

2020 Annual Results

Very strong growth in Income (+14%), in Operating Profit (+55%) and in Net Profit (+55%)

Reinforced financial structure

Acceleration of Fusion100 plan via Amalto acquisition and confirmation of the ambition to reach a turnover of \$100M by 2025

LONDON, United Kingdom – 20 April, 2021 | Sidetrade (Euronext Growth: ALBFR.PA), the AI-powered Order-to-Cash platform, announces another year of impressive growth, with revenue up 14% in 2020, and a dramatic 55% increase in net earnings.

Olivier Novasque, Chairman and CEO of Sidetrade, comments:

"2020 will be remembered as the year when an unprecedented crisis put the resilience of business models to a grueling test. To ride out the crisis, two requirements became urgent as never before: accelerate digital transition, and safeguard cash flow. For Sidetrade, 2020 was a banner year, with outstanding performance in sales and net earnings, along with overall strengthening of our financial structure. Never have we been so strong, and so ready to play a major role in the Order-to-Cash (O2C) market, which represents a potential of \$10bn, given that less than 5% of businesses which would benefit from O2C technology are actually equipped with it.

"For Sidetrade, the particular conditions of the year acted as a powerful catalyst for carrying out our Fusion100 strategic growth plan. Sidetrade has an undeniable technological lead in AI-powered O2C solutions, based on over \$2,400bn in B2B transactions in our cloud. Moreover, now that we are integrating the unmatched performance of Amalto's paperless B2B exchange solutions, Sidetrade is well-positioned as the partner of choice for world-class businesses.

"More than ever, we are absolutely confident in the pursuit of our profitable growth trajectory. We will not stray from our Fusion100 plan of reaching sales of \$100m by the year 2025. We have what it takes to be a global champion in a booming market."

Another year of double-digit growth: revenue up 14% and results up 55%

Sidetrade (million euros)	2020	2019	Variation
Annual Revenue	29.2	25.7	+14%
Operating Profit	3.6	2.3	+55%
Net Profit	3.4	2.2	+55%

2020 accounts have been audited and will be certified after finalization of procedures required for the annual financial report.

Record backlog once again in 2020

Over the whole of fiscal year 2020, Sidetrade broke its record for enterprise account customers, with the addition of 45 subscribers joining the Sidetrade 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 annual recurring revenue (ARR) from new enterprise accounts totaling €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 31 December, 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 Capital Markets (31 May, 2020).

Annual Income up an impressive 14%

Sidetrade posted annual revenue of €29.2m for 2020, up 14%. This steady growth, quarter after quarter, is purely organic, and demonstrates the attractiveness of Sidetrade's offering in a business environment where cash collection has literally been a vital issue for companies. Sidetrade's SaaS model, where 89% of revenue is recurring, has proven its resilience in the face of an economic crisis.

Dramatic increase in operating profit (+55%) and net profit (+55%)

Operating profit reached €3.6m in 2020, up 55% against 2019 (€2.3m).

This great performance can be explained by a €3.1m rise in gross margin, reaching €23.1m, i.e. 79% of revenue. SaaS subscriptions contributed 92% of this gross margin, confirming the incremental profitability of Sidetrade's pure SaaS model.

Sidetrade achieved outstanding results in 2020, while continuing to invest heavily in sales and marketing (€2.6m, up 15%) to support future business development. At the same time, the unprecedented context of the COVID-19 pandemic actually generated savings of €0.8m, linked mainly to the fall in expenses such as travel and event marketing.

2020 operating profit includes a French Research tax credit of €1.8m (vs €2.0m in 2019), as well as activation of €0.2m in marginal R&D costs (virtually identical to 2019).

Corporate income tax is estimated at €0.05m in 2020 vs -€0.03m in 2019.

Finally, 2020 net profit was €3.4m, up 55%.

Reinforced financial structure

Sidetrade further strengthened their financial structure, with €14.3m in gross cash at year end (vs €5.3m in 2019). Financial debt remains virtually nil at €0.3m.

Sidetrade also holds 66,000 of its own shares with a value of €7.8 million as of 31 December 2020.

Unlike many firms, Sidetrade has had no need for emergency financial measures to withstand the COVID economy: there has been zero need for French government financial support, and jobs have been maintained without short time working.

A leap forward in Sidetrade's Fusion100 plan with Amalto's acquisition and confirmation of the ambition to reach a turnover of \$100M by 2025

Sidetrade's strategy is guided by a growth plan, dubbed *Fusion100*, to reach \$100M in revenue by 2025, with a compound annual growth rate between 20% and 25% (vs. a mean of 15% for the last two years).

This Fusion100 plan has three key drivers:

Innovation: maintain the Sidetrade substantial lead in AI, and add further features to its platform, to provide the most comprehensive solution on the market. To accomplish this, €14m will be invested in R&D in the next 24 months.

Expansion: Sidetrade is doubling its European sales force to power up its leadership position, and also accelerating its international growth with the ramp up of North American operations.

External growth: On 12 April 2021, Sidetrade announced the definitive acquisition of Amalto, a North American specialist in SaaS for paperless B2B financial exchanges. With Amalto's cutting-edge technology, and solid North American client base, this acquisition is a huge leap forward, both in terms of innovation and expansion. Amalto will be consolidated into Sidetrade's accounts as from 1 April 2021. This is an extraordinary opportunity. As the offerings of the two companies are very complementary, the mutual potential for sales development is fabulous. Amalto will enrich the Sidetrade platform with new features, such as paperless order processing and e-billing. This technology will be all the more important in Europe as e-invoicing becomes mandatory under EU regulations. Furthermore, Amalto's strong client base, with around 40 large American companies gives Sidetrade prime access to the North American Order-to-Cash market, which is hyper-strategic for Sidetrade's global development.

Next communications

2021 First Quarter Revenue: 4 May 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. Sidetrade has a global reach, with 250 talented employees in Paris, London, Birmingham, Dublin, Amsterdam, Houston, and Calgary, and customers in 80 countries. Nearly 3,000 large and mid-size businesses in an array 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.

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.