Annual report 2020

Unifiedpost Group

unifiedpost
GROUP

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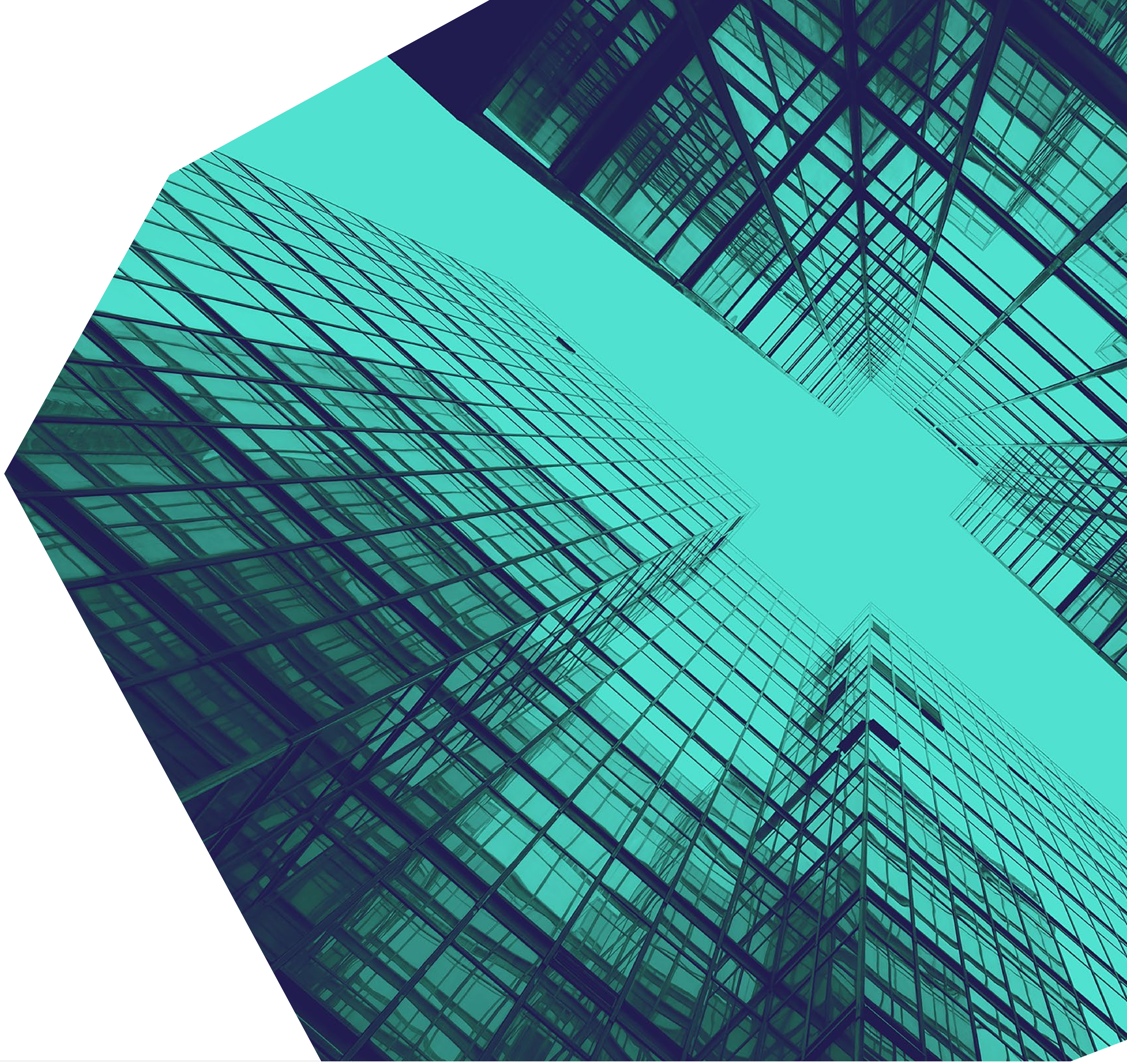
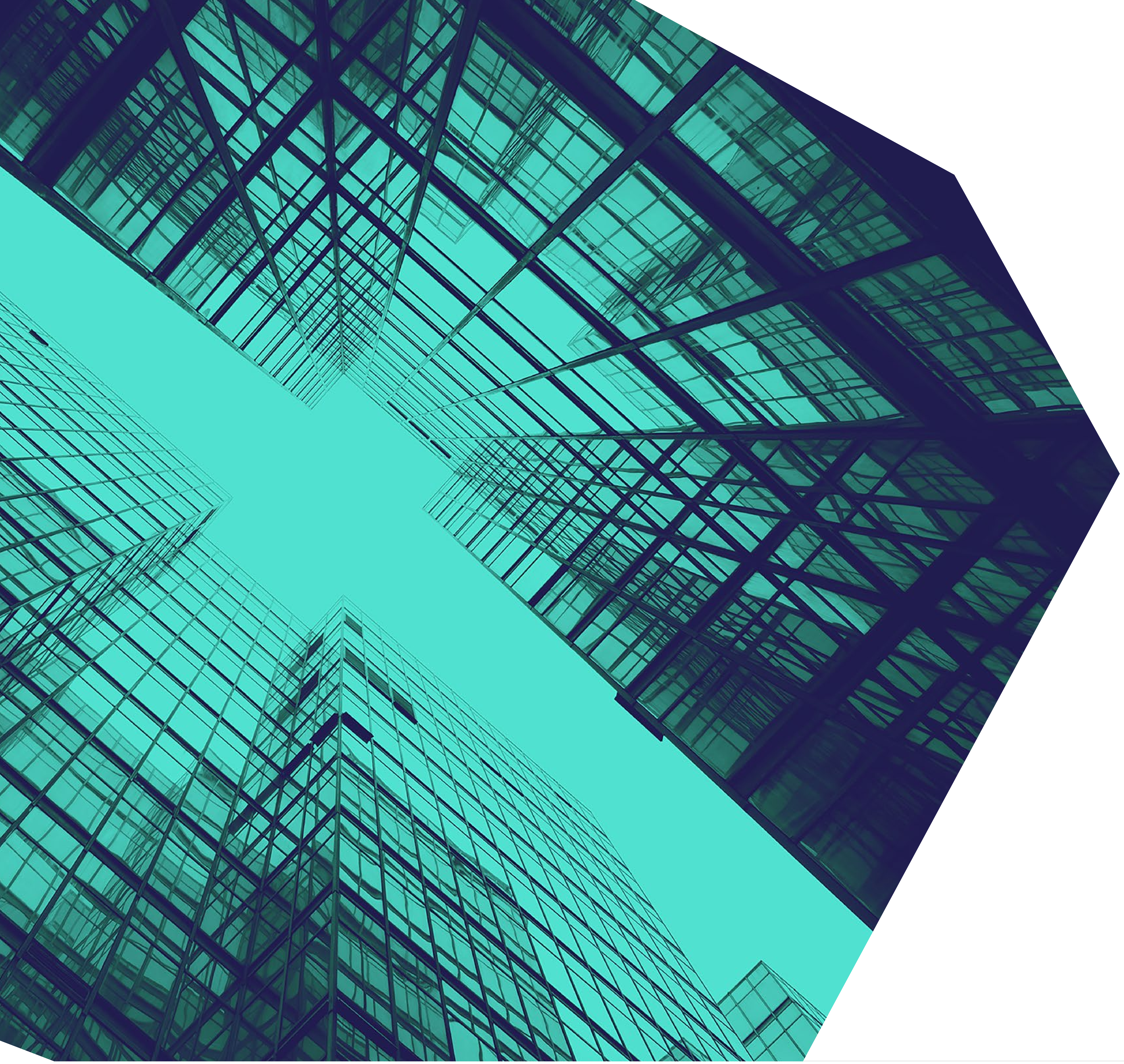




Disclaimer

This annual report may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, containing information such as, but not limited to, communications expressing or implying beliefs, expectations, intentions, forecasts, estimates or predictions (and the assumptions on which they are based) on the part of Unifiedpost. Forward-looking statements by definition involve risks and uncertainties. The actual future results or circumstances may therefore differ materially from those expressed or implied in forward-looking statements. Such a difference may be caused by a range of factors (such as, but not limited to, evolving statutory and regulatory frameworks within which Unifiedpost operates, claims in the areas of product liability, currency risk, etcetera). Any forward-looking statements contained in this annual report are based on information available to the management of Unifiedpost at date of publication. Unifiedpost cannot accept any obligation to publish a formal notice each time changes in said information occur or if other changes or developments occur in relation to forward-looking statements contained in this annual report. In the event of differences between the Dutch or French translation and the English original of this annual report, the latter prevails.

Message from the Chairman and CEO

We are delighted and proud to present the first annual report of Unifiedpost as a listed company. Despite the unfortunate setting of a global pandemic, 2020 was a memorable year for Unifiedpost. We are therefore extremely proud of the various milestones the company achieved - in different areas - in the course of this year. The foundations for our ambitious plans have been built and allow us to further and sustainably develop our trusted, communications and payments network. Based on this, we want our one-stop-shop to become a global leading connected tech services platform, by providing a wide variety of financial, operational, knowledge and e-commerce services to SMEs.

2020, a year in which solid foundations were built

New strategic partnerships

In April 2020, Unifiedpost signed an exclusive strategic partnership with the national French accounting organisation ECMA to exclusively launch the new digital platform 'Jefacture.com' in France. This partnership was established as a result of an international tender by the French government which decided to make B2B e-invoicing in France, a market of almost 20,000 chartered accountants and 2 million SMEs, mandatory as from 2023.

In November 2020, Unifiedpost also entered into a strategic partnership with Google Cloud, which allows us to use Google Cloud Document Artificial Intelligence (DocAI) technology for our services and document digitisation.

Further investments in research and development

In 2020, Unifiedpost invested a third of its revenue in R&D, which is significant. The objective here is twofold. We continuously innovate to improve our platform in terms of user-friendliness, reliability and performance. We also want to create concrete, targeted added value for SMEs by developing new features and services offered in our one-stop-shop. This results in an intensive innovation process throughout all levels of the company.

In the spring of 2020, Unifiedpost Payments, a group subsidiary recognised as a payment institution by the National Bank of Belgium, launched a multifunctional payment functionality on the SME-platform. This integration of payment services is essential for the strategic orientation and development of our services, not in the least to differentiate us in the market.

Successful IPO

On 22 September 2020, with the ringing of the bell on Euronext Brussels, Unifiedpost's listing was launched. This undoubtedly was a new milestone for the company. Through a very successful private placement of new and existing shares for an amount of €252 million, mainly global Tier-1 institutional investors stepped into the company. The financial resources raised here allow us to accelerate the pan-European roll-out of the SME-platform and to further realise our buy-and-build strategy.

Following the IPO, the corporate governance structure was also further developed. The Corporate Governance Charter was drawn up and the Board of Directors was further diversified. Katya Degrieck, Marie-Ange Marx, Katrien Meire and Joost Uwents were appointed as independent directors. As a public fintech company with more than a thousand employees worldwide today, we are aware of the social role and increasing impact that we have as a multinational company. Therefore, in the near future, we want to pay even more attention to sustainability and the development of an ESG (Environmental, Social and Governance) framework when establishing our strategy.

External growth

At the very last minute, we were able to announce the acquisitions of 21 Grams Holding, Akti and BanqUp in December 2020, which were completed in early January 2021.

With more than 800, mainly large customers, about 70 employees and the processing of approximately 80 million documents on an annual basis, the Swedish 21 Grams Holding is a leading provider in the Nordic countries of mission-critical outbound mailing solutions and also provides optimised post(age) and parcel services. With this acquisition Unifiedpost immediately has full access to the Nordic SME-market.

The acquisition of the Belgian-Polish BanqUP not only gives Unifiedpost access to the Polish market but also to the technology of open banking ecosystems enabling analyses of combined banking and document data. These are still needed to offer innovative payment and financing solutions, and thus to become a full fintech. With the e-commerce solutions, including order management and product catalogue management, of Belgian company Akti, Unifiedpost meets the growing demand for e-commerce solutions to be integrated into the platform.

In March 2021, Unifiedpost already announced a second wave of acquisitions. The Italian Digithera and the Spanish Sistema Efactura give us access to two countries that are essential in the pan-European roll-out of the platform.

In April 2021, the German company Crossinx was acquired. The solutions of both companies and their markets are highly complementary. By joining forces, the combined group can now offer full order-to-cash and procure-to-pay solutions to small businesses, medium-sized corporates and large enterprises. Unifiedpost now also gets access to the important German market, and even the full DACH region and Hungary.

COVID-19 has a two-fold effect

2020 was also the year when society and the global economy were hit by the COVID-19 pandemic. Safety and mental well-being became the most important concern worldwide, not least for Unifiedpost when it comes to its employees.

Our numbers confirm that we are on track to become a global leading connected tech services platform, by providing a wide variety of financial, operational and e-commerce services to SME's.

Hans Leybaert
CEO and founder of Unifiedpost

A temporary drop in economic activity in some sectors inevitably implied fewer transactions by our customers on the platform. For Unifiedpost this resulted in a relatively limited decrease in revenue of around €3 million. On the other hand, the pandemic has led to an acceleration of digitisation and the number of SMEs onboarded on the Unifiedpost platform grew significantly by 34%, surpassing the landmark of 450,000 European SME customers.

With a double-digit growth we are on the right track

With a consolidated revenue of €69 million in 2020 (€47 million in 2019) we are particularly proud that we were able to achieve a double-digit growth of 47% in 2020 despite the pandemic. Including the recently completed acquisitions of 21 Grams Holding, Akti and BanqUP, the pro forma revenue for 2020 rises to €146 million (of which 96% is recurring). These growth figures confirm that we are on track to become the leading European cloud-based platform for SMEs.

The financial cash position of almost €126 million at the end of 2020, supplemented by other means of financing, allows us to continue our organic and external growth strategy.

The successful listing on Euronext Brussels allowed Unifiedpost to accelerate the pan-European roll-out of the SME-platform and to further realise its targeted buy-and-build strategy.

Stefan Yee
Chairman of Unifiedpost

2021 as a construction year for a solid future

2021 is an important 'construction year' for Unifiedpost. We confidently look ahead and continue to build solid foundations to achieve the financial targets we have set for 2022 (an organic revenue growth exceeding 25% year-on-year) and for 2023 (a gross margin of more than 60% and an EBITDA margin of more than 25%). Additionally, as from 2023 the annual organic growth will be at least 30%.

In 2021, we will focus on rolling out our platform - including payment services - in 26 countries, integrating the acquisitions, and on continuing to make targeted, strategic acquisitions.

To boost our organic growth, investments in research and development will remain significant. We plan to launch value-added services such as e-commerce and big data analytics. We will maintain our indirect sales approach, with the creation of new ecosystems and partnerships with financial institutions and software companies as essential elements for sustainable long-term growth.

More than ever connected

In all respects, 2020 was indeed an extraordinary year for Unifiedpost.

We would like to sincerely thank all our shareholders, customers, partners, suppliers and other stakeholders for their continued trust in Unifiedpost.

Finally, we would like to especially thank Unifiedpost's more than 1,000 employees worldwide today for their dedication and commitment in often difficult circumstances. We are incredibly proud of what we have achieved together and confidently look forward to the future to realise our ambitions together.

Hans Leybaert
CEO

Stefan Yee
Chairman

1. Unifiedpost at a glance

1.1 Key figures

2020 KEY FIGURES

851
FTEs

91%
2020
Recurring revenue share

16
Countries

€68,9m
2020
Revenue

2001
Founded, HQ Belgium

8
Successful acquisitions last 3 years

400m+
Documents processed

5,000,000+
Connected users

450,000+
SMEs

550+
Large corporates and governments

PROFORMA 2020 KEY FIGURES

+1000
FTEs

96%
PF 2020
Recurring revenue share

23
Countries

€146,1m
PF 2020
Revenue

550,000+
SMEs

6
Successful acquisitions in 2021

1.2 Mission

Unifiedpost is a Belgian fintech company that provides a one-stop shop cloud-based platform for administrative and financial processes that allows real-time and seamless connections between Unifiedpost's customers, their suppliers, their accountants, the authorities and other parties along the financial value chain. The platform for small and medium sized companies (SMEs) offers services to manage inbound and outbound documents, payments and e-identity services. 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 become the leading trusted communications and payments business network in Europe, and beyond. Therefore, we are building a digital network of thousands of businesses, both SMEs and corporates, with a strong pan-European focus, while simultaneously closing partnerships in the other continents of the world.

Unifiedpost believes that businesses seek to digitalize and optimise the various steps in their administrative and financial value chains: from contract to invoice, from invoice to cash 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.

1.3 Business

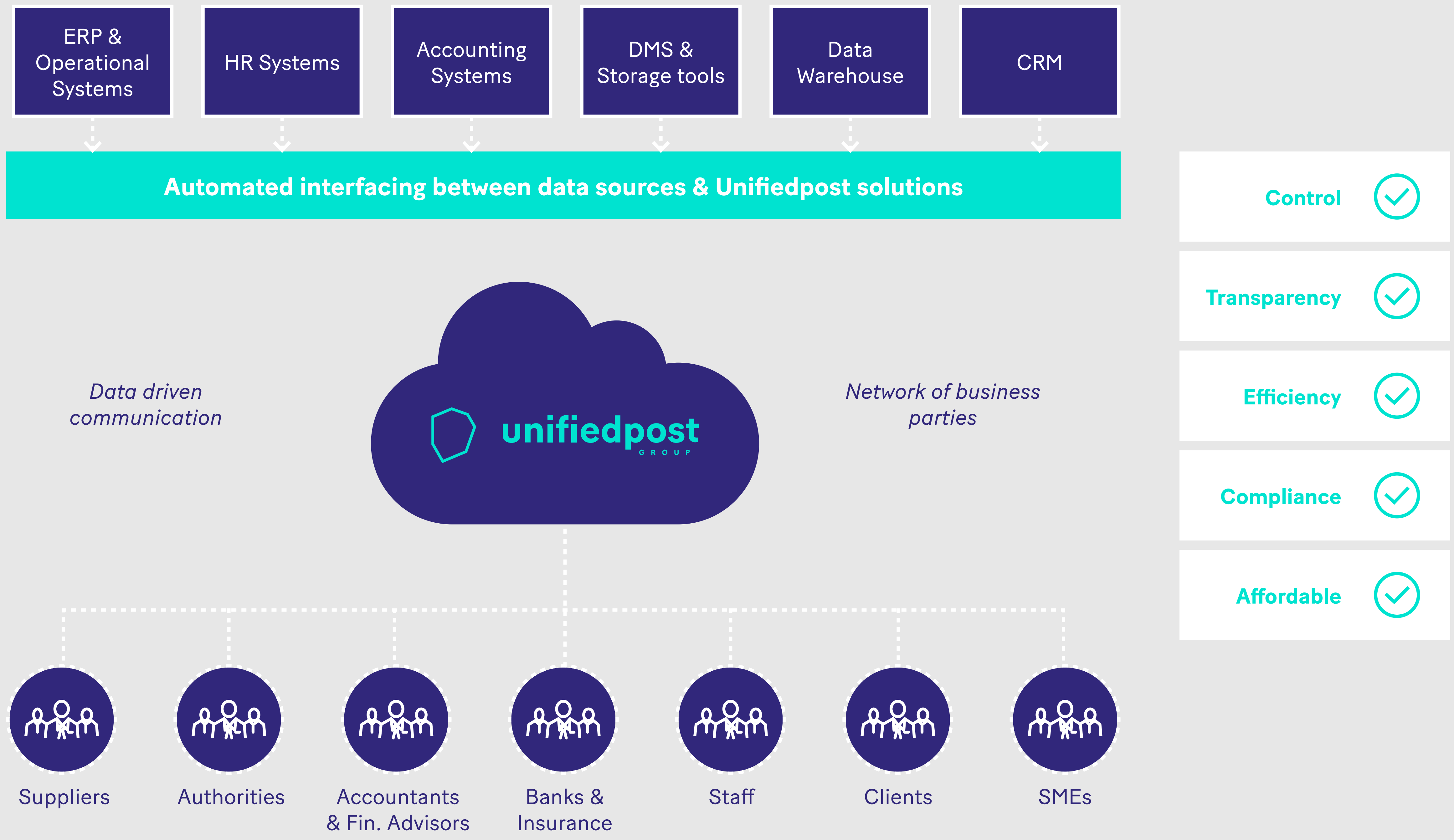
Unifiedpost's customers use the Unifiedpost platform internationally, regardless of their size or location, to digitally generate and deliver outbound documents, process inbound documents, manage approvals, make payments, facilitate the collection of payments, automatically synchronize invoices and payments with their internal business systems (including their accounting software), and generally to optimise their administrative and financial processes.

For an adequate understanding of the complete invoicing market that is in place and of Unifiedpost's business focus, we provide a general overview of the various axes that form the scope of the invoicing market. There are three business sizes and two delivery types which can easily be identified as main axes of the invoicing market. The business sizes comprise SMEs, mid-size companies and large corporates, and the delivery types consist of inbound and outbound delivery. Unifiedpost decided to focus on SMEs on the inbound and outbound level with a complete SME platform solution, while also servicing corporates and mid-size companies with specific Unifiedpost solutions, mostly on the outbound level, as these companies can also act as superspreaders of our SME solution towards suppliers and generate quality revenue. Every business can be a client of Unifiedpost, as the main goal is to connect all businesses on a trusted communications and payments business network.

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 digitisation 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 digitisation of their administrative and financial value chain (including business processes such as customer relationship management ("CRM"), enterprise resource planning ("ERP"), accounting and financial reporting systems, HR systems and payment processing systems) in order to drive operational efficiencies, reduce costs and facilitate smooth, efficient and automated administrative and financial processes.

Unifiedpost anticipated these market developments by creating the Unifiedpost platform, which enables sophisticated connections with popular accounting software solutions, 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 organisation:



1.4 Competitive strengths

Unifiedpost aims to be a market leader across the entire pan-European market and believes that it has a strong competitive position, for the following reasons:

Unifiedpost offers a one-stop-shop solution purpose built for SMEs

Most companies on the market 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.

Scale benefits in combination with a global network

Across Europe, there are no other companies that operate with comparable scale and a footprint in 23 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. 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.

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 localisation 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).

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 organisation and has the capacity to continue to do so. Smaller players are less able to make the required investments. Many regulatory requirements (including amongst others GDPR and PSD2) in Europe are different or stricter than US regulatory requirements and therefore create additional barriers to entry for US peers (including amongst others GDPR, AML and PSD2).

Payment institute 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, has obtained a payment institute licence in 2016. This license is passportable across the EU and has been extended with, the legally required, PSD2 license in 2019. This allows Unifiedpost to offer a wide range of integrated payments services to its customers. To obtain a payment institute license a company needs to undergo thorough scrutiny from an EU-based regulator (e.g. a central bank in Europe) and needs to invest in, amongst 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 organisation. Unifiedpost believes that the payment institute 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 such a license and subsequently passport this license to other EU countries to be able to offer similar payment services across Europe.

Highly invested in security, privacy and compliance procedures in place

Unifiedpost prioritizes security throughout its platform, operations and organisation. In this respect Unifiedpost continuously focuses on quality. This is done through the adoption of and adherence to international standards and industry best practices. Unifiedpost has obtained various certifications which proof the soundness of its security measures. This includes an ISAE 3402 (a standard evidencing that an organisation has adequate internal controls) and ISO/IEC 27001 (an information security standard). In addition, Unifiedpost has aligned its procedures with the ITIL best practices.

Unifiedpost prioritizes security throughout its platform, operations and organisation. 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 organisation has adequate internal controls) and ISO/IEC 27001 (an information security standard), and its operations processes are aligned to ITIL best practices. Unifiedpost values the protection of its customer's personal data and has implemented various processes to comply with GDPR and local implementation laws. 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 National Bank of Belgium (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.

1.5 Business strategy

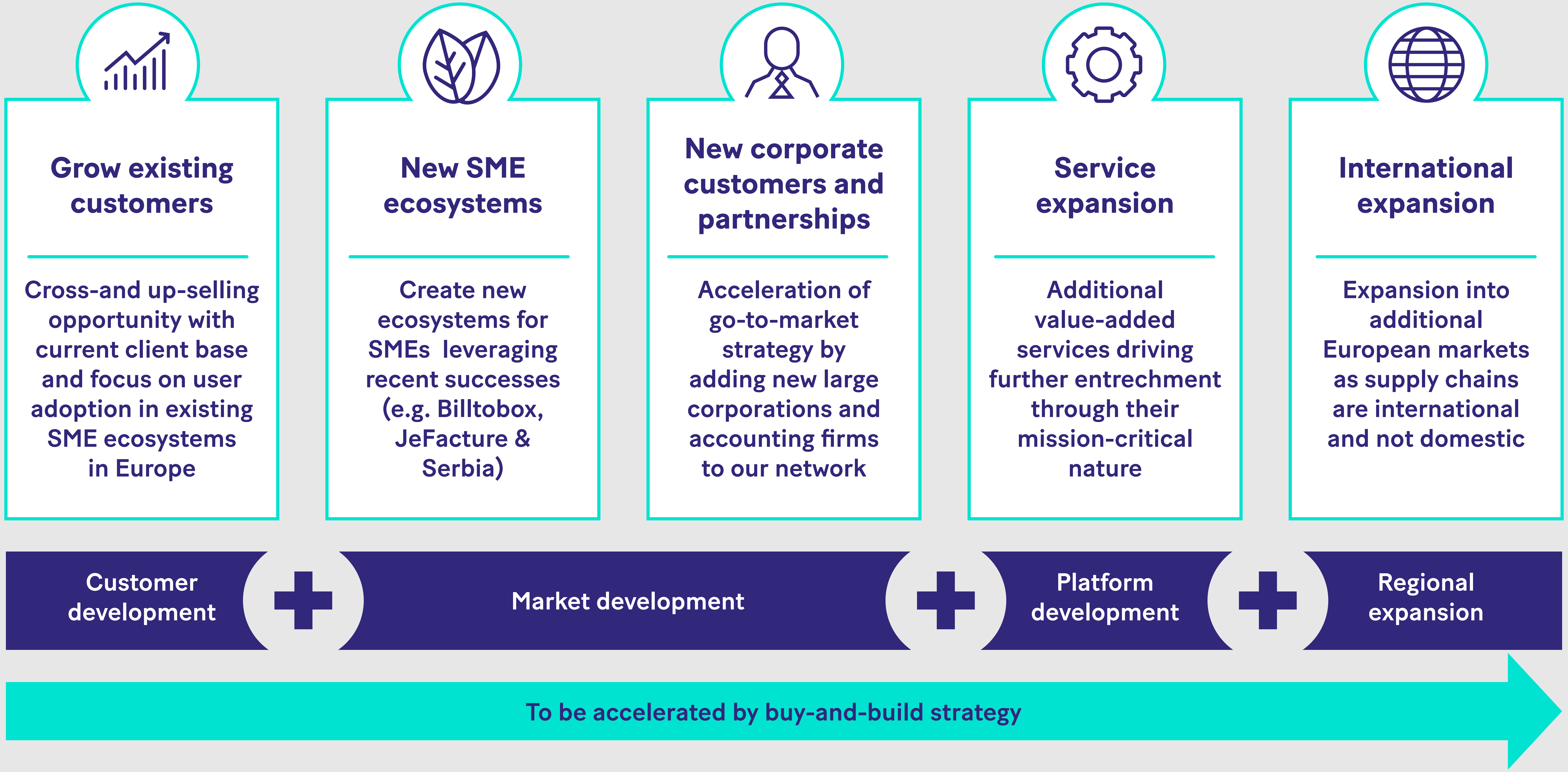
Unifiedpost seeks to grow its business organically by (i) growing volume from its existing customer base, including by cross- and upselling supplementary higher margin Payments, Identity and Platform Services, (ii) onboarding additional Business Ecosystems, (iii) adding more Corporate customers and partnerships, (iv) expanding its service offering, and (v) international expansion.

In each of its business units (Documents, Identity, Payments and Platform Services), Unifiedpost differentiates between two types of customers: Corporates and SMEs. 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. 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.

Equally important, Unifiedpost relies on a focused buy-and-build strategy to grow its business and add specialised 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).

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 5,000,000 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. 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.

The following image summarizes Unifiedpost's growth strategy:



Organic growth

1. Grow existing customer base

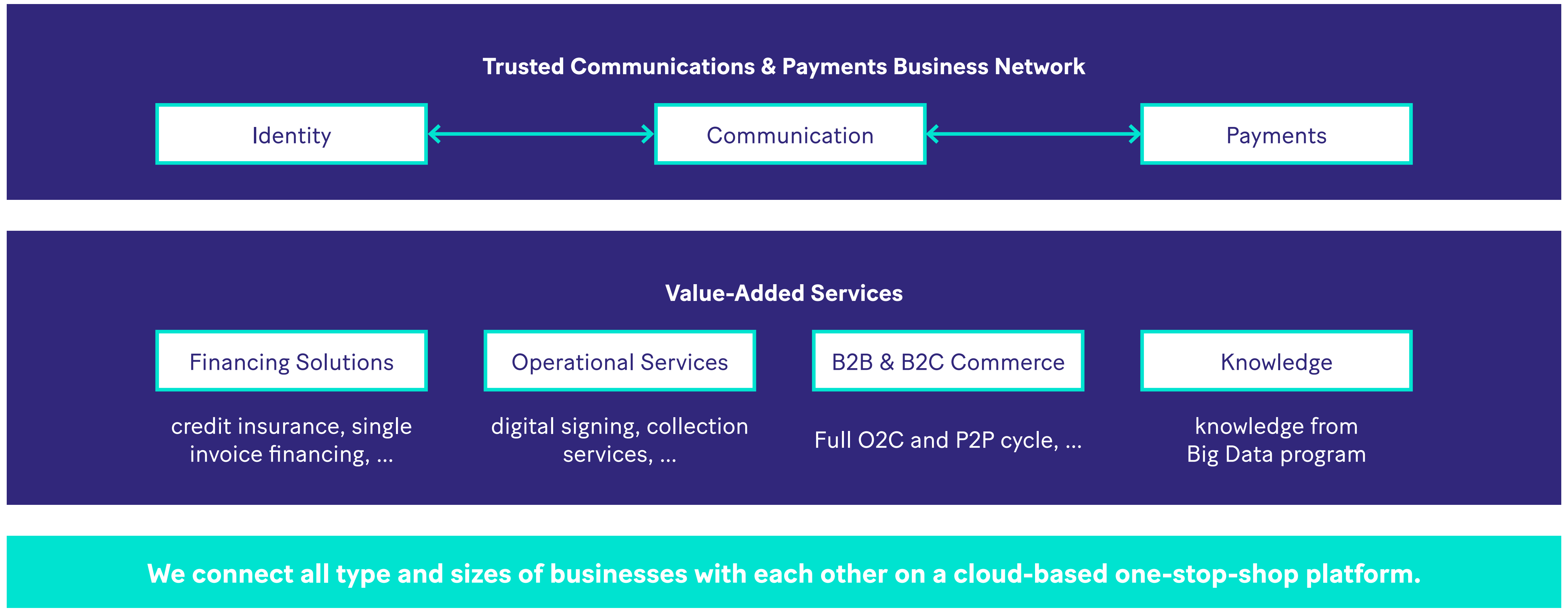
- Increasing the number of existing Business Ecosystem customers

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 digitisation. 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 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 Ambassadors. The Ambassadors 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 Ambassadors 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.

- 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:



The globally connected parties in our business network are linked through the cloud-based platform, which comprises a base layer with identity solutions, electronic documents exchange and payments functionality, alongside a layer of various value-added services. These services include financing solutions such as credit insurance and single invoice financing, operational services such as digital signing and collection services, B2B & B2C commerce for complete O2C and P2P processes and knowledge from our Big Data program. Both third-party services as homemade services are available in a marketplace which enriches our platform to be the most complete one-stop-shop for our clients, serving all the needs of SMEs.

2. 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 industry 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.

- Indirect Sales: Sponsors of Business Ecosystems

Large Corporates have systems in place that optimise 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 be 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 optimising 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 organised 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 digitisation 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.

The Unifiedpost platform also supports the digitisation 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, SMEs are linked with their accountants. This solution was launched in Belgium in close collaboration with the Institute of Tax Advisors and Accountants (ITAA), formerly IAB. 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).

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.

- 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.

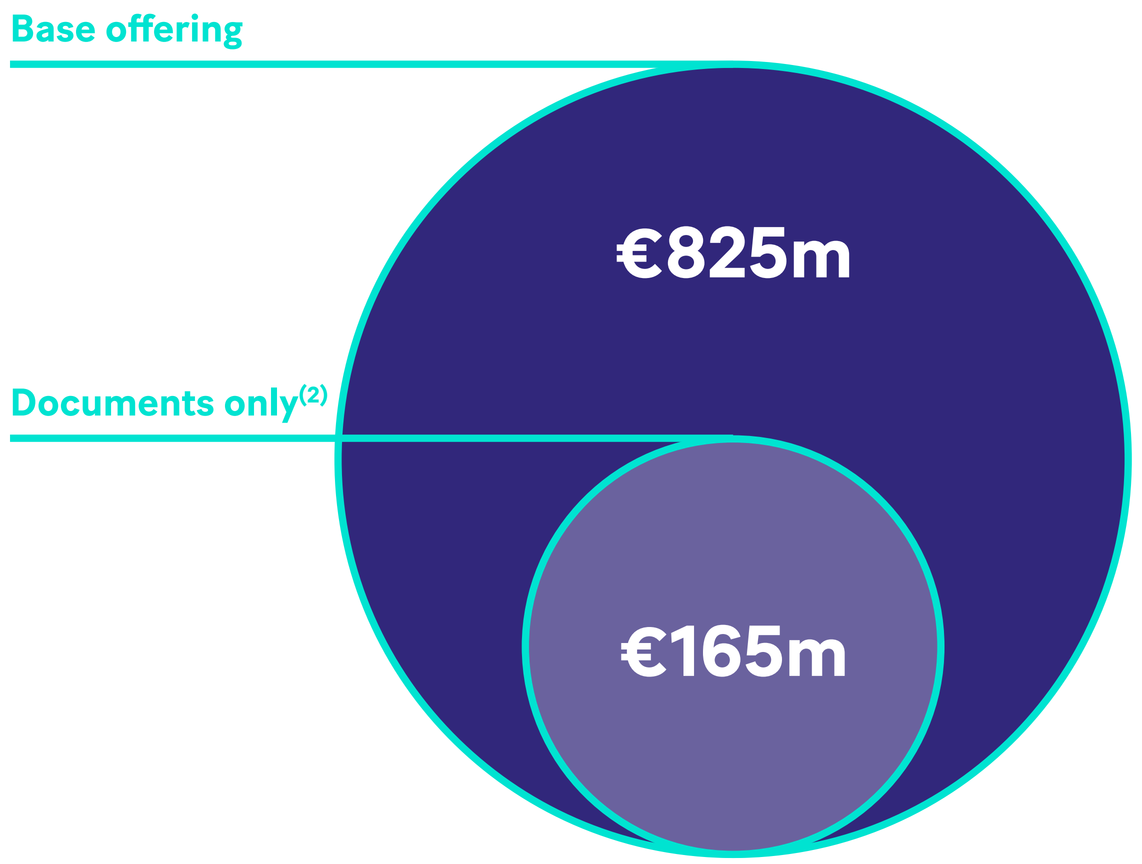
The SME market in France is a largely untapped opportunity for Unifiedpost, with approximately three times the volume potential compared to Belgium. Driven by regulatory changes in France, such as mandatory B2G e-Invoicing for small businesses as of January 2019 and for micro businesses as of January 2020 (driven by European directive 2014/55/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 accounting firms 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 800 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.

jefacture.com
Plateforme de factures électroniques

c.20,000 accountants	600m+ B2B invoices	c.2.75m SMEs served by accountants

- France's SME market is a largely untapped opportunity with **~3x the volume potential compared to Belgium** (Billtobox)
- Commercial **launch took place in April 2020**, including both the e-invoicing and payments functionalities
- Adoption of the platform to be **stimulated by ECMA and regulatory changes**

Total addressable market of JeFacture[1]



Other ECMA products: ORDRE DES EXPERTS-COMPTABLES ECM Association

jedeclare.com – Plateforme de flux télédéclaratifs et bancaires – >50%[3] market share

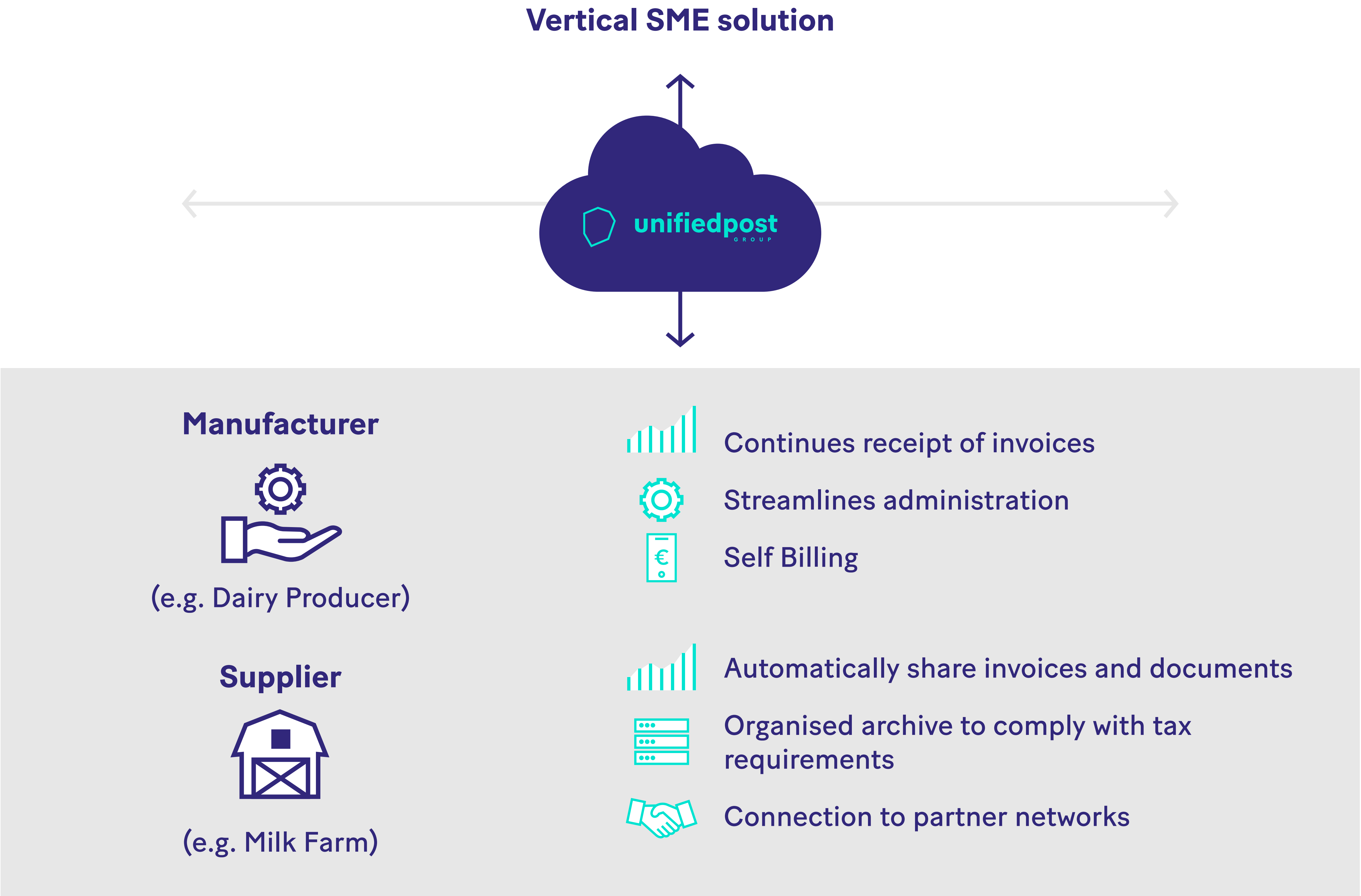
jesignexpert.com – Plateforme de signature pour la profession comptable – >50%[3] market share

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.

- 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. From an interface point of view, AgroBox is branded today as Billtobox, in alignment with the Unifiedpost branding strategy.

3. Add new Corporate customers and Partnerships

- 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 500 Corporates, including, amongst others, Total / Lampiris, Refinitiv,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 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. 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 recognised 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.

Corporate customers are particularly important for Unifiedpost's growth story, as they act as spreaders of our solutions. More specifically, corporates can serve as spreaders of our Platform towards the multiple SME suppliers they buy from. This creates win-win situations, as corporates can send their documents and invoices to the supplier in a convenient and digital way, who in turn will receive the documents and invoices on our cloud-based Platform, which offers additional functionality besides solely receiving the invoices from that specific corporate. The SME supplier can now connect with other businesses and send and receive invoices from other SMEs and corporates. Thus, the corporate customer is satisfied and the SME supplier is also satisfied, as the latter can benefit from greater functionality than with the typical solution it would usually operate for receiving the invoices from the corporate.

- Partnerships

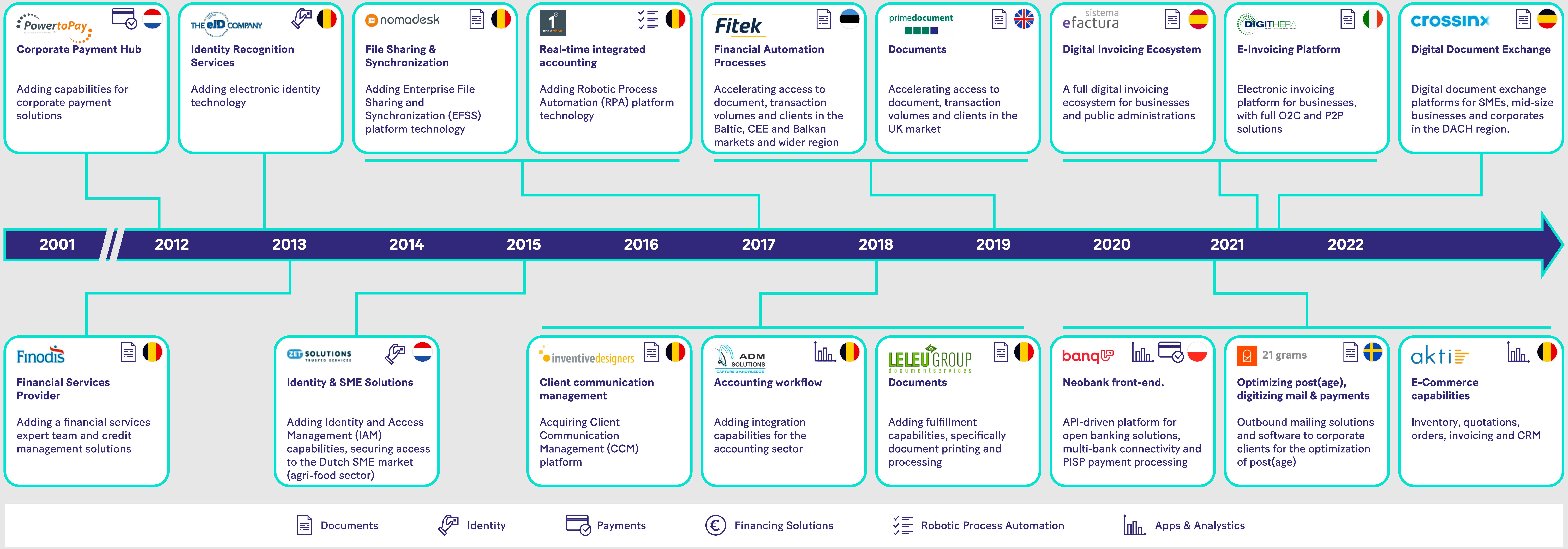
Certain Corporates work together with partners that offer business process outsourcing (BPO) services in order to simplify their business processes, such as accounting, payment processing, IT services and human resources. Unifiedpost provides such Partners with "white-labeled" and hosted solutions on 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.

Buy-and-build

Unifiedpost has an active M&A strategy which drives its organic growth strategy. It 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.

The company has funded acquisitions and will continue to do so through (a combination of) available cash, cash equivalents, the issuance of shares and third-party financing (to the extent possible under its existing credit arrangements).

The following image provides an overview of Unifiedpost's M&A track record:



1.6 Industry overview & competition

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 amongst 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 units (Documents, Identity, Payments and Platform Services):

- Invoicing & document exchange
- Identity management
- Payments
- Supply chain finance

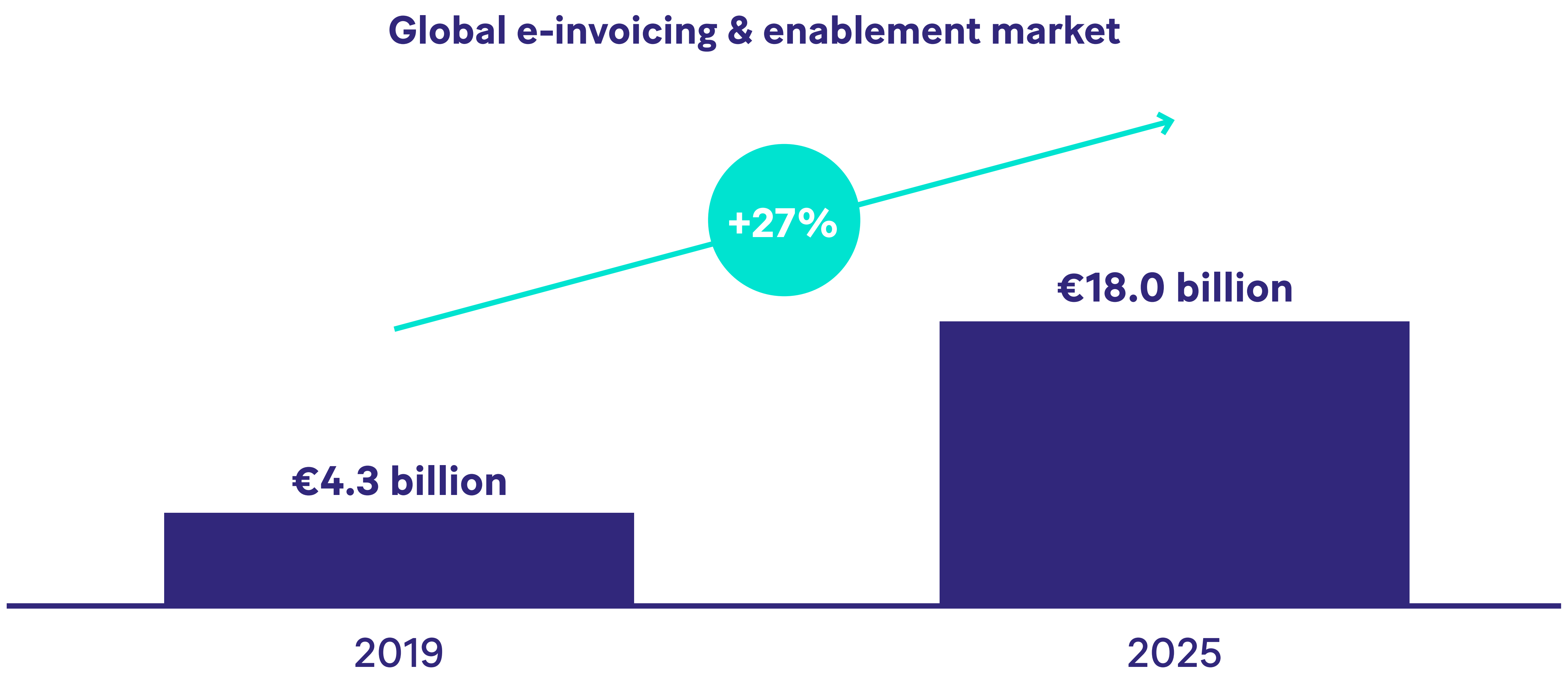
More recently, the COVID-19 pandemic has been an incremental driver for the acceleration of digital transformation. Social distancing, travel restrictions and remote working have induced a strong additional need for SMEs and Corporates to seamlessly communicate remotely with both internal (e.g. management 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. In 2020, the growth in SME users amounts to 34%, thereby surpassing to 450,000 European SME customers.

1. 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.
- Environmentally friendly: On average e-Invoices are four times more environmentally friendly as paper invoices (source: Federation of Finnish Financial Services, 2010).
- Starting point of digitisation: For many businesses e-Invoicing is the starting point for end-to-end digitisation. 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)

Key developments and trends in e-Invoicing

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 organisations will be forced by either regulation or important trading partners to exchange invoices solely in electronic format. Eastern Europe has the lowest penetration of e-Invoices (source: Billentis, February 2020).

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 digitisation 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).

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 amongst 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 labour 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.

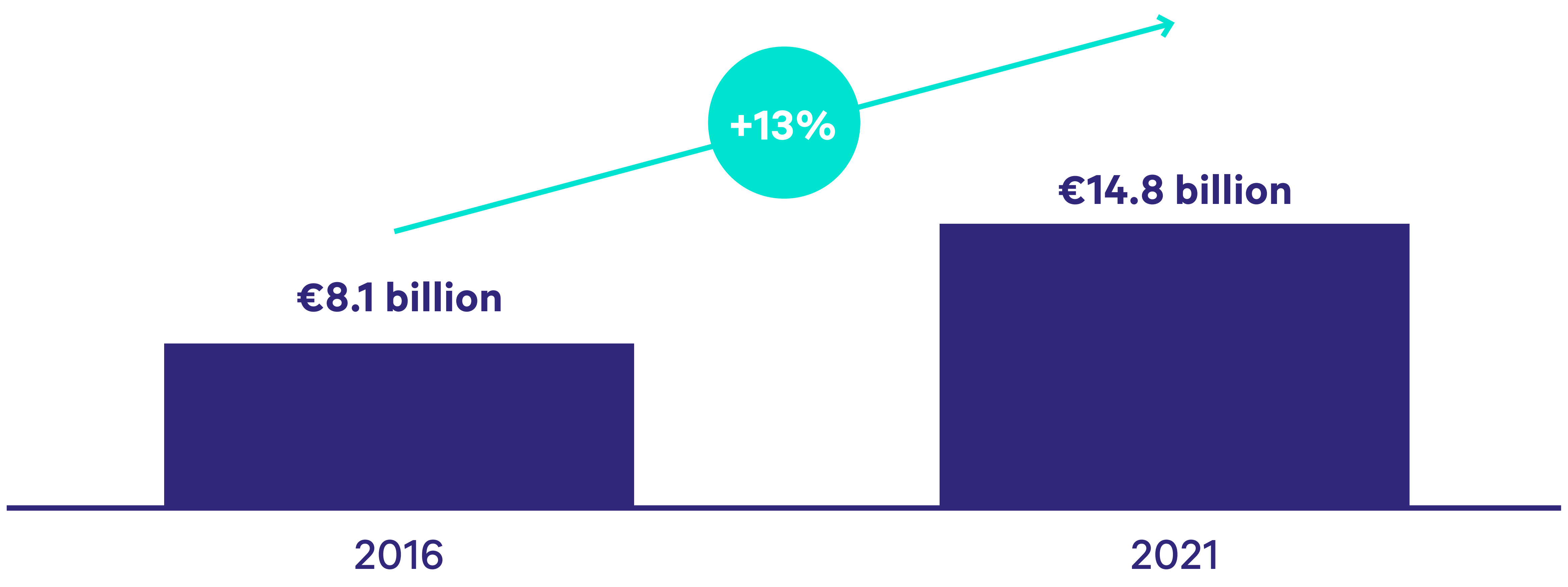
- Real-time or near-real-time solutions are increasingly being adopted:

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.

2. 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 authorisation processes). Managing employees' identities and authorisations across an organisation 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 amongst other things compliance, process inefficiencies and errors, an increase in hacking incidents and data breach cases, changing organisational 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).

Identity & access management market



Estimated size of the identity and access management market (source: MarketsandMarkets)

Key developments and trends in e-identity

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 maximise cyber security and minimise 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 authorisations

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 authorisations regarding all IT resources in a scalable, flexible and secure manner. As increasing portions of an organisation'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.

The eIDAS Regulation (i) lays down the conditions under which Member States recognise 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.

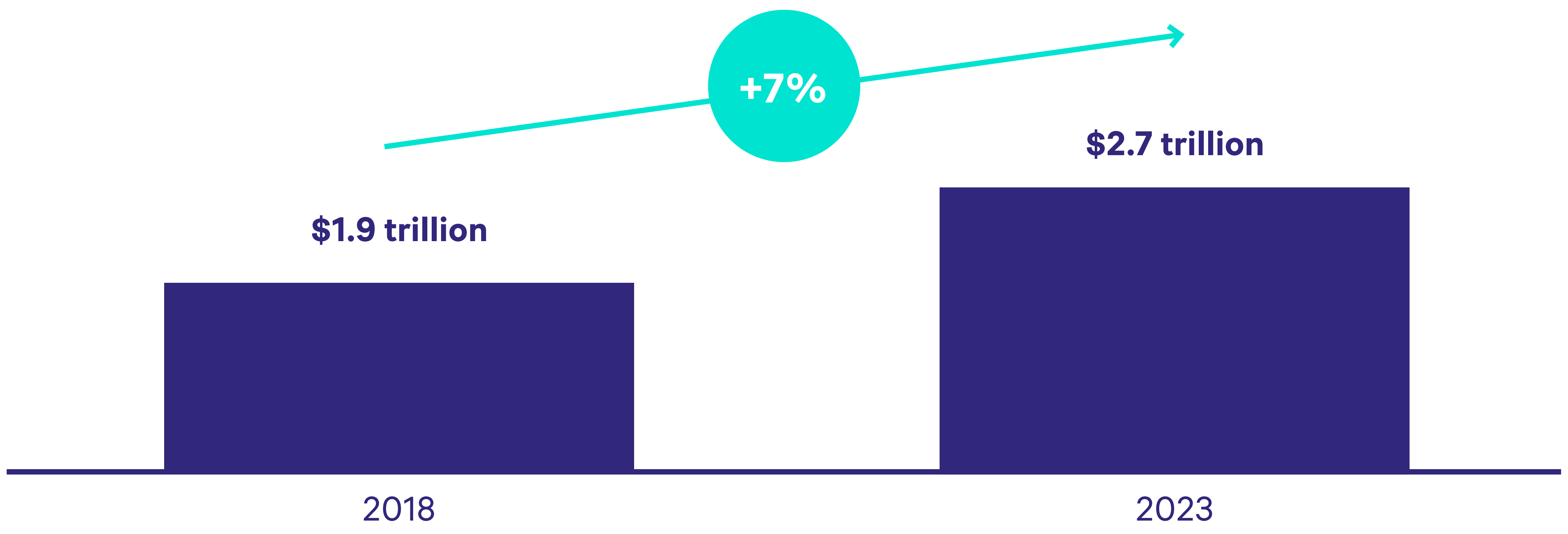
However, Member States take different approaches to eID management systems, varying from the use of specific Public Key Infrastructures (PKI) and the inclusion of eID in non-electronic identity tokens (such as identity cards, drivers' licenses) to reliance on electronic signatures and two factor authentication 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 harmonised approach has been slow.

In a bid to develop a more harmonised 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.

3. 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 revenues



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 centre 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 amongst 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 harmonise 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 organisation. 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

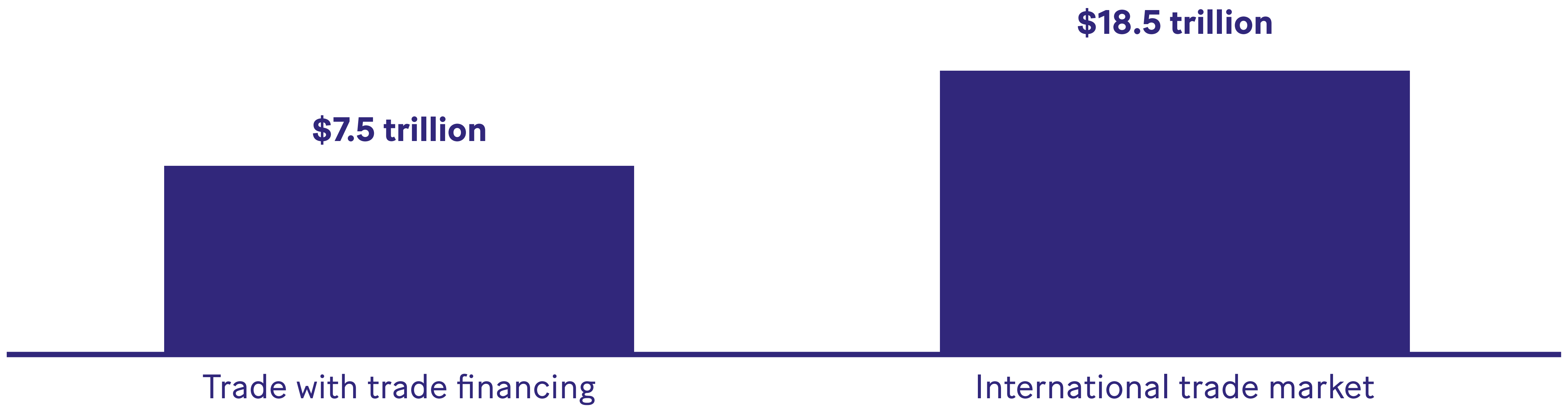
Regarding online (B2)B2C payments, local consumer preferences for payment methods tend to differ across Europe. The payment mix across Europe is shifting more and more towards (local) APMs. It was estimated that 53% of ecommerce payments in EMEA were made via APMs in 2018 vs. 68% in 2022 (source: Worldpay 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.

4. **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).

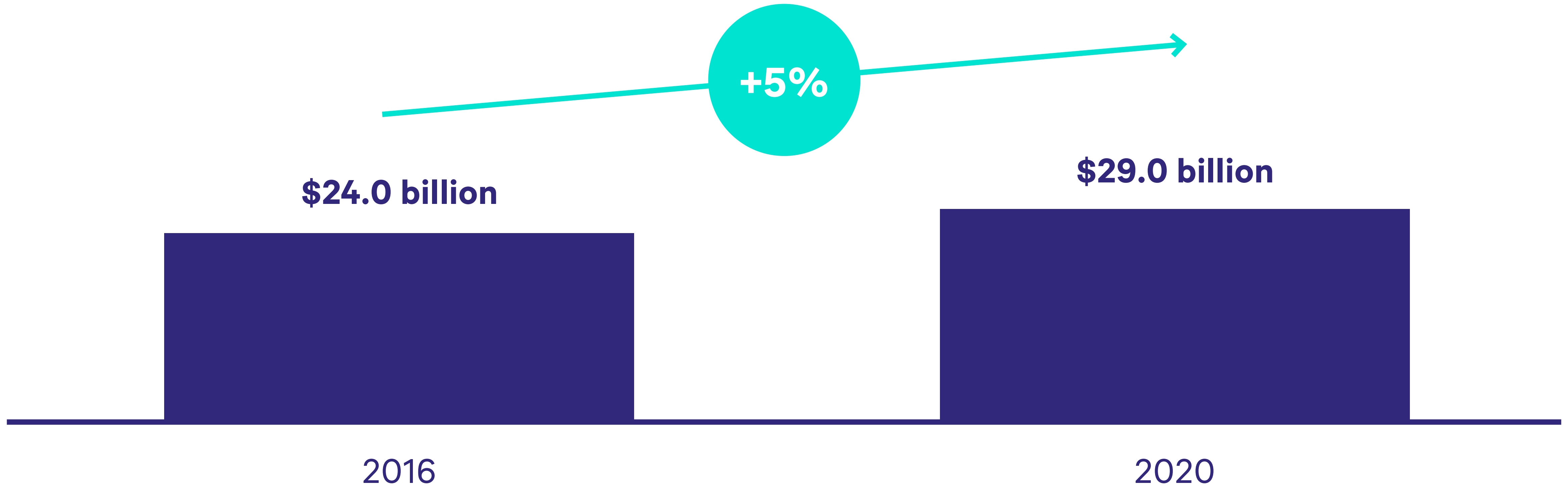
Trade financing and international trade volume



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).

Global supply chain finance market (revenue pools)



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).

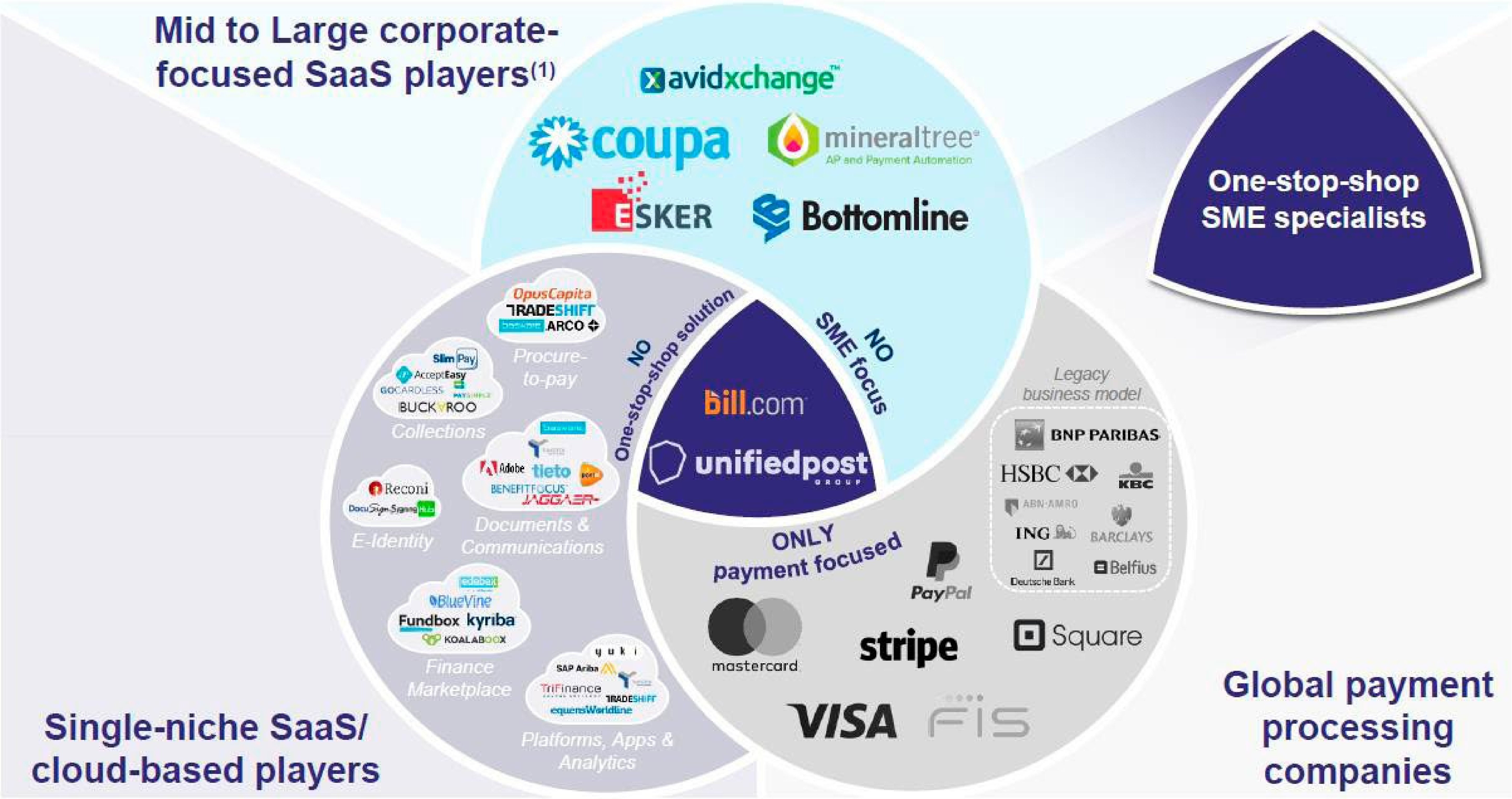
Fintech platforms and banks are converging to provide supply chain financing solutions

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 digitisation 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).

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 specialised 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. 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. 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 unit 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, Kyriba, OpusCapita, Pagero, SAP Ariba, Tradeshift, TriFinance and Tungsten Network.

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, Stripe, 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 specialised 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 partly competes with banks and technology companies that (may) offer payments and financing solutions. Nevertheless, Unifiedpost has taken an approach to collaborate with banks instead of competing with them.

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.

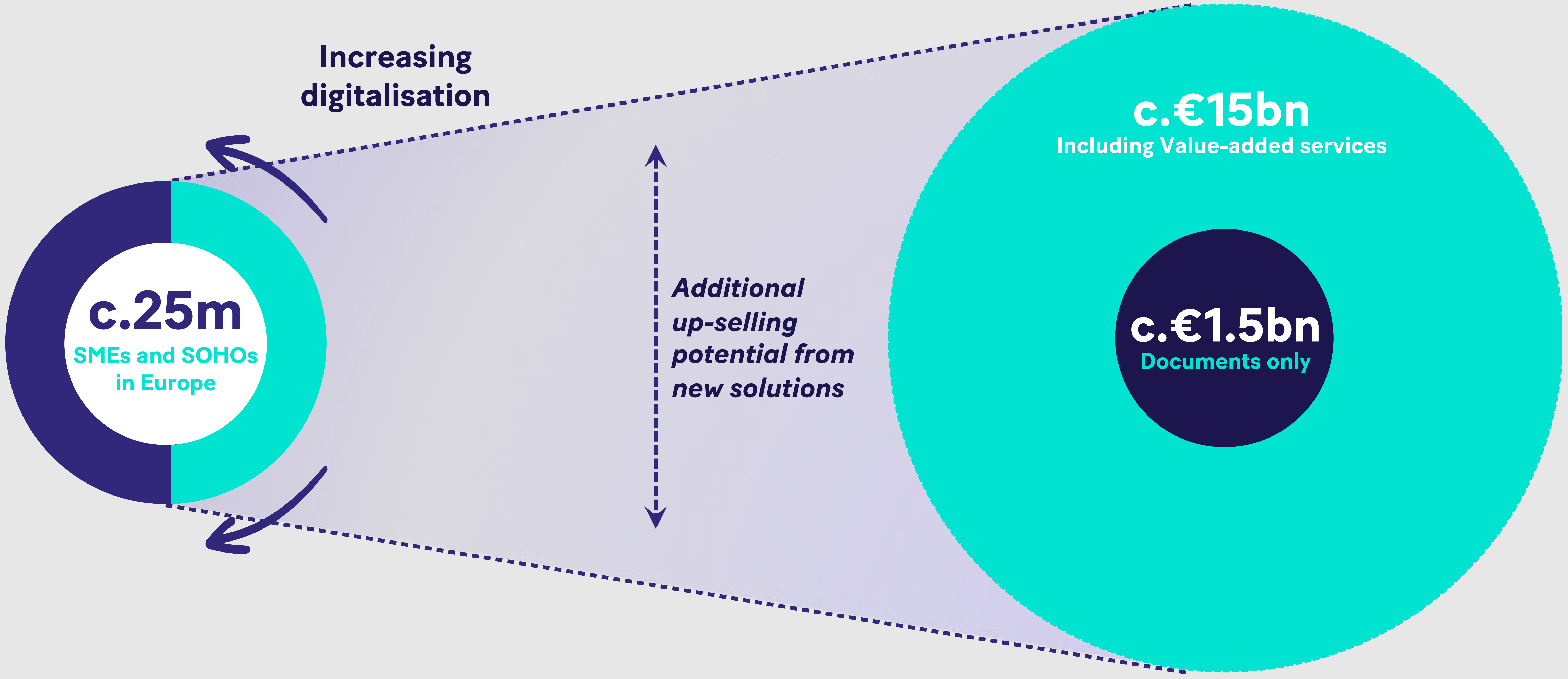
Unifiedpost's selling propositions are multi-channel, document/invoice driven, low cost (as a result of PSD2 payments (PISP), real-time reconciliation, batch/bulk payments and the mobile token app Itspaid) with strong authentication. As a result, customers can make and receive payments and can create, 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.

Unifiedpost includes all European SMEs as part of its addressable market as it indirectly targets both SMEs within a specific sector, through Vertical Ecosystems, as well as SMEs across different sectors, through Horizontal Ecosystems.

Although Unifiedpost is active in most European countries, some countries still have a large leverage opportunity that would allow Unifiedpost to reach more SME customers, such as Germany, Austria and Portugal. 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.

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 500 Corporates. However, the majority of businesses in Europe are SMEs, as there are approximately 25 million SMEs. Unifiedpost currently reaches over 550,000 SMEs in Europe. Unifiedpost's addressable market for SMEs in Europe is described below.



1.7 Sustainability

Unifiedpost now reached two important milestones when it comes to the need for a strong ESG framework. The Company went public on Euronext Brussels in September 2020, and has exceeded the threshold of employing more than 1,000 people worldwide today. Both of these events raised increased awareness even more about the importance of strengthening its governance policies, as well as the attraction and retention of talent. The nature of Unifiedpost's business implies entails a high importance of human capital as a base for sustainable and innovative growth. In 2021, the Company will further build on its ESG framework and on maintaining its inclusive and talent-focused company culture worldwide, which already is characterised by a wide range of nationalities and ages. Having 37% women on board and 63% men, Unifiedpost also works on the gender diversity at every staff level.

ESG-framework

The awareness of its responsibility in society, worldwide, and the impact Unifiedpost can have as a company and employer is growing everyday within the company. The mapping of the ESG-framework can be summarized in the figure below. In line with the guiding principles of the United Nations' Sustainable Development Goals (SDGs), Unifiedpost will contribute in achieving a better and more sustainable future for everyone. With all stakeholders in mind, the company wants to continuously maximize its impact via effective policy management and profound leadership.

15 LIFE ON LAND

Environment

- Less documents means less paper
- Positive impact on mobility because of less document transaction
- Remuneration policy: leasing of electronic bikes

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Digitisation

- We digitise financial value chains and communication
- We help close the VAT gap and we help Making Tax Digital (MTD)

Safety (COVID-19)

- Less human contact due to document exchange
- Facilitating working from home

Talent

- Attraction and retention of talent
- Continued hiring during COVID-19
- Employee development

Diversity

- Today, more than 1,000 employees worldwide
- +25 nationalities
- 37% woman & 63% men

8 DECENT WORK AND ECONOMIC GROWTH

Working conditions

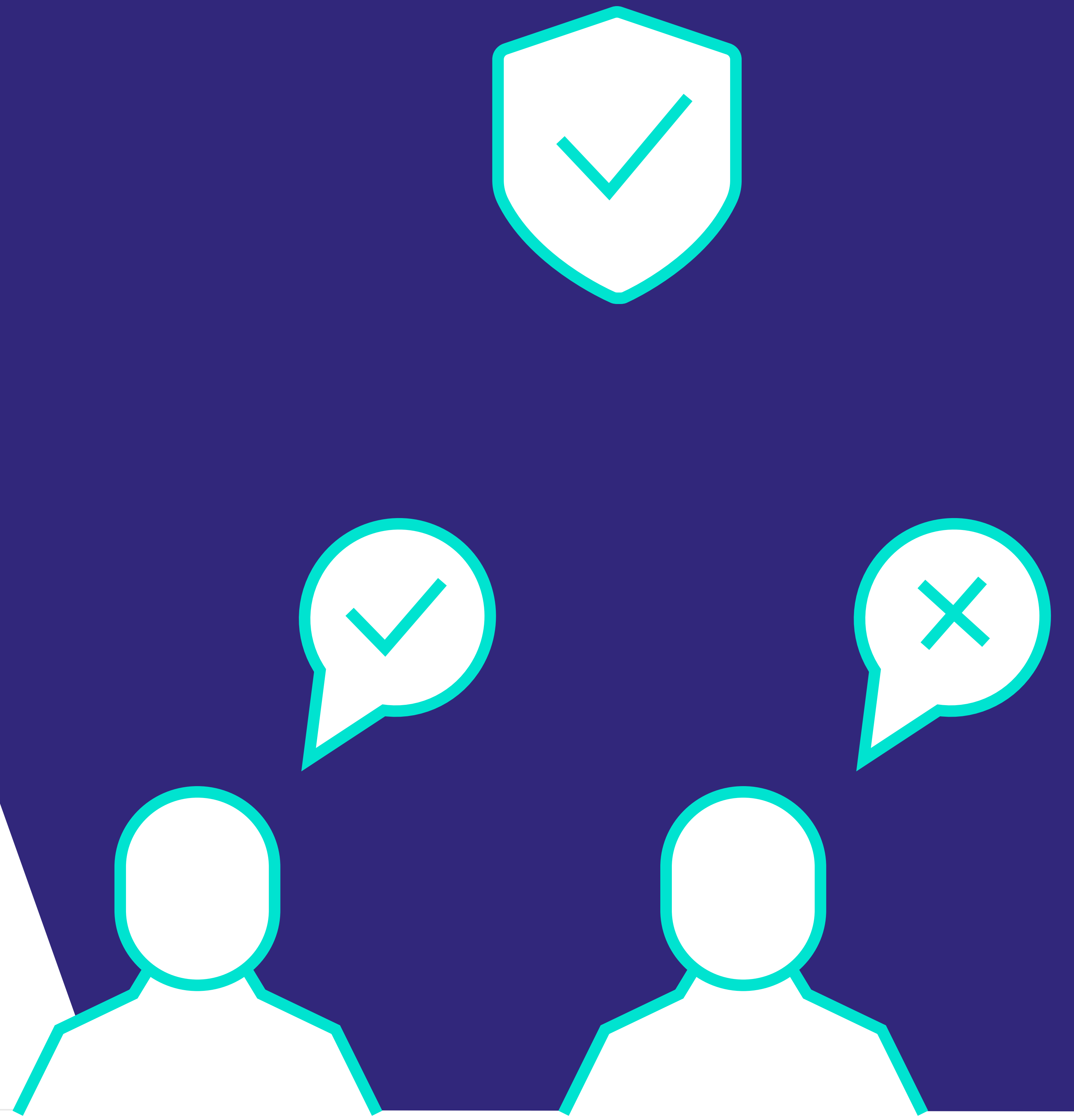
- Flexible working hours
- Attractive employee compensations
- Extra paid vacations
- Good working atmosphere

Code of conduct and Anti-Corruption and Bribery Policy

Unifiedpost has a Code of Conduct, as well as an Anti-Corruption and Bribery Policy. These codes are applicable to all employees of Unifiedpost.

Main priorities in the Code of Conduct are:

- Participating in an ethical culture
- Fostering an environment of diversity and inclusion
- Acting with integrity for our customers, suppliers and other third parties
- Maintaining transparency in our financial books and records
- Acting with integrity for our communities
- Observing basic human rights
- Promoting sustainability



TEAM UP

We work together in one company where everyone is valued, listened and takes responsibility.

We are an important part of the value chain and aspire towards win-win solutions.

We actively listen to our customers and create the best solution for their needs.

> **Unifiedpost is a complex organisation. We cover a lot of digital domains in a lot of different markets. Each domain is a crucial building block in our total value scope. Together, we create a fantastic, integrated proposition for our customers.**
>
> *Hans Leybaert, CEO and founder of Unifiedpost*

BUILD TRUST

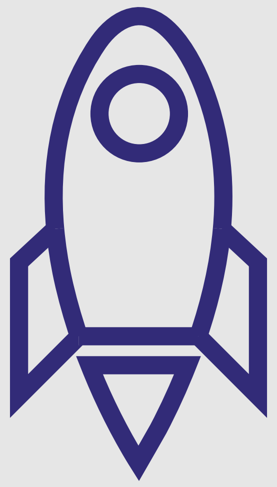
We are open, honest and supportive to each other. We recognise great results, right efforts and inspire leading by example.

We build forward looking relationships with customers and partners. We keep our promises.

We value integrity and act in a sustainable way.

> **An integrated, one-stop-shop proposition can only be realized through cooperation of all stakeholders. 'Cooperation' is the key word to success to realise our ambition to create an smoothly integrated value proposition.**
>
> *Hans Leybaert, CEO and founder of Unifiedpost*

INNOVATE



We continuously develop ourselves and share our best practice and ideas with each other.

We are one step ahead of the market demands and trends.

We create new innovative solutions and processes for our customer, partners and ourselves.

> **Our guarantee on continuous innovation in this booming, digital world is the key reason why customers choose to work with our services. The further we can push this, the more valuable we become for our customers.**
>
> *Hans Leybaert, CEO and founder of Unifiedpost*

Diversity KPI's

851
Total FTE's
(on 31/12/2020)

+25
Nationalities

37%
Female

63%
Male

9,6%
Employee turnover

40,17
Average age

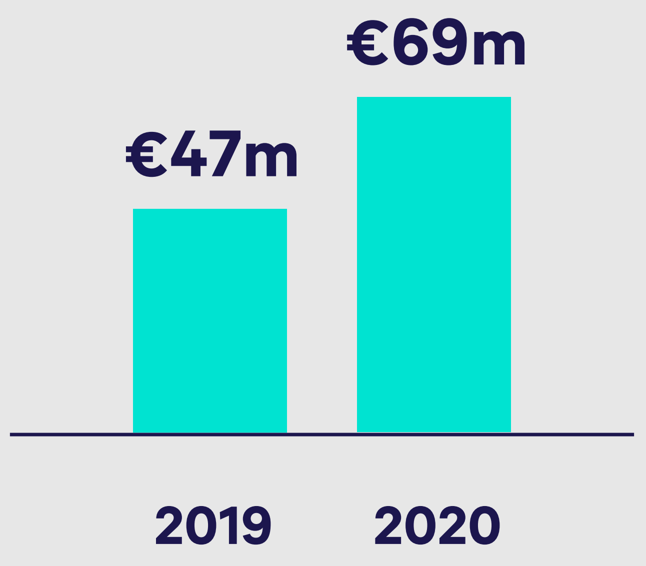
In 2020, this is how...

we stayed connected...

with our people worldwide!

2. Highlights 2020

2020, the year of continued organic and acquisition growth



Revenue

Net financial cash €92m

€21m R&D

30% of revenue
358 FTE

851 FTEs

21 countries **+6 YoY**

+450,000 SMEs

34% growth YoY

€-1,6m

Adjusted EBITDA
€+3,0m YoY

COVID-19
€3m impact
one-offs delayed

Revenue
+47% YoY

12%
organic growth:
recurring revenue

91%
Recurring Revenue

43%
Gross Margin

€185,4m
capital raised

See 5.2 for more details.

3. Outlook

Unifiedpost's main strategic objective is to become the leading trusted communications and payments business network in the world. Therefore, the company is building a digital network of thousands of businesses, both SMEs and corporates, with a strong pan-European focus, while simultaneously closing partnerships in the other continents of the world.

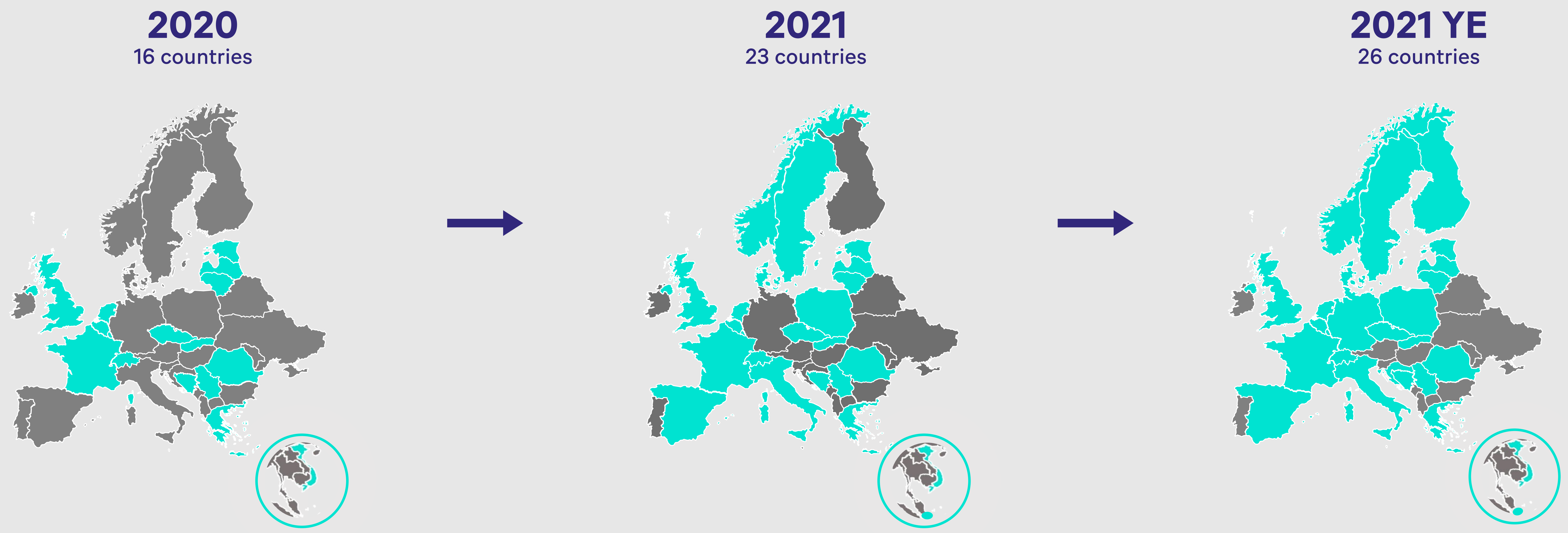
Regarding our financial objectives, Unifiedpost hereby confirms that the guidance which stated that it will have an yearly organic growth based on the pro forma digital processing recurring services revenue of 25% by 2022 and a gross margin of 60% and a normalised EBITDA of 25% by 2023. Additionally, as from 2023 the annual organic growth will be at least 30%.Furthermore, Unifiedpost aims to reinforce the digital processing services revenue with the post and parcel optimisation services revenue, which was obtained in the latest acquisition of 21 Grams at the end of 2020.

2021, is a construction year, where the various acquisitions which have been recently completed will be integrated, and where Unifiedpost will focus on expanding its platform to 26 countries in Europe.

Moreover, the company also aims to continuously develop and improve the Unifiedpost platform in order to offer the best product on the market with the highest possible added-value for its clients. Unifiedpost can also state that this year's primary focus on mergers and acquisitions has already been achieved during the first quarter, where it acquired five companies (Akti, BanqUP, 21 Grams, Sistema Efactura, Digithera and Crossinx), which are already contributing to the group's mission and objectives.

The years 2022 and 2023 will be fully focused on strong organic growth, which will be accomplished by pursuing operational efficiency, increased average revenue per user, network expansion and more partnerships with foremost financial institutions such as banks, software platforms, and accounting associations and companies. Mergers and acquisitions are possible if an exceptional or strategically attractive opportunity should arise, although the focus will be organic growth for these two years.

Geographic Coverage - 2021, the year of European dominance



4. Shareholder's information

4.1 Unifiedpost on the stock market

Share price historical data

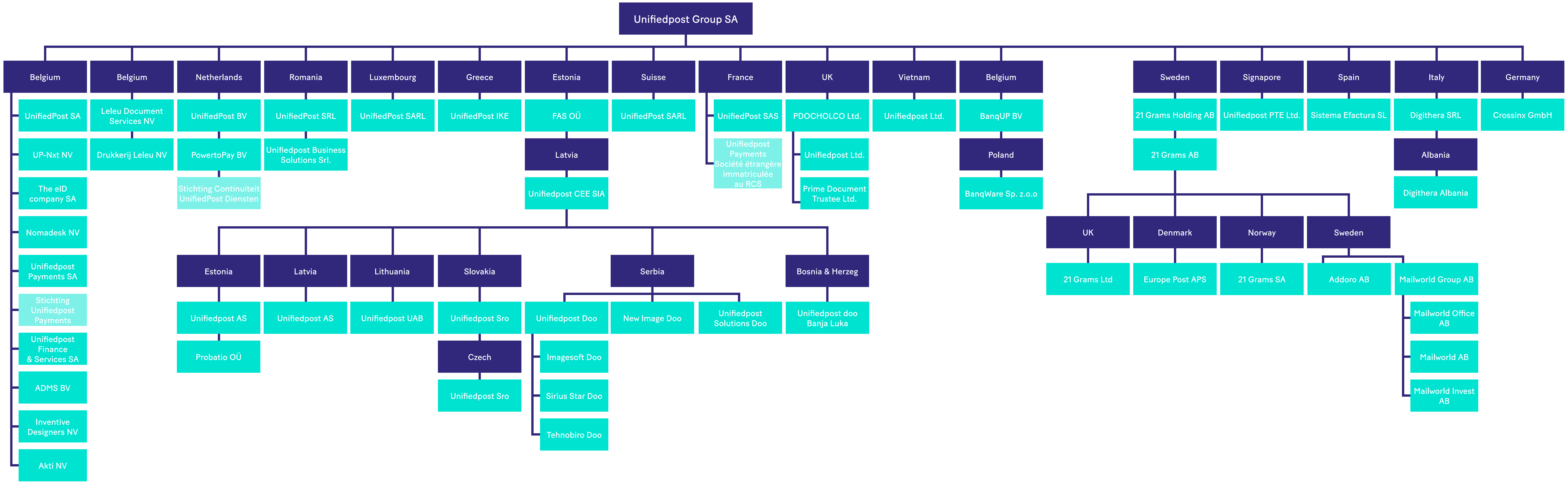
Price (€)		
High	27,98	22-Sep-2020
Low	17,30	25-Nov-2020
Avg	21,42	
Volume (# shares)		
Max	1.458.513	22-Sep-2020
Min	676	12-Oct-2020
Avg	36.292	
Turnover (€)		
Max	32.488.998,57	22-Sep-2020
Min	13.843,22	12-Oct-2020
Avg	802.141,18	

Evolution of the stock price

First listing and trading on Euronext Brussels

On September 22nd 2020, Unifiedpost listed on the regulated markets of Euronext Brussels. A private placement of 12,578,121 new and existing shares was done at a placement price of €20,00 per share. After this transaction, the company had a total of 30,401,990 shares outstanding. A total of €175,000,000 was raised through issuance of 8.750.000 new shares, bringing the capital of Unifiedpost to € 251,543,298.24 represented by a total of 30,401,990 capital shares. The market capitalization on the day of the listing amounted to €608 million.

4.2 Group structure



Unifiedpost Group SA
Belgium
UnifiedPost SA
UP-Nxt NV
The eID company SA
Nomadesk NV
Unifiedpost Payments SA
Stichting Unifiedpost Payments
Unifiedpost Finance & Services SA
ADMS BV
Inventive Designers NV
Akti NV
Belgium
Leleu Document Services NV
Drukkerij Leleu NV
Netherlands
UnifiedPost BV
PowertoPay BV
Stichting Continuiteit UnifiedPost Diensten
Romania
UnifiedPost SRL
Unifiedpost Business Solutions Srl.
Luxembourg
UnifiedPost SARL
Greece
UnifiedPost IKE
Estonia
FAS OÜ
Latvia
Unifiedpost CEE SIA
Estonia
Unifiedpost AS
Probatio OÜ
Latvia
Unifiedpost AS
Lithuania
Unifiedpost UAB
Slovakia
Unifiedpost Sro
Czech
Unifiedpost Sro
Serbia
Unifiedpost Doo
Imagesoft Doo
Sirius Star Doo
Tehnobiro Doo
New Image Doo
Unifiedpost Solutions Doo
Bosnia & Herzeg
Unifiedpost doo Banja Luka
Suisse
UnifiedPost SARL
France
UnifiedPost SAS
Unifiedpost Payments Société étrangère immatriculée au RCS
UK
PDOCHOLCO Ltd.
Unifiedpost Ltd.
Prime Document Trustee Ltd.
Vietnam
Unifiedpost Ltd.
Belgium
BanqUP BV
Poland
BanqWare Sp. z.o.o
Sweden
21 Grams Holding AB
21 Grams AB
UK
21 Grams Ltd
Denmark
Europe Post APS
Norway
21 Grams SA
Sweden
Addoro AB
Mailworld Group AB
Mailworld Office AB
Mailworld AB
Mailworld Invest AB
Signapore
Unifiedpost PTE Ltd.
Spain
Sistema Efactura SL
Italy
Digithera SRL
Albania
Digithera Albania
Germany
Crossinx GmbH

Branch offices

Unifiedpost Payments sa, a subsidiary of the Group, has a branch office in France located at Spaces La Défense 1-7 Cours Valmy, 92800 Puteaux since 01 May 2020.

4.3 Capital and shares

The capital of the Company amounts to €251.543.298,24 as at 31 December 2020 represented by 30.401.990 shares without nominal value. Each share carries one vote.

	Equity (€)		Shares
31/12/2019	20.744.261,85		1.518.193
26/06/2020	7.302.600,00	Capital increase	73.026
	21.157.183,61	Conversion bonds	282.086
17/07/2020	3.105.000,00	Capital increase	31.050
	15.034.252,78	Conversion bonds	200.452
		Number of shares before share split	2.104.807
31/08/2020		Number of shares after share split	21.048.070
24/09/2020	175.000.000,00	Capital increase (IPO)	8.750.000
24/09/2020	9.200.000,00	Conversion bonds	603.920
31/12/2020	**251.543.298,24**		**30.401.990**

In addition to the issued shares, the Company has following outstanding subscription rights:

- 100,000 key management subscription rights
- 55.000 employee subscription rights
- 26.022 investment subscription rights

See 6.4 for new shares issued after year end.

5. Key financial figures 2020

5.1 Consolidated key figures

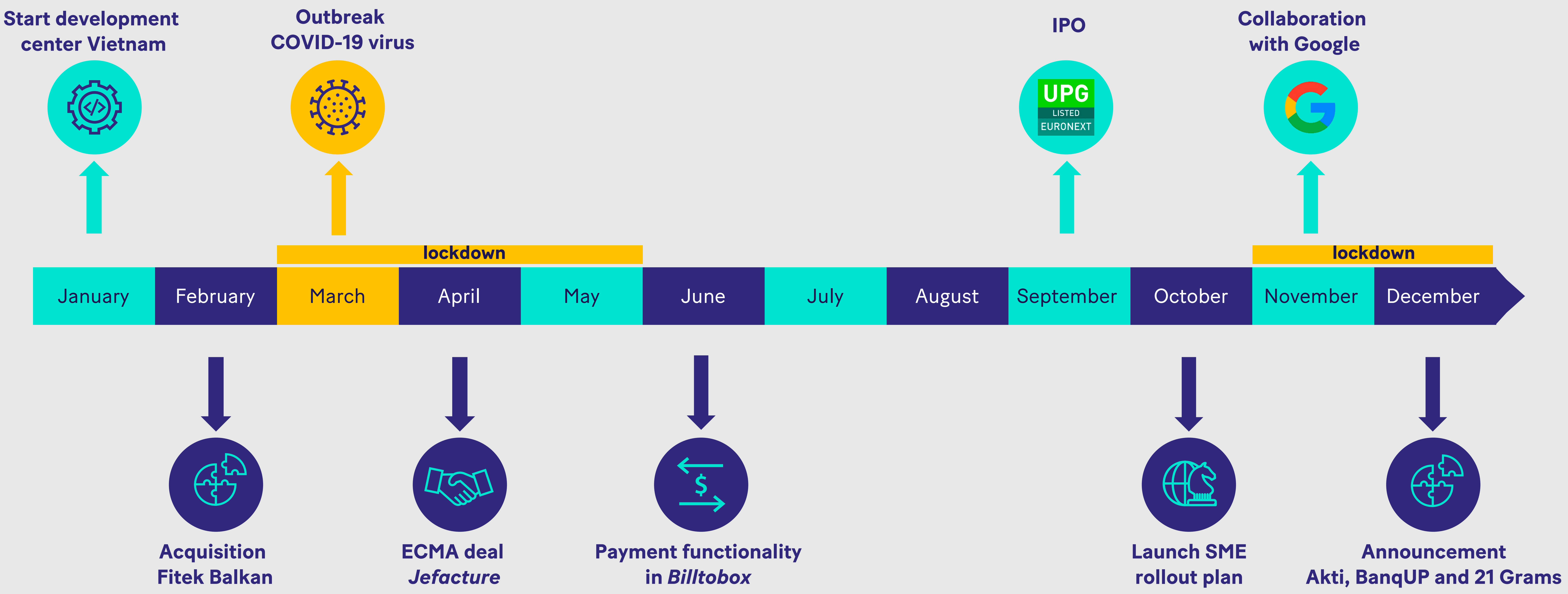
CONSOLIDATED KEY FIGURES	For the year ended 31 December	
Thousands of Euro, except per share data	**2020**	**2019**
Revenue	68.928	46.952
Gross profit	29.351	22.140
Gross profit margin	42,6%	47,2%
R&D expenses	-10.505	-9.083
Capitalization of own development costs	-10.146	-6.343
Profit/-Loss from operations	- 21.003	- 15.681
EBITDA	- 5.985	- 7.465
Adj EBITDA	- 1.618	- 4.579
EBITDA margin	- 8,7%	-15,9%
Adj EBITDA margin	- 2,3%	-9,8%
Loss of the year	-33.769	-22.365

		As at 31 December
	2020	**2019**
Balance sheet total	247.128	111.297
Equity	168.197	-19.198
Goodwill	35.159	30.842
Intangible assets	47.865	44.065
Net Financial Debts /- cash	-92.084	49.148
Average number of shares (*)	19.762.181	21.116.930
Earnings per share (*)	-1,72	-1,06
(2020 and comparative 2019 takes into consideration the share split by 10 of 31 August 2020)*		

	For the year ended 31 December	
	2020	**2019**
Cash flow from operational activities	- 6.835	- 4.521
Cash flow from investment activities	- 11.802	- 40.774
Cash flow from financing activities	141.535	43.413
Increase / - Decrease in Cash flow	122.878	- 1.882
FTE per 31 December	**851**	**615**
SME customers	**452.301**	**335.572**

5.2 Important events during the financial year and after the balance sheet date

Activity report – UPG's Milestones in 2020



Important events of the year

1. Capital increase and conversion of bonds and successful listing on Euronext Brussels

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. 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.

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 (before decimation of the number of 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.

In order to be able to prepare for the listing, the shareholders' meeting of 31 August 2020, decided to abolish the existing Class A, Class B, Class C and Class D Shares (issued upon the 2020 bond conversion) and changed the rights attached to the Class A, Class B, Class C and Class D Shares so that each Share entitle its holder to the same rights. In addition, the existing shares were split in 10 prior to the listing on Euronext. The share split was approved by the general shareholders meeting of 31 august 2020.

On 24 September 2020, the remaining 184 bonds were automatically converted into capital as a result of the private placement and subsequent listing of its shares, being a qualifying event.

On 22 September 2020, Unifiedpost began trading on Euronext Brussels. Unifiedpost was listed through the admission to trading of 30,401,990 shares. The admission and issue price of Unifiedpost's shares was set at €20 per share (after decimation of the number of shares). The prospectus in which the Company announced the launch and the terms of the private placement and its subsequent listing, was approved by the Financial Services and Markets Authority ("FSMA") and made available by the Company on 18 September 2020. The terms of the listing as well as the initial conditions of the private placement were specified in the Prospectus. The Placement Period during which subscriptions from institutional investors were received within the framework of the Private Placement, began on 18 September 2020 and ended on 21 September 2020. The capital Increase relating to the primary Private Placement amounted to € 175 million. On top of this primary placement, a secondary offering was realised for an amount of € 77 million. The "IPO Committee" determined, on 21 September 2020, by virtue of the powers conferred on it by the Extraordinary General Meeting, the following terms and conditions of the capital placement:

- the final number of new placement shares in the primary placement was set at 8,750,000;
- the secondary placement of existing shares was realised for 3.828.121 shares
- the placement price per share within the framework of the private placement was set at € 20 per share.

The Company's shares have been admitted to the "Euronext Brussels" market on 22 September 2020.

2. Launch of roll out Pan-European strategy

With the funding Unifiedpost obtained by going public on Euronext Brussels at the end of September 2020, the Company is fully executing its dual track make-or-buy growth strategy. To expand its business the Company invested €20,6 million in 2020 in research and development. With the further roll-out of its platform and services throughout Europe, the company continued its trend of customer growth. The SME customer base grew with 34% in 2020 exceeding the number the landmark of 450.000 European SMEs using Unifiedpost cloud services.

3. Partnerships and new products functionalities

In April 2020 Unifiedpost signed an exclusive partnership with the national French accounting organisation providing digital tools to the country's chartered accountants, in this case related to the government decision to oblige B2B e-invoicing as from 2023.

During spring 2020, Unifiedpost also launched the payment functionality on the SME platform. Unifiedpost owns a certified payment institution as from 2016. By integrating payment services in its SME offering, Unifiedpost now sets the base for its international roll-out of the SME platform to 26 countries.

Unifiedpost was also proud to announce a partnership with technology provider Google. Through this collaboration Unifiedpost can leverage on the Google Cloud for its services and document digitisation, and above all also make use of Google AI.

4. COVID-19 pandemic

2020 was also the year of the COVID-19 pandemic. Unifiedpost had on the one hand a tailwind with an increasing demand for digitisation services. The SMEs onboarded on the platform grew during 2020 with 34%, surpassing the landmark of 450,000 European SMEs using Unifiedpost services. The company had on the other hand also a headwind from the pandemic: it lost more than €3 million of revenue caused by a decrease of economic activity (less transactions). This is a temporary set-back as was shown after the end of the first lockdown that revenue levels return quickly to the historical level. Another headwind was that new business initiatives and deployments were postponed until after the lockdown. The opportunities are not lost, merely postponed in time.

5. Acquisition of 1% additional shares of Fitek Balkan

Unifiedpost 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, Serbia and Bosnia Herzegovina. 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. This means that Fitek Balkan is a fully consolidated company as from February 2020.

Important events after the balance sheet date

1. January 2021 Business combinations

On 8 January 2021, Unifiedpost Group SA completed the following 3 acquisitions of 100% of the shares of 21 Grams Holding AB, Akti SA and BanqUP BV.

21 Grams (21grams Holding AB), with its headquarters in Stockholm and operations in Sweden, Norway, Finland and Denmark, provides mission-critical outbound mailing solutions as well as optimised post(age) and parcel services. The consideration transferred to effect the business combination amounts to a total of € 34.5 million.The pro forma contribution of the 21 Grams to the Group's revenue and net profit for the 2020 year, as if the acquisition had occurred on 1 January 2020, would have been €75 million and €1.4 million, respectively. € 19.9 million of the 2020 revenue was generated from 21 Gram's multi-channel delivery platform, which is identical to the core documents revenue of Unifiedpost. A further € 55 million in revenue was generated from post and parcel logistics.

BanqUP offers an API-driven platform for open banking solutions, allowing banks and fintech companies to access a number of European banking APIs. The consideration transferred to effect the business combination amounts to total € 7.0 million. The pro forma contribution of BanqUP to the Group's revenue and net loss for the year, as if the acquisition had occurred on 1 January 2020, would have been € 770 thousand and € 71 thousand, respectively.

AKTI is a Belgian cloud company which provides SMEs with commerce and e-commerce solutions, including order management and invoice processing. The consideration transferred to effect the business combination amounts to a total of € 1.3 million. The pro forma contribution of AKTI to the Group's revenue and net loss for the year 2020, as if the acquisition had occurred on 1 January 2020, would have been € 344 thousand and € 33 thousand, respectively.

In the framework of each acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 359,494 new shares in consideration for the contribution in kind of the receivables resulting from the vendor loans and the receivables resulting from the deferred payment.

Thereafter, the Company has issued 120,000 new shares following the exercise of subscription rights. After the forementioned issuances of the new shares, the share capital of the Company increases to € 259,806,199.46 represented by 30,881,484 shares without mention of nominal value. Each of these shares gives one voting right at the general meeting of shareholders and, together, represent the denominator for the purposes of notifications under the transparency regulations.

2. March 2021 Business combinations

On 18 March 2021, Unifiedpost Group SA completed 2 acquisitions of 100% of the shares of Sistema Efactura (Spain) and Digithera (Italy). By acquiring these two entities we add more than 85.000 SME's on our one-stop shop platform and we further accelerate the pan-European roll out strategy.

Digithera is an Italian electronic invoicing platform having its headquarters in Milan It allows Unifiedpost to tap into the Italian market. Digithera offers a solution for connecting customers and suppliers to allow a secure, electronic exchange of documents deriving from the supply chain of SMEs. Next to that, the Italian software company also provides Unifiedpost with the local specific requirements to connect its platform with local SMEs and public administrations. Today Digithera has about 20.000 active SMEs on its platform.

The consideration is paid for 82% in cash and 18% in shares and amount to in total €1.5 million. The pro forma revenue for the year 2020, as if the acquisition had occurred on 1 January 2020, would have been €1.1 million.

Sistema Efactura has its headquarters in Madrid, which enables Unifiedpost to expand to the Spanish market. By offering a full digital invoicing ecosystem for businesses and public administrations, the platform of Sistema Efactura lowers costs, increases efficiency and security with seamless access to payments and financing. It also allows Spanish SMEs to electronically exchange invoices with public institutions, which is obliged by law since 2015. The company currently services over 10 large customers such as financial and public institutions and has 65.000 suppliers in its network.

The consideration is paid 100% in cash and amount to € 0.8 million

The pro forma contribution of Sistema Efactura to the revenue for the 2020 year, as if the acquisition had occurred on 1 January 2020, would have been €0.5 million.

3. April 2021 Business combinations

On 9 April 2021, the Company acquired 100% of the shares in Crossinx. Crossinx offers to over 350,000 companies flexible, scalable solutions for electronic invoice processing, EDI and supply chain financing.

The initial consideration transferred on the acquisition date to effect the business combination amounts to € 97,4 million. The initial consideration is paid 50% in cash and 50% in shares. The total of the 3 subsequent 'on -target contingent considerations on the results of 2021, 2022 and 2023, amounts to € 40 milion (€ 13,3 million per year), of which 50% is to be paid in cash and 50% in shares. In addition, the maximum contingent consideration is capped to an additional € 20 million payable in shares only.

The pro forma contribution of Crossinx to the Group's revenue, as if the acquisition had occurred on 1 January 2020, would have been € 8,3 million.

5.3 Information about circumstances that could adversely affect the development

Unifiedpost generally expects the market conditions to remain favourable for the company and does not foresee any significant events to negatively impact its business. On the other hand, there are certain circumstances that could possibly interfere in the daily operations and business development of Unifiedpost.

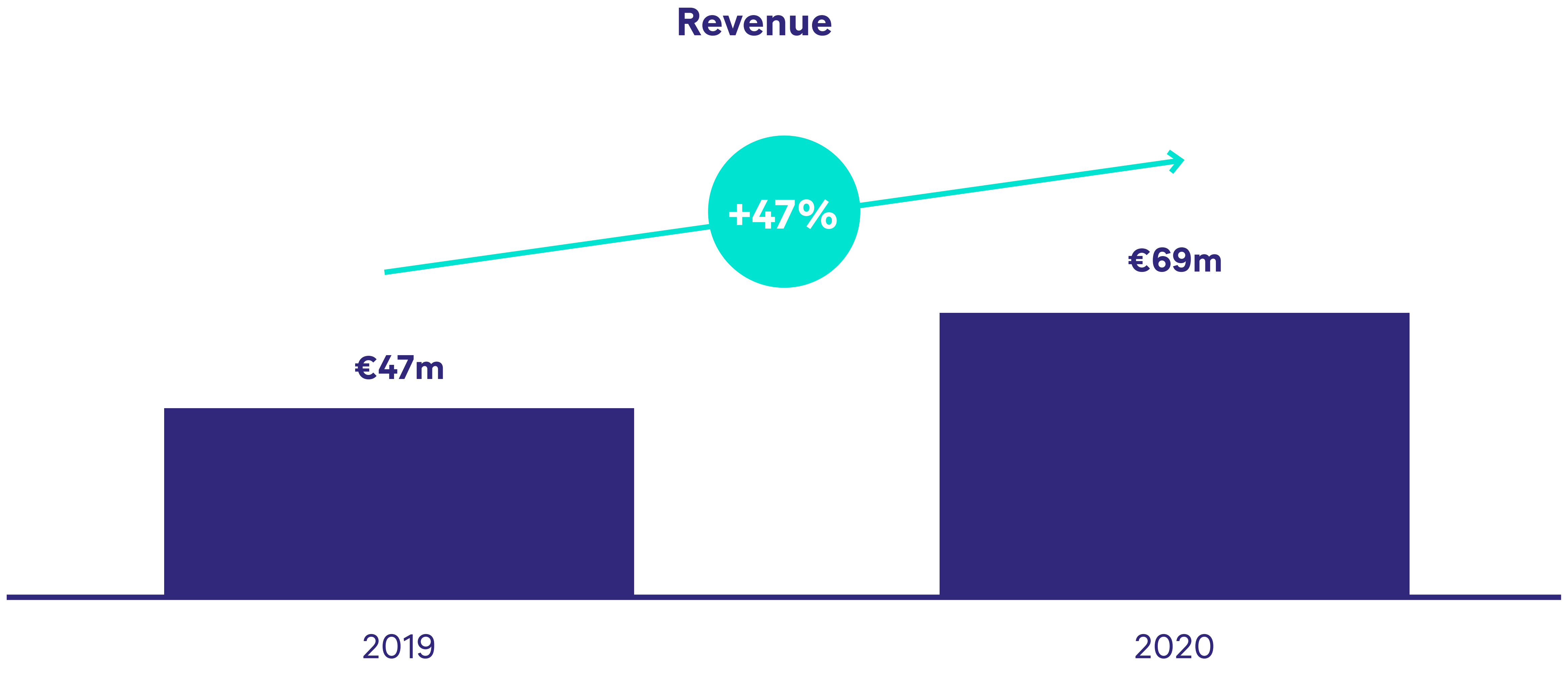
Firstly, the COVID-19 pandemic has impacted the entire economic landscape, affecting the way Unifiedpost works and the way it develops the business, as business trips were almost non-existent. Nevertheless, Unifiedpost was able to close multiple national and international partnerships and deals this year. Although the evolution of the pandemic will further determine when the conventional way of doing business will resume, the company already perfectly adapted and prepared for a continued hybrid or virtual working format. Further worsening of the pandemic could significantly impact the whole economy, including Unifiedpost and its clients. On the other hand, the global pandemic has had a truly positive impact on digitalisation, which at its essence is the main driver for Unifiedpost's business.

A second event that could possibly adversely affect the development of the business is the delay of yet-to-be-decided regulation and the delay of the implementation of recently decided regulation on B2G and B2B communication and invoicing, which could slow down the rollout of the Unifiedpost business solutions. The company strongly believes this is highly unlikely, as digitalisation is further increasing and governments want to close the VAT gap as much as possible.

5.4 Discussion of the results

Consolidated results

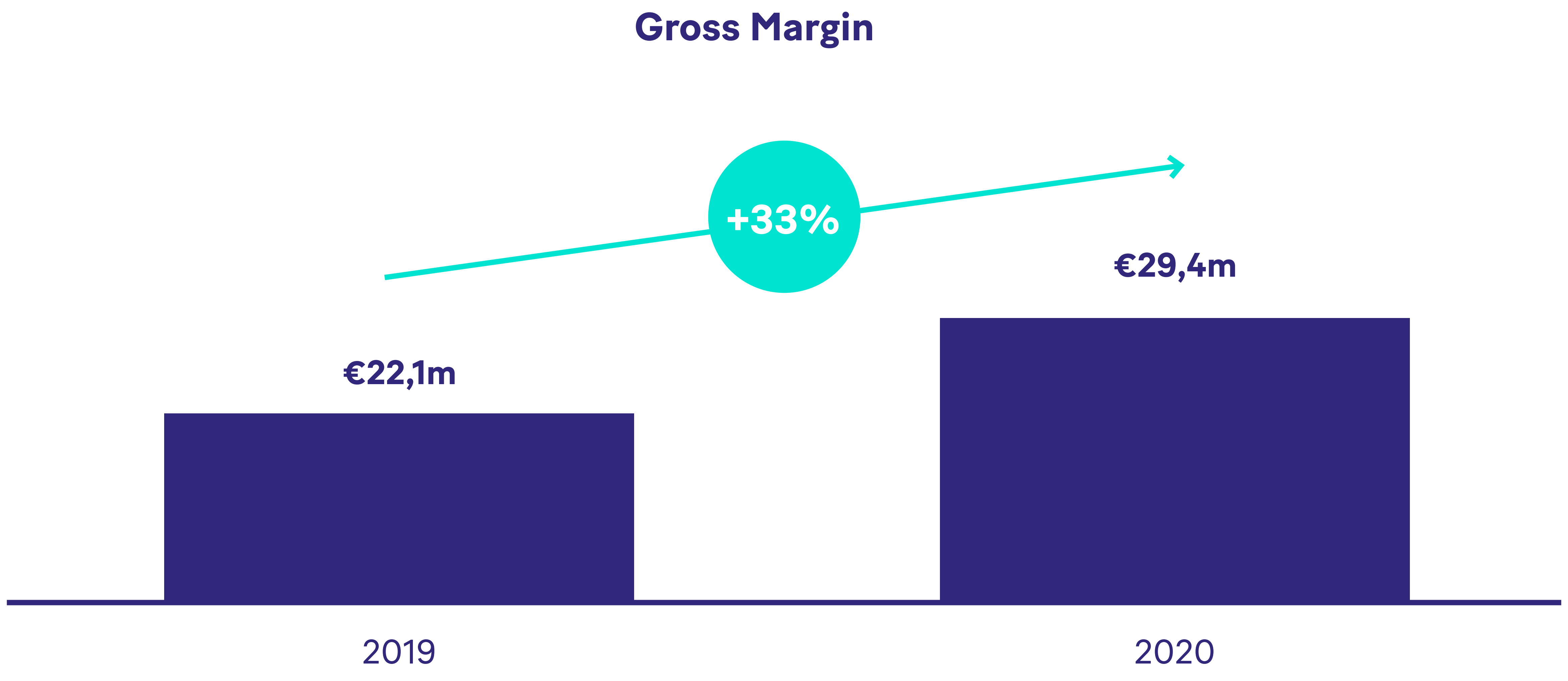
Our dual track make or buy strategy proved to be successful as the consolidated revenue of the company grew with 47% from €47 million in 2019 to €69 million in 2020.



The organic recurring revenue realised a double-digit growth of 12.4%.

2020 was also the year of the COVID-19 pandemic. Unifiedpost had on the one hand a tailwind with an increasing demand for digitisation services. The SMEs onboarded on the platform grew during 2020 with 34%, surpassing 450,000 European SMEs using Unifiedpost services. The Company had on the other hand also a headwind from the pandemic. The estimated impact of the COVID-19 pandemic is limited to approximately €3 million lost sales. This was caused by a reduction of economic activity in some industries (less transactions). We are confident that this is a temporary set-back as it was shown after the end of the first lockdown that revenue levels return quickly to the historical level.

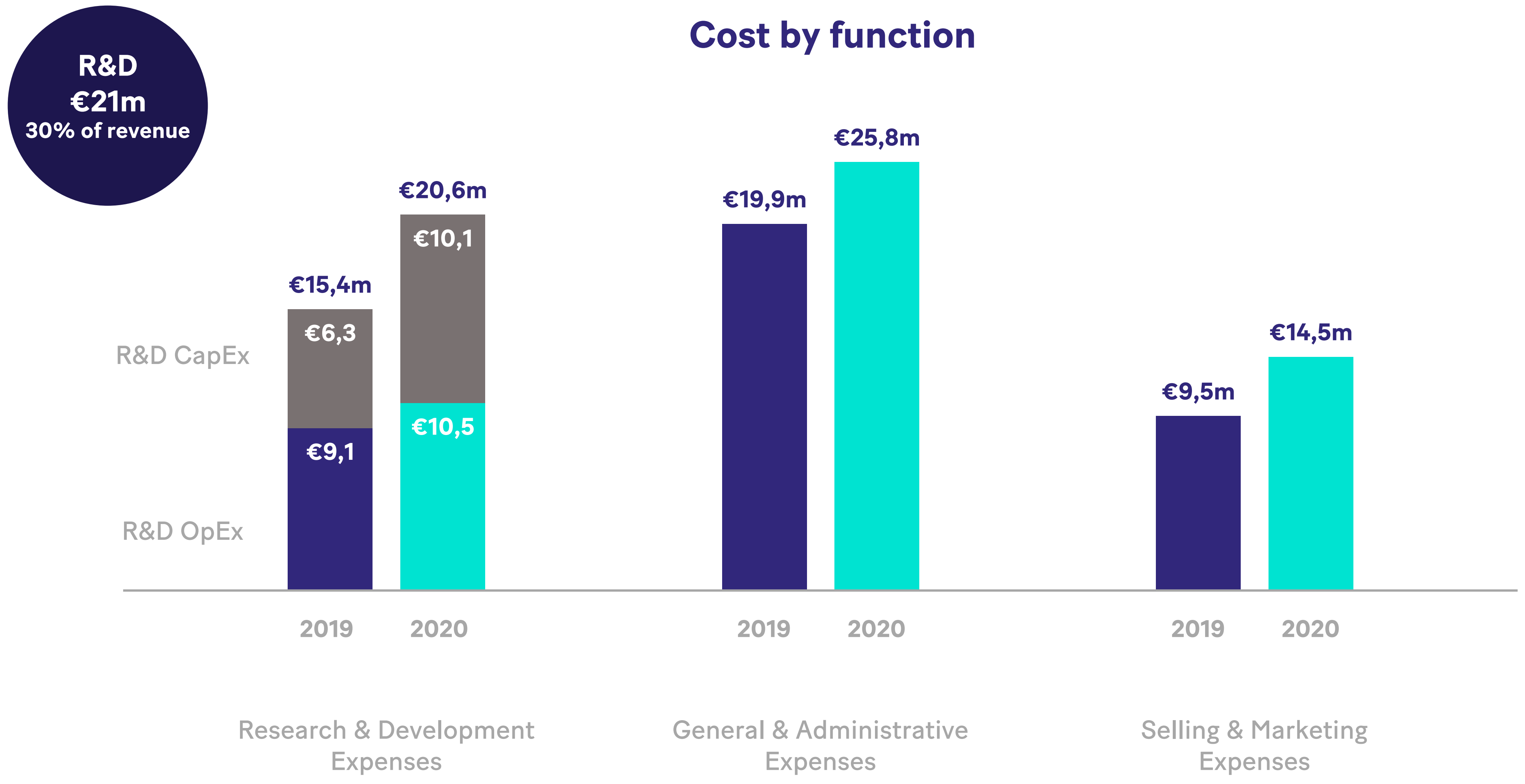
The gross profit of the Company increased from €22 million in 2019 to €29 million in 2020, representing a gross margin % of 42,6%.



The Company invested 30% of its revenue in research and development efforts, hereby building a solid, strong foundation for future growth. The Company's effort in research and development amounts to €21 million of which €10 million is capitalised as own development and €11 million is expensed in the income statement.

General & administrative expenses are impacted with €3,9 million non-recurring listing expenses (compared to €2.2 million in 2019). € 15,5 million of the incremental transaction expenses have been directly deducted from equity.

Unifiedpost is building a strong name for itself in the market. To further capitalise on the Unifiedpost brand, the Company decided to use the Unifiedpost brand name throughout the Group. Sales & marketing expenses were impacted with €1,8 million impairment on the brand name Fitek as a result of the decision taken by the Board of Directors in November 2020, as well as to the effect of the full year amortization of the 2019 and 2020 acquisitions.



EBITDA improved from 2019 to 2020 with € 1.5 million. This increase in EBITDA is the result of increase from realised gross profit of €7.6 million which is only partly offset by an increase in R&D expenses for an amount of €0.1 million, an increase in G&A expenses of €4.5 million, an increase in S&M expenses of €1.4 million and increase in other income/expense of €0.2 million. The Adjusted EBITDA improved from 2019 to 2020 with €3 million. The difference between the EBITDA and the adjusted EBITDA amounts to €4.5 million and mainly relates to costs in relation with the Company's listing (€3.9 million), acquisitions expenses (€0.8 million), share-based payment expense (€0.2 million) and other income of (€0.4 million).

Pro forma results

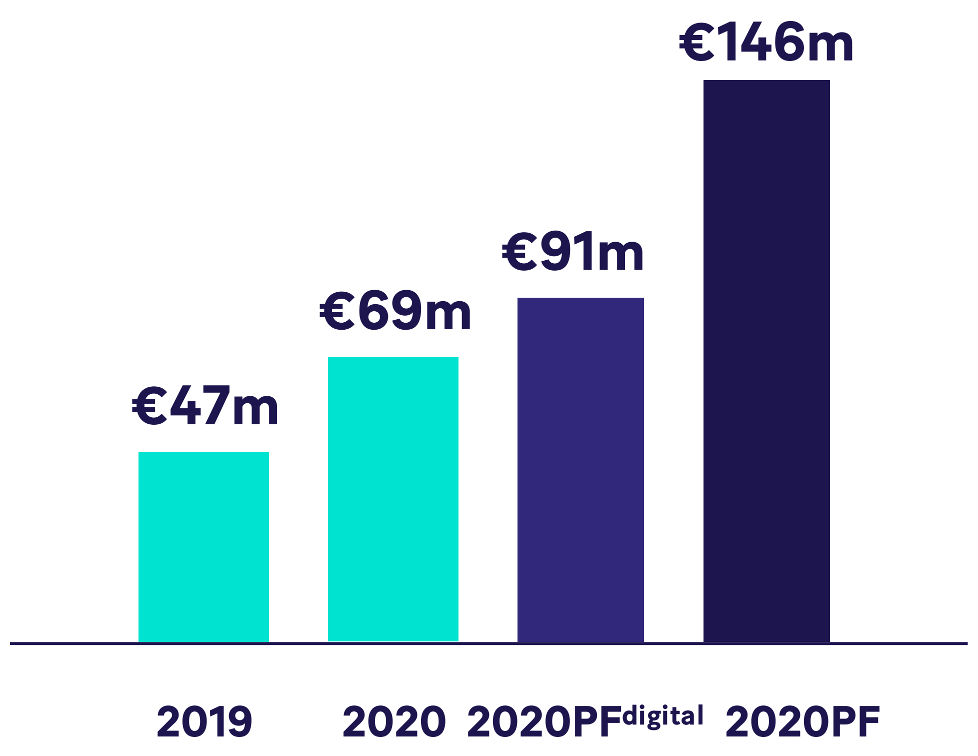
The Unaudited 2020 Pro Forma figures have been prepared for illustrative purposes only, to give effect to the following transactions as if they had occurred on 1 January 2020:

- Acquisition of an additional 1% of the shares in the Fitek Balkan joint ventures on 11 February 2020
- Acquisition of 51% of the shares in Tehnobiro on 3 July 2020
- Acquisition of 100% of the shares in 21 GRAMS on 8 January 2021
- Acquisition of 100% of the shares in BanqUp on 8 January 2021
- Acquisition of 100% of the shares in Akti on 8 January 2021

PRO FORMA CONSOLIDATED FIGURES		
Thousands of Euro	**PF 2020**	**PF 2019**
Revenue	146.076	69.034
Gross profit	41.305	28.620
Gross profit margin	28,3%	41,5%
R&D expenses	-12.936	-9.277
Profit/-Loss from operations	- 17.778	- 15.158
EBITDA	- 176	- 3.926
Adj EBITDA	3.950	- 1.349
EBITDA margin	-0,1%	-5,7%
Adj EBITDA margin	2,7%	-2,0%

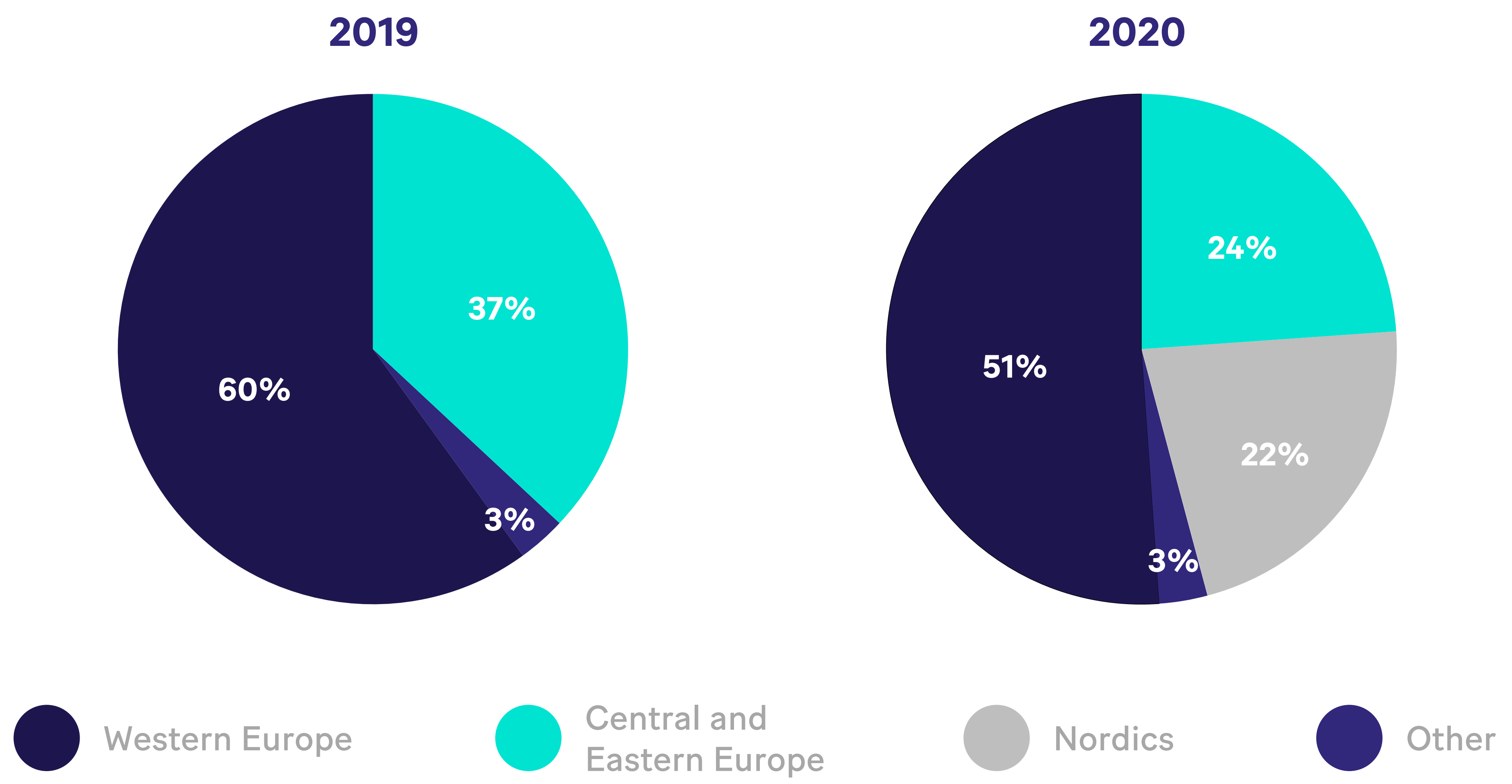
Unifiedpost Group did a second wave of acquisitions in 2021 by acquiring the Spanish company Sistema Efactura, the Italian company Digithera and the German company Crossinx. The financials of those 3 companies are not included in the pro forma figures. Digithera has about 20.000 active SME's on its platform, Sistema Efactura has 65.000 suppliers in its network. The two companies together had a total revenue of €1.6 million in 2020. Crossinx has a revenue of €8.3 million in 2020.

Building and rolling out our expansion strategy, Unifiedpost finalized the acquisition on January 8th of Akti, BanqUP and 21 Grams. The total pro forma revenue when including those acquisitions would amount to €146 million in 2020. This pro forma revenue can be split up in €91 million digital processing, the Company's core revenue, and a further €55 million turnover coming from post and parcel optimisation services (a newly acquired business belonging to 21 Grams).



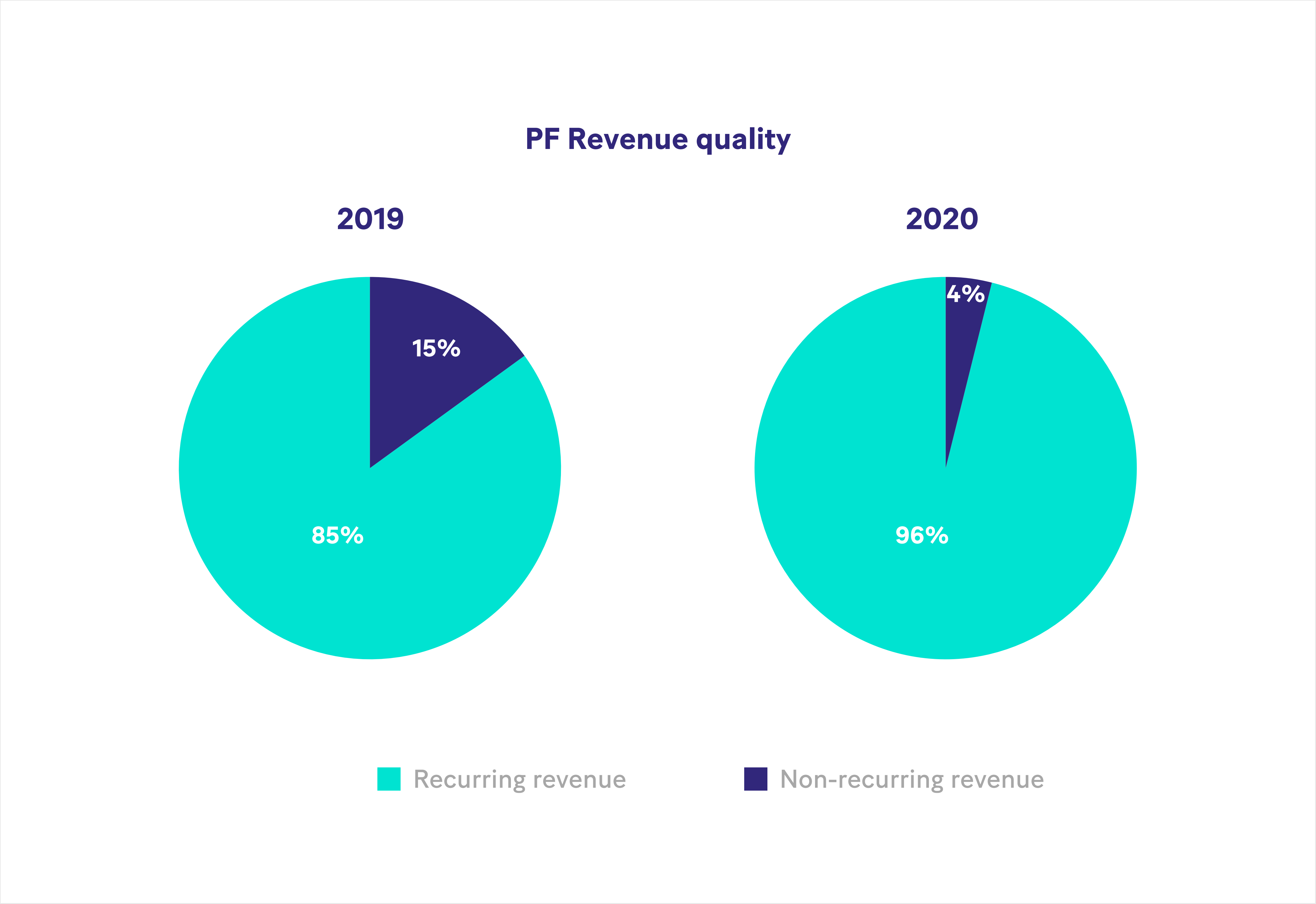
As a result of these strategic acquisitions, Unifiedpost is rapidly evolving from a Benelux company into a pan-European organisation. The Western European share in the pro forma revenue dropped from 76% to 51% in 2 years' time. The revenue contribution of Central & Eastern Europe and the Nordics are almost equally important in the PF 2020 revenue.

PF Digital revenue split per region



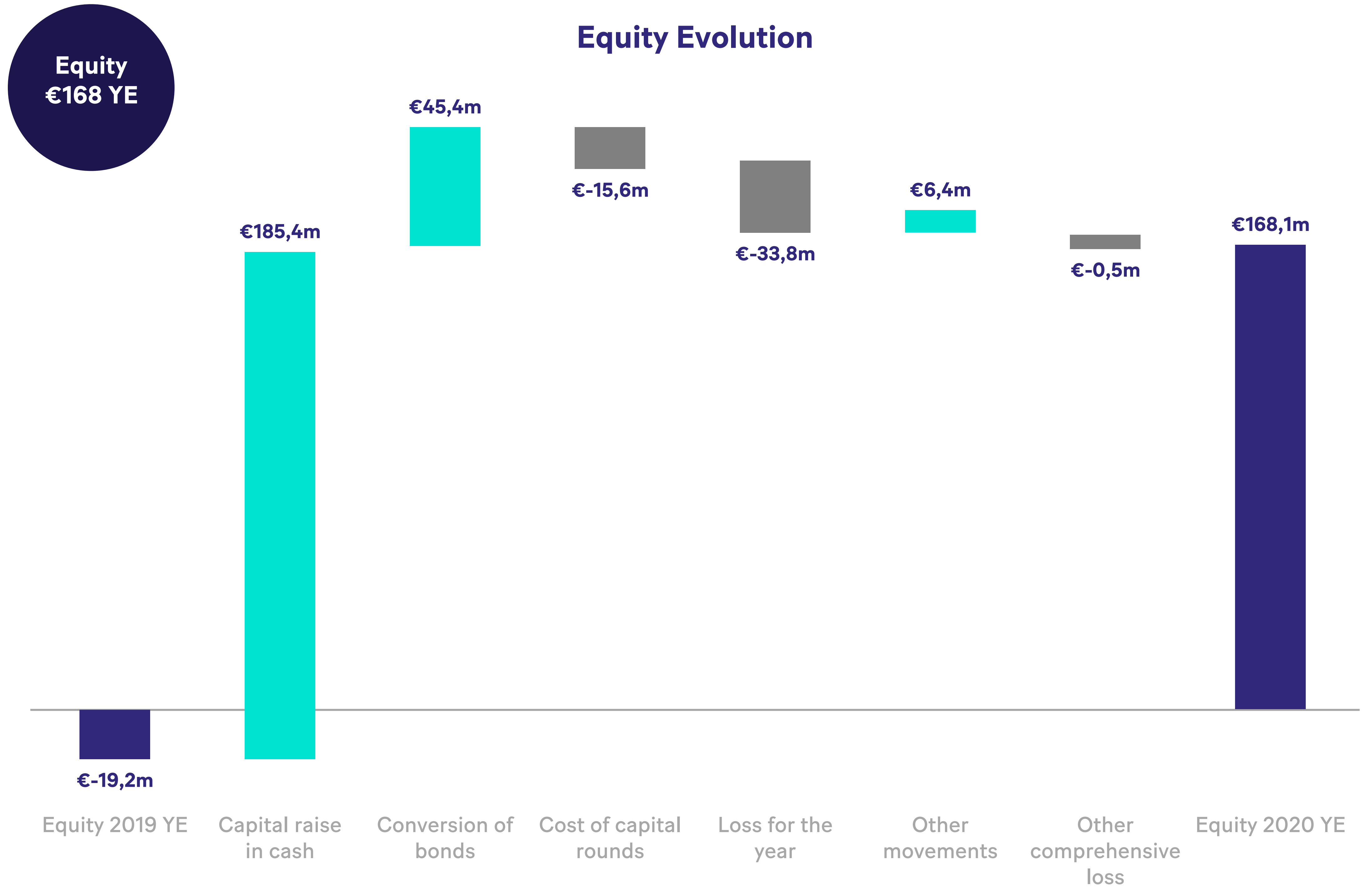
The nature of the services offered by Unifiedpost, whether it are document, identity or payment services, are mainly recurring as Unifiedpost creates a connecting platform between the customer and their customers and suppliers. Unifiedpost shifts its current model more and more into a subscription model with medium term commitments (up to 3 years) which improves predictability of future outlook.

The previous statement is reflected in the improvement of the quality of earnings in the pro forma recurring revenue which increased from 85% in 2019 to 96% of total revenue in 2020.



Financial position

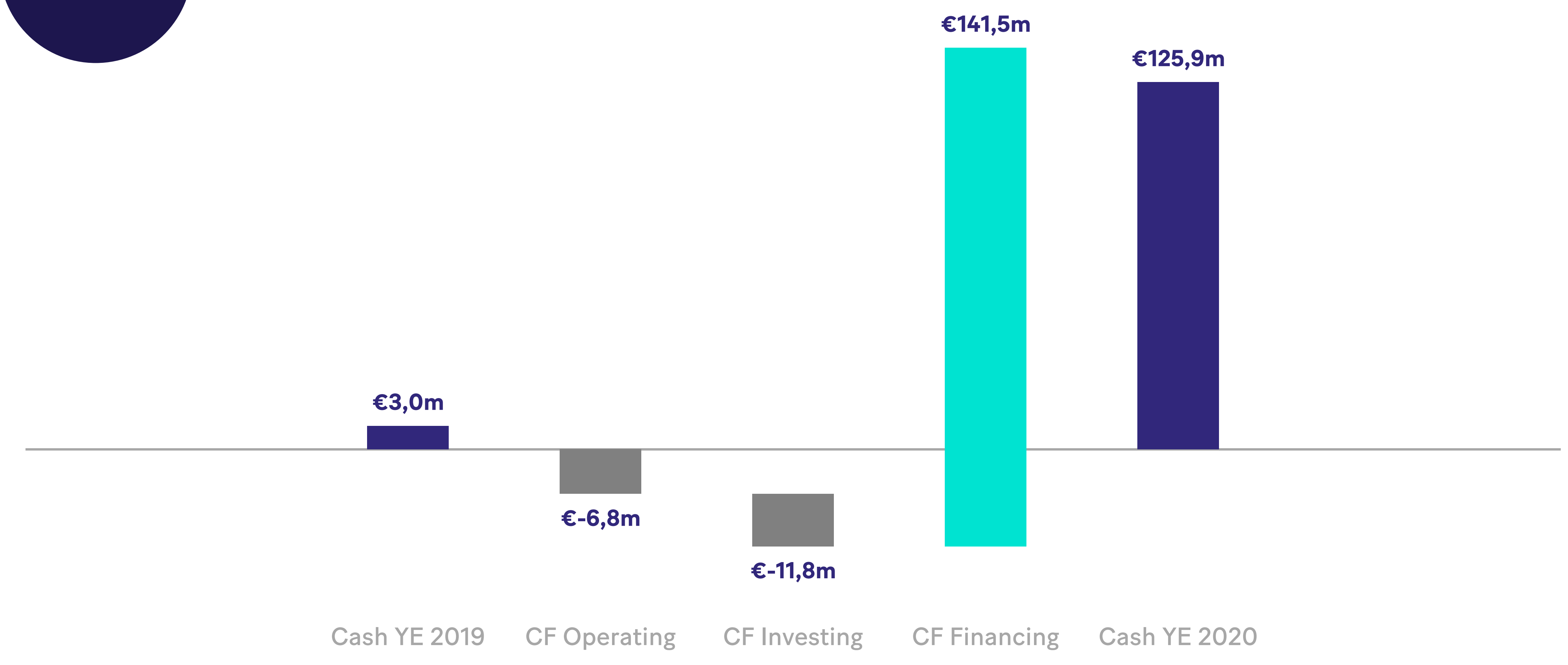
2020 has been an important milestone in the history of Unifiedpost. In September the Company listed on Euronext Brussels where it successfully placed 12.6 million new and existing shares with institutional investors. The Company received gross proceeds of €175 million to execute its dual-track growth strategy. In the course of 2020, the Company increased its issued capital in three rounds for a total amount of €231 million. The increase in paid-up capital was achieved, on the one hand, by the conversion of convertible bonds for an amount of €45 million and on the other hand by the contribution of cash amounting to €185 million. The cost of the various capital rounds amounts to €16 million and is booked in reduction of issued capital, resulting in net cash proceeds of €170 million.



The net financial cash position on 31 December 2020 amounts to €92 million. The available cash together with financial leverage will be used for further funding of the research and development program, the roll out of the pan-European product strategy and the realisation of acquisitions in strategic areas. The positive cash flow of €123 million was generated by the CF from financing activities of € 142 million, mainly generated by the successful capital increases, and compensated by the cash flow from operations and investments of €7 million and €12 million respectively.

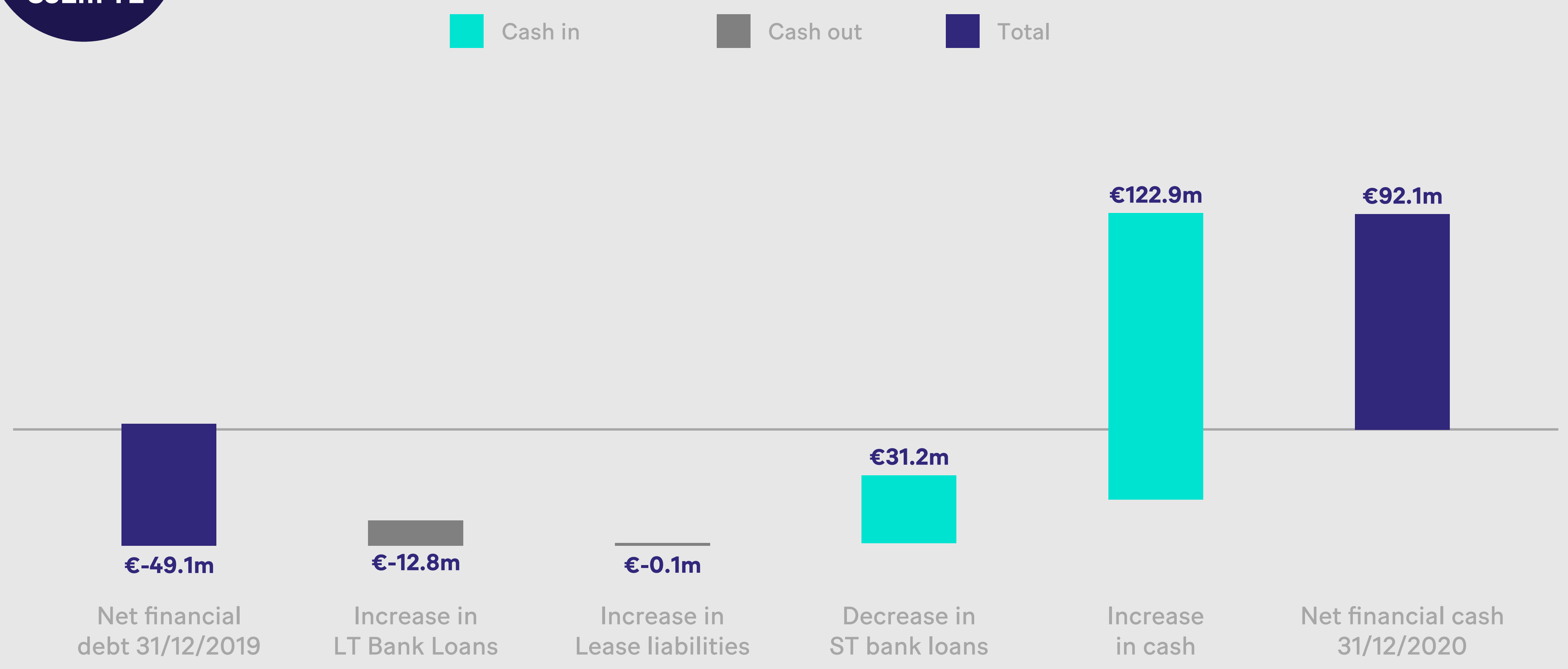
Cash Y/E €126m

Cash Evolution



Net Financial Cash €92m YE

Net Financial Debt 2019 – Net Financial Cash 2020



5.5 Research and development

Research and development is key for Unifiedpost, as it is crucial in order to achieve product excellence and a maximum added-value for our clients. Therefore, we invest substantial time, energy and resources to ensure we have a profound understanding of our customers' needs, and we continuously innovate to deliver value-added products and services through our platform. Moreover, we are focussed on developing new functionality and further enhancing the usability, reliability, and performance of existing products. There are five focus areas where R&D is thoroughly carried out: identity services, payments, documents, finance & services and data warehouse.

In the area of identity services, our research and development activities are mainly aimed at improving the online self-service options for our clients, and to prepare our services for consumer / citizen applications.

Our payments division aims to develop its systems focussing on two axes. First, a highly efficient transaction processing. Secondly, a set of functional characteristics of payments processing. The development areas include online payments, mobile payments, interbank payment accounts, open banking, online onboarding, customer due diligence, transaction screening and fraud prevention. Development efforts mainly focus on building a universal payments infrastructure that operates cross-border and through a variety of clearing networks.

The documents layer from our business solutions is another domain where R&D is performed intensively. The product management teams invest considerable time and energy in understanding our current and potential customers' needs in procure-to-pay, purchase-to-cash and contract-to-sign processes. In addition, efforts are made in artificial intelligence, customer IT integration and locally required identity solutions.

Moreover, we invest significant time in the research and development of premium financial and non-financial services, such as invoice financing products for both sellers and buyers, an e-commerce platform for SMEs, and a variety of third-party services.

The last R&D area at Unifiedpost is data analytics. This key project enables us to do advanced business analytics on all our data. The rationale for this is that data is one of the most important assets we own and it needs to be monetised for commercial purposes, such as customer acquisition, retention and cross-sell opportunities, or supporting operational efficiency. By combining product, commercial, operational and financial data, we can distill highly advanced actionable insights, discover hidden gems in the complex data and even predict the future using artificial intelligence and machine learning techniques on this data.

5.6 Risks

The company's business must be considered in light of the risks, uncertainties and difficulties frequently encountered by companies active in new and rapidly evolving markets, such as the digitisation . To address these risks, uncertainties and difficulties the company must, amongst other things:

1. increase market share in the strategic regions;
2. enhance its brand and brand recognition;
3. implement and execute its business and marketing strategy successfully;
4. continue to develop and upgrade its technology;
5. respond to competitive developments; and
6. attract, integrate, retain and motivate qualified personnel.

There can be no assurance that the company will be successful in accomplishing any or all of these things, and the failure to do so could have a material adverse effect on the company's business.

Although Unifiedpost believes that the risks and uncertainties described below are the most material risks and uncertainties facing Unifiedpost's business and the share price, these are not the only ones. 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.

Risk related to Unifiedpost's business and industry

Risks relating to Unifiedpost's strategy and competition

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. However, Unifiedpost's primary competition comes from companies that also seek to offer a suite of business services to their customers

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.

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

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% 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)** expanding its international presence.

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 or may fail to effectively cross or upsell higher margin products and services to existing and new customers.

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 are an important part of Unifiedpost's growth strategy. Unifiedpost intends to continue to rely on acquisitions to grow its business, add specialised employees and to increase penetration in certain regions or to enforce the existing networks and communities.

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.

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.

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.

Given the inherent risk associated with difficulties a company faces in integration processes, 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'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, key technological personnel and sales force (including employees and independent contractors). Although succession planning has been put in place, 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 specialised IT companies. In order to ensure the continuity and further development of certain of its services such as document digitalization and IT support, Unifiedpost relies on specialised 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.

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

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 its 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.

Unifiedpost 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.

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 centres 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. 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 unauthorised 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 techniques used to obtain unauthorised, 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 recognised until launched against a target. Unauthorised parties may attempt to gain access to Unifiedpost's systems or facilities through various means, including, amongst 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 sophisticated techniques used to breach IT systems, Unifiedpost's security measures might prove insufficient.

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.

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 digitising 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.

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 organised and have less internal control mechanisms which could prevent the detection of fraudulent activities.

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'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 specialised international service providers offering cloud services (including, in particular, Amazon Web Services and Google Coud Services), external information resource databases for KYC compliance, telecommunication services and printing houses. 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 physically located in their jurisdiction. In addition local governments and privacy authorities or other regulators may have similar data localisation requirements. As a result, Unifiedpost may be forced to set up various local data centre hubs or find local service providers in order, to comply with such customer and/or regulatory requirements. This may result in additional costs and could lead to a delay in serving certain markets and /or customers. In certain cases, this may even lead to refraining to serve certain markets and / or customers if these data localisation requirements proof to be too onerous. In order to mitigate potential risks, Unified post is looking into setting some additional local tenants based on local requirements in order to minimise potential delays.

Risks relating to financial position

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

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. Unifiedpost expects to incur further substantial expenses mainly resulting from research and development costs and selling and marketing expenses supportive to the realisation of its plan. 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.

Unifiedpost may not be able to secure financing on favourable 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, it may require additional capital primarily to respond to new business opportunities and facilitate its buy-and-build strategy, as well as for 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 favourable 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 might 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 does not intend to pay dividends for the foreseeable future and as a result, the ability for an investor to achieve a return on investment will depend on share valuation.

Unifiedpost has never declared or paid any cash dividends and it does not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of its Board of Directors.

Fluctuations in foreign currencies might have a significant negative impact on the profitability of Unifiedpost.

Unifiedpost operates across several countries, with its major operations in the Eurozone. It operates in each country predominately in the local currencies. The share of foreign currency is steadily increasing, partly due to the growth of activities in countries that are not in the euro zone. This automatically leads to the fact that the Group's results can be influenced by exchange rate losses as a result of incomplete currency hedging.

Risks relating to the political, legal and macroeconomic environment

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

The coronavirus disease (COVID-19) was declared a pandemic by the World Health Organisation on 11 March 2020 and there are cases in approximately 215 countries, areas or territories at the date of this Annual report.

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. 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.

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. The received information is further challenged and reviewed with the in-depth information and knowledge held by the management team at 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 realistic to happen given the constantly evolving regulatory and legislative environment in the markets where Unifiedpost operates.

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 has a pan-European strategy and will therefore invest in regions where it has today less experience and where regulation is different and business, legal and economic risks may be higher than in the regions where it has a presence today

Compared to other parts of Europe, central- and south-eastern 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.

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.

Risk 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 duty 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 organised, are more susceptible to fraudulent actions and increase the likelihood of KYC failure or AML violations.

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.

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. In addition, Unifiedpost is subject to laws and regulations relating to AML, KYC, anti-terrorism, anti-corruption and sanctions regulations.

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 analyse 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.

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. 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.

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 11 October 2016, Unifiedpost Payments obtained a payment institution license under PSD2, thereby establishing its status as a licensed and regulated payment service provider. This licence was extended on 3 July 2018 by the NBB. As a payment institution, Unifiedpost Payments is subject to supervisory 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. In addition, PSD2 introduces new concepts such as strong customer authentication ("SCA") and third-party access to accounts ("XS2A").

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 Payments 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 Payments 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 Payments 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 Payments 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 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. In Identity, the harmonisation of national eID schemes will impact the adoption rate of Unifiedpost's solutions. In Payments, PSD2 is the main driver of Unifiedpost's future growth.

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. However, Member States continued to take different approaches to eID management systems and the evolution towards a harmonised approach has been slow. In a recent bid to develop a more harmonised 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.

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. 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, amongst 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. Therefore, if access to third party accounts is not organised 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 and its customers, partners and others who use its services, obtain and process a significant amount of data. Any personal data 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 data. In its capacity as service provider, Unifiedpost acts as an intermediary between customers and their suppliers. In the scope of providing its services. Even though this data is mainly busines-to-business data, it cannot be excluded that this data sometimes contains data about identified or identifiable persons (i.e. personal data).

Processing such personal data will always have some inherent risk. Even though Unifiedpost take all reasonable precautions to protect any data against an unauthorised use or access of the data and/or loss or destruction of such data, it is, given the current state of technical, not possible to exclude future data breaches.

Moreover, since Unifiedpost has rolled out (and will continue to roll out) its operations in more countries, it must (and will in the future need to) comply with local laws and regulatory requirements. These local laws and requirements sometimes leave room for interpretation which may put an additional risk on Unifiedpost especially in markets where it is not fully established.

Considering the high penalties which may be imposed on Unifiedpost (i.e. a maximum of 20 million or 4% of Unifiedpost's global annual net turnover, whichever is higher or similar in non EU jurisdictions), it goes without saying that a non- compliance with applicable data protection laws and/or a data breach may have a significant impact on Unifiedpost's result, not to mention the potential damage it may do to Unifiedpost's reputation. In order to mitigate this risk, Unifiedpost continues to review and enhance its procedures and continues to monitor all legal requirements and changes in the field. In addition Unifiedpost will set up a DPO office which will allow it to act promptly when facing potential issues and/or when entering new territories.

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 would be 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 a potential negative impact of this risk would primarily impact its reputation, number of customers, liability for damages and revenue.

Risks related to trading on Euronext

Possible volatility of share price

The trading price of the company's shares has been and may continue to be highly volatile and could be subject to wide fluctuations in response to factors such as actual or anticipated variations in the company's quarterly operating results, announcements of technological innovations, or new services by the company or its competitors, changes in financial estimates by securities analysts, conditions or trends in digitisation, changes in the market valuations of companies active in the same markets, announcements by the company or its competitors of significant acquisitions, strategic relationships, joint ventures or capital commitments, additions or departures of key personnel, sales of shares or other securities of the company in the open market and other events or factors, many of which are beyond the company's control. Furthermore, the stock markets in general, and Euronext, the broad market and industry factors may materially and adversely affect the market price of the company's shares, irrespective of the company's operating performance.

5.7 Market development and perspective

We believe that we currently find ourselves in especially favourable market conditions, characterised by digitalisation, progressive regulation and a growing collaboration interest from the banking and accounting sector, for which we foresee an even better market perspective in the coming years.

In our history, we have steadily increased our focus to SMEs, which in turn are gradually moving towards digital solutions, amongst others ERP and CRM SaaS solutions. All of these solutions support API connectivity, which make digital exchange of documents convenient. The need for digitalisation for SMEs is even further increased by the global COVID-19 pandemic, which demands for digital and contactless administration of an SME, including the realisation of payments. The latter is made possible by the PSD2 directive, which acts as a catalyst for businesses to start using payment services outside their traditional banking environment. These developments are and will be perfectly captured by the Unifiedpost solutions.

From a regulatory point of view, the landscape has been smoothed for our business, as it has become mandatory that all the governments in the European Union impose B2G e-invoicing, and furthermore a number of them have made B2B e-invoicing also mandatory, and others are seriously considering it. Therefore, we expect more countries to follow the steps of France and Italy in requiring businesses to implement B2B e-invoicing.

As we look at the banking sector, we have seen an increased interest from European banks to partner with us and we believe this interest will increase even more in the coming months and years. Moreover, banks tend to base their financing propositions for businesses more and more on digitally exchanged data. Instead of creating their own SME ecosystem with their own customer base, they are slowly turning to external digital networks such as ours, which can extend their reach for financing solutions. It is a matter of time until the majority of European banks will seek to connect with our network.

In the accounting sector we already have various partnerships in Europe, where we notice that more and more accounting firms and accounting associations want to partner with us and want to digitalise their operations, as we also see that they are increasingly adopting automated accounting based on the digital data that is exchanged by their customers. These partnerships open the doors to hundreds and thousands of SMEs, which enrich our digital network, which in turn is becoming more global.

Lastly, by rolling out the Unifiedpost model in 26 countries simultaneously in 2021, we set the fundamental growth layer in Europe, leading the way towards a global expansion. Supply chains are global, and so are we. Our approach will stay the same as today, complementing organic growth with supplementary acquisitions, giving us new technology and/or a local foothold in a new market or country.

Overall, Unifiedpost is extremely confident that the market conditions will remain favourable and become even better in the coming years. This will enable us to realize our growth objectives and become the leading trusted communications and payments business network in the world. All the trends and developments in the business services market are material tailwinds for Unifiedpost, both in the corporate and the SME segment. That is why we foresee a thriving future for our company and our sector, and an important role in the digitalisation and in the process of making governments, accountants and businesses more efficient.

5.8 Statement by senior management in accordance with the Royal Decree of 14 November 2007

Pursuant to article 13 § 2,3 of the Royal Decree of 14 November 2007, CEO Hans Leybaert and CFO Laurent Marcelis declare, on behalf of and for the account of Unifiedpost that, as far as is known to them :

a. the consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union and that they give a true and fair view of the equity and financial situation of the Group at 31 December 2020, and of its results and cash flows for the financial year ending on that date;
b. the annual report gives a true and fair view of the development and results of the Group, as well as a description of the main risks and uncertainties with which it is confronted.

6. Corporate governance

Unifiedpost is committed to a high standard 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 can be found on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be) and is based on a 'comply or explain' approach.

Unifiedpost believes that for the 2020 financial year, it satisfies all principles and provisions from the Belgian Corporate Governance Code 2009, with two exceptions: no independent internal group audit function was set up within Unifiedpost. In 2021, the Company has proposed to take the first steps to establish an internal audit function. Furthermore, there was no formal written remuneration policy for the period before the IPO. For the first time, we will submit a remuneration policy for approval to the annual general Shareholders' Meeting of May 18, 2021 to be applicable as of 2021.

The Board adopted a Corporate Governance Charter in September 2020, as required by the Corporate Governance Code (the Corporate Governance Charter) . This Corporate Governance Charter is updated regularly and was most recently revised in February 2021. It is available for download on the investor relations section of our corporate website https://www.unifiedpost.com/en/investor-relations/corporate-governance. Future changes to the Charter will also be published on the corporate website.

6.1 Dealing code

The Board approved the Company's dealing code in accordance with the EU Market Abuse Regulation EU 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse. The Dealing Code restricts transactions of Unifiedpost securities by members of the Board and the Management Committee, senior management and certain other persons during closed and prohibited periods. The Dealing Code also contains rules concerning the disclosure of intended and executed transactions by leading managers and their closely associated persons through a notification to the Company and to the FSMA. The Chief Legal Counsel is the Compliance Officer for the purposes of the Unifiedpost dealing code. The dealing code can be found as exhibit I of the Corporate Governance Charter.It is available for download on the investor relations section of our corporate website https://www.unifiedpost.com/en/investor-relations/corporate-governance.

6.2 The Shareholders' Meeting

Unifiedpost's annual general Shareholders' Meeting will take place for the first time on 18 May 2021.

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 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.

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.

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.

Formalities to attend a Shareholders' Meeting

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.

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.

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.

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.

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.

6.3 Consultation of the Company's documents

The statutory and consolidated financial statements, Articles of Association, annual reports and other information that is disclosed for the benefit of the shareholders are available free of charge at the Company's registered office. The Articles of Association can be accessed on the corporate website (www.unifiedpost.com) in the section entitled "Investor relations".

6.4 Shareholder structure

On 31 December 2020 there were 30,401,990 shares in issue.

All shares are ordinary shares and confer equal rights. Each share entitles its holder to one vote at the general meeting and the shares represent the denominator for the purpose of transparency notifications, as set forth hereafter.

In accordance with the conditions, terms and modalities stipulated in articles 6 to 13 of the Law of 2 May 2007 and the Royal Decree of 14 February 2008 on the disclosure of important shareholdings (the "Transparency Law"), every natural or legal person must notify the Company and the FSMA of the number and percentage of existing voting rights that it holds directly or indirectly, when the number of voting rights reaches, exceeds or falls below 5%, 10%, 15%, 20%, etc., each per 5-percent bracket, of the total of the existing voting rights. The articles of association of the Company do not provide for additional notification thresholds. Transparency declarations are published on the Company's website.

The following table shows the shareholder structure on 31 December 2020 based on the notifications made to the Company and the Belgian Financial Services and Markets Authority ("FSMA") by the shareholder listed below in accordance with article 6 of the Belgian law of 2 May 2007 on the notification of significant shareholdings:

Name	Number of shares	% of voting rights
Sofias BV (Hans Leybaert)[1]	3,904,970	12.84%
Capital Research and Management Company[2]	2,000,000	6.58%

Following 31 December 2020 and up to the date of this report, the Company has received a transparency notification from Swedbank Robur Fonder AB on 26 January 2021, in which it states that it has obtained 1,847,989 shares of the Company, equal to 5.98% of the voting rights.

The major shareholders, to the extent known to the Company, are published and updated on the Company's website. Furthermore, none of the major shareholders have, to the extent known to the Company, special voting rights or control rights.

For information related to the history of the shareholder structure and capital, reference is made to the Prospectus It is available for download on the investor relations section of our corporate website where you can also find all shareholder information https://www.unifiedpost.com/en/investor-relations/publications.

Following 31 December 2020 and up to the date of this report, following certain transactions new shares have been issued:

- On 8 January 2021, 479,494 shares,
- On 24 March 2021, 103,258 shares, and
- On 9 April 2021, 2,464,857 shares.

After the aforementioned issuances of new shares, the share capital of the Company increases to EUR 309,188,642.94 represented by 33,449,599 shares without mention of nominal value. Each of these shares gives one voting right at the general meeting of shareholders and, together, represent the denominator for the purposes of notifications under the transparency regulations.

Holders of subscription rights

On 31 December 2020, the following subscription rights issued by the Company were outstanding:

- 100,000 "key man subscription rights", with an exercise price of 18.30 EUR (the "**Key Man Subscription Rights**"), issued by the Company on 15 October 2015, all allocated to Sofias BV, and each Key Man Subscription Right entitling the holder of such Key Man Subscription Right to ten (10) shares of the Company. 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;
- 55,000 "employee subscription rights", with an exercise price which has been determined by the Board of Directors of the Company (the "**ESOP Subscription Rights**"), issued by the Company in the context of an employee subscription right (stock option) plan on 15 October 2015 and each ESOP Subscription Right entitling the holder of such ESOP Subscription Right to ten (10) shares of the Company. During the term of the ESOP Subscription Rights, being ten (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 Belgian Companies Code. The Board of Directors of the Company can decide, at its discretion, to foresee additional exercise periods. At the date of this report, 54,000 ESOP Subscription Rights are allocated to selected participants. 1,000 ESOP Subscription Rights are thus currently not allocated; and
- 26,022 "investment subscription rights", with an exercise price of 100.00 EUR (the "**Investment**

1 on the basis of the transparency notification dd. 24/09/2020
2 on the basis of the transparency notification dd. 28/09/2020, which has been done by The Capital Group Companies, Inc. on behalf of its subsidiaries Capital Research and Management Company

Subscription Rights”), issued by the Company in the context of a bond conversion and capital increase on 17 July 2020 and each Investment Subscription Right entitling the holder of such Investment Subscription Right to ten (10) shares of the Company. The Investment Subscription Rights have a term of twenty-four (24) months and can be exercised at the sole discretion of their holder at any time during these twenty-four (24) months.

Following 31 December 2020 and up to the date of this report, certain ESOP Subscription Rights and Investment Subscription Rights have been exercised as follows:

- On 8 January 2021, (i) 7,000 ESOP Subscription Rights and (ii) 5,000 Investment Subscription Rights have been exercised; and
- On 24 March 2021, (i) 8,666 ESOP Subscription Rights and (ii) 250 Investment Subscription Rights have been exercised.
- On 9 April 2021, (i) 2,750 ESOP Subscription Rights and (ii) 63 Investment Subscription Rights have been exercised.

6.5 Authorised capital

The extraordinary general meeting of 31 August 2020 has authorised the Board of Directors of the Company to issue new shares within the framework of the authorised capital and to increase the capital of the Company, in one or more times, up to a maximum (cumulative) amount of EUR 242,343,298.24.

This authorisation is granted for a period of 5 years as from the date of publication in the Annexes to the Belgian Official Gazette of the finalisation of the authorisation granted on 31 August 2020.

On 31 December 2020, the Board of Directors had not yet made use of this authorisation.

On 31 December 2020, the Board of Directors was still authorised to issue new shares within the framework of the authorised capital and to increase the capital of the company, in one or more instalments, up to a maximum (cumulative) amount of 242,343,298.24 EUR.

Following 31 December 2020 and up to the date of this report, the Board of Directors has made use of this authorisation on 8 January 2021, 24 March 2021 and 9 April 2021 for a total amount of EUR 56,619,880.28

The Board of Directors is still authorised to issue new shares within the framework of the authorised capital and to increase the capital of the company, in one or more instalments, up to a maximum (cumulative) amount of 185.723.417,96 EUR.

6.6 Dividend policy

Because of the stage Unifiedpost is in, cash is fully used to execute our ambitious growth strategy, and not to distribute dividends. The multiple investments and acquisitions that our company is constantly realising, withholds us from having an active dividend policy.

6.7 Board of Directors and Committees

Unifiedpost has a Board of Directors, a Management Committee, an Audit Committee and a Remuneration and Nomination Committee.

Board of Directors

Mandate of the Board

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's purpose, except to the extent otherwise provided for by law or the Articles of Association for the Shareholders' Meeting or other corporate bodies.

In particular, the Board of Directors is responsible for:

- defining the general policy and strategy of the Company and its subsidiaries;
- deciding on all major strategic, financial and operational matters of the Company;
- overseeing the management by the Chief Executive Officer 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 collegial 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.

Composition of the Board of Directors

Pursuant to the Articles of Association and the Corporate Governance Charter, the Board of Directors must comprise at least six members and is currently composed out of 8 members, of which 4 independent directors, all appointed for six years. Until 24 September 2020, the Board consisted of seven members, comprising three independent non-executive directors. After the date of the IPO and currently, the CEO is the only executive member of the Board. Although the term of office of directors under Belgian law is limited to six years (renewable), the Corporate Governance Code recommends that it be limited to four years. However, all directors have been appointed for a term of six years as provided for in the Articles of Association of Unifiedpost. 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. 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 exceptions are explained to the Shareholders' Meeting dealing with the approval of the appointment.

The appointment and renewal of directors is based on a recommendation of the Remuneration and Nomination Committee to the Board of Directors and is subject to approval by the Shareholders' Meeting.

The table below gives an overview of the members of the Board of Directors on 31 December 2020:

Name	Position	Start of first term	Start of current term	End of current term	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	Walemstraat 20, 2860 Sint-Katelijne- Waver, Belgium
Joost Uwents	Independent Director	23/09/2020	23/09/2020	19 May 2026	Hillarestraat 4A, 9160 Lokeren, Belgium
Katrien Meire	Independent Director	23/09/2020	23/09/2020	19 May 2026	Paul Parmentierlaan 49 bus 4.2, 8300 Knokke-Heist, Belgium
Fovea BV (permanently represented by Katya Degrieck)	Independent Director	23/09/2020	23/09/2020	19 May 2026	Avenue Fondroy 103, 1180 Brussels, Belgium
Angeline (Marie-Ange) Marx	Independent Director	23/09/2020	23/09/2020	19 May 2026	Rue Joseph Stallaert 19, 1050 Brussels, Belgium

None of the members of the Board of Directors have a family relationship with any other member. The independent directors have been appointed by the extraordinary Shareholders' Meeting of 31 August 2020 as was subjected to the realization of certain conditions precedent as mentioned in the IPO Prospectus (chapter 13).

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.

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 Masters' degree in Business Administration and a Masters' 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 Masters' degree as a business engineer from the KU Leuven and subsequently did an MBA at Vlerick Business School.

Katrien Meire 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, as well as COO of football club Club Brugge NV. She also served as a council member for two years at the English Football Association. Katrien obtained a Masters' 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 Masters' 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 Masters' 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 Masters' degree as a commercial engineer from the University of Antwerp.

At the occasion of the Board meeting of 12 November 2020, the Board of Directors proposed to the general Shareholders' Meeting, to be kept at 18 May 2021, to appoint Mr **Philippe De Backer** as independent director of the Company and appointed Mr Philippe De Backer as observer on the Company's Board of Directors until the aforementioned approval of the proposal by the general Shareholders' Meeting.

Functioning of the Board of Directors

The Board of Directors is convened by the chairman or the CEO or by at least two directors whenever the interest of the Company so requires, or at the request of two directors. In principle, the Board of Directors will at least meet five times a year. Under the lead of its chairman, the Board will regularly evaluate its scope, composition and performance and those of its Committees, as well as its interaction with the executive management.

Gender diversity

For companies whose securities are admitted to a regulated market for the first time, the requirement to have at least one-third of board members of an opposite gender than the other members is to be met as of the first day of the sixth financial year starting after the IPO, being for the Company as of 1 January 2026. Our Board of Directors is already currently 37% female, hence more than required, as we have thoroughly invested in a specific gender related search. Our Board also features a mix of expertise from different operational fields.

Independent Directors

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 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.

Currently, Unifiedpost has more independent members in its Board of Directors than required by its Corporate Governance Charter, i.e. four instead of three.

Committees of the Board of Directors

The Board of Directors has established three board committees 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.

6.8 Audit Committee

The Audit Committee advises the Board of Directors on accounting, audit and internal control matters.

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.

Unifiedpost's Audit Committee consists of at least three 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.

The following directors form the Audit Committee: Joost Uwents (Chairman), Angeline (Marie-Ange) Marx, Stefan Yee and Jürgen Ingels.

As required by the Belgian Companies Code, Mr Joost Uwents, chairman of the Audit Committee, as well as all other members of the Audit Committee, possesses the appropriate expertise and experience in this field. Reference is made to his biography in the 'Board of Directors' section above.

The Audit Committee will meet at least four times a year and whenever it deems necessary in order to carry out its duties.

6.9 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.

The Remuneration and Nomination 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.

The Remuneration and Nomination Committee shall consist of at least three 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.

The following directors form the Remuneration and Nomination Committee: Stefan Yee (Chairman), Katrien Meire and Katya Degrieck.

The Remuneration and Nomination Committee will meet at least two times a year and whenever it deems necessary in order to carry out its duties.

6.10 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	Position	Business address
Hans Leybaert	Executive Director (CEO)	O.-L. Vrouwstraat 8, 3054 Oud-Heverlee, Belgium
Laurent Marcelis	Chief Financial Officer	Muntstraat 2 bus 203, 2800 Mechelen, 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 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).

Chief Executive Officer

The CEO is responsible for the daily 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 daily 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.

6.11 Directors' conflicts of interest

Articles 7:96 and 7:97 of the Belgian Companies Code 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 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. In this context, (i) the director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction, (ii) the Board of Directors has to describe the nature of the decision giving rise to the conflict of interest and the patrimonial consequences thereof for the Company in the minutes of the Board of Directors, and (iii) the part of such minutes has to be included in the annual report of the Company. In this respect, the special procedure with respect to conflicts of interest as set forth above has been applied four times with respect to the financial year ending on 31 December 2020.

1. Board of directors' meeting – 16 August 2020:

At the occasion of the Board of Directors' meeting on 16 August 2020, prior to the Board of Directors taking any decision, the following declaration has been made by certain directors of the Company:

Prior to the deliberation on the agenda item as set out above, AS Partners BV declares, in accordance with Article 7:96 of the BCCA, that it has a financial interest that is potentially contrary to the interest of the Company in respect to the proposed appointment as "Interim IPO Coordinator" of AS Partners BV, represented by Mr. Stefan Yee.

*The potential conflict of interest of AS Partners BV arises from the fact that AS Partners BV, represented by Mr. Stefan Yee is the permanent representative of AS Partners BV, on the one hand, and is the counterparty of the Company in his appointment as consultant and provider of consulting and advisory services to the Company with respect to legal, financial and commercial affairs related to the Company's contemplated capital increase through a private placement with institutional investors (**the Offering**) and subsequent admission to listing and trading of the Company's shares on the regulated market of Euronext Brussels (**the Listing**). Pursuant to his appointment, Both the Company and AS Partners BV have an interest to stipulate the most favorable conditions for themselves. These favorable conditions relate in particular to the fee that will be paid to AS Partners BV as remuneration for the services rendered to the Company.*

The other directors take note of this potential conflict of interest. The Company's statutory auditor will also be informed of this, as required by article 7:96, §1, 3° of the BCCA. AS Partners BV declares that, as required per article 7:96, §1, 4° of the BCCA, he will not vote on or partake in any other manner with respect to the decision concerned.

The board is of the opinion that, taking into account (i) the importance of the Offering and Listing to the Company, (ii) the prior active involvement of AS Partners in the contemplated Offering and Listing, (iii) the recent departure of Mr. […] as legal counsel of the Company and the ongoing search for his replacement, and (iv) the timing of the Offering and Listing, the Company would benefit from additional assistance with respect to legal, financial and commercial matters related to the contemplated Offering and Listing.

Given Mr. Stefan Yee's background and experience and active prior involvement in the Contemplated Offering and Listing, the board is of the opinion that AS Partners BV, represented by Mr. Stefan Yee is well placed to advise the Company with respect to such matters.

After due consultation and taking into account the market practices with respect to remuneration for similar consultancy services, the Board is of the opinion that the following main terms and conditions are fair, at arms' length and in proportion to the benefits that the Company will receive from this arrangement:

- *duration : retroactively since July 1, 2020 until the end of the month of Listing (expected in September 2020)*
- *daily fee (excluding VAT) : 1.000 EUR per effective man-day*

The financial consequences to the Company in respect of the appointment of AS Partners BV, represented by Mr. Stefan Yee will be limited to payment of the aforementioned remuneration.

The board therefore resolves to appoint AS Partners BV, represented by Mr. Stefan Yee as "Interim IPO Coordinator" to the Company, with a view to obtain consultancy and advisory services relating to the Company's contemplated Offering and Listing (and all other matters relating thereto) under the above mentioned proposed main terms and conditions.

2. Board of Directors' meeting – 17 September 2020:

At the occasion of a Board of Directors' meeting on 17 September 2020, prior to the Board of Directors taking any decision, the following declaration has been made by certain directors of the

Company:

*AS Partners BV, Jinvest BV and Cityfinance SA (who is not a director of the Company anymore) (the "**Conflicted Directors**") have declared, in accordance with article 7:96 of the Belgian Companies Code, that in their opinion, a potential conflict of interest of a patrimonial nature could exist with respect to an item on the agenda of the Board of Directors' meeting, which could conflict with the interest of the Company within the meaning of article 7:96, §1 of the Belgian Companies Code. This potential conflict of interest of the Conflicted Directors related to an underwriting agreement to be entered into by the Company and PE Group NV, Smartfin Capital NV and Mr. Michel Delloye as shareholders of the Company (the "**Selling Shareholders**") on the one hand and the underwriters on the other hand, relating to the soft underwriting by the underwriters in light of the envisaged private placement at that time (the "**Underwriting Agreement**").*

More specifically, the Underwriting Agreement foresaw that (i) the Selling Shareholders would grant an increase option and over-allotment option to Joh. Berenberg, Gossler & Co KG, acting on behalf of the underwriters, to additionally sell existing shares held by the Selling Shareholders in the private placement, and (ii) the Company would carry all costs and fees relating to the exercise of such increase option and over-allotment option. Even though such costs and fees were inherently connected to the sale of the existing shares held by the Selling Shareholders, the Selling Shareholders would receive all proceeds from the sale of their existing shares but the Company would take on the costs and expenses related to such sales without any form of compensation being due by such Selling Shareholders to the Company.

The Conflicted Directors were however connected to certain Selling Shareholders, as (i) AS Partners BV is a director of PE Group NV and is permanently represented and owned by Mr. Stefan Yee, who in turn is a shareholder of PE Group NV, (ii) Jinvest BV is a shareholder of Smartfin Capital NV and is permanently represented and owned by Mr. Jürgen Ingels, who in turn is a "key executive" and shareholder of Smartfin Capital NV, and (iii) Cytifinance SA was permanently represented and (partially) owned by Mr. Michel Delloye. As a result, the Conflicted Directors could be presumed to have an indirect conflict of interest vis-à-vis the Company within the meaning of article 7:96 of the Belgian Companies Code.

The non-conflicted directors have taken note of this potential conflict of interest and have informed the Company's statutory auditor, as required by article 7:96, §1, 3° of the Belgian Companies Code. The Conflicted Directors did not vote on or partake in any other manner to the deliberations with respect to the decision concerned.

The non-conflicted directors were however of the opinion that the private placement was necessary to strengthen the further (international) expansion of the Company and to facilitate the Company's business plan. The structure of the private placement at that time, i.e. an issuance of maximum 9,722,222 new shares to raise gross proceeds of EUR 175 million, potentially increased with the sale of existing shares held by the Selling Shareholders through the exercise of the increase option (up to 2,430,554 existing shares) and over-allotment option (up to 1,822,915 existing shares) granted to Joh. Berenberg, Gossler & Co KG, allowed the Company to respond to high investor demand in the market for the Company's shares, without unnecessarily further diluting the holdings of the current shareholders. Furthermore, the Selling Shareholders have agreed to lend their shares to Joh. Berenberg, Gossler & Co KG, free of any charges and without any remuneration being due to them, in order to allow Joh. Berenberg, Gossler & Co KG to carry out stabilization activities on the regulated market of Euronext Brussels or other OTC instances. The Company had a significant interest in enabling such stabilization activities to maintain a stable price for the Company's shares on the market.

The non-conflicted directors believed that, in order to incentivize the Selling Shareholders to include their existing shares in the private placement to cover the increase option and over-allotment option (pursuant to which their shareholding in the Company would materially decrease), it was appropriate for the Company to take up the costs, fees and other expenses related to the exercise of the increase option and over-allotment option. The non-conflicted directors believed this to be a reasonable commercial measure, as the increase option and over-allotment option enhanced the liquidity of the listed shares – thereby improving their valuation – and would thus be in the Company's interest.

The non-conflicted directors estimated at that time that the maximum financial exposure for the Company in light of this measure would amount to EUR 3,062,498.30.

3. Board of Directors' meeting – 1 December 2020

At the occasion of a Board of Directors' meeting on 1 December 2020 (by written resolutions), prior to the Board of Directors taking any decision, the following declaration has been made by Jinvest BV as director of the Company:

Mr. Jurgen Ingels has declared, on behalf of his management company Jinvest BV, that he in his capacity as permanent representative of Jinvest BV - had a potential conflict of interest with respect *to the decision by the Company to enter into a placement agreement with Joh. Berenberg, Gossler & Co KG (the "**Placement Agreement**"). More specifically, Mr. Jurgen Ingels – who held 165,930 shares of the Company at that moment – intended to sell 33,186 shares of the Company. For that reason, Mr. Ingels has (i) granted a power of attorney to the Company in his capacity as a selling shareholder, and (ii) would also become a party to the Placement Agreement to which the Company would also be a party.*

Although the Company (i) would not receive any remuneration in its capacity as proxyholder in the framework of an envisaged transaction, (ii) would not be entitled to any of the proceeds resulting from the transaction, (iii) would not bear any costs related to the transaction (as these will be deducted from the selling shareholders' proceeds), and (iv) only had rights but not obligations to indemnify other parties under the template placement agreement (on which the final Placement Agreement will be based), the Board of Directors considered a potential conflict of interest could existed between the Company and Mr. Ingels (in his capacity as permanent representative of Jinvest BV).

In this respect, Mr. Ingels has declared, on behalf of his management company Jinvest, that he – in his capacity as permanent representative of Jinvest BV - had a potential conflict of patrimonial interest vis-à-vis the Company, as he, pursuant to the Placement Agreement, would make certain representations and warranties and could be held to indemnify and hold harmless the Company (and the sole bookrunners) from and against (amongst others) any claims or losses which directly or indirectly arise out of or are based on any breach or alleged breach by Mr. Ingels of any of its obligations, or of any of its representations, warranties or undertakings or other agreements set out in the Placement Agreement.

To the extent the Company would suffer certain losses arising from or in connection with the transaction, it would therefore be in Mr. Ingels' interest to limit his obligations to indemnify the Company to the largest extent possible, whereas it would be in the Company's best interest to seek indemnification from Mr. Ingels to the largest extent possible. As a result thereof, a potential conflict of interest existed between the Company and Mr. Ingels (in his capacity as permanent representative of Jinvest BV).

The Board of Directors therefore deemed it appropriate that Jinvest BV's approval of the relevant items on the agenda of the written resolutions - in respect of which Mr. Ingels (in his capacity as permanent representative of Jinvest BV) had a conflict of interest – was not taken into account. Such decision and all related decisions in the context thereof have been taken unanimously by all non-conflicted members of the Board of Directors.

The Board of Directors (for the avoidance of doubt, excluding Mr. Ingels) deemed it was in the Company's interest to enter into the Placement Agreement, as the sole purposes of the Company's inclusion as a party thereunder is to provide a limited set of representations and warranties. These representations and warranties were required by Joh. Berenberg, Gossler & Co KG in order to enter into and fully execute the Placement Agreement. The Placement Agreement is furthermore comprised of balanced arrangements between the parties thereto, and its full execution (allowing the Selling Shareholders to liquidate part of their initial investment in the Company) forms part of the long term investment framework under which the various selling shareholders agreed to invest in the Company prior to its listing on the regulated market of Euronext Brussels.

4. Board of directors' meeting – 22 December 2020

At the occasion of a board of directors' meeting on 22 December 2020 (by written resolutions), prior to the board of directors taking any decision, the following declaration has been made by Jinvest BV as director of the Company:

*Mr. Jurgen Ingels has declared, on behalf of his management company Jinvest BV, that he in his capacity as permanent representative of Jinvest BV - had a potential conflict of interest with respect to the decision by the Company to enter into a placement agreement with Joh. Berenberg, Gossler & Co KG (the "**Placement Agreement**"). More specifically, Mr. Jurgen Ingels – who held 132,744 shares of the Company at that moment – intended to sell 32,744 shares of the Company. For that reason, Mr. Ingels has (i) granted a power of attorney to the Company in his capacity as a selling shareholder, and (ii) would also become a party to the Placement Agreement to which the Company would also be a party.*

Although the Company (i) would not receive any remuneration in its capacity as proxyholder, (ii) would not be entitled to any of the proceeds resulting from the transaction, (iii) would not bear any costs related to the transaction (as these will be deducted from the selling shareholders' proceeds), and (iv) only had rights but not obligations to indemnify other parties under the template placement agreement (on which the final Placement Agreement will be based), the board of directors considered a potential conflict of interest existed between the Company and Mr. Ingels (in his capacity as permanent representative of Jinvest BV).

In this respect, Mr. Ingels has declared, on behalf of his management company Jinvest BV, that he

– in his capacity as permanent representative of Jinvest BV - had a potential conflict of patrimonial interest vis-à-vis the Company, as he, pursuant to the Placement Agreement, would make certain representations and warranties and could be held to indemnify and hold harmless the Company (and the sole bookrunners) from and against (amongst others) any claims or losses which directly or indirectly arise out of or are based on any breach or alleged breach by Mr. Ingels of any of its obligations, or of any of its representations, warranties or undertakings or other agreements set out in the Placement Agreement.

To the extent the Company would suffer certain losses arising from or in connection with the transaction, it would therefore be in Mr. Ingels' interest to limit his obligations to indemnify the Company to the largest extent possible, whereas it would be in the Company's best interest to seek indemnification from Mr. Ingels to the largest extent possible. As a result thereof, a potential conflict of interest existed between the Company and Mr. Ingels (in his capacity as permanent representative of Jinvest BV).

The board of directors therefore deemed it appropriate that Jinvest BV's approval of the relevant items on the agenda of the written resolutions - in respect of which Mr. Ingels (in his capacity as permanent representative of Jinvest BV) had a conflict of interest - was not taken into account. Such decisions and all related decisions in the context thereof have been taken unanimously by all non-conflicted members of the board of directors.

The board of directors resolved that the Placement Agreement would need to be entered into by the Company, acting as the selling shareholders' representative, in order to put in place the agreements and arrangements governing the coordinated transfer between the selling shareholders and the sole bookrunners.

The board of directors furthermore resolved that the Company would enter into the Placement Agreement, under the condition that (i) the sole purpose of the Company's inclusion as a party thereunder is to provide a limited set of representations and warranties, and (ii) the Placement Agreement is based on, and does not in any material respect deviate from, the template placement agreement.

6.12 Remuneration Report

As stated above, there was no formal written remuneration policy pre IPO and during 2020. The remuneration policy which will be put in place in 2021, is to be submitted for approval to the first General Shareholders' Meeting on 18 May 2021, will be reviewed on a regular basis by the Remuneration and Nomination Committee and the Board of Directors in line with prevailing market conditions for listed companies in Belgium to ensure a fair and appropriate remuneration practice. It will submit proposals in this regard to the General Shareholders' Meeting for decision.

The remuneration of the non-executive members of the Board of Directors was decided by the Shareholders' Meeting dated 31 August 2020 as follows:

- Director fee for independent directors: annual fee of €20,000;
- Additional fee for Audit Committee membership: annual fee of €7,500; and
- Additional fee for Remuneration and Nomination Committee membership: annual fee of €5,000; and
- Additional fee applicable to the chairman of the Board of Directors: annual fee of €10,000

The non-executive directors do not receive any performance-based remuneration, nor any benefits in kind.

In 2020, Unifiedpost paid a total of € 138,375 remuneration to the directors (exclusive Sofias BV) as mentioned in the table below:

Name	Function	Remuneration	Costs
(in euro)			
AS Partners represented by Stefan Yee*	non-executive and chairman	80,875	-
Jinvest, represented by Jurgen Ingels	non-executive	26,250	-
Sofias, represented by Hans Leybaert **	executive	-	-
Joost Uwents	independent	6,875	-
Katrien Meire	independent	6,250	-
Fovea, represented by Katya Degrieck	independent	6,250	-
Angeline (Marie-Ange) Marx	independent	6,875	-
Cityfinance, represented by Michel Delloye	non-executive until 24/09/2020	-	-
Participatie Maatschappij Vlaanderen, represented by Stefan Dewaele	non-executive until 22/07/2020	-	-
De Boel Management & Events, represented by Johan De Boel	executive	-	-
FPIM-SFPI NV, represented by Leon Cappaert	non-executive	5,000	-

** AS Partners was remunerated for the directors function €21.875 and for other consultancy fees amounting to €59.000.*
*** The remuneration package of the executive director, CEO, Sofias is detailed in the below paragraph*

The CEO is not remunerated for his directors' mandate. In order to ensure the independence of the Board of Directors in its supervisory function over the Management Committee, the remuneration system for the non-executive directors does not contain any performance-related components nor pension schemes. It takes into account the responsibilities and the commitment of the Board members to develop the Company and is intended to attract and retain individuals who have the necessary experience and competencies for this role. No attendance fees are granted.

CEO

In 2020, Sofias NV (of which Mr. Hans Leybaert is the permanent representative) received following compensation in his executive function as president of the management committee:

Hans Leybaert	in euro
Base remuneration	271,401
Short-term variable remuneration	-
Long-term variable remuneration	-
Pension	-
Extra legal remuneration	-
Reimbursement of costs	-

The CEO does not benefit from contributions in a pension scheme, nor does he have extra-legal arrangements through an individual/group insurance paid by the company or receive any other fringe benefits.

Remuneration for the other members of the Management Committee

The remuneration for the other members of the Management Committee entirely results from their executive positions. The total amount of the fixed remuneration of the other members of the Management Committee amounted to € 884,041.

Other member of the Management team	Aprilis BV	Marcelis BV	Kilauea Management Consult BV
In euro			
Base remuneration	267,035	235,800	230,870
Short-term variable remuneration	-	-	-
Long-term variable remuneration	-	-	-
Pension	-	-	-
Extra legal remuneration	-	-	-
Reimbursement of costs	-	-	-

The management agreement with De Boel Management and Events was terminated in June 2020 with a notice period until the end of August 2020. The total fee paid to De Boel Management & Events was €150,336.

Annual change in remuneration

The Group has detailed remuneration data of all group companies including average FTEs and total remuneration paid to all staff (payroll and contractors) since 2019. As there was no legal obligation and no need to report this detailed information for the period prior to 2019, we currently do not have reliable info for the periods prior to 2019.

For the year 2019 the Group had a total staff cost inclusive all benefits of € 33.728 thousand or an average per FTE of €54,8 thousand (615 FTE's). For the year 2020 the Group had a total staff cost of € 43.815 thousand or €51,5 thousand. (851 FTE's) The slight decrease is due to staff mix on the one hand and the higher employment in countries with lower remuneration scales on the other hand.

Remuneration scale

As Unifiedpost employs staff in 16 countries, and therefore represents a wide variety of remuneration scales, there is limited added value in reporting a ratio between the highest and lowest remuneration (in full-time equivalent) within the Group.

Termination provisions

Hans Leybaert, CEO

The service agreement of Hans Leybaert, for the performance of daily management services as CEO was entered into for an indefinite term by Sofias BV, the Belgian management company of Hans Leybaert. 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 fixed 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.

Laurent Marcelis, CFO

The service agreement of Laurent Marcelis, for the performance of its services as CFO was entered into for an indefinite term. 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 fixed 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.

Hans Jacobs, CCO

The service agreement of Hans Jacobs, for the performance of its services as CCO was entered into for an indefinite term. Other than in the case of termination in certain events of breach of contract, the CCO is entitled to a notice period of 1 month and a termination fee equal to the fixed fee of a notice period of 9 months. The CCO 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.

Tom Van Acker, COO

The service agreement Tom Van Acker, for the performance of its services as COO was entered into for an indefinite term by Aprilis BV, the Belgian management company of Tom Van Acker. Other than in the case of termination in certain events of breach of contract, the COO is entitled to a notice period of 12 months or a termination fee equal to the fixed fee of a notice period of 12 months. The COO 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.

6.13 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 and consolidated 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.

6.14 Relevant information in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of securities which have been admitted to trading on a regulated market, requires that listed companies disclose certain items that may have an impact in the event of a takeover bid:

Capital structure
A comprehensive overview of our capital structure as at 31 December 2020 can be found in the "Capital Structure" section of this Corporate Governance Statement.

Restrictions on transfers of securities
The Company's articles of association do not impose any restrictions on the transfer of shares. Furthermore, the Company is not aware of any such restrictions imposed by Belgian law except in the framework of the Market Abuse Regulation.

Holders of securities with special control rights
There are no holders of securities with special control rights.

Restriction on voting rights
The articles of association of the Company do not contain any restrictions on the exercise of voting rights by the shareholders, provided that the shareholders concerned comply with all formalities to be admitted to the Shareholders' Meeting.

Shareholder agreements

Unifiedpost is not aware of any shareholder agreement which includes, or could lead to, a restriction on the transfer of its shares or exercise of voting rights related to its shares.

6.15 Internal controls on financial reporting

As part of its responsibilities, Management committee establishes a risk management system to ensure, among other objectives, accurate financial reporting. It emphasises the importance of risk management in financial reporting by taking into account, with the Audit Committee, a whole range of associated activities and risks. It ensures that risks are truly reflected in financial results and reports. In addition, Risk Management goes beyond those risks known to Unifiedpost and tries to anticipate the nature and characteristics of emerging risks, which may impact the Unifiedpost's objectives.

Financial risk assessments primarily involve the identification of:

1. significant financial reporting data and its purpose;
2. major risks involved in the attainment of objectives;
3. risk control mechanisms, where possible.

Financial reporting objectives include (i) ensuring financial statements comply with IFRS ; (ii) ensuring that the information presented in financial results is per both transparent and accurate; (iii) using accounting principles appropriate to the sector and the company's transactions; (iv) ensuring the accuracy and reliability of financial results.

UNIFIEDPOST GROUP SA

Consolidated financial statements as of and for the years ended 31 December 2020 and 2019

7. Consolidated financial statements

1. Consolidated statement of profit or loss and other comprehensive income

		For the year ended 31 December	
Thousands of Euro, except per share data	Notes	2020	2019
Revenue	5.4	68,928	46,952
Cost of services	5.5	(39,577)	(24,812)
Gross profit		**29,351**	**22,140**
Research and development expenses	5.5	(10,505)	(9,083)
General and administrative expenses (*)	5.5	(25,753)	(19,877) *
Selling and marketing expenses (*)	5.5	(14,542)	(9,515) *
Other income / (expenses)	5.7	466	683
Net impairment gains / (losses) on financial and contract assets		(20)	(29)
Profit / (loss) from operations		**(21,003)**	**(15,681)**
Change in the fair value of financial liabilities	5.29.1	(5,343)	(573)
Financial income		102	3
Financial expenses	5.8	(6,602)	(6,181)
Share of profit / (loss) of associates & joint ventures	5.28	(51)	278
Profit / (loss) before tax		**(32,897)**	**(22,154)**
Income tax	5.9	(872)	(211)
PROFIT / (LOSS) FOR THE YEAR		**(33,769)**	**(22,365)**
Other comprehensive income:		**(541)**	**(208)**
Items that will not be reclassified to profit or loss, net of tax:			
Remeasurements of defined benefit pension obligations	5.25, 5.19	(33)	(215)
Items that will or may be reclassified to profit or loss, net of tax:			
Exchange gains / (losses) arising on translation of foreign operations	5.19	(508)	7
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**(34,310)**	**(22,573)**
Profit / (loss) is attributable to:			
Owners of the parent		(33,992)	(22,365)
Non-controlling interests		223	-
Total comprehensive income / (loss) is attributable to:			
Owners of the parent		(34,533)	(22,573)
Non-controlling interests		223	-
Earnings per share attributable to the equity holders of the parent, adjusted in both period for the stock split by 10 of 31 August 2020:			
Basic	5.10	(1.72)	(1.06)
Diluted	5.10	(1.72)	(1.06)

(*) € 1,546 thousand relating to Fitek Group's amortisations of the customer relationships and brand names has been reclassed in the 2019 consolidated statement of profit or loss from general and administrative expenses to selling and marketing expenses.

The notes form an integral part of these financial statements.

2. Consolidated statement of financial position

		At 31 December	
Thousands of Euro	**Notes**	**2020**	**2019**
ASSETS			
Goodwill	5.12	35,159	30,842
Other intangible assets	5.13	47,865	44,065
Property and equipment	5.14	6,778	1,549
Right-of-use-assets	5.15	8,101	7,708
Interest in associates and joint ventures	5.28	-	6,394
Non-current contract costs	5.4	857	283
Deferred tax assets	5.9	205	830
Other non-current assets		586	471
Non-current assets		**99,551**	**92,142**
Inventories		507	205
Trade and other receivables	5.16	17,718	13,317
Contract assets	5.4	374	200
Contract costs	5.4	1,320	610
Current tax assets		124	191
Prepaid expenses	5.17	1,610	1,586
Cash and cash equivalents	5.18	125,924	3,046
Current assets		**147,577**	**19,155**
TOTAL ASSETS		**247,128**	**111,297**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	5.19	251,543	20,744
Costs related to equity issuance		(15,926)	(389)
Share premium reserve	5.19	492	492
Accumulated deficit		(73,818)	(40,420)
Reserve for share-based payments	5.19, 5.32	1,767	1,552
Other reserve	5.19	4,395	(1,173)
Cumulative translation adjustment reserve		(520)	(4)
Equity attributable to equity holders of the parent		**167,933**	**(19,198)**
Non-controlling interests		**264**	**-**
Total shareholders' equity		**168,197**	**(19,198)**
Convertible bonds	5.20	-	34,999
Derivative financial instruments	5.20	-	12,937
Non-current loans and borrowings	5.20	19,324	7,074
Liabilities associated with puttable non-controlling interests	5.21	1,788	2,000
Non-current lease liabilities	5.23	5,087	5,306
Non-current contract liabilities	5.4	2,389	1,202
Retirement benefit obligations	5.25	262	345
Deferred tax liabilities	5.9	2,912	2,469
Non-current liabilities		**31,762**	**66,332**
Interest payable on convertible bonds	5.20	-	1,431
Derivative financial instruments	5.29	3,750	-
Current loans and borrowings	5.20	6,808	38,066
Current liabilities associated with puttable non-controlling interests	5.21	6,178	-
Current lease liabilities	5.23	2,970	2,602
Trade and other payables	5.24	16,553	14,918
Contract liabilities	5.4	10,211	6,722
Current income tax liabilities		699	424
Current liabilities		**47,169**	**64,163**
TOTAL EQUITY AND LIABILITIES		**247,128**	**111,297**

The notes form an integral part of these financial statements.

3. Consolidated statement of changes in equity

Thousands of Euro	Notes	Share capital	Costs related to equity issuance	Share premium reserve	Accumulated deficit	Share based payments	Other reserves	Cumula-tive translation adjustment reserve	Non-controlling interests	Total equity
Balance At 1 January 2019		**20,744**	**(389)**	**492**	**(17,840)**	**1,244**	**-**	**(11)**	**-**	**4,240**
Loss for the year		-	-	-	(22,365)	-	-	-	-	(22,365)
Other comprehensive income / (loss)	5.19	-	-	-	(215)	-	-	7	-	(208)
Total comprehensive loss for the year		-	-	-	(22,580)	-	-	7	-	(22,573)
Non-controlling interests on acquisition of subsidiary	5.11	-	-	-	-	-	-	-	827	827
Put option written over non-controlling interests	5.21	-	-	-	-	-	(1,173)	-	(827)	(2,000)
Share-based-payments	5.32	-	-	-	-	308	-	-	-	308
Issuance of shares for cash		-	-	-	-	-	-	-	-	-
Balance At 31 December 2019		**20,744**	**(389)**	**492**	**(40,420)**	**1,552**	**(1,173)**	**(4)**	**-**	**(19,198)**
Profit/(Loss) for the year		-	-	-	(33,992)	-	-	-	223	(33,769)
Other comprehensive income / (loss)	5.19	-	-	-	(33)	-	-	(508)		(541)
Total comprehensive profit/ (loss) for the year		-	-	-	(34,025)	-	-	(508)	223	(34,310)
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	2,711	2,711
Put option written over non-controlling interests	5.21	-	-	-	627	-	(3,923)	-	(2,670)	(5,966)
Share-based-payments	5.32	-	-	-	-	215	-	-	-	215
Issuance of shares for cash	5.19	10,408	(25)	-	-	-	(782)	-	-	9,601
Issuance of shares upon conversion of convertible bonds	5.19	45,391	-	-	-	-	10,273	-	-	55,664
Private placement and subsequent listing		175,000	(15,512)	-	-	-	-	-	-	159,488
Other		-	-	-	-	-	-	(8)	-	(8)
Balance At 31 December 2020		**251,543**	**(15,926)**	**492**	**(73,818)**	**1,767**	**4,395**	**(520)**	**264**	**168,197**

The notes form an integral part of these financial statements.

4. Consolidated statement of cash flows

		For the year ended 31 December	
Thousands of Euro	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		**(33,769)**	**(22,365)**
Adjustments for:			
- Amortisation and impairment of intangible fixed assets	5.13	11,019	5,358
- Depreciation and impairment of property, plant & equipment	5.14	861	743
- Depreciation of right-of-use-assets	5.15	3,138	2,115
- Impairment of trade receivables		71	-
- Financial income		(102)	(3)
- Financial expenses	5.8	6,602	6,181
- Share of (profit) / loss of joint ventures	5.28	51	(278)
- Loss on disposal of associates	5.7	126	-
- Gain on disposal of fixed assets		(66)	-
- Gain from remeasurement of previously held interest upon assuming control over a subsidiary	5.11.3	(465)	(412)
- Share-based payment expense	5.32	215	308
- Income tax expense / (income)	5.9	872	211
- Fair value change of financial asset	5.29	-	(23)
- Fair value change of derivative	5.29	5,343	573
Subtotal		**(6,104)**	**(7,592)**
Changes in Working Capital			
(Increase)/decrease in trade receivables and contract assets		(4,552)	(991)
(Increase)/decrease in other current and non-current receivables		(229)	(666)
(Increase)/decrease in Inventories		(41)	(8)
Increase/(decrease) in trade and other liabilities		4,472	4,905
Cash generated from/ (used in) operations		**(6,454)**	**(4,352)**
Income taxes paid		(381)	(169)
Net cash provided by / (used in) operating activities		**(6,835)**	**(4,521)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments made for acquisition of subsidiaries; net of cash acquired	5.11	1,121	(33,876)
Payments made for purchase of property, plant & equipment	5.14	(2,398)	(376)
Proceeds from the disposals of property, plant & equipment		223	26
Payments made for purchase of intangibles and development expenses	5.13	(10,672)	(7,253)
Proceeds from the disposals of intangibles and development expenses	5.13	73	-
Proceeds from sale of financial assets at fair value through profit or loss		-	567
Proceeds from sale of subsidiaries, net of cash disposed		(112)	-
Upfront payments made for leases		(38)	-
Interest received		1	3
Dividend payments received from joint ventures	5.28	-	135
Net cash provided by / (used in) investing activities		**(11,802)**	**(40,774)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares (private placement and subsequent listing)	5.19	175,000	-
Issue of ordinary shares (other)	5.19	10,408	-
Costs related to equity issuance		(15,537)	-
Dividends paid to non-controlling interests		(14)	-
Proceeds from loans and borrowings	5.22	5,836	52,794
Repayments of loans and borrowings	5.22	(29,115)	(4,291)
Interest paid on loans, borrowings and leasings		(1,584)	(2,753)
Repayment of lease liabilities	5.23	(3,459)	(2,337)
Net cash provided by/ (used in) financing activities		**141,535**	**43,413**
Effect of exchange rate changes		(20)	-
Net increase/(decrease) in cash & cash equivalents		**122,878**	**(1,882)**
Cash and cash equivalents at beginning of period	5.18	3,046	4,928
Cash and cash equivalents at end of period	5.18	125,924	3,046

5. Notes to the consolidated financial statements

5.1 General

Unifiedpost Group SA is a Belgian fintech company providing a complete technology portfolio for digital document processing, identity management, payments services and added value financial 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 2020 and 2019 (the "Consolidated Financial Statements") comprise Unifiedpost Group SA and its subsidiaries together "the Group" as outlined in note 5.27.

Significant events of the year:

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 5.19).

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 amounted to €67,343,298.24 and was represented by 2,104,807 shares.

On 24 September 2020, the remaining 184 Bonds were automatically converted into capital as a result of the private placement and subsequent listing of its shares, being a qualifying event.

On 22 September 2020, Unifiedpost Group began trading on Euronext Brussels. Unifiedpost was listed through the admission to trading of 30,401,990 shares. The admission and issue price of Unifiedpost's shares was set at € 20 per share. The prospectus in which the Company announced the launch and the terms of the private placement and its subsequent listing, was approved by the Financial Services and Markets Authority ("FSMA") and made available by the Company on 18 September 2020. The terms of the listing as well as the initial conditions of the private placement were specified in the Prospectus. The Placement Period during which subscriptions from institutional investors were received within the framework of the Private Placement, began on 18 September 2020 and ended on 21 September 2020. The capital increase relating to the Private Placement amounted to € 175 million. The "IPO Committee" determined, on 21 September 2020, by virtue of the powers conferred on it by the Extraordinary General Meeting, the following terms and conditions of the capital increase:

- the final number of Placement Shares was set at 8,750,000;
- the Placement Price per share within the framework of the Private Placement was set at € 20 per share

The Company's shares have been admitted to the "Euronext Brussels" market on 22 September 2020.

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, Serbia and Bosnia Herzegovina. 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 5.11).

COVID-19 pandemic

The group was negatively impacted by COVID-19: in transactional revenue an estimated revenue of €2,5 to €3 million was lost by the reduction of economic activity. Non-recurring revenue was slightly impacted due to postponed projects by the lockdowns. COVID-19 effects have been considered at all levels such as impairment testing, fair value determination of liabilities based on level 3 valuation, estimated credit loss for trade receivables. No additional adjustments relating to COVID 19 were needed.

These consolidated financial statements were authorised for issue by the Board of Directors on 16 April 2021.

5.2 Basis of preparation

The consolidated financial statements of the Group for the two years ended 31 December 2020 and 2019 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU-IFRS"). The Group adopted IFRS since 1 January 2017.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 5.35.

The 2019 financial statements are identical to the financial statements included in the Company's prospectus dated 18 September 2020 except for € 1.546 thousand relating to Fitek Group's customer relationships and brand names amortisations which have been reclassed in the 2019 consolidated statement of profit and loss from general and administrative expenses to selling and marketing expenses in order to improve the presentation by function.

The accounting standards applied in the consolidated financial statements for the year ended 31 December 2020 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2019 with the exception of the early adoption of the IFRS 16 Amendment related to COVID-19 related rent concessions, which however did not have a significant impact.

The Group has not early adopted any other Standard, interpretation or amendment that have been issued but is not yet effective.

Standards, interpretations and amendments applicable for the first time in 2020

- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 3 Business Combinations: Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform – Phase 1
- Amendments to references to the Conceptual Framework in IFRS standards

These amendments do not have a significant impact on the group's financial statements.

Standards, interpretations and amendments applicable for the first time in 2021 or later

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendment to IFRS 4 Insurance Contracts – deferral of IFRS 9 (applicable for annual periods beginning on or after 1 January 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (applicable for annual periods beginning on or after 1 January 2021)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

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 recognised at fair value and certain financial instruments which are measured at fair value, as described in note 5.29.1.

The Consolidated Financial Statements are presented in thousands of Euro and all "currency" values are rounded to the nearest thousands, 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.

5.3 Significant accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continuously 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 judgements in accounting policies that are important for the presentation of the financial statements are addressed in the following notes:

- **Going concern** – At year-end, the Group has € 92 million of net financial cash. This cash position will be used (i) to finance its further investment program and projected cash drain for the next 12 months, (ii) to pay the cash considerations and transaction costs of the acquisitions carried out in 2021 and (iii) to pay the deferred or contingent cash considerations payable within the next 12 months. Based on cash planning, the Group would substantially spend the available cash at year-end 2020 to fulfil all commitments in the next 12 months. This implies that meeting the present business plan is crucial and that any delay in realisation could result in cash shortfalls.
  However, after year-end, the Group secured an additional credit line.
  In addition, the Group is confident to have sufficient opportunities to expand current credit commitments with current or new financial parties, including additional acquisition financing and expansion of factoring credit lines. Furthermore, the Group has the ability to make quick savings in the current plan to avoid cash shortages; and
- **Incremental transactions costs directly linked to both share issuance and the subsequent listing of existing shares :** Costs which related jointly to the share issuance and the listing of existing shares have been allocated between these components based on the proportion of numbers of new shares issued upon the listing relative to the total number of shares (see note 5.35.13).

The estimation uncertainties that are important for the presentation of the financial statements are addressed in the following notes:

- **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 5.11);
- **Amortisation of customer relations** - the useful life of customer relations has been estimated at 5-10 years. The useful life and the related accounting method is reviewed annually (see note 5.35.6);
- **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 amortisation purposes (see note 5.13);
- **Deferred tax** – Estimate of timing and amount of future taxable profits against which unused tax losses can be utilised (note 5.9); and
- **Fair value measurement** – Fair value measurement of the derivative embedded in the convertible bonds issued by the Company, the antidilution clauses derivative as well as the liabilities associated with puttable non-controlling interest , are all categorised as a level 3 in the fair value hierarchy of IFRS 13 Fair Value Measurement (see note 5.29).

5.4 Revenue from contracts with customers

5.4.1 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:**

		For the year ended 31 December	
Thousands of Euro	**Timing of revenue recognition**	**2020**	**2019**
Revenue from recurring services		**62,443**	**42,434**
Transactions		45,222	29,756
Document processing	Over time	23,519	16,189
Print production	At a point in time	21,703	13,567
Subscriptions	Over time	14,463	10,187
Managed services	Over time	2,758	2,491
Project revenue		**6,485**	**4,518**
Implementation requests	Over time when not distinct, at a point in time otherwise	1,494	28
Change requests	At a point in time	3,650	4,291
Sale of licenses	At a point in time	1,341	199
Total		**68,928**	**46,952**

The Group expects its revenue from subscriptions, transactions and from managed services to repeat 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 growth in revenue from recurring services between 2019 and 2020 amounts to 47,2%.

The Group's revenue **per product line** was as follows for the years ending 31 December 2020 and 2019:

					For the year ended 31 December
		2020			
Thousands of Euro	Documents	Identity	Payments	Platform Services	Total
Revenue from recurring services	**50,792**	**6,122**	**1,336**	**4,193**	**62,443**
Transactions	44,901	-	321	-	45,222
Document processing	*23,198*	-	*321*	-	*23,519*
Print production	*21,703*	-	-	-	*21,703*
Subscriptions	5,527	6,122	1,015	1,799	14,463
Managed services	364	-	-	2,394	2,758
Project revenue	**6,238**	**107**	**84**	**56**	**6,485**
Implementation requests	1,424	34	36	-	1,494
Change requests	3,473	73	48	56	3,650
Sale of licenses	1,341	-	-	-	1,341
Total	**57,030**	**6,229**	**1,420**	**4,249**	**68,928**

					For the year ended 31 December
		2019			
Thousands of Euro	Documents	Identity	Payments	Platform Services	Total
Revenue from recurring 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**

The Group generated revenue in the following **primary geographical markets** during the years ending 31 December 2020 and 2019, with Belgium and the Netherlands representing the majority of its sales:

				For the year ended 31 December
Thousands of Euro	2020	2020	2019	2019
Belgium	23,825	35%	21,231	45%
Netherlands	12,540	18%	9,654	21%
United Kingdom	7,461	11%	2,465	5%
Serbia	6,563	9%	340	1%
Lithuania	5,218	8%	3,581	8%
Estonia	4,135	6%	3,093	7%
Latvia	3,296	5%	2,332	4%
Slovakia	1,594	2%	10	0%
Luxembourg	993	1%	991	2%
France	364	1%	1,204	3%
The rest of the world	2,939	4%	2,051	4%
Total	**68,928**	**100%**	**46,952**	**100%**

5.4.2 Contract assets and liabilities

Contract assets arise when we recognise 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 recognised significant impairment losses on contract assets for any of the periods presented. A portion of contract assets relates to a bill and hold agreement.

		At 31 December
Thousands of Euro	**2020**	**2019**
Contract assets	374	200

Contract liabilities consist of billings or customer payments in excess of amounts recognised 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 recognised monthly when the performance obligation has been satisfied;
- Fees for non-distinct implementation services that are recognised 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.

		At 31 December
Thousands of Euro	**2020**	**2019**
Non-current	(2,389)	(1,202)
Current	(10,211)	(6,722)
Total Contract liabilities	**(12,600)**	**(7,924)**

The following table provides an overview of contract liabilities from contracts with customers:

						Income to be recognised in:
Thousands of Euro	**Total**	**2021**	**2022**	**2023**	**2024**	**2025**
Subscription fees	8,749	6,606	1,662	481	-	-
Fees for non-distinct implementation services	864	781	47	31	4	1
PCS	2,987	2,824	144	19	-	-
Total Contract liabilities	**12,600**	**10,211**	**1,853**	**531**	**4**	**1**

At 31 December 2020, non-current contract liabilities mainly relate to € 2,143 thousand for subscription fees billed in advance, in relation to identity services.

81% of the total contract liabilities of € 12,600 thousand, are expected to be recognised in revenue during 2021. During 2022 about 15% will be recognised as revenue. The remaining 4% is predominantly attributable to 2023, and for a minor part to 2024 and 2025. (2019: 85% in 2020, 11% in 2021 and 4% in 2022).

Movements in current contract liabilities for the years ending 31 December 2020 and 2019 are as follows:

		At 31 December	
Thousands of Euro		**2020**	**2019**
Balance at 1 January		7,924	5,136
Revenue recognised that was included in the contract liability balance at the beginning of the period:			
	Subscriptions	(5,755)	(3,851)
	Implementation services	(300)	(319)
	PCS	(698)	(526)
Business combinations (see note 5.4.2)		-	-
Additions		11,429	7,484
Balance at 31 December		**12,600**	**7,924**

At 31 December 2020, contract liabilities were € 8,749 thousand for subscription fees billed in advance (Documents: € 1,357 thousand; Identity: € 6,184 thousand; Payments: € 600 thousand; Platform Services € 608 thousand), € 864 thousand for non-distinct implementation services and € 2,987 thousand for unsatisfied PCS obligations.

5.4.3 Remaining performance obligations

The transaction price allocated to remaining performance obligations that are unsatisfied, or partially unsatisfied, represents contracted revenue that will be recognised 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 recognised 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 recognise approximately € 10,211 thousand of revenue in the twelve months following 31 December 2020, corresponding to the reported amount of current contract liabilities, and € 2,389 thousand thereafter (see table 5.4.2). 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.

5.4.4 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. Contract costs relate to Identity-subscriptions and are being released in profit and loss according to term of the related Identity-subscriptions.

	At 31 December	
Thousands of Euro	**2020**	**2019**
Non-current	857	283
Current	1,320	610
Total Contract costs	**2,177**	**893**

5.5 Disclosure of expenses

Details of expenses by nature are as follows:

		For the year ended 31 December	
Thousands of Euro	**Notes**	**2020**	**2019**
Expenses by nature			
Employee benefits	5.6	43,815	33,728
Scanning, printing and postage		23,701	11,463
Depreciation and amortisation		13,168	8,216
Impairment charges	5.13	1,850	-
Cloud and other IT services		3,705	3,952
Marketing		2,488	3,532
Subcontractors		1,243	770
Professional services		7,215	5,066
Facility costs		1,145	834
Capitalization of own development costs		(10,146)	(6,343)
Other		2,193	2,069
Total		**90,377**	**63,287**
Expenses by type			
Cost of services		39,577	24,812
Research and development expenses		10,505	9,083
General and administrative expenses (*)		25,753	19,877 *
Selling and marketing expenses (*)		14,542	9,515 *
Total		**90,377**	**63,287**

(*) € 1,546 thousand relating to Fitek Group's amortisations of the customer relationships and brand names has been reclassed in the 2019 consolidated statement of profit and loss from general and administrative expenses to selling and marketing expenses.

Included in Professional services for the year ended 31 December 2020 are € 3,866 thousand (2019: € 2,144 thousand) of legal, reporting accountants' and other fees expensed in preparation of the listing of the Company's shares on Euronext Brussels on 22 September 2020.

Depreciation of property and equipment as well as of right-of-use assets, amortisation of intangible assets and impairments are reported in the following categories of expenses by function:

Depreciation and amortisation charges by type			
Thousands of Euro	**Notes**	**2020**	**2019**
Depreciation			
Cost of services		1,422	1,029
Research and development expenses		1,035	793
General and administrative expenses		1,083	690
Selling and marketing expenses		459	346
Total depreciations and impairment	**5.14, 5.15**	**3,999**	**2,858**
Amortisation			
Cost of services		10	-
Research and development expenses		3,840	2,777
General and administrative expenses (*)		1,118	71*
Selling and marketing expenses (*)		6,051	2,510*
Total amortisations and impairment	**5.13**	**11,019**	**5,358**
Total depreciations, amortisations and impairment		**15,018**	**8,216**

(*) € 1,546 thousand relating to Fitek Group's amortisations of the customer relationships and brand names has been reclassed in the 2019 consolidated statement of profit or loss from general and administrative expenses to selling and marketing expenses.

The increase in the amortisation in selling and marketing expenses mainly relate to the impairment of the Fitek brand name of € 1.8 million as a result of the decision taken by the Board of Directors in November 2020, as well as to the effect of the full year amortization of the 2019 and 2020 acquisitions.

5.6 Employee benefit expenses

Details of employee benefit expenses are as follows:

		For the year ended 31 December	
Thousands of Euro	**Notes**	**2020**	**2019**
Wages, salaries, fees and bonuses		23,796	19,512
Social security		4,336	3,077
Fees paid to contractors		14,796	10,346
Pensions costs: defined contribution plans	5.25	200	168
Pensions costs: defined benefit plans	5.25	236	208
Other benefits		451	417
Total		**43,815**	**33,728**

Although the number of FTE's increased with 30% from 615 FTE's in 2019 to 851 FTE's in 2020 (mainly on Documents & Billtobox related Product Unit), the average employee benefit expenses remains € 55 thousand per FTE including subcontractors.

5.7 Other income and expenses

Details of other income and expenses are as follows:

		For the year ended 31 December	
Thousands of Euro	**Notes**	**2020**	**2019**
Loss on sale of subsidiary		(126)	-
Changes in fair value of financial assets		-	23
Income from recharge of costs		5	175
Gain from remeasurement of previously held interest upon assuming control over a subsidiary (**)	5.11.3	465	412
Gain on sale of fixed assets		66	-
Other		56	73
Total		466	683

(**) This gain is referring to the result out of the interest held in Fitek Balkan, prior to having full control.

5.8 Financial expenses

Details of financial expenses are as follows:

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Interest and finance charges paid/payable financial liabilities not at fair value through profit or loss	5,850	6,004
Interest and finance charges paid/payable for lease liabilities	133	104
Other	619	73
Total	**6,602**	**6,181**

5.9 Income tax

Tax expense/(credit)

The net tax expense/(credit) consists of:

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Current tax expense		
Current tax on profits for the year	567	131
Total current tax expense	**567**	**131**
Deferred tax expense		
Origination and reversal of temporary differences	305	80
Recognition of tax assets arising from unused tax losses	-	-
Total deferred tax expense / (credit)	**305**	**80**
Total	**872**	**211**

Thousands of Euro	**2020**	**2019**
Profit / (loss) for the year	(33,769)	(22,084)
Income tax expense/(income)	872	211
Profit / (loss) before tax	**(32,897)**	**(21,873)**
Tax using the Company's domestic tax rate of 25% (2019: 29,58%)	(8,224)	(6,470)
Expenses not deductible for tax purposes	400	191
Tax credit	(373)	-
Share-based payments	53	91
Costs related to equity issuance	(3,878)	-
Conversion of embedded derivatives	2,373	-
Share of profit / (loss) of joint ventures and associates	13	(82)
Income not taxable for tax purposes	-	(122)
Subtotal tax effect of amounts which are not deductible (taxable) in calculating taxable income	(1,412)	78
Addition to unrecognised tax losses	9,993	6,395
Previously unrecognised tax losses used to reduce current tax expense	(269)	(103)
Subtotal changes in unrecognised tax losses (current tax expense)	9,724	6,292
Different tax rates applied in other jurisdictions	821	309
Other	(37)	2
Total tax expense	**872**	**211**

Deferred tax assets

The following table presents for each temporary difference the amount of deferred tax assets recognised in the statement of financial position:

Thousands of Euro	Tax losses	Contract balances	Intangible assets	Property, plant and equipment	Other	Other receivables	Provisions	Total
At 1 January 2019	**655**	**159**	**270**	**-**	**10**	**-**	**-**	**1,094**
(Charged) / credited								
- To profit or loss	(200)	66	(120)	-	(10)	-	-	(264)
At 31 December 2019	**455**	**225**	**150**	**-**	**-**	**-**	**-**	**830**
(Charged) / credited								
- To profit or loss	56	(437)	(311)	10	21	(2)	7	(656)
Business combinations	-	-	1	21	-	9	-	31
At 31 December 2020	**511**	**(212)**	**(160)**	**31**	**21**	**7**	**7**	**205**

As positive evidence for recognising a deferred tax asset, the Company considered the increased level of profits 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 capitalised 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 recognised in the statement of financial position, amounted to € 91,077 thousand as at 31 December 2020 (€ 52,003 thousand as at 31 December 2019). 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.

Deferred tax liabilities

The following table presents for each temporary difference the amount of deferred tax liabilities recognised in the statement of financial position:

Movements *Thousands of Euro*	**Tax losses**	**Contract balances**	**Intangible assets**	**Property, plant and equipment**	**Other**	**Total**
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
Business combinations	-	-	(2,119)	-	-	(2,119)
At 31 December 2019	**290**	**(9)**	**(2,491)**	**(308)**	**49**	**(2,469)**
(Charged) / credited						
- To profit or loss	(290)	10	402	211	(21)	312
- To other comprehensive income	-	-	-	-	(2)	(2)
- Directly to equity	-	-	19	-	1	20
Business combinations	-	-	(773)	-	-	(773)
At 31 December 2020	**-**	**1**	**(2,843)**	**(97)**	**27**	**(2,912)**

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 recognised 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 recognised relating to investments in subsidiaries.

In 2020, a deferred tax liability of € 763 thousand, was recognized mainly on customer relationship as a result of the business combination of Fitek Balkan. In 2019, deferred tax liabilities were recognized as a result of the business combinations of Fitek (€ 1,016 thousand) and Primedoc (€ 1,103 thousand) (see note 5.11.3).

5.10 Earnings per share

Earning per shares of 31 December 2019 and 31 December 2020, as well as the weighted number of share for both reporting periods, are presented after share split by 10 as decided per 31 August 2020 (see note 5.19) .

Thousands of Euro (except number of shares and earnings per share)		**At 31 December**
	2020	**2019**
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	(1.72)	(1.06)
Total basic earnings per share attributable to the ordinary equity holders of the company	(1.72)	(1.06)
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	(1.72)	(1.06)
Total diluted earnings per share attributable to the ordinary equity holders of the company	(1.72)	(1.06)
Basic earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(33,992)	(22,365)
Used in calculating basic earnings per share	(33,992)	(22,365)
Diluted earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(33,992)	(22,365)
Used in calculating diluted earnings per share	(33,992)	(22,365)
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares for the purposes of basic earnings per share	19,762,181	15,181,930
Weighted average number of mandatorily convertible bonds for the purposes of basic earnings per share	-	5,935,000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	19,762,181	21,116,930
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	19,762,181	21,116,930

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 the capital increases during the year. Ordinary shares that were 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.

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 2019 and 2020 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.

Potential dilutive instruments that have been assessed to result in an anti-dilutive impact on the earnings per share include, granted subscription rights (warrants) to acquire shares (as described in note 5.32), the anti-dilution protection rights (as described in note 5.19) and the put options of the non-controlling interest (as described in note 5.21).

5.11 Business combinations during the period

5.11.1 Summary of acquisitions

The Group has made following acquisitions during the previous and current reporting period:

Thousands of Euro				
Acquisitions	**Principal activity**	**Date of acquisition**	**Proportion of shares acquired**	**Consideration transferred**
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
Fitek Balkan d.o.o.	Financial process automation	11/02/2020	51%	6,964
Tehnobiro d.o.o.	Financial process automation	3/07/2020	51%	340

2020 Acquisitions

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.

Tehnobiro

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.

The 2020 and 2019 acquisitions are aligned with the Group's focused buy-and-build strategy and are intended to create and further expand a one-stop-shop service offerings including the solutions of the acquired business, in existing markets as well as the acquired businesses' new local markets.

2019 Acquisitions

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, Serbia 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 5.11.3).

Prime Document (now Unifiedpost Ltd)

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, Prime Document is a provider of multi-channel, transactional, document processing services. The acquisition of Prime Document purports to increase the Group's total addressable market. On 1 June 2020, Prime Document Limited changed its name to Unifiedpost Limited.

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.

5.11.2 Consideration transferred

The total consideration transferred to affect the business combinations can be summarised as follows:

		2020			2019
Thousands of Euro	**Tehnobiro**	**Fitek Balkan**	**Fitek**	**Prime Document**	**Fitek Slovakia**
Cash	270	-	27,442	8,249	-
Vendor loan	70	150	-	-	50
Issuance of convertible bonds	-	-	1,400	1,200	-
Acquisition date fair value of the previously held equity interest	-	6,750	-	-	2,125
Settlement of pre-existing relationships	-	64	-	-	444
Total consideration	**340**	**6,964**	**28,842**	**9,449**	**2,619**
Total goodwill	**59**	**4,360**	**3,048**	**3,520**	**1,757**

5.11.3 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:

		2020			2019
Thousands of Euro	**Tehnobiro**	**Fitek Balkan**	**Fitek**	**Prime Document**	**Fitek Slovakia**
Trade name	54	-	2,627	-	-
Software	-	365	1,885	141	-
Customer relationships	222	3,895	15,351	6,426	1,950
Other intangible assets	-	21			
Property and equipment	147	3,710	244	65	39
Right-of-use assets	3	119	1,085	473	189
Investment in joint ventures	-	-	7,965	-	-
Other non-current assets	-	-	315	-	-
Inventories	-	263	78	29	32
Trade and other receivables	111	1,241	1,753	958	264
Prepaid expenses	-	1	122	-	16
Cash and cash equivalents	93	1,298	1,649	174	42
Lease liabilities	(3)	(122)	(1,041)	(519)	(189)
Loans and borrowings	-	(3,309)	(3,163)	-	-
Deferred tax liabilities	(35)	(735)	(606)	(1,103)	(410)
Trade and other payables	(39)	(1,703)	(2,470)	(585)	(244)
Tax liabilities	-	-	-	(130)	-
Non-controlling interests	(272)	(2,440)	-	-	(827)
Total net assets	**281**	**2,604**	**25,794**	**5,929**	**862**
Goodwill	**59**	**4,360**	**3,048**	**3,520**	**1,757**
Consideration transferred	**340**	**6,964**	**28,842**	**9,449**	**2,619**

2020 Acquisitions

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 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 realised 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 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, at a price to be determined at the time of exercise based on an agreed formula approximating a market price, price adjusted for the fair market value of the Sirius Star's building in Belgrade. 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 (see note 5.21). A non-current liability has been recorded by partly offsetting the non-controlling interest recognised 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.

No changes were made to the initial purchase price allocation.

Tehnobiro

€ 70 thousand of total consideration of € 340 thousand was contingent upon the fulfilment of the Tehnobiro's 2020 business plan. Both parties agreed that the contingent consideration is to be paid after year end in 2021.

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.

2019 Acquisitions

Fitek

The Company has identified and valued €19,863 thousand in intangible assets acquired in the combination that were not recognised 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 amortised 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.

Prime Document (now Unifiedpost Ltd)

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 amortised 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.

No changes were made to the initial purchase price allocation.

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 and the settlement of pre-existing relationships with the acquired entity. 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 realised 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 recognised 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.

No changes were made to the initial purchase price allocation.

5.11.4 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 amortisation 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 (2020)
Thousands of Euro	Tehnobiro	Fitek Balkan	
Revenues	310	7,414	
Profit / (loss) for the year	3	894	
			For the year ended 31 December 2020
Thousands of Euro	Tehnobiro	Fitek Balkan	
Revenues	674	7,747	
Profit / (loss) for the year	35	561	
			Since date of acquisition (2019)
Thousands of Euro	Fitek	Prime Document	Fitek Slovakia
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)

5.12 Goodwill and impairment testing

The carrying amount of goodwill is summarised as follows:

Thousands of Euro	**Notes**	
At 1 January 2019		**22,517**
Additions		8,325
At 1 January 2020		**30,842**
Addition Fitek Balkan	5.11.2	4,360
Addition Tehnobiro	5.11.2	59
Foreign exchange difference		(102)
At 31 December 2020		**35,159**

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:

	At 31 December	At 31 December
Thousands of Euro	**2020**	**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	3,418	3,520
Fitek Balkan	4,360	-
Tehnobiro	59	-
Total	**35,159**	**30,842**

Goodwill that arose from the 2019 business combinations of Fitek and of Unifiedpost Limited (formerly Prime Document Limited) 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 31 December 2020, the Payment solutions CGU also comprised assets not yet ready for their intended use (€ 186 thousand) and as such not yet subject to amortisation.

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.

Assessment of recoverable amount of the CGUs

Our traditional paper-based printing revenue streams have experienced reductions for some specific industries since the Covid-19 pandemic's effects became widespread (in the first half of the year). Despite the fact that the Company meanwhile recovered from the decrease, management considered the initial reduction in sales as an indicator of a potential impairment and therefore determined the recoverable amount for all its cash generating units.

Groups of distinct cash generating units are summarised as follows:

- Document processing solutions
- Print production
- Payment solutions
- Fitek Baltics
- Fitek Slovakia
- Fitek Balkan
- Unifiedpost Limited

Document processing 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 Gross margins Terminal growth rate Discount rate	
Scenario's	- Base case (30% weighing): representing the ambition of group management - Modest case (40% weighing): a more conservative growth rate applied with similar cost structure except for the new-launched products where ambitions were generally set at 70% of the base case. - Stress case (30% weighing): mainly a pure inflation-based growth with a more adapted cost structure except for the new-launched products where ambitions were generally set at 50% of the base case.	
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 are 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 pre-tax: Document processing solutions The terminal value includes a growth rate of :	CAGR : 4% - 20% 13.68 % 0.98 %
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.

Management is confident that the valuation indicated sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment of the goodwill. Given its relative size, the Document processing solutions CGU is the only CGU that 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 14,7% for the recoverable value determined using the Document Processing Solutions pre-tax WACC of 13.68% to be equal to the carrying amount of the CGU.

Print production

Valuation basis	Value in use	
Key assumptions	Sales growth rates Gross margins Terminal growth rate Discount rate	
Scenario's	- Base case (30% weighing): representing the ambition of group management - Modest case (40% weighing): a more conservative growth rate applied with similar cost structure except for the new-launched products where ambitions were set at 70% of the base case. - Stress case (30% weighing): Growth in sales was set at zero and cost structure was inflated and adapted seen the nil growth in revenue.	
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 pre-tax WACC's : The terminal value includes a growth rate of :	CAGR : 1% - 4% 10.47 % 0.98 %
Period of specific projected cash flows	Ten years	

No double-digit growth figure anticipated for Print production but in view of consistency with all other CGU analysis a second five-year period of limited inflation growth was built in.

The recoverable amount exceeded the carrying amount for the Company's cash generating unit. The amount by which the values assigned to key assumptions must change for the recoverable amount to be equal to the carrying value are :

- increase in the discount rate from 10.47% to 119.19%
- the compound growth rate for specific projected sales would need to fall below -4.83% (negative)

Payment solutions

Valuation basis	Value in use	
Key assumptions	Sales growth rates Gross margins Terminal growth rate Discount rate	
Scenario's	- Base case (30% weighing): representing the ambition of group management - Modest case (40% weighing): a more conservative growth rate applied with similar cost structure except for the new-launched products where ambitions were set at 70% of the base case. - Stress case (30% weighing): mainly a pure inflation-based growth with a more adapted cost structure except for the new-launched products where ambitions were set at 50% of the base case.	
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 are 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 pre-tax WACC's : The terminal value includes a growth rate of :	CAGR : 10% - 50% 23.36 % 0.98 %
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 recoverable amount exceeded the carrying amount for the Company's cash generating unit. As a result of this analysis, there is reasonable headroom and management did not identify impairment for this CGU. The amount by which the values assigned to key assumptions must change for the recoverable amount to be equal to the carrying value are:

- increase in the discount rate from 23.36% to 767.91%
- the compound growth rate for specific projected sales would need to fall below 35.76%

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	
Scenario's	- Base case (30% weighing): representing the ambition of group management - Modest case (40% weighing): a more conservative growth rate applied with similar cost structure except for the new-launched products where ambitions were set at 70% of the base case. - Stress case (30% weighing): mainly a pure inflation-based growth with a more adapted cost structure except for the new-launched products where ambitions were set at 50% of the base case.	
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information - Fitek Estonia - Fitek Latvia - Fitek Lithuania - Fitek Slovakia - Fitek Balkan	CAGR : 2% - 8% 3% - 10% 2% - 7% 2% - 14% 0% - 7%
	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 Lithuania - Fitek Slovakia - Fitek Balkan	 10.47 % 10.68 % 11.61 % 13.24 % 13.32 %
	The terminal value includes a growth rate of : - Fitek Estonia - Fitek Latvia - Fitek Lithuania - Fitek Slovakia - Fitek Balkan	 1.5 % 1.5 % 1.5 % 2.2 % 2.2 %
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 recoverable amount exceeded the carrying amount for the Company's cash generating unit. As a result of this analysis, there is reasonable headroom and management did not identify an impairment for these CGUs. The amount by which the values assigned to key assumptions must change for the recoverable amount to be equal to the carrying value are :

- increase in the discount rate from
  - Estonia 10.47% to 54.76%
  - Latvia 10.68% to 49.21%
  - Lithuania 11.61% to 30.06%
  - Slovakia 13.24% to 48.79%
  - Balkan 13.32% to 25.72%
- the compound growth rate for specific projected sales would need to fall below
  - Estonia 1.62%
  - Latvia 6.01%
  - Lithuania 7.22%
  - Slovakia 17.22%
  - Balkan 10.23%

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	
Scenario's	- Base case (30% weighing): representing the ambition of group management - Modest case (40% weighing): a more conservative growth rate applied with similar cost structure except for the new-launched products where growth ambitions were capped over three years to 100% - 75% - 50%.. - Stress case (30% weighing): mainly a pure inflation-based growth with a more adapted cost structure	
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 are 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 : The terminal value includes a growth rate of :	CAGR: 4% - 16% 10.27 % 0.98 %
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 recoverable amount exceeded the carrying amount for the Company's cash generating unit. As a result of this analysis, there is reasonable headroom and management did not identify an impairment for these CGUs. The amount by which the values assigned to key assumptions must change for the recoverable amount to be equal to the carrying value are :

- increase in the discount rate from 10.27% to 107.8%
- the compound growth rate for specific projected sales would need to fall below 10.69%

5.13 Other intangible assets

The cost, accumulated amortisation and net book values of intangible assets are summarised per relevant category as follows:

(i) Cost	Notes	Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro							
At 1 January 2019		**804**	**1,670**	**4,945**	**4,308**	**4,116**	**15,843**
Additions		-	-	6,343	145	765	7,253
Transfers		-	(1,609)	1,609	-	-	-
Business combinations	5.11	2,627	769	-	23,756	1,228	28,380
At 31 December 2019		**3,431**	**830**	**12,897**	**28,209**	**6,109**	**51,476**
Additions		-	458	9,706	-	508	10,672
Disposals		(2,840)	(71)	(1)	-	(8)	(2,920)
Transfers		-	(1,102)	1,103	-	(1)	-
Business combinations	5.11	54	71	-	4,117	315	4,557
Foreign exchange impact		(37)	-	(2)	(154)	(18)	(211)
At 31 December 2020		**608**	**186**	**23,703**	**32,172**	**6,905**	**63,574**

(ii) Accumulated amortisation		Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro							
At 1 January 2019		**31**	**-**	**1,108**	**108**	**806**	**2,053**
Amortisation charge	5.5	555	-	1,935	2,098	770	5,358
At 31 December 2019		**586**	**-**	**3,043**	**2,206**	**1,576**	**7,411**
Amortisation charge	5.5	582	-	3,380	3,723	1,495	9,180
Impairment charge	5.5	1,839	-	-	-	-	1,839
Disposals		(2,840)	-	-	-	(8)	(2,848)
Foreign exchange impact		(59)	-	-	199	(13)	127
At 31 December 2020		**108**	**-**	**6,423**	**6,128**	**3,050**	**15,709**

(iii) Net book value		Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro							
At 1 January 2019		**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**
Gross book value		608	186	23,703	32,172	6,905	63,574
Accumulated amortisation		(108)	-	(6,423)	(6,128)	(3,050)	(15,709)
At 31 December 2020		**500**	**186**	**17,280**	**26,044**	**3,855**	**47,865**

The following table provides an overview of the intangibles per product line:

	Brands	Assets under construction	Internally generated software	Customer relationships	Acquired software	Total
Thousands of Euro						
Documents	2,845	769	4,186	26,003	4,525	38,328
Identity	-	-	796	-	8	804
Payments	-	61	2,669	-	-	2,730
Platform solutions	-	-	2,203	-	-	2,203
At 31 December 2019	**2,845**	**830**	**9,854**	**26,003**	**4,533**	**44,065**
Documents	500	769	7,410	26,044	3,849	38,572
Identity	-	-	1,311	-	6	1,317
Payments	-	186	3,327	-	-	3,513
Platform solutions	-	-	4,463	-	-	4,463
At 31 December 2020	**500**	**955**	**16,511**	**26,044**	**3,855**	**47,865**

The brandname 'Fitek' was impaired in 2020 in the amount of € 1.8 million, following the decision of the Board of Directors in November 2020.

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	At 31 December 2020	At 31 December 2019	End of amortisation period
Thousands of Euro			
Payment software related to online collection services	3,021	2,396	2022-2024
Development of Billtobox-based platform software	4,463	2,203	2022-2024
Robotic Process automation solutions	968	1,612	2022-2024
Documents related software	2,957	1,256	2022-2024
Identity recognition and related solutions	1,311	796	2022-2024
Development software related to composing and designing document templates	1,621	580	2023-2024
Payment hub improvements and SEPA Direct Debit Mandate Mgr functionality	307	273	2022-2024
FitekIn - inbound approval workflow improvements	1,809	714	2025
Other	54	25	
Total	**16,511**	**9,854**	

The customer relationships mainly relate to the following assets:

Customer relationships	At 31 December 2020	At 31 December 2019	End of amortisation period
Thousands of Euro			
Onea	55	100	2022
ADMS	54	72	2023
Inventive Designers	913	1,227	2023
Leleu Printing	112	150	2023
Facturis	1,343	1,765	2023
DS&DS	97	126	2024
Fitek Baltics	12,692	14,202	2029
Fitek Slovakia	1,755	1,935	2029
Unifiedpost Limited	5,274	6,426	2029
Fitek Balkan	3,538	-	2030
Tehnobiro	211	-	2030
Total	**26,044**	**26,003**	

5.14 Property and equipment

The cost, accumulated depreciation and net book values of property and equipment assets are summarised per relevant category as follows:

(i) Cost	Notes	Buildings	Furniture, fittings and equipment	Machinery and vehicles	Total
Thousands of Euro					
At 1 January 2019		**-**	**3,327**	**1,006**	**4,333**
Additions		-	233	143	376
Transfers		-	-	100	100
Disposals		-	(260)	(21)	(281)
Business combinations		-	165	183	348
At 31 December 2019		**-**	**3,465**	**1,411**	**4,876**
Additions		4	1,698	696	2,398
Transfers			(1.917)	1,834	(83)
Disposals		-	(46)	(666)	(712)
Foreign exchange impact		-	(15)	(17)	(32)
Business disposals	5.11.3	-	(7)	(7)	(14)
Business combinations	5.11.3	2,752	1,064	41	3,857
At 31 December 2020		**2,756**	**4,242**	**3,292**	**10,290**

(ii) Accumulated depreciation		Buildings	Furniture, fittings and equipment	Machinery and vehicles	Total
Thousands of Euro					
At 1 January 2019		**-**	**2,752**	**35**	**2,787**
Depreciation charge	5.5	-	220	523	743
Depreciation charge – transfer		-	-	52	52
Disposals		-	(237)	(18)	(255)
At 31 December 2019		**-**	**2,735**	**592**	**3,327**
Depreciation charge	5.5	42	502	306	850
Depreciation charge transfer			(1,938)	1,855	(83)
Depreciation charge – Disposals		-	(41)	(514)	(555)
Foreign exchange impact		-	(13)	(15)	(28)
Impairment	5.5	-	-	11	11
Business disposals		-	(3)	(7)	(10)
At 31 December 2020		**42**	**1,242**	**2,228**	**3,512**

(iii) Net book value	Buildings	Furniture, fittings and equipment	Machinery and vehicles	Total
Thousands of Euro				
At 1 January 2019	**-**	**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**
Gross book value	2,756	4,242	3,292	10,290
Accumulated depreciation	(42)	(1,242)	(2,228)	(3,512)
At 31 December 2020	**2,714**	**3,000**	**1,064**	**6,778**

5.15 Right-of-use assets

	Notes	Land and Buildings	Machinery and Hardware	Vehicles	Total
Thousands of Euro					
At 1 January 2019		**3,969**	**644**	**1,260**	**5,873**
Additions and modifications		906	309	1,227	2,442
Transfer		-	(100)	-	(100)
Disposals		-	(17)	(24)	(41)
Depreciation charge	5.5	(1,096)	(161)	(858)	(2,115)
Depreciation charge – transfer		-	52	-	52
Depreciation charge – disposals		-	6	-	6
Business combinations	5.11	1,157	224	365	1,746
Other		-	-	(155)	(155)
At 31 December 2019		**4,936**	**957**	**1,815**	**7,708**
Additions and modifications		1,111	646	1,736	3,493
Disposals (-)		-	(2)	(806)	(808)
Depreciation charge	5.5	(1,505)	(569)	(1,064)	(3,138)
Depreciation charge – disposals		-	-	749	749
Business disposals		(1)	-	-	(1)
Business combinations (Balkan entities)	5.11	26	62	34	122
Other (FX)		(12)	(11)	(1)	(24)
At 31 December 2020		**4,555**	**1,083**	**2,463**	**8,101**

The lease payments associated with the following leases were recognised as an expense on a straight-line basis over the lease term:

	2020	2019
Thousands of Euro		
Leases of low value assets	40	33
Leases of 12 months or less	20	82
Total	**60**	**115**

5.16 Trade and other receivables

		At 31 December
Thousands of Euro	**2020**	**2019**
Trade receivables	12,198	12,208
Less: allowance for expected credit losses	(174)	(103)
Trade receivables – net	12,024	12,105
VAT receivable	1,205	873
Grants receivable	-	122
Factoring receivables	2,080	-
Payment Solutions customers' Funds in Transit	1,663	-
Other amounts receivable	746	217
Total	**17,718**	**13,317**

Per 31 December 2020, there is an outstanding factoring receivable that amounts to € 2,080 thousand. The proceeds from transferring the outstanding factoring debts of € 1,357 thousand were included as short-term bank loans per 31 December 2019. Payment Solutions customers' Funds in Transit relates to cash received from the end-clients of Unifiedpost's Payment Solutions customers that still needs to be transferred to the Company's Payment Solutions customers. The liability relating to transfer has been disclosed in the trade and other payable disclosure (see note 5.24). The difference has been recorded as restricted cash (see note 5.18).

Further disclosures on credit risk and ageing are included in note 5.29.2.1.

5.17 Prepaid expenses

		At 31 December
Thousands of Euro	**2020**	**2019**
Costs related to future equity issuance	-	577
IT, Licenses and maintenance	600	-
Other prepaid expenses	1,010	1,009
Total	**1,610**	**1,586**

The deferred costs related to future equity issuance decreased from € 577 thousand per 31 December 2019 to € 0 thousand, which is directly attributable to the private placement and the subsequent listing of the Company's shares. Other prepaid expenses mainly relate to insurance and license expenses.

5.18 Cash and cash equivalents

		At 31 December
Thousands of Euro	**2020**	**2019**
Cash in hand	5	43
Cash at bank	125,711	3,003
Restricted Cash (Payment Solutions customers' cash)	208	-
Cash and cash equivalents per statement of financial position	**125,924**	**3,046**

Cash and cash equivalents increased due to the proceeds of the capital increase (€ 10.4 million) of the private placement and the subsequent listing (€ 175 million). These proceeds were partly offset by the payment of transactions cost and the partly repayment of the facility loan.

5.19 Share Capital and Reserves

The Company's share capital was represented by the following amount of shares per category at 31 December 2020 and 2019:

		At 31 December
Number of shares	**2020**	**2019**
A-shares	-	49,110
B-shares	-	800,721
C-shares	-	668,362
Ordinary shares	30,401,990	-
Total number of shares (***)	**30,401,990**	**1,518,193**

(***) number of shares 31 December 2020 are presented after share split by 10 as decided per 31 August 2020

Rights per type of shares

In order to be able to prepare for the listing, the shareholders' meeting of 31 August 2020, decided to abolish the existing Class A, Class B, Class C and Class D Shares (issued upon the 2020 bond conversion) and changed the rights attached to the Class A, Class B, Class C and Class D Shares so that each Share entitle its holder to the same rights. In addition, the existing shares were split in 10 prior to the listing on Euronext. The share split was approved by the general shareholders meeting of 31 August 2020.

Share capital transactions

Share capital transactions over the past two years can be summarised as follows:

Thousands of Euro	Issued capital	Share premium	Other reserve	Total
At 1 January 2019	**20,744**	**492**	**-**	**21,236**
Put option written over non-controlling interests			(1.173)	(1.173)
At 31 December 2020	**20,744**	**492**	**(1,173)**	**20,063**
Contribution in cash (26 June 2020 and 17 July 2020)	10,408	-	-	10,408
Embedded derivative contribution in cash	-	-	(782)	(782)
Put option written over non-controlling interests	-	-	(3,923)	(3,923)
Issuance of shares upon conversion of convertible bonds 26 June 2020 (Nominal value @ € 75 per share)	21,157	-	-	21,157
Issuance of shares upon conversion of convertible bonds 17 July 2020 (Nominal value @ € 75 per share)	15,034	-	-	15,034
Issuance of shares upon conversion of convertible bonds 24 September 2020 (Private Placement and Listing) (Nominal value @ € 15 or € 17 per share) (°)	9,200	-	-	9,200
Difference fair value shares and nominal value bond conversion (at € 200) 26 June 2020	-	-	4,795	4,795
Difference fair value shares and nominal value bond conversion (at € 200) 17 July 2020	-	-	3,330	3,330
Difference fair value shares and nominal value bond conversion (at € 20) 24 September 2020 (°)	-	-	2,148	2,148
Issuance of shares for cash Private Placement and Listing	175,000	-		175,000
At 31 December 2020	**251,543**	**492**	**4,395**	**256,430**

(°) taking into consideration the share split by 10 of 31 August 2020

The following capital transactions took place between 1 January 2020 and 31 December 2020:

Capital increase in cash:

1. 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.
2. 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.

Private Placement and subsequent Listing of its Shares

On 22 September 2020, Unifiedpost Group began trading on Euronext Brussels. Unifiedpost was listed through the admission to trading of 30,401,990 shares. The admission and issue price of Unifiedpost's shares was set at € 20 per share. The prospectus in which the Company announced the launch and the terms of the private placement and subsequent listing of its shares, was approved by the Financial Services and Markets Authority ("FSMA") and made available by the Company on 18 September 2020. The terms of the subsequent listing as well as the initial conditions of the Private Placement were specified in the Prospectus. The Placement Period during which subscriptions from institutional investors were received within the framework of the Private Placement began on 18 September 2020 and ended on 21 September 2020.

The "IPO Committee" determined, on 21 September 2020, by virtue of the powers conferred on it by the Extraordinary General Meeting, the following terms and conditions of the capital increase:

- the final number of Placement Shares was set at 8,750,000;
- the Placement Price per share within the framework of the Private Placement was set at € 20 per share

The capital Increase relating to the Private Placement amounted to € 175 million and that thus the capital was effectively increased.

The capital raise referred to above under 1 and 2 was defined as the Principal Capital Increase.

Conversion of convertible bonds

1. 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 € 21.2 million.
2. 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 million.
3. On 24 September 2020, the remaining 184 Bonds were automatically converted into capital as a result of the private placement and subsequent listing of its shares, being a qualifying event.

Anti-dilution protection clause

Certain anti-dilution protection for the capital increase subscribers were attached to the capital increase of 26 June 2020 and 17 July 2020, in particular:

1. Anti-dilution warrants with a certain protected price of € 117.65 (i.e. € 100.00 divided by 0.85) per share before split by 10 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 capital increase of 26 June 2020 and 17 July 2020 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 before split by 10.
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.

Anti-dilution protection clause 1) and 2) became void as of the Private Placement and subsequent Listing in September 2020. Only the third Anti-dilution clause remains applicable.

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 third Anti-dilution clause in which each subscriber of the capital increase of 26 June 2020 and 17 July 2020, will be entitled to additionally invest 25% of their initial investment at the same subscription price has been valued at 31 December 2020 € 3,750 thousand. € 2,969 thousand fair value loss has been recognised through profit and loss relating to the anti-dilution rights in 2020 (see note 5.29.1).

Other equity

Other equity accounts for:

- the increase of costs related to equity issuance relates to the incurred costs due to the different capital rounds and is mainly linked to the private placement and subsequent listing of its shares;
- cumulative translation adjustments: the cumulative amount of the exchange differences relating to a foreign operation, recognised 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 5.32); 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 derecognised (see note 5.11); if the non-controlling interests put is exercised, that treatment is applied up to the date of exercise.

Other comprehensive income

A reconciliation of amounts recorded to Other comprehensive income or loss is as follows:

			2020			2019
Thousands of Euro	**Before tax amount**	**Tax (expense)/ benefit**	**Net-of-tax amount**	**Before tax amount**	**Tax (expense)/ benefit**	**Net-of-tax amount**
Exchange differences in translating foreign operations	(508)	-	(508)	7	-	7
Re-measurements of the net defined benefit liability	**(34)**	**1**	**(33)**	**(230)**	**15**	**(215)**
Other comprehensive income	**(542)**	**1**	**(541)**	**(223)**	**15**	**(208)**

5.20 Borrowings

Following is an overview of outstanding loans and borrowings at each reporting date:

			At 31 December
Thousands of Euro	**Notes**	**2020**	**2019**
Convertible bonds	5.20.1	-	34,999
Derivative financial instruments	5.20.1	-	12,937
Long term bank loans	5.20.2	19,050	6,295
Refundable government advances	5.20.3	274	296
Other loans	5.20.3	-	483
Non-current		**19,324**	**55,010**
Interest payable on convertible bonds	5.20.1	-	1,431
Derivative financial instruments	5.29.1	3,750	-
Short term bank loans	5.20.2	6,733	37,991
Refundable government advances	5.20.3	75	75
Current		**10,558**	**39,497**

5.20.1 Convertible bond

Unifiedpost Group SA issued a total of 869 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. 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 would 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 nominal rate of 7% per annum.

At 31 December 2020, there are no outstanding convertible bonds as a result of following transactions during the year:

- 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 5.19.
- On 17 July 2020, 281 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 5.19.
- On 17 July 2020, a vendor loan was converted into 4 convertible bonds that were converted into to shares as described in note 5.19.
- On 24 September 2020, the remaining 184 Bonds were automatically converted into capital as a result of the private placement and subsequent listing of its shares, being a qualifying event as described in note 5.19.

The Bonds issuance resulted initially 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 was 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 was always going to realise a profit because of the discount to the market price. Because the number of shares issued varied, depending on the share price, the conversion feature also gave 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 embedded derivatives related to the conversions were calculated as the difference of the fair value of shares issued minus the amortised cost of the liability to be converted.

Fair value losses on the embedded derivatives of the convertible loans of € 2,374 thousand were recognised in the statements of profit or loss for the year ended 31 December 2020 (see note 5.29.1).

The loan component of the host contract was measured at amortised 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 interest expense relating to the convertible bonds amount to € 4.610 thousand for 2020.

The Bonds are included as follows in the statement of financial position:

	At 31 December
Thousands of Euro	**2019**
Face value of notes issued	43,250
Transaction costs	(325)
Embedded derivative	(11,977)
	30,948
Accrued interest over the lifetime of the instrument	7,361
Interest paid	(1,879)
Interest payable within 12 months	(1,431)
Total Non-Current	**34,999**
Interest payable within 12 months	1,431
Total Current	**1,431**
Carrying amount	**36,430**
Out of which	
Host contract	30,948
Interest	5,482

Fair value losses of € 573 thousand were recognised in the statements of profit or loss for the year ended 31 December 2019.

5.20.2 Bank borrowings

Bank borrowings can be summarised as follows:

						For the period ending per 31 December
			2020			**2019**
Thousands of Euro	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Unsecured						
Subordinated loan	4,000	145	4,145	4,000	-	4,000
Other bank borrowings	1,143	1,986	3,129	43	601	644
Total unsecured bank borrowings	**5,143**	**2,131**	**7,274**	**4,043**	**601**	**4,644**
Secured						
Acquisition facility Belfius Bank	11,333	2,897	14,230	-	32,719	32,719
Acquisition facility Buildings Sirius Star	1,583	176	1,759	-	-	-
Investment Credit	70	206	276	275	202	477
Other bank borrowings	921	1,323	2,244	1,977	4,469	6,446
Total secured bank borrowings	**13,907**	**4,602**	**18,509**	**2,252**	**37,390**	**39,642**
Total bank borrowings	**19,050**	**6,733**	**25,783**	**6,295**	**37,991**	**44,286**

The Group's principal loans outstanding are:

a. The "Acquisition Facility" provided by Belfius Bank NV and other acquisition facilities;
b. The "Subordinated Loan" provided by The "Belgische Maatschappij voor Internationale Investering NV to which the Company is "Debtor";
c. The "Investment Credit" provided by ING België NV; and
d. A factoring agreement with BNP.

a. The Acquisition Facility provided by Belfius Bank NV and other acquisition facilities

In order to refinance past 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 favour of Belfius Bank NV to secure a portion of € 9 million of the principal amounts due by the Group under the Acquisition Facility (the "Gigarant Guarantee").

The Acquisition Facility considered 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 has repaid end of September 2020 all outstanding loans under Facility B, together with any break costs and accrued interest thereon.

Facility A is repayable in twelve semi-annual instalments.

The Company has used the full amount available to it under the Facilities to finance its 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 NV, 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. In January 2021, Smartfin Capital NV sold its shares in the Company.

The loan covenants per 31 December 2020 were assessed as follows:

- the Senior Leverage did not exceed the 3:1 ratio at 31 December 2020.
- the guarantor coverage percentage was met at 31 December 2020.

The non-current secured acquisition facility outstanding per 31 December 2020 of 1,583 thousand relates to the loan relating to the Sirius Star building in Belgrade (Fitek Balkan). The non-current unsecured other bank borrowings relates mainly to outstanding Fitek Balkan bank loans.

b. 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, provided by Belfius Bank NV, for payment of principal and interest, as well as in the event of bankruptcy.

c. 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.

d. 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 recognised, measured and extinguished in line with the guidance of IFRS 9 when the continuing involvement approach is applicable.

At 31 December 2020, € 2,566 thousand (2019: € 2,693 thousand) 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 therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected.

Per 31 December 2020, there is an outstanding factoring receivable that amounts to € 2,080 thousand, (see note 5.16 Trade and other receivables). The proceeds from transferring the outstanding factoring debts of € 1.537 thousand were included as short-term bank loans per 31 December 2019.

5.20.3 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 amortised 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 2019 and 2020.

						2020		2019	
Ref.	Grant amount	Comments	Contract date	Decision year on fixed repayments part	% Fixed	Liability on statement of financial position	Paid	Liability on statement of financial position	Paid
1.	304	Closed in 2019	2005	2007	6%	72	20	80	20
2.	830	Closed in 2019	2008	2012	6%	277	55	291	55
3.	1,998	Closed in 2016	2012	2014	6%	-	-	-	128
						349	**75**	**371**	**203**

5.21 Liabilities associated with puttable non-controlling interests

On 26 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 adjusted for the fair market value of the Sirius Star's building in Belgrade. The terms do not provide the Group with a present ownership interest in the shares subject to the put option. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within liabilities (€ 6,355 thousand, see note 5.29.1) with debit entries to derecognise non-controlling interests (€ 2,440 thousand) and a direct charge to the equity attributable to equity holders for the difference (€ 3,915 thousand). The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity. There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of € 177 thousand during 2020, which has been recorded directly in equity.

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 set at € 900 thousand. The terms do not provide the Group with a present ownership interest in the shares subject to the put option. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within liabilities (€ 2,000 thousand, see note 5.29.1) with debit entries to derecognise non-controlling interests (€ 827 thousand) and a direct charge to the equity attributable to equity holders for the difference (€ 1,173 thousand). The liability is subsequently adjusted for the changes in value, including the effect of unwinding of the discount and other changes in the estimated redemption amount due to changes in management's assumptions, directly through equity.

There is no separate accounting for the unwinding of the discount due to the passage of time. The estimated redemption liability decreased by a total of €212 thousand during 2020, which has been recorded directly in equity.

	Non-current	Current	Total
At 1 January 2019			
Fitek Slovakia put option	2,000	-	2,000
At 31 December 2019	**2,000**	**-**	**2.000**
Fitek Balkan put option	-	6,355	6.355
Changes in value of estimated redemption liability due to passage of time and other reasons	(212)	(177)	(389)
At 31 December 2020	**1,788**	**6,178**	**7,966**

5.22 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 5.23.

	At 31 December
Thousands of Euro	**Total**
At 1 January 2019	**36,352**
Cash flows	
Debt drawdown	52,794
Repayment of debt	(4,291)
Non-cash changes	
Accrued interest	**3,316**
Business combinations	3,163
Reclass to current	-
Changes in the fair value of derivatives embedded in convertible bond	573
Put option written on non-controlling interests	2,000
Vendor loans obtained	2,600
At 31 December 2019	**96,507**
Cash flows	
Debt drawdown	5,835
Repayments debts	(29,115)
Non-cash changes	
Accrued interest	4,885
Business combinations	3,309
Reclass to current	-
Changes in the fair value of derivatives embedded in convertible bond	5,343
Conversion into capital of host liability	(54,884)
Put option written on non-controlling interests	5,966
Vendor loans obtained	2
At 31 December 2020	**37,848**

5.23 Lease liabilities

Thousands of Euro	Notes	Land and Buildings	Machinery and Hardware	Vehicles	Total
At 1 January 2019		**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)
Disposals		(6)	-	(23)	(29)
Business combinations	5.11	1,127	264	358	1,749
Other		-	-	(155)	(155)
At 31 December 2019		**4,982**	**1,085**	**1,841**	**7,908**
Additions		1,104	608	1,712	3,424
Interest expense		48	33	52	133
Effect of modification to lease terms			-	(47)	(47)
Lease payments		(1,486)	(821)	(1,153)	(3,460)
Foreign exchange movements		(13)	(9)	(2)	(24)
Disposals		-	7	-	7
Business combinations	5.11	30	60	35	125
Other		(9)	-	-	(9)
At 31 December 2020		**4,656**	**963**	**2,438**	**8,057**

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

5.24 Trade and other payables

		At 31 December
Thousands of Euro	**2020**	**2019**
Trade payables	8,806	10,069
Accrued expenses	609	587
VAT payable	684	679
Salaries and social security payable	3,764	3,379
Payment Solutions customers' Funds in Transit	1,871	40
Other amounts payable	819	165
Total	**16,553**	**14,918**

5.25 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.

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 2020, contributions paid into defined contribution plans amounted to € 200 thousand (2019: € 168 thousand).

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, form an independent actuary, for the periods reported based on the projected unit credit method.

The amounts recognised in the statement of financial position are as follows:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Present value of funded defined benefit obligations	(2,196)	(2,071)
Fair value of plan assets	1,934	1,726
Total	**(262)**	**(345)**

The amounts recognised in the statement of profit or loss are as follows:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Current service cost	236	207
Interest cost	24	32
Expected return on plan assets	(21)	(31)
Effect of any curtailment or settlement	(137)	-
Total pension expense	**102**	**208**

Changes in the present value of the defined benefit obligation are as follows:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Defined benefit obligation at beginning of year	2,071	1,650
Current service cost	236	207
Past service cost	(138)	-
Interest cost	24	32
Benefits paid	(73)	(58)
Actuarial remeasurements	76	240
Defined benefit obligation at end of year	**2,196**	**2,071**

Changes in the fair value of the plan assets are as follows:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Fair value of plan assets at beginning of the year	1,726	1,518
Interest income on plan assets	21	31
Remeasurements	30	9
Contributions paid by the company and by participants	276	264
Benefits and expenses paid	(119)	(96)
Fair value of the plan assets at end of the year	**1,934**	**1,726**

Amounts recognised in other comprehensive (income)/loss in the period:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Prior year cumulative actuarial remeasurements	(5)	(24)
Remeasurements	33	215
Cumulative number of actuarial gains and losses recognised in other comprehensive (income)/loss	**28**	**191**

Movements in the net (liability)/ asset recognised in the balance sheet are as follows:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Net liability in the balance sheet at beginning of year	(345)	(132)
Total expense recognised in the income statement	(102)	(208)
Contributions paid by the company	218	210
Amount recognised as recognised in other comprehensive (income)/loss	(33)	(215)
Defined benefit obligation at end of year	**(262)**	**(345)**

Actual return on plan assets is as follows:		
		At 31 December
Thousands of Euro	**2020**	**2019**
Actual return on plan assets	21	31
Remeasurement of plan assets	29	9
Actuarial return on plan assets	**50**	**40**

The principal actuarial assumptions used in determining the present value of the defined benefit obligations include:

		At 31 December
Thousands of Euro	**2020**	**2019**
Principal actuarial assumptions at the balance sheet date are as follows:		
Discount rate	0.91%	1.18%
Future salary increases	2.91%	2.07%
Future inflation	1.84%	1.90%

5.26 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 5.4 and for intangibles in note 5.13.

5.27 Investment in subsidiaries

The Group's financial statements consolidate the following entities, as from incorporation or acquisition date.

					Proportion of ownership %		
Foundation/ Acquisition year	**Name of entity**	**Registered office**	**Country**	**Company registration n°**	**2020**	**2019**	
2000	Unifiedpost SA	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0471.730.202	100%	100%	
2004	Unifiedpost SARL	15, Zone Industrielle, L-8287 Kehlen	Luxemburg	B99.226	100%	100%	
2006	Unifiedpost Group SA (formerly UPM SA)	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0886.277.617	100%	100%	
2008	Unifiedpost BV	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	KvK 32131857	100%	100%	
2009	SC Unifiedpost SRL	Strada Coriolan Brediceanu 10, Timișoara 300011	Romania	J35/901/2009	100%	100%	
2011	UP-nxt NV	Kortrijksesteenweg 1146, BE - 9051 Sint-Denijs-Westrem	Belgium	BE 0842.217.841	100%	100%	
2012	PowertoPay BV	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	KvK 30279124	100%	100%	
2014	The eID Company SA	Rue du Congrès 35, BE - 1000 Bruxelles	Belgium	BE 0886.325.919	100%	100%	
2016	Unifiedpost Payments SA (formerly Pay-Nxt SA)	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0649.860.804	100%	100%	
2017	Nomadesk NV	Kortrijksesteenweg 1146, BE - 9051 Gent	Belgium	BE 0867.499.902	100%	100%	
2017	Stichting Unifiedpost Payments (formerly Stichting Pay-Nxt)	Albert Einsteinweg 4, 8218 NH Lelystad	The Netherlands	KvK 69248907	100%	100%	
2018	Leleu Document Services NV	Dorpstraat 85B, BE 1785 Merchtem	Belgium	BE 0716.630.753	100%	100%	
2018	Drukkerij Leleu NV	Dorpstraat 85B, BE 1785 Merchtem	Belgium	BE 0429.709.208	100%	100%	(a)
2018	De Uitgeversfabriek BVBA	Dorpstraat 85B, BE 1785 Merchtem	Belgium	BE 0464.957.721	n.a.	n.a.	(a)
2018	Advanced Document Management Solutions NV	Kortrijksesteenweg 1146, BE - 9051 Gent	Belgium	BE 0544.854.839	100%	100%	
2018	Inventive Designers NV	Sint-Bernardsesteenweg 552, BE - 2660 Antwerpen	Belgium	BE 0453.758.377	100%	100%	
2018	Unifiedpost I.K.E.	1 Ellis, 17235 Dafni, Athens	Greece	801073446	100%	100%	
2019	Financial Automated Solutions OÜ	Tartu maantee 2, 10145 Tallinn, Estonia	Estonia	12949376	100%	100%	(b)
2019	Unifiedpost CEE SIA (formerly Fitek Holding SIA)	Dēļu iela 4, Rīga, Latvia	Latvia	40103957063	100%	100%	(b)
2019	Unifiedpost AS (formerly Fitek AS_EE2)	Tartu mnt 43, Tallinn 10128, Estonia	Estonia	10179336	100%	100%	(b)
2019	Unifiedpost AS (formerly Fitek AS_LV2)	Delu street 4, Riga, Latvia	Latvia	40003380477	100%	100%	(b)
2019	Unifiedpost UAB (formerly Fitek LT_LT1)	Užubalių k., Avižienių sen., 14180 Vilniaus r., Lithuania	Lithuania	111629419	100%	100%	(b)
2019	Sistemų integracijos sprendimai UAB (Fitek EDI)	Panerių g. 51, Vilnius, Lithuania	Lithuania	125677598	-	100%	(c)
2019	Fitek UK	St James House, 13 Kensington Square, London, W8 5HD	United Kingdom	11629732	-	100%	(c)
2019	Probatio OU_EE3	Tartu mnt 43, Tallinn 10128, Estonia	Estonia	11683396	100%	100%	(b)
2019	EdiSync OU_EE4	Pärnu mnt 139c, Tallinn 11317, Estonia	Estonia	12402502	-	100%	(c)
2019	Unifiedpost s.r.o. (formerly Fitek s.r.o.)	Nová rožňavská 136, 831 04 Bratislava, Slovakia	Slovakia	46950095	51%	51%	(b)
2019	Unifiedpost s.r.o. (formerly Fitek Czech Republic s.r.o.)	Roztylská 1860/1, Chodov, 148 00 Prague	Czech Republic	6145132	51%	51%	(b)
2019	PDOCHOLCO Ltd.	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	09741928	100%	100%	(b)

2019	Prime Document Trustee Ltd	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	10517855	100%	100%	(b)
2019	Unifiedpost Limited (formerly Prime Document Limited)	Unit 3 Park Seventeen, Moss Lane, Whitefield, Manchester, England, M45 8FJ	United Kingdom	03732738	100%	100%	(b)
2019	Unifiedpost Finance & Services SA (formerly Fin-Nxt NV)	Avenue Reine Astrid 92 A, BE -1310 La Hulpe	Belgium	BE 0734.987.509	100%	100%	
2019	Unifiedpost SARL	Rue du Rhône 14, 1204 Genève	Switzerland	CHE-187.626.604	100%	100%	
2020	New Image d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	Serbia	20451653	51%	50%	(d)
2020	Unifiedpost d.o.o. (formerly Fitek Balkan d.o.o.)	Cara Dušana 212, Beograd 11080, Serbia	Serbia	17245481	51%	50%	(d)
2020	Unifiedpost Solutions d.o.o. (formerly Fitek Solutions d.o.o.)	Cara Dušana 212, Beograd 11080, Serbia	Serbia	20006188	51%	50%	(d)
2020	Unifiedpost d.o.o. Banja Luka (formerly Fitek Banja Luka d.o.o.)	Đ. Damjanovića 24, Banjaluka 78000, Bosnia	Bosnia and Herzegovina	11090249	51%	50%	(d)
2020	ImageSoft d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	Serbia	21301116	51%	50%	(d)
2020	Sirius Star d.o.o.	Cara Dušana 212, Beograd 11080, Serbia	Serbia	21448150	51%	50%	(d)
2020	Tehnobiro d.o.o.	Varvarinska 14, Belgrade, Serbia	Serbia	17097512	51%	n.a.	(d)
2020	Unifiedpost Business Solutions s.r.l. (formerly Fitek Romania s.r.l.)	Bucharest, Mihai Bravu Street no 325, block 55, scale 1, 10 floor, Ap. 37, Districkt 3	Romania	J40/7873/ 2020	51%	n.a.	
2020	Unifiedpost Ltd (Vietnam)	2nd floor, No. 94 Xyan Thuy, Thao Dien ward, district 2, Ho Chi Minh city, Vietnam	Vietnam	316455613	100%	n.a.	
2020	Unifiedpost SAS	Spaces La Défense 1-7 Cours Valmy 92800 Puteaux, France	France	880353339	100%	n.a.	
2020	Unifiedpost Payments Société étrangère immatriculée au RCS	Spaces La Défense 1-7 Cours Valmy 92800 Puteaux, France	France	883319030	100%	n.a.	

(a) De Uitgeversfabriek BVBA merged with Drukkerij Leleu NV in 2019.

(b) Business combinations of 2019

(c) Liquidated or sold during the 2020 reporting period

(d) Business combination of the 2020 reporting period

Change in name of subsidiaries

- On 14 February 2020 Pay-Nxt SA changed its name to Unifiedpost Payments SA;
- 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;
- On 29 March 2019, Unifiedpost Group acquired 100% of the Fitek group of companies that 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 (see note 5.11.3). During 2020, different companies of the Fitek group changed their name into Unifiedpost;
- On 11 December 2020 Fin Nxt SA change its name to Unifiedpost Finance & Services SA

Changes in the consolidation circle

- The acquisition of an additional 1% of the shares in the Fitek Balkan joint ventures occurred on 11 February 2020 (see note 5.11.3).
- On 3 July 2020, the Fitek Balkan acquired 51% of the shares of Tehnobiro d.o.o., thereby obtaining control of them. Sistemų integracijos sprendimai UAB (Fitek EDI) and EdiSync OU EE4 have been sold on 29 October 2020.
- Fitek UK Ltd has been liquidated in October 2020.
- During 2020, the Group founded the following entities:
  - Unifiedpost SAS (France) (7 January 2020)
  - Unifiedpost Payments Société étrangère immatriculée au RCS (France) (11 May 2020)
  - Unifiedpost Business Solutions s.r.l. (formerly Fitek Romania s.r.l.) (30 June 2020)
  - Unifiedpost Vietnam (24 August 2020)

5.28 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 business	2020 Carrying amount	2020 % held	2019 Carrying amount	2019 % held
Unifiedpost s.r.o (formerly Fitek s.r.o.)	Slovakia	-	51%	-	51%
Unifiedpost d.o.o. (formerly Fitek Balkan d.o.o.)	Serbia	-	51%	6,394	50%
Total		**-**		**6,394**	

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 5.11), and of the Balkan joint ventures on 11 February 2020.

The tables below provide summarised 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.

	At 31 December 2019
Thousands of Euro	**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
Revenue	333
Profit (Loss) from continuing operations after tax	(102)
Other comprehensive income	-
Total comprehensive income	**(102)**
At Group's share of 50%	**(51)**
At 1 January 2020	**6,394**
Business combinations	-
Share of profit of joint venture	(51)
Additional 1% share acquisition	(6,343)
At 31 December 2020	**-**

Thousands of Euro	For the nine-months 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**
At 1 January 2019	**-**
Business combinations	6,134
Share of profit of joint venture	395
Dividends paid	(135)
At 31 December 2019	**6,394**

5.29 Financial instruments and financial risk management

5.29.1 Financial instruments

Categories and fair value of financial instruments

The following table discloses the carrying amount of the Group's financial instruments in categories:

			At 31 December
		2020	2019
Thousands of Euro	Categories		
Financial assets			
Trade and other receivables	FAAC (*)	17,718	13,317
Financial assets at fair value through profit or loss	FAAFVTPL (***)	-	-
Cash and cash equivalents	FAAC (*)	125,924	3,046
Total		**143,642**	**16,363**
Financial liabilities			
Convertible bonds – host contract	FLAC (**)	-	34,999
Convertible bonds – embedded derivatives	FLAFVTPL (****)	-	12,937
Subscription rights derivative liability	FLAFVTPL (****)	3,750	-
Loans and borrowings	FLAC (**)	26,132	45,140
Liabilities associated with puttable non-controlling interests	FLAFVTPL (****)	7,966	2,000
Lease liabilities	FLAC (**)	8,057	7,908
Trade and other payables	FLAC (**)	16,553	14,918
Total		**62,458**	**117,902**

(*) Financial assets measured at amortised cost
(**) Financial liabilities measured at amortised 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. This also applies to the BMI loan which carries an interest of 7% per annum, which reflects the fair value since it relates to a subordinated loan (see note 5.20.2).

Recognised fair value measurements

IFRS recognises 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 at 31 December 2020 and 31 December 2019:

		Derivative fin. instr. re convertible bonds	Derivative fin. instr. re anti-dilution clauses	Liabilities associates with puttable non-controlling interests	Total
Thousands of Euro	Notes	Level 3	Level 3	Level 3	Level 3
At 1 January 2019		**7,869**	**-**	**-**	**7,869**
Issue of convertible bonds – bifurcation of embedded derivative		4.495	-	-	4,495
Change in fair value through profit or loss		573	-	-	573
Business combination			-	2,000	2,000
At 31 December 2019		**12,937**	**-**	**2,000**	**14,937**
Subscription rights derivative liability		-	781		781
Change in fair value through profit or loss	5.20.1, 5.19	2,374	2,969	-	5,343
Derecognition of the conversion option (conversion into capital)		(15,311)	-	-	(15,311)
Business combination	5.21	-	-	6,355	6,355
Unwinding & remeasurement effect	5.21	-	-	(389)	(389)
At 31 December 2020		**-**	**3,750**	**7,966**	**11,716**

The fair value of the derivative financial liability was calculated at inception using an option pricing model.

The following summarises information about the significant unobservable inputs used in the level 3 fair value measurement of the subscription rights derivatives:

The subscription rights derivatives were valued applying the Black-Scholes model. The fair value of the derivative amounts to € 3,750 thousand.

The quantitative information of significant unobservable inputs used in level 3 fair value measurement of the subscription rights 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 € 257 thousand; a decrease of the estimated current stock price by € 10 would decrease fair value by € 256 thousand;
- the volatility of the stock price (62% volatility assumed): an increase of the volatility by 10% would increase the fair value by € 17 thousand; a decrease of the volatility by 10% would decrease the fair value by € 8 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 summarised as follows:

- The weighted annual growth rate of the revenues (11.6%): an increase or decrease of the annual growth rate of the revenues would not affect fair value as put option liability has been capped with call option liability minimal value, which is not dependent on the revenues;
- The applied discount rate (3.3%): an increase of the discount rate by 1% would decrease fair value by € 59 thousand, a decrease of the discount rate by 1% would increase fair value by € 62 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 summarised as follows:

- The weighted annual growth rate of the revenues (6.9%): an increase or decrease of the annual growth rate of the revenues would not affect fair value as put option liability has been capped with call option liability minimal value, which is not dependent on the revenues;
- The applied discount rate (2.9%): an increase of the discount rate by 1% would decrease fair value by € 263 thousand, a decrease of the discount rate by 1% would increase fair value by € 277 thousand.

5.29.2 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.

5.29.2.1 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 2020 and 2019 was determined as follows for both trade receivables and contract assets:

Thousands of Euro					**Past due but not impaired**
31 December 2020	**Neither past due nor impaired**	**< 3 months**	**3-6 months**	**6+ months**	**Total**
Expected loss rate	0.54%	0.42%	7.53%	42.27%	1.38%
Gross carrying amount – trade receivables	8,753	2,865	381	199	12,198
Contract assets	374	-	-	-	374
Loss allowance	**49**	**12**	**29**	**84**	**174**

Thousands of Euro					**Past due but not impaired**
31 December 2019	**Neither past due nor 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**

5.29.2.2 Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that 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 (another price risk).

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 centre in Romania, the British pound (GBP) for the acquired Unifiedpost Ltd (previously called Prime Doc) operations and the Serbian Dinar (RSD) for Fitek Balkan where we acquired an additional 1 % of the shares to have full control.

The Group's policy to date has not been to actively hedge the net investment position in local operations.

At 31 December 2020, 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	-	-	-
Receivables	111	863	1,517
Payables	639	698	1,014
Loans payable	-	-	500

A 10% strengthening or weakening of the Euro against the RON, GBP and the RSD would not significantly affect reported equity.

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, provided by Belfius Bank NV, carries interest at Euribor + a margin. A hypothetical 1% increase or decrease of Euribor would cause interests to increase or decrease, respectively, by € 142 thousand on a full year basis.

5.29.2.3 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 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**
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**
Derivative financial instruments	-	3,750	-	-	-	3,750
Loans & Borrowings	1,944	4,923	13,188	4,455	3,396	27,906
Liabilities associated with puttable non-controlling interests	-	6,178	1.788	-	-	7,966
Lease liabilities	834	2,225	2,319	2,472	403	8,253
Trade & other payables	15,966	587	-	-	-	16,553
At 31 December 2020	**18,744**	**17,663**	**17,295**	**6,927**	**3,799**	**64,428**

5.29.2.4 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:

			At 31 December
Thousands of Euro	**Notes**	**2020**	**2019**
Net debt			
Cash and cash equivalents	5.18	(125,924)	(3,046)
Bank borrowings	5.20.2	25,783	44,286
Lease liabilities	5.23	8,057	7,908
Net debt / (Cash)		**(92,084)**	**49,148**
'Equity'			
Reported shareholders' equity		168,197	(19,198)
Face value of automatically convertible bonds		-	43,250
'Equity'		**168,197**	**24,052**
Gearing ratio		**-55%**	**204%**

The gearing ratio improved substantially at 31 December 2020 as a result of the cash that was received upon the private placement and subsequent listing of the Company's shares.

Furthermore, under the terms of the Acquisition Facility provided by Belfius Bank NV, the Group is required to comply with its senior adjusted leverage covenant, as described in note 5.20.2. The Senior Leverage did not exceed the 3:1 ratio at 31 December 2020, therefore the Company is in compliance with the senior leverage covenant. In addition, the guarantor coverage percentage was met at 31 December 2020 including Fitek and PrimeDocument as additional guarantors.

5.30 Significant agreements, commitments and contingencies

The Group does not have any significant commitments or contingencies other than described elsewhere in these financial statements.

5.31 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:

		Sales to related party		Services from related party
		For the year ended 31 December		For the year ended 31 December
Thousands of Euro	**2020**	**2019**	**2020**	**2019**
Shareholders	-	270	-	146
Key management	21	-	-	-
Associates & joint ventures	-	387	5	94
Members of the Board of Directors	-	-	140	-
Other related parties	-	-	12	-

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties:

	Amounts owed to related party		Amount owed by related party	
	For the year ended 31 December		For the year ended 31 December	
Thousands of Euro	2020	2019	2020	2019
Shareholders	-	2,786	-	23
Key management	63	8,748	21	2
Associates & joint ventures	-	7	-	38
Members of the Board of Directors	58	-	-	-
Other related parties	3	-	-	-

Amounts owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. In 2019, the amounts owed to related parties were mainly related to convertible bonds. 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 recognised during the period in respect of bad or doubtful debts due from related parties.

The category members of the Board of Directors are used to present transactions with Board Members, who are not part of Key Management or Main Shareholders.

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel are members of the management committee.

	For the year ended 31 December	
Thousands of Euro	2020	2019
Key management compensation	2,268	1,560
Share-based compensation	-	261
Total	**2,268**	**1,821**

5.32 Share-based payment schemes

At 31 December 2020, 155,000 subscription rights were outstanding, of which 154,000 (31 December 2019: 147,000) had been granted as follows:

- 100,000 “Key Man Subscription Rights”, with an exercise price of € 18.30, which upon exercise, will convert into Class C shares initially, now after the listing, in ordinary shares;
- 54,000 “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 would transform into Class C shares, initially, now after the listing, in ordinary shares.

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. All Key Man Subscription Rights were granted to Sofias BV (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. In November 2019, their term was further extended to 5 October 2025, for which an expense of € 261 thousand was recognised in the 2019 statement of profit or loss and other comprehensive income. As a result of the share split of 31 August 2020, in which all the shares were split in 10, each Key Man Subscription Right now will entitle its holder to not 1 but 10 shares.

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 BV at any relevant time, taking into account the expiration date thereof.

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 2020, taking into account the share split of 31 August 2020, 54,000 ESOP warrants were held by selected participants, 10,000 ESOP warrants were held by the Company and available for grant. 55,000 ESOP Subscription Rights were exercised subsequent to 31 December 2020. As a result of the share split of 31 August 2020, in which all the shares were split in 10, each ESOP now will entitle its holder to not 1 but 10 shares.

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 35 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 summarises the main characteristics and number and weighted average exercise prices of subscription rights attributed:

			2020				2019			
Type of warrant	**Term**	**Exercise**	**Attributed at 31 December**	**Granted 2020**	**Vested at 31 December**	**Expired 2020**	**Attributed at 31 December**	**Granted 2019**	**Vested at 31 December**	**Expired 2019**
ESOP Subscription Rights	31 December 2015 to 30 December 2025	18,30	30,000				30,000			
	24 March 2017 to 23 March 2027	34,00	10,000				10,000			
	1 September 2017 to 31 August 2027	34,00	2,500				2,500			
	13 December 2017 to 12 December 2027	34,00	2,500				2,500			
	4 July 2019 to 3 July 2029	40,00	2,000				2,000	2,000		
	4 May 2020 to 3 May 2030	40,00	7,000	7,000			0			
Key Man Subscription Rights	31 December 2015 to October 2025	18,30	100,000				100,000			
	Total		**154,000**				**147,000**			
	Weighted average price or exercise		21,1				**20,2**			
	Weighted average remaining contractual life (years)		5,23				**6,04**			
			Exercisable at 31 December				**Exercisable at 31 December**			
	Number		**145,666**				**145,056**			
	Weighted average price of excercise		**20,02**				**19,95**			

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, 0.12% in 2019 and 0.02% in 2020.
- The expected lifetime of the subscription rights.

The share-based payment expense recognised in the statement of profit and loss was as follows:

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Selling and marketing expenses	42	22
General and administrative expenses	173	286
Total	**215**	**308**

5.33 Audit fees

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Audit fees	532	113
Audit related fees	1,394	1,140
Fees for legal missions	21	17
Permitted non-audit services		
- Other assurance	41	72
- Consulting	1,647	61
Total	**3,635**	**1,403**

5.34 Events after the reporting date

Business combinations

On 8 January 2021, Unifiedpost Group SA completed 3 acquisitions of 100% of the shares of 21 Grams Holding AB, Akti SA and BanqUP BV.

On 19 March 2021, Unifiedpost Group SA announced 2 acquisitions of 100% of the shares of Digithera and Sistema Efactura.

On 12 April 2021, Unifiedpost Group SA announced the acquisition of 100% of the shares of Crossinx.

These acquisition will fulfil a strategical role in the pan-European expansion of Unifiedpost Group and the roll out of the SME-solutions, including payment services into local markets, which will accelerate the launch of Unifiedpost's platform in these markets in compliance with local regulations.

21 GRAMS business combination

On 8 January 2021, the Company acquired 100% of the shares in 21 GRAMS. 21 Grams (21grams Holding AB), with its headquarters in Stockholm and operations in Sweden, Norway, Finland and Denmark, provides mission-critical outbound mailing solutions as well as optimised post(age) and parcel services.

The consideration transferred to effect the business combination amounts to a total of € 34.5 million.

Details of the carrying amounts, prior to fair value determination, of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

Thousands of Euro	**8 January 2021**
Trade name	2,051
Software	2,641
Customer relationships	40
Property and equipment	167
Right-of-use assets	813
Other financial assets	18
Deferred tax assets	48
Inventories	11
Trade and other receivables	8,874
Other current receivables	491
Prepayments and accrued income	861
Cash and cash equivalents	3,604
Lease liabilities	(717)
Loans and borrowings	(6,313)
Deferred tax liabilities	(688)
Trade and other payables	(6,371)
Accrued expenses and prepaid income	(2,462)
Current income tax liabilities	(163)
Other liabilities	(1,433)
Total net assets	**1,472**
Goodwill	**33,050**
Consideration transferred	**34,522**

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 carrying amounts 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 21 Grams to the Group's revenue and net profit for the 2020 year, as if the acquisition had occurred on 1 January 2020, would have been € 75 million and € 1.4 million, respectively. € 19.9 million of the 2020 revenue was generated from 21 Gram's multi-channel delivery platform, which is identical to the core documents revenue of Unifiedpost Group. A further € 55 million in revenue was generated from document and parcel logistics.

AKTI business combination

On 8 January 2021, the Company acquired 100% of the shares in AKTI NV. AKTI is a Belgian cloud company which provides SME's with commerce and e-commerce solutions, including order management and invoice processing.

The consideration transferred to effect the business combination amounts to a total of € 1.4 million.

Details of the carrying amounts, prior to fair value determination, of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

Thousands of Euro	**8 January 2021**
Software	169
Property and equipment	2
Right-of-use assets	52
Trade and other receivables	15
Cash and cash equivalents	49
Lease liabilities	(52)
Trade and other payables	(19)
Contract liabilities	(15)
Total net assets	**201**
Goodwill	**1,159**
Consideration transferred	**1,360**

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 carrying amounts 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 AKTI to the Group's revenue and net loss for the 2020 year, as if the acquisition had occurred on 1 January 2020, would have been € 344 thousand and € 33 thousand, respectively.

BANQUP business combination

On 8 January 2021, the Company acquired 100% of the shares in BanqUP BV.

The consideration transferred to affect the business combination amounts to total € 7.0 million, including vendor loans received from the sellers.

Details of the carrying amounts, prior to fair value determination, of identifiable assets and liabilities acquired, and of the resulting provisional goodwill are as follows:

Thousands of Euro	**8 January 2021**
Software	547
Right-of-use assets	87
Non-current contract costs	46
Other non-current assets	12
Trade and other receivables	141
Contract assets/costs	51
Cash and cash equivalents	396
Lease liabilities	(87)
Trade and other payables	(287)
Contract liabilities	(682)
Current income tax liabilities	(7)
Total net assets	**217**
Goodwill	**6,775**
Consideration transferred	**6,992**

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 carrying amounts 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 BanqUP to the Group's revenue and net loss for the year, as if the acquisition had occurred on 1 January 2020, would have been € 770 thousand and € 71 thousand, respectively.

Digithera business combination

On 24 March 2021, the Company acquired 100% of the shares in Digithera. Digithera is an Italian company, based in Milan, that provides an electronic invoicing platform to businesses that want to fulfil their Italian (electronic) invoicing obligations.

The consideration transferred to affect the business combination amounts to total € 1.5 million. Unifiedpost Group will finance the acquisition of Digithera 18% by shares and 82% by cash.

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 carrying amounts 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 Digithera to the Group's revenue, as if the acquisition had occurred on 1 January 2020, would have been € 1.1 million.

Sistema Efactura business combination

On 18 March 2021, the Company acquired an additional 100% of the shares in Sistema Efactura. Sistema Efactura offers a full digital invoicing ecosystem for businesses and public administrations to lower costs, increase efficiency and security with access to payments and financing.

The consideration transferred to affect the business combination amounts to total € 0.8 million. The acquisition is paid in cash.

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 carrying amounts 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 Sistema Efactura to the Group's revenue, as if the acquisition had occurred on 1 January 2020, would have been € 0.5 million.

Crossinx

On 9 April 2021, the Company acquired 100% of the shares in Crossinx. Crossinx offers to over 350,000 companies flexible, scalable solutions for electronic invoice processing, EDI and supply chain financing.

The initial consideration transferred on the acquisition date to effect the business combination amounts to € 97,4 million. The initial consideration is paid 50% in cash and 50% in shares. The total of the 3 subsequent 'on -target' contingent considerations on the results of 2021, 2022 and 2023, amounts to € 40 milion (€ 13,3 million per year), of which 50% is to be paid in cash and 50% in shares. In addition, the maximum contingent consideration is capped to an additional € 20 million payable in shares only.

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 carrying amounts 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 Crossinx to the Group's revenue, as if the acquisition had occurred on 1 January 2020, would have been € 8,3 million.

Capital increase after year end

On 8 January 2021, Unifiedpost Group SA completed the following 3 acquisitions of 100% of the shares of 21 Grams Holding AB, Akti SA and BanqUP BV.In the framework of each acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 359,494 new shares in consideration for the contribution in kind of the receivables resulting from the vendor loans and the receivables resulting from the deferred payment. Thereafter, the Company has issued 120,000 new shares following the exercise of subscription rights.

After the forementioned issuances of the new shares, the share capital of the Company increases to € 259,806,199.46 represented by 30,881,484 shares without mention of nominal value. Each of these shares gives one voting right at the general meeting of shareholders and, together, represent the denominator for the purposes of notifications under the transparency regulations.

On 24 March 2021, Unifiedpost Group SA completed the acquisitions of 100% of the shares of Digithera. In the framework the acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 14,098 new shares in consideration for the contribution in kind of the receivables resulting from the vendor loans and the receivables resulting from the deferred payment. Thereafter, the Company has issued 89,160 new shares following the exercise of subscription rights. After the forementioned issuances of the new shares, the share capital of the Company increases to € 260,397,410.43 represented by 30,984,742 shares without mention of nominal value. Each of these shares gives one voting right at the general meeting of shareholders and, together, represent the denominator for the purposes of notifications under the transparency regulations.

On 9 April 2021, Unifiedpost Group SA completed the acquisitions of 100% of the shares of Crossinx. In the framework the acquisition, a part of the purchase price is converted into loans granted by the sellers or into a deferred payment. Subsequently, the Company has issued 2.436.727 new shares in consideration for the contribution in kind of the receivables resulting from the vendor loans and the receivables resulting from the deferred payment. Thereafter, the Company has issued 28,130 new shares following the exercise of subscription rights. After the forementioned issuances of the new shares, the share capital of the Company increases to € € 309,188,642.93 represented by 33,449,599 shares without mention of nominal value. Each of these shares gives one voting right at the general meeting of shareholders and, together, represent the denominator for the purposes of notifications under the transparency regulations.

Additional financing

On 15 April 2021, the company secured an additional straight loan of € 5 million.

Unifiedpost Singapore

The Group founded Unifiedpost PTE. LTD on 29 January 2021. The registered office of this company is situated in Singapore.

5.35 Accounting policies

5.35.1 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.

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 5.35.3 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.

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 recognised at cost and adjusted thereafter to recognise 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 recognised 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised 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.

5.35.2 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.

5.35.3 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 acquisitiondate 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.

5.35.4 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 5.4 for information regarding the Company's revenue.

5.35.5 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 recognised as the Group transfers goods and services to customers, at amounts it expects to receive as consideration under enforceable contractual arrangements. Revenue is recognised as the Group satisfies contractual performance obligations, which can occur either at a point in time or over time.

The Group recognises 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
- Recognising 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 fulfilment 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 fulfil 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 recognised 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 fulfilment 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.

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 recognised 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 recognises revenue rateably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's contracts are generally non-cancellable. 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.

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 recognised 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 recognised 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 recognised each time the service is rendered. In practice, this means that revenue is recognised 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 recognised 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.

Print production

The Group recognises revenue from print production services offered at a point in time upon completion of the performed service and acceptance by the customer.

Managed services

Revenue from Managed services contracts, which includes hosting activities, is recognised 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 recognised over time based on the hours spent. The related costs on resources-based contracts are expensed as incurred.

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 recognise 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 recognised as the services are performed.

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 recognises 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 recognises 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.

5.35.6 Intangible assets

Goodwill

Goodwill is measured as described in note 5.12. Goodwill is not amortised, 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.

Tradenames, licenses and customer relationships

Separately acquired trademarks and licences are shown at historical cost. Tradenames, licenses and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Software

Costs associated with maintaining software programmes are recognised 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 recognised 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 capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research and development

Research expenditure and development expenditure that do not meet the criteria in the paragraph above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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

The estimated useful life is reviewed annually.

5.35.7 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 amortised on a straight-line basis over the shorter of their estimated useful lives or the term of the related lease.

5.35.8 Leases

The Group leases office space, data centres, 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 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. 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 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 or below. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.35.9 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation 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 recognised 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.

5.35.10 Financial assets

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional. They are subsequently measured at amortised 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.

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.

Impairment of financials assets

The Group recognises 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 recognises 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.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises 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.

5.35.11 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.

Cash received from customers of Unifiedpost payments' clients and not settled against the current account of the Unifiedpost's client, are disclosed as restricted cash.

5.35.12 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.

5.35.13 Financial Liabilities

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.

These bonds were converted to share capital on 26 June 2020, 17 July and 24 September 2020.

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 amortised 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.

Borrowings

All other borrowings are initially recorded at the fair value of proceeds received, net of transaction costs. They are subsequently carried at amortised cost using the effective interest rate method, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Put option over non-controlling interests

The Group has written put options (and acquired call options) over the equity of Fitek Slovakia and Fitek Balkan entities which permit the noncontrolling shareholders to put their shares in the respective subsidiary to the Group from 1 January 2022 for Fitek Slovakia and from 26 February 2020 for Fitek Balkan 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 the Group with a present ownership interest in the shares subject to the put options. The amount that may become payable under the option on exercise was initially recognised at the present value of the estimated redemption amount within financial liabilities with a corresponding charge directly to equity. The expected redemption amount is estimated by management based on a number of assumptions including cash flow projections, estimated likelihood of the exercise of the put options in different years, and the call option price, if lower than the calculated put option value given that if may indicate that it is more beneficial for the Group to exercise its call options at certain times. While the put options over 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 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 estimated redemption amount; and
- The Group accounts for the difference between the estimated redemption amount and the amount of non-controlling interests derecognised as an equity transaction.

For avoidance of doubt, the remeasurements of the financial liability, including unwinding of the discounting impact are recognised in equity.

Financial Liabilities

Transaction costs incurred in connection with the private placement and subsequent listing of its shares of 22 September 2020, relate to among other things, underwriter fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees, and similar expenses. Costs which related jointly to the share issuance and the listing have been allocated between these components based on the proportion of numbers of new shares issued upon the listing relative to the total number of shares. The Group deducted non-recurring incremental transactions costs that were directly attributable to the private placement and subsequent listing of its shares, from net proceeds to the issuer. For the year ended 31 December 2020, the Group incurred approximately € 18.8 million in fees and expenses related to the Group's transition to a publicly traded company, of which € 3.9 million has been expensed, the remaining 2020 transaction cost have been deducted from equity in addition to the € 0.6 million deferred transaction cost of previous years.

Trade and other payables

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

5.35.14 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 commercialise 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 commercialise 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 amortised cost using the effective interest method less repayments of principal.

5.35.15 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 recognised 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 recognised 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 recognised as employee benefit expense when they are due.

5.35.16 Share-based compensation

The fair value of options granted under the Group's share-based compensation plans is recognised 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 recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve in equity.

5.35.17 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 recognised 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 recognise 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 recognised 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 recognised 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 legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.35.18 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.

5.35.19 Fair value measurement

The Group applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognised 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 prioritises 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.

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UNIFIEDPOST GROUP SA

Statutory auditor's report
to the general meeting
for the year ended 31 December 2020
(Consolidated financial statements)

[Free translation]

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[Free translation]

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF UNIFIEDPOST GROUP SA FOR THE YEAR ENDED 31 DECEMBER 2020 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of Unifiedpost Group SA ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report on the audit of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 30 April 2019, following the proposal formulated by the board of directors. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 2021. This is the first year we have performed the statutory audit of the consolidated financial statements of Unifiedpost Group SA .

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 247.128 thousand EUR and for which consolidated income statement and other comprehensive income shows a loss for the year of 33.769 thousand EUR.

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 2020, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

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 'Statutory 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and intangible assets

Description of the Matter

The Group's evaluation of goodwill and intangible assets for impairment, involves the comparison of the recoverable amount of each cash generating unit ('CGU') to its carrying value. The Group uses the expected discounted cash flow model to estimate the recoverable amount of each of the CGU identified, which requires management to make significant estimates and assumptions related to forecasts of future revenue, operating margins, discount and perpetual growth rates. Changes in these assumptions could have a significant impact on the recoverable amount and potentially the amount of any goodwill impairment.

Given the significant judgments made by management to estimate the recoverable amount contributed to each of the CGUs, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve our valuation specialists. Further disclosure regarding the Group's impairment can be found in Note 5.12.

Procedures performed

Our audit procedures related to the determination of forecasts of future revenue and operating margin used by management to estimate the recoverable amount of the CGUs, included the following:

- With the assistance of our valuation specialists, we evaluated the reasonableness of the valuation methodology and tested the mathematical accuracy of the exercise.
- We evaluated management's ability to accurately forecast future revenue and operating margin by comparing actual results to management's historical forecasts.
- We also evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to (i) the historical operating results of the Group for each of the CGUs, (ii) appropriate internal evidence of growth and (iii) externally available information, like actual industry performance.
- We reviewed the sensitivity analysis prepared by management to understand the effect of a change in assumptions.
- We verified the appropriateness and completeness of the goodwill impairment disclosures in the Group's financial statements.

Revenue recognition: Contract liabilities and costs

Description of the Matter

An important part of revenue was linked to subscription agreements with multi-year contractual terms, mainly linked to the Identity product line. These result in significant (non-) current contract liabilities and (non-) current contract costs. As the deferral of revenues and the capitalization of the related contract costs is a highly manual process based on various operational systems requiring (semi-) manual system processing, this part of revenue recognition was considered a significant risk requiring specific audit attention and effort to verify accuracy, completeness and correct cut off of these revenue streams. We refer to note 5.4.

Procedures performed

We have:

- performed substantive testing on a sample of deferred revenue items which implies verifying the accuracy and existence based on underlying invoices and recalculating the amount to be deferred based on the period of the subscription agreement;
- obtained system reports that are used as the basis for the deferred revenue calculation and tested them for reliability and accuracy;
- paid special attention to the manual adjustments made to revenue accounting entries;
- verified that the contract costs were compliant with the definition in IFRS 15;
- assessed management's calculation of contract costs, by evaluating the nature of the cost overview and challenged the assumptions taken in relation to the split between short term and long-term contracts to identify the amount of expense to be deferred;
- compared the applied assumptions to prior year calculations and obtained explanations for deviations;
- obtained supporting evidence in the form of timesheets or invoices from suppliers providing temporary workers.

Financial funding

Description of the Matter

In note 5.3 of the financial statements the Group has disclosed that substantially all available cash at 31 December 2020 will be spent on financing its investment program, the cash drain for the next 12 months, the payment of the cash considerations and transaction costs related to acquisitions carried out in 2021 and deferred or contingent cash considerations resulting from these acquisitions. We refer to note 5.34 for more detailed information about the cash considerations paid for 100% of the shares of 21 Grams Holding AB, Akti SA, BanqUP BV, Digithera, Sistema Efactura and Crossinx. Taking into account the available financing commitments the Group estimates that it has sufficient liquidity to continue in going concern. This area was important to our audit because of the significance of the expected cash outflows on short term, following the Group's growth and investment strategy, the possible impact on its future activities including estimates on future cash flow levels and the need for additional disclosures .

Procedures performed

Our audit procedures were focused on the cashflow projections and included the following:

- We obtained the approved budget and forecast for the period 2021 until April 2022 and verified the reasonableness of the cash in- and outflows.

- We verified the availability of cash and financing commitments with supporting external evidence.
- We verified the actual cash position at the end of the first quarter of 2021 with the budgeted cash position.
- We read the Share Purchase Agreements, the minutes of the Board of directors and the due diligence reports related to the significant acquisitions after year-end to identify the cash considerations and agreed them to the cash projections.
- We discussed with Management how these transactions will possibly impact the future activities and cashflows of the Group.
- We verified the adequacy and completeness of the disclosures as included in Note 5.3 and 5.34 to the consolidated financial statements.

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.

Statutory 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 a statutory 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, a statutory 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. Our responsibilities with respect to the administrative body's use of the going concern basis of accounting are described below.

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 statutory 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 statutory 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.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the contents of the management report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (version revised in 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the management report on the consolidated financial statements, as well as to report on these elements.

Aspects relating to the management report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the management report, this report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- 5. Key Financial Figures 2020
- 6. Corporate Governance

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

Other statements

- This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.

Zaventem, 16 April 2021

Ellen Lombaerts

Digitaal ondertekend door Ellen Lombaerts
DN: cn=Ellen Lombaerts, ou=AU, email=Ellen.lombaerts@bdo.be

BDO Réviseurs d'Entreprises SCRL
Statutory auditor
Represented by Ellen Lombaerts

8. Statutory financial statements

The following information is extracted from the separate Belgian GAAP financial statements of Unifiedpost Group NV. These separate financial statements, together with the management report of the Board of Directors to the general assembly of shareholders as well as the auditors' report, will be filed with the National Bank of Belgium within the legally foreseen time limits. It should be noted that only the consolidated financial statements as set forth in chapter 7 present a true and fair view of the financial position and performance of the Unifiedpost Group. Therefore, these separate financial statements present no more than a limited view of the financial position of Unifiedpost. For this reason, the Board of Directors deemed it appropriate to publish only an abbreviated version of the non-consolidated balance sheet and income statement prepared in accordance with Belgian GAAP as at and for the year ended 31 December 2020. Participations in affiliated companies are recognized at purchase price. The statutory auditors' report is unqualified and certifies that the non-consolidated financial statements of Unifiedpost NV prepared in accordance with Belgian GAAP for the year ended 31 December 2020 give a true and fair view of the financial position and results of Unifiedpost NV in accordance with all legal and regulatory dispositions. The full statutory financial statements can be obtained at the registered office of the company at Avenue Reine Astrid 92A, B-1310 La Hulpe"

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Audit fees	532	113
Audit related fees	1,394	1,140
Fees for legal missions	21	17
Permitted non-audit services		
- Other assurance	41	72
- Consulting	1,647	61
Total	**3,635**	**1,403**

Income statement

(In KEUR)		2020	2019
Operating income	**70/76A**	**4.925**	**3.665**
Turnover	70	4.579	3.596
Increase, decrease in stocks of finished goods, work and contracts in progress	71	-	-
Own construction capitalised	72	-	-
Other operating income	74	346	69
Non-recurring operating income	76A	-	-
Operating charges	**60/66A**	**(25.997)**	**(9.338)**
Raw materials, consumables and goods for resale	60	2.359	2.071
Purchases	600/8	2.359	2.071
Services and other goods	61	22.838	4.147
Remuneration, social security costs and pensions	62	-	-
Depreciations and amounts written off	630	458	456
Amounts written off	631/4	-	-
Provisions for liabilities and charges	635/8	-	-
Other operating charges	640/8	342	70
Operating charges capitalised as reorganisation costs	649	-	-
Non-recurring operating charges	66A	-	2.594
Operating profit (loss)	**9901**	**(21.072)**	**(5.673)**
Financial income	**75/76B**	**836**	**354**
Financial charges	65/66B	(3.941)	(3.806)
Recurring financial charges	65	3.941	3.806
Debt charges	650	3.709	3.605
Amounts written off current assets	651	-	-
Other financial charges	652/9	232	201
Non-recurring financial charges	66B	-	-
Profit (loss) for the period before taxes	**9903**	**(24.177)**	**(9.125)**
Transfer from deferred taxation	780	-	-
Transfer to deferred taxation	680	-	-
Income taxes	**67/77**	**(2)**	**(1)**
Income taxes	670/3	(2)	(1)
Adjustment of income taxes and write back of tax provisions	77	-	-
Profit (loss) for the period	**9904**	**(24.179)**	**(9.126)**
Transfer from untaxed reserve	789	-	-
Transfer to untaxed reserve	689	-	-
Profit (loss) for the period available for appropriation	**9905**	**(24.179)**	**(9.126)**

The loss for the financial year is allocated to losses carried forward in equity.

Balance sheet

ASSETS		2020	2019
(In KEUR)			
Formation expenses	**20**	**-**	**-**
Fixed assets	**21/28**	**160.637**	**134.527**
Intangible assets	21	1.375	1.832
Tangible assets	22/27	-	-
Financial assets	28	159.262	132.695
Current assets	**29/58**	**117.138**	**784**
Amounts receivable after more than one year	29	195	43
Stock and contracts in progress	3	-	-
Amounts receivable within one year	40/41	540	276
Investments	50/53	72.003	-
Cash at bank and in hand	54/58	44.254	189
Deferred charges and accrued income	490/1	146	276
TOTAL ASSETS	**20/58**	**277.775**	**135.311**

LIABILITIES		2020	2019
(In KEUR)			
Capital and reserves	**10/15**	**213.804**	**7.184**
Capital	10	251.543	20.744
Share premium accounts	11	492	492
Revaluation surplus	12	-	-
Reserves	13	31	31
Profit/(loss) carried forward	14	(38.262)	(14.083)
Investment grants	15	-	-
Advances to associates on net assets distribution	**19**	**-**	**-**
Provisions and deferred taxation	**16**	**-**	**-**
Creditors	**17/49**	**63.971**	**128.127**
Amounts payable after more than one year	17	11.403	43.525
Current portion of amounts payable after more than one year	42	269	32.921
Financial debts	43	2.833	-
Trade debts	44	1.729	1.669
Advances received on contracts in progress	46	-	-
Taxes, remuneration and social security	45	2	-
Other amounts payable	47/48	47.716	48.582
Accrued charges and deferred income	492/3	19	1.430
TOTAL LIABILITIES	**10/49**	**277.775**	**135.311**

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UNIFIEDPOST GROUP SA

Statutory auditor’s report to the general meeting for the year ended 31 December 2020

Free translation

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STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF UNIFIEDPOST GROUP SA FOR THE YEAR ENDED 31 DECEMBER 2020

In the context of the statutory audit of the annual accounts of Unifiedpost Group SA ("the Company"), we hereby present our statutory auditor's report. It includes our report of the annual accounts and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 30 April 2019, following the proposal formulated by the board of directors. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on 31 December 2021. We have performed the statutory audit of the annual accounts of the Company for two consecutive years.

REPORT ON THE ANNUAL ACCOUNTS

Unqualified opinion

We have audited the annual accounts of the Company, which comprise the balance sheet as at 31 December 2020, the profit and loss account for the year then ended and the notes to the annual accounts, characterised by a balance sheet total of 277.775.068,23 EUR and a profit and loss account showing a profit loss for the year of 24.178.800,41 EUR.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2020, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the *'Statutory auditor's responsibilities for the audit of the annual accounts'* section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

We have obtained from the administrative body and the officials of the Company 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current year. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries and long term receivables

Description of the Matter

The Company has evaluated the value of the financial fixed assets, including investments in subsidiaries and long-term receivables toward these subsidiaries, for possible impairment. This analysis involves the comparison of the recoverable amount of each investment and long-term receivable towards one of the subsidiaries to its total carrying value. The Company uses the expected discounted cash flow model to estimate the recoverable amount of the different subsidiaries which requires management to make significant estimates and assumptions related to forecasts of future revenue, operating margins, discount and perpetual growth rates. In this exercise the Company considers the synergy effects from intra-group transactions. Changes in these assumptions could have a significant impact on the recoverable amount and potentially on the carrying amount of the subsidiaries and their respective long-term receivables. Given the significant judgments made by management, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions required a high degree of auditor judgment and an increased effort, including the need to involve our valuation specialists. Further disclosure regarding the Company's evaluation can be found in C-Cap 6.19.

Procedures performed

Our audit procedures related to the determination of forecasts of future revenue and operating margin used by management to estimate the recoverable amount of the subsidiaries and outstanding long-term receivables included the following:

- We evaluated the reasonableness of the valuation methodology and tested the mathematical accuracy of the exercise.
- We evaluated management's ability to accurately forecast future revenue and operating margin by comparing actual results to management's historical forecasts.
- We also evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to (i) the historical operating results of each subsidiary, (ii) appropriate internal evidence of growth and (iii) externally available information, like actual industry performance.
- We reviewed the sensitivity analysis prepared by management to understand the effect of a change in assumptions.
- We verified the appropriateness and completeness of the goodwill impairment disclosures in the financial statements.

Financial funding

Description of the Matter

In point 11 of annual report to the financial statements, the Company has disclosed that substantially all available cash at 31 December 2020 will be spend on financing its investment program, the cash drain for the next 12 months, the payment of the cash considerations and transaction costs related to acquisitions carried out in 2021 and deferred or contingent cash considerations resulting from these acquisitions. We refer to point 7 of the annual report for more detailed information about the cash considerations paid for 100% of the shares of 21 Grams Holding AB, Akti SA, BanqUP BV, Digithera, Sistema Efactura and Crossinx. Taking into account the available financing commitments the Company estimates that it has sufficient liquidity to continue in going concern.

This area was important to our audit because of the significance of the expected cash outflows on short term, following the Company's growth and investment strategy, the possible impact on its future activities including estimates on future cash flow levels and the need for additional disclosures .

Procedures performed

Our audit procedures were focused on the cashflow projections and included the following:

- We obtained the approved budget and forecast for the period 2021 until April 2022 and verified the reasonableness of the cash in- and outflows.
- We verified the availability of cash and financing commitments with supporting external evidence.
- We verified the actual cash position at the end of the first quarter of 2021 with the budgeted cash position.
- We read the Share Purchase Agreements, the minutes of the Board of directors and the due diligence reports related to the significant acquisitions after year-end to identify the cash considerations and agreed them to the cash projections.
- We discussed with Management how these transactions will possibly impact the future activities and cashflows of the Company.
- We verified the adequacy and completeness of the disclosures as included in the annual report to the financial statements.

Responsibilities of administrative body for the drafting of the annual accounts

The administrative body is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the administrative body is 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 administrative body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 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 annual accounts.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of annual accounts in Belgium. However, a statutory audit does not guarantee the future viability of the Company, neither the efficiency and effectiveness of the management of the Company by the administrative body. Our responsibilities with respect to the administrative body's use of the going concern basis of accounting are described below.

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 annual accounts, 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts 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 statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the *A*udit Committee 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 identified during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the content of the management report as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Code of companies and associations and with the Company's by-laws.

Responsibilities of the statutory auditor

In the context of our mission and in accordance with the Belgian standard (version revised 2020) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report and compliance with certain provisions of the Code of Companies and Associations and of the Company's by-laws, as well as to report on these elements.

Aspects related to the management report

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the annual accounts for the same financial year, and it is prepared in accordance with articles 3:5 and 3:6 of the Code of Companies and Associations.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report contains any material misstatement, i.e. any information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to the social balance sheet

In the absence of employed staff, the Company is not required to establish a social balance sheet.

Statement related to independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of annual accounts and our audit firm remained independent of the Company during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit of annual accounts as referred to in article 3:65 of the Code of companies and associations, were duly itemised and valued in the notes to the annual accounts.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the Company's by-laws.
- We do not have to report to you any transactions undertaken or decisions taken in breach of the by-laws or the Code of companies and associations.
- This report is in compliance with the contents of our additional report to the Audit Committee as referred to in

article 11 of regulation (EU) No 537/2014.

- We have evaluated the property effects on the Company resulting from the administrative body's decision with respect to the conflict of interest as described in the conclusions of the administrative body's report.
- At the board of directors meeting on 16 August 2020 the directors were informed by AS Partners BV (company represented by Mr Stefan Yee) who declared, in accordance with Article 7:96 of the BCCA, that he has a financial interest that is potentially contrary to the interest of the Company in relation to the proposed appointment of AS Partners BV as Interim IPO Coordinator retroactively from July 1 until the end of the month of the listing (September 2020). The financial impact has been described in the aforementioned board minutes and the management report.
- At the board of directors meeting on 17 September 2020, the directors were asked to comment and take a decision on a project on which three directors, AS Partners BV (company represented by Mr Stefan Yee), Jinvest BV (company represented by Mr Jürgen Ingels) and Cytifinance SA (company represented by Mr Michel Delloye) had an interest of a patrimonial nature opposed to the interest of the Company. Under article 7:96 of the Code of companies and associations, these directors informed the other members of the Board of Directors before the decision was taken and their opinion was therefore not taken into account. This has been described in the aforementioned board minutes and the management report.
- During the board meetings that took place on 1 December 2020 and 22 December 2020, the directors were asked to vote on and take a decision on a project on which a director Jinvest BV (company represented by Mr Jürgen Ingels) had an interest of a patrimonial nature opposed to the interest of the Company. Under article 7:96 of the Code of companies and associations, this director informed the other members of the Board of Directors before the decision was taken and his opinion was therefore not taken into account. This has been described in the aforementioned board minutes and the management report.

Zaventem, 16 April 2021

Ellen Lombaerts

Digitaal ondertekend door Ellen Lombaerts
DN: cn=Ellen Lombaerts, ou=AU, email=Ellen.lombaerts@bdo.be

BDO Réviseurs d'Entreprises SCRL
Statutory auditor
Represented by Ellen Lombaerts

Glossary and APM

Glossary

AI :	artificial intelligence.
AML :	Anti-Money Laundering obligations.
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, 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.
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
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.
Board of Directors :	the Board of Directors of the Company.
BPO :	Business Process Outsourcing
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.
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.
CGU :	Cash Generating Unit
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.

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.
Corporate Governance :	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 or Corporates :	means any customer of the Company who has over 500 full-time equivalent employees.
CRM :	Customer Relation Management
EBA :	the European Banking Authority
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.
ERP :	Enterprise Resource Planning, an integrated management system of main business processes.
ESG :	Environmental, Social and Governance
Euronext Brussels :	Euronext Brussels SA/NV, located at 1 Rue du Marquis, 1000 Brussels.
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 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 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.
FSMA :	the Belgian Financial Services and Markets Authority.
FTE :	Fulltime Equivalent

G&A	:	General and Administrative expenses
G2B	:	Government to Business
G2C	:	Government to Customer
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.
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.
IPO	:	Initial Public Offering
ITIL	:	Information Technology Infrastructure Library
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.
M&A	:	mergers and acquisitions.
Management	:	means the members of the Management Committee as at the Closing Date.
Material Adverse Effect	:	Any event or effect adversely affecting the company's ability to perform its obligations, 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.
Member State	:	EU Member States and where relevant other states that are party to the EEA Agreement.
NBB	:	the National Bank of Belgium.
OCR	:	optical character recognition.
Organic Revenue	:	represents the growth of the business after removing the impact of acquisitions or other scope changes as well as exchange rate movements.
O2C & P2P	:	order-to-cash & purchase-to-pay.
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.

Placement Price	:	the price per Placement Share.
Placement Shares	:	the Shares that were 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.
Powertopay	:	Powertopay BV, a Dutch subsidiary of the Company.
Private Placement	:	the private placement by the Company to Qualified Persons.
Pro Forma Revenue	:	the total consolidated revenue of Unifiedpost as stated in the Unaudited FY 2020 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	:	the prospectus, as approved by the FSMA on 18 September 2020.
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).
R&D	:	Research and Development
RBA	:	Robotic Based Accounting.
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.
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.
SCA	:	strong customer authentication, as introduced by PSD2.
SDG	:	sustainable Development Goals
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.

S&M	:	Selling and Marketing expenses
SME	:	means any customer of Unifiedpost that is not a Corporate.
SME Ecosystem	:	a sector community-based platform offered by the Group.
Sponsors	:	professional or sector federations, trade associations, banks, accountants and large corporates.
Statutory Auditor	:	the past, current and future statutory auditor of the Company, currently BDO
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.
Unaudited FY 2020 Pro Forma Income Statement	:	unaudited consolidated pro forma statement of profit and loss of the Company for the year ending 31 December 2020 to reflect the effect of the acquisition of Fitek Balkan, Tehnobiro, Akti, BanqUP and 21 Grams as if they occurred on 1 January 2020, and not including acquisitions after 1/2/2021 (Digithera, eFactura, Crossinx).
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.
VAT		Value Added Tax
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.

APM

The Alternative Performance Measures (APM's) are defined as follows or based on the following defined terms:

- **Organic recurring Revenue** for a period, as the recurring Revenue excluding the impact of acquisitions of the last 12 months as well as exchange rate movements ("Organic recurring Revenue").
- **Organic Revenue**, excludes the impact of revenue from acquisitions over the last 12 months as well as exchange rate movements.
- **Net Financial Cash/ Debt:** Net financial (cash)/debt is defined as cash and cash equivalents - investments minus interest bearing financial debts minus lease liabilities.
- **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").
- **Non-Recurring Operational Expenses**, as one-time expenses ("Non-Recurring Operational Expenses").

Unifiedpost measures its financial performance using the above listed performance measures and believes that these measurements are useful for analyzing and explaining changes and trends in the historical results of operations as they allow performance to be compared on a consistent basis. These performance measures are reconciled to the IFRS financials as follows:

Reconciliation to Recurring Revenue

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Recurring Revenue	62.443	42.434
Project Revenue	6.485	4.518
Total	**68.928**	**46.952**

Reconciliation to Organic recurring Revenue

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Recurring Revenue	62.443	42.434
Less: Acquired revenue 2020 acquisitions	4.360	
Less: Acquired revenue 2019 acquisitions	10.371	10.020
Organic recurring revenue	**47.711**	**32.414**
Organic recurring growth 2019-2020	5.277	
Organic recurring revenue growth, %	12,4%	

Reconciliation to Organic Revenue

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Revenue	68.928	46.952
Less: Acquired revenue 2020 acquisitions	6.753	
Less: Acquired revenue 2019 acquisitions	10.572	10.198
Organic revenue	**51.603**	**36.754**
Organic revenue growth	4.650	
Organic revenue growth, %	9,9%	

Reconciliation to Net financial (cash)/debt

	At 31 December 2019	
Thousands of Euro	**2020**	**2019**
Net financial (cash)/debt		
Cash and cash equivalents	(125,924)	(3,046)
Bank borrowings	25,783	44,286
Lease liabilities	8,057	7,908
Net financial (cash)/debt	**(92,084)**	**49,148**

Reconciliation to EBIDTA (margin) and Adjusted EBITDA (margin)

	For the year ended 31 December	
Thousands of Euro	**2020**	**2019**
Profit / (loss) from operations	- 21.003	- 15.681
Amortisation and Depreciation	15.018	8.216
EBITDA	**- 5.985**	**- 7.465**
Share-based payment expense	215	308
Non-recurring operational expenses	-	142
Acquisition expenses	751	896
Listing expenses	3.866	2.223
Other income and expenses	- 466	- 683
Adjusted EBITDA	**- 1.618**	**- 4.579**
EBITDA Margin	**- 8,7%**	**- 15,9%**
Adjusted EBITDA Margin	**- 2,3%**	**- 9,8%**

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Financial calendar 2021

- 18/05/2021 General Meeting of Shareholders
- 27/05/2021 Publication Q1 Business Update
- 17/09/2021 Announcement Half Year Results 2021
- 25/11/2021 Publication Q3 Business Update

More information on our website
https://www.unifiedpost.com/en/investor-relations

unifiedpost
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