

2023 FINANCIAL STATEMENTS



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2023 in a nutshell

- Very strong bookings performance: +23%
 - Backend loaded in last 4 months of the year due to the French market
 - Growth driven by France (+87%) and Europe (+84%)
 - Provides strong visibility on future revenue growth
 - Acquisition cost expensed on the year of signature (French GAAP). 1.9% decrease in FY23 posted operating profit
- Solid revenue growth:
 - 14% @ constant currency rates; 12% posted growth
 - 17% growth in SaaS (cst currency rates)
- As previously communicated, operating profitability down 3.5 points to 10% due to:
 - Accrued commissions on high booking performance
 - Headcount increase
 - Salary and cost inflation not entirely reflected in sales revenue
 - Accrued tax on unvested free share program
 - Market Dojo scope entry (12 months vs 7 in FY22)
 - Negative currency translation effect
- Very strong free cashflow performance: 8.9 m€ (+57% vs 22)
- Profitability outlook 2024 :
 - 12 – 14% organic revenue growth (constant currency)
 - 12 – 13% operating profit
 - Strong bookings will fuel continued revenue growth in FY 24
 - Focus on productivity leads to lower growth in headcount. Full effect in FY 24

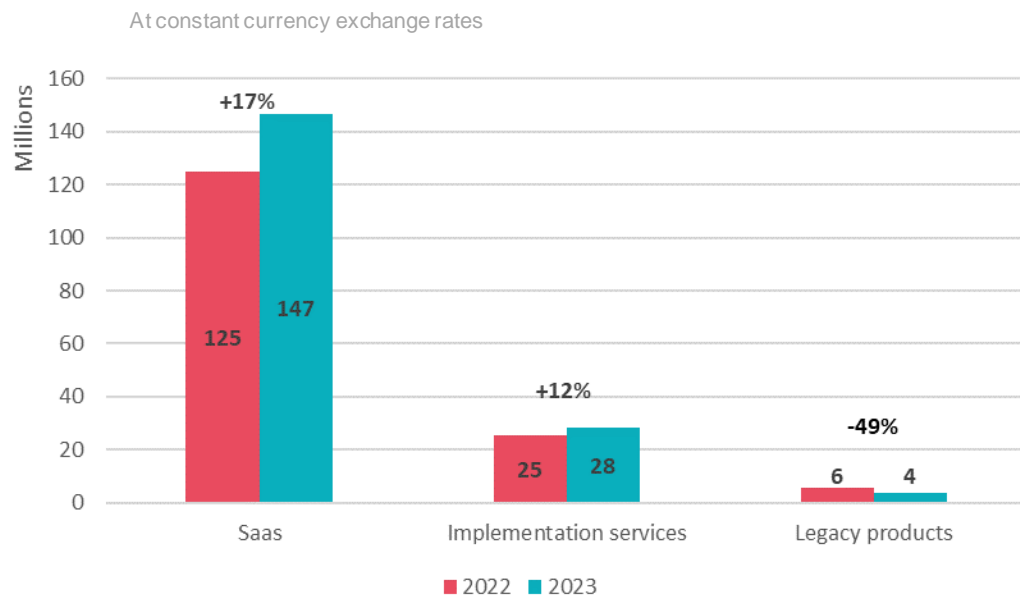
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KEY PERFORMANCE INDICATORS

2023 – Financial Performance

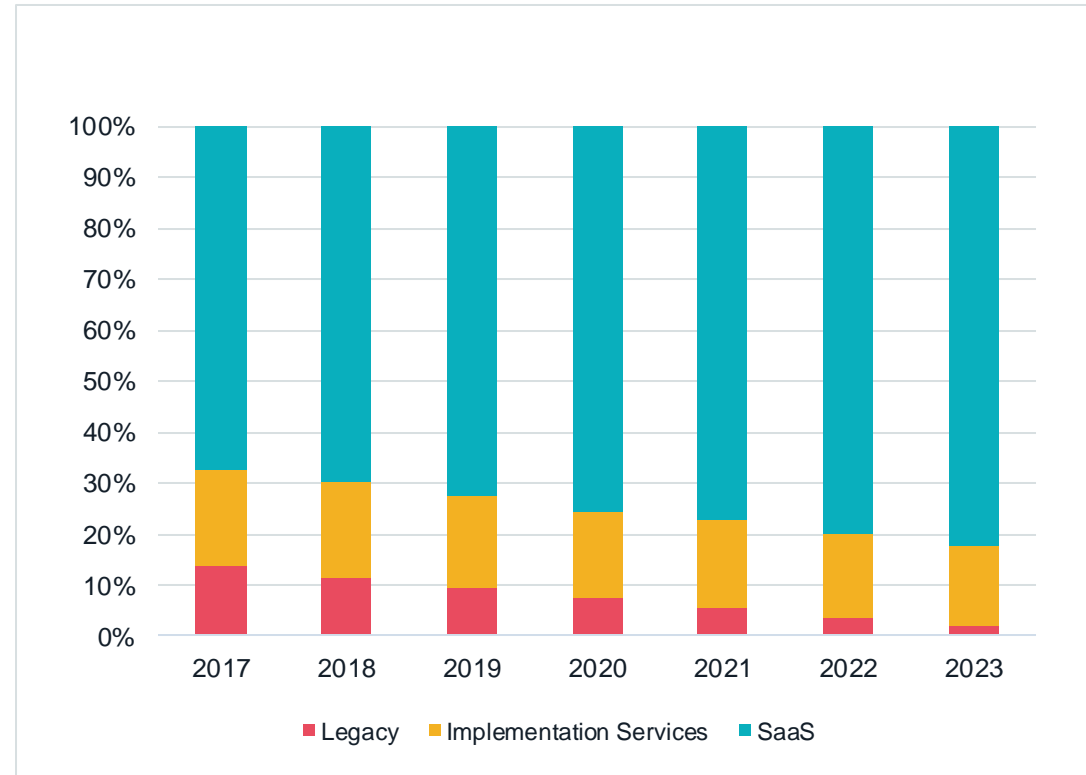
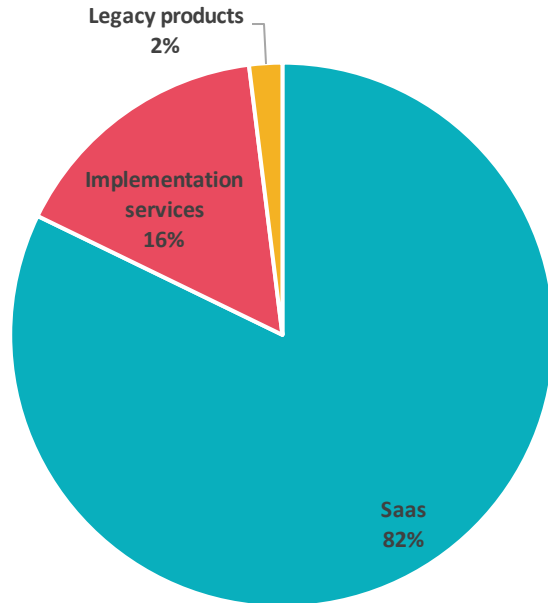
Value in Thousands of Euros	2023	2022	Growth
Sales revenue	178,555	158,987	+12%
Gross margin	129,334	114,193	+13%
Income from operations	17,919	21,409	-16%
Current income before taxes	18,473	21,682	-15%
Net income	14,856	17,864	-17%
Free cashflow ¹	15,525	6,631	+57%

Revenue Growth by Product Type



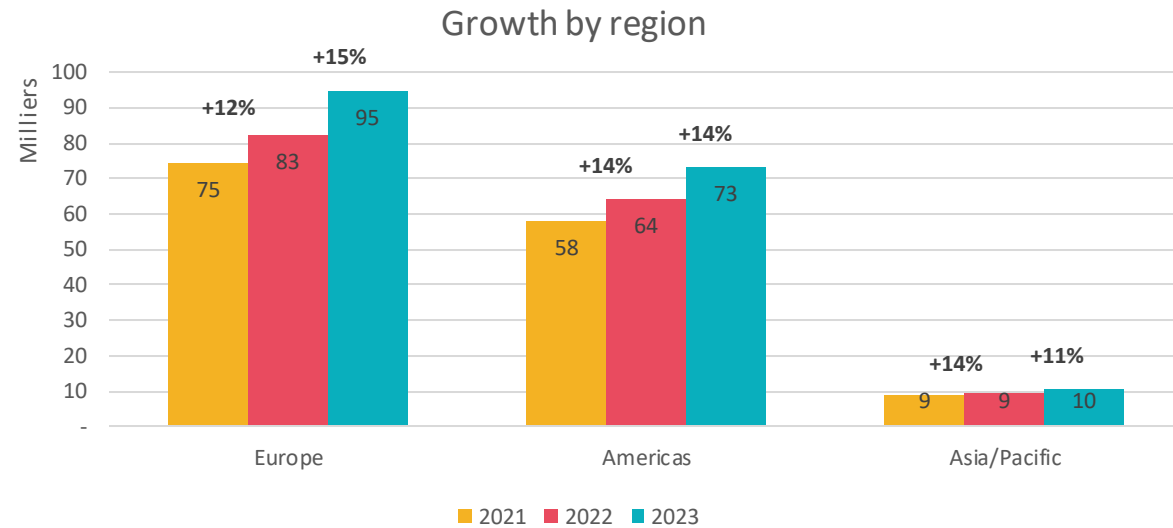
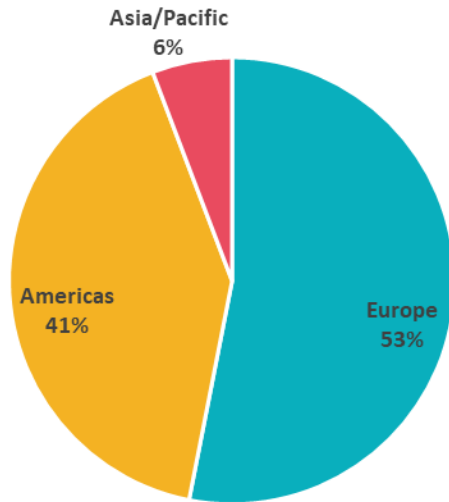
- Dynamic growth of SaaS shows implementation of past wins as well as volume of activity on the platform by existing customers.
- Implementation services shows a 12% growth, better than 2022 (8%). In line with accelerated commercial success in 2023
- Legacy products continue to decline in line with company strategy

Strong Recurring Business Model



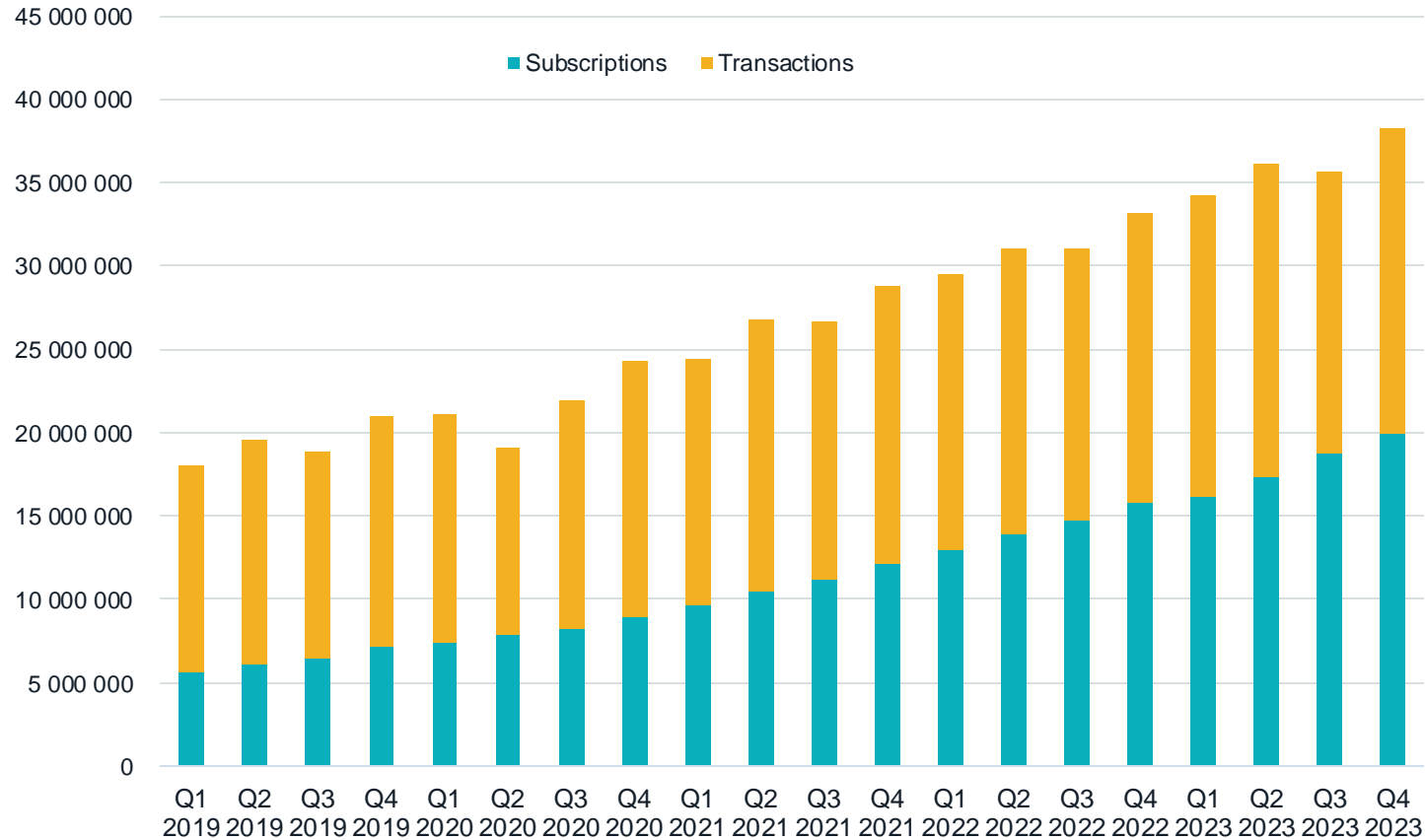
In 2023 SaaS revenue increased 17% to represent **82% of the total revenue** (80% for FY 2022)

Revenue by Region



(*) all 2022 figures are applied with 2023 forex rates

SaaS Revenue by Type



Subscription revenue

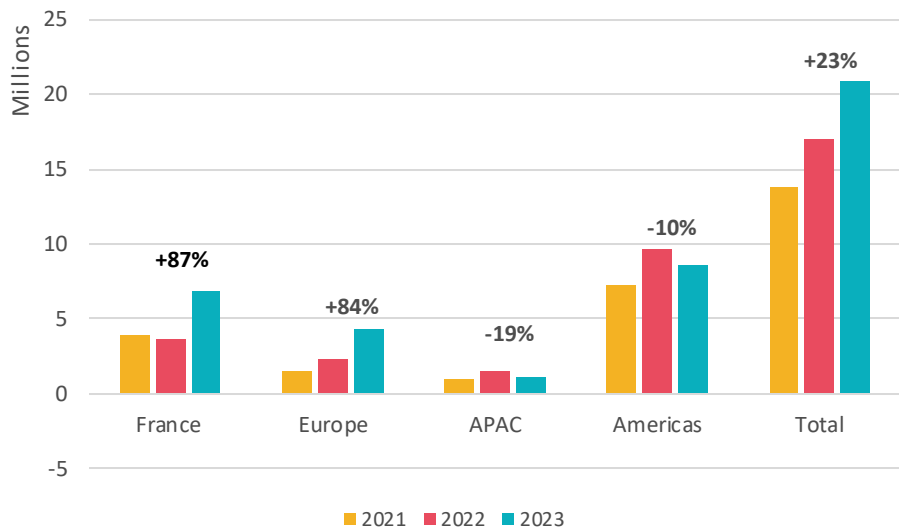
- 52% of SaaS revenue in Q4-23
- 50% of SaaS revenue for FY 23
- 27% growth vs. FY 22
- Better resilience and predictability

Transaction revenue

- 48% of SaaS revenue in Q4-23
- 50% of SaaS revenue for FY 23
- 7% growth vs. FY22

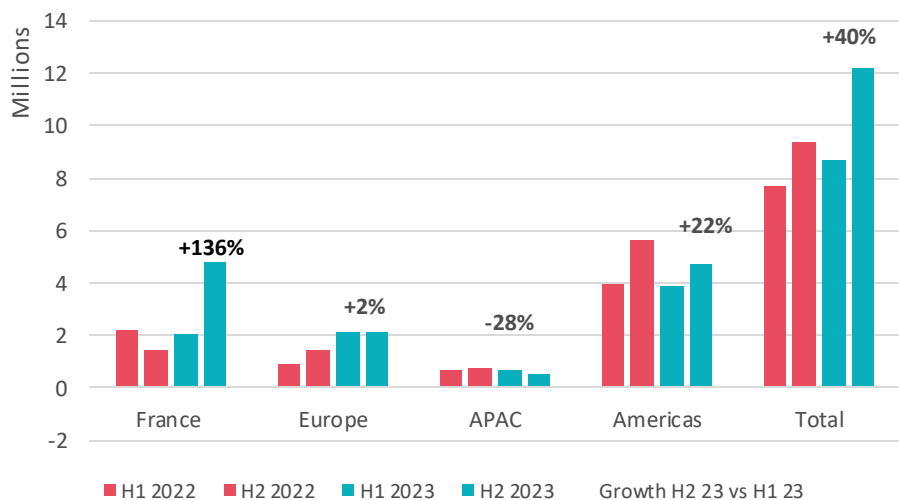
Dynamic Sales Performance (Bookings)

Bookings by region 2021 --> 2023



(*) In constant currency exchange rates

Bookings by region, by half year 2022-2023



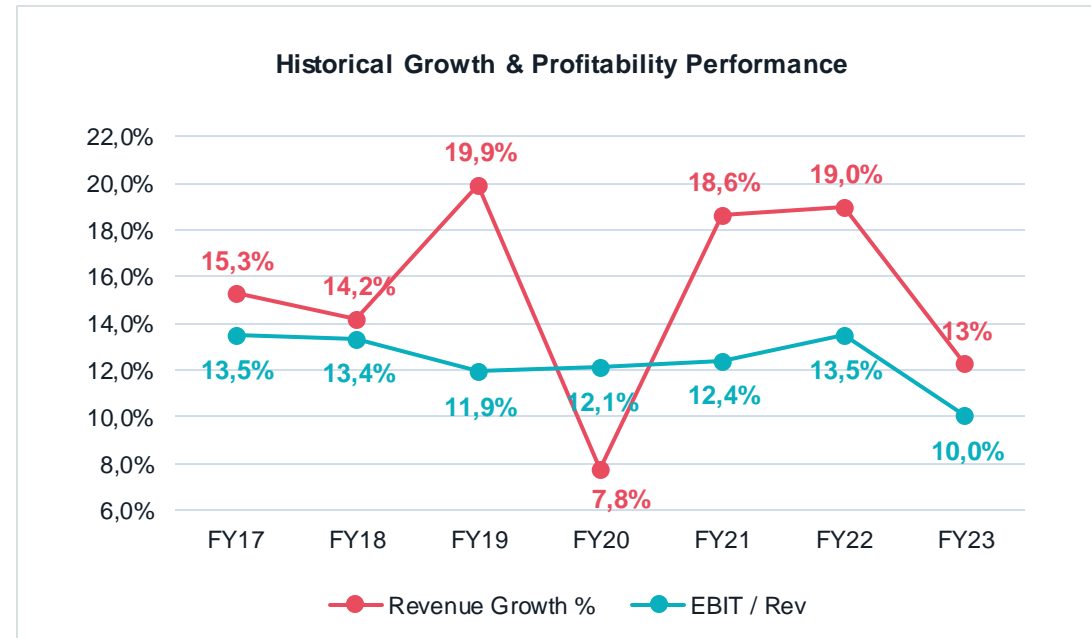
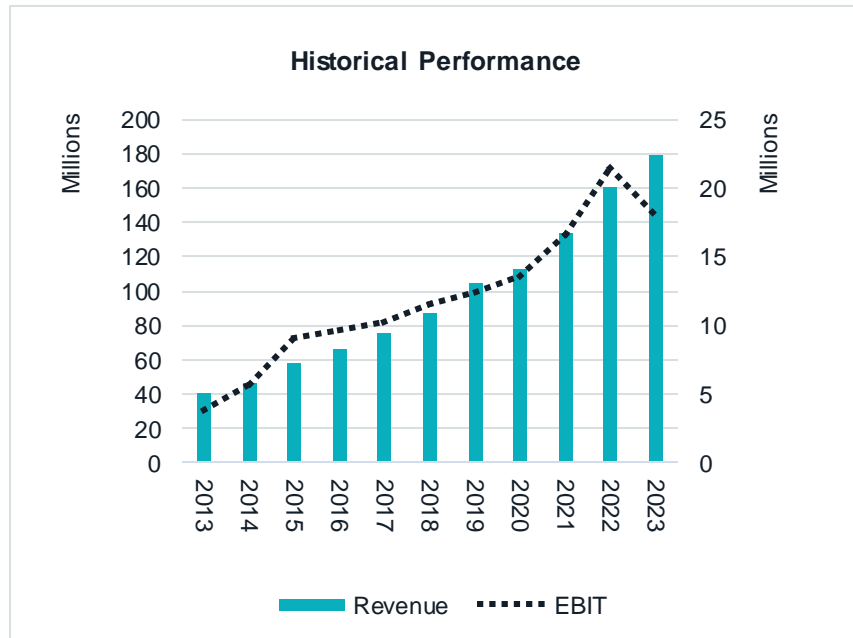
Reminders

- 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 to 5 years
- Per document revenue will be recognized on top of subscription fee
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract closing. **No deferral.** (in accordance with French GAAP)

FY23 bookings

- Strong growth vs 2022
- Very strong H223 for France linked to e-invoicing regulation change announcements
- Acceleration in H2 for the Americas
- Rest of Europe consistent throughout FY23 and growing fast
- APAC still soft

Business Model Combines Growth & Profitability

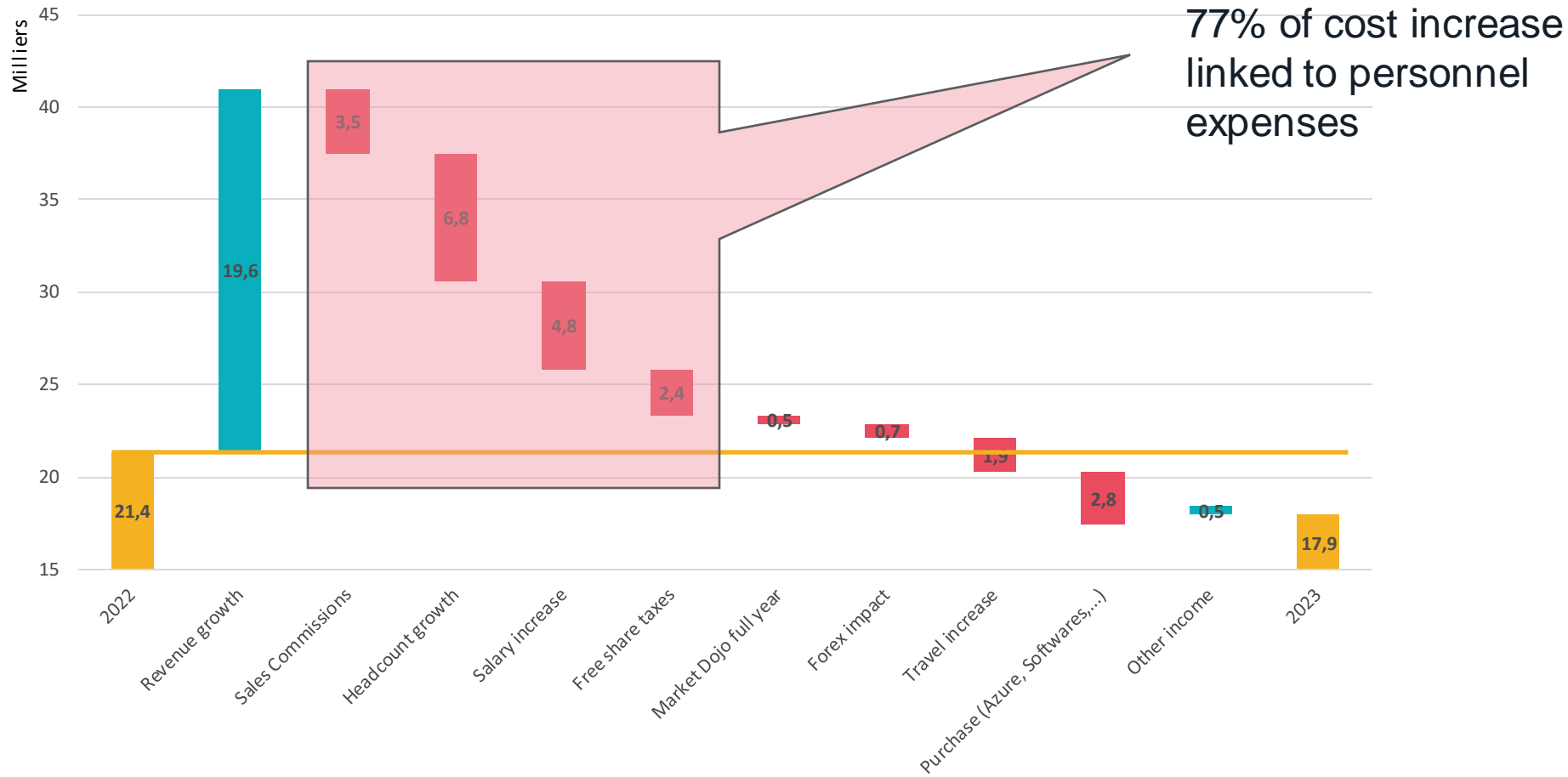


Growth requires investments but Esker still aims at maintaining profitability in the 12 – 15% range

FY23 profitability decrease mainly due to:

- Salary and cost inflation
- Headcount increase
- Accelerated growth in bookings driving sales commission up
- Forex effect

Operating Income 2022 → 2023



Personnel Cost Analysis

Salary costs FY 2022	(94 398)		
Accrued tax on unvested shares	1 432	(1)	
Salary costs FY 2022 (excluding AGA)	(95 830)		% effect
Sales commission	(3 540)	(2)	21%
Cost effect	(4 837)	(3)	29%
Volume effect	(6 817)	(4)	40%
Market Dojo Full Year	(1 386)	(5)	8%
Other	(392)		2%
Salary costs FY 2023 (excluding AGA)	(112 801)		
Accrued tax on unvested shares	(990)	(1)	
Salary costs FY 2023	(113 791)		

(1) Accrued Tax on non vested free share allocation program for French recipients. Varies based on number of shares and share price.

(2) Sales commissions depend on individual performance in bookings. Bookings up 23% globally. Commission expense up 33% due to overachievement overall, individual performance and taxes (France mainly)

Sales Commissions	-14 242	-10 703	-3 540	33%
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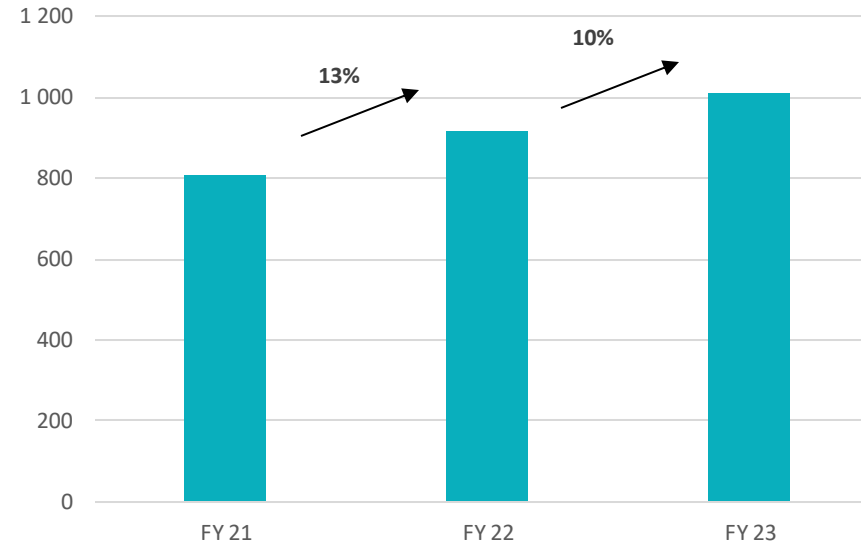
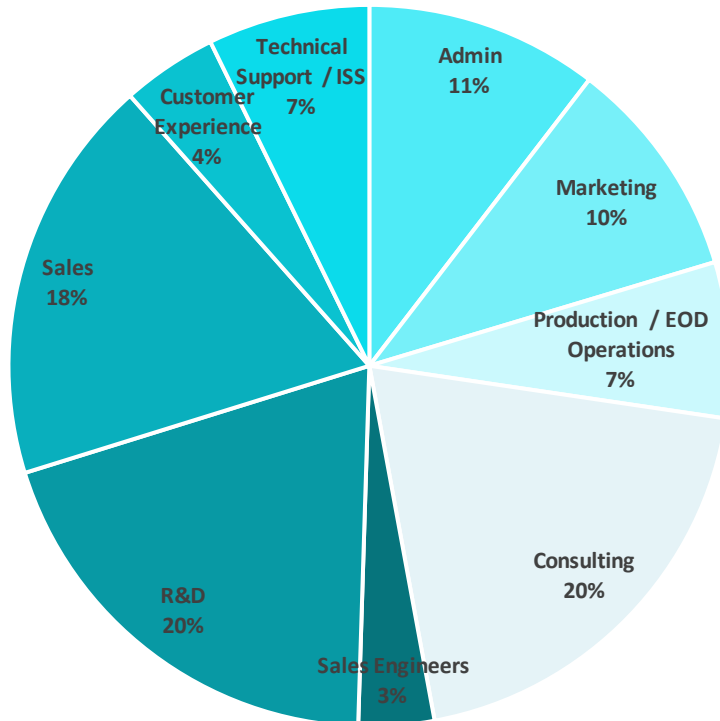
(3) Average cost per person (excl commissions) increased 6.2% driven by inflation and employee mix

(4) Average headcount increased by 8.1% (excluding Market Dojo)

(5) Market Dojo consolidated for 12 months in FY23 vs 7 months in FY22

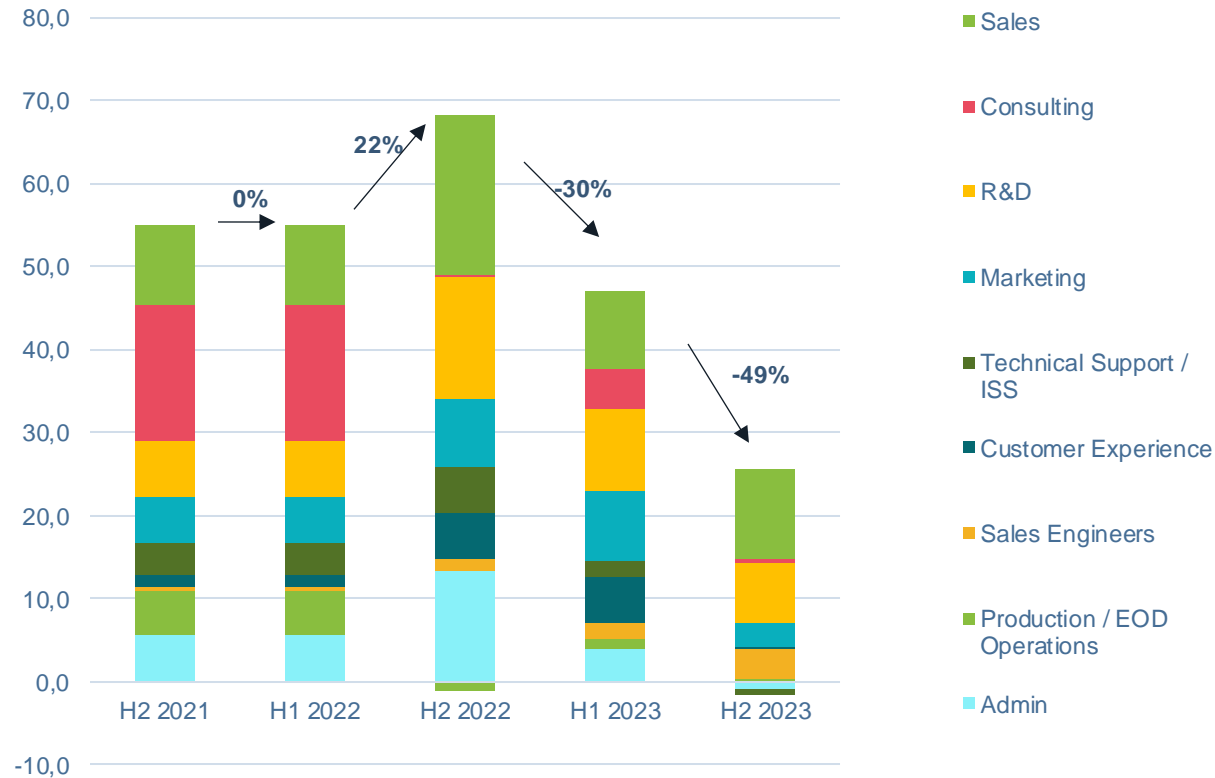
Headcount Analysis

Staff @12/31/23 – 1008 employees



- Average headcount increased by 10% to exceed 1000 employees (includes Market Dojo)
- Lower than 2022 increase

Net Increase of Headcount Slows Down



- Efforts to slow down hirings have started end of FY22 showing first results in H1 23 and even more in H2 23
- Will fully benefit FY 24 average FTE headcount
- Efforts have been focused on productivity
- Support functions and marketing contributed the most, but all departments helped

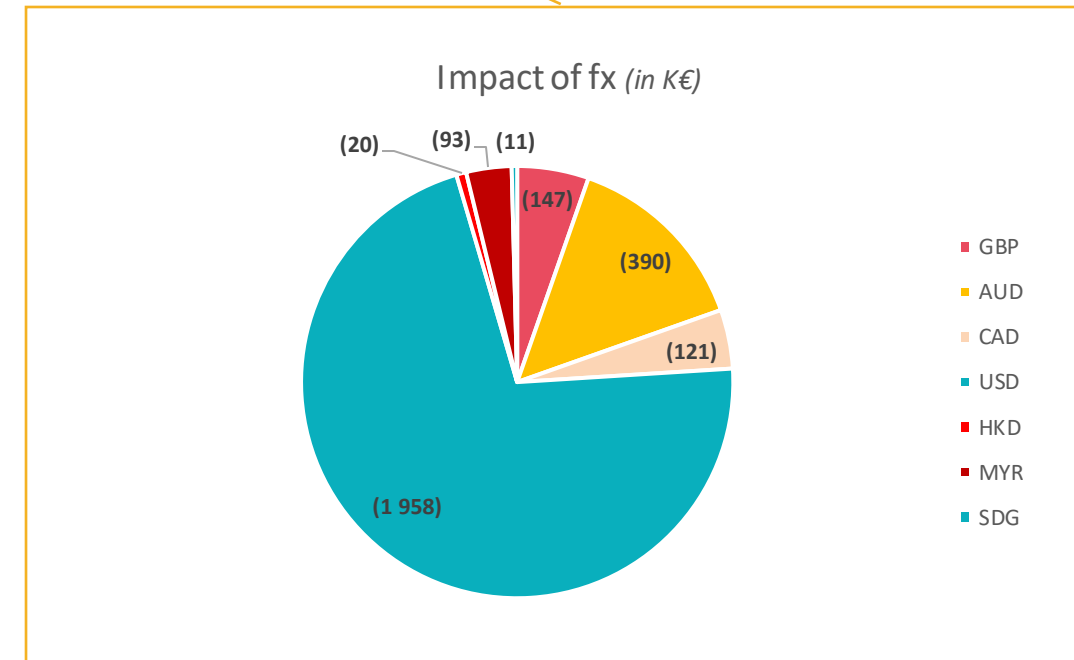
Market Dojo Contribution

in K€ (*)	12/31/23	% net sales	6/1/2022 - 12/31/2022	% net sales
Net sales	2 193	100%	822	100%
Development costs	643	29%	255	31%
Other income	33	1%	0	0%
Purchase and external expenses	(1 454)	(66%)	(721)	(88%)
Personnel and related taxes	(2 364)	(108%)	(978)	(119%)
Local and misc. Taxes	0	0%	0	0%
Depreciation expenses	(255)	(12%)	(107)	(13%)
Operating income after amortization of Goodwill	(1 204)	(55%)	(729)	(89%)

- 35% Growth vs 2022
- 12 months vs 7 months
- Improved operating loss with goal of breaking even in 2026
- Solution to be gradually included in Esker's sales WW

Forex Impacts

	(K€)	12/31/23	12/31/22	Var	12/31/22 @2023 fx	Var	Fx effect
Net sales		178 555	158 987	19 568	156 246	22 309	(2 741)
Cost of Goods Sold		(49 221)	(44 793)	(4 428)	(43 830)	(5 392)	964
Gross Margin		129 334	114 193	15 140	112 416	16 917	(1 777)
%Income from Operations		72%	72%		72%		
Research and Development Expenses		(17 315)	(15 175)	(2 140)	(15 129)	(2 186)	46
Selling Expenses		(45 830)	(35 620)	(10 210)	(35 055)	(10 774)	565
CX and Support Expenses		(15 474)	(11 368)	(4 106)	(11 257)	(4 217)	110
Marketing Expenses		(17 084)	(15 714)	(1 370)	(15 563)	(1 521)	152
General and Administrative Expenses		(15 712)	(14 907)	(805)	(14 746)	(966)	161
Total operational expenses		(111 415)	(92 785)	(18 630)	(91 750)	(19 664)	1 034
Income from Operations		17 919	21 409	(3 490)	20 666	(2 747)	(742)
%Income from Operations		10,0%	13,5%		13,2%		



2

DETAILED FINANCIAL STATEMENTS

Consolidated Income Statement

(in K€)	12/31/23	% net sales	12/31/22	% net sales	Var	Var %
Net sales	178 554	100%	158 987	100%	19 567	12%
Development costs	12 365	7%	10 163	6%	2 202	22%
Other income	2 126	1%	1 629	1%	497	31%
Purchase and external expenses	(47 777)	(27%)	(42 097)	(26%)	(5 680)	13%
Personnel and related taxes	(113 791)	(64%)	(94 398)	(59%)	(19 393)	21%
Local and misc. Taxes	(1 692)	(1%)	(1 756)	(1%)	64	(4%)
EBITDA	29 785	16,7%	32 527	20,5%	(2 742)	(8%)
Depreciation expenses	(11 672)	(7%)	(10 343)	(7%)	(1 329)	13%
Reserves	(193)	(0%)	(775)	(0%)	582	(75%)
EBIT	17 919	10,0%	21 409	13,5%	(3 489)	(16%)
Financial income	554	0%	272	0%	282	104%
Operating Income	18 474	10,3%	21 681	13,6%	(3 207)	(15%)
Exceptional income	65	0%	(299)	(0%)	364	122%
Income tax	(4 750)	(3%)	(5 016)	(3%)	266	(5%)
Share of profit in associates	1 068	1%	1 497	1%	(429)	(29%)
Net income	14 857	8,3%	17 864	11,2%	(3 007)	(17%)
Earnings per share in Euros	2,53		3,04			
Diluted earnings per share in Euros	2,45		2,97			

	2023	2022	Var
	Total	Total	K€
Dev costs capitalized	12 365	10 164	2 201
Amortization	(8 239)	(6 930)	(1 309)
Net	4 126	3 234	892

Other income : Includes R&D tax credit in France for 1.3 m€

Purchases and external expenses (5.7 m€) :

- Increase of travel expenses : +1.9 m€
- Increase of costs due to inflation (Platform, software for internal use): +1,8 m€
- Marketing costs : +0.9 m€

Personnel charges and related taxes (19.4 m€) :

- See analysis in previous slides

Consolidated P&L by Destination

(in K€)	12/31/23	12/31/22	Var	Var %
Net sales	178 555	158 987	19 568	12%
Cost of Goods Sold	(49 221)	(44 793)	(4 428)	10%
Research and Development Expenses	(17 315)	(15 175)	(2 140)	14%
Selling Expenses	(45 830)	(35 620)	(10 210)	29%
CX and Support Expenses	(15 474)	(11 368)	(4 106)	36%
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<i>Diluted earnings per share in Euros</i>	<i>2,45</i>	<i>2,97</i>		

Selling expenses	12/31/23	12/31/22	Var	%
Fixed costs	(27 539)	(22 003)	(5 536)	25%
Variable costs	(14 412)	(10 832)	(3 580)	33%
Sales engineers / Presales	(3 879)	(2 785)	(1 094)	39%
Total selling costs	(45 830)	(35 621)	(10 209)	29%
Headcount	213	184	29	16%

Interests from deposit in US mainly

Loss on liquidity contract linked to decrease of share price in 2022

Consolidated Balance Sheet - Assets

ASSETS (K€)	12/31/23	12/31/22
Intangible assets	51 395	47 651
<i>Of which Goodwill</i>	15 882	16 266
Property, plant and equipment	8 666	8 986
Financial assets	10 532	10 754
Shares accounted for under the equity metho	5 327	4 259
Total assets	75 920	71 650
Inventory and work in progress	303	512
Account receivables	37 894	37 157
Deferred tax assets	1 078	1 114
Prepaid and other current assets	8 341	9 038
Cash and equivalents	48 773	42 887
Total current assets	96 389	90 708
TOTAL ASSETS	172 309	162 358

Capitalized R&D – See previous slide

Increase of AR due to :

- Revenues increase +12%
- DSO decrease -2 days

Consolidated Balance Sheet - Liabilities

LIABILITIES (K€)	12/31/23	12/31/22
Capital stock	12 076	11 971
<i>Additional paid-in capital</i>	<i>23 982</i>	<i>23 227</i>
Net result	14 857	17 864
Consolidated reserves	57 461	45 578
Total shareholders' equity	108 376	98 641
Reserves for risks and charges	3 228	3 114
Financial liabilities	10 922	15 034
Account payables	10 544	9 839
Tax and employee related liabilities	26 807	24 124
Other liabilities	12 431	11 607
Total current liabilities	60 704	60 603
TOTAL LIABILITIES	172 309	162 358

Financial debt paid back

Linked to increased activity

Accrued sales commissions on Q4 bookings performance

Consolidated Cashflow Statement

<i>in K€</i>	12/31/23	12/31/22	Var	Var %
Consolidated Net Income (loss)	14 857	17 864	(3 007)	(20%)
Depreciation and amortization	11 773	11 004	769	7%
Capital Gains (Losses)	11	(288)	299	NA
Interest paid / Received	(572)	556	(1 128)	197%
Income Tax	(109)	(46)	(63)	58%
Dividends Received	-	1 800	(1 800)	NA
Variance in Accounts Receivable & Payable	5 546	(10 401)	15 947	288%
NET CASH GENERATED BY OPERATING ACTIVITIES	31 506	20 489	11 017	35%
Investments intangible and tangible assets	(15 981)	(13 857)	(2 124)	13%
Change in other Assets	(221)	2 954	(3 175)	1437%
Acquisitions & Investments	(1 068)	(9 843)	8 775	(822%)
NET CASH FLOW FROM INVESTING ACTIVITIES	(17 270)	(20 746)	3 476	(20%)
Dividends Paid	(4 502)	(3 555)	(947)	21%
Amount received from Exercise of stocks options	860	592	268	31%
Financial Debt Change	(4 111)	13 865	(17 976)	437%
NET CASH FLOW FROM FINANCING ACTIVITIES	(7 753)	10 902	(18 655)	241%
<i>Effect of exchange rate changes on cash</i>	(590)	(2 736)		
Cash at the beginning of the period	42 885	34 978		
Cash at the end of the period	48 773	42 885		
Var.	5 888	7 907		
FREE CASHFLOW	15 525	6 631	8 893	57%

Increase of the cash position +5.9 m€:

- **Strong cash flow generated by operations: 31.5 M€**
 - A positive variance in WCR (+5.5 M€)
 - Improved DSO (direct & partners)
 - Commissions on sales to be disbursed in Q1 24
- Increase in investing activities linked to R&D
 - 11.5 M€ of Research and Development
 - 2.8 M€ of tangible assets
 - Acquisition of Market Dojo in 2022
- Decrease of financial debt:
 - -3.9 M€ loans reimbursement
 - -0.2 M€ leasing
- Dividend Increase to reflect FY22 profitability. Will follow FY23 performance in FY 24
- Currency exchange impact: 0.6 M€
- **Free cash flow increase 57% at 15.5M€**

FY 2024 Outlook

- Revenue Growth
 - 12 -14% at constant exchange rates
 - Assumes continued uncertainty in world macro economy
 - Factors in backend loaded bookings performance in FY23
- Operating profitability
 - Based on the above revenue performance and as a result of careful investments in the business,
 - Profitability expected to return to FY 22 levels (12- 13%)
 - Excluding potential effects of currencies fluctuation, tax accrual on free shares or other unforeseen events.

Thank you
for your attention

