

THE CLOUD PLATFORM FOR BACK OFFICE DIGITALIZATION

Jean-Michel Bérard, Founder & CEO
Emmanuel Olivier, COO
January 2022





AGENDA

- Corporate Overview
- Business Model
- Strategy
- Addendum
- 2021 Half Year Statements



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

ORDER-TO-CASH

Procurement

Order Management

Accounts Payable

Accounts Receivable



DIGITAL TRANSFORMATION OF THE BACK OFFICE

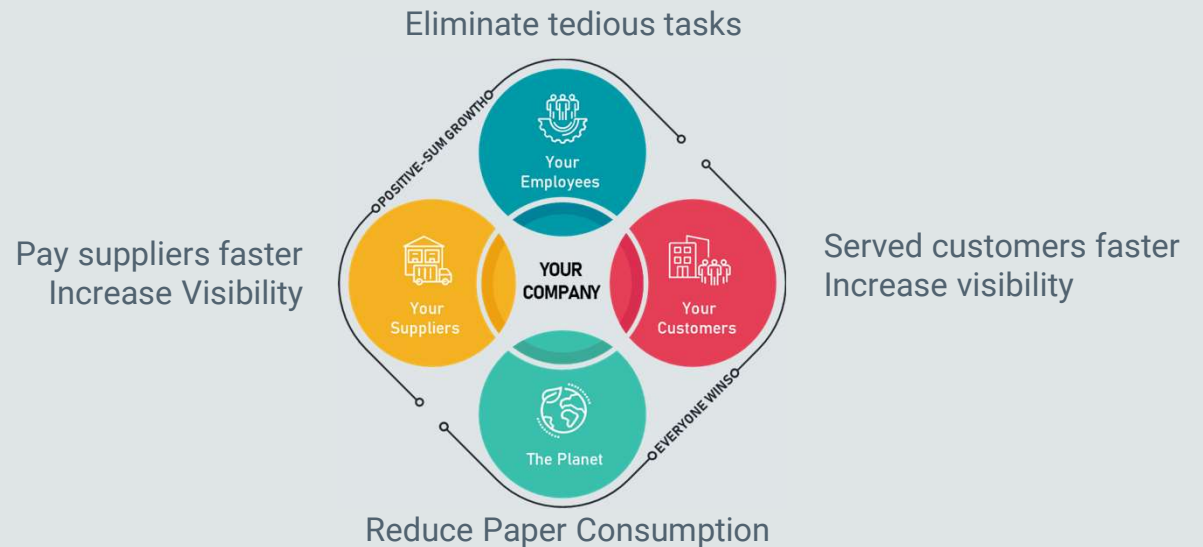


Increased business productivity



Enhanced global visibility & analytics

POSITIVE-SUM-GROWTH



LEADING ANALYSTS RECOGNITION

Gartner

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



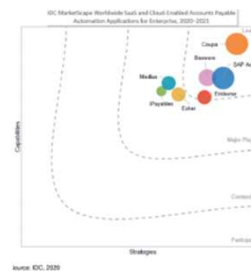
Ardent Partners
RESEARCH WITH RESULTS

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



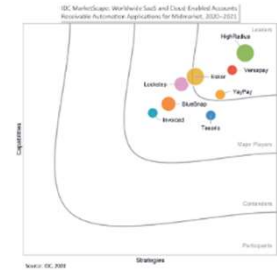
IDC | ANALYZE THE FUTURE

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

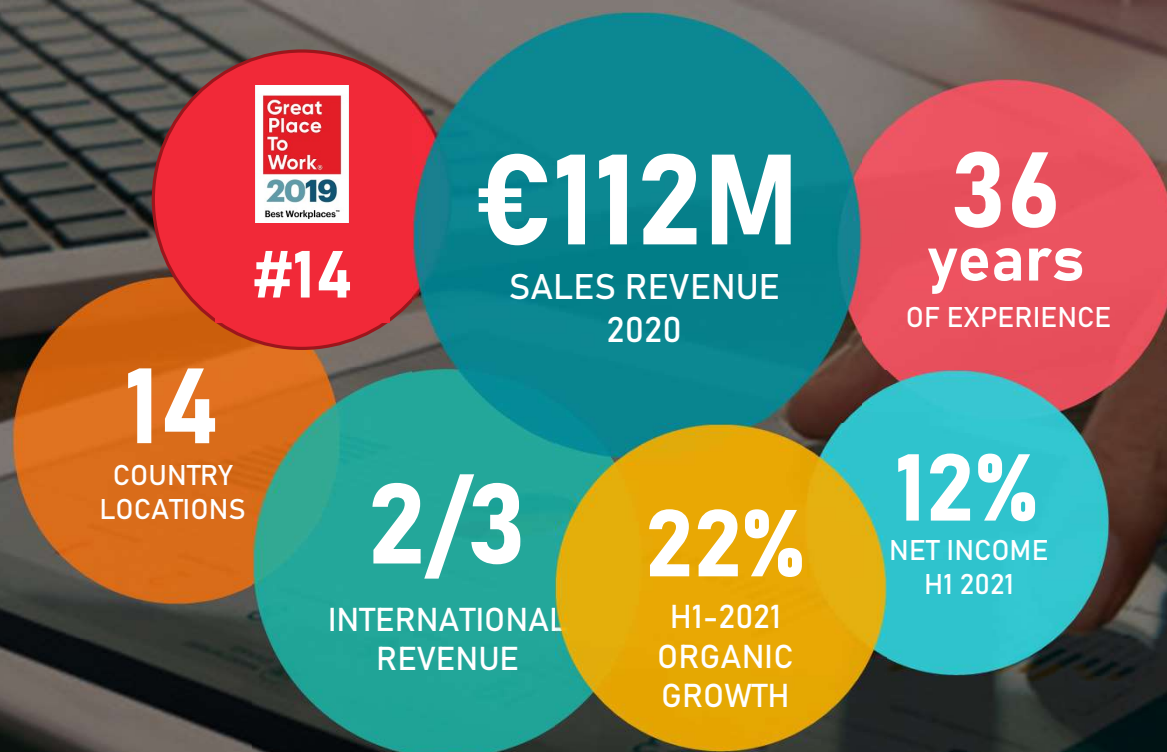


IDC | ANALYZE THE FUTURE

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



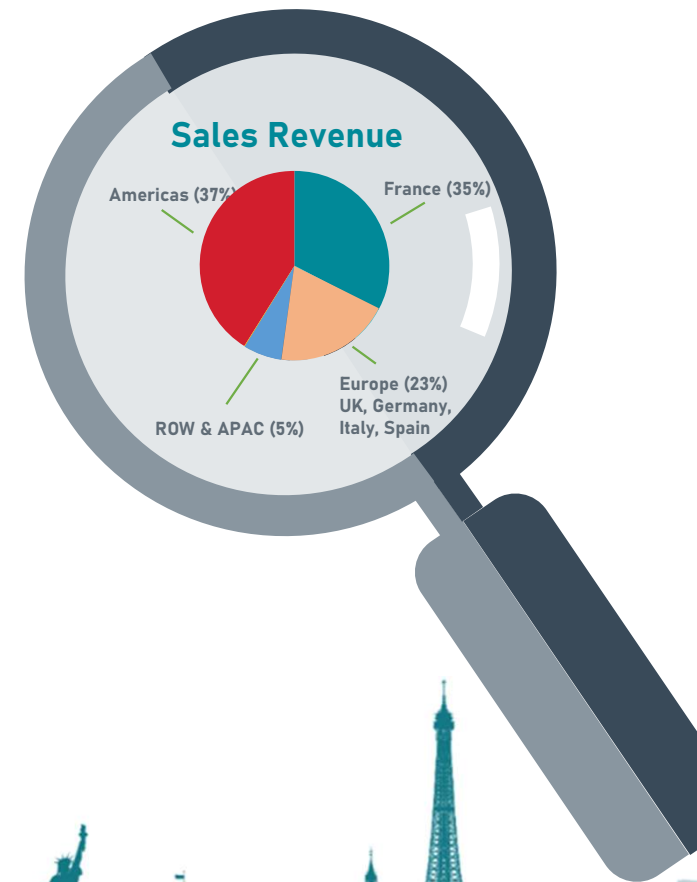
KEY NUMBERS



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



L'ORÉAL

NOVARTIS

legrand®



Herta

HydroOttawa



GUCCI
timepieces & jewelry

Bristol-Myers Squibb

element
solutions

GIVENCHY

Oldcastle APG
A CRH COMPANY

ALEXION

SANOFI

GROUPE
SEB

DERICHEBOURG

Roche
Diagnostics



SMA

CHAUMET
PARIS

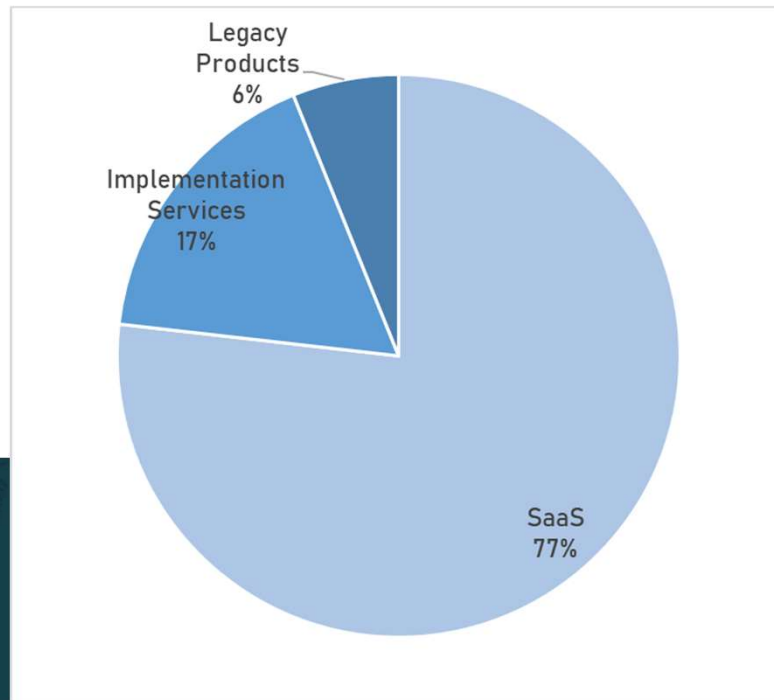
Mars

And many more ...

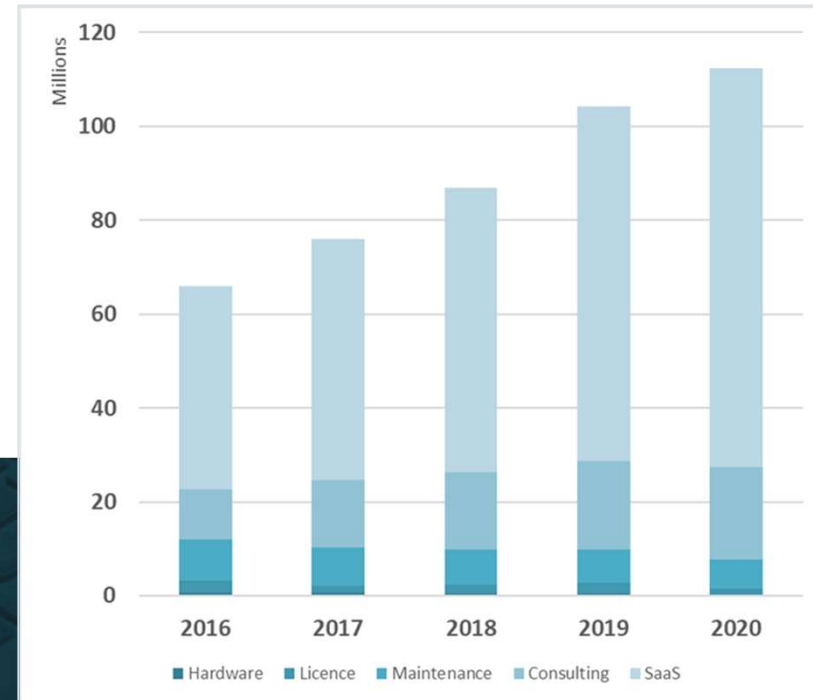


BUSINESS MODEL

STRONG RECURRING BUSINESS MODEL

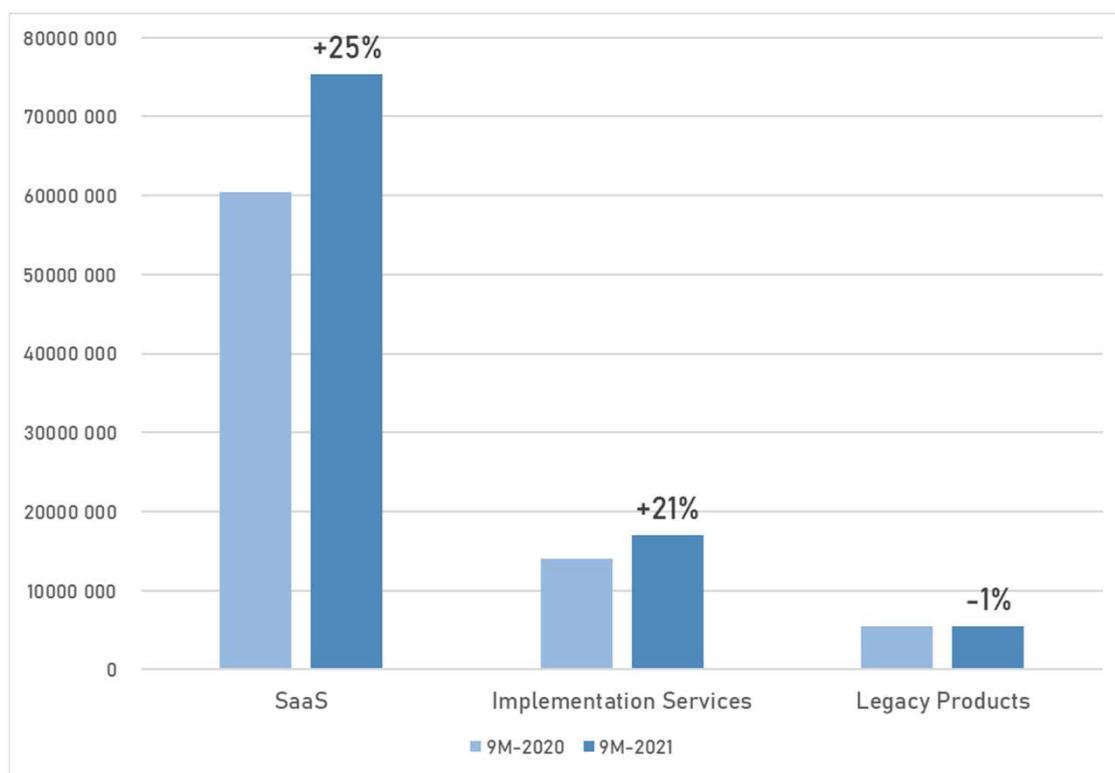


81% recurring revenue in 9M-2021
(SaaS + Maintenance)



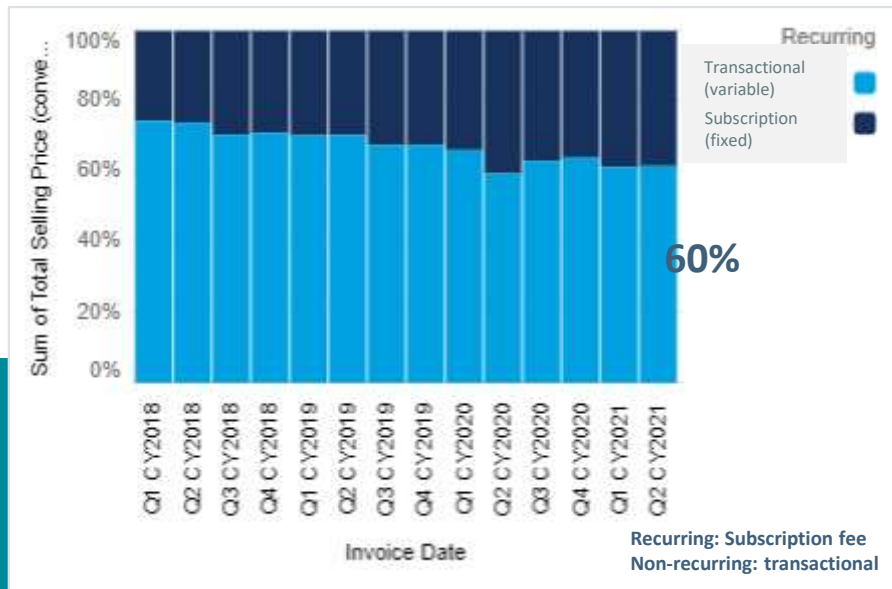
In 2021 SaaS Increased 26% and represented 77% of the total revenue (76% for FY 2020)

REVENUE GROWTH BY PRODUCT TYPE

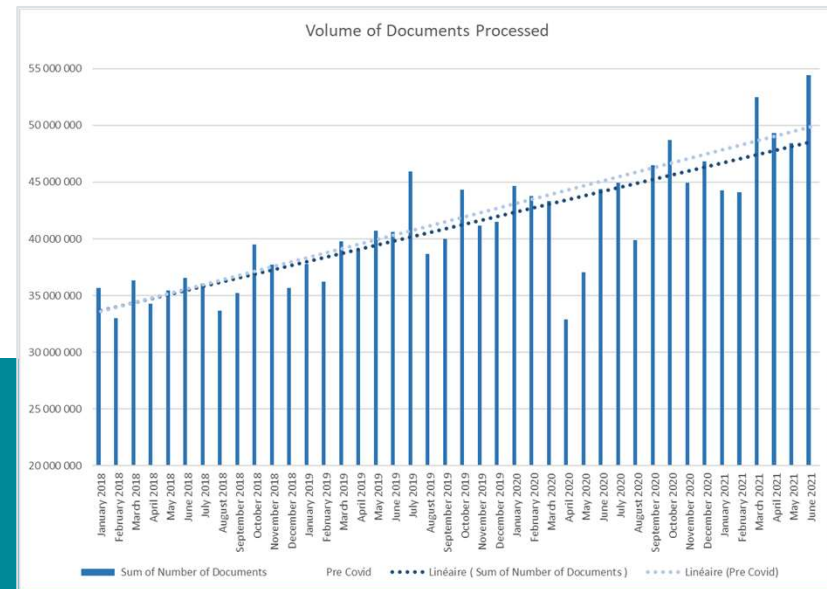


- Dynamic growth of SaaS shows implementation of past wins & recovery of transactional revenue (variable in nature) compared to H1 20
- Consulting revenue has been impacted during the second half of 2020 due to lower bookings in Q2/Q3 2020. It is expected to show accelerated growth in H2 21 as Q4 20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

SAAS VOLUME VS. SUBSCRIPTION TRENDS

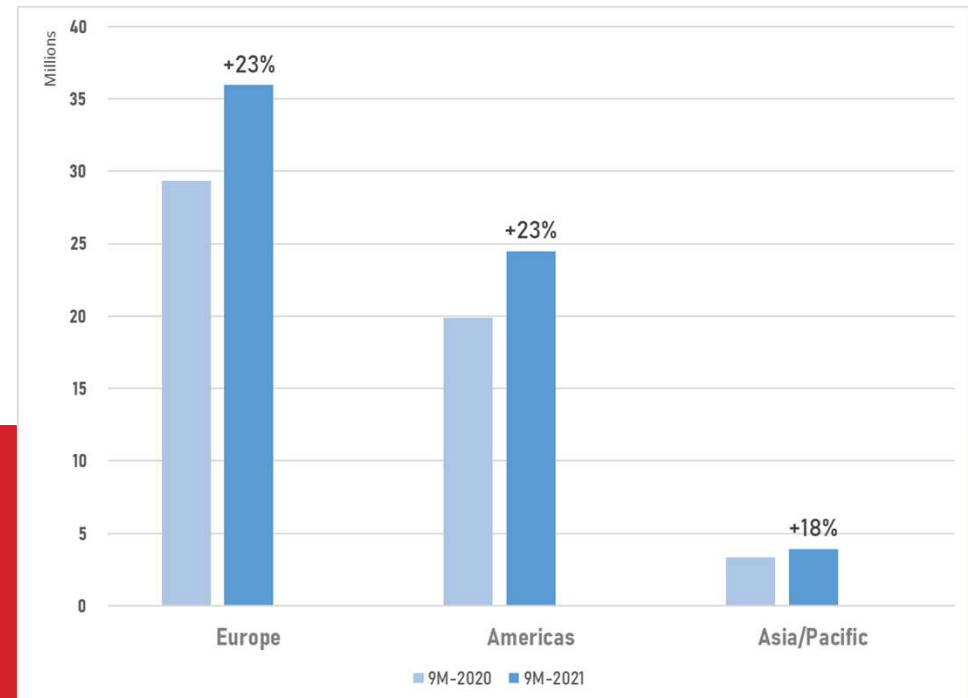
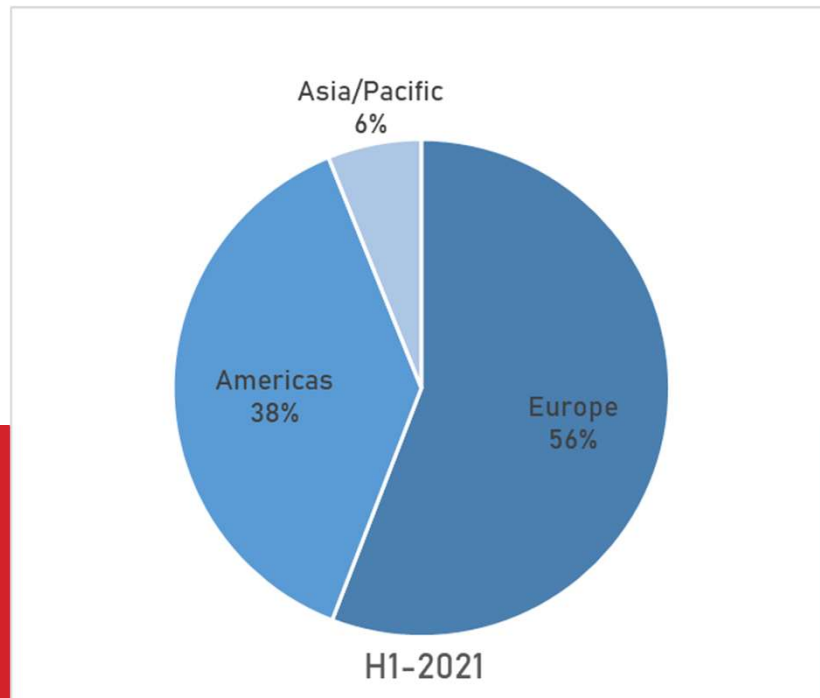


Traffic (transactional revenue) dropped as a % of total SaaS revenue in Q2 20 and recovered
Esker pricing structure gradually moves to more subscription fees vs transactional revenue



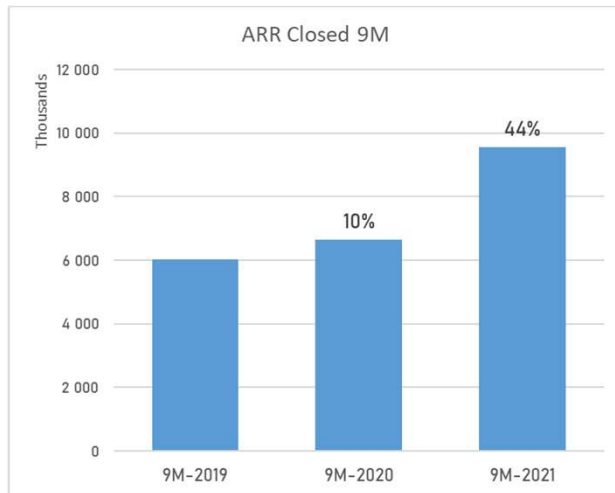
Volumes of documents processed higher than before Covid
But still slightly below pre Covid trends
Volumes will slightly catch up as Covid situation improves WW

REVENUE GROWTH BY REGION



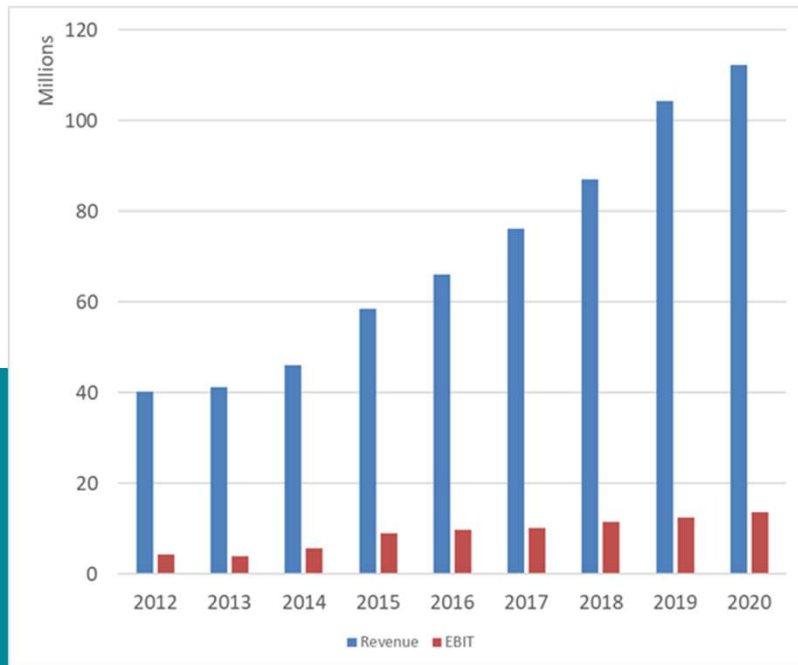
- All regions are growing
- Europe suffered more from economic slowdown but has recovered
- Asia/Pac remains impacted by strict Covid policies

DYNAMIC SALES PERFORMANCE (BOOKINGS)



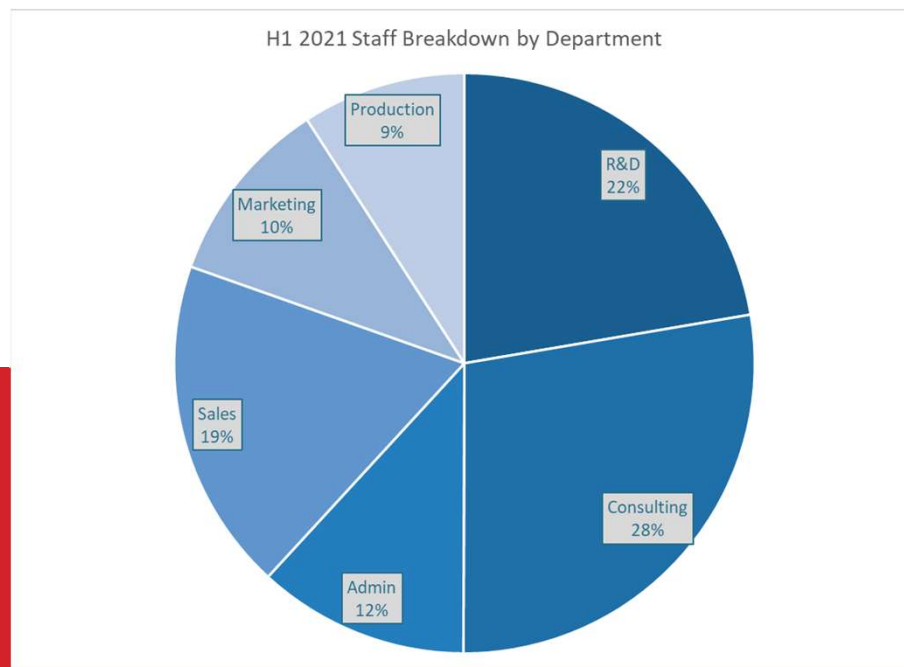
- Bookings (order intake) include only the fixed part of a signed contract (subscription fee).
- This represents the future average annual guaranteed revenue to Esker for a contract
- Typical contract: 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract 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

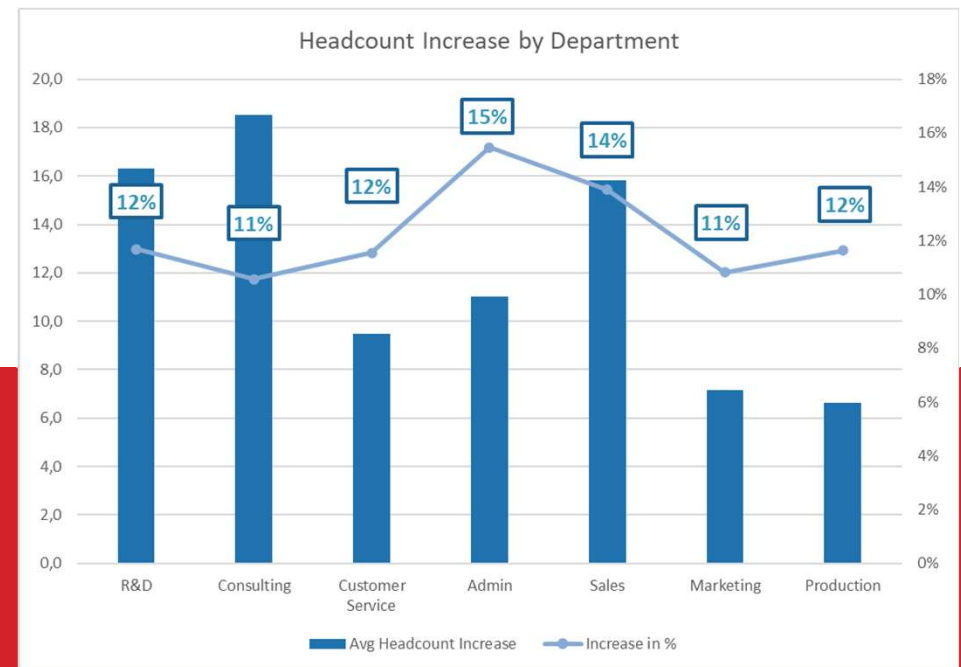


Growth requires investments but Esker still aims at maintaining profitability in the 12 – 15% range

DYNAMIC INVESTMENTS FOR FUTURE GROWTH



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

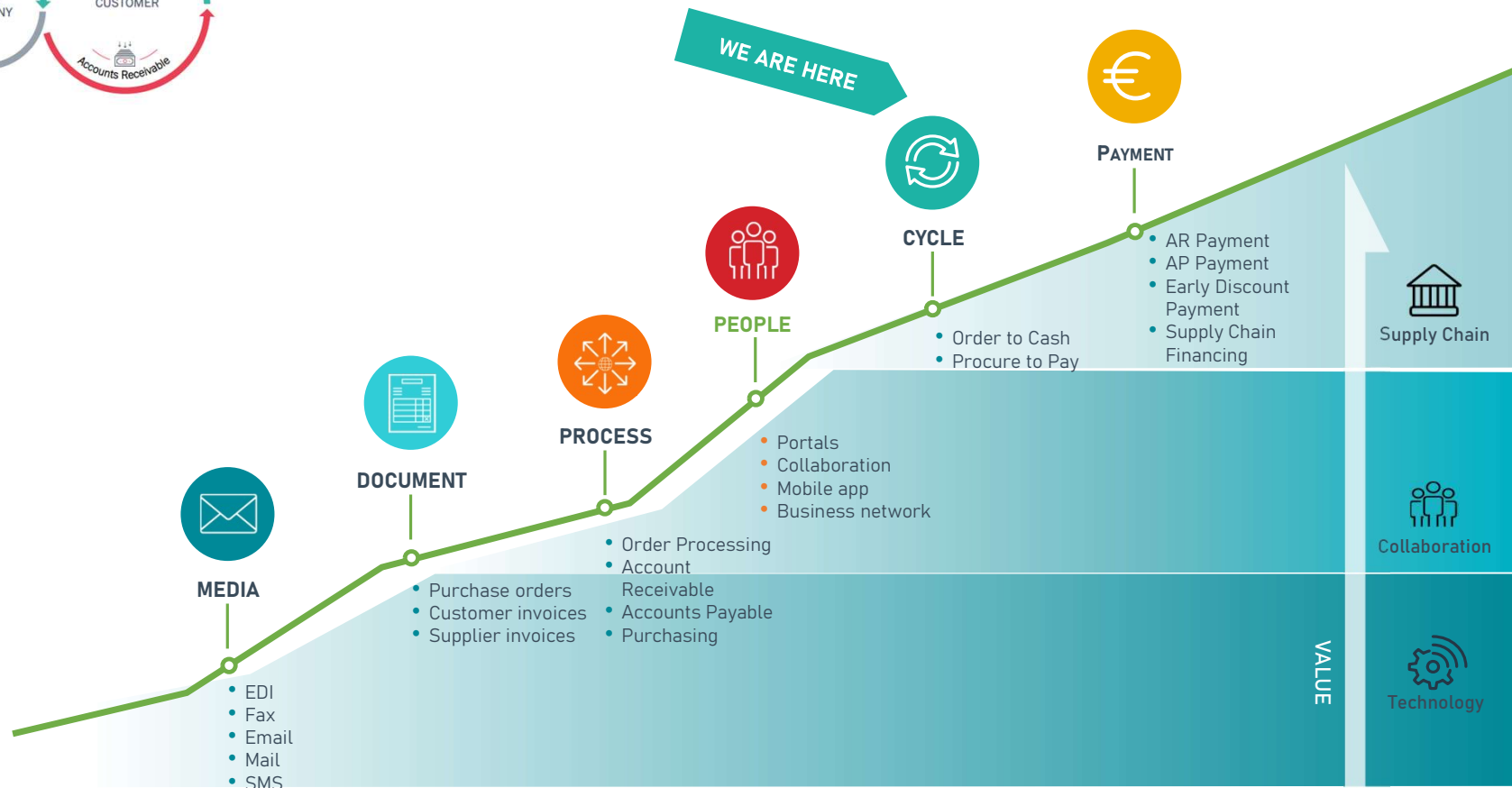
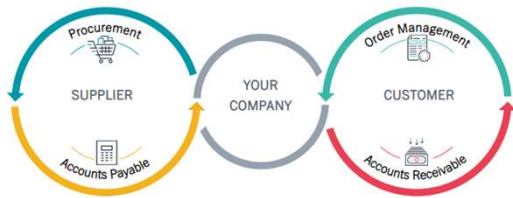


H1 2021 - Staff increase:
VS. H1 2020: 85 FTE (+12%)

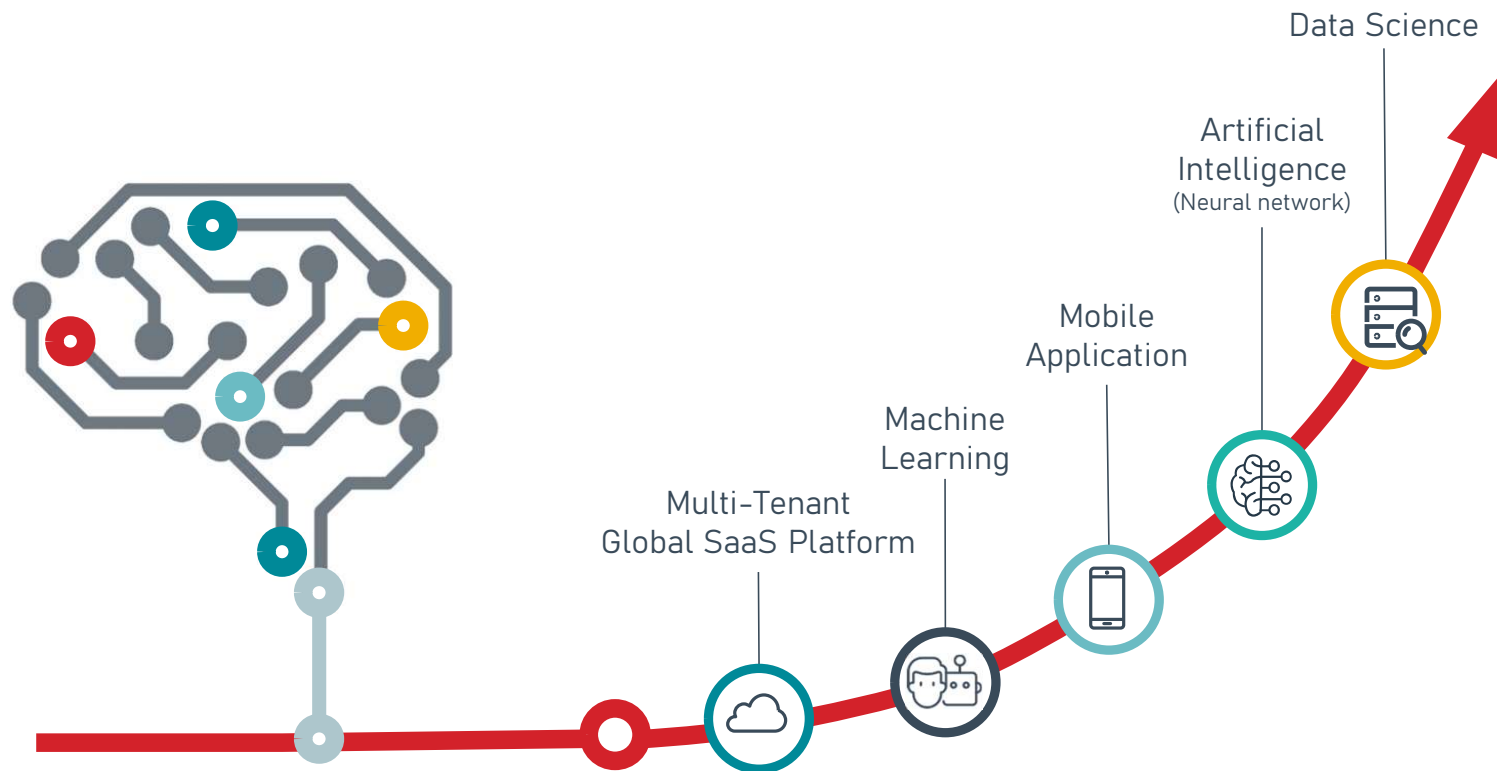


STRATEGY

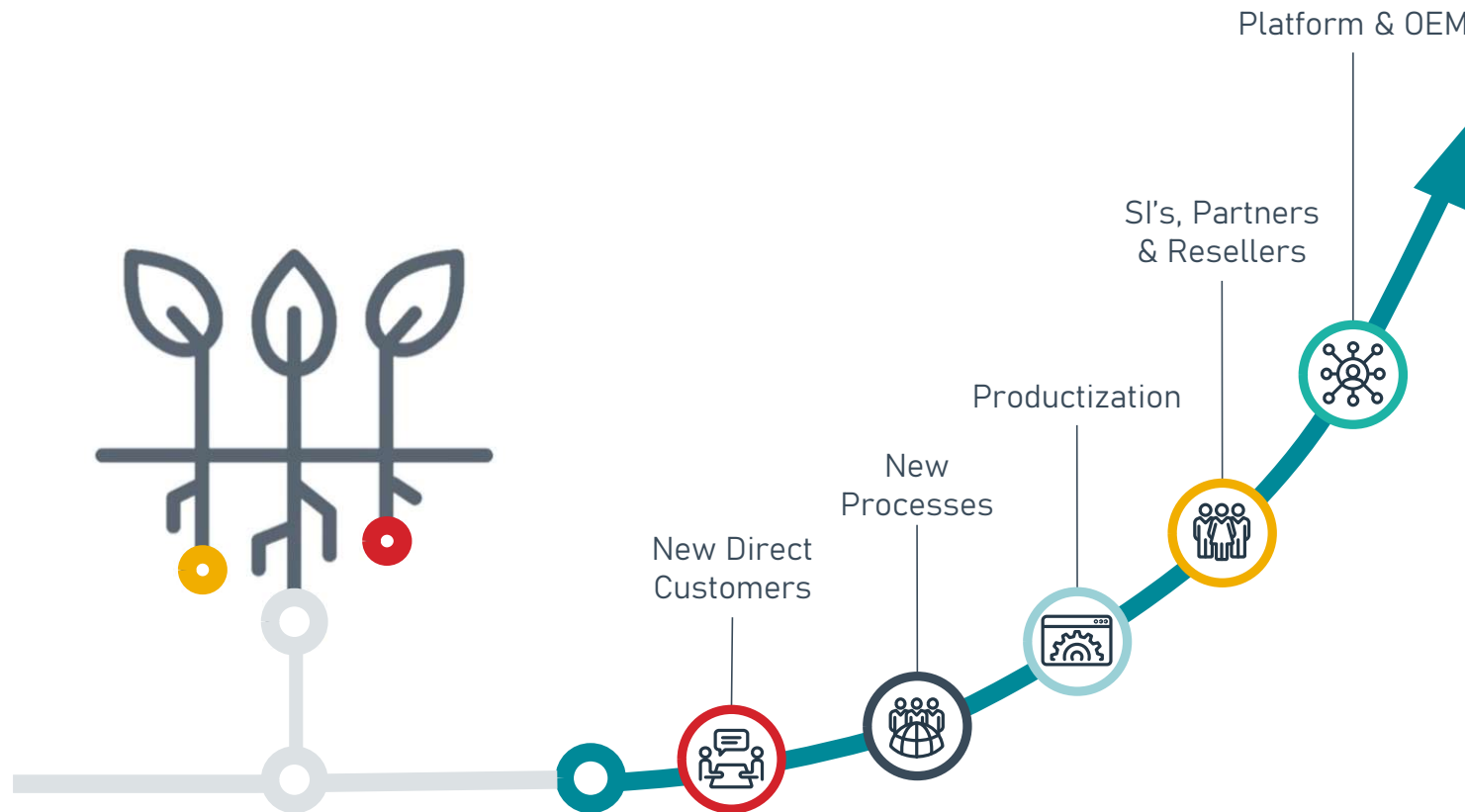
PRODUCT STRATEGY



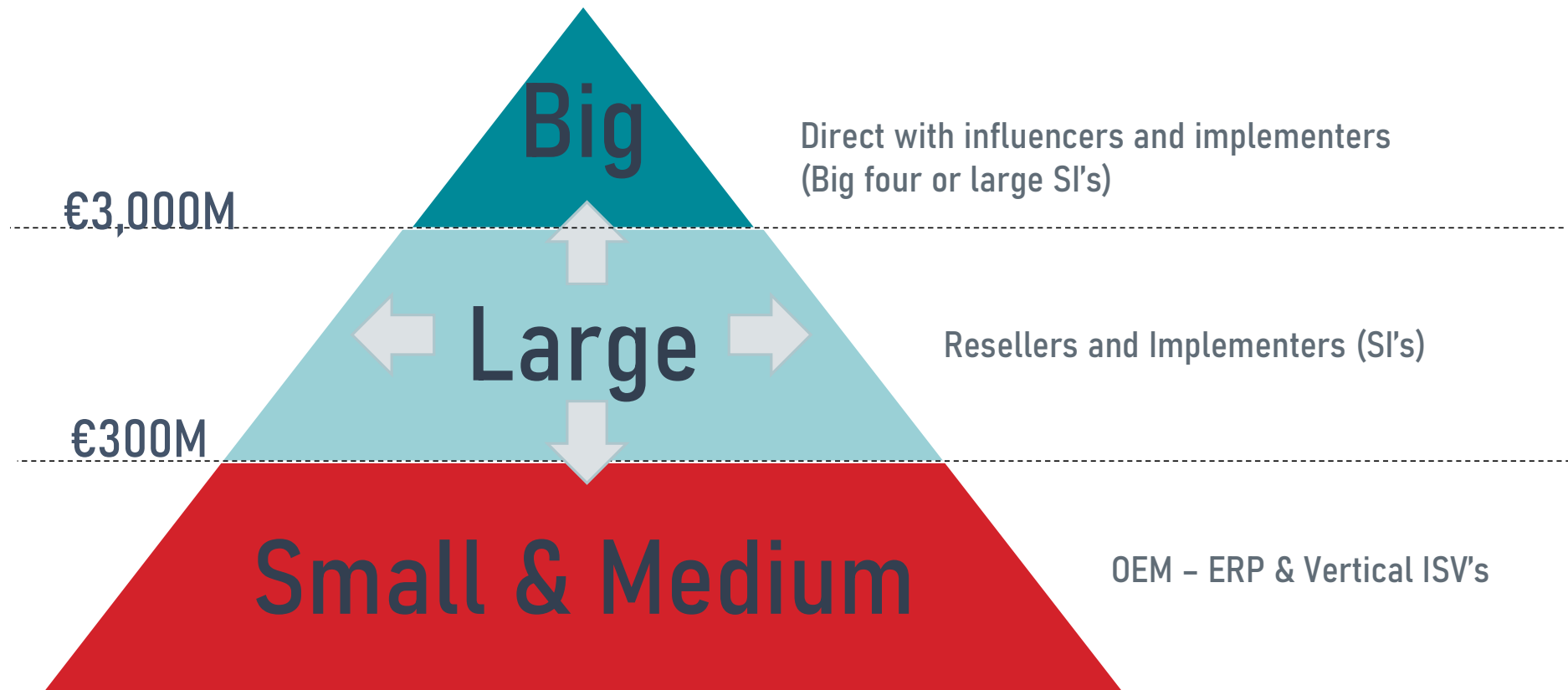
TECHNOLOGY ROADMAP



GROWTH DRIVERS



SALES STRATEGY



M&A STRATEGY

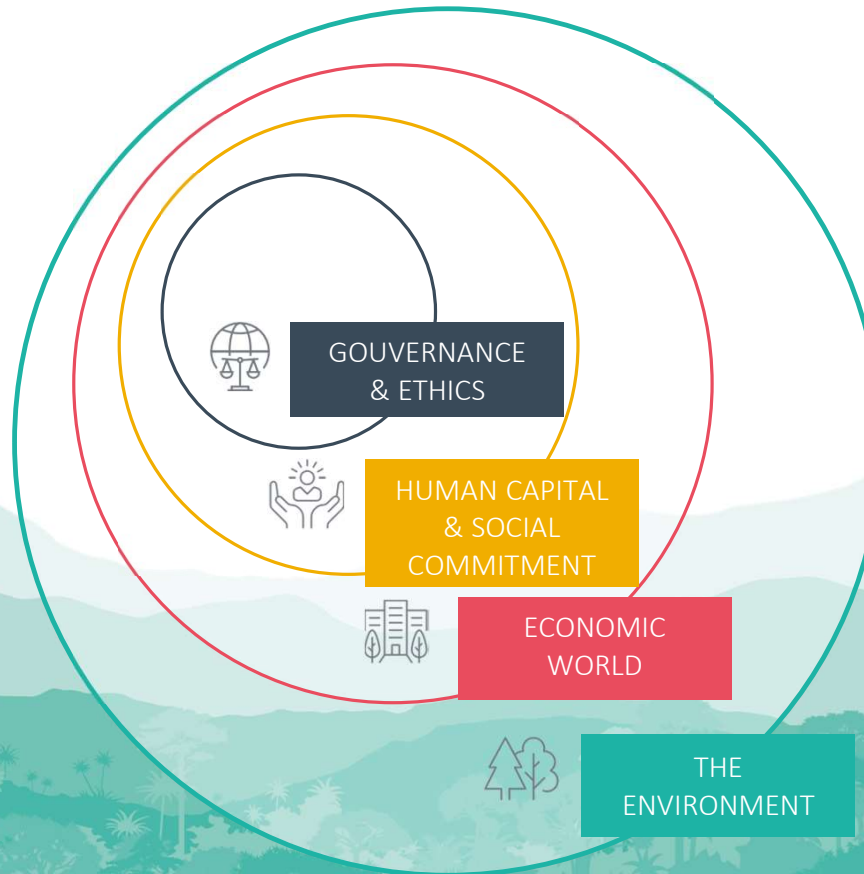
- Small size acquisitions
- SaaS players
- Complementary or adjacent to P2P or O2C market
- As easy as possible to integrate
- Preferably International



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

ESG STRATEGY

- Talents Recruitments
- Unique Product Positioning (Positive-sum-growth)



TARGET 2022

- 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 HY21
- Revenue should be over 150M€ in 2022



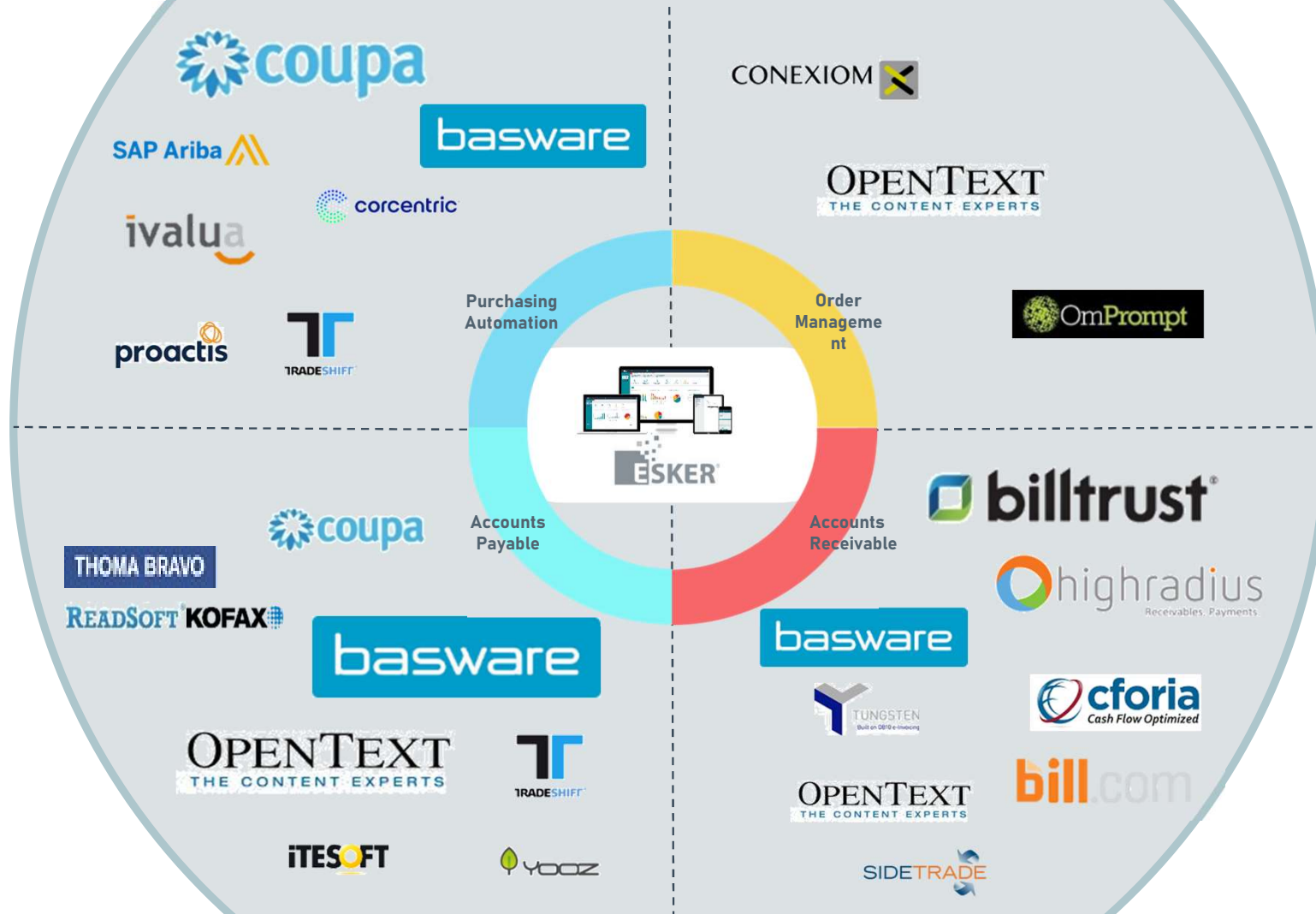
THANK YOU FOR YOUR ATTENTION





ADDENDUM

COMPETITION



STOCK MARKET

STOCK PRICE EVOLUTION OVER 5 YEARS



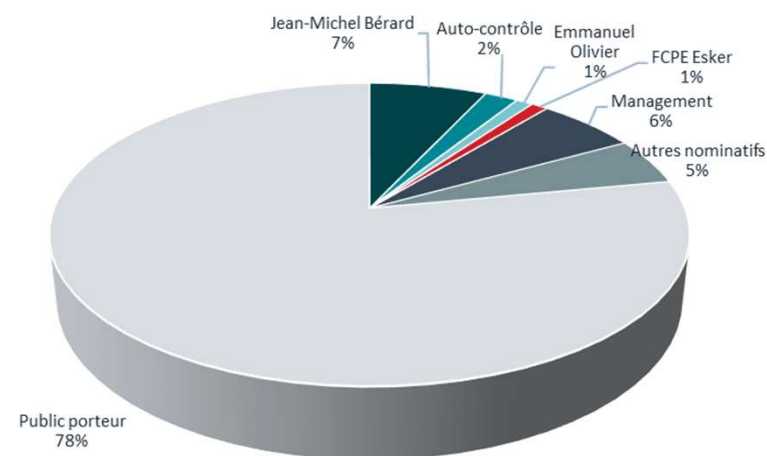
EURONEXT GROWTH PARIS

ISIN Code: FR0000035818 ALESK

Market capitalization December 31sr, 2021: €2,107M

Number of shares: 5,830,321

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



FINANCIAL ANNOUNCEMENTS:

Q4 2021 January 13, 2022*
Q1 2022 April 19, 2022*

- After stock market closing

LEADERSHIP TEAM



Jean-Michel Bérard (60)
CEO – President of BoD
Esker founder



Emmanuel Olivier (54)
COO – General Manager
Board Member



Eric Bussy (47)
Vice President Marketing
& Product Management



Jean-Jacques Bérard (56)
Executive Vice President, Research
and Development



Steve Smith (60)
U.S. Chief Operating Officer



Eric Thomas (55)
Vice President of
Business Development



Anne Grand-Clément (52)
WW Director of
Professional Services
and Technical Support



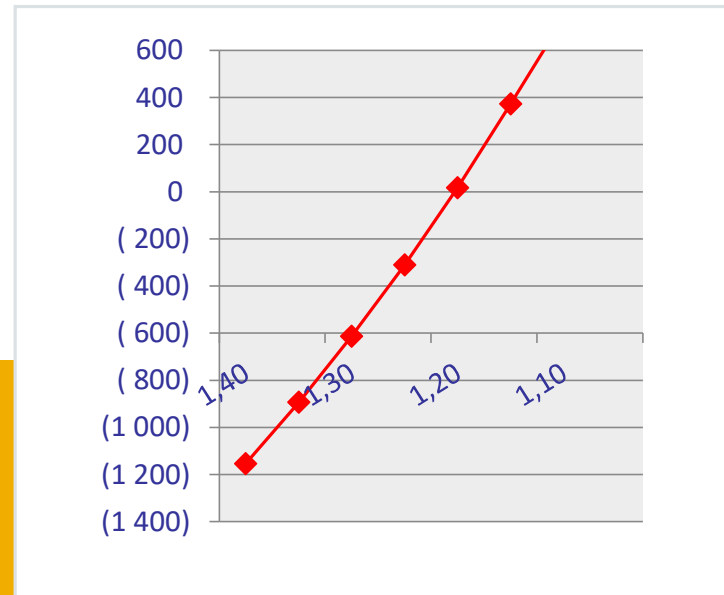
Claire Valencony (48)
Sr. Director, Global Strategic
Alliances



H1-2021 FINANCIAL STATEMENTS

CURRENCY EFFECTS

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



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%
<i>Earnings per share in Euros</i>	1,31		0,96			
<i>Diluted earnings per share in Euros</i>	1,30		0,96			

BY FUNCTION

(in thousands of euros)	H1 2021	%	H1 2020	%
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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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INCOME FROM OPERATION	9 128	14,%	6 206	11%	2 922 47%

- Other income : tax credit for research in France for €507K (€387K in H1 2020)
- Stable purchases and external expenses, decrease compared to activity growth: drop in travel expenses (€139M vs €720M LY) offset by increasing fees (+€338K) and telecom expenses (+€440K)
- Personnel and related taxes increase : +€7.2M in line with increased headcount for HY 2021, regular salary increases and taxes
- Reserves : IDR (French indemnity for retirement) for €126K (€130K in H1 2020)

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Financial income : €67K

In thousands of euros	30/06/2021	30/06/2020
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 : €57K

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

Share of profit in associates : Neotouch JV

Net income : €7.6M +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 +€1.2M : mainly due to development costs capitalized
- Financial assets : LT cash investments
- Account receivables in line with sales growth
- -€9.7M 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 : €1.6M

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>	<i>438</i>	<i>-360</i>
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:
 - €4,3M of capitalized development costs
 - €0,7M of tangible assets
- Dividend paid : €2,9M
- Repayment of Government Guaranteed Loan (PGE) : - €11,5M
- Positive currency impact



THANK YOU FOR YOUR ATTENTION

