

SA ESKER

A French corporation (*Société Anonyme*)
with an Executive Board and a Supervisory Board

Stated capital: €12,137,454

Registered Office: 113 Boulevard de la Bataille de Stalingrad

69100 Villeurbanne

Lyon Trade and Company Register (RCS) No. 331 518 498

Interim consolidated financial statements

Six-month period ended June 30, 2024

Translation disclaimer: This document is a free translation of the original French language version of the interim financial report (rapport semestriel) provided solely for the convenience of English-speaking readers. This report should consequently be read in conjunction with, and construed in accordance with French law and French generally accepted accounting principles. While all possible care has been taken to ensure that this translation is an accurate representation of the original French document, this English version has not been audited by the company's statutory auditors and in all matters of interpretation of information, views or opinions expressed therein, only the original language version of the document in French is legally binding. As such, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and to Esker ^{SA} expressly disclaims all liability for any inaccuracy herein.

TABLE OF CONTENTS

| | |
|---|----|
| TABLE OF CONTENTS | 2 |
| CONSOLIDATED BALANCE SHEET | 3 |
| INCOME STATEMENT | 4 |
| CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | 5 |
| CONSOLIDATED STATEMENT OF CASH FLOWS | 6 |
| Notes to the consolidated financial statements | 7 |
| Significant first-half events..... | 7 |
| 1. Significant accounting policies, basis of consolidation | 7 |
| 2. Notes to the balance sheet, income statement and statement of cash flows | 9 |
| Note 1 Segment reporting..... | 9 |
| Note 2 Goodwill..... | 9 |
| Note 3 Intangible assets | 10 |
| Note 4 Property, plant and equipment | 11 |
| Note 5 Finance leases | 12 |
| Note 6 Cash and marketable securities..... | 12 |
| Note 7 – Share capital | 13 |
| Note 8 Stock option and restricted stock unit plans | 13 |
| Note 9 Provisions..... | 13 |
| Note 10 Financial liabilities..... | 14 |
| Note 11 Other payables and accruals | 14 |
| Note 12 Revenue | 15 |
| Note 13 Research and development expenses | 15 |
| Note 14 Net financial income (expense) | 15 |
| Note 15 Earnings per share | 15 |
| Note 16 Transactions with related parties | 16 |
| Note 17 Off-balance sheet commitments | 16 |
| Note 18 Post-closing events | 16 |

CONSOLIDATED BALANCE SHEET

| ASSETS (€ thousands) | Notes | 06/30/24 | 12/31/23 |
|--|-------|----------------|----------------|
| Intangible assets | 3 | 53,654 | 51,395 |
| <i>Of which goodwill</i> | 2 | 16,305 | 15,882 |
| Property, plant and equipment | 4/5 | 8,121 | 8,666 |
| Financial assets | | 10,858 | 10,532 |
| Equity-accounted investments | | 5,794 | 5,327 |
| Non-current assets | | 78,428 | 75,920 |
| Inventories | | 362 | 303 |
| Trade receivables | | 43,767 | 37,894 |
| Deferred tax assets | | 1,083 | 1,078 |
| Other receivables and accruals | | 7,672 | 8,341 |
| Cash and marketable securities | 6 | 52,247 | 48,773 |
| Current assets | | 105,131 | 96,389 |
| TOTAL ASSETS | | 183,559 | 172,309 |
| SHAREHOLDERS' EQUITY AND LIABILITIES (€ thousands) | Notes | 06/30/24 | 12/31/23 |
| Share capital | | 12,137 | 12,076 |
| Additional paid-in capital | | 24,743 | 23,982 |
| Consolidated income (loss) | | 9,290 | 14,857 |
| Reserves and retained earnings | | 70,263 | 57,461 |
| Shareholders' equity | 7 | 116,433 | 108,376 |
| <i>Attributable to the parent</i> | | 116,433 | 108,576 |
| <i>Attributable to non-controlling interests</i> | | - | (200) |
| Provisions for contingencies and expenses | 9 | 3,543 | 3,228 |
| Borrowings and financial liabilities | 10 | 8,920 | 10,922 |
| Trade payables | | 11,470 | 10,544 |
| Tax and employee-related payables | | 26,207 | 26,807 |
| Deferred tax liabilities | | 215 | 0 |
| Other payables and accruals | 11 | 16,771 | 12,431 |
| Payables | | 63,583 | 60,704 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 183,559 | 172,309 |

INCOME STATEMENT

| (€ thousands) | Note | 06/30/24 | % of sales | 06/30/23 | % of sales |
|--|-----------|---------------|--------------|---------------|--------------|
| Sales | 12 | 99,243 | 100% | 87,852 | 100% |
| Own production of goods and services capitalized | 13 | 6,535 | 7% | 5,791 | 7% |
| Other operating income | | 358 | 0% | 764 | 1% |
| Cost of sales | | (1,026) | (1%) | (1,162) | (1%) |
| Change in inventory | | 71 | 0% | (165) | (0%) |
| Other operating expenses | | (23,443) | (24%) | (22,351) | (25%) |
| Staff costs | | (62,456) | (63%) | (54,641) | (62%) |
| Tax and similar expenses | | (786) | (1%) | (760) | (1%) |
| Operating income before depreciation, amortization and impairment of goodwill | | 18,495 | 18.6% | 15,329 | 17.4% |
| Net allowances for amortization and depreciation | | (6,159) | (6%) | (5,668) | (6%) |
| Net allowances for provisions | | (259) | (0%) | (259) | (0%) |
| Allowances for goodwill amortization | | - | - | - | - |
| Current operating income of consolidated operations | | 12,077 | 12.2% | 9,401 | 10.7% |
| Net financial income / (expense) | 14 | 579 | 1% | 78 | 0% |
| Current operating income of consolidated operations | | 12,656 | 13% | 9,479 | 11% |
| Net exceptional items | | (4) | (0%) | 25 | 0% |
| Income tax | | (3,829) | (4%) | (2,619) | (3%) |
| Share of income from equity-accounted associates | | 467 | 0% | 571 | 1% |
| NET INCOME | | 9,290 | 9.4% | 7,456 | 8.5% |
| - Attributable to the parent | | 9,290 | | 7,456 | |
| - Attributable to non-controlling interests | | - | | - | |
| <i>Basic earnings per share in euros</i> | 15 | 1.58 | | 1.27 | |
| <i>Diluted earnings per share in euros</i> | | 1.55 | | 1.23 | |

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| (€ thousands) | Capital stock and additional paid-in capital | Translation difference | Net income and retained earnings | Equity attributable to the parent | Non-controlling interests | Consolidated shareholders' equity |
|------------------------------------|--|------------------------|----------------------------------|-----------------------------------|---------------------------|-----------------------------------|
| Balance at January 1, 2024 | 36,058 | 96 | 72,222 | 108,376 | | 108,376 |
| Annual profit/(loss) | | | 9,290 | 9,290 | | 9,290 |
| Currency translation adjustments | | 1,535 | | 1,535 | | 1,535 |
| Stock options | 822 | | | 822 | | 822 |
| Treasury shares | | | | 0 | | 0 |
| Dividends | | | -11,758 | -11,758 | | -11,758 |
| Change in Group structure | | | | 0 | | 0 |
| Other changes | | | 8,168 | 8,168 | | 8,168 |
| Balance as of June 30, 2024 | 36,880 | 1,631 | 77,922 | 116,433 | 0 | 116,433 |
| Balance at January 1, 2023 | 35,095 | 1,344 | 62,202 | 98,641 | 0 | 98,641 |
| Annual profit/(loss) | | | 7,456 | 7,456 | | 7,456 |
| Currency translation adjustments | | -307 | | -307 | | -307 |
| Stock options | 343 | | | 343 | | 343 |
| Treasury shares | | | | 0 | | 0 |
| Dividends | | | -10,232 | -10,232 | | -10,232 |
| Change in Group structure | | | 10 | 10 | | 10 |
| Other changes | | | 5,553 | 5,553 | | 5,553 |
| Balance as of June 30, 2023 | 35,438 | 1,037 | 64,989 | 101,464 | 0 | 101,464 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| (€ thousands) | 06/30/24 | 06/30/23 | 12/31/23 |
|--|----------------|----------------|-----------------|
| Consolidated net income | 9,290 | 7,456 | 14,857 |
| Adjustments to reconcile non-cash items to cash generated from operations : | | | |
| Net allowances for depreciation and provisions | 6,448 | 5,863 | 11,773 |
| - Carrying value of assets sold | 1 | 60 | 62 |
| - Proceeds from the disposal of assets | - | (7) | (51) |
| Cash flows after net financial expense | 15,739 | 13,372 | 26,641 |
| - Tax liabilities | 3,829 | 3,019 | 4,750 |
| - Taxes paid | (3,669) | (1,655) | (5,322) |
| - Interest expense and income | 547 | (17) | (109) |
| - Dividends received from equity-accounted companies | - | - | - |
| Change in operating working capital | (546) | (607) | 5,546 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 15,900 | 14,112 | 31,506 |
| Acquisition of intangible assets | (7,280) | (8,744) | (15,984) |
| Acquisition of property, plant and equipment | 1 | 7 | 3 |
| Proceeds from the disposal of PPE and intangible assets | (326) | 214 | (221) |
| Change in consolidation scope (Market Dojo) | - | - | - |
| Investment in affiliates | (467) | (571) | (1,068) |
| NET CASH USED IN INVESTING ACTIVITIES | (8,072) | (9,094) | (17,270) |
| Dividends paid to shareholders of the parent company | (3,923) | (4,518) | (4,502) |
| Capital increases or contributions | - | - | - |
| Issuance costs for capital increases | - | - | - |
| Amount received from the exercise of stock options | 822 | 390 | 860 |
| Change in treasury shares | - | - | - |
| Repayment of borrowings – finance leases | (2,003) | (1,940) | (4,111) |
| Change in borrowings | - | - | - |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | (5,103) | (6,068) | (7,753) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 2,725 | (1,049) | 6,483 |
| Effect of exchange rate changes on cash | 749 | (146) | (590) |
| Cash and cash equivalents at beginning of year | 48,773 | 42,885 | 42,885 |
| Cash and cash equivalents at end of year | 52,247 | 41,689 | 48,773 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant first-half events

The Supervisory Board welcomes a new member.

At the Annual General Meeting held on June 18, 2024, the shareholders approved the appointment of Ameeta Soni to the Supervisory Board.

This appointment highlights Esker's commitment to promoting sustainable development and good governance practices. As Esker continues to innovate and expand its global footprint, Ameeta Soni's leadership will contribute to the company's overall growth.

1. Significant accounting policies, basis of consolidation

Adoption and approval of the accounts

The condensed consolidated financial statements of Esker Group at June 30, 2024 were adopted by the Executive Board and submitted for approval to the Supervisory Board on September 18, 2024.

Accounting policies and compliance statement

The consolidated financial statements were presented on the basis of French law and French GAAP and notably the accounting policies set out in Regulation 99-02 of April 29, 1999 on the French General Chart of Accounts (*Plan Comptable Général*) of France's Accounting Regulations Committee (*Comité de Réglementation Comptable* or "CRC") and CRC Regulations 2005-05 and 2000-06.

Also applied were CRC Regulation 2004-06 of November 23, 2004 on the definition, recognition and measurement of assets and CRC Regulation 2002-10 of December 12, 2002 on the depreciation, amortization and impairment of assets.

Use of estimates

The financial statements reflect the assumptions and estimates made by the Group. The preparation of financial statements requires the use of estimates and assumptions to measure certain assets, liabilities expenses and commitments. Actual data may differ from those resulting from these assumptions and estimations.

Business combinations

Business combinations are recorded on the basis of the purchase method of accounting. Under this method, the identifiable assets and liabilities of the acquiree are recognized at their fair value at the acquisition date and may be adjusted during the 12 months following that date.

Consolidated companies

Information on consolidated companies at June 30, 2024 is presented below

| Company | Head office | 2024 | | 2023 | | Consolidation method ⁽¹⁾ |
|---|-----------------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------------------|
| | | Controlling interest (%) | Ownership interest (%) | Controlling interest (%) | Ownership interest (%) | |
| Esker | Lyon (France) | Parent company | | Parent company | | |
| Esker GmbH | Essen (Germany) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Ltd | Derbyshire (United Kingdom) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Srl | Milan (Italy) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Iberica SI | Madrid (Spain) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Inc. | Madison (United States) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Australia Pty Ltd | Sydney (Australia) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Documents Automation Asia Pte Ltd | Singapore | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Documents Automation (M) Sdn Bhd | Kuala Lumpur (Malaysia) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Solution Canada Inc. | Montreal (Canada) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| CalvaEDI | Paris (France) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| E-integration | Ratingen (Germany) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Hong Kong | Hong Kong | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Esker Benelux | Belgium (Gent) | 100.0% | 100.0% | 100.0% | 100.0% | F |
| Market Dojo | Stonehouse (United Kingdom) | 50.2% | 50.2% | 50.2% | 50.2% | F |
| Neotouch Cloud Solution | Dublin (Ireland) | 30.0% | 30.0% | 30.0% | 30.0% | E.M. |

(1) : F : Full consolidation

E.M.: Equity method

Seasonal nature of business for the period

The Group's business is characterized by a degree of seasonality with revenue historically higher in the last quarter. However, the magnitude of this seasonal variation is nevertheless variable in nature and as such difficult to quantify.

2. Notes to the balance sheet, income statement and statement of cash flows

Note 1 Segment reporting

Esker Group has chosen to apply geographical segmentation as its sole criteria for segment reporting. According to this criteria, business is broken down into six main segments: France (of which CalvaEDI), Germany (of which E-integration), the United Kingdom (including Market Dojo), Southern Europe, Asia-Pacific and the Americas.

| As of June 30, 2024 ¹ <i>In thousands of euros</i> | France | Germany | United Kingdom | Southern Europe | Asia-Pacific Region | Americas | Total Group |
|--|--------|---------|----------------|-----------------|---------------------|----------|---------------|
| External sales | 36,915 | 4,820 | 5,884 | 5,598 | 5,855 | 40,171 | 99,243 |
| Property, plant and equipment and intangible assets (*) | 36,655 | 2,472 | 1,957 | 545 | 51 | 3,790 | 45,470 |

| As of June 30, 2023 ¹ <i>In thousands of euros</i> | France | Germany | United Kingdom | Southern Europe | Asia-Pacific Region | Americas | Total Group |
|--|--------|---------|----------------|-----------------|---------------------|----------|---------------|
| External sales | 31,663 | 2,433 | 5,210 | 7,444 | 4,860 | 36,242 | 87,852 |
| Property, plant and equipment and intangible assets (*) | 33,884 | 2,596 | 1,691 | 665 | 77 | 4,375 | 43,288 |

(*) excluding goodwill

Note 2 Goodwill

| <i>In thousands of euros</i> | 06/30/24 | | | 12/31/23 |
|------------------------------|---------------|--------------|---------------|---------------|
| | Gross | Amortization | Net | Net |
| TermSync | 5,404 | 100 | 5,304 | 5,138 |
| CalvaEDI | 137 | 2 | 135 | 135 |
| E-integration | 989 | - | 989 | 989 |
| Market Dojo | 9,878 | - | 9,878 | 9,620 |
| TOTAL GOODWILL | 16,407 | 102 | 16,305 | 15,882 |

Changes recorded in H1 2024:

Goodwill is amortized over the period of its useful life. Goodwill is considered indefinite and is no longer amortized. Goodwill is tested for impairment in the period.

| As of 06/30/24 <i>In thousands of euros</i> | Opening balance | Increases | Reductions | Change in Group structure | Currency effect | Closing balance |
|--|-----------------|-----------|------------|---------------------------|-----------------|-----------------|
| TermSync | 5,235 | | | | 169 | 5,404 |
| CalvaEDI | 137 | | | | | 137 |
| E-integration | 989 | | | | | 989 |
| Market Dojo | 9,620 | | | | 258 | 9,878 |
| GOODWILL - GROSS VALUE | 15,981 | 0 | 0 | 0 | 426 | 16,407 |
| TermSync | 97 | | | | 3 | 100 |
| CalvaEDI | 2 | | | | | 2 |
| E-integration | 0 | | | | | 0 |
| Market Dojo | 0 | | | | | 0 |
| GOODWILL - AMORTIZATION | 99 | 0 | 0 | 0 | 3 | 102 |
| GOODWILL - NET VALUE | 15,882 | 0 | 0 | 0 | 423 | 16,305 |

Note 3 Intangible assets

| | 06/30/24 | | | 12/31/23 |
|------------------------------------|----------------|---------------|---------------|---------------|
| <i>In thousands of euros</i> | Gross | Amortization | Net | Net |
| Goodwill | 16,407 | 102 | 16,305 | 15,881 |
| Development expenditures | 82,361 | 58,435 | 23,926 | 22,401 |
| Trademarks | 1,993 | 135 | 1,858 | 1,842 |
| Software | 1,795 | 1,435 | 360 | 384 |
| Customer-related intangible assets | 7,410 | 2,751 | 4,659 | 4,790 |
| Intangible assets in progress | 6,546 | - | 6,546 | 6,095 |
| TOTAL INTANGIBLE ASSETS | 116,513 | 62,859 | 53,654 | 51,393 |

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 recorded in H1 2024:

| As of 12/31/24 <i>In thousands of euros</i> | Opening balance | Increases | Reductions | Reclassification | Other changes | Closing balance |
|--|-----------------|--------------|------------|------------------|---------------|-----------------|
| Goodwill | 15,981 | | | | 426 | 16,407 |
| Development expenditures | 76,171 | | | 6,060 | 131 | 82,361 |
| Trademarks | 1,968 | 1 | | | 24 | 1,993 |
| Software | 1,723 | 9 | (8) | 41 | 29 | 1,795 |
| Customer-related intangible assets | 7,410 | | | | | 7,410 |
| Intangible assets in progress | 6,095 | 6,542 | | (6,101) | 11 | 6,546 |
| INTANGIBLE ASSETS – GROSS VALUE | 109,347 | 6,552 | (8) | - | 622 | 116,513 |
| Goodwill | 99 | | | | 3 | 102 |
| Development expenditures | 53,769 | 4,604 | | | 61 | 58,435 |
| Trademarks | 126 | 7 | | | 2 | 135 |
| Software | 1,339 | 80 | (8) | | 24 | 1,435 |
| Customer-related intangible assets | 2,620 | 131 | | | | 2,751 |
| INTANGIBLE ASSETS – AMORTIZATION | 57,954 | 4,822 | (8) | - | 91 | 62,859 |
| INTANGIBLE ASSETS – NET VALUE | 51,393 | 1,730 | - | - | 531 | 53,654 |

Changes recorded concern development expenditures capitalized in the period and concerning mainly expenditures incurred in connection with our SaaS (Software as a Service) solutions.

Note 4 Property, plant and equipment

| In thousands of euros | 06/30/24 | | | 12/31/23 |
|--|---------------|---------------|--------------|--------------|
| | Gross | Amortization | Net | Net |
| Land | 1,077 | | 1,077 | 1,077 |
| Buildings | 1,179 | 377 | 802 | 831 |
| Office and computer equipment | 9,986 | 7,015 | 2,971 | 3,204 |
| Fixtures and improvements | 6,420 | 3,977 | 2,443 | 2,576 |
| Equipment and tooling | 9,464 | 9,027 | 437 | 556 |
| Transport equipment | 8 | 6 | 2 | 2 |
| Furniture | 1,684 | 1,295 | 389 | 420 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 29,818 | 21,697 | 8,121 | 8,667 |

Changes recorded in H1 2024:

| As of 06/30/24 | Opening balance | Increases | Decreases | Reclassification | Other changes | Closing balance |
|---|-----------------|--------------|--------------|------------------|---------------|-----------------|
| Land | 1,077 | | | | | 1,077 |
| Buildings | 1,179 | | | | | 1,179 |
| Office and computer equipment | 9,541 | 413 | (83) | | 115 | 9,986 |
| Fixtures and improvements | 6,146 | 228 | | | 46 | 6,420 |
| Equipment and tooling | 9,467 | 47 | (62) | | 12 | 9,464 |
| Transport equipment | 8 | | | | | 8 |
| Furniture | 1,615 | 41 | | | 29 | 1,684 |
| PROPERTY, PLANT AND EQUIPMENT – GROSS VALUE | 29,033 | 728 | (145) | - | 202 | 29,818 |
| Buildings | 348 | 29 | | | | 377 |
| Office and computer equipment | 6,337 | 692 | (84) | | 71 | 7,015 |
| Fixtures and improvements | 3,570 | 376 | | | 30 | 3,977 |
| Equipment and tooling | 8,911 | 164 | (60) | | 12 | 9,027 |
| Transport equipment | 6 | | | | | 6 |
| Furniture | 1,195 | 79 | | | 21 | 1,295 |
| PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION | 20,366 | 1,340 | (144) | - | 134 | 21,697 |
| PROPERTY, PLANT AND EQUIPMENT – NET VALUE | 8,667 | (612) | (1) | - | 68 | 8,121 |

Note 5 Finance leases

| <i>In thousands of euros</i> | Gross | Accumulated amortization | Net |
|--------------------------------|--------------|--------------------------|------------|
| As of December 31, 2022 | 7,082 | (6,591) | 491 |
| Increase | - | (325) | (325) |
| Decrease | | | - |
| Translation difference | | | - |
| As of December 31, 2023 | 7,082 | (6,916) | 166 |
| Increase | - | (58) | (58) |
| Decrease | | | - |
| Translation difference | | | - |
| As of June 30, 2024 | 7,082 | (6,974) | 108 |

Finance lease commitments for the six-month period ended June 30, 2024 break down as follows:

06/30/24

| <i>In thousands of euros</i> | Less than 1 year | 2-5 years | More than 5 year | TOTAL |
|---|------------------|-----------|------------------|-------|
| Total value of future minimum lease payments | 38 | | | 38 |
| Discounted value of future minimum lease payments | 38 | | | 38 |

Note 6 Cash and marketable securities

| <i>In thousands of euros</i> | Net 06/30/24 | Net value 06/30/23 |
|---|---------------|--------------------|
| Marketable securities | 5,982 | 4,899 |
| Cash at banks and on hand | 46,265 | 36,790 |
| TOTAL CASH AND MARKETABLE SECURITIES | 52,247 | 41,689 |

Marketable securities correspond mainly to risk-free time deposits.

Note 7 – Share capital

| | Amount (€ thousands) | Number of shares |
|--|----------------------|------------------|
| Capital stock at 12/31/22 | 11,971 | 5,985,740 |
| Capital increase | 78 | 38,780 |
| Exercise of stock options and warrants | 27 | 13,450 |
| Capital stock at 12/31/23 | 12,076 | 6,037,970 |
| Capital increase | 41 | 20,297 |
| Exercise of stock options and warrants | 21 | 10,460 |
| CAPITAL STOCK AT 06/30/24 | 12,137 | 6,068,727 |

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 €0.65 per share was paid for the period.

Note 8 Stock option and restricted stock unit plans

Changes in the number of stock options, restricted stock units (RSU) and warrants granted to Group employees in the 2024 first half 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 12/31/23 | 52,966 | 59.60 | 183,272 | 144.14 |
| Granted | - | - | - | - |
| Exercised | (10,460) | 74.70 | (20,297) | 183.69 |
| Matured or forfeited for reason of departure | (250) | 13.04 | (363) | 167.34 |
| Balance exercisable at 06/30/24 | 42,256 | 56.14 | 162,612 | 132.96 |

Note 9 Provisions

| <i>In thousands of euros</i> | 12/31/23 | Increases, allowances of the period | Payments in the period | Reversals of provisions unused in the period | Other changes | 06/30/24 |
|---|--------------|-------------------------------------|------------------------|--|---------------|--------------|
| Provisions for contingencies and expenses | - | - | - | - | - | - |
| Pension liabilities | 3,228 | 328 | (13) | - | - | 3,543 |
| TOTAL PROVISIONS | 3,228 | 328 | (13) | - | - | 3,543 |

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

Pension obligations for retirement severance benefits for Esker France employees 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 the retirement date
- Probability of continued presence at retirement age
- Salary escalation rate
- Discount rate.

In addition, since 2016, a portion of the pension obligations in France have been partially covered by an external plan destined to be gradually increased through premium payments. There were no additional payments in the 2024 first half.

Note 10 Financial liabilities

| In thousands of euros | 06/30/24 | 12/31/23 |
|-------------------------|--------------|---------------|
| Finance leases | 104 | 160 |
| Bank debt | 8,815 | 10,763 |
| TOTAL BORROWINGS | 8,920 | 10,923 |

Finance leases

Borrowings recognized represent the reverse entry of capitalized finance leases as described above in note 5.

Bank debt

In 2022, Esker SA obtained three new loans for a total of €17 million.

At 30/06/2023, financial debt stood at €8.9 million.

Note 11 Other payables and accruals

| In thousands of euros | 06/30/24 | 12/31/23 |
|--|---------------|---------------|
| Deferred revenue | 14,497 | 9,139 |
| Customer deposits and guarantees | 3,256 | 3,283 |
| Other payables | (982) | 9 |
| TOTAL OTHER PAYABLES AND ACCRUALS | 16,771 | 12,431 |

Deferred revenue concerns primarily maintenance contracts for which sales are recognized on a straight-line basis over the duration of the contract.

Note 12 Revenue

| <i>In thousands of euros</i> | 06/30/24 | 06/30/23 |
|---|---------------|---------------|
| Software sales | 163 | 203 |
| Fax card sales | 11 | 11 |
| Contracts for product updates and maintenance | 682 | 1,787 |
| Services | 16,716 | 13,353 |
| SaaS | 81,672 | 72,498 |
| NET SALES | 99,243 | 87,852 |

Note 13 Research and development expenses

| <i>In thousands of euros</i> | 06/30/24 | 06/30/23 |
|--|---------------|---------------|
| R&D expenses for the period | -9,876 | -8,898 |
| Capitalized development expenditures | 6,535 | 6,191 |
| Amortization of capitalized development expenditures | -4,604 | -3,904 |
| RESEARCH AND DEVELOPMENT EXPENSES NOT CAPITALIZED | -7,945 | -6,611 |

An analysis of development expenditures recorded under intangible assets in HY 2024 is presented in Note 3.

Note 14 Net financial income (expense)

| <i>In thousands of euros</i> | 06/30/24 | 06/30/23 |
|------------------------------|------------|-----------|
| Financial income | 603 | 273 |
| Net currency gains/(losses) | 2 | (220) |
| Financial expenses | (26) | 26 |
| NET FINANCE EXPENSE | 579 | 79 |

Note 15 Earnings per share

| | 06/30/24 | | 06/30/23 | |
|--|----------------------------|--------------------------------------|----------------------------|--------------------------------------|
| | 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 | 9,290,104 | 5,889,285 | 7,455,801 | 5,871,838 |
| Dilutive stock options | | 27,346 | | 33,650 |
| Dilutive restricted stock units | | 96,069 | | 154,369 |
| Basis of calculation for diluted earnings per share | 9,290,104 | 6,012,700 | 7,455,801 | 6,059,857 |
| Basic earnings per share | 1.58 | | 1.27 | |
| Diluted earnings per share | 1.55 | | 1.23 | |

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*).

Note 16 Transactions with related parties

Commercial relations between majority-owned Esker Group companies

In connection with commercial relations between Esker Group member companies, amounts are invoiced for the following:

- Sales of solutions by the parent company to subsidiaries
- Royalties
- Marketing expense chargebacks
- Staff costs chargebacks

All these transactions are carried out on an arms-length basis and fully eliminated in the consolidated financial statements.

Other transactions with related parties

Compensation and benefits of any nature paid to corporate officers considered as related parties are presented below.

| <i>In thousands of euros</i> | 06/30/24 | 06/30/23 |
|------------------------------|------------|------------|
| Supervisory Board | 89 | 64 |
| Executive Board | 694 | 681 |
| TOTAL | 783 | 745 |

Note 17 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 5 | | | |
| Operating leases | 21,166 | 3,714 | 9,653 | 7,799 | 1,915 |
| Irrevocable purchase obligations | - | | | | |
| Other long-term obligations | - | | | | |
| TOTAL | 21,166 | 3,714 | 9,653 | 7,799 | 1,915 |

Note 18 Post-closing events

Esker and Bridgepoint announce a proposed cash public tender offer for the Esker shares made by Bridgepoint, in association with General Atlantic and the management shareholders:

- Bridgepoint intends to launch a public tender offer for the Esker shares, in association with General Atlantic and the management shareholders, at a price of €262 per share, representing a premium of 30.1% over the unaffected share price at 8 August 2024, i.e., the date prior to the market rumors on a possible transaction and a premium of 37.2%, 43.6% and 62.4%, respectively, over the volume-weighted average share prices over 3, 6 and 12 months prior to that date.
- This project would enable Esker, a key player in the automation of Source-to-Pay and Order-to-Cash management cycles, to accelerate its development strategy by benefiting from the necessary flexibility and support of Bridgepoint and General Atlantic.
- The Supervisory Board of Esker has unanimously welcomed the principle of the Offer.
- The Supervisory Board has set up an independent ad hoc committee and appointed Finexsi as independent expert to issue a report on the financial terms of the Offer.
- Esker and Boréal Bidco (a company controlled by Bridgepoint) have signed a Tender Offer Agreement setting out the terms and conditions of the Offer.