2024
Interim Financial Report

Contents

01

Half-year management report

Key events in the first half of 2024

The key events in the first half of 2024 were as follows:

- First-half revenue of €148.7 million, up 1.9% organically and 2.2% in total;
- Annual Recurring Revenue (ARR) at €229.9 million, up 7.2% compared with end-June 2023;
- Profit on operating activities consistent with expectations at 11.5%, in line with first-half 2023;
- Sopra Banking Software acquisition project well on track to complete fully in Q3 2024.

Axway Software: Half-year performance in line with annual targets

Patrick Donovan, Chief Executive Officer, declared:

"In the first half of 2024, we maintained a measured pace, achieving 1.9% organic growth, aligned with our guidance range, while rigorously managing expenses to maintain a healthy 11.5% margin on operating activities, consistent with our full-year ambitions. Unlike the exceptional start in 2023, H1 2024 has reflected a more balanced outlook. Higher-than-expected bookings on Axway Managed offerings, which will drive future Subscription revenue but had minimal impact in the first half, hindered our ability to sustain a stronger growth momentum. Axway Managed offerings represented over 42% of our bookings in the first six months of the year, indicating a trend likely to persist. As Axway advances towards its annual objectives, we are steadfast in our commitment and eager to complete the acquisition of Sopra Banking Software during the third quarter."

Comments on business activity in the first half of 2024

In the first half of 2024, Axway's performance aligned with its annual objectives. After experiencing a robust Q1, the company saw a deceleration in growth during Q2 due to delays in finalising some key contracts. The Americas region maintained steady mid-digit growth throughout the entire first half, and the Asia-Pacific region continued to progress. France and Europe, which had shown significant growth over the past two years, faced a downturn in Q2 due to a high comparison basis. Nevertheless, Axway continued to successfully attract new customers, which accounted for 25% of bookings during the period.

Several highlights marked Axway's recent news. In February, the company announced its project to acquire Sopra Banking Software, that will more than double Axway's revenue and strengthen the company's position in the financial services and banking industries, while diversifying its product portfolio, geographical coverage and customer base. Simultaneously, the company continued its efforts to further enhance the relevance of its offerings and customer satisfaction. To this end, Axway Summits in North America, Brazil and Europe, held between April and June, were a great success, attracting several hundred customers, all eager to discover Axway's vision and new capabilities.

On the product side, Axway's Amplify API Management platform's robustness continued to support customer transaction growth, leading to strong performance for the product line in H1 2024. This highlights the platform's crucial role in enhancing customer success and satisfaction, especially for those with the most advanced systems. The MFT offering was also in high demand over the half-year, buoyed by the success of Axway's Managed offerings, which provide customers with high-end, reliable and secure cloud services, designed to meet all their expectations and challenges.

Finally, Axway was positioned as a Leader in The Forrester Wave™: : API Management Software(1) by Forrester Research. This new recognition testifies to the company's relentless efforts in delivering innovative, customer-centric solutions that drive digital transformation and business growth for its customers. The API Management, B2B Integration and MFT offerings, were also each named leaders in their respective categories of the Summer 2024 reports of the G2(2) evaluation platform for enterprise solutions.

(1) *The Forrester Wave™: API Management Software, Q3 2024, Forrester Research, Inc., 1 July 2024. To learn more click here*
(2) *To learn more about Axway's G2 evaluations click here.*

Comments on operational performance in the first half of 2024

In H1 2024, Axway's revenue totalled €148.7 million, up 1.9% organically and 2.2% in total. Within the H1 2023 restated figures, currency fluctuations had a negligible impact while changes in the consolidation scope, resulting from the 2023 acquisitions, had a positive impact of €0.4 million. Profit on operating activities amounted to €17.1 million for the period, or 11.5% of revenue.

Axway Software: Revenue by business line

(in million of euros)	H1 2024	H1 2023	2023 restated (1)	Total Growth	Organic Growth
Subscription	93.2	78.7	79.0	18.5%	18.0%
of which Axway Managed	*25.9*	*22.3*	*22.6*	*16.5%*	*14.8%*
of which Customer Managed	*67.3*	*56.4*	*56.4*	*19.3%*	*19.3%*
Maintenance	34.6	44.6	44.6	-22.3%	-22.3%
Subtotal - Renewable Contracts	**127.9**	**123.3**	**123.6**	**3.7%**	**3.4%**
License	2.6	3.0	3.0	-12.2%	-12.1%
Services	18.2	19.2	19.3	-5.4%	-5.7%
Axway	**148.7**	**145.5**	**145.9**	**2.2%**	**1.9%**

(1) At comparable scope and exchange rates.

The **Subscription** activity continued to perform strongly in H1 2024, achieving organic growth of 18.0% to €93.2 million. Axway Managed offerings revenue saw organic growth of 14.8%, supported by the full impact of deals signed in 2023 in addition to those concluded in H1 2024, while Customer Managed offerings revenue soared by 19.3%. Upfront revenue from Customer Managed contracts signed in the first 6 months of the year represented €39.4 million. Axway continued to win new business, as illustrated by the annual value of new subscription contracts (ACV) signed in H1 2024, which totalled €15.9 million. Axway Managed offerings once again attracted a growing number of customers, accounting for 42% of total bookings in H1 2024, which will boost future revenue for the activity. This trend is expected to continue for the foreseeable future.

In H1 2024, **Maintenance** generated €34.6 million in revenue, making up 23% of Axway's overall revenue. The activity experienced an organic decline of 22.3%, due to the continued shift of customers to subscription models, yet maintained a high renewal rate of around 91%.

At the end of June 2024, Axway's Annual Recurring Revenue (ARR) reached €229.9 million, up 7.2% on a like-for-like basis, compared to €214.5 million at the end of June 2023. In H1 2024, revenue from renewable contracts represented 86% of total revenue.

License revenue for the first half amounted to €2.6 million, reflecting a 12.1% organic decline. Q2 revenue showed a strong recovery with a 44.3% increase compared to the previous year, partially offsetting Q1's sharp decline. Axway expects the full-year activity revenue to remain consistent with last year's figures, contributing 2 to 4% of the company's total revenue.

The **Services** activity, representing approximately 12% of Axway's total revenue, experienced a slight organic decrease in H1 2024, with revenue of €18.2 million, marking a 5.7% drop from the same period last year. Full-year revenue is expected to be slightly down on the previous year, due to the higher than expected proportion of Axway Managed contracts signed in H1.

Axway Software: Revenue by geographic area

(in million of euros)	H1 2024	H1 2023	2023 restated (1)	Total Growth	Organic Growth
France	41.7	45.5	45.6	-8.3%	-8.4%
Rest of Europe	38.6	35.6	36.1	8.4%	7.0%
Americas	60.2	57.2	57.2	5.2%	5.2%
Asia-Pacific	8.1	7.1	7.0	14.4%	16.0%
Axway	**148.7**	**145.5**	**145.9**	**2.2%**	**1.9%**

(1) At comparable scope and exchange rates.

France posted first-half revenue of €41.7 million in H1 2024, representing an expected organic decline of 8.4%. This contraction is attributable to the high comparison basis resulting from the previous year's strong performance, which made growth difficult, notably due to significant upfront revenues recorded last year when major subscription migration projects were signed.

Across the **Rest of Europe**, Axway maintained a robust growth trajectory, reporting revenue of €38.6 million in H1 2024, with a solid organic growth rate of 7.0%. This positive trend was driven by good performances in key markets such as Germany and Southern Europe, leveraging the Amplify API Management and MTF offerings. Axway's strategic commitment to enhancing customer value and expanding its market reach played a pivotal role across the region.

Axway continued its upward trajectory in the **Americas** (USA and Latin America), reporting €60.2 million in revenue over H1 2024, reflecting a strong 5.2% organic growth rate. Thanks to a solid reputation for security, Axway has seen several new customers choose its MFT and APIM offerings to replace competing solutions. The region remains a cornerstone of Axway's global strategy, accounting for 40% of its overall revenue in the first half.

Axway achieved promising results in **Asia/Pacific** with revenue totalling €8.1 million in H1 2024, reflecting a very solid organic growth rate of 16.0%, driven by the ramp-up of major deals contracted in 2023.

Comments on net profit for the first half of 2024

Profit from recurring operations was €12.5 million in H1 2024, or 8.4% of revenue, compared to 10.1% (€14.7 million) in H1 2023. It includes amortisation of allocated intangible assets of €1.7 million and a share-based payment expense of €2.9m.

Operating profit for the half-year was €8.3 million, or 5.6% of revenue, compared to €11.2 million or 7.7% of revenue in H1 2023.

Net profit for the period was €2.8 million, representing 1.9% compared to 2.5% in H1 2023.

Basic earnings per share were €0.13 for the period, down from €0.17 in H1 2023.

	H1 2024		H1 2023	
	(en millions d'euros)	*(% CA)*	*(en millions d'euros)*	*(% CA)*
Revenue	**148.7**	**100.0 %**	**145.5**	**100.0 %**
Cost of sales				
Licence and Maintenance	-6.3	4.3 %	-6.4	4.4 %
Subscription	-19.4	13.1 %	-18.6	12.8 %
Services	-18.1	12.2 %	-17.9	12.3 %
Total Cost of sales	**-43.9**	**29.5 %**	**-42.9**	**29.5 %**
Gross profit	**104.7**	**70.5 %**	**102.6**	**70.5 %**
Operating expenses				
Sales and marketing	-41.8	28.1 %	-42.1	28.9 %
Research & Development	-31.2	21.0 %	-29.4	20.2 %
General and administrative	-14.6	9.8 %	-13.3	9.1 %
Total operating expenses	**-87.6**	**58.9 %**	**-84.8**	**58.3 %**
Profit on operating activities	**17.1**	**11.5 %**	**17.8**	**12.2 %**
Share-based and similar payment expense	-2.9		-1.4	
Amortisation of intangible assets	-1.7		-1.7	
Profit from recurring operations	**12.5**	**8.4 %**	**14.7**	**10.1 %**
Other operating income and expenses	-4.1		-3.5	
Operating profit	**8.3**	**5.6 %**	**11.2**	**7.7 %**
Cost of net financial debt	-2.7		-2.1	
Other financial income and expense	-0.9		0.4	
Income taxes	-2.0		-5.9	
Net profit	**2.8**	**1.9 %**	**3.7**	**2.5 %**
Basic earnings per share (in euros)	**0.13**		**0.17**	

Change in the workforce

At 30 June 2024, Axway had 1,471 employees compared to 1,465 at December 31, 2023.

Financial position at 30 June 2024

At 30 June 2024, Axway's financial position was solid, with cash of €16.9 million and bank debt of €87.7 million.

Free cash flow was €6.7 million in H1 2024, compared to €16.5 million a year earlier. Due to the timing of some collections and payments that will recover in H2, Axway expects that 2024 full-year free cash flows will improve compared to the 2023 level.

Shareholders' equity stood at €355.9 million at 30 June 2024, compared to €314.6 million at the end of June 2023.

Update on the Sopra Banking Software acquisition project

On 10 July 2024 Axway announced that all regulatory conditions precedent to the completion of the acquisition were satisfied, with the exception of the AMF's approval of the prospectus to be submitted by Axway in connection with the contemplated rights issue to help finance the transaction.

Axway's intention is to launch the rights issue before the end of July 2024. The indicative timetable for the rights issue will be set out in the operation prospectus, which is expected to be approved by the AMF in the next few days. The rights issue constitutes the final step in the project to acquire Sopra Banking Software, which is expected to be finalised in Q3 2024.

Main risks and uncertainties for the second half of 2024

The level and nature of risks to which the Group is exposed are unchanged compared to the risk factors set out in pages 33 to 48 of the 2023 Universal Registration Document, as updated by the amendment to the 2023 Universal Registration Document.

In addition, the level and nature of the risks to which the Group would be exposed after the acquisition of Sopra Banking Software's activities are presented in the amendment to the 2023 Universal Registration Document.

2024 Targets & Outlook

For 2024, Axway confirms that it expects organic growth of between 1% and 3% and a profit on operating activity of around 20% of revenue.

These confirmed targets apply to Axway's current structure. Guidance including Sopra Banking Software will be disclosed to the market at the time of the launch of the rights issue.

Events after the reporting period

Between 1 July 2024 and the Board of Directors' meeting of 18 July 2024, the acquisition of Sopra Banking Software's activities and the share capital increase to complete the transaction financing received the necessary regulatory authorisations, including the AMF's decision on the exemption from the obligation to file a draft public offering.

The AMF is expected to approve the prospectus filed by Axway for the share capital increase after the Board of Directors' meeting.

Between 1 July 2024 and the date of the Board of Directors' meeting, there were no other significant events likely to impact the financial statements.

Glossary – Alternative Performance Measures

- **ACV:** Annual Contract Value – annual contract value of a Subscription agreement.
- **ARR:** Annual Recurring Revenue – annual invoicing amount forecast for all Subscription and asset maintenance contracts.
- **Employee Engagement Score:** employee engagement measured by an independent annual survey.
- **Growth at constant exchange rates:** growth in revenue between the period under review and the prior period restated for exchange rate impacts.
- **NPS:** Net Promoter Score – customer satisfaction and recommendation indicator for a product or a service.
- **Organic growth:** growth in revenue between the period under review and the prior period, restated for consolidation scope and exchange rate impacts.
- **Profit on operating activities:** profit from recurring operations adjusted for share-based payment expense for stock-options and free shares, as well as the amortisation of allocated intangible assets.
- **Restated revenue:** revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.

02

Condensed interim consolidated financial statements

Consolidated income statement

(in thousands of euros)	Notes	H1 2024	H1 2023
Revenue	**3 and 4**	**148,658**	**145,456**
Employee costs	5.1	-89,628	-88,921
External expenses	6	-35,764	-32,296
Taxes and duties		-1,457	-1,761
Depreciation and amortisation, provisions and impairment		-5,910	-6,286
Other current operating income and expenses		1,225	1,623
Profit on operating activities		**17,124**	**17,815**
As a % of revenue		***11.5%***	***12.2%***
Share-based payment expense	7	-2,933	-1,405
Amortisation of allocated intangible assets		-1,739	-1,730
Profit from recurring operations		**12,453**	**14,681**
As a % of revenue		***8.4%***	***10.1%***
Other operating income and expenses	8	-4,116	-3,461
Operating profit		**8,337**	**11,220**
As a % of revenue		***5.6%***	***7.7%***
Cost of net financial debt	9.1	-2,669	-2,103
Other financial income and expenses	9.2	-927	446
Income tax expense	10	-1,953	-5,877
Profit for the year from continuing operations		**2,788**	**3,686**
Profit for the year		**2,788**	**3,686**
As a % of revenue		***1.9%***	***2.5%***
of which attributable to non-controlling interests		-1	1
of which attributable to owners of the Company		**2,789**	**3,685**

Net income per share – attributable to owners of the Company

(in euros)	Notes	H1 2024	H1 2023
Basic earnings per share	11	0.13	0.17
Diluted earnings per share	11	0.13	0.17

Statement of comprehensive income

(in thousands of euros)	H1 2024	H1 2023
Consolidated profit for the year	**2,788**	**3,686**
Other comprehensive income:		
Actuarial gains and losses on pension plans	130	-770
Tax impact	-34	199
Sub-total items that will not be reclassified subsequently to profit or loss	**97**	**-571**
Share attributable to non-controlling interests	—	—
Exchange differences on translating foreign operations	6,322	-5,157
Sub-total items that may not be reclassified subsequently to profit or loss	**6,323**	**-5,157**
Total other comprehensive income, net of tax	**6,419**	**-5,728**
Total comprehensive income	**9,207**	**-2,042**
of which attributable to non-controlling interests	-1	1
of which attributable to owners of the Company	**9,208**	**-2,043**

Consolidated statement of financial position

ASSETS

(in thousands of euros)	Notes	30/06/2024	31/12/2023
Goodwill	12.1	302,704	302,122
Intangible assets		9,379	5,138
Property, plant and equipment		10,244	9,289
Lease right-of-use assets	13.1	15,541	17,820
Non-current financial and other assets		10,868	13,098
Deferred tax assets		20,381	20,104
Non-current assets		**369,119**	**367,571**
Trade receivables	14	166,313	178,009
Other current receivables		38,767	32,331
Cash and cash equivalents	16	16,914	16,682
Current assets		**221,995**	**227,022**
Total assets		**591,114**	**594,593**

EQUITY AND LIABILITIES

(in thousands of euros)	Notes	30/06/2024	31/12/2023
Share capital		43,267	43,267
Capital reserves		113,380	113,380
Consolidated and other reserves		196,409	153,785
Profit for the year		2,789	35,828
Equity – share attributable to owners of the Company		**355,845**	**346,260**
Non-controlling interests		**11**	**11**
Total equity	**15**	**355,856**	**346,271**
Financial debt – long-term portion	16	83,311	87,995
Lease liabilities – long-term portion	13.2	18,920	19,689
Deferred tax liabilities		4,828	4,378
Other non-current liabilities including long-term provisions		11,519	12,154
Non-current liabilities		**118,579**	**124,217**
Financial debt – short-term portion	16	4,363	4,278
Lease liabilities – short-term portion	13.2	2,534	4,037
Trade accounts payable		10,652	11,313
Deferred income	17	60,077	49,060
Other current liabilities	18	39,053	55,418
Current liabilities		**116,679**	**124,105**
Total liabilities		**235,257**	**248,322**
Total equity and liabilities		**591,114**	**594,593**

Consolidated statement of changes in equity

						Attributable to:		
(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Reserves and consolidated profit	Other comprehensive income	owners of the Company	non-controlling interests	Total
At 30/06/2023	**43,267**	**113,380**	**-12,719**	**137,372**	**33,324**	**314,624**	**10**	**314,634**
Capital transactions	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	2,370	–	2,370	–	2,370
Transactions in treasury shares	–	–	-433	58	–	-375	–	-375
Ordinary dividends	–	–	–	–	–	–	–	–
Changes in scope of consolidation	–	–	–	–	–	–	–	–
Other movements	–	–	–	-39	40	1	-5	-4
Transactions with shareholders	**–**	**–**	**-433**	**2,389**	**40**	**1,998**	**-5**	**1,993**
Profit for the year	–	–	–	32,142	–	32,142	5	32,147
Other comprehensive income	–	–	–	–	-2,503	-2,503	0	-2,503
Total comprehensive income for the period	**–**	**–**	**–**	**32,142**	**-2,503**	**29,638**	**5**	**29,644**
At 31/12/2023	**43,267**	**113,380**	**-13,152**	**171,903**	**30,861**	**346,260**	**11**	**346,271**
Capital transactions	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	2,518	–	2,518	–	2,518
Transactions in treasury shares	–	–	-210	-2,040	–	-2,250	–	-2,250
Ordinary dividends	–	–	–	–	–	–	–	–
Changes in scope of consolidation	–	–	–	–	–	–	–	–
Other movements	–	–	–	110	–	110	1	111
Transactions with shareholders	**–**	**–**	**-210**	**587**	**–**	**377**	**1**	**378**
Profit for the year	–	–	–	2,789	–	2,789	-1	2,788
Other comprehensive income	–	–	–	–	6,419	6,419	0	6,419
Total comprehensive income for the year	**–**	**–**	**–**	**2,789**	**6,419**	**9,208**	**-1**	**9,207**
At 30/06/2024	**43,267**	**113,380**	**-13,362**	**175,280**	**37,280**	**355,845**	**11**	**355,856**

Consolidated statement of cash flows

(in thousands of euros)	Notes	H1 2024	H1 2023
Consolidated profit (including share attributable to non-controlling interests)		**2,788**	**3,686**
Net charges to depreciation, amortisation and provisions		3,289	9,429
Share-based payment expense	7	2,518	1,261
Gains and losses on disposal		1,548	-2,221
Cash from operations after cost of net financial debt and tax		**10,142**	**12,155**
Cost of net financial debt	9.1	2,669	2,103
Income tax expense (including deferred tax)	10	1,953	5,877
Cash from operations before cost of net financial debt and tax (A)		**14,764**	**20,134**
Tax paid (B)		-2,292	-1,508
Changes to operating working capital requirements (including liabilities related to employee benefits) (C)		2,550	4,519
Net cash from operating activities (D) = (A + B + C)		**15,022**	**23,145**
Purchases of intangible assets and PP&E		-2,929	-1,529
Proceeds from sale of intangible assets and PP&E		12	14
Impact of changes in the scope of consolidation	12	-15	-5,997
Change in loans and advances granted		141	-1,092
Other cash flows from investing activities		44	29
Net cash from (used in) investing activities (E)		**-2,747**	**-8,575**
Proceeds from the exercise of stock options		—	—
Purchases and proceeds from disposal of treasury shares	7	-2,152	-4,367
Dividends paid to shareholders of the parent company		—	-8,402
Proceeds from borrowings	16	63,000	18,000
Repayment of borrowings	16	-68,135	-18,439
Change in lease liabilities	13	-3,231	-3,463
Net interest paid (including finance leases)		-2,202	-1,627
Other cash flows relating to financing activities		96	-314
Net cash from (used in) financing activities (F)		**-12,624**	**-18,611**
Effect of foreign exchange rate changes (G)		**142**	**-118**
Net change in cash and cash equivalents (D + E + F + G)		**-206**	**-4,158**
Opening cash position		16,530	18,309
Closing cash position		16,323	14,150

The closing cash position is equal to Cash and cash equivalents less bank overdrafts.

Notes to the condensed consolidated financial statements

Contents of the financial statements notes

Note 1 Accounting principles

The condensed interim consolidated financial statements for the half-year ended 30 June 2024, together with the accompanying notes, were prepared under the responsibility of the Board of Directors and approved at its meeting of 18 July 2024.

1.1 Basis of preparation of the condensed interim consolidated financial statements

The consolidated financial statements for the half-year ended 30 June 2024 were prepared in accordance with IAS 34, Interim financial reporting, the IFRS published by the IASB (International Accounting Standards Board) and adopted by the European Union. This standard is available on the European Commission website: *http://ec.europa.eu/finance/company-reporting/ifrs-financial- statements/index_en.htm*

The accounting policies underlying the preparation of the condensed interim consolidated financial statements for the half-year ended 30 June 2024 are identical to those adopted for the consolidated financial statements for the year ended 31 December 2023 and described in Chapter 5, Note 1 of the 2023 Universal Registration Document filed on 25 March 2024 with the French Financial Markets Authority (AMF) under no. D. 24-0175 and available on the Company's website at *http://www.investors.axway.com*, except for the new standards and interpretations applicable from 1 January 2024 and presented in Note 1.2.

These condensed interim consolidated financial statements are presented in thousands of euros, unless indicated otherwise.

1.2 Application of new standards and interpretations

The new standards, amendments to existing standards and interpretations adopted by the European Union and of mandatory application in fiscal years beginning on or after 1 January 2024 are as follows:

- amendments to IAS 1, *Presentation of the financial statements: Non-current liabilities with covenants*, of mandatory application from 1 January 2024, addressing the classification of a liability as current or non-current;
- amendments IAS 7 and IFRS 7, *Reverse factoring – Supplier finance arrangements*, of mandatory application from 1 January 2024, addressing improvements to the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk;
- amendment to IFRS 16, *Lease liability in a sale and leaseback*, of mandatory application from 1 January 2024, clarifying the subsequent measurement of a liability resulting from such a transaction.

The amendments to IFRS 7 and IFRS 16 have no material impact on the condensed interim consolidated financial statements and no disclosures are therefore provided in the notes to the consolidated financial statements.

The amendments to IAS 1 are presented in Note 1.5, Impacts of the amendments to IAS 1, Presentation of the financial statements: Non-current liabilities with covenants.

1.3 Acquisition of most of Sopra Banking Software's activities

Further to the press release of 21 February 2024, Axway announced the signature on 31 May 2024 of an agreement to acquire most of Sopra Banking Software's activities, representing, on a stand-alone basis, revenue of €359 million[(1)]. The following press release was published on 3 June 2024:

https://investors.axway.com/sites/default/files/related_files/03062024_Axway_SigningSBS_EN_VFinal.pdf

Axway's Board of Directors approved the signing of the purchase agreement on the basis of a review by an independent expert (Cabinet Finexsi, whose report is linked at the end of this press release) of the valuation of Sopra Banking Software's activities at €330 million.

Axway has secured the financing of this acquisition through the combination of new debt facilities confirmed by Crédit Agricole Corporate and Investment Bank, Société Générale and Crédit Lyonnais, and a share capital increase with preferential subscription rights of around €130 million, benefitting from a subscription and underwriting commitment from the Company's controlling shareholder, Sopra GMT.

Indeed, as part of the share capital increase, in order to secure funding and guarantee the long-term independence of the new combined entity, Sopra GMT has undertaken to:

- acquire a block of 3,619,423 Axway shares from Sopra Steria Group, representing approximately 16.73% of Axway's capital, at a price per share of €26.50, for an amount of €95.9 million and all of Sopra Steria Group's residual preferential subscription rights;
- subscribe to the capital increase on an irreducible basis to the extent of its rights and those acquired from Sopra Steria Group, representing approximately 53% of the capital increase;
- secure the remainder of the capital increase by subscribing any shares that would remain unsubscribed at the end of the allocation process (after orders on irreducible and reducible basis have been allocated).

The financing of Sopra GMT undertakings as described above will be carried out with the support of One Equity Partners[(2)], a financial partner with which Sopra GMT has also concluded a binding agreement.

All transactions will be completed by the end of the 3rd quarter 2024

Note 20, Off-balance-sheet commitments and contingent liabilities, to the 2024 interim financial report sets out the agreements signed during the first half of 2024 concerning the acquisition of Sopra Banking Software's activities and not recognised in the Statement of financial position at 30 June 2024.

(1) *Revenue including inter-company transactions with Sopra Steria of €24 million.*
(2) *One Equity Partners will hold around 20% of Sopra GMT's capital.*

Between 1 July 2024 and the Board of Directors' meeting of 18 July 2024, the acquisition of Sopra Banking Software's activities and the share capital increase to complete the transaction financing received the necessary regulatory authorisations, including the AMF's decision on the exemption from the obligation to file a draft public offering. The prospectus filed by Axway for the share capital increase is expected to receive AMF approval after the Board of Directors' meeting.

1.4 Estimated impact of the International tax reform – Pillar 2

The Axway Group's initial conclusions are presented in Note 1.4, International tax reform – Pillar 2, of Chapter 5 "Consolidated Financial Statements" of the 2023 Universal Registration Document.

The aim of this international tax reform is to impose a 15% minimum tax on profits in regions where international groups operate. At this stage, the Axway Group would be impacted by this tax reform through its holding company Sopra GMT whose consolidated revenue exceeds €750 million.

As described in Note 7.2.5 of Chapter 7 "Axway Software share capital and shares" of the 2023 Universal Registration Document, Sopra GMT is the holding company of Axway Software and Sopra Steria Group. It exercises control over the Axway Group due to its direct and indirect holding (under the shareholders' agreement) of over half of the share capital (52.77%) and 63.55% of exercisable voting rights.

The transaction described in Note 1.3, Acquisition of most of Sopra Banking Software's activities, of the interim financial report does not change the conclusions reached at 31 December 2023.

This reform enters into effect in fiscal years beginning on or after 1 January 2024 as follows:

• **during the Transition period encompassing fiscal years 2024, 2025 and 2026:** the transitional CbCR safe harbour would be applied by combining Axway Group entities with Sopra Stéria Group entities in each jurisdiction where the groups operate. Axway Group does not expect the financial impact to be material during this period;

• **after the Transition period:** based on the regulation as it currently stands, the transitional safe harbour will no longer apply from fiscal year 2027. Axway Group anticipates the payment of additional tax in Ireland as this jurisdiction benefits from a low nominal tax rate. The Axway Group anticipates the payment of additional tax in Bulgaria and Romania of a non-material amount. These countries benefit from either a low nominal tax rate or special tax deductions but would qualify for exclusion measures due to their payroll and investment levels. With the exception of these three jurisdictions, the Group's entities are located in jurisdictions where the tax rate exceeds the Pillar 2 rate.

At 30 June 2024, the Group has not recognised the initial impacts of Pillar 2 in the half-year financial statements.

1.5 Impact of the amendments to IAS 1, "Presentation of the financial statements: Non-current liabilities with covenants"

The amendments to IAS 1 concern the classification of debts with covenants.

Clarifications focus on how to assess the classification of these debts as current or non-current in the Statement of financial position. The aim is to clarify the right to defer settlement for at least 12 months.

The assessment **depends solely on compliance with conditions at the reporting date** even if:

- compliance with conditions will be tested again in the next 12 months;
- these conditions may no longer be complied with in the next 12 months based on information at the reporting date.

A liability is **classified irrespective of the Company's intentions.** In particular, where a company has the right not to settle a liability for at least 12 months it is classified as non-current, even if the Company has the intention to repay it early (or settles the liability after the reporting date but before the approval of the accounts).

The amendment is applied retrospectively in accordance with IAS 8.

As 30 June 2024, the Group has a €125 million multi-currency revolving credit facility (RCF). An "Amendment and maturity extension" agreement was signed on 31 January 2019, reducing the margin scale and relaxing the financial covenants. The initial maturity of July 2021 was directly set at January 2024 and extended in 2022 to April 2027.

At the 30 June 2024 reporting date, the credit facilities drawn by Axway Group are, in accordance with the conditions at the reporting date, presented in full in non-current financial liabilities in the Statement of financial position.

Retrospective application does not involve any changes in the presentation of the Group Statement of financial position.

Note 2 Key events and scope of consolidation

Changes in the scope of consolidation

a. Deconsolidated entities

Axway Software China in China and Dxchange in India were liquidated during the first half of 2024.

b. Newly-consolidated entities

No entities entered the scope of consolidation in the first half of 2024.

On 15 March 2023, Axway Software acquired the entire share capital of Advalvas Europe NV in Belgium. Advalvas was consolidated in the Axway financial statements from 1 April 2023, as earnings in the second half of March 2023 were immaterial.

On 19 October 2023, Axway Software acquired the entire share capital of Cycom Finance in France. At the same time, Axway sold Cycom Finances' consulting business to KPMG France. Cycom Finances is consolidated in the Axway Software SA financial statements from 1 November 2023.

Notes to the consolidated income statement

Note 3 Segment reporting

Axway is classified as a single sector group as it is not possible to determine profit on operating activities by activity sector based on either a regional or business analysis. The chief operating decision maker regularly reviews revenue by business line and region, as well as consolidated profit on operating activities.

3.1 Revenue by business line

(in thousands of euros)	H1 2024		H1 2023	
Subscription	93,217	62.7%	78,656	54.1 %
of which Axway Managed	*25,935*	*17.4%*	*22,260*	*15.3 %*
of which Customer Managed	*67,283*	*45.3%*	*56,395*	*38.8 %*
Maintenance	34,642	23.3%	44,599	30.7 %
Subtotal - Renewable Contracts	**127,859**	**86.0%**	**123,255**	**84.7 %**
License	2,642	1.8%	3,008	2.1 %
Services	18,157	12.2%	19,193	13.2 %
Total revenue	**148,658**	**100.0%**	**145,456**	**100.0 %**

Presentation of the revenue breakdown by business line, using the format adopted in the 2023 reference document, including Axway Managed, Customer Managed and the renewable contracts sub-total.

(in thousands of euros)	H1 2024		H1 2023	
License	2,642	1.8%	3,008	2.1%
Subscription	93,217	62.7%	78,656	54.1%
Maintenance	34,642	23.3%	44,599	30.7%
Services	18,157	12.2%	19,193	13.2%
Total revenue	**148,658**	**100.0%**	**145,456**	**100.0%**

Axway's recurring revenue, which includes Subscription and Maintenance activities, represented 86.0% of revenue in the first half of 2024, i.e. €127.9 million. It includes initial upfront revenue of €39.4 million compared to €34.2 million in the first half of 2023.

The Group's main clients do not account for more than 10% of revenue individually. Axway's dependency on its main clients is low.

3.2 Revenue by region

(in thousands of euros)	H1 2024		H1 2023	
France.	41,712	28.1%	45,490	31.3%
Rest of Europe	38,641	26.0%	35,635	24.5%
United States	57,440	38.6%	54,451	37.4%
Rest of Americas	2,755	1.9%	2,793	1.9%
Asia-Pacific	8,111	5.5%	7,087	4.9%
Total revenue	**148,658**	**100.0%**	**145,456**	**100.0%**

Note 4 Revenue

4.1 Revenue by business line

The breakdown by business line is presented in Note 3.1, Revenue by business line.

4.2 International operations

The breakdown by region is presented in Note 3.2, Revenue by region.

Note 5 Employee costs

5.1 Breakdown of employee costs

(in thousands of euros)	H1 2024	H1 2023
Salaries	72,713	72,556
Social security contributions	18,329	17,849
Research tax credits	-2,075	-1,950
Employee profit-sharing	455	491
Net expense for post-employment and similar benefit obligations	206	-24
Total employee costs	**89,628**	**88,921**

Employee costs accounted for 60.3% of H1 2024 revenue, down compared to H1 2023 (61.1%).

Research tax credits totalled €2.1 million in H1 2024, up €0.1 million.

At 30 June 2024, receivables sold to Credit Agricole and not yet repaid by the French tax authorities totalled €15.0 million. The Group considers that the financing of transferred research tax credits can be derecognised.

Research & Development expenditure incurred in H1 2024 totalled €31.2 million, compared to €29.4 million in H1 2023 (see Section "First-half 2024 results").

5.2 Workforce

Number of employees at 31 December	H1 2024	H1 2023
France	430	425
International	1,041	1,032
Total	**1,471**	**1,457**

At 30 June 2024, Axway had 1,471 employees (29% in France and 71% internationally), up 14 on 31 December 2023.

Average number of employees	H1 2024	H1 2023
France	431	428
International	1,037	1,054
Total	**1,468**	**1,482**

Note 6 Purchases and external expenses

(in thousands of euros)	H1 2024	H1 2023
Purchases of subcontracting services	11,280	11,202
Purchases not for inventory of equipment and supplies	1,555	803
Purchases and change in stock of merchandise	132	25
Total purchases	**12,967**	**12,030**

Purchases of subcontracting services mainly comprise cloud hosting costs that were considerable given the growth in the Subscription activity.

The decrease in purchases was attributable to tighter control over costs of sales, particularly those relating to subscription revenue (primarily hosting costs).

The foreign exchange impact was negligible (+€0.1 thousand) in the half year.

(in thousands of euros)	H1 2024	H1 2023
Rent and rental charges	4,097	4,902
Lease expenses – IFRS 16 adjustment	-2,378	-3,243
Maintenance and repairs	6,503	5,534
External personnel	25	123
Remuneration of intermediaries and fees	3,497	3,792
Advertising and public relations	1,385	1,473
Travel and entertainment	2,458	2,046
Telecommunications	661	575
Sundry	6,547	5,064
Total external expenses	**22,798**	**20,266**

External expenses for the period increased by €2.5 million compared to H1 2023. The foreign exchange impact was negligible (€0.1 thousand) in the half year.

Note 7 Share-based and similar payment expenses

In H1 2024, a new free share grant plan was set up. On 16 May 2024, the Board of Directors approved the "LTI PLAN NEXT" plan involving the grant of 251,500 shares, including 30,000 shares to the Chief Executive Officer, Patrick Donovan. The plan will vest between May 2024 and March 2027 and includes presence and performance conditions.

Other current plans are described in Note 5.4 of Chapter 5 "Consolidated financial statements" of the 2023 Universal Registration Document.

Expenses relating to free performance share grant plans totalled €2.5 million in H1 2024, compared to €1.4 million in H1 2023.

The July 2021 "LTI PLAN FOCUS" free share grant plan was settled on 31 March 2024, with the presentation of 105,414 shares to the Axway Leadership team, members of the Executive Committee and other individuals considered key for the Axway Group. 16,600 shares were presented to the Chief Executive Officer, Patrick Donovan.

Note 8 Other operating income and expenses

In the first half of 2024, the Group performed several material non-current transactions representing a total expense of €4.1 million, as follows:

1. restructuring plan (€0.4 million) conducted in France;
2. expenses relating to the acquisition of Sopra Banking Software's activities (€2.4 million);
3. Workday cloud implementation costs (€0.6 million): recorded in "Other operating expenses";
4. provision for contingencies relating to the payment of sales tax in Brazil (€0.4 million);
5. costs relating to the termination of the Tour W office lease in France (€0.4 million).

Note 9 Financial income and expense

9.1 Cost of net financial debt

(in thousands of euros)	H1 2024	H1 2023
Income from cash management	-44	-29
Interest expense	2,361	1,823
Cost of net financial debt	**2,317**	**1,794**
Net interest on lease liabilities	352	308
Total cost of net financial debt	**2,669**	**2,103**

The application of IFRS 16 increases the cost of net financial debt by €0.4 million in H1 2024, representing a weighted average marginal interest rate of 3.12%.

9.2 Other operating income and expenses

(in thousands of euros)	H1 2024	H1 2023
Foreign exchange gains and losses	**792**	**-562**
Reversal of provisions	-1	2
Other financial income	–	-14
Total foreign exchange gains/losses and other financial income	**791**	**-574**
Charges to provisions	-0	-1
Discounting of retirement benefit commitments	136	129
Change in the value of derivatives	–	–
Other financial expenses	–	–
Total other financial expense	**137**	**129**
Total other financial income & expense	**927**	**-446**

Note 10 Income tax expense

(in thousands of euros)	H1 2024	H1 2023
Current tax	2,808	1,081
Deferred tax	-856	4,796
Total income tax expense	**1,953**	**5,877**

The Group effective tax rate is 41.19% in H1 2024, compared to 61.45% in H1 2023.

Deferred tax assets relating to tax losses carried forward are recognised if the subsidiaries or the tax consolidation group are likely to have sufficient taxable profits to offset against them.

At 30 June 2024, no additional tax losses were recognised compared to 31 December 2023. The Group considered it prudent to revise future profit forecasts before the end of 2024 to take account of the tax impact of the acquisition of Sopra Banking Software.

Axway Software

As deferred tax liabilities totalled €18.5 million, the Group recognised a deferred tax asset of the same amount. The net deferred tax position of Axway Software SA is therefore nil at 30 June 2024 in keeping with the approach adopted at 31 December 2023.

Axway Inc.

At 30 June 2024, capitalised tax losses stood at US$18.5 million (in deferred tax assets). The Group did not capitalise any additional tax losses in the half year compared to 31 December 2023 because of declining future taxable profits due to the impact of R&D cost capitalisation in the tax calculation.

Axway Ireland

The Group stopped capitalising tax losses at 31 December 2023. The Group decided to wait for the 2024 annual results to confirm the achievement of forecasts and capitalise, if appropriate, all or part of the tax losses of this subsidiary. At 30 June 2024, no deferred tax is recognised on tax losses.

Other subsidiaries

At 30 June 2024, the Group did not capitalise any additional tax losses compared to 31 December 2023.

Note 11 Earnings per share

(in euros)	H1 2024	H1 2023
Net income – attributable to owners of the Company	2,789,155	3,685,407
Weighted average number of ordinary shares outstanding	21,633,597	21,633,597
Weighted average number of treasury shares	688,155	646,965
Weighted average number of ordinary shares outstanding	20,945,442	20,986,632
Basic earnings per share	**0.13**	**0.17**

(in euros)	H1 2024	H1 2023
Net income – attributable to owners of the Company	2,789,155	3,685,407
Weighted average number of ordinary shares outstanding	20,945,442	21,633,597
Weighted average number of securities taken into account in respect of dilutive items	766,166	640,321
Weighted average number of shares taken into account to calculate diluted net earnings per share	21,711,608	22,273,918
Diluted earnings per share	**0.13**	**0.17**

Notes to the consolidated statement of financial position

Note 12 Goodwill

12.1 Changes in goodwill

Movements in the first half of the year were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2023	**310,599**	**8,477**	**302,122**
Acquisition of Advalvas and Cycom	-4,549	—	-4,549
Translation adjustments	5,093	-38	5,131
30 June 2024	**311,143**	**8,439**	**302,704**

Measurement of the Advalvas Europe NV goodwill was finalised in the first half of 2024. Pursuant to IFRS 3 revised, the measurement period could not exceed 15 March 2024.

The allocation process performed by the Group in the first half of the year therefore led to the recognition of technology and customer relationships in the amount of €1.7 million and €1.4 million, respectively, which will be amortised over 10 and 12 years.

Definitive goodwill relating to the acquisition of Advalvas was determined on the following basis:

(in thousands of euros)	At 30/06/2024
Purchase price	6,232
Present value of earn-outs	—
Acquisition cost	**6,232**
Net assets acquired, excluding existing goodwill	2,786
Goodwill (Advalvas)	**3,446**

The acquisition of Advalvas Europe NV does not include an earn-out.

The Advalvas definitive net assets acquired are as follows:

(in thousands of euros)	Carrying amount in the seller's accounts	Restatements	Fair value
Intangible assets	26	3,127	3,153
Property, plant and equipment	42	—	42
Long-term investments	7	—	7
Lease right of use assets	—	244	244
Deferred tax assets	—	-61	-61
Current assets	338	—	338
Cash and cash equivalents	235	—	235
Financial liabilities	—	—	—
Lease liabilities	—	-247	-247
Provisions for pensions and related commitments	—	—	—
Deferred tax liabilities	—	-720	-720
Current liabilities	-203	—	-203
Net assets acquired	**444**	**2,343**	**2,786**

Measurement of the Cycom Finances goodwill was finalised in the first half of 2024. Pursuant to IFRS 3 revised, the measurement period could not exceed 19 October 2024.

The allocation process performed by the Group in the first half of the year therefore led to the recognition of technology in the amount of €3 million, which will be amortised over 10 years.

Definitive goodwill relating to the acquisition of Cycom Finances was determined on the following basis:

(in thousands of euros)	At 30/06/2024
Purchase price	4,264
Present value of earn-outs	—
Acquisition cost	**4,264**
Net assets acquired, excluding existing goodwill	1,768
Goodwill (Cycom Finances)	**2,496**

The acquisition of Cycom Finances does not include an earn-out.

The Cycom Finances definitive net assets acquired are as follows:

(in thousands of euros)	Carrying amount in the seller's accounts	Restatements	Fair value
Intangible assets	3,270	-299	2,970
Property, plant and equipment	—	—	—
Long-term investments	0	—	0
Lease right of use assets	—	—	—
Deferred tax assets	—	—	—
Current assets	3,543	-2,500	1,043
Cash and cash equivalents	27	—	27
Financial liabilities	—	—	—
Lease liabilities	—	—	—
Provisions for pensions and related commitments	—	—	—
Deferred tax liabilities	—	-767	-767
Current liabilities	-792	—	-792
Non-current liabilities	-715	—	-715
Net assets acquired	**5,335**	**-3,567**	**1,768**

12.2 Impairment tests

In the absence of any indication of impairment loss in the first half of 2024, the Group did not perform any further *Impairment tests* at 30 June 2024.

Note 13 Leases

13.1 Lease right-of-use asset by category

(in thousands of euros)	Leased properties	Leased vehicles	Leased IT facilities	Total
Gross value				
31 December 2023	**38,770**	**1,339**	**590**	**40,699**
Change in scope of consolidation	—	—	—	—
Acquisitions	128	79	—	207
Disposals – assets scrapped	-13,159	-145	—	-13,304
Other movements	1	—	—	1
Translation adjustments	338	-2	—	336
30 June 2024	**26,077**	**1,271**	**590**	**27,939**
Depreciation				
31 December 2023	**-22,023**	**-807**	**-49**	**-22,879**
Change in scope of consolidation	—	—	—	—
Charges	-2,504	-152	-59	-2,715
Disposals – assets scrapped	13,157	145	—	13,303
Other movements	-1	—	—	-1
Translation adjustments	-107	1	—	-106
30 June 2024	**-11,477**	**-812**	**-108**	**-12,397**
Net value				
31 December 2023	**16,747**	**533**	**541**	**17,820**
30 June 2024	**14,600**	**459**	**482**	**15,541**

13.2 Debt maturity of lease liabilities

				Breakdown of non-current liabilities				
(in thousands of euros)	Carrying amount	Current	Non- current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Lease liabilities	**21,454**	**2,534**	**18,920**	**2,375**	**3,203**	**3,002**	**2,632**	**7,709**

Note 14 Trade receivables

(in thousands of euros)	30/06/2024	31/12/2023
Trade receivables	57,042	74,750
Provision for doubtful receivables	-2,226	-1,023
Trade receivables – net value	**54,816**	**73,727**
Customer contract assets	111,497	104,282
Total trade receivables	**166,313**	**178,009**

Net trade receivables, expressed in days sales outstanding, corresponded to 169 days at 30 June 2024, down on the end of 2023 (182 days).

The increase in Accrued income is primarily due to the recording of Customer Managed Subscription revenue, including on-premise services recognised in revenue upon delivery and invoiced over the contract term. The DSO for this line item at 30 June 2024 is 112 days, compared to 106 days at 31 December 2023.

The decrease in Trade Receivables was due to more favourable seasonality of collections during the half year, although the Group noted that customers negotiated longer settlement periods. The DSO is 57 days, compared to 76 days at 31 December 2023.

Note 15 Equity

15.1 Changes in the share capital

At 31 December 2023, the share capital stood at €43,267,194, and comprised 21,633,597 fully paid-up shares with a par value of €2.00 each.

At 30 June 2024, the share capital stood at €43,267,194, and comprised 21,633,597 fully paid-up shares with a par value of €2.00 each.

15.2 Dividends

The Axway Software General Meeting held on 16 May 2024 to approve the 2023 financial statements decided not to distribute a dividend. This decision was justified by the planned acquisition by Axway of most of Sopra Banking Software's activities in 2024.

Note 16 Financial debt – Net debt

Net debt is €70.8 million at 30 June 2024, compared to €75.6 million at 31 December 2023 and breaks down as follows:

(in thousands of euros)	Current	Non- current	30/06/2024	31/12/2023
Bank borrowings	3,861	77,760	81,621	86,843
Other financial debt	-81	5,551	5,470	5,306
Bank overdrafts	582	–	582	124
Financial debt	**4,363**	**83,311**	**87,674**	**92,273**
Cash and cash equivalents	-16,914	–	-16,914	-16,682
Net debt	**-12,552**	**83,311**	**70,759**	**75,590**

The Group has a €125 million multi-currency revolving credit facility (RCF). An "Amendment and maturity extension" agreement was signed on 31 January 2019, reducing the margin scale and relaxing the financial covenants. The initial maturity of July 2021 was directly set at January 2024 and extended in 2022 to April 2027. This amendment signed in 2022 provides for the suppression of the financial ratio. This amendment was treated as a debt extinguishment in the consolidated financial statements.

In addition, the Group was granted increased flexibility by its banks for acquisitions of less than €50 million, with no prior documentation now required.

At 30 June 2024, €44 million of the RCF remained available, representing a utilisation rate of 65%. The RCF is drawn in the amount of €81 million. In the first half of 2024, the Group repaid an €8 million drawdown. In addition, a €60 million drawdown matured and was repaid and replaced by a €63 million drawdown.

Two financial ratios, calculated using the published consolidated financial statements, on a 12-month sliding basis, must be met under the covenants:

- "Net debt/EBITDA" ratio;
- "Net debt/shareholders' equity" ratio.

Note that net debt does not include employee profit-sharing liabilities or IFRS 16 lease liabilities, to maintain a constant calculation method.

At 30 June 2024, both these financial covenants are met.

A €5.1 million financial liability equivalent was recorded in Other financial liabilities in respect of the earn-out for Dxchange Technologies Private Limited, acquired in June 2022.

Note 17 Current deferred income

(in thousands of euros)	30/06/2024	31/12/2023
Customer contract liabilities	60,077	49,060
Total current customer contract liabilities	**60,077**	**49,060**

Current deferred income, representing customer contract liabilities, is presented in Note 7.6 to the 2023 Universal Registration Document. Movements reflect:

- lthe recognition of prior-year deferred income in revenue;
- the transfer of prior-year non-current deferred income to current deferred income;
- the emergence of new liabilities as a result of services invoiced but not yet fulfilled.

To avoid the overstatement of asset and liability accounts, deferred income concerning trigger events after 1 January (1 January 2024 for this period) and the corresponding trade receivables not settled at the previous reporting date (31 December 2023) were offset in the Statement of financial position at 31 December 2023. There was no offset at 30 June.

Some current customer contract liabilities at 31 December 2023 were recognised in revenue in the first half of 2024.

Compared to 31 December 2023, current deferred income increased mainly due to the reverse offsetting of deferred income at 30 June 2024 and the signature of Axway Managed subscription contracts.

Note 18 Other current liabilities

(in thousands of euros)	30/06/2024	31/12/2023
Amounts payable on non-current assets	–	–
Advances and payments on account received for orders	472	759
Employee-related liabilities	22,803	36,493
Tax-related liabilities	7,868	9,975
Income tax	2,792	2,180
Other liabilities	5,114	5,253
Provisions for restucturing	4	759
Total other current liabilities	**39,053**	**55,418**

The decrease in Employee-related liabilities is due to the seasonal nature of commission and bonuses provided at 31 December 2023, which exceed those provided at 30 June 2024.

Other information

Note 19 Related-party transactions

Agreements entered into with parties related to the Axway Group were identified in Note 4.2, Related-party transactions, in Axway's 2023 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on 25 March 2024, under no. D. 24-0175 and available on the Company's website at *http://www.investors.axway.com.* The Axway 2023 Universal Registration Document also includes the Statutory Auditors' report on regulated agreements.

Excluding those agreements described in the 2023 Universal Registration Document, to the best of the Company's knowledge, there were no new Axway Group related-party agreements in H1 2024 likely to have a material impact on the Company's financial position or results during the period.

Note 20 Off-balance-sheet commitments and contingent liabilities

The Group's off-balance sheet commitments are granted or received by Axway and its subsidiaries.

In the first half of 2024, the Group signed two new major agreements concerning the acquisition of Sopra Banking Software's activities.

- **Signing of the agreement to acquire Sopra Banking Software's activities from Sopra Steria Group for an enterprise value of €330 million**

Further to the press release of 21 February 2024 and following receipt of the opinions of the various employee representative bodies concerned by the transaction, as well as the approval of the Boards of Directors of Axway, Sopra Steria and Sopra GMT, Axway announced the signature, on 31 May 2024, of an agreement to acquire most of Sopra Banking Software's activities, representing, on a stand-alone basis, revenue of €359 million[3].

https://investors.axway.com/sites/default/files/related_files/03062024_Axway_SigningSBS_EN_VFinal.pdf

Axway's Board of Directors approved the signing of the purchase agreement on the basis of a review by an independent expert (Cabinet Finexsi, whose report is linked at the end of this press release) of the valuation of Sopra Banking Software's activities (€330 million).

Axway secured the financing to acquire Sopra Banking Software's software activities through a combination of new debt facilities confirmed by Crédit Agricole Corporate and Investment Bank, Société Générale and Crédit Lyonnais and a share capital increase with preferential subscription rights of around €130 million, benefitting from a subscription and underwriting commitment from the Company's controlling shareholder, Sopra GMT. The share capital increase had not been performed at 30 June 2024.

- **Signing of new credit facilities**

In the first half of 2024, Axway Group signed a Bank Loan agreement comprising a €120 million 5-year amortising term loan, due 60% on maturity ("Tranche A") and an €80 million 3-year non-amortising term loan ("Tranche B"). Tranche A will be repaid over 5 years as follows: €12 million each year and €72 million on maturity. It also includes a €100 million unconfirmed non-amortising tranche with a minimum maturity of 5-years. This tranche is available for 36 months and is intended to finance acquisitions.

Contractual interest rates are calculated based on EURIBOR plus an annual margin of 2.60% (Tranche A) and 2.20% (Tranche B).

The financing is subject to all standard restrictions, such as baskets and thresholds, including but not limited to acquisitions, disposals, net debt, guarantees and pledges, and dividend payments, as well as standard early repayment clauses, including a change in control, illegality, sales proceeds or new debt issues (where proceeds will be allocated solely to the repayment of tranche B).

At 30 June 2024, the €200 million loan facility set up by Axway Group for the purposes of the Acquisition had not been drawn.

The €200 million loan facility set up by Axway Group for the purposes of the Acquisition will be drawn in full In the second half of 2024, with a short-term portion of €12 million and a long-term portion of €188 million, that is €184.4 million net of bank fees.

- **Current multi-currency revolving credit facility (RCF)**

At 30 June 2024, the Group complied with all covenants and commitments under the syndicated credit facility.

Note that net debt used in the calculations does not include the impacts of application of IFRS 16, Leases, or employee profit-sharing liabilities.

The syndicated credit facility totals €125 million. The renegotiation of the agreement in 2022 enabled a further extension of the maturity to April 2027. In addition, the Group was granted increased flexibility by its banks for acquisitions of less than €50 million, with no prior documentation now required.

Two financial ratios must be met under covenants: These ratios are:

- "Net debt/EBITDA" ratio below 3.25 at the 31 December 2024 test dates and 3.00 at all subsequent test dates. This ratio was 1.14 at 30 June 2024 (1.19 at 31 December 2023);
- "Net debt/shareholders' equity" ratio below 1.0 throughout the term of the loan. This ratio was 0.20 at 30 June 2024 (0.22 at 31 December 2023).

At 30 June 2024, the RCF (revolving credit facility) stood at €81 million. This syndicated facility was available in the amount of €44 million.

As part of commitments received, Axway Software also enjoys an unused overdraft line of €20 million.

With the exception of these agreements, commitments have not significantly changed since 31 December 2023.

[3] *Revenue including inter-company transactions with Sopra Steria of €24 million*

Note 21 Exceptional events and legal disputes

To the best of the Group's knowledge, and notwithstanding the information provided herein, at the date of this report, no disputes or litigation known or ongoing are likely to have a significant negative impact on the Group's financial position.

Note 22 Events after the reporting period

Between 1 July 2024 and the Board of Directors' meeting of 18 July 2024, the acquisition of Sopra Banking Software's activities and the share capital increase to complete the transaction financing received the necessary regulatory authorisations, including the AMF's decision on the exemption from the obligation to file a draft public offering.

The AMF is expected to approve the prospectus filed by Axway for the share capital increase after the Board of Directors' meeting.

Between 1 July 2024 and the date of the Board of Directors' meeting, there were no other significant events likely to impact the financial statements.

Statutory Auditors' report on the interim financial statements

This is a translation into English of the Statutory Auditors' report on the interim financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Dear Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code *(code monétaire et financier)*, we have:

- conducted a limited review of the accompanying condensed interim consolidated financial statements of Axway Software for the period from 1 January to 30 June 2024;
- verified the information provided in the half-year management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France.

A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared in all material respects in accordance with IAS 34, as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-year management report commenting on the condensed interim consolidated financial statements that were the subject of our limited review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris la Défense, 19 July 2024

The Statutory Auditors

Forvis Mazars SA	Nexia S&A
Jérôme Neyret	Olivier Juramie
Partner	Partner

Declaration by the person responsible for the interim financial report

“I declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the half-year ended have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Axway Group and of all the entities included in the scope of consolidation, and that this Interim financial report provides a fair review of the significant events that occurred in the first six months of the fiscal year and their impact on the financial statements, and of the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.”

Paris La Défense, 19 July 2024

Patrick Donovan

Chief Executive Officer

Designed **&** published by LABRADOR +33 (0)1 53 06 30 80

That's us.
That's Axway.

Axway turns your heritage infrastructure into brilliant digital customer experiences, extending the value of your previous investments, adding new business capabilities, and putting you on a future-proof platform to drive your growth ambitions.

For over 20 years, Axway's mission critical solutions have been crucial to your customers' daily lives and, together, we'll continue to delight them for the next 20.

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