

THE CLOUD PLATFORM FOR BACK OFFICE DIGITALIZATION

FY2020 ANNUAL RESULTS

Jean-Michel Bérard, Founder & CEO
Emmanuel Olivier, COO
March 2021





CORPORATE OVERVIEW

THE CLOUD PLATFORM FOR DOCUMENT PROCESS AUTOMATION

BRINGING THE BACK-OFFICE TO THE MODERN WORLD



DIGITIZATION OF B2B BACK OFFICE PROCESSES

PROCURE-TO-PAY

Procurement

Accounts Payable

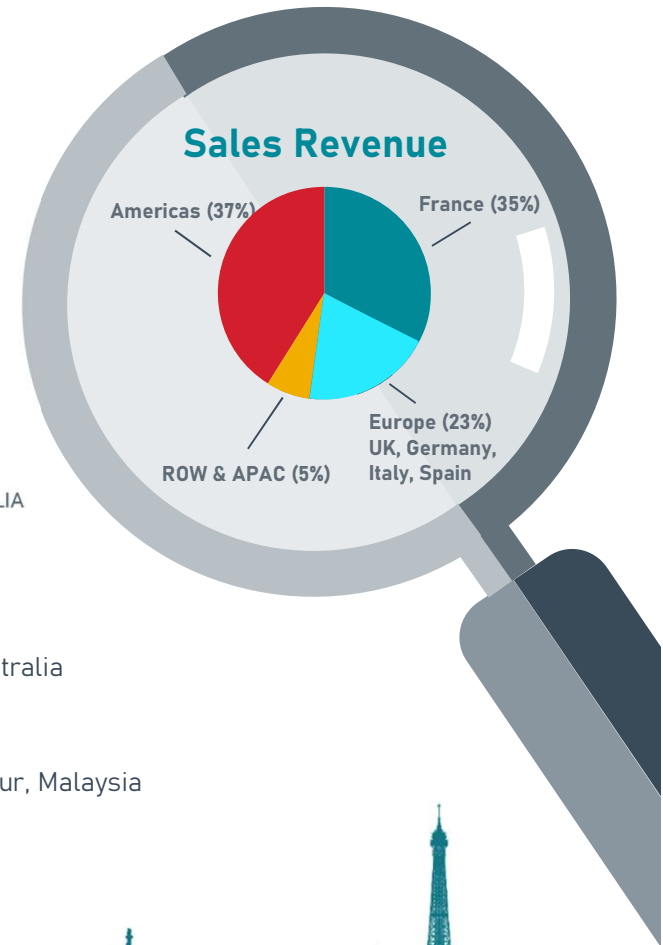
ORDER-TO-CASH

Order Management

Accounts Receivable



GLOBAL PRESENCE



- Lyon, France — HQ
- Paris, France
- Derby, UK
- Munich & Düsseldorf, Germany
- Madrid, Spain
- Milan, Italy

- Brussel, Belgium
- Madison, WI & Denver, CO, U.S.A
- Montreal, Canada
- Buenos Aires, Argentina

- Sydney, Australia
- Singapore
- Hong-Kong
- Kuala Lumpur, Malaysia



RECENTLY SIGNED CUSTOMERS



ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE



ENVIRONMENTAL DEDICATION

that includes embracing practices that impact global & local environmental health



EDUCATION & TRAINING

to help younger generations prepare for the job of the future & optimize career prospects



COMMUNITY & DEVELOPMENT

that promotes compassion & progress within the communities & people closest to us



ESKER AWARDED A GOLD MEDAL FOR CSR RATING

EcoVadis evaluates the quality of a company's CSR management system through its policies, implementation measures and results. Four themes (Environment, Social & Human Rights, Ethics, Responsible Purchasing)



PARTNERSHIP WITH REFOREST'ACTION

Reforest'Action works towards local economic development, environmental restoration and biodiversity protection. Esker plants 6 trees for each reel of paper consumed



MEMBER OF THE UNITED NATIONS GLOBAL COMPACT

Promoting the Global Compact's ten principles of human rights, international labor standards, the environment and the fight against corruption



2020 FINANCIAL PERFORMANCE

2020 AT A GLANCE

- **Cloud business model shows resilience...**

- +12% growth in constant currency rates
- +11% in current rates

- **... and drives company growth overall!**

- +9% in constant currencies
- +8% in current rates

- **Solid increase of bookings value**

- +16% compared to FY19
- Record performance in Q4 20 +30% vs Q4 19

- **Strong level of investment for future growth**

- Continued investment despite Covid
- 71 additional headcount compared to FY 19 (+13%)
- Mainly in R&D (+16%), Consulting (+11%) & customer experience (+ 24%)

- **Operating Income (EBIT) Increase : +10%**

- Personnel cost increase in R&D, Consulting & Customer experience
- Offset by savings in travel expenses (2.3M€) & on-site marketing activities (0.5M€)
- Other expenses in line with revenue growth
- Total translation effect -0.4 M€ (4% of operating income)

- **Application of new tax regime in France (IP Box)**

- Savings on previous financial years classified as exceptional items: 0.7 M€
- Reduced effective tax rate by 5 points
- Income tax expense decreases by 13%

- **Current & Net income increase : +10%**

- Nominal interest expense
- Net income increase by 19%

COVID-19 2020 IMPACTS

- Variable SaaS traffic has been impacted in Q2 and gradually recovered during the remainder of the year
- Volumes are however estimated to still be 5% below pre COVID trend
- Consulting revenue has been impacted in Q3/Q4 due to lower booking performance in Q2/Q3
- Sales cycles increased in Q2/Q3 but bookings growth accelerated tremendously in Q4
- Esker Investments were adjusted to be in sync with revenue growth in order to maintain profitability

2020 REVENUE

| SALES REVENUE | 2020 €M | 2019 €M | GROWTH ⁽⁴⁾ | GROWTH IN CONSTANT CURRENCIES |
|--|--------------|--------------|-----------------------|-------------------------------------|
| SaaS-based document process automation ⁽¹⁾ | 104.1 | 93.7 | +12% | +11% |
| License and maintenance-based document process automation ⁽²⁾ | 5.6 | 6.6 | -14% | -15% |
| Legacy products ⁽³⁾ | 2.6 | 3.9 | -31% | -33% |
| TOTAL | 112.3 | 104.2 | +9% | +8% |

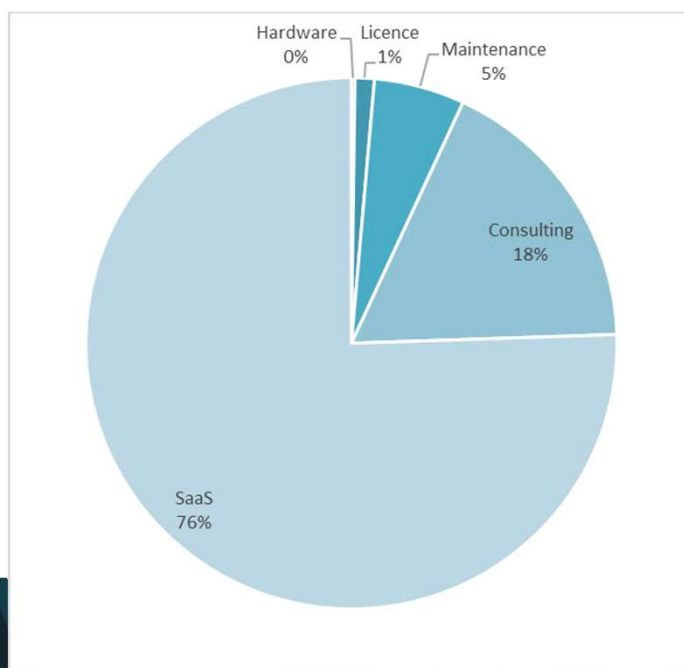
(1) Includes Esker On Demand, FlyDoc, CalvaEDI, TermSync and e-integration GmbH

(2) Includes Esker DeliveryWare

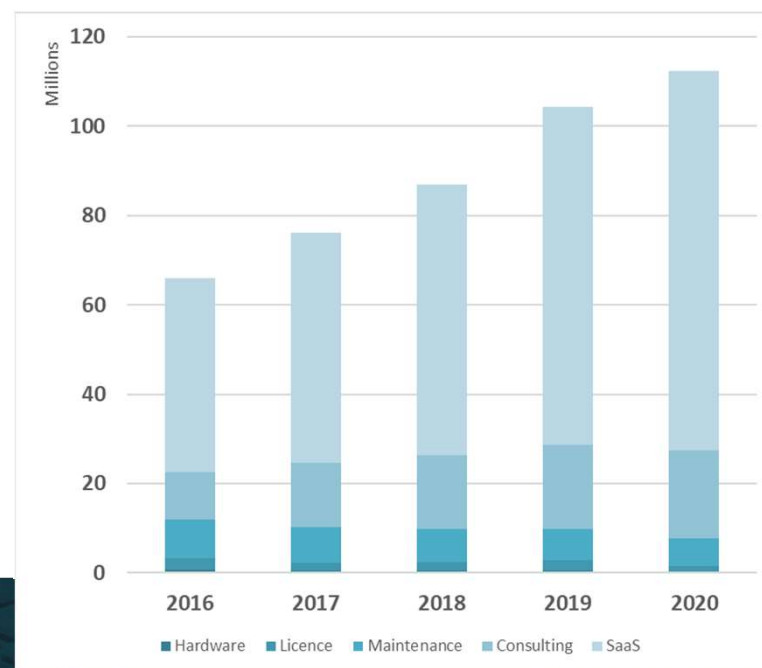
(3) Includes Fax Servers and Host Access

(4) Growth expressed with no currency effect: 2020 exchange rates applied to 2019 figures

STRONG RECURRING BUSINESS MODEL



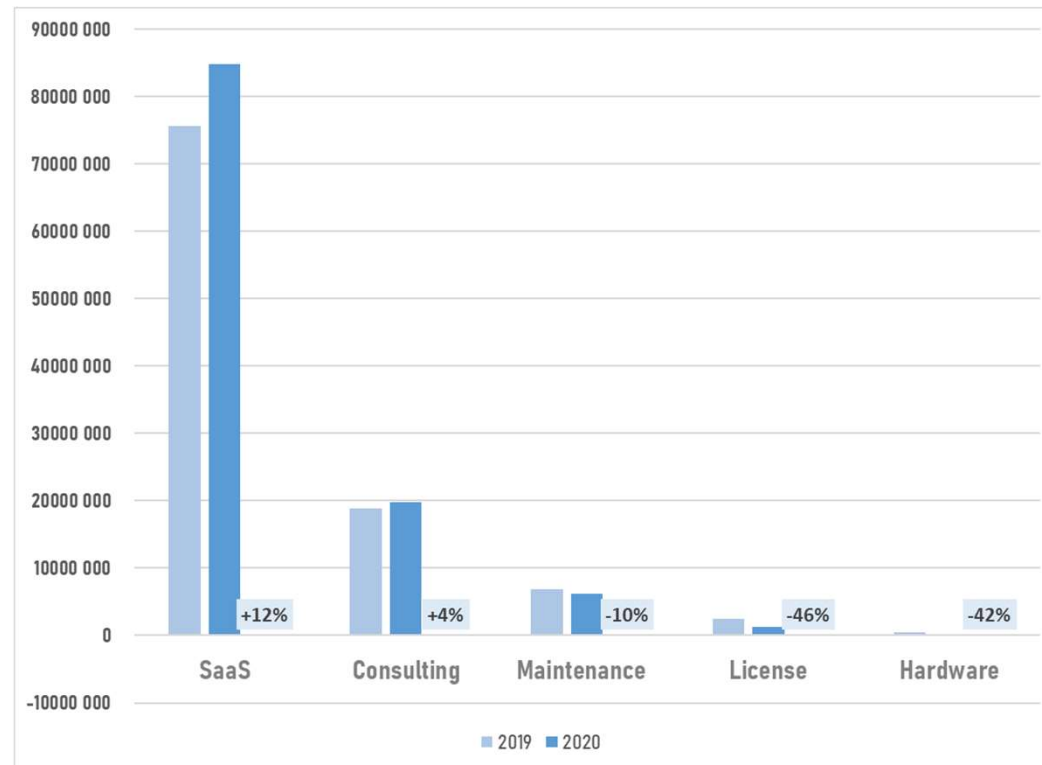
81% recurring revenue in 2020
(SaaS + Maintenance)



In 2020 SaaS Increased 14% and
represented 76% of the total revenue
(73% for FY 2019)

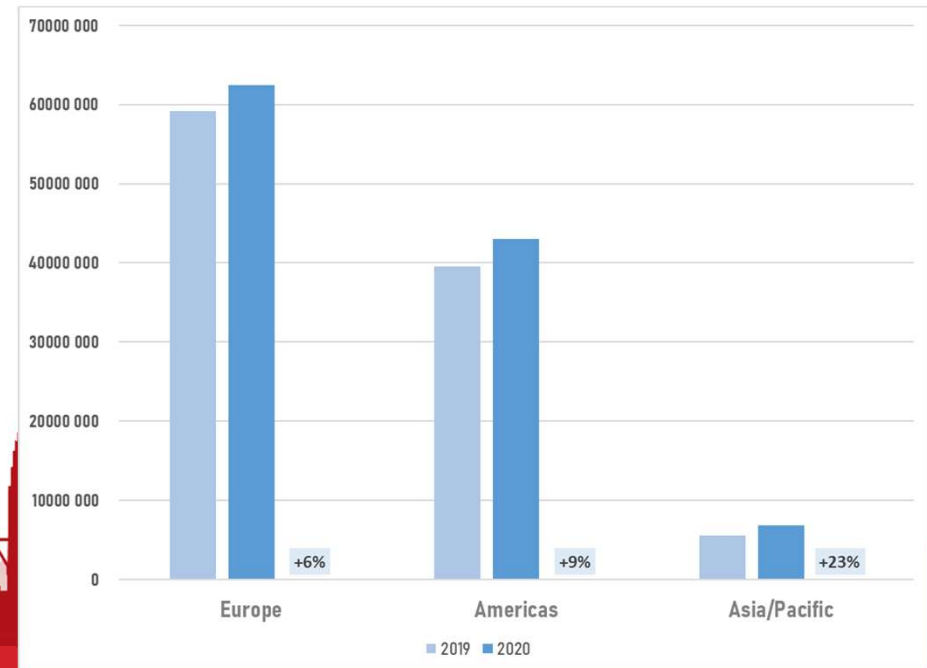
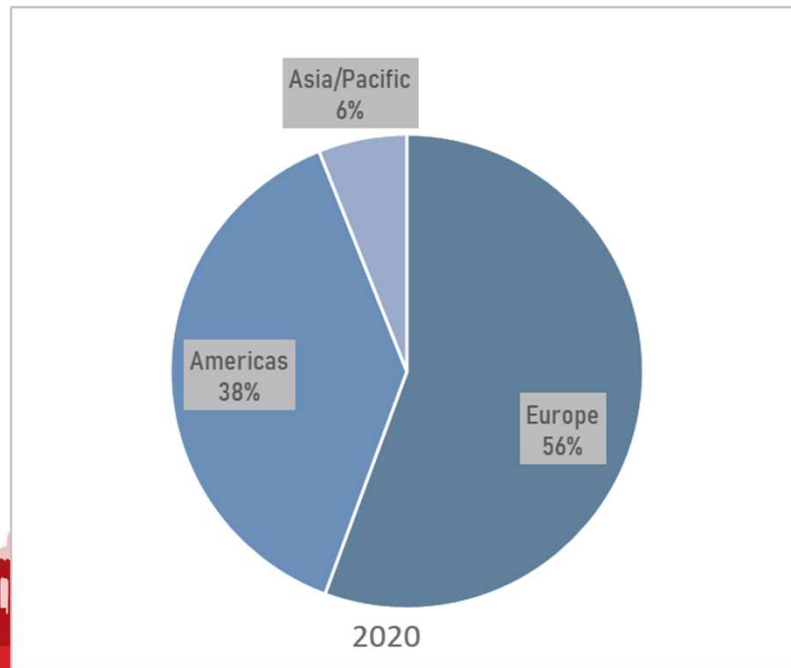
Consulting revenue consists in services
associated with the implementation of
Esker's solutions

REVENUE GROWTH BY PRODUCT TYPE



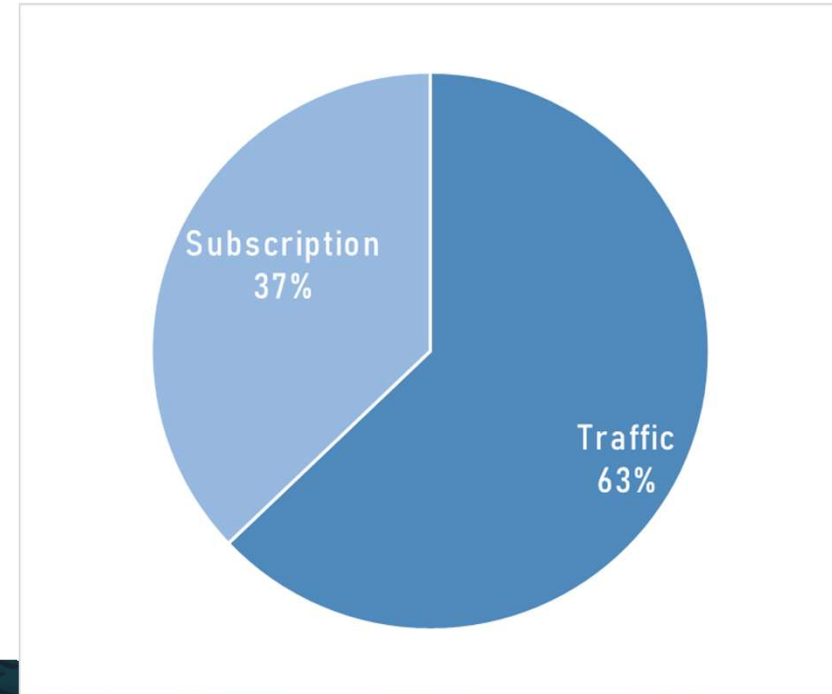
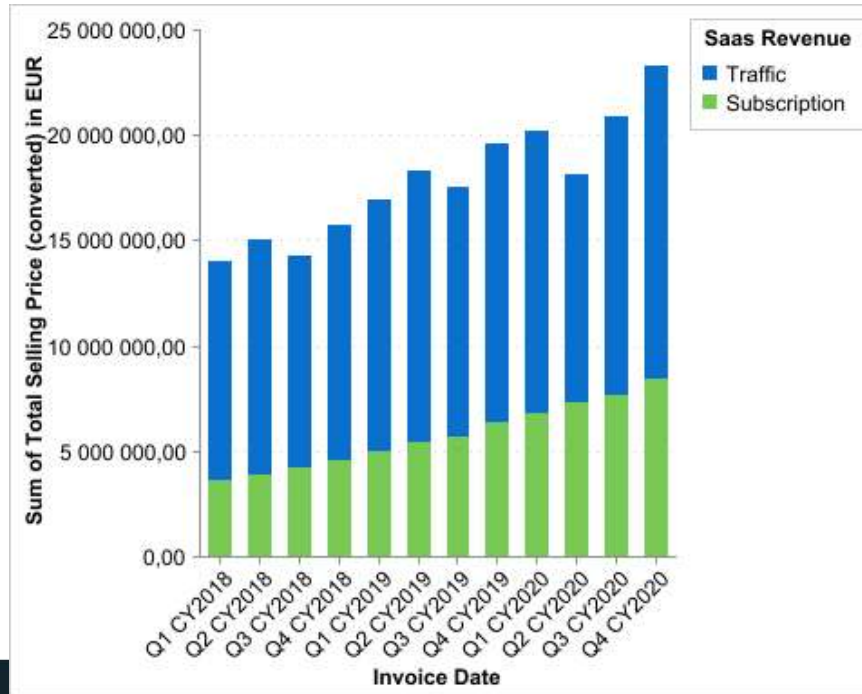
- Dynamic growth of SaaS shows implementation of past wins & recovery of transactional revenue (variable in nature) during the second half of the year.
- Consulting revenue has been impacted during the second half of 2020 due to lower bookings in Q2/Q3 2020.

REVENUE GROWTH BY REGION



- All regions are growing
- Europe suffers more from economic slowdown
- Asia/Pac remains very dynamic

SAAS REVENUE



SaaS Revenue by type :

- Subscription: independent of transaction volumes
- Traffic: volume-based (transactional) revenue

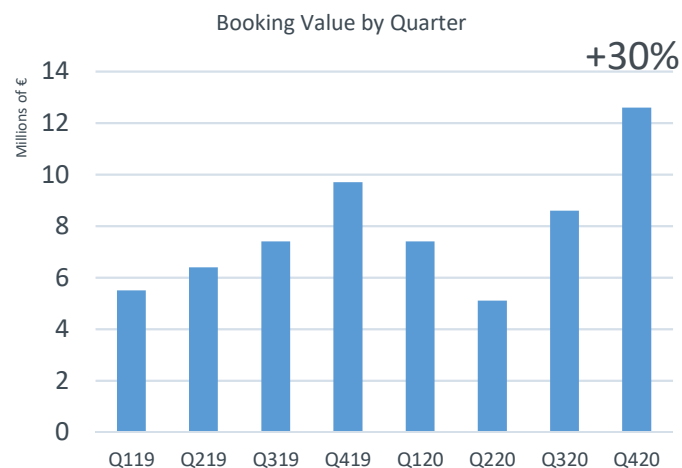
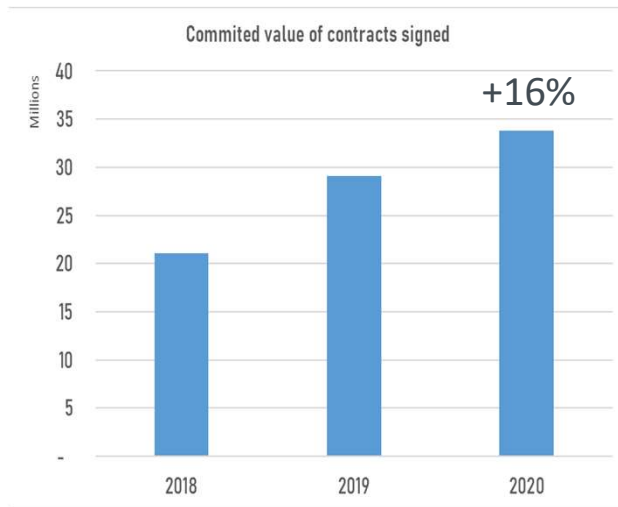
Covid Impact

- Traffic volume was impacted by Covid in Q2 20 and recovered in Q3 & 4
- Estimated to remain 5 points below pre Covid trends

2020 SaaS Revenue Breakdown by type

DYNAMIC SALES PERFORMANCE

(BOOKINGS)



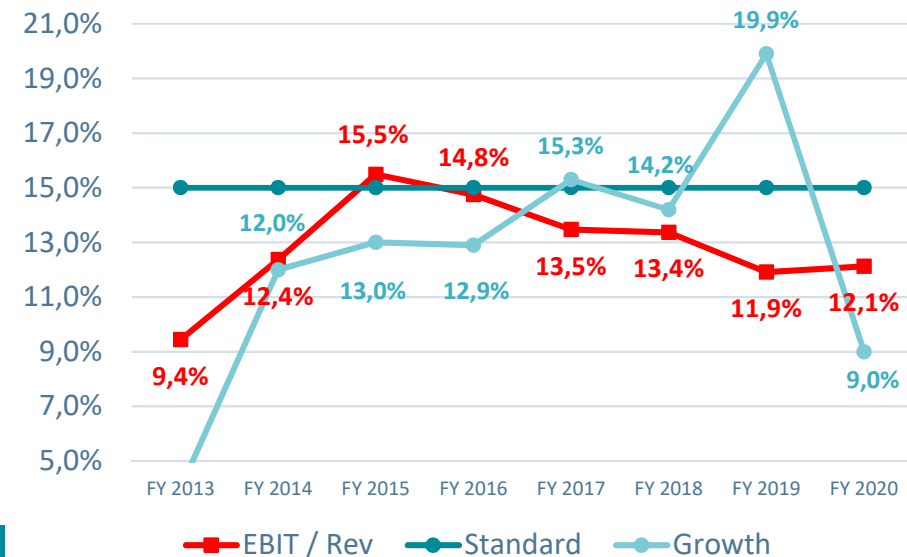
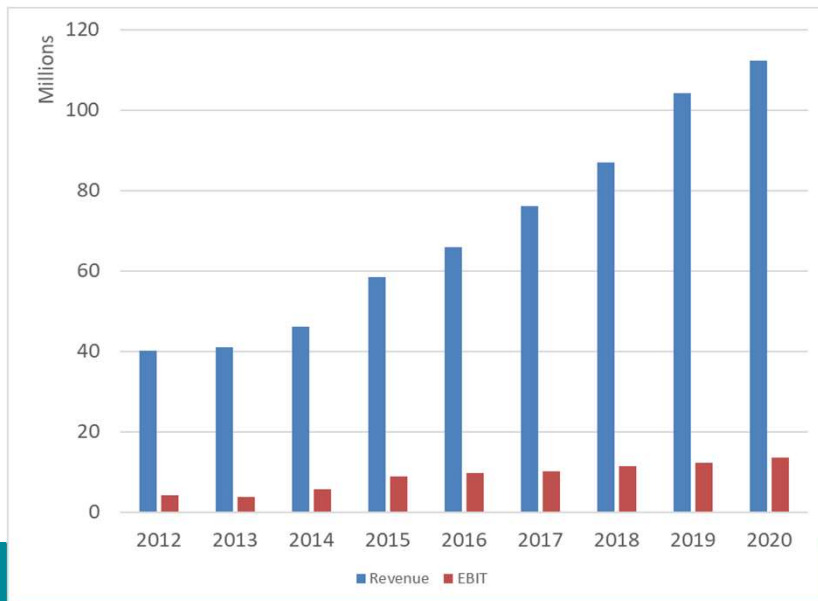
- Definitions

- Bookings (order intake) include only the fixed part of a signed contract (subscription fee).
- This represents the guaranteed revenue to Esker for a contract (committed value)
- Typical contract: 3 years
- Will be recognized over the life of the contract
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract closing. No deferral
- Committed value of contract is estimated to be approximately 50% of total value at contract renewal

- 2020 performance

- Committed value signed in 2020: 33.8M€ +16% vs 2019
- 2020 bookings backend loaded
- Q2 & Q3 20 affected by Covid mostly in Europe
- Q4 20 beats previous record (Q4 19) by 30%

BUSINESS MODEL COMBINES PROFITABILITY AND INVESTMENTS

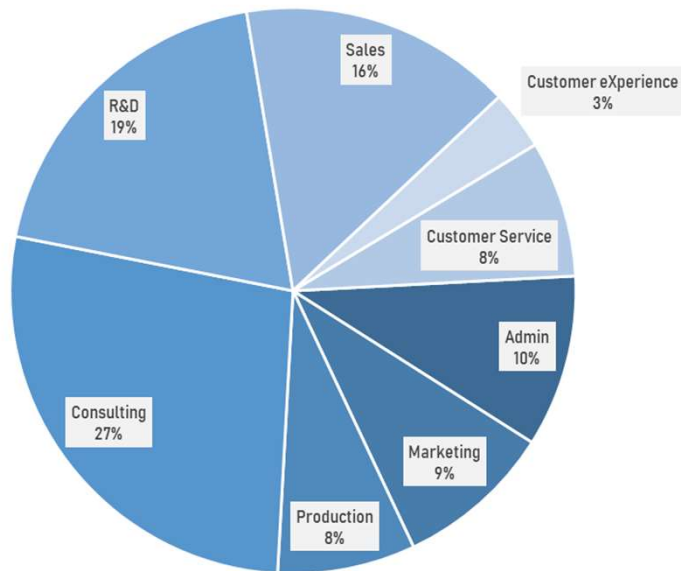


2019 - EBIT 12,4M€ 12% of revenue

Growth requires investments but Esker still aims at maintaining profitability in the 13 – 15% range

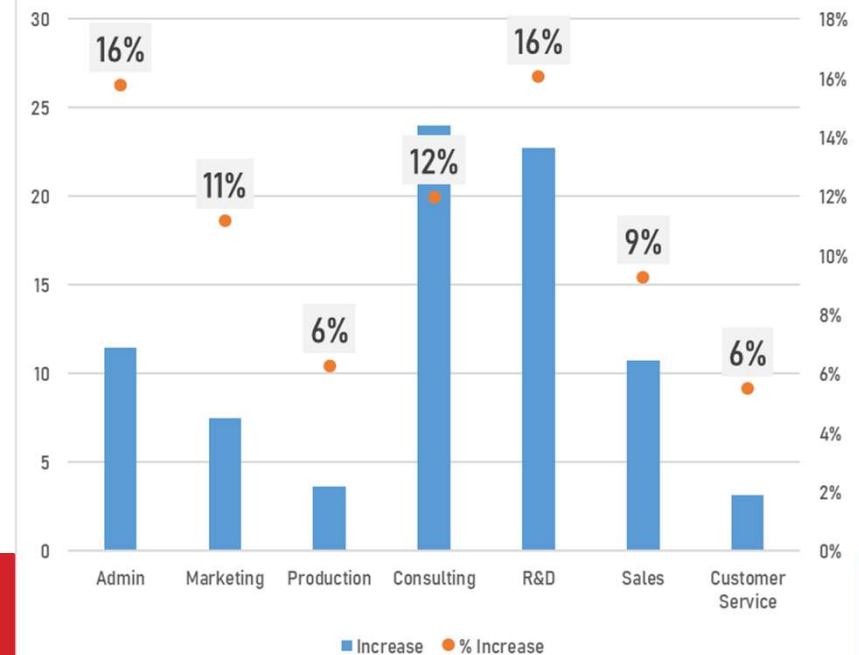
DYNAMIC INVESTMENTS FOR FUTURE GROWTH

2020 Staff Breakdown by Department



Staff @ 12/31/20: 764

Headcount Increase by Department



2020 - Staff increase:
vs. 2019: +71 FTE (+13%)

CURRENCY EFFECT (USD)

| Rate USD/EURO | Effect on Revenue | % | Effect on Operating Income | % |
|------------------|----------------------|-------------|----------------------------------|-------------|
| 1.147 | 0 | 0.0% | 0 | 0.0% |
| 1.05 | 3,912 K€ | 3.4% | 1,250 K€ | 9.2% |
| 1.12 | 1,042 K€ | 0.7% | 333 K€ | 2.2% |
| 1.20 | -1,870 K€ | -0.9% | -598 K€ | -4.4% |
| 1.30 | -4,983 K€ | -4.5% | -1,500 K€ | -11.0% |

Global translation Effect (all currencies) compared to FY 19:

- Sales: -€1.4M
- Operating Income: -€0.4M (4% of Operating income)

CONSOLIDATED INCOME STATEMENT

BY COST TYPE

| (in thousands of euros) | 12/31/20 | % net sales | 12/31/19 | % net sales | Var | Var % |
|-------------------------------------|----------------|-------------|----------------|-------------|--------------|--------------|
| Net sales | 112 274 | 100% | 104 188 | 100% | 8 086 | 8% |
| Development costs capitalized | 7 823 | 7% | 6 281 | 6% | 1 542 | 25% |
| Other income | 1 591 | 1% | 1 206 | 1% | 385 | 32% |
| Purchase and external expenses | -29 384 | -26% | -29 522 | -28% | 138 | 0% |
| Personnel and related taxes | -68 712 | -61% | -59 961 | -58% | -8 751 | 15% |
| Local and misc. Taxes | -1 498 | -1% | -1 281 | -1% | -217 | 17% |
| Depreciation expenses | -8 315 | -7% | -7 593 | -7% | -722 | 10% |
| Reserves | -167 | 0% | -900 | -1% | 733 | -81% |
| Operating income | 13 612 | 12% | 12 418 | 12% | 1 194 | 10% |
| Financial income | -67 | 0% | 268 | 0% | -335 | -125% |
| Net income | 13 545 | 12% | 12 686 | 12% | 859 | 7% |
| Exceptional income | 491 | 0% | -62 | 0% | 553 | -892% |
| Income tax | -2 966 | -3% | -3 402 | -3% | 436 | -13% |
| Share of profit in associates | 492 | 0% | 523 | 1% | -31 | -6% |
| Amortization of Goodwill | 0 | 0% | 0 | 0% | 0 | 0% |
| Net income | 11 562 | 10% | 9 745 | 9% | 1 817 | 19% |
| Earnings per share in Euros | 2,04 | | 1,80 | | | |
| Diluted earnings per share in Euros | 2,00 | | 1,72 | | | |

| K€ | FY2020 | FY 2019 | Var |
|----------------------------|---------------|---------------|--------------|
| Dev costs capitalized | 7 823 | 6 281 | 1 542 |
| Amortization | -5 351 | -4 739 | -612 |
| Net | 2 472 | 1 542 | 930 |
| Total R&D spend | 12 633 | 10 451 | 2 182 |
| % capitalized | 62% | 60% | |

CONSOLIDATED INCOME STATEMENT BY COST TYPE

| (in thousands of euros) | 12/31/20 | % net sales | 12/31/19 | % net sales |
|---------------------------------|----------------|-------------|----------------|-------------|
| Net sales | 112 274 | 100% | 104 188 | 100% |
| Development costs capitalized | 7 823 | 7% | 6 281 | 6% |
| Other income | 1 591 | 1% | 1 206 | 1% |
| Purchases and external expenses | -29 384 | -26% | -29 522 | -28% |
| Personnel and related taxes | -68 712 | -61% | -59 961 | -58% |
| Local and misc. Taxes | -1 498 | -1% | -1 281 | -1% |
| Depreciation expenses | -8 315 | -7% | -7 593 | -7% |
| Reserves | -167 | 0% | -900 | -1% |
| Operating income | 13 612 | 12% | 11 611 | 13% |

- Other income : tax credit for research in France for 1 M€ (640 K€ in 2019)
- Decrease of external expenses linked to travel (0.8 M€ vs 3.1 M€ in 2019) and marketing expenses (2.0 M€ vs 2.5 M€ in 2019)
- Personnel and related taxes increase : +9 M€ in line with increasing headcount in 2020
- Reserves : IDR (retirement bonus for France) 174 K€ in 2020 vs. 366 K€ in 2019

P&L BY FUNCTIONS

| (in thousands of euros) | 12/31/2020 | % | 12/31/2019 | % | Var. |
|-------------------------------------|----------------|-------------|----------------|-------------|-------------|
| Revenue | 112 274 | 100% | 104 188 | 100% | +8% |
| Cost of Goods Sold* | -34 233 | -31% | -31 193 | -30% | +10% |
| Research and Development | -12 231 | -11% | -11 019 | -11% | +11% |
| Selling Expenses | -25 639 | -23% | -24 919 | -24% | +3% |
| Customer experience expenses | -6 204 | -6% | -5 423 | -5% | +14% |
| Marketing Expenses | -9 633 | -9% | -9 695 | -9% | -1% |
| General and Administrative Expenses | -10 722 | -9% | -9 521 | -9% | +13% |
| Income From operations | 13 612 | 12% | 12 418 | 12% | +10% |
| Financial Income (loss) | -67 | 0% | 268 | 0% | |
| Operating income | 13 545 | 12% | 12 686 | 12% | +7% |
| Exceptional Items | 491 | 0% | -62 | 0% | |
| Income tax | -2 966 | -3% | -3 402 | -3% | -13% |
| Share of Profit in Associates | 492 | 1% | 523 | 1% | |
| Net Income | 11 562 | 10% | 9 745 | 9% | +19% |
| <i>Earnings per share</i> | <i>2,04</i> | | <i>1,80</i> | | |
| <i>Diluted earnings per share</i> | <i>2,00</i> | | <i>1,72</i> | | |

- Mostly in line with revenue growth
- Cost of revenue (professional services), customer experience and R&D increase faster than revenue linked to headcount additions
- Selling and marketing expenses softer increase linked to savings in travel and on-site marketing operations
- G&A increase linked to augmented infrastructure (offices, fixtures) to accommodate continued growth in headcount

*including Professional Services expenses for 17.7 M€ (16 M€ in 2019)

CONSOLIDATED INCOME STATEMENT

| (in thousands of euros) | 12/31/20 | % net sales | 12/31/19 | % net sales |
|--|----------------|-------------|----------------|-------------|
| Net sales | 112 274 | 100% | 104 188 | 100% |
| Development costs | 7 823 | 7% | 6 281 | 6% |
| Other income | 1 591 | 1% | 1 206 | 1% |
| Purchase and external expenses | -29 384 | -26% | -29 522 | -28% |
| Personnel and related taxes | -68 712 | -61% | -59 961 | -58% |
| Local and misc. Taxes | -1 498 | -1% | -1 281 | -1% |
| Depreciation expenses | -8 315 | -7% | -7 593 | -7% |
| Reserves | -167 | 0% | -900 | -1% |
| Operating income | 13 612 | 12% | 12 418 | 12% |
| Financial income | -67 | 0% | 268 | 0% |
| Net income of integrated compnies | 13 545 | 12% | 12 686 | 12% |
| Exceptional income | 491 | 0% | -62 | 0% |
| Income tax | -2 966 | -3% | -3 402 | -3% |
| Share of profit in associates | 492 | 0% | 523 | 1% |
| Amortization of Goodwill | 0 | 0% | 0 | 0% |
| Net income | 11 562 | 10% | 9 745 | 9% |
| <i>Earnings per share in Euros</i> | <i>2,04</i> | | <i>1,80</i> | |
| <i>Diluted earnings per share in Euros</i> | <i>2,00</i> | | <i>1,72</i> | |

Financial income : -67 K€

| | 12/31/20 | 12/31/19 |
|--------------------------------|------------|------------|
| Interest income | 89 | 140 |
| Interest expense | -47 | -56 |
| Currency exchange gain/loss | -117 | -4 |
| Depreciation net | 8 | 188 |
| Financial income / loss | -67 | 268 |

Exchange loss :

- 99 K€ unrealized and -17 K€ realized

Exceptional income (non recurring) : 491 K€

Includes 2019 IP box : 0,7M€

Income tax: effective tax rate : 22 % (27 % in 2019)

Net income in 2020: 11.6 M€ +19%

CONSOLIDATED BALANCE SHEET

| ASSETS (thousand of euros) | 12/31/20 | 12/31/19 |
|--|----------------|---------------|
| Goodwill | 5 752 | 6 178 |
| Intangible assets | 25 035 | 23 145 |
| Property, plant and equipment | 10 036 | 10 434 |
| Financial assets | 6 405 | 6 177 |
| Shares accounted for under the equity method | 1 759 | 1 267 |
| Total assets | 48 986 | 47 201 |
| Inventory and work in progress | 257 | 185 |
| Accounts receivable | 25 994 | 24 884 |
| Deferred tax assets | 800 | 465 |
| Prepaid and other current assets | 5 446 | 5 131 |
| Cash and equivalents | 40 421 | 21 357 |
| Total current assets | 72 918 | 52 022 |
| TOTAL ASSETS | 121 904 | 99 223 |

- Intangible assets +1.9 M€ :
mainly due to development costs capitalized
- Financial assets include long term financial investments for 4.9M€
- Accounts receivable in line with sales growth
- +19.1 M€ in cash – see cash flow statement

CONSOLIDATED BALANCE SHEET

| LIABILITIES (thousand of euros) | 12/31/20 | 12/31/19 |
|---------------------------------------|----------------|---------------|
| Capital stock | 11 661 | 11 504 |
| Additional paid-in capital | 21 202 | 20 424 |
| Net income | 11 562 | 9 745 |
| Consolidated reserves | 20 987 | 14 974 |
| Total shareholders' equity | 65 412 | 56 647 |
| Reserves for risks and charges | 2 698 | 1 760 |
| Financial debt | 15 144 | 6 516 |
| Accounts payable | 8 617 | 8 772 |
| Tax and employee related liabilities | 19 299 | 15 919 |
| Other liabilities | 10 734 | 9 609 |
| Total current liabilities | 53 794 | 40 816 |
| TOTAL LIABILITIES | 121 904 | 99 223 |

- Financial liabilities :
 - Finance leases liability : 0.9M€
 - Bank loans : 14.2 M€ (includes state guaranteed loans for 11.5 M€)
- Other variations linked mostly to headcount increase
- Employee related liabilities increase linked to headcount increase and higher Q4 variable compensation (bookings)

CONSOLIDATED CASH FLOW STATEMENT

| (thousands of euros) | 12/31/20 | 12/31/19 |
|---|----------------|----------------|
| Consolidated net income (loss) | 11 562 | 9 745 |
| Depreciation and amortization | 9 275 | 7 902 |
| Capital gains and capital losses | 7 | -14 |
| Cash Flow after net financial expense | 20 844 | 17 633 |
| Interest paid and received | 37 | 84 |
| Income tax , including deferred taxes, due and paid | 1 591 | 73 |
| Variance in working capital | 1 003 | -477 |
| NET CASH GENERATED BY OPERATING ACTIVITIES | 23 475 | 17 313 |
| Investments intangible and tangible assets | -10 167 | -10 958 |
| Change in other financial assets | -532 | -2 544 |
| Investments in associate company | -492 | -523 |
| NET CASH FLOW FROM INVESTING ACTIVITIES | -11 191 | -14 025 |
| Dividend paid | -1 896 | -2 237 |
| Stocks options exercised | 935 | 1 029 |
| Other variances | -2 872 | -3 937 |
| New loans | 11 500 | |
| NET CASH FLOW FROM FINANCING ACTIVITIES | 7 667 | -5 145 |
| <i>Effect of exchange rate changes on cash</i> | -887 | 420 |
| Cash at the beginning of the period | 21 357 | 22 794 |
| Cash at the end of the period | 40 421 | 21 357 |

Cash position highly increases (19 M€):

- Cash flow generated by operating activities increase by 36%
- State guaranteed loans: + 11.5 M€
- Investing activities:
 - 7.8 M€ of capitalized development costs
 - 2.4 M€ of tangible assets acquisitions
- Dividend paid : 1.9 M€

TARGET 2021 & BEYOND

- 2021 will be influenced by the evolution of the pandemic
- 2021 growth performance should approach pre-COVID levels
- Esker expects organic growth of around 15% for 2021
- Profitability is expected to be stable, subject to growth and sales performance
- Esker will continue to strengthen its solutions while continuing to develop its partner network



ADDENDUM

STOCK MARKET

STOCK PRICE EVOLUTION OVER 5 YEARS



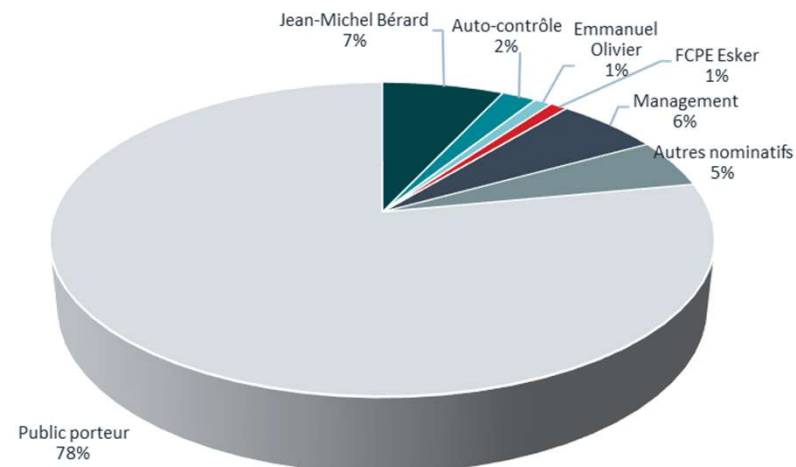
EURONEXT GROWTH PARIS

ISIN Code: FR0000035818 ALESK

Market capitalization March 25, 2021: €1 101 M

Number of shares: 5,830,321

SHARE CAPITAL BREAKDOWN AS OF DECEMBER 31, 2020 (ESTIMATED)



FINANCIAL ANNOUNCEMENTS:

Q1 2021: April 13, 2021*

Q2 2021: July 13, 2021*

H1 2021: September 14, 2021*

Q3 2021: October 12, 2021*

* After stock market closing

LEADERSHIP TEAM



Jean-Michel Bérard (59)
CEO – President of BoD
Esker founder



Emmanuel Olivier (53)
COO – General Manager
Board Member



Eric Bussy (46)
Vice President Marketing
& Product Management



Jean-Jacques Bérard (55)
Executive Vice President,
Research and Development



Steve Smith (59)
U.S. Chief Operating Officer



Eric Thomas (54)
Vice President of
Business Development

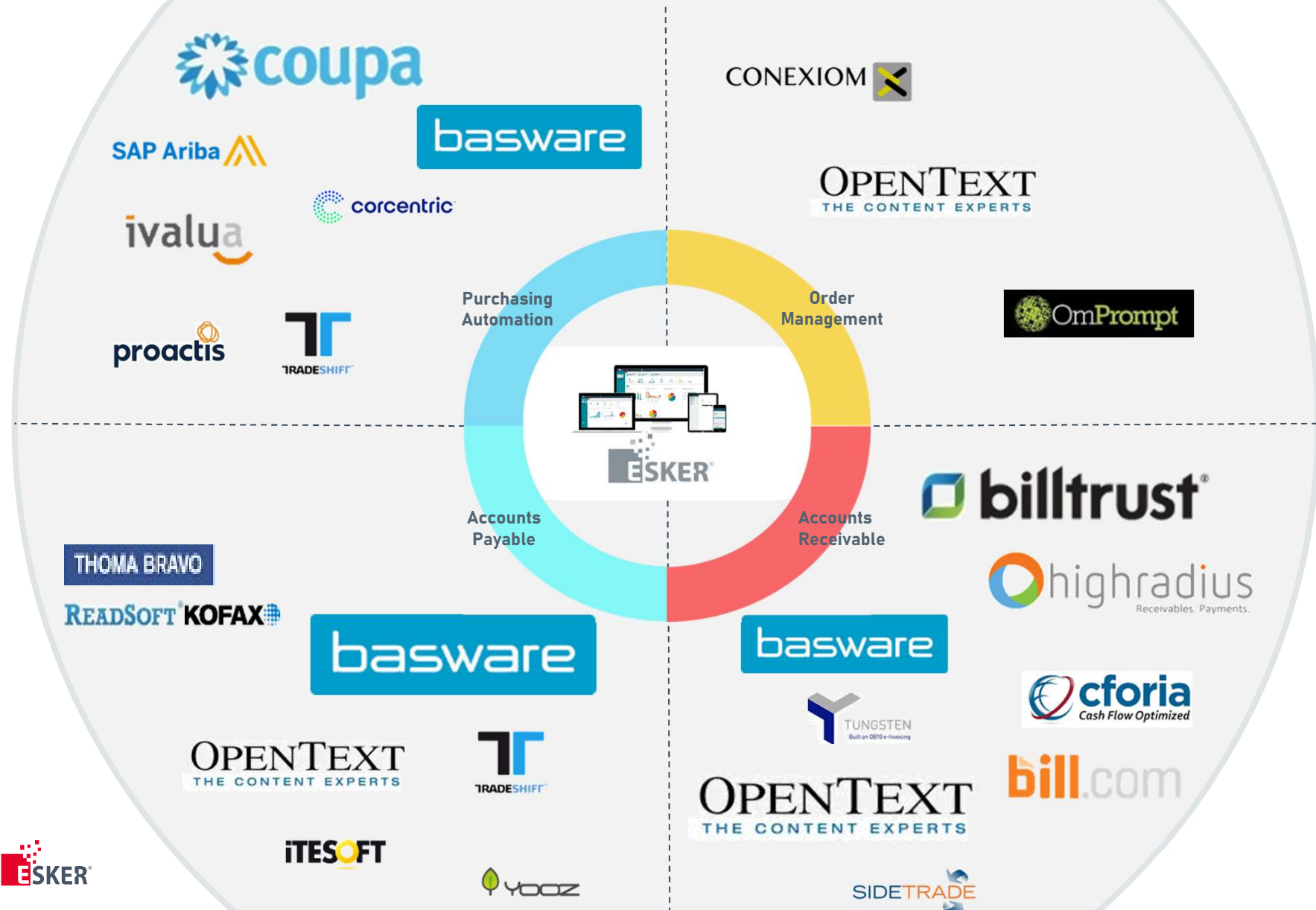


Anne Grand-Clément (51)
WW Director of
Professional Services
and Technical Support



Claire Valencony (47)
Sr. Director, Global
Strategic Alliances

COMPETITION





THANK YOU FOR YOUR ATTENTION

