



Hubwoo Announces Financial Information for H1 2015

- Revenue down 6% as compared to H1 2014
- Non recurring/non cash depreciation costs of € M 15

Paris – September 30th, 2015 – Hubwoo (Euronext: HBW.NX), a leading provider of comprehensive spend management and business process collaboration solutions, today announced financial information for H1 2015, in accordance with the “European Transparency Obligations Directive” financial disclosure requirements.

Hampton Wall, Hubwoo CEO, commented, “Following the success of the tender offer, we confirm our commitment to the Hubwoo customer base and we are excited to continue offering Hubwoo customers the same high level of customer service they are accustomed to. The revised valuation of the company and an impairment test has led to a non-cash, impairment of goodwill in order to continue the fiscally conservative nature in which the company, and its balance sheet, are managed.”

1. Financial data

€ Million	2014	H1 2014	H1 2015	Variation in % (***) H1 2015 vs H1 2014
Revenue	27.5	13.8	13.0	-6%
EBITDA (*)	3.6	1.9	1.3	-32%
Goodwill impairment	-15.0	0.0	-15.0	
EBIT (**)	-15.1	0.1	-15.5	
Net Earnings	-15.8	-0.2	-15.8	
Operating Cashflow	3.1	1.5	0.4	-77%
Cash	6.0	5.9	5.0	-15%

(*) EBITDA: Operating result before depreciation and non-recurring items.

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(***) Percentage are calculated on exact numbers, not the rounded numbers shown.



Accounts for 1st half 2015 have been reviewed by the auditors and were approved by the Hubwoo Board of Directors on September 28, 2015. H1 2015 revenue was €13 million, lower (-6%) than H1 2014, as previously communicated in July. The EBITDA line, at €1.3 million, is lower compared to H1 2014, when it was at €1.9 million. The negative evolution of the EBITDA line in comparison to H1 2014 is largely due to the adverse evolution of the exchange rates EUR/USD and EUR/PHP over the two periods under consideration. EBIT was €15.5 million negative, including a goodwill impairment of €15 million (see following paragraph). Operating cash flow remained positive by €0.4 million, despite a significantly adverse movement in working capital change (-€0.7 million) due to late payments on account receivables. Capital investment in Hubwoo intellectual property remained strong at €0.9 million, similar to H1 2014. These investments were essentially focused on The Business Network. The Company has also reduced the level of financial debt by 33%, from €0.98 million at end 2014 to €0.7 million in H1 2014. The cash position at close of the semester is €5 million, compared to €5.9 million at the end of 2014.

Goodwill impairment

The price proposed by Perfect Commerce for the acquisition of the company in the context of the public offer initiated in June 2015 provides a valuation of the Hubwoo Group which is lower than its current net assets as of December 31, 2014. Consequently, the company performed an impairment test of goodwill at June 30, 2015, taking into account the economic analysis and the evaluation of the Group included in the Offer document from the tenderer.

The above resulted in the following changes in comparison to the annual test of goodwill performed on December 31, 2014:

- a) Use of an updated discount rate of 12.4%, compared to 10.5% used to perform the annual test in December 2014. The new rate was established taking into account updated parameters on market risk premium and market liquidity.
- b) Main assumptions on Revenue and EBITDA projections remained unchanged compared to the 2014 plan.
- c) The projected profitability values beyond a three-year timeline have been revised downwards in comparison to December 2014 in order to take into account uncertainties related to the size of the company in a context of volatility in the industry.

As a result of the above, the fair value of Hubwoo converges with the tenderer valuation, and a goodwill depreciation of €15 million has been passed in the first half of 2015. This impairment of goodwill above is non-cash and in no way affects the liquidity and solvability of the Company or its operations.

2. H1 2015 and subsequent major events :

- a) On June 9, 2015, Perfect Commerce launched a tender offer on all the Hubwoo shares. The offer was unanimously supported by the Hubwoo Board on June 8, 2015.
- b) The AMF has communicated on August 4, 2015 that Perfect Commerce owned 74.07% of Hubwoo shares, after the first subscription period that ended on July 30th. Following the second



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- subscription period ended on September 7th, Perfect Commerce owns 78.95% of Hubwoo shares and voting rights.
- c) On September 8, 2015 all members of the Board of Directors resigned. The new members appointed are the following:
- Mr. Hampton Wall, as Chairman and Executive Officer of Hubwoo
 - Mr. Mark Dreyfus, as Director
 - Mr. Jerrold Miller, as Director
 - Mrs. Nicole Lowe, as Director.

About Hubwoo (www.hubwoo.com), a Perfect Commerce Company

Hubwoo connects companies by providing comprehensive, cloud-based spend management and collaborative business process automation solutions for both goods and services, through The Business Network. Our solutions integrate with any ERP or procurement system, providing our customers with an easy to use solution which drives adoption, compliance and savings.

Significant customers include BASF, Honeywell, Shell, Evonik, Nationwide, Michelin, Henkel, Statoil, CONSOL Energy, , Campbell's, Burton's Foods, and The Dow Chemical Company. Hubwoo has major operations in Paris, Houston, Chicago, Bonn, London, Manilla, and Leuven. Listed in Compartment C on the Euronext Paris Eurolist.
ISIN: **FR0004052561**, Euronext: **HBW**, Reuters: **HBWO.PA**, Bloomberg: **HBW:FP**

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