds issued by the Company are categorized as level 3 in the fair value hierarchy of IFRS 13 Fair Value Measurement.

11.8.8 *Accounting at conversion of the Bonds*

The issuance of Shares pursuant to conversion of the Bonds leads to an increase of equity in the amount of their current fair value. However, the settlement accounting of the Bonds entails the de-recognition of (1) the conversion option (derivative liability), measured at its final fair value (up to the moment it is settled), and (2) the host liability component, which is measured at amortized cost (i.e. with interest accrued using the effective interest rate method prorated up to the settlement date).

IAS 32 gives no indication as to whether a realized gain or loss should be recognized on the host debt component upon conversion of the Bonds. From the existing guidance it follows that Unifiedpost has an accounting policy choice to either (1) recognize a realized result on the host debt liability upon conversion, for the difference between its fair value and its carrying value at amortized cost (accrued up to conversion date), or (2) transfer this carrying amount directly to equity upon conversion, without recognizing a realized result. Unifiedpost chose to apply the first option in order to reflect the fair value of the issued shares.

12 MEDIUM TERM OBJECTIVES (INCLUDING PROFIT FORECAST)

12.1 Introduction

Unifiedpost has set medium-term financial objectives with respect to “revenue growth”, “gross margin” and “Adjusted EBITDA excluding expensed R&D” (the “**Medium Term Objectives**”).

The forecasts set forth below are based on data, assumptions and estimates considered to be reasonable by Unifiedpost at the date of this Prospectus. These data and assumptions are based on Unifiedpost’s comprehensive internal business plan, which includes detailed budgeting based on a top-down approach, and may evolve or be amended due to uncertainties relating to the economic, financial, accounting, competitive, legal, regulatory and tax environment or other factors that Unifiedpost may not be aware of at the date of this Prospectus. In addition, the occurrence of certain risks described in Section 3 – “*Risk Factors*” could have an impact on Unifiedpost’s activities, financial situation, results or perspectives and could therefore challenge these forecasts. In addition, the fulfilment of forecasts and objectives requires the success of Unifiedpost’s strategy. Unifiedpost therefore makes no commitment or warranty regarding the fulfilment of the Medium Term Objectives set out in this Section.

The Medium Term Objectives, the forecasts included therein and the underlying assumptions, have been compiled and prepared on a basis which is (i) in accordance with the provisions of Delegated Regulation (EU) No 2019/980 supplementing the Prospectus Regulation, (ii) in accordance with the ESMA recommendations on profit forecasts, (iii) comparable with the Company Consolidated Financial Statements, and (iv) consistent with the accounting policies applied to the Company Consolidated Financial Statements).

BDO Bedrijfsrevisoren CVBA has neither examined, compiled nor performed any procedures with respect to the accompanying prospective financial information and, accordingly, BDO Bedrijfsrevisoren CVBA does not express an opinion or any other form of assurance with respect thereto. The BDO Bedrijfsrevisoren CVBA report(s) included in this Prospectus relate to the Company's historical financial information. It does not extend to the prospective financial information and should not be read to do so.

Unifiedpost notes that the opinions, forecasts, estimates, projections or predictions regarding the evolution of Unifiedpost’s “revenue growth”, “gross margin” and “Adjusted EBITDA excluding expensed R&D” made by research analysts covering Unifiedpost, may differ from the Medium Term Objectives set by Unifiedpost. Unifiedpost considers the Medium Term Objectives to be conservative, compared to its internal budget. Unifiedpost does not endorse or comment on the accuracy of the figures, the reasonableness of any assumptions, opinions, forecasts, estimates, projections or predictions made by the analysts covering Unifiedpost or the likelihood of achieving any forecast, projection, prediction or any other figures set forth in the range of estimates presented by such analysts, and Unifiedpost makes no warranty or representation in this respect. Unifiedpost does not assume any obligation to publicly correct or comment on any discrepancies between consensus or average data and its own internal budget. Unifiedpost assumes no responsibility for outliers among the analysts.

12.2 Medium Term Objectives

12.2.1 *Revenue growth*

In 2020, Unifiedpost expects to continue its organic growth with a minor impact by COVID-19 on expected growth rate. As from 2021, Unifiedpost expects to accelerate organic revenue growth, after which Unifiedpost is targeting as from 2022 an annual organic revenue growth rate of more than 25%.

12.2.2 *Gross margin*

Unifiedpost aims to achieve a gross margin of more than 60% by 2023.

12.2.3 *Adjusted EBITDA excluding Expensed R&D margin*

Unifiedpost aims to improve its adj. EBITDA margin excl. expensed R&D to levels above 25% by 2023 by benefitting from the operational leverage and an increasing gross margin.

12.3 Assumptions underlying the Medium Term Objectives

12.3.1 *Assumptions on factors that Management can influence*

- In general, Unifiedpost is able to execute its strategy as set forth in Section 19.4, including by growing its existing customer base, creating new Business Ecosystems, adding new Corporate customers, expanding its service offering and expanding internationally (see also Risk Factors 2.1.1(i) – "*Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices*" and 2.1.1(ii) – "*Unifiedpost's strategy of growing its business organically and adding more SME customers to its Business Ecosystem solutions is highly dependent upon Sponsors and may prove unsuccessful, including as a result of the more complex and unpredictable sales cycle and roll-out for SME customers*").
- Specifically, Unifiedpost assumes that:
  - Unifiedpost is able to increase its overall organic revenues in the medium term.
  - Within the Revenue from Repeated Services, Unifiedpost is able to increase the part coming from subscription revenue.
  - Unifiedpost is able to increase its gross margin in the near term as a result of amongst others the integration of recent acquisitions and offering the Group's base and premium offering to the acquired customers.
  - Unifiedpost is able to increasingly shift the revenue mix towards Identity, Payments and Platform Services. The increasing contribution from the digital service offering of Unifiedpost's one-stop-shop solution for SME Ecosystems will lead to a higher value per customer due to the incremental cross- and upselling potential and consequently support a higher gross margin.
  - The cumulative personnel costs, G&A costs and selling and marketing costs decrease to a level of around 35% of revenue. Assuming increasing revenues in the medium term, the Company will benefit from a higher utilization of its platform and decreasing employee expenses for G&A in percentage of revenue, which is referred to as operational leverage.

12.3.2 ***Assumptions on factors that Management cannot influence***

- The assumptions concerning market growth as set forth in Section 19.2.1 – "*Market size and growth*".
- The competitive landscape in the markets in which Unifiedpost is active does not materially change (see Risk Factor 2.1.1(i) – "*Unifiedpost faces significant competition from both established and new companies with similar strategies or similar offerings of products and services, which may limit Unifiedpost's ability to increase revenue, maintain or increase customer renewals and maintain prices*").
- There will be no materially adverse changes to the regulatory framework (including relevant tax legislation) applicable to Unifiedpost and key regulatory drivers of Unifiedpost's strategy (such as correct and timely implementation of PSD2, mandatory e-Invoicing and use of identity tools) evolve as anticipated (see Risk Factor 2.2.4 – "*Unifiedpost is partly dependent on the adoption of new regulations and the correct and timely implementation thereof, including the implementation of XS2A under PSD2 by financial institutions in various jurisdictions*").
- COVID-19 will have as from 2021 a positive impact on business evolution with an acceleration in the demand of digital services in the market (see Risk Factor 2.1.4(i) – "*The outbreak of COVID-19 has impacted and may continue to impact the business of Unifiedpost Group and its Corporate and SME* customers").
- No material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations such as force majeure (e.g. fire, floods, hurricanes, storms, earthquakes, terrorist attacks or global pandemics), strikes, exceptional macroeconomic events or wars.

13 INFORMATION ON THE PRIVATE PLACEMENT AND LISTING

13.1 Purpose of this Prospectus - Listing on Euronext Brussels

There has not yet been a public market for the Shares.

This Prospectus is produced in connection with the admission to listing and trading of all outstanding Shares of the Company (i.e. all existing Shares, the Placement Shares - up to a maximum number of 9,722,222 Shares - and the new Shares to be issued pursuant to the conversion of the Bonds – up to a maximum number of 671,020 Shares (see Section 14.7.3 – "*Bonds*") on the regulated market of Euronext Brussels (the **Listing**). The Shares that are admitted to Listing will have no nominal value and will represent the Company's entire Share Capital.

The Shares are expected to be listed under the symbol "UPG" with an ISIN code of BE0974371032.

Listing and conditional trading, on and "*if-and-when-issued/delivered*" basis, on the regulated market of Euronext Brussels is expected to commence on or about 22 September 2020 (the **Listing Date**). Unconditional trading is expected to commence on or about 24 September 2020 and will start at the latest on the Closing Date.

The Company reserves the right to withdraw the Listing in case the (i) the Private Placement is withdrawn or suspended (see Section 13.4.5 – "*Withdrawal and suspension of the Private Placement*"), (ii) the minimum amount set for the Private Placement is not raised or (iii) the Underwriting Agreement is terminated.

Investors who wish to effect transactions in Shares prior to the Closing Date, whether such transactions are effected on the regulated market of Euronext Brussels or otherwise, should be aware that the issuance and delivery of the Placement Shares may not take place on the expected Closing Date or at all, if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or do not occur on or prior to such date.

Euronext Brussels may annul all transactions effected in the Shares if the Placement Shares are not delivered on the Closing Date. Euronext Brussels cannot be held liable for any damage arising from the listing and trading on an "*if-and-when-issued/delivered*" basis as of the Listing Date until the expected Closing Date.

In order to provide potential investors in the Shares of the Company after the Listing with the necessary information on the Company's envisaged Private Placement, which is expected to be completed on the Closing Date, the Company has included detailed information on the Private Placement in this Section.

13.2 Key dates

The key dates in connection with the Private Placement and Listing are summarized in the following table. The Company reserves the right to amend the timing in case of unforeseen circumstances, in case of early closing or suspension of the Private Placement Period or in case the Underwriting Agreement is not executed or is terminated.

Expected start of the Private Placement Period	18 September 2020
Expected end of the Private Placement Period	21 September 2020 at 06:00 p.m. (CEST)
Expected publication of the Placement Price and	21 September 2020

results of the Private Placement	
Expected Listing Date (listing and start of conditional trading)	22 September 2020
Expected Closing Date	24 September 2020
Expected last possible exercise of the Over-allotment Option	22 October 2020

13.3 Decision of the Company regarding the Private Placement and conditions precedent to the Private Placement

At the extraordinary Shareholders' Meeting of the Company held on 31 August 2020, it was decided to increase the Company's Share Capital by a contribution in cash for a maximum amount equal to €175,000,000, through the issuance of maximum 14,583,333 new Shares within a preliminary price range of €12 and €20, subject to the conditions precedent of (i) the FSMA approving the Prospectus, (ii) the execution of the Underwriting Agreement and the absence of termination of this Agreement pursuant to its provisions, (iii) the delivery by a representative of the Underwriters of a bank certificate in respect of the capital increase in cash (certifying that the proceeds of the Private Placement have been received in the blocked bank account of the Company in accordance with Article 7:195 of the BCCA), and (iv) the confirmation of admission to trading and listing of the Shares of the Company on the regulated market of Euronext Brussels (the "**Conditions Precedent to the Private Placement**"). In addition, the Company reserves the right to suspend or withdraw the Private Placement at any time prior to the allocation of the Placement Shares. Any withdrawal or suspension of the Private Placement will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg and, to the extent legally required, in a Prospectus Supplement (see Section 13.4.1 – "*Nature and Size of the Private Placement*").

In connection with the issuance of the new Shares, the preferential subscription rights of the existing Shareholders of the Company have been cancelled, including by way of a (partial) cancellation in favour of the Pre-Committed Investors), in accordance with Article 7:191 and 7:193 of the BCCA.

On 17 September 2020, an "ad hoc committee" comprised of AS Partners BV (represented by Stefan Yee), Sofias BV (represented by Hans Leybaert), Jinvest BV (represented by Jürgen Ingels) and Laurent Marcelis, decided, on the basis of an explicit power of attorney granted by the same extraordinary Shareholders' Meeting of 31 August 2020 and as an "ad hoc committee" and not as a sub-committee of the Board of Directors (in accordance with Article 7:98 BCCA), to set the final Price Range from €18.00 to €20.00 and the maximum number of Shares at 9,722,222.

13.4 Terms and conditions of the Private Placement

13.4.1 *Nature and Size of the Private Placement*

The Private Placement relates to the issuance by the Company of maximum 9,722,222 newly issued Placement Shares, within a Price Range between €18.00 and €20.00 per Placement Share, and – as the case may be – the sale of up to 2,430,554 existing Shares pursuant to the exercise of the Increase Option (see Section 13.9 - "*Increase Option*") and up to 1,822,915 existing Shares pursuant to the exercise of the Over-allotment Option (see Section 13.10 - "*Over-allotment Option and Stabilization*"), in each case to Qualified Persons only. In the Private Placement, the Company targets to raise the maximum gross proceeds in the amount of €175 million.

The Private Placement consists solely of private placements to "Qualified Persons", i.e. (i) qualified investors (as defined in article 2(e) of the Prospectus Regulation) and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and/or 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation in Belgium and various other jurisdictions outside the United States and (ii) in the United States only persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A under the US Securities Act). The Private Placement outside the United States will be made in compliance with Regulation S under the US Securities Act.

The aggregate number of Shares in the Private Placement may, pursuant to the Increase Option, be increased by up to 25% of the aggregate number of Placement Shares initially offered through the Private Placement of up to 2,430,554 existing Shares from the holdings of the Selling Shareholders. Any decision to exercise the Increase Option will be communicated at the latest, on the date of the announcement of the Placement Price (see Section 13.9 - "*Increase Option*").

The actual number of Placement Shares will only be determined after the Private Placement Period and will be announced by means of a Company press release. Such publication is currently expected to be made on or about 21 September 2020 and in any event no later than the first business day after the end of the Private Placement Period.

The Company reserves the right to withdraw or suspend the Private Placement or to reduce the minimum amount of the Private Placement at any time prior to the Allocation of the Placement Shares. The minimum amount of the Private Placement has been set at the amount of Pre-Commitments received by the Company, below which the Private Placement will not be completed (unless the minimum amount is being reduced). Any withdrawal of the Private Placement or reduction of the number of Placement Shares will be announced by means of a Company press release, through electronic information services such as Reuters or Bloomberg as well as through a Prospectus Supplement.

Unifiedpost, the Selling Shareholders, the Underwriters and Euronext Brussels NV/SA do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Private Placement or the related annulment of any transaction on the regulated market of Euronext Brussels.

13.4.2 ***Pre-Commitments***

Prior to the Private Placement, the Pre-Committed Investors have already irrevocably committed themselves vis-à-vis the Company to subscribe for Placement Shares in the Private Placement at the final Placement Price, in exchange for a guaranteed allocation, for an aggregate amount of approximately €98 (assuming a USD to EUR conversion rate of 0.8409 as per 15 September 2020 – Source: European Central Bank) million upon completion of the Private Placement, subject only to the following conditions at the date of this Prospectus: (i) full allocation of their respective Pre-Commitment, (ii) the Company not being under any obligation during the Private Placement Period to publish a Prospectus Supplement as a result of a material mistake or material inaccuracy relating to the information in the Prospectus, and (iii) the completion of the Private Placement on or prior to 30 September 2020. In the event the Private Placement is oversubscribed, the Pre-Commitments will not be reduced but will be entirely allocated with priority to the Pre-Committed Investors.

An overview of the Pre-Commitments is set out in the following table:

Pre-Committed Investor	Amount of the Pre-	Number of Placement	% of Placement

	Commitment (1)	Shares (based on the mid-point of the Price Range)(2)	Shares (based on the mid-point of the Price Range) (2)
Funds advised by Capital International Investors	€ 36,579,213 ($ 43,500,000)	1,925,221	6.2%
Swedbank Robur Fonder AB	€ 22,500,000	1,184,210	3.8%
Legal & General Investment Management	€ 15,000,000	789,473	2.6%
Invesco Asset Management Limited	€ 10,846,780	570,883	1.8%
WCM Investment Management	€ 6,727,212 ($ 8,000,000)	354,063	1.1%
Sycomore Asset Management	€ 6,000,000	315,789	1.0%
Total	€ 97,653,204	5,139,639	16.6%

Note (1): assuming a conversion rate of USD to EUR equal to 0.8409 (Source: European Central Bank – exchange rate as per 15 September 2020).
Note (2): assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range and (iii) assuming full exercise of the Increase Option and the Over-allotment Option, (iv) conversion of the Bonds, (v) a full exercise of the Investment Subscription Rights.

The Pre-Committed Investors are not bound by any contractual lock-up restrictions (see Section 13.8 – "*Standstill and lock-up restrictions*").

13.4.3 *Placement Price*

The Placement Price will be determined on the basis of a bookbuilding process in which only Qualified Persons can participate, taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Placement Shares requested, the size of purchase orders received, the condition of the investors submitting such purchase orders and the prices at which the purchase orders were made, as well as market conditions at that time.

The Placement Price is expected to be within the Price Range of €18.00 and €20.00 per Placement Share. The Price Range has been determined by the Company following recommendations from the Underwriters, taking into account market conditions and factors including but not limited to (i) the condition of the financial markets, (ii) the Company's financial position, (iii) qualitative assessment of the demand for the Placement Shares, and (iv) all other factors deemed relevant.

The Price Range is indicative and the Placement Price may be set within the Price Range or below the lower end of the Price Range but will not exceed the higher end of the Price Range. In case the Placement Price is set below the lower end of the Price Range, this will be published by means of a Company press release and the Company will publish a Prospectus Supplement. Any changes to narrow the Price Range will not give rise to an obligation to publish a Prospectus Supplement and will not automatically void purchase orders that have already been submitted.

Certain members of the Board of Directors and Management Committee (and certain persons affiliated thereto) have acquired Shares of the Company pursuant to the capital increases on 26 June 2020 and 17 July 2020. At the event of these capital increases, the Shares of the Company were issued against an issue price of €75.00 (for conversion of the Bonds) and €100.00 (for the Shares issues in exchange for a contribution in cash) see Section 14.7.2 – "*Share Capital History*").

13.4.4 *Private Placement Period*

The Private Placement Period will begin on 18 September 2020 and is expected to close no later than 06:00 p.m. (CEST) on 21 September 2020, subject to the possibility of an early closing, suspension or extension. The Prospectus will be made available as of the first day of the Private Placement Period.

Any changes to the Private Placement Period (i.e., an extension, suspension or early closing of the Private Placement Period) will be announced by means of a Company press release, and the dates for each of pricing, allocation, publication of the Placement Price and the results of the Private Placement, "*as-if-and-when issued and/or delivered*" trading and closing of the Private Placement will in such case be adjusted accordingly. The Private Placement Period can only be closed earlier in case of a coordinated action between the Underwriters.

Furthermore, the Company reserves the right to withdraw the Private Placement at any time up to the closing of the Private Placement (see Section 12.2(e) – "*Withdrawal and suspension of the Private Placement* ").

13.4.5 ***Withdrawal and suspension of the Private Placement***

The Company reserves the right to withdraw the Private Placement or suspend the Private Placement Period should the Underwriting Agreement not be signed. Furthermore, the Company reserves the right to withdraw or suspend the Private Placement if the Underwriting Agreement is dissolved in the circumstances as described in the Underwriting Agreement (see Section 13.7.1 – "*Underwriting agreement*"). Such withdrawal of the Private Placement or the suspension of the Private Placement Period can occur up to the closing of the Private Placement.

The Company also reserves the right to withdraw the Private Placement or suspend the Private Placement Period if the Board of Directors, following recommendations from the Underwriters, is of the opinion that the quality and quantity of the subscriptions received is of such nature that the Private Placement cannot be closed in the interest of the Company.

Any withdrawal of the Private Placement or suspension of the Private Placement Period will be published in the financial press, by means of a press release, through electronic information services such as Reuters or Bloomberg. To the extent required, a Prospectus Supplement will be published. In the event of a withdrawal of the Private Placement, all orders received will automatically be cancelled and withdrawn, and investors will not have any claim to the delivery of the Shares or any compensation.

In the event of withdrawal of the Private Placement or suspension of the Private Placement Period, the Issuer will also be able to withdraw the application for Listing of all Shares on the regulated market Euronext Brussels, and will immediately notify Euronext Brussels NV of this.

13.4.6 ***Prospectus Supplement***

A Prospectus Supplement will be published in accordance with Article 23 of the Prospectus Regulation in the event an important new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares arises between the time when the Prospectus is approved and the Closing Date or the Listing Date, whichever occurs later (see Section 3.3 – "*Prospectus* Supplement").

An important factor may include but is not limited to: (i) a withdrawal of the Private Placement, (ii) a decrease of the lower limit of the Price Range or if the Placement Price is set below the lower end of the Price Range, (iii) a reduction of the minimum amount of the Private Placement during the Private Placement Period, or (iv) the non-execution or termination of the underwriting agreement.

13.4.7 ***Allocation***

The allocation of the Placement Shares will be determined at the end of the Private Placement Period on or about 21 September 2020 (subject to early closing, suspension or extension) by the Company, in consultation with the Sole Global Coordinator.

The results of the Private Placement and the Placement Price will be announced by means of a Company press release, which is currently expected to take place on or about 21 September 2020 and in any event no later than the first business day after the end of the Private Placement Period.

In the event that the Private Placement is oversubscribed, investors (save for the Pre-Committed Investors) may receive fewer Placement Shares than they applied to subscribe for.

13.4.8 ***17.1.3Tax on Stock Exchange Transactions17.1Taxation in BelgiumForm of the Placement Shares and Delivery***

The Placement Shares will have the same rights and benefits as the other Shares, including the right to dividends for the financial year ending 31 December 2020, *pro rata temporis* as from the Closing Date, and future years. For a further description of the Shares and the rights and benefits attached thereto, see Section 14 **-** "*Information on the Company, its Share Capital and the Articles of Association*".

All Placement Shares will be delivered on or around 24 September 2020 in book-entry form only and will be credited to investors' securities accounts via Euroclear Belgium.

Investors who, after delivery, wish to have their shares registered, should request that the Company record the Shares in the Company's share register.

Holders of registered shares may request that their registered shares be converted into dematerialized shares and vice versa. Any costs incurred in connection with the conversion of Shares into another form will be borne by such shareholders.

All Placement Shares will be fully paid-up upon their delivery and freely transferable, subject to what is set forth under Section 13.5- "*Plan of distribution of the Shares*".

13.4.9 ***Authorizations***

The Private Placement, the issuance of the Placement Shares and required amendments to the Company's Articles of Association, have been approved by the extraordinary Shareholders' Meeting of the Company on 31 August 2020, subject to certain conditions precedent. This Prospectus has been approved by the Board of Directors of the Company on 17 September 2020.

In connection with the issuance of the Placement Shares, the preferential subscription rights of the existing Shareholders of the Company have been cancelled, including by way of a (partial) cancellation in favour of the Pre-Committed Investors), in accordance with Article 7:191 and 7:193 of the BCCA, by the extraordinary Shareholders' Meeting of the Company on 31 August 2020.

On 17 September 2020, an "ad hoc committee" comprised of AS Partners BV (represented by Stefan Yee), Sofias BV (represented by Hans Leybaert), Jinvest BV (represented by Jürgen Ingels) and Laurent Marcelis, decided, on the basis of an explicit power of attorney granted by the same extraordinary Shareholders' Meeting of 31 August 2020 and as an "ad hoc committee" and not as a sub-committee of the Board of Directors (in accordance with Article 7:98 BCCA), to set the final Price Range from €18.00

to €20.00 and the maximum number of Shares at 9,722,222.

13.4.10 ***Interest of natural and legal persons involved in the Private Placement***

(i) *Underwriters*

Assuming placement of the maximum number of Placement Shares (including the full exercise of the Increase Option), that the Placement Price is at the mid-point of the Price Range and that the Over-allotment Option is exercised in full, the underwriting fees will be maximum €10.1 million (including any incentive fees). The underwriting fees of a maximum of €10.1 million (including any incentive fees), will be paid by the Company. The Company has also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Private Placement up to a maximum amount of €595,000.

All fees and expenses related to the Private Placement (including those related to the Increase Option and Over-allotment Option) will be borne by the Company.

Certain Underwriters and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received and may in the future, receive customary fees and commissions.

The Company and/or other members of the Group have only entered into one agreement with the Underwriters, namely an Acquisition Facility with Belfius (see Section 11.6.1– "*Sources of funding*").

Additionally, the Underwriters and/or their respective affiliates may have held and in the future may hold, in the ordinary course of their business, the Company's securities for investment purposes. In respect thereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations. As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Placement Shares, or with the Company's interests.

References in this Prospectus to Placement Shares being offered or placed should be read as including any placement of Placement Shares through any of the Underwriters or any of their respective affiliates acting in such capacity, in accordance with the Underwriting Agreement. The Underwriters may not, in the event of full subscription or oversubscription to the Private Placement, acquire for their own account, either directly or indirectly, any Placement Shares. The Underwriters may not allocate Placement Shares to third parties where such allocations involve direct or indirect advantages (for members of the placement syndicate).

In addition certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Placement Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with (potential) investors' and the Company's interests.

(ii) *Shareholders*

The Selling Shareholders (i.e. PE Group NV, Smartfin Capital, Michel Delloye and EJF Funding Designated Activity Company) have granted an irrevocable and unconditional Increase Option to Berenberg, on behalf of itself and the Underwriters, to increase the number of Placement Shares by up to 25% through the offering of up to 2,430,554 existing Shares from their holdings. See Section 12.7 – "*Increase Option*".

Certain Selling Shareholders (i.e. PE Group NV, Smartfin Capital and Mr. Michel Delloye) have also granted Berenberg, as Stabilization Manager, on behalf of itself and the Underwriters, an irrevocable and unconditional Over-allotment Option to purchase additional Shares in an aggregate amount equal to up to 15% of the number of Placement Shares sold in the Private Placement (including pursuant to any effective exercise of the Increase Option) at the Placement Price to cover over-allotments or short positions, if any, in connection with the Private Placement. In order to be able to effect any over-allotments made prior to the exercise of the Over-allotment Option, it is expected that the Selling Shareholders will lend a corresponding number of shares to the Stabilization Manager. See Section 12.8 – "*Over-allotment Option and Stabilization*".

The Company will not receive any of the proceeds of the Increase Option and Over-allotment Option, all of which will be paid to the Selling Shareholders. The Company will bear the costs related to the exercise of the Increase Option and Over-allotment Option.

As a result of the completion of the Private Placement and the conversion of the Bonds, the Adjustment Subscription Rights and Anti-Dilution Subscription Rights will be cancelled (see Sections 14.7.7 – "*Anti-Dilution Subscription Rights*" and 0 – "

Adjustment Subscription Rights"). Therefore, the existing Shareholders of the Company who do not hold Anti-Dilution Subscription Rights and/or Adjustment Subscription Rights have an interest in the completion of the Private Placement, as they otherwise could face dilution of their shareholding in the Company upon the exercise of these Subscription Rights.

The Shares held by the Selling Shareholders, the Reference Shareholders and Other Shareholders shall be subject to the lock-up and standstill undertakings set forth in Section 13.8 – "*Standstill and lock-up restrictions*".

(iii) *Bondholders*

At the date of this Prospectus, the Company has a total of 184 issued Bonds outstanding, which have been subscribed for an aggregate nominal amount of €9.2 million by PMV, Michael Howells, Colin Manson and Martin Hurley. Following the completion of the Private Placement, the Bonds will automatically be converted into Shares on the Closing Date (see Section 14.7.3 – "Bonds"). Such Shares shall be subject to the lock-up and standstill undertakings set forth in Section 13.8 – "*Standstill and lock-up restrictions*".

(iv) *Other*

Except as disclosed above, no party has a material interest in the Private Placement other than the Company's management and the Company (see Section 16.6 – "*Conflicts of Interest*").

13.5 **Plan of distribution of the Shares**

13.5.1 ***No public offering***

No public offer is being made and no one has taken any action that would or is intended to, permit a public in any country or jurisdiction, where any such action for such purpose is required. No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly and neither this Prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the price of purchase.

13.5.2 ***Selling Restrictions***

The selling restrictions set forth in Section 4 – "*Notices to prospective investors – selling restrictions*" apply to the Shares and the Private Placement and should be read in conjunction with the transfer restrictions set forth in Section 21 – "*Transfer restrictions".*

13.6 **Intentions of Shareholders, Bondholders, Directors and Managers**

13.6.1 *Shareholders*

The Company has not received any indication from the existing Shareholders that such persons have the intention to participate in the Private Placement.

13.6.2 *Bondholders*

The Company has not received any indication from the Bondholders that such persons have the intention to participate in the Private Placement.

13.6.3 *Directors*

The Company has not received any indication from the existing or future members of the Board of Directors (see Section 15.2(b) – "*Composition of the Board of Directors*") that such persons have the intention to participate in the Private Placement.

13.6.4 *Management*

The Company has not received any indication from the existing members of the Management Committee (see Section 15.2(g)(iv) – "*Management Committee*") that such persons have the intention to participate in the Private Placement.

13.7 **Placing and underwriting**

13.7.1 ***Underwriting agreement***

The underwriters in respect of the Private Placement are Joh. Berenberg, Gossler & Co KG. a limited partnership ("*Kommanditgesellschaft"*) incorporated under the laws of Germany, having registered office at Neuer Jungfernstieg 20, 20354 Hamburg, Germany, registered with the local court of Hamburg under the number HRA 42659 ("**Berenberg**" or the "**Sole Global Coordinator**") and Van Lanschot Kempen Wealth Management N.V., a limited liability company ("*naamloze vennootschap*") incorporated under the laws of the Netherlands, having registered office at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, registered with the Chamber of Commerce in 's-Hertogenbosch under the number 16038212 ("**Kempen & Co**"), Bank Degroof Petercam NV/SA, a limited liability company ("*naamloze vennootschap*" / "*société anonyme*") incorporated under the laws of Belgium, having its registered address at Nijverheidslaan 44, 1040 Brussels and registered with the Crossroads Bank for Enterprises under number 403.212.172 (**"Bank Degroof Petercam"**) and Belfius Bank NV/SA, a limited liability company ("*naamloze vennootschap*" / "*société anonyme*") incorporated under the laws of Belgium, having its registered address at Karel Rogierplein 11, 1210 Sint-Joost-Ten-Node and registered with the Crossroads Bank for Enterprises under number 403.201.185 ("**Belfius Bank**") (together with the Sole Global Coordinator the "**Joint Bookrunners**" and "**Underwriters**").

The Company, the Selling Shareholders and the Underwriters expect to enter into an Underwriting Agreement on 21 September 2020 with respect to the offer and sale of the Placement Shares in the Private Placement and the granting of the Increase Option and Over-Allotment Option by the Selling Shareholders. Entering into the Underwriting Agreement may depend on various factors, including, but not limited to, market conditions and the result of the bookbuilding process. Subject to certain conditions set forth in the Underwriting Agreement, the Company will agree to issue the Placement Shares and the Underwriters will severally agree to purchase, with a view to immediate placement with investors, the Placement Shares.

The Underwriters will offer the Placement Shares at the Placement Price. Assuming placement of the maximum number of Placement Shares (including the full exercise of the Increase Option), that the Placement Price is at the mid-point of the Price Range and that the Over-allotment Option is exercised in full, the underwriting fees will be €6.3 million. This does not include any incentive fees which may be paid at the discretion of the Company. Any incentive fees will be capped to an amount of €3.48 million. The Company has also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Private Placement up to a maximum amount of €595,000.

The Underwriting Agreement is expected to provide that the Underwriters have the right to terminate the Underwriting Agreement and their obligation thereunder to purchase and deliver the Placement Shares if (i) in the reasonable opinion of the Sole Global Coordinator (acting in consultation with the other Underwriters) (x) any statement contained in any publication is, or has become, or has been discovered to be, inaccurate or misleading in any material respect, (y) any matter has arisen which would, if a publication was to be issued at that time, constitute a material inaccuracy or omission therefrom, (ii) any matter has arisen which would, in the reasonable opinion of the Sole Global Coordinator (acting in consultation with the other Underwriters), require under Belgian law the publication of a supplement to the Prospectus or a supplement or addendum to the other publications within the meaning of article 23 of the Prospectus Regulation, and the Sole Global Coordinator (acting in consultation with the other Underwriters) has not explicitly confirmed to the Company at the occasion of the publication of such addendum that they would waive their right to terminate the Underwriting Agreement on this ground, (iii) there has been a breach by any of the Group Companies, Management, the Company or the Selling Shareholders of any of the representations and warranties given by them and contained in the Underwriting Agreement, (iv) the Company and/or the Selling Shareholders have not complied with the undertakings and other obligations set out in the Underwriting Agreement, (v) in the reasonable opinion of the Sole Global Coordinator (acting in consultation with the other Underwriters), there shall have been or it is likely that there will be a Material Adverse Effect since the date of the Underwriting Agreement (whether or not foreseeable at the date of the Underwriting Agreement), (vi) any of the conditions precedent to the Underwriting Agreement has not been satisfied and has not been waived by the Sole Global Coordinator (acting in consultation with the other Underwriters) by the time by which they are expressed to be satisfied, (vii) the application for trading is withdrawn by Euronext Brussels, (viii) the Company fails to issue the number of Placement Shares and/or one of the Selling Shareholders fails to deliver its number of Shares to be put at the Sole Global Coordinator's disposal in light of the Increase Option or the Over-allotment Option, (ix) a Specified Event shall have occurred (such as, but not limited to, a material adverse change in the financial markets in Belgium, the Netherlands, Germany, the United Kingdom or the United States of America, a suspension or material limitation in trading of the Shares or of financial instruments generally on the regulated market of Euronext Brussels).

In the event that the Underwriting Agreement is not executed or is executed but subsequently terminated, a Prospectus Supplement shall be published (see Section 13.4.5 – "*Withdrawal and suspension of the Private Placement*").

13.7.2 ***Financial Service***

From the Listing Date, the financial service for the Shares of the Company will be provided by Euroclear Belgium. Should the Company alter its policy in this respect, this will be announced in accordance with applicable law.

13.7.3 ***Other relationships with the Underwriters***

See Section 13.4.10 – "*Interest of natural and legal persons involved in the Private Placement* ".

13.8 **Standstill and lock-up restrictions**

13.8.1 ***The Company***

The Company is expected to agree pursuant to the Underwriting Agreement (which is expected to be entered into on 21 September 2020) that it will not, and will procure that none of its subsidiaries will, for a period of 180 days from the Closing Date, without the prior written consent of the Sole Global Coordinator and at least one of the other three Underwriters, acting on behalf of the Underwriters (subject to certain limited exceptions): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other securities of the Company, or any securities convertible into or exercisable or exchangeable for Shares or other securities of the Company, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other securities of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing will however not apply to (i) the issue or sale of the Shares to be sold in the Private Placement, (ii) the granting of awards in options or Shares by the Company or the issuance of Shares upon exercise of options or subscription rights granted by the Company to employees, consultants, directors or other service providers pursuant to recruitment, incentive or retention schemes (and as the case may be, the acquisition of Shares by the Company with a view to transferring such Shares to such persons), (iii) the issuance of Shares pursuant to the conversion of the Bonds, each time as set forth in this Prospectus.

13.8.2 *The Selling Shareholders*

The Selling Shareholders (i.e. PE Group NV, Smartfin Capital, Michel Delloye and EJF Funding Designated Activity Company) are expected to agree pursuant to the Underwriting Agreement (which is expected to be entered into on 21 September 2020) that for a period of 180 days from the Closing Date, they will not, without the prior written consent of the Sole Global Coordinator and at least one of the other three Underwriters (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other securities of the Company, or any securities convertible into or exercisable or exchangeable for Shares or other securities of the Company, or request or demand that the Company file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other securities of the Company, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The restrictions to which the Selling Shareholders (and certain of their shareholders) are subject shall however not prohibit the Selling Shareholder or its relevant shareholders from (i) disposing or lending of Shares for the purposes of the Private Placement, (ii) accepting a general offer for all of the share capital of the Company, giving an irrevocable commitment to accept such an offer, or disposing of Shares to an offer or or potential offer or during the period of such an offer, (iii) any disposal required by law, regulation or a court of competent jurisdiction, and (iv) transferring Shares intra-group, intra-family or to any other Existing Shareholders (subject to such transferee being bound by the lock-up undertakings as set forth in this Section 13.8.2), and (v) transferring of any Shares or other securities of the Issuer starting as from the 91th day after the Closing Date (until the end of the lock-up period) provided that the relevant Selling Shareholder shall have requested and obtained the prior written approval of the Sole Global Coordinator and at least one of the three other Underwriters acting reasonably.

13.8.3 *The Bondholders and Reference Shareholders*

The Bondholders (PMV, Michaels Howells, Colin Manson and Martin Hurley) and Reference Shareholders (DVP Invest BV, EJF Debt Opportunities Master Fund L.P., FPIM – SFPI NV and Pegavica CV) have agreed pursuant to separate lock-up letters, for a period of 180 days from the Closing Date, that they, their respective subsidiaries or other affiliates (as defined pursuant to the BCCA) or any person acting on their behalf, will not, except with the prior written consent of the Sole Global Coordinator and at least one of the other three Underwriters: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend, exchange or otherwise transfer or dispose of (a) any Shares held by such Bondholder or Reference Shareholder at the date of the Underwriting Agreement (if any), (b) any Shares such Bondholder or Reference Shareholder would receive as a result of a conversion of any convertible bonds of the Company (including, for the avoidance of doubt, the Bonds) held by such Bondholder or Reference Shareholder at the date of the Underwriting Agreement (if any); or (c) any Shares such Bondholder or Reference Shareholder would receive as a result of an exercise of any subscription rights of the Company (including, for the avoidance of doubt, the Subscription Rights) held by such Bondholders or Reference Shareholders at the date of the Underwriting Agreement (if any), including, for the avoidance of doubt, (x) any of the Shares into which the aforementioned shares have been split pursuant to the decision of the extraordinary Shareholders' Meeting of the Issuer on 31 August 2020 to proceed with a stock split by factor 10 (for the purpose of this Section 13.8.3 the "**Locked Shares**"), and (y) any securities or rights issued or agreed to by the Company and held by the Bondholders or Reference Shareholders at the date of the Underwriting Agreement (if any) that are convertible into or exercisable or exchangeable for Shares (including the Shares into which such securities or rights may be converted, exercised or exchanged) (together with the Locked Shares, for the purpose of this Section 13.8.3, the "**Locked Securities**"), or request or demand that the Company file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap, any arrangement, any derivative transaction or issue any instruments that transfer (conditionally or unconditionally, now or in the future) to a third party all or part of the economic risk, benefits, rights or ownership of any Locked Securities, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Locked Securities or other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transfer.

The restrictions to which the Bondholders and Reference Shareholders will be subject (including the restriction to announce any (intention to) transfer (of) Locked Securities) shall not operate so as to hinder the automatic conversion of the bonds referred to sub (i)(b) above or the exercise of any subscription rights referred to sub (i)(c) above (it being understood that the Shares acquired by such exercise shall remain subject to the lock-up) and shall not prohibit the Bondholders and Reference Shareholders from: (i) accepting a public take-over or tender offer (including, for the avoidance of doubt, by way of cash settlement of Locked Securities) on all ordinary Shares (other than the Shares already owned by the offeror or potential offeror or persons affiliated with, acting as intermediary for, or acting in concert with such offeror or such potential offeror) or voting in favour of a merger proposal, giving an irrevocable commitment to accept such an offer or vote in favour of such a merger proposal, or transferring Locked Securities to an offeror or potential offeror during the period of such an offer, (ii) transferring Locked Securities if and to the extent required by law, regulation or a court of competent jurisdiction, (iii) transferring Locked Securities (x) if the Bondholder or Reference Shareholder is a legal entity, either to affiliated persons (as defined in article 1:20 BCCA) or to one or more legal successors (who are, or thereby become, affiliated persons), or (y) if the Bondholder or Reference Shareholders is a natural person, either intra-family, to affiliated persons (as defined in article 1:20 BCCA) or to one or more legal successors pursuant to the death of such Bondholder or Reference Shareholder, provided in each case that each such transferee shall continue to be bound by the lock-up for the remainder of the lock-up period, (iv) transferring Locked Securities to any other Existing Shareholder, provided in each case that each such transferee shall continue to be bound by the lock-up for the remainder of the lock-up period, or (v) transferring Locked Securities starting as from the 91st day after the closing date of the

Transaction until the end of the lock-up period, provided that such Bondholder or Reference Shareholders has requested and obtained the prior written approval of the Sole Global Coordinator and one of the other three Underwriters, acting reasonably.

13.8.4 *The Other Shareholders*

The Other Shareholders have agreed pursuant to separate lock-up letters, for a period of 180 days from the Closing Date, that they, their respective subsidiaries or other affiliates (as defined pursuant to the BCCA) or any person acting on their behalf, will not, except with the prior written consent of the Sole Global Coordinator and at least one of the other three Underwriters: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend, exchange or otherwise transfer or dispose of (a) any Shares held by such Other Shareholder at the date of the Underwriting Agreement (if any), (b) any Shares such Other Shareholder would receive as a result of a conversion of any convertible bonds of the Company (including, for the avoidance of doubt, the Bonds) held by such Other Shareholder at the date of the Underwriting Agreement (if any); or (c) any Shares such Other Shareholder would receive as a result of an exercise of any subscription rights of the Company (including, for the avoidance of doubt, the Subscription Rights) held by such Other Shareholders at the date of the Underwriting Agreement (if any), including, for the avoidance of doubt, (x) any of the Shares into which the aforementioned shares have been split pursuant to the decision of the extraordinary Shareholders' Meeting of the Issuer on 31 August 2020 to proceed with a stock split by factor 10 (for the purpose of this Section 13.8.4, the "**Locked Shares**"), and (y) any securities or rights issued or agreed to by the Company and held by the Other Shareholders at the date of the Underwriting Agreement (if any) that are convertible into or exercisable or exchangeable for Shares (including the Shares into which such securities or rights may be converted, exercised or exchanged) (together with the Locked Shares, for the purpose of this Section 13.8.4, the "**Locked Securities**"), or request or demand that the Company file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap, any arrangement, any derivative transaction or issue any instruments that transfer (conditionally or unconditionally, now or in the future) to a third party all or part of the economic risk, benefits, rights or ownership of any Locked Securities, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Locked Securities or other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transfer.

The restrictions to which the Other Shareholders will be subject (including the restriction to announce any (intention to) transfer (of) Locked Securities) shall not operate so as to hinder the automatic conversion of the bonds referred to sub (i)(b) above or the exercise of any subscription rights referred to sub (i)(c) above (it being understood that the Shares acquired by such exercise shall remain subject to the lock-up) and shall not prohibit the Other Shareholders from: (i) accepting a public take-over or tender offer (including, for the avoidance of doubt, by way of cash settlement of Locked Securities) on all ordinary Shares (other than the Shares already owned by the offeror or potential offeror or persons affiliated with, acting as intermediary for, or acting in concert with such offeror or such potential offeror) or voting in favour of a merger proposal, giving an irrevocable commitment to accept such an offer or vote in favour of such a merger proposal, or transferring Locked Securities to an offeror or potential offeror during the period of such an offer, (ii) transferring Locked Securities if and to the extent required by law, regulation or a court of competent jurisdiction, (iii) transferring Locked Securities (x) if the Other Shareholder is a legal entity, either to affiliated persons (as defined in article 1:20 BCCA) or to one or more legal successors (who are, or thereby become, affiliated persons), or (y) if the Other Shareholder is a natural person, either intra-family, to affiliated persons (as defined in article 1:20 BCCA) or to one or more legal successors pursuant to the death of such Other Shareholder, provided in each case that each such transferee shall continue to be bound by the lock-up for the remainder of the lock-up period, or (iv) transferring Locked Securities to any other Existing Shareholder, provided in each case that each such transferee shall continue to be bound by the lock-up for the remainder of the lock-up period.

Between (i) the 61st day and 90th day, (ii) the 91st day and 120th day, (iii) the 121st day and 150th day, and (iv) the 151st day and 160th day, each time after the first day of trading of the Shares on the regulated market of Euronext Brussels (for the purpose of this Section 13.8.4, each a "**Disposal Period**"), the Other Shareholders are permitted to transfer up to 20% of the Locked Securities per Disposal Period (for the purpose of this Section 13.8.4, the "**Transferable Securities**"), subject to the Company's CFO's and the Sole Global Coordinator's approval.

In order to ensure a coordinated transfer of any of the Transferable Securities during the Disposal Periods, the Other Shareholders must indicate their intention to transfer Transferable Securities (including the exact number of Transferable Securities) to the Company's CFO at the latest on the third business day preceding the respective Disposal Period. The Company's CFO will (in his sole discretion) provide a summary of received selling intentions to the Sole Global Coordinator on the second business day preceding the respective Disposal Period in order to discuss the form of the coordinated sale, which could include an accelerated book build offering or a private placement with guaranteed price or a sale to selected buyers (for the purpose of this Section 13.8.4, the "**Block Trade**").

The form and timing of a coordinated sale during a Disposal Period will be jointly decided by the Company's CFO and the Sole Global Coordinator, the latter's approval not to be unreasonably withheld but *it being understood that* the Sole Global Coordinator shall not be obliged to accept a Block Trade if (i) the aggregate selling intentions received by the CFO for the respective Disposal Period do not reach a threshold of 50% of all Transferable Securities potentially to be sold during such Disposal Period, (ii) the required KYC procedures for participating shareholders and set up of a customary settlement structure cannot be completed, (iii) no agreement can be found on documentation for the Block Trade typically required for such contemplated transaction (for the avoidance of doubt, including the applicable customary fee, if any, for the Sole Global Coordinator) or (iv) the Sole Global Coordinator's internal committees do not approve the Block Trade. For the avoidance of doubt, in the event a Block Trade is the preferred way to structure the coordinated sale and any of the conditions set forth under (ii), (iii) or (iv) are not fulfilled or cannot reasonably be fulfilled (in time) without prejudicing the right of the Other Shareholders to transfer their respective Transferable Securities during a specific Disposal Period, the Company's CFO shall have the right to appoint any of the other Underwriters or any other candidate underwriter to conduct such Block Trade. Any sale price determined in a Block Trade will be applicable to all participating Other Shareholders. Any Block Trade during a subsequent Disposal Period may occur at the earliest on the 21st calendar day following a preceding Block Trade.

In the event an Other Shareholder decides not to transfer any Transferable Securities or participate in a Block Trade during a specific Disposal Period, such Other Shareholder may transfer the Transferable Securities that have not been transferred in an expired Disposal Period to a subsequent Disposal Period, *it being understood that* (i) such Transferable Securities will only be considered for transfer by the Company's CFO and the Sole Global Coordinator to the extent that the Other Shareholders have not indicated to transfer all of the Transferable Securities related to such subsequent Disposal Period, and (ii) the number of Transferable Securities that can be transferred by all Other Shareholders during any Disposal Period may never exceed 20% of the aggregate number of Transferable Securities. The maximum number of Locked Securities to be sold during a Disposal Period is calculated separately for each Other Shareholder and the relevant threshold of 20% applies to each Other Shareholder individually and shall not be netted in any form.

13.8.5 ***Management***

In addition, Management has agreed pursuant to separate lock-up letters that for a period of 360 days from the Closing Date, they, their subsidiaries and affiliates (as defined pursuant to the BCCA) or any persons acting on their behalf, will not, except with the prior written consent of the Sole Global Coordinator and at least one of the other three Underwriters: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend, exchange or otherwise transfer or dispose of (a) any Shares held by Management at the date of the Underwriting Agreement (if any), or (b) any Shares a Manager would receive as a result of an exercise of any subscription rights of the Company held by such Manager at the date of the Underwriting Agreement (if any), including, for the avoidance of doubt, (x) any of the Shares into which the aforementioned Shares have been split pursuant to the decision of the extraordinary Shareholders' Meeting of 31 August 2020 to proceed with a stock split by factor 10 (for purposes of this Section 13.8.5, the "**Locked Shares**"), and (y) any securities or rights issued or agreed to by the Company and held by Management at the date of this letter (if any) that are convertible into or exercisable or exchangeable for shares in the Issuer (including the shares in the Issuer into which such securities or rights may be converted, exercised or exchanged) (together with the Locked Shares, for purposes of this Section 13.8.5, the "**Locked Securities**"), or request or demand that the Company file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, or (ii) enter into any swap, any arrangement, any derivative transaction or issue any instruments that transfer (conditionally or unconditionally, now or in the future) to a third party all or part of the economic risk, benefits, rights or ownership of any Locked Securities, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Locked Securities or other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transfer.

The transfer restrictions to which Management is subject (including the restriction to announce any (intention to) transfer (of) Locked Securities) shall not operate so as to hinder the exercise of any subscription rights referred to sub (a)(ii) above (it being understood that the Shares acquired by such exercise shall remain subject to the lock-up) and shall not prohibit Management from: (i) granting any pledge over Locked Securities, provided that if such pledge is enforced, the transferees of such Locked Securities agree to be bound by the same lock-up, (ii) accepting a public take-over or tender offer (including, for the avoidance of doubt, by way of cash settlement of Locked Securities) on all Shares of the Company (other than the Shares already owned by the offeror or potential offeror or persons affiliated with, acting as intermediary for, or acting in concert with such offeror or such potential offeror) or voting in favor of a merger proposal, giving an irrevocable commitment to accept such an offer or vote in favor of such a merger proposal, or transferring Locked Securities to an offeror or potential offeror during the period of such an offer, (iii) transferring Locked Securities if and to the extent required by law, regulation or a court of competent jurisdiction, or (iv) transferring Locked Securities (x) if the Manager is a legal entity, either to affiliated persons (as defined in article 1:20 BCCA) or to one or more legal successors (who are, or thereby become, affiliated persons), or (y) if the Manager is a natural person, either intra-family, to affiliated persons (as defined in article 1:20 BCCA) or to one or more legal successors pursuant to the death of a Manager, provided in each case that each such transferee shall continue to be bound by the lock-up for the remainder of the lock-up period.

13.8.6 *Pre-Committed Investors*

The Pre-Committed Investors shall not be subject to any contractual lock-up arrangements pursuant to the Underwriting Agreement.

13.9 Increase Option

The Selling Shareholders (i.e. PE Group NV, Smartfin Capital, Michel Delloye and EJF Funding Designated Activity Company) are expected to grant an irrevocable and unconditional option to Berenberg, on behalf of itself and the Underwriters, to increase the number of Placement Shares by up to 25% through the private placement of up to 2,430,554 existing Shares from their holdings. Any decision to exercise the Increase Option will be communicated at the latest on the date of announcement of the Placement Price, which is currently expected to be on or around 21 September 2020.

PE Group NV, Smartfin Capital and Michel Delloye shall sell, with priority over EJF Funding Designated Activity Company, up to a maximum of 1,458,331 Shares to be sold following the exercise of the Increase Option (i.e. representing 15% of the maximum number of New Shares), in the proportions as set forth below:

Name	% participation in the Increase Option
PE Group NV	31.40%
Smartfin Capital	31.40%
Mr. Michel Delloye	37.20%

In the event the number of Shares to be sold following the exercise of the Increase Option exceeds 1,458,331 Existing Shares, EJF Funding Designated Activity Company will consequently sell up to a maximum of 694,790 Shares (i.e. representing 100% of the Shares held by EJF Funding Designated Activity Company in the Company).

In the event the number of Existing Shares to be sold following the exercise of the Increase Option exceeds 2,153,121 Shares, PE Group NV, Smartfin Capital and Michel Delloye shall sell the remaining number of Shares to be sold following the exercise of the Increase Option, in the same proportions as set forth above.

13.10 Over-allotment Option and Stabilization

Certain Selling Shareholders (i.e. PE Group NV, Smartfin Capital and Michel Delloye) are expected to grant to the Stabilization Manager, on behalf of itself and the Underwriters, an Over-allotment Option, i.e., an option to purchase additional Shares in an aggregate amount equal to up to 15% of the aggregate number of subscribed Placement Shares initially offered and the existing Shares sold pursuant to the effective exercise of the Increase Option, up to a maximum number of 1,822,915, to cover over-allotments or short positions, if any, at the Placement Price and in the following proportions:

Name	% participation in the Over-allotment Option
PE Group NV	35.30%
Smartfin Capital	35.30%
Michel Delloye	29.40%

The Over-allotment Option may be exercised for a period of 30 days following the Listing Date. In order to be able to effect any over-allotments made prior to the exercise of the Over-allotment Option, it is expected that the aforementioned Selling Shareholders will lend a corresponding number of Shares to the Stabilization Manager.

In connection with the Private Placement, the Stabilization Manager or its agents may, during the Stabilization Period and to the extent permitted by applicable law, over-allot and effect transactions to stabilize the price of the Shares or any options, subscription rights or rights with respect to or other interest in, the Shares or other securities of the Company. These activities may support the market price of the Shares at a level higher than that which might otherwise prevail and may affect the price of the Shares or any options, subscription rights or rights with respect to or other interest in, the Shares or other securities of the Company. Stabilization will not be executed above the Placement Price. Such transactions may be effected on Euronext Brussels, in the over-the-counter markets or otherwise. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time and must be executed within the Stabilization Period.

During the Stabilization Period the Stabilization Manager will publicly disclose the details of all Stabilization transactions within seven daily market sessions following the date of execution of such transaction.

Within five (5) working days after the end of the Stabilization Period, the following information will be made public: (i) whether or not stabilization was undertaken, (ii) the date on which stabilization started, (iii) the date on which stabilization last occurred, (iv) the price range within which stabilization was carried out, for each of the dates on which stabilization transactions were carried out, (v) the final size of the Private Placement, including the result of the Stabilization and the exercise of the Over-allotment Option, if any, and (vi) the trading venue on which the stabilization transactions were carried out, where applicable.

13.11 **Information on the Selling Shareholders**

PE Group NV, Smartfin Capital, Michel Delloye and EJF Funding Designated Activity Company, as the Selling Shareholders, are expected to sell up to a total (maximum) number of 4,253,469 Shares in the framework of the Increase Option and the Over-allotment Option (see Sections 13.9 – “*Increase Option*” and 13.10 – “*Over-allotment Option and Stabilization*”). The Shares currently held by and potential dilution of the Selling Shareholders is set forth in Section 13.12 – “*Dilution*” below. Pursuant to the Underwriting Agreement, the Selling Shareholders are expected to agree to certain lock-up restrictions, as set forth in Section 13.8.2 – “*The Selling Shareholders*”.

Additional information on the Selling Shareholders is included in the below table:

NAME	BUSINESS ADDRESS	RELATIONSHIP VIS-À-VIS THE COMPANY
PE Group NV	Grauwmeer 1/41 box 67, 3001 Leuven (Belgium)	AS Partners BV is a director (permanently represented by Stefan Yee) of PE Group NV, as well as a director of the Company (permanently represented by Stefan Yee). Stefan Yee is also a minority Shareholder of PE Group NV and a Shareholder of the Company.
Smartfin Capital	Priester Cuypersstraat 3, 1040 Brussels (Belgium)	Jürgen Ingels is a minority shareholder and "key executive" of Smartfin Capital and a Shareholder of the Company, as well as the permanent representative and shareholder of Jinvest BV, a director and Shareholder of the Company.
Mr. Michel Delloye	Avenue du Derby 12, 1050 Brussels (Belgium)	Mr. Michel Delloye is the permanent representative of Cytifinance NV, a director of the Company.
EJF Funding Designated Activity Company	Palmerston House, Ferian Street, Dublin 2 (Ireland)	N/A

13.12 **Dilution**

As a result of the issuance of Placement Shares to be sold by the Company in the Private Placement, the economic interest and the voting interest of the current Shareholders will be diluted. The maximum dilution for the current Shareholders would be 31.6%, based on the targeted maximum gross proceeds of €175 million and assuming that the Placement Price is at the low-end of the Price Range.

Also, the conversion of the Bonds upon completion of the Private Placement (see Section 14.7.3 – "Bonds") will further dilute the current Shareholders. The number of Shares to be issued upon conversion of the Bonds will depend on the Placement Price. The number of Shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Placement Price minus a discount of 25% (for PMV) or 15% (for the other Bondholders). If the Placement Price is set at the low-end of the Price Range, 671,020 Shares will be issued upon conversion of the Bonds and the additional dilution for the Shareholders would be 2.1%. If the Placement Price is set at the high end of the Price Range, 603,920 Shares will be issued upon conversion of the Bonds.

The following table presents the ownership of the Shares, on a fully diluted basis:

1) immediately prior to the completion of the Private Placement;
2) giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) no exercise of the Increase Option or Over-allotment Option, (iv) conversion of the Bonds, and (v) a full exercise of the Investment Subscription Rights;
3) giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) no exercise of the Increase Option and full exercise of the Over-allotment Option, (iv) conversion of the Bonds, and (v) a full exercise of the Investment Subscription Rights;
4) giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) a full exercise of the Increase Option and Over-allotment Option, (iv) conversion of the Bonds, and (v) a full exercise of the

Investment Subscription Rights; and

Taking into account the low-end of the Price Range of €18.00, the Anti-Dilution Subscription Rights cannot be exercised and will therefore expire upon completion of the Private Placement.

Taking into account the fact that the remaining Bonds will automatically be converted following completion of the Private Placement (see Section 14.7.3 – "*Bonds*"), the Adjustment Subscription Rights cannot be exercised and will therefore expire on the Closing Date.

Shareholder	Number of Shares	% Shares	Number of Subscription Rights	% Subscription Rights	Number of Shares (fully diluted)	% Shares (fully diluted)
Scenario 1 (immediately prior to the completion of the Private Placement)						
				(1)	**(2)**	
Sofias BV	3,904,970	18.55%	100,000	55.24%	4,904,970	21.46%
PE Group NV	2,360,290	11.21%	3,125	1.73%	2,391,540	10.46%
Smartfin Capital	2,366,430	11.24%	8,500	4.70%	2,451,430	10.72%
Michel Delloye	1,925,000	9.15%	1,250	0.69%	1,937,500	8.48%
DVP Invest BV (Dirk Van Praag)	1,188,700	5.65%	0	0%	1,188,700	5.20%
Pegavica CV	834,450	3.96%	0	0%	834,450	3.65%
FPIM – SFPI NV	720,590	3.42%	0	0%	720,590	3.15%
EJF Debt Opportunities Master Fund L.P.	720,590	3.42%	0	0%	720,590	3.15%
EJF Funding Designated Activity Company	694,790	3.30%	0	0%	694,790	3.04%
Other[(1)]	6,332,260	30.09%	68,147	37.65%	7,013,730	30.68%
Total	**21,048,070**	**100.00%**	**181,022**	**100.00%**	**22,858,290**	**100.00%**

Note 1: The Subscription Rights do not include the Adjustment Subscription Rights or the Anti-Dilution Subscription Rights, given that the Adjustment Subscription Rights will expire following the conversion of the Bonds and that the Anti-Dilution Subscription Rights will expire following the Private Placement, taking into account the low-end of the Price Range..

Note 2: These columns do not take into account the dilutive effect of conversion of the Bonds, the Adjustment Subscription Rights or the Anti-Dilution Subscription Rights.

Scenario 2 (giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) no exercise of the Increase Option or Over-allotment Option, (iv) conversion of the Bonds, and (v) a full exercise of the Investment Subscription Rights)						
Sofias BV	3,904,970	12.6%	100,000	55.2%	4,904,970	15.0%
PE Group NV	2,360,290	7.6%	3,125	1.7%	2,391,540	7.3%
Smartfin Capital	2,366,430	7.7%	8,500	4.7%	2,451,430	7.5%
Michel Delloye	1,925,000	6.2%	1,250	0.7%	1,937,500	5.9%
DVP Invest BV	1,188,700	3.8%	0	0.0%	1,188,700	3.6%
Pegavica CV	834,450	2.7%	0	0.0%	834,450	2.6%
FPIM – SFPI NV	720,590	2.3%	0	0.0%	720,590	2.2%
EJF Debt Opportunities Master Fund L.P.	720,590	2.3%	0	0.0%	720,590	2.2%
EJF Funding Designated Activity Company	694,790	2.2%	0	0.0%	694,790	2.1%
Funds advised by Capital International Investors	1,925,221	6.2%	0	0.0%	1,925,221	5.9%
Swedbank Robur Fonder AG	1,184,210	3.8%	0	0.0%	1,184,210	3.6%
Legal & General Investment Management	789,473	2.6%	0	0.0%	789,473	2.4%
Invesco Asset Management Limited	570,883	1.8%	0	0.0%	570,883	1.7%
WCM Investment Management	354,063	1.1%	0	0.0%	354,063	1.1%
Sycomore Asset	315,789	1.0%	0	0.0%	315,789	1.0%

Management						
Other[(1)]	11,038,850	35.7%	68,147	37.6%	11,720,320	35.8%
Total	**30,894,299**	**100.0%**	**181,022**	**100.0%**	**32,704,519**	**100%**

Scenario 3 (giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise the targeted maximum gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) no exercise of the Increase Option and full exercise of the Over-allotment Option, (iv) conversion of the Bonds, and (v) a full exercise of the Investment Subscription Rights)						
Sofias BV	3,904,970	12.6%	100,000	55.2%	4,904,970	15.0%
PE Group NV	1,872,593	6.1%	3,125	1.7%	1,903,843	5.8%
Smartfin Capital	1,878,733	6.1%	8,500	4.7%	1,963,733	6.0%
Michel Delloye	1,518,816	4.9%	1,250	0.7%	1,531,316	4.7%
DVP Invest BV	1,188,700	3.8%	0	0.0%	1,188,700	3.6%
Pegavica CV	834,450	2.7%	0	0.0%	834,450	2.6%
FPIM – SFPI NV	720,590	2.3%	0	0.0%	720,590	2.2%
EJF Debt Opportunities Master Fund L.P.	720,590	2.3%	0	0.0%	720,590	2.2%
EJF Funding Designated Activity Company	694,790	2.2%	0	0.0%	694,790	2.1%
Funds advised by Capital International Investors	1,925,221	6.2%	0	0.0%	1,925,221	5.9%
Swedbank Robur Fonder AG	1,184,210	3.8%	0	0.0%	1,184,210	3.6%
Legal & General Investment Management	789,473	2.6%	0	0.0%	789,473	2.4%
Invesco Asset Management Limited	570,883	1.8%	0	0.0%	570,883	1.7%
WCM Investment Management	354,063	1.1%	0	0.0%	354,063	1.1%
Sycomore Asset Management	315,789	1.0%	0	0.0%	315,789	1.0%
Other	12,420,428	40.2%	68,147	37.6%	13,101,898	40.1%
Total	**30,894,299**	**100.0%**	**181,022**	**100.0%**	**32,704,519**	**100%**

Scenario 4 (giving effect to the Private Placement, assuming (i) a full placement of the number of Placement Shares required to raise the targeted gross proceeds of €175 million, (ii) that the Placement Price is at the mid-point of the Price Range, (iii) a full exercise of the Increase Option and Over-allotment Option, (iv) conversion of the Bonds, and (v) a full exercise of the Investment Subscription Rights)						
Sofias BV	3,904,970	12.6%	100,000	55.2%	4,904,970	15.0%
PE Group NV	1,245,807	4.0%	3,125	1.7%	1,277,057	3.9%
Smartfin Capital	1,251,947	4.1%	8,500	4.7%	1,336,947	4.1%
Michel Delloye	819,153	2.7%	1,250	0.7%	831,653	2.5%
DVP Invest BV	1,188,700	3.8%	0	0.0%	1,188,700	3.6%
Pegavica CV	834,450	2.7%	0	0.0%	834,450	2.6%
FPIM – SFPI NV	720,590	2.3%	0	0.0%	720,590	2.2%
EJF Debt Opportunities Master Fund L.P.	720,590	2.3%	0	0.0%	720,590	2.2%
EJF Funding Designated Activity Company	0	0.0%	0	0.0%	0	0.0%
Funds advised by Capital International Investors	1,925,221	6.2%	0	0.0%	1,925,221	5.9%
Swedbank Robur Fonder AG	1,184,210	3.8%	0	0.0%	1,184,210	3.6%
Legal & General Investment Management	789,473	2.6%	0	0.0%	789,473	2.4%
Invesco Asset Management Limited	570,883	1.8%	0	0.0%	570,883	1.7%
WCM Investment Management	354,063	1.1%	0	0.0%	354,063	1.1%
Sycomore Asset Management	315,789	1.0%	0	0.0%	315,789	1.0%
Other[(1)]	15,068,453	48.8%	68,147	37.6%	15,749,923	48.2%
Total	**30,894,299**	**100.0%**	**181,022**	**100.0%**	**32,704,519**	**100%**

14 INFORMATION ON THE COMPANY, ITS SHARE CAPITAL AND THE ARTICLES OF ASSOCIATION

14.1 General

This Section summarizes information relating to the Company's Share Capital, the Articles of Association, certain material rights of its Shareholders under Belgian law and the Group structure. The contents of this Section are derived primarily from the Articles of Association, which were adopted by the extraordinary Shareholders' Meeting held on 31 August 2020. The entry into force of the amendments to the Articles of Association is conditional upon and will take effect as of the realization of the Conditions Precedent to the Private Placement.

This Section provides details of certain provisions of Belgian law and information on the Company's group structure. The description provided hereafter is only a summary and does not purport to provide a complete overview of the Articles of Association or the relevant provisions of Belgian law.

14.2 Legal and Commercial Name

The legal and commercial name of the Company is "Unifiedpost Group". It carries out its business (including through its subsidiaries) under the name of "Unifiedpost" and associated registered trademarks.

14.3 Legal Form and Incorporation

The Company is a public limited liability company incorporated in the form of a limited liability company ("*naamloze vennootschap*" / "*société anonyme*") under Belgian law. Pursuant to the provisions of the BCCA, the liability of the Shareholders is in principle limited to the amount of their respective committed contribution to the Share Capital.

The Company was incorporated on 26 December 2006 for an indefinite period of time pursuant to a deed published in the Annexes to the Belgian Official Gazette of 19 January 2007, under number 0011741. The Articles of Association have been amended on numerous occasions and most recently on 31 August 2020.

14.4 Registered Office

The Company is registered with the legal entities register of Brabant Wallon, under enterprise number 0886.277.617. The Company's registered office is located in the Walloon Region at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium with telephone number (+32) 2 634 06 28.

The Board of Directors is authorized to transfer the registered office to any other location in Belgium by simple decision, except in cases where the transfer would require the translation of the Articles of Association to another language in accordance with the Belgian language legislation. The transfer of the registered office will be made public by the Board of Directors in the Annexes to the Belgian Official Gazette.

Further to a decision of the Board of Directors, the Company may set up administrative offices, subsidiaries, branches and agencies, both in Belgium and abroad.

14.5 **Financial year**

The financial year of the Company starts on 1 January and ends on 31 December.

14.6 **Corporate Object**

According to the Articles of Association, the Company's corporate object is the following:

"I. For its own account or in participation with third parties:

A. Consulting in general and computer consulting in particular;

B. All types of performances related to computer services and study, design, equipment, installation, management, use and improvement of computer systems and networks, this enumeration being exemplary and not exhaustive;

C. The manufacture, wholesale, retail sale, import and export, lease, rental and hire of computer and electronic equipment and accessories, including all ancillary activities, this list being illustrative and not exhaustive;

D. Providing and organizing computer training;

E. Providing computer services on behalf of third parties; and

F. Marketing in all forms, of any new product and of any new process, whether or not related to computing, obtaining and managing patents, operating licenses, royalties and any intellectual right on products or techniques.

II. For its own account:

A. The establishment, judicious development and management of real estate; all transactions relating to real property and real rights in real property, such as financial lease, purchase, sale, exchange, construction, conversion, maintenance, leasing, renting, letting, subdivision, prospection and exploitation of real property; the purchase and sale, letting and leasing of real estate, as well as all operations directly or indirectly related to this object and which are likely to promote the return on movable and immovable property, as well as guaranteeing the proper performance of commitments made by third parties who can have the use of this movable and immovable property;

B. The constitution, judicious increase and management of movable assets, all operations, of any nature whatsoever, relating to movable property and rights, such as the acquisition, by subscription or purchase, and the management of shares, bonds, savings bonds or other movable securities, of any form whatsoever, of Belgian or foreign legal persons and companies, whether existing or to be constituted.

III. For its own account, on behalf of third parties or in participation with third parties:

A. The acquisition of shareholdings, in any form whatsoever, in all kinds of legal persons and companies, whether existing or to be formed, the stimulation, planning, coordination, development of and investment in legal persons and companies in which it has or does not have a shareholding;

B. The granting of loans and credit facilities to legal persons and companies or individuals in any form whatsoever; in this context, it can also act as guarantor or endorser, in the broadest sense, for all kinds of commercial and financial transactions, with the exception of those reserved by law for deposit banks, short-term custodians, savings banks, mortgage companies and capitalization companies;

C. To give advice of a financial, technical, commercial or administrative nature, in the broadest sense, excluding advice on investments and the investment of money; to give assistance and provide services, whether directly or indirectly, in matters of administration and finance, sales, production and general administration;

D. To assume all kinds of administrative mandates, carry out missions and perform functions;

E. To develop, purchase, sell, license or donate patents, knowhow and other intangible, durable and related assets;

F. Provide administrative and computer services;

G. Buying and selling, importing and exporting, trading on commission and representing any goods, in short: acting as a commercial intermediary;

H. Researching, developing, manufacturing or marketing new products, new forms of technology and their applications.

IV. Specific provisions:

The company can carry out all kinds of transactions of a commercial, industrial, real estate, movable or financial nature directly or indirectly connected to its corporate object or that can promote the realization of this object.

The company can have an interest, by way of contribution or merger, in any company or entity, already incorporated or to be incorporated, having an identical corporate object, related or connected to its own corporate object or which would be likely to favor in any manner the pursuit of its corporate object.

The company can provide for the administration, the supervision and the control of all affiliated companies or companies of which it has shares and any other, and to grant any loans or guarantees to them in any form and for any duration. It can be appointed as a director, manager or liquidator of another company.

The company can carry out on behalf of third parties any financial transactions, such as acquiring, by way of purchase or otherwise, any securities or real estate, receivables, partnership shares and shares in any financial, industrial and commercial companies, any portfolio or capital management action, any commitment as any kind of guarantee upon acquisition by the company of the authorizations that can be necessary for these operations.

The company can provide a guarantee both for its own and third parties' commitments, including but not limited to giving its assets in mortgage or pledge, including its business assets.

The company can carry out any activity likely to favor the accomplishment of its corporate object and to participate in such activities in any manner.

The company can perform any action and operation necessary, useful or directly or indirectly related to the accomplishment of its corporate object, or that are such as to make directly the accomplishment of this corporate object easier or to favor the development of the company.

The above enumeration is not exhaustive, so that the company can carry out any operation that, in any way whatsoever, can contribute to the realization of its corporate object.

The company can carry out its object both in Belgium and abroad, in all the ways and in all the ways that seem to it to be the most appropriate for this object.

The company can in no way engage in asset management or investment advice as referred to in laws and regulations on financial transactions and financial markets and on asset management and investment advice.

The company must refrain from any activity that is subject to regulatory provisions, provided the company itself does not comply with such provisions."

14.7 Share Capital and Shares

14.7.1 *Securities Issued by the Company*

At the date of this Prospectus, the Company's Share Capital amounts to €67,343,298.24, represented by 21,048,070 Shares without nominal value and with the same rights.

At the date of this Prospectus, the Company has a total of 184 issued Bonds outstanding, which have been subscribed for an aggregate nominal amount of €9.2 million by PMV, Colin Manson, Michael Howells and Martin Hurley, which will automatically convert upon completion of the Private Placement, into a number of Shares to be determined on the basis of the Placement Price (see Section 14.7.3 – "*Bonds*").

At the date of this Prospectus, the following subscription rights issued by the Company are outstanding:

- 100,000 "key man subscription rights", with an exercise price of €18.30 (the "**Key Man Subscription Rights**"), see Section 14.7.4 – "*Key Man Subscription Rights*";

- 55,000 "employee subscription rights" in the context of an employee subscription right (stock option) plan, with an exercise price which has been determined by the Board of Directors (the "**ESOP Subscription Rights**"), see Section 14.7.5 – "*ESOP Subscription Rights*". Currently, 1,000 ESOP Subscription Rights are not allocated;

- 30 "adjustment subscription rights" in the context of a Bond conversion and capital increase with an exercise price of €0.01 (the "**Adjustment Subscription Rights**"), see Section 0 – "

- *Adjustment Subscription* Rights".

- 30 "anti-dilution subscription rights" in the context of a Bond conversion and capital increase with an exercise price of €0.01 (the "**Anti-Dilution Subscription Rights**"), see Section 14.7.7 – "*Anti-Dilution Subscription* ".

- 26,022 "investment subscription rights" in the context of a Bond conversion and capital increase, with an exercise price of €100.00 (the "**Investment Subscription Rights**"), see Section 14.7.6 – "*Investment Subscription Rights*".

14.7.2 *Share Capital History*

At the time of the Company's incorporation, its Share Capital amounted to €361,000, represented by 3,610 shares, each representing an identical fraction of the Company's Share Capital.

On 18 December 2007, the Shareholders resolved upon a share split of the existing 3,610 Shares, thereby creating 7,220 Shares without nominal value, each representing 1/7,220th of the Share Capital. On the same day the Share Capital was increased by a contribution in cash in the amount of €480,000 with issuance of 9,600 new Shares without nominal value. The new Shares were issued at a price of €62.50 per Share (of which €50 in capital and €12.50 in issuance premium). Following the capital increase, the Share Capital amounted to €841,000 and was represented by 16,820 Shares.

On 16 October 2008 the Share Capital was increased by a contribution in cash in the amount of €300,000 with issuance of 6,000 new Shares without nominal value. The new Shares were issued at a price of €50 per Share. Following the capital increase, the Share Capital amounted to €1,141,000 and was represented by 22,820 Shares.

On 29 January 2009 the Share Capital was increased by a contribution in cash in the amount of €265,000 with issuance of 5,300 new Shares without nominal value. The new Shares were issued at a price of €50 per Share. Following the capital increase, the Share Capital amounted to €1,406,000 and was represented by 28,120 Shares.

On 27 May 2009 the Share Capital was increased by a contribution in cash in the amount of €531,250 with issuance of 10,625 new Shares without nominal value. The new Shares were issued at a price of €50 per Share. Following the capital increase, the Share Capital amounted to €1,937,250 and was represented by 38,745 Shares.

On 4 December 2009 the Share Capital was increased by a contribution in cash in the amount of €200,000 with issuance of 4,000 new Shares without nominal value. The new Shares were issued at a price of €75 per Share (of which €50 in capital and €25 in issuance premium). Following the capital increase, the Share Capital amounted to €2,137,250 and was represented by 42,745 Shares.

On 20 September 2010 the Share Capital was increased by a contribution in cash in the amount of €688,750 with issuance of 13,775 new Shares without nominal value. The new Shares were issued at a price of €50 per Share. Following the capital increase, the Share Capital amounted to €2,826,000 and was represented by 56,520 Shares.

On 30 September 2010 the Share Capital was increased by a contribution in cash in the amount of €156,250 with issuance of 3,125 new Shares without nominal value. The new Shares were issued at a price of €80 per Share (of which €50 in capital and €30 in issuance premium). Following the capital increase, the Share Capital amounted to €2,982,250 and was represented by 59,645 Shares.

On 15 December 2010 the Share Capital was increased by a contribution in cash in the amount of €75,000 with issuance of 1,500 new Shares without nominal value. The new Shares were issued at a price of €80 per Share (of which €50 in capital and €30 in issuance premium). Following the capital increase, the Share Capital amounted to €3,057,250 and was represented by 61,145 Shares.

On 5 January 2011 the Share Capital was increased by a contribution in cash in the amount of €222,350 with issuance of 4,447 new Shares without nominal value. The new Shares were issued at a price of €80 per share (of which €50 in capital and €30 in issuance premium). Following the capital increase, the Share Capital amounted to €3,279,600 and was represented by 65,592 Shares.

On 23 December 2014 an extraordinary Shareholders' Meeting decided to convert the Company from a closed limited liability company ("*besloten vennootschap met beperkte aansprakelijkheid*" / "*société privée à responsabilité limitée*") into an open limited liability company ("*naamloze vennootschap*" / "*société anonyme*").

On 29 December 2014 the Share Capital was increased a first time by a contribution in cash in the amount of €75,192.45 with issuance of 411 new Shares without nominal value. The new Shares were issued at a price of €182.95 per share. On the same date the Share Capital was increased a second time by a contribution in cash in the amount of €6,000,028.20 with issuance of 32,796 shares without nominal value, fully paid-up. The new Shares were issued at a price of €182.95 per share. Following this second capital increase, the Share Capital amounted to €9,354,820.65 and was represented by 98,799 shares. At the same date, three classes of Shares were created, whereby the Shares issued pursuant to the aforementioned first capital increase were allocated to "Class A" and the Shares issued pursuant to the second capital increase were allocated to "Class B". The Shares existing prior to these two aforementioned capital increases were allocated to "Class C". At the same occasion, the Company issued 5,466 "transaction subscription rights" with an exercise price of €182.95 (the "**Transaction Subscription Rights**") (ii) 6 "anti-dilution subscription rights" with an exercise price of €0.01 (the "**Anti-Dilution 2014 Subscription Rights**") (iii) 10,932 "cash subscription rights" with an exercise price of €91.48 (the "**Cash Subscription Rights**") and (iv) 6 "adjustment subscription rights" with an exercise price of €0.01 (the "**Adjustment Subscription Rights**"), which upon exercise would all convert into Class B Shares.

On 5 October 2015 the Share Capital was increased by a contribution in cash in the amount of €3,000,380 with issuance of 16,400 new Class B Shares without nominal value. The new Class B Shares were issued at a price of €182.95 per Share. Following the capital increase, the Share Capital amounted to €12,355,200.65 and was represented by 115,199 Shares. On the same date, the Shareholders resolved upon a split of the existing 115,199 Shares, thereby creating 4,110 Class A Shares, 491,960 Class B Shares and 655,920 Class C Shares, without nominal value. After the Share split the Share Capital amounted to €12,355,200.65 and was represented by 1,151,990 Shares. At the same occasion the Company issued 100,000 Key Man Subscription Rights with an exercise price of €18.30, which upon exercise will convert into Class C Shares (see Section 14.7.4 – "*Key Man Subscription Rights*"). Subsequently the Company issued 55,000 ESOP Subscription Rights in the context of an employee subscription right (stock option) plan, with an exercise price which has been determined by the Board of Directors (see Section 14.7.5 – "*ESOP Subscription Rights*").

On 23 December 2015 the Shareholders decided to transform 16,300 Class C Shares into 16,300 Class B Shares. At the same date the Share Capital was increased a first time by a contribution in cash in the amount of €701,988 with issuance of 38,360 Class B Shares without nominal value, fully paid-up. The new Shares were issued at a price of €18.3 per Share. Following the capital increase, the Share Capital amounted to €13,057,188.65 and was represented by 1,190,350 Shares. At the same date the Share Capital was increased a second time by a contribution in cash in the amount of €300,083.40 with issuance of 16,398 Class C Shares without nominal value. The new Shares were issued at a price of €18.3 per Share. Following the capital increase, the Share Capital amounted to €13,357,272.05 and was represented by 1,206,748 Shares. At the same date the Share Capital was increased a third time by a contribution in kind of a receivable in the amount of €399,983.10 with issuance of 21,857 Class C Shares without nominal value. The new Shares were issued at a price of €18.3 per Share. Following the capital increase, the Share Capital amounted to €13,757,255.15 and was represented by 1,228,605 Shares. At the same date the Share Capital was increased a fourth time by a contribution in kind of a receivable in the amount of €274,500 with issuance of 15,000 Class C Shares without nominal value. The new Shares were issued at a price of €18.3 per Share. Following the capital increase, the Share Capital amounted to €14,031,755.15 and was represented by 1,243,605 Shares. At the same date the Share Capital was increased a fifth time by a contribution in kind of a receivable in the amount of €274,500 with issuance of 15,000 Class C Shares without nominal value. The new Shares were issued at a price of €18.3 per Share. Following the capital increase, the Share Capital amounted to €14,306,255.15 and was represented by 1,258,605 Shares.

On 29 January 2016 the Share Capital was increased by a contribution in cash in the amount of €5,000,040 with issuance of 147,060 new Class B Shares without nominal value, fully paid-up. The new Shares were issued at a price of €34 per Share. Following the capital increase, the Share Capital amounted to €19,306,295.15 and was represented by 1,405,665 Shares.

At the same occasion the Company resolved upon a split of the existing 5,466 Transaction Subscription Rights, thereby creating 54,660 Transaction Subscription Rights, with an exercise price of €18,295. Consequently, the Share Capital was increased by a contribution in cash in the amount of €500,002.35 with issuance of 27,330 new Class B Shares without nominal value. The new Shares were issued at a price of €18.295 per Share. This capital increase is the result of the exercise of 27,330 previously granted Transaction Subscription Rights. Following the capital increase, the Share Capital of the Company amounted to €19,806,297.50 and was represented by 1,432,995 Shares. Further, the Company issued (i) 1 "Fortino anti-dilution subscription right" with an exercise price of €0.01 (the "**Fortino Subscription Right**"), and (ii) 7 "anti-dilution subscription rights" with an exercise price of €0.01 (the "**Anti-Dilution 2016 Subscription Rights**"), which upon exercise would all convert into Class B Shares. At the same time, the Shareholders decided to cancel all Cash Subscription Rights.

On 24 March 2017 the Share Capital was increased by a contribution in kind of a receivable in the amount of €437,512 with issuance of 12,868 Class C Shares without nominal value. The new Shares were issued at a price of €34 per share. Following the capital increases, the Share Capital amounted to €20,243,809.50 and was represented by 1,445,863 Shares.

On 16 June 2017 the Shareholders decided to transform 20,981 Class C Shares into 20,981 Class B Shares. At the same date the Shareholders decided to extend the term of the Key Man Subscription Rights until 5 October 2020 and cancelled the Fortino Subscription Right, the Anti-Dilution 2014 Subscription Rights and the Anti-Dilution 2016 Subscription Rights. Subsequently, the Shareholders decided to issue (i) 6 "anti-dilution subscription rights" with an exercise price of €0.01 (the "**Anti-Dilution 2017-1 Subscription Rights**"), and (ii) 6 "anti-dilution subscription rights" with an exercise price of €0.01(the "**Anti-Dilution 2017-2 Subscription Rights**"), which upon exercise would all convert into Class B Shares.

On 13 December 2017 the Share Capital was increased by a contribution in cash in the amount of €500,002.35 with issuance of 27,330 new Class B Shares without nominal value. The new Shares were issued at a price of €18.295 per Share. This capital increase is the result of the exercise of 27,330 remaining Transaction Subscription Rights. Following the capital increase, the Share Capital amounted to €20,743,811.85 and was represented by 1,473,193 Shares.

On 27 April 2018 the Shareholders of the Company decided to transform 31,400 Class C Shares into 31,400 Class B Shares, while simultaneously modifying the rights attached to the different classes of Shares. During the same meeting of the shareholders, the Share Capital was increased by a contribution in cash in the amount of €450 with issuance of 45,000 new Class A Shares without nominal value at an issue price of €0.01 per Share. Following the capital increase, the Share Capital amounted to €20,744,261.85 and was represented by 1,518,193 Shares. At the same occasion, the Anti-Dilution 2017-1 Subscription Rights, the Anti-Dilution 2017-2 Subscription Rights and the Adjustment Subscription Rights were cancelled. Following such cancellation, the Shareholders of the Company resolved on the issuance of 415 Bonds at a price of €50,000 per bond for a total amount of €20,750,000.

The Shareholders decided to issue additional Bonds at a price of €50,000 per Bond on 22 June 2018 (85 Bonds for a total amount of €4,250,000), on 30 April 2019 (82 Bonds for a total amount of €4,100,000), on 20 November 2019 (169 Bonds for a total amount of €8,450,000), on 20 December 2019 (117 Bonds for a total amount of €5,850,000).

On 20 December 2019 the Shareholders decided to extend the term of the Key Man Subscription Rights until 5 October 2025.

On 26 June 2020 the Share Capital was increased by a contribution in cash in the amount of €7,302,600 with issuance of 73,026 new Class B Shares without nominal value. The new Shares were issued at a price of €100.00 per Share. Following the capital increase, the Share Capital amounted to €28,046,861.85 and was represented by 1,591,219 Shares. On the same date, the Share Capital was subsequently increased following a voluntary conversion of 400 Bonds in the amount of €21,157,183.61 with issuance of 282,086 new Class D Shares without nominal value. The new Shares were issued at a price of €75.00 per Share. Following the capital increase, the Share Capital amounted to €49,204,045.00 and was represented by 1,873,305 Shares (the "**First Capital Increase**").

On 17 July 2020, the Share Capital was increased by a contribution in cash in the amount of €3,105,000.00 with issuance of 31,050 new Class B Shares without nominal value. The new Shares were issued at a price of €100.00 per Share. Following the capital increase, the Share Capital amounted to €52,309,045.46 and was represented by 1,904,355 Shares. On the same date, the Share Capital was subsequently increased following a voluntary conversion of 285 Bonds in the amount of €15,034,252.78 with issuance of 200,452 new Class D Shares without nominal value. The new Shares were issued at a price of €75.00 per Share. Following the capital increase, the Share Capital amounts to €67,343,298.24 and is represented by 2,104,807 Shares (the "**Second Capital Increase**", and together with the First Capital Increase, the "**Capital Increases**").

On 31 August 2020, an extraordinary Shareholders' Meeting has approved a split of the Company's then outstanding number of Shares, i.e. 2,104,807, by a factor 10. As a result, the total number of outstanding Shares of the Company amounts to 21,048,070. Furthermore, at the event of this meeting the Company's classes of Shares were cancelled, subject to fulfilment of the Conditions Precedent to the Private Placement.

The current Shareholder structure at the date of this Prospectus is set forth in Section 15.1 – "*Shareholder Structure*".

14.7.3 ***Bonds***

At the date of this Prospectus, the Company has a total of 184 issued Bonds outstanding, which are subscribed for an aggregate nominal amount of €9.2 million. The Bonds were subscribed by Participatiemaatschappij Vlaanderen NV on 27 April 2018 and 20 December 2019, as well as by Michael Howells, Colin Manson and Martin Hurley on 20 December 2019. The Bonds are issued in registered form.

Each Bond has a nominal value of €50 thousand. The Bonds bear interest as from their issue date, at the rate of 7% per annum. The maturity date of the Bonds is the earliest of (i) the completion of the Listing and (ii) 27 April 2021.

The conversion price upon automatic conversion on the maturity date shall be equal to the lower amount of (i) EUR 50 and (ii) the price per share or security giving right to (subscribe to) shares issued during the period of time from the issue date up until the maturity date (included).

Following the completion of the Private Placement, the Bonds will automatically be converted into Shares on the Closing Date. The number of Shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Placement Price minus a discount of 25% (for PMV) or 15% (for the other Bondholders). The exact number of Shares to be issued upon conversion of the Bonds is unknown at the date of this Prospectus. On the basis of hypothetical Placement Prices, the potential dilution can be calculated as follows:

- if the Placement Price is set at the low end of the Price Range, i.e. €18.00, 671,020 Shares will be issued upon conversion of the Bonds;

- if the Placement Price is set at the mid-point of the Price Range, i.e. €19.00, 635,703 Shares will be issued upon conversion of the Bonds;

- if the Placement Price is set at the high end of the Price Range, i.e. €20.00, 603,920 Shares will be issued upon conversion of the Bonds.

14.7.4 ***Key Man Subscription Rights***

On 5 October 2015, the Company issued a total of 100,000 Key Man Subscription Rights, with an exercise price of €18.30. One Key Man Subscription Right will entitle its holder to ten Shares.

All Key Man Subscription Rights were fully allocated to Sofias BV (permanently represented by Hans Leybaert).

The Key Man Subscription Rights can be exercised in whole or in part, at the sole discretion of Sofias BV at any relevant time, taking into account the expiration date thereof, being 5 October 2025.

14.7.5 ***ESOP Subscription Rights***

On 5 October 2015, the Company issued 55,000 ESOP Subscription Rights in the context of an employee subscription right (stock option) plan. One ESOP Subscription Right will entitle its holder to ten Shares.

At the date of this Prospectus, 54,000 ESOP Subscription Rights are allocated to selected participants, being Stefan Yee (2,750), Stijn Van Rompay (2,750), Aprilis BV (Tom Van Acker) (10,000), Marcelis BV (Laurent Marcelis) (2,500), DH Services BV (Geert De Herdt) (10,000), Thirdexpert Management & Consulting BV (Filip Tack) (10,000), Hans Jacobs (2,500), Nico ten Wolde (2,000), Arthur Paijens (5,500), Michel Delloye (1,000), Smartfin Capital (Jürgen Ingels) (3,500) and Jaris Management BV (1,500). 1,000 ESOP Subscription Rights are thus currently not allocated.

The ESOP Subscription Rights shall in principle vest in three equal installments of each 1/3rd of the number of ESOP Subscription Rights allocated to a selected participant on the first, second and third anniversary date of the date of grant.

During the term of the ESOP Subscription Rights, being 10 years as of 5 October 2015, vested ESOP Subscription Rights can be exercised at any time and, as the case may be, in case of a capital increase in cash in accordance with article 7:71 of the BCCA. The Board of Directors can decide, at its discretion, to foresee additional exercise periods.

The exercise price of the ESOP Subscription Rights has been determined by the Board of Directors as follows:

Beneficiary	Number	Exercise Price
Aprilis BV (held by Tom Van Acker)	10,000	€18.30
DH Services BV (held by Geert De Herdt)	10,000	€18.30
Thirdexpert Management & Consulting BV (held by Filip Tack)	10,000	€34.00
Arthur Paijens	5,500	€18.37
Smartfin Capital	3,500	€18.30
Stefan Yee	2,750	€18.30
Stijn Van Rompay	2,750	€18.30
Hans Jacobs	2,500	€34.00
Marcelis BV (held by Laurent Marcelis)	2,500	€34.00
Nico ten Wolde	2,000	€18.37
Jaris Management BV	1,500	€18.37
Michel Delloye	1,000	€18.30
Unifiedpost Group SA	1,000	€18.37

14.7.6 *Investment Subscription Rights*

On 17 July 2020, the Company issued 26,022 Investment Subscription Rights in the context of a capital increase. At the date of this Prospectus, the Investment Subscription Rights are allocated to selected participants, all of whom are also Shareholders of the Company. The Investment Subscription Rights have a term of 24 months and can be exercised at the sole discretion of their holder at any time during these 24 months. One Investment Subscription Right will entitle its holder to ten Shares (taking into account the prior Share split).

The exercise price of the Investment Subscription Rights is equal to €100.00. The Board of Directors has justified the exercise price as follows:

"*The issue and exercise price of the Investment Subscription Rights are justified by the fact that the purpose of the Investment Subscription Rights is to encourage investors to participate in the capital increases by subsequently giving them the right to make an additional investment under the same conditions for up to 25% of their initial investment over the course of the following 2 years.*"

At the date of this Prospectus, the following persons hold Investment Subscription Rights:

Shareholder / holder of Subscription Rights	Number of Subscription Rights	% Subscription Rights
Mr. Thierry Smets	250	0.96%
Mr. Luc Boelaert	250	0.96%
Parfilec Invest Coop	1,250	4.80%
Ms. Caroline Vanbiervliet	625	2.40%
Oak3Capital NV	1,250	4.80%
PE Group NV	3,125	12.00%
Mr. Stefan Yee	63	0.24%
Smartfin Capital	5,000	19.21%
Mr. Michel Delloye	250	0.96%
Mr. Michael Howells	69	0.27%
Anzel BM	1,500	5.76%
Ms. Katrien Vandermarliere	750	2.88%
Mr. Anthony Popelier	375	1.44%
Mr. Jan Santens	375	1.44%
Mr. Dries Vancanneyt	625	2.40%
Mr. Tony Beeuwsaert	5,750	22.10%
Mr. Davy Laurier	625	2.40%
Mr. Stijn Van Rompay	63	0.24%
FAMA SPRL	138	0.53%
Edmund BM	250	0.96%
Mr. Michael Brackx	125	0.48%
Mr. Arthur Paijens	500	1.92%
Mr. David Reynders	1,000	3.84%
Mr. Tom Eeckhout	125	0.48%
Guldenberg Investerings- en Participatiemaatschappij	1,000	3.84%
Mr. Carlo Claessens	250	0.96%
Mr. Steve Rousseau	250	0.96%
Mr. Bert Pauwels	63	0.24%
Rogue Capital SPRL	63	0.24%
Mr. Ingmar Symoens	63	0.24%
Total	**26,022**	**100%**

14.7.7 *Anti-Dilution Subscription Rights*

On 17 July 2020, the Company issued 30 Anti-Dilution Subscription Rights to certain Shareholders, all of which have been subscribed for, free of charge. At the date of this Prospectus, the Anti-Dilution Subscription Rights are allocated to selected participants, all of whom are also Shareholders of the Company. The Anti-Dilution Subscription Rights entitle their holders to subscribe for new Shares if and when the Company issues new Shares at a price per Share which is lower than €11.765 (taking into account the prior Share split of the Company's Shares), with the exception of issuances pursuant to a stock option or remuneration plan and issuances pursuant to the conversion of Bonds or other Subscription Rights). In case of a dilutive issuance, the Anti-Dilution Subscription Rights have to be exercised within three months as of (i) the date of such dilutive issuance, or (ii) the date the Company notified the investors that a dilutive issuance has taken or will take place (whichever comes later).

The exercise price of the Anti-Dilution Subscription Rights is equal to €0.01 per Anti-Dilution Subscription Right. The Board of Directors has justified the exercise price as follows:

"*The issue and exercise price of the Anti-Dilution Subscription Rights are justified by the fact that the Anti-Dilution Subscription Rights are intended to protect their holders against the dilutive effect of a future issuance at a lower valuation.*"

At the date of this Prospectus, the following persons hold Anti-Dilution Subscription Rights:

Shareholder / holder of Subscription Rights	Number of Subscription Rights	% Subscription Rights
Mr. Thierry Smets	1	3.33%
Mr. Luc Boelaert	1	3.33%
Parfilec Invest Coop	1	3.33%
Ms. Caroline Vanbiervliet	1	3.33%
Oak3Capital NV	1	3.33%
PE Group NV	1	3.33%
Mr. Stefan Yee	1	3.33%
Smartfin Capital	1	3.33%
Mr. Michel Delloye	1	3.33%
Mr. Michael Howells	1	3.33%
Anzel BM	1	3.33%
Ms. Katrien Vandermarliere	1	3.33%
Mr. Anthony Popelier	1	3.33%
Mr. Jan Santens	1	3.33%
Mr. Dries Vancanneyt	1	3.33%
Mr. Tony Beeuwsaert	1	3.33%
Mr. Davy Laurier	1	3.33%
Mr. Stijn Van Rompay	1	3.33%
FAMA SPRL	1	3.33%
Edmund BM	1	3.33%
Mr. Michael Brackx	1	3.33%
Mr. Arthur Paijens	1	3.33%
Mr. David Reynders	1	3.33%
Mr. Tom Eeckhout	1	3.33%
Guldenberg Investerings- en Participatiemaatschappij	1	3.33%
Mr. Carlo Claessens	1	3.33%
Mr. Steve Rousseau	1	3.33%
Mr. Bert Pauwels	1	3.33%
Rogue Capital SPRL	1	3.33%
Mr. Ingmar Symoens	1	3.33%
Total	30	100%

The number of Shares to be issued upon exercising the Anti-Dilution Subscription Rights will be equal to a fraction, whereby the numerator is equal to the total amount subscribed for by the relevant holder in exchange for the Protected Shares with respect whereof the Anti-Dilution Subscription Right is exercised, prior to the dilutive issuance and the denominator is equal to the price per share of the Shares to be issued pursuant to the dilutive issuance, multiplied by 0.85 (the result of which can never be less than €50), which fraction is to be decreased by the number of Protected Shares held by the relevant holder of Anti-Dilution Subscription Rights. For the purpose of this Section, the "Protected Shares" should be read so as to include: (i) each of the class B Shares subscribed to by the relevant holder of Anti-Dilution Subscription Rights at the event of the Company's capital increases dated 26 June 2020 and 17 July 2020, (ii) any Shares issued by the Company as a result of Anti-Dilution Subscription Rights being exercised pursuant to a dilutive issuance, and (iii) any Shares issued by the Company in exchange for the then outstanding Protected Shares in the event of a stock split, sub-division of Shares, a combination of Shares, a merger or de-merger. The exact number of Shares to be issued upon conversion of the Bonds is unknown at the date of this Prospectus.

The Anti-Dilution Subscription Rights automatically expire on the earlier of (i) 17 July 2023 or (ii) at the date of issuance of new Shares by the Company, which does not trigger the Anti-Dilution Subscription Rights.

Taking into account the low-end of the Price Range of €18.00, the Anti-Dilution Subscription Rights cannot be exercised and will therefore expire upon completion of the Private Placement.

14.7.8 *Adjustment Subscription Rights*

On 17 July 2020, the Company issued 30 Adjustment Subscription Rights to certain Shareholders, all of which have been subscribed for, free of charge. At the date of this Prospectus, the Adjustment Subscription Rights are allocated to selected participants, all of whom are also Shareholders of the Company. The Adjustment Subscription Rights entitle their holders to subscribe for new Shares in case the Bonds would convert automatically at their maturity date, i.e. 27 April 2021.

The exercise price of the Adjustment Subscription Rights is equal to €0.01 per Adjustment Subscription Right. The Board of Directors has justified the exercise price as follows:

"*The issue and the exercise price of the Adjustment Subscription Rights are justified by the fact that the Subscription Adjustment Rights are intended to protect their holders against the dilutive effect of a future issue, following the possible conversion of the Bonds at their maturity date, at a lower conversion price*."

At the date of this Prospectus, the following persons hold Adjustment Subscription Rights:

Shareholder / holder of Subscription Rights	Number of Subscription Rights	% Subscription Rights
Mr. Thierry Smets	1	3.33%
Mr. Luc Boelaert	1	3.33%
Parfilec Invest Coop	1	3.33%
Ms. Caroline Vanbiervliet	1	3.33%
Oak3Capital NV	1	3.33%
PE Group NV	1	3.33%
Mr. Stefan Yee	1	3.33%
Smartfin Capital	1	3.33%
Mr. Michel Delloye	1	3.33%
Mr. Michael Howells	1	3.33%
Anzel BM	1	3.33%
Ms. Katrien Vandermarliere	1	3.33%
Mr. Anthony Popelier	1	3.33%
Mr. Jan Santens	1	3.33%
Mr. Dries Vancanneyt	1	3.33%
Mr. Tony Beeuwsaert	1	3.33%
Mr. Davy Laurier	1	3.33%
Mr. Stijn Van Rompay	1	3.33%
FAMA SPRL	1	3.33%
Edmund BM	1	3.33%
Mr. Michael Brackx	1	3.33%
Mr. Arthur Paijens	1	3.33%
Mr. David Reynders	1	3.33%
Mr. Tom Eeckhout	1	3.33%
Guldenberg Investerings- en Participatiemaatschappij	1	3.33%
Mr. Carlo Claessens	1	3.33%
Mr. Steve Rousseau	1	3.33%
Mr. Bert Pauwels	1	3.33%
Rogue Capital SPRL	1	3.33%
Mr. Ingmar Symoens	1	3.33%
Total	30	100%

The number of new Shares to be issued pursuant to the exercise of the Adjustment Subscription Rights is equal to the amount of Shares subscribed to by the holder of such Adjustment Subscription Right pursuant to the extraordinary shareholders' meetings of the Company dated 26 June 2020 respectively

17 July 2020, taken into account the share split carried out by the Company pursuant to the extraordinary Shareholders' Meeting of 31 August 2020, this number has to be multiplied by ten.

The Adjustment Subscription Rights are subject to a term which expires on 31 July 2021. The Adjustment Subscription Rights however automatically expire if and when (i) the Bonds convert automatically pursuant to their issue terms and conditions without triggering the Adjustment Subscription Rights, or (ii) all Bondholders decide to convert all (and not part) of their Bonds pursuant to a voluntary conversion event.

Taking into account the fact that the remaining Bonds will automatically be converted following completion of the Private Placement (see Section 14.7.3 – "*Bonds*"), the Adjustment Subscription Rights cannot be exercised and will therefore expire on the Closing Date.

14.7.9 *Share Capital after closing of the Private Placement*

Assuming that the Placement Price is at the mid-point of the Price Range and full placement of the Placement Shares with targeted maximum gross proceeds in the amount of €175 million and conversion of the Bonds, without exercise of the Investment Subscription Rights, the Share Capital will amount to €239,763,655.24 and will be represented by 30,122,826 Shares as of the completion of the Private Placement.

14.8 Form and transferability of the Shares

All of the Shares belong to the same class of securities and are in registered or dematerialized form. A register of Shares (which may be held in electronic form) is maintained at the Company's registered office. It may be consulted by any Shareholder. A dematerialized security is represented by an entry on account, in the name of the owner or holder, at a clearing institution or certified accountholder. Shareholders may elect, at any time, to have their registered Shares converted into dematerialized Shares and vice versa, at their own expense.

The Shares are freely transferable, subject to any contractual restrictions, statutory restrictions or restrictions provided in the Articles of Association (see Section 13.8 - "*Standstill and lock-up* " and Section 14.7 – "*Share Capital and Shares*").

14.9 Increase and Decrease of Share Capital

14.9.1 *Changes to the Share Capital by the shareholders of the Company*

The Shareholders' Meeting can at any given time decide to increase or decrease the Share Capital. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the Articles of Association, as described under Section 14.12.9 - "*Quorum and Majorities*".

14.9.2 *Capital increases by the Board of Directors of the Company – Authorized Capital*

Subject to the same quorum and majority requirements that apply to an amendment of the Articles of Association, as described under Section 14.12.9 - "*Quorum and Majorities*", the Shareholders' Meeting can authorize the Board of Directors, within certain limits, to increase the Share Capital without any further approval of the Shareholders. This authorization needs to be limited in time (i.e. it can only be granted for a renewable period of maximum five years) and in scope (i.e. the authorized capital may not exceed the amount of the Share Capital at the time of the authorization).

On 5 October 2015, the extraordinary Shareholders' Meeting authorized the Board of Directors, to increase the Share Capital in one or several times by a (cumulated) amount of maximum €123,552,006.50.

On 31 August 2020, the extraordinary Shareholders' Meeting authorized the Board of Directors, conditional upon and with effect as from the realization of the Conditions Precedent to the Private Placement, to increase the Share Capital in one or more transactions by a number of Shares or by financial instruments giving the right to a number of Shares such as, but not limited to, convertible bonds or subscription rights, so as to increase the Share Capital in one or several times by a (cumulated) amount of maximum 100% of the amount of the Share Capital as such amount is recorded immediately after the closing of the Private Placement.

If the Share Capital is increased within the limits of the authorized capital, the Board of Directors is authorized to request payment of an issuance premium. This issuance premium will be booked on a non-available reserve account, which may only be decreased or disposed of by a resolution of the Shareholders' Meeting subject to the same quorum and majority requirements that apply to an amendment of the Articles of Association, as described under Section 14.12.9 - "*Quorum and Majorities*".

The Board of Directors can make use of the authorized capital for capital increases subscribed for in cash or in kind or effected by incorporation of reserves, issuance premiums or revaluation surpluses, with or without issue of new Shares. The Board of Directors is authorized to issue convertible bonds, bonds cum subscription rights or subscription rights within the limits of the authorized capital and with or without preferential subscription rights for the existing Shareholders.

The Board of Directors is authorized, within the limits of the authorized capital, to limit or cancel the preferential subscription rights granted by law to the existing Shareholders in accordance with Article 7:191 and following of the BCCA. The Board of Directors is also authorized to limit or cancel the preferential subscription rights of the existing Shareholders in favor of one or more specified persons, even if such persons are not members of the personnel of the Company or its subsidiaries, in which case, if applicable, the directors who represent the beneficiary of the limitation of the preferential subscription right or a person associated with the beneficiary in the sense of Article 7:193, §1, paragraph 6 of the BCCA, shall not take part in the vote on the limitation or cancellation of the preferential subscription right.

This authorization will become effective upon completion of the Private Placement and will be granted for a term of five years commencing from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette and can be renewed.

In principle, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company, the authorization of the Board of Directors to increase the Share Capital in cash or in kind, while limiting or cancelling the preferential subscription right, is suspended. However, the Company's extraordinary Shareholders' Meeting held on 31 August 2020 expressly granted the Board of Directors the authority to increase the Share Capital, in one or several times, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company and subject to the limitations imposed by the BCCA. This authorization will become effective upon completion of the Private Placement and will be granted for a period of three years from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette.

14.10 **Preferential Subscription Rights**

The BCCA and the Articles of Association give Shareholders preferential subscription rights to subscribe on a pro rata basis by reference to the part in the Share Capital represented by their Shares, for any issue of Shares to be subscribed in cash, convertible bonds and subscription rights. The preferential subscription rights may be exercised during a period determined by the Shareholders' Meeting or by the Board of Directors acting within the framework of the Company's authorized capital, with a legal minimum of 15 days from the date on which the subscription is opened.

The Shareholders' Meeting may restrict or suppress the preferential subscription rights for any capital increase or issue of convertible bonds or subscription rights, subject to the quorum and majority requirements applying to an amendment to the Articles of Association (the presence or representation of at least 50% of the Company's share capital and a majority of at least 75% of the votes cast) and subject to special reporting requirements described in Articles 7:191 and following of the BCCA. Shareholders may also authorize the Board of Directors to restrict or suppress the preferential subscription rights for any capital increase or issue of convertible bonds or subscription rights when issuing securities within the framework of the Company's authorized capital, subject to the same special reporting requirements.

On 31 August, the extraordinary Shareholders' Meeting authorized the Board of Directors within the limits of the authorized capital, to increase the Share Capital, including with limitation or cancellation of the shareholders' preferential subscription rights and including in favor of one or more specified persons that are not members of the Company's personnel or of its subsidiaries, in one or more times and including the authorization to make use of such authorized capital in the framework of a public takeover bid (see Section 14.9.2 – "*Capital increases by the Board of Directors of the Company – Authorized Capital*").

14.11 **Convertible bonds and subscription rights**

The Company may issue convertible bonds or subscription rights (whether or not attached to bonds) either pursuant to a resolution of the Shareholders' Meeting acting under the required conditions for amending the Articles of Association (the presence or representation of at least 50% of the Company's share capital and a majority of at least 75% of the votes cast) or pursuant to a resolution of the Board of Directors acting within the scope of the authorized capital.

14.12 **Right to Attend and Vote at Shareholders' Meeting**

14.12.1 ***General Shareholders' Meeting***

The annual Shareholders' Meeting is held on the third Tuesday of May each year at 7 p.m. If such day is a legal public holiday in Belgium, the meeting shall take place at the same hour on the preceding business day, as decided by the Board of Directors. The Shareholders' Meeting takes place at the registered office of the Company or at any other place designated by the convening notice convening the Shareholders' Meeting. The first annual Shareholders' Meeting after closing of the Private Placement will be held on 18 March 2021.

The other Shareholders' Meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than the registered office.

The annual, special and extraordinary Shareholders' Meetings may be convened by the Board of Directors or by the Statutory Auditor and must be convened within three weeks after the request of Shareholders representing one-tenth of the Share Capital, with at least the agenda items proposed by the concerned Shareholders.

14.12.2 *Authority of the Shareholders' Meeting*

Generally, the Shareholders' Meeting has sole authority with respect to:

- the approval of the annual accounts and the remuneration report of the Company;
- the appointment and resignation of the Company's directors and Statutory Auditor;
- the granting of release from liability to the Company's directors and Statutory Auditor towards the Company;
- the determination of the remuneration of the directors and of the Statutory Auditor for the exercise of their mandate including *inter alia*, as relevant:
    - in relation to the remuneration of executive and non-executive directors, the approval of an exemption from the rule that share-based awards can only vest during a period of at least three years as of the grant of the awards;
    - in relation to the remuneration of executive directors, the approval of an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years; and
    - in relation to the remuneration of non-executive directors, the approval of any variable part of the remuneration;
- the distribution of profits and available reserves (it being understood that the Articles of Association authorize the Board of Directors to distribute interim dividends);
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganizations of the Company; and
- the approval of amendments to the Articles of Association.

14.12.3 *Voting Rights*

Each Shareholder is entitled to one vote per Share at the Shareholders' Meeting. The Company's major Shareholders do not have different voting rights compared to the other Shareholders.

Voting rights may be suspended in relation to Shares:

- which were not fully paid up, notwithstanding the request thereto of the Board of Directors;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5% or any multiple of 5%[5], of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant Shareholders' Meeting, except in the event where the relevant Shareholder has notified the Company and the FSMA at least 20 days prior to the date of the Shareholders' Meeting on which it wishes to vote of its shareholding reaching or exceeding the thresholds above;
- which are being held by the Company or by a direct subsidiary of the Company; and
- of which the voting right was suspended by a competent court or the FSMA.

14.12.4 *Notices Convening the Shareholders' Meeting*

Holders of registered Shares must receive written notice of the Shareholders' Meeting at least 30 days prior to the meeting. In case the holder(s) of registered Shares, convertible bonds, subscription rights or of a certificate issued with the cooperation of the Company, have communicated their e-mail address to the Company in accordance with Article 2:32 BCCA, they will receive written notice of the Shareholder's Meeting on the communicated e-mail address. If such e-mail address had not been communicated, the written notice of the Shareholder's Meeting shall be delivered by regular mail.

The Company must also publish a notice of the meeting in the Belgian Official Gazette, in a newspaper with national distribution (except for those annual Shareholders' Meetings which take place at the location, place, day and hour indicated in the Articles of Association and whose agenda is limited to the approval of the annual accounts, the annual reports of the Board of Directors and the Statutory Auditor, discharge to be granted to the directors and Statutory Auditor, the remuneration report and termination provisions) and in media that can be reasonably considered having effective distribution among the public in the EEA and that is swiftly accessible and in a non-discriminatory manner. The notices are published at least 30 days prior to the Shareholders' Meeting. If a new convocation is required for lack of quorum and the date of the second Shareholders' Meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second Shareholders' Meeting.

As from the publication of the notice, the Company shall make the information required by law available on the Company's website (https://www.unifiedpost.com/investor-relations) for a period of five years after the relevant Shareholders' Meeting.

14.12.5 *Formalities to attend a Shareholders' Meeting*

[5] The Company has not added in its Articles of Association additional thresholds on top of those set forth in the Transparency Law.

A shareholder wishing to attend and participate in the Shareholders' Meeting must:

- have the ownership of its Shares recorded in its name, as of midnight Central European Time, on the fourteenth calendar day preceding the date of the meeting (the "record date"), either through registration in the Shareholders' register in the case of registered Shares or through book-entry in the accounts of an authorized account holder or clearing institution in the case of dematerialized Shares; and

- notify the Company (or the person designated by the Company) by returning confirmation of its intention to participate in the Shareholders' Meeting via the Company's e-mail address or the specific e-mail address mentioned in the notice convening the Shareholders' Meeting, at the latest on the sixth calendar day preceding the day of the Shareholders' Meeting. In addition, the holders of dematerialized Shares must, at the latest on the same day, provide the Company (or the person designated by the Company) or arrange for the Company (or the person designated by the Company) to be provided, with an original certificate issued by the certified accountholder or clearing institution certifying the number of Shares owned on the record date by the relevant Shareholder and 1 for which it has notified its intention to participate in the meeting.

Holders of profit-sharing certificates, non-voting Shares, bonds, subscription rights or other securities issued by the Company, as well as holders of certificates issued with the cooperation of the Company and representing securities issued by the latter, may participate in the Shareholders' Meeting insofar as the law or the Articles of Association entitles them to do so and, as the case may be, gives them the right to participate in voting. If they propose to participate, such holders are subject to the same formalities concerning admission and access and forms and filing of proxies, as those imposed on Shareholders.

14.12.6 ***Voting by Proxy***

Any Shareholder with the right to vote may either personally participate in the Shareholders' Meeting or give a proxy to another person, who need not be a Shareholder, to represent him or her at the Shareholders' Meeting. A Shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the day of the meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

14.12.7 ***Remote voting in relation to the Shareholders' Meeting***

The notice convening the meeting may allow Shareholders to vote remotely in relation to the Shareholders' Meeting, by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the Shareholders' Meeting. Voting through the signed electronic form may occur until the last calendar day before the Shareholders' Meeting.

The Company may also organize a remote vote in relation to the Shareholders' Meeting through other electronic communication methods, such as, among others, through one or several websites. The Company shall specify the practical terms of any such remote vote in the convening notice.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

14.12.8 ***Right to request items to be added to the agenda and to ask questions at the Shareholders' Meeting***

One or more Shareholders who together hold at least 3% of the Share Capital may request for items to be added to the agenda of any convened Shareholders' Meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as of the date of their request and record their Shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or proposed resolutions have been received in writing by the Company at the latest on the twenty-second day preceding the date of the relevant Shareholders' Meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant Shares in the share register of the Company or by a certificate issued by the certified accountholder or clearing institution certifying the book-entry of the relevant number of dematerialized Shares in the name of the relevant Shareholder(s).

As the case may be, the Company shall publish a revised agenda of the Shareholders' Meeting, at the latest on the fifteenth day preceding the Shareholders' Meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second Shareholders' Meeting that must be convened because the quorum was not obtained during the first Shareholders' Meeting.

Within the limits of Article 7:139 of the BCCA, the directors and the Statutory Auditor shall answer, during the Shareholders' Meeting, the questions raised by Shareholders. Shareholders can ask questions either during the meeting or prior to the meeting (in writing or electronic form), provided that the Company receives the written question at the latest on the sixth day preceding the Shareholders' Meeting.

14.12.9 ***Quorum and Majorities***

In general, there is no attendance quorum requirement for a general Shareholders' Meeting, except as provided for by law in relation to certain decisions. Decisions are taken by a majority of the votes cast, except where the law or the Articles of Association provide for a special majority.

Matters involving special legal quorum and majority requirements include, among others, amendments to the Articles of Association, issues of new Shares, convertible bonds or subscription rights and decisions regarding mergers and demergers, which require at least 50% of the Share Capital to be present or represented and a majority of at least 75% of the votes cast. Furthermore any changes to the corporate purpose or any conversion of legal form of the Company require at least 50% of the Share Capital to be present or validly represented and a majority of at least 80% of the votes cast. If the quorum is not reached, a second Shareholders' Meeting may be convened at which no quorum shall apply. The special majority requirements, however, remain applicable.

14.13 **Dividend Rights**

The Shares carry the right to participate *pro rata temporis* in dividends declared after the Closing Date, in respect of the financial year ending 31 December 2020 and future years (if any).

The amount of any dividends and the determination of whether to pay dividends in any year may be affected by a number of factors, including the Company's business prospects, cash requirements, including related to any material external growth opportunities and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations.

In general, the Company may only pay dividends with the approval of the Shareholders' Meeting, although the Board of Directors may declare interim dividends without Shareholder approval. The right to pay such interim dividends is, however, subject to certain legal formalities.

The maximum amount of the dividend that can be paid is determined by reference to the Company's unconsolidated financial statements prepared in accordance with Belgian GAAP, which may differ from the consolidated financial statements in IFRS reported by the Company. Dividends can only be distributed if following the payment of the dividends the amount of the Company's net assets on the date of the closing of the last financial year, does not fall below the amount of the paid-up Share Capital (or, if higher, the called for Share Capital), increased with the amount of non-distributable reserves as of that date. In addition, under Belgian law and the Articles of Association, the Company must allocate an amount of 5% of its Belgian GAAP annual net profit ("*nettowinst*" / "*bénéfices nets*") to a legal reserve in its stand-alone statutory accounts until the reserve equals 10% of the Share Capital. The Company's legal reserve currently does not meet this requirement.

Without prejudice to the provisions of the law of 14 December 2005 abolishing bearer securities, Belgian law provides that the right to receive payable dividends on ordinary shares expires five years after the distribution date; from that date, the Company no longer has to pay such dividends.

The Company has not declared or paid dividends immediately prior to the Private Placement, nor has it declared dividends in the course of the period covered by the Company Audited Consolidated Financial Statements. The Company intends to retain any profits to expand the growth and development of the Company's business and, therefore, does not anticipate paying dividends to its Shareholders in the foreseeable future.

14.14 **Liquidation and Bankruptcy**

The Company can only be dissolved by a resolution of the Shareholders' Meeting passed with a majority of at least 75% of the votes cast at an extraordinary Shareholders' Meeting where holders of at least 50% of the Share Capital are present or represented.

If, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian legal and accounting rules) to Share Capital is less than 50%, the Board of Directors must convene an extraordinary Shareholders' Meeting within two months of the date upon which the Board of Directors discovered or should have discovered this undercapitalization. At this Shareholders' Meeting, the Board of Directors needs to propose either the dissolution or the continuation of the Company, in which case the Board of Directors must propose measures to restore the Company's financial situation. The Board of Directors must justify its proposals in a special report to the Shareholders. A majority of at least 75% of the votes validly cast at this meeting can decide to dissolve the Company, provided that at least 50% of the Share Capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to Share Capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event the shareholding representing at least 25% of the votes at this meeting can decide to dissolve the Company. If the amount of the Company's net assets has dropped below €61,500 (the minimum amount of share capital of a Belgian public limited liability company), any interested party or the public prosecutor is entitled to request the competent court to dissolve the Company. The court can order the Company's dissolution or grant a grace period for the Company to remedy the situation.

If the Company is dissolved for any reason, the liquidation must be carried out by one or more liquidators appointed by the Shareholders' Meeting by a simple majority of votes, or, absent a decision of the Shareholder's Meeting, by the enterprise court. In case the liquidation of the Company is deficitary in the sense of Article 2:84 BCCA, the appointment of the liquidators by the Shareholders' Meeting must be ratified by the enterprise court. Any balance remaining after discharging all debts, liabilities and liquidation costs must first be applied to reimburse, in cash or in kind, the paid-up capital of the Shares not yet reimbursed. Any remaining balance shall be equally distributed amongst all the Shareholders.

14.15 **Acquisition of Own Shares**

In accordance with the BCCA, the Articles of Association permit the Company to acquire, on or outside the stock market, its own Shares, profit-sharing certificates or associated certificates by resolution approved by the Shareholders' Meeting by a majority of at least 75% of the votes cast where at least 50% of the Share Capital and at least 50% of the profit certificates, if any, are present or represented. Prior approval by the Shareholders is not required if the Company purchases the Shares in order to offer them to the Company's employees (within the meaning of Article 1:27 of the BCC).

On 31 August, the extraordinary Shareholders' Meeting authorized the Board of Directors to purchase up to 20% of the outstanding Shares, for a price not lower than 10% below the lowest closing price in the last 30 trading days preceding the transaction and not more than 10% above the highest closing price during the last 30 trading days preceding the transaction. This authorization is valid for five years as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to the Articles of Association for the purposes thereof, approved by the extraordinary Shareholders' Meeting of 31 August 2020.

The above authorization is also valid if the acquisition is made by one of the subsidiaries directly controlled by the Company within the meaning of Article 7:221 of the BCCA.

The Board of Directors is also authorized to acquire for the Company's account the Company's own Shares, profit sharing certificates or associated certificates if such acquisition is necessary to prevent a serious and imminent harm to the Company. This authorization is valid for three years as from the publication of the deed of incorporation or the amendment to the Articles of Association in the Annexes to the Belgian Official Gazette.

The Board of Directors is authorized to divest all or part of the Shares, profit-sharing certificates or associated certificates at a price it determines, on or outside the stock market or in the framework of its remuneration policy to employees, directors or consultants of the Company or to prevent any serious and imminent harm to the Company. This authorization is valid without any restriction in time, except when the divestment is made to prevent serious and imminent harm to the Company, in which case the authorization is only valid for three years as from the date of the publication of the authorization in the Annexes to the Belgian Official Gazette. The authorization covers the divestment of the Shares, profit-sharing certificates or associated certificates by a direct subsidiary of the Company, as set out in Article 7:221 of the BCCA.

The Shares, profit-sharing certificates or associated certificates can only be acquired with funds that would otherwise be available for distribution as dividend. No restrictions exist with respect to the total nominal value or fractional value of the Shares, profit sharing certificates or associated certificates that can be held by the Company. The acquisition can only concern fully paid-up shares or certificates relating to fully paid-up shares. Voting rights attached to Shares held by the Company as treasury shares are suspended. The Company must notify the FSMA of the transactions described above. The FSMA shall verify whether the repurchase transactions are in accordance with the resolution of the Shareholders' Meeting or, as the case may be, the Board of Directors; if it is of the opinion that these transactions are not in accordance with the resolution, it shall publish its advice.

14.16 **Transparency Obligations**

Pursuant to the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (the "**Transparency Law**"), a notification to the Company and to the FSMA is required by all natural persons and legal entities on the occurrence of, among other things, any one of the following triggering events, subject to limited exceptions:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the reaching of a threshold by persons or legal entities acting in concert;
- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold;
- the passive reaching of a threshold;
- the holding of voting securities in the Company upon the first admission of them to trading on a regulated market;
- where a previous notification concerning financial instruments treated as equivalent to voting securities is updated;
- the acquisition or disposal of the control of an entity that holds voting securities in the Company; and
- where the Company introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights and 10%, 15%, 20% and so on in increments of 5% or, as the case may be, the additional thresholds provided in the Articles of Association.

The notification must be made as soon as possible and at the latest within four trading days following the occurrence of the triggering event. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

No Shareholder may cast a greater number of votes at a Shareholders' Meeting than those attached to the rights or securities it has notified in accordance with the Transparency Law at least 20 days before the date of the Shareholders' Meeting, subject to certain exceptions.

14.17 **Public Takeover Bids**

Public takeover bids for shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) in the Belgian Law of 1 April 2007 on public takeover bids (the "**Takeover Law**") and the Belgian Royal Decree of 27 April 2007 on public takeover bids (the "**Takeover Royal Decree**"). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in certain cases set out in the Takeover Royal Decree, such as (i) in case of an acquisition, if it can be shown that a third-party exercises control over the Company or that such party holds a larger stake than the person holding 30% of the voting securities (ii) in case of an acquisition in the context of an enforcement of security provided that the acquirer disposes of the shares exceeding the 30% threshold within twelve months and does not exercise the voting rights attached to those excess shares or (iii) in case of a capital increase with preferential subscription rights decided by the shareholders' meeting.

In principle, the authorization of the Board of Directors to increase the share capital of the Company through contributions in kind or in cash with cancellation or limitation of the preferential subscription rights of the existing Shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid for the securities of the Company. The Shareholders' Meeting can, however, under certain conditions, expressly authorize the Board of Directors to increase the Share Capital of the Company in such case by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. Such authorization was granted to the Board of Directors of the Company on 31 August 2020. Those powers remain in effect for a period of three years from the date of the adoption of this authorization.

14.18 **Squeeze-out**

Pursuant to Article 7:82 of the BCCA or the regulations promulgated thereunder, a person or legal entity or different persons or legal entities acting alone or in concert, who own together with the Company 95% or more of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. For the calculation of the percentage of 95 % of the securities with voting rights, the double voting right referred to in Article 7:53 of the BCCA shall not be taken into account. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring shareholders.

A squeeze-out offer is also possible upon completion of a public takeover bid, provided that the bidder holds at least 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all remaining shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

14.19 **Sell-out Right**

Within three months following the expiration of an offer period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns at least 95% of the voting capital and 95% of the voting securities in a public company following a takeover bid, to buy its securities from it at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

14.20 **Declaration of No Objection for a Qualifying Holding in a Payment Service Provider**

Each person or group of persons acting in concert is required to obtain a declaration of no-objection from the NBB before it may directly or indirectly acquire or increase a qualifying holding in a licensed payment service provider with its corporate seat in Belgium. The Law of 11 March 2018 further provides that NBB must be notified in advance of any acquisition of or change in a qualifying holding (i) as a result of which the size of this holding increases beyond the following thresholds: 20%, 30% or 50% or as a result of which the payment service provider concerned becomes a subsidiary, or (ii) as a result of which the size of this holding falls below 10%, 20%, 30% or 50% or as a result of which the payment service provider ceases to be a subsidiary. In the event of a change in the shareholding structure of an entity with a Qualifying Holding in a payment service provider, each individual shareholder thereof has to verify whether its indirect participation, on a weighted basis, surpasses the above thresholds in accordance with Annex 8 to Communication NBB_2017_22 of 14 September 2017 (*Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector*). The above requirement to obtain a declaration of no objection for a Qualifying Holding in a payment service provider implements the requirements relating to qualifying holdings in payment service providers as set out in PSD2.

14.21 Market Abuse Rules

The regulatory framework on market abuse is set out in the Market Abuse Directive as implemented in Belgian law and the Market Abuse Regulation which is directly applicable in Belgium.

14.21.1 *Insider dealing and market manipulation prohibitions*

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (a) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Shares, (b) recommend that another person engages in insider dealing or induce another person to engage in insider dealing or (c) unlawfully disclose inside information relating to the Shares or the Company. Furthermore, no person may engage in or attempt to engage in market manipulation.

14.21.2 *Public disclosure of inside information*

The Company is required to inform the public as soon as possible and in a manner that enables timely access to and complete, correct and timely assessment of, inside information which directly concerns the Company. Pursuant to the Market Abuse Regulation, inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. An intermediate step in a protracted process can also be deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under certain circumstances, the disclosure of inside information may be delayed, which needs to be notified to the FSMA after the disclosure has been made. Upon request of the FSMA, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

14.21.3 *Insiders Lists*

The Company and any person acting on its behalf or on its account is obligated to draw up an insiders' list of officers, employees and other persons working for the Company with access to inside information relating to the Company, to promptly update the insider list and provide the insider list to the FSMA upon its request. The Company and any person acting on its behalf or on its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

14.21.4 *Managers' transactions*

Persons discharging managerial responsibilities must notify the FSMA and the Company of any transactions conducted for his or her own account relating to Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. Persons discharging managerial responsibilities within the meaning of the Market Abuse Regulation include: (a) members of the Board of Directors; or (b) members of the senior management who have regular access to inside information relating directly or indirectly to that entity and the authority to take managerial decisions affecting the future developments and business prospects of the Company.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with persons discharging managerial responsibilities, are also required to notify the FSMA and the Company of any transactions conducted for their own account relating to Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, inter alia, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person or the economic interest of which are substantially equivalent to those of such a person.

These notification obligations under the Market Abuse Regulation apply when the total amount of the transactions conducted by a person discharging managerial responsibilities or a person closely associated to a person discharging managerial responsibilities reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). When calculating whether the threshold is reached or exceeded, persons discharging managerial responsibilities must add any transactions conducted by persons closely associated with them to their own transactions and vice versa. The first transaction reaching or exceeding the threshold must be notified as set forth above. The notifications pursuant to the Market Abuse Regulation described above must be made to the FSMA and the Company no later than the third business day following the relevant transaction date.

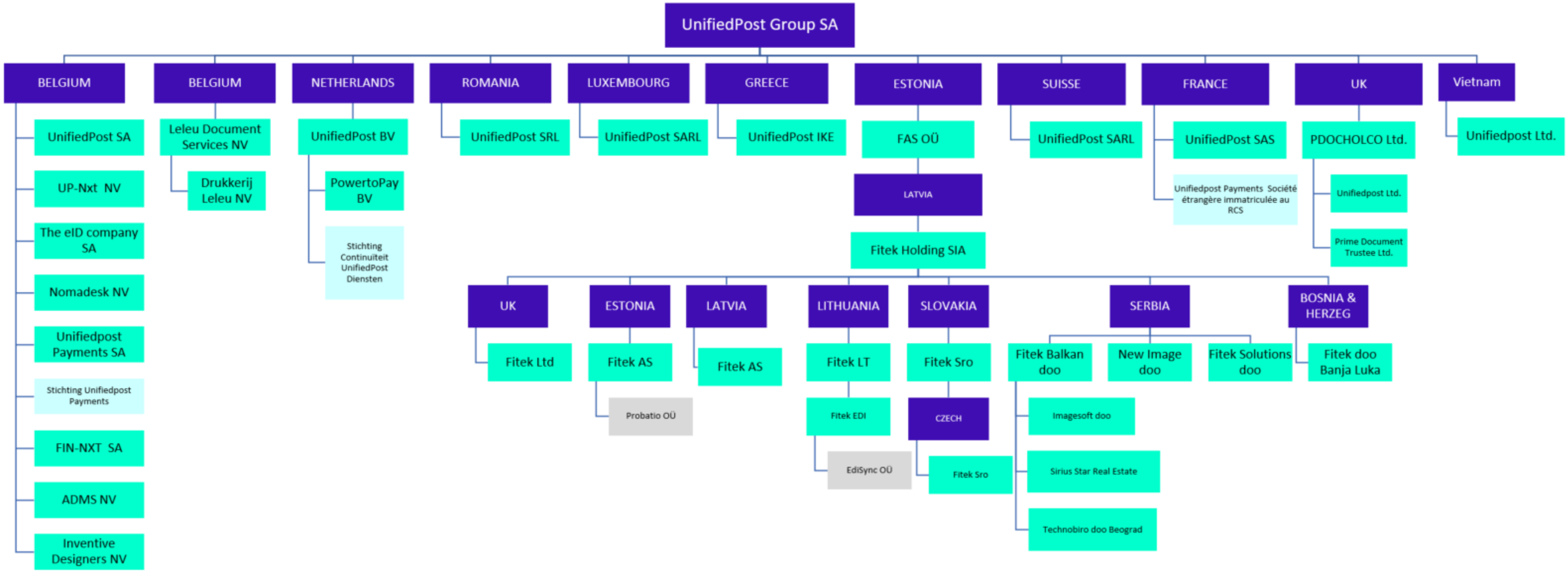
In addition to the notification obligations for persons discharging managerial responsibilities (and persons closely associated with them) mentioned above, a person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third-party, relating to Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly report or the year-end report of the Company.

The Company is required to draw up a list of all persons discharging managerial responsibilities and persons closely associated with them and notify persons discharging managerial responsibilities of their obligations in writing. Persons discharging managerial responsibilities are required to notify the persons closely associated with them of their obligations in writing.

14.21.5 ***Non-compliance with Market Abuse Rules***

Non-compliance with the notification obligations under the Market Abuse Regulation set out in the paragraphs above is a criminal offence and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The FSMA may impose administrative sanctions, including administrative fines, penalties or a cease-and-desist order under penalty for noncompliance. Breaches of the Market Abuse Regulation also constitute a criminal offence and could lead to the imposition of criminal fines or imprisonment

14.22 Group Structure



The Company is the parent holding company of:

Unifiedpost SA – Belgium	100% owned (directly)
UP-Nxt NV – Belgium	100% owned (directly)
The E-ID Company SA – Belgium	100% owned (directly)
Nomadesk NV - Belgium	100% owned (directly)
Unifiedpost Payments SA - Belgium	100% owned (directly)
Stichting Unifiedpost Payments - Belgium	100% owned (directly)
FIN-NXT SA – Belgium	100% owned (directly)
ADMS NV – Belgium	100% owned (directly)
Inventive Designers NV - Belgium	100% owned (directly)
Leleu Document Services NV - Belgium	100% owned (directly)
Drukkerij Leleu NV - Belgium	100% owned (indirectly through Leleu Document Services)
Unifiedpost B.V. – the Netherlands	100% owned (directly)
PowertoPay B.V. – the Netherlands	100% owned (indirectly through Unifiedpost B.V.)
Stichting Continuïteit Unifiedpost Diensten – Netherlands	100% owned (indirectly through Unifiedpost B.V.)
Unifiedpost SRL - Romania	100% owned (directly)
Unifiedpost SARL – Luxembourg	100% owned (directly)
Unifiedpost IKE - Greece	100% owned (directly)
Financial Automation Solutions OÜ (FAS) – Estonia (**see separate chart below for subsidiaries of FAS**)	100% owned (directly)
Unifiedpost SARL - Switzerland	100% owned (directly)
Unifiedpost SAS - France	100% owned (directly)
Unifiedpost Payments Société étrangère immatriculée au RCS	100% owned (directly). This is a French branch of Unifiedpost Payments SA.
Unifiedpost Limited (formerly Prime Document) – United Kingdom	100% owned (directly)
Prime Document Ltd. – United Kingdom	100% owned (indirectly through Unifiedpost Limited)
Prime Document Trustee Ltd. – United Kingdom	100% owned (indirectly through Unifiedpost Limited)
Unifiedpost Limited Liability Company – Vietnam	100% owned (directly)

Financial Automation Solutions OÜ (FAS) – Estonia - is the parent (sub)holding company of:

Fitek Holding SIA – Latvia	95% owned directly by FAS and 5% owned directly by the Company
Fitek Ltd – United Kingdom (in liquidation)	100% owned (indirectly through Fitek Holding SIA)
Fitek AS – Estonia	100% owned (indirectly through Fitek Holding SIA)
Probatio OÜ – Estonia (not part of consolidation scope)	100% owned (indirectly through Fitek AS (Estonia))
Fitek AS – Latvia	100% owned (indirectly through Fitek Holding SIA)
Fitek LT, UAB - Lithuania	100% owned (indirectly through Fitek Holding SIA)
Fitek EDI, UAB - Lithuania	100% owned (indirectly through Fitek LT, UAB)
Edisync OÜ – Lithuania (not part of consolidation scope)	100% owned (indirectly through Fitek EDI, UAB)
Fitek sro - Slovakia	51% owned (indirectly through Fitek Holding SIA)
Fitek Czech Republic sro – Czech Republic	100% owned (indirectly through Fitek sro (Slovakia))
Fitek Balkan doo – Serbia	51% owned (indirectly through Fitek Holding SIA)
Imagesoft doo – Serbia	100% owned (indirectly through Fitek Balkan)
Sirius Star d.o.o. – Serbia	100% owned (indirectly through Fitek Balkan)
New Image doo – Serbia	51% owned (indirectly through Fitek Holding SIA)
Fitek Solutions doo – Serbia	51% owned (indirectly through Fitek Holding SIA)
Fitek doo Banja Luka – Bosnia & Herzegovina	51% owned (indirectly through Fitek Holding SIA)

15 SHAREHOLDER STRUCTURE AND RELATED PARTY TRANSACTIONS

15.1 Shareholder Structure

15.1.1 *Shareholders and holders of Subscription Rights*

The following table sets forth information with respect to the Shareholders and holders of Subscription Rights of the Company as at the date of this Prospectus.

Shareholder / holder of Subscription Rights	Number of Shares	% Shares	Number of Subscription Rights **(2)**	% Subscription Rights	Number of Shares (fully diluted) **(3)**	% (fully diluted)
Sofias BV	3,904,970	18.55%	100,000	55.24%	4,904,970	21.46%
PE Group NV	2,360,290	11.21%	3,125	1.73%	2,391,540	10.46%
Smartfin Capital	2,366,430	11.24%	8,500	4.70%	2,451,430	10.72%
Michel Delloye	1,925,000	9.15%	1,250	0.69%	1,937,500	8.48%
DVP Invest BV (Dirk Van Praag)	1,188,700	5.65%	0	0%	1,188,700	5.20%
Pegavica CV	834,450	3.96%	0	0%	834,450	3.65%
FPIM – SFPI NV	720,590	3.42%	0	0%	720,590	3.15%
EJF Debt Opportunities Master Fund L.P.	720,590	3.42%	0	0%	720,590	3.15%
EJF Funding Designated Activity Company	694,790	3.30%	0	0%	694,790	3.04%
Other **(1)**	6,332,260	30.09%	68,147	37.65%	7,013,730	30.68%
Total	**21,048,070**	**100.00%**	**181,022**	**100.00%**	**22,858,290**	**100.00%**

Notes:

(1) ***1,000 subscription rights are held by the Company and have not yet been allocated pursuant to the employee stock option plan.***

(2) ***The Subscription Rights do not include the Adjustment Subscription Rights or the Anti-Dilution Subscription Rights, given that the Adjustment Subscription Rights will expire following the conversion of the Bonds and that the Anti-Dilution Subscription Rights will expire following the Private Placement, taking into account the low-end of the Price Range.***

(3) ***These columns do not take into account the dilutive effect of conversion of the Bonds, the Adjustment Subscription Rights or the Anti-Dilution Subscription Rights. For the fully diluted overview, we refer to Section 12.11 – "Dilution".***

As at the date of this Prospectus, none of the Shareholders of the Company controls – alone or in concert - the Company within the meaning of article 1:14 BCCA. None of the Shareholders have exercised – alone or in concert - the majority of the voting rights at the most recent two shareholders' meetings of the Company.

15.1.2 *Bondholders*

The following table sets forth information with respect to the Bondholders of the Company at the date of this Prospectus.

Bondholder	Number of Bonds	% Bonds	Principal amount outstanding	Projected gross accrued interest as at 15 September 2020
Participatiemaatschappij Vlaanderen NV	160	86.96%	€8,000,000.00	€636,416.67
Michael Howells	2	1.09%	€50,000.00	€5,172.22
Colin Manson	1	0.54%	€50,000.00	€2,586.11
Michael Howells and Colin Manson (jointly)	1	0.54%	€50,000.00	€2,586.11
Martin Hurley	20	10.87%	€1,000,000.00	€26,250.00

Total	184	100%	€9,200,000.00	€673,011.11

The Bonds will automatically be converted into Shares on the Closing Date following the completion of the Listing. The number of Shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Placement Price minus a discount of 25% (for PMV) or 15% (for the other Bondholders). The exact number of Shares to be issued upon conversion of the Bonds is unknown at the date of this Prospectus. On the basis of hypothetical Placement Prices, the potential dilution can be calculated as follows:

- if the Placement Price is set at the low end of the Price Range, i.e. €18.00, 671,020 Shares will be issued upon conversion of the Bonds;
- if the Placement Price is set at the mid-point of the Price Range, i.e. €19.00, 635,703 Shares will be issued upon conversion of the Bonds;
- if the Placement Price is set at the high end of the Price Range, i.e. €20.00, 603,920 Shares will be issued upon conversion of the Bonds.

15.1.3 ***Key Man Subscription Rights***

Sofias BV (Hans Leybaert) holds 100,000 Key Man Subscription Rights, with an exercise price of €18.30. One Key Man Subscription Right will entitle its holder to ten Shares (following the prior Share split). See Section 14.7.4 – "*Key Man Subscription Rights*".

15.1.4 ***Dilution***

See Section 13.12 – "*Dilution*".

15.2 **Related Party Transactions**

The Company may enter into transactions with its shareholders and other entities owned by its shareholders in the ordinary course of business, subject to the restrictions set forth in Section 16.6 - "*Conflicts of Interest*"). Those transactions include, among others, financing agreements and professional, advisory, consulting and other corporate services.

As of the date of this Prospectus, the Company has not entered into any material related party transactions with its shareholders or entities owned by its shareholders, other than with respect to the Shares, Bonds or Subscription Rights.

16 MANAGEMENT AND CORPORATE GOVERNANCE

16.1 Overview

This Section summarizes the rules and principles governing the Company's corporate governance structure, in accordance with the BCCA, other relevant legislation, the Articles of Association and the Corporate Governance Charter.

The Company is committed to high standards of corporate governance and relies on the Belgian Code on Corporate Governance of 9 May 2019 (the "**Corporate Governance Code**") as a reference code. The Corporate Governance Code is based on a "comply or explain" approach. Belgian listed companies should follow the Corporate Governance Code, but may deviate from those of its provisions which are not otherwise contained in the BCCA, provided they disclose the justification for any such deviation in the annual corporate governance statement included in the annual report.

The Board of Directors intends to comply with the Corporate Governance Code.

The Company has adopted a corporate governance charter (the "**Corporate Governance Charter**"), subject to the Conditions Precedent to the Private Placement. The Company will review the Company's corporate governance at regular intervals and adopt any changes deemed necessary and appropriate.

The Company adopted certain changes to its Articles of Association at the extraordinary Shareholders' Meeting held on 31 August 2020, subject to the Conditions Precedent to the Private Placement (see Section 14 - "*Information on the Company, its Share Capital and the Articles of Association*").

The Articles of Association and the Corporate Governance Charter will be made available on the Company's website (www.unifiedpost.com) and can be obtained free of charge at the Company's registered office after completion of the Private Placement.

16.2 Board of Directors

16.2.1 *Powers and Responsibilities of the Board of Directors*

The Board of Directors has the broadest powers to manage and represent the Company, except to the extent provided otherwise by applicable law or the Articles of Association.

In particular, the Board of Directors is responsible for:

- defining general policy strategy of the Company and its subsidiaries;
- deciding on all major strategic, financial and operational matters of the Company;
- overseeing the management by the CEO and other members of the Management Committee; and
- all other matters reserved to and obligations imposed (including disclosure obligations) on the Board of Directors by law or the Articles of Association.

The Board of Directors acts as a collegiate body but can delegate its competencies for special and specific matters to an authorized representative, even if this person is not a Shareholder or a director.

16.2.2 *Composition of the Board of Directors*

Pursuant to the Articles of Association and the Corporate Governance Charter, the Board of Directors is to be composed of at least 6 directors and is currently composed out of 7 members.

Subject to the realization of the Conditions Precedent to the Private Placement, the Board of Directors will consist out of 8 directors and at least half of the directors must be non-executive directors and at least three of them must be independent in accordance with the independence criteria set out in the BCCA and the Corporate Governance Code. As of 1 January 2026, at least one-third of the directors must be of the opposite gender. If the director is a legal person, the gender is determined by that of his permanent representative.

The directors of the Company are appointed by the Shareholders' Meeting. However, in accordance with the BCCA, if the mandate of a director becomes vacant due to his or her death or voluntary resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first Shareholders' Meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The Articles of Association provide that directors can be appointed for a maximum (renewable) term of four years. As a rule they are appointed for a maximum period of three consecutive terms. However, in the interest of Unifiedpost and in order to avoid losing the contribution of directors who have been able to develop over a period of time, an increasing insight into the Company, its strategy and its operations, the Board of Directors may grant exceptions to this policy provided that the reasons for the exception are explained to the Shareholders' Meeting dealing with the approval of the appointment.

The table below gives an overview of the members of the Company's Board of Directors at the date of this Prospectus[6]:

Name	Position	Start of first term	Start of current term	End of current term[7]	Business address
Sofias BV (permanently represented by Hans Leybaert)	Managing Director	27/12/2006	31/8/2020	19 May 2026	O.-L. Vrouwstraat 8, 3054 Oud-Heverlee, Belgium
Laurent Marcelis	Director	22/07/2020	31/08/2020	19 May 2026	Waterleestweg 29, 1980 Eppegem, Belgium
AS Partners BV (permanently represented by Stefan Yee)	Chairman	29/12/2014	31/8/2020	19 May 2026	Molenstraat 10, 3220 Hoegaarden, Belgium
Jinvest BV (permanently represented by Jürgen Ingels)	Director	29/12/2014	31/8/2020	19 May 2026	Clemenceaustraat 177A, 2860 Sint-Katelijne-Waver, Belgium
Cytifinance SA (permanently represented by Michel Delloye)	Director	29/12/2014	31/8/2020	19 May 2026	Derbylaan 12, 1050 Elsene, Belgium
Aprilis BV	Director	9/06/2016	9/06/2016	19 May	Hekkestraat 13, 9200

[6] None of the members of the Board of Directors have a family relationship with any other member.
[7] The term of the mandates of the directors will end immediately after the annual ordinary Shareholders' Meeting held in the year corresponding to each director's name.

(permanently represented by Tom Van Acker)				2022	Dendermonde, Belgium
FPIM – SFPI NV (permanently represented by Leon Cappaert)	Director	22/07/2020	31/08/2020	2026	Louizalaan 21, 1000 Brussels, Belgium

The table below gives an overview of the members of the Company's Board of Directors at the Closing Date[8]:

Name	Position	Start of first term	Start of current term[9]	End of current term[10]	Business address
Sofias BV (permanently represented by Hans Leybaert)	Executive Director (CEO)	27/12/2006	31/08/2020	19 May 2026	O.-L. Vrouwstraat 8, 3054 Oud-Heverlee, Belgium
FPIM – SFPI NV (permanently represented by Leon Cappaert)	Non-Executive Director	22/07/2020	31/08/2020	19 May 2026	Louizalaan 21, 1000 Brussels, Belgium
AS Partners BV (permanently represented by Stefan Yee)	Non-Executive Director (Chairman)	29/12/2014	31/08/2020	19 May 2026	Molenstraat 10, 3220 Hoegaarden, Belgium
Jinvest BV (permanently represented by Jürgen Ingels)	Non-Executive Director	29/12/2014	31/08/2020	19 May 2026	Clemenceaustraat 177A, 2860 Sint-Katelijne-Waver, Belgium
Joost Uwents[8]	Independent Director	23/09/2020[8]	23/09/2020[8]	19 May 2026	Hillarestraat 4A, 9160 Lokeren, Belgium
Katrien Meire[8]	Independent Director	23/09/2020[8]	23/09/2020[8]	19 May 2026	Paul Parmentierlaan 49 bus 4.2, 8300 Knokke-Heist, Belgium
Fovea BV (permanently represented by Katya Degrieck)[8]	Independent Director	23/09/2020[8]	23/09/2020[8]	19 May 2026	Avenue Fondroy 103, 1180 Brussels, Belgium
Angeline (Marie-Ange) Marx[8]	Independent Director	23/09/2020[8]	23/09/2020[8]	19 May 2026	Rue Joseph Stallaert 19, 1050 Brussels, Belgium

Hans Leybaert is the founder and Chief Executive Officer of the Company. Hans started of his career as an analyst programmer for CSC, an IT-integrator company and was subsequently promoted to project manager where he was in charge of larger projects for Belgian corporate customers. In 1997 he became an account manager at Baan, a Dutch software company, where he was responsible for all large accounts of Baan Belgium. This experience was followed by a partner position at Axias Belgium, where Hans overlooked general, sales and program management. In 2002 he founded the Unifiedpost Group.

Stefan Yee has more than 30 years of experience in audit, corporate law, mergers and acquisitions, corporate finance, investment banking and private equity with companies as KPMG, Linklaters, the Flemish investment bank Lessius, the Belgian Corporation for International Investment (SBI/BMI), Beluga and as the founder and CEO of PE Group, a Belgian privately held general private equity firm.

[8] None of the members of the Board of Directors have a family relationship with any other member.

[9] The independent directors of the Company have been appointed by the extraordinary Shareholders' Meeting of 31 August 2020 subject to realization of the Conditions Precedent to the Private Placement.

[10] The term of the mandates of the directors will end immediately after the annual ordinary Shareholders' Meeting held in the year corresponding to each director's name.

He is and has been an investor and/or board member of several listed and private companies such as, amongst others, Beluga, Docpharma, Encare group (Mensura), AXI, The Reference, Alro Holdings, Loomans Group, United Brands, Capco, AED Rent, Uteron Pharma, Faseas International (Spacewell), HD Partners (Dekabo group), AED Rent, Unifiedpost, NRG New Generation, Imcyse, Axiles, Bionics and Hyloris Pharmaceuticals. Stefan holds Masters degrees in Law and Business Administration from the Universities of Brussels (VUB and ULB Solvay Business School) and the University of Chicago Law School (as a BAEF Fellow).

Jürgen Ingels is an entrepreneur and venture capitalist. Mr. Ingels holds a Master's degree in Business Administration and a Master's degree in Political and Social Sciences from the University of Antwerp. He was the founder and CFO of Clear2Pay, a leading company in payments technology. Under his leadership, Clear2Pay became an authority in the field of payment software, with more than 1,200 employees in 14 countries. Today, Jürgen is managing director of Smartfin Capital, a fund which targets promising European technology companies. Jürgen is also the initiator of 'Supernova', Belgium's biggest technology and innovation festival organized in Antwerp. He is involved in different companies like Guardsquare, Silverfin, Cumul.io, The Glue, and others alike. Jürgen currently holds board positions in several reputable companies throughout a variety of industries, such as: Materialise (NASDAQ: MTLS), Itiviti, Willemen, Ghelamco, Unifiedpost, WDP, Itineris and Projective.

Joost Uwents is the CEO of Warehouses De Pauw, a public company which specializes in the logistics industry and semi-industrial real-estate. He is currently an independent member to the board of directors of Xior Student Housing. Before his career at WDP, Joost started as an account manager for the General Bank. He obtained a master's degree as a business engineer from the KU Leuven and subsequently did an MBA at Vlerick Business School.

Katrien Meire is COO of Club Brugge NV, a football club competing in the Belgian national first division and Champions League or Europa League competitions. She started her career as a EU Competition lawyer in a magic circle law firm, before becoming CEO and Director of two English football clubs, namely Charlton Athletic and later on Sheffield Wednesday. She also served as a council member for two years at the English Football Association. Katrien obtained a master's degree in Law from KU Leuven and a LLM in Competition Law from University College of London.

Katya Degrieck is a senior Executive at Google, where she is head of the Publishers Revenue and News for Northern Europe departments. She started her career as a management consultant at Andersen Consulting and has since then been active in the media industry for over 25 years, including several executive positions at Bertelsmann and Corelio (now Mediahuis). Katya is also an independent director of the publishing company Lannoo Group and Smartphoto, where she is a member of the remuneration committee and audit committee. Katya holds a master's degree in business engineering and an MBA from the University of Brussels Solvay Business School.

Angeline (Marie-Ange) Marx is the COO of Keytrade Bank Belgium (a branch of Arkea Direct Bank) and a board member of Keytrade Bank Luxembourg. After an initial career as a lawyer with De Backer & Associés in Brussels, she joined Keytrade Bank in 1999 as managing director of Keytrade Bank Luxembourg and group compliance officer, before being promoted to the COO function in 2007. Marie-Ange is also a board member of Europay Belgium and member of Euroclear's market advisory committee. She obtained master's degrees in law from both the University of Brussels and the College of Europe in Bruges.

Leon Cappaert is an investment manager at FPIM, the Belgian Federal Holding and Investment Company, where he is responsible for investments in technology and new energy. Leon has over 20 years of experience in asset management and private equity. Before joining FPIM, he worked as an analyst and fund manager at KBC Asset Management. Later he joined Korys, the family office of the Colruyt Group, as an investment director. Leon is a certified chartered financial analyst and obtained a master's degree as a commercial engineer from the University of Antwerp.

In the five years preceding the date of this Prospectus, the directors or their permanent representatives (based on the composition of the Board of Directors following the realization of the Conditions Precedent to the Private Placement) have held the following directorships or memberships of administrative, management or supervisory bodies and/or partnerships apart from mandates in the Company or its subsidiaries:

Board Member	Current Mandates	Mandates over the past 5 years
Sofias BV / Hans Leybaert	BNP Paribas Fortis NV (Customer Advisory Board)	
AS Partners BV / Stefan Yee	A.E.D. Rent NV A.E.D. Display NV AED Lease NV AED Studios NV PE Group NV PE Event Logistics Invest NV Heliventure FTO NV Officenter Immo Leuven NV NRG New Generation NV UBLA VZW MW Foundation VZW TrainM NV Imcyse SA Axiles Bionics NV Hyloris Pharmaceuticals SA Marrevt Classics BV Marrevt International BV	S12 Fund NV Fitclass België VZW F.I.T. Systems NV Action Reaction NV PiroPro NV Faseas International NV HD Partners NV Dekabo BV Fordibel SRL Underground Solutions NV
Jinvest BV / Jürgen Ingels	Itineris NV Bright Investments BV NGData NV MariaDB Corporation Ab The Glue NV Itiviti Group AB Guardsquare NV Materialise NV Startups.be VZW Scale-ups.eu NV Projective NV Vavato Group NV Willemen Groep NV Ghelamco Invest NV WDP NV	Finsight Solutions CVBA Silverfin NV Innovis BV Newtec BV Trendminer NV
Joost Uwents	WDP NV Xior Student Housing NV	
Katrien Meire	Risus Sport BV	Charlton Athletic FC Sheffield Wednesday FC
Angeline (Marie-Ange) Marx	Keytrade Bank Luxembourg SA Europay CV Pierre Marx NV Marx&Marx NV	Keytrade Bank SA Reallease NV
Fovea BV / Katya Degrieck	Lannoo Publishing Group NV Smartphoto NV Fovea NV	
FPIM / Leon Cappaert	Capricorn Digital Growth Fund Capricorn ICT Arkiv	

16.2.3 *Functioning of the Board of Directors*

Meetings of the Board of Directors are convened by the Chairman of the Board of Directors or by the CEO or by at least two directors whenever the interests of the Company so require. In principle, the Board of Directors will meet at least five times per year.

(i) *Quorum*

A meeting of the Board of Directors is validly constituted if there is a quorum, consisting of at least a majority of its members present in person or represented at the meeting. Such quorum requirement shall not apply (i) to the vote on any matter at a subsequent meeting of the Board of Directors to which such matter has been deferred for lack of quorum at a prior meeting, if said subsequent meeting is held within 30 days from such prior meeting, provided that at least three directors are present or represented; or (ii) when an unforeseen emergency arises that makes it necessary for the Board of Directors to take action that would otherwise become time-barred by law or in order to avoid imminent harm to the Company.

The Board of Directors can only lawfully deliberate and decide on matters that are not stated on the agenda if all the members are present at the meeting and agree to this.

Each director can grant a proxy to one of his/her colleagues to represent him/her at a specific Board of Directors meeting.

(ii) *Deliberation and Voting*

The decisions of the Board of Directors are taken by a simple majority of votes. The Board of Directors' decisions can be taken by unanimous written agreement by the directors, with the exception of decisions for which the Articles of Association exclude this possibility.

16.2.4 *Chairman*

The Corporate Governance Charter provides that the Board of Directors appoints a Chairman from amongst its members.

The Chairman of the Board of Directors is responsible for the proper operation of the Board of Directors and the effectiveness of the Board of Directors in all aspects. The Chairman sees to it that active interaction takes place between the Board of Directors and the CEO, while fully respecting the executive responsibilities of the CEO.

The Chairman has additional specific tasks. These are further described in the Corporate Governance Charter.

16.2.5 *Secretary*

The Board of Directors is responsible for the appointment and dismissal of the Secretary of the Company. The Secretary provides support to the Board of Directors and Management Committee with respect to their respective competences and provides for good communication between these bodies. Furthermore, the Secretary is competent to draft or modify the Corporate Governance Charter and Statement, as well as to draft the minutes of the meetings of the Board of Directors.

16.2.6 ***Independent directors***

(i) *Article 7:87 §1 of the BCCA*

As to independent directors, according to Article 7:87, §1 of the BCCA, a director can only be considered an independent director if he or she does not have a relationship with the Company or with a significant Shareholder of the Company that would compromise his independence. If the director is a legal entity, his or her independence must be assessed on the basis of both the legal entity and his or her permanent representative.

The Corporate Governance Code sets out a number of criteria, as reflected below, to determine the "independency" of the person concerned. In case all "independency criteria" have been met, the person concerned shall be presumed to be independent until proven otherwise based upon the definition in Article 7:87, §1 of the BCCA. The person concerned shall be presumed "independent" when:

a) not being an executive member of the Board of Directors or exercising a function as member of the Management Committee or as a person entrusted with daily management of the Company or a related company or person (as defined in Article 1:20 of the BCCA) and not having been in such a position for the previous three years before his appointment or no longer benefit from the Company's stock options in relation to this position.

b) not having served for more than twelve years as a non-executive director of the Board of Directors.

c) not being an employee of the senior management (as defined in Article 19, 2° of the Belgian Act of 20 September 1948 regarding the organization of the business industry), of the Company or a related company or person (as defined in Article 11 of the Belgian Companies Code) and not having been in such a position for the previous three years before his or her appointment. Or no longer benefit from the Company's stock options in relation to this position.

d) not during his or her mandate, nor for the previous three years before his or her appointment, receiving or having received, any significant remuneration or other significant advantage of a patrimonial nature from the Company or a related company or person (as defined in Article 1:20 of the BCCA) apart from any bonus or fee he or she received as a non-executive member of the Board of Directors.

e) (i) at the time of appointment, not holding, directly or indirectly, nor individually or together, any Shareholder rights globally representing one tenth or more of the Share Capital or the voting rights of the Company;

   (ii) not representing, in any circumstances, a Shareholder fulfilling the conditions covered under point e.(i).

f) not having or having had within the year prior to his or her appointment, a significant business relationship with the Company or a related company or person (as defined in Article 1:20 of the BCCA), either directly or as a partner, Shareholder, member of the Board of Directors, member of the senior management (as defined in Article 19, 2° of the Belgian Law of 20 September 1948 regarding the organization of the business industry) of a company or person who maintains such a relationship.

g) not being or having been within the last three years prior to his or her appointment, a partner or employee of the audit-team of the Company, or the current or former Statutory Auditor of the Company or a related company or person (Article 1:20 of the BCCA).

h) not being an executive director of another company in which another executive director of the Company is a non-executive member of the Board of Directors and not having other significant links with executive directors of the Company, through involvement in other companies or bodies.

i) not being a spouse, legal partner or close family member to the second degree of a director or of a member of the Management Committee or person entrusted with the daily management or employee of the senior management (as defined in Article 19, 2° of the Belgian Law of 20 September 1948 regarding the organization of the business industry) in the Company or a related company or person (as defined in Article 1:20 of the BCCA) or of the persons referred to under (a) to (h) above.

The decision relating to the election of an independent director has to state the criteria on the basis of which he or she is (not) considered independent. In case the Board of Directors would submit the appointment of an independent director who does not meet the aforementioned criteria to the Shareholders' Meeting, it shall explain the reasons why it assumes that the candidate is in fact independent. This means that the "independency criteria" in the Corporate Governance Code should be regarded as (recommended) good practice (i.e. deviation is possible on the basis of a so-called "comply-or-explain" basis), rather than a formal legal requirement.

In considering a director's independence, also the criteria set out in the Company's Corporate Governance Charter will be taken into account. The Board of Directors will disclose in its annual report which directors it considers independent directors.

(ii) *Guidelines of the European Banking Association and the NBB*

Pursuant to Article 20 of the Law of 11 March 2018, implementing the prudential requirements of PSD2 in Belgian law, the Directors of a payment service provider should dispose of the professional reliability ("propriety") and relevant experience ("fitness") to perform their duties. These requirements apply at the level of Unifiedpost entity holding the license as a payment service provider, i.e. Unifiedpost Payments.

On 18 September 2018, the NBB has published a "Rule Book on the Assessment of the Experience and Professional Integrity", which applies not only to credit institutions and investment companies subject to the Belgian Banking Law, but also to payment service providers subject to the Law of 11 March 2018. These guidelines by the NBB are inspired by the EBA/GL/2017/12 guidelines which were published by the European Banking Association and ESMA on 26 September 2017 (the "**EBA Guidelines**").

With respect to the requirement of experience or "fitness", the NBB will review "experience", "skills" and "professional behavior". The latter requirement concerns the behavior required to comply with the applicable legislation in the financial sector and, in general, the interests of the financial institution, its customers, employees, counterparties and other stakeholders, as well as the community as a whole. In particular, the EBA and NBB place strong emphasis on the requirement of "independency".

As far as independency is concerned, reference should be made to the definition set forth in Article 7:87 §1 of the BCCA, the criteria set forth in the Corporate Governance Code and the criteria set forth in §§ 88-93 of the EBA Guidelines on the notion of "independency" on the other hand.

The independence requirements set forth in the BCCA and Corporate Governance Code differ from these set forth in the EBA Guidelines as the list of criteria set forth in the Corporate Governance Code is less exhaustive on certain points, given that not all criteria of the EBA Guidelines are taken up.

Due to the recent legislative changes to Belgian Corporate Law, non-compliance with one of the criteria set forth in the Corporate Governance Code (and before in the former Belgian Companies' Code) does not longer automatically lead to that person not being eligible under the "independence criteria", as, similar to the provisions of §92 of the EBA Guidelines, the Board of Directors can still argue that – despite the fact that not all of the criteria were met – the independence of the person concerned was not affected.

16.2.7 *Committees of the Board of Directors*

(i) *General*

The Board of Directors has established three board committees conditional upon and with effect as of the realization of the Conditions Precedent to the Private Placement, which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Audit Committee (in accordance with Article 7:99 of the BCCA and Provision 4.10 to 4.16 of the Corporate Governance Code), the Remuneration and Nomination Committee (in accordance with Article 7:100 of the BCCA and Provision 4.17 to 4.23 of the Corporate Governance Code) and the Management Committee. The terms of reference of these Board committees are primarily set out in the Corporate Governance Charter.

(ii) *Audit Committee*

The Audit Committee advises the Board of Directors on accounting, audit and internal control matters and shall, in particular:

- inform the Board of Directors on the result of the statutory audit of the annual accounts and, the consolidated accounts of the Company and explain how the statutory audit of the annual accounts and the consolidated accounts of the Company contributed to the integrity of the financial reports and the role the Audit Committee played in this process;
- monitor the financial reporting process in relation to the Company and make recommendations or proposals to safeguard the integrity of the process;
- monitor the effectiveness of the Company's internal control and risk management systems and if there is an internal audit, monitor the internal audit of the Company and its effectiveness, at least once a year;
- monitor the statutory audit of the annual and the consolidated accounts of the Company, including any follow-up on any questions and recommendations made by the Statutory Auditor;
- review and monitor the independence of the Statutory Auditor, in particular whether the provision of additional services to the Company is appropriate. More specifically, the Audit

Committee analyses, together with the Statutory Auditor, the threats for the Statutory Auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in Article 4 §3 of Regulation (EU) No 537/2014; and

- make recommendations to the Board of Directors for the appointment and reappointment of the Statutory Auditor of the Company in accordance with Article 16 § 2 of Regulation (EU) No 537/2014.

The Audit Committee also reports regularly to the Board of Directors on the exercise of its duties, identifying any matters where it considers that action or improvement is needed and making recommendations as regards the steps to be taken.

Following the realization of the Conditions Precedent to the Private Placement, the Audit Committee will consist of at least three (3) members appointed for a term not exceeding that of their Board of Directors membership, all being non-executive directors and a majority of them being independent directors. The chairperson of the Audit Committee shall be designated by the Audit Committee but shall not be the chairperson of the Board of Directors. No executive director (including the CEO) shall be a member of the Audit Committee.

Conditional upon and with effect as of the realization of the Conditions Precedent to the Private Placement, the following directors will form the Audit Committee: Joost Uwents (Chairman), Angeline (Marie-Ange) Marx, Stefan Yee and Jinvest BV, permanently represented by Jürgen Ingels.

The Audit Committee will meet at least four (4) times a year and whenever it deems necessary in order to carry out its duties.

(iii) *Remuneration and Nomination Committee*

The Remuneration and Nomination Committee advises the Board of Directors principally on matters regarding the remuneration and nomination of directors and the Management Committee and shall, in particular:

- identify, recommend and nominate, for the approval of the Board of Directors, candidates to fill vacancies in the Board of Directors and Management Committee positions as they arise;

- advise the Board of Directors on any proposal for the appointment of the CEO and on the CEO's proposals for the appointment of other members of the Management Committee;

- draft and lead (re-)appointment procedures for members of the Board of Directors;

- draft procedures for the orderly succession of members of the Board of Directors;

- ensure that sufficient and regular attention is paid to the succession of the CEO and other members of the Management Committee;

- ensure that there are appropriate programs for talent development and the promotion of diversity in the leadership;

- make proposals to the Board of Directors on the remuneration policy for directors and members of the Management Committee and the persons responsible for the day-to-day management of the Company, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the Shareholders' Meeting;

- make proposals to the Board of Directors on the individual remuneration of directors and members of the Management Committee and the persons responsible for the day-to-day management of the Company, including variable remuneration and long-term incentives, whether or not stock- related, in the form of stock options or other financial instruments and arrangements on early termination and where applicable, on the resulting proposals to be submitted by the Board of Directors to the Shareholders' Meeting;

- prepare a remuneration report to be included by the Board of Directors in the annual corporate governance statement;

- present and provide explanations in relation to the remuneration report at the annual Shareholders' Meeting;

- make proposals to the Board of Directors for performance targets and conduct performance reviews for the CEO and other members of the Management Committee; and

- report regularly to the Board of Directors on the exercise of its duties.

Following the realization of the Conditions Precedent to the Private Placement, the Remuneration and Nomination Committee shall consist of at least three (3) members, all being non-executive directors and a majority of them being independent directors. The Chairperson of the Remuneration and Nomination Committee shall be designated by the Board of Directors and shall be either the chairperson of the Board of Directors or another non-executive director.

Conditional upon and with effect as of the realization of the Conditions Precedent to the Private Placement, the following directors will form the Remuneration and Nomination Committee: Stefan Yee (Chairman), Katrien Meire and Katya Degrieck.

The Remuneration and Nomination Committee will meet at least two (2) times a year and whenever it deems necessary in order to carry out its duties.

(iv) *Management Committee*

The Management Committee is composed of the CEO, who chairs the Management Committee and the other members of the Management Committee. Such other members are appointed and removed by the Board of Directors upon advice of the CEO and the Remuneration and Nomination Committee.

The Management Committee exercises the duties assigned to it by the Board of Directors, in close consultation with the CEO, and at least the duties as referred to in Article 2.19 of the Corporate Governance Code. It operates under the ultimate supervision of the Board of Directors. It does not constitute an executive board within the meaning of Article 7:104 of the BCCA ("*directieraad*" / "*conseil de direction*"). The Management Committee is an informal executive committee within the meaning of Article 3:6, §3 of the BCCA.

The Management Committee consists of the following members:

Name[11]	Position	Business address
Sofias BV (permanently represented by Hans Leybaert)	Executive Director (CEO)	O.-L. Vrouwstraat 8, 3054 Oud-Heverlee, Belgium
Laurent Marcelis	Chief Financial Officer	Waterleestweg 29, 1980 Eppegem, Belgium
Hans Jacobs	Chief Commercial Officer	Duffelsesteenweg 44, 2860 Sint-Katelijne-Waver, Belgium
Tom Van Acker	Chief Operational Officer	Hekkestraat 13, 9200 Dendermonde, Belgium

Hans Leybaert: for the biography of Hans Leybaert, please see Section 16.2.2 – "*Composition of the Board of Directors*".

Laurent Marcelis has 26 years of experience in consulting, financial services and management. He is an experienced chief financial officer with a demonstrated history of working in the information technology and services industry with a background in financial services, business process improvement and strategy. Before joining Unifiedpost in 2006 he gained experience as a financial services consultant at Coopers&Lybrand / PwC, and in management functions at Interpolis / Rabobank. In 2006 he started as chief operational officer of the Company, followed by several management functions and directorship at Unifiedpost. After having left Unifiedpost in 2014 for a management function at Belfius Bank, he returned in 2016 to become the chief financial officer of the Company.

Hans Jacobs is the Company's chief commercial officer and has 24 years of experience in marketing, sales and business development in the financial industry with BNP Paribas Fortis SA/NV and ING Belgium SA/NV. During this period, he held, among others, functions such as sales & marketing director and directorship of BNP Paribas Fortis Factor NV for 10 years. In 2017 he joined the Company as chief commercial officer. Hans graduated from the Catholic University of Leuven as commercial engineer (applied economics) and holds a Master in Treasury Management from the Antwerp Management School.

Tom Van Acker has more than 20 years of international experience in consulting, IT & operations and general management, within both the technology & outsourcing services industry (at Electronic Data Systems) and the financial services industry (at Fortis, ABN Amro and BNP Paribas). Furthermore, Tom has been a member of the BNP Paribas Global retail banking IT management team and of the senior management community of BNP Paribas Group. He has been a board member of several commercial and receivables finance companies in Denmark, Sweden, Italy, France, Turkey, the UK and Germany. Tom holds a Master degree of Business Engineering from the Catholic University of Leuven (KUL).In the five years preceding the date of this Prospectus, the members of the Management Committee have held the following main directorships or memberships of administrative, management or supervisory bodies and/or partnerships apart from mandates in the Company or its subsidiaries:

Member	Current Mandates	Mandates over the past 5 years
Laurent Marcelis	BNP Paribas Fortis NV (Customer Advisory Board)	N/A
Hans Jacobs	Kīlauea Management Consulting BV	N/A
Tom Van Acker	Aprilis BV (Manager)	N/A

[11] None of the members of the Board of Directors have a family relationship with any other member.

For other mandates exercised by Hans Leybaert, please see Section 16.2.2 – "*Composition of the Board of Directors*".

16.2.8 *CEO*

The CEO is responsible for the day-to-day management of the Company. He may be granted additional well defined powers by the Board of Directors. He has direct operational responsibility for the Company and oversees the organization and day-to-day management of subsidiaries, affiliates and joint ventures. The CEO is responsible for the execution and management of the outcome of all Board decisions.

The CEO leads the Management Committee, which reports to him, within the framework established by the Board of Directors and under its ultimate supervision. The CEO chairs the Management Committee.

The CEO is appointed and removed by the Board of Directors and reports directly to it.

16.2.9 *Litigation statement concerning directors and members of the Management Committee*

At the date of this Prospectus and except as set out below, none of the directors or members of the Management Committee of the Company or none of their permanent representatives, has for at least the previous five years:

- had any convictions in relation to fraudulent offences;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or,
- has ever been disqualified by a court from acting as member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

16.2.10 *Statement concerning conflicts of interest*

None of the members of the Board of Directors, Audit Committee, Remuneration and Nomination Committee or the Management Committee has a potential conflict of interests between his duties to the Company and his private interests and/or any other duties he may have, except for the securities referred to in Section 16.3 – "*Securities Ownership*", any matters in relation to his management or employment agreement with the Company or any of its subsidiaries (if any) or with any (indirect) shareholder of the Company.

None of the members of the Board of Directors, Audit Committee, Remuneration and Nomination Committee or the Management Committee has a family relationship with any director or other member of the Board of Directors, Audit Committee, Remuneration and Nomination Committee or the Management Committee.

16.3 **Securities Ownership**

The table below provides an overview (as of the date of this Prospectus) of the Shares and Bonds held by the non-executive members of the Board of Directors at the date of this Prospectus, as well as the non-executive members of the Board of Directors following the realization of the Conditions Precedent to the Private Placement.

Director	Number of Shares in the Company	Number of subscription rights relating to Shares in the Company	Number of convertible bonds relating to Shares in the Company
Prior to the Listing			
AS Partners BV (permanently represented by Stefan Yee)[12]	0	0	0
Jinvest BV (permanently represented by Jürgen Ingels)[13]	0	0	0
Cytifinance SA (permanently represented by Michel Delloye)[14]	0	0	0
FPIM – SFPI NV (permanently represented by Leon Cappaert)	720,590	0	0
Following completion of the Listing			
AS Partners BV (permanently represented by Stefan Yee)[15]	0	0	0
Jinvest BV (permanently represented by Jürgen Ingels)[16]	0	0	0
FPIM – SFPI NV (permanently represented by Leon Cappaert)	720,590	0	0

The table below provides an overview (as of the date of this Prospectus) of the Shares and Bonds held by the executive management of the Company.

Member	Number of Shares in the Company	Number of subscription rights relating to Shares in the Company	Number of convertible bonds relating to Shares in the Company
Prior to the Listing			
Sofias BV (permanently represented by Hans Leybaert)	3,904,970	100,000 Key Man Subscription Rights	0
Marcelis BV (permantly represented by Laurent Marcelis)	0	2,500 ESOP Subscription Rights	0
Laurent Marcelis	85,200	0	0
Aprilis BV (permanently represented by Tom Van Acker)	112,500	10,000 ESOP Subscription Rights	0
Tom Van Acker	113,700	0	0

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[12] At the date of this Prospectus, Stefan Yee holds 93,930 Shares and 2,750 Subscription Rights in the Company in his own name. AS Partners BV is also managing director of PE Group NV and Stefan Yee is a minority shareholder of PE Group NV. PE Group NV holds 2,360,290 Shares and 3,1250 Subscription Rights in the Company. PE Group NV is not an "affiliate" (within the meaning of art. 1:21 BCCA) of AS Partners BV or Stefan Yee.

[13] At the date of this Prospectus, Jürgen Ingels holds 225,930 Shares in the Company in his own name. Jürgen Ingels is "key executive" and Jürgen Ingels and Jinvest BV are also minority shareholders of Smartfin Capital. Smartfin Capital holds 2,366,430 Shares and 8,500 Subscription Rights in the Company. Smartfin Capital is not an "affiliate" (within the meaning of art. 1:21 BCCA) of Jinvest BV or Jürgen Ingels.

[14] At the date of this Prospectus, Michel Delloye holds 1,9250,000 Shares and 1,250 Subscription Rights in the Company in his own name.

[15] Reference is made to footnote 12. Following the Listing, Stefan Yee will still hold 93,930 Shares and 2,750 Subscription Rights in the Company in his own name. Given that PE Group NV will act as Selling Shareholder, reference is made to Section 13.12 – "*Dilution*" for the full overview of potential holdings of PE Group NV.

[16] Reference is made to footnote 13. Following the Listing, Jürgen Ingels will still hold 225,930 Shares in the Company in his own name. Given that Smartfin Capital will act as Selling Shareholder, reference is made to Section 13.12 – "*Dilution*" for the full overview of potential holdings of Smartfin Capital.

KiMaCo BV (permanently represented by Hans Jacobs)	6,830	0	0
Hans Jacobs	0	2,500 ESOP Subscription Rights	0
Following completion of the Listing			
Sofias BV (permanently represented by Hans Leybaert)	3,904,970	100,000 Key Man Subscription Rights	0
Marcelis BV (permanently represented by Laurent Marcelis)	0	2,500 ESOP Subscription Rights	0
Laurent Marcelis	85,200	0	0
Aprilis BV (permanently represented by Tom Van Acker)	112,500	10,000 ESOP Subscription Rights	0
Tom Van Acker	113,700	0	0
KiMaCo BV (permanently represented by Hans Jacobs)	6,830	0	0
Hans Jacobs	0	2,500 ESOP Subscription Rights	0

16.4 Remuneration and Benefits of Directors and Members of the Management Committee

16.4.1 *Board of Directors*

The Shareholders' Meeting decides, at the time it appoints a director, whether the office of director will be remunerated through the allocation of fixed compensation. The amount of any such remuneration is determined by the Shareholders' Meeting and is borne by the Company. As the appointment of the non-executive members of the Board of Directors will only be effective upon the realization of the Conditions Precedent to the Private Placement, the Company cannot provide information about their remuneration with respect to the last financial year (i.e. the year ended 31 December 2019).

The remuneration of the non-executive members of the Board of Directors was decided by Shareholders' Meeting dated 31 August 2020 as follows:

- Director fee: annual fee of €20,000 gross;
- Additional fee for Audit Committee membership: annual fee of €7,500 gross;
- Additional fee for Remuneration and Nomination Committee membership: annual fee of €5,000 gross; and
- Additional fee applicable to the chairman of the Board of Directors: annual fee of €10,000 gross.

16.4.2 *Members of the Management Committee*

For the year ending 31 December 2019, remuneration of €277,181 was paid to the CEO. This remuneration was comprised of the following elements:

- base salary (gross remuneration): €249,887; and
- other compensation components (company car, phone, etc.): €27,294.

For the year ending 31 December 2019, total remuneration of €707,063 was paid to the other members of the Management Committee jointly. This remuneration is comprised of the following elements:

- base salary (gross remuneration): €685,842;
- other compensation components (company car, phone, etc.): €21,221.

In accordance with Article 3:6, §3 of the BCCA, the remuneration report for the financial year ending on 31 December 2020 (and any financial year thereafter), which forms part of the corporate governance declaration which shall be included in the Company's annual report, to be published in 2021, shall include (among other things) the amount of the remuneration of and any other benefits granted to, the Company's CEO, on a broken-down basis.

16.4.3 *Legal Constraints Applicable as of the realization of the Listing*

By law, certain restrictions apply to the remuneration of the CEO and the members of the Management Committee in addition to those mentioned under Section 16.5 - "*Termination Provisions*" below. Variable remuneration can only be paid to the CEO and the members of the Management Committee if the performance criteria explicitly mentioned in the contractual or other provisions governing the relationship were met in the relevant period.

If the variable remuneration constitutes more than 25% of the total annual remuneration package, at least 25% of the variable remuneration must relate to pre-determined and objectively measurable performance criteria deferred over a minimum period of two years and at least another 25% must relate to such criteria deferred over a minimum period of three years (except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception). The Articles of Association authorize the Company to deviate from such rule, as allowed under the BCCA.

In respect of share-based remuneration, Shares can only vest and options giving the right to receive Shares or any other rights to acquire Shares can only be exercisable as from three years after the grant (except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception). The Articles of Association authorize the Company to deviate from such rule, as allowed under the BCCA.

16.5 **Termination Provisions**

Other than in the case of termination in certain events of breach of contract, the CEO is entitled to a notice period of 12 months or a termination fee equal to the fix fee of a notice period of 12 months. The CEO is subject to a non-competition clause for a period of up to one year from the date of termination or resignation restricting his ability to work for competitors.

A non-compete compensation of 50% of the fixed fee is due when the non-compete provision is not waived within 30 days after the end of his agreement.

Other than in the case of termination in certain events of breach of contract, the CFO is entitled to a notice period of 12 months or a termination fee equal to the fix fee of a notice period of 12 months. The CFO is subject to a non-competition clause for a period of up to one year from the date of termination or resignation restricting his ability to work for competitors.

16.6 **Conflicts of Interest**

16.6.1 *Director's Conflicts of Interest*

Article 7:96 of the BCCA provides for a special procedure if a director of the Company, save for certain exempted decisions or transactions, directly or indirectly has a personal financial interest that conflicts with the interest of the Company following a decision or transaction that falls within the Board of Directors' powers. The director concerned must inform the other directors before any decision of the Board of Directors is taken and the Statutory Auditor must also be notified. The director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction. The minutes of the meeting of the Board of Directors must set out the director's declaration of the conflict of interest, the nature of relevant decision or transaction, the financial impact of the matter on the Company and justify the decision taken. An excerpt of the minutes must be published in the Company's annual report. The report of the Statutory Auditor to the annual accounts must contain a description of the financial impact on the Company of each of the Board's decisions in matters where a conflict of interest has arisen.

16.6.2 ***Intra-Group Transactions***

Save for certain exempted decisions or transactions, Article 7:97 of the BCCA provides for a special procedure when the decisions or transactions of a listed company (the Company will qualify as such a company after the Listing Date) concern relationships between such company on the one hand and affiliated companies of such company on the other hand, with the exception of relationships between that company and its subsidiaries. The procedure must also be followed for decisions or transactions between such company's subsidiaries on the one hand and affiliated companies of the subsidiaries on the other hand, with the exception of relationships between such company's subsidiaries and such subsidiaries' subsidiaries.

Prior to such decisions or transactions, the Board of Directors must appoint a special committee of three independent directors in accordance with Article 7:87 §1 of the BCCA, supported by one or more independent experts appointed by the special committee. This committee must describe the decision or transaction, give a description and calculation of the financial consequences of the decision or transaction, give a description of potential other consequences, as well as the advantages and disadvantages to the Company, where appropriate over time, and determine whether or not the decision or transaction is manifestly detrimental in light of the Company's policies. If the committee does not find the decision or transaction to be manifestly detrimental, but believes it will prejudice the Company, it must clarify what benefits the decision or transaction will provide in compensation for the identified prejudices. The committee's recommendation must be submitted in writing, stating each of the above elements to the Board of Directors. The expert's comments shall be included in, or annexed to, the Committee's opinion. The Board of Directors must then make a decision, taking into account the committee's recommendation.

The minutes of the Board of Directors must mention whether the procedure has been complied with and include a justification of any deviation from the committee's recommendation. The written recommendation of the committee and the decision of the Board of Directors must be communicated to the Statutory Auditor, who must issue a separate opinion, which must be annexed to the minutes of the Board of Directors, on the accuracy of the data contained in the recommendation of the committee and in the minutes of the Board of Directors. The committee's recommendation, an excerpt from the minutes of the Board of Directors and the opinion of the Statutory Auditor must be included in the annual report of the Board of Directors. This special procedure is not required for decisions and transactions entered into in the ordinary course of business at usual market conditions or for decisions and transactions in value not exceeding 1% of the Company's consolidated net assets.

16.7 Statutory Auditor

The audit of the stand-alone financial statements of the Company is entrusted to the Statutory Auditor which is appointed at the Shareholders' Meeting, for renewable terms of three years. The Shareholders' Meeting determines the remuneration of the Statutory Auditor.

The Company's current Statutory Auditor is BDO Bedrijfsrevisoren CVBA / BDO Réviseurs d'Entreprises SCRL, having its registered office at Corporate Village, Da Vincilaan 9 box E.6, 1930 Zaventem, Belgium, represented by Ms. Ellen Lombaerts.

BDO is a member of the Institute of Certified Auditors (*Instituut van de Bedrijfsrevisoren / Institut des Réviseurs d'Entreprises*) (membership number B00023).

BDO has been appointed for a term of three years by the Company's extraordinary Shareholders' Meeting held on 30 April 2019 so that its mandate will expire at the annual Shareholders' Meeting that will be asked to approve the stand alone annual accounts for the financial year ended on 31 December 2021. In years past, the Company has not had any disputes or material disagreements with BDO.

Article 3:71 of the BCCA and Article 24 of the Law of 7 December 2016 on the organization of the profession of and the public supervision over auditors limit the liability of auditors of listed companies to €12.0 million for, respectively, tasks concerning the legal audit of annual accounts within the meaning of Article 3:55 of the BCCA and other tasks reserved to auditors of listed companies by Belgian law or in accordance with Belgian law, except for liability resulting from the auditor's fraud or other deliberate breach of duty.

With respect to the audit of the consolidated financial statements of Unifiedpost, the Company has retained BDO as its contractual auditor on 29 January 2020. To this extent, the Company and BDO entered into an engagement letter regarding special-purpose financial statements on 29 January 2020.

17 TAXATION

17.1 Taxation in Belgium

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the ownership and disposal of Shares by an investor that purchases such Shares in connection with this Listing. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect. Applicable laws, treaties and regulatory interpretations in effect in the investors' respective Member State or country of residence or incorporation may also have an impact on the income received from the Shares.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the acquisition, ownership and disposal of Shares and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, undertakings for collective investment, brokers in securities or currencies, persons that hold or will hold, Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the local taxes that may be due in connection with an investment in Shares, other than Belgian local surcharges which generally vary from 0% to 9% of the investor's income tax liability.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity that has its main establishment, its administrative seat or seat of management in Belgium taking into account that a company having its statutory seat in Belgium is presumed, subject to evidence to the contrary, to have its main establishment, its administrative seat or seat of management in Belgium and counterproof is only accepted if it is also demonstrated that the company has its tax residence in other state according to the legislation of that other state), an Organization for Financing Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organization for Financing Pensions) or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

This summary does not address the tax regime applicable to shares held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium.

Investors should consult their own advisors regarding the tax consequences of an investment in Shares in the light of their particular circumstances, including the effect of any state, local or other national laws.

17.1.1 *Dividends*

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the BCCA is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up issuance premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

Whether a repayment is imputed to fiscal capital will depend on the company's taxed (and certain untaxed) reserves. Any capital reduction will be deemed to be paid out on a pro rate basis of the Company's fiscal capital and its relevant reserves (and in the following order: any taxed reserve incorporated in the statutory capital, any taxed reserve not incorporated in its statutory capital and any tax-exempt reserve incorporated in the statutory capital). The portion of the capital reduction that is deemed to be paid out of the reserves will be considered as a dividend distribution.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the case of a redemption of the Shares, the redemption distribution (after deduction of the part of the fiscal capital represented by the redeemed Shares) will, in principle, be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No Belgian withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions.

In case of liquidation of the Company, any amounts distributed in excess of the fiscal capital will in principle be subject to a 30% Belgian withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

(i) *Belgian Resident Individuals*

For Belgian resident individuals who acquire and hold Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report (the gross amount of) the dividends in their personal income tax return. Where the beneficiary opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% Belgian dividend withholding tax rate or at the progressive personal income tax rates applicable to the taxpayer's overall declared income. If the beneficiary reports the dividends, the income tax due on such dividends will not be increased by local surcharges. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on Shares. This condition is not applicable if the individual can demonstrate that he has held Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

For dividends paid or attributed as of 1 January 2018, an exemption from personal income tax could in principle be claimed by Belgian resident individuals in their personal income tax return for a first tranche of dividend income up to the amount of €800 (as of income year 2019 onwards). For the avoidance of doubt, all reported dividends (not only dividends distributed on the shares) are taken into account to assess whether said maximum amount is reached (and hence not only the amount of dividends paid or attributed on the shares).

For Belgian resident individual investors who acquire and hold Shares for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the investor and will, in such a case, be taxable at the investor's personal income tax rate increased with local surcharges. The Belgian dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own Shares in full legal ownership at the date on which the beneficiaries of the dividends are identified and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on Shares. The latter condition is not applicable if the investor can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

(ii) *Belgian Resident Companies*

(A) Corporate income tax

For Belgian resident companies, the gross dividend income (including the Belgian withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 29.58% (including the 2% crisis surcharge) and 25% as of 2020 (i.e. for financial years starting on or after 1 January 2020). Subject to certain conditions, a reduced corporate income tax rate of 20.4% (including the 2% crisis surcharge) and 20% as of 2020 (i.e. for financial years starting on or after 1 January 2020) applies for small and medium sized enterprises (as defined by Article 1:24, §1 to §6 of the BCCA) on the first €100,000 of taxable profits.

Belgian resident companies can, subject to certain conditions, deduct up to 100% of the gross dividend received from the taxable income, provided that at the time of a dividend payment or attribution: (i) the Belgian resident company holds or will hold Shares representing at least 10% of the Company's share capital or a participation in the Company with an acquisition value of at least €2.5 million (it being understood that only one out of the two tests must be satisfied), (ii) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year, and (iii) the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Belgian Income Tax Code (the "Article 203 ITC Taxation Condition") are met (together, the "Conditions for the application of the dividend received deduction regime").

Conditions (i) and (ii) above are, in principle, not applicable for dividends received by an investment company within the meaning of Article 2, §1, 5°, f) of the Belgian Income Tax Code. The conditions for the application of the dividend received deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the date on which the beneficiaries of the dividends are identified, and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the company can demonstrate (i) that it has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (ii) that during that period, the Shares have never been held in full legal ownership at any point in time by a) a taxpayer other than a company subject to Belgian corporate tax or b) a non-resident company having, in an uninterrupted manner, invested the Shares in a Belgian establishment.

(B) Belgian withholding tax

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the investor must provide the Company or its paying agent at the latest upon the attribution or payment of the dividend with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to Shares, the Company will levy the Belgian withholding tax but will not transfer it to the Belgian Treasury, provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year, its commitment to immediately notify to the Company or its paying agent when the one-year period has elapsed and its commitment to immediately notify to the Company or its paying agent a reduction of its shareholding below the 10% threshold prior to the end of the one-year holding period.

Upon satisfying the one-year shareholding requirement, the Belgian provisionally withheld dividend withholding tax will be passed on to the investor.

Please note that the above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements ("*rechtshandeling of geheel van rechtshandelingen*" / "*acte juridique ou un ensemble d'actes juridiques*") for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine ("*kunstmatig*" / "*non authentique*") and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

(iii) *Organizations for Financing Pensions*

For organizations for financing pensions ("**OFPs**"), i.e., Belgian pension funds incorporated under the form of an OFP ("*organisme voor de financiering van pensioenen*" / "*organisme de financement de pensions*") within the meaning of Article 8 of the Belgian Law of 27 October 2006, the dividend income is generally tax-exempt. Subject to certain conditions and limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

(iv) *Other Taxable Legal Entities*

For taxpayers subject to the Belgium income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their Belgian income tax liability in this respect.

(v) *Belgian Non-resident Individuals and Companies*

For non-resident individuals and companies, the Belgian dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds Shares in connection with a business conducted in Belgium through a Belgian establishment.

If Shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable Belgian non-resident individual or corporate income tax rate(s), as appropriate. Belgian dividend withholding tax levied at source may be credited against Belgian non-resident individual or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the date on which the beneficiaries of the dividends are identified, and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on, the Shares. The latter condition is not applicable if (i) the non-resident individual or the non-resident company can demonstrate that the Shares were held in legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (ii) the non-resident company can demonstrate that, during that period, the Shares have never been held in full legal ownership at any point in time by (a) a taxpayer other than a company subject to Belgian corporate tax or (b) a non-resident company having, in an uninterrupted manner, invested the Shares in a Belgian establishment.

Dividends paid or attributed to Belgian non-resident individuals who do not use the Shares in the exercise of a professional activity, may be exempt from Belgian non-resident individual income tax up to the amount of €800 (for income year 2019). Consequently, if Belgian withholding tax has been levied on dividends paid or attributed to the Shares, such Belgian non-resident individual may request in his or her Belgian non-resident income tax return that any Belgian withholding tax levied on dividends up to the amount of €800 (as of income year 2019 onwards) be credited and, as the case may be, reimbursed. However, if no such Belgian income tax return has to be filed by the Belgian non-resident individual, any Belgian withholding tax levied on such an amount could in principle be reclaimed by filing a request thereto addressed to the tax administration. Such a request has to be made at the latest on 31 December of the calendar year following the calendar year in which the relevant dividend(s) have been received, together with an affidavit confirming the non-resident individual status and certain other formalities. For the avoidance of doubt, all dividends paid or attributed to the Belgian non-resident individual are taken into account to assess whether the maximum amount of €800 (as of income year 2019 onwards) is reached (and hence not only the amount of dividends paid or attributed on the shares).

Non-resident companies whose shares are attributable to a Belgian establishment may deduct 100% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met (see above). Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

(vi) *Belgian Dividend Withholding Tax Relief for Non-residents*

Under Belgian tax law, Belgian withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) it is a non-resident saver in the meaning of Article 227, 3° of the ITC which implies that it has separate legal personality and fiscal residence outside of Belgium, (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions, (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim, (iv) which is exempt from income tax in its country of residence, and (v) except in specific circumstances provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the Shares, nor obligated to pay a manufactured dividend with respect to the Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the Shares and that the above conditions are satisfied. The foreign pension fund must then forward that certificate to the Company or its paying agent.

Dividends distributed to non-resident companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause and qualifying as a parent company, will be exempt from Belgian withholding tax provided that Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year. A company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the Parent-Subsidiary Directive as amended from time to time or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty it has a legal form similar to the ones listed in such annex, (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from the above exemption, the investor must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the three abovementioned conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to Shares, the Company will levy the Belgian withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies at the latest upon the attribution of the dividends its qualifying status, the date from which the investor has held such minimum participation, the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year, its commitment to immediately notify to the Company or its paying agent when the one-year period has elapsed and its commitment to immediately notify to the Company or its paying agent a reduction of its shareholding below the 10% threshold prior to the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the Belgian provisionally withheld dividend withholding tax will be passed on to the investor.

Please note that the above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements ("*rechtshandeling of geheel van rechtshandelingen*" / "*acte juridique ou un ensemble d'actes juridiques*") for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine ("*kunstmatig*" / "*non authentique*") and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality. With respect to dividends paid to a foreign pension fund, i.e. an entity whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions, the fact that the securities from which the dividends originate are not held in full legal ownership by the beneficiary for an uninterrupted period of at least 60 consecutive days, constitutes a legal presumption that the arrangement or the series of arrangements with respect to the dividends are not genuine.

Dividends distributed to non-resident companies are subject to a reduced Belgian withholding tax of 1.6995% (the "**Reduced Withholding Tax**") in case (i) the non-resident company is established in the European Economic Area or in a country with which Belgium has concluded a tax treaty that includes a qualifying exchange of information clause, (ii) the non-resident company is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime, (iii) the non-resident company does not satisfy the 10%-participation threshold but has a participation in the Company with an acquisition value of at least €2.5 million and such minimum participation is held or will be held in full legal ownership during an uninterrupted period of at least one year, (iv) the non-resident company has a legal form as listed in the annex to the Parent-Subsidiary Directive, as amended from time to time or, has a legal form similar to the ones listed in such annex that is governed by the laws of another Member State of the EEA or, has a legal form similar to the ones listed in such annex in a country with which Belgium has concluded a qualifying double tax treaty and (v) the dividends are not paid or attributed by a company which falls within the scope of Article 203 ITC (i.e., the Article 203 ITC Taxation Condition must be met; see above). The Reduced Withholding Tax only applies if and to the extent that the ordinary Belgian withholding tax is, in principle, neither creditable nor reimbursable in the hands of the non-resident company.

In order to benefit from the Reduced Withholding Tax, the investor must provide the Company or its paying agent with a certificate confirming (i) it is established in another EEA Member State or in a State with which Belgium has concluded a tax treaty, provided that the tax treaty or any other treaty provides for the exchange or information which is necessary to give effect to the provisions of the domestic laws of the Contracting States, (ii) it has a legal form as listed in the Annex I, part A of the Parent-Subsidiary Directive, as amended by Directive 2014/86/EU of 8 July 2014 or a legal form similar to the ones listed in said Annex and governed by the laws of the EEA Member State or a legal form similar to the ones listed in said Annex in a country with which Belgium has concluded a tax treaty, (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary domestic tax regime, (iv) it holds a participation of less than 10% in the capital of the Company but with an acquisition value of at least €2.5 million, (v) the dividends relate to Shares in the Company which it has held or will hold in full legal ownership for an uninterrupted period of at least one year, (vi) it cannot in principle credit the Belgian withholding tax paid on the dividends or obtain a refund thereof according to the legal provisions in force on 31 December of the year preceding the year of the payment or attribution of the dividends. The Company or the paying agent may also request confirmation from the investor that the investor commits to keep the participation with an acquisition value of at least €2.5 million until the completion of the minimum holding period of one year and that the investor immediately notifies the Company or the paying agent of the completion of said one year holding period. The investor must furthermore provide on the certificate its full name, legal form, address and fiscal identification number, if applicable.

Belgium has concluded tax treaties with over 90 countries, reducing the Belgian dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, amongst others, related to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable tax treaty rate.

Prospective holders should consult their own tax advisors as to whether they qualify for reduced rate of Belgian withholding tax on dividends and as to the procedural requirements for obtaining such reduced rate of Belgian withholding tax (either upon the payment of dividends or further to refund claims).

17.1.2 ***Capital gains and losses***

(i) *Belgian resident individuals*

In principle, Belgian resident individuals acquiring and holding Shares as a private investment should not be subject to Belgian capital gains tax on the disposal of Shares and capital losses are not tax deductible.

However, capital gains realized by a private individual on the disposal of Shares are taxable at 33% (plus local surcharges) if the capital gain is deemed to be speculative or to be realized outside the scope of the normal management of the individual's private estate. Capital losses, however, are generally not tax deductible.

Moreover, capital gains realized by Belgian resident individuals on the disposal of Shares for consideration, outside the exercise of a professional activity, to a non-resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Company (i.e., a shareholding of more than 25% in the Company).

This capital gains tax does not apply if the Shares are transferred to the above mentioned persons provided that they are established in the EEA. Capital losses are, however, not tax deductible.

Belgian resident individuals who hold Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of Shares, except for Shares held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on Shares incurred by Belgian resident individuals who hold Shares for professional purposes are in principle tax deductible.

Capital gains realized by Belgian resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be taxable as a dividend (see above).

(ii) *Belgian Resident Companies*

Belgian resident companies are not subject to Belgian corporate income tax on capital gains realized upon the disposal of shares of the Company provided that: (i) the Belgian resident company holds shares representing at least 10% of the share capital of the Company or a participation in the Company with an acquisition value of at least €2,500,000 (it being understood that only one out of the two tests must be satisfied) (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year and (iii) the Article 203 ITC Taxation Condition is met.

If condition (ii) is not met, the capital gains realized upon the disposal of Shares of the Company by a Belgian resident company are taxable at a separate corporate income tax rate of 25.5% (including the 2% crisis surcharge) and at the ordinary corporate income tax rate of 25% as of 2020 (i.e. financial years starting on or after 1 January 2020). If condition (i) is not met or none of the conditions are met, the capital gains realized upon the disposal of shares in the Company will be taxable at the ordinary corporate income tax rate as applicable in the relevant financial year. Capital losses on Shares incurred by resident companies are as a general rule not tax deductible.

Capital gains realized by Belgian resident companies upon the redemption of Shares or upon the liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

If the Company's shares form part of the trading portfolio ("*handelsportefeuille*" / "*portefeuille commercial*") of companies which are subject to the Royal Decree of 23 September 1992 on the annual accounts of credit institutions, investment enterprises and management companies of undertakings for collective investment ("*jaarrekening van de kredietinstellingen, de beleggingsondernemingen en de beheersvennootschappen van instellingen voor collectieve belegging*" / "*comptes annuels des établissements de credit, des entreprises d'investissement et des sociétés de gestion d'organismes de placement collectif*"), the capital gains realized upon the disposal of shares will be subject to corporate income tax at the general rates and capital losses will be tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realization.

(iii) *Organizations for Financing Pensions*

OFPs are, in principle, not subject to Belgian capital gains taxation realized upon the disposal of the Shares and capital losses are not tax deductible.

However, in general, capital gains realized by Belgian resident OFPs upon the redemption of Shares or upon the liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

(iv) *Other Taxable Legal Entities*

Belgian resident legal entities subject to the legal entities income tax are, in principle, not subject to Belgian capital gains taxation on the disposal of Shares. However, capital gains realized upon disposal of (part of) a substantial participation in a Belgian company (being a participation representing more than 25% of the share capital of the Company at any time during the last five years prior to the disposal) may under certain circumstances give rise to a 16.5% tax (plus crisis surcharge). Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

Capital gains realized by Belgian resident legal entities upon the redemption of Shares or upon the liquidation of the Company will in principle be taxed as dividends (see above).

(v) *Belgian Non-resident Individuals*

Capital gains realized on the Shares by a non-resident individual that has not acquired and held the Shares in connection with a business conducted in Belgium through a Belgium establishment are in principle not subject to taxation, unless in the following cases if such capital gains are obtained or received in Belgium:

(a) the gains are deemed to be speculative or realized outside the scope of the normal management of the individual's private estate; or,

(b) the gains originate from the disposal of (part of) a substantial participation in a Belgian company (being a participation representing more than 25% of the share capital of the Company at any time during the last five years prior to the disposal).

However, Belgium has concluded tax treaties with more than 90 countries which generally provide for a full exemption from Belgian capital gains taxation on such gains realized by residents of those countries. Capital losses are generally not tax deductible.

Capital gains realized by Belgian non-resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be taxable as a dividend (see above).

Capital gains will be taxable at the ordinary progressive income tax rates and capital losses will be tax deductible, if those gains or losses are realized on Shares by a non-resident individual that holds Shares in connection with a business conducted in Belgium through a Belgian establishment.

(vi) *Belgian Non-resident Companies or Entities*

Capital gains realized on the Shares by non-resident companies or non-resident entities that have not acquired the Shares in connection with a business conducted in Belgium through a Belgian establishment are in principle not subject to taxation and losses are not tax deductible. Capital gains realized by non-resident companies or other non-resident entities that hold the Shares in connection with a business conducted in Belgium through a Belgian establishment are generally subject to the same regime as Belgian similar entities (see above).

17.1.3 ***Tax on Stock Exchange Transactions***

No tax on stock exchange transactions is due upon subscription to Shares (primary market transactions).

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions ("*taks op de beursverrichtingen*" / "*taxe sur les opérations de bourse*") if (i) it is executed in Belgium through a professional intermediary or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium or legal entities for the account of their seat or establishment in Belgium (both referred to as a "**Belgian Investor**").

The tax on stock exchange transactions is levied at a rate of 0.35% of the purchase price, capped at €1,600 per transaction and per party.

A separate tax is due by each party to the transaction and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid by the professional intermediary established outside Belgium. In this later case, the foreign professional intermediary also has to provide each customer (which gives such an intermediary an order) with a qualifying order statement (*"borderel" / "bordereau"*), at the latest on the business day after the day the transaction concerned was realized. Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative ("**Stock Exchange Tax Representative**"), which will be liable towards the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligation relating to the order statement in respect of the transactions executed through the professional intermediary. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2.9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services, (ii) insurance companies described in Article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies, (iii) pension institutions referred to in Article 2,1° of the Belgian Law of 27 October 2006 concerning the supervision of pension institutions, (iv) undertakings for collective investment, (v) regulated real estate companies, and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

The EU Commission adopted on 14 February 2013 the Draft Directive on a Financial Transaction Tax (FTT). The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

17.1.4 ***Tax on securities accounts***

Pursuant to the law of 7 February 2018, Belgian resident and non-resident individuals are taxed at a rate of 0.15% on their share in the average value of qualifying financial instruments (such as shares, bonds, certain other type of debt instruments, units of undertakings for collective investment, subscription rights) held on one or more securities accounts with one or more financial intermediaries during a reference period of 12 consecutive months starting on 1 October and ending on 30 September of the subsequent year ("**Tax on Securities Accounts**").

No Tax on Securities Accounts is due provided the holder's share in the average value of the qualifying financial instruments on those accounts amounts to less than €500,000. If, however, the holder's share in the average value of the qualifying financial instruments on those accounts during the relevant reference period amount to €500,000 or more, the Tax on Securities Accounts is due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and hence, not only on the part exceeding the €500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty override may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or an investment company as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the legal status and supervision of credit institutions and investment companies and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to €500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value of each of these accounts do not amount to €500,000 or more but of which the holder's share in the total average value of these accounts exceeds €500,000). Otherwise, the Tax on Securities Accounts needs to be declared and is due by the holder itself, unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities ("**Tax on the Securities Accounts Representative**"). Such a Tax on the Securities Accounts Representative is then liable toward the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals have to report in their annual income tax return their various securities accounts held with one or more financial intermediaries of which they are considered as a holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return their various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Prospective Investors are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

17.1.5 *Common reporting standard*

Following recent international developments, the exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 25 June 2019, 106 jurisdictions signed the multilateral competent authority agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016.

Under CRS, financial institutions resident in a CRS country will be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information between EU Member States as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC2 had to become effective on 30 September 2017 at the latest, except with regard to Austria. The mandatory automatic exchange of financial information had to become effective in Austria on 30 September 2018 (at the latest).

On 27 May 2015 the European Union and Switzerland signed a protocol amending their existing Savings agreement and transforming it into an agreement on automatic exchange of financial account information based on the CRS. As of 1 January 2017, financial institutions in the EU and Switzerland apply the due diligence procedures envisaged under the new Agreement to identify customers who are reportable persons, i.e. for Switzerland, residents of any EU Member State. As of September 2018, the national authorities report the financial information to each other.

The Belgian government has implemented DAC2, respectively the CRS, per the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) toward the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria toward other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) toward the US and (iii) with respect to any other non-EU States that have signed the MCAA, as of the respective date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions and as from 2019 (for the 2018 financial year) for another jurisdiction

Investors who are in any doubt as to their position should consult their own professional advisers.

17.2 Certain United States federal income tax consequences

17.2.1 *General*

The following discussion is a summary of certain US federal income tax consequences relating to the acquisition, ownership and disposition of the Shares. This summary does not purport to be a comprehensive description of all of the US federal income tax considerations that may be relevant to a particular person's decision to acquire the Shares. This discussion is based on the US Internal Revenue Code of 1986, as amended (the "**Code**") and US Treasury regulations promulgated thereunder, as well as judicial and administrative interpretations thereof and the income tax treaty between the United States and Belgium (the "**Treaty**"), in each case as in effect as of the date of this Prospectus. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below, and the US Internal Revenue Service (the "**IRS**") or US courts may not agree with the tax consequences described in this summary. The Company undertakes no obligation to publicly update or otherwise revise this summary whether as a result of new US Treasury regulations, Code sections, judicial and administrative interpretations or otherwise.

This summary applies only to US Holders (as defined below) that purchase and hold the Shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address any US federal estate and gift tax, alternative minimum tax or Medicare tax on net investment income consequences, or any US state or local or non-US tax consequences. This summary also does not address the tax considerations that may be relevant to certain types of investors subject to special treatment under US federal income tax laws, such as:

- banks and other financial institutions;
- insurance companies;
- regulated investment companies or real estate investment trusts;
- dealers or traders in securities or currencies that use a mark-to-market method of accounting;
- tax exempt organizations, retirement plans, individual retirement accounts and other tax deferred accounts;
- persons holding the Shares as part of a straddle, hedging, conversion or integrated transaction for US federal income tax purposes;
- US expatriates;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- any entity or arrangement classified as partnership for US federal income tax purposes or investors therein;
- persons who own or are deemed to own, directly or constructively, 10% or more of Company's stock (by vote or value);
- persons holding the Shares in connection with a trade or business conducted outside the United States; or
- persons who do not qualify for the benefits of the Treaty.

The summary of US federal income tax consequences set out below is for general information only. Prospective investors should consult their tax advisors regarding the application of the US federal tax rules to their particular circumstances as well as the state, local, non-US and other tax consequences to them of the acquisition, ownership and disposition of the Shares.

As used in this discussion, the term "**US Holder**" means a beneficial owner of the Shares that is for US federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or other entity treated as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of its source; or

- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more US persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships considering an investment in the Shares and partners in such partnerships should consult their tax advisors regarding the specific US federal income tax consequences to them of the acquisition, ownership and disposition of the Shares.

17.2.2 *Dividends and Other Distributions*

Subject to the passive foreign investment company ("**PFIC**") rules discussed below, the gross amount of any distribution made by the Company to a US Holder with respect to the Shares (including the amount of any Belgian taxes withheld therefrom) generally will be included in such holder's gross income as non-US source dividend income in the year actually or constructively received, but only to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). As a non-US company, the Company does not maintain calculations of its earnings and profits under US federal income tax principles. Therefore, it is expected that any distributions generally will be reported to US Holders as dividends. Any dividends that the Company pays will not be eligible for the dividends-received deduction allowed to certain corporate US Holders.

With respect to certain non-corporate US Holders, including individual US Holders, dividends may be eligible to be taxed at favorable rates applicable to "qualified dividend income," provided that (1) the Company is eligible for the benefits of a qualifying income tax treaty with the United States that includes an exchange of information program (such as the Treaty), (2) the Company is not a PFIC (as discussed below) with respect to the relevant US Holder for either its taxable year in which the dividend is paid or the preceding taxable year and (3) certain minimum holding period and other requirements are met. The Company generally should be eligible for the benefits of the Treaty if the Shares are considered "regularly traded" on Euronext Brussels. US Holders should consult their tax advisors regarding the availability of the favorable rate applicable to qualified dividend income for any dividends the Company pays with respect to the Shares.

The amount of any distribution paid in euros will be included in a US Holder's income in an amount equal to the US dollar value of such euros calculated by reference to the exchange rate in effect on the date the distribution is actually or constructively received by a US Holder, regardless of whether the payment is in fact converted into US dollars at that time. If the distribution is converted into US dollars on the date of receipt, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the distribution. A US Holder may have foreign currency gain or loss if the distribution is converted into, or exchanged for, US dollars after the date of receipt.

Any dividends the Company pays to US Holders generally will constitute non-US source "passive category" income for US foreign tax credit limitation purposes. If any Belgian taxes are withheld with respect to dividends paid to a US Holder with respect to the Shares, subject to certain conditions and limitations provided in the Code and the applicable US Treasury regulations (including a minimum holding period requirement), such taxes may be treated as non-US taxes eligible for credit against such US Holder's US federal income tax liability (to the extent not exceeding the withholding rate applicable to the US Holder). In lieu of claiming a foreign tax credit, US Holders may, at their election, deduct non-US taxes, including any Belgian taxes withheld from dividends on the Shares, in computing their taxable income, subject to generally applicable limitations under US federal income tax law. An election to deduct non-US taxes instead of claiming foreign tax credits applies to all non-US taxes paid or accrued in the taxable year. If a refund of the tax withheld is available under the laws of Denmark or under an applicable income tax treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a US Holder's US federal income tax liability (and will not be eligible for the deduction against US federal taxable income). Under the Treaty, dividends paid by the Company to a US Holder that is eligible for the benefits of the Treaty generally will be subject to Belgian withholding tax at a rate of 15%. If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the US foreign tax credit limitation generally will be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends.

The rules relating to the determination of the US foreign tax credit and the deduction of non-US taxes are complex, and US Holders should consult their tax advisors to determine whether and to what extent a credit or deduction may be available in their particular circumstances.

17.2.3 *Taxable Dispositions of Shares*

Subject to the PFIC rules discussed below, a US Holder generally will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a Share in an amount equal to the difference between the sum of the fair market value of any property and the amount of cash received in such disposition and the holder's tax basis in the Share. The gain or loss generally will be capital gain or loss, and generally will be a long-term capital gain or loss if the US Holder has held the Share for more than one year at the time of disposition. For certain non-corporate taxpayers (including individuals), long term capital gains are subject to tax at favorable rates. The deductibility of capital losses is subject to limitations.

If the consideration a US Holder receives for the Shares is paid in a currency other than the US dollar, the amount realized generally will be the US dollar value of the amount received determined by reference to the spot rate of exchange on the date of the sale or other disposition. If the Shares are traded on an "established securities market" (within the meaning of the applicable US Treasury regulations) and the US Holder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the US dollar value of the amount realized in the foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis US Holder that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the trade date and the settlement date.

The US Holder's tax basis in the Shares generally will equal the cost of the Shares to the US Holder. If a US Holder uses foreign currency to acquire Shares, the cost of the Shares to such holder generally will be the US dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. If the Shares are treated as traded on an established securities market and the US Holder is either a cash basis taxpayer or an accrual basis taxpayer that has made the special election described above, such holder will determine the US dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Disposition of a Share generally will be treated as US source income or loss for foreign tax credit limitation purposes. US Holders should consult their tax advisors regarding the proper treatment of any gain or loss in their particular circumstances, including the effects of any applicable income tax treaties.

17.2.4 *Passive Foreign Investment Company Considerations*

Based on the current and anticipated value of Unifiedpost's assets and the nature and composition of the Company's income and assets, the Company does not expect to be a PFIC for Unifiedpost's financial year ending 31 December 2020, or in the foreseeable future. However, the determination of PFIC status is based on an annual determination that cannot be made until the close of a taxable year, involves extensive factual investigation, including ascertaining the fair market value of all of Unifiedpost's assets on a quarterly basis and the character of each item of income that Unifiedpost earns, and is subject to uncertainty in several respects. Changes in the composition of Unifiedpost's income or assets may depend in part upon the value of Unifiedpost's goodwill not reflected on Unifiedpost's statement of financial position (which may depend upon the market value of the Shares from time to time, which may be volatile). Accordingly, Unifiedpost cannot assure you that it will not be a PFIC for Unifiedpost's current taxable year ending 31 December 2020 or for any future taxable year. If Unifiedpost is a PFIC for any year during which a US Holder holds the Shares, Unifiedpost generally would continue to be treated as a PFIC with respect to that US Holder for all succeeding years during which the US Holder holds the Shares, even if Unifiedpost ceased to meet the threshold requirements for PFIC status in any particular year, unless the US Holder has made a "deemed sale" election under the PFIC Rules when Unifiedpost ceases to be a PFIC.

A non-US corporation such as the Company will be treated as a PFIC if, applying applicable look-through rules, either:

- at least 75% of its gross income for such year is "passive income" for purposes of the PFIC rules; or
- at least 50% of the value of its assets (determined based on a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than certain royalties and rents derived in the active conduct of a trade or business and not derived from a related person). The Company will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which Unifiedpost owns, directly or indirectly, more than 25% by value of the stock.

If Unifiedpost were a PFIC for any taxable year during which a US Holder holds Shares, then, unless such US Holder makes a "mark-to-market" election (as discussed below), such US Holder generally would be subject to special adverse tax rules with respect to any "excess distribution" that it receives from the Company and any gain that it recognizes from a sale or other disposition (including, in certain circumstances, a pledge, of Shares). For this purpose, distributions that a US Holder receives in a taxable year that are greater than 125% of the average annual distributions that it received during the shorter of the three preceding taxable years or your holding period for the Shares will be treated as an excess distribution. Under these rules:

- the excess distribution or recognized gain would be allocated ratably over the US Holder's holding period for the Shares;
- the amount of the excess distribution or recognized gain allocated to the taxable year of distribution or gain, and to any taxable years in the US Holder's holding period prior to the first taxable year in which the Company was treated as a PFIC, would be treated as ordinary income; and
- the amount of the excess distribution or recognized gain allocated to each other taxable year would be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year and the resulting tax will be subject to the interest charge generally applicable to underpayments of tax.

If the Company were a PFIC for any taxable year during which a US Holder holds Shares and any of Unifiedpost's non-US subsidiaries or other corporate entities in which Unifiedpost owns equity interests is also a PFIC, the US Holder would be treated as owning a proportionate amount (by value) of the shares of each such non-US entity classified as a PFIC, each such entity referred to as a "lower-tier PFIC", for purposes of the application of these rules. US Holders should consult their own tax advisor regarding the application of the PFIC rules to any of the Company's lower-tier PFICs.

If the Company were a PFIC for any taxable year during which a US Holder holds Shares, then in lieu of being subject to the tax and interest-charge rules discussed above, the US Holder may make an election to include gain on the Shares as ordinary income under a mark-to-market method, provided that the Shares constitute "marketable stock." Marketable stock is stock that is regularly traded on a qualified exchange or other market, as defined in applicable Treasury Regulations.

Because a mark-to-market election cannot be made for any lower-tier PFICs that the Company may own (unless the shares in such lower-tier PFIC are themselves treated as marketable stock), if the Company were a PFIC for any taxable year and the Shares constitute marketable stock, a US Holder that makes the mark-to-market election may continue to be subject to the tax and interest charges under the general PFIC rules with respect to such US Holder's indirect interest in any investments held by the Company that are treated as an equity interest in a PFIC for US federal income tax purposes.

In certain circumstances, a shareholder in a PFIC may avoid the adverse tax and interest-charge regime described above by making a "qualified electing fund" election to include in income its share of the corporation's income on a current basis. However, a US Holder may make a qualified electing fund election with respect to the Shares only if the Company agrees to furnish such US Holder annually with a PFIC annual information statement as specified in the applicable Treasury Regulations. There is no assurance that Unifiedpost will provide such information that would enable a US Holder to make a qualified electing fund election.

If a US Holder owns Shares during any year in which the Company is a PFIC, such US Holder (including, potentially, indirect holders) generally will be required to file an IRS Form 8621 with such holder's US federal income tax return for that year.

US Holders should consult their own tax advisors regarding the application of the PFIC rules to their ownership of the Shares.

17.2.5 *Information Reporting and Backup Withholding*

Dividend payments with respect to the Shares and proceeds from a sale, exchange, redemption or other taxable disposition of the Shares made within the United States or through certain US related financial intermediaries may be subject to information reporting to the IRS and possible US backup withholding. Backup withholding will not apply, however, to a US Holder that furnishes a correct taxpayer identification number and makes any other required certification on IRS Form W-9 or that is otherwise exempt from backup withholding. US Holders of the Shares should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against such US Holder's US federal income tax liability, and such holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Certain US Holders may be required to comply with certain reporting requirements relating to the Shares, including filing IRS Form 8938, with respect to the holding of certain foreign financial assets, including stock of foreign issuers (such as the Company), either directly or through certain foreign financial institutions, if the aggregate value of all such assets exceeds US $50,000 on the last day of the tax year or US $75,000 at any time during the tax year. US Holders who fail to report the required information could be subject to substantial penalties. US Holders should consult their own tax advisors regarding the application of these rules to their ownership of the Shares.

The discussion above is a general summary. It does not cover all tax matters that may be important to you. Prospective investors should consult their tax advisors regarding the application of the US federal tax rules to their particular circumstances as well as the state, local, non-US and other tax consequences to them of the acquisition, ownership and disposition of the Shares.

18 AN OVERVIEW OF THE FINANCIAL SUPPLY CHAIN

18.1 Introduction

The financial supply chain is a fundamental part of a company's supply chain, connecting suppliers and buyers, from the moment an order is placed by a buyer, to the moment of receipt of payment by the supplier. In the financial supply chain, financial information and money flow in one direction and goods and services flow in the other. Companies aim to manage these mission critical business processes in the most efficient way to enhance their product flow, maximize revenue, minimize expenses and optimize working capital. However, many business processes in the financial supply chain are still suboptimal due to their paper-based, manual, error-prone and time consuming nature.

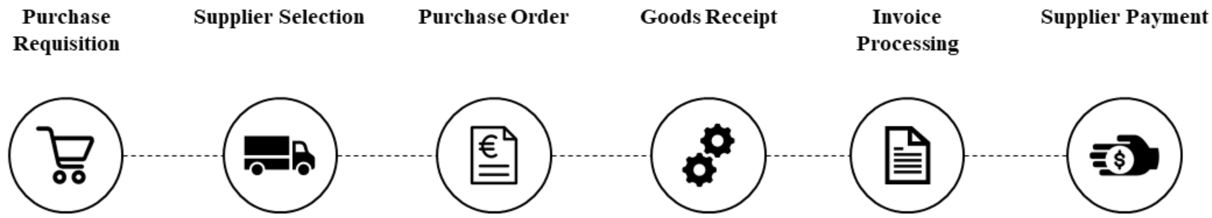
Nowadays, many processes in the financial supply chain can be automated through digitalization, which permits companies to outsource certain processes to one or more specialized technology service providers. Specialized service providers support a company in the transition to straight-through processing, reducing friction from these mission-critical business processes by limiting manual and error-prone tasks.

The financial supply chain can be characterized by three related business process cycles:

- Procure-to-pay (buyer solution);
- Order-to-cash (seller solution); and
- Supply chain financing (e.g. working capital financing and risk management for the various actors in the financial supply chain).

18.2 Procure-to-pay

The figure below provides an illustration of a typical "procure-to-pay" cycle.



The procure-to-pay cycle is the process a company uses to purchase the goods and services it needs to manage its business. The typical "procure-to-pay" cycle includes the following steps:

- **Purchase requisition:** a formal request generated by a department or storeroom-personnel to notify the procurement department of goods or services required, including the quantity and timing. The document may also contain the authorization to proceed with the purchase. By processing a purchase requisition, appropriate controls can monitor the legitimacy of a purchase, as well as identify the business need for goods and services.
- **Supplier selection**: the process of identifying and vetting suppliers (potentially including supplier empanelment). After shortlisting potential suppliers, a company can send out a request for proposal and quotation. Based on the proposals received, a company will decide on its preferred supplier for a particular need.

- **Purchase order (a "PO")**: a detailed order form with quantity and delivery requirements that can be shared with the preferred supplier via different channels, including through traditional channels (e.g., mail and email) and novel channels (e.g., cloud platforms for supplier networks). After a PO is accepted by the supplier, the final PO is recorded and the supplier will start the order fulfilment process.

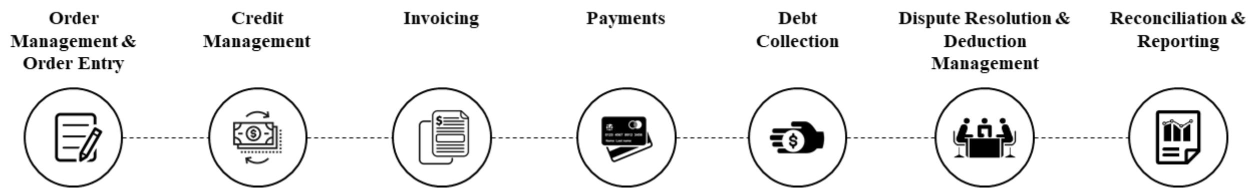
- **Goods receipt:** the tracking and inspection of the goods or services received from external suppliers. The goods or services and corresponding delivery documents are matched to a PO and are entered in the "goods received note" system (GRN system) to update the stock accounts.

- **Invoice processing:** after the buyer confirms the receipt of the goods or services and acknowledges the appropriate quality of the goods or services, the supplier issues and sends an invoice (either an e-Invoice, digital invoice or a printed paper-based invoice) to the buyer. An e-Invoice is an invoice that has been issued in a structured data format (e.g. EDI or XML) in a VAT-compliant way, which allows for its automatic and electronic processing ("straight-through processing"). After receipt by the buyer, the invoice is verified in terms of price and quantity through the reconciliation with the PO and delivery documents. After internal approval of the invoice, the invoice, PO and delivery documents are shared with the accounts payable department. Companies must archive these documents for regulatory and tax evidencing purposes. Specialized e-Invoicing service providers support companies in the processing and archiving of invoices (and other documents) and support companies in the transition from manual paper-based to automated e-Invoicing processes.

- **Supplier payment:** after approval, the buyer pays the invoice in accordance with the payment terms. Suppliers can facilitate the payment process by integrating multiple payment options within the invoice itself. Otherwise, the buyer will pay the invoice itself using traditional payment methods (including bank payments and alternative payment methods).

18.3 Order-to-cash

The figure below provides an illustration of a typical "order-to-cash" cycle.



The "order-to-cash" cycle is the process a company uses to process orders received and collect receivables, which commences when a customer places an order and ends when the order is received and paid for by the customer. The "order-to-cash" cycle plays an important role in an organization's relationship management, beyond the sales and marketing processes, and consists of multiple processes detailed below.

- **Order management and order entry:** order management and order entry processes allow companies to keep track of their customers and their orders, regardless of the sales channel. Key order management processes include (i) order receipt and entry into the order management system, (ii) order administration with regards to changes, cancellations, accelerations and holds, and (iii) account set-ups of new customer accounts.

- **Credit management:** companies employ credit management processes to analyze and monitor the credit ratings of new and existing customers to minimize the risk of uncollectable accounts receivables or late payments with regards to orders on trade credit. This includes conducting analyses of customers' credit histories, credit reviews, setting credit limits and credit hold processes. Once a customer's order on credit has been approved, companies can take further risk mitigating actions such as purchasing credit insurance.
- **Invoicing:** sellers can generate and send invoices in different ways: (i) a printed paper-based invoice by mail, (ii) a digital pdf- or image-based invoice by email; or (iii) an e-Invoice transmitted via e-Invoicing networks. Subsequently, the invoices and other supply chain documentation need to be archived in accordance with the Company's policies for regulatory and tax evidencing purposes. Specialized e-Invoicing service providers support companies in the generation, delivery and archiving of invoices and support companies in the transition from manual paper-based to automated e-Invoicing processes.
- **Payments:** based on the underlying invoices, payments need to be received and processed by the seller. The seller can facilitate a more frictionless payment process for the buyer to reduce the number of accounts receivable days. Specialized payment service providers can offer simple payment solutions (often integrated in the invoice itself) enabling different types of payment methods (e.g. bank transfers and alternative payment methods) as well as multiple other value added services.
- **Debt collection:** this entails the assessment, control and reduction of risk regarding unpaid receivables, including the collection of unpaid receivables. This includes the monitoring of whether invoices are paid on time, dunning (e.g. sending payment reminders after specific time intervals) and other debtor communication management (e.g. follow-up actions). Finally, a company can decide to (partly) write off irrevocable debts to bad debt accounts, based on internal approvals.
- **Dispute resolutions and deduction management (i.e. the handling and resolution of discounts, rebates, credit notes and eventually return of goods):** customer disputes can be the result of multiple processes, including quality of the product or service, delivery and invoicing errors. A supplier will typically assess whether a customer dispute is valid and take action accordingly to resolve such dispute. Customer disputes are one of the main sources of delayed payments.
- **Reconciliation and reporting:** at the end of the "order-to-cash" cycle, suppliers must reconcile received payments with invoices and accounts receivables. At this time, all data can be aggregated, enriched and analyzed to provide valuable insights (e.g. customer insights and inputs for liquidity forecasting).

18.4 Supply chain financing

Buyers and suppliers in a supply chain have conflicting financial interests. The buyer typically wants to extend the number of accounts payable days as much as possible and the supplier typically wants to reduce the number of accounts receivable days as much as possible. Hence, supply chain financing has emerged to bridge the opposing interests, providing a range of financing and risk management solutions to optimize working capital and liquidity.

Two common forms of supply chain financing include:

- **Factoring:** selling of accounts receivable (i.e. invoices) to a third-party (e.g., banks or alternative financiers) at a discount; and

- **Reverse-factoring**: when a finance company (e.g. a bank or alternative financer), acts as an intermediary between a company and its suppliers and commits to pay the company's invoices to the suppliers at an accelerated rate at a discount, after which it collects the full invoice amount from the company.

19 BUSINESS AND INDUSTRY

19.1 Introduction to Unifiedpost

The Unifiedpost Platform is a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Unifiedpost's customers, their suppliers, their customers and other parties along the financial value chain. The Unifiedpost Platform has a universal back-end and is therefore easily scalable as its front-end can be tailored to specific customer needs.

19.1.1 *Mission*

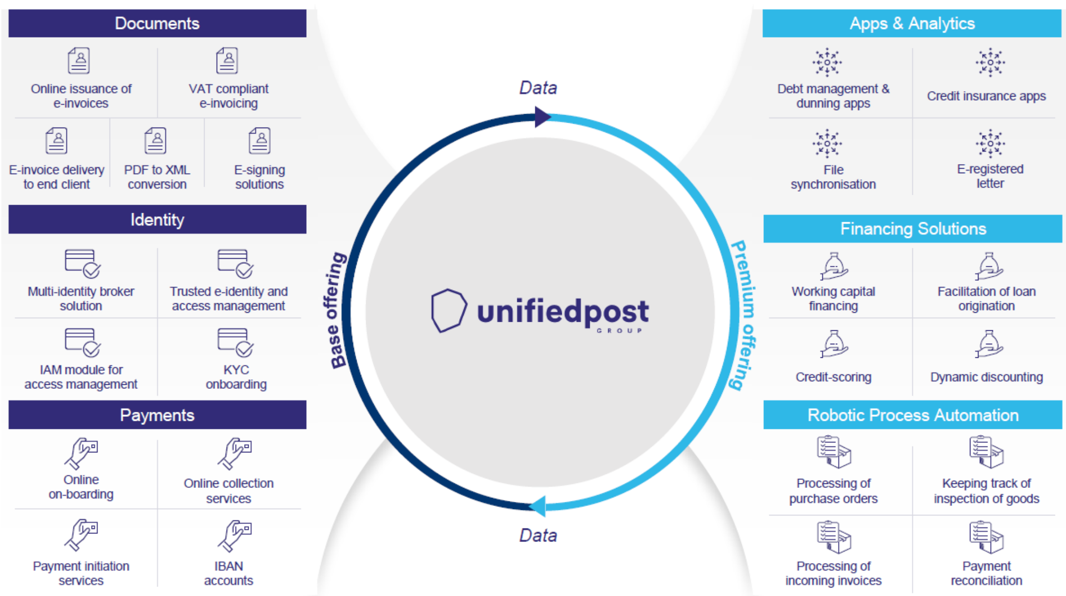
Unifiedpost's mission is to make administrative and financial processes simple and smart.

Unifiedpost believes that businesses seek to digitalize and optimize the various steps in their administrative and financial value chains: from contract to invoice, from invoice to paid invoice and from payment to other related processes, such as invoice financing. This requires a reliable platform connecting various economic operators (i.e., customers, suppliers, financial institutions, governments, accountants, etc.). Whereas Corporates typically seek tailored solutions that can be integrated into their own business systems, Unifiedpost believes that SMEs seek an accessible, reliable and secure "one-stop shop" solution.

Unifiedpost wants to become the leading cloud-based platform for SME business services built on Documents, Identity and Payments.

19.1.2 *Value Proposition*

Unifiedpost's customers use the Unifiedpost Platform internationally, regardless of their size or location, to digitally generate and deliver outbound documents, process inbound documents, manage approvals, make payments, facilitate the collection of payments, automatically synchronize invoices and payments with their internal business systems (including their accounting software), and generally to optimize their administrative and financial processes. Unifiedpost's value proposition is based on its four



activities or "business lines" (see Section 19.3 – "*Business Lines*"):

Base Offering:

(i) **Documents**: The generation and delivery of outbound printed and electronic documents and the processing of inbound printed and electronic documents ("**Documents**").
(ii) **Identity**: The issuing and management of electronic identities ("Identity and Access Management" or "IAM") ("**Identity**").
(iii) **Payments**: The making and collection of electronic payments ("**Payments**").

Premium Offering:

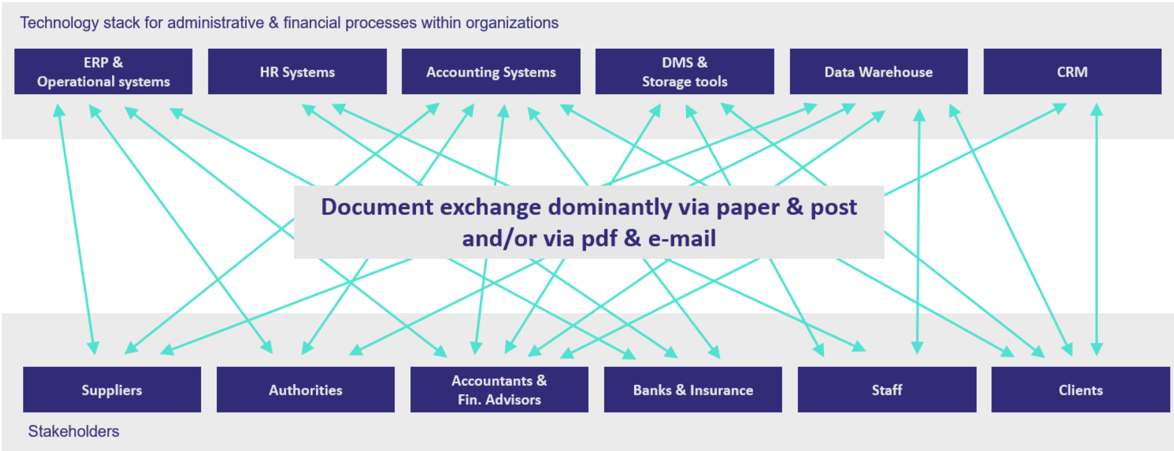
(iv) **Platform Services:** All additional "value-added services" or "premium offerings" that are supplementary to, and based on the data obtained through, Unifiedpost's base offering: Documents, Identity and Payments ("**Platform Services**").

For an overview of the services currently offered and under development, see Section 18.3 – "*Business Lines*".

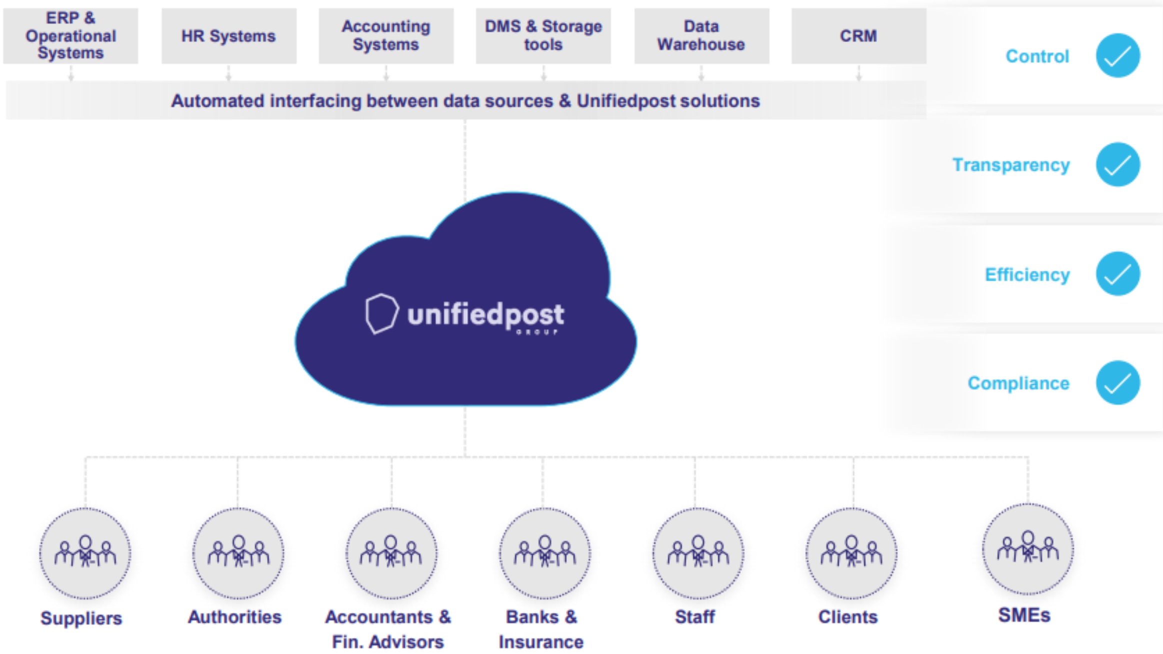
Using the infrastructure of the Unifiedpost Platform, Unifiedpost offers tailored solutions for Corporates that can be integrated in their internal business systems for optimization of single steps of their value chain. For SMEs, Unifiedpost utilizes the Unifiedpost Platform to offer a "one-stop-shop" solution to handle their entire administrative and financial value chain. Unifiedpost aims to diversify its customer base by adding a greater percentage of SME customers to the Unifiedpost Platform.

In 2001, Unifiedpost started offering document solutions to large, well established Corporates with the aim of supporting them throughout the gradual shift from paper-based to digital document exchanges such as e-Invoicing. At that time, most business processes were still paper-based and only an initial shift to digital processes had been observed in the market. Unifiedpost believes that as digitization becomes more accessible for SMEs through service providers such as Unifiedpost, an increasing amount of SMEs will migrate from paper invoicing to e-invoicing as a result of the associated cost efficiencies.

As a result of changing competitive environments and other technological and regulatory changes, Unifiedpost observed an increasing need for companies to accelerate the digitization of their administrative and financial value chain (including business processes such as enterprise resource planning ("**ERP**") systems, operational systems, HR systems, payment processes and customer relationship management) in order to drive operational efficiencies, reduce costs and facilitate smooth, efficient and automated administrative and financial processes. The figure below shows the complex web of connections between stakeholders and the various interconnected administrative and financial processes within a typical organization:



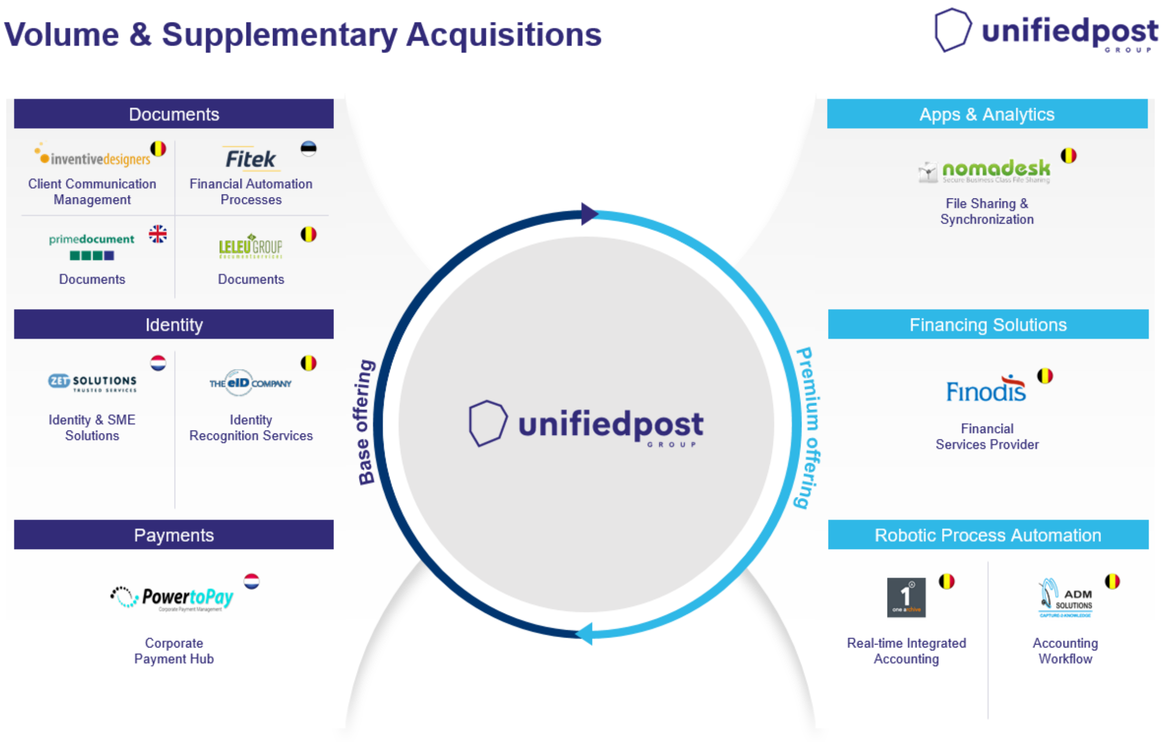
Unifiedpost anticipated these market developments by creating the Unifiedpost Platform, which enables sophisticated connections with popular accounting software solutions, banks, financial institutions, relevant authorities, insurers, staff and clients and enables its customers to access these mission-critical services through a single platform. The figure below demonstrates the role of the Unifiedpost Platform in enabling connections between stakeholders and the various interconnected administrative and financial processes within an organization:



During the last five years Unifiedpost expanded the Unifiedpost Platform to support the digitization of "vertical" business ecosystems, i.e. companies on different levels of the value chain but within the same sector of the economy ("**Vertical Business Ecosystems**") and "horizontal" business ecosystems, i.e. companies from different sectors that operate together in the same ecosystem ("**Horizontal Business Ecosystems**", together with the Vertical Business Ecosystems "**Business Ecosystems**"). These Business Ecosystems are set up in collaboration with professional or sector federations, trade associations, accountants or large Corporates who have a powerful position in such Business Ecosystems ("**Sponsors**").

The Unifiedpost Platform is offered as a white-labeled product that can be tailored to the specific needs of each of its customers. With respect to Corporates, Unifiedpost tailors the Platform to the specific needs of such Corporate, whereas for SMEs, the Platform is customized to the specific needs of a Business Ecosystem. Within a particular Business Ecosystem, the Unifiedpost Platform consists of the universal back-end with a customized front-end. Nonetheless, within certain Business Ecosystems, SMEs may be given the option to activate specific functionalities on the front-end platform through the Unifiedpost Platform app-store, such as add-on payment services. This is a form of upselling (see Section 19.4.2(i)(B) – "*Cross- and upselling opportunities*").

Unifiedpost has grown and scaled its business rapidly in recent periods, both organically and through a focused buy-and-build strategy of acquiring providers of services currently offered by Unifiedpost (such as e-Invoicing and identity services) in order to expand its customer base ("**Volume Acquisitions**") and providers of products or services that are supplementary to the Unifiedpost Platform ("**Supplementary Acquisitions**"). Volume Acquisitions not only serve to strengthen Unifiedpost's foothold and increase Unifiedpost's customer base for existing document services, but also increase cross- and upselling opportunities for Unifiedpost. Supplementary Acquisitions, on the other hand, serve to expand the scope and quality of Unifiedpost's products and services offering as a whole (see Section 19.4.3 – "*Buy-and-build*").



Between 2017 and 2019, Unifiedpost's compounded annual growth rate of its Organic Revenue from Repeated Services grew 14%**.** The total Pro Forma Revenue reached €69 million in 2019.

19.1.3 ***Key Milestones***

The following is a list of key milestones in Unifiedpost's organic development:

- **2000 –** Incorporation of MailSurf SA (currently Unifiedpost SA);
- **2001** – Name change from MailSurf SA to Unifiedpost SA and start of electronic document processing activities;
- **2004** – Expansion into Luxembourg;
- **2006** – Incorporation of UPM SPRL (currently Unifiedpost Group SA);
- **2008 –** Expansion into the Netherlands;
- **2009 –** Creation of Unifiedpost's Romanian R&D center;
- **2011** – Establishment of UP-NXT, the Belgian innovation and R&D center;
- **2013 –** Launch of Unifiedpost's payment services;
- **2015** – Launch of AgroBox, the first Vertical Business Ecosystem solution for e-Invoicing and accounting in the agro-food sector, linking farmers, accountants and dairy factories in the Netherlands;
- **2016** – Launch of the InterimSign, a cloud-based electronic contract signing platform, linking temporary workers, interim offices and employers in Belgium;
- **2016** – Establishment of PAY-NXT (now "Unifiedpost Payments"), Unifiedpost's payment institution with a European payment license, which was obtained on 11 October 2016 and has been passported throughout the EU;
- **2017** – Launch of Billtobox, the first Horizontal Business Ecosystem solution for e-Invoicing and accounting, linking SMEs and their accountants. Launched in Belgium in close collaboration with ITAA;
- **2019** – Name change from UPM SA to Unifiedpost Group SA;
- **2019 –** Unifiedpost Payments obtains its license under PSD2;
- **2020** – Launch of JeFacture, a Horizontal Business Ecosystem solution for e-Invoicing and accounting, linking SMEs and their accountants in France and in close collaboration with ECMA;
- **2020** – Expansion of Billtobox into the Netherlands;
- **2020** – Launch of Unifiedpost Sign, which provides businesses with three distinct ways to sign and process documentation;
- **2020** – Unifiedpost Group expands business platform Billtobox with payment functionality on the same platform, following the implementation of the PSD2-directive;
- **2020 –** As per 31 July 2020 Unifiedpost serves over 400,000 SMEs (17.5% growth compared to 31 December 2019). In the same period the number of SME clients using Billtobox and AgroBox (including Z-Factuur) grew with 109.6% to 12,840 SMEs and 22.6% to 34,134 SMEs respectively; and
- **2020** – Unifiedpost obtained formal certification from the Belgian federal government on 20 July 2020. The certification has been passported across the EU, allowing Unifiedpost to deliver registered letters across Europe.

The following is a list of key milestones of Unifiedpost's buy-and-build strategy:

- **2012** – Acquisition of **PowertoPay** (the Netherlands), adding capabilities for Corporate payment solutions (the Payment Hub);
- **2013** – Acquisition of **Finodis** (the Netherlands), adding a financial services expert team and credit management solutions;
- **2014** – Acquisition of **The eID Company** (Belgium), adding electronic identity technology;
- **2015** – Acquisition of **Zet Solutions** (the Netherlands), adding identity and access management (IAM) platform capabilities and securing access to the Dutch SME market (agro-food sector);
- **2017** – Acquisition of **Nomadesk** (Belgium), adding enterprise file sharing and synchronization (EFFS) platform technology;
- **2017** – Acquisition of **Onea** (Belgium), adding robotic process automation (RPA) platform technology;
- **2018** – Acquisition of **Inventive Designers** (Belgium), acquiring client communication management (CCM) platform technology, adding access to Corporate customers in the financial, insurance and telecoms sectors;
- **2018** – Acquisition of **ADM Solutions** (Belgium), adding integration capabilities for the accounting sector;
- **2018** – Acquisition of **Leleu Group** (Belgium), adding fulfilment capabilities, specifically document printing and processing;
- **2019** – Acquisition of **Fitek Group** (Estonia), accelerating access to document and transaction volumes in the Baltic States, Balkan States and Central and Eastern Europe;
- **2019** – Acquisition of **Unifiedpost Limited Group (formerly Prime Document Group)** (United Kingdom), accelerating access to document and transaction volumes in the UK market;
- **2019** – Execution of a share purchase agreement relating to the acquisition, through Fitek Holding SIA, of an additional 1% shareholding in Fitek Slovakia s.r.o, obtaining a controlling interest in the entity (51%); and
- **2020** – Execution of share purchase agreements relating to the acquisition, through Fitek Holding SIA, of an additional 1% shareholding in the Serbian and Bosnian Fitek entities, obtaining a controlling interest in each of the Balkan entities (51%).

19.1.4 *International presence*

Unifiedpost serves primarily European customers and has a physical presence in 15 European countries:

19.1.5 *Competitive strengths*

Unifiedpost aims to be a market leader across the entire European market and believes that it has a strong competitive position, for the following reasons:

(i) *Unifiedpost offers a one-stop-shop solution purpose built for SMEs*

Most European competitors of Unifiedpost offer point solutions in documents processing, identity management, payments processing or platform services (e.g. supply chain financing), whereas some competitors are active in a limited number of these domains. Unifiedpost believes that it offers a unique one-stop-shop solution that has integrated Documents, Payments, Identity and Platform Services on a single cloud-based platform. The one-stop-shop nature of Unifiedpost's offering further reduces the friction of mission critical business processes across the financial value chain and results in customer entrenchment. Furthermore, the one-stop-shop solution has been purpose built for SMEs in such a way that it is easily adopted, simple and intuitive for the users, connected to other financial value chain actors (e.g. accountants, financial institutions and large buyers such as Corporates) and affordable for SMEs. Unifiedpost believes that most competitors offer products and services meant for Corporates, which tend to be complex and expensive for SMEs. Hence, Unifiedpost believes it has a unique value proposition for SMEs.

(ii) *Scale benefits in combination with a global network*

Unifiedpost has reached significant scale through a combination of organic and inorganic growth in 2019: (i) €69 million in Pro Forma Revenue, (ii) processing over 350 million documents per year, (iii) reaching more than 350,000 SMEs and (iv) more than 250 Corporates. Over the first half year of 2020 Unifiedpost's expanded its customer base to over 400,000 SMEs, representing an increase of approximately 17.5% compared to 2019. Across Europe, limited competitors operate with comparable scale and a footprint in 15 countries like Unifiedpost. Hence, Unifiedpost benefits from economies of scale, including significant resources and capacity to innovate and the ability to achieve operational efficiencies via shared-services across the Group (such as printing services, digitalization services and KYC and identity verification). Unifiedpost's significant resources and capacity for R&D result in frequent platform upgrades and development of additional services (e.g. Unifiedpost developed its payment institute in-house). Unifiedpost believes its continuous investments in R&D enable the further strengthening of its unique value proposition. Many small competitors do not have the resources to upgrade their legacy platforms and add additional services. Furthermore, Unifiedpost has a global network of partners enabling the delivery of documents electronically or in any other required form (Unifiedpost processes (e-)invoices for Refinitiv across the globe). The scale benefits in combination with Unifiedpost's global network create barriers for new entrants and existing competitors that seek to obtain a similar market position as Unifiedpost.

(iii) *Highly scalable business due to a universal back-end*

The Unifiedpost Platform has a universal back-end that ensures overall scalability and flexibility (e.g. ability to scale up or down to handle peak volumes). This allows Unifiedpost to scale its business across Europe with relatively limited investments in the Unifiedpost Platform. For the roll out of new Business Ecosystems, limited localization costs and investments are needed. Because of the universal back-end, investments are focused on customizing the front-ends and adjustments to local requirements or preferences (e.g. integration of local alternative payment methods and local data storage, if applicable). Unifiedpost believes its native cloud-based platform with a universal back-end provides a competitive edge to organically grow across geographies and position the company as a consolidator in the market (i.e. buy-and-build strategy).

(iv) *Regulatory requirements increase barriers to entry, especially for US peers*

Unifiedpost's service offering entails the handling of sensitive data and information (e.g. payments and other privacy sensitive data). Hence, players active in the sector need to comply with multiple privacy and data security, payments and other regulations. Unifiedpost believes that these regulatory requirements provide a competitive advantage to Unifiedpost as it has invested in its compliance and regulatory organization and has the capacity to continue to do so. Smaller players are less able to make the required investments. Many regulatory requirements (including; among others; GDPR and PSD2) in Europe are different or stricter than US regulatory requirements and therefore create additional barriers to entry for US peers.

(v) *The CLOUD Act in combination with GDPR acts as a significant barrier to entry for non-EU based competitors*

On 23 March 2018 the CLOUD Act was adopted by the United States Congress. The CLOUD Act introduced a significant shift with respect to international access of US law enforcement authorities to EU based data information. The CLOUD Act explicitly enables such authorities to issue formal order to cloud service providers located within their jurisdiction, compelling the service provider to provide them with certain data information, regardless of the data subject's location or nationality. Since most major cloud providers are exposed to both the CLOUD Act (since they are US based entities) and GDPR (in their capacity as data processors of EU data), the introduction of the CLOUD Act has raised questions on whether these cloud service providers can comply with such order in light of GDPR.

The European Data Protection Board and the European Data Protection Supervisor have recently expressed an opinion on this matter and concluded that pursuant to GDPR, cloud service providers are indeed, to a large extent, prohibited from sharing EU customer data with US law enforcement authorities who have issued a formal order under the CLOUD Act. An exception is made with respect to orders that have a "lawful basis". Establishing such lawful basis is however particularly challenging and therefore invocation of the exception imposes a high degree of uncertainty for the invoking service provider. This could lead to a potential exposure of the services provider to a GDPR breach, which is punishable through administrative fines of up to €20 million or 4% of such service provider's total global turnover (whichever is higher).

Furthermore, GDPR itself creates a significant barrier to entry for non-EU based competitors. Becoming GDPR compliant as a non-EU company implies a significant cost and exposes such companies to more intensive data controlling, possible administrative fines in case of non-compliance and civil litigation claims, all of which can have detrimental financial and reputational effects. In addition, EU citizens are aware of the broad protection offered under GDPR and are inclined to have a more skeptical view on non-EU based software providers that might not be (fully) GDPR compliant.

The uncertainty resulting from the misalignment between the CLOUD Act and GDPR in combination with the high compliance cost that GDPR in itself implies for service providers, leads Unifiedpost to believe that it has a significant competitive advantage as opposed to its US (and other non-EU) competitors.

(vi) *PSD2 license requirements act as a barrier to entry for other document processing companies and other non-licensed competitors to offer integrated payment services*

Unifiedpost Payments, a Unifiedpost wholly owned subsidiary, is a payment institute with a PSD2 license that has been passported across the EU. This allows Unifiedpost to offer a wide range of integrated payments services to its customers. To obtain a PSD2 license a company needs to undergo thorough scrutiny from a EU-based regulator (e.g. a central bank in Europe) and needs to invest in, among others, new technology, efficient risk control and transaction monitoring procedures, secure customer identification procedures (i.e. KYC), setting up segregated customer fund accounts (including required governance and procedures), accounting and external auditing obligations and regulatory expertise across the organization. Unifiedpost believes that the PSD2 license requirement acts as a significant barrier for other document processing companies or other non-licensed competitors to be able to offer a similar one-stop-shop value proposition as Unifiedpost. In addition, US based competitors (i.e. licensed and non-licensed players) would also need to obtain a PSD2 license and subsequently passport this license to other EU countries to be able to offer similar payment services across Europe.

(vii) *Highly invested in security, privacy and compliance procedures in place*

Unifiedpost prioritizes security throughout its platform, operations and organization. Unifiedpost has exhibited a continuous focus on quality through the adoption of and adherence to international standards and industry best practices. Its security and privacy measures and procedures have been validated by several certifications, including ISAE 3402 (a standard evidencing that an organization has adequate internal controls) and ISO/IEC 27001 (an information security standard), and its operations processes are aligned to ITIL best practices. Unifiedpost prioritizes the data privacy and security of clients and has been compliant with the GDPR since its implementation date in Europe. Unifiedpost's staff is trained and involved in the ongoing security of the Unifiedpost Platform, including any new developments. Furthermore, Unifiedpost Payments is supervised by the NBB and is compliant with Payment Card Industry Data Security Standards (PCI DSS). Unifiedpost believes its setup of and focus on security, privacy and compliance procedures significantly contribute to Unifiedpost's unique value proposition and provide a competitive edge against a broad range of competitors.

19.2 **Industry Overview & competition**

19.2.1 ***Market size and growth***

Competitive environments and technological and regulatory changes have been putting pressure on companies to accelerate the digital transformation of business processes to drive operational efficiencies, reduce costs and automate administrative and financial processes. However, many companies still rely on paper-based, manual, error-prone and time consuming processes, including mission-critical business processes in the financial value chain. Whilst large Corporates are still in need of further digital transformation across their financial value chain, SMEs are even lagging further behind. SMEs are underserved by technology service providers that facilitate digital transformation across the financial value chain, as most solutions are not purpose built for SMEs (i.e. consumer solutions tend to be too simple and enterprise solutions tend to be too complex and expensive). The need for digital and frictionless business processes across financial value chains is driving demand of both Corporates and SMEs for integrated platform solutions in the areas of among others e-document (including e-Invoice) processing, e-identity, payments processing and working capital financing (supply chain financing). Unifiedpost is active at the intersection of these high growth markets providing cloud-based one-stop-shop platform solutions for SMEs and a broad variety of services to Corporates (i.e. modules). This Section continues with a description of the key B2B and B2B2C markets in which Unifiedpost is primarily active through four business lines (Documents, Identity, Payments and Platform Services):

- Invoicing & document exchange
- Identity management
- Payments
- Supply chain finance

More recently, the COVID-19 pandemic has been an incremental driver for the acceleration of digital transformation. Social distancing, travel restrictions and remote working have induced a strong additional need for SMEs and Corporates to seamlessly communicate remotely with both internal (e.g. management and employees) and external stakeholders (e.g. clients, suppliers, banks and accountants). Furthermore, the COVID-19 pandemic has urged many businesses to focus on cost-cutting and operational efficiencies as well as on cash management and financing as unprecedented supply and demand shocks have been negatively impacting revenue. Cloud-based platforms facilitating administrative and financial communications have been enabling the acceleration of digital transformation to partly cope with these COVID-19 induced issues, including remote stakeholder communication and cost-cutting and liquidity management. Hence, these cloud-based platform businesses are strongly benefitting from the impact of COVID-19. This has been evidenced by the surge in adoption rates for the Unifiedpost Platforms over the months March and April 2020, where onboarding increased by up to three times the average onboarding rate.

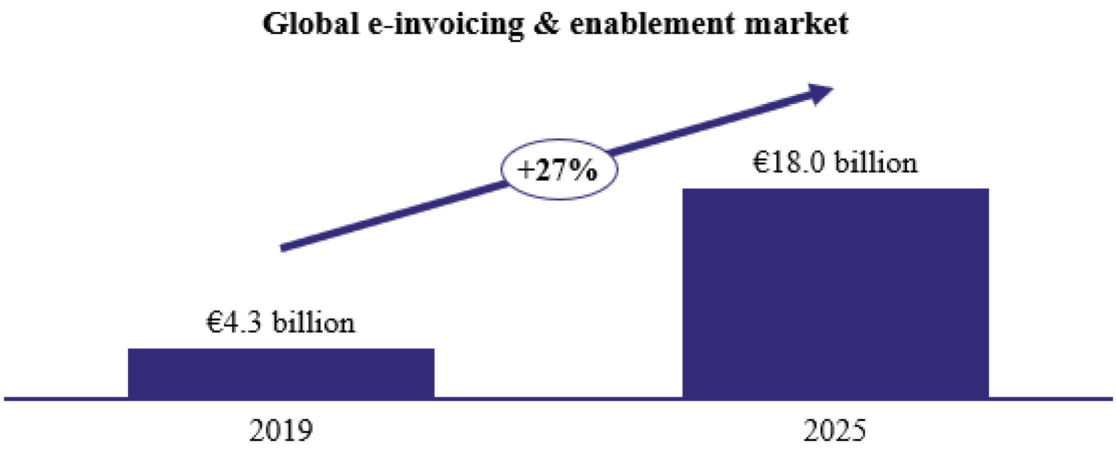
(i) *Invoicing & document exchange*

The total global invoice market is very large with an estimated annual number of invoices of over 550 billion and is expected to quadruple in size by 2035. The total invoice volume can roughly be split equally between business to consumer ("B2C") and government to consumer ("G2C") and business to business ("B2B"), business to government ("B2G") and government to business ("G2B") invoices. However, 90% of all invoices worldwide are still processed manually (source: Billentis, September 2019), despite significant advantages of e-Invoicing:

- Significant cost reductions: e-Invoicing can reduce the invoice processing costs by 50% to 90%, with a return on investment of switching from paper-based invoicing to e-Invoicing of over 60% per annum (sources: EESPA; Sovos Trustweaver, Q1 2019). Dependent on the degree of process automation the net benefits of e-Invoicing can be four to twelve euro per invoice (source: EESPA).
- Increased employee productivity: One FTE can roughly process 6,000 paper invoices per annum. This same FTE may check approximately 90,000 e-Invoices per annum (source: EY Worldwide Electronic Invoicing Survey, 2018).
- Shorter invoicing cycles: e-Invoicing can significantly reduce invoicing cycles. EY estimates invoicing cycles can be reduced from fifteen to three days (source: EY Worldwide Electronic Invoicing Survey, 2018).
- Fraud prevention: Robotization of e-Invoice control frameworks induce fraud prevention.
- Environmental friendly: On average e-Invoices are four times more environmental friendly as paper invoices (source: Federation of Finnish Financial Services, 2010).
- Starting point of digitization: For many businesses e-Invoicing is the starting point for end-to-end digitization. Hence, the company also profits from significant indirect benefits (e.g. integrated payment services or automated synchronization with accounting software).

As there is large potential for further penetration of e-Invoicing, the global e-Invoicing market is expected to grow significantly. Global e-Invoicing and enablement revenue pools are expected to grow from €4.3 billion in 2019 to €18.0 billion in 2025 (CAGR of 27%) (source: Billentis, September 2019).

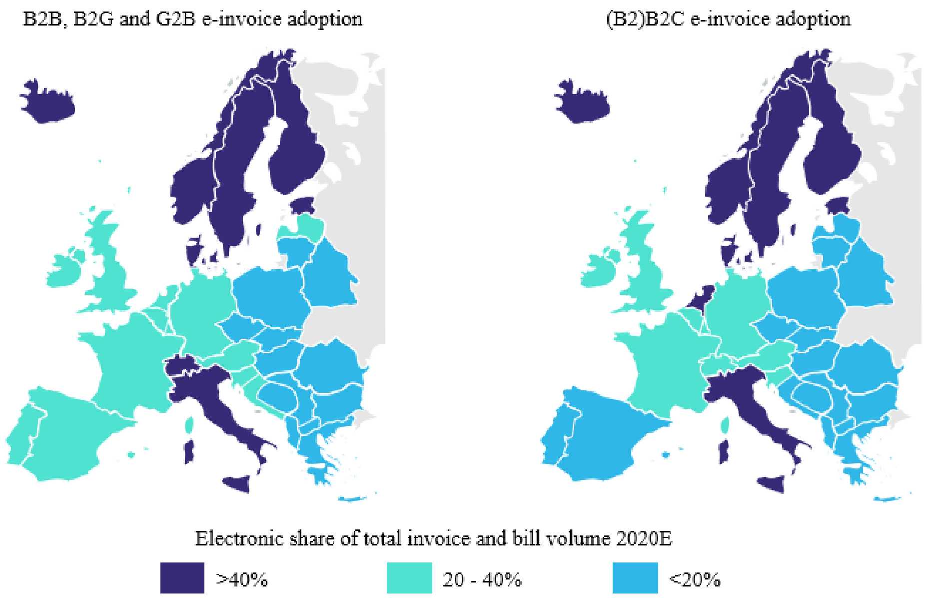
Global e-Invoice & enablement market (€ billion) (source: Billentis, September 2019)



<u>Key developments and trends in e-Invoicing</u>

Europe's invoicing market is shifting to e-Invoices presenting a large growth opportunity

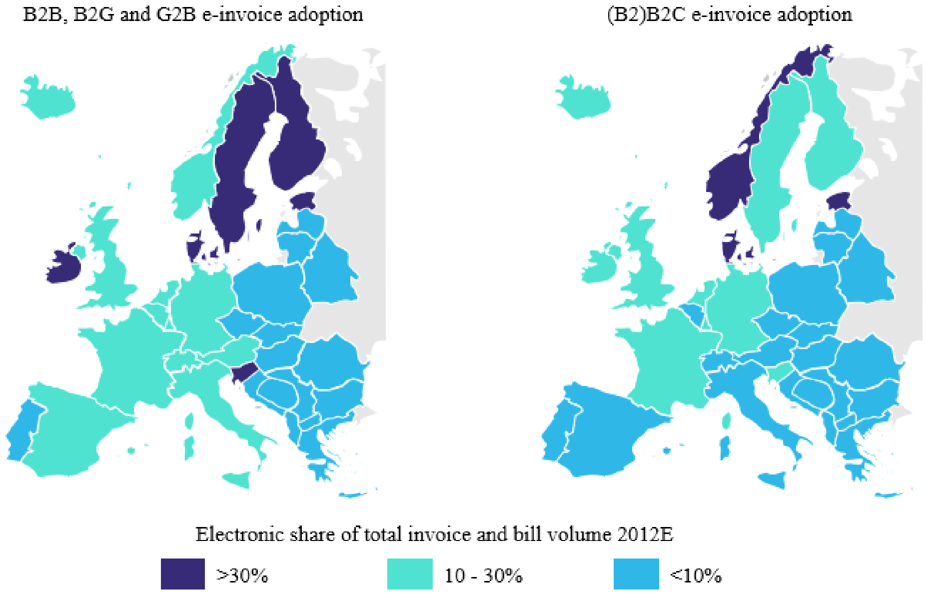
The majority of invoices in Europe are still paper-based. As the European invoicing market is shifting from paper-based to e-Invoices, there is a large growth opportunity for companies providing automated e-Invoice processing solutions (invoice generation and delivery). Unifiedpost believes it is well positioned with its cloud-based transaction hub to benefit from this transition. Currently, the Nordic States and Italy are leading in Europe with regards to the adoption of e-Invoices in B2B, B2G, G2B and B2C markets, followed by Western Europe. Billentis estimates that by 2025 already 80% of organizations will be forced by either regulation (see *Regulatory changes in Europe are a key driver of the shift to e-invoicing*) or important trading partners to exchange invoices solely in electronic format. Eastern Europe has the lowest penetration of e-Invoices as is illustrated in the figure below (source: Billentis, February 2020).



Estimated e-Invoicing market adoption in Europe for 2020 (source: Billentis, February 2020)

The evolution over the years can be evaluated comparing the above information with a view from 2012.

Estimated e-Invoicing market adoption in Europe for 2012 (source: Billentis, 2012)



The recent COVID-19 pandemic can have an additional positive impact on the transition to e-invoices. Economic shocks generally result in the delay of investments for larger projects. However, e-invoicing services from cloud-based players require minimal investments and as such the transition to e-invoicing should not be hindered and businesses with e-invoicing systems in place are expected to increase pressure on their trading partners to exchange invoices electronically. Also the expected decline in GDP should not have a major impact on the e-invoicing market based on the countercyclical pattern that was observed in previous crises (e.g. the internet bubble in 2001 and the financial crisis in 2007 / 2008) (source: Billentis, April 2020). E-invoicing is a mission critical business process and crises may induce accelerated digital transformation, thereby making e-invoicing relatively resilient to economic shocks. Lastly, the transition to e-invoicing can enable (significant) cost reductions and can act as a base for the integration of other cash management products such as payments and supply chain financing. In the short-term the pandemic might have a minor negative impact on the e-invoicing market, but it should accelerate the market in the medium and long-term (source: Billentis, April 2020).

Regulatory changes in Europe are a key driver of the shift to e-Invoicing

Previously, the private sector was the main driver behind the shift to e-Invoicing. More recently, governments across Europe have become an accelerator of the digitization of documents (e.g. business, fiscal and reporting documents) through the implementation of different sets of new regulations (e.g. regulations that mandate or stimulate e-Invoicing). Some of the key objectives of the new regulations are to significantly reduce the VAT gap (i.e. difference between the amount of VAT collected by the tax authorities and the total VAT tax liability). The VAT gap is caused by a number of factors, including poor administration of businesses, bankruptcy or insolvency of tax debtors or fraud. Hence, the reduction of the VAT gap can be facilitated by the increasing adoption of e-Invoices. The global VAT gap is estimated to be approximately €500 billion, which is about 20% to 30% of global public revenues (source: Billentis, September 2019). In Europe, the VAT gap is estimated to be €152 billion (source: KPMG, April 2018). Below is a selection of important new regulations and regulatory trends with regards to e-Invoicing:

- *Regulations to stimulate or mandate e-Invoicing for B2G:*

In 2014, directive 2014/55/EU was issued by the EU. This directive will oblige more than 300 thousand public administrations in EU member states to support and automatically process certain e-Invoicing standards and as a result will have a large impact on public procurement processes. Hence, all EU member states were required to transpose this directive into national law by 18 April 2019. Their public bodies were required to be able to accept e-Invoices by this date. Sub-central contracting authorities and entities may have been granted an extended deadline of 18 April 2020 (only if such optional deadline extensions were exercised). The timing of implementation differed across Europe; the early-adopters include the Nordic States, Italy, Spain, Austria, Switzerland, Estonia and Slovenia (sources: Billentis, May 2019; European Committee, January 2019). Many countries in the EU, such as Austria, Belgium, Croatia, Estonia, France, Germany, Greece, Italy, Poland, Portugal, Spain and Sweden, have taken the new directive as an opportunity to go one step further and mandate B2G e-Invoicing. This means that all public procurement related invoices of suppliers need to be send to the government in e-Invoicing format (Billentis, February 2020, Avalara, April 2019). The new directive and broader local mandatory B2G e-Invoicing regulations across the EU will have a big impact on many suppliers to the public sector and this will be a large driver of e-Invoice adoption in the broader private sector (positive spillover effects).

- *Regulations to stimulate or mandate e-Invoicing for B2B and B2C may follow public sector regulations:*

In several countries where mandatory B2G e-Invoicing has been implemented, mandatory B2B e-Invoicing followed (e.g. Italy, Turkey and several countries in Latin America). In 2015, Italy had the largest VAT gap among EU member states, €35 billion (source: EC, 2015), stimulating Italy to implement mandatory e-Invoicing regulations. In June 2014, e-Invoicing for governmental suppliers became mandatory. Subsequently in 2017, Italy implemented measures including multiple tax benefits to stimulate B2B and B2C e-Invoicing. As of January 2019, B2B and B2C e-Invoicing became mandatory for all companies in Italy. (source: European Committee, January 2019). Following the success of Italy's introduction of mandatory e-Invoicing (see case study below), France and Serbia have also planned to impose mandatory B2B e-Invoicing by 2023 and 2022 respectively and Poland also intends to introduce a live VAT e-Invoice reporting regime based on the Italian model. In Serbia, Unifiedpost has recently won the mandate to provide the e-Invoicing platform for the Serbian government. Furthermore, Finland made a further step towards mandatory B2B e-Invoicing by introducing the right for buyers to require their suppliers to send e-Invoices as of April 2020 (Billentis, February 2020). Over time other European countries might follow Italy's example and implement mandatory e-Invoicing, potentially strongly accelerating e-Invoicing adoption across Europe. Recently, the COVID-19 pandemic has urged governments to strongly support their economies to bridge the crisis causing their public debts to increase significantly. Higher public debts may induce the introduction of new or broader e-invoicing mandates in the medium- and long-term (e.g. countries with selective B2G e-invoicing mandates that broaden the focus to all invoices) (source: Billentis, April 2020).

Case study: Mandatory e-invoicing in Italy

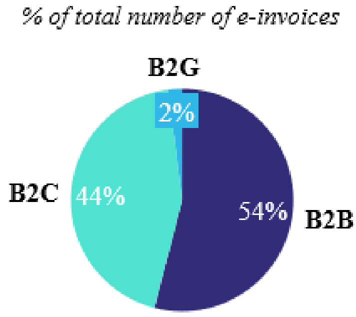
Since the introduction of mandatory B2B, B2C and B2G e-invoicing in Italy, companies need to send all their e-invoices to or via the Italian tax authority's SdI platform. Companies can get access to the SdI platform through (indirectly) connected e-invoicing service providers (e.g. UnifiedPost). The results of the first 12 months of mandatory e-invoicing via the Italian tax authority's SdI platform were as follows:

>2 billion e-invoices sent to or via the platform

€2,926 billion invoiced via the platform

3.9 million users

97.6% of invoices were successfully transmitted



Case study mandatory B2B, B2C and B2G e-Invoicing in Italy (source: Billentis, February 2020)

To enforce mandatory B2B e-Invoicing, some of these countries that have implemented these policies have established e-Invoicing clearance models, enabling (near) real-time VAT controls. A clearance system starts with the supplier sending e-Invoices in a specified format (e.g. XML) to the tax administration or state agent licensed to act on its behalf. The tax administration or state agent verifies the signed supplier invoice and clears it by registering under a unique identification number on their internal platform. In some countries, a proof of clearance is returned. Buyers are often obligated or encouraged to check with the tax administrations that the received invoice was issued in compliance with applicable requirements. If the buyer has used an online system to perform the validation, the tax administration will send back a note of approval or rejection. E-invoicing service providers can solve the additional layer of complexity for their customers through offering connectivity to the tax authorities' platforms. These regulatory tailwinds can accelerate Unifiedpost's organic growth as they give Unifiedpost a significant competitive advantage since it has solutions in place to facilitate the regulatory requirements in this respect.

Increasing e-Invoicing interoperability will drive growth in the e-Invoicing market

Another key driver for further e-Invoicing adoption across the EU is the evolution of e-Invoicing interoperability in Europe and globally. To create interoperability and seamless communication among different value chain actors, technological and legal barriers to send and receive e-Invoices need to be removed (e.g. like the creation of the interoperable telecommunications network). Several initiatives to create interoperability across the European e-Invoicing market have been set in motion. Parallel to new EC directives (e.g. 2014/24/EU and 2014/55/EU), the European Interoperability Framework (EIF) was adopted to provide guidance on how to set up interoperable digital public services. In addition, the EC initiated PEPPOL, a set of artefacts and specifications enabling cross-border exchanges of documents, to empower communication among European businesses and public administrations. PEPPOL, owned and maintained by non-profit organization OpenPEPPOL, has been adopted by 32 European countries, Canada, Singapore and USA. PEPPOL builds on three pillars, the network, a legal framework, and PEPPOL Business Interoperability Specifications (BIS), whereby the latter standardizes electronic documents (e.g. e-Invoices), thereby enhancing interoperability.

Also important for e-Invoicing interoperability is the type of network philosophy applied by e-Invoicing service providers. E-invoicing is dominated by two kinds of network models; closed and open networks. Closed networks enable companies to solely communicate e-Invoices with other value chain actors that are part of the closed network and are only of significant value if the majority of actors in a specific value chain are using the same network. In contrast, open networks allow for connectivity to a variety of other open networks, supporting a wide range of e-Invoicing formats and therefore are more supportive of interoperability. Unifiedpost's cloud-based platform follows an open-network philosophy to ensure its clients benefit from connectivity to a broader ecosystem of value chain actors across the globe, inducing less friction in value chain communication. In addition, Unifiedpost can also offer closed network solutions with additional service offerings (e.g. dynamic discounting).

Technological changes are accelerating the development and adoption of more efficient solutions

Technological developments are increasingly automating the processing of e-Invoices, thereby further removing friction from these processes. As technological developments are accelerating, clients' product demands change. Below are several key technological developments that are changing client demands:

- *Cloud-based solutions are becoming the new standard for e-Invoicing:*

In general, the cloud application services market is expected to grow swiftly from $80 billion in 2018 to $144 billion in 2022 (CAGR of 16%) (source: Gartner, April 2019). The cloud market for SMEs is especially growing fast as it is largely underpenetrated with a 22% penetration rate amongst small sized businesses compared to a 47% penetration rate amongst Corporates (source: OECD Science, Technology and Industry Scoreboard, 2017). SME and Corporates customers also increasingly demand cloud-based solutions for e-Invoicing. Different from traditional on premise solutions, cloud-based platform solutions induce among other things lower installation and implementation time, lower costs, scalability and flexibility and shorter release cycles of new updates. In line with client demand most e-Invoicing service providers are in transition to a cloud-based model. Unifiedpost anticipated this customer demand and offers a native cloud-based platform solution.

- *Robotic process automation ("RPA") is reducing manual labor in (e-)invoicing related processes:*

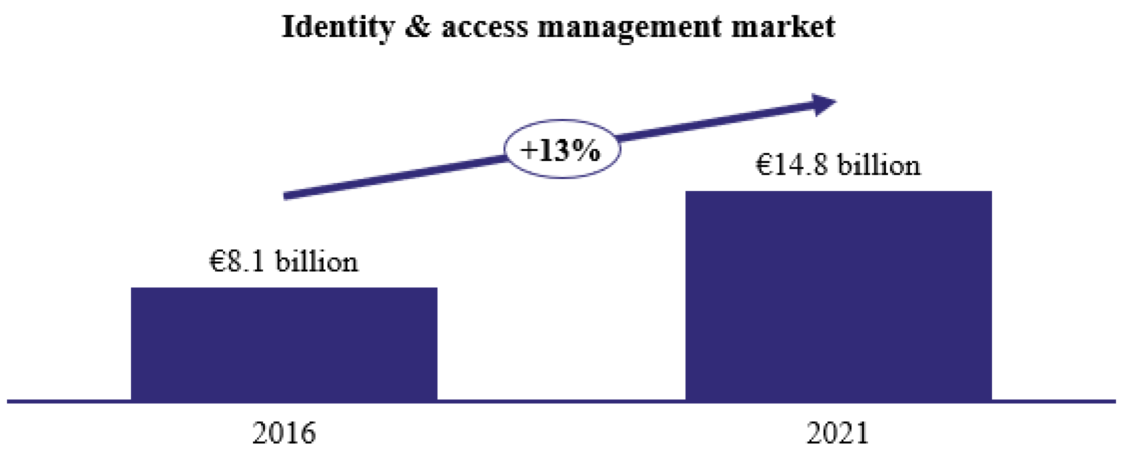
In case the sender of an invoice does not work with e-Invoices in structured data formats, RPA can employ optical character recognition ("OCR") to automatically convert image- or pdf-based invoices to structured data e-Invoices. In addition, robotic-based accounting ("RBA") is emerging. RBA technology can be used to automatically link and synchronize the e-Invoices in structured data formats with accounting software and ERP systems (ERP: Enterprise resource planning: an integrated management of main business processes). Unifiedpost offers both RPA and RBA solutions via its cloud-based platform.

- *Real-time or near-real-time solutions are increasingly being adopted:*

An increase in the adoption of e-Invoicing in structured data formats induces the faster and more comprehensive collection of data. Using data analytics, a company can gain real-time insights in for example its working capital position and credit scoring. Unifiedpost's platform provides these kinds of insights via its platform. Moreover, automated VAT compliance of e-Invoices is increasingly becoming important as more and more countries are introducing more stringent VAT reporting or even transaction clearance requirements (e.g. Italy, Turkey and multiple Latin American countries) to reduce their VAT gaps. Several countries are shifting to real-time or near-real-time VAT reporting or e-Invoice clearance. In these countries, connectivity to the tax authorities (via service providers) is required.

(ii) *Identity Management*

Companies' increasing adoption of cloud services and mobile devices in combination with the emergence of insider threats and hacks are leading to an emphasis on IT security. E-identity solutions have a key role in IT security and the modernization of security governance (e.g. access and authorization processes). Managing employees' identities and authorizations across an organization is of vital importance to securely and smoothly execute business processes via the cloud, such as e-Invoicing The identity and access management ("IAM") market is expected to experience significant growth driven by among other things compliance, process inefficiencies and errors, an increase in hacking incidents and data breach cases, changing organizational setups and workforce behavior (e.g. mobility and remote workforce) and rapid technological changes. The global IAM market is expected to grow from €8.1 billion in 2016 to €14.8 billion in 2021 (CAGR of 13%) (source: MarketsandMarkets).



Estimated size of the identity and access management market (source: MarketsandMarkets)

<u>Key developments and trends in e-identity</u>

IAM solutions are a key pillar for cyber security and fraud mitigation

The incidence of significant data breaches and cyber hacks is soaring. Global costs associated with cybercrime may equal almost $600 billion (source: McAfee CSIS report, February 2018). Stolen employee access credentials are the leading cause of data breaches and hack. Identity and access management solutions adopted by businesses assist in securing sensitive data of customers and protecting them from cyber-threats and other financial frauds. Automated IAM systems can generate reports and information about system access, such as excess user access and privileged accounts, dormant or inactive accounts, system attacks, and active accounts belonging to departed users. The reports and information can be used to minimize cyber security and fraud risks.

Strong IAM solutions can act as an important business enabler

IAM has an important position in cyber security and fraud mitigation. However, IAM solutions can also be transformed from solely a compliance-based program into a key enabler of business and remove friction from business processes. IAM serves as the basis for legally valid e-signing solutions enabling secure and frictionless contract and transaction management. Key benefits of e-signing include cost reductions, faster agreement turnaround times (signing anytime, anywhere) and simplicity for end-users. Moreover, a mobile and remote workforce is becoming increasingly common for companies. The COVID-19 pandemic has caused an extreme (temporary) transition to remote working further accelerating the demand for IAM solutions.

IAM solutions are migrating to the cloud to centralize security policies and authorizations

IAM solutions are increasingly being deployed via the cloud for multiple reasons. The rapid growth in connectivity and user profiles spread across multiple on premise and cloud-based applications and services, are creating hybrid infrastructures that are cumbersome to secure and maintain. A cloud-based IAM architecture allows for the centralization of security policies and authorizations regarding all IT resources in a scalable, flexible and secure manner. As increasing portions of an organization's applications and services are migrating to the cloud, the demand for cloud-based IAM solutions is growing. To increase the speed of deployments of these cloud-based applications and services, an existing security framework can be leveraged instead of building proprietary security into each new application.

Member States are (slowly) evolving towards adoption of eIDs

With the eIDAS Regulation (2014), the European Union intended to enhance trust in electronic transactions in the internal market by providing a common foundation for secure electronic interaction between citizens, businesses and public authorities, thereby increasing the effectiveness of public and private online services, electronic business and electronic commerce in the European Union (see Section 20.5 – "*e-IDAS Regulation*").

The eIDAS Regulation (i) lays down the conditions under which Member States recognize electronic identification means of natural and legal persons falling under a notified electronic identification scheme of another Member State, (ii) lays down rules for trust services, in particular for electronic transactions; and (iii) establishes a legal framework for electronic signatures, electronic seals, electronic time stamps, electronic documents, electronic registered delivery services and certificate services for website authentication.

However, Member States take different approaches to eID management systems, varying from the use of specific Public Key Infrastructures (PKI) and the inclusion of eID in non-electronic identity tokens (such as identity cards, drivers licenses) to reliance on electronic signatures and two factor authentication systems. In addition to a variety of technical approaches throughout Europe, there is a lot of legal diversity of regulatory options and rationales. While some EU Member States have developed national eID cards (such as Belgium, Austria, Germany and the Nordics), others do not have an operational national identity card scheme (such as the United Kingdom and Ireland). Belgium operates a government-driven centralized system. The Nordics (i.e. the Finns, Swedes, Danes, Norwegians and Icelanders) prefer a decentralised, private-sector bank-led system. Some countries accept national identity schemes; others reject them out of civil liberty concerns. Up to now, the evolution towards a harmonized approach has been slow.

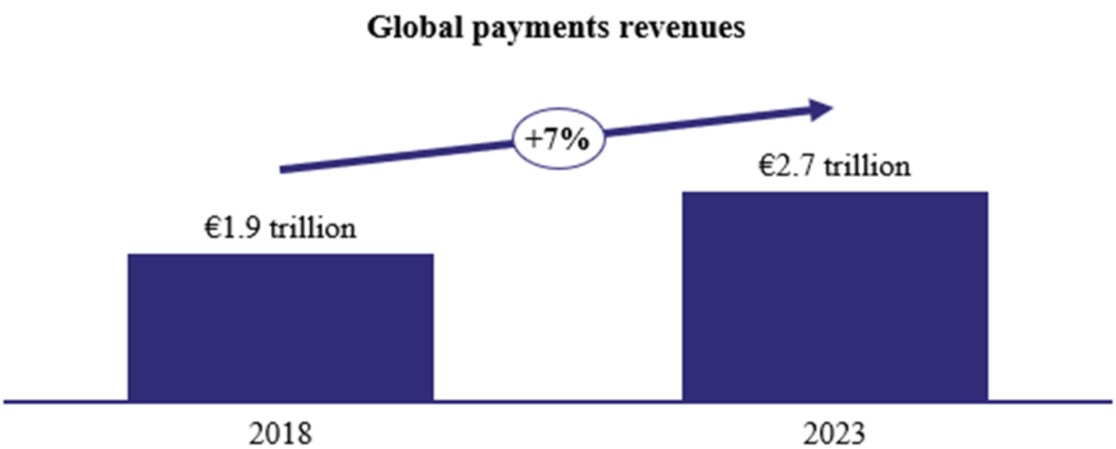
In a bid to develop a more harmonized and resilient market for electronic identification systems, the European Commission has recently (July 2020) sought to update the rules on electronic identification operations in the European Union, as part of the eIDAS Regulation. It is expected that the Commission will put forward a proposal for a "European Digital Identification" initiative by mid-2021. An EU-wide eID will, especially for cross-border digital services, contribute to grow the digital economy.

(iii) *Payments*

The global electronic payments market is expected to grow significantly, with Global Payments revenue expected to grow from \$1.9 trillion in 2018 to \$2.7 trillion by 2023 (CAGR of 7%) (source: McKinsey, September 2019). Moreover, the global annual B2B and G2B payment volume is over \$125 trillion of which over \$110 trillion are accounts payables flows (sources: MasterCard NAPCP Conference Presentation, Visa Investor Day research and Goldman Sachs Payment Ecosystem Report).

Global Payments Revenue (\$ trillion) (source: McKinsey, September 2019)

Key developments and trends in payments



Integrated B2B(2C) payments solutions as a key differentiator

Unbundled payments processing (i.e. payments processing as a point solution) is becoming increasingly commoditized and competition is intensifying. Hence, payment service providers ("PSPs") need to enhance their value propositions. One of the key elements of a differentiating product offering is to integrate B2B(2C) payments into other solutions and offer value-added services, thereby going beyond a seamless payments experience and further reduce friction in clients' business processes. Payment methods can be integrated with clients' other financial value chain processes (i.e. order to cash and procure to pay processes), such as e-Invoicing, dynamic discounting (i.e. discounts for early payment) and working capital financing (source: Deloitte B2B payments for the middle market, 2016). Through the integration of payment solutions with e-Invoicing and dynamic discounting, companies can reduce their collection cycles and improve their working capital position. The latter has been at the center of attention of many businesses due to the liquidity need induced by the COVID-19 pandemic, especially for SMEs that tend to hold smaller buffers. Integrated B2B(2C) payment solutions via online portals are increasingly gaining popularity (source: Harvard Business Review Analytic Services Survey, August 2018). Unifiedpost anticipated to the increasing demand for integrated solutions by bundling among other things e-Invoicing, payments (including dynamic discounting) and working capital financing solutions on one multitenant cloud-based platform.

Europe's regulatory environment for payments is rapidly changing

Europe's payments sector has been subject to a continuously changing regulatory environment. As such, payment companies need to monitor these regulatory changes and adapt. As the payments sector has been maturing, regulatory requirements have increased, including requirements for transactions monitoring, cyber security and data protection. In addition, the EC has introduced multiple initiatives to create a single European payments market through the introduction of SEPA, PSD and more recently PSD2 to harmonize the way of cashless euro payments across Europe. Below, the impact of several of these initiatives, including PSD2, and more stringent transaction monitoring requirements have been described:

- *PSD originated in 2007 and has laid the foundation for the current European payments market:*

The Payment Service Directive (PSD) was approved in 2007, with the objective to create a single payments market in the EU. The directive came into effect in 2009 regulating electronic and non-cash payments across the EEA. PSD opened the market for non-bank payment service providers (PSPs; licensed payment institutions like Unifiedpost), inducing rapid innovations and more efficient payments. Prior to PSD the payment processing market was largely dominated by banks. In addition, PSD provided the (legal) foundations for the Single Euro Payments Area (SEPA), Europe's bank payments infrastructure. Since the introduction of SEPA businesses and consumers in Europe have international bank accounts, IBANs, and can make use of direct debits in the European market.

- *Revised European Payments Directive, PSD2, to provide further opportunities for non-bank PSPs:*

The second PSD (PSD2) was approved in 2015 and implemented in the course of 2018/2019. PSD2's objectives are to contribute to a more integrated and efficient payments market across the EU, create a level playing field for PSPs (including new entrants), make payments more secure and protect consumers. One of the main impacts of PSD2 is facilitating direct access to bank accounts to third parties (via open APIs). This allows new entrants (e.g. non-bank fintech companies like Unifiedpost) to initiate payments upon the consent of the customer, a service which was previously dominated by banks and lead to the introduction of new payment methods.

- *More stringent KYC and transaction monitoring obligations:*

Regulatory requirements in the payments sector have been increasing in the last decade. One of the prime examples is the more stringent standards regarding transaction monitoring processes. Regulators have been increasing the emphasis on PSPs' requirements regarding KYC and customer onboarding processes, anti-money laundering ("AML") and countering financing of terrorism ("CFT") and systematic integrity risk analysis ("SIRA"). The increasing regulatory burden is inducing higher costs and a need for regulatory expertise across the entire sector. Large payments platforms benefit from their ability to invest in their compliance organization. For smaller companies the increasing fixed cost base tends to relatively put more pressure on their profitability. To partly mitigate the higher compliance costs, companies are increasingly triggered to develop or procure tools that help to automate and streamline the production and transmission of the information required for these processes. Furthermore, the stringent regulatory requirements have been one of the causes of an initial wave of consolidation across the European payments landscape.

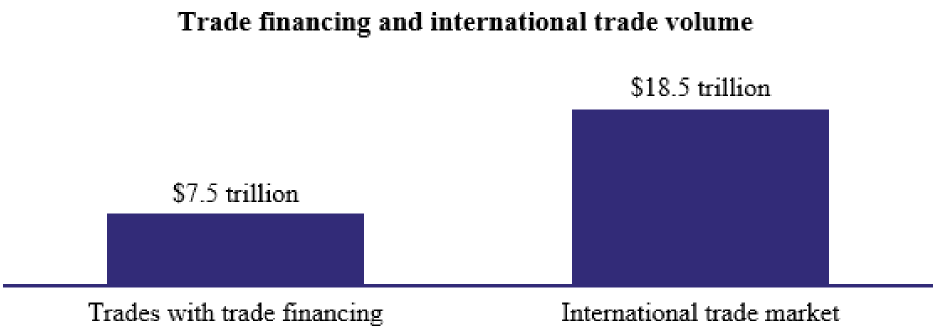
Europe's payment methods mix is changing as the shift to alternative payment methods ("APMs") continues

Regarding online (B2)B2C payments, local consumer preferences for payment methods tend to differ across Europe. The payment mix across Europe is shifting more and more towards (local) APMs. It was estimated 53% of ecommerce payments in EMEA were made via APMs in 2018 vs. 68% in 2022 (source: Worldpay Global Payments Report, November 2018). Besides card-based payments, online bank payments is one of the dominant payment methods in Europe (source: The Paypers Payment Methods Report 2018). Given the varying payment preferences between different countries, offering the right mix of payment options is crucial as it induces higher conversion rates.

With respect to B2B payments, electronic fund transfers (e.g. wire, bank or credit transfers) remain the preferred choice. However, payments via online (supplier) portals and via virtual cards are rapidly gaining popularity (source: Harvard Business Review Analytic Services Survey, August 2018). Moreover, the SWIFT network is widely used for payments by large multinationals with multiple bank relationships (FIS Treasury and Payments, 2016). Besides multiple direct bank connections, Unifiedpost has connections with financial institutions as a certified SWIFT partner.

(iv) *Supply chain finance*

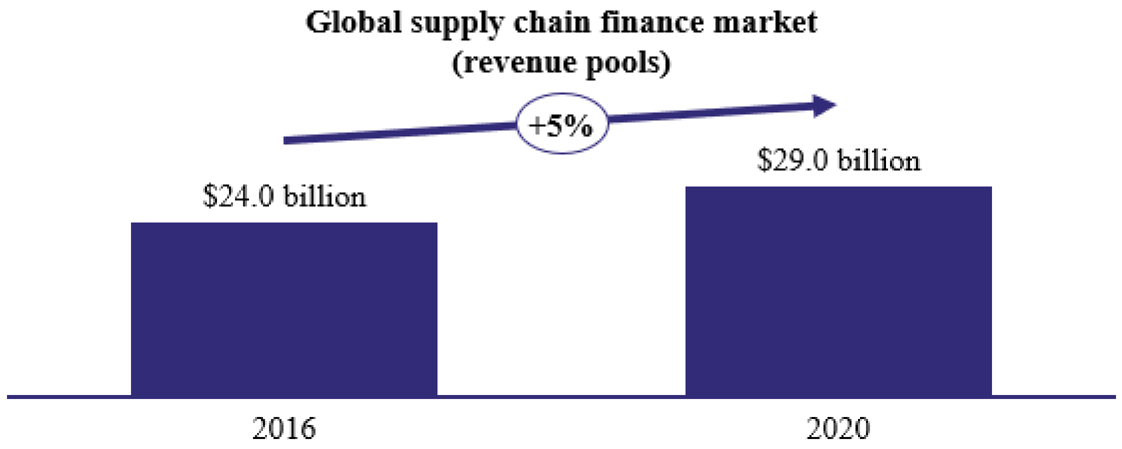
The need for financing solutions to bridge the gap between orders and the delivery of goods remains, and this demand is increasingly being met by supply chain finance. The volume of trade or supply chain financing is estimated at €7.5 trillion, which is approximately 41% of the total of $18.5 trillion of the international trade market (source: Insight Investment, October 2019).



Trade financing and international trade volume (source: Insight Investment, October 2019)

$1.5 trillion of the trade finance market is subject to a funding gap as banks have been retrenching from certain lending markets. A disproportionate part of this trade finance gap affects SMEs (and non-investment grade firms). It is estimated that 18% of this funding gap is related to Europe (Insight Investment, October 2019). In Europe, there are over 25 million SMEs with less than 250 employees (source: EC annual report on European SMEs 2018/2019). The total number of SMEs and SOHOs in the 15 countries where Unifiedpost is currently active amounts to roughly 10 million.

The global supply chain financing market ("SCF") in terms of revenue pools was estimated to be $24.0 billion in 2016 and is expected to grow to $29.0 billion by 2020 (CAGR of 5%).



Global supply chain financing revenue pools (source: Oliver Wyman, 2017)

Recently, the COVID-19 pandemic has induced an unprecedented economic shock causing late payments to becoming an increasing problem along entire supply chains. This should increase the demand for cash management and financing products (e.g. invoice and trade financing) (source: Billentis, April 2020).

Key developments and trends in working capital financing

SMEs have traditionally been underserved whilst having the strongest demand for supply chain financing

SMEs have traditionally had limited access to SCF. SMEs are smaller in size and have lower credit ratings, making it difficult to receive affordable financing from banks. At the same time, many SMEs act as suppliers to Corporates who tend to put a strong emphasis on managing their working capital and apply lengthy payment terms. Hence, SMEs have a greater need for working capital financing. The World Bank estimates that over 50% of SMEs across the globe lack access to financing, which is hampering their ability to grow. Fintech companies have been entering the SCF market to primarily service the underserved SME market. In 2005, banks held a 95% market share in the global SCF market, compared to 5% for fintech solutions. In 2015, fintech companies held a 15% market share (source: Strategic Treasurer SCFTS report, 2017).

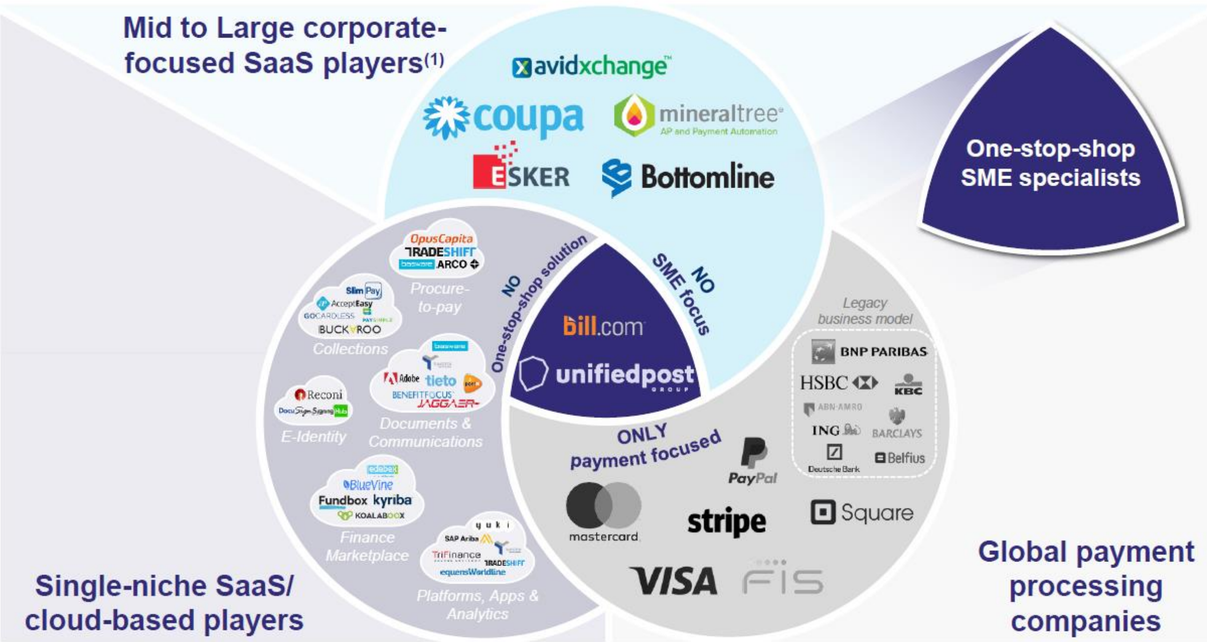
Fintech platforms and banks are converging to provide supply chain financing solutions

As processes in the financial value chain, such as e-Invoicing and payments, are increasingly becoming digital, more data is being captured that can support financing decisions. Data analytics technology can be leveraged to maximize the value of the data and support faster financing decisions. In line with the digitization of the financial value chain, e-procurement and e-Invoicing platforms are increasingly gaining traction and seeking to broaden their products and services offering. Subsequently, these fintech platforms and financial institutions are increasingly converging to offer simple and cost-effective working capital financing solutions, especially for the SME market. In many cases these solutions will need to be sector or eco-system specific to be effective (source: Oliver Wyman, 2017).

19.2.2 *Competitive environment*

Unifiedpost operates in fragmented markets, both in terms of geography and product offering. Globally there are more than 2,000 e-Invoicing service providers (source: Billentis, September 2019). In Europe, no competitors have yet emerged that have a dominant position across the entire or majority of the continent. Most competitors tend to focus on a specific country or region in Europe. Unifiedpost has a strong position in the Benelux, the Baltic States and the Balkan States and has a strong foothold in other European countries, where it envisages to continue its growth path both organically and inorganically.

Unifiedpost's competitors can be segmented into one-stop-shop SME specialists, large Corporate-focused SaaS players, Single-niche SaaS and cloud-based service providers, global payment processing companies:



Note(s): (1) Mid to Large corporate-focused defined as companies with more than 250 FTEs

- *One-stop-shop SME specialists*

Most competitors with a more complete offering tend to focus on (large) Corporates, whereas competitors servicing SMEs tend to offer point solutions. Thus, Unifiedpost believes there are limited competitors with a one-stop-shop solution that are specialized in servicing SMEs. US-based Bill.com has a similar business model as Unifiedpost and aims to provide smart and simple accounts payable and accounts receivable automation and payment services to SMEs. Bill.com offers accounts payable automation, accounts receivable automation and payment services, and is currently solely focused on the US market and is not active in Europe. Unifiedpost believes that European regulatory requirements (e.g. GDPR and PSD2) act as a significant barrier to entry for US-based peers like Bill.com to enter the European market (see Section 19.1.5(iv) - *Regulatory requirements increase barriers to entry, especially for US peers*). In addition, Unifiedpost benefits from an early-mover advantage with a well-established pan-European footprint.

- *Mid to Large Corporate focused SaaS players*

A second group of competitors are large Corporate focused SaaS players (e.g. Esker, Bottomline, Coupa, MineralTree and AvidXchange). These players tend to focus primarily on large Corporates. The most technological advanced players in this segment tend to geographically focus on the US. Unifiedpost believes European regulatory requirements (e.g. GDPR and PSD2) act as a significant barrier to entry for US-based peers like Bottomline, Coupa, MineralTree and AvidXchange to enter the European market (see Section 19.1.5(iv) - Regulatory requirements increase barriers to entry, especially for US peers). These players have a Corporate focused product offering that is not purpose-built for SMEs, in contrast to the Unifiedpost Platform. In addition, Unifiedpost benefits from an early-mover advantage with a well-established pan-European footprint.

Currently, large SaaS players that focus on Corporates develop more complicated and tailor-made (framework) solutions that are integrated into the various business processes of their Corporate customers. There are substantial efforts and costs associated with the implementation of such Corporate solutions. Therefore, these SaaS players typically rely on certified partner networks that are responsible for selling and implementing their Corporate solutions. This market approach makes their Corporate solutions relatively expensive for SMEs. Unifiedpost believes that SMEs can be served in a more economically viable manner, by means of a one-stop shop solution aligned with industry best practices.

- Single-niche SaaS and cloud-based service providers

Unifiedpost operates in fragmented markets, both in terms of geography and product offering. Most competitors tend to offer point solutions or a relatively small range of services compared to Unifiedpost. A selection of these competitors per business line includes:

(i) **Documents**: Basware, Benefitfocus, Jaggaer, OpusCapita, Pagero, PostNL, Tradeshift and Tungsten Network;
(ii) **Identity**: Adobe, DocuSign, EchoSign, KPN, Reconi and SigningHub;
(iii) **Payments**: Accepteasy, Billwerk, Buckaroo, GoCardless and Slimpay; and
(iv) **Platform services**: Bluevine, Edebex, EquensWorldline, Fundbox, Koalaboox, Kyriba, OpusCapita, Pagero, SAP Ariba, Tradeshift, TriFinance, Tungsten Network and Yuki.

Unifiedpost believes its one-stop-shop solution provides a unique value proposition compared to point solutions, as a one-stop-shop offering can remove additional friction from administrative and financial processes. In addition, many competitors offering point solutions or niche offerings tend to focus on Corporates, whereas Unifiedpost has a cloud-based platform purpose-built for SMEs. Moreover, many single-niche SaaS and cloud-based service providers do not have a PSD2 license to provide payment services and especially local players lack the scale to significantly invest in R&D.

- Global payment processing companies

Most global payment processing companies (e.g. FIS, Mastercard, PayPal and Visa) tend to focus on (large) Corporates and have less focus on document related payments (e.g. payment of bills and e-Invoices). Instead they focus on B2C e-commerce, in-store payments and payments infrastructure. In contrast to these competitors, Unifiedpost's payments offering is specialized in enabling payments for underlying e-Invoices through an integrated approach, thereby reducing friction from customers' e-Invoicing and payments related business processes. In addition, the one-stop-shop solution is not offered by these competitors. Unifiedpost therefore views global payment processing companies to a lesser extent as direct competitors.

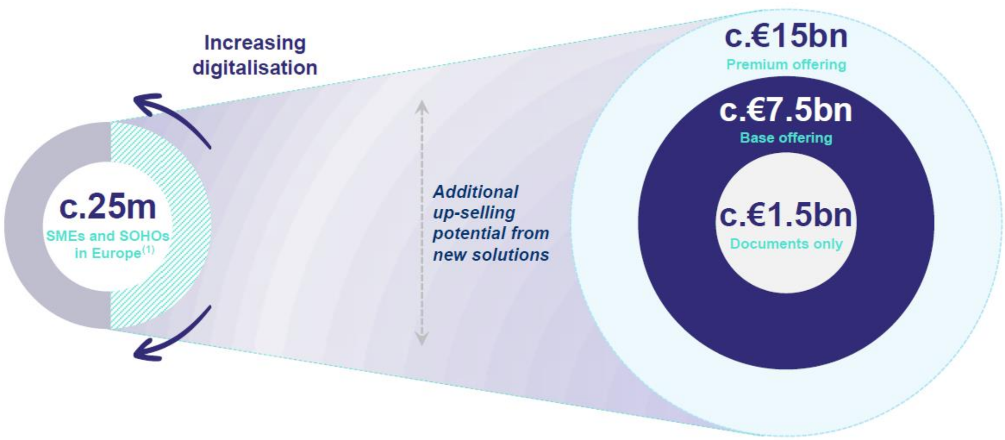
Unifiedpost also competes with banks and technology companies that (may) offer payments and financing solutions.

Unifiedpost believes that banks are slower to innovate and tend to especially underserve SME clients. Banks are also hampered by their geographical reach. Unifiedpost's main differentiators against banks include its independence, geographical reach and power to innovate. Other differentiators are volume of documents and experience in operating in a fragmented EU market (presence in 15 countries).

What differentiates Unifiedpost from software and technology companies (such as Facebook, Google, Worldline, SAP, Adobe, etc.), is that Unifiedpost already has a considerable customer base that uses a broad range of services on the Unifiedpost Platform. Furthermore, Unifiedpost's selling propositions are multi-channel, document/invoice driven, low cost (as a result of PSD2 payments (PISP), real-time reconciliation, batch/bulk payments and the mobile token app Itspaid) with strong authentication. As a result, customers can make and receive payments and can create, view and sign documents, contracts and bills on a single platform. Unifiedpost believes that this level of customer entrenchment makes it difficult for customers to switch to other platforms. In addition, unlike US-based technology companies, the CLOUD Act is not applicable to Unifiedpost's operations and as such Unifiedpost customers' can rely on their data not being shared with US law enforcement authorities that have issued a formal order under the CLOUD Act (see Section 19.1.5(v)).

19.2.3 *Market share & value*

Unifiedpost's commercial approach for the SME market is based on a one-stop-shop platform for SMEs and Corporates, where they can choose from a broad variety of services (modules). This approach is built upon the three core services (Documents, Identity and Payments) and additional Platform Services. In Europe, there are approximately 47,000 Corporates, and Unifiedpost serves about 250 Corporates



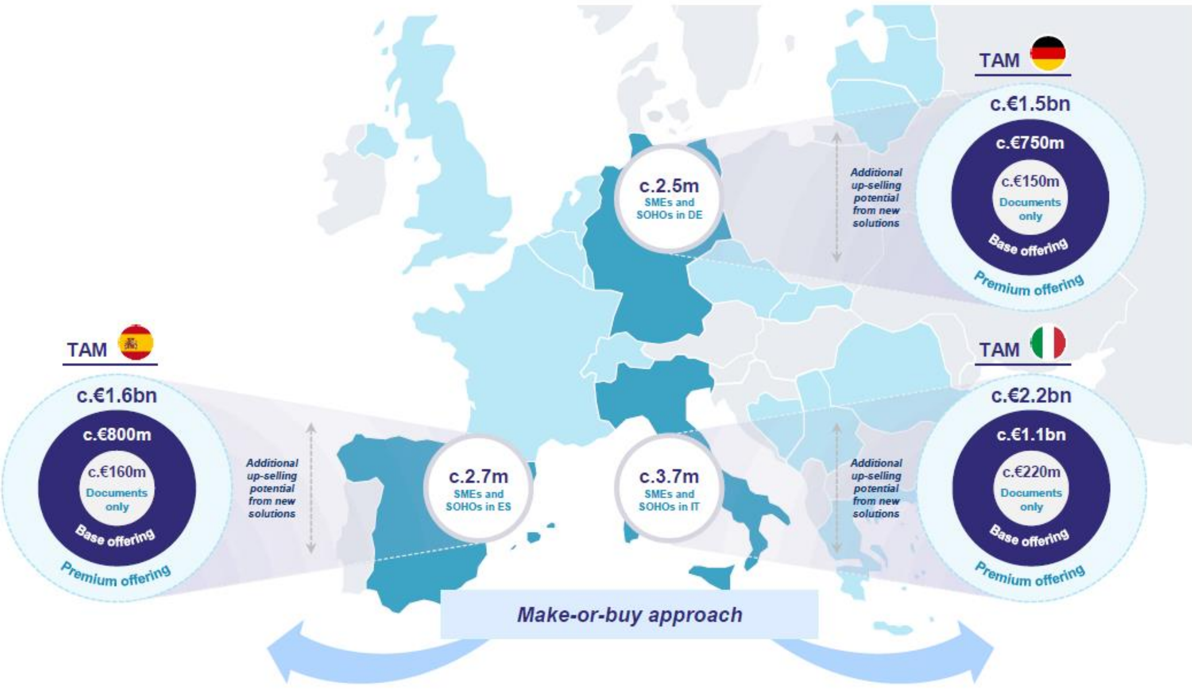
(0.53% of the Corporates in Europe). However, the majority of businesses in Europe are SMEs, as there are approximately 25 million SMEs. Unifiedpost currently reaches over 400,000 SMEs in Europe (1.6% of the SMEs in Europe). Unifiedpost's addressable market for SMEs in Europe is described below.

Note(s): SOHO = Small Office/ Home Office; (1) Based on the Company's calculation – approximately 25 million companies in the EU with less than 250 employees according to Eurostat multiplied by €5 per month for documents only and additionally €20 per month for whole base offering (comprising e-invoicing (€5) and payments (€15), excluding platform services) and additionally €45 per month for the premium offering: only e-invoicing and payments, excl. platform services. Through the future roll-out of its "premium services" and "professional solutions" (i.e. platform services), Unifiedpost estimates that it can increase its subscription fees for clients using these services from EUR 25.00 to EUR 100.00. As there are 465 million SMEs and SOHOs globally, the theoretical global addressable market opportunity for Unifiedpost in the long term amounts to EUR 558 billion.

Source(s): European Commission 2019 SBA Fact Sheet & Scoreboard for EU-28 member states; Eurostat; Billentis market potential Unifiedpost's SME solutions (source: EC annual report on European SMEs 2018/2019).

Unifiedpost includes all European SMEs as part of its addressable market as it indirectly targets both SMEs within a specific sector, through Horizontal Ecosystems, as well as SMEs across different sectors, through Vertical Ecosystems (see Section 19.1.2 – "*Value Proposition*").

Although Unifiedpost is active in most European countries, some countries still have a large leverage opportunity that would allow Unifiedpost to reach ample more SME customers, such as Germany, Italy and Spain. Unifiedpost has recently engaged in discussions regarding the setting up of new Ecosystems in these countries. Unifiedpost aims to penetrate these markets within the medium term through a "make-or-buy" approach, either through setting up partnerships with local Sponsors or by identifying suitable targets which fit within its buy-and-build framework.



Note(s): TAM = Total addressable market; SOHO = Small Office/ Home Office; own calculations – number of SMEs and SOHOs per country according to Eurostat with less than 250 employees multiplied by €5 per month for documents only and additionally €20 per month for whole base offering and additionally €45 per month for the premium offering; only e-invoicing and payments, excl. platform services

(i) *Documents*

The Unifiedpost Platform operates across Europe and offers document & communication services. The

European market is home to a massive number of documents and communications. Although the platform can be used for any kind of document and/or communication, the most relevant documents for the Unifiedpost financial value chain offering are (e-)invoices. Other document services are used to grow the number of companies and users connected to the platform, and ultimately to generate more e-Invoice volume.

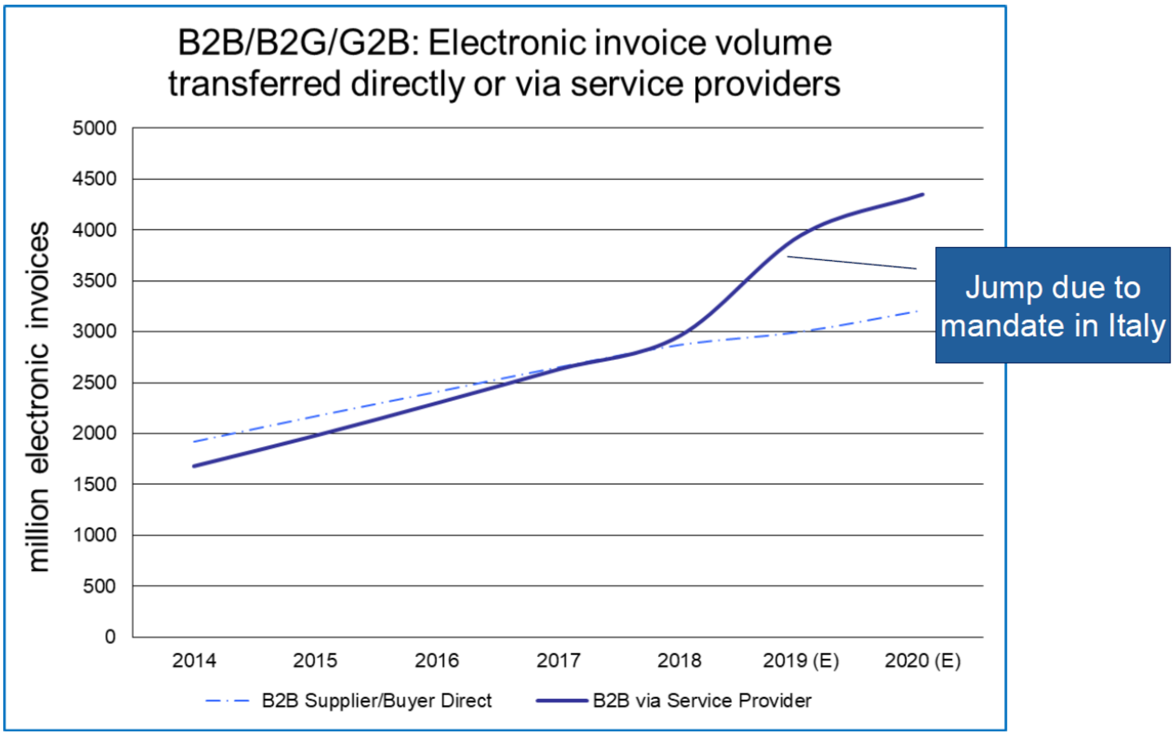
The Company views its addressable market, particularly with respect to its e-Invoice platform service, as the entire European market. The introduction and implementation of new EU directives and requirements, as well as country-specific regulations (e.g. mandatory B2B e-Invoicing) translates into an increasingly regulated European invoicing market and, in the view of the Company, accelerates the need for service providers like Unifiedpost.

Billentis estimates that the total global invoicing market (paper invoicing and electronic invoicing) encompasses 550 billion invoices annually and is expected to quadruple in size by 2035. In 2019 around 55 billion invoices were exchanged on a paperless basis. Billentis estimates that the number of electronically processed invoices in Europe has reached over 5 billion B2C invoices and approximately 7 billion B2B/B2G invoices in 2019, for a total of 12 billion e-Invoices (source: Billentis, February 2020). Unifiedpost processed 350 million documents in 2019, of which 220 million invoices (electronic and paper) via its Platform.

Billentis estimates that the size of the global e-invoicing and enablement market in 2019 amounts to EUR 4.3 billion, and that it will reach approximately EUR 18 billion in 2025 (source: Billentis, February 2020).

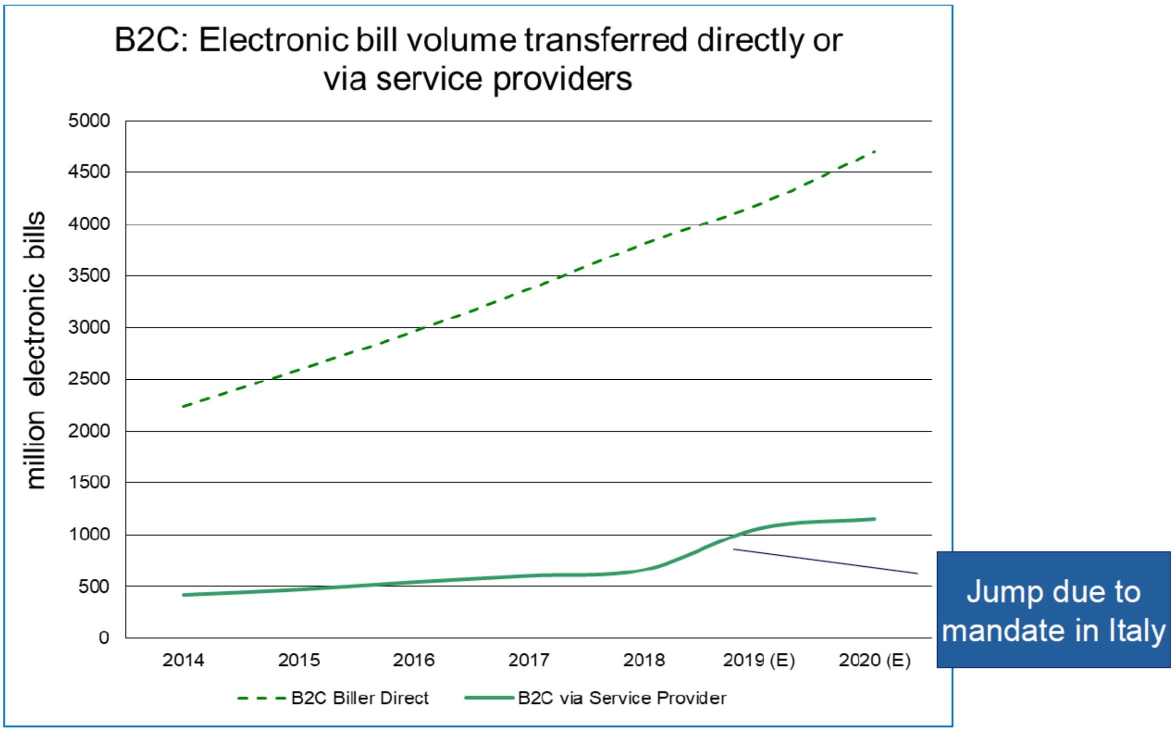
Invoices are generally sent in one of two ways: directly by the issuer or via a service provider. In the above market share calculation, no distinction is made between these methods. The number of B2B invoices sent directly has historically been virtually equivalent to the number of invoices delivered via a service provider. However, in countries where the government imposes a “clearing house” model to close the VAT-gap or where e-invoicing is made mandatory by law, the use of service providers is expected to increase.

For example, due to a recent mandate in Italy under which the government is requesting invoice information, the use of service providers has grown significantly and is expected to increase further in the future:



B2B, B2G and G2B e-Invoicing volume Europe (Source: Billentis, February 2020)

With respect to B2C, far more invoices are sent directly by the biller than via service providers, although the Italian mandate described above is expected to have a positive effect on B2C invoices sent via service providers as well.



B2C e-Invoicing volume Europe (Source: Billentis, February 2020)

It is unclear whether the rest of Europe will grow at the same pace of Italy. Other European countries, such as France and Serbia, are contemplating or executing the same strategy (see Section 19.4.2(iii)(D) – "*Business case: Serbian government*"). It is however not clear whether or when other countries will follow.

An estimated 5 billion invoices in Europe (B2C – B2B – B2G) have been sent through service providers in 2019 (source: Billentis, February 2020), giving Unifiedpost a 4.4% market share in the e-Invoice service provider market.

According to the Billentis report, the annual volume of invoices in the broader sense (i.e. not restricted to e-Invoices) and invoice-like documents and messages is tremendous and, depending on the country, is between five and 15 times greater than the e-Invoice volume.

(ii) *Identity*

Identity plays an integral part in every service rendered by Unifiedpost's platform business. Users and customers must be identified in order to use these services, and highly secured access to the platform is mandatory for financial processes. The level of security depends on the services used.

Every user has access to the services rendered through the IAM. This service is integrated directly in all of Unifiedpost's solutions.

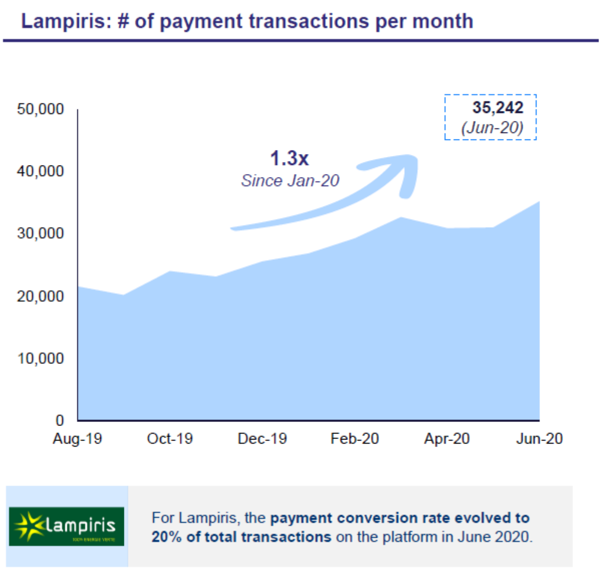
(iii) *Payments*

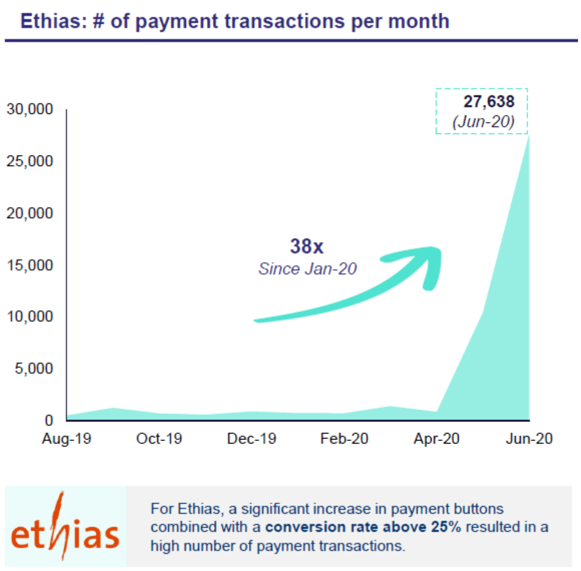
Unifiedpost's payments solutions are linked to the other solutions on its integrated platform. Payment value can be determined as the conversion ratio Unifiedpost can realize for its customer's invoices. Two conversion ratios are relevant:

1. For the SME market, the percentage of SME customers who use e-Invoices that also activate payment solutions on the platform's fully integrated solution.
2. For the Corporates, the percentage of invoices into which payment options are integrated and the percentage of the invoices with combined payment option that are paid using such payment option.

In the SME market, Unifiedpost has launched its go-to-market strategy in 2019 (described in further detail below) with respect to payment solutions. The go-to-market strategy will be fully realized after complete integration of the new services Unifiedpost is now able to offer as a result of PSD2 (namely, third-party payment initiation and third-party account access).

In the Corporate segment, payment methods can be linked to invoices. For its Corporate customer Lampiris, Unifiedpost added payments options to e-invoices sent via e-mail. As a result, an average of 20% of Lampiris' e-invoices and 25% of Ethias' e-invoices sent via e-mail are now paid using the linked payment option.





Unifiedpost processes approximately 350 million invoices a year with respect to which the payment option can be integrated.

(iv) *Platform Services*

(A) Robotic Process Automation

The Unifiedpost Platform offers a procure-to-pay solution for SMEs. The Group expects this service to experience accelerated growth, in line with the adoption of payment solutions for the SME Ecosystem.

(B) Financing solutions

The finance marketplace is crucial for offering a full set of financial value chain services. The financing facilitated by Fintech providers is growing rapidly. For example, in 2005, Fintech only commanded 5%

of the market in supply chain financing. By 2015, Fintech's market share had grown to 15% (source: Strategic Treasurer (2017) - SCF Fintech Analyst Report).

(C) Apps & Analytics

Apps related to debtor management, dunning and credit insurance are developed together with partners who specialize in the relevant business domain.

19.3 Business Lines

19.3.1 *Introduction*

The current activities of Unifiedpost can be divided into the following four business lines:

Base Offering:

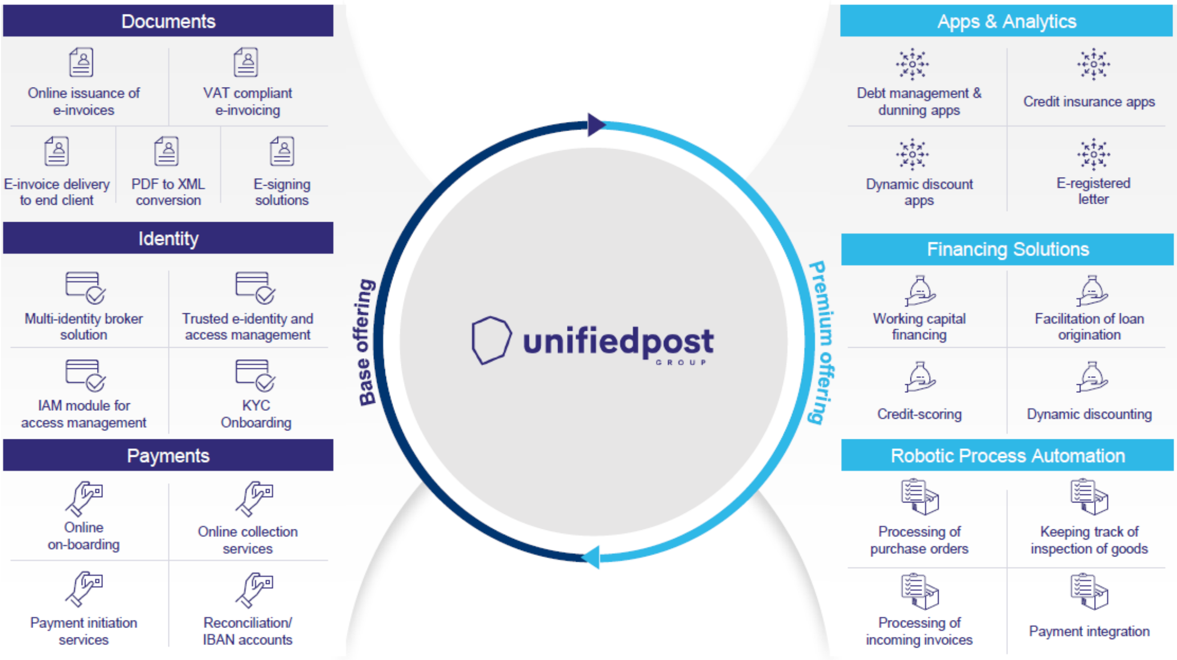
(i) **Documents**: The generation and delivery of outbound printed and electronic documents and the processing of inbound printed and electronic documents.
(ii) **Identity**: The issuing and management of electronic identities ("Identity and Access Management" or "IAM").
(iii) **Payments**: The making and collection of electronic payments.

Premium Offering:

(iv) **Platform Services:** All additional "value-added services" or "premium offerings" that are supplementary to, and based on the data obtained through, Unifiedpost's base offering: Documents, Identity and Payments.

In the future, Unifiedpost may further develop and integrate additional professional services into the Unifiedpost Platform (as part of the Platform Services) ("**Professional Solution**"). These solutions include a "developers' portal" that would allow third party developers to create proprietary solutions on top of the Unifiedpost Platform and the data flows it contains and leads to better integration with existing, more niche-specific business software used by Unifiedpost's clients.

The service offering of Unifiedpost is shown in the following picture:



Today, Unifiedpost offers Document services, Identity services, certain Payments services, as well as a limited number of Platform Services such as RPA, the Financing Marketplace and Legal Archiving (see Section 19.3.5 – "*Platform Services*"). Additional Platform Services (such as Debtor Management, Dunning & Collection Services and Credit Insurance) are still in development and are expected to be offered in the near future (2021 at the earliest) (see Section 19.3.5 – "*Platform Services*").

For the year ended 31 December 2019, Pro Forma Revenue related to the Documents business line amounted to €57.7 million (of which €48 million was Organic Revenue from Repeated Services), which represented 83.6% of Unifiedpost's total Pro Forma Revenue for 2019. The Pro Forma Revenue for 2019 associated with the Identity business line amounted to €4.7 million, nearly all recurring. This represents 6.8% of Unifiedpost's total Pro Forma Revenue for 2019. The Pro Forma Revenue for 2019 associated with the Payments business line amounted to €1.0 million. This represents 1.5% of Unifiedpost's total Pro Forma Revenue for 2019. The Pro Forma Revenue for 2019 associated with the Platform Services business line amounted to €5.6 million, with €5.1 million recurring. This represents 8.1% of Unifiedpost's total Pro Forma Revenue for 2019.

Unifiedpost's organic growth strategy is based, in part, on its ability to effectively cross- and upsell additional products and services through its platforms to its existing customers and to offer these higher margin services to its new customers (see Section 19.4.2(i)(B) – "*Cross- and upselling opportunities*") and to successfully develop and add additional Platform Services to its offering (see Risk Factor 2.1.1(iii) – "*Unifiedpost may fail to effectively cross- or upsell higher margin products and services to existing and new customers*").

19.3.2 ***Documents***

(i) *Description*

Unifiedpost offers solutions for generating, processing and delivering in- and outbound paper and electronic documents on behalf of Corporates and SMEs:

(i) **Outbound services** cover multi-format document creation, multi-channel delivery and legal archiving. They enable smooth transactional communication between multiple stakeholders in an order-to-collection cycle. The services also comprise advanced document creation capabilities, commonly known as customer communication management ("**CCM**") solutions. For example, Unifiedpost has created an integrated solution for Belfius Bank NV facilitating the electronic delivery of commercial offers and tax certificates.

(ii) **Inbound services** focus on digitization of paper documents through optical character recognition ("**OCR**"), workflow and legal archiving of inbound document volumes. They enable smooth transactional communication between multiple stakeholders in a procure-to-pay cycle. Most invoices are still received on paper and before such invoices can be processed they need to be digitalized, meaning that the information on the paper invoice needs to be converted into a computer readable format, i.e. invoice data. The latter is a two-step process whereby first the paper invoice is scanned and secondly, through OCR, limited data fields are extracted for processing. However, additional data fields can be extracted through RPA, whereby the digitalized invoice data can be directly inserted in the accounting software, in accordance with predetermined booking rules (see Section 19.3.5(i)(B) – "*Robotic Process Automation*"). PDF-invoices are processed in the same manner as well, although scanning in this case is not needed.

The majority of documents handled are paper and electronic invoices. In addition to invoices, Unifiedpost also handles various other documents, such as contracts, salary slips, fiscal certificates, order documentation and other documents related to e-Invoicing and the broader financial value chain.

Unifiedpost is capable of processing in- and outbound e-Invoices and other electronic documents in most widely used standards, including electronic data interchange ("**EDI**"), universal business language ("**UBL**"), extensible markup language" ("**XML**") and PEPPOL. In addition, Unifiedpost processes documents with .PDF, .JPG and .html extensions as well as email documents.

With respect to e-Invoicing, Unifiedpost offers, amongst others, the following suite of services:

- Preparation and issuance of e-Invoices, fully integrated or via an online portal;
- PDF to XML conversion (i.e. digital to structured e-Invoice conversion);
- VAT compliant e-Invoice processing;
- Seamless e-Invoice delivery via a global e-Invoicing network, connected to other major electronic invoicing networks and document hubs;
- Legal e-archiving in accordance with regulatory standards (e.g. mandatory storage times).

Unifiedpost also offers printing and delivery services for paper documents to Corporates, on a case by case basis, to facilitate the gradual shift from paper-based to digital document exchanges. Paper invoicing is still used by some Corporates who for instance do not have digital delivery addresses for their customers. Unifiedpost currently outsources part of these paper document processing services to more than 20 partners worldwide. With respect to paper documents, Unifiedpost generates a gross margin per invoice, whereby the direct cost constitutes paper, handling, enveloping and, for a limited number of documents, stamp costs (77% of paper documents are invoices). The Platform provides SMEs the option to activate a printing functionality for which Unifiedpost relies on external printing partners and who charge the SMEs directly and pay a fee to Unifiedpost for use of the Platform.

Approximately 50% of Unifiedpost's 2019 Pro Forma Revenue and 40% of Unifiedpost's 2019 revenue related to the Documents business line is generated from its paper-based business. As Corporates and SMEs further shift from paper to e-invoices in the future, Unifiedpost does not expect gross revenue to change, but expects gross margin to increase. This conversion process is for instance enabled through the payment functionality, which incentives Unifiedpost's customers to further transfer from print documents to digital document processing.

As part of its Documents business, Unifiedpost also facilitates the digital signing of documents or "e-signatures" for its customers. Unifiedpost's e-signature solutions are either linked to local e-identity solutions (see Section 19.3.3 – "*Identity*") or are white-labelled e-signing platform solutions (e.g., e-signing using one-time passwords received via email or SMS, or using personal passwords).

For instance, Unifiedpost currently offers digital document signing technology through a Horizontal Business Ecosystem to the temporary employment sector in Belgium (InterimSign). Over 1.1 million users of Interimsign are connected to the AdminBox platform, a solution provided by Unifiedpost which allows temporary workers to receive all documents related to their employment on a single platform. Unifiedpost has also partnered with Evidos B.V. to offer low security level processing and e-signature solutions (e.g. Scribble), that allow customers to further digitize their document exchange and consequently reduces transaction costs, facilitates faster agreement turnaround times (allowing signing to occur anytime and anywhere), simplify the process for end-users and centralize all documents on the Unifiedpost Platform. Unifiedpost purchases the e-signature service from Evidos B.V. under a "white label" and rebrands it under the name "Unifiedpost Sign". For high security level processing and e-signature solutions, Unifiedpost uses "Itsme", "eID" and "eHerkenning".

All e-signatures are internationally compliant and legally valid throughout the EU and the United Kingdom (see Risk Factor 2.1.4(ii) – "*The UK referendum resulting in the United Kingdom's exit from the EU and the UK withdrawal agreement and its practical implications could create political and economic uncertainty and risk*"), in line with the eIDAS Regulation.

Unifiedpost has recently developed the technology to offer electronic delivery of registered letters to its customers and obtained formal certification from the Belgian federal government on 20 July 2020. The certification has been passported across the EU, allowing Unifiedpost to deliver registered letters across Europe.

Unifiedpost's Documents services offer several benefits:

(i) Digital services can be integrated with other processes to facilitate straight-through processing;
(ii) Smooth communication across the financial value chain (i.e. with clients and suppliers);
(iii) Cost reductions (i.e. reduction of printing, archiving, delivery and intra-office routing costs);
(iv) Increased productivity due to automation (i.e. reduction of manual labor and errors); and
(v) Improved monitoring of working capital (i.e. online portal with accounts payable and accounts receivable overview and centralized e-archive with e-Invoices).

The revenue model for Documents services is predominantly transaction based; i.e., a fee per transaction is charged for every document processed. For SME customers, Unifiedpost also applies subscription models (e.g. Billtobox), based on expected volumes.

(ii) *Key Figures*

In 2019, Unifiedpost processed over 350 million documents in total for Corporates and SMEs across a wide variety of industries, of which 300 million were outbound documents and 50 million were inbound documents. Out of the 350 million documents processed, 220 million were invoices (paper and electronic) and 130 million were other documents.

The growth in Organic Revenue from Repeated Services related to the Documents business line between 2017 and 2019 amounted to €2.3 million. This represents 65.8% of Unifiedpost's total growth in Organic Revenue from Repeated Services between 2017 and 2019.

The Pro Forma Revenue for 2019 related to the Documents business line amounted to €57.7 million, of which €48 million is Organic Revenue from Repeated Services. This represents 83.6% of Unifiedpost's total Pro Forma Revenue for 2019.

For a more detailed discussion on the Company's revenue from its Documents business lines, please refer to Sections 11.5.1(i), 11.5.2(i) and 11.5.3(i) under Section 11.5 – "*Results of operations of the Company*".

19.3.3 ***Identity***

(i) *Description*

Unifiedpost is a trust service provider ("**TSP**") mainly in the B2B and B2G context and offers trusted identity and access management ("**IAM"**) and Multi-Identity Broker solutions. These services form an integral part of other Unifiedpost Platform services, for instance the electronic signing of documents and payment transactions like the mobile digital wallet (i.e. Itspaid), but are also offered on a stand-alone basis.

The TSP solutions are compliant with eIDAS and are ISO27001 certified (see Section 20.5 – "*e-IDAS Regulation*").

With the Multi-Identity Broker solution, Unifiedpost offers service providers the opportunity to grant access to proprietary online applications through a single "gateway" that supports several means for electronic identification ("**eID**"). The broker platform currently supports locally adopted solutions, such as eHerkenning, for which Unifiedpost is a Qualified Trust Service Provider in the Netherlands, itsme (Belgium) and eID (Belgium). The support of DigiD, iDIN MobileID, Mobile Connect (all in Europe) and SmartID (Baltic States) is on the roadmap and is expected to be added in the future.

Unifiedpost also offers its solutions on a "white-label" basis to third party providers. Such a "white-label" offering helps to expand the reach of the platform and increases relevance of Unifiedpost's identity business. For example, in the Netherlands, businesses can access online government services by means of the "eHerkenning" electronic identity protocol. There are six approved issuers of eHerkenning identity, one of which is Unifiedpost itself, through Z-Login eHerkenning, and two of which that use Unifiedpost's "white-label" solution (as at June 2020, these three together representing a market share of 40%). Z-Login eHerkenning and the two "white label" solution providers have their own target group. Whereas one has its roots in healthcare, Z-login eHerkenning traditionally focuses more on Vertical and Horizontal Business Ecosystems (e.g. AgroBox). Through this approach, Unifiedpost is able to reach more customers than it could have realized on its own. Z-Login eHerkenning maintains approximately 88,989 eHerkenning "level 3" identity means for its end-users (as per June 2020).

In general, identity services do not generate separate revenue, as they are typically integrated with other services. Identity services that are sold stand-alone (e.g. eHerkenning) are sold on a subscription basis.

(ii) *Key Figures*

In 2019, Unifiedpost maintained 175,000 paid electronic identity subscriptions for about 145,000 businesses.

The growth in Organic Revenue from Repeated Services related to the Identity business line between 2017 and 2019 amounted to €1.8 million. This represents 50.7% of Unifiedpost's total growth in Organic Revenue from Repeated Services between 2017 and 2019.

The Pro Forma Revenue for 2019 associated with the Identity business line amounted to €4.7 million, nearly all recurring. This represents 6.8% of Unifiedpost's total Pro Forma Revenue for 2019.

For a more detailed discussion on the Company's revenue from its Identity business lines, please refer to Sections 11.5.1(i), 11.5.2(i) and 11.5.3(i) under Section 11.5 – "*Results of operations of the Company*".

19.3.4 ***Payments***

(i) *Description*

(A) Introduction

Unifiedpost offers regulated payment services in accordance with PSD2 (see Section 20.3 – "*Payment Services Directive 2 (PSD2)*"), through its wholly owned subsidiary Unifiedpost Payments (formerly: PAY-NXT). Unifiedpost Payments is licensed as a payment institution granted by the National Bank of Belgium (NBB). The license has been passported to all other EU member states as well as the United Kingdom (see Risk Factor 2.1.4(ii) – "*The UK referendum resulting in the United Kingdom's exit from the EU and the UK withdrawal agreement and its practical implications could create political and economic uncertainty and risk*"), but Unifiedpost's current focus is on the Benelux, France and the Baltic States. Furthermore, Unifiedpost Payments is certified under the Payment Card Industry Data Security Standards ("**PCI-DSS**").

Furthermore, Unifiedpost, through PowertoPay, offers a SWIFT certified application enabling Unifiedpost to connect to over 10,500 financial institutions in 215 countries globally, acting as a Corporate Payment Hub.

(B) Opportunities offered by PSD2

When Unifiedpost Payments originally obtained its license as a European payment institution on 11

October 2016 (in accordance with PSD1), it was able to (i) execute payment transactions, including money transfers, on a payment account with the user's bank or another service provider (including, among others, execution of direct debits, execution of payment transactions using a payment card or similar device and execution of credit transfers, including standing payment orders) and (ii) issue payment instruments and/or accept payment transactions for its customers.

On 13 January 2018, PSD2 replaced PSD1. PSD2 introduces new concepts such as strong customer authentication ("**SCA**") and third-party access to accounts ("**XS2A**") (see Section 20.3 - "*Supervision and Regulation—Payment Services Directive 2 (PSD2)*").

In June 2019, Unifiedpost Payments' accreditation was extended under PSD2 to cover (i) account information services, and (ii) payment initiation services, allowing far greater interconnectivity with its customers' financial institutions. Under PSD2, Unifiedpost Payments is a payment institution to whom incumbent financial institutions must grant access to customer accounts, at the customer's request through application programming interfaces ("**APIs**").

On the basis of this extension, Unifiedpost has created a payment solution that does not require financial intermediaries for Corporates and SMEs. This solution allows Unifiedpost Platform users to directly initiate payments for approved invoices or other documents by integrating such user's bank account maintained by another financial institution. In addition, Unifiedpost Payments aims to develop an IBAN network for its customers to collect and initiate payments to and from dedicated customer accounts, thereby further reducing bank interference and facilitating more seamless payments. An IBAN network has already been integrated in Unifiedpost's Billtobox platform and certification is ongoing in France and Germany. This way, reconciliation of payables and receivables and full integration with the SMEs' accounting systems will also become possible. Even though Unifiedpost will be issuing dedicated IBAN accounts, no deposits will be held by Unifiedpost. Instead, Unifiedpost partners with custodian banks, such as ING Bank. Customer funds are thus not subject to any liquidity or solvency risk with respect to Unifiedpost.

However, comprehensive implementation of the (PSD2-based) Payments service offering will only be possible after financial institutions become fully compliant with PSD2 and grant Unifiedpost access to their customers' online account/payment services in a regulated and secure way via APIs. To provide such access to accounts, financial institutions must also allow for customer identity verification and authentication via these APIs (see Risk Factor 2.2.4 – "*Unifiedpost is partly dependent on the adoption of new regulations and the correct and timely implementation thereof, including the* implementation of XS2A under PSD2 by financial institutions in various jurisdictions"). Although some financial institutions have already provided such access (including, among others, ING, BNP Paribas and Deutsche Bank), expanding its payment solutions to other financial institutions will continue to require considerable time, effort and expenses. Recently a full PSD2 compliant API connection has been established with Swedbank and SEB Group, two financial institutions operating in the Baltics region. In any case, Unifiedpost can continue to offer its Payments services on the basis of established payment methods with a wide user base (payment cards, iDEAL, Bancontact, etc.).

Although the adoption of Payment services on Unifiedpost's Platforms is currently still rather limited, mainly as a result of the lengthy implementation process of XS2A, Unifiedpost expects the adoption rate will increase in 2021.

Revenue from Payment services comprises subscription fees, which do not depend on the number of transactions and based predominantly on the payment method used, and fees payable per transaction linked to individual payments.

(C) Unifiedpost Payments

Unifiedpost offers payment solutions on top of its Document services, such as:

(i) **Online collection services**, enabling Unifiedpost's customers to collect payments from their clients, including:

- Solutions that support billers to track, collect, and process payments such as direct payment method on invoices, on both electronic and paper (e.g. via QR codes).
- Different means of payments for Unifiedpost's customer's clients (i.e. predominantly small enterprises and consumers), including (one-click) direct debits, credit cards (e.g., Visa and MasterCard) and local alternative payment methods (e.g., Bancontact in Belgium and iDeal in the Netherlands).
- E-wallets for end-users (an electronic device or online service that allows an individual to make electronic transactions) with a variety of payment methods to facilitate the payment collection for Unifiedpost's business customers.

These online collection services represent a significant upselling opportunity to customers already using Unifiedpost's Documents services. A large number of SMEs use the Unifiedpost Platform's outbound Documents solutions to electronically deliver e-Invoices to their clients. These outbound invoices can be embedded with a payment functionality that enables the SME's client to immediately pay the inbound invoice and facilitates the collection and accounting for the SME.

(ii) **Online payment services**, a solution that enables Unifiedpost's customers to seamlessly pay incoming invoices that are uploaded on the Unifiedpost Platform. This service is mostly used by SMEs who use the Unifiedpost Platform to pay their own inbound invoices. Unifiedpost further facilitates this by offering a dedicated IBAN payment account which facilitates payments to and from their existing bank accounts. If a customer wants to pay an invoice, he can authorize such payment on the Unifiedpost Platform. Unifiedpost will then collect the required funds from the customer's existing bank accounts on the dedicated Unifiedpost IBAN account and from this account the invoices are paid.

Before PSD2, this service needed to be structured on the basis of the Bancontact protocol, which meant that limitations applied to account withdrawals from the customer's existing accounts. Currently, Unifiedpost is able to initiate payments directly from customers' bank accounts through payment initiation services (see Section 20.3 – "*Payment Services Directive 2 (PSD2)*".

(iii) **Reconciliation services**, a solution that allows real-time reconciliation of payment transactions with documents uploaded on the Unifiedpost Platform. Following the implementation of PSD2, this solution is currently available within Billtobox.

On the basis of Unifiedpost Payments' status as a payment institution combined with PSD2 extensions and connectivity through the SWIFT network, Unifiedpost will be able to offer even more additional payment services to its SME and Corporate customers in the short-term:

(i) Expansion of the online payment services by enabling recurring and scheduled payments (e.g., monthly bill payments);
(ii) Account information services, a solution that provides customers with a comprehensive overview of their draft bank accounts; and
(iii) Online onboarding and "Know Your Customer" (KYC) within the compliance framework.

Unifiedpost's payment solutions aim to allow faster payment of invoices and better traceability of customer's working capital. Furthermore, the ability for customers to track the status of (unpaid and paid) bills and invoices at any time improves general customer experience for the customer itself and its clients (i.e. ease of payment, local payment methods, integration with e-Invoices and accounting integration).

(D) Corporate Payment Hub

For its Corporate customers, PowertoPay (another wholly owned subsidiary of Unifiedpost) offers a SWIFT certified cash management solution (the "**Corporate Payment Hub**"). The Corporate Payment Hub enables Corporate customers to interact with financial institutions. It provides a uniform interface, making it easy to submit credit transfers, direct debits and download statement information via a single platform. Unifiedpost supports all financial institutions, national and international, either via direct host-to-host connections (connections directly between PowertoPay and a financial institution) or through its SWIFT-integration (indirect connection of PowertoPay and the financial institution through the SWIFT network).

Services of the Corporate Payment Hub include:

- Multi-bank connectivity via a single platform;
- Extensive access and payment authorization module (i.e. centralized monitoring and control via platform);
- Reporting of (aggregated) cash and liquidity positions, regardless of bank relationships;
- Integration with e-Invoicing processes; and
- Supporting multiple types of payment files and the conversion of legacy files into SEPA compliant XML payment files.

Unifiedpost's Corporate Payment Hub offers the following benefits:

- Cost reductions and productivity improvements through centralization and automation of payment processing;
- Reduction of risks (e.g. cash and liquidity reporting); and
- Reduction of payment fraud (e.g. authorization module).

(ii) *Key Figures*

In 2019, Unifiedpost Payments processed 100,411,850 payment transactions, of which 100,144,093 were processed through the Corporate Payment Hub.

The growth in Organic Revenue from Repeated Services related to the Payments business line between

2017 and 2019 amounted to negative €0.1 million. This represents negative 2.5% of Unifiedpost's total growth in Organic Revenue from Repeated Services between 2017 and 2019.

The Pro Forma Revenue for 2019 associated with the Payments business line amounted to €1.0 million. This represents 1.5% of Unifiedpost's total Pro Forma Revenue for 2019.

For a more detailed discussion on the Company's revenue from its Payments business lines, please refer to Sections 11.5.1(i), 11.5.2(i) and 11.5.3(i) under Section 11.5 – "*Results of operations of the Company*".

19.3.5 ***Platform Services***

(i) *Description*

(A) Introduction

The Documents, Identity and Payments business lines generate considerable amounts of data and information that pass through the Unifiedpost Platform. Unifiedpost builds on the foundation of this data flow, by offering proprietary and third-party supplementary value-added services and applications in order to offer a comprehensive suite of services and applications that further simplify mission-critical administrative and financial business processes. In addition, the supplementary Platform Services enable additional cross- and upsell opportunities and can induce further customer entrenchment (see Section 19.4.2(i)(B) – "*Cross- and upselling opportunities*").

Platform Services that are currently operational include robotic processing automation, the financing marketplace, dynamic discounting and business file sharing. Customer relationship management (CRM), is in the process of being deployed on the Unifiedpost Platform. In addition, Unifiedpost is in the process of developing, together with third parties, other applications, such as debtor management (dunning & collection), credit insurance and additional dynamic discounting services.

In the future, Unifiedpost may further develop and integrate additional professional services into the Unifiedpost Platform, including, for example, artificial intelligence-based applications and more advanced integrations, through implementation partners, with ERP, CRM and DMS systems of Corporates that are Sponsors of Vertical Business Ecosystems.

(B) Robotic Process Automation

Robotic Processing Automation (commercialized). RPA is a form of business process automation technology based on artificial intelligence (AI) or metaphorical software robots (bots). Through RPA services, Unifiedpost is able to automatically capture data from incoming electronic documents, and subsequently convert this information into a payment order or an accounting transaction. This facilitates the automatic synchronization with accounting or ERP software, such as NetSuite, Unit4 and local software suppliers. As a result of this automation, Unifiedpost's customers save time and significantly reduce the risk of anomalies in their payment process, such as duplicative payments. Furthermore, the RPA services assist in matching incoming invoices with their corresponding purchase orders (order and invoice line matching).

(C) Financing Solutions

Unifiedpost is convinced that SMEs are generally underserved by traditional financial institutions in terms of supply chain financing options. For financial institutions, the Unifiedpost Platform can serve as an integrated banking-as-a-service platform that facilitates attractive financing opportunities and supports their service offering to SME customers. Unifiedpost believes its financing solutions have significant potential for organic growth, as there is a continuous demand for SME financing, which is simplified when supply and demand are centralized.

Financing Marketplace (commercialized). Customers on the Unifiedpost Platform can utilize the aggregated data and working capital overview to solicit financing for e.g. asset-based financing, invoice financing, factoring and reverse factoring from financial institutions. Without providing financing itself and thereby not incurring credit risk, Unifiedpost can manage receivables portfolios and maintain relationships with local and international lenders. By connecting these lenders to the Unifiedpost Platform, Unifiedpost creates a finance marketplace for companies and lenders.

An example of a marketplace application is the “Borrowing Base” application, which enables companies active in the diamond and jewelry industry to obtain financing against collateral of such company’s outbound invoices on the Unifiedpost Platform. The borrowing base is the total amount of collateral against which a lender, in this case ABN AMRO Bank, will lend funds to the diamond trader and thus presents a maximum cap on how much asset-based funding the trader can obtain from a bank. The Borrowing Base application is an example of a solution for a Vertical Ecosystem.

Dynamic Discounting (commercialized). Dynamic discounting, also known as accelerated payment, is a service that enables debtors to accelerate their payments to their suppliers in exchange for a lower price or discount for the goods and services purchased. The “dynamic” component refers to the option to provide discounts based on the dates of payment to suppliers. In most cases, the earlier the payment is made, the greater the discount. Unifiedpost has added a dynamic discounting functionality to the Unifiedpost Platform to enable debtors and their suppliers to initiate early-pay discounts on an invoice-by-invoice basis. This solution allows both parties to view invoices through the Unifiedpost Platform and select approved invoices for early payment.

(D) Apps and analytics

Business File Sharing and Legal Archive (commercialized). Unifiedpost offers enterprise file sharing, synchronization and archiving solutions that allow its customers to edit, share and collaborate, synchronize and archive files from anywhere – online and offline. Furthermore, Unifiedpost is able to archive all in- and outbound e-documents it handles in certified legal e-archives that comply with regulatory standards such as mandatory storage times for e-Invoices. The file sharing is also a collaboration tool between the enterprise and the (external) accountant to exchange documents.

Debtor Management, Dunning & Collection Services (not commercialized). Unifiedpost intends to engage in a partnership with, amongst others, Syncasso Nederland B.V. to offer debtor management, dunning and collection services. These services help customers to streamline their communication with customers regarding outstanding invoices, for instance through the automatic delivery of payment reminders. This facilitates the collection of accounts receivable, thereby improving the customer’s working capital position. The debtor management, dunning and collection services offering is part of Unifiedpost’s broader service offering which seeks to facilitate the entire Order-to-Cash cycle for its customers.

Credit Insurance (not commercialized). Since the Unifiedpost Platform offers a complete overview of its users' accounts receivables, Unifiedpost seeks to offer credit insurance services in partnership with Euler Hermes, to allow its customers to cover these accounts receivables from credit risks to which they are exposed, such as protracted default, insolvency or bankruptcy. Unifiedpost will offer these services through use of intermediary credit risk insurers who are connected to the Unifiedpost Platform and can offer their products and services to other users of the Business Ecosystem. Since Unifiedpost itself does not provide insurance products or acts as an insurer broker or intermediary, Unifiedpost is not exposed to additional credit risk or regulatory requirements relating to insurance providers. Unifiedpost's revenue model for credit insurance is based on a fixed commission per generated policy.

Customer Relationship Management (not commercialized). Unifiedpost intends to offer CRM services that allow users of the Unifiedpost Platform with less complex systems (SMEs) to manage interactions with current and potential customers, which are centralized on the Unifiedpost Platform. CRM is based on the analysis from the Unifiedpost Platform user's data and allows the user to focus on customer retention and drive of sales growth by harnessing this data.

(E) Professional Solutions

In the future, Unifiedpost may further develop and integrate additional professional services into the Unifiedpost Platform, including, for example, artificial intelligence-based applications and more advanced integrations, through implementation partners, with ERP, CRM and DMS systems of Corporates that are Sponsors of Vertical Business Ecosystems. "Professional Solutions" also encompass a developer's portal, with tools and APIs that will allow third-party developers to create their own solutions on top of the services offered on the Unifiedpost Platform.

(ii) *Key Figures*

The growth in Organic Revenue from Repeated Services related to the Platform Services business line between 2017 and 2019 amounted to negative €0.5 million. This represents negative 14.1% of Unifiedpost's total growth in Organic Revenue from Repeated Services between 2017 and 2019.

The Pro Forma Revenue for 2019 associated with the Platform Services business line amounted to €5.6 million, with €5.1 million recurring. This represents 8.1% of Unifiedpost's total Pro Forma Revenue for 2019.

For a more detailed discussion on the Company's revenue from its Platform Services business lines, please refer to Sections 11.5.1(i), 11.5.2(i) and 11.5.3(i) under Section 11.5 – "*Results of operations of the Company*".

19.4 Business Strategy

19.4.1 *Introduction*

Unifiedpost seeks to grow its business organically by (i) growing volume from its existing customer base, including by cross- and upselling supplementary higher margin Payments, Identity and Platform Services, (ii) onboarding additional Business Ecosystems, (iii) adding more Corporate customers and partnerships, (iv) expanding its service offering, and (v) international expansion.

In each of its business lines (Documents, Identity, Payments and Platform Services), Unifiedpost differentiates between two types of customers: Corporates and SMEs. For the year ended 31 December 2019, approximately 40% of Unifiedpost's Pro Forma Revenue derived from Corporate customers, while approximately 60% derived from SME customers. These customer segments are targeted using both direct and indirect sales approaches. Unifiedpost applies a combination of subscription fees (one subscription per legal entity) and fees per transaction. To further cultivate upselling opportunities in the Business Ecosystems, Unifiedpost starts from a free subscription with limited services which can be complemented with payable subscriptions for additional services. For example, as of July 2020, 10,010 out of 12,840 customers on Billtobox have activated Unifiedpost's payable premium subscription. Unifiedpost defines subscription fees based on the level of volume required and the type of transaction and/or functionality. In addition, Unifiedpost charges ad-hoc fees for implementation of point-solutions, tailored to the specific needs of the customer, into the existing business processes of such customer. Unifiedpost believes that as more SMEs shift from transaction based revenue generating services to subscription based revenue generating services, there will be a slightly positive impact on Unifiedpost's revenue since not all SMEs consume their pre-selected volumes.

Below is an example of Unifiedpost's subscription model for Billtobox and AgroBox:

80% of current clients (PREMIUM LITE, PREMIUM 10, PREMIUM 20)

Document subscription	FREE	PREMIUM LITE	PREMIUM 10	PREMIUM 20
Price / month – billtobox	free	4.95€	9.95€	18.95€
Price / month – AgroBox	free	9.90€	19.90€	37.90€
Maximum number of invoices / month	30 (per year)	40	85	170
Accounting app	✓	✓	✓	✓
Customer and supplier management	✓	✓	✓	✓
Sending and receiving invoices	✗	✓	✓	✓
Delivery to Mercurius / Open Peppol	✗	✓	✓	✓
Creation of UBL invoices	✗	✓	✓	✓
Documents center	✗	✓	✓	✓
Archive (7 years)	✗ *(12 months only)*	✓	✓	✓
PDF → UBL (manually)	✗	✓	✓	✓
PDF → UBL (OCR with validation)	✗	✓	✓	✓
Archive CODA	✗	✓	✓	✓
Mobile app	✓	✓	✓	✓
Extensions with standards for the agri sector	← ONLY for AgroBox →			
Payment subscription		PAY LITE	PAY 10	PAY 20
Price / month – billtobox		12.50€	20.00€	30.00€
Maximum number of payments / month	n/a	18	40	120

Exemplary functionalities for PAY LITE:

PAY LITE
- ✓ 1. Unlimited payment buttons on sale invoices (+0.20€ per bank contact / iDEAL payment)
- ✓ 2. Link two external bank accounts (2 users included) – Promotion until end 2020: unlimited bank account and users
- ✓ 3. Pay multiple purchase invoices at once
- ✓ 4. Automatic reconciliation of your invoices
- ✓ 5. Statements of Unifiedpost Payment accounts (CODA, CAMT, PDF format)
- ✓ 6. Fraud Screening
- ✓ 7. Online payment of 200 purchases invoices / year

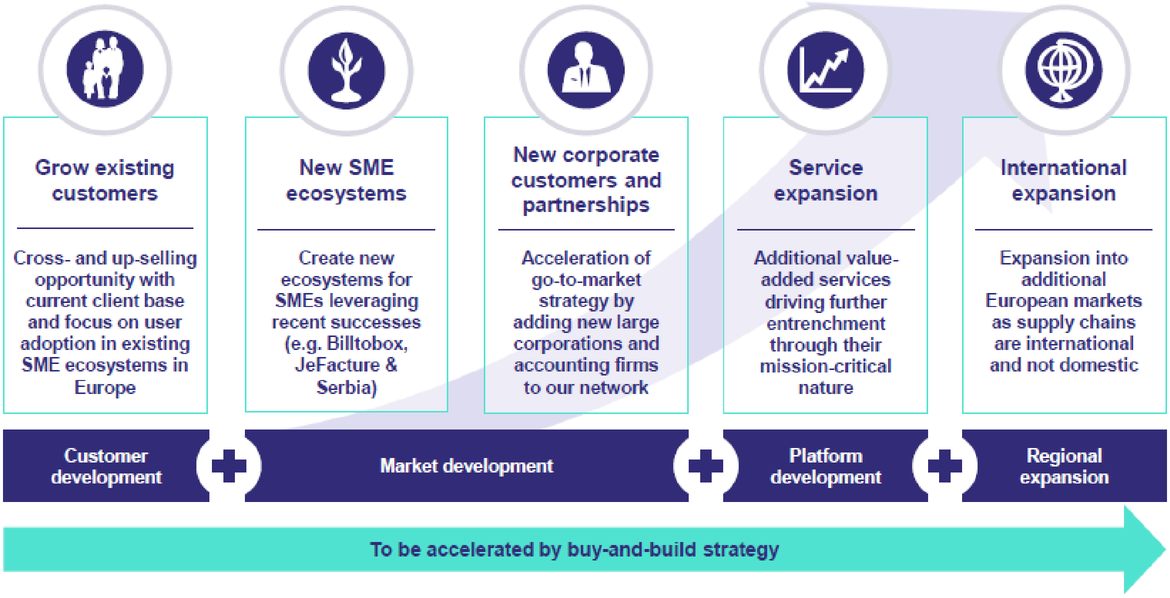
Pay Lite € 12.50 / month

Upgrade

Note(s): = Functionalities; three exemplary documents and pricing subscription options shown; document subscription options available up to 74.95€ per month + 0.08€ / document for more than 840 invoices per month; for the document subscription, two users included and per additional user 4€ / month; for the payment subscription, 2 IBAN included and per additional IBAN 5€ / month

Furthermore, Unifiedpost relies on a focused buy-and-build strategy to grow its business and add specialized employees, complementary companies, products and technologies to its service offering. Unifiedpost targets both Volume Acquisitions (i.e. acquisitions of providers of services already offered by the group) and Supplementary Acquisitions (i.e. acquisitions of providers of products or services which are supplementary to the Unifiedpost Platform).

The following image summarizes Unifiedpost's growth strategy:



As Unifiedpost's critical mass of connected customers continues to increase pursuant to its organic growth and buy-and-build strategy, Unifiedpost will strongly benefit from network effects. Currently, over 2,500,000 users are connected to the various Unifiedpost Platform solutions. As the number of users grows and a critical mass of connected customers is reached (i.e. where the solution has become the sector standard), more activities will take place on the Unifiedpost Platform in the form of document and transaction flows, enabling the collection of more data, which can be used to further develop value-added Platform Services (including both proprietary and third-party apps), in turn attracting more SMEs and Corporates to become customers (this cycle is referred to as the "**Network Effect**"). Unifiedpost will drive the Network Effect by increasing sales efforts, followed by a marketing approach centered on specific products. Unifiedpost's ultimate goal is to establish its solutions as market standards in order to enjoy the full benefits of the Network Effect.

19.4.2 *Organic growth*

(i) *Grow existing customer base*

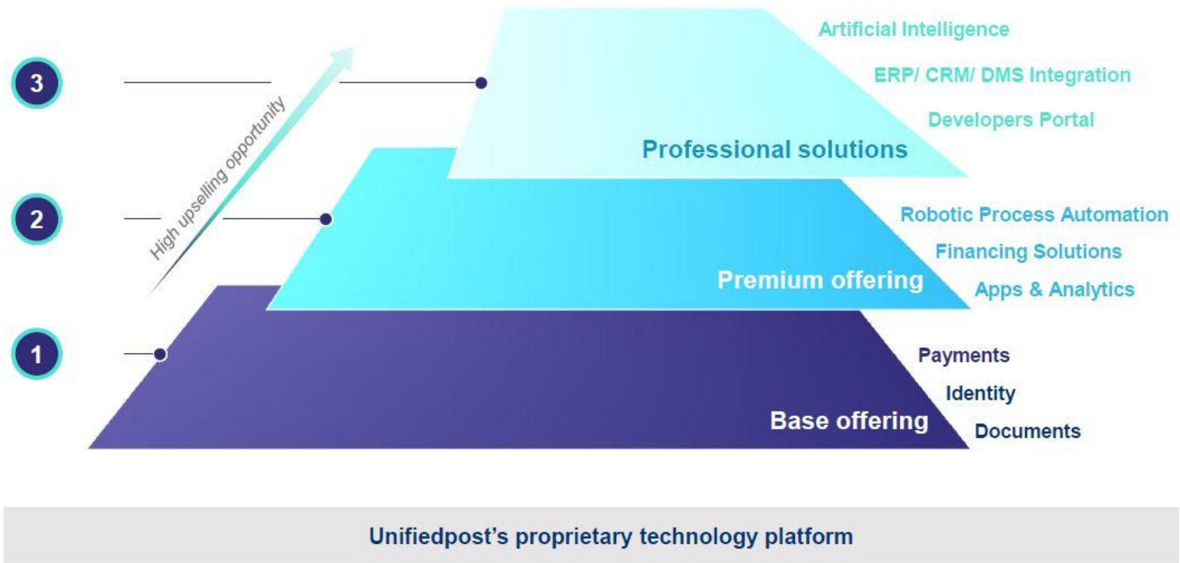
(A) Increasing the number of existing Business Ecosystem customers

Unifiedpost believes there is an opportunity to grow its existing Business Ecosystems by increasing the number of active participants on the Unifiedpost Platform, given that SMEs are to a large extent underserved in the evolution towards service digitization. Unifiedpost believes that attracting additional SMEs to existing Business Ecosystems will, amongst other things, drive and be driven by Network Effects. It is Unifiedpost's view that the most important growth in Organic Revenue in the coming three to five years will come from cross- and upselling opportunities (see Section 19.4.2(i)(B) – *Cross- and upselling opportunities*) and the expansion of its service offering.

Through the Business Ecosystem approach, Unifiedpost aims to diversify its customer base by adding a greater percentage of SME customers to its Business Ecosystem solutions. Unifiedpost targets additional SME customers directly through digital marketing, in order to accelerate market acceptance and increase the user base of its Business Ecosystems. However, the majority of its sales to SMEs are currently made indirectly through Sponsors. The Sponsors provide a leverage opportunity to attract more SME customers, as they hold strong positions within the Business Ecosystems and are able to use their position to incentivize SMEs into adopting Unifiedpost's solutions. Some Sponsors are solely incentivized by the fact that they want to offer a dedicated ecosystem platform to their members. Other Sponsors are incentivized through a revenue sharing model (e.g. Billtobox and JeFacture). Furthermore, in some instances the customers that use Unifiedpost's platform can invite their clients – mostly SMEs – to start using the Platform (e.g. Billtobox and JeFacture). Unifiedpost believes that the indirect approach is most important to its sales strategy to grow the Unifiedpost Platform solutions.

(B) Cross- and upselling opportunities

Unifiedpost believes that there is an opportunity to increase the volume of activity per Corporate or SME customer through converting cross- and upselling opportunities (i.e. customers using a broader range of services offered on the Unifiedpost Platform). The following image shows the upselling potential of Unifiedpost's service offering:



Unifiedpost is increasingly focused on providing higher margin value-added services (on top of its Documents services), such as Identity, Payments and Platform Services, thereby gaining volume in all markets. Currently the percentage of SME and Corporate customers that uses the full suite of services offered by Unifiedpost is rather limited, which implies a large upselling potential. On average one out of ten Corporates uses Unifiedpost's full base offering. Therefore, Unifiedpost focuses on cross- and upselling its Payments offering. For example, Unifiedpost's online collection services represent a significant upselling potential for the Documents services. A large number of SMEs use the Unifiedpost Platform's outbound Documents solutions to electronically deliver e-Invoices to their clients. These outbound invoices can be accommodated with a payment functionality that enables the SME's client to immediately pay the inbound invoice and facilitates the collection and accounting for the SME. Unifiedpost currently reaches over 400,000 SME clients (as of 31 July 2020).

Unifiedpost's Platform Services can further expand the range of services, leading to additional cross- and upselling opportunities, increased client entrenchment and higher revenue per customer. At the date of this Prospectus, Unifiedpost only offers the following Platform Services: Robotic Processing Automation (RPA), the Financing Marketplace, Dynamic Discounting and Business File Sharing (see Section 19.3.5 - *Platform Services*)).

Unifiedpost's ability to generate revenue through cross-selling and upselling to its Corporate customers is dependent on the appetite of its Corporate customers' clients for additional products and services. As an example, Unifiedpost has in the past successfully upsold its Payment solutions to Lampiris, for which it previously only provided Document services. In the Lampiris case, where the email invoices have an integrated payment option, 20% of the invoices get paid through the embedded payment option.

For SME's, Unifiedpost's ability to generate revenue through cross- and upselling is primarily dependent on the initiatives undertaken by the relevant Sponsors *vis-à-vis* its members with respect to the promotion of additional products and services of the platform, as well as the effective uptake of these additional functionalities by the SMEs which are part of the Business Ecosystem.

In 2019, 7% of Unifiedpost's Pro Forma Revenue originated from cross- and upselling additional services to existing 2018 SME and Corporate customers (after taking into account limited churn, i.e. loss of revenue of existing customers). Utilizing a go-to-market strategy that focuses on cross- and upselling new and existing services to existing customers, Unifiedpost believes that it can grow its revenue faster and improve its margins. Volume usage is currently lower for the Platform Services, but the cross- and upselling opportunities that these solutions present have significant margins and revenue potential.

(ii) *Create new Business Ecosystems*

Unifiedpost is focused on growing its SME business, and believes that there is significant potential for growth. There are, on average, 50 sector federations in every country and Unifiedpost believes that its Business Ecosystem approach could be applied to each of them. Unifiedpost has already established Business Ecosystems across multiple sectors, including agriculture, staffing, automotive, banking, insurance and transport.

(A) Indirect Sales: Sponsors of Business Ecosystems

Large Corporates have systems in place that optimize their incoming and outgoing document and payment flows, which they manage themselves or through external partners like Unifiedpost. Unifiedpost believes that a significant number of SMEs have not made such investments yet for a variety of reasons. Firstly, the economies of scale from such investments are considered too small. In addition, whereas the existing solutions designed for SMEs are considered too simple, existing solutions for Corporates are considered too expensive and complex. Unifiedpost also believes that there are not many comprehensive solutions that can fully integrated with SMEs' systems. Finally, the resources and time of SMEs are more constrained and they do not have the same ability as Corporates to devote substantial resources towards optimizing these processes. Since SMEs remain largely underserved with respect to "one-stop-shop" solutions, the SME market has a large growth potential for Unifiedpost and is key to its growth strategy.

For the development of its Business Ecosystem solutions, Unifiedpost partners with Sponsors, such as sector federations, trade associations, banks, accountants and large Corporates. Generally, these Sponsors have a strong position in the financial value chain and are in a good position to drive customer adoption (i.e. SMEs) of a Business Ecosystem. These Sponsors may be targeted directly but Unifiedpost may also participate in tender offers organized by Sponsors (such as the tender process Unifiedpost successfully undertook in connection with JeFacture). Once a solution for a Business Ecosystem has been set up in collaboration with such Sponsor, SMEs are targeted through an indirect approach.

The Unifiedpost Platform supports the digitization of Vertical Business Ecosystems, i.e. companies on different levels of the value chain but within the same sector of the economy. For example, through AgroBox, a cloud-based collaboration platform for e-Invoicing and accounting in the agriculture sector, Unifiedpost connects farmers, dairy factories and accountants in the Netherlands (see Section 19.4.2(ii)(C) **-** "*Business case Vertical Business Ecosystem: AgroBox*")

The Unifiedpost Platform also supports the digitization of Horizontal Business Ecosystems, i.e. companies from different sectors that operate together in the same ecosystem. For example, through Billtobox, a cloud-based collaboration platform for e-Invoicing and accounting owned by Unifiedpost, Unifiedpost links SMEs and their accountants. This solution was launched in Belgium in close collaboration with the Institute of Tax advisors and Accountants (ITAA), formerly IAB (see Section 19.4.2(ii)(B) – "*Business case Horizontal Business Ecosystem: JeFacture*"). Over 1,000 out of more than 5,000 Belgian accountancy firms, representing a total of 147,000 customers, have signed up to the Billtobox solution. Currently, over 12,840 SMEs in Belgium are working with Billtobox. Unifiedpost believes that existing Business Ecosystems can act as stepping stones to implement new Business Ecosystems in countries and among sectors that currently do not have a good solution. For example, Unifiedpost has recently rolled out its integrated Platform solution Billtobox in the Netherlands, as well as a similar Ecosystem in the French market (JeFacture).

Unifiedpost provides services to over 400,000 SME (as of 31 July 2020) customers through 12 Business Ecosystems, including Billtobox (Belgian accountants and SME community), JeFacture (French accountant and SME community), ARVED.EE (electronic invoicing portal developed for the Estonian government), Federgon (Belgian temporary worker and working agencies community, addressing over 1.1 million temporary workers so far (August 2020)), AgroBox (Dutch agriculture community), Rekini (Lithuanian e-Invoicing platform for customers and their clients) and UpConstruct (Dutch construction community, supported by sector federation Bouwend Nederland). Currently, the Business Ecosystems are primarily situated in the construction, logistics and consultancy markets, but Unifiedpost continues to promote its service offering to other Business Ecosystems.

Given that the development of a business relationship with a potential Sponsor often entails a significant investment, Unifiedpost spends a significant amount of time and resources on sales efforts to better educate and familiarize these entities with Unifiedpost's value proposition, as well as on contract negotiations.

In contrast to the relatively limited time required for the effective rollout of Unifiedpost's customized solutions for Corporates, the effective roll-out of an SME Business Ecosystem requires substantially more time. Purchase and deployment of Unifiedpost's products and services by SME customers is often entirely dependent upon the Sponsor of the relevant Business Ecosystem. Sponsors may require considerable time to evaluate and test the relevant product offering prior to entering into, renewing or expanding a subscription. Thereafter, the approach the Sponsor takes will determine how fast the solution is adopted by the members of the Business Ecosystem. In some situations, the Sponsor is able to unilaterally decide to adopt Unifiedpost's solution on behalf of a given sector. By contrast, other situations require that Unifiedpost and the Sponsor promote Unifiedpost's solution directly to each member of a given Business Ecosystem in order to convince them to adopt the solution.

Once a Business Ecosystem has been set up, the sales and marketing related costs are limited and the length of Unifiedpost's sales cycle for SME customers, from initial evaluation to payment for Unifiedpost's products and services, is relatively short, but this may vary substantially from customer to customer.

Unifiedpost's strategy for building SME Business Ecosystems with large user bases involves offering users the option to start with a free or discounted subscription, which initially includes only the basic functionalities of the Unifiedpost Platform. As an example, when functionalities are offered for free or at a discounted subscription, the number of invoices that can be sent or received on an annual basis is limited and no legal archiving of invoices or OCR is provided. Unifiedpost then aims to convert non-paying or low value customers into higher value propositions by upselling further functionalities, such as Payments and Platform Services that generate higher margins. Successful marketing and high levels of service within new SME Business Ecosystems via the Unifiedpost Platform will be key to achieving Unifiedpost's objectives.

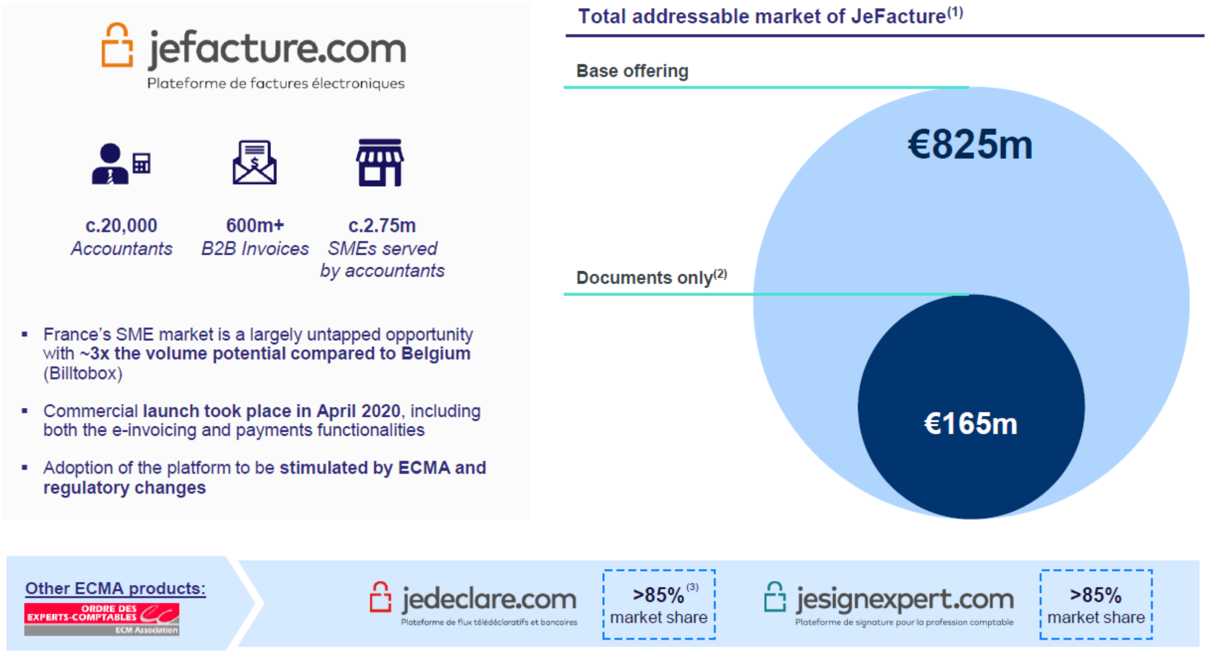
Once a Business Ecosystem is operational, Unifiedpost's costs relate to commissions paid to Sponsors (on the basis of subscription fees invoiced to customers), operational costs (e.g. customer service) and business development costs (depending on the size of the business ecosystem and the commitment of the Sponsor).

(B) Business case Horizontal Business Ecosystem: JeFacture

JeFacture is one example of a horizontal Business Ecosystem. This SME solution is an accounting ecosystem for the French market, based on Unifiedpost's existing solution for the Belgian and Dutch market (Billtobox). JeFacture is part of a collaborative portal for French accountants, promoted by ECMA, which also includes Jesignexpert.com and Jedeclare.com. JeFacture's functionality allows users to receive various types of invoices automatically and securely in real time, and the solution is integrated with accounting software. Using the solutions included in the Base and Premium Offering, SMEs can automatically share invoices and documents, send and receive documents within a trusted environment, and can do so anytime and anywhere, even via mobile devices. In addition, payments and finance solutions are integrated with the document & communications solutions.

The SME market in France is a largely untapped opportunity for Unifiedpost, with approximately three times the volume potential compared to Belgium. Driven by regulatory changes in France, such as mandatory B2G e-Invoicing for small business as of January 2019 and for micro businesses as of January 2020 (driven by European directive 2014/44/EU) and mandatory B2B e-Invoicing as of January 2023 through a clearing system (driven by French law, in order to address the VAT gap of more than €12 billion), as well as new possibilities for chartered accountants to handle invoice payments for their customers (to reduce the high number of "days sales outstanding" (DSO), ECMA – the higher council of French chartered accountants – issued a request for proposal in 2019. Unifiedpost participated in this tender offering and won this assignment, based on its technical and payment capabilities and the proven success of its proprietary Billtobox solution.

JeFacture connects over 20,000 accountants in France with over 2.75 million SMEs served by them. Unifiedpost expects that more than 600 million B2B invoices will be handled through JeFacture. JeFacture was launched in the second quarter of 2020, however, commercialization only started as of mid-June 2020 as travel was restricted due to COVID-19. Since its launch, over 100 accountants have started to actively use the JeFacture platform and have been – together with ECMA – actively promoting use of the Platform to accountants in other countries. The contract with ECMA ends on 31 December 2023.

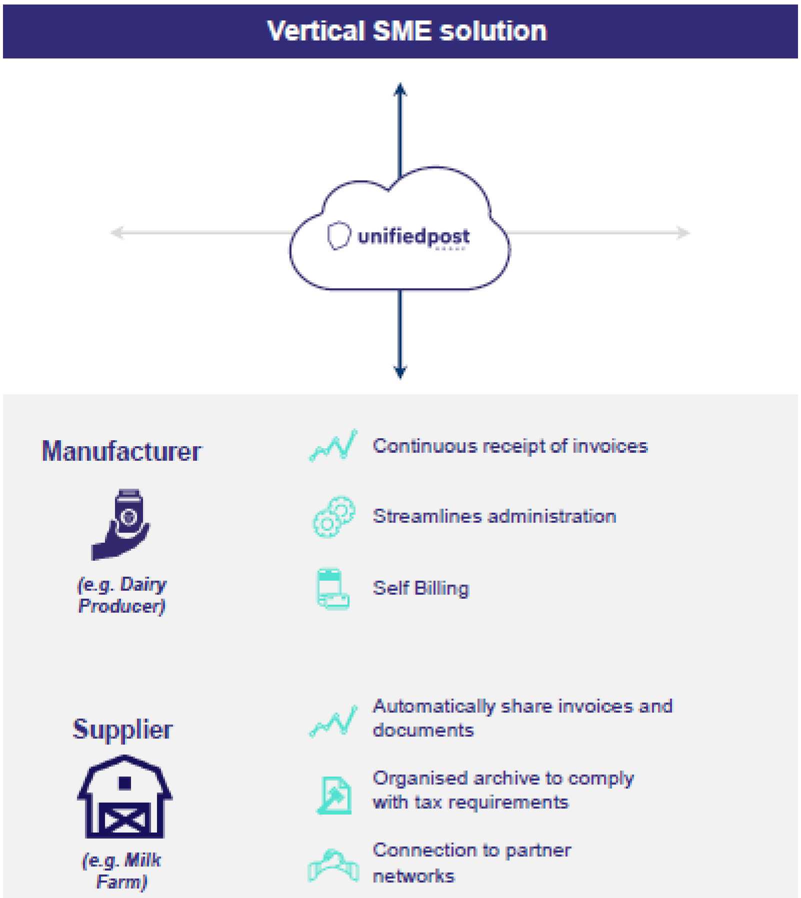


Note(s): (1) Own calculation – c.2.75m SMEs multiplied by €5 per month for documents only and additionally €20 per month for whole base offering; (2) Indicative as the documents revenue depends on the number of invoices processed; (3) JeDeclare is used by over 85% of all accountants in France, i.e. over 17,000 accountants

JeFacture is based on a collaboration with ECMA and has a contractual framework that includes a threefold revenue structure, consisting of (i) a transactional model for cumulative document volumes processed by French SMEs, which Unifiedpost invoices to ECMA and that are subsequently re-invoiced by ECMA to the accountants, (ii) a subscription fee based model for payment services, paid by the users directly to Unifiedpost Payments, for which Unifiedpost in turn pays a commission to ECMA, and (iii) a right for Unifiedpost to cross- and upsell Platform Solutions to French SMEs on the basis of the data generated by the Platform's users. ECMA recommends and offers the use of the JeFacture platform to its members (i.e. accountants) through its consolidating portal, as well as through promotional activities by ECMA's sales forces.

Although JeFacture plays an important role in Unifiedpost's strategy to tap into the opportunities of the French market, Unifiedpost does not consider it as the sole or main driver of its growth in France. Unifiedpost may set-up additional Vertical Ecosystems for specific industries, which will contribute to the development of market share in France.

(C) Business case Vertical Business Ecosystem: AgroBox



AgroBox is the online billing service for the food-agro sector. It offers a platform for e-Invoicing and Payments whereby farmers can easily create (and receive) electronic invoices and make payments. A key strength of AgroBox is the integration with sector-specific (accounting) software, such as AgroVision, AccountView, Exact, etc. Currently, AgroBox is only offered in the Netherlands, but Unifiedpost believes there is potential for similar solutions elsewhere in Europe.

The number of members on the AgroBox and Z-Factuur platform grew from approximately 6,000 members (mostly SME) in 2016 to approximately 34,000 members (as of 31 July 2020) (excluding their suppliers and customers) at the date of this Prospectus, out of the total amount 55,000 Dutch farmers. The majority of AgroBox customers are SMEs who use a subscription-based model. Large Corporate customers use either a hybrid or transaction-based model given their large number of invoices. AgroBox processes about 1 million invoices per year, with the total number of invoices in the Dutch Agro-food sector amounting to 25 million.

AgroBox is an example of a Vertical Business Ecosystems whereby the driving force comes from, in this case, two large Corporates: GD Animal Health and Vion. There is one competing service in the Netherlands, namely AgriNota.

GD Animal Health is a leading organization in animal health & animal production and operates as one of the largest veterinary laboratories in the world. Around 500 employees are dedicated to offer animal health expertise, research & development and diagnostics. The company generated around €60 million in 2018 and conducts around 5 million lab analyzes annually. In the context of AgroBbox, GD Animal Health is a large supplier to the farming community. GD Animal Health uses the platform to send out payment requests of the "healthcare" services it delivered to specific AgroBox connected farmers.

Vion is an international producer of pork and beef with production locations in the Netherlands and Germany and sales support offices in thirteen countries worldwide. The company operates in the four business units Pork, Beef, Food Service and Retail to provide fresh pork, beef, meat products, plant-based alternatives and by-products for retail, food service and the meat processing industry. Vion generated €4.7 billion in 2018 with approximately 11,900 employees and 30 production locations in the Netherlands and Germany. In the context of AgroBox, Vion is a large supplier to the pig farming community. Vion use the platform to receive electronic invoices from AgroBox connected farmers from whom it procured animals. These electronic invoices can then be easily ingested into the ERP system of Vion.

Between 2016 and the June 2020, the number of members on AgroBox grew from 6,336 to 34,134 as a result of Network Effects and limited marketing efforts (e.g. a dedicated website with industry specific contents and user cases). Since the beginning of 2020, the number of members on AgroBox grew by 18% until June 2020 (year-to-date).

(iii) *Add new Corporate customers and Partnerships*

(A) Corporate customers

Rather than utilizing the full suite of Unifiedpost products and services, Corporates and governments often choose specific Unifiedpost solutions (Documents, Identity, Payments and Platform Services) and integrate them with other solutions they already have in place. Unifiedpost has focused and will continue to market its comprehensive suite of services to Corporates.

Unifiedpost has a strong position in the Corporate market segment, evidenced by its loyal blue-chip customer base of over 250 Corporates, including, among others, Total / Lampiris, Refinitiv (formerly Thomson Reuters), DaimlerChrysler, Ford, Orange, Telia, SEB, Sky, IVC Group and DHL. Given that the loyalty of these existing blue-chip customers validates Unifiedpost's service offering and taken into account the comprehensiveness of its centralized, end-to-end solution, Unifiedpost believes that it is well positioned to further strengthen its position in the Corporate customer segment across Europe.

Unifiedpost targets the majority of its Corporate customers via a direct sales approach, offering customized solutions to each customer. Unifiedpost relies on its own sales force and management to contact Corporates directly. With respect to government customers, Unifiedpost directly participates in public and private tenders. Although the market for new customized-solutions for Corporates is small – given the maturity of the market, many Corporates already have a solution in place – Unifiedpost also targets Corporate customers indirectly through its continuously broadening network of existing Business Ecosystems and newly created Business Ecosystems. This will increase market acceptance of its solutions by Corporates that are active in such Business Ecosystems, but that are not direct Corporate customers of Unifiedpost (see Section 19.4.2(i) – "*Grow existing customer base*" and Section 19.4.2(ii) – "*Create new Business Ecosystems*"). Furthermore, Unifiedpost also believes that Corporates with a powerful position in their value chain can play an important role in the creation of Vertical Business Ecosystems.

For the direct sale of tailored point-solutions to Corporate customers, an average sales cycle typically ranges from three to six months. Implementation of the solution then takes another three months on average. During the sales cycle, Unifiedpost's sales and business development managers position themselves as consultative sellers who establish trusted relationships with their customers or prospects. Once the decision to go forward with a Unifiedpost product or service is made, the implementation phase commences, during which Unifiedpost's solutions are tailored to the specific needs of the Corporate and integrated with their internal systems. During this phase, the relationship is managed as project business, which means that implementation fees are charged when specific milestones are met, however these are not yet recognized as revenue. Once the customer is fully integrated on the Unifiedpost Platform, the business is managed as recurring business, which means that revenue is generated through a combination of subscription fees and fees per transaction.

(B) Partnerships

Certain Corporates work together with partners that offer business process outsourcing (BPO) services in order to simplify their business processes, such as accounting, payment processing, IT services and human resources ("**Partners**"). Unifiedpost provides such Partners with "white-labeled" and hosted solutions on the Unifiedpost Platform. For example, Infosys, which performs IT integration services for its clients, uses Unifiedpost's document generation and delivery solutions. As the Partner is considered to be the customer of Unifiedpost, Unifiedpost charges the same subscription fees or fees per transaction as it does for its Corporate customers. However, in order to drive continuous growth in this market, Unifiedpost applies a discount. These Partners act as a stepping-stone for the onboarding of additional customers, as the deployment of Unifiedpost's solutions gain broader market acceptance.

(C) Business case: Q8

Q8 Belgium is part of Kuwait Petroleum International, one of the largest petroleum processing companies in the world. Q8 Belgium employs a total of 500 people in retail, direct business, lubricating oils and the sale of heating oil. Q8's Belgian and European activities, including the B2B retail division "International Diesel Services" (for a large part of Europe), the "Q8 Research" R&D center (base in the Netherlands), depots in the Benelux and support services (based in the Netherlands), are managed from Q8's headquarters in Antwerp.

Q8 Belgium depends on Unifiedpost for the smooth dispatch of its B2B invoices. This consists of the outbound Documents service whereby Unifiedpost takes care of the multi-channel delivery of the outgoing invoices. Unifiedpost receives the invoice data in an XML format from Q8, converts the XML in the required formats (i.e., paper print, PDF, UBL) and subsequently delivers the invoices to the right customer, in the required format. This could be in printed form, as a digital PDF document in an email, as a digital PDF document presented in the Q8 web portal, as a digital PDF document in a multi-sender inbox belonging to the Q8 customer or as a pure electronic UBL invoice. The latter is especially the case when the delivery is done to large Corporate customers of Q8 Belgium or IDS.

Unifiedpost processes approximately 1.8 million documents on behalf of Q8 Belgium and IDS on an annual basis, representing around 500,000 invoices including attachments. In terms of Pro Forma Revenue for 2019, Q8 represents €390 thousand. of which 89.7% recurring.

(D) Business case: Serbian government

The SME market in Serbia offers huge potential for Unifiedpost, with over 300,000 SMEs. In 2019 Unifiedpost, through its Serbian subsidiary, won two major government projects:

B2B Invoice Clearing House

Governments are becoming the main driver for electronic invoice adoption. The so called "*VAT gap*" is increasingly becoming the main accelerator for the digitization of business, fiscal, reporting, inventory, trade and logistical documents. The objective of significantly reducing the VAT gap cannot be achieved using models based on voluntary participation with incentives. Therefore, tax payers are increasingly required to use real-time clearance models. In such case, organizations must exchange invoices via tax authorities, or to submit at least key invoice data in electronic format. This model may gradually achieve global adoption, and it is expected to become the dominant method worldwide for exchanging messages by 2025 (*Source: Billentis*).

Such is the case, and scope of the project with the Serbian government. The Serbian government is preparing legislation that will make the use of an invoice clearing house mandatory. The Serbian parliament has adopted two important laws to this effect in 2019, thereby imposing e-invoicing in their country with over 300,000 legal entities and entrepreneurs, above referred to as SMEs. The new law on deadlines for settling financial obligations makes B2G e-invoicing mandatory as of 1 July 2021 and the new law on accounting envisages that the governmental B2B e-invoicing platform will be launched as of 1 January 2022.

As a result of a public tendering procedure a consortium in which Unifiedpost participated, was awarded the project. The leading consortium partner was Asseco South Eastern Europe.

The platform, based on Unifiedpost's (originally Fitek Group's) SSP solution *(with bespoke functionalities)*, is planned to go live beginning of 2021. It is envisaged that the use of the platform will become mandatory from January 2022 onwards. Roughly 300,000 Serbian companies will need to pass their electronic invoices over the platform by that time – and therefore will come in contact with our SSP solution; providing a Billtobox upselling opportunity. Whereas Unifiedpost's SSP solution provides the connectivity towards the Serbian invoicing clearing house, Billtobox – through its native connection with SSP – facilitates Serbian companies in managing all of their incoming and outgoing invoice-flows (i.e., through FitekIN, which is part of the Billtobox functionality).

Furthermore, the platform will need to connect with various governmental information systems from for instance the Serbian tax department, customs department, etc. This by itself will require the continued involvement of Unifiedpost.

B2G Public Procurement

Although Serbia is not a member of the EU, the government is nonetheless preparing to implement the E-Invoicing Directive. This means that contracting authorities of the Serbian government will be required to receive and process supplier invoices that comply with the technical e-invoicing standard developed under the E-Invoicing Directive.

As a result of a public tendering procedure a consortium, in which Unifiedpost participated, was granted the project. The leading consortium partner was Asseco South Eastern Europe.

The platform, based on Unifiedpost's (originally Fitek Group's) SSP solution *(with bespoke functionalities)*, connects through the already existing Central Invoice Registry (CIR) to the Treasury department's ERP system. It is envisaged that the use of the platform will become mandatory from July 2020 onwards, and will connect roughly 60,000 invoice issuing entities and 20,000 receiving entities. It is expected that 6 million invoices will pass through the platform annually.

(E) Business case: Acerta

Acerta is the largest Belgian human resources service provider for SMEs, corporates and accountants. Acerta manages payments of social security contributions as well as payroll taxes and acts as a professional partner for entrepreneurs with respect to processing payroll declarations for employees, human resources, legal advice, transactions and social affairs, and more generally handles all formalities with government authorities.

Unifiedpost has developed an integrated solution for Acerta, on the basis of the Billtobox platform, combining the classic Billtobox functionalities with documents archiving, compose & design functionalities as well as multi-channel delivery. This solution is fully cloud-hosted and all related services are managed by Unifiedpost.

The marketing strategy behind the Acerta partnership is threefold and consists of (i) co-promotion of the Unifiedpost Platform towards Acerta's 40,000+ SME customers, (ii) onboarding of social security and other related documents into the Billtobox back-end platform (i.e. data generation through an expected increase in document processing of up to 130 million documents, representing an additional yearly volume of 15.4 million documents), and (iii) inclusion of the Acerta app on the front-end Billtobox Platform.

(iv) *Expanding service offering*

In the near future (as of 2021), Unifiedpost intends to shift its focus even further to value-added and higher margin Platform Services. Unifiedpost believes that one of its strengths is its R&D capabilities. The Unifiedpost Platform already offers a broad range of services aimed at simplifying mission-critical business processes. Using the data collected from Documents and Payments services, community-agnostic and community-specific platform apps can be developed in-house by Unifiedpost or by or in partnership with third parties. (See Section 19.3.5 – "*Platform Services*").

Furthermore, Supplementary Acquisitions serve to procure additional technologies that expand the scope and strengthen the quality of Unifiedpost's offering as a whole, which in turn further induces customer entrenchment. For example, in 2014 Unifiedpost acquired the eID Company, which offers authentication and signing services, based on the Belgian e-identity card. Through the combination of Unifiedpost's document solutions and the eID Company's signing services, Unifiedpost was able to win a tender by Federgon. As a result, all contracts for temporary workers in Belgium (avg. 1.2 million per month) are sent and archived by Unifiedpost documents and the temporary worker signs the contract with the eID Company's technology. The Federgon solution is now used by more than 1 million registered temporary workers. Another example is the acquisition of ADM solutions, which facilitated Unifiedpost's software integration capabilities, resulting in broader market acceptance of the Unifiedpost Platform.

(v) *International expansion*

The initial focus of Unifiedpost is on extending its customer base in the Corporate and SME markets across Europe, including major markets such as Germany, France, the UK, central-east and southern Europe. Unifiedpost believes these markets provide huge growth potential, given the fragmented and/or underserved nature of their B2B(2C) e-Invoicing and payments markets, and the fact that there remains a lot of room for further adoption of digitized business processes. In addition, geographic expansion improves Unifiedpost's ability to further improve its customers' mission-critical business processes, given that value chains will become even more international. Unifiedpost's buy-and-build strategy serves as an accelerator for this international expansion (see Section 19.4.3 – "*Buy-and-build*"). As Unifiedpost expands its international reach, it is able to further adjust to local standards and apply best practices.

19.4.3 ***Buy-and-build***

(i) *Rationale*

Unifiedpost has an active M&A strategy which drives its organic growth strategy. Unifiedpost focuses on Volume Acquisitions in order to expand its customer base and enable cross- and upselling opportunities and Supplementary Acquisitions to expand its products and services offering.

Volume Acquisitions further increase the critical mass of connected customers resulting in more activities taking place on the platform (in the form of document and transaction flows), which in turn enables the collection of more data that can be used to further develop Unifiedpost's Payment and Platform Services (including both proprietary and third-party apps) and increase cross-and upselling opportunities. Supplementary Acquisitions expand Unifiedpost's service offering and thereby also increase cross- and upselling possibilities.

Unifiedpost considers such targets in countries in which it is already active and in countries where it wishes to expand. Unifiedpost mainly focuses on the European market, but may consider other opportunities as they arise.

The Company has funded acquisitions and will continue to do so through (a combination of) available cash, cash equivalents, the issuance of equity-like instruments (such as subscription rights, options, etc.) and third-party financing (to the extent possible under its existing credit arrangements).

Unifiedpost selects potential acquisition targets based on, among other, the following criteria:

Services

- Document (e-invoicing operator business): target on transaction / document volumes in "uncovered" European regions;
- eIDAS-compliant Identity services providers in a relevant market, as this is key to rolling out Payment services across the Europe;
- Tangible revenue synergies through cross-selling;

Customers

- Access to a large number of SMEs;
- Network model, direct connections, EDI;

Geography

- Home base in Germany, France, the UK, Poland or southern Europe (operations may be anywhere);

Verticals

- (Potential for) Vertical Business Ecosystems;
- Integrated, “captive”, SME offering;

Size

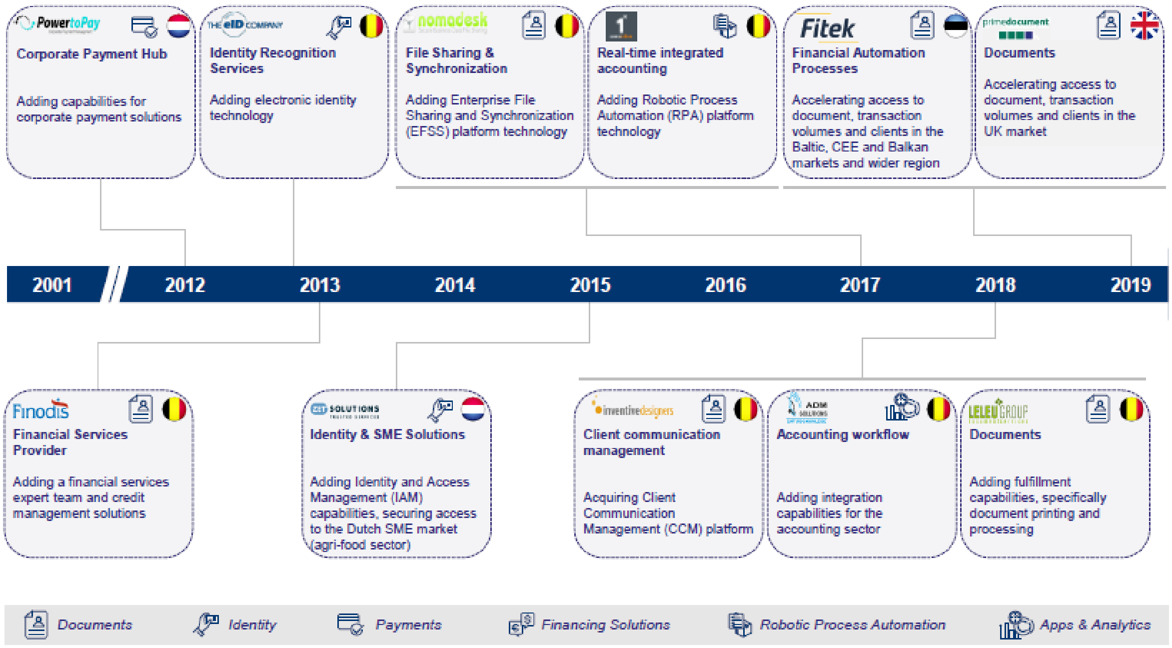
- 20 up to 200 employees;
- Revenue of at least €5 million to over €10 million, with significant Organic Revenue from Repeated Services; and
- EBITDA positive

Unifiedpost does not fully integrate the entities it acquires through Volume Acquisitions, but rather migrates the customers to the Unifiedpost Platform. As such, for such acquisitions, Unifiedpost focuses on offering its own products and services offering to the existing customers and/or document volumes of the acquired entity, rather than fully integrating their operational structure. Unifiedpost operates these types of businesses under the existing local brand and with the continued involvement of the existing management teams. Supplementary Acquisitions on the other hand (such as Leleu Group, Inventive Designers and ADM Solutions) are fully integrated. As a guiding principle, Unifiedpost aims to integrate Supplementary Acquisitions within a period of one year following completion of the acquisition. However the timing of acquisitions may vary on a case-by-case basis.

(ii) *Track Record*

Since 2012, Unifiedpost has successfully acquired eleven companies as part of its clearly defined M&A strategy, five of which were acquired between 1 January 2018 and 31 December 2019 (Unifiedpost Limited (previously Prime Document), Fitek Group, Leleu, Inventive Designers and ADM Solutions), which were completed on a relatively short term.

The following image provides an overview of Unifiedpost's track record:



(A) Unifiedpost Limited

Unifiedpost acquired Prime Document Group on 29 November 2019 as part of its Volume Acquisition strategy. Following the acquisition, Prime Document Group was renamed "Unifiedpost Limited Group". Unifiedpost Limited is a UK based company specialized in printing, postage and digital assignments with a focus on SMEs. The Unifiedpost Limited also processes digital data into specific documents such as invoices, pay slips and tax records. Unifiedpost acquired Unifiedpost Limited mainly to create a foothold in the UK market, with a view to offer its integrated solutions to Unifiedpost Limited's existing customer base.

Unifiedpost has recently introduced Scriptura and Xribe, two of its document creation engines, within the Unifiedpost Limited Group, which are now the new standard used for document generation in the UK market. Integration with the UK open banking standard is ongoing, which will over time enable Unifiedpost to offer its combined Platform solution (documents and payments) in the UK market. Furthermore, Unifiedpost has initiated discussions with different software providers (such as Silverfin) and other parties of interest with a view to set up qualitative partnerships.

Unifiedpost Limited's former CEO now acts as Unifiedpost's Regional Manager for the UK market (see Section 19.5.3 – "*Regional Business Units*"). The current employees of Unifiedpost Limited will remain in place, and Unifiedpost Limited's management will be integrated in the Document Functional Business Unit of Unifiedpost. Since this acquisition only took place in November 2019, Unifiedpost is currently still in the process of implementing its Shared Services and Group Functions with Unifiedpost Limited's operational structure.

Unifiedpost Limited's Pro Forma Revenue for 2019 amounted to €6.6 million, of which 96% is Revenue from Repeated Services.

(B) Fitek Group

Unifiedpost acquired 100% of in Financial Automation Solutions OÜ (FAS) (Estonia) and 5% in Fitek Holding SIA (Latvia) on 29 March 2019. FAS owns 95% in Fitek Holding SIA (Latvia). As a result, the Company acquired 100% of the Fitek Group. Unifiedpost acquired the Fitek Group in March 2019 as part of its Volume Acquisition strategy.

Fitek Group is a document service provider in Central and Eastern Europe and specializes in financial processes automation, with a predominant SME customer base. The Fitek Group operates in Estonia, Latvia, Lithuania, UK, Slovakia, Serbia, Bosnia and Herzegovina. The Fitek Group aims to lower the costs of customers by optimizing and accelerating their financial processes.

Fitek Group's main lines of business are:

- Outbound and inbound (electronic) invoice handling (through Fitek Group's proprietary platform, FitekIN);
- Print and digitization of other business documents;
- Payments collection (in Latvia only);
- Other services such as workflow solutions, bill presentment (Serbia), commercial printing, EDI, etc.

On 28 January 2011 Fitek Group obtained a payment license in Latvia which has not been passported throughout the EU. However, Unifiedpost only offers payment services on the basis of its own license.

Over the course of H1 2019, Fitek launched an SME platform solution in Estonia combined with the sale of a governmental invoice portal to the Estonian government. Twelve months after its launch, over 13,000 customers have registered on the platform and discussions regarding similar Platform solutions have been set up with governments of surrounding countries.

Unifiedpost aims to cross-sell its current Unifiedpost Platform solutions to the customer base from Fitek Group's legacy platform (FitekIN). The customers will be migrated to the Unifiedpost Platform so that Unifiedpost may attempt to upsell its payment solutions to all outbound invoice volumes of the FitekIN platform (i.e. over 100 million documents annually). Unifiedpost aims to standardize all SME portals within the Fitek Group on the basis of the Billtobox brand in Q4 2020. As of the date of this Prospectus, eight new countries outside of the Fitek's previous geographical reach went live with Billtobox as their local SME solution through Fitek's marketing efforts.

Furthermore, the FitekIN platform has a purchase2pay solution and complete electronic data intercharge (EDI) process, which Unifiedpost previously needed to insource. Unifiedpost intends to add this technology to the Unifiedpost Platform as part of its premium offering to offer to customers in other regions. In turn, Unifiedpost has recently introduced Scriptura and Xribe, two of its document creation engines, within the Fitek Group, which are now the new standard used for document generation in the Fitek region.

Fitek Group's internal financial reporting has been integrated with Unifiedpost. Currently, the R&D departments of Fitek Group and Unifiedpost have already been successfully integrated, and additional shared services of Unifiedpost will become available to the Fitek Group in the short term. In line with Unifiedpost's operational structure, the sales and marketing departments of the Fitek Group will be kept in place as separate Regional Business Units (see Section 19.5.3 – "*Regional Business Units*").

At the time of the Fitek Acquisition, Fitek Holding SIA (Latvia) was a 50% partner in the Fitek Balkan Joint Ventures and Fitek Slovakia. Fitek Holding SIA, acquired an additional 1% shareholding in the Fitek Slovakia Joint Venture on 23 December 2019 and in the Fitek Balkan Joint Ventures on 11 February 2020. As a result, these entities have been fully consolidated in the Unaudited FY 2019 Pro Forma Income Statement.

Fitek Group's Pro Forma Revenue for 2019 (including the now controlling interests in the Fitek Slovakia Joint Venture and Fitek Balkan Joint Ventures) amounted €25.7 million, of which 76.6% is Revenue from Repeated Services.

(C) Leleu Group

Unifiedpost acquired Leleu Group in December 2018 as part of its Supplementary Acquisition strategy. Leleu Group previously was Unifiedpost's main supplier for printing services. Unifiedpost has acquired Leleu Group as part of a strategic supplier integration, since a take-over by a third party would have potentially exposed Unifiedpost to a significant price increase of its printing supply. Through this acquisitions, Unifiedpost has successfully increased the gross margin on its printed outbound invoices and improved its control over the delivery chain.

Leleu Group's Revenue for 2019 amounted to €4.4 million, of which 71% is Revenue from Repeated Services.

(D) Inventive Designers

Unifiedpost acquired Inventive Designers in November 2018 as part of its Supplementary Acquisition strategy. Inventive Designers is a Customer Communications Management (CCM) platform developer. The company helps businesses to better communicate with their customers and stakeholders by providing advanced software technology and related consultative services. Inventive Designers has developed and distributed the "Scriptura Engage" and "Xribe" software to different industries such as finance, insurance, utilities and telecom. This software has been fully integrated into Unifiedpost's solutions as part of the Document business line, and Unifiedpost has begun to sell its integrated solutions to Inventive Designer's customer base. Many former employees of Inventive Designers now hold positions within Unifiedpost's operational organization.

Inventive Designers' Revenue for 2019 amounted to €5.0 million, of which 65% is Revenue from Repeated Services.

(E) ADM Solutions

Unifiedpost acquired ADM Solutions in November 2018 as part of its Supplementary Acquisition strategy. ADM Solutions is an IT development company specialized in digitization (OCR and intelligent data recognition) and streamlining document workflows with a significant footprint in the accountancy sector. Unifiedpost has successfully merged ADM Solution's software into its Platform Services business line, and intends to cross-sell its solutions through partnerships with ADM Solutions' customers in the accountancy sector.

ADM Solutions' Revenue for 2019 amounted to €0.4 million of which 100% is Revenue from Repeated

Services.

19.5 **Operational Structure**

19.5.1 ***Introduction***

In the course of 2019, Unifiedpost has adjusted its operating model to manage its growing business more efficiently and to structure its new or expanded presence abroad. To this end, Unifiedpost has introduced (i) Functional Business Units, (ii) Regional Business Units, (iii) Group Functions, and (iv) Shared Services.

The key cornerstones of Unifiedpost's operating model are the Functional Business Units, which oversee product development, sales and solution deployment of each business line. As a result of its recent geographical expansion, with acquisitions in the Baltic States, the Balkan States and the United Kingdom and an organic roll out to France (following the success of the JeFacture tender), Unifiedpost has also introduced Regional Business Units in the operational matrix. The Regional Business Units are responsible for local sales and marketing as well the local implementation of Unifiedpost's solutions and services, via program and project management, local solutions delivery and service management.

The operational cooperation between the Functional Business Units and the Regional Business Units is crucial. This cooperation is supported by Group Functions, which are not attributable to a specific business line but instead relate to business-wide operations such as finance, human resources, compliance and IT operations. Next to Group Functions, the Shared Services relate to typical back-office infrastructure such as printing, KYC and identity checking and validation and digitization services (OCR).

19.5.2 ***Functional Business Units***

The management of each business line is handled through "Functional Business Units", which report to Unifiedpost's top management team. Each Functional Business Unit is responsible for the strategic direction, go-to-market model and product development roadmap of its business line, but with a strong focus on product management and development.

The Company's Functional Business Units are organized as follows:

Functional Business Units

- **Documents:** Tom Van Acker
- **Robotic Process Automation:** Filip Vranckx
- **Identity:** Lex van Lent
- **Ecosystems:** Jan Druppel
- **Finance Solutions:** Hans van Schaik
- **Payments:** Arthur Paijens
- **Platform & Apps:** Albert Smets

19.5.3 *Regional Business Units*

The solutions developed by the Functional Business Units are offered in various the countries where Unifiedpost has obtained a foothold (see Section 19.1.4 – "*International presence*"). In order to streamline distribution and local implementation of the solutions throughout these countries, Unifiedpost has adopted a regional sales model for each of its Regional Business Units:

(i) Benelux and France;

(ii) CEE (the Balkan States, the Baltic States, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia);

(iii) The United Kingdom, Ireland and the Nordic States (Denmark, Finland, Iceland, Norway, Sweden);

(iv) Southern Europe; and

(v) The DACH Region (Germany, Switzerland and Austria).

The Regional Business Units are strongly client focused. Unifiedpost believes that activities based on customer-interaction are best carried out in proximity to its local customers, since they are highly dependent on and influenced by local culture. Therefore, customer-related tasks and activities, such as sales, customer/account management, project and service management remain at the regional level, and are the responsibility of the Regional Business Units. Each Regional Business Unit is headed by a Region Manager, who forms the liaison between the Business Function Unit and Regional Business Unit.

The Company's Regional Business Units are organized as follows:

Regional Business Units				
BeNeFraLux	**Baltics to Balkan / CEE**	**UK, Ireland & Nordics**	**Southern Europe**	**DACH**
Tom Van Acker	Mait Sooaru & Kaur Lohk	Martin Hurley	Kostas Flokos	TBD
Belgium Tom Van Acker	**Estonia** Andrus Kaarelson	**UK** Martin Hurley	**Spain** TBD	**Germany** TBD
Netherlands Lex van Lent	**Lithuania** Audrius Kirklys	**Ireland** Martin Hurley	**Portugal** TBD	**Austria** Jan Mindek
France Jean-Pierre Gardille	**Latvia** Edgars Strazds	**Nordics** TBD	**Italy** TBD	**Switzerland** Danielle Kiener
Luxembourg Alain Dujardin	**Balkan** Vladimir Ilic		**Greece** Kostas Flokos	
	Czech Rep.[1] Jan Mindek		**Turkey** TBD	

19.5.4 *Group Functions*

Unifiedpost Functions include all back-office services needed to operate Unifiedpost's Functional Business Units and are put in place to offer strategic and administrative support for the employees that are active within the Functional Business Units and Regional Business Units. Unifiedpost Functions' tasks include taking advantage of scaling economies by providing centralized services that cannot be attributed to one specific Business Unit. Unifiedpost Functions are:

- Finance, Accounting & Legal;
- Human Resources (HR);
- Sales Coordination & Marketing;
- Corporate Development;
- IT & Service Operations (IT OPS); and
- Compliance & Internal Tooling.

19.5.5 *Shared Services*

Similar to Unifiedpost Functions, Shared Services have been created to offer centralized operational services to Unifiedpost's various business lines to avoid having to offer duplicative services for each business line and to optimize efficient and uniform processing and compliance. The Shared Services act as the internal support provider towards the Functional/Regional Business Units. The Shared Services include:

- KYC & identity verification; and
- Validation and digitization services (i.e. data extraction from documents to be used in the various business lines).

19.5.6 *Compliance & Control*

(i) *Organizational structure*

Unifiedpost's compliance and control policy is laid down in its Internal Compliance Charter which defines the purpose, scope, authority and responsibility of the internal Compliance Department and how it collaborates with the various Business Units. The Compliance Charter is based on a systematic and methodical approach which evaluates and improves the effectiveness of risk management, operational control, usage of internal software tools and legal compliance requirements. The internal compliance department is managed by Unifiedpost's Chief Compliance Officer and operates independently of the Business Units to improve the quality of its services and to assure legal compliance is guaranteed.

The Compliance Department seeks to:

- assure legal compliance requirements by implementing the necessary management controls and to prepare and assist in compliance certification projects;
- define and monitor the operational processes according to the "system and organization control";
- assist Unifiedpost's management by providing an independent evaluation of efficiency and effectiveness on the application of operational processes;
- continuously review and update the policies, procedures and control mechanisms so that they remain sufficient and adequate for Unifiedpost's activities;
- oversee the handling of all confidential information and collected data
- prepare audits and gather all required documents for such audits; and
- coordinate with external auditors in light of auditing processes.

(ii) *Compliance Principles*

The staff of the internal Compliance Department has to show objectivity and impartiality in order to assure the avoidance of conflicts of interests and do not have an operational function elsewhere in the organization. For the assurance of integrity and professional competence within the Compliance Department, the chief compliance officer ensures employees are:

- are competent and comply with the highest professional standards;
- are knowledgeable with respect to compliance requirements and standards;
- show good character and (moral) judgment capabilities;
- have necessary experience for the fulfilment of their assignments; and
- have high ethical standards, are correct, honest and incorruptible.

The chief compliance officer seeks to enhance the knowledge and professional skills and the experience of employees through professional training and development and exposure to various commitments and audit responsibilities. The chief compliance officer has to obtain approval from the Board of Directors for assistance from consultancy firms in light of audit reviews.

19.6 Key Business Aspects

19.6.1 *Employees*

Unifiedpost operates within a niche sector and depends on the continued services of its specialized personnel. Unifiedpost's personnel has a high level technical expertise and knowledge and an entrepreneurial company culture which fosters talent and innovation. Depending on the role and location, employees of Unifiedpost benefit from a competitive salary (including bonuses for sales employees) as well as additional benefits such as insurances, food cheques and retirement benefits. Furthermore, Unifiedpost offers its employees a wide range of development and training opportunities as well as remote working and flexible hours.

The average number of full time equivalents ("**FTEs**") employed by Unifiedpost increased from 219 FTEs as of 31 December 2017, to 341 FTEs as of 31 December 2018 and 722 FTEs as of 31 December 2019. At the date of this Prospectus, Unifiedpost has approximately 757 FTEs. Unifiedpost's employees are distributed across the countries where it has offices as follows:

Country of employment	Number of employees
Belgium	202
The Nederlands	82
Luxemburg	3
France	3
UK	25
Romania	145
Vietnam	1
Greece	19
Estonia	53
Latvia	68
Lithouania	61
Serbia	83
Slovakia	11
Switzerland	1
Total	**757**

Unifiedpost has put in place a long-term incentive plan for its CEO and key employees (see Sections 14.7.4 – "*Key Man Subscription Rights*" and 14.7.5 – "*ESOP Subscription Rights*"). Although there are currently no other short or long term incentive plans, Unifiedpost may consider to adopt certain structured incentive plans in the (near) future.

19.6.2 *Technology*

Unifiedpost's high-level architecture follows a traditional SaaS model, separating service layer, platform layer and infrastructure layer. This ensures that the Unifiedpost Platform is highly scalable and flexible.

Unifiedpost's security and privacy measures and procedures have been validated by several certifications, including ISAE 3402 (a standard evidencing that an organization has adequate internal controls) and ISO/IEC 27001 (an information security standard), and its operations processes are aligned to ITIL best practices. Unifiedpost prioritizes the data privacy and security of clients and has been compliant with the GDPR since its implementation date in Europe. Unifiedpost's staff is trained and involved in the ongoing security of the Unifiedpost Platform, including any new developments.

19.6.3 *Intellectual property rights*

Since Unifiedpost focuses on providing tailored services to its Corporate customers and provides integrated platforms for SME Ecosystems, its activities are not focused on the research and development of new software solutions. Substantially all of the material intellectual properties are developed by Unifiedpost in-house. Given the service-centered business approach, Unifiedpost currently does not own any material intellectual property rights and Unifiedpost does not consider itself to be dependent on patents filed by third parties. Unifiedpost has, however, trademarked some of its brand names and has registered a number of domains for its websites.

19.6.4 *Property, plant and equipment*

Unifiedpost leases multiple offices located in 15 countries. Unifiedpost's corporate headquarters are located in La Hulpe, Belgium, and covers a surface of 1,010 m² which provides office space for up to 70 employees. Unifiedpost also has office locations in the Netherlands, United Kingdom, Luxemburg, France, Switzerland, Romania, Serbia, Estonia, Greece, Latvia, Lithuania, Bosnia and Herzegovina, Slovakia and the Czech Republic. As a result of the Fitek Acquisition, Unifiedpost currently owns one property (without owning the land) located at Tosin Bunar 185, Nove Beograd, Belgrade, Serbia. In light of Unifiedpost's expansion and growth plans, it may in the future consider opportunities to enter into new lease agreements and purchase real estate to meet its growing needs in office space.

19.6.5 *Insurance coverage*

Unifiedpost holds multiple insurance policies both in Belgium and abroad, which are either required by law or appropriate in light of Unifiedpost's business activities. Examples include insurance covering liability for work incidents (such as death or injury to employees), public and product liability, risks stemming from cyber security and possible business interruptions. Unifiedpost believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, is appropriate. Unifiedpost works closely with its insurance brokers to ensure that it maintains policies suitable for its business and industry. Unifiedpost cannot, however, guarantee that it will not incur any losses or be the subject to claims that exceed the scope of the relevant insurance coverage, or that its insurers would not dispute coverage due to any non-compliance with policy conditions. Furthermore, Unifiedpost is aware that its insurance policies do not cover every potential risk to which it might be exposed.

19.6.6 *Legal and administrative proceedings*

In the past, Unifiedpost has been occasionally involved in litigation matters arising in the ordinary course of business. Unifiedpost is not currently involved, nor has it been involved during the 12 months preceding the date of this Prospectus, in any material legal or arbitration proceedings (and to the knowledge of Unifiedpost, no such proceedings are threatened or pending), that may have, or have had, significant effects on Unifiedpost's financial position or profitability.

19.6.7 *Material agreements*

Unifiedpost considers that apart from the Belfius Facility and the Subordinated Loan Agreement, no other commercial agreements are material to its business (see Section 11.6.1– "*Sources of funding*").

20 SUPERVISION AND REGULATION

20.1 Overview

In general, Unifiedpost is subject to a broad range of regulations, both on a national as well as on a supranational level (See also Risk Factors under 2.2 – "*Risk related to regulation*"). In Europe, Unifiedpost is exposed, amongst others, to the following regulations:

- the second Payment Services Directive ("**PSD2**");
- the GDPR, which was adopted on 27 April 2016 and entered into force on 25 May 2018 with immediate direct application across the EU. The GDPR imposes more stringent data protection obligations than the Data Protection Directive and the Belgian Privacy Act), resulting in higher compliance burdens. The GDPR requires Unifiedpost to be able to demonstrate its compliance with data protection principles;
- the eIDAS regulation;
- the E-Invoicing Directive, as well as local implementing measures (for further information on the laws and regulations to which Unifiedpost is subject, see Section 19 - "*Supervision and Regulation*");
- AML, KYC, anti-terrorism, anti-corruption and sanctions regulations. This regulatory landscape is constantly changing, including as a consequence of the implementation of the MLD4 and the proposed amendments to the MLD4, often referred to as the fifth Anti-Money Laundering Directive. For example, the MLD4 introduces enhanced requirements on the verification of ultimate beneficial owners; and
- the Network and Information Security Directive concerning measures for a high common level of security of network and information systems across the European Union.

Unifiedpost's regulatory environment varies from jurisdiction to jurisdiction, such that in some jurisdictions Unifiedpost requires local licenses to operate and in others it does not require a license or any authorization or registration. The types of licensing / authorization regimes that apply to Unifiedpost's payment service business can be categorized as follows:

a) For the purpose of providing regulated payment services in Belgium and the EEA more broadly, the Company can rely on its status as a licensed payment institution within the meaning of PSD2, since it has obtained a license in Belgium from the NBB on 11 October 2016 through its subsidiary Unifiedpost Payments NV. On 3 July 2018, the NBB granted an extension of the license.

   Under its current license, Unifiedpost Payments is permitted to carry out the following regulated payment service activities (as set out in Article 8, §1, 1° of the Law of 11 March 2018):

   - (3) - Execution of payment transactions, including the wiring of funds on a payment account with the payment service provider of the user or with another payment service provider;

   - (5) - Issue of payment instruments and/or acceptance of payment transactions:

   - (7) – Payment initiation services; and

- (8) – Account information services.

b) On the basis of its Belgian payment service provider license, Unifiedpost Payments can benefit from an EU passport to carry on payment service activities throughout the EEA, either by a branch or provision of services on a cross border basis. Unifiedpost Payments makes use of an EU passport to carry on payment service activities in all EEA Member States and the United Kingdom on a cross border basis. Unifiedpost Payments has not established any branches outside of Belgium. Even though the cross-border activities of Unifiedpost Payments are primarily subject to home member state supervision (Belgium), some EEA Member States may impose other regulatory requirements on foreign payment service providers.

This Section does not purport to provide an exhaustive overview of all supervisory laws and regulations to which Unifiedpost is subjected. It mainly serves to provide investors with a high-level overview of the most important supervisory laws and regulations of Belgium and the EU, such as PSD2, GDPR, the eIDAS Regulation and the E-Invoicing Directive, as published and in effect on the date of the Prospectus, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

20.2 **Supervisory Authorities**

20.2.1 ***NBB***

Unifiedpost Payments is subject to regulation and supervision by authorities in Belgium, in particular the National Bank of Belgium. The NBB is, among others, responsible for (i) the supervision of Unifiedpost Payments' compliance with the prudential requirements, including the requirements relating to: (a) own funds, (b) professional liability insurance, (c) governance arrangements, including the fit and proper requirements for shareholders and directors, prudent organizational requirements (including risk management processes, internal control mechanisms, data management, secure communication, reporting of safety incidents, independent audit and compliance with outsourcing rules and regulations) and (d) the restriction on use and protection of deposits, (ii) the supervision of Unifiedpost Payments' compliance with other supervisory laws and regulations relevant for its business, such as anti-money laundering legislation, (iii) the carrying out of supervisory reviews (including with respect to mergers, de-mergers, participations in commercial corporations, etc.).

The NBB is furthermore the competent authority to assess applications for authorization and notifications of the acquisition and disposal of qualifying holdings in payment service providers and to grant a declaration of no objection for such holdings. See also below under "*Declaration of No Objection for a Qualifying Holding in a Payment Service Provider*".

20.2.2 ***ECB***

The European Central Bank ("ECB") does not exercise any direct or indirect supervision on Unifiedpost Payments. However, the ECB can be notified by the NBB in the case of a major operational or security incident. The ECB will then assess the relevance of the incident to other relevant Union and national authorities and shall notify them accordingly. The ECB will also notify the members of the European System of Central Banks on issues relevant to the payment system. The payment institutions provide the NBB annually or, at the request of the NBB with shorter intervals, statistical data on fraud relating to different payment methods, performance and transactions. The NBB communicates this data in aggregate form to the European Banking Authority and to the ECB.

The ECB can request the NBB to instruct the statutory auditors of the payment institutions to confirm that all information provided by the payment institutions to the NBB and the ECB are complete, correct and in accordance with applicable regulations (see Section 20.3 – "*Certified Statutory Auditors*").

20.2.3 ***FSMA***

The FSMA is the competent authority for the supervision of the Company's compliance with laws and regulations with regard to the financial markets, such as those with respect to market abuse. The FSMA further has supervisory competence over cross-sectoral conduct.

The FSMA's supervisory authority mainly relates to financial markets and financial instruments as well as compliance with the following legislation:

- The Belgian law of 2 August 2002 regarding the supervision of the financial sector and financial services including the restraining of price manipulation practices and insider trading;
- The Belgian law of 11 July 2018 on public offers of investment instruments and admission to trading of investment instruments on a regulated market;
- The Belgian law of 1 April 2007 regarding public takeover bids;
- The Belgian royal decree of 14 November 2007 regarding the obligations of issuers of financial instruments that are admitted to trading on regulated markets; and
- The Belgian law of 2 May 2007 regarding the disclosure of important participation in issuers whose shares are admitted to trading on a regulated market.

In light of its capacity as market supervisor the FSMA specifically looks after the proper functioning, transparency and integrity of the Belgian financial markets. Pursuant to the Listing, the Company will qualify as a listed company and will be subject to the control of the FSMA for the listed companies' obligations.

20.2.4 ***BCA***

The Belgian Competition Authority ("**BCA**") ("*Belgische Mededingingsautoriteit*" / "*Autorité belge de la Concurrence*") enforces both competition law and certain consumer protection laws in Belgium.

20.2.5 ***Authority for Data Protection***

The Authority for Data Protection ("*Autoriteit Gegevensbescherming*" / "*Autorité de Protection des Données*") is responsible for supervising compliance with data protection laws in Belgium, including the GDPR (discussed below).

20.3 **Payment Services Directive 2 (PSD2)**

20.3.1 ***Introduction***

On 24 July 2013, the European Commission adopted a new legislative package in the field of the EU payments framework. The package included a proposal for a revised Payment Services Directive ("**PSD2**") and the "**Interchange Fees Regulation**".

PSD2 has been finalized and was published as a consolidating new Directive (2015/2366/EU) in the

Official Journal of the European Union on 23 December 2015. PSD2 has replaced the previous PSD on 13 January 2018. The main objectives of PSD2 are to (i) contribute to a more integrated and efficient European payments market, (ii) improve the level playing field (including new players), (iii) make payments safer and more secure, (iv) improve consumer protection and (v) encourage lower prices for payments. See below for further detail on (ii) and (iii). PSD2 also broadens the geographical scope of PSD1, extends provisions on transparency and information requirements to all currencies (not just EU currencies), broadens the definition of payment services to include payment initiation services and account information services and amends various exemptions and conduct of business rules. In particular, given changes to the so-called 'commercial agent' exemption, certain activities of marketplaces (that connect buyers and sellers) such as the facilitation of payments, may fall within scope of PSD2. Consequently, marketplaces may need services of regulated payment service providers (such as the Company) or banks to comply with PSD2 requirements.

In Belgium, PSD2 entered into force on 13 January 2018 and was implemented in Belgium through the Law of 11 March 2018 and the Law of 19 July 2018, amending certain parts of Book VII of the Belgian Code of Economic Law.

(i) *Strong Customer Authentication*

PSD2 places great emphasis on the security of internet payments and introduces the concept of "strong customer authentication" or "SCA", which implies stricter requirements for authenticating online payments or verifying a customer's identity before accepting an online payment. In short, it requires payments to be authenticated using at least two of the following independent elements:

- knowledge (something only the user knows, e.g. a password);
- possession (something only the user possesses, e.g. a hardware token or mobile phone); and
- inherence (something the user is, e.g. a fingerprint or facial recognition).

The EBA has drafted RTS on SCA and common and secure communication, which were adopted by the European Commission on 27 November 2017 and entered into force on 14 March 2018. The RTS on SCA became fully applicable as from 14 September 2019. These RTS specify technical requirements for SCA, set out exemptions from their application and the requirements with which security measures have to comply in order to protect the confidentiality and integrity of user's personalized security credentials. In general, payment services providers (such as the Company) must apply SCA where a user accesses its payment account online, initiates an electronic payment transaction or carries out any action through a remote channel which may imply a risk of payment fraud or other abuse (for example, setting up a new payee). However, the RTS on SCA provide exemptions from the application of SCA, including for:

- low value contactless payments,
- recurring payments to the same payees which have been previously set up using SCA;
- payments at 'unattended terminals' for transport or parking fares; and
- transactions identified as low risk as a result of 'transaction-risk analysis'.

PSD2 also links use of SCA to the allocation of liability. It provides that if the payer's payment service provider does not require SCA, the payer will be liable for a disputed transaction only where it has acted fraudulently and if the payee or its payment service provider does not accept SCA, then that party shall refund the payer's PSP for any unauthorized payment.

Currently, Unifiedpost Payments operates payment products that are built around iDEAL, Bancontact, and cards in general. In these schemes, Unifiedpost Payments contracts the merchant who is always subject to a strict customer due diligence process, whereby the beneficiary of all payment transactions is well known. For example, Bancontact mandates strong user authentication upon each transaction. To this end, three domain secure (3DS) protocol forwards the webflow to the website of the issuer. Today, in Belgium, all issuers implement EMV (Europay MasterCard Visa) based user authentication involving a chip-card, a card reader and a challenge-response algorithm. Maestro and Vpay equally impose 3DS authentication. In case of MasterCard and Visa Credit Card transactions, the schemes do not impose 3DS, however Unifiedpost Payments does make it a requirement for first-time transactions. Bancontact mobile, via a smartphone app, eliminates the need for the card to be present. Two factor authentication (2FA) is fully implemented by the Bancontact compatible apps (generic Bancontact app and bank apps from KBC, ING, Belfius and BNP Paribas Fortis). Even though these authentication methods are not actual implementations of SCA, they act as a valuable stand-in based on the exemption list, notably because the beneficiary is always properly identified.

Under PSD2, Unifiedpost Payments is also exposed to a SCA mechanism. The Company intends to use ItsMe as part of the SCA approval mechanism. When a biller attracts more fraud than average, Unifiedpost Payments will discuss this with the biller, and potentially stop the collaboration. In practice, no fraud has been observed so far. When refund possibilities are part of the payment scheme (as is the case with payment cards), Unifiedpost Payments will support refund through the scheme.

(ii) *Third-party Access*

PSD2 introduces requirements for banks to grant third-party providers access to bank customer's online payment account/payment services in a regulated and secure way. This XS2A rule mandates, in the first instance, that banks or other account-holding payment service providers to facilitate secure access via APIs. Access to customer online payment accounts via APIs enables the provision of entirely new types of services that will now be regulated under PSD2. In particular, third-party payment initiation provided by payment initiation service providers and account information services provided by account information services providers. Through payment initiation service providers, third parties will be able to initiate online payments to an e-merchant or other beneficiary directly from the payer's bank account. Through account information services providers, third parties will be able to extract a customer's online payment account information data, including transaction history and balances in order to provide them with account information services.

However, PSD2 does not impose technical requirements on financial institutions on how such XS2A should be effected in the member states of the EEA. As a consequence, the technical implementation of XS2A may substantially differ between financial institutions and may differ from country to country, depending on local implementing measures.

Unifiedpost depends on XS2A to offer its payment services to its customers (see also Risk Factor 2.2.4 – "*Unifiedpost is partly dependent on the adoption of new regulations and the correct and timely implementation thereof, including the implementation of XS2A under PSD2 by financial institutions in* *various jurisdictions*”). As Unifiedpost Payments itself also operates IBAN Payment Accounts, it will have to allow XS2A to third party providers, in line with PSD2.

20.3.2 ***Own Funds***

The payment service provider’s own funds cannot fall below the threshold of its starting capital. For payment service providers providing the services set forth in item 1 to and including 5 of Annex I.A of the Law of 11 March 2018 (such as Unifiedpost Payments, which is licensed to provide the services set forth in item 3, 5, 7 and 8), the minimum level of own funds is set at €125 thousand. At the date of this Prospectus, the share capital of Unifiedpost Payments amounts to €10,855,664.95.

In addition, the NBB imposes additional solvability requirements, as set forth in the Royal Decree of 27 April 2018.

20.3.3 ***Governance***

(i) *Organizational structure*

(ii) *Requirements and Responsibilities of the Board of Directors and Management*

The members of the Board of Directors can only be natural persons, who must permanently dispose of the professional integrity (“propriety”) and appropriate experience (“fitness”) for the performance of their duties. These requirements apply at the level of the entity holding the license as a payment service provider, i.e. Unifiedpost Payments.

On 26 September 2017 EBA and ESMA published Joint Guidelines on the Assessment of the Suitability of the Members of Management Body and Key Function Holders. These new joint ESMA and EBA guidelines aim at further improving and harmonizing suitability assessments within the EU financial sectors and so ensure sound governance arrangements in financial institutions. The new joint ESMA and EBA guidelines have entered into force on 31 July 2018.

On 18 September 2018, the NBB published a “Circular on the Suitability of Directors, Members of the Management Committee, Managers of Independent Control Functions and Effective Leaders of Financial Institutions”, as well as a “Rule Book on the Assessment of the Experience and Professional Integrity”, which apply not only to credit institutions and investment companies subject to the Belgian Banking Law, but also to payment service providers subject to the Law of 11 March 2018.

See also Section 16.2.6(ii) “*Guidelines of the European Banking Association and the NBB*”.

In light hereof, the members of the Board of Directors have been tested and newly proposed members of the Board of Directors must be tested by the NBB on integrity and experience. In addition, the requirement for integrity and experience screening applies to persons that will be acting under the responsibility of the payment service provider, who will fulfil a management position directly below the Board of Directors and who will be responsible for natural persons whose activities can have a significant impact on the risk profile of the bank (the so-called second echelon).

(iii) *Annual reporting to the NBB*

In accordance with the Law of 11 March 2018, the persons charged with the daily management report to the board of directors, the NBB and the certified statutory auditor at least once a year, on compliance with the organizational provisions and on the measures taken, where appropriate, to address any shortcomings.

The providers of electronic communication networks or services shall provide the NBB with an annual opinion from their statutory auditor and, in the absence of this, from an external auditor, showing that their activities are being carried out in compliance with the maximum amounts set forth by the Law of 11 March 2018. They also provide it with an updated version of the description of their work on payment transactions each year.

The payment institutions shall provide the NBB annually or, at its request, at shorter intervals, with an up-to-date and comprehensive assessment of both the operational and security risks associated with the payment services they offer and the adequacy of the risk mitigation measures taken and control mechanisms put in place in response to these risks.

20.3.4 *Certified Statutory Auditors*

In accordance with PSD2, Unifiedpost Payments has appointed Mr. Jurgen De Raedemaeker and Mr. David De Schacht as its statutory auditors. The statutory auditors have been certified by the NBB and form an important factor in the supervision by the NBB.

The auditors perform, amongst others, the following tasks:

- Review of the internal control measures taken by the payment institutions in accordance with article 21, §1, 2° and 38,1, second paragraph, 1° of the Law of 11 March 2018;

- Reporting to the NBB on the results of the limited review of the periodic statements related to the first half year provided by the payment institutions to the NBB, whereby they certify that:

    - they have no knowledge of facts that would indicate that the periodic statements at the end of the half-year were not prepared in all material important respects (i) in accordance with the applicable guidelines of the NBB and / or (ii) applying the accounting and valuation rules for the preparation of the financial statements for the last financial year;

    - the periodic statements at the end of the half-year, as far as the accounting data are concerned, are in all material important respects compliant with the accounting and the inventories, with regard to completeness, which means that they contain all data from the accounting and inventories on basis on which the periodic statements are drawn up, and accuracy, which means that they accurately represent the data from the accounts and the inventories on the basis of which the periodic statements are prepared.

- Reporting to the NBB on the results of the limited review of the periodical information related to the end of the year provided by the payment institutions to the NBB, whereby they certify that:

    - they have been prepared in all material respects in accordance with the applicable guidelines of the NBB and with application of the accounting and valuation rules for the preparation of the financial statements; and

    - the periodic statements at the end of the year, as far as the accounting data are concerned, are in all material important respects compliant with the accounting and the inventories, with regard to completeness, which means that they contain all data from the accounting and inventories on basis on which the periodic statements are drawn up, and accuracy, which means that they accurately represent the data from the accounts and the inventories on the basis of which the periodic statements are prepared.

- Reporting to the NBB on the organization, activities and financial structure of the payment institutions;

- Reporting to the NBB, as soon as they are informed of:

  - decisions, facts or developments that have a significant influence on or can influence the position of the payment institution financially or in terms of its administrative and accounting organization or internal control;

  - decisions or facts that may indicate a violation of the Companies Code, the articles of association, the provisions of the Law of 11 March 2018 and of its implementing decisions and regulations or the implementing measures of PSD2;

  - other decisions or facts that could lead to a refusal to certify the annual accounts or to formulate a reservation.

- Reporting once per year to the NBB on the soundness of the measures taken by payment institutions to safeguard the funds they receive from payment service users, in accordance with Articles 41 and 42 of the Law of 11 March 2018.

- Reporting in a timely manner to the management body on important matters that have come to light during the exercise of his statutory audit engagement, and in particular on serious deficiencies in the financial reporting process with regard to the work on payment services and the work referred to in Article 43, § 1, 1° of the Law of 11 March 2018.

20.3.5 ***Structural supervision***

(i) *Declaration of No-Objection for a Qualifying Holding in a Payment Service Provider*

Each person or group of persons acting in concert is required to obtain a declaration of no-objection from the NBB before it may directly or indirectly acquire or increase a qualifying holding in a licensed payment service provider with its corporate seat in Belgium. The Law of 11 March 2018 further provides that NBB must be notified in advance of any acquisition of or change in a qualifying holding (i) as a result of which the size of this holding increases beyond the following thresholds: 20%, 30% or 50% or as a result of which the payment service provider concerned becomes a subsidiary or (ii) as a result of which the size of this holding falls below 10%, 20%, 30% or 50% or as a result of which the payment service provider ceases to be a subsidiary. The above requirement to obtain a declaration of no objection for a qualifying holding in a payment service provider implements the requirements relating to qualifying holdings in payment service providers as set out in PSD2.

(ii) *Declaration of No Objection for transactions by a Payment Service Provider*

Payment service providers with a seat in Belgium must obtain a declaration of no-objection from the NBB before, among other things: (i) acquiring a holding in a commercial enterprise (save for holdings in companies which provide all or part of the payment services, ancillary services or services relating to the management of payment systems set forth in Article 43 of the Law of 11 March 2018 or activities authorized pursuant to Article 44 of the Law of 11 March 2018 or in companies whose main purpose is to hold participations in such companies), (ii) approving strategic decisions, (iii) merging with another payment service provider or other financial institutions or de-merging a payment service provider and (v) the transfer in full or in part of the payment service business or the agency network of the respective payment service provider. The NBB can attach certain conditions to its declaration of no objection.

20.3.6 *Information Obligations*

The Belgian Code of Economic Law ("*Wetboek Economisch Recht*" / "*Code de droit Economique*") and other regulations, including rules issued by the FSMA, provide for detailed requirements in respect of the information that must be made available to customers to whom regulated activities or services are provided by, among others, payment service providers, such as in relation to the contents and presentation of such information. A substantial part of the regulations containing such information obligations implements European legislation, such as PSD2. Payment service providers are required to comply with these information obligations when providing payment services.

20.3.7 *Interchange Fees Regulation*

The Interchange Fees Regulation applies from 8 June 2015, with the exception of certain provisions that apply from 9 December 2015 and other provisions that apply from 9 June 2016. The main objective of the Interchange Fees Regulation is to create a level playing field by removing barriers between national payment markets and allowing new entrants to enter the market, driving down the fees that retailers pay their banks and ultimately allowing consumers to benefit from lower retail prices.

As Unifiedpost Payments mainly provides services to billers, it is mainly on the acquiring side and is therefore less impacted by any caps on card interchange fees. In addition, Unifiedpost Payments also operates SEPA payment accounts, so that it becomes less subjected to future changes in fees for interbank credit transfers. This assumes that Unifiedpost Payments succeeds in building "on-us" money flows, independent of the incumbent banks.

20.4 Data Protection Legislation

20.4.1 *Regulatory obligations*

Unifiedpost is subject to complex and evolving Belgian, European and other jurisdiction's laws and regulations regarding the processing (i.e. collection, use, handling, retention, sharing, etc.) of personal data. These data protection laws apply to personal data relating to customers, employees, third parties and other individuals who interact with Unifiedpost.

In particular, the GDPR was adopted on 27 April 2016 and applies across the EU as of 25 May 2018 with immediate direct application across the EU. The main policy objectives enshrined in the GDPR are to: (i) modernize the EU legal system for the protection of personal data, in particular to meet the challenges resulting from globalization and the use of new technologies, (ii) strengthen individuals' rights and at the same time reduce administrative formalities to ensure a free flow of personal data within the EU and beyond, (iii) improve the clarity and coherence of the EU rules for personal data protection and achieve consistent and effective implementation of the privacy rules and application of the fundamental right to the protection of personal data in all areas of the EU's activities. The GDPR imposes more stringent data protection obligations than the previous Data Protection Directive and the Belgian

Privacy Act, resulting in higher compliance burdens. The GDPR requires the Company to be able to demonstrate its compliance with data protection principles. In addition, the GDPR increases sanctions for data protection compliance violations of up to a maximum of €20 million or 4% of the Company's global annual net turnover, whichever is higher.

Under the GDPR, data controllers must notify the relevant data protection authority within 72 hours after becoming aware of potentially serious data security breaches unless the breach is unlikely to result in a risk to the rights and freedoms of natural persons. In some cases, the data subjects must also be informed of the breach.

Although the GDPR has immediate direct application across the EU, the GDPR Implementation Act entered into force on 5 September 2018. The GDPR Implementation Act ensures effective application of the GDPR, it revokes the previous Belgian Privacy Act and it contains further national legislation or provides for the statutory basis for further regulations, in particular regarding the Belgian Data Protection Authority ("*Gegevingsbeschermingsautoriteit*" / "*Autorité de Protection des Données*") and the exercise of national discretion under the GDPR.

In addition, on 10 January 2017 the European Commission published a draft regulation concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (the "E-Privacy Regulation"). The E-Privacy Regulation affects in principle only the telecommunications sector, however all other sectors are affected by it to the extent they make use of electronic communication means such as e-mail or telephone or cookies or other similar techniques for commercial purposes. The fines for infringing the E-Privacy Regulation are the same as those of the GDPR. The text is not yet final and the impact on the industry still needs to be determined. The European Commission, the European Parliament and Council will first need to enter into the tripartite negotiations on the final text. Although the European Commission has however urged the European Parliament and the Council to work swiftly and to ensure its smooth adoption by 25 May 2018, the date as from which the GDPR entered into force, the proposed date of 25 May 2018 for the entry into force of the new regulation has not been achieved.

20.4.2 ***Personal data processing***

In practice, Unifiedpost processes personal data of the following categories of data subjects: (i) customers, (ii) employees; and (iii) suppliers, sub-contractors and other third parties doing business with or interacting with Unifiedpost. Unifiedpost ensures the security of data processing by adopting and implementing high-tech tools and ensuring the quality and training of the staff.

The communication of these data to third parties is limited to the application of legal and regulatory provisions or if to circumstances in which communications are necessary for the normal performance of personnel management or salary administration, such as communications to public services, social security bodies and cooperating social security institutions. Some data are also transmitted to subcontractors (Securex, leasing company for company vehicle management, insurance company AXA, DKV and KBC, Sodewo, SEPP Securex, bank, external training partners).

20.4.3 ***Regulatory compliance***

Ensuring compliance with data protection regulation is the foundation of trustworthy business relationships for Unifiedpost and is key for its reputation as an attractive business partner and as an employer. As already explained above, the processing of customers' and employees' personal data complies with the GDPR principles of legitimacy and proportionality (see section 19.4 and 20.4 (b)). In addition, Unifiedpost has adopted several policies defining the approach taken by it to the protection and management of personal data to ensure compliance with the GDPR and provide clear guidance to its employees when dealing with personal data of its customers and implemented several procedures to this end.

(i) Privacy Notices

To meet its transparency obligation, Unifiedpost has adopted several notices, among which: (i) an Internal Compliance Charter which defines the purpose, scope, authority and responsibility of the internal Compliance Service whose mission is to offer assurance regarding the effectiveness of risk management, operational control and processes usage of the internal software tools and compliance towards legal requirements, by contributing and offering coaching and recommendations for their improvement, (ii) a privacy statement adopted in relation to the use and processing of personal information collected on the website, also including a section on cookies and tracking technology, (iii) a privacy statement inserted in the work regulations for the employees, (iv) a general privacy policy aiming at governing the Company handling practices of personal data by instructing every employee of the Company on the collection and the use of personal data, as well as any specific rights the data subjects may have.

(ii) Privacy agreements

Several subsidiaries also entered into data processing addendum with third parties, i.e. with Amazon Web Services and PostNL. Nomadesk also has in place a Service Agreement, describing the terms of service for the provision of the Nomadesk software, including provisions on data processing and consent (see also section 19.2 above). Unifiedpost has also adopted an Intra-Group Cooperation Agreement setting forth the mutual rights and obligations of the subsidiaries (the Company, Unifiedpost Payments NV, UP Romania and PowertoPay B.V.) in relation to the processing of personal data triggered by the provision of these subsidiaries' services to other Parties of Unifiedpost.

(iii) Security

As to security, Unifiedpost has implemented technical and organizational measures to ensure the safe and diligent processing of personal data (see e.g. section 19.5 (e) on security and access rights, as well as section 20.4 above). In that respect, as stated above (see section 19.5 (b)), Unified Post's security and privacy measures and procedures have been validated by several certifications such as ISAE3402 and ISO/IEC 27001.

(iv) Privacy Control Framework

Unifiedpost has adopted a Privacy Control Framework to ensure compliance with several other privacy related obligations. In this Framework, Unifiedpost requires each of its subsidiaries to (i) establish and communicate a Privacy policy that states its objectives and responsibilities regarding privacy, (ii) establish and implement clear roles and responsibilities regarding the safeguarding of personal data and the achievement of privacy objective, (iii) implement staff awareness sessions and trainings, (iv) document procedure for validation, editing and update of personal data to ensure accuracy and completeness of such data; (v) deploy a process to monitor, assess and address the impact on privacy requirements form changes in regulatory and/or business requirements; (vi) implement a process is in place to periodically identify the events endangering privacy objectives (Risk Management); (vii) take into account solid privacy policies, principles, and/or applicable laws and regulations when designing or changing products, services, business systems or processes (Privacy Architecture); (viii) Adopt systems and procedures to annually review and document compliance with privacy policies and procedures, commitments and application laws, regulations SLAs, standards adopted by the entity and other contracts.

The Framework also envisages the adoption by the entities of (i) a Data Register, where all personal data processing are identified and classified - this data register also allows the assessment by each entity of its compliance with the data minimization and the use principles, (ii) data retention policies and disposal procedures for personal data (iii) a process to carry out an assessment of the impact on privacy regarding new or significantly changed processes, products and services (DPIA), and (iv) a privacy incident and breach management process.

Entities shall also have procedures in place to prevent the disclosure of personal data to third parties unless the data subject has given consent therefor. Each of them shall also have established any instances where personal data under their responsibility is being transferred to and processed in third countries that possibly insufficiently guarantee the privacy rights of data subjects. Each entity only transfers data to such third country where (a) an Adequacy Decision has been issued; or (b) a set of appropriate safeguards (e.g. binding corporate rules or standard data protection clauses) has been implemented.

Finally, the data protection officer, Mr. Mathias Baert, is the point of contact for all GDPR related questions and issues and will ensure that all data subjects' rights will be respected and enforced.

20.5 **e-IDAS Regulation**

20.5.1 ***Scope***

"eIDAS" stands for "Electronic Identities and Trust Services. The eIDAS Regulation seeks to enhance trust in electronic transactions in the internal market by providing a common foundation for secure electronic interaction between citizens, businesses and public authorities, thereby increasing the effectiveness of public and private online services, electronic business and electronic commerce in the European Union.

The eIDAS Regulation (i) lays down the conditions under which Member States recognize electronic identification means of natural and legal persons falling under a notified electronic identification scheme of another Member State, (ii) lays down rules for trust services, in particular for electronic transactions; and (iii) establishes a legal framework for electronic signatures, electronic seals, electronic time stamps, electronic documents, electronic registered delivery services and certificate services for website authentication.

The eIDAS Regulation applies to 'trust service providers' (i.e. *natural or a legal person who provides one or more trust services either as a qualified or as a non-qualified trust service provider*). A 'trust service' is defined as *an electronic service normally provided for remuneration which consists of:*

- the creation, verification, and validation of electronic signatures, electronic seals or electronic time stamps, electronic registered delivery services and certificates related to those services, or

- the creation, verification and validation of certificates for website authentication; or
- the preservation of electronic signatures, seals or certificates related to those services.

The Belgian Act of 21 July 2016 implementing the eIDAS ("**Act of 21 July 2016**") adds that the provider of *electronic archiving services* must also comply with the provisions of the eIDAS that apply to non-qualified trust service providers.

Unifiedpost could qualify as a '**qualified trust service providers**' (*trust service providers who provide one or more qualified trust services and are granted the qualified status by the supervisory body in the Member State where they are established*) and bear all related obligations provided that it notifies the supervisory body of its intention to provide qualified trust services, submits a conformity assessment report issued by a conformity assessment body, complies with the requirements of the eIDAS Regulation and is added to the trusted lists.

20.5.2 *Obligations*

Some obligations exist for all trust service providers, whereas other obligations are only imposed to qualified trust service providers.

Trust service provider (qualified and non-qualified)

Pursuant to Article 19 of the eIDAS, qualified and non-qualified trust services providers have the following obligations:

- take appropriate technical and organizational measures to manage the risks posed to the security of the trust services they provide. Having regard to the latest technological developments, those measures shall ensure that the level of security is commensurate to the degree of risk. In particular, measures shall be taken to prevent and minimize the impact of security incidents and inform stakeholders of the adverse effects of any such incidents.

- without undue delay but in any event within 24 hours after having become aware of it, **notify** the supervisory body and, where applicable, other relevant bodies, such as the competent national body for information security or the data protection authority, of any **breach of security or loss of integrity** that has a significant impact on the trust service provided or on the personal data maintained therein.

  Where the breach of security or loss of integrity is likely to adversely *affect a natural or legal person* to whom the trusted service has been provided, the trust service provider shall also notify the natural or legal person of the breach of security or loss of integrity without undue delay.

  The notified supervisory body shall inform the public or require the trust service provider to do so, where it determines that disclosure of the breach of security or loss of integrity is in the *public interest*.

- Where feasible, trust services provided and end-user products used in the provision of those services shall be made accessible for **persons with disabilities**.

Qualified trust service provider

The eIDAS Regulation imposes a series of obligations on qualified trust service providers. These obligations which can be found in Articles 20.1, 23.2 and 24.2-4, are mainly: (1) audit at their own expense; (2) conformity assessment report and (3) other general requirements (employment of qualified staff, sufficient financial resources, precise terms and conditions, record keeping, termination plan, use of trustworthy systems and products, information to the supervisory body, lawful processing of personal data and certificate database).

The Act of 21 July 2016 also creates some obligations for qualified trust service providers: (1) information in case of expiry of the qualified certificate and; (2) information in case of discontinuance of activities.

Besides, providers of qualified electronic archiving services must also comply with several obligations that are listed in Schedule 1 of the Act of 21 July 2016.

20.5.3 *Supervisory and responsibility*

Trust service providers are liable for damage caused intentionally or negligently to any natural or legal person due to a failure to comply with the obligations under the eIDAS. On the other hand, qualified trust service providers' intention or negligence are presumed, unless such provider can prove that the damage occurred without intention or negligence.

The Act of 21 July 2016 has designated the Finances Federal Public Service ("**FFPS**") as supervisory authority for Belgium. The FFPS has several roles and powers, including:

- Control qualified trust service providers;
- Take measures concerning non-qualified trust service providers that do not comply with the eIDAS;
- Audit qualified trust service providers; and
- Put qualified trust service providers on notice to comply with the eIDAS.

Finally, where the supervisory body requires the qualified trust service provider to remedy any failure to fulfil requirements under the eIDAS Regulation and where that provider does not act accordingly, and if applicable within a time limit set by the supervisory body, the supervisory body, taking into account, in particular, the extent, duration and consequences of that failure, may **withdraw the qualified status** of that provider or of the affected service it provides.

20.5.4 *Anticipated upcoming changes*

In a bid to develop a more harmonized and resilient market for electronic identification systems, the European Commission has recently (July 2020) sought to update the rules on electronic identification operations in the European Union, as part of the eIDAS Regulation. It is expected that the Commission will put forward a proposal for a "European Digital Identification" initiative by mid-2021. An EU-wide eID will, especially for cross-border digital services, contribute to grow the digital economy.

20.6 E-Invoicing Directive

The Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement ("**e-Invoicing Directive**") establishes a legal framework for electronic invoices issued as a result of the performance of public procurements. The e-Invoicing Directive aims at ensuring that contracting authorities and contracting entities ultimately receive and process electronic invoices that comply with the e-Invoicing Directive.

Pursuant to the e-Invoicing Directive, an electronic invoice is defined as *'an invoice that has been issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing'.* Such invoice must contain core elements, which allows for the cross-border interoperability and ensure the legal compliance of electronic invoices.

These core elements include, inter alia:

- process and invoice identifiers;
- the invoice period;
- seller information;
- buyer information (the Belgian Act of 7 April 2019 however refers to the "beneficiary of the payment");
- payee information;
- seller's tax representative information;
- contract reference;
- delivery details;
- payment instructions;
- allowance or charge information;
- invoice line item information;
- invoice totals;
- VAT breakdown.

These core elements are further specified by the European Committee for Standardization, which was mandated by the European Commission to draft the European standard for the semantic data model of the core elements of an electronic invoice.

The e-Invoicing Directive is implemented by the Belgian Act of 7 April 2019. This Act provides that economic operators can *temporarily* transmit their invoices in an electronic way to contracting authorities, which in turn must receive and process such invoices. In the near future, economic operators will not be allowed to, but will, as a principle, be obliged to transmit their invoices in an electronic way.

The e-Invoicing Directive has also been implemented by two Belgian Acts of 17 June 2016, one on public procurement, and the other on concession agreements.

Finally, e-Invoicing is also mentioned in Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, as modified by Directive 2010/45/EU of 13 July 2010 amending Directive 2006/112/EC on the common system of value added tax as regards the rules on invoicing. These two directives have subsequently been implemented in the Belgian VAT Code.

20.7 **AML**

20.7.1 *Legislative framework*

The Belgian AML/CFT framework is primarily set out in the following legislation and regulations:

- Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the "4th AMLD");

- From January 2020, the Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 (the "5th AMLD") will come into force. The following version of this policy will address the key aspect of this directive

- Regulation 2015/847 of the European Parliament and of the Council of 20 May

- 2015 on information accompanying transfers of funds (the "Funds Transfers Regulation");

- Act of 18 September 2017 on the prevention of money laundering and terrorist financing and on the restriction of the use of cash (the "AML Act");

- Regulation of the National Bank of Belgium of 21 November 2017 on the prevention of money laundering and terrorist financing (the "NBB Regulation");

- Circular of the National Bank of Belgium of 24 January 2018 on the overall risk assessment on the fight against money laundering and terrorist financing (the "NBB Circular");

- Communication NBB_2018_04 of 8 February 2018 on the new section "Prevention of' money laundering and terrorist financing"; on the website (the "NBB Communication");

- Circular CBFA 2010_09 of 6 April 2010 on the customer due diligence obligation, the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and the prevention of the financing of the proliferation of weapons of mass, as amended by circular CBFA 2011_09 of 1 March 2011 (the "CBFA Circular");

- Communication CBFA_2010_18 of 25 August 2010 on the required enhanced due diligence (the "CBFA Communication");

- FATF (2012-2018), International Standards on Combating Money Laundering and the Financing of Terrorism Proliferation, FATF, Paris, France, www.fatf-gafi.org/recommendations.html (the "FATF Recommendations";);

- Basel Committee on Banking Supervision, Guidelines on Sound management of risks related to money laundering and financing of terrorism, June 2017, https://www.bis.org/bcbs/publ/d405.pdf (the "BCBS Guidelines").

- EBA revised Guidelines on outsourcing arrangements, 25 February 2019

20.7.2 *Regulatory obligations*

Belgium has implemented Directive (EU) 2015/849 of the European Parliament and of the Council of

20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, by the Law of 18 September 2017 on the prevention of money laundering, terrorist financing and on the limitation of the use of cash. This legislation contains a preventive system imposing a number of obligations in relation to money laundering and the financing of terrorism. The Law of 18 September 2017 also incorporates some of the recommendations made by the International Financial Task Force.

These obligations are related, among other things, to the identification of the customer, special attention for unusual transactions, internal reporting, processing and compliance mechanisms with the appointment of a compliance officer, and employee training requirements. A risk-based approach assumes that the risks of money laundering and terrorism financing may take various forms. Accordingly, businesses/individuals subject to the Law of 18 September 2017 must adopt and implement adequate mitigating security measures based on their own assessment of their exposure to risk. The definition of politically exposed people is being broadened. It will encompass not only national persons who are or who have been entrusted with prominent public functions residing abroad, but also those residing in the country. Member States also have to set up a central register which identifies the ultimate beneficial owner of companies and other legal entities. The so called Ultimate Beneficiary Register will be established at the Ministry of Finance for the purpose of registering the ultimate beneficial owners of Belgian entities.

Payments/donations in cash are capped to EUR 3,000. Member states must also provide for enhanced customer due diligence measures for the obliged entities to apply when dealing with natural persons or legal entities established in high-risk third countries. When, after investigation, a credit or financial institution suspects money laundering to be the purpose of a transaction, it must promptly notify an independent administrative authority, the Financial Intelligence Unit. This Unit is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report to the criminal prosecutors to initiate proceedings.

The competent supervisory authority will depend on the type of obliging entity in question. The NBB has issued guidelines for financial institutions, such as payment institutions, and supervises their compliance with the legislation. Belgian criminal law specifically addresses criminal offences of money-laundering (Article 505, subsection 1, 2°-4° of the Criminal Code) and sanctions them with a jail term of a minimum of fifteen days and a maximum of five years and/or a fine of a minimum of EUR 26 and a maximum of EUR 100,000 (to be multiplied by 8) or, for legal entities, a fine of a minimum of EUR 500 and a maximum of EUR 200,000 (to be increased with the additional penalty or, in other words, to be multiplied by 8).

20.8 Network Information Security Directive

The Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union ("**NIS Directive**") targets providers of both essential and digital services. It is transposed in Belgium by the Act of 7 April 2019 creating a framework for the security of network and information systems of general interest for public security ("**Belgian NIS Act**").

Schedule 2 of the Belgian NIS Act identifies the digital services which must comply with the NIS Directive and the Belgian NIS Act: (i) online market places, (ii) online search engines, and (iii) cloud computing services.

Pursuant to the Belgian NIS Act, digital service providers must take appropriate technical and organizational security measures, appoint a contact person and communicate the contact details to the sectoral authority, as well as notify incidents and communicate the documentation allowing the assessment of their security system.

The Belgian Center for Cyber Security ("**CCB**") is the main authority responsible for the enforcement of the Belgian NIS Act. The CCB is, among others, competent to intervene in the case of incident and to carry out analyses. The CCB can take all adequate measures to achieve its objectives. Furthermore, all providers of digital services can also be subject to inspections.

Violations of the Belgian NIS Act trigger the enforcement process enshrined in Articles 48 to 50 of the Belgian NIS Act, which can lead to administrative fines and criminal sanctions.

21 US TRANSFER RESTRICTIONS

The Shares have not been and will not be registered under the US Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws.

Each purchaser of the Placement Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1) the purchaser is authorized to consummate the purchase of the Placement Shares in compliance with all applicable laws and regulations;

2) the purchaser acknowledges that the Placement Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States;

3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Placement Shares, was located outside the United States at the time the buy order for the Placement Shares was originated and continues to be located outside the United States and has not purchased the Placement Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Placement Shares or any economic interest therein to any person in the United States;

4) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

5) the Placement Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;

6) the purchaser acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions;

7) if it is acquiring any of the Placement Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

8) the purchaser acknowledges that the Company, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Placement Shares within the United States purchasing pursuant to an exemption from the registration requirements of the US Securities Act will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1) the purchaser is authorized to consummate the purchase of the Placement Shares in compliance

with all applicable laws and regulations;

2) the purchaser acknowledges that the Placement Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

3) the purchaser is (i) a qualified institutional buyer (as defined in Rule 144A under the US Securities Act), (ii) aware that the sale to it is being made pursuant to an exemption from the registration requirements of the US Securities Act; and (iii) acquiring such Placement Shares for its own account or for the account of a qualified institutional buyer;

4) the purchaser is aware that the Placement Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the US Securities Act;

5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Placement Shares or any economic interest therein, such Placement Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) in compliance with Regulation S under the US Securities Act; or (iii) in accordance with Rule 144 under the US Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6) the purchaser acknowledges that the Placement Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Placement Shares;

7) the purchaser will not deposit or cause to be deposited such Placement Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Placement Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act;

8) the purchaser acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Placement Shares made other than in compliance with the above-stated restrictions;

9) if it is acquiring any of the Placement Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

10) the purchaser acknowledges that the Company, the Selling Shareholders, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

See also Section 4 – "*Notices to prospective investors – selling restrictions*".

22 DEFINED TERMS

2020 Capital Increases	:	the First Capital Increase and the Second Capital Increase.
Acquired Revenue	:	for a period, as the revenue recognized from acquired businesses in the first 12 months following the acquisition. This represents non-organic growth.
Additional Shares	:	the Placement Shares offered pursuant to – as the case may be - the effective exercise of the Increase Option and the Over-allotment Option.
Adjusted EBITDA	:	for a period, EBITDA plus share-based payment expense, Non-Recurring Operational Expenses, acquisitions expenses, costs in relation with the Company's contemplated listing and the issuance of Bonds, less other income and expenses.
Adjusted EBITDA excluding Expensed R&D	:	Adjusted EBITDA excluding expensed research and development costs.
Adjusted EBITDA excluding Expensed R&D Margin	:	as the ratio of Adjusted EBITDA excluding Expensed R&D to revenue for that period
Adjusted EBITDA Margin	:	for a period, as the ratio of Adjusted EBITDA to revenue for the period
Adjusted Organic Revenue	:	as the revenue of the Company's business, adjusted for the effect of Facturis, removing the impact of acquisitions as well as exchange rate movements.
Adjusted Revenue	:	As the revenue of the Company's business, adjusted for the effect of Facturis.
ADM Solutions	:	Advanced Document Management Solutions BV.
AI		artificial intelligence.
Allocation	:	the allocation of the Placement Shares is expected to take place after the closing of the Private Placement on or about 21 September 2020, subject to early closing, suspension or extension of the timetable for the Private Placement.
AML	:	Anti-Money Laundering obligations.
Annual Shareholders' Meeting	:	the Company's annual shareholders' meeting in accordance with the Articles of Association.
API	:	an application programming interface, which is a set of programming code that queries data, parses responses and sends instructions between one software platform and another.
APMs	:	the alternative performance measures used in the Prospectus, i.e. Adjusted Organic Revenue, Organic Revenue from Repeated Services, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA excluding Expensed R&D, and Adjusted EBITDA excluding Expensed R&D margin.
Articles of Association	:	the articles of association of the Company as amended from time to time.
ASIC	:	the Australian Securities and Investments Commission, for purposes of Section 4.10.
Audit Committee	:	the audit committee of the Board of Directors established in accordance with Article 7:99 of the BCCA and Provisions 4.10 to 4.16 of the Corporate Governance Code.
B2B	:	business to business.
B2C	:	business to consumer.
B2G	:	business to government.
Balkan States	:	Serbia, Croatia, Albania, Bosnia Herzegovina and Kosovo.
Baltic States	:	Estonia, Latvia, Lithuania
BCCA	:	the Belgian Code on Companies and Associations dated 23 March 2019.
BDO	:	BDO Bedrijfsrevisoren CVBA / BDO Réviseurs d'Entreprises SCRL, having its registered office at the Corporate Village, Da Vincilaan 9 box E.6, 1930 Zaventem, Belgium, represented by Ms. Ellen Lombaerts.
Belfius	:	Belfius Bank NV/SA, a limited liability company ("*naamloze vennootschap*" / "*société anonyme*") incorporated under the laws of Belgium, having its registered address at Karel Rogierplein 11, 1210 Sint-Joost-Ten-Node and registered with the Crossroads Bank for Enterprises under number 403.201.185.
Belgian Financial Press	:	De Tijd / L'Echo.
Belgian Official Gazette	:	Belgisch Staatsblad – Moniteur Belge.
Belgian Privacy Act	:	the Belgian act on protection of privacy with regard to the processing of personal data dated 8 December 1992.
Berenberg	:	Joh. Berenberg, Gossler & Co KG. a limited partnership ("Kommanditgesellschaft") incorporated under the laws of Germany, having registered office at Neuer Jungfernstieg 20, 20354 Hamburg, Germany, registered with the local court of Hamburg under the number HRA 42659.
BITC	:	the Belgian Income Tax Code 1992.
Board of Directors	:	the board of directors of the Company.
Bondholders	:	PMV, Michaels Howells, Colin Manson and Martin Hurley.

Bonds	:	the 184 outstanding automatically convertible bonds issued by the Company and held by PMV, Michaels Howells, Colin Manson and Martin Hurley.
Brexit	:	the exit of the UK from the EU on 31 January 2020, pursuant to the invocation of Article 50 of the Treaty of Lisbon by the UK government.
Business Ecosystem	:	the aggregate of Horizontal and Vertical Business Ecosystems.
CAGR	:	compound annual growth rate (CAGR) is the rate of growth from beginning to end, assuming that every period start with the result of the previous period.
CCM	:	client communication management, a strategy to improve creation, delivery, storage and retrieval of outbound communications through a widespread range of media and output such as email, mobile messaging and web pages.
CEE	:	the central and east European region, including Bulgaria, Czech Republic, Poland, Romania, Hungary and Slovakia.
CEO	:	the chief executive officer of the Company, currently being Sofias BV (permanently represented by Hans Leybaert).
CFO	:	the chief financial officer of the Company, currently being Laurent Marcelis.
Closing Date	:	the business day on which the Share Capital increase in cash pursuant to the Private Placement is realized before the notary. This date is expected to be 24 September 2020.
CLOUD Act	:	the Clarifying Lawful Overseas Use of Data Act (H.R. 4943) of 6 February 2018 to improve law enforcement access to data stored across borders, and for other purposes.
Code	:	the United States Internal Revenue Code of 1986, as amended.
Commission Delegated Regulation 2019/980	:	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
Company	:	Unifiedpost Group SA/NV, a public limited liability company (*naamloze vennootschap / société anonyme*) under Belgian law with registered office at Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium and registered with the Register of Legal Entities under number 0886.277.617.
Company Audited Consolidated Financial Statements	:	the audited consolidated financial statements of the Company and its consolidated subsidiaries as of and for each of the years in the three-year period ended 31 December 2019, 31 December 2018 and 31 December 2017, which has been derived from the audited consolidated financial statements of the Company and its consolidated subsidiaries.
Conditions Precedent of the Private Placement	:	the conditions precedent of the Private Placement, as determined by the Shareholders' Meeting held on 31 August 2020: (i) the FSMA approving the Prospectus, (ii) the execution of the Underwriting Agreement and the absence of termination of the Underwriting Agreement pursuant to its provisions, (iii) the delivery by a representative of the Underwriters of a bank certificate in respect of the capital increase in cash (certifying that the proceeds of the Private Placement have been received in the blocked bank account of the Company in accordance with Article 7:195 of the BCCA), and (iv) the confirmation of admission to trading and listing of the Shares of the Company on the regulated market of Euronext Brussels.
Reference Shareholders	:	DVP Invest BV, EJF Debt Opportunities Master Fund L.P., FPIM – SFPI NV and Pegavica CV.
Corporate Governance Charter	:	the corporate governance charter adopted by the Company, conditional upon and with effect as of the realization of the Conditions Precedent to the Private Placement, available on its website www.unifiedpost.com.
Corporate Governance Code	:	the Belgian Corporate Governance Code of 9 May 2019, published by the Corporate Governance Committee.
Corporate or Corporates	:	means any customer of the Company who has over 500 full-time equivalent employees.
Corporate Payment Hub	:	a SWIFT certified cash management solution offered by Unifiedpost, through its subsidiary PowertoPay.
Corporations Act	:	the Corporations Act 2001 of the Commonwealth of Australia.
CRS	:	the Common Reporting Standard.
Current Financial Indebtedness	:	as debt that is remunerated (i.e. interest bearing debt), including, amongst others, financial liabilities related to short- and / or long-term leases, debt instruments and current portion of Non-Current Financial Indebtedness, and which is to be repaid within 12 months of the its closing date.
DAC2	:	Directive 2014/107/EU on administrative cooperation in direct taxation.
DACH	:	means the central European region, including Germany, Austria and Switzerland.
Data Protection Directive	:	EU Directive 95/46/EC of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.
EBA	:	the European Banking Authority
EBA Guidelines	:	the joint ESMA and EBA Guidelines (EBA/GL/2017/12) of 26 September 2017 on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU.
EBITDA	:	for a period, profit / (loss) from operations, plus amortization (of intangible assets) and depreciation (of property, equipment and right-of-use assets).
EBITDA Margin	:	for a period, as the ratio of EBITDA to revenue for the period.
EC	:	the European Commission

EDI	:	electronic data interchange.
EEA	:	the European Economic Area.
eID	:	electronic identification.
eIDAS	:	Regulation (EU) 910/2014 of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market.
e-Invoice	:	an invoice that has been issued in a structured data format (e.g. EDI or XML) in a VAT-compliant way, which allows for its automatic and electronic processing ("straight-through processing").
E-Invoicing Directive	:	Directive (EU) 2014/55 of 16 April 2014 on electronic invoicing in public procurement.
EMU	:	the European Economic and Monetary Union.
ERP	:	Enterprise Resource Planning, an integrated management system of main business processes.
ESOP Subscription Rights	:	the 55,000 subscription rights issued by the Company on 5 October 2015, which give right to one Share and can be exercised between 21 January and 21 July of each year until 21 July 2025, 1,000 of which are being held by the Company.
Euroclear Belgium	:	Caisse Interprofessionelle de Dépôts et de Virements de Titres SA / Interprofessionele Effectendeposten Girokas NV (C.I.K.) (Euroclear), the Belgian central securities depository, located at Koning Albert II Iaan 1, B-1210 Brussels, Belgium.
Euronext Brussels	:	Euronext Brussels SA/NV, located at 1 Rue du Marquis, 1000 Brussels.
Exempt Investors	:	Australian investors who demonstrate that they both (i) fall within one or more of the categories of investors under Section 708(8) or 708(11) of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of Section 761G of the Corporations Act, for purposes of Section 4.10.
Existing Shareholders	:	means the Shareholders of the Company as at the date of approval of this Prospectus.
Facturis or Facturis Group	:	Facturis Group B.V., a limited liability company under Dutch law with registered office at Floridalaan 8, 3404WV Ijsselstein, Groningen, Netherlands, and registered with the Dutch Chamber of Commerce under number 52650537, including its subsidiaries from time to time.
First Capital Increase	:	the capital increase pursuant to a contribution in cash and the conversion of 400 Bonds for an aggregate amount of €28,459,783.61 which took place on 26 June 2020.
Fitek	:	Financial Automation Solutions OÜ, a company under Estonian law with registered office at Harju Maakond, Tallinn, Kesklinna Linnaosa, Tartu mnt 43, 10128 and registered under registry code 12949376.
Fitek Acquisition	:	the acquisition of the Fitek Group by the Company on 29 March 2019.
Fitek Audited Consolidated Financial Statements	:	the audited consolidated financial statements of Fitek and its consolidated subsidiaries as of and for the years ended 31 December 2019 and 31 December 2018, prepared in accordance with IFRS.
Fitek Balkan Companies	:	ImageSoft d.o.o. (Serbia), Sirius Star d.o.o. (Serbia), Fitek Balkan d.o.o. (Serbia), Fitek Solutions d.o.o. (Serbia), Fitek Banja Luka d.o.o. (Bosnia-Herzegovina) and New Image d.o.o. (Serbia).
Fitek Balkan Joint Ventures	:	the former joint ventures in which Unifiedpost acquired an additional 1%, being (i) Fitek Balkan d.o.o, (ii) New Image d.o.o, (iii) Fitek Solutions d.o.o and (iv) Fitek d.o.o Banja Luka.
Fitek Banja Luka	:	Fitek D.O.O. Banja Luka, a limited liability company under the laws of Bosnia Herzegovina – Republic of Srpska, Bosnia Herzegovina, and registered under corporate number 11090249.
Fitek Group	:	Fitek together with its consolidated subsidiaries.
Fitek Slovakia Companies	:	Fitek s.r.o. (Slovakia) and Fitek s.r.o. (Czech Rep.).
Fitek Slovakia Joint Venture	:	the former joint ventures in which Unifiedpost acquired an addition 1%, being Fitek s.r.o.
Fitek Solutions	:	Fitek Solutions d.o.o. Beograd, a limited liability company organized and existing under the laws of Serbia, with registered office at Cara Dusana 212, Belgrade – Zemun, Serbia, and registered under corporate number 20006188.
FitekIN	:	a 'light-weight' order-to-pay platform of Fitek, specifically targeted to European SMEs.
FSMA	:	the Belgian Financial Services and Markets Authority.
GAAP	:	Generally Accepted Accounting Principles.
GDPR	:	the General Data Protection Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
GDPR Implementation Act	:	the law of 30 July 2018 concerning the protection of natural persons with respect to the processing of personal data.
Group or Unifiedpost	:	the Company and all of its direct or indirect, wholly or partially owned subsidiaries.
Horizontal Business Ecosystem	:	companies from different sectors that operate together in the same ecosystem.
IAM	:	identity and access management, a framework of policies and technologies that facilitates the management of electronic or digital identities.
IFRS	:	the International Financial Reporting Standards as adopted by the European Union.
Increase Option	:	the option right granted by the Selling Shareholders to Berenberg, on behalf of itself and the Underwriters, to increase the aggregate number of Placement Shares by up to 25% of the aggregate

number of Placement Shares initially offered.

Inventive Designers : Inventive Designers NV.

Investment Subscription Rights : the 26,022 subscription rights issued by the Company on 17 July 2020, which give right to one Share and can be exercised between until 17 July 2022 for an exercise price of €100 per Share.

IRS : the United States Internal Revenue Service.

ISAE 3420 the International Standard on Assurance Engagements to report on the compilation of pro forma financial information included in a prospectus.

ITC : Belgian Income Tax Code.

Joint Bookrunners : Bank Degroof Petercam, Belfius and Kempen & Co.

Kempen & Co : Van Lanschot Kempen Wealth Management N.V., a limited liability company (*"naamloze vennootschap*") incorporated under the laws of the Netherlands, having registered office at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands, registered with the Chamber of Commerce in 's-Hertogenbosch under the number 16038212.

Key Man Subscription Rights : the 100,000 subscription rights issued by the Company on 5 October 2015, which give right to one Share and can be exercised at any relevant time prior to 5 October 2025. against an exercise price of €18.30.

KPMG : KPMG Baltics AS, an Estonian limited liability a Latvian joint stock company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss legal entity.

KYC : know your customer obligations.

Law of 11 March 2018 : the Law of 11 March 2018 on the status of payment institutions and electronic money institutions, access to the business of payment service provider and to the activity of issuing electronic money and access to payment systems.

Leleu Document Services : Leleu Document Services NV.

Listing Date : the date the Shares are admitted to trading on the regulated market of Euronext Brussels, on an if-and-when-issued and/or delivered basis - which is expected to commence on 22 September 2020.

M&A : mergers and acquisitions.

Management : means the members of the Management Committee as at the Closing Date.

Management Committee : the Company's internal governing body consisting of its CEO, CFO and a number of managers.

Market Abuse Directive : Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse.

Market Abuse Regulation : Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Material Adverse Effect : Any event or effect adversely affecting the Issuer's ability to perform its obligations under this Agreement or to consummate the transactions contemplated in the Prospectus, as well as any new event which is materially and adversely affecting the market for, or the value of, the Shares, the (financial, operational, legal or otherwise) condition, senior management, financial position, assets (including intellectual property rights), properties, prospects, results of operations or business of any of the Group Entities, it being understood that a Material Adverse Effect shall be deemed to have occurred in all cases where isolated events would not have such an effect but where the aggregate of two or more of such events would, taken in aggregate, have such effect.

Mazars : Mazars LLP, a UK limited liability partnership and a member firm of the Mazars Group.

Member State : EU Member States and where relevant other states that are party to the EEA Agreement.

MLD4 : the Fourth Anti-Money Laundering Directive 2015/849/EU of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing.

Multi-Identity Broker : someone who aggregates public and private identities and attributes provided by different identity providers.

NBB : the National Bank of Belgium.

Net Current Financial Indebtedness : as the Current Financial Indebtedness decreased with the liquidity.

Network and Information Security Directive : Directive (EU) 2016/1148 of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union.

New Image : New Image d.o.o. Beograd, a limited liability company under Serbian law with registered office at Cara Dusana 212, Belgrade – Zemun, Serbia, and registered under corporate number 20451653.

Non-Current Financial Indebtedness : as debt that is remunerated (i.e. interest bearing debt), including, amongst others, financial liabilities related to short- and / or long-term leases and debt instruments, and which is to be repaid beyond a period of 12 months after closing date.

Non-Recurring Operational Expenses : One-time expenses.

OCR : optical character recognition.

OFP : an organization for financing pensions.

Organic Revenue : represents the growth of the business after removing the impact of acquisitions or other scope

		changes as well as exchange rate movements.
Organic Revenue from Repeated Services	:	as the Revenue from Repeated Services, excluding the impact of acquisitions as well as exchange rate movements.
Organic Sales	:	the Sales excluding acquisitions for that period, excluding the currency effects
Other Shareholders	:	all Existing Shareholders other than the Bondholders, the Reference Shareholders, Management and the Selling Shareholders.
Over-allotment Option	:	the option, granted to the Stabilization Manager by certain Selling Shareholders (i.e. PE Group NV, Smartfin Capital and Mr. Michel Delloye), to purchase additional Shares in an aggregate amount equal to up to 15% of the number of Placement Shares sold in the Private Placement (including pursuant to any effective exercise of the Increase Option) at the Placement Price to cover over-allotments or short positions, if any, in connection with the Private Placement.
P2P	:	peer-to-peer.
Parent-Subsidiary Directive	:	Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.
PCI-DSS	:	the payment card industry data security standard, as developed by the Payment Card Industry Security Standards Council.
PDF	:	portable document format.
PEPPOL	:	Pan-European Public Procurement On-Line, an EDI protocol designed to simplify the procure-to-pay process between government bodies and suppliers.
PFIC	:	the passive foreign investment company rules, as laid down in the US Income Tax Code.
Placement Price	:	the price per Placement Share.
Placement Shares	:	the Shares being offered by the Company in light of the Private Placement, including the Shares offered by the Selling Shareholders pursuant to the Increase Option and Over-allotment Option.
PMV	:	Participatiemaatschappij Vlaanderen NV.
PO	:	a purchase order.
Powertopay	:	Powertopay BV, a Dutch subsidiary of the Company.
Price Range	:	the expected range wherein the Placement Price will be determined, i.e. between €18.00 and €20.00.
Private Placement	:	the private placement by the Company to Qualified Persons.
Private Placement Period	:	the period starting on 18 September 2020 and ending on 21 September 2020.
Pro Forma Revenue	:	the total consolidated revenue of Unifiedpost as stated in the Unaudited FY 2019 Pro Forma Income Statement.
Project Revenue	:	covers one-off requests from clients in the framework fo a specific project, such as implementation requests (set-up of new customers), change requests (requests from existing customers) and sales of licenses (one-off sales of perpetual licenses).
Prospectus	:	this prospectus, as approved by the FSMA on 18 September 2020.
Prospectus Law	:	the Belgian Law of 11 July 2018 on the offering of securities to the public and on the admission of securities to trading on a regulated market.
Prospectus Regulation	:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.
Prospectus Supplement	:	a supplement to the Prospectus in accordance with and published pursuant to Article 23 of the Prospectus Regulation.
Protected Shares	:	▪ each of the "class B" shares issued by the Company at the occasion of the extraordinary general meeting dated 26 June 2020 and 17 July 2020 respectively; ▪ any Share issued by the Company from time to time as a result of the exercise of an Anti-Dilution Subscription Rights following a dilutive issuance; and ▪ any Share issued by the Company from time to time in exchange for the then outstanding Protected Shares in the event of a stock split, sub-division of Shares, a combination of Shares, a merger or de-merger.
PSD2	:	the second Payment Services Directive (EU) 2015/2366 of 25 November 2015 on payment services in the internal market.
QIB	:	a Qualified Institutional Buyer, as defined in Rule 144A.
Qualified Persons	:	means (i) qualified investors (as defined in article 2(e) of the Prospectus Regulation) and certain "high net worth individuals", on the basis of applicable exemptions to the obligation to publish a prospectus under articles 1(4)(a), 1(4)(b) and 1(4)(d), *iuncto* 3(1) of the Prospectus Regulation in Belgium and various other jurisdictions outside the United States and (ii) in the United States only persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A under the US Securities Act).
Qualifying Holding	:	a direct or indirect holding in an undertaking which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.
RBA	:	Robotic Based Accounting.
Reduced	:	a 1.6995% Belgian tax imposed on dividends distributed to non-resident companies.

Withholding Tax		
Regulation S	:	Regulation S under the U.S. Securities Act.
Relevant State	:	Member States and the United Kingdom
Remuneration and Nomination Committee	:	a committee of the Board of Directors established in accordance with Article 7:100 of the BCCA and Provisions 4.17 to 4.23 of the Corporate Governance Code.
Retail Investor	:	an individual person resident in Belgium or a legal entity located in Belgium that does not qualify as a qualified investor (*gekwalificeerde belegger/investisseur qualifié*) as defined in Article 2 (e) of the Prospectus Regulation.
Revenue from Repeated Services	:	the revenue from repeated services, including transactions (document processing and print production), subscriptions (including maintenance on licenses) and managed services, given that these services are expected to be delivered continuously in the future.
Risk Factor	:	the risk factors to which Unifiedpost is exposed, as included in Section 2 of the Prospectus.
Royal Decree of 14 November 2007	:	the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, as amended (*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereglementeerde markt / Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé belge*).
RPA	:	robotic process automation, a form of technology based on metaphorical software robots or artificial intelligence workers.
RTS	:	the Regulatory Technical Standards on strong customer authentication and secure open standards of communication as published in the Official Journal of the European Union on 13 March 2018.
Rule 144A	:	rule 144A of the U.S. Securities Law.
SCA	:	strong customer authentication, as introduced by PSD2.
SEC	:	the U.S. Securities and Exchange Commission.
Second Capital Increase	:	the capital increase pursuant to a contribution in cash and the conversion of 285 Bonds for an aggregate amount of €18,139,252.24 which took place on 17 July 2020.
Selling Shareholders	:	PE Group NV, Smartfin Capital, Mr. Michel Delloye and EJF Funding Designated Activity Company.
Share Capital	:	the share capital of the Company, as amended from time to time.
Shareholder	:	a shareholder of the Company.
Shareholders' Meeting	:	the annual, special or extraordinary general meeting of shareholders of the Company.
Shares	:	the shares that represent the Share Capital, with voting rights and without designation of nominal value, issued by the Company from time to time.
Smartfin Capital	:	Smartfin Capital NV, a private investment company with fixed capital incorporated under Belgian law ("*private privak naar Belgisch recht*" / "*pricaf privée de droit belge*"), having its registered office at Priester Cuypersstraat 3, 1040 Brussels (Belgium) and registered with the Crossroads Bank for Enterprises under number 0507.713.440.
SME	:	means any customer of Unifiedpost that is not a Corporate.
SME Ecosystem	:	a sector community-based platform offered by the Group.
Sole Global Coordinator	:	Berenberg.
Sponsors	:	professional or sector federations, trade associations, banks, accountants and large corporates.
SSM	:	the single supervisory mechanism, which sets out the supervisory framework in the Banking Union.
Stabilization Manager	:	Joh. Berenberg, Gossler & Co KG.
Stabilization Period	:	the period during which the Stabilization Manager may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares or any options, subscription rights or rights with respect to or other interest in, the Shares or other securities of the Company for up to 30 days from the Listing Date.
Statutory Auditor	:	the past, current and future statutory auditor of the Company, currently BDO, as appointed by the Shareholders' Meeting of 30 April 2019.
Stock Exchange Tax Representative	:	an entity which can be appointed by professional intermediaries established outside of Belgium.
Subscription Rights	:	the Key Man Subscription Rights, ESOP Subscription Rights, as well as any other subscription rights issued by the Company from time to time.
Supplementary Acquisition	:	acquisitions of companies which provide products or services that are supplementary to the Unifiedpost Platform.
Takeover Law	:	the Belgian Law of 1 April 2007 on public takeover bids which forms the implementation of the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004).
Takeover Royal Decree	:	the Belgian Royal Decree of 27 April 2007 on public takeover bids.
Tax on Securities Accounts	:	a Belgian tax of 0.15% on Belgian residents and non-residents' shares in the average value of certain qualifying financial instruments, held on one or more securities accounts with one or more financial intermediaries.
TFEU	:	the Treaty on the functioning of the European Community.

Total Indebtedness	as the sum of the Net Current Financial Indebtedness and the Non-Current Financial Indebtedness.
Total Liquidity	as the sum of cash and cash equivalent and other current financial assets covering assets that are not (i) cash, (i) cash equivalent or (iii) derivatives used for hedging purposes.
Transactions	the (i) Fitek Acquisition in 2019, (ii) Unifiedpost Limited Acquisition in 2019, and (iii) acquisition of an additional 1% of the shares in the Fitek Slovakia Joint Venture in 2019 and in the Fitek Balkan Joint Ventures in 2020.
Transparency Law	the Belgian Law of 2 May 2007 on the disclosure of major shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions.
Treaty	the Income Tax Treaty between the United States and Belgium.
TSP	trust service provider.
UK GAAP	generally accepted accounting practices in the United Kingdom.
Unaudited FY 2019 Pro Forma Income Statement	unaudited consolidated pro forma statement of profit or loss of the Company for the year ending 31 December 2019 to reflect (i) the Fitek Acquisition in 2019, (ii) the Unifiedpost Limited Acquisition in 2019, and (iii) the acquisition of an additional 1% of the shares in the Fitek Slovakia Joint Venture in 2019 and in the Fitek Balkan Joint Venture in 2020.
Unaudited H1 2020 Pro Forma Income Statement	Unaudited H1 2020 consolidated pro forma statement of profit or loss of the Company for the half year ending 30 June 2020 to reflect the acquisition of an additional 1% of the shares in the Fitek Balkan Joint Ventures.
Underwriters	the Joint Bookrunners acting jointly as underwriters.
Underwriting Agreement	the underwriting agreement relating to the Private Placement and Listing that the Company and the Underwriters expect (but have no obligation) to enter into before the Closing Date.
Unifiedpost Limited	Unifiedpost Limited (formerly PDOCHOLCO / Prime Document), a UK subsidiary of the Company.
Unifiedpost Limited Acquisition	the acquisition of Unifiedpost Limited Group (formerly Prime Document Group) by the Company on 29 November 2019.
Unifiedpost Limited Audited Consolidated Financial Statements	the audited consolidated financial statements of Unifiedpost Limited and its consolidated subsidiaries prepared in accordance with UK GAAP.
Unifiedpost Limited Group	Unifiedpost Limited together with its consolidated subsidiaries.
Unifiedpost Payments	Unifiedpost Payments SA, a subsidiary of the Company that obtained a payment license under PSD1 on 12 October 2016 and an extension under PSD2.
Unifiedpost Platform or Platform	a 100% cloud-based universal back-end platform for administrative and financial services that allows real-time and seamless connections between Unifiedpost's customers, their suppliers, their clients and other parties in the financial supply chain.
US Securities Act	the U.S. Securities Act of 1933, as amended from time to time.
US Securities Exchange Act	the U.S. Securities Exchange Act of 1934, as amended from time to time.
Vertical Business Ecosystem	companies on different levels of the supply chain but within the same sector of the economy.
Volume Acquisition	acquisitions of companies which provide services currently offered by Unifiedpost (such as e-Invoicing and identity services) in order to expand its customer base.
XML	Extensible Markup Language.
XS2A	access to bank account, as introduced in Article 36 of PSD2.

ANNEX 1 – COMPANY AUDITED CONSOLIDATED FINANCIAL STATEMENTS

UNIFIEDPOST GROUP SA

Consolidated financial statements as of and for the years ended 31 December 2019, 2018 and 2017

(audited)

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR REPORT RELATING TO THE COMPANY AUDITED CONSOLIDATED FINANCIAL STATEMENTS

See separate document included hereafter.

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UNIFIEDPOST GROUP NV

Auditor's report
to the administrative body
for the year ended 31 December 2019
(Consolidated financial statements)

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AUDITOR'S REPORT TO THE ADMINISTRATIVE BODY OF UNIFIEDPOST GROUP SA FOR THE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017(CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the contractual audit of the special-purpose consolidated financial statements ('consolidated financial statements') of Unifiedpost Group SA ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our auditor's report. It includes our report on the audit of the consolidated financial statements.

We have been engaged by the administrative body on 29 January 2020 to audit the consolidated financial statements for the years ended 31 December 2019, 2018 and 2017 of the Group for the purpose of being included in a Registration Statement to be filed with the Financial Services and Market Authority ("FSMA") in the context of the admission to trading on Euronext Brussels of all existing shares and newly issued shares to be offered in a Private placement of the Group.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the contractual audit of the Group's consolidated financial statements, which comprise the consolidated statements of financial position as at 31 December 2019, 2018 and 2017 and the consolidated statements of profit or loss and other comprehensive income , the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December , 2019, 2018 and 2017 as well as of its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph – material uncertainty regarding going concern

Without qualifying our opinion, we draw attention to note [5.3] of the consolidated financial statements in which the administrative body makes reference to a material uncertainty regarding the going concern.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, an audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the Group's internal control;
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the Audit committee with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.

Zaventem, September 17, 2020

BDO Réviseurs d'Entreprises SCRL
Auditor
Represented by Ellen Lombaerts

1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Thousands of Euro, except per share data	*Notes*	*For the year ended 31 December* **2019**	**2018**	**2017**
Revenue	*5.5*	46,952	27,617	23,439
Cost of services	*5.6*	(24,812)	(14,354)	(9,808)
Gross profit		22,140	13,263	13,631
Research and development expenses	*5.6*	(9,083)	(6,803)	(4,277)
General and administrative expenses	*5.6*	(21,422)	(6,067)	(5,202)
Selling and marketing expenses	*5.6*	(7,970)	(3,575)	(2,843)
Other income / (expenses)	*5.8*	683	(342)	52
Net impairment gains / (losses) on financial and contract assets		(29)	4	(10)
Profit / (loss) from operations		(15,681)	(3,520)	1,351
Change in the fair value of financial liabilities	*5.21, 5.30*	(573)	(431)	-
Financial income		3	9	23
Financial expenses	*5.9*	(6,181)	(2,732)	(309)
Share of profit / (loss) of associates & joint ventures	*5.29*	278	(500)	(182)
Profit / (loss) before tax		(22,154)	(7,174)	883
Income tax	*5.10*	(211)	1,009	(290)
PROFIT / (LOSS) FOR THE YEAR		(22,365)	(6,165)	593
Other comprehensive income:		(208)	23	(6)
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension obligations	*5.26*	(215)	22	2
Items that will or may be reclassified to profit or loss:				
Exchange gains arising on translation of foreign operations	*5.20*	7	1	(8)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		(22,573)	(6,142)	587
Profit / (loss) is attributable to:				
Owners of the parent		*(22,365)*	*(6,165)*	*593*
Non-controlling interests		-	-	-
Total comprehensive income / (loss) is attributable to:				
Owners of the parent		*(22,573)*	*(6,142)*	*587*
Non-controlling interests		-	-	-
Earnings per share attributable to the equity holders of the parent:				
Basic	*5.11*	(10.59)	(3.36)	0.41
Diluted	*5.11*	(10.59)	(3.36)	0.38

The notes form an integral part of these financial statements.

2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousands of Euro	*Notes*	*As at 31 December* 2019	2018	2017	*As at 1 January* 2017
ASSETS					
Goodwill	*5.12*	30,842	22,517	12,967	11,684
Other intangible assets	*5.13*	44,065	13,790	5,109	91
Property and equipment	*5.14*	1,549	1,546	710	611
Right-of-use-assets	*5.15*	7,708	5,873	3,411	1,553
Interest in associates and joint ventures	*5.29*	6,394	-	612	794
Non-current contract costs	*5.5*	283	71	24	-
Deferred tax assets	*5.10*	830	1,094	18	299
Other non-current assets		471	196	175	119
Non-current assets		92,142	45,087	23,026	15,151
Inventories		205	58	-	-
Trade and other receivables	*5.16*	13,317	10,495	7,059	4,737
Contract assets	*5.5*	200	73	74	21
Contract costs	*5.5*	610	207	1,341	829
Current tax assets		191	252	10	-
Prepaid expenses	*5.17*	1,586	741	433	434
Financial assets at fair value through profit or loss	*5.19*	-	544	-	-
Cash and cash equivalents	*5.18*	3,046	4,928	472	594
Current assets		19,155	17,298	9,389	6,615
TOTAL ASSETS		111,297	62,385	32,415	21,766

SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital	*5.20*	20,744	20,744	20,744	19,806
Costs related to equity issuance		(389)	(389)	(389)	(375)
Share premium reserve		492	492	492	492
Accumulated deficit		(40,420)	(17,840)	(11,697)	(12,292)
Reserve for share-based payments	*5.20*	1,552	1,244	1,375	776
Other reserve	*5.20*	(1,173)	-	-	-
Cumulative translation adjustment reserve		(4)	(11)	(12)	(4)
Equity attributable to equity holders of the parent		(19,198)	4,240	10,513	8,403
Non-controlling interests		-	-	-	-
Total shareholders' equity		(19,198)	4,240	10,513	8,403
Convertible bonds	*5.21*	34,999	20,914	-	-
Derivative financial instruments	*5.21*	12,937	7,869	-	-
Non-current loans and borrowings	*5.21*	7,074	3,091	2,051	993
Liabilities associated with puttable non-controlling interests	*5.30*	2,000	-	-	-
Non-current lease liabilities	*5.24*	5,306	4,776	2,518	973
Non-current contract liabilities	*5.5*	1,202	440	321	293
Retirement benefit obligations	*5.26*	345	132	49	32
Deferred tax liabilities	*5.10*	2,469	553	-	-
Non-current liabilities		66,332	37,775	4,939	2,291
Interest payable on convertible bonds	*5.21*	1,431	1,237	-	-
Current loans and borrowings	*5.21*	38,066	3,241	3,927	2,246
Current lease liabilities	*5.24*	2,602	1,339	963	683

Trade and other payables	*5.25*	14,918	9,443	8,497	5,754
Contract liabilities	*5.5*	6,722	4,696	3,218	2,219
Current income tax liabilities	*5.10*	424	414	358	170
Current liabilities		64,163	20,370	16,963	11,072
TOTAL EQUITY AND LIABILITIES		111,297	62,385	32,415	21,766

The notes form an integral part of these financial statements.

3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the parent								
Thousands of Euro	Notes	**Share capital**	**Costs related to equity issuance**	**Share premium reserve**	**Accumu-lated deficit**	**Share-based payments**	**Other reserve**	**Cumula-tive translation adjustment reserve**	**Non-controlling interests**	**Total equity**
Balance as at 1 January 2017		**19,806**	**(375)**	**492**	**(12,292)**	**776**	**-**	**(4)**	**-**	**8,403**
Profit for the year		-	-	-	593	-	-	-	-	593
Other comprehensive income / (loss)	5.20	-	-	-	2	-	-	(8)	-	(6)
Total comprehensive income for the year		-	-	-	595	-	-	(8)	-	587
Transactions with owners in their capacity as owners										
Share-based payments	5.33	-	-	-	-	599	-	-	-	599
Issuance of shares for cash	5.20	500	(4)	-	-	-	-	-	-	496
Issuance of shares for in kind contribution	5.20	438	(10)	-	-	-	-	-	-	428
Balance as at 31 December 2017		**20,744**	**(389)**	**492**	**(11,697)**	**1,375**	**-**	**(12)**	**-**	**10,513**
Loss for the year		-	-	-	(6,165)	-	-	-	-	(6,165)
Other comprehensive income / (loss)	5.20	-	-	-	22	-	-	1	-	23
Total comprehensive loss for the year		-	-	-	(6,143)	-	-	1	-	(6,142)
Transactions with owners in their capacity as owners										
Repurchase of vested warrants	5.20	-	-	-	-	(216)	-	-	-	(216)
Share-based payments	5.33	-	-	-	-	85	-	-	-	85
Balance as at 31 December 2018		**20,744**	**(389)**	**492**	**(17,840)**	**1,244**	**-**	**(11)**	**-**	**4,240**
Loss for the year		-	-	-	(22,365)	-	-	-	-	(22,365)
Other comprehensive income / (loss)	5.20	-	-	-	(215)	-	-	7		(208)

Total comprehensive loss for the year		-	-	-	(22,580)	-	-	7	-	(22,573)
Transactions with owners in their capacity as owners										
Non-controlling interests on acquisition of subsidiary	5.4	-	-	-	-	-	-	-	827	827
Put option written over non-controlling interests	5.4	-	-	-	-	-	(1,173)	-	(827)	(2,000)
Share-based payments	5.33	-	-	-	-	308	-	-	-	308
Balance as at 31 December 2019		**20,744**	**(389)**	**492**	**(40,420)**	**1,552**	**(1,173)**	**(4)**	**-**	**(19,198)**

The notes form an integral part of these financial statements.

4 CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of Euro	*Notes*	***For the year ended 31 December*** **2019**	**2018**	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) for the year	*5.5*	**(22,365)**	**(6,165)**	**593**
Adjustments for:				
▪ Depreciation of property, plant & equipment	*5.14*	743	312	243
▪ Depreciation of right of use assets	*5.15*	2,115	1,133	900
▪ Amortisation of intangible fixed assets	*5.13*	5,358	1,315	603
▪ Financial income		(3)	(9)	(23)
▪ Financial expenses	*5.9*	6,181	2,732	309
▪ Share of (profit) or loss of associate	*5.29*	-	500	182
▪ Share of (profit) / loss of joint ventures	*5.29*	(278)	-	-
▪ Gain on disposal of associates		-	(175)	-
▪ Gain from remeasurement of previously held interest upon assuming control over a subsidiary		(412)	-	-
▪ Share-based payment expense	*5.33*	308	85	599
▪ Income tax expense / (income)	*5.10*	211	(1,009)	290
▪ Fair value change of financial asset	*5.30*	(23)	14	-
▪ Fair value change of derivative	*5.30*	573	431	-
▪ Adjustment for variable lease payment adjustments		-	-	(65)
Subtotal		**(7,592)**	**(836)**	**3,631**
Changes in Working Capital				
(Increase)/decrease in trade receivables and contract assets		(991)	2,465	(2,291)
(Increase)/decrease in other current and non-current receivables		(666)	(329)	(54)
Increase/(decrease) in inventories		(8)	46	-
Increase/(decrease) in trade and other liabilities		4,905	(1,791)	3,181
Cash generated from/(used in) operations		**(4,352)**	**(445)**	**4,467**
Income taxes paid	*5.10*	(169)	(358)	(170)
Net cash provided by / (used in) operating activities		**(4,521)**	**(803)**	**4,297**

CASH FLOWS FROM INVESTING ACTIVITIES				
Payments made for acquisition of subsidiaries, net of cash acquired	*5.4*	(33,876)	(11,465)	(1,568)
Payments made for purchase of property, plant & equipment	*5.14*	(376)	(568)	(320)
Proceeds from the disposals of property, plant & equipment	*5.14*	26	84	-
Payments made for purchase of intangibles and development expenses	*5.13*	(7,253)	(6,089)	(4,422)
Proceeds from sale of financial assets at fair value through profit or loss	*5.19*	567	-	-
Interest received		3	9	23
Dividend payments received from joint ventures	*5.29*	135	-	-
Net cash provided by / (used in) investing activities		**(40,774)**	**(18,029)**	**(6,287)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of ordinary shares	*5.20*	-	-	487
Purchase of own equity instruments		-	(216)	-
Proceeds from loans and borrowings	*5.23*	52,794	27,509	4,395
Repayments of loans and borrowings	*5.23*	(4,291)	(2,520)	(1,914)
Interest paid on loans and borrowings		(2,753)	(485)	(186)
Repayment of lease liabilities	*5.24*	(2,337)	(981)	(933)
Net cash provided by / (used in) financing activities		**43,413**	**23,307**	**1,849**
Net increase / (decrease) in cash and cash equivalents		**(1,882)**	**4,475**	**(141)**
Cash and cash equivalents at beginning of period	*5.18*	4,928	453	594
Cash and cash equivalents at end of period	*5.18*	3,046	4,928	453

The notes form an integral part of these financial statements.

5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 General

Unifiedpost Group SA (previously UPM SA, the "Company") is a Belgian fintech company providing a complete technology portfolio for document processing, identity management, payment services, robotic process automation and added value platform services. Unifiedpost Group SA is a limited liability company with its registered office at Avenue Reine Astrid 92, 1310 La Hulpe. The consolidated financial statements of Unifiedpost Group SA as of 31 December 2019, 2018 and 2017 (the "Consolidated Financial Statements") comprise Unifiedpost Group SA and its subsidiaries together "the Group" as outlined in note 5.28.

These consolidated financial statements were authorised for issue by the Board of Directors on 17 September 2020.

5.2 Basis of preparation

The consolidated financial statements of the Group for the three years ended 31 December 2019, 2018, and 2017 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU-IFRS"). The Group has applied IFRS 1, First-Time adoption of International

Financial Reporting Standards ("IFRS 1") in its adoption of IFRS (refer to note 5.34). The Transition Date ("Transition Date") for the Group was 1 January 2017 which is the opening statement of financial position date for fiscal year 2017. The Group has applied IFRS standards effective for the period ended 31 December 2019 to all years presented in the Consolidated Financial Statements, as if these standards had always been in effect (subject to the mandatory and optional IFRS 1 exemptions discussed in note 5.34). The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 5.37.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the assets and liabilities that have been acquired as part of a business combination which have been initially recognized at fair value and certain financial instruments which are measured at fair value, as described in note 5.30.1.

The Consolidated Financial Statements are presented in thousands of Euro and all "currency" values are rounded to the nearest thousand, except where otherwise indicated.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in note 5.3.

There are a number of standards, amendments to standards, and interpretations, which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. None of these changes to existing standards or interpretations and amendments are expected to have a significant effect on the consolidated financial statements of the Group.

5.3 Significant accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and judgements that are important for the presentation of the financial statements are addressed in the following notes:

- **Going concern** – Since 2018, the Group has experienced net losses and significant cash outflows from cash used in operating as well as investing activities. At 31 December 2019 Unifiedpost incurred an accumulated deficit of 40,420k EUR, a loss of the year of 22,365k EUR and net cash used in operating activities of 4,521k EUR. The Group expects that from 2021 the result of the year and the cash used in operating activities will become at least positive and this based on the current growth plan. However, the Group may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect its growth plan.
  The Group will need additional funds to further develop its assets and grow its operations, in line with the Group's business plan. As such there is significant uncertainty about the Group's ability to continue as a going concern if the Group would not succeed in attracting additional funding.
  On the approval date of these annual financial statements, the Group is of the opinion that, taking

into account its available cash and cash equivalents following recent capital increase, that took place after the reporting date, and additional external financing, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months from the date of the approval of these annual financial statements.

Therefore, the Group is preparing a public offering and is confident that the proceeds of this offering (together with its available cash and cash equivalents) will provide the Group with sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months from the date of the approval of these annual financial statements. For that reason, the Group decided to apply the accounting principles on the basis of going concern, which assumes the recovery of the Group's assets and the satisfaction of liabilities in the normal course of business.

Should the Offering not be completed, the Group is confident that it will manage its working capital to be able to continue as a going concern. Notably, the Group intends to make the necessary adjustments to its working capital requirements (such as minimize R&D investments), and if possible, the Group will issue additional shares or enter into financing agreements, in particular to finance development costs.

If adequate funds are not available on commercially acceptable terms when needed, the Group may be forced to delay, reduce or terminate the development efforts or commercialization efforts of all or parts of its development projects which are currently supportive to the growth or it maybe unable to maintain its current market position;

Valuation of intangible assets acquired in business combinations – inputs used in the valuation models for acquisition-related intangibles based on the following methodologies: the multi-period excess earnings method, replacement cost method, and the relief from royalty method, for customer relationships, developed technology, and tradenames, respectively (see note 5.4);

- **Impairment testing of goodwill and non-financial assets -** Estimate of future cash flows when determining the recoverable value of cash generating units including goodwill and determination of the discount rate to apply to those future cash flows (see note 5.12);
- **Development expenses -** Estimate of future economic benefits to be generated by development expenditure and determination of the useful life of intangible assets for amortization purposes (see note 5.13);
- **Deferred tax -** Estimate of timing and amount of future taxable profits against which unused tax losses can be utilized (note 5.10); and
- **Fair value measurement** – Fair value measurement of the derivative embedded in the convertible bonds issued by the Company, categorized as a level 3 in the fair value hierarchy of IFRS 13 Fair Value Measurement (see note 5.30).

5.4 Business combinations during the period

5.4.1 *Summary of acquisitions*

The Group has made following acquisitions during the reporting period:

Acquisitions	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration transferred (Thousands of

				Euro)
Nomadesk nv	File sharing & synchronization	31/01/2017	100%	500
Onea nv	Real-time integrated accounting	31/03/2017	100%	1,750
ADM Solutions bvba	Digital document & accountancy workflow	30/10/2018	100%	1,113
Inventive Designers nv	Customer communication management	30/11/2018	100%	10,604
Leleu Document Services nv	Document printing & postal distribution	15/12/2018	100%	5,990
Financial Automated Solutions OÜ (Fitek)	Financial process automation	29/03/2019	100%	28,842
PDOCHOLCO Ltd. (PrimeDoc)	Document printing & postal distribution	29/11/2019	100%	9,449
Fitek s.r.o.	Financial process automation	23/12/2019	51%	2,619

(A) 2019 Acquisitions

(I) Fitek

Unifiedpost Group acquired 100% of the Fitek group of companies on 29 March 2019, for an aggregate consideration of € 28.8 million, including cash consideration of € 19.5 million, the assumption of liabilities to the former owners in the amount of € 7.9 million and the issuance of convertible bonds with a fair value of € 1.4 million. Fitek is a financial automation processes service provider operating in Estonia, Latvia, Lithuania, the United Kingdom, Slovakia, the Czech Republic, Servia and Bosnia Herzegovina. The Group acquired 100% of the shares of Financial Automation Solutions holding 95% of the shares in Fitek Holding SIA, as well as the remaining 5% of the shares in Fitek Holding SIA, hereby acquiring 100% of the shares of Fitek Holdings SIA and its subsidiaries. Fitek Holding SIA holds 100% of the shares in four entities in the Baltics and, at the time of the acquisition, held 50% ownership in joint ventures in the Balkans and Slovakia. The acquisition of Fitek purports to increase the Group's total addressable market. An additional 1% of the shares in the Fitek Slovakia joint venture was acquired on 23 December 2019 (see note 5.4.3). The acquisition of an additional 1% of the shares in the Fitek Balkan joint ventures occurred on 11 February 2020 (see note 5.36).

(II) Prime Document

On 29 November 2019, the Company acquired 100% of PDOCHOLCO Limited (United Kingdom), for an aggregate consideration of € 9.4 million, including cash consideration of £ 7.0 million (€ 8.2 million) and the issuance of convertible bonds with a fair value of € 1.2 million. PDOCHOLCO Limited owns 100% of the shares in Prime Document Limited (United Kingdom) and Prime Document Trustee Limited (United Kingdom). Headquartered in Manchester, PrimeDoc is a provider of multi-channel, transactional, document processing services. The acquisition of PrimeDoc purports to increase the Group's total addressable market. On 1 June 2020, Prime Document Limited changed its name to Unifiedpost Limited

(III) Fitek Slovakia

On 23 December 2019, the Group gained control over Fitek Slovakia by acquiring an additional 1% of the shares in the entity in exchange for aggregate consideration of € 2.6 million, including vendor loan of € 0.1 million, the settlement of an outstanding loan towards Fitek Slovakia of € 0.4 million and the fair value of the 50% equity previously held in the Fitek Slovakia joint venture of € 2.1 million.

(B) 2018 Acquisitions

(I) ADMS

On 9 November 2018, the Company acquired 100% of the shares in ADM Solutions BVBA (ADMS) for an aggregate consideration of € 1.1 million, including cash consideration of € 0.6 million and the issuance of convertible bonds with a fair value of € 0.5 million. ADMS specializes in digitizing and streamlining document flows, providing software solutions covering integrated archiving, data capture, document management and workflow. ADMS software is marketed as "ADM Solutions" or "Capture-2-Knowledge". With this acquisition the Group strengthened its position in financial accounting integration solutions.

(II) Inventive Designers

On 29 November 2018, the Company acquired 100% of the shares in Inventive Designers NV (ID) for an aggregate cash consideration of € 10.6 million. ID is a customer communications platform developer selling its Scriptura Engage and Xribe solutions to various industries, including banking, insurance, utilities, telecoms and public sector. The acquisition is mainly aimed at accelerating the Group's access to transactional documents businesses across Europe.

(III) Leleu Document Services

On 20 December 2018, the Company acquired 100% of the shares in Leleu Document Services NV and its subsidiaries Drukkerij Leleu NV and De Uitgeversfabriek NV (together "Leleu") for an aggregate consideration of € 6.0 million, including cash consideration of € 4.0 million and the issuance of convertible bonds with a fair value of € 2.0 million. Leleu is a printing company specialized in small or medium printing assignments with a high degree of difficulty, supporting the entire process from concept design up to printing and mailing. Leleu further offers solutions in prepress, mass mailing and invoicing (create, print and send) for large companies. Leleu has been a partner of the Group over the past fifteen years. This acquisition aims at further extending the Group's control over its document printing and postal distribution services.

(C) 2017 Acquisitions

(I) Nomadesk

On 2 February 2017, the Company acquired 100% of the shares in Nomadesk NV for cash consideration of € 0.5 million. Nomadesk is a software development company marketing a file sharing and synchronization platform. The business combination was part of the Group's technology acquisition strategy.

(II) Onea

On 24 March 2017, the Company acquired 100% of the shares in Onea NV for aggregate consideration of € 1.7 million, including cash consideration of € 1.3 million and the issuance of 12,868 Company's Class C shares with a total fair value of € 0.4 million. Onea commercialized scanning, archiving and recording of incoming invoices under the name One Archive. The integration of its proprietary ScanPro software and acquisition of its brand name and customer base were the main drivers behind the acquisition, supporting the Group's strategy of building "one-stop-shop" solutions for the financial B2B value chain. Onea NV has been subsequently merged into another entity of the Group.

5.4.2 *Consideration transferred*

The total consideration transferred to affect the business combinations can be summarized as follows:

	2019			**2018**			**2017**	
Thousands of Euro	**Fitek**	**PrimeDoc**	**Fitek Slovakia**	**ADMS bvba**	**Inventive Designers nv**	**Leleu Document Services nv**	**Nomadesk**	**Onea nv**
Cash	27,442	8,249		563	10,604	3,990	500	1,312
Issuance of ordinary shares		-	-	-	-	-	-	438
Vendor loan			50					
Issuance of convertible bonds	1,400	1,200	-	550	-	2,000	-	-
Acquisition date fair value of the previously held equity interest	-	-	2,125	-	-	-	-	-
Settlement of pre-existing relationships	-	-	444	-	-	-	-	-
Total consideration	28,842	9,449	2,619	1,113	10,604	5,990	500	1,750
Total goodwill	3,048	3,520	1,757	1,153	6,164	2,233	-	1,283

5.4.3 *Assets acquired and liabilities assumed at the date of acquisition*

Details of the fair value of identifiable assets and liabilities acquired in the 2019 business combinations, and of the resulting goodwill are as follows:

Thousands of Euro	**Fitek**	**Prime Document**	**Fitek Slovakia**
Trade name	2,627	-	-
Software	1,885	141	-
Customer relationships	15,351	6,426	1,950
Property and equipment	244	65	39
Right-of-use assets	1,085	473	189
Investment in joint ventures	7,965	-	-
Other non-current assets	315	-	-
Inventories	78	29	32
Trade and other receivables	1,753	958	264
Prepaid expenses	122	-	16
Cash and cash equivalents	1,649	174	42
Lease liabilities	(1,041)	(519)	(189)

Loans and borrowings	(3,163)	-	-
Amounts due to related parties	-	-	-
Deferred tax liabilities	(606)	(1,103)	(410)
Trade and other payables	(2,470)	(585)	(244)
Tax liabilities	-	(130)	-
Non-controlling interests	-	-	(827)
Total net assets	**25,794**	**5,929**	**862**
Goodwill	**3,048**	**3,520**	**1,757**
Consideration transferred	**28,842**	**9,449**	**2,619**

(i) *Fitek*

The Company has identified and valued 19,863k EUR in intangible assets acquired in the combination that were not recognized by the acquired business. These include tradenames of 2,627k EUR (estimated using the relief-from-royalty method), customer relationships of 15,351k EUR (estimated using the multi-period excess earnings method) and technology of 1,885k EUR (estimated using the reproduction cost approach). These intangibles are amortized based on estimated remaining useful lives of 5 years for tradenames and technology, and of 10 years for customer relationships.

The fair value of the investments in the Balkans and Slovakia joint ventures was estimated using an income approach discounting the expected cash flows amounts to a present value at a rate of return that represents the time value of money and the relative risks of each investment ('free cash flow to firm') and then subtracting the fair value of the investees' debt net of cash.

Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

(ii) *Prime Document*

The Company has provisionally identified and valued 6,426k EUR in intangible assets acquired in the business combination, relating to customer relationships. The customer relations are amortized based on their estimated remaining useful life of 10 years. Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

(iii) *Fitek Slovakia*

On 23 December 2019, the Company acquired an additional 1% of the shares in the Fitek Slovakia joint venture, thereby obtaining control of it. The consideration transferred to affect the business combination totaled € 2.6 million, including a provisional determination of the fair value of the previously held equity interest and the settlement of pre-existing relationships with the acquired entity. A provisional fair value adjustment of 1,950k EUR has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method. The gain realized on the revaluation of the previously held 50 % equity interest amounts to 412k EUR, which the Company reported under Other income.

Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The Group has granted a put option to non-controlling shareholders whereby they have the right to sell their shares to the Group at some future date after 1 January 2022, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, with a price floor safeguard.

The terms do not provide a present ownership interest in the shares subject to the put. The fair value of the put option has been determined to be 2,000k EUR. A non-current liability has been recorded by partly offsetting the non-controlling interest recognized upon acquiring control over Fitek Slovakia of 827k EUR, while the remaining balance has been charged directly to the other reserves in the equity attributable to equity holders of the parent.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

Details of the fair value of identifiable assets and liabilities acquired in the **2017 and 2018 business combinations**, and of the resulting goodwill, are as follows:

Thousands of Euro	Nomadesk	Onea	ADMS	Inventive Designers	Leleu
Trade name	-	53	24	199	528
Software	654	271	111	1,195	-
Customer relationships	-	221	93	1,566	191
Property and equipment	4	18	9	170	484

Right-of-use assets	-	91	66	453	1,674
Inventories	-	-	11	-	93
Trade and other receivables	224	360	204	2,561	1,758
Financial assets at fair value through profit or loss	-	-	-	559	-
Cash and cash equivalents	135	109	14	1,949	1,729
Retirement benefit obligations	-	-	-	(37)	(50)
Lease liabilities	-	(91)	(53)	(448)	(1,669)
Loans and borrowings	-	(178)	(218)	-	-
Deferred tax liabilities	-	(185)	-	(203)	(418)
Trade and other payables	(517)	(202)	(301)	(2,079)	(563)
Contract liabilities	-	-	-	(1,445)	-
Total net assets	**500**	**467**	**(40)**	**4,440**	**3,757**
Goodwill	**-**	**1,283**	**1,153**	**6,164**	**2,233**
Consideration transferred	**500**	**1,750**	**1,113**	**10,604**	**5,990**

(iv) *Nomadesk*

The Company has identified and valued 654k EUR in software acquired in the combination that were not all recognized by the acquired business. The value of technology acquired was estimated using the reproduction cost approach.

(v) *Onea*

The Company has identified and valued 545k EUR in intangible assets acquired in the combination that were not recognized by the acquired business. These include tradenames of 53k EUR, customer relationships of 221k EUR and technology of 271k EUR.

(vi) *ADMS*

The Company identified and valued 228k EUR in intangible assets acquired in the combination that were not recognized by the acquired business, including a trade name (24k EUR), customer relationships (93k EUR) and software (111k EUR).

(vii) *Inventive Designers*

The Company has identified and valued 2,960k EUR in intangible assets acquired in the combination that were not recognized by the acquired business. These include tradenames of 199k EUR (estimated using the relief-from-royalty method), customer relationships of 1,566 EUR (estimated using the multi-period excess earnings method) and technology of 1,195k EUR (estimated using the reproduction cost approach). These intangibles are amortized based on estimated remaining useful lives of 5 years for tradenames and technology, and of 10 years for customer relationships. Contract liabilities of 1,445k EUR were measured as the direct, incremental costs to service the remaining performance obligations, excluding elements of service or costs incurred or completed prior to the consummation of the business combination, plus a reasonable profit margin.

(viii) *Leleu*

The Company identified and valued intangible assets acquired in the combination that were not recognized by the acquired business for a total of 719k EUR. These include tradenames of 528k EUR and customer relationships of 191k EUR.

5.4.4 ***Revenue and profit or loss contribution***

The tables below present:

- The contribution of the acquired businesses to the Group's revenues and net profit or loss for the period from their date of acquisition to the next calendar year-end; and
- The hypothetical contribution of the acquired businesses to the Group's revenue and net profit or loss for the year in which the acquisition took place, as if the acquisition had occurred on 1 January of that year. These amounts have been calculated using the acquired business' results and adjusting them essentially for: (i) differences in the accounting policies between the group and the acquired business; and (ii) the additional depreciation and amortization that would have been charged assuming the fair value adjustments to non-financial assets had applied from 1 January, together with the consequential tax effects.

	Since date of acquisition (2019)	
Thousands of Euro	*Fitek*	*Prime Document*
Revenues	9,606	592
Profit / (loss) for the year	(1,285)	(2)

	For the year ended 31 December 2019		
Thousands of Euro	*Fitek*	*Prime Document*	*Fitek Slovakia*
Revenues	13,086	6,599	2,503
Profit / (loss) for the year	(1,809)	(713)	(279)

	Since date of acquisition (2018)		
Thousands of Euro	*ADMS*	*Inventive Designers*	*Leleu*
Revenues	154	359	152
Profit / (loss) for the year	(12)	(275)	(57)

For the year ended 31 December 2018

Thousands of Euro	*ADMS*	*Inventive Designers*	*Leleu*
Revenues	798	5,531	4,466
Profit / (loss) for the year	(378)	(1,641)	84

Nomadesk's total revenue and net profit for the period from its date of acquisition to 31 December 2017 were 1,167k EUR and 2k EUR, respectively, which is a fair approximation of the hypothetical contribution of the business for the full 2017 year.

Onea contributed total revenue of 407k EUR in 2017. It is impracticable to determine the contribution of Onea to the 2017 consolidated profit or loss because Onea's activities have been merged into another group company in 2017.

5.5 **Revenue from contracts with customers**

5.5.1 ***Disaggregation of revenue from contracts with customers***

The Group derives revenue from the provision of services over time and at a point in time from the following sources:

Thousands of Euro	Timing of revenue recognition	For the year ended 31 December 2019	2018	2017
Revenue from Repeated Services		42,434	22,798	19,177
Transactions		29,756	14,927	11,243
Document processing	Over time	16,189	14,775	11,243
Print production	At a point in time	13,567	152	-
Subscriptions	Over time	10,187	5,517	5,362
Managed services	Over time	2,491	2,354	2,572
Project Revenue		4,518	4,819	4,262
Implementation requests	Over time when not distinct, at a point in time otherwise	28	190	166
Change requests	At a point in time	4,291	4,629	4,096
Sale of licenses	At a point in time	199	-	-
Total		46,952	27,617	23,439

The Group expects its revenue from subscriptions, transactions and from managed services to recur because the contracts with its customers generally extend over the current accounting period in exchange for active use of our services, or because they include auto-renewal provisions.

The Group's revenue per product line was as follows for each of the years in the three-year period ended 31 December 2019:

Thousands of Euro	*For the year ended 31 December* 2019 Documents	Identity	Payments	Platform Services	Total
Revenue from Repeated Services	32,421	4,337	918	4,758	42,434

Transactions	29,017	-	-	739	29,756
Document processing	*15,450*	-	-	*739*	*16,189*
Print production	*13,567*	-	-	-	*13,567*
Subscriptions	3,274	4,337	918	1,658	10,187
Managed services	130	-	-	2,361	2,491
Project Revenue	3,583	364	131	440	4,518
Implementation requests	28	-	-	-	28
Change requests	3,356	364	131	440	4,291
Sale of licenses	199	-	-	-	199
Total	36,004	4,701	1,049	5,198	46,952

	For the year ended 31 December				
	2018				
Thousands of Euro	Documents	Identity	Payments	Platform Services	Total
Revenue from Repeated Services	14,719	3,055	910	4,114	22,798
Transactions	14,531	-	-	396	14,927
Document processing	*14,379*	-	-	*396*	*14,775*
Print production	*152*	-	-	-	*152*
Subscriptions	151	3,055	910	1,400	5,516
Managed services	37	-	-	2,318	2,355
Project Revenue	3,998	312	69	440	4,819
Implementation requests	68	60	62	-	190
Change requests	3,930	252	7	440	4,629
Sale of licenses	-	-	-	-	-
Total	18,717	3,367	979	4,554	27,617

	For the year ended 31 December				
	2017				
Thousands of Euro	Documents	Identity	Payments	Platform Services	Total
Revenue from Repeated Services	10,836	2,732	1,003	4,606	19,177
Transactions	10,836	-	-	407	11,243
Document processing	*10,836*	-	-	*407*	*11,243*
Print production	-	-	-	-	-
Subscriptions	-	2,732	1,003	1,627	5,362
Managed services	-	-	-	2,572	2,572
Project Revenue	3,694	176	135	257	4,262
Implementation requests	60	49	56	-	165
Change requests	3,634	127	79	257	4,097
Sale of licenses	-	-	-	-	-
Total	14,530	2,908	1,138	4,863	23,439

We generated revenue in the following primary geographical markets during the three-year period ended 31 December 2019, with Belgium and the Netherlands representing the majority of our sales:

For the year ended 31 December

Thousands of Euro	2019	2018	2017
Belgium	21,231	13,529	13,333
Netherlands	9,654	7,718	5,034
Lithuania	3,581	-	-
Estonia	3,093	-	-
United Kingdom	2,465	1,893	1,570
Latvia	2,332	-	-
France	1,204	958	604
Luxembourg	991	858	724
The rest of the world	2,401	2,661	2,174
Total	**46,952**	**27,617**	**23,439**

	For the year ended 31 December		
	2019	**2018**	**2017**
Belgium	45%	49%	57%
Netherlands	21%	28%	21%
Lithuania	8%	0%	0%
Estonia	7%	0%	0%
United Kingdom	5%	7%	7%
Latvia	4%	0%	0%
France	3%	3%	3%
Luxembourg	2%	3%	3%
The rest of the world	5%	10%	9%
Total	**100%**	**100%**	**100%**

5.5.2 *Contract assets and liabilities*

Accounts receivable include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may or may not have been invoiced.

Contract assets arise when we recognize revenue in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation. The Group has not recognized significant impairment losses on contract assets for any of the periods presented.

Contract liabilities consist of billings or customer payments in excess of amounts recognized as revenue. Current contract liabilities relate to performance obligations that will be satisfied within one year.

The Group’s contract liabilities primarily arise from:

- Subscription fees that are invoiced in advance of the period of service and are recognized monthly when the performance obligation has been satisfied;
- Fees for non-distinct implementation services that are recognized ratably over the initial non-cancelable term of a Software-as-a-Service (SaaS) contract, which typically ranges from one to three years; and
- Revenue deferred until when post-contract customer service (“PCS”) obligations (including stand-ready obligations to provide unspecified software upgrades) have been satisfied.

The following table provides an overview of trade receivables, contract assets and contract liabilities from contracts with customers:

Thousands of Euro	*As at 31 December* 2019	2018	2017	*As at 1 January* 2017
Trade receivables, net	**12,105**	**9,300**	**6,487**	**3,947**
Contract assets	**200**	**73**	**74**	**21**
Current	200	73	74	21
Contract costs	**893**	**278**	**1,365**	**829**
Non-current	283	71	24	-
Current	610	207	1,341	829
Contract liabilities	**(7,924)**	**(5,136)**	**(3,539)**	**(2,512)**
Non-current	(1,202)	(440)	(321)	(293)
Current	(6,722)	(4,696)	(3,218)	(2,219)

At 31 December 2019, non-current contract liabilities mainly related to 1,038k EUR for subscription fees billed in advance, in relation to identity services.

85% of the total contract liabilities of 7,924k EUR, are expected to be recognized in revenue during 2020. During 2021 about 11% will be recognized as revenue. The remaining 4% is attributable to 2022. (2018: 91% in 2019: 7% in 2020 and 2% in 2021),(2017: 91% in 2018, 8% in 2019 and 1% in 2020).

Movements in current contract liabilities for each of the years in the 3-year period ended 31 December 2019 are as follows:

Thousands of Euro	2019	2018	2017
Balance at 1 January	5,136	3,539	2,512
Revenue recognized that was included in the contract liability balance at the beginning of the period:			
Subscriptions	(3,851)	(2,291)	(2,154)
Implementation services	(319)	(927)	(65)
PCS	(526)	-	-
Business combinations (see note 5.4.2)	-	1,445	-
Additions	7,484	3,370	3,246
Balance at 31 December	7,924	5,136	3,539

At 31 December 2019, contract liabilities were 6,861k EUR for subscription fees billed in advance (Documents: 2,146k EUR; Identity: 4,133k EUR; Payments: 582k EUR), 396k EUR for non-distinct implementation services and 667k EUR for unsatisfied PCS obligations.

At 31 December 2019, contract liabilities were 6,861k EUR for subscription fees billed in advance (Documents: 2,146k EUR; Identity: 4,133k EUR; Payments: 582k EUR), 396k EUR for non-distinct implementation services and 667k EUR for unsatisfied PCS obligations.

5.5.3 *Remaining performance obligations*

The transaction price allocated to remaining performance obligations that are unsatisfied, or partially unsatisfied, represents contracted revenue that will be recognized in future periods. The Group’s future performance obligations consist primarily of SaaS hosting/subscription obligations relating to future periods of the one to three-year contractual term of its contracts, and to contracted but uncompleted PCS obligations. The amount of revenue recognized during any period presented from performance obligations satisfied in prior periods was not significant. Except for those amounts reported as contract liabilities, the Group generally has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. The Group therefore expects to recognize approximately 6,722k EUR of revenue in the twelve months following 31 December 2019, corresponding to the reported amount of current contract liabilities, and 1,202k EUR thereafter. Excluded from the measure of remaining performance obligations are amounts related to future transactional or usage-based fees for which the value of services transferred to the customer will correspond to the amount that will be invoiced for those services.

5.5.4 *Contract costs*

Contract costs in the statement of financial position generally relate to costs directly related to specifically identified contracts that are incurred to fulfil these contracts and are expected to be recovered from them. The majority of the costs are to fulfil future performance obligations under our Identity contracts.

In addition, in its statement of financial position as at 31 December 2017, the Group reported Contract costs of 1,341k EUR. 1,225k EUR of costs directly related to, and were expected to be recovered from, a specifically identifiable anticipated contract. The contract was signed in December 2018 after completion of the services, at which time revenue was recognized and the contract costs were charged to Cost of services.

5.6 Disclosure of expenses

Details of expenses by nature are as follows:

		For the year ended 31 December		
Thousands of Euro	*Notes*	**2019**	**2018**	**2017**
Expenses by nature				
Employee benefits	*5.7*	33,728	18,342	13,413
Scanning, printing and postage		11,463	6,353	4,664
Depreciation and amortisation		8,216	2,760	1,746
Cloud and other IT services		3,952	1,710	1,172
Marketing		3,532	1,317	476
Subcontractors		770	821	732
Professional services		5,066	598	573
Facility costs		834	232	74
Capitalization of own development costs		(6,343)	(3,154)	(2,342)
Other		2,069	1,820	1,622
Total		**63,287**	**30,799**	**22,130**
Expenses by type				
Cost of services		24,812	14,354	9,808
Research and development expenses		9,083	6,803	4,277
General and administrative expenses		21,422	6,067	5,202
Selling and marketing expenses		7,970	3,575	2,843

Total	**63,287**	**30,799**	**22,130**

Included in Professional services for the year ended 31 December 2019 are 2,144k EUR of legal, reporting accountants' and other fees expensed in preparation of the contemplated listing of the Company's shares on Euronext Brussels.

Depreciation of property and equipment as well as of right-of-use assets, and amortization of intangible assets, are reported in the following categories of expenses by function:

Depreciation and amortisation charges by type *Thousands of Euro*	2019	2018	2017
Depreciation			
Cost of services	1,029	482	365
General and administrative expenses	690	37	58
Research and development expenses	793	704	545
Selling and marketing expenses	346	222	175
Total	2,858	1,445	1,143
Amortisation			
Cost of services	-	-	-
General and administrative expenses	1,617	171	34
Research and development expenses	2,777	1,049	528
Selling and marketing expenses	964	95	41
Total	**5,358**	**1,315**	**603**

5.7 Employee benefit expenses

Details of employee benefit expenses are as follows:

		For the year ended 31 December		
Thousands of Euro	*Notes*	2019	2018	2017
Wages, salaries, fees and bonuses		19,512	11,371	8,225
Social security		3,077	1,473	1,018
Fees paid to contractors		10,346	5,188	3,664
Pension costs: defined contribution plans		168	118	84
Pension costs: defined benefit plans		208	103	96
Other benefits		417	89	326
Total	*5.6*	33,728	18,342	13,413

5.8 Other income and expenses

Details of other income and expenses are as follows:

		For the year ended 31 December		
Thousands of Euro	*Notes*	**2019**	**2018**	**2017**
Settlement expenses		-	(510)	-
Gain on sale of associate undertaking		-	175	-
Changes in fair value of financial assets		23	(14)	-
Income from recharge of costs		175	-	-
Gain or loss from remeasurement of previously held interest upon assuming	*5.4.3*	412	-	-

control over a subsidiary			
Other	73	7	52
Total	**683**	**(342)**	**52**

The settlement expenses in 2018 related to the termination of contractual relationships with two former consultants of the Group. The gain on sale of associate undertaking arose from the disposal of the non-controlling interest in Facturis Group BV (see note 5.29).

5.9 Financial expenses

Details of financial expenses are as follows:

	For the year ended 31 December		
Thousands of Euro	**2019**	**2018**	**2017**
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	6,132	2,731	301
Other	49	1	8
Total	**6,181**	**2,732**	**309**

5.10 Income tax

5.10.1 *Tax expense/(credit)*

The net tax expense/(credit) consists of:

	For the year ended 31 December		
Thousands of Euro	**2019**	**2018**	**2017**
Current tax expense			
Current tax on profits for the year	131	132	195
Total current tax expense	**131**	**132**	**195**
Deferred tax expense			
Origination and reversal of temporary differences	80	(72)	95
Recognition of tax assets arising from unused tax losses	-	(1,069)	-
Total deferred tax expense / (credit)	**80**	**(1,141)**	**95**
Total	**211**	**(1,009)**	**290**

Thousands of Euro	**2019**	**2018**	**2017**
Profit / (loss) for the year	(22,084)	(6,165)	593
Income tax expense/(income)	211	(1,009)	290
Profit / (loss) before tax	**(21,873)**	**(7,174)**	**883**

Tax using the Company's domestic tax rate of 29,58% (2017: 33,99%)	(6,470)	(2,122)	300
Expenses not deductible for tax purposes	191	211	126
Share based payments	91	25	204
Share of profit / (loss) of joint ventures and associates	(82)	148	61
Income not taxable for tax purposes	(122)	(51)	-
Subtotal tax effect of amounts which are not deductible (taxable) in calculating taxable income	78	333	391
Addition to unrecognized tax losses	6,395	2,521	724
Previously unrecognized tax losses used to reduce current tax expense	(103)	(554)	(1,000)
Subtotal changes in unrecognized tax losses (current tax expense)	6,292	1,967	(276)
Recognition of previously unrecognized deferred tax assets	-	(1,069)	(185)
Expired deferred tax assets	-	-	240
Subtotal changes in unrecognized tax losses (deferred tax expense)	-	(1,069)	55
Different tax rates applied in other jurisdictions	309	(138)	(87)
Other	2	20	(93)
Total tax expense	**211**	**(1,009)**	**290**

5.10.2 ***Deferred tax assets***

The following table presents for each temporary difference the amount of deferred tax assets recognized in the statement of financial position:

Thousands of Euro	Tax losses	Contract balances	Intangible assets	Property, plant & equipment	Goverment loans	Other	Total
At 1 January 2017	**158**	**113**	**67**	**-**	**-**	**(39)**	**299**
(Charged) / credited	-	-	-	-	-	-	-
- To profit or loss	(158)	(109)	(57)	-	-	43	(281)
- To other comprehensive income	-	-	-	-	-	-	-
- Directly to equity	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-
At 31 December 2017	**-**	**4**	**10**	**-**	**-**	**4**	**18**
(Restated)	-	-	-	-	-	-	-
At 1 January 2018	**-**	**4**	**10**	**-**	**-**	**4**	**18**
(Charged) / credited	-	-	-	-	-	-	-
- To profit or loss	655	155	260	-	-	6	1.076
- To other comprehensive income	-	-	-	-	-	-	-
- Directly to equity	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-

At 31 December 2018	**655**	**159**	**270**	**-**	**-**	**10**	**1.094**
(Restated)	-	-	-	-	-	-	-
At 1 January 2019	**655**	**159**	**270**	**-**	**-**	**10**	**1.094**
(Charged) / credited	-	-	-	-	-	-	-
- To profit or loss	(200)	66	(120)	-		(10)	(264)
- To other comprehensive income	-	-	-	-	-	-	-
- Directly to equity	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-
At 31 December 2019	**455**	**225**	**150**	**-**	**-**	**-**	**830**

Following a significant improvement in operating results of its Dutch operations in 2018, the Group reviewed previously unrecognized tax losses and determined that it was now probable that taxable profits will be available against which the tax losses can be utilized. As a consequence, a deferred tax asset of 1,069k EUR was recognized for these losses in 2018. As positive evidence for recognizing a deferred tax asset, the Company considered the increased level of profits in 2018 and 2019 which have offset existing tax losses as well as new contracts that were concluded creating additional revenues and related profits, as confirmed in the Company's business plans for the Dutch operations. On the other hand, there is also negative evidence as there are continued investments in other fast-changing technologies which are both expensive and without guaranteed return and which might even be a threat for existing revenue streams and relating operating profits and therefore the future recoverability of the capitalized development expenses and tax losses. Another negative evidence might be the overall profitability of the Group which might have an impact on existing transfer pricing principles.

The amounts of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized in the statement of financial position, amounted to 52,003k EUR as at 31 December 2019 (30,456k EUR as at 31 December 2018, 26,084k EUR as at 31 December 2017, and 17,958 k EUR as at 1 January 2017). These tax losses and credits can generally be carried forward indefinitely. Management believes that, at the date of the financial statements, no sufficient convincing evidence was available that future taxable profits will be available for the entities concerned to rebut the negative presumption created by the existence of unused tax losses.

5.10.3 ***Deferred tax liabilities***

The following table presents for each temporary difference the amount of deferred tax liabilities recognized in the statement of financial position:

Thousands of Euro	Tax losses	Contract balances	Intangible assets	Property and equipment	Other	Total
At 1 January 2017	**-**	**-**	**-**	**-**	**-**	**-**
(Charged) / credited	-	-	-	-	-	-
- To profit or loss	-	-	186	-	-	186
- To other comprehensive income	-	-	-	-	-	-

- Directly to equity	-	-	-	-	-	-
Business combinations	-	-	(186)	-	-	(186)
At 31 December 2017	**-**	**-**	**-**	**-**	**-**	**-**
(Restated)	-	-	-	-	-	-
At 1 January 2018	**-**	**-**	**-**	**-**	**-**	**-**
(Charged) / credited	-	-	-	-	-	-
- To profit or loss	30	25	11	2	(3)	65
- To other comprehensive income	-	-	-	-	3	3
- Directly to equity	-	-	-	-	-	-
Business combinations	283	(291)	(450)	(231)	68	(621)
At 31 December 2018	**313**	**(266)**	**(439)**	**(229)**	**68**	**(553)**
(Restated)	-	-	-	-	-	-
At 1 January 2019	**313**	**(266)**	**(439)**	**(229)**	**68**	**(553)**
(Charged) / credited	-	-	-	-	-	-
- To profit or loss	(23)	257	67	(79)	(38)	184
- To other comprehensive income	-	-	-	-	19	19
- Directly to equity	-	-	-	-	-	-
Business combinations	-	-	(2,119)	-	-	(2,119)
At 31 December 2019	**290**	**(9)**	**(2,491)**	**(308)**	**49**	**(2,469)**

In line with the applicable legislation in Estonia and Latvia, the profit of the subsidiaries registered in these jurisdictions is subject to income tax on distribution of dividends, and, thus, applying a 0% income tax rate to undistributed profit, deferred tax liabilities on subsidiary level are recognized at nil amount. The Group, directly or indirectly, controls these subsidiaries and, hence, controls these subsidiaries' profit distribution policy and is able to veto the payment of dividends, i.e. the Group controls the timing of reversal of the related taxable temporary differences. In connection with this, Group management has assessed that no dividends are planned or expected to be distributed by the subsidiaries, i.e. the related taxable temporary differences will not reverse in the foreseeable future. Thus, no deferred tax liability is recognized relating to investments in subsidiaries. The estimated amount of the related unrecognized deferred tax liability as at 31 December 2019 amounts to 937k EUR.

5.11 Earnings per share

Thousands of Euro (except number of shares and earnings per share)	**As at 31 December**		
	2019	**2018**	**2017**
Basic earnings per share			
From continuing operations attributable to the ordinary equity holders of the company	(10.59)	(3.36)	0.41
Total basic earnings per share attributable to the ordinary equity holders of the company	(10.59)	(3.36)	0.41
Diluted earnings per share			
From continuing operations attributable to the ordinary equity holders of the company	(10.59)	(3.36)	0.38

Total diluted earnings per share attributable to the ordinary equity holders of the company	(10.59)	(3.36)	0.38

Basic earnings per share

Profit / (loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(22,365)	(6,165)	593
Used in calculating basic earnings per share	(22,365)	(6,165)	593

Diluted earnings per share

Profit / (loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(22,365)	(6,165)	593
Used in calculating diluted earnings per share	(22,365)	(6,165)	593

Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,518,193	1,500,440	1,444,285
Weighted average number of mandatorily convertible bonds for the purposes of basic earnings per share	593,500	329,457	-
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,111,693	1,829,897	1,444,285
Adjustments for calculation of diluted earnings per share:			
Options (employee stock option plans)	-	-	102,844
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	2,111,693	1,829,897	1,547,129

To calculate the basic earnings per share, the weighted average of outstanding (and fully paid) shares per year has been computed by applying a pro rata approach on capital increases during the year. Ordinary shares that will be issued upon the conversion of automatically (mandatorily) convertible bonds are included in the calculation of basic earnings per share from the date the contract is entered into.

As described in note 5.33, the Group has, at several occasions, granted subscription rights (warrants) to acquire shares. The weighted average number of shares used as the denominator to calculate diluted earnings per share includes all instruments that have a potential dilutive impact. However, in 2018 and 2019 the Group incurred net losses. Instruments that can be converted into ordinary shares would only be treated as dilutive when their conversion into ordinary shares would decrease earnings per share or increase loss per share. As a result, these instruments have an anti-dilutive effect in periods of losses and therefore the diluted loss per share is the same as the basic loss per share for these periods.

5.12 Goodwill and impairment testing

The carrying amount of goodwill is summarized as follows:

Thousands of Euro	
At 1 January 2017	**11,684**
Additions	1,283
At 31 December 2017	**12,967**
Additions	9,550
At 31 December 2018	**22,517**

Additions	8,325
At 31 December 2019	**30,842**

5.12.1 ***Allocation to Cash Generating Units (CGUs)***

Goodwill acquired in a business combination is allocated, from the acquisition date, to the respective cash generating units ('CGUs') or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. To perform the allocation, management is evaluating the interdependency of the revenues from its revenue streams evidenced in the Group's business model. Goodwill was allocated to the Group's CGUS as follows as at 31 December of each year:

Thousands of Euro	***As at 31 December*** **2019**	**2018**	**2017**	***As at 1 January*** **2017**
Document processing solutions	21,258	21,258	12,825	11,542
Print production	1,117	1,117	-	-
Payment solutions	142	142	142	142
Fitek Baltics	3,048	-	-	-
Fitek Slovakia	1,757	-	-	-
PrimeDoc	3,520	-	-	-
Total	**30,842**	**22,517**	**12,967**	**11,684**

Goodwill that arose from the 2019 business combinations of Fitek and of PrimeDoc has been allocated based on regional areas pending the further integration of these businesses into the Group and the crystallization of the expected synergies and cross-selling opportunities offered by the enlargement of the Group's total addressable market.

Goodwill is tested for impairment at least annually. At 31 December 2019, the Document processing and Payment solutions CGUs also comprised assets not yet ready for their intended use and as such not yet subject to amortization, as disclosed in note 5.13.

5.12.2 ***Assessment of recoverable amount of the CGUs***

(i) *Document processing solutions, Print production and Payment solutions*

The recoverable amounts of the CGUs were assessed using a value in use model. Value in use was calculated using a discounted cash flow approach, with a pre-tax discount rate applied to the projected risk-adjusted pre-tax cash flows and terminal value. The valuation methodology uses significant inputs which are not based on observable market data, therefore this valuation technique is classified as level 3 in the fair value hierarchy.

Details relating to the discounted cash flow models used in the impairment tests of the different cash generating units are as follows:

Valuation basis	Value in use
Key assumptions	Sales growth rates Profit margins Terminal growth rate Discount rate

Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information Margins reflect past experience, adjusted for expected changes. Terminal growth rates based on management's estimate of future long-term average growth rates, not exceeding the long-term projected growth rates for the relevant markets Discount rates based on Group WACC
Period of specific projected cash flows	Five years

Management is confident that the valuations indicated sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment of the related goodwill. Given its relative size, only the Document processing solutions CGU could give rise to impairment that would be material to the Group. For this CGU, containing the long-term growth rate into perpetuity at 1%, the compound growth rate for specific projected sales would need to fall below 8% for the recoverable value determined using the Group WACC of 10.1% to be equal to the carrying amount of the CGU. Conversely, based on the same long-term growth rate into perpetuity of 1%, increasing the discount rate to 15% would require the compound growth rate for specific projected sales to fall below 10% to cause an impairment. These assumptions are significantly more conservative than those used in financial budgets approved by the Board of Directors.

(ii) *Fitek Baltics and Fitek Slovakia*

The recoverable amount of the Fitek Baltics and Fitek Slovakia CGUs was assessed to be their value in use, estimated using the expected cash flow approach discounting risk-adjusted probability cash flow projections. Instead of only considering the most likely case, management calculated a range of expected cash flows based on three base cases and four additional scenarios considering expected synergies with the rest of the Group. This approach lessens the impact of the judgmental exercise inherent in choosing a single specific risk premium. The cash flows were projected over a five-year period. Cash flows beyond the five-year period were extrapolated using a 1.5% growth rate. The discount rate applied ranged between 8.94% and 8.99%. A probability of 65% was assigned to the most conservative scenario, and probabilities down to 5% were assigned to all other scenarios, with the lowest probability assigned to the least conservative scenario.

As a result of this analysis, there is reasonable headroom and management did not identify an impairment for these CGUs.

(iii) *PrimeDoc*

The acquisition of PrimeDoc was completed in November 2019, and the amount of reported goodwill was determined based on a provisional allocation of the purchase price. No facts or circumstances in the intervening period to 31 December 2019 indicated that the Company would have overpaid for the acquisition and that goodwill might be impaired.

5.13 **Other intangible assets**

The cost, accumulated amortization and net book values of intangible assets are summarized per relevant category as follows:

(i) Cost	Notes	Brands	Assets under contruction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro							
At 1 January 2017		**-**	**-**	**100**	**1**	**125**	**226**
Additions		-	1,019	2,342	-	1,061	4,422
Business combinations	*5. 4*	53	-	-	221	925	1,199
At 31 December 2017		**53**	**1,019**	**2,442**	**222**	**2,111**	**5,847**
Additions		-	651	2,503	2,236	699	6,089
Business combinations	*5.4*	751	-	-	1,850	1,306	3,907
At 31 December 2018		**804**	**1,670**	**4,945**	**4,308**	**4,116**	**15,843**
Additions		-	-	6,343	145	765	7,253
Disposals		-	-	-	-	-	-
Transfers		-	(1,609)	1,609	-	-	-
Business combinations	*5.4*	2,627	769	-	23,756	1,228	28,380
At 31 December 2019		**3,431**	**830**	**12,897**	**28,209**	**6,109**	**51,476**

(ii) Accumulated amortisation		Brands	Assets under contruction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro							
At 1 January 2017		**-**	**-**	**10**	**-**	**125**	**135**
Amortisation charge	*5.6*	8	-	359	33	203	603
At 31 December 2017		**8**	**-**	**369**	**33**	**328**	**738**
Amortisation charge	*5.6*	23	-	739	75	478	1,315
At 31 December 2018		**31**	**-**	**1,108**	**108**	**806**	**2,053**
Amortisation charge	*5.6*	555	-	1,935	2,098	770	5,358
Disposals		-	-	-	-	-	-
At 31 December 2019		**586**	**-**	**3,043**	**2,206**	**1,576**	**7,411**

(iii) Net book value	Brands	Assets under contruction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro						
At 1 January 2017	**-**	**-**	**90**	**1**	**-**	**91**
Gross book value	53	1,019	2,442	222	2,111	5,847
Accumulated amortisation	(8)	-	(369)	(33)	(328)	(738)
At 31 December 2017	**45**	**1,019**	**2,073**	**189**	**1,783**	**5,109**
Gross book value	804	1,670	4,945	4,308	4,116	15,843
Accumulated amortisation	(31)	-	(1,108)	(108)	(806)	(2,053)
At 31 December 2018	**773**	**1,670**	**3,837**	**4,200**	**3,310**	**13,790**
Gross book value	3,431	830	12,897	28,209	6,109	51,476
Accumulated amortisation	(586)	-	(3,043)	(2,206)	(1,576)	(7,411)
At 31 December 2019	**2,845**	**830**	**9,854**	**26,003**	**4,533**	**44,065**

Internally generated software relates to the successive developments of the Group's service platform and of its applications.

The internally generated software mainly relates to the following assets:

Internally generated software	As at 31 December 2019	End of amortisation period	Remaining amortisation period
Thousands of Euro			
Payment software related to online collection services	2 396	2021-2023	2-4 years
Platform for community software	2 018	2021-2023	2-4 years
Robotic Process automation solutions	1 612	2021-2023	2-4 years
Documents related software	1 256	2021-2023	2-4 years
Identity recognition and related solutions	796	2022-2023	3-4 years
Software related to Compose and Design of documents	580	2023	4 years
Software related to SEPA Direct Debit Mandate Mgt and Corporate Payment Hub	273	2022-2023	3-4 years
Development for Billtobox	185	2023	4 years
Fitek software	714	2024	4 years
Other	25		
Total	**9 854**		

The customer relationships mainly relate to the following assets:

Customer relationships	As at 31 December 2019	End of amortisation period	Remaining amortisation period
Thousands of Euro			
DS&DS	126	2024	4,5 years
Onea	100	2022	2,5 years
ADMS	72	2023	3,5 years
Identity recognition and related solutions	1 227	2023	3,5 years
Leleu	150	2023	3,5 years
Facturis	1 765	2023	4 years
Fitek	14 202	2029	9,5 years
Fitek Slovakia	1 935	2029	10 years
Unifiedpost Limited (Prime Document)	6 426	2029	10 years
Total	**26 003**		

5.14 Property and equipment

The cost, accumulated depreciation and net book values of tangible assets are summarized per relevant category as follows:

(i) Cost	*Notes*	Furniture, fittings and equipment	Machinery and vehicles	Total
Thousands of Euro				

At 1 January 2017		**2,843**	**-**	**2,843**
Additions		291	29	320
Disposals		-	-	-
Business combinations	*5.4*	22	-	22
At 31 December 2017		**3,156**	**29**	**3,185**
Additions		-	568	568
Disposals		(84)	-	(84)
Business combinations	*5.4*	255	409	664
At 31 December 2018		**3,327**	**1,006**	**4,333**
Additions		233	143	376
Transfers		-	100	100
Disposals		(260)	(21)	(281)
Business combinations	*5.4*	165	183	348
At 31 December 2019		**3,465**	**1,411**	**4,876**

(ii) Accumulated depreciation		**Furniture, fittings and equipment**	**Machinery and vehicles**	**Total**
Thousands of Euro				
At 1 January 2017		**2,232**	**-**	**2,232**
Depreciation charge	*5.6*	215	28	243
Disposals		-	-	-
At 31 December 2017		**2,447**	**28**	**2,475**
Depreciation charge	*5.6*	305	7	312
At 31 December 2018		**2,752**	**35**	**2,787**
Depreciation charge	*5.6*	220	523	743
Depreciation charge - transfer		-	52	52
Disposals		(237)	(18)	(255)
At 31 December 2019		**2,735**	**592**	**3,327**

(iii) Net book value	**Furniture, fittings and equipment**	**Machinery and vehicles**	**Total**
Thousands of Euro			
At 1 January 2017	**611**	**-**	**611**
Gross book value	3,156	29	3,185
Accumulated depreciation	(2,447)	(28)	(2,475)
At 31 December 2017	**709**	**1**	**710**
Gross book value	3,327	1,006	4,333
Accumulated depreciation	(2,752)	(35)	(2,787)
At 31 December 2018	**575**	**971**	**1,546**
Gross book value	3,465	1,411	4,876
Accumulated depreciation	(2,735)	(592)	(3,327)
At 31 December 2019	**730**	**819**	**1,549**

5.15 **Right-of-use assets**

Thousands of Euro	Notes	**Land and Buildings**	**Machinery and Hardware**	**Vehicles**	**Total**
At 1 January 2017		**378**	**-**	**1,175**	**1,553**
Additions		2,180	63	515	2,758
Depreciation charge	5.6	(393)	(12)	(495)	(900)
Business combinations		-	-	-	-

At 31 December 2017		**2,165**	**51**	**1,195**	**3,411**
Additions		1,045	231	125	1,401
Depreciation charge	5.6	(563)	(35)	(535)	(1,133)
Business combinations	5.4	1,322	397	475	2,194
At 31 December 2018		**3,969**	**644**	**1,260**	**5,873**
Additions		906	309	1,227	2,442
Transfer		-	(100)	-	(100)
Disposals		-	(17)	(24)	(41)
Depreciation charge	5.6	(1,096)	(161)	(858)	(2,115)
Depreciation charge - transfer	5.6	-	52	-	52
Depreciation charge - disposals	5.6	-	6	-	6
Other		-	-	(155)	(155)
Business combinations	5.4	1,157	224	365	1,746
At 31 December 2019		**4,936**	**957**	**1,815**	**7,708**

The lease payments associated with the following leases were recognized as an expense on a straight line basis over the lease term:

Thousands of Euro	**2019**	**2018**	**2017**
Leases of low value assets	33	8	6
Leases of 12 months or less	82	17	0
Total	**115**	**25**	**6**

5.16 Trade and other receivables

	As at 31 December			*As at 1 January*
Thousands of Euro	**2019**	**2018**	**2017**	**2017**
Trade receivables	12,208	9,361	6,548	4,010
Less: allowance for expected credit losses	(103)	(61)	(61)	(63)
Trade receivables - net	12,105	9,300	6,487	3,947
VAT receivable	873	685	402	348
Grants receivable	122	69	27	59
Other amounts receivable	217	441	143	383
Total	**13,317**	**10,495**	**7,059**	**4,737**

Further disclosures on credit risk and ageing are included in note 5.30.2.1.

5.17 Prepaid expenses

	As at 31 December			*As at 1 January*
Thousands of Euro	**2019**	**2018**	**2017**	**2017**
Costs related to future equity issuance	577	119	-	-
Other prepaid expenses	1,009	622	433	434
Total	1,586	741	433	434

At 31 December 2018, then 31 December 2019, the Group deferred amounts of 119k EUR and 577k EUR, respectively, related to incremental costs directly attributable to a planned equity issue in an initial public

offering of the Company's shares. Costs that relate jointly to the issue of new shares and the listing of existing shares were apportioned on a rational and consistent basis, using an estimate of the number of shares that can be expected to be issued. Costs that relate to the planned listing of existing shares concurrent with the issue of new shares were expensed to profit or loss (see note 5.6).

5.18 Cash and cash equivalents

Thousands of Euro	***As at 31 December*** **2019**	**2018**	**2017**	***As at 1 January*** **2017**
Cash in hand	43	-	2	2
Cash at bank	3,003	4,928	470	592
Cash and cash equivalents per statement of financial position	**3,046**	**4,928**	**472**	**594**
Bank overdrafts	-	-	(19)	-
Cash and cash equivalents per statement of cash flows	**3,046**	**4,928**	**453**	**594**

5.19 Financial assets at fair value

Reported as financial assets at fair value at 31 December 2018 were shares held in a medium risk profile fund acquired as part of the acquisition of Inventive Designers for their fair value of 558k EUR. At 31 December 2018 fair value had decreased by 14k EUR to 544k EUR. Fair value increased by 23k EUR to 567k EUR in 2019, until when the portfolio was realized (refer to note 5.30.1). Changes in the fair value of the portfolio are reported under Other income or expenses.

5.20 Share Capital and Reserves

5.20.1 *Share capital*

The Company's share capital was represented by the following amount of shares per category at 31 December of each of the years in the three-year reporting period:

Number of shares	***As at 31 December*** **2019**	**2018**	**2017**
A-shares	49,110	49,110	4,110
B-shares	800,721	800,721	769,321
C-shares	668,362	668,362	699,762
Total number of shares	**1,518,193**	**1,518,193**	**1,473,193**

5.20.2 *Rights per type of shares*

Class A shareholders have the right to appoint half of the directors sitting in the board of directors. These directors are charged with daily management. If the contract of a class A shareholder is terminated on good terms, the Company, then the class A and class B shareholders, have a call option to acquire all or part of the good leaver's shares. There are no specific rights attached to class C shares.

5.20.3 ***Share capital transactions***

Share capital transactions over the past three years can be summarized as follows:

Thousands of EUR	**Issued capital**	**Share premium**	**Total**
At 1 January 2017	**19,806**	**492**	**20,298**
Contribution in kind on 24 March	438	-	438
Contribution in cash on 13 December	500	-	500
At 31 December 2017	**20,744**	**492**	**21,236**
Contribution in cash on 24 May	-	-	-
At 31 December 2018	**20,744**	**492**	**21,236**
Nil	-	-	-
At 31 December 2019	**20,744**	**492**	**21,236**

The following capital transactions took place between 1 January 2017 and 31 December 2017:

- -On 24 March 2017 the share capital of the Company was increased by a contribution in kind of a receivable in the amount of 437,512.00 EUR with issuance of 12,868 class C shares without nominal value. The new shares were issued at a price of 34.00 EUR per share. Following the capital increase, the share capital of the Company amounted to 20,243,809.50 EUR and was represented by 1,445,863 shares.
- On 16 June 2017 the shareholders of the Company decided to transform 20,981 class C shares into 20,981 class B shares.
- On 13 December 2017 the share capital of the Company was increased by a contribution in cash in the amount of 500,002.35 EUR with issuance of 27,330 new class B shares without nominal value. The new shares were issued at a price of 18.295 EUR per share. This capital increase was the result of the exercise of 27,330 transaction warrants. Following the capital increase, the share capital of the Company amounted to 20,743,811.85 EUR and was represented by 1,473,193 shares.

The capital increase dated 27 April 2018 consisted of:

- On 27 April 2018 the shareholders of the Company decided to transform 31,400 class C shares into 31,400 class B shares, while simultaneously modifying the rights attached to the different classes of shares. During the same meeting of the shareholders, the share capital of the Company was increased by a contribution in cash in the amount of 450.00 EUR with issuance of 45,000 new class A shares without nominal value at an issue price of 0.01 EUR per share. Following the capital increase, the share capital of the Company amounted to 20,744,261.85 EUR and was represented by 1,518,193 shares.

5.20.4 ***Other equity***

Other equity accounts for:

- cumulative translation adjustments; the cumulative amount of the exchange differences relating to a foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss (as a reclassification adjustment) on disposal of that foreign operation;

- share-based payments reserve (see note 5.33); this is reclassified to retained earnings upon exercise of the subscription rights; and for
- the difference between the redemption liability associated with puttable non-controlling interests and the amount of non-controlling interests derecognized (see note 5.4.3); if the non-controlling interests put is exercised, that treatment is applied up to the date of exercise; if the non-controlling put expires unexercised, the position is unwound so that the non-controlling interest is recognized at the amount it would have been, as if the put option had never been granted, and the financial liability is derecognized, with a corresponding credit to the reserve in equity.

5.20.5 *Other comprehensive income*

A reconciliation of amounts recorded to Other comprehensive income or loss is as follows:

	For the year ended December 31								
Thousands of Euro	**2019 Before tax amount**	**Tax (expense)/ benefit**	**Net-of-tax amount**	**2018 Before tax amount**	**Tax (expense)/ benefit**	**Net-of-tax amount**	**2017 Before tax amount**	**Tax (expense)/ benefit**	**Net-of-tax amount**
Exchange differences in translating foreign operations	7	-	7	1	-	1	(8)	-	(8)
Re-measurements of the net defined benefit liability	(230)	15	(215)	24	(2)	22	2	-	2
Other comprehensive income	**(223)**	**15**	**(208)**	**25**	**(2)**	**23**	**(6)**	**-**	**(6)**

5.20.6 *Warrants issued to investors*

Share warrants have been outstanding during the periods covered by the financial statements, none of which remained outstanding as at 31 December 2018:

- 54,660 so called “transaction warrants” were issued for free to some of the investors in the Company at the time of their initial investment on 29 December 2014, each giving them the unconditional right to acquire one share of the Company on specified dates at the exercise price of 18.295 EUR per share (taking account of the subsequent split of the Company’s share). 27,330 warrants were exercised on 29 January 2016, and the remaining 27,330 warrants were exercised on 13 December 2017.
- 109,320 so called “cash warrants” were issued for free to the same investors on 29 December 2014, giving them the right to acquire one share of the Company at the exercise price of 9.148 EUR per share (taking account of the subsequent split of the Company’s share) in case net financial debt of the Group would have exceeded, or working capital and cash of the Group would have felt below, certain defined thresholds for two consecutive quarters. All cash warrants have been subsequently cancelled.

- 6 so called "adjustment warrants" were issued for free to the same investors on 29 December 2014, giving them the right to acquire a number of the Company's share depending amongst other variables on the amount of certain payments possibly to be made to the previous controlling shareholders of the Company or to the sellers of an acquired entity if and when such payments would have been to be made. All adjustment warrants have subsequently been cancelled. During the periods when outstanding, the adjustment warrants did not meet the criteria to be classified as equity. The fair value of the financial liabilities would however have been insignificant.
- On 29 January 2016 then on 16 June 2017, 7 then 16 anti-dilution warrants were issued to some investors. These warrants were cancelled on 16 June 2017 and 27 April 2018, respectively. Such warrants protected certain of the investors in the Company from equity dilution resulting from later issues of capital at a lower price than they originally paid. In evaluating the accounting treatment of the anti-dilution feature under IAS 32, the Company noted that it had control over whether or not the anti-dilution feature would be exercised because it was able to make the decision of whether or not to issue additional capital, and thus could prevent the issuance of shares at a price below the anti-dilution strike price. The Company, therefore, had the ability to avoid making cash payment or settling the instrument in a variable number of its own shares and classified the protected shares in their entirety as equity instruments without recording a financial liability in consideration of the warrants attached to them.

5.21 Borrowings

Following is an overview of outstanding loans and borrowings at each reporting date:

Thousands of Euro	**As at 31 December** **2019**	**2018**	**2017**	***As at 1 January*** **2017**
Convertible bonds	34,999	20,914	-	-
Derivative financial instruments	12,937	7,869	-	-
Long term bank loans	6,295	2,778	1,524	125
Refundable government advances	296	313	327	468
Other loans	483	-	200	400
Non-current	**55,010**	**31,874**	**2,051**	**993**
Interest payable on convertible bonds	1,431	1,237	-	-
Short term bank loans	37,991	2,888	3,499	1,731
Refundable government advances	75	203	228	95
Other loans	-	150	200	420
Current	**39,497**	**4,478**	**3,927**	**2,246**

All loans and borrowings are denominated in EUR, except for one loan denominated in Romanian Lei representing an amount of 19k EUR as at 31 December 2019 and of 46k EUR as at 31 December 2018.

5.21.1 ***Convertible bond***

Unifiedpost Group SA issued a total of 868 automatically convertible bonds ("the Bonds"), out of which 865 were subscribed for an aggregate amount of 43,250k EUR, including 103 Bonds as part of the consideration transferred for effecting business combinations (refer to note 5.4). 415 Bonds were issued on 27 April 2018, 85 Bonds were issued on 22 June 2018, 82 Bonds were issued on 30 April 2019 (of which 3 conditionally), 169 Bonds were issued on 20 November 2019 and 117 Bonds were issued on 20 December

2019. The Bonds will automatically convert on the earlier of (i) the completion of an initial public offering ("IPO") or other qualifying financing round (a "qualifying transaction") and (ii) their maturity date being 27 April 2021. The Bonds bear interest at the rate of 7% per annum. In case of automatic conversion at maturity date, an additional interest of 1.5% per annum will be due for the entire period from issue date.

The Bonds will automatically convert into Class D Shares by dividing their principal amount by their conversion price. In case of a qualifying transaction, such as an initial public offering, the number of shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the Offer Price minus a discount of 25% for 841 Bonds or minus a discount of 15% for 24 Bonds. At maturity date, the conversion price will be the lower of 50 EUR or the transaction price, if any, of any share issue between issue date and maturity date.

The Bonds result in the Group receiving cash (a financial asset) and assuming an obligation in the future (the earlier of IPO or other qualifying transaction or maturity) to issue a variable number of shares to their holders. The contract being a non-derivative financial instrument is classified as a financial liability.

The total return to the Bondholders is linked in part to the value of the Company's shares as a result of the cap price affecting the number of shares to be issued in settlement of the Bonds at maturity. The price cap represents a written call, being the Bondholder's right to receive an enhanced return (linked to the Company's share price) through demanding a fixed number of shares rather than shares to a specified value. In addition, in case of an IPO (or other qualifying transaction), the holder is always going to realize a profit because of the discount to the market price. Because the number of shares issued will vary, depending on the share price at that point, the conversion feature also gives rise to a derivative liability. Both embedded derivatives in this single hybrid contract were accounted for as a single compound embedded derivative.

The initial fair value of the derivative liabilities was calculated using an option pricing model. The derivative financial instrument is fair valued through profit and loss.

The loan component of the host contract is measured at amortized cost using the effective interest method until extinguishment on conversion of the Bonds. The effective interest rate accruing on the host liability component ranges between 19.4% and 37.8% depending on the date of issuance of the Bonds.

The Bonds are included as follows in the statement of financial position:

Thousands of Euro	**As at 31 December 2019**	**As at 31 December 2018**
Face value of notes issued	43,250	27,550
Transaction costs	(325)	(291)
Embedded derivative	(11,977)	(7,438)
	30,948	**19,821**
Accrued interest over the lifetime of the instrument	7,361	2,330
Interest paid	(1,879)	-
Interest payable within 12 months	(1,431)	(1,237)
Total Non-Current	**34,999**	**20,914**
Interest payable within 12 months	1,431	1,237
Total Current	**1,431**	**1,237**

Carrying amount	**36,430**	**22,151**
Out of which		
Host contract	*30,947*	*19,821*
Interest	*5,482*	*2,330*

Fair value losses of (573k EUR) and (431k EUR) were recognized in the statements of profit or loss for the years ended 31 December 2019 and 31 December 2018 respectively. Information on sensitivity of the measurement of the derivatives embedded in the liability is included in note 5.30.1.

5.21.2 ***Bank borrowings***

Bank borrowings can be summarized as follows:

	As at 31 December									As at 1 January		
	2019			2018			2017			2017		
Thousands of Euro	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Unsecured												
Acquisition facility	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated loan	4,000	-	**4,000**	-	-	-	-	-	-	-	-	-
Investment Credit	-	-	-	-	-	-	-	-	-	-	-	-
Other bank borrowings	43	601	**644**	63	351	**414**	12	435	**447**	-	364	**364**
Total unsecured bank borrowings	**4,043**	**601**	**4,644**	**63**	**351**	**414**	**12**	**435**	**447**	**-**	**364**	**364**
Secured												
Acquisition facility	-	32,719	**32,719**	-	-	-	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-	-	-	-	-	-	-
Investment Credit	275	202	**477**	477	199	**676**	676	196	**872**	-	-	-
Other bank borrowings	1,977	4,469	**6,446**	2,238	2,338	**4,576**	836	2,868	**3,704**	125	1,367	**1,492**
Total secured bank borrowings	**2,252**	**37,390**	**39,642**	**2,715**	**2,537**	**5,252**	**1,512**	**3,064**	**4,576**	**125**	**1,367**	**1,492**
Total bank borrowings	**6,295**	**37,991**	**44,286**	**2,778**	**2,888**	**5,666**	**1,524**	**3,499**	**5,023**	**125**	**1,731**	**1,856**

The Group's principal loans outstanding are:

- The "Acquisition Facility" provided by Belfius Bank NV;
- The "Subordinated Loan" provided by The "Belgische Maatschappij for Internationale Investering NV to which the Company is "Co-Debtor";
- The "Investment Credit" provided by ING België NV; and
- A factoring agreement with BNP.

(i) *The Acquisition Facility*

In order to refinance past acquisitions and facilitate any potential future acquisitions, the Company entered into an acquisition credit facility for a total amount of € 25 million with Belfius Bank NV on 12 March 2019 (the “Acquisition Facility”, as amended from time to time). All amounts borrowed by the Company under the Acquisition Facility have to be applied towards either the financing of permitted acquisitions or refinancing of acquisitions of ADM Solutions, Leleu Document Services and Inventive Designers (each a “Permitted Acquisition”). On 4 April 2019, the Acquisition Facility was amended to, among other things, increase the total amount available under the credit facility from € 25 million to € 34 million and to include the acquisition of Fitek as a Permitted Acquisition. In connection with the increase in the available amount, the Company entered into a guarantee agreement with Gigarant NV on 10 April 2019 in favor of Belfius Bank NV to secure a portion of the principal amounts due by the Group under the Acquisition Facility (the “Gigarant Guarantee”).

The Acquisition Facility consists of facility A in the amount of € 17 million (“Facility A”), and facility B in the amount of € 17 million (“Facility B” and together with Facility A, the “Facilities”). Pursuant to the terms, the Company is required to repay all outstanding loans under Facility B at the moment of a successful Initial Public Offering of its shares, together with any break costs and accrued interest thereon.

Facility A is repayable in twelve semi-annual instalments. Facility B is repayable on the seventh anniversary of the Facility, or in case of an IPO not resulting in a change of control (as defined in fine of this section), on or before the IPO effective date. The Acquisition Facility carries interest at Euribor plus 150 basis points (bps) in relation to Facility A, and plus 175 bps in relation to Facility B.

The Company has used the full amount available to it under the Facilities to finance its recent acquisition of Fitek, Leleu Document Services, Inventive Designers and ADM Solutions.

To secure the Acquisition Facility, the Company has pledged all of the shares it holds in Leleu Document Services, Inventive Designers and Unifiedpost SA. Furthermore, the Company has given a first ranking omnibus pledge over its material moveable assets in the amount of € 30 million and a second ranking omnibus pledge over its material moveable assets in the amount of € 10.8 million.

Pay-Nxt NV, Unifiedpost BV, Up-Nxt NV, Financial Automation Solutions OU and Unifiedpost SARL act as guarantors under the Acquisition Facility (each a “Guarantor”), whereby each Guarantor jointly and severally guarantees the performance of all payment obligations of the Company and the other Guarantors under the Acquisition Facility.

The Gigarant Guarantee provides a guarantee for 26.48% of the Company’s secured liability, which shall in any event not exceed an amount of € 9 million. Pursuant to the Gigarant Guarantee, the Company cannot incur any indebtedness, other than under the Acquisition Facility or any other existing debts, without the prior written consent of Gigarant NV. Furthermore, the Company cannot use any of the Facilities to grant a loan or to provide any form of credit to any person, nor can it grant any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any third party or assume any third party liabilities. Lastly, no change of control on the level of the Company is permitted without the written consent of Gigarant NV.

Pursuant to the Acquisition Facility, the Company is subject to several financial covenants and the Company cannot, and has to procure that no group companies will, create or permit to subsist any security or quasi-security over any of its assets, with the exception of certain permitted securities. The Company has to procure that no substantial change is made to the general nature of the business of the Group. The Company needs to ensure that its senior adjusted leverage (calculated as some ratio of consolidated net financial debt to adjusted pro forma consolidated EBITDA) shall not at any time exceed 3:1 and the Group is subject to a semi-annual test for compliance with such requirement.

Furthermore, the Company cannot incur or remain outstanding any financial indebtedness, other than such indebtedness allowed under the Acquisition Facility. Also, the Company cannot enter into transactions with a view to sell, lease, transfer or otherwise dispose of any asset, except for such transactions with respect to obsolete or redundant assets, transactions taking place on an intra-group level or transactions being made in the ordinary course of trading.

Finally, in the event that a change of control (i.e. the aggregate ownership of Sofias BVBA, PE Group NV, Smartfin Capital, Mr. Michel Delloye and the management and employees of the Company at 12 March 2019, the date of the Acquisition Facility, falling below 25%) takes place all Facilities will be cancelled and all outstanding loans, together with accrued interest, and all other amounts accrued under the relevant financial documents will become immediately due and payable.

(ii) *The BMI Subordinated Loan*

Financial Automation Solutions OÜ, the Estonian subsidiary of the Company holding the Fitek group of entities, has, on 19 September 2019, entered into a Subordinated Loan Agreement with "Belgische Maatschappij voor Internationale Investering NV" (the "BMI Subordinated Loan"), with the Company acting as co-debtor. The BMI Subordinated loan has a term of 7.5 years, carries an interest of 7% per annum and explicitly ranks behind the Acquisition Facility for payment of principal and interest, as well as in the event of bankruptcy.

(iii) *The Investment Credit*

On 15 March 2017, the Company entered into a € 1 million Investment Credit to finance the acquisition of Onea NV. The credit has a term of 5 years, and carries an interest of 1.649% per annum. The credit is secured by a pledge over the shares of UP-NXT NV, following the merger between Onea NV and UP-NXT NV.

(iv) *Loan covenants*

The Senior Leverage exceeded the 3:1 ratio at 31 December 2019, causing the Company to be in breach of the covenant.

In addition, the entering into the BMI Subordinated Loan conflicts with the terms of the Acquisition Facility as the loan is not included in the notion of permitted security and permitted financial indebtedness in the Acquisition Facility, and no permission of Belfius Bank NV nor Gigarant NV was obtained prior to 31 December 2019.

All amounts due to Belfius Bank NV at 31 December 2019 are presented as Current in the statement of financial position.

On 9 July 2020, the Company has obtained a waiver in which the non-compliance with the covenants has been waived. The next assessment of compliance with the covenant will take place on December 31, 2020.

(v) *Factoring*

The company holds its receivables to collect its cash flows. In order to finance its operations, the company occasionally engages in factoring arrangements with financial institutions. These factoring arrangements do not result in an accounting de-recognition. The corresponding asset and liability are recognized, measured and extinguished in line with the guidance of IFRS 9 when the continuing involvement approach is applicable.

At 31 December 2019, € 2.693 thousand (2018: € 2.205 thousand; 2017: € 1.871) of trade receivables had been sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debt transferred and therefor continues to recognize the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognized, the business model of the Group is not affected. The proceeds from transferring the debts of € 1.357 thousand (2018: € 930 thousand; 2017: € 1.403 thousand) are included as short-term bank loans until the debts are collected or the Group makes good any losses incurred by the service provider.

5.21.3 ***Refundable government advances***

Prior to 1 January 2017, the Group has received financing from the Walloon Region government in the form of low interest-bearing loans funding certain research and development activities. In case the funded research is successful and the Company exploits its results, 30% of the loan is repayable in fixed amounts, and up to 170% in the form of royalties. Repayment can be forgiven at any time if the Company assigns the results of the research to the government.

On transition date to IFRS and subsequently, the loans have been recorded at their amortized cost retrospectively applying the effective interest method in IFRS 9.

The table below provides details on the refundable government advances granted to the Group and repayments made in 2017, 2018 and 2019.

						2019		2018		2017	
	Grant amount	Comments	Contract date	Decision year on fixed repayments part	% Fixed	Liability at 31 December	Paid during the year	Liability at 31 December	Paid during the year	Liability at 31 December	Paid during the year
(1)	304	Closed in 2019	2005	2007	6%	80	20	86	20	92	20
(2)	830	Closed in 2019	2008	2012	6%	291	55	302	55	310	50
(3)	1,465	Closed in 2016	2010	2015	6%	-	-	-	25	25	-

(4)	1,998	Closed in 2016	2012	2014	6%	-	128	128	-	128	-
						371	203	516	100	555	70

5.22 Liabilities associated with puttable non-controlling interests

The Group has granted a put option to non-controlling shareholders of Fitek Slovakia whereby they have the right to sell their shares to the Group at some future date after 1 January 2022, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, with a price floor safeguard. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognized at the present value of the redemption amount within liabilities (2,000k EUR) with debit entries to derecognize non-controlling interests (827k EUR) and a direct charge to the equity attributable to equity holders (1,173k EUR). The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

5.23 Reconciliation of liabilities arising from financing activities

The table below explains changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. For lease liabilities, such information is included in note 5.24.

Thousands of Euro	**Non-current**	**Current**	**Total**
As at 1 January 2017	**993**	**2,246**	**3,239**
Cash flows			
Debt drawdown	2,824	1,571	4,395
Repayment of debt	-	(1,914)	(1,914)
Non-cash changes			
Accrued interest	61	-	61
Business combinations	-	178	178
Bank overdraft reported as part of cash and cash equivalents in the statement of cash flows	-	19	19
Reclass to current	(1,827)	1,827	-
As at 31 December 2017	**2,051**	**3,927**	**5,978**
Cash flows			
Debt drawdown	27,509	-	27,509
Repayment of debt	-	(2,520)	(2,520)
Non-cash changes			-
Accrued interest	2,186	-	2,186
Business combinations	28	190	218
Reclass to current	(2,881)	2,881	-
Changes in the fair value of derivatives embedded in convertible bond	431	-	431
Vendor loans obtained	2,550	-	2,550
As at 31 December 2018	**31,874**	**4,478**	**36,352**
Cash flows			
Debt drawdown	51,053	1,741	52,794
Repayment of debt	(120)	(4,171)	(4,291)
Non-cash changes			
Accrued interest	3,315	1	3,316

Business combinations	1,129	2,034	3,163
Reclass to current	(35,414)	35,414	-
Changes in the fair value of derivatives embedded in convertible bond	573	-	573
Put option written on non-controlling interests	2,000	-	2,000
Vendor loans obtained	2,600	-	2,600
As at 31 December 2019	**57,010**	**39,497**	**96,507**

5.24 Lease liabilities

Thousands of Euro	**Land and Buildings**	**Machinery and Hardware**	**Vehicles**	**Total**
At 1 January 2017	**416**	**56**	**1,184**	**1,656**
Additions	2,180	63	515	2,758
Interest expense	30	4	31	65
Adjustment for variable lease payments	(65)	-	-	(65)
Lease payments	(320)	(98)	(515)	(933)
At 31 December 2017	**2,241**	**25**	**1,215**	**3,481**
Additions	963	322	116	1,401
Interest expense	40	2	2	44
Lease payments	(437)	(25)	(519)	(981)
Business combinations	1,088	607	475	2,170
At 31 December 2018	**3,895**	**931**	**1,289**	**6,115**
Additions	925	309	1,227	2,461
Interest expense	59	14	31	104
Lease payments	(1,018)	(433)	(886)	(2,337)
Other	-	-	(155)	(155)
Disposals	(6)	-	(23)	(29)
Business combinations	1,127	264	358	1,749
At 31 December 2019	**4,982**	**1,085**	**1,841**	**7,908**

Lease liabilities are effectively secured as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default.

5.25 Trade and other payables

	As at 31 December			***As at 1 January***
Thousands of Euro	**2019**	**2018**	**2017**	**2017**
Trade payables	10,069	5,760	5,395	2,045
Accrued expenses	587	139	111	82
VAT payable	679	943	83	266
Salaries and social security payable	3,379	2,531	2,377	1,112
Other amounts payable	204	70	531	2,249
Total	**14,918**	**9,443**	**8,497**	**5,754**

5.26 Retirement benefit schemes

The Group sponsors various post-employment benefit plans. These include both defined contribution and defined benefit plans as defined by IAS 19 Employee Benefits.

5.26.1 *Defined contribution plans*

For defined contribution plans outside Belgium, the Group pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the group has no further payment obligation. The contributions are expensed in the year in which they are due. For 2019, contributions paid into defined contribution plans amounted to 168k EUR (2018: 118k EUR; 2017: 84k EUR).

5.26.2 *Defined benefit plans*

The Group has group insurance plans for some of its Belgian employees funded through defined payments to insurance companies. The Belgian pension plans are by law subject to minimum guaranteed rates of return. In the past the minimum guaranteed rates were 3.25% on employer contributions and 3.75% on employee contributions. A law of December 2015 (enforced on 1 January 2016) modifies the minimum guaranteed rates of return applicable to the company's Belgian pension plans. For insured plans, the rates of 3.25% on employer contributions and 3.75% on employee contributions will continue to apply to the contributions accumulated before 2016. For contributions paid as from 2016, a variable minimum guaranteed rate of return with a floor of 1.75% applies. The Group obtained actuarial calculations for the periods reported based on the projected unit credit method.

	As at 31 December			***As at 1 January***
Thousands of Euro	**2019**	**2018**	**2017**	**2017**
Employee benefits amounts in the statement of financial position				
Assets	1,726	1,518	379	352
Liabilities	(2,071)	(1,650)	(428)	(384)
Net Defined Benefit Liability at end of year	**(345)**	**(132)**	**(49)**	**(32)**

The amounts recognized in the statement of financial position are as follows:

	As at 31 December			***As at 1 January***
Thousands of Euro	**2019**	**2018**	**2017**	**2017**
Present value of funded defined benefit obligations	(2,071)	(1,650)	(428)	(384)
Fair value of plan assets	1,726	1,518	379	352
	(345)	**(132)**	**(49)**	**(32)**
Present value of unfunded defined benefit obligation	-	-	-	-
Unrecognized past service cost	-	-	-	-
Total	**(345)**	**(132)**	**(49)**	**(32)**

The amounts recognized in the statement of profit or loss are as follows:

	As at 31 December		
Thousands of Euro	**2019**	**2018**	**2017**
Current service cost	207	103	96
Interest cost	32	10	7

Expected return on plan assets	(31)	(10)	(7)
Total pension expense	**208**	**103**	**96**

Changes in the present value of the defined benefit obligation are as follows:

Thousands of Euro	*As at 31 December* **2019**	**2018**	**2017**	***As at 1 January*** **2017**
Defined benefit obligation at beginning of year	1,650	428	384	301
Current service cost	207	103	96	97
Interest cost	32	10	7	7
Benefits paid	(58)	(32)	(57)	(34)
Remeasurements	240	(19)	(2)	13
Acquired in business combination	-	1,160	-	-
Defined benefit obligation at end of year	**2,071**	**1,650**	**428**	**384**

Changes in the fair value of the plan assets are as follows:

Thousands of Euro	*As at 31 December* **2019**	**2018**	**2017**	***As at 1 January*** **2017**
Fair value of plan assets at beginning of year	1,518	379	352	297
Interest income on plan assets	31	10	7	9
Remeasurements	9	5	(1)	-
Contributions paid by the company and by participants	264	116	105	103
Benefits and expenses paid	(96)	(63)	(84)	(57)
Acquired in business combination	-	1,071	-	-
Plan assets at end of year	**1,726**	**1,518**	**379**	**352**

Amounts recognized in the statement of recognized income/(expense) in the period:

Thousands of Euro	*As at 31 December* **2019**	**2018**	**2017**
Prior year cumulative actuarial remeasurements	(24)	(2)	-
Remeasurements	215	(22)	(2)
Cumulative amount of actuarial gains and losses recognized in the statement of recognized income / (expense)	**191**	**(24)**	**(2)**

Movements in the net liability/ (asset) recognized in the balance sheet are as follows:

Thousands of Euro	*As at 31 December* **2019**	**2018**	**2017**	***As at 1 January*** **2017**
Net liability in the balance sheet at beginning of year	(132)	(49)	(32)	(4)
Total expense recognized in the income statement	(208)	(103)	(96)	(97)
Contributions paid by the company	210	87	77	81
Amount recognized in the statement of recognized (income)/expense	(215)	22	2	(12)
Acquired in business combination (see note 5.4)	-	(89)	-	-
Defined benefit obligation at end of year	**(345)**	**(132)**	**(49)**	**(32)**

Actual return on plan assets is as follows:

As at 31 December

Thousands of Euro	2019	2018	2017
Actual return on plan assets	31	10	7
Remeasurement of plan assets	9	5	(1)
Actuarial return on plan assets	**40**	**15**	**6**

The principal actuarial assumptions used in determining the present value of the defined benefit obligations include:

	As at 31 December			*As at 1 January*
Thousands of Euro	2019	2018	2017	2017
Principal actuarial assumptions at the balance sheet date are as follows:				
Discount rate	1.18%	1.98%	1.53%	1.85%
Future salary increases	2.07%	2.90%	2.21%	2.90%
Future inflation	1.90%	1.90%	1.90%	1.90%

5.27 Segment information

To date, discrete financial information other than revenue has not been available for any particular areas of business. Only entity profit or loss, and disaggregated revenue data have been available to the Management Committee or the Board of Directors for decision-making related to resource allocation or performance evaluation. No business activity has accordingly fallen within the definition of an operating segment. Disaggregation of revenue from contracts with customers along various axes of analysis is included in note 5.5.

5.28 Investment in subsidiaries

The Group's financial statements consolidate the following entities, as from incorporation or acquisition date.

Foundation/ Acquisition year	Name of entity	Registered office	Company registration n°	2019	2018	2017	
2000	Unifiedpost Holding BV	Driebergseweg 17, NL - 3708 JA Zeist	KvK 30264325	n.a.	n.a.	100%	(a)
2000	Unifiedpost SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0471.730.202	100%	100%	100%	
2004	UP SARL	15, Zone Industrielle, L-8287 Kehlen, Luxemburg	B99.226	100%	100%	100%	
2006	UPM SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0886.277.617	100%	100%	100%	
2008	UP BV	Floridalaan 8, 3404 WV IJsselstein, Nederland	KvK 32131857	100%	100%	100%	
2009	UP SRL	Strada Coriolan Brediceanu 10, Timişoara 300011, Roemenië	J35/901/2009	100%	100%	100%	
2011	UP-NXT NV	Kortrijksesteenweg 1146, BE - 9051 Sint-Denijs-Westrem	BE 0842.217.841	100%	100%	100%	
2012	PowertoPay BV	Verlengde Poolseweg 16, 4818 CL Breda, Nederland	KvK 30279124	100%	100%	100%	
2013	Finodis BV	Claudius Prinsenlaan 132, NL - 4818 Breda	KvK 17177635	n.a.	n.a.	100%	(a)
2013	Finodis BE	Vaartstraat 14 1,BE - 3000 Leuven	BE 0822.692.137	n.a.	n.a.	100%	(b)
2014	The eID Company	Rue du Congrès 35, BE - 1000 Bruxelles	BE 0886.325.919	100%	100%	100%	
2015	ZetSolutions	Albert Einsteinweg 4, 8218 NH Lelystad, Nederland	KvK 39078749	n.a.	n.a.	100%	(a)
2016	Pay-Nxt SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0649.860.804	100%	100%	100%	
2017	Onea NV	Ottergemsesteenweg-Zuid 731, BE - 9000 Gent	BE 0883.668.416	n.a.	n.a.	n.a.	(c)

2017	Nomadesk	Kortrijksesteenweg 1146, BE - 9051 Gent	BE 0867.499.902	100%	100%	100%	
2017	Stichting PAY-NXT Payments	Albert Einsteinweg 4, 8218 NH Lelystad, Nederland	KvK 69248907	100%	100%	100%	
2018	Leleu Document Services BVBA	Dorpstraat 85B, BE 1785 Merchtem	BE 0716.630.753	100%	100%	0%	
2018	Drukkerij Leleu	Dorpstraat 85B, BE 1785 Merchtem	BE 0429.709.208	100%	100%	0%	(d)
2018	De Uitgeversfabriek	Dorpstraat 85B, BE 1785 Merchtem	BE 0464.957.721	n.a.	100%	0%	(d)
2018	Advanced Document Management Solutions BVBA	Leiekaai 25A - 9000 Gent (BE)	BE 0544.854.839	100%	100%	0%	
2018	Inventive Designers	Sint-Bernardsesteenweg 552, BE 2660 Antwerpen	BE 0453.758.377	100%	100%	0%	
2018	Unifiedpost I.K.E.	1 Ellis, 17235 Dafni, Athene, Greece	801073446	100%	100%	n.a.	
2019	Financial Automated Solutions OÜ	Tartu maantee 2, 10145 Tallinn, Estonia	12949376	100%	0%	0%	(e)
2019	Fitek Holding SIA	Dēļu iela 4, Rīga, Latvija	40103957063	100%	0%	0%	(e)
2019	Fitek AS_EE2	Tartu mnt 43, Tallinn 10128, Estonia	10179336	100%	0%	0%	(e)
2019	Fitek AS_LV2	Delu street 4, Riga, Latvia	40003380477	100%	0%	0%	(e)
2019	Fitek LT_LT1	Užubalių k., Avižienių sen., 14180 Vilniaus r., Lithuania	111629419	100%	0%	0%	(e)
2019	Sistemų integracijos sprendimai UAB	Panerių g. 51, Vilnius, Lithuania	125677598	100%	0%	0%	(e)
2019	Fitek UK	St James House, 13 Kensington Square, London, W8 5HD	11629732	100%	0%	0%	(e)
2019	Probatio OU_EE3	Tartu mnt 43, Tallinn 10128, Estonia	11683396	100%	0%	0%	(e)
2019	EdiSync OU_EE4	Pärnu mnt 139c, Tallinn 11317, Estonia	12402502	100%	0%	0%	(e)
2019	Fitek s.r.o.	Nová rožňavská 136, 831 04 Bratislava, Slovakia	46950095	51%	0%	0%	(e)
2019	Fitek Czech Republic s.r.o.	Roztylská 1860/1, Chodov, 148 00 Prague	6145132	51%	0%	0%	(e)
2019	PDOCHOLCO Ltd.	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	9741928	100%	0%	0%	(e)
2019	Prime Document Trustee Ltd	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	10517855	100%	0%	0%	(e)
2019	PRIME DOCUMENT LIMITED	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	3732738	100%	0%	0%	(e)
2019	Fin-Nxt NV	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0734.987.509	100%	0%	0%	
2019	UnifiedPost SARL	Rue du Rhône 14, 1204 Genève	CHE-187.626.604	100%	0%	0%	

(a) ***Unifiedpost Holding BV merged with UP BV, Finodis BV and ZET Solutions in 2018.***
(b) ***Finodis BE merged with UP-NXT NV in 2018.***
(c) ***Onea NV has been acquired in March 2017 by UP-Nxt NV and merged with Finodis BE in on 21/12/2017.***
(d) ***De Uitgeversfabriek BVBA merged with Drukkerij Leleu NV in 2019.***

On 14 February 2020 Pay-Nxt SA changed its name to Unifiedpost Payments BV.

On 18 February 2020 Stichting Pay-Nxt changed its name to Stichting Unifiedpost Payments.

On 1 June 2020 Prime Document Limited changed its name to Unifiedpost Limited

5.29 Interests in associates and joint ventures

Set out below are the entities which have been included in the consolidated financial statements using the equity method:

Name of entity	Country of incorporation or principal place of	Proportion of ownership interest held as at 31 December 2019	2019	2018	2017	2017

	business	Carrying amount	% held		Carrying amount	% held
Facturis Group BV	The Netherlands	-	-	-	612	33%
Fitek s.r.o.	Slovakia	-	-	-	-	-
Fitek Balkan d.o.o. and others	Serbia	6,394	50%	-	-	-
		6,394			**612**	

On 29 March 2019, as part of the Fitek business combination, the Group acquired a 50% interest in joint ventures in Slovakia and the Balkans. The Group obtained control of the Slovakia joint venture on 23 December 2019 (refer to note 5.4), and of the Balkan joint ventures on 11 February 2020 (refer to note 5.36).

Until 13 December 2018, the Group had a non-controlling interest in Facturis Group BV, a Dutch entity offering an online platform for managing and optimizing the in- and outflow of invoices, the retrieval of digital direct debit authorizations, online payment options as well as discounts for fast payments. Facturis solution offering enables businesses to reduce their cash and net working capital needs by decreasing payment delays.

The tables below provide summarized financial information for the Group's joint ventures and former associate that, in the opinion of management, are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Fitek Balkan joint ventures – Summarised combined statement of financial position *Thousands of Euro*	As at 31 December 2019
Non-current assets	15,726
Current assets	3,514
Cash & Cash equivalents	1,662
Non-current liabilities	(2,752)
Non-Current loans and borrowings	(2,161)
Current liabilities	(3,700)
Current loans and borrowings	(1,126)
Total net assets	12,788
Carrying amount (at Group's share of 50%)	**6,394**

Fitek Balkan joint ventures – Summarised combined statement of profit or loss and comprehensive income *Thousands of Euro*	**For the 9-month period ended 31 December 2019**
Revenue	9,603
Profit (Loss) from continuing operations after tax	792
Other comprehensive income	(3)
Total comprehensive income	**789**
At Group's share of 50%	**395**

Fitek Balkan joint ventures – Reconciliation of carrying amount

Thousands of Euro	
At 1 January 2019	
Acquired in business combination	6,134
Share of profit of joint venture	395
Dividends paid	(135)
At 31 December 2019	**6,394**

Fitek Slovakia joint venture – Summarised statement of profit or loss and comprehensive income Thousands of Euro	**For the period from 1 April to 22 December 2019**
Revenue	1,974
Loss from continuing operations after tax	(204)
Other comprehensive income	-
Total comprehensive income	(204)
At Group's share of 50%	(102)

Facturis Group BV – Summarised statement of profit or loss and comprehensive income	**For the year ended 31 December**		
Thousands of Euro	2019	2018	2017
Revenue	-	1,542	1,552
(Loss) from continuing operations after tax	-	(1,515)	(550)
Other comprehensive income	-	-	-
Total comprehensive loss	**-**	**(1,515)**	**(550)**
At Group's share of 33%	**-**	**(500)**	**(182)**

On 13 December 2018, the Group's 33% shareholding in Facturis Group BV was disposed of to the controlling shareholder. The loss realized on this transaction amounted to € 413k EUR.

5.30 Financial instruments and financial risk management

5.30.1 *Financial instruments*

(i) *Categories and fair value of financial instruments*

The following table discloses the carrying amount of the Group's financial instruments in categories:

		As at 31 December			***As at 1 January***
Thousands of Euro	**Categories**	**2019**	**2018**	**2017**	**2017**
Financial assets					
Trade and other receivables	FAAC (*)	13,317	10,495	7,059	4,737
Financial assets at fair value through profit or loss	FAAFVTPL (***)	-	544	-	-
Cash and cash equivalents	FAAC (*)	3,046	4,928	472	594
Total		16.363	15,967	7,531	5,331

Financial liabilities

Convertible bonds – host contract	FLAC (**)	34,998	20,914	-	-
Convertible bonds – embedded derivatives	FLAFVTPL (****)	12,938	7,869	-	-
Loans and borrowings	FLAC (**)	45,140	6,332	5,978	3,239
Liabilities associated with puttable non-controlling interests	FLAC (**)	2,000	-	-	-
Lease liabilities	FLAC (**)	7,908	6,115	3,481	1,656
Trade and other payables	FLAC (**)	14,918	9,443	8,497	5,754
Total		117,902	50,673	17,956	10,649

(*) Financial assets measured at amortized cost
(**) Financial liabilities measured at amortized cost
(***) Financial assets at fair value through profit or loss
(****) Financial liabilities at fair value through profit or loss

Trade and other receivables, cash and cash equivalents as well as trade and other payables have short terms to maturity, hence their carrying amounts are considered to be the same as their fair values.

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, because interest payable on those borrowings is either close to current market rates or the loans were taken recently.

(ii) *Recognized fair value measurements*

IFRS recognizes the following hierarchy of fair value measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: One or more of the significant inputs is not based on observable market data.

The Group did not report any financial assets or liabilities at fair value until 31 December 2017. The Group's financial assets and liabilities carried at fair value were measured as follows at 31 December 2019 and 31 December 2018:

	As at 31 December			
	2019		**2018**	
Thousands of Euro	**Level 1**	**Level 3**	**Level 1**	**Level 3**
Financial assets				
Financial assets at fair value through profit or loss	-	-	544	
	-	**-**	**544**	**-**
Financial liabilities				
Derivative financial instruments	-	12,938		7,869 -
	-	**12,938**	**-**	**7,869**

The following table presents the changes in level 3 items for the periods ended 31 December 2019 and 31 December 2018:

Thousands of Euro	**Level 3**
At 1 January 2018	**-**
Issue of convertible bonds – bifurcation of embedded derivative	(7,438)
Change in fair value through profit or loss	(431)
At 31 December 2018	**(7,869)**
Issue of convertible bonds – bifurcation of embedded derivative	(4,496)
Change in fair value through profit or loss	(573)
At 31 December 2019	**(12,938)**

The following summarizes information about the significant unobservable inputs used in the level 3 fair value measurement of the derivatives embedded in convertible bonds issued (see note 5.21.1):

The fair value of the derivative financial liability was calculated at inception using an option pricing model.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of this derivative, can be summarized as follows:

- Probability of a conversion before the maturity date of the convertible bond, affecting the number of shares to be issued. At 31 December 2019 it is assumed that, with a probability of 90%, conversion will take place before the maturity date; a 5% increase/decrease of the probability of a triggering event would increase/decrease fair value by 61k EUR;
- The applied discount rate (20%): A 1% increase/decrease of the discount rate would decrease/increase fair value by 44k EUR;
- The estimated current stock price: An increase/decrease of the estimated current stock price by 10 EUR would increase/decrease fair value by 494k EUR;
- The volatility of the stock price (57% volatility assumed): an increase/decrease of the volatility by 10% would increase/decrease fair value by 264k EUR.

5.30.2 ***Financial risk management***

The Group is exposed to a variety of financial risks. The Board has overall responsibility for the determination of the Group's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(i) *Credit risk*

Credit risk relates to the risk that a counterparty will fail to fulfil its contractual obligations with the result that the Group would suffer a loss. The Group is mainly exposed to credit risk from credit sales. It is the

Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts, taking into account their financial position, past experience and other factors. For higher risk clients future credit sales are made only with approval of the Group's management. The Group monitors on a monthly basis the ageing of its trade receivables. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The Group's allowance as at 31 December 2019, 31 December 2018 and 31 December 2017 was determined as follows for both trade receivables and contract assets:

Thousands of Euro	**Neither past due nor**	**Past due but not impaired**			
31 December 2019	**impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
Expected loss rate	0.06%	0.16%	3.70%	19.04%	0.83%
Gross carrying amount – trade receivables	8,078	3,346	371	413	12,208
Contract assets	200	-	-	-	200
Loss allowance	5	5	14	79	103

Thousands of Euro	**Neither past due nor**	**Past due but not impaired**			
31 December 2018	**impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
Expected loss rate	0.06%	0.08%	1.12%	13.70%	0.65%
Gross carrying amount – trade receivables	4,746	3,560	712	343	9,361
Contract assets	73	-	-	-	73
Loss allowance	3	3	8	47	61

Thousands of Euro	**Neither past due nor**	**Past due but not impaired**			
31 December 2017	**impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
Expected loss rate	0.10%	0.07%	3.04%	7.67%	0.93%
Gross carrying amount – trade receivables	1,951	3,653	339	605	6,548
Contract assets	74	-	-	-	74
Loss allowance	2	3	10	46	61

(ii) *Market risk*

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), in foreign exchange rates (currency risk) or in other market factors (other price risk).

(A) Foreign exchange risk

The Group operates across several countries, with its major operations in the Eurozone. It operates in each country predominately in the local currencies, respectively the Euro, the Romanian Lei (RON) for its development center in Romania and the British pound (GBP) for the newly acquired PrimeDoc operations.

The Group matches local operating revenue to costs in GBP in this market. The Group further holds an investment in a joint venture in Serbia, therefore its equity is also exposed to the Serbian Dinar (RSD).

The Group's policy to date has not been to actively hedge the net investment position in local operations.

Due to the PrimeDoc acquisition being recent, the Group's exposure to foreign currencies for its revenue has been minimal to date.

At 31 December 2019, the currency risk on assets and liabilities was as follows based on notional amounts:

In thousands of Euro	RON	GBP	RSD
Investment in joint ventures	-	-	6,394
Receivables	351	980	-
Payables	399	848	-
Loans payable	19	214	-

A 10% strengthening or weakening of the Euro against the RON and the GBP would not significantly affect reported equity. A 10 % strengthening or weakening of the RSD would have increased, respectively decreased, reported equity by 639k EUR.

(B) Cash flow and fair value interest rate risk

The Group's interest rate risk primarily arises from short-term and long borrowings at variable interest rates. The Acquisition Facility carries interest at Euribor + a margin. A hypothetical 1% increase or decrease of Euribor would cause interests to increase or decrease, respectively, by 340k EUR on a full year basis.

(iii) *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient funds available to meet future working capital requirements and to take advantage of business opportunities.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on their remaining term at the reporting dates. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments.

Thousands of Euro	**< 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 years and 5 years**	**> 5 years**	**Total**
At 1 January 2017	**7,013**	**1,672**	**562**	**532**	**1,037**	**10,816**
Convertible bonds	-	-	-	-	-	-
Loans & Borrowings	2,751	1,223	906	898	306	6,084
Lease liabilities	187	562	732	1,765	430	3,676
Trade & other payables	8,497	-	-	-	-	8,497
At 31 december 2017	**11,435**	**1,785**	**1,638**	**2,663**	**736**	**18,257**
Convertible bonds	-	1,879	1,929	2,302	-	6,110
Loans & Borrowings	1,414	1,892	1,067	1,839	276	6,488
Lease liabilities	323	1,000	1,715	2,603	839	6,480
Trade & other payables	9,443	-	-	-	-	9,443
At 31 december 2018	**11,180**	**4,771**	**4,711**	**6,744**	**1,115**	**28,521**

Convertible bonds	-	2,440	2,775	-	-	5,215
Loans & Borrowings	35,090	3,568	1,244	3,909	3,322	47,133
Liabilities associated with puttable non-controlling interests	-	-	-	2,000	-	2,000
Lease liabilities	725	2,027	2,190	2,433	710	8,085
Trade & other payables	14,315	603	-	-	-	14,918
At 31 december 2019	**50,130**	**8,638**	**6,209**	**8,342**	**4,032**	**77,351**

(iv) *Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity', as calculated below at each reporting date in the 3-year period ended 31 December 2019:

	As at 31 December			***As at 1 January***
Thousands of Euro	**2019**	**2018**	**2017**	**2017**
Net debt				
Cash and cash equivalents	(3,046)	(4,928)	(472)	(594)
Liquid investments	-	(544)	-	-
Bank borrowings	44,286	5,666	5,004	1,856
Lease liabilities	7,908	6,115	3,481	1,656
Net debt	**49,148**	**6,309**	**8,013**	**2,918**
'Equity'				
Reported shareholders' equity	(19,198)	4,240	10,513	8,403
Face value of automatically convertible bonds	43,250	27,550	-	-
'Equity'	**24,052**	**31,790**	10,513	8,403
Gearing ratio	204%	20%	76%	35%

The gearing ratio increased substantially at 31 December 2019, the Group having had recourse to bank funding to finance its acquisitions and significant investments in development expenses.

Furthermore, under the terms of the Acquisition Facility, the Group is required to comply with some senior adjusted leverage covenant, as described in note 5.21.2. The Group was in breach of that covenant at 31 December 2019.

5.31 **Significant agreements, commitments and contingencies**

The Group does not have any significant commitments or contingencies other than described elsewhere in these financial statements.

5.32 **Transactions with related parties**

During the year the Group companies entered into the following transactions with related parties who are not members of the Group:

Thousands of Euro	*Sales to related party For the year ended 31 December* 2019	2018	2017	*Services from related party For the year ended 31 December* 2019	2018	2017
Shareholders	270	-	-	146	-	-
Key management	-	-	-	1.821	1,209	1,377
Associates & joint ventures	387	2,564	1,542	94	13	19

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties:

Thousands of Euro	*Amounts owed to related party* As at 31 December 2019	2018	2017	*Amount owed by related party* As at 31 December 2019	2018	2017
Shareholders	2,786	1,545	54	23	-	-
Key management	8,748	5,617	388	2	1	-
Associates & joint ventures	7	17	24	38	-	-

Amounts owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. Amounts owed by related parties relate to cash advances made to key management.

No provisions of doubtful debts have been raised against amounts outstanding, and no expense has been recognized during the period in respect of bad or doubtful debts due from related parties.

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company.

Thousands of Euro	For the year ended 31 December 2019	2018	2017
Short-term employee benefits	1,560	1,183	942
Share-based compensation	261	22	433
Interest	-	4	2
Total	**1,821**	**1,209**	**1,377**

5.33 Share-based payment schemes

5.33.1 *Share-based payments*

At 31 December 2019, 155,000 subscription rights were outstanding, out of 147,000 (31 December 2018: 145,000; 31 December 2017: 155,000) had been granted as follows:

- 100,000 “Key Man Subscription Rights”, with an exercise price of 18.30 EUR, which upon exercise, will convert into Class C shares;
- 47,000 “Employee Subscription Rights” granted under an employee stock option plan, with an exercise price which shall be determined by the Board of Directors, provided that the exercise

price may never be lower than the nominal value of the Shares. Upon exercise, these warrants will transform into Class C shares.

(i) *Key Man Subscription Rights*

On 5 October 2015, the Company issued a total of 100,000 Key Man Subscription Rights, with an exercise price of 18.30 EUR. Upon exercise, each Key Man Subscription Right will entitle its holder to one share.

All Key Man Subscription Rights were granted to Sofias BVBA (permanently represented by Mr, Hans Leybaert) in 2015 and vested immediately. These Key Man Subscription Rights originally expired three years after their grant date. In April 2017, their term was extended to 5 October 2020, for which an expense of 202k EUR was recognized in the 2017 statement of profit or loss and other comprehensive income being the incremental fair value, measured at the date of modification, of the subscription rights. In November 2019, their term was further extended to 5 October 2025, for which an expense of 261k EUR was recognized in the 2019 statement of profit or loss and other comprehensive income.

There are no remaining performance conditions attached to these options.

The Key Man Warrants can be exercised in whole or in part, at the sole discretion of Sofias BVBA at any relevant time, taking into account the expiration date thereof.

(ii) *ESOP Subscription Rights*

On 5 October 2015, the Company issued 55,000 Subscription Rights in the context of an employee stock option plan ("ESOP"). Upon exercise, each ESOP Subscription Right will entitle its holder to one share.

On 31 December 2019, 47,000 ESOP warrants were held by selected participants, 8,000 ESOP warrants were held by the Company and available for grant, 7,000 ESOP Subscription Rights were attributed subsequent to 31 December 2019.

Warrants that were issued under the different stock option plans have identical characteristics and generally grade-vest over a three year period from grant: one third vests 12 months after the grant date, one third vests 24 months after the grant date and one third vests 36 months after the grant date. As an exception, some options vested immediately. All warrants expire ten years after the date of grant, when an option holder ceases employment with the Group, or after an acquisition of the Company. There are no performance conditions attached to the options.

All share-based payment warrants are settled in equity.

The table below summarizes the main characteristics and number and weighted average exercise prices of subscription rights attributed:

	2019	2018	2017

Type of warrant	Issue date	End date	Term	Exer-cise price (€)	Attributed at 31 Dec'	Granted 2019	Vested at 31 Dec'	Expi-red 2019	Attributed at 31 Dec'	Vested at 31 Dec'	Expired 2018	Attributed at 31 Dec'	Granted 2017	Vested at 31 Dec'	Expi-red 2017
Belgian stock option plans	28 Oct' 2015	30 Dec' 2025	31 Dec' 2015 to 30 Dec'2025	18,30	30.000				30.000		-10.000	40.000			
		23 Mar' 2027	24 Mar' 2017 to 23 Mar' 2027	34,00	10.000				10.000			10.000	10.000		
		31 Aug' 2027	1 Sep' 2017 to 31 Aug' 2027	34,00	2.500				2.500			2.500	2.500		
		12 Dec' 2027	13 Dec' 2017 to 12 Dec' 2027	34,00	2.500				2.500			2.500	2.500		
		3 Jul' 2029	4 Jul' 2019 to 3 Jul' 2029	40,00	2.000	2.000			0			0			
		5 Oct' 2020	31 Dec' 2015 to 31 Dec' 2018 (extended to 5 Oct' 2020 on 4 Apr' 2017 and extended to 5 Oct' 2025 on 19 Dec' 2019)	18,30	100.000				100.000			100.000			
	Total				**147.000**				**145.000**	**0**	**-10.000**	**155.000**	**15.000**	**0**	**0**
	Weighted average price of exercise				**20,20**				**19,92**			**19,82**			
	Weighted average remaining contractual life (years)				**2,76**				**3,54**			**4,76**			
					Attributed at 31 Dec'				**Attributed at 31 Dec'**			**Attributed at 31 Dec'**			
	Number				**145.056**				**143.796**			**148.056**			
	Weighted average price of exercise				**19,95**				**19,81**			**19,51**			

The assessed fair value of each subscription right is estimated on the date of grant using the binomial model by Black and Scholes using the following key assumptions:

- The three-year volatility of quoted peer companies (determined in a range of 50 to 60% depending on the grant date);
- The risk-free interest rate at the date of grant based on that of Belgian Sovereign Debt with a term equal to the expected life of the subscription rights; for Key Man Subscription Rights, this was negative 0.22% in 2017 and negative 0.35% in 2019; for ESOP Subscription Rights, this was 0.74% in 2017 and 0.12% in 2019.
- The expected life time of the subscription rights.

The share-based payment expense recognized in the statement of profit and loss was as follows:

	For the year ended 31 December		
Thousands of Euro	**2019**	**2018**	**2017**
Cost of services	-	11	27
Selling and marketing expenses	22	52	227
General and administrative expenses	286	22	345
Total	**308**	**85**	**599**

5.34 **First-time adoption of IFRS**

The accounting policies set out in note 5.37 have been applied in preparing the Group's consolidated financial statements for the year ended 31 December 2019, the comparative information presented in these financial statements for the years ended 31 December 2018 and 31 December 2017, and in preparing an opening IFRS statement of financial position at 1 January 2017 (the Company's date of transition to IFRS) as required by IFRS 1, First-time Adoption of International Financial Reporting Standards.

Until 31 December 2018, the Group has qualified as a "small group" in accordance with article 16 of the Company Law (now article 1:26 of the Code of Companies and Associations). It was therefore exempted by article 112 of the Company Law (now article 3:25 of the Code of Companies and Associations) from preparing, and did not prepare, consolidated financial statements under generally accepted accounting principles in Belgium ("BE GAAP") for any of the years in the 3-year period ended 31 December 2018. Further, the standalone BE GAAP financial statements of the Group's parent, Unifiedpost Group SA, an entity with only holding activities, have not been audited for any of the years in the 3-year period ended 31 December 2018 as this entity was exempted from audit because it qualified as a "small company" in accordance with article 141 of the Company Law (now article 3:72 of the Belgian Code of Companies and Associations).

Management has accordingly not prepared the reconciliations that would otherwise have been required by IFRS 1.

Application of IFRS 1: Exceptions to the retrospective application and exemptions from IFRSs

IFRS 1 requires an entity that adopts IFRS for the first time to apply IFRS retrospectively. However, IFRS 1 provides exemptions that allow first-time adopters to voluntarily choose not to apply certain standards retrospectively as well as mandatory exceptions prohibiting retrospective application.

The following exemption was adopted by the Company:

A first-time adopter may choose not to apply IFRS 3, Business Combinations, to business combinations having occurred before the date of transition to IFRS. The Company has applied this exemption and chosen not to apply IFRS 3 retrospectively to business combinations that occurred prior to 31 December 2016.

As disclosed above, at 31 December 2016, the Company had prepared consolidated financial statements, only for internal use, in accordance with BE GAAP, which were not published as there was no legal obligation.

Therefore in accordance with IFRS 1 C4 (g) the carrying amount of goodwill in the opening IFRS statement of financial position is the carrying amount in accordance with the previous GAAP at date of transition to IFRS. Management has assessed the application of the adjustments as described in IFRS 1 C4 (g) (i) and IFRS 1 C4 (g) (ii). The carrying amount of goodwill in the BGAAP figures of December 31, 2016 amounts to 11.684 kEUR.

We have not prepared a reconciliation overview between BGAAP and IFRS figures, as consolidated BGAAP figures are not published, which means that no comparability is possible.

No other exemptions or exceptions were applicable to the preparation of the Group's first IFRS financial statements.

5.35 Audit fees

Thousands of Euro	As at 31 December 2019	2018	2017
Audit fees	113	23	51
Audit related fees	1,140	47	-
Fees for legal missions	17	13	1
Permitted non-audit services			
- Other assurance	72	32	32
- Consulting	61	10	1
TOTAL	**1,403**	**125**	**85**

5.36 Events after the reporting date

5.36.1 *Fitek Balkan business combination*

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan joint ventures, thereby obtaining control of them. The consideration transferred to effect the business combination amounts to total € 7.0 million, including vendor loans received from the sellers of € 0.2 million and a provisional determination of the fair value of the previously held equity interest. A provisional fair value adjustment of 3,895k EUR has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method.

Details of the provisional fair value of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

Thousands of Euro	*Fitek Balkan 11 February 2020*
Customer relationships	3,895
Software	365
Other Intangibles	21
Property and equipment	3,710
Right-of-use assets	119
Inventories	263
Trade and other receivables	1,241
Prepaid expenses	1
Cash and cash equivalents	1,298
Lease liabilities	(122)
Loans and borrowings	(3,309)
Deferred tax liabilities	(735)
Trade and other payables	(1,703)
Non-controlling interests, recognized at the Group's proportionate share of the acquired net identifiable assets	(2,440)
Total net assets	**2,604**
Goodwill	**4,360**
Consideration transferred	**6,964**

Goodwill will arise from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

The pro forma contribution of the Fitek Balkan to the Group's revenue and net profit or loss for the 2019 year, as if the acquisition had occurred on 1 January of that year, would have been 10,093k EUR and 921k EUR, respectively.

(i) *Fitek Balkan joint call and put option*

Concurring with the acquisition of Fitek Balkan, the Group has granted a put option to its non-controlling shareholders whereby they have the right to sell their shares to the Group at some future date after 26 February 2020, at a price to be determined at the time of exercise based on an agreed formula approximating a market price ,increased by 49% of the fair market value of the real estate in Belgrade The put option is subject to the condition that the option is exercised jointly and simultaneously with the joint put options of other shareholders in the Fitek Balkan entities. The terms do not provide a present ownership interest in the shares subject to the put. The shareholders agreement also includes a joint call option stating that the total price which will be paid for 49% of the Fitek Balkan entities shall not be lower than 5,000k EUR, increased by 49% of the amount of the fair market value of the real estate in Belgrade.

(ii) *Fitek Balkan buy back right*

The previous joint venture has the right in the period between 27 April 2021 and 31 December 2021, to re-purchase 1% of the ownership interest in Fitek Balkan, if:

- UnifiedPost Group shares are not listed on a stock exchange, and any third-party (other than any of the current shareholders of UnifiedPost Group) has acquired majority of UnifiedPost Group shares; or
- An external party acquires (directly or indirectly) 100% of the Fitek Balkan shares owned by the Group.

5.36.2 ***Tehnobiro business combination***

On 3 July 2020, the Fitek Balkan acquired 51% of the shares of Tehnobiro d.o.o., thereby obtaining control of them. The consideration transferred to effect the business combination is estimated to total 340k EUR. A provisional fair value adjustment of € 54 thousand has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method.

Details of the provisional fair value of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

Thousands of Euro		**Tehnobiro** **3 July 2020**
Customer relationships		54
Property and equipment		119
Right-of-use assets		3
Trade and other receivables		111
Cash and cash equivalents		93
Deferred tax liabilities	-	18
Trade and other payables	-	32
Non-controlling interest	-	161
Total net assets		**169**
Goodwill		172
Consideration transferred		**341**

€ 70 thousand of total consideration of € 341 thousand is contingent upon the fulfilment of the Tehnobiro's 2020 business plan.

Goodwill will arise from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

The pro forma contribution of the Tehnobiro to the Group's revenue and net profit or loss for the first semester, as if the acquisition had occurred on 1 January 2020, would have been € 364 thousand and € 76 thousand, respectively.

5.36.3 ***COVID-19 pandemic***

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. These containment measures and the prohibition of non-essential activities have been implemented to varying degrees in the countries in which the Unifiedpost Group operates. Some of these countries have released in the meantime some of these confinement plans.

The corona pandemic creates uncertainty and risks regarding the performance of the Group, and the related financial results. The rapid development and volatility of the situation currently makes any prediction of the possible l impact of the coronavirus pandemic on the business impossible. Given the above mentioned great uncertainty it is impossible to predict the ultimate impact of the corona virus on business performance. The final assessment will depend on the extent and duration of this global health crisis.

The Group's priority has been to protect the health of its employees and contractors, as well as the continuity of its services for its customers. The technological environment allows the business to continue to operate and for the employees to work remotely.

Some of our customers have been, and may continue to be, negatively affected by the economic consequences of the pandemic, which may continue to have negative implications for the demand for goods and services, the supply chain, production of goods and transportation. A negative impact on our customers could cause them to cease their activities, or to request an extension of payment periods or the cancellation of the supply of our services. Each of these measures would have a negative impact on the Group's operating results, its liquidity and its future financial results. Based on the interim results available to date, the impact of the economic crisis on demand for the group's services appears limited.

In the medium term, however, we believe that the pandemic will probably accelerate the transition to digital solutions based on fintech, which should help improve the Group's performance.

Given the current impact of the coronavirus pandemic on populations and economies worldwide, the Group is constantly evaluating the need for additional action. The following actions have been taken:

- Communicate with customers to coordinate actions in our services to understand their current and expected needs;
- Analysis of customers portfolio per industry and assessment of COVID 19 impact per industry;
- Communicate with suppliers on payment plans and with the banks on reimbursement plans;
- Prepare for possible cost savings to deal with a possible decrease in demand for group services, should it occur.

COVID-19 is an event after the balance sheet date, which is not shown in the income statement or balance sheet (non-adjusting subsequent event). At the date of the approval of the financial statements,

management considers that the COVID-19 crisis does not increase the risk that the company would not be able to continue its activities, nor that it could lead to a significant adjustment to the recognized assets or the liabilities in 2020. The precise effects of the pandemic remain difficult to quantify to date, given the uncertainty as to the length and severity of the pandemic.

5.36.4 ***Capital increase***

On 26 June 2020, an extraordinary Shareholders' Meeting approved to increase the Company's capital by issuing 73,026 class B preferred shares for an aggregate amount of € 7.3 million.

This capital increase is to be considered as the first of two subscription rounds in the framework of a capital increase in cash – for a maximum amount of € 11 million.

Bondholders who agreed prior to 23 June 2020 to convert all their convertible bonds, were entitled to a fixed EUR 75 Euro conversion right. The extraordinary Shareholders' Meeting held on 26 June 2020, approved the conversion of 400 convertible bonds in 282 086 Class D shares for a total amount of € 21.2 million.

The capital amount of the Company, has increased to € 49.2 million per 26 June 2020.

The second subscription round took place on 17 July 2020. On 17 July 2020, an extraordinary Shareholders' Meeting approved to increase the Company's capital by issuing 31,050 class B preferred shares for an aggregate amount of € 3.1 million as part of the second subscription round.

The extraordinary Shareholders' Meeting held on 17 July 2020, also approved the conversion of 285 convertible bonds in 200 452 Class D shares for a total amount of € 15.0 million.

The capital amount of the Company has increased to € 67.3 million per 17 July 2020.

(i) *Investment Subscription Rights*

On 17 July 2020, the Company issued 26,022 Investment Subscription Rights in the context of a capital increase. At the date of these financial statements, the Investment Subscription Rights are allocated to selected participants, all of whom are also shareholders of the Company. The Investment Subscription Rights have a term of 24 months and can be exercised at the sole discretion of their holder at any time during these 24 months. The exercise price of the Investment Subscription Rights is equal to €100.00 and one Investment Subscription Right will entitle its holder to one share.

(ii) *Anti-Dilution Subscription Rights*

On 17 July 2020, the Company issued 30 anti-dilution subscription rights to certain shareholders, all of which have been subscribed for, free of charge. At the date of the Prospectus, the anti-dilution subscription rights are allocated to selected participants, all of whom are also shareholders of the Company. The anti-dilution subscription rights entitle their holders to subscribe for new shares, at an exercise price of €0.01 per anti-dilution subscription right in case the Company issues new shares at a price per share which is lower than €117.65, with the exception of issuances pursuant to a stock option or remuneration plan and issuances pursuant to the conversion of bonds or other subscription rights.

The number of new shares to be issued pursuant to the exercise of the anti-dilution subscription rights is dependent on the transaction triggering their exercisability.

The anti-dilution subscription rights automatically expire on the earlier of (i) 17 July 2023, (ii) at the moment the Company is listed on a stock exchange or (iii) the date of issuance of new shares by the Company, which does not trigger the anti-dilution subscription rights.

(iii) *Adjustment subscription rights*

On 17 July 2020, the Company issued 30 adjustment subscription rights to certain shareholders, all of which have been subscribed for, free of charge. At the date of the Prospectus, the adjustment subscription rights are allocated to selected participants, all of whom are also shareholders of the Company. The adjustment subscription rights entitle their holders to subscribe for new shares, at an exercise price of €0.01 per adjustment subscription right only in case the bonds would convert automatically at their maturity date, i.e. 27 April 2021.

The number of new shares to be issued pursuant to the exercise of the adjustment subscription rights is equal to the amount of shares subscribed to by the holder of such adjustment subscription right pursuant to the extraordinary Shareholders' Meetings of the Company dated 26 June 2020 respectively 17 July 2020.

The adjustment subscription rights are subject to a term which expires on 31 July 2021. The adjustment subscription rights however automatically expire if and when (i) the bonds convert automatically pursuant to their issue terms and conditions without triggering the adjustment subscription rights, or (ii) all bondholders decide to convert all (and not part) of their bonds pursuant to a voluntary conversion event.

5.36.5 *Covenant breach remediation*

On 9 July 2020, Belfius Bank granted the Company a grace period ending on 31 December 2020, during which period the entity can remedy its breaches of bank covenants and during which Belfius Bank cannot demand the immediate repayment of the facility.

5.36.6 *Unifiedpost Limited Liability Company*

On 24 August 2020, Unifiedpost Limited Liability Company was founded in Vietnam.

5.37 **Accounting policies**

5.37.1 *Principles of consolidation and equity accounting*

The consolidated financial statements include:

- the assets and liabilities, and the results and cash flows, of the Company and its subsidiaries; and
- the Group's share of the results and net assets of associates and joint ventures.

(i) *Subsidiaries*

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The acquisition method of accounting is used to account for business combinations by the group (refer to accounting policy 5.34.3 for business combinations below).

The financial statements of entities consolidated are made up to 31 December each year.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions with non-controlling interests are recorded directly in equity.

(ii) *Associates and joint ventures*

Where the Group has the ability to exercise significant influence over entities, they are accounted for as associates. Joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement are accounted for as joint ventures. The results and assets and liabilities of associates and joint ventures are incorporated into the consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy for Impairment of assets below.

5.37.2 ***Foreign currencies***

Foreign currency transactions are booked in the functional currency of each Group entity at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the income statement.

On consolidation, assets and liabilities of Group entities whose functional currency is not the Euro are translated into Euros at rates of exchange ruling at the balance sheet date. Their results and cash flows are translated into Euros using average rates of exchange.

Exchange adjustments arising on translating foreign currency-denominated financial statements are taken to a separate component of equity.

5.37.3 ***Business combinations***

Business combinations are accounted for using the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the sum of the acquisition date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquired businesses (including those resulting from contingent consideration arrangements) and the equity interests issued by the Group. If the business combination is achieved in stages, consideration transferred also includes the fair value of the existing equity interest in the acquiree.

The excess of the consideration transferred, together with any non-controlling interests in the acquiree, over the fair value of the net assets, liabilities and contingent liabilities acquired, is recorded as goodwill. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

5.37.4 ***Segment reporting***

To date, the Company manages its operations and allocates resources as a single operating segment. Further, the Company manages, monitors, and reports its financials as a single reporting segment. The Company's chief operating decision-maker is its Board of Directors, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources. See note 5.6.1 for information regarding the Company's revenue by geography.

5.37.5 ***Revenue***

The Group generates the majority of its revenue from software-as-a-service (SaaS) fees, which consist primarily of periodic fixed and usage-based fees paid by its customers for access to, and usage of, its cloud-based software solutions for a specified contract term. The Group also derives revenue from professional services fees, which primarily include fees related to the implementation of its customers onto its platform, typically including discovery, configuration and deployment, integration, testing, and training, as well as other ad hoc consulting services (for example, change requests by existing customers) and managed services to users outsourcing certain network and application resource procedures. Customers may also purchase a perpetual or term license for certain software products.

Revenue is recognized as the Group transfers goods and services to customers, at amounts it expects to receive as consideration under enforceable contractual arrangements. Revenue is recognized as the Group satisfies contractual performance obligations, which can occur either at a point in time or over time.

The Group recognizes revenue according to a five-step model that involves:

- Identifying the contract (or contracts) with a customer;
- Identifying the performance obligations in the contract(s);
- Determining the transaction price;
- Allocating the transaction price to the contractual performance obligations; and
- Recognizing revenue as we satisfy the performance obligations.

The Group considers a contract to exist when it has legally enforceable rights and obligations with a customer. The Group's contracts can take a variety of forms but are normally in writing and include all major commercial terms such as the goods or services it will be obligated to transfer under the arrangement, the amount the customer is obligated to pay us upon fulfillment of the Group's obligations and the payment terms.

Performance obligations in a contract are accounted for separately if they are determined to be distinct. The Group considers a performance obligation to be distinct if that good or service is separately identified from other items in the contract and if the customer can benefit from that performance obligation on its own or together with resources that are readily available to the customer. In assessing whether a customer can benefit from a performance obligation on its own, the Group considers factors such as the interdependency or interrelationship of the item with other goods or services in the contract, the complexity of any required integration or customization and the ability of the customer's personnel or other third party providers to fulfill like goods or services. If a particular good or service is not considered to be distinct, it is combined with other performance obligations in the arrangement and revenue is recognized as the combined performance obligation is satisfied.

The transaction price is the amount of consideration the Group expects to be entitled to under a contract upon fulfillment of the performance obligations. The starting point for estimating the transaction price is the selling price stipulated in the contract, however the Group includes in the determination of the overall transaction price an estimate of variable consideration to the extent it is probable that it will not result in a significant future reversal of revenue. The Group excludes from the determination of the transaction price value-added or other taxes it bills to and collects from customers and remit to government authorities.

For contracts involving the sale of more than one good or service, the transaction price is allocated to contractual performance obligations on a relative standalone selling price basis.

Revenue is recorded, either at a point in time or over time, as the Group satisfies the performance obligations in a contract.

(i) *Subscriptions*

The Group generates subscriptions and transactions revenue through the provision of hosted SaaS-based solutions including e-invoicing, e-identity and payment processing. These can include contractually fixed revenue amounts as well as usage-based fees. Our SaaS arrangements consist of an obligation for us to provide continuous access to a technology solution that we host. They do not provide the customer with the right to take possession of our software operating our solutions suite at any time.

The Group's subscription agreements generally have annual contractual terms and a small percentage have multi-year contractual terms. Revenue is recognized rateably over the related contractual term beginning on the date that the platform is made available to a customer. Access to the platform represents a series of distinct services as the Company continually provides access to, and fulfils its obligation to the end customer, over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes revenue rateably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's contracts are generally non-cancelable. The Company typically bills annually in advance for contracts with terms of one year or longer. The Company records contract liabilities when cash payments are received or due in advance of performance to deferred revenue. Deferred revenue primarily relates to the advance consideration received from the customer.

(ii) *Transactions*

Most of our SaaS-contracts are generally also subject to variable pricing fees based on customer processing, usage or volume. The Group sees its primary performance obligation to its customers as a stand-ready commitment to provide transaction processing services as the customers require, which is satisfied over time in periodic increments. Since the timing and quantity of transactions to be processed by the Company is not determinable, the total consideration is determined to be variable consideration. The variable consideration for our transaction processing services is usage-based and therefore specifically relates to our efforts to satisfy our obligation. The Company's progress towards complete satisfaction of its performance obligation is measured using an output method: revenue is recognized based on the value of services transferred to date determined by the number of transactions processed. The variability is satisfied each time the service is provided to the customer. Services are considered to be transferred when a transaction is captured. Transaction fees are accordingly recognized over time based on the actual number of transactions processed.

For service contracts with our customers, even in case it concerns long term contracts, the revenue is recognized each time the service is rendered. In practice this means that revenue is recognized on monthly basis, derived from the number of documents processed during that period.

When the customer is entitled to periodic discounts based on volumes of transactions, the Group estimates at the end of each financial reporting period the amount of variable consideration included in the transaction price to constrain revenue recognized as performance obligations are satisfied to the extent that a significant revenue reversal will not occur.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have historically not experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, the amount of any estimated refunds related to these agreements in the consolidated financial statements is not material during the periods presented.

(iii) *Print production*

The Group recognizes revenue from print production services offered at a point in time upon completion of the performed service and acceptance by the customer.

(iv) *Managed services*

Revenue from Managed services contracts, which includes hosting activities, is recognized as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value to the customer of the performance completed to date. Each performance obligation is satisfied over time as the client continuously receives and consumes the benefits of the services. The services are priced based on the number of hours spent on the contract. The amount to be billed is representative of the value of the service delivered to the customer and therefore, applying the right-to-bill practical expedient, revenue is recognized over time based on the hours spent. The related costs on resources-based contracts are expensed as incurred.

(v) *Implementation and change request services*

For certain of our hosted or SaaS solutions, customers are charged a fee for implementation services. In determining whether the implementation services are distinct from the hosting services we consider various factors, including the level of customization, complexity of the integration, the interdependency and interrelationship between the implementation services and the hosting services and the ability (or inability) of the customer's personnel or other service providers to perform the services. Where we conclude that the implementation services in our hosting arrangements with multiple performance obligations are not distinct, we recognize fees for implementation services rateably over the initial non-cancellable term of the SaaS contract.

Our change request services typically represent distinct performance obligations which are provided on a time and materials basis. Revenue for them is recognized as the services are performed.

(vi) *Sale of Licenses*

Software licenses revenue reflects non-recurring fees the Group charges to license software on a perpetual basis when the customer is allowed to install the software on his own infrastructure. For software licenses that do not include significant customization the Group recognizes revenue at the point in time where the customer has obtained access to the intellectual property and the license period has commenced. The Group's software licenses may be sold with post-contract customer support (PCS) which is comprised of technical assistance and unspecified software upgrades. Generally, the software license and PCS will each be distinct, because the software remains functional without the PCS. The Group recognizes revenue for the updates and technical support service over time using an appropriate measure of progress that reflects the transfer of control of the promise, based on costs of delivering the updates, among others.

5.37.6 ***Intangible assets***

(i) *Goodwill*

Goodwill is measured as described in note 5.37.3. Goodwill is not amortized, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) *Tradenames, licenses and customer relationships*

Separately acquired trademarks and licenses are shown at historical cost. Tradenames, licenses and customer relationships acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(iii) *Software*

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

(iv) *Research and development*

Research expenditure and development expenditure that do not meet the criteria in the paragraph above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(v) *Amortisation methods and periods*

The following table presents the estimated useful lives of intangible assets:

Intangible asset	Estimated useful life
Internally generated software	5 years
Acquired software	3 - 5 years
Customer relationships	5 – 10 years
Tradenames	5 years

5.37.7 ***Property and equipment***

Equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the related asset, which is generally three to seven years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the term of the related lease.

5.37.8 ***Leases***

The Group leases office space, data centers, and vehicles under operating leases with various expiration dates through 2024. It has adopted IFRS 16 Leases on transition date to IFRS (1 January 2017) using the full retrospective approach. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate for leases of premises and the implicit rate for leases of vehicles.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease

payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment, with initial value of 5,000 EUR or below. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.37.9 ***Impairment of assets***

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

5.37.10 ***Financial assets***

(i) *Trade receivables*

Trade receivables are recognized initially at the amount of consideration that is unconditional. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(ii) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model, unless the Group has irrevocably elected to classify them at fair value through other comprehensive income.

(iii) *Impairment of financials assets*

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iv) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

5.37.11 ***Cash and cash equivalents***

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

5.37.12 ***Contributed equity***

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments, the consideration paid is deducted from equity attributable to the owners of the parent until the equity instruments are cancelled or reissued. Where such equity instruments are subsequently reissued, any consideration received is included in equity attributable to the owners of the parent.

5.37.13 ***Financial Liabilities***

(i) *Automatically convertible bonds*

As disclosed in note 5.21.1, the Company has issued certain automatically convertible bonds in 2018 and 2019 ("the Bonds"). The Bonds have resulted in the Group receiving cash (a financial asset) and assuming an obligation to issue a variable number of shares to their holders in the future (the earlier of an initial public offering (or other qualifying transaction) or maturity). The contract being a non-derivative financial instrument is classified as a financial liability.

The cash flows required by the contract and total return to the Bondholders are affected by the Bonds' terms in a manner similar to derivative instruments. The derivatives in the hybrid contract are accounted for as a single compound embedded derivative. The derivative liability is accounted for at fair value through profit or loss.

The host contract is carried at amortized cost using the effective interest rate method.

In its balance sheet, the Group presents the bifurcated embedded derivatives on a combined basis with the host contract.

(ii) *Borrowings*

All other borrowings are initially recorded at the fair value of proceeds received, net of transaction costs. They are subsequently carried at amortized cost using the effective interest rate method, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognized as a charge to the income statement over the period of the relevant borrowing.

(iii) *Put option over non-controlling interests*

The Group has written put options over the equity of Fitek Slovakia which permit the holders to put their shares in the subsidiary to the Group from 1 January 2022 at a price to be determined at the time of exercise based on an agreed formula purporting to approximate market price. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognized at the present value of the redemption amount within financial liabilities with a corresponding charge directly to equity. While the non-controlling interests put remains unexercised, the accounting at the end of each reporting period is as follows:

- The Group determines the amount that would have been recognized for the non-controlling interests, including an update to reflect allocations of profit or loss and of changes in other comprehensive income;
- The Group derecognises the non-controlling interests as if they were acquired at that date;
- The Group recognises a financial liability at the present value of the redemption amount; and
- The Group accounts for the difference between the redemption amount and the amount of non-controlling interests derecognized as an equity transaction.

(iv) *Trade and other payables*

Trade payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

5.37.14 ***Government assistance***

The Group has received government assistance from regional authorities in the form of low interest-bearing cash advances financing research and development projects. 30% of the cash received from the regional government is unconditionally repayable. The balance is repayable in cash only if the entity decides to exploit and commercialize the results of the project. The terms of that repayment can result in the Group repaying as much as twice the amount of the original cash proceeds if the project is successful. If the Group decides not to exploit and commercialize the results of the research phase, the cash received is not repayable in cash, but instead the Group must transfer to the government the rights to the research. The cash received gives rise to a financial liability initially measured at its fair value. The difference between the cash received and the fair value of the financial liability is treated as a government grant. The financial liability is subsequently measured at amortized cost using the effective interest method less repayments of principal.

5.37.15 ***Post-retirement benefits***

The group operates both defined benefit and defined contribution pension plans.

Pension plans in Belgium are of the defined benefit type because of the minimum promised return on contributions required by law. The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

5.37.16 ***Share-based compensation***

The fair value of options granted under the Group's share-based compensation plans is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, normally using the Black-Scholes model. The fair value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve in equity.

5.37.17 ***Taxation***

Current tax is provided at the amounts expected to be paid applying tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax accounts for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognized if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the date of the statement of financial position.

The Group does not recognize deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries, joint ventures and associates where the parent company is able to control of the timing of the reversal of the temporary differences and it is not considered probable that the temporary differences will reverse in the foreseeable future.

A deferred tax asset is recognized only to the extent that it is probable based on all available positive and negative evidence that future taxable profits will be available against which the asset can be utilised. Such evidence includes, but is not limited to, recent cumulative earnings or losses, expectations of future taxable income by taxing jurisdiction, and the carry-forward periods available for the utilisation of deferred tax assets. The carrying amount of the deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Under the Estonian Income Tax Act and the Law on Corporate Income Tax of the Republic of Latvia, corporate profit for the year is not subject to income tax, i.e. the income tax rate applicable to undistributed profit is 0%. Income tax is instead levied on distributed profit (i.e. dividends) and conditionally or theoretically distributed profit (e.g. fringe benefits, gifts, donations, entertainment expenses, non-business expenditures, doubtful debts, excessive interest payments, transfer pricing adjustments). In accordance with IAS 12 Income taxes, income taxes payable by our subsidiaries in Estonia and Latvia include only such taxes that are based on the taxable profit, thus, corporate income tax calculated on the taxable base consisting of conditionally or theoretically distributed profit is shown under Other expenses. Deferred tax assets and liabilities arising in these subsidiaries are recognized by applying the rate applicable to undistributed profits – i.e. at nil amounts.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and liabilities are offset where the entity has a legal enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.37.18 Earnings per Share

We report both basic and diluted earnings per share. Basic earnings per share is calculated based on the weighted average number of ordinary shares outstanding and excludes the dilutive effect of stock options or any other type of convertible securities. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

5.37.18 ***Fair value measurement***

The Group applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities, the Group considers the principal or most advantageous market in which it would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions, and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorisation within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

ANNEX 2 – COMPANY UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

UNIFIEDPOST GROUP SA

Interim consolidated financial statements as of and for the six month period ended 30 June 2020

(Unaudited)

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

REVIEW REPORT RELATING TO THE COMPANY UNAUDITED INTERIM FINANCIAL STATEMENTS

See separate document included hereafter.

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AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF UNIFIEDPOST GROUP SA ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2020

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Unifiedpost Group SA as of 30 June 2020 and the related interim consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-months period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, September 17, 2020

BDO Réviseurs d'Entreprises SCRL
Auditor
Represented by Ellen Lombaerts

1 INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Thousands of Euro, except for share data	Notes	**For the six-month period ended 30 June** **2020**	**2019**
Revenue	5.7	33,494	21,030
Cost of services	5.8	(19,426)	(11,005)
Gross profit		**14,068**	**10,025**
Research and development expenses	5.8	(5,742)	(4,714)
General and administrative expenses	5.8	(13,050)	(9,592)
Selling and marketing expenses	5.8	(4,971)	(3,645)
Other income / (expenses)		600	98
Net impairment gains / (losses) on financial and contract assets		(107)	(15)
Profit / (loss) from operations		**(9,202)**	**(7,843)**
Changes in fair value of financial liabilities	5.18	(2,312)	(410)
Financial income		59	81
Financial expenses		(5,000)	(2,677)
Share of profit / (loss) of associates & joint ventures		(51)	31
Profit / (loss) before tax		**(16,506)**	**(10,818)**
Income tax		(408)	38
PROFIT / (LOSS) FOR THE PERIOD		**(16,914)**	**(10,780)**
Other comprehensive income:		**(669)**	**(195)**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension obligations		(52)	(216)
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		(616)	21
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		**(17,583)**	**(10,975)**
Profit / (loss) is attributable to:			
Owners of the parent		(16 766)	(10,780)
Non-controlling interests		(148)	-
Total comprehensive income / (loss) is attributable to:			
Owners of the parent		(17 435)	(10,975)
Non-controlling interests		(148)	-
Earnings per share attributable to the equity holders of the parent			
Basic		(7.84)	(5.20)
Diluted		(7.84)	(5.20)

The notes form an integral part of these interim consolidated financial statements.

2 INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousands of Euro	Notes	**As at 30 June 2020**	**As at 31 December 2019**
ASSETS			
Goodwill	5.9	35,069	30,842
Other intangible assets	5.10	48,451	44,065
Property and equipment		5,779	1,549
Right-of-use-assets		8,668	7,708
Interest in associates and joint ventures	5.17	-	6,394
Non-current contract costs		802	283
Deferred tax assets		817	830
Other non-current assets		227	471
Non-current assets		**99,813**	**92,142**
Inventories		461	205
Trade and other receivables		14,031	13,317
Contract assets		198	200
Contract costs		1,208	610
Current tax assets		90	191
Prepaid expenses		2,425	1,586
Cash and cash equivalents		8,568	3,046
Current assets		**26,981**	**19,155**
TOTAL ASSETS		**126,794**	**111,297**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Share capital	5.11	49,204	20,744
Costs related to equity issuance		(413)	(389)
Share premium reserve	5.11	492	492
Accumulated deficit		(57,396)	(40,420)
Reserve for share-based payments		1,606	1,552
Other reserve		(856)	(1,173)
Cumulative translation adjustment reserve		(633)	(4)
Equity attributable to equity holders of the parent		**(7,996)**	**(19,198)**
Non-controlling interests		-	-
Total shareholders' equity		**(7,996)**	**(19,198)**
Non-current convertible bonds	5.12	-	34,999
Non-current derivative financial instruments	5.12,5.18	550	12,937
Liabilities associated with puttable non-controlling interests	5.13,5.18	8,392	2,000
Non-current loans and borrowings	5.12	8,154	7,074
Non-current lease liabilities		5,722	5,306
Non-current contract liabilities		2,275	1,202
Retirement benefit obligations		426	345
Deferred tax liabilities		3,200	2,469
Non-current liabilities		**28,719**	**66,332**
Current convertible bonds	5.12	21,248	-
Current derivative financial instruments	5.12,5.18	7,894	-
Interest payable on convertible bonds	5.12	615	1,431
Current loans and borrowings	5.12	41,093	38,066
Current lease liabilities		3,054	2,602
Trade and other payables		23,035	14,918
Contract liabilities		8,254	6,722
Current income tax liabilities		878	424
Current liabilities		**106,071**	**64,163**
TOTAL EQUITY AND LIABILITIES		**126,794**	**111,297**

The notes form an integral part of these interim consolidated financial statements.

3 INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands of Euro	Notes	**Share capital**	**Costs related to equity issuance**	**Share premium reserve**	**Accumu-lated deficit**	**Reserve for share-based payments**	**Other reserve**	**Cumulative translation adjustment reserve**	**Non-controlling interests**	**Total shareholders' equity**
Balance as at 1 January 2019		**20,744**	**(389)**	**492**	**(17,840)**	**1,244**	**-**	**(11)**	**-**	**4,240**
Result for the period		-	-	-	(10,780)	-	-	-	-	(10,780)
Other comprehensive income / (loss)	5.11	-	-	-	(216)	-	-	21	-	(195)
Total comprehensive income for the period		-	-	-	(10,996)	-	-	21	-	(10,975)
Transactions with owners in their capacity as owners										
Share-based-payments		-	-	-	-	14	-	-	-	14
Balance as at 30 June 2019		**20,744**	**(389)**	**492**	**(28,836)**	**1,258**	**-**	**10**	**-**	**(6,721)**
Balance as at 1 January 2020		**20,744**	**(389)**	**492**	**(40,420)**	**1,552**	**(1,173)**	**(4)**	**-**	**(19,198)**
Result for the period		-	-	-	(16,914)	-	-	-	-	(16,914)
Other comprehensive income / (loss)	5.11	-	-	-	(40)	-	-	(629)	-	(669)
Total comprehensive loss for the period		-	-	-	(16,954)	-	-	(629)	-	(17,583)
Transactions with owners in their capacity as owners										
Non-controlling interests on acquisition of subsidiary	5.6	-	-	-	-	-	-	-	2,440	2,440
Put option written over non-controlling interests	5.6	-	-	-	(22)	-	(3,925)	-	(2,440)	(6,387)
Share-based-payments		-	-	-	-	54	-	-	-	54
Issuance of shares for cash	5.11	7,303	(24)	-	-	-	-	-	-	7,279
Issuance of shares upon conversion of convertible bonds	5.11	21,157	-	-	-	-	4,795	-	-	25,952
Embedded derivatives re to capital increase in cash		-	-	-	-	-	(553)	-	-	(553)
Balance as at 30 June 2020		**49,204**	**(413)**	**492**	**(57,396)**	**1,606**	**(856)**	**(633)**	**-**	**(7,996)**

The notes form an integral part of these interim consolidated financial statements.

4 INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of Euro	Notes	**For the six-months period ended 30 June 2020**	**For the six-months period ended 30 June 2019**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		**(16,914)**	**(10,780)**
Adjustments for:			
▪ Depreciation of property, plant & equipment		398	292
▪ Depreciation of right of use assets		1,559	916
▪ Amortisation of intangible fixed assets	5.10	4,460	2,328
▪ Impairments of trade receivables		168	15
▪ Financial income		(59)	(81)
▪ Financial expenses		5,000	2,677
▪ Share of (profit) / loss of joint ventures		51	(31)
▪ Gain from remeasurement of previously held interest upon assuming control over a subsidiary		(465)	-
▪ Share-based compensation		54	14
▪ Income tax expense / (income)		408	(38)
▪ Fair value change of financial asset		-	(23)
▪ Fair value change of derivative	5.18	2,312	410
Subtotal		**(3,028)**	**(4,301)**
Changes in Working Capital			
(Increase) / decrease in trade receivables and contract assets		(821)	827
(Increase) / decrease in other current and non-current receivables		(602)	(520)
(Increase) / decrease in Inventory		5	-
Increase / (decrease) in trade and other liabilities		9,184	714
Cash generated from / (used in) operations		**4,738**	**(3,280)**
Income taxes paid		(48)	(62)
Net cash provided by / (used in) operating activities		**4,690**	**(3,342)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments made for acquisition of subsidiaries, net of cash acquired	5.6	1,298	(25,793)
Payments made for purchase of property, plant & equipment		(959)	(123)
Proceeds from the disposals of property, plant & equipment		34	-
Payments made for purchase of intangibles and development expenses	5.10	(4,992)	(2,869)
Proceeds from sale of financial assets at fair value through profit or loss		-	552
Interest received		59	81
Net cash provided by / (used in) investing activities		**(4,560)**	**(28,152)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares	5.11	7,303	-
Dividends paid to non-controlling interests		(14)	-
Proceeds from loans and borrowings	5.14	3,453	34,847
Repayments of loans and borrowings	5.14	(2,819)	(1,669)
Interest paid on loans and borrowings		(722)	(2,216)
Costs related to equity issuance		(24)	-
Repayment of lease liabilities		(1,760)	(1,182)

Net cash provided by / (used in) financing activities	**5,416**	**29,780**
FX impact cash	(24)	-
Net increase / (decrease) in cash & cash equivalents	**5,522**	**(1,714)**
Cash and cash equivalents at beginning of period	3,046	4,928
Cash and cash equivalents at end of period	8,568	3,214

The notes form an integral part of these interim consolidated financial statements.

5 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5.1 General

Unifiedpost Group SA (previously UPM SA, the "Company") is a Belgian fintech company providing a complete technology portfolio for document processing, identity management, payment services, robotic process automation and added value platform services. Unifiedpost Group SA is a limited liability company with its registered office at Avenue Reine Astrid 92, 1310 La Hulpe. The interim consolidated financial statements of Unifiedpost Group SA for the six-months period ended 30 June 2020 (the "Interim Consolidated Financial Statements") comprise Unifiedpost Group SA and its subsidiaries together "the Group" as outlined in note 5.16.

These interim consolidated financial statements were authorized for issue by the Board of Directors on 17 September 2020.

5.2 Basis of presentation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2019 financial statements.

5.3 Significant accounting policies

Unifiedpost Group SA has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2019 annual financial statement. The following additional accounting policies were adopted for (i) property and equipment, as a result of business combination with Fitek Balkan and (ii) conversion of the bonds.

5.3.1 *Property and equipment*

Items of property and equipment are measured at cost less accumulated depreciation and impairments. Where parts of an item of property and equipment have different useful lives, these are accounted for as separate property and equipment items. The fair value of the buildings acquired in a business combination is established on the basis of a valuation report or a concrete offer.

Depreciation is charged to the income statement using the straight-line method over the expected useful life of the asset, and of the separately recorded major components of an asset. It begins when the asset is ready for its intended use. The residual value, useful lives and depreciation methods are reviewed annually. Land is not depreciated. Buildings are depreciated over the estimated expected remaining useful life. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the term of the related lease.

The estimated useful lives are as follows:

- office buildings: 33 years
- building fixtures: 10 – 20 years

5.3.2 *Accounting at conversion of the bonds*

The conversion shares are issued which leads to an increase of equity for the amount of their current fair value. On the other side, the settlement accounting of the convertible bond entails the derecognition (1) of the conversion option (derivative liability), measured at its final fair value (up to the moment it is settled), and (2) of the host liability component, which is measured at amortized cost (i.e. with interest accrued using the effective interest rate method pro rata temporis up to the settlement date).

A realized gain or loss shall be recognized on the host debt component upon conversion of the bonds. The Company will recognize a realized result on the host debt liability upon conversion for the difference between its fair value and its carrying value at amortized cost (accrued up to conversion date).

There are no new standards and interpretations effective for periods beginning on or after 1 January 2020, which are relevant to these interim consolidated financial statements.

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2020 (the date on which the company's next annual financial statements will be prepared up to) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

5.4 **Significant accounting estimates and judgements**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and judgements that are important for the presentation of the interim consolidated financial statements are addressed in the following notes:

- **Going concern** – Since 2018, the Group has experienced net losses and significant cash outflows from cash used in operating as well as investing activities. At 30 June 2020, Unifiedpost incurred an accumulated deficit of € 57.368 thousand, a loss of the period of € 16.914 thousand. The Group expects that from 2021 the result of the year and the cash used in operating activities will become at least positive and this based on the current growth plan. However, the Group may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect its growth plan.

The Group will need additional funds to further develop its assets and grow its operations, in line with the Group's business plan. As such there is significant uncertainty about the Group's ability to continue as a going concern if the Group would not succeed in attracting additional funding.

On the approval date of these interim financial statements, the Group is of the opinion that, even taking into account its available cash and cash equivalents following recent capital increase, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months from the date of the approval of these interim financial statements.

Therefore, the Group is preparing a public offering and is confident that the proceeds of this offering (together with its available cash and cash equivalents) will provide the Group with sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months from the date of the approval of these interim financial statements. For that reason, the Group decided to apply the accounting principles on the basis of going concern, which assumes the recovery of the Group's assets and the satisfaction of liabilities in the normal course of business.

Should the offering not be completed, the Group is confident that it will manage its working capital to be able to continue as a going concern. Notably, the Group intends to make the necessary adjustments to its working capital requirements (such as minimize R&D investments), and if possible, the Group will issue additional shares or enter into financing agreements, in particular to finance development costs.

If adequate funds are not available on commercially acceptable terms when needed, the Group may be forced to delay, reduce or terminate the development efforts or commercialization efforts of all or parts of its development projects which are currently supportive to the growth or it may be unable to maintain its current market position.

- **Valuation of intangible assets acquired in business combinations -** Inputs used in the valuation models for acquisition-related intangibles based on the following methodologies: the multi-period excess earnings method, replacement cost method, and the relief from royalty method, for customer relationships, developed technology, and tradenames, respectively (see note 5.10). Assessing the useful life of an intangible includes an element of judgement.

- **Impairment testing of goodwill and non-financial assets -** Estimate of future cash flows when determining the recoverable value of cash generating units including goodwill and determination of the discount rate to apply to those future cash flows (see note 5.9).

- **Development expenses -** Estimate of future economic benefits to be generated by development expenditure and determination of the useful life of intangible assets for amortization purposes (see note 5.10).

- **Deferred tax -** Estimate of timing and amount of future taxable profits against which unused tax losses can be utilized;

- Fair value measurement:

    - Convertible bonds: Fair value measurement of the derivative embedded in the convertible bonds issued by the Company, categorized as a level 3 in the fair value hierarchy of IFRS 13 Fair Value Measurement (see note 5.18).
    - Anti-dilution rights: Valuation of the derivatives embedded in the convertible bonds and the derivatives represented by the anti-dilution clauses attached to the capital increase (see note 5.11 and 5.18).
    - Subscription rights: Classification and accounting treatment of subscription rights arising in relation to the Investment Agreement and Voting Agreement (see note 5.11).

5.5 **Significant events and transactions**

(i) *COVID-19 pandemic*

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. These containment measures and the prohibition of non-essential activities have been implemented to varying degrees in the countries in which the Unifiedpost Group operates. Some of these countries have released in the meantime some of these confinement plans.

The corona pandemic creates uncertainty and risks regarding the performance of the Group, and the related financial results. The rapid development and volatility of the situation currently makes any prediction of the possible impact of the coronavirus pandemic on the business impossible. Given the above-mentioned great uncertainty, it is impossible to predict the ultimate impact of the corona-virus on business performance. The final assessment will depend on the extent and duration of this global health crisis.

The Group’s priority has been to protect the health of its employees and contractors, as well as the continuity of its services for its customers. The technological environment allows the business to continue to operate and for the employees to work remotely.

Some of our customers have been, and may continue to be, negatively affected by the economic consequences of the pandemic, which may continue to have negative implications for the demand for goods and services, the supply chain, production of goods and transportation. A negative impact on our customers could cause them to cease their activities, or to request an extension of payment periods or the cancellation of the supply of our services. Each of these measures would have a negative impact on the Group's operating results, its liquidity and its future financial results. Based on the interim results available to date, the impact of the economic crisis on demand for the group’s services appears limited.

In the medium term, however, we believe that the pandemic will probably accelerate the transition to digital solutions based on fintech, which should help improve the Group's performance.

Given the current impact of the coronavirus pandemic on populations and economies worldwide, the Group is constantly evaluating the need for additional action. The following actions have been taken:

- Communicate with customers to coordinate actions in our services to understand their current and expected needs;
- Analysis of customers portfolio per industry and assessment of COVID-19 impact per industry;
- Communicate with suppliers on payment plans and with the banks on reimbursement plans;
- Prepare for possible cost savings to deal with a possible decrease in demand for group services, should it occur.

At the date of the approval of the financial statements, management considers that the COVID-19 crisis does not increase the risk that the company would not be able to continue its activities, nor that it could lead to a significant adjustment to the recognized assets or the liabilities in 2020. The precise effects of the pandemic remain difficult to quantify to date, given the uncertainty as to the length and severity of the pandemic.

(ii) *Acquisition of 1% additional shares of Fitek Balkan*

Unifiedpost Group acquired 100% of the Fitek group of companies on 29 March 2019. Fitek is a financial automation processes service provider operating in Estonia, Latvia, Lithuania, the United Kingdom, Slovakia, the Czech Republic, Servia and Bosnia Herzegovina. The Group acquired 100% of the shares of Financial Automation Solutions holding 95% of the shares in Fitek Holding SIA, as well as the remaining 5% of the shares in Fitek Holding SIA, hereby acquiring 100% of the shares of Fitek Holdings SIA and its subsidiaries. Fitek Holding SIA holds 100% of the shares in four entities in the Baltics and, at the time of the acquisition, held 50% ownership in joint ventures in the Balkans and Slovakia. An additional 1% of the shares in the Fitek Slovakia joint venture was acquired on 23 December 2019.

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan joint ventures, thereby obtaining control of them (see note 5.6).

(iii) *Capital increase and conversion of bonds*

On 26 June 2020 the share capital was increased by a contribution in cash in the amount of €7,302,600 with issuance of 73,026 new class B shares without nominal value. The new shares were issued at a price of €100.00 per share. Following the capital increase, the share capital amounted to €28,046,861.85 and was represented by 1,591,219 shares. On the same date, the share capital was subsequently increased following a voluntary conversion of 400 bonds in the amount of €21,157,183.61 with issuance of 282,086 new class D shares without nominal value. The new shares were issued at a price of €75.00 per share. Following the capital increase, the share capital amounted to €49,204,045.00 and was represented by 1,873,305 shares (see note 5.11).

On 17 July 2020, the share capital was increased by a contribution in cash in the amount of €3,105,000.00 with issuance of 31,050 new class B shares without nominal value. The new shares were issued at a price of €100.00 per share. Following the capital increase, the share capital amounted to €52,309,045.46 and was represented by 1,904,355 shares. On the same date, the share capital was subsequently increased following a voluntary conversion of 285 bonds in the amount of €15,034,252.78 with issuance of 200,452 new class D shares without nominal value. The new shares were issued at a price of €75.00 per share. Following the capital increase, the share capital amounts to €67,343,298.24 and is represented by 2,104,807 shares.

(iv) *Change in name of subsidiaries*

On 14 February 2020, Pay-Nxt SA changed its name to Unifiedpost Payments BV.

On 18 February 2020, Stichting Pay-Nxt changed its name to Stichting Unifiedpost Payments.

On 1 June 2020, Prime Document Limited changed its name to Unifiedpost Limited.

5.6 Business combinations during the period

5.6.1 *Summary of acquisitions*

The Group has made the following acquisitions since 1 January 2017:

Acquisitions	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration (Thousands of Euro)
Nomadesk NV	File sharing & synchronization	31/01/2017	100%	500
Onea NV	Real-time integrated accounting	31/03/2017	100%	1,750
ADMS BV	Digital document & accountancy workflow	30/10/2018	100%	1,113
Inventive Designers NV	Customer communication management	30/11/2018	100%	10,604
Leleu Document Services NV	Document printing & postal distribution	15/12/2018	100%	5,990
Financial Automated Solutions OÜ	Financial process automation	29/03/2019	100%	28,842
PDOCHOLCO Ltd.	Document printing & postal distribution	29/11/2019	100%	9,449
Fitek s.r.o.	Financial process automation	23/12/2019	51%	2,619
Fitek Balkan d.o.o.	Financial process automation	11/02/2020	51%	6,964

(i) *2020 Acquisitions*

(A) Fitek Balkan

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan joint ventures, thereby obtaining control of them. The consideration transferred to effect the business combination amounts to € 7.0 million, including vendor loans received from the sellers of € 0.2 million, the settlement of pre-existing relationships of € 0.1 million and the fair value of the 50% equity previously held in the

Fitek Balkan joint venture of € 6.8 million.

(ii) *2019 Acquisitions*

(A) Fitek

Unifiedpost Group acquired 100% of the Fitek group of companies on 29 March 2019, for an aggregate consideration of € 28.8 million, including cash consideration of € 19.5 million, the assumption of liabilities to the former owners in the amount of € 7.9 million and the issuance of convertible bonds with a fair value of € 1.4 million. Fitek is a financial automation processes service provider operating in Estonia, Latvia, Lithuania, the United Kingdom, Slovakia, the Czech Republic, Servia and Bosnia Herzegovina. The Group acquired 100% of the shares of Financial Automation Solutions holding 95% of the shares in Fitek Holding SIA, as well as the remaining 5% of the shares in Fitek Holding SIA, hereby acquiring 100% of the shares of Fitek Holdings SIA and its subsidiaries. Fitek Holding SIA holds 100% of the shares in four entities in the Baltics and, at the time of the acquisition, held 50% ownership in joint ventures in the Balkans and Slovakia. The acquisition of Fitek purports to increase the Group's total addressable market. An additional 1% of the shares in the Fitek Slovakia joint venture was acquired on 23 December 2019.

(B) Prime Document (now Unifiedpost Limited)

On 29 November 2019, the Company acquired 100% of PDOCHOLCO Limited (United Kingdom), for an aggregate consideration of € 9.4 million, including cash consideration of 7.0 million GBP (€ 8.2 million) and the issuance of convertible bonds with a fair value of € 1.2 million. PDOCHOLCO Limited owns 100% of the shares in Prime Document Limited (United Kingdom) and Prime Document Trustee Limited (United Kingdom). Headquartered in Manchester, Unifiedpost Limited (previously PrimeDoc) (the official name of Prime Document) is a provider of multi-channel, transactional, document processing services. The acquisition of Unifiedpost Limited purports to increase the Group's total addressable market.

(C) Fitek Slovakia

On 23 December 2019, the Group gained control over Fitek Slovakia by acquiring an additional 1% of the shares in the entity in exchange for aggregate consideration of € 2.6 million, including a vendor loan of € 0.1 million, the settlement of an outstanding loan towards Fitek Slovakia of € 0.4 million and the fair value of the 50% equity previously held in the Fitek Slovakia joint venture of € 2.1 million.

5.6.2 ***Consideration transferred***

The total consideration transferred to affect the business combinations can be summarised as follows:

	2019			**2020**
Thousands of Euro	*Fitek*	*UnifiedPost Limited*	*Fitek Slovakia*	*Fitek Balkan*
Cash	27,442	8,249	-	-
Issuance of convertible bonds	1,400	1,200	-	-
Vendor loan			50	150
Acquisition date fair value of the previously held equity interest	-	-	2,125	6,750

Settlement of pre-existing relationships	-	-	444	64
Total consideration	**28,842**	**9,449**	**2,619**	**6,964**
Total goodwill	**3,048**	**3,520**	**1,757**	**4,360**

5.6.3 ***Assets acquired and liabilities assumed at the date of acquisition***

Details of the fair value of identifiable assets and liabilities acquired in the 2020 and 2019 business combinations, and of the resulting goodwill are as follows:

	2019			**2020**
Thousands of Euro	*Fitek*	*UnifiedPost Limited*	*Fitek Slovakia*	*Fitek Balkan*
Trade name	2,627	-	-	-
Software	1,885	141	-	365
Customer relationships	15,351	6,426	1,950	3,895
Other intangible assets	-	-	-	21
Property and equipment	244	65	39	3,710
Right-of-use assets	1,085	473	189	119
Investment in associates	7,965	-	-	-
Other non-current assets	315	-	-	-
Inventories	78	29	32	263
Trade and other receivables	1,753	958	264	1,241
Prepaid expenses	122	-	16	1
Cash and cash equivalents	1,649	174	42	1,298
Lease liabilities	(1,041)	(519)	(189)	(122)
Loans and borrowings	(3,163)	-	-	(3,309)
Deferred tax liabilities	(606)	(1,103)	(410)	(735)
Trade and other payables	(2,470)	(585)	(244)	(1,703)
Tax liabilities	-	(130)	-	-
Non-controlling interests	-	-	(827)	(2,440)
Total net assets	**25,794**	**5,929**	**862**	**2,604**
Goodwill	**3,048**	**3,520**	**1,757**	**4,360**
Consideration transferred	**28,842**	**9,449**	**2,619**	**6,964**

(i) *2020 Acquisitions*

(A) Fitek Balkan

On 11 February 2020, the Company acquired an additional 1% of the shares in the Fitek Balkan joint ventures, thereby obtaining control of them. The consideration transferred to effect the business combination is estimated at € 7.0 million, including a provisional determination of the fair value of the previously held equity interest and the settlement of pre-existing relationships with the acquired entity. A provisional fair value adjustment of € 3,895 thousand has been determined to reflect the fair value of acquired customer relationships, using the multi-period excess earnings method. The gain realized on the revaluation of the previously held 50 % equity interest amounts to € 465 thousand, which the Company reported under Other income.

Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group’s solutions, as well as from intangible assets that do not qualify for recognition.

The Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The Group has granted a put option to non-controlling shareholders whereby they have the right to sell their shares to the Group at some future date after 26 February 2020, at a price to be determined at the time of exercise based on an agreed formula approximating a market price.

The terms do not provide a present ownership interest in the shares subject to the put. The fair value of the put option has been determined to be € 6,355 thousand. A non-current liability has been recorded by partly offsetting the non-controlling interest recognized upon acquiring control over Fitek Balkan of € 2,440 thousand, while the remaining balance has been charged directly to the other reserves in the equity attributable to equity holders of the parent.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

(ii) *2019 Acquisitions*

(A) Fitek

The Company has identified and valued € 19,863 thousand in intangible assets acquired in the combination that were not recognized by the acquired business. These include tradenames of € 2,627 thousand (estimated using the relief-from-royalty method), customer relationships of € 15,351 thousand (estimated using the multi-period excess earnings method) and technology of € 1,885 thousand (estimated using the reproduction cost approach). These intangibles are amortized based on estimated remaining useful lives of 5 years for tradenames and technology, and of 10 years for customer relationships.

The fair value of the investments in the Balkans and Slovakia joint ventures was estimated using an income approach discounting the expected cash flows amounts to a present value at a rate of return that represents the time value of money and the relative risks of each investment (‘free cash flow to firm’) and then subtracting the fair value of the investees’ debt net of cash.

Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group’s solutions, as well as from intangible assets that do not qualify for recognition.

(B) Unifiedpost Limited

The Company has provisionally identified and valued € 6,426 thousand in intangible assets acquired in the business combination, relating to customer relationships. The customer relations are amortized based on their estimated remaining useful life of 10 years. Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

(C) Fitek Slovakia

On 23 December 2019, the Company acquired an additional 1% of the shares in the Fitek Slovakia joint venture, thereby obtaining control of it. The consideration transferred to affect the business combination totalled € 2.6 million, including a provisional determination of the fair value of the previously held equity interest. A provisional fair value adjustment of € 1,950 thousand has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method. The gain realized on the revaluation of the previously held 50 % equity interest amounts to € 412 thousand, which the Company reported under Other income.

Goodwill arose from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The Group has granted a put option to non-controlling shareholders whereby they have the right to sell their shares to the Group at some future date after 1 January 2022, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, with a price floor safeguard.

The terms do not provide a present ownership interest in the shares subject to the put. The fair value of the put option has been determined to be € 2,000 thousand. A non-current liability has been recorded by partly offsetting the non-controlling interest recognized upon acquiring control over Fitek Slovakia of € 827 thousand, while the remaining balance has been charged directly to the other reserves in the equity attributable to equity holders of the parent.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

5.6.4 *Revenue and profit or loss contribution*

The tables below present:

- the contribution of the acquired businesses to the Group's revenues and net profit or loss for the period from their date of acquisition to 30 June; and
- the hypothetical contribution of the acquired businesses to the Group's revenue and net profit or loss for the period in which the acquisition took place, as if the acquisition had occurred on 1 January of that year. These amounts have been calculated using the acquired business' results and adjusting them essentially for differences in the accounting policies between the group and the acquired business.

Thousands of Euro	***Since date of acquisition (2020)*** *Fitek Balkan*
Revenues	2,430
Profit / (loss) for the period	(181)

Thousands of Euro	***Since date of acquisition (2019)*** *Fitek*
Revenues	3,006
Profit / (loss) for the period	(612)

Thousands of Euro	***For the six-months period ended 30 June 2020*** *Fitek Balkan*
Revenues	2,763
Profit / (loss) for the period	(251)

Thousands of Euro	***For the six-months period ended 30 June 2019*** *Fitek*
Revenues	6,486
Profit / (loss) for the period	904

5.7 Revenue from contracts with customers

5.7.1 *Disaggregation of revenue from contracts with customers*

The Group derives revenue from the provision of services over time and at a point in time from the following sources:

Thousands of Euro	**Timing of revenue recognition**	**For the six-months period ended 30 June 2020**	**For the six-months period ended 30 June 2019**
Revenue from Repeated Services		**30,651**	**18,819**
Transactions		22,830	13,211
Document processing	Over time	11,714	9,159
Print production	At a point in time	11,116	4,052
Subscriptions	Over time	6,467	4,227
Managed services	Over time	1,354	1,381
Project Revenue		**2,843**	**2,211**
Implementation requests	Over time when not distinct, at a point in time otherwise	85	-
Change requests	At a point in time	2,115	2,211
Sale of licenses	At a point in time	643	-
Total		**33,494**	**21,030**

The Group expects its revenue from subscriptions, transactions and from managed services to recur because the contracts with its customers generally extend over the current accounting period in exchange for active use of our services, or because they include auto-renewal provisions.

The Group's revenue per product line was as follows for the six-months period ended 30 June 2020 and 30 June 2019:

	For the six-months period ended 30 June 2020				
Thousands of Euro	Documents	Identity	Payments	Platform Services	**Total**
Revenue from Repeated Services	**23,967**	**2,863**	**621**	**3,200**	**30,651**
Transactions	21,904	-	70	856	22,830
Document processing	*10,788*	-	*70*	*856*	*11,714*
Print production	*11,116*	-	-	-	*11,116*
Subscriptions	1,990	2,863	551	1,062	6,467
Managed services	73	-	-	1,282	1,354
Project Revenue	**1,970**	**31**	**25**	**817**	**2,843**
Implementation requests	41	17	18	9	85
Change requests	1,849	14	7	245	2,115
Sale of licenses	80	-	-	563	643
Total	**25,937**	**2,894**	**646**	**4,017**	**33,494**

	For the six-months period ended 30 June 2019				
Thousands of Euro	Documents	Identity	Payments	Platform Services	**Total**
Revenue from Repeated Services	**14,460**	**1,457**	**466**	**2,436**	**18,819**
Transactions	12,819	-	37	355	13,211
Document processing	*8,767*	-	*37*	*355*	9,159

Print production	*4,052*	-	-	-	4,052
Subscriptions	*1,595*	*1,457*	*429*	*746*	4,227
Managed services	*46*	-	-	*1,335*	1,381
Project Revenue	**1,888**	**187**	**16**	**120**	**2,211**
Implementation requests	-	-	-	-	-
Change requests	1,888	187	16	120	2,211
Sale of licenses	-	-	-	-	-
Total	**16,348**	**1,644**	**482**	**2,556**	**21,030**

The Group generated revenue in the following primary geographical markets during the six-months period ended 30 June 2020 and 30 June 2019, with Belgium and the Netherlands representing the majority of its sales:

Thousands of Euro	**For the six-months period ended 30 June 2020**	**For the six-month period ended 30 June 2019**
Belgium	11,556	10,322
Netherlands	6,215	5,148
United Kingdom	4,346	878
Lithuania	2,583	1,141
Serbia	2,327	-
Estonia	1,894	1,007
Latvia	1,612	777
Slovakia	784	-
Luxemburg	486	457
France	218	611
The rest of the world	1,473	689
Total	**33,494**	**21,030**

	For the six-months period ended 30 June 2020	***For the six-month period ended 30 June 2019***
Belgium	35%	49%
Netherlands	19%	24%
United Kingdom	13%	4%
Lithuania	8%	5%
Serbia	7%	0%
Estonia	6%	5%
Latvia	5%	4%
Slovakia	2%	0%
Luxemburg	1%	2%
France	1%	3%
The rest of the world	4%	3%
Total	**100%**	**100%**

5.7.2 *Contract assets and liabilities*

Accounts receivable include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may or may not have been invoiced.

Contract assets arise when we recognize revenue in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation. The Group has not recognized significant impairment losses on contract assets for any of the periods presented.

Contract liabilities consist of billings or customer payments in excess of amounts recognized as revenue. Current contract liabilities relate to performance obligations that will be satisfied within one year.

The Group's contract liabilities primarily arise from:

- Subscription fees that are invoiced in advance of the period of service and are recognized monthly when the performance obligation has been satisfied;
- Fees for non-distinct implementation services that are recognized rateably over the initial non-cancellable term of a Software-as-a-Service (SaaS) contract, which typically ranges from one to three years; and
- Revenue deferred until when post-contract customer service ("PCS") obligations (including stand-ready obligations to provide unspecified software upgrades) have been satisfied.

The following table provides an overview of trade receivables, contract assets and contract liabilities from contracts with customers:

Thousands of Euro	**As at 30 June 2020**	**As at 31 December 2019**
Trade receivables, net	**11,299**	**12,105**
Contract assets	**198**	**200**
Current	198	200
Contract costs	**2,011**	**893**
Non-current	803	283
Current	1,208	610
Contract liabilities	**(10,530)**	**(7,924)**
Non-current	(2,275)	(1,202)
Current	(8,254)	(6,722)

78% of the total contract liabilities of € 10,530 thousand, are expected to be recognized in revenue during period 1 July 2020 until 30 June 2021. In the following period, 1 July 2021 until 30 June 2022, 15% will be recognized as revenue. The remaining 7% is attributable to the last period, being 1 July 2022 until 30 June 2023.

5.8 Disclosure of expenses

Details of expenses by nature are as follows:

Thousands of Euro	For the six-months period ended 30 June 2020	For the six-months period ended 30 June 2019
Expenses by nature		
Employee benefits	21,906	15,525
Scanning, printing and postage	11,335	3,907
Depreciation and amortisation	6,417	3,536
Cloud and other IT services	1,262	1,374
Marketing	967	1,801
Subcontractors	618	716
Professional services	3,677	1,684
Facility costs	712	323
Capitalization of own development costs	(4,746)	(2,346)
Other	1,041	2,436
Total	**43,189**	**28,956**
Expenses by type		
Cost of services	19,426	11,005
Research and development expenses	5,742	4,714
General and administrative expenses	13,050	9,592
Selling and marketing expenses	4,971	3,645
Total	**43,189**	**28,956**

Included in Professional services for the six-months period ended 30 June 2020 and 30 June 2019 are € 2,278 thousand and € 909 thousand, respectively, of legal, reporting accountants' and other fees expensed in preparation of the contemplated listing of the Company's shares on Euronext Brussels.

Depreciation of property and equipment as well as of right-of-use assets, and amortisation of intangible assets, are reported in the following categories of expenses by function:

Depreciations and amortisation charges by type		
Thousands of Euro	**For the six-months period ended 30 June 2020**	**For the six-months period ended 30 June 2019**
Depreciation		
Cost of sales	661	375
Research and development expenses	437	390
General and administrative expenses	629	274
Selling and marketing expenses	230	169
Total	**1,957**	**1,208**
Amortisation		
Cost of sales	19	7
Research and development expenses	2,038	1,341
General and administrative expenses	1,416	519
Selling and marketing expenses	987	461
Total	**4,460**	**2,328**

5.9 Goodwill and impairment testing

The carrying amount of goodwill is summarised as follows:

Thousands of Euro	
At 1 January 2020	**30,842**
Additions	4,360
Foreign exchange difference	(133)
Disposals	-
At 30 June 2020	**35,069**

5.9.1 *Allocation to Cash Generating Units (CGUs)*

Goodwill acquired in a business combination is allocated, from the acquisition date, to the respective cash generating units ('CGUs') or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. To perform the allocation, management is evaluating the interdependency of the revenues from its revenue streams evidenced in the Group's business model. Goodwill was allocated to the Group's CGUS as follows:

Thousands of Euro	**As at 30 June 2020**	**As At 31 December 2019**
Document processing solutions	21,258	21,258
Print production	1,117	1,117
Payment solutions	142	142
Fitek Baltics	3,048	3,048
Fitek Slovakia	1,757	1,757
UnifiedPost Limited	3,387	3,520
Fitek Balkan	4,360	-
Total	**35,069**	**30,842**

Goodwill that arose from the 2019 business combinations of Fitek and of Prime Document has been allocated based on regional areas pending the further integration of these businesses into the Group and the crystallisation of the expected synergies and cross-selling opportunities offered by the enlargement of the Group's total addressable market.

Goodwill is tested for impairment at least annually. At 30 June 2020, the Payment solutions CGU also comprised assets not yet ready for their intended use and as such not yet subject to amortisation, as disclosed in note 5.10.

The recoverable amounts of the CGUs were assessed using a value in use model. Value in use was calculated using a discounted cash flow approach, with a pre-tax discount rate applied to the projected risk-adjusted pre-tax cash flows and terminal value.

5.9.2 *Assessment of recoverable amount of the CGUs*

(i) *Document processing solutions, Print production and Payment solutions*

Details relating to the discounted cash flow models used in the impairment tests of the different cash generating units are as follows:

Valuation basis	Value in use	
Key assumptions	Sales growth rates Profit margins Terminal growth rate Discount rate	
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information Margins reflect past experience, adjusted for expected changes. Terminal growth rates based on management's estimate of future long-term average growth rates, not exceeding the long-term projected growth rates for the relevant markets Discount rates based on CGU specific WACC's : - Document processing solutions - Print production - Payment solutions	 12.90 % 9.10 % 18.20 %
Period of specific projected cash flows	Ten years Given the first five-year period is marked by double digit growth, a second five-year period of limited inflation growth was built in to flatten the terminal value.	

Given the first five-year period is marked by double digit growth, a second five-year period of limited inflation growth was built in to flatten the terminal value.

Management is confident that the valuations indicated sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment of the related goodwill. Given its relative size, only the Document processing solutions CGU could give rise to impairment that would be material to the Group. For this CGU, containing the long-term growth rate into perpetuity at 1%, the compound growth rate for specific projected sales would need to fall below 12.4% for the recoverable value determined using the Document Processing Solutions WACC of 12.9% to be equal to the carrying amount of the CGU.

(ii) *Fitek Baltics, Fitek Slovakia and Fitek Balkan*

Details relating to the discounted cash flow models used in the impairment tests of the different cash generating units are as follows:

Valuation basis	Value in use	
Key assumptions	Sales growth rates Profit margins Terminal growth rate Discount rate	
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information Margins reflect past experience, adjusted for expected changes. Terminal growth rates based on management's estimate of future long-term average growth rates, not exceeding the long-term projected growth rates for the relevant markets Discount rates based on CGU specific WACC's : - Fitek Estonia - Fitek Latvia - Fitek Lituania - Fitek Slovakia - Fitek Balkan	 8.95 % 8.95 % 8.99 % 8.94 % 10.63 %
Period of specific projected cash flows	Five years	

The recoverable amount of the Fitek Baltics, Fitek Slovakia and Fitek Balkan CGUs was assessed to be their value in use, estimated using the discounted expected cash flow approach. Instead of only considering the most likely case, management calculated a range of expected cash flows based on one base case and three additional scenarios considering expected synergies with the rest of the Group. This approach lessens the impact of the judgemental exercise inherent in choosing a single specific risk premium. The cash flows were projected over a five-year period. Cash flows beyond the five-year period were extrapolated using a 1.5% growth rate. Apart from Fitek Balkan (10.63%), the discount rate applied ranged between 8.94% and 8.99%.

As a result of this analysis, there is reasonable headroom and management did not identify an impairment for these CGUs.

(iii) *Unifiedpost Limited*

Details relating to the discounted cash flow models used in the impairment tests of the different cash generating units are as follows:

Valuation basis	Value in use	
Key assumptions	Sales growth rates Profit margins Terminal growth rate Discount rate	

Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information Margins reflect past experience, adjusted for expected changes. Terminal growth rates based on management's estimate of future long-term average growth rates, not exceeding the long-term projected growth rates for the relevant markets Discount rates based on CGU specific WACC's : - Unifiedpost Limited	 13.00 %
Period of specific projected cash flows	Ten years Given the first five-year period is marked by double digit growth, a second five-year period of limited inflation growth was built in to flatten the terminal value	

The acquisition of Unifiedpost Limited was completed in November 2019, and the amount of reported goodwill was tested meanwhile on impairment. Containing the long-term growth rate into perpetuity at 1%, the compound growth rate for specific projected sales would need to fall below 2.3% (negative growth) for the recoverable value determined using the Unifiedpost Limited WACC of 13.0% to be equal to the carrying amount of the CGU. These assumptions are significantly more conservative than those used in financial budgets approved by the Board of Directors. Management is therefore confident that the valuations indicated sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment of the related goodwill.

5.10 Other intangible assets

The cost, accumulated amortisation and net book values of intangible assets are summarised per relevant category as follows:

		Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
(i) Cost							
Thousands of Euro	*Notes*						
At 1 January 2020		3,431	830	12,897	28,209	6,109	51,476
Additions		-	416	4,283	-	293	4,992
Transfers		-	(333)	333	1	(2)	(1)
Business combinations	*5.6*	-	-	-	3,895	386	4,281
Foreign exchange difference		-	-	-	(475)	(23)	(498)
At 30 June 2020		3,431	913	17,513	31,630	6,763	60,250
(ii) Accumulated amortisation							
Thousands of Euro	*Notes*						
At 1 January 2020		586	-	3,043	2,206	1,576	7,411
Amortisation charge	*5.8*	343	-	1,579	1,867	671	4,460
Foreign exchange difference		-	-	-	(54)	(18)	(72)
At 30 June 2020		929	-	4,622	4,019	2,229	11,799

(iii) Net book value							
Thousands of Euro	*Notes*						
At 1 January 2020		2,845	830	9,854	26,003	4,533	44,065
Gross book value		3,431	913	17,513	31,630	6,763	60,250
Accumulated amortisation		(929)	-	(4,622)	(4,019)	(2,229)	(11,799)
At 30 June 2020		2,502	913	12,891	27,611	4,534	48,451

		Brands	**Assets under construction**	**Internally generated software**	**Customer relationships**	**Acquired software**	**Total**
(i) Cost							
Thousands of Euro	*Notes*						
At 1 January 2019		804	1,670	4,945	4,308	4,116	15,843
Additions		-	222	2,353	145	149	2,869
Transfers		-	(1,609)	1,609	-	-	-
Business combinations	*5.6*	2,627	-	-	15,351	1,885	19,863
At 30 June 2019		3,431	283	8,907	19,804	6,150	38,575
(ii) Accumulated amortisation							
Thousands of Euro	*Notes*						
At 1 January 2019		31	-	1,108	108	806	2,053
Amortisation charge	*5.8*	211	-	825	820	472	2,328
At 30 June 2019		242	-	1,933	928	1,278	4,381
(iii) Net book value							
Thousands of Euro	*Notes*						
At 1 January 2019		773	1,670	3,837	4,200	3,310	13,790
Gross book value		3,431	283	8,907	19,804	6,150	38,575
Accumulated amortisation		(242)	-	(1,933)	(928)	(1,278)	(4,381)
At 30 June 2019		3,189	283	6,974	18,876	4,872	34,194

Internally generated software relates to the successive developments of the Group's service platform and of its applications.

5.11 Share capital and reserves

5.11.1 *Share capital*

The Company's share capital was represented by the following amount of shares per category at the indicated reporting period:

Number of shares	As at 30 June 2020	As at 31 December 2019
A-shares	49,110	49,110
B-shares	873,747	800,721
C-shares	668,362	668,362
D-shares	282,086	-

Total number of shares	1,873,305	1,518,193

5.11.2 *Rights per type of shares*

Class A shareholders have the right to appoint half of the members of the board of directors. These directors are charged with daily management. If the contract of a class A shareholder is terminated on good terms, then the class A and class B shareholders, have a call option to acquire all or part of the good leaver's shares. There are no specific rights attached to class C shares and D shares apart from the good leaver and bad leaver call options.

5.11.3 *Share capital transactions*

The impact of the share capital transactions over the reporting period can be summarised as follows:

Thousands of Euro	Issued capital	Share premium	Other reserve	Total
At 1 January 2020	**20,744**	**492**	**(1,173)**	**20,063**
Contribution in cash	7,303	-	-	7,303
Put option written over non-controlling interests	-	-	(3,925)	(3,925)
Embedded derivative contribution in cash	-	-	(553)	(553)
Nominal value bond conversion (at 75 Euro per share)	21,157	-	-	21,157
Difference fair value shares and nominal value bond conversion (at 92 Euro)	-	-	4,795	4,795
At 30 June 2020	**49,204**	**492**	**(856)**	**48,840**

The capital increase (Principal Capital Increase) took place in two rounds:

- First subscription round by each of the investors in the Company for an aggregate amount of € 7,302,600.00, for which the Company issued 73,026 class B shares to the investors, by means of a capital increase in cash, at the occasion of an extraordinary Shareholders' Meeting of the Company held on 26 June 2020.
- Bondholders who agreed prior to 23 June 2020 to convert all their convertible bonds, were entitled to a fixed € 75 conversion right. The extraordinary Shareholders' Meeting held on 26 June 2020, approved the conversion of 400 convertible bonds in 282 086 Class D Shares for a total amount of € 21,157,183.61.
- Second subscription round was finalized after the reporting date, on 17 July 2020.

Certain anti-dilution protection for the capital increase subscribers is attached to the capital increase, in particular:

1) Anti-dilution warrants with a certain protected price of € 117.65 (i.e. € 100.00 divided by 0.85) granted to the subscribers to the first and the second capital round.
2) In case the remaining convertible bonds are automatically converted on their maturity date (27 April 2021), the subscribers to the Principal Capital Increase can buy the same number of shares at a price of € 0.01 per share resulting in an adjusted subscription price of € 50.00 per share.

3) During a term of two years starting from the date of the Principal Capital Increase, each subscriber will be entitled to additionally invest at the same subscription price as the Principal Capital Increase for an amount up to 25% of his initial investment in this Principal Capital Increase.

On 26 June 2020, the Investment Agreement and Voting Agreement was concluded. It implies the contractual basis for the capital increase and consists in (1) a commitment of the investors to immediately acquire shares of Unifiedpost Group and (2) a commitment of the company to issue additional subscription rights to the Investors. The subscription price of the capital increase is set at € 100 per share.

The issuing of the shares is considered to be an equity transaction in accordance with the requirements of IAS 32.

The Company applied judgement when assessing the accounting treatment of the subscription rights. The subscription rights issue is treated as a single unit of account that should be classified in its entirety, because:

- it is a single bundle of rights issued at the same time together with the issue of the shares under the Capital Transaction and is not contractually separate;
- no premium is contractually defined for writing each of the options.

The subscription rights instrument meets the definition of a derivative financial instrument in IFRS 9, but does not meet the definition of an own equity instrument of the issuer in accordance with IAS 32, as the contract as a whole does not require the delivery of a fixed number of own equity shares for a fixed amount. The instrument will be measured at fair value through profit or loss.

The capital increase can also trigger the conversion of existing convertible bonds in class D shares at a discount to the capital increase's share subscription price of € 100. Further information is provided in the Note 5.18.

5.11.4 *Other equity*

Other equity includes:

- cumulative translation adjustments; the cumulative amount of the exchange differences relating to a foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity;
- share-based payments reserve; this is reclassified to retained earnings upon exercise of the subscription rights; and for
- the difference between the redemption liability associated with puttable non-controlling interests and the amount of non-controlling interests derecognized (see note 5.13); if the non-controlling interests put is exercised, that treatment is applied up to the date of exercise; if the non-controlling put expires unexercised, the position is unwound so that the non-controlling interest is recognized at the amount it would have been, as if the put option had never been granted, and the financial liability is derecognized, with a corresponding credit to the reserve in equity.

5.12 Borrowings

Following is an overview of outstanding loans and borrowings at each reporting date:

Thousands of Euro	As at 30 June 2020	As at 31 December 2019
Convertible bonds	-	34,999
Derivative financial instruments	550	12,937
Long term bank loans	7,831	6,295
Refundable government advances	323	296
Other loans	-	483
Non-current	**8,704**	**55,010**
Convertible bonds, including interest payables	21,863	1,431
Derivative financial instruments	7,894	-
Short term bank loans	41,018	37,991
Refundable government advances	75	75
Other loans	-	-
Current	**70,850**	**39,497**

All loans and borrowings are denominated in EUR, except for one loan denominated in Romanian Lei representing an amount of € 6 thousand as at 30 June 2020 and of € 19 thousand as at 31 December 2019.

5.12.1 *Convertible bond*

Unifiedpost Group SA issued a total of 868 automatically convertible bonds ("the Bonds"), out of which 865 were subscribed for an aggregate amount of € 43,250 thousand, including 103 Bonds as part of the consideration transferred for effecting business combinations (refer to note 5.4). 415 Bonds were issued on 27 April 2018, 85 Bonds were issued on 22 June 2018, 82 Bonds were issued on 30 April 2019 (of which 3 conditionally), 169 Bonds were issued on 20 November 2019 and 117 Bonds were issued on 20 December 2019. The Bonds automatically convert on the earlier of (i) the completion of an initial public offering ("IPO") or other qualifying financing round (a "qualifying transaction") and (ii) their maturity date being 27 April 2021. The Bond holders also have a conversion right upon the occurrence of an initial public offering of less than € 25,000,000 or a non-qualifying financing round. The Bonds bear interest at the rate of 7% per annum. In case of automatic conversion at maturity date, an additional interest of 1.5% per annum will be due for the entire period from issue date.

The Bonds automatically convert into class D shares by dividing their principal amount by their conversion price. In case of a qualifying transaction, such as an initial public offering, the number of shares issued upon conversion of the Bonds will be equal to a fraction, whereby the numerator is equal to the nominal value of the Bonds and the denominator is equal to the offer price minus a discount of 25% for 841 Bonds or minus a discount of 15% for 24 Bonds. At maturity date, the conversion price will be the lower of € 50 or the transaction price, if any, of any share issue between issue date and maturity date.

On 26 June 2020, 400 Bonds were converted into capital as some of the bond holders have exercised their conversion right following a non-qualifying financing round at the same date as described in note 5.11.

The Bonds result in the Group receiving cash (a financial asset) and assuming an obligation in the future (the earlier of IPO or other qualifying transaction or maturity) to issue a variable number of shares to their holders. The contract being a non-derivative financial instrument is classified as a financial liability.

The total return to the bondholders is linked in part to the value of the Company's shares as a result of the price cap affecting the number of shares to be issued in settlement of the Bonds at maturity. The price cap represents a written call, being the bondholder's right to receive an enhanced return (linked to the Company's share price) through demanding a fixed number of shares rather than shares to a specified value. In addition, in case of an IPO (or other qualifying transaction), the holder will always going to realize a profit because of the discount to the market price. Because the number of shares issued will vary, depending on the share price at that point, the conversion feature also gives rise to a derivative liability. Both embedded derivatives in this single hybrid contract were accounted for as a single compound embedded derivative.

The initial fair value of the derivative liabilities was calculated using an option pricing model. The derivative financial instrument is fair valued through profit and loss. After period end, on 17 July 2020, an additional 281 Bonds were converted into capital following a non-qualifying financing round. On the same date, a vendor loan was converted into 4 convertible bonds that were converted into to shares. The embedded derivative measured related to this conversion was calculated as the difference of the fair value of shared issued minus the fair value of the liability to be converted.

The loan component of the host contract is measured at amortized cost using the effective interest method until extinguishment on conversion of the Bonds. The effective interest rate accruing on the host liability component ranges between 19.4% and 37.8% depending on the date of issuance of the Bonds.

The Bonds are included as follows in the statement of financial position:

Thousands of Euro	**As at 30 June 2020**	**As at 31 December 2019**
Face value of notes issued	23,250	43,250
Transaction costs	(195)	(325)
Embedded derivative	(6,305)	(11,977)
Transfer to short term (maturity date 30 April 2021)	(16,750)	-
	(0)	**30,948**
Accrued interest over the life time of the instrument	6,215	7,361
Interest paid	(1,103)	(1,879)
Interest payable within 12 months	(615)	(1,431)
Transfer to short term (maturity date 30 April 2021)	(4,498)	-
Total Non-Current	**(0)**	**34,999**
Transferred from long term to short term (maturity date 30 April 2021)	21,248	-
Interest payable within 12 months	615	1,431
Total Current	**21,863**	**1,431**
Carrying amount	**21,863**	**36,430**
Out of which		
Host contract	16,750	30,948
Interest	5,113	5,482

Fair value losses of € 2,312 thousand were recognized in the statements of profit or loss for the period ended 30 June 2020. Information on sensitivity of the measurement of the derivatives embedded in the liability is included in note 5.18.

After the 2 conversion round on 17 July 2020, the Company has a total of 184 issued Bonds outstanding, which are subscribed for an aggregate nominal amount of €9,2 million. Each Bond has a nominal value of €50 thousand. The Bonds bear interest as from their issue date, at the rate of 7% per annum. The maturity date of the Bonds is 27 April 2021, however these bonds will automatically be converted into shares following the completion of an IPO.

5.12.2 *Bank borrowings*

Bank borrowings can be summarized as follows:

Thousands of Euro	As at 30 June 2020			As at 31 December 2019		
Unsecured	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Subordinated loan	4,000	-	**4,000**	4,000	-	**4,000**
Other bank borrowings	865	2,643	**3,508**	43	601	**644**
Total unsecured bank borrowings	**4,865**	**2,643**	**7,508**	**4,043**	**601**	**4,644**
Secured						
Acquisition facility	1,632	32,893	**34,525**	-	32,719	**32,719**
Investment Credit	173	1,913	**2,086**	275	202	**477**
Other bank borrowings	1,161	3,569	**4,730**	1,977	4,469	**6,446**
Total secured bank borrowings	**2,966**	**38,375**	**41,341**	**2,252**	**37,390**	**39,642**
Total bank borrowings	**7,831**	**41,018**	**48,849**	**6,295**	**37,991**	**44,286**

The Group's principal loans outstanding are:

- the "Acquisition Facility" provided by Belfius Bank NV;
- the "Subordinated Loan" provided by The "Belgische Maatschappij for Internationale Investering NV to which the Company is "Co-Debtor";
- the "Investment Credit" provided by ING België NV ; and
- a factoring agreement with BNP.

(i) *The Acquisition Facility*

In order to fund acquisitions, the Company entered into an acquisition credit facility for a total amount of €25 million with Belfius Bank NV on 12 March 2019 (the "Acquisition Facility", as amended from time to time). On 4 April 2019, the Acquisition Facility was amended to, among other things, increase the total amount available under the credit facility from €25 million to €34 million and to include the acquisition of Fitek as a Permitted Acquisition. In connection with the increase in the available amount, the Company entered into a guarantee agreement with Gigarant NV on 10 April 2019 in favour of Belfius Bank NV to secure €9 million of the principal amounts due by the Group under the Acquisition Facility (the "Gigarant Guarantee").

The Acquisition Facility consists of facility A in the amount of €17 million ("Facility A"), and facility B in the amount of €17 million ("Facility B" together with Facility A, the "Facilities"). Pursuant to the terms, the Company is required to repay all outstanding loans under Facility B at the moment of a successful Initial Public Offering of its shares, together with any early termination costs and accrued interest thereon.

Facility A is repayable in twelve semi-annual instalments. Due to COVID-19, the Company obtained a payment delay of 6 months regarding the semi-annual capital repayment originally due in April 2020, which caused a shift in end date from 10 April 2025 towards 12 September 2025. Such a delay wasn't provided regarding the semestrial interest due in April 2020. Facility B is repayable on the seventh anniversary of the Facility, or in case of an IPO not resulting in a change of control (as defined *in fine* of this section), within 2 weeks after the IPO effective date. The Acquisition Facility carries interest at Euribor plus 150 basis points (bps) in relation to Facility A, and plus 175 bps in relation to Facility B.

The Company has used the full amount available to it under the Facilities to finance its recent acquisition of Fitek, Leleu Document Services, Inventive Designers and ADM Solutions.

To secure the Acquisition Facility towards Belfius Bank NV, the Company has pledged all of the shares it holds in Leleu Document Services, Inventive Designers and Unifiedpost SA. Furthermore, the Company has given a first ranking omnibus pledge over its material moveable assets in the amount of €30 million and a second ranking omnibus pledge over its material moveable assets in the amount of €10.8 million.

Unifiedpost Payments NV, Unifiedpost BV, Up-Nxt NV, Financial Automation Solutions OU and Unifiedpost SARL act as guarantors under the Acquisition Facility (each a "Guarantor"), whereby each Guarantor jointly and severally guarantees the performance of all payment obligations of the Company and the other Guarantors under the Acquisition Facility.

The Gigarant Guarantee provides a guarantee for 26.48% of the Company's secured liability, which shall in any event not exceed an amount of €9 million. Pursuant to the Gigarant Guarantee, the Company cannot incur any indebtedness, other than under the Acquisition Facility or any other existing debts, without the prior written consent of Gigarant NV. Furthermore, the Company cannot use any of the Facilities to grant a loan or to provide any form of credit to any person, nor can it grant any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any third party or assume any third party liabilities. Lastly, no change of control on the level of the Company is permitted without the written consent of Gigarant NV.

Pursuant to the Acquisition Facility, the Company is subject to several financial covenants and the Company cannot, and has to procure that no group companies will, create or permit to subsist any security or quasi-security over any of its assets, with the exception of certain permitted securities. The Company has to procure that no substantial change is made to the general nature of the business of the Group. The Company needs to ensure that its senior adjusted leverage (calculated as some ratio of consolidated net financial debt to adjusted pro forma consolidated EBITDA) shall not at any time exceed 3:1 and the Group is subject to a semi-annual test for compliance with such requirement.

Furthermore, the Company cannot incur or remain outstanding any financial indebtedness, other than such indebtedness allowed under the Acquisition Facility. Also, the Company cannot enter into transactions with a view to sell, lease, transfer or otherwise dispose of any asset, except for such transactions with respect to obsolete or redundant assets, transactions taking place on an intra-group level or transactions being made in the ordinary course of trading.

Finally, in the event that a change of control (i.e. the aggregate ownership of Sofias BVBA, PE Group NV, Smartfin Capital, Mr. Michel Delloye and the management and employees of the Company at 12 March 2019, the date of the Acquisition Facility, falling below 25%) takes place, all Facilities will be cancelled and all outstanding loans, together with accrued interest, and all other amounts accrued under the relevant financial documents will become immediately due and payable.

(ii) *The BMI Subordinated Loan*

Financial Automation Solutions OÜ, the Estonian subsidiary of the Company holding the Fitek group of entities, has, on 19 September 2019, entered into a Subordinated Loan Agreement with "Belgische Maatschappij voor Internationale Investering NV" (the "BMI Subordinated Loan"), with the Company acting as co-debtor. The BMI Subordinated loan has a term of 7.5 years, carries an interest of 7% per annum and explicitly ranks behind the Acquisition Facility for payment of principal and interest, as well as in the event of bankruptcy.

(iii) *The Investment Credit*

On 15 March 2017, the Company entered into a €1 million investment credit to finance the acquisition of Onea NV. The credit has a term of 5 years and carries an interest of 1.649% per annum. The credit is secured by a pledge over the shares of UP-NXT NV, following the merger between Onea NV and UP-NXT NV.

(iv) *Other bank borrowings*

The other loans increased due to the other loans relating to the Fitek Balkan acquisition.

(v) *Loan covenants*

The Senior Leverage exceeded the 3:1 ratio at 30 June 2020, causing the Company to be in breach of the covenant. In addition, the entering into the BMI Subordinated Loan conflicted with the terms of the Acquisition Facility as the loan was not included in the notion of permitted security and permitted financial indebtedness in the Acquisition Facility. All amounts due to Belfius Bank NV at 30 June 2020 are presented as Current in the statement of financial position.

On 9 July 2020, the Company has obtained a waiver in which the non-compliance with the covenants has been waived. The next assessment of compliance with the covenant will take place on 31 December 2020.

(vi) *Factoring*

The company holds its receivables to collect its cash flows. In order to finance its operations, the company occasionally engages in factoring arrangements with financial institutions. These factoring arrangements do not result in an accounting de-recognition. The corresponding asset and liability are recognized, measured and extinguished in line with the guidance of IFRS 9 when the continuing involvement approach is applicable.

At 30 June 2020 and 31 December 2019, trade receivables have been sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debts transferred and therefore continues to recognize the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognized, the business model of the Group is not affected. The proceeds from transferring the debts of € 1,604 thousand and € 1.351 thousand, for 30 June 2020 and 31 December 2019, respectively, are included in other financial liabilities until the debts are collected or the Group makes good any losses incurred by the service provider.

5.13 Liabilities associated with puttable non-controlling interests

In December 2019, the Group has granted a put option to non-controlling shareholders of Fitek Slovakia whereby they have the right to sell their shares to the Group at some future date after 1 January 2022, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, with a price floor safeguard of € 900 thousand. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognized at the present value of the redemption amount within liabilities (€ 2,000 thousand) with debit entries to derecognize non-controlling interests (€ 827 thousand) and a direct charge to the equity attributable to equity holders (€ 1,173 thousand). The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability will be derecognized with a corresponding adjustment to equity.

On 11 February 2020 a shareholder's agreement was signed in which the Group granted a put option to non-controlling shareholders of Fitek Balkan whereby they have the right to sell their shares to the Group, at a price to be determined at the time of exercise based on an agreed formula approximating a market price added with the fair market value of the Serius Star's building. The terms do not provide a present ownership interest in the shares subject to the put. The amount that may become payable under the option on exercise was initially recognized at the present value of the redemption amount within liabilities (€ 6,355 thousand) with debit entries to derecognize non-controlling interests (€ 2,440 thousand) and a direct charge to the equity attributable to equity holders (€ 3,915 thousand). The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

Thousands of Euro	**Liabilities associated with puttable non-controlling interests**
At 1 January 2020	**2,000**
FV Fitek Balkan put option	6,355
Unwinding effect	37
At 30 June 2020	**8,392**

5.14 Reconciliation of liabilities arising from financing activities

The table below explains changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Thousands of Euro	Non-current	Current	Total
As at 1 January 2020	**57,010**	**39,497**	**96,507**
Cash flows			
Debt drawdown	1,037	2,416	3,453
Repayments debts	(13)	(2,806)	(2,819)
Non-cash changes			
Accrued interest	4,843	(652)	4,191
Business combinations	2,416	893	3,309
Reclass to current	(31,502)	31,502	-
Changes in FV derivative embedded in convertible bond + capital increase	2,312	-	2,312
Conversion into capital of host liability	(25,952)	-	(25,952)
Embedded derivatives in capital increase in cash	553		553
Put option written on non-controlling interests	6,392		6,392
As at 30 June 2020	**17,096**	**70,850**	**87,946**

Thousands of Euro	Non-current	Current	Total
As at 1 January 2019	**31,874**	**4,478**	**36,352**
Cash flows			
Debt drawdown	34,847		34,847
Repayments debts	-	(1,669)	(1,669)
Non-cash changes			
Accrued interest	1,305	(905)	400
Business combinations	1,129	2,034	3,163
Reclass to current	(35,939)	35,939	-
Changes in FV derivative embedded in convertible bond	410	-	410
Vendor loans obtained	1,400	-	1,400
As at 30 June 2019	**35,026**	**39,877**	**74,903**

5.15 Segment information

To date, discrete financial information other than revenue has not been available for any particular areas of business. Only entity profit or loss, and disaggregated revenue data have been available to the Management Committee or the Board of Directors for decision-making related to resource allocation or performance evaluation. No business activity has accordingly fallen within the definition of an operating segment. Disaggregation of revenue from contracts with customers along various axes of analysis is included in note 5.7.

5.16 Investment in subsidiaries

The Group's interim consolidated financial statements consolidate the following entities, as from incorporation or acquisition date.

Foundation/ Acquisition year	Name of entity	Registered office	Company registration n°	30 June 2020	31 December 2019	
2000	Unifiedpost Holding BV	Driebergseweg 17, NL - 3708 JA Zeist	KvK 30264325	n.a.	n.a.	(a)
2000	Unifiedpost SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0471.730.202	100%	100%	
2004	UP SARL	15, Zone Industrielle, L-8287 Kehlen, Luxemburg	B99.226	100%	100%	
2006	UPM SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0886.277.617	100%	100%	
2008	UP BV	Floridalaan 8, 3404 WV IJsselstein, Nederland	KvK 32131857	100%	100%	
2009	UP SRL	Strada Coriolan Brediceanu 10, Timișoara 300011, Roemenië	J35/901/2009	100%	100%	
2011	UP-NXT NV	Kortrijksesteenweg 1146, BE - 9051 Sint-Denijs-Westrem	BE 0842.217.841	100%	100%	
2012	PowertoPay BV	Verlengde Poolseweg 16, 4818 CL Breda, Nederland	KvK 30279124	100%	100%	
2013	Finodis BV	Claudius Prinsenlaan 132, NL - 4818 Breda	KvK 17177635	n.a.	n.a.	(a)
2013	Finodis BE	Vaartstraat 14 1,BE - 3000 Leuven	BE 0822.692.137	n.a.	n.a.	(b)
2014	The eID Company	Rue du Congrès 35, BE - 1000 Bruxelles	BE 0886.325.919	100%	100%	
2015	ZetSolutions	Albert Einsteinweg 4, 8218 NH Lelystad, Nederland	KvK 39078749	n.a.	n.a.	(a)
2016	Unifiedpost Payments BV	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0649.860.804	100%	100%	
2017	Onea NV	Ottergemsesteenweg-Zuid 731, BE - 9000 Gent	BE 0883.668.416	n.a.	n.a.	(c)
2017	Nomadesk	Kortrijksesteenweg 1146, BE - 9051 Gent	BE 0867.499.902	100%	100%	
2017	Stichting Unifiedpost Payments	Albert Einsteinweg 4, 8218 NH Lelystad, Nederland	KvK 69248907	100%	100%	
2018	Leleu Document Services BVBA	Dorpstraat 85B, BE 1785 Merchtem	BE 0716.630.753	100%	100%	
2018	Drukkerij Leleu	Dorpstraat 85B, BE 1785 Merchtem	BE 0429.709.208	100%	100%	(d)
2018	De Uitgeversfabriek	Dorpstraat 85B, BE 1785 Merchtem	BE 0464.957.721	n.a.	n.a.	(d)
2018	Advanced Document Management Solutions BVBA	Leiekaai 25A - 9000 Gent (BE)	BE 0544.854.839	100%	100%	
2018	Inventive Designers	Sint-Bernardsesteenweg 552, BE 2660 Antwerpen	BE 0453.758.377	100%	100%	
2018	Unifiedpost I.K.E.	1 Ellis, 17235 Dafni, Athene, Greece	801073446	100%	100%	
2019	Financial Automated Solutions OÜ	Tartu maantee 2, 10145 Tallinn, Estonia	12949376	100%	100%	(e)
2019	Fitek Holding SIA	Dēļu iela 4, Rīga, Latvija	40103957063	100%	100%	(e)
2019	Fitek AS_EE2	Tartu mnt 43, Tallinn 10128, Estonia	10179336	100%	100%	(e)
2019	Fitek AS_LV2	Delu street 4, Riga, Latvia	40003380477	100%	100%	(e)
2019	Fitek LT_LT1	Užubalių k., Avižienių sen., 14180 Vilniaus r., Lithuania	111629419	100%	100%	(e)
2019	Sistemų integracijos sprendimai UAB	Panerių g. 51, Vilnius, Lithuania	125677598	100%	100%	(e)
2019	Fitek UK	St James House, 13 Kensington Square, London, W8 5HD	11629732	100%	100%	(e)
2019	Probatio OU_EE3	Tartu mnt 43, Tallinn 10128, Estonia	11683396	100%	100%	(e)
2019	EdiSync OU_EE4	Pärnu mnt 139c, Tallinn 11317, Estonia	12402502	100%	100%	(e)
2019	Fitek s.r.o.	Nová rožňavská 136, 831 04 Bratislava, Slovakia	46950095	51%	51%	(e)
2019	Fitek Czech Republic s.r.o.	Roztylská 1860/1, Chodov, 148 00 Prague	6145132	51%	51%	(e)
2019	PDOCHOLCO Ltd.	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	9741928	100%	100%	(e)
2019	Prime Document Trustee Ltd	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	10517855	100%	100%	(e)
2019	Unifiedpost Limited	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	3732738	100%	100%	(e)

2019	Fin-Nxt NV	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	BE 0734.987.509	100%	100%	
2019	UnifiedPost SARL	Rue du Rhône 14, 1204 Genève	CHE-187.626.604	100%	100%	
2020	New Image d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	20451653	51%	n.a.	(f)
2020	Fitek Balkan d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	17245481	51%	n.a.	(f)
2020	Fitek Solutions d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	20006188	51%	n.a.	(f)
2020	Fitek Banja Luka d.o.o.	Đ. Damjanovića 24, Banjaluka 78000, Bosnia	11090249	51%	n.a.	(f)
2020	ImageSoft d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	21301116	51%	n.a.	(f)
2020	Sirius Star d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	21448150	51%	n.a.	(f)

Change in name of subsidiaries

On 29 November 2019, the Company acquired 100% of PDOCHOLCO Limited (United Kingdom). PDOCHOLCO Limited owns 100% of the shares in Prime Document Limited (United Kingdom) and Prime Document Trustee Limited (United Kingdom). On 1 June 2020 Prime Document Limited changed its name to Unifiedpost Limited.

On 14 February 2020 Pay-Nxt SA changed its name to Unifiedpost Payments BV.

On 18 February 2020 Stichting Pay-Nxt changed its name to Stichting Unifiedpost Payments.

5.17 Interests in joint ventures

Set out below are the entities which have been included in the consolidated financial statements using the equity method:

Name of entity	Country of incorporation or principal place of business	Proportion of ownership interest held					
		As at 30 June 2020		As at 31 December 2019		As at 30 June 2019	
		Carrying amount	% held	Carrying amount	% held	Carrying amount	% held
Fitek s.r.o.	Slovakia	-	51%	-	51%	1,800	50%
Fitek Balkan d.o.o. and others	Serbia	-	51%	6,394	50%	6,198	50%
Total		**-**		**6,394**		**7,997**	

On 29 March 2019, as part of the Fitek business combination, the Group acquired a 50% interest in joint ventures in Slovakia and the Balkans. The Group obtained control of the Slovakia joint venture on 23 December 2019, and of the Balkan joint ventures on 11 February 2020.

On 11 February 2020 a shareholder's agreement was signed in which the Group granted a buy-back option to the non-controlling shareholders of Fitek Balkan whereby they have the right to repurchase the 1% majority share from the Group, at a price equal to the price initially paid for the 1% plus interests (Euribor+6%). The buy-back option can be exercised in a period between 27 April 2021 and 31 December 2021 if the Group is not listed on a stock exchange, and any 3rd party has acquired the majority of the Unifiedpost Group's shares, or a 3rd party acquires 100% of the shares of the Unifiedpost Group's shares.

The tables below provide summarized financial information for the Group's joint ventures that, in the opinion of management, are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Thousands of Euro	***As at 31 December 2019*** ***Fitek Balkan JV***
Non-current assets	**15,726**
Current Assets	**3,514**
Cash & Cash equivalents	1,662
Non-current liabilities	**(2,752)**
Non-Current loans and borrowings	(2,161)
Current Liabilities	**(3,700)**
Current loans and borrowings	(1,126)
Total Net Assets	12,788
Carrying amount (at Group's share of 50%)	**6,394**

Thousands of Euro	***For the one-month period ended 31 January 2020***	*Thousands of Euro*	***For the nine-months period ended 31 December 2019***
Revenue	333	Revenue	9,603
Profit (Loss) from continuing operations after tax	(102)	Profit (Loss) from continuing operations after tax	792
Other comprehensive income	-	Other comprehensive income	(2)
Total comprehensive income	(102) -	Total comprehensive income	790
At Group's share of 50%	**(51)**	**At Group's share of 50%**	**395**

At 1 January 2020	6,394	**At 1 January 2019**	
Business combinations	-	Business combinations	6,134
Share of profit of joint venture	(51)	Share of profit of joint venture	395
Additional 1% share acquisition	(6,343)	Dividends paid	(135)

At 30 June 2020	-	**At 31 December 2019**	6,394

5.18 Financial instruments and financial risk management

5.18.1 *Financial instruments*

(i) *Categories and fair value of financial instruments*

The following table discloses the carrying amount of the Group's financial instruments in categories:

		As at 30 June 2020	**As at 31 December 2019**
Thousands of Euro	**Categories**	**Carrying amount**	**Carrying amount**
Financial assets			
Trade and other receivables	FAAC (*)	14,031	13,317
Cash and cash equivalents	FAAC (*)	8,568	3,046
Total		**22,599**	**16,363**
Financial liabilities			
Convertible bonds – host contract	FLAC (**)	21,248	34,999
Convertible bonds – embedded derivatives	FLAFVTPL (****)	7,894	12,937
Subscription rights derivative liability	FLAFVTPL (****)	550	-
Liabilities associated with puttable non-controlling interests		8,392	2,000
Loans and borrowings	FLAC (**)	49,247	45,140
Lease liabilities	FLAC (**)	8,776	7,908
Trade and other payables	FLAC (**)	23,035	14,918
Total		**119,142**	**117,902**

(*) Financial assets measured at amortized cost

(**) Financial liabilities measured at amortized cost

(***) Financial assets at fair value through profit or loss

(****) Financial liabilities at fair value through profit or loss

Trade and other receivables, cash and cash equivalents as well as trade and other payables have short terms to maturity, hence their carrying amounts are considered to be the same as their fair values.

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, because interest payable on those borrowings is either close to current market rates or the loans were taken recently.

(ii) *Recognized fair value measurements*

IFRS recognizes the following hierarchy of fair value measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: One or more of the significant inputs is not based on observable market data.

The Group's financial assets and liabilities carried at fair value were measured as follows:

Thousands of Euro	**Derivative fin. instr. re convertible bonds and anti-dilution clauses** **Level 3**	**Liabilities associates with puttable non-controlling interests** **Level 3**	**Total** **Level 3**
At 1 January 2020	**12,937**	**2,000**	**14,937**
Subscription rights derivative liability	553	-	553
Change in fair value through profit or loss	2,312	-	2,312
Derecognition of the conversion option (conversion into capital)	-7,358	-	-7,358
Business combination	-	6,355	6,355
Unwinding effect of discount	-	37	37
At 30 June 2020	**8,444**	**8,392**	**16,836**
At 1 January 2019	**7,869**	-	**7,869**
Issue of convertible bonds – bifurcation of embedded derivative	378	-	378
Change in fair value through profit or loss	410	-	410
At 30 June 2019	**8,657**	-	**8,657**

The following summarizes information about the significant unobservable inputs used in the level 3 fair value measurement of the derivatives embedded in convertible bonds issued (see note 5.12.1):

The fair value of the derivative financial liability was calculated at inception using several option pricing models.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the derivative embedded in the convertible bonds, can be summarized as follows:

- probability of a conversion before the maturity date of the convertible bond, affecting the number of shares to be issued. At 30 June 2020 it is assumed that, with a probability of 95%, conversion will take place before the maturity date; a 1% increase/decrease of the probability of a triggering event would decrease/increase fair value by € 41 thousand;
- the applied discount rate (20%): a 1% increase/decrease of the discount rate would decrease/increase fair value by € 9 thousand;
- the estimated current stock price: an increase of the estimated current stock price by € 10 would increase fair value by € 85 thousand, a decrease of the estimated current stock price by € 10 would decrease fair value by € 82 thousand;
- the volatility of the stock price (63% standard deviation assumed): an increase of the standard deviation by 10% would increase fair value by € 17 thousand, a decrease of the standard deviation by 10% would decrease fair value by € 15 thousand.

The following summarizes information about the significant unobservable inputs used in the level 3 fair value measurement of the subscription rights derivatives:

The fair value of the anti-dilution clause number 1 derivative was calculated at inception using the Monte Carlo model due to the specific nature of this clause. The model was applied to generate 100,000 scenarios of possible fluctuations in the share price and the amount of shares to be issued to the investors that were the inputs to the calculation of discounted fair value of the shares to be issued.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of this derivative, can be summarized as follows:

- the timing of a capital increase within a period of three years based on the forecasts of management, having an impact on the discounted value of the instrument;
- the risk free interest rate (-0,60% assumed): a 1% increase/decrease of the risk free interest rate would decrease/increase fair value by € 1 thousand;
- the volatility of the stock price (63% standard deviation assumed): an increase/decrease of the volatility by 10% would decrease/increase fair value by € 7 thousand.

Based on the output of the Monte Carlo model calculations, the fair value of the anti-dilution clause 1 was determined as € 74 thousand.

The anti-dilution clause number 2 and 3 derivatives were valued applying the Black-Scholes model. The fair value of the anti-dilution clause 2 derivative amounts to € 337 thousand, the fair value of the anti-dilution clause 3 derivative amounts to € 142 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the anti-dilution clause 2 derivative, can be summarized as follows:

- probability of conversion at the maturity date, affecting the number of shares to be issued. At 30 June 2020 it is assumed that, with a probability of 5%, conversion will take place at the maturity date; a 1% increase/decrease of the probability of a triggering event would increase/decrease fair value by € 67 thousand;
- the estimated current stock price, affecting the number of shares to be issued: an increase/decrease of the estimated current stock price by € 10,00 would increase/decrease fair value by € 36 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the anti-dilution clause 3 derivative, can be summarized as follows:

- the estimated current stock price: an increase of the estimated current stock price by € 10 would increase fair value by € 131 thousand; a decrease of the estimated current stock price by € 10 would decrease fair value by € 105 thousand;
- the volatility of the stock price (63% volatility assumed): an increase/decrease of the volatility by 10% would increase/decrease the fair value by € 55 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Fitek Slovakia can be summarized as follows:

- The weighted annual growth rate of the revenues (11%): an increase of the annual growth rate of the revenues by 1% would increase fair value by € 135 thousand, a decrease of the annual growth rate of the revenues by 1% would decrease fair value by € 131 thousand;
- The applied discount rate (3%): an increase of the discount rate by 1% would decrease fair value by € 112 thousand, a decrease of the discount rate by 1% would increase fair value by € 119 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the liabilities associated with puttable non-controlling interests of Fitek Balkan can be summarized as follows:

- The weighted annual growth rate of the revenues (5%): an increase of the annual growth rate of the revenues by 1% would increase fair value by € 423 thousand , a decrease of the annual growth rate of the revenues by 1% would decrease fair value by € 411 thousand;
- The applied discount rate (3%): an increase of the discount rate by 1% would decrease fair value by € 343 thousand, a decrease of the discount rate by 1% would increase fair value by € 367 thousand.

5.18.2 *Financial risk management*

The Group is exposed to a variety of financial risks. The Board has overall responsibility for the determination of the Group's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(i) *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient funds available to meet future working capital requirements and to take advantage of business opportunities.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on their remaining term at the reporting dates. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments.

Thousands of Euro	**< 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 years and 5 years**	**> 5 years**	**Total**

At 1 January 2020	**50,130**	**8,638**	**6,209**	**8,342**	**4,032**	**77,351**
Interest payable on convertible bonds	-	9,815	-	-	-	9,815
Loans & Borrowings	3,507	37,632	1,942	1,396	4,770	49,247
Liabilities associated with puttable non-controlling interests	-	-	-	8,392	-	8,392
Lease liabilities	834	2,295	2,475	2,812	560	8,977
Trade & other payables	23,035	-	-	-	-	23,035
At 30 June 2020	**27,376**	**49,742**	**4,417**	**12,600**	**1,037**	**99,466**

Thousands of Euro	**< 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 years and 5 years**	**> 5 years**	**Total**
At 1 January 2019	**11,180**	**4,771**	**4,711**	**6,744**	**1,115**	**28,521**
Interest payable on convertible bonds	-	2,027	1,858	-	-	3,885
Loans & Borrowings	35,916	3,623	1,007	1,827	294	42,667
Liabilities associated with puttable non-controlling interests	-	-	-	-	-	-
Lease liabilities	602	1,598	1,895	2,492	891	7,478
Trade & other payables	12,322	-	-	-	-	12,322
At 30 June 2019	**48,840**	**7,248**	**4,760**	**4,319**	**1,185**	**66,352**

(ii) *Capital risk management*

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the following gearing ratio: net debt divided by total ‘equity’, as calculated below at each reporting date:

Thousands of Euro	Notes	**As at 30 June 2020**	**As at 31 December 2019**
Net debt			
Cash and cash equivalents		(8,568)	(3,046)
Bank borrowings		48,849	44,286
Lease liabilities		8,776	7,908
Net debt		**49,057**	**49,148**
Reported shareholders' equity		(7,996)	(19,198)
Face value of automatically convertible bonds		23,250	43,250
'Equity'		**15,254**	**24,052**
Gearing ratio		**322%**	**204%**

The gearing ratio increased substantially per 30 June 2020 as the Group had access to bank funding to finance its acquisitions and its significant investments in development expenses.

Furthermore, under the terms of the Acquisition Facility, the Group is required to comply with a senior adjusted leverage covenant, as described in note 5.12.2. The Group was in breach of that covenant at 31 December 2019 as well as at 30 June 2020 however, a waiver was received on 9 July 2020.

5.19 Transactions with related parties

During the year the Group companies entered into the following transactions with related parties who are not members of the Group:

Thousands of Euro	Sales to related party For the six-months period ended 30 June 2020	2019	Services from related party For the six-months period ended 30 June 2020	2019
Shareholders	-	270	-	146
Key management	-	-	122	1,821
Associates & joint ventures	-	387	6	94

	Amounts owed to related party		*Amount owed by related party*	
	As at 30 June	As at 31 December	As at 30 June	As at 31 December
Thousands of Euro	2020	2019	2020	2019
Shareholders	295	2,786	-	23
Key management	8,764	8,748	18	2
Associates & joint ventures	15	7	-	38

Amounts owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. Amounts owed by related parties relate to cash advances made to key management.

No provisions for doubtful debts have been recognized against amounts outstanding, and no expense has been recognized during the period in respect of bad or doubtful debts due from related parties.

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company.

Thousands of Euro	For the six-months period ended 30 June 2020	2019
Short-term employee benefits	1,089	734
Interest	42	-
Total	**1,131**	**734**

5.20 Events after the reporting date

5.20.1 *Tehnobiro business combination*

On 3 July 2020, the Fitek Balkan acquired 51% of the shares of Tehnobiro d.o.o., thereby obtaining control of them. The consideration transferred to effect the business combination is estimated to total € 340 thousand. A provisional fair value adjustment of € 54 thousand has been determined to reflect the fair value of acquired customer relationships, determined using the multi-period excess earnings method.

Details of the provisional fair value of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

Thousands of Euro		Tehnobiro 3 July 2020
Customer relationships		54
Property and equipment		119
Right-of-use assets		3
Trade and other receivables		111
Cash and cash equivalents		93
Deferred tax liabilities	-	18
Trade and other payables	-	32
Non-controlling interests	-	161
Total net assets		**169**
Goodwill		172
Consideration transferred		**341**

€ 70 thousand of total consideration of € 341 thousand is contingent upon the fulfilment of the Tehnobiro's 2020 business plan.

Goodwill will arise from synergies, primarily those offered by the enlargement of the total market addressable by the Group's solutions, as well as from intangible assets that do not qualify for recognition.

The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation disclosed in the table above. The final allocation may include (1) changes in fair values of customer relationships, (2) changes in allocations to intangible assets as well as goodwill and (3) other changes to assets and liabilities.

The pro forma contribution of the Tehnobiro to the Group's revenue and net profit or loss for the first semester, as if the acquisition had occurred on 1 January 2020, would have been € 364 thousand and € 76 thousand, respectively.

5.20.2 *Capital increase*

On 26 June 2020, an extraordinary Shareholders' Meeting approved to increase the Company's capital by issuing 73,026 class B preferred shares for an aggregate amount of € 7.3 million.

This capital increase was the first of two subscription rounds in the framework of a capital increase in cash – for a maximum amount of € 11 million.

The second subscription round took place on 17 July 2020. On 17 July 2020, an extraordinary Shareholders' Meeting approved to increase the Company's capital by issuing 31,050 class B preferred shares for an aggregate amount of € 3.1 million as part of the second subscription round.

The extraordinary Shareholders' Meeting held on 17 July 2020, also approved the conversion of 285 convertible bonds in 200 452 class D shares for a total amount of € 15.0 million.

The capital amount of the Company has increased to € 67.3 million per 17 July 2020:

Thousands of Euro	Total
At 30 June 2020	**49,204**
Contribution in cash	3,105
Nominal value bond conversion	15,034
At 31 July 2020	**67,343**

The following table shows the impact of the capital increase as at 17 July 2020 on the other reserves:

Thousands of Euro	Total
At 30 June 2020	**-856**
Embedded derivative contribution in cash	-228
Difference fair value shares and nominal value bond conversion	3,330
At 31 July 2020	**2,246**

(i) *Investment Subscription Rights*

On 17 July 2020, the Company issued 26,022 Investment Subscription Rights in the context of a capital increase. At the date of these interim financial statements, the Investment Subscription Rights are allocated to selected participants, all of whom are also shareholders of the Company. The Investment Subscription Rights have a term of 24 months and can be exercised at the sole discretion of their holder at any time during these 24 months. The exercise price of the Investment Subscription Rights is equal to €100.00 and one Investment Subscription Right will entitle its holder to one share.

(ii) *Anti-Dilution Subscription Rights*

On 17 July 2020, the Company issued 30 anti-dilution subscription rights to certain shareholders, all of which have been subscribed for, free of charge. At the date of the Prospectus, the anti-dilution subscription rights are allocated to selected participants, all of whom are also shareholders of the Company. The anti-dilution subscription rights entitle their holders to subscribe for new shares, at an exercise price of €0.01 per anti-dilution subscription right in case the Company issues new shares at a price per share which is lower than €117.65, with the exception of issuances pursuant to a stock option or remuneration plan and issuances pursuant to the conversion of bonds or other subscription rights.

The number of new shares to be issued pursuant to the exercise of the anti-dilution subscription rights is dependent on the transaction triggering their exercisability.

The anti-dilution subscription rights automatically expire on the earlier of (i) 17 July 2023, (ii) at the moment the Company is listed on a stock exchange or (iii) the date of issuance of new shares by the Company, which does not trigger the anti-dilution subscription rights.

(iii) *Adjustment subscription rights*

On 17 July 2020, the Company issued 30 adjustment subscription rights to certain shareholders, all of which have been subscribed for, free of charge. At the date of the Prospectus, the adjustment subscription rights are allocated to selected participants, all of whom are also shareholders of the Company. The adjustment subscription rights entitle their holders to subscribe for new shares, at an exercise price of €0.01 per adjustment subscription right only in case the bonds would convert automatically at their maturity date, i.e. 27 April 2021.

The number of new shares to be issued pursuant to the exercise of the adjustment subscription rights is equal to the amount of shares subscribed to by the holder of such adjustment subscription right pursuant to the extraordinary Shareholders' Meetings of the Company dated 26 June 2020 respectively 17 July 2020.

The adjustment subscription rights are subject to a term which expires on 31 July 2021. The adjustment subscription rights however automatically expire if and when (i) the bonds convert automatically pursuant to their issue terms and conditions without triggering the adjustment subscription rights, or (ii) all bondholders decide to convert all (and not part) of their bonds pursuant to a voluntary conversion event.

5.20.3 ***Covenant breach remediation***

On 9 July 2020, Belfius Bank granted the Company a grace period ending on 31 December 2020, during which period the entity can remedy its breaches of bank covenants and during which Belfius Bank cannot demand the immediate repayment of the facility.

5.20.4 ***Unifiedpost Limited Liability Company***

On 24 August 2020, Unifiedpost Limited Liability Company was founded in Vietnam.

ANNEX 3 – FITEK AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Financial Automation Solutions OÜ

Consolidated Financial Statements
as at and for the years ended 31 December 2018 and 31 December 2019
prepared in accordance with IFRS as adopted by the EU

and Independent Auditors' Report

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Financial Automation Solutions OÜ
Consolidated Financial Statements
Statements of Financial Position as at 1 January 2018, 31 December 2018 and 31 December 2019

(Amounts expressed in Euro unless otherwise stated)

	Notes	31.12.2019	31.12.2018	01.01.2018
ASSETS				
Intangible assets	18	4 793 683	1 978 639	1 248 093
Goodwill	18	6 504 479	4 747 495	4 678 204
Property, plant and equipment	17	322 683	238 800	226 346
Right-of-use assets	34	1 084 927	1 127 706	1 205 759
Investment in equity-accounted investees	19	2 153 143	2 034 642	208 800
Deferred tax assets	16 (iii)	58 080	57 016	55 320
Due from equity-accounted investees, long term	22	-	310 991	90 387
Due from other related parties, long term	22	-	-	48 651
Total non-current assets		**14 916 995**	**10 495 289**	**7 761 560**
Inventories		109 120	78 286	98 610
Current tax assets		-	6 322	6 102
Trade receivables and other receivables	23	2 029 172	1 628 083	1 447 213
Due from other related parties, short term	22	22 630	52 258	-
Due from equity-accounted investees, short term	22	38 332	1 137	913
Other assets	24	271 088	161 727	220 242
Cash and cash equivalents	25	522 567	739 911	157 438
Total current assets		**2 992 909**	**2 667 724**	**1 930 518**
TOTAL ASSETS		**17 909 904**	**13 163 013**	**9 692 078**

The accompanying notes on pages 9 to 73 form an integral part of these financial statements.

On behalf of the Board of Directors of Financial Automation Solutions OÜ:

/signed with a secure electronic signature that contains a time stamp/

Mait Sooaru
Member of the Board
17 August 2020

Statements of Financial Position as at 1 January 2018, 31 December 2018 and 31 December 2019

(Amounts expressed in Euro unless otherwise stated)

	Notes	31.12.2019	31.12.2018	01.01.2018
EQUITY				
Share capital	26	2 500	2 500	2 500
Accumulated earnings (deficit)		(399 219)	(276 900)	(768 331)
Cumulative translation adjustment reserve		(6 520)	-	-
Equity (deficit) attributable to owners of the Group		**(403 239)**	**(274 400)**	**(765 831)**
Non-controlling interests	21	1 042 022	133 852	27 931
Total equity (deficit)		**638 783**	**(140 548)**	**(737 900)**
LIABILITIES				
Loans and borrowings	27	9 449 704	9 110 256	7 172 267
Liabilities associated with puttable non-controlling interests	20 ii)	2 000 000	-	-
Lease liability	34	622 714	769 509	910 102
Deferred tax liabilities	16 (iii)	409 601	-	-
Total non-current liabilities		**12 482 019**	**9 879 765**	**8 082 369**
Loans and borrowings	27	2 120 276	1 232 975	528 362
Trade and other payables	28	1 950 813	1 636 461	1 364 501
Current tax liabilities		-	44 057	2 758
Accrued liabilities	29	281 985	199 183	191 113
Contract liabilities	9 (c)	14 524	-	-
Lease liability	34	421 504	311 120	260 875
Total current liabilities		**4 789 102**	**3 423 796**	**2 347 609**
Total liabilities		**17 271 121**	**13 303 561**	**10 429 978**
TOTAL EQUITY AND LIABILITIES		**17 909 904**	**13 163 013**	**9 692 078**

The accompanying notes on pages 9 to 73 form an integral part of these financial statements.

On behalf of the Board of Directors of Financial Automation Solutions OÜ:

/signed with a secure electronic signature that contains a time stamp/

Mait Sooaru
Member of the Board
17 August 2020

Financial Automation Solutions OÜ
Consolidated Financial Statements
Statements of Profit or Loss and Other Comprehensive Income
For the years ended 31 December 2018 and 31 December 2019
(Amounts expressed in Euro unless otherwise stated)

	Notes	2019	2018
Revenue	9	13 086 135	13 806 792
Cost of sales	10	(7 612 728)	(8 497 454)
Gross profit		**5 473 407**	**5 309 338**
Other operating income	11	430 824	39 093
Selling and distribution expenses	12	(190 996)	(109 713)
Administrative expenses	13	(5 644 364)	(4 555 145)
Impairment loss on trade receivables and contract assets	32	(12 053)	(386)
Other operating expenses	14	(18 061)	(69 233)
Operating profit		**38 757**	**613 954**
Gain from remeasurement of previously held interest upon assuming control over a subsidiary	20	2 102 542	-
Finance income		44 178	15 397
Finance costs		(358 101)	(286 657)
Net finance costs	15	**(313 923)**	**(271 260)**
Share of profit of equity-accounted investees, net of tax	19	276 430	277 681
Profit before income tax		**2 103 806**	**620 375**
Income tax expense	16	(45 461)	(55 698)
Profit for the year		**2 058 345**	**564 677**
Items that are or may be reclassified subsequently to profit or loss			
Exchange gains (losses) arising on translation of foreign operations		(6 863)	-
Total comprehensive income for the year		**2 051 482**	**564 677**
Total profit for the year attributable to:			
Owners of the Group		**1 947 357**	**541 431**
Non-controlling interests		**110 988**	**23 246**
Total comprehensive income for the year attributable to:			
Owners of the Group		**1 940 837**	**541 431**
Non-controlling interests		**110 645**	**23 246**

The accompanying notes on pages 9 to 73 form an integral part of these financial statements.

On behalf of the Board of Directors of Financial Automation Solutions OÜ:

/signed with a secure electronic signature that contains a time stamp/

Mait Sooaru
Member of the Board
17 August 2020

Financial Automation Solutions OÜ
Consolidated Financial Statements
Statements of Changes in Equity
For the years ended 31 December 2018 and 31 December 2019

(Amounts expressed in Euro unless otherwise stated)

	Note	Share capital	Accumu-lated earnings (deficit)	Cumulative translation reserve	Total equity attributable to the owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2018		**2 500**	**(768 331)**	**-**	**(765 831)**	**27 931**	**(737 900)**
Total comprehensive income for the year							
Profit for the year		-	541 431	-	541 431	23 246	564 677
Total comprehensive income for the year		**-**	**541 431**	**-**	**541 431**	**23 246**	**564 677**
Transactions with owners of the Group, recognized directly in equity							
Acquisition of a subsidiary with NCI	20 (i)	-	-	-	-	32 675	32 675
Share premium allocated to NCI	21	-	(50 000)	-	(50 000)	50 000	-
Total transactions with owners		**-**	**(50 000)**	**-**	**(50 000)**	**82 675**	**32 675**
Balance at 31 December 2018		**2 500**	**(276 900)**	**-**	**(274 400)**	**133 852**	**(140 548)**
Profit for the year		-	1 947 357	-	1 947 357	110 988	2 058 345
Other comprehensive income / (loss)		-	-	(6 520)	(6 520)	(343)	(6 863)
Total comprehensive income for the year		**-**	**1 947 357**	**(6 520)**	**1 940 837**	**110 645**	**2 051 482**
Transactions with owners of the Group, recognized directly in equity							
Acquisition of additional interest in subsidiary	20 (i)	**-**	**(69 676)**	**-**	**(69 676)**	**(30 324)**	**(100 000)**
Effect of business combinations	20 (ii)	**-**	**-**	**-**	**-**	**827 849**	**827 849**
Recognition of liabilities associated with puttable non-controlling interests	20 (ii)	**-**	**(2 000 000)**	**-**	**(2 000 000)**	**-**	**(2 000 000)**
Total transactions with owners		**-**	**(2 069 676)**	**-**	**(2 069 676)**	**797 525**	**(1 272 151)**
Balance at 31 December 2019		**2 500**	**(399 219)**	**(6 520)**	**(403 239)**	**1 042 022**	**638 783**

The accompanying notes on pages 9 to 73 form an integral part of these financial statements.

On behalf of the Board of Directors of Financial Automation Solutions OÜ:

/signed with a secure electronic signature that contains a time stamp/

Mait Sooaru
Member of the Board
17 August 2020

Financial Automation Solutions OÜ
Consolidated Financial Statements
Statements of Cash Flows
For the years ended 31 December 2018 and 31 December 2019
(Amounts expressed in Euro unless otherwise stated)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		2 058 345	564 677
Adjustments for:			
Depreciation of property, plant and equipment	17	110 815	125 002
Amortization of right-of-use assets	34	334 786	306 313
Amortization of intangible assets	18	410 314	398 532
Impairment losses on intangible assets	18	-	33 000
Net interest income and expenses	15	308 945	263 610
Share of (profit) / loss of equity-accounted investees, net of tax	19	(276 430)	(277 681)
(Gain) / loss on the sale of intangible assets and property, plant and equipment		24 824	(24 100)
Income tax expense	16	45 461	55 698
(Gain) / loss from remeasurement of previously held interest upon assuming control over a subsidiary	20	(2 102 542)	-
Sub-total		**914 518**	**1 445 051**
Change in operating assets and liabilities, net of effects from purchase of subsidiaries			
Change in trade and other receivables and other assets		(277 747)	(185 218)
Change in inventories		1 202	20 324
Change in other assets		(93 405)	111 364
Change in trade and other payables and other liabilities		237 530	178 478
Cash generated from operations		**782 098**	**1 569 999**
Income tax paid		(68 089)	(11 833)
Net cash flows from operating activities		**714 009**	**1 558 166**
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from equity-accounted investees	19	135 471	100 839
Proceeds from sale of intangible assets and property, plant and equipment		133 210	35 058
Acquisition of property, plant and equipment	17	(179 906)	(144 099)
Acquisition of intangible assets	18	(1 611 119)	(1 056 575)
Government grants received	18	203 032	-
Acquisition of equity-accounted investees	19	-	(1 649 000)
Acquisition of subsidiary, net of cash acquired	20 (ii)	(7 520)	(99 321)
Loans granted	22	(100 000)	(210 000)
Interest received		34 021	-
Net cash used in investing activities		**(1 392 811)**	**(3 023 098)**

(Amounts expressed in Euro unless otherwise stated)

	Notes	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	27	5 600 000	2 929 161
Repayment of borrowings	27	(4 652 975)	(502 363)
Interest paid on loans, borrowings and leases	27	(63 242)	(66 309)
Payment of lease liabilities	27	(315 462)	(313 084)
Acquisition of NCI	20 (i)	(100 000)	-
Net cash from financing activities		**468 321**	**2 047 405**
Effects of exchange rate changes on cash and cash equivalents		(6 863)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(217 344)**	**582 473**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	25	**739 911**	**157 438**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25	**522 567**	**739 911**

The accompanying notes on pages 9 to 73 form an integral part of these financial statements.

On behalf of the Board of Directors of Financial Automation Solutions OÜ:

/signed with a secure electronic signature that contains a time stamp/

Mait Sooaru
Member of the Board
17 August 2020

1 REPORTING ENTITY

Financial Automation Solutions OÜ ("the Company"), a limited liability company, was established in Estonia on 18 January 2015 with Registration No. 1000285130. The address of the Company's registered office is Tartu street 43, Tallinn, Estonia, 10128. These Consolidated Financial Statements comprise of the financial information of the Company and its subsidiaries (together referred as the Group). The Group is primarily involved in financial technology optimization and outsourcing services.

Until 29 March 2019, the Group's parent company and the ultimate controlling party (holding 91,20% of the ownership interest in the Company) was Baltcap Private Equity Fund II SCSp, a legal entity with its registered office at Rue Lou Hemmer 7, Findel, Niederanven, L-1748, Grand Duchy of Luxembourg, which does not produce consolidated financial statements including the Group as it is an investment entity. The other 8,80% of the ownership interest in the Company were held by Baltcap Private Equity Fund II EIF Co-Investment SCSp, a legal entity with its registered office at Rue Lou Hemmer 7, Findel, Niederanven, L-1748, Grand Duchy of Luxembourg.

As of 29 March 2019, the Group's parent company and the ultimate controlling party (holding 100,00% of the ownership interest in the Company) is UnifiedPost Group SA, a legal entity with its registered office at Avenue Reine Astrid 92 A La Hulpe, 1310, Kingdom of Belgium, which produces consolidated financial statements including the Group. The main shareholder of UnifiedPost Group SA is Mr. Hans Leybaert, indirectly holding 25.72% of the shares.

2 BASIS OF ACCOUNTING

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

These are the Group's first Consolidated Financial Statements prepared in accordance with IFRS. When applying IFRS 1 First-time Adoption of International Financial Reporting Standards in the preparation of this Consolidated Financial Statements, 1 January 2018 was determined as the date of transition to IFRS.

The current reporting period is the 12 months from 1 January 2019 to 31 December 2019. The previous reporting period was the 12 months from 1 January 2018 to 31 December 2018.

An explanation of how the transition to IFRS has affected the reported financial position of the Group is provided in Note 37.

Details of the Group's principal accounting policies are included in the Note 6.

These Consolidated Financial Statements are authorized for issue by the Company's Board of Directors on 17 August 2020, and are subject to the approval of the shareholders. The shareholders have the right to reject these Consolidated Financial Statements prepared and issued by the Board of Directors and the right to request that new Consolidated Financial Statements are prepared and issued.

3 FUNCTIONAL AND PRESENTATION CURRENCY

These Consolidated Financial Statements are presented in Euro (EUR), which is the Company's functional currency. All Group's foreign operations, subsidiaries and jointly controlled entities, have the same functional currency as the Company (EUR), except for subsidiary in the United Kingdom, which uses the British pound sterling (GBP), subsidiary in Czech Republic, which uses the Czech Koruna (CZK), jointly controlled entities in Serbia, which use the Serbian dinar (RSD), and jointly controlled entity in Bosnia and Herzegovina, which uses the Bosnia and Herzegovina convertible mark (BAM).

Details on the Group's accounting policy on foreign currency translation to the Group's presentation currency are included in Note 6 (b).

4 USE OF JUDGEMENTS AND ESTIMATES

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 6(a) – Jointly controlled entities: assessment whether the Group has significant influence or joint control over an investee, as well as the classification between joint operations and joint ventures.

Note 6(i) – Criteria for capitalization of development costs: assessment whether the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the asset.

As at 31 December 2019, the carrying amount of capitalized development costs is mainly related to one intangible asset in development (internally developed software) – Self-Service Portal (SSP) – with the carrying amount of EUR 1,2 million as at 31 December 2019 (31.12.2018: EUR 511 thousand). The Group management has applied judgement and concluded that the above-mentioned capitalization criteria have been met for the development costs of this intangible asset incurred in the reporting period.

Note 6(k) – Put option over non-controlling interests: the accounting model chosen and measurement of the expected redemption liability for non-controlling interests.

Note 16 – Deferred tax liability: recognition of deferred tax liabilities arising from temporary differences relating to investments in equity-accounted investees and distribution of dividends of subsidiaries.

Note 20(ii) – Business combination: assessment whether the Group obtained control over Fitek s.r.o. (Slovakia) by acquiring an additional 1% interest in the investee in addition to previously held 50% interest. As part of this acquisition of additional interest the Group also obtained the right to appoint the majority of the members to the Board of Fitek s.r.o.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 December 2019 and as at 31 December 2018 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 18 – Intangible assets. Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs.

Note 18 – Intangible assets. Determination of useful life of internally developed intangible assets.

Note 19, 20 – Business combinations: fair value measurement of the acquired Fitek s.r.o. business (including remeasurement of the previously held 50% interest) and its identifiable net assets.

Note 34 – Leases. Discount rate applied, identification of lease payments and lease term.

(c) Measurement of fair values

The Board of Directors is responsible for determining fair value measurements and the review of significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Amounts expressed in Euro unless otherwise stated)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

5 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis, except for the contractual customer relationships recognized as part of the Fitek s.r.o. acquisition and measured at fair value (see Note 20 (ii)). The statement of cash flows has been prepared according to indirect method.

6 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The list of the Group's material subsidiaries included in these Consolidated Financial Statements and the Group's effective interest held is as follows:

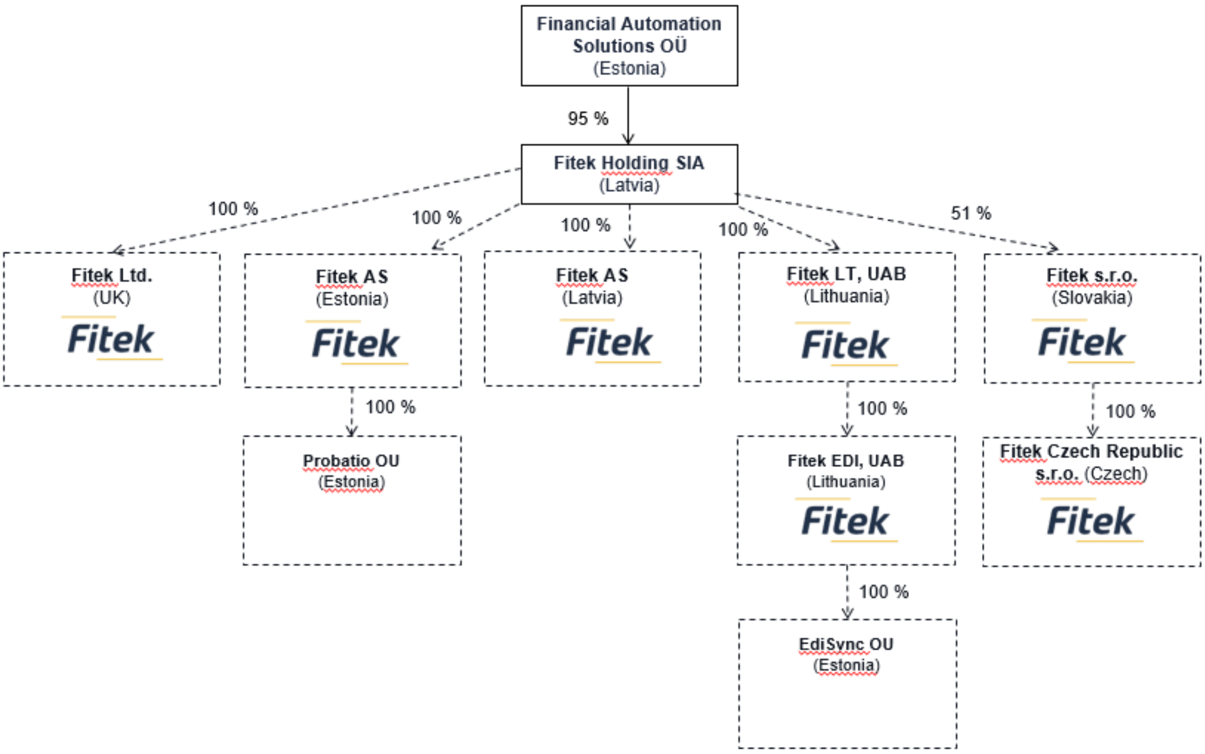
Subsidiary	Place of incorpo-ration and operations	Ownership interest at 31 December 2019	Ownership interest at 31 December 2018	Ownership interest at 1 January 2018	Principal activity
Fitek Holding SIA	Latvia	95.00%	95.00%	95.00%	Group management services, software products development
Fitek AS	Estonia	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	Financial technology optimization and outsourcing services
Fitek AS	Latvia	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	Financial technology optimization and outsourcing services
Fitek LT UAB	Lithuania	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	Financial technology optimization and outsourcing services
Probatio OU	Estonia	95.00% (indirectly via Fitek Holding SIA and Fitek AS)	95.00% (indirectly via Fitek Holding SIA and Fitek AS)	95.00% (indirectly via Fitek Holding SIA and Fitek AS)	Financial process optimization services

(Amounts expressed in Euro unless otherwise stated)

Fitek EDI UAB (previously: Sistemų integracijos sprendimai UAB)	Lithuania	95% (indirectly via Fitek Holding SIA and Fitek LT UAB)	48.45% (indirectly via Fitek Holding SIA and Fitek LT UAB)	48.45% (indirectly via Fitek Holding SIA and Fitek LT UAB)	Financial process optimization services
EdiSync OU	Estonia	95% (indirectly via Fitek Holding SIA, Fitek LT UAB and Fitek EDI UAB)	48.45% (indirectly via Fitek Holding SIA, Fitek LT UAB and Fitek EDI UAB)	48.45% (indirectly via Fitek Holding SIA, Fitek LT UAB and Fitek EDI UAB)	Financial process optimization services
Fitek Ltd.	United Kingdom	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	95.00% (indirectly via Fitek Holding SIA)	Financial technology optimization and outsourcing services
Fitek s.r.o.	Slovakia	48.45% (indirectly via Fitek Holding SIA)	47.50%* (indirectly via Fitek Holding SIA)	47.50%* (indirectly via Fitek Holding SIA)	Financial technology optimization and outsourcing services
Fitek Czech Republic s.r.o.	Czech Republic	48.45% (indirectly via Fitek Holding SIA and Fitek s.r.o.)	47.50%* (indirectly via Fitek Holding SIA and Fitek s.r.o.)	47.50%* (indirectly via Fitek Holding SIA and Fitek s.r.o.)	Financial technology optimization and outsourcing services

* As at 1 January 2018 and 31 December 2018, Fitek s.r.o. (Slovakia) and Fitek Czech Republic s.r.o. (Czech Republic) were accounted for as equity accounted investees. The Group acquired control over these entities on 23 December 2019 (see Note 20 (ii)) and started accounting for them as consolidated subsidiaries therefrom.

A visual structure of the Group as at 31 December 2019 without its equity accounted investees is presented below:



(ii) Non-controlling interests

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Subsequently, profit or loss and each component of OCI are generally attributed to the owners of the Group and to NCI in proportion to their ownership interests in the subsidiary.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in jointly controlled entities that are structured as separate vehicles.

A jointly controlled entity is an arrangement in which the Group has joint control and has rights to the residual net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. According to the agreements that the Group has concluded with other shareholders in the jointly controlled entities, all decisions in the corresponding management and supervisory bodies and the shareholders meeting must be taken unanimously.

Interests in jointly controlled entities are accounted for using the equity method. They are initially recognised at cost. The Group undertakes a 'notional' purchase price allocation, identifying and valuing assets and liabilities of the associate or joint venture, as if it had acquired a business. These fair value adjustments are not recorded separately, but the fair values identified form the basis for additional depreciation, amortisation and similar adjustments that are reflected in the investor's share of the results in subsequent years, if material.

Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which joint control ceases or the investee becomes a subsidiary. Notional goodwill (if any), determined after giving effect to the aforementioned purchase price allocation, related to jointly controlled entities is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

Other long-term financial interests (such as long-term receivables and loans for which settlement is neither planned nor likely to occur in the foreseeable future) in an associate or a joint venture that, in substance, form part of the net investment in the associate or the joint venture, are considered as part of the net investment in the associate or the joint venture, but accounted for under other standards relevant to financial instruments rather than under the equity method.

The financial statements of the jointly controlled entities are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Business combinations

The Group accounts for business combinations using the acquisition method when control is obtained by the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises on acquisition is tested annually for impairment (see also Note 6 (m)(iii)). Any gain on a bargain purchase is recognised in profit or loss immediately. Acquisition–related costs are generally recognised in profit or loss as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships, which are accounted for separately. If such settlement gives rise to a gain or loss, it is recognised in profit or loss at the date of acquisition.

The Group has not recognized any push-down accounting adjustments as a result of the change in the Group's parent company and the ultimate controlling party (see Note 1).

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

(Amounts expressed in Euro unless otherwise stated)

Exchange rates of currencies other than EUR used by some of the Group's subsidiaries and equity accounted investees as of 31 December 2019, 31 December 2018, 13 March 2018 and 1 January 2018 were as follows:

	31 December 2019	Average 01.01.2019 - 31.12.2019	31 December 2018	Average 01.01.2018 - 31.12.2018	13 March 2018	1 January 2018
EUR/RSD	0.0085	0.0085	0.0084	0.0084*	0.0084	n/a
EUR/BAM	0.5068	0.5095	0.5113	0.5113*	0.5113	n/a
EUR/CZK	0.0393	0.0390	0.0388	0.0390	n/a	0.0392
EUR/GBP	1.1736	1.1396	n/a	n/a	n/a	n/a

*Average 13.03.2018 - 31.12.2018

GBP and CZK exchange rates are obtained from European Central Bank. RSD and BAM exchange rates are obtained from National Bank of Serbia and the Central Bank of Bosnia and Herzegovina since exchange rates are not provided by European Central Bank. Foreign exchange translation reserve, if any, is recognized as a reserve within equity via Other comprehensive income.

(c) Revenue

The Group generates revenue primarily from the provision of financial technology optimization and outsourcing services to its customers, including processing, printing and enveloping of invoices, purchase invoice processing, account statements, credit card reports, digitization and electronic archiving of documents. Generally, the Group concludes contracts with the customers for a period of one year (12 months), which is automatically extended in case neither party provides the other party with a notice to terminate or not continue the contract. Generally, the notice period ranges from 1 to 3 months.

Revenue is measured based on the transaction price considering the consideration specified and any potential variable consideration in a contract with a customer. Generally, such consideration arrangements in the contracts with customers do not include success fees, volume pricing adjustments or performance bonuses. While certain contracts with customers may include penalties receivable by the Group if specific conditions are met, they are assessed as not material to the Group as a whole. The Group recognises revenue when it satisfies the performance obligation(s) identified in the contract with the customer. Generally, the contract with the customer includes a specified transaction price for each performance obligation. If applicable, the Group allocates the total transaction price to individual performance obligations based on the relative standalone selling prices.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type or services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Recognized in revenue
Digitizing services	Customers obtain control of services provided when service is completed (progress is measured) in the respective month. The Group applies: — a fixed fee for each digitalized document — a fixed administration fee charged on a monthly basis. Invoices for services are issued on a monthly basis for services provided in the previous month and are usually payable within up to 30 days. No discounts or loyalty points are provided.	Digitalization of documents – recognized at a point in time, based on the number of digitalized documents. Administration fee – treated as a series of distinct services with progress measured and recognized on a monthly basis.
Printing and postage services	Customers obtain control of services provided when service is completed (progress is measured) in the respective month. The Group applies: — a fixed fee for each printed and/or sent document	Printing and/or sending of documents – recognized at a point in time, based on the number of printed and/or sent documents.

	— a fixed administration fee charged on a monthly basis Invoices for services are issued on a monthly basis for services provided in the previous month and are usually payable within up to 30 days. No discounts or loyalty points are provided.	Administration fee – treated as a series of distinct services with progress measured and recognized on a monthly basis.
Workflow services (FitekIN, OCI)	The Group provides right to access licenses to the Group's developed intellectual property. Customers obtain control of services provided when service is completed in the respective month. The Group applies: — a fixed fee for each transaction processed — a fixed monthly right to access license fee for each user — a fixed administration fee charged on a monthly basis Invoices for services are issued on a monthly basis for services provided in the previous month and are usually payable within up to 30 days. No discounts or loyalty points are provided.	Processing of transactions – recognized at a point in time, based on the number of processed transactions. Right to access licence fee – recognized over time with progress measured and recognized on a monthly basis. Administration fee – treated as a series of distinct services with progress measured and recognized on a monthly basis.
E-services 1 **Bank eInvoices** 2 **PDF invoices** 3 **eArchive** 4 **AMNK** (Automatic payments from payment cards) 5 **ERRA** (Electronic regular bill payment) 6 **Subscription fee**	Customers obtain control of services provided when service is completed in the respective month. The Group applies: — a fixed fee for each transaction processed — a fixed administration fee charged on a monthly basis Invoices for services are issued on a monthly basis for services provided in the previous month and are usually payable within up to 30 days. No discounts or loyalty points are provided	Processing of transactions – recognized at a point in time, based on the number of processed transactions. Administration fee – treated as a series of distinct services with progress measured and recognized on a monthly basis.
Electronic Data Interchange (EDI) services	The Group provides license of (not a sale) intellectual property. Customers obtain control of services provided when service is completed in the respective month. The Group applies: — a fixed fee for each transaction processed — monthly user based license fee — monthly subscription fee for use of the related intellectual property Invoices for services are issued on a monthly basis for services provided in the previous month and are usually payable within up to 30 days. No discounts or loyalty points are provided	Processing of transactions – recognized at a point in time, based on the number of processed transactions. License fee and monthly subscription fee recognized in the respective month.

Initial implementation (customization)	Generally, initial implementation (customization) of the Group's intellectual property for the customer's use is performed over 1 to 2 weeks, and is identified in the contract with the customer and considered as a separate performance obligation. The performance obligation towards the customer regarding initial implementation (customization) is satisfied when it is set up and right to access is provided to the customer. Invoices for initial implementation (customization) services are issued before or after the satisfaction of the corresponding performance obligation and are usually payable within 30 days. For some contracts, initial implementation (customization) of the Group's intellectual property (customization) for the customer's use is not identified within the context of the contract with the customer as a separate performance obligation, and, thus, is not treated as a distinct performance obligation and is combined with other performance obligations (services) provided under the contract. No discounts or loyalty points are provided.	Where this service is identified as a separate performance obligation, recognized at a point in time after completion of initial implementation (customization). Where this service is not identified as a separate performance obligation, recognized over time on a linear basis in line with the initial maturity of the contract with progress measured and recognized on a monthly basis.
Perpetual software license	The Group sells right to use licences to the Group's developed intellectual property (software), which can be used by the customer for an unlimited period of time. The Group has determined that the installation required for the customer to use the licence is not a separate performance obligation, as they are highly interdependent. The Group does not have a further obligation to provide any changes, maintenance or upgrades to the intellectual property. Customers obtain control of services provided when the software license is transferred to the customer, installed and available for use. No additional usage-based royalties are charged. No discounts or loyalty points are provided.	Right to use licence, including installation, fee – recognized at a point in time when the license ownership is transferred to the customer, and the customer can use and benefit from the licence.
Ad-hoc services (customization requests)	Customers obtain control of services provided when service is completed. The Group applies a fixed fee per hour spent on providing the service. Invoices for services are issued on a monthly basis for services provided in the previous month and are usually payable within up to 30 days. No discounts or loyalty points are provided.	Recognized at a point in time when the service is completed, based on the number of hours spent.

The contract assets primarily relate to the Group's rights to consideration for services provided but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. In the regular course of business in line with the contracts concluded with customers, generally, the Group does not receive advance consideration from customers and, correspondingly, there are no material contract liabilities for the Group to recognize.

For additional information about receivables, contract assets and contract liabilities from contracts with customers, see Note 9.

(d) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group does not participate in any defined benefit long term pension plans, does not provide any long-term employee benefits or share-based payment arrangements. In line with the applicable legislation in the countries where the Group operates, the Group is subject to make mandatory state social contributions on behalf of its employees during the period of employment. Such contributions are treated as short-term employee benefits.

(e) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income on financial assets carried at amortized cost;
- Interest expense on financial liabilities carried at amortized cost;
- Dividend income;
- Foreign currency gain or loss on financial assets (other than trade receivables) and financial liabilities (other than trade payables);
- Impairment loss recognized on financial assets (other than trade receivables).

Interest income and interest expense are recognized as they accrue in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

— the gross carrying amount of the financial asset; or

— the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(f) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. The tax rates used are 0% for the Group entities in Estonia and Latvia, 15% for the Group entities in Lithuania, 19% for the Group entities in UK and Czech Republic, and 21% for the Group entity in Slovakia.

Under the Estonian Income Tax Act and the Law on Corporate Income Tax of the Republic of Latvia, corporate profit for the year is not subject to income tax, i.e. the income tax rate applicable to undistributed profit is 0%. Income tax is instead levied on the taxable base consisting of distributed profit (i.e. dividends) and conditionally or theoretically distributed profit (e.g. fringe benefits, gifts, donations, entertainment expenses, non-business expenditures, doubtful debts, excessive interest payments, transfer pricing adjustments and other items as specified in the law).

Under the Estonian Income Tax Act and the Law on Corporate Income Tax of the Republic of Latvia in force as at 31 December 2019, dividends are subject to income tax of 20% (the amount of tax payable is calculated as 20/80 of the amount of distributed profit and conditionally or theoretically distributed profit). The income tax payable on a dividend distribution is recognised as an expense in the period in which the dividend is declared regardless of the period for which the dividend is declared or the period in which the dividend is distributed.

In accordance with IAS 12 Income taxes, income taxes include only such taxes that are based on the taxable profit, thus, corporate income tax calculated on the taxable base consisting of conditionally or theoretically distributed profit is shown under Other expenses.

The maximum income tax liability that would arise if all of the retained earnings were distributed as dividends is disclosed in the notes to the financial statements (refer below to Note 16 (v)).

In Lithuania, UK, Czech Republic and Slovakia income tax is calculated from current period taxable income.

Current tax assets and liabilities are offset only within the individual subsidiaries of the Group if there is a legally enforceable right to offset tax assets and liabilities, and they relate to taxes levied by the same tax authority.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the management's business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Under IAS 12 Income taxes, whenever there is a difference to tax rates being applied to distributed and undistributed profits, deferred tax assets and liabilities should be recognised by applying the rate applicable to undistributed profits.

In line with the above, deferred tax assets and liabilities arising in the subsidiaries in Estonia and Latvia are recognisable at nil amount. The Group has recognized deferred tax assets and liabilities arising in the subsidiaries in Lithuania, UK, Czech Republic and Slovakia in line with the corresponding tax rates applicable to undistributed profit.

Deferred tax assets and liabilities are offset only within the individual subsidiaries of the Group if there is a legally enforceable right to offset tax liabilities and assets, and they relate to taxes levied by the same tax authority.

(g) Inventories

Main inventory types used in the Group are paper and envelopes used in providing printing and delivery by post services. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle.

(h) Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation of items of property, plant and equipment less their estimated residual values is calculated using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Estimated residual values are insignificant.

The estimated useful lives for the current period of significant items of property, plant and equipment are as follows:

Leasehold improvements*	5-10 years
Machinery and equipment	3-7 years
Other fixed assets	3-7 years
Vehicles (as right-of-use assets)	4-7 years

*Leasehold improvements are depreciated over the shorter of lease term or the useful life of the underlying asset.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(i) Intangible assets and goodwill

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at initially recognized amount less accumulated impairment losses.

(ii) Development costs

Development expenditure, including where appropriate borrowing costs, is capitalised only if the expenditure can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, such expenditure is treated as research costs and recognised in profit or loss as incurred. In the reporting period, the Group did not incur any research costs.

After the developed intangible asset is introduced to the market, the recognized development costs are reclassified to the respective intangible asset group and subsequently measured at cost less accumulated amortisation and any accumulated losses.

Expenditure on research activities, if any, is recognised in profit or loss as incurred.

(iii) Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure and amortization

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets is calculated using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. Estimated residual values are insignificant. There are no differences in the estimated useful lives for internally developed and other intangible assets for the same type of intangible assets. Goodwill is not amortised.

The estimated useful lives for the current period are as follows:

Licenses and similar rights	1-3 years
Internal development costs of intangible assets (software)	5 years
Customer relationships (contractual)	2-10 years
Other intangible assets	1-3 years

In order to estimate the useful life of internal development costs of intangible assets (software), the Group management has considered the expected future development of technology (i.e. the obsolescence of current solutions) as well as the planned timeline of significant additions to the current software solutions and of internal development of new software solutions.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

The Group has early adopted IFRS 16 Leases as of the transition date (1 January 2018) using retrospective approach. Transition adjustments have been included in the IFRS adjustments as explained in the Note 36.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:

— the Group has the right to operate the asset; or

— the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as for a similar type of property, plant and equipment to the underlying asset of the lease. In addition, the right-of-use assets are tested for impairment indicators, if any, at least on an annual basis and adjusted for certain remeasurement of the lease liability. No impairment loss has been recognized as at the end of the current reporting period.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate for leases of premises and the lease contract interest rate as the discount rate for leases of vehicles as a reasonable approximation of the rate implicit in the lease.

Lease payments included in the measurement of the lease liability comprise:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee;

— the exercise price under a purchase option that the Group is reasonably certain to exercise;

— lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and

— penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Management of the Group has assessed for each lease contract whether it is reasonably certain that the Group will exercise an extension or a termination option as well as a purchase option, where relevant.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment, with initial value of 5'000 EUR or below. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Financial instruments

Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group does not use derivative financial instruments other than put options over non-controlling interests.

Financial assets

Classification and subsequent measurement

On initial recognition, a Group's a financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

— contingent events that would change the amount or timing of cash flows;

— terms that may adjust the contractual coupon rate, including variable-rate features;

— prepayment and extension features; and

— terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group does not hold debt or equity investments measured at FVOCI or FVTPL. All Group's financial assets are classified as financial assets at amortized costs because of the Group's business model to hold assets to collect contractual cash flows and the fulfilment of SPPI criteria these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

All Group's financial liabilities are classified as measured at amortised cost. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Put option over non-controlling interests

When the Group does not have a present ownership interest over the shares held by non-controlling interest, liabilities associated with puttable non-controlling interests are measured at the present value of expected redemption amount. The initial redemption liability is presented as a reduction of the parent's equity, if the risks and rewards of ownership remain with the non-controlling interest. While the non-controlling interest's put option remains unexercised, the accounting at the end of each reporting period is as follows:

- The Group determines the amount that would have been recognised for the non-controlling interests, including an update to reflect allocations of profit or loss and of changes in other comprehensive income;
- The Group remeasures the financial liability at the present value of the redemption amount; and
- Changes in the value of the financial liability recognised are treated as an equity transaction.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(l) Share capital

The Company only has ordinary shares in issue. Ordinary shares are classified as share capital. Incremental costs attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

(m) Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

— financial assets measured at amortised cost (including trade receivables, bank balances and loans issued); and

— contract assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs, simplified method.

The Group measures loss allowances for financial assets other than trade receivables and contract assets at an amount equal to 12-month ECLs, unless there has been a significant increase in credit risk since initial recognition; then lifetime ECLs is used instead. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

— the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is more than 90 days past due.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

— significant financial difficulty of the borrower or issuer;

— a breach of contract such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

— it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Investment in equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss and reversed if there has been favourable change in the estimates used to determine the recoverable amount.

(iii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group defines CGUs by legal entity. Goodwill arising from a business combination is allocated to corresponding CGUs (legal entities) that are expected to benefit from the synergies of the combination. Internally developed or acquired intangible assets, held centrally by a holding entity as corporate assets, are allocated to the CGUs that are expected to benefit from these intangible assets. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. As at 1 January 2018, 31 December 2018 and 31 December 2019, there are no provisions recognised.

(o) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes gain from remeasurement of previously held interest upon assuming control over a subsidiary, net finance costs, share of profit of equity-accounted investees and income taxes.

(p) Related parties

Related parties represent both legal entities and private individuals related to the Group in accordance with the following rules:

A) person or a close member of that person's family is related to a reporting entity if that person:

i. Has control or joint control over the reporting entity;
ii. Has significant influence over the reporting entity; or
iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

B) An entity is related to a reporting entity if any of the following conditions applies:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
iii. Both entities are joint ventures of the same third party;
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
vi. The entity is controlled, or jointly controlled by a person identified in a);
vii. A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
viii. The entity, or any member of the group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

7 DETERMINATION OF FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument, if available. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account when pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

i) Loans issued, receivables and cash and cash equivalents

The fair value of loans issued and receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. The fair value of loans issued with outstanding maturities longer than six months is determined using a discount rate of 3.00% as at 31 December 2019 (3.00% as at 31 December 2018 and 3.00% as at 1 January 2018). Fair value is determined at initial recognition and, for disclosure purposes, at each reporting date.

Fair value of shorter term loans, receivables with no stated interest rate and cash and cash equivalents is deemed to approximate their face value on initial recognition and carrying value on any subsequent date as the effect of discounting is immaterial and therefore not disclosed in these financial statements.

ii) Financial liabilities

Fair value of financial liabilities with outstanding maturities longer than six months is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Market interest rate was determined at 2.60% as at 31 December 2019.

8 NEW ACCOUNTING STANDARDS

Standards issued and adopted

The Group had elected to early adopt IFRS 16 Leases (effective as of 1 January 2019) as of 1 January 2018. Early adoption was permitted.

The following amended standards and interpretations are applicable from 1 January 2019. None of them had a significant impact on the Group's Consolidated Financial Statements.

- IFRIC 23 Uncertainty over Income Tax Treatments.
- Prepayment Features with Negative Compensation (Amendments to IFRS 9).
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28).
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).
- Annual Improvements to IFRS Standards 2015–2017 Cycle.

Standards issued but not yet effective

A number of other new amended standards are effective for annual periods beginning on or after 1 January 2020 and later periods. The Group has not early adopted any of these new or amended standards in preparing these Consolidated Financial Statements. None of these standards and amendments are expected to have a significant impact on the Group's Consolidated Financial Statements.

- Definition of a Business (Amendments to IFRS 3).
- Definition of Materiality (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

(Amounts expressed in Euro unless otherwise stated)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- IFRS 14 Regulatory Deferral Accounts.
- Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7.
- Classification of liabilities as current or non-current – Amendments to IAS 1.

9 REVENUE

Revenue represents revenue generated from contracts with customers during the reporting period from the Group's operating activities – provision of services, net of value added tax.

(a) Disaggregation of revenue from contracts with customers by service lines

In the following table, revenue from contracts with customers is disaggregated by major service lines.

Major service lines	**2019**	**2018**
Printing and Postage services	7 565 032	8 272 795
Digitizing services	1 356 542	1 666 343
E-services	3 128 549	3 202 827
Workflow services, including right-of-access licences	338 755	259 859
Electronic Data Interchange (EDI) services	332 486	261 609
Perpetual software licenses	339 500	-
Other services	25 271	143 359
	13 086 135	**13 806 792**

The Group has a diversified clientele, and none of the individual customers exceeds 10% of total revenue.

(b) Disaggregation of revenue from contracts with customers by primary geographical markets

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets.

Primary geographical markets	**2019**	**2018**
Lithuania	4 995 509	4 926 258
Estonia	4 422 545	4 804 015
Latvia	2 988 335	3 765 355
Serbia	362 676	-
Finland	212 560	205 480
Poland	24 705	47 759
Norway	38 902	31 409
Sweden	1 736	13 357
Germany	11 840	7 665
Other	27 327	5 494
	13 086 135	**13 806 792**

(Amounts expressed in Euro unless otherwise stated)

(c) Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	31.12.2019	31.12.2018	01.01.2018
Receivables which are included in "Trade receivables and other receivables", net	1 815 777	1 578 654	1 366 600
Contract assets	2 657	14 472	63 906
Contract liabilities	(14 524)	-	-

The contract assets primarily relate to the Group's rights to consideration for services provided but not billed at the reporting date. The contract assets are recognized in revenue in the period when the corresponding performance obligations are performed. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer, which, generally, is done on a monthly basis.

There was no impact on contract assets during the year ended 31 December 2019 and year ended 31 December 2018 by any impairment charges, or as a result of the acquisition of a subsidiary (see Note 20).

The Group has not recognized any revenue during the year ended 31 December 2019 and year ended 31 December 2018 that was included in the opening contract liability balance.

No revenue was recognized during the year ended 31 December 2019 and year ended 31 December 2018 from performance obligations satisfied in previous periods.

No information is provided about remaining performance obligations as at 31 December 2019, as at 31 December 2018 and as at 1 January 2018 that have an original expected duration of one year or less, as allowed by IFRS 15 Revenue from Contracts with Customers.

The Group does not have assets recognized from the costs to obtain or fulfil contract with a customer.

10 COST OF SALES

Cost of goods sold represents costs incurred for generating revenue – such as costs of goods or services recognized at production or acquisition cost, and costs related to purchase of goods and services.

	2019	2018
Postage expenses	4 412 600	5 037 649
Personnel expenses	1 101 725	1 147 121
Costs of materials	716 329	852 513
Received external production services	665 085	933 674
Amortization of intangible assets	302 190	188 439
Equipment maintenance expenses	217 389	156 571
Amortization of right-of-use assets	131 956	148 391
Depreciation of property, plant and equipment	43 482	33 096
Other expenses	21 972	-
	7 612 728	**8 497 454**

11 OTHER OPERATING INCOME

	2019	2018
Gain on disposal of long-term assets, net	2 000	24 100
Compensation of administrative costs from related parties	324 931	-
Other income	103 893	14 993
	430 824	**39 093**

(Amounts expressed in Euro unless otherwise stated)

12 SELLING AND DISTRIBUTION EXPENSES

	2019	2018
Marketing and advertising expenses	170 441	107 680
Other selling expenses	20 555	2 033
	190 996	**109 713**

13 ADMINISTRATIVE EXPENSES

	2019	2018
Personnel expenses	3 465 112	2 713 109
Professional services expenses	890 192	819 006
IT maintenance expenses	345 386	85 886
Amortization of right-of-use assets	202 830	157 922
Other staff related expenses	176 942	105 622
Premises maintenance expenses	134 581	119 067
Amortization of intangible assets	108 124	210 093
Cars maintenance expenses	69 202	63 435
Depreciation of property, plant and equipment	67 333	91 906
Communications expenses	64 482	41 494
Other administrative expenses	120 180	147 605
	5 644 364	**4 555 145**

14 OTHER OPERATING EXPENSES

	2019	2018
Impairment of intangible assets	-	33 000
Withholding tax paid in other countries	-	30 101
Other expenses	18 061	6 132
	18 061	**69 233**

15 FINANCE INCOME AND FINANCE COSTS

	2019	2018
Interest income on the loans issued	34 021	14 211
Other finance income	10 157	1 186
Finance income	**44 178**	**15 397**
Interest expenses on the loans and leases received	342 966	282 113
Penalties paid	-	67
Other financial costs	15 135	4 477
Finance costs	**358 101**	**286 657**
Net finance costs	**313 923**	**271 260**

(Amounts expressed in Euro unless otherwise stated)

16 INCOME TAXES

(i) Income tax expense recognized in profit or loss

	2019	2018
Current income tax expense	46 525	54 505
Deferred tax expense	(1 064)	1 193
Total income tax expense recognized in profit or loss	**45 461**	**55 698**

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of multiple factors, including interpretations of tax law and prior experience.

(ii) Reconciliation of effective tax rate

The reported income tax expenses for the years ended 31 December 2019 and 31 December 2018 are different than the amounts computed by applying the statutory tax rate to profit before income tax of the Group, as shown in the following reconciliation:

	2019	2018
Profit before income tax	**2 103 806**	**620 375**
Theoretically calculated tax at tax rate of 0%*	-	-
Effect from tax rates in other jurisdictions	40 989	46 496
Effect of non-deductible expenses, non-taxable income and other permanent differences, net	4 472	9 202
Total income tax expense recognized in profit or loss	**45 461**	**55 698**

* The corporate income tax rate in Estonia, the parent company's jurisdiction, applied to non-distributed profit is 0%.

(iii) Movement in deferred tax balances

	Deferred tax asset (liability) 31 December 2018	Acquisitions through business combinations*	Recognized in profit or loss	Deferred tax asset (liability) 31 December 2019
Intangible assets	23 617	-	(8 752)	14 865
Other liabilities	33 399	-	9 816	43 215
Deferred tax assets	**57 016**	**-**	**1 064**	**58 080**
Intangible assets	-	(409 601)	-	(409 601)
Deferred tax liabilities	**-**	**(409 601)**	**-**	**(409 601)**

The recognized deferred tax assets balances arise in the Group's subsidiaries in Lithuania. The recognized deferred tax liabilities balances arise in the Group's subsidiary in Slovakia.

*See Note 20 (ii).

	Deferred tax asset (liability) 1 January 2018	Acquisitions through business combinations**	Recognized in profit or loss	Deferred tax asset (liability) 31 December 2018
Intangible assets	27 306	-	(3 689)	23 617
Other liabilities	28 014	2 889	2 496	33 399
Deferred tax assets	**55 320**	**2 889**	**(1 193)**	**57 016**

The recognized deferred tax assets balances arise in the Group's subsidiaries in Lithuania.

**See Note 20 (i).

(iv) Unrecognized deferred tax liabilities

The Group has not recognized a temporary difference relating to investments in equity-accounted investees, as the Group controls the timing of reversal of this taxable temporary difference and neither plans to dispose of these investments nor is liable to pay income taxes on dividend income received from the investees. In connection with this, the Group management has assessed that the related taxable temporary differences will not reverse in the foreseeable future. Thus, no deferred tax liability is recognized relating to investments in equity-accounted investees. The estimated amount of the related unrecognized deferred tax liability as at 31 December 2019 amounts to EUR 28 thousand (as at 31 December 2018 amounts to EUR 19 thousand, and as at 1 January 2018 amounts to EUR 0 thousand).

In line with the applicable legislation in Estonia and Latvia, the profit of the subsidiaries registered in these jurisdictions is subject to income tax on distribution of dividends, and, thus, applying a 0% income tax rate to undistributed profit, deferred tax liabilities on subsidiary level are recognized at nil amount. The Group, directly or indirectly, controls these subsidiaries and, hence, controls these subsidiaries' profit distribution policy and is able to veto the payment of dividends, i.e. the Group controls the timing of reversal of the related taxable temporary differences. In connection with this, the Group management has assessed that no dividends are planned or expected to be distributed by the subsidiaries, i.e. the related taxable temporary differences will not reverse, in the foreseeable future. Thus, no deferred tax liability is recognized relating to investments in subsidiaries. The estimated amount of the related unrecognized deferred tax liability as at 31 December 2019 amounts to EUR 937 thousand (as at 31 December 2018 amounts to EUR 759 thousand, and as at 1 January 2018 amounts to EUR 582 thousand).

(Amounts expressed in Euro unless otherwise stated)

17 PROPERTY, PLANT AND EQUIPMENT

	Machinery and vehicles	Furniture, fittings and equipment	Prepayments for fixed assets	Total
Cost				
At 01.01.2018	**2 647 111**	**755 857**	**7 129**	**3 410 097**
Acquisitions through business combinations*	3 780	3 547	-	7 327
Additions	94 338	49 761	-	144 099
Disposals	(96 763)	(31 828)	(4 117)	(132 708)
Reclassification to franchises, trademarks, patents and similar rights	-	-	(3 012)	(3 012)
At 31.12.2018	**2 648 466**	**777 337**	**-**	**3 425 803**
Acquisitions through business combinations**	30 746	8 529	-	39 275
Additions	117 540	62 366	-	179 906
Disposals	(285 342)	(259 776)	-	(545 118)
At 31.12.2019	**2 511 410**	**588 456**	**-**	**3 099 866**
Accumulated depreciation and impairment losses				
At 01.01.2018	**2 599 295**	**584 456**	**-**	**3 183 751**
Charge for the year	31 956	93 046	-	125 002
Disposals	(90 607)	(31 143)	-	(121 750)
At 31.12.2018	**2 540 644**	**646 359**	**-**	**3 187 003**
Charge for the year	45 980	64 835	-	110 815
Disposals	(294 332)	(226 303)	-	(520 635
At 31.12.2019	**2 292 292**	**484 891**	**-**	**2 777 183**
Carrying amounts				
At 01.01.2018	**47 816**	**171 401**	**7 129**	**226 346**
At 31.12.2018	**107 822**	**130 978**	**-**	**238 800**
At 31.12.2019	**219 118**	**103 565**	**-**	**322 683**

*See Note 20 (i).

**See Note 20 (ii).

Impairment testing

No impairment indicators identified on property, plant and equipment as at 1 January 2018, as at 31 December 2018 and 31 December 2019.

Security

No property, plant and equipment has been pledged as a collateral as at 1 January 2018, as at 31 December 2018 and 31 December 2019.

(Amounts expressed in Euro unless otherwise stated)

18 INTANGIBLE ASSETS

	Internally developed software, licences and similar intangible assets	Customer relationships	Development costs	Acquired software	Goodwill	Total
Cost						
At 01.01.2018	**739 043**	**803 662**	**104 600**	**632 978**	**4 678 204**	**6 958 487**
Acquisitions through business combinations*	45 784	-	56 707	-	69 291	171 782
Additions	428 233	-	534 261	94 081	-	1 056 575
Disposals	-	-	-	(1 159)	-	(1 159)
Reclassification from prepayments for fixed assets	3 012	-	-	-	-	3 012
Reclassification	40 295	-	-	(40 295)	-	-
At 31.12.2018	**1 256 367**	**803 662**	**695 568**	**685 605**	**4 747 495**	**8 188 697**
Additions	718 575	-	651 609	37 903	-	1 408 087
Disposals	(68 364)	(175 000)	(133 844)	(31 614)	-	(408 822)
Acquisitions through business combinations**	-	1 950 482	-	-	1 756 984	3 707 466
At 31.12.2019	**1 906 578**	**2 579 144**	**1 213 333**	**691 894**	**6 504 479**	**12 895 428**
Accumulated amortization and impairment losses						
At 01.01.2018	**55 718**	**449 861**	**-**	**526 611**	**-**	**1 032 190**
Charge for the year	207 643	156 760	-	34 129	-	398 532
Impairment loss***	-	-	33 000	-	-	33 000
Disposals	-	-	-	(1 159)	-	(1 159)
At 31.12.2018	**263 361**	**606 621**	**33 000**	**559 581**	**-**	**1 462 563**
Charge for the year	313 686	51 761	-	44 867	-	410 314
Disposals	(36 014)	(175 000)	(33 000)	(31 597)	-	(275 611)
At 31.12.2019	**541 033**	**483 382**	**-**	**572 851**	**-**	**1 597 266**
Carrying amounts						
At 01.01.2018	**683 325**	**353 801**	**104 600**	**106 367**	**4 678 204**	**5 926 297**
At 31.12.2018	**993 006**	**197 041**	**662 568**	**126 024**	**4 747 495**	**6 726 134**
At 31.12.2019	**1 365 545**	**2 095 762**	**1 213 333**	**119 043**	**6 504 479**	**11 298 162**

*See Note 20 (i).

**See Note 20 (ii).

***The Group recognized impairment loss in 2018 in the amount of EUR 33 000 related to the estimated amount of recoverability of development costs.

The Group has capitalized borrowing costs in 2019 in the amount of EUR 8 637 (2018: EUR 5 217).

(Amounts expressed in Euro unless otherwise stated)

Goodwill

The goodwill balance represents goodwill arising from the acquisition of the following subsidiaries (CGUs):

	31.12.2019	31.12.2018	01.01.2018
Fitek AS (Estonia)	3 199 752	3 199 752	3 199 752
Fitek AS (Latvia)	863 104	863 104	863 104
Fitek LT UAB (Lithuania)	615 348	615 348	615 348
Fitek EDI UAB (Lithuania) (see also Note 20 (i))	69 291	69 291	-
Fitek s.r.o. (Slovakia) (see also Note 20 (ii))	1 756 984	-	-
	6 504 479	**4 747 495**	**4 678 204**

Impairment testing

Goodwill

The recoverable value of the CGUs is based on the value-in-use – discounted cash flows valuation method. The model is based on the discounted net expected cash flows and expected costs, and the significant unobservable data used in the estimation of the recoverable value are presented below. The values assigned to the key assumptions represent the Group management's assessment of future trends and targets and have been based on historical data from both external and internal sources, as considered relevant. The goodwill arising from the acquisition of Fitek EDI UAB is considered immaterial by the Group.

CGU	Significant unobservable data	31.12.2019	31.12.2018	01.01.2018
Fitek AS (Estonia)	EBITDA margin	12%-23% in 2020-2024, 23% in terminal year (2019: 15%); average EBITDA CAGR in 2020-2024: 15%	13%-16% in 2019-2023, 15% in terminal year (2018: 16%); average EBITDA CAGR in 2019-2023: 10%	13%-16% in 2018-2022, 15% in terminal year (2017: 15%); average EBITDA CAGR in 2018-2022: 3%
	Cash flows calculation period	5 years + terminal year	5 years + terminal year	5 years + terminal year
	Annual discount rate	12,3%	12,3%	12,3%
The estimated recoverable amount of the CGU exceeded its carrying amount by approximately EUR 1.8 million as at 31.12.2019 (31.12.2018: EUR 3.3 million, and 01.01.2018: EUR 4.0 million). Since 2018, using the Group's internally developed solutions and with the Group's acquisition by UnifiedPost Group SA, the CGU and the Group as a whole are planning to offer more electronic and digital services, thus increasing the profitability of the CGU.				
Fitek AS (Latvia)	EBITDA margin	0%-22% in 2020-2024, 22% in terminal year (2019: 4%); average EBITDA CAGR in 2020-2024: 48%	2%-17% in 2019-2023, 14% in terminal year (2018: 9%); average EBITDA CAGR in 2019-2023: 22%	2%-16% in 2018-2022, 14% in terminal year (2017: 1%); average EBITDA CAGR in 2018-2022: 22%
	Cash flows calculation period	5 years + terminal year	5 years + terminal year	5 years + terminal year
	Annual discount rate	12,3%	12,3%	12,3%
The estimated recoverable amount of the CGU exceeded its carrying amount by approximately EUR 2.0 million as at 31.12.2019 (31.12.2018: EUR 2.5 million, and 01.01.2018: EUR 2.6 million). Since 2018, using the Group's internally developed solutions and with the Group's acquisition by UnifiedPost Group SA, the CGU and the Group as a whole are planning to offer more electronic and digital services, thus increasing the profitability of the CGU.				

(Amounts expressed in Euro unless otherwise stated)

CGU	Significant unobservable data	31.12.2019	31.12.2018	01.01.2018
Fitek LT UAB (Lithuania)	EBITDA margin	7%-22% in 2020-2024, 22% in terminal year (2019: 9%); average EBITDA CAGR in 2020-2024: 25%	7%-12% in 2019-2023, 10% in terminal year (2018: 10%); average EBITDA CAGR in 2019-2023: 18%	7%-11% in 2018-2022, 10% in terminal year (2017: 4%); average EBITDA CAGR in 2018-2022: 9%
	Cash flows calculation period	5 years + terminal year	5 years + terminal year	5 years + terminal year
	Annual discount rate	12,3%	12,3%	12,3%
The estimated recoverable amount of the CGU exceeded its carrying amount by approximately EUR 3.9 million as at 31.12.2019 (31.12.2018: EUR 2.7 million, and 01.01.2018: EUR 3.0 million). Since 2018, using the Group's internally developed solutions and with the Group's acquisition by UnifiedPost Group SA, the CGU and the Group as a whole are planning to offer more electronic and digital services, thus increasing the profitability of the CGU.				
Fitek s.r.o. (Slovakia)	EBITDA margin	0%-25% in 2020-2024, 25% in terminal year (2019: -2%); average GM CAGR in 2020-2024: 38% (EBITDA CAGR assessed as not representative due to negative EBITDA in 2019)	N/a, accounted for as an equity-accounted joint venture (see Note 19 (vi))	N/a, accounted for as an equity-accounted joint venture (see Note 19 (vi))
	Cash flows calculation period	5 years + terminal year		
	Annual discount rate	12,3%		
The estimated recoverable amount of the CGU exceeded its carrying amount by approximately EUR 0.2 million as at 31.12.2019. Using the Group's internally developed solutions and with the Group's acquisition by UnifiedPost Group SA, the CGU and the Group as a whole are planning to offer more electronic and digital services, thus increasing the profitability of the CGU.				

The Group management has evaluated the sensitivity of the estimated recoverable (value-in-use) amounts of individual CGUs (Fitek Estonia, Fitek Latvia and Fitek Lithuania) and concluded that a reasonably possible change in two of the key assumptions – significant unobservable data, such as, the discount rate and the average EBITDA CAGR as identified above, would not result in the carrying amount, including the allocated corporate assets, of any of these CGUs to exceed its estimated recoverable amount as at 31 December 2019, as at 31 December 2018 and as at 1 January 2018.

The Group management has evaluated the sensitivity of the estimated recoverable (value-in-use) amount of Fitek Slovakia CGU and concluded that a reasonably possible change in two of the key assumptions – significant unobservable data, such as, the discount rate (presumed individual increase of 1.2 percentage points) and the average GM CAGR (presumed individual decrease of 1.1 percentage points) as identified above, would result in the carrying amount, including the allocated corporate assets, of the CGU to exceed its estimated recoverable amount as at 31 December 2019.

As at 31 December 2019, as at 31 December 2018 and as at 1 January 2018, the estimated recoverable value of CGUs exceeded their carrying amount, including the allocated corporate assets, thus, no impairment loss was recognized.

Internally developed software, licences and similar intangible assets and Development costs

As at 31 December 2019, 31 December 2018 and 1 January 2018, the Group's Intangible assets include internally developed software FitekIN portal and Self-Service portal. FitekIN portal acquisition and development costs are included under Internally developed software, licences and similar intangible assets with the carrying amount of the asset of EUR 1 274 538 as at 31 December 2019 (EUR 970 168 as at 31 December 2018 and EUR 683 326 as at 1 January 2018). While the Group continues the development of additional features for the FitekIN portal, it is being offered to customers and being amortized. Self-Service Portal development costs are included under Development costs with the carrying amount of the asset of EUR 1 201 295 as at 31 December 2019 (EUR 511 340 as at 31 December 2018 and EUR 55 750 as at 1 January 2018). As at 31 December 2019, the Self-Service Portal is in development phase with the expected completion in summer 2020, and is not being amortized. Both portals are expected to generate revenues (cash flows) mainly from the sales of right-of-access licences (Software-as-a-Service) and invoice digitizing solutions. Until the end of 2019, FitekIN portal was mostly in continuous development stage and was used only in the Baltics and Slovakia, while, going forward, the Group plans to launch and offer the solution to customers in other countries via its subsidiaries and jointly controlled entities, thus, achieving a significant annual increase in revenues.

In 2019, the Group has signed a grant agreement under the Connecting Europe Facility (CEF) – telecommunication sector. Actions to be performed by the Group under this agreement are expected to run from 1 November 2018 until 30 April 2020, which, subsequently, has been prolonged to 31 July 2020. The action's objective is to integrate the Group's three existing eInvoicing solutions offered in the Baltics markets into one solution in order to ensure compliance with the European eInvoicing standard EN16931 mandated by the eInvoicing Directive 2014/55/EU and to offer this solution to customers across EU. The result will be an e-invoicing Self-Service Portal (SSP) for all the market participants that need access to eInvoicing solutions and access to EU procurement networks (the so-called "Invoicegate.com"). The new solution will provide the possibility to exchange eInvoices automatically and in real-time both nationally and cross-border over EU via PEPPOL eDelivery network. It will be the single data entry point, while the user interface will be developed and customised separately for each country (currently, eleven countries have been identified by the Group management) in the scope of the actions to be performed under the grant agreement.

The grant financing under this agreement amounts to a maximum of EUR 406 065, of which EUR 203 032 has already been received in 2019, and the remainder is to be received in 2020 after the successful completion of the actions to be performed under the grant agreement. The Group accounts for the financing received under the grant agreement by applying the capital approach, deducting the grant in calculating the carrying amount of the asset.

As at the date of these financial statements, the management of the Group has not identified any significant obstacles that could reasonably impact the successful completion of the actions to be performed by the Group under the grant agreement.

For annual impairment testing purposes, as for intangible assets under development, the Group considers both FitekIN portal and Self-Service portal as corporate assets, as they are held centrally by a holding entity and offered to customers via subsidiaries and joint ventures, thus contributing to their cash inflows. The holding entity does not generate its own independent cash inflows. As corporate assets, their carrying amount is allocated to the determined CGUs when comparing the recoverable value to the carrying amount of the CGU. Other intangible assets under development are considered individually immaterial.

(Amounts expressed in Euro unless otherwise stated)

19 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

Investments in equity-accounted investees include investments in jointly controlled entities in Serbia, Bosnia and Herzegovina and Slovakia:

	31.12.2019	31.12.2018	01.01.2018
Fitek Balkan d.o.o. (Serbia), including its subsidiaries Imagesoft d.o.o. (Serbia) and Sirius Star d.o.o. (Serbia)	991 983	1 129 729	-
Fitek Solutions d.o.o. (Serbia)	781 960	453 648	-
New Image d.o.o. (Serbia)	318 304	320 399	-
Fitek d.o.o. Banja Luka (Bosnia and Herzegovina)	60 896	45 906	-
Fitek s.r.o. (Slovakia), including its subsidiary Fitek Czech Republic s.r.o. (Czech Republic)*	-	84 960	208 800
	2 153 143	**2 034 642**	**208 800**

The following table summarizes the Group's share of profit or loss of equity-accounted investees, net of tax:

	2019	2018
Fitek Balkan d.o.o. (Serbia), including its subsidiaries Imagesoft d.o.o. (Serbia) and Sirius Star d.o.o. (Serbia)	(54 897)	230 568
Fitek Solutions d.o.o. (Serbia)	380 934	73 648
New Image d.o.o. (Serbia)	(2 095)	81 399
Fitek d.o.o. Banja Luka (Bosnia and Herzegovina)	14 990	15 906
Fitek s.r.o. (Slovakia), including its subsidiary Fitek Czech Republic s.r.o. (Czech Republic)*	(62 502)	(123 840)
	276 430	**277 681**

*The Group acquired control over Fitek s.r.o. (Slovakia), including its subsidiary Fitek Czech Republic s.r.o. (Czech Republic), on 23 December 2019 and started accounting for these entities as consolidated subsidiaries therefrom. Until gaining control the entities were accounted as equity-accounted investees.

(Amounts expressed in Euro unless otherwise stated)

(i) Acquisition of jointly controlled entities in Serbia and Bosnia and Herzegovina.

Ownership interests in jointly controlled entities in Serbia and Bosnia and Herzegovina were acquired in March 2018. The following table summarises the fair value of assets and liabilities of jointly controlled entities in Serbia and Bosnia and Herzegovina acquired on 13 March 2018.

	Fitek Balkan d.o.o. (Serbia) EUR	**New Image d.o.o. (Serbia) EUR**	**Fitek Solutions d.o.o. (Serbia) EUR**	**Fitek d.o.o. Banja Luka (Bosnia and Herzegovina) EUR**	**Total EUR**
Percentage ownership	**50%**	**50%**	**50%**	**50%**	
Property, plant and equipment	762 884	26 639	167 472	38 007	
Intangible assets (other)	663 482	-	341 950	-	
Other long-term receivables	5 763	-	-	-	
Inventories	57 415	19 420	159 731	583	
Trade and other receivables	955 691	23 103	334 698	33 297	
Cash and cash equivalents	534 739	664	177 559	5 861	
Loans and borrowings	(1 220 656)	-	(160 826)	-	
Deferred tax liabilities	(12 907)	-	-	-	
Trade and other payables	(883 687)	(43 010)	(492 068)	(13 252)	
Intangible assets (contractual customer relationships)	1 855 316	736 048	377 636	-	
Deferred tax liabilities on the contractual customer relationships	(269 954)	(107 098)	(54 948)	-	
Total identifiable net assets (100%)	**2 448 086**	**655 766**	**851 204**	**64 496**	**4 019 552**
Total identifiable net assets acquired – Group's share (50%)	**1 224 043**	**327 883**	**425 602**	**32 248**	**2 009 776**
Total consideration	**1 000 000**	**239 000**	**380 000**	**30 000**	**1 649 000**
Goodwill/(bargain purchase)*	**(224 043)**	**(88 883)**	**(45 602)**	**(2 248)**	**(360 776)**
Acquisition related costs recognized in administrative expenses	36 250	1 485	20 979	2 531	61 245

Given the structure of the net assets of the acquired entities, purchase price allocation was based around the identification of fair values of property, plant and equipment, identifiable intangible assets and contingent liabilities. Fair values of other assets and liabilities acquired approximated their carrying values on the date of acquisition of joint control. External specialists' reports obtained as part of the acquisition and due diligence process were used in this exercise.

*The excess of fair value of identifiable net assets over the cost of the investment in the jointly controlled entities in Serbia and Bosnia and Herzegovina on acquisition is included in the Group's share of equity-accounted investees profit or loss in the year 2018 reporting period.

(Amounts expressed in Euro unless otherwise stated)

(ii) Fitek Balkan d.o.o. (Serbia)

Fitek Balkan d.o.o. is a jointly controlled entity in which the Group has a joint control and a 50% ownership interest, including its subsidiaries Imagesoft d.o.o. (Serbia) and Sirius Star d.o.o. (Serbia) with 100% ownership interest. Investment in Fitek Balkan d.o.o. was acquired on 13 March 2018.

Business activities of Fitek Balkan d.o.o. are strategic to the Group`s activities. Baltic markets are already mature, whereas Serbian market is in growth phase and Fitek companies have a rather low market share, providing much bigger potential for growth. Fitek Balkan d.o.o. owns a smart bill solution, which is customizable for a client's needs and collects all billing information and forwards e-invoices via both digital and analogue channels. Furthermore, there are several potential business synergies identified by the management.

The following table summarises the consolidated financial information of Fitek Balkan d.o.o., including its subsidiaries Imagesoft d.o.o. and Sirius Star d.o.o., as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised consolidated financial information to the carrying amount of the Group's interest in Fitek Balkan d.o.o.

	EUR	**EUR**
	31.12.2019	**31.12.2018**
Percentage ownership	50%	50%
Non-current assets	4 973 190	2 978 853
Current assets, including	1 270 630	1 438 372
Cash and cash equivalents	*312 657*	*365 436*
Non-current liabilities, including	(2 422 249)	(674 421)
Non-current financial liabilities (excluding trade and other payables and provisions)	*(2 161 424)*	*(346 665)*
Current liabilities, including	(1 837 605)	(1 471 906)
Current financial liabilities (excluding trade and other payables and provisions)	*(1 036 292)*	*(734 246)*
Net assets (100%)	**1 983 966**	**2 270 898**
Group's share of net assets (50%)	**991 983**	**1 135 449**
Elimination of unrealized profit in downstream sales	-	(5 720)
Carrying amount of interest in the jointly controlled entity	**991 983**	**1 129 729**

	01.01.2019 – 31.12.2019 EUR	**13.03.2018 – 31.12.2018 EUR**
Revenues	3 772 665	3 503 960
Depreciation and amortisation	469 816	322 082
Interest income	15 504	3
Interest expenses	(75 827)	(37 043)
Income tax expense	27 431	(18 301)
Profit from continuing operations	**(109 794)**	**24 490**
Other comprehensive income	**-**	**-**
Total comprehensive income (100%)	**(109 794)**	**24 490**
Group's share of total comprehensive income (50%)	**(54 897)**	**12 245**
Dividends received by the Group	82 849	100 839

(Amounts expressed in Euro unless otherwise stated)

(iii) New Image d.o.o. (Serbia)

New Image d.o.o. is a jointly controlled entity in which the Group has joint control and a 50% ownership interest. Investment in New Image d.o.o. was acquired on 13 March 2018. New Image is producing Commercial Print products, which supplement Fitek Balkan d.o.o. activities.

The following table summarises the financial information of New Image d.o.o. (Serbia) as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in New Image d.o.o.

	EUR 31.12.2019	**EUR 31.12.2018**
Percentage ownership	50%	50%
Non-current assets	646 953	710 645
Current assets, including	271 413	225 229
Cash and Cash equivalents	*10 155*	*6 822*
Non-current liabilities, including	(88 366)	(99 070)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Current liabilities	(193 392)	(196 006)
Current financial liabilities (excluding trade and other payables and provisions)	-	*(18 889)*
Net assets (100%)	**636 608**	**640 798**
Group's share of net assets (50%)	**318 304**	**320 399**
Elimination of unrealized profit in downstream sales	-	-
Carrying amount of interest in the jointly controlled entity	**318 304**	**320 399**

	01.01.2019 – 31.12.2019 EUR	**13.03.2018 – 31.12.2018 EUR**
Revenues	831 508	553 984
Depreciation and amortisation	94 900	72 581
Interest income	314	-
Interest expense	(586)	(442)
Income tax expense or income	3 261	(201)
Profit from continuing operations	**(4 190)**	**(14 968)**
Other comprehensive income	**-**	**-**
Total comprehensive income (100%)	**(4 190)**	**(14 968)**
Group's share of total comprehensive income (50%)	**(2 095)**	**(7 484)**

(Amounts expressed in Euro unless otherwise stated)

(iv) Fitek Solutions d.o.o. (Serbia)

Fitek Solutions d.o.o. is a jointly controlled entity in which the Group has joint control and a 50% ownership interest. Investment in Fitek Solutions d.o.o. was acquired on 13 March 2018. Fitek Solutions is developing software products for Serbian market.

The following table summarises the financial information of Fitek Solutions d.o.o. (Serbia) as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Fitek Solutions d.o.o.

	31.12.2019	**31.12.2018**
Percentage ownership	50%	50%
Non-current assets	1 194 006	855 460
Current assets, including	2 160 311	433 229
Cash and Cash equivalents	*1 328 556*	*190 682*
Non-current liabilities, including	(90 276)	(120 734)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	*(41 153)*
Current liabilities	(1 700 121)	(260 659)
Current financial liabilities (excluding trade and other payables and provisions)	*(89 362)*	*(132 898)*
Net assets (100%)	**1 563 920**	**907 296**
Group's share of net assets (50%)	**781 960**	**453 648**
Elimination of unrealized profit in downstream sales	-	-
Carrying amount of interest in the jointly controlled entity	**781 960**	**453 648**

	01.01.2019 – 31.12.2019 EUR	**13.03.2018 – 31.12.2018 EUR**
Revenues	5 846 365	849 562
Depreciation and amortisation	146 070	80 100
Interest income	714	4
Interest expense	(7 922)	(5 186)
Income tax expense	(130 810)	(14 027)
Profit or loss from continuing operations	**761 868**	**56 092**
Other comprehensive income	-	-
Total comprehensive income (100%)	**761 868**	**56 092**
Group's share of total comprehensive income (50%)	**380 934**	**28 046**
Dividends received by the Group	52 622	-

(Amounts expressed in Euro unless otherwise stated)

(v) Fitek d.o.o. Banja Luka (Bosnia and Herzegovina)

Fitek d.o.o. Banja Luka is a jointly controlled entity in which the Group has joint control and a 50% ownership interest. Investment in Fitek d.o.o. Banja Luka was acquired on 13 March 2018. Fitek d.o.o. Banja Luka was established to serve Fitek Balkan d.o.o. print customers in Bosnia and Herzegovina market.

The following table summarises the financial information of Fitek d.o.o. Banja Luka as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Fitek d.o.o. Banja Luka.

	31.12.2019	**31.12.2018**
Percentage ownership	50%	50%
Non-current assets	78 907	88 574
Current assets, including	55 513	66 832
Cash and Cash equivalents	*10 159*	*28 395*
Non-current liabilities, including	-	(3 727)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Current liabilities	(12 628)	(59 867)
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Net assets (100%)	**121 792**	**91 812**
Group's share of net assets (50%)	**60 896**	**45 906**
Elimination of unrealized profit in downstream sales	-	-
Carrying amount of interest in the jointly controlled entity	**60 896**	**45 906**

	01.01.2019 – 31.12.2019 EUR	**13.03.2018 – 31.12.2018 EUR**
Revenues	278 536	239 560
Depreciation and amortisation	31 435	-
Interest income	-	-
Interest expense	(228)	(293)
Income tax expense or income	(1 754)	(3 035)
Profit or loss from continuing operations	**29 980**	**27 316**
Other comprehensive income	**-**	**-**
Total comprehensive income (100%)	**29 980**	**27 316**
Group's share of total comprehensive income (50%)	**14 990**	**13 658**

(Amounts expressed in Euro unless otherwise stated)

(vi) Fitek s.r.o. (Slovakia)

By acquiring a total of 50% ownership interest in the financial technology company Fitek s.r.o. (previously Smart Post s.r.o.), including its subsidiary Fitek Czech Republic s.r.o. (Czech Republic) with 100% ownership interest, in 2017, Fitek Group's market expanded to Slovakia. This particular investment gives the potential to also grow further into Czech Republic, Austria and Hungary. Slovakia is a rapidly developing market, where machine-readable e-invoices are not yet widespread, and several Slovakian companies had expressed interest in current invoicing solutions provided by the Group. Since 1 January 2018, the Group has joint control over Fitek s.r.o. (Slovakia).

The following table summarises the consolidated financial information of Fitek s.r.o., including its subsidiary Fitek Czech Republic s.r.o., as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised consolidated financial information to the carrying amount of the Group's interest in Fitek s.r.o. (Slovakia).

	23.12.2019	**31.12.2018**	**01.01.2018**
Percentage ownership	50%	50%	50%
Non-current assets	211 008	220 980	161 399
Current assets, including	354 012	447 919	275 352
Cash and Cash equivalents	*42 840*	*15 683*	*24 062*
Non-current liabilities	(542 522)	(427 805)	(152 667)
Non-current financial liabilities (excluding trade and other payables and provisions)	*(443 632)*	*(310 992)*	*(91 291)*
Current liabilities	(334 418)	(428 010)	(223 320)
Current financial liabilities (excluding trade and other payables and provisions)	*(11 934)*	*(21 440)*	-
Net assets (100%)	**(311 920)**	**(186 916)**	**60 764**
Group's share of net assets (50%)	**-**	**-**	**30 382**
Goodwill	22 458	84 960	178 418
Carrying amount of interest in the jointly controlled entity	**22 458**	**84 960**	**208 800**

	01.01.2019-23.12.2019 EUR	**01.01.2018-31.12.2018 EUR**
Revenues	2 503 840	2 130 394
Depreciation and amortisation	(95 236)	(94 587)
Finance income	1 095	249
Finance expenses	(40 614)	(15 530)
Income tax expense or income	-	-
Profit or loss from continuing operations	**(124 994)**	**(247 680)**
Other comprehensive income	(10)	-
Total comprehensive income (100%)	**(125 004)**	**(247 680)**
Group's share of total comprehensive income (50%)	**(62 502)**	**(123 840)**

The Group does not have an obligation to settle losses incurred by Fitek s.r.o. (Slovakia).

(Amounts expressed in Euro unless otherwise stated)

Impairment test

The equity deficit and operating loss of Fitek s.r.o. as at and for the year ended 31 December 2018 and 1 January 2018 serves as an impairment indicator. The recoverable value of the CGUs is based on the value-in-use – discounted cash flows valuation method. The model is based on the discounted net expected cash flows and expected costs, and the significant unobservable data used in the estimation of the recoverable value are presented below. The values assigned to the key assumptions represent the Group management's assessment of future trends and targets and have been based on historical data from both external and internal sources, as considered relevant.

CGU	Significant unobservable data	31.12.2018	01.01.2018
Fitek s.r.o. (Slovakia)	EBITDA margin	0%-13% in 2019-2023, 13% in terminal year (2018: 9%); average GM CAGR in 2019-2023: 19% (EBITDA CAGR assessed as not representative due to negative EBITDA in 2018)	0%-11% in 2018-2022, 11% in terminal year (2017: -8%); average GM CAGR in 2018-2022: 35% (EBITDA CAGR assessed as not representative due to negative EBITDA in 2017)
	Cash flows calculation period	5 years + terminal year	5 years + terminal year
	Annual discount rate	12,3%	12,3%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately EUR 1.5 million as at 31.12.2018 (01.01.2018: EUR 1.3 million). Since 2018, using the Group's internally developed solutions, the CGU and the Group as a whole are planning to offer more electronic and digital services, thus increasing the profitability of the CGU.

The Group management has evaluated the sensitivity of the estimated recoverable (value-in-use) amount of Fitek Slovakia CGUs and concluded that a reasonably possible change in two of the key assumptions – significant unobservable data, such as, the discount rate and the average GM CAGR as identified above, would not result in the carrying amount of the CGU to exceed its estimated recoverable amount as at 31 December 2018 and as at 1 January 2018. As at 31 December 2018 and as at 1 January 2018, the estimated recoverable value of the CGU exceeded its carrying amount, thus, no impairment loss was recognized.

(Amounts expressed in Euro unless otherwise stated)

20 ACQUISITION OF SUBSIDIARIES

i. Fitek EDI UAB

On 1 January 2018, the Group's subsidiary Fitek LT UAB (Lithuania) acquired from a third party 51% of shares in Fitek EDI UAB (previously: Sistemų integracijos sprendimai UAB) (Lithuania), including its 100% subsidiary EdiSync OU (Estonia) for the consideration of EUR 100 000.

On 1 January 2019, the Group's subsidiary Fitek LT UAB (Lithuania) acquired from a third party the remaining 49% of shares in Fitek EDI UAB (Lithuania), including its 100% subsidiary EdiSync OU (Estonia). As of 1 January 2019, the Group had 100% ownership interest in Fitek EDI UAB. The acquisition of the additional 49% interest for the consideration of EUR 100 000 was accounted for as an equity transaction given that the Group had control over Fitek EDI UAB both before and after this transaction.

With the acquisition of Fitek EDI UAB and its subsidiary, the package of solutions and services provided by the Group are complemented by an Electronic Data Interchange (EDI) solution. Apart from the combination of solutions and experiences, the acquisition enables the Group to expand its customer base in Lithuania and the international markets. Total acquisition price for 100% share is the consideration paid in cash in the amount of EUR 200 000.

The Group incurred acquisition related costs of EUR 6 228 on legal fees and due diligence costs in 2018. These costs have been included in administration expenses for the reporting period.

The following table summarises the fair value of consolidated assets and liabilities of Fitek EDI UAB including its 100% subsidiary EdiSync OU acquired on 1 January 2018.

	01.01.2018 EUR
Property, plant and equipment	7 327
Intangible assets	102 491
Right-of-use assets	22 264
Deferred tax assets	2 889
Trade and other receivables	45 310
Prepayments	3 415
Cash and cash equivalents	679
Lease liability	(21 902)
Trade and other payables	(99 089)
Total net assets (100%)	**63 384**
Total purchase consideration	**100 000**
Non-controlling interest	**32 675**
Goodwill	**69 291**

It is the Group's policy to measure the non-controlling interest at acquisition at its proportionate share of the fair value of the subsidiary's identifiable net assets.

The Group has recognized goodwill in the amount of EUR 69 291, which represents the expected synergies from combining operations of the acquired entity and the Group. The recognized goodwill is expected to be non-deductible for tax purposes.

The difference between the contractual amounts of financial assets acquired and their fair values is not material.

Since acquisition, the following financial results have been consolidated in these Consolidated Financial Statements:

	2019 EUR	**2018 EUR**
Revenue	333 937	261 609
Profit before income tax	55 217	2 947
Profit after income tax	47 951	(3 053)

(Amounts expressed in Euro unless otherwise stated)

ii. Fitek s.r.o. (Slovakia)

On 23 December 2019, the Group acquired additional 1% ownership interest in Fitek s.r.o. (Slovakia), where it previously held a 50% ownership interest and accounted for it under the equity method as a joint venture (see Note 19 (vi)), for the consideration of EUR 50 000. As at 31 December 2019, the Group had control and 51% ownership interest in Fitek s.r.o. (Slovakia).

The following table summarises the fair value of assets and liabilities of Fitek s.r.o. (Slovakia) acquired on 23 December 2019, based on purchase price allocation performed by management.

	23.12.2019 EUR
Property, plant and equipment	39 275
Intangible assets (contractual customer relationships)***	1 950 482
Right-of-use assets	188 637
Inventories	32 036
Trade and other receivables	279 496
Cash and cash equivalents	42 480
Lease liabilities	(188 637)
Trade and other payables	(244 681)
Deferred tax liabilities***	(409 601)
Total net assets (100%)	**1 689 487**
Total purchase consideration	**2 618 622**
Non-controlling interest****	**(827 849)**
Goodwill	**1 756 984**
Purchase consideration	
Previously held ownership interest (50%) remeasured at fair value*	2 125 000
Consideration for the additional 1% ownership interest**	50 000
Settlement of pre-existing relationships	443 622
Total purchase consideration	**2 618 622**
Acquisition related costs recognized in administrative expenses	-

*Upon assuming control, the Group remeasured its previously held 50% interest in Fitek s.r.o. at fair value. The total fair value of Fitek s.r.o. equity as at 31 December 2019 was estimated using a discounted cash flows valuation method. The model is based on the discounted net expected cash flows and expected costs, and the significant unobservable data used in the estimation of the fair value are: Gross margin CAGR of 64% during the explicit forecast period of 4 years, EBITDA margin increase from -2% in 2019 to 26% during the explicit forecast period of 4 years with a 19%% EBITDA margin in the terminal year and discount rate of 12.5%. Given increase in value of the previously held interest, the Group recognised a gain of EUR 2 102 542 in the profit or loss statement for 2019.

**The total purchase consideration remained payable as at 31 December 2019, however, the management has concluded that all the key steps to finalize the acquisition have been completed before the year-end and that the Group has obtained control in December 2019.

***Contractual customer relationships, forming most of the fair value of the identified intangible assets, were valued using the Multi-period Excess Earnings Method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. The Group also recognised a deferred tax liability in relation to the contractual customer relationships as their tax base is zero. Fair values of all other assets and liabilities acquired approximate their carrying values as of 31 December 2019. If new information is obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition that identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

****The item represents only the direct non-controlling interests representing 49% shareholding in Fitek s.r.o.

The goodwill is attributable to the workforce, synergies and the high growth potential in Slovakia and neighbouring markets. It will not be deductible for tax purposes.

The difference between the contractual amounts of financial assets acquired and their fair values is not material.

For the non-controlling interests in Fitek s.r.o., the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The Group has written a put option over the equity interests of Fitek s.r.o. held by NCI, which permits the NCI shareholders to sell their shares in the subsidiary to the Group starting from 1 January 2022 at a price to be determined at the time of exercise based on an agreed formula purporting to approximate the market price, with a predefined floor amount of EUR 900 000. The terms do not provide a present ownership interest in the shares subject to the put, and the Group has recognized the put liability based on the present-access method. The amount that may become payable under the put option on exercise was initially recognised at the present value of the estimated redemption amount within non-current liabilities with a corresponding charge directly to parent's equity as the Group management concluded that the risks and rewards of ownership remain with the non-controlling interest. The redemption amount of the put option was estimated based on discounted cash flows valuation method described above and applying the agreed formula for the exercise price, taking into account the management's best estimate on the probability of the put option being exercised in each forecasted period and the related impact from discounting. While the non-controlling interests put remains unexercised, the accounting at the end of each reporting period is as follows:

- The Group determines the amount that would have been recognised for the non-controlling interests, including an update to reflect allocations of profit or loss and of changes in other comprehensive income;
- The Group remeasures the financial liability at the present value of the redemption amount; and
- Changes in the value of financial liability recognised are treated as an equity transaction.

In addition, the Group has obtained a call option over the equity interests of Fitek s.r.o. held by NCI. This call option is exercisable at any point based on an agreed formula purporting to approximate the market price, with a predefined floor amount of EUR 2 000 000. Based on the fair value of the equity interests of Fitek s.r.o. held by NCI, estimated as part of the exercise to determine the fair value of the Group's previously held interest, the management has assessed that the call option does not have a material fair value as at 31 December 2019.

Settlement of pre-existing relationship

At various points in time, the Group has granted loans to Fitek s.r.o. of EUR 400 000. Out of this amount, EUR 300 000 was considered as long-term investment in the investee. The Group contributed this loan to the capital funds of Fitek s.r.o. in 2019 without receiving additional shares in line with specific provisions of Slovakia legislation. As this transaction does not represent a residual interest in the net assets of Fitek s.r.o., it was classified as a liability. Loans of EUR 100 000 and accrued interest remained outstanding as at the date of acquisition. This pre-existing relationship was effectively terminated when the Group acquired Fitek s.r.o.

Revenue and profit contribution

The acquired Fitek s.r.o. business has not contributed any revenues to the Group for 2019, given that the control was assumed only at the end of the year. The Group recognised a loss of EUR 62 502 in 2019 from the application of the equity method of accounting in relation to its interest in Fitek s.r.o. prior to assuming control.

If the acquisition of control had occurred on 1 January 2019, consolidated pro-forma revenue and net profit for the year ended 31 December 2019 would have been EUR 15 588 978 and EUR 2 122 734, respectively.

(Amounts expressed in Euro unless otherwise stated)

21 NON-CONTROLLING INTEREST

Set out below is summarised financial information for each subsidiary that has non-controlling interests ("NCI") that are material to the group (also see Note 6(a)(i)). The amounts disclosed for each subsidiary subgroup are after inter-company eliminations within the subgroup and before inter-company eliminations outside the subgroup.

	Ownership interests held by NCI 31.12.2019	**Ownership interests held by NCI 31.12.2018**	**Ownership interests held by NCI 01.01.2018**
Fitek Holding SIA (Latvia) subgroup	5,00%*	5,00%*	5,00%*
Fitek EDI UAB (previously: Sistemų integracijos sprendimai UAB) (Lithuania) subgroup	Group's effective 5%**	Direct 49,00%, Group's effective 51,55%	Direct 49,00%, Group's effective 51,55%
Fitek s.r.o. (Slovakia) subgroup	Direct 49,00% Group's effective 51,55%	-***	-***

*The 5% interest in Fitek Holding SIA since 29 March 2019 is held directly by the Group's controlling shareholder Unified Post SA. Until 29 March 2019, this interest was held by the Group's related parties through management. The NCI arising from the Fitek Holding SIA (Latvia) subgroup as at 1 January 2018 (EUR 27 931) is considered immaterial by the Group, thus, additional information is not disclosed.

**On 1 January 2019, the Group's subsidiary Fitek LT UAB (previously: Sistemų integracijos sprendimai UAB) (Lithuania) acquired from a third party the remaining 49% of shares in Fitek EDI UAB (Lithuania), including its 100% subsidiary EdiSync OU (Estonia) (see Note 20(i)). As at 31 December 2019, the Group had 100% direct ownership interest in Fitek EDI UAB. The NCI arising from the acquisition of Fitek EDI UAB as at 31 December 2018 and 1 January 2018 is considered immaterial by the Group.

***As at 31 December 2018 and 1 January 2018, the Group held 50% interest in Fitek s.r.o. (Slovakia) and accounted for it as an equity-accounted joint venture (see Note 19 (vi)), thus NCI information presented only as at 31 December 2019.

The following table summarises the information relating to each of the Group's subsidiaries that has a material NCI as at and for the year ended 31 December 2019 and 31 December 2018.

	Fitek Holding SIA subgroup (excluding Fitek s.r.o. subgroup)	**Fitek s.r.o. subgroup***	**Fitek Holding SIA subgroup (excluding Fitek EDI UAB subgroup)**
	31 December 2019	**31 December 2019**	**31 December 2018**
NCI effective percentage	**5,00%**	**51,55%**	**5,00%**
Non-current assets	11 633 026	2 178 394	10 384 123
Current assets	2 620 161	354 012	2 396 880
Non-current liabilities	(7 711 143)	(508 491)	(7 555 005)
Current liabilities	(4 360 864)	(334 428)	(3 170 982)
Adjusted net assets	**2 181 180**	**1 689 487**	**2 055 016**
Accumulated NCI in the Statement of Financial Position	**109 059**	**932 963**	**102 751**

(Amounts expressed in Euro unless otherwise stated)

	Fitek Holding SIA subgroup (excluding Fitek s.r.o. subgroup)	**Fitek s.r.o. subgroup***	**Fitek Holding SIA subgroup (excluding Fitek EDI UAB subgroup)**
	31 December 2019	**31 December 2019**	**31 December 2018**
NCI effective percentage	**5,00%**	**51,55%**	**5,00%**
Revenue	13 086 135	-	13 545 183
Profit (loss)	(17 995)	2 102 542	496 410
Total comprehensive income (loss)	(24 858)	2 102 542	496 410
Profit (loss) allocated to NCI	5 874	105 113	24 821
OCI allocated to NCI	(343)	-	-
Cash flows from operating activities	682 555	-	1 378 752
Cash flows from investment activities	(1 475 134)	-	(3 097 369)
Cash flows from financing activities	560 638	-	2 187 685
Effects of exchange rate changes on cash and cash equivalents	(6 863)	-	-
Net increase/ (decrease) in cash and cash equivalents before intra-group eliminations	**(238 804)**	**-**	**469 068**

*Income information is only presented to the extent included in the consolidated financial statements of the Group after assuming control, effectively only gain recognised from the remeasurement of previously held interest. As the Group assumed control over Fitek s.r.o. on 23 December 2019 and effectively recognised NCI as at 31 December 2019, additional information on the profit or loss and other comprehensive income and cash flows is not disclosed as it is considered immaterial.

In December 2018, Financial Automation Solutions OU increased Fitek Holding SIA share capital by EUR 1 to EUR 1 502 801, adding share premium for the new share in the amount of EUR 999 999. As there was no proportional share capital increase contributed by the NCI, this resulted in an NCI increase by 50 000 EUR and a decrease in the Group's accumulated deficit, representing the 5% ownership interest of NCI before and after the transaction, as the impact from the one additional share is considered immaterial. This transaction was accounted for as a transaction between owners of the Group (equity holders).

(Amounts expressed in Euro unless otherwise stated)

22 DUE FROM EQUITY-ACCOUNTED INVESTEES AND OTHER RELATED PARTIES

	31.12.2019	31.12.2018	01.01.2018
Long term loan and accrued interest issued to Fitek s.r.o.*	-	310 991	90 387
Long term loans issued to other related parties	-	-	45 084
Long term accrued interest due from other related parties	-	-	3 567
Total long term	**-**	**310 991**	**139 038**
Short term loans issued to other related parties	-	45 084	-
Short term accrued interest due from other related parties	-	7 174	-
Short term receivables due from other related parties	22 630	-	-
Short term receivables due from equity-accounted investees	38 332	1 137	913
Total short term	**60 962**	**53 395**	**913**
	60 962	**364 386**	**139 951**

*During 2018 an additional loan in the amount of EUR 210 000 and during 2019 an additional loan of EUR 100 000 were granted to the Group's jointly controlled entity Fitek s.r.o. Loan interest rate is 5% per annum. Amendments to the loan agreement with Fitek s.r.o. were concluded in February 2019, and the repayment date was prolonged to 1 July 2022. Loan is not secured. On 23 December 2019, the Group acquired additional 1% ownership interest in Fitek s.r.o., As at 31 December 2019, the Group had control and 51% ownership interest in Fitek s.r.o., thus the financial position of the subsidiary is included in these Consolidated Financial Statements and intercompany balances are eliminated.

Loans issued to other related parties (the Group's NCI KMS Konsult OU and Kaurmauri Noustamisari OU), including accrued interest, with the carrying amount of EUR 52 258 as at 31 December 2018 and EUR 48 651 as at 1 January 2018 were fully repaid in April 2019.

For more information about the Group's exposure to interest rate, foreign currency and credit risk, see Note 32 (b).

23 TRADE RECEIVABLES AND OTHER RECEIVABLES

	31.12.2019	31.12.2018	01.01.2018
Financial trade receivables and other receivables			
Trade receivables	1 831 588	1 582 412	1 369 972
Allowance for trade receivables	(15 811)	(3 758)	(3 372)
Trade receivables, net	**1 815 777**	**1 578 654**	**1 366 600**
Other receivables	210 738	34 957	16 707
Contract assets	2 657	14 472	63 906
Total	**2 029 172**	**1 628 083**	**1 447 213**

For more information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables is included in Note 32 (b).

(Amounts expressed in Euro unless otherwise stated)

24 OTHER ASSETS

	31.12.2019	31.12.2018	01.01.2018
Prepayments and next period expenses	225 674	109 890	165 927
Cash collected on behalf of third parties*	45 414	51 837	54 315
	271 088	**161 727**	**220 242**

*In accordance with the Law on Payment Services and Electronic Money Law of the Republic of Latvia, the Group's entity in Latvia must ensure separate accounts and accounting for cash received within the provision of payment services.

25 CASH AND CASH EQUIVALENTS

	31.12.2019	31.12.2018	01.01.2018
Cash at credit institutions			
- Current account balances	498 779	735 293	157 438
- Cash in transit	19 828	4 618	-
Cash in hand	3 960	-	-
	522 567	**739 911**	**157 438**

The Group did not have any restricted cash and cash equivalents as at 31 December 2019, 31 December 2018 and 1 January 2018.

26 SHARE CAPITAL

As at 31 December 2019, the registered, issued and paid-up share capital of the Company is EUR 2 500 (31 December 2018 and 1 January 2018 – EUR 2 500) and consists of 2 500 (31 December 2018 and 1 January 2018 – 2 500) ordinary shares with the nominal value of EUR 1 (31 December 2018 and 1 January 2018 – EUR 1).

The holders of the ordinary shares have one vote per share, and each share gives equal rights to dividends. These shares also give rights to the distribution of the Company's assets in the event of liquidation or sale.

No dividends were declared and paid by the Company in 2019 and in 2018.

(Amounts expressed in Euro unless otherwise stated)

27 LOANS AND BORROWINGS

This note provides information about contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 32 (b).

	31.12.2019	31.12.2018	01.01.2018
Loans and borrowings, non-current portion			
Loan principal from BaltCap Private Equity Fund II SCSp (Luxembourg)*	-	6 560 593	5 560 593
Accrued interest from BaltCap Private Equity Fund II SCSp (Luxembourg)*	-	264 894	73 583
Loan principal from BaltCap Private Equity Fund II EIF Co-Investment SCSp (Luxembourg)*	-	1 000 000	-
Accrued interest from BaltCap Private Equity Fund II EIF Co-Investment SCSp (Luxembourg)*	-	24 493	-
Loan principal from UnifiedPost Group SA*	3 638 370	-	-
Loan principal from UnifiedPost Group SA	800 000	-	-
Accrued interest from UnifiedPost Group SA	491 334	-	-
Loan principal from Belgische Maatschappij voor Internationale Investering (BMI)	4 000 000	-	-
AS SEB Pank loan (Estonia)	520 000	1 260 276	1 385 088
AS SEB Pank overdraft (Lithuania)	-	-	153 003
Total non-current portion	**9 449 704**	**9 110 256**	**7 172 267**
Loans and borrowings, current portion			
AS SEB Pank overdraft (Estonia)	700 000	700 000	117 836
AS SEB Pank loan (Estonia)	1 420 276	532 975	410 526
Total current portion	**2 120 276**	**1 232 975**	**528 362**
Total loans and borrowings	**11 569 980**	**10 343 231**	**7 700 629**

*On 29 March 2019, the outstanding loans were transferred to the new shareholder of the Group UnifiedPost Group SA (from 29.03.2019) in full amount, including principal and accrued interest.

In 2018, for the purpose of the Baltic Cash Pool the Group signed a new overdraft agreement with AS SEB Pank (Estonia) regarding an overdraft with a limit of EUR 700 000. Cash Pool members may jointly apply for an overdraft from the bank. The overdraft had an initial maturity in 2019 with an annual interest rate of 1-month EURIBOR + 1,65% margin. In 2019, the overdraft agreement was prolonged with maturity on 15 April 2020 with an annual interest rate of 1-month EURIBOR +1,70% margin. In 2020, the overdraft agreement was prolonged with maturity on 15 April 2021 with an annual interest rate of €STR +2,45% margin.

In 2019, the Group signed a new loan agreement with AS SEB Pank (Estonia) for a loan in amount of EUR 800 000. The agreement matures in 2022 with an annual interest rate of 6-month EURIBOR + 2,60% margin.

In 2019, the Group signed a new loan agreement with the Belgische Maatschappij voor Internationale Investering NV – Societe Belge d`Investissement International SA (BMI) for a loan in amount of EUR 4 000 000. The agreement matures in 2027 with an annual interest rate of 7,00%, the higher interest rate representing the subordination of the loan to other liabilities. The loan shall be repaid in 10 equal annual instalments of 1/10 of principal amount on 30 June and 31 December of each year and for the first time on 30 June 2023.

Loan collateral

The loan provided by AS SEB Pank (Estonia) is secured by:

- Commercial pledge of Fitek AS (Estonia) movable assets in the amount of EUR 700 000 (31 December 2018 and 1 January 2018: EUR 700 000);
- Guarantee in the amount of EUR 4 000 000 (31 December 2018: EUR 3 200 000, and 1 January 2018: EUR 2 000 000), provided by Fitek AS (Estonia), Fitek AS (Latvia) and Fitek LT UAB (Lithuania) each;
- Share pledge of Fitek AS (Estonia), Fitek AS (Latvia) and Fitek LT UAB (Lithuania).

(Amounts expressed in Euro unless otherwise stated)

Terms and conditions of outstanding loans and borrowings

Identification	Currency	Nominal interest rate	Year of maturity	31.12.2019 Carrying amount	31.12.2018 Carrying amount	01.01.2018 Carrying amount
Loan from BaltCap Private Equity Fund II SCSP (related party)*	EUR	3,00%	07.01.2021	-	6 825 487	5 634 176
Loan from BaltCap Private Equity Fund II EIF Co-Investment SCSp (related party)*	EUR	3,00%	08.03.2023	-	1 024 493	-
UnifiedPost Group SA (related party)	EUR	3,00%	n/a**	4 123 033	-	-
UnifiedPost Group SA (related party)	EUR	5,00%	n/a**	806 671	-	-
Secured loan from AS SEB Pank (Estonia)	EUR	6-month EURIBOR plus 2,30%	21.04.2020	1 260 276	1 793 251	1 795 614
Secured loan from AS SEB Pank (Estonia)	EUR	6-month EURIBOR plus 2,60%	15.03.2022	680 000	-	-
AS SEB Pank overdraft (Estonia)	EUR	1-month EURIBOR + 1,65% / 1,70%	15.04.2020	700 000	700 000	117 836
Belgische Maatschappij voor Internationale Investering (BMI)	EUR	7,00%	31.12.2027	4 000 000	-	-
AB SEB Bank overdraft (Lithuania)	EUR	EONIA +1,65%	06.04.2018	-	-	153 003
				11 569 980	**10 343 231**	**7 700 629**

There are no differences in the nominal value and carrying amount of the outstanding loans and borrowings as at 31 December 2019, 31 December 2018 and 1 January 2018.

*On 29 March 2019, the outstanding loans were transferred to the new shareholder of the Group UnifiedPost Group SA (from 29.03.2019) in full amount, including principal and accrued interest.

**The loans from UnifiedPost Group SA are part of a group-wide credit framework agreement, under which, given the nature of the arrangement with the parent company and no stated maturity, the Group considers these loans to be a source of long-term financing.

Loan covenants

All loan covenants were met as at 31 December 2019, 31 December 2018 and 1 January 2018.

(Amounts expressed in Euro unless otherwise stated)

Reconciliation of movements of loans and borrowings to cash flows arising from financing activities

	Loans and borrowings from related parties	Loans and borrowings from credit institutions	Liabilities associated with puttable non-controlling interests	Lease liabilities	Total
Balance as at 01.01.2018	**5 634 176**	**2 066 453**	**-**	**1 170 977**	**8 871 606**
Changes from financing cash flows					
Loans and borrowings received	2 000 000	500 000	-	-	2 500 000
Repayment of loans, leases and borrowings	-	(502 363)	-	(313 084)	(815 447)
Change in overdrafts, net	-	429 161	-	-	429 161
Total changes from financing cash flows	**2 000 000**	**426 798**	**-**	**(313 084)**	**2 113 714**
Other changes					
Liability-related					
New leases acquired	-	-	-	200 834	200 834
Acquisitions through business combinations	-	-	-	21 902	21 902
Interest expense accrued	215 804	43 317	-	22 992	282 113
Interest paid	-	(43 317)	-	(22 992)	(66 309)
Total liability-related other changes	**215 804**	**-**	**-**	**222 736**	**438 540**
Balance as at 31.12.2018	**7 849 980**	**2 493 251**	**-**	**1 080 629**	**11 423 860**
Changes from financing cash flows					
Loans and borrowings received	800 000	4 800 000	-	-	5 600 000
Repayment of loans, leases and borrowings	(4 000 000)	(652 975)	-	(315 462)	(4 968 437)
Total changes from financing cash flows	**(3 200 000)**	**4 147 025**	**-**	**(315 462)**	**631 563**
Other changes					
Liability-related					
Interest expense accrued	279 724	44 049	-	19 193	342 966
Interest paid	-	(44 049)	-	(19 193)	(63 242)
New leases acquired	-	-	-	114 112	114 112
Leases disposed	-	-	-	(23 698)	(23 698)
Acquisitions through business combinations	-	-	-	188 637	188 637
Recognition of liabilities associated with puttable non-controlling interests	-	-	2 000 000	-	2 000 000
Total liability-related other changes	**279 724**	**-**	**2 000 000**	**279 051**	**2 558 775**
Balance as at 31.12.2019	**4 929 704**	**6 640 276**	**2 000 000**	**1 044 218**	**14 614 198**

(Amounts expressed in Euro unless otherwise stated)

28 TRADE AND OTHER PAYABLES

	31.12.2019	31.12.2018	01.01.2018
Financial trade and other payables			
Trade payables	940 339	761 523	758 975
Due to other related parties	19 553	16 970	16 970
Payables to personnel	374 128	464 912	361 400
Other payables	322 083	260 495	139 941
Total financial trade and other payables	**1 656 103**	**1 503 900**	**1 277 286**
Non-financial trade and other payables			
VAT payable	80 121	55 391	55 103
Social contributions payable	158 085	72 582	26 347
Other taxes payable	56 504	4 588	5 765
Total non-financial trade and other payables	**294 710**	**132 561**	**87 215**
Total	**1 950 813**	**1 636 461**	**1 364 501**
Non-current	-	-	-
Current	1 950 813	1 636 461	1 364 501
Total	**1 950 813**	**1 636 461**	**1 364 501**

For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 32 (b).

29 ACCRUED LIABILITIES

	Accrued liabilities for employee benefits (bonuses)
Balance at 01.01.2018	**191 113**
Accrued liabilities used in the period	(186 949)
Accrued liabilities reversed in the period	(4 164)
Accrued liabilities created in the period	199 183
Balance at 31.12.2018	**199 183**
Accrued liabilities used in the period	(212 468)
Accrued liabilities reversed in the period	(11 007)
Accrued liabilities created in the period	306 277
Balance at 31.12.2019	**281 985**
As at 01.01.2018	
Non-current portion	**-**
Current portion	**191 113**
As at 31.12.2018	
Non-current portion	**-**
Current portion	**199 183**
As at 31.12.2019	
Non-current portion	**-**
Current portion	**281 985**

(Amounts expressed in Euro unless otherwise stated)

30 RELATED PARTY TRANSACTIONS

(i) Transactions with key management personnel

Key management personnel compensation comprised the following.

	2019	2018
Short-term employee benefits	413 689	483 851
Compensation for provided professional services	230 160	167 640
	643 849	**651 491**

The short-term employee benefits amount includes salary, social security contributions and other short-term benefits to members of the key management.

	Transaction values for the year ended 31 December 2019	Transaction values for the year ended 31 December 2018
Other related parties through management – loans issued	-	-
Other related parties through management – interest calculated	-	3 607

There are no other transactions with key management of the Group.

(ii) Other related party transactions

Included in the Group's statement of profit or loss and other comprehensive income and statement of financial position as of 31 December 2019 and as of 31 December 2018 are the following transactions and balances outstanding with related parties.

	Transaction values for the year ended 31 December 2019	Transaction values for the year ended 31 December 2018
Revenue from sales of goods and services to related parties		
Jointly controlled entities	229 959	15 332
Parent company	270 432	-
	500 391	**15 332**
Purchases of goods and services from related parties		
Professional services from BaltCap	8 806	36 000
Jointly controlled entities - administrative expenses	83 155	7 975
	91 961	**43 975**
Parent company – loan received	(800 000)	(2 215 804)
Parent company – interest calculated	(147 262)	(215 804)
Jointly controlled entities – loans issued*	-	210 000
Jointly controlled entities – interest calculated	32 630	10 604
Jointly controlled entities – dividends received	(135 471)	(100 839)

*As at 31 December 2019, the Group had control and 51% ownership interest in Fitek s.r.o. (Slovakia), thus balances are eliminated on consolidation as at 31 December 2019.

(Amounts expressed in Euro unless otherwise stated)

(iii) Outstanding balances with related parties

	Balance outstanding as at 31 December 2019	**Balance outstanding as at 31 December 2018**	**Balance outstanding as at 01 January 2018**
Trade receivables and other receivables			
Due from jointly controlled entities, short term	38 332	1 137	913
Due from other related parties, short term	22 630	52 258	-
	60 962	**53 395**	**913**
Trade and other payables			
Due to other related parties (BaltCap)	-	3 000	3 000
Due to other related parties through management	19 553	13 970	13 970
	19 553	**16 970**	**16 970**
Other			
Parent – loan received	(4 438 370)	(7 560 593)	(5 560 593)
Parent – accrued interest	(491 334)	(289 387)	(73 583)
	(4 929 704)	**(7 849 980)**	**(5 634 176)**
Other related parties through management – loans issued	-	45 084	45 084
Other related parties through management – accrued interest	-	7 174	3 567
Jointly controlled entities – loans issued	-	300 000	90 000
Jointly controlled entities – accrued interest	-	10 991	387
	-	**363 249**	**139 038**

All outstanding balances with these related parties are priced on an arm's length basis and, other than loans issued (see Note 22) and received (see Note 27), are to be settled in cash within one year of the reporting date. None of the balances are secured. No expense has been recognised in the current year for debts in respect of amounts owed by related parties.

31 COMMITMENTS AND CONTINGENCIES

Other than the actions to be achieved by the Group as specified under the grant agreement under the Connecting Europe Facility (CEF) (see Note 18 for additional information), the management has not identified any other significant commitments or contingencies.

32 FAIR VALUES OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK EXPOSURE

a) Fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. None of financial assets and financial liabilities are measured at fair value. The following table does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value. All of such financial assets and financial liabilities are determined to be Level 3 in the fair value hierarchy.

(Amounts expressed in Euro unless otherwise stated)

As at 31 December 2019:

Liabilities	Carrying value Other financial liabilities	Fair value Level 1	Level 2	Level 3	Total
UnifiedPost Group SA	4 123 033			4 000 185	4 000 185
UnifiedPost Group SA	806 671			809 191	809 191
Belgische Maatschappij voor Internationale Investering (BMI)	4 000 000			4 902 324	4 902 324
AS SEB Pank secured loan	1 940 276	-	-	1 940 276	1 940 276
AS SEB Pank overdraft	700 000	-	-	700 000	700 000
Total	**11 569 980**	**-**	**-**	**12 351 976**	**12 351 976**

As at 31 December 2018:

Assets	Carrying value Loans and receivables	Fair value Level 1	Level 2	Level 3	Total
Loans to jointly controlled entities	310 991	-	-	361 566	361 566
Total	**310 991**	**-**	**-**	**361 566**	**361 566**

Liabilities	Carrying value Other financial liabilities	Fair value Level 1	Level 2	Level 3	Total
Loan from BaltCap Private Equity Fund II SCSp	1 024 493	-	-	1 057 760	1 057 760
Loan from BaltCap Private Equity Fund II EIF Co-Investment SCSp	6 825 487	-	-	7 043 500	7 043 500
AS SEB Pank secured loan	1 793 251	-	-	1 793 251	1 793 251
AS SEB Pank overdraft	700 000	-	-	700 000	700 000
Total	**10 343 231**	**-**	**-**	**10 594 511**	**10 594 511**

As at 1 January 2018:

Assets	Carrying value Loans and receivables	Fair value Level 1	Level 2	Level 3	Total
Loans to jointly controlled entities	90 387	-	-	105 322	105 322
Total	**90 387**	**-**	**-**	**105 322**	**105 322**

Liabilities	Carrying value Other financial liabilities	Fair value Level 1	Level 2	Level 3	Total
Loan from BaltCap Private Equity Fund II EIF Co-Investment SCSp	5 634 176	-	-	5 988 133	5 988 133
AS SEB Pank secured loan	1 795 614	-	-	1 795 614	1 795 614
AS SEB Pank overdraft	117 836	-	-	117 836	117 836
AB SEB Bank overdraft	153 003	-	-	153 003	153 003
Total	**7 700 629**	**-**	**-**	**8 054 586**	**8 054 586**

Fair value measurement techniques are described in Note 7.

There were no transfers between fair value hierarchy levels in 2019 and in 2018.

(Amounts expressed in Euro unless otherwise stated)

b) *Financial risk management*

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- currency risk
- interest rate risk

(i) Risk management framework

The general principles of the Group's risk management are approved by the Board of Directors, and their practical implementation is the responsibility of the Group's management. The aim of the Group's risk management is to minimize the adverse effects of financial market fluctuations on the Group's result.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amount of financial assets and contract assets represent the maximum credit exposure.

Net impairment loss on trade and other receivables and contract assets arising from contracts with customers recognised in profit or loss in 2019 was EUR 12 053 (2018: EUR 386) (including amounts written off and net remeasurement of loss allowance).

Trade and other receivables and contract assets

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, financial statements and industry information. Sale limits are established for each customer and reviewed on necessity. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group does not have significant credit risk concentrations in its receivables because it has a diversified clientele. Significant concentrations for individual counterparties and related counterparty groups, as defined by management of the Group, are those exceeding 10% of total exposure.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 10 to 30 days. The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including their geographic location.

The net exposure to credit risk for trade and other receivables and contract assets by geographic regions was as follows:

	31.12.2019	**31.12.2018**	**01.01.2018**
Latvia	391 928	419 786	444 646
Estonia	562 370	464 807	512 268
Lithuania	612 644	695 818	448 095
Finland	37 384	34 686	34 284
Slovakia	260 613	-	-
Serbia	142 658	-	-
Other	21 575	12 986	7 920
Total	**2 029 172**	**1 628 083**	**1 447 213**

(Amounts expressed in Euro unless otherwise stated)

Expected credit loss assessment for collectively assessed debtors

The Group uses an provision matrix to measure the ECLs of trade and other receivables from debtors.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures based on the common credit risk characteristics which is a geographic region.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets from debtors assessed collectively as at 31 December 2019.

EUR 31 December 2019	Range of loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit impaired
Current (not past due)	0,00%-0,03%	1 826 285	(35)	1 826 250	No
Past due 1-30 days	0,01%-0,19%	177 423	(37)	177 386	No
Past due 31-60 days	0,21%-5,60%	20 554	(44)	20 510	No
Past due 61-90 days	0,30%-18,36%	2 565	(265)	2 300	No
Past due 91-180 days	0,85%-100,00%	5 632	(4 859)	773	Yes
Past due more than 180 days	5,50%-100,00%	12 524	(10 571)	1 953	Yes
Total		**2 044 983**	**(15 811)**	**2 029 172**	

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets from debtors assessed collectively as at 31 December 2018.

EUR 31 December 2018	Range of loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit impaired
Current (not past due)	0,00%-0,03%	1 477 630	(243)	1 477 387	No
Past due 1-30 days	0,01%-0,19%	121 145	(71)	121 074	No
Past due 31-60 days	0,21%-5,60%	4 543	(25)	4 518	No
Past due 61-90 days	0,30%-18,36%	17 600	(88)	17 512	No
Past due 91-180 days	0,85%-100,00%	7 315	(814)	6 501	Yes
Past due more than 180 days	5,50%-100,00%	3 608	(2 517)	1 091	Yes
Total		**1 631 841**	**(3 758)**	**1 628 083**	

Loss rates are based on actual credit loss experience in the year prior to the reporting year. Loss rates to be applied are taken for one of the years during which economic conditions in the geographic region were assessed to be the closest to the current economic conditions and the Group's view of economic conditions over the expected lives of the receivables. When evaluating economic conditions, the Group considers GDP growth rates in each geographic region.

Movements in the allowance for impairment in respect of trade and other receivables and contract assets

The movement in the allowance for impairment in respect of trade and other receivables and contract assets during the reporting period was as follows.

	EUR
Balance at 1 January 2018	**3 372**
Amounts written off	(1 897)
Net remeasurement of loss allowance	2 283
Balance at 31 December 2018	**3 758**
Amounts written off	(341)
Net remeasurement of loss allowance	12 394
Balance at 31 December 2019	**15 811**

Credit risk on cash and cash equivalents is assessed as limited because the counterparties are banks with high credit ratings.

(Amounts expressed in Euro unless otherwise stated)

Loans issued

Loans issued by the Group include only loans issued to related parties (refer to Note 22 for more details). The Group monitors changes in credit risk by regularly reviewing financial statements of debtors, external ratings if they are available. The exposure to credit risk for loans issued and measured at amortised cost at the reporting date by geographic region was as follows.

	31.12.2019	31.12.2018	01.01.2018
Estonia (the Group's NCI)*	-	52 258	48 651
Slovakia (Fitek s.r.o)**	-	310 991	90 387
Total	**-**	**363 249**	**139 038**

* The loans were fully repaid in April 2019 .

** As at 31 December 2019, the Group had control and 51% ownership interest in Fitek s.r.o. (Slovakia), thus balances are eliminated on consolidation as at 31 December 2019.

Guaranties

As at 31 December 2019, as at 31 December 2018 and as at 1 January 2018, the Group has not issued any other financial guarantees, except as disclosed in Note 27.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date (excluding lease liabilities, see Note 34). The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements until the expected settlement of corresponding liabilities.

31.12.2019	Carrying amount	6 months or less	6-12 months	1-2 years	3-5 years	Total
Non-derivative financial liabilities						
AS SEB Pank overdraft	700 000	700 000	-	-	-	**700 000**
AS SEB Pank loan	1 940 276	1 357 928	87 493	534 033	-	**1 979 454**
UnifiedPost Group SA	4 929 704	-	-	-	5 467 963	**5 467 963**
Belgische Maatschappij voor Internationale Investering (BMI)	4 000 000	140 000	140 000	560 000	4 770 000	**5.610.000**
Trade and other payables	1 656 103	1 656 103	-	-	-	**1 656 103**
	13 226 083	**3 854 031**	**227 493**	**1 094 033**	**10 237 963**	**15 413 520**

31.12.2018	Carrying amount	6 months or less	6-12 months	1-2 years	3-5 years	Total
Non-derivative financial liabilities						
AS SEB Pank overdraft	700 000	700 000	-	-	-	**700 000**
AS SEB Pank loan	1 793 251	286 001	283 214	1 269 425	-	**1 838 640**
Loan from BaltCap Private Equity Fund II SCSp	1 024 493	-	-	1 060 160	-	**1 060 160**
Loan from BaltCap Private Equity Fund II EIF Co-Investment SCSp	6 825 487	-	-	7 059 481	-	**7 059 481**
Trade and other payables	1 503 900	1 503 900	-	-	-	**1 503 900**
	11 847 131	**2 489 901**	**283 214**	**9 389 066**	**-**	**12 162 181**

(Amounts expressed in Euro unless otherwise stated)

01.01.2018	Carrying amount	6 months or less	6-12 months	1-2 years	3-5 years	Total
Non-derivative financial liabilities						
AB SEB Bank overdraft	153 003	153 003	-	-	-	**153 003**
AS SEB Pank overdraft	117 836	117 836	-	-	-	**117 836**
AS SEB Pank loan	1 795 614	2 065	4 428	1 838 640	-	**1 845 133**
Loan from BaltCap Private Equity Fund II EIF Co-Investment SCSp	5 634 176	-	-	7 250 792	-	**7 250 792**
Trade and other payables	1 277 286	1 277 286	-	-	-	**1 277 286**
	8 977 915	**1 550 190**	**4 428**	**9 089 432**	**-**	**10 644 050**

The interest payments on variable interest rate loans in the table above are based on rates which were valid at the end of the reported periods. These amounts may change as market interest rates change.

In order to manage its liquidity risk in 2019, on 26 March 2019 the Group signed a long-term loan agreement with AS SEB Pank (Estonia) regarding a credit line with the limit of EUR 800 000. The agreement matures on 15 March 2022, and the annual interest rate is 6-month EURIBOR plus 2,60%. During 2019, the Group also received EUR 800 000 loan from its parent company UnifiedPost Group SA, as well as refinanced a part of the loan in the amount of EUR 4 000 000 from its parent company UnifiedPost Group SA to Belgische Maatschappij voor Internationale Investering to diversify the Group's financing sources.

In order to manage its liquidity risk, as indicated by the net working capital deficit as at 31 December 2019, the Group has restructured its borrowings from AS SEB Pank (Estonia) in 2020. On 27 April 2020, the Group signed a new loan agreement with AS SEB Pank regarding a credit line with a limit of EUR 1 767 032. All previous long-term loans from AS SEB Pank were settled and replaced with a new loan. The new agreement matures on 15 April 2021, and the annual interest rate is 6-month EURIBOR plus 2,95%.

For further details on off-balance sheet guarantees issued refer to section (ii) Credit risk.

For further details on maturity of lease liabilities refer to Note 34.

(iv) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is considered as insignificant as generally all sales, purchases, receivables, liabilities and borrowings are denominated and settled in EUR.

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the interest rate risk arises from borrowings and loans issued.

The interest rate risk depends also on the economic environments and changes in the banks' average interest rates. The Group has a cash flow risk arising from changes in interest rates because some loans have floating interest rates. As the Group has no financial instruments designated at fair value through profit or loss and does not use derivatives, there is no fair value risk on financial instruments with fixed or no interest.

(Amounts expressed in Euro unless otherwise stated)

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	31 December 2019	31 December 2018	1 January 2018
Fixed-rate instruments			
Financial assets	-	363 249	139 038
Financial liabilities	(8 929 704)	(7 849 980)	(5 634 176)
Net position	**(8 929 704)**	**(7 486 731)**	**(5 495 138)**
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities, excluding lease liabilities	(2 640 276)	(2 393 327)	(2 066 453)
Net position	**(2 640 276)**	**(2 393 327)**	**(2 066 453)**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not use derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The Group monitors the sensitivity of its interest-bearing loans and borrowings to changes in interest rates and the effect of such changes on the Group's profit or loss and equity. A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss and Equity	
	100 bp increase	**100 bp decrease**
Variable rate instruments		
Year ended 31 December 2018	14 873	**-***
Year ended 31 December 2019	15 528	**-***

*There is no effect from the decrease as the variable interest rate applied was nil in 2018-2019 (if the variable rate is negative, the interest rate floor of 0% is applied as specified in the Group's borrowings contracts).

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Group aims to maintain an optimal capital structure to reduce the cost of capital. The Group's capital consists of the shareholder's equity – share capital and accumulated deficit attributable to the owners of the parent company and non-controlling interests, as well as long-term borrowings from the shareholders, which as at 31 December 2019 amounted to EUR 4 929 704 (31 December 2018: EUR 7 849 980, and 1 January 2018: EUR 5 634 176).

The capital management goal set by the management is achieving the following ratios: Debt/Equity ratio should not exceed 4:1. In the calculation of Debt/Equity ratio, long-term borrowings from shareholders are included in Equity, while debt includes all liabilities, both interest-bearing and non-interest-bearing. In 2019, the Group's actual performance was in line with expectations, and the Debt/Equity ratio as at 31 December 2019 amounted to 2.3:1 (31 December 2018 0.7:1, and 1 January 2018: 1:1).

The Group management considers that the Group is in a significant growth and investment stage, focusing on internally developing and launching new products, increasing market share and changing the business model from lower-margin printing and postage services to higher-margin and scalable electronically provided services. The Group management believes that the investments made by the Group will lead to increased Group's profitability in the future.

(Amounts expressed in Euro unless otherwise stated)

33 EMPLOYEE BENEFIT EXPENSES

	2019	2018
Wages and salaries	3 778 775	2 551 556
Social security contributions	786 574	725 572
Other personnel costs	29 466	30 104
Total	**4 594 815**	**3 307 232**

34 LEASES

Right-of-use assets

	Vehicles	Premises	Machinery	Total
Carrying amount				
At 1 January 2018	**181 954**	**1 023 805**	**-**	**1 205 759**
Additions to right-of-use assets through business combinations	-	22 264	-	22 264
Additions to right-of-use assets	129 755	47 241	29 000	205 996
Amortization charge for the year	(62 028)	(240 433)	(3 852)	(306 313)
At 31 December 2018	**249 681**	**852 877**	**25 148**	**1 127 706**
Additions to right-of-use assets through business combinations	89 712	75 835	23 090	188 637
Additions to right-of-use assets	95 541	31 867	-	127 408
Derecognition of right-of-use assets	(24 038)	-	-	(24 038)
Amortization charge for the year	(83 047)	(245 936)	(5 803)	(334 786)
At 31 December 2019	**327 849**	**714 643**	**42 435**	**1 084 927**

Lease liability

Maturity analysis – contractual undiscounted cash flows	**31.12.2019**	**31.12.2018**	**01.01.2018**
Less than one year	437 127	320 649	276 753
One to five years	643 664	792 887	951 167
More than five years	-	-	-
Total undiscounted lease liabilities	**1 080 791**	**1 113 536**	**1 227 920**

Lease liabilities included in the statement of financial position	**31.12.2019**	**31.12.2018**	**01.01.2018**
Current	421 504	311 120	260 875
Non-current	622 714	769 509	910 102
	1 044 218	**1 080 629**	**1 170 977**

(Amounts expressed in Euro unless otherwise stated)

35 SUBSEQUENT EVENTS

Fitek Balkan business combination

On 11 February 2020, the Group acquired an additional 1% ownership interest in the four Fitek Balkan entities, where it previously held a 50% ownership interest and accounted for them under the equity method as for joint ventures (see Note 19 (ii)- (v)), for the aggregate consideration of EUR 150 001, as detailed below:

1) Fitek Balkan d.o.o. (Serbia), EUR 105 000;
2) New Image d.o.o. (Serbia), EUR 30 000;
3) Fitek Solutions d.o.o. (Serbia), EUR 15 000;
4) Fitek Banja Luka d.o.o. (Bosnia-Herzegovina), EUR 1.

The following table summarises the aggregate provisional fair value of identifiable assets and liabilities acquired of all Fitek Balkan entities combined as of 11 February 2020, based on preliminary purchase price allocation performed by management.

Fitek Balkan entities (combined)	**11.02.2020 EUR**
Customer relationships	3 895 000
Software	365 281
Other intangible assets	20 896
Building	2 843 219
Other property, plant and equipment	866 429
Right-of-use assets	119 499
Deferred tax assets	28 415
Inventories	262 885
Trade and other receivables	1 240 627
Prepaid expenses	1 325
Cash and cash equivalents	1 298 494
Lease liabilities	(122 116)
Loans and borrowings	(3 309 241)
Deferred tax liabilities	(763 115)
Trade and other payables	(1 703 397)
Total net assets (100%)**	**5 044 201**
Total purchase consideration	**6 910 167**
Non-controlling interests	**(2 440 453)**
Goodwill	**4 359 937**
Purchase consideration	
Previously held ownership interest (50%) remeasured at fair value *	6 750 000
Consideration for the additional 1% ownership interest	150 001
Settlement of pre-existing relationships	63 685
Total purchase consideration	**6 963 685**
Acquisition related costs recognized in administrative expenses	-

* Upon assuming control, the Group will remeasure its previously held 50% ownership interest in Fitek Balkan entities at fair value. Total equity value of Fitek Balkan entities was preliminary derived from EUR 150 000 consideration paid by the Group for the additional 1% interest, reduced by 10% control premium. Given increase in value of previously held interest, the Group will recognise a substantial gain which will be determined by comparing the fair value of previously held interest indicated in table above and carrying value of the equity method investment on the date of assuming control.

The goodwill is attributable to the workforce, synergies and the high growth potential in Serbia, Bosnia and Herzegovina and neighbouring markets. It will not be deductible for tax purposes.

For the non-controlling interests in Fitek Balkan entities, the Group elected to recognise the non-controlling interests at their proportionate share of the acquired net identifiable assets.

The Group has written a put option and acquired a call option on shares held in the Fitek Balkan entities by non-controlling interests. The Group will record the initial redemption liability as a reduction of the parent's equity, as the risks and rewards of ownership remain with the non-controlling interest.

The Group has performed an assessment of the fair value of the buy back right (a written call option) (see also *Fitek Balkan buy back right* section) to be not material.

Fitek Balkan joint call and joint put options

Concurrent with the acquisition of Fitek Balkan, the Group has granted a put option to its non-controlling shareholders whereby they have the right to sell their shares to the Group at some future date after 26 February 2020, at a price to be determined at the time of exercise based on an agreed formula purporting to approximate the market price, increased by the pro-rata share of the fair value of the real estate property in Belgrade owned by Fitek Balkan entities. The put option is subject to the condition that the option is exercised jointly and simultaneously with the joint put options of other non-controlling shareholders in the Fitek Balkan entities. The terms do not provide a present ownership interest in the shares subject to the put option.

The shareholders agreement also includes a joint call option granting the Group the right to acquire the 49% of the equity interests held by the non-controlling shareholders. This call option is exercisable starting from 1 January 2022 on an agreed formula purporting to approximate the market price, increased by the pro-rata share of the fair value of the real estate property in Belgrade owned by Fitek Balkan entities, with a predefined floor amount of EUR 5 000 000. The call option is subject to the condition that the option is exercised jointly and simultaneously with the joint call options of other minority equity interests in the Fitek Balkan entities. Based on the fair value of the equity interests of Fitek Balkan entities held by the non-controlling shareholders, estimated as part of the exercise to determine the fair value of the Group's previously held interest, the management has assessed that the joint call options do not have a material fair value as at the acquisition date.

Fitek Balkan buy back right

The previous joint venturer (currently, the holder of the non-controlling interest) has the right, during the period between 27 April 2021 and 31 December 2021, to re-purchase the 1% of the ownership interest in Fitek Balkan entities at a price based on an agreed formula, if:

- UnifiedPost Group shares are not listed on a stock exchange, and any third-party (other than any of the current shareholders of UnifiedPost Group) has acquired majority of UnifiedPost Group shares; or
- An external party acquires (directly or indirectly) all Fitek Balkan shares owned by the Group.

Tehnobiro business combination

On 3 July 2020, Fitek Balkan d.o.o. acquired 51% of the ownership interest in Tehnobiro d.o.o. (Serbia), thereby obtaining control of the entity. The total consideration transferred to effect the business combination is estimated to total EUR 340 thousand, which is to be settled in cash. As of the date of these financial statements, the Group management has not yet performed the assessment of the provisional fair value of identifiable assets and liabilities acquired, and of the resulting provisional goodwill.

Guarantee to Belfius Bank SA

On 9 July 2020, UnifiedPost Group SA signed an amendment to the Acquisition Facilities Agreement with Belfius Bank SA where Financial Automation Solutions OU is included as an additional guarantor. As of the date of issuing the above guarantee, the loan received by UnifiedPost Group SA under the Acquisition Facilities Agreement amounted to EUR 34 million.

Estimated effect on the Group's business of COVID-19 pandemic

On 11 March 2020 the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. Following that all countries' where the Group operates governments declared a state of emergency. Responding to the potentially serious threat the COVID-19 presents to public health, the government authorities have taken measures to contain the outbreak, including temporary suspension of international passenger transport through airports, ports, by bus and rail, the 'lock-down' of certain industries and restrictions on cross-border travel. In particular, airlines, sea carriers and railways suspended international transport of people, schools, universities, restaurants, cinemas, theatres and museums and sport facilities were closed or restricted their activities. Many businesses have also instructed employees to remain at home and some have curtailed or temporarily suspended business operations. Similar measures were taken by other European countries and other countries affected by the pandemic.

In June 2020, the epidemic situation in all countries where the Group operates, the same as in the majority of other European countries, stabilized and governments started easing the strict quarantine and 'lock-down' measures. The majority of the European countries have partially re-opened their borders. Airlines, sea carriers and railways international transport of people has been partially re-established. Schools, universities, restaurants, cinemas, theatres and museums and sport facilities were re-opened. As well, the majority of businesses started returning their employees to the offices.

However, the situation remains uncertain as at the date of the approval of these consolidated financial statements as in some European countries the epidemic situation started worsening again in July and August 2020.

The wider economic impacts of these events include:

- Disruption to business operations and economic activity, with a cascading impact on both upstream and downstream supply chains;
- Significant disruption to businesses in certain sectors in markets with high dependence on a foreign supply chain as well as export-oriented businesses with high reliance on foreign markets. The affected sectors include trade and transportation, travel and tourism, entertainment, manufacturing, construction, retail and education;
- Significant decrease in demand for non-essential goods and services;
- An increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates.

Most of the European countries have announced aid programs to counter the negative effects of the outbreak of COVID-19 on the economy.

The Group primarily operates in the financial technology optimization and outsourcing services sector that has not been significantly affected by the outbreak of COVID-19, and over the last few months the Group realized relatively stable sales, and its operations, including supplies, were uninterrupted. Based on the publicly available information at the date these financial statements were authorized for issue, the Group management considered a number of severe but plausible scenarios with respect to the potential development of the outbreak of COVID-19 and its expected impact on the Group and economic environment, in which the Group operates, including the measures already taken by the governments in countries where the Group operates and where the Group's major business partners and customers are located.

Management considered the following operating risks that may adversely affect the Group:

- Unavailability of staff for extended period of time;
- Recession in the European economy and globally that would significantly reduce the purchasing power of end consumers and businesses.

In order to mitigate the risks resulting from potential adverse scenarios, during the quarantine period the management implemented certain measures, which notably include:

- Implementation of work from home program for all administrative employees as well as employees in sales and IT departments;
- Work in production departments (Printing and Digitizing) has been organized in two shifts which are not meeting each other. All working spaces are disinfected between the shifts;

- Employees in production departments have been trained to adhere to very strict precautionary measures, including, among others, social distancing;
- All employees who are still working on the Group‘s premises have been equipped with protective face masks and hands disinfectant.

The Group has performed analysis of its customers from mostly affected by COVID-19 pandemic business segments (as listed above) and calculated that revenues from these customers in 2019 amounted only to EUR 200 thousand (ca. 1,5% from total revenues). The main customer segments of the Group – telecommunications, banks, insurance and utilities – seem to be not significantly affected by COVID-19 pandemic in terms of their continued need for the Group's services at the moment.

As a result of the COVID-19 pandemic, the Group has identified a potential threat of decreased demand in its provided Print and Postage and Digitizing services of non-financial documents. While this would negatively affect the Group's total revenues, taking into account the low profit margin of these services as well the actions taken by the Group management in 2020 to align the Group's operations with the decreased demand, no material impact on the Group's net result is expected. Meanwhile, the Group's services related to financial documents (including, among others, invoice sending, invoice payments) help its customers to optimize their financial processes, which becomes even more important in a challenging economic situation, as well as perform such processes remotely, which became more necessary during the quarantine measures implemented to contain the pandemic, therefore the demand for these services is expected to increase, and the Group has already identified certain trends of positive growth during April to August 2020. The Group management also assesses that the electronic invoices handling solutions developed by the Group (FitekIN portal and Self-Service portal (see also Note 18)) that allow its customers to send and receive invoices while working remotely and that were already planned for launch in 2020, will provide the Group with new potential opportunities arising from the quarantine and social-distancing measures introduced by the European countries.

No other significant subsequent events have occurred in the period from the year-end to the date of these financial statements that are not disclosed in these financial statements, but require adjustments to be made to these financial statements and disclosures added to the notes thereto.

36 GOING CONCERN

As of 31 December 2019, the Group's management has identified certain events or conditions that may cast significant doubts on the Group's ability to continue as a going concern. In particular:

- As of 31 December 2019, the Group's current liabilities in the amount of EUR (4 789) thousand exceeded its current assets in the amount of EUR 2 993 thousand;
- As at 31 December 2019, the Group's financial liabilities include, among others, short-term and long-term borrowings from SEB Pank with the carrying amount of EUR 2 640 thousand (see also Note 27 and Note 32 b) iii)), related to which a total settlement of EUR 2 145 thousand was due within the 12 months after the reporting date, with the majority of the outstanding balance maturing in April 2020;
- The Group's net result for the year before the gain from remeasurement of previously held interest upon assuming control over a subsidiary (a non-recurring item) amounted to a loss in the amount of EUR (44) thousand;
- The Group's management assessed that the Group will need additional investments to complete the development of its intangible assets and increase the scale of its operations in order to achieve profitability;
- In addition, in July 2020 the Company has issued a financial guarantee to Belfius Bank SA regarding its loan facility in the amount of EUR 34 million granted to UnifiedPost Group SA, the parent company of Financial Automation Solutions OU (see Note 35). As at 31 December 2019, UnifiedPost Group SA was facing working capital shortages and operating with negative cash flows, as well as it was in a breach of certain contractual provisions of its long-term borrowings, making them repayable on demand.

In 2020, the Group has taken the following actions:

- In April 2020, the Group restructured its outstanding loans with SEB Pank. Under the new terms, the loan balance of EUR 1 767 thousand is repayable in equal monthly instalments representing a five year repayment schedule (1/61 per month), remaining loan balance is repayable on 15 April 2021. In addition, the maturity of its overdraft facility (amounting to EUR 700 thousand) with SEB Pank has been extended until 15 April 2021;

- During January to April 2020, the Group has received additional borrowings from UnifiedPost Group SA under its credit framework agreement in the amount of EUR 655 thousand, which, given the nature of the arrangement with the parent company and no stated maturity, the Group considers to be a source of long-term financing;
- During April to June 2020, the Group implemented a wide-ranging cost-saving program with estimated savings of EUR 750 thousand (unaudited) by 31 December 2020. According to the updated management's cash flows forecast for the remaining months of 2020, the total of Net cash flows from operating activities and Net cash used in investing activities is expected to be close to zero, i.e. financing further developments mainly from operating profits without the reliance on material external funding arrangements.

In addition, UnifiedPost Group SA has taken the following measures to address the liquidity shortages:

- In June and July 2020, it increased its equity by both cash contributions of EUR 10.4 million and conversion of convertible bonds of EUR 36.2 million;
- In July 2020, it received a waiver in relation to the breach of contractual provisions of its long-term borrowings granting a grace period ending on 31 December 2020;
- UnifiedPost Group SA is looking for additional sources of long-term funding, which, among others, include an initial public offering of its shares.

The Group's management believes that UnifiedPost Group SA will be able to obtain additional long-term funding. Therefore, no cash outflows are expected in relation to the guarantee given to Belfius Bank SA, and UnifiedPost Group SA will be able to continue to operate as a going concern in the foreseeable future.

As at the date these consolidated financial statements have been authorized for issue, the Group's management concluded that the Group will have sufficient resources to continue as a going concern in the foreseeable future. However, due to the existence of contingent liability associated with the financial guarantee provided to Belfius Bank SA, the Group's continued operations depend on UnifiedPost Group SA's ability to obtain additional long-term funding. Accordingly, there is a risk that the financial guarantee is exercised by Belfius Bank SA, and the management plans might be insufficient to mitigate the related liquidity risks. The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

(Amounts expressed in Euro unless otherwise stated)

37 EXPLANATION OF THE TRANSITION TO IFRS

As stated in Note 2, these are the Group's first Consolidated Financial Statements prepared in accordance with IFRS as adopted by the EU. The accounting policies set out in Note 6 have been applied in preparing the Consolidated Financial Statements for the years ended 31 December 2019 and 31 December 2018 and in the preparation of an opening IFRS statement of financial position as at 1 January 2018 (the Group's date of transition).

In preparing its opening IFRS statement of financial position, the Group has adjusted amounts reported previously in its consolidated financial statements prepared in accordance with Estonian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IFRS has affected the Group's financial position is set out in the following tables and the notes that accompany the tables.

As at the date of transition the Group has adopted IFRS 16 Leases. All adjustments resulting from early adoption of this standard have been presented as adjustments from transition to IFRS.

Reconciliation of financial position

		01.01.2018			
	Notes	**Previous GAAP**	**Adjustment of transition to IFRS**	**Reclassification due to transition to IFRS**	**IFRS**
ASSETS					
Property, plant and equipment	c	289 509	-	(63 163)	226 346
Right-of-use assets	c	-	1 142 596	63 163	1 205 759
Intangible assets		5 926 297	-	-	5 926 297
Investments in equity-accounted investees		246 149	(37 349)	-	208 800
Due from equity-accounted investees, long term	f	90 000	-	387	90 387
Due from other related parties, long term	f	-	-	48 651	48 651
Deferred tax assets		55 320	-	-	55 320
Other long-term assets	c	99 115	(51 729)	(47 386)	-
Total non-current assets		**6 706 390**	**1 053 518**	**1 652**	**7 761 560**
Inventories	f	117 582	-	(18 972)	98 610
Current tax asset	f	-	-	6 102	6 102
Trade and other receivables	d, f	1 505 910	(17)	(58 680)	1 447 213
Due from equity-accounted investees, short term		913	-	-	913
Other assets	c, f	127 640	(31 611)	124 213	220 242
Cash and cash equivalents	f	211 753	-	(54 315)	157 438
Total current assets		**1 963 798**	**(31 628)**	**(1 652)**	**1 930 518**
TOTAL ASSETS		**8 670 188**	**1 021 890**	**-**	**9 692 078**

(Amounts expressed in Euro unless otherwise stated)

				01.01.2018	
	Notes	**Previous GAAP**	**Adjustment of transition to IFRS**	**Reclassification due to transition to IFRS**	**IFRS**
Share capital		2 500	-	-	2 500
Accumulated deficit	a, c, d, e, f	(683 362)	(89 441)	4 472	(768 331)
Equity attributable to owners of the Group		**(680 862)**	**(89 441)**	**4 472**	**(765 831)**
Non-controlling interests	f	32 403	-	(4 472)	27 931
Total equity		**(648 459)**	**(89 441)**	**-**	**(737 900)**
Loans and borrowings	f	6 994 767	-	177 500	7 172 267
Lease liability	c	-	861 016	49 086	910 102
Total non-current liabilities		**6 994 767**	**861 016**	**226 586**	**8 082 369**
Loans and borrowings	f	689 124	-	(160 762)	528 362
Trade payables and other payables	f	1 631 998	-	(267 497)	1 364 501
Current tax liabilities		2 758	-	-	2 758
Accrued liabilities	f	-	-	191 113	191 113
Lease liability	c	-	250 315	10 560	260 875
Total current liabilities		**2 323 880**	**250 315**	**(226 586)**	**2 347 609**
Total liabilities		**9 318 647**	**1 111 331**	**-**	**10 429 978**
Total equity and liabilities		**8 670 188**	**1 021 890**	**-**	**9 692 078**

Reconciliation of comprehensive income

The IFRS transition date for the Group is 1 January 2018, latest financial statements prepared in accordance with the previous GAAP are for the year ended 31 December 2017. Since there is no overlap between transition date and year end of latest financial statements prepared in accordance with the previous GAAP, no reconciliation of comprehensive income has been prepared.

Notes to the reconciliations

a. Business combinations and goodwill

The Group has elected not to apply IFRS 3 and restate its balances from acquisitions of subsidiaries, which are considered businesses for IFRS, that occurred before 1 January 2018, thus no adjustments are made as at the date of the transition with respect to the carrying amount of the goodwill recognized under previous GAAP.

b. Borrowing costs

The Group has applied the optional exemption for borrowing costs and:

— accounted for borrowing costs incurred on or after date of transition in accordance with IAS 23, including those incurred on qualifying assets already under construction; and

— does not restate the borrowing costs capitalised under previous GAAP before the date of initial application of IAS 23 (no borrowing costs have been capitalized prior the transition date).

(Amounts expressed in Euro unless otherwise stated)

c. Leases

The Group has elected to early adopt IFRS 16 Leases as at the date of transition. The Group has recognized right-of-use assets, lease liabilities and adjustments to accumulated deficit as at the date of transition using the full retrospective approach.

	Previous GAAP	Leases previously classified as operating leases – lessee	01.01.2018 Leases previously classified as finance leases – lessee	Other – non-lease related reclassifi-cations	IFRS
Property, plant and equipment	289 509	-	(63 163)	-	226 346
Right-of-use asset	-	1 142 596	63 163	-	1 205 759
Other assets (short and long term)	226 755	(83 340)	-	76 827	220 242
Lease liability – long term	-	(861 016)	(49 086)	-	(910 102)
Lease liability – short term	-	(250 315)	(10 560)	-	(260 875)
Finance lease liability	(59 646)	-	59 646	-	-
Accumulated deficit		(52 075)			

d. Impairment of financial assets

The Group has adopted IFRS 9 Financial Instruments as at the date of transition. The Group has recognized additional allowance for impairment of trade receivables as at the date of transition.

	Previous GAAP	Effect of transition to IFRS	01.01.2018 Other non-impairment reclassifi-cations*	IFRS
Trade and other receivables	1 505 910	(17)	(58 680)	1 447 213
Accumulated deficit		(17)		

*Adjustment of EUR 58 680 represents reclassification adjustment to Other assets in the consolidated statement of financial position to align the presentation of prepayments with IFRS requirements.

e. Summary of adjustments to accumulated deficit

	EUR
Previous GAAP	**(683 362)**
Adjustment from leases previously classified as operating leases	*(52 075)*
Adjustment to measurement of investment in equity accounted investees	*(37 349)*
Impairment of financial assets	*(17)*
Total adjustments due to transition to IFRS	(89 441)
Reclassification due to transition to IFRS	4 472
IFRS	**(768 331)**

Adjustment of EUR 37 349 represents effect from the remeasurement of carrying value of investment in equity-accounted investee to align it with IFRS measurement requirements.

f. Other reclassifications

Other reclassification adjustments represent adjustments to consolidated statement of financial position to align the presentation of assets and liabilities with IFRS requirements and are considered individually immaterial.

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Independent Auditors' Report

To the shareholder of Financial Automation Solutions OÜ

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Financial Automation Solutions OÜ ("the Company") and its subsidiaries ("the Group"), which comprise:

- the consolidated statements of financial position as at 1 January 2018, 31 December 2018 and 31 December 2019,
- the consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2018 and 31 December 2019,
- the consolidated statements of changes in equity for the years ended 31 December 2018 and 31 December 2019,
- the consolidated statements of cash flows for the years ended 31 December 2018 and 31 December 2019, and
- notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 1 January 2018, 31 December 2018 and 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the years ended 31 December 2018 and 31 December 2019 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 36 to the consolidated financial statements, which indicates that the Company has issued a financial guarantee with respect to the bank loan facility of EUR 34 million obtained by its parent company UnifiedPost Group SA from Belfius Bank SA. As at 31 December 2019, UnifiedPost Group SA had working capital shortages and was in a breach of certain contractual provisions of the long-term bank loan facility with the effect that the loan became repayable on demand. In July 2020, UnifiedPost Group SA obtained a waiver from Belfius Bank SA for the respective breach. However, UnifiedPost Group SA also requires additional long-term financing to be able to continue to operate as a going concern. There is a reasonable possibility that UnifiedPost Group SA may not be able to obtain such additional long-term financing or not be able to comply with the contractual provisions of the bank loan facility agreement as at 31 December 2020, and, consequently, there is a risk that the financial guarantee will be exercised by Belfius Bank SA. As a result, the management plans might be insufficient to mitigate the related liquidity risks. As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

THIS DOCUMENT IS ELECTRONICALLY SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP.

KPMG Baltics AS

Rainers Vilāns
Partner pp. KPMG Baltics AS
Riga, Latvia
17 August 2020

ANNEX 4 – UNIFIEDPOST LIMITED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

PDOCHOLCO Limited

Registered number: 09741928

Directors' report and financial statements

For the year ended 31 March 2019

PDOCHOLCO LIMITED

COMPANY INFORMATION

Directors	M R Hurley R M L Jones C Hopwood L D Broadbent M J Howells C J Manson
Registered number	09741928
Registered office	Unit 3 Park Seventeen Whitefield Manchester M45 8FJ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St Peters Square Manchester M2 3DE

PDOCHOLCO LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' view on the impact of Brexit

The Directors continue to assess the potential implications if the United Kingdom withdraw from the European Union. Although there is an appreciation that there is a level of uncertainty associated with it, no significant direct implications are expected.

Principal activity

The principal activity of the Company is that of a holding company.

The principal activity of the Group is that of data processing, printing and office support activities.

Directors

The directors are listed below. All served during the year unless otherwise stated:

M R Hurley
R M L Jones
C Hopwood
L D Broadbent (appointed 27 November 2018)
C J Manson (appointed 27 November 2018)
M J Howells (appointed 3 April 2019)
P J Dearden (resigned 27 April 2018)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

C L Manson

....
C J Manson
Director

Date: 14 November 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PDOCHOLCO LIMITED

Opinion

We have audited the financial statements of PDOCHOLCO Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance sheets, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PDOCHOLCO LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PDOCHOLCO LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Neil Barton

Neil Barton (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peters Square
Manchester
M2 3DE

Date: 20 November 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover		6,025,257	5,602,945
Cost of sales		(2,882,093)	(2,712,745)
Gross profit		3,143,164	2,890,200
Administrative expenses		(1,933,588)	(1,694,668)
Operating profit before depreciation, amortisation and exceptional administrative expenses	3	1,209,576	1,195,532
Depreciation		(32,102)	(41,180)
Amortisation		(558,639)	(547,371)
Exceptional administrative expenses	3	(145,447)	(30,495)
Operating profit		473,388	576,486
Interest payable and expenses	7	(385,529)	(469,940)
Profit before taxation		87,859	106,546
Tax on profit	8	(52,075)	(37,799)
Profit for the financial year		35,784	68,747

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 10 to 28 form part of these financial statements.

PDOCHOLCO LIMITED
REGISTERED NUMBER: 09741928

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	10		3,617,799		4,120,230
Tangible assets	11		62,678		90,999
			3,680,477		4,211,229
Current assets					
Stocks		23,167		18,260	
Debtors: amounts falling due within one year	13	1,383,302		862,756	
Cash at bank and in hand	14	1,000,821		766,487	
		2,407,290		1,647,503	
Creditors: amounts falling due within one year	15	(2,768,959)		(1,641,616)	
Net current (liabilities)/assets			(361,669)		5,887
Total assets less current liabilities			3,318,808		4,217,116
Creditors: amounts falling due after more than one year	16		(2,395,167)		(3,233,047)
Provisions for liabilities					
Deferred taxation		(361,126)		(418,449)	
			(361,126)		(418,449)
Net assets			562,515		565,620
Capital and reserves					
Called up share capital	20		92,021		92,021
Share premium account	21		397,207		397,207
Capital redemption reserve	21		44,328		44,328
Other reserves	21		(60,661)		(21,772)
Profit and loss account	21		89,620		53,836
			562,515		565,620

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C J Manson
....
C J Manson
Director
Date: 14 November 2019

The notes on pages 10 to 28 form part of these financial statements.

PDOCHOLCO LIMITED
REGISTERED NUMBER: 09741928

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £		2018 £
Fixed assets					
Investments	12		6,477,496		6,477,496
			6,477,496		6,477,496
Current assets					
Debtors: amounts falling due within one year	13	66,570		42,525	
Cash at bank and in hand	14	14,210		23,360	
		80,780		65,885	
Creditors: amounts falling due within one year	15	(4,792,363)		(3,632,166)	
Net current liabilities			(4,711,583)		(3,566,281)
Total assets less current liabilities			1,765,913		2,911,215
Creditors: amounts falling due after more than one year	16		(2,376,199)		(3,163,699)
Net liabilities			(610,286)		(252,484)
Capital and reserves					
Called up share capital	20		92,021		92,021
Share premium account	21		397,207		397,207
Capital redemption reserve	21		44,328		44,328
Profit and loss account brought forward		(786,040)		(367,828)	
Loss for the year		(357,802)		(418,212)	
Profit and loss account carried forward			(1,143,842)		(786,040)
			(610,286)		(252,484)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
14 November 2019

C.L. Manson

....
C J Manson
Director

The notes on pages 10 to 28 form part of these financial statements.

1. General information

PDOCHOLCO Limited is a private company limited by shares. The company is incorporated in the United Kingdom and registered in England & Wales. The registered office and principal place of business is Unit 3, Park Seventeen, Moss Lane Whitefield, Manchester, M45 8FJ.

The Group's principal activity is that of data processing, printing and office support activities. The principal activity of the Company is that of a holding company.

The functional currency of the company is GBP £ Sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 20 August 2015.

2.3 Going concern

The accounts have been prepared on a going concern basis which assumes the Group will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future based on its forecasts and projections. The Group is paying down its debt and Maven Capital Partners remain supportive. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life which has been deemed to be 10 years.

Other intangible assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Brand – 10 years
Customer lists – 10 years
Computer software - 3 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	15% straight line
Computer equipment	-	33% straight line
Fixtures & fittings	-	20% straight line
Improvements to property	-	10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	32,102	41,850
Amortisation of intangible assets, including goodwill	558,639	547,371
Other operating lease rentals	213,625	208,118
Defined contribution pension cost	12,607	11,356

During the year one off exceptional costs of £145,447 (2018 - £30,495) have been incurred in relation to non recurring IT projects and senior severance packages.

4. Auditor's remuneration

Fees payable to the Group's auditor for the audit of the Group's annual financial statements totalled £12,500 *(2018 - 12,000)*.

5. Employees

The average monthly number of employees, including directors, during the year was 26 (2018 - 24).

6. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	153,724	131,255
Company contributions to defined contribution pension schemes	1,499	6,566
	155,223	137,821

During the year retirement benefits were accruing to 1 director (2018 - 2) in respect of defined contribution pension schemes.

7. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	39,114	47,792
Other loan interest payable	315,333	330,538
Amortisation of deferred arrangement fees	-	63,250
Finance leases and hire purchase contracts	8,487	6,162
Other interest payable	22,595	22,198
	385,529	469,940

8. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	109,400	89,399
Adjustments in respect of previous periods	-	(5,807)
Total current tax	109,400	83,592
Deferred tax		
Origination and reversal of timing differences	(7,599)	3,932
Deferred tax arising on fair value adjustment	(49,726)	(49,725)
Total deferred tax	(57,325)	(45,793)
Taxation on profit on ordinary activities	52,075	37,799

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	87,859	106,546
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	16,693	20,244
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	105,149	98,433
Adjustments to tax charge in respect of prior periods	(2,195)	(5,807)
Adjustment for research and development tax credit leading to an increase (decrease) in the tax charge	(41,249)	(24,700)
Other differences leading to an increase in the tax charge	23,402	(646)
Release of deferred taxation on fair value of intangible fixed assets	(49,725)	(49,725)
Total tax charge for the year	52,075	37,799

Factors that may affect future tax charges

A reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2017. This will reduce the company's future current tax charge accordingly.

9. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £357,802 (2018 - loss £418,212).

10. Intangible assets

Group and Company

	Customer list £	Brand £	Computer software £	Goodwill £	Total £
Cost					
At 1 April 2018	2,450,000	475,000	216,609	2,040,007	5,181,616
Additions	-	-	56,208	-	56,208
At 31 March 2019	2,450,000	475,000	272,817	2,040,007	5,237,824
Amortisation					
At 1 April 2018	469,583	91,042	82,832	417,929	1,061,386
Charge for the year	245,000	47,500	62,138	204,001	558,639
At 31 March 2019	714,583	138,542	144,970	621,930	1,620,025
Net book value					
At 31 March 2019	1,735,417	336,458	127,847	1,418,077	3,617,799
At 31 March 2018	1,980,417	383,958	133,777	1,622,078	4,120,230

The net book value of assets held under finance leases of hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Computer software	70,903	121,283
	70,903	121,283

11. Tangible fixed assets

Group

	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Property improvements £	Total £
Cost					
At 1 April 2018	225,078	169,756	61,399	34,268	490,501
Additions	170	2,216	645	750	3,781
At 31 March 2019	225,248	171,972	62,044	35,018	494,282
Depreciation					
At 1 April 2018	164,208	156,402	47,969	30,923	399,502
Charge for the year on owned assets	18,466	7,888	4,059	1,689	32,102
At 31 March 2019	182,674	164,290	52,028	32,612	431,604
Net book value					
At 31 March 2019	42,574	7,682	10,016	2,406	62,678
At 31 March 2018	60,870	13,354	13,430	3,345	90,999

12. Investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2018	6,477,496
At 31 March 2019	6,477,496

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Prime Document Limited	Unit 3, Park Seventeen, Whitefield, Manchester, M45 8FJ	Ordinary	100%
Prime Document Trustee Limited	Unit 3, Park Seventeen, Whitefield, Manchester, M45 8FJ	Ordinary	100%

All subsidiary undertakings within the group are consolidated into these financial statements.

13. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,294,211	731,489	-	-
Amounts owed by group undertakings	-	-	60,661	21,772
Other debtors	12,720	7,092	4,543	300
Prepayments and accrued income	76,371	124,175	1,366	773
Deferred taxation	-	-	-	19,680
	1,383,302	862,756	66,570	42,525

14. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	1,000,821	766,487	14,210	23,360
Less: invoice finance	(536,301)	-	-	-
	464,520	766,487	14,210	23,360

15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Invoice finance	536,301	-	-	-
Bank loans	300,000	300,000	300,000	300,000
Other loans	187,500	-	187,500	-
Trade creditors	544,323	373,458	17,001	36
Deferred consideration	300,000	300,000	300,000	300,000
Amounts owed to group undertakings	-	-	3,691,368	2,787,463
Corporation tax	198,798	89,398	-	-
Other taxation and social security	218,567	216,687	16,468	43,281
Obligations under finance lease and hire purchase contracts	50,380	50,380	-	-
Other creditors	110,036	53,819	21,527	266
Accruals and deferred income	323,054	257,874	258,499	201,120
	2,768,959	1,641,616	4,792,363	3,632,166

Obligation under finance leases and hire purchase agreements are secured on the assets concerned.

16. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	315,564	615,564	315,564	615,564
Other loans	294,527	482,027	294,527	482,027
Deferred consideration on acquisition	300,000	600,000	300,000	600,000
Net obligations under finance leases and hire purchase contracts	18,968	69,348	-	-
Loan notes	1,466,108	1,466,108	1,466,108	1,466,108
	2,395,167	3,233,047	2,376,199	3,163,699

The deferred consideration forms part of the acquisition of Prime Document Limited. The deferred consideration is payable in equal instalments over four year years and attracts an interest rate of 5% per annum.

Loan notes of £1.51m were issued by Maven Capital Partners UK LLP ('Maven') to fund the acquisition of Prime Document Limited by the Company in May 2016. Interest accrues on the principal amount at a fixed rate of 12% per annum and this is charged in full to the Statement of Comprehensive Income. Additionally, a redemption premium of 20% on the principal amount will be repayable at maturity and this amount is being accrued. The loan notes and the redemption premium are redeemable in full in May 2021.

Other loans comprises a loan of £0.5m from the Greater Manchester Loan Fund ('GMLF') to fund the acquisition of Prime Document Limited by the Company in May 2016. Interest accrues on the principal amount at a fixed rate of 8.5% per annum and this is charged in full to the Statement of Comprehensive Income. The loan is repayable in equal quarterly instalments commencing in March 2019 until full repayment in May 2021.

The Maven loan notes and GMLF loan are secured by debentures over all assets held by the Company and its subsidiaries.

17. Loans

The bank loan, which comprises a term loan, is secured by a debenture over all assets held by PDOCHOLCO Limited and its subsidiaries. The loan was granted in May 2016 to fund the acquisition of Prime Document Limited. The loan is repayable in equal instalments over five years and attracts an interest rate of LIBOR + 3.75% per annum.

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	300,000	300,000	300,000	300,000
Other loans	187,500	-	187,500	-
Amounts falling due 1-2 years				
Bank loans	300,000	300,000	300,000	300,000
Other loans	150,000	150,000	150,000	150,000
Amounts falling due 2-5 years				
Bank loans	15,564	315,564	15,564	315,564
Other loans	144,527	332,027	144,527	332,027
	1,097,591	1,397,591	1,097,591	1,397,591

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Within one year	50,380	50,380
Between 1-5 years	18,968	50,380
Over 5 years	-	18,968
	69,348	119,728

19. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	1,306,931	738,581	65,204	22,072
Financial assets that are cash and cash equivalents	1,000,821	766,487	14,210	23,360
	2,307,752	1,505,068	79,414	45,432
Financial liabilities				
Financial liabilities that are debt instruments measured at amortised cost	(3,887,406)	(4,310,704)	(6,983,595)	(6,551,464)
Financial liabilities that are cash and cash equivalents	(536,601)	-	-	-
	(4,424,007)	(4,310,704)	(6,983,595)	(6,551,464)

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to group undertakings, bank loans, deferred consideration, net obligation under finance leases and hire purchase contracts, loan notes and other loans.

Financial liabilities that are cash and cash equivalents comprise invoice finance.

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
47,021 (2018 - 47,021) A ordinary shares of £1.00 each	47,021	47,021
45,000 (2018 - 45,000) B Ordinary shares of £1.00 each	45,000	45,000
	92,021	92,021

A and B Ordinary shares carry full voting rights and hold the same dividend rights.

Prime Document Trustee Limited, a wholly owned subsidiary, owns 10,919 (2018: 3,919) A Ordinary shares at the balance sheet date.

21. Reserves

Share premium account

This reserve represents the value that shares were purchased for above the nominal share value.

Capital redemption reserve

This reserve represents the value of the company's own shares that were repurchased.

Other reserves

This reserve represents the value of the company's own shares that are held by its subsidiary, Prime Document Trustee Limited.

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

22. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £12,607 (2018 - £11,336). There was an amount of £2,776 (2018 - £738) outstanding at the year end which is included in other creditors.

23. Related party transactions

Included within loan notes due after more than one year is a principal amount of £1.51m (2018: £1.51m) due to Maven Capital Partners UK LLP. Details of the loan is disclosed within Note 16. During the year, interest was charged to the profit Statement of Comprehensive income and paid amounting to £181,200 (2018: £181,200). Maven Capital Partners UK Limited is a significant shareholder in the company.

Included within loan notes due after more than one year is a principal amount of £0.5m (2018: £0.5m) due to Greater Manchester Loan Fund. Details of the loan is disclosed within Note 16. During the year, interest was charged to the profit Statement of Comprehensive income and paid amounting to £42,500 (2018: £42,500). Maven Capital Partners UK Limited manage this fund.

The group has taken advantage of the exemption provided by FRS 102 to not disclose transactions entered into between two or more wholly owned members of the group.

24. Controlling party

The company has no ultimate controlling party.

PDOCHOLCO Limited

Registered number: 09741928

Directors' report and audited financial statements

For the period ended 31 December 2019

PDOCHOLCO LIMITED

COMPANY INFORMATION

Directors	M R Hurley M J Howells C J Manson H A Leybaert L H Marcelis T S Van Acker
Registered number	09741928
Registered office	Unit 3 Park Seventeen Whitefield Manchester M45 8FJ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St Peters Square Manchester M2 3DE

PDOCHOLCO LIMITED

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the period ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is that of a holding company.

The principal activity of the Group is that of data processing, printing and office support activities.

Directors

The directors who served during the period were:

M R Hurley
R M L Jones (resigned 29 November 2019)
C Hopwood (resigned 29 November 2019)
L D Broadbent (resigned 29 November 2019)
M J Howells (appointed 3 April 2019)
C J Manson
H A Leybaert (appointed 29 November 2019)
L H Marcelis (appointed 29 November 2019)
T S Van Acker (appointed 29 November 2019)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

Following the year end the group went through a re-branding exercise and therefore the Brand Intangible on the statement of financial position will be impaired in the next year ending 31 December 2020.

Directors' view on the impact of Covid-19

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The UK government subsequently introduced lockdown measures with effect from 23 March 2020.

During this period, the Group's priority has been to protect the health of its employees whilst ensuring the continuity of services for its customers. The Group has continued to operate from its facility in Greater Manchester with safeguards in place to ensure that UK government and Public Health England guidance is adhered to including:

- requiring employees to work from home where possible; and
- ensuring appropriate distancing and hygiene measures are in place and adhered to by those employees working at its facility.

It is not possible to predict the full impact of COVID-19 on the Group. This will depend on the extent and duration of the pandemic. To date the impact on the Group has been moderate and the directors continue to monitor the uncertainties and risks in the current economic and business environment.

Directors' view on the impact of Brexit

The directors continue to assess the potential implications of a no-deal Brexit. Although there is an appreciation that there is a level of uncertainty associated with it, no significant direct implications are expected.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

This report was approved by the board and signed on its behalf.

C. J. Manson

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C J Manson
Director

Date: 27 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PDOCHOLCO LIMITED

Opinion

We have audited the financial statements of PDOCHOLCO Limited (the 'parent company') and its subsidiaries (the 'Group') for the period ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial position, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 15 and non- adjusting post balance sheet events on page 34.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company and Company's trade, customers, suppliers and the wider economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PDOCHOLCO LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PDOCHOLCO LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Parent Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Parent Company or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Neil Barton

Neil Barton (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peters Square
Manchester
M2 3DE

Date: 27 August 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

	Note	9 month period ended 31 December 2019 £	31 March 2019 £
Turnover		3,736,645	6,025,257
Cost of sales		(2,004,934)	(2,882,093)
Gross profit		1,731,711	3,143,164
Administrative expenses		(1,379,892)	(1,933,588)
Operating profit before depreciation, amortisation and exceptional administrative expenses		351,819	1,209,576
Depreciation		(20,893)	(32,102)
Amortisation		(431,730)	(558,639)
Exceptional administrative expenses	4	(226,302)	(145,447)
Operating profit	4	(327,106)	473,388
Interest payable and expenses	8	(339,803)	(385,529)
(Loss)/profit before taxation		(666,909)	87,859
Tax on (loss)/profit	9	63,569	(52,075)
(Loss)/profit for the financial period		(603,340)	35,784

There were no recognised gains and losses for 9 months ended 31 December 2019 or 12 months ended 31 March 2019 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 9 months ended 31 December 2019 (12 months ended 31 March 2019:£NIL).

The notes on pages 14 to 35 form part of these financial statements.

PDOCHOLCO LIMITED
REGISTERED NUMBER: 09741928

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note		31 December 2019 £		31 March 2019 £
Fixed assets					
Intangible assets	11		3,268,217		3,617,799
Tangible assets	12		52,595		62,678
			3,320,812		3,680,477
Current assets					
Stocks		26,538		23,167	
Debtors: amounts falling due within one year	14	928,217		1,383,302	
Cash at bank and in hand	15	322,097		1,000,821	
		1,276,852		2,407,290	
Creditors: amounts falling due within one year	16	(845,739)		(2,768,959)	
Net current assets/(liabilities)			431,113		(361,669)
Total assets less current liabilities			3,751,925		3,318,808
Creditors: amounts falling due after more than one year	17		-		(2,395,167)
Provisions for liabilities					
Deferred taxation	21	(320,511)		(361,126)	
			(320,511)		(361,126)
Net assets			3,431,414		562,515
Capital and reserves					
Called up share capital	22		92,022		92,021
Share premium account	23		397,207		397,207
Capital redemption reserve	23		44,328		44,328
Other reserves	23		-		(60,661)
Profit and loss account	23		2,897,857		89,620
			3,431,414		562,515

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C.J. Manson

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C J Manson
Director
Date: 27 August 2020

The notes on pages 14 to 35 form part of these financial statements.

PDOCHOLCO LIMITED
REGISTERED NUMBER: 09741928

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		31 December 2019 £		31 March 2019 £
Fixed assets					
Investments	13		6,477,496		6,477,496
			6,477,496		6,477,496
Current assets					
Debtors: amounts falling due within one year	14	39,871		66,570	
Cash at bank and in hand	15	32,457		14,210	
		72,328		80,780	
Creditors: amounts falling due within one year	16	(4,231,284)		(4,792,363)	
Net current liabilities			(4,158,956)		(4,711,583)
Total assets less current liabilities			2,318,540		1,765,913
Creditors: amounts falling due after more than one year	17		-		(2,376,199)
Net assets/(liabilities)			2,318,540		(610,286)
Capital and reserves					
Called up share capital	22		92,022		92,021
Share premium account	23		397,207		397,207
Capital redemption reserve	23		44,328		44,328
Profit and loss account carried forward			1,784,983		(1,143,842)
			2,318,540		(610,286)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27 August 2020

C.L. Manson

....

C J Manson
Director

The notes on pages 14 to 35 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2018	92,021	397,207	44,328	(21,772)	53,836	565,620
Comprehensive income for the year						
Profit for the year	-	-	-	-	35,784	35,784
Total comprehensive income for the year	-	-	-	-	35,784	35,784
Purchase of own shares by the EBT	-	-	-	(38,889)	-	(38,889)
Total transactions with owners	-	-	-	(38,889)	-	(38,889)
At 1 April 2019	92,021	397,207	44,328	(60,661)	89,620	562,515
Comprehensive income for the period						
Loss for the period	-	-	-	-	(603,340)	(603,340)
Shares issued during the period	1	-	-	-	-	1
Capital contribution	-	-	-	-	3,411,577	3,411,577
Sale of own shares by the EBT	-	-	-	60,661	-	60,661
Total transactions with owners	1	-	-	60,661	3,411,577	3,472,239
At 31 December 2019	92,022	397,207	44,328	-	2,897,857	3,431,414

The notes on pages 14 to 35 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	92,021	397,207	44,328	(786,040)	(252,484)
Comprehensive income for the year					
Loss for the year	-	-	-	(357,802)	(357,802)
At 1 April 2019	92,021	397,207	44,328	(1,143,842)	(610,286)
Comprehensive income for the year					
Loss for the period	-	-	-	(482,752)	(482,752)
Contributions by and distributions to owners					
Shares issued during the period	1	-	-	-	1
Capital contribution	-	-	-	3,411,577	3,411,577
At 31 December 2019	92,022	397,207	44,328	1,784,983	2,318,540

The notes on pages 14 to 35 form part of these financial statements.

1. General information

PDOCHOLCO Limited is a private company limited by shares. The company is incorporated in the United Kingdom and registered in England & Wales. The registered office and principal place of business is Unit 3, Park Seventeen, Moss Lane Whitefield, Manchester, M45 8FJ.

The Group's principal activity is that of data processing, printing and office support activities. The principal activity of the Company is that of a holding company.

The functional and presentation currency of the company is GBP £ Sterling, rounded to the nearest whole pound.

Change in year end

The Company has had a change in year end, therefore the financial statements are for a 9 month period ended 31 December 2019 to align their year end with the new ultimate owners.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company has adopted the triennial review of FRS102 effective for periods commencing on or after 1 January 2019.

Information in respect of the differences from the previous accounting framework are detailed within note 25.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 20 August 2015.

2.3 Going concern

The accounts have been prepared on a going concern basis which assumes the Group will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future based on its forecasts and projections. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements. Particular emphasis has been placed on the uncertainties and risks created by the COVID-19 outbreak. Whilst the Group has made a loss this year, there have been exceptional costs of £226,302, amortisation charges of £431,730 and interest charges of £339,803. The majority of the interest was on loan notes that were repaid before the year end.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life which has been deemed to be 10 years.

Other intangible assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Brand – 10 years
Customer lists – 10 years
Computer software - 3 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	15% straight line
Computer equipment	-	33% straight line
Fixtures & fittings	-	20% straight line
Improvements to property	-	10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The directors believe that the critical accounting policies where judgements or estimates are necessarily applied are bad debt provisions and the useful expected lives of tangible and intangible fixed assets.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	9 month period ended 31 December 2019 £	31 March 2019 £
Depreciation of tangible fixed assets	20,893	32,102
Amortisation of intangible assets, including goodwill	431,730	558,639
Other operating lease rentals	156,479	213,625
Defined contribution pension cost	23,036	12,607

During the year one off exceptional costs of £226,304 (31 March 2019 - £145,447) have been incurred in relation to non recurring IT projects, professional advice, costs relating to previous periods and the write off of deferred financing costs.

5. Auditor's remuneration

	9 month period ended 31 December 2019 £	31 March 2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	14,000	12,500
All other services	36,750	2,900

Auditor's remuneration for audit services to the Company was £4,000 (31 March 2019 - £4,000).

Auditor's remuneration for non-audit services to the Company was £17,600 (31 March 2019 - £1,150).

6. Employees

The average monthly number of employees, including directors, during the period was 25 (2019 - 26).

7. Directors' remuneration

	9 month period ended 31 December 2019 £	31 March 2019 £
Directors' emoluments	447,915	153,724
Company contributions to defined contribution pension schemes	10,137	1,499
	458,052	155,223

During the period retirement benefits were accruing to 3 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £172,819.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,369.

8. Interest payable and similar expenses

	9 month period ended 31 December 2019 £	31 March 2019 £
Bank interest payable	18,586	39,114
Other loan interest payable	299,644	315,333
Finance leases and hire purchase contracts	6,953	8,487
Other interest payable	14,620	22,595
	339,803	385,529

9. Taxation

	9 month period ended 31 December 2019 £	31 March 2019 £
Corporation tax		
Current tax on profits for the year	(3,101)	109,400
Adjustments in respect of previous periods	(19,853)	-
Total current tax	(22,954)	109,400
Deferred tax		
Origination and reversal of timing differences	(40,615)	(7,599)
Deferred tax arising on fair value adjustment	-	(49,726)
Total deferred tax	(40,615)	(57,325)
Taxation on (loss)/profit on ordinary activities	(63,569)	52,075

9. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	9 month period ended 31 December 2019 £	31 March 2019 £
(Loss)/profit on ordinary activities before tax	(666,909)	87,859
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 March 2019 - 19%)	(126,713)	16,693
Effects of:		
Expenses not deductible for tax purposes	70,890	105,149
Adjustment for research and development tax credit leading to a decrease in the tax charge	(41,249)	(41,249)
Deferred tax not recognised	82,453	29,948
Other differences leading to an increase in the tax charge	(12,354)	(8,741)
Unwinding of deferred taxation arising on consolidation	(36,596)	(49,725)
Total tax charge for the period/year	(63,569)	52,075

Factors that may affect future tax charges

A reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2017.

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the period/year was £482,752 (2019 - loss £357,802).

11. Intangible assets

Group and Company

	Customer list £	Brand £	Computer software £	Goodwill £	Total £
Cost					
At 1 April 2019	2,450,000	475,000	272,817	2,040,007	5,237,824
Additions	-	-	45,298	36,850	82,148
At 31 December 2019	2,450,000	475,000	318,115	2,076,857	5,319,972
Amortisation					
At 1 April 2019	714,583	138,542	144,970	621,930	1,620,025
Charge for the year	183,750	35,626	59,354	153,000	431,730
At 31 December 2019	898,333	174,168	204,324	774,930	2,051,755
Net book value					
At 31 December 2019	1,551,667	300,832	113,791	1,301,927	3,268,217
At 31 March 2019	1,735,417	336,458	127,847	1,418,077	3,617,799

The goodwill addition in the year relates to the purchase of a small number of customer contracts and the transfer of 2 employees.

The net book value of assets held under finance leases of hire purchase contracts, included above, are as follows:

	31 December 2019 £	31 March 2019 £
Computer software	33,118	70,903
	33,118	70,903

12. Tangible fixed assets

Group

	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Property improvements £	Total £
Cost					
At 1 April 2019	225,248	171,972	62,044	35,018	494,282
Additions	2,750	6,710	1,350	-	10,810
At 31 December 2019	227,998	178,682	63,394	35,018	505,092
Depreciation					
At 1 April 2019	182,674	164,290	52,028	32,612	431,604
Charge for the period on owned assets	13,813	3,212	2,545	1,323	20,893
At 31 December 2019	196,487	167,502	54,573	33,935	452,497
Net book value					
At 31 December 2019	31,511	11,180	8,821	1,083	52,595
At 31 March 2019	42,574	7,682	10,016	2,406	62,678

13. Investments

Company

	Investments in subsidiary companies £
Cost and net book value	
At 1 April 2019	6,477,496
At 31 December 2019	6,477,496

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
UnifiedPost Limited	Unit 3, Park Seventeen, Whitefield, Manchester, M45 8FJ	Ordinary	100%
Prime Document Trustee Limited	Unit 3, Park Seventeen, Whitefield, Manchester, M45 8FJ	Ordinary	100%

All subsidiary undertakings within the group are consolidated into these financial statements.

14. Debtors

	Group 31 December 2019 £	Group 31 March 2019 £	Company 31 December 2019 £	Company 31 March 2019 £
Trade debtors	812,713	1,294,211	36,417	-
Amounts owed by group undertakings	-	-	-	60,661
Other debtors	11,396	12,720	1,888	4,543
Prepayments and accrued income	104,108	76,371	1,566	1,366
	928,217	1,383,302	39,871	66,570

15. Cash and cash equivalents

	Group 31 December 2019 £	Group 31 March 2019 £	Company 31 December 2019 £	Company 31 March 2019 £
Cash at bank and in hand	322,097	1,000,821	32,457	14,210
Less: invoice finance	(5,172)	(536,301)	-	-
	316,925	464,520	32,457	14,210

16. Creditors: Amounts falling due within one year

	Group 31 December 2019 £	Group 31 March 2019 £	Company 31 December 2019 £	Company 31 March 2019 £
Invoice finance	5,172	536,301	-	-
Bank loans	-	300,000	-	300,000
Other loans	-	187,500	-	187,500
Trade creditors	364,497	544,323	5,042	17,001
Deferred consideration	-	300,000	-	300,000
Amounts owed to group undertakings	-	-	4,019,334	3,691,368
Corporation tax	87,841	198,798	-	-
Other taxation and social security	64,098	218,567	23,558	16,468
Obligations under finance lease and hire purchase contracts	31,563	50,380	-	-
Other creditors	182,727	110,036	154,782	21,527
Accruals and deferred income	109,841	323,054	28,568	258,499
	845,739	2,768,959	4,231,284	4,792,363

Obligations under finance leases and hire purchase agreements are secured on the assets concerned.

17. Creditors: Amounts falling due after more than one year

	Group 31 December 2019 £	Group 31 March 2019 £	Company 31 December 2019 £	Company 31 March 2019 £
Bank loans	-	315,564	-	315,564
Other loans	-	294,527	-	294,527
Deferred consideration on acquisition	-	300,000	-	300,000
Net obligations under finance leases and hire purchase contracts	-	18,968	-	-
Loan notes	-	1,466,108	-	1,466,108
	-	2,395,167	-	2,376,199

18. Loans

	Group 31 December 2019 £	Group 31 March 2019 £	Company 31 December 2019 £	Company 31 March 2019 £
Amounts falling due within one year				
Bank loans	-	300,000	-	300,000
Other loans	-	187,500	-	187,500
Amounts falling due 1-2 years				
Bank loans	-	300,000	-	300,000
Other loans	-	150,000	-	150,000
Amounts falling due 2-5 years				
Bank loans	-	15,564	-	15,564
Other loans	-	144,527	-	144,527
	-	1,097,591	-	1,097,591

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 31 December 2019 £	Group 31 March 2019 £
Within one year	31,563	50,380
Between 1-5 years	-	18,968
	31,563	69,348

20. Financial instruments

	Group 31 December 2019 £	Group 31 March 2019 £	Company 31 December 2019 £	Company 31 March 2019 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	824,109	1,306,931	38,305	65,204
Financial assets that are cash and cash equivalents	322,097	1,000,821	32,457	14,210
	1,146,206	2,307,752	70,762	79,414
Financial liabilities				
Financial liabilities that are debt instruments measured at amortised cost	(578,788)	(3,887,406)	(4,179,159)	(6,983,595)
Financial liabilities that are cash and cash equivalents	(5,172)	(536,301)	-	-
	(583,960)	(4,423,707)	(4,179,159)	(6,983,595)

Financial assets that are cash and cash equivalents comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to group undertakings, bank loans, net obligation under finance leases and hire purchase contracts, loan notes and other loans.

Financial liabilities that are cash and cash equivalents comprise invoice finance.

21. Deferred taxation

Group

	31 December 2019 £
At beginning of year	(361,126)
Charged to profit or loss	40,615
At end of year	(320,511)

21. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 31 December 2019 £	Group 31 March 2019 £
Accelerated capital allowances	(5,586)	(8,907)
Deferred tax arising on fair value adjustments on acquisitions	(314,925)	(352,219)
	(320,511)	(361,126)

22. Share capital

	31 December 2019 £	31 March 2019 £
Allotted, called up and fully paid		
47,021 (2019 - 47,021) A ordinary shares of £1.00 each	47,021	47,021
45,000 (2019 - 45,000) B Ordinary shares of £1.00 each	45,000	45,000
1 (2019 - Nil) C Ordinary share of £1.00	1	-
	92,022	92,021

A and B Ordinary shares carry full voting rights and hold the same dividend rights.

C Ordinary shares carry no voting rights and no dividend rights.

Prime Document Trustee Limited, a wholly owned subsidiary, owns nil (31 March 2019: 10,919) A Ordinary shares at the balance sheet date.

23. Reserves

Share premium account

This reserve represents the value that shares were purchased for above the nominal share value.

Capital redemption reserve

This reserve represents the value of the company's own shares that were repurchased.

Profit & loss account

This reserve includes all current and prior period retained profits and losses, less dividends paid.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £23,036 (31 March 2019 - £12,607).

25. Commitments under operating leases

At 31 December 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 December 2019 £	Group 31 March 2019 £
Land and buildings		
Not later than 1 year	83,300	83,300
Later than 1 year and not later than 5 years	145,775	215,192
	229,075	298,492

	Group 31 December 2019 £	Group 31 March 2019 £
Other operating leases		
Not later than 1 year	140,618	157,829
Later than 1 year and not later than 5 years	29,028	127,777
	169,646	285,606

26. Post balance sheet events

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

Following the year end the group went through a re-branding exercise and therefore the Brand Intangible on the statement of financial position will be impaired in the next year ending 31 December 2020.

27. Controlling party

The immediate and ultimate parent is UnifiedPost Group, a company incorporated in Belgium.

The smallest group in which the results for PDOCHOLCO Limited are consolidated for the current financial year is that headed by PDOCHOLCO Limited.

The largest group in which the results for PDOCHOLCO Limited are consolidated for the current year is that headed by UnifiedPost Group SA.

The registered office of UnifiedPost Group SA is Avenue Reine Astrid 92A, 1310 La Hulpe, Belgium.

THE COMPANY

Unifiedpost Group SA/NV

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