

The Cloud Platform for the Back Office Digitalization

Jean-Michel Bérard, Founder and CEO
Emmanuel Olivier, COO

May 2023



Agenda

Corporate Overview

Business Model

Strategy

Addendum

Corporate Overview

The Cloud Platform for Document Process Automation

Bringing The Back-Office To The Modern World



Digitalization of B2B Back Office Processes



Source-to-Pay

Procurement

Accounts Payable



Order-to-Cash

Order Management

Accounts Receivable

Digital transformation of the Back-Office



Increased business productivity



Enhanced global visibility & analytics

Positive-Sum Growth

Eliminate tedious tasks



Pay suppliers faster
Increase visibility

Serve customers faster
Increase visibility

Reduce paper consumption

Leading Analysts Recognition

Gartner

**Magic Quadrant
for Procure-to-Pay Suites
2022**



Gartner

**Magic Quadrant
for Invoice-to-Cash Suites
2022**

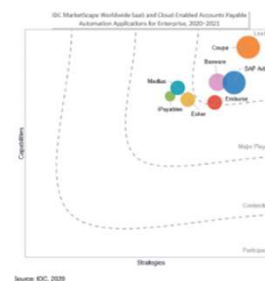
Figure 1: Magic Quadrant for Integrated Invoice-to-Cash Applications



Source: Gartner (April 2022)

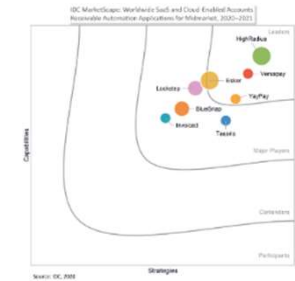
IDC

**IDC MarketScape
Major Player
for Accounts Payable
Automation Software 2021**



IDC

**IDC MarketScape
Major Player
for Accounts Receivable
Automation Software 2021**



Key Facts & Numbers



Top 10

Happy at Work 2022



€159M

Sales Revenue 2022



38 years

of Experience



1000+

Employees



€450B

Transactions Managed
Per Year



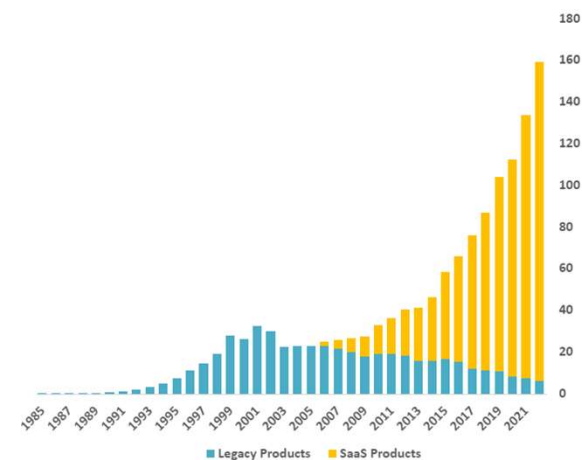
19%

Revenue Growth
2022



11.2%

Net Income
2022



Global Presence

| Lyon, France — Headquarters

Paris, France

Derby, UK

Munich & Düsseldorf, Germany

Madrid, Spain

Milan, Italy

Ghent, Belgium

| Madison, WI & Denver, CO, U.S.A

Montreal, Canada

Buenos Aires, Argentina

Sydney, Australia

Singapore

Hong-Kong

Kuala Lumpur, Malaysia



Recently Signed Customers



Lufthansa



RUBIX

TIFFANY & CO.



And many more...



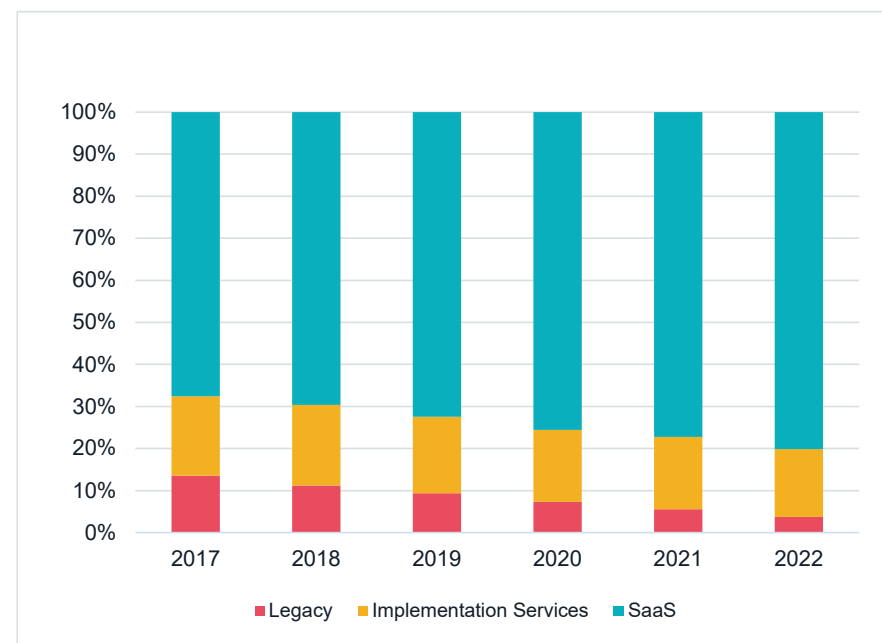
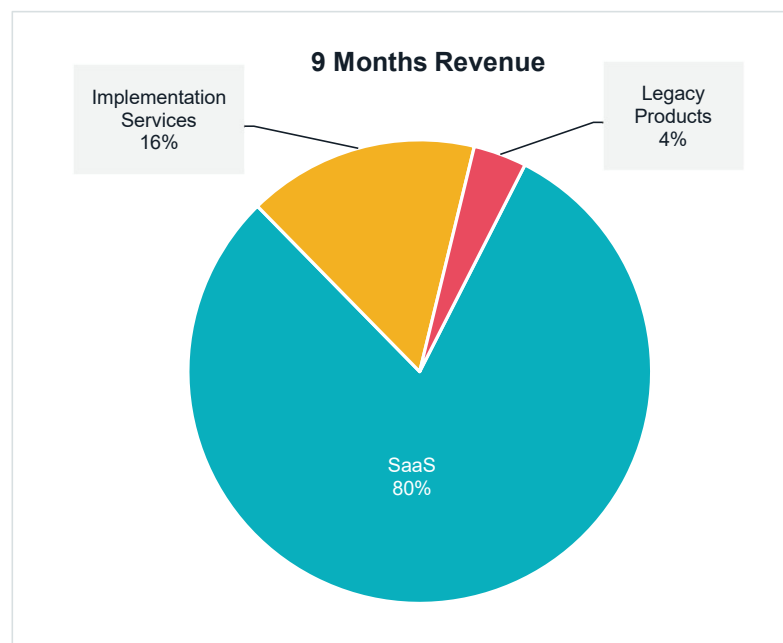
Business Model

2022 – Key Numbers

Value in Thousands of Euros	2022	2021	Growth
Sales revenue	158,987	133,580	+19%
Gross margin ⁽¹⁾	114,193	91,490	+25%
EBITDA	32,800	26,172	+25%
Income from operations	21,409	16,580	+29%
Current income before taxes	21,682	16,782	+29%
Net income	17,864	14,280	+25%

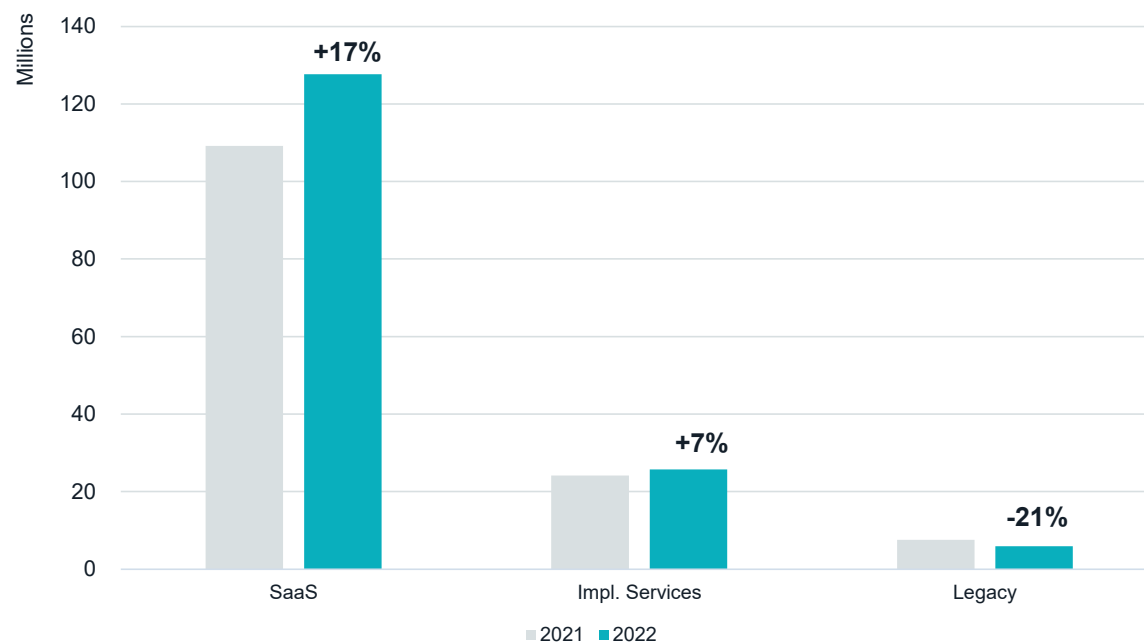
⁽¹⁾ Gross margin equals sales revenue minus cost of production sold (e.g., platform, production and implementation costs)

Strong Recurring Business Model



In 2022 SaaS increased 17% to represent **80% of the total revenue** (78% for FY 2021)

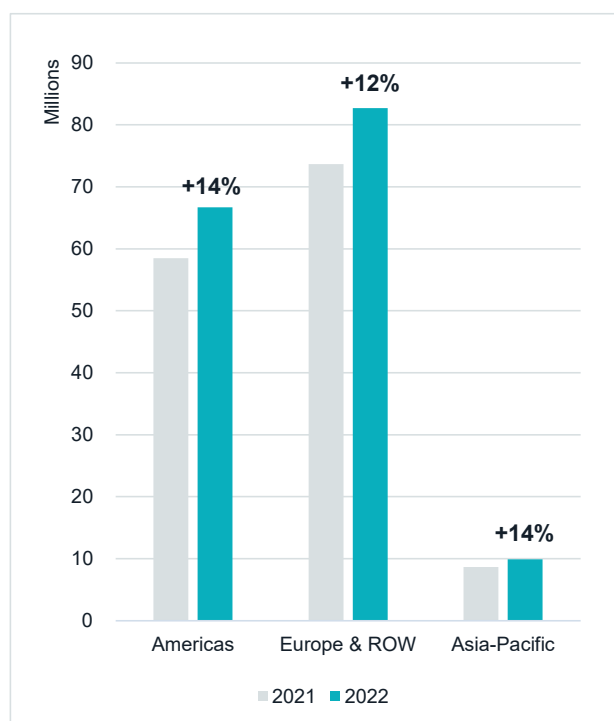
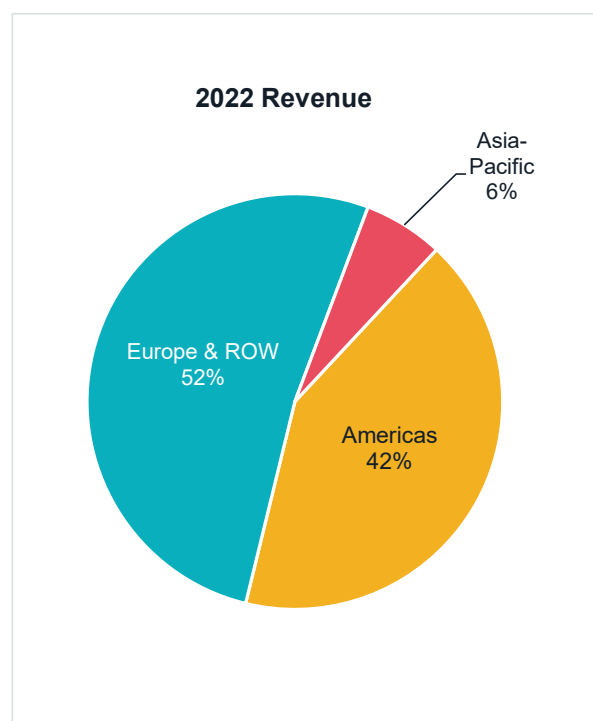
Revenue Growth by Product Type



- Dynamic growth of SaaS shows implementation of past wins as well as volume of activity on the platform by existing customers
- Consulting revenue has improved in during the year after a slow start mostly due to poor availability of internal & external resources linked to Covid pandemic
- Legacy products on their trend

*In constant currency exchange rates

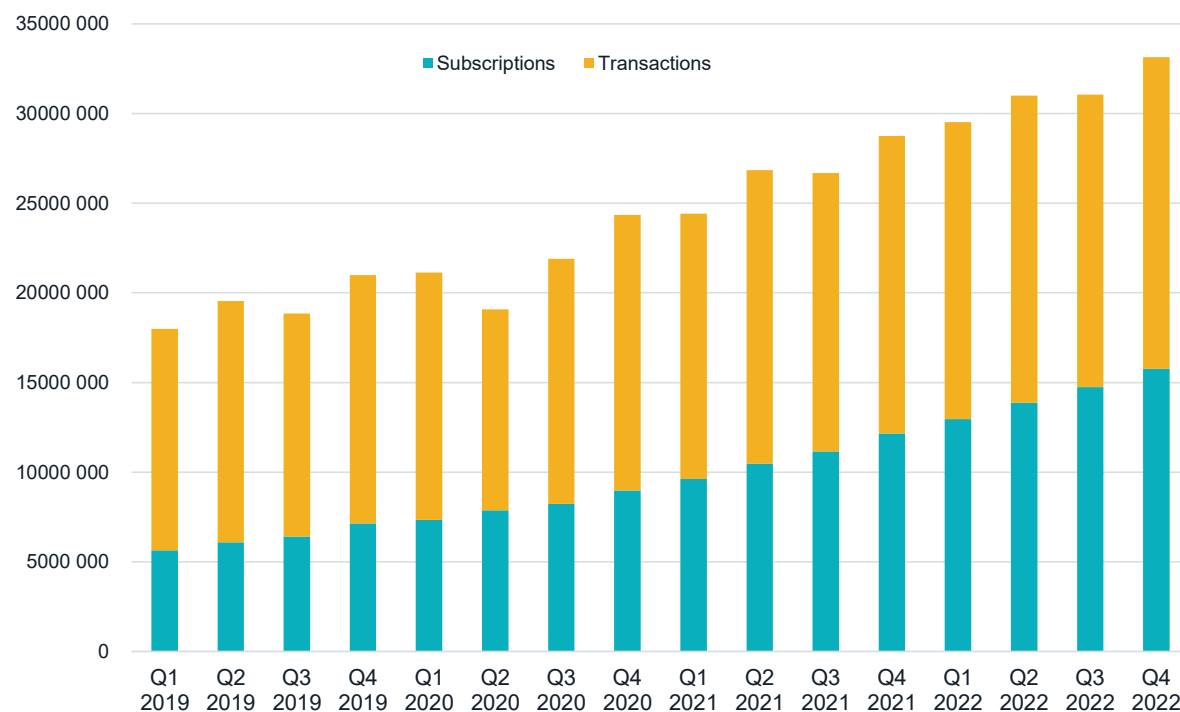
Revenue Growth by Region



- All regions are growing
- Dynamic growth in the US following consistent growth in bookings in previous years
- APAC back to growth after being impacted by restrictive Covid policies

*In constant currency exchange rates

SaaS Revenue by Type



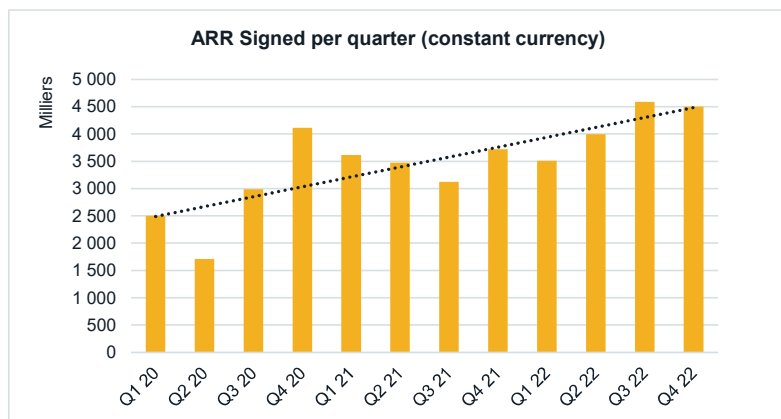
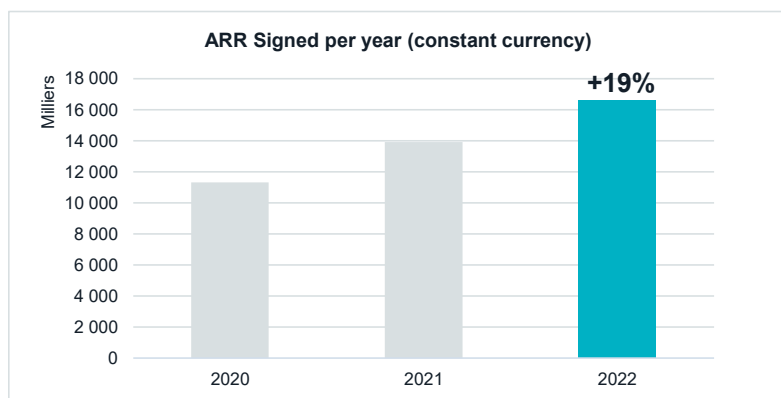
Subscription revenue

- 48% of SaaS revenue in Q422
- 30% growth vs. Q421

Transaction revenue

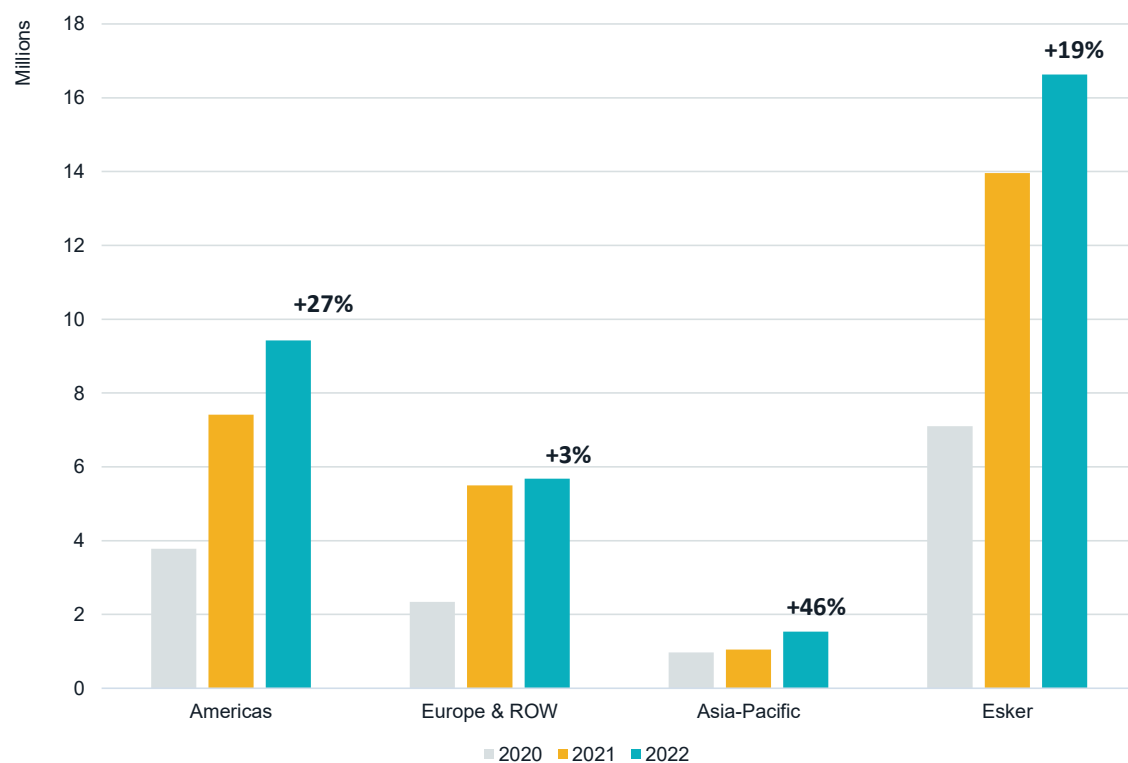
- 52% of SaaS revenue
- 5% growth vs. 2021

Dynamic Sales Performance (Bookings)



- Bookings (order intake) is defined as the average annual minimum amount of revenue for signed contracts (Annual Recurring Revenue)
- It is charged to customers as subscription fee
- This revenue will be recognized over the duration of the contract.
Typical contract: 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract closing. No deferral
- Per document revenue comes on top of subscription fees and will be recognized based on customers utilization of the platform.
- Per document revenue (transactional) is not included in bookings

Bookings Growth by Region

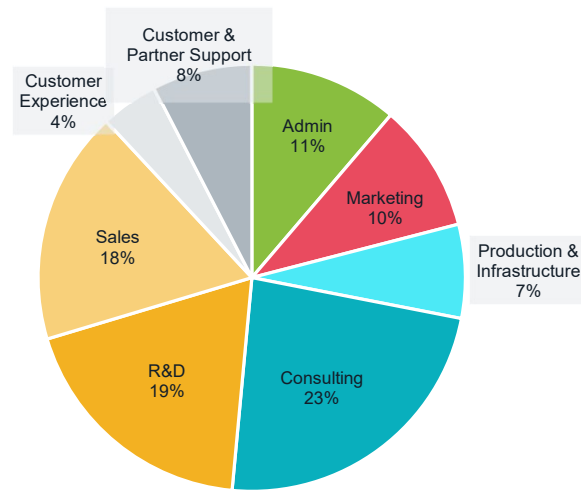


- Solid performance in Americas
- Europe : Slowing down after a good H1
- Sharp recovery in Asia-Pacific after a weak 2021 due to Covid lockdowns

*In constant currency exchange rates

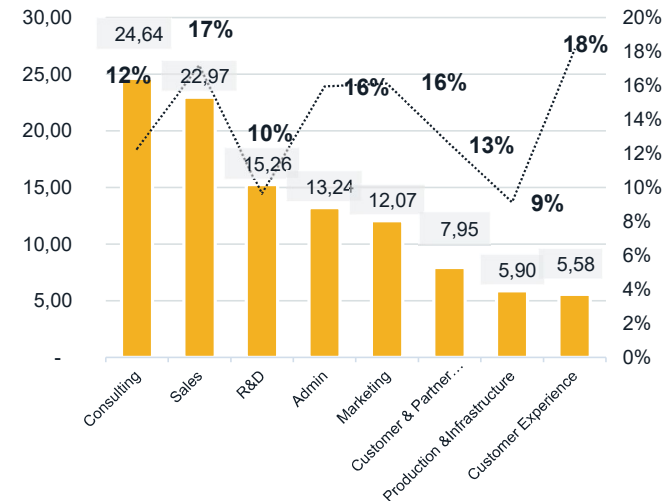
Continued Investments In Future Growth

December 2022 - Headcount Breakdown



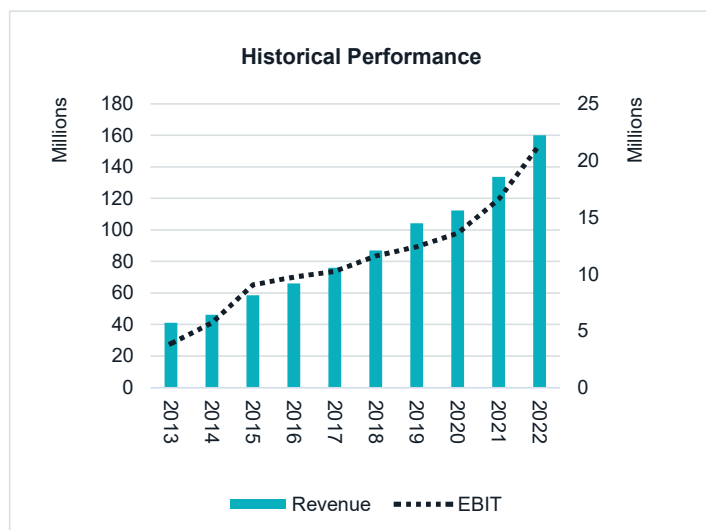
- Staff @ 12/31/22: 972
- +16% vs Dec 2021 (+12% w/o Market Dojo)
- Avg FTE in 2022: 917

Headcount Increase by department

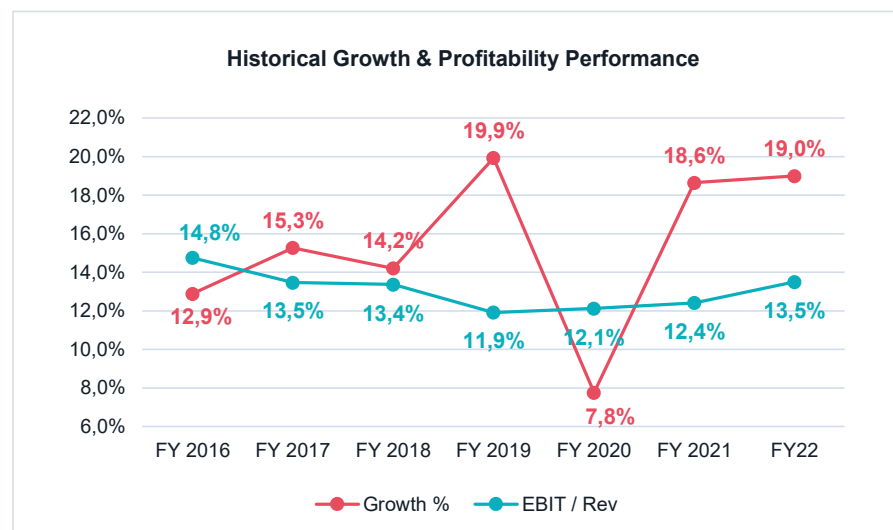


- Avg 2022 staff increase vs 2021
- 108 FTE +13%

Business Model Combines Profitability And Investments



Growth requires investments but Esker still aims at maintaining profitability in the 12 – 15% range



FY22 profitability increase mainly due to:

- Solid performance in operations
- Share based rewards tax adjustment +1.4 M€
- Currency translation effect +2.2 M€

Q1 2023 Results

Key Revenue Numbers (K€)

Chiffre d'affaires en M€ (Non audité)	T1 2023 M€	T1 2022 M€	T1 2023/ T1 2022 Croissance ⁽⁴⁾
SaaS ⁽¹⁾	35,4	29,3	+18%
Services d'implémentation ⁽²⁾	6,3	5,8	+7%
Produits historiques ⁽³⁾	1,1	1,4	-21%
TOTAL	42,8	36,5	+15%
Prise de commandes ⁽⁵⁾⁽⁴⁾	4,12	3,64	+19%

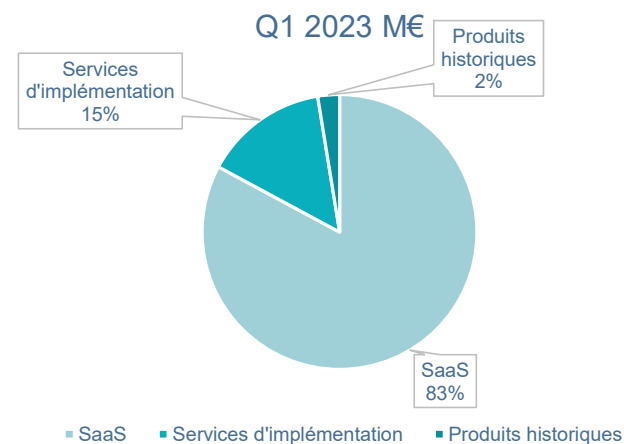
(1) Abonnements et facturations au document

(2) Consulting et Services Professionnels

(3) Esker DeliveryWare, Produits serveurs de Fax et Host Access

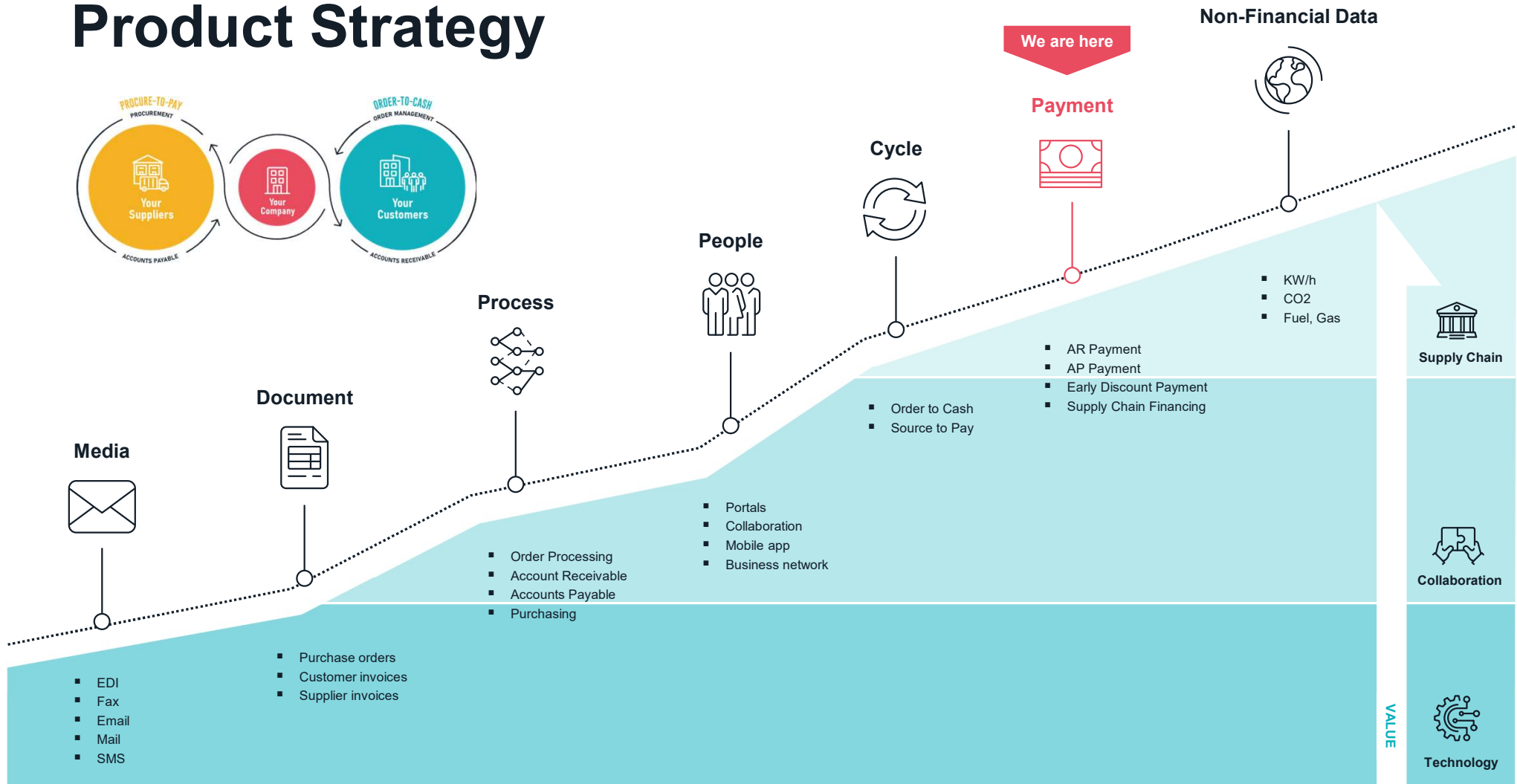
(4) Variation à taux de change constant : Taux de change 2023 appliqué au chiffre d'affaires 2022 et périmètre constant (hors Market Dojo)

(5) Exprimées en chiffre d'affaires récurrent annuel (ARR). Cet indicateur correspond à la valeur moyenne annuelle des abonnements que les clients s'engagent à verser sur la durée totale d'un contrat. Le chiffre d'affaires provenant des transactions sur la plateforme n'est pas inclus car incertain par nature. Celui-ci dépend des consommations effectives des clients, non connues à la date de signature du contrat.

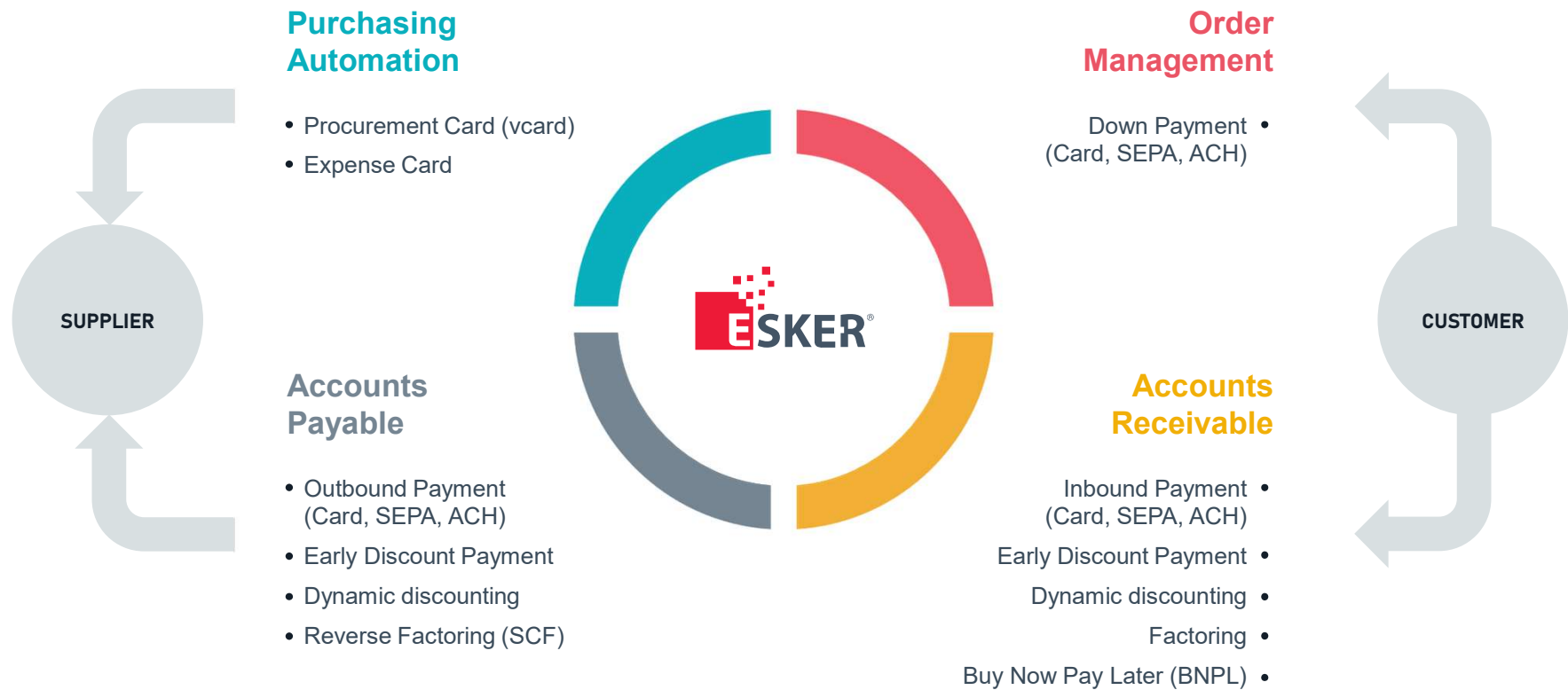


Strategy

Product Strategy



Payment Strategy



M&A Strategy

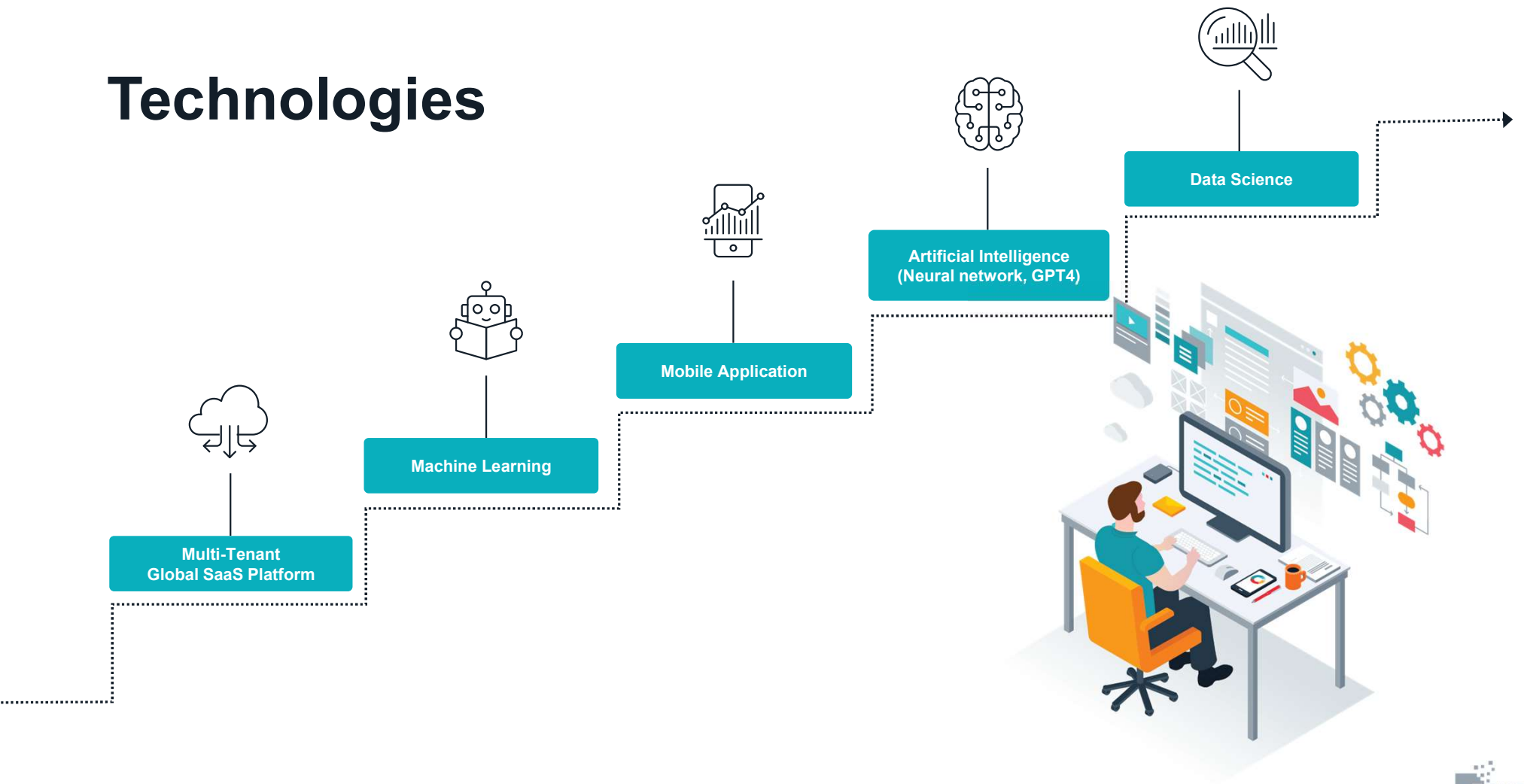


- SaaS players
- Small size acquisitions
- Complementary or adjacent to P2P or O2C market
- As easy as possible to integrate
- Preferably International

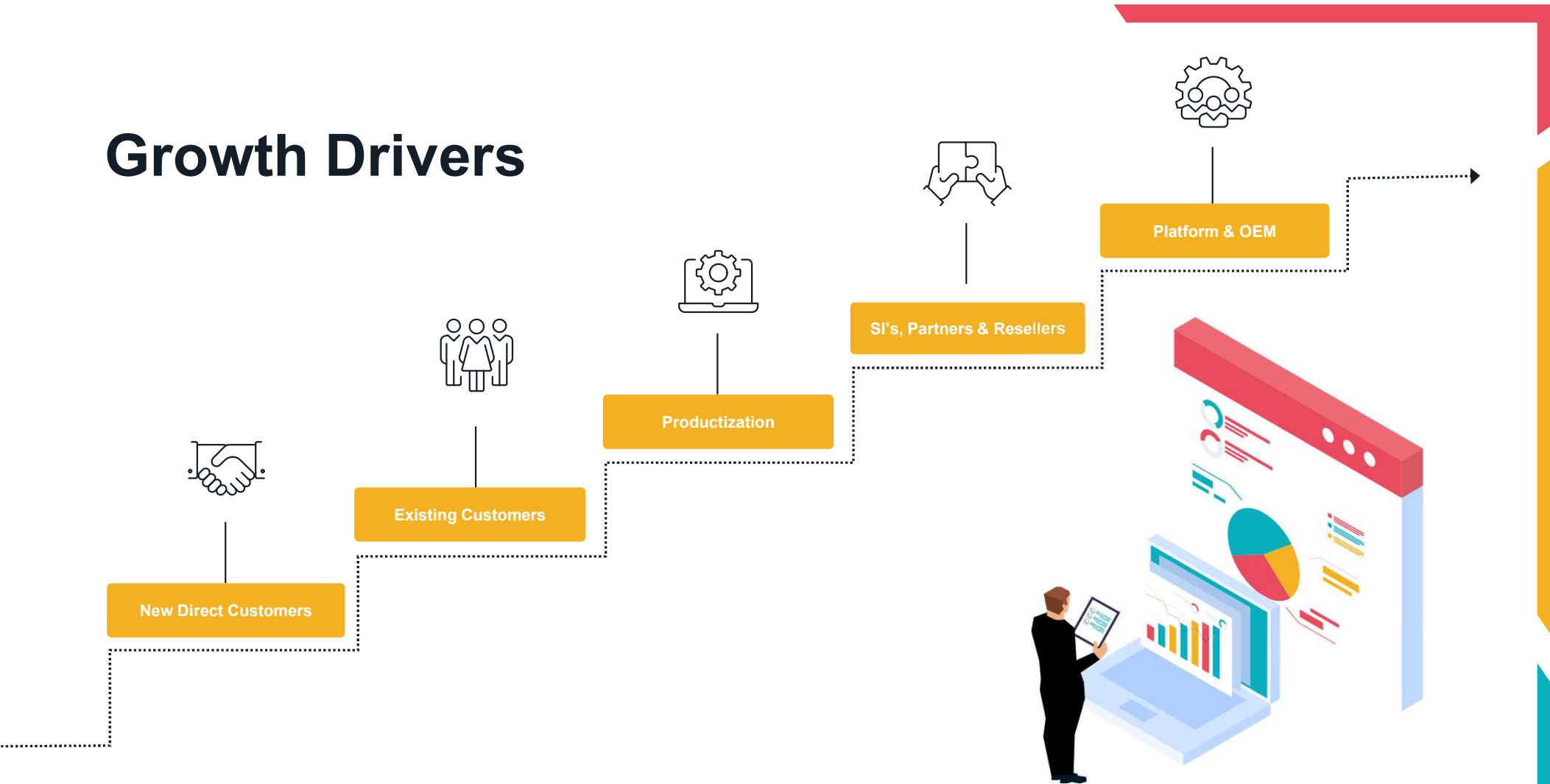


- SaaS solution for eSourcing and Supplier Management
- Revenue €1,6M growing 30% per year
- Based in UK
- 160 customers (60% international)

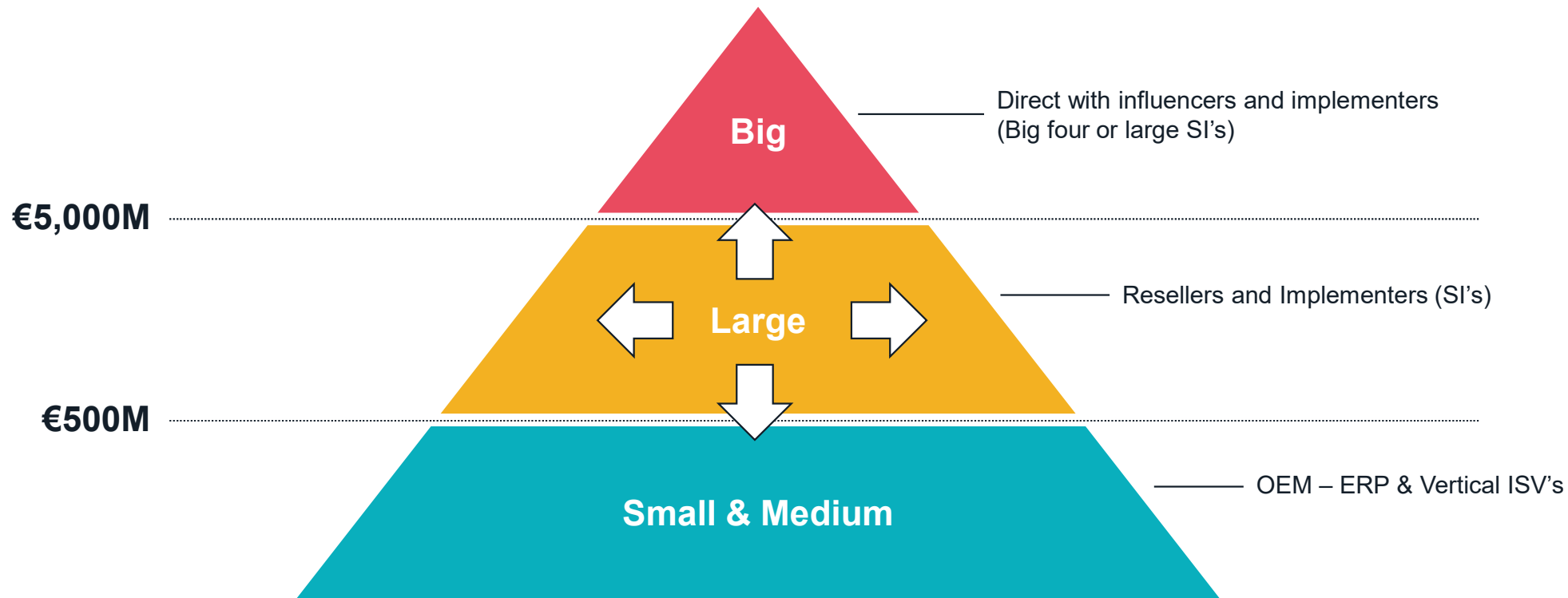
Technologies



Growth Drivers



Sales Strategy



ESG agency ratings

Overall Score 2022



74/100



68/100

MOODY'S
ESG Solutions

ROBUST
53/100

New!

MSCI 

Grade A



"Sustainable growth requires an equitable business ecosystem. By applying the positive-sum growth concept, we work towards a world where success never happens at the expense of any team, individual or company — everybody wins."

Jean-Michel Bérard, CEO | Esker



Target 2023

- Growth should exceed 12%-14% in constant currencies
- Revenue should be over €180M
- Bookings are expected to continue to grow 2 digit despite less favorable base effect

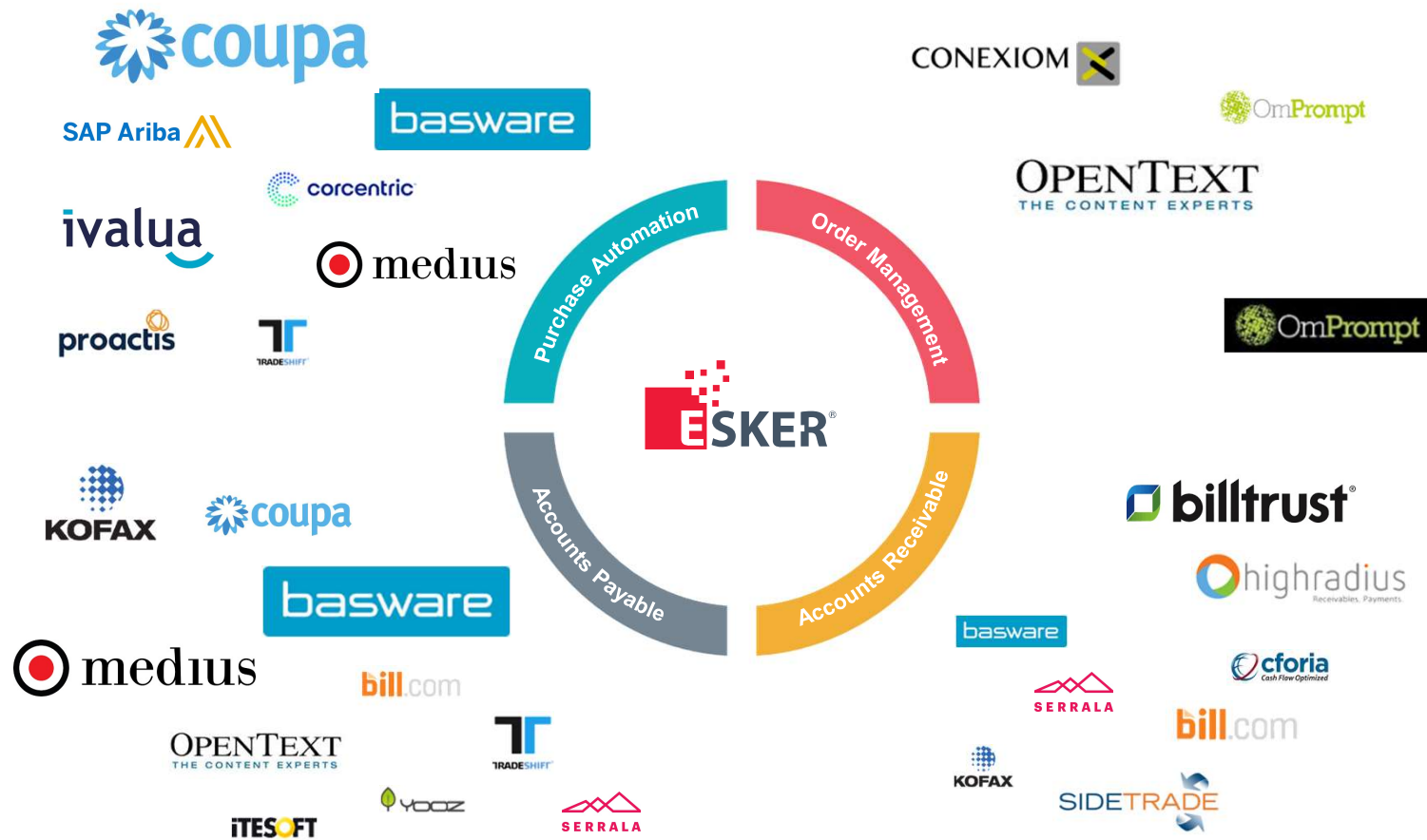


Thank you
for your attention



Addendum

Competition

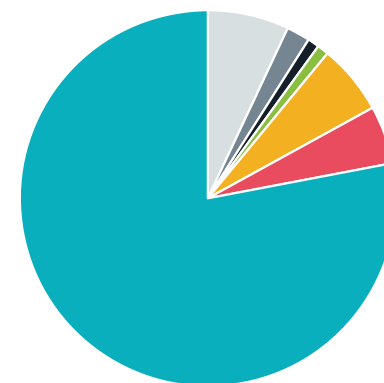


Stock Market



Euronext Growth Paris

- ISIN Code: FR0000035818 ALESK
- Market capitalization December 30, 2022: €963M
- Number of shares: 5,975,762



■ Jean-Michel Bérard
■ Auto-contrôle
■ Emmanuel Olivier
■ FCPE Esker
■ Management
■ Autres nominatifs
■ Public porteur

Financial Announcements

- Q1 2023 April 18, 2023*
- Q2 2023 July 18, 2023
- HY 2023 September 13, 2023
- Q3 2023 October 17, 2023

*After stock market closing

Leadership Team



Jean-Michel Bérard (61)

CEO & Founder
Board President



Jean-Jacques Bérard (57)

Executive Vice President,
Research and Development



Steve Smith (61)

U.S. Chief Operating
Officer



Eric Bussy (48)

Vice President Marketing
& Product Management



Emmanuel Olivier (55)

COO – General Manager
Board Member



Claire Valencony (49)

Deputy-COO



Ari Widlanski (43)

Vice President
Global Strategic Alliances



Nicolas Mougin (50)

Vice President Customer
Services

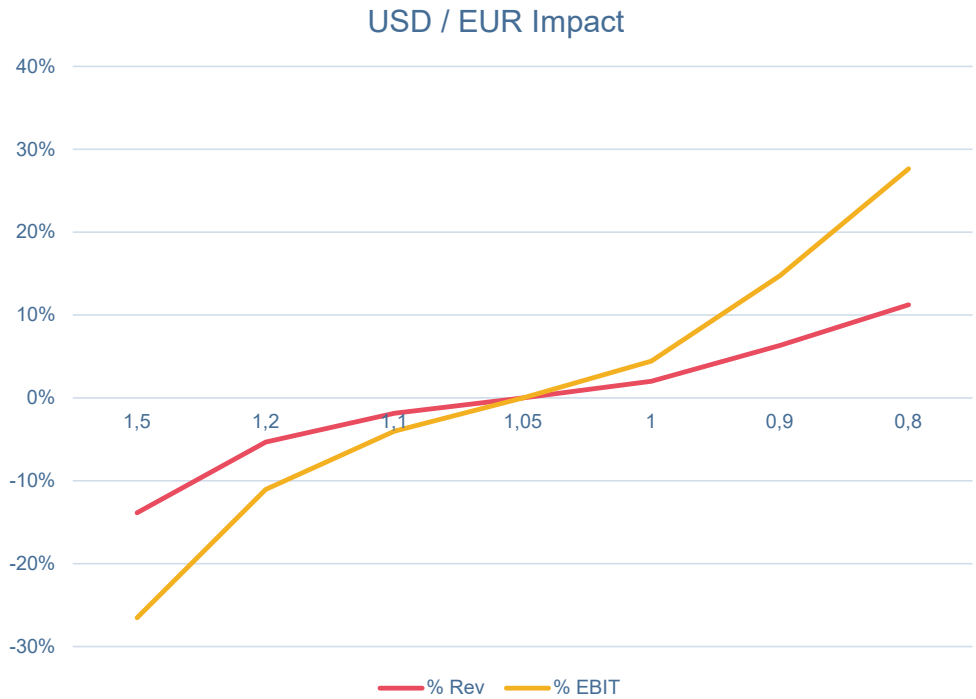
Addendum 2

DETAILED FINANCIAL STATEMENTS

FOREX IMPACTS

- Impact on sales: +9 M€
- Impact on EBIT: +2.2 M€
 - USD/EUR: +1.8 M€
 - All others: +0.4 M€

USD/EUR				
Exc. Rates	Revenue	% Rev	EBIT	% EBIT
1,5	-19,4	-14%	-5,7	-27%
1,2	-8,1	-5%	-2,4	-11%
1,1	-2,9	-2%	-0,9	-4%
1,05	0,0	0%	0,0	0%
1	3,2	2%	0,9	4%
0,9	10,8	6%	3,2	15%
0,8	20,2	11%	5,9	28%



CONSOLIDATED P&L BY FUNCTIONS

(in thousands of euros)	12/31/22	12/31/21	Var %
Net sales	158 987	133 580	19%
Cost of Goods Sold	(44 793)	(42 090)	6%
Gross Margin	114 193	91 490	25%
Gross Margin %	72%	68%	
Research and Development Expenses	(15 175)	(14 229)	7%
Selling Expenses	(35 620)	(28 228)	26%
CX and Support Expenses	(11 368)	(8 514)	34%
Marketing Expenses	(15 714)	(11 867)	32%
General and Administrative Expenses	(14 907)	(12 071)	23%
Income from Operations	21 409	16 582	29%
Financial income	272	202	35%
Operating Income	21 681	16 784	29%
Exceptional income	(299)	403	(174%)
Income tax	(5 015)	(3 907)	28%
Share of profit in associates	1 497	1 002	49%
Net income	17 864	14 280	25%

Professional Services	2022	2021	Var	Var %
Sales	25 627	22 981	2 646	12%
Costs	(23 371)	(20 830)	(2 541)	12%
Gross Margin	2 256	2 151	105	5%
% Margin	8,8%	9,4%		
PS headcount	225	200	24	12%

SaaS	2022	2021	Var	Var %
Sales	127 451	103 484	23 967	23%
Expenses & platform costs	(21 228)	(18 131)	(3 097)	17%
Gross Margin	106 223	85 352	20 870	24%
% Income	83,3%	82,5%		
EOD/Production headcount	71	65	6	8%

- Slight decrease of GM for professional services reflect support of channel partners and slow start of FY 22 service revenue
- GM % increase for SaaS indicates better utilization of platform cost (salaries and infrastructure)

Selling expenses	12/31/22	12/31/21	Var	%
Salaries, travel & other costs	(22 003)	(16 730)	(5 273)	32%
Variable costs	(10 832)	(9 372)	(1 460)	16%
Sales engineers / Presales	(2 785)	(2 126)	(660)	31%
Total selling costs	(35 620)	(28 228)	(7 393)	26%
Headcount	157	133	24	18%

- Salaries & other cost increase linked to headcount (incl. Market Dojo), currency effect and increase in travel expenses (0.8 M€)
- Presales engineers cost increase in line with sales cost

NB: @ Current exchange rates

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- Customer Experience & support increase linked to headcount (+13%), currency & raises
- Marketing expenses
 - Headcount +15%
 - Operations +27% (1.2 M€)
- G&A in line with headcount (Admin, HR, IS, etc)

Currency exchange gain: 0.3 M€

Loss on liquidity contract

JV with Quadient

NB: @ Current exchange rates

CONSOLIDATED INCOME STATEMENT

(in Thousands of Euros)	12/31/22	% net sales	12/31/21	% net sales	Var	Var %
Net sales	158 987	100%	133 580	100%	25 407	19%
Development costs	10 163	6%	8 641	6%	1 522	18%
Other income	1 629	1%	1 534	1%	95	6%
Purchase and external expenses	(42 097)	(26%)	(31 911)	(24%)	(10 187)	32%
Personnel and related taxes	(94 398)	(59%)	(84 139)	(63%)	(10 259)	12%
Local and misc. Taxes	(1 756)	(1%)	(1 533)	(1%)	(223)	15%
Depreciation expenses	(11 924)	(7%)	(9 072)	(7%)	(2 852)	31%
Reserves	805	1%	(520)	(0%)	1 325	(255%)
Operating income after amortization of Goodwil	21 409	13%	16 580	12%	4 828	29%
Financial income	272	0%	202	0%	70	35%
Net income of integrated companies	21 681	14%	16 782	13%	4 898	29%
Exceptional income	(299)	(0%)	403	0%	(702)	(174%)
Income tax	(5 015)	(3%)	(3 907)	(3%)	(1 108)	28%
Share of profit in associates	1 497	10%	1 002	1%	495	49%
Net income	17 864	1%	14 281	11%	3 583	25%
Earnings per share in Euros	3,03		2,44			
Diluted earnings per share in Euros	2,96		2,39			

R&D	12/31/22	12/31/21	Var	%
R&D capitalized expenses	10 164	8 641	1 523	18%
Amortization	(6 930)	(6 156)	(774)	13%
Net	3 234	2 485	749	30%
Total R&D expenses	15 523	14 226	1 297	9%
% Capitalized	65%	61%		

- Other income : tax credit for R&D in France
- Purchases & external expenses
 - Currency translation
 - Volume growth (platform, COGS)
 - Travel expenses & marketing operations (2.5 M€)
- Personnel & taxes
 - Currency translation
 - Headcount +13%
 - Partially offset by decrease of tax accrual for free shares program (1.4 M€)
 - Average cost per employee stable

CONSOLIDATED BALANCE SHEET - ASSETS

ASSETS (thousand of euros)	12/31/22	12/31/21
Intangible assets	47 651	33 644
Of which Goodwill	16 266	6 138
Property, plant and equipment	8 986	9 896
Financial assets	10 754	10 928
Investments in affiliates(equity method)	4 259	2 761
Total assets	71 650	57 229
Inventory and work in progress	512	341
Receivables	37 157	28 870
Deferred tax assets	1 114	667
Prepaid and other current assets	9 001	6 678
Cash and equivalents	42 887	34 978
Total current assets	90 671	71 534
TOTAL ASSETS	162 321	128 763

Goodwill for Market Dojo: 9.8 M€

- Investments in affiliates incl. LSQ for 4.7 M€
- LT financial investments 4.7 M€

- Increase of AR due to :
- Revenues growth +19%
 - DSO increase (7%) mostly due to Quadient
 - Change effect (0.5 M€)

CONSOLIDATED BALANCE SHEET - LIABILITIES

LIABILITIES (<i>Thousand of Euros</i>)	12/31/22	12/31/21
Share Capital	11 971	11 850
<i>Additional Paid-in Capital</i>	<i>23 227</i>	<i>22 756</i>
Net Result	17 864	14 280
Retained Earnings	45 578	31 508
Total Shareholders' Equity	98 641	80 394
Accruals	3 114	2 497
Financial Debt	15 034	1 169
Payables	9 839	9 485
Tax and Employee Related Liabilities	24 124	24 295
Other Liabilities	11 570	10 923
Total Current Liabilities	63 680	45 872
TOTAL LIABILITIES	162 321	128 763

New loans (17 M€)

CONSOLIDATED CASHFLOW STATEMENT

(Thousands of Euros)	12/31/22	12/31/21	Var	Var %
Consolidated Net Income (loss)	17 864	14 280	3 584	25%
Depreciation and amortization	10 393	9 326	1 067	11%
Capital Gains (Losses)	(288)	-	(288)	NA
Interest paid / Received	594	51	543	1064%
Income Tax	(59)	84	(143)	(170%)
Dividends Received	1 800	-	1 800	NA
Variance in Accounts Receivable & Payable	(10 301)	1 936	(12 237)	(632%)
NET CASH GENERATED BY OPERATING ACTIVITIES	20 002	25 677	(5 675)	(22%)
Investments intangible and tangible assets	(12 492)	(11 140)	(1 352)	12%
Acquisitions & Investments	(8 902)	(5 876)	(3 026)	51%
NET CASH FLOW FROM INVESTING ACTIVITIES	(21 394)	(17 016)	(4 378)	26%
Dividends Paid	(3 555)	(2 897)	(658)	23%
Amount received from Exercise of stocks options	1 728	1 743	(15)	(1%)
Financial Debt Change	13 865	(13 975)	27 840	(199%)
NET CASH FLOW FROM FINANCING ACTIVITIES	12 037	(15 129)	27 166	(180%)
<i>Effect of exchange rate changes on cash</i>	(2 736)	1 026	1 913	
Cash at the beginning of the period	34 978	40 421		
Cash at the end of the period	42 885	34 978		
Var.	7907	(5 443)		

Increase of the cash position +7.9 M€:

- **Strong cash flow generated by operations: 20 M€**
 - Despite negative impact of variance in AR (-10.3 M€)
 - Quadient mostly (5 M€)
 - Social taxes for 1 M€
 - Other receivables for 1 M€
 - Partially compensated by +1.8 M€ dividends received from Quadient JV
- Increase in investing activities linked to acquisitions
 - 9.3 M€ Purchasing of Market Dojo
 - 10.2 M€ of Research and Development
 - 1.7 M€ of tangible assets
- New loans to finance future opportunities:
 - +17,0 M€ loans
 - -3,1 M€ loans reimbursement
- Dividend Increase reflects financial performance development
- Currency exchange impact: 2.7 M€