

## Keyware's profitability and cash position improve in the first half of 2024

*As a direct result of the divestment of EasyOrder's loss-making business  
in the second half of 2023*

Brussels, Belgium – September 6, 2024 – Keyware Technologies (EURONEXT Brussels: KEYW) today announces financial results for the first half of 2024, which ended June 30, 2024.

The financial picture for the first half of 2024 can be summarised as follows

| Key figures                                     | 1st semester (6 months) |                  |            |            |
|---|-------------------------|------------------|------------|------------|
| <b>Result indicators</b>                        | <i>unaudited</i>        | <i>unaudited</i> |            |            |
| for the period ending on                        | 30/06/2024              | 30/06/2023       | Difference | Difference |
|   | kEUR                    | kEUR             | kEUR       | %          |
| Revenues  | 11.864                  | 12.838           | -974       | -7,6%      |
| EBIT  | 1.418                   | 384              | 1.034      | 269,3%     |
| EBITDA  | 2.723                   | 2.430            | 293        | 12,1%      |
| Profit before taxes for the period              | 1.664                   | 679              | 985        | 145,1%     |
| Net profit for the period                       | 1.607                   | 269              | 1.338      | 497,4%     |
| <b>Balance sheet figures</b>                    | <i>unaudited</i>        | <i>unaudited</i> |            |            |
|   | 30/06/2024              | 31/12/2023       | Difference |            |
|   | kEUR                    | kEUR             | kEUR       |            |
| Long and short-term financial debt<br>and loans | 1.125                   | 1.335            | -210       |            |
| Cash and cash equivalents                       | 3.812                   | 2.827            | 985        |            |

### COMMERCIAL PART

In September 2023, the activities of ordering app specialist EasyOrder were divested through an asset deal, with the results to be for the account of the Buyer from the second half onwards. Together with Magellan, specialized in payment software for banks and financial institutions, EasyOrder was part of Keyware's software division. This divestment has an impact on revenue (-20.8%), the customer portfolio and the go-to-market model.

While EasyOrder focused on individual (mainly Belgian) merchants and smaller chains, Magellan's SaaS solutions focus on national and international financial service providers and financial software

companies. Typical for these markets are the longer sales cycles. During the first half of 2024 and in line with the specific economic situation within its market segment, Magellan was confronted with delayed orders from customers and prospects.

The payment terminal segment experienced a slight decrease in revenue of 2% compared to the first half of 2023. This is mainly due to a combination of three factors: an adjustment in the composition of the sales teams with the associated training period, the introduction of a new CRM system with associated new workflows and commercial processes, and the more extensive lifecycle management with regard to older finance lease contracts. Although the number of closures and bankruptcies of businesses still has a significant impact on the commercial results, Keyware succeeds in convincing both commercial prospects and government departments with its quality offer thanks to its service portfolio and pricing strategy.

The so-called SoftPos solutions (where no physical payment terminal is used but a payment app) break through in the market less quickly than expected. The stability, speed, ease of use and fundamentally lower costs for mainstream use when adopting a physical payment terminal are decisive for most merchants.

The authorizations segment achieved a 5.8% increase in revenue. An important external factor in this is the increasing use of electronic payments by consumers. This trend continues across different age groups and within the different economic sectors. Another factor supporting this growth, in addition to an indexation of commissions, is the increase in the payment terminal fleet.

## FINANCIAL PART

### KEY FIGURES

#### Main result indicators

| Key figures                        | 1st semester (6 months) |                  |            |            |
|------------------------------------|-------------------------|------------------|------------|------------|
| <b>Result indicators</b>           | <i>unaudited</i>        | <i>unaudited</i> |            |            |
| for the period ending on           | 30/06/2024              | 30/06/2023       | Difference | Difference |
|                                    | kEUR                    | kEUR             | kEUR       | %          |
| Revenues                           | 11.864                  | 12.838           | -974       | -7,6%      |
| EBIT                               | 1.418                   | 384              | 1.034      | 269,3%     |
| EBITDA                             | 2.723                   | 2.430            | 293        | 12,1%      |
| Profit before taxes for the period | 1.664                   | 679              | 985        | 145,1%     |
| Net profit for the period          | 1.607                   | 269              | 1.338      | 497,4%     |
| <b>Ratios</b>                      | <i>unaudited</i>        | <i>unaudited</i> |            |            |
|                                    | 30/06/2024              | 30/06/2023       | Difference |            |
|                                    | kEUR                    | kEUR             | kEUR       |            |
| Gross profit margin                | 14,0%                   | 5,3%             | 8,7%       |            |
| (profit before tax / revenues)     |                         |                  |            |            |
| Profit margin                      | 13,5%                   | 2,1%             | 11,4%      |            |
| (net profit / revenues)            |                         |                  |            |            |
| EBITDA margin                      | 23,0%                   | 18,9%            | 4,0%       |            |
| (EBITDA / revenues)                |                         |                  |            |            |

#### Preliminary remark

- In the second half of 2023, EasyOrder's loss-making business was divested through an asset deal. This asset deal provides that the results will be for the account of the Buyer as of 1 July 2023
- When assessing the half-year results, it should therefore be noted that EasyOrder's activities were still part of the half-year figures for 2023, while this is only negligible in 2024.
- EasyOrder's key figures for both periods can be summarised as follows:

| In kEUR           | 30/06/2024 | 30/06/2023 |
|-------------------|------------|------------|
| Revenues          | -          | 537        |
| EBIT              | (21)       | (1,752)    |
| EBITDA            | (21)       | (1,011)    |
| Result before tax | (21)       | (1,696)    |
| Net result        | (25)       | (1,696)    |

In light of the asset deal signed after 30 June 2023, the 2023 half-yearly figures already recognised significant impairment charges on accounts receivable, which had a significant negative impact on the EBIT of the comparative year.

### Revenue and gross margin

- The Keyware Group achieved revenues of kEUR 11,864 compared to kEUR 12,838 for the same period in 2023, representing a decrease of kEUR 974 (or 7.6%) compared to the first half of 2023;
- The overall decrease in revenues of kEUR 974 of kEUR 1,164 is mainly attributable to the software segment. On the one hand, kEUR 537 can be allocated to the divestment of EasyOrder's loss-making activities in the second half of 2023, as a result of which no more revenues will be realised in 2024. On the other hand, Magellan sees a decline in its revenues of kEUR 627, mainly due to a decrease in revenues from licenses and maintenance contracts;
- In the first half of 2024, the payment terminal segment experienced a limited decrease of 2% (kEUR -107) compared to the corresponding semester of 2023;
- Revenues from the authorizations segment continue to grow from kEUR 4,966 as of June 30, 2023 to kEUR 5,255 as of June 30, 2024 (+5.8%). This higher income is due, among other things, to the growth of the terminal park, an increase in transactions as well as the indexation of commissions;

| Figures in kEUR       | 30.06.2024   | 30.06.2024     | 30.06.2024   | 30.06.2024   | 30.06.2024   |
|-----------------------|--------------|----------------|--------------|--------------|--------------|
|                       | Terminals    | Authorizations | Software     | Intersegment | Conso        |
| Segment data          | (unaudited)  | (unaudited)    | (unaudited)  | (unaudited)  | (unaudited)  |
| Revenues              | 5.261        | 5.255          | 1.419        | (71)         | 11.864       |
| Cost of sales         | (1.064)      | (3.322)        | (11)         | 71           | (4.326)      |
| <b>Gross margin</b>   | <b>4.197</b> | <b>2.003</b>   | <b>1.408</b> | -            | <b>7.538</b> |
| Share of revenues (%) | 44,3%        | 44,3%          | 12,0%        | (0,6)%       | 100,0%       |

| Figures in kEUR       | 30.06.2023   | 30.06.2023     | 30.06.2023   | 30.06.2023   | 30.06.2023   |
|-----------------------|--------------|----------------|--------------|--------------|--------------|
|                       | Terminals    | Authorizations | Software     | Intersegment | Conso        |
| Segment data          | (unaudited)  | (unaudited)    | (unaudited)  | (unaudited)  | (unaudited)  |
| Revenues              | 5.368        | 4.966          | 2.583        | (79)         | 12.838       |
| Cost of sales         | (1.000)      | (3.079)        | (180)        | 79           | (4.180)      |
| <b>Gross margin</b>   | <b>4.368</b> | <b>1.887</b>   | <b>2.403</b> | -            | <b>8.658</b> |
| Share of revenues (%) | 41,8%        | 38,7%          | 20,1%        | (0,6)%       | 100,0%       |

The decrease in the software's share in the consolidated revenues of the first half of 2024 and the further growth of the authorizations segment mean that both segments, payment terminals and authorizations, now have an equivalent contribution of 44.3% in consolidated revenues.

The consolidated gross margin is not a representative measure for the software segment as it does not include the main component of direct costs, namely personnel costs. In absolute terms, the gross margin decreased by kEUR 1,120, evolving from kEUR 8,658 as of 30 June 2023 to kEUR 7,538 as of 30 June 2024. For kEUR 673, this decrease is attributable to EasyOrder, whose activities were divested in the second half of 2023, so that they will no longer generate either revenue or gross margin in 2024.

### Profitability indicators

- **Operating profit (EBIT)** for the first half of 2024 amounts to kEUR 1,418 compared to kEUR 384 for the first half of 2023, i.e an increase of kEUR 1,034.  
EBIT increased despite the aforementioned decrease in the gross margin (kEUR -1,120), more specifically due to the elimination of EasyOrder's loss-making results following the asset deal. In the first half of 2023, EasyOrder's EBIT amounted to -kEUR 1,752, as other expenses,

personnel costs and impairment charges on current assets had a significant impact compared to the limited revenue of kEUR 537;

- **EBITDA** increased by kEUR 293 (+12.1%) during the first half of 2024, evolving to kEUR 2,723 as of 30 June 2024 compared to kEUR 2,430 as of 30 June 2023. The main explanation for the EBITDA increase lies in the fact that the saved loss of EasyOrder's activities is higher than the lower EBITDA in the payment terminal segment and at sister company Magellan;
- **Profit before taxes** amounted to kEUR 1,664 as at 30 June 2024 compared to kEUR 679 for the first half of 2023, an increase of kEUR 985 (or 145.1%). This increase is lower than the increase in EBIT (kEUR 1,034) due to lower financial income from finance lease contracts and higher financial costs;
- **Net profit** amounts to kEUR 1,607 on 30 June 2024 compared to a net profit of kEUR 269 for the first half of 2023, which is an increase of kEUR 1,338 (or 497.4%). As of 30 June 2024, the net profit is closer to the profit before taxes due to lower corporate income taxes (lower statutory profits) on the one hand and due to a deferred tax benefit instead of a deferred tax expense as at 30 June 2023.

## MANAGEMENT REPORT FOR THE FIRST SEMESTER OF 2024

### Management discussion and analysis of the results

The financial information in this management report should be read in conjunction with the condensed consolidated interim financial report and the consolidated financial statements for the year ended 31 December 2023. This condensed consolidated interim report has *not been audited or subjected to a limited review by the auditor, Mazars Bedrijfsrevisoren*.

The trends of the individual headings of the profit and loss account for the **first half of 2024** can be summarised as follows:

- **Consolidated revenues** for the first half of 2024 amounted to kEUR 11,864 compared to kEUR 12,838 for the same period in 2023, or a decrease of kEUR 974 (-7.6%). As previously explained, the decline is mainly in the software segment and to a limited extent in the payment terminal segment;
- The **cost of sales** as at 30 June 2024 is kEUR 4,326 compared to kEUR 4,180 as at 30 June 2023, hence experiencing only a slight increase of kEUR 146 (+3.5%). This increase is related to the increase in revenues of authorisations;
- In absolute terms, **the gross margin** decreased by kEUR 1,120 (or -12.9%) to kEUR 7,538 compared to kEUR 8,658 for the first half of 2023, as stated mainly attributable to the software segment and to a lesser extent to the payment terminal segment.
- **Personnel costs** amounted to kEUR 1,450 as of 30 June 2024 compared to kEUR 2,180 a year earlier; the decrease of kEUR 730 is largely due to the sale of EasyOrder's activities, which eliminates the need for personnel costs (kEUR 612 on 30 June 2023) and a variation in the number of employees.
- **Depreciations and amortizations** amounted to kEUR 562 and do not show a significant fluctuation compared to 30 June 2023 (kEUR -15);
- **Allowances on current assets** amounted to kEUR 817 compared to kEUR 1,528 over the same period in 2023, which is a decrease of kEUR 711 (or 34.9%). This decrease is mainly due to a lower allowances on accounts receivable (kEUR 590) and the reversal of impairment on inventories (impact of kEUR 121);
- **Other expenses** amounted to kEUR 3,515 as at 30 June 2024 compared to kEUR 4,197 over the same period in 2023, or a decrease of kEUR 682. Analogous to personnel costs, the divestment of EasyOrder's business is the main explanation (kEUR 727 as at 30 June 2023)
- **Financial income** showed a limited decrease of kEUR 22 as of 30 June 2024, from kEUR 359 as of 30 June 2023 to kEUR 337 as of 30 June 2024. The lower lease income is explained by the divestment of EasyOrder's business;
- **Financial charges** of kEUR 91 increased by 41.6% compared to the first half of 2023, but remain rather limited;
- The **taxes** as of June 30, 2024 are kEUR 142, which is significantly lower than kEUR 316 as of June 30, 2023. This is explained by lower statutory profits and therefore also corporate income tax;
- On the other hand, **deferred taxes** presented a revenue of kEUR 86 as of June 30, 2024 compared to an expense of kEUR 94 as of June 30, 2023. The slower growth at Payment Solutions is an explanation for this, as higher growth leads to more turnover, and therefore also higher deferred tax expenses (also called deferred taxes)

## Management discussion and analysis of the financial position

The main points for attention with respect to the **financial position as at 30 June 2024** are:

| Key figures<br>for the period ending on           | <i>unaudited</i><br>30/06/2024<br>kEUR | <i>audited</i><br>31/12/2023<br>kEUR |
|---|--|--------------------------------------|
| Shareholders' equity                              | 31.407                                 | 29.800                               |
| Long-term and short-term financial debt and loans | 1.125                                  | 1.335                                |
| Cash and cash equivalents                         | 3.812                                  | 2.827                                |
| Total liabilities                                 | 39.563                                 | 39.181                               |

  

| <b>Ratios</b>  | <i>not audited</i><br>30/06/2024<br>kEUR | <i>audited</i><br>31/12/2023<br>kEUR |
|--|--|--------------------------------------|
| Shareholders' equity / total liabilities                                 | 79,4%                                    | 76,1%                                |
| Long-term and short-term financial debt and loans / shareholder's equity | 3,6%                                     | 4,5%                                 |

- Shareholders' equity at 30 June 2024 was established at kEUR 31,407, representing 79.4% of liabilities;
- Financial debts and loans decreased by kEUR 210 compared to 31 December 2023 and amounted to kEUR 1,125 on 30 June 2024. The fluctuation is solely due to contractual repayments;
- Cash and cash equivalents amounted to kEUR 3,812 at 30 June 2024 compared to kEUR 2,827 on 31 December 2023, an increase of kEUR 985. In terms of cash flows, this increase of kEUR 985 can be broken down into operating cash flows (kEUR 1,387), investments (kEUR - 192) as well as repayments of loans and lease obligations (kEUR -210).  
The comparative period June 2023 only saw an increase in cash and cash equivalents of kEUR 294, mainly explained by lower cash flows from operating activities (again influenced by EasyOrder)

### Important events during the first half of 2024 and after 30 June 2024

Keyware is currently negotiating with an acquirer about the extension of the current agreement. There are no other significant events to report that have occurred during the first half of 2024.

There are no other significant events to report having occurred after June 30, 2024.

### Outlook

As for the payment terminals segment, we continue to see growth at the Payment Solutions subsidiary, with this recent years' trend also continuing into 2024, albeit to a lesser extent. The consolidation of the results of this segment stands and falls with a preconceived ambitious sales plan in which sufficient sales representatives can be allocated to achieve the set sales objectives on a permanent basis. It is also necessary to be able to respond to new market trends. Another challenge for this segment is the

further growth of Payment Solutions. The larger the contract base becomes, the more effort must be made to keep the annual contract burn rate as low as possible.

The authorisation segment has seen significant growth in recent years and also in the first half of 2024. The increase in revenues from authorizations is the result of more payment transactions (more spending by consumers) and higher commissions (due to the application of indexation). This source of income is closely linked to the evolution of the customer base of payment terminals, so that the growth of one brings about the growth of the other.

The outlook for revenues from this segment are related to ongoing negotiations with an acquirer for the renewal of the agreement.

In the software segment, we note that Magellan achieved a less good first half of 2024 because it recorded less license revenue, whereas in the first half of 2023 it was the other way around. This is often due to customers postponing their decision in time so that it can be expected that revenues will be higher in the second half of 2024 than for the first half of 2024.

### Change in the board of directors

At the Annual General Meeting held on 24 May 2024, the Board of Directors was reshuffled. The Board of Directors consists of 5 members, including 3 independent directors.

The members of the Board of Directors are:

| Director        | Representative         | Function  | Qualification               | Mandate end date |
|-----------------|------------------------|-----------|-----------------------------|------------------|
| Powergraph BV   | Guido Van der Schueren | President | executive                   | GA May 2026      |
| Miedec BV       | Mieke De Clercq        | director  | Non-executive / independent | GA May 2026      |
| Jadel BV        | Jan Gesquiere          | director  | Non-executive / independent | GA May 2026      |
| Debrako BV      | Koen De Brabander      | director  | Non-executive / independent | GA May 2026      |
| Mathilde Araujo |                        | director  | Non-executive               | GA May 2026      |



As a result of the acceptance of the resignation of the directors Lubentor BV, represented by Mr. Kurt Faes, and MASH BV, represented by Ms. Hildegard Verhoeven, the composition of the audit committee and the remuneration committee was also changed.

#### Composition of the audit committee

| Director   | Representative    | Function  | Qualification               | Mandate end date |
|------------|-------------------|-----------|-----------------------------|------------------|
| Miedec BV  | Mieke De Clercq   | Member    | Non-executive / independent | GA May 2026      |
| Jadel BV   | Jan Gesquiere     | Member    | Non-executive / independent | GA May 2026      |
| Debrako BV | Koen De Brabander | President | Non-executive / independent | GA May 2026      |

#### Composition of the remuneration committee

| Director   | Representative    | Function  | Qualification               | Mandate end date |
|------------|-------------------|-----------|-----------------------------|------------------|
| Miedec BV  | Mieke De Clercq   | President | Non-executive / independent | GA May 2026      |
| Jadel BV   | Jan Gesquiere     | Member    | Non-executive / independent | GA May 2026      |
| Debrako BV | Koen De Brabander | Member    | Non-executive / independent | GA May 2026      |

#### Change in financial management

Mr. Paul INNIGER left Keyware as CFO on 30 June 2024 and his duties have since been taken over by Kris TACKAERT.

**Lexicon**


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|---------------------------|--|
| <b>APM</b>                | Alternative Performance Measures   |
| <b>Gross margin ratio</b> | Gross margin / revenues (%)  |
| <b>EBIT</b>               | Earnings Before Interest and Taxes   |
|                           | Considered the operating result, i.e. operating profit / loss  |
| <b>EBITDA</b>             | Earnings Before Interest, Taxes, Depreciations and Amortizations   |
|                           | Defined as the Operating Result (EBIT) + Depreciations and Amortizations + Depreciations on Inventory + Depreciations on Receivables + Impairments |
|                           | The portion of impairments that relates to the period's revenues is not added back to determine EBITDA   |
| <b>IFRS</b>               | International Financial Reporting Standards  |
| <b>choice</b>             | Thousands of euros   |
| <b>KPIs</b>               | Key Performance Indicators   |
| <b>KT</b>                 | Short-term   |
| <b>LT</b>                 | Long-term  |

## APMs

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The reconciliation between EBIT and EBITDA is as follows:

| Key figures<br>for the period ending on   | <i>unaudited</i><br>30/06/2024<br>KEUR | <i>unaudited</i><br>30/06/2023<br>KEUR |
|---|--|--|
| <b>EBIT (operating profit)</b>  | <b>1.418</b>                           | <b>384</b>                             |
| Depreciations and amortisations   | 562                                    | 577                                    |
| Net allowances on inventories, trade and lease<br>receivables,<br><i>adjusted</i> for the losses relating to revenues originating<br>during that period | 743                                    | 1.469                                  |
| <b>EBITDA</b>   | <b>2.723</b>                           | <b>2.430</b>                           |
| <b>Ratio</b>  |  |  |
| EBITDA margin<br>(EBITDA / revenues)  | 23,0%                                  | 18,9%                                  |

## About Keyware

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Keyware (EURONEXT Brussels: KEYW) is a leading provider of electronic payment and transaction management solutions, as well as a software developer of payment solutions. Keyware is based in Zaventem, Belgium and more information is available at [www.keyware.com](http://www.keyware.com).

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