

2018 Annual Results

Another year of double-digit growth, with revenue up 11% for 2018

Huge success of Sales & Marketing AI solution take-off (up 46%)

Operating profit above expectations (up 10%) – ahead of acquisition integration plan

Growth likely to accelerate in 2019

PARIS, France – 9 April 2019 | Sidetrade (Euronext Growth: ALBFR.PA), the B2B Artificial Intelligence customer journey platform, reports its annual results for 2018.

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

 2018 was a real turning point in Sidetrade's history and a major milestone in its development. In less than eighteen months, we finalized the integration of our three acquisitions. We smoothly merged all our departments, eliminating any potential losses. This convergence, backed by major investments, allowed us to launch a unique, comprehensive AI solution for the Sales & Marketing teams of large companies. Already an enormous success in a wide range of industries, the Sidetrade Sales & Marketing AI solution generated revenue of nearly €4M (up 46%) and 50% of new customers in 2018. Our drive to innovate paid off with a huge introduction of new technologies in our core Financials AI business, which now has a considerable lead on the market. The impact of this will be seen in 2019 income. Double-digit growth in revenue and a solid rise in operating profit attest to the success of our acquisition plan, especially considering how quickly it was carried out.

Sidetrade has what it takes to lead the way in AI for the entire B2B customer cycle. More than ever, we are geared up to capture this thriving market and significantly accelerate growth in 2019."

Another year of double-digit growth: Revenue up 11%, Operating profit up 9%

Sidetrade group (million euros)	2018	2017	Variation
Revenue	24.1	21.6	+11%
of which Sales & Marketing AI	3.8	2.6	+46%
Financials AI	20.3	19.0	+7%
Operating profit	2.3	2.1	+10%
Net profit	2.2	2.0	+9%

The 2018 consolidated accounts have been reviewed by our statutory auditors. Their certification report will be issued after finalization of the procedures required for the Annual Report.

Huge success of Sales & Marketing AI solution take-off (up 46%)

2018: fourth consecutive year of double-digit growth in revenue.

Sidetrade confirms the commercial success of their Sales & Marketing AI business, which leapt to €3.8M, up 46%. This performance shows just how effective the solution is and validates Sidetrade's strategic choice to extend their AI offering to the entire customer cycle. Sidetrade also reinforced their core Financials AI business; which rose 7% to €20.3M, considering a higher base effect.

2018 also saw the phase-out of B2C services (outsourcing of recovery from consumers), no longer considered strategic in Sidetrade's new positioning, now focused on AI dedicated to B2B customer relations. Run from the shared services center in Dublin, this business represented revenue of €2M in 2018. Its phase-out in Q4 of 2018 was anticipated in terms of resources, and its impact on margin in the next fiscal year should be negligible.

Operating profit above expectations (up 10%) – ahead of acquisition integration plan

Operating profit reached €2.3M in 2018, up 10% against the previous year (€2.1M). This very nice performance can be explained by a €2.8M increase in gross margin, reaching €18.1M, i.e. 75% of income. SaaS subscriptions now contribute 90% of this gross margin (vs 86% in 2017) confirming the incremental profitability of Sidetrade's pure SaaS model.

2018 was also spent integrating three newly acquired start-ups and eliminating their losses (€1.3M). At the same time, Sidetrade boldly merged the different businesses into a single sales force marketing both Sidetrade AI services: Sales & Marketing and Financials. This dramatically boosted productivity.

Sidetrade also launched an investment program with an additional €2.8M for R&D resources to finalize the convergence of the three acquired technologies and additional Sales & Marketing resources to handle the new business.

Operating profit included a €1.8M research tax credit (vs €1.5M in 2017) as well as activation of marginal R&D costs (€0.2M - identical to 2017).

Income tax payable is estimated at - € 0.05M in 2018, vs €0.05 M€ in 2017.

Net profit was €2.2M up 9%.

A solid financial structure

Sidetrade maintains a solid financial structure with gross treasury of €5.5M and financial debt kept down to €0.4M. Sidetrade holds 76,000 of its own shares for a value of €3.8M on 31 December 2018.

Growth likely to accelerate in 2019

The paradigm change initiated by Sidetrade in late 2016, with the acquisition of three AI start-ups, enabled the company to expand its services to the entire customer value cycle. The convergence of three different AI technologies, along with an ambitious investment plan, enabled the company in just 18 months to provide a first-of-its-kind service that has been extremely well received by the market since 2018.

Let us recall that in 2013, Sidetrade laid the foundations for true innovation by creating one of the very first data Science Lab in France. The lab now employs over a dozen scientists, split between France and the UK, developing algorithms by analyzing the 230 million B2B transactions in Sidetrade's cloud (through the Financials AI business), combined with millions of unstructured public records collected from multiple sources (e.g. company registries as Companies House, semantic analyses of corporate websites, weak signals from social networks).

Today, Sidetrade's unique Artificial Intelligence platform called Aimie is one of the most advanced technologies on the B2B market. Aimie provides predictive analytics for the entire customer life cycle and makes practical recommendations to thousands of operational staff every day. Aimie identifies the best leads, detects upsell and cross-sell opportunities, and preempts customer churn. At a time when "customer experience" drives business, Aimie's immediately actionable recommendations are precious for accelerating growth.



In 2019, Sidetrade will be following through with the R&D work started in 2018, massively integrating new Artificial Intelligence technology into their core AI Financials business. The aim is to radically accelerate the order-to-cash cycle using Machine Learning, Deep Learning and Natural Language Processing at the heart of every component. Results from the Sidetrade Data Science Lab have been very encouraging. For example, follow-up actions have been shown to be 51% more effective when they follow Aimie's recommendations (65% vs 43% success rate for getting payment within five days). Team productivity also increased by around 53%. A pilot study is now under way under real conditions with Sidetrade customers. Initial results are very promising. Now that human labor is considered a costly resource to be used sparingly, a solution that augments human capacity is more than welcome.

With exciting technological breakthroughs, a unique approach encompassing the entire customer journey, and ambitious investments in Sales & Marketing resources, Sidetrade is ideally positioned to seize the opportunity of the booming B2B AI market. Like for like (excluding B2C), Management is looking forward to even better growth in fiscal year 2019.



Next financial release

2019 Q1 revenue: 3rd May 2019 (after stock market close)

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About Sidetrade (www.sidetrade.com)

Sidetrade (Euronext Growth: ALBFR.PA) facilitates growth by laying the cornerstones of the customer journey: prospecting, sales, loyalty and performance. Integrated with your CRM and your ERP, Sidetrade's revolutionary AI system called Aimie, reveals unseen factors that can generate leads, drive sales, improve cashflow and shorten payment delay. Over 1,500 businesses in 80 countries use Sidetrade technology to give their Marketing, Sales and Finance teams a competitive edge.

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

In case of a discrepancy between the French and English versions of this press release, only the French version should be deemed valid.