

Annual Report 2023



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1

Presentation of the Group and its business

Message from the CEO



At Esker, convinced that the days of unbridled growth are over, we are now focusing on creating genuine value and reinforcing our links with our ecosystem. We are pursuing a “positive-sum growth” approach, where success is measured not only in financial terms, but also by our positive impact on our stakeholders and the environment.

In 2023, Esker maintained its positive momentum with growth in sales of 12%, while achieving its best ESG scores in recent years. This performance illustrates the strengths of our responsible model for creating value, underpinned by a strategy focused on ethics, customer confidence, human capital and protecting the environment. We're also proud of our awards, including the EcoVadis Platinum Medal, which highlights our commitment to sustainable and ethical development.

This exceptional performance in 2023 is the direct result of the creativity, entrepreneurial spirit and enthusiasm of Esker's teams. Despite a complex global environment impacted by geopolitical turmoil, inflationary pressures and market challenges, we registered a 23% increase in order intake. These remarkable results highlight our operational agility and ability to adapt.

And with the introduction of new obligations in France and other countries requiring electronic invoicing, this positive momentum is set to continue in 2024 with double-digit growth in order intake expected in most regions, reinforcing our global market position.

Building on Esker's progress in the fields of artificial intelligence and CO2 reporting and the exceptional talent of our teams, I am particularly confident for the coming year as we continue to execute our roadmap, guided by our core values, our unwavering commitment and our collective engagement.

Jean-Michel Bérard

Founder & CEO, Esker

Key figures

1000+ employees

€15m+ in free cashflow

12 countries

€17.9m in operating income

€179m in sales in 2023

€24m in order intake

12+% sales growth



1.2. History and milestones

1.2.1 Statutory information on Esker SA

Corporate name

Esker

Place of incorporation and registration number

Companies Register (RCS) No: The company is registered in Lyon under number B 331 518 498

APE code: 5829 C

Date of incorporation and term

Date of incorporation: February 7, 1985

Term: 50 years from the date of incorporation in the registry of companies, saving early dissolution or extension provided for by law.

Registered office and legal form

Registered office: 113 Boulevard de la Bataille de Stalingrad - 69100 Villeurbanne – France - 04 72 83 46 46

Legal form: *Société Anonyme* (a French corporation) incorporated under French law with an Executive Board and a Supervisory Board, governed by the provisions of the French Commercial Code (*Code de commerce*).

Country of origin: France

1.2.2. History of the Group

Esker was founded by Jean-Michel Bérard and Benoît Borrits after completing computer science degrees from INSA of Lyon. In its start-up phase, the company initially specialized in providing computer services that enabled it to develop experience in the markets for Unix and PC.

1985

1989

Launch of the Tun terminal emulation software connecting PCs to UNIX-based central servers. Management decided to position the Company as a developer of international software products and opened up its capital to outside investors.

Opening of subsidiaries in the United Kingdom, Spain, Germany, Italy and the United States.

1991

1995

Two venture capital companies acquired equity stakes.

Esker was listed on the Nouveau Marché of the Paris stock exchange to accelerate its expansion in North America and diversify its product portfolio. Acquisition of a distributor in Australia

1997

1998

Acquisition of Teubner in the United States (Stillwater, Oklahoma), specialized in fax servers.

Acquisition of Persoft in the United States (Madison, Wisconsin) specialized in terminal emulation software.

1999

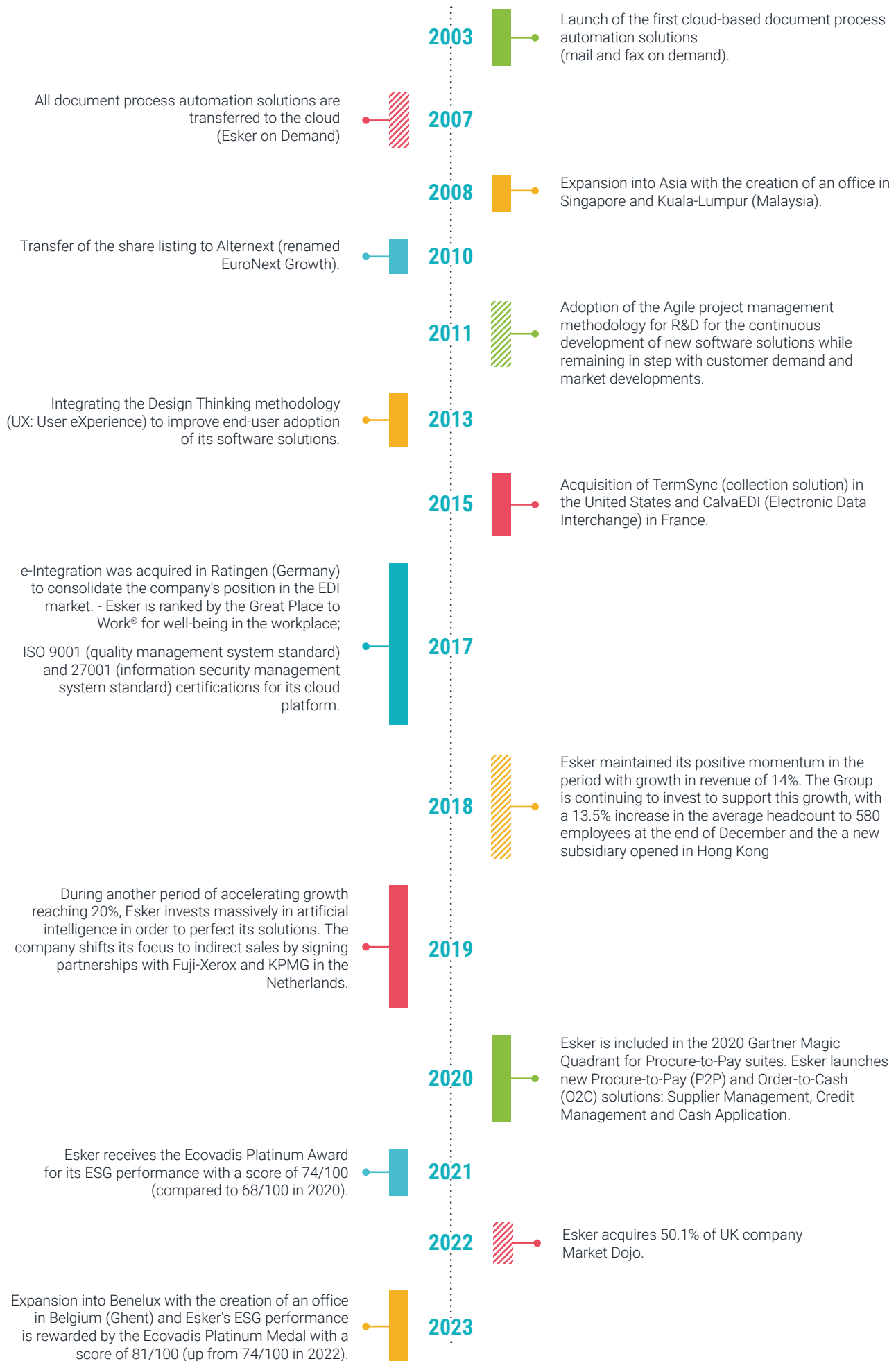
2000

Repositioning of the company in document process automation technologies.

Acquisition in the United States of VSI, specialized in fax servers.

2001

Launch of the first document process automation product: DeliveryWare.



Corporate values and culture

Our corporate culture is driven by core values: collaborating at a global level, building relations based on trust and respect of all parties, achieving progress through innovation, creating a healthy and positive work environment and focusing on satisfaction for all. These values guide us in our day-to-day actions, the way we work and inspire our 1,042 employees across the globe to build highly effective and innovative solutions.



ONE TEAM BEYOND BOUNDARIES

We encourage open collaboration between departments and countries.
We bring people together and share ideas to grow strong and successful.



MORE GRATITUDE, LESS ATTITUDE

We believe that a successful organization is built on respect and trust.
Appreciation and genuine communication create an environment where people feel truly valued.



DARE TO INNOVATE, INITIATE AND ITERATE

Thinking outside the box is a skill we value greatly.
We start small and adapt along the way to reach ambitious goals – one story at a time.



GOOD VIBES ONLY

A positive work environment promotes better performance.
We make sure everyone finds the right balance by respecting individual needs.



ALL ACTIONS TOWARD SATISFACTION

For our customers and employees, satisfaction isn't just a goal, it's our mission.
Our experience and perseverance allow us to overcome challenges and deliver value.

Our mission

Creating a better work experience

In an increasingly uncertain world, business success is multi-faceted. It takes an entire ecosystem of individuals, teams and connected enterprises to lay the groundwork for long-term value creation. To foster future growth, companies need to build strong relationships within their ecosystems, whether in terms of employee engagement, supporting suppliers and customers, or promoting environmental sustainability.

At Esker, we believe that meaningful change can only be achieved through positive-sum growth. This means that success can never be achieved at the expense of an individual, a team or a company. Everyone wins! That is why our AI-driven technology is designed to empower every stakeholder while promoting long-term value creation.



Keep your business agile, resilient and competitive in any circumstance



Empower staff with work that's impactful, meaningful and satisfying



Ensure customers have an easy, reliable and memorable experience



Strengthen supplier relationships by meeting their expectations



Be part of the climate solution by reducing paper and carbon output



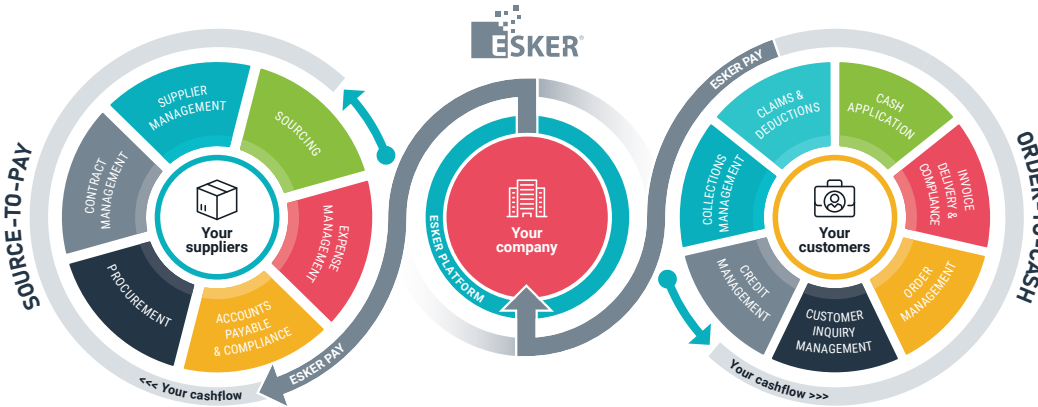
Contribute to local economic development by creating quality jobs



Our solutions

Unlock strategic value with a global cloud platform

Esfer is a global cloud platform built to unlock strategic value for Finance, Procurement and Customer Service professionals by automating the source-to-pay (S2P) and order-to-cash (O2C) processes. Fully integrated with Esfer's solutions, Esfer Pay helps businesses better manage cashflow thanks to a comprehensive set of payment capabilities and strategic Fintech partnerships.



Source-to-Pay

Esfer's Source-to-Pay suite is designed to help Procurement and Finance leaders achieve their goals by removing departmental siloes, streamlining procurement processes, improving enforcement of policy compliance, and enhancing supplier management with visibility over the entire buying process. By aligning procurement and finance, Esfer helps CFOs and CPOs achieve better financial outcomes and foster collaboration across all operations.

Sourcing | Manage and source goods and services from external suppliers efficiently and cost-effectively.

Supplier Management | Centralize vendor data while simplifying onboarding.

Contract Management | Drive new savings with improved contract visibility and compliance.

Procurement | Optimize and control the procurement of goods and services, helping to speed up AP processing.

Accounts Payable | Reduce invoicing costs and processing delays thanks to AI-based technology.

Expense Management | Move beyond spreadsheets and efficiently manage employees' expenses.



Order-to-Cash

Esfer's Order-to-Cash suite enables businesses to seamlessly manage customer interactions through a single, centralised solution. Powered by AI technology, Esfer's integrated end-to-end platform is designed to accelerate the cash collection cycle, eliminate repetitive tasks, improve accessibility and communication, and strengthen customer relationships. Bridging the processes managed by Customer Service and Accounts Receivable departments, Esfer drives added value and efficiency in every phase of the O2C cycle.

Credit Management | Secure customer credit starting with customer onboarding and throughout the entire O2C cycle.

Customer Inquiry Management | Address requests faster and deliver a better customer experience thanks to AI-driven email triage and management.

Order Management | Process orders electronically – from reception to ERP integration – regardless of format.

Invoice Delivery | Deliver invoices according to customer preferences with 100% e-invoicing compliance in 60+ countries.

Cash Application | Simplify and accelerate cash application thanks to AI-powered remittance management and auto-matching.

Claims & Deductions | Quickly resolve customer issues and keep short payments under control.

Collections Management | Collect cash faster and reduce bad debt with predictions and risk analysis.



Our technology

Empower the people that power your business

Not only does Esker's technology help businesses achieve eye-popping results, it makes real, transformational differences in the daily lives of your employees, customers, suppliers and beyond.

Here are some of the unique capabilities that set us apart:



Global cloud platform

Ensure business continuity and end-to-end connectivity with an integrated platform that spans the entire enterprise.



One interface

Get a 360° view over customer and supplier information, and offer a singular user experience.



Artificial Intelligence

Optimize data recognition and validation, document classification, anomaly detection, and facilitate payment predictions with Esker Synergy AI technology.



Multi-ERP integration

Achieve simple, secure and simultaneous system integration with Esker's ERP Connectivity suite.



Mobile capabilities

Perform critical tasks while on the go and support remote work.



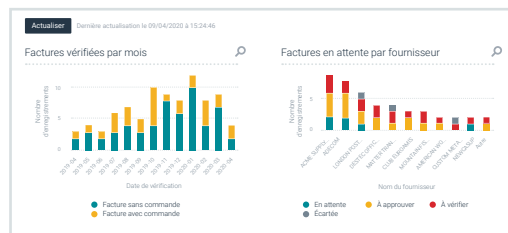
EDI performance

Ensure EDI integration with any trading partner, in any industry.

Custom dashboards

You can't improve what you can't measure. That's why Esker's customizable dashboards equip Finance, Supply Chain and Customer Service leaders with instant access to powerful analytics and KPIs — elevating the strategy and intelligence behind every decision that's made. Additionally, a full audit trail of every touch point is retained so that full transparency and accountability is ensured during the process of checks and validations.

- Manage daily tasks and organize priorities
- Monitor productivity and reward top performers
- Spot problems and opportunities as soon as they arise



Our solutions recognized by analysts

Gartner

Esker Named a Leader in the 2023 Gartner® Magic Quadrant™ for Integrated Invoice-to-Cash Applications and included in the 2022 Gartner® Magic Quadrant™ for Procure-to-Pay Suites for the third year in a row.

IDC

Esker recognized as a Leader and a Major Player in IDC MarketScapes for AR and AP.

Ardent Partners

Esker recognized as a Market Leader in Ardent Partners 2023 ePayables Technology Advisor for the third consecutive year.

FORRESTER®

Esker named in Forrester Order Management System Landscape, Q4 2022 and Forrester AR Invoice Automation Landscape, Q1 2023 reports.

1,700+ customers worldwide

From small businesses to multinational conglomerates and everything in between, the world's most innovative organizations grow with Esker.

| LIFE SCIENCES | CHEMICALS | LUXURY GOODS | FOOD & BEVERAGE | MANUFACTURING | ELECTRONICS |
|--|--|--|--|--|--|
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1.2.3. Organization

Legal structure of the Esker Group as of December 31, 2023



All subsidiaries are wholly-owned and fully controlled by Esker SA, with the exception of Market Dojo which is 50.2%-held.

A strategy based on continuity

Esker's strategy remains focused on developing and selling a cloud-based software platform for the automation of enterprise back-office processes. Our solutions cover the cycles from customer orders to invoicing and collections (Order-to-Cash: O2C), and from supplier selection to invoice payment (Source-to-Pay: S2P). For 2024, our strategy is evolving to meet new challenges, as we consolidate our past successes by continuing to improve our processes.

This year, our strategy is focused on seven key areas:

1. Integration of generative artificial intelligence (GAI):

We see GAI as a major opportunity to improve the efficiency of our solutions and to take process automation even further. The integration of GAI into our processes enables us to optimize accounts payable and customer order management, improve interactions with our customers, and promote the development of new functionalities and innovative products. This integration strengthens our position as a leader in business and financial process management, while meeting our customers' demanding requirements.

2. New sustainability regulations:

We maintain our commitment to Environmental, Social and Governance (ESG) by focusing on compliance with new regulations, such as the Corporate Sustainability Reporting Directive (CSRD). With this in mind, we plan to integrate the management of non-financial data, in particular energy data, from the invoices we process. This initiative will help our customers produce an accurate carbon assessment, thereby strengthening their ability to comply with ESG reporting standards and improve their carbon footprint. This reflects our commitment to innovation and helps our customers in their transition to a more environmentally responsible economy.

3. Electronic invoicing:

Esker is continuing to develop its solutions to ensure their compatibility with e-invoicing systems that are gradually becoming mandatory in Europe and Asia. By aligning our solutions with standards and regulations, we enable our customers to remain compliant with regulatory requirements while continuing to benefit from the advantages of automated invoicing processes. By proactively responding to the needs of the global market, Esker reinforces its position as a trusted leader in invoicing processing solutions.

4. Payment, financing and cash management functions:

Esker continues to offer its customers a full range of functionalities to optimize their financial performance. To this end, payment, financing and cash management functionalities are integrated into all our solutions. This approach ensures our customers a seamless experience, while streamlining their financial processes and improving their visibility and control over cash management.

5. Cybersecurity:

Esker remains resolutely committed to strengthening IT security at all levels of its global infrastructure. Our priority is protecting our customers' sensitive data and guaranteeing the confidentiality, integrity and uninterrupted availability of their information. We continue to invest in cutting-edge technologies, advanced security practices and continuous staff awareness-raising initiatives to counter emerging and evolving threats. By adopting a proactive approach and remaining at the forefront of cybersecurity best practices, we maintain our customers' trust and preserve our reputation as a trusted leader in business process management.

6. Partnerships and distribution:

We continue to leverage our existing partners and recruit new ones to drive organic growth, improve profitability and increase our capacity to roll out our products.

7. Mergers and acquisitions:

To strengthen its position in the global market, Esker is carefully exploring opportunities for growth, both in terms of technologies and regions. Current areas of potential interest include U.S. supplier payments (ACH, V-Card, checks), cash management, factoring, reverse factoring, invoice financing, fiscal EDI, temporary staff purchasing management, e-invoicing, and the calculation and management of company carbon footprints. The goal is to complete Esker's existing offering by avoiding functional overlaps and seeking partners operating on the periphery of our core business.

Financial outlook

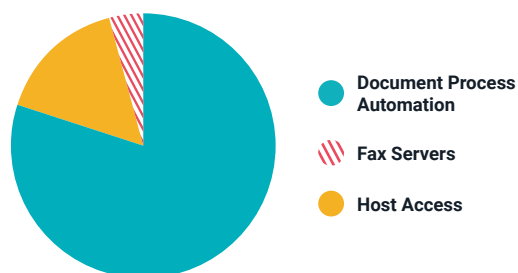
Encouraged by our previous successes and excellent market position, we are looking ahead to 2024 with confidence. On that basis, we anticipate organic growth of between 12% and 14%, driven by our cloud platform, the integration of artificial intelligence and the performance of our business partners. Thanks to our strong cash position, we are able to invest in the development of our infrastructure and cloud solutions, guaranteeing our future growth.

1.3. Analysis of the Group's financial position and business

1.3.1. Analysis of Group revenue

Sales by business segment

| | 2023 | | 2022 | |
|------------------------------|----------------|-------------|----------------|-------------|
| In thousands of euros | Amount | % | Amount | % |
| SaaS (*) | 146,691 | 82% | 127,451 | 80% |
| Implementation Services (**) | 28,272 | 16% | 25,594 | 16% |
| Legacy Products | 3,591 | 2% | 5,942 | 4% |
| TOTAL | 178,554 | 100% | 158,987 | 100% |



(*) document process automation - Software as a Service (SaaS)

(**) licensed-based document process automation solutions and maintenance services

Esker registered another record performance in 2023 with annual revenue of nearly €180 million.

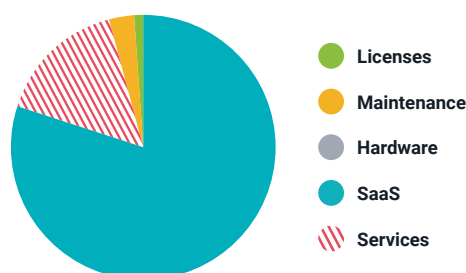
Revenue grew +12% (+14% at constant exchange rates) to €179 million.

This performance was largely driven by the accelerating success of cloud-based document process automation solutions which represented nearly €147 million in 2023 (82% of total revenue), up 15% from 2022.

Revenue from traditional license-based document process automation solutions accounted for 16% of sales, with growth of 10%. Legacy products now account for only 2% of total sales after decreasing 40% from 2022 in line with the Group's strategy.

Sales by product sub-segment

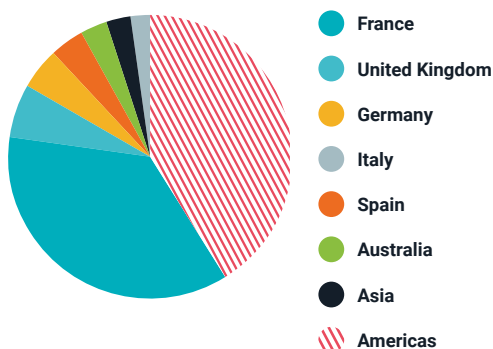
| | 2023 | | 2022 | |
|---|----------------|-------------|----------------|-------------|
| In thousands of euros | Amount | % | Amount | % |
| Licenses | 309 | 0% | 1,140 | 1% |
| Hardware | 50 | 0% | 88 | 0% |
| Contracts for product updates and maintenance | 3,155 | 2% | 4,682 | 3% |
| Services | 28,348 | 16% | 25,626 | 16% |
| SaaS | 146,691 | 82% | 127,451 | 80% |
| TOTAL | 178,554 | 100% | 158,987 | 100% |



As on-demand document process automation solutions are more widely adopted, traffic sales should continue to experience sustained growth over the coming years.

Sales by region

| | 2023 | | 2022 | |
|-----------------------|----------------|-------------|----------------|-------------|
| In thousands of euros | Amount | % | Amount | % |
| France | 65,152 | 36% | 58,086 | 37% |
| United Kingdom | 10,874 | 6% | 9,128 | 6% |
| Germany | 8,649 | 5% | 7,213 | 5% |
| Italy | 3,207 | 2% | 2,628 | 2% |
| Spain | 6,488 | 4% | 5,600 | 4% |
| Benelux | 443 | 0% | 0 | 0% |
| Australia | 5,824 | 3% | 5,342 | 3% |
| Asia | 4,543 | 3% | 4,543 | 3% |
| Americas | 73,376 | 41% | 66,446 | 42% |
| TOTAL | 178,555 | 100% | 158,987 | 100% |



Sales outside of France account for 64% of revenue, with the Americas alone accounting for 41%.

Regulations

The regulatory environment of the solutions sold by Esker is constantly evolving. This is particularly the case with respect to B2B invoicing activities.

Regulations have been adopted in France (Finance Act No. 2019-1479, amended by Act No. 2023-1322 for 2024,) requiring companies to adopt e-invoicing no later than September 1, 2027. This represents a major change in company operating practices. Similar changes have already occurred in different countries (Italy, Spain, etc.). These changes have traditionally led to an acceleration in the digital transition of companies which is a positive factor for Esker's activity

Similarly, the European Non-Financial Reporting Directive (NFRD), which governs non-financial performance statements by European companies, will soon be replaced by a more ambitious Corporate Sustainability Reporting Directive (CSRD) (EU 2022/2464) whose application will be phased in from January 1, 2024.

1.3.2. Research and development, patents and licenses

Research and development expenses

Esker has historically devoted significant resources to research and development. In 2023, the R&D budget represented nearly 10% of total Group sales. This policy ensures that Esker maintains its technological advance, the only effective means of meeting challenges from competitors. At December 31, 2023 at the site located in Villeurbanne, a team of 164 computer engineers work on developing Esker software. The R&D department also has a team of 15 engineers based in Madison (Wisconsin, U.S.) developing the TermSync solution and five engineers based in Ratingen (Germany) developing the Esker EDI Services solution. Second-level technical support is provided by another team of 75 engineers based in the Group's different company.

The following table provides a breakdown of R&D expenses by major product lines before and after the capitalization of development expenditures (additional information on this subject is provided in [notes 3](#) and [16](#) to the consolidated financial statements presented in [paragraph 5.1](#) of this document):

| In thousands of euros | 12/31/23 | 12/31/22 | 12/31/21 |
|--|-----------------|-----------------|-----------------|
| R&D expenses for the period | (17,315) | (15,175) | (14,075) |
| Capitalized development expenditures | 12,365 | 10,164 | 8,641 |
| Amortization of capitalized development expenditures | (8,239) | (6,930) | (6,156) |
| RESEARCH AND DEVELOPMENT EXPENSES NOT CAPITALIZED | (13,189) | (11,941) | (11,590) |

Research and development expenditures are focused primarily on the document process automation lines. Development expenditures recognized as assets in 2023 concern mainly SaaS solutions (Esker on Demand), capitalized every six-month period.

Patents

Technologies for General Document Recognition (GDR), analysis and routing have been protected for a number of years by patents with the United States Patent and Trademark Office (USPTO).

In particular, this protection covers the following patents:

- US 6,906,817 B1: Network system for directing the transmission of facsimiles
- US 8,094,976 B2: One-screen reconciliation of business document image data, optical character recognition extracted data, and enterprise resource planning data
- US 8,108,764 B2: Document recognition using static and variable strings to create a document signature
- US 8,396,854 B2: Digital document management system
- US 8,577,826 B2: Automated document separation
- US 11,132,407 B2: System for the automatic separation of documents in a batch of documents
- US 11,494,551 B2: Form field prediction service
- US 11,631,265 B2: Automated learning of document data fields

Trademarks

The following trademarks have been registered by Esker in France and other countries

- | | | | |
|------------|--------------|--------------|------------|
| • CalvaEDI | • Tun | • Green Doc | • VSI-Fax |
| • FaxGate | • Quit Paper | • Smartmouse | • TermSync |
| • SmarTerm | • FlyDoc | • Persona | |

Independence of the issuer

Esker SaaS solutions are provided mainly with equipment owned and operated by Esker. In contrast, computer equipment is housed in secure data center rooms operated by outside service providers (Colt, CDW).

Esker products are generally sold without complementary third-party products, with the exception of DeliveryWare that incorporates document format conversion and optical character recognition modules marketed by Esker. Esker Fax is frequently marketed with an intelligent fax board.

1.3.3. Capital expenditures

Most of the Group's capital investments (R&D, computer equipment) are self-financed. Automobiles are in contrast acquired through leases.

Major equipment investments in equipment for FlyDoc and Esker on Demand solutions are generally acquired through lease financing (registered letter processing machine, printers, servers, storage, etc.).

Acquisitions are financed through company cash or treasury shares in addition to bank loans.

Major capital investments in 2022 and 2023

| (In thousands of euros) | 2023 | 2022 |
|--|---------------|---------------|
| Esker on Demand | 12,365 | 10,164 |
| <i>Of which finance leases recognized under assets</i> | 0 | 0 |
| Buildings | 0 | 0 |
| Other fixed assets | 3,619 | 396 |
| TOTAL | 15,984 | 10,560 |

The Company's capital investments are focused primarily on our software as a service (SaaS) solutions (Esker On Demand and FlyDoc), capitalized every six months, and printers and mail inserting systems for the mail production site in France.

Additional information is provided in [notes 3 and 4](#) of the consolidated financial statements presented in [section 5](#) of the original French language registration document.

Other assets consist primarily of computer equipment and software necessary for the company's normal business operations.

Principal current and future investments

Capital investments are currently being made to develop the Esker on Demand infrastructure, necessary to service new customers in order to:

- Increase the processing capacity of its existing production centers over the next three years
- Improve document automation processes in SaaS in particular to accelerate their deployment and parameterization for key accounts

These developments require the acquisition of new processing and storage servers.

Information on methods used to finance these capital investments is presented in [paragraph 1.4.5.](#) of this document.

Principal future investments subject to firm commitments by Management bodies

None.

1.3.4. Property, plants and equipment

Important property, plant and equipment

In France, Esker SA owns the property which houses its production facility in Décines Charpieu. The other premises, including the Esker SA's headquarters located in Villeurbanne, are leased.

Excluding Esker Italia, which acquired its premises in Milan in April 2019, the other Group's other companies do not own buildings. The premises occupied are subject to lease agreements. The characteristics of these leases are described below:

| Establishments | Address | Lease expiration date | Area |
|--------------------------|-----------------------------|-----------------------|----------------------|
| Esker | Villeurbanne - France | Dec-30 | 8,443 m ² |
| CalvaEDI | Paris - France | Feb-25 | 207 m ² |
| Esker GmbH | Munich - Germany | Sep-24 | 477 m ² |
| Esker EDI Services | Ratingen - Germany | Jan-24 | 667 m ² |
| Esker Ibérica | Madrid - Spain | Jan-24 | 180 m ² |
| Esker Ibérica Production | Madrid - Spain | Jul-24 | 169 m ² |
| Esker Ltd | Derbyshire - United Kingdom | Jan-30 | 692 m ² |
| Esker Pty | Sydney - Australia | Nov-26 | 229 m ² |
| Esker Inc. | Madison - United States | Apr-26 | 3,800 m ² |
| Esker Pte Ltd | Singapore | Jul-26 | 172 m ² |
| Esker Sdn Bhd | Kuala Lumpur - Malaysia | Jan-24 | 219 m ² |
| Market Dojo | Stonehouse – United Kingdom | Mar-25 | 153 m ² |

At December 31, 2023 total liabilities from these leases amounted to 16,704,000 (€18,473,000 in 2022).

Otherwise, the main intangible assets of the Group include:

- **Computer equipment** (computers, printers)
- **Production equipment required for the on-demand services:** mainly postage machines and production printers

The figures for property, plant and equipment are presented in Note 4 to the consolidated financial statements, included in [section 5](#) of this annual report.

There were no major changes with respect to these items.

1.3.5. Material contracts

No material contracts, other than those entered into in the ordinary course of business, have been entered into in the last two financial periods

1.3.6. Significant post-closing events

None.

1.3.7. Capital resources

Capital of the issuer

Information concerning the capital is presented in the consolidated statement of changes in equity [paragraph 5.1](#). "Consolidated financial statements".

Sources, amounts and description of cashflows

Information on cashflow is presented in the cashflow statement in [paragraph 5.1](#).

At December 31, 2023, the Group's U.S. and U.K. subsidiaries had positive cash balances. In this respect, the euro's appreciation in relation to the U.S. dollar or British pound constitutes an impediment to the transfer of funds from the U.S. and the U.K. to France.

The cash surpluses are invested in the main currencies (EUR, USD, GBP and AUD). The parent company supervises its subsidiaries' capital spending and financial investments by directly monitoring their balances and requests for cashflow forecasts.

Borrowing requirements and funding structure

As indicated in [note 13](#) to the consolidated financial statements in [paragraph 5.1](#) of this document, financial liabilities at the year-end amounted to €10,923,000 and are included the following items:

- €160,000 in lease liabilities offsetting the finance leases capitalized in the period (right-of-use assets) concerning one printing and two inserting machines used for outsourced on-demand mail delivery services
- €10,763,000 in bank loans

Restrictions on the use of capital resources

There are no restrictions on the use of the company's capital resources.

1.3.8. Proposal for the appropriation of net profit to the Annual General Meeting

It is proposed that the profit of the period of €5,602,085.68 be appropriated as follows:

| | |
|---|----------------------|
| • €10,446.00 will be allocated to the "Legal reserve", increased accordingly from €1,197,148.00 to €1,207,594.00. | €10,446.00 |
| • A dividend of €0.65, i.e., for illustrative purposes, on the basis of a share capital of 6,037,970 shares, the total amount of €3,924,680.50, would be distributed to shareholders as dividends, it being specified that own shares held by the Company do not confer a right to dividends, and the sums corresponding to dividends not paid in respect to these shares would be allocated to the "Other Reserves" account. | €3,924,680.50 |
| • With the balance, i.e. (€1,666,959.18) to be allocated to "Other reserves", which would be increased accordingly from €45,757,096.22 to €47,424,055.40 as follows: | €1,666,959.18 |
| Total equaling the profit of the period | €5,602,085.68 |

Dividends will be paid no later than 45 days after the Annual General Meeting, on the basis of €0.65 per share without conferring a right to a bonus dividend.

In the event of a change in the number of shares entitled to dividends compared with the shares comprising the legal share capital, and for the purposes of shares entitled to a bonus dividend, the total amount of dividends and the amount deducted from the "Other reserves" account would be adjusted accordingly to form the distributable dividend per share referred to above.

In accordance with the provisions of article 26 of the Company's bylaws, bonus dividend is awarded to any shareholder who at year-end has held shares in registered form for at least two years and continues to do so on the dividend payment date. This same bonus dividend can be granted under the same conditions when restricted stock units are distributed.

As a result, the Annual General Meeting will be asked to set the bonus dividend at €0.06 per share, thereby raising the dividend from €0.65 to €0.71 per share for shares eligible for this bonus dividend.

The amount actually paid to shares entitled to the bonus dividend will be deducted from the balance shown above before allocation to "Other reserves".

This dividend is subject, for individuals, to a 12.8% flat tax (*prélèvement forfaitaire unique*), to which are added social charges of 17.2% resulting in a total tax charge of 30%.

The French flat tax is automatically applied if the option for the progressive income tax scheme is not chosen, after a 40% rebate.

The French flat tax is automatically applied if the option for the progressive income tax scheme is not chosen, after a 40% rebate.

1.3.9. Information on dividends

The Executive Board will propose a dividend of €0.65 per share at the Annual General Meeting of June 19, 2024.

For information, dividends distributed for the last three financial periods is disclosed below:

| FY (French GAAP) | Net dividend (in euro) | Net dividend earnings per share |
|------------------|------------------------|---------------------------------|
| 2022 | 0.75 | 25% |
| 2021 | 0.60 | 25% |
| 2020 | 0.50 | 25% |

2

Corporate governance

2.1 Management and control of the company

2.1.1. Presentation of corporate governance bodies

Esker is a French corporation (*société anonyme*) governed by an Executive Board and a Supervisory Board. The composition of the corporate governance bodies for the year ending December 31, 2023 was as follows:

Executive Board:

Mr. Jean-Michel Bérard

Chair of the Executive Board

Mr. Emmanuel Olivier

Member of the Executive Board

Supervisory Board:

Ms. Marie Claude Bernal

Chair of the Supervisory Board

Ms. Nicole Pelletier-Perez

Vice Chair of the Supervisory Board

Mr. Jean-Pierre Lac

Member of the Supervisory Board

Mr. Steve Vandenberg

Member of the Supervisory Board

Audit Committee:

Mr. Jean-Pierre Lac

Chair of the Audit Committee

Ms. Marie Claude Bernal

Member of the Audit Committee

Compensation and Nominating Committee:

Ms. Marie Claude Bernal

Chair of the Compensation and Nominating Committee

Ms. Nicole Pelletier-Perez

Member of the Compensation and Nominating Committee

ESG Committee:

Ms. Nicole Pelletier-Perez

Chair of the ESG Committee

Mr. Jean-Pierre Lac

ESG Committee member

Cybersecurity Committee:

Mr. Steve Vandenberg

Chair of the Cybersecurity Committee

Ms. Nicole Pelletier-Perez

Member of the Cybersecurity Committee

2.1.2. Offices and functions exercised by corporate officers during the period ended

In accordance with the provisions of Article L.225-37-4-1° of the French Commercial Code (*Code de commerce*), the list of offices exercised is provided below:

| Name (Nationality) | Office or position exercised in Esker SA | OFFICES EXERCISED IN OTHER COMPANIES | | | | | |
|--------------------------------|--|---|--------------------|-------------------------------------|-----------------------------|---|--|
| | | Company | Nationality | Office Position | Year of initial appointment | Expiration of appointment: General Meeting ruling on the financial statements for the fiscal year ending in | Professional address (primary position) |
| M.C. Bernal (French) | Chair of the Supervisory Board | Esker SA | French | Chair of the Supervisory Board | 2001 | 2024 | 113 boulevard de Stalingrad 69100 Villeurbanne, France |
| | | Wellesley Montessori School | American | Director | 2019 | N/A | 79 Denton Road, Wellesley, MA 02482, USA |
| N. Pelletier-Perez (French) | Vice Chair of the Supervisory Board | Esker SA | French | Vice Chair of the Supervisory Board | 2017 | 2022 | 113 boulevard de Stalingrad 69100 Villeurbanne, France |
| | | Femmes Business Angels | French | Director | 2018 | 2024 | 23-25 rue Jean-Jacques Rousseau 75001 Paris, France |
| J.P. Lac (French) | Member of the Supervisory Board | Esker SA | French | Member of the Supervisory Board | 2020 | 2025 | 113 boulevard de Stalingrad 69100 Villeurbanne, France |
| | | Le Progrès | French | Director | 2012 | 2024 | 4 rue de Marseille, 69002 Lyon, France |
| | | Foundation for the Université de Lyon | French | Chair of the Audit Committee | 2017 | N/A | 50 rue de Marseille, 69007 Lyon, France |
| S. Vandenberg (American) | Member of the Supervisory Board | Esker SA | French | Member of the Supervisory Board | 2022 | 2027 | 113 boulevard de Stalingrad 69100 Villeurbanne, France |
| J.M. Bérard (French) | Chair of the Executive Board | Esker SA | French | Chair of the Executive Board | 2000 | 2024 | 113 boulevard de Stalingrad 69100 Villeurbanne, France |
| | | Esker Inc. | American | Vice President | 2001 | N/A | 1850 Deming Way - Suite 150 Middleton, WI 53562, USA |
| | | Esker UK Ltd. | British | Vice President | 1999 | N/A | Unit 1 Stoney Cross Industrial Estate Station Road, Spondon, Derby, DE21 7RX United Kingdom |
| | | Esker Software GmbH | German | Director | 1999 | N/A | Dornacher Str. 3a D-85622 Feldkirchen Germany |
| | | Esker Italia Srl | Italian | Director | 2001 | N/A | Via Guido Gozzano, 45 21052 Busto Arsizio (VA) Italy |
| | | Esker Ibérica S.L. | Spanish | Director | 2001 | 2100 | Calle Chile 8, oficina 206 28290 Las Rozas de Madrid, Spain |
| | | Esker Australia Pty Ltd | Australian | Vice President | 1997 | N/A | Suite 1502, Level 15 227 Elizabeth Street Sydney NSW 2000, Australia |
| | | Esker Document Automation Asia Pte Ltd | Singapore | Vice President | 2007 | N/A | Unit #11-01, 101 Thomson Road United Square Singapore 307591 |
| | | Esker Document Automation (HK) Limited | Hong Kong national | Vice President | 2018 | N/A | 66th Floor, The Center 99 Queen's Road Central Central Hong Kong |
| | | Esker Document Automation (M) Sdn. Bhd. | Malaysia | Vice President | 2009 | N/A | 16-12 Q Sentral Jalan Stesen Sentral 2 50470 Kuala Lumpur Malaysia |
| | | Esker Solution Canada Inc. | Canadian | Director | 2012 | N/A | 630 René-Lévesque Blvd West Suite 2800 Montreal, Quebec Canada H3B 1S6 |
| | | CalvaEDI | French | Chair | 2015 | N/A | 58/A rue du Dessous des Berges - 75013 Paris, France |
| | | Esker EDI services | German | Chair | 2017 | N/A | Calor-Emag-Straße 3 40878 Ratingen, Germany |
| | | Esker Benelux | Belgium | Director | 2023 | N/A | Eedverbondkaai 242 box 32 9000 Gent, Belgium |
| | | Market Dojo | British | Vice President | 2022 | N/A | Suite 30-33, Westend Office Suite, Grove Lane, Westend Stonehouse Gloucestershire GL10 3FA, U.K. |
| E. Olivier (French) | Member of the Executive Board | Esker SA | French | Member of the Executive Board | 2003 | 2024 | 113 boulevard de Stalingrad 69100 Villeurbanne, France |

We remind you that in accordance with the provisions of Article L. 225-51-1 of the French Commercial Code, the company's executive management is ensured by the Executive Board.

2.1.3 Management team

Management team

Esker's management team was gradually assembled under the leadership of Jean-Michel Bérard, one of the company's founders.



Jean-Michel Bérard

Founder, CEO and Chairman of the Executive Board

Jean-Michel founded Esker in 1985, shortly after graduating from the INSA engineering school in Lyon. As Chairman of Esker's Executive Board, he is responsible for defining and executing the company strategy with the help of the Management Committee. To maintain direct relations with customers and prospects in emerging markets, he oversees the Asian subsidiaries. He also represents Esker in its relations with the financial community, IT analysts and the press. Jean-Michel was awarded the Prix de l'Ingénieur Entrepreneur de l'Année 2013 by the French weekly L'Usine Nouvelle. He was named by EY Entrepreneur of the Year for the Rhône Alpes region in 2000 and 2013 and Entrepreneur of the Year for France in 2000.



Emmanuel Olivier

WW Chief Operating Officer and Member of the Executive Board

As Worldwide Chief Operating Officer, Emmanuel Olivier leads Esker's operations worldwide, covering sales, marketing and consulting activities. He also supervises Esker's finances and is in charge of its financial communication and investor relations. Emmanuel joined Esker in 1999 as Chief Financial Officer and was promoted to his current role in 2003. Prior to joining Esker, he worked as an Audit Manager for Ernst & Young for seven years, including two years in Philadelphia, Pennsylvania (USA). Emmanuel was awarded a Master's degree in Business Administration in 1991 from SKEMA Business School in Nice Sophia Antipolis, France, and earned a CPA qualification from the state of Pennsylvania, U.S.



Jean-Jacques Bérard

Vice President, Research and Development and Invited Member of the Board of Directors

As Vice President of Research and Development (R&D), Jean-Jacques implements product strategy and oversees product planning and development. Jean-Jacques joined Esker in 1995 as Project Leader for the SQL team and later moved to R&D Manager in 1997. In 1998 he advanced to his current role. Prior to Esker, Jean-Jacques was R&D team Manager at Arthur Andersen Consulting in Lyon. Jean-Jacques received his engineering degree in 1988 from the Lyon Institut National des Sciences Appliquées, France.



Eric Bussy

Vice President of Marketing and Product Management and Invited Member of the Board of Directors

As Worldwide Marketing and Product Management Director at Esker, Eric Bussy is responsible for the development of strategic products, services and solutions. Eric joined Esker in 2002 as Director of Marketing Communications, and in 2005, extended his responsibilities to include product management. Prior to Esker, Eric worked as Field Marketing Manager for two years at Seal's and Cdtel in France, and prior to that, spent three years as an international Product Manager working on projects for France Air and Melink Corporation in Cincinnati, Ohio. Eric received his Master's degree in Business Administration from the Ecole Supérieure de Commerce IDRAC Lyon, France.



Steve Smith

U.S. Chief Operating Officer and Invited Member of the Board of Directors

As U.S. Chief Operating Officer, Steve Smith is responsible for all operations in North, South and Central America. Steve joined Esker in 2003 as the Director of Sales. Prior to Esker, Steve spent 17 years at Equitrac Corporation as the Senior Vice President of Worldwide Sales and two years in sales at Pitney Bowes. In 1984 Steve earned his bachelor's degree in Marketing and Finance from the University of Wisconsin - Whitewater, U.S.



Claire Valencony

Deputy Chief Operating Officer and Invited Member of the Board of Directors

As Deputy COO, Claire Valencony is responsible for maintaining and driving operational results in all Esker subsidiaries (excluding USA and Canada). Prior to this position, Claire was Sr. Director, Global Strategic Alliances and successfully managed Esker's worldwide partner strategy. From 2014 to 2018, Claire was in charge of business development and strategic alliances for Esker in North America. As Country Manager at Esker France from 2011-2014, Claire was responsible for all operations (sales, marketing and consulting services) in France, Switzerland, Belgium and Luxembourg. Before joining Esker in 2003 as Marketing Manager for France, Claire was Marketing Manager for Logica CMG in London and Marketing Manager for Kremlin, Exel Industry Group, in Chicago. Claire received her Master's degree in Business Administration from EM Lyon, France in 1997. Claire was also a judge and mentor for the MassChallenge and MIT Sandbox programs in Boston, MA.



Ari Widlansky

WW Director for Revenue Growth & Strategic Alliances and Invited Member of the Board of Directors

Ari Widlansky, Esker's Worldwide Director for Revenue Growth and Strategic Alliances, joined the Esker Board of Directors with over 20 years of experience working in various positions in the areas of Direct Sales, Sales Leadership, Revenue Growth and Strategic Alliance Management in the SaaS technology sector. For the last 10 years, Ari's work at Esker revolved around helping global B2B organizations obtain efficiency and gain greater returns from their order-to-cash and procure-to-pay processes. After three years of leading the indirect sales channel for Esker Americas, Ari's new role expands to a worldwide level. Ari received his Bachelor's degree in Accounting and Finance from Indiana Universities Kelley School of Business and his Master's in Business Administration (MBA) from Florida Atlantic University.



Nicolas Mougin

WW Consulting & Support Director and Invited Member of the Board of Directors

Nicolas Mougin has been the Worldwide Consulting and Support Director since 2020. He joined the company in 2007 as a Project Manager for the internal deployment of SAP. With the creation of the International Professional Services team serving Esker's key strategic accounts in 2009, Nicolas took on the role of Engagement Manager. Before joining Esker, Nicolas was a Consultant for the SAP environment, working in a variety of roles including Developer, Functional Consultant and Project Manager at Atos, Sopra Steria and IBM. He holds a Bachelor's degree in Computer Science from the Université de Bourgogne.

Members of the Associate Board of Directors



Pascal Bivert European Sales Director

As European Sales Director, Pascal Bivert is responsible for the sales strategy and operations for all Esker subsidiaries in Europe (excluding France and Benelux). He has held this position since 2018. Pascal joined Esker in 2010 as Key Account Manager and was promoted to Sales Manager in 2014. Prior to Esker, he worked in Sales for Sony and Bouygues Telecom. Pascal received his Master's degree in Business Administration from Grenoble Ecole de Management, France.



Nicolas Bragard WW Chief Information Officer

As Worldwide Chief Information Officer, Nicolas Bragard leads Esker's internal IT operations worldwide, covering IT infrastructure, cybersecurity and internal applications. Nicolas joined Esker in 2002. Prior to joining Esker, he worked as a Chief Technology Officer for ST Groupe, an IT services company headquartered in Paris, for 15 years. Nicolas received his engineering degree in Computer Science, Electronics and Electromechanical Technology in 1987 from the Ecole supérieure d'informatique électronique automatique, Paris, France.



Aurélie Guimera WW Director of Human Resources

As Esker's Worldwide Director of Human Resources, Aurélie Guimera oversees all HR plans and strategies to support Esker's global business, while providing an excellent experience for employees. Aurélie joined Esker in 2011 as Recruitment Specialist. In 2019, Aurélie became HR Business Partner, with her responsibilities expanded to include Learning and Development matters and a variety of other HR projects. In 2020, Aurélie was appointed Deputy Director of Human Resources, and took over as Director of Human Resources in 2021. She assumed the responsibility for global HR in Europe and Asia Pacific. Prior to Esker, Aurélie worked as Deputy Manager at Ecole Supérieure de Commerce et d'Organisation (ESCO) Business School, and as HR Generalist for Lloyd's Register. Aurélie received her Master's degree in Business Administration from ESCO in collaboration with the Université du Littoral Côte d'Opale.



Thomas Honegger Vice Chief Operating Officer France/Benelux/Switzerland

As Chief Operating Officer (COO) of Esker France/Benelux/Switzerland since 2014, Thomas Honegger develops Esker's sales, marketing and consulting activities for this region. His focus is to give strategic guidance and direction to ensure that Esker achieves its mission and objectives, thereby actively contributing to Esker's growth and corporate strategy. Thomas joined Esker in 2005 as Key Account Manager and was then appointed Sales Director for Esker France, leading his team in supporting large businesses in their digital transformation. Working in collaboration across teams, Thomas drove commercial efforts for the subsidiary on key initiatives, formulating and implementing strategic recommendations to result in effective account planning and sales execution. After graduating from the Business School of Toulouse (TBS), Thomas specialized in B2B transactions and large-scale SAP implementation projects.



Dan Reeve VP of Sales, Esker North America

As Vice President of Sales North America, Dan Reeve is responsible for recruitment, training and direct sales for Esker, supporting a team of excellent Sales Managers. Operating in this capacity for 10 years, he was previously Sales Manager, developing the U.S. Midwest and Pacific Northwest. He established Esker's Denver offices in 2017. Dan joined Esker in 1999, spending the first few years in Business Development for the Benelux and Scandinavian countries, building up channel and direct sales paths for those regions, then moving into large enterprise accounts while assisting in leading direct sales in the UK. He obtained an Economic Development degree from the University of Derby, England in 1997.



Catherine Plasse WW Chief Financial Officer

As Chief Financial Officer, Catherine Plasse manages and coordinates Esker's Finance teams worldwide. This role involves overseeing the creation of accurate financial reporting while ensuring the preservation of company assets by minimizing risk, as well as developing Esker's environmental, social, and corporate governance (ESG) approach and fortifying this mindset throughout the organization. Along with her 15 years of experience providing strategic input to executives and overseeing Finance functions at international companies in various industries, Plasse brings expansive knowledge to her role. In addition to other previous positions, she spent two years as Financial Analyst at GDF Suez, then as Financial Controller at Suez Group in Paris before moving to the U.S. to take on the role of CFO for SUEZ. Catherine holds three degrees in International Business Administration, from Northumbria University (BA), IAE France (master's degree), the EDHEC Business School (BA), respectively, a Certification in Sustainable Transition Management from HEC Paris and in Principles of Sustainable Finance from Erasmus University of Rotterdam.

2.2. Composition, conditions of preparation and organization of the work of the Supervisory Board

2.2.1. General organization and constitution of the administrative and supervisory bodies

Since the combined General Meeting of August 30, 1999, Esker adopted a dual form of corporate governance with responsibilities divided between an Executive Board and a Supervisory Board. This separation of management and supervisory functions, supplemented by the appointment of independent members to the Supervisory Board, also reflects the best practices in corporate governance.

Supervisory Board members

The Supervisory Board's membership, which may consist of a minimum of three and a maximum of eighteen members, is as follows:

- **Marie Claude Bernal:** Chair
- **Nicole Pelletier-Perez:** Vice-Chair
- **Jean-Pierre Lac:** Member
- **Steve Vandenberg:** Member

The members of the Supervisory Board were chosen for their skills and multidisciplinary expertise highlighted by their biographies.

Biographies of Supervisory Board members

• Marie-Claude Bernal

Born on 11/04/1946, Marie-Claude Bernal graduated from the HEC-JF School of Management in 1967, and later received her MBA (finance and computer science) from the University of Chicago in 1971. Marie-Claude Bernal has served as Chair of the Supervisory Board of Esker since 2001. She began her career with Banque de Neuflize where she became one of the first women in France to manage a mutual fund. In 1977, she joined Wellington Management in Boston, one of America's oldest and largest independent investment management firms, where she helped launch and grow the international department of this fund, becoming a partner in 1994. She pursued her collaboration with this company until 2000. Marie-Claude Bernal has also served as a director of a privately held US companies and French public companies. She is currently participating in the asset management for two family offices in France and the U.S. respectively.

• Nicole Pelletier-Perez

Born on 06/11/1952, with a Master's degree in Computer Science from the University Lyon 1 and an MBA from IAE Aix-Marseille, Nicole Pelletier-Perez has served as a member of Esker's Supervisory Board since 2017. She began her career at Digital Equipment as a systems engineer, and then technical team manager. In 1989 she joined Oracle France to create the public sector division, and then became manager of Oracle Application. In 1994 she was appointed to SAP France's executive management team. In 1996, she joined Wincap Software as Vice President for Sales, Europe and Japan. In 1999 she was recruited by IBM Europe and in 2011 she joined IBM France's hardware division. She has been a member of France's Women Business Angels network (FBA) since 2016.

• Jean-Pierre Lac

Born on 09/28/1950, and a graduate of the HEC Paris business school in 1974, he has been a member of Esker's Supervisory Board since 2020. Jean-Pierre Lac began his career with the Rhône Poulenc group in 1975. In Paris or in the United States he exercised operational responsibilities in different fields of Finance and Strategy. In 1987, upon returning from the United States, he was appointed CFO of Rhône Poulenc Chimie. In 1991, he joined the Philips group as the Financial Director for France, then as Global Treasurer based in the Netherlands. He returned to Rhône Poulenc in 1997 as CFO of the Agrochemicals division, a position he held after the merger with the equivalent division of Hoechst that created Aventis CropScience. After Aventis CropScience was sold in 2001, he joined the SEB group as CFO and contributed to the Group's strong growth in this position until his retirement in 2014. He has since exercised responsibilities in various not-for-profits in addition to serving as an advisor to the Economic Social Environmental Council of the Auvergne Rhône Alps Region. He is currently still serving on the boards of various industrial and service sector companies.

• Steve Vandenberg

Born on 9/16/1967, a graduate of Columbia University (Bachelor of Science in Mechanical Engineering) and the University of Pittsburg (MBA), he has been a member of Esker's Supervisory Board since 2023. Steve Vandenberg is an expert in Microsoft security solutions. He assists companies and government organizations in their digital transformation and in addressing cybersecurity, compliance and personal data protection challenges. He helps companies adopt strategies for creating value by protecting and elevating brands and establishing and strengthening employee and consumer engagement by building a better experience. He led the security teams at BC Hydro, a Canadian utility, where he was responsible for the cybersecurity of power generation plants and smart meter infrastructure. A frequent speaker and writer on cybersecurity and compliance topics, Steve holds numerous certifications including Azure Solutions Architect Expert, Certified Information Privacy Professional, Certified Cloud Security Professional and Certified Information Systems Security Professional.

Offices and functions

The offices and functions exercised, as well as the dates of appointment and reappointment, are presented in [section 2.1.2](#) of this report.

Terms of office

Since the adoption by shareholders of the resolution concerning this term at the Annual General Meeting of June 21, 2023, Supervisory Board members are appointed for terms of 4 years for all new or renewed appointments.

Prior to the adoption of this resolution, Supervisory Board members were appointed for 6-year terms.

Obligation to hold Esker shares

Board members are required to possess at least one Esker share. Each Board member possess the share, which must be held in registered form, within three months of joining the Board.

Independent members of the Supervisory Board

With all members of the Board qualifying as independent during the year ended December 31, 2023, independent members thus accounted for 100% of the total.

2.2.2. Preparation and organization of work

Functioning and work of the Board

The Supervisory Board exercises permanent oversight over the company's management by the Executive Board.

Throughout the course of the year the Supervisory Board carries out whatever checks and controls it feels are appropriate and may request any documentation it feels necessary for the performance of its work. Throughout the lifetime of the company, between Board meetings the Supervisory Board is also provided with all necessary information, including any critical information, in particular through the financial analysis reports.

During the year ended 12/31/23, the Supervisory Board met five times, on respectively February 9, March 22, June 21, September 13 and December 13, with an attendance rate of 100%. At each Supervisory Board meeting, the schedule of subsequent meetings is drawn up for at least the next two sessions, and may cover a period of up to 12 months.

Meeting notices for these Board meetings are confirmed by email approximately one week in advance. An agenda is systematically included with the meeting notice. In addition, the financial statements to be examined for the half-yearly and annual closings are sent to the Board members around one week before the meeting. Representatives of the Social and Economic Committee on the Supervisory Board are invited to attend all meetings.

The Statutory Auditors are invited to attend Audit Committee meetings to review the annual financial statements, and Supervisory Board meetings to review the half-yearly and annual financial statements.

Each year, the Board examines the negative votes by analyzing, among other things, how the majority of minority shareholders voted. The Board considered whether it would be appropriate, in preparation for the next general meeting, to change the factors which may have prompted negative votes, and whether or not a statement on the subject should be issued.

Committees

To better fulfill its mission, the Supervisory Board meeting of September 9, 2002, approved the creation of two specialized committees, and notably the Audit Committee and the Compensation Committee.

On December 16, 2020, the Supervisory Board renamed the Compensation Committee into the Compensation and Nominating Committee and created a new committee, the ESG Committee.

On December 14, 2022, the Supervisory Board created a new committee, the Cybersecurity Committee.

Audit Committee

The Audit Committee, chaired by Jean-Pierre Lac, is responsible for ensuring the integrity of the company's financial results and the reliability of its internal control procedures. It selects the two statutory auditors and reviews their fees. The Audit Committee is comprised of the two independent members of the Board and meets at least once a year to review the company's annual financial statements. It met once in 2023 on March 22.

Compensation and Nominating Committee

The primary tasks of the Compensation and Nominating Committee, chaired by Marie-Claude Bernal, is to review the salaries of Executive Board members, the company's stock option and restricted stock unit plans, and the general policy on employee compensation. It met once in 2023 on February 9.

ESG Committee

The primary mission of the ESG Committee, chaired by Nicole Pelletier-Perez, is to review Esker's ESG policy (Ecovadis rating, ESG score, 14001 certification, etc.) and to monitor improvement plans. It met once in 2023 on September 1.

Cybersecurity Committee

The mission of the Cybersecurity Committee, chaired by Steve Vandenberg, is to review Esker's Cybersecurity policy in order to implement improvement plans. This review is carried out on the basis of reports and key performance indicators currently used by the Information Systems Security Manager (ISSM). It met once in 2023 on June 15.

Internal rules of procedure

These internal rules of procedure or charter describe as exhaustively as possible the Board's operating procedures and cover the following areas:

- Purpose of the Board charter
- The Supervisory Board's responsibilities and powers
- The Supervisory Board's members
- The Supervisory Board members' duties and rules of ethical conduct
- The Supervisory Board's operating procedures
- The creation of Supervisory Boards committees
- Rules for setting the compensation of Supervisory Board's members
- Entry into force - Binding nature

2.2.3. Application of the Middelnext corporate governance code

On December 15, 2021, the Supervisory Board adopted as corporate governance code the Middelnext Code published in December 2009 and updated in September 2021. The company has accordingly undertaken to comply with and adopt the recommendations of the aforementioned Code as from January 1, 2022. This Code can be consulted on Middelnext's website (www.middelnext.com). An update on these recommendations is presented below, in a table in [paragraph 2.4](#).

2.3 Compensation of corporate officers

The compensation package for members of the Supervisory Board is set by the General Meeting. It is then up to the Supervisory Board to allocate this compensation among its members, by granting fixed and variable portions, based on the participation of members and their actual attendance at Supervisory Board and Committee meetings.

The compensation policy for Supervisory Board members is described below:

- Compensation for the Chair of the Supervisory Board:
 - Fixed compensation: €30,000
 - Variable compensation: €1,500 per scheduled meeting
- Compensation for the Vice Chair of the Supervisory Board:
 - Fixed compensation: €20,000
 - Variable compensation: €1,500 per scheduled meeting
- Ordinary compensation (for all Board members except the Chair and Vice Chair):
 - Fixed compensation: € 15,000
 - Variable compensation: €1,500 per scheduled meeting
- Additional compensation for Committee membership (for all Supervisory Board members including the Chair):
 - Variable compensation: €1,500 per scheduled meeting

Variable compensation for Supervisory Board and Committee members is adjusted each year based on the number of meetings scheduled and the number of members receiving compensation.

Fixed compensation paid to the Board Chair and members was set by decision of the Supervisory Board on October 15, 2001. For the position of Vice Chair, these amounts changed in 2022.

All compensation allocated to Supervisory Board members, i.e., fixed and variable compensation is set by the Annual General Meeting. These amounts are reviewed each year.

Supervisory Board members do not receive any other compensation.

| Corporate officer | Office or position exercised in Esker SA | Company paying the compensation | Compensation paid in 2023 (gross basis) | Nature of compensation paid for fiscal 2023 | | |
|------------------------|--|---------------------------------|---|---|-------------------|------------------------|
| | | | | Fixed salary, fees | Benefits in kinds | Variable compensation* |
| Marie Claude Bernal | Supervisory Board Chair | Esker SA | €40,500 | €30,000 | | €10,500 |
| Nicole Pelletier-Perez | Supervisory Board Vice-Chair | Esker SA | €32,000 | €20,000 | | €12,000 |
| Jean-Pierre Lac | Member of the Supervisory Board | Esker SA | €25,500 | €15,000 | | €10,500 |
| Steve Vandenberg | Member of the Supervisory Board | Esker SA | €24,000 | €15,000 | | €9,000 |
| TOTAL | | | €122,000 | €80,000 | €0 | €42,000 |

* Variable compensation per scheduled meeting (formerly "attendance fees")

For information purposes, a comparative information of compensation paid for the previous period is presented below:

| Corporate officer | Office or position exercised in Esker SA | Company paying the compensation | Compensation paid in 2022 (gross basis) | Nature of compensation paid for fiscal 2022 | | |
|------------------------|--|---------------------------------|---|---|-------------------|-----------------|
| | | | | Fixed salary fees | Benefits in kinds | Attendance fees |
| Marie Claude Bernal | Supervisory Board Chair | Esker SA | €40,500 | €30,000 | | €10,500 |
| Nicole Pelletier-Perez | Supervisory Board Vice-Chair | Esker SA | €30,500 | €20,000 | | €10,500 |
| Jean-Pierre Lac | Member of the Supervisory Board | Esker SA | €25,500 | €15,000 | | €10,500 |
| Steve Vandenberg | Supervisory Board member | Esker Inc. | €10,500 | €7,500 | | €3,000 |
| TOTAL | | | €107,000 | €72,500 | €0 | €34,500 |

Compensation paid to members of the Executive Board

The Compensation and Nominating Committee meets once a year to review the compensation of Executive Board members.

A summary of the compensation of the Chair of the Executive Board and the Group Chief Operating Officer is provided below:

| (in €) | 2023 | | 2022 | |
|--|----------------|----------------|----------------|----------------|
| | Amounts due | Amounts paid | Amounts due | Amounts paid |
| Jean-Michel Bérard – Chair of the Executive Board | | | | |
| Fixed compensation | 276,374 | 276,374 | 260,774 | 260,774 |
| Variable compensation | 215,360 | 232,589 | 213,089 | 236,108 |
| Variable compensation (formerly "attendance fees") | None | None | None | None |
| Benefits in kinds | 7,716 | 7,716 | 7,716 | 7,716 |
| TOTAL | 499,450 | 516,679 | 481,579 | 504,598 |
| Emmanuel Olivier, WW Chief Operating Officer | | | | |
| Fixed compensation | 197,592 | 253,678 | 186,577 | 243,406 |
| Variable compensation | 170,979 | 200,009 | 157,828 | 278,927 |
| Variable compensation (formerly "attendance fees") | None | None | None | None |
| Benefits in kinds | 8,268 | 8,268 | 8,268 | 8,268 |
| TOTAL | 376,839 | 461,955 | 352,673 | 530,601 |

The compensation criteria for Executive Board members was approved by the Supervisory Board on February 09, 2023.

Since 2017, compensation paid to Jean-Michel Bérard, Chair of the Executive Board includes a variable portion linked to the achievement of group objectives. This variable compensation was accrued for in the financial statements at December 31, 2023. This variable component also includes ESG criteria and is contingent on the achievement of three objectives:

- Obtaining an Ecovadis rating of at least 74/100
- Having two women among the company's 10 highest-paid employees
- Membership of women on the Executive Committee of at least 20%

Compensation paid to Emmanuel Olivier in 2023 includes performance-based compensation linked to achievement of commercial objectives relating to fiscal 2022. A provision was recognized in the financial statements at December 31, 2023 for variable compensation relating to fiscal 2023 and payable in 2024.

Since 2017, Emmanuel Olivier receives compensation as an officer serving on the Executive Board in addition to that received under the terms of his employment contract.

Benefits in kind include company cars granted to Jean-Michel Bérard and Emmanuel Olivier.

Executive Board members are eligible for participating in the restricted stock unit plan. The shares under this plan are not subject to conditions of performance.

The table below provides a summary of compensation, stock options and shares granted to the Chair of the Executive Board and the Worldwide Chief Operating Officer:

| (in €) | 2023 | 2022 |
|---|----------------|------------------|
| Jean-Michel Bérard – Chair of the Executive Board | | |
| Compensation due for the year | 499,450 | 481,579 |
| Measurement of options granted in the period | None | None |
| Measurement of performance shares granted in the period | 0 | 1,401,600 |
| TOTAL | 499,450 | 1,883,179 |
| Mr. Emmanuel Olivier, Chief Executive Officer, Executive Board member | | |
| Compensation due for the year | 376,839 | 352,673 |
| Measurement of options granted in the period | None | None |
| Measurement of performance shares granted in the period | 0 | 1,121,280 |
| TOTAL | 376,839 | 1,473,953 |

The company has made no commitments for the benefit of its corporate officers with respect to the commencement, termination or change of their functions, with the exception of the severance payment corresponding to two years of compensation for the benefit of Mr. Jean-Michel Bérard, in the event of the termination of his corporate office, decided by the Supervisory Board on December 10, 2010.

Options to subscribe for or purchase shares granted in the period to each executive officer by Esker SA and by any Group company

For the fiscal year ended December 31, 2023, no stock options were granted, for valuable consideration or free of consideration, to executive officers of the Company.

Options to subscribe for or purchase shares exercised in the period by each executive officer

For the fiscal year ended December 31, 2023, no stock options were exercised by executive officers of the Company.

Restricted stock units awarded in the period to each company officer

For the year ended December 31, 2023, no restricted stock units (*actions gratuites*) were granted to the Company's executive officers.

Restricted stock units vesting in the period for each company officer

In 2023, the number of restricted shares vesting in the period amounted to 8,000 shares for Jean-Michel Bérard and 6,400 shares for Mr. Emmanuel Olivier.

Summary of stock options awards

Supervisory Board members no longer hold stock options or share warrants that are still exercisable.

Emmanuel Olivier, Chief Executive Officer no longer hold stock options or share warrants that are still exercisable.

2.3.1. Additional information

Stock options and restricted share awards

For stock options granted as from December 31, 2006, the Supervisory Board decided on June 26, 2009 to impose on Executive Board members the obligation to retain in their name until the termination of their functions a minimum of 200 shares resulting from the options exercised.

Similarly, for restricted share awards, as from June 26, 2009, the Supervisory Board set the quantity of shares that Executive Board members must retain in their own name until the termination of their functions at 200.

Compensation granted to Supervisory Board members

The Annual General Meeting of June 21, 2023 set total annual compensation allocated to the Supervisory Board at €122,000, for the year ended December 31, 2023 and for each subsequent year until further resolution by the Annual General Meeting.

Commitments made by the company for the benefit of its company officers with respect to the commencement, termination or change of their functions or subsequently thereto:

The company entered into two commitments for the benefit of its company officers with respect to the commencement, termination or change of their functions:

- The payment of compensation representing two years of compensation for the benefit of Jean-Michel Bérard, should his office be terminated, decided by the Supervisory Board on December 10, 2010.
- The payment of compensation representing two years of compensation for the benefit of Emmanuel Oliver, in the event of a hostile takeover, decided during the Compensation Committee on December 10, 2020.

Dealings in shares by the officers within the meaning of article L.621-18-2 of the French monetary and financial code

Jean-Michel Bérard, Chairman of the Executive Board, did not sell any shares in the period.

Emmanuel Olivier, member of the Executive Board, sold 2,500 shares during the year.

2.4 Application of Middlednext recommendations

| Middlednext Code recommendations (version of September 2021) | Adopted | Will be adopted | Under consideration | Will not be adopted | Recommendations Observations/Issues to be considered |
|---|---------|-----------------|---------------------|---------------------|--|
| I. "Supervisory" power | | | | | |
| R1: Board member ethics | X | | | | "Each member of the Board observes the rules of professional ethics and must act in the company's corporate interest and takes into consideration the social and environmental issues of its business operations at all times." |
| R2: Conflicts of interest | X | | | | The Board should ensure that all internal procedures are implemented to disclose and manage conflicts of interest. It should undertake all reasonable investigations to assess the appropriate measures to be taken (clear description of reasons, removal of any individuals involved from the room, etc.) to ensure that the decision taken is consistent with the company's interest. |
| R3: Composition of the Board - Independent directors | X | | | | The Board should include at least three independent members. |
| R4: Board member information | X | | | | "The company should provide the "Board members" with all necessary information sufficiently in advance between Board meetings, when developments in the company so justify. The rules of procedure should provide the practical procedures for delivering this information, while at the same time setting reasonable time limits. Board members should also determine if the information supplied to them is sufficient, and demand, when necessary, any additional information that they might consider useful." |
| R5: Board member training | X | | | | "The Board should provide for a three-year training plan adapted to the company's specific situation. The plan should take into account expertise gained through experience. Each year the Board should assess the progress of the training plan and cover it in the corporate governance report." |
| R6: The organization of Board and committee meetings | X | | | | "The Supervisory Board meets at least four times a year. These meetings are prepared by all parties in advance. The Board gives preference to face-to-face exchanges. When this is not possible, videoconferences are organized. Minutes are drawn up of each Board meeting providing a summary of the discussions." |
| R7: Creation of committees: | X | | | | "Each Board should decide based on its size, needs and current issues whether or not to adopt an organization including specialized ad hoc committees. The Supervisory Board has set up four committees (Audit Committee, Compensation Committee, Cybersecurity Committee and ESG Committee)." |
| R8: Creation of a specialized ESG committee | X | | | | The Supervisory Board created an ESG Committee to address ESG issues. |
| R9: Introduction of Board Rules of Procedure | X | | | | The Supervisory Board has established its own rules of procedure that are regularly updated to take account of changes in governance. |

| | | | | | |
|--|---|--|--|--|--|
| R10: Selection of each "Board member" | X | | | | Sufficient biographical information, including in particular the list of offices, the experience and expertise offered by each Board member is available on the company's website. This information is in consequence available before the general meeting voting on the appointment or renewal of the directorship. This information is also included in the corporate governance report and the annual report. |
| R 11: Board members' terms of office | X | | | | "The Board should ensure that the term of office provided for under the articles of association is adapted to the company's specific situation, within the limits set by the law. The renewal of the terms of office of "Board members" are staggered. The terms of offices are clearly mentioned in the corporate governance report. In addition, a proposal was submitted to shareholders to reduce the statutory term of office to four years at the next AGM in 2023." |
| R12: Compensation paid to Board members for their role | X | | | | Each year, a compensation package is established for Supervisory Board members. The distribution of their compensation should be determined by the Board on the basis of the attendance record of Board members and the time they dedicate to the function, including as applicable, their participation in committees, |
| R13: Introduction of Board evaluation: | X | | | | Once a year, the Board's chair should ask the directors to provide input on Board and committee practices, as applicable, and also on the preparation of their work. Each member completes a self-evaluation form. This discussion will be recorded in the minutes of the meeting called to adopt the financial statements. |
| R14: Relations with "shareholders" | X | | | | Above and beyond legal requirements, the Board pays particular attention to negative votes by analyzing, among other things, how the majority of minority shareholders voted. The Board considers whether efforts should be made to change the reasons for negative votes at the next general meeting and whether it should communicate about this issue. The governance report indicates whether this review has taken place. Opportunities are provided outside general meetings for exchanges between significant shareholders. |
| II. Executive power | | | | | |
| R15: The company's equality and diversity policy | X | | | | Each year, the Compensation and Nominating Committee reviews Esker's gender-balance and equality policy at every level of the company's organization. Each year, the Human Resources department submits a report on this subject to the Supervisory Board. The Board ensures that the company discloses in its Non-Financial Statement (NFS) the policy adopted and the results obtained during the year. |
| R16: Definition and transparency of the compensation of corporate officers | X | | | | The Compensation and Nominating Committee determines the level and terms of compensation for executive officers each year. This information is disclosed in the annual report. |
| R 17: Succession planning for managers | X | | | | Management succession planning is discussed each year by the Compensation and Nominating Committee. |
| R18: Corporate officers and employment contracts : | X | | | | The Board assesses whether or not to authorize managers to have employment contracts when they are corporate officers serving as chair, Chief Executive Officer or Deputy Chief Executive Officer (public limited companies with a Board of directors), Chair of the Management Board (public limited companies with a Management Board and a Supervisory Board), or Managing Partner (partnerships limited by shares). |
| R19: Termination payments | X | | | | The Supervisory Board ensures that, where a provision has been made for a golden handshake in conditions that comply with the law, its maximum amount, after including any severance payments under the terms of any employment contract or non-compete payment, should not exceed two years of (fixed and performance-related) compensation. |
| R20: Supplementary pension schemes | X | | | | The manager does not benefit from any supplementary pension plans. |
| R21: Stock options and restricted stock units (attributions gratuites d'actions) | X | | | | "The Supervisory Board ensures that stock option or restricted stock unit awards are not overly concentrated among managers. The company established a large restricted stock unit program for 2022 for the benefit of almost all Group employees. To date, no performance conditions have been attached to this type of grant" |
| R22: Reviewing points to be watched | X | | | | "By adopting this Code, the Board undertakes to consider the points to be watched and review them on a regular basis. Companies provide all the necessary information on the points to be watched defined by this Code. The principle of incorporating this review into the adoption of the accounts by the Supervisory Board is currently under consideration." |

2.5. Statutory Auditors' special report on regulated agreements

General Meeting called to approve the financial statements for the financial year ending December 31, 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Esker SA's General Meeting:

In our capacity as statutory auditors of your company, we hereby report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or discovered by us during the course of our audit, as well as the reasons justifying that such agreements are in the company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article R.225-58 of the French Commercial Code to assess the interest involved in respect of the conclusion of these agreements with a view to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-58 of the French Commercial Code concerning the implementation, during the year, of the agreements already approved by the general meeting of shareholders.

We performed procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement.

Agreements submitted for approval to the General Meeting

We hereby inform you that we were not notified of any agreement authorized and entered into during the past financial year to be submitted to the Annual General Meeting for approval in accordance with the provisions of article L.226-86 of the French Commercial Code

Agreements already approved by the General Meeting

We inform you that we have not been advised of any agreement already approved by the general meeting remaining in force in the period ended.

Villeurbanne and Lyon, April 30, 2024

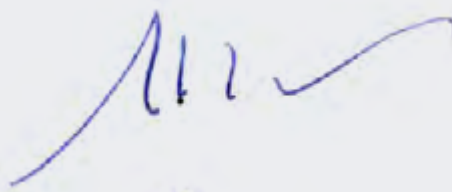
The Statutory Auditors

[French original signed by:]



ORFIS

Valérie Malnoy



DELOITTE & ASSOCIÉS

Arnould de Gasquet

2.6. Five-year summary of changes in the share capital

The annual financial statements for the year ended December 31, 2023 and the management report have been submitted to the Supervisory Board within the deadlines provided for by law and regulations.

Key financial aggregates for the year ended December 31, 2023:

Total assets: €172,308,804

Sales: €178,553,765

Profit for the period: €14,856,762

The share capital amounts to TWELVE MILLION SEVENTY-FIVE THOUSAND NINE HUNDRED AND FORTY EUROS (€12,075,940), divided into SIX MILLION THIRTY SEVEN THOUSAND NINE HUNDRED AND SEVENTY (6,037,970) fully paid-up ordinary shares of TWO EUROS (€2) each.

| Date | Corporate action | Amount of changes in share capital | | Successive capital amounts | Cumulative number of shares | Nominal value per share |
|-------------|---|------------------------------------|---------------|----------------------------|-----------------------------|-------------------------|
| | | Nominal value | Share premium | | | |
| 07/01/18 | Capital increase through the capitalization of reserves | 125,200 | | 11,085,932 | 5,542,966 | €2 |
| 2018 | Exercise of stock options and warrants | 131,998 | 403,619 | 11,217,930 | 5,608,965 | €2 |
| 05/04/19 | Capital increase through the capitalization of reserves | 97,800 | | 11,315,730 | 5,657,865 | €2 |
| 2019 | Exercise of stock options and warrants | 188,706 | 743,141 | 11,504,436 | 5,752,218 | €2 |
| 06/24/20 | Capital increase through the capitalization of reserves | 92,400 | | 11,596,836 | 5,798,418 | €2 |
| 2020 | Exercise of stock options and warrants | 63,806 | 778,176 | 11,660,642 | 5,830,321 | €2 |
| 06/24/21 | Capital increase through the capitalization of reserves | 104,200 | | 11,764,842 | 5,882,421 | €2 |
| 2021 | Exercise of stock options and warrants | 84,982 | 1,553,803 | 11,849,824 | 5,924,912 | €2 |
| 05/04/22 | Capital increase through the capitalization of reserves | 101,700 | | 11,951,524 | 5,975,762 | €2 |
| 2022 | Exercise of stock options and warrants | 19,956 | | 11,971,480 | 5,985,740 | €2 |
| 03/06/23 | Capital increase through the capitalization of reserves | 77,160 | | 12,048,640 | 6,024,320 | €2 |
| 04/01/23 | Capital increase through the capitalization of reserves | 400 | | 12,049,040 | 6,024,520 | €2 |
| 2023 | Exercise of stock options and warrants | 26,900 | 754,796 | 12,075,940 | 6,037,970 | €2 |
| 2023 | | | | 12,075,940 | 6,037,970 | €2 |

2.7. Delegations of authority to issue shares and share equivalents in force and in use

According to the Combined General Meeting of June 18, 2020:

| Resolution No. | Purpose | Authorization period | Maximum amount | Use |
|----------------|---|----------------------|---|---|
| 9th | Grant of existing or new shares without consideration (restricted stock units or RSUs), with shareholders waiving their preferential subscription rights in the latter case Grants to officers and employees | 38 months | 2% of share capital on the date of the Executive Board's decision to proceed with the grant | 03/05/2021: grant of 61,800 RSUs 04/01/21: grant of 3,000 RSUs 06/01/2022: grant of 51,840 RSUs |

According to the Combined General Meeting of June 15, 2022:

| Resolution No. | Purpose | Authorization period | Maximum amount | Use |
|----------------|--|----------------------|---|----------------------------------|
| 9th | Grant of existing or new shares without consideration (RSUs) for the benefit of employees, with shareholders waiving their preferential subscription rights in the latter case | 38 months | 1% of share capital on the date of the Executive Board's decision to proceed with the grant | 10/01/2022: grant of 59,100 RSUs |

According to the Combined General Meeting of June 21, 2023:

| Resolution No. | Purpose | Authorization period | Maximum amount | Use |
|----------------|--|----------------------|---|--------------------------------|
| 8th | Grant of existing or new shares without consideration (RSUs) for the benefit of employees, with shareholders waiving their preferential subscription rights in the latter case | 38 months | 1% of share capital on the date of the Executive Board's decision to proceed with the grant | 11/06/23: grant of 56,932 RSUs |

At December 31, 2023, the shareholder base was as follows:

| Shareholders | As of 12/31/23 | | | As of 12/31/22 | | |
|-------------------------|-----------------------------|---------------|--------------------|------------------|---------------|--------------------|
| | Number of registered shares | % of capital | % of voting rights | Number of shares | % of capital | % of voting rights |
| Jean-Michel Bérard | 376,615 | 6.2% | 10.6% | 368,615 | 6.2% | 10.6% |
| Marie Claude Bernal | 12,000 | 0.2% | 0.3% | 12,000 | 0.2% | 0.4% |
| Emmanuel Olivier | 46,800 | 0.8% | 1.1% | 42,900 | 0.7% | 1.0% |
| TOTAL MANAGEMENT | 435,415 | 7.2% | 12.1% | 423,515 | 7.1% | 11.9% |
| Treasury shares | 143,745 | 2.4% | | 143,204 | 2.4% | |
| Registered shares | 799,165 | 13.2% | 20.7% | 773,522 | 12.9% | 19.9% |
| Free float | 4,659,645 | 77.2% | 67.2% | 4,645,499 | 77.6% | 68.2% |
| TOTAL | 6,037,970 | 100.0% | 100.0% | 5,985,740 | 100.0% | 100.0% |

To the best of the company's knowledge, no other shareholder holds directly, indirectly or in concert more than 5% of the share capital or voting rights at December 31, 2023, with the exception of Jean-Jacques Bérard who holds 6% of the voting rights at December 31, 2023.

Registered shares held in the name of the same shareholder for at least two years carry double voting rights. Finally, to the best of the company's knowledge, no shareholder agreement exists.

Changes in the shareholder structure in 2023

By letter dated May 2, 2023, Financière de l'Echiquier SA (53 avenue d'Iéna 75116 Paris) reported having crossed below the threshold of 1% of the capital or voting rights of Esker on April 27, 2023.

By letter dated June 15, 2023, Financière de l'Echiquier SA (53 avenue d'Iéna 75116 Paris) reported having crossed above the threshold of 4% of the capital or voting rights of Esker on June 14, 2023.

By letter dated June 9, 2023, Covéa Finance SASU (8-12, rue de Boissy d'Anglas, 75008 Paris), reported having crossed above the thresholds of 1% of Esker's share capital on June 8, 2023.

2.8. Memorandum of incorporation and articles of association

Corporate purpose

In accordance with article 2 of the Articles of Association, the Company's purpose is:

- The design, development, and operation of information technology products
- The provision of mail services for third parties including printing, envelope stuffing, and postage metering
- Fax, SMS, and e-mail transmission services for third parties
- More generally, any processing (sending, receiving, archiving) of documents or data for third parties, regardless of their format or means of transmission
- All industrial, commercial, financial, securities and real estate activities relating directly or indirectly to the object of the Company or to any similar or related purposes
- Participation through all means in undertakings or companies created or to be created, that relate to its corporate purpose, and notably by the creation of new companies, capital contributions, partnerships, or by way of subscription, or acquisition of shares or ownership rights and mergers

Provisions of the issuer's articles of association with respect to members of corporate governance bodies

The articles of association updated on May 4, 2022 describe the operation of the Company's corporate governance bodies. The rules governing the Executive Board and Supervisory Board are those established by the French Commercial Code.

The Supervisory Board's rules of procedure (charter) adopted by said Board on February 4, 2021 set forth the conditions for participation by its members in meetings through videoconferencing. On that basis, Supervisory Board members participating in the meeting through videoconferencing are considered present for the purpose of calculating the quorum and majority.

However, except where a special legal exception has been granted, videoconferencing technologies may not be used for decisions relating to the verification and control of annual and consolidated financial statements and, as applicable, those cases prohibited by the articles of association.

Rights, preferences and restrictions attaching to each class of existing shares

All shares belong to the same class. Article 9 of the articles of association stipulates in particular that each share shall entitle its holder to a portion of the corporate profits proportional to the share of the capital that it represents, taking into account any amortized and unamortized, fully paid up or not, of the nominal value of the shares and the rights of shares of different class; and in particular, subject to these conditions, any share grants entitlement, during the company's term, as in the event of liquidation, to the payment of an identical net amount for any distribution or redemption, so that as applicable all tax exemptions or credits and all taxes which can be incurred by the company shall be aggregated among all shareholders.

Actions necessary to change the rights of holders of shares indicating where the conditions are more significant than is required by law

Actions necessary to change the rights of shareholders are those provided by law.

General Meetings

According to articles 20 to 22 of the articles of association, General Meetings are called and conduct proceedings according to the conditions provided by law. These meetings are to be held at the registered office or at any other venue indicated in the notice of meeting. General meetings are comprised of all shareholders regardless of the number of shares they hold, subject to the provisions of statute. All shareholders are entitled to as many votes as the shares they possess or represented, without restrictions other than those provided for by law. The articles of association also provide for the possibility of double voting rights.

Provisions that would delay, defer or prevent a change in control of the issuer

No provisions exist under the articles of association that would delay, defer or prevent a change in control of the company.

The crossing of an ownership threshold

In accordance with article 13 of the Company's bylaws, in addition to the obligation of notifying the Company and the *Autorité des Marchés Financiers* (AMF), the French financial market authority, of holdings of certain percentages of the capital, any natural person or legal entity, acting alone or in concert, acquiring more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths or nineteen twentieths or one percent of the capital or voting rights, or crosses above or below these thresholds must inform the company of the number of shares or voting rights it possesses within five (5) trading days from the date of this occurrence by registered letter with acknowledgment of receipt.

Failure to inform the Company within five (5) trading days will result in the loss of voting rights for a period of two years after the date on which the requisite disclosure is finally made, on condition that a request to that purpose has been duly made and recorded in the minutes of the General Meeting by one or more Shareholders holding at least 3% of the company's share capital or voting rights.

Procedure for changing the capital

The conditions for modifying the share capital provided for by article 10 of the articles of association are those of French law.

2.9. Information about any capital which is under option

Stock options conferring rights to subscribe for or purchase shares

Under the authorizations granted by the Extraordinary General Meetings, the Executive Board granted to selected members of the personnel of the Esker Group stock options granting rights to respectively subscribe for or purchase Esker SA shares.

Information about these different plans including the grant dates and number of options outstanding and the average exercise price is provided in [note 11](#) to the consolidated financial statements included in [paragraph 5.1.](#) of this document. In addition, the following information is available in the Executive Board's special report on options:

- Options issued and exercised in the period
- Options issued before the close of the period ended and not yet exercised
- Options granted and exercised by the executive officers of the company in the period ended
- Options exercised by each of the 10 employee beneficiaries who are not officers of the company granted the largest number of shares

Restricted stock units

Under the authorization granted by the General Meetings, the Executive Board grants restricted stock units (*actions gratuites* or free shares) to almost all Esker Group employees.

Information about these different plans including the grant dates as well as the number of options outstanding and the average exercise price is provided in [note 11](#) to the consolidated financial statements included in [paragraph 5.1.](#) of this document and the Executive Board's special on stock options.

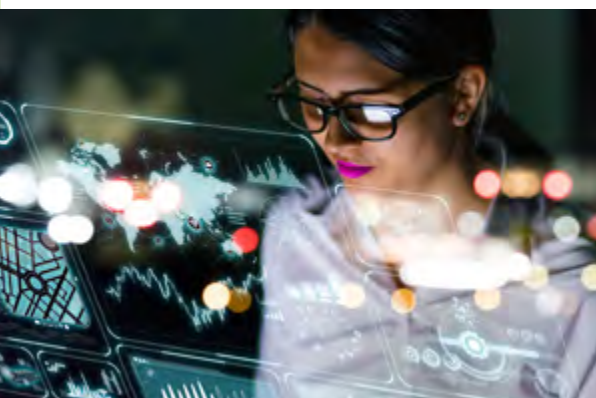
Information relating to the potential dilution of the company's share capital

| | Stock options | Stock warrants | Restricted stock units | TOTAL |
|--|---------------|----------------|------------------------|---------|
| Number of shares to which instruments issued would confer financial rights | 52,966 | - | 183,272 | 236,238 |
| Potential dilution of the share capital | 0.88% | 0.00% | 3.04% | 3.91% |

3

Non-Financial Statement (NFS)

Forward-looking Statement



This Non-Financial Statement contains information on the company's prospects and growth priorities. This is not historical data and should not be interpreted as such, nor as a guarantee that the stated facts and data will occur.

The contents of this document are based on data, assumptions, and estimates considered reasonable by the company and are subject to change due to uncertainties pertaining to related to economic, financial, competitive and regulatory environments.

The forward-looking information in this document refers to the conditions known as of the time of writing.

Unless otherwise required by law or regulations, the company makes no commitment to publish updates to the forward-looking

information contained in this document or to reflect any changes affecting objectives or the events, conditions, or circumstances on which the forward-looking information in this document is based.

The company operates in a competitive and rapidly changing environment and therefore may not be able to anticipate all the risks, uncertainties and other factors likely to affect or potentially impact its business, or the extent to which the occurrence of a risk or a combination of risks could have results significantly different from those mentioned in any forward-looking information, it being further understood that none of the forward-looking information constitutes a guarantee of actual results.

Scope and omissions:

In accordance with the obligations of Ordinance no. 2017-1180 of 19 July 2017 and Decree no. 2017- 1265 of 9 August 2017, and the amendments to Articles 225-105 and 225-102-1 of the French Commercial Code, in this Extra-Financial Performance Statement we cover topics relating to social, environmental, societal, cultural, and sporting issues. Information on sustainability factors:

- Collective agreements and their impact: page 43
- Combating discrimination and promoting diversity: pages 48 & 49
- Disability: page 49
- Employment, work organization, health and safety, industrial relations, training, equal treatment: pages 39 to 49
- Circular economy: page 56
- Food waste: page 56
- Combating food insecurity: page 33
- Respect for animal welfare: not relevant to Esker's activities
- Respect for responsible, fair and sustainable food: not relevant to Esker's activities
- Respect for human rights: page 28
- Fight against corruption and tax evasion: pages 28 & 29
- Pollution (water, air, soil, etc.): pages 51 to 58
- Climate change (contribution, adaptation): pages 51 to 58
- Protecting biodiversity: pages 51 to 58
- Promoting the link between the nation and the armed forces and supporting commitment to the reserves: not relevant to Esker's activities
- Subcontracting and suppliers: pages 30 & 31

Integrating ESG Into Esker's Business Activities

About Esker

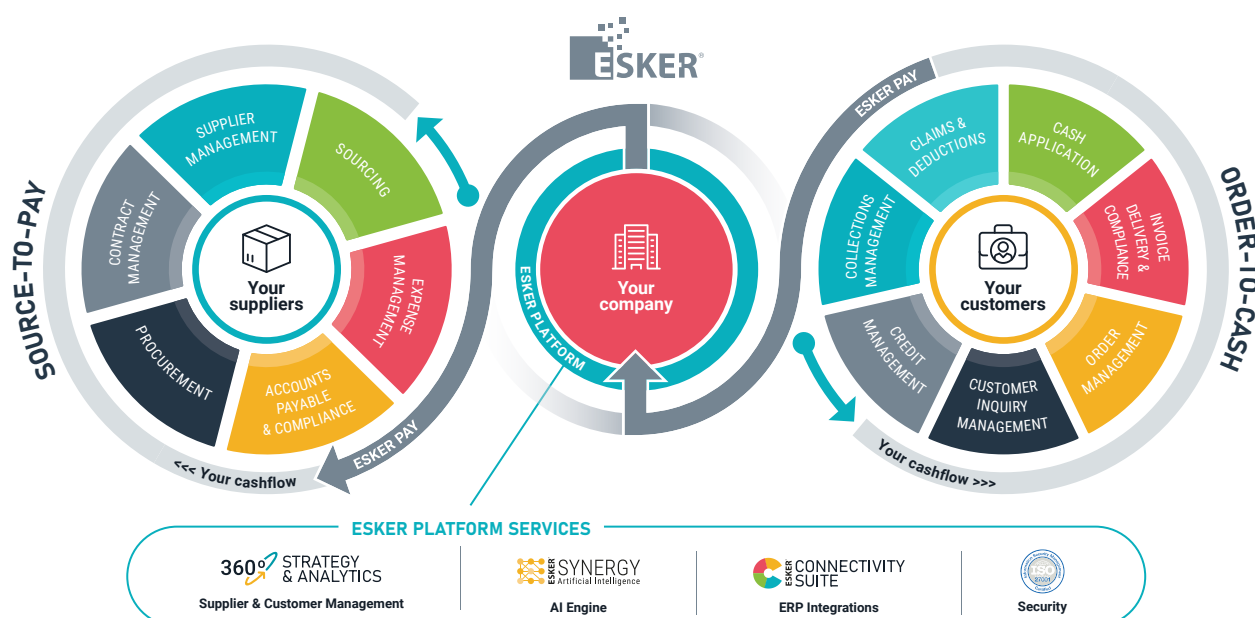
OUR BUSINESS

Esker's business activities are presented in [Chapter 1.4](#) of the *annual report*.

Esker is a global cloud platform for automating business and financial processes, thereby strengthening relationships between companies and their suppliers, customers, and employees. Esker software products are sold in the form of on demand online services (SaaS: Software as a Service), making up 82% of Esker's revenue in 2023. The remaining 18% correspond to implementation services and revenue from the sale of licenses, maintenance contracts and related support.

The cash conversion cycle

By developing Artificial Intelligence (AI) technologies and automating business documents used for ordering and invoicing, Esker accelerates the source-to-pay (S2P) and order-to-cash (O2C) business cycles and makes them more fluid.



Esker unlocks strategic value for Finance, Procurement and Customer Service professionals by automating tedious, time-consuming tasks so that they can increase their efficiency and develop new and higher value-added skills.

Esker improves customer relationships by providing faster service with fewer errors and full transparency. Its solutions strengthen supplier ecosystems by providing greater transparency and reducing payment times. Esker reduces the impact on the planet by reducing paper usage and operating its solutions in the cloud.

Esker is a mid-market company headquartered in Lyon, France, with 1,042 employees in 14 countries, generating €179M in revenue in 2023, with international sales accounting for 65% thereof. Revenue breaks down as follows:

- €146.7M from SaaS
- €28.3M from consulting services
- €3.5M from legacy business

The analysis of Esker's financial position and business is available in [Chapter 1.3](#) of the *annual report*.

Employee breakdown

| | 2021 | | 2022 | | 2023 | |
|----------------------------|------------|-------------|------------|-------------|--------------|-------------|
| France | 432 | 51.49% | 491 | 51.52% | 522 | 50.10% |
| Benelux | - | - | - | - | 4 | 0.38% |
| United Kingdom | 25 | 2.98% | 35 | 3.67% | 41 | 3.93% |
| United Kingdom Market Dojo | - | - | - | - | 37 | 3.55% |
| Germany | 14 | 1.67% | 19 | 1.99% | 26 | 2.50% |
| Germany e-Integration | 44 | 5.24% | 45 | 4.72% | 39 | 3.74% |
| Italy | 16 | 1.91% | 22 | 2.31% | 24 | 2.30% |
| Spain | 26 | 3.10% | 30 | 3.15% | 34 | 3.26% |
| Australia | 23 | 2.74% | 25 | 2.62% | 26 | 2.50% |
| Asia | 34 | 4.05% | 37 | 3.88% | 35 | 3.36% |
| Americas | 225 | 26.82% | 249 | 26.13% | 254 | 24.38% |
| TOTAL | 839 | 100% | 953 | 100% | 1,042 | 100% |

Values & corporate culture

Esker's corporate culture is driven by its core values: collaborating at a global level, building relationships based on trust and respect of all parties, achieving progress through innovation, creating a healthy and positive work environment and focusing on satisfaction for all. These values guide our 1,000+ employees across the globe in their day-to-day actions, influence the way they work and inspire them to build innovative and highly effective solutions.



ONE TEAM BEYOND BOUNDARIES

We encourage open collaboration between departments and countries.
We bring people together and share ideas to grow strong and successful.



MORE GRATITUDE, LESS ATTITUDE

We believe that a successful organization is built on respect and trust.
Appreciation and genuine communication create an environment where people feel truly valued.



DARE TO INNOVATE, INITIATE AND ITERATE

Thinking outside the box is a skill we value greatly.
We start small and adapt along the way to reach ambitious goals – one story at a time.



GOOD VIBES ONLY

A positive work environment promotes better performance.
We make sure everyone finds the right balance by respecting individual needs.



ALL ACTIONS TOWARD SATISFACTION

For our customers and employees, satisfaction isn't just a goal, it's our mission.
Our experience and perseverance allow us to overcome challenges and deliver value.

Responsibility & impact of products

A company's success implies much more than its financial results and cannot be achieved at the expense of its stakeholders. Strengthening ties within corporate ecosystems is a crucial step in building cohesive, sustainable growth.

Esker's mission is to build a foundation that promotes positive-sum growth, increased productivity, improved employee engagement and greater trust between organizations. Esker's cloud platform enables companies of all sizes and in all industries to generate growth that benefits all stakeholders: employees, customers, suppliers and the entire ecosystem.

#PositiveSumGrowth



LOOKING TO THE FUTURE WITH PEACE OF MIND

Today's growing uncertainty has shown how resilience is essential to a company's survival. Esker's platform enables businesses to withstand and overcome crises, adapt to change and anticipate risks.

"All our P2P processes were in place digitally via Esker's solution before the pandemic, so we were able to transition to a remote working environment without much hassle."

AIZAT HAMIZAN JOHARI, PROCUREMENT OFFICER, SWINBURNE SARAWAK

"Thanks to Esker, we've managed to eliminate much of our manual work. Automating the AP process was a lifesaver during the pandemic."

ALEJANDRO SUÁREZ, DIGITAL ANALYST, DOMINGO ALONSO

"We started out with people just entering orders all day. Now they have an opportunity to grow within the company and we're going to give them higher-level tasks as we move forward. That's something I think has been very beneficial not only for the company, but for the employees themselves."

CHAD MOLLEN, HEAD OF CUSTOMER SUPPORT, VIEGA

STRENGTHENING TIES WITHIN THE BUSINESS ECOSYSTEM

Esker contributes to the development of a balanced and harmonious business ecosystem in which companies, their customers and suppliers create value together – never to the detriment of one another.

■ ■ ■ **"This project is a huge success. Our teams are on board 100%! Esker's solution is going to revolutionize their accounting jobs. And the benefits go beyond just our company; they also extend to our buyers and suppliers who receive on-time payments."**

SYLVIE LUCHIER, PROCESS FINANCE MANAGER, MANUTAN

"We make every effort to make life easier for our customers. From front-end, customer-facing digital tools like the customer portal and the mobile app to the back-office technology, Esker has enabled us to facilitate order processing and increase customer satisfaction."

AMAIA GARAIKOETXEA, MANAGER OF CUSTOMER SERVICE, ANGULAS AGUINAGA

"We've improved the whole O2C process and enhanced our collaboration with customers. This has resulted in a very low dispute rate at GBfoods and an order delivery service satisfaction level of over 98% for more than five years."

SUSANA LÓPEZ, FRONT-OFFICE RETAIL CUSTOMER SERVICE MANAGER AT GBFOODS

CREATING A SENSE OF MEANING FOR EMPLOYEES

Esker's solutions clear the back office of time-consuming, automatable tasks, allowing staff to focus on higher-value tasks that help employees thrive.

■ ■ ■ **"Esker's solution has been very helpful in the day-to-day work of accountants. We've updated our job descriptions based on supplier responsibilities, not tasks. This is a new way of working together and no longer beside one another, putting people back at the heart of our business."**

ALEXANDRA VLATKOVIC, ACCOUNTING MANAGER, FEU VERT GROUP

"Our objective is to emphasize the value of our employees. We need creative employees who can take us further. By automating tedious and repetitive tasks, they can dedicate their time to more useful things."

MARTON NAGY, GLOBAL SOLUTION EXPERT PROCURE-TO-PAY, GIVAUDAN

"One significant change since implementing Esker's solution is that the Banking team is under much less pressure to complete payment allocations each day. They have more time to focus on their other duties and learn new tasks because Esker is saving us hours every day."

PAMELA ROCHESTER, OPERATIONAL TEAM LEADER, LAMINEX

REDUCING THE CARBON FOOTPRINT BY GOING PAPERLESS

With its paperless solutions, Esker enables its customers to help reduce deforestation, CO2 emissions and IT equipment, and CO2 emissions by using cloud solutions as opposed to on-premise installations. *

■ ■ ■ **"By automating the processing of customer orders and the sending and archiving of electronic invoices we have achieved significant time savings. Thanks to the automation of these two strategic processes, we are moving toward efficient and ecological paper-free handling."**

ALBERTO BARBERO, CUSTOMER SERVICE MANAGER, BEL SPAIN

"By outsourcing and automating our workflows with Esker's solutions, we will not only improve productivity but strengthen our billing expertise while contributing to our environmental policy by reducing paper consumption."

BRIGITTE ANDREOLIS-CLAVIER, FINANCIAL DIRECTOR, STACI

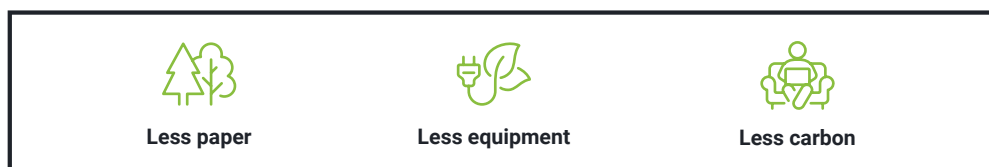
* Source: The Carbon Benefits of Cloud Computing: A Study on the Microsoft Cloud. Microsoft, in partnership with WSP, 2020.

"Esker's solutions enable us to take the quality of our customer service to the next level. Instant and transparent interactions are the two keys to achieving our goal of a paperless future."

ALAIN FAVRE, CEO, GÉCITECH

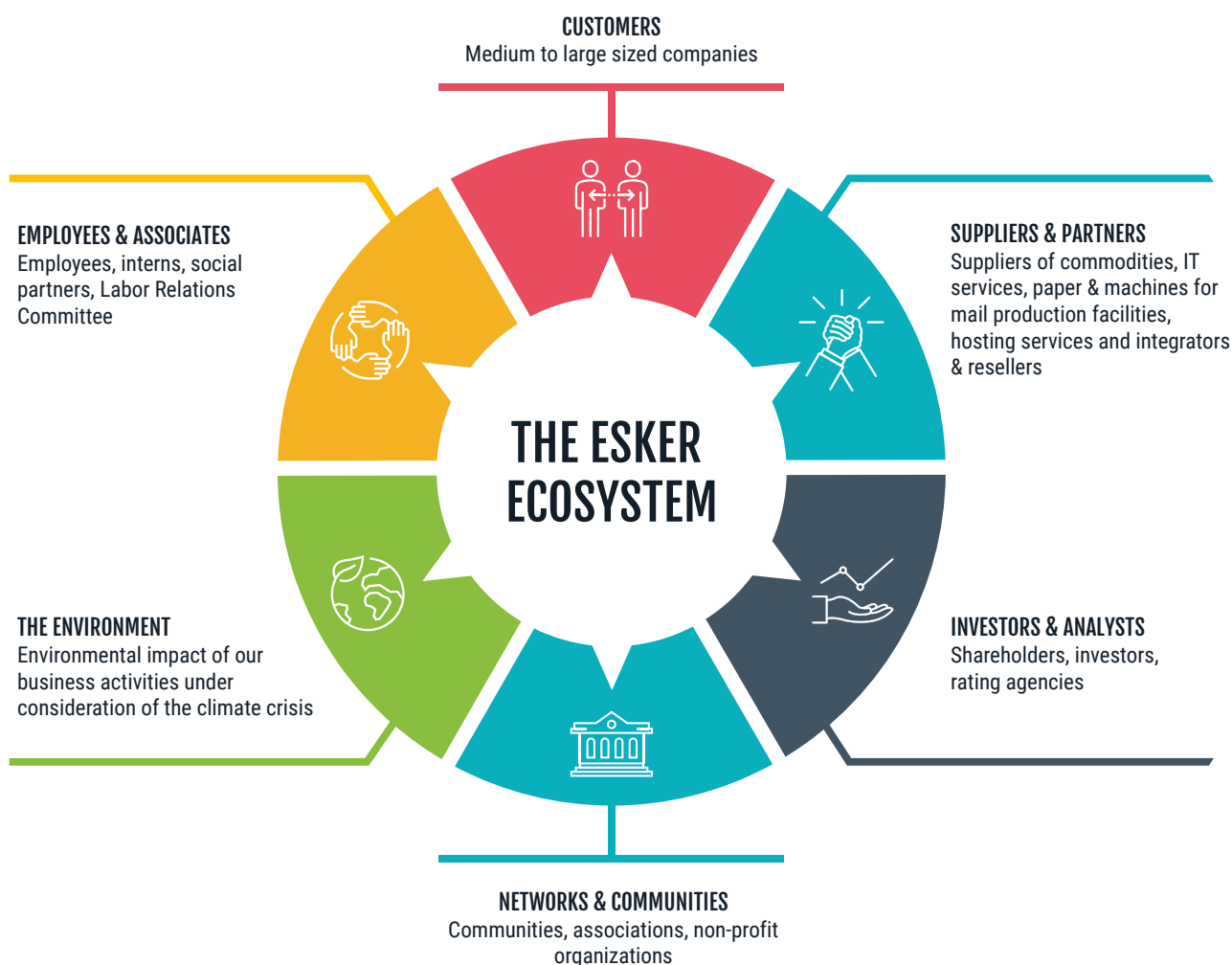
"Esker has helped us make our customers understand the benefits of automation and get them on board our approach to reducing our environmental impact and enhancing the value of our teams."

SYLVAIN CALVIAC, CFO, ISEKI FRANCE S.A.S.



Stakeholders & ecosystems

Being an independent software company naturally means that Esker interacts with different stakeholders within its ecosystem, including employees, customers, suppliers and partners, investors and analysts, public institutions, communities, as well as the environment. The quality of its relationships and the ethical conduct underpinning its operations within this ecosystem represent the foundations of Esker's company values.



Business model

The infographic below shows the resources that Esker uses and how its business activity impacts its different stakeholders.

Resources & Challenges



Financial & industrial capital

- **Solid financial profile** - *business debt: €10,922 K, treasury: €48,773 K, representing a company-wide net worth of €37,851 K on Dec. 31, 2023*
- **Market confidence** - *Market capitalization of €0.9 B on Dec. 31, 2023*
- **Robustness of Esker on Demand platform infrastructure & operational performance** - *quality, security & reliability - ISO 27001 Certification*



Human & intellectual capital

- **Recruitment & retention of talent, staff development** - *1,042 employees distributed across 14 countries*
- **Investments in R&D, innovations, partnerships and forecasting of technological advancements** - *R&D spending for 2023: 9.0% of revenue*
- **Strategic partnerships and forecasting of technological advancements** - *developing a network of resellers and integrators*



Social & environmental capital

- **Leading solutions for their respective markets,** *responding to customer needs and societal changes in companies – 2,500 customers and 850,000 users*
- **Ethical behavior & respecting regulations** – *0 complaints received for non-compliance with GDPR regulations*
- **Use of natural resources** - *9,290 t.CO2.e emitted globally in 2023*



Our business



Our mission

In an increasingly uncertain world, companies need to build stronger relationships within their ecosystems to generate positive sum growth. Esker strengthens relationships between suppliers, customers and employees with a single cloud platform that automates processes across Finance, Procurement and Customer Service functions.

#PositiveSumGrowth



Culture

- 5 key corporate values:
 - One team beyond boundaries
 - More gratitude, less attitude
 - Dare to innovate, initiate and iterate
 - Good vibes only
 - All actions toward satisfaction
- Agile methodology
- Commitment to sustainable development



Assets

- Single cloud-based platform for all business cycles
- Global presence
- Adaptation & integration into existing systems
- Dynamic innovation & investment strategies
- Compliance & security

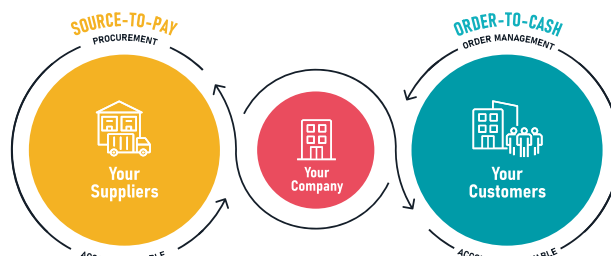


Products

- **Esker on Demand cloud platform users - 850,000+**
- **O2C & P2P solutions - 1B annual transactions on EoD**



Locations



Our governance



Supervisory Board

100%
independent members on
the Supervisory Board

100%
participation in Supervisory
Board meetings

50%
of Supervisory Board
are women



Supervisory Board Committees

Audit Committee

Jean-Pierre Lac, Marie-Claude Bernal

Nomination & Remuneration Committee

Marie-Claude Bernal, Nicole Pelletier-Perez

ESG Committee

Nicole Pelletier-Perez, Jean-Pierre Lac

Cybersecurity Committee

Steve Vandenberg, Nicole Pelletier-Perez



Executive Board

Jean-Michel Bérard - President

Founder & CEO

Emmanuel Olivier

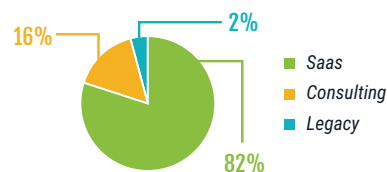
Chief Operating Officer



Value Creation & Impact



• **Revenue 2023:** 179M (+14% compared to 2022), 65% of which outside France - 82% SaaS - 16% Consulting - 2% Legacy



Collaborators

- Employee satisfaction rate: 87.9% of employees recommend Esker as a "great place to work"
- Training budget: €1,094 K
- Total payroll: €114,776 M



Customers

- Customer satisfaction rate – transactional NPS: +70.36
- Service uptime: 99.938%
- Benefits for the customer business ecosystem
- Customer recognition program



Environment

- CO2 emissions: 52 tCO2.e per €1 M of revenue
- Eco-efficiency of offices & data centers
- Environmental policies for mail production facilities – ISO 14001 certification & 100% of waste is recycled (France only)
- Business travel policies: 60% of vehicle fleet is hybrid or electric



Community engagement

- Business conduct & anti-corruption policies: 98.8 % of employees completed training
- Gender equality – Index Penicaud: 91/100 (France only)
- Sponsorship program: €330.4 K supporting culture & educational causes
- Job creation: 52 new employees in 2023



Suppliers & partners

- Supplier Code of Conduct & Responsible Purchasing policy (head office only)
- Technological partnerships for shared growth



Investors & analysts








- Recurring revenue
- 14% growth in 2023 (compared to 18% in 2022)
- 17.3% profitability (GOI) in 2023 (compared to 21.3% in 2022)
- 10.0% operating margin










Esker's ESG strategy

Esker's ESG strategy covers four priority areas. These priorities have been defined based on the main global, non-financial risks facing the company and the results of the materiality analysis, including the impact they have on Esker's internal and external stakeholders.

- **Acting ethically and responsibly**, starting with company governance and its supply chains through to the impact on its stakeholders and support for local communities.
- **Building customer trust**, via innovative solutions hosted on a secure cloud platform that is accessible 24/7 from anywhere in the world.
- **Recognizing the value of human capital**, through a strong corporate culture and dedicated managers who support diversity and employee well-being by encouraging professional development while ensuring a secure work environment.
- **Contributing to protecting the planet** by reducing energy consumption and waste, and promoting modes of transport that factor in carbon emissions to minimize Esker's impact on the environment.








The table below illustrates Esker's ESG roadmap for 2022, and how this aligns with the four pillars of the company's ESG strategy. It presents the policies and actions implemented, the results obtained, as well as key performance indicators and goals and objectives to be achieved by 2027.

| Issue | Policies & actions | KPIs | Benchmark 2022 | Benchmark 2023 | Targets & goals 2025 | Targets & goals 2027 |  |
|---------------------------------|--|---|-----------------------------|-----------------------------|------------------------------------|---|--|
| Acting ethically & responsibly | | | | | | | |
| Ethical governance & compliance | Act transparently, set an example at all company levels by promoting a culture of integrity & ethical conduct | Training for all employees regarding the Code of Conduct & the fight against corruption | 98.13% (France only) | 98.8% (France only) | 100% of employees trained (France) | 100% of employees trained (whole company) |   |
| Responsible supply chains | Work with partners & suppliers who adhere to ethics & responsibility standards & take actions that support sustainable development | Company-wide purchasing volume covered by ESG assessment | 60 main suppliers in France | 70 main suppliers in France | 50% of purchase volume (France) | 50% of purchase volume (whole company) |   |
| Community engagement | Provide financial & human support to cultural & educational organizations | Number of working hours used by employees to participate in volunteering activities | 225 hours (France & U.S.) | 598 hours (France & U.S.) | 500 hours (France & U.S.) | 1,000 hours (whole company) |   |

| Issue | Policies & actions | KPIs | Benchmark 2022 | Benchmark 2023 | Targets & goals 2025 | Targets & goals 2027 |  |
|---|---|--|--|--|---|--|---|
| Developing & maintaining customer trust | | | | | | | |
| Data protection & security | Protect customer data from internal & external threats | ISO 27001 certification | ISO 27001:2013 certification of the EoD platform | ISO 27001:2013 certification of the EoD platform | Obtain new ISO 27001:2022 certification | Maintain ISO 27001:2022 certification ⁽¹⁾ |   |
| Innovation & customer satisfaction | Offer innovative solutions by investing heavily in R&D & high quality of services, ensure correct user adoption of Esker solutions with dedicated teams | NPS customer score | +67.18 | +70.36 | Maintain an NPS score of > 50 | Maintain an NPS score of > 53 ⁽²⁾ |   |
| Recognizing the value of human capital | | | | | | | |
| Workplace appeal & talent retention | Attract & retain talent by implementing policies that promote workplace well-being | Percentage of the workforce recommending Esker as a good place to work | 91.4% | 87.9% | Maintain a satisfaction rate of > 90% | Maintain a satisfaction rate of > 90% |  |
| Professional development | Offer training & career advancement opportunities | Average number of training hours per employee | 25.48 hours | 32.56 hours | 28 hours | 33 hours |  |
| Employee health & safety | Ensure a safe work environment with effective risk prevention | Absenteeism rate | 1.7% | 1.7% | Maintain an absenteeism rate of < 2% | Maintain an absenteeism rate of < 2% |  |
| Equal opportunity diversity & inclusion | Promote a culture of diversity & inclusion representing Esker's Equal Opportunity Principles | Percentage of women in the workforce | 31.48% | 32.44% | 33% | 34% |  |

(1) Maintaining ISO 27001:2022 certification involves continuous improvement while also meeting 21 added requirements as stated in the newest edition of the published standards, all while performing in a strong growth environment.

(2) The NPS ranges from -100 to +100. The Net Promoter Score is a rating given by Esker customers in response to the question "How likely are you to recommend Esker to someone you know?" This question is included in all surveys sent to users after interacting with an Esker employee. The average NPS score for the SaaS sector is +30 (Source: NPS 2020 Benchmark by Retently).

| Issue | Policies & actions | KPIs | Benchmark 2022 | Benchmark 2023 | Targets & goals 2025 | Targets & goals 2027 |  |
|--|---|---|--|--|---|-----------------------------------|--|
| Contributing to the protection of the planet | | | | | | | |
| Carbon footprint & energy efficiency of measures | Limit environmental impact by reducing energy consumption & greenhouse gas emissions | Total CO2 emissions (t.CO2e) | 4,409 t.CO2e | 9,290 t.CO2e | Due to a switch of tools for calculating Esker's carbon footprint from Sustainability Cloud to Greenly in 2023, defining reduction targets will begin in 2024 | |   |
| Employee transportation commute & remote work | Limit business travel & promote transportation with low environmental impact | Business travel (t.CO2e) | 808 t.CO2e | 1,663 t.CO2e | Due to a switch of tools for calculating Esker's carbon footprint from Sustainability Cloud to Greenly in 2023, defining reduction targets will begin in 2024 | |   |
| Waste management & circular economy | Maximize amount of recycled waste, encourage circular economy principles in business activities to reduce environmental footprint | Implementation of waste sorting & recycling systems | 13% of sites have already put in place waste sorting & recycling systems (2 of 15) | 57% of sites have already put in place waste sorting & recycling systems (8 of 14) | 30% | 70% |  |
| Digital carbon footprint | Prolong life cycle of IT hardware, selection of data center hosting based on their commitment to reducing their carbon footprint | Life cycle of IT hardware per employee | 5 years (France & Americas) | 5 years, 3 months (France & Americas) | 5 years, 2 months (whole company) | 5 years, 6 months (whole company) |  |

Risks & non-financial challenges

Risks identified by stakeholders

By creating an ESG Committee within the Supervisory Board, stakeholder perspectives were taken into greater consideration in defining and prioritizing non-financial risks

Investors

Investors are contacted through company performance and shareholder awareness calls, as well as through meetings with investment funds, where the issues most important to them are discussed.

Customers

Through the ESG questionnaires included in the RFP process required by customers or directly by the company's sales staff who report findings to ESG teams, Esker incorporates customer viewpoints and can thereby anticipate future trends.

Employees

Esker conducts surveys of all employees, asking them to identify the issues most important to them in order to ensure that the company's ESG approach is aligned with the values and expectations of its employees.

Partners & suppliers

ESG risks and their ranked importance are also continuously updated according to evaluations submitted by Esker's partners and suppliers. Any new or recurring issues are taken into account, and the ESG action plan is adjusted in accordance with external stakeholder expectations.

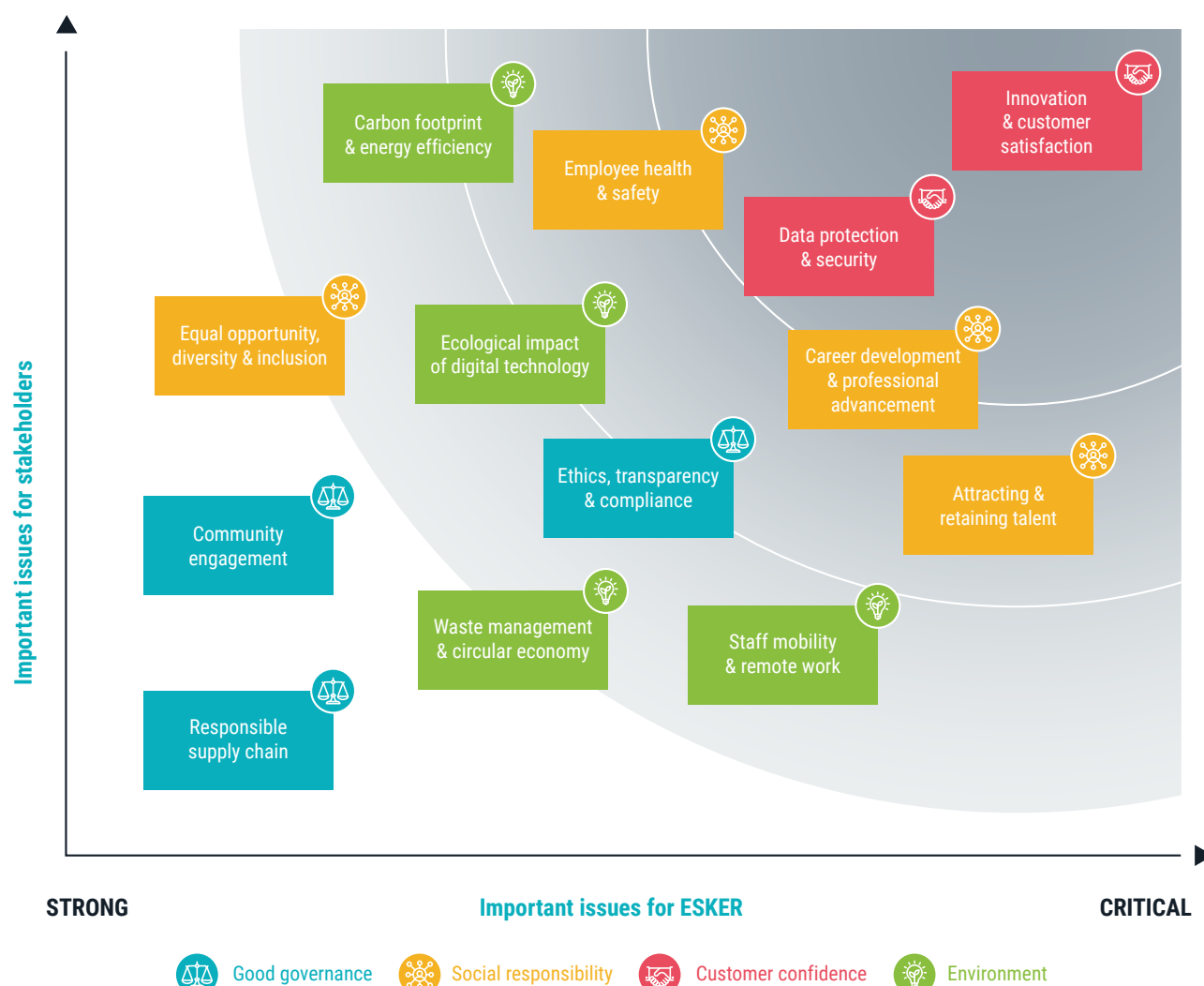
Society & public authorities

As ESG regulations are subject to rapid changes, Esker continuously adapts its priorities accordingly.

Consolidation & materiality matrix

The ESG Committee consolidates non-financial risks in a materiality matrix to identify the importance of these issues for stakeholders and their impacts on the company.

These issues are documented in the materiality matrix below. The y-axis shows the importance of issues for stakeholders, and the x-axis shows the issue impact on the company itself.

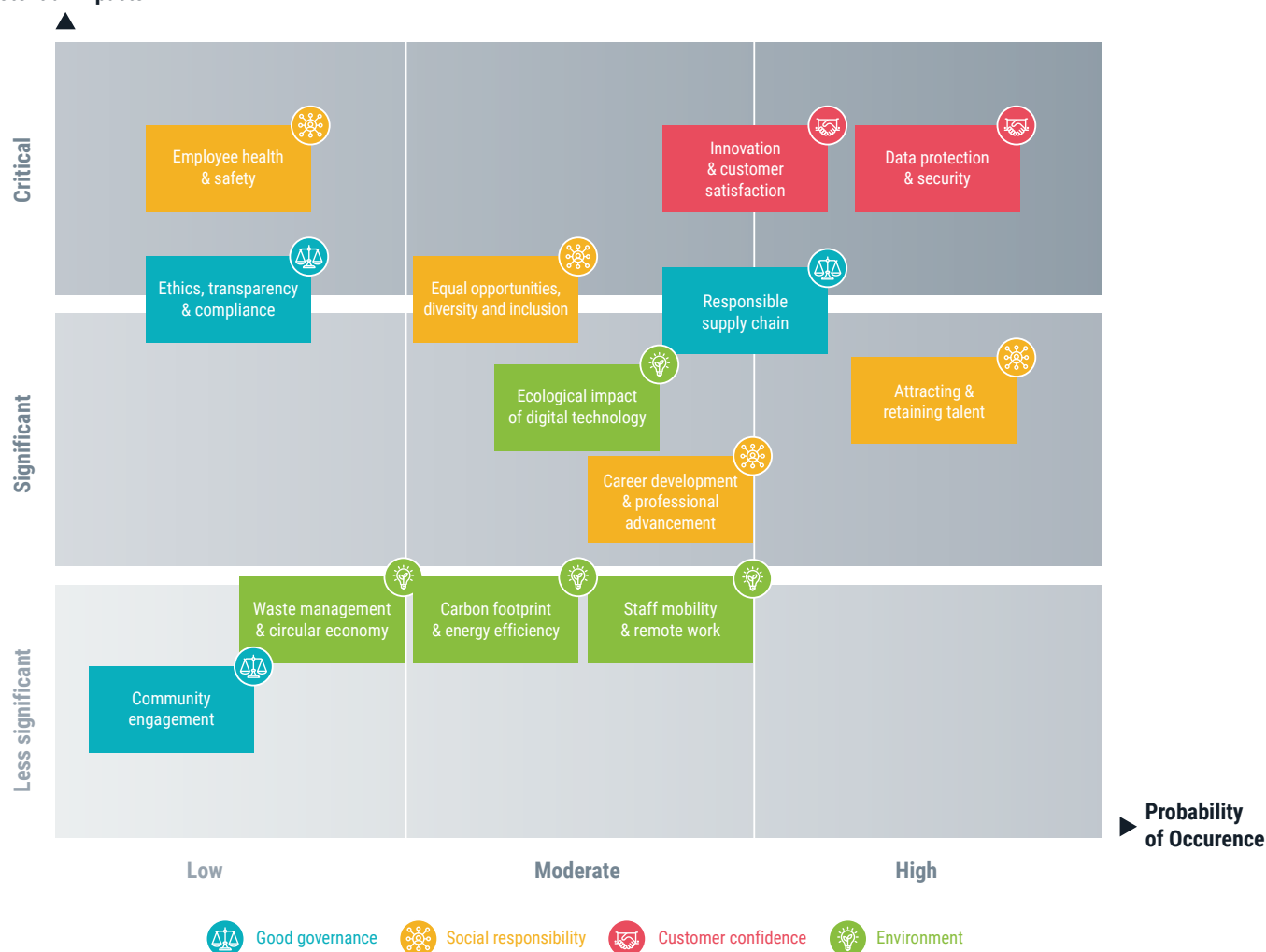


This matrix was updated by the ESG Committee in 2021, by grouping together certain closely related issues to create a clearer and simpler materiality matrix. Other risks were specified or developed to cover broader subjects.

Mapping of non-financial risks

Non-financial risks were mapped out using the same methodology and criteria as presented in [Chapter 4](#) of the annual report. The ESG Committee also reviewed this mapping in 2022. The significant risks were assessed based on likelihood of occurrence and potential consequences for Esker. A likelihood scale (Low, Moderate, High), a magnitude scale (Not Significant, Significant, Critical), and weighing factors were used to carry out this analysis. The results appear in the graphic below:

Potential Impacts



European CSRD Directive

The European CSRD (Corporate Sustainability Reporting Directive), published in 2022 in the Official Journal of the European Union, will gradually come into force starting January 1, 2024. The main aim of this new directive, which will replace the NFRD (Non-Financial Reporting Directive), is to harmonize corporate sustainability reporting and improve the availability and quality of published ESG data.

Esfer is one of the companies subject to this new directive and will have to publish detailed social, environmental and governance information from 2026. This reporting will cover the financial year 2025.

In order to anticipate and prepare for compliance with the new CSRD directive, Esfer has set up a dedicated project team and hired a consulting firm to support it. By 2024, Esfer will be in a position to publish its dual materiality matrix and will also have carried out a comparative study between its current DPEF and the expectations related to the CSRD.

ESG governance

Like all other companies operating in European or North American locations, laws and regulations further motivate Esfer to address issues involving ESG. Esfer fully embraces this responsibility, as two key issues play an important role in its business activities:

- Regarding environmental factors, data processing operations could raise questions about data center energy consumption. On the other hand, Esfer's solutions significantly reduce paper use.
- Regarding fair employment practices, Esfer's business is growing fast. The company is therefore recruiting, training and working on retaining staff predominantly involved in R&D, consulting and sales activities.

As a result, several working groups have been set up at all levels of the organization to address ESG matters and implement procedures that improve Esfer's ESG performance.

The Supervisory Board's ESG Committee

An ESG Committee was created as a sub-committee of the Supervisory Board in 2021. Like the Supervisory Board, which it assists and advises, this Committee does not handle operational aspects. Its role is to ensure that ESG policies are in place and, if necessary, develop strategies accordingly. It does this by taking into account the opinions and observations of outside auditors and company stakeholders. Every year, the ESG approach, activities and performance are presented to the Committee by the company's ESG Manager.

Composed of two Supervisory Board members, Nicole Pelletier-Perez and Jean-Pierre Lac, this Committee helps ensure that ESG policy is implemented according to the guidelines at Esker. This included adding another ESG criterion to the performance objectives for the variable remuneration of the CEO and the Board of Directors, up to 15%. 50% of the ESG bonus is based on the achievement of an EcoVadis score of 74/100 or higher, the remaining 50% on the presence of at least two women among the ten highest earners, and at least 20% of the members of the Board of Directors being women.

The ESG Committee

An ESG Committee, comprised of the operational Directors (CIO, CFO and HR Director) and four Board of Directors members (Chair of the Executive Board, COO, Global Marketing Director and Director of Global Consulting and Support Services) and coordinated by the ESG Manager, meets once a month at Esker's head offices in Villeurbanne. The committee has the following responsibilities:

- Review the company's ESG strategy and the deployment of related initiatives
- Review the company's ESG commitments with respect to challenges specific to its activities and objectives
- Assess social and environmental performance risks and opportunities
- Review social and environmental policies with consideration for how they impact economic performance
- Review the annual non-financial performance statement
- Review a summary of scorings by non-financial rating agencies

The Environmental & Social Action Committee

At the head offices, an Environmental and Social Action Committee consisting of the General Services Manager, ESG Manager, and about 10 highly motivated employee volunteers, proposes and implements concrete actions to raise awareness among staff and reduce Esker's environmental impact by focusing on comprehensive and consistent policies. The Committee also coordinates ESG Days, a company program in which employees can volunteer with non-profit organizations during working hours.

Subsidiary officers

Administrative and Marketing Managers at Esker subsidiaries serve as ESG officers, collecting data and information worldwide and mobilizing for the implementation of company-wide initiatives.

Contributions to Sustainable Development Goals (SDG)



Esker signed the UN Global Compact and pledges to comply with its 10 principles on human rights, labor standards, the environment and anti-corruption measures. The Global Compact France is mandated by the UN to support the implementation of the 2030 Agenda and the implementation of the Sustainable Development Goals in French businesses.

Website: <https://www.unglobalcompact.org/>



In line with the priorities cited above, the business model and its commitments, Esker has identified the following areas of value creation aligning with the Sustainable Development Goals. These goals provide an international framework for companies and institutions worldwide. Esker focuses its efforts on the eight most relevant SDGs for which the company sees the ability to have a significant impact and can maximize its contributions.



3 - Good health & well-being

- Promotion of well-being in the workplace
- Social and non-profit advocacy
- Employee health and safety
- Flexibility in the workplace



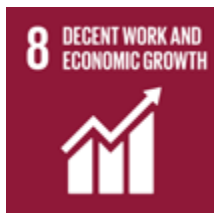
4 - Quality education

- Initiatives involving educational institutions
- Employee professional development training plan
- Esker University internal training platform



5 - Gender equality

- Promoting gender equality
- Preventing discrimination and harassment



8 - Decent work & economic growth

- Smart work
- Promoting fair economic ecosystems
- Sustainable customer-supplier relations



9 - Industry, innovation & infrastructure

- Digital transformation
- Digitizing and automating document processes



12 - Responsible consumption & production

- Reducing paper consumption and adopting paperless processes
- Reducing travel by providing access to online platforms
- Supplier evaluations and sustainable supply chains
- Promoting environmentally friendly transportation
- Waste reduction and recovery



13 - Climate action

- Reducing the carbon footprint
- Green IT







16 - Peace, justice & strong institutions

- Reducing fraud risks
- Data protection and security
- Ethics and compliance
- Anti-corruption measures

Independent third-party assessments

In 2023, Esker reported a considerable increase in its ESG performance, as attested by top non-financial rating agencies: EcoVadis, MSCI, Ethifinance, Moody's and Sustainalytics.

| | Esker's score | Min | Max |
|---|---------------|-----|-----|
|  | 81/100 | 0 | 100 |
|  | 75/100 | 0 | 100 |
|  | 53/100 | 0 | 100 |
|  | A | CCC | AAA |
|  | 16.9 | 40+ | 0 |

EcoVadis

As every year, Esker's ESG performance was evaluated by EcoVadis, an organization that evaluates corporate ESG performance, to promote transparency and trust with both customers and business partners. In 2023, Esker earned a score of 81/100, placing the company in the top 1% of companies evaluated by the platform.

Website: <https://ecovadis.com/>



| | 2021 | 2022 | 2023 |
|----------------------------------|---------------|---------------|---------------|
| Overall score | 74/100 | 74/100 | 81/100 |
| Environment | 70/100 | 70/100 | 70/100 |
| Social & human rights | 80/100 | 80/100 | 90/100 |
| Ethics | 70/100 | 70/100 | 80/100 |
| Sustainable purchasing | 60/100 | 60/100 | 60/100 |

EthiFinance ESG ratings

EthiFinance EGS Ratings is the rating agency of the EthiFinance Group, specialized in rating the ESG performance of small and medium-sized companies listed on European markets. EthiFinance ESG Ratings evaluates companies according to a reference framework of around 140 criteria divided into four pillars: Environment, Social, Governance and External Stakeholders. Thanks to a 15-point improvement in its overall score over three years, Esker achieved a score of 75/100 this year.

Website: <https://www.ethifinance.com/fr/services/esg/ethifinance-esg-ratings>



| | 2021 | 2022 | 2023 |
|------------------------------|---------------|---------------|---------------|
| Overall score | 60/100 | 67/100 | 75/100 |
| Governance | 49/100 | 64/100 | 64/100 |
| Social | 75/100 | 73/100 | 82/100 |
| Environment | 34/100 | 48/100 | 78/100 |
| External stakeholders | 83/100 | 83/100 | 83/100 |

MOODY'S

Moody's is an international ESG research and services agency for investors and private and public organizations. It conducts risk reviews and assesses the level of integration of sustainability factors into organizations' strategy and operations. In 2022, Esker achieved a score of 53/100, a significant increase of 20 points compared to 2021.



Website: <https://esg.moody's.io/>

| | 2019 | 2020 | 2021 | 2022 |
|----------------------|---------------|---------------|---------------|---------------|
| Overall score | 18/100 | 20/100 | 33/100 | 53/100 |
| Environment | | | 29 | 52 |
| Social | | | 35 | 52 |
| Governance | | | 30 | 55 |

MSCI

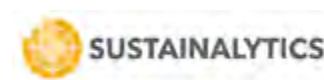
MSCI ESG Ratings* assess the resilience of thousands of companies worldwide to the ESG risks of their sector. In 2023, Esker achieved an MSCI ESG rating of A, on a scale from AAA to CCC.

Website: <https://www.msci.com/>



Sustainalytics

Sustainalytics, Morningstar's partner in the Morningstar Sustainability Rating, monitors around 4,500 companies worldwide. The overall ESG score is rated from 0 to 100 on the basis of an assessment that combines two basic measures, valid for all companies, with more specific criteria for certain business sectors. In 2023, Esker received a score of 16.9, representing a low risk level.



Website: <https://www.sustainalytics.com/corporate-solutions/esg-solutions/esg-risk-ratings>

HappyIndex® AtWork

Initiated in 2015 by ChooseMyCompany, the HappyIndex® AtWork label recognizes companies in which employees are happy to work. The label is based solely on employee opinions. In 2022, Esker was awarded the label and ranked 4th worldwide, in the "more than 25 employees" category, with a score of 76.2/100.

Website: <https://choosemycompany.com/fr/classements/2022/at-work?regionCode=world&size=25-%2a>

PARTICIPATION RATE:

71.2%

OVERALL SCORE:

4.39/5

RECOMMENDATION RATE:

87.9%

WelImpactIndex®

Launched by ChooseMyCompany.com, the Impact ESG WelImpact Index® ranking rewards companies whose employees appreciate the business' social and environmental (ESG) practices. Esker ranked 3rd in the WelImpactIndex® 2021 in France, in the "over 100 employees" category, with a score of 7.98/10.

Website: <https://choosemycompany.com/fr/classements/2022/at-work?regionCode=world&size=25-%2a>

*Disclaimer statement: The use by Esker of any ESCI ESG research llc or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Esker by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



1

Acting Ethically & Responsibly

To continue the trust the stakeholders place in the company, Esker takes conscious steps to maintain responsible and transparent governance. Esker considers ethical business conduct an absolute imperative in its corporate governance, within its organization, and throughout its supply chain. Esker also aims to make positive contributions to the development of the local communities within which it operates.

Corporate governance aspects



KEY INDICATORS

- 100% of Supervisory Board members are independent
- 100% attendance at Supervisory Board meetings
- 2 out of the 4 Supervisory Board members are women



91.3% of Esker employees agree with the statement that "My company acts ethically in carrying out its business activities" – 2021 ImpactESG® Index

Composition & practices of governance bodies

Beyond compliance with laws and regulations, Esker integrates financial and non-financial best practices into its governance to improve its performance and strengthen the trust given to the company by both its internal and external stakeholders, thereby contributing to the company's sustainability.

The composition and practices of the company's corporate governance bodies are detailed in [Chapter 2: Corporate Governance of the annual report](#).

Independence of the Supervisory Board

Esker's Supervisory Board consists of three independent members, two of whom are women. Board members are considered independent with no conflicts of interest who, through their knowledge and independent judgment, contribute to the Board's ability to carry out its duties. Five Supervisory Board meetings are held each year, and the attendance rate is 100%.

Governance code

A commitment to comply with and adhere to the MiddleNext Corporate Governance Code was signed on December 15, 2021, to align the company's governance practices with simple, coherent principles. This latest revised version of the Code encourages companies more than ever to incorporate ESG into their strategy.

Since 2022, Esker has been part of the ESG working group launched by MiddleNext.

The MiddleNext Corporate Governance Code is available in French [here](#).

Director involvement & succession plans

Esker's HR Director, CFO and CIO are regularly invited to Board of Directors meetings to present on the progress of their respective projects and ensure that the operations teams are aligned with the overall strategy of the company.

Each year, the Supervisory Board requires succession plans be drawn up for all board positions as well as for their direct reports. Succession plans are also drawn up for the Board of Directors.

Investor relations

To strengthen dialogue with shareholders and promote a long-term commitment, Esker maintains regular contact with investors. Esker's financial results are presented every six months, in French and English, to an audience comprised of investors, analysts, and all those interested in the activities of the company. Information on quarterly revenue is provided to stakeholders. Esker Management also participates in professional investor trade shows. There is also a dedicated website where anyone who is interested can read the latest presentations and contact Esker Management to schedule a meeting or obtain more information.



"Esker's Management has regular, direct contact with its shareholders and the financial community in France and abroad. Our goal is to build long-term relationships based on trust with investors who share our values of innovation and our belief that positive-sum growth benefitting all company stakeholders is achievable. Maintaining quality relationships by offering a sound financial position and profitability, even in times of crisis, helps us make this vision a reality."

EMMANUEL OLIVIER, CHIEF OPERATING OFFICER AT ESKER

Ethics & compliance



KEY INDICATORS

- CEO's salary is <10 times Esker's worldwide median salary
- 98.8% of employees have obtained awareness training about business conduct & anti-corruption policies
- 15% of the variable compensation of Management Committee members based on ESG criteria

Executive compensation

The annual gross variable compensation of Jean-Michel Bérard, Esker CEO, can reach a maximum of €275,600. This compensation was calculated for 2023 based on three indicators:

- Revenue growth, allocated at 55%,
- Profitability, allocated at 30%
- Growth of certain ESG indicators, allocated at 15%
 - 5% if the EcoVadis score is at least 74/100 or higher
 - 5% if there are at least two women among the top 10 earners
 - 5% if at least 20% of the members of the Board of Directors are women

The minimum annual gross variable compensation is €15,000. No variable compensation is paid if the operating margin is negative. The ratio of the total annual compensation of the CEO, the highest paid person in the organization, to the median total annual compensation of all employees worldwide is less than 10.

Since 2022, 15% of the variable compensation of other Board of Directors members is based on the same ESG criteria as for the CEO.

Respect & promotion of human rights

Esker is committed to respecting human rights in all countries where the company operates. As a signee of the UN Global Compact, Esker is committed to supporting and respecting human rights. The company ensures that it is not knowingly complicit in human rights violations, including harassment, in any of its subsidiaries and encourages its commercial partners to comply with the principles relating to the environment, human rights, preventing discrimination, abolishing child labor and forced labor, as well as the rules on wage laws and maintaining a safe and healthy work environment. In 2022, all head office managers obtained awareness training about bullying and sexual harassment. This is a mandatory training course for new employees (France).

Protecting the freedom of assembly and speech, and effectively recognizing the right to collective bargaining are key issues for the company, as well as rejecting all forms of forced and compulsory labor. Lastly, Esker supports the UN Convention on the Rights of the Child, which enacts the effective abolition of child labor.

Business conduct

Compliance with the regulations of France's Sapin II Law has been implemented by the Administrative and Financial Departments. This compliance is an opportunity to support Esker's transformation by strengthening the ethical and exemplary corporate culture introduced under the aegis of the general management.

As part of conducting business responsibly, an internal Code of Conduct "defining and illustrating the various behaviors to be prohibited for their likelihood of characterizing acts of corruption or influence-peddling" was drafted. Additionally, an internal whistleblower system was implemented to prevent and detect acts of corruption and influence-peddling. Esker has mapped corruption risks to closely monitor high-risk locations (Singapore, Malaysia, and Hong Kong). For the U.S. subsidiary, a localized Code of Conduct is regularly reviewed, and employees are expected to know and follow these guidelines.

Additionally, Esker enforces compliance with rules applicable to all countries where the company operates, including regulations designed to prevent tax evasion. To date, none of Esker's entities have been subject to a tax adjustment.



Anti-corruption training

Esker employees are responsible for compliance with rules pertaining to the prevention of corrupt practices within the organization, and for working with third parties such as customers, suppliers and business partners. As such, and in accordance with current local and international regulations, Esker provides online anti-corruption training sessions for executives and employees in relevant positions. Employees in positions with less exposure receive mandatory awareness training through e-learning presentations. In all, 98.8% of employees at the head offices received training or participated in awareness sessions.

Investment Committee

Esker wishes to put its expertise to good use by supporting tech companies, particularly those created by former employees who have decided to embark on an entrepreneurial adventure. To provide a framework for these investments, an Investment Committee was set up in 2023. This Investment Committee, made up of Esker employees (a member of R&D, Sales and/or Marketing, HR, Finance, the worker's council, and Jean-Michel Bérard and Emmanuel Olivier as permanent members), meets by request to review opportunities for Esker, and decides on future investments in start-ups or any other companies in the tech sector.



Actions in 2023

- Renewed commitment to the United Nations Global Compact
- Online training on sexual & moral harassment for all new employees (in France)
- Anti-corruption training completed by a majority of employees (98.8%)
- Creation of an Investment Committee

Sustainable supply chains



KEY INDICATORS

- Formal Sustainable Procurement Policy at head offices
- ESG Code of Conduct for suppliers at head offices
- ESG evaluation of the 70 main suppliers at head offices

Supplier Code of Conduct

Esker's head offices provide a Code of Conduct for suppliers identified as "significant", which they can sign and adhere to voluntarily, to ensure their commitment to complying with rules regarding the environment, human rights, the prevention of discrimination, abolishing child and forced labor practices, as well as wage regulations and maintaining a safe and healthy work environment. "Significant" describes long-term suppliers that meet one of three criteria: high expenditure/low substitutability, specific technology involved, and risks associated with the services provided.

Esker's Supplier Code of Conduct can be found [here](#).

Sustainable purchasing policy

Esker's Sustainable Procurement Policy implemented by the head offices is based on the fair treatment and transparent selection of suppliers as well as the consideration for social and environmental criteria in choosing these suppliers. This policy aims to establish healthy business relationships between Esker and its suppliers and to compel the business ecosystem to adopt ethical and responsible ESG practices. This includes compliance with ethics principles covering human rights and working conditions, environmental issues, anti-corruption measures and fair business practices.

Esker identified significant suppliers with a high substitutability risk. These suppliers were then assessed according to several ESG criteria: ISO certifications, adherence to the Code of Conduct and the United Nations Global Compact, and their own ESG commitments and policies. The purchase category, geographical reach of the suppliers and total expenditure were also taken into account. This analysis helps to identify, prevent and reduce environmental and social risks in the supply chains.

To ensure the integrity of supply chains, Esker defined a sustainable purchasing strategy in 2021. This strategy is based on three areas of action:

- Engage in due diligence through the assessment and mapping of supplier risks
- Promote sustainable purchasing practices internally to buyers and opinion leaders
- Urge suppliers to improve their ESG performance

Sustainable purchasing governance falls under the responsibility of the Administrative and Finance Departments and is overseen by the Purchasing Manager, in coordination with Esker's ESG Manager.

Esker's Sustainable Procurement Policy currently only applies to the head office (France).

In all Esker subsidiaries, marketing teams pay particular attention to the promotional items ordered and distributed as part of events or marketing campaigns. Particular attention is paid to the use of recycled and recyclable materials, the reusability of objects and the origin of manufacture.

ESG evaluation of suppliers

In 2023, Esker chose to use Dun & Bradstreet's SynESGy solution to assess its suppliers in France. SynESGy makes it possible to collect and manage sustainable development information through an ESG self-assessment, accompanied by an evaluation, benchmarks and advice on the development plan. A total of 349 suppliers received an invitation to complete the ESG questionnaire on the SynESGy platform.

Each year, the 70 main head offices suppliers are also assessed on ESG criteria. Several criteria are taken into account in this evaluation, including certifications obtained by the supplier (ISO 14001, 26000, 20400, 9001, 45001 and 50001) but also ESG commitments, geographical location, and external evaluations received such as EcoVadis and Ethifinance.



Supplier relations and responsible purchasing charter

Esker SA (France) is a signatory to the Charter for Responsible Supplier Relations, established by Médiation des Entreprises and the Conseil National des Achats, and is committed to promoting and complying with the 10 principles stated there:

- Guaranteeing fair financial treatment for suppliers
- Promoting cooperation between large contractors and strategic suppliers
- Reducing the risks of mutual dependence between contractors and suppliers
- Involving the large contractors in their sector
- Evaluating the total purchase cost
- Incorporating environmental concerns
- Ensuring corporate regional responsibility
- Purchasing: a function and a process
- Providing a purchasing function tasked with steering the supplier relationship as a whole
- Defining a consistent purchaser remuneration policy

Selection of suppliers for key materials in the mail production facilities

Choosing environmentally friendly paper suppliers is a priority for Esker's mail production facilities. Since 2017, Stora Enso, the main paper supplier for the France mail production facility, has ranked among the top 1% of companies in its sector, as evaluated by the EcoVadis rating platform.

At the Spanish mail production facility Distrimaicar was chosen as the paper supplier. All the products offered by the company come from forests with a Responsible Management certification, which guarantees reforestation. The materials used have been awarded the European Union Ecolabel, which guarantees their low environmental impact throughout their life cycles. The company also adopts other measures throughout the process, such as reducing water use in production, using renewable energies or choosing fuel-efficient vehicles for delivery.

The U.S. subsidiary's mail production facility chose Navigator as its paper supplier. The special feature of Navigator's paper is that it is made from Eucalyptus fiber. Eucalyptus is a fast-growing species, making it highly effective at retaining carbon dioxide and countering greenhouse emission effects. Navigator was certified in 2007 by the FSC® (Forest Stewardship Council®) and in 2009 by the PEFCTM (Program for the Endorsement of Forest Certification). These certifications guarantee the responsible management of the company's forests, in accordance with international standards. Navigator is ranked third out of 81 companies in the paper and forestry sector rated by Sustainalytics.



Actions in 2023

- Questionnaire sent to 349 French suppliers

Community engagement



KEY INDICATORS

- 0.2% of revenue allocated to sponsorship
- 1 workday annually of paid time off given to employees to volunteer with non-profit causes
- 10 days of PTO donated by employees to "Entreprise des Possibles"

SPONSORSHIP PROGRAM

While businesses contribute to the development of local economies by creating jobs and value, their impact can be multiplied by partnering with other local actors to encourage synergies and innovation.

Esker's sponsorship approach was developed by integrating employee input and is centered around three key points: the environment, as it is a key issue for Esker employees; education because giving young people insights and access to the professions of the future will improve their job opportunities; and outreach in local communities, as Esker wants to maintain and strengthen its roots in its home region and stay involved in local issues. Esker believes that access to culture and education are key to building an inclusive and just society.

EDUCATION

Esker helped create a research chair at INSEEC Business School to focus on artificial intelligence and continues to actively contribute by offering its expertise. Esker also supports several educational institutions in the Lyon region through financial and personal commitments. Esker employees give presentations at various schools in the region about their professions. Tours of Esker's offices are organized for students, offering an opportunity to learn about business activities. Additionally, the Esker Junior Academy offers students from middle schools in underprivileged priority education districts the opportunity to participate in a one-week program to learn about the software development process, from R&D to the implementation process for the customer. These endeavors promote access to the job market for students, while simultaneously increasing the supply of technical expertise on the job market and positively impacting Esker's reputation among the local population.

CULTURE & THE ARTS

Since 2021, Esker has been involved with the Institut Lumière and Cinémas Lumières. This year Esker donated €150K to support the Institute and bring employees together to enjoy an innovative cultural program highlighting Lyon's culture. As one of the organizers of Lyon's Lumière Film Festival, Institut Lumière was an obvious choice for Esker to partner with, since it also has roots in Lyon, enjoys an international outlook and embraces the same ESG commitments.

Since 2015, Esker has supported the Biennale de Lyon, which showcases numerous local artists. This year, Esker signed a sponsorship partnership with the Biennale, to contribute to the emergence of and access to culture for all by choosing international excellence and professionalism.

In 2023, the German subsidiary sponsored the Neon Music Festival in Munich, which promotes diversity. Admission tickets for the festival were also donated to charities.

THE LOCAL ECONOMY & OUTREACH

Esker management's involvement with local business associations such as the Digital League (since 2014), supports innovation and the economic development of regional businesses. The Digital League is a regional association of more than 500 companies in the digital industry and seeks to pool efforts to promote best practices between entrepreneurs, schools, laboratories, investors, and institutions, with the goal of creating winning synergies.

In 2023, Esker also entered into a partnership with the regional organization LDigital, which supports and raises awareness for women working in digital professions and opportunities in Auvergne Rhône-Alpes through mentoring programs, professional workshops and networking.

ESG DAY

Esker offers employees in the U.S. and France one extra day of PTO to participate in community events or to volunteer at an organization with a social or environmental purpose of their choice.

In 2021 Esker France joined Entreprises des Possibles to be able to take concrete actions and demonstrate a sense of community. This group of companies works in the Lyon region to reintegrate underprivileged and unhoused persons into society. This support takes the form of a financial donation from Esker, and also offers employees the opportunity to get involved by carrying out volunteer activities, or by donating PTO, matched 100% by Esker.



10 EMPLOYEES DONATED

10 DAYS
OF THEIR PTO

DONATIONS MATCHED

100%
BY ESKER

EQUALING

€7,562
DONATED

Local community engagement

In addition to the global sponsorship activities, Esker subsidiaries are involved locally with organizations that are important to their employees. Individuals can provide support in the form of volunteering their time for non-profit causes. Below are some of the organizations supported by Esker subsidiaries around the world:



In early 2023, the Spanish subsidiary began a new partnership with an NGO that works to protect oceans and rivers. Oceano Alfa's main mission is to raise public awareness of the need to conserve marine reserves. The Spanish team also organized a day dedicated to collecting waste in the wild, an opportunity to learn more about the regional ecosystem and raise awareness for its preservation. In France, Esker organized a school supplies drive in aid of Entreprise des Possibles, which collected 40 kilos of supplies. A second drive at the end of the year collected 25 kilos of toys and 11 kilos of hygiene products. Esker's U.K. subsidiary held a fundraising events including a charity walk, a bake sale and a tombola. These activities raised £1,500 for the Derby-based charity *Bridge the Gap*, dedicated to children's mental health. A Christmas gift drive was also organized among employees, with the aim of collecting gifts for children from families in difficulty and was supported by *Children First Derby*. A group of employee volunteers also helped out at Markeaton Park by improving facilities for children, disabled people and people in financial difficulty.

The American subsidiary supports Second Harvest, a local food bank, through year-round volunteer work.

In Germany, Esker has supported several organizations through donations, notably *Schutzgemeinschaft Deutscher Wald* (an organization for forest preservation) and *Deutsches Kinderhilfswerk* (an organization focusing on providing access to education for disadvantaged children). An internal team-building event resulted in the creation of eight prosthetic hands as part of *The Hand Project* which are sent to physically impaired people in developing countries.



Actions in 2023

- Renewal of a sponsorship agreement with the Institut Lumière & the Biennale de Lyon
- 598 work hours donated by employees to support non-profit causes
- Educational presentations of employees at local schools (mock interviews, school forums, etc.)
- Local community engagement





2

Building Customer Trust

The world's markets are changing rapidly. Therefore, Esker seeks to ensure the highest levels of service availability and security by designing innovative solutions that create value for its customers and their business ecosystems. Particular attention is given to customer satisfaction and the trust and confidence they place in the Esker on Demand platform.

Data protection & security



KEY INDICATORS

- ISO 27001:2013 certification for the Esker on Demand platform
- Zero complaints filed for non-compliance with the General Data Protection Regulation (GDPR)
- 99.91% of employees trained on data protection & security



"Cybercrime has become an increasingly common threat in recent years, jeopardizing the security, reliability and continuity of IT systems. The digital technology sector faces growing challenges to protect access, resources and data. With a cloud platform globally available 24/7, IT security is a major concern for Esker. Telecommuting, although now an accepted practice, has only amplified this challenge."

PASCAL HENRY, ISSO AT ESKER

Allocated resources

Special teams have been assigned to the safety and security of the platform infrastructure. Due to increasing need, these teams have grown in size. A Data Protection Officer (DPO) and an Information Systems Security Officer (ISSO) have been appointed to monitor, along with their teams, the proper application of the rules for ensuring the protection of personal data. Monitoring and technical reports are in place to proactively address security issues, such as annual intrusion testing by an independent external service provider and monthly automated vulnerability scans.

ISO 27001:2013 certification

Esker has an audited, ISO 27001:2013-certified information security management system (ISMS) for its Esker on Demand cloud platform. The ISO 27001 standard is the most recognized for information security management system requirements. Esker also requires its suppliers for the Esker on Demand platform to exhibit complete security maturity by providing ISO 27001, SSAE 18, and SOC1® audit reports, certificates, or certifications. Should this not be possible, they can alternatively complete a security questionnaire.

Employee training & awareness

All employees worldwide undergo data protection and security training each year and must pass a proficiency test. Ultimately, Esker believes that all employees act as a vital link in safeguarding company and customer data, and it is essential that every employee understands and adopts Esker's security policies.

Data protection & user rights

Since the GDPR (General Data Protection Regulation) came into effect in 2018, Esker has not received any complaints filed with the French data protection authority (CNIL) or equivalent local authority for non-compliance with the legislation.



Actions in 2023

- ISO 27001:2013 certification renewed for the Esker on Demand platform
- Annual intrusion tests performed by an independent external service provider
- Automated monthly vulnerability scans
- Selection & monitoring of critical suppliers of the Esker on Demand platform
- Reinforcement of the legal team
- Organization of a "Ransomware Awareness Master Class"

Innovation & customer satisfaction



KEY INDICATORS

- Uptime of the Esker on Demand platform: 99.938%
- 9% of revenue invested in R&D
- Customer NPS: + 70.36

Agile methodology & innovation

Esker adopted the Agile development methodology many years ago to allow for faster and continuous development of new features for solutions to better tailor to customer expectations. This method of working, originally limited to software development, has since been adopted by all teams at the company, even those at the non-technical level. Tech Days are held on a regular basis, bringing together all of the R&D teams so that employees can attend workshops and presentations on a variety of topics (innovation, security, hackathon, etc.). These events encourage knowledge sharing and innovation within the development teams.

TrustEsker & platform availability

Esker pays particular attention to customer satisfaction and trust in the Esker on Demand platform. Esker has implemented business continuity procedures and reinforced its Customer Experience teams to ensure the highest levels of service availability and trust.

The Esker on Demand platform is monitored 24/7 to ensure operational continuity, and it is set up to fail over to redundant systems to mitigate possible hardware failures and ensure high service availability. Because trust begins with transparency, Esker provides its customers with TrustEsker.com, a dedicated website accessible to all customers around the clock. The site displays the platform's uptime during the previous month, scheduled maintenance, and real-time information on system performance and security. Average uptime of the Esker on Demand cloud platform was 99.938% in 2023.

Customer support

Multilingual Support teams centralized at Esker's head offices and covering all company entities respond to customer requests in all time zones, and meet service level agreement requirements on response times and ticket resolution. These teams also participate in preventing production incidents by monitoring customer activity and proactively identifying risks.

Customer Experience (CX) program

Esker's value creation reflects an ability to ensure that its products and services meet the needs of its customers and are used to their full potential. Esker's CX program is designed to ensure that its customers get the most out of their solutions and are completely satisfied with their investments.

CX teams are active in all subsidiaries. Through customer training, coaching, and personalized monitoring, the CX program makes it possible to improve user adoption and commitment to the Esker on Demand platform, ensures that customers make the best use of solutions, and improve these through user feedback as part of a continuous enhancement process.

Esker's CX Team Promise: Valued – Understood – Engaged



VALUED • UNDERSTOOD • ENGAGED

Valued : We will be honest and respectful of your time and do what we promise. We will collaborate as one team.

Understood : We will actively listen, acknowledge your needs and expectations, and continually strive to recognize what truly matters to you.

Engaged : We will make personal connections by being proactive, providing information and always learning more.

Ensuring customer satisfaction with the Net Promoter Score

The Net Promoter Score is a rating given by Esker's customers in response to the question: "How likely are you to recommend Esker to someone you know?", which is included in user surveys sent out after an interaction with an Esker employee. The possible responses range from 0 (not at all likely) to 10 (very likely), and the score assigned by the customer determines the category in which they are classified: Promoters (score of 9-10), Passives (score of 7-8), or Detractors (score of 0-6). NPS scores range from -100 to 100 and are calculated by discarding the responses from the Passives category and converting the number of respondents from the other two segments into a percentage. The percentage of Detractors is subtracted from the percentage of Promoters to obtain the final NPS score.

Esker's NPS score is established through systematically conducted surveys sent to Esker on Demand users post-interaction with the Consulting, Support, and Customer Experience teams. The score has been increasing every year and reached +70.36 in 2023, constituting an increase of +3 points compared to 2022.

Strategic partnerships

Esker and its global network of certified partners continue to drive innovation so that they can provide companies with the broadest possible range of services covering all aspects of the Source-to-Pay and Order-to-Cash business processes.

Partners play a key role in the services and benefits provided to customers by combining their expertise with Esker technologies. The diversity and complementary fit of their solutions, their in-depth knowledge of Esker solutions thanks to Partner Training and certification programs in place since 2022, their geographic locations, and their industry and technical expertise, enhance the value of Esker solutions and meet a great number of requirements expressed by companies.

Esker is developing a business ecosystem of consulting, distribution and software partners. Through strategic partnership projects, which include 13 new partnerships in 2023, Esker helps its partners grow their solution portfolio while expanding its own geographic coverage and market potential.

In 2023, Esker developed a new tool for its partner portal, enabling individualized support adapted to their businesses and the differing types of partnerships. This portal strengthens collaboration between teams, while enabling partners to quickly become autonomous using Esker technologies.



Actions in 2023

- Launch of randomized surveys of Esker on Demand platform users
- CX teams strengthened in all Esker subsidiaries
- Disaster recovery plans strengthened to respond to physical & solution-related risks
- Development of 13 new partnerships

A background image showing several hands of different skin tones assembling white puzzle pieces on a dark blue surface. The puzzle pieces are interlocking, and the hands are positioned around them, some holding them in place. The lighting is warm, creating a sense of collaboration and teamwork.

3

Recognizing the Value of Human Capital

Esker's employees are its most important resource, which is why the company aims to attract, recruit, develop and retain its talent by providing a healthy and inclusive work environment while guaranteeing equal opportunities.

Esker strives to give its employees the means to develop their full potential and to meet their performance and development objectives.

Characteristics & workplace behavior



KEY INDICATORS

- 1,042 employees, 50% in France
- 98.46% have full-time, permanent contracts
- Average age: 38

Human capital

As of December 31, 2023, Esker has 1,042 employees in 14 countries, of which 50% are located in France, 20% in the rest of Europe, 24% in the Americas, and 6% in the Asia-Pacific region. Their average age and company affiliation are 38 and 6.3 years, respectively. Of the workforce, 32.44% are women, and 67.56% are men. There are 38 nationalities represented in the workforce worldwide.

Onboarding of new employees

The in-house Training team organizes sessions at the beginning of every month for each incoming group of new hires. A dedicated room is available to accommodate a wide range of training formats. During the training, new hires learn about the history of the company, HR resources, IT tools, corporate culture, ESG policy, and Esker solutions. This training usually lasts one week, starting with one full day followed by half-days. The remainder of the time is spent with the new hire's team. The week-long training includes new hires from all departments, so it is also a chance for them to meet one another and people from other subsidiaries.

An online document, called Guide for Eskerians, is available on the company's intranet. It gives employees easy access to all the information they need about their career and life at Esker, including office maps, IT tools, time-off and absence regulations, benefits, insurance benefits, local activities near Esker's offices, important contacts, and more.

Throughout the probationary period, new hires are supervised by the HR team. For management-level employees, a review is scheduled by the HR teams with the manager/Scrum Master and, at times, fellow team members, after two months (M+2) of employment. This is done in order to assess the new hire's integration into the team, their skill development and to provide an opportunity for feedback. Another follow-up is scheduled for two months after the initial review, (M+4), in order to either confirm ongoing employment or to extend the probationary period. For non-management-level employees, this process is followed at M+1 and M+2.

Considerate & attentive management

A "Management Leadership Reference Guide" outlines the principles of training as well as the scope of a manager's role at Esker and its various missions. Employees are also made aware of these principles and a number of them are trained in non-violent communication, so that they are able to give and receive feedback constructively.

A special training course at the head offices, called "Upskill as an Esker Manager", was attended by a majority of management-level employees and Scrum Masters. This two-day course, co-designed by Country Managers, HR/Admins from various subsidiaries and management-level volunteers, is designed around management guidelines and is inspired by the company values. It helps build the foundations of a strong management culture and provides managers with methods and tools needed to fulfill their mission. This training guides them in acting as a coach. One whole day of this course is dedicated to diversity and inclusion in order to create a respectful environment where everyone feels at ease. Launched as a pilot program in France, it will be gradually adapted to local conditions and rolled out at all Esker subsidiaries. The deployment began in the United States, where managers attended two intensive training sessions in 2022.

A similar initiative was started in the U.S. subsidiary, in partnership with the University of Wisconsin's Madison campus, called "Manager Boot Camp". This week-long course, open to all the subsidiary's directors and managers, trained 60 managers on topics such as feedback, coaching, process management and productivity, trust and communication, conflict management and change management. The course was very well received and provided managers with useful tools.

Similar initiatives are planned for Esker's other subsidiaries for 2024 in order to align the company's management approach.

Corporate culture

Esker's values are presented in the [About Esker, Our Values](#) section.

Esker's values and corporate culture were defined in 2017 as the result of nearly 12 months of development and dialogue. Workshops were first conducted in all subsidiaries, with more than 100 staff volunteers sharing anecdotes about life at Esker. The discussions focused on what sets Esker apart from other companies, common elements between employees, how they resemble each other, and what brings them together. These narratives highlighted the attitudes of employees and the values that guide them in their daily work. The next step included a survey sent by the CEO to all employees worldwide, which confirmed the initial findings with a response rate of 75%. The values mentioned by the majority of employees were then summarized by the Corporate Marketing Department and enshrined in displays posted all around the offices and on company websites. They were also distributed on company swag products to encourage internalization by the employees. Esker's company culture continues to enjoy a 90.5% approval rating.



90.5% of employees agree with Esker's values and culture – Source: HappyIndex@atWork for 2023, performed by Choose My Company

Living wage

Recognizing the fundamental importance of fair and equitable remuneration, Esker introduced a Living Wage policy in 2023. The aim of this policy is to ensure that all employees receive a salary that enables them to meet their basic needs and lead a decent life.



Actions in 2023

- Presentation of Esker's values & corporate culture on Day One of New Hire training
- Management training provided for all head office management and Scrum Masters
- Implementation of a living wage policy



KEY INDICATORS

- 156 employees recruited in 2023
- Staff turnover rate 2023: 9.26%
- 87.9% of employees recommend Esker as a great place to work
- 5.97 years average company affiliation
- Employee profit-sharing plans
- 75% of eligible employees have signed up for the employee savings plans (France only, excluding CalvaEDI)



"To ensure the continuity and development of the company's activities, Esker needs to be able to attract and retain employees with specialized and complementary expertise. This challenge is all the more difficult in the competitive IT sector, where the number of job offers far exceeds demand. This means providing a human, material and professional environment that is fulfilling and stimulating, and that encourages employees to express their talents in the service of the company, and to recommend Esker as a great place to work."

AURÉLIE GUIMERA, WORLDWIDE DIRECTOR OF HUMAN RESOURCES

Profit-sharing & employer contributions to company savings plan

Esker's compensation policy includes optional and company-backed mutual fund and an Esker employee stock ownership plan in France, incentivized by matching employer contributions.

The optional profit-sharing plan was initiated by company management in 1989 to reward employees for their efforts contributing to Esker's growth. The plan agreement is renewed every three years. At Esker, profits are shared equally: each employee, regardless of their position or salary, will receive the same amount, in proportion to the time worked during the reporting year. Employees are eligible after one month of service at the company. The profit-sharing bonus is about three times higher than the average in France*.

Whether on a fixed-term or open-ended contract, employees are required to serve the company for at least three months to qualify for the employer contribution scheme. Esker matches 100% of employee contributions to its corporate mutual fund, with an annual cap of €1,000 for employees with 0 to 6 years of service, €1,500 for employees with 6 to 11 years of service and €2,000 for employees with over 11 years of service. Employer contributions cannot exceed 25% of the employee's pay per calendar year. On December 31, 2023, 373 active employees had signed up for the employee savings plan out of 497 eligible employees, representing 75.05% of employees in France.

Echoing Esker's "All actions toward satisfaction" and "One team beyond boundaries" values, Esker management decided to launch a share allocation program for all employees at the end of 2022. Each employee under contract on 31/12/N-1 has been allocated 10 free Esker shares to support employee loyalty. These shares are subject to a 3-year vesting period. After this period, the shares belong fully to the employee and can be sold or retained. This also means that the employees become shareholders in the company, and gives them voting rights at General Shareholder Meetings. This transaction is submitted to the Annual General Meeting each year and will be repeated with the authorization of the shareholders. This transaction was repeated in 2023.

Employee cultural fit

Esker employees are counted on to share their support for an agile corporate culture based on prioritizing customer and team satisfaction, regular feedback and continuous improvement. This means that they readily accept feedback, can think critically, give their opinion, and know how to challenge themselves. Also, they do not hesitate to ask for or offer help or get out of their comfort zone if necessary. Teamwork is a given, and they are all capable of showing empathy and kindness to their fellow team members, while also being able to work independently.

As an example, in job interviews, recruitment managers emphasize individual personality in addition to technical skills and professional experience to select applicants that will best fit Esker's corporate culture. Personality and Preference Inventory (PAPI) tests are routinely conducted, as are English language assessment tests. Candidates also spend time with their team in relaxed, informal discussions, to better understand what awaits them and learn more about the company and its culture. To encourage inter-subsidiary communication, English classes are offered for one hour a week to Esker employees based in Villeurbanne.

Transparency & visibility

In addition to presenting key figures, solutions, and technologies, the HR webpage for candidates presents the journey of an Esker employee beginning at orientation all the way to their advancement in the company. Esker's values and benefits offered are described as well, with the aim of being as transparent as possible. To provide more background information for job postings, video testimonials illustrate the variety of Esker's job offers and are regularly published on social media. Technical articles are also published on the company blog.

"Esfer Labs" is a forum to share feedback about different projects or issues the teams are working on. Related resources (articles, videos, etc.) are summarized at the bottom of the job offer for the position concerned, to help potential hires better understand the work environment.

Employee recommendation & referral program

The annual employee satisfaction survey found that over 87% of employees would recommend working at Esker to a friend or colleague. With a median employee turnover rate of 10.5% over the last three years, these results show that the vast majority is satisfied with their experience at Esker.

An employee referral bonus is offered to encourage employees to spread the word about Esker and share job offers with their network. It is paid in two instalments, one on hiring and another a few months later. The employee referral program has been very successful for several years, accounting for almost a quarter of all new hires (40 employees recruited by employee referral in 2023).

* Source: most recent DARES report in August 2021 on 2019 data https://dares.travail-emploi.gouv.fr/sites/default/files/55d4f371639cc651dec101f6a450c730/Dares_resultats_participation_interessement_epargne-salariale2019.pdf

Relationships with educational institutions and internships

As Esker hires a large number of young graduates, it attaches particular importance to developing its relations with schools. The goal is to provide them with academic support, introduce the company to future graduates, and make it easier to attract talent. Esker sponsored the INSA (National Institute of Applied Sciences) IT Department graduating class of 2021, and is also a sponsor of the 42 Lyon programming school and a partner to the EDEN and CPE engineering schools. The School Ambassador Program encourages Esker volunteers to represent the company at their alma maters. They attend job fairs and give presentations to students about their jobs.

These partnerships involve Esker both financially and in terms of human resources, through sponsorship programs or by giving priority to these establishments when paying the Apprenticeship tax (France). This also involves making employees available to lead themed conferences on Esker's areas of expertise, such as agility or artificial intelligence, organizing coaching sessions for job interviews, or taking part in events dedicated to bringing Esker employees and students together.

As cofounder of a research chair at the INSEEC, Esker is involved in the development of future generations. The company is committed to raising the profile of the digital professions, by making them accessible to as many people as possible, from secondary school onwards. This is reflected, for example, in the sponsorship of students from the Eden School, which trains developers after 9th or 10th grade. The "Esker Junior Academy" initiative, created entirely by Esker volunteers, welcomes groups of 9th grade trainees from underprivileged neighborhoods and gives them an immersive introduction into the software development professions.

The Human Resources department has implemented an internship program to introduce young people to the digital professions. A particular focus is placed on diversity to increase the representation of women in the IT industry. In 2023, Esker welcomed a total of 19 interns, 17 in 9th grade and six on work-study contracts.

Also newly introduced at Esker in 2023 was the participation in the national Digital and Computer Science Week Open Door, during which middle and high school students were able to visit Esker premises, follow job presentations and take part in a game on the subject of cybersecurity.



Office layout

By taking into account employee input Esker provides a workplace that reflects these suggestions. The office layout was designed in consultation with employees and their elected representatives. Many spaces were configured to meet the diverse needs of the teams, such as flexible think tank spaces, sit-stand desks, triple screens, and ergonomic equipment. To promote work-life balance, a relaxation room is available as well as gaming consoles and board games in shared areas, and regular sports or theater sessions are offered in the multi-activity room. Coffee machines, fresh fruit, snack products and a connected fridge offering meals are also available in the cafeterias.

Satellite offices have also been created at the Décines mail production facility in 2022, to offer an alternative to the Villeurbanne premises and to reduce commuting distances. 16 shared workstations have been created, helping to forge links between employees at the two sites.

Good atmosphere & inter-team activities

In France and the U.S. subsidiary, Fun@Work committees, which are made up of about 15 employee volunteers, organize activities in the offices on a regular basis meant to strengthen team spirit: These include outings, music quizzes, Halloween dress-up days, Easter egg hunts, tastings and photo competitions. Every quarter, Esker management organizes an internal event called a "Company Meeting". These regular events are an opportunity to get together and celebrate Esker's big and small successes. Within Esker's various departments, seminars are regularly organized to enable employees from different subsidiaries to get together and share their thoughts and best practices. In 2022, Esker created a new position dedicated to organizing internal events. An internal resource is now fully dedicated to organizing team-building events and seminars. Each subsidiary also regularly organizes social events to unite teams around the latest developments, or major highlights such as the traditional "Food Truck Party", the annual summer party (France).

Presenting the Esker history & vision

Because the search for meaning contributes to the well-being at work, having a shared vision and understanding each team member's part in making it a reality are integral to the duties of Esker management. Every quarter, Jean-Michel Bérard, Esker's CEO, shares the company's achievements and upcoming projects at company-wide meetings, which all Esker employees can attend.

Esker's CEO also hosts new employees at the head offices for a one-hour meeting to present Esker's history and the company vision, or by videoconference two or three times a year for employees joining subsidiaries. Employees then have an opportunity to interact with him and ask any questions they may have. This time is highly appreciated among new Esker employees, and it helps strengthen their sense of belonging to the company and proximity to management.

Individual performance

At least once a year, the individual performance of all employees is assessed with the Employee Xperience program. This annual exchange enables managers to define objectives that will enable each employee to better understand their role in the company's mission and vision.

A peer-to-peer reward scheme, called "Osker", has also been set up to recognize an employee's exceptional contribution aligned with one of Esker's five values. Participation is open to all, whether to present an Osker or to receive one. If an Esker employee would like to thank a colleague for a strategic and extraordinary contribution, they simply need to submit a request to a committee made up of Esker's HR Director and the respective department's director, specifying the context of the project and the contribution made by the Esker employee concerned. A trophy is then created in the employee's honor, mentioning the achievement, and a surprise presentation of the Osker is organized with the team and the people behind the initiative alongside a small celebration. Through highlighting the recipient's commitment their peers is a powerful means of recognizing individual and collective performance. In 2023, 3 Oskers were presented.

Social dialogue

Each of Esker's subsidiaries have their own system for employee representation through bodies defined by local laws and regulations. Beyond the measures taken to comply with legal provisions and other regularly organized meetings, the company places considerable importance to social dialogue, which contributes to Esker's performance. Therefore, employee representatives may be consulted on matters not included in the mandated areas.

Esker's results are shared with employee representatives and the entire company. This presentation is also available in English, so that all Esker employees are informed about the quarterly performance as well as any achievements and upcoming projects.

In France, the Social and Economic Committee (CSE) and senior management meet regularly to negotiate company agreements, or be consulted on unilateral employer decisions (DUE). The agreements usually include subjects such as:

- gender equality at the workplace (annual deliberations)
- profit-sharing (reviewed every three years)
- remote work regulations (DUE, updated as necessary)
- the right to disconnect
- DUE relating to the supplementary (obligatory) insurance policies/ Esker-wide obligatory healthcare costs (updated as necessary)
- profit-sharing
- etc.



Actions in 2023

- Payment of an equal profit-sharing bonus to all employees (head offices)
- Distribution of 10 bonus shares per employee
- 40 employee referrals worldwide/24 employee referral bonuses paid in 2023 (France)
- Workshops on artificial intelligence & agile methodology in schools and on Esker premises
- Partnerships with Ecole 42 Lyon & CPE Lyon, participation in INSEEC research chair projects
- Formalization of the teleworking policies in France, independent of the public health context: max. 2 days of teleworking per week + 2 additional days per month for full-time employees (for part-time employees, teleworking is adapted to the percentage worked). In all subsidiaries, teleworking policies are also independent of the public health context and limited to eligible employees.
- 32 meetings organized between the Social & Economic Committee and management
- Esker-wide internal satisfaction survey conducted with ChooseMyCompany: all subsidiaries awarded label
- Introduction of internship program

Career management & skills development



KEY INDICATORS

- 96% of employees took part in the annual performance review
- Percentage of staff receiving external training: 49.23%
- 32.56 hours average of professional development, per employee, per year



74.5% of employees surveyed agreed with the statement "My company has an active policy for training and employee development" – Source: HappyIndex@atWork for 2023, performed by Choose My Company

Definition of needs

Esker's success relies fundamentally on the experience and expertise of its employees. Supporting them by offering continuing professional training is crucial to ensuring their employability both internally as well as outside of Esker.

The training plan consists of strategic focus areas defined on a yearly basis by management, new work methods or tool training needs, and per request of employees seeking to develop professionally or retrain. The budget amounts are allocated according to these focus areas and their priority levels. Needs expressed during reviews are collected and prioritized according to the focus areas mentioned above. Training organized by external service providers are subject to an assessment of the acquired knowledge, feeding directly into skills management.

In 2023, Esker has decided to implement a training management tool (called Training Management Solution) through the third-party provider "Place de la Formation". It enables employees to submit their requests and managers to supervise their team's skill development plan.

Dedicated training team & learning culture

A growing training team consisting of 12 people throughout France and the United States handles team and partner company skill development on the company's software solutions and the main tools used on a daily basis. The team's role is to promote training activities, adapt to the needs of the learners, offer effective and innovative learning solutions and boost commitment. The overall objective of the training team is to foster the development of the Learning Culture at Esker, which conforms naturally into the agile culture already in practice.

Esker University platform

Esker has an in-house training platform (Learning Management System), "Esker University", with numerous online modules accessible to all employees worldwide. Operational implementation is executed through a training schedule supervised by managers. Esker employees can also sign up for specific training modules throughout their career, to deepen their knowledge of a variety of subjects, such as Esker solutions. A number of mandatory courses have also been set up through Esker University to make it easier to communicate with employees and track their participation, such as courses about anti-bullying and sexual harassment awareness, anti-corruption or social media best practices.

Training gamification

To make it even easier to learn about Esker products, the in-house Training team has implemented the gamification of the training material. A role-playing activity was developed to help new employees obtain a better understanding of the solutions that Esker develops and markets, the corporate cycles for customers and suppliers, customer challenges and the advantages that Esker solutions provide. The processes and problems they encounter during the game are then replicated and explained directly in the solution software. Quizzes also assist in validating the knowledge at the end of each training module.

Inter-departmental & inter-subsidary exchanges

Exchanges were set up between departments to establish a link between the various subsidiaries and departments. In addition to the obvious sharing of knowledge, these exchanges give employees a chance to spend time with one another. Esker also encourages all new developers to train with the Consulting or Support teams after they've been with Esker for one year, as these are teams with whom they will have to work on a daily basis. In this way, developers are brought into contact with customers, enabling them to experience real-life application of the solutions, and giving more meaning to their work.

Internal mobility

Esker offers many career opportunities, beyond the initial business skills for which an employee was recruited. Depending on their experience, motivation and wishes, employees are offered several types of development and mobility: becoming a manager, changing departments to develop new skills and learn a new trade, changing jobs, and taking on new responsibilities in their current position. In 2023, 79 employees benefited from this internal mobility/evolution program.

As a French software developer with an international presence which includes 15 sites on 4 continents, there are also many opportunities for international mobility.

In 2023, an international mobility process was initiated to promote the possibility of international work experience. English courses have been launched in France, and 49 employees have already taken part in these in 2023. This program will be renewed in 2024.



Actions in 2023

- Offering of non-technical & personal development training courses over the Esker University platform
- Creation of a structure for the internal mobility program in France
- Organization of English courses, offered to all employees in France

Health & safety in the workplace



KEY INDICATORS

- Frequency rate of workplace accidents: 3.29%
- Severity ratio of workplace accidents: 0.0302
- Absenteeism rate: 1.73%
- 12.45% of employees trained in first aid (France only, excluding CalvaEDI)
- 96.16% of employees work remotely

Risk prevention

Preventive actions are carried out each year in France in multiple areas and are detailed in the occupational risk assessment document. Also, a manager is assigned to each site with the delegated authority to implement actions concerning workplace health and safety policies for employees. Esker looks after the health and safety of employees by providing a collaborative, friendly, and functional workplace and by implementing preventive measures. All employees in the head offices and the U.S. subsidiary are equipped with height-adjustable desks to limit the risk of musculoskeletal disorders (MSDs).

A road risk prevention session is organized every year at the head office to raise awareness of road safety for non-motorized transportation methods (bicycles, scooters, etc.).

Employees at the mail production facility in France have the appropriate safety equipment for their work, such as safety shoes and ear plugs. In 2022, Esker replaced the safety footwear for all personnel, and also invested in new protective equipment to safeguard them in case of chemical splashes when cleaning print heads. One third of hearing protectors have also been replaced. Staff participated in an activity on MSDs and sleep in relation to their specific schedules. The ISO 45001 and ISO 90001:2015 certifications of the mail production facility in France reflect Esker's efforts to continuously improve its performance of safety and risk prevention.

In the U.S., employees are educated on the "Run, Hide, Fight" principle, which provides instructions to follow in the event of an attack or active shooter.

Encouraging physical activity

In France, one-and-a-half-hour lunch breaks allow employees to take part in athletic activities. Communities have been created on the initiative of Eskerians based on their interests, and group sessions are organized on a regular basis. Employees can have a gym membership and certain sports equipment reimbursed. Additionally, awareness-raising campaigns are regularly carried out to encourage the use of low-carbon mobility, notably through the "mobilités durables" package, which rewards employees who use their personal bicycles to get to work.

Wellness at work

In 2023 the U.S. subsidiary organized a "Wellness Week". Throughout the week, a range of events and workshops were offered to employees, covering topics such as nutrition, mental health and the importance of regular physical activity.

In France, the Quality of Life and Working Conditions Week was the subject of an awareness-raising e-mail campaign aimed at employees, on the themes of sleep, disconnection, prevention of musculoskeletal disorders and parenthood.

The right to disconnect

Esker regularly reaffirms the importance of respecting rest and vacation times, as well as the balance between employees' private and professional lives, via the Right to Disconnect policy. This policy is integrated into the company's internal regulatory framework. Esker tries to schedule meetings exclusively during working hours. Late-night or early-morning meetings are to be avoided as much as possible, or otherwise planned well in advance. Reminders of the right to disconnect are regularly issued, mainly in HR newsletters and other meetings between managers, Scrum Masters and HR.



88.1% of Esker employees agreed with the statement "I am satisfied with the work-life balance (work hours, flex-time, workload, etc.)." – Source: HappyIndex@atWork for 2023, performed by Choose My Company



Actions in 2023

- 64 employee volunteers trained in first aid & fire evacuation protocols
- ISO 45001 certification obtained for the France mail production facility
- Seasonal flu vaccination campaign (France)
- Organization of a week dedicated to well-being in the U.S. subsidiary



Equal opportunity, diversity & inclusion



KEY INDICATORS

- 32.44% of the workforce are women
- 32.31% of management are women
- -3.74% gender pay gap
- 38 nationalities represented in the workforce
- 13 nationalities represented in management



86% of employees agreed with the statement "At Esker, everyone benefits from the same opportunities for recruitment, remuneration and career development (regardless of age, national origin, education, disability, religious belief, gender identity & expression, sexual orientation, etc.)" – Source: HappyIndex@atWork Survey for 2023 performed by Choose my Company

Gender equality

Convinced that gender diversity fosters innovation, creativity and collaboration within teams, Esker respects equal opportunities for men and women and promotes equal access to positions of responsibility within the company.

Designed to promote equal pay for men and women within companies, the Gender Equality Index enables companies to transparently measure gaps and highlight areas for improvement. The 100-point Index is calculated on the basis of 5 indicators: the gender pay gap, the gap in the distribution of individual pay raises, the gap in the distribution of promotions, the number of employees receiving pay raises upon their return from maternity leave, and parity among the 10 highest earners. The Index ensures that corrective measures are put in place for the following year.

In 2023, Esker obtained a feedback score of 91/100 for France, broken down into the following 5 indicators:



Pay gap



Pay raise gap



Promotion gap



**Return from
maternity leave**



**High
compensation**

Representation of women

Esker's workforce includes 32.44% women worldwide and 32.31% women among managers, demonstrating a representative proportion of the workforce in management positions. Of the four members of the Supervisory Board, two are women, and the ratio is 1 in 8 on the Executive Committee.

A working group dedicated to integrating women into digital professions was set up in 2022. It is made up of 10 Esker women volunteers, with a dual objective: to introduce Esker's technical professions to a female audience, and to ensure that women feel comfortable within in the technical teams and the company.

To promote IT professions among women, several testimonial videos of Esker employees have been filmed and broadcast on social networks. The aim is to help change mentalities about jobs that are predominantly held by men, and to encourage female applicants.

Esker organizes events to mark International Women's Rights Day, which takes place every year on March 8. In 2023, several activities were organized at Esker headquarters by the Eskuad "Integration of women into Digital Professions": a presentation of various activities to foster equality between men and women, a series of video testimonials by Esker women from different subsidiaries, posted on social networks, the creation of an ideas box on the theme of gender equality, and the screening of the documentary film Woman by Anastasia Mikova and Yann Arthus-Bertrand.

Esker signed the international Women's Forum Manifesto on gender equality and has pledged to participate in Forum meetings. These events provide the opportunity to share best practices on gender diversity. Esker also supports the Professional Women's Network, an international organization of women leaders that promotes gender balance in the business world, by regularly providing venues for their events.

Anti-discrimination policies & code of conduct

Several policies and a Code of Conduct were put in place for all Esker entities to guarantee equal hiring and promotion opportunities, to fight against sexual harassment and discrimination, and to ensure a healthy and respectful work environment.

By 2021, all managers in France have been trained in the prevention of sexual harassment and discrimination. Managers also received a full-day training on this subject as part of the "Upskill as an Esker Manager" training course in 2022. All employees in France have also been made aware of this issue. This training program is intended to be gradually extended to all Esker subsidiaries. As a signatory of the Diversity Charter, Esker's Human Resources Department is committed to regularly considering new initiatives, as part of a continuous improvement process in this area.

Parenthood

Aware that parenthood is an integral part of corporate social responsibility, Esker is committed to supporting parents by offering them with options designed to preserve the balance between their professional and personal lives. Pregnant women can take advantage of additional remote work arrangements that go beyond the current policies. To facilitate the return from maternity leave, a breastfeeding room has been made available in the French offices in 2022, as well as in the American subsidiary. Esker is also committed to using the term "co-parent" in France to encompass all forms of family structures, and the minimum seniority required to benefit from co-parenting leave is set at one year (compared to two years in the Syntec collective bargaining agreement). Finally, in France, one paid day off per year per employee is offered to care for a sick child. Emergency childcare is made available through a local partner, to provide an alternative in the event of the usual childcare arrangements being unavailable.

Gender identity

To meet the needs of transgender people who have not had their first name changed at the civil registry office, Esker enables and facilitates the use of their chosen first name. The HR department assists them in using their chosen first name in all nonlegal systems and documents, and offers communication support if the need arises. Employees also have the option of adding their preferred pronoun(s) to the internal directory and to their external email signature.

As part of Transgender Awareness Week, the U.S. subsidiary's Eskuad "Diversity and Inclusion" organized a presentation by the OutReach Madison association, with the aim of raising employee awareness of the many struggles and issues facing the transgender community.

Eskuad "Diversité et Inclusion" in France organized several awareness-raising activities to mark the International Day against Homophobia and Transphobia on May 17, 2023, including a lunchtime quiz covering the concepts of sex, gender, sexual orientation, trans identity and non-binarity, a poster campaign in common areas and providing informational resources to dive deeper into this subject.

Diversity

Esker considers a broad range of diversity to be an asset, and encourages it by promoting international collaboration and the development of talent worldwide. Diversity initiatives focus in particular on recruitment and international career development. Various initiatives are undertaken to develop intercultural exchanges, such as inter-subsidary language exchanges to develop language skills. Employees from certain multi-localized teams are also required to travel regularly to meet their international peers, and share experiences and best practices.

Esker is proud to support the JeNeSuisPasUnCV initiative, which aims to put candidates in touch with each other on the basis of their skills alone, rather than their past experience or qualifications.

In France, a working group dedicated to Diversity and Inclusion was created in July 2022, to address various themes such as gender identity, disability, parenthood, neurodiversity, ethnicity or job stereotypes, to continue making Esker an inclusive company.



91.4% of employees agree with the statement: "I find that Esker promotes diversity and inclusion." – Source: HappyIndex®atWork Survey for 2023 performed by Choose my Company

Accessibility & disability

Through one of its service providers Esker promotes the professional integration and job retention of people with disabilities.

In June 2023, nearly 50 Eskerians participated in the Activ' Challenge, a quiz game about various disabilities. During the European Week for the Employment of People with Disabilities, three activities were organized: a conference hosted by Malakoff Humanis; distribution of flyers about the RQTH (procedure and conditions of access to assistance for disabilities) and a conference with AMF Telethon, an organization committed to disability awareness. Employees were also introduced to the disability point person, who can assist them with the RQTH procedure. Esker also offers two days of PTO to any employee who would like to apply for or renew their RQTH status.

To mark National Disability Day, an awareness campaign was carried out in the U.S. subsidiary.



Actions in 2023

- Support for the JeNeSuisPasUnCV initiative
- Mandatory training for new hires (in France) about sexual harassment & gender discrimination
- Participation in the Activ' Challenge & the European Week for the Employment of People with Disabilities for employees of the head offices
- LGBTQIA+ awareness & inclusion activities at head offices & the U.S. subsidiary
- Inclusion & diversity activities at U.S. subsidiary
- Diversity & inclusion training for the Corporate HR Team



4

Contributing to the Protection of the Planet

Taking into account that IT activities contribute to climate change by consuming energy, emitting CO₂ and places pressure on scarce raw materials, Esker is strongly committed to reducing its carbon footprint. We hope to achieve this by investing in energy efficient measures for the offices, and by recovering the waste produced by its mail production facilities. Esker encourages the use of low-carbon transport for commuting and facilitates remote work wherever possible. Esker regularly carries out training for employees with the aim of developing their commitment to environmental protection. IT equipment at the end of its life cycle is handled responsibly, and the energy efficiency of data centers that host Esker's cloud platform is regularly monitored. Esker also remains committed to the continuous renewal of its ISO 14001 certification.

Carbon footprint & energy efficiency



KEY INDICATORS

- ISO 14001 certification (France mail production facility & offices)
- Global carbon emissions: 9.3 kt.CO2e
 - Scope 1: 266 t.CO2.e
 - Scope 2: 426 t.CO2.e
 - Scope 3: 8,565 t.CO2.e
- 52 t.CO2e per €m of revenue
- 8.9 t.CO2e per employee

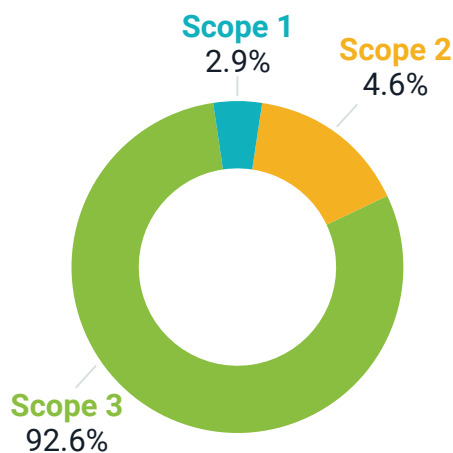


75.3% of Esker employees agree with the statement "I feel that my company takes sufficient account of current environmental issues." – Source: HappyIndex@atWork Survey for 2023 performed by Choose my Company

Annual carbon report

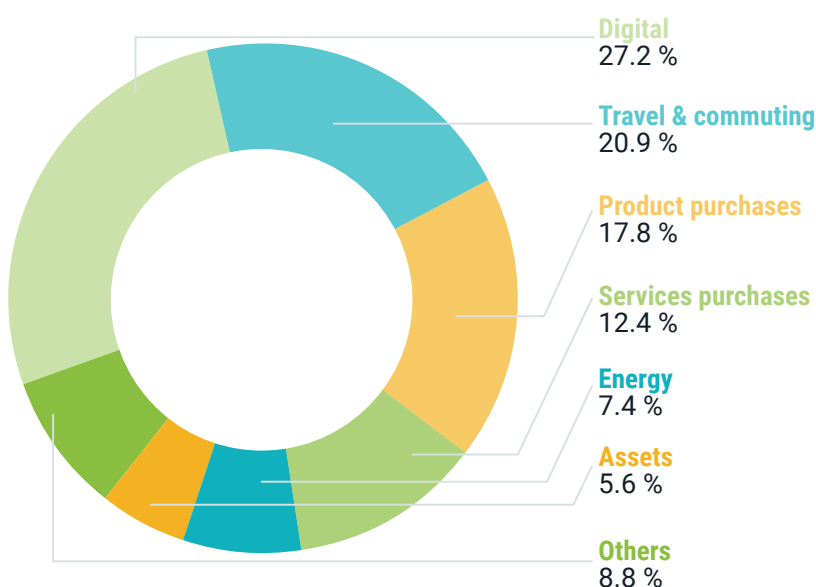
Esker is strongly committed to reducing its environmental footprint and investing in the energy efficiency of its offices and mail production facilities. Esker has proactively established a Carbon Report, which has been published annually for the locations in France since 2018. This was gradually extended to Esker's subsidiaries, identifying where improvements are needed in the company's energy performance. In 2023, Esker's emissions covering Scopes 1, 2, and 3 for its worldwide operations were 9.3 metric tons of CO2e. That represents 8.9 t.CO2e per employee.

Breakdown of emissions (% tCO2e)



Scope 1: 266 tCO2e
Scope 2: 426 tCO2e
Scope 3: 8,565 tCO2e

Categories scope 3 (% tCO2e)



In 2023, Scope 3 emissions represented 92.6% of Esker's emissions. The breakdown of these emissions by category and scope is as follows:

| Scope | Catégorie | Description | CO2e (tCO2e) |
|----------------------|-----------|---|---|
| 1 | 1.1 | Generation of electricity, heat or steam | 77 |
| 1 | 1.2 | Transportation of materials, products, waste, and employees | 181 |
| 1 | 1.3 | Physical or chemical processing | 0 |
| 1 | 1.4 | Fugitive emissions | 8 |
| Total Scope 1 | | | 266 |
| 2 | 2.1 | Electricity related indirect emissions | 426 |
| 2 | 2.2 | Steam, heat and cooling related indirect emissions | 0 |
| Total Scope 2 | | | 426 |
| 3 | 3.1 | Purchased goods and services | 5,616 |
| 3 | 3.2 | Capital assets | 557 |
| 3 | 3.3 | Fuel- and energy- related activities not included in Scope 1 or Scope 2 | 184 |
| 3 | 3.4 | Upstream transportation and distribution | 357 |
| 3 | 3.5 | Waste generated in operations | 74 |
| 3 | 3.6 | Business travel | 1,460 |
| 3 | 3.7 | Employee commuting | 319 |
| 3 | 3.8 | Upstream leased assets | 0 (not affected by Esker's activities) |
| 3 | 3.9 | Downstream transportation and distribution | 0 (Emissions linked to the distribution of products sold are included in category 3.1.) |
| 3 | 3.10 | Processing of sold products | 0 (not affected by Esker's activities) |
| 3 | 3.11 | Use of sold products | 0 (not affected by Esker's activities) |
| 3 | 3.12 | End-of-life treatment of sold products | 0.04 |
| 3 | 3.13 | Downstream leased assets | 0 (no assets for the direct use of Esker customers) |
| 3 | 3.14 | Franchises | 0 (not affected by Esker's activities) |
| 3 | 3.15 | Investments | 0 (not affected by Esker's activities) |
| Total Scope 3 | | | 8,565 |



In 2022, Esker was awarded Score Carbone® A by Axylia. The Axylia Carbon Score® assesses, on a scale from A to F, a company's ability to pay its carbon emissions equivalence bill. This rating indicates "whether a company is truly profitable and responsible, after accounting for the cost of the CO2 it emits".

Implementation of Greenly

In 2023, Esker implemented the Greenly solution to facilitate environmental data collection for all its subsidiaries. The tool analyzes sources of emissions and can be used to implement an action plan derived from historical and real-time data on the company's carbon footprint. Updatable reports and dashboards will assist in fine-tuning the monitoring of the environmental performance of each region in 2023 and identify the most significant emissions sources.

ISO 14001 certification

ISO 14001 defines the criteria for an environmental management system and provides a framework that companies and other organizations can apply in order to establish effective management of the environmental footprint. Esker began certifying the France mail production facility in 2019 and all offices in France in 2020, paving the way for the implementation of additional improvements to reduce Esker's environmental footprint. In 2023, the ISO 14001 certifications for the offices and mail production facility in France were renewed.

Sustainable office layout

At all of its sites, Esker chooses sustainable options for the layout of its offices, including LED light bulbs and motion detectors in public areas. Esker optimizes the resources used to develop new business and closely monitors the environmental impacts associated with its mail production facilities. Means of production are continuously optimized in an ongoing effort to reduce electrical consumption. The purchasing and depreciation policy also includes environmental criteria for IT equipment (purchases of EPEAT Bronze and Gold workstations and servers, and Energy Star-certified screens).

Employee awareness

Esker has implemented several initiatives to raise employee awareness about environmental issues and encourages them to actively engage in environmentally responsible behaviors. Internal communications are also distributed on a regular basis to share Esker's strategy, commitments and accomplishments through newsletters and events.

To kick off the year 2023, a workshop dedicated to eco-responsible actions, led by [The Greener Good](#) organization, was offered to employees at the Villeurbanne head offices. In September 2023, the AES committee organized the second Esker Green Week. The aim of this activity is to raise awareness among Esker employees about environmental causes, and more specifically about waste sorting, recycling and management. In 2023, the week included activities such as: WEEE collection, an ESG Day dedicated to waste collection, magnet fishing cleanup of the Rhône river, a quiz game on waste sorting at the offices, and a visit to Les Alchimistes composting platform, among others.

The Spain subsidiary entered into a new collaboration with an NGO for the preservation and conservation of the seas and marine reserves: [Oceano Alfa](#).

Climate Fresk

Following the initiative of members of the AES (Actions Environnementales et Sociétales) Committee, Esker Management rolled out Climate Fresk workshops for all employees. Five Esker volunteers were trained to run eight Climate Fresk sessions in 2023, assisted by an external organization. The 79 attendees included the Board of Directors, who deliberated on energy use and climate issues at Esker.

Participation in this workshop is on a voluntary basis. Esker hopes to involve as many employees as possible without making it compulsory.

The next step will be to roll out this workshop to Esker's subsidiaries, starting with the U.S. subsidiary in 2024.



Actions in 2023

- Renewal of ISO 14001 & ISO 9001 certifications for France mail production site & head quarter offices
- Awareness-raising activities in all Esker subsidiaries
- 5 employees trained to lead the Climate Fresk workshops
- 79 employees participated in the 8 in-house Climate Fresk workshops



Employee mobility & remote work



KEY INDICATORS

- Emissions related to business travel: 1,663 t.CO2e
- Emissions related to commuting: 279 t.CO2e
- 53% of employees use environmentally friendly modes of transportation to commute to work
- 60% hybrid or electric vehicles in the fleet
- 96.16% of employees eligible for remote work

Business travel policy

A business travel policy has been rolled out in France, with the aim of reminding employees of environmentally friendly travel practices. A progressive deployment of this travel policy is also planned for all subsidiaries, as part of a continuous improvement and standardization of our practices.

To reduce its CO2 emissions and to encourage the use of low-carbon modes of transportation, Esker is developing a number of incentive programs to promote other mobility options, such as favoring rail over air travel whenever possible or promoting low-carbon or electric vehicles in its fleet.

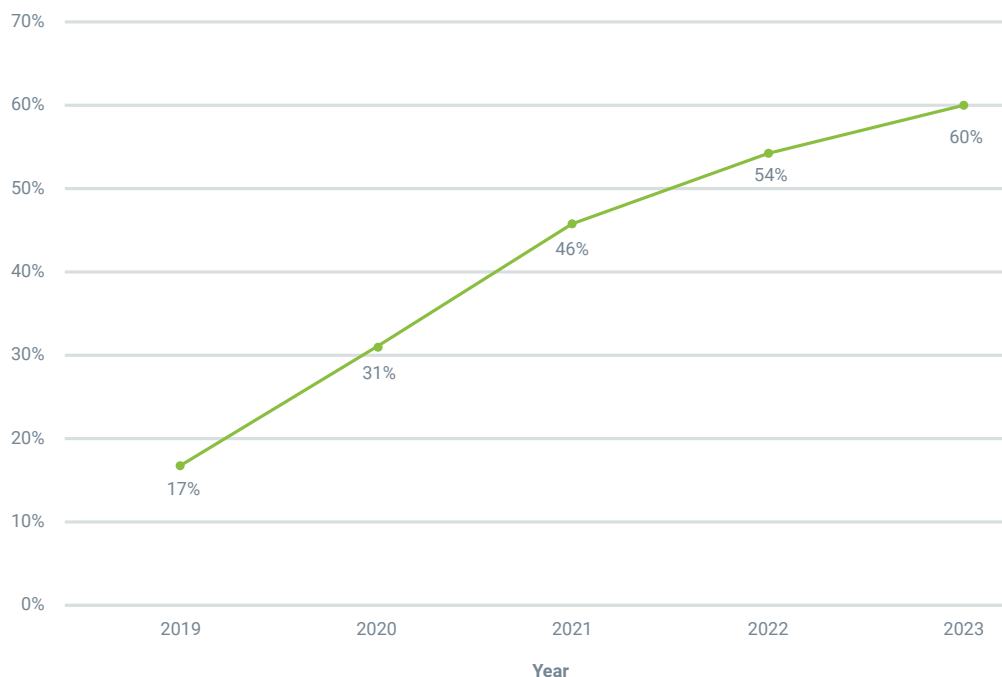
The Travel Department, which manages travel reservations for head office employees, has included environmental criteria in its policy for choosing airlines and hotels. The carbon emissions generated by employee travel are indicated on the reservation materials to inform them about the environmental impact of their trip. To further reduce the impact of business travel, environmental criteria have been integrated into the choice of airlines. In 2021, the Travel Department, participated in a training course titled "Integrating ESG Into Your Travel and Mobility Program".

The main supplier of the seat reservation tool Selectour Bleu Voyages has been awarded a renewal of the Positive Workplace® CSR label for 2023. It is the first travel company to obtain this CSR label.

Vehicle fleets

60% of Esker's fleet is made up of hybrid or electric vehicles. The entire company fleet is in the process of gradually being replaced with either hybrid or electric vehicles, as the automotive service provider is offering increasingly environmentally friendly options. The rate of replacement is currently at 100% for both the Spain and U.K. subsidiaries. In France, employees with company vehicles are incentivized to select a hybrid or electric car, by increasing the expense budget for each employee by €100 per month for electric cars and by 55€ per month for hybrids.

Percentage of hybrid or electric cars in the company fleet



Commuting

In France, employees are encouraged to use environmentally-friendly transportation to get to their place of work through the payment of a sustainable mobility reimbursement for employees who use their personal bicycle to get to work. This reimbursement is capped at €200 per year per employee, or €16.66 per month. In 2023, applications for the sustainable mobility reimbursement have increased by 20% compared to 2022.

Secure bicycle storage facilities and recharging points for electric bikes have been installed at head offices. Employees of the U.S. subsidiary are also encouraged to cycle to work.

As part of Esker's carbon footprint analysis, a survey is carried out every year to find out more about employees' modes of transport. In 2023, 60% of employees responded to this survey (620 respondents).

279 kgCO₂e

Average carbon footprint
per employee per year for
commuting to and from work

53%

Percentage of employees using public
transport or low-emissions transport
to get to their place of work (including
bicycles, electric scooters and walking)

Remote work policy

Esker has adapted to new forms of work organization and to its employees' need for greater flexibility by introducing a remote work policy. Launched in early 2020 to give its employees greater flexibility and accelerated by the COVID-19 pandemic, it allows employees to work remotely two days per week, plus two "floating" days per month, for a total of 50% of their work time, and up to 60% in the U.K. subsidiary.



ACTIONS IN 2023

- Increase in the number of hybrid & electric vehicles in the company fleet
- Installation of four additional charging points for 100% electric vehicles in the head offices parking lot (excluding company vehicles)
- Installation of additional three charging points for electric or hybrid vehicles (for company cars) in the head offices parking lot
- Installation of charging points for electric vehicles at the U.K. subsidiary

Waste management & circular economy



KEY INDICATORS

- Recovery of 100% of waste from the mail production facility in France excluding non-hazardous industrial waste
- 42% of waste recycled from France offices

Waste reduction & recovery at mail production facilities

Esker aims to cut down on the amounts of raw materials used in its mail processing, as these activities are of course linked to waste production. A high-priority goal is to reduce waste by adhering to the ISO 9001 quality management system and increasing the reuse rate. Esker's main mail production facility is located in France and recovers 100% of its waste. Other facilities are in the process of implementing more accurate waste monitoring systems to reach the same waste recovery rate.

Waste sorting

Raising employee awareness and encouraging waste sorting enable Esker to maximize waste reuse and thereby minimize its environmental impact. Sorting bins are made available throughout the premises, and regular workshops are held to encourage sorting, such as a quiz on the life cycle of waste and an introduction to the concept of zero waste. Since 2022, the French subsidiary has been able to track all its non-hazardous industrial waste, thanks to the integration of this new indicator by its waste management service provider ELISE.

In 2023, composting bins were made available to employees at the Villeurbanne head offices and at the U.S. subsidiary for food waste to be recycled.

In France, coffee capsule collection has also set up by the service provider Ana TriCaps, which enables the recycling of all types of coffee capsules. Containers have also been installed to collect cigarette butts, which are then recycled and converted into fuel by Cy-Clope. In 2023, 4.8 kilos of cigarette butts were recycled. A zero-waste connected refrigerator has also been in place at head office for several years, with the aim of reducing food packaging waste.

Since 2023, Esker offices in the U.K. have been equipped with sorting garbage cans, enabling office waste to be sorted and recycled.

The circular economy

With the aim of reducing the environmental footprint of its IT equipment, Esker has given a second life to its hardware by donating 6 CPUs to the [Atelier Soudé](#) organization.



Actions in 2023

- Installation of compost bins in head offices & at the U.S. subsidiary
- Collection & recycling of coffee capsules & cigarette butts at head offices
- Introduction of waste sorting & recycling procedures at the U.K. subsidiary
- Organization of the Esker Green Week to raise awareness for waste sorting & recycling
- WEEE collection at head offices
- Donation of computer equipment to the Atelier Soudé organization

The digital carbon footprint



KEY INDICATORS

- 38% of customers hosted on Microsoft Azure (up 7 points from 2022)
- Power Usage Effectiveness (PUE) of the data centers:
 - Colt: 1.69
 - CDW: 1.21
 - Azure: 1.18 (2022)
 - AWS: information not available
 - Google Cloud Platform: 1.10

Life cycle extension of IT equipment

As an economic performance factor, conserving resources contributes significantly to lowering carbon emissions, and waste recovery supports the development of a circular economy. Esker strives to extend the life cycle of the company's IT equipment and electronic devices as much as possible. This is achieved through an internal maintenance service, the aftersales service of suppliers, and electronic equipment buyback programs benefiting charities chosen by the employee. Various organizations are responsible for the collection, dismantling, and professional disposal of end-of-life equipment. Waste from electrical and electronic equipment (WEEE) amounted to 874 kg in 2023.

In France, Fairphone mobile phones have been added to the in-house cell phone catalog. This enables employees to choose a sustainable, repairable and fair-trade cell phone.

As part of its ESG roadmap, Esker is committed to extending the lifespan of its IT equipment. In 2023, the lifespan of smartphones for the in-house fleet has been extended from 24 months to 36 months.

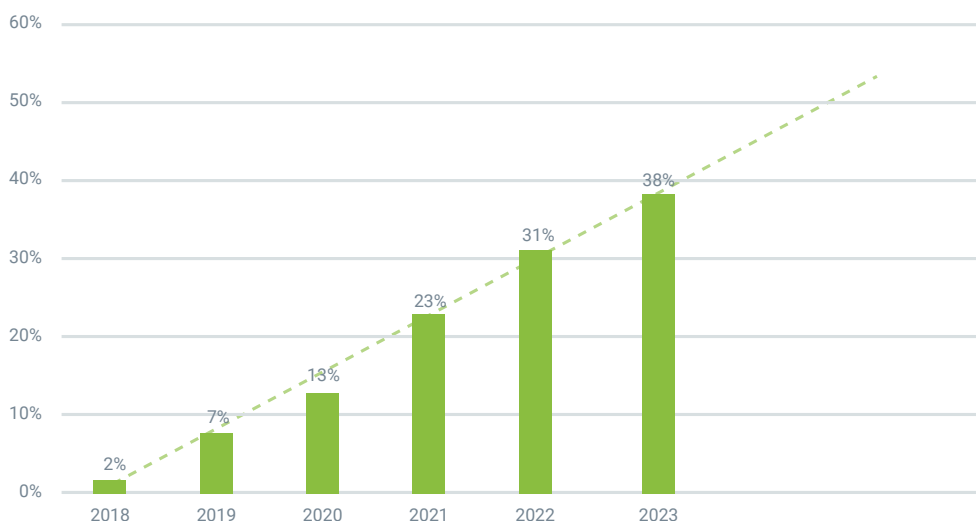
Energy efficiency of data centers

The exponential growth of digital technology, with the processing and hosting of an increasing amount of data, is leading to a sharp increase in global energy demand for data centers. Developed by the Green Grid, PUE is the standard industry metric used to measure and monitor the energy efficiency of data centers. PUE is a standard calculation: total kWh used by all site infrastructure divided by the kWh used by IT infrastructure. As a result, Esker obtains the PUE of its major data center providers every year (except AWS, which does not report the metric). This guides the selection of future data centers based on company needs.

Microsoft Azure

Whenever possible, to reduce its own environmental footprint, Esker chooses suppliers that are committed to sustainability practices. Therefore, the majority of new Esker customers are hosted by default on Microsoft Azure, which uses a significant amount of renewable energy for its data centers and whose server-based billing model—the more servers you use, the higher the price—encourages moderation.

Number of EoD customers hosted on Microsoft Azure data centers



In 2023, 72% of new Esker on Demand customers were hosted on Microsoft Azure. This represents an increase of 16% points compared to 2022. The share of EoD sales generated by customers hosted on Microsoft Azure data centers will reach 38% in 2023, compared to 2% in 2018.

Microsoft has pledged to move to 100% renewable energy in its buildings and data centers by 2025, and to have a negative carbon footprint by 2030.

According to a study on the benefits of cloud computing, migrating from local data centers to the Microsoft Cloud would significantly reduce the company's carbon footprint*.

By 2027 Esker aims to have 60% of its customers hosted on Microsoft Azure.

Environmentally responsible development

Esker also ensures that the R&D teams are attentive to the digital footprint of the software, encourages the optimizations of services and limits energy consumption.



Actions in 2023

- 72% of new Esker on Demand customers are hosted on Microsoft Azure
- 874 kg of WEEE recovered (France only)
- €4,614.35 raised for associations through internal resale of IT equipment
- Lifespan of smartphones for the in-house fleet extended from 24 to 36 months

*Source : The Carbon Benefits of Cloud Computing: A Study on the Microsoft Cloud in partnership with WSP. 2020. Microsoft.



Report details

Non-financial reporting covering all ESG indicators at the corporate level was initiated in 2019. This approach highlights a positive dynamic and will result in the gradual extension of the scope for these indicators and their adoption by all subsidiaries, or at least the two main Esker subsidiaries—France and the United States—when the information is not available for the other subsidiaries. Esker's ESG reporting is managed by the ESG Committee and a network of contributors in all Esker subsidiaries.

The majority of the ESG data is collected through individual discussions with representatives in the subsidiaries, a dedicated ESG reporting tool, and other internal reporting mechanisms. The data provided by the individual contributors is then consolidated at the global level.

The reporting covers the period from January 1 to December 31, 2023, for all indicators, and the scope is the same as for financial reporting, i.e., all Esker subsidiaries (except where indicated differently).

Topics excluded from the non-financial statement

Considering the nature of Esker's activities as presented in this document and, in particular, its business model, it would appear that the implications of regulations on sustainable food (combating food insecurity, respecting animal welfare, responsible, fair and sustainable food practices, and combating food waste) are limited for the company.

Methodological explanations & limitations

The process for collecting information and indicators will be routinely updated, notably in light of the change of scope, and awareness among contributors will be raised in order to reinforce the quality and applicability of the information.

Reporting on certain indicators may have limitations due to:

- The absence of national and/or internationally recognized definitions
- The necessary estimation, representativeness of the measures, or limited availability of external data required for calculations
- The practical procedures for collecting and recording this information

For that reason, whenever possible, definitions, methodologies, and, where applicable, the associated margins of uncertainty, are specified for the corresponding indicators.

Details & methods used for calculating key indicators

Governance indicators

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|-------|-----------------------------|-----------------------------|-----------------------------|-------------------|
| Corporate governance aspects | | | | | |
| Percentage of independent directors on the Supervisory Board | Group | 100% | 100% | 100% | GRI 102-22 |
| Average rate of attendance at Supervisory Board meetings | Group | 100% | 100% | 100% | |
| Percentage of women on the Supervisory Board | Group | 66% (2 out of 4) | 50% (2 out of 3) | 50% (2 out of 4) | GRI 102-22, 405-1 |
| Number of Board meetings | Group | 5 | 5 | 5 | |
| Total number of special Board committees | Group | 3 | 4 | 4 | |
| Existence of an audit committee | Group | Yes | Yes | Yes | |
| Existence of a compensation & nominating committee | Group | Yes | Yes | Yes | |
| Existence of an ESG committee | Group | Yes | Yes | Yes | |
| Existence of a cybersecurity committee | Group | No | Yes | Yes | |
| Percentage of women on the Board of Directors | Group | 25% (2 out of 8) | 18.75% (1.5 out of 8) | 12.5% (1 out of 8) | |
| Percentage of share capital owned by founders, their families & executives | Group | 6.7% | 10% | 10% | |
| Capital control of shares (ownership >=34% of shares) by one shareholder or group of shareholders | Group | No | No | No | |
| Existence of double or multiple voting rights | Group | Yes | Yes | Yes | |
| Existence of shareholder agreement(s) | Group | No | No | No | |
| Publication of Board Rules of Procedure on website | Group | Yes | Yes | Yes | |
| Governance structure | Group | Dual (Supervisory Board) | Dual (Supervisory Board) | Dual (Supervisory Board) | |
| Effective tax rate | Group | 22.4% | 23.6% | 25.6% | |
| Percentage of fees for audits in auditor fees | Group | 88.01% | 77% | 94.13% | |
| Number of meetings to present financial results | Group | 2 | 2 | 6 | |
| Number of visitors to Investors website | Group | 4 717 (FR) 8 713 (EN) | 7,039 (FR) 10,859 (EN) | 4,924 (FR) 23,743 (EN) | |

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| Ethics & compliance | | | | | |
| United Nations Global Compact Member | Group | Yes | Yes | Yes | |
| CEO's salary relative to the world median salary | Group | 8.77 times the median salary | 9.17 times the median salary | 9.24 times the median salary | <i>GRI 102-38</i> |
| Presentation of ESG strategy to the Supervisory Board | Group | Yes | Yes | Yes | |
| Formal policy on business conduct and anti-corruption measures | France (excluding CalvaEDI) & U.S. | Yes | Yes | Yes | |
| Percentage of employees with awareness training on business conduct & anti-corruption policies | France (excluding CalvaEDI) | 96% | 98% | 98.8% | <i>GRI 205-2</i> |
| Number of violations of the internal code of conduct | France (excluding CalvaEDI) | 0 | 0 | 0 | <i>G205-3, GRI 206-1</i> |
| Existence of an ethics whistleblowing system | France | Yes | Yes | Yes | |
| Whistleblower confidentiality ensured | France | Yes | Yes | Yes | |
| Number of incidents reported by a whistleblower | France | 0 | 0 | 0 | <i>G205-3, GRI 206-1</i> |
| Number of harassment reports | Group | 1 | 0 | 1 | <i>GRI 206-1</i> |
| Sustainable supply chain | | | | | |
| Formal Sustainable Purchasing Policy | France | Yes | Yes | Yes | |
| Adherence to the Sustainable Supplier Relations Policy | France | Yes | Yes | Yes | |
| Integration of social & environmental criteria into purchasing practices | France | Yes | Yes | Yes | |
| Integration of supplier location into purchasing practices | France | Yes | Yes | Yes | |
| Existence of an ESG Code of Conduct for suppliers | France | Yes | Yes | Yes | |
| Analysis of supplier ESG risks | France | Yes | Yes | Yes | |
| Number of targeted suppliers covered by a ESG assessment | France | 50 | 60 | 70 | <i>GRI 308-1, GRI 414-1</i> |
| Average supplier payment deadlines (in days) | France | 30 | 32.5 | 37.5 | |
| Identification of economically dependent suppliers | France | Yes | Yes | Yes | |
| Existence of a quality management system | France | Yes | Yes | Yes | |
| Percentage of business with ISO 9001 certification | Group | <50% | <50% | <50% | |

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|--------|----------------|-----------|----------|---------------|
| Community engagement | | | | | |
| Donations benefitting education | France | €55,000 | €140,000 | €85,400 | |
| Donation benefitting cultural activities | France | €200,000 | €180,000* | €245,000 | |
| Percentage of annual revenue allocated to sponsorships | Group | 0.2% | 0.1% | 0.2% | |
| Employee work hours donated to nonprofit causes | Group | 462 h (France) | 225 h | 598 h | |
| Employee PTO days donated to "l'Entreprise des Possibles" | France | - | 14.5 days | 10 days | |

* An error was detected in the amount carried forward to 2022. The donation amount supporting cultural activities in 2022 was €180,000.

Governance aspects

Percentage of independent directors on the Supervisory Board: Independent directors are members of the Board with no conflicts of interest who, through their knowledge and independent judgment, contribute to the Board's ability to carry out its duties.

Percentage of women on the Supervisory Board: Claire Valencony was one of eight members of Esker's Supervisory Board in 2023.

Percentage of share capital owned by founders, their families and executives: Jean-Michel Bérard, President of the Board and company founder, held 6.4% of the share capital and 10.6% of voting rights on December 31, 2023. This information is indicated in a document provided monthly by the corporation's bank, titled: "Shareholder Voting Rights (Securities Detail)".

Monitoring of share capital (ownership $\geq 34\%$ of shares) by one shareholder or group of shareholders: No shareholder holds more than 34% of the share capital. Share capital is monitored based on a document provided by the corporation's banks. Esker does not have stock ownership information for a significant portion of the share capital (bearer shares).

Existence of double or multiple voting rights: Existence of double voting rights for registered shares held for more than two years.

Existence of shareholder agreement(s): The Shareholder Agreement is a private agreement. Currently, corporate management is not aware of the existence of any shareholder agreements.

Publication of Board Rules of Procedure on website: The Rules of Procedure of the Supervisory Board are available on this web page: <https://www.esker.com/investors/shareholders-meeting/>

Governance structure: Esker is a public limited company with an Executive Board and a Supervisory Board.

Effective tax rate: Esker SA (France) is subject to a tax rate of 10%. The Esker's effective tax rate (world-wide) is 23.6%.

Number of meetings to present financial results: Management holds half-yearly meetings with investors to present financial and commercial results.

Ethics & compliance

United Nations Global Compact Member: Esker has been a signatory to the Global Compact France since 2019.

CEO's salary relative to the world mean salary: The ratio of the total annual compensation of Esker's CEO to the median total annual compensation of all employees worldwide. The calculation takes into account open-ended contracts, fixed term contracts for increases in activity, work-study contracts and apprenticeships, but excludes internships. Total annual compensation includes both fixed and variable compensation. Employees are counted on a full-time equivalent basis.

Presentation of ESG strategy to the Supervisory Board: Esker's ESG Manager presented the strategy, actions and results of the ESG policy at the Supervisory Board meeting in September 2023.

Formalization of a business conduct and anti-corruption policy: In accordance with the Sapin II law, a Code of Conduct "defining and illustrating the various behaviors to be proscribed as likely to characterize acts of corruption or influence peddling" has been drafted and implemented within the company. CalvaEDI (Paris site) is excluded from the indicators linked to the internal code of conduct.

Percentage of employees made aware of the code of ethics (business conduct and anti-corruption policy): All employees, as well as all new hires in France, are required to take an online training course to inform them about the internal code of conduct. Those considered to be "at risk" (department managers, sales, marketing and consulting teams) have taken a 2-hour training course provided by an external, independent organization. Other employees follow an online training course.

Responsible supply chain

Formal Sustainable Purchasing Policy: Esker's Sustainable Procurement Policy is available on this link: https://cloud.esker.com/fm/others/sustainable_procurement_policy-en.pdf

Existence of a Code of Conduct for suppliers: The Supplier Code of Conduct is available here: https://cloud.esker.com/fm/others/esker_supplier_code_of_conduct-co.pdf

Identification of economically dependent suppliers: The list of suppliers was reviewed by Esker management while taking into consideration the volume and type of purchases as well as the size and economic soundness of these entities. This review found no significant supplier dependence on Esker. This situation is consistent with the company's business, which involves less the purchase of materials and services than skilled human resources.

Existence of a quality management system: ISO 9001 certification, which sets out the criteria for a Quality Management System, was obtained and renewed for the Décines mail production facility and the Villeurbanne office.

Business indicators

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|-------|-------------|-------------|-------------|---------------|
| Data protection & security | | | | | |
| ISO 27001 certification of the Esker on Demand platform | Group | Monitored | Monitored | Monitored | |
| Number of complaints for non-compliance with the GDPR | Group | 0 | 0 | 0 | GRI 418-1 |
| Existence of an internal IT charter | Group | Yes | Yes | Yes | |
| Percentage of employees who have successfully completed online training on data protection & security | Group | 99.8% | 99.5% | 99.91% | |
| Existence of IT system penetration tests | Group | Yes | Yes | Yes | |
| Presentation of IT risks to the governance bodies at least once a year | Group | Yes | Yes | Yes | |
| Innovation & customer satisfaction | | | | | |
| Uptime of the Esker on Demand platform | Group | 99.980% | 99.953% | 99.938% | |
| Amount invested in R&D | Group | €14,075,000 | €15,175,000 | €17,315,000 | |
| R&D spending (% of annual revenue) | Group | 10.5% | 9.5% | 9.0% | |
| Customer satisfaction survey | Group | Yes | Yes | Yes | |
| Customer NPS | Group | +61.83 | +67.18 | +70.36 | |
| Formalized Business Continuity Plan | Group | Yes | Yes | Yes | |

Data protection & security

ISO 27001 certification of the Esker on Demand platform: ISO 27001:2013 certification obtained for Esker on Demand services.

Existence of an internal IT policy: Esker's IT policy is signed by each new employee and is available on the company's intranet.

Number of complaints for non-compliance with GDPR: Number of complaints received for disregarding GDPR regulations, consisting of an official request to the CNIL or local equivalent.

Percentage of employees who have completed online training on data protection and security: Training conducted through the internal training tool, Esker University, which tracks the number of employees trained and who have passed the test following the online training on data protection and security. Each employee is required to complete this training within two months after joining the company or otherwise lose access to their Esker account. This percentage reflects the number of employees who have taken this training out of the number of employees registered for the training and serving the company as of December 31. It excludes people on long-term sick leave (over 12 months).

Existence of IT system penetration tests: Penetration tests are performed regularly by an external service provider to assess the vulnerability of the Esker's IT systems.

Presentation of IT risks to the governance bodies at least once per year: Esker's ISSO is regularly asked to report on the identified risks and actions implemented by teams to the Board of Directors and the Supervisory Board. Security is a priority issue for Esker and is discussed at most meetings of the governance bodies.

Innovation & customer satisfaction

Uptime of the Esker on Demand platform: The Esker on Demand platform is available 24/7 in real time on the TrustEsker site, which Esker on Demand platform customers can access.

Amount invested in R&D: This amount includes R&D expenses over the reporting period.

R&D spending % of annual revenue: Percentage of revenue spent on R&D during the reporting period.

Customer satisfaction survey: Surveys are sent to Esker on Demand platform users on a random basis or following interactions with customer-facing staff.

Customer NPS score: Customer satisfaction rate based on surveys sent to Esker on Demand users following interactions from the Consulting, Support and eXperience team members. Each survey contains the question "Would you recommend Esker?" The results of these surveys are processed and monitored by the U.S. CX Manager.

Formal Business Continuity Plan: Esker's Business Continuity Plan describes the strategy to be implemented in dealing with identified risks, based on their probability of occurrence and severity of impact, and defines the related procedures and resources.

Social indicators

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|--|--------|------------|------------|------------|---------------|
| Characteristics & social policy | | | | | |
| Total workforce at year-end | Group | 839 | 953 | 1,042 | GRI 102-7 |
| | France | 432 | 488 | 522 | |
| FTE employees at year-end | Group | 827.76 | 940.4 | 1,034.47 | |
| Average number of FTE employees | Group | 804 | 900.1 | 1,015.63 | |
| FTE permanent employees at year-end | Group | 826.76 | 893.37 | 1,021.47 | |
| Percentage of permanent employees at year-end | Group | 99.9% | 98.22% | 98.46% | |
| Number of departures | Group | 77 | 120 | 94 | |
| - resignation | Group | 5.77% (47) | 8.29% (79) | 4.41% (46) | |
| - termination | Group | 0.86% (7) | 0.63% (6) | 1.73% (18) | |
| - other reasons for departure | Group | 2.08% (17) | 3.04% (29) | 1.63% (17) | |
| - end of fixed-term contracts | Group | 0.61% (5) | 0.52% (5) | 1.15% (12) | |
| Number of departures of FTE permanent employees | Group | 75 | 115.15 | 79.22 | |
| Restructuring that has led to collective layoffs over the year | Group | No | No | No | |
| Percentage of total workforce located in the country of the registered offices | Group | 51.43% | 51.21% | 50.10% | |
| Percentage of permanent workforce located in the country of the registered offices | Group | 51.43% | 49.89% | 48.66% | |

| | | | | | |
|---|--------------|-----------|-------------|--------------|--|
| Percentage of workforce operating in countries considered precarious in terms of fundamental worker rights (USA & Asia) | Group | 30.48% | 29.70% | 27.45% | |
| Average age of employees (years) | Group | 38 | 38.3 | 38.11 | |
| Share of managers | France | 89.77% | 88.11% | 92% | |
| Payroll (€ thousands) | Group | 84,139 | 94,061 | 114,776 | |
| Median salary (€ thousands) | Group | 53,520 | 56,381 | 59,643 | |
| Average salary (€ thousands) | Group | 64,922 | 69,857 | 73,503 | |
| Percentage of employees covered by benchmark living wage analysis | Group | - | - | 100% | |
| Percentage of employees paid below the living wage | Group | - | - | 0% | |



| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|--|--------|--------------|------------|--------------|---------------|
| Employer appeal & talent retention | | | | | |
| Staff turnover rate | Group | 9.4% | 13.1% | 9.26% | GRI 401-1 |
| | France | - | 11.44% | 8.29% | |
| Number of jobs created (excluding acquisitions) | Group | 75 | 114 | 52 | |
| Number of employees hired | Group | 150 | 234 | 156 | |
| Percentage of permanent contracts among new hires | Group | 98% | 91.81% | 92.31% | |
| Number of new employee referrals | Group | 28 | 51 | 40 | |
| Number of subscribers to LinkedIn page | France | 10,396 | 13,897 | 18,071 | |
| Number of new interns | Group | 18 | 29 | 19 | |
| Percentage of interns hired at the end of their internship | Group | 12 | 11 | 17 | |
| Number of "Discovery" interns (one week) | Group | 16.6% (3/18) | 20% (5/25) | 36.8% (7/19) | |
| Number of employees on work-study programs & apprenticeships | France | 2 | 11 | 6 | |
| Percentage of new hires under the age of 28 | Group | 35% | 36.64% | 33.33% | GRI 401-1 |
| Number of new employees aged 55 and over | Group | - | 5 | 3 | |
| Employee stock ownership plan | France | Yes | Yes | Yes | |
| Existence of a profit-sharing plan | France | Yes | Yes | Yes | |
| Percentage of eligible employees who have signed up for the employee savings plans | France | 83% | 80.39% | 85.11% | |
| Percentage of labor disputes | France | 0 | 0 | 1 | |
| Completion of employee satisfaction surveys | Group | Yes | Yes | Yes | |
| Employee adoption of Esker culture | Group | 92.4% | 90.8% | 90.5% | |
| Employee satisfaction rate | Group | 90% | 91.3% | 87.8% | |
| Percentage of employees who recommend Esker as a great place to work | Group | 90% | 91.4% | 87.9% | |
| Average company affiliation (years) | Group | 6.3 | 6.2 | 5.97 | |
| Percentage of part-time employees | Group | 4.6% (39) | 5.25% (50) | 4.89% (51) | |
| Percentage of workforce covered by a collective agreement | Group | 50.36% | 50.37% | 49.33% | |
| Number of meetings with staff representatives | France | 16 | 18 | 32 | |
| Availability of occasional childcare (emergency & planned) | France | Yes | Yes | Yes | |

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|--|-----------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------|
| Career management & skills development | | | | | |
| Percentage of employees taking part in an annual performance review | Group | 100% | 100% | 96% | GRI 404-3 |
| Development of an individual career plan for all employees | France | Yes | Yes | Yes | |
| Number of employees completing internal professional training during the year | Group | 892 | 1,043 | 1,096 | GRI 404-1 |
| Number of employees completing external professional training during the year | Group | 441 | 459 | 513 | |
| Percentage of staff taking internal training | Group | 100% | 100% | 100% | |
| Percentage of staff taking external training | Group | 52.6% | 48.16% | 49.23% | |
| Total number of training hours completed by employees - Internal training - External training | Group | 15,347 9,726 5,621 | 26,607 16,576 10,030 | 35,953 14,494 21,459 | |
| Average number of training hours per employee | Group | 18.83 hours | 25.48 hours | 32.56 hours | |
| External training budget | Group | 140,791 | 461,896 | 429,295 | |
| | France | 115,754 | 166,033 | 202,364 | |
| Training budget (including trainer pay) | Group | €693,810 | €1,146,610 | €1,094,373 | |
| Share of contribution to training (training budget/payroll) | Group | 0.82% | 1.22% | 0.95% | |
| Number of internal changes | Group | 85 | 107 | 79 | |
| Internal mobility rate | Group | 10.13% | 11.23% | 7.58% | |
| Health & safety in the workplace | | | | | |
| Frequency rate of occupational accidents | Group | 1.2% | 0.583% | 3.29% | GRI 403-9 |
| Severity rate of occupational accidents | Group | 0.2 | 0.0006 | 0.0302 | GRI 403-9 |
| Absenteeism rate | Group | 1.47% | 1.7% | 1.73% | GRI 403-9 |
| Percentage of employees trained in first aid | France (excluding CalvaEDI) | 12.97% | 13.33% | 12.45% | GRI 403-5 |
| Percentage of employees covered by ISO 45001 certification | Group | - | 2.62% | 2.21% | |
| Percentage of employees covered by health and social insurance benefits | Group | - | 51.21% | 50.10% | |

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|--------|--|--|--|---------------|
| Equal opportunity, diversity & inclusion | | | | | |
| Distribution of employees by gender | Group | Women: 31.1% Men: 68.9% Non-binary: 0% | Women: 31.48% Men: 68.52% Non-binary: 0% | Women: 32.44% Men: 67.56% Non-binary: 0% | GRI 405-1 |
| | France | - | Women: 29.71% Men: 70.29% Non-binary: 0% | Women: 31.42% Men: 68.58% Non-binary: 0% | |
| Percentage of women in management positions | Group | 30.65% | 32.35% | 32.31% | |
| | France | - | 30.49% | 32.18% | |
| Percentage of women among new hires | Group | 34% | 36.75% | 39.10% | GRI 401-1 |
| Gender equality index | France | 91/100 | 91/100 | 91/100 | |
| Pay gap between men and women | France | -4% | 3.96% | -3.74% | |
| Percentage of female employees given raises in the year after their return from maternity leave | Group | 100% | 100% | 100% | |
| Adaptation of working conditions for exceptional family/health situations to retain employees | Group | Yes | Yes | Yes | |
| Percentage of (> age 55) in the workforce | Group | 8.21% | 7.24% | 7.68% | |
| Percentage of (> age 55) by gender | Group | - | Women: 30.43% Men: 69.57% | Women: 28.75% Men: 71.25% | |
| Percentage of disabled employees in the workforce | Group | 0.36% | 0.52% | 0.58% | |
| Breakdown of disabled employees by gender | Group | - | Women: 4/5 Men: 1/5 | Women: 4/6 Men: 2/6 | |
| Number of nationalities represented in the workforce | Group | 32 | 36 | 38 | |
| Number of nationalities represented in management | Group | 12 | 14 | 13 | |
| Amount spent for purchases from adaptive organizations (ESAT, EA, TIH) | France | - | €7,755.5 | €14,583 | |

Scope, data collection & processing

The scope includes: All Esker subsidiaries, including Market Dojo, which was integrated on June 01, 2022 and fully taken into account in our reporting for the year 2023.

Contributors and tools used: As Salesforce is the HR database, the headcount is consolidated by the Human Resources department, and each subsidiary's HR admin has submitted a report to head offices. All these contributors interact according to HR policies, which include harmonizing practices. HR reporting is based on each month's "Position History", i.e. an employee history at the end of each month, which makes it possible to refine reporting on previous months.

Characteristics & social policy

Total headcount at year-end: The total headcount at year-end includes employees with an employment contract with Esker at the end of the reporting period. Each employee counts as one unit, regardless of the number of hours worked.

FTE employees at year-end: This figure is for the scope specified above. Each employee is counted as a full-time equivalent based on their work time percentage.

Average number of FTE employees: Reflects the average number of employees over the year, i.e., the average headcount for each month.

FTE permanent employees at year-end: Only Full-Time Equivalent employees on an open-ended contract with Esker at year-end are taken into account.

Percentage of permanent employees at year-end: Represents employees on an open-ended contract with Esker, therefore excluding fixed-term contracts (temporary contracts, professional training contracts, and apprenticeships), among all employees with an employment contract with Esker on 31/12.

Number of departures: Shows the number of employees whose employment contract ended during the year. The breakdown of departures by reason shows the percentage and number of departures for each reason worldwide during the reporting year out of the average number of employees over the same period.

- Resignations are contract terminations at the initiative of the employee.
- Dismissals are at the initiative of the company, and apply to permanent contracts only (fixed-term contracts can only be terminated by mutual agreement)
- The termination of fixed-term contracts also covers apprenticeship contracts
- Other reasons for termination include the end of trial periods and termination by mutual agreement between the employee and the company for all contracts (permanent, fixed-term, apprenticeship and professional training), as well as retirement and invalidity.

Number of departures of FTE permanent employees: Takes into account the number of permanent contract employees in the reporting year based on their work time percentage up until the day of departure.

Percentage of total workforce located in the country of the registered office: Includes the employees of Esker France and CalvaEDI out of the total workforce at year-end.

Percentage of workforce operating in sensitive countries in terms of fundamental labor rights (Asia and U.S.): Covers the entire workforce of the subsidiaries Esker Hong Kong, Esker Singapore, Esker Malaysia and Esker USA out of the total workforce at year-end.

Payroll: Total of accounting item 64, which includes compensation and social security expenses at year-end.

Median salary: Shows the salary at mid-point of the data set of all workforce salaries. The salary used to determine the median is the hypothetical annual salary of the period and of the total workforce at year-end. The conversion rate used is the average annual rate for the reporting year. Employees are counted on a full-time equivalent basis.

Average salary: The salary used to determine the average is the hypothetical annual salary of the period and of the total workforce at year-end. The conversion rate used is the average annual rate for the reporting year. Employees are counted on a full-time equivalent basis.

Percentage of employees covered by the reference living wage analysis: The workforce considered is that which has an employment contract with Esker. Temporary workers and secondment contracts are not taken into account. Employees are considered on a full-time equivalent basis.

The living wage taken into account is that used by the ILO: the international near-poverty level is indicated at \$6.85 per day. The international extreme poverty line is set at \$2.15 per day.

Percentage of employees paid below the living wage: The workforce considered is that which has an employment contract with Esker, excluding temporary workers and secondment contracts.

Employer appeal & talent retention

Staff turnover rate: Equals the number of departures relative to the average over the reporting year.

Number of jobs created (excluding acquisitions): Equals the increase in the number of employees from the previous year.

Number of employees hired: Covers employees hired over the reporting year on open-ended contracts, fixed-term contracts for increases in activity, professional training contracts and apprenticeships.

Percentage of permanent contracts among new hires: Number of new employees with an open-ended or permanent contract, company-wide, in the reporting year, compared to the number of new employees hired over the reporting period.

Employee stock ownership plan: Presence in France of a company savings plan, capped for contributions to the Esker corporate mutual fund.

Existence of a profit-sharing plan: The profit-sharing plan was initiated by management in 1989 to reward employees for their efforts to contribute to Esker's growth. At Esker, profits are shared equally: each employee, regardless of their position or salary, will receive the same amount, in proportion to the time worked during the reporting year.

Percentage of eligible employees who have signed up for the employee savings plans: This figure reflects the number of active employees who have invested in the mutual fund as of December 31 of the reporting year, divided by the number of employees on September 30 of the reporting year (bearing in mind that employees are required to serve for at least three months before investing in the corporate mutual fund).

Employee adoption of Esker culture: Number of employees who gave 4 or 5 stars to the question "I agree with Esker's values and culture" out of the total number of employees who participated in the internal satisfaction survey conducted at the beginning of 2024 for the year 2023. 5 stars correspond to "strongly agree" and 4 stars correspond to "somewhat agree". As the survey tool is different from the one used in 2023, the calculation of the satisfaction rate is impacted. Work-study students have been excluded from this satisfaction survey.

Employee satisfaction rate: Number of employees who gave 4 or 5 stars to the question "I am satisfied with working at Esker" out of the total number of employees who participated in the internal satisfaction survey conducted at the beginning of 2024 for the year 2023. 5 stars correspond to "completely agree" and 4 stars correspond to "somewhat agree". Work-study students have been excluded from this satisfaction survey.

Percentage of employees who recommend Esker as a great place to work: Number of employees who gave 4 or 5 stars to the question "I would recommend Esker to someone in my network to work at Esker" out of the total number of employees who took part in the internal satisfaction survey conducted at the beginning of 2024 for the year 2023. 5 stars correspond to "completely agree" and 4 stars correspond to "somewhat agree." Work-study students have been excluded from this satisfaction survey.

Percentage of part-time employees: Percentage of employees working less than full time out of all employees worldwide as of December 31.

Percentage of workforce covered by a collective agreement: Covers the total number of employees of Esker France.

Career management & skills development

Percentage of employees taking part in an annual performance review: Performance reviews take place during an annual meeting with the direct manager at least once a year for all Esker employees. Employees absent during the interview period are excluded.

Development of an individual career plan for all employees: In France, the career plan review takes place every year rather than every two years as required by French law. In addition, an assessment is conducted every six years during the career plan review to check that all annual reviews have been carried out.

Number of employees completing external professional training during the year: Includes employees completing training provided by an external organization.

Average number of training hours per employee: Calculated by dividing the average number of employees during the reporting period by the number of training hours completed over the reporting year (includes both internal and external training).

Share of contribution to training: Reflects the training budget (including the gross salaries of French and U.S. trainers) in proportion to total payroll. Trainer salaries are calculated on a full-time equivalent basis.

Number of internal changes: Equals the number of employees who changed positions within Esker.

Employee health & safety

Frequency rate of occupational accidents: Number of accidents with injury-related medical leave (including commuting accidents) X 1,000,000/total number of theoretical hours worked, company-wide. An occupational accident is defined as a sudden event which, for whatever reason, causes the employee physical or psychological injury and occurs in the course of their work. A commuting accident is a sudden and unforeseen event that causes physical injury and occurred during the journey between the employee's home and the place of work, or between the place of work and a food service location during their lunch break. The first day of absence due to an accident at work or on the way to work is excluded from the calculation.

Severity rate of occupational accidents: Number of days not worked due to accidents at work and commuting accidents (including X 1,000) / number of theoretical hours worked worldwide. Number of days of medical leave validated by social security during the reference period. The first day of medical leave is excluded from the calculation, as it often corresponds to the day of the accident, i.e. the same workday. As the calculation method was changed in 2022, data from previous years have been recalculated accordingly.

Absenteeism rate: Number of hours not worked (company-wide), including all absences, divided by the theoretical number of hours worked. Includes absences due to illness/accidents, family events and sabbaticals and other unpaid absences. Days are calculated in working days. For Esker USA, PTO is not counted as absences but as leave. Maternity leave is excluded from the number of absences. The calculation method and scope (excluding maternity leave and PTO) having been updated in 2022, the absenteeism rate for previous years has been recalculated to comply with the new formula.

Equal opportunity, diversity & inclusion

Gender equality index: Score obtained, for France only, based on five criteria and a legally defined scope. The first criterion relates to the gender pay gap (including variable compensation), the second measures the gap in the distribution of individual raises, the third measures the gap in the distribution of promotions, the fourth relates to raises upon returning from maternity leave, and the fifth establishes the number of women among the top 10 earners.

Pay gap between men and women: Remuneration based on the number of full-time equivalents (taking into account the employee's length of presence during the annual reporting period, and any part-time calculation of average FTEs)

Adaptation of working conditions for exceptional family/health situations to retain employees: Consideration of and attention given to each request by the HR department in consultation with the manager and/or the team, and potentially the occupational physician (e.g., approval of part-time work for a temporary period, additional days of remote work granted exceptionally, approval of part-time work medical leave).

Percentage of disabled employees in the workforce: Percentage of employees identified with a disability among all Esker employees. This information is confidential and restricted in Esker's HRIS.

Environmental Indicators

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|--------------|-----------------|------------------|----------------------|------------------|
| Carbon footprint & energy efficiency | | | | | |
| Number of ISO 14001 certified sites | Group | 2 | 2 | 2 | |
| Percentage of employees covered by ISO 14001 certification | Group | 51% | 51% | 50% | |
| Assessment/review of greenhouse gas emissions | Group | Yes | Yes | Yes | |
| Total CO2 emissions (t.CO2e) | Group | 3,580 | 4,409 | 9,256 ⁽¹⁾ | |
| | France | 1,310 | 1,735 | 4,722 | |
| Amount of CO2 emitted per employee (t.CO2e) | Group | 4.27 | 4.63 | 8.9 | |
| Intensity of CO2 emissions (amount of CO2 per million euros of revenue) | Group | 26.8 t.CO2.e/M€ | 27.73 t.CO2.e/M€ | 52 t.CO2.e/M€ | |
| Amount of CO2 emitted by source: | | | | | |
| - Offices & factories (t.CO2e) | Group | 2,877 | 2,975 | ⁽²⁾ | GRI 305-1, 305-2 |
| | France | 1,064 | 1,221 | ⁽²⁾ | |
| - Business travel (t.CO2e) | Group | 290 | 808 | 1,663 | GRI 305-3 |
| | France | 125 | 354 | 671 | |
| - Commuting (t.CO2e) | Group | 412 | 626 | 279 | GRI 305-3 |
| | France | 121 | 160 | ⁽³⁾ | |
| | Per employee | 0.49 | 0.65 | 0.31 | |
| Amount of CO2 emitted by scope: | | | | | |
| - Direct GHG emissions: Scope 1 (t.CO2e) | Group | 212 | 212 | 266 | GRI 305-1 |
| | France | 106 | 103 | 101 | |
| - Indirect GHG emissions: Scope 2 (t.CO2e) | Group | 659 | 686 | 426 | GRI 305-2 |
| | France | 43 | 44 | 42 | |
| - Other indirect GHG emissions: Scope 3 (t.CO2e) | Group | 2,728 | 3,510 | 8,556 | GRI 305-3 |
| | France | 1,161 | 1,589 | 4,578 | |
| Power consumption (kWh) | Group | 1,994,013 | 2,131,382 | 1,997,045 | GRI 302-1 |
| | France | 1,064,053 | 1,128,584 | 873,851 | |
| Percentage of renewable energy purchased or produced | Group | - | 7.1% | 23% | |
| Consumption of gas (MWh) | Group | 370.8 | 172.8 | 455.23 | |

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|---|---------------------|-------------------|--------------------|------------------|---------------|
| Consumption of water (m3) | Group | - | 3,696 | 4,122 | |
| Energy audit conducted | France | Yes | No | No | |
| Employee awareness training regarding the climate emergency | France | Yes | Yes | Yes | |
| Number of employees taking part in a Climate Fresk session | France | - | - | 79 | |
| Employee mobility & remote Work | | | | | |
| Percentage of hybrid or electric cars in the vehicle fleet | Group | 46% | 54% | 60% | |
| Number of employees receiving transportation reimbursement | France | 196 | 201 | 209 | |
| Total amount of transportation reimbursement | France | €28,963 | €54,666 | €58,435 | |
| Number of employees receiving sustainable transportation bonus | France | 104 | 143 | 172 | |
| Total amount reimbursed through the sustainable transportation bonus | France | €17,683 | €25,549 | €30,433 | |
| Percentage of employees who use environmentally friendly modes of transportation to commute | Group | 42% | 43% | 53% | |
| | France | 74% | 75% | 82% | |
| Percentage of employees who can work remotely | Group | 93% | 94.54% | 96.16% | |
| Waste management & circular economy | | | | | |
| Mail production facilities (France, Spain & U.S. only) | | | | | |
| Amount of recycled waste (excluding non-hazardous industrial waste) | France | 100.7 metric tons | 93 metric tons | 87.8 metric tons | GRI 306-4 |
| | U.S. ⁽⁴⁾ | 7.1 metric tons | 7.1 metric tons | 7.1 metric tons | |
| | Spain | 0.87 metric tons | 0.58 metric tons | 0.29 metric tons | |
| Recycling rate (excluding non-hazardous industrial waste) | France | 99% | 100% | 100% | |
| | U.S. | 86% | 75% | 75% | |
| | Spain | 100% | 100% | 100% | |
| Offices (France & U.S. only) | | | | | |
| Amount of recycled waste (excluding non-hazardous industrial waste) | France | 2,770 kg | 3,473 kg | 3,209 kg | GRI 306-4 |
| | U.S. ⁽⁵⁾ | - | - | 1,339 kg | |
| Amount of non-recycled waste | France | 56 kg | 2,648 kg | 4,425 kg | |
| | U.S. ⁽⁵⁾ | - | - | 1,847 kg | |
| Waste recycling rate | France | 98% | 57% | 42% | |
| The digital carbon footprint | | | | | |
| Percentage of revenue from EoD customers hosted on Microsoft Azure data centers | Group | 23% | 31% ⁽⁶⁾ | 38% | |
| Percentage of new EoD customers hosted on Microsoft Azure | Group | - | 56% | 72% | |

| Indicators | Scope | 2021 | 2022 | 2023 | GRI standards |
|--|-----------------------------------|---|--|--|------------------|
| Power Usage Effectiveness (PUE) of the data centers | Group | Colt: 1.55 CDW: 1.23 Azure: 1.125 Equinix: 1.29-1.40 AWS: no information available | Colt: 1.52 CDW: 1.2 Azure: 1.18 AWS: no information available | Colt: 1.69 CDW: 1.21 Azure: 1.18 (2022) AWS: no information available Google Cloud Platform: 1.10 | <i>GRI 302-5</i> |
| Amount of recovered WEEE (kg) | France (without Calva EDI) | 764 kg | 1,132 kg | 873.6 kg | |
| Percentage of IT/electronics equipment recycled | France (without Calva EDI) | - | 100% | 100% | |
| Average lifecycle of a computer | France & Americas | - | 5 years | 5.3 years | |
| Average lifecycle of mobile phone | France | - | - | 2.4 years | |
| Lifecycle of a computer | France | 4 years | 4 years | 5 years | |
| Lifecycle of mobile/smart phone | France | 24 months | 24 months | 36 months | |
| Lifecycle of servers | France | 5 to 7 years | 5 to 7 years | 5 to 7 years | |

(1) The "Bilan Carbone" method was used to calculate the carbon footprint in 2021 and 2022, using the Salesforce Sustainability Cloud data collection tool. In 2023, the Greenhouse Gas Protocol method was used, and the data collection tool was changed to Greenly software. This change in methodology and tool explains the significant variation in emissions between 2022 and 2023. (2) The software used (Greenly) to calculate the carbon footprint does not provide the same level of granularity as in previous years. (3) The software used (Greenly) to calculate the carbon footprint does not provide the same level of granularity as in previous years.

(4) The quantity of waste recycled in 2023 in the United States is calculated on the basis of an estimated weight, calculated according to the number of pages printed during the year in the mail production facility on the basis of waste recycled in the France mail production facility. For previous years, the weight was estimated by the waste collection provider.

(5) The quantity of waste recycled in the U.S. offices is calculated on the basis of an estimated weight, calculated according to the number of employees on the basis of data from the France offices.

(6) A perimeter error was detected for this indicator in 2022. This has been corrected in this statement.

Scope, data collection & processing

The scope of Esker's carbon footprint and environmental indicators includes the following subsidiaries: France, Germany (2 sites), the U.S. (including Termsync), the U.K. (including Market Dojo), Spain, Italy, Asia (including Hong Kong, Singapore and Malaysia), Australia. Subsidiaries in France, the U.K., the U.S. and Spain have their own mail production facility. Business in the following countries: Netherlands, Belgium, Argentina and Canada, as well as CalvaEDI (Paris site) and Neotouch Cloud Solution (Ireland) have been excluded from the scope of consolidation, as they represent less than 2% of Esker employees, do not have a mail production facility, and employees mainly work from home. Their impact is therefore considered negligible.

Data was collected on the basis of information requested from subsidiaries by head offices and entered into the Greenly tool. A Data Collection Manager was appointed for each subsidiary to collect, analyze and transmit the data. A training session was held to present and explain how the data needs to be assembled.

The Market Dojo subsidiary, which was integrated on 01/06/2022, has been fully taken into account in the extra-financial reporting for the year 2023.

The method used to account for emissions is based on the Greenhouse Protocol. All data collected was processed using the Greenly digital application. Each subsidiary's data was recorded individually before consolidation.

Carbon footprint & energy efficiency

Under the GHG Protocol, emissions are divided into three Scopes: direct emissions (Scope 1), indirect energy-related emissions (Scope 2) and other indirect emissions (Scope 3).

Scope 1: Scope 1 greenhouse gas (GHG) emissions are direct emissions from sources owned and/or controlled by the organization.

Scope 2: Scope 2 greenhouse gas (GHG) emissions are indirect GHG emissions associated with energy. These are emissions linked to the production of electricity, heat or steam imported for the organization's activities. This scope is divided into two categories of emissions: indirect emissions linked to electricity consumption and indirect emissions linked to the consumption of energy other than electricity.

Scope 3: Scope 3 greenhouse gas (GHG) emissions are non-energy related indirect emissions induced by the organization's activities upstream and downstream of its operational perimeter. Scope 3 of the GHG Protocol is divided into 15 emission categories (e.g. purchases of goods and services, fixed assets, business travel, commuting, waste generated, use of products sold, etc.).

Quantity of CO2 emitted by source :

- **Business travel :** Emissions linked to business travel take into account fuel consumption by company vehicles or long-term leases, as well as business travel by any other means of transport (private car or rental, plane, train). It should be noted that budget lines dedicated to this item have also been included.
- **Home-workplace travel:** Emissions linked to home-workplace travel are based on respondents to an in-house survey, and have been extrapolated to the total number of employees. The survey response rate was 60%.

Amount of CO2 emitted by scope:

- **Scope 1:** Includes emissions from stationary combustion sources (gas and generators), direct emissions from mobile heat engine sources (fuel consumption by company fleet vehicles). It should be noted that employees can use company vehicles to commute to and from work. Esker has chosen to include these emissions in Scope 1 because the company can have a direct impact on reducing them. Direct fugitive emissions (leaks from cooling equipment) are excluded. Esker is not affected by direct emissions from non-energy processes and biomass (soils and forests).
- **Scope 2:** Includes indirect emissions related to power consumption (lighting and usage). Esker is not affected by indirect emissions from purchased steam, heat, or cooling (consumption from heating or cooling distribution networks).
- **Scope 3:** Includes all other types of emissions. Esker takes into account:
 - purchasing of goods and services,
 - inbound and outbound freight,
 - business travel by non-operated means of transport (business travel by employees using their own vehicles; business travel by air/train)
 - employee commuting (obtained via an internal survey - data extrapolated to all employees)
 - immobilization of IT equipment (computers, screens, printers), vehicles when operated (fleet or long-term leasing) and buildings owned,
 - waste generated (for sites in France, Spain and the United States). Data provided by the various collection service providers are taken into account. Collected waste that is not weighed (e.g. when collected by a local authority) is not taken into account, as it is difficult to estimate. However, they are considered negligible compared with the other flows already traced.
 - energy-related emissions not included in categories 1 and 2

Emissions linked to upstream leasing assets, investments, visitor and customer transport, downstream merchandise transport, use of products sold, end-of-life of products sold, downstream franchising, downstream leasing do not apply to Esker and are therefore not included.

Total electricity consumption (KWh): Power consumption is calculated based on supplier invoices and does not include consumption by Esker-contracted data centers.

Percentage of renewable energy purchased or produced: Indicator calculated on the basis of the percentage of renewable energies per energy supplier. It should be noted that this information is sometimes not known or provided (notably for the Australia, Asia and United States sites, and for the common areas of the Villeurbanne site, etc.).

Employee transportation

Number of hybrid/electric cars in the vehicle fleet: The number of hybrid or electric cars in the vehicle fleet is determined by the vehicle details provided in long-term lease agreements. This includes vehicles actually delivered during the period and not merely made available by the provider (there is sometimes a slight discrepancy between the two figures). The U.S., German (excluding e-Integration), Asia, and Australian subsidiaries do not have a fleet of company vehicles.

| Subsidiary | 2020 | 2021 | 2022 | 2023 |
|-----------------|----------------|----------------|----------------|----------------|
| France | 12 / 47 | 18 / 47 | 25 / 50 | 35 / 52 |
| U.K. | 3 / 8 | 7 / 8 | 7 / 8 | 8 / 8 |
| Germany | - | - | - | 0 / 2 |
| Germany (e-int) | 1 / 6 | 1 / 5 | 1 / 5 | 1 / 6 |
| Spain | 7 / 7 | 9 / 9 | 10 / 10 | 12 / 12 |
| Italy | 0 / 6 | 0 / 7 | 0 / 7 | 0 / 14 |
| TOTAL | 23 / 74 | 35 / 76 | 43 / 80 | 56 / 94 |

Number of employees benefiting from the transportation bonus: Number of employees in France benefiting from reimbursement of their monthly or annual public transport tickets such as: TCL (Lyon public transport), SNCF, Vélov and E-Vélov, and for CalvaEDI the RATP tickets.

Number of employees benefiting from the sustainable mobility package: Number of employees in France benefiting from the Mobilités Durables package. The sustainable mobility package, corresponding to compensation for the use of a personal bicycle, is capped at €200 per calendar year per employee (i.e. €16.66 per month).

Percentage of employees using a low-emission mode of transport for their commute: A survey of employees commuting habits was carried out as part of Esker's carbon footprint survey. All employees who replied that they travel to work on foot, by bicycle, electric engines (excluding cars) or by public transport were taken into account. The proportions are estimated on the basis of all respondents (including those working remotely).

Waste management & the circular economy

Mail production facilities: Esker has mail production facilities in France, the United Kingdom, the United States, Spain, Singapore and Australia. The data included in the carbon footprint calculation concerns all mail production facilities, except those in Singapore and Australia. For reporting purposes, only the waste management of mail production facilities in France and the United States, which account for 99% of the activity of all of Esker's mail production facilities, is considered. It should be noted that these facilities generate waste (paper, cardboard and ink scraps), as opposed to office waste.

Offices (France only): The waste recycling service provider for Esker's offices in Villeurbanne supplies quarterly activity reports indicating the quantity of waste recycled. The annual quantity corresponds to the sum of these quantities. Since April 2022, CIW (common industrial waste) has been weighed and included in the the balance sheets.

Quantity of waste recycled: Includes recycling of waste paper, cardboard, wood, plastic and ink. For France, data comes from reports provided by the waste management service provider (Chimirec for ink and Paprec for paper/cardboard/plastic). For the United States, the service provider establishes an average weight in relation to the size of containers used by the plant, applies this average to the number of containers collected over the year, and estimates the weight of waste collected at the mail production facility.

The digital carbon footprint

Percentage of sales generated by customers hosted on Microsoft Azure data centers: Percentage of sales generated for customers with contracts hosted on Microsoft Azure towers, out of total annual sales. Subscription and traffic are included, service is excluded.

Power Usage Effectiveness (PUE) of data centers: The data center energy efficiency indicators provided were found on websites, official statements, or provided directly by suppliers.

Quantity of WEEE recycled: Used or end-of-life WEEE is collected and appropriately disposed of, including computer servers, network switches, computers (laptops and desktops), monitors, printers, battery chargers, adapters and electrical appliances.

Recycling rate for digital/electronic equipment: Percentage of digital or electronic equipment collected and recycled by external company Elise - Meleze.

Average lifespan of computers: Average lifespan of a discarded asset at Esker, for computers (laptops and desktops) decommissioned between 01/01 and 12/31 of the reference year. Included: Esker France (Décines and Villeurbanne) and Esker Americas (USA + Canada + Latin America + remote employees).

N.F.S. Attestation

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

Year ended December 31, 2023

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity11"), appointed as independent third party ("third party11") and accredited by the French Accreditation Committee (Cofrac) under number 3-1886 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines11"), for the year ended December 31, 2023 (hereinafter the "Information11" and the "Statement11, respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we have performed as described in the section. "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on request from its headquarters.

Limits inherent in the preparation the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used. for its preparation and presented in the Statement.

Responsibility of the Company

Management of Esker is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation. (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

- As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq of the French Commercial Code, with our verification program consisting of our own procedures and with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes - Intervention de l'OTI - déclaration de performance extra-financière, and acting as the verification programme and with the international standard ISAE 3000 (revised) ¹.

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of three people between February and April 2024 and took a total of twelve weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around around ten interviews with people responsible for preparing the Statement

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information :

- We obtained an understanding of all the consolidated entities' activities] and the description of the main risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1, as well as information regarding compliance with human rights and anticorruption and tax avoidance legislation.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks.
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important
- Concerning certain risks² our work was carried out on the consolidating entity, while for other risks (anti-discrimination policy and code of conduct, energy efficiency of data centers, business travel policy and customer satisfaction via the Net Promoter Score), our work was carried out on the consolidating entity and on a selection of entities.
- We obtained an understanding of internal control and risk management procedures implemented by the Entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.

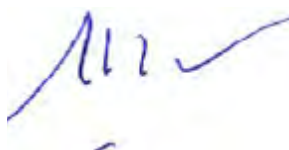
- For the key performance indicators and other quantitative outcomes³ that we considered to be the most important, we implemented:
 - analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes there to;
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities⁴ and covers between 51% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Lyon, April 30th, 2024

One of the Statutory Auditors,

DELOITTE & ASSOCIÉS



Arnauld de GASQUET
Partner, Audit

¹ ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

² Anti-discrimination policy and code of conduct, energy efficiency of data centers, business travel policy and customer satisfaction via the Net Promoter Score

³ Ratio of the CEO's salary compared to the world median salary, share of employees made aware of the code of ethics (France), rate of employees who have successfully completed online security and data protection awareness training, workforce (total, gender), number of recruitments (total, gender), rate of women in management positions, number of departures, turnover rate, number of hours of external training, number of accidents, number of days lost due to accidents, millions of theoretical hours worked, frequency rate of work accidents, severity ratio of work accidents, absenteeism rate, total quantity of CO₂ emissions (tCO₂e) scope 1, 2 and 3, consumption electricity, quantity of recycled/non-recycled waste (USA mail plant)

⁴ Esker USA et Esker France

4

Risk management

In accordance with Prospectus Regulation (2017/1129, "PD III") applicable as of July 21, 2019, significant risks specific to the Company are presented in this chapter.

The risk mapping process enabled the Company to present seven main categories of risks without any order of importance.

In each of these five aforementioned categories, risks have been classified on the basis of a twofold approach combining:

- The potential impact on the Company's operations (which continues to be designated under the term "criticality"), classified according to three levels: critical risk, significant risk, low risk; and
 - The probability of occurrence of the risk also classified according to three levels: high, moderate or low;
- it being specified that the risks with the highest probability of occurrence and the highest potential negative impact are ranked first in each category.

Risks are assessed as a "net risk", i.e. after taking account the risk management measures adopted by the Company.

This risk map thus reflects the specific exposure of Esker Group. In addition, this risk map will be reviewed and updated in 2024, and will be available for consultation in the management report for the year. At the same time, given that Esker Group will be subject to the Corporate Sustainability Reporting Directive (CSRD) in 2026 on non-financial data for 2025, a double materiality analysis has already been launched, and the methodology used for the risk rating will also be applied to update the map of operational risks.

4.1. Technological risks

4.1.1. Risks relating to a malfunction of the production platform

Documents processed by the Esker on Demand service are received, recorded and stored in a technical platform consisting of all infrastructure hardware and software enabling this service to function.

The company has implemented a prevention plan integrating notably:

- The identification of the main risks associated with the platform
- Measures in place to prevent these risks
- Procedures for dealing with incidents

The company decided to host this platform either through colocation data centers operated by certified suppliers or through the cloud-based environment provided by Microsoft Azure. This choice ensures a high level of security for the platform. In addition, the company performed a risk analysis, updated annually, in connection with its Information security management system (ISMS), audited and certified ISO 27001.

To identify potential weaknesses, the platform is monitored 24/7 by dedicated teams.

In addition, the Cybersecurity Committee, chaired by Steve Vandenberg, was created in 2022 tasked with evaluating Esker's cybersecurity policy. Steve Vandenberg, an expert in security solutions at Microsoft, works with operational teams to implement improvement plans.

The company has ranked the probability of this risk as **low**.

The company considers the impact of this risk as **critical**.

4.1.2. Risk relating to the malicious penetration of our systems

IT security is a major priority for the Esker Group.

For several years now, companies have been facing a growing number of cyber attacks. Data storage and business processes belonging to third parties are a target for ill-intentioned individuals seeking to profit from them.

Once a year the company performs a technical audit (penetration test) to prevent any malicious intrusion, supplemented by automated monthly vulnerability scans. These measures are designed to identify vulnerabilities, ranked in order of criticality, and where necessary, result in a remediation plan that is incorporated into the development plans.

In addition to these technical audits, the company also adopts a policy to raise awareness about the risks and security policies in place. All employees receive training every year on the security rules to be followed which is validated by a test of their knowledge. The best practices identified in this process are tested during annual social engineering audits to evaluate human behavior and detect areas for improvement.

Finally, in the event of a catastrophic event, Esker Group is continuing to develop a Disaster Recovery Plan for the production platform accompanied by a Crisis Management Plan.

The company has ranked the probability of this risk as **high**.

The company considers the impact of this risk as **significant**.

4.2. Risks relating to the market in which the Group operates

4.2.1 Loss of competitiveness

Within an extremely competitive environment, the ability to innovate and adapt solutions to the needs of our customers is a major priority for the Group.

The market in which the Esker Group is positioned is characterized by rapid technological changes. This means that in order to meet demand and maintain its market position, it needs to regularly launch new products (modules and software) responding to these new criteria.

Software development is a long and complex process requiring significant investments in research and development. Developing at a slower pace than its competitors will impact the company's competitive position in its market.

In addition, the introduction of radically new and disruptive solutions by new market entrants or existing competitors could render all Esker's solutions obsolete.

To minimize this risk, for a number of years, Esker has been collecting on a regular basis the recommendations, opinions and needs of its customers with respect to its solutions. Customer conventions are organized on a regular basis in the Group's main market. The marketing teams are in regular contact with the customer base and monitor the developments of competitors. The new Customer Experience (CX) teams monitor the actual use of the solutions by the customer to ensure their satisfaction.

The company has ranked the probability of this risk as **low**.

The company considers the impact of this risk as **critical**.

4.2.2 A dependency on third parties

The company has a diversified customer base in terms of accounts and industries.

The Group's largest customer is its joint venture with the Quadient group which accounted for 7.0% of Group sales in 2023. It should be noted that this entity ensures, through the operational entities of Quadient, the distribution of Esker packaged solutions to more than 2,000 end customers, mainly in France, the U.S. and the U.K.

After Quadient, Esker's largest customer accounts for 1.7% of sales, and the top 20 Quadient customers for 19.2%, compared with 20% in 2022.

Esker Group sells horizontal solutions generally used by a very diverse range of sectors of the economy. The customer portfolio in consequence has no particular or significant degree of concentration.

The company has ranked the probability of this risk as **low**.

The company considers the impact of this risk as **significant**.

4.3. Litigation and regulatory risks

Risks relating to personal data protection

The Group is subject to different international and local regulations governing personal data protection. The increase in projects linked to process automation of key activities of its customers leads the latter to be more demanding regarding guarantees against the risks of data protection breaches to be provided by the Group. This is even more the case as regulations in this area are increasing, not only following the introduction of the European General Data Protection Regulation (GDPR) in May 2018, but also because of the adoption of laws in this area in a number of countries outside the European Union.

In the event of non-compliance with rules applicable to data protection or a voluntary or involuntary disclosure of all or part of personal data belonging to a customer or third-party, the Group's liability may be incurred. A financial penalty could also be applied by the personal data protection authorities, exposing the Group to both financial and reputational risks.

In accordance with applicable regulations, the Group has updated its personal data protection policies and implemented tools and procedures to comply, in particular, with the European Regulation on the protection of personal data.

The company has ranked the probability of this risk as **low**.

The company considers the impact of this risk as **significant**.

4.4. Human resources risks

Risks related to recruiting, developing and retaining talent

Successfully recruiting highly qualified technical personnel is critical to the Group's development. The current market for new technologies is characterized by an abundant supply of jobs and insufficient demand which mechanically pushes the market price upward.

Recruiting adequate personnel while maintaining the criteria in terms of requirements and quality and preserving a balanced wage policy is in consequence an important Group priority.

From a short-term perspective, the Group is also exposed to a potential risk of high turnover.

To guard against these risks, Esker has developed an effective recruitment process, equipped with appropriate tools to facilitate contact with candidates. In addition, the Group also has an attractive human resources management policy, based notably on a strong corporate culture, a young population, an attractive compensation policy, a range of training plans in addition to the implementation of a restricted stock unit plan (*plan d'attribution d'actions gratuites*).

The company has ranked the probability of this risk as **moderate**.

The company considers the impact of this risk as **significant**.

4.5. Financial risks

Foreign exchange risks and analysis of sensitivity

The Group's foreign subsidiaries invoice customers in their local currency. In consequence, around 50% of sales are in euros. Foreign exchange risks incurred by Esker concern primarily intercompany transactions (invoicing of products, services, royalties) in USD, GBP and AUD. Most of the transactions between subsidiaries are carried out with the parent company that in consequence incurs the foreign exchange risk.

The existing procedure currently in place for hedging foreign exchange risks is based on the analysis and monitoring of:

- Medium-term currency and economic trends
- The existence of an established date for the collection of receivables and settlement of payables
- The volatility of the relevant currencies

The estimated exchange-rate risk in the event of an unfavorable movement of 1 euro cent (the reporting currency) against the USD, GBP, AUD and SGD is as follows:

| As of December 31, 2023 (in foreign currency) | USD | GBP | AUD | SGD |
|--|---------------|------------------|------------------|------------------|
| Current assets | 226,787 | 2,340,882 | 5,730,914 | 1,993,948 |
| Current liabilities | -30,344 | -1,357 | 0 | 0 |
| Position before hedging | 196,443 | 2,339,525 | 5,730,914 | 1,993,948 |
| Hedging instruments | None | None | None | None |
| Net position after hedging | 196,443 | 2,339,525 | 5,730,914 | 1,993,948 |
| FOREIGN EXCHANGE RISK ON THE BASIS OF A NEGATIVE CURRENCY EFFECT OF 1 EURO CENT | -1,594 | -30,625 | -21,536 | -9,302 |

By way of example, the exchange rate risk relating to the dollar is estimated on the basis of an increase in the exchange rate from 1.11 euros to 1.12 euros.

| As of December 31, 2022 (in foreign currency) | USD | GBP | AUD | SGD |
|--|---------------|------------------|------------------|------------------|
| Assets | 728,303 | 2,901,362 | 5,606,958 | 2,535,707 |
| Liabilities | -1,351 | -450,884 | 0 | -533,188 |
| Position before hedging | 726,952 | 2,450,478 | 5,606,958 | 2,002,519 |
| Hedging instruments | None | None | None | None |
| Net position after hedging | 726,952 | 2,450,478 | 5,606,958 | 2,002,519 |
| FOREIGN EXCHANGE RISK ON THE BASIS OF A NEGATIVE CURRENCY EFFECT OF 1 EURO CENT | -6,331 | -30,804 | -22,623 | -9,725 |

Sales in the US accounted for close to 41% of this total and contributed approximately €21,897,000 to the Group's operating income before corporate expenses incurred by France.

This contribution in consequence represents the Group's main foreign exchange risk. Any significant change in the US dollar reduces the US contribution to the coverage of corporate expenses. In fiscal 2023, the negative impact on Group operating profit of a 10 cent decline in the US dollar in relation to the euro would be €1,710,000 (€1,569,000 in 2022).

The company has ranked the probability of this risk as **high**.

The company considers the impact of this risk as **not significant**.

4.6. Insurance and risk management

The Group has implemented a policy to cover the main insurable risks for amounts that it considers compatible with the nature of its business. In consequence, insurance policies have been obtained by the different entities to cover the following risks:

- Business civil liability
- Professional civil liability and cyber risks
- Operating loss
- Property damage
- Business travel

All these guarantees are destined to cover the significant risks and assets, even though it is not possible to anticipate the consequences and potential losses that may be incurred by the company.

No significant claims were reported by the Group in 2023 and 2022.

5

Consolidated financial statements

5.1. Consolidated financial statements for the year ended December 31, 2023

Consolidated balance sheet

| ASSETS (€ thousands) | Notes | 12/31/23 | 12/31/22 |
|--------------------------------|-------|----------------|----------------|
| INTANGIBLE ASSETS | 3 | 51,395 | 47,651 |
| <i>Of which goodwill</i> | 2 | 15,882 | 16,266 |
| Property, plant and equipment | 4/5 | 8,666 | 8,986 |
| Financial assets | 5 | 10,532 | 10,754 |
| Equity-accounted investments | | 5,327 | 4,259 |
| Non-current assets | | 75,920 | 71,650 |
| Inventories | | 303 | 512 |
| Trade receivables | | 37,894 | 37,157 |
| Deferred tax assets | | 1,078 | 1,114 |
| Other receivables and accruals | | 8,341 | 9,038 |
| Cash and marketable securities | 8 | 48,773 | 42,887 |
| Current assets | | 96,389 | 90,708 |
| TOTAL ASSETS | | 172,309 | 162,358 |

| SHAREHOLDERS' EQUITY AND LIABILITIES (€ thousands) | Notes | 12/31/23 | 12/31/22 |
|--|-----------|----------------|----------------|
| Share capital | | 12,076 | 11,971 |
| Additional paid-in capital | | 23,982 | 23,227 |
| Consolidated income (loss) | | 14,857 | 17,864 |
| Reserves and retained earnings | | 57,461 | 45,578 |
| Shareholders' equity | 9 | 108,376 | 98,641 |
| <i>Attributable to the parent</i> | | <i>108,376</i> | <i>98,641</i> |
| <i>Attributable to non-controlling interests</i> | | <i>-</i> | <i>-</i> |
| Provisions for contingencies and expenses | 12 | 3,228 | 3,114 |
| Borrowings and financial liabilities | 13 | 10,922 | 15,034 |
| Trade payables | | 10,544 | 9,839 |
| Tax and employee-related payables | | 26,807 | 22,690 |
| Deferred tax liabilities | | 0 | 1,434 |
| Other payables and accruals | 14 | 12,431 | 11,607 |
| Payables | | 60,704 | 60,603 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 172,309 | 162,358 |

Consolidated income statement

| (€ thousands) | Note | 12/31/23 | % of sales | 12/31/22 | % of sales |
|--|-----------|----------------|--------------|----------------|--------------|
| Sales | 15 | 178,554 | 100% | 158,987 | 100% |
| Own production of goods and services capitalized | 16 | 12,365 | 7% | 10,163 | 6% |
| Other operating income | | 2,126 | 1% | 1,629 | 1% |
| Cost of sales | | (2,406) | (1%) | (2,651) | (2%) |
| Change in inventory | | (160) | (0%) | 127 | 0% |
| Other operating expenses | | (45,211) | (25%) | (39,573) | (25%) |
| Staff costs | 17 | (113,791) | (64%) | (94,398) | (59%) |
| Tax and similar expenses | | (1,692) | (1%) | (1,756) | (1%) |
| Net allowances for amortization and depreciation | | (11,672) | (7%) | (11,924) | (7%) |
| Net allowances for provisions | | (193) | (0%) | 805 | (0%) |
| Operating income before depreciation, amortization and impairment of goodwill | | 17,919 | 10.0% | 21,409 | 13.5% |
| Allowances for goodwill amortization | | - | - | - | - |
| Operating income after depreciation, amortization and impairment of goodwill | | 17,919 | 10.0% | 21,409 | 13.5% |
| Net financial income (expense) | 18 | 554 | 0% | 272 | 0% |
| Current operating income of consolidated operations | | 18,474 | 10% | 21,681 | 14% |
| Net exceptional items | 19 | 65 | 0% | (299) | (0%) |
| Income taxes | 20 | (4,750) | (3%) | (5,016) | (3%) |
| Share of income from equity-accounted associates | | 1,068 | 1% | 1,497 | 1% |
| Net income (loss) | | 14,857 | 8.3% | 17,864 | 11.2% |
| - Attributable to the parent | | 14,857 | | | |
| - Attributable to non-controlling interests | | - | | | |
| Basic earnings per share in euros | | 2.53 | - | 3.04 | - |
| Diluted earnings per share in euros | | 2.45 | - | 2.97 | - |

(*) Net income includes the share of minority interests in Market Dojo (see paragraph 2: Significant accounting policies, basis of consolidation).

Consolidated statement of changes in shareholders' equity

| (€ thousands) | Capital stock | Additional paid-in capital | Translation difference | Annual profit/(loss) | Reserves and retained earnings | Equity attributable to the parent |
|---|---------------|----------------------------|------------------------|----------------------|--------------------------------|-----------------------------------|
| Balance as of December 31, 2021 | 11,850 | 22,756 | 399 | 14,280 | 31,109 | 80,394 |
| Retained earnings/(accumulated deficit) | | | | (5,458) | 5,458 | - |
| Annual profit/(loss) | | | | 17,864 | | 17,864 |
| Currency translation adjustments | | | 945 | | | 945 |
| Stock options | 17 | 472 | | | | 489 |
| Treasury shares | | | | 796 | | 796 |
| Dividends | | | | (3,805) | | (3,805) |
| Change in Group structure | | | | 24 | | 24 |
| Other changes | | | | | 1,934 | 1,934 |
| Balance as of December 31, 2022 | 11,867 | 23,228 | 1,344 | 23,701 | 38,501 | 98,641 |
| Retained earnings/(accumulated deficit) | | | | (13,203) | 13,203 | - |
| Annual profit/(loss) | | | | 14,857 | | 14,857 |
| Currency translation adjustments | | | (1,248) | | | (1,248) |
| Stock options | 105 | 755 | | | | 860 |
| Treasury shares | | | | - | | - |
| Dividends | | | | (4,651) | | (4,651) |
| Change in consolidation scope | | | | 10 | | 10 |
| Other changes | 104 | | | | (195) | (91) |
| Balance as of December 31, 2023 | 12,076 | 23,982 | 96 | 20,714 | 51,533 | 108,377 |

Consolidated statement of cashflows

| (€ thousands) | 12/31/23 | 12/31/22 |
|---|----------|----------|
| Consolidated net income | 14,857 | 17,864 |
| Adjustments to reconcile non-cash items to cash generated from operations: | | |
| Net allowances for depreciation and provisions | 11,773 | 11,004 |
| - Carrying value of assets sold | 62 | 529 |
| - Proceeds from the disposal of assets | (51) | (818) |
| Cashflows after net financial expense | 26,641 | 28,579 |
| - Tax liabilities | 4,750 | 5,016 |
| - Taxes paid | (5,322) | (4,459) |
| - Interest expense and income | (109) | (46) |
| - Dividends received from equity-accounted companies | | 1,800 |
| Change in operating working capital | 5,546 | (10,401) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 31,506 | 20,489 |
| Acquisition of intangible assets | (15,984) | (14,675) |
| Acquisition of property, plant and equipment | 3 | 818 |
| Proceeds from the disposal of PPE and intangible assets | (221) | 2,954 |
| Change in consolidation scope (Market Dojo) | | (8,346) |
| Investment in affiliates | (1,068) | (1,497) |
| NET CASH USED IN INVESTING ACTIVITIES | (17,270) | (20,746) |
| Dividends paid to shareholders of the parent company | (4,502) | (3,555) |
| Capital increases or contributions | | |
| Issuance costs for capital increases | | |
| Amount received from the exercise of stock options | 860 | 592 |
| Change in treasury shares | | |
| Repayment of borrowings – finance leases | (4,111) | (3,135) |
| Change in borrowings | | 17,000 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | (7,753) | 10,902 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 6,483 | 10,644 |
| Effect of exchange rate changes on cash | (590) | (2,736) |
| Cash and cash equivalents at beginning of year | 42,885 | 34,978 |
| Cash and cash equivalents at end of year | 48,773 | 42,885 |

Notes to the consolidated financial statements

1. Annual highlights

Creation of the Esker Benelux subsidiary

On January 1, 2023, the Group created a wholly-owned subsidiary of Esker SA in Belgium to support development in the Benelux region.

Dividend distribution

Dividends were distributed during the year in accordance with the resolutions of the Annual General Meeting of June 21, 2023. Based on a share capital of 6,024,520 shares at the date of the General Meeting, €4,518,390 were distributed to shareholders in the amount of €0.75 per share.

2. Significant accounting policies, basis of consolidation

Adoption and approval of the accounts

The consolidated financial statements of Esker Group at December 31, 2023 were adopted by the Executive Board and submitted for approval to the Supervisory Board on March 26, 2024.

Accounting policies and compliance statement

The consolidated financial statements have been prepared in accordance with French GAAP, and notably in accordance with the provisions of Regulation 2020-01 of the French Accounting Standards Authority (*Autorité des Normes Comptables* or ANC) on consolidated financial statements.

The accounts of consolidated companies outside France, prepared in accordance with the rules in force in their respective countries, are thus restated to comply with Esker Group accounting principles.

Basis of consolidation

Companies in which the Group directly or indirectly exercises exclusive control are fully consolidated. Exclusive control is defined as an ability to exercise directly or indirectly authority in managing the financial and operating policies of a company so as to obtain benefits from its activities.

Equity interests in companies in which Esker Group does not have a controlling interest but exercises a material influence are recognized according to the equity method.

Intercompany receivables, payables, income and expenses of fully consolidated subsidiaries are eliminated.

The list of subsidiaries and associates included in the consolidation scope is presented in [section 2](#) of these notes

Recognition of minority interests in the income statement: the Group undertakes to cover the share of minority interests in Market Dojo.

Foreign currency translation methods

Income statement items of foreign companies outside the euro zone are translated at the average rate for the period and balance sheet accounts are translated at the corresponding year-end rate. Currency translation differences are presented as a distinct line item under equity.

Preferred methods

The following preferential methods have been applied:

- Recognition of pension obligations and other employee benefits
- Restatement of finance leases
- Capitalization of development expenditures

Use of estimates

In preparing the financial statements, management has recourse to estimates and assumptions that have an impact on the financial statements.

The main Management estimations concern assumptions relating to:

- The measurement and depreciation of property, plant and equipment and intangible assets ([notes 3, 4](#))
- The calculation of deferred taxes ([note 20](#))
- The measurement of pension obligations ([note 12](#))
- The measurement of provisions ([note 12](#))

These estimations are based on the best information available to management on the closing date

Goodwill

Goodwill arising from the acquisition of a subsidiary represents the excess of consideration transferred over the Group's share in the net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary at the acquisition date. Goodwill is measured in the currency of the acquired company. Goodwill is initially recognized as an asset at cost, and subsequently measured at cost less accumulated impairment losses.

Goodwill and fair value adjustments resulting from the acquisition of a foreign company are considered as assets and liabilities of the latter and consequently stated in the functional currency of the entity at the closing rate.

The useful life of goodwill is considered to be indefinite.

The methodology used to test for impairment is based in part on the discounted cashflow method, and in part on use of the market value based on Esker's market capitalization.

Cashflows are calculated on the basis of 5-year forecasts. A perpetual growth rate is applied from the sixth year onwards. The cashflows derived from these forecasts are then discounted to present value.

The key assumptions used to test for impairment are as follows:

- A perpetuity growth rate of 2.0% considered acceptable in relation to the performance of the relevant business sector (technology and IT services)
- A discount rate of 7.8% for Germany, and 8.5% for France. This rate takes into account the 10-year risk-free rate, a market risk premium and the beta coefficient

Market Dojo shares were also tested for impairment at December 31, 2023, by assessing the future buyback value of the minority interests in the company's capital, in accordance with the provisions of the 2022 put option agreement.

Tests were carried out to assess the sensitivity of the future redemption value to changes in certain assumptions, mainly sales and normative working capital requirements.

Intangible assets

■ Development expenditures

Under the preferred method, development expenditures are recorded as intangible assets when the company can demonstrate that the following criteria have been met:

- Intention by the company and technical and financial feasibility of completing the asset
- The asset will generate probable future economic benefits for the company
- The cost of the asset thus created can be reliably measured

Development expenditures incurred by Esker Group concern two types of applications and are destined to be tracked on an individual basis. These expenditures consist primarily of staff costs.

Group development activities are divided into two categories:

- **Developments to create new products or introduce new functionalities to existing products.** Criteria for capitalizing expenditures under IAS 38 are determined by the marketing and R&D teams when these projects are launched.
- **Development to extend the life of existing products** (adaptation to new operating systems, corrective maintenance, etc.). Such expenditures do not meet the criteria of the standard and are consequently not capitalized.

Capitalized development expenditure is amortized on a straight-line basis over its useful life of 5 years. The corresponding expenditures of projects not yet completed on the closing date are recorded as intangible assets and tested for impairment (see below the note on the impairment of fixed assets).

Other research and development expenditures that do not meet the criteria of the standard defined above are expensed in the period incurred.

■ Other intangible assets

Software acquired is recognized as intangible assets and amortized on a straight-line basis over useful lives defined as five years.

Property, plant and equipment

■ Property, plant and equipment

The gross value of property, plant and equipment represents the historical acquisition cost. This cost comprises directly attributable costs of transferring the asset to its place of operation and bringing the asset to working condition for its intended use.

Depreciation of property, plant and equipment reflects the pattern of consumption of the expected economic benefits on the basis of the acquisition cost, after deducting when applicable the residual value (as a general rule considered as zero). The straight-line method is applied over the following useful lives:

- Land.....unlimited
- Buildings..... 20 years
- Fixtures, improvements, fittings5 to 8 years
- Transport equipment3 to 5 years
- Office and computer equipment2.5 to 8 years
- Furniture5 years

■ Leases

In compliance with the preferred method, leases that transfer to Esker the risks and rewards incidental to ownership (finance leases) are recorded as fixed assets with the corresponding financial liability recognized at fair value or, if lower, the present value of the minimum lease payments.

The corresponding fixed assets are depreciated according to the procedures described above.

The cost of repairs and maintenance are expensed when incurred except where they serve to increase productivity or to prolong the asset's useful life.

Impairment of fixed assets

Intangible and tangible fixed assets are subject to impairment tests once there is an indication of loss in value. Indefinite life fixed assets and intangible assets in progress (development projects) are tested for impairment at least once a year.

Intangible assets and property, plant and equipment are tested for impairment when, in connection with events or circumstances occurring in the period, it is considered that the recoverable amount over a sustained period will remain lower than the carrying value.

The recoverable amount of an asset is measured at the higher of its fair value less costs to sell and value in use. Value in use is determined on the basis of the present value of future operating cashflows expected over a five-year period and a terminal value based on a perpetuity growth rate for cashflow.

For the purpose of this test, the values of assets are aggregated on the basis of Cash-Generating Units (CGU). CGUs represent profit centers providing the basis of the organization of Group operations and the analysis of results for internal reporting purposes. As a general rule, these profit centers represent legal entities.

When the recoverable value of the CGU is lower than the carrying value an impairment loss is recognized in the income statement.

Inventory and work in progress

Inventory is measured at the lower of acquisition cost determined according to the method of weighted average cost per unit or the net realizable value.

Trade receivables

Trade receivables are recognized on transfer of title that as a general rule corresponds to the delivery for the sale of goods and completion for services.

A provision for impairment is recognized when the carrying value of these trade receivables is subject to a risk of non-collection.

Treasury shares

Long-term shares of the parent company held directly or indirectly through consolidated subsidiaries are deducted from shareholders' equity at their purchase price, after deducting acquisition expenses. Changes in fair value during the period treasury shares are held are not recognized. Gains and losses from the disposal of the shares are recognized directly under equity and do not impact profit or loss.

Cash and marketable securities

Cash comprises cash at banks and on hand.

Marketable securities have short-term maturities, are readily convertible to cash and subject to an insignificant risk to changes in value.

Securities held for trading are measured at fair value and resulting losses and gains recognized in the income statement.

Changes in cash and cash equivalents are analyzed in the statement of cashflow presented on the basis of the indirect method.

Provisions

Provisions are recorded when Group management considers that it has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation without receiving equivalent consideration in exchange and the amount of the obligation can be reliably measured.

Provisions for lawsuit contingencies may be recorded notably in connection with litigation known to the Group to which it is a party. A review of this litigation is undertaken on the balance sheet date by management and outside counsel, if necessary, to determine the amount required to cover these estimated risks.

Employee benefits

■ Retirement Plans

In most subsidiaries, the Group has an obligation to finance employee pensions through the payment of contributions calculated on the basis of salaries to pension fund entities. Such contributions are expensed when incurred. No other commitments exist related to these contributions.

In addition, under French law, the Group is required to pay employees on retirement an end-of-career severance benefit. The corresponding commitments are calculated annually using the projected unit credit method. This calculation is made in accordance with the provisions provided for under the applicable collective bargaining agreement (SYNTEC) according to the following criteria:

- Estimated age of retirement
- Seniority of personnel on retirement date
- Probability of continued presence at retirement age
- Salary escalation rate
- Discount rate

No other commitments have been recognized for retirement benefits for other subsidiaries of the Group because they are not material or there does not exist a legal obligation.

■ Other Long-Term Benefits

In accordance with local laws and regulations, the Italian subsidiary must pay employees a severance benefit when leaving the company regardless of the reason (resignation, retirement, etc.). This benefit is calculated on the basis of annual salary and seniority and subject to annual increases indexed on the rate of inflation issued by the Italian government.

Income taxes and deferred taxes

Temporary differences between the tax base of consolidated tax assets and liabilities are recognized as deferred taxes according to the liability method.

Deferred taxes are recognized when recovery is considered probable within a reasonable period. Reductions in future taxes resulting from the use of tax loss carryforwards (including amounts that can be carried forward indefinitely) are recognized only if their recovery is considered probable.

Deferred tax assets and liabilities are not discounted and are offset within the same tax entity. Deferred taxes calculated allocated to equity items are recognized under shareholders' equity.

Research tax credit

Manufacturing and trading companies taxed according to the actual regime that incur research expenditure may benefit from a tax credit in France.

The tax credit is calculated for each calendar year and utilized against the tax payable by the Company for the year in which the research expenditure was incurred.

Because research tax credits are by nature definitively acquired independently of the Group's tax situation, it was decided that they be classified under "other operating income".

Revenue

As a general rule revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably, notably on the date the significant risks and rewards of ownership of the goods are transferred to the buyer.

Group sales originate primarily from the sale of licenses, maintenance-related services (training and installation assistance), on-demand services available online (outsourcing of fax and mail services) and equipment (fax boards).

- Sales of licenses and hardware are recognized on the date of delivery
- Income from maintenance contracts is recognized on a straight-line basis over the term of the contract. For contracts concerning the period in progress and future periods, deferred revenue is recognized at year-end for the portion of contracts corresponding to future periods
- Services related to software sales are recognized according to the percentage-of-completion method

Other services are recognized on the date of performance.

Consolidated companies

Esker Benelux, a subsidiary created on January 1, 2023, was fully consolidated.

Information on consolidated companies at December 31, 2023 is presented below

| Company | Head office | 2023 | | 2022 | | Consolidation method ⁽¹⁾ |
|---|-----------------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------------------|
| | | Controlling interest (%) | Ownership interest (%) | Controlling interest (%) | Ownership interest (%) | |
| Esker | Lyon (France) | Parent company | | | | |
| Esker GmbH | Essen (Germany) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Ltd | Derbyshire (United Kingdom) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Italia Srl | Milan (Italy) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Ibérica S.L. | Madrid (Spain) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Inc. | Madison (United States) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Australia Pty Ltd | Sydney (Australia) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Documents Automation Asia Pte Ltd | Singapore | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Documents Automation (M) Sdn Bhd | Kuala Lumpur (Malaysia) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Solution Canada Inc. | Montreal (Canada) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| CalvaEDI | Paris (France) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker EDI Services | Ratingen (Germany) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Hong Kong | Hong Kong | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Benelux | Belgium (Gent) | 100.0% | 100.0% | | | F |
| Market Dojo | Stonehouse (United Kingdom) | 50.2% | 50.2% | 50.1% | 50.1% | F |
| Neotouch Cloud Solution | Dublin (Ireland) | 30.0% | 30.0% | 30.0% | 30.0% | E.M. |

(1) F.C.: Full consolidation

E.M.: Equity method

3. Notes to the balance sheet, income statement and statement of cashflows

NOTE 1: Segment information

■ Segment information relating to products and services

| In thousands of euros | 2023 | | 2022 | |
|---|----------------|-------------|----------------|-------------|
| | Amount | % | Amount | % |
| Software sales | 309 | 0% | 1,140 | 1% |
| Fax card sales | 50 | 0% | 88 | 0% |
| Contracts for product updates and maintenance | 3,155 | 2% | 4,682 | 3% |
| Services | 28,348 | 18% | 25,626 | 16% |
| Traffic | 146,691 | 92% | 127,451 | 80% |
| NET SALES | 178,554 | 100% | 158,987 | 100% |

■ Information relating to geographical areas

Esker Group has chosen to apply geographical segmentation as its sole criteria for segment reporting. According to this criteria, business is broken down into six main segments: France (of which CalvaEDI), Germany (of which Esker EDI Services), the United Kingdom, Southern Europe, Australia-Asia and the Americas.

| As of December 31, 2023 In thousands of euros | France | Germany | United Kingdom | Southern Europe | Australia, Asia | Americas | TOTAL Group |
|--|--------|---------|----------------|-----------------|-----------------|----------|-------------|
| External sales | 65,152 | 8,649 | 10,874 | 10,138 | 10,367 | 73,376 | 178,555 |

| As of December 31, 2022 In thousands of euros | France | Germany | United Kingdom | Southern Europe | Australia, Asia | Americas | TOTAL Group |
|--|--------|---------|----------------|-----------------|-----------------|----------|-------------|
| External sales | 58,086 | 7,213 | 9,128 | 8,228 | 9,886 | 66,446 | 158,987 |

■ Information relating to key customers

In fiscal 2023 the largest customer represented 7.0% of total Group revenue.

In fiscal 2022 the largest customer represented 8.3% of total Group revenue.

NOTE 2: Goodwill

The main components of goodwill can be analyzed as follows:

| In thousands of euros | 12/31/23 | | | 12/31/22 |
|-----------------------|---------------|--------------|---------------|---------------|
| | Gross | Amortization | Net | Net |
| TermSync | 5,235 | 97 | 5,138 | 5,322 |
| CalvaEDI | 137 | 2 | 135 | 135 |
| E-integration | 989 | - | 989 | 989 |
| Market Dojo | 9,620 | - | 9,620 | 9,820 |
| TOTAL GOODWILL | 15,981 | 99 | 15,882 | 16,266 |

Business combinations are recorded on the basis of the purchase method of accounting. The assets, liabilities and contingent liabilities of the acquiree are recognized at acquisition date fair value. Goodwill arising from consolidation is recognized under the line items of the corresponding assets and liabilities.

The excess cost of the business combination over the Group's share of the net fair value of the acquiree's assets and liabilities on the date of acquisition is recognized under goodwill.

The increase or decrease in the net value of goodwill relating to the TermSync and Market Dojo subsidiaries resulted from exchange rate fluctuations.

The value of goodwill was confirmed by the impairment tests conducted on the basis of the underlying assumptions.

NOTE 3: Other intangible assets

| In thousands of euros | 12/31/23 | | | 12/31/22 |
|------------------------------------|----------------|---------------|---------------|---------------|
| | Gross | Amortization | Net | Net |
| Goodwill | 15,981 | 99 | 15,882 | 16,266 |
| Development expenditures | 76,169 | 53,769 | 22,399 | 19,141 |
| Trademarks | 1,968 | 126 | 1,842 | 1,762 |
| Software | 1,723 | 1,339 | 384 | 225 |
| Customer-related intangible assets | 7,410 | 2,620 | 4,790 | 5,053 |
| Intangible assets in progress | 6,095 | - | 6,095 | 5,203 |
| TOTAL INTANGIBLE ASSETS | 109,345 | 57,953 | 51,391 | 47,649 |

Development expenditures recorded under intangible assets include:

- Costs incurred for the development of document process automation applications
- Costs for the development of on-demand services for our complete offering of solutions

■ Changes in the fiscal year ended December 31, 2023

| As of 12/31/23 In thousands of euros | Opening balance | Increases | Decreases | Changes in Group struc- ture | Reclassification | Other changes | Closing balance |
|---|--------------------|---------------|--------------|------------------------------------|------------------|------------------|--------------------|
| Goodwill | 16,369 | | | | | (388) | 15,981 |
| Development expenditures | 64,673 | 5,999 | (154) | | 5,674 | (24) | 76,169 |
| Trademarks | 1,878 | 116 | | | | (26) | 1,968 |
| Software | 1,914 | 322 | (482) | | | (31) | 1,723 |
| Customer-related intangible assets | 7,410 | | | | | | 7,410 |
| Intangible assets in progress | 5,203 | 6,756 | (190) | | (5,674) | (1) | 6,095 |
| INTANGIBLE ASSETS – GROSS VALUE | 97,447 | 13,193 | (827) | - | - | (469) | 109,345 |
| Goodwill | 100 | | | | | (1) | 99 |
| Development expenditures | 45,532 | 8,239 | | | | (2) | 53,769 |
| Trademarks | 116 | 12 | | | | (2) | 126 |
| Software | 1,690 | 156 | (480) | | | (26) | 1,339 |
| Customer-related intangible assets | 2,357 | 262 | | | | | 2,620 |
| INTANGIBLE ASSETS – AMORTIZATION | 49,796 | 8,670 | (480) | - | - | (31) | 57,953 |
| INTANGIBLE ASSETS – NET VALUE | 47,651 | 4,524 | (346) | - | - | (438) | 51,391 |

Changes recorded concern development expenditures capitalized in the period and concerning mainly expenditures incurred in connection with our SaaS solutions.

Reclassifications reflect the transfer of intangible assets in progress to development expenditures and account adjustments made in 2023.

■ Changes in the fiscal year ended December 31, 2022

| As of 12/31/22 In thousands of euros | Opening balance | Increases | Decreases | Changes in Group con- solidation scope ¹ | Reclassification | Other changes | Closing balance |
|---|--------------------|---------------|----------------|--|------------------|------------------|--------------------|
| Goodwill | 6,233 | | | 9,820 | | 316 | 16,369 |
| Development expenditures | 55,135 | 238 | (2,247) | 1,896 | 9,547 | 103 | 64,673 |
| Trademarks | 1,633 | | | | 217 | 27 | 1,878 |
| Software | 1,973 | 222 | (59) | | (279) | 57 | 1,914 |
| Customer-related intangible assets | 7,365 | | | | 45 | | 7,410 |
| Intangible assets in progress | 4,337 | 10,389 | - | | (9,531) | 8 | 5,203 |
| INTANGIBLE ASSETS – GROSS VALUE | 76,676 | 10,850 | (2,306) | 11,716 | - | 511 | 97,447 |
| Goodwill | 95 | | | | | 5 | 100 |
| Development expenditures | 39,155 | 6,746 | (1,445) | 984 | 16 | 75 | 45,532 |
| Trademarks | - | | | | 117 | (1) | 116 |
| Software | 1,687 | 151 | (59) | | (133) | 44 | 1,690 |
| Customer-related intangible assets | 2,095 | 262 | | | | | 2,357 |
| INTANGIBLE ASSETS – AMORTIZATION | 43,032 | 7,159 | (1,504) | 984 | 0 | 124 | 49,796 |
| INTANGIBLE ASSETS – NET VALUE | 33,644 | 3,690 | (802) | 10,732 | (0) | 387 | 47,651 |

(1): first-time full consolidation of Market Dojo.

NOTE 4: Property, plant and equipment

| In thousands of euros | 12/31/23 | | | 12/31/22 |
|--|---------------|---------------|--------------|--------------|
| | Gross | Amortization | Net | Net |
| Land | 1,077 | | 1,077 | 1,077 |
| Buildings | 1,179 | 348 | 831 | 890 |
| Office and computer equipment | 9,541 | 6,337 | 3,204 | 2,200 |
| Fixtures and improvements | 6,146 | 3,570 | 2,576 | 3,184 |
| Equipment and tooling | 9,467 | 8,911 | 556 | 1,031 |
| Transport equipment | 8 | 6 | 2 | 2 |
| Furniture | 1,615 | 1,195 | 420 | 602 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 29,033 | 20,366 | 8,667 | 8,987 |

■ Changes in the fiscal year ended December 31, 2023

| As of 12/31/23 In thousands of euros | Opening balance | Increases | Decreases | Reclassification | Other changes | Closing bal- ance |
|---|--------------------|--------------|--------------|------------------|------------------|-------------------------|
| Land | 1,077 | | | | | 1,077 |
| Buildings | 1,179 | | | | | 1,179 |
| Office and computer equipment | 8,030 | 2,380 | (762) | | (108) | 9,541 |
| Fixtures and improvements | 6,027 | 157 | (1) | | (36) | 6,146 |
| Equipment and tooling | 9,339 | 185 | (49) | | (8) | 9,467 |
| Transport equipment | 12 | | (4) | | | 8 |
| Furniture | 1,610 | 39 | (2) | | (33) | 1,615 |
| PROPERTY, PLANT AND EQUIPMENT – GROSS VALUE | 27,275 | 2,761 | (818) | - | (185) | 29,033 |
| Buildings | 289 | 59 | | | | 348 |
| Office and computer equipment | 5,830 | 1,339 | (760) | | (72) | 6,337 |
| Fixtures and improvements | 2,842 | 761 | (7) | | (25) | 3,570 |
| Equipment and tooling | 8,308 | 644 | (34) | | (7) | 8,911 |
| Transport equipment | 10 | | (4) | | | 6 |
| Furniture | 1,008 | 214 | (4) | | (23) | 1,195 |
| PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION | 18,288 | 3,016 | (811) | - | (127) | 20,366 |
| NET VALUE OF PROPERTY, PLANT AND EQUIPMENT BEFORE IMPAIRMENT | 8,987 | (256) | (7) | - | (57) | 8,667 |
| PROPERTY, PLANT AND EQUIPMENT – NET VALUE | 8,987 | (256) | (7) | - | (57) | 8,667 |

Reclassifications reflect the transfer of certain fixed assets formerly classified under IT office equipment to machinery and equipment.

■ Changes in the fiscal year ended December 31, 2022

| As of 12/31/22 In thousands of euros | Opening balance | Increases | Decreases | Changes in consolidation scope ⁽¹⁾ | Reclassification | Other changes | Closing balance |
|---|--------------------|----------------|--------------|---|------------------|------------------|--------------------|
| Land | 1,077 | | | | | | 1,077 |
| Buildings | 1,179 | | | | | | 1,179 |
| Office and computer equipment | 8,886 | 902 | (327) | 39 | (1,604) | 134 | 8,030 |
| Fixtures and improvements | 5,447 | 543 | (12) | | | 49 | 6,027 |
| Equipment and tooling | 7,683 | 55 | (8) | | 1,604 | 6 | 9,339 |
| Transport equipment | 61 | - | (49) | | | | 12 |
| Furniture | 1,330 | 246 | (21) | 9 | | 46 | 1,610 |
| PROPERTY, PLANT AND EQUIPMENT – GROSS VALUE | 25,663 | 1,747 | (417) | 48 | - | 234 | 27,275 |
| Buildings | 230 | 59 | | | | | 289 |
| Office and computer equipment | 5,738 | 1,206 | (323) | 19 | (895) | 85 | 5,830 |
| Fixtures and improvements | 2,077 | 743 | - | | | 22 | 2,842 |
| Equipment and tooling | 6,911 | 510 | (9) | | 895 | 1 | 8,308 |
| Transport equipment | 50 | 2 | (42) | | | - | 10 |
| Furniture | 761 | 238 | (15) | 1 | | 24 | 1,008 |
| PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION | 15,767 | 2,758 | (389) | 20 | - | 132 | 18,288 |
| NET VALUE OF PROPERTY, PLANT AND EQUIPMENT BEFORE IMPAIRMENT | 9,896 | (1,012) | (28) | 29 | - | 102 | 8,987 |
| PROPERTY, PLANT AND EQUIPMENT – NET VALUE | 9,896 | (1,012) | (28) | 29 | - | 102 | 8,987 |

(1): first-time full consolidation of Market Dojo.

NOTE 5: Financial assets

| In thousands of euros | Opening 2023 | Increases | Decreases | Changes in Group struc- ture | Other changes | Closing 2023 |
|--|-----------------|--------------|----------------|------------------------------------|------------------|-----------------|
| Non-consolidated equity investments | 4,800 | | (30) | | (163) | 4,607 |
| Fixed securities | 4,713 | 401 | (300) | | | 4,814 |
| Loans, guarantees and other receiv- ables | 1,241 | 3,489 | (3,617) | | (2) | 1,111 |
| NET FINANCIAL ASSETS | 10,754 | 3,891 | (3,947) | - | (165) | 10,532 |

NOTE 6: Finance leases

| In thousands of euros | Gross | Accumulated amortization | Net |
|--------------------------------|--------------|--------------------------|------------|
| As of December 31, 2021 | 7,082 | (6,460) | 622 |
| Increase | | (126) | (126) |
| Decrease | | | - |
| Translation difference | | | - |
| As of December 31, 2022 | 7,082 | (6,586) | 496 |
| Increase | - | (325) | (325) |
| Decrease | | | - |
| Translation difference | | | - |
| As of December 31, 2023 | 7,082 | (6,911) | 171 |

Finance lease commitments for the periods ended December 31, 2023 and 2022 break down as follows:

| In thousands of euros | 12/31/23 | | | | 12/31/22 | | | |
|---|------------------|-----------|------------------|-------|------------------|-----------|------------------|-------|
| | Less than 1 year | 2-5 years | More than 5 year | TOTAL | Less than 1 year | 2-5 years | More than 5 year | TOTAL |
| Total value of future minimum lease payments | 111 | | | 111 | 227 | 111 | | 338 |
| Discounted value of future minimum lease payments | 107 | | | 107 | 226 | 107 | | 333 |

NOTE 7: Other receivables and accruals

| In thousands of euros | Net 12/31/23 | Net 12/31/22 |
|---|--------------|--------------|
| Tax receivables | 3,770 | 3,051 |
| Other tax receivables | 191 | 376 |
| Other receivables | 545 | 179 |
| Prepaid expenses | 3,835 | 5,432 |
| TOTAL OTHER RECEIVABLES AND ACCRUALS | 8,341 | 9,038 |

NOTE 8: Cash and marketable securities

At December 31, 2023, cash included the following items:

| In thousands of euros | Net 12/31/23 | Net 12/31/22 |
|---|---------------|---------------|
| Marketable securities | 6,137 | 8,355 |
| Cash and cash equivalents | 42,636 | 34,531 |
| TOTAL CASH AND MARKETABLE SECURITIES | 48,773 | 42,886 |

Marketable securities correspond to shares in Sicav money market funds and time deposits not subject to a risk of loss in value.

NOTE 9: Shareholders' equity

| | Amount (in thousands of euros) | Number of shares |
|--|--------------------------------|------------------|
| Capital stock at 12/31/21 | 11,850 | 5,924,912 |
| Capital increase | 102 | 50,850 |
| Exercise of stock options and warrants | 20 | 9,978 |
| Capital stock at 12/31/22 | 11,971 | 5,985,740 |
| Capital increase | 78 | 38,780 |
| Exercise of stock options and warrants | 27 | 13,450 |
| CAPITAL STOCK AT 12/31/23 | 12,076 | 6,037,970 |

The Company is subject to no specific regulatory or contractual obligations in respect to the share capital. The Group does not have a specific policy concerning share capital. The balance between recourse to external financing and equity financing through capital increases by the issue of new shares is assured on a case-by-case basis according to the transactions under consideration. Share capital monitored by the Group includes the same components as consolidated shareholders' equity.

A dividend of €0.75 per share was paid for the period.

NOTE 10: Treasury shares

Changes in treasury shares held by the Group in fiscal 2023:

| | FY 2023 | FY 2022 |
|---|----------------|----------------|
| Opening balance | 143,204 | 147,882 |
| Purchase of own shares (liquidity agreement) | 24,347 | 27,288 |
| Sale of own shares (liquidity agreement) | (23,806) | (26,473) |
| Purchase of own shares (for external growth transactions) | | |
| Sales of own shares (for external growth transactions) | | (5,493) |
| Closing balance | 143,745 | 143,204 |

NOTE 11: Stock option and restricted stock unit plans

Highlights of plans for stock options, stock purchase options and warrants outstanding at December 31, 2023 are presented below :

| Type | Dates | | Exercise price in euros | Number of options | | | Balance |
|-------------------------------------|----------|----------|-------------------------|-------------------|----------------|----------------------|----------------|
| | Grant | Expiry | | Granted | Exercised | Matured or forfeited | |
| Stock option plan | 04/19/13 | 09/18/23 | | 27,500 | 26,250 | 1,000 | 250 |
| Stock option plan | 04/01/14 | 03/31/24 | 16.32 | 12,000 | 9,874 | 1,626 | 500 |
| Stock option plan | 04/01/15 | 03/31/25 | 19.62 | 24,500 | 20,624 | 563 | 3,313 |
| Stock option plan | 07/01/16 | 06/30/26 | 32.92 | 23,800 | 19,487 | 1,813 | 2,500 |
| Stock option plan | 05/04/17 | 05/03/27 | 46.55 | 20,750 | 15,109 | 1,313 | 4,328 |
| Stock option plan | 06/01/18 | 05/31/28 | 57.49 | 23,000 | 12,271 | 2,126 | 8,603 |
| Stock option plan | 06/24/19 | 06/23/29 | 79.75 | 28,750 | 10,479 | 4,125 | 14,146 |
| Stock option plan | 05/04/20 | 04/03/30 | 99.60 | 28,750 | 7,924 | 1,500 | 19,326 |
| TOTAL STOCK OPTION PLANS | | | | 189,050 | 122,018 | 14,066 | 52,966 |
| Restricted stock units | 03/05/21 | 03/04/24 | | 6,300 | | | 6,300 |
| Restricted stock units | 03/05/21 | 03/04/25 | | 2,100 | | | 2,100 |
| Restricted stock units | 03/05/21 | 03/04/26 | | 2,100 | | | 2,100 |
| Restricted stock units | 03/05/21 | 03/04/27 | | 2,100 | | | 2,100 |
| Restricted stock units | 04/01/21 | 03/31/24 | | 1,400 | | | 1,400 |
| Restricted stock units | 04/01/21 | 03/31/25 | | 467 | | | 467 |
| Restricted stock units | 04/01/21 | 03/31/26 | | 467 | | | 467 |
| Restricted stock units | 04/01/21 | 03/31/27 | | 467 | | | 467 |
| Restricted stock units (*) | 06/01/22 | 06/01/24 | | 51,840 | | | 51,840 |
| Restricted stock units | 10/01/22 | 10/01/25 | | 59,100 | | | 59,100 |
| Restricted stock units | 11/06/23 | 11/05/26 | | 56,932 | | | 56,932 |
| TOTAL RESTRICTED STOCK UNITS | | | | 183,272 | - | - | 183,272 |

(*)The award of these restricted stock units (actions gratuites) is based on a seven-year plan with successive vesting and holding periods as follows:

- An initial vesting period of 24 months (i.e., from June 1, 2022 to May 31, 2024 inclusive), at the end of which the Beneficiary only acquires 25% of the grant, with the vested shares remaining subject to lock-up restrictions for a further period of 24 months
- From the 25th month, the Beneficiary then acquires 1/4 of the grant every 24 months, with this 25% amounts remaining subject to lock-up restrictions for an additional 24 months on each occasion
- Each vested portion thus becomes available at the end of a 24-month holding period, with the last portion of the grant becoming available on June 1, 2029

Changes in the number of stock options, restricted stock units and warrants granted to Group employees in the period break down as follows:

| | Stock options | | Restricted stock awarded, not issued | |
|--|---------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Quantity | Weighted average exercise price in € | Quantity | Weighted average exercise price in € |
| Balance exercisable at 12/31/22 | 66,541 | 59.38 | 175,740 | 151.10 |
| Granted | - | - | 56,932 | 125.90 |
| Exercised | (13,450) | 58.12 | (38,780) | 149.00 |
| Matured or forfeited for reason of departure | (125) | 99.60 | (10,620) | 149.00 |
| BALANCE EXERCISABLE AT 12/31/23 | 52,966 | 59.60 | 183,272 | 144.14 |

NOTE 12: Provisions

| In thousands of euros | 12/31/22 | Increases, allowances of the period | Payments in the period | Reversals of provisions unused in the period | Other changes | 12/31/23 |
|---|--------------|-------------------------------------|------------------------|--|---------------|--------------|
| Provisions for contingencies and expenses | - | | | | | - |
| Pension liabilities | 3,114 | 182 | (67) | | | 3,228 |
| TOTAL PROVISIONS | 3,114 | 182 | (67) | - | - | 3,228 |

■ Provision for contingencies and expenses

No provisions for prior contingencies were recorded in the Group's consolidated financial statements for 2023. Only provisions for retirement benefit obligations have been recognized as presented below.

■ Pension liabilities

Pension liabilities consist of commitments relating to retirement severance payments for employees of Esker France and contributions payable to employees of Esker Italia.

■ Retirement scheme in France

Retirement severance benefits in France for employees of the company are measured using the same method as in the previous year with the application of a turnover table based on the employee's seniority. In fact, employee turnover decreases as length of service increases.

Retirement age assumptions have been revised upwards to reflect the new legislative provisions introduced in 2023.

On that basis, assumptions used to estimate pension obligations at December 31, 2023 were as follows:

| Assumptions for the measurement of pension obligations in France | |
|--|----------|
| Discount rate | 3.30% |
| Salary escalation rate | 4.10% |
| Rate of social security charges | 45% |
| Retirement age for management employees | 67 years |
| Retirement age for clerical staff/workers, technicians and supervisors | 64 years |
| Turnover rate | 6.5% |

In addition, in 2016, a portion of the pension obligations had been partially covered by an external plan destined to be gradually increased through premium payments. These premium payments were included in expenses of the period and amounted to €350,000.

The commitments are described below:

| In thousands of euros | 12/31/2022 | Increases, allowances of the period | Payments in the period | Other changes | 12/31/23 |
|--|--------------|---|---------------------------|------------------|--------------|
| Esker SA pension obligations | 2,625 | 92 | | | 2,717 |
| Esker Italia pension obligations | 489 | 90 | (67) | | 512 |
| TOTAL POST-EMPLOYMENT OBLIGATIONS | 3,114 | 182 | (67) | - | 3,228 |

NOTE 13: Borrowings

| In thousands of euros | 12/31/23 | 12/31/22 |
|-------------------------|---------------|---------------|
| Finance leases | 160 | 387 |
| Bank debt | 10,763 | 14,647 |
| TOTAL BORROWINGS | 10,923 | 15,034 |

■ Finance leases

Borrowings recognized represent the reverse entry of capitalized finance leases as described above in [note 6](#).

■ Bank borrowings

Bank debt of €10.7 million represents the balance at December 31, 2023 of the €17 million loan contracted in 2022 to provide cash for potential acquisitions.

NOTE 14: Other payables and accruals

| In thousands of euros | 12/31/23 | 12/31/22 |
|--|---------------|---------------|
| Deferred revenue | 9,139 | 7,134 |
| Customer deposits and guarantees | 3,283 | 3,303 |
| Other payables | 9 | 1,169 |
| TOTAL OTHER PAYABLES AND ACCRUALS | 12,431 | 11,607 |

Deferred revenue concerns primarily maintenance contracts for which sales are recognized on a straight-line basis over the duration of the contract.

NOTE 15: Revenue

| In thousands of euros | 2023 | | 2022 | |
|---|----------------|-------------|----------------|-------------|
| | Amount | % | Amount | % |
| Software sales | 309 | 0% | 1,140 | 1% |
| Fax card sales | 50 | 0% | 88 | 0% |
| Contracts for product updates and maintenance | 3,155 | 2% | 4,682 | 3% |
| Services | 28,348 | 18% | 25,626 | 16% |
| Traffic | 146,691 | 92% | 127,451 | 80% |
| NET SALES | 178,554 | 100% | 158,987 | 100% |

NOTE 16: Research and development expenses

| In thousands of euros | 12/31/23 | 12/31/22 |
|--|-----------------|-----------------|
| R&D expenses for the period | (17,315) | (15,175) |
| Capitalized development expenditures | 12,365 | 10,164 |
| Amortization of capitalized development expenditures | (8,239) | (6,930) |
| RESEARCH AND DEVELOPMENT EXPENSES NOT CAPITALIZED | (13,189) | (11,941) |

An analysis of development expenditures recorded under intangible assets in the fiscal period ended December 31, 2023 is presented in [note 3](#).

NOTE 17: Staff costs

| In thousands of euros | 12/31/23 | 12/31/22 |
|--------------------------|----------------|---------------|
| Employee compensation | 87,216 | 74,348 |
| Social security expenses | 26,575 | 20,050 |
| STAFF COSTS | 113,791 | 94,398 |

Breakdown of personnel by country:

| | France | Germany | United Kingdom | Southern Europe | Australia, Asia | United States, Canada | TOTAL |
|------------------------------|------------|-----------|----------------|-----------------|-----------------|-----------------------|--------------|
| Headcount at 12/31/23 | 503 | 63 | 74 | 58 | 72 | 258 | 1,028 |
| Headcount at 12/31/22 | 474 | 63 | 60 | 53 | 69 | 253 | 972 |
| Headcount at 12/31/21 | 426 | 56 | 23 | 44 | 64 | 228 | 840 |

NOTE 18: Net financial income (expense)

| In thousands of euros | 12/31/23 | 12/31/22 |
|---|------------|------------|
| Financial income | 896 | 564 |
| Net currency gains/(losses) | (331) | 185 |
| Financial expenses | (114) | (124) |
| Net provision | 104 | (353) |
| NET FINANCIAL INCOME / (EXPENSE) | 555 | 272 |

NOTE 19: Net exceptional items

| In thousands of euros | 12/31/23 | 12/31/22 |
|--|-----------|--------------|
| Exceptional income from non-capital transactions | 86 | (555) |
| Exceptional income from capital transactions | (20) | 256 |
| Exceptional allowances and reversals | - | - |
| NET EXCEPTIONAL ITEMS | 66 | (299) |

NOTE 20: Income taxes**■ Analysis of tax expenses**

| In thousands of euros | 12/31/23 | 12/31/22 |
|----------------------------------|----------------|----------------|
| Current tax income/(expense) | (5,860) | (4,564) |
| Deferred tax income/(expense) | 1,110 | (452) |
| TOTAL TAX EXPENSES/INCOME | (4,750) | (5,016) |

■ Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities break down as follows:

| In thousands of euros | DEFERRED TAX ASSETS | DEFERRED TAX LIABILITIES |
|--|---------------------|--------------------------|
| Balance at December 31, 2021 | 667 | (757) |
| Deferred taxes in the period recognized under profit or loss | 436 | (673) |
| Effect of exchange rate fluctuations | 11 | (4) |
| BALANCE AT DECEMBER 31, 2022 | 1,114 | (1,434) |
| Deferred taxes in the period recognized under profit or loss | (20) | 1,434 |
| Effect of exchange rate fluctuations | (16) | - |
| BALANCE AT DECEMBER 31, 2023 | 1,078 | - |

■ Reconciliation of tax

| In thousands of euros | 12/31/23 | 12/31/22 |
|--|----------------|----------------|
| Net income (loss) | 14,857 | 17,864 |
| - Share of income in equity-accounted associates | 1,068 | 1,497 |
| - Tax expense/income recognized (-/+) | (4,750) | (5,016) |
| Net income before tax | 18,539 | 21,382 |
| Ordinary tax rate of the parent company | 25% | 10% |
| Theoretical tax expense/income (-/+) | (4,635) | (2,138) |
| Permanent tax differences | 421 | (577) |
| Tax savings on loss carryforwards | (109) | 555 |
| Non-recognition of deferred tax assets from loss carryforwards | (1,191) | (363) |
| Temporary tax differences | 268 | (76) |
| Tax base differences | 404 | (2,413) |
| Other | 92 | (4) |
| TAX EXPENSE/INCOME RECOGNIZED (-/+) | (4,750) | (5,016) |

(*) Article 238 of the French General Tax Code states that companies that are automatically or by choice subject to an effective tax regime may apply a separate tax rate of 10% to net income from licences granted to exploit items that are classified as intangible fixed assets. For the application of the preferential patent box corporate tax regime, we consider that the Esker on Demand platform is basically a single software package consisting of several modules. On this basis, eligible income consists of group and non-group income arising from the use of the on-demand platform considered to be equivalent to an operating license (on-premises or SaaS).

NOTE 21: Basic earnings per share

Basic net earnings per share and diluted net earnings per share are calculated by dividing the portion of net income reverting to the Group by the appropriate number of shares. For basic net earnings per share, this is the weighted average number of ordinary shares outstanding after excluding treasury shares held by the company. For diluted net earnings per share, the calculation is based on the weighted average number of potential shares outstanding in the period. This includes notably shares taken into account to calculate basic net earnings per share plus dilutive stock options, warrants and restricted stock units (*actions gratuites*).

| | 12/31/23 | | 12/31/22 | |
|--|----------------------------|--------------------------------------|----------------------------|--------------------------------------|
| | Net earnings (in euros) | Weighted average number of shares | Net earnings (in euros) | Weighted average number of shares |
| Basis of calculation for basic earnings per share | 14,856,762 | 5,882,120 | 17,863,602 | 5,881,324 |
| Dilutive stock options | | 32,076 | | 42,161 |
| Dilutive bonus shares | | 142,291 | | 90,156 |
| Basis of calculation for diluted earnings per share | 14,856,762 | 6,056,487 | 17,863,602 | 6,013,641 |
| BASIC EARNINGS PER SHARE | 2.53 | | 3.04 | |
| DILUTED EARNINGS PER SHARE | 2.45 | | 2.97 | |

NOTE 22: Transactions with related parties

■ **Commercial relations between majority-owned Esker Group companies**

In connection with commercial relations between Esker Group member companies, amounts are invoiced for the following:

- Sales of solutions by the parent company to subsidiaries
- Royalties
- Marketing expense chargebacks
- Staff costs chargebacks

All these transactions are carried out on an arms-length basis and fully eliminated in the consolidated financial statements.

■ **Other transactions with related parties**

Compensation and benefits of any nature paid to corporate officers considered as related parties are presented below.

| As of 12/31/23 (In thousands of euros) | Compensation paid (gross basis) | Nature of compensation paid | | | |
|---|------------------------------------|-----------------------------|----------------------------|----------------------|---------------------------|
| | | Fixed salary, fees | Variable compen- sation | Benefits in kinds | Compensation granted * |
| Executive Board members | 979 | 530 | 433 | 16 | 0 |
| Supervisory Board members | 98 | 65 | | | 33 |
| TOTAL | 1,077 | 595 | 433 | 16 | 33 |

* formerly attendance fees

No advances or loans were granted to corporate officers during the year.

NOTE 23: Off-balance sheet commitments

Off-balance sheet commitments and contingent liabilities are presented below.

| Contractual obligations (€ thousands) | TOTAL | Payables by maturity | | | |
|--|---------------|---------------------------------|--------------|----------------------|--------------------------|
| | | Less than 1 year | 1-5 years | More than 5 years | Expense of the period |
| Long-term debt | - | | | | |
| Lease finance obligations | | Information disclosed in note 6 | | | |
| Operating leases | 16,704 | 3,641 | 9,545 | 3,519 | 3,787 |
| Irrevocable purchase obligations | - | | | | |
| Other long-term obligations | - | | | | |
| TOTAL | 16,704 | 3,641 | 9,545 | 3,519 | 3,787 |

Most lease agreements concern premises occupied by Group companies. Lease terms (from three to ten years), price index clauses and renewal conditions are specific for each country.

Other leases concern inserting and postage machines in France and a fleet of vehicles.

| Other commitments given and received (€ thousands) | TOTAL | Commitments by period | | |
|---|-------|-----------------------|--------------|----------------------|
| | | Less than 1 year | 1-5 years | More than 5 years |
| Credit lines(*) | 0 | | | |
| Letters of credit | - | | | |
| Guarantees | - | | | |
| Put options written over non-controlling interests | - | | | |
| Pledges, mortgages and collateral | - | | | |
| Other commitments given | - | | | |
| TOTAL COMMITMENTS GIVEN | | | | |
| Other commitments received | | | | |
| TOTAL COMMITMENTS RECEIVED | | | | |

* Undrawn authorized credit lines: €500,000

NOTE 24: Fees paid to auditors and members of their network incurred by the Group

| | Deloitte & Associés | | | | Orfis Advolis | | | | Other | | | |
|---|---------------------|------------|---------------|------------|---------------|------------|---------------|------------|----------------|-------------|----------------|-------------|
| | 2023 | | 2022 | | 2023 | | 2022 | | 2023 | | 2022 | |
| | € ex-VAT | % | € ex-VAT | % | € ex-VAT | % | € ex-VAT | % | € ex-VAT | % | € ex-VAT | % |
| AUDIT | | | | | | | | | | | | |
| External audit, certification, review of separate and consolidated accounts | | | | | | | | | | | | |
| - for the Issuer | 66,000 | 52% | 62,500 | 52% | 62,000 | 48% | 57,500 | 48% | - | 0% | - | 0% |
| - for fully consolidated subsidiaries | - | 0% | - | 0% | - | 0% | - | 0% | 105,199 | 100% | 88,546 | 100% |
| Ancillary assignments | | | | | | | | | | | | |
| - for the Issuer | 14,000 | 100% | 13,000 | 100% | | | | 0% | | | | |
| - for the Fully consolidated subsidiaries | | | | | | | | | | | | |
| Subtotal / Audit | 80,000 | 32% | 75,500 | 34% | 62,000 | 25% | 57,500 | 26% | 105,199 | 43% | 88,546 | 40% |
| OTHER SERVICES | | | | | | | | | | | | |
| Legal, tax, employee-related assignments | | | | | | | | | | | | |
| - Issuer | | | | | | | | | | | | |
| - Fully consolidated subsid- iaries | | | | | | | | | 202,923 | 100% | 49,673 | 100% |
| Other | | | | | | | | | | | | |
| - Issuer | | | | | | | | | | | | |
| - Fully consolidated subsid- iaries | | | | | | | | | | | | |
| Subtotal / Other Services | 0 | | 0 | | 0 | | 0 | | 202,923 | 100% | 49,673 | 100% |
| TOTAL | 80,000 | 18% | 75,500 | 28% | 62,000 | 14% | 57,500 | 21% | 308,122 | 68% | 138,219 | 51% |

NOTE 25: Subsequent events

None.

5.2. Statutory auditors' report on the consolidated financial statements

Fiscal year ended December 31, 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Esker SA's General Meeting:

OPINION

In compliance with the engagement entrusted to us by the Annual General Meeting, we have audited the accompanying consolidated financial statements of Esker SA for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the results of the operations of the Group for the year then ended and of its financial position and its assets and liabilities as at December 31, 2023 in accordance with French accounting principles.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from January 1, 2023 to the date of our report.

Justification of our assessments

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention our assessments that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

- The paragraph "Goodwill" of [note 2](#) hereto describes the accounting rules and methods for the measurement, recognition and amortization of goodwill. We analyzed the appropriateness of these rules and methods and assessed the data and assumptions on which these estimates were based.
- The paragraphs "Intangible assets" of [note 2](#) and "Other intangible assets" of [note 3](#) hereto describe the accounting rules and methods for recognition, amortization and measurement of development expenditures. With respect to our assessment of the accounting policies adopted by your company, we analyzed the appropriateness of these rules and methods and their implementation and the disclosures provided in the notes.
- The paragraphs "income tax and deferred tax" of [note 2](#) and "Income tax" of [note 20](#) describe the accounting rules and methods for recognizing deferred tax assets arising from tax loss carry-forwards. We analyzed the appropriateness of these rules and methods and assessed the data and assumptions on which these estimates were based.

Specific verifications

As required by French law and regulations, we also performed the specific verifications, in accordance with professional standards applicable in France, of the information provided on the Group presented in the Executive Board management report.

We have no matters to report with respect to the fair presentation of this information and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code is included in the report on the Group's management, it being specified that, in accordance with the provisions of Article

L. 821-54 of said Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein which should be reported on by an independent assurance services provider.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

These consolidated financial statements were approved by the Executive Board.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Our role is to issue a report on the consolidated financial statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by Article L. 82310--55 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Evaluate the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion.
- Evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

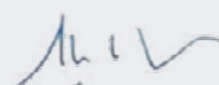
Villeurbanne and Lyon, April 30, 2024

*The Statutory Auditors
[French original signed by:]*

ORFIS
Valérie Malnoy

 Valérie MALNOY

DELOITTE & ASSOCIÉS
Arnaud de Gasquet



6

**Separate
financial statements**

6.1. Separate parent company financial statements for the period ended December 31, 2023

Balance sheet

| ASSETS (in euros) | Gross amounts | Accumulated depreciation and provisions | Net amounts at 12/31/23 | Net amounts at 12/31/22 |
|---|--------------------|---|-------------------------|-------------------------|
| Intangible assets | 77,138,208 | 51,587,872 | 25,550,336 | 21,694,793 |
| Property, plant and equipment | 13,530,294 | 7,959,461 | 5,570,833 | 5,728,287 |
| Equity investments and investment-related receivables | 62,080,504 | 4,642,867 | 57,437,638 | 55,802,974 |
| Other financial assets | 8,028,355 | 0 | 8,028,355 | 7,942,615 |
| Total non-current assets | 160,777,360 | 64,190,199 | 96,587,161 | 91,168,669 |
| Inventories of raw materials, supplies | 229,402 | | 229,402 | 396,533 |
| Trade receivables and related accounts | 21,401,264 | 169,242 | 21,232,022 | 23,762,885 |
| Suppliers with a debit balance | 322,147 | | 322,147 | 0 |
| Other receivables | 8,155,431 | | 8,155,431 | 4,852,945 |
| Marketable securities | 1,507,294 | | 1,507,294 | 6,669,074 |
| Cash and cash equivalents | 5,279,507 | | 5,279,507 | 4,892,905 |
| Total current assets | 36,895,046 | 169,242 | 36,725,803 | 40,574,343 |
| Prepaid expenses | 2,535,854 | | 2,535,854 | 2,306,787 |
| Translation differences (assets) | 589,065 | | 589,065 | 476,076 |
| Total adjustment accounts | 3,124,919 | 0 | 3,124,919 | 2,782,863 |
| TOTAL ASSETS | 200,797,326 | 64,359,442 | 136,437,884 | 134,525,875 |

| SHAREHOLDERS' EQUITY AND LIABILITIES (in euros) | 12/31/23 | 12/31/22 |
|---|--------------------|--------------------|
| Share capital | 12,075,940 | 11,971,480 |
| Additional paid-in capital | 24,024,671 | 23,269,875 |
| Legal reserve | 1,197,148 | 1,184,982 |
| Other reserves | 45,757,096 | 45,856,588 |
| Retained earnings | | |
| Net income | 5,602,086 | 4,477,160 |
| Regulated provisions | 456,963 | 393,965 |
| Total Equity | 89,113,904 | 87,154,051 |
| Other equity | | |
| Provisions for contingencies and expenses | 3,305,680 | 3,101,063 |
| Borrowings and financial liabilities | 13,684,928 | 17,614,635 |
| Trade payables and related accounts | 8,621,454 | 8,006,643 |
| Tax and employee-related payables | 18,644,932 | 16,458,716 |
| Other payables | 26,565 | 29,903 |
| Total payables | 40,977,880 | 42,109,897 |
| Deferred revenue | 2,796,119 | 1,845,170 |
| Unrealized gains on foreign exchange | 244,301 | 315,694 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 136,437,884 | 134,525,875 |

Income statement

| (in euros) | 12/31/23 | 12/31/22 |
|---|-------------------|-------------------|
| Sales of goods | 15,478 | 13,541 |
| Sale of services | 72,973,310 | 63,742,369 |
| Sales | 72,988,788 | 63,755,911 |
| Own production of goods and services capitalized | 11,047,281 | 9,338,084 |
| Operating grants | 8,167 | 14,000 |
| Reversals of provisions, expense reclassifications | 583,322 | 434,456 |
| Other income | 7,836,116 | 7,950,208 |
| Operating income | 92,463,673 | 81,492,659 |
| Purchase of trade goods, raw materials and other supplies | 1,800,005 | 1,746,055 |
| Change in inventory | 167,131 | -131,184 |
| Other purchases and external expenses | 27,817,513 | 23,671,435 |
| Taxes, duties and similar payments (other than on income) | 1,276,660 | 1,367,981 |
| Wages and salaries | 35,984,579 | 30,760,769 |
| Social security expenses | 16,668,608 | 11,629,526 |
| Allowances for depreciation and reserves | 9,191,262 | 8,690,007 |
| Other expenses | 183,677 | 410,989 |
| Operating expenses | 93,089,434 | 78,145,578 |
| OPERATING PROFIT | -625,760 | 3,347,081 |
| Financial income | 7,649,300 | 4,220,810 |
| Financial expenses | 1,589,384 | 3,581,731 |
| Net financial income / (expense) | 6,059,916 | 639,079 |
| CURRENT INCOME BEFORE TAX | 5,434,156 | 3,986,160 |
| Non-recurring income | 114,250 | 944,931 |
| Exceptional expenses | 1,152,101 | 1,037,383 |
| Net exceptional items | -1,037,851 | -92,452 |
| Income taxes | 1,205,782 | 583,453 |
| NET PROFIT | 5,602,086 | 4,477,160 |

Notes to the consolidated financial statements

The separate annual financial statements of Esker SA at December 31, 2023 were adopted by the Executive Board and submitted for approval to the Supervisory Board on March 26, 2024.

1. Annual highlights

Waiver of debt in favor of Esker Italia Srl:

A waiver of debt was granted to Esker Italia in the amount of €996,000 corresponding to Group trade receivables.

Creation of the Esker Benelux subsidiary

On January 1, 2023, the Company created a subsidiary in Belgium to support development in the Benelux region. The shares of this wholly-owned subsidiary represent €10,000 in capitalized securities in the accounts of Esker SA.

Dividend distribution

Dividends were distributed during the year in accordance with the resolutions of the Annual General Meeting of June 6, 2023. Based on a share capital of 6,024,520 shares at the date of the General Meeting, €4,518,390 were distributed to shareholders in the amount of €0.75 per share.

2. Significant accounting policies and statement of compliance

The annual financial statements for the period ending December 31, 2023 were prepared in accordance with French law and French GAAP, and notably articles L.123-12 to L.123-28 of the French Commercial Code, Regulation No. 2016-07 of the French accounting standards authority (*Autorité des Normes Comptables* or ANC) of November 4, 2016 and on the French General Chart of Accounts (*Plan Comptable Général*) of France's Accounting Regulations Committee (*Comité de Réglementation Comptable* or "CRC").

Following the transposition of the 2013/34 UE European accounting directive changes were made to the French regulation ANC No. 2014-03 with the adoption of regulation 2015-06 relating to:

- The definition of goodwill
- The measurement of property, plant and equipment, intangible assets and goodwill after their initial recognition
- The treatment of negative goodwill

The Company has not been impacted by these changes at the level of the separate annual financial statements.

Pursuant to the new ANC Regulation 2015-05 of July 2, 2015 foreign exchange gains and losses may be recognized under operating profit or financial income or expense depending on the nature of the transaction from which they are derived. On that basis, foreign exchange gains and losses on trade payables and receivables are recognized under operating results. Exchange rate risks on these items are linked to operating activities in the same way as, for example, the impairment of trade receivables already registered under operating results. For that purpose, a class 65 subaccount (other operating expenses) and its equivalent in class 75 were created.

Currency gains and losses presented under financial income or expense are reserved for activities of a financial nature (foreign currency bank borrowings or cash balances).

The accounting methods applied remain unchanged in relation to those used to prepare the annual financial statements established on December 31, 2022.

Use of estimates

In preparing the financial statements, management has recourse to estimates and assumptions that have an impact on the financial statements.

The main Group estimations concern assumptions relating to:

- The measurement and depreciation of property, plant and equipment and intangible assets
- The measurement of pension obligations
- The measurement of provisions

These estimations are based on the best information available to management on the closing date

Intangible assets

■ Research and development expenses

In accordance with French GAAP (CRC regulation 99-02) on assets applicable as from January 1, 2006, research costs are expensed when incurred and development expenditures recorded as intangible assets when the company can demonstrate that the following criteria have been met:

- Intention by the company and technical and financial feasibility of completing the asset
- The asset will generate probable future economic benefits for the company
- The cost of the asset thus created can be reliably measured

Development expenditures incurred by Esker concern mainly application developments and are destined to be tracked on an individual basis. These expenditures consist primarily of staff costs.

The company's development activities are divided into two categories:

- Developments to create new products or introduce new functionalities to existing products. Criteria for capitalizing expenditures under CRC regulation 2004-06 are determined by the marketing and R&D teams when these projects are launched.
- Developments to extend the life of existing products (adaptation to new operating systems, corrective maintenance, etc.). Such expenditures do not meet the criteria of the regulation and are consequently not capitalized.

Development expenditures recorded as intangible assets are amortized over useful lives estimated at five years. The corresponding expenses of projects not yet completed on the closing date are recognized under intangible assets in progress and tested for impairment.

■ Other intangible assets

Software acquired is recognized as intangible assets and amortized on a straight-line basis over useful lives defined as five years. Under special tax derogations, accelerated amortization rates may be applied to this software.

Property, plant and equipment

The gross value of property, plant and equipment represents the historical acquisition cost. This cost comprises directly attributable costs of transferring the asset to its place of operation and bringing the asset to working condition for its intended use.

The depreciation of property, plant and equipment is determined on a straight-line basis over the assets' estimated useful lives:

- Land:unlimited
- Buildings:20 years
- Fixtures, improvements, fittings:5 to 10 years
- Plant, machinery and equipment:4 to 5 years
- Transport equipment:3 to 4 years
- Office and computer equipment:2 to 4 years
- Furniture:5 years

■ Equity interests and other financial assets

The gross value of financial assets represents their purchase price excluding incidental expenses. A provision for impairment is set up when value in use is lower than the carrying value.

The company uses different methods to measure the value in use of equity securities held, based on each particular case. The methods of measurement used are as follows:

- Net book assets of the companies. In the case of negative net equity, the value of securities is fully written down and the share in negative net equity reverting to Esker is fully or partially recognized as an impairment charge on receivables supplemented, as the case may be, by a provision for contingencies and expenses.
- Present value of future cashflows
- The future value of the shares representing Market Dojo's minority interest.

■ Treasury shares

Treasury shares acquired by the company through the different share buyback programs approved by the French financial market authority, the AMF, and authorized by the general meetings of the company, are recognized at acquisition cost. On the closing date, a provision for impairment is recorded if their fair value corresponding to the average share price for the last month preceding the end of the reporting period is lower than the purchase price.

Treasury shares allocated to stock options destined for employees are classified under marketable securities. Shares acquired in connection with a liquidity contract and shares without a specified purpose are classified as fixed securities.

■ Inventories

Inventory is measured at acquisition cost according to the weighted average cost per unit method.

A provision for the impairment of inventory is recognized when the gross value is lower than the probable resale value after deducting the proportional selling costs.

■ Receivables

Accounts receivable are recorded at face value and subject to impairment based on a case-by-case assessment of the risk of default.

■ Marketable securities

Marketable securities are measure according to the First in First Out (FIFO) method, and an impairment is recognized when the market price falls below the carrying value.

■ Regulated provisions

Regulated provision include special depreciation allowances which are allocated and reversed in accordance with applicable tax rules.

■ Foreign currency transactions

Income and expense items expressed in foreign currencies are converted into euros according to the exchange rate on the transaction date; Payables, receivables, cash balances in foreign currency are translated at year-end exchange rates. Translation differences resulting from the measurement of payables and receivables in foreign currency are recorded in the accrual accounts under assets in the case of an unrealized foreign exchange loss and a liability or in the case of an unrealized foreign exchange gain. Provisions for contingencies are recorded for hedged foreign exchange losses.

■ Disputes and provisions for contingencies and charges

As a general rule, each dispute known in which the company is a party is evaluated by management on the closing date, after obtaining an opinion from outside counsel, and as applicable, the necessary provisions are recorded to cover estimated risks.

■ Retirement severance benefits

Under French law, the company is required to pay employees on retirement an end-of-career severance benefit. The corresponding commitments are calculated annually using the projected unit credit method. This calculation is made in application of the provisions provided for under the applicable collective bargaining agreement (SYNTEC) according to the following criteria:

- Estimated age of retirement
- Seniority of personnel on retirement date
- Probability of continued presence at retirement age
- Salary escalation rate
- Discount rate

The obligations calculated in this manner are then recognized under a provision for contingencies and expenses. Gains and losses from changes in actuarial assumptions are recognized under income or expense when incurred. Retirement severance benefits are recognized under expenses when actually incurred.

■ Revenue

Revenue of the company is derived primarily from the sale of licenses, maintenance services and related services (training and installation assistance), on-demand services available online (outsourcing of fax and mail services) and equipment (fax boards).

- Sales of licenses and hardware are recognized on the date of delivery
- Income from maintenance contracts is recognized on a straight-line basis over the term of the contract. For contracts concerning the period in progress and future periods, deferred revenue is recognized at year-end for the portion of contracts corresponding to future periods
- Services related to software sales are recognized according to the percentage-of-completion method
- Other services are recognized on the date of performance

3. Notes to the balance sheet and income statement

NOTE 1 Intangible assets

| As of 12/31/23 (In euros) | Opening balance | Increases | Decreases | Transfers | Closing balance |
|---|--------------------|-------------------|-----------------|------------|--------------------|
| Development expenditures | 60,787,866 | 5,463,564 | -154,326 | 4,756,707 | 70,853,811 |
| Software | 650,511 | 172,308 | -376,105 | | 446,715 |
| Other intangible assets | 58,389 | | | | 58,389 |
| Intangible assets in progress | 4,756,707 | 5,779,293 | | -4,756,707 | 5,779,293 |
| INTANGIBLE ASSETS GROSS VALUE | 66,253,473 | 11,415,165 | -530,431 | 0 | 77,138,208 |
| Development expenditures | 43,926,909 | 7,359,839 | | | 51,286,748 |
| Software | 573,382 | 45,458 | -376,105 | | 242,735 |
| Other intangible assets | 58,389 | | | | 58,389 |
| INTANGIBLE ASSETS AMORTIZATION | 44,558,680 | 7,405,297 | -376,105 | 0 | 51,587,872 |
| INTANGIBLE ASSETS – NET VALUE | 21,694,793 | 4,009,869 | -154,326 | 0 | 25,550,336 |

Changes involve mainly development expenditures recognized as assets in the period and concern namely SaaS solutions (Esker on Demand), capitalized every six-month period.

NOTE 2 Property, plant and equipment

| As of 12/31/23 (In euros) | Opening balance | Increases | Decreases | Closing balance |
|---|--------------------|------------------|-----------------|--------------------|
| Plant, machinery and equipment | 5,499,689 | 322,330 | -41,540 | 5,780,479 |
| Transport equipment | 10,567 | | -4,307 | 6,260 |
| Office and computer equipment | 5,396,348 | 1,035,830 | -544,641 | 5,887,537 |
| Building and land | 1,856,018 | | | 1,856,018 |
| Property, plant and equipment in progress | 0 | | | 0 |
| PROPERTY, PLANT AND EQUIPMENT GROSS VALUE | 12,762,622 | 1,358,160 | -590,488 | 13,530,294 |
| Plant, machinery and equipment | 2,939,282 | 712,957 | -34,146 | 3,618,094 |
| Transport equipment | 10,567 | | -4,307 | 6,260 |
| Office and computer equipment | 3,852,012 | 750,603 | -543,652 | 4,058,962 |
| Building and land | 232,473 | 43,671 | | 276,144 |
| Property, plant and equipment in progress | 0 | | | 0 |
| PROPERTY, PLANT AND EQUIPMENT DEPRECIATION | 7,034,335 | 1,507,231 | -582,105 | 7,959,461 |
| PROPERTY, PLANT AND EQUIPMENT - NET VALUE | 5,728,287 | -149,071 | -8,383 | 5,570,833 |

The main acquisitions during the period were €412,000 for computer hardware (renewal of equipment for existing employees and equipment for new employees) and €683,000 for investments in the Esker on Demand platform (mainly servers, storage devices and machines for the Décines mail facility).

Finally, capital expenditures for furniture amounted to €20,000, in line with the increase in the number of employees.

NOTE 3 Financial assets

| As of 12/31/23 (In euros) | Opening balance | Increases | Decreases | Closing bal- ance |
|--|--------------------|------------------|-------------------|----------------------|
| Equity investments | 54,831,864 | 9,305 | -30,303 | 54,810,866 |
| Investment-related receivables | 6,343,621 | 1,292,483 | -366,467 | 7,269,637 |
| Esker shares | 2,300,653 | | | 2,300,653 |
| Bonds | 4,713,320 | 401,140 | -300,036 | 4,814,424 |
| Other* | 931,242 | 3,487,001 | -3,504,965 | 913,279 |
| FINANCIAL ASSETS – GROSS VALUE | 69,120,700 | 5,189,930 | -4,201,771 | 70,108,859 |
| Equity investments | 3,111,899 | | | 3,111,899 |
| Investment-related receivables | 2,260,613 | | -729,645 | 1,530,968 |
| Esker shares | 0 | | | 0 |
| Bonds | 2,599 | 64,347 | -66,946 | 0 |
| Other* | 0 | | | 0 |
| FINANCIAL ASSETS – DEPRECIATION | 5,375,111 | 64,347 | -796,591 | 4,642,867 |
| FINANCIAL ASSETS – NET VALUE | 63,745,589 | 5,125,583 | -3,405,180 | 65,465,992 |

* including the liquidity account, deposits and guarantees

■ Equity investments

Information on equity securities (gross and net), is provided in the table of "subsidiaries and associates" in [section 4](#). "Other information".

The main changes concerned provisions in the period estimated according to the method described in [section 2](#) of these notes under significant accounting policies;

As in previous years, impairment tests were conducted at December 31, 2023 for the shares of Esker Inc., CalvaEDI and E-integration. These tests did not reveal any significant impairment in the value of equity investments that would have required the recognition of an additional provision for impairment.

Impairment tests determine the recoverable value of the cash generating unit (CGU) or CGU group defined as the higher of value in use and the carrying value. In practice, value in use is applied, determined on the basis of the present value of future operating cashflows expected over a five-year period and a terminal value.

The assumptions adopted for this purpose, i.e. a terminal value with respect to growth (2.2%) and a discount rate (9.0%) are in line with the data available on the market and conservative assumptions.

Tests were conducted to assess the sensitivity of the recoverable value to changes in certain actuarial assumptions, and mainly the discount rate, the perpetuity growth rate and the level of operating profit.

Market Dojo shares were also tested for impairment at December 31, 2023, by assessing the future buyback value of the minority interests in the company's capital, in accordance with the provisions of the 2022 put option agreement.

Tests were carried out to assess the sensitivity of the future redemption value to changes in certain assumptions, mainly sales and normative working capital requirements.

■ Investment-related receivables

Changes in investments-related receivables reflect mainly the following items:

- An increase of €963,000 in the Esker Australia receivable linked to the €1,071,000 increase in long-term receivables and the negative exchange rate impact of the Australian dollar of -€108,000.
- A €206,000 decrease in the Esker Singapore receivable linked to a €177,000 decrease in long-term receivables and the positive exchange rate impact of the Singapore dollar of €29,000.
- A €52,000 decrease in the Esker Malaysia receivable linked to changes in the Malaysian ringgit exchange rate.
- An increase in a long-term receivable with the E-integration subsidiary in the amount of €196,000 at December 31, 2023.

■ Esker treasury shares

The change in treasury shares is presented below in [note 4](#).

■ Bonds

At year-end, Esker SA's total bond holdings amounted to €4,814,000.

NOTE 4 Treasury stock

The number and value of treasury shares held by the company changed as follows in 2023:

| Number of treasury shares | Fixed securities | Transferable securities | FY 2023 |
|---|------------------|-------------------------|----------------|
| Number of treasury shares held at 01/01/23 | 138,703 | 4,501 | 143,204 |
| Transfers | | | |
| Purchase of own shares (liquidity agreement) | | 24,347 | 24,347 |
| Sale of own shares (liquidity agreement) | | (23,806) | (23,806) |
| Exercise of options | | | 0 |
| Number of treasury shares held at 12/31/23 | 138,703 | 5,042 | 143,745 |

| Treasury shares (in euros) | Fixed securities | Transferable securities | FY 2023 |
|--|------------------|-------------------------|------------------|
| Gross balance at 01/01/23 | 2,300,589 | 411,778 | 2,712,431 |
| Provision | 0 | 0 | 0 |
| Net balance at 01/01/23 | 2,300,589 | 411,778 | 2,712,431 |
| Transfers | | | 0 |
| Purchase of own shares (liquidity agreement) | | 3,500,765 | 3,500,765 |
| Sale of own shares (liquidity agreement) | | (3,441,715) | (3,441,715) |
| Exercise of options | | | 0 |
| Gross balance at 12/31/23 | 2,300,589 | 470,828 | 2,771,481 |
| Provision | 0 | 0 | 0 |
| Net balance at 12/31/23 | 2,300,589 | 470,828 | 2,771,481 |

The change in treasury shares recorded under securities corresponds to shares purchased and sold in connection with the liquidity contract. Treasury shares held in connection with the liquidity contract, previously recognized under financial assets, were reclassified under investment securities in light of the purpose of the liquidity contract which provides solely for share price stabilization measures.

NOTE 5 Trade receivables

| In euros | 12/31/23 | | | 12/31/22 | | |
|----------------------------------|-------------------|-----------------|-------------------|-------------------|----------------|-------------------|
| | Gross | Provision | Net | Gross | Provision | Net |
| Trade receivables - non-Group | 16,131,970 | -169,242 | 15,962,727 | 18,124,728 | -53,271 | 18,071,457 |
| Trade receivables - Group | 5,269,294 | 0 | 5,269,294 | 5,691,428 | 0 | 5,691,429 |
| TOTAL CURRENT RECEIVABLES | 21,401,264 | -169,242 | 21,232,022 | 23,816,156 | -53,271 | 23,762,885 |

NOTE 6 Maturity of receivables and payables

■ Statement of receivables

| In euros | Gross amount | Up to 1 year | More than one year |
|---|-------------------|-------------------|--------------------|
| Investment-related receivables | 7,269,637 | | 7,269,637 |
| Other financial assets | 8,028,354.51 | | 8,028,355 |
| Doubtful and disputed trade receivables | 228,661 | | 228,661 |
| Other trade receivables | 21,172,603 | 21,172,603 | |
| Social security and related receivables | 15,562 | 15,562 | |
| Other taxes and similar items | 4,135,505 | 4,135,505 | |
| Group current accounts | 2,565,906 | 2,565,906 | |
| Sundry debtors | 461,227 | 461,227 | |
| Prepaid expenses | 2,535,854 | 2,535,854 | |
| TOTAL | 46,413,308 | 30,886,656 | 15,526,653 |

■ Statement of payables

| In euros | Gross amount | Up to 1 year | Between 1 and 5 years | More than 5 year |
|---|-------------------|-------------------|-----------------------|------------------|
| Conditional advance | 0 | 0 | 0 | |
| Miscellaneous borrowings | 13,684,928 | 6,820,573 | 6,864,355 | |
| Trade payables and related accounts | 8,621,454 | 8,621,454 | | |
| Employee payables and related accounts | 9,360,217 | 9,360,217 | | |
| Social security and related receivables | 6,798,244 | 6,798,244 | | |
| Value-added tax | 2,088,615 | 2,088,615 | | |
| Other taxes and similar items | 398,336 | 398,336 | | |
| Amounts payable to Group companies and shareholders | 0 | | 0 | |
| Other payables | 26,565 | 26,565 | | |
| Deferred revenue | 2,796,119 | 2,796,119 | | |
| TOTAL | 43,774,479 | 36,910,124 | 6,864,355 | |

NOTE 7 Translation of payables and receivables in foreign currency

| In euros | Translation differences (assets) | Unrealized gains on foreign exchange |
|--------------------------------|----------------------------------|--------------------------------------|
| Investment-related receivables | 0 | 244,301 |
| Operating receivables | 589,065 | 0 |
| Operating payables | 0 | 0 |
| TOTAL | 589,065 | 244,301 |

A provision for the balance of translation differences was allocated at December 31, 2023.

NOTE 8 Accrued income and expenses

| In euros | 2023 |
|--|-------------------|
| Trade receivables and related accounts | 581,421 |
| Other receivables | |
| - Accrued credit notes - suppliers | 8,284 |
| - Employees - accrued income | |
| - Social security and equivalent - accrued income | 15,562 |
| - Misc. - accrued income | 0 |
| TOTAL ACCRUED INCOME | 605,266 |
| Trade payables and related accounts | 6,483,106 |
| Tax and employee-related payables | |
| - State, other accrued liabilities | 174,920 |
| Personnel - provision for paid leave, bonuses and profit-sharing | 9,319,265 |
| - Social security agencies | 5,082,792 |
| - Taxes on wages | 0 |
| Other payables: | |
| - Accrued credit notes | 0 |
| - Misc. - accrued liabilities | |
| TOTAL ACCRUED EXPENSES | 21,060,084 |

NOTE 9 Prepaid expenses and deferred income

Prepaid expenses include mainly current operating expenses.

Deferred income concerns:

- Maintenance contracts sold by the company. The corresponding revenue is recognized on a straight-line basis over the total term of the contracts.
- Subscriptions invoiced in advance with revenue recognized on a monthly basis.
- Services for projects where revenue recognized on a percentage of completion basis is less than the amount invoiced.

NOTE 10 Share capital and changes in shareholders' equity

| | Value (in euros) | Number of shares |
|---|-------------------|------------------|
| Capital stock at December 31, 2022 | 11,971,480 | 5,985,740 |
| Capital increase | 77,560 | 38,780 |
| Exercise of stock options | 26,900 | 13,450 |
| Capital stock at December 31, 2023 | 12,075,940 | 6,037,970 |

| In euros | Capital stock and additional paid-in capital | Net income | Reserves | Retained earnings | Regulated provisions | Closing balance |
|--|--|------------------|-------------------|-------------------|----------------------|-------------------|
| Balance as of December 31, 2022 | 35,241,355 | 4,477,160 | 47,041,570 | 0 | 393,965 | 87,154,051 |
| Capital increase | 104,460 | | -77,560 | | | 26,900 |
| Stock options | 754,796 | | | | | 754,796 |
| Other changes | | | -21,932 | -5,458,333 | 62,998 | -5,417,267 |
| Appropriation of net income for the year | | -4,477,160 | 12,166 | 5,458,333 | | 993,338 |
| Annual profit/(loss) | | 5,602,086 | | | | 5,602,086 |
| Balance as of December 31, 2023 | 36,100,611 | 5,602,086 | 46,954,244 | 0 | 456,963 | 89,113,904 |

13,450 stock options were exercised in fiscal 2023, generating a €29,600 increase in share capital and €754,796 in share premium. The nominal value and share premium of the new shares in the amount of €781,696 were fully paid up.

Treasury shares at 12/31/23 represented 2.38% of the company's share capital or 143,745 shares (compared to 2.39% at 12/31/22). Excluding these shares which do not carry voting rights, there were 5,894,225 voting rights attached to the share capital at 12/31/23.

On March 6, 2023, the Executive Board recorded the vesting of 38,580 shares awarded on March 6, 2023 under the restricted stock unit plan and decided to increase the share capital by €77,160 by creating 38,580 new shares of €2 per share, without share premium, deducted from "other reserves".

A dividend was distributed to shareholders in the period in the amount of €4,518,000.

NOTE 11 Stock option and warrants plans

Changes in the number of stock options, warrants and restricted stock units granted to Group employees in the fiscal year ended December 31, 2023 break down as follows:

| | Stock options | | Bonus shares granted, not issued | |
|--|---------------|--------------------------------------|----------------------------------|--------------------------------------|
| | Quantity | Weighted average exercise price in € | Quantity | Weighted average exercise price in € |
| Balance exercisable at 12/31/22 | 66,541 | 59.38 | 175,740 | 151.10 |
| Granted | - | - | 56,932 | 125.90 |
| Exercised | (13,450) | 58.12 | (38,780) | 149.00 |
| Matured or forfeited for reason of departure | (125) | 99.60 | (10,620) | 149.00 |
| Balance exercisable at 12/31/23 | 52,841 | 59.60 | 193,892 | 144.14 |

Restricted stock units (actions gratuites) granted during the period will vest at the end of the 3-year vesting period for the November 6, 2023 plan, in accordance with the following timetable:

An initial vesting period of 36 months (i.e., from November 6, 2023 to November 5, 2026 inclusive) at the end of which the Beneficiary acquires 100% of the grant. As of the 37th month, 100% of the grant shall be fully vested and immediately available.

NOTE 12 Provisions for contingencies and expenses

| In euros | Provisions at the beginning of the period | Increases in the period | Amounts used in the period | Reversals of provisions unused in the period | Provisions at the end of the period |
|---|---|-------------------------|----------------------------|--|-------------------------------------|
| Provisions for unrealized foreign exchange losses | 476,076 | 589,064 | | -476,076 | 589,064 |
| Provisions for financial risk | 0 | | | 0 | 0 |
| Other provisions for contingencies | 0 | | 0 | | 0 |
| Provisions for retirement severance payments | 2,624,987 | 91,629 | | | 2,716,616 |
| TOTAL | 3,101,063 | 680,693 | 0 | -476,076 | 3,305,680 |

Provisions for retirement severance benefits are analyzed below in [note 13](#).

NOTE 13 Retirement severance benefits

Retirement severance benefits in France for employees of the company are measured using the same method as in the previous year with the application of a turnover table based on the employee's seniority. In fact, employee turnover decreases as length of service increases.

Retirement age assumptions have been revised upwards to reflect the new legislative provisions introduced in 2023.

On that basis, assumptions used to estimate pension obligations at December 31, 2023 were as follows:

| Assumptions for the measurement of pension obligations in France | |
|--|----------|
| Discount rate | 3.30% |
| Salary escalation rate | 4.10% |
| Rate of social security charges | 45% |
| Retirement age for management employees | 67 years |
| Retirement age for clerical staff/workers, technicians and supervisors | 64 years |
| Turnover rate | 7% |

A portion of the pension liabilities in the amount of €350,000 has been transferred to an outside fund since 2016.

NOTE 14 Breakdown of revenue

■ By business sector

| In euros | 12/31/23 | 12/31/22 |
|--------------------------------------|-------------------|-------------------|
| Hardware sales | 18,488 | 7,937 |
| License sales, maintenance contracts | 403,434 | 575,551 |
| Services | 18,048,519 | 16,215,993 |
| Activity on Demand | 54,518,347 | 46,956,430 |
| NET SALES | 72,988,788 | 63,755,911 |

■ Geographic segments

| In euros | 12/31/23 | 12/31/22 |
|------------------|-------------------|-------------------|
| France | 44,241,678 | 38,720,402 |
| International | 28,747,110 | 25,035,509 |
| NET SALES | 72,988,788 | 63,755,911 |

NOTE 15 Expense transfers

| In euros | 12/31/23 | 12/31/22 |
|--|----------------|----------------|
| Daily allowances for payments for social security and other entities | 221,920 | 189,222 |
| Benefits in kind for employees | 214,512 | 195,526 |
| Insurance reimbursements | 0 | 1,246 |
| Reimbursements of training expenses for continuous vocational training | 75,756 | |
| SME recruitment aid - French Ministry of Labor | 0 | 6,444 |
| Misc. | 0 | 0 |
| TOTAL | 512,188 | 392,438 |

NOTE 16 Net financial income (expense)

| In euros | 12/31/23 | 12/31/22 |
|---|------------------|------------------|
| Allowances for the impairment of financial assets | 0 | 2,583,555 |
| Allowances for foreign exchange losses | 1,202,009 | 744,262 |
| Provisions for impairment of marketable securities | 64,347 | 160,187 |
| Allowances for contingencies and expenses | 0 | 0 |
| Other financial expenses | 48,081 | 35,469 |
| Foreign exchange losses | 274,947 | 58,259 |
| FINANCE EXPENSES | 1,589,384 | 3,581,731 |
| Reversal of provisions for foreign exchange losses | 1,089,021 | 638,185 |
| Reversal of provisions for financial assets | 729,645 | 1,123,177 |
| Reversal of provisions for marketable securities | 66,946 | 157,588 |
| Reversals of provisions for contingencies and expenses | 0 | 0 |
| Net proceeds from the disposal of marketable securities and other investments | 82,834 | 13,070 |
| Income from equity investments | 5,550,294 | 2,050,000 |
| Other income | 120,829 | 44,289 |
| Foreign exchange gains from group purchases and sales | 9,730 | 194,502 |
| FINANCIAL INCOME | 7,649,300 | 4,220,810 |
| NET FINANCIAL INCOME / (EXPENSE) | 6,059,916 | 639,079 |

An unrealized foreign exchange loss of €113,000 was recorded under net financial expense for the year, compared with an expense of €106,000 in the previous year. This amount resulted primarily from the reversal of provisions for foreign exchange losses.

The company's foreign exchange exposure concerns primarily inter-company transactions in U.S. dollars, pound sterling, Singapore dollars, Australian dollars, Malaysian ringgit and Canadian dollars.

The company received dividends from Esker Inc. (€5,550,000).

Reversals of provisions for receivables from equity investees were recorded for Australia (€519,000), Singapore (€186,000) and Malaysia (€25,000).

NOTE 17 Net financial income (expense)

| In euros | 12/31/23 | 12/31/22 |
|---|-------------------|------------------|
| Debt waivers | 996,299 | 405,951 |
| Allowances for special depreciation allowances | 62,998 | 63,002 |
| Net carrying values of assets sold | 38,686 | 23,770 |
| Capital losses from the sale of treasury shares | 51,868 | 496,565 |
| Allowances for exceptional contingencies and expenses | 0 | 21,851 |
| Donations and gifts | 0 | 0 |
| Exceptional expenses for prior periods | 0 | 2,984 |
| Other miscellaneous exceptional expenses | 2,250 | 23,260 |
| EXCEPTIONAL EXPENSES | 1,152,101 | 1,037,383 |
| Reversal of special depreciation allowances | 0 | 0 |
| Reversal of the provision for impairment of treasury shares | 0 | 21,851 |
| Gains from the sale of treasury shares | 44,833 | 796,072 |
| Proceeds from disposals of fixed assets | 26,851 | 22,665 |
| Exceptional income from prior periods | 0 | 2,343 |
| Reversals of provisions for contingencies and expenses | 0 | 0 |
| Other misc. exceptional income | 42,565 | 102,000 |
| EXCEPTIONAL INCOME | 114,250 | 944,931 |
| NET EXCEPTIONAL ITEMS | -1,037,851 | -92,452 |

In January 2023, IKKS Group was billed €42,000 in penalties for early contract termination. Esker Italia was granted a debt waiver in the amount of €996,000.

NOTE 18 Analysis of income taxes

Tax recognized for the period ended 12/31/23 is analyzed as follows:

| In euros | Tax recognized |
|--------------------------------------|------------------|
| Research tax credit | 1,250,300 |
| Additional tax contribution | 0 |
| Corporate income tax | (44,518) |
| TOTAL TAX (EXPENSES) / INCOME | 1,205,782 |

The breakdown of tax is analyzed below:

| In euros | Pre-tax income | (Tax due) / savings | Net income |
|--------------------------|------------------|---------------------|------------------|
| Current operating income | 5,434,156 | (2,715,545) | 8,149,700 |
| Research tax credit | | 1,250,300 | (1,250,300) |
| Net exceptional items | (1,037,851) | 259,463 | (1,297,314) |
| ACCOUNTING PROFIT | 4,396,304 | (1,205,782) | 5,602,086 |

NOTE 19 Changes in future tax liabilities at the standard tax rate

| In euros | 12/31/22 | | Change in results | 12/31/23 | |
|---|-----------|-------------|-------------------|-----------|-------------|
| | Assets | Liabilities | | Assets | Liabilities |
| CERTAIN OR POTENTIAL TIMING DIFFERENCES | | | | | |
| 1. Temporary disallowed deductions | | | | | |
| Paid leave | 3,602,051 | | 842,567 | 4,444,618 | |
| French social solidarity contribution | 45,170 | | 10,036 | 55,206 | |
| Provisions for retirement severance benefits | 2,624,987 | | 91,629 | 2,716,616 | |
| 2. Deductible expenses or taxable income not yet recognized | | | | | |
| Unrealized gains on foreign exchange | 315,694 | | (71,393) | 244,301 | |
| TAXES TO BE ALLOCATED | | | | | |
| Loss carryforwards | 0 | | 471,792 | 471,792 | |
| Long-term capital loss | | | 0 | | |
| Long-term capital loss - change in tax regime | | | 0 | | |
| TOTAL | 6,587,902 | 0 | 1,344,631 | 7,932,533 | 0 |
| Tax rate | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% |
| DECREASE / NCREASE AND FUTURE TAX LIABILITIES | 1,646,975 | 0 | 336,158 | 1,983,133 | 0 |

NOTE 20 Financial commitments

■ Leases

| In euros | Value at inception | Total financing cost | Residual value of the purchase option | Charges from prior periods | Charges of the period | Commitments remaining due | Maturity of commitments remaining due | | |
|-----------------------|--------------------|----------------------|---------------------------------------|----------------------------|-----------------------|---------------------------|---------------------------------------|-----------------------|-----------|
| | | | | | | | < 1 year | Between 1 and 5 years | > 5 years |
| Equipment and tooling | 1,139,658 | 1,139,755 | 11,397 | 786,180 | 227,951 | 125,624 | 125,624 | 0 | |
| TOTAL | 1,139,658 | 1,139,755 | 11,397 | 786,180 | 227,951 | 125,624 | 125,624 | 0 | 0 |

■ Other commitments

None.

4. Other information**Subsequent events**

None.

Executive compensation

| As of 12/31/23 | Compensation paid (gross) | Nature of compensation paid | | | |
|---------------------------|---------------------------|-----------------------------|-----------------------|-------------------|-----------------|
| In euros | | Fixed salary, fees | Variable compensation | Benefits in kinds | Attendance fees |
| Executive Board members | 979 | 530 | 433 | 16 | |
| Supervisory Board members | 97 | 65 | | | 32 |
| TOTAL | 1,075 | 595 | 433 | 16 | 32 |

Average headcount

| | 12/31/23 | 12/31/22 |
|--------------------------------|------------|------------|
| Managers | 441 | 399 |
| Office staff and workers | 40 | 45 |
| TOTAL AVERAGE HEADCOUNT | 482 | 444 |

Identity of the company preparing the consolidated financial statements

113 Boulevard de la Bataille de Stalingrad
69100 Villeurbanne

Lyon Companies Register (RCS) No: B 331 518 498
www.esker.fr

Subsidiaries and associates

| In euros | Capital stock | Share capital including earnings | Percentage of capital held (%) | Gross book value of shares held | Net book value of shares held | Loans and advances granted by the company | Guarantees and pledges given by the company | Revenue excluding taxes for the year ended | Earnings of the year ended | Dividends received | Observation |
|--|---------------|----------------------------------|--------------------------------|---------------------------------|-------------------------------|---|---|--|----------------------------|--------------------|-------------|
| Subsidiaries (more than 10%-held) | | | | | | | | | | | |
| Esker Inc. | 905 | 39,929,074 | 100% | 33,390,187 | 33,390,187 | 0 | | 77,244,605 | 12,691,163 | | |
| Esker GmbH | 26,000 | 1,732,187 | 100% | 26,334 | 26,334 | 0 | | 6,567,994 | 632,761 | | |
| Esker Ltd | 115 | 8,337,592 | 100% | 135 | 135 | 1,270,922 | | 8,973,860 | 1,896,688 | | |
| Esker Italia Srl | 10,400 | 10,400 | 100% | 15,985 | 0 | 0 | | 3,312,283 | -996,299 | | |
| Esker Ibérica S.L. | 3,004 | 781,974 | 100% | 3,087 | 3,087 | 0 | | 6,550,559 | 93,380 | | |
| Esker Australia Pty Ltd | 215,212 | -942,865 | 100% | 249,125 | 0 | 3,466,632 | | 5,925,247 | 317,327 | | (1) |
| Esker Asia Pte Ltd | -1 | -1 | 100% | 62,656 | 0 | 0 | | | | | (2) |
| Esker Document Automation Asia Pte Ltd | 205,606 | -375,492 | 100% | 186,012 | 0 | 1,164,917 | | 2,786,506 | -153,241 | | (1) |
| Esker Document Automation Malaysia Pte Ltd | 59,084 | -544,723 | 100% | 75,440 | 0 | 645,914 | | 2,037,049 | -18,314 | | |
| Esker Solution Canada | 1 | 2,699,444 | 100% | 1 | 1 | 15,906 | | 2,519,626 | 854,777 | | |
| CalvaEDI | 42,000 | 3,888,620 | 100% | 6,042,045 | 6,042,045 | 0 | | 2,581,553 | 788,922 | | |
| E-integration GmbH | 100,000 | -3 197,587 | 100% | 4 588,918 | 2 061,115 | 3 271,252 | | 3 564,971 | -1 599,343 | | |
| Esker Document Automation Hong Kong Ltd | 1,159 | 394,396 | 100% | 1,126 | 1,126 | 0 | | 871,461 | 35,339 | | |
| Esker Benelux BV | 10,000 | -676,586 | 100% | 10,000 | 10,000 | 703,453 | | 447,585 | -686,586 | | |
| Market Dojo | 326 | -1,517,196 | 50.1% | 10,069,103 | 10,069,103 | 575,341 | | 2,193,172 | -1,398,679 | | (3) |
| Neotouch Cloud Solution Cygogn / BUM | 30,000 | 12,256,813 | 30% | 9,000 | 9,000 | | | 16,367,423 | 3,246,806 | | (4) |
| | | | | 81,713 | 81,713 | | | | | | |
| TOTAL | | | | 54, 810,867 | 51,693,846 | 11,114,337 | 0 | 141,943,893 | 15,704,699 | 0 | |

(1): Certain loans and advances granted were subject to impairment charges. See Note 3 to the financial statements.

(2): The subsidiary Esker Asia Pty Ltd has been dormant since December 31, 1997.

(3): Acquisition of the Market Dojo subsidiary on June 1, 2022

(4): Neotouch Cloud Solution's financial reporting period ends on January 31. The amount indicated are not audited.

6.2 Statutory auditors' report

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Annual Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code and the French Code of Ethics for Statutory Auditors, for the period from January 1, 2023 to the date of our report.

Justification of our assessments

In accordance with the requirements of articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention our assessments that, in our professional judgment, were of most significance in the audit of the annual financial statements for the period.

These assessments were made as part of our audit approach for the annual financial statements taken as a whole, and therefore contributed to our opinion expressed above. We do not provide a separate opinion on specific items of the annual financial statements.

- The paragraph "Equity securities and other financial assets" in [section 2](#) "Significant accounting policies" of the notes describes the rules and methods for the impairment of financial assets, and notably equity securities. As part of our assessment of the accounting principles and rules followed by your company, our work has consisted in following the appropriateness of these rules and methods, examining the information and assumptions underlying the estimates used and verifying the calculations as well as the disclosures provided in the notes.
- The paragraph "Research and development expenditures" of this [section 2](#) "Significant accounting policies" describes the rules and methods for the recognition, amortization and measurement of development expenditures. With respect to our assessment of the accounting policies adopted by your company, we analyzed the appropriateness of these rules and methods and their implementation and the disclosures provided in the notes.

Specific verifications

We have also performed the other specific procedures required by French law and regulations, in accordance with professional practice standards applicable in France.

Information given in the management report and other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the management report of the Executive Board adopted on March 19, 2020 and the other documents addressed to the shareholders in respect of the financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to the terms of payment mentioned in Article D. 441-6 of the French Commercial Code.

We attest that the non-financial statement required by article L. 225-102-1 of the French Commercial Code is included in the information presented in the Group management report, it being specified that, in accordance with the provisions of article L.821-54 of this code, we have not verified the fair presentation and the consistency with the annual financial statements of the information contained therein which should be reported on by an independent third-party.

Report on corporate governance

We certify that the Supervisory Board's report on corporate governance includes the information required by article L. 225-37-4 of the French Commercial Code.

Other information

Pursuant to the law, we have verified that the management report contains the appropriate disclosures about the identity of holders of capital or voting rights.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The annual financial statements were adopted by the Executive Board.

Statutory Auditors' responsibilities for the audit of the annual financial statements

Our role is to issue a report on the annual financial statements. Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by Article L.821-55 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, we issue a qualified opinion or no opinion at all.
- Evaluate the overall presentation of the annual financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Villeurbanne and Lyon, April 30, 2024

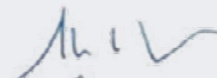
The Statutory Auditors

[French original signed by:]

ORFIS
Valérie Malnoy

DELOITTE & ASSOCIÉS
Arnaud de Gasquet

 Valérie MALNOY



7

**Additional
information**

7.1. Person responsible for the French version of the annual report

Responsibility statement for the French version of the annual report

"I declare that to the best of my knowledge the information in this annual report is accurate and there are no omissions likely to alter its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies and that the management report, faithfully presents business trends, the results and financial position of the company and describes the main risks and uncertainties."

Jean-Michel Bérard
Chair of the Executive Board

7.2. Statutory auditors

Principal Statutory Auditors

SA Deloitte & Associés - represented by Arnaud de Gasquet
106 Cours Charlemagne
69286 Lyon Cedex 2

- **Date of appointment:** June 19, 2000, reappointed June 28, 2006, June 14, 2012 and June 21, 2018
- **Expiration of appointment:** General Meeting called for the purpose of approving the annual financial statements for the financial year ending December 31, 2023

SA Orfis – represented by Valérie Malnoy
149 boulevard Stalingrad
69100 Villeurbanne

- **Date of appointment:** June 26, 2009, reappointed on June 16, 2015 and June 16, 2021
- **Expiration of appointment:** General Meeting called for the purpose of approving the annual financial statements for the financial year ending December 31, 2026

Alternate Auditors

SARL B.E.A.S.
7/9 Villa Houssaye
92200 Neuilly sur Seine

- **Date of appointment:** June 19, 2000, reappointed June 28, 2006, June 14, 2012 and June 21, 2018
- **Expiration of appointment:** General Meeting called for the purpose of approving the annual financial statements for the financial year ending December 31, 2023

Jean-Louis Fleche
149 boulevard Stalingrad
69100 Villeurbanne

- **Date of appointment:** June 26, 2009, reappointed on June 16, 2015 and June 16, 2021
- **Expiration of appointment:** General Meeting called for the purpose of approving the annual financial statements for the financial year ending December 31, 2026

7.3. Documents on display

For the period that of validity of this document, the following documents (or copies thereof) may, as applicable, be consulted and are available to any person who so requests from the company's registered office:

- Memorandum of incorporation and articles of association of the company
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document
- The historical financial information of the company and subsidiaries for each of the two financial years preceding the publication of the annual report.

The annual report is also available for consultation at the following websites

- Company website: <https://www.esker.com/investors>
- Euronext website: <https://www.euronext.com>

7.4. Information on holdings

Information about companies in which Esker holds an equity interest is presented in [section 1.2.2.](#) of this document as well as the Note “Consolidated companies” to the consolidated financial statements and [paragraph 5.1.](#) of this annual report.

7.5. Table of concordance of the management report

This annual report contains all information of the management report of the Esker Group provided for by articles L.225-100 and L.225-100-2 the French Commercial Code.

The sections of the annual report corresponding to the different sections of the Group’s management report are presented below.

| ■ Information | Sections and the document |
|---|---------------------------|
| ■ Business and financial position | 1.2 |
| ■ Recent events, trends and outlook | 1.2 |
| ■ Activities in the field of research and development | 1.3.2 |
| ■ Description of the main risks and uncertainties | Chapter 4 |
| ■ Internal control and risk management procedures | Chapter 4 |
| ■ Use of financial instruments | NA |
| ■ Corporate social and environmental responsibility | Chapter 3 |
| ■ Subsidiaries and associates | 1.2.3 / Chapter 6 |
| ■ Dividends paid for the last three fiscal years | 1.3.9 |
| ■ Capital resources | 1.3.7 |
| ■ Information on previous dividend distributions | 1.3.9 |
| ■ Proposal to appropriate net income | 1.3.8 |

7.6. Table of concordance with the report on corporate governance

This annual report includes all items of the report on corporate governance.

The sections of the annual report corresponding to the different sections of the report on corporate governance are presented below.

| ■ Information | Sections and the document |
|--------------------------------------|---------------------------|
| ■ Corporate officers | 2.1 |
| ■ Compensation of corporate officers | 2.3 |
| ■ Regulated agreements | 2.5 |

7.7. Table and concordance with the information required in the Non-Financial Statement (NFS)

| Subject | Table of concordance with the annual report | Pages |
|--|--|-------|
| Governance of corporate social responsibility | The four pillars of our ESG approach Involvement in the ecosystem | 53-56 |
| Presentation of Esker | Our business Our values Business model Stakeholders and ecosystem | 42-44 |
| Main risks and issues | Identification of risks Key performance indicators | 53-57 |
| Employment | Total workforce and breakdown of employees | 74-85 |
| | Recruitment and dismissals | 74-85 |
| | Compensation and compensation trends | 74-85 |
| Work organization | Working time organization | 74-85 |
| | Absenteeism | 74-85 |
| Health and safety | Occupational health and safety conditions | 74-85 |
| | Occupational accidents and illnesses | 74-85 |
| Labor relations | Organization of employee-management dialogue | 74-85 |
| | Information on collective agreements | 74-85 |
| Training | Policy adopted in the area of training, notably with respect to environmental protection | 74-85 |
| | Total number of training hours | 74-85 |
| Equal opportunity | Measures adopted to promote gender equality | 74-85 |
| | Measures adopted to promote employment and integration of disabled persons | 74-85 |
| | Combating discrimination | 74-85 |
| General environmental policy | The company's organizational structure to take into account environmental issues | 86-94 |
| | Environmental risk and pollution protection measures | 86-94 |
| Pollution | The amount of provisions and guarantees for environmental risks, subject to the condition that its disclosure would not constitute a serious prejudice to the company with respect to litigation in progress | NA |
| | Measures to prevent, reduce or repair serious adverse effects on the environment from the release of waste into the atmosphere, water and soil | 86-94 |
| | Measures taken into account to reduce noise pollution and other forms of pollution specific to an activity, notably with respect to noise and light sources | 86-94 |
| Sustainable use of resources | Pollution and waste management | 86-94 |
| | Sustainable use of resources | 86-94 |
| | Land use | NA |
| Climate change | Significant sources of greenhouse gas emissions resulting from the company's business, and notably resulting from the use of the goods and services it produces | 86-94 |
| | Measures taken to adapt to the consequences of climate change | 86-94 |
| | Voluntary targets set for the medium and long-term to reduce greenhouse gas emissions and measures implemented for the purpose | 86-94 |
| Protection of biodiversity | Measures taken to preserve or develop biodiversity | 86-94 |
| Regional, economic and social impact of the company's activity | Impact of the company's activity on local employment and development | 67-69 |
| | Impact of the company's activity on neighboring or local populations | 67-69 |
| | Partnerships or corporate sponsorship initiatives | 67-69 |
| Subcontracting and suppliers | Taking into account social and environmental issues in the purchasing policy | 66-67 |
| | The manner in which relations with suppliers and subcontractors are taken into account in the company's social and environmental responsibility | 66-67 |
| Fair practices | Actions taken to prevent corruption | 64-65 |
| | Consumer health and safety measures | 70-73 |
| Other actions undertaken in favor of human rights | | 64-65 |

Appendix 1. Calendar of publications and other financial events of the Esker Group in 2024

The next financial announcements will be issued after the close of the stock market: :

- **April 16, 2024** Q1 2024 sales
- **July 16, 2024** Q2 2024 sales
- **September 19, 2024** H1 2024 results
- **October 15, 2024** Q3 2024 sales

Appendix 2. Glossary

Mail on Demand

Mail sent online in the form of an electronic file to the Esker Mail on Demand service, then printed, inserted in an envelope, automatically metered and received by its recipient as a traditional letter (including the option of being sent as registered letter).

Terminal emulation

A software application reproducing the behavior of a keyboard type terminal + screen. A terminal emulation software thus makes it possible to connect to and use of the applications of one computer from another.

Host Access

A category of software enabling a group of PCs to communicate with a host system (IBM Mainframe or AS/400, Unix server, etc.), to share peripherals or access the associated databases.

Linux

A free open source operating system developed in the 1980s by a student: Linus Tordwal. Similar to the Unix operating system, Linux has become very popular both because it is free but also robust.

Software

All programs, processes, rules necessary for processing data by a hardware device to meet the needs of a user.

Mainframe

A large computer (frequently under the IBM trademark) with significant calculation and storage capabilities capable of servicing a number of users.

PDF

Portable Document Format (PDF) is a file format developed by Adobe to present documents.

SaaS

Software as a Service (SaaS) is a software application provided as a service through a subscription rather than purchasing a license.

UNIX

A portable operating system designed in the 1970s capable of being installed on many types of hardware platforms. As the first open operating system, it has been adopted by nearly all computer manufacturers and in the field of departmental servers has become an industry reference.

Fax server

A software application or equipment designed to receive or transfer documents in facsimile form (or photocopies).

