

Annual Revenue 2020

Record Q4 bookings: up 31%

Strong growth in annual revenue: up 14%

Launch of the ambitious "Fusion100" strategic plan

LONDON, United Kingdom - January 26, 2021 | Sidetrade (Euronext Growth: ALBFR.PA), the AI-powered Order-to-Cash platform, announces double-digit growth of its 2020 revenue, up 14%, and unveils its ambitious new strategic plan "Fusion100" to take the next step in growth.

Olivier Novasque, Chairman and CEO of Sidetrade, had this to say:

"2020 will remain the year in which many companies saw their business models put to the test. In this unprecedented context, Sidetrade demonstrated the extreme resilience of its SaaS model by achieving a record year with double-digit revenue growth. I would like to thank all of our employees, customers, partners and shareholders, who have helped us achieve an exceptional year in 2020, despite the terrible nature of this crisis.

For companies, and in particular for CFOs, transformation is no longer an option but an absolute priority, and our technology offering is perfectly in tune with the need to accelerate cash generation, particularly by reducing payment delays. Industry analyst IDC's leading research has also identified Sidetrade as one of the major players in Order-to-Cash. This market is booming and has seen numerous capital-intensive operations throughout the year. This demonstrates once again the tremendous growth potential it holds for solid and ambitious players. Sidetrade has considerable advantages to help it exploit this powerful market dynamic and has the means to live up to its ambitions. We have never been in a stronger position than where we find ourselves at the end of 2020.

With our new Fusion100 strategic plan, we are clearly focusing on innovation and accelerating our growth in both Europe and the United States. Sidetrade's core businesses have never been so solid, which enables us to have the financial means necessary to achieve our ambitions. These significant investment programs will make Sidetrade a global player on a completely new scale. We now have to seize this unique opportunity to be a major world leader in the Order-to-Cash".

Record Q4 bookings: up 31%

In the new paradigm that 2020 represented, Sidetrade's sales strategy has focused on international companies with revenues over €1 billion that are more resilient to the crisis and have significant resources to implement cash flow generation projects. Another advantage of this strategic orientation is that these large companies offer more opportunities for the company in terms of additional sales (44% 2020 bookings were upsell and cross-sell deals), ultimately producing increased revenues for upcoming years.

For Q4 2020, Sidetrade has set a new record for bookings with an additional €1.54 million in annual recurring revenue (ARR) vs. €1.17 million in Q4 2019, representing 31% growth. In the enterprise segment, growth is even more pronounced with €1.51 million in ARR (vs. €1.04 million in 2019), up 46%.

Sidetrade continued to expand its geographical presence in Q4 2020 with 46% of bookings outside continental Europe. Its customer base is represented across all industry sectors, including for example: Bidfood (United Kingdom, Distribution), Biffa (United Kingdom, Services), Christeyns (France, Pharmaceuticals), Colt (Spain, Netherlands, Belgium, United Kingdom, ICT), Deliveroo (Europe, ICT), RS Components (global, Distribution), Autodistribution (Europe, Distribution), Pricer (France, ICT), Randstad (APAC, Human Resources), STG (France, Transport), Trescal (United States, Electronics), XPO Logistics (Europe, Transport).

Over the whole of fiscal year 2020, Sidertrade broke its record for the number of new enterprise account customers with the addition of 45 subscribers who joined the Sidertrade Cloud (vs. 37 in 2019). Enterprise accounts now represent 97% of bookings. The company is repeating its 2019 record performance in terms of bookings, with new ARR on enterprise accounts of €4.03 million (vs. €4.16 million in 2019) despite 2020 Q1 being hugely impacted by the sudden halt in economic activity.

These new enterprise accounts have committed to average initial contract periods of 38.1 months (vs. 33.8 months in 2019), with a total value of new contracts signed of €11.95m (vs. €11.1 million in 2019).

Attrition remains under control for enterprise accounts with a churn rate of 5.6% as of December 31, 2020, which represents an excellent result for the SaaS industry whose average was 13.9% according to the "2020 SaaS survey results - Covid edition" by KeyBank CapitalMarkets (published on May 31, 2020).

Strong growth in annual revenue: up 14%

Sidertrade (in millions of euros)	2020	2019	Variation
Revenue	29.2	25.7	+14%

The 2020 information is unaudited consolidated data.

Sidertrade posted annual revenue of €29.2 million for 2020, up 14%. This steady growth, quarter after quarter, is purely organic and demonstrates the attractiveness of Sidertrade's offer in a business environment where cash collection has been a vital issue for companies.

The company's SaaS model, where 89% of revenue is recurring, has really demonstrated its resilience in the face of the economic crisis.

Launch of the "Fusion100" strategic plan

All over the world, the pandemic and its economic consequences have caused a historic increase in B2B payment delays. United Kingdom recorded a spike of unpaid and overdue invoices reaching 43% on May 2, 2020 according to the Sidertrade tracker. In this unprecedented context, companies are faced with the urgent need to transform their organizations, digitize their financial processes and increase the professional performance of their teams in order to regain control over payment deadlines. Securing and accelerating cash flow generation is now a crucial issue for most organizations.

The market for Order-to-Cash technological solutions, previously largely dominated by manual processes combined with simple office spreadsheets, has in just a few months become one of the most dynamic segments of the enterprise software industry. Unsurprisingly, investors (private equity funds, key industry players) have just within the last twelve months launched an unprecedented wave of capital investment targeting the main players in this booming market:

- **In Europe**, acquisition of the historic Dutch player OnGuard (€14 m in estimated revenue) by Visma (February 2020), followed in July 2020 by the American software company YayPay (\$2 m estimated revenue) bought out by the French company Quadiant for over €17 m and, finally, in October 2020, the acquisition of Rimilia (British software company specializing in invoice reconciliation automation using "Cash Application", under \$10 m in estimated revenue), by Blackline (Nasdaq: BL) for a final value of \$150 million.
- **In North America**, Iconiq Capital led a \$125 million growth funding round for HighRadius (January 2020) on an estimated revenue of less than \$70 million at the time of the transaction followed by a takeover bid in February 2020 on the Canadian company VersaPay (Can\$8 m estimated revenue) initiated by the Great Hill Partners fund for a value of Can\$126 million, with a view to delisting. In July 2020, the Californian software company Cforia (under \$10 m in estimated revenue) was bought by the Gemspring Capital fund, and finally Billtrust (a software company specializing in electronic invoicing

and online payments, with \$100 m in estimated revenue) debuted on the Nasdaq in October 2020 via a SPAC (*Special-Purpose Acquisition Company*) from South Mountain Merger Corp (Nasdaq: SMMC) with a value of \$1.3 billion.

Despite this frenzy of acquisitions, it is clear that the Order-to-Cash is still an emerging and extremely fragmented market where no one player can claim a dominant position, either in terms of size or capacity to functionally cover the requirements of companies over the entire cycle. This market is in fact currently estimated at \$10 billion in Europe and North America (*Source: Midcap Partners, October 9, 2020*), and even doubling the consolidated revenues of its major players (including Sidetrade in third place worldwide with its \$36 million in revenue) to take into account small local players and peripheral solutions, the penetration rate would still represent just 5% of the potential market to date; Billtrust, with its \$100 million in estimated revenue, would only have a 1% market share. The Order-to-Cash market is therefore one of the markets of the future with considerable growth potential, and one where the field between the different software companies remains extremely open. Over the next five years, Sidetrade clearly has a good hand to play in this global market and intends to give itself all the means to achieve its ambitions with its "Fusion 100" strategic plan.

Fusion100 is first and foremost an ambitious growth plan to enable Sidetrade to seize this tremendous market opportunity. Through a targeted investment program, Sidetrade will aim for a compound annual growth rate (CAGR) of between 20% and 25% over the period 2021-2025, compared to 15% on average over the last two years. This ambitious plan should enable the company to reach its target revenue of \$100 million in 2025 (or €82 million).

This plan is based on three major pillars: **1/** Continuing to lead the field on AI and quickly offering the most complete Order-to-Cash platform on the market **2/** Strengthening its position as #1 on the European market and joining the Top 3 players on the American domestic market **3/** Seizing all opportunities for targeted external growth compatible with the two previous points.

1. Innovation: Lead the field on AI and offer the most complete platform on the market

Leading the field on Artificial Intelligence

Fusion100 aims to consolidate Sidetrade's technological advances in the area of Artificial Intelligence. As early as 2015, Sidetrade had developed unique expertise compared to its competitors by applying machine learning algorithms to the 330 million consolidated payment experiences in its Cloud, representing the analysis of more than \$1 trillion worth of B2B transactions. In addition to the ability to predict the payment behavior of more than 3 million companies around the world, Sidetrade's AI, "Aimie", is now able to receive input and learn from the 40 million collection activities carried out annually by all of Sidetrade's customers, to recommend the best collection action to the operational teams for a given customer, at the best time and using the most effective medium. In addition to automating large numbers of tasks that were previously manual, the actions recommended by Aimie result in a 53% increase in average cash collection efficiency over the traditional methods and thus a 51% reduction in unnecessary manual tasks. The next step will be to refine this approach and to make Aimie even more autonomous in carrying out certain tasks.

Offering the most comprehensive platform on the market

Thanks to its AI, Sidetrade is clearly ahead on the core Order-to-Cash process, namely the management of collection, the monitoring and resolution of disputes, and the management of customer case and credit risk, all crucial elements that bring the highest return on investment. Nevertheless, there are certain functional areas, upstream or downstream of the Order-to-Cash cycle, which are not yet addressed substantially or at all by the Sidetrade platform, such as electronic customer orders or invoices ("e-Orders" and "e-Invoicing"), the ability to automatically reconcile open invoices with the relevant credits received ("Cash Application" or "Cash Allocation") and the option to offer end debtors online payment solutions ("e-Payment") via web portals. Sidetrade is in fact already specifically working on these areas and within 12 to 18 months will be able to offer the market innovative solutions while also including new advances in AI.

To achieve these objectives, Sidetrade will allocate €14 million in R&D investments over the next 24 months, with in particular the forthcoming inauguration of a second Tech Hub in France, following the one opened in February 2020 in the United Kingdom (Birmingham). In total, nearly a 100 engineers will make up Sidetrade's R&D team by the end of 2022, compared with 62 today.

2. Expansion: Strengthen its #1 position in Europe and enter the Top 3 in the United States

Strengthen its #1 position in Europe

The European sales teams, which are already organized around two regions, one covering Northern Europe from the United Kingdom and the other covering Continental Europe from Paris, will be further organized by major industries in order to be as aligned as possible to clients' requirements and to streamline relations with major consulting firms. To reinforce its number one position in Europe, the company's investments in its sales force will increase by 45% over the next two years, from €10 million in 2020 to €15 million in 2022.

Join the Top 3 Order-to-Cash software companies in the United States

Following the creation of Sidetrade Inc. in January 2020, prior to the pandemic, the official launch of commercial operations in the United States has begun in earnest at the beginning of 2021 with the recruitment of an experienced management team in charge of replicating the European commercial organization within our North American territory. The sales and marketing team will soon grow to a staff of around 20 employees in 2021, and an investment program of \$10 million (or €8.8 m) over the next 24 months will significantly support our aim of quickly becoming one of the Top 3 local players.

3. Opportunities for acceleration

While the Fusion100 strategic plan is part of an offensive strategy clearly oriented towards growth supported by significant investments, it will still preserve Sidetrade's financial equilibrium with the goal of remaining a profitable and cash-flow generating company.

With virtually no debt and nearly €25 million in cash flow at this point (including 68,000 own stocks), the company has the financial resources necessary to seize any external growth opportunity that could strengthen and accelerate the execution of its Fusion100 plan.

Sidetrade is entering 2021 with solid fundamentals, a clear vision for its future and the means to realize its ambitions.

Next communications

2020 Annual Results: 20 April 2021 (after stock market closes)

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About Sidetrade (www.ww.sidetrade.com)

Sidetrade (Euronext Growth: ALBFR.PA) is a fast-growing international SaaS company unlocking customer value. Sidetrade's next-generation AI, nicknamed Aimie, analyzes huge amounts of B2B customer payment behavior data to intelligently automate the order-to-cash process. Based on predictive analytics, Aimie delivers actionable recommendations in real time to enhance retention, upsell/cross-sell, and cash collection. Aimie is a real game-changer in augmented intelligence- a system whereby individuals and machines work together faster and smarter, in complementary ways.

Sidetrade has a global reach, with 250 talented employees based in Paris, London, Birmingham, Dublin, and Amsterdam, serving clients in 80 countries. Over 2,700 businesses from large multinationals to mid-size enterprises, in a range of industries, count on Sidetrade technology to outperform the competition.

For further information, visit us at www.sidetrade.com and follow us on Twitter [@Sidetrade](https://twitter.com/Sidetrade).

In the event of any discrepancy between the French and English versions of this press release, only the French version is to be taken into account.