



2021 FINANCIAL STATEMENTS

March 24, 2022



2021 IN A NUTSHELL

▪ SaaS revenue growth accelerates...

- +23% growth in constant currency rates
- +22% in current rates

▪ ... and drives company growth overall!

- +20% in constant currencies
- +19% in current rates

▪ Solid increase of bookings value (ARR)

- +25% compared to FY20
- + 34% vs FY 19

▪ Strong performance in the Americas

- 24% growth in revenue
- 45% increase in bookings value

▪ Continued investment for future growth

- 86 additional headcount compared to FY20 (+12%)
- Mainly in sales (+14%), Consulting (+13%) & customer experience (+ 13%)

▪ Operating Income (EBIT) Increase : +22%

- Gross margin up 21% at 67% of revenue
- Increase in sales (+30%) and marketing cost (+23%) linked to additional investment and acquisition cost of new contracts (up 1.4 M€) which are not deferred
- Offset by moderate increase of other costs
- Total translation effect -0.3 M€ (2% of operating income)

▪ Current & Net income increase : +24%

- Net interest income (financial debt repaid)
- Income from associates up 0.5 M€

▪ Acquisition of Market Dojo

- Announced in January 2022
- Expected to close end of Q1 22

2021 REVENUE

SALES REVENUE	2021 €M	2020 €M	GROWTH ⁽⁴⁾	GROWTH IN CONSTANT CURRENCIES
SaaS ⁽¹⁾	103.6	84.9	+23%	+22%
Implementation services ⁽²⁾	23.2	19.7	+19%	+18%
Legacy products ⁽³⁾	6.9	7.8	-10%	-11%
TOTAL	133.7	112.3	+20%	+19%

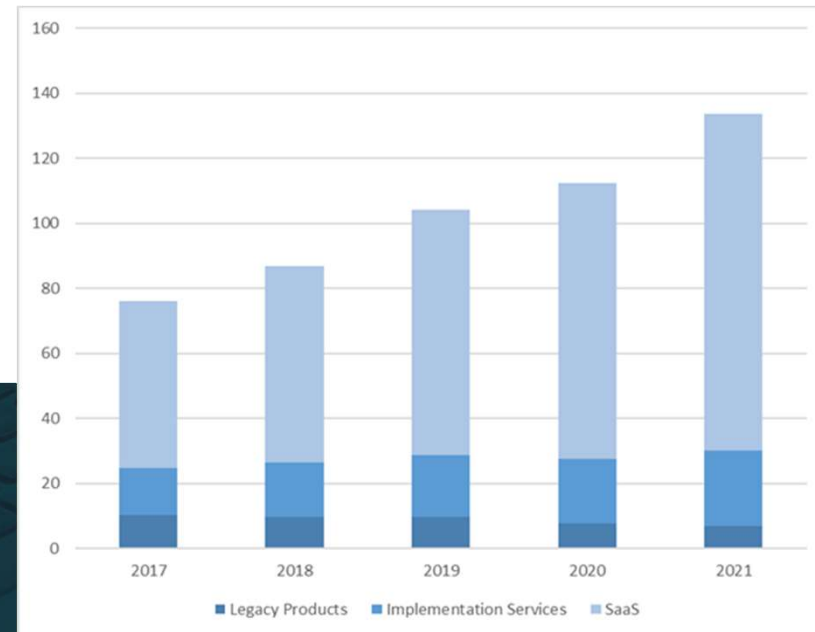
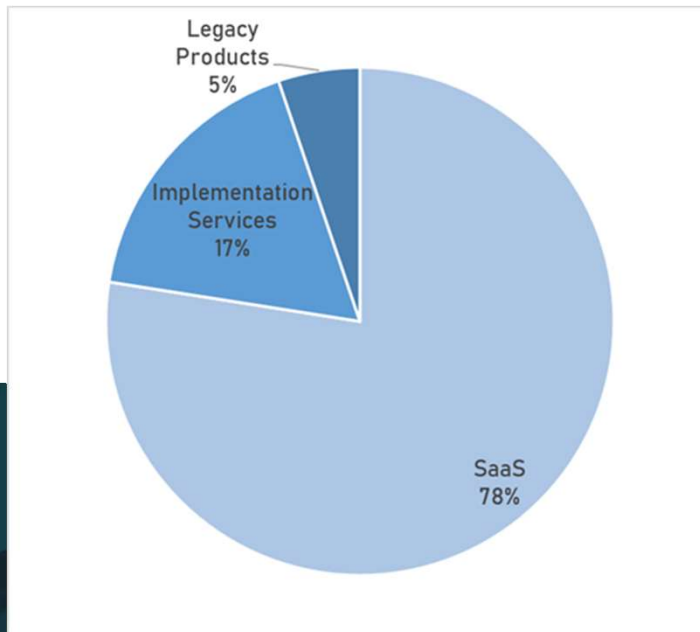
(1) Includes subscriptions and transactional revenue

(2) Includes implementation, training and Professional Services

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

(4) Growth expressed with no currency effect: 2021 exchange rates applied to 2020 figures

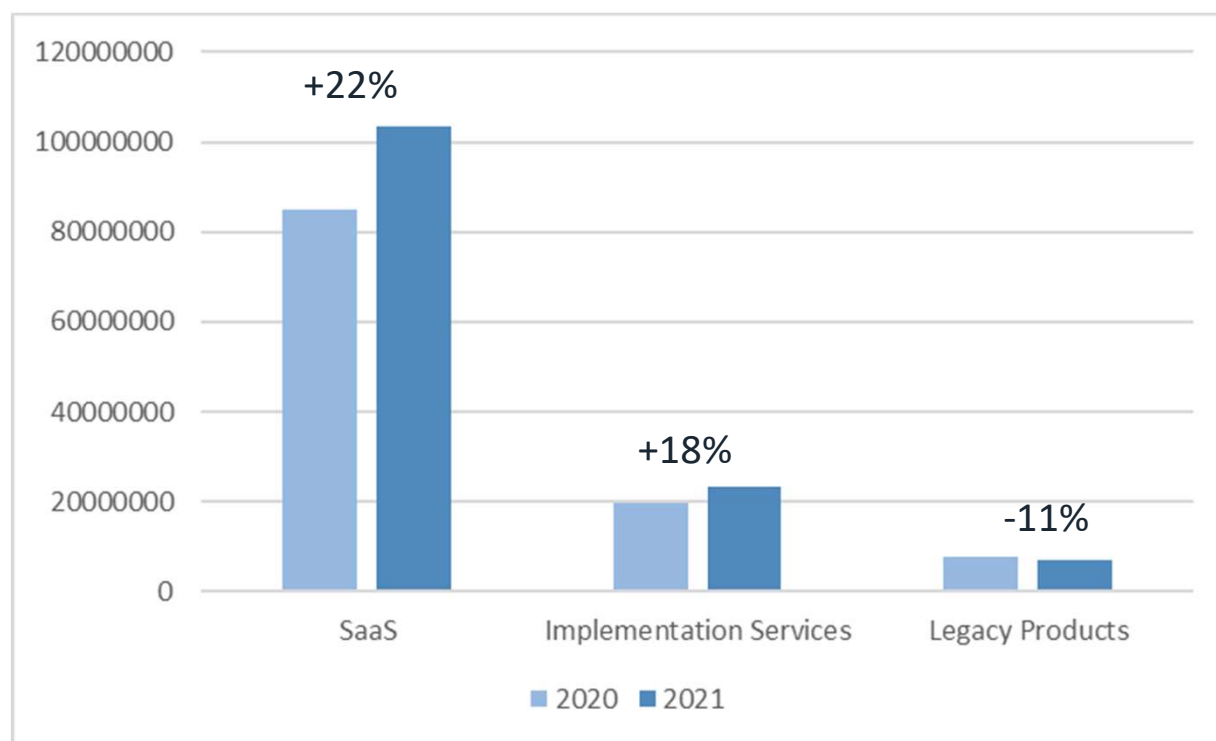
STRONG RECURRING BUSINESS MODEL



In 2021 SaaS increased 23% and represented 78% of the total revenue (76% for FY 2020)

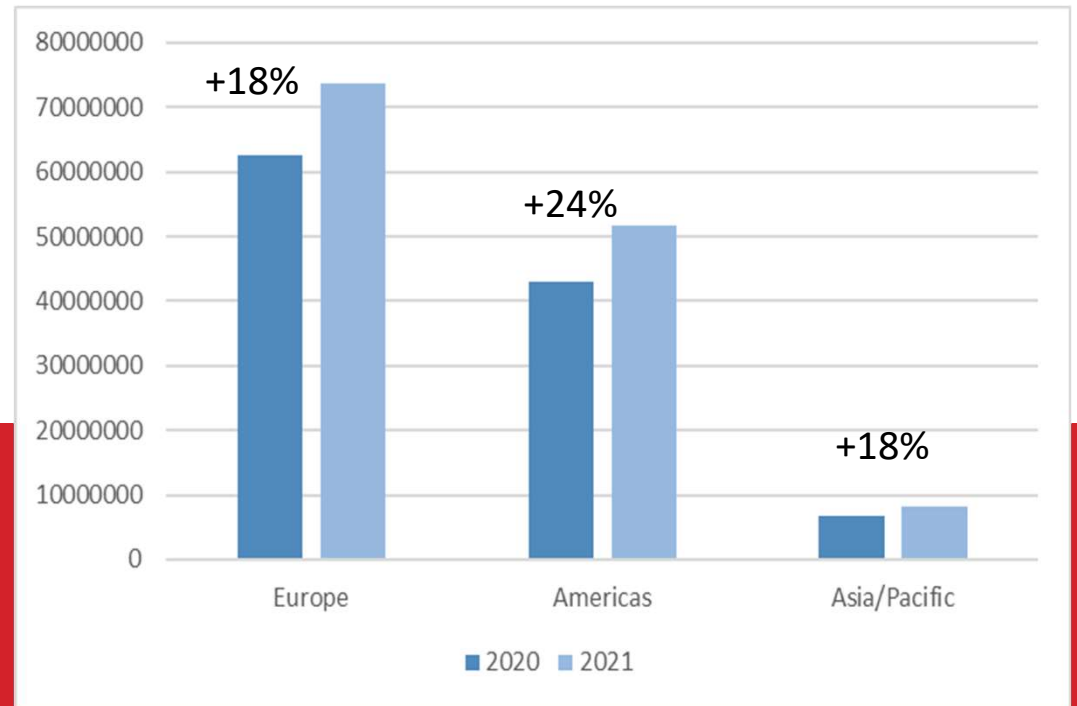
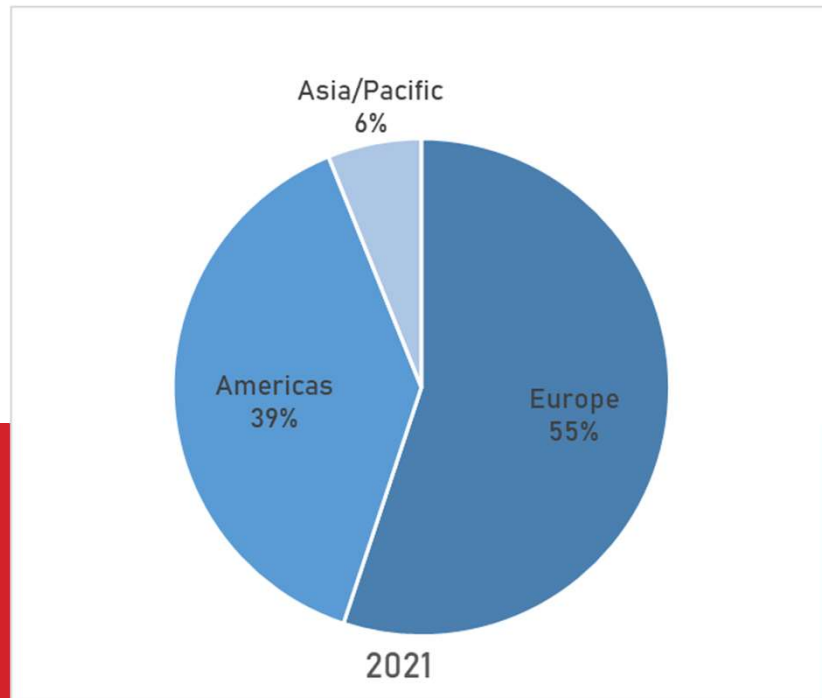
Consulting revenue consists in services associated with the implementation of Esker's solutions

REVENUE GROWTH BY PRODUCT TYPE



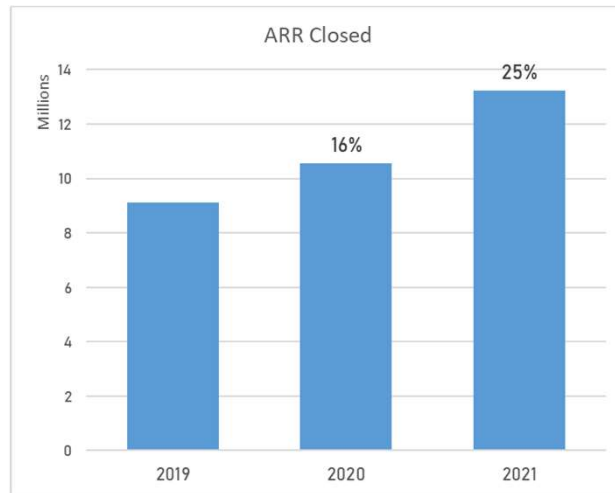
- Dynamic growth of SaaS shows implementation of past wins as well as good volume of activity on the platform by existing customers
- Consulting revenue is in line with bookings growth
- Legacy product on their trend

REVENUE GROWTH BY REGION



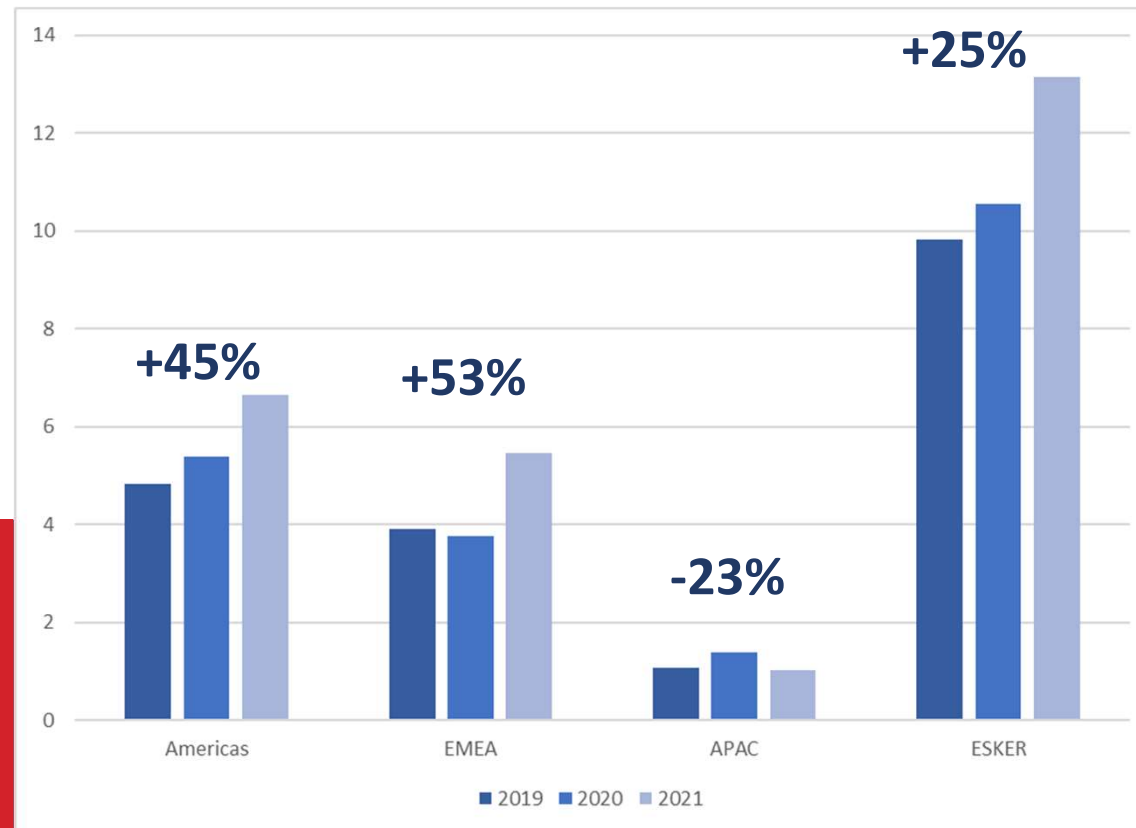
- All regions are growing
- Dynamic growth in the US following consistent growth in bookings despite Covid
- APAC remained impacted by sanitary measures

DYNAMIC SALES PERFORMANCE (BOOKINGS)



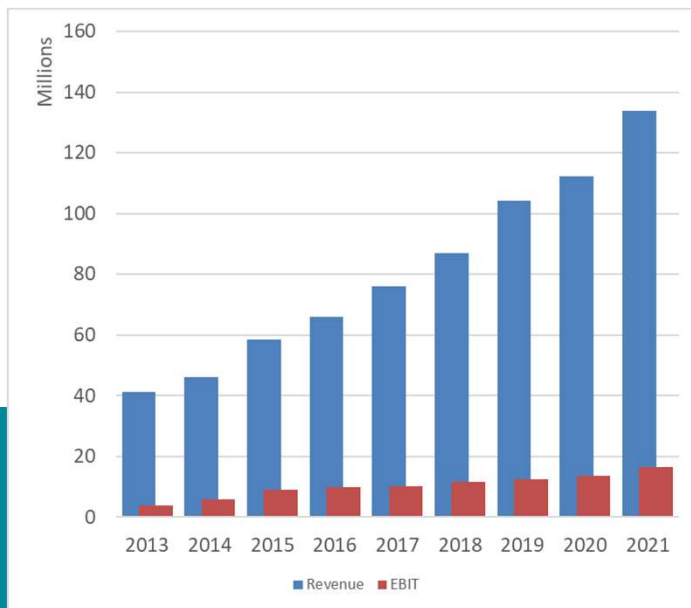
- Bookings (order intake) consist of the minimum average annual amount of revenue for signed contracts (Annual Recurring Revenue)
- It is charged as a subscription fee to the customers
- This revenue will be recognized over the duration of the contract. Typical contract: 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract closing. No deferral
- Per document revenue will be recognized on top of subscription fee

BOOKINGS GROWTH BY REGION

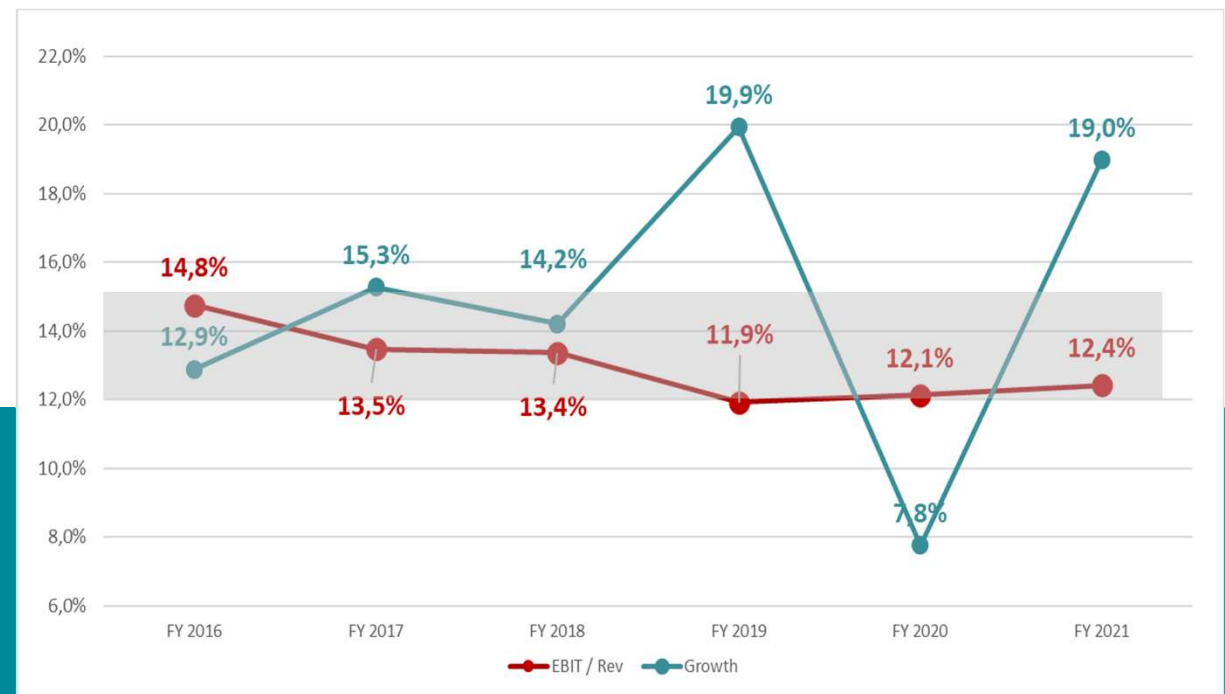


- Consistent bookings growth in the Americas
- Sharp recovery in EMEA
- APAC affected by prolonged sanitary measures

BUSINESS MODEL COMBINES PROFITABILITY AND INVESTMENTS

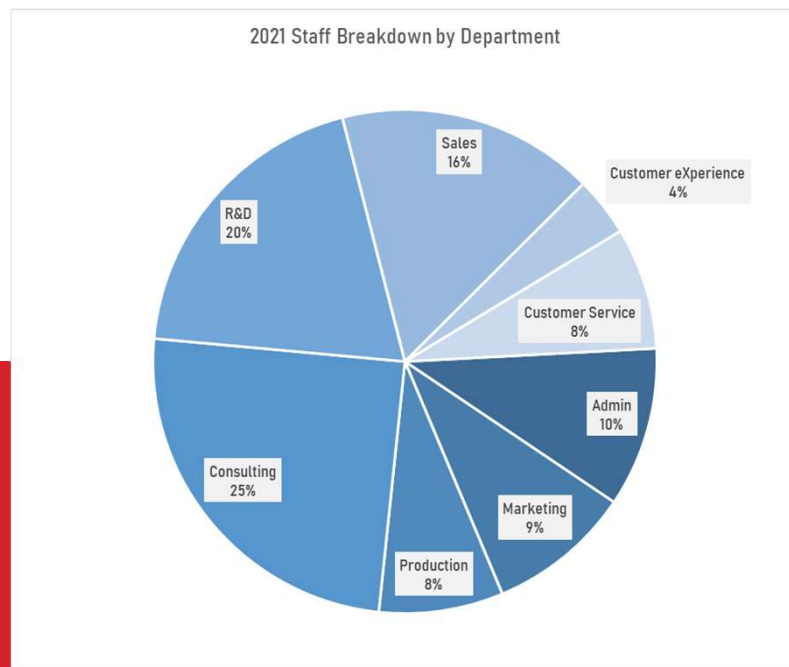


2021 - EBIT €16,6M 12% of revenue

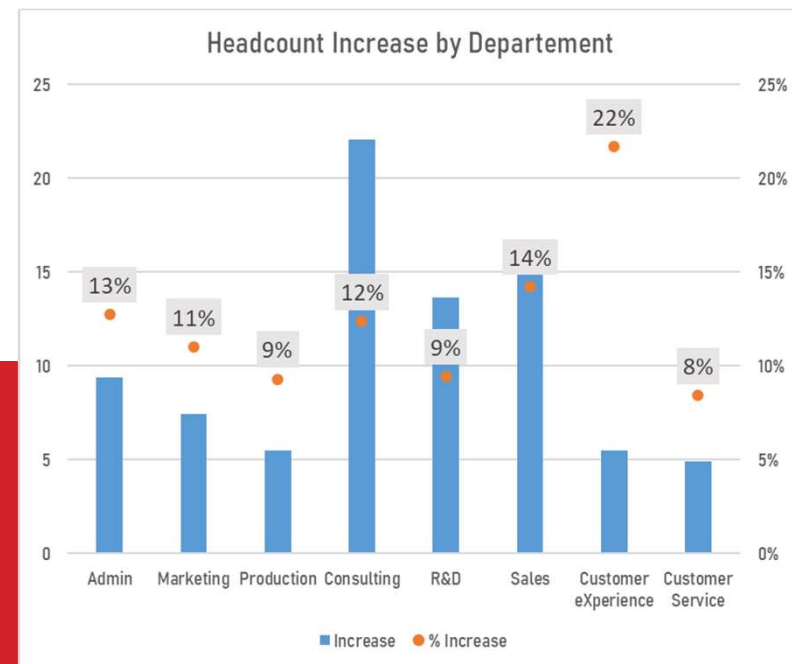


Growth requires investments but Esker still aims at maintaining profitability in the 12 – 15% range

DYNAMIC INVESTMENTS FOR FUTURE GROWTH



Staff @ 12/31/21: 840 (+13% vs 06/30/20)



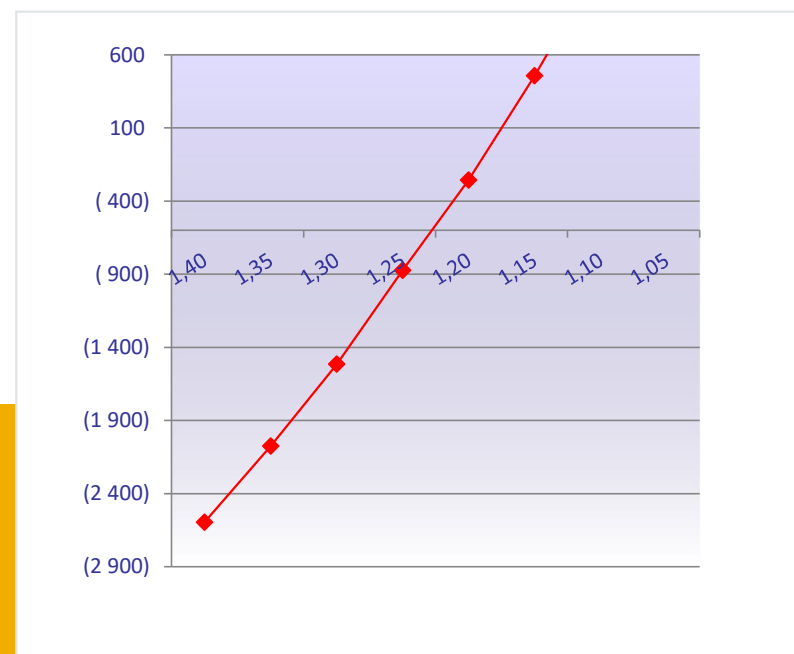
2021 - Staff increase:
vs. 2020: 86 FTE (+10%)

A photograph of an office interior, featuring several computer monitors on desks, ergonomic chairs, and large windows with blinds. The entire image is overlaid with a semi-transparent teal color. 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
1,18156	0	0
1,10	3 756 K€	1 233 K€
1,147	1 526 K€	501 K€
1,20	-779 K€	-256 K€
1,30	-4 616 K€	-1 516 K€



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

- Sales: -€1.1M
- Operating Income: -€0.3M (2% of Operating income)

CURRENCY EFFECTS

Curencies	Sales
GBP	+262 K€
AUD	+210 K€
CAD	+43 K€
USD	-1 526 K€
Asia	- 52K€

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

- Sales: -€1.1M
- Operating Income: -€0.3M (2% of Operating income)

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	12/31/21	% net sales	12/31/20	% net sales	Var	Var %
Net sales	133 580	100%	112 274	100%	21 306	19%
Cost of Goods Sold*	-42 090	-32%	-36 849	-33%	-5 241	14%
Research and Development Expenses	-14 229	-11%	-12 231	-11%	-1 998	16%
Selling Expenses	-28 228	-21%	-21 796	-19%	-6 432	30%
CX and Support Expenses	-8 514	-6%	-7 431	-7%	-1 083	15%
Marketing Expenses	-11 867	-9%	-9 633	-9%	-2 234	23%
General and Administrative Expenses	-12 071	-9%	-10 722	-10%	-1 349	13%
Income from Operations	16 582	12%	13 612	12%	2 970	22%
Financial income	202	0%	-67	0%	269	-401%
Operating Income	16 784	13%	13 545	12%	3 239	24%
Exceptional income	403	0%	491	0%	(88)	-18%
Income tax	-3 907	-3%	-2 966	-3%	-941	32%
Share of profit in associates	1 002	1%	492	0%	510	104%
Net income	14 282	11%	11 562	10%	2 720	24%
<i>Earnings per share in Euros</i>	2,44		2,04			
<i>Diluted earnings per share in Euros</i>	2,39		2,00			

(in thousands of euros)	12/31/21	% net sales	12/31/20	% net sales
Net sales	133 580	100%	112 274	100%
Development costs	8 641	6%	7 823	7%
Other income	1 534	1%	1 591	1%
Purchase and external expenses	-31 910	-24%	-29 384	-26%
Personnel and related taxes	-84 139	-63%	-68 712	-61%
Local and misc. Taxes	-1 533	-1%	-1 498	-1%
Depreciation expenses	-9 072	-7%	-8 315	-7%
Reserves	-520	0%	-167	0%
Operating income before amortization of Goodwill	16 580	12%	13 612	12%
Amortization of Goodwill	0	0%	0	0%
Operating income after amortization of Goodwill	16 580	12%	13 612	12%
Financial income	202	0%	-67	0%
Net income of integrated compnies	16 782	13%	13 545	12%
Exceptional income	403	0%	491	0%
Income tax	-3 907	-3%	-2 966	-3%
Share of profit in associates	1 002	1%	492	0%
Net income	14 280	11%	11 562	10%
<i>Earnings per share in Euros</i>	2,44		2,04	
<i>Diluted earnings per share in Euros</i>	2,39		2,00	

P&L BY FUNCTIONS

(in thousands of euros)	12/31/21	% net sales	12/31/20	% net sales	Var	Var %
Net sales	133 580	100%	112 274	100%	21 306	19%
Cost of Goods Sold*	-42 090	-32%	-36 849	-33%	-5 241	14%
Research and Development Expenses	-14 229	-11%	-12 231	-11%	-1 998	16%
Selling Expenses	-28 228	-21%	-21 796	-19%	-6 432	30%
CX and Support Expenses	-8 514	-6%	-7 431	-7%	-1 083	15%
Marketing Expenses	-11 867	-9%	-9 633	-9%	-2 234	23%
General and Administrative Expenses	-12 071	-9%	-10 722	-10%	-1 349	13%
Income from Operations	16 582	12%	13 612	12%	2 970	22%
Financial income	202	0%	-67	0%	269	-401%
Operating Income	16 784	13%	13 545	12%	3 239	24%
Exceptional income	403	0%	491	0%	(88)	-18%
Income tax	-3 907	-3%	-2 966	-3%	-941	32%
Share of profit in associates	1 002	1%	492	0%	510	104%
Net income	14 282	11%	11 562	10%	2 720	24%
Earnings per share in Euros	2,44		2,04			
Diluted earnings per share in Euros	2,39		2,00			

COGS:

	2021	2020	Var	%
Production	11 476	11 198	278	2%
EoD platform	6 633	5 295	1 338	25%
Professional consulting	23 981	20 355	3 626	15%
Costs of Goods Sold	42 090	36 848	5 242	14%

Selling Expenses:

Selling expenses	2021	2020	Var	%
Fixed costs	17 622	14 156	3 466	24%
Variable costs	10 605	7 540	3 065	29%
Headcount	133,6	117	17	14%

Marketing expenses increased in H2 in preparation for 2022 following the gradual lifting of sanitary measures

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	12/31/21	% net sales	12/31/20	% net sales	Var	Var %
Net sales	133 580	100%	112 274	100%	21 306	19%
Development costs	8 641	6%	7 823	7%	818	10%
Other income	1 534	1%	1 591	1%	-57	-4%
Purchase and external expenses	-31 910	-24%	-29 384	-26%	-2 526	9%
Personnel and related taxes	-84 139	-63%	-68 712	-61%	-15 427	22%
Local and misc. Taxes	-1 533	-1%	-1 498	-1%	-35	2%
Depreciation expenses	-9 072	-7%	-8 315	-7%	-757	9%
Reserves	-520	0%	-167	0%	-353	211%
Operating income before amortization of Goodwill	16 580	12%	13 612	12%	2 968	22%

Development Cost Capitalized

	2021	2020	Var
	K€	K€	K€
Dev costs capitalized	8 641	7 823	818
Amortization	-6 156	-5 351	-805
Net	2 485	2 472	13

- **Other income** : tax credit for research in France for 0,9 M€ (1 M€ in 2020)
- **Personnel and related taxes** increase : +15,5 M
 - Increasing headcount(see slide n°12)
 - Increased commissions due to sales results
 - Increased taxes (France) on share-based compensation. Linked to share price
- **Reserves**: Provision for retirement bonuses in France

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	12/31/21	% net sales	12/31/20	% net sales
Net sales	133 580	100%	112 274	100%
Development costs	8 641	6%	7 823	7%
Other income	1 534	1%	1 591	1%
Purchase and external expenses	-31 910	-24%	-29 384	-26%
Personnel and related taxes	-84 139	-63%	-68 712	-61%
Local and misc. Taxes	-1 533	-1%	-1 498	-1%
Depreciation expenses	-9 072	-7%	-8 315	-7%
Reserves	-520	0%	-167	0%
Operating income before amortization of Goodwill	16 580	12%	13 612	12%
Amortization of Goodwill	0	0%	0	0%
Operating income after amortization of Goodwill	16 580	12%	13 612	12%
Financial income	202	0%	-67	0%
Net income of integrated compnies	16 782	13%	13 545	12%
Exceptional income	403	0%	491	0%
Income tax	-3 907	-3%	-2 966	-3%
Share of profit in associates	1 002	1%	492	0%
Net income	14 280	11%	11 562	10%
<i>Earnings per share in Euros</i>	<i>2,44</i>		<i>2,04</i>	
<i>Diluted earnings per share in Euros</i>	<i>2,39</i>		<i>2,00</i>	

Financial income : 202 K€

	12/31/21	12/31/20
Interest income	78	89
Interest expense	-24	-47
Exchanges net result	148	-117
Depreciation net	0	8
Financial income	202	-67

Currency exchange income :+143 K€ unrealized and +5 K€ realized

Exceptional income : 403 K€

Capital gains on treasury shares

Income tax:

Effective tax rate : 23 % (22 % in 2020)

CONSOLIDATED BALANCE SHEET

ASSETS (thousand of euros)	12/31/21	12/31/20
Intangible assets	33 644	30 787
Whose Goodwill	6 138	5 752
Property, plant and equipment	9 896	10 036
Financial assets	10 928	6 405
Shares accounted for under the equity method	2 761	1 759
Total assets	57 229	48 986
Inventory and work in progress	341	257
Account receivables	28 870	25 994
Deferred tax assets	667	800
Prepaid and other current assets	6 678	5 446
Cash and equivalents	34 978	40 421
Total current assets	71 534	72 918
TOTAL ASSETS	128 763	121 904

- Intangible assets +2.9 M€ :
mainly due to development costs capitalized
- Financial assets :
 - Long Term investments (cash-like) 4.8M€
 - Investment in associates

CONSOLIDATED BALANCE SHEET

LIABILITIES (thousand of euros)	12/31/21	12/31/20
Capital stock	11 850	11 661
Additional paid-in capital	22 756	21 202
Net result	14 280	11 562
Consolidated reserves	31 508	20 987
Total shareholders' equity	80 394	65 412
Reserves for risks and charges	2 497	2 698
Financial liabilities	1 169	15 144
Account payables	9 485	8 617
Tax and employee related liabilities	24 295	19 299
Other liabilities	10 923	10 734
Total current liabilities	45 872	53 794
TOTAL LIABILITIES	128 763	121 904

■ Financial debt: paid back in 2021

CONSOLIDATED CASH FLOW STATEMENT

(thousands of euros)	12/31/21	12/31/20	Var
Consolidated net income (loss)	14 280	11 562	2 718
Depréciation and amortization	9 326	9 275	51
Capital gains and capital losses	0	7	-7
Cash Flow after net financial expense	23 606	20 844	2 762
Interest paid and received	51	37	14
Income tax , including deferred taxes, due and paid	84	1 591	-1 507
Variance in working capital	1 936	1 003	933
NET CASH GENERATED BY OPERATING ACTIVITIES	25 677	23 475	2 202
Investments intangible and tangible assets	-11 140	-10 167	-973
Change in other financial assets	-4 874	-532	-4 342
Investments in associate company	-1 002	-492	-510
NET CASH FLOW FROM INVESTING ACTIVITIES	-17 016	-11 191	-5 825
Dividend paid	-2 897	-1 896	-1 001
Amount received from the exercise of stocks options	1 743	935	808
Other variances (loans)	-13 975	8 628	-22 603
NET CASH FLOW FROM FINANCING ACTIVITIES	-15 129	7 667	-22 796
<i>Effect of exchange rate changes on cash</i>	<i>1 026</i>	<i>-887</i>	<i>1 913</i>
Cash at the beginning of the period	40 421	21 357	
Cash at the end of the period	34 978	40 421	

Cash position decreases (-5.4 M€):

- Positive cash flow generated by operating activities : + 25.7 M€ vs. 23.5 M€ in 2020
- That finances investing activities:
 - 8.6 M€ of capitalized development costs
 - 2.3 M€ of tangible assets
 - 4.5 M€ of financial assets (investments in associates)
- Reimbursement of financial debt: 14M€
- Dividend paid : 2.9 M€
- Positive currency impact
- Financial assets include 4.8M€ of investments available for potential short-term use



www.esker.com