UNIVERSAL REGISTRATION DOCUMENT 2021

ESKER®

The original French version of this Universal Registration Document was filed on May 19, 2022 with the AMF (*Autorité des Marché Financiers*), the French financial market regulator, as the competent authority under regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of said regulation.

The original French version of Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document.

The whole has been approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of the original French language version of the universal registration document filed with the AMF are available to all persons submitting a request to the Company's registered office.

It can also be consulted at Esker's website along with the English translation of this document: ***https://www.esker.com investors***

In accordance with Article 19 of European Regulation (EU) 2017/1129, the following information shall be incorporated by reference in this universal registration document:

- The Group's consolidated financial statements and the auditors' report thereon for the period ended December 31, 2020 as presented on pages 100 to 120 and the separate parent company financial statements of the Company and the Auditors' report on the annual financial statements for the fiscal year ended December 31, 2020 as presented on pages 123 to 138 of the original French language version of the universal registration document filed with the AMF on May 12, 2021 (No. D.20-0457)
- The Group's consolidated financial statements and the auditors' report thereon for the period ended December 31, "2019" as presented on pages 71 to 87 and the separate parent company financial statements of the Company and the Auditors' report on the annual financial statements for the fiscal year ended December 31, 2019 as presented on pages 91 to 104 of the original French language version of the universal registration document filed with the AMF on May 26, 2020 (No. D.20-0497)

The information included in these two universal registration documents other than the items mentioned above has been, as applicable, replaced and/or updated by the information included in this universal registration document.

The two universal registration documents referred to above may also be consulted at the Company's website: ***https://www.esker.com/investors***

This document is a free translation of selected sections of the original French version of the Universal Registration Document (***Document d'Enregistrement Universel***) filed on May 16, 2022 with the AMF (Autorité des Marché Financiers), the French financial market regulator, as the competent authority under regulation (EU) 2017/1129.

The English version of this document has not been audited by our Statutory Auditors and the English translations of their reports included herein are provided for information only.

In the event of any ambiguity or conflict between corresponding statements or other items contained in these documents and the original French version, the relevant statement or item of the French version shall prevail and only the original version of the document in French is legally binding. As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Esker SA expressly disclaims all liability for any inaccuracy herein.

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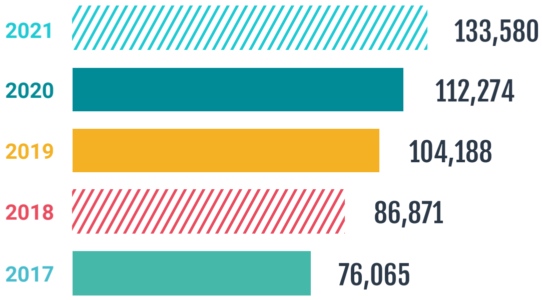
1

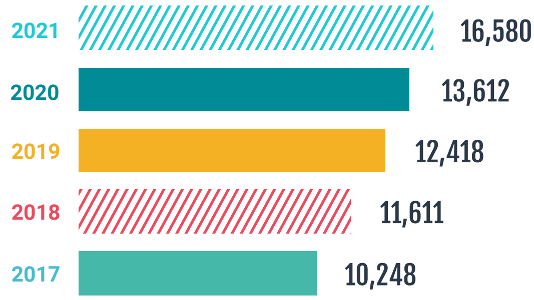
PRESENTATION OF THE GROUP AND ITS BUSINESS

1.1. FINANCIAL HIGHLIGHTS

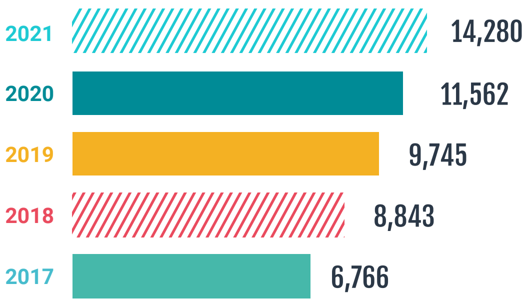
Net sales (€ thousands)



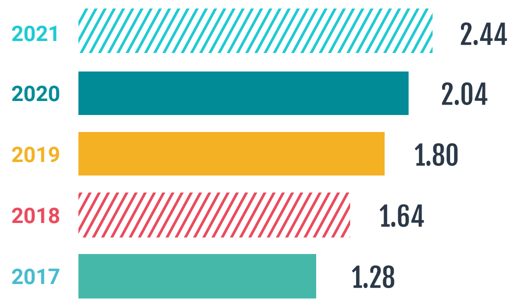
Operating profit (€ thousands)



Net income (€ thousands)



Earnings per share (€)



(€ thousands)	2021	2020
Cash flows after net financial expense	23,606	20,844
Change in operating working capital	1,936	1,003
Net cash provided by operating activities	25,677	23,475
Net cash used in investing activities	-17,016	-11,191
Net cash used in investing activities	-15,129	7,667
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-6,468**	**19,951**

(€ thousands)	2021	2020
Non-current assets	57,229	48,986
Current assets	71,534	72,918
SHAREHOLDERS' EQUITY	**80,394**	**65,412**
Provisions for contingencies and expenses	2,497	2,698
Borrowings	1,169	15,144
Other payables	44,703	38,650

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 07, 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.

Country of origin: France

1.2.2. HISTORY OF THE GROUP

1985

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.

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.

1991

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

1995

Two venture capital companies acquired equity stakes.

1997

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.

1998

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

1999

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

2000

Repositioning of the Company in document process automation technologies.

2001

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

Launch of the first document process automation product: Esker DeliveryWare.

2003
Launch of the first cloud-based document process automation solutions (mail and fax on demand).

2007
All document process automation solutions are transferred to the cloud (Esker on Demand)

2008
Expansion into Asia with the creation of an office in Singapore and Kuala-Lumpur (Malaysia).

2010
Transfer of the share listing to Alternext (renamed EuroNext Growth).

2011
Adoption of the Agile project management methodology for R&D for the continuous development of new software solutions while remaining in step with customer demand and market developments.

2013
Integrating the Design Thinking methodology (UX : User eXperience) to improve end-user adoption of its software solutions.

2015
Acquisition of TermSync (collections management solution) in the United States and CalvaEDI in France.

2017
e-integration GmbH was acquired in Ratingen (Germany) to consolidate the Company's position in the EDI market.

Esker is ranked as a Great Place to Work® for well-being in the workplace.

ISO 9001 (quality management system standard) and 27001 (information security management system standard) certifications obtained for its cloud platform.

2018
Esker maintained its positive momentum in the period with growth in revenue of 14%. The Group is continuing to invest to support this growth, with a 13.5% increase in the average headcount to 580 employees at the end of December and a new subsidiary opened in Hong Kong.

2019
During another period of accelerating growth reaching 20%, Esker invests massively in artificial intelligence in order to perfect its solutions. The Company shifts its focus to indirect sales by signing partnerships with Fuji-Xerox and KPMG in the Netherlands.

2020
Esker is included in the 2020 Gartner Magic Quadrant for Procure-to-Pay suites. Esker launches new Procure-to-Pay (P2P) and Order-to-Cash (O2C) solutions: Supplier Management, Credit Management and Cash Application.

2021
Esker receives the Ecovadis Platinum Award for its CSR performance with a score of 74/100 (compared to 68/100 in 2020).

1.2.3. ORGANIZATION

Legal structure of Esker Group as of December 31, 2021

ESKER SA

Worldwide headquarters Lyon, France

General management finance, R&D, marketing, IT

Sales for France, Switzerland, Belgium and French-speaking Africa

Ownership	Subsidiary	Location and activity
100 %	ESKER Inc.	**Madison, Wisconsin (registered office USA)** US sales **TermSync** 100%
100 %	ESKER UK Ltd	**Derby, United Kingdom** Sales for UK, Ireland, Benelux and Scandinavia
100 %	ESKER GmbH	**Munich, Germany** Sales for Germany, Austria and Eastern Europe
100 %	ESKER Italia Srl	**Milan, Italy** Sales for Italy
100 %	ESKER Iberica Sl	**Madrid, Spain** Sales for Spain and Portugal
100 %	ESKER Australia Pty Ltd.	**Sydney, Australia** Sales for Australia, New Zealand and Asia
100 %	Esker Document Automation Asia Pte Ltd.	**Singapore** Sales for Southeast Asia and China
100 %	Esker Solution Canada Inc.	**Montreal, Canada** Sales for Canada
100 %	Esker Document Automation (M) Sdn. Bhd.	**Malaysia** Sales for Malaysia
100 %	CalvaEDI	**Paris, France** Sales for CalvaEDI
100 %	Esker EDI Services	**Düsseldorf, Germany** Sales for e-integration
100 %	Esker Document Automation (HK) Ltd.	**Hong Kong** Sales for Hong Kong

All subsidiaries are wholly-owned and fully controlled by Esker SA.

Business relationships between Esker Group companies

Business relationships between Esker Group companies are defined in the list of freely contracted agreements (transactions relating to ordinary operating activities concluded under normal conditions) for fiscal 2021, established by the Supervisory Board. Amounts invoiced by the Group consisted of the following:

- Sales of services by the parent company to subsidiaries
- Royalties
- Marketing expense chargebacks
- Staff costs chargebacks
- Interest on advances

In fiscal 2021, the amount invoiced by Esker SA on this basis to all subsidiaries totaled €15,540,000 (€13,444,000 in 2020). These subsidiaries in turn invoiced the parent company €2,324,000 (€2,165,000 in 2020). Income and expenses relating to intercompany billings are eliminated in consolidation. As such, they have no financial impact on the Group's consolidated financial statements.

Regulated agreements concluded between Group companies are presented in the corresponding Statutory Auditor Report included in *paragraph 2.4* of this document.

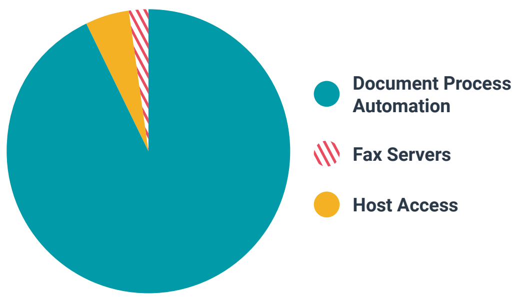
Segment information is provided in *note 1* to the consolidated financial statements presented in *section 5.1* of this document and information on related parties in *note 21* herein.

1.3. ANALYSIS OF THE GROUP'S FINANCIAL POSITION AND BUSINESS

1.3.1. ANALYSIS OF GROUP REVENUE

Sales by business segment

	2021		2020	
In thousands of euros	Amount	%	Amount	%
Document process automation (SaaS)	126,369	95%	104,051	93%
Document process automation solutions and maintenance services (license-based)	4,616	3%	5,570	5%
Legacy products	2,595	2%	2,653	2%
TOTAL	133,580	100%	112,274	100%



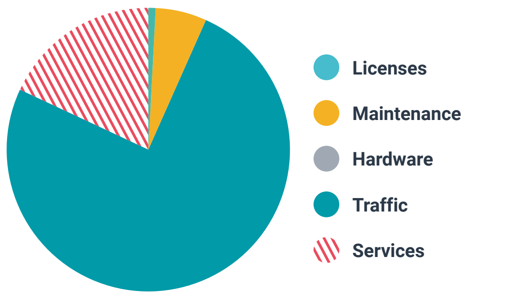
Esker registered the best annual performance in its history, well above the €133 million revenue milestone in 2021 with growth of 19% to €133.6 million (+20% at constant structure and exchange rates).

This performance was largely driven by the accelerating success of cloud-based document process automation solutions which represented nearly €126 million in 2021 (95% of total revenue), up 21% from 2020.

Revenue from traditional license-based document process automation solutions declined 17% to €4.6 million (3% of total revenue) while legacy products accounted for only 2% of revenue.

Sales by product sub-segment

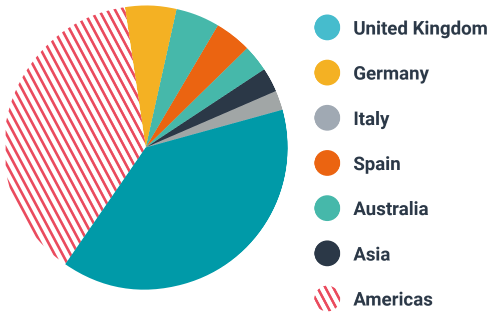
	2021		2020	
In thousands of euros	Amount	%	Amount	%
Licenses	1,468	1%	1,340	1%
Maintenance	5,338	4%	6,184	6%
Hardware	142	0%	238	0%
Traffic	103,484	77%	84,857	76%
Service	23,148	17%	19,655	18%
TOTAL	133,580	100%	112,274	100%



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

Sales by country

	2021		2020	
In thousands of euros	Amount	%	Amount	%
France	51,715	39%	43,849	39%
United Kingdom	7,528	6%	6,019	5%
Germany	7,219	5%	6,629	6%
Italy	2,228	2%	1,752	2%
Spain	4,936	4%	4,245	4%
Australia	4,438	3%	3,805	3%
Asia	3,713	3%	2,939	3%
Americas	51,803	39%	43,036	38%
TOTAL	133,580	100%	112,274	100%



Sales outside of France account for 61% of revenue, with the Americas alone accounting for 39%.

Competition in the document process automation market

Esker on Demand

Competitors in the Esker on Demand product segment include:

Company	2020 sales (1)
Coupa	€542m
Basware	€153m
OPEN TEXT	€3.386m
ITESoft	€21.2m

(1): Total sales of the company rather than for the competing product line

Smaller or more specialized competitors may also be cited even if they do not operate in exactly the same markets as Esker. These companies include: OMPrompt, SAP Concur, HyLand, Connexiom or Kofax.

Esker considers that it is the only player in this category covering simultaneously the two procure-to-pay and order-to-cash cycles enabling it to offer a unique solution with a single interface for all administrative and financial processes which need to be automated.

Esker also considers that it has a considerable advance over its competitors in integrating artificial intelligence technologies into its solutions. Deep learning has allowed it to significantly improve the recognition of unstructured documents and offer new functionalities such as detecting anomalies or fraud.

FlyDoc

Only Maileva (a subsidiary of La Poste Group) proposes a viable alternative to the FlyDoc service for the delivery of mail on demand. According to Esker, FlyDoc offers better integration with enterprise applications than its French competitor. FlyDoc is also less expensive and does not impose an annual fee.

Basis of statements made by the issuer regarding its competitive position

Items providing the basis for statements made by the issuer regarding its competitive position are presented below in the *section "Competition in the document process automation market"*.

Group strategy

Esker's strategy is focused on developing and selling a cloud-based software platform for the automation of enterprise back-office processes. Specifically, the above solutions cover both the order-to-cash (from the customer order to invoice collection) and procure-to-pay processes (from the selection of suppliers to the payment of invoices).

The Company is focused on accelerating organic growth largely through a direct sales force. Since 2018, a network of partners was developed to supplement the Company's own resources, both for sales and consulting services (installation of the software at the customer's sites). Significant partnerships were developed with companies such as Fuji Xerox in the Asia-Pacific region, KPMG for the Netherlands, Cegid in France, etc. As for the partnership with Quadient (ex Neopost) for the period, it represented approximately 10% of Esker's revenue This partnership is however largely focused on distributing simple hybrid mail solutions (reconversion of Internet mail into physical form for transfer to the postal services) destined for SMEs, an activity which has historically represented a significant portion of the Group's business, though which is destined to migrate to purely electronic document flowtype within the next 5 to 10 years.

To ensure sustainable growth over the medium-term, Esker regularly invests in research and development, marketing, sales and consulting. Because these sales cycles range between 12 to 18 months, such investments have an adverse impact on the Company's short-term profitability. The management of Esker's growth is designed to achieve a positive operating margin of approximately 12% to 14% of sales.

Regulations

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

For example, in France a law was adopted (Finance Act No. 2019-1479) requiring companies to adopt e-invoicing no later than 1 January 2025. 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 activities.

1.3.2. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Research and development expenses

Esker has historically devoted significant resources to research and development. In 2021, the R&D budget represented nearly 11 % of total Group sales. This policy ensures that Esker maintains its technological advance, the only effective means of meeting challenges from competitors. On December 31, 2021, at the site located in Villeurbanne, a team of 142 computer engineers work on developing Esker software programs. The R&D department also has a new team of 14 engineers based in Madison (Wisconsin, USA) 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 68 engineers based in the Group's different subsidiaries.

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 2* and *14* to the consolidated financial statements presented in *paragraph 4.1.* of this document):

In thousands of euros	12/31/2021	12/31/2020	12/31/2019
R&D expenses for the period	-14,075	-12,633	-10,478
Capitalized development expenditures	8,641	7,822	6,281
Amortization of capitalized development expenditures	-6,156	-5,351	-4,738
RESEARCH AND DEVELOPMENT EXPENSES NOT CAPITALIZED	**-11,590**	**-10,162**	**-8,935**

Research and development expenditures are focused primarily on the document process automation lines. Development expenditures recognized as assets in 2020 concern mainly SaaS solutions (Esker on Demand), capitalized every six-month period.

Patents

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

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

Trademarks

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

- CalvaEDI
- FaxGate
- Smarterm
- Tun
- Quit Paper
- FlyDoc
- Green Doc
- Smartmouse
- Persona
- VSI-Fax
- TermSync

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 Esker 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 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 2020 and 2021

(€ thousands)	2021	2020
Esker on Demand	8,829	7,823
Of which finance leases recognized under assets	*0*	*0*
Other fixed assets	2,510	2,344
TOTAL	**11,329**	**10,167**

The Company's capital investments are focused primarily on our SaaS solutions (Esker on Demand and FlyDoc), capitalized every six months, and printers and mail inserting systems for the 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 Universal 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 Esker on Demand infrastructure, necessary to service new Esker on Demand customers and including notably:

- Increasing the processing capacity of its existing production centers
- Creating new mail processing centers
- Improving document automation processes in SaaS in particular to accelerate their deployment and parameterization for key accounts

These changes require the acquisition of new data processing and storage servers, printing and mail insertion systems.

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 plant in Décines Charpieu. The other premises, including the Esker SA's headquarters located in Villeurbanne, are leased.

Excluding Esker Italy, which acquired its premises in Milan in April 2019, the other Group's 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 France	Villeurbanne - France	June 2023	5,795 m²
CalvaEDI	Paris - France	February 2025	207 m²
Esker GmbH	Munich - Germany	September 2024	477 m²
Esker EDI Services	Ratingen - Germany	January 2022	667 m²
Esker Ibérica	Madrid - Spain	January 2022	180 m²
Esker Ibérica Production	Madrid - Spain	July 2022	169 m²
Esker Ltd	Derbyshire - United Kingdom	January 2030	692 m²
Esker Pty	Sydney - Australia	November 2021	229 m²
Esker Inc.	Madison - United States	April 2026	3,800 m²
Esker Pte Ltd	Singapore	June 2023	172 m²
Esker Sdn Bhd	Kuala Lumpur - Malaysia	January 2022	220 m²

At December 31, 2021 total liabilities from these leases amounted to €8,746,000 (€9,630,000 in 2020).

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 section 4* to the consolidated financial statements, included in this universal registration document.

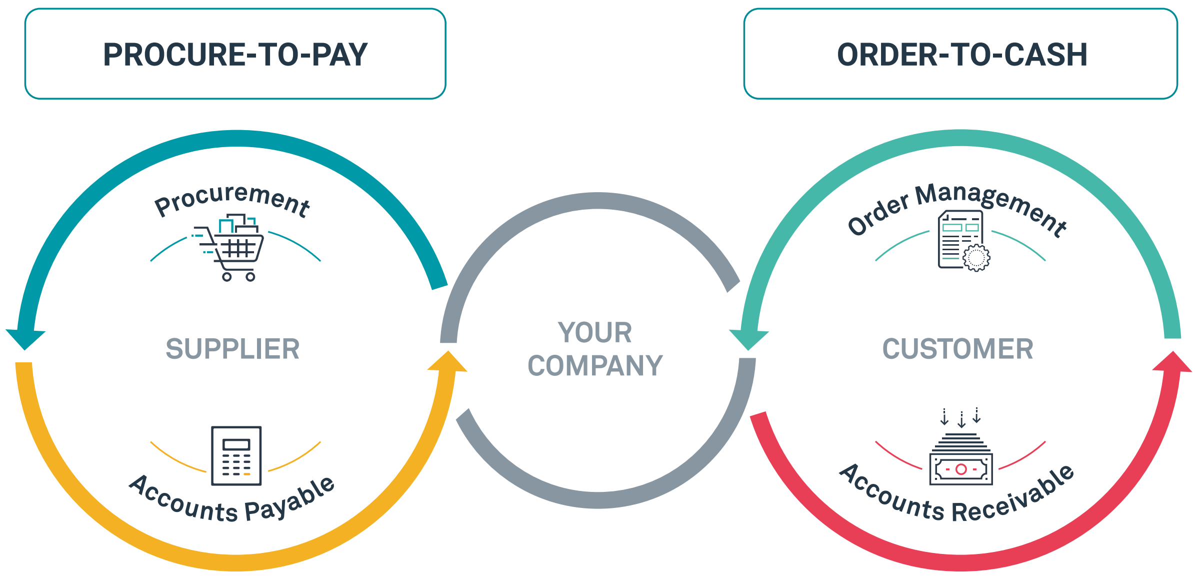
There were no major changes with respect to these items.

1.4. MANAGEMENT DISCUSSION AND ANALYSIS

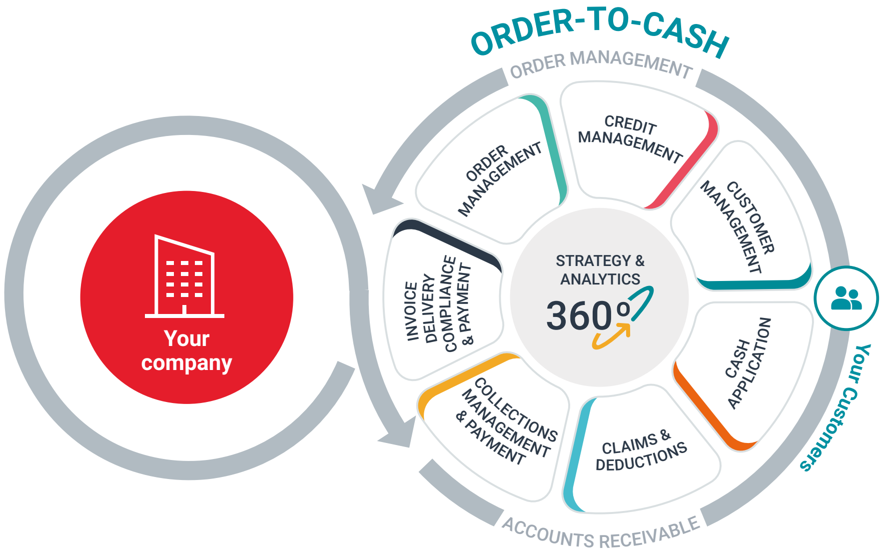
1.4.1. OVERVIEW OF THE COMPANY'S ACTIVITIES

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Esker's mission is to build a foundation that promotes positive-sum growth, increased productivity, improved employee engagement, and greater trust between organizations. Esker software products are sold in the form of on-demand online services (SaaS). In 2020, on-demand services accounted for 90% of revenue. The balance represented revenue from the sale of licenses, maintenance contracts and the corresponding product upgrades.

Cash Conversion Cycle



Esker solutions cover all customer and supplier cycles. They can accelerate and streamline the cycles by automating the corresponding management processes. They also make it possible to significantly improve relationships with customers and suppliers while freeing up administrative personnel from the more tedious time-consuming tasks.



Esker's Order-to-Cash suite accelerates all O2C processes, from order management to accounts receivable, making it possible to service customers more quickly and speed up collections.

The O2C suite contributes to the following processes:

- Managing the creation of new customers and their credit rating (Customer Management).
- Eliminating manual data entry by electronically processing all customer orders and automatically extracting all order information (Order Management).
- Ensuring the multi-channel distribution of invoices and facilitating the transition to electronic invoicing (Invoice Delivery).
- Offering customers the possibility to make payments online and in this way reducing the rate of payment defaults (Payment).
- Reconciling customer payments with invoices (Cash Application).
- Reducing DSO through collection assistance tools (Cash Collection).
- Monitoring claims and deductions and constantly improve the process by analyzing the causes (Claims & Deductions).
- Offering a global view of customer behavior from receipt of the orders to the payment of customer invoices.

Esker's Order Management solution makes it possible to:

- Accurately and rapidly process the flow of customer orders, regardless of the transmission channel (email, fax, EDI, scan)
- Eliminate delays or the loss of orders
- Double productivity of the AR department by automatically reading and verifying documents
- Free up time to generate additional sales or simply improve the customer relationship
- Create a more relaxed working environment for staff

Esker's Accounts Recevable solution suite:

- Provides a natural support to automating the invoicing process.
- Reduces payment delays.
- Improves the customer credit risk management.
- Ensures greater responsiveness in the event of payment delays.
- Facilitates the rapid identification and resolution of disputes.
- Reduces the use of paper and the corresponding costs through electronic invoicing.
- Optimizes collections management

EXAMPLE: PROCESSING ORDERS AND INVOICES

Without an automation solution, the company receives orders from customers by email or fax. These orders are then printed and the sales administration personnel enter the data they contain into the ERP. An order confirmation is then sent by fax or email to the customer before copying the order several times to be archived in different files.

When the shipment of goods has been completed, company personnel request the printout of an invoice that is then folded and inserted in an envelope and mailed to the customer. Several copies of the invoice are made for archiving purposes.

Customer payments indicated on the bank statements are manually reconciled with the invoices. Potential discrepancies are managed at the same time.

Customers with payments past due are notified by reminder letters. Telephone interactions with delinquent customers are recorded in an Excel file and reminders are recorded in the post-It application until final payment is received.

ESKER'S AUTOMATION SOLUTION ELECTRONICALLY RECEIVES CUSTOMER ORDERS SENT BY EMAIL, EDI OR FAX.

The information included in the orders is automatically extracted to be presented to an operator for validation. After being confirmed, the information is transformed to be automatically and directly integrated into the ERP. At the same time, the order is electronically stored and confirmation is automatically sent to the customers by fax or email.

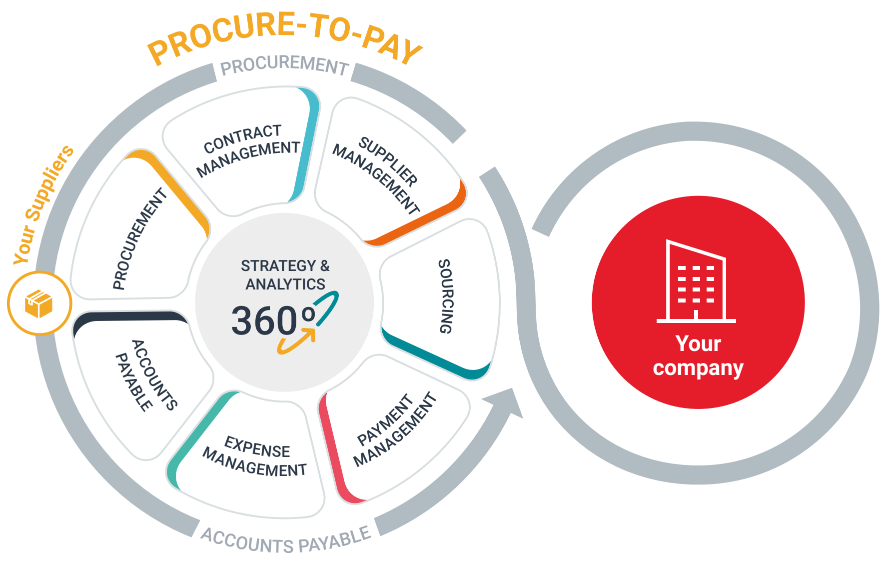
When the shipment is completed, the sales administration personnel requests issuance of an invoice which is transmitted to Esker on Demand for transmission in electronic format or sometimes converted into a traditional letter and mailed. A copy of this invoice is stored electronically. Customers are systematically provided with a copy of the invoice in their personal space on the company's portal.

The customer can settle the invoice directly by bank card or SEPA bank order.

Payment reconciliation is performed automatically by means of the bank statements through an AI tool which presents the most probable results by calculating the potential discrepancies.

The reminder letters are sent electronically, just like the invoices. Delinquent customers are monitored in real time. Their interactions with the accounting department are recorded in the application so that the customer can be monitored by different persons.

In this example, with Esker's process automation solution, all manipulation of time-consuming, paper-based tasks are eliminated even if the customer continues to manually fax and receive invoices by mail.



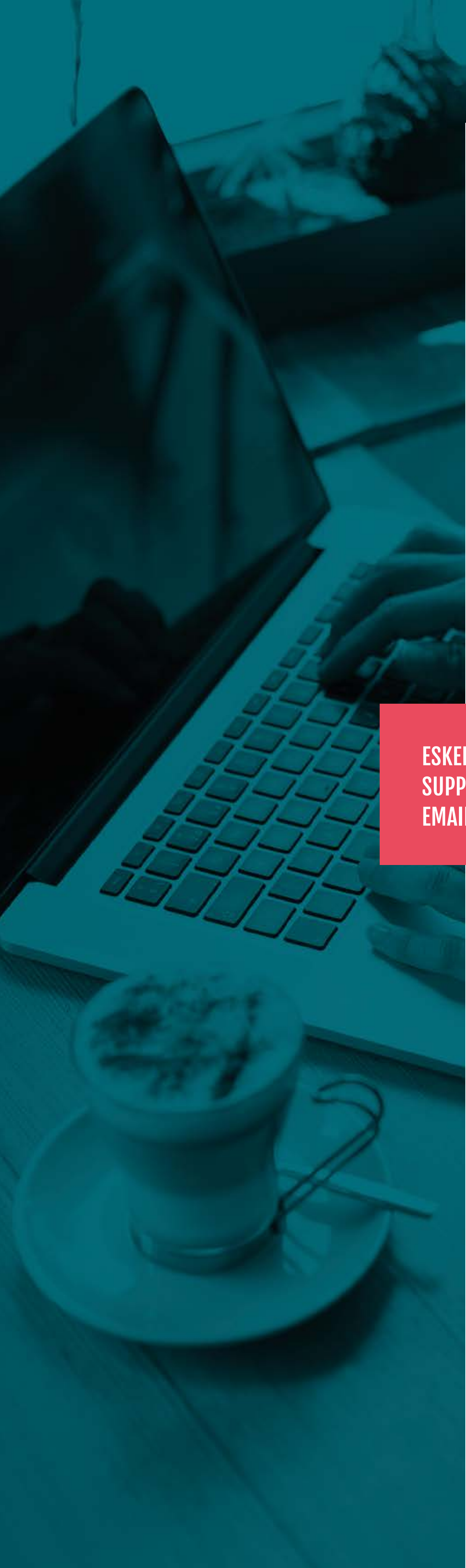
Esker's Procure to Pay suite helps finance departments control and anticipate budget commitments while improving financial resources and the productivity of accounting personnel.

The P2P suite contributes to the following processes:

- Managing the supplier relationship and the corresponding administrative documents, such as company registration certificates (K-bis), insurance certificates or bank account identification forms (Supplier Management).
- Establishing a purchase request by selecting the articles from an internal electronic catalog or attaching a quote or contract and obtain the approval of managers before sending the purchase order (Procurement).
- Managing the receipt of goods or services.
- Eliminating manual data entry by electronically processing all invoices and automatically extracting all information they contain (Accounts Payable).
- Reconciling supplier invoices with purchase orders before issuing and/or launching an approval workflow with the buyers or cost center managers.
- Making the invoices available to suppliers so they can consult their status at any time.
- Preparing the payments and informing the suppliers when completed (Payment).
- Requesting rebates in exchange for advance payments or enabling third parties to prepay invoices in exchange for interest payments (Supply Chain Financing).
- Offering a global version of the purchasing process from purchase request to final settlement.

Esker's Procure-to-Pay suite enables businesses to transition to process automation and offers the following advantages:

- Better control and anticipation of commitments
- Reducing out-of-process purchases
- Doubling the productivity of accounting teams
- Reducing the risk of fraud and non-compliance
- Reducing the number of calls by suppliers to obtain information about the status of their invoices
- Respecting payment terms
- Optimizing cash management
- Eliminating the use of paper and the corresponding manual tasks



EXAMPLE: PROCESSING SUPPLIER INVOICES

The company receives invoices from suppliers by mail. These invoices are collected and the accounting staff manually enters the information they contain in the ERP.

The invoices are photocopied for archiving purposes and transmission to persons responsible in the company to obtain their payment approval.

The approval process can be particularly long according to the complexity of the approval channel as well as the geographical organization of the company. During this time, the suppliers frequently call the accounting department to inquire about the status of their invoices and obtain an estimated payment date. They are not always successful in obtaining a clear response.

The settlement is prepared once a certain number of invoices have been approved for payment. A payment signature book is prepared, which must be submitted to the finance manager for approval.

The payment is then made.

In the best case scenario, it is generally too late to take advantage of the discounts offered by suppliers in exchange for rapid payment. In the worst-case scenario, the company may incur late payment interest and/or a supply chain disruption.

ESKER’S AUTOMATION SOLUTION ELECTRONICALLY RECEIVES SUPPLIER INVOICES IN THE FORM OF SCANNED PAPER INVOICES, EMAIL PDFS OR EDI.

The information included in the invoices is automatically extracted to be presented to an accountant for validation. After being confirmed, the information is transformed in order to be directly integrated into the ERP.

If a purchase order exists which corresponds to the invoice details, the invoice becomes automatically cleared for payment. Otherwise, an image of the invoice with the key information is transmitted to the relevant cost center managers for approval. These managers can communicate their authorization or rejection directly from their workstation or from their smartphone.

A copy of the invoice and its status (received, pending approval, approved for payment, paid, rejected) is systematically communicated to the supplier in the company portal, which can be consulted at any time. If the invoice is approved for payment, the supplier may request early payment in exchange according to the discount terms.

Invoices cleared for payment are periodically collected in an electronic signature record in order to be approved by the chief financial officer.

The payment is then completed and the supplier is informed in real time.

By automating this process, the accounting team is dispensed from performing manual data entry tasks. This enables them to once again exercise a genuine control function and to perform higher-value activities.

TECHNOLOGIES

Cloud Platform

Esker's cloud platform offers a number of advantages for the optimization of business processes: 24/7 availability, a high level of security (ISO 27001, HIPAA), complete personalization for each user or company as well as simultaneous integration with many ERPs and middleware.

Artificial Intelligence

The Artificial Intelligence (AI) technologies developed by Esker are conceived to imitate human intelligence by combining machine learning and deep learning to manage and analyze structured and unstructured data from the most complex business processes.

Esker's core expertise includes the recognition of documents, images, content and analysis, and reporting tools.

Machine Learning is a form of AI technology that uses algorithms to teach a computer what is natural for people. It "learns" how to manage orders, process invoices and handle exceptions of all kinds, while continually improving its understanding of data over time to become even more accurate and efficient.

Deep Learning is based on algorithms by means of which an application learns how to perform tasks through a neural network by leveraging a large quantities of data. Esker uses this technology for document recognition and classification as well as for prescriptive and predictive analytics.

Mobility with Esker Anywhere™

The majority of the user interfaces of Esker solutions are available on smartphones so that managers or users can access company documents even when they are away from the office. The Esker Anywhere™ mobile app is used mainly for recording orders when visiting customers, approving invoices or purchase requests, consulting indicators or statistics or recording travel expenses.

EDI

The cloud-based nature of Esker's automated platform means that O2C and P2P solutions can be easily configured to work with IT installations without altering existing infrastructure. This technology is destined for large companies and governments. It requires a certain frequency in the number of exchanges, as a significant period of adjustment needed to become efficient.

PRODUCTS

Esker on Demand

An on-demand document process automation platform for outsourcing and automating the enterprise process linked to the transmission of documents (invoicing, reminders, sales administration).

Esker DeliveryWare

This application offers the same functionalities as the Esker on Demand solution and consists of a software license installed by the customer and sold in conjunction with the service, training, a contract for product maintenance and upgrades, and in some cases hardware (fax boards). The sale of this product was discontinued in September 2019.

FlyDoc

FlyDoc is an online fax and mail delivery service.

CalvaEDI

This SaaS solution is designed for decision-makers in the transport industry – manufacturers, freight forwarders, logistic services providers as well as the haulers themselves, for automatically exchanging shipping orders in real time in EDI format.

Esker EDI Services

This SaaS solution enables industrial companies to exchange different business documents (orders, order confirmations, delivery slips, invoices, payment notices, inventory reports, consignment notes, etc.) in EDI format (EDIFACT, X12, EANCOM, TRADACOMS,EDITEC, OASIS UBL, PEPPOL BIS, etc.) with their partners.

TermSync - Cash Collection

A cloud-based service for managing the accounts receivable collection process for customer invoices issued by Esker on Demand or any other third-party solution.

Esker Fax

A versatile fax server that works on a Microsoft server and is sold primarily to large companies.

VSI-Fax

A production fax server operating under UNIX and Linux, offering approximately the same features as the Esker Fax product for these environments.

Tun Plus

A terminal emulator reproducing the screens of large systems in a Windows-type environment. It makes it possible to replace passive terminals and communicate with the Company's large legacy applications for users with Windows-type workstations. Tun Plus is marketed mainly for SCO Unix, Linux, IBM AIX, HP-UX, IBM 390 and IBM AS/400 servers. The attractiveness of this product line is based on the rich offering of emulations proposed (more than 20 today).

SmarTerm

A terminal emulator marketed primarily for Digital (VAX Open VMS), Data General and IBM mainframe (3270) servers.

1.4.2. 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.

1.4.3. FINANCIAL POSITION OF THE GROUP

The Group's operating and financial review is presented in the management discussion and analysis of the Executive Board summarized below. This information concerns the consolidated financial statements as presented in *paragraph 5.1* of this document. The reader is also invited to consult the information on trends in *section 1.4.1* and the notes to the consolidated financial statements in *paragraph 5.1*.

Analysis of Group revenue

Esker registered the best annual performance in its history, well above the €133 million revenue milestone in 2021.

Revenue grew +19% (+20% at constant structure and exchange rates) to €133.6 million.

This performance was largely driven by the accelerating success of cloud-based document process automation solutions, which represented nearly €126 million in 2021 (95% of total revenue), up 21% from 2020.

Revenue from traditional license-based document process automation solutions declined 17% to €4.6 million (3% of total revenue) while legacy products accounted for only 2% of revenue.

Sales outside of France account for 61% of revenue, with the Americas alone accounting for 39%.

Record quarter, record year

Esker delivered another record quarter and its best annual performance ever, with full-year revenue considerably exceeding €130 million milestone. Reflecting this positive momentum, Group revenue for 2021 rose to €133.7 million, up 20% at constant exchange rates and 19% on a reported basis.

Esker's consolidated revenue in the fourth quarter of 2021 amounted to €35.9 million, up1 6% on reported basis and 14% at constant exchange rates from one year earlier. Despite the marginal drop in volumes processed in the last month of the year reflecting a rebound in the COVID-19 pandemic, SaaS solutions (+18%) continued to drive the Group's growth, which accounts for 96% of total revenue. All regions contributed to this strong momentum with solid growth, benefiting from the commercial successes achieved throughout the year.

Order intake continues to grow at a strong pace

Esker once again added a significant number of new contracts in the quarter, driven by the growing interest of companies in the productivity gains resulting from the digital transformation of their administrative and financial services.

Contracts added in the last quarter will provide €3.65 million in annual recurring revenue (ARR), down slightly from last year's exceptional quarter, that benefited from the signature of contracts that have been delayed during the initial months of the COVID-19 pandemic. Q4 2021 was in consequence the best quarter of the year in absolute terms and the second best in the Company's history. This performance was all the more remarkable in the context impacted by a resurgence in the epidemic in December 2021, which delayed the signature of certain contracts. In addition, because they were established on the basis of slightly longer terms, the total value of contracts signed during the fourth quarter of 2021 rose 20% from last year's fourth quarter to €15.3 million.

For the 2021 full year, annual recurring revenue of new contracts amounted to €13.2 million, up 25% from 2020. Total revenue from subscriptions signed in 2021 amounted to €48.0 million, up from €34.7 million in 2020 or an increase of 38%.

A solid financial structure

Esker is expecting operating income to remain stable in relation to the first half of 2021.

At December 31, 2021, the Group's cash position amounted to €39.2 million. And with net cash of €38.6 million (up from €30.7 million at the end of 2020) and nearly 140,000 treasury shares, Esker has the financial resources to support its strategy of accelerating organic growth, combined with targeted acquisitions in order to offer its customers even more value by integrating complementary solutions.

1.4.4. BUSINESS TRENDS, OUTLOOK AND SIGNIFICANT POST-CLOSING EVENTS

Business trends and outlook

Most of the Group's organic growth will be driven by its cloud-based solutions. The absence of an initial investment combined with operating comfort make these solutions very popular with customers. Esker's goal is to occupy a leadership position in the automation of administrative and financial processes by leveraging its experience as a pioneer and its considerable installed base. To achieve this, the Company is developing its offering by automating increasingly complex and value-added processes (O2C and P2P) while at the same time integrating artificial intelligence technologies. Esker also wants to add a financial component to its automation services by integrating invoice payment or financing functions. Over the long term, Esker will pool certain data (customers, suppliers) and services (financing, joint purchasing) between all customers to contribute to their performances and resilience.

To further leverage its growth, Esker is working with partners capable of assisting it in marketing and integrating its solutions in other customer segments. Esker is currently working to ensure the success of these partnerships and expand its distribution network through its dedicated business development team.

Following 2021, during which the Group was able to get fully back on track, in light of the significant percentage of recurrent business (81%) as well as strong growth in order intake (+25%), Esker is confident in the outlook for 2022. On that basis, we are expecting organic growth of around 16% in 2022.

Esker continued to strengthen its sales, R&D and consulting teams to keep pace with its growth without impacting operating profit, with profitability expected to remain close to the level achieved in 2021.

The cash balance is sufficient for the development of infrastructure and software required to support the growth in cloud solutions.

Esker's main objectives for 2022 are as follows:

- Continue to secure and expand the capabilities of the cloud platform
- Continue to integrate artificial intelligence technologies in all its solutions to further enhance the automation rate
- Leveraging existing partners to drive organic growth
- Integrating payment and financing (factoring) functionalities into all processes managed by the solution
- Conducting pilot trials for data and service sharing solutions whith volunteer customers

Significant post-closing events

Esker signed an agreement with the shareholders of Market Dojo, Limited, to acquire 50.1% of the Company's capital and voting rights in Q1 2022, and the remainder of Market Dojo shares after a period of four years.

80% of the purchase price for this acquisition will be financed by a bank loan with the remaining 20% of the consideration to be paid to Market Dojo management by Esker in the form of shares, including a two-year lock-up commitment for each of the two phases of the acquisition.

As of the balance sheet date, this agreement was still in progress with a closing date expected in April 2022.

1.4.5. CAPITAL RESOURCES

Capital of the issuer

Information concerning the capital is presented in the consolidated statement of changes in equity in *paragraph 5.1*. *"Consolidated financial statements"*.

Sources, amounts and description of cash flows

Information on cash flow is presented in the cash flow statement in *paragraph 5.1.*

Analysis of changes in cash in the period is presented above in *section 1.4.3.*

At December 31, 2021, the Group's US and UK subsidiaries had positive cash balances. In this respect, the euro's appreciation in relation to the US dollar or British pound constitutes an impediment to the transfer of funds from the United States and the United Kingdom 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 cash flow forecasts.

Borrowing requirements and funding structure

As indicated above in *section 1.4.3*. and *note 12* of the consolidated financial statements, presented in *paragraph 5.1.* of this document, financial liabilities at year-end amounted to €1,169,000 and included the following items:

- €563,000 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
- €606,000 in bank loans

Restrictions on the use of capital resources

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

Anticipated sources of funds

To finance the Group's growth and Market Dojo's acquisition, the Group will obtain three new loans in the 2022 first half with two banks and the Bpifrance, a French public investment bank, for an amount totaling €17 million.

1.4.6. PROPOSAL FOR THE APPROPRIATION OF NET PROFIT TO THE SHAREHOLDER MEETING

It is proposed that the profit of the period of €8.023.542,81 be appropriated as follows:

▪ €18,918.20 will be allocated to the "Legal reserve", increased accordingly from €1,166,064.20 to €1,184,982.40:	€18,918.20
▪ €3,554,947.20 for the distribution of dividends to shareholders, it being noted for the record that treasury shares held by the Company do not confer dividend rights, and the amounts corresponding to dividends not paid on these shares will be allocated to "Retained earnings":	€3,554,947.20
▪ with the balance of €4,449,677.41 to be allocated to "Other Reserves", which would be increased accordingly from €41,511,466.82 to €45,961,144.23	€4,449,677.41
Total equaling the profit of the period	€8,023,542.81

The dividends will be payable as of the date of the Shareholder Meeting within the statutory time limits in the amount of €0.60 per share.

The Shareholders' Meeting specifies that 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.

1.4.7. INFORMATION ON DIVIDENDS

The Executive Board will propose a dividend of €0.50 per share at the annual shareholder meeting of June 15, 2022.

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
2020	0.50	25%
2019	0.33	18%
2018	0.41	25%

2

CORPORATE GOVERNANCE

In accordance with Articles L.225-68 and L.22-10-20 of the French Commercial Code, the Supervisory Board presents its report on corporate governance to the Combined Ordinary and Extraordinary Shareholder Meeting of June 15, 2022. This report includes the information referred to in Articles L. 22-10-9 to L. 22-10-11 and L. 225-37-4 of the French Commercial Code, as well as the Supervisory Board's observations on the Executive Board's report and on the financial statements for the year.

2.1 CORPORATE GOVERNANCE BODIES

2.1.1. PRESENTATION OF THE SUPERVISORY 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, 2021 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

Audit Committee:

Mr. Jean-Pierre Lac
Chair of the Audit Committee

Ms. Marie-Claude Bernal
Member of the Audit Committee

Nominating an Appointment Committee:

Ms. Marie-Claude Bernal
Chair of the Nominating and Compensation Committee

Ms. Nicole Pelletier-Perez
Member of the Nominating and Compensation Committee

ESG Committee:

Ms. Nicole Pelletier-Perez
Chair of the ESG Committee

Mr. Jean-Pierre Lac
Member of the ESG Committee

2.1.2. PRACTICES OF CORPORATE GOVERNANCE BODIES AND CONFLICTS OF INTEREST

In accordance with the provisions of Article 225-102 Paragraph 3 of the French commercial code, the list of offices exercised is provided below:

		OFFICES EXERCISED IN OTHER COMPANIES					
Name	Office or position exercised in Esker S.A.	Company	Nationality	Office / Position	Year of initial appointment	Expiration of appointment: Shareholder Meeting ruling on the financial statements for the fiscal year ending in	Professional address (primary position)
M.C. Bernal	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	US	Director	2019	N/A	79 Denton Road, Wellesley, MA 02482, USA
N. Pelletier-Perez	Vice Chair of the Supervisory Board	Esker SA	French	Member of the Supervisory Board	2017	2022	113 boulevard de Stalingrad 69100 Villeurbanne
		Femmes Business Angels	French	Director	2018	2024	23-25 rue Jean-Jacques Rousseau 75001 Paris
J.P. Lac	Member of the Supervisory Board	Esker SA	French	Member of the Supervisory Board	2020	2025	113 boulevard de Stalingrad 69100 Villeurbanne, France
		SIPAREX Associés	French	Director and Chair of the Audit Committee	2007	2022	9 rue de Marseille, 69003 Lyon, France
		Le Progrès	French	Director	2012	2022	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
		WAOUP	French	Member of the Strategy Committee	2019	N/A	70 quai Perrache, 69002 Lyon, France
J.M. Bérard	Chair of the Executive Board	Esker SA	French	Chair of the Executive Board	2000	2022	113 boulevard de Stalingrad 69100 Villeurbanne
		Esker Inc.	US	Vice President	2001	N/A	1850 Deming Way - Suite 150 Middleton, WI 53562
		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 SL	Spanish	Director	2001	2100	Calle Chile 8, oficina 206 28290 Las Rozas de Madrid
		Esker Australia Pty Ltd.	Australian	Vice President	1997	N/A	Suite 1502, Level 15 227 Elizabeth Street Sydney NSW 2000
		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
		TermSync	US	Vice President	2015	N/A	1850 Deming Way - Suite 150 Middleton, WI 53562
		Esker EDI services	German	Chair	2017	N/A	Calor-Emag-Straße 3 40878 Ratingen
E. Olivier	Member of the Executive Board	Esker SA	French	Member of the Executive Board	2003	2022	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 progressively assembled under the leadership of one of the Company's founders, Jean-Michel Bérard, today includes seven members:

Jean-Michel Bérard
Chair of the Executive Board

Jean-Michel Bérard received his computer engineering degree in 1984 from the Lyon Institut National des Sciences Appliquées. Shortly thereafter, he co-founded Esker. Since the founding, he has been primarily responsible for product strategy, implementing development programs that respond quickly to changing technology trends and creating comprehensive, market-ready products. In his current role as Chair of the Executive Board and Worldwide Chief Executive Officer, Jean-Michel is responsible for defining and executing Esker's business plan and supervising the Group's corporate teams (R&D, marketing, HR and IT). He also represents Esker to potential partners, the European technological community, IT analysts and the trade press. Ernst & Young named Jean-Michel Bérard European Entrepreneur of the Year in 2000. He was named as one of the Top Technology Visionaries by Start magazine in 2002.

Emmanuel Olivier
Worldwide Chief Operating Officer and Member of the Executive Board

Emmanuel is leading Esker's operations worldwide, covering sales, marketing and consulting activities. He also supervises Esker finances and is in charge of the Company's 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 the international firm Ernst & Young for seven years, including two years in Philadelphia, PA. Emmanuel was awarded a Master's degree in Business Administration in 1991 from the Ecole Supérieure de Commerce of Nice Sophia Antipolis and earned the CPA (Certified Public Accountant) qualification from the state of Pennsylvania.

Jean-Jacques Bérard
Executive Vice President, Research and Development and Invited Member of the Executive Board

Jean-Jacques Bérard received his Engineering degree in 1988 from Lyon Institut National des Sciences Appliquées. Before coming to Esker, he was Research and Development (R&D) Team Manager at Andersen Consulting in Lyon. He joined Esker in 1995, first as project leader for the SQL team and then advancing to R&D manager in November 1997. In June 1998, he was named Executive Vice President, Research and Development. In this capacity, Jean-Jacques Bérard implements product strategy and oversees product planning and development.

Eric Bussy
Director of Marketing and Product Management and Invited Member of the Executive Board

Eric Bussy received his master's degree in business administration from the Ecole Supérieure de Commerce IDRAC Lyon, France. Before joining Esker, he spent 3 years as an International Product Manager working on projects for France Air and Melink Corporation in Cincinnati, OH. He then served as Field Marketing Manager for Seal's and Cdtel in France for two years. He joined Esker in 2002 as the Director of Marketing and Communications. His current activities include development of strategic products, services and solutions. In 2005, his responsibilities were expanded to Director of Product Management.

Steve Smith
US Chief Operating Officer and Invited Member of the Executive Board

Steve Smith joined Esker in 2003 as the Director of Sales and is currently responsible for all operations in North and Latin America. Upon graduating from the University of Wisconsin with Bachelor degrees in Marketing and in Finance, Steve spent two years in sales at Pitney Bowes, and 17 years at Equitrac Corporation, where he was the Senior Vice President of Worldwide Sales.

Eric Thomas
Vice President of Business Development and Invited Member of the Executive Board

Eric Thomas joined Esker in September 1997 and started as Managing Director for France, and then as South European Director for three years. When Esker launched Esker DeliveryWare, in 2001, Eric's mission changed to Director of European Business Development. In this position, Eric actively participated in the successful launch of the Esker SaaS offer, today named FlyDoc/Esker on Demand. After Business Administration studies in the US (BA), Eric started his career at France Telecom EGT where he successfully held various positions in sales and sales management.

Anne Grand-Clément
WW Vice President of Professional Services and Technical Support, and Invited Member of the Executive Board

Holder of three undergraduate degrees (AES, MASS & LEA), Anne Grand-Clément received her Master's Degree in Computer Science Applied to Business Administration (MIAGE) in 1991. Before coming to Esker, she spent 5 years as a consultant at Arthur Andersen Consulting. Anne then worked for Cincom as a Major Accounts Manager for four years. She joined Esker in 2000, first as manager of the French Professional Services department, and then advancing to European Technical Support Manager. In 2007, Anne was named Worldwide Director of Professional Services and Technical Support.

Claire Valencony
Senior Director of Global Strategic Alliances

Claire Valencony coordinates Esker's indirect initiatives at the worldwide level. Prior to this position, 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 the Business Process Outsourcing branch in London UK and, prior to that, Marketing Manager for Kremlin, Exel Industry Group, in Chicago, IL. Claire received her Master's degree in Business Administration from EM Lyon, France. From 2015-2018, Claire was also a judge and mentor for the MassChallenge and MIT Sandbox programs in Boston, MA.

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 Shareholder Meeting of August 30, 1999, Esker has adopted a dual form of corporate governance with responsibilities divided between an Executive Board and a Supervisory Board. It was thus considered that separating the functions of management and oversight, exercised, respectively, by the Executive Board and Supervisory Board, was better adapted to Esker's organization.

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 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

The members of the Supervisory Board were chosen for their skills and multidisciplinary expertise highlighted in 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 involved and managing family assets in France and the United States.
- **Nicole Pelletier-Perez**
  Born on 06/111952, Nicole Pelletier-Perez holds 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 Member of the 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 Applications. In 1994 she was appointed to SAP France's executive management team. At the end of 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 director of Actif DPS since 2015 and a member of France's Women Business Angels network (FBA) since 2016.
- **Jean-Pierre Lac**
  Born on 09/28/1950, Jean-Pierre Lac graduated from the HEC Paris business school in 1974. A member of the Supervisory Board since 2020, Jean-Pierre Lac began his career in the Rhône Poulenc group in 1975. In Paris and 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 company’s strong growth in this position until his retirement in 2014. He has since exercised responsibilities in various non-profit orgnizations 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.

Offices and functions

The offices and functions exercised, as well as the dates of appointment and reappointment, are presented in *section 1.1* of this report.

Terms of office

The terms of office for Supervisory Board members is six years.

Obligation to hold Esker shares

Board members are required to possess at least 200 Esker shares. These 200 shares must be held in registered form and in the possession of each Board member within one year of assuming office.

Independent members of the Supervisory Board

With all members of the Board qualifying as independent during the year ended December 31, 2021, independent members thus accounted for 100% of the total.

2.2.2. INFORMATION ON MEMBERS OF THE SUPERVISORY BOARD WHOSE APPOINTMENT IS PROPOSED BY THE COMBINED SHAREHOLDER MEETING OF JUNE 15, 2022

- **Steve Vandenberg**
  Age 54, U.S. citizen, Steve Vandenberg is an expert in Microsoft security solutions. Steve assists enterprise 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, Mr. Vandenberg obtained a Bachelor of Science in Mechanical Engineering from Columbia University and a Master of Business Administration from the University of Pittsburgh. He holds numerous certifications including Azure Solutions Architect Expert, Certified Information Privacy Professional, Certified Cloud Security Professional and Certified Information Systems Security Professional.

Other offices and positions held

None

Number of Esker shares held:

As of 12/31/2021, Steve Vandenberg did not hold any Esker shares.

In addition, at the Compensation Committee meeting on February 9, 2022, the Supervisory Board expressed its opinion regarding the independence of Steve Vandenberg, proposed as a new member of the Supervisory Board.

On this occasion, the Supervisory Board confirmed the candidate's status as independent with respect to Esker.

The Supervisory Board proposes the appointment of Mr. Steve Vandenberg because of his expertise and long experience in cybersecurity and compliance within Microsoft, in particular in cloud cybersecurity and information systems security. He also has expertise in Azure solution architecture, used by Esker for its datacenters.

2.2.3. 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, the Supervisory Board is also provided between Board meeting with all necessary information, including any critical information, in particular through the financial analysis reports.

During the year ended December 31, 2021, the Supervisory Board met five times, respectively on February 4, March 25, June 16, September 14 and December 15, with an attendance rate of 100%. The Supervisory Board's meeting schedule is defined for at least the next two meetings at each Board meeting and may cover the following 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.

Committees

To better perform 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 the Compensation and Nominating Committee and created a new committee, the ESG 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 compensation. The Audit Committee is comprised of the three independent members of the Board and meets at least once a year to review the Company's annual financial statements. It met once in 2021 on March 25.

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 2021 on February 4.

ESG Committee

The primary mission of the ESG Committee, chaired by Nicole Pelletier-Perez, is to review Esker's ESG policy (Ecovadis rating, CSR Score, 14001 certification, etc.) and to monitor improvement plans. It met once in 2021 on June 16.

Internal rules of procedure

The 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
- Supervisory Board Responsibilities and Powers
- Supervisory Board Members
- Supervisory Board Member Duties and Rules of Ethical Conduct
- Supervisory Board Operating Procedures
- Creation of Supervisory Board Committees
- Rules for Setting the Compensation of Supervisory Board Members
- Entry into Force - Binding nature

2.2.4. APPLICATION OF THE MIDDLENEXT CORPORATE GOVERNANCE CODE

On December 15, 2021, the Supervisory Board adopted as corporate governance code the Middlenext Code, published in December 2009 and updated in September 2021. Adherence to this code took effect on January 1, 2022. This Code can be consulted on the Middlenext website (www.middlenext.com).

Compensation of Supervisory Board members

The compensation of the Chair and Vice-Chair of the Supervisory Board paid in consideration for their duties was set.

2.3. COMPENSATION OF CORPORATE OFFICERS

The compensation package for members of the Supervisory Board is set by the Shareholder Meeting. It is then up to the Supervisory Board to allocate this compensation among its members, by granting fixed and variable portions based on actual meeting 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
- Ordinary compensation (for all Board members except the 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 Supervisory Board Chair and members was set by decision of the Supervisory Board on October 15, 2001. These amounts have remained unchanged since that date. Only the amount of variable compensation, formerly referred to as "attendance fees", is set by the Annual Shareholder Meeting.

Starting in 2022, the Shareholder Meeting will determine the amount of total compensation to be allocated to Supervisory Board members, i.e. fixed and variable compensation.

Supervisory Board members do not receive any other compensation.

Compensation of the Chair and Vice-Chair of the Supervisory Board paid for their duties was set by a decision of the Supervisory Board dated October 15, 2001. This represents fixed compensation. The total annual amount for attendance fees is set by the annual shareholder meeting and allocated by the Supervisory Board among its members.

Corporate officer	Office or position exercised in Esker S.A.	Company paying the compensation	Compensation paid in 2021 (gross basis)	Nature of compensation paid for FY 2021		
				Fixed salary, fees	Benefits in kinds	Variable compensation*
Marie Claude Bernal	Supervisory Board Chair	Esker SA	€40,500	€30,000		€10,500
N. Pelletier-Perez	Supervisory Board Vice Chair	Esker SA	€25,500	€15,000		€10,500
J-P. Lac	Supervisory Board member	Esker SA	€25,500	€15,000		€10,500
TOTAL			**€91,500**	**€60,000**	**€0**	**€31,500**

* formally "attendance fees"

For information, a comparison with 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 2020 (gross basis)	Nature of compensation paid for fiscal 2020		
				Fixed salary, fees	Benefits in kinds	Attendance fees
Marie-Claude Bernal	Supervisory Board Chair	Esker SA	€39,000	€30,000		€9,000
K. Beauvillain	Supervisory Board Vice Chair	Esker SA	€12,000	€7,500		€4,500
N. Pelletier-Perez	Supervisory Board member	Esker SA	€21,000	€15,000		€6,000
J-P. Lac	Supervisory Board member	Esker SA	€8,000			€8,000
T. Wolfe	Supervisory Board member	Esker Inc.	€21,000	€15,000		€6,000
TOTAL			**€101,000**	**€67,500**	**€0**	**€33,500**

Compensation of executive corporate officers

The Compensation Committee meets at the end of each year to review the compensation of Executive Board members. A summary of the compensation of the Chair of the Executive Board and the Chief Executive Officer is provided below:

(in €)	2021		2020	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jean-Michel Bérard – Chair of the Executive Board				
Fixed compensation	246,991	246,991	235,037	235,037
Variable compensation	236,108	112,452	112,452	159,750
Attendance fees	None	None	None	None
Benefits in kinds	7,716	7,716	7,336	7,336
TOTAL	**490,815**	**367,159**	**354,825**	**402,123**
Mr. Emmanuel Olivier, Chief Executive Officer				
Fixed compensation	206,647	206,647	191,688	191,668
Variable compensation	250,452	70,000	70,000	125,000
Attendance fees	None	None	None	None
Benefits in kinds	7,667	7,667	7,488	7,488
TOTAL	**464,766**	**284,314**	**269,156**	**324,156**

* formerly attendance fees

The compensation of Executive Board members was approved by the Supervisory Board on February 4, 2021.

Since 2017, compensation paid to Mr. 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, 2021. This variable component also includes ESG criteria.

Compensation paid to Mr. Emmanuel Olivier in 2021 includes performance-based compensation linked to achievement of commercial objectives relating to fiscal 2020. This variable compensation was accrued for in the financial statements at December 31, 2021.

Since 2017, Mr. 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 concerned the Company cars granted to Messrs. 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 €)	2021	2020
Jean-Michel Bérard – Chair of the Executive Board		
Compensation due for the year	490,815	354,825
Measurement of options granted in the period	None	None
Measurement of performance shares granted in the period	1,504,000	808,000
TOTAL	**1,994,815**	**1,162,825**
Mr. Emmanuel Olivier, Chief Executive Officer, Executive Board member		
Compensation due for the year	464,766	269,156
Measurement of options granted in the period	None	None
Measurement of performance shares granted in the period	1,203,200	646,400
TOTAL	**1,667,966**	**915,556**

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

For the fiscal year ended December 31, 2021, 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, 2021, no stock options were exercised by executive officers of the Company.

Restricted stock units awarded in the period to each company officer

For the fiscal year ended December 31, 2021 respectively 8,000 and 6,400 restricted stock units (*actions gratuites*) were awarded to Messrs. Jean-Michel Bérard and Emmanuel Olivier.

Restricted stock units vesting in the period for each company officer

In 2021, the number of restricted shares vesting in the period amounted to 9,000 shares for Mr. Jean-Michel Bérard and 7,200 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.

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

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 corporate officers 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 officers must retain in their own name until the termination of their functions at 200.

Grant of attendance fees

The Shareholder Meeting of June 16, 2021 set the total annual amount of compensation allocated to the Supervisory Board (i.e. attendance fees) at €60,000 for the year ended December 31, 2021.

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 (2) years of compensation for the benefit of Mr. Jean-Michel Bérard, should his office be terminated, decided by the Supervisory Board on December 10, 2010.

The payment of compensation representing two (2) years of compensation for the benefit of Mr. 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

In the period, Mr. Jean-Michel Bérard, Chair of the Executive Board sold 30,182 shares.

Mr. Emmanuel Olivier, executive Board member, sold 12,500 shares.

2.4. SPECIAL REPORT OF THE STATUTORY AUDITORS:

This is a free translation into English of a report issued in the French language 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 auditing standards applicable in France.

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

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 Shareholder Meeting.

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 Shareholder Meeting

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

Agreements already approved by the Shareholder Meeting

We inform you that we have not been advised of any agreement already approved by the Shareholder Meeting remaining in force in the period under review.

Villeurbanne and Lyon, April 29, 2022

The Statutory Auditors

[French original signed by:]

ORFIS
Valérie Malnoy

DELOITTE & ASSOCIÉS
Arnauld de Gasquet

2.5. FIVE-YEAR SUMMARY OF CHANGES IN THE SHARE CAPITAL

The share capital is set at ELEVEN million EIGHT HUNDRED AND FORTY-NINE THOUSAND EIGHT HUNDRED AND TWENTY-FOUR EUROS (€11,849,824) divided into FIVE million NINE HUNDRED AND TWENTY-FOUR THOUSAND NINE HUNDRED AND TWELVE (5,924,912) ordinary shares of TWO EUROS (€2) per share, fully paid up.

Date	Corporate action	Amount of changes in share capital		Successive capital amounts	Cumulative number of shares	Nominal value per share
		Nominal value	Share premium			
2016	Exercise of stock options and warrants	184,486	486,963	10,788,716	5,394,358	€2
06/20/2017	Capital increase through the capitalization of reserves	85,500		10,874,216	5,437,108	€2
10/13/2017	Capital increase through the capitalization of reserves	3,600		10,877,816	5,438,908	€2
2017	Exercise of stock options and warrants	82,916	304,671	10,960,732	5,480,366	€2
07/01/2018	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
05/04/2019	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
06/24/2020	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
06/24/2021	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
2021				**11,849,824**	**5,924,912**	**€2**

2.6. MAJOR SHAREHOLDERS

As of December 31, 2021, the shareholder base was as follows:

Shareholders	As of 12/31/2021			As of 12/31/2020		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Jean-Michel Bérard	360,615	6.1%	10.5%	382,797	6.5%	11.2%
Marie-Claude Bernal	13,300	0.2%	0.4%	17,000	0.3%	0.5%
Emmanuel Olivier	39,000	0.7%	0.9%	60,550	1.7%	1.7%
TOTAL MANAGEMENT	**412,915**	**7.0%**	**11.8%**	**460,347**	**7.9%**	**13.4%**
Treasury shares	147,882	2.5%		148,477	2.5%	
Registered shares	756,855	12.8%	19.8%	795,923	13.4%	20.6%
Free float	4,607,260	77.8%	68.4%	4,425,574	74.7%	66.0%
TOTAL	**5,924,912**	**100.0%**	**100.0%**	**5,830,321**	**100.0%**	**100.0%**

To the best of the Company's knowledge, there are no other shareholders other than those mentioned above that held directly or indirectly or in concert more than 5% of the share capital or voting rights on December 31, 2021.

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 agreements exist.

Changes in the shareholder structure in 2021

By letter dated April 29, 2021, Covea Finance (8-12, rue de Boissy d'Anglas, 75008 Paris), reported having crossed below the threshold of 1% of Esker's share capital and voting rights on April 29, 2021.

By email dated June 23, 2021, Financière de l'Echiquier (53 avenue d'Iéna 75016 Paris) reported having crossed above the threshold of 3% of the voting rights of Esker on June 21, 2021.

By email dated December 10, 2021, Financière de l'Echiquier (53 avenue d'Iéna 75016 Paris) reported having crossed below the threshold of 3% of the voting rights of Esker on December 9, 2021.

2.7. 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 email 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, mergers, joint ventures or economic interest groupings (*groupement d'intérêt économique*) or lease management arrangements

Provisions of the Issuer's Articles of Association with respect to members of corporate governance bodies

The Articles of Association updated on January 2, 2021 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 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.

Shareholder Meetings

According to Articles 20 to 22 of the Articles of Association, shareholder 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. Shareholder 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 Shareholder 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.

2.8. 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 Shareholder 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 included in *appendix 2* of this document:

- Options issued an 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 Extraordinary Shareholder Meeting on June 18, 2020, the Executive Board granted restricted stock units (*actions gratuites* or free shares) to selected personnel of Esker Group.

Information about these different plans including the grant dates number of options outstanding and the average exercise price is provided in Note 10 to the consolidated financial statements included in *paragraph 5.1.* of this document and the Executive Board Special Report included in *appendix 2* of this universal registration document.

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	79,382	0	115,650	195,032
Potential dilution of the share capital	**1.34%**	**0.00%**	**1.95%**	**3.29%**

3

Non-Financial Statement (NFS)

June 8th, 2022

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Esker supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption.

With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects, which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Esker will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labor, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,

Jean-Michel Bérard
Founder and Chief Executive Officer
ESKER

DocuSigned by:
260AB1DE660D4A3...

A MESSAGE FROM JEAN-MICHEL BERARD

ENSURING VALUE CREATION WITHIN THE BUSINESS ECOSYSTEM

In today's increasingly uncertain world, the health, economic and environmental crises can unexpectedly transform into opportunities for organizations to reinvent themselves, redefine their values and corporate culture, so that they can rethink the way they create value and growth.

Esker was already undergoing a repositioning process even before COVID-19 changed the way we live and think about the future. This repositioning strategy emerged as we came to the realization that we are not just a provider of back-office process automation solutions. Our solutions also have a strong impact on all stakeholders in our customers' business ecosystems:

- Employees who are no longer burdened with tedious, time-consuming tasks find more meaning in their work by developing new skills.
- Customers who can simplify their order process enjoy greater transparency and flexibility in paying their invoices.
- Suppliers can send their invoices in the format they prefer and increase the chances of getting paid on time.

Ultimately, the company's entire business ecosystem reaps the benefits of the growth generated by the implementation of our solutions. The COVID-19 pandemic has merely amplified the need for businesses to operate in harmony with their ecosystem and develop greater resilience to future storms. A cloud platform that can be accessed anytime, anywhere in the world, to process customer orders and supplier invoices, and which employees can use to work remotely, has become an actual survival tool for many of our customers and their users.

While increasing tenfold by way of our customers, our social impact is reflected in our engagement with communities, especially the cultural organizations and schools that we have supported for many years. Internally, our HR policy empowers us to attract and retain talent, with an employee turnover rate of less than 10%. Meanwhile, 90% of our employees recommend Esker as a great place to work. We provide our employees with training opportunities and the option of changing jobs internally or at one of our subsidiaries. In 2021, 85 Esker employees moved into new positions within the company worldwide. Diversity and equal opportunity are key concerns and pay gaps are readjusted every year in a bid to achieve greater equity. Finally, the health and safety of our employees remained a priority in 2021, as the pandemic continued to spread. Even outside the government-imposed lockdown periods, 93% of Esker employees were able to work remotely. This new way of working has profoundly changed our company structure and will have lasting effects. We are also continually adapting our policies to meet our employees' expectations so that they can work in the best possible conditions.

Naturally, our commitment to the planet remains at the heart of our business, as the developer of a cloud platform that aims to eliminate the paper used in companies' administrative processes. We also reduced our own CO2 emissions per million euros of revenue by 13% between 2020 and 2021. An environmentally responsible travel policy, complete and efficient waste management from our mail production facilities, and life cycle extension of IT equipment, have enabled us to better manage our impact on the environment. These efforts expand beyond the company's walls into our supply chain through our Supplier Code of Conduct and Sustainable Purchasing Policy implemented in 2021 at Esker's Lyon head office. The impact of digital technology and data centers of our cloud service providers is carefully monitored, primarily by measuring the power usage effectiveness (PUE) of the hosting service providers.

In 2021, we also focused on corporate governance, with emphasis on ethics and transparency. To give more importance to environmental, social and governance (ESG) issues, a specific committee was created within our Supervisory Board and an ESG performance objective was added into the calculation of variable compensation paid to Management Committee members.

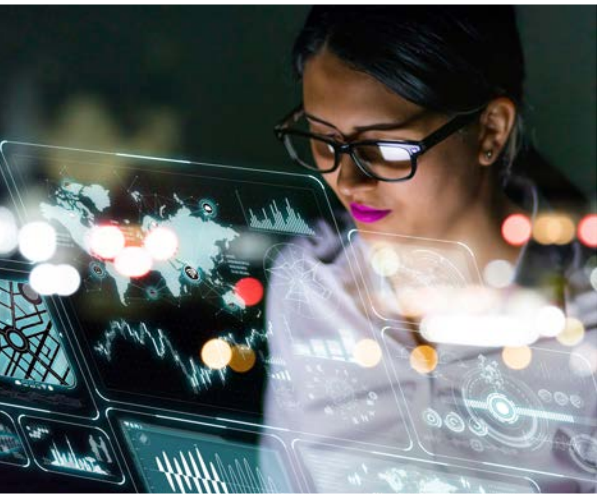
Lastly, we continue to invest in promoting a great customer experience by spending significantly on R&D, bringing the uptime of our platform to nearly 100%, and developing stricter security and data protection policies.

Our ESG performance has earned us the EcoVadis Platinum Medal, highest distinction from the rating agency. This ranking places Esker in the top 1% of companies assessed. We have also renewed our commitment to the United Nations Global Compact, whose principles we continue to uphold, and which are an integral part of Esker's strategy and operations.

I am more convinced than ever that there can be no sustainable growth without a balanced ecosystem and that we must build a foundation that promotes positive-sum growth for organizations and their employees, customers, suppliers, and of course our planet. Our success and positive impact cannot be achieved without the participation of our stakeholders, whom I would like to thank on behalf of Esker for their trust and commitment to our efforts."

JEAN-MICHEL BÉRARD
Founder and Chairman of the Esker Board of Directors

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.

It is based on data, assumptions, and estimates considered reasonable by the Company and is 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.

INTEGRATING ESG INTO ESKER'S BUSINESS ACTIVITIES

OUR BUSINESS

Esker's business activities are presented in *chapter 1.4* *of the Universal Registration Document.*

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), making up 96% of Esker's revenue in 2021. The balance represents revenue from the sale of licenses, maintenance contracts, and related updates.

The Cash Conversion Cycle

By developing Artificial Intelligence (AI) technologies and automating business documents used for ordering and invoicing, Esker accelerates the procure-to-pay (P2P) and order-to-cash (O2C) business cycles and makes them more fluid.

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 800+ 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.

Esker unlocks strategic value for administrative, finance and customer service professionals by automating tedious, time-consuming tasks so that they can increase their efficiency and develop new, higher value-added skills.

Esker is a mid-market company headquartered in Lyon, France, with 839 employees in 14 countries, of which 50% in France, 15% in the rest of Europe, 27% in the Americas, and 7% in Asia-Pacific. The Group generated €133.7 million in revenue in 2021, with international sales accounting for more than 70% thereof. Revenue breaks down as follows: €103.6 million from SaaS, €23.2 million from Consulting and €6.9 million from legacy business.

The analysis of the Company's financial position and business is available in *chapter 1.3* *of the Universal Registration Document.*

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

Keep your business agile, resilient & competitive in any circumstance

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

Ensure customers have an easy, reliable & memorable experience

Strengthen supplier relationships by meeting their expectations

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

Contribute to local economic development by creating quality jobs

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.

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 has been 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 more strategic and more rewarding 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

Instead of focusing on data entry, our staff has been able to work on tasks like proactive outgoing calls to maintain a positive customer experience and increase revenue."

KATHY WIGGINTON, CUSTOMER SERVICE DIRECTOR, AMEROCK HARDWARE

REDUCING THE CARBON FOOTPRINT BY GOING PAPERLESS

With its paperless solutions, Esker enables its customers to help reduce deforestation, CO_2 emissions and IT equipment, and CO_2 emissions by using cloud solutions as opposed to on-premise installations. *

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

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."

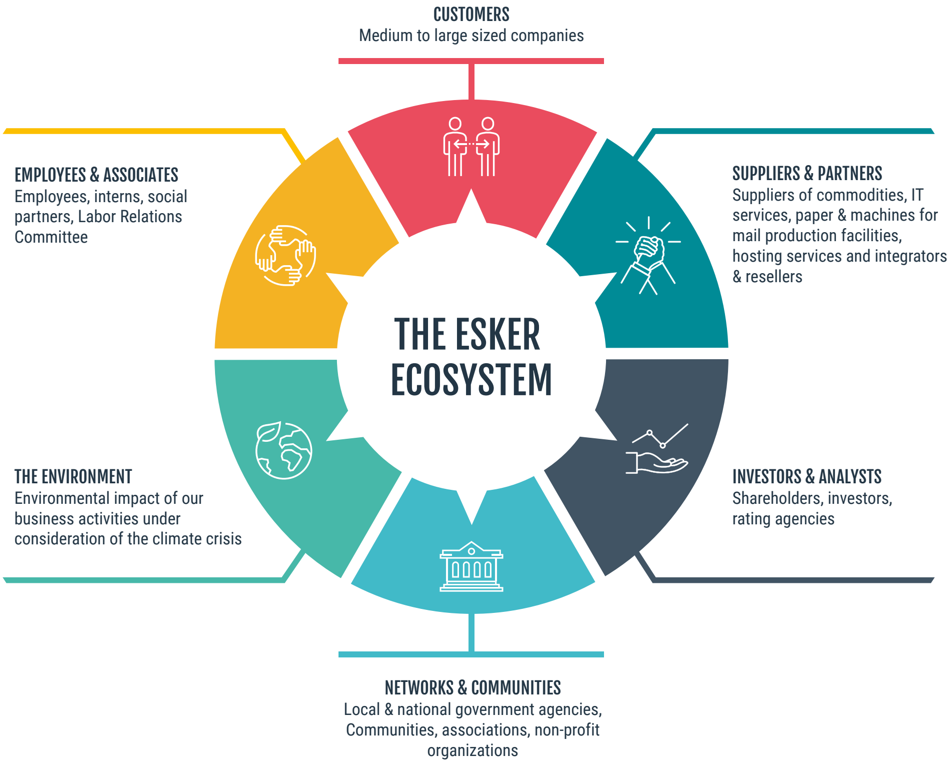
BRIGITTE ANDREOLIS-CLAVIER, FINANCIAL DIRECTOR, STACI

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

STAKEHOLDERS & ECOSYSTEMS

Being an independent software company naturally means that Esker interacts with several types of stakeholders within its ecosystem, including employees, customers, suppliers and partners, investors and analysts, public institutions, communities, and the environment. The quality of its relationships and ethical conduct underpinning its operations within these ecosystems 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: 1 169 K€; treasury: 34 821 K€, representing a company-wide net worth of 34 821 K€ on Dec. 31, 2021*
- **Market confidence:** *Market capitalization of €2B on Dec. 31, 2021*
- **Robustness of Esker on Demand platform infrastructure & operational performance:** *quality, security & reliability - ISO 27001 Certification*

HUMAN & INTELLECTUAL CAPITAL

- **Recruitment & retention of talent, staff development -** *839 employees disitributed across 14 countries*
- **Investments in R&D, innovations, partnerships and forecasting of technological advancements -** *R&D spending for 2021: 10% 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 6,000 Esker on Demand customers (of those 1,400 exclusively for process automation solutions)
- **Ethical behavior & respecting regulations**
  0 complaints received for non-compliance with GDPR regulations
- **Use of natural resources -** GHG emissions in 2021: *3 511*t CO2e

OUR BUSINESS

OUR MISSION

In an increasingly uncertain world, business success is multi-faceted. More than just cutting costs, it's about long-term value creation and relationship building. Esker is a global cloud platform that's built to unlock this strategic value — embodying the same mission and over-arching goals shared by our customers.

#PositiveSumGrowth

CORPORATE CULTURE

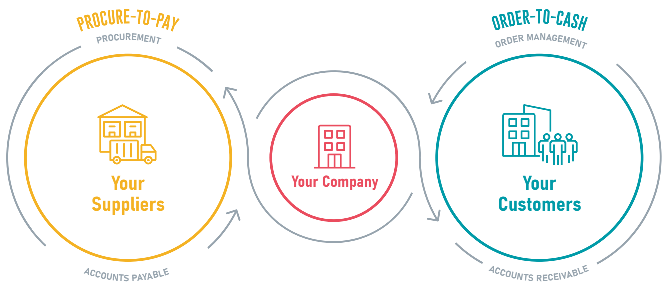
- 5 key corporate values:
  - One team beyond boundaries
  - More grattitude, less attitude
  - Dare to innovate, initiate and iterate
  - Good vibes only
  - All actions toward satisfaction
- Agile methodology
- Commitment to sustainable development

ASSETS

- Single cloud-based platform for all business cycles
- Global presence
- Adaptation & integration into existing systems
- Dynamic innovation & investment strategies
- Compliance & security
- Pioneer of cloud computing and AI technology

PRODUCTS

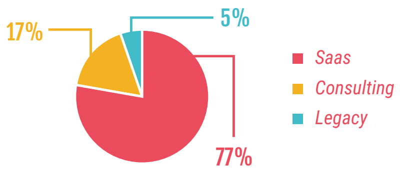
- **Esker on Demand cloud platform users -** *600,000+*
- **O2C & P2P solutions:** *1B annual transactions on EOD*



LOCATIONS

VALUE CREATION & IMPACT

▪ **Revenue 2021:** *€134 M (+20% compared to 2020), 70% of which outside France*



COLLABORATORS

- Employee satisfaction rate: *90% of employees recommend Esker as a "great place to work"*
- Training budget: *€649,000*
- Total payroll: *€84,139 M*

CUSTOMERS

- Customer satisfaction rate - transactional NPS: 62%
- Service uptime: 99.980%
- Benefits to the customer business ecosystem
- Customer recognition program

ESKER IMPACT AWARDS

ENVIRONMENT

- CO2 emissions: *26.26 tCO2.e per €1M of revenue (-13% compared to 2020)*
- Eco-efficiency of offices & data centers
- Environmental policies for mail production facilities - *ISO 14001 certification and 99% of waste is recycled*
- Business travel policies: *46% of vehicle fleet is hybrid or electric*

COMMUNITY ENGAGEMENTS

- Fraud risk reduction measures: *96% of employees completed training*
- Gender equality - *Index Penicaud: 91/100 (France only)*
- Sponsorship program: *€282,000 supporting cultural & educational causes*
- Job creation: *150 new employees in 2021*

SUPPLIERS & PARTNERS

- Supplier Code of Conduct & Responsible Purchasing policy
- Technological partnerships for shared growth

INVESTORS & ANALYSTS

- Recurring revenue
- 19% of organic growth in 2021 (compared to 7.8% in 2020)
- 21.8% profitability (GOI) in 2021 (compared to 19.6% in 2020)
- 11% operating margin

Lessons Learned from the COVID-19 Pandemic

A new way of working:

The COVID-19 pandemic highlighted a growing need to rethink work arrangements, such as new tools and flex time. Although the pandemic brought a slight slowdown in hiring in 2020 and 2021, particularly at the locations outside the head offices, forecasts for 2022 are optimistic and will be revised upwards to continue fueling company growth.

Ecosystems:

In addition to not knowing how the COVID-19 pandemic will evolve, companies are operating in a time of immense economic uncertainty. Considering these circumstances, Esker supports the idea of strengthening the ties between customers and suppliers, between the organization and its employees, and between people and the planet.

Resilience:

The COVID-19 pandemic has demonstrated that organizations need to be prepared for uncertainty, so that they can better respond to future crises. Businesses must accelerate their digital transformation to grow, and Esker's solutions help them do just that by providing tools that build greater resilience.

Positive-sum growth:

The COVID-19 pandemic continues to impact every aspect of our lives. That is why it is more important than ever to build a foundation that promotes positive-sum growth. This entails committing to ESG policies and using technology that is advantageous for all stakeholders.

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 the Esker's internal and external stakeholders.

- **Acting ethically and responsibly,** starting with company governance and its supply chain 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 the breakdown of the four pillars of Esker's ESG strategy, its policies and actions, the results measured by key performance indicators as well as targets and goals going forward.

Challenges and Risks	Policies and Actions	Results	Targets and Goals
Acting ethically and responsibly			
Ethical governance and compliance	Act transparently and set an example at all company levels by promoting a culture of integrity and ethical conduct	• 100% of Supervisory Board Members are independent • 100% attendance at Supervisory Board meetings • 2 of the 3 Supervisory Board members are women • 96% of Esker France employees (excluding CalvaEDI) have received training on business conduct and anti-corruption policies • CEO's salary is less than 9 times Esker's worldwide median salary	Continue to maintain a fully independent Supervisory Board with high attendance and gender representation rates
Responsible supply chains	Work with partners and suppliers who adhere to ethics and responsibility standards and take actions that support sustainable development	• Supplier Code of Conduct (Head Office only) • Sustainable Purchasing Policy (Head Office only) • Adherence to the Responsible Supplier Relations Charter (Head Office only)	Support business partners in implementing and improving their ESG policies to ensure that all strategic suppliers meet Esker's ESG criteria by 2025
Community engagement	Provide financial and human support to cultural and educational organizations, local communities and charities	• 0.2% of revenue allocated to sponsorship • 1 workday per year of paid time off to volunteer for non-profit causes	Maintain financial support for partner organizations and encourage employees to use their ESG day to reach 1,000 hours by 2023

Challenges and Risks	Policies and Actions	Results	Targets and Goals
Building customer trust			
Data protection and security	Protect customer dara from internal and external threats	• ISO 27001 certification for Esker on Demand cloud platform operations • Zero complaints for non-compliance with applicable regulations (GDPR) • 99.8% of employees trained on data protection and security	Renew ISO 27001 certification and bolster security on the Esker on Demand platform by creating Business Recovery Plans for all EoD environments by 2022
Innovation and customer	Offer innovative solutions by investing heavily in R&D and high availability of services, and ensure correct user adoption of Esker solutions with dedicated teams	• Average uptime of the Esker on Demand cloud platform: 99.98% • 10.5% of annual revenue invested in R&D • Customer NPS: 61.83%	Achieve a customer net promoter score of 65% by 2025
Recognizing the value of human capital			
Workplace appeal and talent retention	Retain and attract new talent by implementing policies that promote workplace well-being	• 839 employees 50% in France • 99.9% of those are full-time permanent • Staff turnover rate: 9.4% • Average age: 38 • 6.3 years average company affiliation • 90% of employees recommend Esker as a company to work for • 83% of eligible employees have signed up for the employee savings plans (France only, excluding CalvaEDI)	Maintain employee satisfaction and recommendation rates at over 90%
Professional development	Offer training and career advancement opportunities	• 100% of employees have an individualized career development plan • 52.6% of employees completed external training in 2021 • 18.83 hours of training on average per employee and per year • Staff of 11 in-house professional development trainers	Continue offering a minimum of one professional development training opportunity every three years
Employee health and safety	Ensure a safe work environment with effective risk prevention	• Accident rate: 1.9% • Severity rate: 0.2% • Absenteeism rate: 3.15% • 12.97% of employees trained in First Aid practices (France only, excluding CalvaEDI) • 93% of employees make use of remote work accommodations	Renew ISO 45001 certification in 2022 (for France mail production facility)
Equal opportunity, diversity and inclusion	Promote a culture of diversity and inclusion representing Esker's Equal Opportunity Principles	• Representation of women: - 31.1% of total workforce - 30.65% of management - 34% of new hires • Gender pay gap: 4% • 32 nationalities in the workforce, 12 nationalities in management	Raise diversity and inclusion awareness of management by end-2022

Challenges and Risks	Policies and Actions	Results	Targets and Goals
Contribute to protecting the planet			
Carbon footprint and energy efficiency of measures	Limit environmental impact by reducing energy consumption and greenhouse gas emissions	• Global Carbon Report: 3,511 t.CO2e o/w Scope 1: 189 t.CO2e, Scope 2: 659 t.CO2e, and Scope 3: 2,663 t.CO2e • ISO 14001 certification of France mail production facility • Emissions (offices and mail production facilities): 2,813 t.CO2e • Intensity of CO2 emissions: 26.26 t.CO2e per €m of revenue (-13% from 2020) • 19,250 trees planted with Reforest'Action	Set carbon reduction targets using frameworks such as the Science Based Targets Initiative by end-2022
Employee transportation and remote working	Limit business travel and promote transportation with low environmental impact	• Emissions from business-related travel: 287 t.CO2e • 46% hybrid or electric vehicles in the fleet • Emissions related to commuting: 411 t.CO2e • 93% of employees can work remotely • 51% of employees use environmentally friendly modes of transportation to commute	Reach 50% hybrid or electric vehicles in the fleet by end-2023
Waste management and circular economy	Maximize amount of recycled waste, encourage circular economy principles in company activities to reduce environmental footprint	• Recovery of 99% of waste from the France mail production facility (excluding non-hazardous industrial waste)	Increase amounts of recycled materials at mail production facilities to 100% by 2025
Digital carbon footprint	Selection of data center hosting services according to transparency of their environmental footprint and commitment to environmental protection	• Onboarding of new customers on Microsoft Azure • PUE monitoring of supplier data centers • Raising employee eco-design awareness • Buyback program for computer and telephone equipment, with proceeds going to the employee's chosen charity	Increase percentage of sales to customers hosted on Microsoft Azure to reach 50% of SaaS business by 2025

Risks & Non-Financial Challenges

RISKS IDENTIFIED BY STAKEHOLDERS

By creating a ESG Committee within the Supervisory Board in 2021, 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 anticipate future trends.

Employees
Esker conducts surveys of all employees, asking them to identify their most sensitive issues in order to ensure that the Company's ESG approach is aligned with the values of its employees.

In 2021, Esker was placed in the ImpactESG Index® ranking on ***ChooseMyCompany.com***. It achieved a score of 7.98/10, with 75.1% positive reviews of its ESG policy, and came in 3rd nation-wide among companies with over 100 employees.

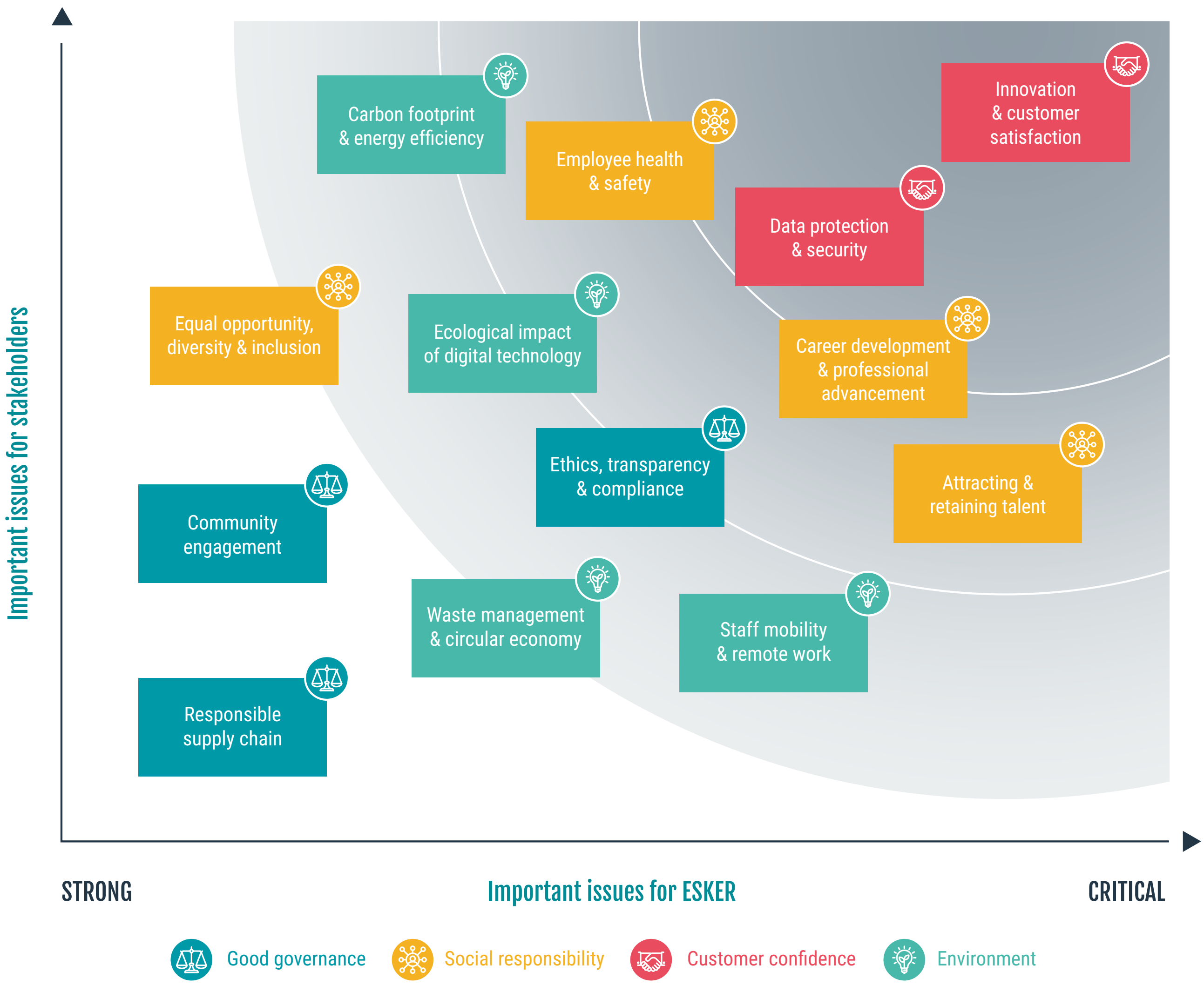
Partners & suppliers
ESG risks and their ranked importance are also continuously updated according to evaluations submitted by Esker's partners and suppliers. Any new or recurring issues are taken into account, and the ESG action plan is adjusted in accordance with external stakeholder expectations

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.

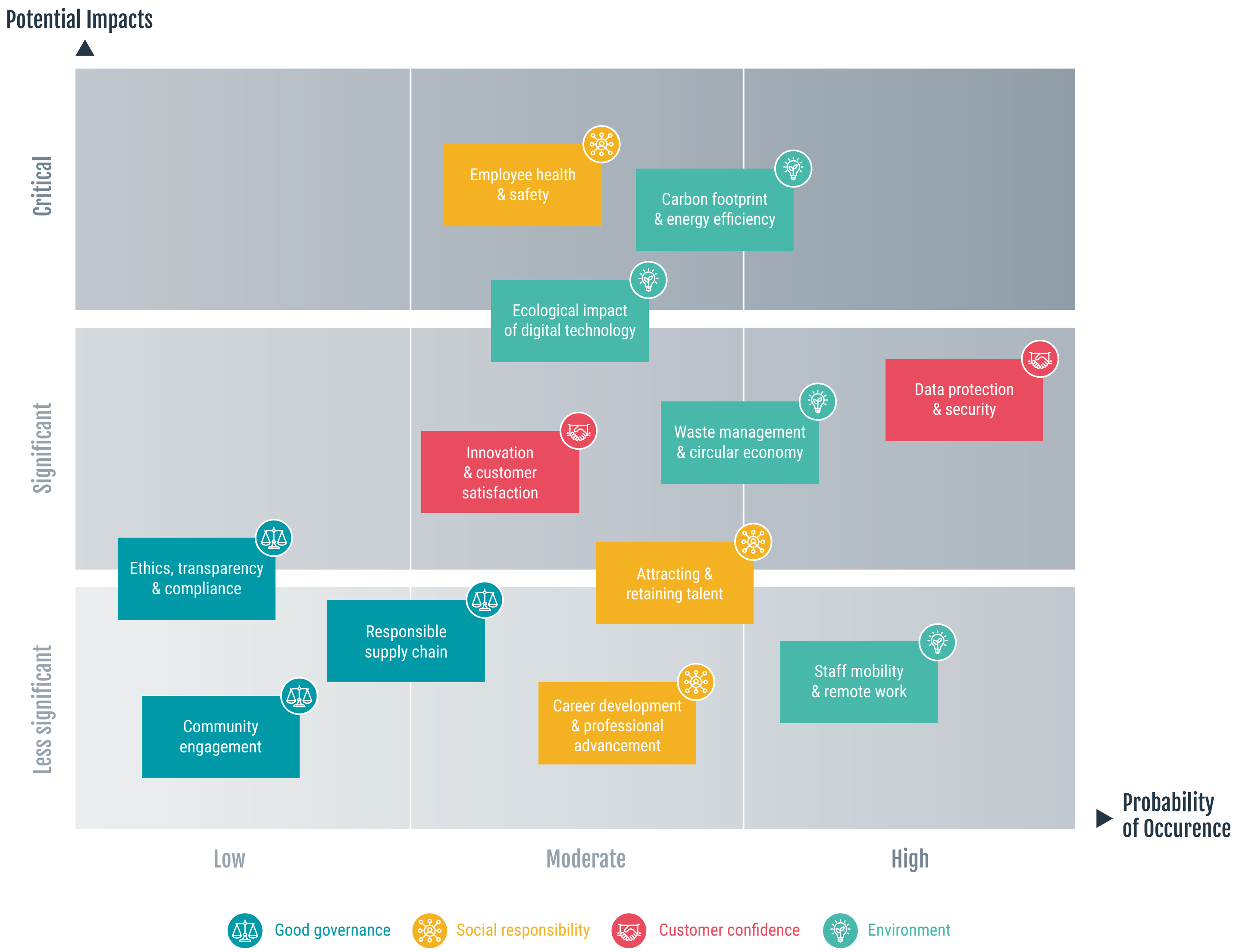
These issues are documented in the materiality matrix below. The y-axis shows the importance of issues for stakeholders, and the x-axis shows the issue impact on the Company itself.



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. A new area – remote working – was added to the employee mobility category, as the continued COVID-19 pandemic in 2021 highlighted the need to rethink work organization.

MAPPING OF NON-FINANCIAL RISKS

Non-financial risks were mapped out using the same methodology and criteria as presented in *chapter 4* of the Universal Registration Document. The ESG Committee also reviewed this mapping in 2021. 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:



ESG Governance

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

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

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 Esker's ESG performance.

SUPERVISORY BOARD SOCIAL & ENVIRONMENTAL COMMITTEE

A Social and Environmental 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, the Social and Environmental Committee helps ensure that ESG policy is implemented according to the guidelines at Esker. This included adding another ESG criterion to the performance objectives on which the variable compensation paid to the CEO and Management Committee members is based (10% in 2021, 15% in 2022). This criterion mainly addressed the salaries for female employees and measures to prevent sexual discrimination. Governance issues are also addressed. In 2021, the first self-assessment questionnaire was circulated, and the MiddleNext Corporate Governance Code was adopted.

ESG COMMITTEE

A ESG committee, comprised of the operational directors (CIO, CFO and HR Director) and four Management Committee members (Chair of the Executive Board, COO, Global Marketing Director and Director of Global Consulting and Support Services) and coordinated by a ESG Manager (working in parallel in other roles within the -company), meets once a month at Esker's head office 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 the summary of ratings assigned to the Company by non-financial rating agencies

ENVIRONMENTAL & SOCIAL ACTION COMMITTEE

At the head office, 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 collection) of consistent social policies.

The Committee also coordinates ESG days, a company program in which employees can volunteer with non-profit organizations during working hours. The same team plans and organizes Esker Green Week, an event that brings together employees and various organizations to raise awareness about environmental issues by setting up talks, workshops and activities.

SUBSIDIARY OFFICERS

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

> Esker's growth strategy and positioning is to provide businesses with sustainable, innovative solutions, enabling them to have a positive impact on their stakeholders and on society at large. ESG is therefore an integral part of our business and our DNA. The entire company – from employees to the Supervisory Board – is involved in implementing our ESG program."
>
> EMILIE EXARTIER, CORPORATE MARKETING AND ESG STRATEGY MANAGER AT ESKER

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 appropriation of the Sustainable Development Goals by the French business world.

Website: *https://www.unglobalcompact.org/*

In line with the identified priorities cited above, the business model and commitments made, Esker has identified the following areas of value creation in line 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 where the Company sees the ability to have a significant impact and can maximize its contribution.

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
- Supporting reforestation programs
- 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 2021, Esker reported a considerable increase in its ESG performance, as attested by two top non-financial rating agencies: EcoVadis and Gaïa Rating.

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. After earning the Silver Medal in 2019 and the Gold Medal in 2020, Esker earned the Platinum Medal in 2021, with a score of 74/100 (compared to 68/100 in 2020), placing Esker in the top 1% of companies evaluated by the platform.

Website: *https://ecovadis.com/*

Indicator	2019	2020	2021
Overall Score	51/100	68/100	74/100
Environment	50/100	70/100	70/100
Social and Human Rights	60/100	70/100	80/100
Ethics	40/100	70/100	70/100
Sustainable Purchasing	40/100	50/100	60/100

GAÏA INDEX

The quality of Esker's ESG policy was acknowledged by the financial community, particularly by socially responsible investing (SRI) via the Gaïa Rating Index. This rating is independently assessed by EthiFinance, an SRI platform. Esker obtained a rating of 76/100 in 2021 (compared to 71/100 in 2020).

Website: *http://www.gaia-rating.com*

Indicator	2019	2020	2021
Overall Score	60/100	71/100	76/100
Governance	49/100	69/100	71/100
Social	68/100	76/100	81/100
Environment	71/100	75/100	82/100
External Stakeholders	61/100	61/100	75/100

IMPACT ESG INDEX

The ImpactESG Index® ranking was created by ChooseMyCompany.com and recognizes companies whose employees positively evaluate their company's ESG practices. Esker came in 3rd in the 2021 ImpactESG Index® ranking of companies with over 100 employees, achieving a score of 7.98/10.

Website: *https://choosemycompany.com/fr/classements/2021/impact*

1

ACTING ETHICALLY & RESPONSIBLY

To safeguard credibility and the trust of its stakeholders, 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 makes a positive contribution 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 3 Supervisory Board members are women

91.3% of Esker employees state that "My company acts ethically in carrying out its business activities" – 2021 ImpactESG Index® survey

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 Universal Registration Document.*

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.

MiddleNext Corporate Governance Code is available in French ***here.***

DIRECTOR INVOLVEMENT & SUCCESSION PLAN

Esker's HR Director, CFO and CIO are regularly invited to Management Committee 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 succesion plans be drawn up for all board positions as well as for their direct reports. Succession plans are also drawn up for the Management Committee.

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

ACTIONS IN 2021

- Adherence to the MiddleNext Corporate Governance Code
- Availability of regular financial information, in English and French, on the investor websites
- Semi-annual presentations of the financial results, in English and French
- Participation in professional investor trade shows
- About 100 meetings held annually with analysts and investors

Ethics & Compliance

KEY INDICATORS

- CEO's salary is < 9 times Esker's worldwide median salary
- 96% of employees have obtained awareness training about business conduct and anti-corruption policies

EXECUTIVE COMPENSATION

The annual gross variable compensation of Jean-Michel Bérard, Esker CEO, can reach a maximum of €247,000. This compensation is calculated based on three indicators:

- Revenue growth, allocated at 60%,
- Profitability, allocated at 30%
- Growth in certain indicators, allocated at 10%

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 9.

Since 2021, 10% of the variable compensation of other Management Committee members is based on the same ESG criterion 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 the protection of 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 2021, all head office managers and employees obtained awareness training about bullying and sexual harassment.

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.

CONDUCTING BUSINESS

Compliance with the regulations of the 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 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 whistleblowing 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 local code of conduct is regularly reviewed, and employees are expected to know and follow the guidelines.

Finally, Esker enforces compliance with the 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 and for prevention of corrupt practices within the organization, and for working with 3rd 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 session for executives and employees in relevant positions. Employees in positions with less exposure receive mandatory awareness training through e-learning presentations. In all, 96% of employees at the head offices received training or participated in awareness sessions.

ACTIONS IN 2021

- Renewed commitment to the United Nations Global Compact
- ESG criterion added to the variable compensation of Management Committee members
- Employee awareness training on bullying and sexual harassment
- Anti-corruption training completed for majority of employees (96%)

Sustainable Supply Chain

KEY INDICATORS

- Formal Sustainable Procurement Policy at the head office
- ESG Code of Conduct for suppliers at head office

SUPPLIER CODE OF CONDUCT

Esker's head office provides a code of conduct for significant suppliers, which they can sign and adhere to voluntarily, to ensure their commitment to complying with rules on 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 is defined as 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 s Supplier Code of Conduct is available ***here.***

SUSTAINABLE PURCHASING POLICY

Esker's Sustainable Procurement Policy implemented at the head office 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 on several ESG criteria: ISO certifications, adherence to the Code of Conduct and the United Nations Global Compact, and their 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. The specific processes it covers will be implemented over the course of 2022. 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 and will be rolled out company-wide by the end of 2022.

Charte
RELATIONS FOURNISSEURS
ET ACHATS RESPONSABLES

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 RAW MATERIALS

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.

ACTIONS IN 2021

- Formal Sustainable Purchasing Policy (head office only)
- Charter for Responsible Supplier Relations signed by the Esker's head office

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

SPONSORSHIP STRATEGY

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

Esker's sponsorship strategy, developed including employee input, is centered around three key points: the environment because it is a key issue of high concern to Esker employees; education because working with young people and giving them access to the professions of the future will improve their job opportunities; and outreach in local communities because Esker wants to maintain and strengthen its roots in its home region and stay involved in local concerns. Access to culture and education is key to building an inclusive and just society. Good-quality education ensures the employability of future generations, while access to cultural activities offers everyone the opportunity to develop new perspectives and critical thinking skills and providing the ability to understand the world on a global scale. Esker also strives to highlight the assets of its home region of Rhone-Alpes, enabling Esker's growth and ability to recognize the influential effect of regional characteristics.

EDUCATION

Esker helped create a research chair at the INSEEC 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 commitment. Esker employees give presentations at various schools in the region about their profession. Tours of Esker 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 through to the implementation process for the customer. This support for schools promotes 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 this population.

CULTURE & THE ARTS

Since 2015, Esker has been involved with the Biennale de Lyon, which calls on members of the local community to support its artistic creations and their implementation. By partnering with the Biennale de Lyon, Esker is supporting access to cultural events for everyone. The Biennale has an impact both internationally and locally, with visitors, local businesses, journalists, and artists coming together from all over the world.

In 2021, a new sponsorship program was signed and launched with the Institut Lumière and Cinémas Lumières. This partnership brings employees together to enjoy an innovative cultural program highlighting Lyon's heritage. 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.

ECONOMY & LOCAL 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.

ESG DAY

Esker employees are encouraged to participate in community events with a social or environmental purpose. To do so, they receive one day of paid time off per year (France and the US) to volunteer at a local organization of their choice.

LOCAL COMMUNITY ENGAGEMENT

In addition to the global sponsorship strategy, 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:

ACTIONS IN 2021

- Sponsorship agreement with the Institut Lumière
- Hosting of two local middle school classes for the Esker Junior Academy program
- 462 work hours donated by employees to support non-profit causes
- Educational presentations of employees at local schools (mock interviews, school forums, and more)
- Local community engagement

2

BUILDING CUSTOMER TRUST

Esker's market is changing rapidly. As such, 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.

Data Protection & Security

KEY INDICATORS

- ISO 27001 certification for the Esker on Demand platform
- Zero complaints for non-compliance with the General Data Protection Regulation (GDPR)
- 99.8% of employees trained on data protection and 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 issue for Esker. The COVID-19 pandemic has only exacerbated 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 annual intrusion testing by an independent external service provider and quarterly automated vulnerability scans.

ISO 27001 CERTIFICATION

Esker has an audited, ISO 27001-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 complete a security maturity questionnaire and provide ISO 27001, SSAE 18, and SOC1 audit reports, certificates, or certifications.

EMPLOYEE TRAINING & AWARENESS

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

DATA PROTECTION & USER RIGHTS

Since GDPR 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 2021

- ISO 27001 certification renewed for the Esker on Demand platform
- Annual intrusion tests performed by an independent external service provider
- Quarterly automated vulnerability scans
- Selection and monitoring of critical suppliers of the Esker on Demand platform
- Reinforcement of the security team

Innovation & Customer Satisfaction

KEY INDICATORS

- Uptime of the Esker on Demand platform: 99.98%
- 10.5% of revenue invested in R&D
- Customer NPS: 61.83%

93.1% of Esker employees state that "We continuously try to create value for our customers" – 2021 ImpactESG Index® survey

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 for their business needs. Esker has implemented business continuity procedures and strengthened 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 99.98% in 2021.

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 throughout their life cycle.

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, ensure that customers make the best use of solutions, and improve available solutions through user feedback as part of a continuous enhancement process.

Esker's Customer Experience Team Promise: Valued – Understood – Engaged

VUE

VALUED • UNDERSTOOD • ENGAGED

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

Understood: We will actively listen, acknowledging 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 score 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 all user surveys. 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 both random systematic surveys sent to Esker on Demand users post-interaction with the Consulting, Support, and Customer Experience teams. The score increases every year and was 61.83 in 2021.

STRATEGIC PARTNERSHIPS

Esker and its global network of partners continue to drive innovation so that they can provide companies with the broadest possible range of services, covering all aspects of the O2C and P2P business processes.

Partners play a key role in the service and benefits provided to customers by combining their expertise with Esker technologies. The diversity and complementary fit of their solutions, their geographic locations, and their industry and technical expertise enhance the value of Esker solutions and are able to meet a greater number of requirements expressed by companies.

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

ACTIONS IN 2021

- 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 and solution-related risks

3 RECOGNIZING THE VALUE OF HUMAN CAPITAL

Esker's employees are its greatest resource. Esker must therefore be capable of attracting, recruiting and retaining its employees and helping them grow by providing them with a work environment that promotes cultural diversity and guarantees equal opportunity.

Characteristics & Social Policy

KEY INDICATORS

- 839 employees, 50% in France
- 99.9% have full-time, permanent contracts
- Average age: 38

HUMAN CAPITAL

As of December 31, 2021, Esker has 839 employees in 14 countries, of which 50% in France, 15% in the rest of Europe, 27% in the Americas, and 7% in Asia-Pacific. Their average age and company affiliation are 38 and 6.3 years, respectively. Of the workforce, 31.07% are women, and 68.93% are men. There are 32 nationalities represented in the workforce.

ONBOARDING OF NEW EMPLOYEES

In-house trainers organize sessions at the beginning of each month for each incoming group of new hires. A dedicated room is available to accommodate a 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 team. This week-long training includes new hires from all departments, so it is also a chance for them to meet one another.

An online document, called Guide for Eskerians, is available on the Company's intranet. This 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 absences, benefits, insurance benefits, local activities near Esker's offices, important contacts, and more.

CONSIDERATE & ATTENTIVE MANAGEMENT

All Esker management has undergone workplace professionalism and etiquette training in the importance of making employees feel valued and boosting team morale. Employees receive corresponding training in order to apply these principles in their day-to-day work. The Guide for Eskerians reiterates the training principles and serves as a reminder to managers.

A special training course for management, "Upskill as an Esker manager", was launched in 2021 at the head offices. Structured into two two-day sessions, this program 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 for their team. One day in the program focuses on diversity and inclusion. A final module on labor law will be added in 2022. Launched as a pilot project in France, the program will be rolled out to subsidiaries in 2022.

As the COVID-19 pandemic has created mental health issues for many people, Esker provided head office managers with online training to help them stay connected to their teams, detect potential issues early on and offer support when necessary.

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 work. Workshops were first conducted in all subsidiaries, with more than 100 staff volunteers sharing anecdotes about life at Esker focusing on what sets it apart from other companies. These narratives highlighted the typical behavior 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, confirming 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 attractive displays posted in offices and on company websites. They were also distributed on company swag products to encourage internalization by the employees. Esker's company culture efforts continue to enjoy a 92.4% approval rating.

ACTIONS IN 2021

- Presentation of Esker's values and corporate culture on Day One of New Hire training
- Management training provided for all head office management

Employer Appeal & Talent Retention

KEY INDICATORS

- 150 employees recruited in 2021
- Staff turnover rate: 9.4%
- 90% of employees recommend Esker as a great place to work
- 6.3 years average company affiliation
- Employee profit-sharing plans
- 83% of eligible employees have signed up for the employee savings plans (France only, excluding CalvaEDI)

87.4% of Esker employees state that "Employee well-being is a key concern for management" – 2021 ImpactESG Index® survey

To ensure the sustainability and development of the Company's business, Esker needs to know how to attract and retain employees with advanced and complementary expertise, a challenge that is all the more difficult in the highly competitive tech field, where available jobs far exceed demand. This is especially true in creating a fulfilling human, material, and professional environment that encourages individuals to use their skills to benefit the Company and recommend Esker as a great place to work."

AURÉLIE GUIMERA, HR DIRECTOR AT ESKER

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, incentivized by matching employer contributions.

The optional profit-sharing plan was initiated by 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. At December 31, 2021, 355 active employees had signed up for the employee savings plan out of 427 eligible employees, representing 83% of employees in France.

ENSURING EMPLOYEE PERSONALITY & CULTURAL FIT

Esker employees are counted on to share their support for an agile corporate culture and continuous improvement approach. 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 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.

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. 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.

THE HR SCRUM TEAM

Esker's hiring policy, prepared by an internal HR scrum team of hiring managers, an HR communications officer, scrum masters and employee volunteers, revolves around a number of key points: the development of Esker's employer brand by highlighting the Company's culture, expertise and areas of differentiation; valuing different professions and the work of external teams; and simplifying the hiring process, diversifying sourcing to facilitate applications of different profiles and promoting an attractive referral program.

* Source : Latest DARES report from August 2021 based on 2019 data (in French): https://dares.travail-emploi.gouv.fr/publication/participation-interessement-et-epargne-salariale-en-2019

TRANSPARENCY & VISIBILITY

In addition to presenting key figures, solutions, and technologies, the HR brochure 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, employee testimonial videos are regularly produced and posted on the careers website and social media to give Esker employees a voice and present the Company in a simple and honest way.

EMPLOYEE RECOMMENDATION & REFERRAL PROGRAM

The annual employee satisfaction survey found that over 90% of employees would recommend working at Esker to a friend or colleague. With an employee turnover rate of less than 10%, these results show that the vast majority is satisfied with their experience at Esker.

A referral bonus is granted to employees to encourage them to share job vacancies with their networks. Staff referrals have been working extremely well for many years and helped find nearly a quarter of new hires.

RELATIONSHIPS WITH EDUCATIONAL INSTITUTIONS

Esker also builds relationships with schools to provide them with academic support, introduce the Company to future graduates, and make it easier to attract talent. Esker is a sponsor of the Class of 2021 INSA IT Department (National Institute of Applied Sciences), a patron of the 42 Lyon programming school and partner to EDEN School and CPE engineering school. 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, with themed conferences on agility or artificial intelligence, coaching sessions to prepare students for job interviews, and networking receptions for Esker employees and students.

With recent graduates making up the majority of new hires, Esker places great importance on the next generations. As co-founder of a research chair at the INSEEC, Esker is involved in the development of future generations and supports them in their education starting in middle school through the Esker Junior Academy Program. This initiative offers internships for third-year middle school students from priority education districts and assists them in the job search process.

MIDDLE & HIGH SCHOOL STUDENTS:
Esker Junior
Academy Program

UNIVERSITY STUDENTS:
Job awareness
& internships

YOUNG GRADUATES:
Job offers
& mentoring

OFFICE LAYOUT

By listening to its employees, Esker provides workplace conditions that match their expectations. The office layout was designed in consultation with employees and their elected representatives, and many spaces were configured to meet the diverse needs of the teams. Esker also strives to foster a healthy work environment through a strong and positive corporate culture and to encourage a healthy work-life balance, for example by allowing and encouraging sports activities on the premises, and multiple break rooms. Self-service beverages, coffee machines and fruit baskets are made available in the offices.

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. Despite the fact that employees were unable to be on-premises during the multiple lockdowns, a number of virtual events were organized to encourage interaction. Photo contests, quizzes, and other activities helped maintain a good atmosphere, even when working from home. At the US subsidiary, events and challenges were organized outdoors when they couldn't be held at the office, such as hiking, climbing, and fly-fishing.

ACCOMMODATING REMOTE WORK

In early 2020, remote work was tested at the head offices, allowing employees to work from home up to one day per week while trying to keep the teams strong and effective. This experiment was accelerated by the start of COVID-19 and allowed Esker to adapt quickly to the new regulations imposed by the pandemic. In France, additional equipment and an allowance to cover costs incurred by remote working were provided during the lockdowns. Employees at most subsidiaries are now able to work remotely. In France up to 50% of work time can be done remotely.

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, the CEO shares team achievements and upcoming projects at company 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. 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, individual employee performance is reviewed, and objectives are set so that everyone understands their role in the Company's mission and the achievement of its vision.

Osker is a peer recognition system that was introduced to showcase high-performance projects and activities. In 2021, the program was widely implemented in France and is a powerful instrument for rewarding individual and collective achievements.

SOCIAL DIALOGUE

Each of the Company's subsidiaries have its own system for the representation of employees through the bodies defined by law. Beyond the measures taken to comply with legal provisions and regularly organized meetings, the Company attaches considerable importance to social dialogue, which contributes to its economic performance. In this context, employee representatives may be consulted for matters not included in the mandatory topics.

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

In France, the Social and Economic Committee and senior management meet regularly to negotiate company agreements, such as agreements regarding: Gender Equality, Remote Work, Right to Disconnect Charter, Supplementary Health Insurance, and Profit-Sharing.

EXCEPTIONAL PURCHASING POWER BONUS

In 2019, France introduced an exceptional employee bonus exempt from income tax and social contributions, called the "Macron bonus". Paid by employers to employees on a voluntary basis and under specific conditions, this exceptional purchasing power bonus was distributed by Esker for 2018, 2019 and 2021.

ACTIONS IN 2021

- Profit-sharing bonus paid to all employees at head office
- €2,000 referral bonus
- Workshops conducted at schools on AI and the Agile methodology
- Sponsoring of the INSA IF 2021 Graduating Class, partnership with 42 Lyon programming school, INSSEC Research Center project participation
- 150 new hires
- Implementation of new remote work charter
- Exceptional Purchasing Power Bonus disbursed
- 10 meetings organized between of Social and Economic Committee and management

Career Management & Skills Development

KEY INDICATORS

- 100% of employees took part in an annual performance review
- Percentage of staff receiving external training: 52.60%
- 18.83 hours average of professional development, per employee and per year

81.4% of employees surveyed agreed with the statement "My company has an active policy for training and employee development" – 2021 ImpactESG Index® survey

DEFINITION OF NEEDS

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

The training policy 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. Trainings organized by external service providers are subject to an assessment of the acquired knowledge, feeding directly into skills management.

DEDICATED TRAINING TEAM & LEARNING CULTURE

A growing training team consisting of nine people throughout France and the United States handles team skills development, when employees first join the Company, and then throughout their career at Esker. 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 center called Esker University that offers numerous online modules to all employees worldwide. In-person sessions are held for new hires (during the pandemic, these sessions were held remotely). The training activities are scheduled by managers according to their and the new hire's needs.

TRAINING GAMIFICATION

To make it even easier to learn about Esker products, the in-house training team has begun 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.

INTER-DEPARTMENTAL & INTER-SUBSIDIARY 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. Developers spend time with customers, which makes their work more meaningful and lets them see the solution they've developed in a real-world application. Esker also encourages all new developers to train with the Consulting or Support teams after they've been with Esker for one year, to make it easier to understand each person's day-to-day activities and challenges.

ACTIONS IN 2021

- New non-technical and personal development training provided on the Esker University platform
- Three new trainers hired for the internal training team, in France and the U.S.
- 85 internal job changes

Health & Safety in the Workplace

KEY INDICATORS

- Frequency rate of occupational accidents: 1.9%
- Severity rate of occupational accidents: 0.2%
- Absenteeism rate: 3.15%
- 12.97% of employees trained in first aid (France only, excluding CalvaEDI)
- 93% 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 the 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 office and the U.S. are equipped with height-adjustable desks to limit the risk of musculoskeletal disorders (MSDs).

Employees at the mail production facility in France have the appropriate safety equipment for their work, such as safety shoes and ear plugs. In 2021, ergonomic anti-fatigue floor mats, sit-stand chairs and lift tables were installed to enhance employee comfort. Staff participated in an activity on MSDs and sleep in relation to their specific schedules. The ISO 45001 certification of a mail production facility in France reflects Esker's efforts to continuously improve its performance in 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 all offices worldwide, Esker provides employees with break rooms and recreation areas equipped with foosball tables and gaming consoles. A multipurpose room at the head office can be used for yoga and gymnastics sessions that Esker employees can attend during their lunch break. In France, employees can also enjoy massages organized by the Social and Economic Committee, and fruit baskets are provided once a week for a healthy and nutritious break. In France and the US, health information sessions are provided in a Lunch'n'Learn format through health insurance partners. All employees can be reimbursed for any membership or purchase made for their well-being, such as a gym membership or the purchase of a new exercise bike or athletic shoes.

In 2021, remote sports activities and yoga classes were organized so that employees could exercise from home.

THE RIGHT TO DISCONNECT

With the introduction of a unilateral charter on the Right to Disconnect, Esker reaffirms the importance of the proper workplace use of digital and professional communications and the need to regulate them so employees can enjoy their rest and leave time, as well as a healthy work-life balance. This charter is appended to the Company's internal regulations. Esker agrees to schedule meetings during regular work hours. Early morning or late evening meetings must be avoided when possible, or at least planned well in advance.

Several talks open to all employees were led by experts in 2021 on good remote work practices and balancing mental workloads.

ISO 45001 CERTIFICATION FOR MAIL PRODUCTION FACILITIES

Esker has launched the ISO 45001 certification process for the Décines mail production facility. This international standard provides a framework for identifying, controlling, and reducing occupational health and safety risks. The certification allows for the integration of procedures with the Quality and Environmental Management System under ISO 9001: 2015 and ISO 14001: 2015.

HEALTH PROTOCOLS

In this second year of the COVID-19 pandemic, employee health remained a priority for Esker. The health situation has been closely monitored for the past two years, and management has implemented all recommended or required government measures. Information messages are regularly sent to employees to keep them informed of the latest updates to health protocols. An online document was created to list all measures and related updates. Information sessions were launched to respond to employee questions and concerns. The right to work remotely was also extended to support employees through transitions between changing health restrictions.

As the health situation is a source of anxiety and stress, awareness training was provided for all managers so that they can offer even better guidance and be more attentive to the needs and concerns of their teams. An external helpline managed by health professionals was also set up to bring psychological support to employees who feel the need for it.

ACTIONS IN 2021

- Exceptional bonus paid to cover employee expenses during government-mandated remote work (France only)
- Employee volunteers trained in first aid and fire evacuation
- ISO 45001 certification obtained for the France mail production facility
- Online lecture organized on remote work

Equal Opportunity, Diversity & Inclusion

KEY INDICATORS

- 31.1% of workforce are women
- 30.65% of management are women
- 4% gender pay gap
- 32 nationalities represented in workforce
- 12 nationalities represented in management

76.6% of employees surveyed agreed with the statement "My company reflects the diversity of the society in which we live" – 2021 ImpactESG Index® survey

GENDER EQUALITY

Esker promotes equal opportunities for men and women and equal access to the same level of responsibility within the Company. Furthermore, gender diversity is encouraged wherever possible, as it fosters innovation, creativity and collaboration within teams.

To make it easier for women to return from maternity leave, a lactation room is made available in the U.S. subsidiary. One is also being prepared in France for 2022.

In France, one day of paid leave is granted per year and per employee to stay at home with a sick child.

REPRESENTATION OF WOMEN

Esker's workforce includes 31.1% women worldwide and 30.65% women among management, demonstrating an equitable policy of promotion between men and women. Two of the three members of the Supervisory Board are women, as are two of the eight members of the Management Committee.

To promote higher numbers of women in IT professions, several video testimonials of Esker employees have been posted on social media to highlight jobs that remain mostly held by men and to encourage women applicants by changing mindsets.

In 2021, an event was organized in France on March 8, International Women's Day, featuring a quiz to spotlight inspiring women from across all industries. Gender equality legislation was also presented. The Group's 250 women employees were celebrated around the world on social media. A working group was formed of Esker women volunteers, and co-led by HR, to implement new internal and external initiatives that could bring more women into tech jobs.

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.

GENDER EQUALITY INDEX

Designed to advance equal pay for women and men within companies, the Gender Equality Index allows companies to transparently measure gender pay gaps and highlight their progress points. When wage disparities are found, corrective measures are taken. The Index is a 100-point scale calculated on the basis of five indicators: the gender pay gap, the gap in the distribution of individual raises, the gap in the distribution of promotions, the number of female employees given raises upon returning from maternity leave, and parity among the top 10 earners.

Esker earned a score of 91/100 in 2021 for France and the following scores for each of the indicators:

36/40	20/20	10/15	15/15	10/10
Pay gap	Pay raise gap	Promotion gap	Return from maternity leave	High compensation

ANTI-DISCRIMINATION POLICIES & CODE OF CONDUCT

Policies and codes of conduct are in place for all Esker subsidiaries to ensure a safe work environment, guarantee equal opportunities for hiring and promotion to all employees, and prevent sexual harassment and discrimination.

In 2021, all managers received training on sexual harassment and sexual discrimination, and all employees participated in an internal awareness program. A talk on diversity and inclusion was held in December 2021 for all Eskerians to raise awareness about stereotypes and combat all forms of discrimination. Managers also have a full day of training on diversity and inclusion as part of the "Upskill as an Esker Manager" training.

The diversity charter engages the HR department to review and continuously improve its policies on this issue.

87.5% of employees surveyed agreed with the statement "In my company, we encourage and respect diversity: attitude towards women, respect for different backgrounds, beliefs and gender identities, LGBTQ, and people with disabilities" 2022 Happy@Work® survey

GENDER IDENTITY

The HR department assists trans-identity individuals in the process of changing their first name if they request, by using a customary first name in all systems or non-legal documents, and by providing support in communications. Employees have the option to add their identity pronouns to the internal Esker directory and their external email signature.

CULTURAL & SOCIAL DIVERSITY

Cultural diversity ensures the Company's consistent growth. Esker leverages its cultural diversity by fostering exchanges to learn how to work together better and by encouraging the development of talent around the world. Diversity initiatives focus particularly on hiring and international developments. Inter-subsidiary exchanges are regularly organized to allow for the sharing of experiences and best practices within the teams. This allows all Esker employees to develop intercultural awareness.

Esker is proud to support the "JeNeSuisPasUnCV" ("I am not a CV") initiative, which aims to connect candidates based solely on their skills and not on their past experience or qualifications.

ACCESSIBILITY & DISABILITY

One of the waste management companies for Esker's head office operates according to an employment inclusion and retention program for people with disabilities, which Esker fully endorses. Additionally, another awareness campaign was held in 2021 with the help of Pete Stone, founder of the organization Just Different as well as a diversity and inclusion consultant. The one-hour videoconference brought together all employees in France to focus on diversity and inclusion. The first campaign in the same format was organized in 2020, focusing on disabilities in the workplace.

During European Disability Employment Week, Esker's Disability Officer conducted a quiz to raise employee awareness and demystify the issue. This event also provided the opportunity for employees to learn about and assist them with applying for disabled worker status, which entitles them to two additional days of paid leave.

ACTIONS IN 2021

- Talk on diversity and inclusion for all employees (head office)
- Commitment to the International Women's Forum and Manifesto on gender equality signed
- Training for managers and awareness-raising for employees on sexual harassment and gender-based violence
- Support of the "JeNeSuisPasUnCV" initiative
- Disability awareness presentation for employees at head office

4

SUPPORTING THE TRANSITION TO A LOW-CARBON ECONOMY

There is no denying that IT business activities contribute to pressures on energy resources, CO2 emissions and the scarcity of raw materials. Esker is strongly committed to reducing its environmental footprint by investing in its office layouts and by recovering a growing proportion of its waste from the mail production facilities. Esker reduces the number of business trips and facilitates remote work wherever possible. Careful attention is given to the IT equipment and a recycling program at the end of its useful life. Additionally, the energy efficiency of data centers hosting Esker's cloud platform is continuously monitored. Esker pursues continuous improvement aligned with the ISO 14001 certifications.

Carbon Footprint & Energy Efficiency

KEY INDICATORS

- ISO 14001 certification (France mail production facility and offices)
- Global Carbon Report: 3,511 t.CO2e
  Scope 1: 189 t.CO2.e
  Scope 2: 659 t.CO2.e
  Scope 3: 2 663 t.CO2.e
- Offices and facilities: 2,813 t.CO2e
- 26.26 t.CO2e per €m of revenue

76.6% of Esker employees state that "Our company takes actions to reduce energy consumption" – 2021 ImpactESG Index® survey

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. It was gradually extended to Esker's subsidiaries, identifying improvements needed in the Company's energy performance as a whole. In 2021, Esker's emissions covering Scopes 1, 2, and 3 for its worldwide operations were 3,511 metric tons of CO2e. That comes out to 26.26 t.CO2e per million euros of revenue, representing a 13% decrease from 2020.

IMPLEMENTATION OF SUSTAINABILITY CLOUD

In 2021, Esker implemented the Salesforce Net Zero Cloud 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 are expected to help fine-tune the monitoring of the environmental performance of each region in 2022.

ISO 14001 CERTIFICATION

ISO 14001 defines the criteria for an environmental management system and provides a framework that companies and other organizations can apply to establish for effectively managing the environmental footprint. Esker began certifying the France mail production facility in 2019 and the French offices in 2020, paving the way for the regular implementation of additional improvements to reduce Esker's environmental footprint. In 2021, 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 business and closely monitors the environmental risks associated with its mail production facilities. Means of production are continuously optimized in a continuous 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.

78.8% of Esker employees state that "Employees have adopted environmentally responsible daily habits" – 2021 ImpactESG Index® survey

The Environmental and Social Action Committee held the first Esker Green Week in June 2021. This event aimed to raise the awareness of Esker employees about protecting the environment through talks, workshops and challenges. Minimizing the use of digital technology, environmentally sustainable transport, sustainable diets, waste recovery, climate collage, and more. Many topics were discussed during the week, which brought together more than 150 Esker employees at the Company's head office.

REFORESTATION PROJECTS

While Esker prioritizes reducing its emissions over offsetting them, other actions are implemented to have a positive impact on the environment. Planting various species of trees to reforest the planet is a vital challenge in the fight against climate change and the protection of biodiversity. Esker has partnered with Reforest'Action to plant 5,000 trees in Haiti in 2019, 6,250 trees in Tanzania in 2020, and 8,000 trees in India in 2021.

Esker's support has resulted in a total of 19,250 trees planted, which represents 2,887 metric tons of $CO2$ stored, according to Reforest'Action. More information on Esker's action is available here: ***www.reforestaction.com/esker***

Esker employees are also involved in tree planting activities each year, particularly in the Spanish subsidiary, which supports the Deverde association.

ACTIONS IN 2021

- Platform implemented to monitor carbon emissions (Salesforce Net Zero Cloud)
- 8,000 trees planted by Esker-supported Reforest'Action
- Esker Green Week talks and workshops to raise employee awareness about the climate emergency
- ISO 14001 and ISO 9001 certifications renewed for the France mail production facility and head office
- Energy-efficient solutions installed: LED lights, motion sensors, low-power displays
- Energy audit of France offices and mail production facility

Employee Mobility & Remote Work

KEY INDICATORS

- Emissions related to business travel: 287 t.CO2e
- 46% hybrid or electric vehicles in the fleet
- Emissions related to commuting: 411 t.CO2e
- 93% of employees eligible for remote work
- 51% of employees use environmentally friendly modes of transportation to commute to work

BUSINESS TRAVEL POLICY

To reduce its CO2 emissions and 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 for business travel 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.

VEHICLE FLEETS

More than 45% of Esker's fleet consists of hybrid or electric vehicles. The Company vehicle fleet is gradually being replaced by hybrid or electric vehicles by including more eco-friendly options in the selection presented by the car service provider to employees. This percentage was 87.5% in the U.K. subsidiary and 100% in the Spanish subsidiary.

COMMUTING

In France, employees are encouraged to use modes of transportation with a low environmental impact to get to their workplace, by offering reimbursements for the Lyon public transit system, a mileage allowance for employees who cycle to work as well as by making bicycle parking available on the premises. A transportation bonus is available for employees in France and covers up to €600 per year of the cost of sustainable transportation services for their commute to and from work. Employees of the U.S. subsidiary are also encouraged to bike to the office.

93KM

Average distance travelled per week

490 kg.CO2e

Carbon footprint/ employee/year

51%

of employees use public transit or transportation with a low environmental impact to commute to work

Because travel and commuting were heavily impacted by the pandemic, it is difficult to assess the change in Esker's environmental performance through its carbon footprint relative to 2019. However, a slight increase can be noted between 2020 and 2021, from 456 kg.CO2e per employee in 2020 to 490 kg.CO2e in 2021.

REMOTE WORK POLICY

Launched in early 2020 to give its employees greater flexibility and accelerated by the COVID-19 pandemic, Esker's remote work policy allows employees to work remotely two days per week, plus two "floating" days during the month, for a total of 50% of their work time. Due to health restrictions, commuting remained a very low source of emissions in 2021 and is expected remain low in the future. Esker's electrical consumption at its head office (excluding common areas) increased 10% between 2020 and 2021. As of 2021, the consumption of the building's common areas is monitored as well. Management also plans to take into account the electrical consumption for remote work for its next carbon reports, as employees now work part-time from home.

ACTIONS 2021

- Transportation bonus implemented for employees at head office
- Increase in hybrid or electric vehicles in the company fleet
- Encouraging remote meetings and rail transport over air travel for business trips
- Charging stations installed for hybrid and electric cars in the head office parking garage

Waste Management & Circular Economy

KEY INDICATORS

- Recovery of 99% of waste from the mail production facility in France (excluding non-hazardous industrial waste)
- 98% 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 by nature linked to waste production. A high-priority goal is to reduce waste by minimizing it through an ISO 9001 quality management system and increasing the rate at which waste is reused. Esker's main mail production facility is in France. It recovers 99% of its waste (the remaining 1% includes soiled materials and drums). Other facilities are in the process of implementing more accurate waste monitoring systems to reach the same waste recovery rate.

At present, non-hazardous industrial waste cannot be monitored because it is managed by the local public authorities, which provide no collection data. Non-hazardous industrial waste per employee is estimated to be immaterial (130 kg per employee, i.e., 2% of the total amount of waste generated). A more accurate estimate will be performed for the following years.

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.

ACTIONS IN 2021

- Availability of sorting bins on the premises
- Waste reduced by providing tableware and coffee mugs
- Recycling awareness campaigns organized

The Digital Carbon Footprint

KEY INDICATORS

- 22.6% of customers hosted on Microsoft Azure (up 9.92 points from 2020)
- Power Usage Effectiveness (PUE) of the data centers:
  Colt: 1.55
  CDW: 1.23
  Azure: 1.125
  Equinix: 1.29-1.40
  AWS: information not available

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 after-sales 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 764 kg in 2021.

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.

USE OF 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.

The company has not emitted carbon since 2012 and has pledged to report a negative carbon footprint by 2030. The Carbon Benefits of Cloud Computing is a 2020 study conducted in partnership with WSP, a global consulting firm specialized in earth sciences and environmental consulting services. The study supports research showing that moving on-premises data centers to the Microsoft Cloud would considerably reduce the carbon footprint.

ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

Esker is also committed to the optimization of software use and the reduction of energy use for its development teams. During Esker Green Week, an event organized by the Company in June 2021 to raise employee awareness about environmental issues, Frédéric Bordage, founder of GreenIT.fr (a leading environmental awareness website), gave a keynote speech on minimizing the use of digital technology.

ACTIONS IN 2021

- Default implementation of new Esker on Demand customers on Microsoft Azure
- 764 kg recovered electrical and electronic equipment (WEEE) – France only
- Educating the Development Teams about optimizing processes

* 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 correspondents 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, 2021, for all indicators, and the scope is the same as for financial reporting, i.e., all Esker subsidiaries (except where reported).

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	2019	2020	2021	GRI standards
Governance Aspects					
Percentage of independent directors on the Supervisory Board	**Group**	**75%**	**75%**	**100%**	*GRI 102-22*
Average rate of attendance at Supervisory Board meetings	**Group**	**100%**	**100%**	**100%**	
Percentage of women on the Supervisory Board	**Group**	**50% (2 out of 4)**	**50% (2 out of 4)**	**66% (2 out of 3)**	*GRI 102-22, 405-1*
Number of Board meetings	Group	4	4	5	
Total number of special Board committees	Group	2	3	3	
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	No	Yes	Yes	
Percentage of women on the Management Committee	Group	14% (1 out of 7)	14% (2 out of 7)	25% (2 out of 8)	
Percentage of share capital owned by founders, their families & executives	Group	13.10%	7.90%	6.7%	
Monitoring of share capital (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	No	No	Yes	
Governance structure	Group	Dual (Supervisory Board)	Dual (Supervisory Board)	Dual (Supervisory Board)	
Effective tax rate	Group	26.95%	21.13%	22.4%	
Percentage of fees for audits in auditor fees		90.47%	89.61%	88.01%	
Number of meetings to present financial results	Group	2	2	2	
Number of visitors to Investors website	Group	3,200 (FR) 4,000 (EN)	4,584 (FR) 8,225 (EN)	4,717 (FR) 8,713 (EN)	

Indicators	Scope	2019	2020	2021	*GRI standards*
Ethics and Compliance					
United Nations Global Compact Member	**Group**	**Yes**	**Yes**	**Yes**	
CEO's salary relative to the world median salary	**Group**	**9,53 times the median salary**	**9,54 times the median salary**	**8,77 times the median salary**	*GRI 102-38*
Presentation of ESG strategy to the Supervisory Board	Group	-	-	Yes	
Formal policy on business conduct and anti-corruption measures	France (excluding CalvaEDI)	-	Yes	Yes	
Percentage of employees with awareness training on business conduct & anti-corruption policies	**France (excluding CalvaEDI)**	**-**	**-**	**96%**	*GRI 205-2*
Number of violations of the internal code of conduct	France (excluding CalvaEDI)	-	-	0	
Existence of an ethics whistleblowing system	France	-	Yes	Yes	
Number of incidents reported by a whistleblower	France	-	-	0	*GRI 206-1*
Number of harassment reports	France	0	1	1	*GRI 406-1*
Sustainable Supply Chain					
Formal Sustainable Purchasing Policy	**France**	**-**	**-**	**Yes**	
Adherence to the Sustainable Supplier Relations Charter	**France**	**-**	**-**	**Yes**	
Integration of social & environmental criteria into purchasing practices	France	-	-	Yes	
Integration of supplier location into purchasing practices	France	-	-	Yes	
Existence of an ESG Code of Conduct for suppliers	**France**	**-**	**Yes**	**Yes**	
Analysis of supplier ESG risks	France	-	-	Yes	
Number of targeted suppliers covered by a ESG assessment	France		-	50	*GRI 308-1, GRI 414-1*
Average supplier payment deadline (in days)	France	28	28	30	
Identification of economically dependent suppliers	France	-	Yes	Yes	
Existence of a quality management system	France	Yes	Yes	Yes	
Percentage of business with ISO 9001 certification	France	<50%	<50%	<50%	
ESG score of the main paper supplier of the mail production facility (Stora Enso)	France	EcoVadis: Platinum	EcoVadis: Platinum MSCI: AA	EcoVadis: Platinum MSCI: AAA	

Indicators	Scope	2019	2020	2021	*GRI standards*
Community Engagement					
Amount benefitting education	France	€90,000	€50,000	€55,000	
Amount benefitting cultural activities	France	€250,000	€50,000	€200,000	
Percentage of annual revenue allocated to sponsorships	**Group**	**0.3%**	**0.1%**	**0.2%**	
Employee work hours donated to non-profit causes	**France**	**271**	**34**	**462**	

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.

Average rate of attendance at Supervisory Board meetings: Represents the attendance of the directors at Supervisory Board meetings.

Percentage of women on the Supervisory Board: Esker's Supervisory Board members are Marie-Claude Bernal, Nicole Pelletier-Perez and Jean-Pierre Lac.Two out of the three members are women.

Number of Board meetings: The Supervisory Board meets every quarter. There was one Extraordinary Shareholder Meeting in 2021.

Special Board committee(s): The three special committees of the Supervisory Board are the Audit Committee, Compensation Committee, and Social and Environmental Committee.

Percentage of women on the Management Committee: Anne Grand-Clément and Claire Valencony are members of the Management Committee, which has eight members.

Percentage of share capital owned by founders, their families and executives: Jean-Michel Bérard, President of the Board and company founder, held 6.2% of the share capital and 10.5% of voting rights. 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 >=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 corporation with an Executive Board and a Supervisory Board

Effective tax rate: Esker SA (France) is subject to a tax rate of 10%. The Group's effective tax rate is 22.7%.

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

Number of visitors to the Investors website: The number of unique visitors recorded by Google Analytics, Esker's website data analysis tool.

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.

Presentation of strategy to the Supervisory Board: The Esker ESG Manager presented the strategy, actions and results of the ESG policy at the Supervisory Board meeting in September 2021.

Formal policy on business conduct and anti-corruption measures: In accordance with the French Sapin II Law, a code of conduct "defining and illustrating the various behaviors to be prohibited for their likelihood of characterizing acts of corruption or influence-peddling" has been drafted and implemented in company-wide. CalvaEDI (Paris site) is excluded from indicators relating to the Internal Code of Conduct.

Percentage of employees with awareness training on business conduct and anti-corruption policy: All Esker employees and all new hires must take an online training course to raise their awareness of the Internal Code of Conduct. Individuals deemed “at risk” (department managers, sales, marketing and consulting teams) took a two-hour training course led by an external and independent organization. Other employees took an online training course. The percentage is calculated by taking the number of active employees on December 31 who have taken the external training or online awareness course out of the total number of active employees on December 31. The remaining 4% represents employees who have not yet completed the training at the time of reporting.

Number of violations of the Internal Code of Conduct: No violation of the Internal Code of Conduct was reported to the ethics whistleblowing committee.

Existence of an ethics whistleblowing system: An internal ethics whistleblowing committee receives reports of violations of the Code of Conduct.

Number of incidents reported through a whistleblower: In accordance with the French Sapin II Law, a procedure has been put in place in the Company that would allow a whistleblower to report a breach of ethics that has come to their attention.

Number of harassment reports: Number of reports submitted to the HR department in 2021 for all employees worldwide.

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***

Adherence to the Sustainable Procurement and Supplier Relations Charter: Esker is a signatory to the Sustainable Procuement and Supplier Relations Charter, established by Médiation des Entreprises and the Conseil National des Achats, and is committed to promoting and complying with its 10 principles.

Integration of social and environmental criteria into purchasing practices: Social and environmental criteria, such as ISO 14001, ISO 9001, ISO 45001 and ISO 26000 certifications or the EcoVadis rating for suppliers, are included in the supplier assessment information sheet.

Integration of supplier location into purchasing practices: Supplier location is a criterion in the Supplier Assessment process.

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***

Analysis of supplier ESG risks: Supplier risks are listed in the Supplier Assessment Information sheet.

Number of targeted suppliers covered by a ESG assessment: The 50 largest suppliers in France must be reviewed in a ESG assessment by the Esker’s Sustainable Procurement Manager.

Average supplier payment deadline: French law requires a maximum supplier payment deadline of 30 days following the date of receipt of goods or services.

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.

Percentage of business with ISO 9001 certification: Esker’s two French sites (Décines and Villeurbanne) are ISO 9001 certified, which accounts for less than 50% of Esker's business.

CSR rating for the main paper supplier: Stora Enso, the main paper supplier for the Décines mail production facility, has ranked among the top 1% of companies rated by EcoVadis since 2017 (source: Stora Enso Annual Report 2021)

COMMUNITY ENGAGEMENT

Amount paid to support education and cultural activities: The total amounts paid under sponsorship agreements, backed by contracts signed with Esker-supported organizations.

Percentage of the amount allocated to sponsorship out of annual revenue: Percentage of the amount paid under sponsorship agreements out of revenue for the same period.

Number of hours used by employees out of their workdays supporting non-profit causes: Information collected from employees who volunteered with non-profit causes in 2021.

BUSINESS INDICATORS

Indicators	Scope	2019	2020	2021	*GRI standards*
Data Protection and Security					
ISO 27001 certification of the Esker on Demand platform	**Group**	**Monitored**	**Recertified**	**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 and security	**Group**	**100%**	**100%**	**99.8%**	
Existence of IT system penetration tests	Group	Yes	Yes	Yes	
Presentation of IT risks to the governance bodies at least once a year	Group	No	Yes	Yes	
Customer Innovation and Satisfaction					
Uptime of the Esker on Demand platform	**Group**	**99.853%**	**99.878%**	**99.980%**	
Amount invested in R&D	Group	€10,478,000	€12,633,000	€14,075,000	
R&D spending (% of annual revenue)	**Group**	**10.1%**	**11.3%**	**10.5%**	
Customer satisfaction survey	Group	Yes	Yes	Yes	
Customer NPS	**Group**	**59.08%**	**60.84%**	**61.83%**	
Formalized Business Continuity Plan	**Group**	**-**	**Yes**	**Yes**	

DATA PROTECTION & SECURITY

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

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

Number of complaints for non-compliance with GDPR: An official request to the CNIL or local equivalent is considered a complaint.

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, 2021. 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 Management Committee and the Supervisory Board. Security is a priority issue for Esker and is discussed at most meetings of the governance bodies.

CUSTOMER SATISFACTION & TRUST

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 period.

R&D spending out of annual revenue: Percentage of R&D spending over the period out of revenue for the same period.

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

Customer NPS: Customer satisfaction rate based on surveys sent to Esker on Demand platform users on a random basis or following actions from the Consulting (U.S.), Support (U.S. & Europe) and Customer Experience (U.S. & Europe) staff. Each survey contains the question "Would you recommend Esker?". The findings from 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	2019	2020	2021	*GRI standards*
Characteristics and Social Policy					
Total workforce at year-end	**Group**	**675**	**765**	**839**	*GRI 102-7*
FTE employees at year-end	Group	663	749.36	827.76	
Average number of FTE employees	Group	681	765	804	
FTE permanent employees at year-end	Group	642	755.33	826.76	
Percentage of permanent employees at year-end	**Group**	**98.22%**	**99.21%**	**99.9%**	
Number of departures	Group	49	67	77	
- resignation	Group	5.61% (36)	5.54% (40)	5.77% (47)	
- termination	Group	0.15% (1)	0.83% (6)	0.86% (7)	
- other reasons for departure	Group	1.87% (12)	2.22% (16)	2.08% (17)	
- end of fixed-term contracts	Group	-	0.69% (5)	0.61% (6)	
Number of departures of FTE permanent employees	Group	49	63.50	75	
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 office	Group	54.63%	52.94%	51.43%	
Percentage of permanent workforce located in the country of the registered office	Group	54.75%	52.70%	51.43%	
Percentage of workforce operating in sensitive countries in terms of fundamental labor rights (Asia & U.S.)	Group	28.04%	28.49%	30.48%	
Average age of employees	**Group**	**37.9**	**37.9**	**38.0**	
Share of managers	France	85	86	89.77	
Payroll (€ thousands)	Group	59,961	68,712	84,139	
Median salary (€ thousands)	Group	50,341.4	50,328	53,520	
Average salary (€ thousands)	Group	61,744	61,017	64,922	

Indicators	Scope	2019	2020	2021	*GRI standards*
Employer Appeal and Talent Retention					
Staff turnover rate	**Group**	**10.0%**	**9.1%**	**9.4%**	*GRI 401-1*
Number of jobs created (excluding acquisitions)		112	90	75	
Number of employees hired	**Group**	**163**	**154**	**150**	
Percentage of permanent contracts among new hires	Group	94%	95%	98%	
Number of new employee referrals	Group	34	21	28	
Number of subscribers to LinkedIn page	France	4,950	8,178	10,396	
Number of new interns	Group	16	14	18	
Percentage of interns hired at the end of their internship	Group	6% (1/16)	29% (4/14)	16.6% (3/18)	
Number of employees on work-study programs & apprenticeships	France	-	-	2	
Percentage of new hires under the age of 28	Group	39%	37.7%	35%	*GRI 401-1*
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%**	
Percentage of labor disputes	France	-	-	0	
Completion of employee satisfaction surveys	Group	Yes	Yes	Yes	
Employee adoption of Esker culture	Group	-	87.60%	92.4%	
Employee satisfaction rate	Group	95% (France)	88%	90%	
Percentage of employees who recommend Esker as a great place to work	**Group**	**90% (France)**	**84%**	**90%**	
Average company affiliation (years)	**Group**	**6.4**	**6.8**	**6.3**	
Percentage of part-time employees	Group	5.0% (34)	4.8% (37)	4.6% (39)	
Percentage of workforce covered by a collective agreement	Group	54.63%	53.99%	50.36%	
Number of meetings with staff representatives	France	10	10	16	
Occasional childcare (emergency & planned)	France	-	-	Yes	
Percentage of employees working remotely	Group	-	93%	93%	

Indicators	Scope	2019	2020	2021	*GRI standards*
Career Management and Skills Development					
Percentage of employees taking part in an annual performance review	**Group**	**100%**	**100%**	**100%**	*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	400 (France)	815	892	
Number of employees completing external professional training during the year	Group	-	283	441	
Percentage of staff taking internal training	Group	100%	100%	100%	
Percentage of staff taking external training	**Group**		**36.99%**	**52.60%**	
Total number of training hours completed by employees o/w: - internal training - external training	Group	9,472 (France) - -	13,862 8,003 5,859	15,347 9,726 5,621	
Average number of training hours per employee	**Group**	**28.44 hours (France)**	**18.12 hours**	**18.83 hours**	*GRI 404-1*
External training budget	France	135,614	106,474	115,754	
	Group	**-**	**180,383**	**140,791**	
Training budget (including trainer pay)	Group	€357,870	€596,580	€693,810	
Share of contribution to training (training budget/payroll)	Group	0.60	0.87	0.82	
Number of internal changes	**Group**	**34**	**75**	**85**	
Employee Health and Safety					
Frequency rate of occupational accidents	**Group**	**7.05%**	**3.68%**	**1.9%**	*GRI 403-9*
Severity rate of occupational accidents	**Group**	**0.41%**	**0.08%**	**0.2%**	*GRI 403-9*
Absenteeism rate	**Group**	**2.85%**	**2.8%**	**3.15%**	*GRI 403-9*
Percentage of employees trained in first aid	France (excluding CalvaEDI)	15%	14.2%	12.97%	*GRI 403-5*
Percentage of employees working remotely	**Group**	**-**	**93%**	**93%**	

Indicators	Scope	2019	2020	2021	*GRI standards*
Equal Opportunity, Diversity and Inclusion					
Distribution of employees by gender: - Women - Men - Non-binary	Group	29.33% 70.66% 0%	30.59% 69.41% 0%	31.1% 68.9% 0%	*GRI 405-1*
Percentage of women in management positions	**Group**	**29.54%**	**31.53%**	**30.65%**	
Percentage of women among new hires	**Group**	**34.35%**	**31.17%**	**34%**	*GRI 401-1*
Gender equality index	France	90/100	91/100	91/100	
Pay gap between men and women	**France**	**4.5%**	**3.3%**	**4%**	
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	No	Yes	Yes	
Percentage of (> age 55) in the workforce	Group	21.00%	15.29%	8.21%	
Percentage of disabled employees in the workforce	Group	1.1% (France)	0.5%	0.36%	
Number of nationalities represented in the workforce	**Group**	**25**	**31**	**32**	
Number of nationalities represented in management	**Group**	**11**	**12**	**12**	

SCOPE, DATA COLLECTION & PROCESSING

The scope for social data is the same as for financial reporting and covers all Esker subsidiaries. The social indicators originate in large part from the internal reference used to prepare the social report for the entities concerned. Esker's workforce data (headcount, new hires, outgoing employees, company affiliation, accident rates) and training is centralized in the HR Information System. Each subsidiary has submitted a specific absenteeism report on its entity for consolidation at the Company's head office.

WORKFORCE & SOCIAL POLICY

Total workforce at year-end: This number includes employees under an employment contract with Esker at year-end, covering open-ended, fixed-term (temporary increase in activity), professional training and apprenticeship contracts. This includes employees with suspended contracts (sabbatical, long-term illness, etc.) and excludes contracts drawn up to replace employees (maternity, illness), interns, temporary workers, outside consultants, Volunteers for International Experience (VIEs), and members of the Supervisory Board. Each employee counts as one unit, unless specified as full-time equivalent (FTE). For France, employees who left Esker on December 31, 2021 are included in the headcount.

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.

Number of departures: Shows the number of employees whose employment contract ended during the year, including open-ended, fixed-term (temporary increase in activity), professional training and apprenticeship contracts. This includes employees with suspended contracts (sabbatical, long-term illness, etc.) and excludes contracts drawn up to replace employees (maternity, illness), interns, temporary workers, outside consultants, Volunteers for International Experience (VIEs), and members of the Supervisory Board. 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, while 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 for permanent contracts only.

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

Restructuring that has led to collective layoffs over the year: No employees were laid off during the reporting year.

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 permanent workforce located in the country of the registered office: Includes the permanent 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.

Average age of employees: Calculated based on the age of all employees worldwide on December 31 of the reporting year.

Share of managers: Total managers in France on December 31, covering Esker France and CalvaEDI, based on the total workforce of these two entities on December 31.

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

Median salary: Shows the salary at the middle point within 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.

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.

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. It does not include new vacancies waiting to be filled.

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. This includes employees with suspended contracts (sabbatical, long-term illness, etc.) and excludes contracts drawn up to replace employees (maternity, illness), interns, temporary workers, outside consultants, Volunteers for International Experience (VIEs), and members of the Supervisory Board. Internal movements and contract adjustments are not included in this number.

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

Number of new employee referrals: Covers the number of employees hired on referral by an Esker employee worldwide over the reporting period.

Number of subscribers to LinkedIn page: Refers to the number of subscribers to the Esker France LinkedIn page at the end of December.

Number of new interns: Number of internships at the Esker head office or subsidiaries for several weeks or months to fulfill a study year or degree requirement. Middle school internships are not included.

Percentage of interns hired at the end of their internship: Share of interns who signed an employment contract with Esker out of the total number of interns hosted worldwide.

Number of employees on work-study programs and apprenticeships: Covers the total number of employees hired on apprenticeships or professional training contracts in France during the reporting year.

Percentage of new hires under the age of 28: Percentage out of the total number of new hires worldwide over the reporting year.

Employee stock ownership plan: Presence in France of a company savings plan with Esker matching 100% of contributions, 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: As reported by the service provider that manages the head office's employee savings platform, 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).

Percentage of labor disputes: No labor disputes were recorded for the reporting year.

Completion of employee satisfaction surveys: A satisfaction survey is conducted of all people working at the Company, including interns, during the reporting year. The system used allows each employee to answer the survey only once, via a personal link sent by email.

Employee adoption of Esker culture: An answer option to the question in the worldwide survey conducted by ChooseMyCompany.com, covering all active employees, in mid-January following the reporting year, the date the survey began.

Employee satisfaction rate: For 2019, the employee satisfaction rate was based on employee responses to the statement "Esker is a great place to work" in the annual survey conducted by Great Place To Work, and for 2020 to the question "Are you happy working at Esker?". For 2021, it was the overall score from the survey conducted by ChooseMyCompany.com.

Percentage of employees who recommend Esker as a great place to work: The answer to the question in the worldwide survey conducted by ChooseMyCompany.com, covering all active employees, in mid-January following the reporting year, the date the survey began. This rate reflects the number of "strongly agree" and "somewhat agree" responses to the question "I would recommend my company/organization to a friend to come and work" out of all responses to this question.

Average company affiliation: Average (in years) calculated based on the years of company affiliation of all employees worldwide as of December 31, 2021. The scope is the same as the one used to determine the total workforce at year-end.

Percentage of part-time employees: Percentage of employees working less than full time out of all employees worldwide as of December 31, 2021.

Percentage of workforce covered by a collective agreement: Covers the total number of employees of Esker France, excluding the CalvaEDI and employees located in Belgium. The workforce taken into account is based on the same scope as the total workforce at year-end.

Number of meetings with staff representatives: For France only, these meetings bring together members of the Social and Economic Committee and company management.

Occasional childcare (emergency and planned): Service set up in 2021 offering 10 days of occasional childcare per year and per child of employees, as of the age of three months. This allowance is divided into five days for emergency care and five days for planned care.

Percentage of employees working remotely: A Remote Work Charter was introduced in France, which includes a list of jobs not eligible for remote work.

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.

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 internal professional training during the year: Includes employees within the same scope as that for the total workforce (interns, VIEs and temporary workers are not taken into account). Equals the total number of employees receiving internal training during the year, whether or not they were still employed by the Company on December 31 of the reporting year. Internal training includes programs led by in-house trainers. The program must have an educational purpose to be counted as internal training.

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

Percentage of staff taking internal training: Employees completing internal professional training during the year out of total number of employees at year-end. All employees are required to take training on IT security as well as the Social Media Charter.

Percentage of staff taking external training: Employees completing external professional training during the year out of total number of employees at year-end.

Total number of training hours completed by employees: Equals, for external training, all hours employees spent in training led by an external provider and, for internal training, all hours employees spent in training led by Esker's in-house training or other departments.

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.

External training budget: The budget allocated to training includes expenditures on training for 2021.

Training budget (including trainer pay): The budget allocated to training covers expenditures on training for 2021 and includes trainer pay. Internal trainers are included in proportion to the time they work with Esker's training department. The budget covers employees of Esker France and Esker USA.

Share of contribution to training: Reflects the training budget (including the gross salaries of French and U.S. trainers) in proportion to total payroll.

Number of internal changes: Equals the number of employees who changed positiions within Esker in 2021. Changes between subsidiaries are also taken into account.

EMPLOYEE HEALTH & SAFETY

Frequency rate of occupational accidents: Number of accidents with injury-related sick leave (including commuting accidents) X 1,000,000/number of theoretical hours worked, worldwide. 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. Declarations submitted to the French national health service (or equivalent body) are taken into account, whether or not the accident has been formally recognized as an occupational accident, as recognition is not necessarily official on December 31 of the reporting year. The number of theoretical hours worked is 7 for France, 7.5 for the subsidiary Esker and 8 for all other subsidiaries.

Severity rate of occupational accidents: Number of days lost due to workplace and commuting accidents (including occupational illness) X 1,000/ number of theoretical hours worked, worldwide. Equals the number of days of sick leave due to occupational accidents confirmed by the national health system during the reporting year. Theoretical hours worked are calculated based on the number of theoretical days worked at each subsidiary. Weekends and public holidays are not counted and absences are not deducted (to correspond to the theoretical working time). Part-time employees are taken into account in proportion to their theoretical work time over the year and are not counted as full-time.

Absenteeism rate: Number of hours not worked worldwide, including all absences —illness/accidents, maternity/paternity/adoptions, and family events — compared to the number of theoretical hours worked. The days are calculated in business days.

Percentage of employees trained in first aid: Percentage of employees who have taken first aid training out of all employees, in France only.

EQUAL OPPORTUNITY, DIVERSITY & INCLUSION

Distribution of employees by gender: Percentage of male, female and non-binary employees out of total Esker employees.

Percentage of managers by gender: Number of men, women, and non-binary in management positions, compared to the total number of managers worldwide.

Percentage of women among new hires: Number of women hired in the reporting year compared to the total number of employees hired worldwide.

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: Score obtained in calculating the gender equality index. All components of compensation packages are taken into account, except:

- Severance packages and retirement allowances - Hardship allowances that do not concern the employee - Length of service bonuses - Overtime or additional hours
- Profit-sharing bonuses

For each employee, compensation is compared to the number of FTEs, taking into account the employee's length of service during the annual reporting period and, if applicable, the proportion of part-time work.

Then the average pay per FTE is calculated.

All active employees during the annual reporting period are taken into account, except:

- Apprentices or employees on a professional training contract
- Employees serving under a third-party company
- Expatriate employees
- Employees absent for more than half the reporting period

Percentage of female employees given raises in the year after their return from maternity leave: Covers employees who returned from maternity or adoption leave (possibly extended by parental leave) during the reporting period, and during which general and/or individual pay increases were granted to employees in the same professional category, or failing that, to all company employees. Despite their absence for more than half of the reporting period, these employees are taken into account in calculating the indicator.

Adaptation of working conditions for exceptional family/health situations to retain employees: Consideration for 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 (> age 55) in the workforce: Covers Esker employees over age 55 at December 31.

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.

Number of nationalities represented in the workforce: Number of nationalities identified among the employees worldwide.

Number of nationalities represented in management: Number of nationalities identified among management worldwide.

ENVIRONMENTAL INDICATORS

Indicators	Scope	2019	2020	2021	*GRI standards*
Carbon Footprint and Energy Efficiency					
Number of ISO 14001 certified sites	Group	1	2	2	
Assessment/review of greenhouse gas emissions		Yes	Yes	Yes	
Total CO2 emissions (t.CO2e)	France	1,533	1,157	1,377	
	Group	-	3,399	3,511	
Amount of CO2 emitted per employee	Group	-	4.69	4.18	
Intensity of CO2 emissions (amount of CO2 per million euros of revenue)		-	30.27 t.CO2e/€m	26.26 t.CO2.e/€m	
Amount of CO2 emitted by source:					
- Offices & factories (t.CO2e)	France	915	945	1,125	*GRI 305-1, 305-2*
	Group	-	2,696.8	2,813	
- Business travel (t.CO2e)	France	467	120	130	*GRI 305-3*
	Group	-	343.1	287	
- Commuting (t.CO2e)	France	151	92	122	*GRI 305-3*
	Group	-	348.7	411	
	Per employee		0.456	0.490	
Amount of CO2 emitted by scope:					
- Direct GHG emissions: Scope 1 (t.CO2e)	France	196	120	106	*GRI 305-1*
	Group	-	381	189	
- Indirect GHG emissions: Scope 2 (t.CO2e)	France	39	40	43	*GRI 305-2*
	Group	-	629	659	
- Other indirect GHG emissions: Scope 3 (t.CO2e)	France	1,298	997	1,228	*GRI 305-3*
		-	2,390	2,663	
Power consumption (kWh)	France	680,856 (excluding common areas)	696,229 (excluding common areas)	1,064,053	*GRI 302-1*
	Group	-	1,756,855	2,036,713	
Energy audit conducted	France	-	-	Yes	
Employee awareness of the climate emergency	France	Yes	Yes	Yes	
Number of trees planted with Reforest'Action	Group	5,000	6,250	8,000	
Amount allocated to Reforest'Action projects (in €)	Group	3,750	4,967.5	7,950	

Indicators	Scope	2019	2020	2021	*GRI standards*
Employee Mobility and Remote Working					
Percentage of hybrid or electric cars in the vehicle fleet	**Group**	**17%**	**31%**	**46%**	
Number of employees receiving transportation allowance	France	183	176	234	
Total amount reimbursed through the transportation allowance	France	€54,371	€36,490	€28,963	
Number of employees receiving sustainable transportation bonus	France	69	81	104	
Total amount reimbursed through the sustainable transportation bonus	France	€9,975	€13,563	€17,683	
Percentage of employees who use environmentally friendly modes of transportation to commute	**Group**	**-**	**-**	**51%**	
	France	**-**	**-**	**74%**	
Percentage of employees who can work remotely	**Group**	**93%**	**93%**	**93%**	
Amount paid to employees to facilitate remote working	France	-	36,920 €	114,410 €	
Waste Management and Circular Economy					
Mail production facilities (France and U.S. only)					
- Amount of recycled waste (excluding non-hazardous industrial waste)	France	88.30 metric tons	124.79 metric tons	100.7 metric tons	*GRI 306-4*
	U.S.	-	7.1 metric tons	7.1 metric tons	
- Recycling rate (excluding non-hazardous industrial waste)	France	100%	100%	99%	
	U.S.	-	86%	86%	
Offices (France only)					
- Amount of recycled waste	France	2,645 kg	1,821 kg	2,770 kg	
- Amount of non-recycled waste	France	20 kg	20 kg	56 kg	
- Waste recycling rate	France	99%	99%	98%	
Digital Carbon Footprint					
Percentage of revenue from EoD customers hosted on Microsoft Azure data centers	**Group**	**6.46%**	**12.68%**	**22.6%**	
Digital Carbon Footprint					
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: 1.55** **CDW: 1.23** **Azure: 1.125** **Equinix: 1.29-1.40** **AWS: no information available**	*GRI 302-5*
Amount of recovered WEEE	**France**	**503 kg**	**167 kg**	**764 kg**	

SCOPE, DATA COLLECTION & PROCESSING

The scope of study for Esker's Carbon Report and environmental indicators includes the following subsidiaries: France, Germany (two sites), the United States (including TermSync), the United Kingdom, Spain, Italy, Asia (including Hong Kong, Singapore, and Malaysia), and Australia. The subsidiaries in France, United Kingdom, United States, Spain, Singapore, and Australia have a mail production facility. Business in the Netherlands, Belgium, Argentina and Canada, as well as CalvaEDI (site in Paris) and Neotouch Cloud Solution (Ireland) were excluded from the scope because they account for less than 2% of Esker employees, do not have a mail production facility, and employees mostly work remotely. Their impact is therefore deemed insignificant.

Data was collected based on information requested from the subsidiaries by the head office and entered in the Salesforce Net Zero Cloud. A data collector was appointed for each subsidiary to collect, analyze, and transmit data. A brief training session was conducted for the collectors to present and explain how the data should be collected.

Emissions were reported based on the Bilan Carbone® method.

All data collected was analyzed using the Salesforce Net Zero Cloud digital application. Each subsidiary's data was individually tallied before the results were consolidated. The emission factors used to convert source data to CO2 equivalent (kg.CO2e or t.CO2e) are from the ADEME Base Carbone® database V21.0 (updated on January 4, 2021). The exhaustive list of emission factors is presented in the appendix.

CARBON FOOTPRINT & ENERGY EFFICIENCY

Number of ISO 14001 certified sites: The Décines and Villeurbanne sites in France have been ISO 14001 certified since 2019 and 2020, respectively.

Assessment/review of greenhouse gas emissions: Esker has produced a Carbon Report for France since 2018 and for company-wide since 2019.

Amount of CO2 emitted per employee: Reflects the total amount of CO2 emissions divided by the number of employees at year-end (839).

Energy intensity: The energy intensity ratio is calculated by dividing total energy consumption in the reporting year (numerator) by revenue per metric ton in millions of euros (denominator) produced by the organization over the same reporting year. Energy intensity expresses the energy required per unit of activity. The denominator of revenue in the energy intensity ratio covers the entire organization, i.e., €134 million for the scope. For the energy intensity report, the denominator for employees is the total number of employees reported at the end of the reporting year (December 31) in all countries based on the scope, i.e., 839 employees for 2021.

Amount of CO2 emitted by source:

- Offices and production facilities: Emissions from offices and production facilities including energy bills for the entire site, waste, facility raw materials purchased and their inbound transport, purchased office services and supplies, and fixed assets.
- Business travel: Emissions related to business travel include the fuel consumption by company vehicles and business travel by any other means of transport (personal vehicle or rental, plane and train).
- Commuting: Emissions related to commuting are based on the responses to an internal survey and have been extrapolated to the total number of employees. The survey response rate was 72%.

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 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 purchased products and services:
    - Purchased raw materials for production facilities (mainly paper, envelopes and ink); office supplies, telecommunication, insurance and bank fees, subcontracting of printer maintenance; use of a security service to monitor sites or servers; food service)
    - Upstream freight transport (routing of raw materials)
    - Business travel by non-operated means of transport (business travel by employees with their personal vehicle; business trips by air/rail)
    - Employee commuting (obtained through an internal survey and extrapolated to all employees)
    - IT equipment (computers, screens, printers), operated vehicles (fleet or under long-term lease) and buildings owned, for France, e-integration, Spain, Italy and the U.K.
    - Waste (for the France, Germany, Italy, U.K. and U.S. sites). The data provided by the various collection service providers is taken into account (excluding non-hazardous industrial waste collected by local authorities, which is not weighed). Esker has no way of tracking this non-hazardous industrial waste (primarily waste from human activity such as leftover meals). However, this waste is considered immaterial compared to other types of waste that are tracked

- Emissions related to energy not included in categories 1 and 2 (mainly emissions associated with the transmission and distribution of electricity) were taken into account, applying an 8.91% average percentage for line losses (ratio observed in France)

- Esker is not affected by emissions related to upstream leasing assets, investments, transportation of visitors and customers, transport of downstream goods, use of products sold, end-of-life of products sold, downstream franchise, or downstream leasing.

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

Energy audit conducted: An energy audit was conducted in 2021 for the Villeurbanne offices and the Décines mail production facility.

Employee awareness of the climate emergency: Esker France employees are regularly invited to participate in talks, workshops or challenges on environmental issues. In 2021, Esker dedicated a week-long event to the environment to raise employee awareness about sustainable food, transport, responsible use of digital technology and waste management.

Number of trees planted with Reforest'Action: Esker has been partnering with Reforest'Action since 2019 and participates in projects to plant trees around the world.

Amount allocated to Reforest'Action projects: Equals the amount spent on reforestation projects with Reforest'Action.

WASTE MANAGEMENT & CIRCULAR ECONOMY

Mail production facilities: Esker has mail production facilities at its subsidiaries in France, the U.K., the U.S., Spain, Singapore and Australia. The data included in the Carbon Report covers all mail production facilities except Singapore and Australia. Only waste from the French and U.S. facilities is included in the reporting for the Non-Financial Statement, as they account for 97% of the operations of Esker's mail production facilities. These facilities generate a large amount of waste (paper, cardboard and ink) compared with office waste.

Amount of recycled waste: Includes recycling of waste paper, cardboard, wood, plastic, and ink. For France, the data comes from reports provided by the sorting service provider (Chimirec for inks and Paprec for paper, cardboard and plastic). For the U.S., the service provider averaged the weight in relation to the size of the containers used by the plant, applied this average to the number of containers removed during the year, and estimated the weight of the waste collected at the site of the U.S. mail production facility.

Amount of energy recovery from waste: Includes plastic, wood and soiled materials which are incinerated and the energy recovered.

Offices: Covers France only. The waste recycling service provider for Esker's offices in Villeurbanne provides quarterly activity reports, reflecting the amount of recovered waste. The annual amount is the sum of these amounts.

Non-hazardous industrial waste is not included in the data reported in the Waste Management and the Circular Economy section because it cannot currently be monitored, as it is managed by the local public authorities. Non-hazardous industrial waste per employee is estimated to be immaterial (130 kg per employee, i.e., 2% of the total amount of waste generated). A more accurate estimate will be performed for the following years.

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	2018	2019	2020	2021
France	2 / 39	4 / 44	12 / 47	18 / 47
U.K.	1 / 8	1 / 8	3 / 8	7 / 8
Germany (e-integration)	0 / 7	1 / 6	1 / 6	1 / 5
Spain	2 / 5	6 / 6	7 / 7	9 / 9
Italy	0 / 4	0 / 6	0 / 6	0 / 7
TOTAL	5 / 63	12 / 70	23 / 74	35 / 76

Number of employees receiving the transportation allowance: Equals the number of employees in France who have been reimbursed for their Lyon public transit (TCL) passes.

Total amount reimbursed through the transportation allowance: Equals the total amount paid to employees in France who have been reimbursed for their Lyon public transit (TCL).

Number of employees receiving the sustainable transportation bonus: Equals the number of employees in France who have been reimbursed for their travel expenses by public transportation or bicycle.

Total amount reimbursed through the sustainable transportation bonus: Equals the total amount paid to employees in France who have been reimbursed for their travel expenses by public transportation or bicycle.

Percentage of employees who can work remotely: The majority of Esker's employees can work remotely. Only employees in the mail production facilities must be present at their workstations to carry out their duties.

Amount paid to employees to facilitate remote working: Equals bonuses paid when remote working was mandatory.

Distribution of employees' main modes of transportation to commute: A survey of employee commutes was conducted in establishing Esker's Carbon Report. This survey was used to assess the distribution of the modes of transportation used by employees.

THE DIGITAL CARBON FOOTPRINT

Portion of revenue from customers on Azure: The revenue generated by customers hosted on Microsoft Azure data centers (subscriptions and traffic, excluding service) came to about €30 million out of total revenue of €134 million, or 22.6% of Esker's revenue in 2021.

Power Usage Effectiveness (PUE) of the data centers: The energy efficiency indicators for the data centers were found on websites or official statements, or they were provided directly by the suppliers (Microsoft Azure, Equinix, Colt, CDW).

Amount of recovered WEEE: Used or end-of-life electrical and electronic equipment is collected and disposed of by professionals. This includes computer servers, network switches, laptop and desktop computers, monitors, printers, battery chargers, adapters and electrical appliances.

NFS ATTESTATION

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

Year ended 31 December 2021

To the Shareholders,

In our capacity as statutory auditor of Esker ("entity"), appointed as independent third party ("third party") and accredited by COFRAC under number 3-1048 (French Accreditation Committee registration, No. 3-1048, scope available at www.cofrac.fr), while in the process of adapting our management system as part of the update to our accreditation procedures as required by Cofrac (transition from ISO 17020 to ISO 17029), we conducted procedures with the aim of expressing a reasoned opinion with a limited assurance conclusion on the historical information (reported or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures ("Guidelines"), for the year ended 31 December 2021 ("Information" and "Statement" respectively), presented in the Esker management report pursuant to the legal and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code (Code de Commerce).

CONCLUSION

Based on the procedures we implemented, as described in the section "Nature and Scope of Procedures", and the information we collected, no material misstatements have come to our attention that cause us to believe that the Statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

PREPARATION OF THE STATEMENT

As no generally accepted and widely used standards or established practices exist that we can apply to assess and measure the Information, we can use different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information should be interpreted and understood with reference to the Guidelines, the material items of which are presented in the Statement and available on the entity website or on request from its headquarters.

LIMITATIONS INHERENT IN PREPARING THE INFORMATION FOR THE STATEMENT

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data. Some information is sensitive to the methodological choices, assumptions or estimates used in preparing the Statement and presented therein.

ENTITY RESPONSIBILITY

The Management is responsible for:

- selecting or setting appropriate criteria to be applied in preparing 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 applied with respect to these risks as well as the outcomes of these policies, including key performance indicators, as well as information set forth in Article 8 of Regulation (EU) 2020/852 on the Green Taxonomy;
- and implementing the internal control procedures deemed necessary to produce Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the entity'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 reasoned opinion with a limited assurance conclusion on:

- the Statement's compliance with 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 it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorised to be involved in preparing this Information, as it could compromise our independence.

It is not our responsibility to provide any conclusion on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly with regard to the information required by the duty of vigilance plan or concerning the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL STANDARDS

We performed the procedures described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional standards issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement in lieu of an audit, and the International Standard on Assurance Engagements (ISAE) 3000 (Revised).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by Article L.822-11-3 of the French Commercial Code and the 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 regarding compliance with applicable laws and regulations, ethical requirements, and professional standards of the French Institute of Statutory Auditors relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of five people and was carried out between February and April 2022 over a total of 12 weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement, representing the Finance, Human Resources, Environment, Marketing and Purchasing departments.

NATURE AND SCOPE OF PROCEDURES

We planned and performed our work taking into account the risk of material misstatement in the Information.

It is our belief that the procedures that we applied in exercising our professional judgment allow us to draw a conclusion of moderate assurance.

- We familiarized ourselves with the activities of all entities in the consolidation scope and the description of the principal risks.
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L.225-102-1 governing social and environmental affairs, as well as respect for human rights and the fight against corruption and tax evasion.
- We also 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 principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225 102-1 III, paragraph 2.
- We verified that the Statement presents the business model and the main risks relating to the activities of all entities included in the consolidation scope, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators on the main risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1] by conducting procedures at the consolidating entity.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L.233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures and assessed the data collection process to ensure the completeness and fairness of the Information.

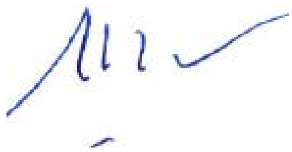
- For the key performance indicators and other quantitative results that in our judgment were of most significance[2], we carried out:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, or other selection techniques that consisted in verifying the proper application of definitions and procedures and in reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities3 and covered between 36% and 100% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entity.

The procedures we have performed to provide a basis for a limited assurance conclusion are less extensive than those required for reasonable assurance performed in accordance with the professional standards of the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, le 30 avril 2022

One of the statutory auditors

DELOITTE & ASSOCIÉS



Arnauld de GASQUET

[1] Responsible purchasing policy, existence of a CSR Code of Conduct for suppliers, recommendation rate, reforestation projects.

[2] CEO's salary relative to the median salary, percentage of employees with awareness training on business conduct and anti-corruption policy (France), percentage of employees who have successfully completed online training on data protection and security, workforce (total/gender/type of contract/full- vs. part-time), resignations, turnover rate, number of hires (total/gender/type of contract), recommendation rate, percentage of employees who took external training, frequency rate, severity rate, absenteeism rate, gender pay gap, total CO2 emissions Scopes 1/2/3, CO2 emissions/revenue, power consumption, amount of recycled/non-recycled waste (French and US mail production facilities), amount of recovered WEEE in France.

[3] Entities: Esker France, Esker USA, Esker Australia.

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 mapping thus reflects the specific exposure of the Group.

4.1. TECHNOLOGICAL RISKS

4.1.1. RISKS RELATING TO A MALFUNCTION OF THE PRODUCTION PLATFORM

Documents processed by Esker on Demand 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 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.

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 Group. For several years, we have observed an increase in potential weaknesses as an increasing number of companies and employees are connected.

The storage of data and business processes belonging to third-party entities maintenance may incite the interests of ill-intentioned persons seeking to take advantage of this trend.

In order to prevent any risks of malicious penetration, a technical audit is conducted by the Company once a year (penetration test). This audit is completed by automated monthly audits (vulnerability scans). The purpose of these audits is to identify potential areas of vulnerability. These vulnerabilities are ranked by order of criticality and result, if required, in a remediation plan which is included and 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 which are promoted are tested during annual social engineering audits to evaluate human behavior and detect areas for improvement.

The Company is currently rolling out a plan to strengthen its protection and detection measures: widespread deployment of two-factor authentication for remote connections and the implementation of an EDR (Endpoint Detection and Response) combined with a SIEM system.

Finally, in the event of a catastrophic event, 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 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 CX (Customer Experience) 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 10.5% of Group sales in 2021. It should be noted that this entity ensures, through the operational entities of Quadient, the distribution of Esker packaged solutions to more than 3,500 end customers, mainly in France, the United States and the United Kingdom.

After Quadient, Esker's most important customer accounts for 1% of sales and the 20 top customers less than 11% of sales.

The 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 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 longing 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 order to comply with data protection regulations, the Group has updated its personal data protection policies and implemented procedures and tools to comply with European regulation in this area.

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

Difficulty in attracting, 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. In order to take measures to reduce the inherent risks, the Group has developed an effective recruitment process, equipped with tools adapted to the Group's needs and notably facilitating contacts 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 stock option plans.

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, 50% of Group sales are in euros. Foreign exchange risks incurred by Esker concern primarily intercompany transactions (invoicing of products, services, royalties) in USD, GDP 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 for hedging foreign exchange risks is based on the analysis and monitoring of:

- Medium-term foreign exchange and economic trends
- Existence of an established date for the collection of receivables and settlement of payables
- The volatility of the relevant currencies

An estimation of foreign exchange risk from an unfavorable increase of one euro cent (the currency used for the preparation of financial statements) against the USD, GBP and AUD (for example with the exchange risk for USD determined on the basis of an increase in the exchange rate of €1.13 for one dollar to €1.14) is provided below:

As of December 31, 2021 (in foreign currency)	USD	GBP	AUD	SGD
Assets	1,236,422	585,968	860,053	850,657
Liabilities	0	0	0	0
Position before hedging	1,236,422	585,968	**860,053**	850,657
Hedging instruments	None	None	None	None
Net position after hedging	1,236,422	**585,968**	860,053	**850,657**
FOREIGN EXCHANGE RISK ON THE BASIS OF A NEGATIVE CURRENCY EFFECT OF 1 EURO CENT	**-9,554**	**-8,201**	**-3,505**	**-3,620**

As of December 31, 2020 (in foreign currency)	USD	GBP	AUD	SGD
Assets	174,486	643,482	1,418,845	339,877
Liabilities	0	0	0	0
Position before hedging	174,486	**643,482**	**1,418,845**	339,877
Hedging instruments	None	None	None	None
Net position after hedging	174,486	643,482	1,418,845	**339,877**
FOREIGN EXCHANGE RISK ON THE BASIS OF A NEGATIVE CURRENCY EFFECT OF 1 EURO CENT	**-1,149**	**-7,874**	**-5,580**	**-1,284**

Sales in the U.S. accounted for close to 39% of this total and contributed approximately €16,635,000 to the Group's operating income before corporate expenses incurred by France.

The main foreign exchange risk of the Group in consequence concerns this contribution. Any significant change in the U.S. dollar reduces the U.S. contribution for the coverage of corporate expenses stated in euros. In fiscal 2021, the negative impact on Group operating profit of a 10 cent decline in the US dollar in relation to the euro would be €1,489,000 (€1,084,000 in 2020).

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 Company 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

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 2021 and 2020.

5

CONSOLIDATED FINANCIAL STATEMENTS

5.1. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

CONSOLIDATED BALANCE SHEET

ASSETS (€ thousands)	Notes	12/31/2021	12/31/2020
INTANGIBLE ASSETS	3	33,644	30,787
Goodwill	2	6,138	5,752
Property, plant and equipment	4	9,896	10,036
Financial assets		10,928	6,405
Equity-accounted investments		2,761	1,759
Non-current assets		**57,229**	**48,986**
Inventories		341	257
Trade receivables		28,870	25,994
Deferred tax assets		667	800
Other receivables and accruals		6,678	5,446
Cash and marketable securities	8	34,978	40,421
Current assets		**71,534**	**72,918**
TOTAL ASSETS		**128,763**	**121,904**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ thousands)	Notes	12/31/2021	12/31/2020
Share capital		11,850	11,661
Additional paid-in capital		22,756	21,202
Consolidated income (loss)		14,280	11,562
Reserves and retained earnings		31,508	20,987
Shareholders' equity	**9**	**80,394**	**65,412**
Attributable to the parent		**80,394**	**65,412**
Attributable to non-controlling interests		**0**	**0**
Provisions for contingencies and expenses	**12**	**2,497**	**2,698**
Borrowings and financial liabilities	13	1,169	15,144
Trade payables		9,485	8,617
Tax and employee-related payables		23,538	18,601
Deferred tax liabilities		757	698
Other payables and accruals	14	10,923	10,734
Payables		**45,872**	**53,794**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**128,763**	**121,904**

CONSOLIDATED INCOME STATEMENT

(€ thousands)	Note	12/31/2021	% of sales	12/31/2020	% of sales
Sales	**15**	**133,580**	**100%**	**112,274**	**100%**
Own production of goods and services capitalized	16	8,641	6%	7,823	7%
Other operating income		1,534	1%	1,591	1%
Cost of sales		-2,075	-2%	-1,979	-2%
Change in inventory		93	0%	74	0%
Other operating expenses		-29,928	-22%	-27,479	-24%
Staff costs	17	-84,139	-63%	-68,712	-61%
Tax and similar expenses		-1,533	-1%	-1,498	-1%
Net allowances for amortization and depreciation		-9,072	-7%	-8,315	-7%
Net allowances for provisions		-520	0%	-167	0%
Operating income before depreciation, amortization and impairment of goodwill		**16,580**	**12%**	**13,612**	**12%**
Allowances for goodwill amortization		0	0	0	
Operating income after depreciation, amortization and impairment of goodwill		**16,580**	**12%**	**13,612**	**10%**
Net financial income/(expense)	**18**	**202**	**0%**	**-67**	**0%**
Current operating income of consolidated operations		**16,782**	**13%**	**13,545**	**12%**
Net exceptional items	**19**	**403**	**0%**	**491**	**0%**
Income taxes	20	-3,907	-3%	-2,966	-3%
Share of income from equity-accounted associates		1,002	1%	492	0%
Net income		**14,280**	**11%**	**11,562**	**10%**
Basic earnings per share in euros	*21*	*2.44*		*2.04*	
Diluted earnings per share in euros		*2.39*		*2.00*	

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ thousands)	Capital stock	Additional paid-in capital	Translation difference	Annual profit/ (loss)	Reserves and retained earnings	Equity attribut-able to the par-ent
Balance as of December 31, 2019	**11,504**	**20,424**	**120**	**9,745**	**14,854**	**56,647**
Retained earnings/(accumulated deficit)				-7,849	7,849	0
Annual profit/(loss)				11,562		11,562
Currency translation adjustments			-1,492			-1,492
Stock options	157	778				935
Treasury shares						0
Dividends				-1,896		-1,896
Other changes					-344	-344
Balance as of December 31, 2020	11,661	21,202	-1,372	11,562	22,359	65,412
Retained earnings/(accumulated deficit)				-8,665	8,665	0
Annual profit/(loss)				14,280		14,280
Currency translation adjustments			1,771			1,771
Stock options	189	1,554				1,743
Treasury shares						0
Dividends				-2,897		-2,897
Other changes					85	85
Balance as of December 31, 2021	11,850	22,756	399	14,280	31,109	80,394

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ thousands)	12/31/2021	12/31/2020
Consolidated net income	14,280	11,562
Adjustments to reconcile non-cash items to cash generated from operations :		
Net allowances for depreciation and provisions	9,176	9,275
- Carrying value of assets sold	10	7
- Proceeds from the disposal of assets	-10	0
Cash flows after net financial expense	23,456	20,844
Tax liabilities	3,907	2,966
Taxes paid	-3,823	-1,375
Interest expense and income	51	37
Change in operating working capital	1,936	1,003
NET CASH PROVIDED BY OPERATING ACTIVITIES	25,677	23,475
Acquisition of intangible assets	-11,150	-10,167
Acquisition of property, plant and equipment	10	0
Proceeds from the disposal of PPE and intangible assets	-4,874	-532
Change in non-current investments	-1,002	-492
NET CASH USED IN INVESTING ACTIVITIES	-17,016	-11,191
Dividends paid to shareholders of the parent company	-2,897	-1,896
Capital increases or contributions		
Issuance costs for capital increases		
Amount received from the exercise of stock options	1,743	935
Change in treasury shares		
Repayment of borrowings – finance leases	-13,975	-2,872
Change in borrowings	0	11,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	-15,129	7,667
NET CHANGE IN CASH AND CASH EQUIVALENTS	-6,468	19,951
Effect of exchange rate changes on cash	1,026	-887
Cash and cash equivalents at beginning of year	40,421	21,357
Cash and cash equivalents at end of year	34,978	40,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Annual highlights

Repayment of the COVID-relief government-backed loan

In 2020, following the global economic downturn in response to the COVID-19 pandemic, the French government adopted several relief measures to support businesses.

These measures included aid in the form of a government-backed loan. Esker SA obtained a loan in the amount of €11.5 million from its three main banking partners.

However, after continuing to achieve growth in 2020 and early 2021, at the end of H1 2021, this loan was no longer considered necessary as the Group had sufficient resources to finance its development and the Company decided in consequence to pay back this loan in full.

Increase in the dividend distribution

Because of the pandemic, the Company decided to reduce the amount of the dividend distributed in 2020. This year, the distributed dividend was increased to €0.50 per share (up from €0.33 in 2020).

2. Significant accounting policies, basis of consolidation

Adoption and approval of the accounts

The consolidated financial statements of the Group at December 31, 2021 were adopted by the Executive Board and submitted for approval to the Supervisory Board on March 24, 2022.

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 the 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

Foreign currency translation methods

Income statement items of foreign companies outside the euro area 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
- Recognition of unrealized losses and gains on foreign exchange under expenses and income of the period

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*)
- Calculation of deferred taxes (*note 20*)
- Measurement of pension obligations (*note 12*)
- 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, an 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.

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 mainly application developments 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.

Development expenditures recorded as intangible assets are amortized over useful lives of one to five 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, fittings .... 5 to 8 years
- Transport equipment .... 3 to 5 years
- Office and computer equipment .... 2.5 to 8 years
- Furniture .... 5 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 cash flows expected over a five-year period and a terminal value based on a perpetuity growth rate for cash flow.

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 cash flow 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 the 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

There were no changes in the consolidation scope in 2021.

Company	Head office	2021		2020		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.C.
Esker Ltd	Derbyshire (United Kingdom)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Srl	Milan (Italy)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Iberica Sl	Madrid (Spain)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Inc.	Madison (United States)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Australia Pty Ltd	Sydney (Australia)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Documents Automation Asia Pte Ltd	Singapore	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Documents Automation (M) Sdn Bhd	Kuala Lumpur (Malaysia)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Solution Canada Inc.	Montreal (Canada)	100.0%	100.0%	100.0%	100.0%	F.C.
Esker Document Automation (HK) Ltd	Hong Kong	100.0%	100.0%	100.0%	100.0%	F.C.
CalvaEDI	Paris (France)	100.0%	100.0%	100.0%	100.0%	F.C.
TermSync	Madison (United States)	100.0%	100.0%	100.0%	100.0%	F.C.
e-integration	Ratingen (Germany)	100.0%	100.0%	100.0%	100.0%	F.C.
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 cash flows

NOTE 1: Segment information

- Segment information relating to products and services

In thousands of euros	12/31/2021	12/31/2020
Software sales	1,468	1,340
Fax card sales	142	238
Contracts for product updates and maintenance	5,338	6,184
Services	23,148	19,655
Traffic	103,484	84,857
NET SALES	**133,580**	**112,274**

- Information relating to geographical areas

As of December 31, 2021 In thousands of euros	France	Germany	United Kingdom	Southern Europe	Australia, Asia	Americas	TOTAL Group
External sales	51,714	7,219	7,528	7,164	8,151	51,804	133,580
Property, plant and equipment and intangible assets	32,056	482	314	783	141	3,626	37,402

As of December 31, 2020 In thousands of euros	France	Germany	United Kingdom	Southern Europe	Australia, Asia	Americas	TOTAL Group
External sales	43,849	6,629	6,019	5,997	6,744	43,036	112,274
Property, plant and equipment and intangible assets	29,852	429	308	891	188	3,402	35,070

- Information relating to key customers

In fiscal 2021 the largest customer represented 10.5 % of total Group revenue.

In fiscal 2020 the largest customer represented 10.5 % of total Group revenue.

NOTE 2: Goodwill

The main components of goodwill can be analyzed as follows:

In thousands of euros	12/31/2021			12/31/2020
	Gross	Amortization	Net	Net
TermSync	5,107	93	5,014	4,628
CalvaEDI	137	2	135	135
e-integration	989		989	989
TOTAL GOODWILL	**6,233**	**95**	**6,138**	**5,752**

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 the goodwill of the subsidiary TermSync reflects foreign exchange fluctuations.

The value of goodwill was confirmed by the impairment tests conducted on the basis of the underlying assumptions.

No sensitivity tests were conducted.

NOTE 3: Intangible assets

In thousands of euros	12/31/2021			12/31/2020
	Gross	Amortization	Net	Net
Development expenditures	55,135	39,155	15,980	13,887
Trademarks	1,633		1,633	1,595
Software	1,928	1,687	241	119
Customer-related intangible assets	7,410	2,095	5,315	5,578
Intangible assets in progress	**4,337**		**4,337**	3,856
TOTAL INTANGIBLE ASSETS	**70,443**	**42,937**	**27,506**	**25,035**

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, 2021

As of 12/31/2021 In thousands of euros	Opening balance	Increases	Decreases	Other changes	Closing balance
Goodwill	5,840			393	6,233
Development expenditures	46,787	0		8,348	55,135
Trademarks	1,595			38	1,633
Software	1,732	175		66	1,973
Customer-related intangible assets	7,365				7,365
Intangible assets in progress	3,856	8,641		-8,160	4,337
INTANGIBLE ASSETS – GROSS VALUE	**67,175**	**8,816**	**0**	**685**	**76,676**
Goodwill	88			7	95
Development expenditures	32,900	6,156		99	39,155
Software	1,568	66		53	1,687
Customer-related intangible assets	1,832	263			2,095
INTANGIBLE ASSETS – AMORTIZATION	**36,388**	**6,485**	**0**	**159**	**43,032**
INTANGIBLE ASSETS – NET VALUE	**30,787**	**2,331**	**0**	**526**	**33,644**

Changes recorded concern development expenditures capitalized in the period and concerning mainly expenditures incurred in connection with our SaaS solutions.

Changes in the fiscal year ended December 31, 2020

As of 12/31/2020 In thousands of euros	Opening balance	Increases	Decreases	Other changes	Closing balance
Goodwill	6,275			-435	5,840
Development expenditures	39,916	3,809		3,062	46,787
Trademarks	1,636			-41	1,595
Software	1,746	52		-66	1,732
Customer-related intangible assets	7,410		-45	0	7,365
Intangible assets in progress	3,086	4,014		-3,244	3,856
INTANGIBLE ASSETS – GROSS VALUE	**60,069**	**7,875**	**-45**	**-724**	**67,175**
Goodwill	97			-9	88
Development expenditures	27,612	5,372		-84	32,900
Software	1,629	40	-45	-56	1,568
Other	1,407	425		0	1,832
INTANGIBLE ASSETS – AMORTIZATION	**30,745**	**5,837**	**-45**	**-149**	**36,388**
INTANGIBLE ASSETS – NET VALUE	**29,324**	**2,038**	**0**	**-575**	**30,787**

NOTE 4: Property, plant and equipment

In thousands of euros	12/31/2021			12/31/2020
	Gross	Amortization	Net	Net
Land	1,077		1,077	1,077
Buildings	1,179	230	949	1,008
Office and computer equipment	8,886	5,738	3,148	2,519
Fixtures and improvements	5,447	2,077	3,370	3,602
Equipment and tooling	7,683	6,911	772	1,155
Transport equipment	61	50	11	22
Furniture	1,330	761	569	653
TOTAL PROPERTY, PLANT AND EQUIPMENT	**25,663**	**15,767**	**9,896**	**10,036**

- Changes in the fiscal year ended December 31, 2021

As of 12/31/2021 In thousands of euros	Opening balance	Increases	Decreases	Other changes	Closing balance
Land	1,077				1,077
Buildings	1,179				1,179
Office and computer equipment	7,323	1,792	-404	175	8,886
Fixtures and improvements	4,920	454	-32	105	5,447
Equipment and tooling	7,704		-54	33	7,683
Transport equipment	62	2	-3		61
Furniture	1,189	87	-2	56	1,330
PROPERTY, PLANT AND EQUIPMENT – GROSS VALUE	**23,454**	**2,335**	**-495**	**369**	**25,663**
Buildings	171	59			230
Office and computer equipment	4,804	1,220	-395	109	5,738
Fixtures and improvements	1,318	755	-32	36	2,077
Equipment and tooling	6,549	388	-55	29	6,911
Transport equipment	40	9	-3	4	50
Furniture	536	196	-2	31	761
PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION	**13,418**	**2,627**	**-487**	**209**	**15,767**
NET VALUE OF PROPERTY, PLANT AND EQUIPMENT BEFORE IMPAIRMENT	**10,036**	**(292)**	**-8**	**160**	**9,896**

- Changes in the fiscal year ended December 31, 2020

As of 12/31/2020 In thousands of euros	Opening balance	Increases	Decreases	Other changes	Closing balance
Land	1,077				1,077
Buildings	1,179				1,179
Office and computer equipment	6,649	1,071	-233	-164	7,323
Fixtures and improvements	4,211	973	-176	-88	4,920
Equipment and tooling	7,828	25	-113	-36	7,704
Transport equipment	62				62
Furniture	1,056	223	-31	-59	1,189
PROPERTY, PLANT AND EQUIPMENT – GROSS VALUE	**22,062**	**2,292**	**-553**	**-347**	**23,454**
Buildings	112	59			171
Office and computer equipment	3,922	1,131	-224	-25	4,804
Fixtures and improvements	1,001	589	-171	-101	1,318
Equipment and tooling	6,150	537	-113	-25	6,549
Transport equipment	28	12			40
Furniture	415	176	-30	-25	536
PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION	**11,628**	**2,504**	**-538**	**-176**	**13,418**
NET VALUE OF PROPERTY, PLANT AND EQUIPMENT BEFORE IMPAIRMENT	**10,434**	**(212)**	**-15**	**-171**	**10,036**

NOTE 5: Financial assets

In thousands of euros	Opening balance	Increases	Decreases	Other changes	Closing balance
Non-consolidated equity investments	193	4,475		14	4,682
Fixed securities	4,931		-151		4,780
Loans, guarantees and other receivables	1,281	185			1,466
NET FINANCIAL ASSETS	**6,405**	**4,660**	**-151**	**14**	**10,928**

The increase in non-consolidated investments in fiscal 2021 reflects the subscription of convertible bonds of LSQ, through Esker Inc. (USA) amounted to US$5 million.

NOTE 6: Finance leases

In thousands of euros	Gross	Accumulated amortization	Net
As of December 31, 2019	**7,082**	**-5,681**	**1,401**
Increase		-460	-460
Decrease			0
Translation difference			0
As of December 31, 2020	**7,082**	**-6,141**	**941**
Increase	0	-319	-319
Decrease			0
Translation difference			0
As of December 31, 2021	**7,082**	**-6,460**	**622**

Finance lease commitments for the periods ended December 31, 2021 and 2020 break down as follows:

In thousands of euros	12/31/2021				12/31/2020			
	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	228	339		567	228	567		795
Discounted value of future minimum lease payments	225	333		558	226	558		784

NOTE 7: Other receivables and accruals

In thousands of euros	Net 12/31/2021	Net 12/31/2020
Tax receivables	2,648	2,259
Other tax receivables	448	171
Other receivables	254	158
Prepaid expenses	3,301	2,858
TOTAL OTHER RECEIVABLES AND ACCRUALS	**6,651**	**5,446**

NOTE 8: Cash and marketable securities

At December 31, 2021, cash included the following items:

In thousands of euros	Net 12/31/2021	Net 12/31/2020
Marketable securities	3,456	1,004
Cash and cash equivalents	31,522	39,417
TOTAL CASH AND MARKETABLE SECURITIES	**34,978**	**40,421**

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 12/31/2019	**11,505**	**5,752,218**
Capital increase	92	46,200
Exercise of stock options and warrants	64	31,903
Capital stock at 12/31/2020	**11,661**	**5,830,321**
Capital increase	104	52,100
Exercise of stock options and warrants	84	42,204
CAPITAL STOCK AT 12/31/2021	**11,849**	**5,924,625**

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 €0.50 per share was paid for the period.

NOTE 10: Treasury shares

Changes in treasury shares held by the Group in fiscal 2021:

	FY 2021	FY 2020
Opening balance	**148,477**	**150,242**
Purchase of own shares (liquidity agreement)	12,610	40,933
Sale of own shares (liquidity agreement)	-13,205	-42,698
Purchase of own shares (for external growth transactions)		
Sales of own shares (for external growth transactions)		
Closing balance	**147,882**	**148,477**

NOTE 11: Stock option and restricted stock unit plans

Highlights of plans for stock options, stock purchase options and warrants outstanding at December 31, 2021 are presented below:

Type	Dates		Exercise price in euros	Number of options			Balance
	Grant	Expiry		Granted	Exercised	Matured or forfeited	
Stock option plan	04/10/2012	04/09/2022	8.26	19,750	14,918	2,782	2,050
Stock option plan	10/01/2012	09/30/2022	9.44	56,000	48,000	8,000	0
Stock option plan	04/19/2013	09/18/2023	13.04	27,500	23,037	1,000	3,463
Stock option plan	04/01/2014	03/31/2024	16.32	12,000	9,874	1,626	500
Stock option plan	04/01/2015	03/31/2025	19.62	24,500	20,124	563	3,813
Stock option plan	07/01/2016	06/30/2026	32.92	23,800	13,022	1,813	8,965
Stock option plan	05/04/2017	05/03/2027	46.55	20,750	13,546	1,313	5,891
Stock option plan	06/01/2018	05/31/2028	57.49	23,000	8,997	2,063	11,940
Stock option plan	06/24/2019	06/23/2029	79.75	28,750	5,933	3,875	18,942
Stock option plan	05/04/2020	04/03/1930	99.60	28,750	4,057	875	23,818
Stock option plan	05/04/2020	04/03/1930	99.60	28,750	0	0	28,750
TOTAL STOCK OPTION PLANS				**264,800**	**161,508**	**23,910**	**79,382**
Restricted stock units	05/04/2020	05/03/2022		50,850			50,850
Restricted stock units	03/05/2021	03/04/2023		61,800			61,800
Restricted stock units	04/01/2021	03/31/2023		3,000			3,000
TOTAL BONUS SHARES				**115,650**	**0**	**0**	**115,650**

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 12/31/2020	**123,123**	**57.18**	**102,950**	**89.55**
Granted	0	0.00	64,800	188.74
Exercised	-42,491	38.57	-52,100	84.20
Matured or forfeited for reason of departure	-1,250	93.65	0	0.00
BALANCE EXERCISABLE AT 12/31/2021	**79,382**	**66.56**	**115,650**	**146.64**

NOTE 12: Provisions

In thousands of euros	12/31/2020	Increases, allowances of the period	Payments in the period	Reversals of provisions unused in the period	Other changes	12/31/2021
Provisions for contingencies and expenses	717		-717			0
Pension liabilities	1,981	526	-10			2,497
TOTAL PROVISIONS	**2,698**	**526**	**-727**	**0**	**0**	**2,497**

- Provision for contingencies and expenses

In the 2021 first quarter, we were informed by one of our main partners about a possibility that Esker had been overcharging royalties since 2016.

In response, Esker SA recorded a provision for contingencies in the amount of €750,000 at the end of 2020. This provision was reversed in the year following the negotiations and the agreement reached with this partner in November 2021.

- Pension liabilities

Pension liabilities consist of commitments relating to retirement severance payments for employees of Esker France and contributions payable to employees of Esker Italy.

- 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, with employee turnover having decreased with the increase in the employee's length of service. On that basis, assumptions used to estimate pension obligations at December 31, 2021 were as follows:

Assumptions for the measurement of pension obligations in France	
Discount rate	1.00%
Salary escalation rate	1.36%
Retirement age	65 years
Turnover rate	7.75%

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	12/31/2020	Increases, allowances of the period	Payments in the period	Other changes	12/31/2021
Esker SA pension obligations	1,618	494	-39		2073
Esker Italy pension obligations	363	69	-10		422
TOTAL POST-EMPLOYMENT OBLIGATIONS	**1,981**	**563**	**-49**	**0**	**2,495**

NOTE 13: Borrowings

In thousands of euros	12/31/2021	12/31/2020
Finance leases	563	921
Bank debt	606	14,223
TOTAL BORROWINGS	**1,169**	**15,144**

- Finance leases

Borrowings recognized represent the reverse entry of capitalized finance leases as described above in *note 6*.

- Bank borrowings

In the first half of 2021, Esker SA repaid the €11.5 million government-backed loan in its entirety.

NOTE 14: Other payables and accruals

In thousands of euros	12/31/2021	12/31/2020
Deferred revenue	7,554	7,000
Customer deposits and guarantees	3,333	3,292
Other payables	35	442
TOTAL OTHER PAYABLES AND ACCRUALS	**10,922**	**10,734**

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	12/31/2021	12/31/2020
Software sales	1,468	1,340
Fax card sales	142	238
Contracts for product updates and maintenance	5,338	6,184
Services	23,148	19,655
Traffic	103,484	84,857
NET SALES	**133,580**	**112,274**

NOTE 16: Research and development expenses

In thousands of euros	12/31/2021	12/31/2020
R&D expenses for the period	-14,075	-12,633
Capitalized development expenditures	8,641	7,822
Amortization of capitalized development expenditures	-6,156	-5,351
RESEARCH AND DEVELOPMENT EXPENSES NOT CAPITALIZED	**-11,590**	**-10,162**

An analysis of development expenditures recorded under intangible assets in the fiscal period ended December 31, 2021 is presented in *note 3*.

NOTE 17: Staff costs

In thousands of euros	12/31/2021	12/31/2020
Employee compensation	60,824	51,198
Social security expenses	23,316	17,514
STAFF COSTS	**84,140**	**68,712**

Breakdown of personnel by country:

	France	Germany	United Kingdom	Southern Europe	Australia, Asia	United States, Canada	TOTAL
Headcount at 12/31/2021	**426**	**56**	**23**	**44**	**64**	**228**	**840**
Headcount at 12/31/2020	405	53	23	37	54	193	764
Headcount at 12/31/2019	363	46	20	34	50	170	681

NOTE 18: Net financial income/(expense)

In thousands of euros	12/31/2021	12/31/2020
Financial income	78	89
Net currency gains/(losses)	148	-117
Financial expenses	-24	-47
Net provision	0	8
NET FINANCIAL INCOME / (EXPENSE)	**202**	**-67**

NOTE 19: Net exceptional items

In thousands of euros	12/31/2021	12/31/2020
Exceptional income from non-capital transactions	-47	764
Exceptional income from capital transactions	350	195
Exceptional allowances and reversals	100	-468
NET EXCEPTIONAL ITEMS	**403**	**491**

NOTE 20: Income taxes

- Analysis of tax expenses

In thousands of euros	12/31/2021	12/31/2020
Current tax income/(expense)	-3,769	-3,156
Deferred tax income/(expense)	-138	190
TOTAL TAX EXPENSES/INCOME	-3,907	-2,966

- 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, 2019	**465**	**(626)**
Deferred taxes in the period recognized under profit or loss	322	-132
Effect of exchange rate fluctuations	13	60
BALANCE AT DECEMBER 31, 2020	800	(698)
Deferred taxes in the period recognized under profit or loss	-136	1
Effect of exchange rate fluctuations	3	-60
BALANCE AT DECEMBER 31, 2021	667	(757)

As of December 31, 2021, Group tax loss carryforwards not resulting in the recognition of deferred tax assets amounted to €10,673,000.

- Reconciliation of tax

In thousands of euros	12/31/2021	12/31/2020
Net income	14,280	11,562
- Share of income in equity-accounted associates	1,002	492
- Tax expense/income recognized (-/+)	-3,907	-2,966
Net income before tax	**17,185**	**14,036**
Ordinary tax rate of the parent company	10.00%	28.00%
Theoretical tax expense/income (-/+)	**-1,719**	**-3,931**
Permanent tax differences	-37	345
Tax savings on loss carryforwards	-89	240
Non-recognition of deferred tax assets from loss carryforwards	-170	-260
Temporary tax differences	-68	-331
Tax base differences	-1,784	1,022
Other	-40	-52
TAX EXPENSE/INCOME RECOGNIZED (-/+)	-3,907	-2,966

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).

	12/31/2021		12/31/2020	
	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	**14,280,000**	**5,853,250**	**11,562,000**	**5,672,804**
Dilutive stock options		58,880		65,325
Dilutive bonus shares		52,140		52,965
Basis of calculation for diluted earnings per share	**14,280,000**	**5,964,270**	**11,562,000**	**5,791,094**
BASIC EARNINGS PER SHARE	**2.44**		**2.04**	
DILUTED EARNINGS PER SHARE	**2.39**		**2.00**	

NOTE 22: Transactions with related parties

■ Commercial relations between majority-owned Group companies

In connection with commercial relations between 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 12/31/2021 (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	673	454	204	16	
Supervisory Board members	94	60			34
TOTAL	**767**	**514**	**204**	**16**	**34**

* formerly attendance fees

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 4				
Operating leases	8,746	3,152	5,332	262	3,294
Irrevocable purchase obligations	-				
Other long-term obligations	-				
TOTAL	**8,746**	**3,152**	**5,332**	**262**	**3,294**

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			
	2021		2020		2021		2020		2021		2020	
	€ 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	50,250	47%	49,000	53%	56,750	53%	43,000	47%	0	0%	0	0%
- for fully consolidated subsidiaries	2,250	2%	0	0%	11,550	12%	8,800	11%	85,989	86%	72,618	89%
Ancillary assignments - for the issuer - for the fully consolidated subsidiaries	9,500	100%										
Subtotal / Audit	**62,000**	**29%**	**49,000**	**28%**	**68,300**	**32%**	**51,800**	**30%**	**85,989**	**40%**	**72,618**	**42%**
OTHER SERVICES Legal, tax, employee-related assignments - issuer - fully consolidated subsid-iaries Other - issuer - fully consolidated subsid-iaries									18,667	100%	20,112	100%
Subtotal / Other Services	**0**		**0**		**0**		**0**		**18,667**	**100%**	**20112**	**100%**
TOTAL	**62,000**	**26%**	**49,000**	**25%**	**68,300**	**29%**	**51,800**	**27%**	**104,657**	**45%**	**92,730**	**48%**

NOTE 25: Subsequent events

Acquisition project

Esker signed an agreement with the shareholders of Market Dojo, Limited, to acquire 50.1% of the Company's capital and voting rights in Q1 2022 and the remainder of Market Dojo shares after a period of four years.

80% of the purchase price for this acquisition will be financed by a bank loan with the remaining 20% of the consideration to be paid to Market Dojo management by Esker in the form of shares, including a two-year lock-up commitment or each of the two phases of the acquisition.

As of the balance sheet date, this agreement was still in progress and the acquisition should be closed in the month of April, 2022.

Russian-Ukrainian conflict

The Group has no direct exposure to the conflict between Russia and Ukraine, as it is not present in either country.

5.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Audit 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 auditory 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 Shareholder Meeting:

OPINION

In compliance with the engagement entrusted to us by your Annual Shareholder Meeting, we have audited the accompanying consolidated financial statements of Esker SA for the year ended December 31, 2021.

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, 2019 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 Auditor Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Observation

Without qualifying the opinion expressed above, we draw your attention to the point raised in Note 2 "Significant accounting policies" to the consolidated financial statements, which presents the ANC 2020-01 regulation relating to the consolidated financial statements to be applied by your company as of January 1, 2021.

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, 2021 to the date of our report.

JUSTIFICATION OF OUR ASSESSMENTS

Due to the global crisis related to the COVID-19 pandemic, the preparation and audit of the consolidated financial statements of this period were carried out under specific conditions. In particular, this crisis and the exceptional measures taken in connection with the public health emergency have resulted in multiple consequences for companies, particularly for their business, their financing, as well as increased uncertainties about their future outlook. Certain measures, such as restrictions on travel and remote working have also affected the internal organization of companies and the procedures for conducting audits.

In this complex and constantly changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 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 annual financial statements as a whole, adopted under the conditions previously described, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the annual 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 *notes 2* and *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.

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. 823-10 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.

RESPONSIBILITIES OF STATUTORY AUDITORS 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 in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

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
- Assess 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 an ongoing 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 29, 2022

The Statutory Auditors

[French original signed by:]

ORFIS
Valérie Malnoy

DELOITTE & ASSOCIÉS
Arnauld de Gasquet

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SEPARATE FINANCIAL STATEMENTS

6.1. SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2021

BALANCE SHEET

ASSETS (€ thousands)	Gross amounts	Depreciation, amortization and provi-sions	Net amounts at 12/31/2021	Net amounts at 12/31/2020
Intangible assets	56,812,825	38,077,946	18,734,879	16,284,265
Property, plant and equipment	11,698,420	5,530,232	6,168,188	5,827,793
Equity investments and investment-related receivables	51,137,146	3,912,133	47,225,013	46,931,976
Other financial assets	8,269,319	0	8,269,319	8,231,671
Total non-current assets	**127,917,710**	**47,520,312**	**80,397,398**	**77,275,704**
Inventories of raw materials, supplies	265,349		265,349	176,682
Trade receivables and related accounts	18,899,916	26,731	18,873,185	16,745,304
Suppliers with a debit balance	1,049		1,049	0
Other receivables	4,307,476		4,307,476	3,821,022
Marketable securities	2,618,837		2,618,837	427,265
Cash and cash equivalents	10,636,288		10,636,288	20,047,689
Total current assets	**36,728,916**	**26,731**	**36,702,185**	**41,217,961**
Prepaid expenses	2,381,343		2,381,343	2,157,119
Translation differences (assets)	369,999		369,999	603,541
Total adjustment accounts	**2,751,342**	**0**	**2,751,342**	**2,760,660**
TOTAL ASSETS	**167,397,968**	**47,547,043**	**119,850,925**	**121,254,325**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ thousands)	12/31/2021	12/31/2020
Share capital	11,849,824	11,660,642
Additional paid-in capital	22,798,315	21,244,513
Legal reserve	1,166,064	1,150,444
Other reserves	41,511,467	126,178
Retained earnings	0	36,012,776
Net income	8,023,543	8,389,114
Regulated provisions	333,478	275,694
Total Equity	**85,682,691**	**78,859,360**
Other equity		
Provisions for contingencies and expenses	**2,444,343**	**2,938,297**
Borrowings and financial liabilities	3,566,964	17,121,758
Trade payables and related accounts	7,882,115	7,370,442
Tax and employee-related payables	18,099,490	12,893,187
Other payables	35,470	311,847
Total payables	**29,584,039**	**37,697,233**
Deferred revenue	1,931,119	1,615,359
Unrealized gains on foreign exchange	208,733	144,075
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**119,850,925**	**121,254,325**

INCOME STATEMENT

(in euros)	12/31/2021	12/31/2020
Sales of goods	13,190	14,924
Sale of services	56,939,904	47,698,920
Sales	**56,953,095**	47,713,844
Own production of goods and services capitalized	8,069,793	7,176,029
Operating grants	19,833	19,833
Reversals of provisions, expense reclassifications	747,898	1,081,941
Other income	8,313,817	7,645,848
Operating income	**56,953,095**	**47,713,844**
Purchase of trade goods, raw materials and other supplies	1,352,454	1,324,719
Change in inventory	-88,667	-67,932
Other purchases and external expenses	17,840,660	15,705,684
Taxes, duties and similar payments (other than on income)	1,266,452	1,377,629
Wages and salaries	27,596,570	23,264,810
Social security expenses	16,899,698	12,220,843
Allowances for depreciation and reserves	7,855,087	6,657,006
Other expenses	116,637	483,488
Operating expenses	**72,838,892**	**60,966,246**
OPERATING PROFIT	**1,265,544**	**2,671,250**
Financial income	7,097,658	7,550,378
Financial expenses	1,038,411	1,948,959
Net financial income/(expense)	**6,059,247**	**5,601,419**
CURRENT INCOME BEFORE TAX	**7,324,791**	**8,272,669**
Non-recurring income	872,102	1,181,293
Exceptional expenses	942,404	1,846,712
Net exceptional items	**-70,302**	**-665,418**
Income taxes	769,053	781,863
NET PROFIT	**8,023,543**	**8,389,114**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The separate annual financial statements of Esker SA at December 31, 2021 were adopted by the Executive Board and submitted for approval to the Supervisory Board on March 24, 2022.

1. Annual highlights

Waiver of debt in favor of Esker Document Automation Asia Pte Ltd:

A waiver of debt was granted to Esker Document Automation Asia Pte Ltd in the amount of €139,000 corresponding to Group trade receivables.

Waiver of debt in favor of Esker Italia Srl:

A waiver of debt was granted to Esker Italia in the amount of €354,000 corresponding to Group trade receivables.

2. Significant accounting policies and statement of compliance

The annual financial statements for the period ending December 31, 2021 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 Reglementation 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.

In accordance with 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 links to operating activities for example in light of 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, 2020.

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 recognized as an impairment charge on receivables supplemented, as the case may be, by a provision for contingencies and expenses.
- Present value of future cash flows

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 shareholder 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 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 the 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 12/31/2021 (In thousands of euros)	Opening balance	Increases	Decreases	Closing balance
Development expenditures	44,553,645	7,590,107		52,143,752
Software	485,242	62,706		547,947
Other intangible assets	58,389			58,389
Intangible assets in progress	3,583,051	4,062,737	-3,583,051	4,062,737
INTANGIBLE ASSETS GROSS VALUE	**48,680,326**	**11,715,550**	**-3,583,051**	**56,812,825**
Development expenditures	31,852,431	5,663,964		37,516,395
Software	485,242	17,921		503,162
Other intangible assets	58,389			58,389
INTANGIBLE ASSETS AMORTIZATION	**32,396,062**	**5,681,884**	**0**	**38,077,946**
INTANGIBLE ASSETS – NET VALUE	**16,284,264**	**6,033,666**	**-3,583,051**	**18,734,879**

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 12/31/2021 (In thousands of euros)	Opening balance	Increases	Decreases	Closing balance
Plant, machinery and equipment	4,344,401	725,272	-1,690	5,067,983
Transport equipment	13,289		-2,722	10,567
Office and computer equipment	4,024,828	1,018,405	-279,381	4,763,852
Building and land	1,856,018			1,856,018
Property, plant and equipment in progress	0			0
PROPERTY, PLANT AND EQUIPMENT GROSS VALUE	**10,238,536**	**1,743,677**	**-283,794**	**11,698,420**
Plant, machinery and equipment	1,528,999	680,123	-1,690	2,207,432
Transport equipment	13,290		-2,722	10,567
Office and computer equipment	2,723,323	677,779	-277,672	3,123,430
Building and land	145,131	43,671		188,802
Property, plant and equipment in progress	0			0
PROPERTY, PLANT AND EQUIPMENT DEPRECIATION	**4,410,744**	**1,401,573**	**-282,084**	**5,530,232**
INTANGIBLE ASSETS – NET VALUE	**5,827,793**	**342,104**	**-1,710**	**6,168,187**

The main acquisitions in the period were related to investments for the Esker on Demand platform (€0.8 million for servers and storage boxes mainly) and machines for the Décines mail production facility (€0.3 million).

Installations and improvements carried out during the year amounted to €0.4 million, including €256,000 at the Company's headquarters with the acquisition of new premises and €141,000 at the Décines mail production facility linked to the creation of satellite offices for employees.

Finally, capital expenditures for office and computer equipment amounted to €0.3 million and resulted from the increase in the number of employees.

NOTE 3 Financial assets

As of 12/31/2021 (In thousands of euros)	Opening balance	Increases	Decreases	Closing balance
Equity investments	44,680,354	60,135		44,740,489
Investment-related receivables	6,276,023	2,252,187	-2,131,553	6,396,657
Esker shares	2,378,792			2,378,792
Bonds	4,930,714	169,956	-320,752	4,779,918
Other*	922,166	3,555,256	-3,366,813	1,110,609
FINANCIAL ASSETS – GROSS VALUE	**58,773,889**	**6,037,535**	**-5,819,118**	**59,406,465**
Equity investments	589,218			589,218
Investment-related receivables	3,435,183	135,688	-247,956	3,322,915
Esker shares	0			0
Bonds	0			0
Other*	0			0
FINANCIAL ASSETS – DEPRECIATION	**3,610,241**	**135,688**	**-247,956**	**3,912,134**
FINANCIAL ASSETS – NET VALUE	**55,163,647**	**5,901,847**	**-5,571,162**	**55,494,331**

* including the liquidity account, deposits and guarantees

- Equity interests and other financial assets

Information on equity securities (gross and net) is provided in the "Subsidiaries and Associates" table.

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, 2021 for the shares of Esker Inc., CalvaEDI and TermSync. These tests did not provide any evidence of impairment requiring the recognition of a provision for loss in value at December 31, 2021.

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 cash flows 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 (3%) and a discount rate (7.5%) 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.

Investment-related receivables

Changes in investments-related receivables reflect mainly the following items:

- A €604,000 decrease in the Esker Australia receivable linked to the €672,000 decrease in long-term receivables and the negative foreign exchange impact from the Australian dollar of €67,000
- A €42,000 increase in the Esker Asia receivable linked solely to the conversion of this receivable in foreign currency and the change in the foreign exchange rate of the Singapore dollar at 12/31/2021
- A €86,000 increase in the Esker UK receivable linked solely to the conversion of this receivable in foreign currency following the change in the foreign exchange rate of the pound sterling at 12/31/2021
- A €281,000 increase in the long-term receivable with the Malaysian subsidiary, of which €27,000 resulting from the impact of the Malaysian ringgit exchange rate at 31/12/21
- Recognition of a long-term receivable with the subsidiary Esker EDI Services for €316,000 at 31/12/2021

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 €4,780,000.

NOTE 4 Treasury stock

The number and value of treasury shares held by the Company changed as follows in 2021:

Number of treasury shares	Fixed securities	Transferable securities	FY 2021
Number of treasury shares held at 01/01/2021	**144,196**	**4,281**	**148,477**
Transfers			
Purchase of own shares (liquidity agreement)		12,610	12,610
Sale of own shares (liquidity agreement)		(13,205)	-13,205
Exercise of options			0
Number of treasury shares held at 12/31/2021	**144,196**	**3,686**	**147,882**

Treasury shares (in euros)	Fixed securities	Transferable securities	FY 2021
Gross balance at 01/01/2021	2,378,730	413,380	2,793,110
Provision	0	0	0
Net balance at 01/01/2021	**2,378,730**	**413,380**	**2,793,110**
Transfers			0
Purchase of own shares (liquidity agreement)		3,672,409	3,672,409
Sale of own shares (liquidity agreement)		(3,480,845)	-3,480,845
Exercise of options			0
Gross balance at 12/31/2021	**2,378,730**	**604,944**	**2,984,674**
Provision	0	0	0
Net balance at 12/31/2021	**2,378,730**	**604,944**	**2,984,674**

The change in treasury shares recorded under securities corresponds to shares purchased and sold in connection with the liquidity agreement. 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 does not provide for share price stabilization measures.

NOTE 5 Trade receivables

In euros	12/31/2021			12/31/2020		
	Gross	Provision	Net	Gross	Provision	Net
Trade receivables - non-Group	13,327,161	-26,731	13,300,430	12,355,026	-34,318	12,320,708
Trade receivables - Group	5,572,755	0	5,572,755	4,424,595	0	4,424,595
TOTAL CURRENT RECEIVABLES	**18,899,916**	**-26,731**	**18,873,185**	**16,779,621**	**-34,317**	**16,745,304**

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	6,396,657		6,396,657
Other financial assets	8,269,318.72		8,269,319
Doubtful and disputed trade receivables	50,604		50,604
Other trade receivables	18,849,313	18,849,313	
Social security and related receivables	6,584	6,584	
Other taxes and similar items	2,771,355	2,771,355	
Group current accounts	1,420,820	1,420,820	
Sundry debtors	107,386	107,386	
Prepaid expenses	2,381,343	2,381,343	
TOTAL	**40,253,380**	**25,536,801**	**14,716,579**

- 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	3,566,964	843,803	2,723,161	
Trade payables and related accounts	7,882,115	7,882,115		
Employee payables and related accounts	7,681,103	7,681,103		
Social security and related receivables	8,555,264	8,555,264		
Value-added tax	1,386,114	1,386,114		
Other taxes and similar items	477,009	477,009		
Amounts payable to Group companies and share-holders	0		0	
Other payables	35,470	35,470		
Deferred revenue	1,931,119	1,931,119		
TOTAL	**31,515,158**	**28,791,997**	**2,723,161**	

NOTE 7 Translation of payables and receivables in foreign currency

In euros	Translation differences (assets)	Unrealized gains on foreign exchange
Investment-related receivables	0	215,277
Operating receivables	369,999	0
Operating payables	0	0
TOTAL	**369,999**	**215,277**

A provision for the balance of translation differences was allocated on December 31, 2021.

NOTE 8 Accrued income and expenses

In euros	2021
Trade receivables and related accounts	684,234
Other receivables	
- Accrued credit notes - suppliers	6,769
- Employees - accrued income	
- Social security and equivalent - accrued income	6,584
- Misc. - accrued income	0
TOTAL ACCRUED INCOME	**697,587**
Trade payables and related accounts	5,169,901
Tax and employee - related payables	
- State, other accrued liabilities	235,678
Personnel - provision for paid leave, bonuses and profit-sharing	7,638,254
- Social security agencies	7,242,834
- Taxes on wages	0
Other payables:	
- Accrued credit notes	0
- Misc. - accrued liabilities	
TOTAL ACCRUED EXPENSES	**20,286,667**

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 on December 31, 2020	11,660,642	5,830,321
Capital increase	104,200	52,100
Exercise of stock options	84,982	42,491
Capital stock at December 31, 2021	**11,849,824**	**5,924,912**

In euros	Capital stock and additional paid-in capital	Net income	Reserves	Retained earnings	Regulated provisions	Closing balance
Balance as of December 31, 2020	**32,905,155**	**8,389,114**	**1,276,621**	**36,012,776**	**275,694**	**78,859,360**
Capital increase	189,182		-104,200			84,982
Stock options	1,553,803					1,553,803
Other changes			41,489,489	-41,471,110	57,784	76,163
Appropriation of net income for the year		-8,389,114	15,621	5,458,333		-2,915,160
Annual profit/(loss)		8,023,543				8,023,543
Balance as of December 31, 2021	**34,648,139**	**8,023,543**	**42,677,531**	**0**	**333,478**	**85,682,691**

42,491 stock options were exercised in 2021, resulting in a capital increase of €85,000 and share premium of €1,554,000.

Treasury shares at 12/31/2021 represented 2.5 % of the Company's share capital or 147,882 shares (compared to 2.55%

at 12/31/2020). Excluding these shares which do not carry voting rights, there were 5,776,743 voting rights attached to the share capital at 12/31/2021.

On June 16, 2021, the Executive Board recorded the vesting of 52,100 shares awarded on June 18, 2020 under the restricted stock unit plan and decided to increase the share capital by € 104,200 by creating 52,100 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 €2,915,000.

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, 2021 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 12/31/2020	**123,123**	**57.18**	**102,950**	**89.55**
Granted	0	0.00	64,800	188.97
Exercised	-42,491	38.57	-52,100	84.20
Matured or forfeited for reason of departure	-1,250	93.65	0	0.00
Balance exercisable at 12/31/2021	**79,382**	**66.56**	**115,650**	**147.14**

Restricted stock units awarded in the period are created at the end of a two-year vesting period by increasing capital through the capitalization of reserves. In consequence, no expense has been recorded for this purpose in the Company's accounts for this purpose.

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	603,541	877,977		-1,111,519	369,999
Provisions for financial risk	1				1
Other provisions for contingencies	716,341		-716,341		0
Provisions for retirement severance payments	1,618,414	494,646	-38,717		2,074,343
TOTAL	**2,938,297**	**1,372,623**	**-755,058**	**-1,111,519**	**2,444,343**

Provisions for retirement severance benefits are analyzed above in *note 13*.

A provision for disputes in 2020 in the amount of €716,000 was recorded at 12/31/2020 pursuant to claims by Quadient relating to invoices for royalties for the periods from 2016 to 2020. Pursuant to the signature of a memorandum of understanding in November 2021, the €716,000 was reversed following the issue of a credit note.

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 length of service, with employee turnover decreasing with the increase in the employee’s seniority.

On that basis, assumptions used to estimate pension obligations on December 31, 2021 were as follows:

Assumptions for the measurement of pension obligations in France	
Discount rate	1.00%
Salary escalation rate	1.36%
Rate of social security charges	45%
Retirement age	65 years
Turnover rate	7.75%

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	12/31/2021	12/31/2020
Hardware sales	10,279	10,870
License sales, maintenance contracts	644,702	741,317
Services	15,169,118	12,204,219
Activity on-demand	41,128,996	34,757,438
NET SALES	**56,953,095**	**47,713,844**

- Geographic segments

In euros	12/31/2021	12/31/2020
France	33,400,589	27,626,341
International	23,552,506	20,087,503
NET SALES	**56,953,095**	**47,713,844**

NOTE 15 Expense transfers

In euros	12/31/2021	12/31/2020
Daily allowances for payments for social security and other entities	167,753	132,904
Benefits in kind for employees	178,279	159,187
Insurance reimbursements	26,200	0
Reimbursements of training expenses for continuous vocational training	10,758	0
SME recruitment aid - French Ministry of Labor	37,678	0
Misc.	3,941	
TOTAL	**424,610**	**292,091**

NOTE 16 Net financial income (expense)

In euros	12/31/2021	12/31/2020
Allowances for the impairment of financial assets	135,688	502,848
Allowances for foreign exchange losses	877,977	1,275,727
Allowances for contingencies and expenses	0	0
Other financial expenses	8,432	19,469
Foreign exchange losses	16,314	150,915
FINANCE EXPENSES	**1,038,411**	**1,948,959**
Reversal of provisions for foreign exchange losses	1,111,519	1,115,374
Reversal of provisions for financial assets	247,956	719,046
Reversals of provisions for contingencies and expenses	0	0
Net proceeds from the disposal of marketable securities and other investments	9,688	8,257
Income from equity investments	5,649,741	5,683,089
Other income	9,011	16,061
Foreign exchange gains from group purchases and sales	69,743	8,550
FINANCIAL INCOME	**7,097,658**	**7,550,378**
NET FINANCIAL INCOME/(EXPENSE)	**6,059,247**	**5,601,419**

An unrealized foreign exchange loss was recorded in the period of €234,000 compared to €160,000 for the prior period. 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 US dollars, pound sterling, Singapore dollars, Australian dollars, Malaysian ringgit and Canadian dollars.

The Company received dividends from Esker Iberica (€550,000), Esker Ltd (€1,000,000) and Esker Inc. (€4,098,000).

NOTE 17 Exceptional income

In euros	12/31/2021	12/31/2020
Debt waivers	492,553	1,077,259
Allowances for special depreciation allowances	57,784	60,585
Net carrying values of assets sold	7,437	110,822
Capital losses from the sale of treasury shares	0	0
Allowances for exceptional contingencies and expenses	367,855	468,385
Donations and gifts	0	0
Exceptional expenses for prior periods	16,775	132,868
Other miscellaneous exceptional expenses	0	(3,207)
EXCEPTIONAL EXPENSES	**942,404**	**1,846,712**
Reversal of special depreciation allowances	0	0
Reversal of the provision for impairment of treasury shares	0	0
Gains from the sale of treasury shares	350,143	304,309
Proceeds from disposals of fixed assets	11,733	7,572
Exceptional income from prior periods	31,841	869,412
Reversals of provisions for contingencies and expenses	468,385	0
Other misc. exceptional income	10,000	0
EXCEPTIONAL INCOME	**872,102**	**1,181,293**
NET EXCEPTIONAL ITEMS	**-70,302**	**-665,418**

Debt waivers granted to different Group subsidiaries (see details in *note 1*, page 5)

A provision for disputes in the amount of €468,000 in 2020 pursuant to claims by Quadient relating to invoices for royalties the periods from 2016 to 2019. Pursuant to the signature of a memorandum of understanding in November 2021, this provision was reversed following the issue of a credit note of €268,000, which was allocated to exceptional expenses.

NOTE 18 Analysis of income taxes

Tax recognized for the period ended 12/31/2021 is analyzed as follows:

In euros	Tax recognized
Research tax credit	939,087
Additional tax contribution	0
Corporate income tax	-170,034
TOTAL TAX (EXPENSES) / INCOME	**769,053**

The breakdown of tax is analyzed below:

In euros	Pre-tax income	(Tax due) / savings	Net income
Current operating income	7,324,791	-1,727,825	9,052,616
Research tax credit		939,087	-939,087
Net exceptional items	-70,302	19,684	-89,986
ACCOUNTING PROFIT	**7,254,490**	**-769,053**	**8,023,543**

NOTE 19 Changes in future tax liabilities at the standard tax rate

In euros	12/31/2020		Change in results	12/31/2021	
	Assets	Liabilities		Assets	Liabilities
CERTAIN OR POTENTIAL TIMING DIFFERENCES					
1. Temporary disallowed deductions					
Paid leave	3,414,395		511,712	3,926,107	
French social solidarity contribution	35,029		15,208	50,237	
Provisions for retirement severance benefits	1,618,414		455,929	2,074,343	
2. Deductible expenses or taxable income not yet recognized					
Unrealized gains on foreign exchange	144,075		64,658	208,733	
TAXES TO BE ALLOCATED					
Loss carryforwards	0		0	0	
Long-term capital loss			0		
Long-term capital loss - change in tax regime			0		
TOTAL	**4,689,846**	**0**	**1,047,507**	**6,259,420**	**0**
Tax rate	26.5%	26.5%	26.5%	26.5%	26.5%
DECREASE / NCREASE AND FUTURE TAX LIABILITIES	**1,313,157**	**0**	**277,589**	**1,658,746**	**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	330,278	227,951	581,527	227,951	353,576	0
TOTAL	**1,139,658**	**1,139,755**	**11,397**	**330,278**	**227,951**	**581,527**	**227,951**	**353,576**	**0**

- Other commitments

None.

4. Other information

Subsequent events

Esker signed an agreement with the shareholders of Market Dojo, Limited, to acquire 50.1% of the Company's capital and voting rights in Q1 2022 and the remainder of Market Dojo shares after a period of four years.

80% of the purchase price for this acquisition will be financed by a bank loan with the remaining 20% of the consideration to be paid to Market Dojo management by Esker in the form of shares, including a two-year lock-up commitment or each of the two phases of the acquisition.

As of the balance sheet date, this agreement was still in progress and the acquisition should be closed in the month of April 2022.

Executive compensation

AU 31/12/2021	Rémunération versée (base brute)	Nature de la rémunération versée			
En euros		Salaires fixes, honoraires	Salaires variables	Avantages en nature	Jetons de présence
Membres du Directoire	673	454	204	16	
Membres du Conseil de surveillance	94	60			34
TOTAL	**767**	**514**	**204**	**16**	**34**

Average headcount

	12/31/2021	12/31/2020
Management level	367	329
Office staff and workers	54	61
TOTAL AVERAGE HEADCOUNT	**421**	**390**

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.	883	19,978,565	100%	33,390,187	33,390,187	507,830		51,325,676	6,753,102		
Esker Software GmbH	26,000	893,592	100%	26,334	26,334			4,069,036	597,040		
Esker Ltd	119	3,844,564	100%	135	135	1,314,437		7,633,421	1,821,022		
Esker Italia SRL	10,400	10,400	100%	15,985	0	0		2,297,259	-353,667		
Esker Ibérica SL	3,004	815,615	100%	3,087	3,087	0		4,975,966	301,077		
Esker Australia Pty Ltd	224,143	-2,017,221	100%	249,125	0	3,344,216		4,506,698	508,549		(1)
Esker Asia Pte Ltd	-1	-1	100%	62,656	0						(2)
Esker Document Automation Asia Pte Ltd	196,348	-436,082	100%	186,012	0	923,601		2,067,065	-667		(1)
Esker Document Automation Malaysia Pte ltd	63,581	-304,800	100%	75,440	0	695,071		1,366,744	102,069		
Esker Solution Canada	1	1,482,888	100%	1	1	16,181		1,725,134	528,276		
CalvaEDI	42,000	2,322,323	100%	6,042,045	6,042,045			2,582,933	765,572		
Esker EDI Services GmbH	100,000	-239,343	100%	4,588,918	4,588,918	1,016,140		3,721,202	-515,483		
Esker Document Automation Hong Kong Ltd	1,132	96,339	100%	1,126	1,126			814,285	221,755		
Neotouch Cloud Solution	30,000	9,435,859	30%	9,000	9,000			15,831,830	3,421,836		(3)
Axeleo				30,303	30,303						
Cygogn/BUM				60,135							
TOTAL				**44,740,489**	**44,091,136**	**7,817,476**	**0**	**102,917,250**	**14,150,479**	**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): Neotouch Cloud Solution's financial reporting period ends on January 31. The amount indicated are not audited.

6.2. STATUTORY AUDITOR REPORT ON THE SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditor Report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditor 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's Shareholder Meeting:

OPINION

In accordance with the terms of our engagement as auditors entrusted to us by your Annual Shareholder Meeting, we have audited the accompanying annual financial statements of Esker for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2019 and of the results of its operations for the year then ended 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 Auditor 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 (***Code de commerce***) and the French Code of Ethics (***Code de déontologie***) for Statutory Auditors, for the period from January 1, 2021 to the date of our report.

JUSTIFICATION OF ASSESSMENTS

Due to the global crisis related to the COVID-19 pandemic, the preparation and audit of the consolidated financial statements of this period were carried out under specific conditions. In particular, this crisis and the exceptional measures taken in connection with the public health emergency have resulted in multiple consequences for companies, particularly for their business, their financing, as well as increased uncertainties about their future outlook. Certain measures, such as restrictions on travel and remote working have also affected the internal organization of companies and the procedures for conducting audits.

In this complex and constantly changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 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 matters were addressed in the context of our audit of the annual financial statements as a whole, adopted under the conditions previously described, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the annual financial statements.

- “Equity securities and other financial assets" in *section 2* “Significant accounting policies” of the notes describe 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 PROCEDURES AND DISCLOSURES

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 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. 823-10 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.

RESPONSIBILITIES OF THE STATUTORY AUDITORS 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 in Article L. 823-10-1 of the French Commercial Code ("code de commerce"), our audit does not include assurance on the viability or quality of the Company's management.

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.
- Assess 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 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.

Lyon and Villeurbanne, April 29, 2022

The Statutory Auditors

[French original signed by:]

DELOITTE & ASSOCIÉS
Arnauld de Gasquet

ORFIS
Valérie Malnoy

7

ADDITIONAL INFORMATION

7.1. PERSON RESPONSIBLE FOR THE FRENCH VERSION OF THE UNIVERSAL REGISTRATION DOCUMENT

Jean-Michel Bérard – Chair of the Executive Board

Responsibility statement for the French version of the Universal Registration Document

"I declare that to the best of my knowledge the information in this Universal Registration Document 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

S.A. Deloitte & Associés - represented by Arnauld 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:** Shareholder Meeting called for the purpose of approving the annual financial statements for the financial year ending December 31, 2023

S.A 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:** Shareholder 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:** Shareholder 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:** Shareholder 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 universal registration document

The universal registration document is also available for consultation at the following websites:

- The Company's website: https://www.esker.com/investors
- Euronext website: http://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 Universal Registration Document.

7.5. TABLE OF CONCORDANCE WITH THE COMMISSION DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019

The following table of concordance facilitates the identification in this Universal Registration Document those disclosures required in Appendix I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council.

According to the Section provided for by the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019:	Section of the Universal Registration Document
1. RESPONSIBILITY STATEMENT	
1.1. Persons responsible for information given in the universal registration document	7.1
1.2. Responsibility statement	7.1
2. STATUTORY AUDITORS	
2.1. Name and addresses of the auditors	7.2
2.2. Changes in statutory auditors	NA
3. RISK FACTORS	Chapter 4
4. INFORMATION ABOUT THE ISSUER	
4.1. Legal and commercial name	1.2.1
4.2. Place of registration and registration number	2.6
4.3. Date of incorporation and term	1.2.1
4.4. Domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office	1.2.1
5. BUSINESS OVERVIEW	
5.1. Principal activities	
5.1.1. Nature of operations	1.4.1
5.1.2. Important new products and services	N/A
5.2. Principal markets	1.4.1
5.3. Important events	N/A
5.4. Strategy and objectives	1.3.1
5.5. Dependency of the issuer on patents, licenses, contracts or processes	N/A
5.6. Statement on the issuers' competitive position	1.3.1

According to the Section provided for by the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019:	Section of the Universal Registration Document

According to the Section provided for by the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019:	Section of the Universal Registration Document

7.6. TABLE OF CONCORDANCE OF THE MANAGEMENT REPORT

This Universal Registration Document 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 Universal Registration Document corresponding to the different sections of the Group's management report are presented below.

Information	Sections and the document
Business and financial position	1.41 / 1.43
Recent events, trends and outlook	1.4.4
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	N/A
Corporate social and environmental responsibility	Chapter 3
Subsidiaries and associates	Chapter 6
Dividends paid for the last three fiscal years	1.4.7
Capital resources	1.4.5
Information on previous dividend distributions	1.4.7
Proposal to appropriate net income	1.4.6

7.7. TABLE OF CONCORDANCE WITH THE REPORT ON CORPORATE GOVERNANCE

This Universal Registration Document includes all items of the report on corporate governance.

The sections of the Universal Registration Document 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	2.4

7.8. TABLE AND CONCORDANCE WITH THE INFORMATION REQUIRED IN THE NON-FINANCIAL STATEMENT (N.F.S)

	Subject	Table of concordance with the 2020 Universal Registration Document	Pages
	Governance of corporate social responsibility	The three pillars of our CSR approach Involvement in the ecosystem	55-57
	Presentation of Esker	Our business Our values Business model Stakeholders and ecosystem	46-54
	Main risks and issues	Identification of risks Key performance indicators	58-63
EMPLOYMENT-RELATED INFORMATION	Employment	Total workforce and breakdown of employees	78-86
		Recruitment and dismissals	78-86
		Compensation and compensation trends	78-86
	Work organization	Working time organization	78-86
		Absenteeism	78-86
	Health and safety	Occupational health and safety conditions	78-86
		Occupational accidents and illnesses	78-86
	Labor relations	Organization of employee-management dialogue	78-86
		Information on collective agreements	78-86
	Training	Policy adopted in the area of training, notably with respect to environmental protection	78-86
		Total number of training hours	78-86
	Equal opportunity	Measures adopted to promote gender equality	78-86

	Subject	Table of concordance with the 2020 Universal Registration Document	Pages
ENVIRONMENTAL INFORMATION	General environmental policy	Measures adopted to promote employment and integration of disabled persons	88-93
		Combating discrimination	88-83
		The Company's organizational structure to take into account environmental issues	88-93
		Environmental risk and pollution protection measures	88-93
	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	N/A
		Measures to prevent, reduce or repair serious adverse effects on the environment from the release of waste into the atmosphere, water and soil	88-93
		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	88-93
	Sustainable use of resources	Pollution and waste management	88-93
		Sustainable use of resources	88-93
		Land use	N/A
	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	88-93
		Measures taken to adapt to the consequences of climate change	88-93
		Voluntary targets set for the medium and long-term to reduce greenhouse gas emissions and measures implemented for the purpose	88-93
	Protection of biodiversity	Measures taken to preserve or develop biodiversity	88-93
EMPLOYMENT-RELATED INFORMATION	Regional, economic and social impact of the Company's activity	Impact of the Company’s activity on local employment and development	68-72
		Impact of the Company’s activity on neighboring or local populations	68-72
		Partnerships or corporate sponsorship initiatives	68-72
	Subcontracting and suppliers	Taking into account social and environmental issues in the purchasing policy	68-72
		The manner in which relations with suppliers and subcontractors are taken into account in the Company’s social and environmental responsibility	68-72
	Fair practices	Measures for preventing corruption	68-72
		Consumer health and safety measures	68-72
	Other actions undertaken in favor of human rights		68-72

APPENDIX 1. CALENDAR OF PUBLICATIONS AND OTHER FINANCIAL EVENTS OF THE ESKER GROUP IN 2022

Upcoming press releases:

- Q2 2020 quarterly information .... July 12, 2022 after the close of trading
- H1 2022 results .... September 14, 2022 after the close of trading
- Q3 2020 quarterly information .... October 18, 2022 after the close of trading

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 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).

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