

2023

Universal
Registration
Document

Including the Annual Financial Report



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Profile Axway **NFPS**

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Universal Registration Document

**Including the Annual Financial Report and the
Management Report including the components
of the Non-Financial Performance Statement**

This Universal Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF) on 25 March 2024, in accordance with Regulation (EU) no. 2017/1129, without prior approval in accordance with Article 9 of this Regulation.

The Universal Registration Document may be used when securities are offered to the public or admitted to trading on a regulated market, if supplemented by a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. The resulting documents are approved as a whole by the AMF in accordance with Regulation (EU) 2017/1129.

Faithful version of XBRL format.

A digital version is available at investors.axway.com/en.



A word from Management



“ Thanks to a refocused strategy, supported by an agile product portfolio and relevant subscription offerings, Axway has once again exceeded its annual targets.

Pierre PASQUIER

Chairman of the Board
of Directors

As the cloud, artificial intelligence and digital platforms revolutionize the way we work, the world's largest companies are entering a new era. The efficiency and performance of organisations now depend to a large extent on their ability to make optimal use of their business critical data. Players who are best supported in these evolutions open the way to new growth dynamics and generate crucial competitive edges. Axway has been an independent leader in enterprise data management for over 20 years, positioning itself at the heart of the development strategies of more than 11,000 Customers worldwide.

In 2023 Axway confirmed the efficiency of its new business model. Thanks to a refocused strategy, supported by an agile product portfolio and relevant subscription offerings, Axway has once again exceeded its annual targets. Continued efforts to improve customer satisfaction, employee engagement and operational efficiency provide a clear roadmap and unprecedented business visibility.

The strong choices made by the management team over the last 5 years are bearing fruit and confirm the company's ability to launch the next stage of a successful, independent business project. Axway's solid foundations are based on a proven organisation and a healthy financial situation.

Since its genesis, Axway has been bringing together enterprise software that facilitates the day-to-day operations of the world's largest organisations. The company has always grown both organically and by achieving key milestones through acquisitions. This requires a discipline and rigour that the company must be in a position to implement. Axway's proven organisation and sound financial situation provide a solid foundation for this.

Reaching critical size is always an important moment in the life of a company. The organisation and its stakeholders are projected into their future at an accelerated pace, and this generates challenges, but above all great opportunities.

In this respect, Axway's project to acquire a significant share of SBS's activities, announced at the end of February 2024, is of undeniable strategic interest to both companies. Together, they would consolidate values, expertise and organisations that already have a lot in common, and would mutually benefit from each other. This new, stronger entity would serve a long-term entrepreneurial project by creating a new major player in the space of enterprise software in France, Europe and around the world.

Patrick DONOVAN

Chief Executive Officer



“ Our results are clearly progressing, exceeding our commitments, and confirming that Axway is well positioned to accelerate its development. ”

It is with great satisfaction that we have presented very positive annual results for Axway in 2023. The past year has further strengthened the renewal of our business model, enabling us to achieve record levels of revenue, profitability and customer satisfaction. These successes are the result of a deep transformation of our company over the last few years, supported by the unwavering commitment of our employees, with whom we have redefined our fundamentals.

Axway is an independent enterprise software provider that sustainably grows enduring value, based upon trust, for its Customers, Employees, and Shareholders.

Our pillars to support this ambition are robust. Our business model is efficient, focused on subscription contracts and concentrated on our main product lines. Our organisation is aligned, by product and by region, and meets the need for agility that our industry demands. Our results are clearly progressing, exceeding our commitments, and confirming that Axway is well positioned to accelerate its development.

To achieve this, we aim to maintain a competitive product portfolio, efficient operations and an optimised structure. Today, Axway's product portfolio is largely made up of infrastructure solutions, and in several of our markets we are well positioned among the world leaders. This historic and recognised expertise will live on. Its stability and recurrence will contribute to the success of our next strategic moves.

With our project to acquire SBS's software activities, we will not only be extending our expertise to the fields of banking applications, but also significantly enhancing our visibility and strength in the enterprise software space. The Axway of tomorrow is a major player in the management of critical data flows, wherever they are essential and generate opportunities, particularly in financial services.

2024 marks the beginning of a new chapter in our company's history, and Axway's teams are mobilised to turn the many challenges that lie ahead into great opportunities.

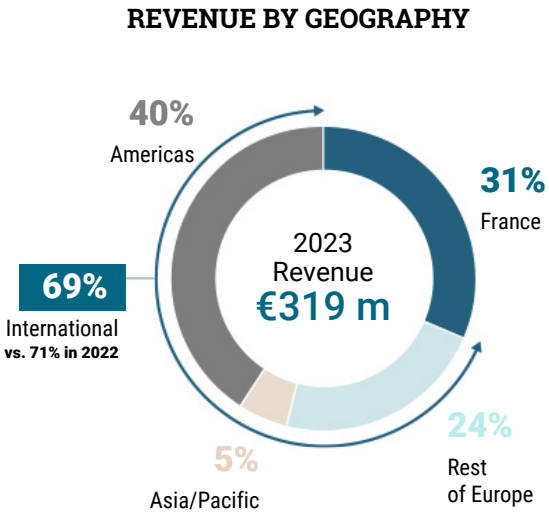
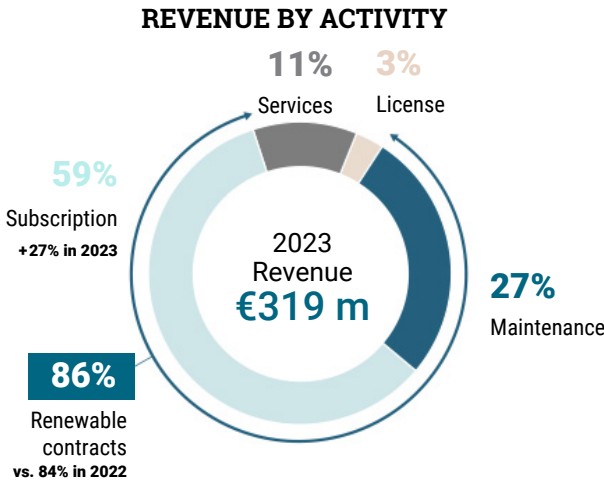
Business lines & Geographies

Our mission

Empowering customers with secure, mission critical software and services to successfully operate and simplify their most complex business interactions

3rd LARGEST HORIZONTAL SOFTWARE PUBLISHER IN FRANCE

Top 250 Numeum - EY 2023



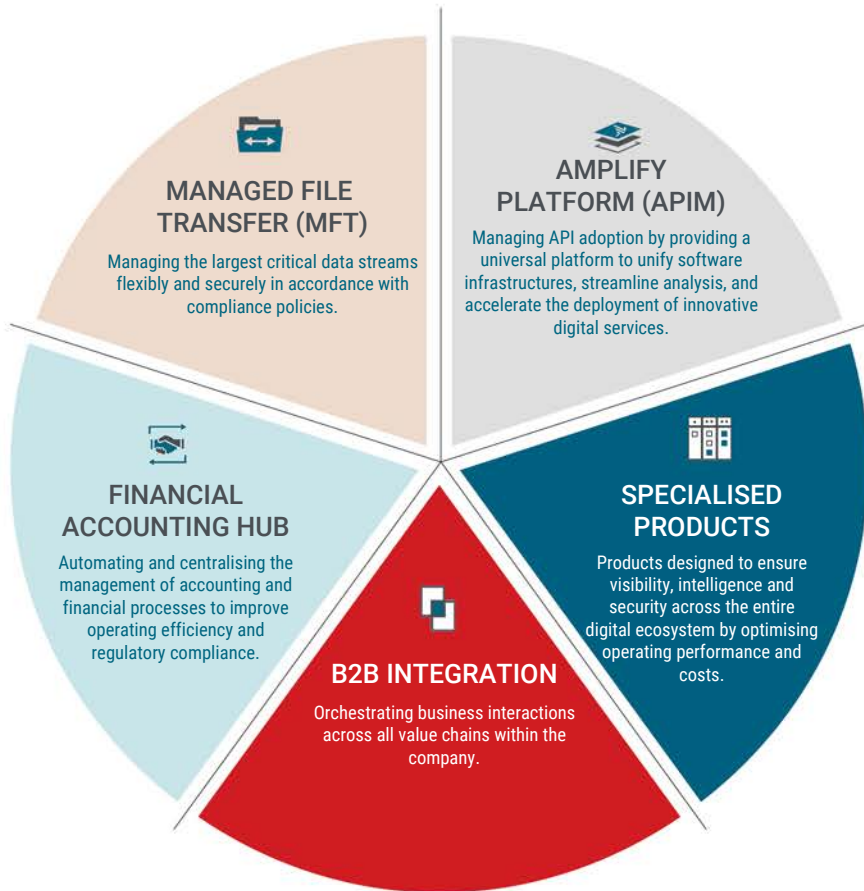
Axway around the world



Further information can be found in Chapter 1 of the 2023 Universal Registration Document..

Offers & Customers

AN AGILE PORTFOLIO OF HIGH-PERFORMING PRODUCTS



Axway,
a recognised leader

Gartner® Magic Quadrant™ for Full Life Cycle API Management
30 October 2023

The Forrester Wave™: API Management Solutions, Q3 2022
23 August 2022

G2 Winter 2024 Reports: API, B2B & MFT
18 December 2023

Axway facilitates the day-to-day operations of major organisations in all business sectors:



Customer satisfaction as a company value

37 NET PROMOTER SCORE
up 2 points compared to 2022

Strategic priorities



Further information can be found in Chapter 1 of the 2023 Universal Registration Document..

Operating indicators

Revenue & Results

Revenue



CONTRACT RENEWAL RATE

94%

renewed or moved to Subscription

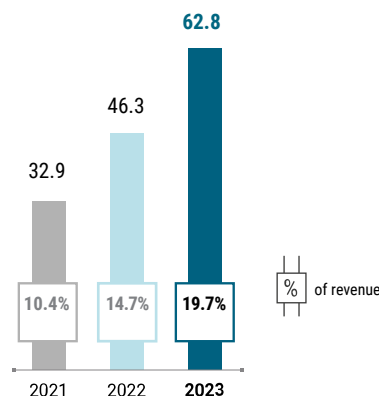
AVERAGE MIGRATION MULTIPLIER

1.9x

Maintenance moving to Subscription

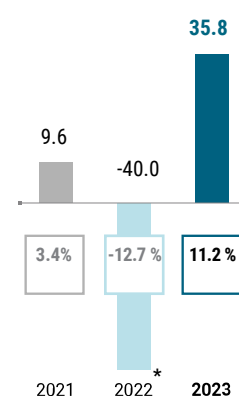
Profit on operating activities

(in millions of euros)



Net profit

(in millions of euros)

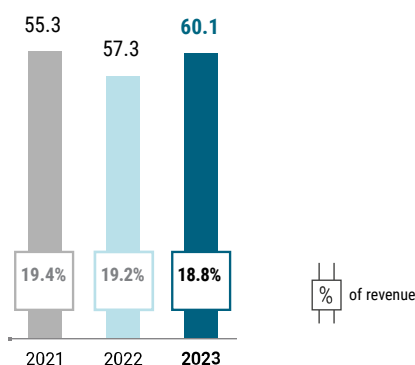


*including the impact of disposals.

Investments

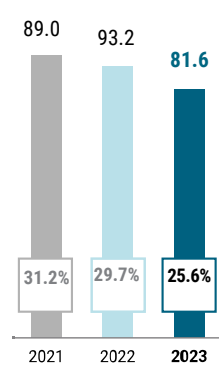
Research & Development

(in millions of euros)



Sales & Marketing

(in millions of euros)



Balance Sheet

Net debt

€75.6 M

vs. €69.5 M at 31/12/2022

Cash & equivalents

€16.7 M

vs. €18.3 M at 31/12/2022

Total equity

€346.3 M

vs. €327.8 M at 31/12/2022

2024 Targets & Outlook

2024 OBJECTIVES

- Organic revenue growth of between **1 and 3%**
- Profit on operating activities representing around **20%** of revenue

MID-TERM AMBITIONS

- Keep profit on operating activities at around **20% of revenue**
- Normalise free cash flow
- Achieve revenue of **€500 M** (including M&A)

Further information can be found in Chapter 1 of the 2023 Universal Registration Document. Alternative performance measures are defined in the document glossary.

Stock market & Share capital

Stock market profile

AXW
LISTED
EURONEXT

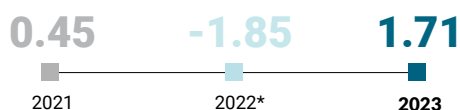
**Euronext Paris
Compartment B**
Bloomberg: AXW-FR
Reuters: AXW.PA
Market capitalisation
at 31/12/2023 : €549 M

Main Euronext indices
CAC ALL Shares
CAC TECHNOLOGY
EN FAMILY BUSINESS
EN TECH CROISSANCE

Eligibility
SRD
PEA
PEA-PME

Basic earnings per share

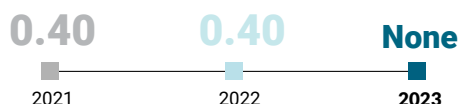
(in euros)



* Restated for the impact of disposals, basic earnings per share would have reached €1.47

Dividend

(in euros)

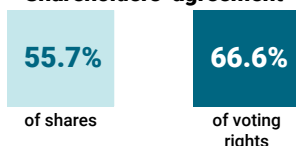


Share price and monthly trading volumes in 2023



Share ownership at 31 December 2023

Shareholders' agreement



21,633,597 **35,928,464**
Shares outstanding Voting rights

	sopra steria	sopra GMT	Pasquier Family	Odin Family	Management	Public	Treasury shares
Shares	31.96%	20.82%	0.12%	1.34%	1.44%	41.27%	3.05%
Voting rights	38.48%	25.07%	0.13%	1.43%	1.44%	33.45%	

2024 Financial Calendar



Further information can be found in Chapters 7 and 8 of the 2023 Universal Registration Document.










Shareholder dialogue

- A dedicated team and website
investors.axway.com
- Constant straightforward dialogue
investorrelations@axway.com
- Discussions and meetings with the financial community throughout the year

Governance

Axway's governance is founded on the sharing of powers between the Board of Directors and the Executive Committee, in accordance with the recommendations of the Middlenext Code.

Board of Directors

		Age	Nationality	Independent Director	Number of offices in other listed companies	Audit Committee	Appointments, Governance and Corporate Responsibility Committee	Compensation Committee	General Meeting date of expiry of term of office	Shares in the Company held personally
Pierre Pasquier		88	French		1	M			2027	0
Kathleen Clark		56	American French		1		P	M	2027	7,355
Pierre-Yves Commanay		58	French		0	M		M	2026	2,816
Nicole-Claude Duplessix		64	French		0			M	2025	1,540
Emma Fernandez		60	Spanish	I	1	M		P	2027	0
Michael Gollner		64	American British		1	M	M		2025	100
Yann Metz-Pasquier		35	French		0	M			2026	11,877
Marie-Hélène Rigal		53	French		1		P		2026	0
Yves de Talhouët		65	French		1		M	M	2027	0

I Independent Directors P Chairman/Chairwoman M Member

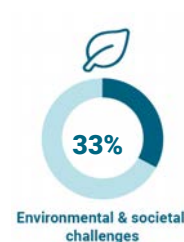
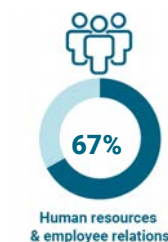
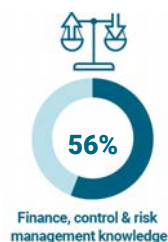
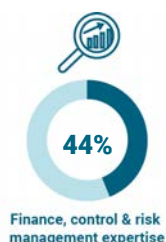
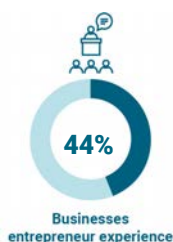
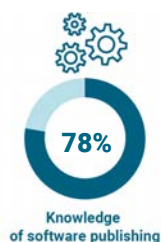
9 members

4 nationalities

44% women

7 meetings


98% attendance




Further information can be found in Chapter 4 of the 2023 Universal Registration Document.

**MAIN TOPICS COVERED
BY THE BOARD OF DIRECTORS IN 2023**

- Strategy and the corporate project;
- Acquisition and disposal operations;
- 2023 budget and major guidelines;
- Approval of the financial statements for the year ended 31 December 2022;
- Approval of the interim financial statements for the first half of 2023;
- Approval of forward-looking financial and management information documents;
- Quarterly results and related financial reports;
- Workplace and wage equality;
- Social and environmental responsibility objectives;
- Composition of the Board and its Committees;
- Assessment of the Board of Directors' activities;
- More in-depth implementation of the ethics and anti-corruption internal systems;
- Qualification of directors as independent;
- Company officer compensation;
- Members of the Board compensation;
- Grant of free shares to Company employees;
- Analysis of the minority shareholders vote at the 2023 General Meeting;
- Monitoring of legal and regulatory developments: Taxonomy regulation, Wasserman law and CSRD directive.

	AUDIT COMMITTEE		
	4 members	5 meetings	100% attendance

	APPOINTMENTS, GOVERNANCE AND CORPORATE RESPONSIBILITY COMMITTEE		
	5 members	6 meetings	94% attendance

	COMPENSATION COMMITTEE		
	5 members	4 meetings	96% attendance

Executive Committee

7 members **29%** women **3** nationalities



Patrick Donovan
Chief Executive Officer
USA - France



Roland Royer
Chief Customer Officer
France



Cécile Allmacher
Chief Financial Officer
France



Dominique Fougerat
EVP People & Culture
France



Vince Padua
Chief Technology & Innovation Officer
USA



Marc Fairbrother
EVP Research & Development
UK



Paul French
Chief Marketing Officer
USA

Corporate responsibility NFPS

Axway rolls out its Corporate Responsibility policy through three commitments: Employer, Societal and Environmental.



Annual adhesion to the United Nations - Global Compact

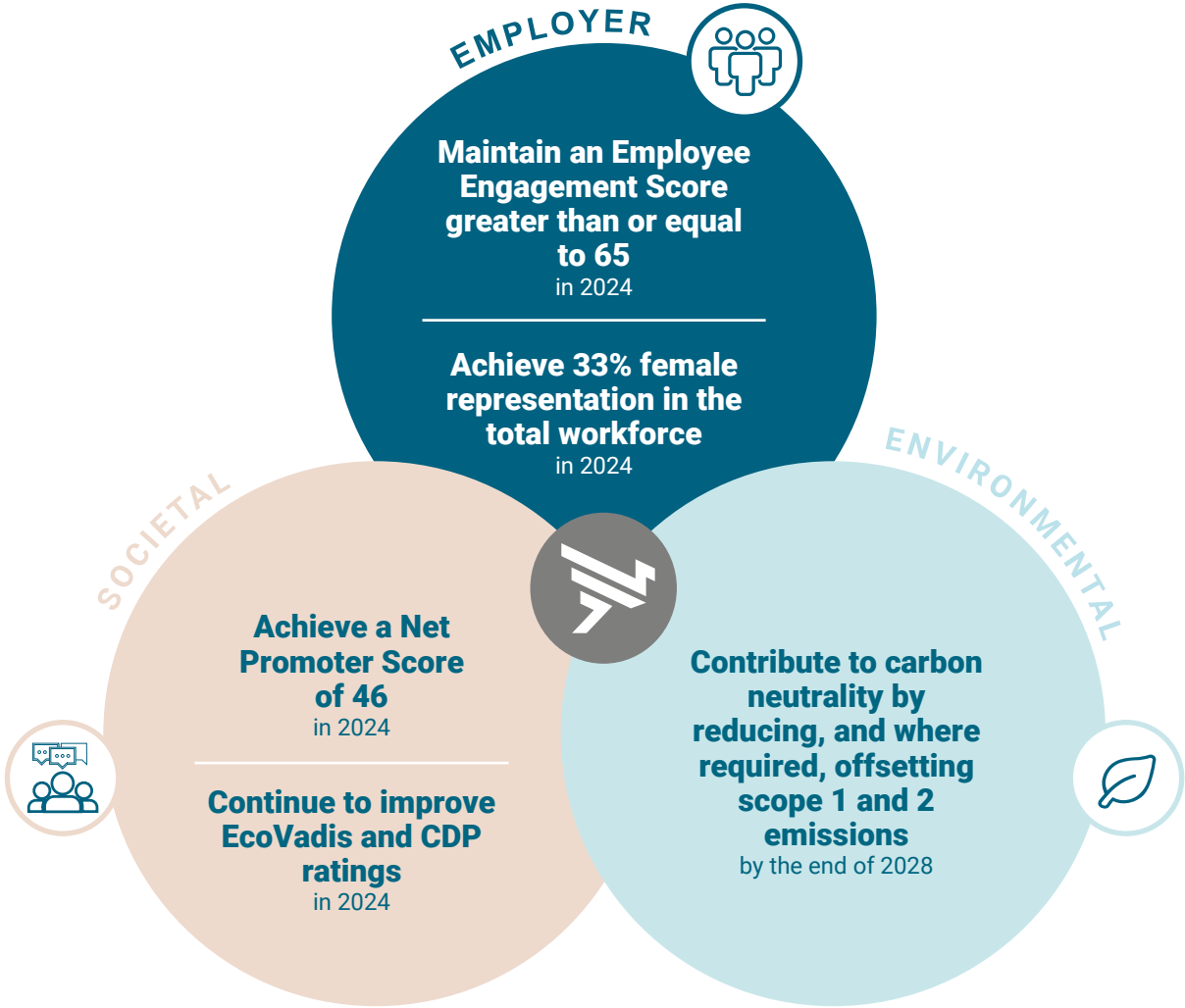
Labels and Certifications



SDGs to which Axway is committed



CSR Targets



Further information can be found in Chapter 3 of the 2023 Universal Registration Document.

2023 COMMITMENT

EMPLOYER

Continue to shape the Company we want to work for

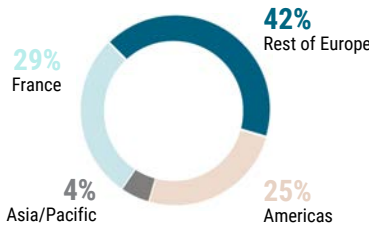
DIVERSITY IN THE WORKPLACE

at 31/12/2023



1,465

employees
vs. 1,525 in 2022



Women

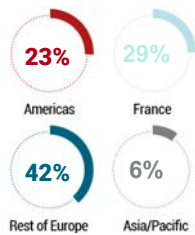
- 31% of total headcount vs. 31% in 2022
- 27% of managers vs. 26% in 2022

People with disabilities

- 2.6% of France headcount vs. 1.8% in 2022

RECRUITMENT

- 145 new employees vs. 202 in 2022
- 99% permanent contracts
- 23% women vs. 27% in 2022



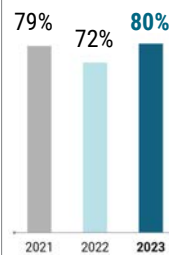
TALENTS DEVELOPMENT

- 7,734 training hours vs. 9,923 in 2022
- 95% e-learning vs. 94% in 2022
- 0.75 days of training per employee vs. 0.93 in 2022
- 75% of employees trained in information security

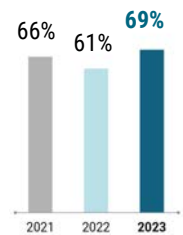
EMPLOYEE ENGAGEMENT

Annual survey

Participation rate



Employee engagement score

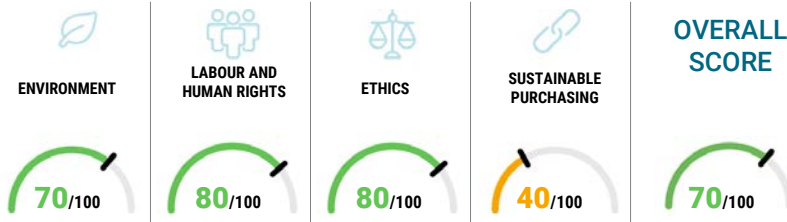


2023 COMMITMENT

SOCIETAL

Have a positive impact in our communities as a leading software company

EcoVadis



HIGHLIGHTS OF 2023

Customers

Constant increase in customer satisfaction (NPS = 37)

Sustainable purchasing

Implementation of the Supplier & Partner Charter

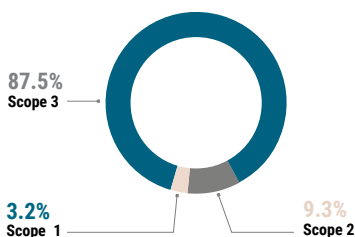
2023 COMMITMENT

ENVIRONMENTAL

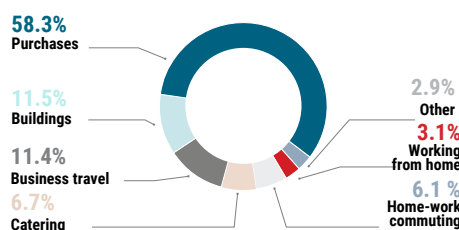
Contribute to climate change mitigation

GREENHOUSE GAS EMISSIONS ASSESSMENT

By Scope



By Category



Estimated carbon intensity

- 7.0 TCO₂eq by employee
- 32.3 TCO₂eq by €M of revenue

Business Model NFPS

Our mission

Empowering customers with secure, mission critical software and services to successfully operate and simplify their most complex business interactions.

INFRASTRUCTURE
SOFTWARE MARKET
TRENDS



CONVERGENCE
OF LEGACY
SYSTEMS AND NEW
DIGITAL NEEDS

Strengths

EMPLOYEES

- 1,465 employees in 18 countries
- Diversity of gender, age, profile, origin and culture

GOVERNANCE

- Solid financial capacity
- History of organic and external growth
- Independent corporate project, supported by reference shareholders
- Shared governance between the Board of Directors and the Executive Committee
- Matrix-based management structure by region and major product line

PRODUCTS

- Technology strategy based on agile and efficient product portfolio
- Recognised technological leadership
- Continued investments in R&D
- 20 technology patents

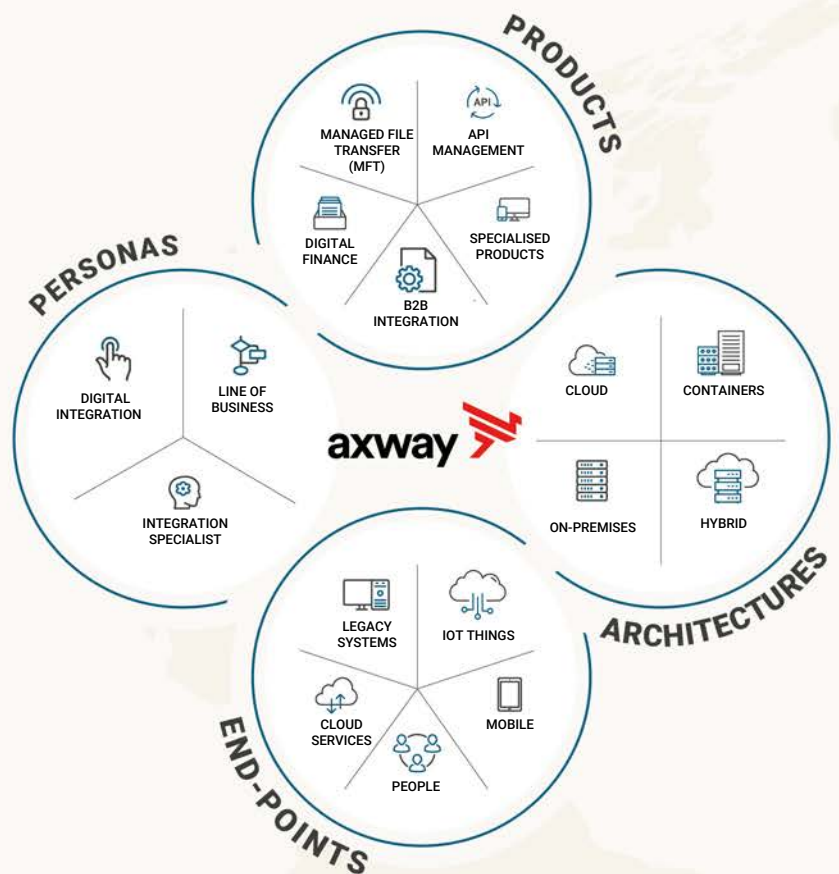
CUSTOMERS & PARTNERS

- 11,000 customers worldwide
- Product distribution in 100 countries
- Global network of partners

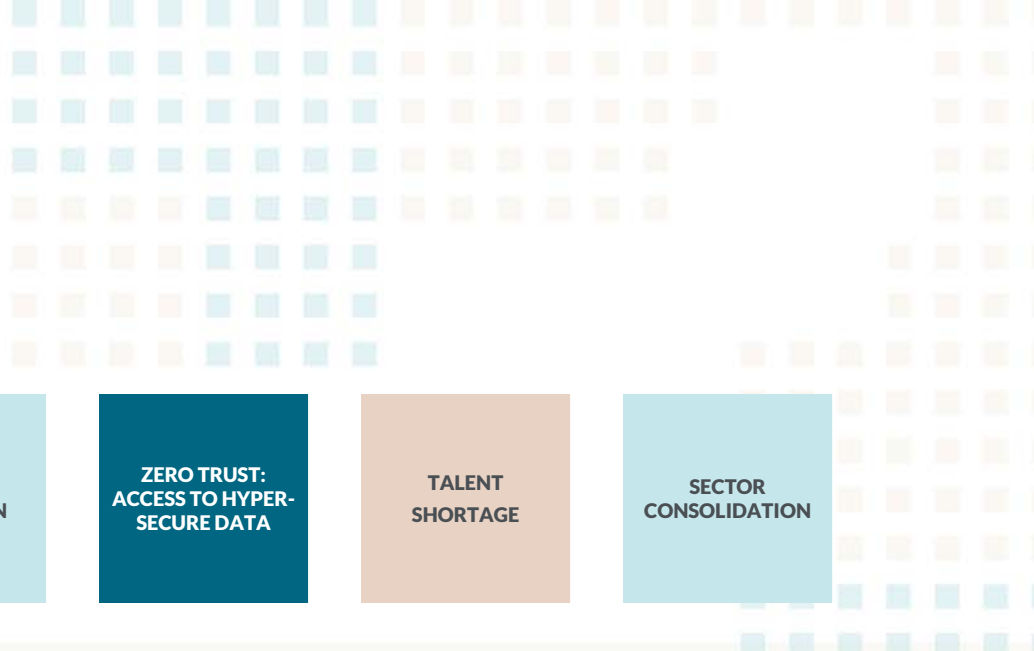
CORPORATE RESPONSIBILITY

- Key performance indicators integrated into the strategy
- Employer, Societal, Environmental commitments
- Executive Management leadership

Offers



Employees
Customer



RAMP-UP OF CLOUD AND SAAS MODELS

CONSTANT INNOVATION

ZERO TRUST: ACCESS TO HYPER-SECURE DATA

TALENT SHORTAGE

SECTOR CONSOLIDATION

Strategy

Value creation



EMPLOYEES

- Employee engagement score: 69%
- Recruitment: 145 employees, with 99% permanent contracts
- Training: 1,386 employees trained
- Flexible working methods, home-working favoured
- Ongoing Management - employee dialogue
- Employee share ownership: 2.86% of share capital
- Promotion of diversity and fight against discrimination

CUSTOMERS

- Best in class products recognised by market analysts
- Flexible offerings
- Customer satisfaction (NPS): 37
- EcoVadis: Silver (70/100)

SHAREHOLDERS

- Euronext Paris listing
- MiddleNext Governance Code
- EthiFinance ESG Ratings (67/100)
- Shareholder dialogue: Transparency and availability of information

SUPPLIERS

- Supplier & Partner Charter
- Ethics Charter and tools
- Environmental and sustainable purchasing programmes

PARTNERS

- Strategic, technological and innovation partnerships
- Partner satisfaction (NPS): 53

CIVIL SOCIETY

- Reduction in GHG emissions scopes 1, 2 and 3
- UN Global Compact commitment
- Societal programs in favour of digital careers

Engagement Satisfaction

Axway and its business activities

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This Chapter presents Axway's history, activities, markets and business strategy. By combining more than 20 years of experience with continuous investment, Axway today offers one of the most comprehensive portfolios of software solutions on the market in the field of data flow management. Axway provides its 11,000 customers worldwide with secure software and services, essential to managing and simplifying their most complex business interactions. Thanks to the expertise of its 1,465 employees across 18 countries, Axway is a trusted technology company and a long-standing leader in its main markets, enabling its customers to achieve faster results at a lower cost.

1.1 Axway's history

2001-2010: Axway, the software subsidiary of Sopra group

Spin-off and European development

Axway's journey began in January 2001 when the infrastructure software business of IT services group Sopra (now Sopra Steria) was spun off as a subsidiary. Sopra's different infrastructure solutions, including notably the Règles du Jeu accounting interpretation software and the CFT and InterPel file transfer tools, were then grouped together within a single entity: Axway.

In the following four years, Axway accelerated its international development and began its external growth with the acquisition of Viewlocity (2002). Between 2001 and 2005, these developments enabled Axway to take up a position in most major European markets and doubled its customer numbers to 6,000.

North American expansion and market leadership

Axway launched its expansion into North America in 2005, with the ambition of becoming a world leader in several sub-segments of the infrastructure software market and particularly the Managed File Transfer (MFT) and Business-to-Business integration (B2B) fields.

At the time, the US represented over 50% of the addressable market, but Axway generated only 4% of its revenue in the country. The Company then undertook strategic acquisitions, such as Cyclone Commerce in 2006, and rapidly aligned its geographic presence with the reality of its markets while establishing its executive management in the US.

The successive acquisitions of Atos group's B2B activities and Tumbleweed in 2007 and 2008, further consolidated Axway's offer and position with both US and European major customers.

In 2009, Axway reached its development goals by positioning itself as a leader among the main market analysts in the MFT and B2B integration segments. At the same time, the share of revenue earned in the US increased from 4% in 2005 to nearly 30% in 2009.

Axway, an independent leading figure in the infrastructure software market since 2011

On 14 June 2011, Axway became an independent company listed on the Paris stock exchange (AXW:PA). Following this operation, Sopra Steria Group kept a 26.27% stake in the Company while its capital was opened up to investors from around the world.

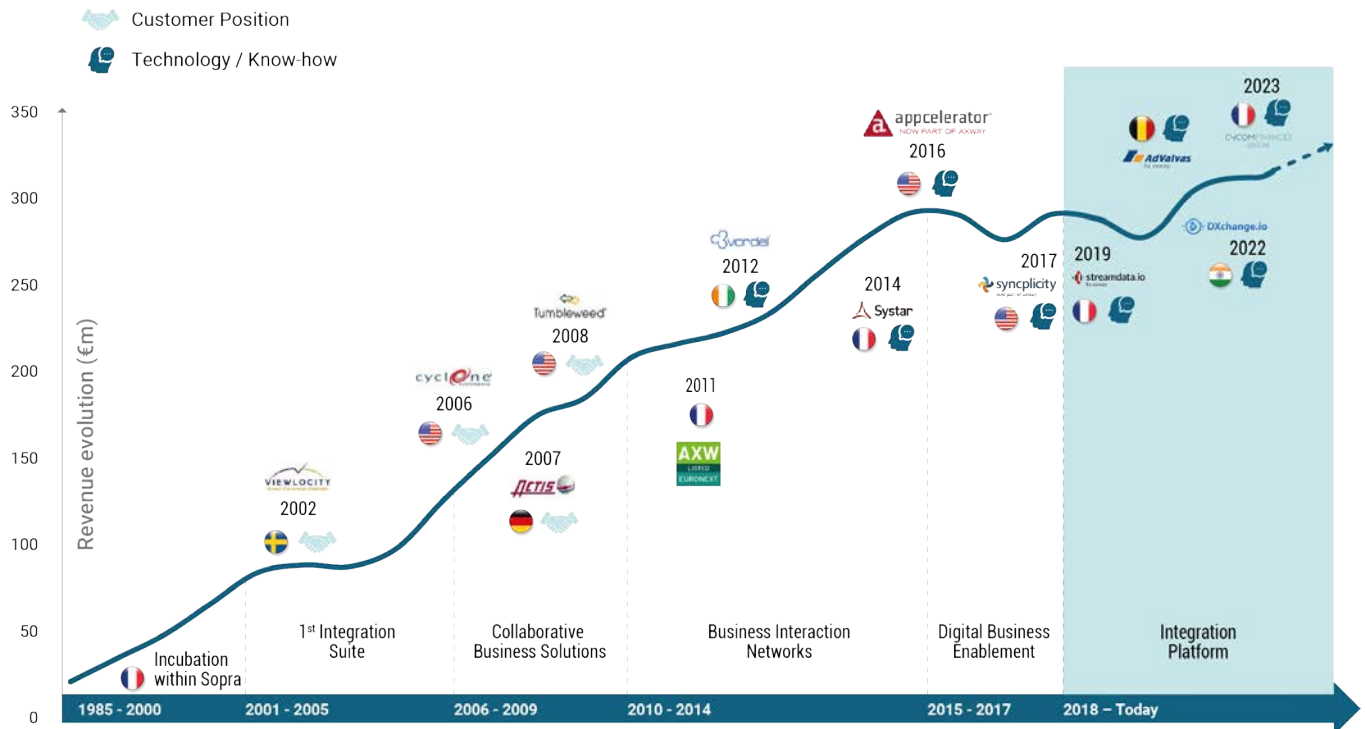
Thanks to a unique position in the data exchange field, Axway started to ramp-up digital in its business model from 2012. To support its customers' transformation and changes to data consumption methods, the Company relaunched development of its product portfolio through the successive acquisitions of Vordel, Systar, Appcelerator and Syncplicity between 2012 and 2017.

As a result, Axway expanded its technological expertise to be able to offer its customers end-to-end software solutions capable of turning their heritage infrastructure into simple, seamless digital experiences. Axway progressively established itself as an independent leader in API Management and simultaneously profoundly transformed its business model.

Between 2018 and 2021, to meet the challenges of Cloud development and "as a service" models, the Company invested massively in its main product lines and reinforced its Subscription-based offerings which better correspond to new needs. These offerings, whose success depends on continued customer satisfaction, allow maximum flexibility, both contractually and technologically.

In 2022, in line with its strategy to focus on its main product lines (MFT, B2B, API Management and the Axway Financial Accounting Hub), the Company rationalised its portfolio by disposing of or discontinuing several product lines that no longer meet its growth and profitability ambitions. At the same time, Axway strengthened its position in India through the acquisition of DXchange.io, which offers a cloud integration platform. In 2023, Axway acquired the Belgian-based company, AdValvas, a European expert in e-invoicing processes and the French company, Cycom Finances, which develops a specialist solution for financial data referencing and account mapping.

Over 20 years of organic and external development



1.2 Overview of Axway's markets

1.2.1 Axway in the infrastructure software market

With revenue of €319.0 million in 2023, Axway is France's third largest horizontal software publisher⁽¹⁾.

According to Gartner, "Enterprise infrastructure software spending was expected to grow by 14% in constant currency in 2023. By 2027, the market was forecast to cross US\$750 billion in current U.S. dollars, with a five-year CAGR of 13%".

As a software publisher, Axway operates in several infrastructure software sub-segments and specifically application infrastructure and middleware (AIM). In total, Gartner estimates the application infrastructure and middleware sub-segment market at US\$67.5 billion in 2024⁽³⁾.

Within the application infrastructure and middleware sub-segment, Axway participates in four specific markets:

- Managed File Transfer (MFT);
- B2B Gateway Software (B2B Integration);
- API Management (APOM);
- Integration Platform-as-a-Service (iPaaS).

For 2024, Gartner estimates growth in the different technology markets in which Axway operates as follows: Managed File Transfer Suites (MFT) +1.9%, B2B Gateway Software (Stand-Alone) -0.3%, Full Life Cycle API Management +16.7%, Integration Platform-as-a-Service (iPaaS) 21.7%⁽²⁾.

As an international player, Axway is exposed to the dynamics of different geographic markets. The Company has locations in 18 countries across five continents. Gartner estimates 2024 application infrastructure and middleware growth in Axway regions as follows: North America +12.1%, Latin America +11.2%, Western Europe +11.7% and Asia/Pacific +14.8%⁽³⁾.

Supported by a large network of technology partners and dealers, this global coverage means that Axway solutions are used in over 100 countries. The Company can support the largest organisations with all their transnational projects.

⁽¹⁾ Source: Top 250 French software publishers, Numeum - EY 2023.

⁽²⁾ Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2021-2027, 4Q23 Update, Arunasree Cheparthi, Robin Schumacher, Lisa Uden-Farhoud, Daniel O'Connell, Brandon Medford, John Harrell, Laurie Wurster, Colin Fletcher, Nicholas Carter, Tarun Rohilla, Sharat Menon, Christian Canales, Amarendra, Rahul Yadav, 22 December 2023. See external sources, page 222.

⁽³⁾ Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2021-2027, 4Q23 Update, Arunasree Cheparthi, Robin Schumacher, Lisa Uden-Farhoud, Daniel O'Connell, Brandon Medford, John Harrell, Laurie Wurster, Colin Fletcher, Nicholas Carter, Tarun Rohilla, Sharat Menon, Christian Canales, Amarendra, Rahul Yadav, 22 December 2023. See external sources, page 222.

Axway's infrastructure software is used in cloud, hybrid and on-premises environments. Historically, Axway distributes its solutions in the form of perpetual licenses accompanied by maintenance contracts. Since 2015, the Company has also offered most of its solutions through "as a service" Subscription contracts. These Subscription offerings are now largely preferred by customers and are often based on cloud and/or hybrid technology models.

As a result of these trends, the infrastructure and integration markets continue to evolve:

- requirements are constantly increasing, both with regard to the availability of information on all devices and the security of connections and data. IT ecosystems continue to develop as more and more companies work together through collaborative solutions;
- while more and more workloads are moving to the cloud, companies have decades of heritage infrastructure and systems that must continue to be leveraged to meet short-term needs and cost constraints.

1.2.2 Trends observed in Axway's markets

The digital landscape is rapidly evolving, driven by advancements in cloud-native services and applications across diverse sectors such as Banking, Logistics, and Healthcare. This evolution requires leaders to accelerate their innovation efforts to stimulate their competitiveness and growth in their markets.

Companies with complex infrastructure and information systems are proactive in seeking new opportunities aligned with their business objectives. This pursuit is often fuelled by the demands and expectations of their ecosystems, including customers, partners, and suppliers, who urge them to offer an optimal customer experience and more innovative outcomes.

The key trends currently shaping the development of the infrastructure software market include:

1. Cloud and Hybrid Cloud architectures: The shift towards multi-cloud and hybrid cloud strategies is becoming increasingly prevalent, offering organisations flexibility, scalability, and the ability to optimise their IT infrastructure for efficiency and innovation.
2. Zero Trust Security models: With the growing volume of sensitive data exchanged across networks, adopting a zero trust security model has become imperative. This approach ensures that data access is strictly controlled and monitored, significantly enhancing the overall security level of organisations in the face of evolving threats.
3. data privacy and sovereignty: As global emphasis on data protection intensifies, organisations are navigating the complexities of adhering to stringent data privacy laws and ensuring data sovereignty. This trend underscores the need for solutions that can manage and secure data across geographical boundaries while complying with regulatory requirements.

Companies are therefore naturally turning to integration platforms to facilitate their digital transformation.

According to Gartner, "by 2027, more than 80% of large and midsize enterprises will invest in multicloud and hybrid cloud architecture, up from 55% in 2022, further driving the demand for iPaaS and API Management technologies⁽¹⁾".

Axway's products and vision in its different technological markets were again rewarded in 2023.

In the third quarter of 2022, Axway was positioned as a Leader in The Forrester Wave™: API Management Solutions⁽²⁾. At the same time, the API Management, B2B integration and MFT offerings, which represent three of Axway's four main product lines, were named as Leaders in their respective categories in the Winter 2024 reports released by G2, a business solutions assessment platform.

Additionally, Axway was recognised for the 8th time in its history as a Leader in the 2023 Gartner® Magic Quadrant™ for API Management⁽³⁾.

Axway aims to maintain its position as a leader in its markets and continues to invest in this direction.

4. composability and AI-assisted Automation: Composability, augmented with AI and Machine Learning, is revolutionising the agility and efficiency of organisations. This approach allows businesses to construct flexible IT infrastructures that swiftly adapt to changes and new challenges. AI and Machine Learning enhance automation, making processes not only faster but smarter, capable of predictive analytics and decision-making. This integration fosters a dynamic environment where systems are continuously optimised for innovation and growth.
5. ecosystems: businesses are not isolated entities. They operate with partners, supply chains, and service providers. Employees, partners, and customers are increasingly remote and digitally connected. Industries are transforming to meet this accelerating digital transformation. The banking, finance, healthcare, retail, logistics, and warehousing sectors have had to accelerate their digital transformation strategy to prevent disruption. One aspect of this transition involves selecting and integrating the right partners to promote innovation and maximise customer value. A company's ecosystem, its health, and its ability to adapt therefore become key indicators of its overall success.

Given these changes, major organisations are seeking state-of-the-art approaches based on digital platforms that can optimise data access, extract its value, provide flexible and agile interaction frameworks, involve ecosystems, and develop unique applications that create value for their businesses.

To achieve their expected outcomes, enterprises require modern data, file, application, and API integration, enabling them to seamlessly connect third parties, disparate systems, and data sources, automate workflows, and streamline business processes.

Even though all major organisations now have an established digital strategy, only a minority reach their deployment targets and fully benefit from the intrinsic value of their data and digital ecosystems.

⁽¹⁾ Gartner, *Forecast Analysis: Application Infrastructure and Middleware Software, Worldwide*, Varsha Mehta, Nicholas Carter, Fabrizio Biscotti, Kelli Smith, 30 October 2023.

⁽²⁾ *The Forrester Wave™: API Management Solutions, Q3 2022*, Forrester Research, Inc., 21 August 2022.

⁽³⁾ *Gartner® Magic Quadrant™ for API Management*, Shameen Pillai, Kimihiko Iijima, Mark O'Neill, John Santoro, Paul Dumas, Andrew Humphreys, Nicholas Carter, 11 October 2023 - See external sources, page 222.

1.2.3 The competitive environment

Axway navigates a competitive environment characterised by a diverse array of players across different markets. This environment encompasses:

- major generalists: companies like IBM-RedHat, Microsoft, SAP, Oracle, Salesforce, Amazon Web Services, Google, and Broadcom dominate the global information systems market with extensive product ranges. Their offerings, spanning operating systems, cloud services (both public and private), search engines, and ERPs, cater to a range of basic infrastructure and integration needs. Despite the size and scope of these companies, Axway stands out for its deep-rooted expertise and specialised solutions able to respond to the most complex IT infrastructure challenges. Unlike these generalists, Axway positions itself as an independent and technology-agnostic partner, to allow for unparalleled interaction across all data ecosystems, whether on-premise or cloud-based, on all devices and across all applications.

- infrastructure and integration specialists: entities such as Boomi, Software AG, Tibco, Progress Software, MuleSoft, Apigee, WSO2, Kong, Postman, and Informatica represent Axway's main competition. The areas of expertise of these competitors, ranging from cloud-native startups to more established firms and specialised branches of major generalists, are increasingly converging as the market evolves. Axway stands out from these competitors thanks to more than 20 years of constant investment in data exchange technologies and recognised leadership in the MFT, B2B integration and API management markets. Axway's strategic acquisitions throughout its history have significantly enriched its portfolio of integration capabilities, offering one of the most comprehensive and sophisticated product suites on the market

1.2.4 Customers and target markets

Axway offerings are aimed at all major organisations with complex information systems. Axway offers horizontal software solutions able to target the needs of all types of customers, independent of their business sector. In addition, the Company has specialised solutions for the specific needs of certain industries.

Axway customers - financial institutions, major players in manufacturing, retail, healthcare and the public sector - benefit from independent expertise to support them in their strategic choices of IT infrastructure solutions. Each day, Axway solutions help 11,000 customers worldwide transform their businesses and industries.

In the Financial Services sector, Axway solutions allow optimised management of data flows that are critical to the operations of banks and their customers, financial markets and their regulators. Axway's specialised product portfolio also includes solutions that support "Open API" standards and accounting and payment flow integration.

In advanced Manufacturing, Axway solutions are at the heart of the business, providing end-to-end visibility on supply chains through real-time data analysis. Axway's expertise helps limit costs thanks to agile infrastructure and automation tools. The Company has, in particular, in-depth knowledge of supply chains in the Healthcare sector and the Automotive industry.

In Retail, Axway's expertise extends from inventory and point-of-sale management solutions to final customer-focused applications, maximising the use of data to make it an asset that creates value.

In the Public Sector, Axway's products help governments secure, modernise and adapt their IT infrastructures to deliver new digital services. From secure data exchange to business-critical data governance, Axway's products enable critical data to be delivered to the people who need it, when and where they need it. Axway's offerings simplify administrative processes, streamline data management and associated costs, secure exchanges and enable critical use cases such as identity verification.

In Transportation & Logistics, Axway's solutions simplify data exchange, visibility, and authorisations associated with transporting goods seamlessly worldwide.

1.3 Strategy and objectives AFR

1.3.1 An agile portfolio of high-performing products

As a leader in digital transformation and integration, Axway empowers customers with secure, mission-critical software and services to successfully operate and simplify their most complex business interactions.

Axway's different technological areas of expertise connect people, devices, companies and stakeholder ecosystems, thanks to software solutions able to evolve customers' heritage infrastructure into simple and fluid digital experiences which create value for each use case.

Amplify software products bring together all the players in a major organisation's digital ecosystem around a common set of tools. The teams in charge of applications and their integration, developers, operators or architects, within the company or with one of its partners, use Amplify products to make the use of data a competitive advantage.

Through a range of ready-to-use solutions and services, Axway's expertise is founded on five major product lines:



Axway Managed File Transfer (MFT): managing the largest critical data streams flexibly and securely in accordance with compliance policies;



Axway B2B Integration (B2B): orchestrating business interactions across all value chains within the company;



Amplify Platform (APIM): Amplify promotes API adoption by providing a powerful universal management and governance platform to unify software infrastructures, streamline analysis, and accelerate the deployment of innovative digital services;



Axway Financial Accounting Hub (AFAH): automating and centralising the management of accounting and financial processes to improve operating efficiency and regulatory compliance;



Speciality products: products designed to ensure visibility, intelligence and security across the entire digital ecosystem by optimising operating performance and controlling costs.

In a market that is constantly accelerating to the cloud, Axway looks to maintaining an agile portfolio of high-performing products, to continue offering the world's largest companies efficient and secure software solutions that can support their long-term development.

The Company has always combined major investment in research and development with an ambitious external growth policy to accelerate its development and strengthen its offerings.

Intellectual property and Patents

At 31 December 2023, Axway had 20 patents (Issued and/or published) relating to its technologies and solutions. These patents are filed mainly in the United States, in the security and exchange integrity market segment. The Company's business as a whole is not specifically dependent on a particular patent or technology.

1.3.2 Key events and changes in 2023

In 2023, in a market that is steadily accelerating towards the cloud, Axway has taken advantage of its renewed business model to consolidate its position as a leading publisher in the management of critical data flows. The company has continued to offer large enterprises high-performance, secure software solutions capable of supporting their development over the long term.

Axway's year was punctuated by several highlights, including :

- a new revenue and profitability high for the company, which for the year benefited from a record level of customer satisfaction, with a Net Promoter Score of 37, compared with 35 at the end of the prior year. This performance is a direct result of the day-to-day commitment of Axway's employees who, in a context of major organisational evolution, have been focusing for several years on continuous improvement of customer experience with Axway's products and services;
- the maximisation of customer use of Axway's products and the extension of contract durations were confirmed. These trends perfectly reflect the consistency of the matrix structure that the company has adopted, with management by product and by geography. Over the year, the total value of bookings increased by 5.1% compared with 2022, while more than 100 new customers chose Axway to accompany them in their digital transformation projects;
- Axway's products and vision in its different technology markets have once again been awarded in 2023. For the 8th time in its history, Axway has been recognised among the world leaders in the API Management market in the 2023 edition of the Gartner Magic Quadrant™ for API Management. In parallel, the API Management, B2B Integration and MFT offerings, which make up 3 of Axway's 4 main product lines, were each named leaders in their respective categories in the Winter 2024 reports of the G2 global evaluation platform for enterprise solutions;
- after refocusing its product portfolio in 2022 by disengaging from activities that were no longer aligned with its growth and profitability objectives, Axway adopted a more offensive strategy in 2023 by consolidating two new companies within its scope. In late March, Axway acquired Belgian company AdValvas, a European expert in electronic invoicing processes, whose offerings immediately strengthened the B2B product line. Over a 9-month period, the order book grew steadily, reflecting strong interest in certified expertise in the PEPPOL network. Then, in mid-October, Axway finalised the acquisition of French company Cycom Finances and its accounting

mapping solution, PaE. This acquisition, which complements Axway's Financial Accounting Hub (FAFH) offering, led to the establishment of a strategic partnership with KPMG in France, and generated, just a few weeks after its completion, a first significant signature with a leading European banking institution.

At a time when Axway has set itself ambitious external growth targets for the coming years, the company's objective is to maintain an agile portfolio of high-performance products, capable of keeping pace with the rapid evolution of its industry.

1.3.3 Strategic priorities and ambitions

Axway's positive performance momentum is attributable to several fundamental developments. In a few years, the Company has built a more efficient business model, focused on Subscription offerings and concentrated on its main product lines. Around its core products, Axway has built an aligned structure, by product and region, which has not only improved customer satisfaction, but also strengthened employee engagement. This is reflected by a clear improvement in results and allows the Company to look forward to the next stage of its project supported by a solid financial position.

Employee engagement, driving customer satisfaction

The success of Axway's project relies on the commitment of its employees and their continued dedication to providing the highest quality customer experience. Every employee, regardless of their role in the Company, must have a clear understanding of Axway's strategy and the impact of their work on the overall customer experience. Axway strives to maintain an ongoing dialogue with its employees to keep them informed of current strategic thinking and developments and will continue to do so in 2024. Through its internal communication efforts and careful monitoring of its talent development, Axway maintains a virtuous circle that serves all of the Company's stakeholders, including its customers, through their level of satisfaction.

Continuous improvement in agility and operating efficiency

In order to maximise its competitiveness and respond as effectively as possible to its customers' needs, Axway is constantly seeking to improve its internal processes and optimise the use of its resources to maintain a good level of control over its costs. At the same time, changes in contractual modes in the software industry and the resulting accounting treatments complicate the interpretation of the Company's financial statements, which must be even more agile to ensure good visibility.

In this context, Axway is constantly strengthening its tools, systems and internal organisation, to obtain a panoramic view of the business situation. Year after year, the Company improves the reliability of its projections in order to make quick and enlightened strategic decisions.

Axway will continue its efforts in 2024, with a streamlined product portfolio and sustainable financial performance that will allow the relaunch of the external growth strategy to seize opportunities.

2024 objectives

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

1.4 Key figures and comments on the 2023 consolidated financial statements

1.4.1 Key figures

(in millions of euros)	2023	2022	2021
Revenue	319.0	314.0	285.5
EBITDA	69.9	56.3	41.3
Profit on operating activity	62.8	46.3	32.9
As a % of revenue	19.7%	14.7%	11.5%
Profit from recurring operations	55.4	37.4	19.9
As a % of revenue	17.4%	11.9%	7.0%
Operating profit	47.6	-46.4	17.3
As a % of revenue	14.9%	-14.8%	6.1%
Net profit – Group share	35.8	-40.0	9.6
As a % of revenue	11.2%	-12.7%	3.4%
Number of shares at 31 December	21,633,597	21,633,597	21,633,597
Basic earnings per share (in euros)	1.71	-1.85	0.45
Diluted earnings per share (in euros)	1.66	-1.85	0.43
Net dividend per share* (in euros)	0.00	0.40	0.40
Cash and cash equivalents	16.7	18.3	25.4
Total assets	594.6	571.1	582.9
Total non-current assets	367.6	374.0	424.6
Deferred income (current)	49.1	55.6	55.8
Shareholders' equity – Group share	346.3	327.8	372.2
Net debt (cash)	75.6	69.5	36.5
Employees at 31 December	1,465	1,525	1,712

* The Axway Board of Directors will not propose a dividend distribution in respect of 2023.

1.4.2 Comments on the 2023 consolidated financial statements

Operating performance and activity

In 2023, Axway's revenue totalled €319.0m, up 5.8% organically and 1.6% in total. Changes in the consolidation scope, mainly due to the rationalisation of the product portfolio in 2022, had a negative impact of €8.2m for the year. Currency fluctuations, notably the depreciation of the US dollar against the euro, also had a negative impact of €4.4m on full-year revenue.

Profit on operating activity rose once again, reaching €62.8m for the year, or 19.7% of revenues, compared with 14.7% in 2022.

Profit from recurring operations was €55.4m in 2023, or 17.4% of revenue, compared to 11.9% the previous year. It includes amortisation of allocated intangible assets of €3.2m and a share-based payment expense of €4.2m.

Operating profit for the year was €47.6m, or 14.9% of revenue.

Net profit for the year was €35.8m, representing 11.2% of revenue. Basic earnings per share were €1.71.

Revenue by business line

(in million of euros)	2023	2022 Restated*	2022 Reported	Total Growth	Organic Growth
License	8.8	10.2	11.6	-23,8%	-13,7%
Subscription	186.6	146.5	154.0	+21,2%	+27,4%
Maintenance	87.0	107.9	111.2	-21,7%	-19,4%
Services	36.5	36.8	37.3	-2,1%	-0,6%
Axway Software	319.0	301.4	314.0	+1,6%	+5,8%

* Revenue at 2023 scope and exchange rates.

Key figures and comments on the 2023 consolidated financial statements

License activity revenue totalled €8.8m for the year, down 13.7% organically. In line with expectations, after several years of contraction linked to the rise of subscription-based offers, license sales gradually stabilised during the year, and are now mainly driven by a specialised product. It is reported that revenue returned to growth in Q3 and Q4, although this was not enough to offset the decline recorded in H1. Nevertheless, the trend reversal observed points to a more balanced 2024 outlook.

The **Subscription** activity maintained a very solid momentum throughout 2023. With organic growth of over 50% in the first 9 months of the year, the activity was faced with a record comparison basis at the end of the year. This did not prevent further organic growth of 1.8% in Q4 2023, enabling the activity to achieve annual revenue of €186.6m, up 27.4% on 2022. Several major Customer Managed signatures enabled the company to exceed its revenue forecast in year-end. For the full year, upfront revenue from Customer Managed subscription contracts amounted to €93.4m, compared with €78.7m in 2022.

The annual value of new subscription contracts (ACV) signed reached €49.9m in 2023, an increase of 1.4%.

Maintenance revenue reached €87.0m in 2023, down 21.7% overall and 19.4% organically. While the contract renewal rate reached 94%, the decline in activity was mainly due to lower license sales and the continued migration of customers to subscription-based offers.

At the end of December 2023, Axway's ARR (Annual Recurring Revenue) which combines recurring revenues from all active Maintenance and Subscription contracts, including, where applicable, upfront subscription revenue recalculated monthly, was €228.7m, up 6.6%⁽¹⁾ at constant scope and exchange rates. In addition, revenue from renewable contracts reached 86% of total revenue in 2023.

The **Services** activity was virtually stable compared with the previous year, with annual revenue of €36.5m (-0.6%). The activity was mainly supported by several major MFT migration projects across Europe. As expected, Services are now stabilising at between 10 and 15% of Axway's total revenue.

Revenue by geographic area

(in million of euros)	2023	2022 Restated*	2022 Reported	Total Growth	Organic Growth
France	99.9	90.9	91.6	+ 9,0%	+ 9,9%
Rest of Europe	76.1	67.8	68.4	+ 11,2%	+ 12,1%
Americas	126.4	123.1	133.3	- 5,1%	+ 2,7%
Asia/Pacific	16.6	19.6	20.8	- 20,0%	- 15,3%
Axway Software	319.0	301.4	314.0	+ 1,6%	+ 5,8%

* Revenue at 2023 scope and exchange rates.

In **France**, Axway achieved revenue of €99.9m in 2023 thanks to dynamic organic growth of 9.9%. In the country, activity was driven by the acceleration of migrations to subscription-based offers, and by a significant increase in usage across all product lines in the portfolio. Proof of the excellent sales momentum, the value of bookings from new customers rose by 43% over the year.

The **Rest of Europe** region also reported a marked increase in revenue in 2023. Sales reached €76.1m, up 12.1% on the previous year. This good performance was made possible by growth in the region's largest countries, particularly Germany, where the new organisation and focus on sales continue to produce excellent results.

The **Americas (USA & Latin America)** recorded revenue of €126.4m in 2023, representing 40% of Axway's total annual revenue. In the region, business grew organically by 2.7% over the year. While in North America, Axway once again benefited from its leadership in the MFT market to strengthen its positions against its main competitors, in Latin America the Amplify API management offering underpinned performance.

In **Asia/Pacific**, Axway posted annual revenue of €16.6m, down 15.3% organically. In contrast to the previous year, in 2023 customers in the region favoured Axway Managed subscription contracts, which represented 55% of bookings. Although these contracts do not generate immediate revenue recognition, they do generate income throughout their term.

⁽¹⁾ Axway's ARR to end 2022 has been restated to take account of a change in methodology, and thus amounts to €214.5m.

Comparison of fiscal years ended 31 December 2023, 2022 and 2022

(in millions of euros)	2023	2022	2021
Revenue	319.0	314.0	285.5
License	8.8	11.6	18.6
Subscription	186.6	154.0	114.2
Maintenance	87.0	111.2	119.0
Sub-total License, Subscription and Maintenance	282.4	276.7	251.7
Services	36.5	37.3	33.8
Cost of sales	87.2	91.4	83.3
License and Maintenance	24.1	26.4	24.6
Subscription	28.2	29.4	27.0
Services	34.9	35.6	31.7
Gross profit	231.7	222.6	202.3
As a % of revenue	72.7%	70.9%	70.8%
Operating expenses	168.9	176.4	169.4
Sales and Marketing costs	81.6	93.2	89.0
Research & Development expenditure	60.1	57.3	55.3
General expenses	27.2	25.9	25.0
Profit on operating activity	62.8	46.3	32.9
As a % of revenue	19.7%	14.7%	11.5%

Cost of sales and gross margin

In 2023, the gross margin is 72.7% of revenue, up significantly on 2022 (70.9%).

With the transformation of the business model, the Subscription gross margin more than offset the expected contraction in the License and Maintenance gross margin. The 27.4% increase in Subscription revenue combined with a decrease in cost of sales (-4.1%) allowed Axway to achieve a gross margin of 84.9% on the Subscription activity, a significant increase compared to 2022 (80.9%).

The License and Maintenance gross margin fell from 76.2% in 2022 to 72.3% in 2023. This expected decline is due to maintenance revenue attrition.

The Services gross margin is more marginal and stable at 4.4% compared to 4.5% in 2022.

Operating expenses

Profit on operating activities was €62.8 million in 2023, or 19.7% of revenue, compared to 14.7% in 2022. Thanks to optimised cost management, operating expenses fell again as a percentage of revenue, decreasing from 56.2% of revenue in 2022 to 53.0% in 2023. While revenue increased by 1.6% in total, or +€5.0 million over the period, operating expenses fell by €7.5 million.

Sales and Marketing costs totalled €81.6 million (25.6% of revenue), down significantly on 2022 (29.7% of revenue). This decrease was due to the rationalisation of distribution costs by the Company in the Americas and Asia/Pacific regions.

Research & Development expenditure totalled €60.1 million, or 18.8% of revenue, compared to 18.2% in 2022.

General expenses totalled €27.2 million and represented 8.5% of revenue, stable on 2022 (8.2%).

Balance Sheet and financial structure

At 31 December 2023, Axway had a solid financial position, with cash of €16.7 million and bank debt of €92.3 million.

1.5 Comments on the Axway Software SA 2023 annual financial statements

The financial statements described below are those of Axway Software SA. They present the financial position of the parent company, strictly speaking. They do not include the financial statements of the Company's subsidiaries, unlike the consolidated financial statements.

1.5.1 Income Statement

2023 revenue increased 2.6 % on 2022 (License +0.6%, Subscription +26.4%, Maintenance +11.4%, Services +61.5%). Revenue from non-Group customers rose 10.8% while inter-company revenue fell 2.8%.

The operating loss was -€2.3 million in 2023, compared to -€9.1 million in 2022. Revenue growth (+€4.8 million) offset the increase in certain expenses, reducing the operating loss in 2023. While employee costs increased €2.1 million, purchases consumed fell €0.8 million, mainly due to inter-company invoicing.

The charge to Depreciation, amortisation and provisions also fell, decreasing -€1.1 million. The exceptional impairment of property, plant and equipment of €1.3 million recorded in anticipation of the relocation of the Paris premises, partially offset other downward movements in this line item, including -€1.8 million in impairment of receivables.

Net financial income of +€10.9 million in 2022 changed to a net financial expense of -€1.2 million in 2023. The main movements in this heading comprised a decrease in dividends received from subsidiaries of -€3.0 million and an increase in financial expenses relating to loan interest and other costs of +€5.2 million. Reversals of provisions for foreign exchange

losses on inter-company current accounts decreased -€4.1 million.

The pre-tax current profit of €1.7 million in 2022 became a pre-tax current loss of -€3.4 million in 2023.

The net exceptional expense was -€11.5 million in 2023, compared to -€14.3 million in 2022. Exceptional income and expenses were impacted by the free share plans. A change of -€12.9 million concerning reversals of provisions for contingencies and losses on shares purchased and to be bought back before the end of the plans was recognised. This decrease was offset by an increase of +€2.0 million in transfers of exceptional expenses and +€4.0 million in inter-company billing, all related to the free share plans. The loss recorded on the delivery of free share plans decreased -€8.6 million between 2022 and 2023.

A provision for the refurbishment of the W Tower premises was also recognised in 2023 for €1.3 million.

Employee profit-sharing totalled €1.3 million in 2023, compared to €0.9 million in 2022.

The 2023 net loss was -€12.4 million, compared to -€8.0 million in 2022.

1.5.2 Balance sheet

Shareholders' equity fell from €213.1 million at 31 December 2022 to €192.2 million at end-2023.

This decrease was due to the increase in the net loss year-of -€4.4 million, and the partial use of discretionary reserves (€8.6 million) for the payment of dividends.

The main event between these two financial years was the acquisition of Cycom Finances on 18 October 2023 for €6.8 million.

The +€4.5 million increase in intangible assets and property, plant and equipment is partly due to the transfer of DXchange Technologies Private Limited technology to Axway Software in June 2023, following the internal reorganisation of this company, i.e. an amount of €3.3 million. In addition, Cycom Finances capitalised research costs were transferred as part of the comprehensive asset transfer, increasing net intangible assets by €2.9 million. Business goodwill of €1.4 million was also recognised. Additional acquisitions during the year totalled €1.5 million and depreciation and amortisation is deducted from assets in the amount of -€3.4 million.

A provision for exceptional impairment of property, plant and equipment was recognised in anticipation of the move out of the W Tower premises, thereby reducing non-current assets by -€1.3 million.

The -€17.7 million decrease in financial assets is mainly due to the sharp fall in receivables from equity investments and particularly from our subsidiary Axway Inc. of -€12.9 million. The exit of the DXchange Technologies Private Limited shares acquired in 2022 for -€8.8 million, and the creation of a new entity, Axway Software India Private Limited, holding the DXchange shares for €5.5 million are also of note.

The +€46.3 million increase in trade receivables is mainly due to the €41.8 million increase in inter-company accrued income due to the change in the transfer pricing policy in 2023. Inter-company customer billing increased €3.8 million, while non-group billing fell €0.8 million.

Commercial debt waivers were granted to some subsidiaries (Axway Ireland and Axway China) reducing trade receivables by €7.8 million and inter-company accrued income by €3.3 million.

Other receivables, prepayments and accrued income increased +€9.5 million year-on-year, with higher unrealised foreign exchange losses on current account receivables due to a less favourable USD exchange rate in 2023 (+€2.1 million). Supplier accounts in debit increased +€7.0 million, due to a credit note received from Axway Ireland in respect of expenses relating to the former transfer pricing policy. Tax receivables also fell €1.1 million, due in part to research tax credits which decreased €1.1 million in 2023.

Cash and cash equivalents increased +€1.8 million. From October 2021 to July 2023, a contract with CIC Market Solutions authorised it to perform share buybacks for the purpose of employee free share grant plans. Share buybacks increased €1.4 million on 2022. Bank balances increased +€0.3 million.

Provisions increased by +€3.2 million. We recognised an exceptional provision for the refurbishment of the W Tower premises of €1.2 million. At the same time, due to a increase in unrealised foreign exchange losses, the provision for foreign exchange losses was also increased at the end of December by +€2.0 million.

Financial debt is up €8.6 million. Loans from equity investments increased €4.3 million and other loans increased €4.2 million. The BPI loan was repaid in the amount of €0.1 million and €1.0 million was repaid on a RCF draw-down. The US\$18 million (€17.1 million) draw-down performed in 2022 was repaid in full in January 2023 and replaced by a new draw-down of €18.0 million. In September 2023, we drew an additional €4 million on the RCF to finance the acquisition of Cycom Finances. Following this acquisition, two loans guaranteed by the French state (PGE loans) were transferred to our accounts for €0.6 million.

The +€12.9 million increase in trade accounts payables was partly due to a sharp rise in inter-company accrued expenses at the end of 2023 of €14.8 million, while non-group accrued expenses fell -€1.0 million (including +€0.6 million for VAT payable).

Tax and employee-related payables increased €2.1 million. The €1.1 million increase in employee-related liabilities is mainly due to provisions for commission, bonuses and paid leave, while tax payables also increased by €0.3 million.

Other liabilities, accruals and deferred income increased by €38.5 million. This increase is due to a €37.2 million increase in customer accounts in credit and concerns credit notes issued to inter-company customers in June 2023 in respect of transfer prices rebilled prior to the change in policy (including +€27.3 million for Axway Inc. +€4.1 million for Axway GmbH). Deferred income recognised at the year-end is up €1.5 million.

Related-party transactions are described in Chapter 4, Section 2, and in Chapter 5, Note 14.1 "Related-party transactions" of this Universal Registration Document.

Pursuant to Article D. 441-6 of the French Commercial Code, Axway Software SA reports that trade accounts payable at 31 December 2023 break down as follows:

Article D. 441-6°: Unpaid invoices received past due at the fiscal year-end

	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total 1 day and over
(A) Late payment brackets						
Number of invoices	173					209
Total amount of invoices excluding VAT	3,081,679.99	-8,621,266.66	37,108.11	-190,167.20	4,814,887.48	-3,959,438.27
Percentage of total purchases for the fiscal year, excluding VAT	2.64%	-7.40%	0.03%	-0.16%	4.13%	-3.40%
(B) Invoices excluded from (A) regarding disputed or unrecognised debts and receivables						
Number of excluded invoices						NONE
Total amount of excluded invoices						NONE
(C) Reference payment periods applied (contractual or statutory - Article L. 441-6 of the French Commercial Code)						
Payment terms of reference used to calculate late payments						Statutory period: 30 days from the invoice date

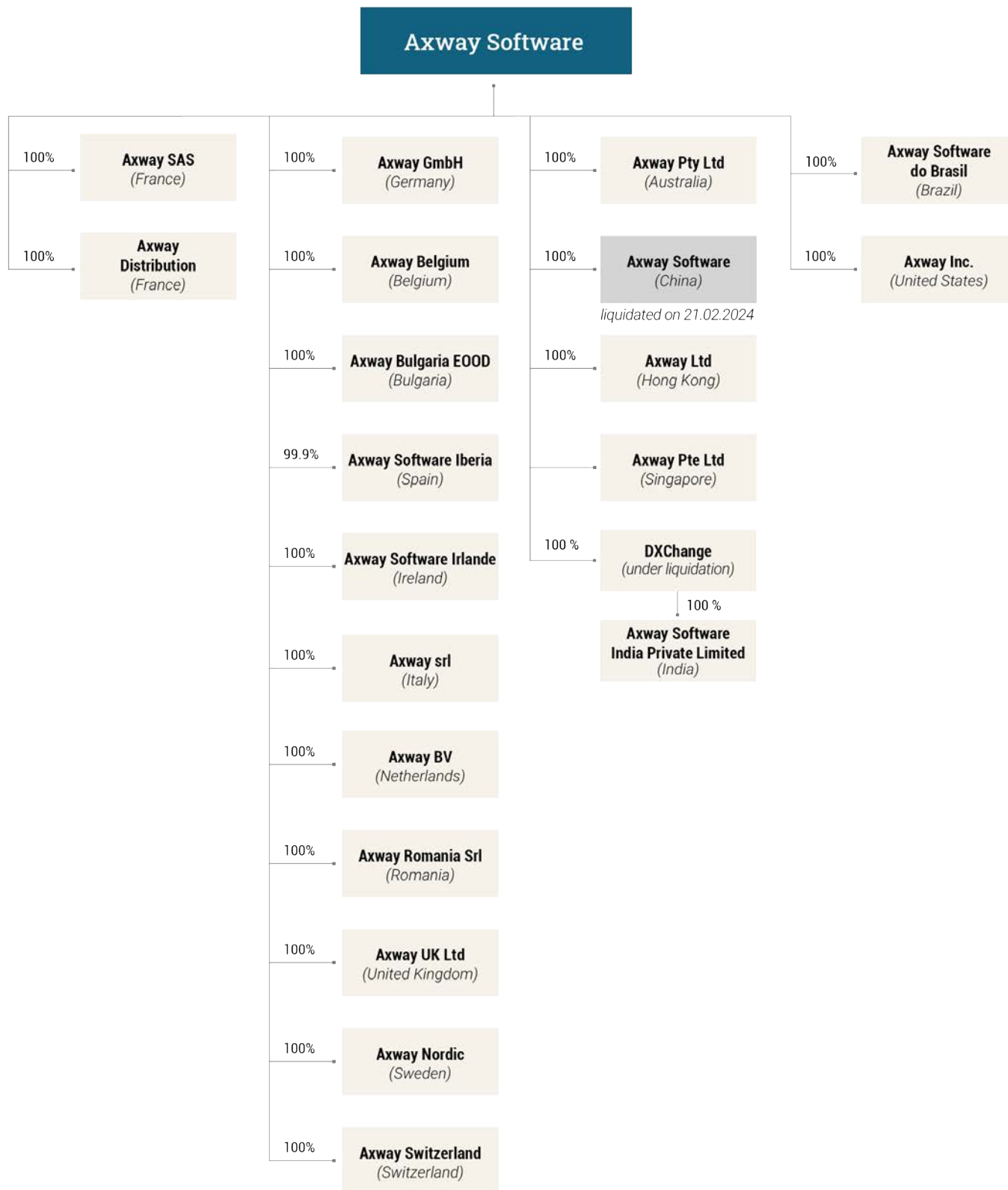
Trade receivables break down as follows:

Article D. 441-6°: Unpaid invoices issued past due at the fiscal year-end

	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total 1 day and over
(A) Late payment brackets						
Number of invoices	734					455
Total amount of invoices excluding VAT	27,702,955.14	-35,882,516.37	283,702.08	633,296.50	15,808,149.34	-19,157,368.45
Percentage of total purchases for the fiscal year, excluding VAT	14.85%	-19.23%	0.15%	0.34%	8.47%	-10.27%
(B) Invoices excluded from (A) regarding disputed or unrecognised debts and receivables						
Number of excluded invoices						NONE
Total amount of excluded invoices						NONE
(C) Reference payment periods applied (contractual or statutory - Article L. 441-6 of the French Commercial Code)						
Payment terms of reference used to calculate late payments						Statutory period: 30 days from the invoice date

Invoices issued and past due more than 91 days mainly concern inter-company receivables.

1.6 Axway's simplified legal structure at 31 December 2023



1.7 Axway Software at a glance

Company name	The Company name is Axway Software.
Place of registered office	The registered office is located at PAE Les Glaisins, 3 rue du Pré-Faucon, 74940, Annecy, France. The Company also has four secondary establishments located at Tour W 102 Terrasse Boieldieu, 92085 Paris-La Defense Cedex, France and 23 rue Crepet, 69007 Lyon, as well as 23 rue Matabiau, 31000 Toulouse and 35 chemin du Vieux Chene, 38240 Meylan. The head office is located at 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254, USA.
Shareholders and investors website	Axway has a website dedicated to its shareholders and investors, www.investors.axway.com . The information presented on this website is not an integral part of this Universal Registration Document, unless expressly incorporated by reference.
Date of incorporation and Company term	The Company was incorporated on 28 December 2000 for a term of 99 years. The Company's term will therefore expire on 28 December 2099 unless it is dissolved before that date or the term is extended.
Legal status and applicable legislation	Axway is a French law public limited company (<i>société anonyme de droit français</i>). It is therefore governed by all the texts applicable to commercial companies in France and particularly the provisions of the French Commercial Code.
Trade and Companies Register	Annecy Trade and Companies Register under number 433 977 980. APE code 5829A.
LEI	9695002206SP7FQONJ77.
SIRET	433 977 980 00047

Corporate purpose (Extract from Article 2 of the Articles of Association)

"The Company's purpose in France and abroad is: the publishing, sale, distribution, installation and maintenance of all types of software packages, the design and development of any software programme, the integration of any IT system, the sale of any IT systems and hardware, and the provision of any related services, training, consultancy and hosting;

the Company's, direct or indirect involvement, by any means, in any transaction connected with its purpose by means of the incorporation of new companies, transfer of assets, subscription or purchase of securities or ownership interests, merger or otherwise, creation, purchase, leasing, lease management of any business goodwill or premises; the registration, purchase, use or disposal of any processes and patents connected with these activities;

and, in general, all industrial, commercial, financial, procedural, movable property or real-estate transactions that may be directly or indirectly related to the corporate purpose or any similar or connected purpose."

Documents available for consultation

Axway Software's Articles of Association, the minutes of General Meetings and the reports of the Board of Directors to the General Meetings, Statutory Auditors' reports, the financial statements for the last three fiscal years and, more generally, all documents sent to or made available to shareholders pursuant to prevailing laws and regulations may be consulted at Tour W 102 Terrasse Boieldieu, 92085 Paris La Defense Cedex, France.

Where applicable, these documents are also accessible on Axway's website www.investors.axway.com which notably contains regulated information published in accordance with Articles 221-1 et seq. of the AMF General Regulations.

Axway's Ethics charter and Securities Trading Code of Conduct can also be consulted on Axway's website at the following link:

<https://investors.axway.com/en/bylaws-regulations-agreements>.

Fiscal year

The Company's fiscal year commences on 1 January and ends on 31 December of each year.

1.8 Axway's organisation

Axway's governance structure is detailed below in accordance with Article L. 225-37-4 of the French Commercial Code. Axway's governance structure consists of a Chairman, a Chief Executive Officer and a Board of Directors.

This organisational structure is supported by a permanent operational and functional structure as well as temporary structures for the management of particular businesses and projects.

1.8.1 Permanent structure

Axway's permanent structure comprises a management body, an organisation based on the main operating functions and functional structures.

Executive Management

Executive Management comprises the Chief Executive Officer and the Executive Committee.

The Executive Committee comprises the Chief Executive Officer, the heads of the major operating and functional entities and the General Managers.

Executive Committee members are responsible for strategy development and supervise the organisation and management system, as well as major cross-functional initiatives.

The Board of Directors

The Company's Board of Directors comprises nine directors (including one independent director). The directors re-elected Pierre Pasquier as Chairman at the Board meeting of 11 May 2023. Information on the Board's organisation and working procedures is presented in Chapter 4, Section 1.2 of this Universal Registration Document.

The General Managers

The General Managers are the heads of the operating departments that make up Axway's value chain. They are involved in defining, producing and selling Axway's products and services. They comprise:

- Regional General Managers, responsible for all interactions with current and prospective customers in their region, including sales, pre-sales, services, customer success and field marketing. They are located in the four main regions where Axway operates: Europe, North America, Latin America and Asia Pacific;
- Product General Managers, responsible for all aspects of Axway's offerings, including product management, development, innovation, maintenance and related marketing.

This structure ensures that strategies and processes are consistent and harmonised, while providing the necessary proximity to Axway customers and markets.

As part of the budget process, each of these Departments is allocated resources and assigned targets, which they are responsible for managing. Progress towards the achievement of targets is assessed on a monthly basis, with weekly control points for sales and services and monitoring of major customer accounts.

Functional structures

The Functional Departments (Corporate Secretary, Marketing, Support, Finance, Logistics, People & Culture, Communication, IT Resources, Internal Information Systems, Legal Affairs) are centralised. They contribute to overall Axway cohesiveness, ensuring commitment to Axway's core values and serve the operational entities. They report directly to Executive Management.

1.8.2 Temporary structures: businesses and projects

Axway's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

Projects are handled by temporary teams and are supervised:

- within a national sales unit; or
- under the responsibility of a management entity, acting in concert with other entities (sales entity for local commercial support, expert product assistance, etc.).

The functional structures standardise the management rules (IT resources, IT systems, financial reporting, etc.) and monitor the application of policies and rules.

In this manner, they contribute to overall supervision and enable the operating entities to focus on business.

Axway's Corporate social responsibility structure

In support of its stakeholder responsibility policy and in accordance with the recommendations of the Middledex Code of Corporate Governance updated in 2021, Axway strengthened its Corporate, social and environmental responsibility (CSR) framework within its governance bodies and internal teams.

Within the Board of Directors and its committees:

- CSR is included on the agenda of the Appointments, Governance and Corporate Responsibility Committee.

Within Executive Management:

- the Chief Executive Officer leads the CSR policy and defines the roadmap in quarterly Committee meetings with the Human Resources Director, the Head of Investor Relations and CSR and, if necessary, the heads of the functional departments concerned;
- the main social, societal and environmental indicators are included and measured as part of the Company's performance monitoring.

Within internal teams:

- the CSR team is led by the Head of Investor Relations and CSR, who coordinates the work with the functional departments involved (Human Resources, Purchasing, IT, Legal, etc.);
- the network of correspondents present locally in Axway's subsidiaries and responsible for gathering social, societal and environmental data in line with the CSR roadmap.

Each project must be organised and operated based on fundamental objectives: customer service, economic success, and contribution to Axway general growth.

The main development programmes for the various product lines use resources and expertise from different development centres, under the responsibility of a Programme Manager.

1.9 Recent developments

On 26 January 2023, Axway issued a press release announcing the upward revision of 2022 annual targets

"Paris, 26 January 2023 – Axway today announces an upward revision of its organic growth and profitability guidance for the fiscal year ended 31 December 2022. While the Company will present its detailed annual results on 22 February 2023, as planned, current unaudited estimates indicate that the previously communicated targets for 2022 should be exceeded.

This performance is explained by the historically high level of activity recorded by the Company at the end of year.

In fact, thanks to an organic increase in the Subscription activity of more than 100% in Q4 2022 over Q4 2021, on a full-year basis Axway now expects:

- Organic revenue growth of between 4.5% and 5.5%, compared to 1% to 3% previously;
- Operating profit from business activity representing between 14% to 15% of revenue, compared with 12% to 14% previously."

On 21 February 2023, Axway announces entering into exclusive discussions to acquire most of Sopra Banking Software activities

"Paris, 21 February 2024 – Axway today announces entering into exclusive discussions regarding the potential acquisition of most of Sopra Banking Software ("SBS") activities, which are currently part of Sopra Steria Group. This acquisition would fit perfectly into Axway's medium-term strategic roadmap, as outlined by the company over the last few years, creating a new enterprise software house with critical scale.

Axway is constantly analysing the different strategic options open to the company to ensure the success of its growth and profitability roadmap. In this respect, the acquisition of most of SBS activities would represent a unique opportunity for Axway to expand its product portfolio and continue its development by capitalising on its recent performance. SBS, a recognized provider of banking and financial software, would benefit from the scale and experience of a global software structure that has already transitioned to a subscription-based business model.

Axway and SBS already share a large part of their DNA. Both companies were born within Sopra Steria Group and have a common set of values, built around an independent enterprise project and a strong commitment to sustainable value creation for their stakeholders. Many mutual customers testify, through their loyalty, to the solidity of this relationship. Axway is also an OEM partner of SBS through its API Management offering, and has for many years enriched the functionalities of SBS applications with its integration solutions.

If completed, the combination would give rise to a new enterprise software house with critical scale, able to meet banking application and integration needs with increased firepower and visibility thanks to the expertise of around 5,000 employees worldwide.

The SBS activities concerned by the operation generated revenue of around €340 million in 2023, representing around 80% of the subsidiary's total revenue. The combined entity would achieve revenue of around €650m, well beyond Axway's medium-term ambition as the company will be more than doubling its current revenue.

Axway would acquire the SBS activities concerned by the operation for an enterprise value of €330 million. This value is subject to confirmatory due diligence and will be reviewed by an independent expert (Cabinet Finexsi⁽¹⁾). Axway intends to finance the contemplated transaction through the combination of an approximately €130 million capital increase with preferential subscription rights⁽²⁾ and new debt facilities for the balance, for which Axway has received a comfort letter from Société Générale and Groupe Crédit Agricole, two of its relationship banks.

As part of the contemplated transaction, in order to secure its financing and guarantee the long-term independence of the new combined entity, Sopra GMT, which is the controlling shareholder of Axway, has informed the company of its intention to:

- Acquire from Sopra Steria Group, as part of a global and indivisible transaction, a block of c.3.6 million Axway shares, representing c.16.7% of Axway's capital, at a price per Axway share equal to €26.5, and all of Sopra Steria Group's residual preferential subscription rights;
- Subscribe to Axway's capital increase on an irreducible basis to the extent of its rights and those acquired from Sopra Steria Group, representing approximately 53% of the planned capital increase;
- Secure the remainder of the rights issue by subscribing any shares that would remain unsubscribed at the end of the allocation process.

It is specified that the financing of Sopra GMT undertakings as described above will be carried out with the support of One Equity Partners, which intends to become a minority shareholder of Sopra GMT, advanced discussions with a view to concluding a binding agreement are underway.

⁽¹⁾ Subject to the right of objection of the Autorité des marchés financiers, as provided for in Article 261-1-1 of its general regulation.

⁽²⁾ The subscription price per new Axway share will be determined at the time of launch of the rights issue, according to standard market practice, and will include a customary discount to the Theoretical Ex-Rights Price (TERP). Taking into account the discount to TERP, the subscription price will be not higher than 26.5€.

Sopra Steria granted exclusive rights to Axway and Sopra GMT to negotiate the envisaged transactions. Conditions to reaching binding agreements relating to the envisaged transactions and, subsequently, for the completion of these transactions, include, inter alia, satisfactory confirmatory due diligence, the implementation of the information and consultation procedure with the employee representative bodies of the different entities involved in the transactions, the obtaining of the necessary regulatory approvals, the approval of the Boards of Directors of Sopra GMT, Sopra Steria and Axway on the basis of satisfactory reports from independent experts on the contemplated valuation of SBS and Axway, the satisfactory negotiation of the transaction documents, the obtaining of waivers from the AMF concerning the filing of a mandatory tender offer on Sopra Steria and on Axway⁽³⁾, as well as the AMF approval of the prospectus to be submitted by Axway in connection with the aforementioned capital increase.

The objective is to close these operations before the end of Q2 2024 or, at the latest, during Q3 2024.

Pierre Pasquier, Chairman of Axway, Sopra Steria and Sopra GMT, declared:

Axway's proposed acquisition of most of SBS's activities represents an undeniable strategic opportunity for both companies. Together, they would consolidate values, expertise and organisations that already have a lot in common, and would mutually benefit from each other. The creation of this strong critically-sized enterprise software house would support an independent and successful entrepreneurial project over the long term. Furthermore, by welcoming One Equity Partners to Sopra GMT's capital, we will be in a better position, through our role as reference shareholder, to support the combined entity in its future external growth objectives. In addition to the fact that Sopra Steria would retain a significant stake in Axway's capital, all the operations envisaged would significantly strengthen the strategic partnership between the two Groups, particularly in financial services, and more generally in Europe, where they share a large portfolio of customers."

⁽³⁾ One Equity Partners would, as a result of its acquisition of a stake in Sopra GMT, indirectly in concert, exceeds the thresholds of 30% of Sopra Steria's voting rights and 30% of Axway' share capital and voting rights. In connection with this acquisition, it will be asked to the AMF to grant waivers to the mandatory filing of a tender offer on Sopra Steria and on Axway on the basis of Articles 234-7, 1° and 234-7, 2° of the AMF's general regulation.

Sopra GMT, individually, (i) would, as a result of the acquisition of Axway shares from Sopra Steria, exceed the thresholds of 30% of Axway' share capital and voting rights and (ii) would, as a result of its participation in Axway's capital increase, increase its stake in Axway' share capital and voting rights by more than 1% within a period of less than twelve consecutive months; a waiver to the mandatory filing of a tender offer on Axway will also be requested from the AMF on the basis of article 234-9, 6° of the AMF's general regulation.



Risks and Control

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2.1 Risk factors AFR NFPS

Axway is exposed to risks, financial and non-financial, internal, and external, which if they materialise could have a negative impact on its activities, financial results, reputation or jeopardise the achievement of its objectives. Indeed, the Company operates in a constantly changing business environment. The economic and geopolitical situation has increased uncertainty and impacted Axway's business, by exacerbating some of the already

existing risks Axway faces.

However, processes implemented by the Company allow it to identify and assess risks and take the necessary actions to minimise their adverse repercussions on its activity and organisation.

2.1.1 Risk identification and assessment

Risk mapping is the approach allowing the identification and assessment of risks. All the activity domains in the organisation were discussed with the members of the Executive Committee and the Company's main managers, to identify for each domain the main threats and draw up a detailed description of each corresponding risk. These were assessed based on their probability of occurrence and their potential impact on the activity, taking account of all mitigation measures already implemented and effective ("net risk"). The corruption risk mapping also feeds into the general risk mapping.

Based on this work, the most material net risks, specific to Axway, are presented hereafter, by category and in descending order of criticality. Explanations are provided on how each risk may affect Axway, as well as information on how this risk is managed.

This Section therefore presents the main risk factors to which

Axway considers it is exposed at the date of filing of this document. This presentation of the main residual risks is not intended to identify all risks which may affect the Company negatively. More generally, the uncertain economic environment marked by high inflation, as well as exchange rate fluctuations, could significantly impact the Company's results.

While Axway cannot ensure that all risks will be eliminated, risk management and the internal control system seek to identify, qualify, and mitigate risks. They are described in Section 2.2 of this Chapter "Internal control and risk management". Additional information is provided on sensitivity to foreign exchange rate and interest rate risks in Chapter 5 "Consolidated financial statements".

The risk mapping as well as risk factors were validated by Executive Management and examined by the Board of Directors' Audit Committee.

2.1.2 Main risks

Risk categories	Main risks	Criticality
Risks relating to Axway's market	• Risks of lack of innovation and failure to anticipate market trends	■ High
	• Risks of customer base erosion and non-renewal of Maintenance or Subscription contracts	■ High
	• Risks relating to the go-to-market of products and solutions	■ Medium
Risks relating to Axway's business and organisation	• Risks relating to attracting, developing, engaging, recognising, and retaining talents	■ Medium
	• Risks of technical defects in product development and production errors	■ Medium
Security risks	• Information, software, and internal applications security risks	■ High
Legal and compliance risks	• Intellectual property protection risks	■ Medium
	• Regulatory compliance risks	■ Medium

2.1.3 Risks relating to Axway's market

Risks of lack of innovation and failure to anticipate market trends

Risk description

CRITICITY : ■ HIGH

Constantly evolving market

Technology innovation is a constant feature of the market in which Axway operates. Its commercial success lies mainly in its ability to deliver innovative products and solutions to satisfy the needs of its customers, while anticipating any developments in technology likely to be desired by the market. Axway must offer a range of solutions perceived by its customers as different or innovative compared to existing applications.

Customers also desire technical agility, with the possibility to use apps in the cloud and/or on premise, deploying them easily on a variety of devices. Market appetite for cloud solutions has considerably increased in recent years.

Axway can make no assurance that the new applications developed fully meet market expectations. The inability to develop the right vision on innovation, leading to inadequate product portfolio strategy and design, could lead to failure to satisfy the present and future business needs of customers and prospects.

Increased competition

Similarly, Axway can make no assurance that other alternative or rival technologies will not be developed and gain substantial market share. The competitive environment together with market pace and dynamics are evolving faster than ever. This could result in the inability to deliver innovative digital transformation solutions. The risk is even higher as Axway's market has concentrated and it competes with other companies which often have significantly greater resources.

Artificial intelligence

Artificial intelligence potential and use cases have developed extremely quickly. Artificial intelligence clearly defines itself as a new way of working, which tech companies must embrace. Axway, like its competitors, must define the most appropriate use cases to apply and benefit from AI and Large Language Models if it is to avoid becoming rapidly obsolete.

Potential impact on Axway

The occurrence of such risks may lead to a rise in costs, a decline in sales and, more broadly, a significant negative impact on Axway's revenue and results.

Risk management process

Continuous investment in innovation

Axway constantly invests to develop new innovative offerings and solutions for its customers. The Company continues to focus its efforts on delivering the agility and functionalities expected by customers.

It pays even greater attention to its proximity, transparency, and communication with customers, to better understand their expectations and anticipate market trends. The Company works closely with its key customers to explore, develop, and implement new and revised offerings that could have wider use cases.

Axway's product strategy is clearly established: streamline the solutions portfolio to prioritise R&D investments and focus on an innovative and high-quality offering. Strong decisions were taken in 2022 on the divestment of some products, to refocus our product portfolio on the most valuable solutions for our customers.

Organisation

Axway created the position of Product Line General Manager in 2022. In our main product lines, these managers have end-to-end responsibility for these products: with their holistic vision of the market and customer needs, they help break the silos and achieve the transformation of the Company. They improve R&D understanding of the business impact and commercial performance of products, enabling a rationalisation of the product portfolio and informed choices on investments and the product roadmap.

To better anticipate technological or architectural shifts in customer environments, Axway has set up an incubation team under the leadership of its Chief Product Officer. This team is tasked with discovering, assessing, and testing new approaches or solutions that could drive long-term growth. The strategic direction of the main product lines is analysed to inform the prospective management of the product lifecycle.

External growth

Axway regularly assesses external growth opportunities through the selective acquisition of companies. The recent acquisitions of DXchange in 2022, and of AdValvas and Cycom Finances in 2023 were opportunities to acquire new technologies, complementing our offering.

While the Axway teams seek to ensure the proper integration of the teams and technologies joining the Company, the expected benefits of the planned transaction will depend in part on the successful integration of the activities of the companies acquired with those of the Company. In particular, the Company could encounter difficulties in integrating and harmonising the different operating systems and specific procedures of the companies acquired, such as the financial and accounting systems and other IT systems. To minimise this risk, the integration teams are involved in the acquisition process with the objective of preparing a preliminary integration plan which is then updated post-acquisition.

Acquisitions may be deemed necessary in the future to achieve Axway's ambitious strategic objectives, and strengthen its technology innovation, product portfolio, skills and/or customer base. Nevertheless, the external environment is extremely mobile, making the identification and valuation of potential targets more complex.

In this respect, and as indicated in Section 1.9 of this Universal Registration Document, Axway announced on 21 February 2024 the entry into exclusive negotiations for the potential acquisition of most of Sopra Banking Software activities, until now included in the Sopra Steria Group. The completion of this transaction is currently subject to a certain number of factors, including satisfaction of regulatory and financial conditions precedent, certain of which are outside its control. To date, no guarantee can be given regarding the satisfaction of these conditions precedent and, more generally, the completion of the aforementioned transaction and as to the value that would be created by the integration of these activities.

Risks of customer base erosion and non-renewal of Maintenance or Subscription contracts

Risk description

CRITICITY : ■ HIGH

Importance of recurring revenue

The recurring revenue generated by Maintenance and Subscription contracts accounts for a significant and growing portion of Axway's business, representing more than 80% of revenue. This transition towards Subscription business models, especially Axway Managed, demonstrates the demand of customers and prospects for these business models.

This provides a certain visibility on the Company's future revenue but requires constant efforts to avoid the non-renewal of Maintenance or Subscription contracts, known as churn. The Company's ability to retain and expand its customer base is therefore instrumental in maintaining and growing its revenue. Indeed, the expiry of existing Subscription contracts is not only an opportunity to renew these contracts, but, if possible, to extend them by upselling (sale of a higher-end version) or cross-selling (sale of complementary products).

In this context, Axway must fully satisfy customer expectations and needs, by offering high-quality products and forging trustworthy relationships. A poor alignment of the teams in direct contact with customers, particularly the Sales, Services, Cloud & Managed Services and Support teams, could be detrimental to the customer experience, which is key to satisfaction and loyalty.

Measurement of usage and product adoption

In a consumption-based business model, the ability to measure usage and adoption of products by customers is critical to renewing and expanding business. In this new model, contracts, internal systems, infrastructures, and internal processes must be adapted to cater for these new means of production, sales, and operations. These new tools and processes require investment and team reorganisation.

Potential impact on Axway

The non-renewal of Subscription and Maintenance contracts by numerous customers could have a significant negative impact on Axway's revenue and results.

Risk management process

Critical applications for customers

The majority of Axway's major applications, once fully adopted by customers, are critical for their operational activities. They become an integral part of the services proposed internally or to their own customers.

Non-renewal by customers can have a significant negative impact on their activities, resulting in a low attrition rate for these applications once effectively deployed.

Axway strives to promote the adoption of its solutions and the renewal of its contracts to accompany its customers "From start to forever". This customer life cycle-based approach strengthens the customer partnership and promotes a relationship of trust.

Customer experience and satisfaction

The success of applications often depends on more than just the intrinsic quality of the technology. Customer satisfaction and loyalty also originate from the quality of the interactions to support them over the long-term. To this end, Axway has teams dedicated to the customer experience and customer success to develop the relationship over time and forge long-term customer trust. Axway has adopted tools designed to proactively monitor, anticipate, and manage Maintenance and Subscription renewals. The Company has a dedicated team to manage the renewal business.

Improving the customer experience is central to Axway's strategy. The Company constantly monitors the success of its solutions and of its customer support activity, through satisfaction surveys.

In particular, the Net Promoter Score (NPS) is used to measure customer loyalty. The results of these surveys are used to implement corrective actions to further improve the customer experience and maintain a high level of overall customer satisfaction. These metrics are closely monitored by the Executive Committee, and they are part of the variable compensation criteria of most employees.

Finally, contracts signed by the Company with its customers generally include indexing and price increase clauses. This policy of regular price increases helps limit the impacts of inflation.

Risks relating to the go-to-market of products and solutions

Risk description

CRITICITY : ■ MEDIUM

Recognition by the market and brand strategy

By launching new offerings, Axway supports the transition of its activity towards the Subscription business model. These changes must be accompanied by strong go-to-market initiatives.

Axway's business heavily depends on its ability to gain market recognition as a player offering products and services that deliver quality, security, innovation, and business outcomes to its customers. The inability to gain this recognition from customers, prospects, market analysts, and partners could prevent Axway from achieving its objectives.

This requires Axway to develop its brand and deliver its brand strategy through clear and impactful communication, by conveying an appropriate image of the Company. Axway must translate its strategy in the right message, adapted to each targeted audience.

Return on investment

It may be difficult for Axway to make its voice heard in a market dominated by major IT software and service players with substantial marketing power.

In such a competitive environment, the return on investment of the various actions to generate demand and identify commercial opportunities is not guaranteed. The sales and marketing efforts may be insufficient to generate enough interest from potential customers, obtain customer references, promote customer successes, demonstrate the added value of the proposed solutions, and finally to transform opportunities into an actionable pipeline and generate business by acquiring new customers.

Alliances and partnerships

Failure to build, develop and manage an ecosystem of strong alliances and partnerships in order to access new markets, new customers and high-level personas in customer organisations could hinder the Company's growth.

Potential impact on Axway

The occurrence of such risks may lead to a slowdown in business, a decline in sales and, more broadly, a significant negative impact on Axway's revenue and results.

Risk management process

Strategic alignment of team

Synergy between the various departments is a priority for Axway. Continuity between the innovation, product management, development, product marketing, go-to-market, sales and customer experience processes was improved through strong governance and the involvement of the Executive Committee and its main Directors. It has been reinforced with the introduction of the Chief Product Officer and Product General Managers, allowing a better alignment of teams not only on technology aspects, but also on customers' real needs.

All the teams, particularly sales and marketing, are fully aligned and focused on achieving the Company's strategic objectives.

Added value provider

Growth objectives notably place a greater emphasis on the commercial and technical value Axway provides to its customers. Axway has developed information campaigns in recent years, presenting specific examples of customer success and business added value. Axway has reinforced its positioning as a technical expert providing critical business outcomes to its customers.

Ongoing exchanges with customers, through frequent satisfaction surveys, enable customers' needs to be understood and better met. Axway is therefore able to deliver real added value, by proposing the right product to the right customer. The Company is also converting its significant installed base, through migrations towards more modern products and a Subscription model. It must also be able to attract new customers, notably by developing close relationships with major consulting and integration partners.

Market analysts

Axway continues to successfully bolster its relationship with market analysts, demonstrating its valid vision and well-executed strategy. In particular, Axway was recognised as a leader in Gartner's 2023 Magic Quadrant™ for Full Life Cycle API Management, for the eighth time, while being ranked number one for its completeness of vision. The Company was also recognised as a leader in *The Forrester Wave™: API Management Solutions, Q3 2022*.

2.1.4 Risks relating to Axway's business and organisation

Risks relating to attracting, developing, engaging, recognising, and retaining talents

Risk description

CRITICITY : ■ MEDIUM

Rare and sought-after expertise

Axway operates in a highly competitive environment, with some particularly rare and sought-after expertise. This creates significant employee mobility, salary competition, and makes certain experts hard to find or retain. In this context, the Company may encounter difficulties in attracting, recruiting, and retaining talent. Given the complexity of its applications, Axway must build loyalty and grow the staff members who boast the critical expertise required for its success, and who have a good understanding of how software is used.

A significant reduction in the number of highly experienced employees, especially through their move to a competing company, could weaken certain activities. Such losses could diminish the added value delivered by Axway in terms of customer service and product quality or could require a significant amount of outsourcing to meet the commitments made to customers.

Attrition risk

The pandemic context which affected the whole economy specifically impacted the labour market. Following the uncertainty linked to the worldwide pandemic, a notable catch-up effect was observed in 2021 and 2022, with significant employee attrition and a widespread phenomenon of "great resignation".

In addition, high inflation levels since 2022 impacted salary costs. The economic and geopolitical context remains complex and changing, and is likely to have an even greater impact on business activity and the labour market.

The harmonious management of Human Resources is therefore more than ever necessary, to favour employee engagement and loyalty.

Potential impact on Axway

The occurrence of such risks may lead to a slowdown in activity, a loss of reputation, an increase in labour and recruitment costs and, more broadly, a significant negative impact on Axway's results.

Risk management process

Controlled employee attrition

Axway has set up comprehensive programmes to attract, develop, engage, recognise, and retain talents.

The in-house recruitment team ensures the ability to attract sought-after profiles depending on the skills needed. The high employee attrition rate in recent years did not lead to critical departures, and fell significantly in 2023. Axway carefully controls its labour costs, and the overall reduction in the number of employees remains under control and is in line with the Company's strategy.

Talent management

Axway recognises talent and builds loyalty for the long-term. The People & Culture team performs an annual review of its talent pool with the involvement of all managers, to assess not only the performance but also the potential of each employee. Through this Talent Review exercise, Axway identifies possible and necessary career developments. These actions also allow to build an individual career and development plan, and to identify training needs.

The Axway University team proposes numerous training modules. This offering is constantly renewed, notably as Axway products evolve. The Company also encourages greater flexibility between jobs and more transparent managerial communication to share and explain strategy and associate teams through more participative methods.

Measurement of employee engagement

Employee involvement and engagement are considered to be an essential performance lever. Axway conducts a yearly survey to measure employee engagement. The last survey performed in early 2024 obtained an engagement score of 69%, an improvement on the previous survey (61%). Actions are monitored at the highest level to further improve employee engagement and motivation, and to manage socio-environmental concerns.

Moreover, as explained in detail in Chapter 3 "Corporate responsibility", Axway implements strong commitments regarding its social, environmental and employer responsibility, in particular with regard to the feminisation of its teams and the inclusion of people with disabilities.

These efforts to improve appeal, loyalty and talent development helped control the attrition rate in recent years and enabled the continued recruitment of several key positions. Following the strong decrease in departures in 2023, the criticality of this risk has been reduced from High to Medium.

Risks of technical defects in product development and production errors

Risk description

CRITICITY : ■ MEDIUM

Product complexity

Research & Development teams must have the capacity to reflect strategy and vision in the development and delivery of product features and functionalities, with adequate design choices. The Company's applications are complex software engineering components, often made up of several million lines of code. Like any other company in its market, Axway can make no assurance that the software developed and integrated has no errors or defects.

The allocation of Research & Development resources must find the right balance, by both promoting innovation and ensuring the sustainability of existing products, thus not jeopardising the installed base and recurring revenue. Indeed, substantial investment is necessary to take account of technical debts and sustaining existing products, especially when support extensions have been signed for old products.

Any losses caused by an error, performance defect or security breach could result in emergency corrective measures that generate substantial production cost overruns. Such problems may also result in claims for damages from customers or an increase in maintenance or warranty costs for Axway.

Cloud environments

The risk is even greater due to the growth in cloud activities. Axway applications are often used in complex and critical operating environments, processing several million individual transactions. An error or defect in a cloud application could create a disturbance for several customers sharing the same cloud environment.

The management of cloud environments must prevent production errors in order to comply with SLAs (Service Level Agreements) and provide reliability, agility and availability for the delivery of solutions in a cost-efficient manner.

Finally, the availability in the cloud of Axway legacy products requires significant investment to enable easier migration, deployment, scalability, and updates.

Potential impact on Axway

The occurrence of such risks may damage the Company's reputation, lead to legal proceedings with the customers concerned and, more broadly, have a significant negative impact on Axway's results.

Risk management process

Quality control

The aim of the quality controls conducted by Axway's Research & Development department is to industrialise the product development chain, through automated, consistent, and continuous integration of product modifications. From product development to release, the development cycle must ensure source code quality, regression testing, continuous integration as well as repository, build and backlog management.

Axway conducts quality assurance tests on all its new applications and on all new versions and updates of existing applications. This supporting control environment and this continuous improvement process ensure, to the best extent possible, the prevention, detection and management of errors and technical defects.

Deployment and production in cloud environments

This quality requirement also concerns the deployment of solutions, migrations and updates, whether in the cloud or on premise. In particular, the organisation and governance structures have been adapted to bring together the expertise necessary for the proper management of cloud customers. The rationalisation and management of configuration and environments must enable easier and more efficient deployment and production of our solutions in the cloud.

Incident management

Axway has adopted a general approach for the tracking and management of performance and reliability incidents. In cloud environments, the deployment and operation of applications is constantly monitored to ensure the continuity of customer activities.

With regard to its customers, the Company undertakes to comply with its standardised support and service level maintenance procedures that are available on its website. Its Support teams continuously answer the alerts and issues raised by customers. They provide the required level of expertise and technical assistance to effectively address production or security incidents.

Axway also has professional indemnity and operations insurance coverage. More details are available in Chapter 2, Section 4 ("Insurance and risk hedging policy").

2.1.5 Security risks

Information, software, and internal applications security risks

Risk description

CRITICITY : ■ HIGH

Increasing cybersecurity threats

Axway operates in a market notable for very rapid technological changes, thereby constantly exposing it to IT or industrial hacking risks and IT virus attacks.

Security threats linked to cyber-crime are constantly increasing and Axway's industry is specifically targeted. Despite the measures implemented, the Company can make no assurance to its customers that there will be no security breaches or malicious exploitation by a third party.

A security breach in a customer environment or an uncorrected vulnerability in an application may be exploited by cybercriminals and customer data could be compromised. Such breaches could disrupt the smooth running of Axway's systems and applications and those installed for their customers. This could hinder the Company's ability to meet its availability, quality, and service continuity commitments.

Increased complexity

Technological developments now allow the Company's applications and solutions to be used from various devices, particularly mobile, based on API technologies developed by Axway. Multiplying the number of access points on customer infrastructures and internal applications can increase the risk of unauthorised access to customer data.

This risk is heightened due to the nature of the Company's cloud service offering and the fact that this solution represents a growing percentage of its business. Cloud-based services occasionally involve the storage and transmission of sensitive customer data in strictly regulated fields such as financial or medical services. Any security breach in its infrastructures could expose Axway to a risk of unauthorised access to sensitive internal or customer data. In addition, this risk may be increased by the use of external providers for cloud services.

Regarding internal systems and applications, the risk has also increased due to remote connections in the context of widespread working from home and the development of BYOD (Bring Your Own Device) – the use of personal devices for professional use. Finally, systems and tools must provide, more than ever in this changing industry, insightful and data-driven analytical capabilities to manage the business. Axway is in the process of implementing its new financial information system.

Potential impact on Axway

The occurrence of such security risks may damage Axway's reputation. It could also lead to legal proceedings with the customers or authorities concerned and, more broadly, have a significant negative impact on results.

Risk management process

Product security

The security of products and solutions is foremost in Axway priorities.

A dedicated product security team ensures that the imposed rules (Secure Software Development Life Cycle) are observed, providing "Zero trust security" and "security by default" on our applications. This team ensures that Axway meets all security requirements in the development of its products and keeps up with increasing security threats. Security tests must be successfully completed before the release of each product.

Proactive and corrective vulnerability controls are constantly performed. Our teams ensure any detected vulnerabilities are remedied as soon as possible and our products remain "state of the art". The constant maintenance and modernisation of products seeks to combat possible security breaches and technological obsolescence, particularly that of third-party components.

For cloud services, dedicated teams constantly monitor the smooth running of operations on customer production environments and manage any security breach or vulnerability.

Protection of information

Axway ensures it complies with data privacy protection regulations. The Company fully adheres to the requirements set forth in the General Data Protection Regulation (GDPR) under the control of its DPO (Data Protection Officer).

Axway strives to protect the security and confidentiality of both customer and Axway information and sensitive data, whether in the cloud or on premise.

Internal policies and procedures

Axway has defined an information security management system comprising a consistent set of policies and procedures based on ISO 27001 principles. Under the responsibility of its CISO (Chief Information Security Officer), these policies are applied across the Company and enable Axway to obtain external certifications. They demonstrate its compliance with security and information security best practices like ISO 27001, SOC2, ISO 9001, FEDRAMP, Common Criteria, etc.

As security is everyone's concern, all employees receive yearly training, particularly on information security.

In addition, specific IT teams and tools – including intrusion detection and prevention systems – constantly monitor internal information systems and manage server and workstation vulnerabilities. Systems for backing up data, monitoring infrastructures and data flows and controlling access to sites and IT applications are thus deployed universally.

Axway has also set up a Business Continuity Plan, disaster recovery plan and crisis escalation procedures to quickly remediate any security issues and minimise the reputational impact of a potential security breach.

A cybersecurity insurance policy was taken out in addition to professional indemnity insurance coverage to manage and cover as well as possible the different types of cybersecurity risks. More details are available in Chapter 2, Section 2.4 ("Insurance and risk hedging policy").

2.1.6 Legal and compliance risks

Intellectual property protection risks

Risk description

CRITICITY : ■ MEDIUM

Axway intellectual property

Axway's business is founded on the software and solutions it develops and integrates, and those of companies acquired over the years. The Company can make no assurance that no third parties will claim the intellectual property rights to Axway software or that the Company's intellectual property will not be stolen or misused. This risk is heightened by the exposure sought by Axway to promote its solutions.

Third-parties intellectual property

Infringement of the intellectual property of software vendors, open-source components, or OEM (Original Equipment Manufacturers) – third-party components and libraries embedded in Axway software – could lead to compliance breaches and legal proceedings. Recent developments in artificial intelligence reinforce the need to manage proactively the third-party components embedded in our solutions.

Potential impact on Axway

The occurrence of such risks may hinder Axway's ability to use or develop its solutions. More broadly, any violation of intellectual property rights could have a material adverse impact on Axway's results.

Risk management process

Axway protection

Axway uses the various means at its disposal, i.e., copyright, patent rights, trademark rights, and professional secrecy. The Company has put in place confidentiality measures and technical processes to protect its intellectual property rights.

Axway strives to mitigate the risk of legal action for infringement of intellectual property rights by filing patents for its software where this is authorised by local applicable laws.

Axway selects its subcontractors and other technological partners based on their ability to safeguard the Company against any intellectual property right claims.

Axway compliance

Axway reinforced its compliance programme for third party software and components, notably open source. The Company performs an in-depth analysis of the sources used, for each release or new version of a product, as well as a legal review to prevent any non-compliance.

The Company also ensures it fully complies with the usage conditions and licensing requirements of third-party software and components. Axway implemented controls and reporting processes to ensure the assessment of the licenses used and the correct payment of the royalties due to our suppliers.

Regulatory compliance risks

Risk description

CRITICITY : ■ MEDIUM

Regulatory inflation

Axway operates in eighteen countries via its subsidiaries and is therefore subject to various legislation. The Company must comply with national regulations and implement regulatory requirements for commercial, fiscal or data privacy matters as well as environmental, social, and corporate responsibility matters. These regulations may be amended at any time and Axway's operating costs in a given country may prove to be higher than anticipated.

In addition, most of the countries where Axway operates have laws on foreign investment and on companies under foreign ownership operating within their territories. These laws may restrict exports and how Axway can distribute or sell certain applications. Furthermore, numerous customers depend on obtaining and maintaining administrative authorisations and certifications. The Company may therefore be required to comply with certain regulatory provisions in its capacity as subcontractor.

Axway can make no assurance that no breaches of regulation will be identified during an audit or inspection. Likewise, the Company can make no assurance that its suppliers or subcontractors comply or will comply at all times with applicable regulations.

Environmental, social and governance risks

The – necessary – development of corporate responsibility brings significant changes in how companies must consider environmental risks, in particular with the development of the Green Taxonomy. The climate impact of companies' activities and that of their value chains must be better taken into account, and strong actions must be taken on their carbon trajectory. The urgency of these actions is reinforced by the geopolitical context, and by its impacts on energy costs.

In addition, obligations concerning social risks and corporate governance are also being strengthened, particularly with regard to laws on respecting human rights, equality and the fight against corruption.

Potential impact on Axway

The occurrence of such risks may damage Axway's reputation, lead to legal proceedings with the customers or authorities concerned and, more broadly, have a significant negative impact on the Axway's results.

Risk management process

Controls and legal expertise

Axway relies on a network of internal and external experts in addition to legal and regulatory monitoring tools to identify the regulations applicable to each of its entities, anticipate, and comply with them.

The Company has rolled out internal control and continuous improvement procedures. Delegation rules and validation workflows are implemented to ensure consistent decision-making at the required level of responsibility.

Axway is also developing a culture of compliance and business ethics: the Company implemented a Code of Ethics, a whistle-blowing procedure, and training or awareness-raising campaigns delivered globally on security, GDPR, the fight against fraud and corruption, insider trading, etc. A specific mapping of corruption risks is also maintained and considered when establishing risk factors.

Corporate responsibility

Axway considered environmental, social and governance risks in its risk analysis. The Company has defined its Employer, Societal and Environmental liability commitments. The Non-Financial Performance Statement and all indicators are included in Chapter 3 of this document.

As detailed below, Axway took out insurance policies for adequate coverage and protection of the Company's activity and employees.

2.2 Internal control and risk management

2.2.1 Internal control and risk management environment

Axway's internal control and risk management system complies with prevailing laws and regulations. It is supported by the reference framework, implementation guide and recommendations published and updated by the *Autorité des marchés financiers* (AMF).

As with any control system, it cannot provide an absolute guarantee that such risks have been totally avoided, eliminated, or controlled, or that Axway's objectives will be achieved.

2.2.1.1 Internal control

According to the definition of the AMF's reference framework, internal control is "a system set up by the Company, defined and implemented under its responsibility, which aims to ensure:

- compliance with laws and regulations;
- the application of instructions and guidelines determined by Executive Management;
- the proper functioning of the Company's internal processes, particularly those intended to safeguard its assets;
- the reliability of financial disclosures".

2.2.1.2 Risk management

With regard to risk management, its aim is to:

- create and preserve the Company's value, assets and reputation;
- safeguard decision-making and other Company processes in order to promote the achievement of objectives;
- promote the consistency of the actions taken with the Company's values;
- unify Company employees around a common vision of the main risks and increase their awareness of risks inherent to their activity.

The main risks that Axway faces are described in Chapter 2, Section 2.1 ("Risk factors").

2.2.1.3 Implementation

All the internal control system and risk management processes described hereunder are implemented in all entities in the scope of consolidation with the aim of reducing the risk factors to an acceptable level, helping Axway achieve its objectives and providing reasonable assurance on their implementation. In the event of a new acquisition, this company will be fully consolidated into the global internal control and risk management system.

2.2.2 Components of the internal control and risk management system

2.2.2.1 Organisation

The number of legal structures is purposely limited to the simplest organisation, with a single active company per country, except for temporary situations resulting from acquisitions. The Company controls directly all subsidiaries of which it is the parent. All companies are fully consolidated and there are no ad hoc entities located outside the scope of consolidation. A legal organisational chart is presented in Chapter 1, Section 1.6 ("Axway's simplified structure at 31 December 2023").

The internal organisation of Axway is described in Chapter 1, Section 1.8 ("Axway's Organisation"). The key players in risk management and internal control are the Executive Committee, centralised functional structures for the Company as a whole (Human Resources, Finance, IT, etc.), operating departments focused on a specific aspect of software publishing (Product, Research & Development, Customer Success Organisation, Marketing) and the regional or national administrative branches of these divisions.

Rules governing delegation define the operating powers attached to each level of the organisation and organise the control of decisions for all Axway entities. The decision-making levels selected reflect a balance between the autonomy of the business divisions integrating an extended geographic coverage and the controls and limitations that are also necessary. Delegation rules are regularly reviewed and updated.

2.2.2.2 Common tools and framework

a. Ethics

Axway has formalised and communicated its Code of Ethics, as part of a transparent, fair, and loyal approach with all stakeholders: customers, employees, shareholders, partners, suppliers, and societal organisations. The Code of Ethics defines the rules that the Company and any associated stakeholder must observe in their internal behaviour and vis-a-vis persons and companies in its business relations.

This charter also describes the professional alert procedures in place should these rules not be observed (whistleblowing system). Furthermore, an Ethics Committee has been set up to regularly analyse potential cases of fraud, measures undertaken, and changes in procedures and controls which guarantee compliance with corresponding legal requirements.

Finally, a Securities Trading Code of Conduct was set up to prevent insider trading, and a specific mapping of corruption risks is also kept up-to-date.

b. Procedures

The Operational and Functional Departments are responsible for the implementation, maintenance, and appropriation (through a training programme) of Axway’s procedures. Each operating division – Product, Research & Development, Customer Success Organisation (CSO), Marketing – has a unit in charge of defining, rolling out, industrialising, and monitoring procedures, methodologies, and tools. Global and support processes (People & Culture, Infrastructures and IT systems, Finance, Legal and administrative functions) are also formalised. The procedures are, in part, grouped together in the Quality Management System (QMS), accessible at all times through a collaboration portal. One of the main goals of the procedures is to manage the risks identified and cover operating activities.

Axway also has information security management procedures (Information Security Management System), based on the principles set out in ISO/IEC standards 27001-27002 and 27005. These procedures aim to protect IT systems in terms of access, use, disclosure, disruption, modification, or destruction. The IT systems security policy was designed to protect not only the Company’s internal data but also that of its customers and partners.

The procedures are rolled out as soon as possible following acquisitions. In parallel, internal messages sent on a regular basis to operational and functional managers provide further details on the implementation of the procedures and information on new rules.

2.2.2.3 Monitoring and risk identification and management system

The business monitoring system is a fundamental component of the internal control system. This system is designed not only to organise the internal dissemination of information, ascending to Executive Management, and descending to the operating and functional units, but also to direct, control, assist and train.

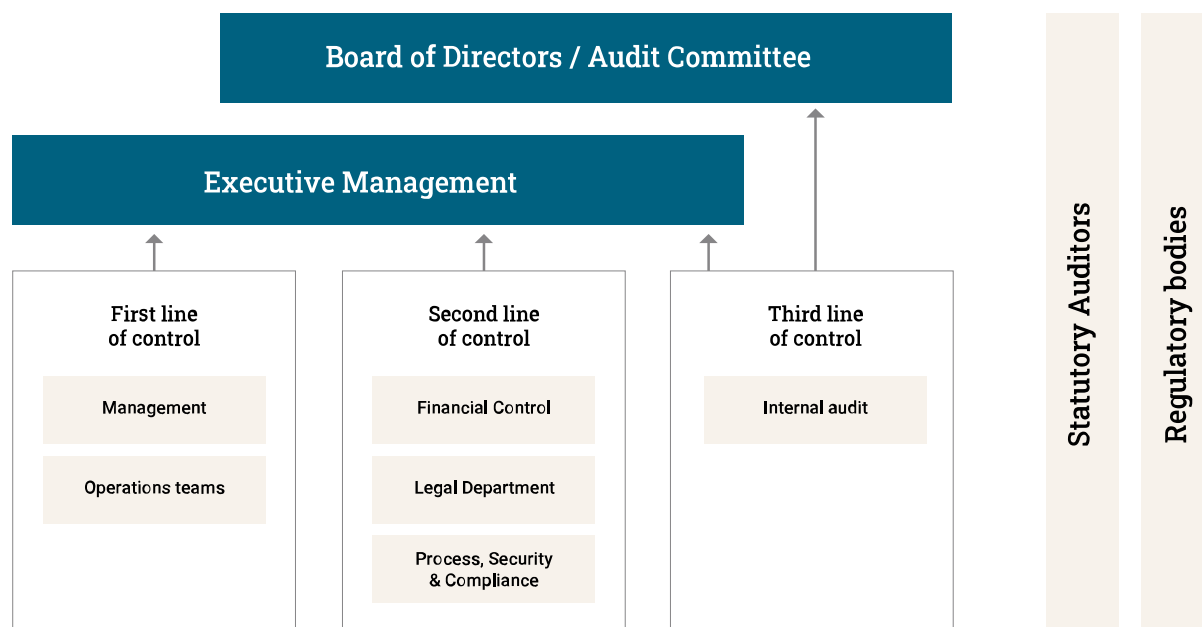
Management meetings held throughout and at all levels of the organisation are scheduled at regular intervals corresponding to the various horizons considered: (1) a weekly basis for a monthly horizon (operational monitoring of the activity, monitoring of forecasts, execution and production, management of major contracts, alerts and risks); (2) a monthly basis for an annual horizon (previous month’s results, review of annual forecasts, budget monitoring); (3) an annual basis for the multi-year timeframe (budgetary approach as part of the strategic plan).

The main risk factors are listed in Chapter 2, Section 2.1 (“Risk factors”) of this document.

Standardised steering meetings taking place at all levels across all activities are an essential tool for the identification and management of risks. They ensure identification of operating and functional risks so that they can be handled at the most appropriate level of the organisation.

Operational risks associated with business activities are classified as “alerts” in the in-house lexicon when they are significant for the entity that identifies them. They are handled immediately or are included in the weekly review carried out at each level of the organisation with the aim of implementing an appropriate action plan as quickly as possible and informing management, if need be.

2.2.3 Key players in the internal control and risk management system



Everyone at Axway has a part to play in risk management and internal control, from the governance bodies and senior management to each employee. Control activities take place throughout the Company, at all levels and in all functions. They are monitored both internally and externally and are subject to a continuous improvement process. In accordance with best practices, three lines of risk control can be identified and are described below.

2.2.3.1 Executive Management

The internal control and risk management system is approved and overseen by Executive Management. It monitors the system's ongoing effectiveness, takes any action required to remedy identified weaknesses, and ensures the risks remain within acceptable tolerance thresholds. Executive Management ensures that all appropriate information is communicated in a timely manner to the Board of Directors and the Audit Committee.

2.2.3.2 Board of Directors' Audit Committee

A detailed description of the Audit Committee's role and composition is available in Chapter 4, Section 4.1 ("Composition and procedures of the management and supervisory bodies"). The Audit Committee conducts the following assignments on behalf of the Board of Directors and reports to the Board on these topics:

- internal control and risk management: the Audit Committee monitors the smooth running of the internal control and risk management system, preparation and processing of accounting and financial information; it assesses the effectiveness of the processes set up by management to identify, evaluate, manage and verify financial and non-financial risks;
- financial reporting: the Audit Committee critically reviews management's decisions and assessments involving financial statements, performance analyses and half-yearly reports;
- internal audit: the Audit Committee ensures the smooth running of the internal audit unit, validates the audit universe and risk mapping, approves the annual internal audit plan, and reviews assignment results as well as the implementation of recommendations;
- external audit: the Audit Committee ensures the quality of the Company's relations with the Statutory Auditors and monitors the performance of their engagement.

2.2.3.3 First line of control: operational teams

The first line of control for the internal control and risk management system is operational management, responsible for implementing it for the area under its responsibility and ensuring that the procedures are respected. Operations teams in each of the main structures of the organisation define the processes and formally document the applicable procedures, in line with the delegation guidelines and rules communicated by Management. They equip themselves with the tools necessary for the Company to operate properly.

2.2.3.4 Second line of control: monitoring and control

Several control functions that report to the functional divisions play a specific role in risk management. They provide assistance and guidance to operational staff, using a preventive approach (contractual and expense commitments), or by performing controls on the application of procedures and the results obtained (particularly controls on the quality of the data entered

into the information system). Axway has set up structured central teams such as the Legal Department, Financial Control, or the Process, Security & Compliance team.

a. Financial control

Financial Control reports to the Finance Department and has the following main duties:

- verify Services and Subscription revenue prior to each monthly closing, in addition to the costs for all offices within the Axway scope;
- produce a consolidated monthly report with analysis of the results from the internal management system and audit consistency with the monthly forecasts;
- conduct office reviews: reviews of the distribution entities and cost centres;
- control the application of rules and procedures linked to the production of accounting and financial information;
- assist the operational managers and train those working with the management systems.

b. Legal Department

The Legal Department plays a key role in the management of Axway's various contractual commitments. The procedures provide for the consultation of this department prior to the signing of contracts with third parties - whether they be customers, suppliers, or partners.

More generally, the Legal Department ensures that Axway complies with applicable laws and regulations in the countries where it operates. It also defines the management of the legal entity of the Company and of its subsidiaries. The Legal Department participates in numerous working groups, particularly with Middenext, to discuss best practices and ensure its full compliance with prevailing regulations.

c. Process, Security & Compliance

The Process, Security & Compliance team is responsible for managing the Quality Management System (QMS). Headed by the CISO (Chief Information Security Officer), it is also responsible for the Information Security Management System (ISMS). It therefore ensures the documentation, development and enforcement of the relevant policies and procedures across the Company. This unit also manages Quality and Security certifications and responds to audit requests submitted by customers.

2.2.3.5 Third line of control: ongoing supervision by internal audit

Pursuant to the internal audit charter, this unit has the following duties:

- independent and objective assessment of the operation of the internal control system via a periodic audit of Company entities and business areas;
- development of all recommendations to improve the Company's operations;
- monitoring the implementation of corrective actions agreed upon following each audit;
- updating the risk mapping (Audit & Risk Universe).

The audit assignments and the associated recommendations aim to improve internal control and procedures to reduce the risks identified and help achieve the Company's strategic objectives. The yearly internal audit plan is built upon the priorities identified by the risk mapping. It is submitted to the Chief Executive Officer and the Audit Committee for approval.

All key areas and processes are covered within a four-year audit cycle. In conjunction with these transversal and thematic audits, the Internal Audit Department has developed internal control reviews carried out in all entities over the audit cycle. In addition, it may perform specific investigations related to fraud or corruption.

The Internal Audit Department is under the authority of the Chief Executive Officer and has direct access to the Chairman of the Board of Directors, if deemed necessary. Information on the audits performed, the findings identified, and the follow-up of

recommendations is constantly shared with the Board of Directors' Audit Committee.

2.2.3.6 External supervision by the Statutory Auditors

During their procedures within the Company, the Statutory Auditors familiarise themselves with internal control systems relevant to the audit and assess the design and implementation of controls.

Furthermore, they conduct efficiency tests on identified key controls using sampling techniques. To gain a better understanding of the operations and the transactions in the financial statements, the Statutory Auditors hold regular meetings with Operational Managers, who are in the best position to explain the Company's business activities.

2.2.4 Assessment and continuous improvement process

Internal and external assessments of the internal control system and its procedures make it possible to identify areas of improvement and give rise to action plans aimed at its enhancement.

Through internal audits, internal control is continuously assessed in entities and business segments and corrective actions are implemented whenever necessary. The implementation of these actions is continuously controlled to ensure the risks identified are dealt with. No major failure of the internal control system has been identified to date.

2.2.4.1 Certifications

The continuous improvement programme headed by the Process, Security & Compliance team was continued and led to the renewal of certifications in 2023.

External certification bodies are called on to conduct an impartial review of the quality and security management system. These reviews enable Axway to take stock of its processes and remediate any identified malfunctions. They result in a harmonisation of practices, by promoting a continuous improvement culture and contribute to perfecting the quality and security of the products and services provided:

- Axway organises an annual independent third-party audit of all its cloud activities. The resulting SSAE18/ISAE3204/SOC2 Type II report states how Axway has implemented its main controls and objectives with regard to compliance with these standards. This standard aims to reassure users of these outsourced services on the reliability of the security and internal control system used to monitor services performed on their behalf;
- Axway renewed its ISO 9001 certification, based on ISO 9001:2015 changes, for its Global Customer Services activities in France, Italy, Germany and the United States in 2023;
- Axway renewed its ISO/IEC 27001:2013 certificate in 2023;
- Axway continued to work on Common Criteria EAL4+ certification for its API Gateway product for a contract with an aerospace customer;

- Axway remains compliant with HIPAA regulations, published by the US Department of Health and Human Services (HHS), which define the rules for protecting personal healthcare data for electronic health insurance management in the United States. In terms of data protection, Axway complies with the General Data Protection Regulation (GDPR), the Australian Act, the LGPD in Brazil and the CCPA (California Consumer Privacy Act).

2.2.4.2 Customer audits and surveys

The security and quality management system is regularly reviewed during customer audits. These are increasingly frequent, particularly due to the strict regulations in the health and finance sectors. Any comments made or watch-points identified are used to improve this system.

Furthermore, a team focuses on the customer experience, customers being pivotal to Axway's strategy. A major customer and partner loyalty and satisfaction survey system has been implemented. Campaigns are regularly carried out, allowing us to measure customer satisfaction and customer perception of the quality of products and services, with the aim of constantly improving the offering. Customers are also surveyed on service quality during transactional studies at the closing of each case handled by the Support unit or at the end of Services projects. In addition, this Customer Experience team collects feedback from user groups.

2.3 Preparation and processing of accounting and financial information

2.3.1 Coordination of the accounting and financial function

2.3.1.1 Organisation of the accounting and financial function

The responsibilities of the Finance Department mainly involve producing the separate financial statements of the Company's subsidiaries and preparing the consolidated financial statements, management control, tax issues, sales administration, financing, and cash accounting. The accounting and financial function is predominantly centralised within the Company. As previously indicated, there are a limited number of legal entities, and consequently, accounting entities, which generates operational savings and limits operating risks.

The Finance Department reports to the Company's Executive Management. Like all entities, it contributes to the aforementioned steering system. Executive Management is closely involved in the planning and supervision process as well as in preparing the financial statements.

The Board of Directors is responsible for the regular oversight of accounting and financial information. It reviews and approves the half-year and annual financial statements, taking account of the Statutory Auditors' opinion.

2.3.1.2 Organisation of the accounting information system

All Axway companies prepare full quarterly accounts on which the Company bases its published quarterly sales figures and interim financial statements. All of these companies are fully consolidated.

Monthly cash flow forecasts and financial statements that include operating profit are prepared for all companies. The application of rules is monitored continuously by the Finance Department, particularly regarding the application of revenue recognition and project valuation rules. The accounting methods and principles used are those presented in the notes to the consolidated financial statements, as disclosed in Chapter 5, Section 5.6 of this document, ("Notes to the consolidated financial statements"). Any changes are presented to the Audit Committee.

2.3.2 Preparation of the reported accounting and financial information

2.3.2.1 Reconciliation of accounting data with the internal management system

All the Business Units prepare a monthly budget, a monthly operating statement and budget forecasts that are revised monthly. These actions are designed to present the reality of operations and provide a clear view of performance.

The budget process offers the opportunity to apply the strategy approved by the Executive Committee, adapt the organisation to developments in business segments, market demand and competition, and assign quantitative and qualitative objectives to all entities. Each Business Unit prepares a budget, including detailed monthly operating forecasts.

A monthly operating statement is prepared by each of the Business Units. A revised operating statement is also prepared each month. This statement includes the results of the previous month and a revised forecast for the remaining months of the current year. The results derived from the analytical management system are verified and reconciled with the quarterly accounting results by the Finance Department.

2.3.2.2 Preparation and validation of the consolidated financial statements

Each Axway company draws up monthly financial statements and prepares a consolidation reporting package. The interim and annual consolidation reporting packages are reviewed by each company's external auditor. The consolidated financial statements are audited by the Statutory Auditors. For the 31 December closing, the Statutory Auditors audit the Company's financial statements, and, where necessary, those of its subsidiaries, for the purpose of their certification.

Tasked with monitoring the statutory audits, the Audit Committee reviews the work and conclusions of the Statutory Auditors pursuant to their reviews of the half-yearly and annual financial statements. The Audit Committee examines the financial statements, to ensure the consistent application and relevance of accounting policies, and to satisfy itself of the quality of financial reporting. The financial statements are then submitted to the Board of Directors for approval.

2.3.2.3 Financial reporting

Financial reporting is supervised by the Chairman of the Board of Directors. Axway distributes its financial information by different means and notably via press releases, the Universal Registration Document, and the presentation of half-yearly and annual results.

The Universal Registration Document is filed with the AMF after completion by the Statutory Auditors of their procedures, consisting in confirming the consistency of the information on

the financial position and accounts with historical financial information on which they have issued a report and reading the entire document in order to identify, among the other information, anything that is clearly inconsistent with their general knowledge of the Company.

All this information can be consulted in the Investor Relations section of the Axway website: www.investors.axway.com/en.

2.4 Insurance and risk hedging policy

Insurance management is centralised by the Legal Department. The purpose of the insurance programme is to ensure a uniform and adapted coverage of risks for the Company and its employees, for all entities and under reasonable and optimised conditions. The scope and coverage of these various insurance programmes are reviewed annually with regard to changes in the Company's size, its activities, the insurance market and risk assessment.

All Axway companies are insured with leading insurance firms for the risks that could impact their activity, results, or assets. However, it is not inconceivable that Axway may be required to pay compensation for losses not covered by the insurance programmes put in place.

Nonetheless, it is noteworthy that, in the last three years, no major claim has been reported by any of Axway's entities under the policies described below (or others covering the Group in the past).

The main insurance programmes are as follows:

Assurance	Description
Professional indemnity and operations insurance	<p>This programme covers all Axway companies. It covers the financial impacts arising from civil and professional indemnity claims in connection with their activities, due to material or immaterial physical damage or harm caused to third parties. This policy also covers the additional costs incurred to prevent accidents or reduce their impact. The overall contractual limit is €30 million per year of insurance.</p> <p>This programme is supplemented in France by an insurance for inexcusable conduct, the purpose of which is to guarantee the reimbursement of the financial losses incurred by the Company if they result from work-related accidents or occupational illness.</p>
Cybersecurity insurance	<p>This programme covers all Axway companies. It covers all the direct or indirect financial impacts, material and immaterial damages and operating losses relating to cybersecurity risks. The overall contractual limit is €10 million per year of insurance.</p>
Senior executives' and company officers' professional indemnity insurance	<p>This programme covers all Axway company officers, senior executives, and directors. The programme covers all the financial impacts of claims made against them for any professional negligence committed during the performance of their duties. The overall contractual limit is €25 million per year of insurance. An additional \$5 million was subscribed for the United States scope.</p>
Assistance for employees on assignment	<p>This programme covers all Axway employees, company officers, senior executives, and directors. It covers accidents or illnesses arising on business trips.</p>
Operating damage and loss insurance	<p>Insurance programmes have been set up to cover losses and damages to property (sites, equipment, terminals, etc.) and operating losses.</p>



Non-Financial Performance Statement

AFR NFPS

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Introduction

As a software publisher Axway supports companies and major organisations in their digital transformation and rolls out its Corporate Responsibility (CSR) policy through three commitments: social responsibility as an Employer, Societal responsibility through relations established with stakeholders in its ecosystem and Environmental responsibility as an economic player aware of the impact of its activities.

Axway's strategy and ambitions include several CSR indicators, which contribute to the Company's performance. In 2023, Axway achieved a number of milestones in the roll-out of its CSR approach. Several programmes supporting Axway's commitments were updated with new indicators, objectives or initiatives, while the company continues to roll out its strategy internationally and further its geographical scope. This progress was possible thanks to strengthened CSR practices at different levels of the organisation.

Measuring the environmental impact of Axway's activities was again a major task in 2023. The assessment of the carbon footprint is more comprehensive each year, enabling the development of an updated work base with a view to managing a gradual reduction in emissions and defining scientifically proven decarbonization targets. Progress was also achieved with social programmes, grouped together within the Employer commitment, based on objectives set for increasing the number of women in teams and recognising and supporting people with disabilities. Employee engagement was again assessed by an internal survey sent to all teams. Societal commitment programmes, enhanced through partnerships with external bodies working for diversity in the digital industry, continued, while customer satisfaction and transparency with stakeholders were once again core issues.

Internal communication on CSR programmes was closely monitored and stepped up during a number of Company events throughout the year, encouraging discussion between employees and the management team.

It is recalled that Axway's operating context, strategy, risk monitoring and corporate governance are presented in Chapters 1, 2 and 4 of this Universal Registration Document, and summarised below.

3.1 Axway, a committed and responsible player in the digital sector

Axway's sector, strategy and business model

Axway's software solutions help companies make the most of their IT infrastructures by securely moving, integrating or exposing their strategic data. Capitalising on a solid and optimised product portfolio, Axway's activities reported growth in 2023.

The matrix-based organisation of the activities, by product line and geography, proved successful while improving the Company's overall efficiency. Entities are supported by the Research & Development, Product Management and Marketing teams, which supplement the Company's value chain.

In a competitive sector, Axway maintains its innovation, human capital and corporate responsibility assets through:

- an organisation focused on its customers, whose satisfaction is constantly assessed using the Net Promoter Score (NPS);
- an agile and high-performing portfolio of products recognised by market analysts;
- significant innovation investments through major Research & Development teams;

- constant contact between Executive Management and employees, maintained by numerous interactions and an annual engagement survey;
- talent development, coordinated by a dedicated structure, Axway University;
- a mission, a vision and objectives shared with all the Company's employees and stakeholders;
- agile working methods and a harmonious and safe work environment;
- CSR indicators and programmes integrated into the Company's strategy and employee objectives;
- balanced governance and a shareholder structure guaranteeing an independent corporate project.

Axway's ambition is to become a committed and responsible leader in the business software industry.

Axway's main risk factors, including those relating to corporate responsibility

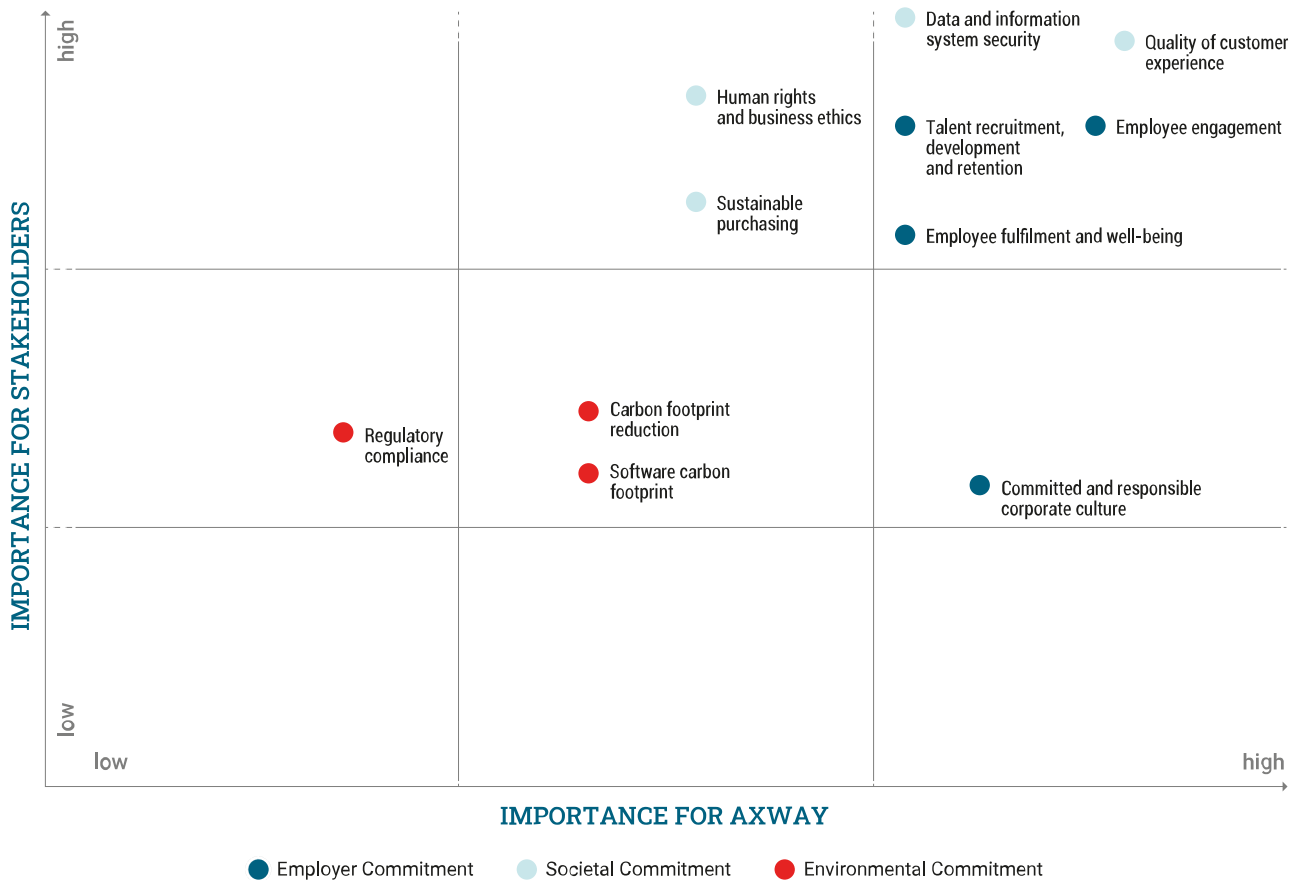
Axway's risk factors are described in Chapter 2 of this document. The following tables summarises the four risk categories identified by the Company and sets out, where applicable, the related CSR indicators and programmes.

Risk category	Main risks	Criticality	CSR programmes and indicators
Risks relating to Axway's market	• Risks of lack of innovation and failure to anticipate market trends	• High	• Net Promoter Score (NPS), customer satisfaction metric
	• Risks of customer base erosion and non-renewal of Maintenance or Subscription contracts	• High	• Employee training programmes
	• Risks relating to the go-to-market of products and solutions.	• Medium	
Risks relating to Axway's business and organisation	• Risks relating to attracting, developing, engaging, recognising and retaining talents	• Medium	• Employee engagement score • Gender diversity and Disability programmes
	• Risks of technical defects in product development and production errors	• Medium	• Talent development
Security risks	• Information, software and internal application security risks	• High	• Security certifications (ISO 27001, AICPA/SOC2 Type II, Common Criteria, ISO9001) and training
Legal and compliance risks	• Intellectual property protection risks	• Medium	• Middelnext Code of Corporate Governance • Ethics Charter • Supplier & Partner Charter • Greenhouse gas emissions assessment
	• Regulatory compliance risks – including environmental risks	• Medium	

Axway stakeholders

As a software publisher, Axway interacts responsibly and in accordance with business ethics rules with numerous stakeholders within its ecosystem: employees, customers, partners, suppliers, shareholders, investors and societal organisations. The materiality matrix presented below maps the main expectations of Axway's stakeholders ranked by their importance for the company.

Materiality matrix for Axway's CSR challenges by level of importance for the Company and its stakeholders

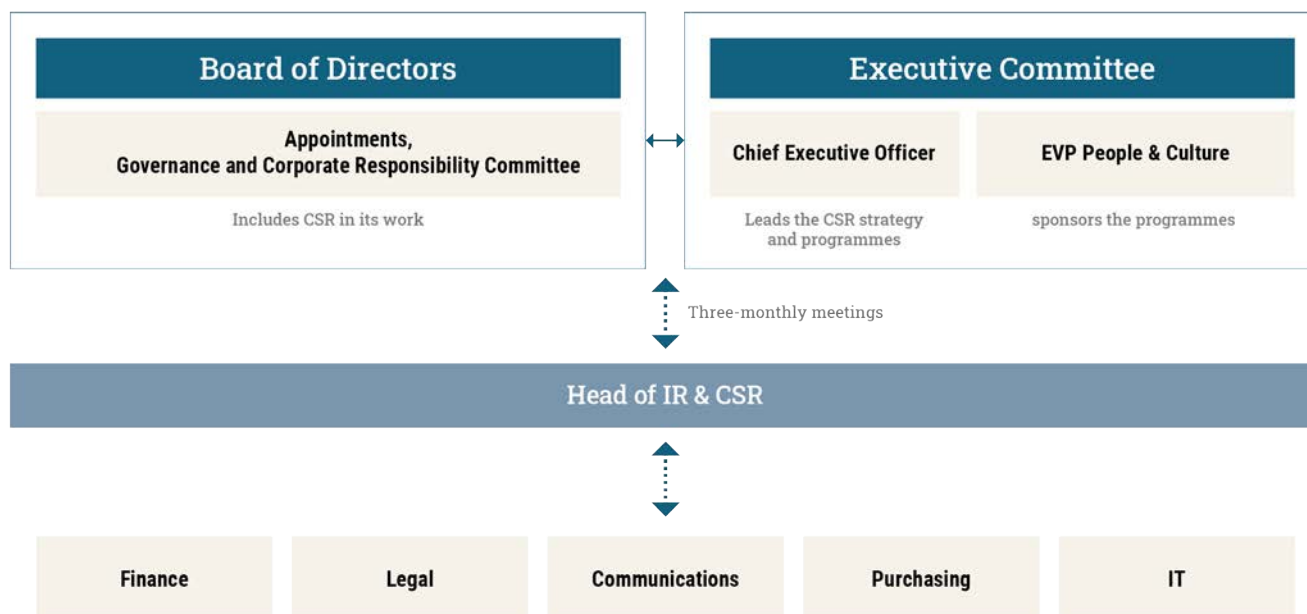


Social-Employer	Societal	Environmental
Talent recruitment, development and retention: Attract and retain talent, provide them with the means to thrive	Quality of customer experience: Maintain a recognised leading position by maximising customer satisfaction	Carbon footprint reduction: Contribute to carbon neutrality by reducing greenhouse gas emissions
Employee engagement: Converse with employees and satisfy their expectations	Data and information system security: Maintain excellence in protecting the Company's data and its ecosystem	Software carbon footprint: Measure the carbon footprint of the software sold by Axway
Employee fulfilment and well-being: Ensure proper working conditions and offer a healthy and stimulating environment	Human rights and business ethics: Conduct activities with full integrity and respect for human rights	Regulatory compliance: Comply with the rapid changes in environmental regulations
Committed and responsible corporate culture: Ensure that employees adhere to the Company's commitments and values	Sustainable purchasing: Ensure that partners and suppliers adhere to the Company's social, societal and environmental commitments	

Axway governance and CSR system

Axway's governance is founded on the Board of Directors and the Executive Committee and conducted in accordance with the recommendations of the Middelnext Code of Corporate Governance, to which Axway has adhered since 2013.

Corporate Social Responsibility (CSR), its objectives, programmes and progress are steered by the Chief Executive Officer during quarterly meetings and presented to the members of the Board of Directors at least twice a year within the Appointments, Governance and Corporate Responsibility Committee.



CSR publications, tools and reference guides

Publications and tools

The Non-Financial Performance Statement (NFPS), an annual statement presenting Axway's CSR policy, programmes, indicators and performance monitoring.

The CSR Report, an annual report extracted from the Non-Financial Performance Statement and also including the Chief Executive Officer's letter of commitment to the United Nations Global Compact.

Axway has implemented formalised processes supported by corporate policies, memberships and certifications in the following areas:

- human rights, ethics and anti-corruption: commitment to the United Nations Global Compact, ethics charter, whistle-blowing system, Partner and Supplier charter, training;
- customer satisfaction: customer satisfaction surveys and NPS (Net Promoter Score) indicator, training;
- employee engagement: annual internal survey;
- digital security: charters, certifications, standards and internal and external security and cybersecurity training programmes;
- sustainable purchasing: supplier assessment through the contractual process (Partner & Supplier charter, ethics charter), measurement of the carbon impact from purchases;
- stock market and governance: compliance with the Securities Trading Code of Conduct, adherence to the Middelnext Code of Corporate Governance;

- data privacy: data protection procedures, respect of work-life balance;
- corporate social responsibility: materiality matrix and audit of CSR indicators;
- annual measurement of emissions via a GHG assessment, emission reduction initiatives.

CSR assessments and standards

Each year, Axway completes various CSR assessments and standards, including in 2023:

- EcoVadis, CSR performance and sustainable purchasing assessment platform;
- Ethifinance ESG Ratings (formerly Gaiä Research);
- CDP – Climate Disclosure Project;
- COP, Communication on progress of the UN Global Compact;
- ISO/IEC 9001 and 27001, AICPA SOC2 standards, quality and security audit.

CSR reference guides

GHG Protocol: The Greenhouse Gas Protocol establishes a standardised international framework to measure and reduce greenhouse gas (GHG) emissions;

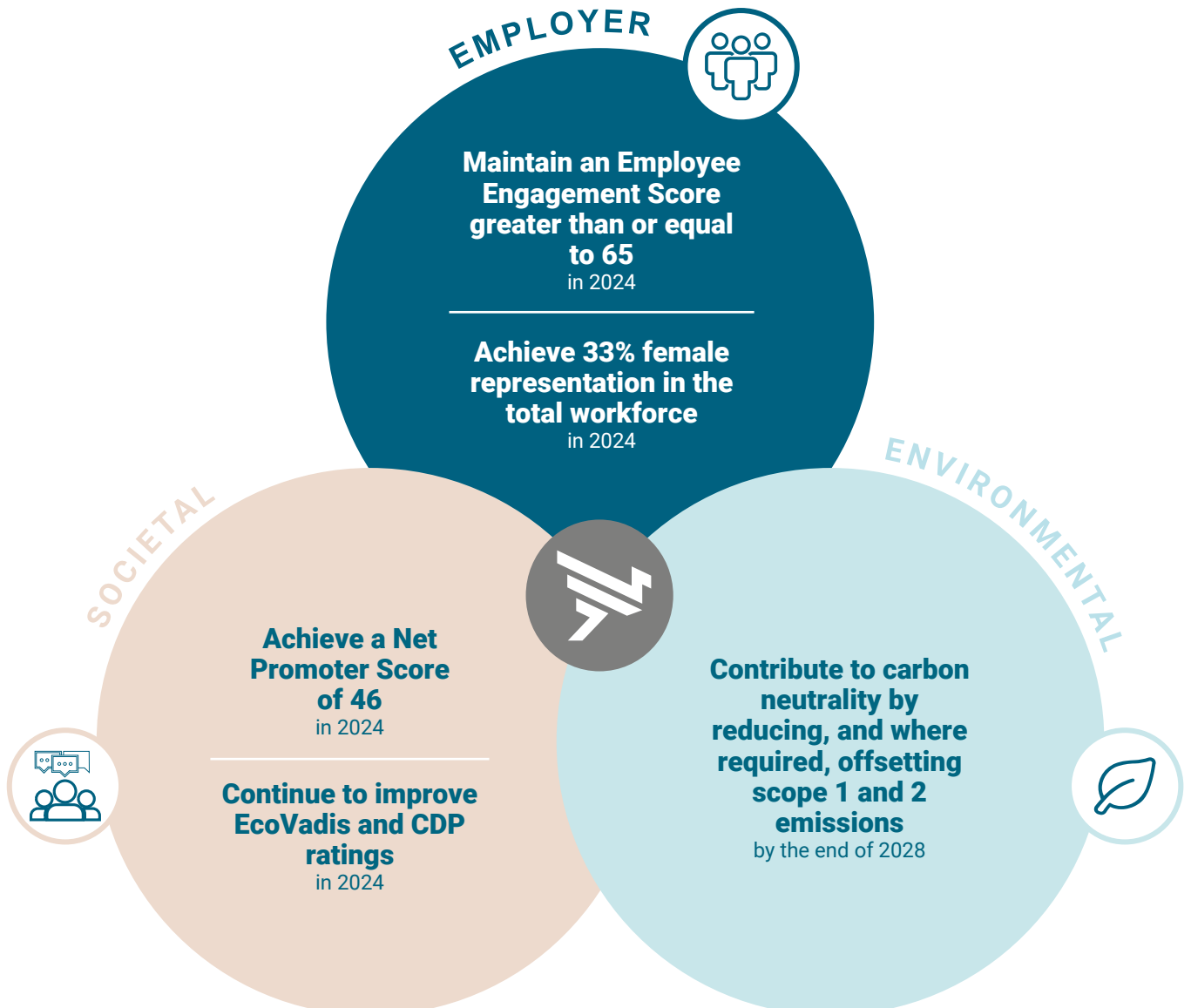
SDGs: United Nations Sustainable Development Goals

Axway's CSR commitments - Employer, Societal and Environmental - correspond to 11 of the 17 Sustainable Development Goals - SDGs - defined by the United Nations:



Axway CSR targets

In 2024, Axway set CSR targets around three commitments: Employer, Societal and Environmental. The Company has set specific quantifiable objectives for each commitment, specifying the deadlines.



3.2 Employer Commitment: continue to shape the Company we want to work for

3.2.1 Progress with Employer targets

Targets set in 2021	2023 context and programmes	2021 Baseline	2023 Score	2023 Targets
Employee Engagement >70%	Annual employee survey	66 %	69 %	> 70 %
33% of women in total workforce	Strengthening recruitment and retention processes	30 %	31 %	33 %
+25% of people with disabilities	Strengthening integration and recognition processes	8	11 (+ 38 %)	+ 25 %

3.2.2 Programmes in 2023

3.2.2.1 Promote diversity and ensure non-discrimination

The software publishing industry, by its global scope and international training standards, welcomes people from all cultural and geographical horizons while focusing on the expertise of individuals. The digital industry attracts talent from a wide range of fields: scientific, commercial, artistic, literary or self-taught people trained in digital communities.

The digital sector is revolutionising sector practices, business models and, more generally, business management by constantly seeking innovation. The substantial growth in the industry has resulted in talent shortage. Recruitment is a constant challenge for all market players.

At the same time, it is proving difficult to improve the gender balance and the number of women in digital training courses remains low throughout the world. Access to employment for people with disabilities is also limited despite the development of more comprehensive insertion programmes in certain countries.

Axway is committed to upholding strong ethical and social values by supporting various academic, mentoring, charity-based

and reinsertion programmes, making diversity a key challenge.

Axway, already positioned above the industry average for several years, had set the target in early 2021 of increasing the percentage of women in its workforce to 33% in 2023. With 31.2% of women in the workforce as of 31/12/2023, the company did not achieve its initial target. However, the numerous initiatives undertaken have helped to identify areas of improvement to be explored. Efforts will therefore continue in the years to come to reach one-third of women in the total workforce.

At the same time, the Company has set the target of increasing the number of employees with disabilities by 25% in France between 2021 and end-2023. This target was exceeded as the number of employees with disabilities increased from 8 in 2021 to 11 as of 31/12/2023. Support measures will continue in the years to come while in early 2024, the status of employee with disabilities was allocated to another employee, which brings their number to 12 in France.

Diversity and non-discrimination

Gender equality

General policy

Axway adheres to strict ethical rules on non-discrimination and implements programmes to reduce inequality in the 18 countries where it operates. It complies with the laws of each country where it operates and is committed to promoting diversity and non-discrimination, particularly among its employees.

Training and internal information campaigns increase awareness of diversity, anti-harassment and ethics best practices in the conduct of business. In France, for a number of years, Axway has published the equality index introduced by the Ministry for Labour. In the United States, Axway complies with the Equal Opportunity Employer programme.

Actions in 2023

This year, work focused on:

- producing a quantitative inventory and analysing the number of women in the workforce by country, business, qualification, hierarchical positioning and individual performance level;
- identifying actions and lines of communication that can promote the recruitment and retention of female employees;
- working with associations, universities and training organisations teaching digital careers to women;
- organising internal events to promote female talent;
- sharing initiatives during internal communication events by Executive Management.

% of women in the workforce	2023	2022	2021
Total workforce	31 %	31 %	30 %
Board of Directors	43 %	43 %	43 %
Executive Committee	29 %	29 %	25 %
Managers (at least one person to manage)	27 %	26 %	27 %
% of women recruited	23 %	27 %	33 %

At end-2023, Axway's workforce breaks down into 31.2% women and 68.8% men, representing a slight increase in the proportion of women compared to end-2022 (31.0%). The proportion of female employees in the workforce could only be stabilised despite the ongoing measures undertaken throughout the company, and by focusing particularly on recruitment and retention. In 2023, 23% of hirings were women employees.

People with disabilities

General policy

Axway has been committed to supporting the employment of people with disabilities in France for several years and is seeking to expand its practices in several other countries where the Company operates.

Two focus areas have enabled this target to be achieved:

- facilitating the recruitment of people with disabilities;
- assisting with the process of recognising the disability status of employees already present in the Company.

By dedicating resources to this work, Axway strengthens its inclusive policy and promotes equal opportunity among its current and potential future employees.

This mainly takes the form of training.

Six training modules are offered to employees and recommended in the integration curriculum for new hires. They are available in English and/or French and cover topics encompassing discovering the key disability issues, taking disability into account in the company, working daily with an employee with disabilities, digital accessibility.

And by targeted recruitment initiatives:

- "disability-friendly company" indicated in all job offers;
- job offers communicated on recruitment platforms promoting the recruitment of people with disabilities;
- disability and recruitment intranet space.

Handicap 2021-2023 agreement and scheme (France)

The Handicap scheme at Axway in France is defined in the Handicap 2021-2023 agreement encompassing all Sopra Steria group companies operating in France to promote the integration of people recognised as disabled workers. The scheme includes:

- a disability officer and a Human Resources department manager, who are responsible for supporting employees who are personally or indirectly dealing with disability;
- personalised assistance for employees with disabilities: specific arrangements - ergonomics, equipment, organisation of working time, authorised absences for medical appointments - and assistance with all the administrative procedures necessary to have their status as disabled workers recognised;
- the status of "caregiver", introduced for employees assisting a close friend or relative with disabilities. This provides access to financial support, flexible working hours, authorised absences and adjustments to their working conditions;
- a new agreement reiterating all these points was signed in October 2023 for the period 2024-2026.

Actions in 2023

In 2023, Axway strengthened its programme to highlight the skills of people with disabilities.

In France, Axway took part in several initiatives:

- HanDigital Week 2023 events to reduce prejudice and highlight people's expertise rather than their disability;
- the Disability Café to raise awareness of disability and communicate on the Company's disability policy;
- a DuoDay, conducted for several years now, in France and other European countries (Belgium, Finland, Portugal, Germany, Luxembourg), which pairs a person with disabilities and a volunteer professional in companies, local authorities and associations.

In five other countries where Axway operates, the USA, Germany, Romania, Bulgaria and Ireland, several activities and actions were undertaken:

- analysis of local regulations in each country on recognising disability;
- inventory of local initiatives for people with disabilities;
- consideration to Axway seeking a label recognising its status as a disability-friendly company.

Furthermore, the acquisition of a French company with several employees with disabilities was an opportunity for Axway to confirm the effectiveness of its integration processes.

People with disabilities key figures (France)	2023	2022	2021
% of people recognised with disabilities in the workforce	2.55 %	1.82 %	1.72 %
Number of employees recognised with disabilities	11	8	8
Number of people in the process of being recognised as a disabled worker in France	1	1	1
Number of employees with caregiver status	12	10	8
Number of additional days leave granted to employees with caregiver status	6	6	6
Number of days used by caregiver employees	37	NA	NA

3.2.2.2 Recruit highly sought-after talent

In a sector where the number of available positions far outstrips demand in many countries, there is still significant competition for job offers. In 2023, Axway's appeal was confirmed with 145 new hires (excluding acquisitions). At the same time, the acquisition of AdValvas (based in Ghent in Belgium) and Cycom Finances (based in Paris, France) resulted in the integration of 17 employees.

Recruitment

General policy

Axway's recruitment policy is conducted in accordance with the commitment of non-discrimination and promoting diversity as described at the beginning of this Chapter. For several years, Axway has been developing a programme to attract talent through numerous initiatives, including:

- relations with schools: in conjunction with 10 universities and engineering schools in different countries, Axway participates several times a year in school forums to get to know students by offering numerous internships. Axway also uses specialised recruitment platforms, such as Welcome to the Jungle;
- internships, apprenticeships, work-study contacts: Each year, Axway offers internships, apprenticeships and work-study contacts in several countries, allowing young people to complete their learning during or after their studies. They receive job offers as soon as possible at the end of this experience;
- 3 years/3 professions programme: in France, Axway continues its programme in France during which work-study students and apprentices successively discover the Research and Development, Services and Customer Support professions. Created in 2015, this programme has already welcomed 16 work-study students.

Axway recruits almost exclusively on permanent contracts, except for temporary replacements. Given the nature of Axway's business, almost all hires are fresh graduates from higher education institutions. When hiring older employees, professional experience and expertise are the key recruitment criteria.

To promote co-option and make its employees its ambassadors, the Company continued its programme of encouraging employees to suggest members of their networks join Axway.

Actions in 2023

In 2023, Axway hired 145 individuals with varied profiles, mostly engineers and sales representatives. The share of permanent employment contracts in the total workforce increased again in 2023 and now represents 99% of contracts, despite the uncertain economic context.

During the year, Axway welcomed 12 interns and apprentices, 5 of whom were hired at the end of their apprenticeship. Three employees were also co-opted.

Recruitment by geographical area	2023	2022	2021
Total number of people recruited	145	202	204
Americas	23 %	26 %	27 %
France	29 %	25 %	22 %
Rest of Europe	42 %	39 %	47 %
Asia/Pacific	6 %	10 %	4 %
Recruitment by age range	2023	2022	2021
Total number of people recruited	145	202	204
Average recruitment age	37	35	37
Under 25	12 %	19 %	11 %
25 to 35 years	38 %	46 %	47 %
36 to 45 years	28 %	17 %	22 %
46 to 55 years	16 %	13 %	16 %
Over 56	6 %	5 %	4 %
Interns and apprentices	2023	2022	2021
Number of apprentices and interns	12	26	21
Hires following an internship or work-study contract	5	4	4

3.2.2.3 Incorporate employee expectations

Since 2016, Axway has regularly organised "Axway Voice Survey" engagement surveys among its employees. The objective is to measure their engagement using the Employee Engagement Score and to identify areas for improvement so as to roll-out related action plans. In addition to the annual survey, exchanges are organised throughout the year via:

- working groups by team, led by the managers;
- frequent discussion sessions with Executive Management, open to all employees;
- internal roadshows, by geographical area, led by members of Executive Management.

In 2023, these exchanges continued and again provided an opportunity to share Axway's strategy and updates with employees while discussing recently rolled out initiatives. The Chief Executive Officer organised 13 discussion sessions in the year, known as "CEO Office Hours", with each session bringing together an average of 300 employee for open discussions in the form of a Q&A session. The most recent discussions focused in particular on Axway's purpose, working methods, use of premises, CSR programmes and the Company's environmental impact.

Executive Management also communicates quarterly with all employees during a virtual meeting open to everyone, on the quarterly presentations of the Company's results.

Employee engagement indicator

The level of employee engagement measured by the Employee Engagement Score is one of the qualitative criteria determining the Chief Executive Officer's variable compensation and has been included since 2022 in the variable compensation criterion for all the Company's top managers.

	2023	2022	2021
Percentage of employees receiving variable compensation tied to employee engagement	2.4 %	2.1 %	0

Engagement survey methodology

Under the survey methodology, a minimum employee participation rate of 30% is needed for the survey to be representative. 65% is considered a good participation rate.

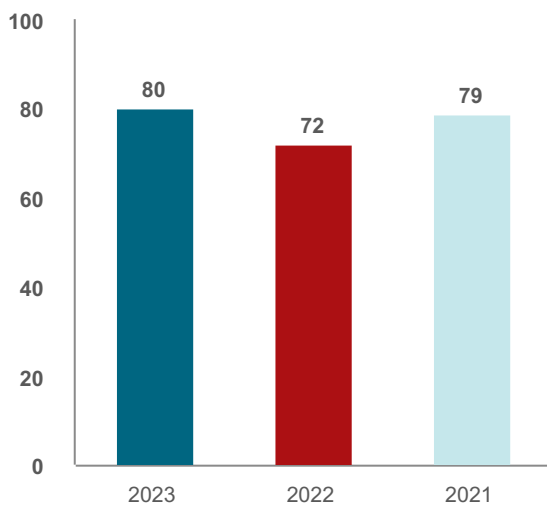
It is recognised that for a company to achieve its goals and create a virtuous circle with employees, it needs an employee engagement rate of 60% or above. Reaching this score means that the majority of employees are positively engaged with the Company's objectives.

Seventh edition of the Axway Voice Survey

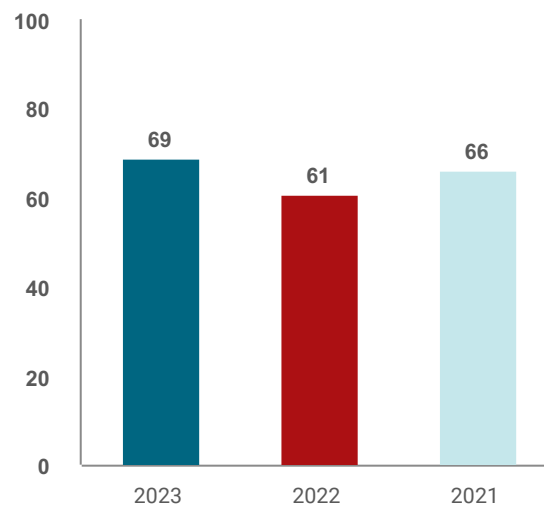
The seventh edition of the survey took place between 16 and 30 January 2024. The engagement score was 69% with 80% of employees participating.

The sharp improvement in the employee engagement rate was due to increased and regular information sharing by management and greater accountability for managers throughout the year in rolling out targeted action plans.

Engagement survey participation rate (in %)



Employee engagement rate (in %)



The engagement survey is a critical measurement tool for managing the Company and offers employees a key opportunity to make their voices heard.

Based on the results of the annual survey, managers determine specific action plans on themes with the strongest impact on the level of engagement.

Axway aims to maintain an Employee Engagement Score greater than or equal to 65 from 2024.

3.2.2.4 Develop the talent and experience of each employee

Employee skills development is a priority for Axway. Through both training and sharing experience, the company continually invests in enhancing its talent. Within teams and with customers, partners and suppliers and also with societal organisations, Axway employees gain extensive experience in keeping with the digitalisation of major companies.

Skills and internal mobility development

General policy

Axway strives to constantly upskill its employees: the Company invests in their training and endeavours to promote their development internally.

Axway University is Axway's major talent development internal portal. The training offering focuses on the activities critical to Axway's success: technical expertise, upskilling sales teams, personal development and management, business ethics and security.

The training offering comprises both face-to-face and e-learning formats. Axway University uses a Learning Management System (LMS) training platform accessible to customers, partners and employees. Employees can also access training courses free of charge and from anywhere in the world via "Jive", Axway's internal social network.

To meet the expectations expressed by employees in the first employee engagement surveys, Axway pursues its voluntary internal mobility policy for all employees. All internal mobility offers can be viewed by all employees. By going to the internal network's "Make your Move" career page, employees can access the application portal. In addition, every two weeks, the internal newsletter publishes four to six offers, maximising their visibility. The internal mobility policy and the rules for benefiting from it are available in various formats and distributed on a regular basis.

Actions in 2023

A total of 7,734 hours of training were provided in 2023 to 1,386 employees, i.e. an average of 0.75 days.

Throughout the year, new opportunities for positions were created due to the reorganisation of the company around its main product lines. Overall, 274 employees moved internally in 2023, either via a promotion or a change in position.

Training sessions	2023	2022	2021
Total number of training hours	7,734	9,923	13,680
% of e-learning	95 %	94 %	98 %
Number of employees trained	1,386	1,469	1,946
Average number of training days per employee	0.75	0.93	1.14
Training budget (in euros)	750,000	750,000	750,000

Number of employees who have taken a training course	2023	2022	2021
Training session on equality, parity, gender stereotypes and anti-harassment	15	464	64
Health and safety training/programmes	8	33	48
Corporate ethics and anti-corruption training	222	334	375
IT security/cybersecurity training	1,099	1,256	2,252

Assess to progress

In 2023, Axway continued the global approach of continuous performance management adopted in 2019 and based on constant dialogue between employees and managers. This approach is based on the Conversation/Feedback/Recognition (CFR) system, which encourages ongoing dialogue and regular feedback between managers and employees throughout the year. Employees should receive feedback on their work as often as possible from their manager, in real-time if possible, and are invited to regularly participate in career follow-up meetings.

Talent appraisal

General policy

Axway sets up and carries out a global talent review covering the entire workforce, to appraise and discuss the performance and potential of each employee. Carried out collectively and shared by managers and Human Resources managers, this annual exercise makes it possible to identify key talents and the development and training actions necessary for the development of each employee.

In parallel, Axway continues the Objectives and Key Results (OKR) approach, which enables managers to collectively steer the performance of its teams by defining strategic objectives by business line and even key results that are shared on a quarterly basis.

In order to maintain the continuous performance management approach for all employees, in 2020 the Company designed training modules to introduce teams to these best management practices.

Since 2014 and in accordance with French law, Axway also conducts a professional interview every two years in France. This meeting between the employee and a Human Resources professional allows the employee to consider his or her professional development paths, both in terms of qualifications and employment and provides an opportunity to discuss his or her aspirations.

Actions in 2023

For the fourth year running, the vast majority of Axway employees benefited from a talent review, i.e. 1,394 employees representing 96% of the workforce.

Talent reviews and career interviews	2023	2022	2021
Number of Talent Reviews in the year	1,394	1,615	1,703
Percentage of employees who have completed a Talent Review	96 %	96 %	94 %

3.2.2.5 Recognise and promote talent

Axway's objective is to write a shared history with its employees and build team loyalty based on a long-term project that creates value for all. This reflects the average seniority at Axway (9 years), whereas the Company develops in a particularly competitive environment. The Axway compensation policy reflects its industry practice, according to the country, and also the assessment of the performance and potential of each employee.

Recognise talent

General policy

Axway's employees are key to its success and are the primary performance driver. Axway constantly strives to improve and adapt its organisation to create a safe, inclusive and attractive working environment for its teams. To properly recognise its talent, Axway paid salary increases in accordance with an individualisation policy, applied in a fair and identical manner in all countries where Axway employees work. In France, employees are eligible for profit-sharing and a Company Savings Plan. In accordance with the law and best practice in each country, Axway also takes part in retirement and pre-retirement schemes, as well as occupational-insurance schemes covering its employees for various additional contingencies, beyond the regulatory provisions imposed by the different countries.

To involve employees in the Company's transformation project, Axway regularly performs free share grants for its employees. In total, the shares held by Axway employees represent 2.86% of the company's share capital as at 31 December 2023.

At Axway, employee loyalty is rewarded. Employees who have been with Axway for 3, 5, 10, 15, 20, 25, 30, 35 or 40 years are honoured for their loyalty to the Company during a friendly event called Length of Service, an initiative held at all Axway sites.

Actions in 2023

In 2023, Axway focused on employee dialogue to boost their recognition. This resulted in several initiatives:

- CEO Office Hours: launched in 2022, these meetings, organised in digital format, can be freely accessed and allow questions to be asked directly to the Chief Executive Officer and the members of the Executive Committee who are present. The topics focus on Axway's strategy, operational issues, and Company news. 13 meetings were held in 2023, bringing together 300 employees on average.
- All Hands meetings: facilitated by various members of the Executive Committee, these presentations for all employees continued in 2023 in keeping with the company's development. In addition to economic performance and changes in strategy or offerings, new topics were addressed during the year, particularly regarding Axway's CSR commitments.
- Executive Roadshows: in-person and virtual meetings organised by Executive Management members with employees in countries. In 2023, these roadshows were mainly held in the first quarter in connection with various kick-off meetings focusing on sales strategy or product development.

In 2023, 394 employees were rewarded for their past service in the company at Length of Service events.

3.2.2.6 Quality of work life

Agile working methods: Future of Work

Even before the international pandemic, working from home was widespread at Axway, particularly in the United States. In 2019, 37% of Axway employees based in the United States were already working from home.

In the last 3 years, Axway has adopted a new agile and sustainable way of working, Future of Work. This system responds to employee expectations expressed in surveys and internal discussions and aims to contribute, for each employee, to a good work-life balance in the most fulfilling conditions.

Drafted with all employees through two internal surveys, local working groups and employee representatives in companies where they exist, the Future of Work policy enables employees to work 60% of time remotely and 40% of time on-site, in an Axway office.

This flexibility is mainly founded on:

- constant coordination between employees and managers to define together how to apply this system in line with team activities;
- freedom to work remotely from a private location several days in a row;

- collaborative digital tools that enable continuous team dialogue and work in identical conditions on site and remotely.

This working-time policy was recorded in a professional agreement in France in October 2021, to be renegotiated in 2024, and in Germany since January 2022.

Since 2022, a Flex Office policy has been rolled-out in Romania to better optimise the premises in conjunction with the new agile and sustainable working model. This policy will be implemented in France in 2024.

Working time

For each of its subsidiaries, Axway complies with its legal and contractual obligations concerning working time. Working time is determined based on local requirements and activities. In some countries, Axway is affiliated to a collective agreement. This is the case in France where Axway Software complies with the national collective agreement for technical design offices, consulting engineering firms and consulting firms – Numeum.

Part-time work

In 2023, 2.7% of Axway employees worked part-time, mostly within the scope of parental leave.

Part-time contracts	2023	2022	2021
Total % of employees working part-time	2.7 %	2.4 %	2.5 %

Additional leave

At Axway, additional leave is granted based on several criteria: seniority, age, family situation or personal events and in accordance with varying practices depending on the country where Axway is operating.

This initiative helps improve each employee's work-life balance according to their situation. For example, this represents on average five days per employee in France.

Health, hygiene and safety

Axway is a global company with employees in 18 countries and complies with local and international health and safety regulations. It implements procedures that comply with local and international regulations. Details of these local procedures are generally recorded in an Employee Handbook given to employees and available on Jive, the internal social network.

Health and safety policy summarised by indicator	2023	2022	2021
Health and Safety Committee – France	yes	yes	yes
Health and Safety Procedures	yes	yes	yes
Installation and equipment for employees	yes	yes	yes
Physical and psycho-social risks linked to working from home taken into account	yes	yes	yes
Health check included in healthcare contracts	yes	yes	yes
Healthcare coverage included in the healthcare contracts	yes	yes	yes
Health and Security Intranet space	yes	yes	yes
Equipment safety audit (France)	yes	yes	yes
Actions to promote physical and sporting activities	yes	yes	yes

Ensuring the health and safety of employees is a fundamental goal and an integral part of the human resources and social policy. In Germany, as in France, an occupational health doctor performs employee check-ups on a regular basis.

Maintain low absenteeism

Absenteeism remains very low at Axway. It is mainly linked to family events or brief illnesses.

Absences	2023	2022	2021
Absenteeism rate	2.74%	2.54%	2.08%
Illness	0.97%	0.97%	0.93%
Workplace accidents	0.00%	0.01%	0.00%
Maternity-Paternity-Adoption	1.59%	1.35%	1.02%
Family events	0.12%	0.17%	0.13%
Other	0.06%	0.04%	0.00%

Encourage a healthy and balanced lifestyle in suitable and welcoming premises

Changes in working practices, the highly developed use of digital conferencing tools and working from home have changed the habits of using premises for companies.

These changes have led Axway to reconsider the layout of its premises.

A balance must be found to take account of new uses. Several subjects were developed in 2023 and this will continue in 2024:

- rationalise the surface area of premises according to their occupancy rate;

- rethink the workplace layout – offices and workspaces – to promote quality of life at work while guaranteeing communication between employees and the experience of teams at work;

- keep common areas to enable get-togethers between teams.

Spaces dedicated to sporting and cultural activities are regularly available in most Axway premises and are used by employees individually or in spontaneously formed groups of colleagues.

Social Dialogue

Axway monitors regulations and laws in the various countries where it operates. Only two countries have employee representation, France and Germany, according to the following systems:

Structure / Scope	Country	Collective agreements signed in 2023	% of employees
Axway Software: Social and Economic Committee since 26 September 2023, elected for four years. Three trade unions (CGT, CFDT and Traid-Union) are represented on the Committee.	France	<ul style="list-style-type: none"> • Agreement promoting professional equality among men and women and the quality of life at work • Agreement on the holiday allocation scheme • Agreement on soft mobilities • Agreement on the Social & Economic Committee (SEC) • Agreement on electronic voting for Social & Economic Committee (SEC) elections • Agreement on electronic voting for Axway Shareholding FCPE Supervisory Board elections 	29.5%
Axway GmbH: three Plant Committees and a Central Works Council.	Germany	<ul style="list-style-type: none"> • Bonus plan • Commission plan • Talent Review 2023 • Distribution and remuneration principles for salary adjustments in the end-of-year process • Avaya Agent Desktop • Transfer of old Atos general works council agreements to all locations in Germany 	4.5%
Collective bargaining agreements			
Axway Software	- France		29.5%
Axway Software do Brasil	- Brazil		1.7%
Axway GmbH	- Germany		4.5%
Axway Belgium SA	- Belgium		1.4%

3.2.3 Main Employer indicators

Scope: published data relates to Axway's entire scope, unless otherwise stated.

	2023	2022	2021
Workforce			
Total workforce at the year end (incl. fixed-term contracts)	1,465	1,525	1,712
Permanent workforce at the year end	1,452	1,495	1,689
Average number of employees	1,495	1,618	1,799
Payroll (in millions of euros – incl. social security contributions)	183	197	186
Workforce by geographical area			
Americas	25 %	25 %	25 %
France	29 %	28 %	27 %
Rest of Europe	42 %	42 %	44 %
Asia/Pacific	4 %	5 %	4 %
Workforce by area of expertise			
Customer Success Organisation	47 %	50 %	44 %
of which Sales	30 %	31 %	15 %
Research & Development	27 %	32 %	42 %
Other	26 %	18 %	14 %
Number of employees by age range			
Average age	42	43	42
Under 25	2 %	4 %	4 %
25 to 35 years	26 %	28 %	28 %
36 to 45 years	33 %	32 %	32 %
46 to 55 years	23 %	22 %	22 %
56 and over	16 %	14 %	13 %
Gender diversity			
Women	31%	31 %	30 %
Men	69%	69 %	70 %

Societal Commitment: have a positive impact on our stakeholders as a leading software publisher

	2023	2022	2021
Employees with disabilities*			
Number of employees recognised with disabilities	11	8	8
Recognition in progress	1	1	na
*France scope			
Employee engagement	2023	2022	2021
Internal survey participation rate	80 %	72 %	79 %
Employee engagement score	69 %	61 %	66 %
Employee seniority	2023	2022	2021
Average seniority in years	9	9	8
Internal mobility	2023	2022	2021
Number of internal transfers	274	82	181
Employee training	2023	2022	2021
Total number of training hours	7,734	9,923	13,680
Average number of training days per employee	0.75	0.93	1.14
Recruitment and Attrition	2023	2022	2021
Number of recruitments	145	202	204
Attrition rate	14 %	25 %	21 %

3.3 Societal Commitment: have a positive impact on our stakeholders as a leading software publisher

Axway's CSR materiality matrix, based on surveys conducted with stakeholders, makes it possible to build programmes and deploy responsible and sustainable practices to meet the expectations of the various parties in the Company's ecosystem. Societal programmes conducted in 2023 focused in priority on customer satisfaction and the deployment of Axway's CSR

commitments to its stakeholders and particularly its suppliers. Axway also furthered its programmes promoting access to digital training and careers, through educational and social projects in line with the Employer targets described above in this chapter.

3.3.1 Progress with Societal targets

Targets set in 2021	2023 context and programmes	2021 Baseline	2023 Score	2023 Targets
Net Promoter Score above 40	Continuous monitoring of customer NPS	29	37	> 40
EcoVadis Gold label	Annual assessment by EcoVadis	Silver (61/100)	Silver (70/100)	Gold
4 female digital education programmes	Continuation of partnerships and implementation of measures	3 programmes to be reactivated	6 active programmes	4 active programmes

3.3.2 Programmes in 2023

3.3.2.1 Customers: further increase satisfaction

Alongside employee engagement, customer satisfaction is Axway's top priority. This satisfaction not only reflects the performance of Axway's products, but also creates a virtuous value chain through the upskilling of teams, innovation, more tailored services or better strategic trade-offs.

Customer satisfaction

General policy

The Customer Success structure is central to Axway's business model. It accounted for 47% of the Company's workforce in 2023. Its goal is to dialogue constantly with customers to propose the most tailored and scalable solutions and services in line with their expectations.

This approach is headed by the Chief Customer Officer, member of the Axway Executive Committee; metrics are presented each year to the Board of Directors and the Appointments, Governance and Corporate Responsibility Committee, as well as to employees during internal sessions.

At Axway, customer satisfaction is measured using the Net Promoter Score (NPS). This indicator is incorporated into Axway's risk management and is used as a performance indicator for the variable compensation of all eligible employees and the Chief Executive Officer.

NPS classifies customers into three categories: Detractors, Passives and Promoters. It is based on an iterative process that includes a survey, follow-ups and constant dialogue with customers throughout the year. It also uses various customer management tools such as an experience management platform, a Customer 360° dashboard and customer success plans. These tools are used to gather and analyse customer comments, consolidate customer data from various sources and obtain a complete understanding of their needs to define clear objectives according to specific expectations. Customer expectations expressed through these mechanisms are used to guide Axway software design and research and development.

The main expectations expressed by customers are:

- software quality and performance;
- technical support;
- service engagement;
- product training;
- customer events.

Actions in 2023

In 2023, Axway's NPS improved to 37. This result, up 2 points compared to 2022, reflects Axway's renewed commitment to improve its customer experience. Although the initial target of an NPS of 40 was not achieved, the progress made is encouraging and did not hinder Axway's determination to make further progress. The Axway NPS is now close to the "CX Leader" level in the business software industry. Axway's aim is to offer an exceptional customer experience to the businesses it supports and continue to invest accordingly.

Dialogue with Axway customers is also organised around events alternating face-to-face meetings and remote conferences. In 2023, several major events brought together a very large number of customers:

- 56 Customer Engagement events;
- 17 Customer Advisory Boards (CABs);
- 39 User Groups, including 19 face-to-face events.

Involving 1,316 customers representing 473 companies.

Customer dialogue is also fuelled by online interactions through:

- a portal dedicated to the Axway customer community: in 2023, 3,242 interactions took place with 5,218 members;
- an "Idea" portal dedicated to exchanging best practices with customers, received over 1,000 new Axway product development ideas. The best ideas proposed were selected following an opinion polls in which 6,202 votes were cast. 115 of these ideas were realised.
- the Axway University platform, which offers customers, partners and employees on-request training.

Customer satisfaction	2023	2022	2021
NPS at 31/12/2023	37	35	29
Percentage of employees receiving variable compensation tied to NPS	1	1	1

Axway has intensified its "Voice of the Customer" initiative to obtain more detailed information on the customer experience. In 2024, the company will propose two additional opinion polls focused on customer support and the purchasing experience. The overall rating will change accordingly. Axway has therefore set a new NPS target of 46 for the 2024. This decision seeks to streamline processes and improve interactions for customers and partners. It also reflects Axway's commitment to continuously offer exceptional experiences in each of its interactions with customers.

3.3.2.2 Share Axway's practices and values with all stakeholders

EcoVadis, 2023 results

Sharing Axway's CSR performance with its stakeholders



Each year, Axway assesses its CSR performance through the EcoVadis rating, which measures the Company's CSR policy, actions, results and objectives with regard to governance, social, societal, environmental and ethical issues and sustainable purchasing processes.

In 2023, Axway's overall rating increased by 9 points from 61 in 2022 to 70 in 2023. Changes in the methods used to allocate awards make it difficult to interpret the change in Axway's rating but the gold classification target was not achieved.

However, the various CSR initiatives implemented in 2023 rank Axway among the top 15% of companies assessed by EcoVadis.

CSR rating	2023	2022	2021
EcoVadis assessment	70	61	61

3.3.2.3 Societal organisations: have a positive impact in our ecosystem

Axway includes sharing expertise in its societal commitment to promote digital careers to societal organisations and related communities.


In 2023, societal initiatives supported Axway's employer commitments in order to:


- increase the number of women in digital careers and training;
- integrate people with disabilities in the company.

Actions in 2023


Increase the number of women in digital careers and training


The 6 partnerships initiated in 2022 continued in 2023. These involve Axway employees to promote digital careers and training for women and young girls in schools and universities promoting diversity of profiles. In particular, these partnerships make it possible to welcome interns and work-study students in the Company.


 In France, with Ada Tech School, a coding school based in Paris and Nantes that offers a curriculum adopting an alternative approach to teaching and no entry qualification requirements, including for people seeking to retrain.


 In Ireland, with Scoil Chaitriona Cailini, a school for young girls participating in the Irish inclusive education programme.

In the USA, through two programmes:

 CREST (Center for Research, Engineering, Science, and Technology), a training programme offered by Paradise Valley High School to its students;

 The WISE programme (Women in Science and Engineering) at Arizona State University for the development of leadership and technological careers for women.

 The Elles Bougent association aims to promote exciting scientific and technical professional paths to schoolgirls and female students in France. It seeks to demonstrate how these careers are accessible to women through testimonials and mentoring by women who have chosen these professions. Axway sponsors participated in 3 events in 2023.

 Professional Women's Network (PWN), a global movement of individuals who accelerate the balanced leadership between men and women in business and society through professional development and international and interprofessional networks. The current partnership between PWN and Axway since 2019 enabled ten female employees from Europe in 2023 to participate in discussions organised by the network and thus raise awareness of Axway. Four Axway employees in France benefited from the 2022-2023 PWN mentoring programme and four new employees have joined the programme for 2023-2024.



Promote the insertion of people with disabilities recruited in digital careers

In France Axway is a partner of Club Handicap & Entreprises 92. This club brings together corporate disability officers from the Hauts-de-Seine department to share experiences and best practices. In 2023, several workshops were organised to address different topics relating to the employment and retention of employees with disabilities: awareness-raising and communication on disability, cancer and employment, eyesight problems, innovation supporting disabilities in employment and other areas.

Innovate and share expertise within digital professional bodies

Axway is a member of professional organisations and participates in digital expertise exchange projects. These organisations and projects include:

- Numeum: Axway contributes in particular to digital sector surveys and workshops;
- Talents du Numérique (Digital Talent): Axway welcomes students at its premises who are considering continuing their studies in the digital field and participates in workshops to promote and develop digital innovation for all and the more vulnerable groups;
- France API : Axway jointly organised the first edition of the API trade fair in France;
- Apidays: global event dedicated to API which Axway has partnered since its creation.

3.3.2.4 Shareholders & investors: information availability and transparency

Since its shares were listed in 2011, Axway has constantly enhanced its financial reporting according to best practices to ensure the equal treatment of all its shareholders and inform them of financial matters in complete transparency.

Axway is listed in compartment B of the Euronext Paris market and complies with the Middlednext Code of Corporate Governance. Through these organisations, the Company participates in work by the market to develop best practices and complies with a particularly high level of transparency for the financial community.

The Company makes a dedicated website available to shareholders and investors: <https://investors.axway.com/en>

The Axway Investors website presents all publications and information that could be useful to shareholders and investors:

- key figures and a description of the Company's activities, governance and capital;
- press releases and Company financial and non-financial presentations;
- Axway's financial communication schedule;
- a space dedicated to General Meetings;
- all publications relating to regulated information.

Shareholders and investors are invited to subscribe to Axway's e-mailing list to receive the latest Company news directly.

A dedicated team is tasked with answering their requests and questions throughout the year.

Support local societal initiatives

In 2023, several Axway entities undertook local sponsorship and charity work initiatives.

In Romania, Axway employees supported the FDP association which works to promote education and social inclusion for the most vulnerable individuals through financial donations and the collection of equipment for school children in difficulty. Furthermore, donations from employees during the year-end festivities helped to support the actions of the Aura Ion association which works for underprivileged children in rural areas by offering them school supplies, hygiene products, food, toys and IT equipment.

In Bulgaria, our employees helped renovate the building of the Kids with development problems foundation. During the year-end festivities, Bulgarian employees also joined the charity organisation Give food, give love to collect essential products and food for the elderly in the Montana region. Finally, Sofia employees organised a solidarity-based Christmas market to support the ARTON Bulgaria foundation which offers daily art-therapy sessions with children with cancer.

EthiFinance ESG Ratings

As is the case each year, in 2023 Axway's non-financial performance was assessed by EthiFinance. There was a sharp improvement in the company's score in the 4 rating sub-categories (Governance, Social, Environment, External stakeholders) and all scores were greater than or equal to the benchmark index adopted for Axway. In its revenue category, Axway is ranked 10th out of 140 assessed companies.

CSR rating	2023	2022	2021
EthiFinance ESG Ratings	67	58	55

3.3.2.5 Partners: integrate sustainable indicators

Axway applies ethical, anti-corruption and data privacy rules to the various partners with which it works. These partnerships are formally documented at local or global level, according to the different types of agreement:

- global technology alliances to strengthen Axway offerings with vendors such as Amazon Web Services and Microsoft Azure;
- integrator partners to implement Axway solutions for customers;
- partners for the distribution of Axway products, particularly in Asia/Pacific and Latin America;
- consultancy firms for Axway's solutions as part of their digital transformation missions.

Societal Commitment: have a positive impact on our stakeholders as a leading software publisher

Partners are key players in Axway's ecosystem and the Company therefore measures their satisfaction. The Net Promoter Score (NPS) indicator, whose methodology and system were previously described in this section of the document, provides essential information for working relations between Axway, its partners and its customers.

In 2023, the global partner satisfaction survey confirmed their strong commitment to Axway, with a score of 53 versus 52 in 2022.

Partner satisfaction	2023	2022	2021
NPS	53	52	49

3.3.2.6 Suppliers

Supplier programmes and indicators are described in the Sustainable purchasing section below.

3.3.3 Sustainable purchasing

Axway considers it vital to conduct its activities ethically and responsibly to secure its long-term growth and success. Axway's purchasing system integrates tools, charters and processes to contribute effectively to business ethics, the fight against corruption, data security and the protection of individuals while respecting the laws of each country of operation.

Suppliers, partners and sustainable purchasing

General policy

A signatory of the United Nations Global Compact, Axway favours establishing lasting relationships with its suppliers and partners and is committed to applying, promoting and supporting the various fundamental principles of Corporate Social Responsibility.

The Axway Ethics Charter is fully incorporated in the purchasing agreements that are all reviewed by the Legal Department. The Legal Department discusses each purchase with the Business Unit and ensures that clauses similar or referring to the Axway Ethics charter are included and signed by the supplier or partner.

Social and environmental responsibility clauses depending on the type of supplier are tailored to the category of service provider: purchases for internal use, purchases for external use, Original Equipment Manufacturers (OEMs), external products embedded in Axway's offerings.

The purchasing platform centralises and secures the signing of supplier contracts and allows the Legal Department to control supplier selection.

Audits and periodic inspections of purchasing procedures, performed by Axway's Internal Audit Department, are regularly presented to the Audit Committee of the Company's Board of Directors.

Actions in 2023

In 2023, Axway set up for the first time a Supplier & Partner Charter.

This Charter sets out Axway's commitments to its suppliers, i.e. rules of good conduct for its Purchasing teams: transparency, objectivity and fairness in the choice of partners, confidentiality and intellectual property rights. It also describes other commitments regarding payment periods and measures to reduce the risk of mutual dependence.

The Supplier & Partner Charter also defines Axway's expectations from its partners, suppliers and subcontractors in terms of commitments with regard to human rights, working conditions, environmental protection and business ethics, which represent essential requirements for forging or furthering business relations with Axway.

In 2023, Axway began to incorporate this Charter into agreements with new suppliers and partners. In 2024, Axway will continue to deploy the Charter among current suppliers and partners.

In parallel, the Company has strengthened its sustainable purchasing process by incorporating all its purchases and suppliers in the measurement of its carbon footprint.

3.3.4 Ethical tools and processes

Axway's ethical commitments are formally documented in tools and processes defined by the company or recognised third party organisations.

Among Axway's commitments with third party organisations are:

- adherence to the Middlednext Code of Governance;
- listing on Euronext Paris;
- membership of the United Nations Global Compact;
- CDP rating – Carbon Disclosure Project;
- Ethifinance ESG Ratings;
- EcoVadis non-financial rating.

These external commitments are supplemented by a set of internal tools and processes.

Ethics Charter

The Ethics Charter is applicable to employees, company officers, executives as well as stakeholders with which Axway works. Its purpose is to present Axway's key values and the legal tools that ensure compliance with these values.

Axway has demonstrated the principles underlying this charter through specific examples. An online training course is available. Axway's objective is that this training is completed by all employees. New recruits must complete it within three months of their arrival. Automatic reminders are sent if necessary.

Fight against corruption and tax evasion

Axway has adopted an active approach in the fight against corruption. Each year, Axway renews its adhesion to the United Nations Convention of 31 October 2003 against corruption, which commits it to applying the laws in force, including anti-corruption laws in the countries where it operates.

Given its international scope, Axway ensures compliance with the rules on international sanctions and embargoes (whether issued by the UNSC, EU or FCPA). Close attention is also paid to countries with which Axway enters into contractual relations based on the Transparency International ranking. Depending on a country's ranking, an alert system in the contract management tool triggers a legal review or notifies the mention of an individual recorded in the list of blacklisted persons or entities (SDN List).

Axway's Internal Audit Department has formally documented a map of corruption risks that is updated annually.

Details on ethics and anti-corruption training can be found in the Training Section of this document.

Axway undertakes to fully comply with the tax laws and regulations applicable in all countries where the company operates. With regard to tax, Axway acts in compliance with its ethical values and principles of integrity, commitment and responsibility and pays its taxes in the countries where its operations are based or where value is created. In this regard, Axway does not engage in tax evasion and does not adopt any practices contrary to its ethics. It refrains from setting up offices in tax havens (non-cooperative states or territories featuring on the French official list and the blacklist drawn up by the European Union) and does not have any bank accounts in institutions based in these states or territories and, more generally, refrains from setting up entities with no economic or commercial substance.

Declaration on the fight against modern slavery

While Axway is not subject to the UK and Australian Modern Slavery Acts, it has nonetheless formally documented a response on the fight against modern slavery through the Declaration available on its website:

<https://investors.axway.com/en/about-axway/corporate-responsibility>

Whistle-blowing procedure

To safeguard its values, in 2018, Axway set up a whistle-blowing system respecting the confidentiality of the identity of the whistle-blower and the individuals targeted.

A dedicated e-mail address (axway.ethics.notification@axway.com) is used to collect all reports, whatever their nature. The whistle-blowing procedure and the e-mail address can be accessed by all on the Axway website: <https://investors.axway.com/fr/ethique-anti-corruption>.

The whistle-blowing procedure meets the requirements of the Sapin II law, revised in 2022 following the publication of the Wasserman Act.

Ethics and Anti-Corruption reports	2023	2022	2021
Number of reports received	3	1	0

Securities Trading Code of Conduct

As a listed company, Axway is subject to compliance with the provisions of European and French stock exchange laws relating to market abuse and insider trading.

The basis of this regulation is founded on the principles of transparency and equality between shareholders and investors so that any buyer and seller of financial instruments of a listed company has access to the same information, at the same time, on that company.

In accordance with AMF recommendation no. 2016-081, Axway has set up a committee dedicated to the publication of insider information. It is responsible for assessing whether information is privileged or not and for studying the consequences of this qualification in terms of the dissemination of information.

The purpose of the Securities Trading Code of Conduct is to inform employees, company officers, executives or other Axway stakeholders as well as any current or future shareholder of the Company of the legislative and regulatory principles relating to market abuse as well as the additional internal measures put in place in particular to prevent insider misconduct. The Code of Conduct was updated in 2020 to comply with AMF regulatory changes and recommendations.

Societal Commitment: have a positive impact on our stakeholders as a leading software publisher

Data protection

Through its presence in 18 countries, Axway wishes to maintain a common culture of transparency, trust, integrity and responsibility both internally with its employees and externally with its customers and business partners.

Axway's privacy compliance programme (<https://www.axway.com/en/gdpr>) supports this culture by presenting policies to ensure that processing complies with the laws and regulations in force in the countries where it operates: the General Data Protection Regulations in the EU (GDPR), the Privacy Act amendment 2017 in Australia, the California Consumer Privacy Act in the United States and the Lei Geral de Proteção de Dados in Brazil.

In keeping with its pledge to accompany the digital transformation of its customers in complete security, Axway publishes a data privacy information memorandum for each of its products on its website, to support its customers in their privacy compliance policies.

Digital security

As a software publisher, digital security is central to the Company's processes. Axway ensures the security of its exchange processes and applications with all its stakeholders.

The digital security system is organised by the Executive Security Committee which runs the Security Management System via a dedicated team. The Committee meets three times a year.

Security at Axway is designed, operated and controlled to always ensure that Axway infrastructures and assets and the customer data stored and processed in connection with its SaaS and Cloud services are protected, the products and services that Axway builds and sells are secured from their design and tested to meet the industry's best security practices, and Axway complies with data protection regulations such as the EU GDPR and HIPAA.

Axway maintains several security certification programmes and is audited annually by external audit agencies recognised for security standards, in particular ISO 27001:2022, AICPA/SOC2 Type II, Common criteria, TISAX.

The secure development methodologies and processes, Secure Software Development Lifecycle (SSDLC), include the best practices adopted from the Build Security-In Maturity Model (BSIMM) and the OWASP Open Source Software Assurance Maturity Model (OpenSAMM). The Axway SSDLC defines secure development procedures and the security barriers that each Axway product must reach before being made available to customers. Our secure development controls include the security of OWASP communication controls and good practices, threat modelling, third party/open source software composition analysis (SCA), attack surface analysis, dynamic application security tests (DAST), static application security tests (SAST), container security analysis and manual intrusion tests.

Security risk management and the related system is described in Chapter 2 of this document.

Digital Security training

Training sessions on best security practices last on average 60 minutes. They are supplemented by a second training session on current Axway security policies, the duration of which depends on the expertise already acquired by each employee the previous year.

In 2023, as in 2021 and 2022, the internal "Axway Security Conference" provided an opportunity to present, in a concrete manner, the various projects that contribute to the security of our developments and services, as well as how our products and services meet the security expectations of our customers and the market.

Attended by more than half of the Company's employees and recorded and available on the Axway University platform, this annual conference enriches Axway's security training catalogue

Security training	2023		2022		2021	
	number	hours	number	hours	number	hours
Annual security training	1,099	1,803	1,256	497	2,252	1,188

This table does not include more technical training sessions, such as sessions focusing on software development, which are generally longer.

3.4 Environmental Commitment: contribute to climate change mitigation

For the past 5 years, Axway has been committed to contributing to climate change mitigation. Work conducted to produce the carbon assessment published each year has enabled the approach to be structured into three stages: the measurement, reduction and ultimately the treatment of residual emissions from Axway's activities.

Encouraged by regulatory developments, the Company has learned much from the annual carbon assessments, which gradually reinforces its approach. Accordingly, at the end of

2021, under the impetus of the Chief Executive Officer, Axway embarked on a trajectory aimed at reducing its CO₂ emissions.

2023 was a new step in the implementation of this environmental commitment. Work made it possible to clarify the carbon assessment data and scope, improve the measurement of CO₂ emissions, particularly with suppliers, involve new internal correspondents and communicate with employees to initiate actions.

3.4.1 Progress with environmental targets

Targets set in 2021	2023 context and programmes	2021 Baseline	2023 Score	2023 Targets
Two cyber clean-up days	Organisation of an annual day	0 days	2 days	2 days
Contribution to carbon neutrality by 2028 (scopes 1 and 2)	More comprehensive measurement, first reduction initiatives.	1,117 TCO ₂ eq	1,282 TCO ₂ eq	-

In 2021 Axway pledged to help mitigate climate change by reducing as much as possible its scope 1 and 2 GHG emissions by the end of 2028. However, according to the above data, the company's total scope 1 and 2 emissions increased between 2021 and 2023. This does not reflect the actual situation and can be explained by the expansion of the Axway emission measurement scope. In 2023, 12 new countries and their entities were added to the measurement even though the data was until now not available. At an equal reporting scope (6 countries), Axway's scope 1 and 2 emissions would have decreased by 7.1% between 2021 and 2023.

Axway continues to enhance the measurement of its

environmental impact from year to year and at the same time implements programmes to reduce its emissions. Furthermore, a portion of the variable remuneration of Axway's Chief Executive Officer is tied to the Company's environmental performance.

Over the same period, Axway aimed to organise annual Cyber clean up initiatives, i.e. proactive campaigns to have employees clean up their digital storage spaces. The purpose of these campaigns is to reduce the volume of data stored by the company and streamline its use of IT resources and their related emissions. The objective was achieved and events has taken place every year to make employees aware of the environmental impact of digital technology.

3.4.2 Greenhouse gas emissions assessment

3.4.2.1 Greenhouse gas emission assessment methodology

Until 2022, the Axway carbon assessment was performed according to the Carbone® assessment methodology of ADEME.

Considering Axway's presence in 18 countries and the implementation of the Corporate Sustainability Reporting Directive (CSRD) in Europe in 2024, the decision was made to adopt a corporate emissions measurement methodology that is more widely recognised internationally, the GHG Protocol, from 2023.

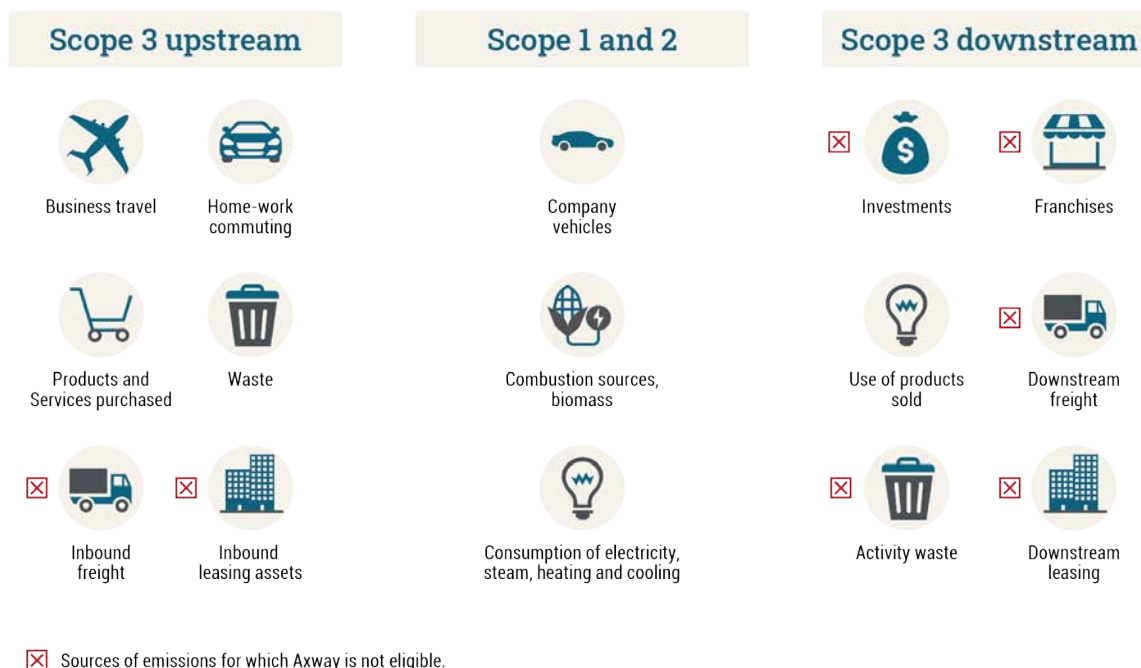
The GHG Protocol establishes a general framework and standardised guidelines to measure the greenhouse gas emissions of businesses. It is the most widely used carbon accounting framework in the world to report greenhouse gas emissions and support mitigation objectives.

Axway's environmental reporting uses as primary unit CO₂ metric tons equivalent (TCO₂eq). This metric is useful for comparing various greenhouse gas emissions based on their global warming potential by converting the quantities of various gases into the carbon dioxide equivalent with the same global warming potential.

Regarding energy consumption, the measurement period for year Y extends from 1 October Y-1 to 30 September Y due to the availability of energy invoices.

For other items, the measurement period is the calendar year unless stated otherwise.

Mapping of CO₂ emission sources in Axway's activities



3.4.2.2 2023 greenhouse gas emission assessment results

In 2023 Axway's overall carbon footprint totalled 10,288 TCO₂eq (Scopes 1, 2 and 3; including all types of GHG emissions), including 1,282 TCO₂eq from Scope 1 and 2 emissions and 9,006 TCO₂eq from Scope 3 emissions.

GHG emissions by scope (TCO ₂ e)	2023	2022	2021
Scope 1	326	130	133
Scope 2	956	1,157	1,044
Scope 3	9,006	10,486	7,353
Total	10,288	11,773	8,530
TCO ₂ e/employee	7.0	7.7	5.0
TCO ₂ e/per euro of current operating profit	32.3	37.5	29.9

As mentioned previously, in 2023 Axway's scope 1 emissions increased significantly due to the expansion of the measurement scope to all Axway sites whereas previously the analysis was limited to 6 countries.

Scope 2 emissions declined, whereas emission measurement procedures were improved to take into account more accurately the various sources of energy used at the Axway sites.

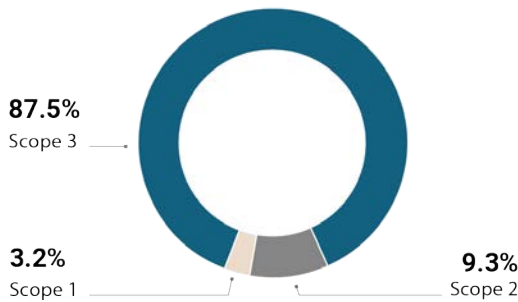
In 2023, scope 1 and 2 emissions totalled 1,282 TCO₂eq. compared to 1,287 TCO₂eq. in the previous year. Combined scope 1 and 2 emissions declined overall by 0.4% despite the inclusion of new entities in the measurement scope.

Similarly, despite a more comprehensive measurement of emissions arising from Axway purchases of goods and services, in 2023, scope 3 emissions decreased by 14% over the period.

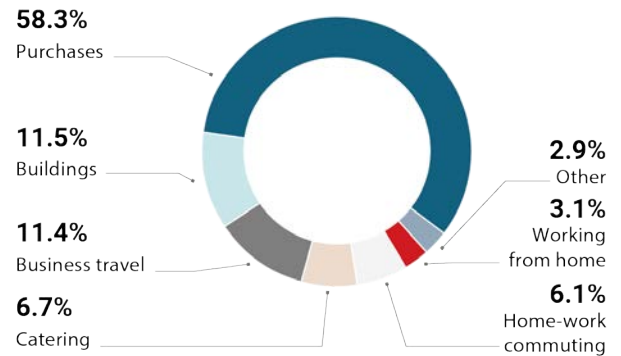
Over the year, average emissions per employee represented 7.0 TCO₂eq. compared to 7.7 TCO₂eq. in 2022, down 8.8%.

Average emissions compared to revenue totalled 32.3 TCO₂eq./€M compared to 37.5 TCO₂eq./€M in 2022, down 13.9%.

Carbon assessment by scope



Carbon assessment by category



3.4.2.3 Understand and reduce our environmental impacts (scopes 1,2,3)

Direct emissions (scope 1)

Scope 1 refers to direct greenhouse gas (GHG) emissions from sources controlled or owned by Axway. In 2023, these direct emissions only represented 3.2% of Axway's total emissions. They mainly relate to the use of fossil fuels to produce electricity and heating for certain offices as well as systematic fugitive emissions arising from air conditioning system leakage.

GHG emissions (TCO2e)	2023	2022	2021
Direct emissions from fixed sources of combustion	98	78	91
Direct emissions from mobile thermal engine sources	117	52	42
Direct fugitive emissions	111	na	na
Total	326	130	133

Scope 1 emissions increased significantly compared to 2022. This was attributable to a more precise allocation of emissions between scopes 1 and 2 as well as the inclusion of 12 additional countries in the analysis. Added sites represent around 20% of the total surface area of offices used by the company worldwide.

Emissions from company vehicle use also rose sharply. This was again due to the expansion of the study scope to all countries where Axway operates whereas in 2022, only six main countries were covered. Despite a very small vehicle fleet, Axway strives to factor in environmental criteria when choosing its partners and favours low-emission, hybrid or electric vehicles when renewing its leases.

Indirect emissions (scope 2)

Scope 2 emissions refer to the indirect greenhouse gas (GHG) emissions from energy consumed from sources that are not controlled or owned by Axway. These are emissions arising from the consumption of electricity and heating at Axway's various sites.

GHG emissions (TCO2e)	2023	2022	2021
Indirect emissions relating to electricity consumption	943	1,059	958
Indirect emissions relating to network energy	13	98	86
Total	956	1,157	1,044

In 2023, scope 2 emissions represented around 9.3% of Axway's total measured emissions, i.e. a 17.3 decline compared to 2022. On the one hand, Axway was able to gather more precise information on its energy consumption for an improved allocation between scopes 1 and 2. On the other hand, Axway furthered its initiatives to gradually reduce its environmental impact.

In the last three years, Axway has adopted a new agile way of working, Future of Work. This enables employees to work 60% of the time at home and 40% on site in an Axway office. This helps improve the work/life balance for Axway employees.

The company also redesigned the use of its office space which is no longer the only place where its teams work.

To optimise its environmental and real estate footprint, Axway has adopted various Flex Office or co-working systems in several countries where it operates.

For example, in 2023, the Uxbridge teams in the UK and the Grenoble teams in France relocated to more modern co-working areas, thereby saving on considerable space.

Lease renewals are also good opportunities for Axway to incorporate more environmental criteria when selecting its offices and buildings.

Downstream and upstream indirect emissions (Scope 3)

The scope 3 presented in this section includes the indirect emissions relating to Axway's upstream value chain representing 87.5% of Axway's total annual emissions in 2023. Downstream scope 3 emissions, including those arising to the use of products sold by Axway are only partially measured through certain purchases due to the lack of proven methodology.

Axway's scope 3 emissions mainly arise from purchases of goods and services, business travel and commuting.

The measurement of the environmental impact from the use of Axway products by its clients represents by nature a major

In 2024, the French headquarters at Paris-La Défense will relocate to premises with a very high environmental performance. Axway will move into HQE Exceptionnel and BREEAM Excellent certified offices in the ultra modern Trinity Tower.

challenge due to the extent of the company's product portfolio, the various current operating ecosystems and the diverse uses observed. The company studies its various options to perform this task and obtain a more complete GHG assessment. Unfortunately, as far as the company is aware, there are no standardised carbon accounting guidelines specific to the use of infrastructure software. Axway nevertheless contributes to various working groups on sustainable digital technology that address such issues, and also leads specialised service provider research that will result in initial work starting 2024.

GHG emissions (TCO ₂ e)	2023	2022	2021
Products and services purchased	5,995	9,003	7,228
Business travel	1,054	923	na
Home-work commuting	632	na	na
Waste	21	2	na
Energy-related emissions not included in scopes 1 and 2	290	135	125
Fixed assets	na*	423	na
Other upstream emissions (working from home, catering)	1,010	na	na
Other downstream emissions (website and social networks)	3	na	na
Total	9,006	10,486	7,353

*According to the GHG Protocol, emissions relating to investments and assets are fully accounted for in the year of purchase and are not amortised over time.

Product and services purchased is the most significant item in Axway's total emissions. Emissions relating to this item totalled 5,995 TCO₂eq in 2023 compared to 9,003 TCO₂eq in 2022, i.e. a 33.4% decrease in emissions.

The monetary approach used until 2022 to calculate the carbon footprint of purchases cannot be used to identify reduction levers effectively. In 2023, Axway therefore worked with its largest suppliers to obtain the actual data relating to the emissions from their products or services. This strategy was strengthened with the set-up of a new company-wide Supplier & Partner charter designed to engage these stakeholders by encouraging them to measure and reduce their environmental impact.

Business travel is the second largest scope 3 emission item. Emissions arising from business travel rose by 14% over the period. This increase was again due to the expansion of the reporting scope to all Axway countries, compared to six main countries in 2022.

In 2023, Axway's travel policy was updated to improve certain environmental aspects and encourage employees use more sustainable means of transport where possible. This policy describes the behaviour to adopt when travelling for business purposes. It specifies that before any travel a videoconference should be considered. If travel proves necessary, it proposes that

employees should favour the most virtuous means of transport for their journey taking into account environmental impacts in addition to the usual economic considerations.

In 2023, for the first time, Axway included the emissions from the commuting of its employees in the measurement. By sending a questionnaire to all employees, the company identified the means of transport used, the distances covered and the travel frequency. These emissions represent 6.9% of scope 3 emissions or 6.1% of the company's total emissions and are closely linked to the number of employees and the agile working methods deployed.

The emissions arising from the energy consumed by our employees when working from home were also estimated for the first time. For both employees benefiting from the general working from home policy who work 60% of the time at home and the 7.9% of employees who work from home full-time, emissions were estimate at 316 TCO₂eq in 2023.

The downstream scope 3 measurement remains partial at this stage, particularly for the carbon footprint from the use of products and services sold by Axway, for which only certain emissions could be included through cloud hosting purchases made by Axway on behalf of certain customers.

3.4.2.4 2023 external assessments

Axway contributes annually to indexes and programmes assessing its environmental commitment. These declarative studies allow Axway to measure programme progress and compare them to the most relevant benchmarks.

These evaluations, ratings or scores are made public and shared with Axway's various stakeholders including in the business and supplier selection processes.

Environmental Assessments	2022	2023
Gaia Rating	Environment score 49/100	Environment score 54/100
EcoVadis	Environment score 70/100	Environment score 70/100
CDP	Disclosure D	Disclosure D

3.4.2.5 Emission reduction targets

Committed to mitigating climate change, Axway completes an annual measurement of its emissions that have an impact on the environment and implement concrete measures to reduce them.

In 2024, the Company will further contribute to overall carbon neutrality by reducing, and where required offsetting, scope 1 and 2 emissions by the end of 2028.

At the same time, the company will initiate a strategy to define a carbon trajectory in accordance with Science Based Target standards. This will ensure that Axway's goals comply with the target set by the Paris Agreements to limit global warming to 1.5°C.

3.4.2.6 Green Taxonomy

Regulatory context

In order to promote transparency and a long-term vision of economic activities while directing capital flows to sustainable investments, the European Union established a common classification system for company activities enabling the identification of economic activities considered sustainable. This system is defined in European Regulation (EU) 2020/852 of 18 June 2020, known as the "Taxonomy Regulation". This regulation was supplemented by the delegated act of 13 June 2023 which defines new climate-related activities and completes the new targets.

Companies must publish the proportion of revenue, capital expenditure and operating expenditure associated with economic activities that are:

- "eligible", i.e. classified in the European Taxonomy;
- "aligned" or "sustainable", i.e. comply with the technical criteria related to each of the eligible activities: make a substantial contribution to one of the six environmental objectives, do no harm to the other five environmental objectives and comply with minimum social safeguards.

For 2023, companies must again report on three full taxonomy indicators (eligibility and alignment) relating to two climate-related objectives, as well as eligibility indicators for four other environmental objectives (water and marine resources, pollution, circular economy and biodiversity) and new climate-related activities according to new detailed tables published in June 2023.

The data is comparative to 2022 regarding the alignment of climate-related objectives (mitigation and adaptation).

The Company conducted an in-depth analysis of all its activities in its various consolidated entities. This analysis was performed jointly by the CSR Department, the Finance Department and Operating Departments.

Scope

Revenue, capital expenditure and operating expenditure for all Company activities corresponding to the scope of companies under its control was considered.

The financial data was taken from the 31 December 2023 accounts. Revenue and capital expenditure figures can be reconciled with the financial statements.

Financial indicator calculation methodology

The financial ratio denominators were defined in accordance with the definitions set out in the Delegated Act of 6 July 2021 on Article 8 of the Taxonomy Regulation.

For the numerators, there are no definitions of the expected information for eligibility. The Company therefore reasoned by analogy with the alignment ratios to determine the portion of ratios eligible under the taxonomy.

Revenue by activity

At this stage of its deployment, the Taxonomy Regulation prioritises activities that have the most significant impact on climate change and that offer the greatest potential for reducing greenhouse gas emissions. To date, the Taxonomy has listed more than 100 activities accounting for 90% of greenhouse gas emissions and that therefore must make the greatest efforts to attain the EU commitment of reducing emissions by 55% by 2030 and being carbon neutral by 2050.

The regulation also sets out enabling activities, i.e. activities that contribute to adapting other activities by proposing products or solutions that enable the negative effects of current or future climate change to be avoided and/or limited.

Axway activities concerned

Axway is a software publisher and a major digital transformation player. The services provided as part of its Software activities comprise software user rights (licenses), maintenance, related services and Software As a Service type subscriptions.

To better meet its customers' expectations, Axway transformed its historical Software business model (License, Maintenance and Services), moving towards a "Software As a Service" Subscription-based business model enabling the use of remote servers.

Axway's Subscription activity groups together two Software As a Service offerings:

- the "Axway Managed" offering, which includes the use of licenses, maintenance services and the hosting of all these services. In this offering, hosting is sub-contracted by Axway to a third-party hosting provider; and
- the "Customer Managed" offering, which is a hybrid offering as the "on-premise" components (licenses) are hosted on the customer's premises or sub-contracted by the customer to a third party hosting provider, and the other Software as a Service components are sub-contracted by Axway to a third-party hosting provider.

Axway's core business is software publishing. This transformation of Axway's business model does not make it a traditional hosting provider. In practice, hosting services are entirely sub-contracted by Axway to leading hosting providers on the market, such as Amazon Web Services and Microsoft Azure.

This Cloud offering can provide our customers with the means to achieve their own climate targets.

In addition, the Company selects leading hosting providers that have defined a low-carbon trajectory (approach aimed at reducing greenhouse gas emissions by 2025).

Finally, the Company confirmed its commitment to contributing to overall carbon neutrality by reducing, and where necessary offsetting, scope 1 and 2 emissions by the end of 2028.

Axway identified its eligible activities with respect to six "Climate objectives".

With respect to the "**climate change mitigation**" environmental objective, Axway analysed the following activities:

- activity 8.1 "Data processing, hosting and related activities": To analyse its eligibility with regard to the climate change mitigation objective, Axway has drawn on the survey conducted by the trade union for digital companies in France, Numeum. In 2022, Numeum analysed the activities defined in Annex 1 of the climate delegated act, "Climate change mitigation", and compared them with those performed by its members. In its position paper, Numeum presented its interpretation to identify the activities it considered to be eligible under Annex 1: <https://numeum.fr/note-danalyse/note-de-position-sur-la-taxonomie-verte-premiere-partie>;

The following are eligible:

- data storage and processing activities are performed in the company's own infrastructure. When leasing or co-leasing a Data Center room owned by a service provider, the company controls the specifications for the equipment and rooms;
- the specific revenue relating to data storage and processing activities can be broken down by company;
- this revenue is generated as a principal and not as an agent (the company does not limit itself to a purchase to sell the hosting service).

Axway sub-contracts all its hosting services in its "Axway Managed" and "Customer Managed" (Software As a Service) offerings and the Company does not control the specifications on third party infrastructures. Furthermore, the Company does not distinguish between data storage and processing activities. Axway's related activities are not currently eligible under activity 8.1.

- activity 8.2 "Data-driven solutions for GHG emissions reductions": the nature of Axway's offering would not appear to directly meet the definition of this article. However, as Axway is a digital transformation player, certain projects could be eligible provided they are supported by specific analyses demonstrating substantial greenhouse gas emission savings. At this stage, the Company has not recognised the eligibility of its revenue under activity 8.2.

With regard to the "**climate change adaptation**" environmental objective, Axway analysed activity 8.1 "Data processing, hosting and related activities" and activity 8.2 "Computer programming, consultancy and related activities".

At this stage of the regulation, these activities 8.1 and 8.2 do not constitute enabling activities within the meaning of Regulation (EU) 2020/852.

With regard to the environmental objectives "**Water and marine resources**" and "**Circular economy**", the Company respectively analysed the activities 4.1 "Provision of IT/OT data-driven solutions for leakage reduction" and 4.1 "Provision of IT/OT data-driven solutions". The nature of the Axway offering does not appear to directly comply with the definition of these articles.

At this stage, Axway has not recognised the eligibility of its revenue under activities 4.1.

Finally, the Company considers that the environmental objectives "**Pollution**" and "**Biodiversity and ecosystems**" have no connection with its activities.

Axway has not therefore recognised its revenue as eligible with regard to all the environmental objectives.

Axway's analysis leads us to conclude that Axway's activities do not fall within the highest greenhouse gas emitting activities targeted by the Taxonomy. At the same time, Axway's activities are not considered enabling activities. Nonetheless, the Company is implementing progress actions in favour of the climate, the results of which are measured through performance indicators published in the Non-Financial Performance Statement (or this document).

To conclude, Axway's economic activities do not substantially contribute to the six environmental objectives. The proportion of revenue associated with eligible and aligned sales is therefore nil in fiscal year 2023. The proportion of revenue associated with eligible sales was nil in fiscal year 2022.

The regulatory model for 2023 revenue is presented below:

(in thousands of euros)		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute revenue (in thousands of euros)	Proportion of revenue year Y	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) revenue, year Y-1	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	
Of which Transitional		0	0%	0%	0%					N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;										
				N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Data processing, hosting and related activities	8.1	0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										0%
Data-driven solutions for GHG emissions reductions	8.2	0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										0%
Provision of IT/OT data-driven solutions for leakage reduction	4.1	0	0%	N/A	N/A	N/EL	N/A	N/A	N/A										0%
Provision of IT/OT data-driven solutions	4.1	0	0%	N/A	N/A	N/A	N/A	N/EL	N/A										0%
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%										0%
Total (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%										0%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

License	8,824	3 %
Subscription	186,632	59 %
Maintenance	86,993	27 %
Services	36,527	12 %
Total (A + B)	318,976	100 %

Non-eligible activities refer to note 3.1 to the Consolidated Financial Statements.

Capital Expenditure – CapEx

Capital expenditure corresponds to capitalised costs in respect of intangible assets and property, plant and equipment, including IFRS 16 right-of-use assets.

Axway eligible capital expenditure mainly concerns private cars, IT servers and the right to use leased buildings.

Axway eligible CapEx in 2023 accounted for 86.4% of total CapEx of €12.0 million (see Notes 8.4 and 9.1 to the Consolidated Financial Statements). In 2022, eligible CapEx accounted for 41.7% of total CapEx of €3.0 million.

In 2023, the Company assessed whether its investments complied with the technical screening criteria and concluded that certain 2023 CapEx contributed substantially to the achievement of one of the two climate change “adaptation” and climate change “mitigation” objectives. Axway therefore conducted additional investigations concerning the Do No Significant Harm (DNSH) criteria and compliance with minimum social safeguards.

In terms of buildings, the Company decided to install its headquarters in Paris La Défense in offices with a dual environmental certification (HQE “Exceptional” and BREEAM “Excellent”) and respecting RT 2012 Thermal Regulations. A memo published by the Department for Development, Housing and Nature (DGALN) states that “With regard to the energy assessment of the current housing stock by the ministry’s statistics department, reporting to the General Commission for Sustainable Development Développement Durable (CGDD), based on the new energy performance analysis that is mandatory since 1 July 2021, the top 15% most efficient housing can be considered as housing with a standard primary energy consumption of less than 135 kWh/m²/year”. This criteria can be validated as the Trinity Tower is RT 2012 certified (50 kWh/m²/year). This building, for which the leased asset rights of use were accounted for in 2023, is aligned for €6.2 million. With regard to the vehicle fleet, sustainable capex involves hybrid and electric vehicles for which the leased asset rights of use were accounted for in 2023 in the amount of €0.2 million.

Eligible activity	Technical screening criteria for the climate change mitigation objective
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	<ul style="list-style-type: none"> a. for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: <ul style="list-style-type: none"> i. until 31 December 2025, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO₂/km (low- and zero-emission light-duty vehicles); ii. from 1 January 2026, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero. b. for vehicles of category L, the tailpipe CO₂ emissions equal to 0g CO₂eq./km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.
7.7 Acquisition and ownership of buildings	<p>For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.</p> <p>Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.</p>
8.1 Data processing, hosting and related activities	<p>The activity has implemented all relevant practices listed as: expected practices in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC document CLC TR50600-99-1 “Data centre facilities and infrastructures – Part 99-1: Recommended practices for energy management”.</p> <p>The implementation of those practices is verified by an independent third-party and audited at least every three years.</p> <p>The global warming potential (GWP) of refrigerants used in the data centre cooling system does not exceed 675.</p>

Methodology note

The reporting period runs from 1 January to 31 December of the fiscal year. Environmental indicators relating to energy consumption at Axway's sites cover the period 1 October Y-1 to 30 September Y due to the availability of energy invoices.

Information published concerns the entire Axway scope, unless the scope is indicated: for example the country or countries concerned. The indicators used are those of the French Grenelle II Act. The principle of consistency of accounting methods year-on-year is respected. Data is collected from the relevant departments and a continuous improvement process has been set up for those systems.

Materiality matrix

In 2020, after mapping all the stakeholders presented in Section 3.1 of the NFPS, it became apparent that the main stakeholders were customers, employees and investors. CSR challenges, commitments and related indicators were therefore defined based on their expectations. Customer expectations were identified during the Net Promoter Score (NPS) process and when responding to calls for tenders. Employee expectations are gathered from engagement surveys. Investor relations express their expectations particularly during meetings held throughout the year. Furthermore, societal expectations are also shared during working groups facilitated by Middenext and through Axway's membership of Syntec Numerique. The issues were rated by interviewing the relevant management teams using an iterative process. The analysis was also conducted in accordance with the risk approach.

This rating was reviewed in 2021 and 2022, given the refocusing of Axway's activities on its flagship products and the strengthening of certain subjects and particularly environmental issues. The matrix was validated by the Appointments, Governance and Corporate Responsibility Committee.

Employee information

Scope of consolidation and indicators

The workforce shown in the "Workforce" and "Workforce by Geographical Area" tables corresponds to the total number of employees at 31 December 2023. The indicators chosen are those used for personnel management and Axway's employee-related issues. They reflect the results of the Human Resources policy.

Greenhouse gas emission assessment

The terms scope 1, scope 2 or scope 3 are used in an organisation's carbon report. The GHG assessment is used to determine how much greenhouse gas is emitted when manufacturing a product or from the activities of an organisation over a given period according to 3 scopes:

Scope 1: direct emissions

Scope 1 encompasses greenhouse gas emissions caused directly by the manufacture of a product or a service. For example, if the manufacture of a product requires the use of oil, fuel combustion or if its production generates CO₂ or methane emissions, all these emissions are accounted for in Scope 1. These are referred to as direct emissions.

Scope 2: indirect emissions caused by energy consumption

Scope 2 encompasses greenhouse gas emissions caused by the energy consumption needed to manufacture a product or a service. For example, to manufacture a product, electricity must generally be consumed to operate the plants where the product is designed. This electrical consumption does not in itself generate any greenhouse gases. But electricity production emits greenhouse gases. All these emissions caused by secondary energy consumption are accounted for in Scope 2. This scope also includes emissions from heating and cooling networks. These are referred to as indirect emissions caused by energy consumption.

Scope 3: other indirect emissions

Scope 3 encompasses all other greenhouse gas emissions that are not directly caused by the manufacture of a product but by other stages of the product's lifecycle (supply, transport, use, end-of-life, etc.). For example, raw materials are needed to manufacture a product. The extraction and transformation of these raw materials, as well as their transportation to the production plant, generate greenhouse gases. Similarly, a product's end-of-life or recycling also generates greenhouse gases. These indirect emissions caused by the other stages of a product's lifecycle are accounted for in scope 3. These are referred to as other indirect emissions.

Information excluded

The following information (required par Article L. 225-102.1 of the French Commercial Code) was excluded as it is not applicable to Axway's activities: fight against food waste, fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food, measures seeking to promote the relationship between the nation and the army and to support commitment to the reserves as well as information on the impacts of upstream and downstream transport on climate change.

Certificate of disclosure by an Independent Third Party

Report of one of the statutory auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

For the year ended 31 December 2023

To the Shareholders,

In our capacity as statutory auditor of your company (hereinafter the "Entity"), appointed as independent third party ("third party") and accredited by Cofrac Inspection, under number 3-2162 (scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we have performed as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the Non-Financial Performance Statement

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

Consequently, the Information needs to be read and understood together with the Guidelines, the material items of which are presented in the Statement.

Limits inherent to the preparation of the Information

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

Responsibility of the Entity

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set out in Article 8 of (EU) Regulation 2020/852 (green taxonomy);
- preparing the Statement by applying the Entity's Guidelines as referred to above; and

- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

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

Responsibility of the Statutory auditor appointed as independent third party

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

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

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

It is not our responsibility to provide a conclusion on:

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

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the technical opinion issued by the *Compagnie Nationale des Commissaires aux Comptes*, *Intervention du commissaire aux comptes – Intervention de l'OTI – Déclaration de performance extra-financière* and the verification programme.

Independence and quality control

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

Means and resources

Our work engaged the skills of four people between January and March 2024 and took a total of four weeks.

We conducted nine interviews with people responsible for preparing the Statement.

Nature and scope of procedures

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

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities and the description of the main risks;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1 of the French Commercial Code as well as the respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks;
- we verified that the Statement presents the business model and a description of the main risks associated with the activity of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important. Our work was carried out on the consolidating entity;
- we verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures implemented by the Entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling the data with supporting documents. This work was carried out for the consolidating entity and a selection of entities (France, United States, Bulgaria and Romania) and covered 29% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris, 21 March 2024

The Statutory auditor appointed as independent third party

Nexia S&A
Sandrine GIMAT

APPENDIX

Quantitative information verified:

- Total workforce at 31 December 2023
- Workforce by geographical area
- Number of employees by age range
- Number of employees by gender
- Number of employees by contract type (open-ended-fixed term)
- % of women in the workforce
- Internal survey participation rate
- Employee engagement score
- Average seniority in years
- Total number of training hours
- Number of employees trained in IT security/cybersecurity
- Number of employees with disabilities
- NPS
- EcoVadis rating
- Carbon footprint

Qualitative information verified:

- ISO 27001 certification
- SOC2 Type II certification
- Axway Customer Community portal
- Handicap 2023 agreement
- Handicap 2024-2026 agreement
- Disability and recruitment intranet site
- Axway University
- Internal communications: Jive and Griffin Digest
- Gaia ratings report (EthiFinance ESG ratings)
- Ethics Charter
- Supplier relations and sustainable purchasing charter
- Professional agreements on flexible working methods
- France Gender Equality collective agreement
- Partnerships with: Elles Bougent, CREST, Scoil Chaitriona Cailini, Ada Tech School, Wise, PWN

Non-Financial Performance Statement cross-reference table

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Direct and indirect greenhouse gas emission items relating to upstream and downstream transport activities ⁽¹⁾	na	na
Societal commitments in favour of the circular economy ⁽¹⁾	na	na
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Respect for human rights	3.3.4	68
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Societal commitments to combat food waste ⁽¹⁾	na	na
Societal commitments to combat food insecurity ⁽¹⁾	na	na
Societal commitments on the respect for animal welfare ⁽¹⁾	na	na
Societal commitments for responsible, fair and sustainable food ⁽¹⁾	na	na
Measures to promote the relationship between the nation and the army and to support commitment to the reserves ⁽¹⁾	na	na
Measures to promote physical and sporting activities ⁽¹⁾	na	na

⁽¹⁾ These issues were excluded from the analysis scope as considered too remote from Axway's activities

Corporate governance

AFR NFPS

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Axway is subject to the laws, codes and regulations prevailing in the countries where the Group operates. The Company thus complies with the various recommendations issued by the *Autorité des Marchés Financiers* (AMF - French Financial Markets Authority) and has decided to apply the Middledex Code of Corporate Governance.

4.1 Composition and procedures of the management and supervisory bodies

The Company is a public limited company (*société anonyme*) with a Board of Directors. It is governed by applicable French laws and regulations and its Articles of Association. The Board of Directors determines the overall business strategy of the Company, supervises its implementation and meets as often as the Company's interests require it to do so, at the request of its Chairman.

Furthermore, on 22 June 2015, the Board of Directors decided to separate the functions of Board Chairman and Chief Executive Officer.

A summary of the main provisions of the Articles of Association⁽¹⁾ relating to members of the Board of Directors and management bodies can be consulted on our Investors web page at <https://investors.axway.com/en/bylaws-regulations-agreements>.

4.1.1 Composition of the Board of Directors

The Board of Directors comprises a minimum of three and a maximum of eighteen members. During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting; they are all eligible for re-election. Directors are appointed for a term of four (4) years.

The Board of Directors elects a Chairman from among its members, who must be a natural person for the appointment to be valid. The Board of Directors can dismiss him at any time.

Diversity is a point of specific concern in the composition of the Board of Directors:

With regards to independence, the Board seeks, each year, during the review of its composition, to ensure a good balance between independent and non-independent members.

With regards to parity, the aim is to move towards an equal number of men and women. Parity is also sought in the specialist committees.

The desire for Board members of different nationalities reflects the search for multicultural diversity. Finally, a diversity of skills is also a major factor in the composition of the Board of Directors. The essential skills to guarantee the good functioning of the Board of Directors include experience in the software publishing sector, financial expertise, expertise in international environments, as well as corporate governance expertise in listed family companies, to favour the leverage of assets for profitable and sustainable growth.

The Board wishes to extend this diversity policy to Axway's top-level Management.

⁽¹⁾ Unless indicated otherwise, references to the Articles of Association in this Chapter concern the Articles of Association adopted by the Board of Directors' meeting of 23 June 2011 and last updated at the Board of Directors' meeting of 27 January 2022.

On the publication date of this Universal Registration Document, the Board of Directors comprised nine members each with a right to vote and directly appointed by the General Meeting:

Pierre Pasquier, Chairman of the Board of Directors and Director



Attendance rate:

Board of Directors: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience

Pierre Pasquier has over 50 years' experience in digital services and managing an international company. He founded Sopra group in 1968 with his partners and is Chairman of the Board of Directors.

A mathematics graduate from the University of Rennes, Pierre Pasquier began his career with Bull and was involved in the creation of Sogeti, before leaving to found Sopra. Recognised as a pioneer in the sector, he asserted from the outset the company's entrepreneurial spirit, aimed at serving major customers through innovation and collective success.

Pierre Pasquier steered the deployment of Sopra in its vertical markets and internationally. The 1990 IPO, the successive growth phases and the transformational merger with the Steria group in 2014, ensured the independence of the company in a changing market.

In 2011, Pierre Pasquier led the IPO of the subsidiary Axway Software, remaining Chairman of the Board of Directors.

He was Chairman and Chief Executive Officer of Sopra Group until 20 August 2012, when the duties of Chairman and Chief Executive Officer were separated.

Pierre Pasquier is also Chairman and Chief Executive Officer of Sopra GMT, the financial holding company of Sopra Steria Group and Axway Software.

Offices and duties held during the fiscal year:

In Axway

- Director;
- Chairman of the Board of Directors;
- Director or company officer of non-French subsidiaries or sub-subsidiaries of Sopra Steria Group.

Outside Axway

- Chairman of Sopra Steria Group SA;
- Director or company officer of non-French subsidiaries or sub-subsidiaries of Sopra Steria Group;
- CEO of Sopra GMT.

Offices expired during the past five years:

None.

Address:

Sopra Steria Group SA.
PAE Les Glaisins
Annecy-le-Vieux
74940 Annecy
France

Date of 1st appointment:
22/12/2001

Date of most recent renewal:

General Meeting of
11 May 2023 and Board
of Directors' meeting of
the same day.

Kathleen Clark, Vice-Chairwoman of the Board of Directors and Director



Attendance rate:

Board of Directors: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Compensation Committee: 100%

Experience:

After a Master in Literature at the University of California (Irvine), Kathleen Clark began her professional career in the United States education sector. In 1998, she left Silicon Valley for France, where she joined Sopra and worked in the Communications Department. In 2002, she was appointed Director of Investor Relations, a position that she held until 2015. In this role, she forged solid ties between the Management bodies and an increasingly international range of shareholders.

Kathleen Clark was a key player in the successful spin-off of Axway. She joined the Board of Directors in 2011 and was appointed Vice-Chairman in 2013 and Chairwoman of the Appointments, Ethics and Governance Committee. She is also involved in several Group corporate initiatives, and notably initiatives focusing on fairness, the fight against corruption, ethics and employee share ownership.

In 2014, she contributed significantly to the successful merger of Sopra and Steria. In 2015, she became head of Sopra-Steria group mergers and acquisitions where she steers acquisition opportunities to complete the business portfolio in line with the strategy. This position favours the complementarity of strategies between the different Group companies.

Through these roles, her long experience in the Group and governance bodies, her knowledge of financial markets, her commitment to social and societal issues and her communications expertise, contribute to the good governance of Axway.

Enriched by her long-standing relationship with Group management, Kathleen Clark has also served as Deputy CEO of Sopra GMT since 2012.

Offices and duties held during the fiscal year:

In Axway

- Director;
- Vice-Chairwoman of the Board of Directors.

Outside Axway

- Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group;
- Deputy CEO of Sopra GMT;
- Corporate Development Director of Sopra Steria Group.

Offices expired during the past five years:

None.

Address:

Sopra Steria Group SA.
6, avenue Kléber
75116 Paris
France.

Date of 1st appointment:
28/04/2011

Director
24/10/2013 Vice-
Chairwoman

Date of most recent renewal:

General Meeting of
11 May 2023 and Board
of Directors' meeting of
the same day.

Pierre-Yves Commanay, Director**Attendance rate:**

Board of Directors: 100%

Compensation Committee: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience:

Pierre-Yves Commanay has been a member of the Sopra Steria Group SA Executive Committee since 2009. At the beginning of April 2019, he was charged with developing consulting activities in the United Kingdom and he heads the Continental Europe division since 2011.

He has also had previous roles within the Group, which he joined in 1991. In particular, he headed the Research & Development division of a Software entity, before being appointed to develop the activities of Sopra UK as CEO of this subsidiary from 2009 to 2012. As Industrial Director of Sopra group India Pvt Ltd, Pierre-Yves Commanay was responsible for setting up the Group's offshore platform.

Pierre-Yves Commanay is a graduate of the University of Lyon (DESS postgraduate diploma in Management) and the University of Savoie (Master's degree in Information Technology).

Address:

Axway Software
Tour W, 102, Terrasse
Boieldieu 92085 Paris
La Défense Cedex
France (only in the
context of his duties
in Axway Software)

Date of 1st appointment:

06/06/2018

Date of most recent renewal:

General Meeting of
24 May 2022

Offices and duties held during the fiscal year:**In Axway**

- Director.

Offices expired during the past five years:

None.

Outside Axway

- Director of Sopra GMT.

Nicole-Claude Duplessix, Director**Attendance rate:**

Board of Directors: 100%

Compensation Committee: 100%

Experience:

Nicole-Claude Duplessix's varied professional background provides a wealth of experience in IT. Nicole-Claude Duplessix started her career with the leading HR software publisher in France, ADP GSI, before joining the Sopra Steria Group. Her early work there was in HR consulting for Sopra Steria Group customers. She then supported the commitment made by Sopra Steria and its subsidiaries to its key customers in a number of industries. For seven years until the end of 2019, she was delegated by Executive Management to work on security for critical projects in complex and multicultural environments, as well as the integration of new companies acquired by the Sopra Steria Group.

With this wealth of experience in the Sopra Steria Group, Nicole-Claude Duplessix strengthens the Board's expertise in investments and acquisitions, ethics and human resource management.

Offices and duties held during the fiscal year:**In Axway**

- Director.

Offices expired during the past five years:

None.

Outside Axway

- None.

Address:

Axway Software
Tour W, 102, Terrasse
Boieldieu 92085 Paris
La Défense Cedex France
(only in the context of her
duties in Axway Software)

Date of 1st appointment:

06/06/2017

Date of most recent renewal:

General Meeting of
25 May 2021

Emma Fernandez, Director**Attendance rate:**

Board of Directors: 100%
 Audit Committee: 100%
 Compensation Committee: 100%

Experience:

Emma Fernandez has significant experience as a senior executive in the technology sector and particularly in ICT, security and defence, transport and traffic. She has occupied various positions during the past 25 years with Indra, in areas such as strategy, innovation and the development of new offerings, talent management, communication and product branding, public affairs, corporate governance, and corporate social and environmental responsibility, as well as mergers and acquisitions. Currently, she advises and promotes major companies and start-ups whose core business is IT.

Emma Fernandez has an engineering degree in telecoms from the Polytechnic University of Madrid and obtained an MBA from IE.

Offices and duties held during the fiscal year:**In Axway**

- Director.

Outside Axway

- Director of Metrovacesa SA;
- Director of Effect Consultoria y soluciones digitales SL;
- Director of Openbank SA;
- Director of Santander Consumer Finance SA;
- Director of ODS SA.
- Director of Iskay Pet SL..

Offices expired during the past five years:

- Director of Gigas Hosting SA (10/2021 to 07/2023);
- Director of ASTI Mobile Robotics Group SL (16/10/2017 to 02/08/2021);
- Director of Grupo Ezentis SA (28/06/2016 to 26/06/2020);
- Director of Sopra Steria Group SA (19/01/2017 to 12/06/2018);
- Director of Kleinrock Advisors SL (until 2018).

Address:

Axway Software
 Tour W, 102, Terrasse
 Boieldieu 92085 Paris
 La Défense Cedex
 France (only in the
 context of her duties
 in Axway Software)

Date of 1st appointment:

21/06/2016

Date of most recent renewal:

General Meeting of
 11 May 2023.

Michael Gollner, Director**Attendance rate:**

Board of Directors: 100%
 Audit Committee: 100%
 Appointments, Governance and Corporate Responsibility Committee: 67%

Experience:

With an MA in International Studies from the University of Pennsylvania and an MBA from the Wharton School, Michael Gollner began his career in investment banking with Marine Midland Bank from 1985 to 1987, Goldman Sachs from 1989 to 1994 and Lehman Brothers from 1994 to 1999. In 1999, he joined Citigroup Venture Capital, which later became Court Square Capital, as Managing Director Europe. He founded an investment company, Operating Capital Partners, in London in 2008. As Managing Partner, Michael Gollner accompanies the development of a portfolio of companies, most often in the technologies, media or cable sectors.

Michael Gollner founded Madison Sports Group in 2013 and was the Executive Chairman. He was also the founding shareholder of Levelset in 2012 and a director. Mr. Gollner sold his investments in these two companies in 2021.

Michael Gollner brings to the Board his Anglo-Saxon financial insight and significant investment in the operating activities of the companies he manages or assists.

Offices and duties held during the fiscal year:**In Axway**

- Director.

Outside Axway

- Director of Sopra Steria Group SA.

Offices expired during the past five years:

- Director of Levelset, Inc. (November 2021);
- Executive Chairman of Madison Sports Group Limited (July 2020).

Address:

Axway Software
 Tour W, 102, Terrasse
 Boieldieu 92085 Paris
 La Défense Cedex
 France (only in the
 context of his duties
 in Axway Software)

Date of 1st appointment:

24/05/2012

Date of most recent renewal:

General Meeting of
 25 May 2021

Yann Metz-Pasquier, Director

**Address:**

Axway Software
Tour W, 102, Terrasse
Boieldieu 92085 Paris
La Défense Cedex
France (only in the
context of his duties
in Axway Software)

Date of 1st appointment:

06/06/2018

Date of most recent renewal:

General Meeting of
24 May 2022

Attendance rate:

Board of Directors: 100%

Audit Committee: 100%

Experience:

Yann Metz-Pasquier cofounded Upfluence, an all-in-one affiliate & influencer marketing cloud platform dedicated to eCommerce, in San Francisco (CA) in 2013. He was Chief Financial Officer from 2013 to 2016 and is still a Director of the company. In 2018, Yann Metz-Pasquier joined Sopra Banking Software as head of Corporate Development for North America.

He then served as Chief Marketing Officer from 2018 to 2022. Since 2021, Yann Metz-Pasquier has been the General Manager (Executive Vice-President) of the global business unit in charge of Digital Banking solutions at Sopra Banking Software. Furthermore, as Head of CVC within the Sopra Steria Group, he supervises the Corporate Ventures approach to further the emergence and growth of an innovative digital ecosystem in Europe.

Yann holds a Master of Business Administration (MBA) from Harvard Business School (May 2018). He is a Chartered Financial Analyst (CFA) and graduated in 2011 from the Catholic University of Lyon (ESDES) with a Master's in Management.

Offices and duties held during the fiscal year:**In Axway**

- Director.

Outside Axway

- Director of Sopra GMT;
- Director of Upfluence Inc.;
- Board Observer at Algoan.

Offices expired during the past five years:

Board Observer at Axway until 6 June 2018.

Marie-Hélène Rigal, Director

**Address:**

Axway Software
Tour W, 102, Terrasse
Boieldieu 92085 Paris
La Défense Cedex
France (only in the
context of her duties in
Axway Software)

Date of 1st appointment:

06/06/2018

Date of most recent renewal:

General Meeting of
24 May 2022

Attendance rate:

Board of Directors: 100%

Audit Committee: 100%

Experience:

A science graduate, Marie-Hélène Rigal has a good understanding of the field of higher education, research and innovation and more broadly the public sector, that she combines with an operational and executive approach to strategy and organisation.

With a PhD in Mathematics and a post-graduate diploma in theoretical physics, Marie-Hélène Rigal began her professional career as a research professor at the University of Montpellier, then at École Normale Supérieure (ENS) Lyon. In 1998 she joined the financial audit sector, where she worked for major clients in the manufacturing, services and public sectors.

Marie-Hélène Rigal then focused her career on consulting, as consultant partner at Ask-Partners. As an advisor to the Chairman of the École Normale Supérieure of Lyon and Expert member of the Advisory Board of IMT Mines Albi-Carmaux engineering school, since 2009, she has accompanied, both internally and externally, companies and organisations in their transition to new models within transformation ecosystems.

She also uses her expertise in her duties as Director of Sopra Steria Group and Chairwoman of its Audit Committee and as Director and Vice-Chairwoman of Chapter Zero France, a climate forum for business directors.

Offices and duties held during the fiscal year:**In Axway**

- Director.

Outside Axway

- Director of Sopra Steria Group SA;
- Director and Vice-Chairwoman of Chapter Zero France.

Offices expired during the past five years:

- Advisor to the Chairman - École Normale Supérieure Lyon site policy.
- Expert member of the Advisory Board of IMT Mines Albi-Carmaux engineering school;

Yves de Talhouët, Director**Attendance rate:**

Board of Directors: 71%

Compensation Committee: 75%

Appointments, Governance and Corporate Responsibility Committee: 83%

Experience:

Yves de Talhouët has been the Chairman of Faiencerie de Gien since 2014. He was previously Chief Executive Officer of EMEA HP from May 2011 and Chairman and CEO of HP France from 2006. Prior to that, from 1997 to 2004, he was Vice-President South Europe, Middle East and Africa at Schlumberger SEMA, before two years spent at Oracle France from 2004 to 2006 as Chairman and CEO. He was also Chairman of Devotech, a company that he created.

Yves de Talhouët is a graduate of the École Polytechnique and École Nationale Supérieure des Télécommunications engineering schools and the Paris Political Science Institute.

Offices and duties held during the fiscal year:**In Axway**

- Director.

Outside Axway

- Director of Kwerian (formerly Twenga);
- Director of Tinubu;
- Director of Sopra Steria Group SA;
- CEO of Tabag;
- Board observer at Castillon;
- Chairman of Faienceries de Gien (2014).

Address:

Axway Software
Tour W, 102, Terrasse
Boieldieu 92085 Paris
La Défense Cedex
France (only in the
context of his duties
in Axway Software)

Date of 1st appointment:

31/07/2012

**Date of most recent
renewal:**

General Meeting of
11 May 2023










Offices expired during the past five years:

- CEO of EMEA HP;
- Director of Devoteam.

In fiscal year 2023, changes in the composition of the Board of Directors were as follows:

	Departures	Appointments	Renewals
Board of Directors	Véronique de la Bachelerie Hervé Déchelette Helen Louise Heslop Pascal Imbert Hervé Saint-Sauveur		Kathleen Clark Emma Fernandez Pierre Pasquier Yves de Talhouët
Audit Committee	Véronique de la Bachelerie Hervé Déchelette Helen Louise Heslop Hervé Saint-Sauveur	Emma Fernandez	
Appointments, Governance and Corporate Responsibility Committee	Hervé Déchelette Pascal Imbert	Michael Gollner	
Compensation Committee	Pascal Imbert		

Composition of the Board of Directors

		Age	Nationality	Independent director	Number of offices in other listed companies	Audit Committee	Appointments, Governance and Corporate Responsibility Committee	Compensation Committee	Expiry date of term of office (date of GM)	Number of shares held personally
Pierre Pasquier		88	French		1		M		2027	0
Kathleen Clark		56	American and French		1		P	M	2027	7,355
Pierre-Yves Commanay		58	French		0		M	M	2026	2,816
Nicole-Claude Duplessix		64	French		0			M	2025	1,540
Emma Fernandez		60	Spanish	I	1	M		P	2027	0
Michael Gollner		64	American and British		1	M	M		2025	100
Yann Metz-Pasquier		35	French		0	M			2026	11,877
Marie-Hélène Rigal		53	French		1	P			2026	0
Yves de Talhouët		65	French		1		M	M	2027	0

I Independent **P** Chairman/Chairwoman **M** Member

4.1.1.1 Expertise represented on the Board of Directors

Axway directors boast complementary expertise and experience in line with the Company's strategy to best meet the challenges it faces. Skills diversity is sought within the Board of Directors. The Company has identified seven key areas of expertise that it wishes to see represented on the Board:

- **knowledge of the software publishing business:** this expertise requires extensive experience in the software business acquired in the IT sector, and particularly software publishing. It implies an in-depth knowledge of digital technologies and their developments.
- **entrepreneurial experience:** entrepreneurial experience is gained by setting up or taking over an industrial or commercial entity and coming into contact with the various stakeholders: customers, employees, shareholders, lenders, suppliers, government authorities.
- **finance, control and risk management (expertise):** this expertise is gained through professional experience acquired in the finance, audit or internal control sectors.
- **finance, control and risk management (management):** this competency requires advanced knowledge of law, business, management and economics, acquired through a directorship or global management position.
- **CSR – human resources and relations with employees:** this expertise requires professional experience acquired in Human Resources, in a business or as an external advisor, or through a directorship.
- **CSR – social and environmental issues:** this expertise implies extensive knowledge of institutions, professional bodies, trade unions or non-profit or humanitarian organisations, or even competency acquired in the approach adopted by businesses to address climate and environmental questions.
- **international dimension:** the international dimension demonstrates expertise in intercultural management relating to a dual culture, an expatriation or a directorship in an international group.

Below is a matrix presenting the areas of expertise represented on the Board of Directors:

AREAS OF EXPERTISE	Knowledge of the software publishing business	Entrepreneurial experience	Finance, Control Risk management - Expertise	Finance, Control Risk management - Management	CSR - Human resources and relations with employees	CSR Social and environmental issues	International dimension
Kathleen Clark	✓			✓		✓	✓
Pierre-Yves Commanay	✓			✓	✓		✓
Nicole Claude Duplessix	✓			✓	✓		✓
Emma Fernandez	✓		✓		✓	✓	✓
Michael Gollner		✓	✓				✓
Yann Metz-Pasquier	✓	✓	✓				✓
Pierre Pasquier	✓	✓		✓	✓		✓
Marie-Hélène Rigal			✓		✓	✓	
Yves de Talhouët	✓	✓		✓	✓		✓

4.1.1.2 Family relationships

To the best of the Company's knowledge, at the date of this Universal Registration Document, the only existing family relationships were those between:

- Yann Metz-Pasquier and Pierre Pasquier;
- Pierre-Yves Commanay and Pierre Pasquier;
- Yann Metz-Pasquier and Pierre-Yves Commanay.

4.1.1.3 Legal information

At the date of this Universal Registration Document and to the best of the Company's knowledge, none of the members of the Board of Directors or management have been:

- convicted of fraud in the past five years;
- declared bankrupt or placed into receivership or liquidation in the past five years;
- incriminated and/or issued an official public sanction by statutory or regulatory authorities in the past five years.

To the best of the Company's knowledge, none of the company officers have been prevented by the courts from acting as a member of an issuer's administrative, management or supervisory body or from being involved in an issuer's management or the conduct of its business in the past five years.

4.1.1.4 Conflicts of interest within administrative and management bodies

The Company maintains significant relationships for its business, control, strategy and development with Sopra GMT, the lead holding company. Pierre Pasquier is the Chairman and Chief Executive Officer of Sopra GMT and the Pasquier family holds a 68.47% interest in the share capital.

Sopra GMT controls the Company as a result of its direct and indirect holding of more than half of the Company's share capital (55.70%) and 66.66% of its voting rights (see Chapter 7, Section 7.2). Sopra GMT therefore exercises considerable influence over the Company's business, strategy and development.

Furthermore, a framework assistance agreement was entered into with Sopra GMT, under which Sopra GMT provides a considerable number of services involving the Axway Software strategy and the potential synergies with Sopra Steria Group (see Chapter 4, Section 4.2). Pursuant to the procedure applicable to regulated agreements, this agreement, and its extension, were submitted to the Board of Directors and the General Shareholders' Meeting for approval prior to being signed.

To the best of the Company's knowledge, these relationships are not liable to constitute conflicts of interest.

It should also be noted that:

- Axway's Board of Directors includes one (1) independent directors, selected at its meeting held on 24 January 2024. Axway Software's governance is in a transition phase and the

number of independent directors will be increased to two (2) at the next General Meeting on 16 May 2024 to comply with Recommendation No. 3 of the Middenext Code of Corporate Governance;

- the directors are bound by the obligation to protect the interests of the Company and comply with the rules set out in the internal regulations of the Board of Directors and any other rules contributing to good governance as defined in the Middenext Code of Corporate Governance (Code of Ethics for Board members). Moreover, the Board of Directors' internal regulations stipulate in Title 7 "Ethics" that: "Any member of the Board of Directors finding himself in a situation of conflict of interest or potential conflict of Interest, due notably to the offices they hold with another company, must report this situation to the Appointments, Governance and Corporate Responsibility Committee as rapidly as possible, explaining the issue encountered and detailing the reasons for the existence of the actual or potential conflict of interest. [...] The Chairman of the Board, having regard to the opinion of the Appointments, Governance and Corporate Responsibility Committee, asks the relevant member of the Board of Directors not to take part in the deliberations and/or not to attend the Board of Directors' meeting";
- the members of the Board of Directors undertake to report, prior to each Board meeting and depending on the agenda, any potential conflicts of interest and to not take part in deliberations or votes on any subjects where they have a conflict of interest.

	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due on the termination of service or a change of duties		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Pierre PASQUIER								
Chairman								
Start of term of office:								
Board of Directors' meeting of 5 June 2019		✓		✓		✓		✓
Expiry of term of office:								
General Meeting convened to approve the financial statements for the year ending 31 December 2026								
Patrick DONOVAN								
Chief Executive Officer		✓		✓		✓		✓
Start of term of office: 6 April 2018								

4.1.1.5 Information on transactions in securities by senior executives and those persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to Article 223-26 of the AMF General Regulations, the following transactions involving Axway shares fell within the scope of Article L. 621-18-2 of the French Monetary and Financial Code during the fiscal year ended 31 December 2023:

Category ⁽¹⁾	Name	Position	Transaction type ⁽²⁾	Transaction date	Number of shares	Unit price	Transaction amount
Chief Executive Officer	Patrick Martin Donovan	CEO	D*	31 March 2023	31,128.00	€21.10	€656,800.80

(1) Category a. Members of the Board of Directors, Chief Executive Officer, Sole Executive Officer, Managing Director.

(2) Transaction type: A. Acquisition; D. Disposal; S. Subscription; E. Exchange.

*This transaction related to the exercise of a free share grant programme requiring the sale of part of the shares to cover the flat tax applicable in the United States.

4.1.2 Procedures of the Board of Directors

The Board of Directors' organisation and working procedures are governed by:

- Articles L. 225-17 *et seq.* of the French Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation;
- Articles 14 to 21 of the Articles of Association governing the organisation and procedures of the Board of Directors. The Articles of Association currently incorporate the recommendations of the Middledex Code of Corporate Governance on the term of office of directors, which is set at four (4) years;
- the internal regulations covering the following topics: reminder of legal and statutory powers, meetings, information received by the Board of Directors, training of members, committees, conflicts of interest, compensation awarded to its members for their duties, confidentiality and Economic and Social Committee representatives.

The Articles of Association and the internal regulations are available on the Company's website: <https://investors.axway.com/en/bylaws-regulations-agreements>.

4.1.2.1 Role entrusted to the Chairman of the Board of Directors

Pursuant to the provisions of Article L. 225-51 of the French Commercial Code and Title 3 of the Company's internal regulations, the role of the Chairman of the Board of Directors includes:

- organising and directing the work of the Board of Directors;
- setting the dates and agenda of the Board of Directors' meetings;
- ensuring the smooth running of the Company's management bodies and the application of best governance practices; as well as
- ensuring that directors are able to carry out their duties; and
- ensuring that they have the required information, in addition to performing the duties described below.

His duties comprise governance of corporate strategy, potential acquisitions, investor relations and certain subjects classified as strategic. These strategic subjects share the need to prepare Axway's future for the long-term.

To accomplish all these tasks, the Chairman is supported by Group resources, as well as a permanent team of five people, including four very experienced individuals, employed in the holding company, Sopra GMT. These resources enable the Board to oversee management and ensure the smooth running of the Company. This team was formed during the spin-off/stock market listing of the Company, by transferring to the holding company, managers who had spent most of their working life in the Group and had in-depth knowledge of all its inner workings. This team assists both Axway Software and Sopra Steria Group and, in addition to separately supporting each of the two companies, oversees the exploitation of synergies and above all the sharing of best practices. The terms of reference for this team and the principle of rebilling the Company for costs incurred are covered by a framework support agreement approved by the General Shareholders' Meeting under the regulated agreements process and reviewed annually by the Board of Directors.

4.1.2.2 Role entrusted to the Vice-Chairman of the Board of Directors

It is recalled that the Board of Directors, at its meeting of 24 October 2013, decided, based on the recommendations of the Appointments, Governance and Corporate Responsibility Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity and secure the succession. Accordingly, it was decided to amend the internal regulations of the Board of Directors. At their meeting of 24 January 2024, the directors decided to (i) maintain the office of Vice-Chairman of the Board of Directors, and (ii) renew Kathleen Clark in this capacity.

The role of the Vice-Chairman is defined in the internal regulations. It is to ensure the continuity of the Company's operations in the event the Chairman is temporarily or permanently unable to exercise his duties within the Board of Directors.

The Vice-Chairman is appointed for a duration that cannot exceed his term of office as a director. His term of office may be renewed without any limitation. He can be dismissed at any time by the Company's Board of Directors.

The Vice-Chairman assists the Chairman in preparing and holding Board of Directors' meetings and, in particular, preparing the agenda and documentation submitted to the directors. This list is not exhaustive and may be modified at the Chairman's discretion.

The Vice-Chairman may represent the Company at conferences organised by third parties (including, but not limited to, potential investors) and/or seminars to which the Company is invited as well as any other events involving the Company.

In such circumstances, the Vice-Chairman does not have any of the powers conferred by law on the Chairman and may not engage the Company with third parties in any way whatsoever unless he has received a delegation of authority in accordance with applicable laws and regulations.

The Vice-Chairman may attend Company Committee meetings if his presence is required at such meetings.

The Vice-Chairman only chairs Board of Directors' meetings in the absence of the Chairman. In this case, he shall have the powers conferred on the Chairman of the Board of Directors by law, the Articles of Association and prevailing regulations.

Should the Chairman be temporarily unable to exercise his duties within the Board of Directors, the Vice-Chairman will replace him during this temporary absence.

4.1.2.3 Meetings of the Board of Directors

a. Number of meetings held during the fiscal year and attendance of members of the Board of Directors

In accordance with its internal regulations, the Board of Directors is required to meet at least four times each year.

An annual calendar of meetings including a provisional agenda is established by the Board and may be modified should any specific events justify a change in the agreed schedule.

The Board of Directors met seven times in 2023. The attendance rate was 98%. The Board of Directors was regularly informed of and based its decisions on the work of the Audit Committee, the Appointments, Governance and Corporate Responsibility Committee, and the Compensation Committee.

b. Issues discussed

The main issues discussed in 2023 included the following:

- strategy and the corporate project;
- acquisition and disposal operations;
- the 2023 budget and major guidelines;
- approval of the financial statements for the year ended 31 December 2022;
- approval of the interim financial statements for the first half of 2023;
- approval of forward-looking financial and management information documents;
- quarterly results and related financial reports;
- workplace and wage equality;
- social and environmental responsibility objectives;
- the composition of the Board and its Committees;
- the procedures of the Board of Directors: amendment of the self-assessment questionnaire;
- more in-depth implementation of the ethics and anti-corruption internal systems;
- qualification of directors as independent;
- company officer compensation;
- members of the Board compensation;
- grant of free shares to Company employees;
- analysis of the minority shareholders vote at the 2023 General Meeting;
- monitoring of legal and regulatory developments: Taxonomy regulation, Wasserman law and CSRD directive.

c. Access to information by members of the Board of Directors

The internal regulations state that:

- each member of the Board shall receive any information required for the performance of his duties and can request any documents he deems pertinent;
- in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and prior reflection, provided that confidentiality guidelines allow for communication of this information;
- the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning significant events or operations for the Company. This information shall include copies of all press releases issued by the Company.

d. Training sessions

The internal regulations state that *“any member of the Board may, on the occasion of his appointment or at any point during his term in office, engage in training sessions that he feels are required for the performance of his duties”*.

There were no requests for training from the directors in the year ended 31 December 2023.

Nevertheless, directors and management benefit at all times from:

- a shared space containing, by topic, the applicable regulatory texts, presentations made or documents communicated to Board and/or Committee meetings on issues relating to corporate governance and/or impacting the Company's activities. This space is kept up-to-date by the Legal Department and the Company Secretary;
- training modules on Axway products via the Axway University platform.

4.1.2.4 Assessment of the Board of Directors

The Board of Directors is constantly seeking to improve its composition and operation. It decided to introduce an annual self-assessment of its working procedures in accordance with the recommendations of the Middelnext Code. This self-assessment aims, in particular, to check that the Board has all the information needed to make informed decisions and to consider any requests for changes to the Board's working procedures. The Board of Directors' self-assessment is always conducted at the end of the fiscal year in question so as to ensure that all areas for improvement have been identified.

In 2022, the self-assessment questionnaire was revised to incorporate the changes in content discussed by the Board of Directors and thereby integrate fundamental subjects and particularly social and environmental responsibility, parity and strategy.

Finally, the results of the self-assessment of the Board of Directors' procedures in fiscal year 2023 were presented to and discussed during the Board of Directors' meeting of 24 January 2024.

With a 100% participation rate and an excellent average mark obtained for each question, the Board was highly satisfied with both its procedures and the effective contribution of each director to its work, mainly based on their respective areas of expertise, attendance at meetings and their involvement in the discussions of the Board and its Committees. Nonetheless, a few areas for improvement were suggested, such as deepening the strategy or maintaining expertise.

4.1.3 Board Committees

The Committees, the working procedures of which are detailed below, lack the authority to take decisions alone but submit their findings and make recommendations to the Board of Directors.

4.1.3.1 Audit Committee

The Audit Committee was created by a decision of the Board of Directors on 9 May 2011. The internal regulations of the Board of Directors define the Committee's operating procedures and powers and a committee charter sets out in greater detail the roles and duties delegated to it. The Audit Committee's current composition was confirmed by the Board of Directors' meeting of 24 January 2024. Its members are:

- Marie-Hélène Rigal (Chairwoman)
- Michael Gollner;
- Yann Metz-Pasquier;
- Emma Fernandez

The Committee meets at least four times per year (in a full year) and devotes at least two meetings to the half-year and full-year financial statements, respectively.

The members of the Audit Committee have in-depth economic and/or industry knowledge as detailed in Chapter 4, Section 4.1 ("Composition and procedures of the management and supervisory bodies"). This enables them to fully investigate all issues submitted to them by the Company.

Without prejudice to the powers given by law to the Board of Directors, the Audit Committee's main duties include the following:

- to review the financial statements, including the Green Taxonomy;
- to monitor the system for the preparation and processing of the accounting, financial and non-financial information and review the financial statements;
- to supervise the effectiveness of internal control and risk management procedures;
- to monitor internal audit and its procedures;
- to monitor the statutory audit of the Group's financial statements by the Statutory Auditors;
- to ensure compliance with the independence requirement for Statutory Auditors;
- to supervise and monitor the anti-corruption procedure.

In addition, the Audit Committee:

- issues, where appropriate, a recommendation on the Statutory Auditors proposed for appointment by the General Meeting; it also issues a recommendation to the Board when renewal of the Statutory Auditor(s)' term of office is proposed under the conditions defined by regulations;
- monitors the Statutory Auditor's performance of its engagement and takes into account the findings and conclusions of the *Haut Conseil du commissariat aux comptes* following the conduct of reviews;
- reports regularly to the Board on the performance of its assignments, the results of the statutory audit of the financial statements, how this audit contributed to the integrity of the financial information and the role it played in the process. It immediately notifies the Board of any problems encountered.

The Committee met five times in 2023 in the presence of the Statutory Auditors. The attendance rate was 100%.

The main items of business at these meetings were:

- to review the consolidated and parent company financial statements for the year ended 31 December 2022;
- to review the financial statements for the first half of 2023;
- impairment tests;
- to monitor internal audit procedures:
 - to review the 2023 internal audit plan,
 - to monitor the application of internal audit recommendations,
 - to review the reports on internal audit assignments for the first and second halves of 2023;
- to monitor Statutory Auditor procedures:
 - to review the conclusions of Statutory Auditor procedures,
 - to review the Statutory Auditors' report to the Audit Committee,
 - to review the drafting of key audit matters,
 - to pre-approve non-audit services;
- to validate the engagement budget and review the audit plan;
- to review the general risk map;
- to review the draft Universal Registration Document and notably the Risk factors Section and the report on corporate governance;
- to monitor the implementation project for the new financial information system;
- to monitor the implementation project for the new financial information system;
- to review the Company's IT security policy.

The Committee met with the Statutory Auditors in the absence of management. It also met with the head of internal audit under the same conditions.

Various operating and functional Group managers were also interviewed to inform Audit Committee members and improve their understanding of different operating issues.

4.1.3.2 Appointments, Governance and Corporate Responsibility Committee

The Appointments, Governance and Corporate Responsibility Committee was created by a decision of the Board of Directors on 22 May 2012. The internal regulations of the Board of Directors define the Committee's operating procedures and powers. The Appointments, Governance and Corporate Responsibility Committee's current composition was confirmed by the Board of Directors' meeting of 24 January 2024. Its members are:

- Kathleen Clark (Chairwoman);
- Pierre-Yves Commanay;
- Michael Gollner;
- Pierre Pasquier
- Yves de Talhouët

The Appointments, Governance and Corporate Responsibility Committee is comprised of the Chairman of the Board of Directors and three to six Board members who are appointed by the Board of Directors. The Committee may be convened when requested by its Chairwoman or by two of its members. It meets prior to the approval of the agenda of the Annual General Meeting to review draft resolutions that will be submitted to it concerning the positions of members of the Board of Directors.

It met six times in 2023. The attendance rate was 94%.

In 2021, following the review by Middelnext of its Code of Corporate Governance, the Company decided to comply with the new recommendation no. 8. In this respect, the Appointments, Ethics and Governance Committee was designated as the reference committee for social and environmental responsibility issues given the assignments already assigned to it. It was also decided to rename the Committee the Appointments, Governance and Corporate Responsibility Committee.

In 2023, its main duties were:

- to conduct the assessment of the Board of Directors' activities;
- to verify the application of rules of ethics and good governance in the Company and its subsidiaries;
- to assess the status of the independent members of the Board of Directors pursuant to the Board's decisions on this subject, particularly through the conflict of interest annual review procedure;
- to inform and propose changes that it deems useful or necessary to support the operations or composition of the Board of Directors and its Committees;
- to assess corporate responsibility commitments, notably through an annual review of the Non-Financial Performance Statement;
- to prepare the agenda of the General Meeting of 11 May 2023;
- to take into account any legal and regulatory changes during the fiscal year;
- to comply with recommendation no. 5 on providing training to members of the Board and Management;
- to review documents prepared pursuant to regulations and the Articles of Association;
- to prepare the deliberations of the Board of Directors on professional and employee equality;

- to assess the proper performance of the Company's internal whistle-blowing procedure;
- to ensure the application of the internal verification procedure for current and regulated agreements.

4.1.3.3 Compensation Committee

The Compensation Committee was created by a decision of the Board of Directors on 22 May 2012. The internal regulations of the Board of Directors define the Committee's operating procedures and powers. The Compensation Committee's current composition was confirmed by the Board of Directors' meeting of 24 January 2024. Its members are:

- Emma Fernandez (Chairwoman);
- Kathleen Clark;
- Pierre-Yves Commanay;
- Nicole-Claude Duplessix;
- Yves de Talhouët

The Compensation Committee is comprised of three to six members who are appointed by the Board of Directors. The Compensation Committee may be convened when requested by its Chairwoman or by two of its members.

The Compensation Committee met four times during the course of the year ended 31 December 2023. The attendance rate was 96%.

In 2023, its main duties were:

- to prepare the company officer compensation policy;
- to propose the fixed and variable compensation including non-financial criteria and benefits granted to company officers;
- to verify the application of rules defined for calculating their variable compensation;
- to verify the quality of the information provided to shareholders on compensation, benefits and options granted to company officers;
- to prepare the free share grant policy and verify the implementation of related plans;
- to prepare decisions concerning employee savings.

4.1.4 Executive officers

4.1.4.1 Office

First name, last name and business address	Office	Date of first appointment and date of expiry of term of office	Offices and duties held in the Group during the past five years	Offices and duties held outside the Group during the past five years
Pierre Pasquier Business address: Sopra Steria Group SA. PAE Les Glaisins Annecy-le-Vieux 74940 Annecy France.	Chairman of the Board of Directors	1st appointment: 22 December 2001 Expiry of term of office: General Meeting convened to approve the financial statements for the year ending 31 December 2026	Offices and duties currently held: (Chapter 4, Section 4.1.2) Expired offices and duties: (Chapter 4, Section 4.1.2)	Offices and duties currently held: (Chapter 4, Section 4.1.2) Expired offices and duties: (Chapter 4, Section 4.1.2)
Patrick Donovan Business address: Axway 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254. USA	Chief Executive Officer	1st appointment: 6 April 2018	Offices and duties currently held: Chief Executive Officer of Axway Software Director of Group subsidiaries CEO of Group subsidiaries.	Offices and duties currently held: - Expired offices and duties: -

4.1.4.2 Role of the Executive Officers

Given the challenges associated with the constantly changing markets in which Axway operates and its need to be adaptable, the separation of offices appeared to be the most appropriate organisation. The governance structure entrusts the Chairman with steering and strategy and the Chief Executive Officer with operations, while at the same time setting up close cooperation and permanent dialogue between the management bodies.

The Board of Directors, at its meeting of 24 October 2013, decided, based on the recommendations of the Appointments, Governance and Corporate Responsibility Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity and secure the succession. This succession plan is reviewed by the Board annually and, in this respect, it was reviewed during the Board of Directors' meeting of 24 January 2024.

The Chairman of the Board of Directors devoted a considerable amount of time to his duties throughout the year. His activities involved managing the work of the Board and performing additional tasks required by the Axway's business.

The Chairman's duties, which have in common the preparation of Axway's long-term success, comprise governance of corporate strategy, potential acquisitions, investor relations and certain subjects classified as strategic.

The various matters for which the Chairman is responsible require detailed knowledge of operational realities and thus a very close relationship with Executive Management and the Executive Committee. This is achieved by sharing information and consulting on decisions to be taken, with a view to implementing the medium-term strategic plan and monitoring execution of these decisions over time.

The separation of the duties of Chairman and Chief Executive Officer is based on the definition of the roles formalised in the Board of Directors' internal regulations, respect of the rights of the Chairman and Chief Executive Officer and a long-term relationship of trust between the holders of these offices. Under these conditions, the current method of governance adds flexibility to the Company's management, safeguards decision-making and ensures that the necessary tasks will be quickly carried out to manage Axway Software's strategic challenges.

4.1.4.3 Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and applicable laws, the Articles of Association and the deliberations of the Board of Directors with regard to his appointment and the internal regulations.

He represents the Company in its dealings with third parties.

The Chief Executive Officer chairs the Group's Executive Committee (ExCom).

The Chief Executive Officer, assisted, where necessary, by one or more Deputy Chief Executive Officers, has authority over the Group as a whole and directs its operating activities.

He assists in preparing the strategy as part of the approach steered by the Chairman of the Board of Directors. He implements this strategy once it has been approved by the Board of Directors.

The Chief Executive Officer is moreover in charge of providing the Board of Directors and its committees with the information that they need and implementing the decisions made by the Board.

The decisions defined hereinafter must receive the prior authorisation of the Board of Directors, or of the Board Chairman when delegated to the Chairman by the Board, under conditions that it shall define. In that case, the Chairman must report back to the Board on the authorisations that he gives with such delegations. The decisions are previously prepared and discussed by the Chief Executive Officer with the Board Chairman.

Decisions requiring the prior approval of the Board of Directors in the above-referenced conditions are those that have a major strategic effect or which are likely to have a material impact on the financial position or the commitments of the Company or of its subsidiaries and in particular those related to:

- the implementation of the strategy:
 - the adaptation of the business model,
 - any decision to acquire or dispose of companies or business activities – or with the approval of the Chairman who has been delegated powers by the Board for transactions of less than €5 million,
 - any investment or divestment decision – or with the approval of the Chairman who has been delegated powers by the Board for transactions of less than €10 million,
 - the conclusion of strategic alliances;
- organisational matters:
 - the appointment or dismissal of a member of the management team (members of the Executive Committee) with the approval of the Chairman who has been delegated powers by the Board,
 - any significant modification of the internal organisation or operations, with powers delegated to the Chairman by the Board of Directors;
- financial matters:
 - financial transactions that have or could have a future material impact on the parent company financial statements or the consolidated financial statements,
 - any procedural commitment, treaty, settlement or compromise, in the case of litigation, for an amount exceeding €1 million.

4.2 Regulated agreements and assessment of everyday agreements

4.2.1 Agreements approved in previous years which had continuing effect during the year

The sole agreement approved in previous years with continuing effect during the year ended 31 December 2023 is described below:

Agreement between Axway Software and Sopra GMT

The support agreement between Sopra GMT on the one hand, and the Company and Sopra Steria Group SA on the other, defines Sopra GMT's role as the financial holding company for these two companies. This agreement, which was initially entered into on 1 July 2011, for a period of two (2) years and then renewed in July 2013, has been amended to make it an open-ended agreement, which may be cancelled by giving twelve (12) months prior notice, in writing. This agreement aims to improve strategic planning and general policy coordination between the Sopra Steria Group and the Company, in particular by developing synergies subsequent to the spin-off of Axway

Software, as well as providing the Company with support and consultancy services.

Amounts rebilled correspond to the share of salaries, social security contributions and incidental costs of Sopra GMT employees allocated to assignments conducted for Axway.

Kathleen Clark, Deputy CEO of Sopra GMT participates in assignments conducted in this context and receives in this respect remuneration included in amounts rebilled to Axway.

The time spent by Kathleen Clark on her duties as a director of Axway are not taken into account in the calculation of services rebilled by Sopra GMT to Axway under this regulated agreement.

The board of Directors' meeting of 24 January 2024 unanimously approved (with abstention of relevant directors) (i) the continuation of the authorisation previously granted and (ii) the payment of €963,678 to Sopra GMT for services rendered in the year ended 31 December 2023.

4.2.2 Assessment procedure for everyday agreements and implementation during the year ended 31 December 2023

Axway has implemented an internal procedure to regularly assess whether everyday agreements between the Group and related persons are effectively on an arm's length basis.

This procedure satisfies the provisions of Article L. 22-10-12 of the Pacte Law and was brought into effect by the Board of Directors' decision of 22 October 2019.

Under this procedure, the Axway Legal Department:

- regularly updates the list of related parties to take account of all changes in duties and/or offices and any statements or preliminary reports made by related parties to the Board of Directors or the Legal Department;
- reviews all draft everyday agreements likely to be entered into with identified related parties following a preliminary report to the Board of Directors and/or the Legal Department. In this respect, the Legal Department is authorised to review agreements at its own initiative if it considers necessary. This control seeks to assess whether the draft agreement satisfies the criteria for everyday agreements;
- performs an ex post review, every six months, of all agreements entered into with related parties in respect of the current year, with the assistance of the Finance Department.

Pursuant to Article L. 22-10-12 of the French Commercial Code, individuals directly or indirectly concerned by an agreement do not participate in its assessment.

Each fiscal year, the Legal Department prepares a report to the Board of Directors to enable it to assess the implementation of the procedure. The Board of Directors assesses the procedure and its implementation each fiscal year.

This procedure may be updated, subject to the approval of the Board of Directors, to take account of any legislative or regulatory amendments or changes in best practice. Following an update of the list of related parties, everyday agreements were verified for 2023. The Legal Department delivered its report which did not highlight any reclassifications of everyday agreements as regulated agreements as they satisfied all the criteria enabling them to be classified as everyday agreements concluded at arm's length.

On 24 January 2024, the Board of Directors took note of this report and the proper implementation of the everyday agreement verification procedure for 2023.

4.2.3 Statutory Auditors' special report on regulated agreements

This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

General Meeting approving the financial statements for the year ended 31 December 2023

To the General Meeting of Axway Software,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the General Meeting, if any.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the General Meeting

Agreements authorised and concluded during the year

We hereby inform you that we have not been advised of any agreement authorised and concluded during the year to be submitted to the approval of the General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

Agreements approved in previous years which had continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by General Meetings of prior years, had continuing effect during the year.

Assistance agreement signed with Sopra GMT

The agreement between Sopra GMT, on the one hand, and your Company and Sopra Steria Group, on the other hand, defines the role of lead holding company assumed by Sopra GMT with respect to your Company and Sopra Steria Group. Under this tripartite agreement, Sopra GMT is responsible for coordination and assistance for both of these companies, while striving to develop, as much as possible, the various synergies between them.

These services are reinvoiced by Sopra GMT to the two companies on the basis of actual time and money spent to successfully supply the services, plus 7%. The two-year agreement signed on 1 July 2011 was renewed in July 2013 for an indefinite period, and is subject to 12-months termination notice.

Sopra GMT invoiced €936,678.25, excluding taxes, in respect of this agreement for fiscal year 2023.

On 24 January 2024, your Board of Directors reviewed this agreement and decided to maintain it for the fiscal year ended 31 December 2023.

Persons concerned:

Pierre Pasquier	Chairman of the Board of Directors of Axway Software Chairman and Chief Executive Officer of Sopra GMT
Kathleen Clark	Director and Vice-Chairwoman of the Board of Directors of Axway Software Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group Deputy CEO of Sopra GMT
Pierre-Yves Commanay	Director of Axway Software Director of Sopra GMT
Yann Metz-Pasquier	Director of Axway Software Director of Sopra GMT

Courbevoie and Paris, 21 March 2023

The Statutory Auditors

Nexia S&A
Olivier Juramie
Partner

Mazars
Jérôme Neyret
Partner

4.3 Code of Corporate Governance

The Company decided to adopt the recommendations of the Middelnext Code of Corporate Governance for small and midcaps updated in September 2021 (available on the Middelnext website: www.middelnext.com), due to its compatibility with the size of the Company and its capital structure.

The Board of Directors has reviewed the principles of this Code.

A summary table of directors qualified as independent under the criteria used by the Middelnext Code is presented in Chapter 4, Section 4.1.

The Company applies the majority of recommendations included in the Middelnext Code and intends to adapt its internal process on a gradual basis with each passing fiscal year. However, for the fiscal year ended 31 December 2023, the application status of the Code's recommendations is as follows:

	Purpose of the recommendation	Applied
1	Board member ethical requirements	Yes
2	Conflicts of interest	Yes
3	Composition of the Board – Independent directors	Yes
4	Board member information	Yes
5	Board member training	Yes
6	Organisation of Board and Committee meetings	Yes
7	Creation of Committees	Yes
8	Introduction of a CSR special committee	Yes
9	Introduction of Board internal regulations	Yes
10	Selection of directors	Yes
11	Term of office of Members of the Board	Yes
12	Directors' compensation	Yes
13	Introduction of an assessment of the Board's work	Yes
14	Relations with shareholders	Yes
15	Axway diversity and equity policy	Yes
16	Definition and transparency of the compensation of executive officers	Yes
17	Preparation of succession plans for senior executives	Yes
18	Combination of employment contract and directorship	Yes
19	Severance pay	Yes
20	Supplementary pension plan	Yes
21	Stock options and free share grants	Yes
22	Watch-points	Yes

Application of recommendations

Recommendation no. 3

At the date of this Universal Registration Document, the Company does not comply with recommendation no. 3 of the Middenext Code, in so far as the number of independent directors on the Company's Board of Directors is less than the minimum number of independent directors required by the Middenext Code.

Michael Gollner and Yves de Talhouët will complete their final term of office as Directors and will not be reappointed.

Axway Software's governance is transitioning and its composition will change in the coming years to include more independent directors (with no ties to the shareholders acting in concert). The appointment of a new director classified as independent pursuant to the Middenext criteria will therefore be proposed at the General Shareholders' Meeting of 16 May 2024. Following the General Shareholders' Meeting of 16 May 2024 and subject to the approval of the appointment of the new independent director, the Company will comply with recommendation no. 3 of the Middenext Code.

Recommendation no. 7

Axway has set up three specialised committees:

- Audit Committee,
- Appointments, Governance and Corporate Responsibility Committee,
- Compensation Committee.

At the date of this Universal Registration Document, the Company does not comply with recommendation no. 7 of the Middenext Code regarding the independence of the Chairmen of specialised committees.

For the Appointments, Governance and Corporate Responsibility Committee, the Board of Directors decided to prioritise experience and expertise by appointing Kathleen Clark, a non-independent director representing the majority shareholder Sopra GMT, as Chairwoman of this Committee.

The Audit Committee is chaired by Marie-Hélène Rigal, a non-independent director due to her office as director of Sopra Steria Group, the majority shareholder.

The Compensation Committee is chaired by an independent director, Emma Fernandez.

Recommendation no. 8

In 2021, in accordance with the new recommendation no. 8 of the Middenext Code, Axway has set up a specialised CSR Committee which, following the decision of the Board of Directors, was integrated into the Appointments, Governance and Corporate Responsibility Committee.

For exactly the same reason as Recommendation 7, with regard to the independence of the Chairperson of this committee, Axway is partially compliant with the Middenext Code of Governance.

At the date of this Universal Registration Document, for reasons strictly identical to those presented in respect of recommendation no. 7, the Company does not comply with recommendation no. 8 of the Middenext Code regarding the independence of the Chairman of the specialised committee for CSR issues.

4.4 Compensation and benefits

4.4.1 Compensation components paid or awarded to executive officers in respect of the year ended 31 December 2023

The following developments, which form an integral part of the Board of Directors' report on corporate governance, are presented in accordance with Article L. 22-10-9 of the French Commercial Code.

Pursuant to the provisions of Article L. 22-10-34 II and III of the French Commercial Code, shareholders will be asked to approve the compensation of company officers presented below and the compensation components paid or awarded to executive officers.

This Section presents, for each company officer, the compensation components paid or awarded in respect of the previous fiscal year, in accordance with the compensation policy approved by the Company's Combined General Meeting of 11 May 2023.

4.4.1.1 Compensation components paid or awarded to directors in respect of their duties for the year ended 31 December 2023

The Company's Combined General Meeting of 11 May 2023, in the 8th resolution, decided to grant directors compensation referred to in Article L. 22-10-14 of the French Commercial Code of €330,000 for the year ended 31 December 2023.

The following table presents the compensation paid to directors for their duties in respect of the past three fiscal years.

Summary of compensation referred to in Article L. 22-10-14 of the French Commercial Code and other compensation received by company officers for their duties in Axway

Company officer	Amounts due in fiscal year 2023*	Amounts due in fiscal year 2022*	Amounts due in fiscal year 2021*
Véronique de la Bachelerie (2)			
Compensation (1)	15,601	21,637	19,692
Other compensation			
Kathleen Clark			
Compensation (1)	32,891	28,947	28,595
Other compensation			
Pierre-Yves Commanay			
Compensation (1)	27,539	22,382	23,880
Other compensation			
Hervé Déchelette (2)			
Compensation (1)	18,277	28,202	28,733
Other compensation			
Nicole-Claude Duplessix			
Compensation (1)	22,188	15,817	18,196
Other compensation			
Emma Fernandez			
Compensation (1)	27,340	19,518	19,166
Other compensation			
Michael Gollner			
Compensation (1)	28,601	21,751	24,019
Other compensation			
Helen Louise Heslop (2)			
Compensation (1)	15,601	21,637	24,019
Other compensation			
Pascal Imbert (2)			
Compensation (1)	20,069	28,947	28,733
Other compensation			
Yann Metz-Pasquier			
Compensation (1)	26,817	23,488	24,019
Other compensation			
Pierre Pasquier			
Compensation (1)	22,462	19,518	19,028
Other compensation			
Marie-Hélène Rigal			
Compensation (1)	30,699	21,751	14,313
Other compensation			
Hervé Saint-Sauveur (2)			
Compensation (1)	21,425	32,172	33,725
Other compensation			
Yves de Talhouët			
Compensation (1)	20,489	24,232	23,880
Other compensation			
Total	330,000	330,000	330,000

* The amounts presented in this table are gross amounts denominated in euros.

(1) Transaction type: A. Acquisition; D. Disposal; S. Subscription; E. Exchange.

(2) Director whose term of office expired at the end of the General Meeting of 11 May 2023

There are currently no service agreements or employment contracts between the Company and the directors.

With the exception of Pierre Pasquier, Chairman of the Board of Directors, whose compensation components for his duties as Chairman of the Board of Directors are presented below, the directors do not receive any compensation from the Company for their duties, other than the compensation referred to in Article L. 22-10-14 of the French Commercial Code.

4.4.1.2 Compensation components paid or awarded to the Chairman of the Board of Directors in respect of his duties for the year ended 31 December 2023

The fixed, variable and exceptional components of total compensation and benefits in kind paid or granted in the past year to Pierre Pasquier, Chairman of the Board of Directors, for his term of office, determined in accordance with the compensation principles and criteria approved by the General Meeting of 11 May 2023 are as follows:

Compensation paid or granted during the year then ended	Amounts or accounting valuation submitted to vote	Presentation
Fixed compensation	€138,000 (Gross amount paid)	Fixed compensation was determined based on the work and challenges addressed by the Chairman of the Board of Directors, in the context of his duties in Axway Software.
Variable compensation	-	Not applicable
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	22,462 €	Compensation referred to in Article L. 22-10-14 of the French Commercial Code is calculated in accordance with the compensation policy applicable to directors
Benefits in kind	-	Not applicable

4.4.1.3 Compensation components paid or awarded to the Chief Executive Officer in respect of his duties for the year ended 31 December 2023

The fixed, variable and exceptional components of total compensation and benefits in kind paid during the past year or awarded in respect of this same year to Patrick Donovan, Chief Executive Officer, for his term of office, determined in accordance with the compensation principles and criteria approved by the General Meeting of 11 May 2023 are as follows:

Compensation paid or granted during the year then ended	Amounts or accounting valuation submitted to vote	Presentation
Fixed compensation	578,024 € (Gross amount paid)	
Annual variable compensation	910,389€ (Gross amount to be paid after approval by General Meeting) (including, where necessary, the deferred portion of this compensation)	Variable compensation is based on quantitative criteria: <ul style="list-style-type: none"> 65% based on the combination of organic growth and operating profitability. This percentage may be increased to 130% in the event of notable outperformance; non-financial qualitative criteria: <ul style="list-style-type: none"> 10% based on the employee engagement indicator. This percentage may be increased to 20% in the event of notable outperformance; 5% based on the NPS customer satisfaction indicator; 5% based on an environmental objective aimed at implementing a plan to monitor the supplier portfolio; a strategic qualitative criteria: <ul style="list-style-type: none"> 15% based on the definition of a product strategy and the 2024-2026 plan.
Free share grant	Shares = 561,000 € (Accounting valuation)	30,000 performance share rights (representing potentially 0.14% of the Company's share capital), subject to the effective presence of the Chief Executive Officer and certain criteria based on the combination of organic revenue growth and operating profitability and growth in Amplify API revenue. This grant was performed pursuant to the 33rd resolution adopted by the Combined General Meeting of 5 June 2019.
Severance pay and indemnities for a change of duties	No indemnities are payable in respect of the fiscal year	
Benefits in kind	-	Not applicable

4.4.1.4 Summary of compensation received by executive officers in respect of recent fiscal years

In accordance with position-recommendation 2014-14 amended on 25 July 2019 and the recommendations of the new Middennext Code of Corporate Governance, the table below shows the compensation received by the Chairman of the Board of Directors, Pierre Pasquier, and the Axway Group Chief Executive Officer for the past three fiscal years:

Summary of compensation, stock options and shares awarded to each executive officer in Axway

(gross amounts in euros)	2023	2022	2021
Pierre Pasquier			
Compensation payable in respect of the fiscal year	160,462	157,518	157,028
Valuation of multi-year variable compensation awarded during the fiscal year			
Valuation of options awarded during the fiscal year			
Valuation of free shares granted			
Patrick Donovan			
Compensation payable in respect of the fiscal year	1,488,413	1,325,580	578,487
Valuation of multi-year variable compensation awarded during the fiscal year		-	-
Valuation of options awarded during the fiscal year		-	-
Valuation of free shares granted during the fiscal year	561,000	519,000	804,000
Free shares granted under the Free Share Grant Plan (number of shares)	30,000	30,000	30,000

Summary of the compensation received by each executive officer in respect of their duties in Axway

(gross amounts in euros)	2023		2022	
	Amount due	Amount paid	Amount due	Amount paid
Pierre Pasquier				
Fixed compensation ⁽¹⁾	138,000	138,000	138,000	138,000
Variable compensation			-	-
Multi-year variable compensation			-	-
Exceptional compensation			-	-
Compensation referred to in Article L. 22-10-14 of the French Commercial Code ⁽¹⁾	22,462	19,518	19,518	19,028
Value of benefits in kind				
Total	160,462	157,518	157,518	157,028
Patrick Donovan				
Fixed compensation ⁽²⁾	578,024	578,024	522,293	522,293
Variable compensation ⁽²⁾	910,389	782,321	803,287	113,465
Multi-year variable compensation			-	-
Exceptional compensation			-	-
Compensation referred to in Article L. 22-10-14 of the French Commercial Code			-	-
Value of benefits in kind			-	-
Total	1,488,413	1,360,345	1,325,580	635,758

(1) Fixed compensation and compensation referred to in Article L. 22-10-14 of the French Commercial Code are paid by Axway Software.

(2) Fixed and variable compensation and benefits in kind are paid by Axway Inc., in US dollars. The exchange rate used for this table at 31 December 2023 was €1 = \$1.0813 and the rate applied at 31 December 2022 was €1 = \$1.05305.

Criteria	Nature	% weight	% max.	Threshold	Target	Cap	CAP	Amount at stake in \$	Cap in \$	Actual result	Amount granted in \$
R40	quantitative	0.65	1.3	15	20	25	2	406,250	812,500	25.5	812,500
Employee engagement indicator (EES)	quantitative	0.1	0.2	0.6	0.7	0.75	2	62,500	125,000	69	56,250
Net Promoter Score (NPS)	quantitative	0.05	0.05	30	40	n.a.	1	31,250	31,250	37	21,875
Qualitative objectives relating to the Environment	qualitative	0.05	0.05	n.a.	n.a.	n.a.	1	31,250	31,250	Non atteint	0
Qualitative objectives relating to Strategy	qualitative	0.15	0.15	n.a.	n.a.	n.a.	1	93,750	93,750	Non atteint	93,750
TOTAL		1	1.75					625,000	1,093,750		984,375

Pierre Pasquier, Chairman and Chief Executive Officer of Sopra GMT, Axway Software's holding company, received from this company fixed compensation of €130,000 in respect of his duties, in addition to compensation referred to in Article L. 22-10-14 of the French Commercial Code in respect of his office of €14,400 for 2023. This compensation is not invoiced to the Company. Furthermore, as stated in the Sopra Steria Group Universal Registration Document, he also received fixed compensation of €500,000 as Chairman of the Board of Directors of this company and compensation referred to in Article L. 22-10-14 of the French Commercial Code in respect of his office of €25,483 for 2023.

Share subscription options awarded to company officers since their appointment

The company officers did not receive stock options when the different plans were set up.

Stock options awarded to each executive officer by the issuer and by all Axway companies during the fiscal year

During the fiscal year ended 31 December 2023, no stock options were granted to executive officers.

Stock options exercised during the fiscal year by each executive officer

No stock options granted to executive officers were exercised during the fiscal year ended 31 December 2023. Prior to his appointment, the Company's current Chief Executive Officer, Patrick Donovan, was the Group's Chief Financial Officer and, as such, was granted subscription options as part of the stock option plans allocated to key executives.

Past free share grants

	2023 Plan	2022 Plan	2021 Plan	2020 Plan
	LTI Winning	LTI ACHIEVE	LTI FOCUS	LTI BEYOND
Date of General Meeting	24/05/2022	24/05/2022	05/06/2019	05/06/2019
Date of Board of Directors' meeting	26/04/2023	26/07/2022	27/07/2021	27/07/2020
Total number of free shares granted, of which to:	281,500	265,000	240,000	295,000
Patrick Donovan, Chief Executive Officer	30,000	30,000	30,000	100,000
Final share delivery date	31 March 2026	31 March 2025	31 March 2024	31 March 2023
Lock-in period end date	30% of shares to be held until cessation of duties	30% of shares to be held until cessation of duties	30% of shares to be held until cessation of duties	30% of shares to be held until cessation of duties
Number of shares delivered at 31 December 2023	0	0	0	77,100
Cumulative number of shares vested at 31 December 2023	10,000	20,000	15,180	77,100
Number of shares vested during the fiscal year ended	10,000	10,000	8,580	0
Cumulative number of shares cancelled or lapsed at 31 December 2023	0	0	14,820	22,900
Number of free shares remaining at the reporting date	20,000	10,000	0	0

4.4.2 Compensation policy

The following developments, which form an integral part of the Board of Directors' report on corporate governance, are presented in accordance with Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code.

Pursuant to Article L. 22-10-8, shareholders will be asked to approve the compensation policy for company officers described below.

The company officer compensation policy is approved by the Board of Directors of the Company in accordance with prevailing legal provisions and the Middlednext Code.

Measures aimed at avoiding and managing conflicts of interest are set out in the Board of Directors' internal regulations.

4.4.2.1 Components of the compensation policy applicable to all company officers

The company officer compensation policy is set by the Board of Directors. It reviews the compensation system annually to verify it matches the Group's needs. It is assisted by the Compensation Committee which prepares its decisions. The Committee holds several preparatory meetings during the final quarter of the preceding fiscal year and the first quarter of the current fiscal year. The Committee then presents its recommendations to the Board of Directors which debates them and makes a decision.

The Board of Directors ensures that the compensation policy is consistent with the Company's interests and contributes to its commercial strategy and long-term success. It sets strict performance conditions for the variable compensation and share-based compensation of the Chief Executive Officer, based on financial and non-financial objectives, where appropriate, in conjunction with the Group's strategy. The Company's quantified objectives, identified during the examination of the budget, are taken into account when setting quantitative objectives.

The Board of Directors also takes account of the salary policy decided by the Group and decisions concerning the fixed and variable compensation of Executive Committee members. It considers, where appropriate, employee share ownership or long-term incentive measures for all employees or management of the Company and its subsidiaries and sets the presence and performance conditions.

The Board determines the quantitative criteria to be taken into account for variable and share-based compensation (at the recommendation of the Compensation Committee), as well as any qualitative criteria, where applicable. It ensures the precise definition of criteria. For the quantitative criteria, it generally sets a threshold below which variable compensation is not paid, a target enabling the payment of 100% of the planned compensation for the criteria and a cap where this amount can be exceeded. Performance is assessed by comparing actual results with the objective, broken down by threshold-target-cap.

At the beginning of the year, the Compensation Committee notes the rate of attainment of quantitative objectives for the previous year and assesses the attainment of qualitative objectives. To this end, it interviews the Chairman of the Board of Directors and familiarises itself with any information that could assist this assessment.

4.4.2.2 Compensation policy for the Board of Directors

Pursuant to recommendation R.12 of the Middlednext Code and Article 10 of the Board of Directors' internal regulations, the allocation of compensation referred to in Article L. 22-10-14 of the French Commercial Code is approved by the Board of Directors, on the proposal of the Compensation Committee, and takes into account:

- attendance at Board of Directors' meetings;
- the time devoted to their role, including attendance at Committee meetings.

Allocation of compensation for fiscal year 2024 is as follows:

- allocation of total compensation between the Committees and the Board of Directors as follows:
 - Board of Directors: 58%
 - Audit Committee: 20%

- Appointments, Governance and Corporate Responsibility Committee: 12%
- Compensation Committee: 10%

- the attendance of the Committee Chairman at a Committee meeting counts double.

Pursuant to the provisions of Article L. 22-10-14 of the French Commercial Code, the total compensation payable to directors is set by Ordinary General Meeting, on the proposal of the Board of Directors.

The Board of Directors proposed a compensation amount pursuant to Article L. 22-10-14 of the French Commercial Code of €330,000 for the year ended 31 December 2024, unchanged on the previous year.

4.4.2.3 Compensation policy for executive officers

Executive officer compensation is reviewed annually by the Board of Directors, based on the recommendations of the Compensation Committee which notably take account of:

- the principles detailed in the Middlednext Code, that is completeness, balance between compensation components, benchmarks, consistency, clear rules, restraint and transparency;
- the experience and expertise of the executive officer;
- the duties and responsibilities associated with the position;
- the compensation of other Company senior executives;
- market practice;
- company interest;
- strategy and long-term success of the Group.

The annual review policy affords a greater understanding of the challenges faced by an industry sector that is undergoing constant change and is characterised by its extremely high level of seasonality.

There is no specific supplementary retirement scheme for senior executives outside the common law system.

a. Compensation policy for the Chairman of the Board of Directors

The compensation of the Chairman of the Board of Directors is determined each year by the Board of Directors, based on the recommendations of the Compensation Committee and essentially comprises fixed compensation in addition to his compensation for his duties of director. It is only reviewed at long intervals. It was last reassessed in June 2011 when Axway became an independent company listed on the Paris stock exchange.

Fiscal year 2024 and beyond**Compensation components**

Annual fixed compensation	Determined by the Board of Directors at the recommendation of the Compensation Committee
Annual variable compensation	Not applicable
Deferred variable compensation	Not applicable
Multi-year variable compensation	Not applicable
Deferral period, ability to request repayment of variable compensation	Not applicable
Exceptional compensation	Applicable, at the decision of the Board of Directors, subject to very specific circumstances (separation-IPO of a subsidiary, merger, etc.). Payment conditional on approval by Ordinary General Meeting and, in all events, capped at 100% of annual fixed compensation
Other benefits in kind	Not applicable
Stock options, performance shares or any other long-term compensation	Not applicable
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	Application of the directors' compensation policy
Severance pay/indemnities for a change in duties	Not applicable
Non-compete indemnities	Not applicable
Supplementary pension plan	Not applicable

The main components taken into account to calculate this compensation are:

- the role of the Chairman of the Board of Directors in the organisation and management of the Board's procedures;
- consistency with the compensation practices of non-executive Chairpersons of compartment B (Mid Cap) listed companies;
- the lack of reassessment of the Board Chairman's compensation in the past 13 years;
- the expertise and experience of the Chairman of the Board of Directors.

Given the above and based on the criteria detailed previously for defining executive officer compensation, the Board of Directors of 24 January 2024, on the recommendation of the Compensation Committee, decided to maintain the compensation structure of the Chairman of the Board of Directors and raise his fixed compensation to €200,000.

In the event of the appointment of a new Chairman, the Board of Directors will determine his/her compensation, at the recommendation of the Compensation Committee, in accordance with the compensation policy detailed above.

b. Compensation policy for the Chief Executive Officer

The compensation of the Chief Executive Officer is determined each year by the Board of Directors, based on the recommendations of the Compensation Committee.

The total compensation of the Chief Executive Officer was modified in respect of 2023. It had not changed in the past three years. The following components were taken into account for this 13.6% re-adjustment:

- the key role of the Chief Executive Officer in the conduct of Axway's business;
- an analysis, using market studies on the RADFORD (Aon) and IPAS (Salary.com) platforms, which sets, following an increase, the total compensation of the Chief Executive Officer in the low range of the 75th percentile observed for a panel of comparable companies, taking into account the US market on account of the CEO's nationality;
- the expertise and experience of the Chief Executive Officer.

Fiscal year 2024 and beyond

Compensation components	Comment
Annual fixed compensation	Determined by the Board of Directors at the recommendation of the Compensation Committee (based, notably, on responsibilities exercised, experience, external and internal comparisons)
Annual variable compensation	<p>Amount: 100% of 2024 fixed compensation if objectives are attained and up to 175% of fixed compensation in the event of notable outperformance. It is conditional on the attainment of:</p> <ul style="list-style-type: none"> • quantitative criteria: <ul style="list-style-type: none"> ◦ 65% based on the combination of organic growth and operating profitability. This percentage may be increased to 115% in the event of notable outperformance; • non-financial qualitative criteria: <ul style="list-style-type: none"> ◦ 5% based on the employee engagement indicator. This percentage may be increased to 10% in the event of notable outperformance; ◦ 5% based on the NPS customer satisfaction indicator; ◦ 5% based on the the environmental performance indicator; • a strategic qualitative criteria: <ul style="list-style-type: none"> ◦ 20% based on the success of the merger-acquisition plan. This percentage may be increased to 40% in the event of notable outperformance. <p>Precise 2024 objectives were set by the Board of Directors for these criteria but attainment levels are not published for confidentiality reasons.</p> <p>The attainment of the quantitative and qualitative criteria is examined by the Board of Directors' meeting adopting the financial statements for the previous fiscal year, at the recommendation of the Compensation Committee.</p>
Deferred variable compensation	Not applicable
Multi-year variable compensation	Not applicable
Deferral period, ability to request repayment of variable compensation	Not applicable
Exceptional compensation	<p>Applicable, at the decision of the Board of Directors, in the event of very specific circumstances (separation-IPO of a subsidiary, merger, etc.)</p> <p>Payment conditional on approval by Ordinary General Meeting and, in all events, capped at 100% of annual fixed compensation.</p>
Stock options, performance shares or any other long-term compensation	<p>Eligible for long-term incentive plans implemented for Axway management.</p> <p>These plans include a condition of presence throughout the duration of the plan and demanding performance conditions.</p> <p>Vesting period of two years or more.</p> <p>Obligation to hold 30% of shares vested under the plan throughout the term of office.</p> <p>No guaranteed minimum.</p>
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	Not applicable (unless appointed to the Company's Board of Directors. Offices exercised in Axway's subsidiaries do not give rise to compensation).
Other benefits in kind	Not applicable
Severance pay/indemnities for a change in duties	The maximum amount of these indemnities is one year's fixed and variable salary. The payment of this severance pay is 50% dependent on Axway organic growth and 50% dependent on Axway Group operating profit. These severance payments are only due in the event of the Chief Executive Officer's forced departure from the Company. No severance payments shall be due if (i) the Chief Executive Officer leaves his position at his own initiative, or (ii) in the event of gross negligence or serious misconduct, or (iii) in the event of a wrongful act which is unrelated to his position, or (iv) in the event of the Chief Executive Officer's departure for the Sopra Steria Group.
Non-compete indemnities	Not applicable
Supplementary pension plan	Not applicable

Fixed compensation

Each year, the Board of Directors decides the compensation of the Chief Executive Officer, based on the recommendations of the Compensation Committee.

Gross fixed annual compensation for the fiscal year ending 31 December 2024 would be US\$625,000.

Variable compensation

Variable compensation seeks to align the Chief Executive Officer's compensation with Axway's annual performance and promote the implementation of its strategy.

Gross variable compensation for the fiscal year ending 31 December 2024, if objectives are attained, would be US\$625,000.

The split between quantitative (65%) and qualitative criteria (35%) in 2023 remains unchanged for 2024. This split is retained to preserve the importance given to the Company's long-term performance and particularly criteria tied to Social, Environmental and Strategic considerations.

In exceptional circumstances (e.g. an exogenous shock), the Board of Directors may derogate from application of the compensation policy if this derogation is temporary, in the Company's interest and necessary to ensure the long-term success and viability of the Company. This derogation could be applied if Axway's results require the suspension of the normal application of the variable compensation system for Executive Committee members. The Compensation Committee would therefore examine the Chief Executive Officer's position and could propose to the Board of Director to derogate from the compensation policy by deciding an increase in the variable compensation calculation. This possibility would be contingent on a two-thirds majority vote by the Board of Directors. It is recalled that this derogation would be subject to the ex post approval of shareholders at the next General Meeting.

Stock options, performance shares or any other long-term compensation

It was proposed that the Chief Executive Officer benefit from the incentive schemes set up by Axway, regardless of the incentive vehicle used. Hence, the schemes may be performance share plans, free share plans or any other vehicle designed to build management loyalty in the medium and long term. This compensation is in the Company's interest and contributes to its commercial strategy and long-term success.

The decision to grant stock options and/or free shares to the Chief Executive Officer will be decided within the limits set by the authorisation granted by the General Meeting and the conditions set by prevailing legal provisions and the Middledex Code to which the Company refers.

The Chief Executive Officer cannot be granted stock options or free shares at the time of his departure.

Share-based compensation contributes to aligning the interests of the Chief Executive Officer with those of shareholders and providing a long-term perspective.

In the event of the appointment of a new Chief Executive Officer or a new Deputy Chief Executive Officer, the Board of Directors will determine his/her/their compensation, at the recommendation of the Compensation Committee, in accordance with the compensation policy detailed above.

The payment of variable compensation granted to the Chief Executive Officer is subject to approval by the Ordinary General Meeting of the compensation components paid to the Chief Executive Officer during the previous fiscal year or awarded in respect of this same fiscal year (ex post vote).

4.4.3 Equity ratio

	2023	2022	2021	2020	2019
Chairman of the Board of Directors					
Compensation of the Chairman of the Board of Directors (in euros)	138,000	138,000	138,000	138,000	138,000
Ratio with average compensation (World)	1.5	1.5	1.6	1.7	1.7
Ratio with median compensation (World)	1.9	1.9	2.0	2.1	2.1
French minimum wage (annual – in euros)	6.6	7.0	7.2		
Chief Executive Officer					
Compensation of the Chief Executive Officer (in euros)	1,156,048	1,044,585	930,044	963,054	675,320
Ratio with average compensation (World)	12.6	11.4	11.0	11.6	8.3
Ratio with median compensation (World)	16.2	14.7	13.6	14.4	10.4
French minimum wage (annual – in euros)	55.5	52.9	48.8		
Employees					
Average compensation (excluding company officers - World) (in euros)	91,389	91,356	84,491	82,700	81,223
Median compensation (excluding company officers - World) (in euros)	71,522	70,994	68,286	66,441	64,648
French minimum wage (annual – in euros)	20,815	19,744	19,074		
Performance criteria (in millions of euros)					
(Revenue)	318	314	286	297	300
(Operating profit/(loss))	62.8	46.3	32.9	30.8	14.3

The equity ratios are prepared based on fixed and theoretical variable amounts, determined at 31 December of the relevant year for each of the past five years:

- for employees, all employees present in the workforce at 31 December of the relevant year and holding a permanent employment contract were included in the calculations. Compensation amounts were restated on a full-time equivalent basis. As Axway has a strong international culture with employees present in 18 countries, the decision was made to retain the scope of the Company and its subsidiaries when examining this ratio;
- for the Chairman of the Board of Directors, account was taken of fixed compensation amounts;
- for the Chief Executive Officer, fixed and theoretical variable compensation amounts at 31 December of the relevant year, published annually in the relevant Registration Documents or Universal Registration Documents were included in the

calculations. Compensation amounts were restated on a full-time equivalent basis. The position of Chief Executive Officer was held by two different individuals during the five-year calculation period, both of whom were based and paid in the United States. This is also the case for the current Chief Executive Officer. All the Chief Executive Officers were paid in US dollars. Compensation amounts are presented in the table in euros. Euro/dollar exchange rates at 31 December of each year (as presented in the relevant reference documents or Universal Registration Documents) were applied in preparing the table:

- at 31 December 2019, €1 = \$1.11947,
- at 31 December 2020, €1 = \$1.1422,
- at 31 December 2021, €1 = \$1.18274,
- at 31 December 2022, €1 = \$1.05305,
- at 31 December 2023, €1 = \$1.08127.

4.4.4 Description of free share grants

I. Free lg the fiscal year ended 31 December 2020

The Combined General Meeting of 5 June 2019 in its thirty-third extraordinary resolution:

- authorised the Board of Directors to perform free grants, on one or more occasions, at its choice, of either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code, or to certain categories of such employees or officers;

- decided that this authorisation cannot confer entitlement to a number of shares representing more than 4% of the Company's share capital (assessed at the date of the Board of Directors grant decision), it being specified that, where applicable, this number shall be increased by the additional amount of shares to be issued to preserve, in accordance with the law or any other applicable contractual agreement, the rights of holders of securities granting access to the Company's share capital.

LTI Beyond free share grant plan

The Board meeting of 27 July 2020, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a Plan involving 295,000 performance shares (the LTI Beyond 2020 Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 295,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 27 July 2020, the date of free grant of the performance shares, the value of the Company's share was €19.50 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
 - the LTI Beyond free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
 - presence condition:
 - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code;
 - performance condition:
 - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
 - for the Beyond Plan, it is based on the organic growth in the amount of Company signatures and profit on operating activities;
- guaranteed minimum (non-applicable to the Chief Executive Officer):
 - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
 - performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;
- this free grant of performance shares is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 225-197-6 of the French Commercial Code.

II. Free shares granted during the fiscal year ended 31 December 2021

LTI Focus free share grant plan

The Board meeting of 27 July 2021, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a plan involving 240,000 performance shares (the LTI Focus Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 240,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 27 July 2021, the date of free grant of the performance shares, the value of the Company's share was €26.80 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
 - the LTI Focus free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
 - presence condition:
 - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code;
 - performance condition:
 - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
 - for the Focus plan, it is based on organic growth in revenue, the profit margin and growth in the Company's "Amplify API" revenue;
- guaranteed minimum (non-applicable to the Chief Executive Officer):
 - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
 - performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;

- this free share grant is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 2210-60 of the French Commercial Code.

III. Free shares granted during the fiscal year ended 31 December 2022

The Combined General Meeting of 24 May 2022 in its 19th extraordinary resolution:

- authorised the Board of Directors to perform free grants, on one or more occasions, at its choice, of either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code, or to certain categories of such employees or officers;
- decided that this authorisation cannot confer entitlement to a number of shares representing more than 4% of the Company's share capital (assessed at the date of the Board of Directors grant decision), it being specified that, where applicable, this number shall be increased by the additional amount of shares to be issued to preserve, in accordance with the law or any other applicable contractual agreement, the rights of holders of securities granting access to the Company's share capital.

LTI Achieve free share grant plan

The Board meeting of 26 July 2022, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a plan involving 265,000 performance shares (the LTI Achieve Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 235,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 26 July 2022, the date of free grant of the performance shares, the value of the Company's share was €18.50 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
 - the LTI Achieve free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
 - presence condition:
 - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code;

- performance condition:
 - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
 - for the Achieve plan, it is based on organic growth in Company revenue and profit margin (operating profitability), it being noted that this condition will be assessed for each of the performance criteria by the average annual attainment rate for these criteria based on the objectives (threshold and target) set by the Board of Directors during the initial Board meetings each year following the publication of results,
- guaranteed minimum (non-applicable to the Chief Executive Officer):
 - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
 - performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;
- this free share grant is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 2210-60 of the French Commercial Code.

IV. Free shares granted during the fiscal year ended 31 December 2023

The Combined General Meeting of 24 May 2022 in its 19th extraordinary resolution:

- authorised the Board of Directors to perform free grants, on one or more occasions, at its choice, of either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code, or to certain categories of such employees or officers;
- decided that this authorisation cannot confer entitlement to a number of shares representing more than 4% of the Company's share capital (assessed at the date of the Board of Directors grant decision), it being specified that, where applicable, this number shall be increased by the additional amount of shares to be issued to preserve, in accordance with the law or any other applicable contractual agreement, the rights of holders of securities granting access to the Company's share capital.

LTI Winning free share grant plan

The Board meeting of 26 April 2023, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a plan involving 281,500 performance shares (the LTI Winning Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 281,500 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 26 April 2023, the date of free grant of the performance shares, the value of the Company's share was €19.90 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
- the LTI Winning free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
- presence condition:
 - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code;
- performance condition:
 - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
- for the Winning plan, it is based on organic growth in Company revenue (25% weight) and profit margin (operating profitability), it being noted that this condition will be assessed for each of the performance criteria by the average annual attainment rate for these criteria based on the objectives (threshold and target) set by the Board of Directors during the initial Board meetings each year following the publication of results,
- guaranteed minimum (non-applicable to the Chief Executive Officer):
 - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
- performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;
- this free share grant is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 2210-60 of the French Commercial Code.

During the fiscal year ended 31 December 2023, the Company and its affiliates did not set up any new share subscription option plans.

In addition to free share grants, the following tables indicate options exercised during the year by executive officers and the top 10 employees that are not company officers.

Stock options exercised during the fiscal year by each executive officer

Name of executive officer	Plan no. and date	Number of options exercised during the fiscal year		Exercise price
		Plan no. 1	Plan no. 2	
Patrick Martin Donovan	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a

Stock options granted to the top 10 employees (non-company officers) and options exercised by them	Total number of options granted/shares subscribed or purchased	Weighted average price (in euros)	Number of options exercised during the fiscal year	
			Plan no. 1	Plan no. 2
Options granted during the fiscal year by the issuer and any company within the option grant scope to the 10 employees of the issuer, and of any company within this scope, who received the highest number of options granted (aggregate information)	n/a	n/a	-	-
Options held on the issuer and the companies referred to above, exercised during the fiscal year by the 10 employees of the issuer and these companies, who purchased or subscribed the highest number of options (aggregate information)	n/a	n/a	n/a	n/a



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5.1 Consolidated income statement

<i>(in thousands of euros)</i>	Notes	2023	2022	2021
Revenue	4.1	318,976	314,031	285,548
Employee costs	5.1	-179,558	-191,441	-180,629
External expenses	4.2	-63,778	-65,180	-60,144
Taxes and duties		-2,876	-2,684	-3,291
Depreciation and amortisation, provisions and impairment	4.3	-11,832	-11,415	-10,748
Other current operating income and expenses		1,881	2,964	2,173
Profit on operating activities		62,813	46,273	32,908
As a % of revenue		19.7%	14.7%	11.5%
Share-based payment expense	5.4	-4,183	-3,388	-4,352
Amortisation of allocated intangible assets	4.4	-3,197	-5,497	-8,626
Profit from recurring operations		55,432	37,388	19,930
As a % of revenue		17.4%	11.9%	7.0%
Other operating income and expenses	4.5	-7,862	-83,790	-2,652
Operating profit		47,570	-46,402	17,278
As a % of revenue		14.9%	-14.8%	6.1%
Cost of net financial debt	11.1	-4,624	-2,068	-1,302
Other financial income and expenses	11.2	-161	1,021	541
Income tax expense	6.1	-6,951	7,408	-6,913
Profit for the year from continuing operations		35,834	-40,041	9,604
Profit for the year		35,834	-40,041	9,604
As a % of revenue		11.2%	-12.8%	3.4%
of which attributable to non-controlling interests		6	4	2
of which attributable to owners of the Company		35,828	-40,045	9,602

Net income per share – attributable to owners of the Company

<i>(in euros)</i>	Notes	2023	2022	2021
Basic earnings per share	13.9	1.71	-1.85	0.45
Diluted earnings per share	13.9	1.66	-1.85	0.43

5.2 Statement of comprehensive income

<i>(in thousands of euros)</i>	Notes	2023	2022	2021
Consolidated profit for the year		35,834	-40,041	9,604
Other comprehensive income:				
Actuarial gains and losses on pension plans	5.3	-1,509	541	797
Tax impact		391	-123	-216
Sub-total items that will not be reclassified subsequently to profit or loss		-1,118	418	581
Share attributable to non-controlling interests		-	-	-
Exchange differences on translating foreign operations	13.7	-7,113	14,446	18,646
Sub-total items that may not be reclassified subsequently to profit or loss		-7,113	14,446	18,646
Total other comprehensive income, net of tax		-8,231	14,864	19,227
Total comprehensive income		27,603	-25,177	28,831
of which attributable to non-controlling interests		6	4	2
of which attributable to owners of the Company		27,596	-25,181	28,830

5.3 Consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>	Notes	31/12/2023	31/12/2022	31/12/2021
Goodwill	8.1	302,122	297,792	348,326
Intangible assets	8.3	5,138	8,685	15,073
Property, plant and equipment	8.4	9,289	12,469	14,272
Lease right-of-use assets	9.1	17,820	20,139	23,545
Non-current financial and other assets	7.1	13,098	11,810	8,817
Deferred tax assets	6.3	20,104	23,062	14,616
Non-current assets		367,571	373,956	424,650
Trade receivables	7.2	178,009	148,149	105,102
Other current receivables	7.3	32,331	30,642	27,806
Cash and cash equivalents	11.3	16,682	18,321	25,355
Current assets		227,022	197,112	158,263
Total assets		594,593	571,068	582,913

Equity and liabilities

<i>(in thousands of euros)</i>	Notes	31/12/2023	31/12/2022	31/12/2021
Share capital		43,267	43,267	43,267
Capital reserves		113,380	113,380	113,380
Consolidated and other reserves		153,785	211,204	205,965
Profit for the year		35,828	-40,045	9,602
Equity – share attributable to owners of the Company		346,260	327,807	372,215
Non-controlling interests		11	9	5
Total equity	13	346,271	327,816	372,220
Financial debt – long-term portion	11.4	87,995	84,594	60,097
Lease liabilities – long-term portion	9.2	19,689	23,468	27,198
Deferred tax liabilities	6.3	4,378	2,680	3,870
Other non-current liabilities including long-term provisions	7.4	12,154	9,013	9,772
Non-current liabilities		124,217	119,755	100,937
Financial debt – short-term portion	11.4	4,278	3,213	1,718
Lease liabilities – short-term portion	9.2	4,037	5,774	6,167
Trade accounts payable	7.5	11,313	11,271	10,899
Deferred income	7.6	49,060	55,628	55,826
Other current liabilities	7.7	55,418	47,612	35,145
Current liabilities		124,105	123,497	109,755
Total liabilities		248,322	243,252	210,693
Total equity and liabilities		594,593	571,068	582,913

5.4 Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Reserves and consolidated profit	Other comprehensive income	Attributable to:		Total
						owners of the Company	non-controlling interests	
At 31 December 2021	43,267	113,380	-9,822	201,106	24,283	372,215	5	372,220
Capital transactions	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	3,467	—	3,467	—	3,467
Transactions in treasury shares	—	—	-2,124	-12,070	—	-14,194	—	-14,194
Ordinary dividends	—	—	—	-8,492	—	-8,492	—	-8,492
Changes in scope of consolidation	—	—	—	—	—	—	—	—
Other movements	—	—	—	40	-49	-9	—	-8
Transactions with shareholders	—	—	-2,124	-17,054	-49	-19,227	—	-19,227
Profit for the year	—	—	—	-40,045	—	-40,045	4	-40,041
Other comprehensive income	—	—	—	—	14,864	14,864	—	14,864
Total comprehensive income for the period	—	—	—	-40,045	14,864	-25,181	4	-25,177
At 31 December 2022	43,267	113,380	-11,946	144,008	39,098	327,807	9	327,816
Capital transactions	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	3,631	—	3,631	—	3,631
Transactions in treasury shares	—	—	-1,206	-3,172	—	-4,378	—	-4,378
Ordinary dividends	—	—	—	-8,402	—	-8,402	—	-8,402
Changes in scope of consolidation	—	—	—	—	—	—	—	—
Other movements	—	—	—	11	-6	5	-5	—
Transactions with shareholders	—	—	-1,206	-7,932	-6	-9,143	-5	-9,148
Profit for the year	—	—	—	35,828	—	35,828	6	35,834
Other comprehensive income	—	—	—	—	-8,231	-8,231	—	-8,231
Total comprehensive income for the year	—	—	—	35,828	-8,231	27,596	6	27,603
At 31 December 2023	43,267	113,380	-13,152	171,903	30,861	346,260	11	346,271

5.5 Consolidated statement of cash flows

<i>(in thousands of euros)</i>	Notes	2023	2022	2021
Consolidated profit (including share attributable to non-controlling interests)		35,834	-40,041	9,604
Net charges to depreciation, amortisation and provisions		19,315	16,544	20,181
Share-based payment expense	5.4	3,631	3,475	3,731
Gains and losses on disposal		-2,220	81,858	216
Cash from operations after cost of net financial debt and tax		56,560	61,836	33,731
Cost of net financial debt	11.1	4,624	2,068	1,302
Income tax expense (including deferred tax)	6.1	6,951	-7,408	6,913
Cash from operations before cost of net financial debt and tax (A)		68,135	56,496	41,946
Tax paid (B)		-3,045	-2,559	-2,780
Changes to operating working capital requirements (including liabilities related to employee benefits) (C)	12.2	-32,943	-40,978	-26,224
Net cash from operating activities (D) = (A + B + C)		32,147	12,960	12,941
Purchases of intangible assets and PP&E	8.4	-2,427	-2,316	-2,825
Proceeds from sale of intangible assets and PP&E		-	-2	4
Proceeds from sale of non-current financial assets		14	-	-
Impact of changes in the scope of consolidation	8.1	-10,198	-8,910	-
Change in loans and advances granted		-186	84	-81
Other cash flows from investing activities		170	40	69
Net cash from (used in) investing activities (E)		-12,627	-11,104	-2,833
Proceeds from the exercise of stock options	13.3	-	-	2,026
Purchases and proceeds from disposal of treasury shares	13.2	-4,782	-13,741	-9,500
Dividends paid to shareholders of the parent company	13.6	-8,402	-8,492	-8,623
Proceeds from borrowings	11.4	22,182	32,820	60,000
Repayment of borrowings	11.4	-18,749	-12,109	-38,457
Change in lease liabilities	4.2	-7,203	-7,239	-6,680
Net interest paid (including finance leases)		-3,725	-1,239	-590
Other cash flows relating to financing activities		-425	551	98
Net cash from (used in) financing activities (F)		-21,104	-9,449	-1,726
Effect of foreign exchange rate changes (G)		-196	700	664
Net change in cash and cash equivalents (D + E + F + G)		-1,779	-6,893	9,047
Opening cash position		18,308	25,197	16,151
Closing cash position	11.3	16,529	18,308	25,197

5.6 Notes to the consolidated financial statements

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This is the thirteenth publication for the Axway Group since its IPO on the NYSE Euronext in Paris on 14 June 2011.

The Board of Directors' meeting of 21 February 2024 approved the consolidated financial statements of the Group for fiscal year 2023.

The Notes to the financial statements form an integral part of the consolidated financial statements.

Note 1 Accounting policies

The consolidated financial statements were prepared in accordance with prevailing accounting policies and principles at 31 December 2023 as presented below.

Our accounting principles are written in blue against a beige background to identify them clearly, as follows:

“Accounting policies, judgements and estimates”

The following table summarises the accounting policies, judgements and estimates disclosed in the Notes to the consolidated financial statements:

Notes	Accounting policies, judgements and estimates
(1.0)	Accounting policies
(1.3)	Impact of raising the legal retirement age under IAS 19
(1.4)	International tax reform – Pillar 2
(1.5)	Impacts of environmental risks on the consolidated financial statements
(1.6)	Significant estimates and accounting judgements
(1.7)	Format and translation of financial statements
(2.1)	Consolidation methods
(3.0)	Segment reporting
(4.1)	Revenue recognition
(5.3)	Employee benefits
(5.4)	Share-based payments
(6.0)	Income tax expense
(7.1)	Non-current financial and other assets
(7.2)	Trade receivables
(7.6)	Deferred income
(8.1)	Goodwill
(8.1)	Business combinations
(8.2)	Impairment tests
(8.3)	Other intangible assets
(8.4)	Property, plant and equipment
(9.0)	Leases
(10.0)	Provisions
(11.2)	Other financial income and expense
(11.3)	Cash and cash equivalents
(11.4)	Financial debt
(11.6)	Financial instruments recorded in the balance sheet
(13.2)	Treasury shares
(13.9)	Earnings per share

The accounting methods have been applied consistently for all fiscal years presented.

1.1 Basis of preparation

The consolidated financial statements for the fiscal year ended 31 December 2023 were prepared in accordance with IFRS standards as adopted by the European Union. These standards are available on the European Commission website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm.

The financial statements were prepared mainly on a historical cost basis, except for employee benefits, share-based payments, financial debt and derivatives, which are measured at fair value.

1.2 Application of new standards and interpretations

1.2.1 New mandatory 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 2023 are as follows:

- amendments to IAS 1 – Presentation of the financial statements – “Disclosure of accounting policies”;
- amendments to IAS 8 – Definition of accounting estimates;
- amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
- amendments to IAS 12 – International tax reform - Pillar Two model rules;
- IFRS 17 and amendments – “Insurance contracts” and amendments to IFRS 17;

These amendments have no material impact on the consolidated financial statements for the year ended 31 December 2023.

1.2.2 Standards and interpretations published by the IASB and adopted by the EU but not applied in advance

The Group has elected not to apply in advance the texts published by the IASB and endorsed by the European Union, with an application date after 1 January 2023. The main standards, amendments and interpretations concerned are:

- amendments to IAS 12 “International tax reform - Pillar Two model rules”, of mandatory application from 1 January 2023, on the mandatory exception to accounting for deferred taxes arising from the additional Pillar Two tax and relating to disclosures during the transitional period;
- 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;
- amendments to IAS 1, “Presentation of 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 IAS 21 “Lack of exchangeability”, of mandatory application from 1 January 2025, on how to determine the spot rate of a currency at the measurement date when it lacks exchangeability.

1.2.3 Standards and interpretations published by the IASB, not adopted by the EU and not applied in advance

The Group has elected not to apply in advance the texts published by the IASB and not yet endorsed by the European Union, with an application date after 1 January 2023. The main standards, amendments and interpretations concerned are:

- IFRS 14 “Regulatory deferred accounts”.

1.3 Impact of raising the legal retirement age under IAS 19

The French Social Security Financing Act, effective from 14 April 2023 following its validation by the Constitutional Council, raises the legal retirement age from 62 to 64. The full pension contribution period was increased to 43 years as from 2027, with a full rate retirement age of 67. Prior to this reform, Axway calculated retirement termination benefits based on a retirement age of 65. Due to the specific characteristics of the engineer and consultant population, the Group considered it reasonable to extend the retirement age to 67. The financial impact of this plan amendment is €0.4 million and is recognised in the 31 December 2023 financial statements in Profit on operating activities.

1.4 International tax reform – Pillar 2

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 disclosed in Chapter 7, Section 7.2.5 (“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.

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 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.

The Group expects to recognise the initial impacts arising from the application of Pillar 2 in the first half of 2024 at the earliest.

1.5 Inclusion of climate risks

The Group considers that climate change does not currently influence the financial statements, given the nature of its activities. In addition, the trajectory to reduce emissions by 2028 is detailed in Chapter 3.4 (“Environmental Commitment: contribute to climate change mitigation”). In 2023, this environmental commitment had a non-material impact on the financial statements.

1.6 Significant estimates and accounting judgements

Accounting policies, judgements and estimates

The preparation of financial statements implies the use of estimates and assumptions in measuring certain consolidated balance sheet assets and liabilities and certain income statement items.

Management is also required to exercise judgement in the application of the Group's accounting policies.

Such estimates and judgements, which are continually updated, are based both on historical information and on reasonable expectations of future events based on the circumstances. However, given the uncertainty implicit in assumptions as to future events, the related accounting estimates may differ from the actual results.

1.6.1 Significant assumptions and accounting estimates

Accounting policies, judgements and estimates

The main assumptions and accounting estimates liable to leave scope for material adjustments to the carrying amount of assets and liabilities in subsequent periods are as follows:

Notes	Critical accounting policies
(4.1)	Revenue recognition
(5.3)	Measurement of retirement benefit commitments
(6.0)	Measurement of deferred tax assets
(8.1)	Measurement of goodwill
(10.0)	Measurement of provisions

1.6.2 Significant judgements in the application of accounting policies

Accounting policies, judgements and estimates

With the exception of those policies requiring accounting estimates, no judgement exercised by Management has had a material impact on the amounts recognised in the financial statements.

1.7 Format and translation of financial statements

1.7.1 Format of the financial statements

Accounting policies, judgements and estimates

The consolidated financial statements of Axway Software are presented in accordance with recommendation no. 2020-01 of 6 March 2020 issued by the *Autorité des normes comptables* (French Accounting Standards Authority) on the format of consolidated financial statements prepared in accordance with international accounting standards.

The format of the income statement has been adapted to improve the presentation of the Company's performance: a line item Profit on operating activities has been positioned before Profit from recurring operations. This indicator is used internally by Management to assess the Company's performance. It is equal to Profit from recurring operations before:

- the share-based payment expense for free share grants;
- amortisation of allocated intangible assets.

Operating profit is then obtained by adding Profit from recurring operations and Other operating Income and expenses. The latter comprises unusual, abnormal, infrequent or unexpected operating income and expenses, of a material amount, presented separately in the income statement to facilitate understanding of the performance of recurring operations.

Finally, the Group highlights EBITDA in the Change in net debt. EBITDA is equal to Profit on operating activities, excluding charges to depreciation, amortisation and provision included in this latter indicator.

1.7.2 Foreign currency translation

a. Functional and presentation currencies

Accounting policies, judgements and estimates

Items presented in the financial statements of each entity included in the scope of consolidation are measured using the currency of the primary economic environment in which each entity operates, i.e. its "functional currency".

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Axway Software.

b. Translation of the financial statements of foreign subsidiaries**Accounting policies, judgements and estimates**

Group subsidiaries' functional currencies are their local currencies in which most of their transactions are denominated. The accounts of all entities included in the scope of consolidation whose functional currency differs from the Group's presentation currency are translated into euros as follows:

- assets and liabilities are translated at year-end exchange rates;
- income, expenses and cash flows are translated at average rates for the period;
- all resulting foreign exchange gains and losses are recorded as a separate component of equity under Other comprehensive income and are stored in translation reserves in shareholders' equity (see Note 13.7).

Foreign exchange gains and losses arising on the translation of net investments in foreign operations are recorded as a separate component of equity under Translation reserves in accordance with IAS 21. Foreign exchange gains and losses on inter-company loans are considered an integral part of the Group's net investment in the foreign subsidiaries in question.

When a foreign operation is divested, the applicable accumulated translation gain or loss is transferred to the income statement as part of the gain or loss arising on disposal.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at the closing rates applying at the reporting date.

Hyperinflation

No entity operating in a hyper-inflationary economy is included in the scope of consolidation.

The following exchange rates were used to translate the main foreign currencies in the Group:

€1/currency	Average rate for the period				Period-end rate	
	2023	2022	2021	2023	2022	2021
Pound sterling	0.8698	0.8528	0.8596	0.8691	0.8869	0.8403
Swedish krona	11.4788	10.6296	10.1465	11.0960	11.1218	10.2503
Romanian leu	4.9467	4.9313	4.9215	4.9756	4.9495	4.9490
Bulgarian lev	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
US dollar	1.0813	1.0531	1.1827	1.1050	1.0666	1.1326
Australian dollar	1.6288	1.5167	1.5749	1.6263	1.5693	1.5615
Hong Kong dollar	8.4650	8.2451	9.1932	8.6314	8.3163	8.8333
Singapore dollar	1.4523	1.4512	1.5891	1.4591	1.4300	1.5279
Yuan (China)	7.6600	7.0788	7.6282	7.8509	7.3582	7.1947
Real(Brazil)	5.4010	5.4399	6.3779	5.3618	5.6386	6.3101
Swiss franc	0.9718	1.0047	1.0811	0.9260	0.9847	1.0331
Indian rupee	89.3001	82.6864	87.4392	91.9045	88.1710	84.2292

c. Translation of foreign currency transactions**Accounting policies, judgements and estimates**

Transactions denominated in foreign currencies are translated to entities' functional currencies at rates applying on the transaction date.

Foreign exchange gains and losses arise either on settlement or on the translation of foreign currency denominated monetary assets and liabilities at closing rates. They are recognised in profit or loss, with the exception of amounts recognised directly in shareholders' equity with respect to cash flow hedging or hedging of the net investment in a foreign operation.

Note 2 Methods and scope of consolidation

2.1 Consolidation methods

Accounting policies, judgements and estimates

Axway Software is the consolidating company.

The companies over which Axway Software has full control are fully consolidated. The Group controls an issuer when it is exposed to or is entitled to variable returns due to its ties with the issuer and has the ability to affect the amount of these returns due to its authority over the entity. The Group therefore controls an issuer if, and only if, the following conditions are satisfied:

- the Group has authority over the issuer; and
- the Group is exposed to or is entitled to variable returns due to its ties with the issuer; and
- the Group has the ability to exercise its authority over the issuer in such a way as to affect the amount of the returns it obtains from it.

Axway Software does not exert significant influence or joint control over any entity.

Axway Software Group does not, directly or indirectly, control any ad hoc company.

Inter-company transactions, as well as unrealised balances and profits on transactions between Group companies are eliminated on consolidation.

The financial statements of all consolidated companies are prepared to 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group.

The scope of consolidation is presented in Note 17.

2.2 Principal acquisitions

Newly-consolidated entities

In 2023, the Group performed the following acquisitions:

- **AdValvas:** on 15 March 2023, the Group acquired the entire share capital of AdValvas Europe NV in Belgium. AdValvas is consolidated in the Axway financial statements from 1 April 2023. Assets acquired and liabilities assumed are valued at €0.4 million, with goodwill of €5.8 million.
- **Cycom Finances:** on 19 October 2023, the Group acquired the entire share capital of Cycom Finances in France. At the same time, Axway sold Cycom Finances' consulting business to KPMG France. The net assets of Cycom Finances were transferred to the Axway financial statements from 1 November 2023. Assets acquired and liabilities assumed are valued at -€0.4 million, with goodwill of €4.7 million.

In 2022, the Group performed the following acquisitions:

- **DXchange:** on 15 June 2022, the Group acquired the entire share capital of DXchange Technologies Private Limited in India. Assets acquired and liabilities assumed were valued at -€0.8 million, with goodwill of €12.4 million.

2.3 Other changes in scope

Deconsolidated entities

No entities were deconsolidated in 2023 or 2022.

Cycom Finances in France was dissolved early without liquidation on 1 May 2023. This transaction had no impact on the consolidation scope.

2.4 Comparability of the financial statements

No pro forma information is required in 2023.

Note 3 Segment reporting

Accounting policies, judgements and estimates

Pursuant to IFRS 8, segment reporting is based on internal management information used by Axway's Management. The Group 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: License, Subscription, Maintenance and Services; and
- geographical revenue for three regions (Europe, the Americas and Asia-Pacific); and
- consolidated Profit on operating activities.

3.1 Revenue by business line

(in thousands of euros)	2023		2022		2021	
License	8,824	2.8%	11,584	3.7%	18,568	6.5%
Subscription	186,632	58.5%	153,984	49.0%	114,205	40.0%
Maintenance	86,993	27.3%	111,161	35.4%	118,955	41.7%
Services	36,527	11.5%	37,303	11.9%	33,820	11.8%
Total revenue	318,976	100.0%	314,031	100.0%	285,548	100.0%

In 2023, Customer Managed Subscription contracts generated upfront revenue of €93.5 million recognised on the signature of these contracts, up 18.9% on 2022 (€78.7 million). Upfront revenue totalled €51.5 million in 2021.

It is noted that the Syncplicity and Mailgate activities, sold during 2022, generated revenue of €3.1 million and €6.6 million in this year. The Group's main clients account for 10% or less of revenue individually. Axway's dependency on these main clients is low.

3.2 Revenue by region

(in thousands of euros)	2023		2022		2021	
France	99,889	31.3%	91,601	29.2%	81,429	28.5%
Rest of Europe	76,066	23.8%	68,409	21.8%	67,419	23.6%
United States	119,850	37.6%	126,897	40.4%	114,675	40.2%
Rest of Americas	6,560	2.1%	6,370	2.0%	4,699	1.6%
Asia/Pacific	16,611	5.2%	20,754	6.6%	17,325	6.1%
Total revenue	318,976	100.0%	314,031	100.0%	285,548	100.0%

3.3 Non-current assets by region

(in thousands of euros)	2023		2022		2021	
France	91,991	26.5%	90,178	25.7%	93,709	22.9%
International	255,476	73.5%	260,716	74.3%	316,395	77.1%
Total non-current assets*	347,467	100.0%	350,894	100.0%	410,105	100.0%

* Excluding financial instruments, deferred tax assets, and assets with respect to post-employment benefits.

Note 4 Operating profit

In 2023, Axway generated revenue of €319.0m up 5.8% organically and 1.6% in total. Profit on operating activities was €62.8m, representing 19.7% of revenue, compared with 14.7% in 2022.

This performance exceeded initial expectations and the Group therefore published a press release informing the market on 24 January 2024 entitled "Axway Software: Preliminary annual results".

As in the previous three years, the Subscription activity showed very strong growth in 2023. With full-year revenue of €186.6m, the activity's growth rate reached 21.2% in total and 27.4% organically. The Subscription activity now represents 58.5% of Axway's total revenue. While revenue recognised from Axway Managed contracts continued to increase at a dynamic but linear pace, with growth of around 16%, revenue from Customer Managed contracts rose again by a very strong 30%. Upfront revenue from Customer Managed Subscription contracts amounted to €93.5 million in 2023 (€78.7 million in 2022). The annual value of Subscription contracts (ACV) signed in 2023 totalled €49.9 million, up 1.4%.

Maintenance revenue was €87.0m in 2023, down 21.7% overall and 19.4% organically. While the contract renewal rate reached 94%, the decline in business was mainly due to lower license sales and the ongoing migration of customers to Subscription contracts.

The consolidation scope changed following the different product portfolio rationalisation operations, representing a negative scope effect of €8.2 million. Exchange rate fluctuations negatively impacted revenue by €4.4 million, mainly due to the depreciation of the US dollar against the euro.

Profit on operating activities improved for the fourth year in a row, finishing at €62.8m for the period, or 19.7% of revenue, compared to 14.7% in 2022. Operating expenses as a percentage of revenue continued to fall thanks to optimised cost management and the sale of the Syncplicity and Mailgate activities.

In summary, the following points are of note in 2023:

- steady growth in Subscription revenue, strategic progress and new customer acquisition in 2023;
- increase in the share of revenue from renewable contracts to 85.8% at the end of 2023, compared to 84.0% one year earlier. Axway ARR (Annual Recurrent Revenue) is €228.7 million, up 6.6% at constant scope and exchange rates compared to the end of 2022. It is recalled that Axway's ARR at the end of 2022 was restated for a change in methodology and is therefore €214.5 million compared to €196.5 million initially;
- increase in Profit on operating activities to €62.8m, representing 19.7% of revenue, compared to 14.7% in 2022;
- gross margin up slightly to 72.7% compared to 2022 (70.9%) with the transformation of the business model;

- optimisation of operating expenses. Operating expenses as a whole fell as a percentage of revenue, from 56.2% overall in 2022 to 53.0% in 2023.

Sales and marketing costs totalled €81.6 million (25.6% of revenue), down significantly on 2022 (29.7% of revenue). This decrease was due to the rationalisation of distribution costs by the Group in the US and APAC regions.

Research & Development expenses remained stable at €60.1 million, or 18.8% of revenue, compared to 18.3% in 2022.

General expenses remained stable at €27.2 million, or 8.5% of revenue, compared to 8.2% in 2022.

4.1 Revenue

4.1.1 Revenue recognition

Accounting policies, judgements and estimates

Revenue is recognised in accordance with IFRS 15, Revenue from Contracts with Customers.

Services provided within the scope of the Group's software package operations include:

- the right of use under license of software packages;
- Software as a Service Subscription services;
- maintenance;
- ancillary services: installation, settings, adaptation, training.

a. In general, separate contracts are concluded with customers for licenses and maintenance on the one hand, and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

I. License revenue

License revenue is recognised immediately on delivery, as license sale agreements constitute, in substance, a sale of rights. Delivery is considered to have taken place when all contractual obligations have been fulfilled. They are fulfilled when any remaining services to be provided are insignificant and are not liable to challenge the customer's acceptance of goods supplied or services.

II. Maintenance revenue

Maintenance revenue is recognised *pro rata temporis*, and is generally billed in advance.

III. Services revenue

Services revenue is generally recognised on a time-spent basis and is recognised when the services are performed, i.e. usually when invoiced. Services are sometimes provided under fixed-price contracts, in which case they are recognised using the percentage-of-completion method described in paragraph f. below.

b. Services provided under a Software as a Service contract

The supplier transfers control of the service progressively to the customer and hence, recognises revenue progressively: "the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs".

In addition, the Customer Managed offering, which satisfies growing customer demand, is subject to a specific revenue recognition method detailed below.

The Customer Managed offering is a Hybrid Integration Platform offer sold to customers as a range of services including:

- on-premise components, hosted by the customer;
- Software as a Service components, hosted by Axway.

Three separate performance obligations have therefore been identified: License, Maintenance and Subscription. Pursuant to IFRS 15, revenue is recognised using three different methods.

I. On-premise services

On-premise services are recognised on delivery, that is on the transfer of control of the on-premise license. These components are hosted by the customer, in the same way as traditional licenses. Revenue is therefore recognised using the same model as for traditional on-premise licenses, that is:

- a license component (performance obligation recognised in full on the transfer of control and the provision of the keys); and
- a maintenance component (performance obligation recognised over the contract term).

II. Software as a Service Subscription services

Software as a Service related services such as updates, maintenance and hosting by Axway are recognised on a straight-line basis over the contract term (single performance obligation).

The contract transaction price is allocated to each performance obligation based on list prices. If the contract transaction price includes a discount on the list price, this discount is applied proportionally to the revenue allocated to each performance obligation comprising the contract.

c. Contracts comprising distinct performance obligations (license, maintenance, ancillary services, etc.) may sometimes be negotiated on a fixed-price basis

In this situation, the contract transaction price is allocated to each performance obligation as follows: revenue attributable to the license is equal to the difference between the total contract amount and the fair value of its other components, i.e. maintenance and ancillary services.

The fair value of the other components is determined based on list prices applied in the case of a separate sale or alternatively, based on selling prices determined based on Management's best estimates. The residual amount attributed to the license is recognised at the time of delivery.

d. In fairly rare instances, ancillary services may be considered essential to the operation of a software package or the delivery of the Software as a Service solution

This may arise on the sale of software packages for very complex projects, where completion may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Quality Department. It is accounted for using the percentage of completion method described in paragraph e. below.

Where preliminary work is performed that is considered essential to the implementation of the Software as a Service solution, the contract is considered as a whole and revenue is recognised progressively over the contract term as described in paragraph b. above.

e. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised as they are performed, i.e. in general at the time of invoicing.

Operations are reviewed at each reporting date:

- services rendered but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised in revenue and are recorded in the balance sheet under Trade receivables in Customer contract assets;
- services billed but not yet fully rendered are deducted from invoiced revenue and recorded in the balance sheet in Deferred income.

f. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised based on a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

g. Contract balances in the Statement of financial position

Services rendered but not yet, or only partially, invoiced are recorded in the balance sheet under Trade receivables in Accrued income. Services billed but not yet fully rendered (Customer contract liabilities) are recorded in the balance sheet in Deferred income for the portion less than one year and in Other non-current liabilities for the portion more than one year. Customer contract assets and liabilities are presented net for each individual contract.

h. Assets recognised in respect of costs of obtaining or fulfilling contracts with customers

Costs of obtaining contracts: sales commission on Subscription revenue

The costs of obtaining a contract are capitalised if two conditions are met: the costs would not have been incurred if the contract had not been obtained and they can be recovered. Sales commission can therefore be capitalised if it is specifically and uniquely tied to obtaining the contract and it is not granted on a discretionary basis.

The costs of obtaining a contract are capitalised and deferred in Prepaid expenses (Other current receivables) and released to profit and loss to match revenue recognition. They never result in the recognition of revenue.

Costs of fulfilling a contract: Subscription contract preparation phase

The costs of fulfilling or implementing a contract are costs directly related to the contract. They are necessary to satisfying performance obligations in the future and are expected to be recovered. They do not meet the criteria defined in the general principles to constitute a separate performance obligation.

Subscription contracts require preparation phases (functional integration, implementation of the technical environment) in order to access a target operating phase. These phases do not represent separate performance obligations but are costs of implementing the contract. They are capitalised and recognised in Prepaid expenses (Other current receivables).

The costs of fulfilling or implementing a contract are capitalised and deferred in Prepaid expenses (Other current receivables) and released to profit and loss to match revenue recognition. They never result in the recognition of revenue.

4.1.2 Revenue by business line

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

4.1.3 Revenue by geographical area

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

4.2 Purchase and external expenses

4.2.1 Purchases

<i>(in thousands of euros)</i>	2023	2022	2021
Purchases of subcontracting services	22,943	25,010	25,839
Purchases not for inventory of equipment and supplies	1,563	1,736	485
Purchases and change in stock of merchandise	179	197	274
Total purchases	24,685	26,942	26,597

Purchases decreased -€2.3 million on 2022. Purchases of subcontracting services mainly comprise cloud hosting costs and are considerable due to the growth of the Subscription activity. The decrease is due to better control over selling costs and particularly those relating to Subscription revenue (hosting costs) and savings resulting from the fall in maintenance activities. The foreign exchange impact was negligible (-€0.5 million) in the year. The gross margin is 72.7% in 2023, up slightly on 2022 (70.9%).

4.2.2 External expenses

<i>(in thousands of euros)</i>	2023		2022		2021	
Rent and rental charges	9,791	25.0%	9,856	25.8%	8,472	25.3%
Lease expenses – IFRS 16 adjustment	-6,515	-16.7%	-6,395	-16.7%	-5,486	-16.4%
Maintenance and repairs	11,423	29.2%	10,282	26.9%	9,410	28.0%
External personnel	164	0.4%	70	0.2%	95	0.3%
Remuneration of intermediaries and fees	7,316	18.7%	6,973	18.2%	6,123	18.3%
Advertising and public relations	2,293	5.9%	4,350	11.4%	4,939	14.7%
Travel and entertainment	4,010	10.3%	3,286	8.6%	1,769	5.3%
Telecommunications	1,136	2.9%	1,645	4.3%	1,651	4.9%
Sundry	9,476	24.2%	8,171	21.4%	6,576	19.6%
Total external expenses	39,093	100.0%	38,238	100.0%	33,547	100.0%

External expenses are stable on 2022 (+€0.9 million).

The foreign exchange impact was negligible (-€0.4 million) in the year.

4.3 Depreciation and amortisation, provisions and impairment

<i>(in thousands of euros)</i>	2023	2022	2021
Amortisation of intangible assets	361	353	588
Depreciation of property, plant and equipment	4,044	4,188	4,254
Depreciation of Right-of-use – IFRS 16	5,723	5,486	5,562
Depreciation and amortisation	10,128	10,026	10,404
Impairment of current assets net of unused reversals	1,642	974	282
Provisions for contingencies and losses net of unused reversals	63	415	62
Provisions and impairment	1,705	1,389	344
Total depreciation and amortisation, provisions and impairment	11,832	11,415	10,748

The application of IFRS 16, Leases, led to a charge to depreciation of right-of-use assets of €5,723 million in 2023. This charge is similar to the €5,486 million charge recognised in 2022.

4.4 Amortisation of allocated intangible assets

This item corresponds to the amortisation expense for intangible assets obtained as a result of company acquisitions of €3.2 million in 2023, comprising €0.6 million in respect of customer bases and €2.6 million in respect of Technologies (see Note 8.3). In 2022, amortisation totalled €5.5 million, including €1.8 million for customer bases and €3.7 million for Technologies.

Intangible assets acquired with AdValvas and Cycom Finances will be measured and recognised in the financial statements from fiscal year 2024.

4.5 Other operating income and expenses

In 2023, the Group performed several material non-current transactions representing a total expense of €7.9 million, as follows:

1. restructuring plan (€3.8 million): implemented in France (€0.5 million), Sweden (€0.3 million), Ireland (€0.2 million), the Netherlands (€0.3 million), Bulgaria (€0.1 million), the United States (€0.8 million), the United Kingdom (€0.2 million) and China (€0.8 million);
2. expenses relating to the acquisition of AdValvas Europe NV (€0.3 million);
3. expenses relating to the acquisition of Cycom Finances (€0.4 million);
4. Workday cloud implementation costs (€0.7 million): recorded in "Other operating expenses";
5. reform raising the legal retirement age (€0.4 million gain);
6. provision for contingencies relating to the payment of sales tax in Brazil (€2.9 million);
7. rationalisation of office premises in La Défense: generation of a net gain of €2.2 million, impairment of furniture (-€1.3 million) and provision for office refurbishment (-€1.2 million);

The Group plans to relocate to resized premises with dual environmental certification (HQE "Exceptional" and BREEAM "Excellent").

In 2022, the Group recorded significant non-recurring operating income or expenses (-€83.8 million), relating in particular to the derecognition of Syncplicity goodwill (-€77.3 million).

Note 5 Employees and commitments towards employees

5.1 Employee costs

<i>(in thousands of euros)</i>	2023	2022	2021
Salaries	147,165	159,185	150,690
Social security contributions	35,018	36,406	35,080
Research tax credits	-3,789	-5,545	-6,295
Employee profit-sharing	1,292	1,071	844
Net expense for post-employment and similar benefit obligations	-129	324	311
Total employee costs	179,558	191,441	180,629

Employee costs represent 56.3% of 2023 revenue, down on 2022 (61.0%). They fell -6.2% in absolute terms. At constant exchange rates, employee costs fell -5.0% compared to 2022.

While variable compensation rose due to increased revenue, the rationalisation of the organisational structure and strategic refocusing helped contain employee costs in 2023. The average number of employees fell from 1,618 in 2022 to 1,495 in 2023.

5.2 Workforce

<i>Number of employees at 31 December</i>	2023	2022	2021
France	432	437	466
International	1,033	1,088	1,246
Total	1,465	1,525	1,712

<i>Average number of employees</i>	2023	2022	2021
France	435	452	474
International	1,061	1,166	1,325
Total	1,495	1,618	1,799

5.3 Retirement benefits and similar commitments

Accounting policies, judgements and estimates

a. Short-term employee benefits and defined-contribution post-employment benefits

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, under Employee costs. As the Group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined-benefit post-employment plans and other long-term employee benefits

These plans relate mainly to France, for the payment of retirement termination payments in accordance with collective bargaining agreements. The collective agreement applicable to Axway Software SA does not indicate a ceiling for retirement benefits.

The Group, which provides for the cost of the future benefits based on the conditions below, bears the defined-benefit plans directly.

The Group uses the projected unit credit method to determine the value of its defined-benefit obligation. Under this method each period of service gives rise to an additional unit of benefit rights and each unit is valued separately to obtain the final obligation.

The above calculations incorporate various actuarial assumptions relating to matters such as the estimated periods of future service of employees, future salary levels, life expectancy and employee turnover.

The resulting benefit obligation is then discounted using an appropriate interest rate for first-rate corporate bonds denominated in the payment currency and with a maturity approximating the estimated average maturity of the benefit obligation.

A change in these estimates and hypotheses may lead to a significant change in the amount of the commitment.

The amount of the provision recognised for retirement benefits and similar commitments corresponds to the present value of the defined-benefit obligation. Actuarial gains and losses result from changes in the value of the discounted defined-benefit obligation and include on the one hand, the effects of differences between previous actuarial assumptions and actual data, and on the other hand, the effect of changes in actuarial assumptions.

Actuarial gains and losses are recognised in full in shareholders' equity for all of the Group's defined-benefit plans, pursuant to IAS 19 revised.

There are no pension commitments, medical coverage, or long service awards. No new benefits or changes in regime resulting from legal, collective-bargaining or contractual provisions occurred during the fiscal year.

Retirement provisions primarily concern the defined-benefit plan in France which is not financed by plan assets.

In France, the defined-benefit plan relates to the payment of retirement termination benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement on retirement plans, as amended in 2004 pursuant to the retirement reform measures introduced by the Law of 21 August 2003. The provision for retirement benefits is assessed on an actuarial basis.

Retirement benefits and similar commitments break down as follows:

<i>(in thousands of euros)</i>	01/01/2023	Change in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other movements	Actuarial gains (losses)	31/12/2023
France	6,686	—	658	-511	—	-390	1,520	7,963
Germany	30	—	111	-17	—	-94	—	30
Bulgaria	46	-9	—	—	—	0	—	38
Total retirement benefit and similar commitments	6,762	-9	770	-528	—	-484	1,520	8,030
Impact (net of expenses incurred)								
Profit from recurring operations			400		—			
Net financial income			370		—			
TOTAL			770		—			

c. Actuarial assumptions used to calculate Axway Software's provision for retirement benefits

The main actuarial assumptions used in respect of Axway Software's plan are as follows:

	31/12/2023	31/12/2022	31/12/2021
Benchmark for discounting	Source : Bloomberg	Source : Bloomberg	Source : Bloomberg
Discount rate for commitments	3.30%	3.90%	1.10%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	67 years	65 years	65 years
Mortality table	INSEE 2018-2020	INSEE 2017-2019	INSEE 2016-2018

Turnover tables are established for each relevant company by five-year age brackets and are updated at each year-end to reflect data on employee departures for the past five years.

From 2023, the legal retirement age was reformed in France. The main changes introduced by this reform involve the raising of the legal retirement age from 62 to 64 and the extension of the full pension contribution period to 43 years as from 2027. The Group adopted a retirement age of 67 instead of 65. The Group's position is disclosed in Note 1.3, Impact of raising the legal retirement age under IAS 19.

The updating of five-year workforce turnover rates and assumptions relating to departure procedures increased the commitment by +€580 thousand.

d. Table of changes in Axway Software's provision for retirement benefits

<i>(in thousands of euros)</i>	Present value of unfunded obligations	Net commitments recognised in the balance sheet	Taken to the consolidated statement of income
At 31 December 2021	6,771	6,771	368
Change in scope of consolidation	–	–	–
Past service cost	463	463	463
Net interest expense	76	76	76
Benefits paid to employees	-166	-166	-166
Other movements	–	–	–
Actuarial gains (losses)	-457	-457	–
At 31 December 2022	6,686	6,686	373
Change in scope of consolidation	–	–	–
Past service cost	400	400	400
Net interest expense	259	259	259
Benefits paid to employees	-511	-511	-511
Other movements	-390	-390	-390
Actuarial gains (losses)	1,520	1,520	–
At 31 December 2023	7,963	7,963	-243

e. Analysis of actuarial gains (losses) recognised for Axway Software

Actuarial gains (losses) result solely from changes in the present value of the obligation, in the absence of plan assets.

These gains (losses) include the effects of changes in actuarial assumptions and the difference between actuarial assumptions applied and actual experience.

An actuarial loss of €1,520 thousand was recognised for Axway Software in 2023.

Experience adjustments on Axway Software plan liabilities are presented in the table below:

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Current value of defined benefit obligations	7,963	6,686	6,771
Experience adjustments on plan liabilities	580	257	-61
Experience adjustments on plan liabilities (as % of commitments)	7.28%	3.84%	-0.91%

The following table presents a breakdown by maturity of Axway Software's retirement benefits commitment in France, discounted at 3.30%:

<i>(in thousands of euros)</i>	31/12/2023
Present value of theoretical benefits to be paid by the employer:	
- less than one year	229
- from 1 to 2 years	167
- from 2 to 3 years	55
- from 3 to 4 years	92
- from 4 to 5 years	312
- from 5 to 10 years	3,218
- from 10 to 20 years	2,572
- more than 20 years	1,319
Total commitment	7,963

f. Sensitivity testing of the discount rates for Axway Software retirement benefits

A +/-0.50 point change in the discount rate would impact Axway Software retirement benefit liabilities in the amount of -€456 thousand/+€497 thousand, respectively.

5.4 Share-based payments**Accounting policies, judgements and estimates**

The Group applies IFRS 2 for free share grants to employees.

Free Axway Software shares are granted to certain employees subject to their presence in the Group at the vesting date and with or without Group performance conditions. The benefit granted under these free share grant plans represents additional compensation that is valued and recognised in the financial statements.

The IFRS 2 expense recognised for a free share grant plan is equal to the fair value of shares granted to employees multiplied by the probable number of shares to be delivered to the beneficiaries who will be present on the vesting date (this number of shares is revised during the vesting period depending on estimated changes in employee turnover).

The fair value of free shares is determined on the date of grant based on the market price of the share adjusted to take into account the characteristics and conditions of the share grant. This amount is not reassessed later in the event of changes in the fair value.

The expense corresponding to the benefit granted to employees in the form of free shares is recognised in net profit using the straight-line method over the vesting period under the heading Share-based payment expense.

In 2023, an expense of €4.2 million (€3.4 million in 2022) was recognised in respect of free shares granted to employees, including the Chief Executive Officer, including employer social security contributions of -€0.6 million.

The new plan granted in 2023 represents an expense of €0.8 million for the period. Current free share grant plans are presented below:

Plans	LTI Plan BEYOND - 2020	LTI Plan FOCUS - 2021	LTI Plan ACHIEVE - 2022	LTI Plan WINNING - 2023
Description	Free shares granted to the Axway Leadership team, members of the Executive Committee and other individuals considered key for the Axway Group			
Grant date	July 2020	July 2021	July 2022	April 2023
Number of shares that may be granted	295,000	240,000	265,000	281,500
Performance measurement duration	3 years	3 years	3 years	3 years
Performance measurement period	Jan-20 to Dec-22	Jan-21 to Dec-23	Jan-22 to Dec-24	Jan-23 to Dec-25
Vesting period	July-20 to March-23	July-21 to March-24	July-22 to March-25	May-23 to March-26
Performance-based conditions	Present in Group throughout the vesting period (applicable for all LTI plans)			
Performance-based conditions	Level of performance (organic growth in signatures and Profit on operating activities)	Level of performance (Rule of 40 – organic growth in signatures plus Profit on operating activities and API Amplify revenue growth)	Level of performance (organic growth in revenue and Profit on operating activities)	Level of performance (organic growth in revenue and Profit on operating activities)
Number of potential shares that may be granted at 1 January 2023	200,711	137,155	260,416	–
Number of shares granted in 2023	–	–	–	281,500
Number of shares cancelled in 2023	6,537	24,024	16,250	11,000
Number of shares vested in 2023	194,174	–	–	–
Number of potential shares that may be granted at 31 December 2023	0	113,131	244,166	270,500
Income/(expense) recognised in the income statement for the fiscal year in thousands of euros	-259	-1,155	-1,374	-844

Patrick Donovan received 100,000, 30,000, 30,000 and 30,000 shares respectively under the LTI Beyond, Focus, Achieve and Winning plans, as Chief Executive Officer of the Group. The corresponding expense in 2023 is detailed in Note 5.5, Compensation of senior executives.

5.5 Compensation of senior executives (related parties)

The items shown in the table below concern the directors and Executive Management.

(in thousands of euros)	31/12/2023	31/12/2022	31/12/2021
Short-term employee benefits ⁽¹⁾	1,956	1,794	1,046
Share-based compensation benefits	588	1,021	572
Total compensation of senior executives	2,544	2,814	1,618

(1) Short-term employee benefits include the fixed and variable components of compensation, as well as benefits in kind and directors' fees

2023

The Board of Directors' meeting of 21 February 2024 recommended the payment of variable compensation of €910.4 thousand to Patrick Donovan for fiscal year 2023. This variable compensation was voted on by the General Meeting of 16 May 2024, based on an amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

The General Meeting of 11 May 2023 set the amount of directors' fees to be shared among directors at €330 thousand.

Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2023.

2022

The Board of Directors' meeting of 22 February 2023 recommended the payment of variable compensation of €803.3 thousand to Patrick Donovan for fiscal year 2022. This variable compensation was voted on by the General Meeting of 11 May 2023, based on an amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

The General Meeting of 24 May 2022 set the amount of directors' fees to be shared among directors at €330 thousand.

Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2022.

2021

The Board of Directors' meeting of 22 February 2022 recommended the payment of variable compensation of €113 thousand to Patrick Donovan for fiscal year 2021. This variable compensation was voted on by the General Meeting of 24 May 2022, based on an amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

The General Meeting of 25 May 2021 set the amount of directors' fees to be shared among directors at €330 thousand.

Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2021.

Note 6 Income tax expense

Accounting policies, judgements and estimates

Current tax

The Group determines its current tax expense in accordance with prevailing tax legislation in the countries where the Group's subsidiaries conduct their activities and generate taxable revenue. The tax legislation applied is that enacted or substantially enacted at the reporting date.

Deferred tax

Deferred tax is recognised on all timing differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Deferred tax assets are only recognised if their realisation by the Company is probable through the existence of expected taxable profits in future periods within a reasonable time period.

They are reviewed at each reporting date.

Tax assets and liabilities are valued using tax rates enacted or substantially enacted and applicable in the fiscal periods during which the assets will be realised or the liabilities settled. Their impact is recognised in deferred tax in the income statement unless it relates to items recognised directly in Other comprehensive income, in which case it is also recognised in gains and losses recognised directly in equity.

Deferred tax assets and liabilities are offset, irrespective of their maturity, when:

- the Group is legally entitled to offset current tax assets and liabilities; and
- the deferred tax assets and liabilities concern the same tax entity.

6.1 Analysis of income tax expense

<i>(in thousands of euros)</i>	2023	2022	2021
Current tax	-2,487	-2,622	-2,951
Deferred tax	-4,464	10,030	-3,962
Total income tax expense	-6,951	7,408	-6,913

In 2023, the current tax expense concerns primarily Axway Gmbh in Germany for €0.9 million. The French entity reported a tax loss and the current tax expense represents the CVAE corporate value-added contribution of €0.3 million. In the United States, Axway Inc is profitable and the current tax expense is limited to State taxes of €0.3 million.

In 2023, the deferred tax expense changed due to:

- the definition of tax planning based on a new transfer pricing policy applicable from 2023. Deferred tax assets were recognised in respect of tax losses carried forward in loss making Group subsidiaries in 2022 in the amount of +€10.1 million; In 2023, the capitalisation of additional losses carried forward was recognised for +€1.5 million;
- the recognition of an additional deferred tax liability (IFRS 15) on temporary timing difference relating to IFRS 15 for -€7.1 million.

6.2 Reconciliation of the theoretical and effective tax

Accounting policies, judgements and estimates

The Group operates in several countries with different tax legislation and tax rates. The weighted average local tax rate of Group companies can, therefore, vary year-on-year based on the relative amount of taxable results. These impacts are reflected in the "Tax rate differences" line.

<i>(in thousands of euros)</i>	2023	2022	2021
Net profit	35,834	-40,041	9,604
Income taxes	-6,951	7,408	-6,913
Impairment of goodwill	–	–	–
Profit (loss) before tax	42,785	-47,449	16,517
Theoretical tax rate	25.83%	25.83%	27.37%
Theoretical tax expense	-11,051	12,256	-4,521
Reconciliation			
Permanent differences	281	-8,140	1,300
Impact of non-capitalised losses for the year	-454	-335	-2,642
Use of non-capitalised tax loss carry forwards	–	3,148	2,352
Impact of research tax credits	979	1,432	1,723
CVAE reclassification (net of tax)	-222	-412	-352
Capitalisation of prior year tax loss carry forwards	3,186	3,076	-3,594
Tax rate differences – France/Other countries	856	-3,523	-1,858
Other	-525	-95	679
Actual tax charge	-6,951	7,408	-6,913
Effective tax rate	16.25%	15.61%	41.85%

The reconciliation of the theoretical and effective tax expense is based on the tax rate payable in France at Group parent company level. This rate comprises the corporate tax rate of 25.00%, plus the social contribution on profits of 3.3% representing an overall rate of 25.83%.

In 2023, the effective tax rate is 16.25%, comparable to 2022 (15.61%).

6.3 Deferred tax assets and liabilities

6.3.1 Change in net deferred tax

<i>(in thousands of euros)</i>	31 December 2023	31 December 2022	31 December 2021
At 1 January	20,382	10,747	13,991
Changes in scope of consolidation	1	-888	–
Tax - income statement impact	-4,453	10,030	-3,962
Tax - shareholders' equity impact	392	-113	-215
Translation adjustments	-586	606	934
Other	-12	1	–
At 31 December	15,725	20,382	10,747

The income tax impact in the income statement of -€4.5 million is presented in Note 6.1.

Income tax charged directly to equity reflects the tax impact of actuarial gains and losses on retirement commitments for €0.4 million.

6.3.2 Breakdown of net deferred tax by type

(in thousands of euros)

	31 December 2023	31 December 2022	31 December 2021
Differences related to consolidation adjustments			
Actuarial gains and losses on retirement benefit commitments	-45	-336	-224
Amortisation of revalued software packages	936	229	610
Fair value of amortisable allocated intangible assets	-395	-811	-4,047
Discounting of employee profit-sharing	0	0	2
Tax-driven provisions	-15	-	-
Capitalised tax losses	19,683	15,706	11,973
Customer contract assets (IFRS 15)	-23,227	-16,126	-13,563
Assets and liabilities on lease commitments (IFRS 16)	-390	232	260
Other	-1,247	-1,201	45
Temporary differences from tax returns			
Provision for retirement benefits	2,105	2,078	1,986
Provision for "Organic" tax	23	20	23
Capitalised tax losses	17,219	19,685	13,267
Provisions for contingencies (Group)	1,810	1,856	1,369
Other	1,078	905	414
Total	15,725	20,382	10,747

Tax losses capitalised on consolidation

Tax losses of €19.7 million capitalised on consolidation are mainly attributable to Axway Software in the amount of €17.5 million. In addition, tax losses of several subsidiaries were capitalised on consolidation in the amount of €2.2 million, based on the tax planning and the new transfer pricing policy.

Tax losses capitalised in the Company accounts

Tax losses capitalised in the parent company financial statements total €17.2 million and are attributable to Axway Inc. in the United States for €17 million and the Brazilian entity for €0.2 million.

Forecasts of future taxable profits, justifying the capitalisation or not of tax losses, were determined on the basis of substantiating evidence, with detailed estimates in a five-year business plan for the US subsidiary.

Business plans were prepared for all group entities. The following entities have material losses:

Axway Software SA:

As deferred tax liabilities totalled €26.0 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 31 December 2023. With the application of the transfer pricing policy, we expect a gradual improvement in taxable profits and consumption of prior year tax losses in the medium term. The Group nonetheless considered it prudent to delay the capitalisation of tax losses until after 31 December 2023.

Axway Software SA reported a tax loss of €19.6 million for 2023, partly due to the waiver of receivables owed by Axway Ireland (€11.7 million).

Axway Inc.:

Tax losses recognised in the United States are capitalised in the amount of €81.0 million (US\$89.6 million) out of a total of €115.4 million. Tax losses carried forward were capitalised based on expected taxable profits over the coming five years and represent a deferred tax asset of €17.0 million.

Axway Inc. reported a taxable profit of US\$27.0 million for 2023.

Axway Ireland:

The Group no longer capitalises tax losses at 31 December 2023, generating an expense of €1.6 million. At 31 December 2022, tax losses had been capitalised for taxable profits expected over the coming three years. At 31 December 2023, the Group did not expect any gradual improvement in taxable profits and consumption of prior year tax losses in the medium term.

6.3.3 Deferred tax assets not recognised by the Group

(in thousands of euros)

	31/12/2023	31/12/2022	31/12/2021
Tax losses carried forward	26,015	28,163	31,791
Temporary differences	-	-	-
Total	26,015	28,163	31,791

6.4 Maturity of tax losses carried forward

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Y+1	1,546	1,945	18,592
Y+2	3,422	401	9,077
Y+3	1,655	3,440	401
Y+4	1,611	1,664	3,440
Y+5 and subsequent years	116,246	139,084	95,576
Tax losses carried forward with a maturity date	124,481	146,533	127,086
Tax losses which may be carried forward indefinitely	172,679	160,764	126,153
Total	297,160	307,297	253,239
Deferred tax basis – capitalised	158,912	174,609	110,253
Deferred tax basis – not capitalised	138,247	132,687	142,986
Deferred tax - capitalised	36,901	35,391	25,241
Deferred tax - not capitalised	26,015	28,163	29,393

At 31 December 2023, deferred tax assets not recognised on tax losses carried forward amounted to €26.0 million and concerned Axway Inc. in the United States (€7.2 million), Axway Software SA in France (€8.6 million), Axway Ireland (€2.5 million), Axway SRL in Italy (€2.6 million), Axway Brazil (€3.2 million) and Axway Romania (€1.0 million).

Axway Software

At 31 December 2023, capitalised tax losses totalled €17.5 million, while tax losses available for carry forward not capitalised totalled €33.3 million (tax base).

At 31 December 2022, capitalised tax losses totalled €12.8 million, while tax losses available for carry forward not capitalised totalled €33.3 million (tax base).

Axway Inc.

At 31 December 2023, capitalised tax losses totalled US\$18.8 million, while tax losses available for carry forward not capitalised totalled US\$38.0 million (tax base).

At 31 December 2022, capitalised tax losses totalled US\$19.2 million, while tax losses available for carry forward not capitalised totalled €53.8 million (tax base).

Axway Inc. tax losses carried forward essentially resulted from the acquisition of Cyclone in 2006, Tumbleweed Communications Corp. in 2008, Systar Inc. in 2014 and Appcelerator Inc. in 2016. These losses are subject to an overall time limit (20 years) as well as an annual limit on their use (US\$8.1 million) imposed by US tax regulations following a change in shareholding structure. In addition, an annual limit of US\$1.4 million (tax base) is applied to Appcelerator losses (US\$9.5 million net) pursuant to Section 382.

Axway Inc. in the United States receives research tax credits. These tax credits may be used to pay corporate income tax due in the 20 years following the year in respect of which the tax credits were recognised. Any excess not offset is not reimbursed.

Axway Inc. research tax credits were received each year between 2003 and 2023. At 31 December 2023, we estimate the total amount of available research tax credits at US\$15.8 million, to be deducted from American federal taxes. Based on evidence and estimates set out in the business plan, most of these credits will be used between 2026 and 2043.

Note 7 Components of working capital requirements and other financial assets and liabilities

7.1 Non-current financial and other assets

Accounting policies, judgements and estimates

The Group classifies its financial assets into the following categories:

- assets measured at fair value through other comprehensive income;
- assets measured at fair value through profit and loss; and
- assets measured at amortised cost.

Classification depends on the purposes for which financial assets are acquired. Based on the management model, management decides on the appropriate classification at the time of initial recognition and reassesses this classification at each interim or annual reporting date.

The financial assets recognised by the Group are as follows:

a. Assets measured at fair value through other comprehensive Income

This category comprises equity investments which the Group has elected to irrevocably classify in this category.

Changes in the fair value of these assets are recognised directly in equity and cannot be reclassified subsequently to the income statement. These assets are not impaired.

The Group currently holds no assets classified in this category.

b. Assets measured at fair value through profit and loss

This category consists of non-derivative financial assets that the Group has elected not to measure at fair value through other comprehensive income. It comprises financial assets held for trading (assets acquired primarily with a view to resale in the near term) and mainly investment securities and other cash equivalents. Changes in the fair value of assets of this category are recognised in the income statement in Other financial income and expense.

c. Assets measured at amortised cost (loans and receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group remits funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value then subsequently measured at amortised cost using the effective interest method.

The Group has identified within this category:

- long-term loans and receivables classified in non-current financial assets; and
- short-term commercial receivables and other similar amounts. Current trade receivables are initially measured at the nominal value invoiced which generally equates to the fair value of the consideration to be received. Current trade receivables are described in Note 7.2.

d. Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets. The Group assesses the credit risk associated with loans and receivables on issue. They may subsequently be impaired if the Group expects their expected recoverable amount to be less than their net carrying amount. Impairment of commercial receivables is recognised in the income statement and reversed in the event of a favourable change in the recoverable amount in Profit on operating activities. Impairment of loans and deposits is recorded in Other financial income and expense. The procedure for the impairment of commercial receivables is presented in Note 7.2.

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Loans and receivables	2,789	2,140	2,710
Non-current prepaid expenses	10,309	9,669	6,108
Total non-current financial and other assets	13,098	11,810	8,817

Non-current prepaid expenses consist of costs of obtaining contracts as presented in Note 4.1. They total €10.3 million at 31 December 2023 compared to €9.7 million at 31 December 2022.

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Other non-current receivables	784	319	819
Deposits and other non-current financial assets	2,004	1,821	1,890
Total loans, deposits and other non-current financial assets – net value	2,789	2,140	2,710

Deposits and other non-current financial assets consist mainly of guarantees given for leased premises. These non-interest bearing deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Other non-current receivables concern the market-making agreement with Kepler.

7.2 Trade receivables and related accounts

Accounting policies, judgements and estimates

This line item comprises short-term commercial receivables and other similar amounts.

Current trade receivables are initially measured at the nominal value invoiced which generally equates to the fair value of the consideration to be received. The impact of discounting would be negligible given that the Group's average credit period is sixty days.

The credit risk analysis pursuant to IFRS 9, Financial instruments, does not identify any significant impact.

The nature of the Group's customers, which exhibit a low credit risk, and the policy of recording a systematic impairment for receivables beyond a certain maturity, enables the Group to take account of the credit risk on trade receivables. The procedure involves 50% impairment of invoices past due more than six months and 100% impairment of invoices past due more than 12 months.

To avoid the overstatement of asset and liability accounts, deferred income concerning periods after 1 January following the reporting date (1 January 2024 for this period) and the corresponding trade receivables not settled at the reporting date (31 December 2023) were offset in the balance sheet.

Services rendered but not yet, or only partially, invoiced are recorded in the balance sheet under Trade receivables in Accrued income (see Note 4.1).

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Trade receivables	74,750	65,982	50,350
Provision for doubtful receivables	-1,023	-1,680	-1,026
Trade receivables – net value	73,727	64,302	49,324
Customer contract assets	104,282	83,847	55,778
Total trade receivables	178,009	148,149	105,102

DSO for Trade receivables: 182 days

Net trade receivables, expressed in days sales outstanding, corresponded to 182 days at 31 December 2023, up compared to the end of 2022 (155 days). This ratio is calculated by comparing Net trade receivables with revenue generated during the year. This increase can be analysed as follows.

DSO for Trade receivables, net: 76 days

DSO is 76 days, up on fiscal year 2022 (68 days).

DSO for Customer contract assets: 106 days

Movements during the period in customer contract assets reflect the emergence of invoicing rights transforming customer contract assets into trade receivables and revenue recognition leading to the emergence of new customer contract assets (Customer Managed Subscriptions).

The DSO for this line item at 31 December 2023 is 106 days, compared to 87 days at 31 December 2022. The increase in new Customer Managed signatures automatically generates additional financing requirements that are not yet covered, at the end of 2023, by recurring Customer Managed invoicing.

7.2.1 Maturity of trade receivables

<i>(in thousands of euros)</i>	Carrying amount	Of which: not past due at the reporting date	Of which: not impaired at the reporting date but past due as follows					more than 360 days
			less than 30 days	between 30 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	
Trade receivables	74,750	59,475	7,893	3,431	1,429	1,540	855	127

7.2.2 Changes in provisions for doubtful receivables

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Impairment of trade receivables at start of period	1,680	1,026	1,686
Charges	2,037	931	516
Reversal	-2,680	-283	-1,231
Changes in scope of consolidation	–	–	–
Translation adjustments	-14	7	55
Impairment of trade receivables at end of period	1,023	1,680	1,026

7.3 Other current receivables

(in thousands of euros)	31/12/2023	31/12/2022	31/12/2021
Employees and social security bodies	471	649	427
Tax receivables (other than income tax)	7,666	10,166	10,190
Income tax	3,738	1,615	1,633
Other receivables	4,178	2,545	2,403
Advance lease payments – IFRS 16	-14	-20	-20
Prepaid expenses	16,292	15,687	13,173
Total other current assets	32,331	30,642	27,806

Tax receivables total €7.7 million and comprise research tax credits obtained in France (€4.4 million) and Ireland (€0.2 million).

Prepaid expenses are mainly due to the spreading of commission on Subscription revenue. This current prepaid commission represents capitalised costs of obtaining contracts which are presented in Note 4.1.

Tax receivables: research tax credit

CIR research tax credit receivables in France are sold to Crédit Agricole since 2017. Research tax credit receivables pre-dating 2017 were sold to Natixis.

Financing received for research tax credit receivables sold can be summarised as follows:

Fiscal year	Year of CIR financed	Amount of CIR financed	CIR receivable finance company	Repaid by the tax authorities:	
				Year	Amount
CIR research tax credit repaid by the tax authorities					
2014	2012	3,578	Natixis	2016	In the amount expected
	2013	6,538	Natixis	2017	In the amount expected
2015	2014	7,573	Natixis	2018	In the amount expected
2016	2015	8,993	Natixis	2019	In the amount expected
2017	2016	9,068	Crédit Agricole	2020	In the amount expected
2018	2017	10,216	Crédit Agricole	2021	In the amount expected
2019	2018	7,890	Crédit Agricole	2022	In the amount expected
2020	2019	8,254	Crédit Agricole	2023	In the amount expected
CIR research tax credit not yet repaid by the tax authorities					
2021	2020	7,960	Crédit Agricole	–	–
2022	2021	6,295	Crédit Agricole	–	–
2023	2022	4,945	Crédit Agricole	–	–

At 31 December 2023, receivables sold to Crédit Agricole and not yet repaid by the French tax authorities totalled €19.2 million. The cost of financing is €0.7 million in 2023 (see Note 11.1, Cost of net financial debt).

Analysis of the derecognition of research tax credit receivables

The main criteria for derecognition is the transfer of substantially all the risks and rewards associated with the receivable. While the credit risk and late payment risk are effectively transferred to Crédit Agricole, the tax risk is not transferred. In the event the French State challenges the amounts reported, Axway Group will be required to reimburse Crédit Agricole for the amounts rejected.

Our analysis demonstrated that derecognition is acceptable in that the tax risk is considered immaterial. Axway Software was the subject of two tax audits covering fiscal years 2009 to 2011 and fiscal years 2014 to 2016. These audits did not identify any adjustments to the research tax credit amounts reported. The methods for determining projects and expenditure eligible for research tax credits and their review by our teams are unchanged since these tax audits.

On this basis, we consider that the financing of transferred research tax credits can be derecognised.

7.4 Other non-current liabilities

Accounting policies, judgements and estimates

Services invoiced but not yet fully rendered (Customer contract liabilities) are recorded in the balance sheet in Other non-current liabilities for the portion more than one year (Deferred income) (see Note 4.1).

(in thousands of euros)	31/12/2023	31/12/2022	31/12/2021
Other non-current debts	205	205	205
Customer contract liabilities – non-current	1,151	929	1,524
Sub-total other non-current liabilities	1,356	1,133	1,729
Other provisions for contingencies and losses – non-current	10,799	7,880	8,043
Total other non-current liabilities including non-current provisions	12,154	9,013	9,772

Movements concern Maintenance revenue and reflect:

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

The majority of non-current deferred income at 31 December 2022 was transferred to current deferred income in 2023.

Provisions for retirement termination benefits total €8.0 million (see Note 5.3 b) and are recorded in Other provisions for contingencies and losses. Provisions for contingencies and losses of €1.9 million (see Note 10) and provisions for other long-term employee benefits in Italy of €0.9 million are also included in Other provisions for contingencies and losses.

7.5 Trade accounts payable

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Trade payables	3,590	2,606	2,245
Accrued expenses	7,723	8,664	8,654
Total trade accounts payables	11,313	11,271	10,899

7.6 Current deferred income

Accounting policies, judgements and estimates

Current deferred income, representing customer contract liabilities, is presented in Note 4.1. Movements reflect:

- the 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, the Group offset the following items in the balance sheet:

- deferred income concerning periods after 1 January following the reporting date (1 January 2024 for this period); and
- the corresponding trade receivables not settled at the reporting date (31 December 2023).

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Customer contract liabilities	49,060	55,628	55,826
Total current customer contract liabilities	49,060	55,628	55,826

The majority of customer contract liabilities at 31 December 2022 were recognised in revenue in 2023.

Deferred Maintenance income decreased €5.4 million in one year. This contraction is due to contract attrition as part of the transformation of the business model. The foreign exchange impact is not material in 2023.

Deferred Subscription income decreased €1.2 million between 2022 and 2023. This decrease is consistent with the growth in Subscription activities ("Axway Managed").

7.7 Other current liabilities

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Amounts payable on non-current assets	—	—	125
Advances and payments on account received for orders	759	101	85
Employee-related liabilities	36,493	34,314	24,945
Tax-related liabilities	9,975	7,511	6,313
Income tax	2,180	968	1,151
Other liabilities	6,011	4,678	2,525
Total other current liabilities	55,418	47,573	35,145

The increase in employee-related liabilities is due to the increase in provisions for bonuses and commission in respect of material contracts signed at the year end. Other liabilities include a provision for tax risk in Brazil of €2.9 million.

Note 8 Property, plant and equipment, and intangible assets

8.1 Goodwill

Accounting policies, judgements and estimates

Goodwill

For each business combination, the Group may elect to recognise under balance sheet assets:

- either partial goodwill (corresponding only to its percentage ownership interest);
- or full goodwill (also including the goodwill corresponding to non-controlling interests).

This choice is made individually for each acquisition. The business combination method is presented in Note 8.1.2.

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss, after having verified that all assets and liabilities were correctly identified.

Goodwill is allocated to a single cash-generating unit for the purpose of impairment testing under the conditions detailed in Note 8.2.2. Tests are performed whenever there is an indication of impairment loss and systematically at the reporting date (31 December).

Business combinations

The Group applies IFRS 3 (revised) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that does not constitute a business combination is recognised in accordance with the standards applicable to these assets (IAS 38, IAS 16 and IFRS 9).

Since IFRS 3, revised, entered into mandatory effect on 1 January 2010, the Group applies the following principles:

- transaction costs are immediately expensed under Other operating expenses when they are incurred;
- for each business combination, the Group determines whether to opt for recognition of “full goodwill”, i.e. including the share of goodwill attributable to non-controlling interests at the acquisition date (measured at fair value), or “partial goodwill”, which amounts to measuring the share of goodwill attributable to non-controlling interests in proportion to those interests’ share in the fair value of the identifiable net assets acquired;
- any potential price adjustment is estimated at its fair value on the acquisition date. This initial measurement can be adjusted subsequently through goodwill only where there is new information relating to circumstances existing at the acquisition date, and the new measurement is made during the measurement period (12 months). Any adjustment to the financial liability recognised after the measurement period in respect of earn-outs, where it does not meet these criteria, is recognised through Group comprehensive income.

All business combinations are recognised by applying the acquisition method, which consists of:

- measuring and recognising at fair value at the acquisition date the identifiable assets acquired and liabilities assumed. The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- measuring and recognising at the acquisition date the difference referred to as “goodwill” between:
 - the sum of the purchase price for the company acquired plus the amount of any non-controlling interests in that entity, and
 - the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group effectively obtains control of the company acquired.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of components of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any components serving as consideration for any transaction separate from the attainment of control.

If the initial accounting of a business combination can only be determined provisionally before the end of the reporting period in which the combination was performed, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values following completion of initial accounting within 12 months of the acquisition date.

8.1.1 Changes in goodwill

The principal movements in 2022 and 2023 were as follows:

<i>(in thousands of euros)</i>	Gross value	Impairment	Net
31 December 2021	356,940	8,613	348,326
Acquisitions	12,431	—	12,431
Disposal of Syncplicity	-77,269	—	-77,269
Translation adjustments	14,163	-140	14,303
31 December 2022	306,265	8,473	297,792
Acquisition of Advalvas and Cycom	10,490	—	10,490
Disposals	—	—	—
Translation adjustments	-6,156	4	-6,160
31 December 2023	310,599	8,477	302,122

8.1.2 Determining goodwill for business combinations

AdValvas - On 15 March 2023, Axway Software acquired the entire share capital of AdValvas Europe NV in Belgium.

Pursuant to IFRS 3, goodwill arising on the acquisition of AdValvas will become definitive at the end of the allocation period on 15 March 2024.

Provisional goodwill breaks down as follows:

<i>(in thousands of euros)</i>	At 31/12/2023
Purchase price	6,232
Present value of earn-outs	
Acquisition cost	6,232
Net assets acquired, excluding existing goodwill	441
Intangible assets allocated, net of deferred tax	
Goodwill (Advalvas)	5,791

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

The Group has not allocated a value to AdValvas technology at 31 December 2023. It will be valued by 15 March 2024 at the latest.

AdValvas provisional net assets are as follows:

<i>(in thousands of euros)</i>	Carrying amount in the seller's accounts	Restatements	Fair value
Intangible assets	26	—	26
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	—	62	62
Current liabilities	-203	—	-203
Net assets acquired	444	-3	441

Cycom Finances - On 19 October 2023, Axway Software acquired the entire share capital of Cycom Finances in France.

Pursuant to IFRS 3, goodwill arising on the acquisition of Cycom Finances will become definitive at the end of the allocation period on 19 October 2024.

Provisional goodwill breaks down as follows:

<i>(in thousands of euros)</i>	At 31/12/2023
Purchase price	4,264
Present value of earn-outs	
Acquisition cost	4,264
Net assets acquired, excluding existing goodwill	-435
Intangible assets allocated, net of deferred tax	
Goodwill (Cycom Finances)	4,699

A consideration of €6.8 million was paid for this transaction. At the same time, the company's consulting business (Cycom Conseils) was immediately sold to KPMG for €2.5 million. The Cycom acquisition cost adopted by the Group is therefore €4.3 million.

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

The Group has not allocated a value to Cycom Finances technology at 31 December 2023. It will be valued by 19 October 2024 at the latest.

Cycom Finances provisional net assets are as follows:

<i>(in thousands of euros)</i>	Carrying amount in the seller's accounts	Restatements	Fair value
Intangible assets	3,270	-3,270	–
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	–	–	–
Current liabilities	-792	–	-792
Non-current liabilities	-715	–	-715
Net assets acquired	5,335	-5,770	-435

The Group completed the rationalisation of its product portfolio in 2022. The Syncplicity activity was sold in October 2022. Goodwill relating to this activity was therefore removed from balance sheet assets through the recognition of an operating expense of €77.3 million.

8.1.3 Translation adjustments

Changes in exchange rates on goodwill relate mainly to fluctuations in the euro against the following currencies:

<i>Change euro/currency (in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
USD	-6,194	15,813	18,459
SEK	41	-1,510	-415
Other currencies	-7	-0	-23
TOTAL	-6,160	14,303	18,020

8.2 Impairment tests

Accounting policies, judgements and estimates

Cash-generating units

Under IAS 36, Impairment of assets, an impairment test must be conducted at each reporting date where there is indication of impairment of an asset. Where there is such an indication, the entity must estimate the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, an entity must also:

- test annually intangible assets with indefinite useful lives;
- test annually the impairment of goodwill acquired in a business combination.

In practice, impairment testing is most relevant to goodwill, which comprises the main portion of Axway Software's consolidated balance sheet non-current assets.

Impairment testing is performed at the level of the cash generating unit (CGU) to which assets are allocated. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Axway Group delivers IT solutions enabling the automatic management of data exchange within and outside companies.

Axway has developed partly by external growth in recent years. The main acquisitions are presented in Chapter 1.1, Axway's history

All of the products developed, whether internally through research and development or resulting from acquisitions are integrated in a common technical platform.

The Axway Group has therefore developed a catalogue of largely independent products through acquisitions and investment in research and development. Purchased products were developed and integrated with other purchased products or products developed internally.

Axway products do not target a specific market. There is no active market for each Group asset. All Group assets target all Group customers wherever they are located. Our customers are often international groups who purchase Axway products for all their subsidiaries.

In view of the global nature of products and markets, a breakdown by country of the contribution to Axway Group's results would not be meaningful. Cash inflows from business in different countries are not therefore considered to be separate from cash inflows generated by the activities of other countries. Axway as a whole is therefore considered as the smallest grouping of assets that generates broadly independent cash inflows. Since Axway operates as a global software developer on a global market, the Group is treated as a single cash-generating unit for the purposes of impairment testing.

Axway has chosen to operate as a global software developer whose main markets are the USA and Europe. We are positioned in a highly integrated business sector: the development and marketing of a suite of infrastructure software enabling data exchange within and outside companies. Our sales teams are organised by country, region, vertical, programme or expertise within or outside a country's traditional borders. Our Marketing Department is responsible for strategic management and the go-to-market for all of Axway, supporting marketing campaigns conducted at both global and local level. The product development teams and the customer support teams are located across nine countries, with each team responsible for several products. Our intellectual property, both purchased and developed, is constantly integrated into new product offerings or the unified platforms. We do not therefore monitor any separate cash-generating units, other than at consolidated level. The Group is therefore treated as a single cash-generating unit for the purposes of impairment testing.

Methods for measuring value-in-use

In accordance with IAS 36, where the carrying amount of a cash-generating unit to which goodwill has been allocated is tested for impairment and exceeds its fair value less costs to sell (or where it is not possible to determine the fair value less costs to sell), the carrying amount of the CGU is compared to its value-in-use.

The value-in-use is determined by discounting future cash flows (DCF method).

In order to reflect, over an appropriate period, the impacts of the transformation of our economic model, from a model based on the sale of licenses to a Subscription model, a five-year business plan was drafted. A declining growth rate was then applied progressively over the extrapolation period as authorised by IAS 36.33 (c). In this way, the perpetual growth rate is not immediately applicable after the five-year business plan. The perpetual growth rate is applied to the terminal value calculated based on the last year of the extrapolation period.

The discounted cash flow method is applied using forecast five-year business plans and trend assumptions for working capital and investment.

The terminal value of the CGU was calculated based on the last flows modelled, using two major financial parameters: the perpetual growth rate and the discount rate.

By discounting these cash flows we obtain the enterprise value. The equity value is then calculated by deducting debt and adding cash and cash equivalents.

Measurement of impairment losses

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to the income statement in Other operating income and expenses. Impairment losses on goodwill cannot be reversed.

Axway's fair value based on its market capitalisation at 31 December 2023 is €571 million (€560 million less 2% selling costs), which exceeds the value of consolidated equity.

Pursuant to IAS 36, Impairment of Assets, Axway's value in use need not necessarily be determined at 31 December 2023. Nonetheless, in accordance with AMF recommendations and to further strengthen its transparency, Axway determined its value in use again at 31 December 2023.

Macro-economic conditions, with volatile inflation rates and higher interest rates, impact future cash flows. In addition, while the Axway share price has increased by 59% since 1 January 2023, the Group considers that the transformation of its business model to a Subscription-based model launched in 2018 automatically led to a reduction in cash flows generated in the initial implementation phase. The Group therefore considers that it is necessary to calculate the value in use using the discounted cash flow method at 31 December 2023.

The IAS 36 asset impairment test methodology described below was adapted to the level of risk. This methodology is based on the definition of a single scenario estimated by Management.

Test carried out

The business plans mainly comprise internal data defined by Axway management based on their knowledge of the markets where Axway operates and taking account of the economic outlook.

These assumptions are compared each year with actual performance. If actual Group performance differs significantly from performance forecast in the business plans, for better or worse, the business plan assumptions are revised for subsequent years.

2023 impairment tests are based on a five-year business plan (2024-2028), which is no longer followed by an extrapolation period. Impairment tests performed in 2018 covered a 10-year period (2019 to 2028), comprising a five-year business plan followed by a five-year extrapolation period. This extrapolation period is no longer included from 2023 tests.

In accordance with the Group methodology, detailed above, the 2023 impairment test on non-current assets grouped together in the Axway cash-generating unit, was performed in two stages:

- for years 1 to 5**, the scenario presented by Axway in its impairment tests is based on a business plan with a revenue mix progressively more favourable to Axway Managed over the medium term than Customer Managed. It is recalled that under the Axway Managed model revenue is recognised over the contract term, while under the Customer Managed model approximately 50% of revenue is recognised on contract signature and the remainder is spread over the contract term. Impairment tests were performed based on the following operating assumptions:
 - organic revenue growth of 2.0% per year;
 - gradual increase in Profit on operating activities, with a range of 20.0% to 22.0% over the period 2024 to 2028;
- from year 6**, cash flows are calculated by applying a perpetual growth rate of 1.83% to the last modelled flow in 2028. This rate reflects forecast long-term real economic growth, adjusted for forecast long-term inflation.

For fiscal year 2023, the value-in-use calculated according to the discounted cash flow method amounted to €660 million, with a discount rate of 9.95% and a perpetual growth rate of 1.83%.

- The discount rate reflects the uniform average of analysts' weighted average cost of capital components and intermediary approaches. It also includes IFRS 16 lease liabilities.
- The perpetual growth rate is equal to the uniform average of analysts' rates.

Value (in millions of euros)	Discount rate			
		9.45%	9.95%	10.45%
	1.43%	678	634	596
Perpetual growth rate	1.83%	707	660	618
	2.23%	739	688	642

The recoverable amount of Axway's CGU is therefore €660 million and corresponds to its value-in-use taking into account the net debt.

The carrying amount of the Axway CGU is the amount of its consolidated shareholders' equity at 31 December i.e. €346 million. Based on the above, the recoverable amount is higher than the carrying amount, and it was not therefore necessary to recognise any impairment of the goodwill and intangible assets allocated to the Axway cash-generating unit at 31 December 2023.

At 31 December 2023, the headroom is €313 million calculated as follows.

Value (in millions of euros)

Value of capital tested	346
Net debt	99
Capital employed tested	446
Value in use	759
Headroom	313

For fiscal year 2022, impairment testing led to the retention of goodwill values. The recoverable amount of Axway's CGU was €624 million. Market capitalisation less costs to sell was €353 million compared to consolidated shareholders' equity of €328 million.

Impairment testing carried out at the end of 2021, 2022 and 2023 did not lead to the recognition of an impairment loss.

Sensitivity tests on the discount rate

In addition to these sensitivity tests, the Group considers that a 6.35 point increase in the discount rate would be necessary for the recognition of the first euro of impairment.

8.3 Other intangible assets

Accounting policies, judgements and estimates

Assets purchased separately

Assets purchased separately comprise software packages recorded at purchase cost and amortised on a straight-line basis over one to ten years depending on their estimated useful lives.

Assets acquired as part of a business combination

These assets comprise software packages, customer bases, brands and distributor relations. They are recognised at fair value on the allocation of the purchase price of entities acquired in business combinations. These assets are amortised on a straight-line basis over 5 to 15 years, depending on their estimated useful lives.

Assets generated internally

In application of IAS 38, Intangible assets:

- all research expenses are recognised as charges in the year they are incurred;
- software package development costs are capitalised if the six following conditions are satisfied:
 - it must be technically feasible to complete development of the intangible asset so that it will be available for use or sale,
 - the Group must have the intention of completing development of the intangible asset and of using or selling it,
 - the Group must be able to use or sell the intangible asset,
 - the Group must be able to demonstrate that the intangible asset will generate probable future economic benefits,
 - the Group must provide adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
 - the Group must be able to measure reliably the expenditure attributable to the intangible asset during its development.

No development expenses for software packages are recognised under intangible assets if any one of the above conditions are not met.

In view of the specific nature of the software development business, the determining criteria is the technical feasibility of completing the product and the manner in which the asset will generate probable future economic benefits.

The risks and uncertainties inherent to software development do not allow the technical feasibility of a product to be demonstrated before a demo version that can be shown to a prospective customer is available. The differences between a demo version and the final version are generally minor, which means that the costs incurred in this development phase, which may be capitalised, are not significant.

Changes in intangible assets are presented below:

<i>(in thousands of euros)</i>	Customer base	Technologies	Brands	Other	TOTAL
Gross value					
31 December 2021	42,110	47,130	256	18,658	108,154
Translation adjustments	1,406	2,047	16	239	3,709
Acquisitions	-	-	-	124	124
Disposals	-4,748	-12,567	-	-	-17,315
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	3,524	-	-	3,524
31 December 2022	38,768	40,135	272	19,020	98,194
Translation adjustments	-559	-955	-9	-49	-1,572
Acquisitions	-	-	-	141	141
Disposals	-	-	-	-	-
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	-	-	212	212
31 December 2023	38,209	39,180	262	19,324	96,975
Depreciation					
31 December 2021	37,341	35,954	256	19,530	93,081
Translation adjustments	1,323	1,606	16	151	3,095
Charges	1,777	3,720	-	352	5,850
Reversal	-	-	-	-1	-1
Other movements	-3,659	-7,996	-	-860	-12,515
Changes in scope of consolidation	-	-	-	-	-
31 December 2022	36,782	33,284	272	19,173	89,510
Translation adjustments	-559	-769	-9	-87	-1,425
Charges	610	2,587	-	369	3,566
Reversal	-	-	-	-	-
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	-	-	187	187
31 December 2023	36,833	35,101	262	19,641	91,838
Net value					
31 December 2022	1,986	6,851	-	-153	8,684
31 December 2023	1,376	4,079	-	-317	5,137

This line item mainly includes intangible assets (customer bases, technologies, brands) allocated during the purchase price allocation process following business combinations. Amortisation of these allocated intangible assets is recorded in Profit from recurring operations.

In 2022, other movements reflected the sale of the Syncplicity and Mailgate activities and the discontinuation of the Streamdata technology (see Note 4.4).

Allocated intangible assets break down as follows:

	Residual periods of amortisation
Systar – Technologies (purchased in April 2014)	0.3
Systar – Customer base (purchased in April 2014)	2.3
Appcelerator – Technologies (purchased in January 2016)	1.1
DXchange – Technologies (purchased in June 2022)	8.5

No expenditure incurred in developing the Group's solutions and software packages was capitalised, either in 2023 or in previous years.

In 2023, research and development expenditure recognised in the income statement totalled €60.1 million, or 18.8% of revenue.

In 2022, research and development expenditure recognised in the income statement totalled €57.3 million, or 18.2% of revenue.

Note 9 Leases

Accounting policies, judgements and estimates

Leases are recognised in the balance sheet at the lease start date, which is the date at which the lessor makes the underlying asset available to the lessee. Leases lead to the recognition of a Lease right-of-use asset in balance sheet assets and a Lease liability in balance sheet liabilities.

The lease liability is equal to the present value of future minimum lease payments discounted over the lease term at either the implicit rate in the lease, or the incremental borrowing rate of the lessee. The contract term takes into account firm periods and any renewal or termination options that are reasonably certain to be exercised.

At the lease start date, the lease right-of-use asset is equal to the lease liability. This value is potentially corrected for any initial direct costs incurred to obtain the contract, payments in advance, advantages received from the lessor at that date and any costs that the lessee will be required to incur to dismantle and remove the underlying asset.

Future minimum lease payments include fixed lease payments, variable lease payments that depend on an index or a rate, residual value guarantees and the price of exercising a purchase option and termination or non-renewal penalties, where the Group reasonably expects to exercise or not exercise these options. Certain of these amounts may change during the course of the lease, resulting in an upward or downward revaluation of the lease liability and the right-of-use asset. The payments do not include any service components potentially included in the lease which continue to be expensed to income.

In the balance sheet, Lease liabilities are split between current and non-current liabilities. Lease right-of-use assets are depreciated on a straight-line basis over the lease term or the useful life of the underlying asset, if the lease transfers ownership of the asset to the lessee or if the lessee is reasonably certain to exercise a purchase option.

In the income statement, depreciation is included in Depreciation and amortisation, provisions and impairment under Profit on ordinary activities. The Net interest on the lease liability is presented separately in Other financial income and expense.

In the statement of cash flows, depreciation is included in Depreciation and amortisation, provisions and impairment under Net cash from (used in) operating activities. The change in the lease liability (lease payments made) and the Net interest on the lease liability are recorded under Net cash from (used in) financing activities.

Finally, by exception, short-term leases of a period of less than 12 months and leases of low value assets with an individual value of less than US\$5,000, are expensed directly to income and not therefore restated in the balance sheet. Similarly, variable lease payments based on use of the underlying asset or revenue generated by use of the underlying asset are expensed directly to income.

9.1 Lease right-of-use assets by category

<i>(in thousands of euros)</i>	Leased properties	Leased vehicles	Leased IT facilities	Total
Gross value				
31 December 2022	37,962	1,192	–	39,154
Change in scope of consolidation	168	75	–	244
Acquisitions	8,960	319	590	9,869
Disposals – assets scrapped	-7,904	-226	–	-8,130
Other movements	–	-21	–	-21
Translation adjustments	-417	–	–	-417
31 December 2023	38,770	1,339	590	40,699
Depreciation				
31 December 2022	-18,281	-733	–	-19,015
Change in scope of consolidation	-89	-24	–	-113
Charges	-5,381	-293	-49	-5,723
Disposals – assets scrapped	1,608	224	–	1,831
Other movements	–	21	–	21
Translation adjustments	121	-1	–	120
31 December 2023	-22,023	-806	-49	-22,878
Net value				
31 December 2022	19,681	459	–	20,139
31 December 2023	16,747	533	541	17,821

The Group has anticipated the lease expiry date of its offices at La Défense. The office right-of-use and the lease liability were decreased by €6.2 million and €8.4 million, respectively. This generated a net gain of €2.2 million recognised in Other operating income.

The Trinity Tower lease was recognised in accordance with IFRS 16 in 2023. Recognition was triggered by the advance availability of the premises on 1 September 2023 provided for contractually. The income statement impact is nonetheless limited as depreciation was only calculated in the final quarter.

9.2 Debt maturity of lease liabilities

<i>(in thousands of euros)</i>	Carrying amount	Current	Non- current	Breakdown of non-current liabilities				
				1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Lease liabilities	23,726	4,037	19,689	2,129	2,784	3,128	2,661	8,986

Note 10 Provisions

Accounting policies, judgements and estimates

A provision is recognised when an obligation exists with respect to a third party originating prior to the reporting date and when the loss or liability is probable and may be reliably estimated.

As provisions are estimated based on risks or future expenses, their amounts are uncertain and may be adjusted in future periods. Provisions are discounted if the impact of discounting is material.

In the specific case of restructurings, an obligation is recognised when the restructuring has been announced and a detailed plan prepared or implementation commenced. These costs essentially comprise severance payments, early retirement payments, the cost of notice periods not worked, the cost of training individuals prior to departure and other costs relating to site closures.

Non-current assets scrapped and impairments of inventory and other assets directly relating to restructuring measures are also recognised in restructuring costs.

10.1 Current and non-current provisions

<i>(in thousands of euros)</i>	01/01/2023	Change in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other movements	31/12/2023
Provisions for disputes	905	–	208	–	-125	–	988
Provisions for guarantees	140	–	–	–	-20	–	120
Other provisions for contingencies	109	–	–	–	–	261	370
Sub-total provisions for contingencies	1,154	–	208	–	-145	261	1,477
Tax provisions	–	–	2,858	–	–	21	2,879
Provisions for restructuring	435	–	918	-424	–	-12	917
Other provisions for losses	90	–	1,184	-11	–	–	1,264
Sub-total provisions for losses	525	–	4,960	-434	–	9	5,060
Total	1,679	–	5,168	-434	-145	270	6,538
Impact (net of expenses incurred)							
Profit from recurring operations			208		-145		
Operating profit			4,959		–		
Net financial income (expense)			1		–		
Income taxes			–		–		
Total			5,168		-145		

Provisions for disputes relate to labour arbitration proceedings and employee severance payments (€988 thousand at 31 December 2023).

Provisions for guarantees reflect an obligation to our customers in Germany to cover potential guarantee risks of €120 thousand.

Other provisions for contingencies cover costs relating to premises in Germany, France and the United States for €370 thousand.

Tax provisions cover risks relating to a sales tax in Brazil for €2,858 thousand.

Restructuring provisions total €917 thousand, including €159 thousand in Sweden and €758 thousand in the USA.

Other provisions for losses comprise seniority provisions in Germany for €79 thousand and the refurbishment of office premises in La Défense for €1,182 thousand.

10.2 Contingent liabilities

Accounting policies, judgements and estimates

To the extent that a loss or liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group in commitments given.

There are no contingent liabilities at 31 December 2023.

Note 11 Financing and management of financial risks

11.1 Cost of net financial debt

<i>(in thousands of euros)</i>	2023	2022	2021
Income from cash management	170	40	69
Interest expense	-4,122	-1,382	-560
Cost of net financial debt	-3,952	-1,342	-491
Net interest on lease liabilities	-672	-725	-811
Total cost of net financial debt	-4,624	-2,068	-1,302

In 2023, interest expenses primarily concern interest on the Revolving Credit Facility (RCF), as well as research tax credit financing costs of €720 thousand in 2023.

The discounting of the DXchange earn-out represented a financial expense of €399 thousand in 2023

11.2 Other financial income and expense

Accounting policies, judgements and estimates

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies.

Foreign exchange gains and losses relating to inter-company loans are considered an integral part of the Group's net investment in the foreign subsidiaries in question. These foreign exchange gains and losses are recorded as a separate component of equity under the heading Translation reserves in accordance with IAS 21.

<i>(in thousands of euros)</i>	2023	2022	2021
Foreign exchange gains and losses	940	1,891	643
Reversal of provisions	-2	-1	-2
Proceeds from disposals of financial assets	14	0	0
Other financial income	0	184	43
Total foreign exchange gains/losses and other financial income	952	2,074	685
Charges to provisions	1	-0	-0
Discounting of retirement benefit commitments	-370	-78	-90
Change in the value of derivatives	0	121	127
Other financial expenses	-744	-1,096	-181
Total other financial expense	-1,113	-1,053	-144
Total other financial income & expense	-161	1,021	541

A breakdown of the line item Discounting of retirement benefit commitments is presented in Note 5.3

11.3 Cash and cash equivalents

Accounting policies, judgements and estimates

Cash and cash equivalents comprise cash, bank demand deposits, other highly liquid investments with initial maturities not exceeding three months and bank overdrafts. Bank overdrafts are included in Financial debt – short-term portion.

In accordance with IAS 7, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

UCITS classified by the AMF (French Financial Markets Authority) as “monetary” and “short-term monetary” are presumed to satisfy the four key criteria already mentioned. Eligibility of the other cash UCITS as “cash equivalents” has not been presumed: an analysis of compliance with the four criteria cited is required.

Cash equivalents are recognised at fair value; changes in fair value are recognised in the income statement in Other financial Income and expense.

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), investment securities that meet the definition of cash equivalents, bills of exchange presented for collection and due before the reporting date and temporary bank overdrafts.

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Cash	16,686	18,325	25,355
Cash and cash equivalents	16,682	18,321	25,355
Bank overdrafts	-153	-14	-153
Total	16,530	18,308	25,202

Cash and cash equivalents (excluding bank overdrafts) of €16.5 million at 31 December 2023 are held €2.6 million by the parent company, €5.0 million by Axway Inc. in the United States and €9.1 million by the other subsidiaries.

Among the other subsidiaries, entities in Brazil and China hold cash of €0.7 million and €0.1 million respectively at 31 December 2023. A withholding tax would be applied were these funds to be repatriated, either in the form of payments between Group companies or dividends.

11.4 Financial debt – Net debt

Accounting policies

Financial debt essentially comprises:

- bank borrowings: bank borrowings are initially recognised at fair value net of transaction costs and subsequently recognised at amortised cost; any difference between the principal amount borrowed (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the borrowings using the effective interest rate method;
- bank overdrafts;
- other various financial debt;

these mainly concern earn-out clauses representing a change in the initial acquisition price of a company;

The portion of financial debt due within 12 months from the reporting date is classified in current liabilities.

<i>(in thousands of euros)</i>	Current	Non- current	31/12/2023	31/12/2022	31/12/2021
Bank borrowings	4,232	82,611	86,843	82,627	61,731
Other financial debt	-79	5,384	5,306	5,179	-70
Bank overdrafts	124	–	124	–	153
Financial debt	4,278	87,995	92,273	87,806	61,815
Cash and cash equivalents	-16,682	–	-16,682	-18,321	-25,355
Net debt	-12,405	87,995	75,590	69,485	36,459

Reconciliation with the cash flow statement

Opening bank borrowings	82,627	61,731	40,217
Cash flow movements			
• Proceeds from borrowings	22,182	32,820	60,000
• Repayment of borrowings	-18,749	-12,109	-38,457
Non-cash movements	783	185	-29
Closing bank borrowings	86,843	82,627	61,731

At 31 December 2023, bank borrowings total € 86.8 million and draw-downs on the Revolving Credit Facility (RCF) total €86.0 million. In addition, the Group recognised a debt of €4.8 million in respect of the variable earn-out payable to the seller of DXchange in India.

Comments on the RCF

At 31 December 2023, €39 million (31 %) of the €125 million RCF was available.

In 2023, two further draw-downs were performed on the RCF for a total of €22 million. The US\$18 million draw-down was repaid.

In 2022, three further drawdowns were performed on the RCF. Two draw-downs denominated in euros totalling €15 million and one draw-down in US dollars of US\$18 million. In addition, €10 million was repaid in 2022.

Comments on other bank borrowings

The €5 million loan from BPI France, contracted in July 2016, was repaid in line with its seven-year repayment schedule. It is not subject to any financial covenants. The Group repaid €0.7 million in 2023 and outstanding capital at 31 December 2023 was nil.

At 31 December 2023, Axway also sold €4.2 million of its "CIR" research tax credits to Crédit Agricole. This assignment of receivables was deconsolidated (see Note 7.3).

Comments on other financial debt relating to the earn-out

The Group recognised a debt of €4.8 million in respect of the variable earn-out payable to the former shareholders of DXchange in India. This earn-out was valued based on a 5-year progressive business plan for the DXchange technology covering the period 2023 to 2027. This earn-out may therefore vary upwards or downwards depending on actual revenue generated by the purchased technology. The earn-out will be paid progressively over the period 2024 to 2028. Future amounts were discounted at a rate of 9.0% at the acquisition date.

This earn-out was revalued by +€0.4 million to take account of the effect of discounting at 31 December 2023.

11.5 Bank covenants

Revolving Credit Facility (RCF)

Axway Software has a multi-currency Revolving Credit Facility (RCF) contracted with six banks.

This 5-year €125 million bullet financing seeks to increase Axway's financial flexibility while guaranteeing its capacity to finance an external growth strategy.

This RCF agreement was initially signed in July 2014. It was followed on 30 January 2019 by an "Amendments and maturity extension" agreement reducing the margin scale and relaxing the financial covenants, after approval by the Board of Directors on 25 October 2018. The initial maturity of July 2021 was extended to January 2024 and then to January 2026. The renegotiation of the agreement in 2022 enabled a further extension of the maturity to April 2027.

This financing offers the Group increased flexibility for acquisitions of less than €50 million, with no prior documentation now required. In addition, the most recent renegotiation in 2022 provides Axway with more leeway with regards to limits on dividend distributions.

The Revolving Credit Facility (RCF) retains a central role in the Axway Group's strategy for financing future acquisitions. It is an extremely flexible financing tool, enabling dynamic cash management.

During the drawdown period, interest is payable at Euribor plus a spread adjusted every six months to reflect the change in the Net debt/EBITDA ratio. Net debt for the purpose of this ratio does not include employee profit-sharing liabilities or debt resulting from the application of IFRS 16 applicable since 2019.

These lines are subject to a use and non-use fee.

Note that from application of the new 2022 loan agreement, the Group must comply with two bank covenants, compared to three previously.

Bank covenants and financial ratios at 31 December 2023

<i>(in thousands of euros)</i>	2023	2022	2021	
Net debt	75,590	69,485	36,459	
EBITDA	63,362	49,897	35,829	
Ratio R1: <u>Net debt</u> EBITDA	1.19	1.39	1.02	R1 < 3
Net debt	75,590	69,485	36,459	
Equity	349,872	334,904	378,856	
Ratio R3: <u>Net debt</u> Equity	0.22	0.21	0.10	R3 < 1

Bank covenants must be tested before 30 April 2024 at the latest. Relevant debt outstandings total €86.0 million and no objective items suggest that the Group will be unable to comply with the covenants.

The two financial ratios which must be met under the covenants are:

- "net debt/EBITDA" ratio must be below 3.0 throughout the term of the loan;
- "net debt/shareholders' equity" ratio must be below 1.0 throughout the term of the loan.

At 31 December 2023, the two financial ratios are met under the covenants.

11.6 Financial instruments recorded in the balance sheet

Accounting policies

Derivatives are initially recognised at fair value on the date of signing the contract. They are later revalued at their fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates a number of derivatives such as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet or of firm forward commitments (fair value hedge); or
- hedges of a specific risk associated with an asset or liability recognised or a future, highly probable transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The fair value of a hedging derivative instrument is classified as:

- a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; and
- a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Changes in the fair value of derivative instruments that qualify for hedge accounting impact shareholders' equity.

Derivatives held for trading purposes are classified as current assets or liabilities if settled within a year of the reporting date, otherwise they are classified under non-current assets or liabilities. The Group also classifies derivatives as speculative instruments when they cannot qualify as designated and effective hedging instruments within the meaning of IFRS 9. The changes in their fair value are recorded in the income statement in Other financial income and expense.

a. At 31 December 2023

	31/12/2023		Breakdown by class of derivative instrument						
	Carrying amount	Fair value	Assets and liabilities at fair value through profit and loss	Available-for-sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	IFRS 16 lease liabilities	Derivatives at fair value through profit and loss	Derivatives at fair value through shareholders' equity
<i>(in thousands of euros)</i>									
Financial assets	13,098	13,098	–	–	13,098	–	–	–	–
Trade receivables	178,009	178,009	–	–	178,009	–	–	–	–
Other current receivables	16,039	16,039	–	–	16,039	–	–	–	–
Cash and cash equivalents	16,682	16,682	16,682	–	–	–	–	–	–
Financial assets	223,828	223,828	16,682	–	207,146	–	–	–	–
Financial debt – long-term portion	87,995	87,995	–	–	–	87,995	–	–	–
Lease liabilities – long-term portion	19,689	19,689	–	–	–	–	19,689	–	–
Other non-current liabilities	12,154	12,154	–	–	12,154	–	–	–	–
Financial debt – short-term portion	4,278	4,278	–	–	–	4,278	–	–	–
Lease liabilities – short-term portion	4,037	4,037	–	–	–	–	4,037	–	–
Trade accounts payable	11,313	11,313	–	–	11,313	–	–	–	–
Other current liabilities	55,418	55,418	–	–	55,418	–	–	–	–
Financial liabilities	194,883	194,883	–	–	78,885	92,273	23,726	–	–

The fair value of trade receivables, other current receivables, trade accounts payable and other current liabilities is the same as the carrying amount, owing to their very short settlement periods.

b. At 31 December 2022

	31/12/2022		Breakdown by class of derivative instrument						
	Carrying amount	Fair value	Assets and liabilities at fair value through profit and loss	Available-for-sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	IFRS 16 lease liabilities	Derivatives at fair value through profit and loss	Derivatives at fair value through shareholders' equity
<i>(in thousands of euros)</i>									
Financial assets	11,810	11,810	–	–	11,810	–	–	–	–
Trade receivables	148,149	148,149	–	–	148,149	–	–	–	–
Other current receivables	14,955	14,955	–	–	14,955	–	–	–	–
Cash and cash equivalents	18,321	18,321	18,321	–	–	–	–	–	–
Financial assets	193,235	193,235	18,321	–	174,914	–	–	–	–
Financial debt – long-term portion	84,594	84,594	–	–	–	84,594	–	–	–
Lease liabilities – long-term portion	23,468	23,468	–	–	–	–	23,468	–	–
Other non-current liabilities	9,013	9,013	–	–	9,013	–	–	–	–
Financial debt – short-term portion	3,213	3,213	–	–	–	3,213	–	–	–
Lease liabilities – short-term portion	5,774	5,774	–	–	–	–	5,774	–	–
Trade accounts payable	11,271	11,271	–	–	11,271	–	–	–	–
Other current liabilities	47,612	47,612	–	–	47,573	–	–	–	–
Financial liabilities	184,944	184,944	–	–	67,856	87,806	29,243	–	–

11.7 Management of financial risks

11.7.1 Credit risk

Credit risks are detailed in Note 7.2, Trade receivables, in the paragraphs “Maturity of trade receivables” and “Changes in provision for doubtful receivables”.

11.7.2 Liquidity risk

According to the definition given by the French Financial Markets Authority (AMF), liquidity risk arises when assets have a longer term than liabilities. This can result in an inability to repay short-term debt if the Company is unable to sell the asset in question or obtain bank credit lines.

The following table shows the non-discounted contractual cash flows of consolidated net debt at 31 December 2023:

<i>(in thousands of euros)</i>	Carrying amount	Total contractual flows	Less than a year					
				1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank borrowings	86,843	100,728	4,413	4,402	4,402	87,489	22	–
Other financial debt	5,306	8,239	29	784	899	2,271	4,256	–
Bank overdrafts	124	124	124	–	–	–	–	–
Financial debt	92,273	109,091	4,566	5,186	5,301	89,760	4,278	–
Cash and cash equivalents	-16,682	-16,682	-16,682	–	–	–	–	–
CONSOLIDATED NET DEBT	75,590	92,409	-12,116	5,186	5,301	89,760	4,278	–

11.7.3 Market risks

a. Interest rate risk

The Group Finance Department, in liaison with partner banking institutions, manages interest rate risk.

Hedging of borrowings

No hedges were entered into in 2021, 2022 or 2023.

Summary of exposure to interest rate risk

The table below shows the Group's exposure to interest rate risk based on commitments at 31 December 2023:

At 31 December 2023	Interest rate	31/12/2023	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Cash and cash equivalents	Fixed rate	16,682	16,682	-	-	-	-	-
	Floating rate	-	-	-	-	-	-	-
Financial assets	Fixed rate	16,682	16,682	-	-	-	-	-
	Floating rate	-	-	-	-	-	-	-
Bank borrowings	Fixed rate	-843	-371	-261	-150	-40	-21	-
	Floating rate	-86,000	-4,233	-4,014	-3,817	-73,936	-	-
Other financial debt	Fixed rate	-587	-	-587	-	-	-	-
	Floating rate	-4,718	79	-153	-639	-1,476	-2,529	-
Bank overdrafts	Fixed rate	-	-	-	-	-	-	-
	Floating rate	-124	-124	-	-	-	-	-
Financial liabilities	Fixed rate	-1,431	-371	-848	-150	-40	-21	-
	Floating rate	-90,842	-4,278	-4,167	-4,456	-75,412	-2,529	-
Net position before hedging	Fixed rate	15,251	16,311	-848	-150	-40	-21	-
	Floating rate	-90,842	-4,278	-4,167	-4,456	-75,412	-2,529	-
Net exposure after hedging	Fixed rate	15,251	16,311	-848	-150	-40	-21	-
	Floating rate with cap and floor	-	-	-	-	-	-	-
	Floating rate	-90,842	-4,278	-4,167	-4,456	-75,412	-2,529	-

b. Foreign exchange risk

Foreign exchange risk arises mainly from the currency translation of financial statements of companies based in the USA, Brazil, the UK and Sweden. No specific hedges have been arranged for this type of risk.

The exposure to risk arising from trade transactions is limited, as entities mainly carry out business in their own country and currency.

Furthermore, as part of its inter-company transactions, the Group is exposed to the risk of currency fluctuations in respect of:

- the invoicing of services provided by a centre located in Romania. The impact of these currency fluctuations on profit or loss is in principle negligible in view of the regularity of settlements;
- the invoicing of license fees by the Group to subsidiaries operating in a functional currency other than the euro;
- borrowings and loans in foreign currencies related to inter-company financing. The impact of these currency fluctuations is taken to shareholders' equity. These financial flows are not systematically hedged.

At 31 December 2023, the net carrying amount of assets and liabilities recognised by Group entities in a currency other than their functional currency was as follows:

Inter-company commercial transactions

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	CHF	Other	TOTAL
Assets	2,359	2,142	9,234	1,816	1,911	47,839	108	1,989	67,398
Liabilities	425	569	10,454	1,839	228	37,129	269	83	50,996
Net position before hedging	1,934	1,573	-1,220	-23	1,684	10,710	-161	1,906	16,402
Net position after hedging	1,934	1,573	-1,220	-23	1,684	10,710	-161	1,906	16,402

Sensitivity analysis

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	CHF	Other	TOTAL
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	5%	-
Net impact on profit	97	79	-61	-1	84	535	-8	95	820
Impact on shareholders' equity	-	-	-	-	-	-	-	-	-

Current accounts

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	CHF	Other	TOTAL
Assets	-	8	1,659	1,649	-	57,377	288	-	60,981
Liabilities	1,106	-	-144	-	-4,412	31,259	-	2,253	30,061
Net position before hedging	-1,106	8	1,803	1,649	4,412	26,119	288	-2,253	30,920
Net position after hedging	-1,106	8	1,803	1,649	4,412	26,119	288	-2,253	30,920

Sensitivity analysis

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	CHF	Other	TOTAL
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	5%	—
Net impact on profit	—	—	—	—	—	—	—	—	—
Impact on shareholders' equity	-55	—	90	82	221	1,306	14	-113	1,546

c. Equity risk

The Group does not hold any shares for investment purposes or stakes in listed companies. The Group does not hold any shares for investment purposes or stakes in listed companies.

(in euros)	Number of treasury shares purchased	Average price	Total
Treasury shares purchased under the share buyback programmes authorised by General Meeting	Market-making agreement 19,247	23.74	456,875
	Treasury shares purchased to remunerate free share grant plans 641,297	19.80	12,694,989
Total at 31 December 2023	660,544	19.91	13,151,864
Shareholders' equity impact (see Consolidated statement of changes in equity)			-13,151,864
Number of treasury shares as a % of Axway share capital			3.05 %

All transactions in treasury shares are recognised directly in shareholders' equity.

Given the small number of treasury shares held (3.05% of the share capital), the Group is not exposed to any material equity risk. In addition, as the value of treasury shares is deducted from equity, movements in the share price do not impact the consolidated income statement.

Note 12 Cash flows

12.1 Change in net debt

(in thousands of euros)	31/12/2023	31/12/2022	31/12/2021
Net debt at 1 January (A)	69,485	36,459	24,046
Cash from operations after cost of net financial debt and tax	56,560	61,836	33,731
Cost of net financial debt	4,624	2,068	1,302
Income tax expense (including deferred tax)	6,951	-7,408	6,913
Cash from operations before cost of net financial debt and tax	68,135	56,496	41,946
Income taxes paid	-3,045	-2,559	-2,780
Changes in working capital requirements	-32,943	-40,978	-26,224
Net cash from operating activities	32,147	12,959	12,941
Change related to investing activity	-2,427	-2,318	-2,821
Lease payments	-7,203	-7,239	-6,680
Net interest paid	-3,725	-1,239	-590
Available net cash flow	18,792	2,163	2,850
Impact of changes in the scope of consolidation	-10,198	-13,694	—
Financial investments	-186	84	-81
Dividends	-8,402	-8,492	-8,623
Share capital increase for cash	—	—	2,026
Other changes	-5,915	-13,787	-9,248
Total net change during the year (B)	-5,909	-33,726	-13,077
Impact of changes in exchange rates	-196	700	664
Net debt at 31 December (A - B)	75,590	69,485	36,459

12.2 Reconciliation of WCR with the cash flow statement

The change in WCR represented a cash outflow of -€32.9 million in 2023 compared to -€41.0 million in 2022 and breaks down as follows:

- the increase in customer contract assets relating to the Customer Managed Subscription offer impacted WCR in the amount of -€28.8 million in 2023. The increase in new Customer Managed signatures automatically generates additional financing requirements that are not yet covered by recurring Customer Managed invoicing;
- the decrease in deferred income due to Maintenance contract attrition impacted WCR in the amount of -€1.0 million. This decrease is limited by the increase in Axway Managed Subscription contracts which generated deferred income.

In addition to the impact of the change in business model, we note:

- the level of collections, with trade receivables impacting WCR by -€4.3 million;
- the costs of obtaining contracts paid in advance (commission), impacting WCR by -€1.4 million;
- the -€3.3 million decrease in current liabilities, mainly due to the decrease in the provision for variable compensation.

To complete this analysis:

- an analysis of DSO is presented in Note 7.2, Trade receivables;
- an analysis of the derecognition of research tax credit receivables is presented in 7.3, Other current receivables.

(in thousands of euros)	2023	2022	Net change	Of which: Items not included in WCR	of which: WCR items	Change in WCR items without cash impact		Impact on Cash flow statement
						Foreign exchange	Other	
Non-current assets	10,309	9,669	640	-	640	-101	-	-741
Trade receivables and related accounts	185,801	148,149	37,652	-	37,652	-1,327	5,378	-33,602
- Trade receivables	73,727	64,302	9,426	-	9,426	-762	5,368	-4,819
- Customer contract assets	112,074	83,847	28,227	-	28,227	-565	10	-28,782
Other current receivables	32,331	30,642	1,689	-	-434	-97	3,017	1,232
Current assets	218,132	178,791	39,341	-	37,218	-1,424	8,395	-32,370
Total assets	228,441	188,460	39,980	-	37,858	-1,525	8,395	-33,110
Non-current liabilities	-2,212	-1,911	-300	-	-300	38	-1,999	-1,661
Trade payables	-11,313	-11,271	-42	-	-42	256	-174	124
Advances and payments on account received for orders	-759	-101	-658	-	-658	18	-18	658
Deferred income	-56,852	-55,628	-1,225	-	-1,225	943	-1,606	562
Other current liabilities	-47,854	-45,203	-2,651	25	-2,677	288	-1,821	485
Current liabilities	-116,778	-112,202	-4,576	25	-4,601	1,504	-3,619	1,829
Total liabilities	-118,989	-114,113	-4,876	25	-4,902	1,542	-5,618	168
Total WCR	109,451	74,347	35,104	25	32,956	17	2,777	-32,943

12.3 Other cash flows

Net cash from operating activities amounted to €32.1 million in 2023, with cash from operations before cost of net financial debt and tax of €68.1 million. The application of IFRS 16 had a favourable impact of €6.4 million on this line item.

Net cash used in investment activities of -€12.6 million mainly concern the acquisition of AdValvas in Belgium for €6.0 million and Cycom Finances in France for €4.2 million (net of the activity acquired by KPMG).

Net cash from (used in) financing activities totalled -€21.1 million. Three main flows explain this change:

- dividend payments for -€8.4 million;
- the share buyback programme for -€4.8 million;
- new bank borrowings for +€22.2 million and the repayment of borrowings for -€18.7 million.

In addition, the change in IFRS 16 lease liabilities represented a flow of €7.2 million.

Note 13 Equity and earnings per share

Changes in consolidated shareholders' equity are presented in Chapter 5.4, Statement of changes in consolidated shareholders' equity.

13.1 Changes in the share capital

At 31 December 2022, 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.

The Group did not issue any new shares in 2023.

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

13.2 Transactions in treasury shares

Accounting policies

All Axway shares held by the parent company or one of its subsidiaries are deducted from shareholders' equity at their acquisition cost.

At 31 December 2023, treasury shares with a value of €13.2 million, are deducted from consolidated equity. They consist of 660,544 shares:

- 19,247 shares held under the market-making agreement;
- 641,297 Axway shares purchased on the market for delivery as share-based payments (see Note 5.4). All these treasury shares will be granted to beneficiaries in 2024, 2025 and 2026.

13.3 Share subscription option plans

The option exercise period for the 2011 and 2013 grant plans expired on 18 November 2021.

13.4 Free share plans

An expense of €4.2 million was recorded in 2023 in respect of free share grant plans (see Note 5.4), including employer social security contributions of -€0.6 million. The expense excluding employer social security contributions was taken to Group equity in the amount of €3.6 million.

13.5 Capital reserves

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Share issue, merger and contribution premiums	113,380	113,380	113,380
Legal reserve	4,245	4,245	4,245
TOTAL	117,625	117,625	117,625

13.6 Dividends

The General Meeting of Axway Software held on 11 May 2023 to approve the 2022 financial statements approved a dividend of €0.40 per share, representing a total distribution of €8.4 million.

This dividend was paid on 5 June 2023.

Given Axway's planned acquisition of most of Sopra Banking Software's activities (see Note 16), Axway's Board of Directors will not propose a dividend in respect of 2023.

13.7 Translation reserves

In accordance with the principles disclosed in Note 1.5.2., translation reserves comprise translation gains and losses between the functional currencies of the Group entities and the presentation currency and the impact of net investment hedges of foreign operations. Movements are recognised in Other comprehensive income. These translation reserves are also impacted by divestments of foreign operations.

At 31 December 2023, translation reserves break down by currency as follows:

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
USD	36,698	43,247	26,470
SEK	-4,792	-4,842	-3,017
RON	-545	-504	-498
Other currencies	-317	257	757
TOTAL	31,044	38,158	23,712

13.8 Capital management objectives, policy and procedures

The Company's capital consists solely of the items disclosed in the balance sheet. There are no financial liabilities considered as components of capital and, conversely, there are no shareholders' equity components not considered to be part of the Company's capital.

The company is subject to a single external capital constraint concerning its net financial debt to equity ratio. Pursuant to the covenants stipulated in the syndication contract, this ratio must remain below 1 throughout the loan period (see Note 11.5).

The Group entered into a market-making agreement to ensure the liquidity of transactions and regular trading of its shares, and to avoid share price fluctuations that are not justified by market trends. The liquidity account enabling the intermediary to carry out transactions under the contract stands at €1.1 million.

Treasury shares are detailed in Note 13.2.

13.9 Earnings per share

Accounting policies

Earnings per share as stated in the income statement are calculated on the basis of Net income – attributable to owners of the Company, as follows :

a. Basic earnings per share

Basic earnings per share are based on the weighted-average number of shares outstanding during the fiscal year, calculated according to the dates when the funds arising from share issues for cash are received. For share issues for contributions-in-kind, it is calculated from the date on which the new companies are consolidated for the first time.

b. Diluted earnings per share

Diluted earnings per share are calculated by adjusting net income – attributable to owners of the Company and the weighted-average number of shares outstanding for the diluting effect of exercising share subscription option plans in force at the end of the fiscal year. The share buyback at market price method has been applied, based on the average share price throughout the year.

(in euros)	2023	2022	2021
Net income – attributable to owners of the Company	35,827,654	-40,044,593	9,602,221
Weighted average number of ordinary shares outstanding	21,633,597	21,633,597	21,525,209
Weighted average number of treasury shares	653,743	–	–
Weighted average number of ordinary shares outstanding	20,979,854	21,633,597	21,525,209
Basic earnings per share	1.71	-1.85	0.45

(in euros)	2023	2022	2021
Net income – attributable to owners of the Company	35,827,654	-40,044,593	9,602,221
Weighted average number of ordinary shares outstanding	20,979,854	21,633,597	21,525,209
Weighted average number of securities taken into account in respect of dilutive items	627,797	598,282	895,010
Weighted average number of shares taken into account to calculate diluted net earnings per share	21,607,651	22,231,879	22,420,219
Diluted earnings per share	1.66	-1.85	0.43

The only potentially dilutive instruments are the free shares granted under free performance share grant plans within the Axway scope (see Note 5.4.)

Only potentially dilutive ordinary shares are considered in the calculation of diluted earnings per share, excluding all shares with an accretive effect.

Note 14 Related-party transactions

14.1 Transactions with Sopra Steria Group, Sopra Steria Group affiliate companies and Sopra GMT

The tables below detail the transactions between the Axway Group and Sopra Steria Group SA, the companies of the Sopra Steria Group, and the GMT holding company.

(in thousands of euros)	31/12/2023	31/12/2022	31/12/2021
Transactions with Sopra Steria Group			
Sale of goods and services	1,089	2,051	2,927
Purchase of goods and services	-236	-90	-207
Operating receivables	432	480	1,145
Operating payables	–	53	-5,328
Transactions with Sopra Steria Group affiliates			
Sale of goods and services	2,457	3,310	2,895
Purchase of goods and services	-8,503	-8,331	-7,295
Operating receivables	1,462	2,832	1,241
Operating payables	-667	-1,368	-1,077
Transactions with Sopra GMT			
Purchase of goods and services	-964	-1,295	-1,018
Operating payables	-245	80	-291

Sub-contracting purchases from Sopra India totalled €8.1 million in 2023, up on 2022 (€7.3 million). Other purchases from Sopra Steria group entities are down €1.6 million.

14.2 Subsidiaries and equity investments

Transactions and balances between Axway Software and its subsidiaries were fully eliminated on consolidation. All subsidiaries are fully consolidated.

14.3 Relationships with other related parties

There are no relationships with other related parties to be taken into consideration.

Note 15 Off-balance sheet commitments

15.1 Contractual obligations given

The Group leases some of its IT facilities, office fixtures and fittings and premises under operating lease contracts. The rental charges for the above totalled €5.6 million in 2023, €9.9 million in 2022 and €8.5 million in 2021.

At 31 December 2023, future minimum annual payments under non-cancellable leases not included in the valuation of IFRS 16 lease liabilities were as follows:

<i>(in thousands of euros)</i>	Operating leases
2024	1,525
2025	578
2026	458
2027	183
2028	354
2029 and beyond	2,205
Total minimum future lease payments	5,304

15.2 Commitments given related to recurring operations

<i>(in thousands of euros)</i>	Commitment per period			31/12/2023	31/12/2022	31/12/2021
	Less than a year	From 1 to 5 years	More than 5 years			
Bank guarantees/deposits on leased premises	62	—	564	626	287	328
Bank guarantees for completion bonds	—	108	—	108	110	107
Collateral, guarantees, mortgages and sureties	—	2,601	—	2,601	177	177
Severance pay for termination of CEO's duties	—	—	684	684	709	667
Total commitments given related to recurring operations	62	2,709	1,248	4,019	1,283	1,279

The Board of Directors' meeting of 20 February 2019 validated severance pay for termination of Patrick Donovan's duties, equal to one year's fixed and variable compensation totalling US\$756 thousand (€684 thousand euro equivalent at the exchange rate at 31 December 2023).

15.3 Commitments received – Covenants and Bank overdrafts

<i>(in thousands of euros)</i>	31/12/2023	31/12/2022	31/12/2021
Unused multi-currency revolving credit facility	39,000	43,124	65,000
Unused overdraft line	20,000	20,000	20,000
Total commitments recognised	59,000	63,124	85,000

Axway Software has a €125 million multi-currency revolving credit facility. €39.0 million of this facility was available at 31 December 2023 (see Note 11.4).

Commitments received include an unused overdraft line of €20 million held by Axway Software.

Two financial ratios must be met under the covenants associated with the revolving credit facility. These ratios are detailed in Note 11.5 on bank covenants.

At 31 December 2023, the Group complied with all the covenants and commitments contained in this contract including the following points:

- IFRS 16 impacts are excluded from these ratios;
- the net debt figure used in these calculations does not include employee profit-sharing liabilities;
- consolidated EBITDA is calculated as follows:

(in thousands of euros)

Profit on operating activities (Source URD – 5.1 Consolidated income statement)	62,813
Depreciation and amortisation, provisions and impairment (Source URD – 5.1 Consolidated income statement)	11,832
Net expense for post-employment and similar benefit obligations (provision for retirement commitments) (source URD – Note 5.1 Employee costs)	-129
Other operating income and expenses (Source URD – 5.1 Consolidated income statement)	-4,640
Other operating income and expenses, Consolidation capital loss on intangible assets (non-cash) (Source URD – 4.5 Other operating income and expenses)	0
Lease payments (IFRS 16 impact) (Source URD – 4.5 Other operating income and expenses)	-6,515
Consolidated EBITDA	63,362

15.4 Pledges, guarantees and surety

No pledge, guarantee or surety had been granted by Axway at 31 December 2023.

Note 16 Events after the reporting period

On 21 February 2024, Axway announced it had entered into exclusive discussions regarding the potential **acquisition of most of Sopra Banking Software (“SBS”)** activities, which are currently part of Sopra Steria Group.

This announcement was made in a press release entitled “Axway announces entering into exclusive discussions to acquire most of Sopra Banking Software activities” published on 21 February 2024.

The SBS activities concerned by the transaction generated revenue of around €340 million in 2023, representing around 80% of the subsidiary’s total revenue. **The combined entity would achieve revenue of around €650 million.**

Axway would acquire the SBS activities concerned by the transaction for an enterprise value of €330 million. This valuation is subject to confirmatory due diligence and will be reviewed by an independent expert (Cabinet Finexsi⁽¹⁾). Axway intends to finance the contemplated transaction through:

- a capital increase of approximately €130 million with preferential subscription right⁽²⁾,
- new debt facilities for €200 million.

Axway received a comfort letter from Société Générale and Groupe Crédit Agricole, two of its partner banks, in respect of these new debt facilities.

The objective is to **close the transactions before the end of the second quarter of 2024, or, at the latest, during the third quarter of 2024.**

⁽¹⁾ Subject to the right of objection of the Autorité des marchés financiers, as provided for in Article 261-1-1 of its General Regulations.

⁽²⁾ The subscription price per new Axway share will be determined at the time of launch of the rights issue, according to standard market practice, and will include a customary discount to the Theoretical Ex-Rights Price (TERP). Taking into account the discount to TERP, the subscription price will not be higher than €26.5

Note 17 List of consolidated companies at 31 December 2023

Company	Country	% control	% held	Consolidation method
Axway Software	France	—%	—%	Parent company
Axway Distribution France SAS	France	100%	100%	FC
Axway SAS	France	100%	100%	FC
Axway UK Ltd	United Kingdom	100%	99.998%	FC
Axway Ireland	Ireland	100%	100%	FC
Axway Nordic AB	Sweden	100%	100%	FC
Axway GmbH	Germany	100%	100%	FC
Axway BV	Netherlands	100%	100%	FC
Axway Belgium	Belgium	99.9%	99.9%	FC
Axway Srl	Italy	100%	100%	FC
Axway Software Iberia	Spain	100%	100%	FC
Axway Software do Brasil LTDA	Brazil	99.99%	99.99%	FC
Axway Romania Srl	Romania	100%	100%	FC
Axway Bulgaria EOOD	Bulgaria	100%	100%	FC
Axway Inc.	United States	100%	100%	FC
Axway Pte Ltd	Singapore	100%	100%	FC
Axway Software China	China	100%	100%	FC
Axway Ltd	Hong Kong	100%	100%	FC
Axway Pty Ltd	Australia	100%	100%	FC
Axway Switzerland	Switzerland	100%	100%	FC
Axway Software India Private Limited	India	100%	100%	FC
Dxvmt Technologies Private Limited	India	99%	99%	FC
AdValvas Europe N.V.	Belgium	100%	99.9%	FC

FC: Full Consolidation.

Note 18 Statutory Auditors' fees

Fees for Statutory Auditors and members of their networks

(in thousands of euros)	Mazars						Aca Nexia					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Statutory audit, certification and review of the individual company and consolidated financial statements												
• Issuer	175	198	147	35 %	39 %	33 %	140	155	132	62 %	73 %	70 %
• Fully consolidated subsidiaries	286	294	250	57 %	59 %	56 %	50	46	46	22 %	22 %	24 %
Sub-total	461	492	396	91 %	98 %	88 %	190	201	178	84 %	95 %	95 %
Non-audit services												
• Issuer*	45	10	44	9 %	2 %	10 %	31	10	10	14 %	5 %	5 %
• Fully consolidated subsidiaries	—	—	9	0 %	0 %	2 %	4.00	—	—	2 %	0 %	0 %
Sub-total	45	10	52	9 %	2 %	12 %	35	10	10	16 %	5 %	5 %
Total	505	502	448	100 %	100 %	100 %	225	211	188	100 %	100 %	100 %

* Including: the report on regulated agreements, the review of the Management report, the audit completion letter, the certificate on financial ratios, the Workday project and the review of implementation of EU Green Taxonomy regulations.

5.7 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2023

To the General Meeting of Axway Software,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Axway Software for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements Section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Revenue recognition for licenses and Customer Managed Subscription contracts

(Note 4.1.1 to the consolidated financial statements)

Risk identified

The Group's activity comprises several business lines including license sales and sales of Customer Managed Subscription contracts. At 31 December 2023, the Group's licensing revenue amounted to €8.8 million, representing 2.8% of consolidated revenue. Customer Managed Subscription revenue amounted to €186.6 million, representing 58.5% of consolidated revenue.

As a rule, licensing revenue is recognised immediately upon delivery, which is considered completed when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are non-material and not liable to call into question the customer's acceptance of goods supplied.

Sometimes, contracts comprising multiple components (license, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis. In this situation, the amount of revenue attributable to the license is equal to the difference between the total contract amount and the fair value of the other performance obligations.

Customer Managed Subscription contracts are a hybrid offer comprising three separate performance obligations: License, Maintenance and Subscription. The contract price must be allocated to each performance obligation and revenue is recognised in accordance with the method applicable to each obligation.

In this context, the audit risks concern in particular the correct separation of fiscal years and the rules and procedures for apportioning revenue to the different performance obligations.

Revenue recognition for these business lines is considered a key audit matter in view of their material significance in the Group's financial statements, and, in particular, their impact on operating profit.

Our response

Our audit approach is based on the assessment of the internal control procedures put in place by the Group in order to verify the measurement, comprehensiveness and proper separation of fiscal years for licensing revenue and Customer Managed Subscription, as well as substantive audit procedures.

Our work included the following, in particular:

- reviewing the design of internal control and testing the effectiveness of key controls in the revenue recognition policy;
- conducting substantive tests, by sampling or other selection methods, on the revenue from licensing contracts and Customer Management Subscription contracts signed during the fiscal year in order to verify the reality and measurement of revenue, and the correct separation of fiscal years.

In particular, we reconciled the recognised amount with the contract data, and verified the application of the procedure for apportioning the price of multiple-component contracts among the different performance obligations.

We examined the proof of delivery and the terms and procedures for payment.

We also assessed the appropriateness of the disclosures in Note 4.1.1 to the consolidated financial statements.

Measurement and impairment of goodwill

(Notes 8.1 and 8.2 to the consolidated financial statements)

Risk identified

For the purposes of its development, the Group has conducted targeted external growth operations entailing recognition of several goodwill items.

These goodwill items, corresponding to the difference between the price paid and the fair value of the assets acquired and liabilities assumed, are described in Note 8.1 to the consolidated financial statements. This goodwill is allocated to the sole cash generating unit (CGU) identified in the Axway Group, namely the Group itself.

Management ensures at each year-end, and whenever indication of an impairment loss is identified, that the net carrying amount of such goodwill, recognised in the balance sheet at €297.8 million at 31 December 2022, and at €302.1 million at 31 December 2023, is not greater than its recoverable amount.

A cash generating unit's recoverable amount is the higher of its fair value (generally market value) less costs to sell, and its value-in-use. The value-in-use is determined by discounting future cash flows. The impairment test procedure applied and details of the assumptions adopted are presented in Note 8.2. At 31 December 2023, the impairment test performed did not identify any impairment loss on the goodwill recognised.

The determination of the recoverable amount of goodwill, which is particularly material with regard to the balance sheet total, relies very largely on management judgement; this concerns in particular the definition of the cash generating units, the perpetual growth rate adopted for the cash flow forecasts and the discount rate applied. We therefore considered the measurement of goodwill and the implementation of impairment tests as a key audit matter.

Our response

Our work included the following, in particular:

examining the compliance of the methodology applied by the Group with current accounting standards and, in particular, ascertaining whether the allocation of the assets to the sole CGU identified is comprehensive;

- verifying that fair value less costs to sell is based on the closing share price;
- assessing the reasonableness of the assumptions used to determine future cash flows with regard to operating data and in light of the economic and financial context in which the Group operates;
- assessing, with the support of our valuation experts, the consistency of all components of the perpetual growth rate and discount rate;
- analysing the sensitivity of the value-in-use determined by management to changes in the main assumptions adopted.

Lastly, we verified the appropriateness of disclosures in Notes 8.1 and 8.2.

Recoverability of deferred tax assets in respect of tax loss carryforwards

(Note 6.4 to the consolidated financial statements)

Risk identified

At 31 December 2023, eligible tax losses carried forward amounted to €297.2 million. The Group recognised deferred tax assets in the balance sheet amounting to €36.9 million in respect of these tax loss carryforwards.

The Group recognises deferred tax using the balance sheet liability method based on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax base. 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.

We considered the recognition and assessment of the recoverability of these deferred tax assets to be a key audit matter, in view of their material amount in the Group financial statements and as the recoverable amount is determined based in particular on future profit forecasts, founded on assumptions, estimates and management assessments.

Our response

We obtained details of the deferred tax assets and taxable profit forecasts for Axway Software, Axway Inc. and Axway Ireland. On the basis of this information, we conducted the following procedures:

- we reviewed the calculations and assessed the reasonableness of the main estimates, particularly for the forecasts of future taxable profits;
- we analysed the consistency of the forecasts with the historic performance, transfer pricing policies and the assumptions used to determine the value-in-use of the sole CGU;
- we reviewed the various taxation rates used to determine the deferred tax assets, notably in France and the United States.

Lastly, we verified the appropriateness of disclosures in Note 6.4.

Specific verifications

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the Group management report. It is specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein, which should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Both Nexia S&A and Mazars were appointed Statutory Auditors of Axway Software by the General Meeting of 18 December 2000.

At 31 December 2023, Nexia S&A and Mazars had held office as auditors for 23 continuous years, of which 13 years since the Company's securities were admitted for trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris, 21 March 2024

The Statutory Auditors

Nexia S&A
Olivier Juramie
Partner

Mazars
Jérôme Neyret
Partner



Annual financial statements **AFR**

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6.1 Balance sheet

Assets (in thousands of euros)		2023	2022	2021
Intangible assets		49,512	43,599	46,643
Property, plant and equipment		2,749	4,191	5,002
Financial assets		268,955	286,677	285,587
Non-current assets	(note 6.3.2.1)	321,217	334,466	337,232
Trade receivables		130,517	84,218	77,184
Other receivables, prepayments and accrued income		25,392	15,910	20,700
Marketable securities and Cash and cash equivalents		15,289	13,445	18,848
Current assets	(note 6.3.2.2)	171,199	113,572	116,732
TOTAL ASSETS		492,416	448,039	453,964
Equity and liabilities (in thousands of euros)				
Share capital		43,267	43,267	43,267
Premiums		113,380	113,380	113,380
Reserves		66,923	75,577	84,230
Retained earnings		-18,866	-11,080	-3,399
Net profit (loss) for the year		-12,464	-8,038	-7,843
Tax-driven provisions		0	0	-
Equity	(note 6.3.2.3)	192,240	213,106	229,636
Provisions	(note 6.3.2.4)	23,918	20,765	37,163
Financial debt		139,761	131,156	109,203
Trade accounts payable		40,634	27,747	30,958
Tax and employee-related payables		23,887	21,815	16,373
Other liabilities, accruals and deferred income		71,975	33,449	30,631
Liabilities	(note 6.3.2.5)	276,257	214,168	187,165
TOTAL EQUITY AND LIABILITIES		492,416	448,039	453,964

6.2 Income Statement

(in thousands of euros)		2023	2022	2021
Net revenue	(note 6.3.3.1)	186,603	181,820	167,254
Other operating income		1,686	1,686	2,287
Operating income		189,770	183,506	169,541
Purchases consumed		83,301	84,159	76,515
Employee costs		65,659	63,529	61,764
Other operating expenses		34,163	34,676	33,812
Taxes and duties		2,628	2,884	2,888
Depreciation and amortisation, provisions and impairment		6,324	7,404	6,872
Operating expenses		192,075	192,652	181,850
Operating profit (loss)		-2,305	-9,146	-12,309
Financial income and expense	(note 6.3.3.3)	-1,160	10,863	4,082
Pre-tax profit (loss) on ordinary activities		-3,465	1,717	-8,227
Exceptional income and expense	(note 6.3.3.4)	-11,496	-14,341	-4,669
Employee profit-sharing and incentive schemes	(note 6.3.3.5)	-1,292	-958	-755
Income tax expense	(note 6.3.3.6)	3,790	5,545	5,807
Net profit (loss)		-12,464	-8,038	-7,843

6.3 Notes to the 2023 annual financial statements

6.3.1 Significant events, accounting policies and valuation rules

6.3.1.1 Significant events

Acquisition of Cycom Finances

On 18 October 2023, Axway Software acquired Cycom Finance for €6.8 million.

In early December, we notified completion of the comprehensive transfer of Cycom Finances' assets and liabilities to Axway in a legal announcements gazette. This comprehensive asset transfer took effect on 1 November 2023.

Relocation to Trinity Tower

Axway decided to adapt its working practices by proposing the introduction of a new "flex-office" system to its employees.

To this end, we decided to move out of our premises in W Tower on 31 March 2024 and to allocate the employees who previously occupied seven floors to a single open-space in our new premises in Trinity Tower. The lease was signed on 30 June 2023.

With a view to this relocation, a provision for the refurbishment of the W Tower premises was recognised for €1.2 million, together with an exceptional impairment of property, plant and equipment of €1.3 million.

Free share plan

Each year, Axway Software SA distributes free shares to employees subject either to a condition of presence or a condition of presence and performance conditions.

In March 2023, the LTI Beyond plan expired and the shares were delivered. An employee expense of €212 thousand was recognised in respect of these shares.

For the plans maturing in 2023 and beyond, it was decided last year to continue buying back shares on the stock market via CM-CIC; this mandate ended July 2023. The total cost of this transaction at 31 December 2023 is €28 million. As Axway Software SA cannot bear this cost alone, the subsidiaries will be rebilled based on the number of free shares granted to their employees, as was done in May 2023 for a total of €9 million.

A provision of €8.6 million was recorded for the purchase of treasury shares for distribution under the free share plans. Accrued income of €6.8 million was recognised between Axway Software and its subsidiaries at 31 December 2023.

6.3.1.2 Accounting policies and valuation rules

The annual financial statements were drawn up pursuant to French legal and regulatory provisions as defined in ANC Regulation no. 2020-05 of 24 July 2020 issued by the *Autorité des Normes Comptables* (French Accounting Standards Authority), updated for additional regulations issued at the date of preparation of the annual financial statements.

These principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods year-on-year;
- accruals basis;

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

Research & Development

All research expenses are recognised as charges in the year they are incurred.

Project development costs may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing development of the intangible asset so that it will be available for use or sale;
- the intention of completing development of the intangible asset and of using or selling it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

No software package development expenses have been recognised under intangible assets, as all of the above conditions have not been met.

In the same way as following the comprehensive transfer of Systar's assets and liabilities, the research and development expenses capitalised by Cycom Finance were transferred to Axway Software and continue to be amortised in accordance with the initial amortisation schedule.

Purchased software

Purchased software mainly corresponds to the asset contribution performed by Sopra group in 2001, the intellectual property rights for the Cyclone and Tumbleweed software purchased from Axway Inc. in 2010 and 2011 and for the LiveDashboard software purchased from Access UK in 2012, the Systar comprehensive asset transfer in 2015 and the Streamdata.io comprehensive asset transfer in 2019, as well as the transfer of DXchange Technologies Private Limited technology following the internal reorganisation of this company.

The contributed software was recognised at the net carrying amount recorded in Sopra group's financial statements at 31 December 2000. It is amortised on a straight-line basis over 3, 5 or 10 years and is fully amortised.

The Cyclone and Tumbleweed software was recognised at purchase cost, as calculated by an independent expert in the USA. The Cyclone software is amortised over six years for accounting purposes and one year for tax purposes. The Tumbleweed software was amortised over 12 years for accounting purposes and is amortised in full. The Mailgate technology held by Tumbleweed was sold on 16 September 2022.

The LiveDashboard software was amortised over 8 years for accounting purposes and is amortised in full.

The intellectual property contributed by Systar was amortised in full by the end of 2014 and the intellectual property contributed by Streamdata.io is amortised over 10 years for accounting purposes. Customer support for one of the technologies contributed by Streamdata ended on 31 May 2022.

The technology transferred from DXchange Technologies Private Limited is amortised for accounting purposes over nine years.

Business goodwill

The business goodwill comes from the partial contribution of assets from the EAI (Enterprise Application Integration) division as well as from the comprehensive asset transfer of Systar, Streamdata.io and Cycom Finances.

Business goodwill has an unlimited useful life and therefore is not amortised. If appropriate, impairment may be recognised. Amortisation applied prior to 1 January 2001 in the financial statements of Sopra group has been retained in balance sheet assets.

The Company performs impairment testing on its business goodwill at each year-end as it has an indefinite useful life. Impairment is recognised if the net carrying amount of the business goodwill is greater than its current value (higher of fair value and value in use).

Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at acquisition cost or the pre-transfer carrying amount.

Depreciation is calculated on a straight-line basis over the useful economic lives of each non-current asset category as follows:

Fixtures and fittings	5 to 10 years
Equipment and tooling	3 to 5 years
Furniture and office equipment	5 to 10 years

Equity investments

On initial recognition, equity investments are recognised at their acquisition or subscription price.

The carrying amount of equity investments corresponds to their value-in-use.

Impairment is recognised if the value-in-use of equity investments, which includes the net assets of subsidiaries and an analysis of the growth and profitability outlook, is lower than the carrying amount in the financial statements. The analysis of the growth outlook may involve an estimate based on discounted cash flows. In this case, cash flows are determined on the basis of available data and five-year forecasts. A perpetual growth rate of 1.8% is applied from the start of the sixth year. The cash flows resulting from these forecasts are then discounted using a rate of 10.2%.

Revenue

Services provided within the scope of the Group's software package operations include:

- the right of use under license of software packages;
- "Software as a service", "Axway managed" and "Customer managed" Subscription services;
- maintenance;
- ancillary services: installation, settings, adaptation, training.

a. In general, separate contracts are concluded with customers for licenses and maintenance on the one hand, and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- License revenue is recognised immediately on delivery, as license sale agreements constitute, in substance, a sale of rights. Delivery is considered to have taken place when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are insignificant and are not liable to challenge the customer's acceptance of goods supplied or services rendered;
- Maintenance revenue is recognised *pro rata temporis*, and is generally billed in advance;
- services revenue is generally recognised on a time spent basis and is recognised when the services are performed. Services are sometimes provided under fixed-price contracts, in which case they are recognised using the percentage-of-completion method described in paragraph e. below.

b. Services provided under a Software as a Service contract

The supplier transfers control of the service progressively to the customer and hence, recognises revenue progressively: "the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs".

c. Contracts comprising separate services (license, maintenance, ancillary services, etc.) may sometimes be negotiated on a fixed-price basis

In this situation, the contract transaction price is allocated to each service as follows: revenue attributable to the license is equal to the difference between the total contract amount and the fair value of its other services, i.e. maintenance and ancillary services. The fair value of the other components is determined when possible based on list prices applied in the case of a separate sale or alternatively, based on selling prices determined by management founded on best estimates. The residual amount attributed to the license is recognised at the time of delivery.

d. In fairly rare instances, ancillary services may be considered essential to the operation of a software package or the delivery of the Software as a Service solution.

This may arise on the sale of software packages for very complex projects, where completion may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Quality Department. It is accounted for using the percentage of completion method described in paragraph e. below.

Where preliminary work is performed that is considered essential to the implementation of the Software as a Service solution, the contract is considered as a whole and revenue is recognised progressively over the contract term as described in paragraph b. above.

e. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each reporting date:

- services rendered but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised in revenue and are recorded in the balance sheet under Trade receivables in Customer contract assets;
- services already billed but not yet entirely performed are deducted from invoiced revenue and recorded in the balance sheet under *Other current liabilities* in *Deferred income*.

f. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised based on a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

Trade receivables

Trade receivables are recognised using the methods specified above.

A separate estimate is carried out for each trade receivable at the end of the fiscal year and impairment is recognised in the event of a risk of non-recovery linked to collective proceedings. Doubtful receivables for which legal proceedings have not been instigated are covered by accrued credit notes.

Transactions in foreign currencies

Income and expense items denominated in foreign currencies are recognised at their euro-equivalent at the transaction date.

Receivables and liabilities denominated in foreign currencies existing at the reporting date are translated at the prevailing rate at this date. Translation gains or losses are recorded in the balance sheet under Translation adjustments.

A contingency provision is recorded to cover unrealised foreign exchange losses not offset.

Foreign currency cash accounts existing at the reporting date are translated at the prevailing rate at this date. The resulting translation gains or losses are recorded in profit or loss.

Foreign exchange gains and losses are recorded in Operating profit or Net financial income depending on the nature of the transactions generating the gains or losses.

Retirement benefits

Since 2004, Axway Software has provisioned its retirement benefits in accordance with the terms of the Syntec collective bargaining agreement regarding retirement and pensions.

Axway Software's obligation to its employees is determined on an actuarial basis, using the projected unit credit method: the employer's discounted obligation is recognised in proportion to the probable length of service of the employees, taking into account actuarial assumptions such as future compensation levels, life expectancy and employee turnover. We assumed a discount rate of 3.30%, a salary increase rate of 2.50% and an average five-year turnover rate of between 0 and 16.1% depending on the age bracket. Resignations are not taken into account. The male-female mortality table used for our forecasts is the INSEE 2018-2020 table. Other assumptions included retirement at the employee's initiative at 67 years of age and a social security contribution rate of 47%. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Axway Software uses the corridor method.

Amendment no. 1 of 31/03/2022 to Appendix 1 of Amendment no. 46 of the French National Collective Agreement for technical design and engineering offices, engineering consultants and consulting firms, modified the calculation method for retirement benefits. From now on, account must be taken of variable compensation provided for in the employment contract (bonuses, commission, holiday bonuses, 13 month salary).

The pension reform that entered into effect on 1 September 2023 led us to review the retirement age.

In previous years, we used an average retirement age of 65. We decided to increase this age to 67 to best reflect the implementation of this reform and the extension of the contribution period, the Touraine reform and the increasing age of our employees when they enter the workforce.

6.3.2 Notes to the balance sheet

6.3.2.1 Non-current assets

Intangible assets

<i>(in thousands of euros)</i>	Share capital increase costs	Research and development expenses	Concessions, patents, similar rights	Business goodwill	Systar customer base	Total
GROSS VALUE						
At 1 January 2023	50	32,055	51,575	38,830	5,667	128,177
Acquisitions	—	—	3,443	—	—	3,443
Cycom comprehensive asset transfer	—	15,739	—	1,429	—	17,168
Intangible assets under construction	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
At 31 December 2023	50	47,794	55,018	40,259	5,667	148,789
AMORTISATION						
At 1 January 2023	50	32,055	48,660	35	3,777	84,578
Charges	—	—	1,390	—	540	1,930
Cycom comprehensive asset transfer	—	12,768	—	—	—	12,768
Reversal	—	—	—	—	—	—
At 31 December 2023	50	44,824	50,050	35	4,317	99,276
NET VALUE						
At 1 January 2023	—	—	2,914	38,795	1,890	43,599
At 31 December 2023	—	2,970	4,968	40,224	1,350	49,512

Software development costs totalled €15,841 thousand in fiscal year 2023 and were expensed in full (see Note 1.2).

Intangible assets increased in 2023 following the comprehensive transfer of Cycom Finance's assets to Axway Software, with, in particular, recognition of business goodwill of €1.4 million and research and development expenses of €2.9 million. Acquisitions also include the purchase of DXchange Technologies intellectual property for €3.3 million.

Research and development expenses capitalised by Systar were transferred to Axway Software. They will continue to be amortised until extinguished, as will Cycom Finance research and development expenses.

Concessions, patents and similar rights consist mainly of software contributed by Sopra group in 2001 and acquired from Axway Inc. in 2010 and 2011 and Access UK in 2012, as well as assets forming part of the comprehensive transfer of Systar's assets in 2015 and Streamdata.io's assets in 2019.

Impairment testing of business goodwill shows value-in-use, calculated according to the cash flow method, greater than the net carrying amount. A discount rate of 10.2% and a perpetual growth rate of 1.8% were applied.

Tangible assets

<i>(in thousands of euros)</i>	Technical installations	Fittings and installations	Furniture and office equipment	Total
GROSS VALUE				
At 1 January 2023	11,820	3,454	1,205	16,480
Acquisitions	1,311	—	1	1,312
Capitalisation of Y-1 PP&E under construction	—	—	—	—
PP&E under construction	—	134	—	134
Assets scrapped	-5	-28	-68	-101
Disposals	—	—	—	—
At 31 December 2023	13,125	3,561	1,139	17,825
DEPRECIATION				
At 1 January 2023	9,527	2,013	749	12,289
Charges	1,139	1,317	428	2,884
Reversal	-4	-26	-68	—
At 31 December 2023	10,663	3,303	1,109	15,076
NET VALUE				
At 1 January 2023	2,293	1,442	456	4,191
At 31 December 2023	2,462	258	29	2,749

Purchases of technical installations consist solely of IT equipment.

Orders for furniture and fixtures and fittings for the Trinity Tower premises, for which invoices have been received and settled at 31 December 2023, are recorded in PP&E under construction. No depreciation has been calculated on these assets as they will not be commissioned until April 2024.

Financial assets

<i>(in thousands of euros)</i>	Equity investments	Receivables from equity investments	Loans and other non-current financial assets	Total
GROSS VALUE				
At 1 January 2023	256,916	50,221	2,177	309,314
Acquisitions/increase	12,221	99	816	13,136
Disposals/Decrease	-15,524	-14,799	-476	-30,799
At 31 December 2023	253,614	35,521	2,517	291,652
IMPAIRMENT				
At 1 January 2023	20,968	1,655	14	22,638
Charges	98	–	–	98
Reversal	–	-25	-14	-39
At 31 December 2023	21,066	1,630	–	22,697
NET VALUE				
At 1 January 2023	235,948	48,566	2,163	286,677
At 31 December 2023	232,548	33,891	2,517	268,955

Details concerning equity investments are provided in the "Subsidiaries and equity investments" table presented in Note 4.7.

a. Gross amounts

In 2023, movements in equity investments concern the partial removal of the investment in DXchange Technologies Private Limited for -€8.8 million and the creation of a new entity, Axway Software India Private Limited, holding a portion of the DXchange securities for +€5.5 million.

Equity investments also increased €6.8 million following the acquisition of Cycom Finance on 18 October 2023 and decreased in the same amount following the comprehensive asset transfer effective 1 November 2023.

The decrease in receivables from equity investments is mainly due to the decrease in receivables from our subsidiaries, Axway Inc. of -€12.9 million, Axway Ireland of -€0.8 million and Axway UK of -€0.7 million.

The increase in Loans and other non-current financial assets is due to an increase in Other long-term receivables of +€465 thousand, despite the -€226 thousand decrease in the balance on the market-making agreement with Kepler for

market-making in Axway Software SA shares. Deposits paid increased +€350 thousand, partly due to the €338 thousand deposit for the Trinity Tower and decreased €250 thousand following the repayment of the holdback on the €5 million BPI borrowing secured in 2016 which matured in 2023.

b. Impairment

An additional impairment of €98 thousand was recognised on DXchange Technologies Private Limited shares.

Following a decrease in the Axway Do Brasil current account at the end of 2023, the provision for impairment of receivables from equity investments was reversed in the amount of €25 thousand.

The €14 thousand reversal of the provision for impairment of loans and other non-current financial assets concerns the market-making agreement with Kepler Cheuvreux.

6.3.2.2 Current assets

Trade receivables

<i>(in thousands of euros)</i>	2023	2022	2021
Non-Group customers	27,386	29,380	25,490
Accrued income	91,507	48,818	46,620
Group customers	18,766	13,315	10,528
Doubtful receivables	72	72	72
Provision for doubtful receivables	-7,213	-7,367	-5,526
TOTAL	130,517	84,218	77,184

Trade receivables are recognised in assets at net value. Impairments concern Doubtful receivables and Axway Do Brasil receivables. Accrued income increased €42.7 million due to inter-company accrued income (+€41.8 million) and non-group accrued income (+€0.9 million).

Other receivables, prepayments and accrued income

<i>(in thousands of euros)</i>	2023	2022	2021
Income tax	4,390	5,545	6,295
Withholding tax	0	0	0
VAT	524	706	1,040
Other receivables	2,281	959	778
Prepaid expenses	6,241	5,802	5,492
Unrealised foreign exchange losses	4,958	2,899	7,096
TOTAL	25,392	15,910	20,700

Other receivables increased +€1.3 million, including +€652 thousand in down payments to suppliers and advance payments and +€263 thousand in inter-company credit notes receivable.

Research Tax Credit - transferred receivables

<i>(in thousands of euros)</i>	Nominal sold	Amount received	Commission	Year of sale	Date of repayment	Receivable extinguished	Stock at 31/12/2023
2020 research tax credit	7,960	7,834	126	2021	15/5/2024	non	7,960
2021 research tax credit	6,295	5,643	653	2022	15/5/2025	non	6,295
2022 research tax credit	4,945	4,225	720	2023	15/5/2026	non	5,545
TOTAL	19,200	17,701	1,499				19,800

Impairment of current assets

<i>(in thousands of euros)</i>	Amount at start of year	Charge	Reversal	Amount at end of year
Impairment of trade receivables	7,367	0	154	7,213
TOTAL	7,367	0	154	7,213

The reversal in the period concerned receivables from our subsidiary Axway China (€154 thousand). As this company is in the course of liquidation, a debt waiver was issued in 2023 covering all unpaid invoices.

6.3.2.3 Shareholder's equity

Share capital

At 31 December 2023, the share capital of Axway Software is €43,267,194, comprising 21,633,597 fully-paid up shares with a par value of €2 each.

The Company holds 41,497 shares under the market-making agreement.

Statement of changes in equity

<i>(in thousands of euros)</i>	Share capital	Issue Premiums	Legal reserve	Discretionary reserves	Net profit (loss) for the year	Tax-driven provisions	Retained earnings	Total
At 1 January 2023	43,267	113,380	4,245	71,332	-8,038	—	-11,080	213,106
Appropriation of 2022 earnings	—	—	—	—	8,038	—	-8,038	—
Share capital increase	—	—	—	—	—	—	—	—
Dividend payment	—	—	—	-8,653	—	—	251	-8,402
Amort. of intellectual property	—	—	—	—	—	—	—	—
Free share plan	—	—	—	—	—	—	—	—
Options exercised	—	—	—	—	—	—	—	—
Profit (loss) for the year	—	—	—	—	-12,464	—	—	-12,464
Position at 31/12/2023	43,267	113,380	4,245	62,678	-12,464	—	-18,866	192,240

No options were exercised in 2023.

Share subscription option plans

The option exercise period for the 2011 and 2013 grant plans expired on 18 November 2021. At 31 December 2021, there remained no options outstanding under these plans;

6.3.2.4 Provisions for contingencies and losses

	Amount at start of year	Charge	Charge Reversal (used provisions)	Reversal (unused provisions)	Amount at end of year
<i>(in thousands of euros)</i>					
Provisions for disputes	905	214	–	125	994
Provisions for foreign exchange losses	2,922	4,958	–	2,922	4,958
Provisions for retirement benefits	7,989	658	511	–	8,136
Provisions for restructuring	313	–	313	–	–
Tax provisions	–	–	–	–	–
Provision for stock options	8,635	8,648	8,635	–	8,648
Provision for refurbishment of premises	–	1,183	–	–	1,183
TOTAL	20,765	15,660	9,460	3,047	23,918

Provisions were recorded chiefly in relation to financial risks on retirement benefit commitments, foreign exchange losses, Human Resources disputes, as well as litigation related to the tax audit.

Axway Software provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement on retirement plans, as amended in 2004 pursuant to the retirement reform measures introduced by the Law of 21 August 2003.

The total commitment for retirement benefits amounted to €8,136 thousand. Actuarial differences not recognised on the balance sheet at year-end 2023 totalled €173 thousand (see Note 1.2).

A contract was signed with CM CIC up to July 2023 to perform share buybacks on the stock market for the purpose of employee free share grant plans. Since 2021, we have purchased 1,295,548 shares for a total of €28 million. In March 2023, we delivered shares with a value of €3.3 million.

A charge of €8.6 million was recognised at the end of 2023 for the purchase of treasury shares for distribution under the free share plans. The provision of €8.6 million recognised at the end of 2022 was reversed in full.

With a view to the departure from the W Tower premises, an exceptional provision for the refurbishment of these premises was recorded in the amount of €1.2 million.

6.3.2.5 Liabilities

Financial debt

	Amount at start of year	New borrowings	Repayments	Amount at end of year
<i>(in thousands of euros)</i>				
Syndicated credit facility	81,876	22,000	17,876	86,000
Bank loans	750	908	804	854
Employee profit-sharing fund	–	–	–	–
Loans from equity investments	48,060	8,828	4,562	52,326
Accrued interest on financial debt	471	581	471	581
TOTAL	131,156	32,318	23,713	139,761

Axway Software contracted a multi-currency €125 million revolving credit facility with six banks in July 2014, which it renewed until April 2022. This credit facility was secured to finance acquisitions as well as the Group's general funding needs. It is not amortised and the initial maturity of July 2021 was extended to April 2027.

During the draw-down period, interest is payable at Euribor plus a spread adjusted every six months to reflect the change in the ratio: Net debt/EBITDA.

This facility is subject to a use and non-use fee. The two financial ratios provided in the credit facility agreement were complied with at 31 December 2023.

The US\$18 million (€17.1 million) draw-down performed in 2022 was repaid in full in January 2023 and replaced by a new draw-down of €18 million. In September 2023, we drew an additional €4 million on the RCF to finance the acquisition of Cycom Finances.

Following this acquisition, we recorded two loans guaranteed by the French state (PGE loans) in our accounts for €0.6 million. These loans are repaid monthly and mature in 2026.

During the year, we also repaid €0.8 million on the 2015 BPI loan which matured in 2023.

Loans from equity investments solely concern current accounts with the Group's companies.

Trade accounts payable

<i>(in thousands of euros)</i>	2023	2022	2021
Trade accounts payable - Non-Group	1,917	2,296	1,625
Accrued expenses	34,900	21,299	22,682
Trade accounts payable - Group	3,816	4,152	6,651
TOTAL	40,634	27,747	30,958

Accrued expenses increased by +€13.6 million. The non-Group share decreased by -€1.2 million, while Group accrued expenses increased by +€14.8 million following the change in transfer pricing policy.

Tax and employee-related payables

<i>(in thousands of euros)</i>	2023	2022	2021
Employee-related receivables	9,714	9,062	5,540
Social security bodies	7,487	7,050	5,431
Withholding tax	413	365	352
Income tax	—	—	—
VAT	6,146	5,223	4,952
Other taxes	126	116	98
TOTAL	23,887	21,815	16,373

Other liabilities, accruals and deferred income

<i>(in thousands of euros)</i>	2023	2022	2021
Customer payments on account	446	213	545
Amounts payable on non-current assets	523	300	295
Group and associates	37,240	—	—
Other liabilities	479	1,310	685
Deferred income	31,682	30,233	28,421
Unrealised foreign exchange gains	1,605	1,393	685
TOTAL	71,975	33,449	30,631

Group customer accounts in credit increased +€37.2 million, mainly due to credit notes issued following the change in the transfer pricing policy.

Deferred income comprises the portion of billings issued in advance on fixed-price and maintenance and subscription contracts.

6.3.3 Notes to the income statement

6.3.3.1 Revenue

Revenue breaks down as follows by business:

<i>(in percentage)</i>	2023	2022	2021
Licences	0.6%	2.0%	5.2%
Support and maintenance	11.4%	34.6%	41.2%
Integration and training services	61.5%	26.5%	24.6%
Subscription	26.4%	36.9%	29.0%
REVENUE	100.0%	100.0%	100.0%

2023 revenue of €186.6 million includes €112.2 million generated outside France.

6.3.3.2 Compensation granted to members of administrative and management bodies

Directors' fees totalling €330 thousand were paid to directors in February 2023.

Compensation paid in 2023 to governing and management bodies totalled €157.5 thousand.

6.3.3.3 Net financial income (expense)

(in thousands of euros)

	2023	2022	2021
Dividends received from equity investments	5,798	8,839	—
Interest on bank borrowings and similar charges	-3,722	-1,361	-516
Interest on employee profit-sharing	—	-11	-44
Discounting of retirement benefits (provision)	-259	-76	-33
Losses on receivables from equity investments	-462	—	—
Interest received and paid on Group current accounts	48	334	280
Foreign exchange gains and losses (including provisions)	-1,694	4,891	4,601
Charges net of reversals to financial provisions, before foreign exchange impact	-98	-1,075	-56
Other financial income and expenses	-771	-677	-151
NET FINANCIAL INCOME	-1,160	10,863	4,082

A breakdown of dividends received is presented in the table of subsidiaries and associates (see Note 4.7).

6.3.3.4 Exceptional items

In 2023, the net exceptional loss of €11,496 thousand mainly comprises:

- commercial debt waivers of €11.1 thousand;
- restructuring costs of €695 thousand;
- free shares delivered in March 2023 for €3.3 million;
- acquisition costs incurred this year of €376 thousand;
- the provision for the refurbishment of the W Tower premises of €1.2 million;
- expenses relating to the implementation of the Workday software of €651 thousand;
- the provision for accrued income concerning free shares granted to subsidiaries of €2.3 million;

- expense transfers concerning free shares granted to French employees of €2.7 million;
- the reversal of the restructuring provision of €313 thousand.

6.3.3.5 Employee profit-sharing

A profit-sharing agreement was signed in June 2018 in accordance with Articles L. 3311-1 *et seq.* of the French Labour Code (*Code du Travail*) for a period of three years. This agreement was renewed on 30 June 2021 and will expire at the end of 2023.

Employee profit-sharing of €1,292 thousand was recognised for fiscal year 2023.

6.3.3.6 Income tax expense

Tax system

Axway Software elected to apply the tax group scheme set out in Articles 223 A *et seq.* of the French General Tax Code (*Code Général des Impôts*) with effect from 1 January 2019. Under the tax group agreement signed between Axway Software and its fully consolidated subsidiaries, tax losses realised by the subsidiaries during the tax group period are definitively transferred to Axway Software.

The tax group comprises the parent company and its two wholly owned subsidiaries, Axway Distribution France and Axway SAS.

Research tax credits

Axway Software received research tax credits for 2023 in the amount of €3,789 thousand.

Breakdown of tax between recurring and exceptional income

(in thousands of euros)

	2023	2022	2021
Tax on recurring operations	—	—	—
Tax on exceptional items	—	—	—
Tax audit	—	—	488
Additional contribution	—	—	—
Research tax credits	-3,789	-5,545	-6,295
Other tax credits	-1	—	—
TOTAL INCOME TAX EXPENSE	-3,790	-5,807	-7,928

Deferred tax position

	Start of the fiscal year		Base Change		End of the fiscal year	
	Asset	Liability	Asset	Liability	Asset	Liability
<i>(in thousands of euros)</i>						
I. CERTAIN OR POTENTIAL TIMING DIFFERENCES						
Tax-driven provisions	–	–	–	–	–	–
Investment grants	–	–	–	–	–	–
Temporary non-deductible expenses						
- To be deducted the following year						
- Employee profit sharing	–	–	–	–	–	–
- C3S contribution	78	–	10	–	88	–
- Construction levy	178	–	12	–	190	–
- To be deducted thereafter						
- Provision for retirement commitments	7,989	–	147	–	8,136	–
- Other	–	–	–	–	–	–
Temporary non-taxable income						
- Net short-term capital gains	–	–	–	–	–	–
- Capital gains on mergers	–	–	–	–	–	–
- Deferred long-term capital gains	–	–	–	–	–	–
Expenses deducted (or income taxed) for tax purposes and not yet recorded in the accounts						
- Deferred charges	–	–	–	–	–	–
- Unrealised foreign exchange gains	1,393	–	212	–	1,605	–
Total	9,639	–	381	–	10,020	–
II. ITEMS TO BE CHARGED						
Tax losses carried forward	83,820	–	19,588	–	103,408	–
Long-term capital losses	–	–	–	–	–	–
Other	–	–	–	–	–	–
III. CONTINGENT TAXABLE ITEMS						
Capital gains on non-depreciable assets contributed on merger	–	762	–	–	–	762
Special long-term capital gains reserve	–	–	–	–	–	–
Special reserve for construction profits	–	–	–	–	–	–
Other	–	–	–	–	–	–

6.3.4 Other information

6.3.4.1 Maturities of receivables and payables at the fiscal year end

Receivables

	Gross amount	Within one year	One to five years
<i>(in thousands of euros)</i>			
Non-current assets			
Receivables from equity investments	35,521	–	35,521
Other non-current financial assets	2,517	2,111	405
Current assets			
Doubtful or disputed receivables	72	–	72
Other trade receivables	137,659	137,659	–
Employee-related receivables	57	57	–
Social security bodies	59	59	–
VAT	524	524	–
Tax credits	4,390	–	4,390
Other taxes	12	12	–
Group and associates	6,998	6,998	–
Other receivables	2,153	2,153	–
Prepayments and accrued income	11,198	9,554	1,644
TOTAL	201,160	159,128	42,032

Other non-current financial assets mainly relate to the market-making agreement and treasury shares.

Payables

	Gross amount	Within one year	One to five years
<i>(in thousands of euros)</i>			
Bank loans			
• 2 years maximum at outset	581	581	0
• More than 2 years maximum at outset	86,854	86,854	—
Other financial debt	—	—	—
Group and associates	52,326	—	52,326
Trade accounts payable	40,634	40,634	—
Employee-related receivables	9,714	9,714	—
Social security bodies	7,487	7,487	—
State and public bodies			
• Withholding tax	413	413	—
• VAT	6,146	6,146	—
• Other taxes	126	126	—
Amounts payable on non-current assets	523	523	—
Group and associates	37,240	37,240	—
Customer payments on account	446	446	—
Other liabilities	479	479	—
Accruals and deferred income	33,287	33,287	—
TOTAL	276,257	223,931	52,326

6.3.4.2 Accrued income and expenses

(in thousands of euros)

Accrued income	
Trade accounts payable - Credit notes receivable	929
Trade receivables - Sales invoice accruals	91,507
Tax and social security receivables	603
TOTAL	93,039
Accrued expenses	
Accrued interest	581
Trade accounts payable - Purchase invoice accruals	34,900
Trade receivables - Credit notes to be issued	478
Tax and employee-related payables	15,462
Other liabilities	170
TOTAL	51,591

Sales invoice accruals are €87.8 million inter-company and €3.7 million non-Group.

Tax and social security receivables correspond to VAT on purchase invoice accruals of €451 thousand, VAT on credit notes to be issued of €40 thousand and social security receivables of €60 thousand.

Tax payables mainly correspond to VAT payable of €1.1 million, VAT on sales invoice accruals of €621 thousand and amounts payable to the French State, including the CVAE corporate value-added contribution for €33 thousand and the C3S contribution for €88 thousand. Employee-related payables mainly comprise provisions for paid leave (€3.1 million) and bonuses payable (€8.7 million), including social security contributions.

Inter-company purchase invoice accruals total €32.1 million and non-Group purchase invoice accruals total €2.8 million.

6.3.4.3 Employees

The average workforce in 2023 totalled 435 employees, and the number of employees at 31 December 2023 was 432.

6.3.4.4 Statutory Audit fees

Audit fees of €390.1 thousand are recorded in the income statement, including €314.6 thousand for the statutory audit of the accounts and €75.5 thousand for non-audit services. Non-audit services mainly comprise the report on related-party transactions, the review of the Management report and the attestation on financial ratios.

6.3.4.5 Off-balance sheet commitments

(in thousands of euros)

Discounted notes not yet due	None
Bank guarantees in place of security deposits for leased premises	626
Bank guarantees for completion bonds	108
Bank guarantees guaranteeing payment of tax liabilities	2,601
Bank guarantees guaranteeing payment of supplier invoices	None
Unfunded retirement commitments (actuarial gains/losses)	-173
Guarantees given to subsidiaries to guarantee tender bids	None
Guarantees given to subsidiaries to guarantee leases	None
CEO severance compensation	684
Collateral, mortgages and sureties	680
Interest rate hedging instruments	None
Exchange rate hedging instruments	None

Bank guarantees

In May 2013, a guarantee of €103 thousand was arranged for our Puteaux 3 premises. An initial guarantee of €41 thousand was lifted on 30 November 2022 and a second guarantee of €62 thousand will be lifted on 10 December 2024.

In August 2023, a 10-year guarantee of €564 thousand was arranged for our future Trinity Tower premises. This guarantee is covered by a pledge over an interest-bearing account in the amount of €680 thousand.

Bank completion bonds stood at €108 thousand at 31 December 2023.

Guarantees of €177 thousand were established in August 2014 to guarantee the payment of tax liabilities. We will request these guarantees be lifted in 2024.

Axway Software contracted a tax guarantee in the amount of BRL13 million (€2.4 million) to support its subsidiary's tax risk in respect of the tax dispute involving Axway Do Brasil, which does not pay its taxes in the correct state. The dispute concerns the period from June 2017 to December 2020.

Retirement commitments

At the end of 2023, actuarial gains on retirement commitments not provided stood at €173 thousand.

Severance pay

Severance pay for the Chief Executive Officer was set at US\$756 thousand (or €684 thousand at the dollar exchange rate on 31 December 2023).

6.3.4.6 Exceptional events and legal disputes

On 21 February 2024, Axway announced it had entered into exclusive discussions regarding the potential **acquisition of most of Sopra Banking Software's ("SBS") activities, which are currently part of Sopra Steria Group.**

This announcement was made in a press release entitled "Axway announces entering into exclusive discussions to acquire most of Sopra Banking Software activities" published on 21 February 2024.

The SBS activities concerned by the transaction generated revenue of around €340 million in 2023, representing around 80% of the subsidiary's total revenue. **The combined entity would achieve revenue of around €650 million.**

Axway would acquire the SBS activities concerned by the transaction for an enterprise value of €330 million, corresponding to consolidated revenue. This valuation is subject to confirmatory due diligence and will be reviewed by an independent expert (Cabinet Finexsi). Axway intends to finance the contemplated transaction through:

- a **capital increase of approximately €130 million with preferential subscription rights,**
- **new debt facilities for €200 million.**

Axway received a comfort letter from Société Générale and Groupe Crédit Agricole Group, two of its partner banks, in respect of these new debt facilities.

The objective is to **close the transactions before the end of the second quarter of 2024, or, at the latest, during the third quarter of 2024.**

Summary Axway Software SA results for the past five fiscal years

6.3.4.7 List of subsidiaries and equity investments

Company	Share capital	Equity other than share capital	Share capital held (%)	Carrying amount of securities held		Outstanding loans and advances granted by the Company	Last fiscal year revenue, excl. VAT	Last fiscal year profit (loss)	Dividends received by the Company during the fiscal year
				Gross	Net				
<i>Company Amounts in euros</i>									
Axway Software (France)									
Axway UK Ltd (United Kingdom)	115,068	44,893	100 %	148,270	148,270	649,272	13,952,738	590,847	—
Axway GmbH (Germany)	425,000	22,613,913	100 %	23,038,194	23,038,194	—	25,816,265	2,091,647	3,725,000
Axway Sri (Italy)	98,040	12,887	100 %	98,127	98,127	—	5,246,863	367,338	100,000
Axway Software Iberia (Spain)	1,000,000	275	100 %	1,000,000	1,000,000	—	5,032,631	336,357	—
Axway Nordic (Sweden)	9,012	836,410	100 %	20,706,081	848,062	—	3,659,867	205,194	—
Axway Inc. (United States)	3	124,408,865	100 %	154,946,354	154,946,354	26,054,054	171,682,319	13,864,321	—
Axway BV (Netherlands)	18,200	10,270	100 %	200,000	200,000	—	4,545,555	336,638	—
Axway Belgium (Belgium)	1,000,000	104,292	100 %	999,000	999,000	—	11,050,899	213,726	—
Axway Romania Sri (Romania)	10,549	4,840,534	100 %	1,972,250	1,972,250	—	23,664,634	1,495,654	—
Axway SAS (France)	45,000	-23,611	100 %	45,000	—	892	—	-1,707	—
Axway Pte Ltd (Singapore)	137,071	523,707	100 %	1	1	22,872	8,716,367	496,768	251,607
Axway Ltd (Hong Kong)	11,586	8,393	100 %	1	1	—	1,838,158	142,795	628,877
Axway Pty (Australia)	61,489	48,763	100 %	1	1	—	7,220,275	339,848	120,584
Axway Software China (China)	1,446,795	-1,441,952	100 %	1	1	—	562,085	10,542	—
Axway Bulgaria EOOD (Bulgaria)	2,556	1,020,374	100 %	979,846	979,846	—	13,828,017	821,027	971,455
Axway Distribution France (France)	51,000	-17,985	100 %	52,800	—	6,500	—	-1,478	—
Axway Ltd (Ireland)	180,891	51,501	100 %	42,841,900	42,841,900	6,875,803	16,793,474	-45,505	—
Axway Software Do Brasil (Brazil)	10,358	-9,272,744	100 %	12,543	—	1,623,778	6,923,359	-1,092,060	—
Axway Switzerland (Switzerland)	21,598	46,464	100 %	18,210	18,210	287,913	1,001,138	38,706	—
Axway Software India Private Limited (India)	1,088	17,985	100 %	1,097,880	—	—	—	-5,515	—
DXvmt (India)	11	-440,471	99 %	5,457,599	5,457,599	—	2,395,546	632,238	—
Advalvas	666,700	-222,845	100 %	—	—	—	919,550	-77,230	—

6.4 Summary Axway Software SA results for the past five fiscal years

(in euros)	2023	2022	2021	2020	2019
Share capital at end of fiscal year					
Share capital	43,267,194	43,267,194	43,267,194	42,702,132	42,450,762
Number of ordinary shares outstanding	0	0	0	0	0
Number of bonds convertible into shares	21,633,597	21,633,597	21,633,597	21,351,066	21,225,381
Transactions and results for the fiscal year					
Revenue excluding VAT	186,602,665	181,819,914	167,254,376	156,706,577	163,568,230
Profit (loss) before tax, employee profit-sharing and incentive schemes, depreciation, amortisation and provisions	-6,966,900	-22,153,401	8,853,621	-15,140,745	12,541,571
Income tax	-3,790,134	-5,444,850	-5,806,999	-8,063,764	-7,559,470
Employee profit-sharing, incentive schemes, depreciation, amortisation and provisions	1,292,215	958,358	754,623	903,829	714,193
Profit (loss) after tax and employee profit-sharing, depreciation, amortisation and provisions	-12,463,786	-8,037,822	-7,843,108	-18,162,775	14,828,878
Distributed earnings	0	8,653,439	8,653,439	8,540,426	0
Earnings per share (including treasury shares)					
Profit (loss) after tax and employee profit-sharing, but before depreciation, amortisation and provisions	-0.15	-0.77	0.68	-0.37	0.91
Profit (loss) after tax and employee profit-sharing, depreciation, amortisation and provisions	-0.58	-0.37	-0.36	-0.85	0.70
Dividend per share	0.00	0.40	0.40	0.40	0.00
Employee data					
Average number of employees during the fiscal year	435	452	477	483	489
Total payroll for the fiscal year	46,285,686	44,387,071	43,808,036	41,973,124	38,739,302
Total benefits paid for the fiscal year (social security, employee welfare, etc.)	19,401,268	19,127,031	17,927,150	19,729,625	17,603,997

6.5 Statutory Auditors' report on the financial statements

This is a translation into English of the Statutory Auditors' report on the annual financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2023

To the General Meeting of Axway Software,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying annual financial statements of Axway Software for the year ended 31 December 2023.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements Section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of our assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of business goodwill

(Notes 1.2 and 2.1 to the annual financial statements).

Risk identified

At 31 December 2023, net business goodwill of €38.8 million was recognised in the balance sheet.

The assets involved are not systematically amortised but are tested for impairment at each year-end and whenever there is an indication of an impairment loss, as stated in Note 1.2 to the annual financial statements.

Impairment is recognised if the net carrying amount of the business goodwill is greater than its present value, which corresponds to the higher of the market value and value-in-use.

We considered measurement of business goodwill to be a key audit matter, in view of its material significance in the annual financial statements, and because of the need for management to exercise judgement in appraising the present value.

Our response

Our audit of the annual financial statements included the following procedures, in particular:

- examining the rules and procedures for conducting impairment testing;
- assessing the reasonableness of the main management estimates, and particularly the cash flow forecasts, the perpetual growth rate and the discount rate adopted;
- analysing the forecasts for consistency with historic performance.

Revenue recognition

(Note 1.2 to the financial statements)

Risk identified

The Company's activity comprises several business lines including the sale of licenses, maintenance and support services, integration and training services and finally subscriptions.

As disclosed in Note 1.2 "Revenue recognition" to the annual financial statements, the revenue recognition method depends on the nature of the services rendered and particularly:

- License revenue is recognised immediately upon delivery, which is considered completed when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are non-material and not liable to call into question the customer's acceptance of goods supplied.
- Software as a service subscription revenue is recognised progressively as Axway transfers control of the service.
- Maintenance revenue is recognised on a time-apportioned basis.

- Services revenue is generally recognised on a time spent basis and is recognised when the services are performed. Services are sometimes provided under fixed-price contracts, in which case they are recognised using the percentage-of-completion method.
- Where contracts comprise multiple components (license, maintenance, related services, etc.), revenue is generally recognised by applying the above methods after allocating the different revenue amounts to each activity. The amount of revenue attributable to the license is equal to the difference between the total contract amount and the actual value of its other component services: maintenance, related services.

In this context, the audit risks concern in particular the correct separation of fiscal years and the rules and procedures for apportioning revenue to contracts with multiple components.

We considered revenue recognition to be a key audit matter given Management judgements and estimates underlying revenue and the diversity of Axway activities as a software publisher.

Our response

Our audit approach is based on the assessment of the internal control procedures put in place by the Company in order to verify the measurement, occurrence and proper separation of fiscal years for revenue and on substantive audit procedures.

Our work included the following, in particular:

- Assessing internal control procedures, identifying the main manual or automatic controls relevant to our audit and testing their design and operating efficiency;
- Conducting analytical audit procedures by type of service rendered, particularly by analysing revenue trends;
- For a sample of contracts selected using a multi-criteria approach:
 - Assessing the revenue recognition method for each activity identified;
 - Verifying application of the procedure for allocating the price of multi-component contracts to the different components of these contracts;
 - Reconciling accounting data with the operational monitoring of the businesses and contractual data;
 - Examining proof of contract invoicing and settlement;
 - Examining proof of delivery and completion.
- Assessing the appropriateness of the disclosures in the notes to the annual financial statements.

Measurement of equity investments

(Notes 1.2 and 2.1 to the annual financial statements).

Risk identified

Equity investments recognised in assets total €235.9 million at 31 December 2023, and represent the largest balance sheet item. These investments are recognised at acquisition or subscription cost at the date of initial recognition and are impaired based on their value-in-use.

As stated in Note 1.2 to the annual financial statements, the value-in-use is estimated by management on the basis of the net assets of subsidiaries, together with an analysis of forecast changes and profitability of equity investments based on discounted future cash flows.

Estimating the value-in-use of these investments calls for the exercise of judgement by management in choosing the items to consider for the investments concerned; depending on the case, such items may be historic data or forecast data. Consequently, a change in the assumptions retained may affect the value-in-use of the equity investments. We therefore considered measurement of equity investments to be a key audit matter.

Our response

To assess the reasonableness of the estimates of value-in-use of equity investments, based on the information communicated to us, our work consisted chiefly in verifying whether the estimated values determined by management were based on an appropriate justification of the valuation method and quantitative data used, as well as, depending on the investment concerned:

For measurements based on historic data:

verifying that the shareholders' equity used was consistent with the financial statements of entities for which audit or analytical procedures were performed, and that any adjustments made to such shareholders' equity were based on firm documentary evidence;

verifying the foreign exchange rates for any currencies used.

For measurements based on forecast data:

- obtaining operating forecasts for the entities concerned and assessing their consistency with historic data;
- verifying the consistency of the assumptions made with the economic environment at the reporting date and at the date when the financial statements were drawn up;
- assessing the reasonableness of any other assumptions made by management in determining the value-in-use of the equity investments, such as the perpetual growth rate or the discount rate.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents provided to shareholders on the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and consistency with the financial statements of the payment period disclosures required by Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Corporate governance information

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L.22-10-9 and L. 22-10-10 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to compensation and benefits paid or granted to company officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from entities it controls or included in the consolidation scope. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to the items that your Company considered likely to have an impact in the event of a tender or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have verified their compliance with the underlying documents which have been communicated to us. Based on our work, we have no comment to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Both ACA Nexia and Mazars were appointed Statutory Auditors of Axway Software by the General Meeting of 18 December 2000.

At 31 December 2023, ACA Nexia and Mazars had held office as auditors for 23 continuous years, of which 12 years since the Company's securities were admitted for trading on a regulated market

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU)

No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris, 21 March 2024
The Statutory Auditors

Nexia S&A
Olivier Juramie
Partner

Mazars
Jérôme Neyret
Partner



Axway Software share capital and shares **AFR**

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Axway share ownership supports the Company's performance and sustainability strategic project.

Share capital held by leading shareholders favours stable but flexible governance decisions, while the increase in employee share ownership encourages employee engagement.

The market-making agreement entrusted to an investment service provider since Axway's IPO, seeks to increase the fluidity of transactions in the Company's shares in the secondary market.

7.1 General information

Axway Software was listed on the regulated Euronext market in Paris on 14 June 2011.

Axway Software shares are listed on Euronext Compartment B and are eligible for inclusion in equity saving plans (PEA and PEA-PME) and for the Deferred Settlement Service (SRD).

On 31 December 2023, Axway Software's share capital consisted of 21,633,597 shares with a par value of two (2) euros each, fully paid up, amounting to €43,267,194. The total number of exercisable voting rights attached to the share capital at 31 December 2023, taking account of the existence of double voting rights and the absence of voting rights on treasury shares, was 35,928,464.

Changes in the share capital in the fiscal year ended 31 December 2023 are detailed in Section 7.3 ("Changes in share capital") of this Chapter 7.

On 31 December 2023, if all free shares had been issued and all share subscription options, exercisable or not, had been exercised, this would have resulted in the issuance of 702,999 new shares, representing 3.25% of the Company's share capital.

To the best of the Company's knowledge, no Axway Software shares held in registered form and representing a significant proportion of its capital have been pledged as collateral.

Shares owned by the Company in its subsidiaries are unencumbered by sureties.

7.2 Current share ownership

Shareholders	At 31 December 2023				
	Number of shares held	% of share capital	Number of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights
Sopra Steria Group SA	6,913,060	31.96 %	13,826,120	13,826,120	38.48 %
Sopra GMT ⁽¹⁾	4,503,321	20.82 %	9,006,642	9,006,642	25.07 %
Pasquier family group ⁽¹⁾	25,786	0.12 %	47,982	47,982	0.13 %
Odin family group ⁽¹⁾	289,725	1.34 %	513,986	513,986	1.43 %
Management ⁽²⁾	313,872	1.45 %	522,203	522,203	1.45 %
Shareholders' agreement between the Founders, the Managers and Sopra Steria Group SA	12,045,764	55.68 %	23,916,933	23,916,933	66.57 %
Public ⁽³⁾	8,927,289	41.27 %	12,011,531	12,011,531	33.43 %
Treasury shares	660,544	3.05 %	660,544	0	0 %
Total	21,633,597	100.00 %	36,589,008	35,928,464	100.00 %

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders".

(2) Managers who have signed the shareholders' agreement with Sopra GMT and the Pasquier and Odin family groups.

(3) Calculated by deduction.

To the best of the Company's knowledge, only Caravelle, Lazard Frères Gestion and Long Path Partners held more than 5% of the share capital at 31 December 2023, holding 2,572,458, 1,156,800 and 1,510,500 shares, respectively, representing 11.89%, 5.35% and 6.98% of the share capital.

There were no material changes in the Company's share capital structure in 2023.

At 31 December 2022

Shareholders	Number of shares held	% of share capital	Number of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights
Sopra Steria Group SA	6,913,060	31.96 %	13,826,120	13,826,120	38.61 %
Sopra GMT ⁽¹⁾	4,503,321	20.82 %	9,006,642	9,006,642	25.15 %
Pasquier family group ⁽¹⁾	22,970	0.11 %	42,350	42,350	0.12 %
Odin family group ⁽¹⁾	292,059	1.35 %	477,912	477,912	1.33 %
Management ⁽²⁾	317,877	1.47 %	518,760	518,760	1.45 %
Shareholders' agreement between the Founders, the Managers and Sopra Steria Group SA	12,049,287	55.70 %	23,871,784	23,871,784	66.66 %
Public ⁽³⁾	8,933,622	41.30 %	11,937,610	11,937,610	33.34 %
Treasury shares	650,688	3.01 %	650,688	0	0 %
Total	21,633,597	100 %	36,460,082	35,809,394	100 %

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders".

(2) Managers who have signed the shareholders' agreement with Sopra GMT and the Pasquier and Odin family groups.

(3) Calculated by deduction.

At 31 December 2021

Shareholders	Number of shares held	% of share capital	Number of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights
Sopra Steria Group SA	6,913,060	31.96 %	13,826,120	13,826,120	38.32 %
Sopra GMT ⁽¹⁾	4,503,321	20.82 %	9,006,642	9,006,642	24.96 %
Pasquier family group ⁽¹⁾	22,970	0.11 %	42,350	42,350	0.12 %
Odin family group ⁽¹⁾	292,059	1.35 %	477,912	477,912	1.32 %
Management ⁽²⁾	316,177	1.46 %	524,319	524,319	1.45 %
Shareholders' agreement between the Founders, the Managers and Sopra Steria Group SA	12,047,587	55.69 %	23,877,343	23,877,343	66.18 %
Public ⁽³⁾	9,229,824	42.66 %	12,202,183	12,202,183	33.82 %
Treasury shares	356,186	1.65 %	356,186	0	0 %
Total	21,633,597	100 %	36,435,712	36,079,526	100 %

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders".

(2) Managers who have signed the shareholders' agreement with Sopra GMT and the Pasquier and Odin family groups.

(3) Calculated by deduction.

The share capital of Sopra GMT, the holding company of Axway and Sopra Steria, is held as follows:

Sopra GMT's share ownership structure	At 31 December 2023		At 31 December 2022	
	Shares	% of share capital	Shares	% of share capital
Pasquier family group	318,050	68.47 %	318,050	68.27 %
Odin family group	132,050	28.43 %	132,050	28.34 %
Sopra Steria Group active and retired managers	12,604	2.71 %	12,604	2.71 %
Treasury shares	1,823	0.39 %	3,170	0.68 %
Total	464,527	100 %	465,874	100 %

At 31 December 2023, Sopra GMT had 26 shareholders, including 27 private individuals and one legal entity.

- the Pasquier family group comprises nine private individuals who are all related to the Sopra founder, Mr. Pierre Pasquier;
- the Odin family group comprises one private individual and one legal entity, SAS Régence, wholly owned by shareholders related to Mr. François Odin † co-founder of Sopra;
- the group of active and retired managers comprises 16 private individuals.

All Sopra GMT shareholders are currently of French nationality. The company's beneficial owner, as defined by French regulations, is Pierre Pasquier.

7.2.1 Recent transactions - Share ownership thresholds

The Company's shareholders are subject to prevailing laws and regulations on reporting the crossing of ownership thresholds and their future intentions. The Company has taken care to supplement the legal mechanism by adding a clause to the Articles of Association:

"Any shareholder whose ownership interest crosses the thresholds of 3% or 4% of the share capital or voting rights shall inform the Company in the same manner and based on the same calculation methods as those set forth by law for declarations that legal thresholds have been crossed" (Article 28 of the Articles of Association).

In a letter received on 28 September 2023, Long Path Partner, LP, acting on behalf of Long Path Partners Smaller Companies Fund, LP that it manages, declared it had increased its interest above the threshold of 4% of Axway's voting rights on 26 September 2023. At this date, Long Path Partner held 1,464,570 shares representing 6.77% of the share capital and 4.00% of the voting rights of Axway.

7.2.2 Approximate number of shareholders

At 31 December 2023, Axway Software had 1,278 registered shareholders who owned 15,330,390 shares and held 30,276,655 voting rights, i.e. 71.43% of the shares making up the share capital, and 82.75% of total theoretical voting rights and 84.27% of exercisable voting rights.

On the basis of the most recent data available to the Company, there are around 4,100 shareholders.

7.2.3 Employee share ownership

At 31 December 2023, pursuant to the provisions of Article L. 225-102 of the French Commercial Code, Company shares held by its employees or by employees of its affiliates, within the meaning of Article L. 225-180 of the French Commercial Code, were as follows:

- 315 shares under a company savings plan;
- 14,877 shares through mutual funds;
- 603,234 shares held directly in registered form following the set-up of free share plans in accordance with the provisions of Article L. 22-10-59 of the French Commercial Code;

representing a total of 618,426 shares or 2.86% of the Company's share capital at 31 December 2023.

However, no shares are held by employees and/or former employees of the Company or its affiliates within the meaning of Article L. 225-180 of the French Commercial Code through mutual funds.

Furthermore, to increase employee engagement in the long-term corporate project, Axway has granted free shares on several occasions to all employees:

- following Axway's IPO in June 2011, the Board of Directors' meeting of 14 February 2012 approved the grant of 45 shares to each employee. The shares became available following vesting periods of two to four years according to the country;
- on 22 February 2019, 200 free shares were granted to all employees at that date, subject to the condition that they remain employed by Axway for a period of three years.

7.2.4 Shareholders' agreements notified to the stock market authorities

A shareholders' agreement to act in concert with respect to Sopra Steria Group was entered into for a period of two years on 7 December 2009 between Sopra GMT, the Pasquier and Odin family groups and a group of managers. This agreement is renewed tacitly every two years. The clauses of the agreement were extended to Axway Software's shares pursuant to the amendment of 27 April 2011.

Sopra GMT, leading shareholder and holding company, and Sopra Steria Group act in concert with respect to Axway Software.

With respect to the Company, this involves:

- an undertaking by the parties to act in concert so as to implement joint policies and, in general, approve any major decisions;
- an undertaking by the parties to act in concert in connection with the appointment and reappointment of members of the Company's management bodies, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT;

- an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal of more than 0.20% of the share capital or voting rights of the Company;
- an undertaking by the parties to act in concert to adopt a common strategy in the event of a public offer for the Company's shares;
- a pre-emption right for the Odin and Pasquier family groups and Sopra GMT in the event of a sale of the Company's shares by (i) a manager (first rank pre-emption right for Sopra GMT, second rank pre-emption right for the Pasquier family group, third rank pre-emption right for the Odin family group, fourth rank pre-emption right for Sopra Développement) and (ii) Sopra Développement (first rank pre-emption right for Sopra GMT, second rank pre-emption right for the Pasquier family group, third rank pre-emption right for the Odin family group). The pre-emption exercise price will be equal to (x) the agreed price between the transferor and the transferee in the event of an off-market sale, (y) the average for the last ten trading days prior to notification of the sale in the event of a market sale and (z), in other cases, the value adopted for the shares in connection with the transaction.

7.2.5 Control of the Company

Sopra GMT, the holding company of Axway Software and Sopra Steria, exercises control over the Company 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. In its role as holding company, Sopra GMT exercises considerable influence over the Company's business, strategy and development. However, the Company does not believe that there is a risk that control will be exercised in an abusive manner since:

- the Company decided to adopt the recommendations of the Middlednext Code of Corporate Governance for small and mid-caps as updated in September 2021, because of its compatibility with the size of the Company and its capital structure;
- the duties of the Chairman and Chief Executive Officer have been separated since the Company's IPO. This separation of offices was renewed during the appointment of the current Chief Executive Officer;
- the directors are bound by the obligation to protect the interests of the Company and comply with the rules set out in the Securities Trading Code of Conduct, the internal regulations of the Board of Directors and the Ethics charter, as well as the rules contributing to good governance as defined in the Middlednext Code of Corporate Governance (Board member ethics);

- the Company's Board of Directors set up an Audit Committee responsible for reviewing the financial statements, including the Green Taxonomy, monitoring the efficiency of the internal control and risk management systems, monitoring the statutory audit of the financial statements and verifying compliance with the requirement for the Statutory Auditors to be independent (see Chapter 4). The creation of an Audit Committee prevents any abusive control over the Company by the shareholders acting in concert. Axway Software's governance is in a transition phase and the number of independent directors in the Audit Committee should be increased to 50% at the end of the next Annual General Meeting and the Audit Committee should be chaired by an independent director;
- in accordance with the recommendations of the Middlednext Code of Corporate Governance, the Company's Board of Directors introduced a procedure allowing for the disclosure and management of conflicts of interest;
- the Company's Board of Directors set up an Appointments, Ethics and Governance Committee, renamed the Appointments, Governance and Corporate Responsibility Committee in 2021, whose tasks include examining the independence of directors and situations of conflict of interest.

The General Shareholders' Meeting of 4 June 2014 introduced double voting rights for the Company, in accordance with legislative changes. The implementation of double voting rights enables the Company to strengthen the stability of its share ownership and thus focus on mid- and long-term projects.

7.3 Change in the share capital

Date	Transaction type	Share capital after the transaction (in euros)	Par value	Number of shares		Contributions	
				Created	Total	Par value	Premiums or reserves
01/2021	Capital increase by exercise of options	42,710,432	€2.00	4,150	21,355,216	–	–
02/2021	Capital increase by exercise of options	42,715,432	€2.00	2,500	21,357,716	–	–
03/2021	Capital increase by exercise of options	43,023,590	€2.00	12,198	21,511,795	–	–
04/2021	Capital increase by exercise of options	43,087,170	€2.00	31,790	21,543,585	–	–
05/2021	Capital increase by exercise of options	43,118,020	€2.00	15,425	21,559,010	–	–
06/2021	Capital increase by exercise of options	43,138,520	€2.00	10,250	21,569,260	–	–
07/2021	Capital increase by exercise of options	43,145,120	€2.00	3,500	21,572,560	–	–
08/2021	Capital increase by exercise of options	43,152,320	€2.00	3,400	21,576,160	–	–
09/2021	Capital increase by exercise of options	43,166,120	€2.00	6,900	21,583,060	–	–
10/2021	Capital increase by exercise of options	43,204,820	€2.00	19,350	21,602,410	–	–
11/2021	Capital increase by exercise of options	43,267,194	€2.00	31,187	21,633,597	–	–

7.4 Shares held by the Company or on its behalf - share buyback programme and market-making agreement

At 31 December 2023, Axway held 660,544 treasury shares, representing 3.05% of the share capital. At this date, Axway held 19,247 shares under a market-making agreement and 641,297 shares under a buyback program.

7.4.1 Transactions carried out in 2023 under the share buyback programme

In fiscal year 2023, Axway acquired, under the authorisations granted to the Board of Directors by the General Meeting of 16 May 2023, 226,280 of its own shares by implementing the buyback programme. These shares were acquired at an average price of €21.11 per share, i.e. a total cost of €4,777,008. The

trading costs incurred by Axway amounted to 0.1% of the total gross cost plus the tax on financial transactions.

These shares were purchased to cover undertakings given by Axway in connection with employee performance share plans.

7.4.2 Transactions carried out in 2023 under the market-making agreement

From 14 June 2011 and for 12-month periods subject to tacit renewal, the Company has entrusted Kepler Cheuvreux with the implementation of a market-making agreement in accordance with the various resolutions approved by the General Meetings. Under this agreement, Kepler Cheuvreux trades on the stock market on behalf of Axway Software in order to ensure trading liquidity and stock price stability and avoid price fluctuations not justified by underlying market trends.

At 31 December 2023, Axway Software held 19,247 shares under its market-making agreement. In 2023, the Company did not enter into any derivative transactions covering its shares and did not buy or sell any shares by exercising derivatives or on their expiry.

Initially, the Company set aside €1 million for the implementation of its market-making agreement.

This agreement was amended following the entry into effect of European Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the Commission Delegated Regulation (EU) 2016/908 of 26 February 2016 supplementing Regulation (EU) 596/2014, Articles L. 225-209 *et seq.* of the French Commercial Code and AMF decision 2018-01 of 2 July 2018 establishing market-making agreements on shares as an accepted market practice.

7.4.3 Description of the share buyback programme proposed to the General Meeting of 16 May 2024

Pursuant to Articles 241-2 *et seq.* of the AMF General Regulations and L. 451-3 of the French Monetary and Financial Code, and in accordance with European regulations as well as AMF decision 2018-01 of 2 July 2018, this description covers the objectives and terms and conditions of the Axway Software share buyback programme that will be submitted for authorisation to the General Meeting of 16 May 2024.

No more than €101,677,906, excluding acquisition costs, may be allocated to this share buyback programme for a maximum of 2,163,360 shares. It was also decided that the Company may not directly or indirectly hold over 10% of its share capital.

The authorisation to set up the share buyback programme will be granted to the Board of Directors for a period of 18 months from the date of the Combined General Meeting of 16 May 2024 (see Chapter 8, Section 8.2, ("Explanatory statement and proposed resolutions")) to fulfil the following objectives:

a. cover Company share purchase option plans benefiting (some or all) employees and/or (some or all) qualifying company officers of the Company and of companies or groupings that are or will be affiliated to it as per the terms and conditions of Article L. 225-180 of the French

Commercial Code;

- b. grant ordinary shares to qualifying company officers, employees and former employees, or certain categories thereof, of the Company or of the Group under profit sharing schemes or a company savings plan in accordance with the law;
- c. grant free shares under the scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and qualifying company officers, or to certain categories thereof, of the Company and/or of companies and economic interest groups affiliated to it under the terms of Article L. 225-197-2 of the French Commercial Code and, more generally, to grant ordinary Company shares to those employees and company officers;

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- d. retain ordinary shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, in line with market practices permitted by the *Autorité des Marchés Financiers*;
- e. deliver shares upon exercise of rights attached to securities granting entitlement by means of conversion, exercise, redemption, exchange, presentation of a warrant or by any other means, immediately or in the future, to Company shares as well as carrying out any transactions required to cover the Company's obligations with respect to these securities, in compliance with stock market regulations and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors;
- f. enable market making in ordinary shares via an investment services provider under a market-making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des Marchés Financiers*, it being noted that the number of ordinary shares bought back in this respect shall, for the purposes of calculating the 10% limit, equal the number of ordinary shares bought back, less the number of ordinary shares sold during the period of this authorisation;
- g. cancel all or some of the ordinary shares bought back, so long as the Board of Directors has a valid authorisation from the Extraordinary General Meeting allowing it to reduce the share capital by cancelling ordinary shares bought back under an ordinary share buyback programme.

Points a, b and c benefit from a conclusive presumption of legality pursuant to European Regulation (EU) 596/2014 of the European Parliament and of the Council of 14 April 2014 on market abuse and the Commission Delegated Regulation (EU) 2016/908 of 26 February 2016 supplementing Regulation (EU) 596/2014. Point (f) benefits from a conclusive presumption of compliance based on AMF decision 2018-01 of 2 July 2018.

However, the Company may not use this resolution and continue with its buyback programme in compliance with legal and regulatory provisions (and, in particular, the provisions of Articles 231-1 *et seq.* of the AMF General Regulations) during a public tender offer or public exchange offer made by the Company.

7.5 Delegations granted by General Meetings to increase the share capital

The table below summarises valid delegations at 31 December 2023 granted by the General Shareholders' Meeting in accordance with Article L. 225-37-4 paragraph 3 of the French Commercial Code.

I. Delegations of authority granted by the Combined General Meeting of 25 May 2022

Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities, where applicable, granting access to ordinary shares or conferring entitlement to the allocation of debt securities and/or securities granting access to ordinary shares, with cancellation of preferential subscription rights, through an offering referred to in Section I of Article L. 411-2 of the French Monetary and Financial Code (15th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	10,000,000 ⁽¹⁾ 100,000,000 ⁽¹⁾ (debt securities)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	10,000,000 ⁽¹⁾ 100,000,000 ⁽¹⁾ (debt securities)

(1) This amount is deducted from the par value limit for share capital increases provided in the 18th resolution adopted by the Combined General Meeting of 24 May 2022.

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to share capital and/or debt securities, with cancellation of preferential subscription rights, through a public offering (excluding offerings referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code), and/or in consideration for securities as part of a public exchange offering (16th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	20,000,000 ⁽¹⁾ 200,000,000 ⁽¹⁾ (debt securities)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	20,000,000 ⁽¹⁾ 200,000,000 ⁽¹⁾ (debt securities)

(1) This amount is deducted from the par value limit for share capital increases provided in the 18th resolution adopted by the Combined General Meeting of 24 May 2022.

Delegation of authority to the Board of Directors to increase the amount of the initial issue, in the event of an issuance of ordinary shares or securities granting access to share capital with cancellation of preferential subscription rights, decided pursuant to the 15th and 16th resolutions of this General Meeting (17th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	Ceilings set by the 15 th and 16 th resolutions, respectively
Use made of this delegation of authority during the fiscal year	-
Remaining balance	20,000,000 ⁽¹⁾ 200,000,000 ⁽¹⁾ (debt securities)

(1) This amount is deducted from the par value limit for share capital increases provided in the 18th resolution adopted by the Combined General Meeting of 24 May 2022.

Overall limit on issue authorisations, with retention or cancellation of preferential subscription rights (18th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted (in euros)	20,000,000 ⁽¹⁾
Use made of this delegation of authority during the fiscal year	-
Remaining balance	20,000,000 ⁽¹⁾

(1) Total maximum par value amount of share capital increases that may be decided pursuant to the 15th and 16th resolutions adopted by the Combined General Meeting of 24 May 2022 and the 16th and 18th resolutions adopted by the Combined General Meeting of 25 May 2021.

Authorisation granted to the Board of Directors to grant free shares, existing or to be issued, to eligible employees or company officers (19th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	38 months
Expiry date	24 July 2025
Total amount for which the delegation of authority is granted	4% of the Company's share capital on the date of the grant decision by the Board of Directors
Use made of this delegation of authority during the fiscal year	1.30% of the Company's share capital on the date of the grant decision by the Board of Directors
Remaining balance	1.47% of the Company's share capital on the date of the grant decision by the Board of Directors

Delegations granted by General Meetings to increase the share capital

Authorisation granted to the Board of Directors to grant share subscription or purchase options to employees or company officers (20th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	38 months
Expiry date	24 July 2025
Total amount for which the delegation of authority is granted	1% of the number of shares comprising the Company's share capital on the date of the grant decision by the Board of Directors
Use made of this delegation of authority during the fiscal year	-
Remaining balance	1% of the number of shares comprising the Company's share capital on the date of the grant decision by the Board of Directors

Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company savings plan (21st resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	3% of the share capital at the date of the General Meeting ⁽¹⁾
Use made of this delegation of authority during the fiscal year	-
Remaining balance	3% of the share capital at the date of the General Meeting ⁽¹⁾

⁽¹⁾ This ceiling is independent and separate from the share capital increase ceilings potentially arising from the issue of ordinary shares or securities granting access to share capital authorised by the other resolutions adopted by the Combined General Meeting of 24 May 2022.

II. Delegations of authority granted by the Combined General Meeting of 11 May 2023**Authorisation granted to the Board of Directors to increase the share capital by capitalising reserves, profits, share premiums or other items (17th resolution)**

Date of General Meeting granting the delegation of authority	11 May 2023
Duration of delegation of authority	26 months
Expiry date	11 July 2025
Total amount for which the delegation of authority is granted (in euros)	20,000,000 ⁽¹⁾
Use made of this delegation of authority during the fiscal year	—
Remaining balance (in euros)	20,000,000

⁽¹⁾ This ceiling is independent of all other ceilings provided in the other resolutions adopted by the Combined General Meeting of 11 May 2023.

Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to ordinary shares with retention of preferential subscription rights and/or of securities conferring entitlement to the allocation of debt securities (18th resolution)

Date of General Meeting granting the delegation of authority	11 May 2023
Duration of delegation of authority	26 months
Expiry date	11 July 2025
Total amount for which the delegation of authority is granted (in euros)	20,000,000 ⁽¹⁾ 200,000,000 (debt securities)
Use made of this delegation of authority during the fiscal year	—
Remaining balance (in euros)	20,000,000 200,000,000

⁽¹⁾ This amount is deducted from the par value limit for share capital increases provided in the 21st resolution adopted by the Combined General Meeting of 11 May 2023.

Authorisation granted to the Board of Directors to increase the amount of the initial issue, in the event of an issuance of ordinary shares or securities granting access to ordinary shares, with retention or cancellation of preferential subscription rights, decided pursuant to the 23rd resolution adopted by the General Meeting of 11 May 2023 (19th resolution)

Date of General Meeting granting the delegation of authority	11 May 2023
Duration of delegation of authority	26 months
Expiry date	11 July 2025
Total amount for which the delegation of authority is granted (in euros)	Ceilings set by the 18 th resolution
Use made of this delegation of authority during the fiscal year	—
Remaining balance (in euros)	20,000,000 200,000,000

Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities granting access to ordinary shares in consideration for contributions in kind granted to the Company and consisting of equity securities or securities granting access to share capital, outside of a public exchange offering (20th resolution)

Date of General Meeting granting the delegation of authority	11 May 2023
Duration of delegation of authority	26 months
Expiry date	11 July 2025
Total amount for which the delegation of authority is granted	10% of share capital ⁽¹⁾
Use made of this delegation of authority during the fiscal year	—
Remaining balance	10% of share capital

(1) This amount is deducted from the ceiling provided in the 21st resolution adopted by the Combined General Meeting of 11 May 2023.

Overall limit on issue authorisations, with retention or cancellation of preferential subscription rights (21st resolution)

Date of General Meeting granting the delegation of authority	11 May 2023
Duration of delegation of authority	26 months
Expiry date	11 July 2025
Total amount for which the delegation of authority is granted	20,000,000 200,000,000 (debt securities) ⁽¹⁾
Use made of this delegation of authority during the fiscal year	—
Remaining balance	20,000,000

(1) Total maximum par value amount of share capital increases that may be decided pursuant to the 15th and 16th resolutions adopted by the Combined General Meeting of 24 May 2022 and the 18th and 20th resolutions adopted by the Combined General Meeting of 11 May 2023.

Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company savings plan (22nd resolution)

Date of General Meeting granting the delegation of authority	11 May 2023
Duration of delegation of authority	26 months
Expiry date	11 July 2025
Total amount for which the delegation of authority is granted	3% of share capital ⁽¹⁾
Use made of this delegation of authority during the fiscal year	—
Remaining balance	3% of share capital ⁽¹⁾

(1) This threshold is independent and separate from the share capital increase thresholds potentially arising from the issue of ordinary shares or securities granting access to share capital authorised by the other resolutions adopted by the Combined General Meeting of 11 May 2023.

7.6 Share subscription options

The option exercise period for the plans granted in 2011 and 2013 expired on 18 November 2021.

There are currently no share subscription option plans.

7.7 Share price and trading volumes

AXW.PA share monthly average price and volumes



Share price trends in 2023

Month	High	Date of high	Low	Date of low	Closing price	Average price (opening)	Average price (closing)	Monthly volume	Trading volume (in euros)	Number of trading sessions
January 2023	22.10	31-Jan-2023	16.50	02-Jan-2023	22.10	17.89	18.06	90,453	1,750,287	22
February 2023	23.30	16-Feb-2023	21.80	02-Feb-2023	22.50	22.64	22.65	138,625	3,147,886	20
March 2023	22.60	08-Mar-2023	20.30	16-Mar-2023	21.10	21.51	21.52	148,684	3,176,068	23
April 2023	21.60	28-Apr-2023	19.50	26-Apr-2023	21.30	20.85	20.89	82,983	1,728,074	18
May 2023	22.20	29-May-2023	20.50	02-May-2023	21.10	21.67	21.72	52,435	1,130,492	22
June 2023	21.70	12-Jun-2023	20.00	22-Jun-2023	20.80	21.00	21.04	86,379	1,806,561	22
July 2023	24.20	28-Jul-2023	19.95	04-Jul-2023	23.90	21.75	21.91	113,850	2,534,365	21
August 2023	23.90	29-Aug-2023	22.80	01-Aug-2023	23.70	23.77	23.80	59,087	1,402,785	23
September 2023	23.90	08-Sep-2023	21.10	22-Sep-2023	23.10	23.45	23.48	50,622	1,158,435	21
October 2023	23.60	02-Oct-2023	21.60	23-Oct-2023	22.80	22.49	22.54	46,781	1,052,982	22
November 2023	24.10	29-Nov-2023	22.00	13-Nov-2023	24.00	23.30	23.48	25,957	603,059	22
December 2023	28.90	15-Dec-2023	23.70	06-Dec-2023	26.40	25.55	25.71	51,415	1,329,868	19

7.8 Dividends

The Board of Directors reviews annually, based on the prior year's results, the appropriateness of asking shareholders to approve a dividend distribution. The Company has chosen not to have a specific dividend distribution policy, in favour of an annual assessment by the Board of Directors.

The Axway Board of Directors' meeting on 21 February 2024, decided to allocate the loss for the year of €12,463,786 to retained earnings, bringing this reserve from a debit amount of €18,866,429 to a debit amount of €31,330,215.

7.9 Rights, privileges and restrictions attached to each category of shares outstanding

7.9.1 Rights and obligations attaching to shares (Article 12 of the Articles of Association)

1. "Each share gives the right to a portion of the earnings, corporate assets and liquidation surplus in proportion to the percentage of the share capital it represents. It moreover carries voting and representation rights at General Meetings, as well as the right to be kept informed about the Company's performance and to receive certain corporate documentation when and in the manner provided for by law and in the Articles of Association.
 2. Shareholders are only liable for corporate liabilities up to the amount of their contributions. The rights and obligations stay with the share regardless of who owns it. Ownership of a share implies acceptance of the Company's Articles of Association and the decisions of General Meetings.
 3. Whenever a certain number of shares is required to exercise any particular right, owners not holding that number shall be personally responsible for grouping together, or potentially buying or selling the required number of shares."
- The Company's leading shareholders do not enjoy any additional rights attached to their shares.
- Moreover, it is specified that since the General Meeting of 4 June 2014 a double voting right is attached to shares held by shareholders that meet the conditions specified in paragraph 4 of Article 31 of the Articles of Association, available in the Investor Relations section of the Axway website:
- <https://investors.axway.com/en/bylaws-regulations-agreements>

7.9.2 Indivisibility of shares - Bare ownership - Beneficial ownership (Article 13 of the Articles of Association)

1. "Shares are indivisible with respect to the Company. Joint owners of undivided shares are represented at General Meetings by one of them or by a sole agent. In the event of a dispute, the agent is appointed by the courts at the request of the joint owner who acts first.
2. Voting rights are held by beneficial owners in Ordinary General Meetings and by bare owners in Extraordinary General Meetings. Nevertheless, shareholders may agree to share voting rights at General Meetings in any way they see fit. The Company is notified of the agreement by registered letter and shall be required to apply this agreement for any meeting held any time from one month following the sending of this letter. Nevertheless, the bare owner is entitled to participate in all General Meetings. His voting rights can never be completely eliminated. The beneficial owner cannot be denied the right to vote on decisions involving the appropriation of earnings. Voting rights of pledged securities are exercised by the owner."

7.10 Information on takeover bids pursuant to Article L. 22-10-11 of the French Commercial Code

- The Company's share capital structure is set out in Chapter 7, Section 7.2 of the Universal Registration Document.
- There are no restrictions in the Articles of Association on the transfer of shares, which are freely transferable, except where provided otherwise under applicable laws or regulations (Article 11 of the Articles of Association). The Company and the markets have been informed of the shareholders' agreement between shareholders acting in concert with respect to the Company. Information available to the Company is detailed in Chapter 7, Section 7.2.4 of this Universal Registration Document, in accordance with Article L. 233-11 of the French Commercial Code.
- Any direct or indirect equity investments in the Company's share capital of which the Company has been informed pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code are set out in Chapter 7, Section 7.2 of the Universal Registration Document.
- In accordance with the provisions of Article 31 of the Articles of Association, any shares held in registered form by the same shareholder for at least two (2) years have a double voting right. With this proviso, there are no special controlling rights covered by Article L. 225-100-3, paragraph 4, of the French Commercial Code. The Company's Articles of Association are available in the Investor Relations section of the Axway website: <https://investors.axway.com/en>
- There is no control mechanism provided under an employee share ownership scheme.
- Agreements between shareholders of which the Company is aware and that may result in restrictions on share transfers and the exercise of voting rights can be found in Chapter 7, Section 7.2.4 of the Universal Registration Document.
- The rules applicable to the appointment and replacement of the members of the Board of Directors comply with applicable legal and regulatory requirements and are set out in Article 14 of the Articles of Association. The Articles of Association may be modified by the Company in accordance with applicable legal and regulatory provisions.
- The powers of the Board of Directors are set out in Article 17 of the Articles of Association. "The Board of Directors determines the overall business strategy of the Company and supervises its implementation, in accordance with its corporate interest, taking the social and environmental issues of its activity into consideration. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided by shareholders in a General Meeting." Moreover, the Board of Directors has the delegated powers set out in Chapter 7, Section 7.5 of this Universal Registration Document.
- The agreements entered into by the Company that could be amended or terminated in the event of a change in control of the Company mainly concern the syndicated credit facility renewed on 21 January 2019.
- There are no agreements providing for the payment of compensation to members of the Board of Directors or employees upon resignation or dismissal without just cause or should their employment contracts be terminated following a public tender offer.

7.11 Provisional financial calendar

Event	Date	Publication/Meeting
Publication of Q1 2024 revenue	Thursday, 25 April 2024	Press release (before market opening)
2024 General Meeting	Thursday, 16 May 2024	Shareholders' Meeting (2.30 p.m. UTC+1) - Etoile Business Center - Paris
Publication of H1 2024 results	Tuesday, 23 July 2024	Press release (after market closing) Analysts virtual conference (UTC+2)
Publication of Q3 2024 revenue	Thursday, 24 October 2024	Press release (before market opening)

7.12 Investor relations and shareholder dialogue

The Investor Relations Department dialogues with the financial community through:

- a team dedicated to investor relations and shareholder dialogue:

Arthur Carli, Head of Investor Relations & CSR

Tel.: +33(0)1 47 17 24 65 / email: acarli@axway.com

Rina Andriamiadantsoa, Financial Communication & Shareholder Relations

Tel.: +33(0)1 47 17 24 04 / email: randriamiadantsoa@axway.com

- exchanges and meetings are held throughout the year during institutional investor roadshows and conferences, individual meetings, annual and half-year results presentations and the General Shareholders' Meeting;
- information useful to shareholders and investors may be consulted on the website: www.investors.axway.com/en

Combined General Meeting of 16 May 2024

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The Chairman of the Board of Directors, committed to sustainably aligning the interests of the Company and those of shareholders, seeks to establish a frequent dialogue with shareholders in close conjunction with the Chief Executive Officer. Accordingly, in fiscal year 2023, in addition to the General Meeting, shareholders were invited to attend all presentations of Axway's results as well as a "Capital Markets Meeting" by video-conference. A recording of these meetings can be viewed on the Company's website at the following link: <https://investors.axway.com>.

Similarly, the Board of Directors, under the impetus of its Chairman and Executive Management, analysed voting results at the Combined General Meeting of 11 May 2023. This analysis showed that minority shareholders, for the most part, followed the voting recommendations of the Board of Directors.

In addition, the procedures for shareholders to attend the General Meeting are presented in Articles 25 to 34 of the Articles of Association, which may be consulted on the Axway investors website: <https://investors.axway.com/en/bylaws-regulations-agreements>.

8.1 Agenda AFR

Ordinary General Meeting

1. Approval of the annual financial statements for the year ended 31 December 2023 - Approval of non-tax deductible expenses and charges,
2. Approval of the consolidated financial statements for the year ended 31 December 2023,
3. Appropriation of earnings for the year,
4. Fixed annual sum to be allocated to members of the Board of Directors,
5. Approval of the compensation policy for the Chairman of the Board of Directors,
6. Approval of the compensation policy for the Chief Executive Officer,
7. Approval of the compensation policy for members of the Board of Directors,
8. Approval of the information set out in Section I of Article L. 220-10-9 of the French Commercial Code,
9. Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Pierre Pasquier, Chairman of the Board of Directors,
10. Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Patrick Donovan, Chief Executive Officer,
11. Appointment of Dominique Illien as a director,
12. Appointment of Mazars as Statutory Auditor responsible for certifying sustainability information,
13. Appointment of Nexia as Statutory Auditor responsible for certifying sustainability information,
14. Authorisation granted to the Board of Directors, for a period of 18 months, to buy back shares in the Company under the mechanism set out in Article L. 22-10-62 of the French Commercial Code.

Extraordinary General Meeting

15. Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities granting access to share capital (of the Company or a Group company) and/or debt securities, with cancellation of preferential subscription rights, through an offering referred to in Section I of Article L. 411-2 of the French Monetary and Financial Code,
16. Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities granting access to share capital (of the Company or a Group company) and/or debt securities, with cancellation of preferential subscription rights, through a public offering (excluding offerings referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code), and/or in consideration for securities as part of a public exchange offering,
17. Authorisation to increase the amount of issues,
18. Overall limit on the delegations provided for in the 15th and 16th resolutions of this General Meeting and the 18th and 20th resolutions of the General Meeting of 11 May 2023
19. Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to share capital, with cancellation of preferential subscription rights, for members of a company savings plan pursuant to Articles L. 3332-18 *et seq.* of the French Labour Code; duration of the delegation of authority, maximum par value amount of the share capital increase, issue price, ability to grant free shares pursuant to Article L. 3332-21 of the French Labour Code,
20. Amendment of Article 15 "Organisation of the Board of Directors" of the Articles of Association to raise the age limit for the Chairman of the Board of Directors,

Ordinary General Meeting

21. Powers to perform legal formalities.

8.2 Explanatory statement and proposed resolutions

Dear Shareholders,

We have convened a Combined General Meeting on 16 May 2024 to present the consolidated and parent company financial statements for the fiscal year ended 31 December 2023, and to submit a certain number of resolutions for your approval, the content of which is presented below.

As part of the approval of the consolidated and parent company

financial statements for the fiscal year ended 31 December 2023, we present the annual management report, included in the Universal Registration Document filed with the AMF.

This Board of Directors' report seeks to explain the contents of the resolutions submitted for your approval, and indicate the vote recommended by the Company's Board of Directors.

8.2.1 Resolutions presented for the approval of the Ordinary General Meeting

a) Approval of the accounts proposed by the Board of Directors (1st to 3rd resolutions)

EXPLANATORY STATEMENT

In light of the Statutory Auditors' reports and the Board of Directors' management report, shareholders are asked to:

- approve the annual financial statements for the fiscal year ended 31 December 2023, showing a loss of €12,463,786 and approve the transactions reflected in these financial statements or summarised in these reports (1st resolution);
- approve the consolidated financial statements for the fiscal year ended 31 December 2023, showing a consolidated net profit, Group share, of €35,833,895 and the transactions reflected in these financial statements and/or summarised in these reports (2nd resolution); and
- approve the appropriation of earnings (3rd resolution).

It is recalled that Article 37 of the Articles of Association sets out the following rules for the appropriation and distribution of earnings:

The income statement summarises the income and expenses for the fiscal year and, after deductions for amortisation, depreciation and provisions, shows the profit for the year. Any prior losses are deducted from the profit for the year, along with at least five per cent for allocation to the legal reserve. This allocation ceases to be mandatory when the legal reserve represents one-tenth of the share capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings. The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all discretionary, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned by the General Meeting between all shareholders in proportion to the number of shares held.

Furthermore, the General Meeting may resolve to distribute sums deducted from available reserves, by expressly indicating the reserves from which the deductions are to be made. However, dividends are first deducted from the profit for the year.

Except in the event of a share capital reduction, no distribution may be carried out to shareholders where shareholders' equity is, or would subsequently be, less than the minimum amount of share capital plus reserves not enabling a distribution, pursuant to the law or the Articles of Association. Revaluation surpluses may not be distributed. Some or all of them may be incorporated into the capital.

Any losses shall, following approval of the financial statements by the General Meeting, be carried forward to be set against earnings in subsequent fiscal years, until fully used up.

First resolution

Approval of the annual financial statements for the year ended 31 December 2023 - Approval of non-tax deductible expenses and charges

The General Meeting, after reviewing the Board of Directors' and Statutory Auditors' reports for the year ended 31 December 2023, approves the annual financial statements as presented at this date showing a net loss of €12,463,786.

The General Meeting specifically approves the overall amount of €38,794 for expenses and charges referred to in Section 4 Article 39 of the French General Tax Code, it being noted that no tax was borne in respect of these expenses.

Second resolution

Approval of the consolidated financial statements for the year ended 31 December 2023

The General Meeting, after reviewing the Board of Directors' and Statutory Auditors' reports on the consolidated financial statements for the year ended 31 December 2023, approves these consolidated financial statements as presented showing a net profit (Group share) of €35,833,895.

Third resolution

Appropriation of earnings for the year

The General Meeting, at the proposal of the Board of Directors, decides to allocate the net loss for the year of €12,463,786 to retained earnings, bringing this reserve from a debit amount of €18,866,429 to a debit amount of €31,330,215.

Pursuant to the provisions of Article 243 bis of the French General Tax Code, the Meeting notes that it was reminded that dividend and revenue distributions during the past three fiscal years were as follows:

For the fiscal year	Revenue eligible for deduction		Revenue not eligible for deduction	
	Dividends	Other distributed revenue		
	€8,540,426			
2020	i.e. €0.40 per share	-	-	-
	€8,653,439			
2021	i.e. €0.40 per share	-	-	-
	€8,653,439			
2022	i.e. €0.40 per share	-	-	-

b) Company officer compensation (4th to 10th resolutions)

EXPLANATORY STATEMENT

In the 4th resolution, the General Meeting will be asked to maintain the fixed annual amount to be allocated to directors at €330,000 in respect of the current fiscal year, until a new decision is made.

In addition, the General Meeting will be asked to approve the compensation policy for all company officers (resolutions 5 to 7). Shareholders are asked to refer to Chapter 4, Section 4.4.2 of the Universal Registration Document, "Compensation policy", to review this information.

The General Meeting will also be asked to approve the fixed, variable and exceptional components of total compensation, and benefits of all kind paid during the year or awarded in respect of the same fiscal year to all company officers (resolutions 8 to 10). Shareholders are asked to refer to Chapter 4, Section 4.4.1 of the Universal Registration Document to review this information.

Fourth resolution

Fixed annual sum to be allocated to members of the Board of Directors

The General Meeting decides to maintain the fixed annual sum to be allocated to the Board of Directors at €330,000.

This decision is applicable to the current fiscal year and will be upheld until a new decision is made.

Fifth resolution

Approval of the compensation policy for the Chairman of the Board of Directors

The General Meeting, acting pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy for the Chairman of the Board of Directors presented in the Report on corporate governance presented in the 2023 Universal Registration Document in paragraph 4.4.2.3 a).

Sixth resolution

Approval of the compensation policy for the Chief Executive Officer

The General Meeting, acting pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy for the Chief Executive Officer presented in the Report on corporate governance presented in the 2023 Universal Registration Document in paragraph 4.4.2.3 b).

Seventh resolution

Approval of the compensation policy for members of the Board of Directors

The General Meeting, acting pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy for members of the Board of Directors presented in the Report on corporate governance presented in the 2023 Universal Registration Document in paragraph 4.4.2.2.

Eighth resolution

Approval of the information set out in Section I of Article L. 22-10-9 of the French Commercial Code

The General Meeting, acting pursuant to Article L. 22-10-34 I of the French Commercial Code, approves the information set out in Section I of Article L. 22-10-9 of the French Commercial Code disclosed in the Report on corporate governance presented in the 2023 Universal Registration Document in paragraph 4.4.1.

Ninth resolution

Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Pierre Pasquier, Chairman of the Board of Directors

The General Meeting, acting pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Pierre Pasquier, Chairman of the Board of Directors, presented in the Report on corporate governance presented in the 2023 Universal Registration Document in paragraph 4.4.1.2.

Tenth resolution

Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Patrick Donovan, Chief Executive Officer

The General Meeting, acting pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Patrick Donovan, Chief Executive Officer, presented in the Report on corporate governance presented in the 2023 Universal Registration Document in paragraph 4.4.1.3.

c) Appointment of a new Director (11th resolution)

EXPLANATORY STATEMENT

The appointment of Dominique Illien proposed to this General Meeting, is part of an overall transition in Axway's governance. The Board is seeking to increase the number of independent directors and it is to this end that you are presented the candidacy of Dominique Illien. Mr. Illien meets all the criteria defined by the third recommendation of the Middlenext Code.

Dominique Illien, proposed appointment of a new director to the Board of Directors



Age: 70 years old
Number of Axway
shares held: 60,000

Areas of knowledge:

- Knowledge of the software publishing business;
- Finance, control and risk management – Expertise;
- CSR - human resources and relations with employees;
- International dimension.

After starting his career as a computer scientist and then at Deloitte where he created the IT audit business, Dominique Illien worked in Europe, the United States and Asia in the information technology sector, at Cap Gemini, Atos as co-founder and CEO until 2007 and Sopra as CEO from 2007 to 2010.

He also chaired the Executive Board of Lefebvre-Sarrut, a legal database publishing group, where he oversaw the international development of online digital subscription services.

He is now an independent consultant.

Dominique Illien is a graduate of ESCP Business School and a Certified Public Accountant.

Offices and duties currently held:

- Member of the Supervisory Board of 21 invest SA (France)
- Member of the Advisory Board of Rocket Lawyer Inc. (USA)
- Member of the Advisory Board of Sky Republic Inc. (USA)
- Member of the Strategy Committee of Sismo SA (France)
- Member of the Strategy Committee of Orlade SA (France)
- Chairman of DBIConsulting SAS (France)

Offices expired during the past five years:

- Evolucare, Member of the Strategy Board (France)
- NG Data, Member of the Board (Belgium)

Eleventh resolution

Appointment of Dominique Illien as a director

The General Meeting decides to appoint Dominique Illien as a director in addition to the current members of the Board, for a term of four years expiring at the end of the General Meeting called to approve the financial statements for the year ending 31 December 2028.

d) Appointment of two Statutory Auditors responsible for certifying sustainability information (12th and 13th resolution)

EXPLANATORY STATEMENT

Following the enactment into French law of the CSRD Directive, the Company will be required in 2025 to publish a sustainability report on environmental, social and governance issues for the 2024 financial year. This information must be audited by one or more statutory auditors or independent third parties who will issue a certification report. Several service providers were invited to submit their candidacy to a special purpose assessment committee set up to this end, which reported on its proceedings and conclusions to the Audit Committee. After meeting with representatives of the short-listed firms, the Audit Committee agreed with the Company that a joint audit would strengthen the reliability of the results and would capitalize on complementary expertise. Mazars and Nexia are leading audit and consulting firms and are already responsible for auditing Axway's financial statements. They have precise and extensive knowledge of the Company's activities, and representatives in the various countries where Axway operates. Both firms have dedicated, qualified and experienced teams in consulting services and auditing all environmental, social and governance issues. Shareholders are therefore asked to appoint Nexia and Mazars as Statutory Auditors responsible for certifying sustainability information for a period of one year, that is until the end of the General Meeting called to approve the financial statements for the year ending 31 December 2024.

Twelfth resolution

Appointment of Mazars as Statutory Auditor responsible for certifying sustainability information

The General Meeting, at the proposal of the Board of Directors, appoints Mazars as Statutory Auditor responsible for certifying sustainability information, for the remainder of its term of office as principal Statutory Auditor of the Company, that is for a period of one year expiring at the end of the 2025 General Meeting called to approve the financial statements for the year ending 31 December 2024.

Mazars indicated that it accepted these duties and that it was not subject to any incompatibility or prohibition that would prevent its appointment.

Thirteenth resolution

Appointment of Nexia as Statutory Auditor responsible for certifying sustainability information

The General Meeting, at the proposal of the Board of Directors, appoints Nexia as Statutory Auditor responsible for certifying sustainability information, for the remainder of its term of office as principal Statutory Auditor of the Company, that is for a period of one year expiring at the end of the 2025 General Meeting called to approve the financial statements for the year ending 31 December 2024.

Nexia indicated that it accepted these duties and that it was not subject to any incompatibility or prohibition that would prevent its appointment.

e) Share buyback programme (14th resolution)

EXPLANATORY STATEMENT

During the last General Meeting, the Board of Directors was authorised to implement a share buyback programme for the Company's shares. As this authorisation will soon expire, shareholders are asked to renew it for a further period of 18 months (i.e. until 15 November 2025 inclusive), to enable the Board to again purchase shares in the Company, on one or more occasions and at the times it determines (except during a public tender offer period).

These buybacks may be carried out on and/or off market, on a multilateral trading system, with a systematic internaliser or over the counter, in particular by means of acquisition or disposal of share blocks, or the use of derivatives. We would recall that in any event, share purchases carried out in this manner must not result in the Company holding more than 10% of the shares making up the Company's share capital on the date such purchases are made.

Share buybacks may be performed for the following objectives, without this list being exhaustive:

- enabling secondary market making or ensuring the liquidity of Axway Software shares. To this end and pursuant to the delegation granted until now to the Board, a market-making agreement was signed by the Company with Kepler Cheuvreux;
- retaining shares that are bought back for subsequent exchange or use as consideration in acquisitions;
- providing coverage, as was the case this year, of free share grant plans (or similar plans) for employees and/or company officers of the Group. A record of all statements of share buyback transactions can be consulted on our investor website at <https://investors.axway.com/en/regulated-information>;
- cancelling any shares purchased, pursuant to the authorisation granted or to be granted by the Combined General Meeting.

These buybacks may be performed for all objectives listed in the 14th resolution presented to this General Meeting and, more broadly, any other objective which is authorised or will be authorised by the regulations in force.

The maximum share buyback price in connection with the share buyback programme would be set at €47 per share, representing a maximum total amount of €101,677,873 that the Company may devote to share purchases (excluding acquisition costs).

Fourteenth resolution

Authorisation granted to the Board of Directors, for a period of 18 months, to buy back shares in the Company under the mechanism set out in Article L. 22-10-62 of the French Commercial Code.

The General Meeting, after reviewing the Board of Directors' report, authorises the latter, for a period of eighteen months, pursuant to Articles L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, to buy back the Company's shares on one or more occasions, and at the times it determines, up to a maximum number of shares representing no more than 10% of the number of shares making up the share capital at the date of this General Meeting, where applicable, adjusted to take into account potential share capital increase or decrease transactions which might take place during the term of the programme.

This authorisation supersedes the authorisation granted to the Board of Directors by the General Meeting of 11 May 2023 in its fifteenth ordinary resolution.

The acquisitions may be performed with a view to:

- enabling secondary market making or ensuring the liquidity of Axway Software shares through an investment services provider via a market-making agreement that complies with regulations, it being noted that the number of shares used to calculate the aforementioned limit is equal to the number of shares bought back, less the number of shares sold;
- retaining shares that are bought back for subsequent exchange or use as consideration in mergers, demergers, contributions or acquisitions;
- providing coverage of share purchase option plans and/or free share plans (or similar plans) for employees and/or company officers of the Group, including affiliated economic interest groups and companies as well as granting shares through a

group or company savings plan (or similar plan), Company profit-sharing and/or all forms of assigning shares to employees and/or company officers of the Group, including affiliated economic interest groups and companies;

- providing coverage of securities conferring entitlement to the grant of shares in the Company in view of regulations in force;
- cancelling any shares purchased, pursuant to the authorisation granted or to be granted by the Extraordinary General Meeting;
- pursuing any other objective which is authorised or will be authorised by the regulations in force.

The share buybacks can take place via any means, including the acquisition of blocks of shares, and at the times the Board of Directors determines. Unless previously authorised by the General Meeting, the Board of Directors may not use these delegated powers during a public tender offer by a third party for the Company's shares, up to the end of the tender period.

The Company reserves the right to use optional mechanisms or derivatives in line with applicable regulations.

The maximum purchase price is set at €47 per share. In the event of a share capital transaction, particularly the split or reverse split of shares or the allocation of bonus shares to shareholders, the amount indicated above will be adjusted in the same proportion (multiplying coefficient equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares after the transaction).

The maximum transaction amount is set at €101,677,906.

The General Meeting grants full powers to the Board of Directors to perform these transactions, to decide upon the terms and conditions, to enter into all agreements and to complete all the required formalities.

8.2.2 Resolutions presented for the approval of the Extraordinary General Meeting

a) Resolutions concerning financial delegations (15th to 18th resolutions)

EXPLANATORY STATEMENT

The delegations of authority granted to the Board of Directors on 24 May 2022 to increase the share capital, without preferential subscription rights, and to raise funds on the financial markets by issuing securities, without preferential subscription rights, granting access or potentially granting access to the share capital, by way of a public offer or an offer referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code (*code monétaire et financier*) expire on 23 July 2024. The Board of Directors therefore asks shareholders to renew these existing delegations of authority for a period of twenty-six (26) months, by approving resolutions 15 to 18 to enable it, if necessary, to launch, at the time it considers appropriate, the financial transactions best adapted to the financing requirements of the Group's development and the opportunities available on the market.

The share capital increases potentially resulting from these resolutions may be performed by issuing ordinary shares granting, where applicable, access to ordinary shares or conferring entitlement to the allocation of debt securities, and/or securities granting access to ordinary shares, (i) with cancellation of preferential subscription rights through an offering referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code (15th resolution), (ii) with cancellation of preferential subscription rights through a public offering (excluding offerings referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code), and/or in consideration for securities as part of a public exchange offering (16th resolution).

The issue ceilings applicable to issues performed pursuant to the 15th and 16th resolutions would be as follows:

- €20 million par value for share capital increases that may result from the 15th resolution and €10 million par value (plus an additional limit of 20% of the share capital per year) for share capital increases that may result from the 15th resolution, excluding each time the par value amount of share capital increases necessary to safeguard, under the law or under any applicable contractual agreement providing for other cases of safeguard, the rights of holders of securities granting access to the Company's share capital, share subscription or purchase options or rights to the grant of free shares;
- it being specified that all share capital increases likely to result from the 15th and 16th resolutions of this General Meeting and the 18th and 20th resolutions of the General Meeting of 11 May 2023 would be subject to an overall maximum par value ceiling of €20 million as set forth in the 18th resolution of this General Meeting.

In addition, pursuant to the terms of the 17th resolution presented for your vote, the Board of Directors could also decide, for each of the issues performed pursuant to the 15th and 16th resolutions, to increase the number of ordinary shares and/or securities granting access to ordinary shares of the Company, under the conditions provided for in Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, subject to the ceilings set by the General Meeting.

Fifteenth resolution

Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities granting access to share capital and/or debt securities, with cancellation of preferential subscription rights, through an offering referred to in Section I of Article L. 411-2 of the French Monetary and Financial Code,

The General Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' special report and pursuant to the provisions of the French Commercial Code and, specifically, Articles L. 225-129-2, L. 225-136 and L. 225-132 *et seq.*:

1. delegates to the Board of Directors the authority to issue, on one or more occasions, and in the proportions and at the times it determines, on the French and/or international market, through an offering referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code, either in euros or in foreign currency or any other unit of account established in reference to a collection of currencies:
 - ordinary shares,
 - and/or securities granting access to share capital and/or debt securities;
2. sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;

3. the overall par value amount of ordinary shares that may be issued pursuant to this delegation cannot exceed €10,000,000, it being specified that it will also be limited to 20% of the share capital per year.

The par value amount of the share capital increase required to safeguard, in accordance with the law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital, will be added to this ceiling.

This amount is deducted from the overall maximum par value amount of ordinary shares set in the eighteenth resolution.

The nominal amount of Company debt securities that may be issued pursuant to this delegation may not exceed €100,000,000.

This amount is deducted from the overall maximum nominal amount of debt securities set in the eighteenth resolution;

4. decides to cancel the preferential subscription rights of shareholders to ordinary shares and securities granting access to share capital and/or debt securities covered by this resolution;

5. decides that the amount payable or that will be payable to the Company for each of the ordinary shares issued under this delegation of authority, after considering, if issuing independent share subscription warrants, the issue price of these warrants, will be determined in accordance with the legal and regulatory provisions in force at the time of implementation of this delegation, after correction, if necessary, of this amount for differences in dividend ranking dates;
 6. decides that, if the entire issue indicated in 1) above is not taken up by subscriptions, the Board of Directors may use the following options:
 - limit the issue amount to the amount of subscriptions, where applicable within the limits set forth in the regulations,
 - freely allocate all or part of the unsubscribed securities;
 7. decides that the Board of Directors will have, within the limits set forth above, the powers required to determine the conditions of the issue(s), where applicable, record completion of the resulting share capital increases, amend the Articles of Association accordingly, charge, at its sole discretion, the expenses generated by the share capital increases to the corresponding premium amounts and deduct from this amount the sums needed to raise the legal reserve to one-tenth of the new share capital following each increase, and more generally, carry out the necessary formalities;
 8. acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.
3. the overall par value amount of ordinary shares that may be issued pursuant to this delegation may not exceed €20,000,000.

The par value amount of the share capital increase required to safeguard, in accordance with the law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital, will be added to this ceiling.

This amount is deducted from the overall maximum par value amount of ordinary shares set in the eighteenth resolution.

The nominal amount of Company debt securities that may be issued pursuant to this delegation may not exceed €200,000,000.

This amount is deducted from the overall maximum nominal amount of debt securities set in the eighteenth resolution;
 4. decides to cancel the preferential subscription rights of shareholders to ordinary shares and securities granting access to share capital and/or debt securities covered by this resolution, whilst giving the Board of Directors the authority to grant shareholders a priority right, in accordance with law;
 5. decides that the amount payable or that will be payable to the Company for each of the ordinary shares issued under this delegation of authority, after considering, if issuing independent share subscription warrants, the issue price of these warrants, will be determined in accordance with the legal and regulatory provisions in force at the time of implementation of this delegation, after correction, if necessary, of this amount for differences in dividend ranking dates;
 6. decides, if issuing securities in consideration for securities contributed as part of a public exchange offer, that the Board of Directors will have, within the terms set out in Article L. 22-10-54 of the French Commercial Code and the limits determined above, the powers required to determine the list of securities contributed for exchange, to determine the issue conditions, to set the exchange ratio and, where applicable, the amount of the cash balance to be paid, and to determine the issue terms;
 7. decides that, if the entire issue indicated in 1) above is not taken up by subscriptions, the Board of Directors may use the following options:
 - limit the issue amount to the amount of subscriptions, where applicable within the limits set forth in the regulations,
 - freely allocate all or part of the unsubscribed securities;
 8. decides that the Board of Directors will have, within the limits set forth above, the powers required to determine the conditions of the issue(s), where applicable, record completion of the resulting share capital increases, amend the Articles of Association accordingly, charge, at its sole discretion, the expenses generated by the share capital increases to the corresponding premium amounts and deduct from this amount the sums needed to raise the legal reserve to one-tenth of the new share capital following each increase, and more generally, carry out the necessary formalities;

Sixteenth resolution

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to share capital and/or debt securities, with cancellation of preferential subscription rights, through a public offering (excluding offerings referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code), and/or in consideration for securities as part of a public exchange offering

The General Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' special report and pursuant to the provisions of the French Commercial Code and, specifically, Articles L. 225-129-2, L. 225-136, L. 22-10-51, L. 22-10-52, L. 22-10-54 and L. 228-92:

1. delegates to the Board of Directors the authority to issue, on one or more occasions, and in the proportions and at the times it determines, on the French and/or international market, through an offering to the public excluding offerings referred to in Section 1 of Article L. 411-2 of the French Monetary and Financial Code, either in euros or in foreign currency or any other unit of account established in reference to a collection of currencies:
 - ordinary shares,
 - and/or securities granting access to share capital and/or debt securities.

These securities may be issued in consideration for securities that may be contributed to the Company, as part of a public exchange offer pursuant to the terms of Article L. 22-10-54 of the French Commercial Code;

2. sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;

9. acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.

Seventeenth resolution

Authorisation to increase the issue amount

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, decides that for each issue of ordinary shares or securities pursuant to the fifteenth and sixteenth resolutions, the number of securities to be issued may be increased in accordance with the conditions set forth in Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, and up to the limit of the ceilings determined by the General Meeting.

The authorisation granted by the General Meeting of 11 May 2023 in its nineteenth resolution will remain in effect for issues decided pursuant to the resolutions referred to that have not expired.

Eighteenth resolution

Overall limit on authorisation ceilings set in the fifteenth and sixteenth resolutions of this General Meeting and the eighteenth and twentieth resolutions of the General Meeting of 11 May 2023

The General Meeting, having reviewed the Board of Directors' and Statutory Auditors' reports, sets at:

- €20,000,000, the overall par value amount of shares that may be issued, immediately or in the future, pursuant to the fifteenth and sixteenth resolutions of this General Meeting and the eighteenth and twentieth resolutions of the General Meeting of 11 May 2023, it being specified that, where applicable, the par value amount of the share capital increase required to safeguard, in accordance with law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital will be added to this amount;
- €200,000,000, the overall nominal amount of Company debt securities that may be issued pursuant to the fifteenth and sixteenth resolutions of this General Meeting and the eighteenth resolutions of the General Meeting of 11 May 2023.

b) Resolutions concerning employee share-based incentive schemes (19th resolution)

EXPLANATORY STATEMENT

Shareholders are asked to approve the 19th resolution to comply with the provisions of Article L. 225-129-6 of the French Commercial Code, under the terms of which as Extraordinary General Meetings are required to vote on delegations of authority that may lead to a share capital increase for cash, immediately or in the future, they must also vote on delegations of authority in favour of members of a company savings plan.

Shareholders are asked to delegate to the Board of Directors the authority, as they see fit, to increase the share capital, on one or more occasions, by issuing ordinary shares and/or securities of the Company, with cancellation of preferential subscription rights, reserved for members of a company savings plan. The maximum share capital increase amount in view of this delegation would be set at 3% of share capital, it being specified that this amount would be independent and separate from any other share capital increase ceiling. Where applicable, the par value amount of the share capital increase required to safeguard, in accordance with law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital will be added to this amount. This delegation would be granted for a period of twenty-six (26) months.

Nineteenth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares and/or securities granting access to share capital, with cancellation of preferential subscription rights, for members of a company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labour Code

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code:

1. delegates its authority to the Board of Directors, at its discretion, to increase the share capital on one or several occasions, by issuing ordinary shares or securities granting access to the Company's shares to members of one or several Group or company savings plans established by the Company and/or its French or non-French affiliates within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code;
2. cancels, in favour of these individuals, preferential subscription rights to shares and securities which could be issued under this delegation;
3. sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;
4. limits the maximum par value amount of the increases resulting from this delegation to 3% of the share capital on the date of the Board of Directors' decision to perform this increase. This amount is separate from any other ceiling on share capital increases. The par value amount of share capital increase required to safeguard, in accordance with law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital will be added to this amount;

5. decides that the price of shares to be issued, pursuant to 1) of this delegation, may not be more than 30% lower, or 40% lower if the lock-up period indicated in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is equal to or longer than ten years, than the average listed price of the share during the 20 trading sessions preceding the decision determining the subscription start date, nor higher than this average;
6. decides, pursuant to the provisions of Article L. 3332-21 of the French Labour Code, that the Board of Directors can provide for the free allocation, to the beneficiaries defined in the first paragraph above, of shares to be issued or already issued, or other securities granting access to the Company's share capital to be issued or already issued, for (i) the

employer contribution which could be paid pursuant to the regulations of the Group or company savings plan, and/or (ii) where applicable, the discount, and could decide, if issuing new shares for the discount and/or employer contribution, to capitalise the reserves, profits or premiums required to pay up the shares;

7. acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.

The Board of Directors may or may not implement this delegation, take all measures and perform the required formalities.

c) Resolutions concerning the amendment of the Articles of Association (20th resolution)

EXPLANATORY STATEMENT

The duties of Chairman and Chief Executive Officer have been separated since 22 June 2015. Under this governance structure, the Chairman has several duties. He sets the agenda and organises meetings of the Board of Directors, while also managing the Board. He oversees the strategy and matters related to it, including mergers and acquisitions. He oversees investor relations activities. He supports Executive Management by contributing to certain operational activities.

As part of these activities, the Chairman's main priorities over the past five years have been to: accompany the new strong management team, oversee the strategic discussion process, participate in discussions on the strategic direction and the merger/acquisition policy and renew the Board of Directors.

Furthermore, in his strategic oversight and leadership of the mergers and acquisition policy, the Chairman brings key strengths to the Group: his legitimacy as founder of Sopra Steria Group and Axway Software, his strategic vision enhanced by his knowledge of the sector and its environment, and his wealth of experience as manager. These strengths will be especially useful in the coming years for the implementation of the strategic plan.

In this respect, the provisions of the Articles of Association regarding the age limit for the position of Chairman do not allow him to effectively conduct his duties.

For this reason, the General Shareholders' Meeting is asked to allow the Chairman to complete his four-year term of office ending in 2027 and, accordingly, increase the age limit from 91 to 95 years of age.

Twentieth resolution

Amendment of Article 15 "Organisation of the Board of Directors" of the Articles of Association to raise the age limit for the Chairman of the Board of Directors

The General Meeting, having reviewed the Board of Directors' and Statutory Auditors' reports, decides:

- to amend Article 15 of the Articles of Association to raise the age limit for the Chairman of the Board of Directors to ninety-five years of age;
- to amend accordingly and as follows paragraph 3 of Article 15 of the Articles of Association, the remainder of the Article remaining unchanged:

"No one over the age of ninety-five can be appointed Chairman. If the Chairman in office has reached this age, he is deemed to have resigned from office."

8.2.3 Resolutions presented for the approval of the Ordinary General Meeting

Powers to perform legal formalities (21st resolution)

EXPLANATORY STATEMENT

Finally, shareholders are asked to confer full powers on the bearer of an original, a copy or an extract from the minutes of the General Meeting of 16 May 2024 for the purposes of carrying out all legal or administrative formalities consecutive to this General Meeting. The Board considers that the resolutions presented for your approval are consistent with the interests of the Company and contribute to the development of its business.

Twenty-first resolution

Powers to perform legal formalities

The General Meeting grants full powers to the holder of an original, copy or excerpt of these minutes to perform all legal filing and posting formalities.

The Board of Directors

Preparation and control of the Universal Registration Document and certification of the person responsible for the Universal Registration Document

Name and position of the person responsible for the Universal Registration Document

Patrick Donovan, Chief Executive Officer

Axway Software – 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254, USA.

Persons responsible for auditing the financial statements

Principal Statutory Auditors

Nexia S&A

31, rue Henri-Rochefort, 75017 Paris.

Represented by Olivier Juramie.

Office to expire at the General Meeting convened to approve the financial statements for the 2024 fiscal year.

First appointment: December 2000.

Nexia S&A is a member of the Paris Regional Statutory Auditors' Association (*Compagnie régionale des Commissaires aux comptes de Paris*).

Mazars

61, rue Henri-Regnault, 92400 Courbevoie.

Represented by Jérôme Neyret.

Office to expire at the General Meeting convened to approve the financial statements for the 2024 fiscal year

First appointment: December 2000.

Mazars is a member of the Versailles Regional Statutory Auditors' Association (*Compagnie régionale des Commissaires aux comptes de Versailles*).

Certification of the person responsible for the Universal Registration Document

I hereby declare, after having taken all reasonable measures for this purpose, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and it contains no omission likely to affect its meaning.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and of all entities within the scope of consolidation.

I hereby declare that the management report included in this Document and detailed in the cross-reference table gives a true and fair view of the business performance, results and financial position of the Company and of all entities within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified the financial and accounting information provided in this Universal Registration Document and that they have read the document as a whole.

Patrick Donovan
Chief Executive Officer

General remarks

This Universal Registration Document also includes:

- the annual financial report, which must be prepared and published by all listed companies within four months of the closing date of each fiscal year, pursuant to Article L. 452-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations; and
- the Board of Directors' annual management report, which must be presented to the General Shareholders' Meeting called to approve the financial statements for each fiscal year, pursuant to Articles L. 225-100 and L. 22-10-35 *et seq.* of the French Commercial Code..

Information incorporated by reference

Pursuant to Article 19 of Commission Regulation (EC) No. 2017/1129 of 14 June 2017, the following information is included by reference in this Universal Registration Document:

1. for fiscal year 2022:
 - the Axway consolidated financial statements for fiscal year 2022 and the Statutory Auditors' report on the consolidated financial statements presented in the Registration Document filed on 24 March 2023 (on pages 119 to 172 and 173 respectively),
 - the Axway Software financial statements for fiscal year 2021 and the Statutory Auditors' report on the financial statements presented in the Registration Document filed on 24 March 2023 (on pages 177 to 191 and 192).
2. for fiscal year 2021:
 - the Axway consolidated financial statements for fiscal year 2021 and the Statutory Auditors' report on the consolidated financial statements presented in the Registration Document filed on 24 March 2022 (on pages 139 to 197 and 198 respectively)
 - the Axway Software financial statements for fiscal year 2021 and the Statutory Auditors' report on the financial statements presented in the Registration Document filed on 24 March 2022 (on pages 205 to 222 and 223 respectively).

Glossary

Unless indicated otherwise, in this Universal Registration Document:

- the term “**Company**” refers to Axway Software;
- the terms “**Group**”, “**Axway**” and “**Axway Group**” refer to the Company and its subsidiaries;
- the terms “**Sopra**” or “**Sopra Steria**” refer to Sopra Steria Group.

Sector acronyms and terms specific to Axway

Amplify™: Amplify™ is the registered trademark for Axway’s hybrid integration offering. Amplify™ leverages the proven capabilities of Axway’s API management platform, enhanced with powerful integration tooling, support for complex organisational structures and integrations with its market leading MFT and B2B solutions.

API: Application Programming Interface: IT solution enabling applications to communicate and exchange services and data.

B2B: Business to Business Integration: automation of business and communication processes between at least two companies.

Cloud computing: process that consists in using remote IT servers or applications over internet networks.

CSP: Content Services Platform: software enabling users to create, share, collaborate and store content.

DevOps: range of practices helping software developers (Dev) and IT operations professionals (Ops) to work together by automating the software delivery process and infrastructure changes.

EDI: Electronic Data Interchange: the computer-to-computer interchange of strictly formatted messages.

EFSS: Enterprise File Synchronization & Sharing: service enabling users to save files in the Cloud and/or on-premise and access them from all their devices.

ERP: Enterprise Resource Planning: information system enabling the daily management and monitoring of all of a business’ information and operating services.

HIP - Hybrid Integration Platform: single integration platform enabling the creation of application and data networks adapted to each customer’s technology and structure.

Horizontal software: software solution able to target the needs of all types of customers, independent of their business sector.

IOT - Internet Of Things: refers to the growing number of devices connected to the Internet that enable physical assets to communicate digitally.

iPaaS: Integration platform as a Service: suite of cloud services enabling the development, execution and governance of integration flows.

Low-code: low code development allows developers to design applications rapidly with minimal manual coding. A low-code platform contains a suite of pre-built functions and tools that easily complement developers’ needs.

MFT: Managed File Transfer: software or platform that manages the secure transfer of data between devices via a network.

No-code: No code solutions are designed for non-developers who do not know or do not need to know programming languages to use and develop a software. A no code platform integrates all key functions users need to develop applications.

On-Premise: refers to the use of a company’s own server and IT environment.

PaaS: Platform as a Service: a cloud computing model where a cloud service provider proposes hardware and software tools as services over the Internet, enabling the user to develop applications.

SaaS: Software as a Service: cloud-based software distribution model.

Alternative performance indicators

ACV: Annual Contract Value – Annual contract value of a subscription agreement.

ARR: Annual Recurring Revenue – Expected annual billing amounts from all active maintenance and subscription agreements.

Restated revenue: Revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.

Organic growth: Growth in revenue between the period under review and the prior period, restated for consolidation scope and exchange rate impacts.

Growth at constant exchange rates: Growth in revenue between the period under review and the prior period restated for exchange rate impacts.

Employee Engagement Score: Measurement of employee engagement through an independent annual survey.

NPS: Net Promoter Score – Customer satisfaction and recommendation indicator for a company.

Profit on operating activities: Profit from recurring operations adjusted for the non-cash share-based payment expense, as well as the amortisation of allocated intangible assets.

TCV: Total Contract Value – Full contracted value of a subscription agreement over the contract term.

Corporate responsibility

Customer Success organisation: Axway's internal structure dedicated to customer success. Axway strives continuously for customer satisfaction.

Engagement survey: independent annual survey conducted each year by Axway covering all employees.

GDPR: General Data Protection Regulation.

Greenhouse Gas (GHG): greenhouse gases are gas components that absorb infrared radiation emitted by the planet's surface and contribute to the greenhouse effect. The increase in their concentration in the planet's atmosphere is one of the factors behind global warming. GHG emissions are measured in metric tons of CO₂ (T eq. CO₂).

LMS: Learning Management System: software that accompanies and manages a training process or learning path.

Materiality matrix: analysing materiality enables the most relevant issues for the Company and its stakeholders to be identified and ranked. Issues are presented in a graph identifying their importance for the Company and its stakeholders.

NFPS: Non-Financial Performance Statement.

Sustainable Development Goals (SDGs) are used to identify the seventeen objectives set by the United Nations Member States for 2030. Governments and civil society have defined targets in a wide range of areas around three founding principles: end poverty in all its forms everywhere, protect the planet and ensure prosperity for all. These objectives are grouped into five pillars: people, prosperity, planet, peace and partnership.

External sources

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Cross-reference tables

This cross-reference table presents the Sections detailed in Annexes 1 and 2 of Commission Delegated Regulation 2019/980 of 14 March 2019 and refers to the pages of this Universal Registration Document containing the information required by each of these sections.

The Corporate Social Responsibility cross-reference table is presented at the end of Chapter 3 of this Universal Registration Document.

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n/a: not applicable.

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