THE CLOUD PLATFORM FOR DOCUMENT PROCESS AUTOMATION

Jean-Michel Bérard, Founder & CEO
Emmanuel Olivier, COO
March 2018
Agenda

- Corporate Overview
- Key Figures
- Financial Overview
- Strategy
- Addendum
CORPORATE OVERVIEW
THE CLOUD PLATFORM FOR DOCUMENT PROCESS AUTOMATION
Mission & Vision

THE CLOUD PLATFORM
FOR BUSINESS DOCUMENT AUTOMATION

SaaS Solutions
Positioning

Cash Conversion Cycle

Your customers

Your company

Your suppliers

Order Processing

Purchasing Automation

Accounts Receivable

Accounts Payable

O2C

ORDER-TO-CASH

P2P

PURCHASE-TO-PAY
Digital Transformation of the Cash Conversion Cycle

- Improve Cost & Efficiency
- Improve Customer Satisfaction
- Manage Growth
- Strengthen Supplier Relationship
- Gain Complete Visibility
- Meet Compliance & Environmental Standards
Unique Selling Propositions

- Bridging Traditional & Electronic Medias
- 14 years in the Cloud
- Customer Centric
- Agile & Design Thinking
- Global Presence
Global Presence

- 10 subsidiaries
- 62% of international Revenue
- 39% in Americas
Recently signed Customers

And many more...
2017 Achievements

- New Esker Website
- Corporate Culture Defined
- e-integration acquisition
- SCM Launch in Singapore
- Neopost launch in USA
- ISO27001 Certification
2017 Broken Records

- SaaS Revenue over 50M€
- Over 500 employees WW
- Esker Market Cap over 300M€
- Over 100 Millions pages produced in French Mail facility
KEY FIGURES
Key Figures

€76 million in sales achieved in 2017

+11%
Organic growth (constant exchange rate)

+15%
published growth

+15%

€76 million in sales achieved in 2017

+11%
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Key Figures

€76 million in sales achieved in 2017

+11%
Organic growth (constant exchange rate)

+15%
published growth

Key Figures
Business Model

77% recurring revenue (SaaS + Maintenance)
**SaaS Revenue**

- **Two third** of the Revenue
- **€57M** in 2017 (+22%)
- Over **50 million** pages processed every month
- Over **5,000 Customers** in the world
- **5 million Users** on our platform
FINANCIAL OVERVIEW
2017 At a Glance

- **E-integration consolidated for 12 months**
  - Revenue: 3.6 M€ (+9%)
  - Operating Profit: 0.6M€

- **Dynamic growth with two record quarters**
  - +15%, +11% at constant currency rates and including e-integration

- **SaaS growth accelerates**
  - 21% vs 20% in 2016

- **New customer acquisition accelerates**
  - Value of new contracts sold grew by more than 45% vs. 33% in 2016
  - Good visibility on future years revenue

- **Negative base effect due to unusual one-off license deals in 2016 (€1M)**
  - Revenue growth appears lower overall
  - Direct bottom line impact

- **Unfavorable currency translation effect:**
  - -0.4 M€ on operating profit
  - Mainly USD (0,3 M€) and GBP (0,1M€)

- **Continued investments in R&D & Consulting to prepare for future growth**
  - Operating income up by +5%
  - Net income increasing by 7%
  - Operating cash flow +11% at 15.2M€
Track Record

Sales revenue

€M

- 2010: 32,7
- 2011: 36,3
- 2012: 40,3
- 2013: 41,1
- 2014: 46,1
- 2015: 58,5
- 2016: 66,0
- 2017: 76,0

Operating income

€M

- 2010: 2,0
- 2011: 3,8
- 2012: 4,3
- 2013: 3,9
- 2014: 5,7
- 2015: 9,1
- 2016: 9,7
- 2017: 10,2

Cash flow

€M

- 2010: 3,9
- 2011: 5,0
- 2012: 5,0
- 2013: 6,0
- 2014: 8,5
- 2015: 13,2
- 2016: 14,4
- 2017: 15,2

Net income

€M

- 2010: 1,9
- 2011: 2,6
- 2012: 3,0
- 2013: 3,2
- 2014: 4,7
- 2015: 6,5
- 2016: 6,3
- 2017: 6,8
## Currency Effects (USD)

<table>
<thead>
<tr>
<th>Rate USD/EURO</th>
<th>Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.137</td>
<td>0 K€</td>
<td>0 K€</td>
</tr>
<tr>
<td>1.00</td>
<td>4 034 K€</td>
<td>1 338 K€</td>
</tr>
<tr>
<td>1.1032</td>
<td>903 K€</td>
<td>300 K€</td>
</tr>
<tr>
<td>1.20</td>
<td>-1 545 K€</td>
<td>-512 K€</td>
</tr>
<tr>
<td>1.30</td>
<td>-3 690 K€</td>
<td>-1 224 K€</td>
</tr>
</tbody>
</table>
## 2017 Sales Activity

<table>
<thead>
<tr>
<th>SALES REVENUE</th>
<th>2017 €M</th>
<th>2016 €M</th>
<th>GROWTH (4)</th>
<th>GROWTH CONSTANT CURRENCIES &amp; GROUP COMPOSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS-based document process automation (1)</td>
<td>64.4</td>
<td>50.9</td>
<td>+27%</td>
<td>+21%</td>
</tr>
<tr>
<td>License and maintenance-based document process automation (2)</td>
<td>8.1</td>
<td>10.7</td>
<td>-24%</td>
<td>-23%</td>
</tr>
<tr>
<td>Legacy products (3)</td>
<td>3.6</td>
<td>4.4</td>
<td>-18%</td>
<td>-18%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>76.1</td>
<td>66.0</td>
<td>+15%</td>
<td>+11%</td>
</tr>
</tbody>
</table>

(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: 2017 exchange rates applied to 2016 figures
Growth by Product Type

- SaaS Growth accelerates
  - 6.8 M€ in 2017
  - 6.0 M€ in 2016
- License drops faster due to one off deals in 2016
  - -1.0 M€ in 2017
  - -0.1 M€ in 2016

Excl. e-integration
At constant exchange rates
Revenue and Growth by Geography

- Consistent growth rates across regions
  - Faster growth in APAC
  - Growth rate in the Americas affected by 2016 license deals
Customer acquisition growth accelerates

- Typical contract: 3 years
- Includes:
  - Fixed part: subscription fee
  - Variable part: per document fee
- Committed value signed
  - 12.8 M€ in 2017
  - +45% vs 2016
- Will benefit the revenue line over the next 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement immediately. Commission cost increased by 0.5M€ in 2017 vs 2016
- Committed value of contract is approximately 50% of total value at contract renewal
Profitability Overview

- Profitability remains high despite
  - Continued investment in consulting and R&D for future growth (Headcount +20%)
  - Unfavorable currency translation impact: 0.4M€
  - Increased cost due to growth in new customer acquisition (Sales commissions: +0.5M€)
  - Negative base effect on license deals (1M€)
Continued Investment in People

- **Global HC increase**
  - +19% (+12% w/o e-integration)
  - +78 FTE (+49 w/o e-integration)
  - Consulting & R&D represent 76% of overall increase

**2017 average headcount (excl. e-integration)**
- Tech Support: 11%
- Admin: 11%
- Sales: 17%
- R&D: 22%
- Marketing: 10%
- Production: 6%
- Consulting: 23%

**Increase in average headcount by department**
- Consulting: 27%
- R&D: 18%
- Sales: 1%
- Tech Support: 6%

**NB:** excl. e-integration
## Income Statement by Destination

<table>
<thead>
<tr>
<th>(in thousands of euros)</th>
<th>12/31/17</th>
<th>% net sales</th>
<th>12/31/16</th>
<th>% net sales</th>
<th>Var</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>76 069</td>
<td>100%</td>
<td>65 990</td>
<td>100%</td>
<td>10 079</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Cost of Production</strong></td>
<td>-12 209</td>
<td>-16%</td>
<td>-11 096</td>
<td>-17%</td>
<td>-1 113</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Research and Development expenses</strong></td>
<td>-7 958</td>
<td>-10%</td>
<td>-5 599</td>
<td>-8%</td>
<td>-2 359</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Sales &amp; Consulting expenses</strong></td>
<td>-31 142</td>
<td>-41%</td>
<td>-25 483</td>
<td>-39%</td>
<td>-5 659</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Marketing expenses</strong></td>
<td>-7 181</td>
<td>-9%</td>
<td>-6 790</td>
<td>-10%</td>
<td>-391</td>
<td>6%</td>
</tr>
<tr>
<td><strong>General and Administrative expenses</strong></td>
<td>-7 332</td>
<td>-10%</td>
<td>-7 286</td>
<td>-11%</td>
<td>-46</td>
<td>1%</td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td>10 247</td>
<td>13%</td>
<td>9 735</td>
<td>15%</td>
<td>512</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>-110</td>
<td>0%</td>
<td>-108</td>
<td>0%</td>
<td>-2</td>
<td>2%</td>
</tr>
<tr>
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<td>9 626</td>
<td>15%</td>
<td>511</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Exceptional income</strong></td>
<td>-456</td>
<td>-1%</td>
<td>-474</td>
<td>-1%</td>
<td>18</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td>-3 148</td>
<td>-4%</td>
<td>-2 950</td>
<td>-4%</td>
<td>-198</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Share of profit in associates</strong></td>
<td>234</td>
<td>0%</td>
<td>123</td>
<td>0%</td>
<td>111</td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>6 767</td>
<td>9%</td>
<td>6 325</td>
<td>10%</td>
<td>442</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Earnings per share in Euros</strong></td>
<td>1.28</td>
<td>1.20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Diluted earnings per share in Euros</strong></td>
<td>1.22</td>
<td>1.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Acquisition of e-integration (Germany)

- Esker SA acquired e-integration GmbH in January 2017
  - German electronic data interchange (EDI) service provider
  - Based in Ratingen, Germany
  - 30 employees
  - 600 active customers

- Deal structure
  - Cash
  - Shares
  - Earn out: to be determined based on 2017 & 2018 cumulated sales results

- Purchase price allocation:
  - Brand: 585 K€ - indefinite useful life
  - Customer base: 2 447 K€ - 20 years average useful life
  - Goodwill: 989 K€ - indefinite useful life

- 2017 contribution:
  - Sales: 3,6 M€ - +9% vs 2016
  - Operating income: 651 K€
## Consolidated balance sheet

<table>
<thead>
<tr>
<th>ASSETS (thousand of euros)</th>
<th>12/31/17</th>
<th>12/31/16</th>
<th>LIABILITIES (thousand of euros)</th>
<th>12/31/17</th>
<th>12/31/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>5 858</td>
<td>5 522</td>
<td>Capital stock</td>
<td>10 961</td>
<td>10 789</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>20 815</td>
<td>16 859</td>
<td>Additional paid-in capital</td>
<td>19 277</td>
<td>18 972</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7 115</td>
<td>5 168</td>
<td>Net result</td>
<td>6 766</td>
<td>6 325</td>
</tr>
<tr>
<td>Financial assets</td>
<td>4 124</td>
<td>785</td>
<td>Consolidated reserves</td>
<td>2 616</td>
<td>-1 684</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>37 912</td>
<td>28 334</td>
<td><strong>Total shareholders’ equity</strong></td>
<td>39 620</td>
<td>34 402</td>
</tr>
<tr>
<td>Inventory and work in progress</td>
<td>176</td>
<td>101</td>
<td><strong>Reserves for risks and charges</strong></td>
<td>1 193</td>
<td>554</td>
</tr>
<tr>
<td>Account receivables</td>
<td>17 633</td>
<td>16 060</td>
<td>Financial liabilities</td>
<td>13 716</td>
<td>7 657</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>762</td>
<td>1 062</td>
<td>Account payables</td>
<td>4 824</td>
<td>4 765</td>
</tr>
<tr>
<td>Prepaid and other current assets</td>
<td>3 620</td>
<td>3 463</td>
<td>Tax and employee related liabilities</td>
<td>12 661</td>
<td>11 446</td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>20 632</td>
<td>21 338</td>
<td>Other liabilities</td>
<td>8 721</td>
<td>11 534</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>42 823</td>
<td>42 024</td>
<td><strong>Total current liabilities</strong></td>
<td>39 922</td>
<td>35 402</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>80 735</td>
<td>70 358</td>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>80 735</td>
<td>70 358</td>
</tr>
</tbody>
</table>

- Intangible assets & goodwill increase due to
  - E-integration acquisition 3.8 M€
  - Development costs capitalized (net) : 1M€

- Tangible assets increase linked to acquisition of mail factory premises in Décines (Lyon)

- Financial assets show long term financial investment of cash

- Financial liabilities include 10M€ of new loans for e-integration acquisition, production site purchase, BPI loan for development

- Other liabilities decrease due to payment of earn out amount for TermSync acquisition (1.1M€)
Consolidated cash flow statement

Cash position appears to slightly decrease (0.7M€) but includes a 3M€ investment classified as financial assets

- Positive cash flow generated by operating activities:
  - + 15.2 M€ vs. 13.7 M€ in 2016

- And 10 M€ of new loans (see previous slide)

- That finances investing activities:
  - ✔ 5.2 M€ of capitalized development costs
  - ✔ 2 M€ of building of French mail factory
  - ✔ 4 M€ of e-integration assets

- Increased dividend paid

- Negative currency impact
STRATEGY
Product Roadmap

- **OUR VISION**
  - Portals
  - Collaboration
  - Mobile app
  - Business network

- **FINANCE**
  - Payment
  - Dynamic discounting
  - Reverse factoring
  - Factoring

- **PROCESS**
  - Order Processing
  - Account Receivable
  - Accounts Payable
  - Purchasing

- **PEOPLE**
  - Portals
  - Collaboration
  - Mobile app
  - Business network

- **DOCUMENT**
  - Purchase orders
  - Customer invoices
  - Supplier invoices

- **MEDIA**
  - EDI
  - Fax
  - Email
  - Mail
  - SMS

Supply Chain Financing
Collaboration
OUR VISION
Technologies Roadmap

- Multi-Tenant Global SaaS Platform
- Machine-Learning
- Mobile Application (Esker Anywhere)
- Robotic Process Automation (RPA)
- Artificial Intelligence (Deep-Learning)
Growth Drivers

Expand Global Customer Base

Deepen existing Customer Relationship

Productization & UX

Partners & Resellers

Platform & OEM
Financial Goals

• Maintain organic double-digit growth

• Maintain a high level of profitability
  ▪ While investing for future growth
ADDENDUM
Stock Market

Euronext Growth Paris

ISIN Code: FR0000035818 ALESK

Market capitalization Mar 22, 2018: 287 M€

Number of shares: 5,438,908

Capital breakdown as of December 31, 2017 (estimated)

Stock Price Evolution over 3 years

Earnings Announcements:

Q4 2017: January 16 2018*
FY 2017: March 22 2018*
Q1 2018: April 17 2018*
Q2 2018: July 17 2018*
H1 2018: September 13 2018*
Q3 2018: October 16 2018*

* After stock market closing
Board of Directors

Jean-Michel Bérard (56)
CEO – President of BoD
Esker founder

Emmanuel Olivier (49)
COO – General Manager
Board Member

Eric Bussy (43)
WW Corporate Marketing and Product Management Director

Jean-Jacques Bérard (51)
Executive Vice President, Research and Development

Steve Smith (55)
U.S. Chief Operating Officer

Eric Thomas (49)
Vice President of Business Development

Anne Grand-Clément (45)
WW Director of Professional Services and Technical Support
Dynamic Discounting – AP-

Rate: 1% per month

1. Invoice
2. AP
3. Request for early payment
4. Treasurer
5. Payment
Reverse Factoring – AP -

Rate: 1.5% per month

1. Invoice
2. AP
3. Treasurer
4. Request for early payment
5. Payment
6. Factor

Buyer

Vendor

Supplier Portal

ERP

AR

Treasurer

Payment

Invoice

Request for early payment

Rate: 1.5% per month

Invoices and payments flow through various entities and processes in a reverse factoring AP setup.
# Consolidated Income Statement (French Format)

<table>
<thead>
<tr>
<th>(in thousands of euros)</th>
<th>12/31/17</th>
<th>% net sales</th>
<th>12/31/16</th>
<th>% net sales</th>
<th>Var</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>76 065</td>
<td>100%</td>
<td>65 990</td>
<td>100%</td>
<td>10 075</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td><strong>Development costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 204</td>
<td>7%</td>
<td>4 774</td>
<td>7%</td>
<td>430</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 136</td>
<td>1%</td>
<td>966</td>
<td>1%</td>
<td>170</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td><strong>Purchases and external expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-21 536</td>
<td>-28%</td>
<td>-19 727</td>
<td>-30%</td>
<td>-1 809</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td><strong>Personnel and related taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-43 216</td>
<td>-57%</td>
<td>-36 185</td>
<td>-55%</td>
<td>-7 031</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td><strong>Local and misc. Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-1 063</td>
<td>-1%</td>
<td>-916</td>
<td>-1%</td>
<td>-147</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-6 152</td>
<td>-8%</td>
<td>-5 137</td>
<td>-8%</td>
<td>-1 015</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td>-190</td>
<td>0%</td>
<td>-31</td>
<td>0%</td>
<td>-159</td>
<td>513%</td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td>10 248</td>
<td>13%</td>
<td>9 734</td>
<td>15%</td>
<td>514</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>-110</td>
<td>0%</td>
<td>-108</td>
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<td>2%</td>
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<td>10%</td>
<td>441</td>
<td>7%</td>
</tr>
</tbody>
</table>

- **Earnings per share in Euros**: 1.28
- **Diluted earnings per share in Euros**: 1.22