Esker Q3 2021 Sales Activity

Company growth continues strong in Q3 with sales increasing by 23%

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SALES REVENUE IN M€ (UNAUDITED)	Q3 2021 M€	Q3 2020 M€	QUARTER GROWTH[4] or Q3 2021/Q3 2020 GROWTH[4]	9 MONTH 2021 M€	9 MONTH GROWTH[4]
SAAS [1]	25.9	21.2	+22%	75.3	+25%
IMPLEMENTATION SERVICES[2]	6.0	4.2	+40%	17.0	+21%
LEGACY PRODUCTS[3]	1.5	1.8	-15%	5.4	-1%
TOTAL	**33.4**	**27.2**	**+23%**	**97.7**	**+22%**
BOOKINGS[5]	**3.0**	**2.7**	**+11%**	**9.5**	**+42%**

[1]Includes subscriptions and transactional revenue
[2]Includes implementation, training and Professional Services
[3]Includes Esker DeliveryWare, Fax Servers and Host Access
[4]Growth based on a constant exchange rate: 2021 exchange rates applied to 2020 figures
[5]Expressed as Annual Recurring Revenue (ARR)
Esker has decided to adjust its revenue presentation by activity to reflect the strategy of focusing on the cloud and the increasingly smaller share of legacy products and license-based document process automation solutions. Therefore, Fax, Host Access and Esker DeliveryWare products are grouped under legacy products. For cloud solutions, Esker will now distinguish between the purely SaaS part (subscription and traffic) and the implementation services part. Esker has also decided to report its bookings using Annual Recurring Revenue (ARR), a standard metric for SaaS or subscription business. ARR is the average annual subscription value that customers commit to pay over the life of a contract. Revenue from platform transactions is not included as it is uncertain by nature and depends on the number of transactions effectively processed, which is not known at the time the contract is signed. Service revenue is also not included in ARR as it is non-recurring.

Cloud-based services in full swing

Esker Q3 2021 sales revenue amounted to 33.4 million euros, a 23% increase over Q3~~2~~ 2020 based on constant exchange rates (+20% based on current rates). For the first nine months of 2021, Esker's sales growth increased 22% to reach 97.7 million euros (based on both current and constant exchange rates).

Growth continued to be driven by the development of cloud solutions, which grew 24% in Q3, representing 94% of the company business. The company's cloud-based activities benefited from a favorable base effect in Q3 (+22%) and was reinforced by significant growth of implementation services (40%) during this period due to the large number of bookings registered since the end of 2020.

Activity was strong in all geographies, with all posting solid growth as a result of sales success recorded over the last nine months.

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Continued strong pace of new contracts

Esker signed a high amount of new contracts over the quarter. More than ever, businesses have shown a strong interest in automation solutions that deliver significant productivity gains to finance and customer service functions.

The Annual Recurring Value (ARR) of new contracts signed during Q3 2021, to reach 3.0 million euros (11.6 million euros in subscriptions over the total duration of the contracts), presents an increase of 11% compared to Q3 2020, which benefited from the strong economic recovery after the first wave of the pandemic.

Since the beginning of the year, the ARR of contracts signed amounts to 9.5 million euros, an increase of 42% (34.5 million euros in subscriptions over the total duration of the contracts).

Maintained financial structure for future growth

As of September 30, 2021, company cash rests at 38.0 million euros. With 36.9 million euros in net cash (versus 25.1 million euros on September 30, 2020) and close to 140,000 treasury shares immediately available, Esker has the financial resources necessary to pursue its strategy focused on accelerating organic growth. This will eventually be completed by external growth operations designed to integrate related solutions to increase the value delivered to our customers.

Outlook for 2021

Esker's growth should continue to accelerate due to the significant sales success achieved during the first nine months of the year. Esker has raised its organic growth forecast for the full year from 17% to 18%, which should bring sales revenue to around 132 million euros in the absence of any unexpected disruptive events and if the EUR/USD exchange rate remains unchanged. This increase takes into account a much more demanding base effect in Q4 2021, due to the acceleration of the global recovery linked to the phasing out of the Covid restrictions in Q4 2020. At this level of growth, profitability is expected to be between 12-15%.

About Esker

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Esker's solutions incorporate technologies like Artificial Intelligence (AI) to drive increased productivity, enhanced visibility, reduced fraud risk, and improved collaboration with customers, suppliers and internally. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin. For more information on Esker and its solutions,

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