

HIPAY GROUP

An ongoing dynamic growth

- **Half-year turnover €14.9m (+20% vs. H1 2015)**
- **Half-year EBITDA €2.1m (+40% vs. H1 2015)**
- **Growth acceleration in second quarter**
 - **Transaction volume: +70% vs. Q2 2015**
 - **Turnover +25% vs. Q2 2015**
- **Continued growth for the HiPay Fullservice business**
 - **Transaction volume: +80% vs. Q2 2015**
 - **Turnover +45% vs. Q2 2015**

Paris, July 28th, 2016, 7:45 a.m. HiPay Group (**ISIN code FR0012821916 – HIPAY**), the Fintech company specialized in online payments, announces its turnover for the first semester of 2016.

Commenting on the turnover for the first semester of 2016, Gabriel de Montessus, HiPay Group CEO, said: «The beginning of 2016 is in line with the company's operating plan. HiPay Fullservice business is considerably growing and is increasing its market penetration. The positive momentum built two and a half years ago is strong in France and the good start of the internationalization strategy; represent many new sources of growth in the coming months and years. In this context HiPay is strengthening and continues its investments in technological innovations. »

SUSTAINED BUSINESS GROWTH

During the first semester of 2016, the transaction volume has increased by almost 60%, with a growth close to 75% for the Fullservice business. This trend has been reinforced during the second quarter with a 70% rise at a Group level, driven by 80% increase vs. Q2 2015 from the Fullservice business.

First semester turnover increased from 20% over the period and reaches €14.9 million. This growth in terms of turnover accelerated in the second quarter with 25% overall increase and +45% on the Fullservice business.

HiPay Fullservice represents now more than 90% of the Group's activity and 60% of the Group's turnover.

HiPay has extended its offer in France and internationally through partnerships and direct connections to numerous payment methods. This strengthens HiPay's position as a global player and reinforces its ability to support merchants from all countries beyond their domestic market.

HiPay has created a legal entity in the United States and launched its Fullservice business in Italy within the first semester of 2016. This product has sparked the interest of the Italian e-commerce industry and the Group has already signed some key merchants. These initiatives mark the beginning of HiPay's internationalization strategy and represent many new sources of growth in the coming months and years.

The micropayment branch is recovering and has stabilized in the past 6 months with growth acceleration within the second quarter 2016: +6% transaction volume vs. Q2 2015.

OPERATING PROFITABILITY

6 month period - en M€	H1 2016	H1 2015	var
Turnover	14,9	12,5	19%
Direct cost	4,9	4,1	19%
HR expenses	5,1	4,2	21%
General expenses	2,8	2,7	3%
EBITDA¹	2,1	1,5	39%
Depreciation and amortization	(1,4)	(1,2)	15%
Current Operating Income	0,7	0,3	133%
Other non-current earning and charges	(1,0)	(2,6)	
Operating income	(0,4)	(2,3)	
Financial result	(0,1)	0,1	
Pre-tax earnings	(0,5)	(2,2)	
Adjusted net income²	0,1	(0,5)	
Net income of the consolidated companies	(1,0)	(2,5)	

On June 30, 2016, the consolidated gross margin amounted to €14.9 million, a 20% rise compared to the first semester 2015.

In view of the strong Full Service activity growth, direct costs increased by 21% in the first semester 2016.

Operating expenses (purchases and HR expenses) are up 14%. The Group continues to structure itself and attract the best talents to support the platforms technological deployment and the commercial development in France and at the international level.

The *EBITDA*¹ reached €2.1 million, increasing by 40% compared to the second semester 2015. Depreciations, due to investments in technology carried out over the past few years, are increasing by 15%.

The Current Operating Income of the Group reaches €0.7 million; it doubles compared to the second semester 2015.

¹ Current Operating Income before depreciation and amortization

² The adjusted net income represents the net income adjusted for non-current and non-operating items (after tax if applicable)

The Operating Income of the Group reaches - €0.4 million, including 1 million exceptional costs due to internal restructuring carried out in the first semester.

The financial result over the period landed at -€0.1 million. The income tax expense amounted to -€0.4 million.

The net income after tax² amounted to €0.1 million.

The consolidated net income reached -€1 million, including non-current and non-operating items versus -€2.5 million in the first semester 2015.

SOLID FINANCIAL SITUATION

HiPay Group has an extremely sound financial profile with more than €10 million of cash available on June 30, 2016, no long-term indebtedness and €57 million of shareholders equity.

2016 OUTLOOK

The observed trend in the first semester should allow HiPay Group to record a sustained growth. Therefore, the company foresees to reach 2.5 billion euros in run-rate flows by the end of the year.

The half-year accounts approved by HiPay Group SA's board of July 26, 2016, have been subjected to a limited audit by the Group auditors, and the corresponding report is available online. The half-year financial report on the accounts closed as at June 30, 2016 will be available on the company's website www.hipay.com, in the "Investors" section.

Next financial communication: November 3rd, 2016 after market opening – 2016 3rd quarter results.

About HiPay Group

HiPay Group is an expert in online payments. It offers online publishers and e-retailers next generation payment solutions in order to leverage their businesses. HiPay brings added value to payment processing with specific solutions, suited for each merchant, on data, mobile and international development.

HiPay owns two European licenses: e-money issuer and payment institution, in order to support e-merchants in all their payment needs. HiPay has offices in 6 European countries, in Brazil and in the United States, and has over 150 employees.

HiPay Group is listed on the Euronext Paris Compartment C (ISIN code: FR0012821916 / Mnemo: HIPAY).

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