

H1 2023 FINANCIAL STATEMENTS

 Public



H1 2023 SALIENT POINTS

■ Dynamic revenue growth

- 16% overall growth (15% with currency effect)
 - 20% growth in SaaS revenue (19% with currency effect)
 - 11% growth in implementation services (10% with currency effect)
- Europe and US growing at similar pace (16%)
- Inflation impact: 2% (est.)

■ Solid booking performance

- +18% vs H1 22
- Significant success in Europe (w/o France): +135%
- Confirmed solid performance in the US despite challenging base effect +6%

- France affected by change in e-invoicing regulation:

- -9% on the semester
- Sharp recovery in Q2 (+6%) vs Q1 (-36%)
- H2 expected to be very strong

■ Operational profitability affected by unrecurrent event, investments and inflation

- Operating income down 24% or 3M€
- Of which 2.6M€ from change in accrual for tax on stock-based compensation in France
- Restated Operating income decreased by 4% (0.4 M€)
 - Market Dojo scope entry: 0.5 M€
 - Growth in average headcount: 4.9M€

- Inflation on wages: 2.3 M€
- Inflation on outside costs: 1 M€ (est.)

■ Net income down 26 % or 2.7 M€ driven by operating income

■ Cash on hand 47M€ (34M€ net of financial debt)

- Operating cash flows up 47% (4.3 M€)
- Dividend paid up 27% (1M€)

■ 2023 Outlook

- Organic growth 14 to 15%
- Profitability between 11.5% and 12.5%
- Vs 11.1% for H123 & 12.6% for FY22

H1 2023 REVENUE

| | H1 2023 M€ | H1 2022 M€ | H1 2022 M€ Published LY | 2022/2021 Growth | 2022/2021 Growth ⁽⁴⁾ |
|--------------------------------------|---------------|---------------|-------------------------------|---------------------|------------------------------------|
| SaaS ⁽¹⁾ | 72,5 | 60,6 | 60,8 | 19% | 20% |
| Professional services ⁽²⁾ | 13,4 | 12,2 | 12,1 | 10% | 11% |
| Legacy products ⁽³⁾ | 2,0 | 3,3 | 3,3 | -39% | -39% |
| TOTAL | 87,9 | 76,0 | 76,3 | 15% | 16% |

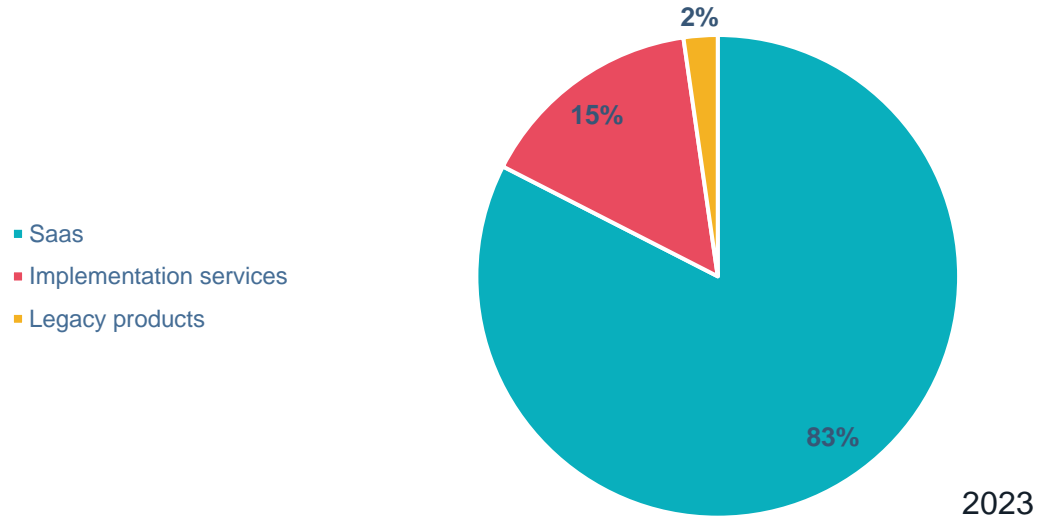
(1) Includes subscriptions and transactional revenue

(2) Includes implementation, training and Professional Services

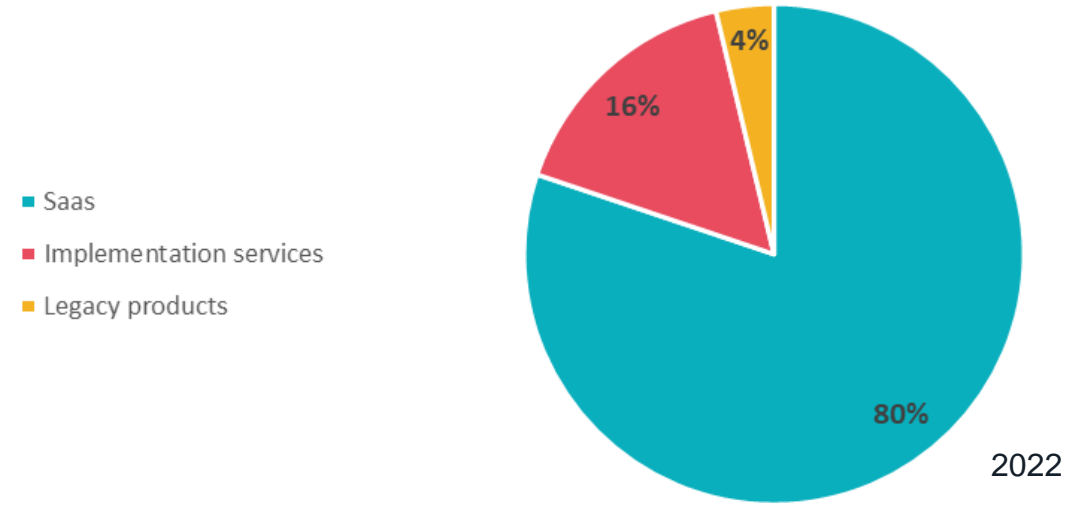
(3) Includes Esker DeliveryWare, Fax Servers and Host Access

(4) Growth expressed with no currency effect: 2022 exchange rates applied to 2021 figures

STRONG RECURRING BUSINESS MODEL

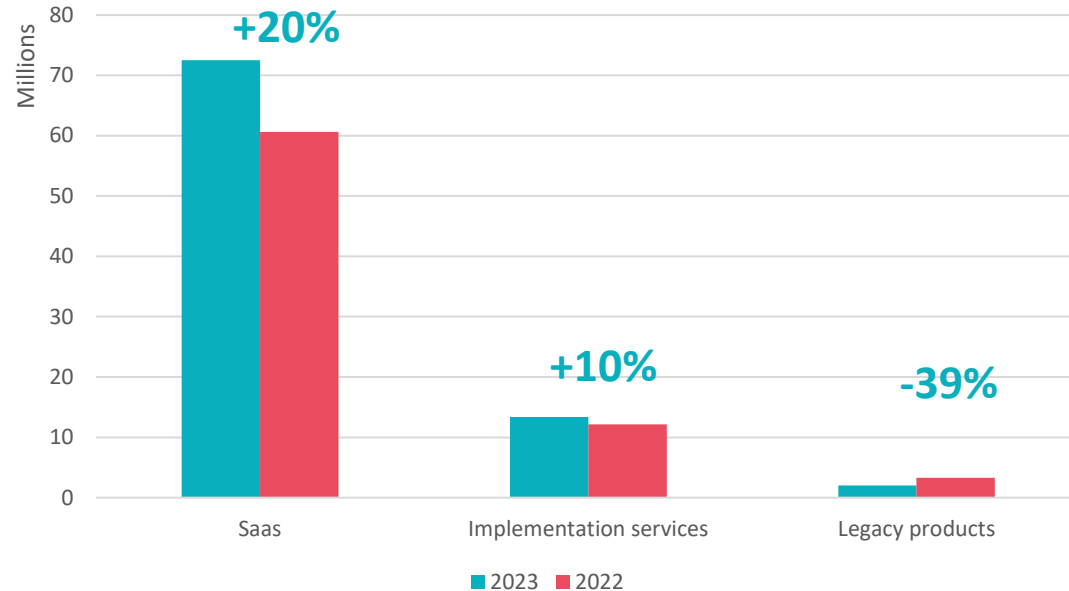


Saas represents 83% of the total business in H1 23, growing 20%



Saas represented 80% of the total business in 2022 growing 17%

REVENUE BY PRODUCT TYPE



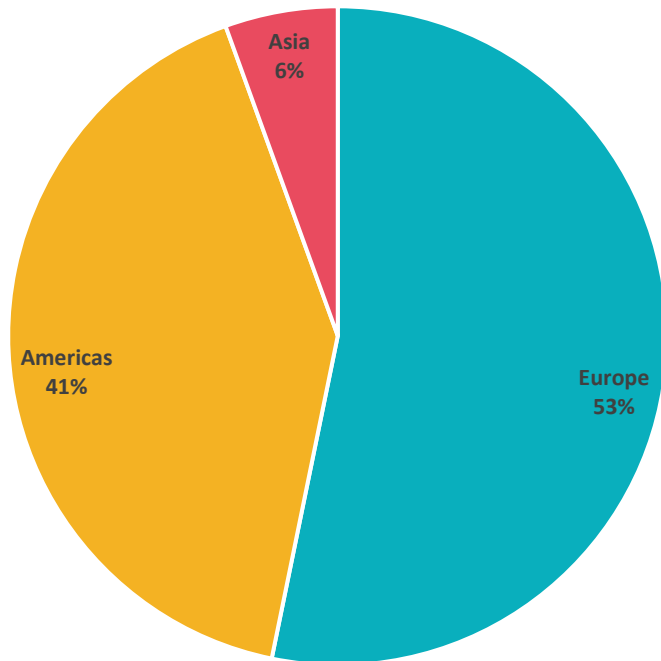
- Despite a slowdown of the economy, Saas revenue drove the Esker Group growth to represent 83% of all activity.
- Implementation services grew 10% versus last year (8% growth 22 vs 21).
- In line with company strategy legacy products accelerate their decline -39% this year (-24% in FY22).

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

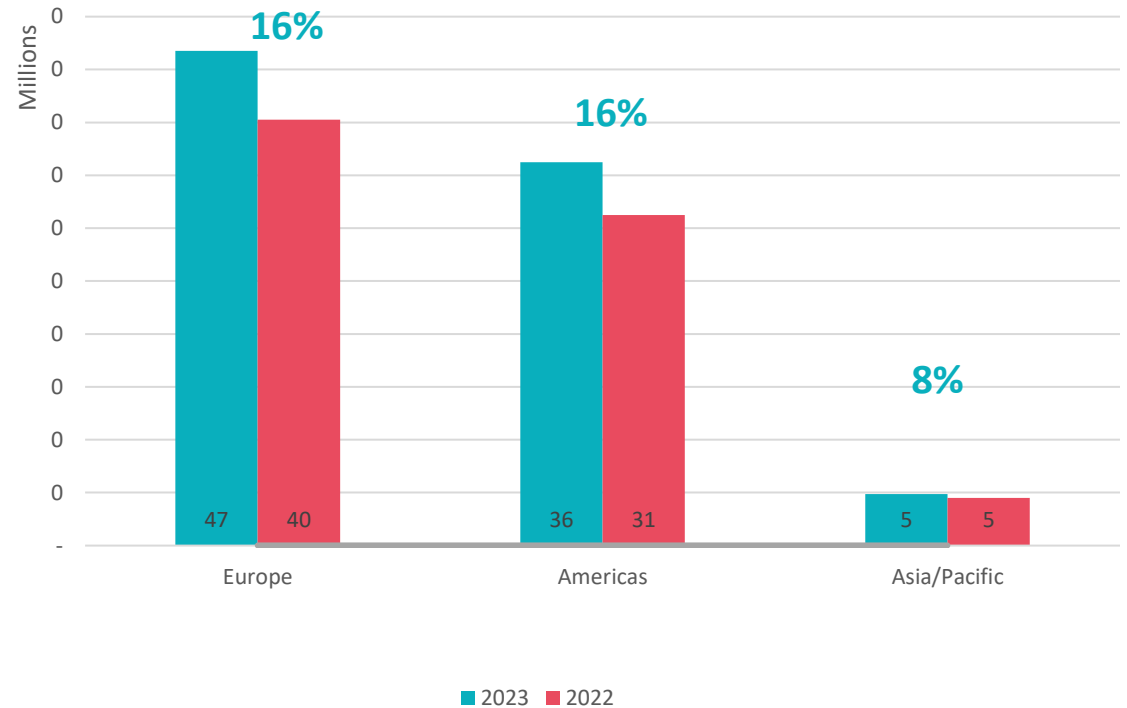
REVENUE BY REGION

Consistent performance for Americas and Europe

APAC affected by slower new business acquisition in Asia in 2022 and Q123

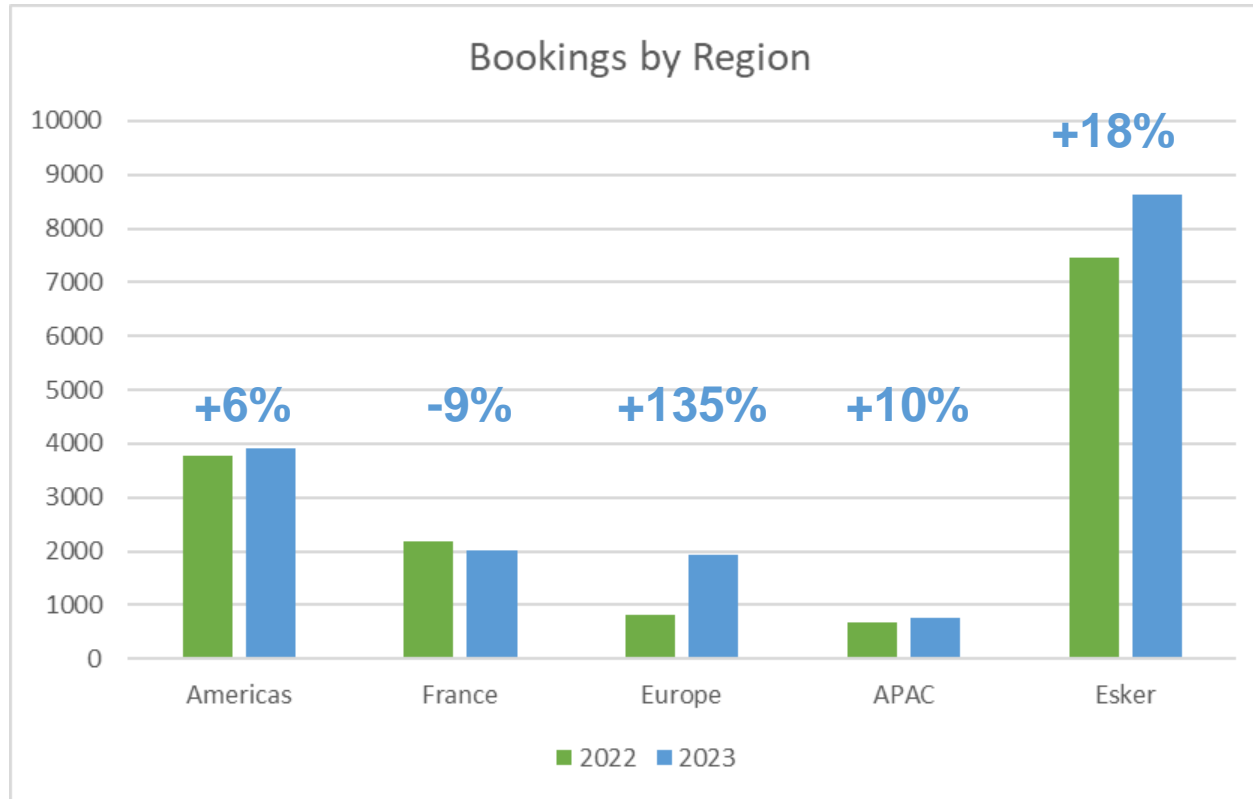


H1 2023 - Growth by Region



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

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

- French booking performance expected to be very strong in H2
- Challenging base effect for the Americas in Q3. Q4 expected stronger in growth

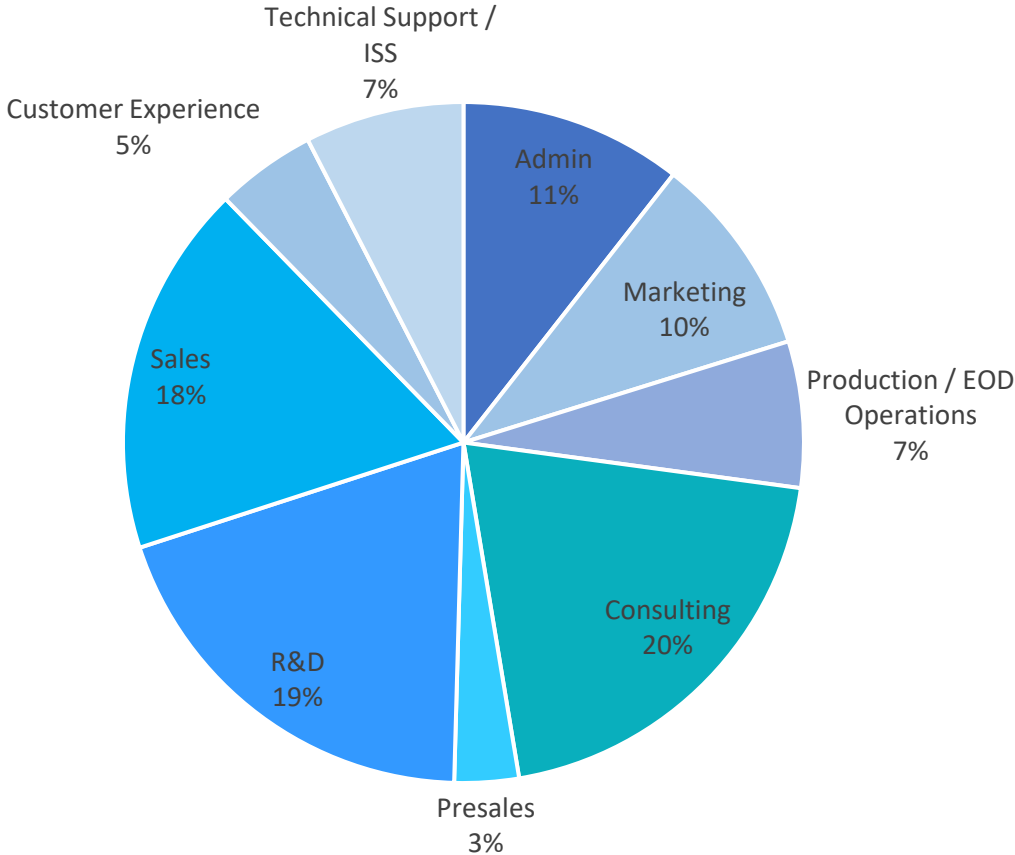
(*) all 2021 and 2022 figures are applied with 2023 forex rates

PROFITABILITY ANALYSIS

| <i>(in thousands of Euros)</i> | H1 2023 | H1 2022 | FY 2022 | Var vs H1 22 | Var vs FY 22 |
|--|--------------|--------------|--------------|-----------------|-----------------|
| Sales | 87 852 | 76 284 | 158 987 | | |
| Operating income | 9 801 | 12 870 | 21 409 | | |
| % profitability | 11,2% | 16,9% | 13,5% | -5,7% | -2,3% |
| Taxes on free shares | -374 | 2 247 | 1 400 | | |
| Restated operating income | 10 175 | 10 623 | 20 009 | | |
| Restated % profitability before AGA | 11,6% | 13,9% | 12,6% | -2,3% | -1,0% |
| Market Dojo scope entry | -632 | -116 | -624 | | |
| Restated operating income | 10 807 | 10 739 | 20 633 | | |
| Restated % profitability before MD | 12,3% | 14,1% | 13,0% | -1,8% | -0,7% |

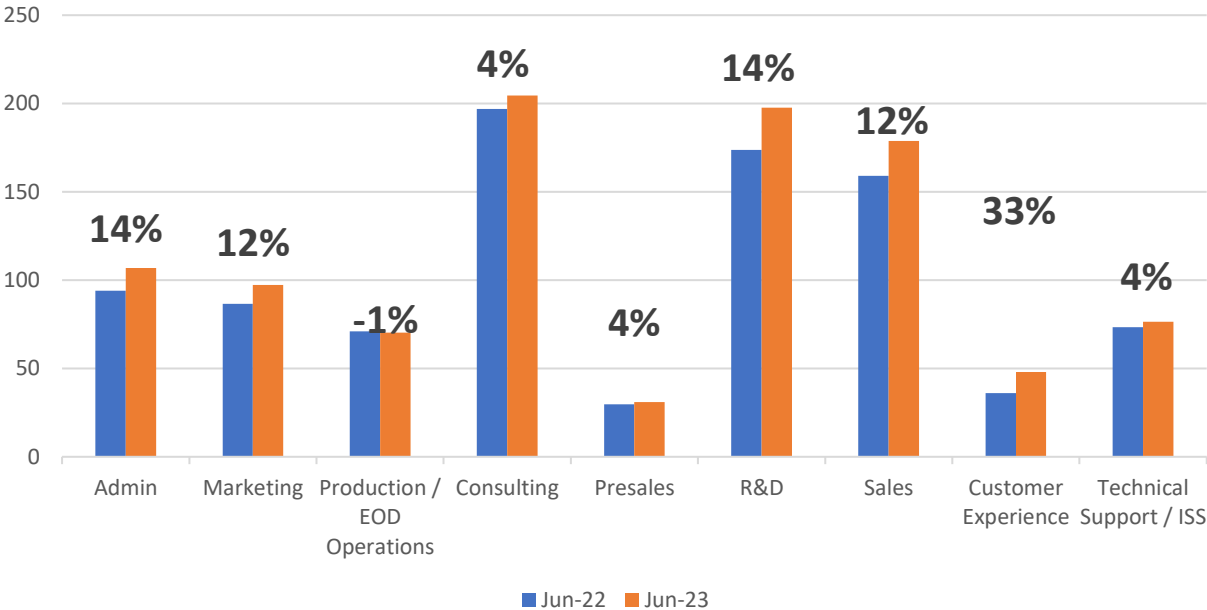
HEADCOUNT

Staff @June 23

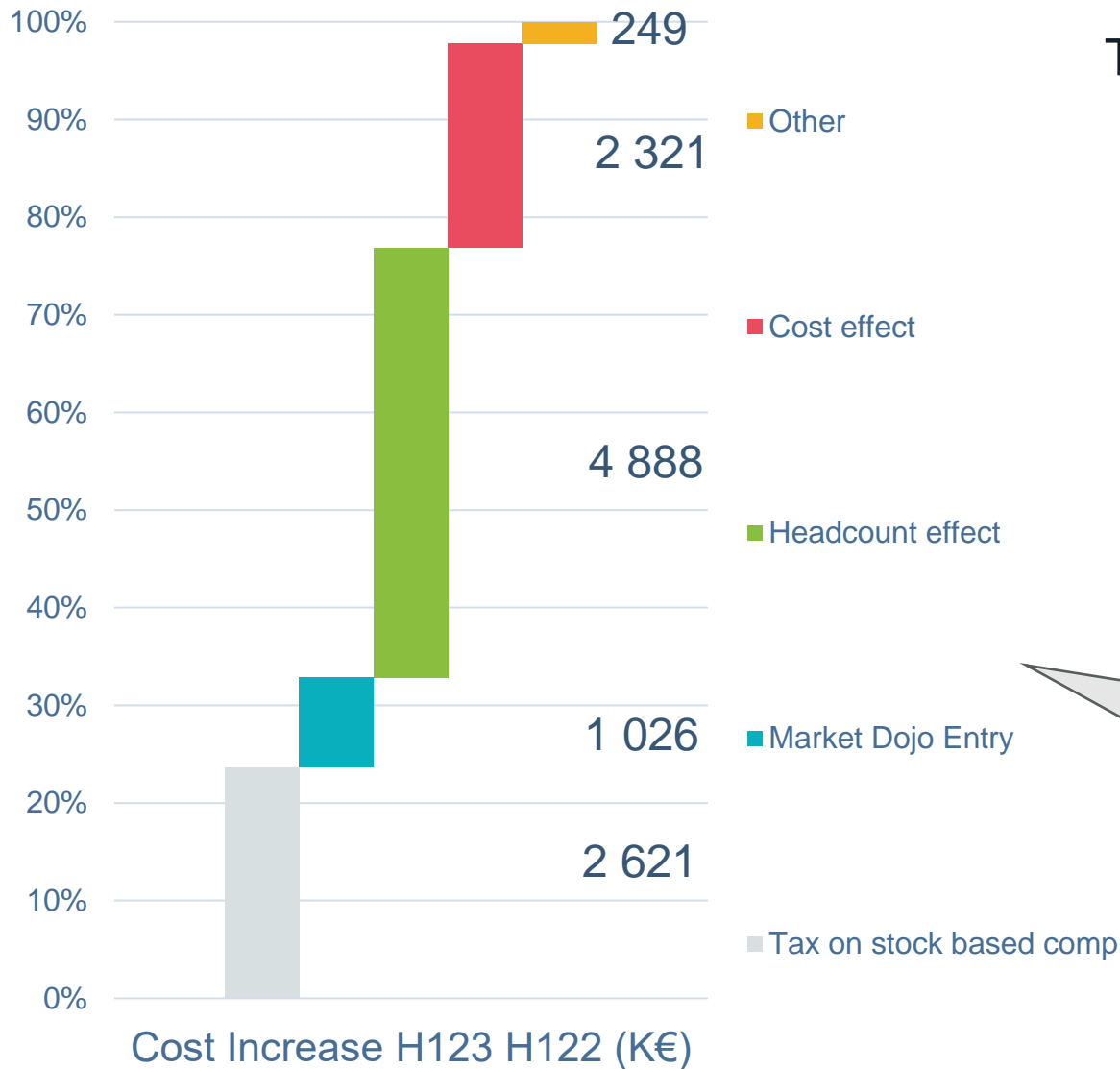


- Increase of headcount by **13%** overall vs June 2022 (average first half 2022 compared to 2023): +113 HC
- Includes Market Dojo (scope entry) 28 HC
- Increase w/o Market Dojo: **+10%**
- Hiring efforts have slowed down and will continue to be conservative which will show in H223 & FY24

Headcount increase by Department



PERSONNEL COST INCREASE ANALYSIS



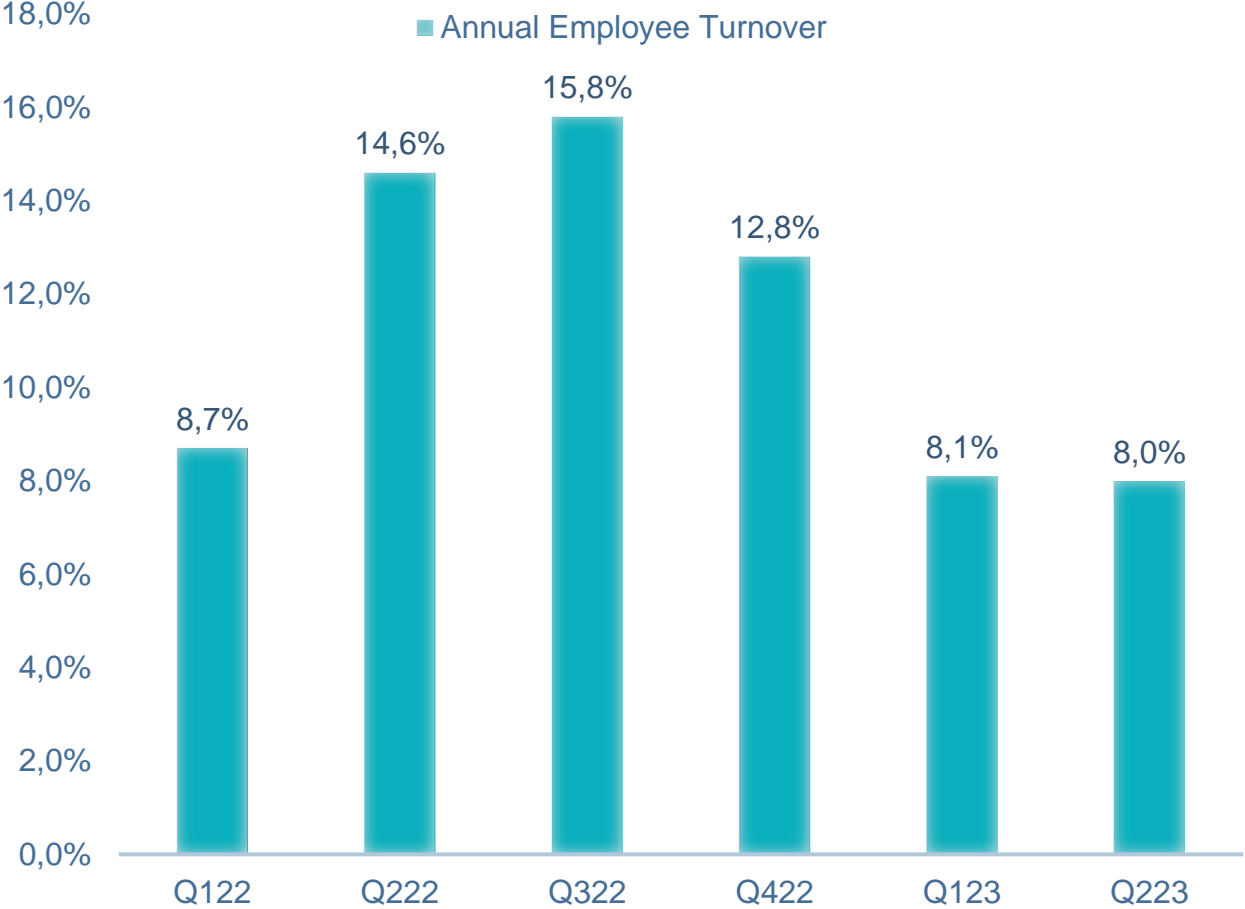
Total personnel cost increase H123 vs. H122: 11.1 M€

- Headcount: 44%
- Average salary increase 21%
- Market Dojo entry 9%
- Tax accrual 24%

Esker invested in employee retention by applying actual inflation rates in salary reviews

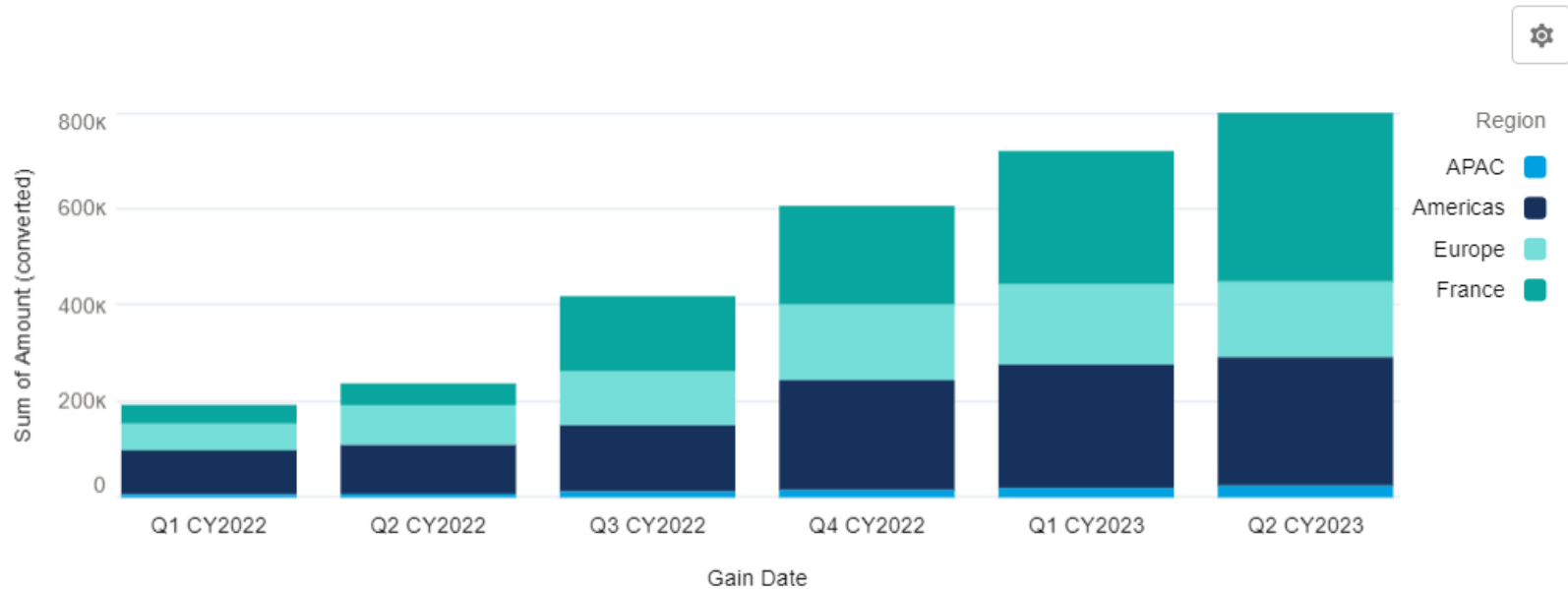
EMPLOYEE TURNOVER

ANNUAL EMPLOYEE TURNOVER



- Employee turnover returned to usual levels

INFLATION ON CUSTOMER CONTRACTS



- Customer prices are increased automatically at contract anniversary date based on local CPI index (Syntec in France)
- Impact of increased prices takes time to be reflected in invoiced revenue
- Some contracts were signed with delayed index application (policy changed in 2023)
- Some CPI used were slow to reflect inflation
- Value of price increase reaching 2.2% of SaaS revenue in Q2 23

CONSOLIDATED INCOME STATEMENT

| (in Thousands of Euros) | 30/06/2023 | % Net sales | 30/06/2022 | % Net sales | Var | Var % |
|---|----------------|-------------|----------------|-------------|----------------|--------------|
| Net Sales | 87 852 | 100% | 76 284 | 100% | 11 568 | 15% |
| Development costs | 6 191 | 7% | 5 170 | 7% | 1 021 | 20% |
| Other Income | 764 | 1% | 737 | 1% | 27 | 4% |
| Purchase and external expenses | (23 676) | -27% | (19 667) | -26% | (4 009) | 20% |
| Personnel and related taxes | (54 641) | -62% | (43 536) | -57% | (11 105) | 26% |
| Local and misc. Taxes | (760) | -1% | (835) | -1% | 75 | -9% |
| EBITDA | 15 731 | 18% | 18 153 | 24% | (2 422) | -13% |
| Depreciation expenses | (5 668) | -6% | (4 940) | -6% | (728) | 15% |
| Reserves | (259) | 0% | (343) | 0% | 84 | -24% |
| Operating Income | 9 803 | 11% | 12 870 | 17% | (3 067) | -24% |
| Financial Income | 76 | 0% | 186 | 0% | (110) | -59% |
| Net Income of integrated companies | 9 879 | 11% | 13 056 | 17% | (3 177) | -24% |
| Exceptional income | 25 | 0% | (501) | -1% | 526 | -105% |
| Income tax | (3 019) | -3% | (3 232) | -4% | 213 | -7% |
| Share of profit in associates | 571 | 1% | 807 | 1% | (236) | -29% |
| Net Income | 7 456 | 8% | 10 130 | 13% | (2 674) | -26% |

| | H1 2023 | H2 2022 | Var |
|-----------------------|--------------|--------------|------------|
| | Total | Total | K€ |
| Dev costs capitalized | 6 191 | 5 170 | 1 021 |
| Amortization | (3 904) | (3 353) | (551) |
| Net | 2 287 | 1 817 | 470 |

External expenses : +4,0 m€ - +20%

- Increase caused by activity level (events, fees, software, etc)
- Inflation impact approximately 25%

Personel charges and related taxes (+11,1 m€ vs LY) : +26%

Currency exchange gain

Loss on liquidity contract

CONSOLIDATED P&L BY DESTINATION

| (in thousands of euros) | H1 2023 | % | H1 2022 | % | Var. € | Var. % |
|-------------------------------------|---------------|-------------|---------------|-------------|----------------|-------------|
| REVENUE | 87 852 | 100% | 76 284 | 100% | 11 568 | 15% |
| Cost of goods sold | (25 737) | -29% | (23 805) | -31% | (1 932) | 8% |
| GROSS MARGIN | 62 115 | 71% | 52 479 | 69% | 9 636 | 18% |
| Research and development expenses | (8 898) | -10% | (7 074) | -9% | (1 824) | 26% |
| Selling expenses | (21 213) | -24% | (16 459) | -22% | (4 754) | 29% |
| CX and Support Expenses | (6 844) | -8% | (4 899) | -6% | (1 945) | 40% |
| Marketing expenses | (8 899) | -10% | (6 684) | -9% | (2 215) | 33% |
| General and administrative expenses | (6 084) | -7% | (6 740) | -9% | 656 | -10% |
| Taxes on free shares | (374) | 0% | 2 247 | 3% | (2 621) | -117% |
| INCOME FROM OPERATION | 9 803 | 11% | 12 870 | 17% | (3 067) | -24% |
| <i>Restated Income for H1 2022</i> | | | 10 623 | 14% | | |
| Financial income (loss) | 76 | 0% | 186 | 0% | (110) | -59% |
| OPERATING INCOME | 9 879 | 11% | 13 056 | 17% | (3 177) | -24% |
| Exceptional Items | 25 | 0% | (501) | -1% | 526 | -105% |
| Income tax | (3 019) | -3% | (3 232) | -4% | 213 | -7% |
| Share of Profit of Associates | 571 | 1% | 807 | 1% | (236) | -29% |
| NET INCOME | 7 456 | 8% | 10 130 | 13% | (2 674) | -26% |

| COGS | H1 2023 | H1 2022 | Var | Var % |
|-------------------------|---------------|---------------|--------------|-----------|
| Implementation services | 12 657 | 11 319 | 1 338 | 12% |
| Platform & others | 13 080 | 12 486 | 594 | 5% |
| TOTAL | 25 737 | 23 805 | 1 932 | 8% |

CONSOLIDATED BALANCE SHEET - ASSETS

| ASSETS (thousands of euros) | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|---------------------------------------|----------------|----------------|----------------|
| Intangible assets | 49 878 | 46 632 | 47 651 |
| <i>Of which goodwill</i> | <i>16 089</i> | <i>16 289</i> | <i>16 266</i> |
| Property, plant and equipment | 9 501 | 9 504 | 8 986 |
| Financial assets | 10 540 | 10 944 | 10 754 |
| Shares accounted for under the equity | 4 830 | 3 568 | 4 259 |
| Total assets | 74 748 | 70 648 | 71 650 |
| Inventory and work in progress | 331 | 425 | 512 |
| Account receivables | 38 131 | 33 330 | 37 157 |
| Deferred tax assets | 1 114 | 671 | 1 114 |
| Prepaid and other current assets | 7 363 | 7 634 | 9 038 |
| Cash and equivalent | 41 689 | 39 922 | 42 887 |
| Total current assets | 88 628 | 81 982 | 90 708 |
| TOTAL ASSETS | 163 376 | 152 630 | 162 358 |

Goodwill of Market Dojo for 9.8 m€
Historical goodwill for E-Integration, Term Sync and Calva

Financial assets :
Investments affiliates: 4.8 M€
Cashlike LT investments: 4.8 M€
Other 0.9 M€

Increase of AR due to :
• Revenues increase +16%
• DSO stable

CONSOLIDATED BALANCE SHEET - LIABILITIES

| LIABILITIES (thousand of euros) | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|--------------------------------------|----------------|----------------|----------------|
| Capital stock | 12 061 | 11 960 | 11 971 |
| <i>Additional paid-in capital</i> | <i>23 527</i> | <i>22 915</i> | <i>23 227</i> |
| Net result | 7 455 | 10 130 | 17 864 |
| Consolidated reserves | 58 420 | 47 187 | 45 578 |
| Total shareholders' equity | 101 463 | 92 192 | 98 641 |
| Reserves for risks and charges | 3 308 | 2 674 | 3 114 |
| Financial liabilities | 12 980 | 17 086 | 15 034 |
| Account payables | 10 926 | 9 600 | 9 839 |
| Tax and employee related liabilities | 21 581 | 20 077 | 24 124 |
| Other liabilities | 13 119 | 11 001 | 11 607 |
| Total current liabilities | 58 605 | 57 764 | 60 603 |
| TOTAL LIABILITIES | 163 377 | 152 630 | 162 358 |

CONSOLIDATED CASHFLOW STATEMENT

| (in thousands of euros) | 06/30/23 | 06/30/22 | Var | Var % |
|--|----------------|-----------------|-----------------|--------------|
| Consolidated Net Income (loss) | 6 884 | 10 202 | (3 318) | -33% |
| Depreciation and amortization | 5 863 | 5 081 | 782 | 15% |
| Capital Gains (Losses) | 53 | 4 | 49 | 1225% |
| Interest Paid / Received | (17) | 23 | (40) | -174% |
| Income tax | 1 364 | 1 750 | (386) | -22% |
| Dividends received | 0 | 1 800 | (1 800) | -100% |
| Variance in Accounts Receivable & Payable | (607) | (9 629) | 9 022 | -94% |
| NET CASH GENERATED BY OPERATING ACTIVITIES | 13 540 | 9 231 | 4 309 | 47% |
| Investments intangible and tangible assets | (8 737) | (8 049) | (688) | 9% |
| Change in other Assets | 214 | 485 | (271) | -56% |
| Acquisitions & Investments | 0 | (10 113) | 10 113 | -100% |
| NET CASH FLOW FROM INVESTING ACTIVITIES | (8 523) | (17 677) | 9 154 | -52% |
| Dividends Paid | (4 518) | (3 558) | (960) | 27% |
| Amount received from Exercise of stocks options | 390 | 269 | 121 | 45% |
| Financial Debt Change | (1 940) | 15 894 | (17 834) | -112% |
| NET CASH FLOW FROM FINANCING ACTIVITIES | (6 068) | 12 605 | (18 673) | -148% |
| <i>Effect of exchange rate changes on cash</i> | <i>(146)</i> | <i>785</i> | <i>(931)</i> | <i>-119%</i> |
| Cash at the beginning of the period | 42 887 | 34 978 | 7 909 | 23% |
| Cash at the end of the period | 41 689 | 39 922 | 1 767 | 4% |
| Cash variation | 1 198 | -4 944 | | |

Increase of the cash position +1.2 m€:

- **Strong cash flow generated by operations: +13 M€**
 - No payment delay from partners
 - Stable DSO
 - Increase of Payables for 1 M€
 - Impact of tax accrual reversal
- Decrease in investing activities linked to acquisitions
 - 6.8 M€ Research and Development
 - 1.9 M€ of tangible assets
- Dividend Increase reflects financial performance development

IN SHORT

- Solid revenue growth in H1 and confirmed guidance of 14/15% growth for FY23
- Strong booking performance in H1 despite slow start of the year on the French market.
- Bookings expected to be very strong for France in H2 partially offset by more challenging base effect in the Americas in Q323
- As expected, profitability lower than H1 22
 - Unrecurring and non operations related events in H122
 - Strong inflation impact not fully compensated by increase in customer billings
 - Moderation in recruitment to show full impact in H2 23 & FY 24
- Profitability for FY 23 expected to be between 11.5 & 12.5% vs 12.6% in FY 22

Thank you
for your attention

