ANNUAL FINANCIAL REPORT

Universal Registration Document 2020

axway

contents

The information required in the Non-Financial Performance Statement is identified in the contents and the relevant chapters by the abbreviation NFPS
The information required in the Annual Financial Report is identified in the contents by the abbreviation AFR

Universal Registration Document 2020

- Annual Financial Report
- Management Report including the elements of the Extra-Financial Performance Statement
- Information relating to the Corporate Governance Report and the information required for the General Meeting

This Universal Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*, AMF) on March 18, 2021, 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.

DISCUSSIONS

Pierre PASQUIER
Chairman of the Axway Board of Directors

"Axway enters its 21st year on a sound footing."

While the unprecedented global mobilisation continues to combat a brutal and unforeseeable health and economic crisis, it was particularly difficult to draw up an assessment of 2020, a year we would like to forget for countless reasons.

Nevertheless, in 2020, Axway stood out for the resilience of its business model in a radically disrupted environment. The company skilfully overcame the numerous hurdles that the pandemic threw in its path and I am proud to say that Axway is entering its 21st year on a sound footing.

In the world of software, celebrating 20 years is a major achievement. Today, Axway is a seasoned infrastructure market specialist but can demonstrate the agility of a leading technological company, as illustrated by the transformation of its business model.

Spurred by Patrick Donovan and his teams, the last three years have seen numerous changes. In 2020, Axway finalised its transformation plan to become a leader in its new markets and is now looking to the next chapter in its adventure.

Over the next few years, Axway will continue to combine its pioneering experience with the ever renewed momentum required by the global software publishing market. The first phase of this new project is 2021, which we all hope will be marked by a return to normality for our activities and lives.

I know that in 2021, Axway's 1,888 employees will once again do their utmost to make their Company a committed player in its economic, social and societal ecosystem. By combining value creation and commitment to the Company's various stakeholders, Axway can further its development with ever growing success.

Digital technology will play a major role in our future and software infrastructure is one of its key components. Axway must be able to seize the opportunities that will confirm its position as an independent leader.

This will depend, as always, on the Company's ability to propose the best technologies, experiences and offerings to its customers. But furthermore, and above all, it will also require flexibility and the capacity to adapt in a world where uncertainty is the new normal. ■

We began our journey to transform Axway 3 years ago. While our products were well suited to our customers' needs, we realised that they needed Axway to evolve the way it interacted with them. For 20 years, the world's largest orgnisations and enterprises have trusted Axway to meet their critical integration needs - Managed File Transfer, B2B integration, API management, Content Services, Accounting Integration etc. – our customers rely on our products every day, but they also expect us to give them a new way forward.

Our mission since 2018 has been to re-launch Axway's essential investments to continue creating value for its stakeholders over the next twenty years. We chose to slow down our historical focus on M&A, and to place greater emphasis on the development of our core business offerings. In 2018 and 2019, we gradually achieved our objectives and in 2020 we were able to complete our mission. We believed all elements were in place to be able to finish our work, and while 2020 brought its share of challenges and surprises, our teams continued to move forward and were constantly innovating to achieve our objectives.

Patrick DONOVAN
Axway Chief Executive Officer

Through this perseverance, I am very pleased to see that our 2020 results and Axway's performance over the last three years are in line with our ambitions. Our efforts have resulted in the desired returns for our key stakeholders:

- We have invested and made significant operational changes in several key areas to be ever closer and more responsive to our customers. As a result of these efforts, we have improved dramatically our Net Promoter Score with our **Customers** and **Partners** to take our place in the upper quartile of enterprise software vendors in terms of rankings.
- Our **Employee** engagement score has significantly improved and has exceeded the goals we set for ourselves. We have built an environment of mutual trust with our employees through transparent dialogue and the development of more tailored support for our teams in achieving their goals. I believe this is a major competitive advantage for Axway.
- The adoption of a new customer engagement model and increased investment in our offerings have put Axway's profitability under pressure over the last three years. However, by sticking to our roadmap and regularly achieving our financial objectives, we are gradually gaining market support. Thanks to our renewed growth momentum, we are in a more solid position today than we were a year ago, since the AXW share price has risen very sharply over the financial year 2020. The confidence of our **Shareholders** and a better stock market valuation will obviously be additional assets in the success of the next stages of our journey.

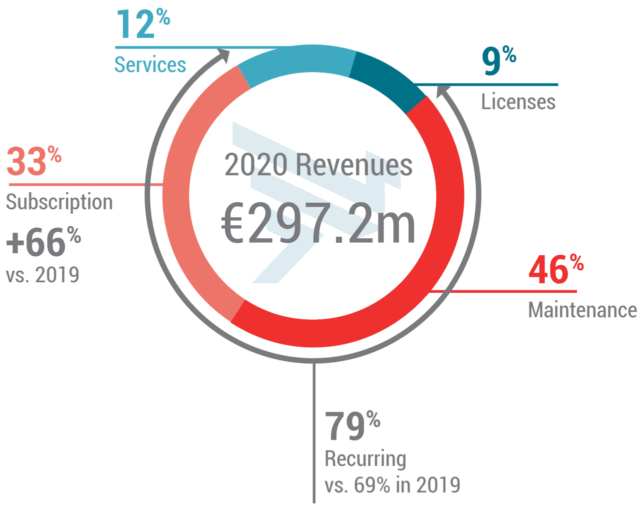
At the time of this writing, we are completing our 2021 to 2023 business plan. The great work done by the team on our internal transformation provides us with a strong foundation for the future. In 2021, we will focus on refining our customer-focused strategy and will continue to align our offerings and the value they create with customer expectations. In addition, we will continue to rigorously manage our portfolio of assets to maximise growth and returns according to the different levels of maturity of our markets. We will also return to the search for value through mergers and acquisitions in the coming years.
Today, I am very pleased to be able to announce that our transformation plan over the past three years has been a success. Axway's teams and I look forward to achieving our next goals and continuing our journey to serve our **Customers**, **Partners**, **Employees** and **Shareholders**. ■

"Our 2020 results and our performance over the last three years are in line with our ambitions."

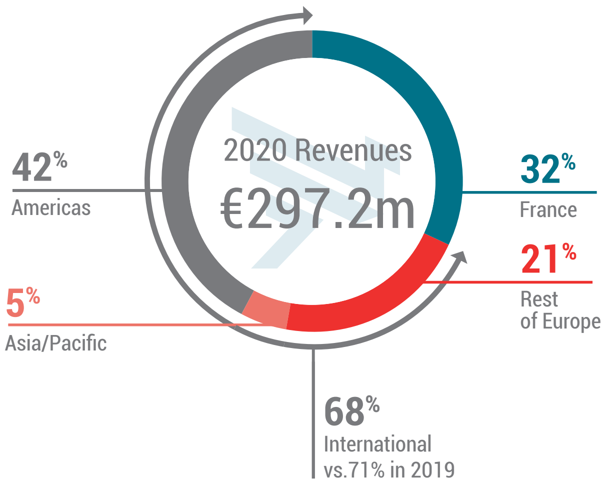
BUSINESS LINES

OUR MISSION:
accompany the modernisation of our customer's IT infrastructures, by securely moving, integrating and exposing their strategic data.

By business



By region



1st HORIZONTAL SOFTWARE PUBLISHER IN FRANCE
Top 250 Syntec Digital / EY 2020*

Axway, a recognised leader:

Gartner: Magic Quadrant for Full Life Cycle API*

Source: Gartner 2020 Magic Quadrant for Full Life Cycle API Management, Paolo Malinverno et al., 22 September 2020.

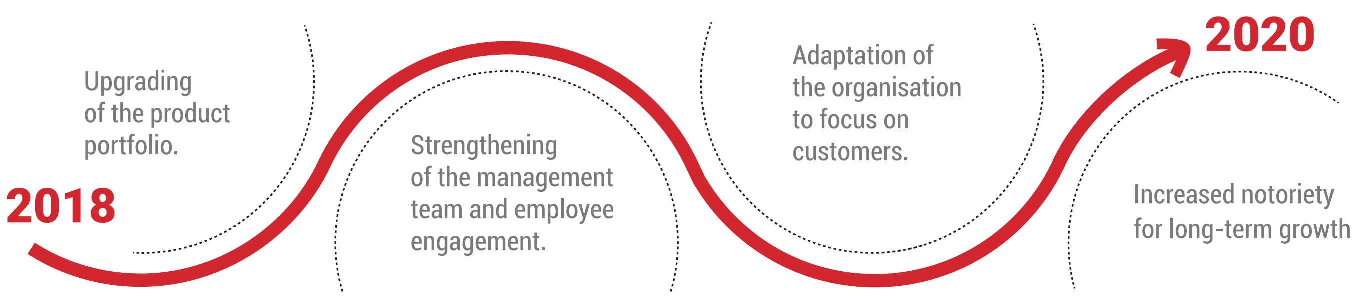
Forrester: API Management Solutions, Q3 2020*

Source: The Forrester Wave™, 4 August 2020.

According to Gartner, "due to its long-term strategic relevance, Full Life Cycle API Management continues to represent a cornerstone of digital transformation-led development and integration middleware revenue growth.*"

** Please refer to the disclaimers on page 274.*

2020: Successful completion of the three-year transformation plan



OFFER AND CUSTOMERS

OUR OFFER:

amplify built by Axway — with Axway's platform, all data in a digital ecosystem can interact.

Axway expertise:

API management:
API management and microservices governance to streamline the management, analysis and expansion of digital services.

Managed File Transfer (MFT):
Managing the largest critical data flows in a flexible and secure manner.

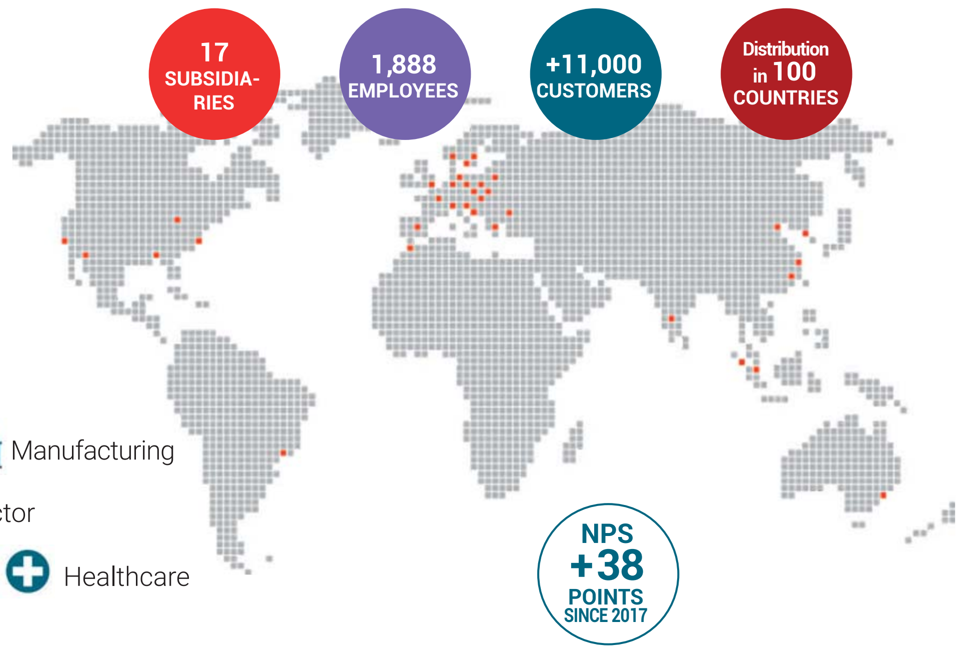
B2B-EDI Integration:
Orchestrating business interactions on all value chains in a company.

App Integration:
Access to a collection of pre-built integration scenarios via IpaaS capacities.

Content Collaboration (CSP):
Exchanging and synchronising company files easily while respecting all data security requirements.

Mobile Integration:
Offers from managed solutions to real-time comprehensive data control providing the flexibility needed to ramp-up mobile demand.

Axway in the world:



OUR CUSTOMERS:

Their business sectors

- Financial services
- Manufacturing
- Retail
- Public sector
- Transport & Logistics
- Healthcare

Axway's success is founded on customer satisfaction

In 3 years, the Net Promoter Score* satisfaction indicator has improved 38 points.

** Information on the NPS method used to measure customer satisfaction is presented in Chapter 3 of the 2020 Universal Registration Document..*
Further information can be found in Chapter 1 of the 2020 Universal Registration Document.

OPERATING INDICATORS

Revenue & Results

Revenue

SIGNATURES METRIC

+15.2%

Licenses
+ 3X new ACV

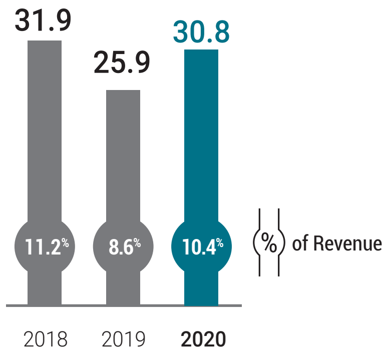
NEW ACV

+79.7%

Annual value
of new subscription
contracts

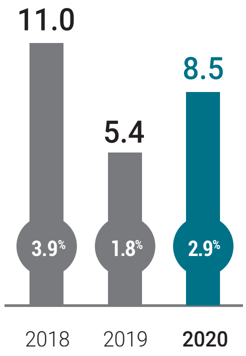
Profit on operating activities

(in millions of euros)



Net profit

(in millions of euros)



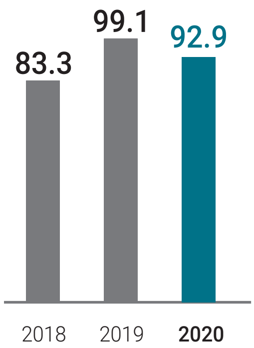
Investments

In Research & Development

(in millions of euros)

In Sales & marketing

(in millions of euros)



Balance sheet

Net debt

€24.0M

vs. €22.0M at 31/12/2019

Cash

€16.2M

vs. €21.1M at 31/12/2019

Equity

€355.5M

vs. €362.6M at 31/12/2019

2021 Objectives

Limited visibility: Positions differ between geographic zones

Organic revenue growth

2% to 4%

Operating profit margin

11% to 13%

Mid-term goal

Revenue

€500M

Operating profit margin

>15%

Earnings per share

>€1

Further information can be found in Chapter 1 of the 2020 Universal Registration Document. Alternative performance measures are defined in the glossary.

STOCK MARKET PROFILE & SHARE CAPITAL

AXW
LISTED
EURONEXT

Euronext Paris - Compartment B
Bloomberg: AXW-FR
Reuters: AXW.PA
Market capitalisation at 31/12/2020: €576 M

Main Euronext indexes:
CAC Mid & Small
EN Tech Croissance
CAC Technology

Visit our shareholder website:
https://investors.axway.com

Basic earnings per share

(in euros)

2018	2019	**2020**
0.52	0.25	**0.40**

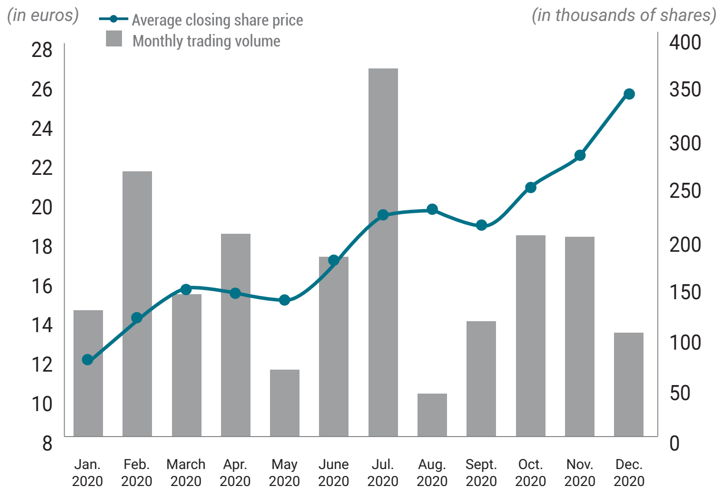
Dividend

(in euros)

2018	2019	**2020**
0.40	not distributed due to COVID-19	**0.40***

* *Submitted to shareholders' vote at the General Meeting of 25 May 2021.*

Share price and monthly trading volumes



Axway share ownership

Share ownership at 31 December 2020

Shareholders' Agreement

56.60% of shares

66.34% of voting rights

21,351,066 Shares outstanding

36,143,461 Voting rights

	Sopra Steria	Pasquier Family	Odin Family	Managment	Sopra GMT	Public	Treasury shares
Shares	32.38%	0.14%	1.39%	1.60%	21.09%	43.23%	0.17%
Voting rights	38.25%	0.14%	1.46%	1.57%	24.92%	33.66%	

2021 Financial Calendar

- **24 February** Publication of FY 2020 Results
- **18 March** Publication of the 2020 Universal Registration Document
- **21 April** Publication of Q1 2021 Revenue
- **25 May** General Shareholders' Meeting
- **27 July** Publication of H1 2021 Results
- **2 September** Publication of the 2021 interim financial report
- **20 October** Publication of Q3 2021 Revenue

Further information can be found in Chapters 7, 8 and 9 of the 2020 Universal Registration Document.

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, which the Company has adopted.

Axway set up a provisional committee to manage operations and ensure the protection of employees and business continuity at Axway during the COVID-19 crisis.

Board of Directors

Pierre Pasquier
Chairman of the Board of Directors

Kathleen Clark Bracco
Director
Vice Chairwoman

Pierre-Yves Commanay
Director

Hervé Dechelette
Independent Director

Nicole-Claude Duplessix
Director

Emma Fernandez
Independent Director

Michael Gollner
Independent Director

Helen Louise Heslop
Independent Director

Pascal Imbert
Independent Director

Véronique de la Bachelerie
Independent Director

Yann Metz Pasquier
Director

Marie-Hélène Rigal-Drogerys
Independent Director

Hervé Saint Sauveur
Independent Director

Yves de Talhouët
Independent Director

Member of the Audit Committee

Member of the Appointments, Ethics and Governance Committee

Member of the Compensation Committee

Deliberations of the Board of Directors in 2020

- Corporate strategy and vision, particularly with regard to the transformation of the business and strategic decisions;
- 2020 budget and strategic orientations;
- Closing of annual and half-year financial statements;
- Quarterly results and related financial announcements;
- Deliberation on professional and employee equality;
- Composition of the Committees;
- Duties of the Board of Directors, and internal regulations;
- Qualification of directors as independent;
- Company officer compensation with regard to 2020 legal and regulatory updates.

14 members

4 nationalities

9 Independent Directors (64%)

6 women (43%)

6 Board of Directors' meetings in 2020

100% Attendance rate

Further information can be found in Chapter 4 of the 2020 Universal Registration Document.

Audit Committee

6 members | **6** meetings in 2020 | **97%** attendance rate

Among the duties performed in 2020:

- review of annual and half-year financial statements;
- monitoring of internal audit procedures and statutory auditors' work;
- review of the draft Universal Registration Document, particularly risk factors and the corporate governance report;
- review of the cash position;
- self-assessment of the Audit Committee;
- review of insurance policies.

Appointments, Ethics and Governance Committee

6 members | **5** meetings in 2020 | **97%** attendance rate

Among the duties performed in 2020:

- assessment of the Board of Directors;
- application of good governance rules in the Company and its subsidiaries;
- assessment of the qualification of Board of Directors' members as independent for Board deliberations;
- preparation of the agenda of the General Meeting;
- preparation of Board deliberations on professional and employee equality;
- issue of an opinion on the annual Non-Financial Performance Statement (the NFPS is available in Chapter 3 of this document);
- review of documents prepared pursuant to regulations and the Articles of Association;
- implementation of a whistle-blowing internal procedure;
- everyday and regulated agreement procedure.

Compensation Committee

6 members | **5** meetings in 2020 | **97%** attendance rate

Among the duties performed in 2020:

- drafting of the company officer compensation policy;
- proposal of fixed and variable compensation and benefits granted to company officers;
- verification of application of variable compensation calculation rules;
- verification of the quality of information submitted to shareholders on compensation, benefits, options granted to company officers;
- preparation of the free share grant policy and verification of the roll-out of the related plans;
- review of the draft Universal Registration Document, particularly regarding equity issues.

CORPORATE RESPONSIBILITY

NON-FINANCIAL PERFORMANCE STATEMENT NFPS

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

In 2020, Axway was able to increase the materiality of its commitments by prioritising social and employer indicators, formally documenting social indicators and broadening environmental indicators.

Employer commitment: attract, develop, mobilise and retain talent

Axway teams

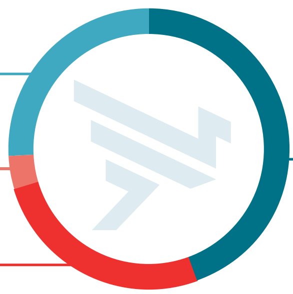
At 31/12/2020

1,888 employees
vs. 1,885 in 2019

29% women
vs. 28.8% in 2019

41 average age
stable vs. 2019

26% France
4% Asia/Pacific
26% Americas
45% Europe excl.France



Research & Development
45%
of employees

Customer Success Organisation
42%
of employees including sales staff

Attract

At 31/12/2020

247 New employees
vs. 308 in 2019

50% Europe excl. France
27% Americas
18% France
5% Asia/Pacific

36 average age of new hires
stable vs. 2019

28% women
vs. 29% in 2019

Permanent contracts
96%

Equal opportunity

Develop

24,176 training hours
vs. 30,900 in 2019

93% in digital format
vs. 58% in 2019

Mobilise

Annual in-house employee engagement survey

	2020	2019	2018
Internal survey participation rate	86%	83%	72%
Level of employee engagement	69%	58%	49%

Survey on employee expectations with regard to working from home: conducted at the end of 2020, results shared in early 2021.

Diversify

Age, state of health, men/women, origin

Move

371 internal transfers:
promotion or new business line

Reward

Additional **paid leave**

Each year, Axway renews its commitment to the United Nations Global Compact

Business ethics

Sustainable purchasing

Digital security

Retain

Sharing of strategy
with all employees
by Executive Management

7 years
Average seniority stable
over the last three years

Adaptation of working methods and acceleration of digital practices
during the COVID-19 period

Balance

Work / life

by working from home.

COVID-19 context in 2020

Due to Axway's international culture and the remote working solutions developed by the Company, the rapid transition of all employees to working from home was easily carried out and teams remained fully operational. Employees were able to return to the office on a voluntary basis.

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

Societal commitment:

establish our digital responsibility with our stakeholders

Gaïa INDEX

4 QUALITY EDUCATION
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

CUSTOMERS

- accompany digital transformation in complete security

EMPLOYEES

- develop talent

PARTNERS

- innovate in responsible values

SHAREHOLDERS

- communicate according to best transparency and equal treatment practices

SUPPLIERS

- strengthen the sustainable purchasing system

CIVIL SOCIETY

- support skills for the most vulnerable by deploying our ethical programmes and tools

Environmental commitment:

reduce our direct and indirect impacts

In 2020, Axway continued analysing the direct impact of its activities on the environment and started analysing its indirect impacts, particularly in software development.

13 CLIMATE ACTION
15 LIFE ON LAND

Reduce our direct impact:

- monitoring of energy resource and raw material consumption
- internal and external awareness-raising
- analysis of resources committed with suppliers

Consider our indirect impact:

- hosting resources
- data consumption
- software design and development

Further information can be found in Chapter 3 of the 2020 Universal Registration Document.

BUSINESS MODEL

NFPS

INFRASTRUCTURE SOFTWARE MARKET TRENDS

CONVERGENCE OF HISTORICAL SYSTEMS AND NEW DIGITAL NEEDS	RAMP-UP OF CLOUD AND SAAS MODELS	CONSTANT INNOVATION

Our Strengths

TALENT
- 1,888 Employees
- Our businesses: R&D, Customer Success Organisation and Support structures
- International diversity

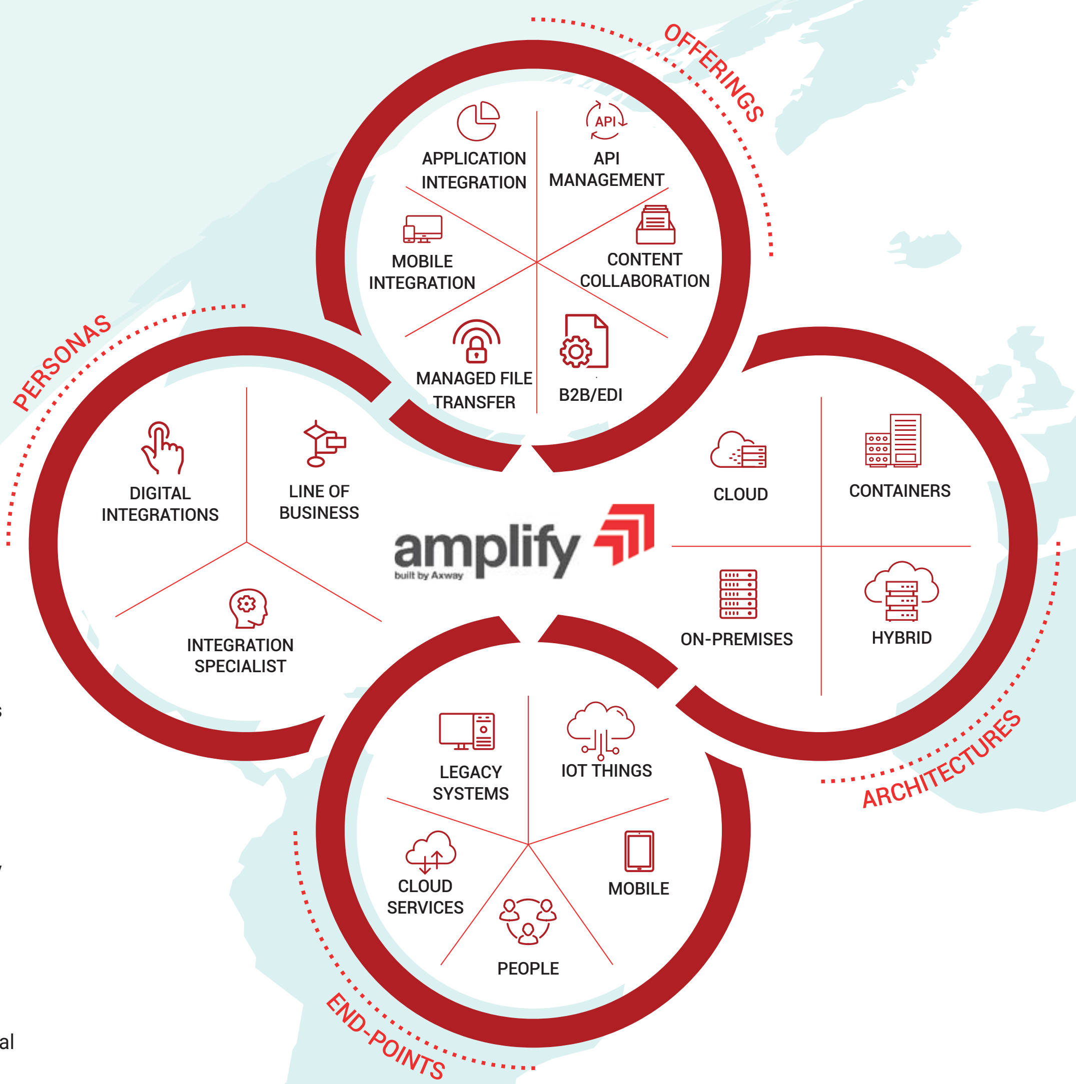
INNOVATION
- €60.4 million in R&D in 2020
- 63 technology patents filed

SOLUTIONS
- Digital transformation for 11,000 customers
- Reputed technological expertise
- Robust and diverse product portfolio: API / IPaaS / MFT / B2B / EDI / mobile, etc.
- Amplify hybrid integration platform

STRUCTURE
- Revenue: €297.2 million (79% recurring)
- Operating profit margin: 10.4%
- Locations in 17 countries
- Distribution in over 100 countries
- Balanced governance shared by a Board of Directors and an Executive Committee
- Independent project supported by a family shareholding structure and historical proximity with Sopra Steria Group
- Financial capacity underpinning organic and external growth

COMMITMENTS
- Social, Societal and Environmental commitments
- Business ethics
- Digital responsibility

Our Offer



Our Business: modernise our customers' IT infrastructures by securely moving, integrating or exposing their data to contribute to their business performance in a digital model.

SECURITY THREATS AND GREATER REGULATORY PRESSURE	TALENT WAR	SECTOR CONSOLIDATION

Our Strategy

Propose the best technologies and experiences to our customers

Refine our customer-centric strategy by continuously aligning the value created by our offerings with their needs

Establish our position as market leader and our growth momentum in the long-term

Our Value Creation

With our Stakeholders

EMPLOYEES

Attract / Develop / Mobilise / Retain

- 247 recruitments in 2020
- New profiles
- 24,176 training hours
- 93% of training in digital format
- In-house social network
- In-house satisfaction survey
- Frequent dialogue with employees
- Employee share ownership programme
- Generalisation of home office

CUSTOMERS

Transform businesses

- Facilitate digital transformation
- Accelerate operating benefits
- Guarantee data security
- Focus on Customer success
- Flexible on-premise and/or cloud offering License or Subscription
- CSR and Ethics Labels

SHAREHOLDERS

Best practice reporting

- Listing on Euronext Paris
- MiddleNext Governance Code
- Gaia rating
- Meetings with investors and shareholders
- Shareholder website and digital support

PARTNERS & SUPPLIERS

Co-innovate

- 100 local or global commercial, technology, consulting and integrator partners
- Ethics Charter
- Whistle-blowing system
- Sustainable purchasing

CIVIL SOCIETY

Contribute

- Global Compact annual commitment
- Recycling & donations
- Education and support programmes for women and young girls
- Direct and indirect environmental commitment: climate change and life on land

The world is opening.

Cross-pollenating new ideas, creating new possibilities across geographies, industries, and customers and partners. With every investment, old and new, opportunities for growth are blossoming. So what are you waiting for?

Axway will help turn what you already have into brilliant digital customer experiences. It’s time to

Open

Are you open?

Everything

Axway Group and its business activities

1

This chapter presents Axway's history and business strategy. For the past few years, the accelerated adoption of the cloud and "as a service" models by major organisations has been transforming Axway's environment. In 2020, the Company continued to adapt to new market frameworks and has taken several significant steps to become a leader in hybrid integration platforms. Thanks to the expertise of 1,888 employees around the world and significant investment, Axway supports 11,000 customers and their digital ecosystems on a daily basis to successfully and securely move their mission-critical data.

1.1 Axway's history

In 2021, Axway celebrates its 20th anniversary! A milestone celebrated with all of the Company's 1,888 employees thanks to the virtual Kick-Off organised at the beginning of the year.

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

Spin-off and European development

The Axway brand was created in January 2001 through the spin-off of the "infrastructure software" business of the IT services group Sopra (now Sopra Steria). The goal was to bring together different IT infrastructure solutions operated by the Group under the same umbrella, notably the *Règles du Jeu* software and the CFT and InterPel tools in the Managed File Transfer (MFT) domain.

Axway doubled its customer base to 6,000 between 2001 and 2005. The subsidiary took a further step in its international development with the acquisition of Viewlocity in Sweden in 2002, and since 2005, Axway has been operating in most major European countries.

North American development and market leadership

The second major step in Axway's development aimed to align the Company's geographic presence with market realities. This involved significantly developing Axway's presence in the United States.

In 2005, the US represented over 50% of the global infrastructure software market, but Axway was only earning 4% of its annual revenue in the country. Axway also wanted to become a leader in several market sub-segments at that time: notably in the Managed File Transfer (MFT) and Business-to-Business (B2B) integration fields.

When it acquired Cyclone Commerce in 2006, Axway's Executive Management moved to the United States. The successive acquisition 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 when it was ranked by the main market analysts as a leader in the Managed File Transfer (MFT) and Business to Business (B2B) integration segments. The share of revenue earned in the US increased from 4% in 2005 to nearly 30% in 2009 and 42% by the end of 2020.

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) through a demerger-listing transaction. Following this operation Sopra Steria Group kept a 26.27% stake in the Company.

Thanks to a unique position in the data exchange sector, 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 the companies Vordel, Systar, Appcelerator, Syncplicity and Streamdata.io between 2012 and 2019.

As a result, Axway extended its technological expertise to the fields of API, Content Services Platform (CSP), Mobile and Analytics. Since then, the Company has been able to offer its customers a range of solutions turning customers' heritage infrastructure into brilliant digital experiences which create value for each use case.

Supported by a strong and diverse product catalogue, Axway has emerged as an independent leader in the hybrid integration market thanks to its Amplify platform and in particular its full lifecycle API management offer.

Axway's acquisition history

Date	Event
January 2001	Spin-off of Sopra Group's infrastructure software business to create Axway
April 2002	Acquisition of Viewlocity (Sweden)
January 2006	Acquisition of Cyclone Commerce (USA)
February 2007	Acquisition of Atos Group's B2B software business (Germany)
September 2008	Acquisition of Tumbleweed (USA)
June 2011	IPO on the Euronext Paris stock exchange
November 2012	Acquisition of Vordel (Ireland)
September 2013	Acquisition of the assets of SCI (Brazil)
January 2014	Acquisition of the assets of Information Gateway (Australia)
April 2014	Acquisition of Systar (France)
January 2016	Acquisition of Appcelerator (USA)
February 2017	Acquisition of Syncplicity (USA)
March 2019	Acquisition of Streamdata.io (France)

1.2 Overview of Axway's markets

1.2.1 Axway in the infrastructure software market

With revenue of €297.2 million in 2020, Axway is the leading French horizontal software publisher [(1)].

Gartner expects global spending on infrastructure software to reach US$274.9 billion in 2021, with 11.5% CAGR between 2021 and 2024 [(2)].

As a software publisher, Axway operates in several infrastructure software sub-segments and specifically application infrastructure and middleware. These segments are expected to represent a US$38.5 billion market in 2021 and encompass technologies such as:

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

Axway also operates in the Content Services Platform (CSP) market, which is a sub-segment of the Enterprise Application Markets.

Gartner estimates Axway's different technology markets will grow as follows in 2021: API Management +28.9%, IPaaS +23.0%, MFT +6.9%, B2B Integration -3.0% [(3)], Content Services Platforms +7.0% [(2)].

(1) *Source: Top 250 Syntec Numérique - EY 2020*

(2) *Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2018-2024, 4Q20 Update, 22 Dec 2020. See Disclaimer page 275.*

(3) *Gartner, Forecast: Enterprise Application Software, Worldwide, 2018-2024, 4Q20 Update, 22 Dec 2020. See Disclaimer page 275.*

Alongside its varied technological expertise, Axway has a global presence, and is exposed to the dynamics of different geographic markets. The Company has locations in 17 countries across 5 continents.

Gartner estimates 2021 Application infrastructure and Middleware growth in Axway regions as follows: North America +6.3%, Latin America +13.0%, Western Europe +9.5% and Asia/Pacific +7.2%.

Supported by a large network of technology partners and dealers, this multi-local presence means that Axway solutions are used in over 100 countries. The Company is able to support the largest organisations with all their transnational projects.

Infrastructure software is used in cloud, hybrid and on-premises environments. Historically, Axway distributes its solutions in the form of on-premises perpetual licenses. Since 2015, the Company has also offered solutions through "as-a-service" Subscription contracts. To be able to provide these Subscription offers, Axway makes use of cloud and/or hybrid technology models.

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

- requirements are increasing in both expectation of available information on all devices, while continually increasing the security of the connection and the 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.

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

> According to Gartner, "Due to its long-term strategic relevance, FLAPIM [Full Life Cycle API Management] continues to represent a cornerstone of digital-transformation-led development and integration middleware revenue growth." [(1)].

Axway has built its hybrid integration platform around its API Management solution, recognised as one of the best on the market. In August 2020, Axway was pleased to be positioned as a Leader in The Forrester Wave™: API Management Solutions, Q3 2020. This positioning was confirmed in September 2020, when Axway was recognised as a leader in Gartner's Magic Quadrant for its Full Life Cycle API Management [(2)] offering.

Axway aims to maintain its leadership position in the market, and it continues to invest to reach this goal.

1.2.2 Trends observed in Axway's markets

The trends identified by previous analyses continued through 2020 and are expected to extend into the foreseeable future. The emergence of cloud-native services and applications in markets like Banking, Logistics or Healthcare, are putting pressure on market leaders to innovate faster in order to defend their positions and continue their development.

Major companies with complex information systems are either proactively searching for new opportunities created by the development of digital technologies, or their ecosystem (customers, partners, suppliers) is pushing them to do so.

Nowadays,the significant drivers of technology development in the infrastructure software market are based around:

1. **Cloud and Hybrid Cloud**: by 2023, the cloud will account for 56% of total enterprise application spending, up from 44% in 2018 [(3)]. The cloud is not just a simple deployment system for corporate solutions: it is a source of new adaptable and scalable services, which can be quickly integrated to optimise operational efficiency and generate new business opportunities.
2. **No-Code and Low-Code Platforms**: to increase the velocity at which successful businesses execute their strategy, the need to leverage all employee skills is necessary. From the technical to the non-technical resources, no-code and low-code platforms enable greater innovation velocity without worrying about complex enterprise infrastructure through an intuitive and easy to use experience, boosting greater overall productivity.

(1) *Gartner, Market Share Analysis: Full Life Cycle API Management, Worldwide, 2019, Bindi Bhullar, Fabrizio Biscotti, Akash Jain, Satyam ., Mark O'Neill, Paolo Malinverno, 27 July 2020. See Disclaimer page 275.*

(2) *Gartner 2020 Magic Quadrant for Full Life Cycle API Management, Paolo Malinverno, Kimihiko Iijima, Mark O'Neill, John Santoro, Shameen Pillai, Akash Jain, 22 September 2020. See Disclaimer page 275.*

(3) *Gartner, Forecast Analysis: Public Cloud Services, Worldwide, 14 November 2019. See Disclaimer page 275.*

3. **Edge:** end users now require connectivity, responsiveness, and delightful experiences of applications across all devices: mobile, wearables, and IoT (*e.g.* automobiles). Such outcomes are only possible by bringing application runtime and data services closer to the customer. This is accomplished through cloud, microservices, APIs, and intelligent traffic routing.
4. **DevOps:** responsiveness to customer needs and demands enables increased added value to be delivered. DevOps delivers greater customer responsiveness through Continuous Integration / Continuous Delivery (CI/CD) by enabling faster feature releases and lower error rates. Therefore, businesses that are elite DevOps organisations will take a large share of customer value through accelerating value delivery and fault tolerance.
5. **Ecosystems:** businesses are not isolated entities. They operate with partners, supply chains, and service providers. Due to the COVID-19 pandemic, the global digital transformation is accelerating at a faster rate than expected. Employees, partners, and customers are often distanced and digital. Industries are transforming to meet this accelerating digital transformation. The banking, finance, healthcare, distribution, logistics and warehousing sectors have had to accelerate their digital strategy in order not to be disrupted. One of the essential elements of an efficient digital strategy is to select and integrate the right partners to enable innovation and maximise customer value. A company's ecosystem, its health and its ability to adapt therefore become indicators of overall success.

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

While all major organisations now have a digital strategy, only a minority reach their deployment targets and fully benefit from the intrinsic value of their data, applications, services, and ecosystem.

1.2.3 The competitive environment

Due to the breadth of its solutions, Axway operates in multiple markets with a variety of competitors. In early 2021, Axway's competitive environment can be summarised as follows:

- **Major generalists** covering a very wide range on the global information systems market like Amazon, Google, IBM-RedHat, Microsoft, SAP, Oracle, Salesforce, or Broadcom-CA Technologies.

  These major names - whose most recognised expertise includes operating systems, public and private cloud services, search engines and ERPs - all have capacities in certain infrastructure or integration markets. Whether their expertise is the result of internal developments or acquisitions, they can provide standardised offers able to respond to basic integration requirements.

  Axway's added value compared to these companies is demonstrated through long-standing expertise and specialised solutions for a collection of key technologies in the development of IT infrastructure solutions. Thanks to the advanced functionalities of Axway products, the Company is able to cover all complex integration scenarios, especially those that rely on file-based heritage infrastructures, that a major successful organisation might encounter.

  Axway's position as an independent publisher also sets it apart. It is technology agnostic, guiding but never restricting its customers when selecting the best infrastructure solutions. This approach is reflected by the Amplify platform capacities, which enable all data in an IT ecosystem to interact, on-premise and/or in the cloud, from all devices and through hundreds of applications;
- **Infrastructure and integration specialists** like Dell Boomi, Jitterbit, Software AG, Tibco, Progress, MuleSoft (owned by Salesforce), Apigee (owned by Google), Talend or Informatica.

  These companies, which include cloud-native, incumbents and specialist subsidiaries of generalists, are seeing their respective expertise and technologies converge towards new common markets.

  Axway stands out as an integration specialist thanks to 20 years of continued investment in data exchange businesses. The Company is a long-standing specialist in Managed File Transfer (MFT) and B2B-EDI integration. In 20 years, it has completed 11 strategic acquisitions to create one of the most comprehensive offer portfolios on the market.

  Thanks to its Amplify platform, Axway offers its customers a range of solutions turning customers' heritage infrastructure into brilliant digital experiences which create value for each use case.

1.2.4 Customers and target markets

Axway offers are aimed at all major organisations with complex information systems.

While Axway offers horizontal software solutions able to target the needs of all types of customers, independent of their business sector, the Company also has a portfolio of 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 IT infrastructure solution decisions.

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 which are critical to bank transactions, payments and their customers, financial markets and regulators. Axway's specialised product portfolio also includes solutions dedicated to accounting and payment flow integration.

In Advanced **Manufacturing**, Axway solutions are at the heart of the business, thanks to real-time data analysis and end-to-end visibility of **supply chains**. 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 customer-focused applications, maximising the use of data to make it an asset which creates value.

In the **Public Sector**, public authorities are securing, modernising and adapting their infrastructures to provide a range of digital services thanks to Axway products. From secure exchange to governance of Ground-to-Cloud strategic flows, Axway products allow critical data to be sent to the individuals who need it, when and where they need it. Axway simplifies paperwork, streamlines data management and costs, secures exchanges and authorises critical use cases, such as identity verification.

In **Transportation & Logistics**, Axway's solutions simplify the connection, data exchange, visibility and authorisations associated with transporting goods seamlessly around the world.

1.3 Axway's strategy, activity and vision

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1.3.1 Axway's strategy *via* the Amplify platform

As a software publisher and a leader in digital transformation, Axway supports the modernisation of its customers' IT infrastructures by securely moving, integrating or exposing their strategic data.

Axway's different technological areas of expertise converge to connect people, devices, companies and ecosystems, thanks to software solutions which are turning customers' heritage infrastructure into brilliant digital experiences which create value for each use case.

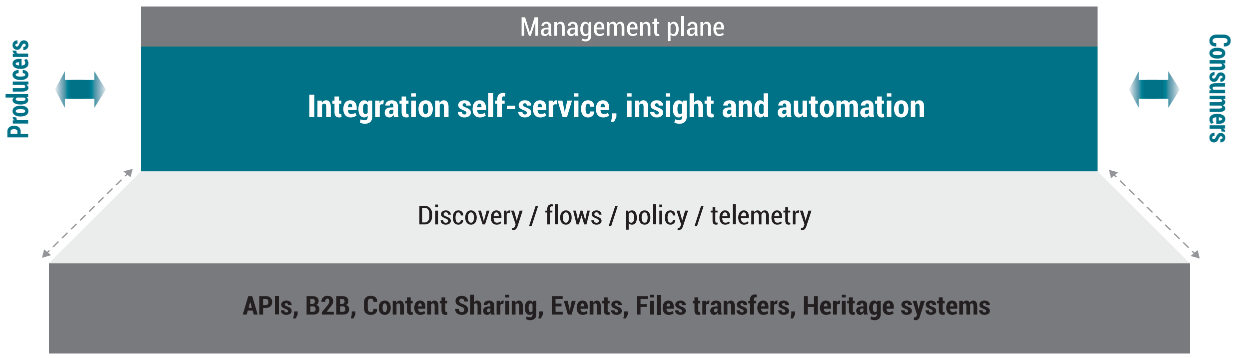
To be able to offer its customers a unique digital experience to tackle all of a major company's integration scenarios, thanks to a unified product and services catalogue, Axway has worked on the creation of its Amplify platform since 2016.

The Amplify platform, available since Q2 2019, brings together all the players in a major organisation's IT ecosystem around a common set of tools. The teams in charge of applications and their integration, developers, operators, architects and administrators, within the company or with one of its partners, use Amplify to make the use of data a competitive advantage.

Through all the ready-to-use solutions and services offered by the Amplify platform, Axway's expertise is demonstrated in the following areas:

- **Application Integration**: Amplify provides access to a collection of pre-built integration scenarios *via* IPaaS capacities;
- **API Management**: Amplify combines API management functionalities and microservices governance to streamline the management, analysis and expansion of digital services;
- **Managed File Transfer (MFT)**: Amplify helps manage the largest critical data flows in a flexible and secure manner;
- **B2B-EDI integration**: Amplify helps orchestrate business interactions on all value chains in a company;
- **Content Collaboration (CSP)**: Amplify helps exchange and synchronise company files easily while respecting all data security requirements;
- **Mobile Integration**: Amplify was designed to offer the required flexibility for the rampu-up of mobile demand, thanks to offers ranging from managed solutions to complete real-time data control.

Amplify Securely Opens Everything



The Amplify ecosystem

The Amplify platform is able to evolve the existing infrastructure solutions of major organisations, and it accommodates cloud, hybrid and on-premises architectures. Its different components are distributed as Subscriptions or Licenses to respond to the challenges of all types of customers.

In addition to the technological functionalities described previously, the Amplify™ platform offers various high added-value outcomes:

- **Agility**: single control plane to manage all vendor gateways in the ecosystem providing automated visibility and traceability of transaction flows;
- **Flexibility**: hands-free visibility and governance, integration with Axway and non-Axway infrastructure and gateways;
- **Efficiency**: automation that allows the management and maintenance of the integrity of the catalog and elimination of long manual interventions;
- **Risk reduction**: secure open event-based platform enabling to automate processes and integrate with existing processes, creating productive governance that accelerates business.

The various products and services of the Amplify platform are major sources of growth for Axway in the years to come. The Amplify commercial expansion enables Axway to accelerate the evolution of its business towards Subscription-based offers. This transformation offers the Company the sustainability of a growing, more profitable model, providing greater visibility in the medium term.

Intellectual property and Patents

At 31 December 2020, Axway had 64 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 2020

In 2020, against the backdrop of a global pandemic, Axway finalised its three-year transformation strategy, which began in 2018, with the aim of becoming a market leader in hybrid integration platforms. In a severely disrupted environment, the Company continued to transform its business model towards Subscription-based offerings in order to respond more effectively to the needs of its 11,000 customers.

As early as mid-March 2020, Axway implemented an action plan to address the COVID-19 global crisis. The Company immediately ensured strict compliance with local regulations and recommendations in each of the countries where it operates and focused on ensuring its ability to continue to provide the solutions, subscriptions and services necessary to its customers.

The measures put in place consisted of:

- creating a committee to monitor developments in the health and economic situation, capable of making immediate decisions;
- implementing appropriate and secure remote working procedures for all employees;
- closely monitoring cash management and the Company's financial position.

Thanks to Axway's international culture and the remote collaboration solutions that the Company develops, the rapid transition of all employees to remote working was carried out seamlessly, keeping the teams fully operational.

While responding to the weakened economic environment and continuing strategic development, Axway's priority has remained to protect all its stakeholders: Employees, Customers and Shareholders.

It is in this context that at the beginning of April 2020, the Company's Board of Directors decided to propose to the Shareholders' Meeting that no dividends be distributed in respect of fiscal year 2019.

Operationally, Axway rapidly adapted its sales practices, marketing approach and ways of engaging with customers to minimise the impact of restrictions imposed by the pandemic. Due to travel restrictions and the inability to bring together the various market stakeholders, the commercial events that usually punctuate the year were held virtually.

While digital events proved particularly effective in rebuilding the business pipeline, initially impacted by the suddenness of the crisis, the resilience of the new business model and the robustness of Axway's customer portfolio enabled organic revenue growth to be maintained over the year. Thanks to active management, Axway also exceeded its profitability objective, improving its operating margin on business activity by 19% in 2020.

In addition to those developments, in 2020, the Company hired 247 new employees and welcomed two new key members to its executive management team. Rahim Bhatia and Mark Fairbrother joined Axway as EVP Product Management and EVP Research & Development, respectively, and became responsible for the Company's product portfolio roadmap and development.

1.3.3 Next strategic priorities and ambitions for the future

Axway has been recognised as a major figure in the infrastructure software and integration solutions market since 2001. To transform its customers' IT data into a unique asset, Axway offers a collection of innovative and flexible solutions which provide rapid business benefits.

Success of the transformation and the new business model

Through several years of work and significant investment, Axway has built its Amplify offering by leveraging the proven capabilities of its API Management Platform, enhanced with powerful integration tooling, support for complex organizational structures and integrations with its market leading MFT and B2B solutions.

Thanks to this targeted API-based approach, Axway is now considered a leader in the hybrid integration market. This differentiating expertise is at the heart of Axway's strategy and will be an important growth driver in the next stage of its journey.

The shift in the Company's business model was confirmed by strong growth in Subscription contracts during the fiscal year, accounting for 79% of signatures in 2020 compared with 50% in 2019.

With a record satisfaction level, customers continued to place their confidence in Axway to modernise their systems and accelerate their digital transformation, despite the uncertain environment.

The Open Everything campaign contributed successfully to the new business pipeline. In addition, Axway's reputation was reinforced by the recognition of its global leadership status and expertise in API management by the most influential independent research firms in the market.

Axway Talents development to promote performance and value creation

While innovation and customer success are two of Axway's main challenges, the women and men who make up the Company are its main resources. The development of skills, the recruitment of talents and the value created by each employee are therefore strategic for the Company.

As last year, in 2021, Axway will further develop its employee engagement indicators and strengthen its recruiter branding to continue to attract, develop, mobilise, and retain a maximum of talents.

2021 Targets & Outlook

For 2021, Axway's objective is to achieve organic revenue growth of between 2 and 4%. The Company also aims to improve its profitability and has a target of achieving an operating margin on business activity rate between 11 and 13% of revenues.

Axway confirms its previously announced mid-term ambitions:

- to achieve revenue of €500 million through organic growth in sales and acquisitions;
- to return to operating margin on business activity rates above 15% and gradually move towards 20%;
- to sustainably increase earnings per share to above €1.

The Company will set-out its 2021-2023 strategic plan at its first Capital Market Meeting, scheduled to take place before the end of the first half of 2021.

1.4 Key figures and comments on the 2020 consolidated financial statements

1.4.1 Key figures

(in millions of euros)	2020	2019	2018
Revenue	297.2	300.0	283.8
EBITDA	47.3	38.7	33.2
Profit on operating activities	30.8	25.9	31.9
As a % of revenue	*10.4%*	*8.6%*	*11.2%*
Profit from recurring operations	17.6	14.6	22.5
As a % of revenue	*5.9%*	*4.9%*	*7.9%*
Operating profit	17.6	14.3	18.3
As a % of revenue	*5.9%*	*4.8%*	*6.4%*
Net profit – Group share	8.5	5.4	11.0
As a % of revenue	*2.9%*	*1.8%*	*3.9%*
Number of shares at 31 December	21,351,066	21,225,381	21,225,381
Basic earnings per share (in euros)	0.40	0.25	0.52
Diluted earnings per share (in euros)	0.38	0.24	0.51
Net dividend per share (in euros)	0.40 (1)	-	0.40
Cash and cash equivalents	16.2	21.1	35.8
Total assets	559.3	568.8	553.8
Total non-current assets	422.9	442.7	422.7
Deferred income (current)	54.7	60.6	75.2
Shareholders' equity – Group share	355.5	362.6	362.7
Net debt (cash)	24.0	21.6	10.2
Employees at 31 December	1,888	1,885	1,848

(1) The distribution of a dividend of €0.40 per share will be presented to shareholders' vote at the General Meeting of 25 May 2021.

1.4.2 Comments on the 2020 consolidated financial statements

Operating performance and activity in 2020

In 2020, Axway generated revenue of €297.2 million, up 0.5% organically and down 0.9% in total.

While the consolidation scope did not evolve, currency fluctuations had a negative impact of €4.1 million on revenue, mainly due to the depreciation of the US dollar and the Brazilian real against the euro.

Profit on operating activities was €30.8 million, representing 10.4% of revenue compared to 8.6% in 2019.

Profit from recurring operations as well as Operating profit reached €17.6 million in 2020, 5.9% of revenue, including an allocated intangible asset amortisation expense of €8.2 million and a non-cash share-based payment expense of €5.1 million.

Axway's net profit amounted to €8.5 million for the year, or 2.9% of revenue, an increase of 57% compared to 2019.

Finally, basic earnings per share was €0.40 in 2020 compared to €0.25 a year earlier.

1

Revenue by business line

(in millions of euros)	2020	2019 Restated*	2019 Reported	Total Growth	Organic Growth*
License	25.8	52.2	52.8	-51.2%	-50.6%
Subscription	97.3	58.7	59.6	+63.2%	+65.8%
Maintenance	138.2	144.7	146.7	-5.8%	-4.5%
Services	36.0	40.2	40.8	-11.9%	-10.6%
Axway Software	**297.2**	**295.8**	**300.0**	**-0.9%**	**+0.5%**

* *Revenue at 2020 scope and exchange rates.*

License revenue was €25.8 million in 2020 (9% of total revenue), an organic decrease of 50.6%. As anticipated and communicated in previous announcements, the License activity remained under strong pressure throughout 2020. While for more than 24-months the market trend has been very favourable for Subscription models, the COVID-19 pandemic and the extremely limited visibility that has resulted from it have accelerated the adoption of the most flexible contractualisation models by customers.

For the second consecutive year, the **Subscription** activity was buoyant. Revenue grew organically by 65.8% in 2020, reaching €97.3 million. Total growth was 63.2%. Now accounting for one-third of Company revenue, Subscription has, as expected, been Axway's primary source of growth over the period. Despite the challenging market environment, Axway's large and robust customer base has relied heavily on the agility of the Company's solutions to continue accelerating their digital transformation.

Over 2020, the Annual Contract Value (ACV) of new Subscription contracts signed was €31.9 million, an increase of 79.7% compared to the previous year. While Axway enjoys its position as a leader in the full lifecycle API management market, the Company has made its Amplify API offering the preferred route to benefit from hybrid integration. This trend was notably materialised by the signature of two major Amplify's API contracts, worth several million euros each, by existing customers.

During the year, the Signature Metric was up 15.2%, while the Net Signature Metric, restated for Maintenance attrition, grew 10.2%.

Maintenance revenue was €138.2 million in 2020, representing 46% of total revenue. The organic decrease was limited to 4.5% year-on-year. During the year, the acceleration in the adoption of the most flexible contractual models by customers led to a migration of the value of certain Maintenance activities to the Subscription revenue line.

Axway's recurring revenue, which includes Subscription and Maintenance activities, represented 79% of total revenue, or €235.5 million. This includes €44.3 million of upfront revenues recognised on the signature of Subscription contracts.

Services saw revenue decline by 10.6% organically in 2020 to €36.0 million (12% of total revenue). Directly impacted by travel restrictions caused by the COVID-19 crisis in certain regions where services are provided on-site at customers' facilities, the activity grew slightly in the US where remote services are common practice.

Revenue by geographic area

(in millions of euros)	2020	2019 Restated*	2019 Reported	Total Growth	Organic Growth*
France	93.5	86.4	86.4	+8.2%	+8.2%
Rest of Europe	62.3	67.1	67.3	-7.3%	-7.1%
Americas	125.3	126.2	129.8	-3.5%	-0.7%
Asia / Pacific	16.1	16.1	16.5	-2.3%	+0.3%
Axway Software	**297.2**	**295.8**	**300.0**	**-0.9%**	**+0.5%**

* *Revenue at 2020 scope and exchange rates.*

France generated revenue of €93.5 million over the year (32% of total revenue), representing organic growth of 8.2%. The sharp decline in License sales was largely offset by the exponential growth in the country's Subscription business, which grew by more than 264% in 2020. This excellent performance was made possible by the signature of five Subscription contracts with a value of over one million euros each over the year.

Rest of Europe, with revenue of €62.3 million (21% of total revenue), declined 7.1% organically in 2020. In all countries in the region, the very good momentum in Subscription activity (+75.8%) was not enough to stabilise revenue for the year. Axway has been impacted by the paralysis of several key sectors of the economy where large customers are major players. On the positive side, in 2020, the Company regained position in the United Kingdom with the establishment of a new team that has been instrumental in several key wins against direct competitors on the API market.

The **Americas** (USA & Latin America) generated revenue of €125.3 million (42% of total revenue) in 2020, almost stable organically (-0.7%) compared to the previous year. Although License sales were down in the region over the year, they were more resilient than in the rest of the world. As in the other geographic areas, Subscription was the fastest growing activity over the year.

In **Asia/Pacific**, Axway posted yearly revenue of €16.1 million (5% of total revenue), representing organic growth of 0.3%. Despite significant disparities in the level of activity over the different quarters, sales finally improved slightly over the year.

Comparison of fiscal years ended 31 December 2020, 2019 and 2018

(in millions of euros)	2020	2019	2018
Revenue	**297.2**	**300.0**	**283.8**
License	*25.8*	*52.8*	*56.5*
Subscription	*97.3*	*59.6*	*40.3*
Maintenance	*138.2*	*146.7*	*142.8*
Sub-total Licenses, Subscription and Maintenance	**261.3**	**259.1**	**239.7**
Services	36.0	40.8	44.2
Cost of sales	**87.6**	**88.4**	**84.2**
License and Maintenance	*24.9*	*23.4*	*23.1*
Subscription	*28.3*	*26.7*	*21.7*
Services	*34.4*	*38.3*	*39.4*
Gross profit	**209.7**	**211.5**	**199.7**
As a % of Revenue	*70.5%*	*70.5%*	*70.3%*
Operating expenses	**178.8**	**185.6**	**167.8**
Sales costs	*92.9*	*99.1*	*83.3*
Research & Development expenditure	*60.4*	*61.3*	*58.0*
General expenses	*25.5*	*25.1*	*26.4*
Profit on operating activity	**30.8**	**25.9**	**31.9**
As a % of Revenue	*10.4%*	*8.6%*	*11.2%*

Cost of sales and gross margin

In the context of a health and economic crisis and as it transforms its business model, the Company proved particularly agile and successfully adapted its organisation and resources. Cost of sales fell 1.0%, in line with the 0.9% reduction in revenue.

The gross margin therefore stabilised at 70.5% of revenue in 2020.

The License and Maintenance gross margin fell to 84.8% from 88.3% in 2019. This downturn was due to the significant slump in License and Maintenance revenue (-17.8%) during the fiscal year.

The Subscription gross margin improved once again, increasing from 46.2% in 2018 to 55.2% in 2019 and then 70.9% in 2020. In value terms, the Subscription gross margin was €69.0 million, up 100% year-on-year. The gross margin fully benefited from growth in Subscription revenue, up €33.7 million, with only a €1.5 million increase in expenses over the period.

The decrease in the Services gross margin was mainly due to an 11.9% drop in revenue. Costs were kept under tight control (-10.1%), with primarily a reduction in salary (-€2.2 million), travelling (-€0.9 million) and sub-contracting (-€0.8 million) expenses. The Services gross margin was therefore 4.3% compared to 6.1% in 2019.

Operating expenses

Profit on operating activities was €30.8 million, representing 10.4% of revenue, compared with 8.6% in 2019. This €4.9 million increase reflects the resilience of the Company’s business model and its ability to adapt its organisation to an unprecedented context. The Group also realised operating cost savings.

Operating expenses fell 3.6% on 2019, due to a decrease in sales costs (-6.3%) and research and development expenditure (-1.5%).

Sales costs totalled €92.9 million in 2020 and represented 31.2% of revenue, compared with €99.1 million in 2019 (33.1% of revenue). This contraction was mainly due to a decrease in travel expenses and marketing activity, due notably to events and roadshows being cancelled or held virtually due to the health crisis.

Research and development investment remained high but controlled in 2020, with expenditure totalling €60.4 million, or 20.3% of revenue. It is recalled that research and development expenditure totalled €61.3 million (20.4% of revenue) in 2019.

General expenses totalled €25.5 million and represented 8.6% of revenue, stable on 2019 (€25.1 million).

Balance Sheet and financial structure

At 31 December 2020, Axway had a solid financial position, with cash of €16.2 million, bank debt of €40.2 million and shareholders' equity of €355.5 million.

1.5 Comments on the Axway Software SA 2020 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 Group's subsidiaries, unlike the consolidated financial statements.

1.5.1 Income Statement

2020 revenue fell 4.4% on 2019. Revenue from non-Group customers declined 11.10% (License -97.5%, Maintenance -12.7%, Services -77.4%, Subscription +81.7%) while inter-company revenue increased 2.8%.

The operating loss was -€16.7 million in 2020, compared with operating income of €3.7 million in 2019. Despite savings in travel expenses and seminar costs (-€2.2 million) due to the health conditions tied to the COVID-19 pandemic, operating expenses increased significantly. In particular, expenses relating to inter-company transactions increased +€9.4 million and employee costs increased +€5.4 million.

Net financial income fell from €5.8 million in 2019 to a net expense of -€3.6 million in 2020. The main movements in this heading comprised a fall in dividends received from subsidiaries of -€764 thousand, and a reversal of provisions for current accounts of -€2.1 million. Financial expenses rose significantly due to a +€5.3 million increase in the provision for foreign exchange losses.

Pre-tax current profit fell from €9.5 million in 2019 to a loss of -€20.4 million in 2020.

The net exceptional expense was -€4.9 million in 2020, compared with -€1.5 million 2019. This increase is mainly due to commercial debt waivers granted to five of our subsidiaries given their difficult net position, for a total amount of €4.9 million.

Employee profit-sharing totalled €890 thousand in 2020, compared with €714 thousand in 2019.

The 2020 net loss was -€18.2 million, compared with a net profit of €14.8 million in 2019.

1.5.2 Balance sheet

Shareholders' equity fell from €261.5 million at 31 December 2019 to €243.9 million at end-2020.

This decrease is mainly due to the net loss for the fiscal year of -€18.2 million

The -€10.7 million decrease in non-current financial assets follows a decrease in receivables from equity investments (including -€10.8 million for Axway Inc.). The Streamdata Inc. current account was cleared via a financial debt waiver of €822 thousand following the liquidation of this company.

The -€13 million decrease in Trade receivables was mainly due to a -€6 million fall in accrued income (including -€3.5 million for inter-company trade receivables). The debt waivers granted to our subsidiaries contributed -€1.8 million to the reduction in trade receivables and -€1.8 million to the reduction in accrued income. The Export and France trade receivables accounts fell -€3.4 million and -€2.3 million, respectively.

The €6.5 million increase in other receivables, prepayments and accrued income is attributable to higher translation adjustments on USD-denominated receivables and payables due to a less favourable USD exchange rate this year (including +€5.6 million on Axway Inc. current account receivables).

The repayment of loans from BPI and Banque Populaire enabled a -€2.3 million decrease in financial debt. Loans from equity investments also decreased -€2.7 million.

The -€6.2 million decrease in Trade accounts payable was due in part to the decrease in accrued expenses of -€4.4 million, including -€3.7 million for inter-company accrued expenses (-€2.1 million for cloud costs and -€934 thousand for purchase priced maintenance costs). Unpaid suppliers invoices also decreased at the year end by -€1.5 million.

Tax and employee-related payables increased +€1.1 million. While employee-related payables increased +€2.5 million (notably due to commission and bonuses, including social security contributions), tax payables fell by -€1.4 million.

Related-party transactions are described in Chapter 4, Section 2, and in Chapter 5.14.1 “Related-party transactions” of this Universal Registration Document.

Pursuant to Articles D. 441-1 and L. 441-6 or L. 443-1 of the French Commercial Code, Axway hereby informs you that trade accounts payable at 31 December 2020 break down as follows:

Article D. 441-1: Unpaid invoices received past due at the fiscal year-end

	0 day	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	145					348
Total amount of invoices excluding VAT	4,051,694.72	381,859.19	-6,888.94	92,773.05	1,495,612.43	1,963,355.73
Percentage of total purchases for the fiscal year, excluding VAT	3.92%	0.37%	-0.01%	0.09%	1.45%	1.90%
(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 or Article L. 443-1 of the French Commercial Code)						
Payment terms of reference used to calculate late payments						Statutory period: 30 days from the invoice date

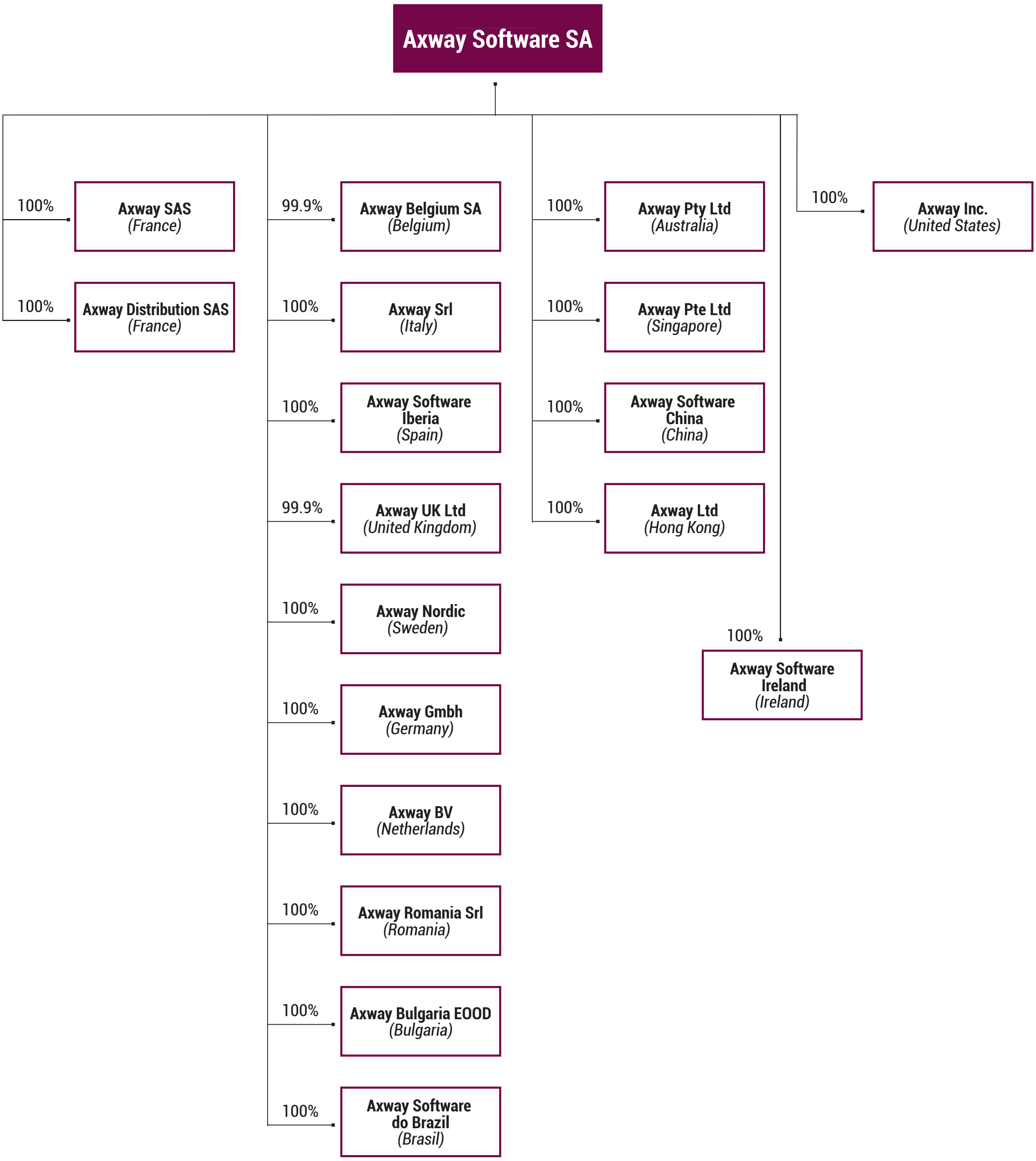
Trade receivables break down as follows:

Article D. 441-2: Unpaid invoices issued past due at the fiscal year-end

	0 day	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	637					568
Total amount of invoices excluding VAT	37,439,718.23	1,681,963.78	2,409,621.81	912,464.74	8,834,884.74	13,838,935.06
Percentage of total purchases for the fiscal year, excluding VAT	23.89%	1.07%	1.54%	0.58%	5.64%	8.83%
(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 or Article L. 443-1 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 structure at 31 December 2020



1.7 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.

1.7.1 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 (ExCom).

The ExCom comprises the Chief Executive Officer, the Heads of the major operating entities and the Heads of the functional structures.

The members of ExCom 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 is composed of 14 directors (nine of whom are independent directors). The directors elected Pierre Pasquier as Chairman at the Board meeting of 28 July 2015. Information on the Board's organisation and working procedures is presented in Chapter 4, Section 1.2 of this Universal Registration Document.

Operational departments

The operational departments make up Axway's value chain and participate in the processes of defining, producing and selling Axway's products and services. They consist of:

- the Marketing Department, which carries out upstream strategic analysis (markets, competition) and processes involved in bringing products and services to the market;
- the Company Innovation, Product Management and R&D Departments, which oversee product innovation, development and maintenance and subsequent upgrades;
- the Global Customer Services Department which provides customers with telephone assistance and support, and the Professional Services teams, who provide support for users in integrating and implementing the solutions sold and provide assistance in using them;
- the Sales Department, which consists of the Company's sales teams.

These global departments have regional and/or national structures below them:

- Regional Marketing operations (EMEA, Americas, APAC);
- Development and Support Centres (France, North America, Romania, Bulgaria and India);
- Sales Subsidiaries (sales and services in eight countries in Europe, the Americas and Asia).

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

Each department is allocated resources and assigned budget 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.

National sales subsidiaries are responsible for managing local customers: sales relationships, invoicing and debt collection. These subsidiaries benefit from the support of cross-functional programmes organised at Axway level, which aim to coordinate the operations of certain customer groups (sector-based approaches, key account approaches) or certain products/services (notably Amplify).

Functional structures

The Functional Departments (Corporate Secretariat, Finance, Logistics, Human Resources Management, 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.

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

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

1.7.2 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.).

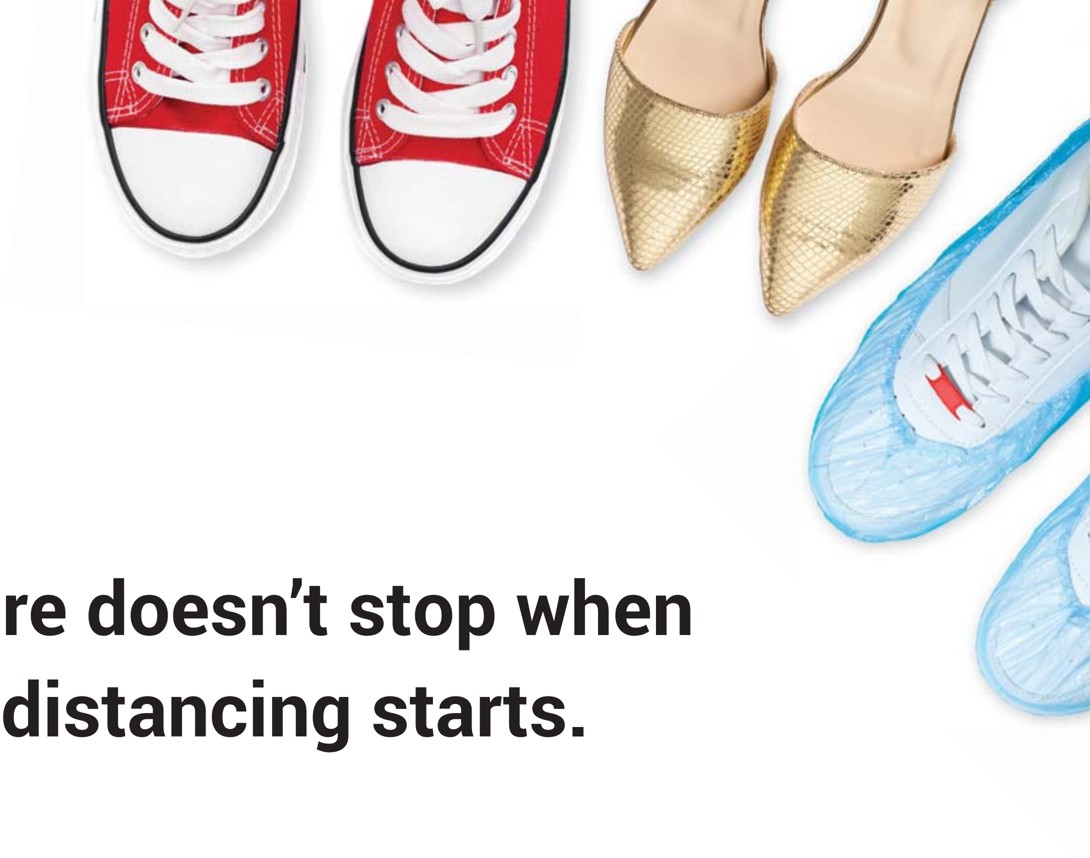
Each project must be organised and operated based on fundamental objectives: customer service, economic success, and contribution to Axway general growth.

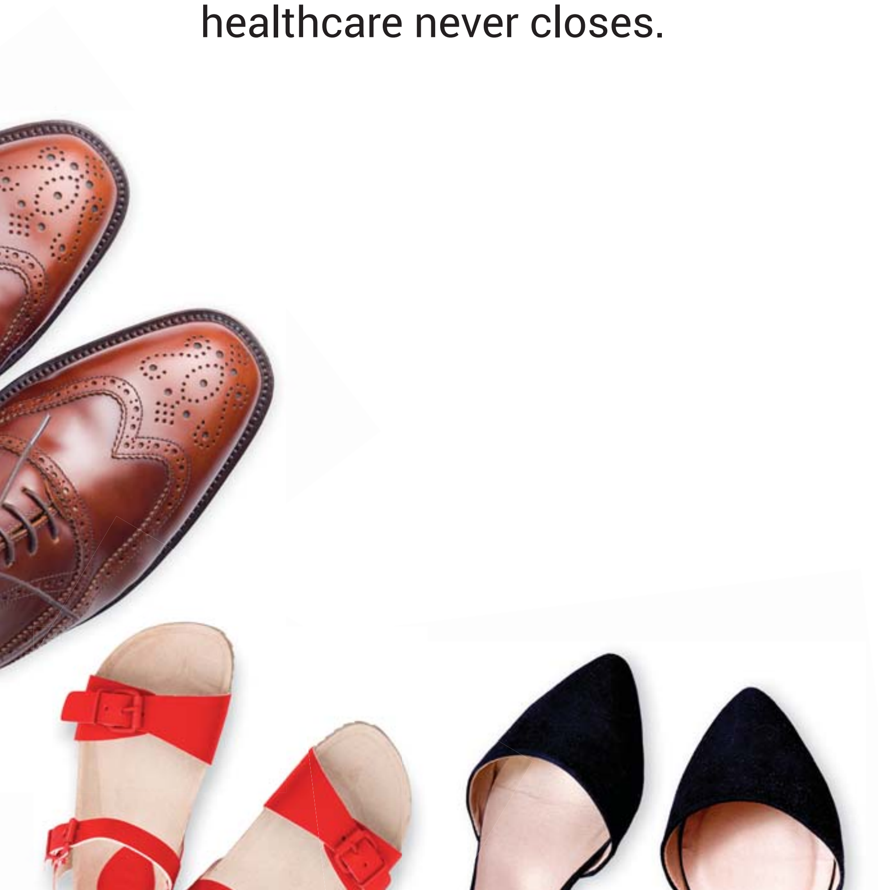
The main development programmes for the various product lines use resources and expertise from different Development Centres, under the responsibility of a Programme Manager.

> Axway has set-up a project-based non-permanent structure for corporate social responsibility issues, as described in Chapter 3 of this Universal Registration Document. The Company's People & Culture, Legal, Financial Communications and Procurement Departments work with local officers in each of Axway's locations to produce the annual CSR report, prepare membership of various labels and submit our candidacy for the most relevant responsibility indexes.

1.8 Recent developments

There were no changes between 1 January 2021 and the date of publication of the Universal Registration Document.





Risk Management

2

2.1 Risk factors

NFPS

Axway operates in a constantly changing business environment. It is exposed to risks, both financial and non-financial, which if they materialise could have a negative impact on its activities, financial results, reputation or jeopardise the achievement of its objectives.

This section presents the main risks factors to which Axway considers it is exposed. Other risks, which Axway is not aware of or currently considers to be of lesser importance, may also have a negative impact. Axway cannot ensure that all risks will be eliminated. However, the purpose of risk management and the internal control system is to identify, qualify and mitigate risks.

2.1.1 Risk mapping and methodology

Risk factors were thoroughly reviewed in 2020 by the Internal Audit and Legal Departments and examined by the Audit Committee and the Board of Directors.

Risk mapping is used to identify and assess risks. It covers all potentially material internal and external risk factors and encompasses both financial and non-financial issues. The Audit & Risk Universe is Axway's risk mapping, a structured representation of the entire auditable scope covering all areas of activity in the organisation. To prepare the risk mapping, all areas of the Audit & Risk Universe were discussed with the risk owners and members of the Executive Committee to identify the main threats and draw up a detailed description of each corresponding risk. The risks were assessed based on their probability of occurrence and their potential impact on business. This assessment takes account of all mitigation measures already implemented and effective ("net risk").

Based on the analysis performed and the detailed description of the risks that may impact each area, this mapping supported our discussions on risk factors. Based on this work, the most material net risks for the Company were extracted and are presented in this document. Specific mappings for risks relating to corruption, influence peddling and duty of care are also maintained and taken into account when establishing risk factors.

At the date of filing of this document, the risks described in this Chapter are those identified by Axway as the most material net risks for its business. The following table (2.1.3) summarises the main risks organised into four categories (risks relating to Axway's market, risks relating to Axway's business and organisation, security risks and legal and compliance risks). Each risk is then described individually, with explanations on how this risk may affect Axway. Information on how each risk is managed is also provided.

2.1.2 Impact of the COVID-19 pandemic on the risk factors

The COVID-19 pandemic has created an uncertain environment, and impacted Axway's business, as it has for most companies worldwide. Axway chose not to consider it as a full-blown risk, but more as a factor exacerbating some of the already existing risks reported below.

Even though the information technology sector did not suffer as much as others, and the crisis even increased the demand for digital transformation in certain situations, the duration of the pandemic and the related restrictions could have had a significant impact on our ability to interact with existing customers, reach new customers and seize growth opportunities.

However, the actions taken by Axway minimised the adverse repercussions of this global crisis.

Since the beginning of this crisis, the main priority for Axway has been the health and safety of its employees, customers, and partners. A crisis unit and adapted governance were immediately set up to manage the crisis in real time. Through widespread working from home, remote customer support, and regular information on the best health measures, Axway prevented as much as possible the virus from spreading and did not suffer any major disruptions to its activity and organisation.

Specific attention was also paid to cash collection and the monitoring of customer receivables. To date, Axway has not encountered any major solvency problems as most of its customers are major international companies. Axway's solid financial position and its credit agreements have prevented any escalation in cash and liquidity risks.

2.1.3 Summary presentation of the main risks

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

2.1.4 Detailed presentation of risk factors

1 Risks relating to Axway's market

Risks of lack of innovation and failure to anticipate market trends

Risk description

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.

Axway must therefore anticipate any developments in technology likely to be desired by the market and the expectations of its customers, in order to offer a range of solutions perceived by its customers as different or innovative compared to existing applications, with financial conditions that the market will accept. These requirements are heightened by the technical agility expected by customers. They wish to use apps in the cloud and/or on premise, deploying them easily on a variety of devices.

Axway can make no assurance that the new applications developed 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.

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

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

Risk management process

Axway constantly invests to develop new innovative offers 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. Axway's strategy is clear: streamline the solutions portfolio to prioritise R&D investments and focus on an innovative and high-quality offering. In addition, the Company works closely with its key customers to explore, develop and implement new and revised offers that could have wider uses.

Axway has strengthened the Product Management team with the creation of a new position: EVP Product Management, a permanent member of the Executive Committee. Under his leadership, this team will enhance governance over product lifecycle, strategy and release plans.

To better anticipate technological or architectural shifts in our customers' environments, Axway has set up an incubation team in the CTIO (Chief Technology Information Officer) Office. The CTIO and incubation team are tasked with discovering, assessing, and testing new approaches or solutions that could drive long-term growth. In addition, Axway regularly assesses external growth opportunities through the selective acquisition of new or complementary technologies. 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.

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

Risk description

By launching new offerings such as the Amplify hybrid integration platform, Axway supports the transition of its business 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 market 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 and reflecting its strategy in the right message, adapted to each targeted audience.

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 inadequate to generate sufficient interest from potential customers, transform opportunities into actionable pipeline and generate business by acquiring customers.

In addition, failure to build, develop and manage 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.

Finally, it may be difficult for Axway to make its voice heard in a competitive environment dominated by major IT software and service players with substantial marketing power.

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

Risk management process

Synergy between the various departments is a priority for Axway. Continuity between the innovation, product management, product marketing, go-to-market, sales and customer experience processes was improved in 2019 and 2020, through strong governance and the involvement of the Executive Committee and its main Directors. All the teams, particularly sales and marketing, are perfectly aligned and focused on achieving the Company's strategic objectives.

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 and converting the current base to provide existing customers with access to new innovative solutions.

Axway has also successfully bolstered its relationship with market analysts, demonstrating its valid vision and well-executed strategy. In particular, Axway has been recognised as a Leader in Gartner's 2020 Magic Quadrant for Full Life Cycle API Management and in The Forrester Wave™: API Management Solutions, Q3 2020.

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

Risk description

The recurring revenue generated by Maintenance and Subscription contracts accounts for a significant and growing portion of Axway's business. Last year, Axway reported the transition towards Subscription business models as a critical risk for its activity. This transition has been more rapid than expected, demonstrating the demand of our customers and prospects for these Subscription-based models.

However, the Company's ability to retain and expand its customer base is instrumental in maintaining and growing its revenue. Given the intense competitive and technological pressure on Axway's offers, the risk probability that Maintenance or Subscription contracts will not be renewed is significant (churn).

In this context, Axway must fully satisfy customer requirements and expectations by offering high-quality products and forging trustworthy relationships. A poor alignment of those teams in direct contact with customers, particularly the Sales, Services and Support teams, could be detrimental to the customer experience, which is key to satisfaction and loyalty. This is especially true for Support services, which need to deliver the right level of expertise and technical assistance to quickly remediate production or security incidents.

In a consumption-based business model, the ability to measure consumption and adoption of products by customers is critical to renewing and expanding business. In this new model, internal systems, infrastructures and 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.

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

Risk management process

The majority of Axway's major applications, once fully adopted by customers, are critical for their business activities and 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 its solutions and contract renewal to accompany its customers from "start to forever". It provides a range of support services encompassing solution strategy, commercial alignment, implementation, adoption planning, and customer success. This customer life cycle-based approach strengthens the customer partnership and promotes a relationship of trust.

Indeed, the success of applications often depends on more than just the quality of the application and its technology. Customer satisfaction and loyalty also require interaction 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, with a dedicated team to manage the renewal business.

Furthermore, Axway seeks to leverage the telemetry on product usage by our customers to identify which capabilities are most used to better target investments and deliver additional value.

Axway constantly monitors the success of its customers with regard to its solutions and support activity through satisfaction surveys. In particular, the Net Promoter Score is used to measure customer loyalty. Improving the customer experience is central to Axway's strategy. These metrics are monitored by the Executive Committee and included in the variable compensation of most employees. 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.

2 Risks relating to Axway's business and organisation

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

Risk description	Risk management process
Axway operates in a highly competitive environment, with some particularly rare and sought-after expertise. This creates significant employee mobility 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's continued success mainly depends on its ability to ensure the harmonious management of its Human Resources and build the loyalty of staff members who boast the critical expertise required for its success, and who have a good understanding of the approaches to the use of a given software. 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. The disappearance of certain historical technical expertise or rare and specific knowledge could require a significant amount of outsourcing to meet the commitments made to customers. The occurrence of this risk may lead to a slowdown in activity, a loss of reputation and, more broadly, a significant negative impact on Axway's results.	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. Axway recognises talent and builds loyalty for the long-term. For the first time in 2019, and then again in 2020, Axway reviewed its talent pool to assess not only the performance but also the potential of all employees. This annual Talent Review enabled Axway to identify potential and necessary career developments for each employee. Managers are strongly encouraged to draw up an individual career and development plan in coordination with the People & Culture department. In certain cases and for certain types of profile, a transfer of skills and know-how is initiated to retain expertise in-house. Axway also encourages strong flexibility between jobs and more transparent managerial communication to share and explain strategy and associate teams via more participative methods. Axway also conducts employee appraisals in France every two years to review professional development prospects, particularly in terms of qualifications and employment. This appraisal is designed to identify ambitions or areas of improvement for each employee. Employee involvement and engagement are also considered to be an essential performance lever. Axway conducts a yearly survey to measure employee engagement. The last survey in the fourth quarter of 2020 obtained an engagement score of 69% (target employee engagement score is 60% or greater), the best level since these surveys began. Actions plans are followed at the highest level to increase motivation and manage socio-environmental concerns. In addition, efforts to improve appeal, loyalty and talent development enabled a significant reduction in the attrition rate in 2019 and 2020, and the recruitment of a several key positions.

Risks of technical defects in product development and production errors

Risk description

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 allocation of Research & Development resources has to find the right balance, by both promoting innovation and ensuring the sustainability of existing products, thus not jeopardising the installed base and recurring revenue. Axway'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 risk is even greater due to the growth in its cloud activities and the fact that its applications are often used in complex and critical operating environments processing several millions of individual transactions. In addition, 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 meet our service level agreements and provide reliability, agility and availability for the delivery of our solutions in a cost-efficient manner.

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.

The occurrence of this risk 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

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 product lifecycle must ensure source code quality, regression testing, continuous integration as well as repository, build and backlog management. This quality requirement also concerns the deployment of solutions and the management of migrations and upgrades, whether in the cloud or on premise.

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

In addition, Axway has adopted a general approach for the tracking and management of performance and reliability incidents. In cloud environments, the launch 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 standard support and service level maintenance procedures that are available on its website.

Axway also has professional indemnity and operations insurance coverage. This insurance covers all entities for 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. The overall contractual claim limit is €30 million per year of insurance.

3 Security risks

Information, software and internal application security risks

Risk description

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 increasing and specifically targeting Axway's industry. Despite the measures implemented, the Company can make no assurance to its customers that there will be no security breaches or their 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 can disrupt the smooth running of Axway's systems and applications and those installed for their customers and hinder the Company's ability to meet its availability, quality and continuity service commitments.

The Company's applications and solutions can now be used from various devices, particularly mobile phones based on API technologies developed by Axway. Multiplying the number of access points on customer and internal infrastructures 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 services and medical services. Any security breach in our 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.

The risk has also increased for internal systems and applications due to remote connections in the context of widespread working from home and the development of BYOD (Bring Your Own Device). Finally, systems and tools must provide, more than ever in this changing industry, insightful and data-driven analytical capabilities to manage the business.

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

Risk management process

Product and solution security is foremost in Axway priorities. Axway strives to comply with data privacy protection regulations and protect the security and confidentiality of information and sensitive data, both from customers and Axway, whether in the cloud or on premise.

A product and solution security team ensures that the imposed rules (Secure Software Development Lifecycle) are observed. This team ensures that Axway meets all security requirements in the development of its products, keeps up with increasing security threats and is able to provide our customers with the necessary security levels. In particular, security tests must be successfully completed before the release of each product. Proactive and corrective vulnerability tests are constantly performed.

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

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 – e.g. ISO:27001, SOC2, ISO:9001, FEDRAMP, Common Criteria, etc.

Axway fully adheres to the requirements set forth in the General Data Protection Regulation (GDPR) under the control of a DPO (Data Protection Officer). Every year, all employees receive specific security training, particularly on information security.

Specific IT teams and tools – including intrusion detection and prevention systems – constantly monitor internal information systems and manage server and work station vulnerabilities. Systems for backing up data, monitoring data infrastructures and flows and controlling access to sites and IT applications are thus deployed universally. These measures ensure business availability, security and continuity. Axway has also set up a Business Continuity Plan, disaster recovery plan and crisis escalation procedures to quickly remediate any security issues.

A cybersecurity insurance policy was taken out in addition to the professional indemnity insurance coverage to manage and cover as well as possible the different types of cybersecurity risk: damages following third-party claims, material and immaterial damage and operating losses, additional expenses or costs related to the management of crisis communication, in particular following a security failure. The overall contractual claim limit is €10 million per year of insurance.

4 Legal and compliance risks

Intellectual property protection risks

Risk description

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

Also, infringement of the intellectual property of software vendors, open-source components or OEM (Original Equipment Manufacturers) – third-party components embedded in Axway software, could lead to compliance breaches and legal proceedings.

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

Risk management process

Axway uses the various means at its disposal, i.e. copyright, patent rights, trademark rights, and professional secrecy, as well as 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 also rolled out a compliance programme for its open source software and performs a legal analysis as soon as any legal action for non-compliance becomes possible.

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

Regulatory compliance risks

Risk description

Axway operates in over fifteen countries via its subsidiaries and is therefore subject to various regulations. Axway 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. For example, the implementation of the European General Data Protection Regulation required major adjustments according to the nationality of the customers and suppliers.

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. The Company has invested heavily in company acquisitions in the United States, where some of the toughest regulations are applied.

Numerous customers depend on obtaining and maintaining administrative authorisations and certifications. Axway may therefore be required to comply with certain regulatory provisions in its capacity as subcontractor.

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

The occurrence of this risk 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

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

It has rolled out internal control and continuous improvement procedures. The Company is therefore required to regularly review its internal control procedures to adapt to new regulations and take into account new market requirements. Delegation rules and validation workflows are implemented to ensure consistent decision-making at the required level of responsibility. Axway is also developing a compliance culture through awareness training and campaigns organised worldwide, locally or for specific groups (e.g. security, GDPR, anti-corruption, insider trading, etc.). In order to comply with all anti-fraud and anti-corruption regulations, Axway implemented a Code of Ethics, a whistle-blowing procedure, and ethics-related training, delivered globally.

Axway's priority with regard to the consequences of the COVID-19 pandemic has always been the health and safety of all its stakeholders. Management made sure to comply with changing regulations in each of the countries in which the Company operates. Frequent meetings were held, and regular updates were provided to all parties on the situation. Axway quickly adapted to ensure adequate working from home and limit physical interactions.

As further detailed in this chapter, Axway took out insurance policies for adequate coverage and protection of the Company's activity, results, assets, and employees.

2.2 Internal control and risk management

2.2.1 Definition and description of the internal control and risk management environment

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

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 (1) compliance with laws and regulations; (2) the application of instructions and guidelines determined by Executive Management; (3) the proper functioning of the Company's internal processes, particularly those intended to safeguard its assets; (4) the reliability of financial disclosures".

In general, internal control contributes to the control of the Company's activities, the effectiveness of its operations and the efficient use of its resources. It is also aimed at managing material risks in an appropriate way, whether these risks are operational, compliance-related, financial or non-financial, and at helping implement the Company's strategy.

With regard to risk management, its aim is to: "(1) create and preserve the Company's value, assets and reputation; (2) safeguard decision-making and other Company processes in order to promote the achievement of objectives; (3) promote the consistency of the actions taken with the Company's values; (4) 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 1 "Risk factors".

All of the internal control system and risk management procedures 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.

Axway's internal control system comprises the five components defined by the AMF reference framework: organisation, internal dissemination of information, a risk identification and management process, control measures, and continuous monitoring of the system.

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 can be achieved.

2.2.2 Components of the internal control and risk management system

1 Organisation

Legal 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. Certain entities may operate in countries other than where they are located. 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 at 31 December 2020 is presented in Chapter 1.

Internal organisation

The internal organisation of Axway is described in Chapter 1. The key players in risk management and internal control are:

- the Executive Committee: Chief Executive Officer, Directors of the Operating Divisions, Directors of the Functional Structures;
- centralised functional structures for the Company as a whole (Human Resources, Finance, IT, etc.);
- operating departments focused on a specific aspect of software publishing (Solutions, Products & Engineering, Customer Success Organisation, Marketing) and Business Units, administrative, regional or national branches of these divisions.

Definition of powers and responsibilities

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. The rules governing delegation are regularly reviewed in order to take into consideration any developments and changes in the organisation.

Human Resources Management

Axway ensures the appropriate development of its Human Resources management and strives to retain the personnel who are key to its activity.

The People & Culture Department has set up measures aiming to optimise the development of each employee's career path. This development is guided by a career evaluation and tracking procedure, tailored to the needs of the Company. This procedure includes key moments for evaluating skills and performance and reviewing working conditions: annual employee appraisals and monitoring by P&C Business Partners, which are used to define individual action plans (training, mentoring).

Axway's policy and the measures aimed at mastering Human Resources management and the related main indicators are laid out in Chapter 3 "Corporate responsibility".

IT systems

The Information Systems Department is responsible for information systems management. This entity is in charge of IT resources (including procurement) and implementation of security processes and is responsible for developing or selecting the applications to be used to meet the Company's internal needs. By continuously working on the upgrade of the IT system, this department supports Axway's growth in all its aspects: organic growth, integration of acquisitions, geographical expansion, and integration of industry developments such as cloud services.

The objectives of this department are to adapt the information system as effectively as possible to the operating requirements of the Company and users, and to ensure the physical and logistical security of data to which permanent access must be guaranteed due to service requirements in an international environment. Systems for backing up data, monitoring infrastructures, and controlling access to sites and IT applications are thus deployed universally.

Procedures

Axway has formalised and communicated its Ethics charter, as part of a transparent, fair and loyal approach to all stakeholders: customers, employees, shareholders, partners, suppliers and societal organisations. The Ethics charter 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. It also defines the warning procedures in place should these rules not be observed (professional warning 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.

The Operational and Functional Departments are responsible for the implementation, maintenance and appropriation (through a training programme) of Axway's procedures. Each operating division - Solutions, Products & Engineering (SPE), 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 and 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 and capitalisation 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 Group'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 Internal dissemination of information

The business management 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 provide training. 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 Company steering system is backed by a reporting system developed by the IT Department in collaboration with the operating and functional departments.

3 Risk identification and management process

The primary risk factors are listed in Chapter 2, Section 1 “Risk factors” of this document.

Axway’s risk identification and management process aims to anticipate or address risks as quickly as possible to favour attainment of its objectives. All staff members, both employees and management, are active participants in this process. The smooth running of the risk management process is overseen by Executive Management, which receives information on risks from operational, functional and audit staff.

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 of the three levels of the organisation with the aim of implementing an appropriate action plan as quickly as possible and informing management, if need be. The functional divisions responsible for the definition and proper application of policies relating in particular to Human Resources, financing, legal aspects and IT systems also report to Executive Management on any newly identified risks at steering meetings.

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 and every employee. Control activities take place throughout the Company, at all levels and in all functions. They include controls aimed at prevention and detection, manual and IT controls, as well as supervisory controls pursuant to applicable delegation rules. 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.

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 Board of Directors’ Audit Committee

A detailed description of the Audit Committee’s role and composition is available in Chapter 4, Section 1 of this document. On behalf of the Board of Directors, the Audit Committee performs the following tasks:

- 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 by reviewing the audit universe and risk mapping, approving the annual internal audit plan and monitoring 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.

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 the system defined at global level for the area under its responsibility and ensuring that the defined 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.

4 Second line of control: monitoring and control

In accordance with the three lines of risk control model, 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, Management Control, or the Process, Security & Compliance team.

Management control

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

- verify service 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.

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 - particularly when these contracts lay down terms and conditions that differ from the standard terms and conditions in force. More generally, the Legal Department ensures that Axway complies with applicable laws and regulations in the countries where it operates. The Legal Department participates in numerous working groups, particularly with Middlenext, to discuss best practices and ensure its full compliance with prevailing regulations.

Process, Security & Compliance

The Process, Security & Compliance team is responsible for managing both the Quality Management System (QMS) and the Information Security Management System (ISMS), for documenting, developing and ensuring the enforcement of the relevant policies and procedures across the Company. Independent of the management of operating activities, it is headed by a CISO (Chief Information Security Officer). This unit also manages Quality and Safety certifications and responds to audit requests submitted by our customers.

5 Third line of control: ongoing supervision

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 of 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 internal audit plan is built upon the priorities identified for the year, based on 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. Information on the audits performed, the findings identified, and the follow-up of recommendations is constantly shared with the Board of Directors' Audit Committee.

6 External monitoring

Statutory Auditors

During their procedures within the Company over the year, the Statutory Auditors do not limit themselves to interacting with the accounts department. They familiarise themselves with internal control systems relevant to the audit and assess the design and implementation of controls on which they have decided to rely. Furthermore, they conduct efficiency tests by sampling on identified key controls. 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.

Certifications

External certification bodies are called on to conduct an impartial review of our quality and security management system for our customers. 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 perfecting the quality and security of the products and services provided.

- Axway organises an annual independent third-party audit of 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 internal security and control system used to monitor services performed on their behalf. Axway has decided to roll out the SOC2 type audit for all its cloud activities, including its SaaS (Software as a Service) business;
- Axway renewed its ISO 9001 certification, based on ISO 9001:2015 changes, for its Global Customer Services activities in France, Italy and Germany and obtained this certification for the United States in 2020;
- Axway renewed its ISO/IEC 27001:2013 certificate for the 2018-2021 period.

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) and the Australian Act.

Customer audits

The security and quality management system is regularly reviewed during customer audits. These are becoming 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 the system.

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. The continuous improvement programme headed by the Process, Security & Compliance team continued and led to the renewal of our certifications in 2020.

Furthermore, within the Customer Success Organisation operating department, a structured team focuses on the customer experience: customers are now pivotal to Axway's strategy. A major customer loyalty and satisfaction survey system for customers and partners has been implemented. Campaigns are regularly carried out, allowing us to measure customer satisfaction and customers' perception of the quality of our products and services, with the aim of constantly improving our 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 projects (Services). In addition, this team collects feedback from the user groups.

2.3 Preparation and processing of accounting and financial information

2.3.1 Coordination of the accounting and financial function

Organisation of the accounting and financial function

Like all functions, the accounting and financial function is predominantly centralised within the Company. Local teams are of an appropriate size to best serve their role as correspondents within the subsidiaries. The Chief Financial Officer closely supervises her teams' activities, in particular through weekly and monthly steering meetings. 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. 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.

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. Any changes are presented to the Audit Committee.

2.3.2 Preparation of the reported accounting and financial information

Reconciliation of accounting data with the internal management system

All of 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 are based upon simple management rules that 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. Budgets, including detailed monthly operating forecasts, are prepared by each business unit.

A monthly operating statement is prepared by each of the Business Units. The third component of the management system is a revised operating statement prepared each month. This statement includes the results of the previous month and a revised forecast for the remaining months of the current year. All of these documents are combined with numerous management indicators concerning costs, invoicing and receipts. The results derived from the analytical management system are verified by accountants reporting to the Chief Financial Officer, who also reconcile these data with the quarterly accounting results.

Procedures for the 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 audits 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.

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 its constituent reports and information, and the presentation of half-year and annual results. The Universal Registration Document is filed with the AMF after the 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 of this information can be consulted on Axway's Investor Relations website page.

2.4 Insurance and risk hedging policy

Axway's insurance policy is closely linked to a prevention and control strategy covering major risks. Insurance management is centralised by the Legal Department.

The purpose of the insurance programmes 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 all risks that could materially impact its 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.

The main insurance programmes are as follows:

Professional indemnity and operations insurance

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.

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.

Cybersecurity insurance

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.

Senior executives' and company officers' professional indemnity insurance

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.

Assistance for employees on assignment

This programme covers all Axway employees, company officers, senior executives and directors. It covers accidents or illnesses arising on business trips. The overall contractual limit is €25 million per year of insurance.

Operating damage and loss insurance

Insurance programmes have been set up to cover losses and damages to property (sites, equipment, terminals, etc.) and operating losses.

Claims history and insurance programmes

In the last three years, no major claim has been reported by any Axway entity under the policies described above (or others covering the Company in the past).

Axway's claim history is very low, which has meant that it has been able to benefit from relatively low premiums and favourable conditions for coverage.

Corporate responsibility

3

NON-FINANCIAL PERFORMANCE STATEMENT

NFPS *Reference to the chapters or sections relating to the content of the Non-Financial Performance Statement.*

Introduction by Dominique Fougerat, EVP People & Culture

In 2020, it would be an understatement to say that considerable demands were placed on the responsibility of each and every one of us. In this new context, we were able to precisely gauge Corporate Responsibility, already aligned with the Company's strategy, which took on a new dimension in social, societal and environmental terms.

At Axway, we implemented a business support system from the outset of the crisis. Our priorities were to protect the health of our employees while continuing our projects with our customers and stakeholders, despite the restrictions imposed by the global health situation. In just a few hours, all employees working in 17 countries were able to switch to working-from home. This efficient system enabled everyone, at all levels of our organisation, to continue their activities.

The shared experiences from this shift were multiple, as were the challenges met to successfully organise our work and private lives in this disrupted world! Our employees demonstrated an amazing capacity to adapt to these new working conditions and I am particularly proud that by giving them our support, we were able to continue serving our customers. We communicated frequently with the teams and recognised their extraordinary commitment. We were already aware that human capital is Axway's key asset. This was clearly demonstrated in 2020 and we did our best to maintain and further its development.

The societal impact of the health crisis unfortunately also led to a slowdown in support projects for the most vulnerable and we were unable to attain certain objectives in this area.

The further development of our corporate responsibility was also demonstrated this year in a materiality analysis of our social, societal and environmental initiatives with our stakeholders. Using internal and external surveys, we ranked our non-financial performance indicators and introduced a new topic, the indirect environmental impact of our activity.

The Non-Financial Performance Statement presented in this chapter illustrates the true position of our Company, with both its successes and difficulties. I am extremely proud to be able to classify Axway as a responsible and committed company, ready to take on the numerous digital transformation challenges facing our economy and our society.

3.1 Axway, an innovative and responsible player in the digital sector

The publication of Axway's first Non-Financial Performance Statement two years ago enabled us to formally document the CSR challenges facing the Company to identify the related performance indicators.

In 2020, Axway furthered the materiality of this Statement by conducting the following work:

- *Ranking of employee and employer indicators;*
- *Formal documentation of the most relevant societal indicators for a software publisher in a context of accelerating digitisation;*
- *Further development of environmental indicators with a direct and indirect impact on stakeholders;*
- *First materiality matrix.*

This Statement confirms Axway's three Corporate Social Responsibility commitments:

- *Employer commitment: Attract, develop, mobilise and retain engaged talent;*
- *Societal commitment: Work with all stakeholders in accordance with the Company's ethics;*
- *Environmental commitment: Reduce our direct and indirect impact.*

Each year, Axway renews its commitment to the United Nations Global Compact, in the areas of corporate, social and environmental responsibility. https://www.globalcompact-france.org/participants/3773

Axway's strategy and business model

Through its software solutions, Axway helps modernise its customers' IT infrastructures by securely transferring, integrating or exposing their data.

Axway's business model, presented in the introductory profile of this document, is based on several key strengths:

- constant dialogue with all Axway professionals, *i.e.* around 1,900 employees across 17 countries;
- an organisation focused on satisfying the Company's 11,000 customers and the success of their transformation project;
- a catalogue of offers around the Amplify hybrid integration platform recognised by market analysts;
- a responsive operational structure supported by a healthy financial position;
- focused investments in Research & Development and Sales & Marketing;
- balanced governance and a shareholder structure guaranteeing an independent corporate project;
- strong ethical values, shared with all the Company's stakeholders: Employees, Customers, Partners, Suppliers, Shareholders and Societal Organisations.

All of these assets support Axway's ambition to become an independent and committed leader in the infrastructure software market.

Industry context

The main trends in the markets where Axway operates are described in Chapter 1, Section 2 of the 2020 Universal Registration Document.

Human capital and the ability to innovate are major strategic challenges for software publishers such as Axway, including in particular:

- talent development and the recruitment of rare and highly sought-after profiles;
- quality of work life, both on-site and when working from home, which has become more important with the global health crisis;
- acceleration of the Cloud, SaaS and hybrid offers more broadly;
- progress with the adoption of Subscription offerings;
- changes in digital usage and the need to constantly measure customer satisfaction;
- accelerated consumption of data and the need for analysis, monitoring and performance of exchanges.

Main risk factors, including non-financial risks

Axway's main financial and non-financial risks are presented in Chapter 2 of the 2020 Universal Registration Document, according to four categories:

- Market risks;
- Risks relating to the business and organisation;
- Security risks;
- Legal and compliance risks.

These risks were assessed based on their probability of occurrence and their potential impact on business. The assessment takes into account of all mitigation measures already implemented and effective - net risk. For each of these risks, the document describes how it could impact Axway and the risk management systems implemented.

Axway's governance

Axway's governance is described in Chapter 4 of the 2020 Universal Registration Document. It is based on a distribution of powers between a Board of Directors and an Executive Committee in agreement with the recommendations of the Middlenext Governance Code to which Axway adheres.

Board of Directors	Executive Committee
Chairman 14 members, including 9 independent members, 43% women, 57% men. 3 committees: • Audit Committee; • Compensation Committee; • Appointments, Ethics and Governance Committee; Responsible for defining Axway's strategy.	Chief Executive Officer 9 members 22% women, 78% men; Responsible for executing Axway's strategy.

Axway's corporate social responsibility structure

Corporate social responsibility is incorporated into Axway's governance and is part of its business ethics, through the following system:

- a CSR working group comprising representatives of the Legal, Human Resources, Financial Communication, Pre-sales, Purchasing and IT departments, in charge of developing indicators and communicating commitments, notably through the Non-Financial Performance Statement (NFPS);
- a network of local officers in Axway's different subsidiaries responsible for gathering social, societal and environmental data;

- the validation of the NFPS by the Appointments, Ethics and Governance Committee and the Board of Directors each year.

As evidence of its commitments, Axway has implemented processes and tools that are shared with its stakeholders:

- ethics and anti-corruption: Ethics charter and Securities Trading Code of Conduct;
- data protection: privacy programmes;
- digital security: charters, standards and internal and external security training programmes;
- customer expectations and satisfaction: Net Promoter Score (NPS)[1] and supplier assessments;
- employee well-being: internal surveys and whistle-blowing system.

Responsible recognition and indices

Each year, Axway renews its commitments and organises the assessment of its non-financial performance through certification initiatives such as:

- The United Nations Global Compact since 2016;
- Gaïa rating, the responsible investment stock market index;
- Ecovadis, a global CSR assessment standard;
- Acesia, the AFNOR assessment platform;
- Quality and safety standards and particularly ISO/IEC 9001 and 27001, AICPA SOC2.

Sustainable Development Goals - SDG

Axway's three Corporate Social Responsibility commitments – Employer, Societal and Environmental – correspond to twelve of the Sustainable Development Goals - SDGs - defined by the United Nations:

SDG 3 Good health and well-being

SDG 4 Quality education

SDG 5 Gender equality

SDG 8 Decent work and economic growth

SDG 9 Industry, innovation and infrastructure

SDG 10 Reduced inequalities

SDG 11 Sustainable cities and communities

SDG 12 Responsible consumption and production

SDG 13 Climate action

SDG 15 Life on land

SDG 16 Peace, justice and strong institutions

SDG 17 Partnerships for the Goals

Stakeholders in Axway's ecosystem

As a software publisher, Axway is required to interact with numerous stakeholders within its ecosystem: Employees, Customers, Partners, Suppliers, Shareholders and Societal Organisations.

The quality of relations and ethics within this ecosystem have always been core to Axway values.

(1) *Net Promoter Score: customer satisfaction measurement tool.*

COVID-19 context in 2020

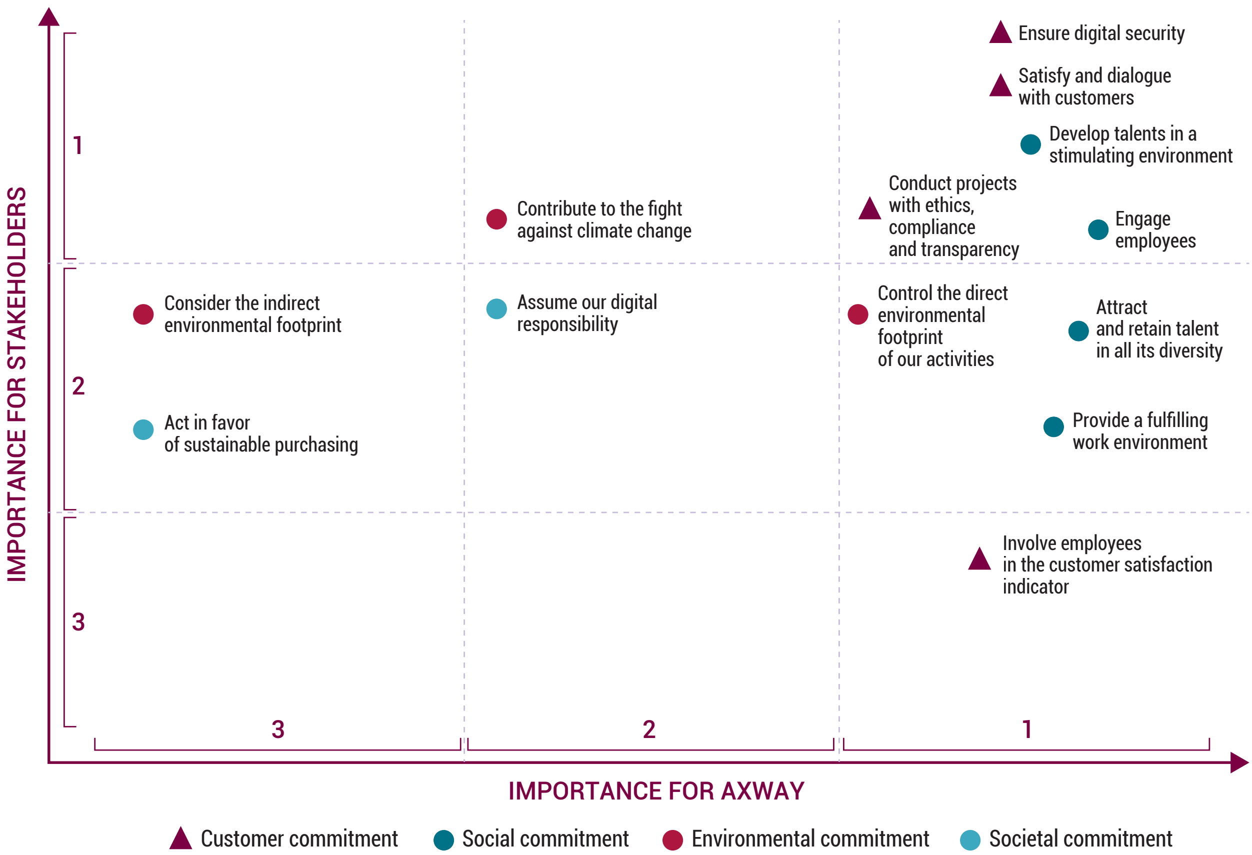
Since the emergence of the COVID-19 health crisis, Axway has not only monitored the recommendations and instructions issued by governments, but since March 2020 often anticipated them. An adapted governance structure was implemented to monitor the health, social, economic and financial impacts of the crisis. All employees continued their activities, in particular through working from home using the digital tools already installed in the Group.

Summary of Axway's Corporate Social Responsibility commitments, value creation and systems with its various stakeholders

Stakeholders	Value Creation	System/Measures	Sustainable Development Goals
Employees	• Attract, develop, mobilise and retain engaged talent	• Share strategic information with teams through a clear business project and open dialogue • Regular employee engagement surveys • Diversity: cultural, gender, people with disabilities • Training and apprenticeship • Quality of work life, on-site and when working from home • Constructive dialogue with Employee Representative Bodies(1)	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS
Customers	• Support customers with their digital transformation to achieve rapid and effective operational benefits	• Ethics charter • Organisation focused on customer success • Net Promoter Score: measurement of customer satisfaction • Ecovadis rating • Product recognition by market analysts • Product security	4 QUALITY EDUCATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Partners	• Innovate and develop joint projects	• Consultancy, technology, integration and distribution partner programmes - global and local • Ethics charter • Satisfaction survey	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Suppliers	• Improve the sustainable purchasing process	• Assess suppliers according to their type • Ethics charter	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Shareholders	• Communicate according to quality, transparency and equal treatment best practices • Dematerialisation of documents	• Middlenext Code • Securities Trading Code of Conduct • Listing on Euronext Paris • CAC Tech, Tech 400 indexes, Gaïa Rating • Dedicated team • Conferences and meetings • Dedicated website	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Societal Organisations	• Contribute to sustainable development goals, particularly in relation to education and equal opportunities • Contribute to the dynamism of the IT sector • Reduce our environmental impact	• Participation in educational and societal programmes • Co-innovation of applications serving the public • Hackathon France contribution to the fight against COVID-19	4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION 15 LIFE ON LAND 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

(1) France scope.

Materiality



Social	Societal	Environmental
Develop talents in a stimulating environment: training, innovation at work and with customers.	**Assume our digital responsibility**: societal commitment to digital transformation, transfer of skills to digital use, digital for women.	**Contribute to the fight against climate change**: analysis and monitoring of the direct and indirect impact of our activity.
Satisfy customers: Customer Success programme and Customer Satisfaction Measurement Survey - NPS tool. Innovation, Quality of products and supports, co-design, customer experience, digital sovereignty - ISO 27001.	**Ensure digital security**: security of activities, digital exchanges, data, internal applications and in the cloud.	**Control the direct environmental footprint of our activities**: monitor consumption related to our activity - energy, paper, digitisation of exchanges. Greenhouse gas (carbon) emission assessment.
Attract and retain talent in all its diversity: professions, geographical areas, age, professional equality, gender mix, disability.	**Communicate with our shareholders**: according to best practices for transparency and equal access to information.	**Consider the indirect environmental footprint of our activities**: impact related to the development and use of Axway's software.
Engage employees: annual employee engagement survey.	**Conduct projects with ethics, compliance and transparency**: governance, ethics and compliance, transparency. Global compact commitment.	
Involve employees: NPS customer satisfaction indicator included in remuneration.	**Act in favour of sustainable purchasing**: ethical and legal tools integrated into contracts by type of supplier or partnership. Assessment of supplier dependence.	
Provide a fulfilling working environment: working time, working from home, communication, monitoring of psychosocial risks.		

3.2 Employer commitment: attract, develop, mobilise and retain engaged talent

In the global context of the COVID-19 pandemic and its social and economic impacts, the true importance of Employer commitment was fully evident in 2020.

Accordingly, Axway's commitments to its employees were fulfilled, and the Company furthered its responsible commitment to attract, develop, mobilise and retain engaged talent.

The value creation cycle operates continuously between Axway's employees and all stakeholders in its ecosystem. They learn from each other's experiences.

Through their cultural and geographic diversity and wide range of professional experiences, the men and women who work for Axway across 17 countries contribute to skills development for the Company and its stakeholders. Axway's collaborative working method at international level fosters a commitment to action, innovation and collective initiative.

Axway's teams are present worldwide and attentive each day to the new requirements of the Company's 11,000 customers. They share and develop their skills and acquire new skills, while constantly offering new practices and experiences which enrich Axway's talent.

In 2020, Axway's teams took on new challenges and continued to develop their skills, drawing on their agility and their commitment.

2020 Key Human Resource figures

Workforce

With nearly 1,900 employees in 17 countries, Axway has confirmed its position as an international player able to act locally for its Customers, Partners and Society.

Axway's total workforce at 31 December 2020, including both fixed-term and permanent contracts

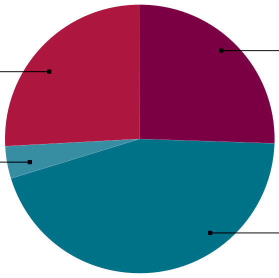
	2020	2019	2018
Total workforce	1,888	1,885	1,848

Payroll (including social security contributions)

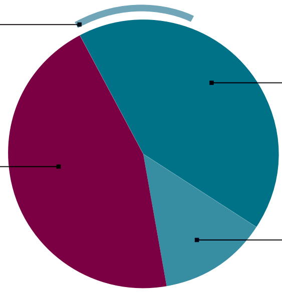
in millions of euros

	2020	2019	2018
Payroll	197	196	177

Workforce by geographical area



Workforce by area of expertise



Seniority of employees

Average seniority

2020	2019	2018
7 years	7 years	7 years

Seniority is higher in France, 10.1 years in 2020 and 2019 compared to 9.1 years in 2018; and lower in Bulgaria and Romania with 4.9 years due to a higher turnover. In North America, seniority stood at 6.3 years in 2020.

Average age of employees

2020	2019	2018
41	41	40

Greater feminisation of the workforce

2020	2019	2018
29.0%	28.8%	28.0%

The feminisation of the workforce improves year-on-year at a relatively slow pace. This trend is common to the entire IT sector, both in companies and schools. We are pleased to be above the averages listed below for the digital sector, but we will maintain to improve where possible.

By comparison, according to the professional trade organisation, *Syntec Numérique*, women represent on average 27.9% of the workforce in the digital sector compared to 47.6% in the wider economy (source: Quatrat Etudes HR observatory).[1]

According to *Talents du Numérique*[2], Women & Science section, December 2019, training sectors remain selective. In IUTs (University Institutes of Technology), women represented 40.3% of all DUT technical diploma students, but only 9.4% in IT. Engineering schools had a greater percentage of female students (27.1%).

Women in management positions

Depending on the country, women hold on average 28.8% of executive and senior management positions at Axway. Axway's Board of Directors comprises 6 women (43%) and 8 men (57%). The Executive Committee has 9 members, including 2 women (22.2%).

(1) *https://syntec-numerique.fr/actu-informatique/place-femmes-dans-economie-numerique-pour-dernier-petit-dejeuner-numerique*
(2) *Talents du numérique: https://talentsdunumerique.com/*

An ongoing commitment to integrating people with disabilities

At 31 December 2020, people with disabilities represented on average 1.7% of Axway's employees in France.

Axway was party to the agreement in favour of the employment of people with disabilities, signed by Sopra Stéria for the benefit of all companies in the Group's Economic and Social Unit (ESU) and applicable until 31 December 2019.

In 2020, Axway pursued its commitment promoting persons with disabilities according to the same minimum provisions as those contained in the previous agreement. Then, in December 2020, Axway signed the new Sopra Stéria group agreement, which came into effect on 1 January 2021 for a period of 3 years.

	2020	2019	2018
Percentage of employees with disabilities (France scope)	1.7%	1.5%	1.5%

Employment in 2020 in the COVID-19 context

Despite the complicated global context, Axway did not use the furlough measures made available by the different governments, in particular, in France, the United Kingdom and Germany.

However, the Company supported employees in France who asked to go on furlough to look after their children. Nine employees went on furlough in May and June 2020 for a total of 483 hours.

Employee engagement

Each year, employees complete an "Axway Voice Survey" to measure their expectations and engagement.

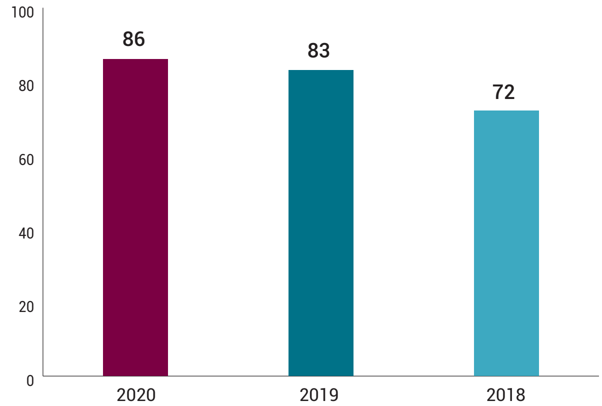
	2020	2019	2018
% participation in the internal survey	86%	83%	72%
% employee engagement	69%	58%	49%

The employee survey participation rate of 86% and the 11-point increase in employee engagement to 69% are key measurement inputs in steering Axway's project.

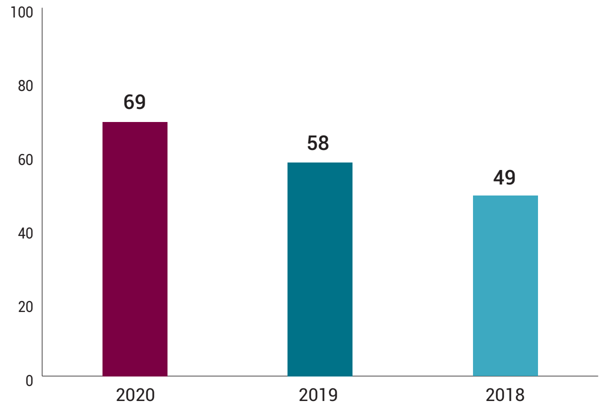
Survey methodology: under the methodology, a baseline participation of 30% of employees invited to respond is needed for the survey to be representative of the employee voice. 65% is considered a good participation rate and we were well above that target. It is recognised that for a company to achieve its goals and create a virtuous profitable circle, it needs an employee engagement rate of 60% or above 60%. This reflects the % of employees who feel positive and engaged with the companies goals.

CHANGE IN EMPLOYEE ENGAGEMENT

% participation in the internal survey



% employee engagement



The level of employee engagement is one of the qualitative criteria considered when determining the Chief Executive Officer's variable compensation.

3.2.1 Attract talent as diverse as the world around us

The software publishing industry, by its global dimension and international training and expertise standards, recruits people from all continents and multiple cultures. On the other hand, the industry suffers from a gender imbalance that is slow to correct due to historical reasons tied to training sectors. Industry access for people with disabilities who have followed a university or professional computer science course is steadily improving.

In terms of profiles, while the majority of Axway's activities require technological and IT systems engineering skills, the challenges of digital transformation also require new expertise and open up new opportunities.

The new sought-after profiles include:

- digital graphic design professions to improve product design;
- gaming and learning through gaming professions to optimise the user experience;
- professions specialising in digital transformation consulting and collaboration expertise;

To support the transformation, Axway has strengthened its position:

- by creating the "curriculum architect" business within Axway University to structure and develop training programmes for customers, partners and employees;
- by opening Axway's innovation and technological co-creation lab, the Griffin Lab, to employees, partners and customers;
- by developing its marketing strategy around "Lead-generation" sales opportunity detection tools, using notably social networks, websites, mobile applications and other digital tools such as collaborative platforms.

Finally, Axway's management approach promotes strong flexibility between jobs and transparent managerial communication to share and explain strategy, involving teams through more collaborative methods.

3.2.1.1 Major talent recruitment actions in 2020

Axway recruited **247** new employees in 2020, compared to 308 the previous year. On the other hand, fewer employees left Axway in 2020 than in 2019. Given the health context, all candidate interviews were held remotely.

Number of people recruited

2020	2019	2018
247	308	392

5 GENDER EQUALITY

% of women recruited: 28%

2020	2019	2018
27.9%	29.2%	32.0%

Engineers: still a highly sought-after profile

In a sector where the number of available positions is far higher than the demand in many countries, there is still significant competition for job offers.

In 2020, Axway continued to be attractive, with 247 new hires, all recruited through remote interviews adapted to the health context.

All 247 new hires started their employment working from home.

The turnover rate for 2020 continues the decline seen over the past years finishing at 13.6%, which is positive compared to market averages.

Turnover

	2020	2019	2018
Overall turnover	13.6%	17.4%	21.6%

Recruitment by geographical area

	2020	2019	2018
Europe excluding France	50%	56%	49%
France	18%	18%	17%
Americas	27%	23%	29%
Asia/Pacific	5%	2%	5%

Research & Development skills in Bulgaria and Romania were supplemented by grouping together teams by technology field. This led to a decrease in the replacement of employees working on products in the United States. The 2020 increase in recruitment in the United States was attributable to a higher replacement rate, due to a greater number of departures than in other countries and specific investment in profiles with recognised API expertise.

At Axway, we believe that an environment that welcomes individual differences increases innovation and openness, enabling more rewarding customer experiences and employee career paths.

We wish to reflect the diversity of the world around us and the variety of genders, ages, experiences and cultures which strengthens Axway and enables it to better meet its challenges.

The average age of employees recruited is 36

Breakdown of recruitment by age group	2020	2019	2018
% of seniors recruited			
Over 40	*33%*	*34%*	*23%*
o/w between 50 and 55	*4%*	*12%*	*10%*
o/w over 55	*5%*	*5%*	*5%*

The average age of employees recruited in 2020 was 36, stable over the past two years.

96% of recruitment on permanent employment contracts

By recruitment contract	2020	2019	2018
Fixed-term Employment Contracts	4%	4%	5%
Permanent Employment Contracts	96%	96%	95%

Axway recruits almost exclusively on permanent contracts, except for temporary replacements. The share of permanent employment contracts increased in 2020 despite the unprecedented global economic context.

Given the nature of Axway's business, almost all new hires are from higher education institutions in the case of the most junior employees. For more senior level hires, professional experience is preferred over initial academic training. This also varies greatly from country to country.

A "learning" company for young talent

	2020	2019	2018
Interns	6	15	9
Work-study/apprenticeship	22	24	20
Hiring at the end of the apprenticeship	2	4	2

(France scope)

In 2020, while the integration of interns and work-study students was complicated by working from home, Axway successfully maintained the positions proposed.

For several years, Axway has been developing a programme to attract young talent through numerous initiatives. The Company contributes to the employment and qualification of young people through partnerships with schools and the recruitment of young interns, work-study students or apprentices with engineering, sales or functional (finance, marketing, communication, Human Resources, etc.) profiles.

These measures include:

- **relations with schools:** in conjunction with 10 universities and engineering schools in several countries, Axway participates several times a year in school forums to attract students and offer numerous internships each year. Axway also uses specialised recruitment platforms;
- **work-study and apprenticeships:** Each year, Axway offers work-study or apprenticeship contracts to a large number of young people, many of whom are offered employment contracts at the end of their apprenticeship or work-study period;
- **3 years/3 professions programme**: In 2020, Axway continued its "3 years/3 professions" programme during which work-study students and apprentices successively discover the Research & Development, Services and Customer Support professions. Created in 2015, this programme has already welcomed 17 work-study students. In 2020, three students from this programme were hired by Axway at the end of their apprenticeship period. Nine students participated in this programme in 2020.

Axway entered into a partnership with a European recruitment platform that provides solutions for career services for higher education institutions. Axway has a dedicated page on this platform where it posts internship and job offers for young graduates.

Promote referral and encourage Axway employees to be its ambassadors

Axway has developed an attractive referral programme, encouraging Axway employees to propose to members of their network to join the Company.

This referral policy, applied in all countries where Axway operates, nevertheless slowed down significantly in 2020 due to the health context.

3.2.1.2. 2020 Recruitment Strategy and Commitment

In 2020, thanks to its Talent Acquisition team located in various countries around the world and capable of covering all the geographic regions where it operates, Axway recruited a variety of profiles, mainly engineers and sales staff.

The partnerships entered into with the specialised platforms help strengthen Axway's employer brand and visibility as an employer of choice.

3.2.2 Develop the talents of each employee in a stimulating environment

4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH

3.2.2.1 Major talent development actions in 2020

A total of 24,176 hours of training were provided in 2020 to 2,292 employees(1), *i.e.* an average of 1.5 days per trained employee.

	2020	2019	2018
Total number of training hours	24,176	30,900	36,934
% of e-training	93%	58%	33%
Number of employees trained(1)	2,292	2,194	N/A
Average number of training days per employee	1.5	2.0	N/A
Number of interns trained(2)	20,142	14,011	17,035
Training - co innovation Hacking weeks	N/A	5	N/A
Dedicated training intranet space	yes	yes	yes
Employees having a career interview every 2 years	yes	yes	yes
% of employees having a career interview	96%	98%	N/A

(1) including employees who left the Company during the year, but who had taken a training course.
(2) employees who took several training courses during the year are counted several times.

Develop employability and skills with Axway University

Axway University is Axway's major development centre. In 2020, its organisation was strengthened by the recruitment of new experts in educational engineering and the team was reinforced in particular in training module production. The offering has been professionalised to focus on the activities critical to Axway's success: technical expertise, increasing the skills of the sales teams, personal development and management.

More and more training courses are digital. Axway University set up a new e-learning platform, *Learning Management System* - LMS -, which helped maintain a high level of training. Training could be organised for customers, partners and employees despite the 2020 health constraints. Depending on the subject, training may be optional or mandatory. The digital format, which requires short, dynamic sequences, represented 93% of training hours in 2020. Sessions can be accessed from the new platform and are integrated into Axway's "Jive" internal social network. Employees have access from their usual work tool and choose from a wide range of courses that they can use as they wish, according to their needs.

Learn and succeed through customers: Sales Enablement

The use of Axway's solutions by customers is fundamental to the Company's success. All Axway employees contribute to building a customer-focused culture in all projects in which they participate.

If they do not work directly with customers, employees can obtain customer feedback through the permanent monitoring of customer satisfaction organised by the "Customer Success Organisation".

Due to the emergence of Subscription models, which change the way customers use Axway's solutions, the Company has deployed a training module on assessing customer satisfaction: the *Net Promoter Score* - NPS - module. This module is taken by all Axway managers and most teams, whatever their function. A total of 1,548 employees have been trained since the launch of this initiative.

In addition, for the last three years, the NPS customer performance indicator has been added to the criteria for determining the amount of variable compensation for eligible employees, as detailed in Section 3.3.1 of this chapter.

These various initiatives place customer satisfaction at the heart of Axway's strategy and make all employees active participants in this approach.

Stimulate innovation and experimentation in internal competitions

The Griffin Lab

The Griffin Lab is Axway's innovation and co-creation laboratory, open to all employees, customers and partners.

In April 2020, *via* the Griffin Lab, Axway cooperated with other European companies in the #EUvsVirus hackathon organised by the European Commission to find solutions during the first wave of the pandemic. Axway therefore contributed directly to two innovative solutions in the "Health & Life" and "Social & Political Cohesion" categories. Axway therefore provided its platform and support to all participants -21,000 people with 140 nationalities from 800 companies - during this hackathon. (https://blog.axway.com/events/euvsvirus-hackathon).

Internal mobility for continuous learning

	2020	2019	2018
Internal transfers	371	110	326

To meet the expectations expressed by employees in the first employee engagement surveys, Axway pursued its voluntary internal mobility policy for all employees in 2020.

All job offers (excluding exceptionally confidential jobs) can be viewed by all employees. Indeed, by going to the internal network's Make your Move "MY Move" Career page, each employee can access the internal application management portal. In addition, every Friday, the internal newsletter publishes three new offers to give them special visibility.

The internal mobility policy and the rules for benefiting from it are available in various formats and distributed on a regular basis.

371 employees moved internally in 2020, either *via* a promotion or a change in position. The 2019 published figure did not include employees whose job title or code had changed, contrary to 2018 and again this year.

In addition, employees are encouraged to promote available positions at Axway in their own network, through the referral programme presented in the recruitment section of this chapter.

Appraisal for progress and growth

- **The Talent Review approach:** for the second year in a row, Axway set up and carried out a global talent review (96% of the total 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, which replaces the former annual assessment interview system, makes it possible to identify key talents and the development and training actions necessary for the development of each employee.

  This new system is part of the adoption, at the end of 2019, of a global approach to continuous performance management based on ongoing dialogue between employees and managers.
- **The professional interview:** since 2014 and in accordance with the law, Axway has also conducted - in France - a professional interview every two years. 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.

Benefits of the Axway community: 2020, stay close

Axway's teams in 17 countries can share Company events *via* the "Jive" internal social network, internal newsletters and on-site events.

- **The "Jive" internal social network:** a day-to-day tool for exchanges between employees, Axway's internal social network is accessible from any electronic device, anywhere in the world. It is aimed at all employees and it is the Company's internal space for discussions. Organised by spaces and communities, it provides a range of services: internal resources, employee information, tools, customer references and product catalogues.

The internal social network reflects the life of Axway's sites in "posts" and pictures as the days go by.

In 2020, the Jive internal network was key to communication between Axway's employees. New communities spontaneously emerged and not only maintained social links between colleagues, but also forged relationships between employees from different countries and business lines.

In addition to the internal social network:

- **The Griffin Digest:** this weekly internal electronic newsletter distributed by the Human Resources Department, whose name echoes the griffin of the Axway logo, is sent every Friday to all employees, regardless of their geographical location or the entity to which they belong. It includes Axway news, communicates on current projects and proposes links to documents and blogs available on the corporate social network. It is published in English, which is Axway's working language;
- **The Friday Customer Connection letter:** this is distributed by Axway's CEO, who presents a signature or customer reference to all teams each week, in the form of a few lines. It is a popular channel for gaining a better understanding of how customers use Axway's solutions;
- **Communications issued by Executive Management and the various members of the Executive Committee:** these increased in 2020 to inform employees, support activity and employee morale and share decisions;
- **Executive Roadshows, introduced in 2018:** these on-site visits by one or more Executive Committee members were performed remotely and enabled the Company's strategy to be shared with employees and employees to discuss issues directly with Executive Management.

Develop managerial power

In 2020, Axway continued the Objectives and Key Results - OKR - approach, which enables Axway to collectively manage 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 deploy the continuous performance management approach to all employees, the Company has designed training modules to introduce teams to these concepts.

Complementary to this approach, the Conversation/Feedback/Recognition - CFR - system encourages ongoing dialogue and regular feedback between managers and employees throughout the year.

These training courses were continued during 2020 and attended by 295 employees.

3.2.2.2 Offer a fulfilling work environment

3 GOOD HEALTH AND WELL-BEING

In a company where employees are the most valuable resource, the well-being of each employee is essential. Other than the ethical expectations mentioned above, a good work-life balance is a considerable asset for employees. Several systems are presented here, including the most significant.

The opinion expressed by Axway employees on their work environment is also covered in the annual engagement survey in Section 3.2.3 of this chapter.

	2020	2019	2018
Total percentage of employees working part-time	1.8%	2.1%	2.0%
Percentage of employees working from home during the COVID-19 crisis	100%	N/A	N/A
Number of days worked from home by employee (per month and in France)	N/A	5 days	N/A
Number of employees working from home in the USA (as an annual %)	N/A	33.5%	N/A
Good practice information on working from home (% of employees)	100%	N/A	N/A
Collective bargaining agreement	yes	yes	yes
Employee training manual	yes	yes	yes

Make working time and patterns more flexible

Employees on part-time contracts: 1.8%

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 most of the countries where its employees work, Axway is affiliated to a collective agreement: in France, Axway Software SA implements the French National Collective Agreement for technical design and engineering offices, engineering consultants and consulting firms.

In 2020, 1.8% of Axway employees worked part-time, mostly within the scope of parental leave.

Standard working from home system in France: 5 days per month.

In the USA: 33.5% of employees work from home.

In 2020, 100% of employees worked from home

Even before the international context of the COVID-19 pandemic, the “Home Office” system was extensive in the United States. 33.5% of employees were already working from home. The home office system is based on collaborative tools accessible to all employees: video conferencing, secure data sharing, internal social network. It also encourages an optimisation of business travel through remote meetings.

In France, a “Home Office” company agreement allowing remote working was signed in 2018, allowing employees to work the equivalent of five days a month (full or half-days) outside the Company premises – at home or in a private space.

In 2020, all employees worked from home. In March 2020, Axway asked all its employees to work from home, including in countries where lockdown measures had not been imposed. From the lifting of lockdown in Europe in the Spring to the end of 2020, all employees, in accordance with the recommendations issued by the various governments, were able to return to the office on a voluntary basis, while complying with the rules implemented at each site.

The return to the office and its monitoring was facilitated by the roll-out of The GRIFFIN App, developed using our technologies. The source code for this app has since been published.

Additional days leave

At Axway, additional days leave are granted based on several criteria: seniority, age, family situation or personal events in order to improve each employee’s work-life balance. For example, this represents on average five days per employee in France.

Maintain low absenteeism

Absenteeism remains very low at Axway and is mainly linked to family events.

As detailed above in this chapter, from 15 March 2020, Axway asked all its employees to work from home and no longer go to the office. The absenteeism rate could not therefore be calculated for this fiscal year.

	2020	2019	2018
Absenteeism rate - France	N/A	2.72%	2.42%
Sickness	0.96%	1.21%	1.70%
Number of workplace accidents/occupational illness	0.01%	0.04%	0.00%
Maternity-Paternity-Adoption	1.00%	1.33%	1.16%
Family events	0.07%	0.10%	0.11%
CIF (individual training account)	0.02%	0.04%	N/A

* *France scope.*

Encourage a healthy, balanced and engaged lifestyle

Axway is committed to providing its employees with a safe and healthy workplace. For several years now, Axway has implemented a well-established health and safety policy.

At Axway Software SA, a Health, Safety and Working Conditions Committee (CHSCT) was involved in its coordination, in close collaboration with occupational physicians and site managers, until the appointment of the Social and Economic Committee (SEC) in October 2019.

Since 15 March 2020, the France Human Resources Department has discussed developments in the situation and all related measures with employee partners, keeping them informed.

Beyond regulations, the collaborative working model adopted by Axway is accompanied by careful attention to premises where employees work and meet. These are welcoming, sometimes fun places that encourage shared time involving unified themes. In 2020, certain employees, particularly in France and the United States, spontaneously formed online sports, instant messaging and regular discussion groups that are still ongoing.

In 2020, many employees, who were unable to participate in these events, took part in organised digital challenges such as Téléthon in France, by running distances and donating online.

Training and information on the quality of work life

Depending on the year, Axway proposes training modules or communicates information in the following areas:

- Health and safety programmes;
- Installations and equipment;
- Physical and psychosocial risks;
- Health coverage;
- Good health practices – Healthy Week;
- Health and safety intranet space.

3.2.3 Mobilise talents: strengthen equality within teams

3.2.3.1 Key figures and major actions in 2020 to strengthen equality

Identify employee expectations and engage in close dialogue

Annual engagement survey

Conducted in October 2020 for the fourth year running, the employee engagement survey is a key management tool for measuring their engagement and for Company management, as well as an opportunity for employees to raise issues.

With an employee participation rate of 86% in October 2020, this survey helps Axway management measure progress achieved since the previous edition.

The employee engagement rate largely exceeded the 60% objective, reaching 69% for the 2020 edition, an 11-point improvement on 2019. This excellent score can be partly explained by the range of employee support measures deployed throughout the year in response to the pandemic, but especially by the numerous global and local initiatives rolled out since 2018.

It should be noted that Axway granted an additional day's leave to all Group employees on 22 May 2020, to thank them for their involvement in the business: the "Axway Thank You Day". It was particularly appreciated.

Employee engagement indicator	2020	2019	2018
Employee internal survey	1	1	1
Internal survey participation rate	86%	83%	72%
Level of employee engagement	69%	58%	49%
Questionnaire including environmental and societal questions	yes	yes	yes
Survey on working from home expectations	1	-	-
Customer satisfaction criteria included in employee compensation	yes	yes	no
Employee engagement criteria included in the Chief Executive Officer's compensation	yes	no	no
Executive Management communication on strategy: number of events organised	yes	yes	yes
Executive Committee member internal roadshow	yes virtual	yes	N/A
Working group following the internal survey	yes	yes	-
Seniority bonus	yes	yes	yes

Internal survey: 86% participation and 69% engagement.

Axway has organised an engagement survey every 12 to 15 months since 2016, called the "Axway Voice Survey".

The objective is not only to regularly measure employee engagement and identify global and local areas for improvement - by country, but also to deploy related action plans. This dialogue is based on the survey, as well as:

- focused working groups by community led by the employees themselves;
- full result reports released on the corporate internal network by the Chief Executive Officer or Executive Committee members on results presentation meetings and action plans to be deployed and blogs on the Jive internal social network;
- internal roadshows by Axway Executive Management members, conducted this year by video conference and open to all employees, although by geographic area for the different time zones. In 2020, these roadshows enabled both the strategy to be shared and employees to be kept informed of measures implemented in response to the pandemic. In particular, members were given the opportunity to meet with employees and maintain the social link between employees required to work from home.

Future of work survey

Widespread working from home in the 2020 global economy also led Axway to open wider and more long-term discussions on new working practices and conditions.

In November 2020, Axway sent a "Future of work" survey to all employees. This survey supports discussions on good practices and systems that could be proposed in the longer term to meet employee expectations. Its goal is to always contribute to improved well-being in the workplace and a better work-life balance.

3.2.3.2 Foster equality

Committed to its ethical rules, in particular vis-à-vis employees, and in accordance with local regulations in each of the countries where Axway is located, the Company complies with non-discrimination principles. The main ones are described below:

Non-discrimination on hiring

Recruitment and promotion of women in the digital sector

- In 2020, 27.8% of those who joined Axway were women.
- In the USA, Axway is an Equal Opportunity Employer (EOE): https://www.eeoc.gov/employers.

To promote women in the digital sector, Axway entered into a partnership with the Professional Women's Network - PWN-, a women's network with a strong presence in Europe (Paris, Berlin, Dublin, etc.) and enabled a dozen female Axway employees to benefit from the events.

Equal pay for equal work:

- in France, Axway publishes each year the gender equality index introduced by the Ministry for Labour https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement
- in the United States, Axway complies with the Equal Opportunity Employer programme: https://www.eeoc.gov/employers

Respect-for-all training and awareness-raising:

Training initiatives notably include anti-harassment training. Other ethical tools and training are presented in Section 3.3.2 of this chapter.

	2020	2019	2018
Gender equality index in France	79/100	75/100	77/100
% of women in a managerial role in France	29%	N/A	N/A
Equal Opportunity Employer commitment in the USA	yes	yes	yes
Anti-harassment training	yes	-	-

Remain attractive to seniors

Across all Axway locations, employees are recruited without distinction as to age, young graduates, more experienced individuals or senior staff, and Axway facilitates the integration of seniors and develops their employability throughout their career.

Recruitment figures for seniors are given at the beginning of this chapter.

Promote the employment of people with disabilities by raising awareness and understanding

Axway's Mission Handicap in France offers personalised support to all employees with disabilities. This initiative enables them to benefit from specific arrangements – ergonomics, equipment, organisation of working time, etc. – and to be accompanied through all the administrative procedures necessary to have their status as disabled workers recognised.

At Axway in France, a disability officer and a Human Resources department manager are responsible for supporting employees who are personally or indirectly dealing with disability.

Axway also offers employees with disabilities in their family circle the status of "close carer". This gives them access to financial support, flexible working hours and adjustments to their working conditions.

A specific disability awareness module was developed by Axway University to inform employees about the reality of employing people with disabilities.

3.2.4 Recognise and sustainably retain talent

Average seniority: 7 years

Build loyalty in a long-term project

Axway's objective is to write a shared employee/Company history. This shared history is already visible in the average seniority of men and women at Axway -7 years – in a volatile employment market.

Recognise and celebrate employee loyalty

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, an initiative held at all Axway sites and shared on Jive, the internal social network. 432 employees were honoured in 2020.

Pay according to attractive financial and social conditions

The Axway compensation policy reflects industry practice, according to the country of business, and also the assessment of the performance and potential of each employee. Employees are encouraged to build and develop their own potential within the Company.

In 2020, as in previous years, Axway paid salary increases in accordance with a policy of individualisation, applied in a fair and identical manner in all countries where Axway operates.

In France, employees are eligible for profit-sharing according to the provisions of an agreement signed for the period 2018-2020 as well as 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.

Example compensation items specific to Axway

	2020	2019	2018
Variable compensation tied to Company performance depending on the position held	yes	yes	yes
% of employees receiving variable compensation tied to customer satisfaction: NPS	60.0%	58.9%	58.8%
% of employees receiving profit-sharing - France	100%	100%	100%
Number of shares granted to employees under the annual plan	-	200	-

* *Applicable to all Axway France employees with at least 3 months' seniority in the fiscal year, or at the date of departure or in the event of contract termination.*

Become an Axway shareholder: the Free Share grant programme

In order to involve its employees even more closely in the Company's transformation project, Axway introduced two free share grant plans. The first plan was launched in 2012 following the Company's IPO. The second plan was launched in 2019 with the grant of 200 free shares to all Axway employees active at that date, subject to the condition that they remain employed by Axway for a period of three years.

At the end of December 2020, Axway employees held 1% of the Axway share capital.

The free share grant plans are described in Chapter 4, Section 4.4.5 and the breakdown of the share capital is presented in Chapter 7, Section 7.2.3 of the 2020 Universal Registration Document.

3.2.5 Social progress goals for 2021

Axway constantly implements an improvement process, with both short and long term goals, to develop its employer responsibility in line with its customer commitments and its strategy.

At the end of 2020, Axway gave consideration to new working methods by conducting a Future of Work survey among all employees.

In 2021, collaborative efforts were also launched to determine a common framework for the Company as a whole, based on new working practices, flexibility and working on-site and from home, while tailoring the Axway strategy to employee expectations.

There are two objectives to this approach:

- further improve employee engagement, which is key to the Company's performance;
- boost Axway's appeal as an employer.

The overall framework will be applied across the Company but adapted according to local specific requirements.

3.3 Societal Commitment: establish our digital responsibility with our stakeholders

In 2020, Axway renewed its commitment to the United Nations Global Compact.

In 2020, Axway gave further thought to its responsible societal commitment.

Using a materiality analysis, Axway set up new relevant indicators presented here by stakeholder.

Axway's societal commitment focuses on two areas:

- **Axway's commitment to** its stakeholders and in its ecosystem, to establish its digital responsibility as software publisher at the crux of digital transformation;
- **Initiatives by employees** living and working in the various countries where Axway operates and who are involved in local societal programmes.

With the acceleration of digital transformation and as a software publisher, Axway assumes its responsibility to its internal and external stakeholders within its ecosystem.

3.3.1 For our customers: support digital transformation in complete security

Using the system and tools, and adopting a customer-centric mindset, all of Axway's teams focus on innovation and customer satisfaction.

The Axway Customer Success organisation

The Customer Success organisation, which is central to the Axway business model, as described in the profile of this document, represented 42% of Company employees in 2020. Its goal is to maintain a permanent dialogue with customers to propose tailored and scalable solutions and services in line with their expectations.

This department is managed by the Chief Customer Success Officer, a member of the Axway Executive Committee and metrics are presented each year to the Board of Directors and the Ethics Committee.

Measure customer satisfaction

The customer satisfaction indicator set up at Axway in 2016 is based on the NPS *Net Promoter Score* method. Incorporated into the Axway risk management process, it is used as a performance indicator for the variable compensation of certain employee categories and the Chief Executive Officer (see Chapter 4 of this document).

The NPS indicator measures the satisfaction of 3 customer categories: Detractors, Passive, Promoters. It is built around:

- an iterative process: a closed-loop customer feedback survey, ensuring dialogue with all customers throughout the year and over the long term;
- customer management tools: Customer 360° dashboard… "Customer success plans" etc., which reinforce this dialogue, provide follow-up reports and update marketing databases to launch campaigns, meetings, training courses, etc.;
- customer expectations which fuel Axway software design and Research & Development.

The Customer Satisfaction Indicator, Net Promoter Score, has risen 38 points since its creation 4 years ago.

The main customer expectations measured by the system cover the following concerns:

- software quality;
- software performance during installation and for the Company's business;
- customer support;
- security;
- software scalability.

These measurements drive the Axway software design and development strategies.

Tailor customer dialogue

During the COVID-19 period in 2020, the customer engagement strategy also enabled Axway to adapt its means of communication:

- all customer events became virtual, shorter but more frequent;
- selective studies and questions helped assess well-being in customer relationships;
- the on-line Axway Customer Community was expanded;
- the Syncplicity app was made freely available, securing document sharing;
- a "virtual contact" training course was launched to share good practices in video conferencing;
- the "Griffin" office booking app was proposed in open source format.

Train and share skills

The expectations identified in customer surveys are used to build training programmes for both Axway and customer teams.

Organise a corporate responsibility assessment of the responsible system by external organisations

The Ecovadis label

In 2020, Axway organised the assessment of its corporate social responsibility approach by the EcoVadis platform to encourage transparency and trust by customers and business partners.

Bringing employees, processes and the platform together, EcoVadis implemented a broad-spectrum CSR assessment methodology covering 150 purchasing categories, 110 countries and 21 CSR indicators. This is the leading collaborative platform evaluating suppliers' sustainable development performance for global supply chains. EcoVadis has become a trusted partner for buyers at a significant number of multinational companies.

Axway retained its Silver label rating, with an improved score of 60/100 compared to 54/100 last year.

Axway also answered customer questionnaires *via* other independent external organisations such as AFNOR for the Acesia platform.

Support co-development

There are an increasing number of co-development or co-innovation projects bringing together a customer, a start-up and a public organisation or society. The development of mobile apps to which Axway contributes data helps offer new services to general public users.

Axway Griffin Lab

The Griffin Lab is Axway's technological innovation and co-creation laboratory, *via* which Axway participated in the #EUvsVirus hackathon organised in April 2020 by the European Commission to find solutions during the first wave of the pandemic. Axway therefore contributed directly to two innovative solutions in the "Health & Life" and "Social & Political Cohesion" categories. Axway provided its platform and support to all participants -21,000 people with 140 nationalities from 800 companies - during this hackathon. (https://blog.axway.com/events/euvsvirus-hackathon).

3.3.2 With our employees: develop talent

The commitments, Human Resources strategy and responsible indicators pertaining to employees are detailed in Section 3.1.1 of this chapter.

Societal initiatives undertaken by (or with) employees

Axway employees live and work in 17 countries where the Company operates. The men and women of Axway therefore become involved in societal initiatives individually, or as part of a professional project, or simply between colleagues.

These initiatives are often supported by Axway's management or People & Culture department. The following are just some of the initiatives pursued in recent years:

Themes	Example initiatives	Mechanism
Diversity	Support for women's projects Partnership with a major women's network	Elles bougent PWN
Education	Raising digital awareness of young girls Donations programme	FACE Foundation Wi-Filles programme Sounds Academy USA
Fight against discrimination	Odyssea Solidarity Race and Stand – fight against cancer France (cancelled in 2020)	Odyssea
Culture & Education	Cultural Subscription Economically responsible gifts for shareholders	100 beneficiary shareholders 2 associations
Reduced inequality	Awareness-raising for the integration of people with disabilities ESAT* France supplier of supplies	Hand Digital e-learning, survey, contest
Dignity of the human person	Support programmes for children in hospital	Phoenix Children's Hospital Ignite Hope

* *Établissement et Service d'Aide par le Travail, Vocational Rehabilitation Organisation for people with disabilities.*

Example initiatives by Country

In Bulgaria

- **Pletchica:** Campaign for recycling textiles and tackling textile waste. Very old traditional technology is used for textile processing, transforming it into yarn. Using the recycled yarn, we make wonderful and unique interior objects such as pouffes, pillows, rugs and many more items. The campaign consists in collecting and recycling textiles and giving them a second life. The most important goal of this campaign is to reduce the consumption of natural resources *via* recycling. We placed special baskets in Axway's premises for collecting T-shirts and jeans.
- **Caps for the future:** this campaign consists in collecting plastic caps for recycling. The money obtained goes towards purchasing incubators for premature babies and special ambulances for children. Dedicated collection areas have been set up on Axway's premises. The caps are collected twice a year and the programme is supported by communication campaigns.

New initiatives in 2020

- **Office equipment donations:** during the refurbishment of its premises, the Axway team donated office equipment to two schools in Sofia, an NGO and the St. Nikolay orphans' home at the St Trinity monastery in Novi han. In total, around one hundred desks and chairs were donated.
- **December 2020 Big Tech Run:** Axway Bulgaria is heavily involved in all sorts of business and leisure promotion campaigns for various causes. In December 2020, the Axway teams took part in the virtual Big Tech Run with 21 runners. The profits from the run go towards supporting mountain rescue services.

In Ireland

In 2020, the Axway Ireland teams were unable to conduct as many campaigns. However, several initiatives were undertaken despite the health context:

- **Christmas at St. Vincent De Paul** - Axway Ireland employees made on-line contributions to offer Christmas presents to needy children and families;

- **Bike to Work scheme** - a government tax incentive scheme enabling employees to purchase bicycles at reduced prices in order to exercise.

In Romania

- ***Aura Ion, Martisor***: donations were collected for families who are assisted by the Aura Ion Association backed by the hand-made production of the traditional *Martisor* brooch by children. The donations were used to provide underprivileged families with basic necessities (hygiene and food products). A portion of the donations was also used for school supplies.
- ***Carusel***: Axway employees donated warm clothing (winter coats, pullovers, hoodies, etc.) to the homeless *via* the Carusel NGO.
- ***Fresh fruit for hospitals***: Axway donated approximately 540 kg of fresh fruit to the medical entities of eight hospitals in Bucharest, during the three-month crisis period.

In France

- **The FACE foundation Wi-Filles programme** was chosen to support the digitisation campaign with Axway individual shareholders. Wi-Filles is a programme to introduce young girls between 14 and 16 years old to digital uses, jobs and skills. It encourages young girls to further their understanding of a future with digital, develop their independence and their ability to act and take control of their education and career. (https://www.fondationface.org/projet/wi-filles/).
- **Professional Women's Network**, a European women's network with 700 active members in Paris, 4,000 members in 30 cities, present in Dublin, Rome, Berlin, Madrid, etc. It promotes women engineers who transmit their passions and wish to encourage vocations. The partnership concluded with PWN and Axway enabled 12 female employees from Europe to participate in discussions organised by the network and thus raise awareness of Axway. The Axway Human Resources Director facilitated a roundtable discussion on gender diversity during the organisation's annual congress on 7 October 2020.
- **2020 digital telethon** Kilometres for charity and individual donations.
- **Elles bougent,** which promotes female engineers who pass on their passion for their profession and generate interest in the career for young women.
- **ADIE**: five-year partnership with ADIE - a non-profit association - to which Axway supplies software. This association helps people marginalised in the labour market, without access to the traditional banking system, to set up businesses and thus create their own jobs, *via* the use of microcredits.
- **Women Reboot** is an Irish initiative aimed at experienced and qualified women in the information technologies sector who have taken a career break. Axway Ireland supports this initiative: at the Women Hack Dublin event in November 2019, the Axway team was able to contact talented women with the skills required for the positions on offer.

In the United States

- **Blood drive**: American employees decided to set up a blood drive. This initiative was performed with Vitalant (FKA United Blood Services).
- **Walk for hospitalised children**: Axway For Angels, Phoenix Children's Hospital Ignite Hope.
- **Donations to music schools**: creation, recording and broadcast on Arizona TV of the song #BetterTogether featuring one of Axway's mottos sung by employees.

3.3.3 With our partners: innovate in responsible values

Axway applies its ethical and anti-corruption rules to the various partners with which it works. These partnerships are formalised at local or global level and according to the different types of agreements:

- global technology alliances to strengthen Axway's on-premise and cloud-based offerings with suppliers such as AWS and Microsoft Azure;
- integrator partners to develop solutions based on Axway products, whether through co-selling, referencing or reselling. Axway works with Digital Service Providers - DSPs - both generalists and specialists in digital transformation, on a local or global scale;

- partners for the distribution of Axway products. These resellers are particularly present in Asia Pacific and Latin America;
- consultancy firms for Axway's offerings as part of their digital transformation missions.

In 2020, Axway again strengthened its partner system, which encourages co-innovation through the creation of joint solutions *via* the Amplify Marketplace, and integrates marketing tools, training courses and different levels of reciprocal commitment.

Axway also measures the level of satisfaction of its partners. The *Net Promoter Score* - NPS - indicator, whose methodology and system were previously described in Section 3.3.1 of this chapter, provides essential information for working relations between Axway, its partners and its customers.

In 2020, the satisfaction survey of global partners showed very strong growth in their commitment within our ecosystem.

3.3.4 With our suppliers: strengthen the sustainable purchasing system

In 2020, Axway gave consideration to its supplier selection and validation tools and how to strengthen its sustainable purchasing analysis process in line with its commitments. This information is detailed in Section 3.3.8 of this chapter.

3.3.5 With our shareholders: financial information 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 shareholders and inform them of financial matters in complete transparency. These practices are primarily based on the following processes:

- adhesion to the Middlenext Code and Distribution of Governance between the Board of Directors and the Executive Committee;
- Euronext Paris listing;
- participation in the Gaïa socially responsible investment index;
- team, resources and website dedicated to shareholders and investors;
- dialogue with investors and individual shareholders;
- observance of financial reporting best practices;
- responsible dividend policy.

ESG responsible investment index: Gaia Rating

For several years, Axway has participated in the Gaïa Rating index by providing all the non-financial data requested by Gaïa. This index designed for investors measures the social, societal, environmental and governance indicators of companies that complete the questionnaire and then selects the best 230 entities.

In 2020, Axway was ranked 29th in the index's top 70 best performances, and 6th in the category of 69 companies with revenue of between €150 million and €500 million.

3.3.6 With Societal Organisations: support the skills of the most vulnerable

Axway supports the initiatives undertaken by employees through organisations in society. These actions are described in Section 3.3.2 of this chapter.

Axway helps develop and raise awareness of digital professions for organisations such as:

- Syntec in France: contribution to surveys on the digital sector, workshops;
- *Talents du Numérique "Des métiers d'avenir pour un monde à inventer"*: participation in the work of this organisation aimed at promoting and developing digital innovation for all, and more vulnerable groups. https://talentsdunumerique.com/;
- Mission handicap: described in Section 3.2.3 of this chapter.

3.3.7 Deploy our ethical programmes and tools

Axway has decided to work both on a global ethics programme which drives values in the Company as a whole, as well as local initiatives in response to specific requirements in each country.

Trust in our business relationships

The Group has implemented tools to ensure compliance with its key values with the various stakeholders with which it interacts on a daily basis.

Axway relies on a **set of values** shared by its employees and stakeholders:

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

Axway has demonstrated the principles underlying this charter through specific examples. Thus, an online training course built around specific cases was set up in 2018. Axway's objective is that this training is completed by all employees. New recruits must complete it within 3 months of their arrival. Automatic reminders are sent out if necessary.

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. In addition to questions concerning the application of our Ethics Charter, the dedicated email address has dealt with three whistle-blowing incidents since its launch.

Fight against corruption

Axway has adopted an active approach in the fight against corruption. Axway adheres each year 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. More specifically, Axway has undertaken all measures to satisfy its obligation to comply with the Sapin 2 law and continues to develop its monitoring practices and tools accordingly.

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.

Data protection

Through its presence in 17 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 that ensure that processing complies with the laws and regulations in force in the countries where it operates. In particular, Axway acts in compliance with the General Data Protection Regulations in the EU (GDPR), Australia (Privacy Act amendment 2017), California (California Consumer Privacy Act) and Brazil (*Lei Geral de Proteção de Dados*).

In keeping with its pledge to accompany the digital transformation of its customers in complete security, in 2020 Axway published an information memo on the protection of privacy for each of its products on its website, to support its customers in their privacy compliance policies.

3.3.8 Sustainable purchasing

Purchases are central to relations with Axway's suppliers, both for internal consumption and projects undertaken with customers and partners. Purchase agreements are carefully organised at Axway to guarantee the Company's service quality and compliance with ethical commitments.

IT purchases for Axway's internal activity and projects are made by the dedicated IT Purchasing team which oversees the clauses contained in the contracts with the Legal Department. Depending on the supplier, Axway will retain the clause already set out by the supplier or incorporate one of its clauses from its ethics charter available on the website www.axway.com.

Other purchases are made directly by business units based on the procedures drawn up for Axway as a whole and its 17 global offices.

Axway's purchasing procedures are known and available on the Company's internal social network. The Legal Department discusses each purchase with the business unit and ensures that clauses similar or in reference to the Axway ethics charter, including anti-corruption practices, are included and signed by the supplier or partner.

The purchasing procedure covers 100% of purchase agreements reviewed by the Legal Department and including social responsibility clauses.

Social responsibility clauses depending on the type of supplier: responsibility charters are therefore tailored to the types of service provider: purchases for internal use, purchases for external use, OEMs, external products embedded in our offers.

A defining purchase management tool:

- at the end of 2020, Axway initiated a project to enhance its purchasing control and responsibility procedure. The first step will be to set up a ticketing tool to sign supplier contracts;
- Axway supplier selection and commitment indicators may also be drawn up under this project.

Regular audit and monitoring of purchasing procedures:

Purchasing procedures are regularly audited by the Internal Audit Department and presented to the Audit Committee.

3.3.9 Ensure digital security

As a software publisher, digital security is central to the Company's processes. As already presented in the preceding sections of this chapter on customers, suppliers and partners, Axway ensures the security of its exchange processes and applications.

The digital security system is organised by the Executive Security Committee which runs the Security Management System and has a dedicated team. The Committee meets once quarterly.

Security risk management and the related system is described in Chapter 2 of the 2020 Universal Registration Document.

The programmes addressing the needs of all stakeholders are founded on standards, protocols and recognised processes and include:

For customers:

- ISO 27001 certification
- SOC2 Type II audit
- assessment of security as an indicator of customer loyalty
- security of cloud services
- security of support services
- security management for developments without any breaches and viruses
- penetration-integration testing for Axway products and services
- sector compliance depending on customer requirements
- auditing
- internal training

For employees:

- security of exchanges between Axway's internal systems
- security of information contained in the Company's Intranet
- security of systems used for remote working

With various types of partner:

- hosters in the Cloud
- integrators, advisers

For shareholders and investors:

- GDPR personal data protection policy
- file safeguard and shareholder identification procedures

In the COVID-19 context in 2020:

- business continuity plan based on the ability of all teams and departments to work from home
- continuity of internal systems that can be accessed at any time from anywhere in the world
- continuity of cloud services for our customers

Management of Cyberattack risks:

- internal teams dedicated to managing system and development security
- rapid response policy and procedure for security incidents
- Security Operation Centre, operational 24/7
- advanced systems to protect communications, networks, work stations and premises

	2020		2019		2018	
	Number of trainees	Hours	Number of trainees	Hours	Number of trainees	Hours
Annual security training	2,944	2,208	2,668	1,709	2,706	1,325

Security training

Training sessions on best security practices last in general 30 to 45 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. Total training hours fell slightly between 2019 and 2020.

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

3.3.10 Societal progress goals for 2021

Axway will continue its local and international initiatives with all of its stakeholders to help position the Company as a responsible player in the regions where it operates.

Under programmes common to the entire Company, societal initiatives are part of the sustainable objectives linked to:

- education to contribute to the sharing of skills;
- cultural diversity;
- equal opportunities, in particular for people in precarious situations or with disabilities under the Group's new three-year agreement signed on 15 December 2020 that came into effect on 1 January 2021.

3.4 Environmental commitment: reduce our direct and indirect impact

13 CLIMATE ACTION
15 LIFE ON LAND

Since its creation, Axway has considered environmental issues and rolled out a responsible policy for the consumption of resources, the lifecycle of resources consumed and pollution reduction. We focus on the entire infrastructure making up our business. We seek to optimise energy consumption for our premises, our technical infrastructure as a whole, machine rooms, servers and employee equipment.

With the transition to working from home on the first day of lockdown, the exceptional context in 2020 had an impact on several resource consumption indicators:

- empty Axway premises;
- cancellation of virtually all business travel;
- strong increase in the use of digital tools designed for virtual collaboration and meetings.

3.4.1 Reduce our direct impact

As a digital player, Axway has considered environmental and societal issues by rigorously managing its IT infrastructures and equipment: streamlined machine rooms, recycling, process dematerialisation.

The use of digital meetings rose by 123% in 2020 due to working from home.

Enhance processes and multiply environmental initiatives

The need to control our direct environmental impact is therefore covered by a continuous improvement programme that specifically involves Axway's relevant functional divisions, employees, and all its stakeholders.

This mode of responsible collaboration takes the form of work organisation systems and associated tools that make it possible to measure their use and progress. Among the main systems and tools:

- **Working from home in 2020:** introduced in France under a company-wide agreement in 2018, employees across the globe also worked from home according to prevailing laws. It became the general method of working throughout the year. With an IT infrastructure that was secure and operational well before the crisis and a policy covering own devices, particularly laptops, employees were able to start working from home immediately without any stoppage or reduction in activity;
- **Video conferencing**: the use of video conferencing, already widely adopted in recent years with the "Webex" and "Teams" apps, increased by +123% in 2020. Due to physical distancing, these tools have become essential for exchanges, even outside of meetings. In many cases, the instant messaging app Teams replaced the telephone. It enables video conferencing and reduces the number of emails through instant messaging;

Video conferencing	2020	2019	2018
Number of digital meetings(1)	281,483	126,189	127,607
Digital meetings per employee(2)	149	67	69

(1) number of meetings measured in the WebEx app, plus extrapolation of the number of meetings held in the Teams app.
(2) calculated based on 1,888 employees as at 31/12/2020, with data rounded.

- **Collaborative exchange platforms** for internal teams and partners: Axway has a secure document and data exchange tool called "Syncplicity" that reduces the use of email and allows employees to work in collaborative mode with complete security while protecting data confidentiality;
- **The exchange platforms offered by suppliers and partners** are widely used in Axway's business sector to share documents and manage projects. These platforms are made available by suppliers or partners to enable the exchange of information, files or messages while limiting the sending of files by email, for example;
- **Websites and access to service platforms,** particularly for its shareholders, Axway provides access to an online voting platform for Shareholders' Meetings, which also allows the download of regulatory documents and limits paper mailings;

- **Electronic signature**, already in place for several years, the use of the Docusign solution increased further with greater use of electronic signatures for documents, contracts, quotes, invoice approvals, both internally and also more and more with customers and suppliers.

According to Docusign estimates, these electronic signatures enabled the consumption of 5,263 kg of wood, 129,339 litres of water and 12,355 kg of coal and the production of 856 kg of waste to be avoided.

Electronic signature	2020	2019	2018
Number of files signed	9,671	8,303	5,714
Number of pages signed	46,571	33,746	23,504

- **printing and photocopying** decreased significantly due to site closures;

Paper consumption	2020	2019	2018
Reams used (France)	150	750	875

- **A "meal voucher" card**, in 2020, Axway offered to replace meal vouchers for its employees in France with a meal voucher payment card (Apetiz). All employees now have one;
- **Hosting at our suppliers**, four years ago for the La Défense site, Axway decided to outsource a machine room for production applications at Interxion. This eco-responsible Green Label operator was carbon neutral at the end of 2020;
- **Hosting of proprietary or customer data**, Axway sets up service contracts to host large volumes of data for its own business, for its customers and with its partners. Service providers of very large structures such as Amazon AWS, Microsoft, Salesforce, etc. ensure compliance with environmental and societal standards.

Control energy consumption at Axway's premises

As a tenant at all its sites, Axway seeks to optimise the energy performance of its facilities. When leases are renewed, the premises are equipped with modern, environmentally friendly heating and air-conditioning systems. The French headquarters located in Paris La Défense benefit from highly environmentally-friendly air conditioning and heating networks which operate using the county's waste (Enertherm).

In 2020, the main change at Axway's major sites involved the relocation of its headquarters in Phoenix, USA, to a more optimal and modern site at the end of the year. The decision was also made at this time to outsource the machine room. Besides the maintenance and security aspects (electricity, air conditioning), Axway should benefit from a reduction in energy consumption.

La Défense site	2020	2019	2018
Heating/Air conditioning (Enertherm) in MWh	1,238	1,227	1,067

The slight increase of less than 1% between 2019 and 2020 in the use of heating and air conditioning in Axway's La Défense premises was due to several reasons:

- the 15% increase in hot water consumption and the 11% decrease in cold water consumption. These figures reflect Tour W occupancy, whose rate jumped from 79% to 100% between 1 January and 31 December 2019;
- and finally, by the absence of employees during the summer of 2020 due to the health requirements.

Analyse to manage the Group's carbon footprint

Over the past three years, Axway has decided to strengthen its environmental policy and relies on a network of internal correspondents in key countries (those in which more than 70 employees work on a daily basis) to collect environmental data relating to fuel, electricity, gas and water energy consumption.

13 CLIMATE ACTION

The indicators used

- gas, fuel-oil, electricity and water consumption;
- kilometres travelled (excluding personal vehicles);
- IT equipment donations;
- waste recycling and management;
- charity initiatives.

Geographic scope and network of correspondents

- France;
- Germany;
- Romania;
- Bulgaria;
- Ireland;
- USA – Phoenix site.

Axway's greenhouse gas emissions assessment (BEGES), which uses the Bilan Carbone® methodology developed by the French Environment and Energy Management Agency (ADEME), measures the impact of the Group's activities on the environment.

The countries included in the Greenhouse Gas Emissions Assessment (BEGES) scope are France, Germany[(1)], Romania, Bulgaria, Ireland and the Phoenix site in the USA.

This scope represents more than 80% of the total area of premises.

The BEGES was completed by an independent service provider with a Bilan Carbone® license issued by the Association Bilan Carbone (ABC) for 2020. The GHG Emissions Assessment (BEGES) was drawn up based on the updated official greenhouse gas emissions assessment in accordance with version 4 of the assessment production methodology published in October 2016 by the French Ministry for the Ecological Transition.

It appears from the report drawn up that:

- direct GHG emissions in CO_2 metric tons equivalent amounted to 242 (T eq. CO_2); and
- indirect GHG emissions associated with the production of imported electricity, heat or steam, in CO_2 metric tons equivalent amounted to 1,195 (T eq. CO_2); and finally
- other indirect GHG emissions in CO_2 metric tons equivalent amounted to 159 (T eq. CO_2).

Thus, total GHG emissions by the Axway Group within the scope defined above totalled 1,597 (T eq. CO_2).

The assessments for 2018 and 2019 were updated for 2020 with updated emission factors, as recommended by the Ministry in its methodology.

At constant structure, GHG emissions fell by 13% *(241 T eq. CO_2)* between 2019 and 2020.

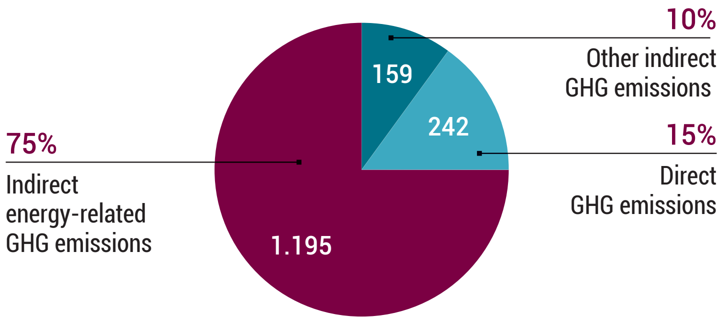
This was most likely due to employees working from home during lockdowns due to the COVID-19 pandemic.

2020, an unusual year: in light of the temporary closure of Axway's premises during the COVID-19 epidemic, energy consumption from certain sources (electricity, heating, water, printing of paper documents, paper cup consumption, etc.) decreased during lockdown and as employees continued to work from home at our various locations. The environmental impact of COVID-19 is likely to primarily concern greenhouse gas emissions but be relatively limited in time.

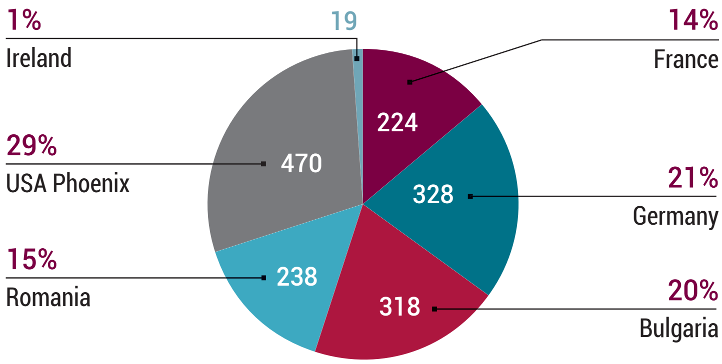
(1) Excluding the Frankfurt site for which data was not available. In Germany, the period under review was from 1 January to 31 December 2019 whereas for other countries it was from 1 October 2019 to 30 September 2020.

A breakdown of greenhouse gas emissions (GHG) is presented below:

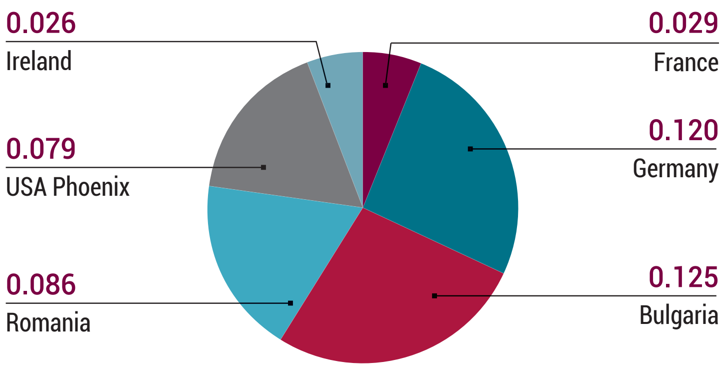
GHG EMISSIONS BY SCOPE (in T eq. CO_2 and in %)



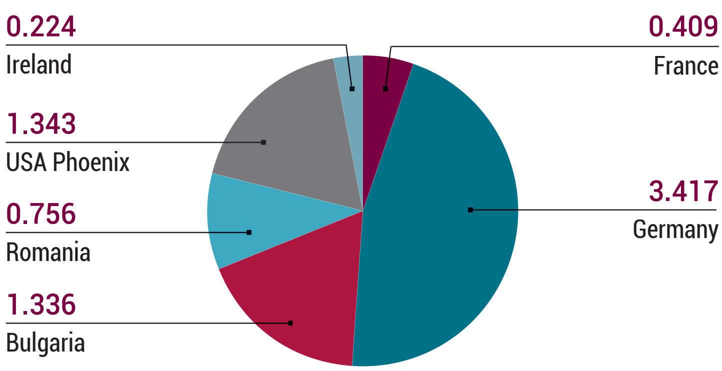
BREAKDOWN OF GHG EMISSIONS BY COUNTRY (in T eq. CO_2 and in %)



BREAKDOWN BY M2 FOR EACH COUNTRY (in T eq. CO_2)



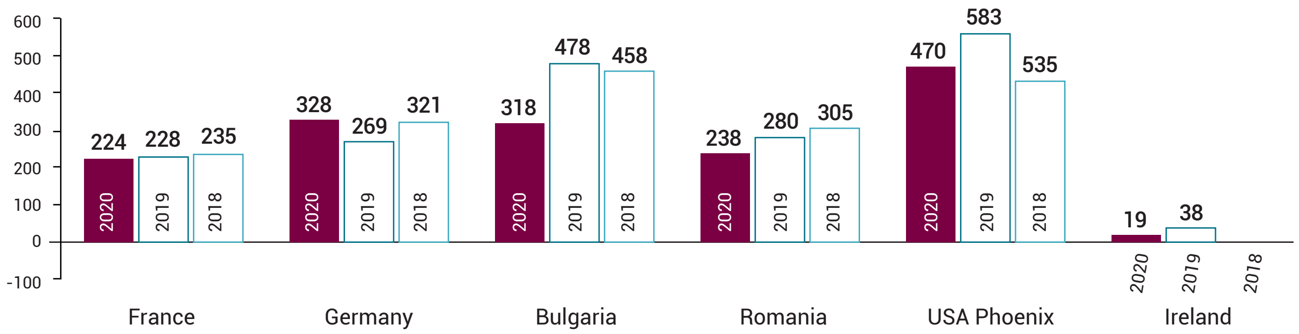
BREAKDOWN BY PERSON FOR EACH COUNTRY (in T eq. CO_2)



3

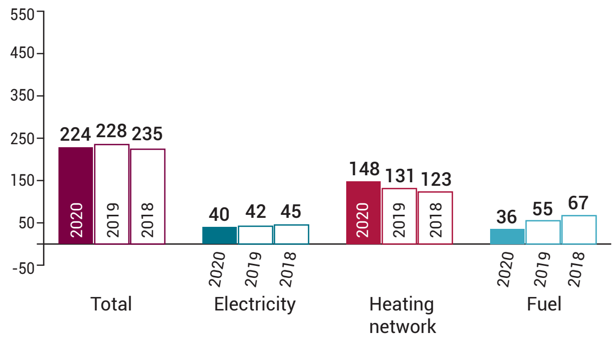
CHANGE IN GREENHOUSE GAS EMISSIONS BETWEEN 2018 AND 2020, PER COUNTRY AND PER SOURCE

Comparison of GHG emissions in T eq. CO_2
BY COUNTRY

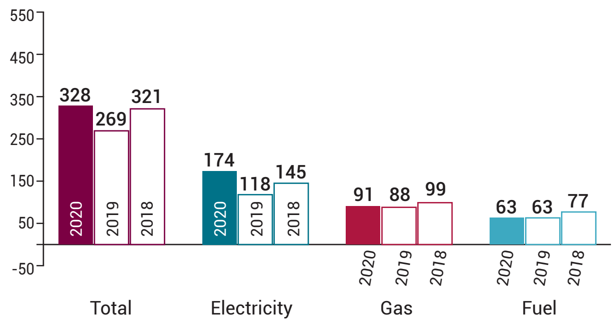


The relative drop in greenhouse gas emissions in the majority of countries analysed is due to the high proportion of consumption by server rooms which did not shut down during lockdown. In Bulgaria, major renovation work generated consumption savings, thanks to the replacement of ventilation systems and prolonged stoppages at worksites.

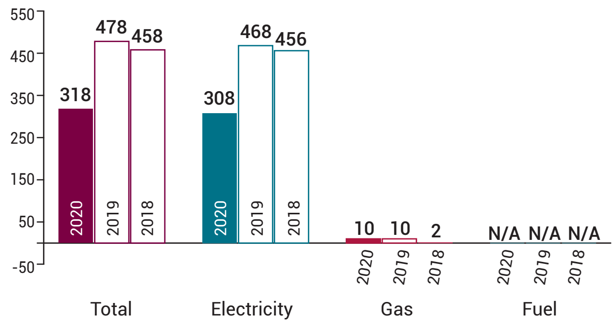
Comparison of GHG emissions in T eq. CO_2
FRANCE



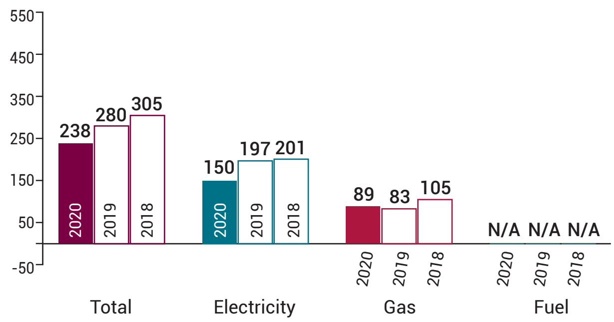
Comparison of GHG emissions in T eq. CO_2
GERMANY



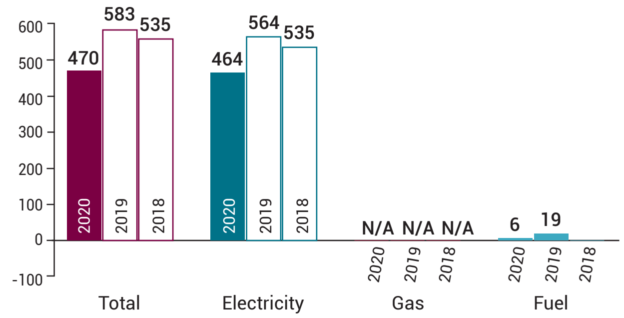
Comparison of GHG emissions in T eq. CO_2
BULGARIA



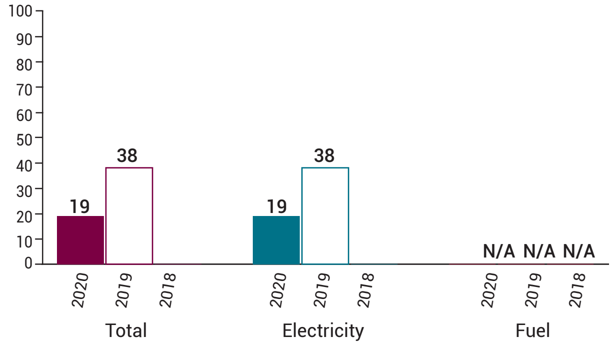
Comparison of GHG emissions in T eq. CO_2
ROMANIA



Comparison of GHG emissions in T eq. CO_2
USA (PHOENIX)



Comparison of GHG emissions in T eq. CO_2
IRELAND



Encourage local purchases

Axway seeks to control its consumption and reduce its environmental impact on purchases of goods and services.

Axway's site managers are encouraged to follow best practices for the purchase of consumables, office equipment and supplies. A proactive policy consists in favouring eco-responsible suppliers. Some local suppliers also include associations supporting people with disabilities.

The sustainable purchasing process is detailed in Section 3.3.8 of this document.

3

3.4.2 Life on land

Reasonable consumption of IT equipment

Axway has set up good practices to manage IT equipment and work stations, including recycling during their lifecycle.

Treat waste

Axway's activity generates waste with a high recycling potential. It mainly includes paper and cardboard as well as computer consumables.

In France, Axway has chosen a supplier that provides uplift services – for recycling purposes – of cardboard, paper, plastic, cans and printer cartridges. The supplier does both regular and one-off collections. Voluntary collection points have also been installed to facilitate the process for employees. With regard to WEEE (waste electrical and electronic equipment), Axway continues to pursue its policy of making donations to associations or to employees.

In 2020, Axway generated nearly 4 tonnes of waste. The main main monitoring indicators are presented in the following table:

Waste collection (kg) (France)	2020	2020 recycling rate	2019	2018
Plastic	64	N/A	31	610
Ink cartridges	13	100%	22	475
Paper & cardboard	2,823	84%	7,195	9,799
Cans	5	99%	154	4
Bulky waste	91	N/A	1,183	260
WEEE	239	98%	245	1,037

Axway will include new waste monitoring indicators in its progress approach in 2021.

Recycle equipment through donations

Regarding IT and office equipment, new ergonomic work stations improve the quality of employees' working conditions but also optimise energy and resource consumption with less energy-consuming terminals.

In 2020, the renewal policy and equipment donations (work stations, screens, mobile phones) were maintained.

	2020	2019	2018
Donations of IT equipment, computers, screens, etc. (in units)	360	500	192

In this year's health context, which has impacted all Axway's international offices, we were unable to make donations to local associations.

Dematerialise exchanges with Axway shareholders

At the end of 2020, 59% of Axway shareholders had agreed to receive General Meeting documents in electronic format, *i.e.* a 14% increase on the previous year. This considerably reduced the sending of paper documents.

For several years now, campaigns to encourage shareholders to adopt electronic exchanges have been carried out around environmental programmes such as reforestation, or societal programmes for education such as the FACE Foundation's Wi-Filles programme in 2019 and 2020.

Environmental impact training and awareness-raising

In 2020, no environmental impact awareness-raising measures could be implemented due to working from home measures implemented for all sites and employees.

3.4.3 Consider our indirect impact: customer project and product development

In 2020, to boost its corporate responsibility and as a leader in digital transformation, Axway began analysing indicators on the Company's indirect environmental impact.

The initial focal points mainly involve:

- Streamlining IT resources used in the development of Axway software and its installation at customer premises covering:
  - applications, *e.g.* reducing the cloud computing requirements of our software,
  - IT hardware and equipment for work stations,
  - servers and streamlining of storage solutions;
- Eco-development, open source and focused development methods;
- Priority given to remote collaboration tools (*e.g.* Teams video conferencing app) by development teams to limit travel;
- Adoption of development labels and standards incorporating responsible approaches.

This analysis encompasses the sustainable purchasing process described in Section 3.3.8, particularly for cloud technology and storage suppliers, and societal digital responsibility described in Section 3.4.1.

This initial approach will continue in 2021, focusing on IT investments, their lifecycle and all allocations of digital resources.

3.4.4 Summary of contributions to the fight against climate change and life on land

Stakeholders	Contribution to the fight against climate change (13 Climate action)	Life on land (15 Life on land)	Mechanism	Main actions carried out in 2020	Objective/line of progress
Network of 15 correspondents in 6 countries within the scope of the impact measurement					
Employees	x	x	• Limit travel • Eco-friendly gestures • Digital tools	• Extension of working from home or "Home Office" • Recycling • Gradual replacement of plastic cups by biodegradable cups • No more receipts at the Company restaurant in France • Dematerialisation of meal vouchers in France	• Offsetting the carbon footprint of business travel with transport partners • Environmental impact awareness-raising
Employee representatives			• Eliminate the use of paper documents	• All CSE meetings and meetings with employee representatives are held using digital tools	
Customers	x	x	• Limit travel • Purchasing procedure	• Video conferencing • Choice of data storage providers • Open discussions on indirect impacts	• Increase the use of exchange platforms • Sustainable purchasing • Analyse the indirect impact of our customer activities.
Partners and Suppliers	x	x	• Limit printing • Supplier selection, ethics	• Electronic signature	• Increase use of electronic signatures
Shareholders	x	x	• e-convening consent form • e-voting	• 2 annual campaigns • Voting platform	• Achieve 60% e-consent
Societal Organisations			• Recycling	• IT equipment donations • Clothing donations	

3.4.5 Environmental progress goals for 2021

In addition to properly managing its resources, Axway wishes to further reduce the direct impact of its activities on the environment, primarily with the aim of a low carbon trajectory for:

- air travel: in 2021, Axway will study the possibility of supporting the offsetting initiatives proposed by airlines or reforestation companies;
- reduction in the use of plastics: Axway is involved in an effort to achieve, in the long term, zero plastic consumption on its premises;
- reduction in paper consumption: Axway is continuing its education and recycling programmes.

In 2021, the Company will continue analysing the indirect impact of its activities on the environment in the context of an evolving digital sector.

3.5 Table of Employer, Societal and Environmental summary indicators

AXWAY STAKEHOLDER COMMITMENTS

Employees		
	Attract and retain talent in all its diversity	Communicate the Company's strategy
		Workforce by area of expertise
		Workforce by geographical area
		Percentage of women recruited, in the workforce and management
		Equality and diversity
	Develop talent in a stimulating environment	Skills training and development
		Co-innovation- innovative training
	Offer a fulfilling work environment	Working time - work/life balance
		Methods of working on premise and remotely
		Physical and psychosocial risks
	Mobilise employees	Annual employee survey
		% participation in the internal survey over 3 years
		% engagement over 3 years
		Expectations expressed in the internal survey
		Societal expectations expressed in the survey
Customers		Customer Success system
		COVID-19 context: system and new services created
	Involve employees in customer satisfaction	Customer satisfaction indicator - NPS
		NPS indicator included in the compensation of certain employees
		Product quality - ISO 9001
		Support quality
	Digital security	Axway product security
		Data and process security, especially in the Cloud
	Ethics in contracts	Contracts for customer projects integrating ethical tools
Partners		Partners system
		Types of partner
	Satisfaction measurement	Partners satisfaction indicator - NPS
	Security	Security of data, exchange processes and applications
Shareholders & Investors		Team and resources dedicated to shareholders and investors
	Transparency of financial information	Dialogue with investors and individual shareholders
		Observance of Middlenext Governance best practices
		Observance of financial reporting best practices
Societal Organisations		Co-innovation for society
	Assume our digital responsibility	Responsible initiatives for the most vulnerable

OVERALL RESPONSIBILITY COMMITMENTS

Business ethics		Anti-corruption (Bribery)
		Ethics charter
		GDPR - personal data
		Anti-harassment
Digital responsibility		Security Committee
	Security	Security of exchanges with stakeholders
		Security of software developed by Axway
	Societal commitment to digital transformation	Transfer of skills in digital uses
		Digital for women
		Equal Opportunity Employer (USA)
Environmental commitment		Monitoring of direct consumption (recycling, paper, digitisation of documents)
	Control the direct environmental footprint	GHG (carbon) emission assessment
	Consider the indirect environmental footprint	Analyse the indirect impacts in developing Axway software
Sustainable purchasing	**Act in favour of sustainable purchasing**	Improvement of purchasing tools, definition of indicators
		Ethical and legal tools integrated into contracts
		By types of supplier

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3.6 Methodology note

For the scope defined, the data stems from country-specific reporting and the reporting produced by the divisions concerned (Recruitment and Training). A continuous improvement process has been set up for those systems.

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 this year's health and safety information was collected by the site managers for Axway Software SA.

A continuous improvement process has been set up for those systems.

Materiality matrix

After mapping all Axway's stakeholders presented in Section 3.1 of the NFPS, it became apparent that the main stakeholders were customers, employees and investors. CSR challenges were therefore defined taking into account the expectations of these stakeholders. Customer expectations are identified during the 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 Middlenext and through Axway's membership of *Syntec numérique*. 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. The matrix was validated by the Selection, Ethics and Governance Committee. This process helped to formally document CSR commitments and determine the related indicators.

Employee information

General provisions

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 2020. The indicators chosen are those used for personnel management and Axway's employee-related issues. They reflect the results of the Human Resources policy.

Relations with employees

Axway Software SA

Since 4 October 2019, employer-employee dialogue at Axway Software SA has been conducted within the framework of an SEC, Social and Economic Committee, elected for 4 years. Three trade unions (CGT, CFDT and Traid-Union) are represented on the committee.

Labour relations at Axway GmbH

At Axway Gmbh, employer-employee dialogue takes place through three Plant Committees and a Central Works Council.

Overview of collective agreements

Within Axway, six agreements were in force at 31 December 2020 in France. In 2020, two agreements were signed in France and six were signed in Germany.

The following collective agreements were signed at Axway Software SA in 2020:

- Amendment to the 2018-2020 profit-sharing agreement;
- 2021-2023 Group agreement on the employment of people with disabilities;

Six collective agreements were signed at Axway GmbH in 2020 with the works council:

- *Conducting Talent Review 2020*;
- *Implementing Learning Management System*;
- *Bonus plan 2020*;
- *Commission plan*;
- *Compensation - Distributing Policy (3 locations)*;
- *Working time – Addendum to capping limits on over hours*.

Health and safety information

Scope of consolidation and indicators

The safety indicators concern all Axway sites. The indicators chosen are those used for the management of Axway sites. They reflect the results of Axway's policy regarding the environment, health and safety.

Health and safety conditions at Axway Software

In 2020, there were:

- two commuting accidents with lost time.

Preserving the health and safety of employees is a fundamental goal and an integral part of the Human Resources and social policy. The objective is part of an overall procedure conducted in close collaboration with the occupational health doctors, site managers and CHSCT.

Summary of collective agreements concerning health

No agreement has been signed in this regard.

Occupational health

In Germany, as in France, an occupational health doctor performs employee check-ups on a regular basis.

Good practice awareness-raising actions concerning work and particularly on-screen work could not be undertaken in 2020 due to the COVID-19 health context.

Evaluation of psychosocial risks

A steering committee comprised of members from Human Resources and representatives from CHSCT was assembled in 2015 to evaluate psychosocial risks within Axway France. It regularly continues this work, monitoring the situation. Following the assessment in 2020, the Single Document was updated to include risks relating to the health crisis.

3.7 Certificate of disclosure by an Independent Third-Party

Verifying auditor's report

Year ended 31 December 2020

Dear shareholders,

Further to a request by Axway Software (hereinafter the "entity") and in our capacity as an independent third party certified by COFRAC under number 3-1081 (scope available at www.cofrac.fr), we hereby report on the consolidated non-financial performance statement for the year ended 31 December 2020 (hereinafter the "Statement"), presented in the Axway management report, in accordance with the legal and regulatory provisions of Article L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the entity

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators. The Statement has been prepared in accordance with the benchmarks used by the entity (hereinafter the "Guidelines"), the main elements of which are available at request at the Company's registered office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third-party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to 3° of Article R. 225-105 I and II of the French Commercial Code, *i.e.* the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and extent of work

We conducted our work in accordance with standards applicable in France determining the conditions in which an independent third party performs its engagement and with the international standard, ISAE 3000.

Our work was conducted between 5 March and 2 April 2020 and took approximately five man-days.

We conducted five interviews with the individuals responsible for preparing the Statement.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of the activities of all the companies included in the consolidated scope, the description of the labour and environmental risks associated with their activities, and the impact of those risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement covers each category of information provided for in Article L. 225-102-1 III in social and environmental matters, as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation for the absence of the information required under Article L. 225-102-1 III, 2;
- we verified that the Declaration presents the business model and the main risks related to the activity of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services as well as its policies, actions and results, including key performance indicators;

3

- we verified, when they are relevant to the main risks or the policies presented, that the Statement presents the information provided for in Article R. 225-105 II;
- we assessed the selection and validation process of the main risks;
- we asked about the existence of internal control and risk management procedures put in place by the entity;
- we assessed the consistency of the results and key performance indicators adopted in view of the main risks and policies presented;
- we verified that the Statement covers the scope of consolidation, *i.e.* all the companies included in the consolidated scope in accordance with Article L. 233-16;
- we assessed the collection process implemented by the entity for the completeness and sincerity of Information;
- for the key performance indicators and other quantitative results that we considered to be the most important, we implemented:
  - analytical procedures consisting in verifying the proper consolidation of the data collected and the consistency of any changes in data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out with a selection of contributing entities(1) and covers between 34% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests(2);
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important,
- we assessed the overall consistency of the Statement based on our knowledge of all the companies included in the consolidated scope.

We believe that the work we carried out in exercising our professional judgement allows us to make a conclusion of moderate assurance; a higher level of assurance would have required more extensive work.

Due to the use of sampling techniques, as well as other limits inherent to the operation of any information and internal control system, the risk of failure to detect material misstatements in the Statement cannot be entirely eliminated.

Conclusion

Based on our work, we did not identify any material anomalies that call into question the preparation of the non-financial performance statement in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly and in accordance with the Guidelines.

Lyon, 25 February 2021

Finexfi

Isabelle Lhoste

Partner

(1) Axway Software SA, Axway US.

(2) Workforce; Employee engagement; Major employee recruitment actions (3.2.1.1); Major talent development actions, including training (process) (3.2.2.1); Make working time and patterns more flexible; Maintain low absenteeism; Build loyalty in a long-term project; Annual employee engagement survey; Reduce our direct impact (3.4.1); Treat waste.

3.8 Employee and environmental information cross-reference table

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS		
GP[1]	General reporting principles	Page	Name	Comment
GP1 (A. R. 225-105. I-)	The NFPS mentioned in I of Article L. 225-102-1 and the consolidated non-financial performance statement mentioned in II of the same article present the business model of the Company or, as the case may be, of all the companies for which the Company prepares consolidated financial statements.	Profile pages 02-16	Business model	
GP2 (A. R. 225-105. I-)	For each information category, they also present: 1° A description of the main risks related to the business of the Company or of the group of companies, including, where relevant and proportionate, the risks created by its business relationships, products or services; 2° A description of the policies applied by the Company or all companies, including, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of the risks mentioned in 1°; 3° The results of these policies, including key performance indicators. (Decree of 09/08/2017).	Chapter 2 pages 37-53	Risk Factors Risk Factors	See specifically the sections in Chapter 2
GP3 (A. R. 225-105. I-)	Where the Company does not have a policy with respect to one or more of these risks, the statement includes a clear and reasoned explanation of the reasons justifying this. (Decree of 09/08/2017).			Axway applies a policy to all risks that affect it.
GP4 (A. R. 225-105.1 I-)	The information published is presented "in such a way as to allow a comparison of the data" (Law of 12/07/2010). The Report of the Board of Directors or Management Board "presents the data observed during the financial year ended and, if necessary, during the previous financial year, so as to allow a comparison between this data" (Decree of 24/04/2012).			See specifically the sections in Chapter 2
GP5 (A. R. 225-105.1 II-)	When a company voluntarily complies with a national or international reference system in order to fulfil its obligations under this article, it mentions this fact, indicating the recommendations of this reference system that have been adopted and the procedures for consulting it (Decree of 24/04/2012).	pages 57, 74, 78	Support for the Global Compact Adhesion to the Middlenext Code	
GP6 (A. R. 225-105.1 III-)	Without prejudice to the disclosure requirements applicable to the report provided for in Article L. 225-100, these statements are made freely available to the public and easily accessible on the Company's website within eight months of the end of the financial year and for a period of five years. (Decree of 09/08/2017).	Group website		https://investors.axway.com/en and https://investors.axway.com/fr
GP7 (A. R. 225-105.2 I-)	The independent third party mentioned in V of Article L. 225-102-1 is appointed, as the case may be, by the Chief Executive Officer or the Chairman of the Management Board, for a period not exceeding six financial years, from among the bodies accredited for this purpose by the French Accreditation Committee (COFRAC) or by any other accreditation body that is a signatory to the multilateral recognition agreement established by the European Coordination of Accreditation Bodies. The independent third party is subject to the incompatibilities provided for in Article L. 822-11-3.	pages 93-94	Certificate of disclosure and opinion of fairness concerning social, societal and environmental information.	

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS		
GP[1]	**General reporting principles**	**Page**	**Name**	**Comment**
GP7 (A. R. 225-105.2 II-)	When the information is published by companies whose thresholds exceed €100 million for the balance sheet total or €100 million for the net revenue and 500 for the average number of permanent employees employed during the financial year, the report of the independent third party includes: a) A reasoned opinion on the conformity of the statement with the provisions of I and II of Article R. 225-105, as well as on the fairness of the information provided pursuant to 3° of I and II of Article R. 225-105; b) The due diligences carried out in conducting the verification procedures. (Decree of 09/08/2017).			
GP8 (A. L. 225-102-1. IV)	The defined companies which are under the control of a company which includes them in its consolidated accounts in accordance with Article L. 233-16 are not required to publish a statement on non-financial performance if the Company that controls them is established in France and publishes a consolidated statement on non-financial performance or if the Company that controls them is established in another Member State of the European Union and publishes such a statement pursuant to the legislation to which it is subject. (Order of 19/07/2017).			
GP9 (A. L. 225-102-1. V)	For companies whose balance sheet total or revenue and number of employees exceed the thresholds set by decree of the Conseil d'État, where applicable on a consolidated basis, the information contained in the statements is verified by an independent third party, in accordance with the procedures set by decree of the Conseil d'État. This verification gives rise to a notice which is sent to the shareholders at the same time as the report referred to in the second paragraph of Article L. 225-100. (Order of 19/07/2017).			
Employee information				
I.a)	**Employment**			
I.a) 1.1	Total workforce	page 63		
I.a) 1.2	Breakdown of employees by gender	page 63		
I.a) 1.3	Breakdown of employees by age	page 63		
I.a) 1.4	Breakdown of employees by geographic area	page 63		
I.a) 2.1	Recruitment	pages 65-66		
I.a) 2.2	Redundancies	Non material		
I.a) 3.1	Compensation	pages 63, 73		
I.a) 3.2	Change in compensation	page 73		
I.b)	**Organisation of work**			
I.b) 1	Organisation of working time	page 69-70		
I.b) 2	Absenteeism	page 70		
I.c)	**Health and safety**			
I.c) 1	Health and safety conditions at work	page 92		
I.c) 2.1	Frequency and seriousness of workplace accidents	page 92		
I.c) 2.2	Occupational diseases	Non material		

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS		
GP[1]	General reporting principles	Page	Name	Comment
I.d)	**Relations with employees**			
I.d) 1	Organisation of social dialogue, in particular the procedures for informing staff, consulting and negotiating with them	pages 71, 92		
I.d) 2	Review of collective agreements, particularly in the area of health and safety at work	page 92		
I.e)	**Training**			
I.e) 1	Training policies implemented, including environmental protection policies.	pages 67-69		
I.e) 2	Total number of training hours	page 67		
I.f)	**Equal treatment**			
I.f) 1	Measures taken in favour of gender equality	pages 63, 71, 77		
I.f) 2.1	Measures taken in favour of employment	pages 65-67		
I.f) 2.2	Measures taken for the integration of people with disabilities	pages 64, 72, 76, 79, 81		
I.f) 3	Anti-discrimination policy	page 72		
Environmental information				
II.a)	**General environmental policy**			
II.a) 1.1	Organisation of the Company to take environmental issues into account	pages 82-89		
II.a) 1.2	Environmental evaluation or certification procedures	page 75		Ecovadis
II.a) 2	Resources dedicated to the prevention of environmental risks and pollution	Non material	Non material	Axway is not affected by this point due to its tertiary activity.
II.a) 3	Provisions and guarantees for environmental risks			
II.b)	**Pollution**	**Non material**	**Non material**	
II.b) 1.1	Prevention, reduction, repair measures: AIR			
II.b) 1.2	Prevention, reduction, repair measures: WATER			
II.b) 1.3	Prevention, reduction, repair measures: SOIL			
II.b) 2	Consideration of any form of contamination specific to any activity, notably sound and light disturbances			
II.c)	**Circular economy**			
II.c).i)	Waste prevention and management	pages 87-88		
II.c).i) 1	Measures of prevention, recycling, reuse, other forms of waste recovery and disposal	pages 87-88		
II.c).i) 2	Actions in the fight against food waste	Non material	Non material	The premises in La Défense (France) have a company restaurant committed to the fight against food waste[2].
II.c).ii)	Sustainable use of resources			

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS		
GP[1]	**General reporting principles**	**Page**	**Name**	**Comment**
II.c).ii) 1.1	Water consumption	Non material	Non material	Axway uses only water for sanitary purposes in its tertiary activity. The premises are equipped with efficient technology in this area.
II.c).ii) 1.2	Water supply in keeping with local constraints			Axway does not operate in countries where the use of water is restricted.
II.c).ii) 2.1	Raw material consumption	Non material	Non material	Axway uses only paper and office supplies for its tertiary activity.
II.c).ii) 2.2	Measures taken to improve efficiency in their use			
II.c).ii) 3.1	Energy consumption	pages 82-83		
II.c).ii) 3.2	Measures taken to improve energy efficiency			
II.c).ii) 3.3	Measures taken to improve the use of renewable energies			
II.c).ii) 4	Soil use	Non material	Non material	Axway is not affected by this point due to its tertiary activity. Axway leases its premises and does not carry out any construction work.
II.d)	**Climate change**			
II.d) 1	The significant greenhouse gas emissions generated by the Company's activities, in particular by the use of the goods and services it produces	pages 83-87		Scope: France, Germany, Bulgaria, Romania, USA (Phoenix), Ireland
II.d) 2	Adaptation to the consequences of climate change	Non material	Non material	Axway is not directly concerned by this point, but its products and services enable some of its customers to adapt to climate change (for example: management of local authorities' data flows to optimise the multimodal mobility of their citizens).
II.d) 3	Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions and the means implemented to this end	page 89		
II.e)	**Protection of biodiversity**			
II.e) 1	Measures implemented to protect and conserve biodiversity	Non material	Non material	Axway is not affected by this point due to its tertiary activity.

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS		
GP[1]	**General reporting principles**	**Page**	**Name**	**Comment**
Societal information				
III.a)	**Societal commitments in favour of sustainable development**	**pages 74-81**		
III.a) 1	The impact of the Company's activity in terms of employment and local development	pages 75, 78, 80		
III.a) 2	The impact of the Company's activity on neighbouring or local communities	Non material	Non material	Axway is not affected by this point due to its tertiary activity.
III.a) 3	Relationships with the Company's stakeholders and the methods of dialogue with them	pages 59-60		
III.a) 4	Partnership and corporate patronage initiatives	pages 76-77		
III.b)	**Subcontractors and suppliers**			
III.b) 1	Integration of social and environmental criteria in the purchasing policy	pages 78, 80		
III.b) 2	Integration of social and environmental responsibilities in relations with suppliers and subcontractors	pages 78, 80		
III.c)	**Fair practices**	**pages 79-80**		
III.c)	Measures taken for consumer health and safety	Non material	Non material	Axway is not affected by this point due to its tertiary activity. Its products and services have no impact on the health and safety of consumers.
Information on the fight against corruption and tax evasion[3]				
	Actions taken to prevent corruption			
Information on actions in favour of human rights		pages 57, 74		
V.a)	***Promoting and complying with the Fundamental Conventions of the International Labour Organisation (ILO)***	**pages 57, 74**		
V.a) 1	Respecting freedom of association and the right to collective bargaining	Non material	Non material	By its adhesion to the Global Compact, Axway is committed to these issues but does not operate in countries considered to be high-risk.
V.a) 2	Elimination of employment and professional discrimination			
V.a) 3	Elimination of forced or compulsory labour			
V.a) 4	Effective abolition of child labour			
V.b)	**Other actions taken in favour of human rights**			

(1) GP: General Reporting Principles.
(2) The following themes (to be addressed obligatorily in the NFPS): fighting against food insecurity, respect for animal welfare and responsible, fair and sustainable food are not material for Axway.
(3) The Group is tax-transparent and wishes its tax policy to be an inherent part of its corporate responsibility strategy. The Group therefore adopts a civic behaviour that consists not only in complying with the legislation, but above all in making a fair contribution to the countries in which it operates.

Corporate Governance

4

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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 Regulator) and has decided to apply the Middlenext Code of Governance for small and mid-caps.

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.

The main provisions of the Articles of Association[(1)] relating to members of the Board of Directors and management bodies are summarised in Chapter 8, Section 2 of this Document.

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.

In addition, the Board of Directors pursues its commitment to set up a diversity policy within the Board. It strives to seek a balance in its composition and that of its committees, particularly with regard to the diversity of skills, gender representation and nationalities. The Board currently has six women directors.

The Board wishes to extend this diversity policy to Axway's top-level management.

(1) Unless otherwise indicated, the term "Articles of Association" in this chapter refers to the Company's Articles of Association adopted by the Board of Directors on 23 June 2011 and last updated at the Board of Directors' meeting of 28 January 2021.

The Board of Directors is comprised of the following members:

First name, last name and business address	Position held on the Board of Directors	Date of appointment	Expiry of term of office	Offices and duties held during the last five years	Directors considered as independent[1]	Attendance rate at Board and Committee meetings
 **Pierre Pasquier** Nationality: French – 85 years old **Business address:** Sopra Steria Group SA PAE Les Glaisins Annecy-le-Vieux 74940 Annecy France **Shares in the Company held personally:** 0	Director Chairman of the Board of Directors	General Meeting of 5 June 2019 and Board of Directors' meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director; Chairman of the Board of Directors; Director or company officer of foreign Group subsidiaries or sub-subsidiaries. **Outside the Group:** Chairman of Sopra Steria Group; Director or company officer of foreign Sopra Steria Group subsidiaries or sub-subsidiaries; CEO of Sopra GMT. **Expired offices:** None.	*No*	100%
 **Kathleen Clark Bracco** Nationality: American – 53 years old **Business address:** Sopra Steria Group SA 6, avenue Kléber 75116 Paris France **Shares in the Company held personally:** 7,355	Director Vice-Chairwoman of the Board of Directors	General Meeting of 5 June 2019 and Board of Directors' meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director; Vice-Chairwoman of the Board of Directors. **Outside the Group:** Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group; Deputy CEO of Sopra GMT; Director of Corporate Development of Sopra Steria Group; **Expired offices:** Director of Sopra Group (19/06/2012 to 27/06/2014).	*No*	100%
 **Pierre-Yves Commanay** Nationality: French – 55 years old **Business address:** Axway Software Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in relation to his position as director of Axway Software) **Shares in the Company held personally:** 2,816	Director	General Meeting of 6 June 2018	General Meeting convened to approve the financial statements for the year ending 31 December 2021	**Within the Group:** Director **Outside the Group:** Director of Sopra GMT. **Expired offices:** None.	*No*	87.5%
 **Hervé Déchelette** Nationality: French -75 years old **Business address:** Axway Software Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in relation to his position as director of Axway Software) **Shares in the Company held personally:** 22,734	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director **Outside the Group:** None. **Expired offices:** None.	*Yes*	100%

First name, last name and business address	Position held on the Board of Directors	Date of appointment	Expiry of term of office	Offices and duties held during the last five years	Directors considered as independent[1]	Attendance rate at Board and Committee meetings
 **Nicole-Claude Duplessix** Nationality: French – 61 years old **Business address:** Axway Software Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in relation to her position as director of Axway Software) **Shares in the Company held personally:** 1,540	Director	General Meeting of 6 June 2017	General Meeting convened to approve the financial statements for the year ending 31 December 2020	**Within the Group:** Director. **Outside the Group:** None. **Expired offices:** None.	*No*	100%
 **Emma Fernandez** Nationality: Spanish – 57 years old **Business address:** Axway Software Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in relation to her position as director of Axway Software) **Shares in the Company held personally:** 0	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director. **Outside the Group:** Director of Metrovacesa SA; Director of ASTI Mobile Robotics Group SL; Director of Effect Consultoria y soluciones digitales SL; **Expired offices:** Director of Grupo Ezentis SA (28/06/2016 to 26/06/2020). Director of Sopra Group SA (19/01/2017 to 12/06/2018); Director of Kleinrock Advisors SL (until 2018).	*Yes*	100%
 **Michael Gollner** Nationality: American and British – 62 years old **Business address:** 21 Poland Street London W1F 8QG **Shares in the Company held personally:** 7,000	Director	General Meeting of 6 June 2017	General Meeting convened to approve the financial statements for the year ending 31 December 2020	**Within the Group:** Director **Outside the Group:** Director of Sopra Steria Group SA; Executive Chairman of Madison Sports Group Limited; Director of Levelset, Inc. **Expired offices:** None.	*Yes*	100%
 **Helen Louise Heslop** Nationality: British – 51 years old **Business address:** Axway Software Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in relation to her position as director of Axway Software) **Shares in the Company held personally:** 0	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director. **Outside the Group:** Director of Hiscox Insurance Company Limited; Director of Aegon UK **Expired offices:** Promontoria MMB	*Yes*	92%

First name, last name and business address	Position held on the Board of Directors	Date of appointment	Expiry of term of office	Offices and duties held during the last five years	Directors considered as independent[1]	Attendance rate at Board and Committee meetings
 **Pascal Imbert** Nationality: French – 62 years old **Business address:** Wavestone Tour Franklin 100-101, Terrasse Boieldieu 92042 Paris La Défense Cedex France **Shares in the Company held personally:** 340	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director **Outside the Group:** Chairman of the Management Board of Wavestone. **Expired offices:** None.	*Yes*	100%
 **Véronique de la Bachelerie** Nationality: French – 61 years old **Business address:** Société Générale RESG/SGC 17, Cours Valmy 92800 Puteaux **Shares in the Company held personally:** 0	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director. **Outside the Group:** Director or company officer of foreign subsidiaries of the Société Générale Group; Executive Director of Société Générale Consulting; Chairwoman of AFCI (French Association of Internal Management Consultants); Chairwoman of AIMC (US Association of Internal Management Consultants). **Expired offices:** Deputy Director of SGBT; Director of the Luxembourg stock exchange.	Yes[2]	100%
 **Yann Metz-Pasquier** Nationality: French and American – 32 years old **Business address:** Sopra Banking Software 6, avenue Kléber 75116 Paris France **Shares in the Company held personally:** 18,877	Director	General Meeting of 6 June 2018	General Meeting c onvened to approve the financial statements for the year ending 31 December 2021	**Within the Group:** Director **Outside the Group:** Director of Sopra GMT; Director of Upfluence Inc. **Expired offices:** Observer until 6 June 2018.	*No*	100%
 **Marie-Hélène Rigal-Drogerys** Nationality: French – 51 years old **Business address:** École normale supérieure de Lyon 15, parvis René-Descartes BP 7000 69342 Lyon Cedex 07 **Shares in the Company held personally:** 0	Director	General Meeting of 6 June 2018	General Meeting convened to approve the financial statements for the year ending 31 December 2021	**Within the Group:** Director. **Outside the Group:** Director of Sopra Steria Group SA; Advisor to the Chairman on Site Policy at École Normale Supérieure Lyon engineering school; Expert member of the Advisory Board, IMT Mines Albi-Carmaux engineering school. **Expired offices:** Consultant Partner at ASK Partners.	*Yes*	100%

First name, last name and business address	Position held on the Board of Directors	Date of appointment	Expiry of term of office	Offices and duties held during the last five years	Directors considered as independent[1]	Attendance rate at Board and Committee meetings
 **Hervé Saint-Sauveur** Nationality: French – 76 years old **Business address:** Axway Software Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only for the offices held within Axway Software France) **Shares in the Company held personally:** 900	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director **Outside the Group:** None. **Expired offices:** Director of Sopra Steria Group SA.	*Yes*	100%
 **Yves de Talhouët** Nationality: French – 62 years old **Business address:** 39, rue Boileau 75,016 Paris France **Shares in the Company held personally:** 0	Director	General Meeting of 5 June 2019	General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Within the Group:** Director **Outside the Group:** Director of TWENGA; CEO of TABAG; Director of Devoteam; Director of Tinubu; Chairman of Faïenceries de Gien (2014). **Expired offices:** CEO of EMEA HP.	*Yes*	100%

(1) The Board of Directors examines on a yearly basis the individual situation of the directors with regard to the independence criteria set forth in the Middlenext Code (R8). The Board may also be required to review this classification during the year should a director inform it of any major events that may call into question this classification. As this concerns, more specifically, the materiality of business relations that may affect the independence of a member, the Board bases its analysis on two criteria: a quantitative criteria (amount of revenue generated during the year and percentage that such amounts represent with regard to the total revenue of the counterparty) and a qualitative criteria (nature of existing business relations, context, relationship history and organisation).

(2) This qualification as an independent director is valid from 11/04/2019.

Changes in the composition of the Board of Directors for the year ended 31 December 2020

Appointments	-
Re-appointments	-
Non-renewal	-
Resignations	-
Cooptations	-

Pierre Pasquier has served as Chairman of the Board of Directors since 22 December 2001.

Pierre Pasquier has over 50 years' experience in digital services and managing an international company. He has chaired Axway Software's Board of Directors since the Company's creation in 2001.

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 in 1968 to found the Sopra Group. 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 Axway Software IPO *via* a spin-off.

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. He retained the position of Chairman of Sopra Group and then Sopra Steria Group from 2014.

Pierre Pasquier is also Chairman and Chief Executive Officer of Sopra GMT, the financial holding company of Sopra Steria Group and Axway Software.

Kathleen Clark Bracco has served as a member of the Board of Directors since 28 April 2011 and Vice-Chairman of the Board of Directors since 24 October 2013.

After a masters in literature at the University of California (Irvine), Kathleen Clark Bracco 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 Bracco 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 Bracco has also served as Deputy CEO of Sopra GMT since 2012.

Véronique de la Bachelerie has served as a member of the Board of Directors since 24 February 2015.

Véronique de la Bachelerie was appointed director following the resignation of Françoise Mercadal Delasalles at the Board of Directors' meeting, with effect from 24 February 2015. Véronique de la Bachelerie began her career as a financial auditor and joined the Société Générale Group in 1987. Following this, she held various management positions in Société Générale Group financial teams. She was also CFO (Chief Financial Officer) of the retail networks of the Société Générale Group in France. From 2013 to June 2018, she was CEO (Chief Executive Officer) of the Société Générale Bank & Trust Luxembourg Group and has held various terms of office as director within the subsidiaries of the Société Générale Group in Luxembourg, Switzerland, Monaco and Tunisia. Since June 2018, she has managed Société Générale Consulting, the Société Générale Group's internal consulting department. She is a graduate of the École Supérieure de Commerce de Paris business school and is a French chartered accountant.

Pierre-Yves Commanay has served as a member of the Board of Directors since 6 June 2018.

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. He has been responsible for the Continental Europe division since 2011.

He has also had previous roles within the Group, which he joined in 1991. 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 (Masters' degree in Information Technology).

Hervé Déchelette has served as a member of the Board of Directors since 28 April 2011.

Hervé Déchelette has been with Sopra Group SA for most of his career, where he was first Chief Financial Officer, before being appointed Company Secretary until 2008. He notably coordinated the financial transactions relating to the external growth of the Group's companies.

Hervé Déchelette therefore brings to the Board of Directors his expertise in the digital services market and his financial expertise.

He holds a degree from the École Supérieure de Commerce de Paris business school and is a French chartered accountant.

Nicole-Claude Duplessix has served as a member of the Board of Directors since 6 June 2017.

Her 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 Stéria 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.

Emma Fernandez has served as a member of the Board of Directors since 21 June 2016.

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 offers, talent management, communication and product branding, public affairs, business 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.

Helen Louise Heslop has served as a member of the Board of Directors since 21 June 2016.

Helen Louise Heslop has significant international experience in the Finance industry, specifically in Banking and Insurance.

She currently manages her own company which provides consulting services relating to process transformation and the organisation of finance departments. Previously, she was responsible for transformation within Aviva Group, followed by Finance Director Europe at GE Money Bank, a subsidiary of General Electric. She started her career with Price Waterhouse Coopers.

Helen Louise Heslop graduated in Economics from the University of Cambridge and is a UK Statutory Auditor.

Michael Gollner has served as a member of the Board of Directors since 24 May 2012.

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 in around twenty countries, most often in the technologies, media or cable sectors. He is notably a director of Levelset, a payments platform in the construction sector.

Since 2013, Michael Gollner is also the founder and Executive Chairman of Madison Sports Group, which promotes a cycling race, the Six Day Series, around the word with considerable success.

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.

Pascal Imbert has served as a member of the Board of Directors since 28 April 2011.

Pascal Imbert began his career in Télésystèmes' Research & Development department in 1980. In 1990, he co-founded the consulting firm Solucom, renamed Wavestone in 2016, where he jointly led its development until 2002. He has been Chairman of the Management Board since this date. Wavestone is a management and information systems consultancy, listed on the Euronext Paris market since 2000. It assists major companies with their digital transformation, their expansion into new markets and with merger and acquisition transactions.

Pascal Imbert is a graduate of the École polytechnique and Télécom Paris engineering schools.

Pascal Imbert was the Chairman of Middlenext, the association representing midcaps in France, from 2010 to 2014 and teaches masters classes at the École supérieure de management business school.

Yann Metz-Pasquier has served as a member of the Board of Directors since 6 June 2018.

Yann Metz-Pasquier is co-founder of Upfluence, the Cloud solutions publisher specialising in influence marketing, created in 2013 in San Francisco, California. He was Chief Financial Officer from 2013 to 2016 and is still a director of the company. Prior to that, he was a mergers & acquisitions analyst with Moss Adams LLP in San Francisco, California.

Yann Metz-Pasquier is a Management graduate of the Catholic University of Lyon (ESDES) and a qualified CFA (Chartered Financial Analyst). He is an MBA graduate from Harvard Business School (May 2018).

Marie-Hélène Rigal-Drogerys has served as a member of the Board of Directors since 6 June 2018.

A science graduate, Marie-Hélène Rigal-Drogerys 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-Drogerys 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-Drogerys then served as Consultant Partner at Ask-Partners. From 2009 to 2017, she accompanied companies and organisations in their transition to new business models.

As Advisor to the Chairman of ENS Lyon, she has been contributing to its transition to a world-leading university since 2017. She also uses her expertise in her duties as Director of Sopra Steria Group and Chairwoman of its Audit Committee and as an Expert member of the Advisory Board of IMT Mines Albi-Carmaux engineering school.

Hervé Saint-Sauveur has served as a member of the Board of Directors since 28 April 2011.

Hervé Saint-Sauveur was a member of Sopra Group SA's Board of Directors from June 2003 to June 2018 where he acted as Chairman of the Audit Committee. Hervé Saint-Sauveur joined Société Générale in 1973: first within the Economic Research Department (1973), then as Director of Financial Control (1980-1984), Managing Director of Europe Computer Systems (1985-1990), Operations Manager, Capital Markets Department (1990-1994), Group CFO and Strategy Manager and Member of the Executive Committee (1995-2002) and Adviser to the Chairman (2003-2006). He is a director of several companies.

He is a graduate of both the École Polytechnique and the École Nationale de la Statistique et de l'Administration Économique.

Yves de Talhouët has served as a member of the Board of Directors since 31 July 2012.

Yves de Talhouët has been the Chairman of Faïencerie 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-Chairman 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, the École Nationale Supérieure des Télécommunications as well as of the Institut des Sciences Politiques de Paris.

4.1.1.1 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; and
- Pierre-Yves Commanay and Pierre Pasquier; and
- Yann Metz-Pasquier and Pierre-Yves Commanay.

4.1.1.2 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.

4.1.1.3 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 68.27% 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 (56.58%) and 66.32% of its voting rights (see Chapter 7, Section 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 nine (9) independent directors, appointed at its meeting held on 10 December 2020, in accordance with Recommendation No. 3 of the Middlenext 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 Middlenext 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, Ethics and Governance 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, Ethics and Governance 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 Company decided to separate the offices of Chairman and CEO during its meeting of 22 June 2015.

	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due on the termination of service or change of duties		Indemnities relating to a non-compete clause	
Executive officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Pierre PASQUIER Chairman Start of term of office: Board of Directors' meeting of 5 June 2019 End of term of office: General Meeting convened to approve the financial statements for the year ending 31 December 2022		X		X		X		X
Patrick DONOVAN Chief Executive Officer Start of term of office: 06 April 2018		X		X	X(1)			X

(1) *Following the repeal of Article L. 225-42-1 of the French Commercial Code, the Board of Directors' meeting of 19 February 2020 noted the reclassification of the indemnities for the termination of Patrick Donovan's duties, that will now form an integral part of the say-on-pay regime.*

4.1.1.4. 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 2020:

Category(1)	Name	Position	Transaction type(2)	Transaction date	Number of securities	Unit price	Transaction amount
Board of Directors	Hervé Déchelette	Director	A	20/02/2020	328	15.45	5,067.60

(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.*

(3) Transfer of ownership: disposal for nil consideration.

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 included in Chapter 8 of this Universal Registration Document: "Legal and administrative information". The Articles of Association currently incorporate the recommendations of the Middlenext 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 Council representatives.

The Articles of Association are available on the Company website *via* the following link: https://investors.axway.com/en/bylaws-regulations-agreements. The internal regulations of the Board of Directors are available upon request from the Company's Corporate Secretary.

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.

Its 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 and particularly digital transformation.

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

The Board of Directors, at its meeting of 24 October 2013, decided, based on the recommendations of the Appointments, Ethics and Governance Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity. Accordingly, it was decided to amend the internal regulations of the Board of Directors. At their meeting of 5 June 2019, the directors decided to (i) maintain the office of Vice-Chairman of the Board of Directors, and (ii) renew Kathleen Clark Bracco in this capacity.

The internal regulations of the Board of Directors notably stipulate that "*The Board of Directors may appoint one or more Vice-Chairmen from its members.*

The role of the Vice-Chairman 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 shall be 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 shall only chair 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 shall 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 six times in 2020. The attendance rate was 100%.

The Board of Directors was regularly informed of and based its decisions on the work of the Audit Committee, the Appointments, Ethics and Governance Committee, and the Compensation Committee.

b. Issues discussed

The main issues discussed in 2020 included the following:

- the Company's strategy and project, notably for its business transformation;
- the 2020 budget and major guidelines;
- approval of the financial statements for the year ended 31 December 2019;
- approval of the interim financial statements for the first half of 2020;
- approval of financial information and forward-looking information documents;
- quarterly results and related financial reports;
- deliberations on workplace and wage equality;
- composition of the Committees;
- operating procedures of the Board of Directors: its internal regulations;
- qualification of directors as independent;
- company officer compensation with regard to legislative and regulatory developments in 2020.

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 disseminated by the Company.

d. Training

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 2020.

4.1.2.5 Assessment of the Board of Directors

The Board of Directors decided to introduce an annual self-assessment of its working procedures in accordance with the recommendations of the Middlenext 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 2020, the results of the self-assessment of the Board of Directors were discussed during the Meeting of 10 December 2020. No specific improvements were identified.

4.1.3 Committees of the Board of Directors

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 10 December 2020. Its members are:

- Hervé Saint-Sauveur (Chairman);
- Véronique de la Bachelerie;
- Hervé Déchelette;
- Michael Gollner;
- Helen Louise Heslop;
- Yann Metz-Pasquier.

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 1 "Composition and procedures of the management and supervisory bodies". This enables them to fully investigate all issues submitted to them by the Company. The Chairman of the Audit Committee is an independent director.

Without prejudice to the powers given by law to the Board of Directors, the Audit Committee's main responsibilities include the following:

- examine the financial statements, especially in order to:
  - review the Company's exposure to risks as well as its off- balance sheet commitments,

  - verify the procedures for collecting and validating the reliability of information,
  - ensure that accounting policies have been applied consistently and are relevant;
- supervise the effectiveness of internal control and risk management procedures;
- monitor internal audit and its procedures;
- monitor the statutory audit of the Group's financial statements by the Statutory Auditors;
- ensure compliance with the independence requirement for Statutory Auditors.

In addition, the Audit Committee:

- issues a recommendation on the Statutory Auditors proposed for appointment by the General Meeting, where applicable. This recommendation to the Board is prepared in accordance with regulations: 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 audits conducted in accordance with regulations;
- ensures that the Statutory Auditor complies with the conditions of independence under the terms set forth by regulations;
- approves the provision of non-audit services in compliance with applicable regulations;
- regularly reports to the Board regarding performance of its duties. It also reports on the results of the 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 six times in 2020 in the presence of the Statutory Auditors. The attendance rate was 97%.

The main items of business at these meetings were:

- to review the consolidated and parent company financial statements for the year ended 31 December 2019;
- to review the financial statements for the first half of 2020;
- 2020 impairment tests;
- to monitor internal audit procedures:
  - to review the 2020 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 2020;
- to monitor Statutory Auditors procedures:
  - to review the conclusions of Statutory Auditor procedures,
  - to review the Statutory Auditors' report to the Audit Committee,
  - to review the preparation of key audit matters,
  - to pre-approve non-audit services,
  - to validate the budget and review the audit plan;
- to review the draft Universal Registration Document and notably the Risk factors section and the report on corporate governance;
- to review the cash position;
- to review insurance policies taken out or being taken out;
- to self-assess the Audit Committee.

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, Ethics and Governance Committee

The Appointments, Ethics and Governance Committee (previously the Selection, Ethics and Governance 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, Ethics and Governance Committee's current composition was confirmed by the Board of Directors' meeting of 10 December 2020. Its members are:

- Kathleen Clark Bracco (Chairwoman);
- Pierre-Yves Commanay;
- Hervé Déchelette;
- Pascal Imbert;
- Pierre Pasquier;
- Yves de Talhouët.

The Appointments, Ethics and Governance 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 Chairman 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 five times in 2020. The attendance rate was 97%.

In 2020, its main duties were:

- to conduct the assessment of the Board of Directors;
- to give an opinion on the Non-Financial Performane Statement;

- to verify the application of rules of good governance in the Company and in its subsidiaries;
- to assess the status of the independent members of the Board of Directors pursuant to the Board's decisions on this subject;
- 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 prepare the agenda of the General Meeting of 3 June 2020;
- to take into account any legal and regulatory changes during the fiscal year;
- 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 set up the Company's internal whistle-blowing procedure;
- to verify the implementation of an internal Company procedure on everyday and regulated agreements;
- to issue an opinion on the Annual Non-Financial Performance Statement.

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 10 December 2020. Its members are:

- Pascal Imbert (Chairman);
- Pierre-Yves Commanay;
- Kathleen Clark Bracco;
- Nicole-Claude Duplessix;
- Emma Fernandez;
- 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 Chairman or by two of its members.

The Compensation Committee met five times during the course of the year ended 31 December 2020. The attendance rate was 97%.

In 2020, its main duties were:

- to prepare the company officer compensation policy;
- to propose the fixed and variable compensation 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 last five years	Offices and duties held outside the Group during the last five years
Pierre Pasquier **Business address:** Sopra Steria Group SA PAE Les Glaisins Annecy-le-Vieux 74,940 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 2022	**Offices and duties currently held:** (Chapter 4, Section 1.2) **Expired offices and duties:** (Chapter 4, Section 1.2)	**Offices and duties currently held:** (Chapter 4, Section 1.2) **Expired offices and duties:** (Chapter 4, Section 1.2)
Patrick Donovan **Business address:** Axway 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254. USA	Chief Executive Officer	**1st appointment:** 06 April 2018	**Offices and duties currently held:** Chief Executive Officer of Axway Software SA; 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 Group's growth and permanent transformation (digital, in particular), the separation of offices appears to be the most appropriate organisation. The governance has entrusted 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, Ethics and Governance 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 (Chapter 4, Section 1.2.2.).

The Chairman of the Board of Directors devoted a considerable amount of time to his duties throughout the year. His activities involve managing the work of the Board and performing additional tasks required by the Group's business.

This scope embodies governance of corporate strategy, potential acquisitions, investor relations and certain issues classified as strategic. These strategic issues share the need to prepare the future of the Group for the long-term and particularly digital transformation.

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 Articles of Association, 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 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:
  - 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 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 €1,000,000.

4.2 Regulated agreements and assessment of everyday agreements

4.2.1 Reclassification of a previously approved agreement

The Company signed an agreement with the Sopra Steria Group for the provision of business premises initially to accommodate the business activities of Axway Software SA, a wholly-owned subsidiary, upon incorporation. This sub-lease agreement between Sopra Steria and Axway Software enables the address of the registered office to be retained in Annecy, which is the historical head office and important to the Group's image.

Considering the lease of premises to be standard practice in the Group and after noting the rebilling to Axway Software of lease costs by Sopra Steria at market conditions based on the number of square meters, the Board of Directors meeting of 19 February 2020 unanimously decided (with abstention of relevant directors) to reclassify, going forward, this regulated agreement as an everyday agreement.

4.2.2 Agreements approved in previous years which had continuing effect during the year

Agreements approved in previous years with continuing effect during the year ended 31 December 2020 are 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.

The Board of Directors' meeting of 28 January 2021 unanimously approved (with abstention of relevant directors) (i) the continuation of the authorisation previously granted and (ii) the payment of €590,902.94 to Sopra GMT for services rendered in the year ended 31 December 2020.

4.2.3 Assessment procedure for everyday agreements and implementation during the year ended 31 December 2020

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 new 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 controls 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 in respect of 2020. The Legal Department delivered its report which did not highlight any reclassifications of everyday agreements into regulated agreements as they satisfied all the criteria enabling them to be classified as everyday agreements concluded at arm's length.

On 28 January 2021, the Board of Directors took note of this report and the proper implementation of the everyday agreement verification procedure in respect of 2020.

4.2.4 Statutory Auditors' special report on regulated agreements and commitments

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.

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. 225-38 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 €590,902.94, excluding taxes, in respect of this agreement for the 2020 fiscal year.

On 28 January 2021, your Board of Directors reviewed this agreement and decided to maintain it for the fiscal year ended 31 December 2020.

Persons concerned	
Pierre Pasquier	Chairman of the Board of Directors of Axway Software Chairman and Chief Executive Officer of Sopra GMT
Kathleen Clark Bracco	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, 25 February 2021

The Statutory Auditors

Aca Nexia	**Mazars**
Sandrine Gimat	Bruno Pouget

4.3 Code of Corporate Governance

The Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and midcaps in September 2016 (available on the Middlenext website: www.middlenext.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 Middlenext Code is included in Chapter 4, Section 4.1.

The Company applies the majority of recommendations included in the Middlenext 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 2020, the application status of the Code's recommendations is as follows:

Recommendation no.	Purpose of the recommendation	Applied	Explained
1	Board member ethical requirements	Partially	(1)
2	Conflicts of interest	Yes	
3	Composition of the Board - Independent directors on the Board	Yes	
4	Board member information	Yes	
5	Organisation of Board and Committee meetings	Yes	
6	Creation of committees	Yes	
7	Introduction of Board's internal regulations	Partially	(2)
8	Selection of directors	Yes	
9	Directors' term of office	Yes	
10	Directors' compensation	Yes	
11	Introduction of an assessment of the Board's work	Yes	
12	Relations with shareholders	Yes	
13	Definition and transparency of the compensation of executive officers	Yes	
14	Preparation of succession plans for senior executives	Yes	
15	Combination of employment contract and directorship	Yes	
16	Severance pay	Yes	
17	Supplementary pension plans	Yes	
18	Stock options and free share grants	Yes	
19	Watch-points	Yes	(3)

(1) The members of the Axway Board have not expressly signed the Board's internal regulations, the Ethics charter and the Securities Trading Code of Conduct. However, they all approved their content and update at the Board meetings of 27 July 2020 and 21 October 2020.

(2) This recommendation is followed, with the exception of the full publication of the internal regulations. Nevertheless, the limitation on the powers of the Company's Chief Executive Officer, and the roles of the Chairman and Vice-Chairman as set forth in the Company's internal regulations are presented in Chapter 4, Sections 4.1.2 "Procedures of the Board of Directors" and 4.1.4 "Executive Officers" of this Universal Registration Document. The main provisions of the Company's internal regulations can be communicated to any shareholder at their request.

(3) The watch-points were reviewed during the first quarter of 2020.

4.4 Compensation and benefits

4.4.1 Compensation components paid or awarded to executive officers in respect of the year ended 31 December 2020

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 3 June 2020.

4.4.1.1 Compensation components paid or awarded to directors in respect of their duties for the year ended 31 December 2020

The Company's Combined General Meeting of 3 June 2020, in the 4th 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 2020.

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 within Axway

Company officer	Amounts due in fiscal year 2020*	Amounts due in fiscal year 2019*	Amounts due in fiscal year 2018*
Pierre Pasquier			
Compensation(1)	18,996	20,663	17,951
Other compensation		-	-
Hervé Saint-Sauveur			
Compensation(1)	33,460	32,927	36,406
Other compensation		-	-
Hervé Déchelette			
Compensation(1)	28,654	34,386	32,751
Other compensation		-	-
Pascal Imbert			
Compensation(1)	28,702	30,565	26,580
Other compensation		-	-
Kathleen Clark Bracco			
Compensation(1)	28,702	28,154	24,780
Other compensation		-	-
Pierre-Yves Commanay			
Compensation(1)	21,908	22,594	22,265
Other compensation		-	-
Nicole-Claude Duplessix			
Compensation(1)	18,996	13,735	15,434
Other compensation		-	-
Véronique de la Bachelerie			
Compensation(1)	23,801	23,790	23,404
Other compensation		-	-

Company officer	Amounts due in fiscal year 2020*	Amounts due in fiscal year 2019*	Amounts due in fiscal year 2018*
Michael Gollner			
Compensation(1)	23,801	17,748	25,920
Other compensation		-	-
Yves de Talhouët			
Compensation(1)	23,849	19,675	15,074
Other compensation		-	-
Yann Metz-Pasquier			
Compensation(1)	23,801	25,074	10,401
Other compensation		-	-
Emma Fernandez			
Compensation(1)	18,996	23,077	19,748
Other compensation		-	-
Helen Louise Heslop			
Compensation(1)	22,192	22,506	25,920
Other compensation		-	-
Marie-Hélène Rigal-Drogerys			
Compensation(1)	14,143	15,106	5,367
Other compensation		-	-
Total	330,000	330,000	302,000

* *The amounts stated in this table are gross amounts in euros.*

(1) *Compensation referred to in Article L. 22-10-14 of the French Commercial Code (formerly "directors' fees").*

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 2020

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 3 June 2020 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	**€18,996**	Compensation referred to in Article L. 22-10-14 of the French Commercial Code paid 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 2020

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 3 June 2020 are as follows:

Compensation paid or granted during the year then ended	Amounts or accounting valuation submitted to vote	Presentation
Fixed compensation	**€481,527 (Gross amount paid)**	
Annual variable compensation	**€507,529 (Gross amount to be paid after approval by General Meeting) (including, where necessary, the deferred portion of this compensation)**	Quantitative criteria for : • 45% based on organic growth in signatures. This percentage may be increased to 90% in the event of notable outperformance; • 45% based on Group profit on operating activities. This percentage may be increased to 56% in the event of notable outperformance; Qualitative criteria for : • 5% based on the employee engagement indicator; and • 5% based on the NPS customer satisfaction indicator. Variable compensation granted in respect of fiscal year 2020 represents 105.4% of fixed compensation. Quantitative criteria were attained 106% and qualitative criteria were attained 100%.
Free share grant	**Shares = €1,950,000 (accounting valuation)**	100,000 performance share rights (representing potentially 0.47% of the Company's share capital), subject to the effective presence of the Chief Executive Officer and certain quantitative criteria based on the operating margin and the volume of Subscription signatures generated by Axway. 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 in 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 Middlenext 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)	2020	2019	2018[1]
Pierre Pasquier			
Compensation payable in respect of the fiscal year	156,996	158,663	155,951
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	989,056	611,089	399,279
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	1,950,000	1,310,000	706,320
Free shares granted under the Free Share Grant Plan implemented (number of shares)	100,000	100,000	36,000

Summary of the compensation received by each executive officer in respect of their duties in Axway

	2020		2019	
(gross amounts in euros)	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)	18,996	20,663	20,663	17,951
Value of benefits in kind			-	-
Total	**156,996**	**158,663**	**158,663**	**155,951**
Patrick Donovan				
Fixed compensation(2)	481,527	481,529	375,178	375,178
Variable compensation(2)(3)	507,529	235,911	235,911	145,246
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	**989,056**	**717,440**	**611,089**	**520,424**

(1) Fixed compensation and compensation referred to in Article L. 225-45 of the French Commercial Code are paid by Axway Software.

(2) Fixed and variable compensation and benefits in kind are paid by Axway Software and Axway Inc., in US dollars. The exchange rate used for this table at 31 December 2020 was €1 = $1.1422 and the rate applied at 31 December 2019 was €1 = $1.11947.

(3) Variable compensation is 60% dependent on quantitative criteria and 40% dependent on qualitative criteria. The criteria applied to determine the amount of variable compensation are organic growth in signatures and Group operating margin. The attainment levels for quantitative and qualitative criteria have been precisely determined, however they cannot be disclosed due to confidentiality reasons.

Pierre Pasquier, Chairman and Chief Executive Officer of Sopra GMT, Axway Software's holding company, received from this company fixed compensation of €60,000 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 2020. This compensation is not reinvoiced 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 €27,944 for 2020.

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 2020, no stock options were granted to executive officers. A table presenting share subscription options is included in the Board of Directors' report (see Point I in Chapter 4, Section 4.6.2).

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 2020. 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. A table presenting share subscription options is included in the Board of Directors' report (see Point II in Chapter 4, Section 4.6.2).

Past free share grants

Date of General Meeting	6 June 2018
Date of Board of Directors' meeting	25 July 2018
Total number of free shares granted, of which to:	264,500
• **Patrick Donovan**	**36,000**
Valuation of shares based on the method used for the consolidated financial statements	€19.10 per share
Share vesting date	Rights to performance shares vest in thirds each year commencing on the anniversary date, i.e. from 25 July of one year to 24 July of the following year, subject to a combination of performance and presence conditions detailed in the report on the grant of performance shares (see Chapter 4, Section 4.7).
Lock-in period end date	50% of free shares awarded must be held by the Chief Executive Officer throughout his tenure at the head of the Company.
Number of shares subscribed at 31 December 2019	-
Cumulative number of shares cancelled or lapsed	-
Number of free shares remaining at the reporting date	36,000

Date of General Meeting	5 June 2019
Date of Board of Directors' meeting	24 July 2019
Total number of free shares granted, of which to:	100,000
• **Patrick Donovan**	**100,000**
Valuation of shares based on the method used for the consolidated financial statements	€13.10 per share
Share vesting date	Rights to performance shares vest in thirds each year commencing on the anniversary date, i.e. from 24 July of one year to 23 July of the following year, subject to a combination of performance and presence conditions detailed in the report on the grant of performance shares (see Chapter 4, Section 4.7).
Lock-in period end date	30% of free shares awarded must be held by the Chief Executive Officer throughout his tenure at the head of the Company.
Number of shares subscribed at 31 December 2019	-
Cumulative number of shares cancelled or lapsed	-
Number of free shares remaining at the reporting date	100,000

Date of General Meeting	5 June 2019
Date of Board of Directors' meeting	27 July 2020
Total number of free shares granted, of which to:	100,000
• **Patrick Donovan**	**100,000**
Valuation of shares based on the method used for the consolidated financial statements	€19.50
Share vesting date	Rights to performance shares vest in thirds each year commencing on the anniversary date, i.e. from 27 July of one year to 26 July of the following year, subject to a combination of performance and presence conditions detailed in the report on the grant of performance shares (see Chapter 4, Section 4.6).
Lock-in period end date	30% of free shares awarded must be held by the Chief Executive Officer throughout his tenure at the head of the Company.
Number of shares subscribed at 31 December 2020	-
Cumulative number of shares cancelled or lapsed	-
Number of free shares remaining at the reporting date	100,000

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 Middlenext 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 quantifiable 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 quantifiable 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 quantifiable 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 quantifiable 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.10 of the Middlenext 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 2021 is as follows:

- allocation of total compensation between the Committees and the Board of Directors as follows:
  - Board of Directors: 60%,
  - Audit Committee: 20%,
  - Appointments, Ethics and Governance Committee: 10%,
  - 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 2021, 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 Middlenext Code, that is completeness, balance between compensation components, benchmarks, consistency, clear rules, restraint and transparency;
- the experience and expertise of the company 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.

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.

The Board of Directors' meeting of 28 January 2021 decided not to propose a change to the compensation policy of the Chairman of the Board of Directors.

Fiscal year 2021 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

Given the above and based on the criteria detailed previously for defining executive officer compensation, the Board of Directors proposes the retention of Pierre Pasquier's compensation for fiscal year 2021 at the level set since fiscal year 2018, that is fixed gross compensation of €138,000.

In the event of appointment of a new Chairman, the Board of Directors will determine his or 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.

Fiscal year 2021 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	Amount: 100% of 2021 fixed compensation if objectives are attained and up to 180% of fixed compensation in the event of notable outperformance, conditional on the attainment of:
	• quantifiable criteria:
	  • 40% based on organic growth. This percentage may be increased to 80% in the event of notable outperformance,
	  • 40% based on Axway profit on operating activities. This percentage may be increased to 80% in the event of notable outperformance;
	• qualitative criteria:
	  • 10% based on the employee engagement indicator,
	  • 10% based on the NPS customer satisfaction indicator;
	Precise 2021 objectives were set by the Board of Directors for these criteria but attainment levels are not published for confidentiality reasons.
	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.

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, in the event of 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
Stock options, performance shares or any other long-term compensation	Eligible for long-term incentive plans implemented for Axway management. These plans include a condition of presence throughout the duration of the plan and demanding performance conditions. Vesting period of two years or more. Obligation to hold 30% of shares vested under the plan throughout his term of office.
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 the Group'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 fixed compensation of the Chief Executive Officer, based on the recommendations of the Compensation Committee.

The Board of Directors therefore proposed gross fixed annual compensation of US$550,000 for the fiscal year ending 31 December 2021, unchanged on fiscal year 2020.

Variable compensation

Each year, the Board of Directors decides the variable compensation of the Chief Executive Officer, based on the recommendations of the Compensation Committee.

This 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 2021, if objectives are attained, would be US$550,000, unchanged on fiscal year 2020.

The split between quantitative and qualitative criteria (90% and 10% in 2020) was changed to 80% and 20%, respectively, in 2021. This sought to give greater weight to qualitative criteria tied to the long-term performance of the Company, including one criteria tied to the employee section of the CSR policy.

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 the 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 Middlenext 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 the 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

	2020	*2019*	*2018*	*2017*	*2016*
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	120,000
Ratio with average compensation (World)	1.7	1.7	1.7	1.8	1.7
Ratio with median compensation (World)	2.1	2.1	2.2	2.2	2.1
Chief Executive Officer					
Compensation of the Chief Executive Officer *(in euros)*	956,522	675,320	640,162	1,109,997	858,295
Ratio with average compensation (World)	11.6	8.3	7.9	14	12
Ratio with median compensation (World)	14.4	10.4	10	18	15
Employees					
Average compensation (excluding company officers - World) *(in euros)*	82,700	81,223	80,276	78,742	71,106
Median compensation (excluding company officers – *World) (in euros)*	66,441	64,648	63,803	61,413	57,242
Performance criteria (in millions of euros)					
(Revenue)	*297*	300	283.8	299.8	301.1
(Operating profit/(loss))	*30.8*	14.3	18.2	27.7	35

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 17 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 Document, were included in the calculations. Compensation amounts were restated on a full-time equivalent basis. The position of Chief Executive Officer was held by three different individuals during the five-year calculation period, all of whom were based and paid in the United States. This is also the case for the current Chief Executive Officer. All three 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 Registration Documents) were applied in preparing the table:
  - at 31 December 2016, €1 = US$ 1.1651,
  - at 31 December 2017, €1 = US$ 1.12703,
  - at 31 December 2018, €1 = US$ 1.18095,
  - at 31 December 2019, €1 = US$1.11947,
  - at 31 December 2020, €1 = US$1.1422.

4.4.4 Provisions made by the Company and its subsidiaries to pay pension, retirement and other benefits to senior executives

There is no specific supplementary retirement scheme for senior executives outside the common law system.

4.4.5 Description of free share grants

I. Free shares granted during the fiscal year ended 31 December 2018

During the course of the fiscal year ended 31 December 2018, a free performance share grant plan, the features of which are detailed below, was put in place by the Company.

The Combined General Meeting of 6 June 2018, in its 17th resolution, and after having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorised the Board of Directors to grant free performance shares, on one or more occasions, at its choice, 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 or to certain categories of such employees or officers 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;
2. resolved that the total number of performance shares awarded, whether they consisted of existing shares or shares to be issued, could not exceed 4% of the Company's share capital on the date of the Board of Directors' grant decision, not taking into account the number of shares to be issued, if applicable, pursuant to the adjustments required to preserve the rights of the beneficiaries of free share grants.

The Board meeting of 25 July 2018, in application of the aforementioned resolution, approved the conditions for the grant of free performance shares to employees, and set the conditions and criteria for the grant of free shares under a second Plan involving 264,500 performance shares (the LTI C 2018 Plan). The main characteristics of this plan are as follows:

- a free grant of a total number of 264,500 rights to performance shares in favour of employees and the Chief Executive Officer of the Company within the meaning of Article L. 225-197-1-II of the French Commercial Code subject to meeting the various conditions precedent detailed below, it being specified that at the date of 6 June 2018, the effective date of the free grant of performance shares, the value of the Company's share was €19.62 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period, such that at the date of the Board meeting, each beneficiary only receives one right to a performance share:
  - this LTI C plan was implemented over three (3) years for employees and for the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, each employee beneficiary will receive the shares at the end of this three (3) year period. Subject to fulfilment of the cumulative conditions detailed below, the Chief Executive Officer will receive shares 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 linked to it within the meaning of Article L. 225-197-2 of the French Commercial Code;
    - performance condition:
      - the performance requirement as defined in the plan will determine the number of performance shares delivered to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
      - for Plan C, it is based on the organic growth in Company signatures and profit on operating activities;
    - 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 2019

During the course of the fiscal year ended 31 December 2019, three free performance share grant plans, the features of which are detailed below, were put in place by the Company.

The Combined General Meeting of 6 June 2018, in its 17th resolution, and after having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorised the Board of Directors to grant free performance shares, on one or more occasions, at its choice, 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 or to certain categories of such employees or officers 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;
2. resolved that the total number of performance shares awarded, whether they consisted of existing shares or shares to be issued, could not exceed 4% of the Company's share capital on the date of the Board of Directors' grant decision, not taking into account the number of shares to be issued, if applicable, pursuant to the adjustments

required to preserve the rights of the beneficiaries of free share grants.

a. Free share grant plan for Executive Committee members

The Board meeting of 16 January 2019, in application of the aforementioned resolution, approved the conditions for the grant of free performance shares to employees, and set the conditions and criteria for the grant of free shares under a second Plan involving 75,000 performance shares (the LTI ExCom 2019 Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 75,000 rights to performance shares in favour of employees of the Company within the meaning of Article L. 225-197-1-II of the French Commercial Code subject to meeting the various conditions precedent detailed below, it being specified that at 16 January 2019, the effective date of the free grant of performance shares, the value of the Company's share was €11.50 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period, such that at the date of the Board meeting, each beneficiary only receives one right to a performance share:
  - this LTI ExCom plan is implemented over a period of three (3) years for employees. Subject to fulfilment of the cumulative conditions detailed below, each employee beneficiary will receive the shares 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 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 linked to it within the meaning of Article L. 225-197-2 of the French Commercial Code,
  - 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.

b. Free share grant plan for Worldwide employees

The Board meeting of 20 February 2019, in application of the aforementioned resolution, approved the conditions for the grant of free performance shares to employees, and set the conditions and criteria for the grant of free shares under a second Plan involving 363,800 performance shares (the LTI Worldwide 2019 Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 363,800 rights to performance shares in favour of employees and the Chief Executive Officer of the Company within the meaning of Article L. 225-197-1-II of the French Commercial Code subject to meeting the various conditions precedent detailed below, it being specified that at 20 February 2019, the effective date of the free grant of performance shares, the value of the Company's share was €12.67 per share. This grant will only be finalised if all the conditions have been fulfilled at the end of the vesting period, such that at the date of the Board meeting, each beneficiary only receives one right to a performance share:
  - this LTI Worldwide plan is implemented over a period of three (3) years for employees and for the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, each beneficiary will receive the shares 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 and at 31 December 2021, 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 linked to it within the meaning of Article L. 225-197-2 of the French Commercial Code,
  - 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.

c. LTI AOA free share grant plan

The Board meeting of 5 June 2019, in application of the aforementioned resolution, approved the conditions for the grant of free performance shares to employees, and set the conditions and criteria for the grant of free shares under a third Plan involving 325,000 performance shares (the LTI AOA 2019 Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 325,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company within the meaning of Article L .225-197-1-II of the French Commercial Code subject to meeting the various conditions precedent detailed below, it being specified that at 24 July 2019, the effective date of the free grant of performance shares, the value of the Company's share was €13.10 per share. This grant will only be finalised if all the conditions have been fulfilled at the end of the vesting period, such that at the date of the Board meeting, each beneficiary only receives one right to a performance share:
  - this LTI AOA free share plan is implemented over a period of three (3) years for employees and for the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, each beneficiary will receive the shares 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 linked to it 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 delivered to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
  - for the AOA Plan, it is based on the organic growth in the Company's consolidated revenue, the amount of Company signatures and profit on operating activities;
- guaranteed minimum:
  - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of the rights to 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 a greater number of rights to performance shares. Notwithstanding, the rights to performance shares shall only be deemed vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition set out in Article 5.3 of the AOA plan 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.

III. Free shares granted during the fiscal year ended 31 December 2020

a. LTI Beyond free share grant plan

The Board meeting of 27 July 2020, in application of the aforementioned resolution, approved the conditions for the grant of free performance shares to employees, and set the conditions and criteria for the grant of free shares under a Plan involving 325,000 performance shares (the LTI Beyond 2020 Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 325,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company within the meaning of Article L. 225-197-1-II of the French Commercial Code subject to meeting the various conditions precedent detailed below, it being specified that at 27 July 2020, the effective date of the free grant of performance shares, the value of the Company's share was €19.50 per share. This grant will only be finalised if all the conditions have been fulfilled at the end of the vesting period, such that at the date of the Board meeting, each beneficiary only receives one right to a performance share:
  - this LTI Beyond free share plan is implemented over a period of three (3) years for employees and for the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, each beneficiary will receive the shares 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 linked to it 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 delivered 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:
    - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of the rights to 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 a greater number of rights to performance shares. Notwithstanding, the rights to performance shares shall only be deemed vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition set out in Article 5.3 of the Beyond plan 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.

4.5 Parent company financial statements, consolidated financial statements and appropriation of earnings

At the next General Meeting convened to approve the annual and consolidated financial statements for the fiscal year ended 31 December 2020, shareholders will be asked to:

- approve the annual financial statements for the fiscal year ended 31 December 2020 showing a net loss of €18,162,775;
- approve the non-tax deductible expenses referred to in Article 39-4 of the French General Tax Code, amounting to €44,417; no taxes were incurred due to these expenses;
- approve the consolidated financial statements for the fiscal year ended 31 December 2020, showing a consolidated net profit - Group share of €8,477,560.

Shareholders will also be asked to approve the appropriation in full of the net loss for the year ended 31 December 2020, that is €18,162,775, to “Retained earnings”.

4.6 Other reports

4.6.1 Report of the Board of Directors on the use of delegations of authority granted and other delegations of authority which expired during the fiscal year

Dear shareholders,

The purpose of this report, prepared in accordance with Articles L. 225-129-5 and R. 225-116 of the French Commercial Code, is to inform the Meeting of the use of the current delegations of authority granted to the Board by the General Meeting in accordance with the provisions of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code.

I. Use of the delegations of authority granted by the Combined General Meeting of 6 June 2018

The delegation of authority granted by the General Meeting of 6 June 2018 in its 17th resolution to grant free performance shares to qualifying Axway Group salaried employees or company officers was used in the amount of 2.03%.

In addition, the delegation of authority granted by the General Meeting of 6 June 2018 in its 15th resolution was used in the amount of 0.39%.

The table summarising the delegations of authority that are still valid and their use is available in Chapter 7, Section 7.5 of this Universal Registration Document.

4.6.2 Board of Directors’ report on stock options (prepared in accordance with the provisions of Article L. 225-184 of the French Commercial Code)

Dear shareholders,

The purpose of this report, prepared in accordance with Article L. 225-184 of the French Commercial Code, is to inform the General Meeting of transactions carried out, pursuant to the provisions of Articles L. 22-10-56 to L. 22-10-58 of the French Commercial Code, concerning the grant and exercise of Company stock options during the past fiscal year.

I. Stock options granted during the fiscal year ended 31 December 2020

A summary of transactions carried out in 2020 under the various stock option plans set up by the Company is set out below.

a. Stock options granted to executive officers during the fiscal year ended 31 December 2020

Stock options awarded to each executive officer by the Company and all Group companies during the fiscal year

Name of executive officer	Plan no. and date	Type of options (purchase or subscription)	Valuation of options based on the method used for the consolidated financial statements	Number of options granted during the fiscal year	Exercise price	Exercise period
-	-	-	-	-	-	-

b. Options granted during the fiscal year ended 31 December 2020 by the Company or its affiliates

During fiscal year ended 31 December 2020, the Company and its affiliates did not set up any share subscription option plans for these company officers and/or employees.

c. Stock options granted to the top 10 employees (non-company officers) during the fiscal year ended 31 December 2020

Stock options granted to the top 10 employees (non-company officers) and options exercised by them	Total number of options granted	Weighted average price	Date
Options granted during the fiscal year by the Company and any company within the option grant scope to the 10 employees of the Company, and of any company within this scope, who received the highest number of options granted (aggregate information)	-	€ -	-

d. Stock options granted to all beneficiaries during the fiscal year ended 31 December 2020 and breakdown of these options by category of beneficiaries

Stock options granted to employee beneficiaries during the fiscal year under review

Total number of stock options granted by the Company and any company within the option grant scope during the fiscal year under review	Plan date	Exercise price	Expiry date
-	-	€ -	-
Breakdown of stock options granted during the previous fiscal year			
Top management			-
Employee levels 4, 5 and 6 and/or key employees			-

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II. Stock options exercised during the fiscal year ended 31 December 2020

a. Stock options exercised by executive officers during the fiscal year ended 31 December 2020

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
Patrick Donovan	Amendment no. 1 to Plan no. 3 (2013)	4,000	€15.90
Total	**-**	**4,000**	**€15.90**

b. Stock options exercised by the top 10 employees (non-company officers) during the fiscal year ended 31 December 2020

Stock options exercised by the top 10 employees (non-company officers)	Total number of options exercised / shares purchased	Weighted average price	Plan no. 3	Amendment no. 1 to Plan no. 3	Amendment no. 2 to Plan no. 3
Options held on Company shares and exercised during the fiscal year by the 10 employees of the Company or any company within the option grant scope, who subscribed for the largest number of options (aggregate information)					-
Exercise no. 1	1,000	€14.90	X		
Exercise no. 2	300	€14.90	X		
Exercise no. 3	11,500	€14.90	X		

III. Options cancelled during the fiscal year ended 31 December 2020

For information purposes, 18,500 share subscription options were cancelled under the 2011 Plan.

4.6.3 Board of Directors' report on the authorisation granted by the General Meeting to issue redeemable share subscription and/or purchase warrants (BSAARs) to employees and company officers of the Company or its Group

The Board of Directors did not use the authorisation granted by the 15th resolution of the Combined General Meeting of 3 June 2020 to grant share subscription and/or purchase warrants (BSAARs) to employees and company officers of the Company and its Group.

Consolidated financial statements

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5.1 Consolidated income statement

		2020	2019	2018
Revenue	**4.1**	**297,234**	**299,962**	**283,832**
Employee costs	5.1	-189,891	-187,934	-169,579
Purchases and external expenses	4.2	-63,260	-74,409	-78,035
Taxes and duties		-2,626	-1,645	-2,696
Depreciation and amortisation, provisions and impairment	4.3	-12,660	-12,997	-5,341
Other current operating income and expenses		2,051	2,947	3,729
Profit on operating activities		**30,847**	**25,924**	**31,909**
as % of revenue		***10.4%***	***8.6%***	***11.2%***
Share-based payment expense	5.4	-5,067	-2,740	-1,131
Amortisation of allocated intangible assets	4.4	-8,162	-8,605	-8,315
Profit from recurring operations		**17,618**	**14,579**	**22,463**
as % of revenue		***5.9%***	***4.9%***	***7.9%***
Other operating income and expenses	4.5	24	-288	-4,209
Operating profit		**17,642**	**14,291**	**18,254**
as % of revenue		***5.9%***	***4.8%***	***6.4%***
Cost of net financial debt	11.1	-1,413	-1,551	-734
Other financial income and expense	11.2	-2,657	-564	-893
Income tax expense	6.1	-5,095	-6,770	-5,633
Profit for the year from continuing operations		**8,478**	**5,406**	**10,994**
Profit for the year		**8,478**	**5,406**	**10,994**
as % of revenue		***2.9%***	***1.8%***	***3.9%***
of which share attributable to non-controlling interests		-2	1	0
of which share attributable to owners of the Company		**8,476**	**5,405**	**10,993**

Net income per share - attributable to owners of the Company

(in euros)	Notes	2020	2019	2018
Basic earnings per share	**13.7**	**0.40**	0.25	0.52
Diluted earnings per share	**13.7**	**0.38**	0.24	0.51

5.2 Statement of comprehensive income

(in thousands of euros)	**Notes**	**2020**	**2019**	**2018**
Consolidated profit for the year		**8,478**	**5,405**	**10,994**
Other comprehensive income:				
Actuarial gains and losses on pension plans	5.3	-600	-899	164
Tax impact		170	285	-59
Sub-total items that will not be reclassified subsequently to profit or loss		**-430**	**-614**	**105**
Share attributable to non-controlling interests		0	1	-0
Exchange differences on translating foreign operations	13.7	-20,471	2,792	10,662
Sub-total items that will not be reclassified subsequently to profit or loss		**-20,471**	**2,793**	**10,662**
Total other comprehensive income net of tax		**-20,901**	**2,179**	**10,767**
Total comprehensive income		**-12,423**	**7,584**	**21,760**
of which share attributable to non-controlling interests		2	1	-0
of which share attributable to owners of the Company		**-12,425**	**7,583**	**21,760**

5.3 Consolidated statement of financial position

Assets

(in thousands of euros)	Notes	31/12/2020	31/12/2019	31/12/2018
Goodwill	8.1	330,306	349,976	344,090
Intangible assets	8.3	23,356	33,912	42,322
Property, plant and equipment	8.4	15,421	12,505	13,402
Lease right-of-use assets	9.1	28,935	23,474	-
Financial assets	7.1	8,622	5,089	3,526
Differed tax assets	6.4	16,289	17,724	19,394
Non-current assets		**422,929**	**442,679**	**422,734**
Inventories		-	0	91
Trade receivables	7.2	88,085	71,893	65,565
Other current receivables	7.3	32,167	33,179	29,634
Cash and cash equivalents	11.3	16,165	21,087	35,785
Current assets		**136,417**	**126,158**	**131,074**
Total assets		**559,346**	**568,838**	**553,808**

Equity and liabilities

(in thousands of euros)	Notes	31/12/2020	31/12/2019	31/12/2018
Share capital		42,702	42,451	42,451
Capital reserves		111,541	110,976	110,976
Consolidated and other reserves		192,744	203,764	198,329
Profit for the year		8,476	5,405	10,993
Equity - share attributable to owners of the Company		**355,463**	**362,596**	**362,749**
Non-controlling interests		**4**	**2**	**1**
Total equity	**13**	**355,466**	**362,598**	**362,751**
Financial debt – long-term portion	11.4	37,270	39,201	41,774
Lease liabilities - long-term portion	9.2	32,162	22,903	-
Deferred tax liabilities	6.4	2,298	488	582
Other non-current liabilities including long-term provisions	7.4	10,761	13,090	10,827
Non-current liabilities		**82,490**	**75,683**	**53,184**
Financial debt – short-term portion	11.4	2,942	3,452	4,238
Lease liabilities - short-term portion	9.2	5,625	6,809	-
Trade accounts payables	7.5	13,778	16,617	15,441
Deferred income	7.6	54,692	60,567	75,232
Other current liabilities	7.7	44,353	43,112	42,963
Current liabilities		**121,390**	**130,557**	**137,874**
Total liabilities		**203,880**	**206,240**	**191,057**
Total equity and liabilities		**559,346**	**568,838**	**553,808**

5.4 Consolidated statement of changes in equity

(in thousands of euros)	Share Capital	Capital reserves	Treasury shares	Reserves and conso-lidated profit	Other compre-hensive income	Attributable to: owners of the Company	Attributable to: non-controlling interests	Total
Equity at 31/12/2018	**42,451**	**110,976**	**-876**	**186,437**	**23,760**	**362,749**	**1**	**362,751**
Capital transactions	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	2,689	-	2,689	-	2,689
Transactions in treasury shares	-	-	49	-1,202	-	-1,153	-	-1,153
Ordinary dividends	-	-	-	-8,472	-	-8,472	-	-8,472
Changes in scope of consolidation	-	-	-	-	-	-	-	-
First-time application of IFRS 16	-	-	-	-695	-	-695	-	-695
Others movements	-	-	-	-115	10	-105	-	-105
Transactions with shareholders	**-**	**-**	**49**	**-7,796**	**10**	**-7,736**	**-**	**-7,736**
Profit for the year	-	-	-	5,405	-	5,405	-	5,405
Other comprehensive income	-	-	-	-	2,179	2,179	1	2,180
Total comprehensive income for the year	**-**	**-**	**-**	**5,405**	**2,179**	**7,584**	**1**	**7,585**
Equity at 31/12/2019	**42,451**	**110,976**	**-827**	**184,046**	**25,950**	**362,597**	**2**	**362,598**
Capital transactions	251	564	-	-167	-	649	-	649
Share-based payments	-	-	-	4,405	-	4,405	-	4,405
Transactions in treasury shares	-	-	113	125	-	238	-	238
Ordinary dividends	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Others movements	-	-	-	-16	16	-0	-0	-0
Transactions with shareholders	**251**	**564**	**113**	**4,347**	**16**	**5,292**	**-0**	**5,292**
Profit for the year	-	-	-	8,476	-	8,476	2	8,478
Other comprehensive income	-	-	-	-	-20,901	-20,901	0	-20,901
Total comprehensive income for the year	**-**	**-**	**-**	**8,476**	**-20,901**	**-12,425**	**2**	**-12,423**
Equity at 31/12/2020	**42,702**	**111,540**	**-714**	**196,869**	**5,065**	**355,463**	**4**	**355,466**

5.5 Consolidated statement of cash flows

(in thousands of euros)	Notes	2020	2019	2018
Consolidated net income (including share attributable to non-controlling interests)		**8,478**	**5,406**	**10,994**
Net charges to depreciation, amortisation and provisions		19,940	20,484	12,896
Unrealised gains and losses relating to changes in fair value		-	-	-
Share-based payment expense	5.4	4,405	2,689	1,190
Other calculated income and expense		-	-	-894
Gains and losses on disposal		15	82	24
Dividends (non-consolidated securities)		-0	-0	0
Cash from operations after cost of net financial debt and tax		**32,838**	**28,661**	**24,209**
Cost of net financial debt	11.1	1,413	1,551	734
Income tax expense (including deferred tax)	6.1	5,095	6,770	5,633
Cash from operations before cost of net financial debt and tax (A)		**39,346**	**36,982**	**30,576**
Tax paid (B)		-3,516	-4,127	-4,408
Changes to operating working capital requirements (including liabilities related to employee benefits) (C)	12.2	-23,706	-19,250	-3,558
Net cash from operating activities (D) = (A+B+C)		**12,124**	**13,605**	**22,610**
Purchases of intangible assets and PP&E	12.1	-7,746	-4,550	-4,374
Proceeds from disposals of intangible assets and PP&E		-	-2	-
Impact of changes in the scope of consolidation	8.1	-400	-723	0
Dividends received (associates, non-consolidated securities)		0	0	-0
Change in loans and advances granted		-26	-130	196
Other cash flows from investing activities		61	246	203
Net cash from (used in) investing activities (E)		**-8,111**	**-5,159**	**-3,974**
Proceeds from the exercise of stock options	13.3	649	-	232
Purchases and proceeds from disposal of treasury shares	13.2	-201	-1,164	-
Dividends paid to shareholders of the parent company	13.6	-	-8,472	-4,237
Dividends paid to minority interests of consolidated companies		-	-0	-1
Proceeds from borrowings	11.4	-	15,000	-
Repayment of borrowings	11.4	-2,360	-18,639	-2,853
Change in lease liabilities	4.2	-4,444	-7,652	-
Net interest paid (including finance leases)		-657	-766	-861
Other cash flow relating to financing activities		-851	-1,550	-2,960
Net cash from (used in) financing activities (F)		**-7,864**	**-23,243**	**-10,679**
Effect of foreign exchange rate changes (G)		-1,059	87	-323
Net change in cash and cash equivalents (D+E+F+G)		**-4,911**	**-14,710**	**7,634**
Opening cash position		21,062	35,772	28,137
Closing cash position	11.3	16,151	21,062	35,772

5.6 Notes to the consolidated financial statements

Contents of the financial statements notes

This is the tenth publication for the Axway Group since its IPO on the NYSE Euronext in Paris on 14 June 2011.

The consolidated financial statements for fiscal year 2020 were approved by the Board of Directors on 24 February 2021.

The Notes to the consolidated financial statements form an integral part of the consolidated financial statements.

Note 1 Accounting principles

The consolidated financial statements were prepared in accordance with prevailing accounting policies and principles at 31 December 2020 as presented below.

Our accounting principles are written in burgundy against a grey background to identify them clearly, as follows: **"Accounting policies, judgements and estimates".**

The impacts of the COVID-19 crisis on the consolidated financial statements of the period are disclosed in Note 1.3 and identified in the Notes to the financial statements by the heading **"COVID-19"**.

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	*(8.1)*	Goodwill
(1.3)	Impact of the COVID-19 crisis on the consolidated financial statements	*(8.1)*	Business combinations
(1.4)	Significant estimates and accounting judgements	*(8.2)*	Impairment tests
(1.5)	Format and translation of financial statements	*(8.3)*	Other intangible assets
(2.1)	Consolidation methods	*(8.4)*	Property, plant and equipment
(3.0)	Segment reporting	*(9.0)*	Leases
(4.1)	Revenue recognition	*(10.0)*	Provisions
(5.3)	Employee benefits	*(11.2)*	Other financial income and expense
(5.4)	Share-based payments	*(11.3)*	Cash and cash equivalents
(6.0)	Income tax expense	*(11.4)*	Financial debt
(7.1)	Non-current financial and other assets	*(11.6)*	Financial instruments recorded in the balance sheet
(7.2)	Trade receivables and related accounts	*(13.2)*	Treasury shares
(7.6)	Deferred income	*(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 2020 were prepared in accordance with IFRS standards as adopted by the European Union. These standards are available on the European Commission website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

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 2020 are as follows:

- amendments to References to the Conceptual Framework in IFRS Standards;
- amendments to IAS 1, *Presentation of financial statements,* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*: change in the definition of the term "material";
- amendment to IFRS 16, *COVID-19-Related Rent Concessions*;

- amendment to IFRS 3 *Definition of a business*;
- amendment to IFRS 9, IAS 39 and IFRS 7, *IBOR Reform*.

Pursuant to the amendment to IFRS 16, *COVID-19-Related Rent Concessions*, rent reductions due to COVID-19 are not accounted for as lease modifications. The impact of reductions is therefore recognised immediately in profit or loss for the period. The impact of this amendment on the Group income statement is not material.

Other applications of these amendments had no impact on the Group consolidated financial statements.

1.2.2 Standards and interpretations published by the IASB but not applied in advance

There are no texts published by the IASB and endorsed by the European Union, with an application date after 1 January 2020.

In addition, no texts not yet adopted by the European Union at 31 December 2020 can be applied in advance.

1.3 Impact of the COVID-19 crisis on the consolidated financial statements

The COVID-19 pandemic had a significant impact on our activities and organisation, forcing us to rapidly adapt our working practices to support our customers under the best possible conditions. It impacted the Group's consolidated financial statements and the judgements and estimates used to assess certain assets and liabilities or certain income and expense items and liquidity risk.

Judgements and estimates: based on existing knowledge and best information available

Due to the currently unforeseeable global impacts of COVID-19, Management judgements and estimates are subject to increasing uncertainty. Actual amounts may differ from Group judgements and estimates. Changes may have a more or less material impact on the consolidated financial statements. All available information on expected economic trends and country-specific government mitigation measures was taken into account when updating Management judgements and estimates. The financial statements were prepared using estimates and assumptions based on current knowledge and the best available information.

Presentation of the financial statement: widespread impacts on the income statement

In terms of financial statement presentation, the Group's performance was widely impacted across all income statement line items. Neither the French Financial Markets Authority (AMF) nor the French Accounting Standards Authority (ANC) recommend using non-current income headings, considered inappropriate, to systematically account for the impacts of the COVID-19 crisis; they favour a specific explanation for each line item in the Notes to the financial statements and propose that only usual income and expense items be recorded under non-current income headings.

Accounting policies, judgements and estimates: revenue recognition policy unchanged

In 2020, the Group did not change its revenue recognition policy. The COVID-19 pandemic had no impact on the estimates and judgements relating to our revenue recognition method in 2020. Our revenue recognition policy can be consulted in Note 4.1.1.

Material impact on our level of activity: limited decline in revenue and marketing event and travel expense savings

The Group delivered a solid 2020 performance in the unprecedented context of the COVID-19 crisis. Revenue increased 0.5% organically. The Group reported a significant decrease in license (-51.2%) and services (-11.9%) revenue, offset by the substantial growth in Subscription activity (+63.2%) (see Notes 3 and 4). The unprecedented situation in 2020 seems to have played a role in accelerating the shift in customers' needs, as they favour flexibility in an uncertain environment and therefore the Subscription offering.

The Group recorded all idle capacity generated by the crisis in Profit on operating activities. This resulted in a material decline in marketing and travel expenses over the fiscal year (see Note 4.2. 2.). During lockdown, Axway had recourse to furlough for only a small number of employees (less than 10) who encountered difficulty with childcare (see Note 5.1).

State aid and support measures

The Group recorded the receipt of state aid totalling €0.6 million, mainly in the Asia/Pacific zone. Rent concession totalled €0.4 million.

Excess logistics and safety costs: immaterial costs

The Group did not incur any major excess costs to ensure the safety of its employees, to enable them to continue working from home and to resolve health issues, particularly social distancing, in all its offices. These unique and unusual excess costs were immaterial and recorded as operating expenses under Profit on operating activities.

Deferred taxes: deferred tax assets on tax loss carryforwards maintained

The Group conducted an analysis and concluded that the COVID-19 health crisis had no impact on deferred taxes at 31 December 2020. Sufficient forecast future taxable profits against which capitalised tax losses can be utilised were maintained in this economic crisis context (see Note 6)

Intangible asset impairment tests: tests did not lead to the recognition of an impairment loss

The crisis also impacted the estimates used by the Group to assess certain assets and liabilities or certain income and expense items. This is especially relevant and decisive for the assumptions and estimates used to assess the recoverable amount of intangible assets, and particularly goodwill and intangible assets allocated to customer bases and technologies. The Group considered that the impacts of the COVID-19 crisis represented an indication of impairment. Annual impairment testing performed for information purposes did not identify any indication of impairment. The approach used and the test results are described in Note 8.2. This test did not give rise to the recognition of impairment at 31 December 2020.

Recoverability of trade receivables: no specific risk observed in 2020

The COVID-19 crisis had no material impact on customer collections in 2020. Customer contract monitoring did not reveal any requests to suspend or discontinue services or to renegotiate prices. The limited number of requests mainly involved payment deadline extensions (see Note 7.2). At this stage, the Group has not identified any credit risk.

Non-distribution of dividends

The Axway Software General Shareholders' Meeting, which met on 3 June 2020 to approve the 2019 financial statements, decided not to distribute dividends for 2019 (see Note 13.6).

Group net debt and cash and cash equivalents

At 31 December 2020, Axway had a solid financial position, with cash of €16.2 million and bank debt of €40.2 million. Bank debt covenants were met at 31 December 2020.

The Group has an unused credit facility of €89 million and unused bank overdrafts of €20 million (see Note 11.7).

The Group does not anticipate any medium or long-term cash or financing problems.

Following the COVID-19 health crisis, the Group noted repayment deferrals for two loans at the initiative of Banque Populaire for €0.5 million (see Note 11.4).

Government measures adopted to facilitate cash flow

Government measures taken to facilitate the cash flow of companies resulted in the deferral of tax and social security contributions in the United States and the United Kingdom of €0.5 million (see Note 11.3).

1.4 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.

1.4.1 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:

Note	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

1.4.2 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.

1.5 Format and translation of financial statements

1.5.1 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 positionned 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 stock options and free shares;
- 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 financial debt. EBITDA is equal to Profit on operating activities, excluding charges to depreciation, amortisation and provisions included in this latter indicator.

1.5.2. 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:

	Average rate for the period			Period-end rate		
€1/currency	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Pound sterling	0.8897	0.8778	0.8847	0.8990	0.8508	0.8945
Swedish krona	10.4848	10.5891	10.2583	10.0341	10.4471	10.2543
Romanian leu	4.8383	4.7453	4.6540	4.8683	4.7831	4.6635
Bulgarian lev	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
US dollar	1.1422	1.1195	1.1810	1.2271	1.1234	1.1450
Australian dollar	1.6549	1.6109	1.5797	1.5896	1.5995	1.6220
Hong Kong dollar	8.8587	8.7715	9.2559	9.5138	8.7474	8.9678
Singapore dollar	1.5742	1.5273	1.5926	1.6218	1.5111	1.5591
Yuan (China)	7.8747	7.7355	7.8081	8.0225	7.8204	7.8753
Real (Brazil)	5.8943	4.4134	4.3085	6.3735	4.5157	4.4441

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.

Transactions between entities included in the scope of consolidation, 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 list of consolidated companies is presented in Note 17.

2.2 Principal acquisitions

Newly-consolidated entities

No entities were consolidated for the first time in 2020.

In the first half of 2019, Axway Software acquired the entire share capital of Streamdata.io in France. Streamdata.io holds all the shares of its US subsidiary, Streamdata.io Inc. Streamdata.io's activities are consolidated in the Axway financial statements from 1 April 2019.

2.3 Other changes in scope

Deconsolidated entities

Streamdata.io Inc., in the United States, was liquidated in 2020.

2.4 Comparability of the financial statements

No *pro forma* information is required in 2020.

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. This segment reporting is presented based on a structure founded on:

- a Developer/Distributor model with four business lines (Licenses, Subscription, Maintenance, Services); and
- a geographical model with three regions (Europe, the Americas and Asia-Pacific).

3.1 Revenue by business line

(in thousands of euros)	2020		2019		2018	
License	25,780	8.7%	52,840	17.6%	56,520	19.9%
Subscription	97,287	32.7%	59,597	19.9%	40,327	14.2%
Maintenance	138,194	46.5%	146,692	48.9%	142,810	50.3%
Services	35,972	12.1%	40,832	13.6%	44,175	15.6%
Total revenue	**297,234**	**100.0%**	**299,962**	**100.0%**	**283,832**	**100.0%**

In 2020, Customer Managed Subscription contracts represented €52.4 million, comprising initial revenue of €44 million and recurring revenue of €8.4 million. In 2019, Customer Managed Subscription contracts represented €16.4 million, comprising initial revenue of €13.7 million and recurring revenue of €2.7 million.

3.2 Revenue by region

(in thousands of euros)	2020		2019		2018	
Europe	155,820	52.4%	153,664	51.2%	146,639	51.7%
Americas	125,278	42.1%	129,782	43.3%	122,318	43.1%
Asia Pacific	16,135	5.4%	16,516	5.5%	14,875	5.2%
Total revenue	**297,234**	**100.0%**	**299,962**	**100.0%**	**283,832**	**100.0%**

3.3 Non-current assets by region

(in thousands of euros)	2020		2019		2018	
France	98,484	24.2%	102,747	24.2%	86,052	21.4%
International	308,156	75.8%	322,209	75.8%	316,571	78.6%
Total non-current assets*	**406,640**	**100.0%**	**424,956**	**100.0%**	**402,623**	**100.0%**

* *Excluding financial instruments, deferred tax assets, and assets with respect to post-employment benefits.*

Note 4 Operating profit

In 2020, Axway generated revenue of €297.2 million, up 0.5% organically and down 0.9% in total. While the change in consolidation scope was negligible, due solely to the integration of Streamdata.io on 1 April 2019, currency fluctuations had a negative impact of -€4.1 million on annual Group revenue. At constant exchange rates, Axway revenue would have grown by 0.5% over the year.

Profit on operating activities was €30.8 million, representing 10.4% of revenue, compared to 8.6% in 2019. This €4.9 million increase reflects the resilience of the Group's business model and its ability to adapt its organisation to an unprecedented context. The Group noted a steady acceleration in Subscription during the health crisis, resulting in stable revenue. The increase in *Profit on operating activities* is also due to cost control and the Group's ability to realise savings in a difficult context.

In summary, the following points are of note in 2020:

- robust performance in the context of an unprecedented health and economic crisis;
- return to growth, strategic progress and new customer acquisition in 2020;
- revenue of €297.2 million, up 0.5% organically with a limited decline of -0.9% in total;
- strong revenue growth backed by the steady acceleration in Subscription sales, up 65.8%;
- significant growth of 15.2% in the Signature Metric;
- increase in *Profit on operating activities* to €30.8 million, representing 10.4% of revenue, compared to 8.6% in 2019;
- sales and marketing and, more generally, customer engagement practices adapted to limit the impact of restrictions imposed by the pandemic;
- due to COVID-19 lockdowns in France and worldwide, the Group reported a substantial decline in costs relating to marketing events (-€5.8 million) and travel expenses (-€7.3 million);
- Research and Development and General and Administrative expenses under control.

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, *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.

II. Maintenance revenue

Maintenance revenue is recognised *prorata 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, a new Customer Managed offering has been developed since 2019 in response to growing customer demand. Revenue from services provided under a Customer Managed Software as a Service contract is recognised in accordance with the specific procedure 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 Accrued income; 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.

5

g. Contract balances in the Statement of financial position

Services rendered but not yet, or only partially, invoiced (Customer contract assets) 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.

COVID-19

In 2020, the Group did not change its revenue recognition policy. The COVID-19 pandemic had no impact on the estimates and judgements relating to revenue recognition.

4.1.2 Revenue by business line

The presentation of revenue by business line is as follows:

(in thousands of euros)	2020		2019		2018	
License	25,780	8.7%	52,840	17.6%	56,520	19.9%
Subscription	97,287	32.7%	59,597	19.9%	40,327	14.2%
Maintenance	138,194	46.5%	146,692	48.9%	142,810	50.3%
Services	35,972	12.1%	40,832	13.6%	44,175	15.6%
Total revenue	**297,234**	**100.0%**	**299,962**	**100.0%**	**283,832**	**100.0%**

A breakdown of revenue from Customer Managed Subscription contracts is presented in Note 3.1.

4.1.3 Revenue by geographical area

(in thousands of euros)	2020		2019		2018	
France	93,472	31.4%	86,401	28.8%	80,949	28.5%
Rest of Europe	62,348	21.0%	67,263	22.4%	65,690	23.1%
Americas	125,278	42.1%	129,782	43.3%	122,318	43.1%
Asia Pacific	16,135	5.4%	16,516	5.5%	14,875	5.2%
Total revenue	**297,234**	**100.0%**	**299,962**	**100.0%**	**283,832**	**100.0%**

4.2 Purchases and external expenses

4.2.1 Purchases

(in thousands of euros)	2020	2019	2018
Purchases of subcontracting services	20,508	23,301	20,518
Purchases not for inventory of equipment and supplies	1,005	-68	1,748
Purchases and change in stock of merchandise	8,454	5,753	3,522
Total purchases	**29,968**	**28,986**	**25,788**

The €1 million increase in purchases in 2020 is explained below.

Subcontracting costs of €3.5 million were replaced by in-house resources. In addition, our Subscription activity generated higher contract performance costs (Amazon Web Services and Oracle), up €2.2 million. Finally, 2020 subcontracting purchases include subcontracting services of €5.9 million provided by Steria India (Sopra Steria Group) (€4.7 million in 2019).

Amazon Web Services costs, initially reported under the "Sundry" line item in external expenses, were reclassified to purchases of subcontracting services in the amount of €1.7 million.

COVID-19

The COVID-19 pandemic had no impact on purchases of subcontracting services.

4.2.2 External expenses

(in thousands of euros)	2020		2019		2018	
Rent and rental charges	10,346	31.1%	10,309	22.7%	10,150	19.4%
Lease expenses - IFRS 16 adjustment	-7,131	-21.4%	-7,238	-15.9%	-	0.0%
Maintenance and repairs	8,244	24.8%	6,988	15.4%	6,167	11.8%
External structure personnel	64	0.2%	295	0.6%	296	0.6%
Remuneration of intermediaries and fees	6,318	19.0%	5,728	12.6%	7,306	14.0%
Advertising and public relations	4,135	12.4%	4,054	8.9%	3,955	7.6%
Travel and entertainment	1,913	5.7%	9,179	20.2%	10,712	20.5%
Telecommunications	2,607	7.8%	2,531	5.6%	2,547	4.9%
Sundry	6,796	20.4%	13,577	29.9%	11,114	21.3%
Total external expenses	**33,292**	**100%**	**45,422**	**100%**	**52,247**	**100%**

Marketing events and travel expenses fell significantly in 2020, as detailed in the COVID-19 paragraph below. Excluding these changes, external expenses remained stable in 2020.

As detailed above, Amazon Web Services costs recorded in the "Sundry" line item in 2019 were reclassified to purchases of subcontracting services in the amount of €1.7 million.

COVID-19

The COVID-19 crisis had a very significant impact on external expenses in 2020. Due to lockdowns in France and worldwide, the Group reported a substantial -€5.8 million decline in costs relating to marketing events such as tradeshows and the Imagine Summit. In this context, business travel was suspended and significant travel expense savings were realised of -€7.3 million.

4.3 Depreciation and amortisation, provisions and impairment

(in thousands of euros)	2020	2019	2018
Amortisation of intangible assets	780	1,071	863
Depreciation of property, plant and equipment	4,234	4,176	3,671
Depreciation of right-of-use assets - IFRS 16	6,576	6,349	-
Depreciation and amortisation	**11,590**	**11,596**	**4,534**
Impairment of current assets net of unused reversals	935	1,032	803
Provisions for contingencies and losses net of unused reversals	135	369	4
Provisions and impairment	**1,070**	**1,401**	**807**
Total depreciation and amortisation, provisions and impairment	**12,660**	**12,997**	**5,341**

The application of IFRS 16 led to a charge to depreciation of right-of-use assets of €6.6 million in 2020, in line with the €6.3 million recognised in 2019.

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 €8.2 million in 2020, comprising €3.7 million in respect of customer bases and €4.5 million in respect of Technologies (see Note 8.3).

4.5 Other operating income and expenses

The Group did not record any material non-recurring operating income or expenses in 2020 and 2019.

Non-recurring expenses in 2018 comprised restructuring expenses of €4,076 thousand, mainly for our operations in France, the United States, Italy and Spain.

Note 5 Employees and commitments towards employees

5.1 Employee costs

(in thousands of euros)	2020	2019	2018
Salaries	160,098	160,661	143,890
Social security contributions	36,653	35,089	32,856
Research tax credits	-8,056	-8,539	-8,046
Employee profit sharing and incentive schemes	1,012	656	737
Net expense for post-employment and similar benefit obligations	184	67	141
Total employee costs	**189,891**	**187,934**	**169,579**

Employee costs represent 63.9% of 2020 revenue, up slightly from 2019 (62.7%). They rose 1.0% in absolute terms due to a general increase in salaries and social security contributions.

COVID-19

Widespread working from home in the context of the COVID-19 pandemic resulted in fewer days paid leave being taken in the first half of the year only. In 2020, the number of days paid leave taken was in line with Group policy and comparable to prior years.

It is noteworthy that the Group did not require employees to take exceptional leave and only furloughed a small number of employees (less than 10) who encountered difficulties with childcare.

Governmental measures taken in the pandemic context, mainly in Asia and Australia, enabled Axway to obtain social security concessions in the amount of €0.5 million.

5.2 Workforce

Number of employees at 31 December	2020	2019	2018
France	483	466	468
International	1,405	1,419	1,380
Total	**1,888**	**1,885**	**1,848**

Average number of employees	2020	2019	2018
France	483	472	477
International	1,407	1,418	1,323
Total	**1,890**	**1,890**	**1,800**

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 pensions in accordance with collective bargaining agreements.

The defined-benefit plans are borne directly by the Group, which provides for the cost of the future benefits based on the conditions below.

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 commitment.

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 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:

(in thousands of euros)	01/01/2020	Change in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Others movements	Actuarial gains (losses)	31/12/2020
France	6,394	-	528	-314	-	-	582	7,190
Germany	191	-	72	-2	-	-223	-	38
Bulgaria	83	-	20	-	-	-1	18	119
Total retirement benefits and similar commitments	**6,668**	**-**	**620**	**-317**	**-**	**-224**	**600**	**7,347**
Impact (net of expenses incurred)								
Profit from recurring operations			501		-			
Net financial income			120		-			
Total			**620**		**-**			

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:

	31/12/2020	31/12/2019	31/12/2018
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	0.44%	1.09%	1.89%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	65 years	65 years	65 years
Mortality table	INSEE 2016-2018	INSEE 2014-2016	INSEE 2013-2015

Assumptions referring to mortality rates are based on published statistical data. The INSEE 2016-2018 mortality table was used at 31 December 2020, amending the commitment by €11 thousand in 2020.

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. The method used was modified in 2018 and only includes resignations in average departure rates for the past five years.

The updating of five-year workforce turnover rates and assumptions relating to departure procedures decreased the commitment by €122 thousand.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate for first-rate corporate bonds (carrying a rating of AA or higher) denominated in the payment currency and with a maturity approximating the estimated average maturity of the benefit obligation.

Since 31 December 2009 and for the Eurozone, the Group has used the rates published by Bloomberg as the benchmark for discounting its retirement benefit commitments. A discount rate of 0.44% was used for 2020.

d. Table of changes in Axway Software's provision for retirement benefits

(in thousands of euros)	Present value of unfunded obligations	Net commitments recognised in the balance sheet	Taken to the consolidated income statement
31 Dec. 2018	**5,242**	**5,242**	**193**
Change in scope of consolidation	32	32	32
Past service cost	297	297	297
Net interest expense	106	106	106
Benefits paid to employees	-271	-271	-271
Other movements	102	102	-
Actuarial gains (losses)	886	886	-
31 Dec. 2019	**6,394**	**6,394**	**164**
Change in scope of consolidation	-	-	-
Past service cost	456	456	456
Net interest expense	72	72	72
Benefits paid to employees	-314	-314	-314
Other movements	-	-	-
Actuarial gains (losses)	582	582	-
31 Dec. 2020	**7,190**	**7,190**	**214**

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 (experience adjustments detailed below).

The €582 thousand actuarial loss recognised for Axway Software in 2020 was mainly the result of:

- actuarial gains (losses) arising from experience adjustments (€100 thousand decrease in the commitment);
- actuarial gains (losses) arising from a change in the turnover table (€122 thousand increase in the commitment);
- actuarial gains (losses) arising from a change in the mortality table (€11 thousand increase in the commitment);
- actuarial gains (losses) arising from a change in the discount rate (€546 thousand increase in the commitment).

Experience adjustments on Axway Software plan liabilities are presented in the table below:

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Present value of defined benefit obligations	7,190	6,394	5,242
Experience adjustments on plan liabilities	-100	290	-790
Experience adjustments on plan liabilities (as % of commitments)	-1.38%	4.53%	-15.08%

The following table presents a breakdown by maturity of Axway Software's retirement benefits commitment in France, discounted at 0.44%:

(in thousands of euros)	31/12/2020
Present value of theoretical benefits to be paid by the employer:	
• less than 1 year	199
• from 1 to 2 years	230
• from 2 to 3 years	137
• from 3 to 4 years	135
• from 4 to 5 years	319
• from 5 to 10 years	2,537
• from 10 to 20 years	2,261
• more than 20 years	1,372
Total commitment	**7,190**

f. Sensitivity testing of the discount rates for Axway Software retirement benefits

A +/-0.25 point change in the discount rate would impact Axway Software retirement benefit liabilities in the amount of -€217.6 thousand/+€227.5 thousand, respectively.

5.4 Share-based and similar payment expenses

Accounting policies, judgements and estimates

The Group applies IFRS 2 for share Subscription options and free share grants to employees.

a. Share Subscription options

The option exercise price under the 2011 plan was determined based on the average closing price over the 20 trading days prior to the date on which the decision was made to allocate options. This value is consistent over the plan's duration.

The value attributed to the options is analysed as a cost of services rendered by employees in return for the options and is recognised on a straight-line basis over the vesting period.

This charge is recognised in the income statement under Share-based payment expense, through a credit to Consolidated and other reserves in shareholders' equity. There is thus no net impact on consolidated shareholders' equity.

The calculation includes the total number of options held at each reporting date by eligible employees.

Under the regulations governing the various stock option plans, shares resulting from the exercise of options may not be sold or converted into bearer shares during the statutory lock-up period.

b. Free shares

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 the estimated changes in employee turnover).

The fair value of the 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.

An expense of €5.1 million was recorded in 2020 in respect of stock options granted to employees under stock option and free share grant plans (€2.7 million in 2019), including employer social security contributions of €0.7 million.

The new plan granted in 2020 represents an expense of €0.6 million for the period.

Current free share grant plans are presented below:

Plans	LTI Plan B -2017	LTI Plan C -2018	LTI Plan AOA – 2019	PAGA 2019 - Axway	Free Share Grant Executive Committee Plan	LTI Plan BEYOND -2020
Description	Free share grants to the Axway leadership team, the members of the Executive Committee and other individuals considered key for the Axway Group			200 free shares granted to 1,819 Group employees	Free shares granted to 4 members of the Group Executive Committee	Free share grants to the Axway leadership team, the members of the Executive Committee and other individuals considered key for the Axway Group
Date granted	June 17	July 18	June 19	Jan. 19	Jan. 19	July 20
Number of shares that may be granted	327,500	264,500	325,000	363,800	75,000	295,000
Performance measurement duration	3 years	3 years	3 years	3 years	3 years	3 years
Performance measurement period	Jan. 17 to Dec. 19	Jan. 18 to Dec. 20	Jan. 19 to Dec. 21	Jan. 19 to Jan. 22	Jan. 19 to Jan. 22	Jan. 20 to Dec. 22
Vesting period	June 17 to March 20	July 18 to March 21	July 19 to March 22	Jan. 19 to Jan. 22	Jan. 19 to Jan. 22	July 20 to March 23
Presence-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 (organic growth in signatures and *Profit on operating activities)*		N/A	N/A	Level of performance (organic growth in signatures and *Profit on operating activities)*
Number of potential shares that may be granted at 1 January 2020	164,834	220,000	320,000	317,400	75,000	-
Number of shares granted in 2020	-	-	-	-	-	295,000
Number of shares cancelled in 2020	81,449	63,304	76,778	33,000	25,000	10,000
Number of shares vested in 2020	-	-	-	-	-	-
Number of potential shares that may be granted at 31 December 2020	83,385	156,696	243,222	284,400	50,000	285,000
Income (expense) recognised in the income statement for the fiscal year in thousands of euros	**-727**	**-1,173**	**-902**	**-949**	**-95**	**-561**

Patrick Donovan received 36,000, 100,000 and 100,000 shares respectively under LTI Plan C – 2018, LTI Plan AOA and LTI Beyond, as Chief Executive Officer of the Group. The corresponding expense in 2020 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)	31/12/2020	31/12/2019	31/12/2018
Short-term employee benefits(1)	1,457	1,079	1,000
Share-based compensation benefits	895	322	82
Total compensation of senior executives	**2,352**	**1,401**	**1,082**

(1) Short-term employee benefits include the fixed and variable components of compensation, as well as benefits in kind and directors' fees.

5

2020

The Board of Directors' meeting of 24 February 2021 recommended the payment of variable compensation of €508 thousand to Patrick Donovan for fiscal year 2020. This variable compensation will be voted by the General Meeting, scheduled for 25 May 2021, based on an amount proposed by the Board of Directors, after taking into account the recommendations of the Compensation Committee.

The General Meeting of 3 June 2020 set the amount of directors' fees to be shared among directors at €330 thousand.

In 2020, Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2020.

2019

The Board of Directors' meeting of 19 February 2020 recommended the payment of variable compensation of €236 thousand to Patrick Donovan for the year ended 31 December 2019. This variable compensation was voted by the General Meeting of 3 June 2020, based on the amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

The General Meeting of 5 June 2019 set the amount of directors' fees to be shared among directors at €330 thousand.

In 2019, Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2019.

2018

During its meeting on 6 April 2018, Axway's Board of Directors resolved to end Jean-Marc Lazzari's term of office as CEO and replace him with Patrick Donovan.

The Board of Directors' meeting of 20 February 2019 recommended the payment of variable compensation of €145 thousand to Patrick Donovan for the year ended 31 December 2018. This variable compensation was voted by the General Meeting of 6 June 2019, based on the amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

Jean-Marc Lazzari received gross compensation of US$135 thousand for the period to 6 April 2018 and benefits of kind valued at US$55 thousand.

The General Meeting of 6 June 2018 set the amount of directors' fees to be shared among directors at €302 thousand.

In 2018, Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2018.

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

(in thousands of euros)	2020	2019	2018
Current tax	-2,859	-4,370	-3,865
Deferred tax	-2,235	-2,400	-1,768
Total income tax expense	**-5,095**	**-6,770**	**-5,633**

In 2020, the current tax expense concerns profitable entities and primarily Axway Gmbh in Germany for €1.1 million. The entity in France was not profitable in 2020 and the current tax expense represents the CVAE corporate value-added contribution of €0.9 million. In the United States, the current tax expense comprises State taxes of €0.6 million.

The deferred tax expense primarily comprises two components: deferred tax liabilities recognised on temporary differences pursuant to IFRS 15 of -€8.7 million and capitalised tax losses carried forward regarding Axway Software in France for €5.0 million and Axway Inc. in the United States for €2.3 million.

6.2 Reconciliation of the theoretical and effective tax charge

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.

The Group has decided to recognise the CVAE corporate value-added contribution component of the CET regional economic contribution in the income tax expense, in order to ensure consistency with the treatment of similar taxes in other countries. This approach is also consistent with the position adopted by Syntec Informatique and published on 10 February 2010.

(in thousands of euros)	2020	2019	2018
Net income	8,478	5,406	10,994
Income tax expense	-5,095	-6,770	-5,633
Profit (loss) before tax	13,572	12,176	16,627
Theoretical tax rate	**28.92%**	**32.02%**	**34.43%**
Theoretical tax expense	**-3,925**	**-3,899**	**-5,725**
Reconciliation			
Permanent differences	-939	-1,652	-1,560
Impact of non-capitalised losses for the year	-4,008	-3,439	-1,140
Use of non-capitalised tax loss carry forwards	2,037	1,474	2,072
Impact of research tax credits	2,330	2,734	2,895
CVAE reclassification (net of tax)	-617	-778	-855
Capitalisation of prior year tax loss carry forwards	1,574	826	268
Tax rate differences – France/Other countries	-487	-1,920	-798
Other	-1,059	-116	-792
Actual tax expense	**-5,095**	**-6,770**	**-5,633**
Effective tax rate	**37.54%**	**55.60%**	**33.88%**

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 28.00%, plus the social contribution on profits of 3.3% representing an overall rate of 28.92%.

In 2020, the effective tax rate is 37.54%, down from 2019 (55.60%).

Overall, in 2020, in jurisdictions with high effective tax rates, tax profits were mainly generated in Germany. In France, Axway Software recognised a tax loss for the period, in respect of which a deferred tax asset was partially recognised at 31 December 2020. In jurisdictions with low tax rates, the US subsidiary generated considerable taxable profits, while Ireland generated tax losses.

The five-year business plan prepared for Ireland did not allow for the capitalisation of 2020 tax losses.

Had the Group capitalised these losses, the effective income tax rate would have been in line with the theoretical income tax rate.

6.3 Tax impact of gains and losses recognised directly in other comprehensive income

	2020			2019			2018		
(in thousands of euros)	Gross	Tax impact	Net	Gross	Tax impact	Net	Gross	Tax impact	Net
Foreign exchange gains (losses) on net investments in subsidiaries	-5,687	-	-5,687	1,781	-	1,781	4,701	-	4,701
Calculated by difference	-14,784	-	-14,784	1,011	-	1,011	5,961	-	5,961
Foreign exchange gains and losses	-20,471	-	-20,471	2,792	-	2,792	10,662	-	10,662
Actuarial gains and losses on pension plans	-600	170	-430	-899	285	-614	164	-59	105
Total	**-21,071**	**170**	**-20,901**	**1,893**	**285**	**2,178**	**10,826**	**-59**	**10,767**

6.4 Deferred tax assets and liabilities

6.4.1 Breakdown by maturity

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Deferred tax assets (DTA)			
• less than one year	-596	2,210	3,201
• more than one year	16,885	15,514	16,193
Total DTA	**16,289**	**17,724**	**19,394**
Deferred tax liabilities (DTL)			
• less than one year	-645	-490	-189
• more than one year	-1,652	0	-393
Total DTL	**-2,298**	**-489**	**-582**
Net deferred tax	**13,991**	**17,235**	**18,812**

Short-term deferred tax assets mainly relate to the intended use of tax loss carry-forwards in 2021 by Axway Software in France and Axway Inc. in the United States.

Long-term deferred tax assets mainly relate to the intended use of tax loss carry-forwards from 2022 to 2025 by Axway Software and Axway Inc.

Account was taken of the tax-rate reduction to 26.5% from 2021 and 25% from 2022, in accordance with the French 2018 Finance Act, when estimating Axway Software's deferred tax.

The other tax rates applied are prevailing tax rates at 31 December 2020 and particularly the 21% tax rate for Axway Inc.

6.4.2 Change in net deferred tax

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
At 1 January	**17,235**	**18,812**	**20,039**
Changes in scope of consolidation	-	-186	-
Tax – income statement impact	-2,235	-2,400	-1,768
Tax – shareholders' equity impact	168	534	-60
Foreign exchange gains and losses	-1,176	249	600
Other	-2	227	-
At 31 December	**13,991**	**17,235**	**18,812**

The income tax impact in the income statement of €2.2 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 €0.2 million.

Foreign exchange losses of -€1.2 million are mainly due to fluctuations in the US dollar against the euro.

6.4.3 Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Differences related to consolidation adjustments			
Actuarial gains and losses on retirement commitments	-21	-172	-358
Amortisation of revalued software packages	1,123	996	1,353
Fair value of amortisable allocated intangible assets	-4,232	-2,634	-3,766
Discounting of employee profit-sharing	12	31	62
Tax-driven provisions	-30	-51	-41
Capitalised tax losses	10,411	5,384	6,378
Customer contract assets (IFRS 15)	-10,134	-2,720	-
Assets and liabilities on lease commitments (IFRS 16)	273	278	-
Provisions for contingencies (Group)	-1,109	-1,339	-
Other	-175	-340	-164
Temporary differences from tax returns			
Provision for retirement benefits	1,893	1,842	1,809
Provision for "Organic" tax	24	26	31
Capitalised research tax credits	-	-	-
Capitalised tax losses	14,432	14,128	13,386
Provisions for contingencies (Group)	1,109	1,339	-
Other	415	466	122
Total	**13,991**	**17,235**	**18,812**

Tax losses capitalised on consolidation

Tax losses of €10.4 million capitalised on consolidation are attributable €9.8 million to Axway Software and reflect the partial capitalisation of 2020 tax losses. Axway Software capitalised tax losses total €4.8 million at 31 December 2020.

Tax losses capitalised in the Company accounts

Tax losses of €14.4 million capitalised in the parent company financial statements are attributable to Axway Inc. in the United States for €14.4 million, an increase on 31 December 2019. Axway Ireland tax losses are capitalised in the amount of €0.07 million at the end of 2020, down on 2019 (€0.8 million).

Forecasts of future taxable profits, justifying the capitalisation of tax losses, were determined on the basis of substantiating evidence, with detailed estimates in a five-year business plan. Three business plans were prepared for Axway Software SA, Axway Inc. and Axway Ireland. These forecasts justified the capitalisation of additional prior year losses in the United States, the partial capitalisation of losses for the period in France and the reversal of capitalised prior year tax losses in Ireland.

6.4.4 Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Tax losses carried forward	24,610	22,840	20,780
Temporary differences	-	-	196
Total	**24,610**	**22,840**	**20,976**

6.5 Maturity of tax losses carried forward

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Y+1	9,935	3,889	3,649
Y+2	15,917	3,513	3,479
Y+3	8,560	9,749	9,609
Y+4	1,732	8,949	17,011
Y+5 and subsequent years	101,199	118,020	103,180
Tax losses carried forward with a maturity date	137,343	144,120	136,926
Tax losses which may be carried forward indefinitely	90,542	52,874	46,713
Total	**227,886**	**196,995**	**183,640**
Deferred tax base – capitalised	108,475	89,180	86,657
Deferred tax base – not capitalised	119,410	107,815	96,983
Deferred tax – capitalised	24,842	19,512	19,764
Deferred tax – not capitalised	24,610	22,840	20,780

At 31 December 2020, deferred tax assets not recognised on tax losses carried forward amounted to €24.6 million and concerned the following entities: Axway Software SA in France (€1.9 million), Axway Inc. in the United States (€12.4 million), Axway Ireland (€1.9 million), Axway Pte Ltd in Singapore (€0.8 million), Axway Romania (€2.1 million), Axway Brazil (€1.7 million), Axway Hong Kong (€0.5 million), Axway UK (€0.2 million) and Axway Srl in Italy (€3.0 million).

Axway Software

At 31 December 2020, capitalised tax losses totalled €9.8 million, while tax losses available for carried forward not capitalised totalled €7.1 million (taxable base).

At 31 December 2019, capitalised tax losses totalled €4.8 million and there were no tax losses available for carried forward not capitalised.

Axway Inc.

At 31 December 2020, capitalised tax losses totalled US$17.6 million, while tax losses available for carried forward not capitalised totalled US$72.3 million (taxable base).

At 31 December 2019, capitalised tax losses totalled US$15.0 million, while tax losses available for carried forward not capitalised totalled US$77.5 million (taxable base).

Axway Inc. tax losses carried forward essentially resulted from the acquisitions of Cyclone in 2006, Tumbleweed Communications Corp. in 2008, Systar Inc. in 2014 and Appcelerator 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.

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 2000 and 2020. At 31 December 2020, we estimate the total amount of research tax credits available for offset against taxable profits at US$48.1 million (taxable base). These tax credits are recorded in deferred tax assets not capitalised as their probable date of utilisation is too far away. Based on substantiating evidence and detailed business plan estimates, the US$39.5 million in tax credits could be used between 2025 and 2040.

COVID-19

The COVID-19 crisis had no impact on deferred taxes at 31 December 2020. Sufficient forecast future taxable profits in the United States against which capitalised tax losses can be utilised were maintained in this economic crisis context. Adjustments to taxable profits in France and Ireland were not due to the COVID-19 pandemic.

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 the income statement;
- assets held to maturity;
- loans and receivables;
- available-for-sale assets.

Classification depends on the purposes for which financial assets were acquired. Management decides on the appropriate classification at the time of initial recognition and reassesses this classification at each interim or annual reporting date.

Financial assets are carried in the balance sheet at their initial fair value. They are subsequently measured, depending on their classification, at either fair value or amortised cost.

a. Assets measured at fair value through the income statement

This category comprises financial derivatives, financial assets held for trading (*i.e.* acquired with a view to resell in the near term) and assets designated upon initial recognition as at fair value through the income statement. Changes in the fair value of assets of this category are recognised in the income statement.

b. Assets held to maturity

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments that the Group has the intention and ability to hold to maturity. The disposal of a portion of these assets prior to maturity entails the mandatory reclassification of all other assets of the category as available for sale. Assets held to maturity are subsequently measured, after initial recognition, at amortised cost.

The Group currently holds no assets classified within this category.

c. 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:

- non-current financial assets comprising long-term loans and receivables (receivables from non-consolidated equity investments and guarantee deposits for leased premises). Impairment losses are recognised on receivables from non-consolidated equity investments when their estimated recoverable amount is lower than their net carrying amount; and
- current trade receivables, described in Note 7.2.

The Group's non-current financial and other assets mainly consist of loans and receivables.

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(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Loans and receivables	2,297	2,970	2,809
Non-current prepaid expenses	6,326	2,119	717
Total non-current financial and other assets	**8,622**	**5,089**	**3,526**

Non-current prepaid expenses consist of costs of obtaining contracts as presented in Note 4.1. They total €6.3 million at 31 December 2020 compared to €2.0 million at 31 December 2019. The increase is due to growth in Subscription contract signatures.

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Other non-current receivables	502	12	18
Deposits and other non-current financial assets	1,794	2,958	2,791
Total loans, deposits and other non-current financial assets - net value	**2,297**	**2,970**	**2,809**

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.

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 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. Trade receivables are impaired as follows: 50% for invoices past due more than 6 months and 100% for 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 2021 for this period) and the corresponding trade receivables not settled at the reporting date (31 December 2020) were offset in the balance sheet.

Services rendered but not yet, or only partially, invoiced (Customer contract assets) are recorded in the balance sheet under Trade receivables in Accrued income (see Note 4.1).

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Trade receivables	50,783	60,128	61,863
Provision for doubtful receivable	-1,686	-1,413	-1,399
Trade receivables-net value	**49,097**	**58,715**	**60,464**
Customer contract assets	38,988	13,177	5,100
Total trade receivables and related accounts	**88,085**	**71,893**	**65,565**

DSO for Trade receivables and related accounts: 95 days

Net trade receivables, expressed in days sales outstanding, corresponded to 95 days at 31 December 2020, stable compared to the end of 2019 (77 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: 54 days

DSO is 54 days, down from fiscal year 2019 (63 days). This decrease is due to the ongoing transformation of the business model, which generates more accrued income tied to Customer Managed contracts.

DSO for Customer contract assets: 41 days

Movements during the period in accrued income 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 2020 is 41 days, compared to 14 days at 31 December 2019. This increase is due to strong growth in Customer Managed revenue in 2020.

COVID-19

The COVID-19 crisis had no material impact on customer collections in 2020. Customer contract monitoring did not reveal any requests to suspend or discontinue services or to renegotiate prices. The limited number of requests mainly involved payment deadline extensions.

7.2.1 Maturity of trade receivables

(in thousands of euros)	Carrying amount	Of which: neither impaired nor past due at the reporting date	Of which: not impaired at the reporting date but past due as follows: less than 30 days	between 30 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days
Trade receivables (including doubtful receivables)	50,783	35,792	6,289	3,588	2,397	689	1,162	868

7.2.2 Changes in provisions for doubtful receivables

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Impairment of trade receivables at start of period	**1,413**	**1,399**	**1,135**
Charges	934	1,054	1,192
Reversals	-610	-1,083	-936
Changes in scope of consolidation	-	27	-
Translation adjustments	-50	16	9
Impairment of trade receivables at end of period	**1,686**	**1,413**	**1,399**

7.3 Other current receivables

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Employees and social security bodies	500	489	969
Tax receivables (other than income tax)	14,701	13,952	3,752
Income tax	1,479	2,153	11,824
Other receivables	2,713	3,014	2,961
Advance lease payments - IFRS 16	-22	-22	
Prepaid expenses	12,796	13,593	10,127
Total other current receivables	**32,167**	**33,179**	**29,634**

Tax receivables total €14.7 million and mainly concern research tax credits obtained in France (€8.1 million) and Ireland (€1.2 million).

Prepaid expenses are stable and mainly due to the spreading of commission on Subscription revenue. This current prepaid commission represents capitalised costs of obtaining contracts as presented in Note 4.1.

Tax receivables: research tax credit

CIR research tax credit receivables 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:

(in thousands of euros)

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					
	2011	5,793	Natixis	2015	In the amount expected
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
CIR research tax credit not yet repaid by the tax authorities					
2018	2017	10,216	Crédit Agricole	-	-
2019	2018	7,890	Crédit Agricole	-	-
2020	2019	8,254	Crédit Agricole	-	-

At 31 December 2020, receivables sold to Crédit Agricole and not yet repaid by the tax authorities total €26,360 thousand.

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)	31/12/2020	31/12/2019	31/12/2018
Other non-current debts	743	1,300	2,247
Customer contract liabilities - non-current	1,667	4,257	2,443
Sub-total other non-current liabilities	**2,410**	**5,556**	**4,690**
Other provisions for contingencies and losses - non-current	8,351	7,534	6,137
Total other non-current liabilities including non-current provisions	**10,761**	**13,090**	**10,827**

Movements concern Maintenance revenue and reflect the 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 2019 was transferred to current deferred income in 2020.

Provisions for retirement benefits total €7.3 million (see Note 5.3 b) and are recorded in Other provisions for contingencies and losses. Provisions for contingencies and losses of €0.9 million (see Note 10) and provisions for other long-term employee benefits in Italy of €0.7 million are also included in Other provisions for contingencies and losses.

7.5 Trade accounts payables

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Trade payables	2,918	7,131	4,238
Accrued expenses	10,860	9,486	11,203
Total trade accounts payables	**13,778**	**16,617**	**15,441**

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, deferred income concerning periods after 1 January following the reporting date (1 January 2021 for this period) and the corresponding trade receivables not settled at the reporting date (31 December 2020) were offset in the balance sheet.

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Customer contract liabilitie	54,692	60,567	75,232
Total current customer contract liabilities	**54,692**	**60,567**	**75,232**

The majority of current customer contract liabilities at 31 December 2019 were recognised in revenue in 2020.

Deferred maintenance income is down €9.5 million due to the reduction in License revenue and the expected attrition on these contracts as part of the transformation of the business model.

Deferred Subscription income increased €1.4 million between 2019 and 2020. This increase is consistent with the growth in Subscription activities (“Axway Managed”).

7.7 Other current liabilities

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Amounts payable on non-current assets	276	1,323	2,044
Advances and payments on account received for orders	105	89	116
Employee-related liabilities	34,122	29,607	27,604
Tax-related liabilities	5,840	7,690	6,262
Income tax	1,369	1,327	3,022
Other liabilities	2,640	3,077	3,830
Restructuring provisions	-	-	85
Total other current liabilities	**44,353**	**43,112**	**42,963**

The increase in employee-related liabilities is partly due to the rise in provisions for bonuses and commission in respect of contracts signed at the year end.

COVID-19

Government measures taken in the context of the COVID-19 health crisis to facilitate the cash flow of companies enabled the deferral of social security contributions in the United States of €0.2 million and tax charges in the United Kingdom of €0.3 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 proportionate 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 IAS 39).

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 of “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 2019 and 2020 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2018	**352,703**	**8,612**	**344,090**
Acquisition of Streamdata	1,718	-	1,718
Translation adjustments	4,134	-33	4,167
31 December 2019	**358,555**	**8,580**	**349,976**
Acquisitions	-	-	-
Translation adjustments	-19,598	72	-19,670
31 December 2020	**338,958**	**8,652**	**330,306**

8.1.2 Determining goodwill for business combinations

No acquisitions were performed in 2020.

Goodwill recognised in April 2019 concerns the acquisition of Streamdata.io measured at the acquisition date. It became definitive at the end of the 12-month allocation period.

8.1.3 Translation adjustments

Changes in exchange rates on goodwill relate mainly to fluctuations in the euro against the following currencies:

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
USD	-20,421	4,558	10,734
SEK	777	-354	-804
Other currencies	-26	-37	-2
Total	**-19,670**	**4,167**	**9,928**

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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 units (CGU's) 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.

Impairment testing involves comparing cash-generating units' carrying amounts with their recoverable amounts. A cash-generating unit's recoverable amount is the higher of its fair (generally market) value, less costs to sell, and its value-in-use.

The Axway Group provides IT solutions enabling the automatic management of data exchange within and outside companies.

Axway has developed partly by external growth in recent years, and its main acquisitions were as follows: Cyclone Commerce in the United States in 2006, Actis in Germany in 2007, Tumbleweed in the United States in 2008, Vordel in Ireland in 2012, Systar in France in 2014, Appcelerator in the United States in 2016, Syncplicity in the United States in 2017 and Streamdata.io in France in 2019.

All of the products developed internally or resulting from acquisitions are integrated in a common technical platform.

Axway operates as a global software developer whose main markets are the USA and Europe. The various software packages on the technical platform are distributed by sales subsidiaries that pay distribution fees on the income they earn from licenses, subscription and maintenance.

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, and Axway as a whole is considered as the smallest grouping of assets that generates broadly independent cash inflows. Since Axway operates as a software developer on a global market, the Group is 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.

COVID-19

At 31 December 2020, the Axway fair value based on its market capitalisation was €576.5 million at a share price of €27 (€564.9 million less 2% selling costs); this market capitalisation therefore exceeds the value of consolidated equity.

Pursuant to IAS 36, *Asset impairment*, it is not therefore necessary to determine Axway's value in use at 31 December 2020. However, the Group considers that the impacts of the COVID-19 crisis represent an indication of loss in value and for information purposes, Axway's value in use was determined at 31 December 2020.

At 31 December 2020, the Group performed an impairment test on the single CGU within the limit of its current knowledge of the crisis' impacts and its uncertainties.

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

Following on from the impairment test performed in 2018 covering a ten-year period (2019 to 2028), the 2020 impairment test is based on an eight-year period (2021 to 2028), comprising a five-year business plan (2021-2025) and a three-year extrapolation period (2026-2028).

In accordance with the Group methodology, detailed above, the 2028 impairment test on non-current assets grouped together in the Axway cash-generating unit, was performed in three stages:

I. **for years 1 to 5:** application of the discounted cash flow method using the forecast business plan for fiscal years 2021 to 2025 and trend assumptions for working capital and investment;
II. **for years 6 to 8:** an extrapolation period, based on a three-year projection of 2025 cash flows (2026 to 2028), using an annual growth rate declining progressively from the sixth to the eighth year;
III. **from year 9 onwards:** cash flows are calculated by applying a perpetual growth rate of 2.20% reflecting forecast long-term real economic growth, adjusted for forecast long-term inflation, to the last modelled flow in 2028.

Impairment testing carried out at the end of 2018, 2019 and 2020 did not lead to the recognition of an impairment loss.

For fiscal year 2020, the value-in-use calculated according to the discounted cash flow method amounted to €723.4 million, with a discount rate of 8.60% and a perpetual growth rate of 2.20%, both based on an average of analysts' rates.

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Value *(in thousands of euros)*		**Discount rate** 8.10%	8.60%	9.10%
	1.80%	751,647	692,779	642,020
Perpetual growth rate	**2.20%**	788,617	**723,422**	667,716
	2.60%	830,965	758,151	696,576

The fair value less costs to sell of the Axway cash-generating unit was determined from its market capitalisation. The costs to sell are estimated at 2% of Axway's fair value. Thus, at the closing rate on 31 December 2020, the fair value of the Axway CGU, *i.e.* its market capitalisation, was €576.5 million, and the fair value less costs to sell was €564.9 million. The recoverable amount of Axway's CGU was therefore €723.4 million and corresponds to its value-in-use.

The carrying amount of the Axway CGU is the amount of its consolidated shareholders' equity at 31 December *i.e.* €355.5 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 2020.

For fiscal year 2019, impairment testing led to the retention of goodwill values. The recoverable amount of Axway's CGU was €636.7 million. Market capitalisation less costs to sell was €257.9 million compared with consolidated shareholders' equity of €362.6 million.

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 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:

(in thousands of euros)	Customer base	Technologies	Brands	Other	Total
Gross value					
31 December 2018	**42,240**	**46,074**	**253**	**15,618**	**104,185**
Translation adjustments	374	631	5	36	1,047
Acquisitions	-	-	-	190	190
Disposals	-	-	-	-98	-98
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	697	-	4,205	4,901
31 December 2019	**42,615**	**47,402**	**258**	**19,951**	**110,225**
Translation adjustments	-2,077	-2,828	-22	-560	-5,487
Acquisitions	-	-	-	118	118
Disposals	-	-	-	-	-
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-
31 December 2020	**40,538**	**44,573**	**236**	**19,509**	**104,857**
Amortisation					
31 December 2018	**25,370**	**22,279**	**253**	**13,961**	**61,864**
Translation adjustments	237	289	5	44	575
Charges	4,087	4,518	-	1,069	9,674
Reversals	-	-	-	-3	-3
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	-	-	4,204	4,204
31 December 2019	**29,694**	**27,086**	**258**	**19,275**	**76,313**
Translation adjustments	-1,694	-1,792	-22	-246	-3,753
Charges	3,701	4,461	-	779	8,941
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Changes in scope of consolidation				-	-
31 December 2020	**31,701**	**29,755**	**236**	**19,809**	**81,501**
Net value					
31 December 2019	**12,921**	**20,316**	**-**	**676**	**33,912**
31 December 2020	**8,837**	**14,818**	**-**	**-300**	**23,356**

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 included in *Profit from recurring operations*. Allocated intangible assets break down as follows:

	Residual period of amortisation
Tumbleweed - Technologies *(from September 2008)*	3 years
Vordel - Customer base *(from November 2012)*	2 years
Systar - Technologies *(from April 2014)*	between 1 and 3 years
Systar - Customer base *(from April 2014)*	5 years
Appcelerator - Technologies *(from January 2016)*	between 3 and 4 years
Appcelerator - Customer base *(from January 2016)*	0 year
Syncplicity - Technologies *(from March 2017)*	6 years
Syncplicity - Customer base *(from March 2017)*	11 years
Streamdata - Technologies *(from April 2019)*	8 years

No expenditure incurred in developing the Group’s solutions and software packages was capitalised, either in 2020 or in previous years.

8.4 Property, plant and equipment

Accounting policies, judgements and estimates

Property, plant and equipment essentially comprise fixtures and fittings, office furniture and equipment and IT facilities.

Items of property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment losses. No items have been revalued.

Depreciation is calculated on a straight-line basis over the expected useful lives of each non-current asset category.

Depreciation is calculated based on the asset acquisition cost after deducting any residual value. Residual asset values and expected useful lives are reviewed at each reporting date.

IT facilities are scrapped each year after taking inventory. The amount of these assets is recorded in disposals. Exits from premises for which the lease was not renewed are also included in disposals.

	Expected useful lives of various PP&E categories
Fittings and fixtures	3 to 10 years according to the lease term
IT facilities	3 to 5 years
Furniture and office equipment	5 to 10 years

(in thousands of euros)	Furniture, fixtures and fittings	IT facilities	Total
Gross value			
31 December 2018	**12,182**	**24,992**	**37,174**
Translation adjustments	85	170	254
Acquisitions	185	3,054	3,240
Disposals	-	-23	-23
Other movements	-	-	-
Changes in scope of consolidation	77	-	77
31 December 2019	**12,529**	**28,193**	**40,722**
Translation adjustments	-565	-991	-1,556
Acquisitions	5,987	1,745	7,731
Disposals	-3,516	-196	-3,712
Other movements	-536	536	-
Changes in scope of consolidation	-	-	-
31 December 2020	**13,899**	**29,286**	**43,186**
Depreciation			
31 December 2018	**6,148**	**17,624**	**23,772**
Translation adjustments	71	144	215
Charges	1,162	3,013	4,175
Reversals	-	-	-
Other movements	-	-16	-16
Changes in scope of consolidation	72	-	72
31 December 2019	**7,452**	**20,765**	**28,217**
Translation adjustments	-159	-826	-985
Charges	1,218	3,016	4,234
Reversals	-	-	-
Other movements	-3,707	5	-3,701
Changes in scope of consolidation	-	-	-
31 December 2020	**4,804**	**22,960**	**27,765**
Net value			
31 December 2018	**5,077**	**7,428**	**12,505**
31 December 2019	**9,095**	**6,326**	**15,421**

In 2020, Group investments in property, plant and equipment totalled €7.7 million and concerned IT facilities (central systems, work stations and networks) for €1.7 million and office equipment for Axway's new offices in the United States for €6.0 million.

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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 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, 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 included fixed lease payments, variable lease payments that depend on an index or a rate, residual value guarantees, 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 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 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 asset by category

(in thousands of euros)	Leased properties	Leased vehicles	Total
Gross value			
31 December 2019	**28,841**	**937**	**29,778**
Changes in scope of consolidation	-	-	-
Acquisitions	12,641	214	12,855
Disposals - assets scrapped	-2,186	-114	-2,300
Others movements	-	41	41
Translation adjustments	-1,043	-0	-1,043
31 December 2020	**38,252**	**1,078**	**39,330**
Depreciation			
31 December 2019	**-5,936**	**-369**	**-6,304**
Changes in scope of consolidation	-	-	-
Charges	-6,255	-321	-6,576
Disposals - assets scrapped	2,180	109	2,289
Others movements	-	6	6
Translation adjustments	190	0	190
31 December 2020	**-9,820**	**-575**	**-10,395**
Net value			
31 December 2019	**22,905**	**569**	**23,474**
31 December 2020	**28,432**	**503**	**28,935**

9.2 Debt maturity of lease liabilities

				Breakdown of non-current liabilities				
(in thousands of euros)	Carrying amount	Current	Non-current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Beyond 5 years
Lease liabilities	37,783	5,621	32,162	5,999	5,248	5,260	4,435	11,221

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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

(in thousands of euros)	01/01/2020	Change in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other movements	31/12/2020
Provisions for disputes	657	-	149	-252	-16	-	538
Provisions for guarantees	130	-	-	-	-	-	130
Other provisions for contingencies	54	-	3	-	-	41	97
Sub-total provisions for contingencies	**841**	**-**	**152**	**-252**	**-16**	**41**	**766**
Tax provisions	25	-	0	-	-	-25	-
Restructuring provisions	1	-	-	-	-	-1	-
Other provisions for losses	108	-	3	-	-	-	111
Sub-total provisions for losses	**134**	**-**	**3**	**-**	**-**	**-26**	**111**
Total	**975**	**-**	**155**	**-252**	**-16**	**15**	**876**
Impact (net of expenses incurred)							
Profit from recurring operations			152		-16		
Operating profit			-		-		
Net financial income			3		-		
Tax expense			-		-		
Total			**155**		**-16**		

- Provisions for disputes mainly relate to labour arbitration proceedings and employee severance payments (€538 thousand at 31 December 2020);
- provisions for guarantees reflect an obligation to our customers in Germany for €130 thousand;
- other provisions for contingencies cover costs relating to premises in Germany and the United States for a total of €97 thousand;
- tax provisions relate to the tax audit of Axway Software covering fiscal years 2009, 2010 and 2011, for which Court of Appeal proceedings are pending;
- no restructuring provisions were recognised at 31 December 2020;
- other provisions for losses comprise seniority provisions in Germany for €111 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.

No contingent liabilities had to be taken into consideration at 31 December 2020.

Note 11 Financing and management of financial risks

11.1 Cost of net financial debt

(in thousands of euros)	2020	2019	2018
Income from cash management	61	246	203
Interest expense	-665	-963	-937
Cost of financial debt	**-604**	**-717**	**-734**
Net interest on lease liabilities	-809	-834	-
Total cost of net financial debt	**-1,413**	**-1,551**	**-734**

In 2020, interest expenses primarily concern interest on the Revolving Credit Facility (RCF).

COVID-19

In connection with the COVID-19 health crisis, the Group benefited from the deferral of certain loan repayments totalling €0.5 million at the initiative of Banque Populaire. This restructuring had no major impact on the cost of net financial debt for the period.

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 as 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.

(in thousands of euros)	2020	2019	2018
Foreign exchange gains and losses	**-2,503**	**-223**	**-622**
Reversal of provisions	-2	82	-
Other financial income	0	1	5
Total foreign exchange gains/losses and other financial income	**-2,505**	**-141**	**-617**
Charges to provisions	-1	-5	-2
Discounting of retirement benefit commitments	-120	-235	-102
Change in the value of derivatives	178	171	216
Other financial expenses	-209	-354	-389
Total other financial expenses	**-152**	**-423**	**-276**
Total other financial income and expense	**-2,657**	**-564**	**-893**

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 "euro-denominated" money-market instruments 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 expenses*.

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.

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Investment securities	-	-	1,048
Cash	16,165	21,087	34,736
Cash and cash equivalents	**16,165**	**21,087**	**35,785**
Bank overdrafts	-14	-26	-13
Total	**16,151**	**21,061**	**35,772**

Cash and cash equivalents (excluding bank overdrafts) of €16.2 million at 31 December 2020 are held €2.9 million by the parent company, €4.9 million by Axway Inc. in the United States and €8.4 million by the other subsidiaries.

Among the other subsidiaries, entities in Brazil and China hold cash of €0.7 million and €1.2 million respectively at 31 December 2020, compared to €1.7 million and €1.3 million at 31 December 2019. A withholding tax would be applied were the cash balances held in Brazil or China 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.

The portion of financial debt due within 12 months from the reporting date is classified in current liabilities.

(in thousands of euros)	Current	Non-current	31/12/2020	31/12/2019	31/12/2018
Bank borrowings	2,948	37,270	40,217	42,569	45,986
Other financial liabilities	-20	-	-20	73	18
Bank overdrafts	14	-	14	12	8
Total financial debt	**2,942**	**37,270**	**40,211**	**42,653**	**46,012**
Investment securities	-	-	-	-	-1,048
Cash and cash equivalents	-16,165	-	-16,165	-21,087	-34,736
Net debt	**-13,223**	**37,270**	**24,046**	**21,566**	**10,227**

At 31 December 2020, bank borrowings total €40.2 million and comprise:

- a draw down on the Revolving Credit Facility (RCF) in the amount of €36 million;
- other bank borrowings with BPI and Banque Populaire totalling €4.2 million.

At 31 December 2020, €89 million (71.2%) of the €125 million RCF was available.

No additional amounts were drawn on the RCF in 2020. In the third quarter of 2019, €15 million was drawn on this facility and then repaid in full in November 2019.

BPI bank borrowings were repaid in line with the BPI quarterly payment schedule (€0.7 million). Banque Populaire bank borrowings were partially repaid (€0.5 million) following the deferral of two scheduled repayments at the bank's initiative.

The €5 million loan from Banque Populaire, contracted in April 2016, is being repaid in line with its five-year repayment schedule except for the deferral detailed above. It is not subject to any financial covenants

Similarly, the loans contracted with BPI France of €5 million in July 2016 for a term of 7 years and €3 million in September 2016 for a term of 5 years, are not subject to any financial covenants and are being repaid in accordance with their respective repayment schedules.

At 31 December 2020, the €5 million loan contracted in March 2015 with BPI France for 5 years was repaid in full.

At 31 December 2019, Axway also sold €7.9 million of its CIR research tax credits to Crédit Agricole. This assignment of receivables was deconsolidated (see Note 7.3).

COVID-19

Two loan repayments were deferred to 2021 for a total amount of €0.5 million at the initiative of Banque Populaire.

11.5 Bank covenants

Revolving Credit Facility (RCF)

To increase Axway's financial flexibility while also guaranteeing its capacity to finance an external growth strategy, Axway Software contracted a five-year €125 million multi-currency Revolving Credit Facility (RCF) with six banks.

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 directly set at January 2024 and then further extended to January 2026. In addition, the Group was granted increased flexibility by its banks for acquisitions of less than €50 million, with no prior documentation now required.

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 ratio: Net debt/EBITDA. Net debt for the purpose of this ratio does not include employee profit-sharing liabilities or net debt resulting from the application of the new IFRS 16 standard applicable in 2019.

These lines are subject to a use and non-use fee.

Note that from application of the new loan agreement, in the event of an acquisition with an enterprise value in excess of 2.5x Group EBITDA, Axway can elect, one time throughout the loan term, to apply the ratio "Net debt/EBITDA" strictly below 3.5 at the date of the first post-acquisition test, below 3.5 at the date of the second post-acquisition test and below 3.25 at the date of the third post-acquisition test.

Three financial ratios must be met under the covenants (see Note 14.3):

Bank covenants and financial ratios at 31 December 2020

(in thousands of euros)		2020	2019	2018	Ratios to be met
Net debt		24,046	21,966	10,227	R1 < 3
EBITDA		36,584	31,462	33,183	
Ratio R1:	**Net Debt / EBITDA**	**0.66**	**0.70**	**0.31**	
EBITDA		36,584	31,462	33,183	R2 > 5
Financial expenses		604	717	734	
Ratio R2:	**EBITDA / Financial expenses**	**60.61**	**43.88**	**45.22**	
Net debt		24,046	21,966	10,227	R3 < 1
Shareholders' equity		359,941	363,465	362,749	
Ratio R3:	**Net debt / Shareholders' equity**	**0.07**	**0.06**	**0.03**	

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 as 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 have an impact on 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 IAS 39. The changes in their fair value are recorded in the income statement in Other financial income and expenses.

a. At 31 December 2020

	31/12/2020		Breakdown by class of derivative instrument						
(in thousands of euros)	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 or loss	Derivatives at fair value through shareholders' equity
Financial assets	8,622	8,622	-	-	8,622	-	-	-	-
Trade receivables	88,085	88,085	-	-	88,085	-	-	-	-
Other current receivables	19,371	19,371	-	-	19,371	-	-	-	-
Cash and cash equivalents	16,165	16,165	16,165	-	-	-	-	-	-
Financial assets	**132,243**	**132,243**	**16,165**	**-**	**116,078**	**-**	**-**	**-**	**-**
Financial debt – long-term portion	37,270	37,270	-	-	-	37,270	-	-	-
Lease liabilities – long-term portion	32,162	32,162	-	-	-	-	32,162	-	-
Other non-current liabilities	10,761	10,761	-	-	10,761	-	-	-	-
Financial debt – short-term portion	2,942	2,942	-	-	-	2,942	-	-	-
Lease liabilities – short-term portion	5,625	5,625	-	-	-	-	5,625	-	-
Trade accounts payables	13,778	13,778	-	-	13,778	-	-	-	-
Other current liabilities	44,353	44,353	-	-	44,353	-	-	-	-
Financial liabilities	**146,890**	**146,890**	**-**	**-**	**68,892**	**40,211**	**37,786**	**-**	**-**

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 2019

(in thousands of euros)	31/12/2019 Carrying amount	Fair value	Breakdown by class of derivative instrument: 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 or loss	Derivatives at fair value through shareholders' equity
Financial assets	5,089	5,089	-	-0	5,089	-	-	-	-
Trade receivables	71,893	71,893	-	-	71,893	-	-	-	-
Other current receivables	19,586	19,586	-	-	19,586	-	-	-	-
Cash and cash equivalents	21,087	21,087	21,087	-	-	-	-	-	-
Financial assets	**117,655**	**117,655**	**21,087**	**-0**	**96,568**	**-**	**-**	**-**	**-**
Financial debt – long-term portion	39,201	39,201	-	-	-	39,201	-	-	-
Lease liabilities – long-term portion	22,903	22,903	-	-	-	-	22,903	-	-
Other non-current liabilities	13,090	13,090	-	-	13,090	-	-	-	-
Financial debt – short-term portion	3,452	3,452	-	-	-	3,452	-	-	-
Lease liabilities – short-term portion	6,809	6,809	-	-	-	-	6,809	-	-
Trade accounts payables	16,617	16,617	-	-	16,617	-	-	-	-
Other current liabilities	43,112	43,112	-	-	43,112	-	-	-	-
Financial liabilities	**145,184**	**145,184**	**-**	**-**	**72,819**	**42,653**	**29,712**	**-**	**-**

11.7 Management of financial risks

11.7.1 Credit risk

Credit risks are detailed in Note 7.2, Trade receivables and related accounts, 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 2020:

(in thousands of euros)	Carrying amount	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank borrowings	40,217	42,605	2,954	1,471	1,216	461	460	36,043
Other financial liabilities	-20	-20	-20	-	-	-	-	-
Bank overdrafts	14	14	14	-	-	-	-	-
Financial liabilities	**40,211**	**42,599**	**2,948**	**1,471**	**1,216**	**461**	**460**	**36,043**
Cash and cash equivalents	-16,165	-16,165	-16,165	-	-	-	-	-
Consolidated net debt	**24,046**	**26,434**	**-13,217**	**1,471**	**1,216**	**461**	**460**	**36,043**

COVID-19

The Group does not anticipate any medium or long-term cash or financing problems.

The Group has credit facilities significantly in excess of its requirements. At 31 December 2020, the Group had €89 million in credit facilities and €20 million in unused bank overdrafts, together totalling €109 million. Furthermore, the Group had cash and cash equivalents of €16.2 million.

11.7.3 Market risks

a. Interest rate risk

Interest rate risk is managed by the Group's Finance Department in liaison with the partner banking institutions.

Hedging of borrowings

No new hedges were entered into in 2018, 2019 or 2020.

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 2020:

At 31/12/2020	Interest rate	31/12/2020	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	16,165	16,165	-	-	-	-	-
	Floating rate		-	-	-	-	-	-
Financial assets	**Fixed rate**	**16,165**	**16,165**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bank borrowings	Fixed rate	-2,750	-1,015	-992	-743	-	-	-
	Floating rate	-37,467	-1,932	-442	-445	-440	-434	-33,773
Other financial liabilities	Fixed rate	-	-	-	-	-	-	-
	Floating rate	20	20	-	-	-	-	-
Bank overdrafts	Fixed rate	-	-	-	-	-	-	-
	Floating rate	-14	-14	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-2,750**	**-1,015**	**-992**	**-743**	**-**	**-**	**-**
	Floating rate	**-37,461**	**-1,927**	**-442**	**-445**	**-440**	**-434**	**-33,773**
Net exposure before hedging	**Fixed rate**	**13,415**	**15,150**	**-992**	**-743**	**-**	**-**	**-**
	Floating rate	**-37,461**	**-1,927**	**-442**	**-445**	**-440**	**-434**	**-33,773**
Net exposure after hedging	**Fixed rate**	**13,415**	**15,150**	**-992**	**-743**	**-**	**-**	**-**
	Floating rate with cap and floor	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**-37,461**	**-1,927**	**-442**	**-445**	**-440**	**-434**	**-33,773**

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 2020, 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	EUR	GBP	SGD	USD	Other	Total
Assets	4,003	2,255	3,829	518	3,207	17,001	2,275	33,089
Liabilities	660	486	823	399	140	17,113	378	19,999
Net position before hedging	**3,343**	**1,769**	**3,006**	**119**	**3,068**	**-112**	**1,897**	**13,090**
Net position after hedging	**3,343**	**1,769**	**3,006**	**119**	**3,068**	**-112**	**1,897**	**13,090**

Sensitivity analysis

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	-
Net impact on profit	**167**	**88**	**150**	**6**	**153**	**-6**	**95**	**655**
Impact on shareholders' equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Current accounts

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	Other	Total
Assets	-	6	-	-	-	53,930	-	53,936
Liabilities	1,458	-	2,254	723	2,157	1,216	2,773	10,581
Net position before hedging	**-1,458**	**6**	**-2,254**	**-723**	**-2,157**	**52,714**	**-2,773**	**43,355**
Net position after hedging	**-1,458**	**6**	**-2,254**	**-723**	**-2,157**	**52,714**	**-2,773**	**43,355**

Sensitivity analysis

(in thousands of euros)	AUD	BRL	EURO	GBP	SGD	USD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	-
Net impact on profit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impact on shareholders' equity	**-73**	**0**	**-113**	**-36**	**-108**	**2,636**	**-139**	**2,168**

c. Equity risk

The Group does not hold any shares for investment purposes or stakes in listed companies.

At 31 December 2020, Axway Software held 23,994 treasury shares, acquired under the terms of the share buyback programmes authorised by the General Meeting at an average price of €21.37, for a total of €513 thousand.

At 31 December 2020, Axway Software held 12,984 treasury shares, acquired under the terms of the share buyback programmes authorised by the General Meeting to remunerate a free share grant plan, at an average price of €15.50, for a total of €201 thousand.

All transactions in treasury shares are recognised directly in shareholders' equity. The impact at 31 December 2020 was -€714 thousand (see Statement of changes in consolidated shareholders' equity).

Given the small number of treasury shares held (0.17% 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)	31/12/2020	31/12/2019	31/12/2018
Net debt at 1 January (A)	**21,566**	**10,227**	**20,624**
Cash from operations after cost of net financial debt and tax	**32,838**	**28,661**	**24,209**
Cost of net financial debt	1,413	1,551	734
Income tax (including deferred tax)	5,095	6,770	5,633
Cash from operations before cost of net financial debt and tax	**39,346**	**36,982**	**30,576**
Income taxes paid	-3,516	-4,127	-4,408
Changes in working capital requirements	-23,706	-19,250	-3,558
Net cash from operating activities	**12,124**	**13,605**	**22,610**
Change related to investing activity	-7,746	-4,552	-4,374
Lease payments	-4,444	-7,652	-
Net interest paid	-657	-766	-734
Available net cash flow	**-723**	**635**	**17,503**
Impact of changes in the scope of consolidation	-400	-723	-
Financial investments	-26	-130	196
Dividends	-	-8,472	-4,237
Share capital increase for cash	649	-	232
Application of IAS 32/39	-	-	-
Other changes	-921	-2,736	-2,974
Total net change during the year (B)	**-1,421**	**-11,426**	**10,720**
Impact of changes in exchange rates	-1,059	87	-323
Net debt at 31 December (A-B)	**24,046**	**21,566**	**10,227**

12.2 Reconciliation of WCR with the cash flow statement

The change in WCR represented a cash outflow of -€23.7 million in 2020 compared with -€19.3 million in 2019. This €4.5 million deterioration was due to the change in business model. Customer contract assets (accrued income), primarily relating to the Customer Managed Subscription offer, increased €26.5 million. At the same time, customer contract liabilities (current deferred income) decreased by €6.2 million. Finally, trade receivables and trade accounts payables contributed €11.5 million to the change in WCR.

DSO is 95 days at the end of 2020, up from on the end of 2019 (77 days).

(in thousands of euros)	31/12/2020	31/12/2019	Net change	of which: Items not included in WCR	of which: WCR items	Change in WCR items with nil cash impact		Impact on Cash flow statement
						Foreign exchange	Other	
Non-current assets	**6,326**	**2,119**	**4,206**	**-**	**4,206**	**(146)**	**674**	**(3,679)**
Trade receivables and related accounts	88,085	71,893	16,193	-	16,193	(2,996)	4,925	(14,264)
• Trade receivables	49,097	58,715	(9,618)	-	(9,618)	(2,275)	4,925	12,268
• Accrued income	38,988	13,177	25,811	-	25,811	(721)	-	(26,532)
Other current receivables	32,167	33,179	(1,012)	-	(338)	(466)	(392)	154
Current assets	**120,252**	**105,071**	**15,181**	**-**	**15,855**	**(3,463)**	**4,533**	**(14,110)**
Total assets	**126,577**	**107,190**	**19,387**	**-**	**20,061**	**(3,609)**	**5,207**	**(17,789)**
Non-current liabilities	**(3,076)**	**(6,130)**	**3,054**	**-**	**3,054**	**196**	**150**	**(2,708)**
Trade accounts payable	(13,778)	(16,618)	2,840	-	2,840	2,860	(750)	(730)
Advances and payments on account received for orders	(105)	(89)	(17)	-	(17)	-	-	17
Deferred income on customer projects	(54,692)	(60,567)	5,875	-	5,875	3,833	(4,203)	(6,244)
Other current liabilities	(42,340)	(41,015)	(1,325)	1,047	(2,372)	1,201	(2,365)	3,750
Current liabilities	**(110,915)**	**(118,288)**	**7,373**	**1,047**	**6,326**	**7,894**	**(7,318)**	**(3,208)**
Total liabilities	**(113,991)**	**(124,418)**	**10,427**	**1,047**	**9,380**	**8,091**	**(7,168)**	**(5,916)**
Total WCR	**12,586**	**(17,228)**	**29,814**	**1,047**	**29,442**	**4,482**	**(1,961)**	**(23,705)**

12.3 Other cash flows

Net cash from operating activities amounted to €12.1 million in 2020, with cash from operations before cost of net financial debt and tax of €39.3 million. The application of IFRS 16 had a favourable impact of €4.4 million on this line item.

Net cash used in investing activities of -€8.1 million mainly concerns acquisitions of property, plant and equipment and intangible assets in France and the United States, including the fitting out of the new offices in the United States. The residual acquisition price for Streamdata.io totalled €0.4 million.

Net cash used in financing activities amounted to -€7.9 million, with primarily a decrease in borrowings of -€2.4 million and a change in IFRS 16 lease liabilities of -€4.4 million. The lessor of the new offices in the United States contributed €3.2 million to refurbishment work. Proceeds from the exercise of stock options totalled €0.7 million. In addition, share buybacks for the free share grant plan totalled €0.2 million.

In 2019, a dividend of €8.5 million was paid to Axway Software shareholders. In 2020, the Group decided that the responsible action faced with the COVID-19 health crisis was not to distribute a dividend.

Note 13 Equity and earnings per share

Changes in consolidated shareholders' equity are presented Chapter 5, Statement of changes in consolidated shareholders' equity.

13.1 Changes in the share capital

At 31 December 2019, the share capital stood at €42,450,762, and comprised 21,225,381 fully paid-up shares with a par value of €2.00 each.

42,300 share subscription options were exercised and the Group issued 83,385 new shares in 2020.

At 31 December 2020, the share capital therefore stood at €42,702,132, comprising 21,351,066 fully-paid up shares with a par value of €2.00 each.

The share subscription option plans and the free share grant plans are described in Notes 13.2 and 13.3.

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 2020, treasury shares with a value of €714 thousand are deducted from consolidated equity, They consist of 36,978 shares, including 23,994 shares held under the market-making agreement and 12,984 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 2021.

13.3 Share subscription option plans

	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position at 31/12/2020	
Grant date	Number of options	Exercise price	Start date	Expiry date	Number of options	Exercise price	granted	cancelled	exercised	Number of options	Exercise price
Plan no. 3 – 2011 stock option plan, maximum issue of 1,033,111 shares * Shareholders' Meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2021	71,650	€14.90	-	-4,575	-3,400	63,675	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2021	93,400	€14.90	-	-6,625	-20,400	66,375	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	14,375	€15.90	-	4,788	-6,962	12,201	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	26,337	€15.90	-	-1,750	-11,538	13,049	€15.90
03/01/2014	50,000	€21.86	02/07/2016	03/01/2022	-	€21.86	-	-	-	-	€21.86
03/01/2014	50,000	€21.86	03/01/2019	03/01/2022	-	€21.86	-	-	-	-	€21.86
Total plan assets	**1,394,850**				**205,762**		**-**	**-8,162**	**-42,300**	**155,300**	

* *(increased to 1,295,611 following an amendment in June 2013).*

- 42,300 share subscription options were exercised during fiscal year 2020;
- 8,162 share subscription options were cancelled in 2020 following the departure of the holders;
- at 31 December 2020, 155,300 options remained outstanding out of those awarded in 2011 and 2013, all of them potentially dilutive to the current share price;
- the Board of Directors' meeting of 5 June 2019 validated a resolution on the stock option plan implemented on 30 August 2011. At the request of Axway management, the Board of Directors extended the maximum deadline for the exercise of this plan by two years, taking it to 18 November 2021;
- no further options can be allocated under Plans no. 1 and 2;
- the fair values of the share subscription options awarded under Plans no. 1 and 2 were determined using the binomial model recommended by IFRS 2;
- the fair value of the share subscription options awarded under Plan no. 3 was determined using the same binomial model, on the basis of the following assumptions: average expected life of 4.5 to 6 years; expected volatility of 29.44%; dividend yield of 1.39%; and risk-free interest rate of 2.48%. Expected volatility was determined on the basis of the volatility expected for stocks in comparable sectors;
- the average closing share price in 2020 was €17.95;
- an amount of €0 thousand was recognised in respect of 2020, in accordance with the method disclosed in Note 5.4, Share-based payments. No current expense relating to the valuation of services provided by beneficiaries in exchange for not granting stock options was recognised in the income statement. No non-recurring expenses were recognised in relation to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite their departure from the Group in 2020.

13.4 Free share plans

An expense of €5.1 million was recorded in 2020 in respect of stock options granted to employees under stock option and free share grant plans (see Note 5.4), including employer social security contributions of €0.7 million. The expense excluding employer social security contributions was taken to Group equity in the amount of €4.4 million.

13.5 Capital reserves

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Share issue, merger and contribution premium	111,541	110,976	110,976
Legal reserve	4,245	4,245	4,242
Total	**115,786**	**115,222**	**115,218**

The increase in 2020 reflects the issue premium on the share capital increase resulting from the exercise of 42,300 share subscription options for €565 thousand.

A charge to the legal reserve was not necessary in 2020.

13.6 Dividends

The distribution of a dividend of €0.40 per share will be proposed to the 2021 General Meeting held to approve the 2020 financial statements, representing a total dividend distribution of €8,540 thousand based on the number of shares outstanding at 31 December 2020.

COVID-19

Faced with the global COVID-19 crisis, on 7 April 2020, Axway's Board of Directors decided to propose to the next General Meeting that no dividend be paid in respect of fiscal year 2019.

The General Shareholders' Meeting of Axway Software, which met on 3 June 2020 to approve the 2019 financial statements, decided not to distribute dividends for 2019.

13.7 Translation reserves

In accordance with the principles disclosed in Note 1.4.2., translation reserves comprise translation differences 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 2020, translation reserves broken down by currency as follows:

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
USD	6,877	29,638	26,124
SEK	-2,546	-3,414	-3,049
RON	-429	-367	-286
Other currencies	1,164	-320	-44
Total	**5,066**	**25,537**	**22,745**

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 does not operate under any external capital constraints, other than the net financial debt to equity ratio, which, under the covenants stipulated in the syndication contract, must remain below 1 throughout the loan period (see Note 11.5).

The Company has entered into a market-making agreement to ensure the liquidity of transactions and regular trading of its shares, in order 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 were received and, for shares issued for contributions-in-kind *via* equity, the date on which the corresponding new Group companies were 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)	2020	2019	2018
Net income - attributable to owners of the Company	8,477,560	5,405,848	10,993,990
Weighted average number of ordinary shares outstanding	21,293,843	21,225,381	21,221,658
Basic earnings per share	**0.40**	**0.25**	**0.52**

(in euros)	2020	2019	2018
Net income - attributable to owners of the Company	8,477,560	5,405,848	10,993,990
Weighted average number of ordinary shares outstanding	21,293,843	21,225,381	21,221,658
Weighted average number of securities taken into account in respect of dilutive items	1,064,832	955,440	484,346
Weighted average number of shares taken into account to calculate diluted net earnings per share	22,358,675	22,180,821	21,706,004
Diluted earnings per share	**0.38**	**0.24**	**0.51**

The only dilutive instruments are the stock options and free share grant plans presented in Note 5.4.

Only potentially dilutive ordinary shares, excluding those with an accretive effect, were considered in the calculation of diluted earnings per share.

The Group considered potential ordinary shares resulting from share subscription options to be accretive, where the option exercise price adjusted for the fair value of services still to be rendered by option holders is greater than the average share price (€17.95) during the period.

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)	31/12/2020	31/12/2019	31/12/2018
Transactions with Sopra Steria Group			
Sale of goods and services	3,244	1,484	839
Purchase of goods and services	-128	-376	-217
Operating receivables	961	835	321
Operating payables	-	-150	-4
Transactions with Sopra Steria Group affiliates			
Sale of goods and services	4,320	3,779	3,957
Purchase of goods and services	-7,616	-6,287	-5,344
Operating receivables	2,333	742	944
Operating payables	-1,514	-925	-575
Transactions with Sopra GMT			
Purchase of goods and services	-435	-678	-847
Operating payables	-24	-109	-125

Purchase of goods and services from Sopra Steria Group concerns the use of premises, the use of IT resources, internal subcontracting and non-recurring expenses related to the spin-off of Axway Software from Sopra Group.

14.2 Subsidiaries and equity investments

Transactions and balances between Axway Software and its subsidiaries were fully eliminated on consolidation, since all of the subsidiaries are fully consolidated.

14.3 Relationships with other related parties

No relationships with other related parties had to be taken into consideration.

Note 15 Off-balance sheet commitments

15.1 Contractual obligations

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 €10.3 million in 2020, €10.3 million in 2019 and €10.1 million in 2018.

At 31 December 2020, future minimum annual payments under non-cancellable leases were as follows:

(in thousands of euros)	Operating leases
2021	2,633
2022	2,083
2023	2,040
2024	1,703
2025	1,897
2026 and beyond	2,753
Total minimum future lease payments	**13,109**

15.2 Commitments given related to recurring operations

	Payments due per period					
(in thousands of euros)	Less than one year	From 1-5 years	More than 5 years	31/12/2020	31/12/2019	31/12/2018
Bank guarantees/deposits on leased premises	-	328	-	328	328	328
Bank completion bonds	-	103	-	103	107	117
Collateral, guarantees, mortgages and sureties	-	177	-	177	177	177
Severance pay for termination of CEO's duties	-	-	616	616	673	660
Total commitments given relating to recurring operations	**-**	**608**	**616**	**1,224**	**1,285**	**1,282**

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 (€616 thousand) in 2020.

In 2019 and 2018, bank completion bonds were recorded in Other guarantees. In 2020, they are classified in Bank completion bonds.

15.3 Commitments received – Covenants and Bank overdrafts

(in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Unused credit facility	89,000	89,000	89,000
Unused overdraft line	20,000	20,000	20,000
Total commitment recognised	**109,000**	**109,000**	**109,000**

Axway Software has a €125 million multi-currency revolving credit facility. €89 million of this facility was available at 31 December 2020 (see Note 11.4).

Commitments received include an unused overdraft line of €20 million held by Axway Software.

Three 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.

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(in thousands of euros)		2020	2019	2018	Ratios to be met
Net debt		24,046	21,966	10,227	R1 < 3
EBITDA		36,584	31,462	33,183	
Ratio R1:	**Net Debt / EBITDA**	**0.66**	**0.70**	**0.31**	
EBITDA		36,584	31,462	33,183	R2 > 5
Financial expenses		604	717	734	
Ratio R2:	**EBITDA / Financial expenses**	**60.61**	**43.88**	**45.22**	
Net debt		24,046	21,966	10,227	R3 < 1
Shareholders' equity		359,941	363,465	362,749	
Ratio R3:	**Net debt / Shareholders' equity**	**0.07**	**0.06**	**0.03**	

- "Net debt/EBITDA" ratio must be below 3.0 throughout the term of the loan;
- "EBITDA/financial expenses" ratio must be above 5.0 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 2020, the Group complied with all the covenants and commitments included in this contract.

In accordance with the RCF agreement, the impacts of IFRS 16 are excluded from these ratios.

In addition, the net debt figure used in these calculations does not include employee profit-sharing liabilities.

Consolidated EBITDA calculated in accordance with the RCF agreement is as follows:

(in thousands of euros)	
Profit on operating activities *(Source URD - Note 5.1 Consolidated income statement)*	30,847
Depreciation and amortisation, provisions and impairment *(Source URD - Note 5.1 Consolidated income statement)*	12,660
Net expense for post-employment and similar benefit obligations *(Source URD - Note 5.1 Consolidated income statement)*	184
Other operating income and expenses *(Source URD - Note 5.1 Consolidated income statement)*	24
Lease expenses (IFRS 16 impact) *(Source URD - Note 4.2.2 External expenses)*	-7,131
Consolidated EBITDA	**36,584**

15.4 Pledges, guarantees and surety

No pledge, guarantee or surety had been granted by Axway at 31 December 2020.

Note 16 Events after the reporting period

Between 1 January 2020 and the date of the Board of Directors' meeting, there were no significant events likely to impact the financial statements.

Note 17 List of consolidated companies at 31 December 2020

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	100%	99.9%	FC
Axway Srl	Italy	100%	100%	FC
Axway Software Iberia	Spain	100%	100%	FC
Axway Software do Brasil LTDA	Brazil	100%	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

FC = Full consolidation

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Note 18 Audit fees

	Fees for Statutory Auditors and members of their network											
	Mazars						Auditeurs & Conseils Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands euros)	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Statutory audit, certification and review of the individual company and consolidated financial statements												
• Issuer	124	127	129	31%	33%	37%	1120	107	115	65%	62%	67%
• Fully consolidated subsidiaries	263	252	222	66%	65%	63%	50	55	54	29%	32%	32%
Sub-total	**387**	**379**	**351**	**97%**	**97%**	**99%**	**159**	**162**	**169**	**94%**	**94%**	**99%**
Non-audit services												
• Issuer*	10	10	2	3%	3%	1%	10	10	2	6%	6%	1%
• Fully consolidated subsidiaries	-	-	-	0%	0%	0%	-	-	-	0%	0%	0%
Sub-total	**10**	**10**	**2**	**3%**	**3%**	**1%**	**10**	**10**	**2**	**6%**	**6%**	**1%**
Total	**397**	**389**	**353**	**100%**	**100%**	**100%**	**169**	**172**	**171**	**100%**	**100%**	**100%**

* *including:*
- report on regulated agreements;
- review of the management report;
- letter from the auditors stating that their assignment is completed;
- certificate on financial ratios.

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 2020

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 2020.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Group for the year then ended and of its financial position and of its assets and liabilities as at 31 December 2020 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 2020 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

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, 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 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, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated 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 2020, the Group's licensing revenue amounted to €25.8 million, representing 8.7% of consolidated revenue. Customer Managed subscription revenue amounted to €97.3 million, representing 32.7% 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 and 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 procedure;
- 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 €350 million at 31 December 2019, and at €330.3 million at 31 December 2020, 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 2020, 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 judgment; 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 6.5 to the consolidated financial statements)

Risk identified

At 31 December 2020, eligible tax losses carried forward amounted to €227.9 million. The Group recognised deferred tax assets in the balance sheet amounting to €24.8 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 6.5.

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 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

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No. 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of 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*).

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 2020, ACA Nexia and Mazars had held office as auditors for 20 continuous years, of which ten 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 risks 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. 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 judgment 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 judgment, 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) N° 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.

Paris and Courbevoie, 25 February 2021

The Statutory Auditors

Aca Nexia	**Mazars**
Sandrine Gimat	Bruno Pouget

Annual financial statements

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AFR

6.1 Balance sheet

ASSETS

(in thousands of euros)		2020	2019	2018
Intangible assets		49,250	52,059	52,360
Property, plant and equipment		5,795	6,657	6,430
Financial investments		283,320	294,117	283,895
Non-current assets	**(note 6.3.2.1)**	**338,365**	**352,833**	**342,685**
Trade receivables		64,162	77,226	67,821
Other receivables, prepayments and accrued income		28,262	21,706	22,833
Cash and cash equivalents		3,073	3,874	13,288
Current assets	**(note 6.3.2.2)**	**95,497**	**102,807**	**103,942**
Total assets		**433,862**	**455,639**	**446,627**

EQUITY AND LIABILITIES

(in thousands of euros)		2020	2019	2018
Share capital		42,702	42,451	42,451
Premiums		111,541	110,976	110,976
Reserves		93,054	93,221	78,894
Retained earnings		14,847	18	5
Net profit (loss) for the year		-18,163	14,829	22,812
Tax-driven provisions		-	-	-
Equity	**(note 6.3.2.3)**	**243,981**	**261,495**	**255,138**
Provisions	**(note 6.3.2.4)**	**20,774**	**14,365**	**14,968**
Financial debt		91,899	97,651	100,961
Trade accounts payable		24,131	30,341	20,101
Tax and employee-related payables		21,640	20,550	23,003
Other liabilities, accruals and deferred income		31,437	31,237	32,456
Liabilities	**(note 6.3.2.5)**	**169,107**	**179,780**	**176,521**
Total equity and liabilities		**433,862**	**455,639**	**446,627**

6.2 Income statement

(in thousands of euros)		2020	2019	2018
Net revenue	(note 6.3.3.1)	156,707	163,568	157,202
Other operating income		1,845	2,912	5,881
Operating income		**158,551**	**166,480**	**163,083**
Purchases consumed		69,378	62,463	53,387
Employee costs		61,703	56,343	56,402
Other operating expenses		34,707	31,775	31,307
Taxes and duties		2,478	2,395	3,264
Depreciation, amortisation and provisions		7,033	9,844	5,249
Operating expenses		**175,299**	**162,820**	**149,610**
Operating profit (loss)		**-16,748**	**3,660**	**13,473**
Financial income and expense	(note 6.3.3.3)	-3,637	5,825	7,077
Pre-tax profit (loss) on ordinary activities		**-20,385**	**9,486**	**20,550**
Exceptional income and expense	(note 6.3.3.4)	-4,938	-1,502	-3,742
Employee profit-sharing and incentive schemes	(note 6.3.3.5)	-904	-714	-555
Income tax expense	(note 6.3.3.6)	8,064	7,559	6,559
Net profit (loss)		**-18,163**	**14,829**	**22,812**

6.3 Notes to the 2020 annual financial statements

6.3.1 Significant events, accounting policies and valuation rules

6.3.1.1 Significant events

COVID-19

The significant progression of the COVID-19 epidemic since March 2020 in Europe, followed by the United States and then the world, given its extent and measures adopted in the various countries to stem progress, has impacted the Axway Software 2020 financial statements.

The main consequences in the balance sheet include the non-payment of dividends and the deferral of loan repayments.

The income statement was primarily impacted by a decrease of approximately €2.2 million in travel expenses and seminar organisation costs.

Axway Software continued its activities with widespread working from home and only very limited use of furlough. Compensation received in this respect totalled €12 thousand.

Provisions for foreign exchange losses

The reduction in USD-denominated Axway Inc. receivables (-US$6.7) and the increase in the USD exchange rate generated a €5.7 million increase in foreign exchange differences on current accounts. The BRL exchange rate also increased significantly during 2020. Foreign exchange differences on Axway Do Brasil receivables of BRL14.4 million (trade receivables and current accounts) increased by +€704 thousand. The provision for foreign exchange losses is therefore €6.1 million higher than at 31 December 2019.

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. 2014-03 of 5 June 2014 issued by the *Autorité des Normes Comptables* (French Accounting Standards Authority), updated for additional regulations issued as of 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.

Following the comprehensive transfer of all Systar's assets and liabilities, the research and development expenses capitalised by Systar 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 and to 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. It also includes intellectual property transferred as part of the Systar comprehensive asset transfer in 2015 and the Streamdata.io comprehensive asset transfer in 2019.

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.

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 is amortised over 12 years.

The LiveDashboard software is amortised over eight years.

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.

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 and Streamdata.io.

Business goodwill has unlimited useful life and is not systematically 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 and whenever there is indication of impairment. 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:

Fittings and fixtures	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 2.2% is applied from the start of the sixth year. The cash flows resulting from these forecasts are then discounted using a rate of 8.6%.

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 *prorata temporis*, and is generally billed in advance;
- ancillary 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 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 *Accrued income;*
- 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 0.44%, a salary increase rate of 2.50% and an average five-year turnover rate of between 0 and 22% depending on the age bracket. The turnover calculation was updated for the latest recommendations, which call for the inclusion of resignations only. The male-female mortality table used for our forecasts is the INSEE 2016-2018 table. Among these assumptions we adopted 65 as the retirement age. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Axway Software uses the corridor method.

6.3.2 Notes to the balance sheet

6.3.2.1 Non-current assets

Intangible assets

(in thousands of euros)	Share capital increase costs	Research and development expenses	Concessions, patents, similar rights	Business goodwill	Systar customer base	Total
Gross value						
At 1 January 2020	**50**	**32,055**	**56,910**	**38,830**	**5,667**	**133,513**
Acquisitions	-	-	118	-	-	118
Intangible assets under construction	-	-	45	-	-	45
Disposals	-	-	-	-	-	-
At 31 December 2020	**50**	**32,055**	**57,073**	**38,830**	**5,667**	**133,676**
Amortisation						
At 1 January 2020	**50**	**32,055**	**47,154**	**35**	**2,159**	**81,454**
Charge	-	-	2,432	-	540	2,972
Reversal	-	-	-	-	-	-
At 31 December 2020	**50**	**32,055**	**49,586**	**35**	**2,699**	**84,426**
Net value						
At 1 January 2020	**-**	**-**	**9,757**	**38,795**	**3,508**	**52,059**
At 31 December 2020	**-**	**-**	**7,488**	**38,795**	**2,968**	**49,250**

Software development costs totalled €24,534 thousand in fiscal year 2020 and were expensed in full (see Note 6.3.1.2).

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 all 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 8.6% and a perpetual growth rate of 2.2% were applied.

Property, plant and equipment

(in thousands of euros)	Technical installations	Fittings and installations	Furniture and office equipment	Total
Gross value				
At 1 January 2020	**11,761**	**3,321**	**1,203**	**16,285**
Acquisitions	702	74	-	776
Capitalisation of PP&E under construction Y-1	167	-	-	167
PP&E under construction	-167	-	-	-167
Assets scrapped	-	-	-	-
Disposals	-	-	-	-
At 31 December 2020	**12,463**	**3,395**	**1,203**	**17,061**
Depreciation				
At 1 January 2020	**8,246**	**978**	**405**	**9,628**
Charge	1,177	344	115	1,637
Reversal	-	-	-	-
At 31 December 2020	**9,423**	**1,322**	**520**	**11,265**
Net value				
At 1 January 2020	**3,515**	**2,343**	**798**	**6,657**
At 31 December 2020	**3,040**	**2,072**	**683**	**5,795**

Purchases of technical installations consist solely of IT equipment.

Financial Assets

(in thousands of euros)	Equity investments	Receivables from equity investments	Loans and other non-current financial assets	Total
Gross value				
At 1 January 2020	**247,014**	**67,929**	**1,923**	**316,866**
Acquisitions/Increase	9	102	523	634
Disposals/Decrease	-1	-12,355	-314	-12,670
At 31 December 2020	**247,022**	**55,676**	**2,132**	**304,830**
Impairment				
At 1 January 2020	**19,942**	**2,538**	**269**	**22,748**
Charge	9	11	-	21
Reversal	-1	-989	-269	-1,259
At 31 December 2020	**19,950**	**1,560**	**-**	**21,510**
Net value				
At 1 January 2020	**227,072**	**65,391**	**1,655**	**294,117**
At 31 December 2020	**227,072**	**54,116**	**2,132**	**283,320**

Details concerning equity investments are provided in the “Subsidiaries and equity investments” table presented in Note 6.3.4.7.

a. Gross amounts

In 2020, movements in investments concern the Axway Do Brasil share capital increase for €9 thousand and the removal of the equity investment in Streamdata Inc. following its liquidation for €1 thousand.

The decrease in receivables from equity investments is mainly due to the €10.8 million decrease in Axway Inc. receivables, as well as decreases in the current accounts with Axway Software do Brasil (-€184 thousand), Axway Bulgaria (-€296 thousand) and Axway Limited (-€262 thousand). The Streamdata Inc. current account was cleared *via* a debt waiver of €822 thousand.

The increase in "Loans and other non-current financial assets" was due to changes in the market-making agreement with Kepler for market-making in Axway Software SA shares.

b. Impairment

Following the liquidation of Streamdata Inc. the impairment of €806 thousand was reversed. The decrease in the Axway Do Brasil current account at the end of 2020 also led to an impairment reversal of €183 thousand.

The €269 thousand reversal of impairment of Loans and other non-current financial assets concerns the market-making agreement with Kepler.

6.3.2.2 Current assets

Trade receivables

(in thousands of euros)	2020	2019	2018
Non-Group customers	30,324	34,042	36,466
Accrued income	27,509	33,450	23,831
Group customers	10,583	13,589	7,518
Doubtful receivables	61	59	32
Provision for doubtful receivables	-4,315	-3,914	-27
Total	**64,162**	**77,226**	**67,821**

Trade receivables are recognised in assets at net value. Impairments concerned Doubtful receivables and the Axway Do Brasil receivable. Accrued income decreased by €0.6 million, mainly with respect to license agreements (-€2.7 million) and inter-company accrued income (-€3.4 million).

Other receivables, prepayments and accrued income

(in thousands of euros)	2020	2019	2018
Income tax	7,960	7,459	9,235
Withholding tax	-	559	110
VAT	1,368	1,926	1,498
Other receivables	1,751	1,601	2,035
Prepaid expenses	5,187	4,261	3,882
Unrealised foreign exchange losses	11,996	5,899	6,073
Total	**28,262**	**21,706**	**22,833**

Research Tax Credit – transferred receivables

(in thousands of euros)	Nominal sold	Amount received	Commission	Year of sale	Date of repayment	Receivable extinguished	Stock at 31.12.2020
2017 research tax credit	10,216	10,054	162	2018	15.05.2021	No	10,216
2018 research tax credit	7,948	7,890	58	2019	15.05.2022	No	7,948
2019 research tax credit	8,254	8,129	125	2020	15.05.2023	No	8,254
Total	**26,419**	**26,073**	**345**				**26,419**

Impairment of current assets

(in thousands of euros)	Amount at start of year	Charge	Reversal	Amount at end of year
Impairment of trade receivables	3,914	402	1	4,315
Total	**3,914**	**402**	**1**	**4,315**

Charges to impairment mainly concern receivables from our subsidiary Axway Software Do Brazil.

6.3.2.3 Shareholder's equity

Share capital

Axway Software's share capital was €42,702,132 at 31 December 2020 and comprised 21,351,066 shares, with a par value of €2 each.

The Company holds 36,978 treasury shares under the market-making agreement.

Statement of changes in equity

(in thousands of euros)	Share capital	Issue premiums	Legal reserve	Discretionary reserves	Net profit (loss) for the year	Tax-driven provisions	Retained earnings	Total
At 1 January 2020	**42,451**	**110,976**	**4,245**	**88,976**	**14,829**	**-**	**18**	**261,495**
Appropriation of 2019 earnings	-	-	-	-	-14,829	-	14,829	-
Share capital increase	167	-	-	-167	-	-	-	-
Options exercised	85	564	-	-	-	-	-	649
Profit (loss) for the year	-	-	-	-	-18,163	-	-	-18,163
At 31 December 2020	**42,702**	**111,541**	**4,245**	**88,809**	**-18,163**	**-**	**14,847**	**243,981**

The exercise of share subscription options in 2020 led to the creation of 42,300 shares and the recognition of issue premiums of €564 thousand.

In addition, a share capital increase led to the issue of 83,385 shares for a total value of €167 thousand.

Share subscription option plans

	Initial position		Option exercice period		Position at 1 January		Change in the period, number of options			Position at 31/12/2020	
Grant date	**Numbers of options**	**Exercice price**	**Start date**	**Expiry date**	**Numbers of options**	**Exercice price**	**granted**	**cancelled**	**exercised**	**Number of options**	**Exercice price**
PLAN N° 3 -2011 stock option plan, maximum issue of 1,033,111 shares* - Shareholder's meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2021	71,650	€14.90	-	-4,575	-3,400	63,675	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2021	93,400	€14.90	-	-6,625	-20,400	66,375	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	14,375	€15.90	-	4,788	-6,962	12,201	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	26,337	€15.90	-	-1,750	-11,538	13,049	€15.90
03/01/2014	50,000	€21.86	02/07/2016	03/01/2022	-	€21.86	-	-	-	-	€21.86
03/01/2014	50,000	€21.86	03/01/2019	03/01/2022	-	€21.86	-	-	-	-	€21.86
TOTAL ACTIVE PLANS	**1,394,850**				**205,762**		**-**	**-8,162**	**-42,300**	**155,300**	

* *Increased to 1,295,611 following an amendment in June 2013.*

42,300 share subscription options were exercised during fiscal year 2020.

8,162 share subscription options were cancelled in 2020 following the departure of the beneficiaries.

At 31 December 2020, 155,300 options remained in circulation out of those awarded in 2011 and 2013, all of them potentially dilutive to the current share price.

No further options can be allocated under Plans no. 1 and 2.

The average closing share price in 2020 was €17.95.

6.3.2.4 Provisions for contingencies and losses

(in thousands of euros)	Amount at start of year	Charge	Reversal (used provisions)	Reversal (unused provisions)	Amount at end of year
Provisions for disputes	622	149	216	16	538
Provisions for foreign exchange losses	5,899	11,996	-	5,899	11,996
Provisions for retirement benefits	7,056	528	314	-	7,269
Provisions for tax	787	-	-	-	787
Provisions for stock options	-	183	-	-	183
Total	**14,365**	**12,856**	**531**	**5,915**	**20,774**

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.

The total commitment for retirement benefits amounted to €7,269 thousand. Actuarial differences not recognised on the balance sheet at year-end 2020 totalled €80 thousand (see Note 6.3.1.2).

Assumptions relating to procedures for departures take into account changes in legislation in order to reflect the Group's best estimates at the reporting date:

- the Social Security Financing Act for 2008 introduced a contribution to be paid by the employer on benefits due to an employee whose retirement is at the request of the employer. This 50% contribution applies irrespective of the age of the employee;
- effective from 1 January 2009, an employer may no longer unilaterally require employees to retire unless they have reached the age of 70. For employees between the ages of 65 and 70, the employer is required to ask the employees if they wish to retire.

These successive changes are considered by the Group as changes in actuarial assumptions for the following reasons:

- the changes introduced by the new legal provisions do not have a direct impact on the gross amount received by employees;
- the agreements in existence at the effective date of the law were not amended: benefits awarded to employees may change at a later date once a new agreement has been concluded;
- the abolition of a departure procedure and the introduction of the contribution on the severance indemnity payable in the event of employer-imposed retirement led to a revision by the Group of its actuarial assumptions.

Other assumptions such as turnover, mortality and discount rate are updated regularly to refine the calculation of retirement commitments.

6.3.2.5 Liabilities

Financial debt

(in thousands of euros)	Amount at start of year	New borrowings	Repayments	Amount at end of year
Syndicated credit facility	36,000	-	-	36,000
Bank loan	6,578	-	2,372	4,206
Employee profit-sharing fund	1,649	-	663	986
Loans from equity investments	53,332	8,482	11,190	50,624
Accrued interest on financial debt	92	83	92	83
Total	**97,651**	**8,564**	**14,316**	**91,899**

Axway Software contracted a multi-currency €125 million revolving credit facility with six banks in July 2014, which it renewed in January 2019. 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 set then at January 2024 and extended to January 2026.

During the drawdown period, interest is payable at Euribor plus a spread adjusted every six months to reflect the change in the ratio: Net financial debt/EBITDA.

This facility is subject to a use and non-use fee. The three financial ratios provided in the credit facility agreement were complied with at 31 December 2020.

Since November 2017, a €36 million drawdown on the RCF is renewed every three months.

Note that during the year, we also repaid a total of €1.9 million on the 2015 and 2016 BPI loans and €500 thousand on the 2016 loan from Banque Populaire. Banque Populaire froze repayments during six months for all its customers to help them deal with the pandemic. The last two repayments in 2020 were therefore deferred to 2021.

Employee profit-sharing funds include the special profit-sharing reserve managed by Axway Software in current accounts that are blocked for a certain period. An agreement struck in 2011 also enables employees to opt for external management in multi-company mutual funds.

Loans from equity investments solely concern current accounts with the Group's companies.

Trade accounts payable

(in thousands of euros)	2020	2019	2018
Trade accounts payable - non-Group	2,743	4,456	1,966
Accrued expenses	18,525	22,905	16,147
Trade accounts payable - Group	2,863	2,980	1,989
Total	**24,131**	**30,341**	**20,101**

Tax and employee-related payables

(in thousands of euros)	2020	2019	2018
Employee costs and related payables	8,021	6,456	7,043
Social security bodies	6,942	5,977	7,259
Withholding tax	356	415	-
Income tax	-	-	1,522
VAT	6,222	7,676	6,767
Other tax	98	26	412
Total	**21,640**	**20,550**	**23,003**

Other liabilities, accruals and deferred income

(in thousands of euros)	2020	2019	2018
Customer payments on account	258	391	511
Amounts payable on non-current assets	446	371	1,466
Group and associates	-	1,150	750
Other liabilities	1,200	1,411	2,189
Deferred income	28,878	27,164	26,842
Unrealised foreign exchange gains	655	750	698
Total	**31,437**	**31,237**	**32,456**

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:

(in percentage)	2020	2019	2018
Licences	4.9%	14.7%	16.8%
Support and maintenance	58.4%	50.6%	51.9%
Integration and training services	27.1%	24.0%	25.7%
Subscriptions	9.6%	10.8%	5.6%
Revenue	**100.0%**	**100.0%**	**100.0%**

2020 revenue of €156.7 million includes €88.7 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 April 2020.

Compensation paid in 2020 to governing and management bodies totalled €158.7 thousand.

6.3.3.3 Net financial income

(in thousands of euros)	2020	2019	2018
Dividends received from equity investments	1,823	2,586	8,598
Interest on bank borrowings and similar charges	-516	-506	-640
Interest on employee profit-sharing	-80	-124	-169
Discounting of retirement benefits (provision)	-72	-106	-97
Losses on receivables from equity investments	-822	-	-
Interest received and paid on Group current accounts	373	420	305
Foreign exchange gains and losses (including provisions)	-5,434	-5,335	-5,927
Charges net of reversals to financial provisions, before foreign exchange impact	1,238	9,049	5,059
Other financial income and expense	-146	-160	-52
Net financial income	**-3,637**	**5,825**	**7,077**

A breakdown of dividends received is presented in the table of subsidiaries and associates (see Note 6.3.4.7).

6.3.3.4 Exceptional items

In 2020, the net exceptional loss of €4,938 thousand mainly comprises:

- commercial debt waivers of €4,961 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*). This agreement covers a three-year period from 1 January 2018 to 31 December 2020.

Employee profit-sharing of €890 thousand was calculated for fiscal year 2020.

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 2020 in the amount of €7,960 thousand.

Breakdown of tax between recurring and exceptional income

(in thousands of euros)	2020	2019	2018
Tax on recurring operations	128	1,280	2,372
Tax on exceptional items	-	-257	-849
Additional contribution	-	-	-33
Research tax credits	-8,056	-8,539	-8,003
Other tax credits	-	-43	-46
Total income tax expense	**-7,928**	**-7,559**	**-6,559**

Deferred tax position

	Base					
	Start of the fiscal year		Change		End of the fiscal year	
(in thousands of euros)	Asset	Liability	Asset	Liability	Asset	Liability
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	89	-		1	88	-
• Construction levy	170	-	10		180	-
• To be deducted thereafter						
• Provision for retirement commitments	7,056	-	214	-	7,269	-
• Other	-	-	-	-	-	-
Temporary non-taxable income						
• Net short term capital gains	-	-	-	-	-	-
• Capital gains on mergers	-	-	-	-	-	-
• Deferred long-term capital gains	-	-	-	-	-	-
Deducted expenses for tax purposes (or tax income)						
• Deferred charges	-	-	-	-	-	-
• Unrealised foreign exchange gains	750	-	-	96	655	-
Total	**8,066**		**224**	**97**	**8,192**	
II. Items to be charged						
Tax losses carried forward	**17,958**	**-**	**-**	**26,441**	**44,400**	**-**
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

(in thousands of euros)	Gross Amount	Within one year	One to five years
Non-current assets			
Receivables from equity investments	55,676	-	55,676
Other non-current financial assets	2,132	1,015	1,116
Current assets			
Doubtful or disputed receivables	61	-	61
Other trade receivables	68,416	68,416	-
Employee costs and related payables	178	178	-
Social security bodies	1	1	-
VAT	1,368	1,368	-
Tax credit	7,960	-	7,960
Other taxes	274	274	-
Other receivables	1,297	809	488
Accruals and deferred income	17,183	16,407	776
Total	**154,546**	**88,467**	**66,079**

Other non-current financial assets mainly relate to the market-making agreement and treasury shares.

Payables

(in thousands of euros)	Gross amount	Within one year	One to five year
Bank debt			
• 2 years maximum at outset	83	83	-
• More than 2 years maximum to outset	40,206	2,456	37,750
Other financial debt	986	506	480
Group and associates	50,624	-	50,624
Trade accounts payable	24,131	24,131	-
Employee costs and related payables	8,021	8,021	-
Social security bodies	6,942	6,942	-
State and public bodies			
• Withholding tax	356	356	-
• VAT	6,222	6,222	-
• Other taxes and similar	98	98	-
Amounts payable on non-current assets	446	446	-
Other liabilities	1,458	1,458	-
Accruals and deferred income	29,533	29,533	-
Total	**169,106**	**80,252**	**88,855**

6.3.4.2 Accrued income and expenses

(in thousands of euros)	
Accrued income	
Trade accounts payable - Credit Notes receivable	126
Trade receivables	27,509
Tax and social security receivables	1,166
Total	**28,801**
Accrued expenses	
Accrued interest	83
Trade accounts payable - Purchase invoice accruals	18,525
Trade receivables - Credit Notes to be issued	1,146
Tax and social security liabilities	13,570
Other liabilities	170
Total	**33,493**

Tax and social security receivables correspond to VAT on purchase invoice accruals of €803 thousand, VAT on credit Notes to be issued of €89 thousand and the expected repayment of the CVAE corporate value-added contribution of €274 thousand for 2020.

The increase in employee-related liabilities on 2019 mainly concerns commission on customer-managed contacts signed at the end of 2020.

6.3.4.3 Employees

The average workforce in 2020 totalled 483 employees, and the number of employees at 31 December 2020 was 483.

6.3.4.4 Statutory Audit fees

Audit fees of €254 thousand are recorded in the income statement, including €234 thousand for the statutory audit of the accounts and €20 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.

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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	328
Bank guarantees for completion bonds	103
Bank guarantees guaranteeing payment of tax liabilities	177
Bank guarantees guaranteeing payment of supplier invoices	None
Unfunded retirement commitments (actuarial differences)	-80
Guarantees given to subsidiaries to guarantee tender bids	None
Guarantees given to subsidiaries to guarantee leases	None
Severance of CEO’s duties	616
Collateral, mortgages and sureties	None
Interest rate hedging instruments	None
Exchange rate hedging instruments	None

Bank guarantees

A bank guarantee of €225 thousand in place of a security deposit was arranged in 2012 when the Puteaux 1 lease was taken over. This guarantee will be lifted on 30 June 2021, without possibility to bring this date forward.

In May 2013, a similar guarantee amounting to €41 thousand was arranged when setting-up the new Puteaux 3 site, to which a supplement of €62 thousand was added in 2015, following the lease of a new floor. This guarantee must be lifted by the lessor or alternatively by sending the original documents to the bank. We have taken the necessary steps to obtain the return of these funds from the former lessor.

Bank completion bonds stood at €103 thousand at 31 December 2020.

Guarantees of €177 thousand were established in August 2014 to guarantee the payment of tax liabilities.

Retirement commitments

At the end of 2020, the unfunded part of the retirement commitment stood at €80 thousand.

Severance pay

Severance pay for the Chief Executive Officer was set at US$756 thousand (or €673 thousand at the dollar exchange rate on 31 December 2020).

6.3.4.6 Exceptional events and legal disputes

To the Company’s knowledge, there are no exceptional events or legal disputes that may impact its financial position, business or results.

6.3.4.7 List of subsidiaries and equity investments

Company amounts *(in euros)*	Share capital	Equity other than share capital and before appropriation of last fiscal year profit (loss)	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				
Axway Software (France)									
Axway UK Ltd (United Kingdom)	111,231	(109,817)	99.998%	148,270	148,270	-	12,883,946	57,270	-
Axway GmbH (Germany)	425,000	21,483,513	100%	23,038,194	23,038,194	-	29,104,818	3,732,832	-
Axway Srl (Italy)	98,040	41,281	100%	98,127	98,127	-	3,813,855	(81,096)	
Axway software Iberia (Spain)	1,000,000	200,883	100%	1,000,000	1,000,000	-	2,983,518	(285,593)	175,000
Axway Nordic (Sweden)	9,966	970,585	100%	20,706,080	848,061	-	2,998,321	6,263	-
Axway Inc. (United States)	2	85,551,710	100%	154,946,354	154,946,354	52,752,014	175,122,313	9,565,125	-
Axway BV (Netherlands)	18,200	(1,721)	100%	200,000	200,000	69,306	4,693,563	221	-
Axway Belgium (Belgium)	1,000,000	(966,480)	99.9%	999,000	999,000	-	8,327,084	580,127	-
Axway Romania Srl (Romania)	10,782	1,876,827	100%	1,972,250	1,972,250	842,039	13,433,929	669,874	226,759
Axway SAS (France)	45,000	(19,217)	100%	45,000	-	1	-	(1,099)	-
Axway Pte Ltd (Singapore)	123,320	472,477	100%	1	1	-	7,741,984	(409,823)	265,376
Axway Ltd (Hong Kong)	10,511	376,797	100%	1	1	-	1,566,675	53,070	-
Axway Pty (Australia)	62,909	396	100%	1	1	-	8,383,031	179,996	145,610
Axway Software China (China)	1,415,848	(891,679)	100%	1	1	-	771,435	(319,929)	-
Axway Bulgaria EOOD (Bulgaria)	2,556	657,689	100%	979,844	979,844	453,387	13,358,200	762,715	1,009,801
Axway Distribution France (France)	33,000	(14,266)	100%	34,800	-	6,500	-	(1,213)	-
Axway Ltd (Ireland)	141,815	22,927,138	100%	42,841,900	42,841,900	-	20,977,868	(8,815,268)	-
Axway Software Do Brasil (Brazil)	8,714	(3,965,326)	99.991%	12,543	-	1,553,307	4,245,525	(1,746,608)	-

6.4 Summary Axway Software SA’s results for the past five fiscal years

(in euros)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Share capital at end of fiscal year						
Share capital	42,702,132	42,450,762	42,450,762	42,420,462	42,042,078	41,547,832
Number of ordinary shares outstanding	21,351,066	21,225,381	21,225,381	21,210,231	21,021,039	20,773,916
Number of bonds convertible into shares						
Transactions and results for the fiscal year						
Revenue excluding VAT	156,706,577	163,568,230	157,202,173	162,089,972	160,841,463	172,148,256
Profit (loss) before tax, employee profit-sharing and incentive schemes, depreciation, amortisation and provisions	-15,140,745	12,541,571	19,905,290	13,460,840	4,207,072	10,966,245
Income tax expense	-8,063,764	-7,559,470	-6,559,179	-11,050,179	-8,767,585	-9,829,433
Employee profit-sharing and incentive schemes due for the fiscal year	903,829	714,193	555,044	130,049	564,138	567,488
Profit (loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	-18,162,775	14,828,878	22,812,473	16,983,375	10,881,106	9,321,572
Distributed earnings	8,540,426	-	8,490,152	4,242,046	8,408,416	8,309,566
Earnings per share						
Profit (loss) after tax and employee profit-sharing, but before depreciation, amortisation and provisions	-0.37	0.91	1.22	1.15	0.59	0.97
Profit (loss) after tax and employee profit-sharing, depreciation, amortisation and provisions	-0.85	0.70	1.07	0.80	0.52	0.45
Dividend per share	0.40	0.40	0.40	0.20	0.40	0.40
Employee data						
Average number of employees during the fiscal year	483.00	489	477	577	657	705
Total payroll for the fiscal year	41,973,124	38,739,302	39,316,093	43,762,519	47,188,819	47,725,975
Total benefits paid for the fiscal year (social security, employee welfare, etc.)	19,729,625	17,603,997	17,086,210	19,094,590	21,159,075	21,692,547

6.5 Statutory Auditors' report on the Annual Financial Statements

Statutory Auditors' report on the annual financial statements

Year ended 31 December 2020

This is a translation into English of the Statutory Auditors' report on the 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.

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 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2020 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 2020 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

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, 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 annual 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 2020, 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.

Recognition of license revenue

(Notes 1.2 and 3.1 to the annual financial statements).

Risk identified

The Company's activity comprises several business lines including license sales. At 31 December 2020, licensing revenue represented 4.9% of total 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 actual value of its other components.

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.

Revenue recognition for this business line is considered a key audit matter in view of its material significance in the Company's financial statements, and, in particular, its impact on operating profit.

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, comprehensiveness and proper separation of fiscal years for licensing revenue.

Our work mainly consisted in:

- reviewing the design of the internal control as well as the effectiveness-testing of the key check points in the procedure for recognising licensing revenue;
- conducting substantive tests, by sampling or other selection methods, on the revenue from licensing contracts signed during the fiscal year in order to verify the reality and measurement of the revenue, and the correct separation of fiscal years.

In particular, we reconciled the recognised amount of licensing revenue with the contract data, and verified the application of the procedure for apportioning the price of multiple-component contracts among the different elements of such contracts.

We examined the proof of delivery and the terms and procedures for payment.

We also assessed the appropriateness of the disclosures in Note 1.2 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 €227.1 million at 31 December 2020, 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. 441-4 of the French Commercial Code (Code de commerce).

Report on corporate governance

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.

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Other Legal and Regulatory Verifications or Information

Format of presentation of the annual financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the annual financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No. 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of 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*).

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 2020, ACA Nexia and Mazars had held office as auditors for 20 continuous years, of which ten 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 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 annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease 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 annual 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 annual 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 annual 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.

Paris and Courbevoie, 25 February 2021

The Statutory Auditors

Aca Nexia	**Mazars**
Sandrine Gimat	Bruno Pouget

Axway Software share capital and shares

7

AFR

Axway decided to introduce double voting rights during the General Meeting of 4 June 2014. Since that date, a double voting right is awarded to any share held in registered form for at least two years. This amendment to the Articles of Association is the result of a legal reform intended to stabilise shareholding within listed companies. Axway's current ownership has been stable since its shares were listed in 2011.

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 Compartment B of Euronext Paris and are eligible for the Deferred Settlement Service (SRD) and inclusion in equity saving plans (PEA and PEA-PME).

On 31 December 2020, Axway Software's share capital consisted of 21,351,066 shares with a par value of two (2) euros each, fully paid up, amounting to €42,702,132. The total number of exercisable voting rights attached to the share capital at 31 December 2020, taking account of double voting rights and the absence of voting rights on treasury shares, was 36,143,461.

Changes in share capital during the fiscal year ended 31 December 2020 are detailed in Section 3 ("Changes in share capital") of this chapter 7.

On 31 December 2020, if all free shares had been issued and all share subscription options, exercisable or not, exercised, this would have resulted in the issuance of 1,398,934 new shares, representing 6.57% 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 the Company's capital have been pledged as collateral.

Shares owned by the Company in its subsidiaries are unencumbered by sureties.

7.2 Current share ownership

	At 31/12/2020				
Shareholders	**Number of shares owned**	**% of capital**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of exercisable voting rights**
Sopra Steria Group SA	6,913,060	32.38%	13,826,120	13,826,120	38.25%
Sopra GMT (1)	4,503,321	21.09%	9,006,642	9,006,642	24.92%
Pasquier family group (1)	29,970	0.14%	49,502	49,502	0.14%
Odin family group (1)	297,309	1.39%	527,904	527,904	1.46%
Sopra Développement (2) (3)	-	0%	-	-	0%
Management (2)	340,952	1.60%	566,474	566,474	1.57%
Shareholder agreement between the Founders, the Managers and Sopra Steria Group SA	12,084,612	56.60%	23,976,642	23,976,642	66.34%
Public (4)	9,229,476	43.23%	12,166,819	12,166,819	33.66%
o/w Caravelle	*2,572,458*	*12.05%*	*5,144,916*	*5,144,916*	*14.23%*
Treasury shares	36,978	0.17%	36,978	-	0%
Total	**21,351,066**	**100%**	**36,180,439**	**36,143,461**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders"
(2) Sopra Développement and Management are referred to collectively as the "Managers"
(3) Sopra Développement was liquidated in October 2020.
(4) Calculated by deduction

At 31 December 2020, Axway held 23,994 treasury shares under a market-making agreement. Furthermore, during the implementation of a share buyback programme between 31 March and 5 April 2020, Axway purchased 12,984 shares allocated to cover undertakings subscribed by the Company in connection with performance share plans for Group key managers. In total, as at 31 December 2020, Axway therefore held 36,978 treasury shares.

To the best of the Company's knowledge, only Caravelle and Lazard Frères Gestion held more than 5% of the Company's share capital as at 31 December 2020 with 2,572,458 and 1,315,900 shares, representing 12.05% and 6.16% of share capital, respectively; no other public shareholder owns more than 5% of Axway.

There were no significant changes in the Company's share capital during the fiscal year ended 31 December 2020.

	At 31/12/2019				
Shareholders	**Number of shares owned**	**% of capital**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of exercisable voting rights**
Sopra Steria Group SA	6,913,060	32.57%	12,526,120	12,526,120	36.08%
Sopra GMT (1)	4,503,321	21.22%	9,006,642	9,006,642	25.94%
Pasquier family group (1)	27,094	0.13%	46,626	46,626	0.13%
Odin family group (1)	295,227	1.39%	525,822	525,822	1.51%
Sopra Développement (2)	1	0%	2	2	0%
Management (2)	340,384	1.60%	563,918	563,918	1.62%
Shareholder agreement between the Founders, the Managers and Sopra Steria Group SA	12,079,087	56.91%	22,669,130	22,669,130	65.30%
Public (3)	9,099,629	42,87%	12,045,336	12,045,336	34.70%
o/w Caravelle	*2,572,458*	*12.12%*	*5,144,916*	*5,144,916*	*14.82%*
Treasury shares	46,665	0.22%	46,665	-	0%
Total	**21,225,381**	**100%**	**34,761,131**	**34,714,466**	**100%**

	At 31/12/2018				
Shareholders	**Number of shares owned**	**% of capital**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of exercisable voting rights**
Sopra Steria Group SA	6,913,060	32.57%	12,526,120	12,526,120	36.18%
Sopra GMT (1)	4,503,321	21.22%	9,006,642	9,006,642	26.01%
Pasquier family group (1)	27,094	0.13%	46,626	46,626	0.13%
Odin family group (1)	295,227	1.39%	525,822	525,822	1.52%
Sopra Développement (2)	1	0%	2	2	0%
Management (2)	341,458	1.61%	563,492	563,492	1.63%
Shareholder agreement between the Founders, the Managers and Sopra Steria Group SA	12,080,161	56.91%	22,668,704	22,668,704	65.47%
Public (3)	9,016,234	42.48%	11,956,797	11,956,797	34.53%
o/w Caravelle	*2,572,458*	*12.12%*	*5,144,916*	*5,144,916*	*14.86%*
Treasury shares	128,986	0.61%	128,986		0%
Total	**21,225,381**	**100%**	**34,754,487**	**34,625,501**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders".

(2) Sopra Développement and Management are referred to collectively as the "Managers"

(3) Calculated by deduction.

The share capital of Sopra GMT, the holding company of Sopra Steria Group and Axway, is held as follows:

Sopra GMT's share ownership structure	31/12/2020		31/12/2019		31/12/2018	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pasquier Family group	318,050	68.27%	318,050	68.27%	318,050	68.44%
Odin Family group	132,050	28.34%	132,050	28.34%	132,050	28.41%
Sopra Steria Group active and retired managers	15,774	3.39%	15,774	3.39%	14,624	3.15%
Total	**465,874**	**100%**	**465,874**	**100%**	**464,724**	**100%**

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. In addition, the Company has taken care to supplement the legal mechanism by adding a clause to the Articles of Association stipulating that *"Any shareholder whose ownership interest in the share capital crosses the thresholds of three or four percent 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 20 November 2020, FIL Limited (Fidelity International) declared it had increased its interest above a threshold and held 4.04% of Axway's share capital, *i.e.* 860,315 shares and 2.38% of the Company's voting rights.

In a letter received on 14 December 2020, FIL Limited (Fidelity International) declared it has decreased its interest below a threshold and held 3.98% of Axway's share capital, *i.e.* 850,385 shares and 2.35% of the Company's voting rights.

7.2.2 Approximate number of shareholders

At 31 December 2020, Axway Software had 986 registered shareholders who owned 14,963,859 shares and held 29,793,232 voting rights, *i.e.* 70.08% of the shares making up the share capital, and 82.35% of total theoretical voting rights. These figures are calculated by deduction based on the table presenting the current share ownership at 31 December 2020.

On the basis of the most recent data available to the Company, the total number of Axway Software shareholders can be estimated at around 2,000.

7.2.3 Employee share ownership

At 31 December 2020, pursuant to the provisions of Article L. 225-102 of the French Commercial Code, Company shares were held either as registered shares or under free share grant plans, by its employees or by employees of its affiliates, within the meaning of Article L. 225-180 of the French Commercial Code, as follows:

- 3,015 shares under a company savings plan; and
- 177,600 shares directly held 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 180,615 shares or 0.84% of the Company's share capital at 31 December 2020.

However, no shares were 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 involvement in the corporate project, Axway has set up two free share grant plans since 2011:

- 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 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 of Sopra Steria Group, as well as Sopra Steria Group also act in concert with 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.

It should also be noted that Amendment no. 2 to the aforementioned shareholders' agreement of 7 December 2009 was signed on 14 December 2012. Amendment no. 2 had no impact on the Company insofar as Sopra Executives Investments holds no Company shares.

7.2.5 Control of the Company

Sopra GMT, the holding company of Axway Software and Sopra Steria Group, exercises control over the Company due to its direct and indirect holding (as part of the shareholders' agreement) of over half of the share capital (56.58%) and 66.32% of 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 the control will be exercised in an abusive manner since:

- the Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and mid caps updated in September 2016, 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 on the appointment of the current Chief Executive Officer;
- on the recommendation of the Appointments, Ethics and Governance Committee and in compliance with the Middlenext Code of Corporate Governance for small and mid caps, the Company's Board of Directors qualified nine directors as independent (*i.e.* more than 50% of Board members), namely Emma Fernandez, Helen Louise Heslop, Véronique de la Bachelerie, Marie-Hélène Rigal-Drogerys, Pascal Imbert, Hervé Saint-Sauveur, Michael Gollner, Yves de Talhouët and Hervé Déchelette, at the Board meeting of 10 December 2020;
- 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 and any other rules contributing to good governance as defined in the Middlenext Code of Corporate Governance (Board member ethics);
- the Company's Board of Directors set up an Audit Committee responsible for reviewing the financial statements, 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 Audit Committee is 64% comprised of independent directors to prevent any abusive control over the Company by the shareholders acting in concert;
- in accordance with the recommendations of the Middlenext 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 whose tasks include examining the independence of directors and situations of conflicts 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 Changes in 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
2008		75,620,000	€38		1,990,000	-	-
2009		75,620,000	€38		1,990,000	-	-
2010		75,620,000	€38		1,990,000	-	-
2011	Division of the par value by 8	75,620,000	€4.75		15,920,000	-	-
2011	Capital increase by capitalisation of reserves	76,572,437	€4.75	200,513	16,120,513	-	-
2011	Capital decrease by a reduction in the par value	32,241,026	€2		16,120,513	44,331	44,331
2011	Capital increase by exercise of options	40,301,282	€2	4,030,128	20,150,641	-	-
2012	Capital increase by exercise of options	40,642,076	€2	170,397	20,321,038	-	-
14/02/2013	Capital increase by issue of free shares	40,642,166	€2	45	20,321,083	-	-
18/06/2013	Capital increase by exercise of options	40,709,974	€2	33,904	20,354,987	-	-
19/09/2013	Capital increase by exercise of options	40,760,834	€2	25,430	20,380,417	-	-
20/09/2013	Capital increase by exercise of options	40,780,834	€2	10,000	20,390,417	-	-
25/09/2013	Capital increase by exercise of options	40,899,496	€2	59,331	20,449,748	-	-
26/09/2013	Capital increase by exercise of options	40,913,400	€2	6,952	20,456,700	-	-
29/09/2013	Capital increase by exercise of options	40,930,354	€2	8,477	20,465,177	-	-
01/2014	Capital increase by exercise of options	40,981,208	€2	25,427	20,490,604	-	-
02/2014	Capital increase by exercise of options	41,032,068	€2	25,430	20,516,034	-	-
02/2014	Capital increase by issue of free shares	41,082,378	€2	25,155	20,541,189	-	-
04/2014	Capital increase by exercise of options	41,099,332	€2	8,477	2,054,966	-	-
06/2014	Capital increase by exercise of options	41,111,632	€2	6,150	20,555,816	-	-
08/2014	Capital increase by exercise of options	41,114,632	€2	1,500	20,557,316	-	-
09/2014	Capital increase by exercise of options	41,124,432	€2	4,900	20,562,216	-	-
10/2014	Capital increase by exercise of options	41,132,182	€2	3,875	20,566,091	-	-
12/2014	Capital increase by exercise of options	41,136,276	€2	8,567	20,568,138	-	-
01/2015	Capital increase by exercise of options	41,154,182	€2	8,953	20,577,091	-	-
04/2015	Capital increase by exercise of options	41,161,682	€2	3,750	20,580,841	-	-
05/2015	Capital increase by exercise of options	41,170,182	€2	4,250	20,585,091	-	-
06/2015	Capital increase by exercise of options	41,171,082	€2	450	20,585,541	-	-
07/2015	Capital increase by exercise of options	41,171,932	€2	425	20,585,966	-	-
08/2015	Capital increase by exercise of options	41,399,932	€2	114,000	20,699,966	-	-
09/2015	Capital increase by exercise of options	41,435,072	€2	17,570	20,717,536	-	-
10/2015	Capital increase by exercise of options	41,456,832	€2	10,880	20,728,416	-	-
11/2015	Capital increase by exercise of options	41,539,032	€2	41,100	20,767,516	-	-
12/2015	Capital increase by exercise of options	41,547,832	€2	4,400	20,773,916	-	-
01/2016	Capital increase by exercise of options	41,550,782	€2	1,475	20,775,391	-	-
02/2016	Capital increase by issue of free shares	41,596,862	€2	23,040	20,798,431	-	-
02/2016	Capital increase by exercise of options	41,597,862	€2	500	20,798,931	-	-
04/2016	Capital increase by exercise of options	41,602,362	€2	1,500	20,801,181	-	-

Date	Transaction type	Share capital after the transaction *(in euros)*	Par value	Number of shares: Created	Number of shares: Total	Contributions: Par value	Contributions: Premiums or reserves
05/2016	Capital increase by exercise of options	41,604,362	€2	1,000	20,802,181	-	-
06/2016	Capital increase by exercise of options	41,609,362	€2	2,500	20,804,681	-	-
07/2016	Capital increase by exercise of options	41,625,012	€2	7,825	20,812,506	-	-
08/2016	Capital increase by exercise of options	41,639,612	€2	7,300	20,819,806	-	-
09/2016	Capital increase by exercise of options	41,642,612	€2	1,500	20,821,306	-	-
10/2016	Capital increase by exercise of options	41,647,612	€2	2,500	20,823,806	-	-
11/2016	Capital increase by exercise of options	41,697,812	€2	25,100	20,848,906	-	-
12/2016	Capital increase by exercise of options	42,042,078	€2	172,133	21,021,039	-	-
01/2017	Capital increase by exercise of options	42,143,712	€2	50,817	21,071,856	-	-
02/2017	Capital increase by exercise of options	42,164,408	€2	10,348	21,082,204	-	-
03/2017	Capital increase by exercise of options	42,271,252	€2	53,422	21,135,626	-	-
04/2017	Capital increase by exercise of options	42,303,522	€2	16,135	21,151,761	-	-
05/2017	Capital increase by exercise of options	42,327,522	€2	12,000	21,163,761	-	-
06/2017	Capital increase by exercise of options	42,375,412	€2	23,945	21,187,706	-	-
07/2017	Capital increase by exercise of options	42,382,412	€2	3,500	21,191,206	-	-
08/2017	Capital increase by exercise of options	42,384,412	€2	1,000	21,192,206	-	-
09/2017	Capital increase by exercise of options	42,405,212	€2	10,400	21,202,606	-	-
10/2017	Capital increase by exercise of options	42,407,212	€2	1,000	21,203,606	-	-
12/2017	Capital increase by exercise of options	42,420,462	€2	6,625	21,210,231	-	-
01/2018	Capital increase by exercise of options	42,428,562	€2	4,050	21,214,281	-	-
02/2018	Capital increase by exercise of options	42,432,562	€2	2,000	21,216,281	-	-
03/2018	Capital increase by exercise of options	42,438,762	€2	3,100	21,219,381	-	-
05/2018	Capital increase by exercise of options	42,443,762	€2	2,500	21,221,881	-	-
06/2018	Capital increase by exercise of options	42,447,762	€2	2,000	21,223,881	-	-
07/2018	Capital increase by exercise of options	42,448,762	€2	500	21,224,381	-	-
09/2018	Capital increase by exercise of options	42,450,762	€2	1,000	21,225,381	-	-
03/2020	Capital increase by issue of free shares	42,614,594	€2	81,916	21,307,297	-	-
05/2020	Capital increase by issue of free shares	42,617,532	€2	1,469	21,308,766	-	-
08/2020	Capital increase by exercise of options	42,622,532	€2	2,500	21,311,266	-	-
09/2020	Capital increase by exercise of options	42,632,532	€2	5,000	21,316,266	-	-
11/2020	Capital increase by exercise of options	42,690,182	€2	28,825	21,345,091	-	-
12/2020	Capital increase by exercise of options	42,702,132	€2	5,975	21,351,066	-	-

7.4 Shares held by the Company or on its behalf – share buyback programme and market-making agreement

7.4.1 Transactions carried out by Axway Software in 2020 under the share buyback programme

In fiscal year 2020, Axway Software acquired, under the authorisations granted to the Board of Directors by the General Meeting of 3 June 2020, 12,984 of its own shares (excluding shares acquired under the market-making agreement, which is described below). These shares were acquired at an average price of €15.50 per share, *i.e.* a total cost of €201,252. The trading costs incurred by Axway Software SA amounted to 0.1% of the total cost plus the tax on the financial transactions.

These 12,984 shares were allocated to cover undertakings given by Axway Software in connection with the set-up of performance share plans for Group key managers.

7.4.2 Transactions carried out by Axway Software in 2020 under the market-making agreement

From 10 June 2011 and for 12-month periods subject to tacit renewal, the Company 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 traded on the stock market on behalf of Axway Software in order to ensure trading liquidity and stock price stability, thereby avoiding price fluctuations not justified by underlying market trends.

At 31 December 2020, Axway Software held 23,994 shares under its market-making agreement. Axway Software did not enter into any derivative transactions covering its shares and did not buy or sell its shares by exercising or upon the expiry of derivatives for the year ended 31 December 2020.

The Company set aside €1 million for the implementation of this 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 14 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 25 May 2021

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 SA share buyback programme that will be submitted to the authorisation of the General Meeting of 25 May 2021.

No more than €100,349,982, excluding acquisition costs, may be allocated to this share buyback programme for a maximum of 2,135,106 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 25 May 2021 to fulfil the following objectives (see Chapter 9 Resolutions):

(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;

(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 Shareholders' 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 Issue authorisations granted to the Axway Board of Directors – delegations granted by the General Meetings

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The table below summarises the currently valid delegations 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 6 June 2018

Authorisation for the Board of Directors to grant free shares, existing or to be issued, to eligible employees or company officers (17th resolution)

Date of General Meeting granting the delegation of authority	6 June 2018
Duration of delegation of authority	38 months
Expiry date	5 August 2021
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, for an amount not exceeding €1,696,818 and, in any event, a maximum of 848,409 ordinary shares
Use made of this delegation of authority during the fiscal year *(in euros)*	4% of the Company's share capital on the date of the grant decision by the Board of Directors, for an amount not exceeding €1,696,818 and a maximum of 848,409 ordinary shares
Remaining balance	0% of the Company's share capital on the date of the grant decision by the Board of Directors No more shares are available under this resolution.

II. Delegations of authority granted by the Combined General Meeting of 5 June 2019

Authorisation for the Board of Directors to buyback ordinary shares in the Company (23rd resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	18 months
Expiry date	5 December 2020
Total amount for which the delegation of authority is granted	10% of the total number of ordinary shares on the date of the share buybacks, for an amount not exceeding €99,759,290 and, in any event, a maximum of 2,122,538 ordinary shares
Use made of this delegation of authority during the fiscal year *(in euros)*	0.06% of the total number of ordinary shares, for an amount of €201,252 and a maximum of 12,984 shares.
Remaining balance	9.04% of the total number of ordinary shares on the date of the share buybacks, for an amount not exceeding €99,558,038 and, in any event, a maximum of 2,109,554 ordinary shares

Authorisation granted to the Board of Directors to cancel the shares acquired by the Company under the share buyback programme; corresponding share capital reduction (24th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	24 months
Expiry date	5 June 2021
Total amount for which the delegation of authority is granted	10% of the share capital, i.e. a maximum amount of €4,245,076 based on the share capital adjusted for transactions impacting the share capital after the Combined General Meeting of 5 June 2019
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	10% of the share capital, i.e. a maximum amount of €4,245,076 based on the share capital adjusted for transactions impacting the share capital after the Combined General Meeting of 5 June 2019

Delegation of authority granted to the Board of Directors to increase the share capital by capitalising reserves, profits, share premiums or other items (25th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted	€20,000,000 (1)
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	20,000,000

(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 the share capital authorised by the other resolutions and capped by the 29th resolution adopted by the Combined General Meeting of 5 June 2019.

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 granting a right to allocation of debt securities (26th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted *(in euros)*	20,000,000 (1) 200,000,000 (2) (debt securities)
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

(1) This amount is deducted from the par value limit for share capital increases provided in the 32nd resolution.
(2) This ceiling covers all debt securities that may be issued under this resolution and the 27th and 28th resolutions.

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Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting, where applicable, access to ordinary shares or the grant of debt securities and/or securities granting access to ordinary shares, with cancellation of preferential subscription rights, through an offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code (27th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted *(in euros)*	10,000,000 (1) 100,000,000 (2) (debt securities)
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	10,000,000 100,000,000

(1) This amount is deducted from the par value limit for share capital increases provided in the 32nd resolution adopted by the Combined General Meeting of 5 June 2019.

(2) This amount is deducted from the nominal value limit for debt securities set in the 26th resolution adopted by the Combined General Meeting of 5 June 2019.

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 cancellation of preferential subscription rights, as part of a public offering (28th resolution)

Date of Gene<ral Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted *(in euros)*	20,000,000 (1) 200,000,000 (2) (debt securities)
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

(1) This amount is deducted from the par value limit for share capital increases provided in the 32nd resolution adopted by the Combined General Meeting of 5 June 2019.

(2) This amount is deducted from the nominal value limit for debt securities set in the 26th resolution adopted by the Combined General Meeting of 5 June 2019.

Authorisation granted to the Board of Directors to increase the size 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 26th, 27th and 28th resolutions (29th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted *(in euros)*	Ceilings provided respectively by the 26th, 27th and 28th resolutions
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	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 offer (30th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted *(in euros)*	10% of the share capital, i.e. a maximum amount of €4,245,076 (1)
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	10% of the share capital, i.e. a maximum amount of €4,245,076 (1)

(1) This amount is deducted from the threshold set in the 32nd resolution adopted by the Combined General Meeting of 5 June 2019.

Authorisation granted to the Board of Directors to set the issue price of ordinary shares or securities granting access to ordinary shares, in the event of cancellation of preferential subscription rights, up to an annual limit of 10% of the share capital per 12-month period (31st resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted	10% of the share capital, i.e. a maximum amount of €4,245,076, per twelve (12) month period as well as the ceiling set in the 32nd resolution from which it is deducted
Use made of this delegation of authority during the fiscal year	-
Remaining balance	10% of the share capital, i.e. a maximum amount of €4,245,076, per twelve (12) month period as well as the ceiling set in the 32nd resolution from which it is deducted

Overall limit on issue authorisations, with retention or cancellation of preferential subscription rights (32nd resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
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 *(in euros)*	-
Remaining balance	20,000,000

(1) Total maximum par value amount of share capital increases that may be decided pursuant to the 26th, 27th, 28th, 29th, 30th, 31st and 34th resolutions adopted by the Combined General Meeting of 5 June 2019.

Authorisation for the Board of Directors to grant free shares, existing or to be issued, to eligible employees or company officers (33rd resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	38 months
Expiry date	5 August 2022
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, for an amount not exceeding €1,698,030 and a maximum of 849,015 ordinary shares
Use made of this delegation of authority during the fiscal year *(in euros)*	2.2% of the Company's share capital on the date of the grant decision by the Board of Directors, for an amount of €949,782 and 474,891 ordinary shares
Remaining balance	1.8 % of the Company's share capital on the date of the grant decision by the Board of Directors, for an amount not exceeding €748,248 and a maximum of 374,124 ordinary shares

Authorisation granted to the Board of Directors to issue, to employees and company officers of the Company or of its Group, redeemable share subscription and/or purchase warrants (BSAAR), with cancellation of shareholder preferential subscription rights (34th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	18 months
Expiry date	5 December 2020
Total amount for which the delegation of authority is granted	1% of the Company's share capital, i.e. a maximum amount of €424,508, at the date of the Board of Directors' decision
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	1% of the Company's share capital, i.e. a maximum amount of €424,508, at the date of the Board of Directors' decision

Authorisation granted to the Board of Directors to grant share subscription or purchase options to eligible company officers or employees of the Axway Group (35th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	38 months
Expiry date	5 August 2022
Total amount for which the delegation of authority is granted	1% of the number of shares comprising the Company's share capital, *i.e.* a maximum of 212,253 shares, 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, *i.e.* a maximum of 212,253 shares, on the date of the grant decision by the Board of Directors

Delegation 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 (36th resolution)

Date of General Meeting granting the delegation of authority	5 June 2019
Duration of delegation of authority	26 months
Expiry date	5 August 2021
Total amount for which the delegation of authority is granted *(in euros)*	3% of the share capital at the date of the General Meeting, i.e. €1,273,523 (1)
Use made of this delegation of authority during the fiscal year *(in euros)*	-
Remaining balance	€1,273,523

(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 ordinary shares authorised by the other resolutions of the Combined General Meeting of 5 June 2019.

7.6 Share subscription option plans

The table below summarises the status as at 31 December 2020 of stock option plans granted by Axway to its employees:

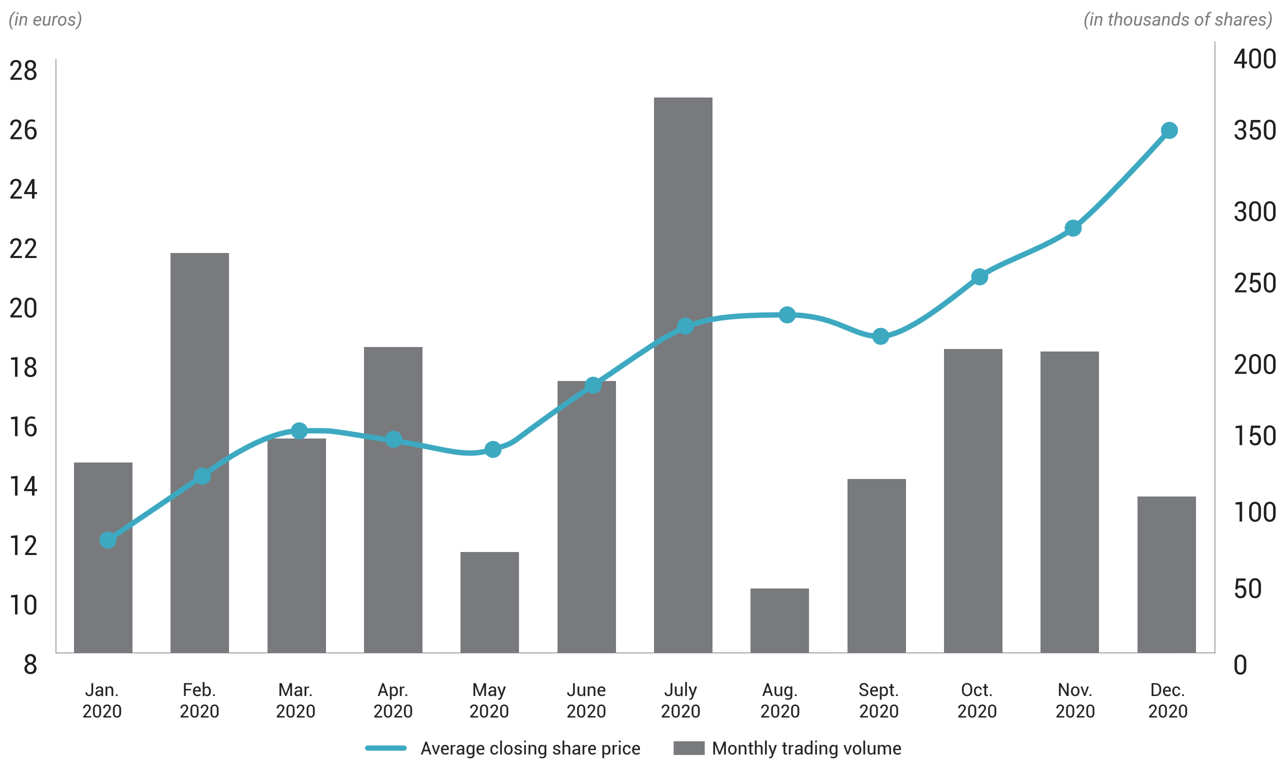
	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options			Position at 31/12/2020	
Grant date	**Number of options**	**Exercise price**	**Start date**	**Expiry date**	**Number of options**	**Exercise price**	**awarded**	**cancelled**	**exercised**	**Number of options**	**Exercise price**
PLAN NO. 3 – 2011 options plan, maximum issuance of 1,033,111 shares* Shareholders' Meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2019	71,650	€14.90	-	-4,575	3,400	63,675	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2019	93,400	€14.90	-	-6,625	-20,400	66,375	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	14,375	€15.90	-	4,788	-6,962	12,201	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	26,337	€15.90	-	-1,750	-11,538	13,049	€15.90
03/01/2014	50,000	€21.86	02/07/2016	03/01/2022	-	€21.86	-	-	-	-	€21.86
03/01/2014	50,000	€21.86	03/01/2019	03/01/2022	-	€21.86	-	-	-	-	€21.86
Total plans	**1,394,850**				**205,762**		**-**	**-8,162**	**-42,300**	**155,300**	

* *Increased by amendment to 1,295,611 in June 2013.*

7

7.7 Share price and trading volumes

AXW.PA SHARE MONTHLY AVERAGE PRICE AND VOLUMES



SHARE PRICE TRENDS

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 2020	12.50	2 January	10.55	31 January	11.70	11.90	11.89	124,605	1,467,787	22
February 2020	18.40	27 February	11.50	3 February	17.20	13.77	14.08	26, 666	4,171,678	20
March 2020	17,.85	5 March	12.50	23 March	15.50	15.44	15.57	140,297	2,220,500	22
April 2020	16.75	9 April	14.20	21 April	14.95	15.24	15.28	200,078	3,031,279	20
May 2020	15.30	25 May	14.10	25 May	15.10	14.83	14.92	65,772	976,000	20
June 2020	18.00	24 June	14.55	3 June	17.80	16.90	17.03	177,692	2,889,519	22
July 2020	21.20	28 July	17.30	1 July	19.80	19.11	19.23	363,391	7,144,685	23
August 2020	20.00	10 August	18.20	4 August	19.40	19.52	19.49	42,003	806,829	21
September 2020	19.60	8 September	16.80	16 September	19.00	18.67	18.70	113,675	2,135,076	22
October 2020	22.80	14 October	18.55	7 October	20.10	20.67	20.66	198,622	4,163,910	22
November 2020	24.50	26 November	19.90	3 November	23.50	22.22	22.34	197,060	4,441,072	21
Décember 2020	28.10	30 December	23.40	1 December	27.00	25.44	25.50	102,404	2,608,008	22

Source: Euronext Paris

7.8 Dividend

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 dividend distribution policy, in favour of an annual assessment by the Board of Directors.

The Axway Board of Directors, meeting on 24 February 2021, decided to propose to the next General Shareholders' Meeting the payment of a divided of €0.40 per share.

7.9 Information on takeover bids pursuant to Article L. 22-10-11 of the French Commercial Code

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1. The Company's share capital structure is set out in Chapter 7, Section 2 of the Universal Registration Document.
2. 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 2.4 of this Universal Registration Document, in accordance with Article L. 233-11 of the French Commercial Code.
3. 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 2 of the Universal Registration Document.
4. 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 on the Axway Investors website at the following address: https://investors.axway.com/en.
5. There is no control mechanism provided under an employee share ownership scheme.
6. 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 2.4 of the Universal Registration Document.
7. 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.
8. 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 5 of this Universal Registration Document.
9. 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.
10. 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.

Legal and administrative information

8

8.1 Axway Software at a glance

The company name is Axway Software and its registered office is located at PAE Les Glaisins, 3 rue du Pré-Faucon, 74940 Annecy-le-Vieux, France. The Company also has four secondary establishments located at Tour W 102 Terrasse Boieldieu, 92085 Paris La Défense Cedex, France and 23 rue Crépet 69007 Lyon, as well as 23 rue Matabiau, 31000 Toulouse and 35 chemin du Vieux Chêne, 38240 Meylan. The head office is located at 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254., USA.

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.

8.1.2 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.

8.1.3 Legal status and applicable legislation

Axway is a French law public limited company (*société anonyme*). It is therefore governed by all the texts applicable to commercial companies in France and particularly the provisions of the French Commercial Code.

8.1.4 Trade and Companies Register and LEI number

The Company is registered in the Annecy Trade and Companies Register under number 433 977 980. Its APE code is 5829A.

The Company's LEI is 9695002206SP7FQONJ77.

8.1.5 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."

8.1.6 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 Défense 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 Article 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.

8.1.7 Fiscal year

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

8.1.8 Appropriation and distribution of earnings under the Articles of Association (Extract from Article 37 of the Articles of Association)

"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."

8.2 Board of Directors and Executive Management

Article 14 – Board of Directors

"The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

Directors serve a four-year term of office, expiring at the end of the Ordinary General Meeting convened to approve the financial statements for the fiscal year then ended and held in the year in which their term of office comes to an end. As an exception, the General Meeting may decide that the initial term of office of directors is for a shorter period of one year, two years or three years so as to align their term of office with those of the other directors in office at the time of their appointment.

No one can be appointed director if, having exceeded the age of 85, the appointment results in more than one-third of Board members exceeding that age. Once the age limit is reached, the oldest director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, it appoints a permanent representative who is subject to the same conditions, obligations and liabilities as a natural person director, without prejudice to the joint and several liability of the legal person he represents. Where the legal person terminates the duties of its permanent representative it must notify the Company immediately of this termination and of the identity of its new permanent representative, by recorded delivery letter. This also applies in the event of death or resignation of the permanent representative or an extended impediment to the performance of his duties.

In the event of one or more directors' positions becoming vacant, the Board of Directors may, between two General Meetings, carry out temporary appointments in accordance with the conditions set forth in Article L. 225-24 of the French Commercial Code. The director appointed to replace another performs his duties for the remainder of his predecessor's term of office.

Where the number of directors falls below the legal minimum, the remaining directors must immediately call an Ordinary General Meeting in order to appoint further Board members.

An employee of the Company may only be appointed as a director if his employment contract corresponds to an actual job position. The number of directors holding an employment contract with the Company cannot exceed one third of the directors in office."

Article 15 – Organisation of the Board of Directors

"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 shall determine his compensation.

The Chairman is appointed for a duration that cannot exceed his term of office as a director. He is eligible for re-election. The Board of Directors can dismiss him at any time.

No one over the age of ninety-one may be appointed Chairman. If the Chairman in office reaches this age limit, he is deemed to have resigned from office.

The Board of Directors may appoint one or two Vice-Chairmen from among the directors.

It can also appoint a secretary who need not be a director or shareholder.

In the event of the Chairman's absence, Board meetings are chaired by the oldest Vice-Chairman. Failing that, the Board appoints the session Chairman from among its members."

Article 16 – Deliberations of the Board of Directors

"The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman. The Chief Executive Officer, or if the Board has not met for more than two months, at least one-third of the directors, may request the Chairman, who is bound by such request, to convene a meeting of the Board of Directors on the basis of a predetermined agenda.

Meeting notices may be given by any means, even verbally.

The Meeting takes place at the registered office or at any other venue stated on the Meeting notice.

As an exception, the Board of Directors could adopt certain decisions as set forth in regulations in force, through a written consultation.

The Board can only validly deliberate in the presence of at least half the directors. Decisions are taken on the basis of a majority of votes of members present or represented.

In the event of a tie in voting, the Chairman of the Board of Directors has the casting vote. If the Chairman of the Board of Directors is absent, the Chair of the Meeting does not have the casting vote in the event of a tie.

An attendance sheet is signed by the directors taking part in the Board meeting, either in person or by proxy.

Internal regulations shall be defined.

The internal regulations may include a provision whereby directors who participate in the Meeting by video conference or any other means of telecommunication that enables them to be identified as required by law, shall be considered to be present for the purpose of calculating the quorum and majority.

This provision does not apply for the adoption of the following decisions:

- the approval of the annual financial statements and consolidated financial statements and the drafting of the management report and Group management report.

The deliberations of the Board of Directors are recorded in the minutes, which are prepared in accordance with prevailing legal provisions and signed by the Meeting Chairman and at least one director. In the absence of the Meeting Chairman, they are signed by at least two directors.

The copies or extracts of the minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the director temporarily carrying out the duties of Chairman or an officer authorised for this purpose.

Where there is a Social and Economic Committee, representatives of this committee, appointed pursuant to the provisions of the French Labour Code, must be invited to attend all meetings of the Board of Directors.”

Article 17 – Powers of the Board of Directors

“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.

In its dealings with third parties, the Company is bound by actions of the Board of Directors falling outside the scope of the corporate purpose, unless it can show that the third party knew that the action exceeded the corporate purpose or could not but realise it in the circumstances. The mere publication of the Articles of Association does not constitute such proof.

The Board of Directors undertakes all the checks and verifications it deems necessary. Each director is entitled to receive all the documents and information necessary to carry out his duties.

The Board of Directors may confer on any and all proxy-holders of its choice, any and all delegations of powers within the limits of those defined by the law and the present Articles of Association.

It can resolve to set up committees to look into matters referred either by itself or its Chairman. It determines the composition and powers of committees which operate under its supervision.

On delegation by the Extraordinary General Meeting, the Board of Directors makes the required changes to the Articles of Association to ensure they comply with legislative and regulatory provisions, subject to ratification of these changes by the next Extraordinary General Meeting.”

Article 18 – Powers of the Chairman of the Board of Directors

“The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he reports to the General Meeting. He ensures the smooth running of the Company’s managerial bodies and, in particular, that the directors are able to carry out their duties.”

Article 19 – Executive Management

Operating procedure

“Responsibility for the Company’s Executive Management is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors chooses between these two modes of Executive Management.

The Board of Directors’ decision regarding the choice of management method is taken by a majority vote of directors present or represented. Shareholders and third parties are informed of this choice in the conditions provided by prevailing regulations.

The Board of Directors’ choice applies for an unlimited period.”

Executive Management

“The Chief Executive Officer is a natural person who may or may not be a director.

The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his appointment. However, if the Chief Executive Officer is also a director, his term of office cannot exceed that of his directorship.

No one over the age of seventy may be appointed Chief Executive Officer. If the Chief Executive Officer reaches this age limit, he is deemed to have resigned from office.

The Chief Executive Officer can be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he may be entitled to damages, except when he also performs the function of Chairman of the Board of Directors.

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 subject to those expressly granted to General Shareholders’ Meetings and the Board of Directors by law.

He represents the Company in its dealings with third parties. The Company is bound by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can show that the third party knew that such action exceeded the corporate purpose or could not but realise it in the circumstances.”

Deputy Chief Executive Officers

“On a proposal from the Chief Executive Officer, whether this function is performed by the Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Board of Directors may or may not choose a maximum of five Deputy Chief Executive Officers from among the directors.

The age limit is set at seventy. If a Deputy Chief Executive Officer reaches this age limit, he is deemed to have resigned from office.

The length of the term of office of the Deputy Chief Executive Officer is determined when he is appointed although it may not, in any event, exceed that of his term of office as director.

The Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, the officers may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the Deputy Chief Executive Officers, unless decided otherwise by the Board of Directors, retain their duties and remits until the appointment of a new Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Deputy Chief Executive Officers. In their dealings with third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.”

Article 20 - Compensation of Directors and Senior Executives

1. “The General Meeting may allocate directors a fixed annual sum in the form of compensation, which is treated as operating expenses; the amount remains unchanged until further notice. The apportionment of the sum between directors is determined pursuant to the legal provisions in force.
2. The Board of Directors determines the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, pursuant to the legal provisions in force.
3. For assignments or offices entrusted to directors, the Board of Directors may also award exceptional compensation in accordance with the legal provisions in force.

The directors may not receive compensation from the Company, whether permanent or not, other than that set out in the previous paragraphs, unless they have an employment contract with the Company under conditions authorised by the law.”

Article 21 – Concurrently held offices

“A natural person may not serve as a director or Supervisory Board member of more than five French-based public limited companies (*sociétés anonymes*).

As an exception to the above, an individual’s appointments to the Board of Directors or to the Supervisory Board of companies controlled by a company for which he is a director, within the meaning of Article L. 233-16 of the French Commercial Code, are not counted.

For the purposes of the above provisions, appointments to the Board of Directors of non-listed companies that are controlled by a single company, within the meaning of Article L. 223-16 of the French Commercial Code, are considered as a single appointment, subject to the number of appointments held in this manner being limited to five.

A natural person may not serve as Chief Executive Officer, Management Board member or Sole Chief Executive Officer of more than one French-based public limited company. As an exception, a single individual may serve as Chief Executive Officer, Management Board member or Sole Chief Executive Officer of a company that is controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the Company for which he is Chief Executive Officer. Another office of Chief Executive Officer, Management Board member or Sole Chief Executive Officer can be held in a company, provided that neither of these two companies’ shares are traded on a regulated market.

Any natural person in breach of the provisions in respect of concurrently held offices must relinquish one of the offices within three months of his appointment, or the office in question within three months of the event that led to the lapse of one of the conditions defined by law in the case of exceptions. On expiry of the three-month period, the person is automatically dismissed and must return any compensation received, although the validity of the deliberations in which he took part is not called into question.”

8.3 Rights, privileges and restrictions attached to each category of shares outstanding

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Article 12 – Rights and obligations attaching to shares

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.”

   Moreover, it is specified that 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, as set out in this chapter.

8

Article 13 – Indivisibility of shares – Bare ownership – Beneficial ownership

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."

8.4 General Meetings

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Article 25 – General Meetings

"The decisions collectively made by the shareholders are taken in General Meetings characterised either as Ordinary General Meetings, Extraordinary General Meetings or Special Shareholders' Meetings depending on the nature of the decision to be taken.

Special Shareholders' Meetings are convened for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Meetings are binding on all shareholders, including absentee and dissenting shareholders and those lacking legal capacity."

Article 26 – Venue and convening of General Meetings

"General Meetings are convened and held pursuant to the terms and conditions set by law.

General Meetings shall take place at the registered office or in any other place specified in the Meeting notice."

Article 27 – Agenda

"The Meeting agenda is set out in meeting notices and letters of invitation. It is drawn up by the party calling the Meeting.

A shareholder or group of shareholders, representing at least the legally required percentage of share capital and acting in the manner and time frames provided by law, may have draft resolutions included on the Meeting agenda.

The Social and Economic Committee may also request the inclusion of proposed resolutions on the agenda.

The General Meeting may not decide upon any issues that are not on the agenda. It may, however, at any time and in any circumstances, dismiss and replace one or more directors."

Article 28 – Rights to shareholder information – Disclosure obligation

"All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is laid down by the law and regulations.

Any shareholder whose ownership interest in the share capital crosses the thresholds of three or four percent of the share capital or voting rights shall inform the Company in the same manner and based on the same methods of calculation as those set forth by law for declarations that legal thresholds have been crossed."

Article 29 – Access to General Meetings – Powers – Composition

"The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the Meeting either in person or by proxy.

Every shareholder has the right to participate in the General Meetings as long as he proves, pursuant to the legal requirements, that his shares are registered in his name or in that of the intermediary acting on his behalf, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised intermediary. A shareholder may be represented in the manner established by law and regulatory provisions, with the proxy being required to demonstrate his powers. If a shareholder does not name a proxy-holder in the proxy form, the Chairman of the General Meeting shall vote in favour of proposed resolutions submitted or approved by the Board of Directors, and against any other proposed resolution. For any other vote, the shareholder shall choose a proxy-holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by video conference or any other means of telecommunication, including the Internet that permits them to be identified as provided by the law.

Shareholders who participate in the Meeting *via* video conference or any other means of telecommunication that enables them to be identified as required by law shall be considered to be present for the purpose of calculating quorum and majority.

Any shareholder can vote remotely or be represented by proxy at the Meetings using a form completed and sent to the Company in accordance with law and regulations, either as a hard copy, or remotely (including digitally), based on the procedure agreed by the Board of Directors and indicated in the Meeting notice.

Two members of the Social and Economic Committee, to be named by the committee in compliance with the law, may attend General Meetings. They must, upon their request, be heard when decisions requiring shareholder unanimity are voted."

Article 30 – Attendance sheet – Officers – Minutes

"An attendance sheet is kept at every meeting and contains the legally required information and signatures.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman or a director specifically appointed for this purpose by the Board. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy- holders.

The officers of the Meeting are responsible for checking, certifying and signing the attendance sheet, ensuring the discussions are properly held, settling any differences that may arise, counting the votes cast and ensuring they are cast properly and preparing the minutes.

The officers of the Meeting thus appointed shall designate a secretary, who may be a shareholder or not.

The minutes are kept and copies or extracts of these minutes are delivered and certified in accordance with the law."

Article 31 – Quorum – Voting rights – Number of votes

"In Ordinary and Extraordinary General Meetings, the quorum is calculated on the basis of all the shares in the share capital and, in Special Shareholders' Meetings, on all shares in the class in question, less any shares stripped of voting rights by law.

In the case of remote voting, only those forms received by the Company by the deadline specified above are accepted for the purpose of calculating quorum.

The voting rights attached to shares are proportional to the share capital they represent.

A voting right which is double the right attached to other shares, in relation to the portion of the share capital represented, is granted to all fully paid-up shares that have been held in registered form for at least two (2) years in the name of the same shareholder.

In the event of a share capital increase by capitalisation of reserves, profits or issue premiums, registered shares granted free of charge to a shareholder by reason of existing shares with double voting rights, shall also have double voting rights as from their issuance."

Article 32 – Ordinary General Meetings

"An Ordinary General Meeting is a meeting convened to take decisions which exceed the powers of the Board of Directors and which do not amend the Articles of Association.

It shall be held at least once a year, in the conditions provided for by law, to approve the accounts for the fiscal year then ended.

Decisions are valid only if, when the Meeting is convened for the first time, the shareholders attending the Meeting or represented by proxy or having voted remotely represent at least one-fifth of the total voting rights. No quorum is required for a second meeting.

The Meeting makes decisions by simple majority of the votes cast by shareholders present or represented by proxy, including the votes of shareholders having voted remotely."

Article 33 – Extraordinary General Meetings

"An Extraordinary General Meeting alone is authorised to amend the Articles of Association. However, it may not increase shareholders' commitments, subject to transactions arising from any grouping together of shares, duly and properly carried out.

Decisions are valid only if the shareholders attending the Meeting or represented by proxy or having voted remotely represent at least one-quarter of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting. In the event of this quorum not being reached, the second meeting may be deferred to a date not more than two months after the date on which it was originally convened; the quorum of one-fifth is also required for this second meeting.

The Meeting makes decisions by a majority of two-thirds of the votes cast by the shareholders present or represented by proxy, including the votes of shareholders having voted remotely, except in the event of a legal exemption."

Article 34 – Special Shareholders' Meetings

"When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary General Meeting open to all shareholders and also by a Special Shareholders' Meeting of the holders of the category of shares in question.

Decisions taken by Special Shareholders' Meetings are valid only if the shareholders attending the Meeting, represented by proxy or voting remotely, represent at least one-third of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting.

In all other respects, Special Shareholders' Meetings are convened and deliberate in the same way as Extraordinary General Meetings."

8.5 Preparation and control of the Universal Registration Document and certification of the person responsible for the Universal Registration Document

AFR

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

Auditeurs & Conseils Associés

31, rue Henri-Rochefort, 75017 Paris

Represented by Sandrine Gimat.

Office to expire at the General Meeting convened to approve the financial statements for the 2024 fiscal year.

First appointed: December 2000.

Auditeurs et Conseils Associés 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 Bruno Pouget.

Office to expire at the General Meeting convened to approve the financial statements for the 2024 fiscal year.

First appointed: December 2000.

Mazars is a member of the Versailles Regional Statutory Auditors' Association (*Compagnie régionale des Commissaires aux comptes de Versailles*).

Name and position of the person responsible for the Universal Registration Document

I 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.

Scottsdale, 18 March 2021

Patrick Donovan

Chief Executive Officer

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8.6 Provisional timetable for the publication of results

Publication of Q1 2021 results: Wednesday 21 April 2021

Publication of H1 2021 results: Tuesday 27 July 2021

Publication of the 2020 Half-Year Report: Thursday 2 September 2021

Publication of Q3 2021 results: Wednesday 20 October 2021

Financial Communication and Investor Relations Contacts

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E-mail: spodetti@axway.com

Combined General Meeting of 25 May 2021

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Given the current context of the COVID-19 pandemic, the procedures for participating at the General Shareholders' Meeting scheduled for 25 May 2021 could change in line with health and/or legal requirements.

Shareholders are asked to regularly consult the Shareholders' Meeting section of the Company's website (https://investors.axway.com/en/shareholders-and-investors/shareholders-meeting) for updated information on the developing situation.

As a precautionary measure, shareholders are advised to favour voting by mail or the internet, enabling, where applicable, a proxy to be granted to the Chairman.

9.1 Agenda

Ordinary General Meeting

1. Approval of the annual financial statements for the year ended 31 December 2020 - Approval of non-tax deductible expenses and charges.
2. Approval of the consolidated financial statements for the year ended 31 December 2020.
3. Appropriation of earnings for the year and setting of the dividend.
4. Reappointment of Mrs. Nicole-Claude Duplessix as director.
5. Reappointment of Mr. Michael Gollner as director.
6. Fixed annual sum to be allocated to members of the Board of Directors.
7. Approval of the compensation policy for the Chairman of the Board of Directors.
8. Approval of the compensation policy for the Chief Executive Officer.
9. Approval of the compensation policy for members of the Board of Directors.
10. Approval of the information set out in Section I of Article L. 22-10-9 of the French Commercial Code.
11. 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 Mr. Pierre Pasquier, Chairman of the Board of Directors.
12. 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 Mr. Patrick Donovan, Chief Executive Officer.
13. Authorisation granted to the Board of Directors, for a period of 18 months, to buy back shares in the Company pursuant to Article L. 22-10-62 of the French Commercial Code.

Extraordinary General Meeting

14. Authorisation granted to the Board of Directors, for a period of 26 months, to cancel the shares acquired by the Company under share buyback programmes and corresponding share capital reduction; powers conferred on the Board.
15. Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital through the capitalisation of reserves, profits and/or premiums.
16. Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital, with retention of preferential subscription rights, by issuing ordinary shares and/or securities granting access to share capital and/or conferring entitlement to the allocation of Company debt securities.
17. Authorisation to increase the issue amount.
18. 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 ordinary shares, up to 10% of the share capital, in consideration for contributions-in-kind comprising shares or securities granting access to share capital, outside of a public exchange offer.
19. Overall limit on issue authorisations with retention or cancellation of preferential subscription rights.
20. Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital, with cancellation of preferential subscription rights, in favour of employees of the Company or companies of its Group, who are members of a company savings plan for up to 3% of share capital in accordance with Articles L. 3332-18 *et seq.* of the French Labour Code (Code du travail).

Ordinary General Meeting

21. Powers to perform legal formalities.

9.2 Explanatory statement

Dear shareholders,

We have convened a Combined General Meeting on 25 May 2021 to present the consolidated and parent company financial statements for the fiscal year ended 31 December 2020, 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 2020, 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.

1 1st to 3rd resolutions proposed by the Board of Directors

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 2020, showing a net loss of €18,162,775 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 2020, showing consolidated net profit, Group share, of €8,477,560 and the transactions reflected in these financial statements or summarised in these reports (2nd resolution); and
- approve the appropriation of earnings and the proposed dividend per share of a gross amount of €8,540,426, with an ex-dividend date of 16 June 2021 and a payment date of 18 June 2021 (3rd resolution).

2 Renewal of terms of office (4th and 5th resolutions)

The Board reminds shareholders that the terms of office of Mrs. Nicole-Claude Duplessix and Mr. Michael Gollner expire at the end of the General Meeting. The Board asks shareholders to approve their renewal based on (i) the diversity of their profiles and expertise, beneficial to the development of the Group and (ii) the work already accomplished by both these directors. These directors have demonstrated great commitment to the work of the Board of Directors as well as that of the various committees and have skills that are useful to the operation of the Board.

Director's name	Experience in the software publishing and IT services sector	Financial expertise	International dimension	Independent	Attendance rate at Board and Committee meetings
Mrs. Nicole-Claude Duplessix 61 years old	✔		✔		100%
Mr. Michael Gollner 62 years old		✔	✔	✔	100%

3 Company officer compensation (6th to 12th resolutions)

The General Meeting will be asked to approve the compensation policy for all company officers (resolutions 6 to 9). Shareholders are asked to refer to Chapter 4, Section 4.4.2 of the Universal Registration Document, "Compensation policy", in order 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 10 to 12). Shareholders are asked to refer to Chapter 4, Section 4.4.1 of the Universal Registration Document in order to review this information.

4 Share buyback programme and share cancellation (13th and 14th resolutions)

The Combined General Meeting of 03 June 2020 authorised the Board of Directors, for an eighteen (18) month period, to implement a Company share buyback programme, pursuant to the provisions of Article L. 225-209 of the French Commercial Code. Pursuant to this authorisation, the Company entered into a market-making agreement with Kepler Cheuvreux for a term of twelve (12) months, renewable automatically. Shareholders are asked to renew this authorisation and therefore authorise the Board of Directors, for a period of eighteen (18) months, with the option to sub-delegate in accordance with the law, to proceed on one or more occasions, and at the times it determines, with the buyback of the Company's shares, pursuant to the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and the AMF General Regulations, within the limit of 10% of the share capital. 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.

These buybacks may be carried out for any permitted purpose or purpose that would be permitted pursuant to applicable laws and regulations, particularly 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 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, 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;
- 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 maximum share buyback price in connection with the share buyback programme would be set at €47 per share (or an equivalent amount on the same date in any other currency), excluding acquisition costs, representing a maximum total amount of €100,349,982 that the Company may devote to share purchases (excluding acquisition costs). The buybacks may be carried out on one or more occasions, by any means authorised by prevailing laws and regulations, 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. This authorisation may not be used during the period of a public offering. It would be granted for a period of eighteen (18) months, *i.e.* until 25 November 2022 inclusive, and would supersede the authorisation granted on 3 June 2020, for the portion not yet used.

In order to provide the Board of Directors with full discretion over the use of the shares bought back, the General Meeting is asked to complete this authorisation with another authorisation enabling the Board of Directors to reduce the share capital by cancelling all or part of the shares bought back pursuant to Article L. 225-209 of the French Commercial Code (purchase authorisation explained above), up to 10% of the share capital by twenty-four (24) month period. This authorisation would be granted for a period of twenty-six (26) months.

5 Resolutions concerning financial delegations and authorisations (15th to 19th resolutions)

The delegations of authority granted to the Board of Directors on 5 June 2019 to increase the share capital, with or without preferential subscription rights, and to raise funds on the financial markets by issuing securities, with or without preferential subscription rights, granting access or potentially granting access to the share capital, expire on 5 August 2021. The Board of Directors therefore asks shareholders to renew the existing delegations of authority for a period of twenty-six (26) months, by approving resolutions 15 to 19 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 (i) by capitalising reserves, profits or issue premiums (15th resolution), (ii) by issuing ordinary shares and/or securities granting access to share capital and/or conferring entitlement to the allocation of debt securities, with retention of preferential subscription rights (16th resolution), (iii) by issuing ordinary shares and/or securities granting access to share capital, 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 offer (18th resolution).

The issue ceilings applicable to issues performed pursuant to resolutions 15 to 19 would be as follows:

- €20 million par value for share capital increases that may result from the 15th and 16th resolutions, excluding 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;
- 10% of the Company's share capital (as of the date of use of the delegation by the Board) for share capital increases that may result from the 18th resolution; it being noted that all share capital increases that may result from the 16th, 18th and 20th resolutions would be subject to a total maximum par value ceiling of €20 million (19th resolution), this ceiling not being applicable to share capital increases resulting from capitalising reserves, profits or issue premiums (15th resolution). 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 16th resolution, to increase the number of ordinary shares and/or securities granting access to ordinary shares of the Company, at the same price as that of the initial issue, in accordance with applicable legal and regulatory provisions, notably with a view to granting a greenshoe option in accordance with market practice, subject to the above issue ceilings.

Finally, the maximum nominal amount of debt securities that may be issued pursuant to these delegations would be €200 million (19th resolution).

6 Resolutions concerning employee share-based incentive schemes (20th resolution)

Shareholders are asked to grant 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 (20th resolution). 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 the share capital increase ceilings applicable to issues of ordinary shares or securities granting access to share capital covered by the other resolutions presented for your approval and that it would also be set without taking account of 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. This delegation would be granted for a period of twenty-six (26) months.

7 Powers to perform legal formalities (21st resolution)

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 25 May 2021 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.

9.3 Proposed resolutions

Resolutions presented for the approval of the Ordinary General Meeting

First resolution

Approval of the annual financial statements for the year ended 31 December 2020 - 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 2020, approves the annual financial statements as presented at this date showing a net loss of €18,162,775.

The General Meeting specifically approves the overall amount of €44,417 for expenses and charges as set out 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 2020

The General Meeting, after reviewing the Board of Directors' and Statutory Auditors' reports on the consolidated financial statements for the year ended 31 December 2020, approves these consolidated financial statements as presented showing a net profit (Group share) of €8,477,560.

Third resolution

Appropriation of earnings for the year and setting of the dividend

The General Meeting, at the proposal of the Board of Directors, decides the appropriation of earnings for the year ended 31 December 2020.

Initial amount

- Net loss for the year €18,162,775
- Retained earnings €14,846,972

Appropriation

- Legal reserve €....................
- Other reserves €......................
- Dividends €..........................
- Retained earnings -€3,315,803

Dividend distribution

- Other reserves -€8,540,426
- Dividends €8,540,426

The General Meeting hereby takes note that the overall gross dividend paid for each share is set at €0.40.

If paid to physical persons with tax residency in France, the dividend is subject to either a single deduction from the gross dividend at a flat rate of 12.8% (Article 200 A of the French General Tax Code), or, on an express and irrevocable option by the taxpayer, an income tax charge according to the progressive income tax schedule after a 40% rebate (Article 200 A, 13, and 158 of the French General Tax Code). The dividend is also subject to social security contributions at a rate of 17.2%.

The ex-dividend date will be 16 June 2021.

The dividends will be paid on 18 June 2021.

In the event of a change in the number of shares conferring entitlement to dividends compared to the 21,351,066 shares comprising the share capital at 31 December 2020, the overall dividend amount would be adjusted accordingly and the amount allocated to retained earnings would be determined based on dividends actually paid.

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: Dividends	Revenue eligible for deduction: Other distributed revenue	Revenue not eligible for deduction
2017	€4,242,046.00* *i.e.* €0.20 per share	-	-
2018	€8,490,152.40* *i.e.* €0.40 per share	-	-
2019(1)	-	-	-

** Including the dividend amount corresponding to treasury shares not paid and allocated to retained earnings.*
(1) A dividend was not distributed in respect of fiscal year 2019 due to the exceptional circumstances relating to the COVID-19 pandemic.

Fourth resolution

Reappointment of Mrs. Nicole-Claude Duplessix as director

The General Meeting decides to reappoint Mrs. Nicole-Claude Duplessix as director 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 2025.

Fifth resolution

Reappointment of Mr. Michael Gollner as director

The General Meeting decides to reappoint Mr. Michael Gollner as director 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 2025.

Sixth 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.

Seventh 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 contained in the Universal Registration Document (paragraph 4.4.2.3 a).

Eighth 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 contained in the Universal Registration Document (paragraph 4.4.2.3. b).

Ninth 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 contained in the Universal Registration Document (paragraph 4.4.2.2.)

Tenth 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 mentioned in the report on corporate governance contained in the Universal Registration Document (paragraph 4.4.1.1).

Eleventh 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 Mr. 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 Mr. Pierre Pasquier, Chairman of the Board of Directors, presented in the report on corporate governance contained in the Universal Registration Document (paragraph 4.4.1.2).

Twelfth 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 Mr. 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 Mr. Patrick Donovan, Chief Executive Officer, presented in the report on corporate governance contained in the Universal Registration Document (paragraph 4.4.1.3).

Thirteenth resolution

Authorisation granted to the Board of Directors, for a period of 18 months, to buy back shares in the Company pursuant to 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 limit of 10% of the number of shares making up the share capital, where applicable, adjusted to take into account potential share capital increase or decrease transactions which might take place during the year.

This authorisation supersedes the authorisation granted to the Board of Directors by the General Meeting of 3 June 2020 in its 11th 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 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, 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;
- 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 share blocks, 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 €100,349,982.

The General Meeting grants all 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.

Resolutions presented for the approval of the Extraordinary General Meeting

Fourteenth resolution

Authorisation granted to the Board of Directors, for a period of 26 months, to cancel the shares acquired by the Company under share buyback programmes and corresponding share capital reduction

The General Meeting, having reviewed the Board of Directors' and Statutory Auditors' reports:

1) authorises the Board of Directors, with the option to sub-delegate, to cancel, on one or more occasions and at its sole discretion, within the limit of 10% of the share capital calculated on the cancellation decision date, less any shares cancelled in the previous 24 months, the shares that the Company holds or may hold following buybacks performed in accordance with Article L. 22-10-62 of the French Commercial Code and reduce the share capital by the same amount in accordance with prevailing laws and regulations;
2) sets the period of validity of this authorisation at twenty-six months, commencing the date of this General Meeting;
3) grants all powers to the Board of Directors to perform the transactions necessary for such cancellations and the corresponding share capital reductions, amend the Articles of Association accordingly and complete the required formalities.

Fifteenth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital through the capitalisation of reserves, profits and/or premiums

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report, and pursuant to the provisions of Articles L. 225-129-2, L. 225-130 and L. 22-10-50 of the French Commercial Code:

1) delegates to the Board of Directors the authority to increase the share capital, on one or more occasions, at the times and in the manner it shall determine, by capitalising reserves, profits, premiums or other sums whose capitalisation would be accepted, by issuing shares and granting bonus shares or by increasing the par value amount of existing ordinary shares, or the combination of these two methods;
2) decides, should the Board of Directors use this delegation, pursuant to Articles L. 225-130 and L. 22-10-50 of the French Commercial Code, that in the case of a share capital increase in the form of a bonus share grant, fractional rights will not be negotiable or transferable and the corresponding equity securities will be sold; the proceeds from the sale will be allocated to those holding the rights within the deadline provided for in the regulations;
3) sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;
4) decides that the share capital increase under this resolution may not exceed the par value amount of €20,000,000, without taking into account 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.

   This limit is separate from all the limits set forth in the other resolutions of this General Meeting;
5) grants the Board of Directors full powers to implement this resolution, and, generally, take all measures and carry out all formalities required to ensure proper completion of each share capital increase, record such completion and amend the Articles of Association accordingly;
6) acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.

Sixteenth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital, with retention of preferential subscription rights, by issuing ordinary shares and/or securities granting access to share capital and/or conferring entitlement to the allocation of Company debt securities

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. 228-92 and L. 225-132 *et seq.*:

1) authorises the Board of Directors to issue the following, free of charge or at cost, on one or more occasions, and in the proportions and at the times it determines, on the French and/or international market, 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 ordinary shares conferring entitlement to the grant of other ordinary shares or debt securities,
   - and/or securities granting access to ordinary shares to be issued;
2) sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting.
3) decides to set, as follows, limits on the authorised issue amounts should this authorisation be used by the Board of Directors:

   The overall par value amount of ordinary shares that may be issued pursuant to this delegation may not exceed €20,000,000.

   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 ceiling.

   This amount is deducted from the maximum par value amount of ordinary shares that may be issued pursuant to the 19th extraordinary resolution of this General Meeting.

   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 maximum nominal value amount of debt securities that may be issued pursuant to the 19th extraordinary resolution of this General Meeting.
4) should the Board of Directors use this authorisation for the issues indicated in 1) above:

a. decides that the issue(s) of ordinary shares or securities granting access to share capital will be reserved for shareholders who can subscribe in priority,

b. decides that, if the entire issue indicated in 1) above is not taken up through priority Subscriptions, and where necessary, non-priority Subscriptions, the Board of Directors may use the following options:

- limit the issue amount to the amount of Subscriptions, within the limits set forth in the regulations,
- freely allocate all or part of the unsubscribed securities,
- offer to the public all or part of the unsubscribed securities;

5) decides that Company share subscription warrants may be issued by offer of subscription or bonus grant to holders of existing shares, it being specified that the Board of Directors may decide that fractional allocation rights will not be negotiable and the corresponding securities will be sold.

6) 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) and the issue price, 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.

7) 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, after reviewing the Board of Directors' report, decides that for each issue of ordinary shares or securities granting access to share capital pursuant to the sixteenth resolution of this General Meeting, and the twelfth and thirteenth resolutions of the Extraordinary General Meeting of 3 June 2020, 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.

Eighteenth 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 ordinary shares, up to 10% of the share capital, in consideration for contributions-in-kind comprising shares or securities granting access to share capital, outside of a public exchange offer

The General Meeting, after having reviewed the Board of Directors' and Statutory Auditors' reports, and pursuant to Articles L. 225-147, L. 22-10-53 and L. 228-92 of the French Commercial Code:

1) authorises the Board of Directors to issue, based on the report of the independent appraisers (*commissaires aux apports*), 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, when the provisions of Article L. 22-10-54 of the French Commercial Code do not apply;

2) sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;

3) decides that the overall par value amount of ordinary shares that may be issued pursuant to this delegation cannot exceed 10% of the Company's share capital (as of the date of use of the delegation by the Board), without taking into account 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, rights of holders of various types of securities granting access to the Company's share capital;

4) this amount is deducted from the maximum par value amount of ordinary shares that may be issued pursuant to the 19th extraordinary resolution of this General Meeting;

5) delegates full powers to the Board of Directors, in order to approve the valuation of the contributions, decide on the resulting share capital increase, record its completion, charge, where necessary, all expenses and disbursements generated by the share capital increase to the premium amount, deduct from this premium the sums needed to raise the legal reserve to one-tenth of the new share capital amount following each increase, amend the Articles of Association accordingly, and carry out the necessary formalities;

6) acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.

Nineteenth resolution

Overall limit on issue authorisations with retention or cancellation of preferential subscription rights

- The General Meeting, having reviewed the Board of Directors' report, decides to set at €20,000,000 the overall par value amount of shares that may be issued, immediately or in the future, pursuant to the 16th and 18th resolutions of this General Meeting and the 12th and 13th resolutions of the Extraordinary General Meeting of 3 June 2020, 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, rights of holders of various types of securities granting access to the Company's share capital will be added to this amount.
- The General Meeting decides to set at €20,000,000 the overall nominal amount of debt securities that may be issued pursuant to the 16th resolution of this General Meeting and the 12th and 13th resolutions of the Extraordinary General Meeting of 3 June 2020.
- The General Meeting decides, as and when required, that the nominal amount of debt securities that may be issued under the 13th resolution of the Extraordinary General Meeting of 3 June 2020 will be deducted from that of the 12th resolution of the Extraordinary General Meeting of 3 June 2020 and will amend accordingly the 12th (5th section of paragraph 3) and 13th (5th section of paragraph 3) resolutions of the General Meeting of 3 June 2020 which contained a material error.

Twentieth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital, with cancellation of preferential subscription rights, in favour of employees of the Company or companies of its Group, who are members of a company savings plan for up to 3% of share capital in accordance with Articles L. 3332-18 *et seq.* of the French Labour Code (*Code du travail*)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labour Code:

1) delegates its authority to the Board of Directors to, at its discretion, increase the share capital on one or several occasions, by issuing ordinary shares or securities granting access to future equity securities of the Company to members of one or several Group or Company savings plans established by the Company and/or its French or foreign 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 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. 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;
5) decides that the price of shares to be issued, pursuant to 1) of this delegation, cannot 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.

Resolutions presented for the approval of the Ordinary General Meeting

Twenty-first resolution

Powers to perform legal formalities

The General Meeting gives all 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

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 2019:

- the Axway consolidated financial statements for fiscal year 2019 and the Statutory Auditors' report on the consolidated financial statements presented in the Registration Document filed on 14 April 2020 (on pages 127 to 194 and 188 respectively),
- the Axway Software financial statements for fiscal year 2019 and the Statutory Auditors' report on the financial statements presented in the Registration Document filed on 26 April 2019 (on pages 197 to 220 and 216 respectively);

2. for fiscal year 2018:

- the Axway consolidated financial statements for fiscal year 2018 and the Statutory Auditors' report on the consolidated financial statements presented in the Registration Document filed on 26 April 2019 (on pages 129 to 181 and 182 respectively),
- the Axway Software financial statements for fiscal year 2018 and the Statutory Auditors' report on the financial statements presented in the Registration Document filed on 26 April 2019 (on pages 191 to 210 and 211 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 specifc 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.

External sources

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Alternative Performance Measures

ACV: Annual Contract Value - annual contract value of a subscription agreement.

Employee Engagement score: employee engagement measured by an independent annual survey.

Growth at constant exchange rates: growth in revenue between the period under review and the prior period restated for exchange rate impacts.

Net signature metric: signature metric net of the Maintenance attrition by migration to new subscription contracts.

NPS: Net Promoter Score: customer satisfaction and recommendation indicator for a product or a service.

Organic growth: growth in revenue between the period under review and the prior period, restated for consolidation scope and exchange rate impacts.

Profit on operating activities: Profit from recurring operations adjusted for the non-cash share-based payment expense, as well as the amortisation of allocated intangible assets.

Restated revenue: revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.

Signature metric: amount of License sales plus three times the annual contract value (3 x ACV) of new Subscription contracts signed over a given period.

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 tonnes of CO_2 (T eq. CO_2).

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 plant and ensure prosperity for all. These objectives are grouped into five pillars: people, prosperity, planet, peace and partnership.

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.

Universal Registration Document cross-reference table

n/a: not applicable

Management report cross-reference table

This Universal Registration Document includes all required disclosures in the management report as set out in Articles L. 225-100, L-22-10-35 *et seq.* L.232-1, II and R. 225-102 *et seq.* of the French Commercial Code.

Annual Financial Report cross-reference table

This Universal Registration Document includes all required disclosures in the Financial Report as set out in Article L. 451-1-2 of the French Financial and Monetary Code and Article 222-3 of the AMF General Regulations.

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Corporate governance cross-reference table

This Universal Registration Document includes all required disclosures in the corporate governance Report as set out in ArticlesL.225-37 *et seq.* and L.22-10-8 *et seq.* of the French Commercial Code

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That’s Us. That’s Axway.

Axway turns your heritage infrastructure into brilliant digital customer experiences, extending the value of your previous investments, adding new business capabilities, and putting you on a future-proof platform to drive your growth ambitions. For over 20 years, Axway’s missioncritical solutions have been crucial to your customers’ daily lives and, together, we’ll continue to delight them for the next 20.

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