

THE CLOUD PLATFORM FOR BACK OFFICE DIGITALIZATION

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





AGENDA

- Corporate Overview
- 2020 Revenue
- 2020 Financial Performance
- Strategy
- Addendum



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



DRILLING DOWN FURTHER...



TO AUTOMATE
O2C & P2P CYCLES

DIGITAL TRANSFORMATION OF THE BACK OFFICE



Increased business productivity



Enhanced global visibility & analytics



Improved customer satisfaction



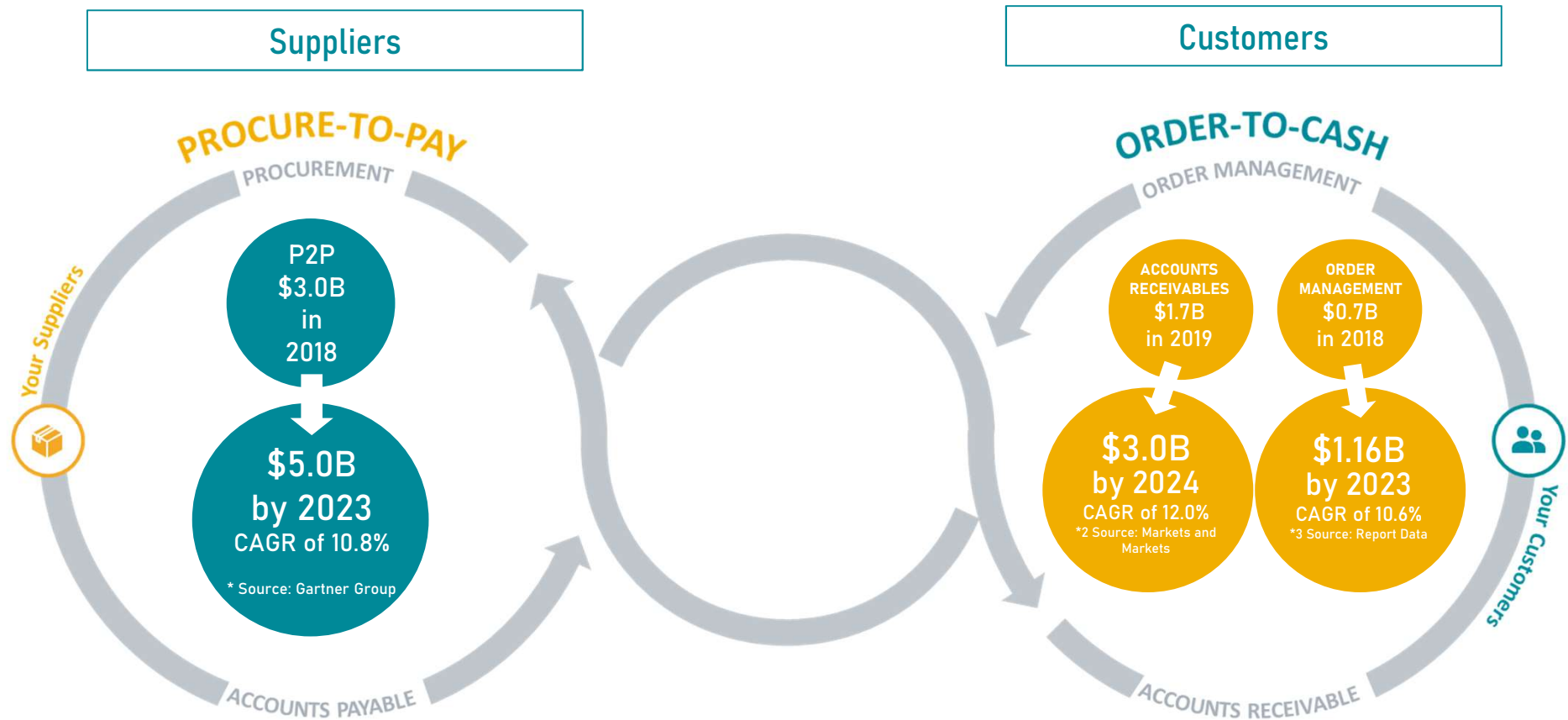
Strengthened supplier relationships



Greater employee satisfaction

MARKET DYNAMICS

O2C & P2P AUTOMATION



LEADING ANALYSTS RECOGNITION

Gartner

**Magic Quadrant for
Procure-to-Pay Suites
2020**



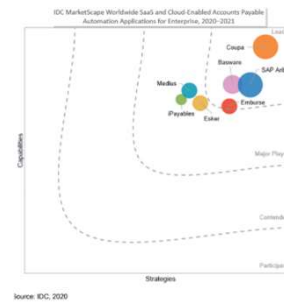
Ardent Partners
RESEARCH WITH RESULTS

**Key Solution Provider
in 2020
by Ardent Partners**



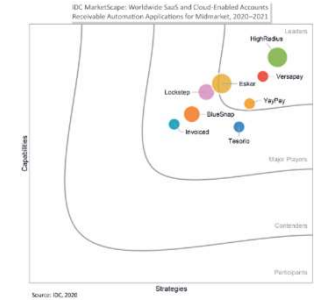
IDC ANALYZE THE FUTURE

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



IDC ANALYZE THE FUTURE

**IDC MarketScape Leader
for Accounts Receivable
Automation Software
2021**



KEY NUMBERS



#14

€112M

SALES REVENUE
2020

36
years

OF EXPERIENCE

14

COUNTRY
LOCATIONS

2/3

INTERNATIONAL
REVENUE

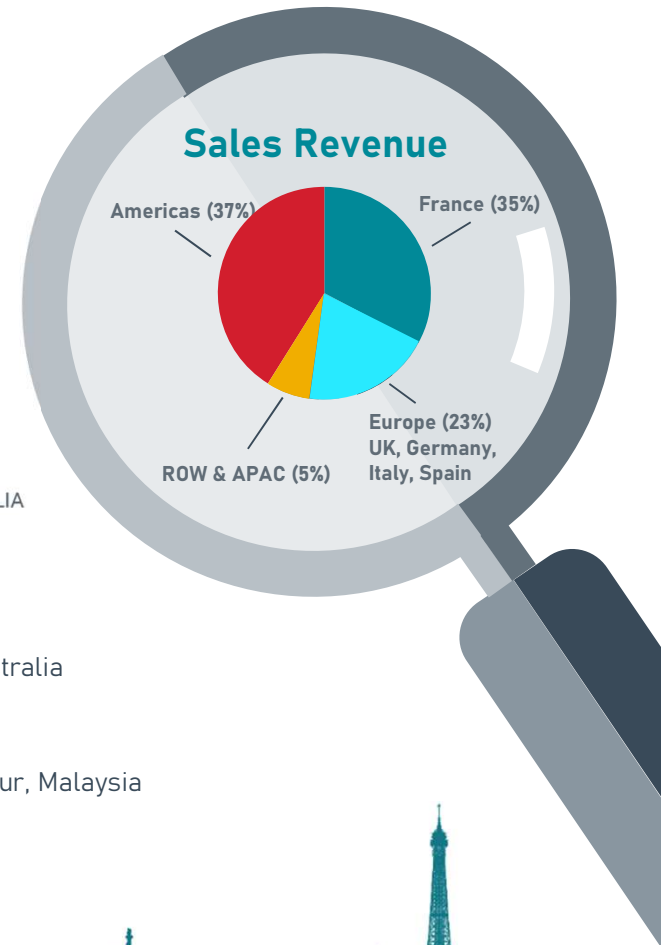
9%

ORGANIC
GROWTH

10%

NET INCOME
2020

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

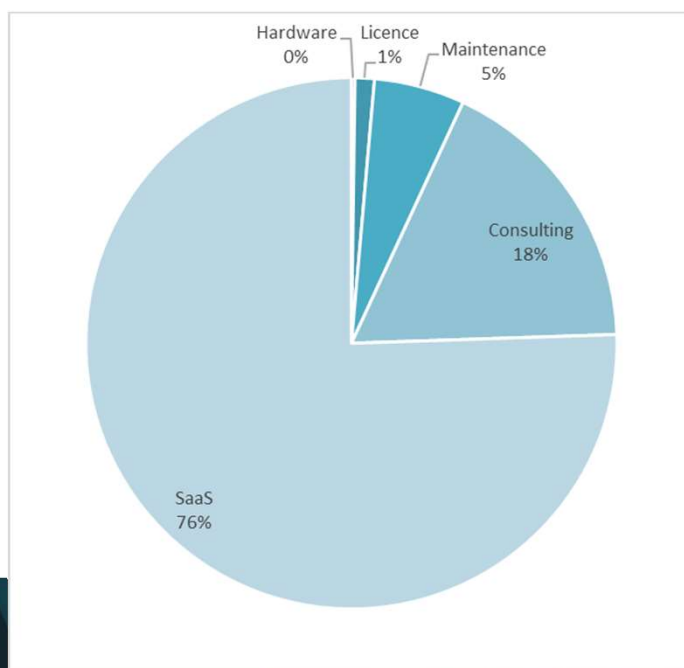


BUSINESS MODEL & 2020 FINANCIAL PERFORMANCE AT A GLANCE

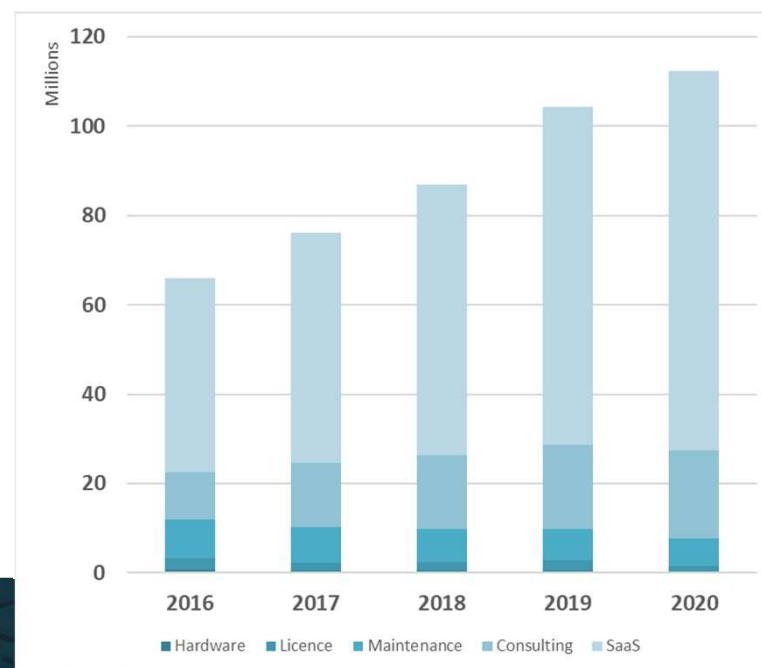
COVID-19 2020 IMPACTS

- 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

STRONG RECURRING BUSINESS MODEL



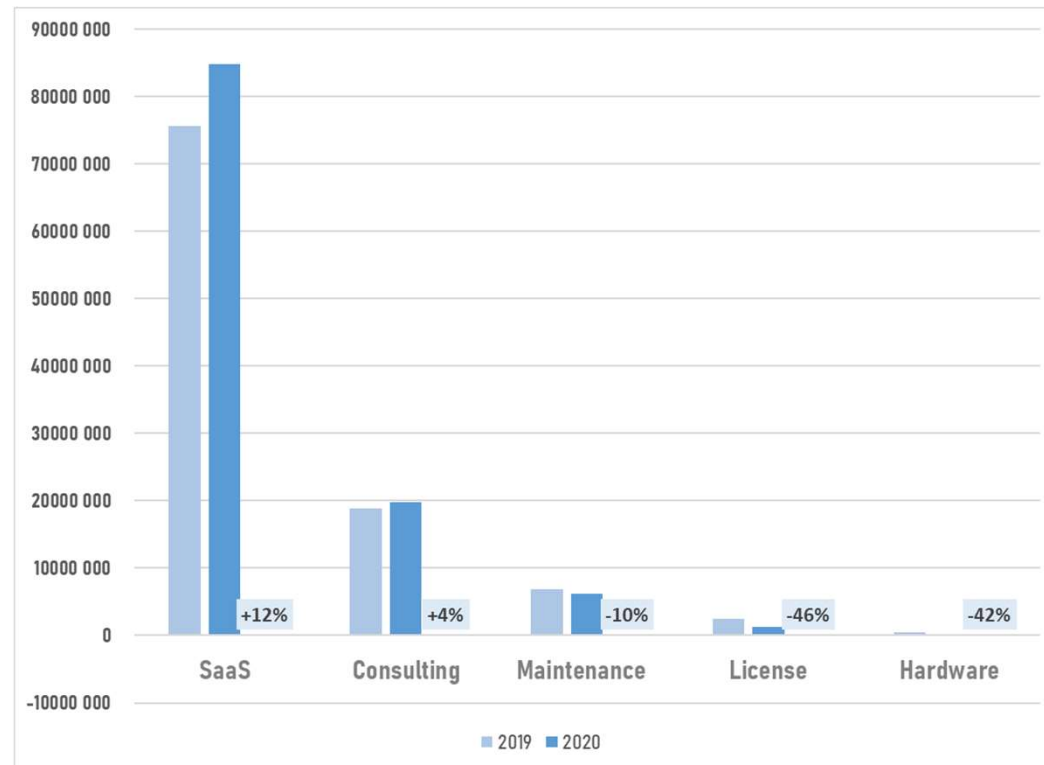
81% recurring revenue in 2020
(SaaS + Maintenance)



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

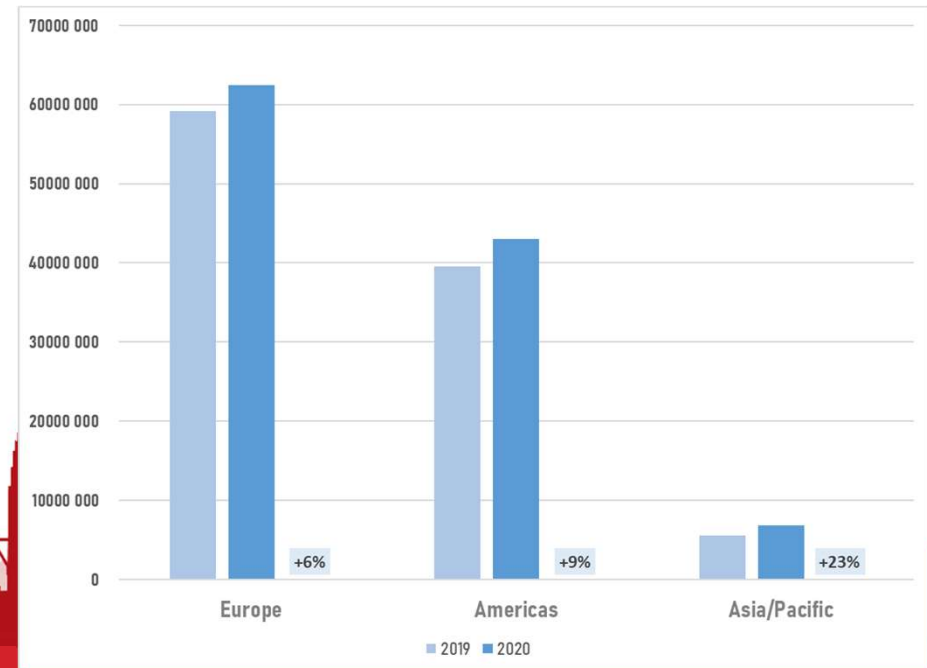
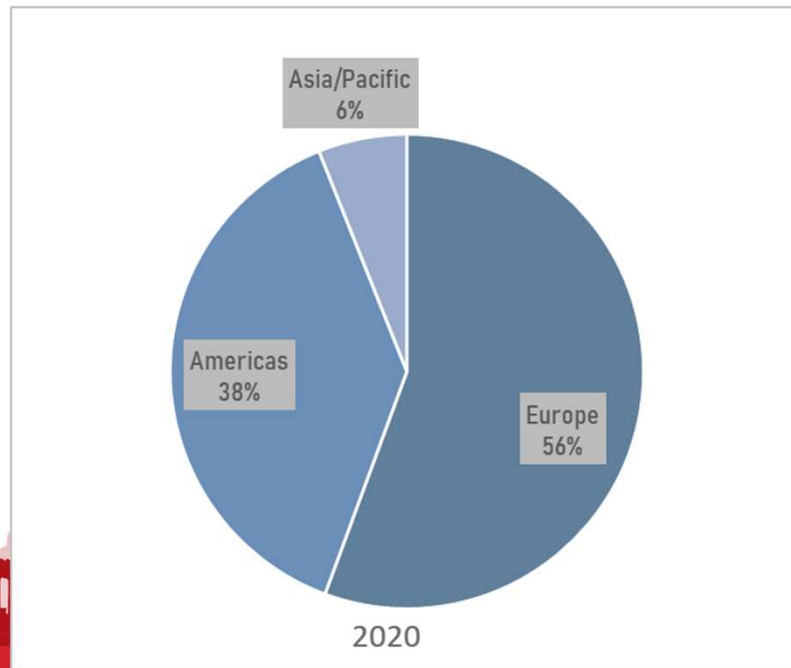
Consulting revenue consists in services
associated with the implementation of
Esker's solutions

REVENUE GROWTH BY PRODUCT TYPE



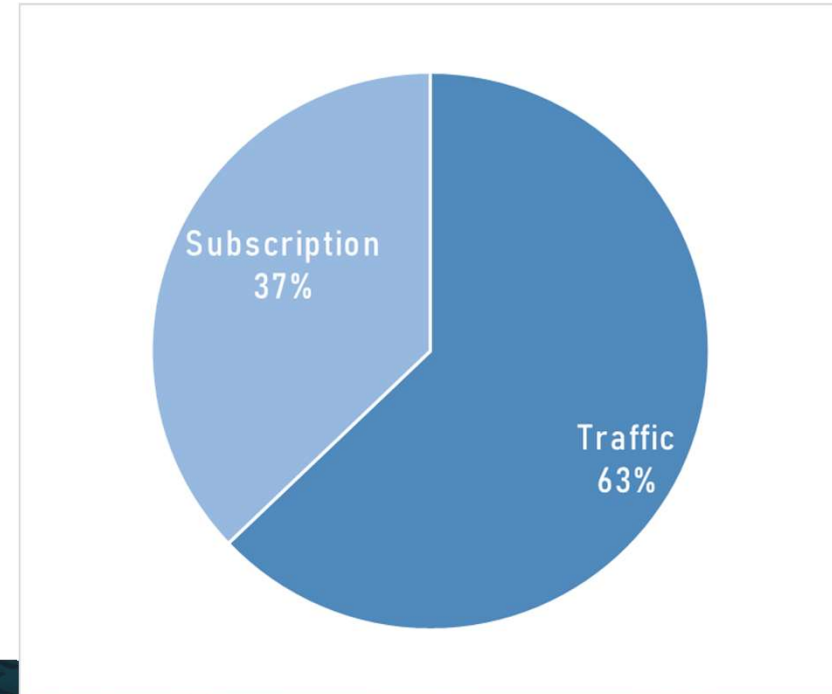
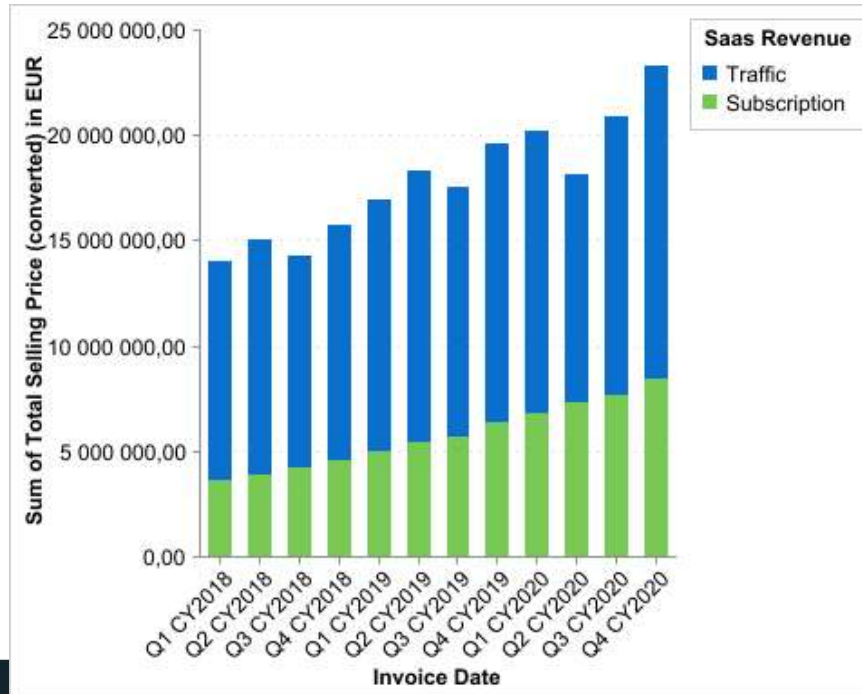
- Dynamic growth of SaaS shows implementation of past wins & recovery of transactional revenue (variable in nature) during the second half of the year.
- Consulting revenue has been impacted during the second half of 2020 due to lower bookings in Q2/Q3 2020.

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

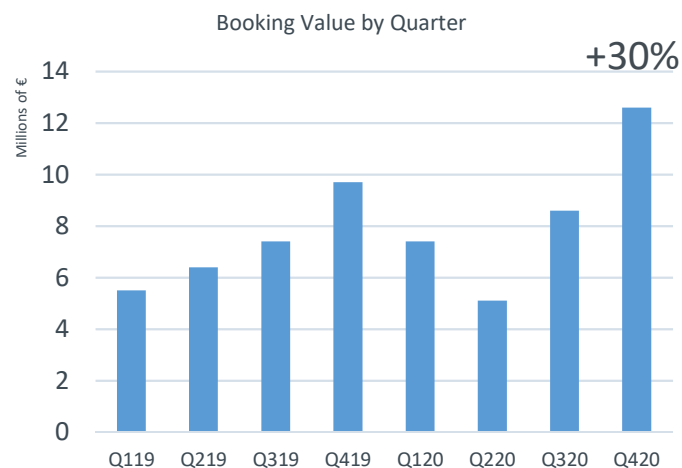
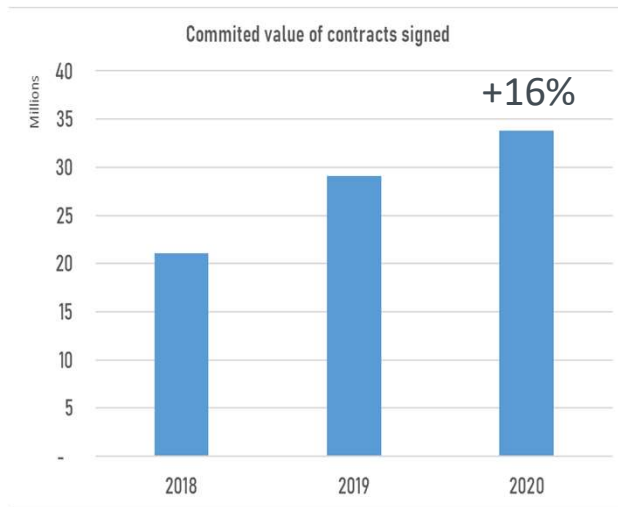
Covid Impact

- 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)



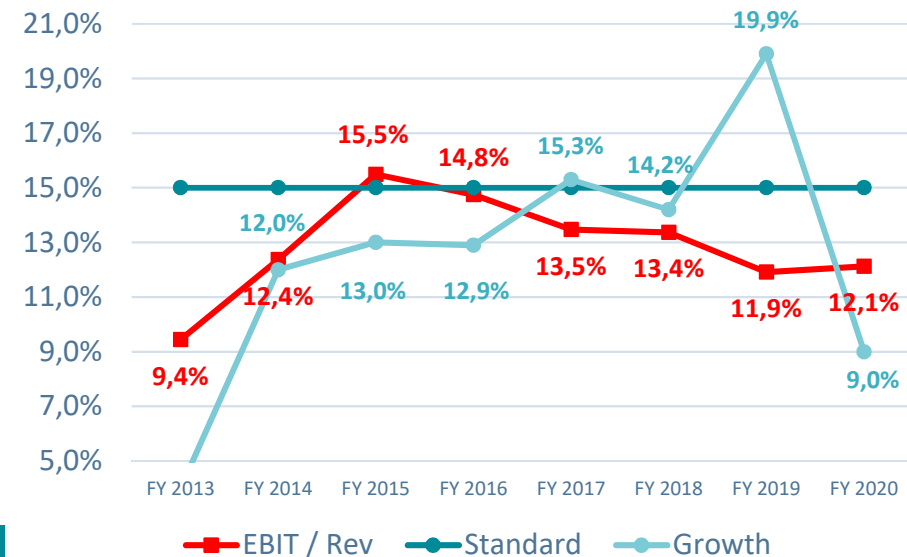
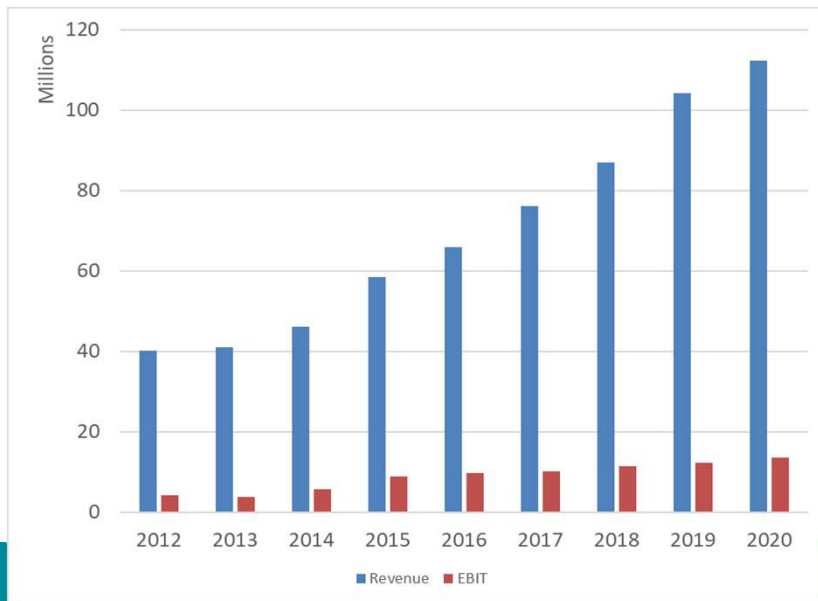
• Definitions

- 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

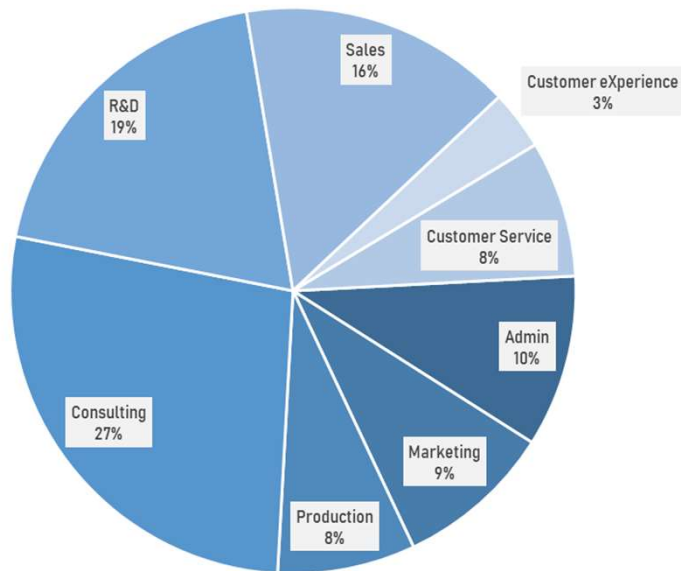


2020 - EBIT 12,4M€ 12% of
revenue

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

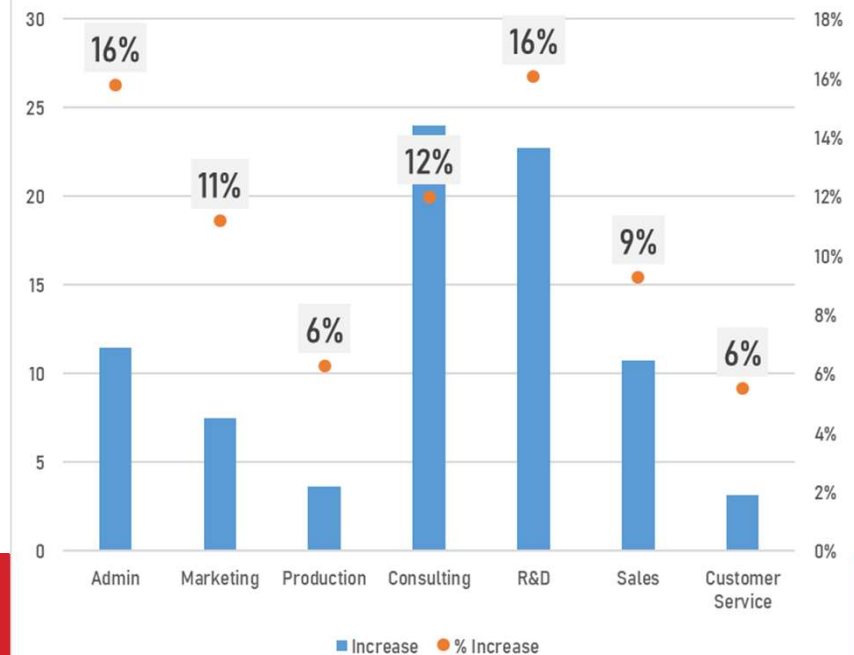
DYNAMIC INVESTMENTS FOR FUTURE GROWTH

2020 Staff Breakdown by Department



Staff @ 12/31/20: 764

Headcount Increase by Department

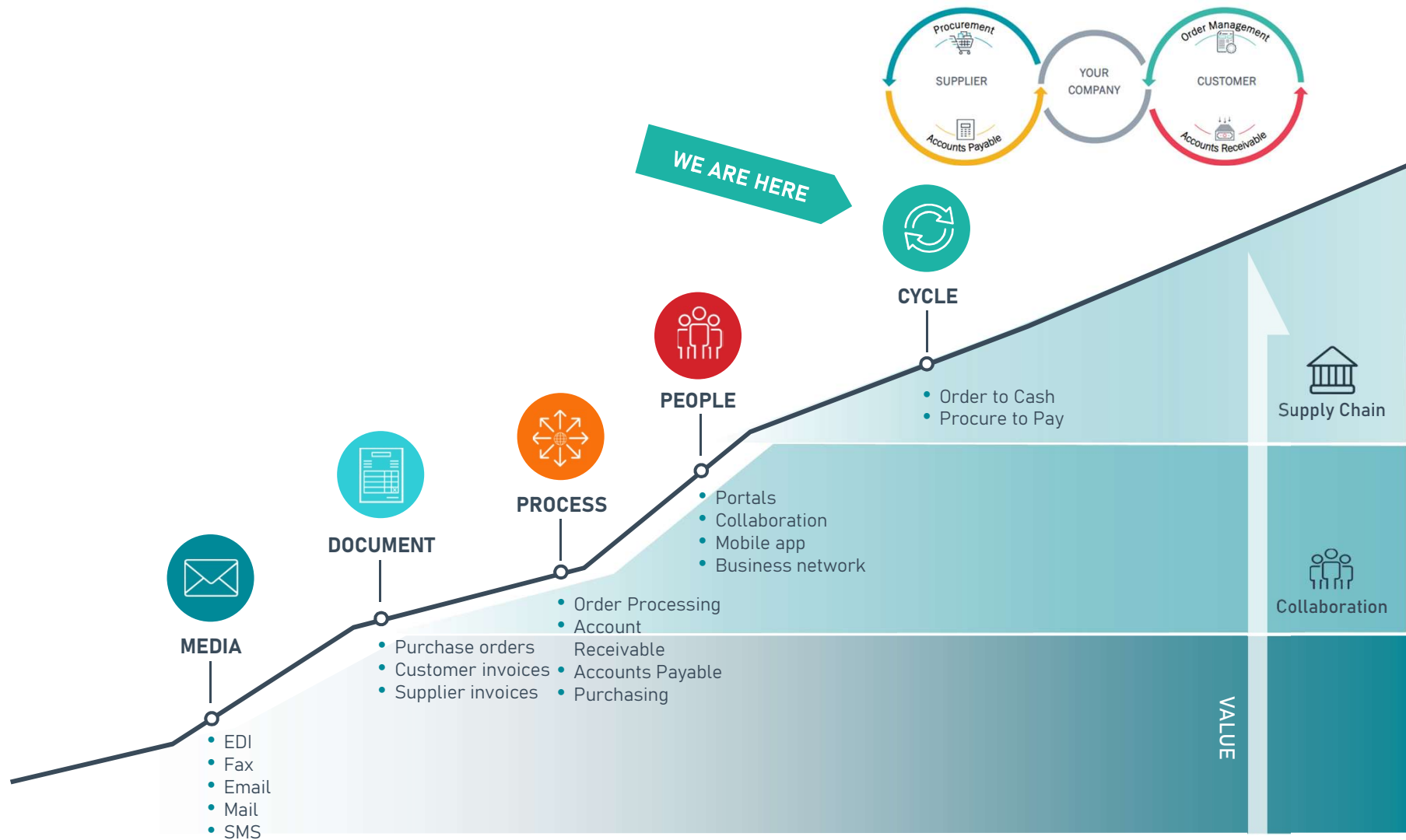


2020 - Staff increase:
vs. 2019: +71 FTE (+13%)



STRATEGY

PRODUCT STRATEGY



PRODUCT ROADMAP 2020-2023

ORDER-TO-CASH

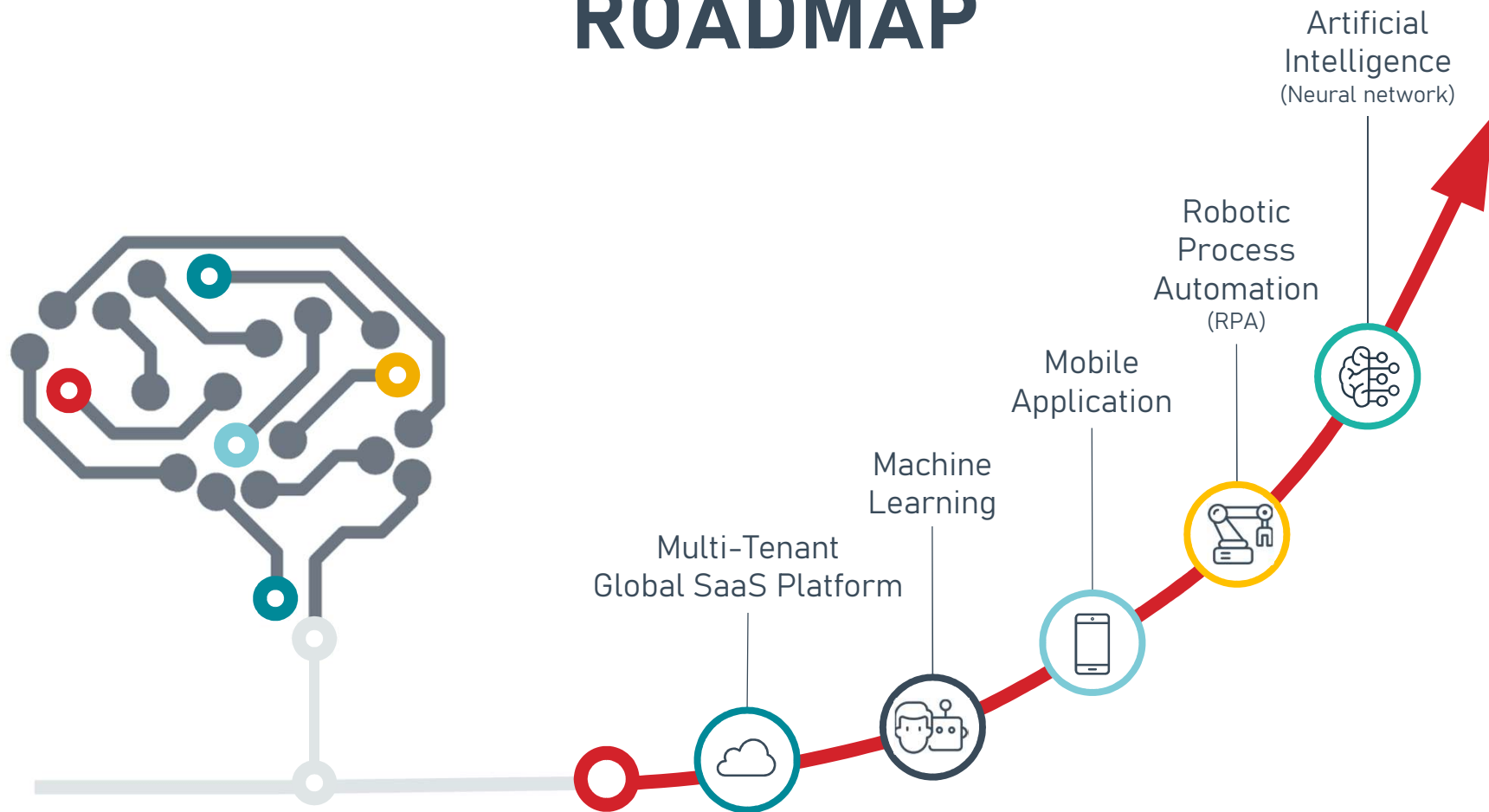


NEXT

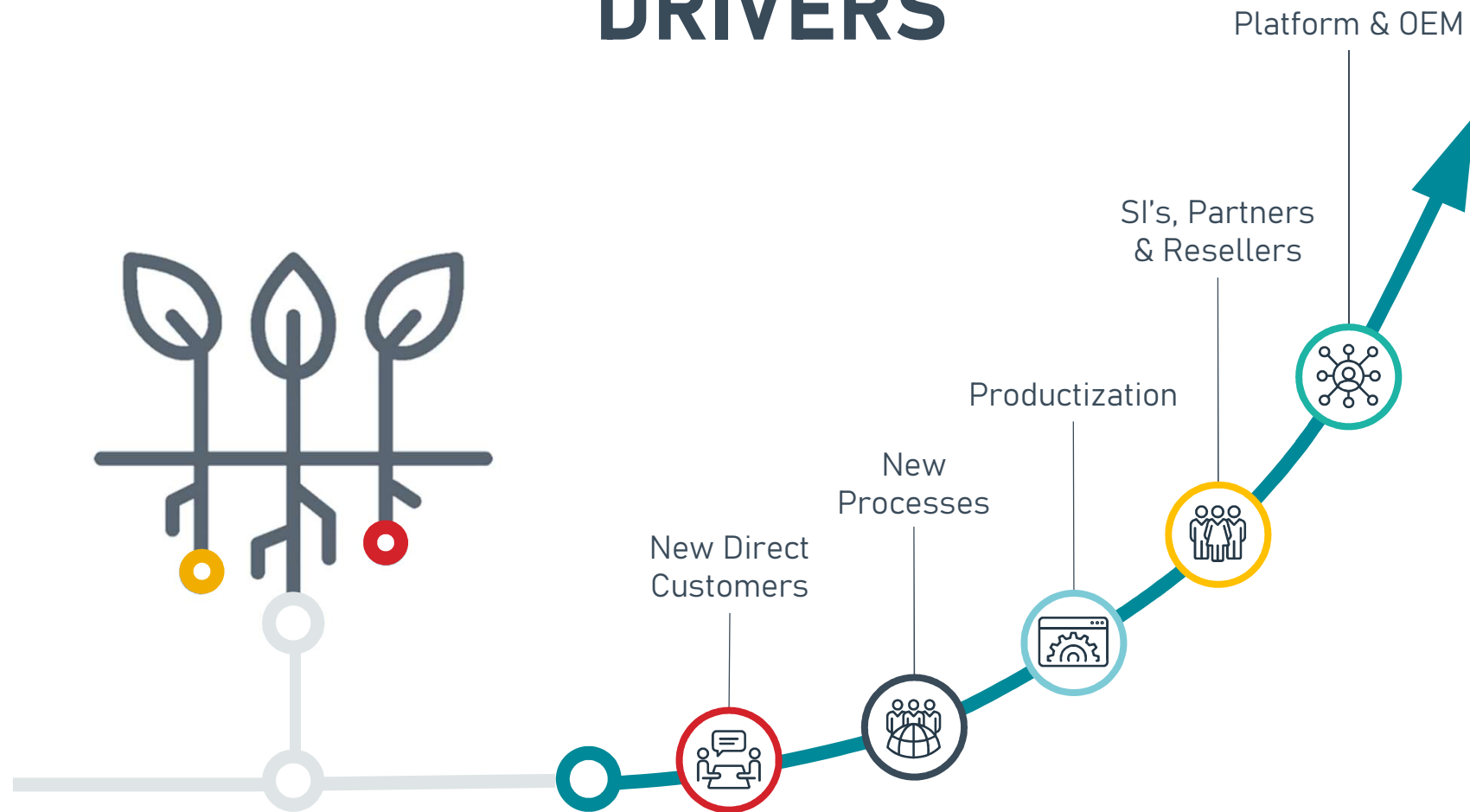
PROCURE-TO-PAY



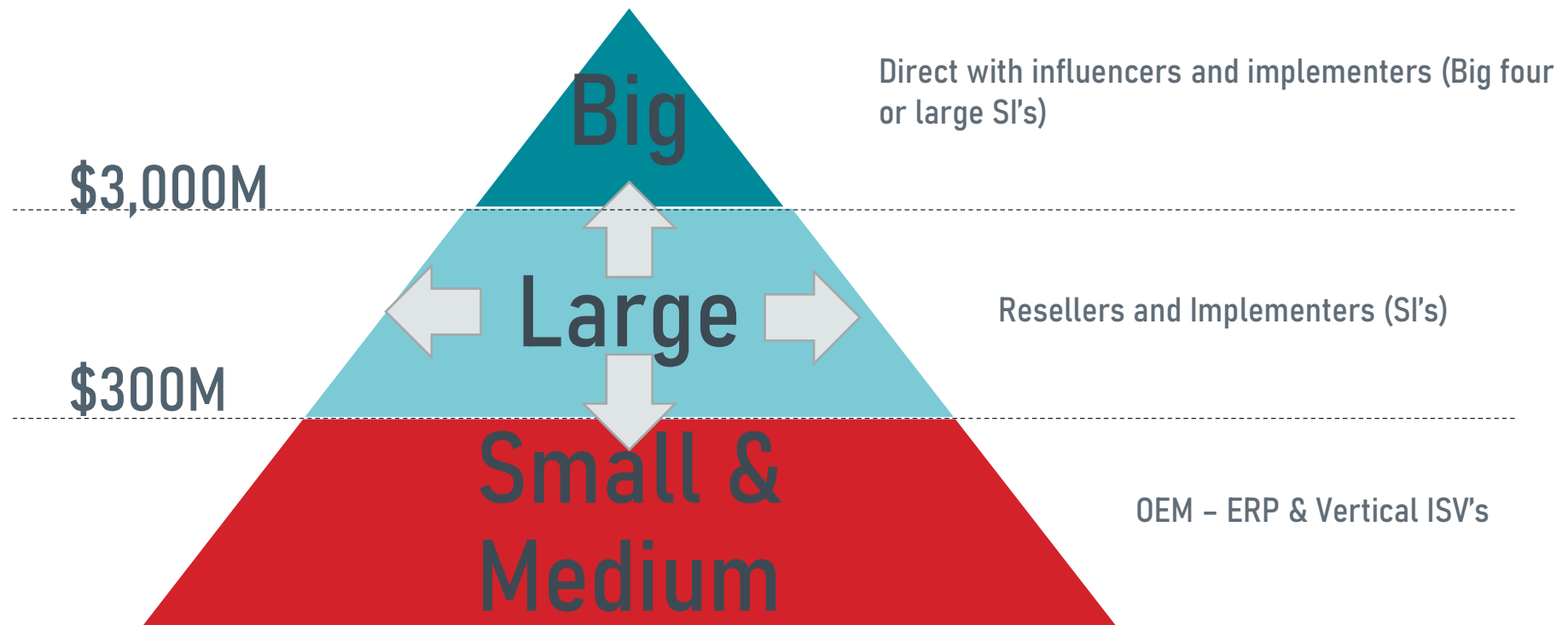
TECHNOLOGY ROADMAP



GROWTH DRIVERS



SALES STRATEGY



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



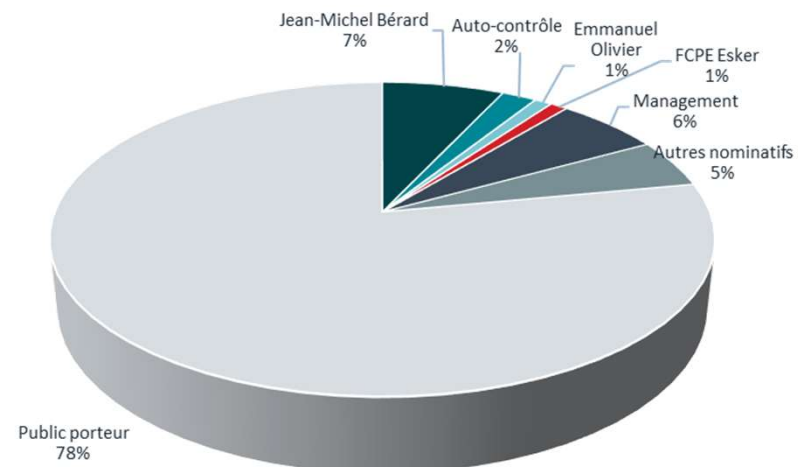
EURONEXT GROWTH PARIS

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



2020 FINANCIALS

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

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%
<i>Earnings per share in Euros</i>	2,04		1,80			
<i>Diluted earnings per share in Euros</i>	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%
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Purchases and external expenses	-29 384	-26%	-29 522	-28%
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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%
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<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

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<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)

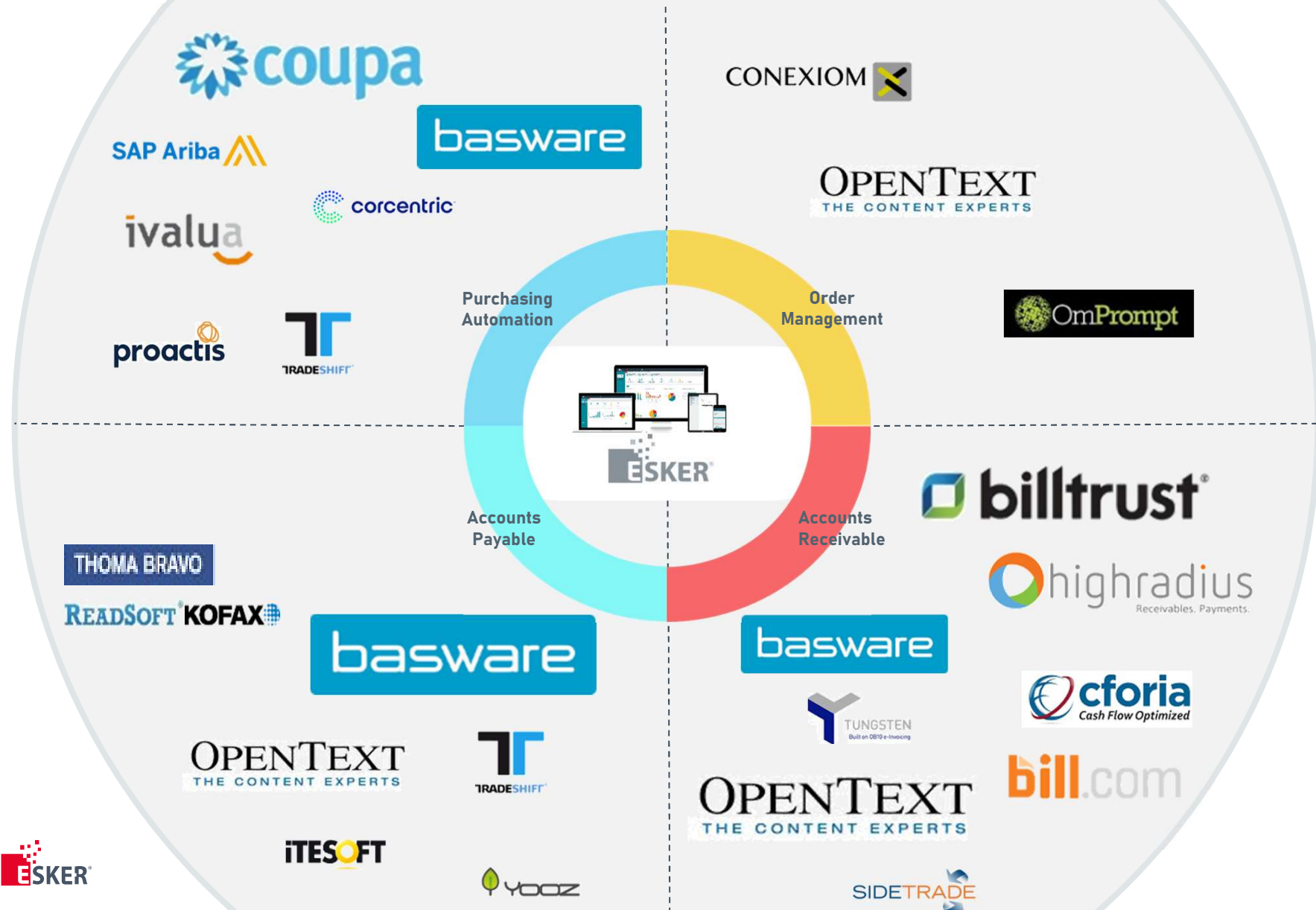
CONSOLIDATED CASH FLOW STATEMENT

(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€

COMPETITION





THANK YOU FOR YOUR ATTENTION

