

# 2017 First-Half Results

Significant rise in Revenue: + 21%

Increase in Net Results: +9%

A solid balance sheet

Successful achievement of Target25 plan and launch of new AI<sup>M</sup> 2020 strategic plan

**PARIS, France – 19 September 2017** | Sidetrade (Euronext Growth: ALBFR.PA), Artificial Intelligence customer engagement platform, announces its 2017 first half-year results.

Olivier Novasque, Founder and CEO of Sidetrade, said:



*With over 20% growth in revenue and a 9% increase in net results, despite the consolidated losses which were the result of the recent start-up acquisitions, Sidetrade has achieved an extraordinary half-year that underlines the solidity of its business model. The performance validates the strategic direction of the Target25 plan we launched in 2013.*

*In the wake of the success of Target25, we're now underway with a new strategic plan, AI<sup>M</sup> 2020, with the goal of doubling our revenue by 2020. Our overriding ambition is to be the most compelling Artificial Intelligence software company for all companies operating in the customer relations management arena. By harnessing the millions of B2B data points in our Cloud with our solid and advanced grasp of Data Science, we're already making it possible for Marketing, Sales and Financial departments to get the full benefit of our powerful predictive algorithms to growth sales and accelerate cash. Our aim is now to broaden the use of Artificial Intelligence and make it even more widely available to all companies as part of their day-to-day dealings and to enable them to forge ahead in their respective markets."*



## Significant rise in Revenue: + 21%

Sidetrade Group (in million euro)	1 <sup>st</sup> Semester 2017	1 <sup>st</sup> Semester 2016	Variation (%)
Revenue	10.8	8.9	+21%
Operating Profit	1.1	1.1	+4%
Net Result	1.0	0.9	+9%

*The 2017 data is consolidated and unaudited.*

Following a solid start to the year, Sidetrade Group posted a strong Q2 2017. Sidetrade Group posted consolidated revenue of €10.8m in H1 2017, representing year-on-year growth of 21%. It is the most successful half-year recorded by the Group and the first time that first-half net sales has exceeded €10m.

The turnover period witnessed the addition of prestigious new accounts to the supplier and subscriber base, among them KPMG UK, STEF group-wide, House of HR (Germany, Belgium, France, the Netherlands, Poland, Portugal, Romania, Switzerland), Gefco across 15 further countries, Cegos France,

Akka Technologies, Moreton Smith (UK), Schratte Foods (US), Inchcape Plc, Geodis (Slovakia, Czech Republic), Deloitte Belgium and Serecco UK....

### **Increase in Net result: +9%**

The Group posted Operating Profit of €1.1m in this half-year, representing a 4% increase on the Operating Profit recorded for the same period of the previous year. This Operating Profit is all the more significant given that it includes loss of €0.8m due to the acquisition of the companies BrightTarget and Iko System who were included in the Group's scope of consolidation on 01/01/2017. Assuming a comparable scope of activity, Sidetrade Group would have recorded a REX record of €1.9m, equivalent to a stunning growth of +72%.

The Operating Profit takes into account a Research Tax Credit of €0.5m (versus €0.47m from H1 2016) and activation of €0.10m in capitalised R&D costs (identical to H1 2016).

Corporate tax is estimated at €0.14m as of 30 June 2017, versus €0.16m as of 30 June 2016. Finally, the Group's Net Result stands at €1m, an increase of 9%.

### **A solid balance sheet**

In spite of acquisitions, the Group's balance sheet remained strong with debts limited to €0.45m and available cash of €5.2m.

For reference, the Group holds 90,000 shares valued at €5.4m as of 30 June 2017.

### **Successful achievement of Target25**

Over the period of activity, Sidetrade Group has fulfilled all the strategic challenges set out in its Target25 framework.

In terms of its **international scope**, the structure of the Group has seen significant changes. The company is now present within three further geographical areas, with teams now on the ground in London, Dublin, Amsterdam and Birmingham. Staff numbers have increased from just under 100 in 2013 to 227 as of 30 June 2017, with more than 40% of the workforce based outside France. In terms of trade, the company has succeeded to become the leading market player in its field in England.

In order to boost international growth and to **offer all its customers a global service**, Sidetrade developed a pan-European platform in 2013 in Dublin. This now comprises over a multidisciplinary team of over 72 staff (customer service, technical support, human resources and marketing) that is also multilingual (German, English, Spanish, French, Italian, Dutch, Portuguese, Russian). This platform is a major asset that will buttress the Group's international growth in the years ahead.

Since 2015, the company has made significant investment in a Data Science Lab, with computational processing power capacity for terabytes of B2B data, to enable it to predict company payment behavior through Machine Learning algorithms. Sidetrade Payment Intelligence (SPi) solution, launched in November 2016, currently offers a predictive payment score for more than 2.5 million European companies and enables each company to compare its performance in payment terms. The platform is now being used by 95% of Sidetrade customers and constitutes a wholly unique market solution for identifying new sources of cash across their customers.

## Launch of new AI™ 2020 Strategic Plan

### Artificial Intelligence (AI): the next business frontier

All the conditions are in place right now for Artificial Intelligence to see an exponential rise across the next five years in the part it plays in our daily lives and in business use.

Machine Learning and Deep Learning techniques are becoming increasingly sophisticated with the development of cognitive science. The volume of viable data is also growing at an incredible rate and processing power is doubling every 18 months (Moore's Law), driven by the progress of nanotechnology. Although the use of AI is still in its infancy, every company in every activity sector will be affected by the coming technological tsunami. The most recent report by McKinsey Global Institute (June 2017) details the sectorial impact of IA as follows:

- Distribution: 30% reduction in delivery times, 4 to 6% growth in sales
- Industry: 13% increase in EBIT linked to cost reductions (predictive maintenance and supply), 5 to 10% growth in sales (customer retention and cross-selling)
- Energy: 10 to 20% increase in EBIT due to greater efficiency in management of power demand and supply and closer targeting of relevant customer offerings
- Finance: customer services will become semi-automated with the introduction of *chatbots*, giving productivity gains of 25 to 40%

In summary, the use of AI to improve customer knowledge, revenue sources or cost reduction is no longer a choice but a strategic challenge for all companies wanting to remain viable.

### Becoming the most compelling AI platform for B2B customer relations

By capitalizing on the millions of B2B data points in its own Cloud, its advance in Data Science and its capability to bring professional expertise to Marketing, Sales and Financial departments, Sidetrade Group aims to broaden the use of Artificial Intelligence right across the customer relationship arena. With the synergies that will follow with its software applications, Sidetrade Group will have three distinct yet complementary offerings:

- **Customer Acquisition:** to identify the best targets among the millions of companies and successfully automate sales prospecting through the use of Machine Learning algorithms of C-Radar and Iko System
- **Customer Growth:** to improve retention rates and unearth new customer-base sales opportunities thanks to the Artificial Intelligence of BrightTarget combined with transaction and financial data from the Sidetrade Cloud
- **Customer Financials:** to accelerate cash generation across customer accounts and reduce associated management costs thanks to the Sidetrade Payment Intelligence solution (predictive payment score) and the establishment of optimum recovery and dispute settlement strategies based on Sidetrade's Machine Learning algorithms.

Today, Sidetrade Group has made an undeniable leap forward in allowing a company to verify in a matter of weeks the relevance of predictive algorithms within a given context and to begin to use AI to give concrete and palpable benefit.



With the framework of its **AI<sup>M</sup>2020 plan**, Sidetrade Group has set itself the goal of becoming the strategic partner of major companies to enable them to leverage AI within the context of daily customer management. Remaining true to its values, the company's aim is to promote a pragmatic vision of Artificial Intelligence based on measurable results, be this in sales growth or cash acceleration.

The **AI<sup>M</sup>2020 plan** is expected to permit Sidetrade Group to double its revenue by 2020.

## Next publication

2017 Third Quarter Revenue: 24<sup>th</sup> October 2017 (after Stock Market close).

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

## About Sidetrade ([www.sidetrade.com](http://www.sidetrade.com))

Sidetrade (Euronext Growth: ALBFR.PA) is the most compelling A.I. Software Company shaping the future of Customer Engagement and empowering Marketing, Sales and Finance people to grow sales and accelerate cash.

Seamlessly integrated with existing CRM and ERP, Sidetrade leverages Artificial Intelligence to disclose untapped new business opportunities, increase upsell, reduce churn, predict customer payments and accelerate cash flow generation. Over 1,500 companies, of all sizes and sectors, in 80 countries, employ AI Sidetrade solutions for sustainable growth.

Sidetrade enables a new level of collaboration between Marketing, Sales, Finance, and Customer Service teams to accurately evaluate, predict and increase customer performance and secure competitive advantage.

With its Artificial Intelligence platform, Sidetrade use predictive data science to take the guesswork out of the customer relationship.

The advanced use of machine learning and human collaboration empowers businesses to proactively improve operational effectiveness of the end-to-end customer cycle via smart sales prospecting, streamlined cash collection and case management processes.

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