

2023 Annual Results

Robustness of the profitable growth model confirmed

- Strong revenue growth, up 20%, with SaaS subscriptions up 23% at constant exchange rates
- CreditPoint Software, an accretive acquisition, now fully operational
- Operating profit up 58% to €5.8 million vs. €3.7 million in 2022
- Operating margin up sharply to 13% vs. 10% in 2022
- Net profit up 67% to €5.6 million vs. €3.4 million in 2022
- Operating cash flow generation at €8.7 million
- Dual recognition for CSR commitment: rated Gold by Ethifinance and Silver by EcoVadis

March 27, 2024 | [Sidetrade](#), the global leader in AI-powered Order-to-Cash applications, today announces a 20% increase in revenue for 2023 at constant exchange rates (up 19% on a reported basis), with a surge in operating profit, up 58% to €5.8 million, as well as in operating margin at 13%, and in net profit, up 67% to €5.6 million.

Olivier Novasque, CEO of Sidetrade commented:

"The 2023 fiscal year further confirmed the robustness of Sidetrade's development model. On the one hand, thanks to our technological lead in AI, 2023 was our most prolific year to date in new Annual Contract Value terms, achieving €11.2 million. Sidetrade delivered remarkable revenue growth, up 20% at constant exchange rates with a 23% increase in SaaS subscription revenues alone for our Order-to-Cash activities. This performance was underpinned by two key growth drivers; our successful US expansion posting revenues up more than 40%, combined with our business strategy targeting multinationals, which triggered a 48% increase in subscription revenues from this segment. Given the SaaS model's inherent lag between bookings and revenues, the commercial successes of 2023 lead us to confidently anticipate another year of double-digit revenue growth on a full-year basis for the fiscal year 2024.

On the other, 2023 also saw us considerably step up our investments, especially in the United States, as well as relentlessly focusing on Company-wide productivity and efficiency enhancements. To this end, our efforts to streamline processes coupled with a high gross margin (81%) resulted in a significant surge in our operating profit, up 58% to €5.8 million, with an improvement of almost 3 points in our operating margin, which is now at 13% of our revenue versus 10% in 2022. Evidently, the best example of the Company's successful 2023 performance is its operating cash flow at €8.7 million, a record high over a fiscal year.

Looking beyond these figures, Sidetrade's model, which is based on a healthy balance between growth and profitability, has once again demonstrated its relevance against a background of economic uncertainty."

Robustness of the profitable growth model confirmed

Sidetrade (€m)	2023	2022	Change
New Annual Contract Value (ACV)	11.2	10.3	+9%
Revenue	43.7	36.8	+19%
of which 'Order-to-Cash' SaaS subscriptions	36.6	30.1	+22%
Gross margin	35.3	29.0	+22%
as a % of Revenue	81%	79%	
Operating expenses (OPEX)	(29.4)	(25.3)	+16%
Operating profit	5.8	3.7	+58%
as a % of Revenue	13%	10%	
Net profit	5.6	3.4	+67%

2023 consolidated financial statements were audited and will be certified after finalization of procedures required for the annual financial report.

€11.2 million – a new record for bookings in 2023

In 2023, despite economic challenges, **Sidetrade proved resilient by exceeding its previous record in New Annual Contract Value (ACV)**, which **totaled €11.2 million**, representing an increase of 9%. This performance was driven in particular by the momentum of **the US market, with a 22% increase in bookings**, accounting for 37% of total bookings.

New SaaS bookings generated €6.18 million, remaining stable despite a slight decline of 4% vs. 2022. Sidetrade focused efforts on the sustainability of its revenues, as reflected in an extension to the **initial period for new contracts to 45.5 months in 2023**. **Total Contract Value (TCV)** slightly increased to **€21.1 million**. Services bookings were up 31%, notably thanks to the growing number of global deployment projects.

Key factors behind this success were Sidetrade's **business strategy** targeting companies generating \$1 billion-plus revenue, and **recognition of its technological edge in artificial intelligence**, particularly in the United States. Sidetrade's comprehensive Order-to-Cash solution results from a strategy of continuous innovation.

Bookings by new customers ("New Business") accounted for 58% of the total new bookings, while the remaining 20% and 22% of bookings were respectively driven by cross-selling and upselling of additional modules to existing customers.

Strong revenue growth, up 20%, with SaaS subscriptions up 23% at constant exchange rates

In 2023, Sidetrade posted brisk growth in its activities, as shown by the **23% increase in its revenue for 'Order-to-Cash' SaaS subscriptions at constant exchange rates**, a performance which resulted in growth of 22% on a reported basis. The Company's revenue for 2023 totaled **€43.7 million, as evidenced by the robust increase of 20% at constant exchange rates** and 19% on a reported basis.

This favorable trend is largely attributable to three factors:

- **Successful expansion in the United States:** the North American market continued to propel Sidetrade's growth, with a substantial increase of 40% in revenues for 2023, reaching €12.1 million. Representing 28% of the Company's total revenue, North America is now a pivotal pillar for growth.
- **Increasing demand from multinational corporations:** in 2023, Sidetrade significantly expanded its customer portfolio for 'Order-to-Cash' solutions, delivering growth of 48% in subscriptions with multinational corporations on annual recurring revenue (ARR) contracts in excess of €250,000. Such commitments now account for 43% of Sidetrade's total subscriptions.
- **Contribution from consolidating CreditPoint Software:** with H2 2023 revenue of €0.9 million, the CreditPoint Software business had a **2%** impact on annual growth.

It should be noted that **all multi-year Sidetrade contracts are routinely indexed to inflation** (the Syntec for Southern Europe, the UK CPI for Northern Europe and the US CPI for the United States). This measure alters the total price of SaaS subscriptions each year by reference to changes in these price indices, without the need for contract renewals.

CreditPoint Software, an accretive acquisition, now fully operational

On June 30, 2023, Sidetrade bolstered its all-round offering by acquiring the business of CreditPoint Software, an American provider of credit risk management solutions (see [press release](#) of July 3, 2023). Consolidated into the Company's financial statements on July 1, 2023, this business contributed **additional revenue of €0.9 million in H2 2023**.

All CreditPoint Software employees underwent a fast onboarding process, fostering effective synergies within the Company's various departments. As a result, the deployment of CreditPoint Software's solution within the single version of Sidetrade's platform will be completed by end-H1 2024, delivering all-new and readily available credit risk management functionalities for initial clientele.

The **acquisition agreement** provided for an **initial payment** (€0.5 million upon signing) followed by a **conditional payment** after renewal in October 2023 of CreditPoint Software's main customer (representing around 50% of its revenues). This customer in the agriculture industry accounted for €0.6 million-plus in annual subscriptions. In early October 2023, Sidetrade not only **renewed the contract for the same amount** (excluding orders specified above) but also **extended the initial contractual period** from 36 to 60 months, increasing Total Contract Value (TCV) to €3 million. In doing so, Sidetrade issued an earnout for the acquisition, totaling €2 million. Weeks later, Sidetrade convinced this North American leader to deploy additional Sidetrade solutions in both the US and Australia, resulting in an additional contract of the same worth and length. This new contract positions this customer **among Sidetrade's top five clients, with ARR in excess of €1 million**. Note that no subsequent payment was incurred from this second contract since its remit was outside the scope of acquisition. Upon final settlement, **the purchase price will total €2.7 million**, including the price to acquire services (€0.2 million).

Strong increase in operating margin to 13% with additional investment of €4 million

Marked progress in gross margin, at 81% of revenue, above the SaaS industry average

Gross margin further improved, topping out at **81% of revenue for 2023** (vs. 79% in 2022) and **93%** (+1 pt vs. 2022) **on SaaS subscriptions alone**. In 2023, Sidetrade recorded a **year-on-year incremental improvement of €6.3 million** in gross margin.

This excellent performance is fueled by the contribution of **SaaS subscriptions** which now account for **98% of the Company's total gross margin**, a business strategy promoting Sidetrade's technological edge in AI, and tight cost control despite an inflationary environment. Sidetrade continues to demonstrate the profitability of its SaaS model, which generates significant incremental gross margin, year after year.

Substantial increase in operating margin to 13% of revenue, despite additional investment of €4 million

Operating profit for 2023 totaled **€5.8 million, representing an increase of 58%** on the 2022 fiscal year (€3.7 million). In 2023, **gross margin**, with a €6.3 million increase over 2022, amounts to **€35.3 million**. The significant increase has more than made it possible to support the Company's investment policy (**+€4.0 million** vs. 2022), while triggering an all-time surge in Sidetrade's operating profit.

Operating profit for 2023 includes a **French Research Tax Credit** of **€2.4 million** (vs. €2.3 million in 2022) as well as activation of **€0.2 million** in marginal R&D costs, i.e., **2% of R&D costs for the full year**.

As a result, **operating margin increased to 13%** vs. 10% in 2022, representing a **3-point gain year-on-year**.

Net profit up 67% to €5.6 million vs. €3.4 million in 2022

Net financial income for 2023 stood at **€0.4 million**, up significantly from 2022, mostly due to interest earned on short-term investments during the year.

Corporate income tax for 2023 was estimated at **€0.6 million**, vs. €0.4 million in 2022.

All told, Sidetrade's net profit for 2023 was **€5.6 million**, up 67%, demonstrating that a balance between growth and profitability is achievable.

Strengthened financial position

The fiscal year 2023 enabled the Company to considerably increase its operating cash flow to **€8.7 million** (vs. €4.0 million in 2022), representing a record high over a fiscal year.

Sidetrade reported **€23.9 million in gross cash** at year-end, representing an increase of €3.6 million vs. 2022. As of December 31, 2023, Sidetrade also held 86,697 of its own shares with a value of €14.0 million.

With a financial debt of €10.3 million (reduced by €1.7 million), **Sidetrade increased its investment capacity to accelerate its expansion**.

Distinguished CSR commitment: rated Gold by Ethifinance and Silver by EcoVadis

In 2023, Sidetrade's commitment to Corporate Social Responsibility (CSR) was formally outlined with the publication of its first-ever CSR report. To that end, the Company focused its efforts on four priorities:

- Sustainability, by implementing initiatives aimed at reducing its carbon footprint;
- Collaborative excellence, by championing diversity and innovation within its teams;
- Data security, by safeguarding the protection of data;
- Ethical business practices, by building relationships founded on transparency and integrity.

Much like its initial assessment, Sidetrade's carbon assessment for 2023 (scopes 1, 2 and 3) is the result of a rigorous application of the *Bilan Carbone®* methodology and covers all its worldwide operations. It heralds a new stage in the process to cut greenhouse gas emissions, strengthening Sidetrade's position as a responsible leader in the technology sector.

Both Ethifinance and EcoVadis have recognized the accomplishments of Sidetrade's CSR strategy. First, Ethifinance awarded the Company a Gold medal and a score of 76/100. Second, Sidetrade secured a Silver medal with EcoVadis with an overall score of 68/100. The latter places Sidetrade in the top 25% of companies in sectors across the board. These awards underscore the effectiveness of the Company's CSR strategy, reflecting its commitment as a corporate citizen that is ready to face the challenges of today and tomorrow.

Continued growth in 2024, on the back of an unprecedented 2023

Over the past few quarters, Sidetrade has consolidated its leadership with ambitions to become the world leader in the fast-growing and rapidly globalizing Order-to-Cash market.

Sidetrade looks ahead to the fiscal year 2024 with confidence, driven by an ambitious vision, and has the resources to fulfill its targets. **For 2024, Sidetrade confirms revenue growth in the double digits.** This positive momentum illustrates the Company's ongoing commitment to innovate and deliver increasingly impactful solutions, in turn, achieving sustainable growth for employees, customers and partners alike.

Next financial announcement

First Quarter Revenue for 2024: April 16, 2024, after the stock market closes.

Investor relations

Christelle Dhrif 00 33 6 10 46 72 00 cdhrif@sidetrade.com

Media relations

Becca Parlby 00 44 7824 5055 84 bparlby@sidetrade.com

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 [\\$6.1 trillion worth of B2B payment transactions daily in the Sidetrade Cloud](#) to predict customer payment behavior and the attrition risk of more than 38 million buyers worldwide. Aimie recommends the best operational strategies, intelligently automates actions on the entire Order-to-Cash process, and dematerializes customer transactions to enhance productivity, performance, and working capital improvements.

Sidetrade has a global reach, with 315+ talented employees based in Paris, London, Birmingham, Dublin, Houston, and Calgary, serving global businesses in more than 85 countries. Amongst them: Bic, Biffa, Criteo, Expedia, HPE, Insight Enterprises, KPMG, Manpower, Nespresso, Nielsen, Nutrien, Siemens, Sodexo, Tech Data, UGI, Veolia, and XPO.

Sidetrade is a participant of the United Nations Global Compact and adheres to its principles-based approach to responsible business.

For further information, visit us at www.sidetrade.com and follow us on X [@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.