



2021 HY FINANCIAL STATEMENTS

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WW COO
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HY 2021 IN A NUTSHELL

- **Half-year sales revenue grew to 64.4 M€ ...**

- +22% growth in constant currency rates
- +19% in current rates

- **... driven by Cloud solutions**

- +26% in constant currencies
- 93% of the company business

- **Solid increase of bookings value**

- +64 % Annual Recurring Value (ARR) of new contracts signed during H1 2021
- Amounts to 6.6 M€ VS 4M€ for H1 20

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

- Continued investment despite COVID
- 85 additional headcount compared to H1 2020 (+12%)
- Mainly in Sales (+14%), R&D (+12%), and consulting (+11%)

- **Operating Income (EBIT) Increase : +53%**

- Personnel cost in line with Headcount increase
- Savings in travel expenses (0.6M€)
- Other expenses in line with revenue growth

- **Net income increase : +40%**

OTHER EVENTS

3 loans guaranteed by French Government (11.5M€)

- **BNP** : € 4,5 million
- **Société Générale** : € 3,5 million
- **LCL** : € 3,5 million
- **Paid back in April**

Slightly negative currency fluctuation impact (mostly USD)

- Revenue: - 1.2M€ , - 1,8%
- EBIT: - 0.4 M€, - 4,3%

Dividend increase 51%

- 0.50 € per share in June 2021
- Vs 0.33 € in June 2020

HY 2021 REVENUE

SALES REVENUE IN M€ (UNAUDITED)	Q2 2021	Q2 2020	Q2 2021/Q2 2020 GROWTH ⁽⁴⁾	H1 2021	H1 2021/H1 2020 GROWTH ⁽⁴⁾
SAAS ⁽¹⁾	25.6	19.2	+37%	49.5	+26%
IMPLEMENTATION SERVICES ⁽²⁾	5.5	5.0	+13%	11.0	+13%
LEGACY PRODUCTS ⁽³⁾	2.3	1.9	+21%	3.9	+6%
TOTAL	33.4	26.1	+32%	64.4	+22%
BOOKINGS⁽⁵⁾	3.30	1.7	+92%	6.6	+64%

⁽¹⁾Includes subscriptions and transactional revenue

⁽²⁾Includes implementation, training and Professional Services

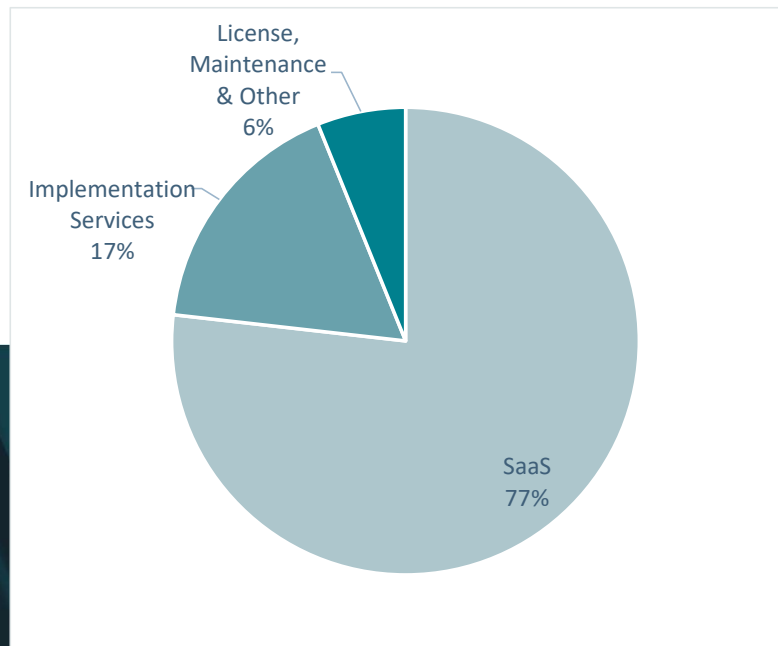
⁽³⁾Includes Esker DeliveryWare, Fax Servers and Host Access

⁽⁴⁾Growth based on a constant exchange rate: 2021 exchange rates applied to 2020 figures

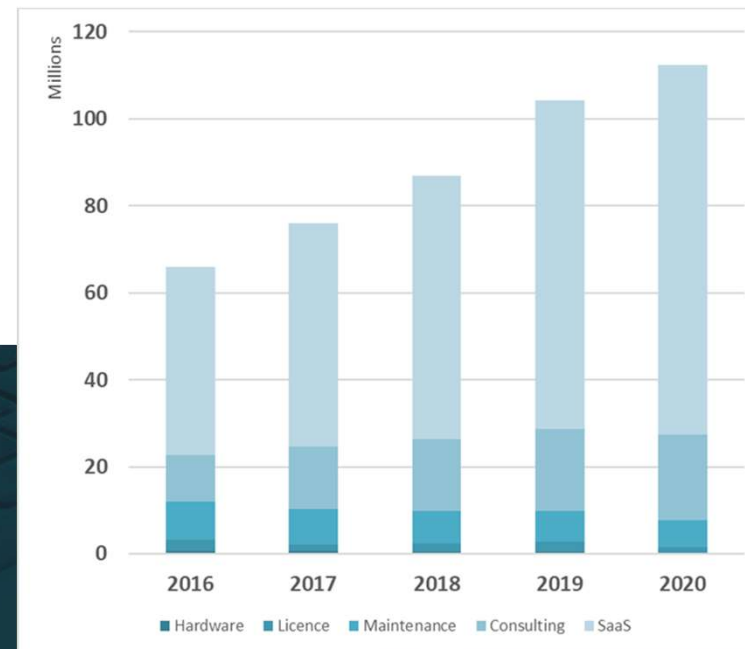
⁽⁵⁾Expressed as Annual Recurring Revenue (ARR)

Esker has decided to adjust its revenue presentation by activity to reflect the strategy of focusing on the cloud and the increasingly smaller share of legacy products and license-based document process automation solutions. Therefore, Fax, Host Access and Esker DeliveryWare products are grouped under legacy products. For cloud solutions, Esker will now distinguish between the purely SaaS part (subscription and traffic) and the implementation services part. Esker has also decided to report its bookings using Annual Recurring Revenue (ARR), a standard metric for SaaS or subscription business. ARR is the average annual subscription value that customers commit to pay over the life of a contract. Revenue from platform transactions is not included as it is uncertain by nature and depends on the number of transactions effectively processed, which is not known at the time the contract is signed. Service revenue is also not included in ARR as it is non-recurring.

STRONG RECURRING BUSINESS MODEL



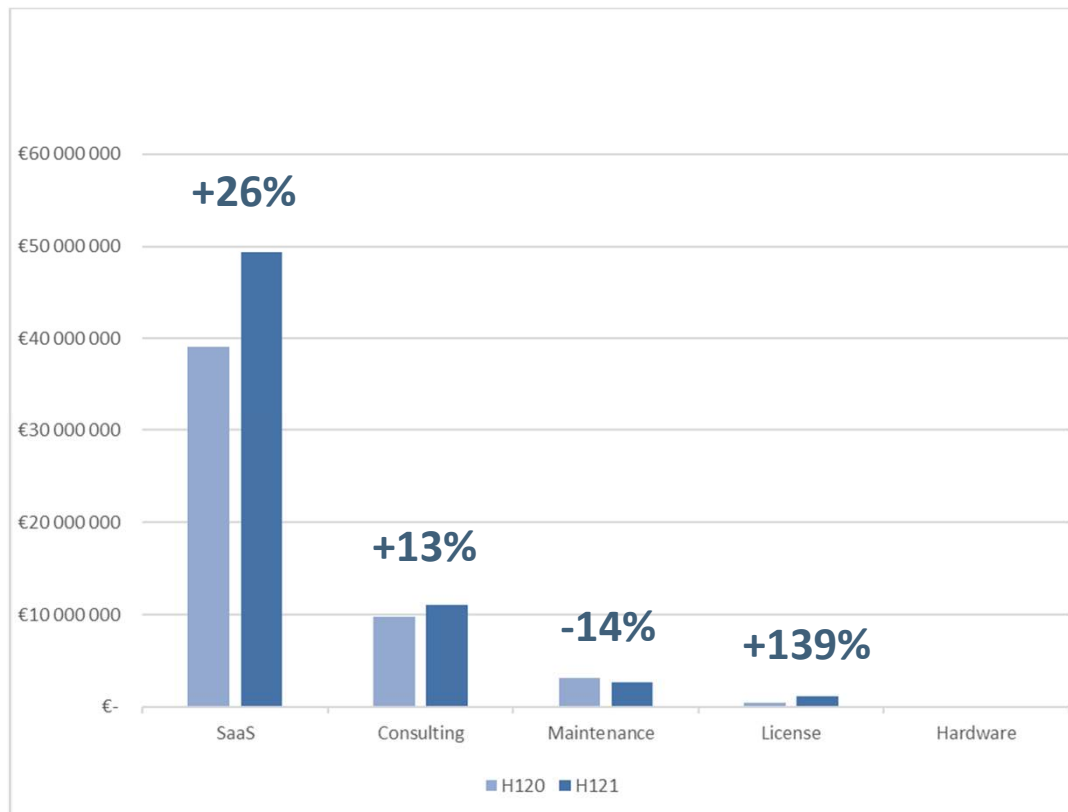
81% recurring revenue in 2021
(SaaS + Maintenance)



In 2021 SaaS Increased 26% and represented 77% of the total revenue (76% for FY 2020)

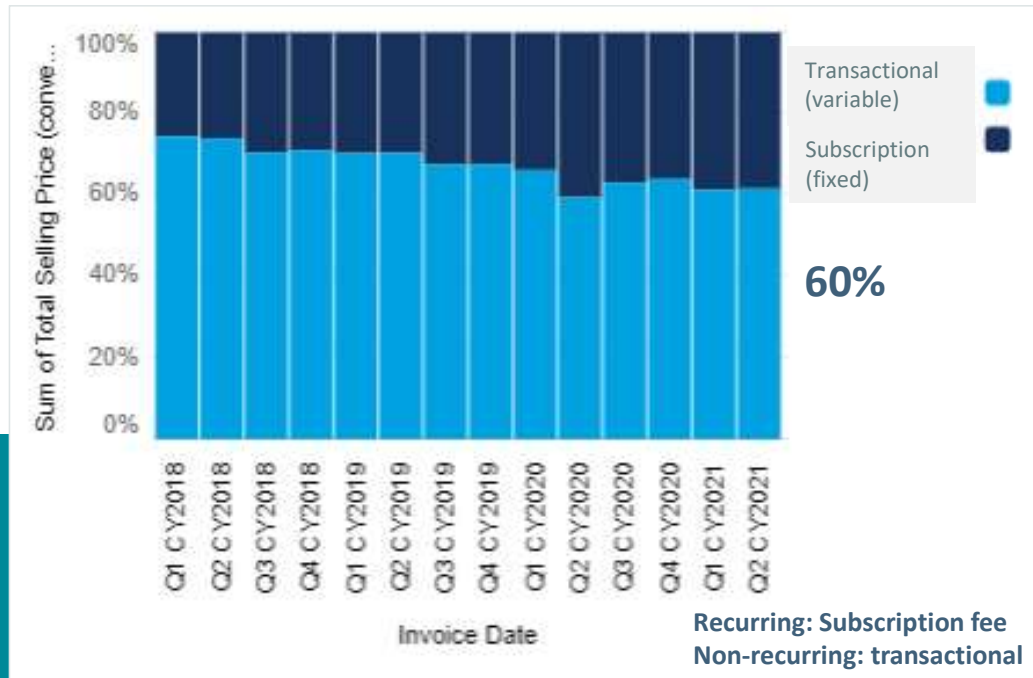
Consulting revenue consists in services associated with the implementation of Esker's solutions

REVENUE GROWTH BY PRODUCT TYPE

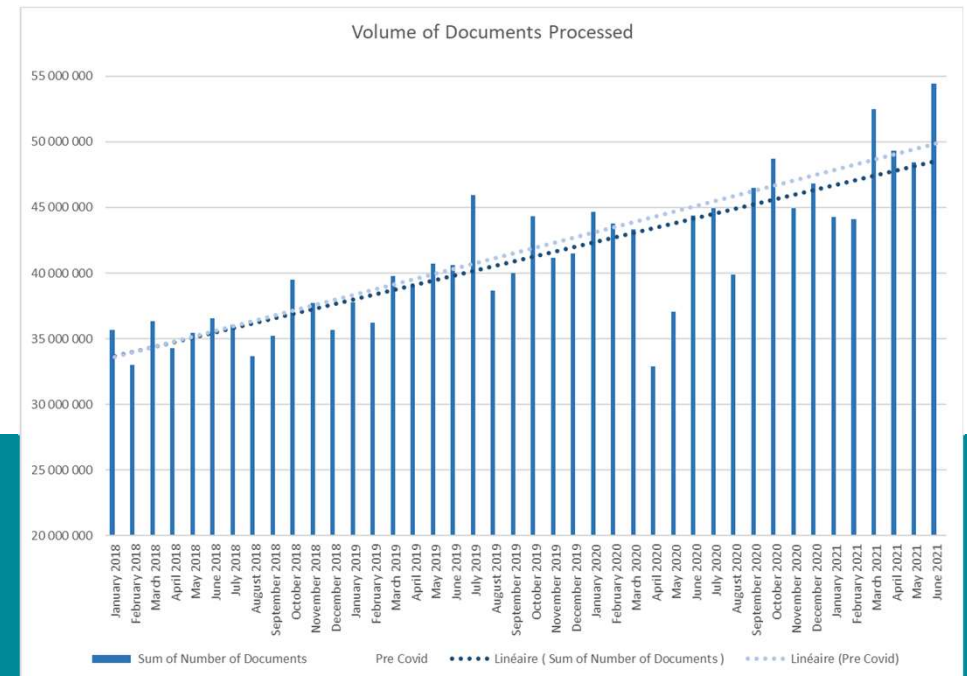


- Dynamic growth of SaaS shows implementation of past wins & recovery of transactional revenue (variable in nature) compared to H1 20
- Consulting revenue has been impacted during the second half of 2020 due to lower bookings in Q2/Q3 2020. It is expected to show accelerated growth in H2 21 as Q4 20 to Q2 21 wins are being implemented

SAAS VOLUME VS SUBSCRIPTION TRENDS



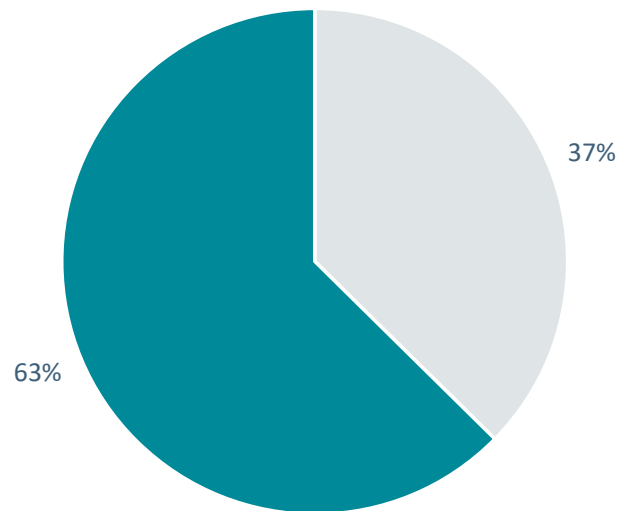
Traffic (transactional revenue) dropped as a % of total SaaS revenue in Q2 20 and recovered
Esker pricing structure gradually moves to more subscription fees vs transactional revenue



Volumes of documents processed higher than before Covid
But still slightly below pre Covid trends
Volumes will slightly catch up as Covid situation improves WW

SAAS GROWTH COMBINES NEW CONTRACTS AND VOLUME RECOVERY

SaaS Revenue Growth



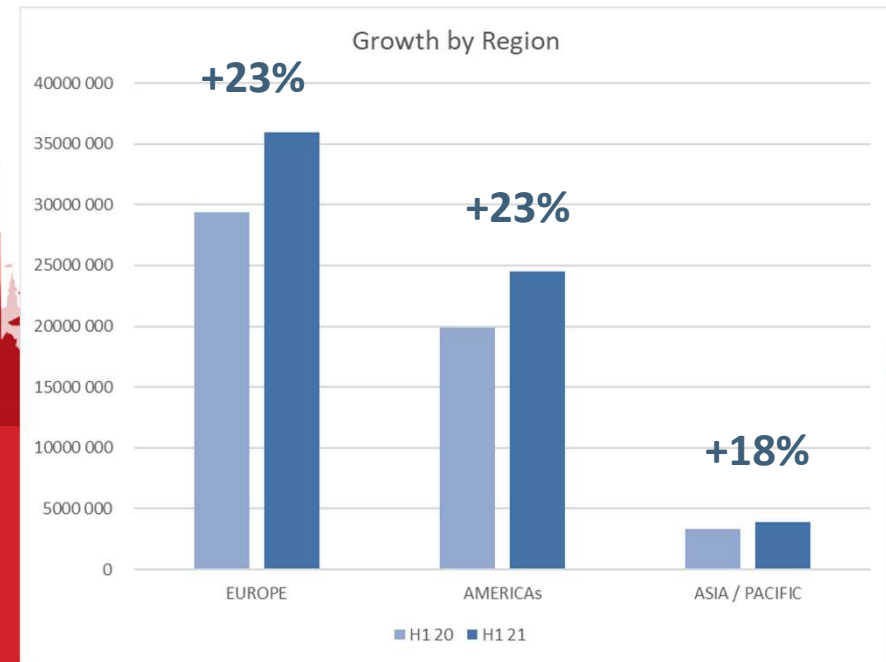
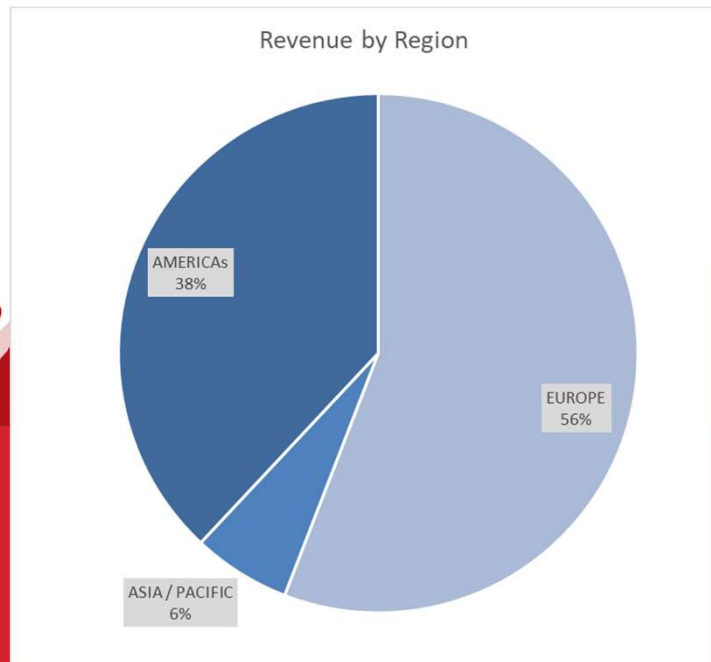
■ New contracts (sold after 6/30/20)

■ Volume recovery and ramp up of existing contracts



- SaaS growth comes from:
 - New contracts closed after 06/30/2020 37%
 - Existing contracts: recovery of volumes processed and roll out of contracts sold before 06/30/2020
- Contracts sold in 2021
 - Account for 1.1M€, 2% of SaaS Revenue
 - Will fuel H221 & FY22 revenue growth as they are implemented and rolled out

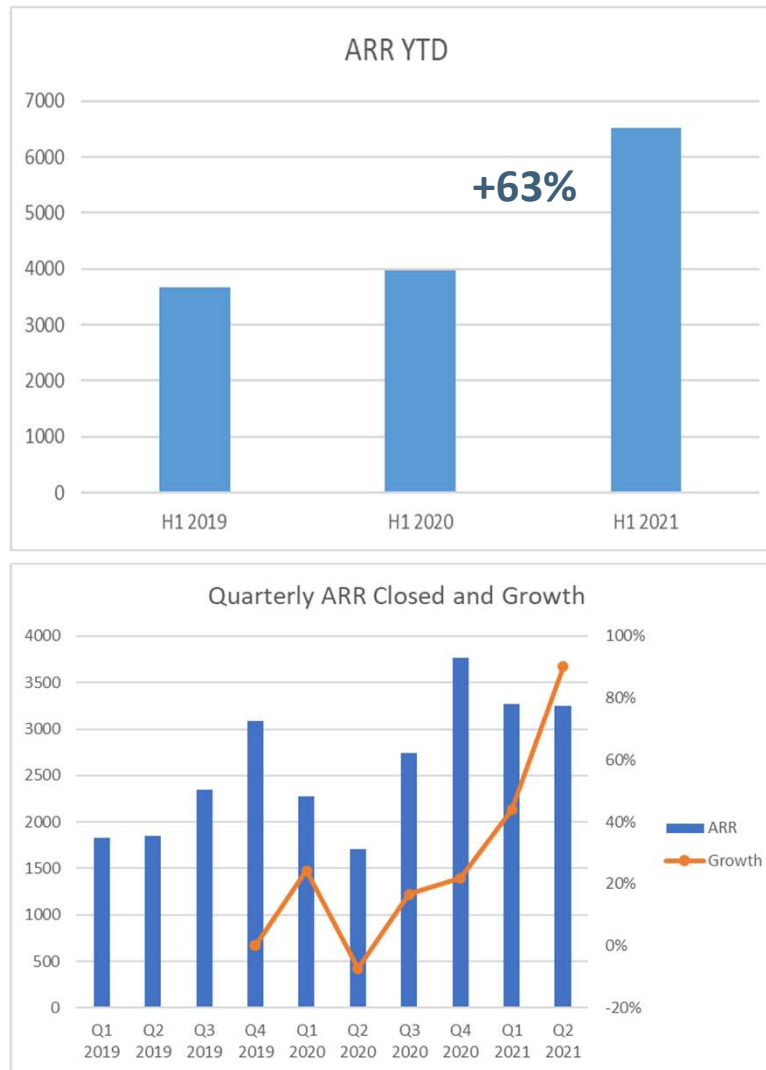
REVENUE GROWTH BY REGION



- All regions are growing
- Europe suffered more from economic slowdown but has recovered
- Asia/Pac remains impacted by strict Covid policies

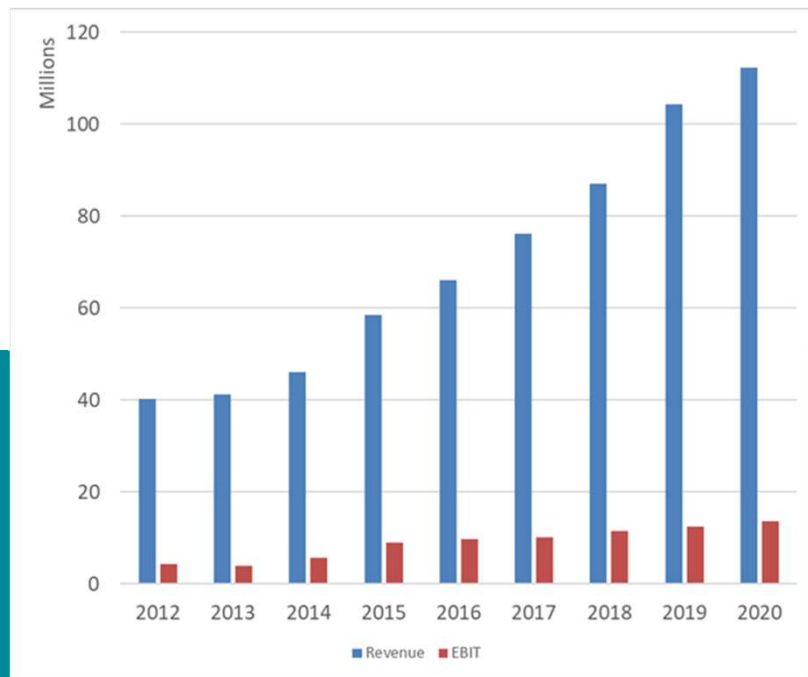
DYNAMIC SALES PERFORMANCE

(BOOKINGS)

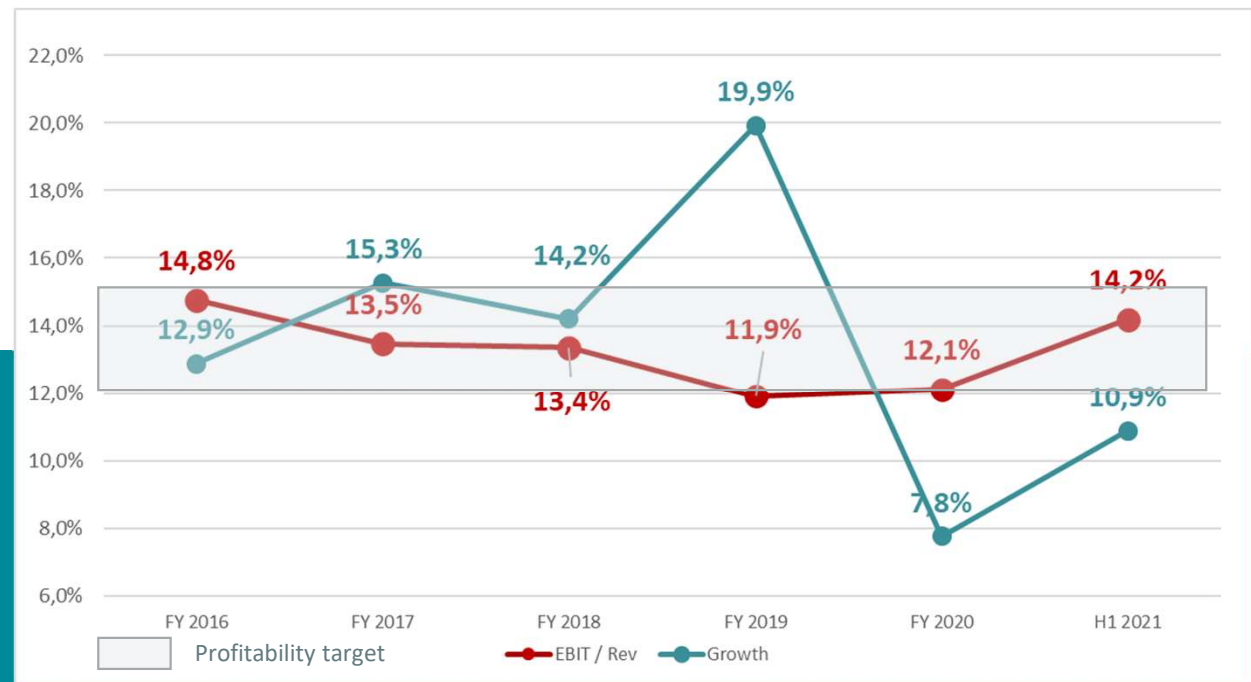


- Bookings (order intake) include only the fixed part of a signed contract (subscription fee).
- This represents the future average annual guaranteed revenue to Esker for a contract
- Typical contract: 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract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

BUSINESS MODEL COMBINES PROFITABILITY AND INVESTMENTS

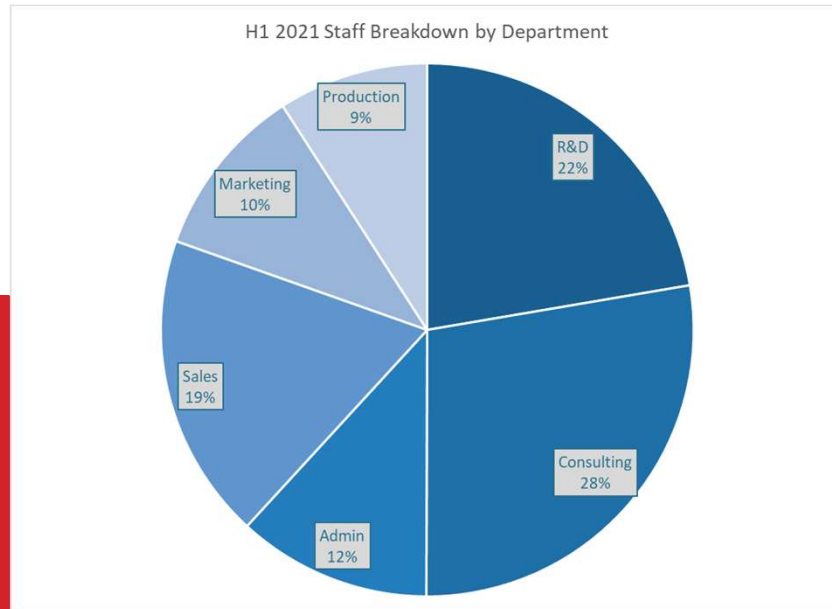


2020 - EBIT 13.6M€ 12% of revenue

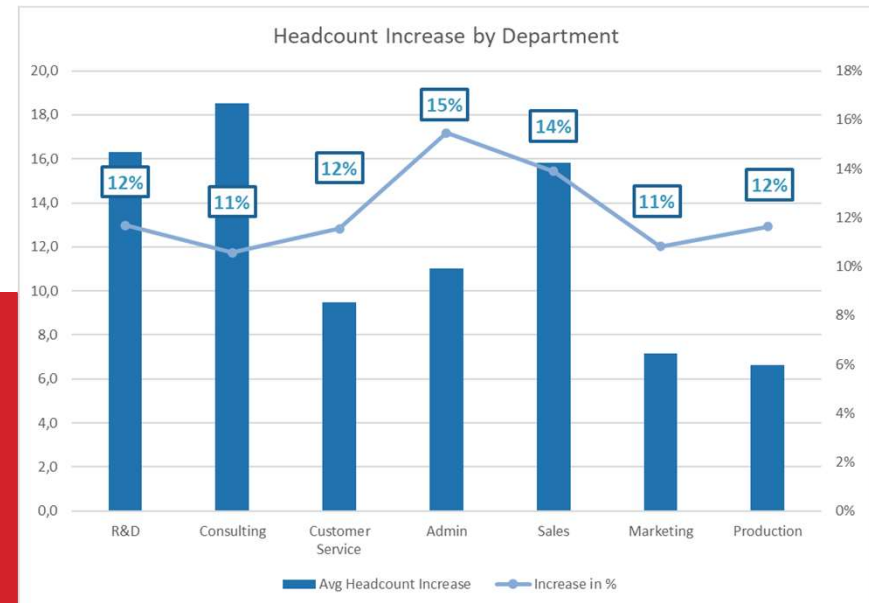


Growth requires investments but Esker still aims at maintaining profitability in the 12 – 15% range

DYNAMIC INVESTMENTS FOR FUTURE GROWTH



Staff @ 06/30/21: 806 (+13% vs 06/30/20)



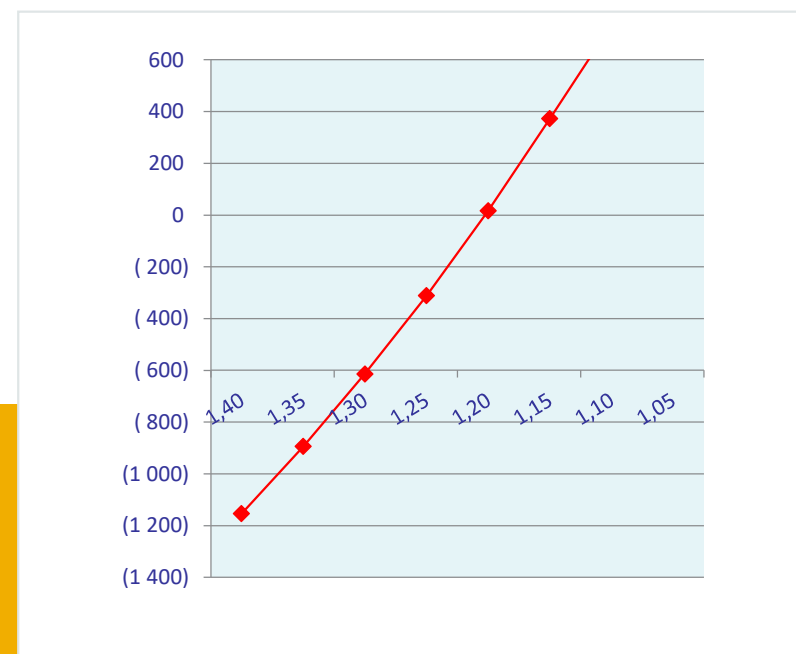
H1 2021 - Staff increase:
VS. H1 2020: 85 FTE (+12%)

A photograph of an office interior, featuring several computer monitors on desks, ergonomic chairs, and large windows with blinds. The entire image is covered with a semi-transparent teal overlay. A horizontal bar with red, teal, and orange segments is positioned below the text.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

CURRENCY EFFECTS

Rate USD/EURO	Sales	Operating Income
1,202	0	0
1,10	2 160 K€	736 K€
1,15	1 161 K€	396 K€
1,20	50 K€	17 K€
1,30	-1 801 K€	-613 K€



Global translation Effect (all currencies) compared to FY 20:

- Sales: -€1.0M
- Operating Income: -€0.3M (4% of Operating income)

CONSOLIDATED INCOME STATEMENT

BY NATURE

(in thousands of euros)	H1 2021	%	H1 2020	%	Var. €	Var. %
REVENUE	64 352	100%	54 240	100%	10 112	19%
Development costs capitalized	4 309	7%	3 961	7%	348	9%
Other income	780	1%	766	1%	14	2%
Purchases and external expenses	-14 670	-23%	-14 649	-27%	-21	0%
Personnel and related taxes	-40 534	-63%	-33 372	-62%	-7 162	21%
Local and misc. taxes	-672	-1%	-769	-1%	97	-13%
Depreciation & reserve expense	-4 437	-7%	-3 971	-7%	-466	12%
INCOME FROM OPERATION	9 128	14%	6 206	11%	2 922	47%
Financial income (loss)	67	0%	-204	0%	271	-133%
OPERATING INCOME	9 195	14%	6 002	11%	3 193	53%
Exceptional Items	57	0%	852	2%	-795	-93%
Income tax	-2 298	-4%	-1 605	-3%	-693	43%
Share of Profit in Associates	621	1%	174	0%	447	257%
NET INCOME	7 575	12%	5 423	10%	2 152	40%
Earnings per share in Euros	1,31		0,96			
Diluted earnings per share in Euros	1,30		0,96			

BY FUNCTION

(in thousands of euros)	H1 2021	%	H1 2020	%
REVENUE	64 352	100%	54 240	100%
Cost of goods sold	-18 612	-29%	-16 968	-31%
Research and development expenses	-6 938	-11%	-6 005	-11%
Selling expenses	-18 407	-29%	-15 223	-28%
Marketing expenses	-5 385	-8%	-4 752	-9%
General and administrative expenses	-5 882	-9%	-5 086	-9%
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22 % growth in net sales based on constant exchange rates:

SALES REVENUE IN M€	H1 2021	Growth*	H1 2020	Growth
SaaS	49,5	26%	39,2	9%
Implementation services	11,0	13%	9,7	16%
Legacy products	3,9	6%	3,6	-21%
TOTAL	64,4	22%	52,5	7%

* growth based on a constant exchange rate: 2021 exchange rates applied to 2020 figures

- ✗ A new record half year
- ✗ Continued growth in Cloud-based solutions : 26%, representing 93 % of total company revenue
- ✗ Record booking performance suggest high activity for FY21

R&D CAPITALIZED

	HY 21	HY 20	Var.	FY 20
	K€	K€	%	K€
Dev costs capitalized	4 309	3 961	+8.8%	7 823
Amortization	-2 947	-2 574		-5 351
Net	1 362	1 387	-1.8%	2 472
% capitalized	61%	63%		63%

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- Other income : tax credit for research in France for 507 K€ (387 K€ in H1 2020)
- Stable purchases and external expenses, decrease compared to activity growth: drop in travel expenses (139 M€ vs 720 M€ LY) offset by increasing fees (+338 K€) and telecom expenses (+440 K€)
- Personnel and related taxes increase : +7,2 M€ in line with increased headcount for HY 2021, regular salary increases and taxes
- Reserves : IDR (French indemnity for retirement) for 126 K€ (130 K€ in H1 2020)

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Financial income : 67 K€

In thousands of euros	06/30/2021	06/30/2020
Financial income	49	38
Interest expense	-10	-29
Foreign currencies exchange profit (loss)	25	-103
Net depreciation	3	-110
Financial income	67	-204

Exceptional income : 57 K€

Income tax: effective tax rate : 25 % (26 % in H1 2020)

Share of profit in associates : Neotouch JV

Net income : 7,6 M€ + 40% 12% of revenue

P&L BY FUNCTIONS

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- Cost generally in line with the headcount increase
- And in line with sales growth
- Cost of goods sold include cost of consulting services
- Marketing expenses slight decrease still due to Covid situation

CONSOLIDATED BALANCE SHEET

ASSETS (thousands of euros)	06/30/21	12/31/20
Goodwill	5 901	5 752
Intangible assets	26 297	25 035
Property, plant and equipment	9 513	10 036
Financial assets	6 637	6 405
Shares accounted for under the equity method	2 380	1 759
Total assets	50 728	48 986
Inventory and work in progress	256	257
Account receivable	28 929	25 994
Deferred tax assets	800	800
Prepaid exp. and other assets	7 143	5 446
Cash and equivalent	30 696	40 421
Total current assets	67 824	72 918
TOTAL ASSETS	118 552	121 904

- Intangible assets +1,2 M€ :
mainly due to development costs capitalized
- Financial assets : LT cash investments
- Account receivables in line with sales growth
- 9,7 M€ in cash – Government guaranteed loans paid back -
See cash flow statement

CONSOLIDATED BALANCE SHEET

LIABILITIES (thousand of euros)	06/30/21	12/31/20
Capital stock	11 810	11661
Additional paid-in capital	22 024	21202
Net result	7 575	11562
Consolidated reserves	30 170	20987
Total shareholders' equity	71 579	65 412
Reserves	2 816	2 698
Financial liabilities	2 362	15 144
Account payable	9 088	8 617
Tax and employee related liabilities	21 499	19 299
Other liabilities	11 208	10 734
Total current liabilities	44 157	53 794
TOTAL LIABILITIES	118 552	121 904

- Financial liabilities :
 - Finance lease liability : 0,7M€
 - Bank loans : 1,6 M€

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	06/30/21	06/30/20
Consolidated net income (loss)	7 575	5 423
Depreciation and amortization	4 452	4 066
Capital gains and losses	-3	-21
Cash Flow after net financial expenses	12 024	9 468
Interest paid and received	49	14
Income tax , including deferred taxes, due and paid	94	498
Variance in working capital	-1 510	-448
NET CASH GENERATED BY OPERATING ACTIVITIES	10 657	9 532
Adission intangible and tangible assets	-4 975	-5 242
Change in other financial assets	-317	15
Investments in associate company	-770	-190
NET CASH FLOW FROM INVESTING ACTIVITIES	-6 062	-5 417
Dividend paid	-2 897	-1 896
Amount received from the exercise of stocks options	970	535
Change in borrowings	-12 831	10 047
NET CASH FLOW FROM FINANCING ACTIVITIES	-14 758	8 686
<i>Effect of exchange rate changes on cash</i>	438	-360
Cash at the beginning of the period	40 421	21 357
Cash at the end of the period	30 696	33 798

Cash position decreases (-9,7 M€):

- Positive cash flow generated by operating activities : + 10.7 M€ +12%
- That finances investing activities:
 - 4,3 M€ of capitalized development costs
 - 0,7 M€ of tangible assets
- Dividend paid : 2,9 M€
- Repayment of Government Guaranteed Loan (PGE) : - 11,5 M€
- Positive currency impact

2021 OUTLOOK

- Revenue should remain dynamic throughout H2
- Growth should exceed 17% in constant currencies
- Revenue should be over 130M€
- Bookings are expected to continue to grow 2 digit despite less favorable base effect
- Profitability should surpass FY20, consistent with HY 21



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