

Sidetrade battle plan ready to face the crisis

The solidness of the SaaS model is expected to generate revenue growth in 2020

FY 2020 profitable thanks to adjusted investments

Cashflow generation bound to be vital for every business

London, United Kingdom – 25 March 2020 | Sidetrade (Euronext Growth: ALBFR.PA), the Artificial Intelligence platform dedicated to accelerating company revenue and cashflow, projects growth and profitability in FY2020, despite the current crisis.

Continued business operations ensured by 100% cloud organization

As a precautionary measure to protect Sidetrade personnel, by 13 March 2020, 100% of Sidetrade employees were working remotely and fully operational in every country where the company operates. In fact, Sidetrade had made the decision years ago to put its information system in the cloud, with business applications remotely available to all staff.

Initiated 24 months ago to obtain ISO 270001 certification for information security in all operations, Sidetrade's business continuity plan has been reinforced and regularly updated. For this purpose, the company has been able to rely on a comprehensive set of digital technologies and processes set up to protect employees' health, and guarantee the continuity of business during the Covid-19 pandemic.

Despite this unprecedented crisis, the robustness of Sidetrade's 100% SaaS model is expected to drive revenue growth in FY 2020.

In an unprecedented period of uncertainty, Sidetrade has already finalized several budget scenarios in order to test its financial solidness, faced with the impact of the Covid-19 pandemic. Given the severity and scale of the crisis to date, Sidetrade is making extremely conservative hypotheses to construct a "crash test" scenario and adjust investments accordingly. Here are Sidetrade's current business assumptions:

- Drastic reduction (67% on average) in new subscription contracts (new customers) during the first three quarters of FY2020 vs budget targets
- Progressive return to normal, with new orders expected in 2020 Q4, which historically has had little impact on yearly revenue, given that subscription income is recognized pro rata.

Beyond this scenario, as a software vendor of 100% SaaS solutions, Sidetrade can count, more than ever, on the robustness of their subscription model to weather the crisis:

- 89% of revenue is recurrent, and based on multi-year contracts (41.1 months, on average).
- A record number of bookings in 2019 (88%, hitting a level of €4.8m in new annual subscriptions from deals signed in 2019) will have a significant positive impact on 2020 revenue growth.
- The very low churn rate in 2019 (3.9%) is expected to continue into 2020, in a setting where cash collection and credit management will be vital issues for all B2B companies.

For these reasons, Sidetrade management has every confidence in the firm's capacity to grow revenue in 2020, despite even a worst-case scenario.

Investment adjustments to ensure a profitable year

In terms of expenses, Sidetrade is significantly scaling down investments originally planned for the present fiscal year:

- All budgeted hiring frozen until June 2020
- Opening of US affiliate postponed until September 2020
- All non-essential costs slashed until 30 June 2020

These measures, already in force, are generating savings of well over €3m against expenses initially budgeted for 2020.

The measures may be extended as needed.

Therefore, even in the bleakest of cases, Sidetrade management fully expects to see FY2020 end with positive Operating Profit.

In terms of cashflow, Sidetrade has an extremely resilient financial structure.

As of 23 March 2020, gross treasury stood at €5.3m, with the equivalent of €5.9m in own shares. Moreover, Sidetrade's financial debt level is virtually nonexistent, and, if the company ever needed to borrow, they would be eligible for government-backed access to bank loans.

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

"Today, like all companies, we are fighting a war on two simultaneous fronts. First and foremost, comes the health and safety front. Thanks to a 100% cloud organization, we have been able to move fast to keep our employees safe, while ensuring the continuity of our operations."



"The second front is, needless to say, economic. For this, we have constructed different scenarios. For now, we are taking a worst-case scenario approach and adjusting our investments accordingly. In the course of the last twenty years, we have continually built up the company on solid foundations. Despite the fallout and uncertainty of this unprecedented crisis, the solidness of our SaaS model should allow us to achieve a year of growth and profitability. This would indeed be a resounding victory for Sidetrade."

"We are actively preparing to bounce back, since cash and bad debt are going to be critical issues for companies in the weeks and months ahead."



Next publication

2019 Annual earnings: 28 April 2020 (after stock market closes)

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About Sidetrade (www.wwww.sidetrade.com)

Sidetrade (Euronext Growth: ALBFR.PA) accelerates company revenue and cashflow. Its Artificial Intelligence, Aimie, is able to recognize and anticipate customer behaviour in order to recommend, in real time, the best strategies for sales and finance teams. Aimie reinforces three pillars of the customer journey: sales development, loyalty and collection speed. Sidetrade has a global reach, thanks to its 250 talented employees based in Paris, London, Birmingham, Dublin, and Amsterdam. Used in 80 countries, Sidetrade's technology enables more than 2,700 businesses of all sizes and from all sectors to be more competitive.

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

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