

2021 Annual Results: a blockbuster year

Soundness of the profitable growth model confirmed

- Strong growth in SaaS revenue, up 16% in 2021
- New bookings record set, with €8.28 million in new contracts
- Very sharp increase in operating margin, to 15.3%
- Operating profit (+41%) and net profit (+38%) at all-time highs
- Reinforced financial structure

Sidetrade sustains its growth momentum in 2022, with pricing power bolstered by inflationary trends

LONDON, United Kingdom – April 5, 2022 | Sidetrade (Euronext Growth: ALBFR.PA), the AI-powered Order-to-Cash SaaS platform, announced strong growth in SaaS revenue of 16% in 2021 and a record high performance for the year, with an impressive increase of 41% in operating profit and 38% in net profit.

Olivier Novasque, CEO of Sidetrade commented:

“2021 was a blockbuster year for Sidetrade: an extraordinary fourth quarter for bookings, operating margin above 15% for the year, and operating profit and net profit at record highs and well above expectations. Looking beyond these figures, Sidetrade’s unique model - which maintains a healthy balance between growth and profitability - once again proved its relevance in a very uncertain political and economic environment. Unlike many US software vendors, whose growth remains highly capital-intensive and thus more susceptible to market volatility, Sidetrade has stayed on the offensive with its growth strategy while building on the resilience of its sound fundamentals.

“Our first commercial successes in the US provide clear confirmation of the strategy set out in our Fusion100 plan. In addition, the rise in global inflation makes our solutions for securing and accelerating cash flow generation even more essential for businesses. As such, we believe that our pricing power will be positively correlated with higher inflation: almost all our SaaS subscription contracts are automatically indexed annually to price changes, and the return on investment of our solutions is directly proportional to the financial benefits of cash acceleration. In short, we are in excellent shape for 2022 and very confident that it will be another record-breaking year for Sidetrade.”

Strength of the profitable growth model confirmed

Sidetrade (million euros)	2021	2020	Variation
SaaS revenue	27.0	23.2	+16%
Revenue	32.6	29.2	+12%
Operating Profit	5.0	3.6	+41%
Net Profit	4.7	3.4	+38%

2021 accounts have been audited and will be certified after finalization of procedures required for the annual financial report.

Strong growth in SaaS revenue, up 16% in 2021, and new bookings record set

New subscription contracts in 2021 amounted to **€4.75 million in Annual Recurring Revenue** (vs €4.16 million in 2020), an increase of 14%. In addition, **€3.53 million of services** (implementation, configuration, training, recurring services, etc.) were sold (vs €2.87 million in 2020). In total, 2021 bookings reached **€8.28 million in Annual Contract Value** vs €7.03 million in 2020, an **18% increase**.

In the fourth quarter of 2021, Sidetrade set a new record for **SaaS bookings, which will generate €1.67 million in ARR**, compared to €1.54 million in Q4 2020. The total value of these new subscription contracts over their initial contract periods (excluding renewals) represents **€4.15 million of Total Contract Value**.

To these SaaS orders should be added **€1.38 million of services** on an annual basis, compared with €0.98 million in Q4 2020. The Annual Contract Value of these bookings was **€3.05m in Q4 2021 vs €2.52m in Q4 2020, a 23% increase**.

In 2021, the **initial contract period** for new customers remained stable at **36.25 months** (excluding renewals).

Throughout 2021, **SaaS subscription revenue continued to grow significantly at +16%, reaching €27 million**. Regarding annual revenue, Sidetrade generated €32.6 million in 2021, up 12% against the previous year.

Sidetrade's SaaS recurring revenue model has once again proven its resilience. For the first time, Sidetrade has achieved **90% recurring revenue** for the entire year: one of the highest levels in the software industry.

This strong progression was supported by solid growth in **international markets, which now represent 46% of annual revenue, including 15% for North America**, a new business region for the company.

Very sharp increase in the operating margin, to 15.3% (vs 12.2% in 2020)

Operating profit (+41%) and net profit (+38%) at all-time highs

Operating profit reached **€5.0 million in 2021, up 41%** compared with 2020 (€3.6 million). This is a particularly impressive improvement and can be explained by a €2.7 million rise in the gross margin, reaching €25.7 million for the year, i.e., a **gross sales margin topping out at 79%**. **SaaS subscriptions** played a significant role in this excellent performance and now account for **97% of the company's total gross margin**.

For the first time, the gross margin for SaaS subscriptions alone reached a record 93% (vs 92% in 2020), demonstrating all the benefits of Sidetrade's pure SaaS model, which generates **incremental profitability** as the company grows.

In 2021, Sidetrade stepped up its investments to €1.8 million, of which 80% were earmarked for business development in North America. The first commercial successes in this region provide clear confirmation of the offensive growth strategy set out in the Fusion100 plan.

With a record **operating profit of €5 million, operating margin shot up to 15.3%** from 12.2% in 2020: a **gain of nearly 3 points in one year**.

2021 operating profit includes a French Research tax credit of €2.2 million (vs €1.8 million in 2020), as well as activation of €0.2 million in marginal R&D costs (virtually identical to 2020).

Corporate income tax is estimated at €0.3 million in 2021 vs €0.05 million in 2020.

Finally, 2021 net profit was **€4.7 million**, up 38%, for a **net margin of 14.5%** (vs 11.6% in 2020).

Reinforced financial structure

Sidetrade further strengthened its financial structure, with **€18 million in gross cash** at year-end (vs €14.3 million in 2020). Sidetrade also holds 86,000 of its own shares with a value of €14.7 million as of December 31, 2021.

Sidetrade's financial debt stands at €13.1 million, giving it **significant investment capacity** to accelerate its expansion.

Sustained growth momentum in 2022 with pricing power bolstered by inflationary trends

2021 results **confirm the relevance of Sidetrade's strategy**, guided by the Fusion100 plan which targets \$100 million in revenue by 2025.

Sidetrade looks ahead to the 2022 financial year with confidence and a clear vision and has the resources to fulfill its ambitions.

We also note that Sidetrade does not have any customers, suppliers or employees in Ukraine or Russia.

Next communication

2022 First Quarter Revenue: 10 May 2022, after stock market closes

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About Sidetrade (www.sidetrade.com)

Sidetrade (Euronext Growth: ALBFR.PA) provides a SaaS platform dedicated to securing and accelerating cash flow. Sidetrade's next-generation AI, nicknamed Aimie, analyzes \$4.6 trillion worth of B2B payment transactions daily in the Sidetrade Cloud to predict customer payment behavior and attrition risk of more than 21 million companies worldwide. Aimie recommends the best cash collection strategies, intelligently automates actions on the Order-to-Cash process, and dematerializes customer transactions to enhance productivity, performance and working capital management.

Sidetrade has a global reach, with 250 talented employees based in Paris, London, Birmingham, Dublin, Houston, and Calgary, serving global businesses in more than 85 countries. Amongst them: Tech Data, KPMG, Nespresso, Hearst, Expedia, Manpower, Securitas, Randstad, Engie, Veolia, Inmarsat, and Bidfood.

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.