2022

Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

Contents

The information required in the Non-Financial Performance Statements is identified in the contents and the relevant chapters by abbreviation **NFPS**.

The information required in the Annual Financial Report is identified in the contents by abbreviation **AFR**.

Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT AND THE MANAGEMENT REPORT INCLUDING THE COMPONENTS OF THE NON-FINANCIAL PERFORMANCE STATEMENT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF) on 24 March, 2023, 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.

Version faithful to the XBRL format.

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

A word from Management

Pierre PASQUIER

Chairman of the Board of Directors

> “Axway successfully combined experience, agility and commitment to operational efficiency to prove the relevance of its renewed business model.”

2022 will have been a pivotal year in Axway's renewal. In a persistently complex macroeconomic and geopolitical environment, the Company maintained a consistent strategic trajectory to consolidate its position as a globally recognised leader in data integration and flow management for large organisations. During the year, Axway successfully combined experience, agility and commitment to operational efficiency to prove the relevance of its renewed business model and comfortably exceed its targets.

Thanks to the successful refocus of its product portfolio in 2022, Axway is now concentrating on its key offerings to respond ever more effectively to the needs of the large companies it supports.

This strategy, through which Axway aims to become the reference partner for its customers in their digital transformation, enables the Company to grow a solid base of recurring revenue year after year, supported by the continued progression of its Subscription-based offerings. In fact, Axway has reached a record level of revenue in 2022 while significantly improving its profitability.

Creating value for all of the Company's stakeholders remained a top priority during the year. In addition to its excellent financial results, Axway once again improved its level of customer satisfaction thanks to the tireless commitment of its employees. More broadly, Axway continues to emphasise its corporate responsibility through ambitious social, societal and environmental commitments and has made non-financial performance a central focus of its project for the coming years.

The management team, led by Patrick Donovan, has drawn up a clear roadmap for 2023 and is already looking ahead with determination. In a particularly competitive environment, Axway must continue to generate growth and profitability in order to be able to write a new chapter in its history by approaching the symbolic level of €500 million in revenue. This will require external growth.

The governance bodies for which I am responsible will, as always, support an independent and engaged project, capitalising on the experience of a long but successful transformation to seize the best development opportunities for Axway.

I am very proud of Axway's performance in 2022. Thanks to a historic fourth quarter, we were able to end the year very positively, exceeding all the objectives we had set ourselves. This success confirms the relevance of our strategic choices over the past five years and rewards the exemplary execution of our teams in the field, who have been able to turn the tables with our 11,000 customers around the world.

Throughout the year we have focused on improving our operational efficiency and this has resulted in several major developments. On the offering side, we worked to streamline our portfolio by divesting or discontinuing solutions that no longer met our growth or profitability expectations. We also acquired DXchange.io, a cloud integration platform that can be leveraged by all of our core products. At the same time, we continued to evolve our organisation by finalising the implementation of a matrix management structure, by region and major product line, which provides enhanced visibility into our operations and markets.

The value we create for enterprises continues to grow and naturally translates into a new all-time high in the satisfaction of our customer base. The increase in total contract value and average length of subscription signatures is a true reflection of this trend and bodes well for the future. Our ambition has always been to accompany the companies that place their trust in us over the long term, by establishing ourselves as a key partner in their digital transformation, and in 2022 we have more than ever met this challenge.

We are now entering 2023 confident that these promising trends will continue. Our company project is based on the solid foundations we have built with our employees since 2018, and this year it will be about continuing to leverage our strengths to confirm our status: that of a software publisher that is a pioneer in its markets, recognised for the quality of its offerings and services, agile enough to support the world's largest organisations in all the challenges related to the management of their critical data.

Patrick DONOVAN

Chief Executive Officer

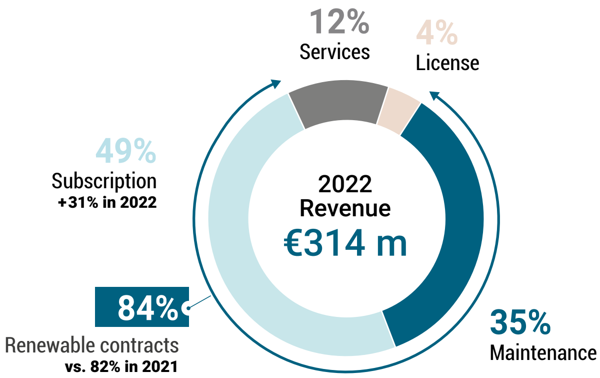
> **“The value we create for enterprises continues to grow and naturally translates into a new all-time high in the satisfaction of our customer base.”**

Business lines

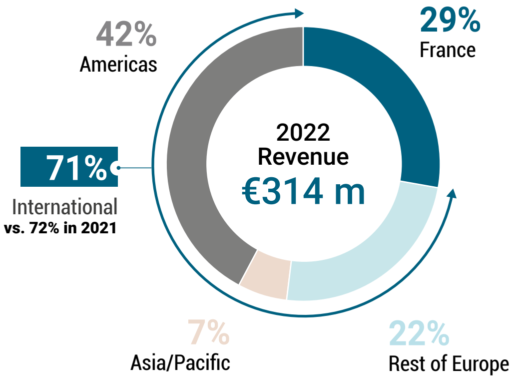
Our mission

Securely move, integrate or expose the data of large enterprises.

REVENUE BY ACTIVITY



REVENUE BY GEOGRAPHY



3rd **LARGEST HORIZONTAL SOFTWARE PUBLISHER IN FRANCE**

Top 250 Numeum - EY 2022.

Axway, a recognised leader:

Gartner® Magic Quadrant™ for Full Life Cycle API Management

Shameen Pillai, Kimihiko Iijima, Mark O'Neill, John Santoro, Paul Dumas, Akash Jain, 14 November 2022.

The Forrester Wave™: API Management Solutions, Q3 2022

The Forrester Wave™, 23 August 2022.

"According to Gartner, Full life cycle API management remains a dynamic and thriving market with substantial potential for both investors and vendors looking to create and manage APIs as add-ons to their offerings."

Further information can be found in Chapter 1 of the 2022 Universal Registration Document.

2023 Priorities

01

Employee Engagement
Ensure a good understanding of the strategy to maximise engagement.

02

Operational Efficiency
Constantly improve processes and optimise resources.

03

Product Portfolio Agility
Maintain a solutions catalogue aligned with strategic ambitions.

Further information can be found in Chapter 1 of the 2022 Universal Registration Document.

Offers & Customers

Our product portfolio

TRUSTED FOR DECADES. BUILT FOR TOMORROW.

Amplify API Management Platform

An independent and secure platform for managing APIs across teams, the hybrid cloud and third-party gateways

Managed File Transfer (MFT)

Secure, reliable, and easy-to-manage solution for transferring data between people, partners, businesses, and applications.

B2B Integration

A secure, API-enabled approach to EDI that lets enterprise respond faster to evolving business demands.

Axway Financial Accounting Hub

Accelerate digital finance transformation by reducing finance information system complexity.

Specialised products

Visibility, intelligence, and security throughout the digital ecosystem.

11,000 CUSTOMERS

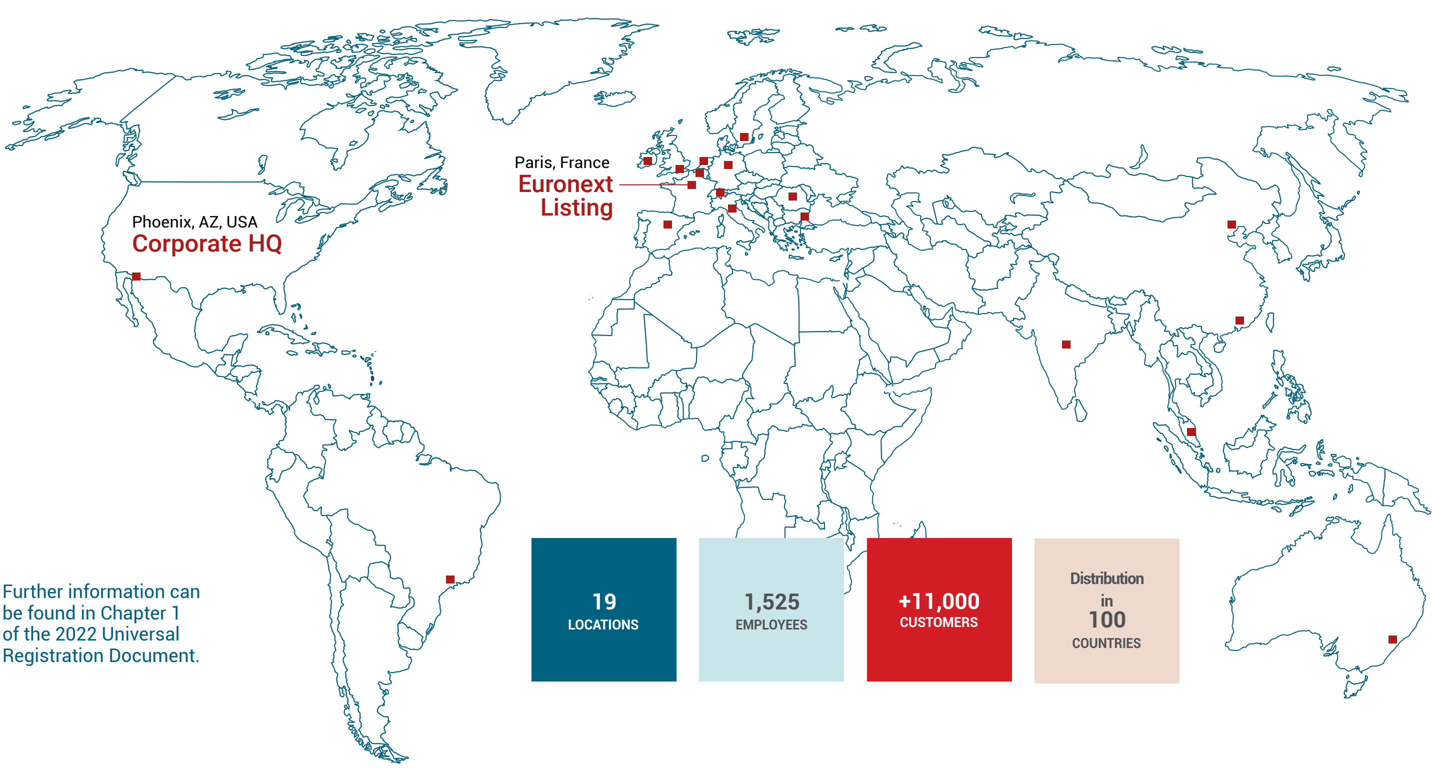
in 100+ countries

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

Customer satisfaction as a company value

35
NET PROMOTER SCORE
+6 pts vs. 2021

Axway around the world

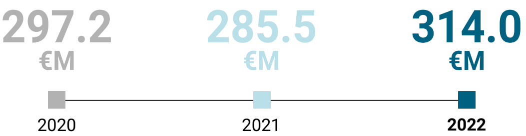


Further information can be found in Chapter 1 of the 2022 Universal Registration Document.

Operating indicators

Revenue & Results

Revenue



CONTRACT RENEWAL RATE

94%

Renewed or moved to Subscription

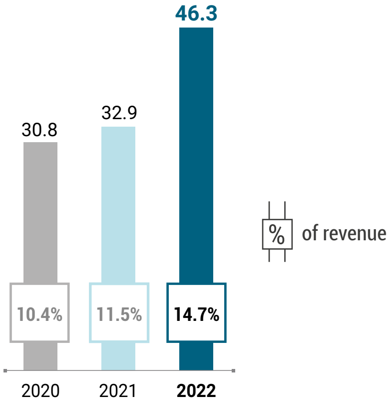
AVERAGE MIGRATION MULTIPLIER

2.1x

Maintenance moving to Subscription

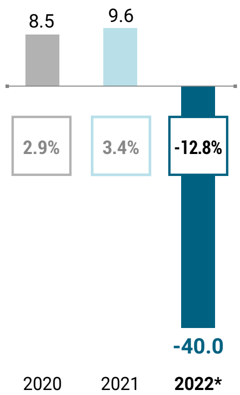
Profit on operating activities

(in millions of euros)



Net profit

(in millions of euros)

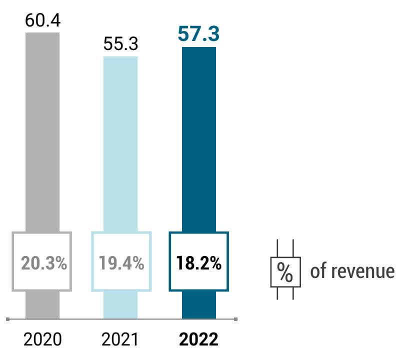


* Including the impact of disposals.

Investments

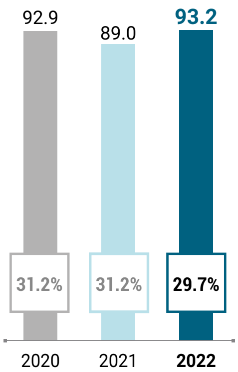
Research & Development

(in millions of euros)



Sales & Marketing

(in millions of euros)



Net debt

€69.5 M

vs. €36.5 M at 31/12/2021

Cash & equivalents

€18.3 M

vs. €25.4 M at 31/12/2021

Total equity

€327.8 M

vs. €372.2 M at 31/12/2021

2023 Targets & Outlook

2023 OBJECTIVES

- Organic revenue growth of between **0 and 3%**
- Profit on operating activities representing **15 to 18%** of revenue

MID-TERM AMBITION

- Profit on operating activities **≈ 20%**
- Revenue **≥ €500 M** (including M&A)

Further information can be found in Chapter 1 of the 2022 Universal Registration Document.
Alternative performance measures are defined in the document glossary.

Stock market & Share capital

Stock market profile

AXW LISTED EURONEXT

Euronext Paris – Compartment B
Bloomberg : AXW-FR
Reuters : AXW.PA
Market capitalisation at 31/12/2022: €360 M

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

Investor Relations Contacts

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

Basic earnings per share

(in euros)

2020	2021	2022*
0.40	0.45	-1.85

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

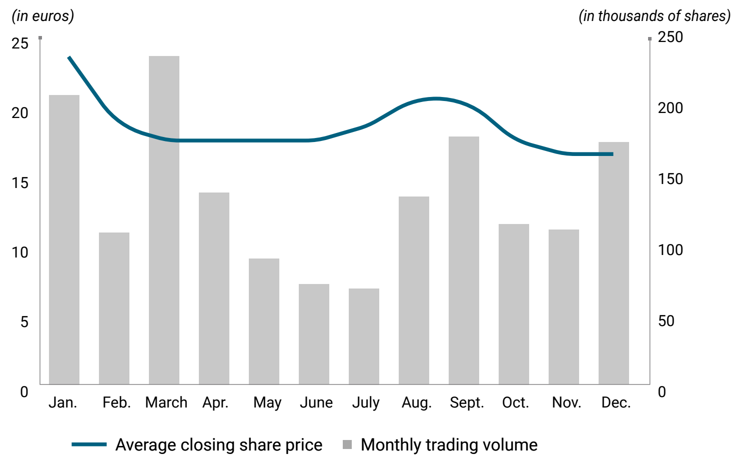
Dividend

(in euros)

2020	2021	2022**
None	0.40	0.40

** *Submitted to shareholders' vote at the General Meeting of 11 May 2023.*

Share price and monthly trading volumes in 2022



Share capital

Share ownership at 31 December 2022

Shareholders' Agreement

55.7% of shares

66.6% of voting rights

21,633,597 **Shares outstanding**

35,809,394 **Voting rights**

	sopra steria	sopra GMT	Pasquier Family	Odin Family	Management	Public	Treasury shares
Shares	31.96%	20.82%	0.11%	1.35%	1.47%	41.30%	3.01%
Voting rights	38.61%	25.15%	0.12%	1.33%	1,45%	33.34%	

2023 Financial Calendar

22 February
Full-Year Results 2022

24 March
Universal Registration Document

27 April
2023 Q1 Revenue

11 May
Annual General Meeting

26 July
2023 Half-Year Results

26 October
2023 Q3 Revenue

Further information can be found in Chapters 7 and 8 of the 2022 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.

Board of Directors

Director		Age	Nationality	Independent Director	Number of offices in other listed companies	Audit Committee	Appointments, Governance and Corporate Responsibility Committee	Compensation Committee	General Meeting date of expiry of term of office	Shares in the Company held personally
Pierre Pasquier		87	French		1		M		2023	0
Kathleen Clark Bracco		55	American French		1		P	M	2023	7,355
Pierre-Yves Commanay		57	French		0		M	M	2026	2,816
Hervé Déchelette		77	French	I	0	M	M		2023	22,734
Nicole-Claude Duplessix		63	French		0			M	2025	1,540
Emma Fernandez		59	Spanish	I	1			M	2023	0
Michael Gollner		63	American British	I	1	M			2025	100
Helen Louise Heslop		53	British	I	1	M			2023	0
Pascal Imbert		64	French	I	1		M	P	2023	340
Véronique de la Bachelerie		63	French	I	0	M			2023	0
Yann Metz-Pasquier		34	French		0	M			2026	11,877
Marie-Hélène Rigal-Drogerys		52	French	I	1	M			2026	0
Hervé Saint-Sauveur		78	French	I	0	P			2023	900
Yves de Talhouët		64	French	I	1		M	M	2023	0

Main topics covered in 2022

- Corporate strategy and associated budget;
- Acquisition and disposal transactions;
- Approval of the annual and half-yearfinancial statements;
- Quarterly results and related financial reports;
- Workplace and wage equality;
- Social and environmental responsibility objectives;
- Composition of the Board and its committees;
- Amendment of the self-assessment questionnaire;
- In-depth implementation of the ethics and anticorruption internal systems;
- Qualification of directors as independent;
- Company officer and director compensation;
- Grant of free shares to employees;
- Analysis of the minority shareholders' vote at the 2022 General Meeting;
- Legal monitoring: EU Green taxonomy, Waserman law.

Further information can be found in Chapter 4 of the 2022 Universal Registration Document

I Independent Directors

P Chairman/Chairwoman M Member

14 members

4 nationalities

64% independents directors

43% women

8 meetings

96% attendance

Executive Committee

7 members

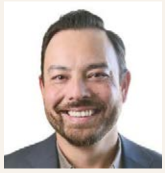
29% women

3 nationalities

Patrick Donovan
Chief Executive Officer
USA - France

Roland Royer
Chief Customer Officer - France

Cécile Allmacher
Chief Financial Officer
France



Vince Padua
Chief Technology & Innovation Officer - USA

Dominique Fougerat
EVP People & Culture
France

Marc Fairbrother
EVP Research & Development
UK

Paul French
Chief Marketing Officer
USA

AUDIT COMMITTEE

7 members	5 meetings	97% attendance

AMONG THE DUTIES PERFORMED IN 2022

- Review the financial statements including the green taxonomy;
- Review the general risk map;
- Monitor internal audit procedures and statutory auditor procedures;
- Supervise and monitor anti-corruption procedures;
- Monitor the implementation project for the new financial information system.

APPOINTMENTS, GOVERNANCE AND CORPORATE RESPONSIBILITY COMMITTEE

6 members	5 meetings	100% attendance

AMONG THE DUTIES PERFORMED IN 2022

- Assess the Board of Directors' activities & propose amendments;
- Verify the application of rules of ethics and good governance;
- Assess the status of the independent members of the Board of Directors particularly with regard to conflicts of interest;
- Assess corporate responsibility commitments, and the NFPS;
- Prepare the agenda of the General Meeting;
- Provide a training plan to members of the Board;
- Lead the review of regulatory documents and the Articles of Association;
- Prepare deliberations of the Board of Directors on professional and employee equality;
- Assess the proper performance of whistle-blowing procedure;
- Ensure the classification and monitoring of current and regulated agreements.

COMPENSATION COMMITTEE

6 members	4 meetings	100% attendance

AMONG THE DUTIES PERFORMED IN 2022

- Prepare the company officer compensation policy;
- Propose fixed and variable compensation including non-financial criteria and benefits granted to company officers;
- Verify the application of rules defined for calculating variable compensation;
- Verify the quality of the information provided to shareholders on compensation, benefits and options granted to company officers;
- Prepare the free share grant policy and verify the implementation of related plans;
- Prepare decisions concerning employee savings.

Corporate responsibility

Non-financial performance statement NFPS

Annual adhesion to the United Nations - Global Compact

Learn more about the UN Global Compact
www.unglobalcompact.org

Labels and certifications

Gaïa Rating
middlenext
ISO 27001 CERTIFIED by schellman

Business ethics
Whistle-blowing system

EcoVadis

OVERALL SCORE

SILVER 2022 ecovadis Sustainability Rating

SDGs to which Axway is committed

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Further information can be found in Chapter 3 of the 2022 Universal Registration Document.

EMPLOYER

Commitment

Continue to shape the Company we want to work for

DIVERSITY IN THE WORKPLACE

at 31/12/2022

1,525 employees
vs. 1,712 in 2021

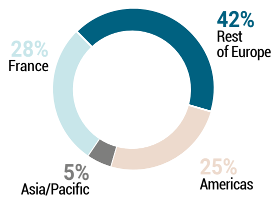
Women

- **31%** of total headcount
  vs. 30% in 2021
- **26%** of managers vs. 14% in 2021

People with disabilities

- **1.8%** of France headcount
  vs. 1.7% in 2021

Employees around the world



Research & Development **32%** of employees

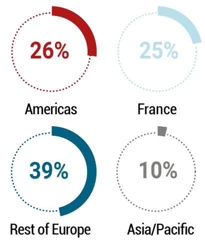
Customer Success Organisation **50%** of employees

FUTURE OF WORK

- **100%** of employees working from home according to their wishes
- Flexibility **60%** home office / **40%** on-site

RECRUITMENT

- **202** new employees
  vs. 204 in 2021
- **99%** permanent contracts
- **27%** women
  vs. 33% in 2021



TALENTS DEVELOPMENT

- **20,983** training hours
  vs. 29,915 in 2021
- **62%** e-learning
  vs. 77% in 2021
- **2.0 days** of training
  vs. 1.9 in 2021
- Training in ethics and responsibility

EMPLOYEE ENGAGEMENT

Annual survey

	2022	2021	2020
Participation rate	72%	79%	86%
Employee engagement score	61%	66%	69%

CSR TARGETS 2023/2028

EMPLOYER

- **Employee Engagement Score > 70%** in 2023
- **33% of women in total headcount** in 2023
- **+25% of people with disabilities** in France in 2023

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

SOCIETAL

Commitment

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

ENVIRONMENT	LABOUR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PURCHASING
70/100	70/100	70/100	30/100

Ecovadis

STAKEHOLDER RELATIONS

Employees
support knowledge sharing initatives.

Customers
NPS 35 vs. 29 in 2021
constant increase in customer satisfaction.

Civil society
- programmes to raise awareness among women of digital careers.
- programmes to promote the integration of people in the digital industry

Shareholders
communicate according to transparency best practices.

Suppliers
share ethical tools and integrate 100 suppliers in carbon measurement

Partners
co-innovation and sharing responsible values.

RESPONSIBLE PURCHASING

Strengthen the system, integrate new CSR indicators, training for purchasers.

ENVIRONMENTAL

Commitment

Contribute to climate change mitigation

IMPACT ASSESSMENT

Total GHG emissions	Scopes 1 & 2	Scope 3 upstream
Reported carbon footprint, $TeqCO_2$	1,287	10,351
Estimated carbon intensity, $TeqCO_2$/€M Revenue	4.09	33

GREEN TAXONOMY

Measure the proportion of "sustainable" revenue, CapEx and OpEx.

LOW-CARBON TRAJECTORY

Measure, reduce and contribute
to offsetting programs

2022 2023 2024 2025 2026 2027 2028

SOCIETAL

- **Net Promoter Score > 40** in 2023 (Work in progress)
- **Gold EcoVadis ranking** in 2023 (Work in progress)
- **4 local programmes** in female digital education by end of 2023 (Target achieved)

ENVIRONMENTAL

- **2 Cyber Clean-Up Days** by end of 2023 (Target achieved)
- **Carbon neutrality** by 2028 (Work in progress)

Employee CSR training programmes (Work in progress)

Target achieved *Work in progress*

Business Model

Our mission

Securely move, integrate or expose the data of large enterprises.

INFRASTRUCTURE SOFTWARE MARKET TRENDS

CONVERGENCE OF LEGACY SYSTEMS AND NEW DIGITAL NEEDS

Strengths

EMPLOYEES

- 1,525 employees in 19 countries
- Diversity of profile, age, origin, without discrimination

GOVERNANCE

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

PRODUCTS

- Technology strategy based on a rationalized product portfolio
- Recognised technological leadership
- Continued investments
- 28 technology patents

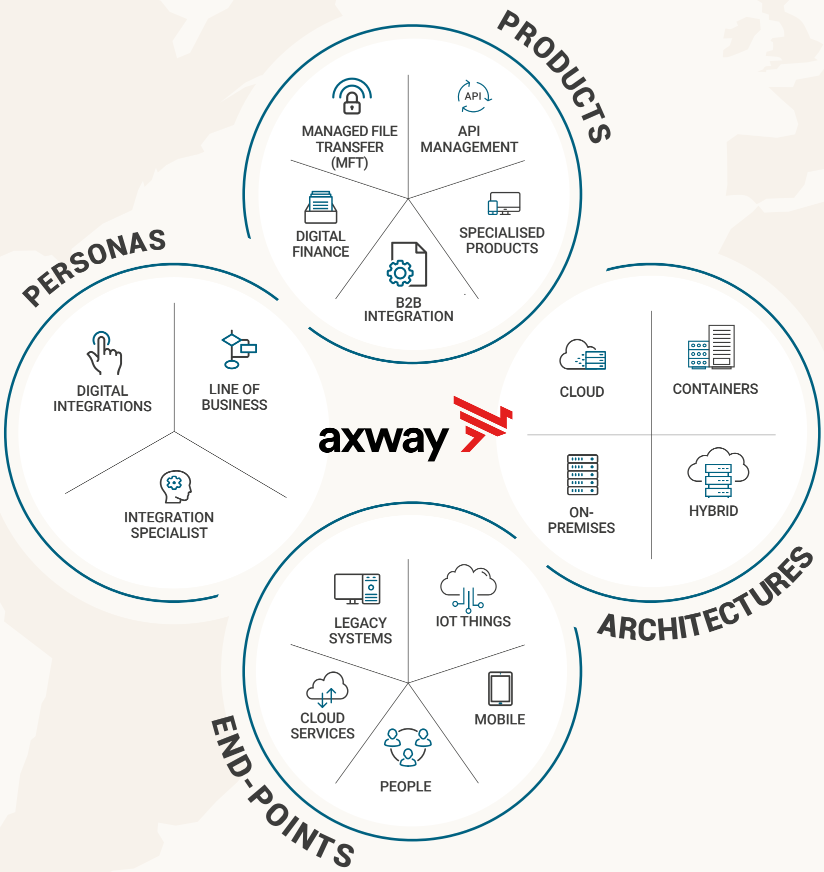
CUSTOMERS & PARTNERS

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

CORPORATE RESPONSIBILITY

- Key performance indicators
- Employer, Societal, Environmental Programmes
- Executive Management leadership
- CSR dedicated team

Offers



Employees
Customer

RAMP-UP OF CLOUD AND SAAS MODELS

CONSTANT INNOVATION

ZERO TRUST: ACCESS TO HYPER-SECURE DATA

TALENT WAR

SECTOR CONSOLIDATION

Strategy

TECHNOLOGICAL EXCELLENCE THROUGH A RATIONALIZED PRODUCT PORTFOLIO

GROWTH AND PROFITABILITY

SOCIAL, SOCIETAL AND ENVIRONMENTAL COMMITMENTS

Engagement
Satisfaction

Value creation

EMPLOYEES

- Employee engagement score: 61%
- Recruitments: 202, with 99% permanent contracts
- Training: 20,983 hours
- Flexibility: 60% home office/40% on-site
- Management - employee dialogue sessions: 16 sessions
- Employee share ownership: 2.14% of share capital
- Feminisation: 4 programmes
- People with disabilities: new project

CUSTOMERS

- Best in class products
- Open solutions
- Customer satisfaction (NPS): 35
- EcoVadis: Silver (61/100)

SHAREHOLDERS

- Middlenext Governance code
- Gaïa rating
- Transparency of information
- Dedicated team and website

SUPPLIERS

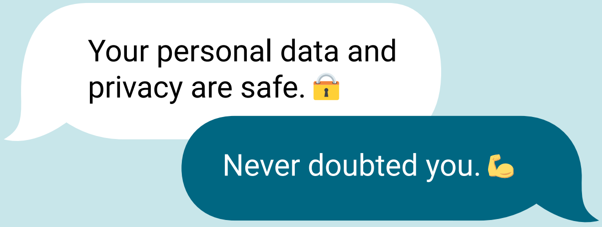
- Ethical and responsible tools
- Integration of the first 100 suppliers in the carbon footprint
- Improved Responsible Purchasing Process

PARTNERS

- Strategic and technological partners
- Partner satisfaction (NPS): 59
- Co-innovation

CIVIL SOCIETY

- Low-carbon trajectory for scopes 1, 2 and 3
- UN Global Compact commitment
- Societal programs in favour of the digital careers
- Green taxonomy



Axway and its business activities

This Chapter presents Axway's history, activities, markets and business strategy. By combining more than 20 years of experience with a continuous investment strategy, Axway today offers one of the most comprehensive portfolios of software solutions on the market in the field of data flow management. Leveraging technologies such as APIs, MFT, B2B integration and Financial Accounting Hub, Axway enables its 11,000 customers worldwide to securely transfer, integrate or expose their data. With 1,525 employees in 19 countries, Axway helps large enterprises modernise their IT infrastructures to create simple, seamless digital experiences that bring value to their entire ecosystem.

1.1 Axway's history

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

Spin-off and European development

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

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

North American expansion and market leadership

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

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

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

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

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

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

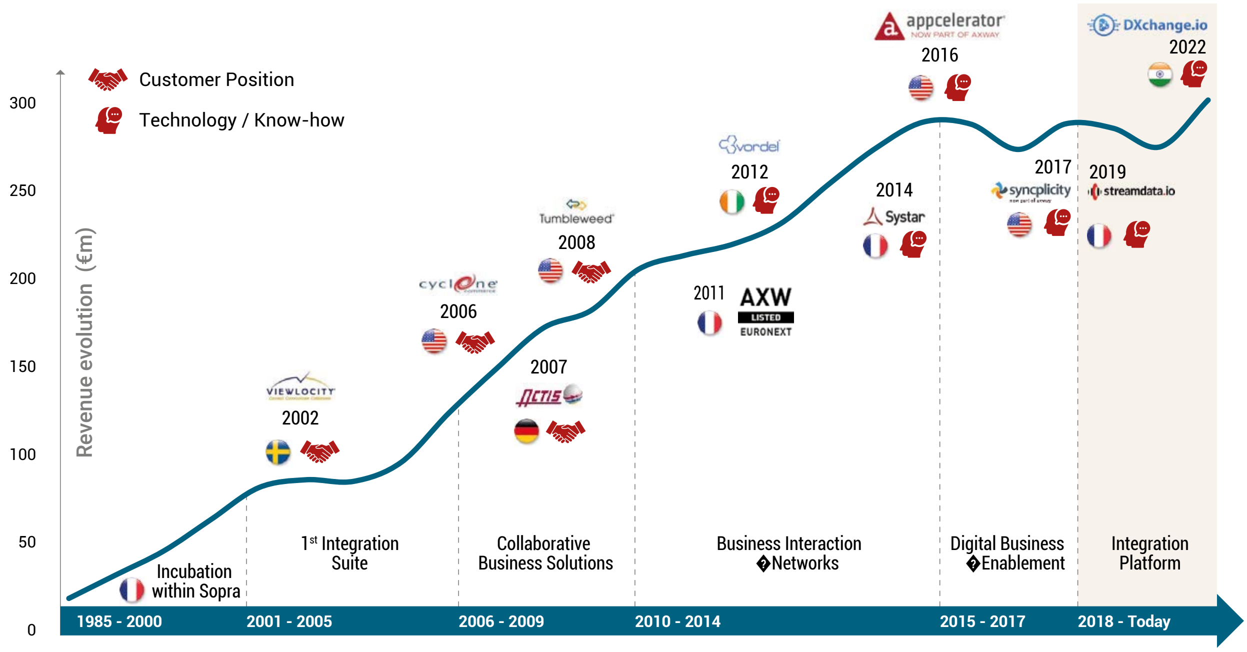
Thanks to a unique position in the data exchange field, Axway started to ramp-up digital in its business model from 2012. To support its customers' transformation and changes to data consumption methods, the Company relaunched development of its product portfolio through the successive acquisitions of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

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

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

In 2022, in line with its strategy to focus on its core offerings around APIs, MFT, B2B integration and Axway Financial Accounting Hub, the Company rationalised its product portfolio by disposing of or discontinuing some specialised products that are no longer aligned with its growth and profitability ambitions. At the same time, Axway strengthened its position in India through the acquisition of the start-up DXchange.io, which offers a cloud integration platform that can be used by all of Axway's main products.

20 years of development, both organically and through acquisitions



1.2 Overview of Axway's markets

1.2.1 Axway in the infrastructure software market

With revenue of €314.0 million in 2022, Axway is France's 3rd largest horizontal software publisher. (1)

According to Gartner, "Enterprise infrastructure software spending is expected to grow at a compound annual growth rate (CAGR) of 12.3% (in constant US dollars) between 2021 and 2026 and reach $623 billion in current US dollars by 2026." (2)

As a software publisher, Axway operates in several infrastructure software sub-segments and specifically application infrastructure and middleware (AIM). In total, Gartner estimates the application infrastructure and middleware sub-segmentmarket at US$56.6 billion in 2023.(2)

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

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

For 2023, Gartner estimates growth in the different technology markets in which Axway operates as follows: Full Life Cycle API Management +19.0%, Integration Platform as a Service (iPaaS) +24.7%, Managed File Transfer Suites +2.1%, B2B Gateway Software (Stand-Alone)-2.1%(2).

As an international player, Axway is exposed to the dynamics of different geographic markets. The Company has locations in 18 countries across five continents. Gartner estimates 2023 application infrastructure and middleware growth in Axway regions as follows: North America +12.3%, Latin America +13.1%, Western Europe +9.8% and Asia/Pacific +12.1%.(2)

(1) Source: Top 250 Numeum EY 2022.

(2) Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2020-2026, 4Q22 Update, Arunasree Cheparthi, Laurie Wurster, Daniel O'Connell, Lisa Unden-Farboud, Robin Schumacher, Sharat Menon, Amarendra., Fabrizio Biscotti, Christian Canales, Shailendra Upadhyay, Tarun Rohilla, 19 December 2022. The Gartner content presented in this document (the "Gartner Content") represents the research opinions or viewpoints published by Gartner, Inc. ("Gartner") as part of a syndicated subscription service and does not constitute statements of fact. Gartner Content speaks as of its original publication date (and not as of the date of this document) and the opinions expressed in the Gartner Content are subject to change without notice. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of the Gartner research organisation and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

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 can support the largest organisations with all their transnational projects.

Infrastructure software is used in cloud, hybrid and on-premise environments. Historically, Axway distributes its solutions in the form of on-premise perpetual licenses. Since 2015, the Company has also offered most of its solutions through "as a service" Subscription contracts. To be able to provide these Subscription offerings, 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 constantly increasing, both with regard to the availability of information on all devices and the security of connections and data. IT ecosystems continue to develop as more and more companies work together through collaborative solutions;
- while more and more workloads are moving to the cloud, companies have decades of heritage infrastructure and systems that must continue to be leveraged to meet short-termneeds and cost constraints.

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

According to Gartner, "full life cycle API management remains a dynamic and thriving market with substantial potential for both investors and vendors looking to create and manage APIs as add-ons to their offerings. Gartner expects this market to continue its strong double-digitgrowth for at least the next five years."(1)

Axway's hybrid integration offering, based on its Amplify API Management Platform solution, is recognised globally as a leader in the industry. In the third quarter of 2022, Axway was positioned as a Leader in The Forrester Wave™: API Management Solutions, Q3 2022. (2) It was also recognised as a Leader in the November 2022 Gartner® Magic Quadrant™ for Full Life Cycle API Management for the seventh time.(1)(3) Axway aims to maintain its position as a leader in this market and continues to invest in this direction.

1.2.2 Trends observed in Axway's markets

The emergence of cloud-native services and applications in markets like Banking, Logistics or Healthcare, are putting pressure on market leaders to innovate faster 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 of customers, partners and 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:** according to Gartner, "By 2024, nearly 60% of IT spending on application software will be directed toward cloud technologies."(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. **Real-time and asynchronous workflows:** B2B integration is driven by several factors, including the need for faster and more efficient data exchange, the increasing complexity of business processes, and the growing need for digital transformation. As businesses are looking to improve their operational efficiency, they are turning to real-time and asynchronous approaches to B2B integration to enable faster and more accurate data exchange between systems. This allows them to make real-time decisions based on reliable and current data, which can improve their competitiveness in the market;
3. **Composability:** to adapt to the fast-pacedchanges brought by digital transformation, companies want to become more agile and responsive to market changes and are looking to break down silos to create more flexible and modular IT infrastructures. In many industries, composable ecosystems are seen as a way to enable the development of new digital products and services, while also reducing costs and increasing operational efficiency. They enable rapid adaptation to changing regulations and new customer demands to face emerging competitors, agile and focused on the customer experience;

(1) *Gartner® Magic Quadrant™ for Full Life Cycle API Management, Shameen Pillai, Kimihiko Iijima, Mark O'Neill, John Santoro, Paul Dumas, Akash Jain, 14 November 2022.*

(2) *The Forrester Wave™: API Management Solutions, Q3 2022, Forrester Research, Inc., 22 August 2022.*

(3) *Gartner, How Cloud Adoption Will Increase Opex Budgets, Chris Ganly, Michael Warrilow, 20 May 2022. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Universal Registration Document), and the opinions expressed in the Gartner Content are subject to change without notice. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organisation and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.*

4. **Zero trust:** companies are sharing more and more sensitive data with partners or suppliers and are naturally concerned about their security. Zero trust approaches strengthen the security of sensitive data by ensuring that only authorised users and systems have access to it, through continuous identity verification. These solutions also help organisations comply with the growing number of regulations and standards governing data protection by enabling constant data monitoring to know who is accessing it and when. As businesses automate more of their processes, they are increasingly dependent on the availability and accessibility of their data, and Zero Trust solutions provide a way to protect it while allowing authorised users to access it to ensure business continuity;
5. **Ecosystems:** businesses are not isolated entities. They operate with partners, supply chains, and service providers. Employees, partners, and customers are increasingly distanced and digital. Industries are transforming to meet this accelerating digital transformation.

   The banking, finance, healthcare, retail, logistics, and warehousing sectors have had to accelerate their digital strategy to prevent disruption. One of the key components 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 key indicators of its overall success.

Given these changes, major organisations are seeking state-of-the-art approaches based on digital platforms that can optimise data access, extract its value, provide flexible and agile interaction frameworks, involve ecosystems, and develop unique applications that create value for their businesses. To achieve their desired outcomes, enterprises require modern EDI, file, application, and API integration, which enable them to seamlessly connect third parties, disparate systems, and data sources, automate workflows, and streamline business processes. Even though 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.

1.2.3 The competitive environment

With its broad range of software products, Axway operates in several markets among a variety of competitors. In early 2023, Axway's competitive environment can be summarised as follows:

- **major generalists** covering a very wide range on the global information systems market like IBM-RedHat, Microsoft, SAP, Oracle, Salesforce, Amazon Web Services, Google 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. They can provide standardised offerings 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 complex IT infrastructure solutions. Axway's advanced product functionalities enable it to cover all complex integration scenarios that a large organisation may encounter, especially those that rely on file-based heritage infrastructures. Axway also stands out for its position as an independent, technology-agnostic vendor. This approach is reflected by the Amplify offering 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 Boomi, Software AG, Tibco, Progress Software, MuleSoft, Apigee, WSO2, Kong, Postman or Informatica.

These companies, which include cloud-natives, 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. As an historical leader in the MFT and B2B integration markets, Axway has successfully expanded its technological expertise, particularly in the area of API management, through numerous strategic acquisitions, enabling it to offer its customers one of the most comprehensive product portfolios on the market today.

1.2.4 Customers and target markets

Axway offerings are aimed at all major organisations with complex information systems. Axway primarily offers horizontal software solutions able to target the needs of all types of customers, independent of their business sector. In addition, 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 the Company's independent expertise to support them in their strategic choices of IT infrastructure solutions. Each day, Axway solutions help 11,000 customers worldwide transform their businesses and industries.

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

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

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

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

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

1.3 Strategy and objectives AFR

1.3.1 Axway's strategy

As a software publisher and a leader in digital transformation and B2B integration, Axway supports the modernisation of its customers' IT infrastructures by securely moving, integrating or exposing their strategic data.

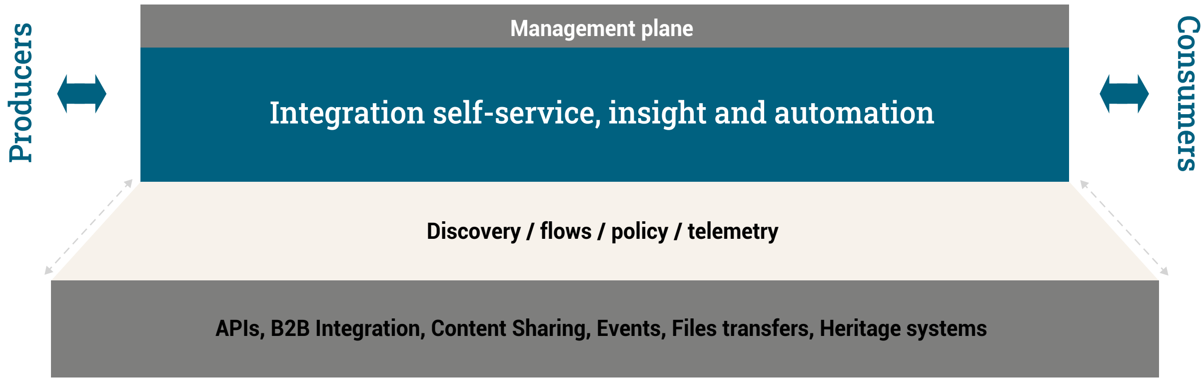
Axway's different technological areas of expertise converge to connect people, devices, companies and stakeholder ecosystems, thanks to software solutions which are turning customers' heritage infrastructure into brilliant digital experiences which create value for each use case.

The Amplify platform, powered by APIs, 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 or members of the Board of Directors, within the company or with one of its partners, use Amplify to make the use of data a competitive advantage.

Through a range of ready-to-use solutions and services, Axway's expertise is demonstrated in the following areas:

- **API Management:** Amplify combines API management functionalities and microservices governance to streamline the management, analysis and expansion of digital services;
- **Application Integration:** Amplify provides access to a collection of pre-built integration scenarios *via* IPaaS capacities;
- **Managed File Transfer (MFT):** flexible and secure management of the largest critical data flows;
- **B2B Integration:** orchestration of business interactions across all value chains within the company.

Axway Open Everything



The Amplify ecosystem

The Amplify platform, powered by APIs, is able to evolve the existing infrastructure solutions of major organisations, and accommodates cloud, hybrid and on-premise architectures. It is distributed as a Subscription or as a License 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 catalogue and elimination of long manual interventions;
- **risk reduction:** secure open event-based platform enabling processes to be automated and integrated with existing processes, creating productive governance that accelerates business.

Its ramp-up will enable Axway to continue to develop its activities towards Subscription-based offerings through a growing, profitable business model that offers good medium-term visibility.

Intellectual property and Patents

At 31 December 2022, Axway had 28 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 2022

In 2022, in a complex economic and geopolitical environment, Axway continued to focus on the strategic needs of its customers. There were a number of important developments throughout the year:

- Axway is back to its highest revenue levels in history thanks to the development of its technologies and offerings, as well as to the continued strengthening of customer satisfaction (NPS up 21% at 35). After several years of significant investment, the Company as a whole is strengthening its efficiency and is more focused on its customers. The organisational adjustments around General Managers and streamlining the product portfolio executed in 2022 reinforce the focus on Axway's core offerings: Managed File Transfer (MFT), B2B Integration, Amplify API Management and Axway Financial Accounting Hub;
- once again praised by the most influential analyst firms in 2022 *(learn more)*, Axway's products and vision, combined with the commitment of its employees, were two key elements in the Company's performance over the year. Axway's business model is driven by its ability to deliver best-in-class products and services to become a reference partner for its customers, and the fourth quarter performance confirmed the relevance of this strategy;
- the growth in annual revenue was largely driven by the Subscription offerings that Axway provides to its customers. Managed by Axway in the cloud or by the customer directly on their own infrastructures, the contractual and technological flexibility of these offerings have both met with great success. In 2022, more than 150 customers committed to a 5-year Subscription contract, making Axway a long-term partner in their digital transformation;

- in anticipation of future customer needs, the acquisition strategy was re-engaged with a first transaction completed at the end of June 2022. Axway acquired the India-based start-up, DXchange.io, which offers a cloud integration platform that will be leveraged by all major products in the portfolio. This strategic technological acquisition will enable Axway to respond effectively to the convergence of the API Management and IPaaS markets, which are rapidly evolving towards a common framework for integration and management of hybrid and multi-cloudenvironments;
- during the year, Axway rationalised its product portfolio in line with its strategy to focus on its core products and divest from businesses that are no longer aligned with its growth and profitability ambitions. The Company therefore disposed of or discontinued several specialised products in 2022.

In addition, Axway recruited 202 new employees in 2022.

1.3.3 Strategic priorities and ambitions

2023 is the final year of the current strategic plan, which will have enabled Axway to successfully transform its business model to Subscription-based offerings while continuing to improve its operational efficiency, customer satisfaction and the quality of its product portfolio. For 2024, Axway's priorities are:

Employee Engagement

The success of Axway's project relies on the commitment of its employees and their continued dedication to providing the highest quality customer experience. Every employee, regardless of their role in the Company, must have a clear understanding of Axway's strategy and the impact of their work on the overall customer experience. Axway strives to maintain an ongoing dialogue with its employees to keep them informed of current strategic thinking and developments and will continue to do so in 2023. Through its internal communication efforts and careful monitoring of its talent development, Axway maintains a virtuous circle that serves all of the Company's stakeholders, including its customers, through their level of satisfaction.

Continuous improvement in agility and operational efficiency

To adapt to new consumption patterns and the use of data by corporations, Axway's organisation has evolved frequently since 2018.

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

In this context, Axway is constantly strengthening its tools and systems and has established a matrix-based internal organisation, by product line and geography, which provides a panoramic view of the business situation. Year after year, the Company improves the reliability of its projections in order to make quick and enlightened strategic decisions.

Axway will continue its efforts in 2023, with a streamlined product portfolio and sustainable financial performance that will allow the relaunch of the external growth strategy to seize opportunities.

2023 Targets & Outlook

For 2023, Axway's objective is to maintain organic revenue growth of between 0% and 3%. The Company also intends to further improve profit on operating activities to reach 15% to 18% of revenue.

In the medium term, Axway's ambitions are:

- to achieve revenue of €500 million through organic growth and acquisitions,
- to deliver an operating margin on business activity approaching 20% of revenue.

1.4 Key figures and comments on the 2022 consolidated financial statements

1.4.1 Key figures

(in millions of euros)	2022	2021	2020
Revenue	314.0	285.5	297.2
EBITDA	56.3	41.3	43.7
Profit on operating activities	46.3	32.9	30.8
As a % of revenue	*14.7%*	*11.5%*	*10.4%*
Profit from recurring operations	37.4	19.9	17.6
As a % of revenue	*11.9%*	*7.0%*	*5.9%*
Operating profit	-46.4	17.3	17.6
As a % of revenue	*-14.8%*	*6.1%*	*5.9 %*
Net profit – Group share	-40.0	9.6	8.5
As a % of revenue	*-12.7%*	*3.4%*	*2.9*
Number of shares at 31 December	21,633,597	21,633,597	21,351,066
Basic earnings per share *(in euros)*	-1.85	0.45	0.40
Diluted earnings per share *(in euros)*	-1.85	0.43	0.38
Net dividend per share* *(in euros)*	0.40	0.40	0.40
Cash and cash equivalents	18.3	25.4	16.2
Total assets	571.1	582.9	559.3
Total non-current assets	374.0	424.6	422.9
Deferred income (current)	55.6	55.8	54.7
Shareholders' equity – Group share	327.8	372.2	355.5
Net debt (cash)	69.5	36.5	24.0
Employees at 31 December	1,525	1,712	1,888

** The distribution of a dividend of €0.40 per share will be presented to shareholders' vote at the General Meeting of 11 May 2023.*

1.4.2 Comments on the 2022 consolidated financial statements

Operating performance and activity

In 2022, Axway generated revenue of €314.0 million, up 5.5% organically and 10.0% in total. The consolidation scope changed following the different product portfolio rationalisation operations, representing a negative scope effect of €4.1 million. Exchange rate fluctuations positively impacted revenue by €16.1 million, mainly due to the appreciation of the US dollar against the euro.

Profit on operating activities improved for the third year in a row, finishing at €46.3 million for the period, or 14.7% of revenue, compared to 11.5% in 2021. Operating expenses as a percentage of revenue have significantly decreased thanks to optimised cost management.

Profit from recurring operations was €37.4 million in 2022, or 11.9% of revenue, compared to 7.0% the previous year. It includes amortisation of allocated intangible assets of €5.5 million and a share-based payment expense of €3.4 million.

Operating profit for the year was -€46.4 million, or -14.8% of revenue, including the previously announced non-cash charge of €82.1 million related to the write-off of unamortised intangible asset value or goodwill following the product portfolio rationalisation operations carried out in 2022.

In line with this, net profit for the year was -€40.0 million, representing -12.8% of revenue. Basic earnings per share were -€1.85. Restated for the impact of disposals, basic earnings per share would have reached €1.47.

Revenue by business line

(in millions of euros)	2022	2021 Restated*	2021 Reported	Total Growth	Organic Growth*
License	11.6	19.6	18.6	- 37.6%	- 40.8%
Subscription	154.0	117.6	114.2	+ 34.8%	+ 31.0%
Maintenance	111.2	125.0	119.0	- 6.6%	- 11.1%
Services	37.3	35.4	33.8	+ 10.3%	+ 5.4%
Axway Software	**314.0**	**297.6**	**285.5**	**+ 10.0%**	**+ 5.5%**

** Revenue at 2022 scope and exchange rates.*

In line with the Company's forecasts, revenue from the **License** activity further contracted to €11.6 million in 2022, representing 4% of Axway's total revenue, an organic decline of 40.8%. With most of the activity now based on specialised products that are not available for Subscription, license sales should start stabilising from 2023 onwards.

As in the previous three years, the **Subscription** activity showed very strong growth in 2022. With full-year revenue of €154.0 million, the activity's growth rate reached 34.8% in total and 31.0% organically. The Subscription activity now represents 49% of Axway's total revenue. While revenue recognised from Axway Managed contracts continued to increase at a dynamic but linear pace, with growth of around 20%, revenue from Customer Managed contracts rose by a very strong 52%. For the year, the annual value of new Subscription contracts (ACV) signed reached €49.3 million, up 44% compared to 2021. Additionally, upfront revenue from Customer Managed Subscription contracts accounted for €78.7 million in 2022 (€51.5 million in 2021).

Maintenance revenue was €111.2 million in 2022, down 6.6% overall and 11.1% organically. With a very good renewal rate of 95% over the year, the planned decline in business was mainly due to the drop in license signatures and the migration of customers to Subscription contracts. The annual trend was consistent with forecasts and should continue at a similar pace in 2023.

At the end of December 2022, Axway's ARR (Annual Recurrent Revenue) was €196.5 million, up 12.5% at constant scope and exchange rates compared to the end of 2021. This indicator which combines recurring revenues from all active Maintenance and Subscription contracts, including, where applicable, upfront Subscription revenue recalculated monthly, gives a clear vision of Axway's business model predictability. Revenue from renewable contracts reached a high of 84% of total revenue in 2022.

The readjustment of the activity level in **Services** compared to the previous year continued in late 2022 and resulted in annual revenue of €37.2 million, or 12% of Axway's total revenue. Good control of average selling prices and employee allocations enabled the Company to generate organic growth of 5.4% for the year. For 2023, Axway anticipates the Services activity revenue to remain around 12% to 13% of total revenue.

Revenue by geographic area

(in millions of euros)	2022	2021 Restated*	2021 Reported	Total Growth	Organic Growth*
France	91.6	81.2	81.4	+ 12.5%	+ 12.8%
Rest of Europe	68.4	66.6	67.4	+ 1.5%	+ 2.7%
Americas	133.3	131.1	119.4	+ 11.6%	+ 1.6%
Asia/Pacific	20.8	18.6	17.3	+ 19.8%	+ 11.8%
Axway Software	**314.0**	**297.6**	**285.5**	**+ 10.0%**	**+ 5.5%**

** Revenue at 2022 scope and exchange rates.*

France reported revenue of €91.6 million in 2022 (29% of total revenue), an organic increase of 12.8%. This excellent performance was made possible by the signing of 15 migration deals worth more than €1 million each to MFT and Axway Financial Accounting Hub Subscription offers, as well as by the stability of the Services activity.

The **Rest of Europe** region achieved organic growth of 2.7% in 2022, with revenue of €68.4 million, representing 22% of total revenue. Axway's performance in Germany was particularly strong thanks to the establishment of a new team that was instrumental in securing several key contracts with Axway's customer base and generated more than 15% of revenue from new customers.

The **Americas** (USA & Latin America) generated revenue of €133.3 million over the year (42% of total revenue), with organic growth of 1.6%. Axway's activity grew significantly in Latin America, driven by strong demand for its Amplify API Management offering, which resulted in the signing of several major new customer contracts. In North America, Axway's Subscription-based B2B managed services offerings were also up sharply and will generate revenue growth in the coming months as customers consume the services.

Asia/Pacific achieved annual revenue of €20.8 million (7% of total revenue), with organic growth of 11.8%. In 2022, the activity, heavily focused on APIs and MFTs in the region, was driven by new customer business which increased by 28% year-on-year.

Comparison of fiscal years ended 31 December 2022, 2021 and 2020

(in millions of euros)	2022	2021	2020
Revenue	**314.0**	**285,5**	**297,2**
License	*11.6*	*18,6*	*25,8*
Subscription	*154.0*	*114,2*	*97,3*
Maintenance	*111.2*	*119,0*	*138,2*
Sub-total Licenses, Subscription and Maintenance	**276.7**	**251,7**	**261,3**
Services	*37.3*	*33,8*	*36,0*
Cost of sales	**91.4**	**83,3**	**87,6**
License and Maintenance	*26.4*	*24,6*	*24,9*
Subscription	*29.4*	*27,0*	*28,3*
Services	*35.6*	*31,7*	*34,4*
Gross profit	**222.6**	**202,3**	**209,7**
As a % of Revenue	*70.9%*	*70,8 %*	*70,5 %*
Operating expenses	**176.4**	**169,4**	**178,8**
Sales costs	*93.2*	*89,0*	*92,9*
Research & Development expenditure	*57.3*	*55,3*	*60,4*
General expenses	*25.9*	*25,0*	*25,5*
Profit on operating activity	**46.3**	**32,9**	**30,8**
As a % of Revenue	*14.7%*	*11,5 %*	*10,4 %*

Cost of sales and gross margin

In 2022, the gross margin is 70.9% of revenue, up slightly on 2021 (70.8%).

With the transformation of the business model, the Subscription gross margin offset the expected contraction in the License and Maintenance gross margin.

The 31% increase in Subscription revenue combined with a more moderate increase in costs (+8.7% attributable to hosting and salary costs) allowed the Group to report a gross margin of 80.9%, a significant increase compared to 2021(76.4%).

The License and Maintenance gross margin fell from 82.1% in 2021 to 78.5% in 2022, in line with maintenance revenue attrition.

The Services gross margin is more marginal at 4.5%, down on 2021 (6.4%).

Operating expenses

Profit on operating activities was €46.3 million in 2022, or 14.7% of sales, compared to 11.5% in 2021. Thanks to optimised cost management, operating expenses fell as a percentage of revenue, decreasing from 59.3% of revenue in 2021 to 56.2% in 2022. While revenue increased by 10% in total, or +€28 million over the period, operating expenses increased by €7 million.

Sales and Marketing costs totalled €93.2 million (29.7% of revenue), down on 2021 (31.2% of revenue).

Research and Development expenses totalled €57.3 million, or 18.3% of revenue, compared to 19.4% in 2021, thanks to the rationalisation of the product portfolio and the strategic refocusing of investments.

General expenses totalled €25.9 million and represented 8.2% of revenue, down on 2021 (8.8%).

Balance Sheet and financial structure

At 31 December 2022, Axway had a solid financial position, with cash of €18.3 million and bank debt of €87.8 million.

1.5 Comments on the Axway Software SA 2022 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

2022 revenue increased 8.0 % on 2021 (License -57.9%, Maintenance -8.7%, Services +17.2%, Subscription +38.7%). Revenue from non-Group customers declined 1.6% while inter-company revenue increased 17.0%.

The operating loss was -€9.1 million in 2022, compared to -€12.3 million in 2021. Despite a €7.6 million increase in purchases consumed, mainly due to inter-company billing, and a €1.8 million increase in employee costs, revenue growth (+€14.6 million) offset the increase in some expenses, improving the operating loss.

Net financial income increased from €4.1 million in 2021 to €10.9 million in 2022. The main movements in this heading comprised an increase in dividends received from subsidiaries of €8.8 million and an increase in financial expenses relating to loan interest and other costs of €1.3 million. A provision of €1.1 million was recognised on the equity investment in the new entity, DXchange Technologies Private Limited.

A pre-tax current profit of €1.7 million was recorded in 2022 compared to a pre-tax current loss of -€8.2 million in 2021.

The net exceptional expense was -€14.3 million in 2022, compared to -€4.7 million in 2021. Exceptional expenses were impacted this year by commercial debt waivers granted to six subsidiaries given their difficult net position for a total of €12.4 million, +€8.2 million higher than in 2021.

Employee profit-sharing totalled €1.0 million in 2022, compared to €0.8 million in 2021.

The 2022 net loss was -€8.0 million, compared to -€7.8 million in 2021.

1.5.2 Balance Sheet

Shareholders' equity fell from €229.6 million at 31 December 2021 to €213.1 million at end-2021.

This decrease was due to the fall in net income year-on-year of -€8.0 million, and the partial use of discretionary reserves for the payment of dividends in the amount of €8.6 million.

The -€3.9 million decrease in intangible assets and property, plant and equipment is due to IT equipment scrapped and licenses that are now obsolete. Axway Software scrapped the Streamdata intangible asset at the end of March in the amount of €0.7 million and removed the Mailgate technology from assets in September in the amount of €0.3 million.

The +€1.1 million increase in financial investments is mainly due to the increase in equity investments following the acquisition of DXchange Technologies Private Limited and its subsidiary for €9.9 million. This is partially offset by a decrease in receivables from equity investments of €7.6 million and the impairment of equity investments in the amount of €1.0 million.

The €7.0 million increase in trade receivables is mainly due to an increase in inter-company accrued income of €1.9 million, alongside a €6.2 million increase in customer receivables. Inter-company customer billing accounted for €4.4 million of this increase (Axway Ireland + €1.7 million, Axway Brasil + €2.3 million), while non-group billing increased €1.8 million.

Other receivables, prepayments and accrued income fell -€4.8 million year-on-year,with lower translation adjustments on current account receivables due to a more favourable USD exchange rate again this year (including -€4.3 million on Axway Inc. current account receivables). Tax receivables also fell €1.1 million, due in part to research tax credits which decreased -€0.8 million in 2022.

Cash and cash equivalents decreased €5.4 million. In October 2021, a contract was signed with CM-CIC to perform share buybacks for the purpose of the employee free share grant plan. Share buybacks increased €1.8 million on 2021.

Bank balances decreased -€7.1 million. An increase in customer DSO led to a decrease in customer receipts of €7.5 million compared to 2021.

Provisions fell by -€16.4 million. At the end of December, the €21.6 million provision recorded in 2021 to cover the purchase of free shares for distribution to employees was reversed. This provision is only €8.6 million at the end of 2022.

At the same time, due to a decrease in unrealised foreign exchange losses, the provision for foreign exchange losses was also reduced at the end of December by €4.2 million.

Financial debt is up €21.9 million. Loans from equity investments increased €1.3 million and other loans increased +€21.1 million. The BPI loan was repaid in the amount of €1.0 million during the year and an additional €5 million and US$18 million (€17.1 million) was drawn on the RCF to cover share buybacks under the free share grant plan and finance the acquisition of DXchange Technologies Private Limited.

The -€3.2 million decrease in Trade accounts payables was partly due to a fall in accrued expenses at the end of 2022 of €1.4 million (including €0.7 million for inter-company accrued expenses). Unpaid suppliers invoices also decreased at the year-end by €1.8 million, due to a €2.5 million decrease in inter-company payables offset by an increase in non-Group accounts payable of €0.7 million.

Tax and employee-related payables increased +€5.4 million. The +€5.1 million increase in employee-related liabilities is mainly due to provisions for commission and bonuses, while tax payables increased by €0.3 million.

Other liabilities, accruals and deferred income increased by €2.8 million. Deferred income recognised at the end of the year is up €1.8 million, while unrealised foreign exchange gains increased +€0.7 million, mainly due to translation adjustments on Axway Do Brasil receivables denominated in US dollar.

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

Pursuant to Article D. 441-6 of the French Commercial Code, Axway Software SA reports that trade accounts payable at 31 December 2022 break down as follows:

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

	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total 1 day and over
(A) Late payment brackets						
Number of invoices	160					255
Total amount of invoices excluding VAT	2,571,469.25	850,311.08	313,427.01	-18,503.99	15,526.45	2,157,001.94
Percentage of total purchases for the fiscal year, excluding VAT	2.17%	0.72%	0.27%	0.02%	0.01%	1.82%
(B) Invoices excluded from (A) regarding disputed or unrecognised debts and receivables						
Number of excluded invoices						NONE
Total amount of excluded invoices						NONE
(C) Reference payment periods applied (contractual or statutory - Article L. 441-6 of the French Commercial Code)						
Payment terms of reference used to calculate late payments	Statutory period: 30 days from the invoice date					

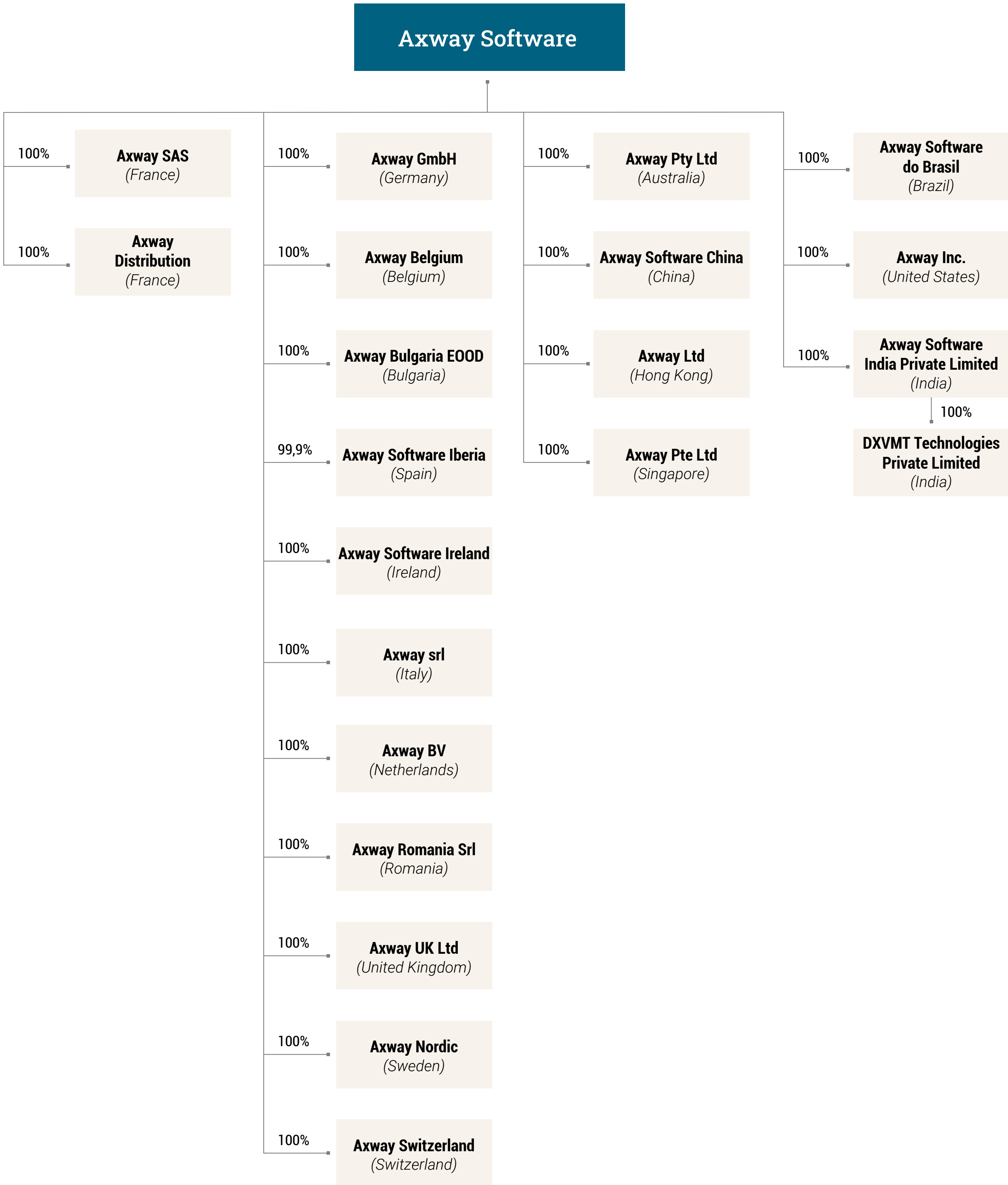
Trade receivables break down as follows:

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

	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total 1 day and over
(A) Late payment brackets						
Number of invoices	602					829
Total amount of invoices excluding VAT	21,104,258.50	1,773,070.18	3,136,336.2	441,315.12	12,125,819.02	17,476,540.51
Percentage of total purchases for the fiscal year, excluding VAT	11.61%	0.98%	1.72%	0.24%	46.67%	9.61%
(B) Invoices excluded from (A) regarding disputed or unrecognised debts and receivables						
Number of excluded invoices						NONE
Total amount of excluded invoices						NONE
(C) Reference payment periods applied (contractual or statutory - Article L. 441-6 of the French Commercial Code)						
Payment terms of reference used to calculate late payments	Statutory period: 30 days from the invoice date					

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

1.6 Axway's simplified legal structure at 31 December 2022



1.7 Axway Software at a glance

Company name	The Company name is Axway Software.
Place of registered office	The registered office is located at PAE Les Glaisins, 3 rue du Pré-Faucon, 74940 Annecy, France. The Company also has four secondary establishments located at Tour W 102 Terrasse Boieldieu, 92085 Paris La Defense Cedex, France and 23 rue Crepet, 69007 Lyon, as well as 23 rue Matabiau, 31000 Toulouse and 35 chemin du Vieux Chene, 38240 Meylan. The head office is located at 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254, USA.
Shareholders and investors website	Axway has a website dedicated to its shareholders and investors, www.investors.axway.com. The information presented on this website is not an integral part of this Universal Registration Document, unless expressly incorporated by reference.
Date of incorporation and Company term	The Company was incorporated on 28 December 2000 for a term of 99 years. The Company's term will therefore expire on 28 December 2099 unless it is dissolved before that date or the term is extended.
Legal status and applicable legislation	Axway is a French law public limited company (*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.
Trade and Companies Register	Annecy Trade and Companies Register under number 433 977 980. APE code 5829A.
LEI	969500220 6SP7FQONJ77.
SIRET	433 977 980 00047

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

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

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

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

Documents available for consultation

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

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

Axway's Ethics charter and Securities Trading Code of Conduct can also be consulted on Axway's website at the following link: https://investors.axway.com/en/bylaws-regulations-agreements.

Fiscal year

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

1.8 Axway's organisation

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

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

1.8.1 Permanent structure

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

Executive Management

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

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

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

The Board of Directors

The Company's Board of Directors 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.

The General Managers

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

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

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

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

Functional structures

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

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

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

Axway's corporate social responsibility structure

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

Within the Board of Directors and its committees:

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

Within Executive Management:

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

With dedicated internal teams:

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

1.8.2 Temporary structures: businesses and projects

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

Projects are handled by temporary teams and are supervised:

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

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

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

1.9 Recent developments

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

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

This performance is explained by the historically high level of activity recorded by the Company at the end of year. In fact, thanks to an organic increase in the Subscription activity of more than 100% in Q4 2022 over Q4 2021, on a full-year basis Axway now expects:

Organic revenue growth of between 4.5% and 5.5%, compared to 1% to 3% previously;

Operating profit from business activity representing between 14% to 15% of revenue, compared with 12% to 14% previously."

1.10 Provisional financial calendar

Event	Date	Publication/Meeting
Publication of Q1 2023 revenue	Thursday 27 April 2023	Press release (before market opening)
General Meeting	Thursday 11 May 2023	Shareholders' Meeting (2.30 p.m. UTC+1) - Etoile Business Center - Paris
Publication of H1 2023 results	Wednesday 26 July 2023	Press release (after market closing)
		Analysts virtual conference (UTC+2)
Publication of Q3 2023 revenue	Thursday 26 October 2023	Press release (before market opening)

1.11 Investor & shareholder contacts

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Risks and Control

2.1 Risk factors AFR/NFPS

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

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

2.1.1 Risk identification and assessment

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

Based on this work, the most material net risks for the Company were extracted and are presented hereafter. This Section presents the main risk factors to which Axway considers it is exposed at the date of filing of this document. Explanations are provided on how each risk may affect Axway, as well as information on how this risk is managed.

Other risks, which Axway is not aware of or currently considers to be of lesser importance, may also have a negative impact. In particular, additional information is provided on sensitivity to foreign exchange rate and interest rate risks in Chapter 5 "Consolidated financial statements".

While Axway cannot ensure that all risks will be eliminated, risk management and the internal control system seek to identify, qualify and mitigate risks. They are described in Section 2 of this Chapter "Internal control and risk management".

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

2.1.2 Main risks

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

2.1.3 Risks relating to Axway's market

Risks of lack of innovation and failure to anticipate market trends

Risk description

CRITICITY: HIGH

Constantly evolving market

Technology innovation is a constant feature of the market in which Axway operates. Its commercial success lies mainly in its ability to deliver innovative products and solutions to satisfy the needs of its customers.

Axway must therefore be able to anticipate any developments in technology likely to be desired by the market and the expectations of its customers. Axway must 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.

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

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

Increased competition

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

Potential impact on Axway

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 revenue and results.

Risk management process

Continuous investment in innovation

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

It pays even greater attention to its proximity, transparency and communication with customers, to better understand their expectations and anticipate market trends. Axway's product strategy is clearly established: streamline the solutions portfolio to prioritise R&D investments and focus on an innovative and high-quality offering. In addition, the Company works closely with its key customers to explore, develop and implement new and revised offerings that could have wider use cases.

Strengthened teams

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

To better anticipate technological or architectural shifts in customer environments, Axway has set up an incubation team in the CTIO (Chief Technology & Innovation Officer) Office. The CTIO and incubation team are tasked with discovering, assessing, and testing new approaches or solutions that could drive long-term growth.

External growth

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. Nevertheless, the external environment is extremely mobile, making the identification and valuation of potential targets more complex.

Finally, strong decisions were taken in 2022 on the divestment of some products, to refocus our product portfolio on the most valuable solutions for our customers.

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

Risk description

CRITICITY: ■ MEDIUM

Recognition by the market and brand strategy

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

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

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

Return on investment

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

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

Alliances and partnerships

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

Potential impact on Axway

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

Risk management process

Strategic alignment of teams

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

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

Added value provider

Growth objectives notably place a greater emphasis on the commercial and technical value Axway provides to its customers. Axway has developed information campaigns in recent years, presenting specific examples of customer success and business added value. Axway has reinforced its positioning as a technical expert providing critical business outcomes to its customers. Ongoing exchanges with customers, through frequent satisfaction surveys, enable customers' needs to be understood and better met. Axway is therefore able to deliver real added value, by proposing the right product to the right customer. The Company is also converting its current installed base to provide customers with access to new innovative solutions.

Market analysts

Axway has also successfully bolstered its relationship with market analysts, demonstrating its valid vision and well-executed strategy. In particular, Axway was recognised as a leader in *Gartner's 2022 Magic Quadrant™ for Full Life Cycle API Management*, for the seventh time. The Company was also recognised as a leader in *The Forrester Wave™: API Management Solutions, Q3 2022*.

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

Risk description

CRITICITY: HIGH

Importance of recurring revenue

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

This provides a certain visibility on the Company's future revenue but requires constant efforts to avoid the non-renewal of Maintenance or Subscription contracts (churn). The Company's ability to retain and expand its customer base is therefore instrumental in maintaining and growing its revenue.

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

Measurement of usage and product adoption

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

Potential impact on Axway

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

Risk management process

Critical applications for customers

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

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

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

Customer experience and satisfaction

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

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

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

2.1.4 Risks relating to Axway's business and organisation

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

Risk description

CRITICITY: HIGH

Rare and sought-after expertise

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

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

Reinforced attrition risk

The worldwide pandemic context which affected the whole economy specifically impacted the labour market. With the uncertainty linked to the pandemic, employees were generally reluctant to quit their current company in 2020. The context changed in 2021 and 2022, with a notable catch-up effect. In addition, high inflation in 2022 impacted salary costs. The economic and geopolitical context is complex and changing, and likely to have an even greater impact on the activity of businesses and the labour market. Thus, it is more than ever necessary to ensure the harmonious management of Human Resources, to favour employee engagement and loyalty.

Potential impact on Axway

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

Risk management process

Talent management

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

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

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

These actions also allow an individual career and development plan to be built, and training needs to be identified. The Axway University team proposes numerous training modules. This offering is constantly renewed, notably as Axway products evolve. The Company also encourages greater flexibility between jobs and more transparent managerial communication to share and explain strategy and associate teams through more participative methods.

Finally, the free share plan decided in 2019 was delivered in 2022, benefiting all employees.

Measurement of employee engagement

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 obtained an engagement score of 61%, down slightly compared to the survey made in the fourth quarter of 2021 (66%). Actions are monitored at the highest level to further improve employee engagement and motivation, and to manage socio-environmental concerns.

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

These efforts to improve appeal, loyalty and talent development helped control the attrition rate in recent years and enabled the continued recruitment of several key positions.

Risks of technical defects in product development and production errors

Risk description

CRITICITY: ■ MEDIUM

Product complexity

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

The allocation of Research & Development resources 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. Indeed, substantial investment is necessary to take account of technical debts and sustaining existing products, especially when support extensions have been signed for old products.

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

Cloud environments

The risk is even greater due to the growth in cloud activities. Axway applications are often used in complex and critical operating environments, processing several 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 the SLA (Service Level Agreements) and provide reliability, agility and availability for the delivery of the solutions in a cost-efficient manner.

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

Potential impact on Axway

The occurrence of 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

Quality control

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

Incident management

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

With regard to its customers, the Company undertakes to comply with its standardised support and service level maintenance procedures that are available on its website. Its Support teams continuously answer the alerts and issues raised by customers.

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

2.1.5 Security risks

Information, software, and internal applications security risks

Risk description CRITICITY: HIGH

Increasing cybersecurity threats

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

Security threats linked to cyber-crime are constantly increasing and 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 malicious exploitation by a third party.

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

Increased complexity

Technological developments now allow the Company's applications and solutions to be used from various devices, particularly mobile, based on API technologies developed by Axway. Multiplying the number of access points on customer 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 or medical services. Any security breach in its infrastructures could expose Axway to a risk of unauthorised access to sensitive internal or customer data. In addition, this risk may be increased by the use of external providers for cloud services.

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

Potential impact on Axway

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

Risk management process

Product security

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

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

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

Protection of information

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

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

Internal policies and procedures

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

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

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

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

A cybersecurity insurance policy was taken out in addition to the professional indemnity insurance coverage to manage and cover as well as possible the different types of cybersecurity risks. More details are available in Chapter 2, Section 4 ("Insurance and risk hedging policy").

2.1.6 Legal and compliance risks

Intellectual property protection risks

Risk description

CRITICITY: ■ MEDIUM

Axway intellectual property

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

Third-parties intellectual property

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

Potential impact on Axway

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 protection

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

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

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

Axway compliance

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

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

Regulatory compliance risks

Risk description

CRITICITY: ■ MEDIUM

Regulatory inflation

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

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

Environmental, social and governance risks

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

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

Potential impact on Axway

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

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 Axway's results.

Risk management process

Controls and legal expertise

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

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

Axway is also developing a culture of compliance and business ethics: the Company implemented a Code of Ethics, a whistle-blowing procedure, and training or awareness-raising campaigns delivered globally on security, GDPR, the fight against fraud and corruption, insider trading, etc. Specific mappings of risks relating to corruption, influence peddling and duty of care are also maintained and considered when establishing risk factors.

Corporate responsibility

Axway considered environmental, social and governance risks in its risk analysis. The Company has defined its Employer, Societal and Environmental liability commitments and has undertaken a carbon-neutral trajectory for 2028. The Non-Financial Performance Statement and all indicators are included in Chapter 3 of this document "Corporate Responsibility".

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

2.2 Internal control and risk management

2.2.1 Internal control and risk management environment

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

2.2.1.1 Internal control

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

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

2.2.1.2 Risk management

With regard to risk management, its aim is to:

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

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

2.2.1.3 Implementation

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

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

2.2.2 Components of the internal control and risk management system

2.2.2.1 Organisation

a. 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. The Company controls directly all subsidiaries of which it is the parent. All companies are fully consolidated and there are no *ad hoc* entities located outside the scope of consolidation. A legal organisational chart is presented in Chapter 1, Section 1.6 ("Axway's simplified structure at 31 December 2022").

b. Internal organisation

The internal organisation of Axway is described in Chapter 1, Section 1.8 ("Axway's Organisation"). The key players in risk management and internal control are:

- the Executive Committee: 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 (Product, Research & Development, Customer Success Organisation, Marketing) and the administrative, regional or national branches of these divisions.

c. 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 and updated.

d. Management of Human Resources

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 process, tailored to the needs of the Company. This process includes key moments for evaluating skills and performance and reviewing working conditions. Annual performance appraisals and employee monitoring by HR Business Partners lead to the definition of 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").

e. 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. By continuously working on the modernisation 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 logical security of data to which permanent access must be guaranteed. Systems for backing up data, monitoring infrastructures, and controlling access to sites and IT applications are thus deployed universally.

f. Code of Ethics

Axway has formalised and communicated its Code of Ethics, as part of a transparent, fair and loyal approach to all stakeholders: customers, employees, shareholders, partners, suppliers and societal organisations. The Code of Ethics defines the rules that the Company and any associated stakeholder must observe in their internal behaviour and *vis-a-vis* persons and companies in its business relations. It also describes the warning procedures in place should these rules not be observed (professional alert 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.

g. Procedures

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

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

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

2.2.2.2 Internal dissemination of information

The business monitoring system is a fundamental component of the internal control system. This system is designed not only to organise the internal dissemination of information, ascending to Executive Management and descending to the operating and functional units, but also to direct, control, assist and 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-yeartimeframe (budgetary approach as part of the strategic plan).

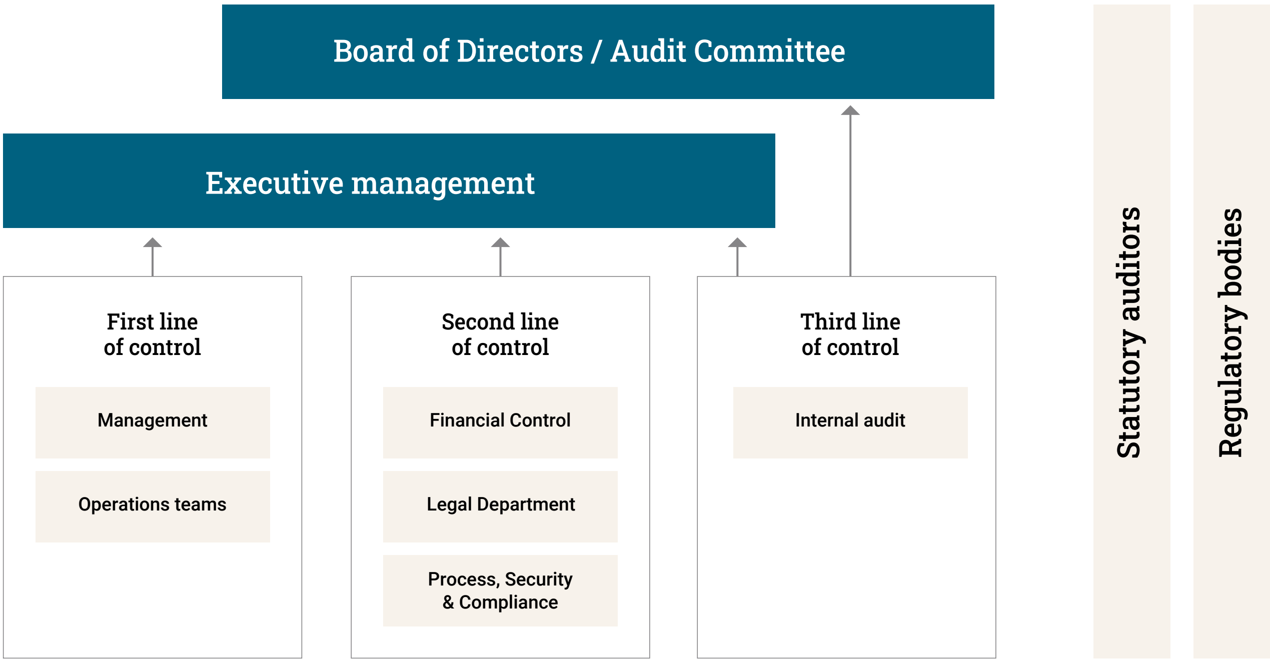
2.2.2.3 Risk identification and management process

The primary risk factors are listed in Chapter 2, Section 2.1 ("Risk factors") of this document.

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

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

2.2.3 Key players in the internal control and risk management system



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

2.2.3.1 Executive Management

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

2.2.3.2 Board of Directors' Audit Committee

A detailed description of the Audit Committee's role and composition is available in Chapter 4, Section 4.1 ("Composition and procedures of the management and supervisory bodies"). 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-financialrisks;
- 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.

2.2.3.3 First line of control: operational teams

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

2.2.3.4 Second line of control: monitoring and control

Several control functions that report to the functional divisions play a specific role in risk management. They provide assistance and guidance to operational staff, using a preventive approach (contractual and expense commitments), or by performing controls on the application of procedures and the results obtained (particularly controls on the quality of the data entered into the information system). Axway has set up structured central teams such as the Legal Department, Financial Control, or the Process, **Security & Compliance** team.

a. Financial control

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

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

b. Legal Department

The Legal Department plays a key role in the management of Axway's various contractual commitments. The procedures provide for the consultation of this department prior to the signing of contracts with third parties - whether they be customers, suppliers or partners. More generally, the Legal Department ensures that Axway complies with applicable laws and regulations in the countries where it operates. It also defines the management of the legal entity of the Company and of its subsidiaries. The Legal Department participates in numerous working groups, particularly with Middlenext, to discuss best practices and ensure its full compliance with prevailing regulations.

c. Process, Security & Compliance

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

2.2.3.5 Third line of control: ongoing supervision by internal audit

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

- independent and objective assessment of the operation of the internal control system *via* a periodic audit of Company entities and business areas;
- development of all recommendations to improve the Company's operations;
- monitoring the implementation of corrective actions agreed upon following each audit;
- updating 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, if deemed necessary. Information on the audits performed, the findings identified, and the follow-up of recommendations is constantly shared with the Board of Directors' Audit Committee.

2.2.3.6 External supervision by the Statutory Auditors

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

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

2.2.4 Assessment and continuous improvement process

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

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

2.2.4.1 Certifications

The continuous improvement programme headed by the **Process, Security & Compliance** team was continued and led to the renewal of certifications in 2022.

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

- Axway organises an annual independent third-party audit of all its cloud activities. The resulting SSAE18/ISAE3204/ SOC2 Type II report states how Axway has implemented its main controls and objectives with regard to compliance with these standards. This standard aims to reassure users of these outsourced services on the reliability of the security and internal control system used to monitor services performed on their behalf;
- Axway renewed its ISO 9001 certification, based on ISO 9001:2015 changes, for its **Global Customer Services** activities in France, Italy, Germany and the United States in 2022;
- Axway renewed its ISO/IEC 27001:2013 certificate in 2022;
- Axway continued to work on **Common Criteria** EAL4+ certification for its API Gateway product for a contract with an aerospace customer;
- Axway remains compliant with HIPAA regulations, published by the US **Department of Health and Human Services** (HHS), which define the rules for protecting personal healthcare data for electronic health insurance management in the United States. In terms of data protection, Axway complies with the General Data Protection Regulation (GDPR), the **Australian Act**, the LGPD in Brazil and the CCPA **(California Consumer Privacy Act)**.

2.2.4.2 Customer audits and surveys

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

Furthermore, a team focuses on the customer experience, customers being 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 the products and services, with the aim of constantly improving the offering. Customers are also surveyed on service quality during transactional studies at the closing of each case handled by the Support unit or at the end of Services projects. In addition, this **Customer Experience** team collects feedback from user groups.

2.3 Preparation and processing of accounting and financial information

2.3.1 Coordination of the accounting and financial function

2.3.1.1 Organisation of the accounting and financial function

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

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

The Board of Directors is responsible for the regular oversight of accounting and financial information.

It reviews and approves the half-year and annual financial statements, taking account of the Statutory Auditors' opinion.

2.3.1.2 Organisation of the accounting information system

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

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

2.3.2 Preparation of the reported accounting and financial information

2.3.2.1 Reconciliation of accounting data with the internal management system

All 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 provide a clear view of performance.

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

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

2.3.2.2 Preparation and validation of the consolidated financial statements

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

Tasked with monitoring the statutory audits, the Audit Committee reviews the work and conclusions of the Statutory Auditors pursuant to their 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.

2.3.2.3 Financial reporting

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

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

All Axway companies are insured with leading insurance firms for all risks that could 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.

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

The main insurance programmes are as follows:

Assurance	Description
Professional indemnity and operations insurance	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.
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.

Expectations are high
for the digital space. 📈

As they should be! 🎯

Corporate responsibility Non-financial performance statement AFR/NFPS

Introduction

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

Axway's strategy and ambitions include several CSR indicators, which contribute to the Company's performance. In 2022, Axway achieved a number of milestones in the roll-out of its CSR approach. Through the quantitative objectives published in 2021, several programmes underpinning Axway's Employer, Societal and Environmental commitments were enriched with new indicators or objectives, while other programmes were extended to encompass new scopes.

This progress was possible thanks to strengthened CSR practices at different levels of the organisation. As part of a comprehensive operational system, a dedicated team is responsible for the roll-out and steering of programmes defined by the Chief Executive Officer and overseen by the Board Of Directors.

Measuring the environmental impact of the Company's activities was a major task in 2022. Mapping the CO_2 emission sources of Axway's activities enhanced the carbon assessment performed annually. Improvements were particularly achieved in measuring the scope 3 emissions of purchases of goods and services, a sector that accounts for a non-negligible portion of indirect emissions generated by tertiary sector companies. The assessment of the environmental impact is more comprehensive each year, enabling the development of an updated work base with a view to managing a gradual reduction in emissions up to 2028.

Progress was also achieved with social programmes, grouped together within the Employer commitment, based on objectives set for increasing the number of women in teams and recognising people with disabilities to better address their needs and support them. As each year, employee engagement was again assessed by an internal survey sent to all teams.

Societal commitment programmes were enhanced through partnerships with external bodies promoting diversity and greater female representation in digital professions, while customer satisfaction and transparency with stakeholders were once again core issues.

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

It is recalled that Axway's operating context, strategy, risk monitoring and corporate governance are presented in Chapters 1, 2 and 4 of this 2022 Universal Registration Document, and summarised below.

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

Axway's sector, strategy and business model

The software solutions developed by Axway help companies make the most of their IT infrastructures by securely moving, integrating or exposing their strategic data.

In 2022, Axway attained its objective of optimising its product portfolio, while generating growth and improving profitability. The Company adjusted its organisation to include General Managers for each of the four main product lines. These new leaders are responsible for defining, producing and selling the various products and services proposed by Axway. Supported by the Research & Development, Product Management and Marketing teams, they comprise the value chain in the Company's business model.

In a competitive sector with highly innovative businesses, Axway maintains its innovation and human capital assets and its responsible values through:

- an organisation focused on satisfying customers, measured by the Net Promoter Score (NPS);
- a comprehensive portfolio of products recognised by market analysts;
- significant investment in Research & Development, sales and marketing;
- balanced governance and a shareholder structure guaranteeing an independent corporate project;
- constant dialogue between Executive Management and employees, supported by direct surveys;
- agile working methods and a harmonious and safe work environment;
- talent development, coordinated by a dedicated structure, Axway University;
- a solid financial structure;

- values shared with all the Company's stakeholders;
- CSR indicators and programmes integrated in the Company's policy and employee objectives.

These assets support Axway's ambition to become an independent, committed and responsible leader in its markets.

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

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

Risk category	Main risks	Criticity	CSR indicator
Risks relating to Axway's market	• Risks of lack of innovation and failure to anticipate market trends	• High	• NPS customer satisfaction.
	• Risks relating to the go-to-market of products and solutions	• High	
	• Risks of customer base erosion and non-renewal of Maintenance or Subscription contracts	• Medium	
Risks relating to Axway's business and organisation	• Risks relating to attracting, developing, engaging, recognising and retaining talents	• High	• Employee engagement score. • Gender diversity and Disability. • Training programmes & talent development.
	• Risks of technical defects in product development and production errors	• Medium	
Security risks	• Information, software and internal application security risks	• High	• Certification and dedicated training.
Legal and compliance risks	• Intellectual property protection risks	• Medium	• Human rights. • Middlenext Code of Corporate Governance. • Contribution to carbon neutrality.
	• Regulatory compliance risks – including environmental risks	• Medium	

Axway stakeholders

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

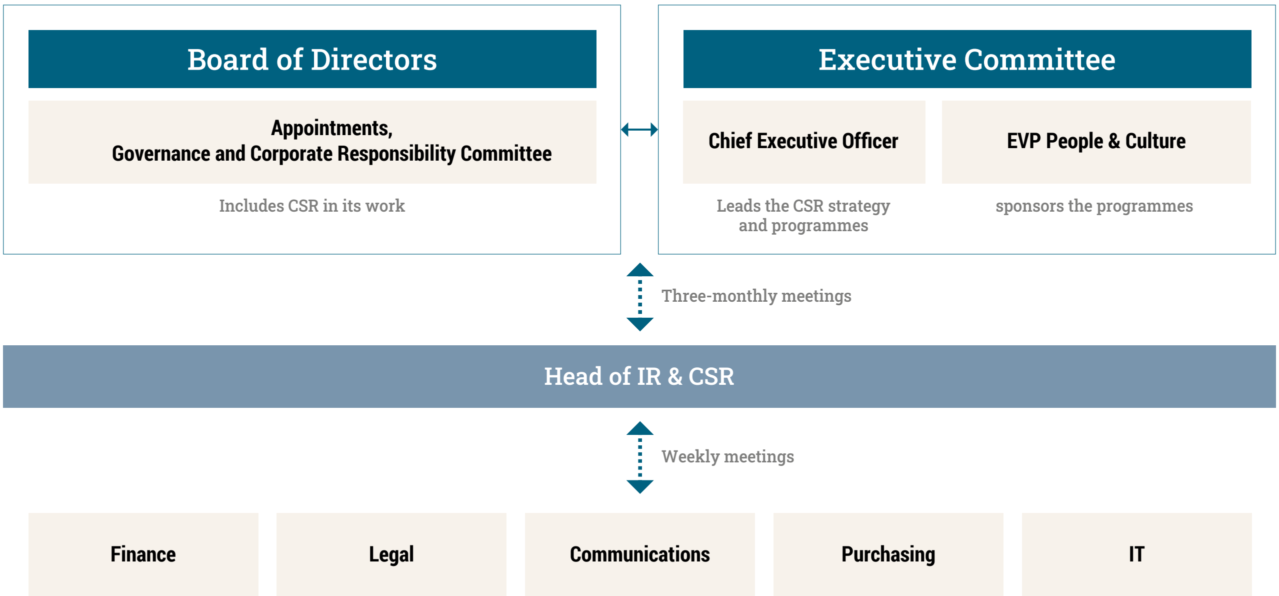
Materiality matrix for Axway's CSR indicators, with stakeholders and by ranking

Social-Employer	Societal	Environmental
Attract, retain and develop talent with a diversity of gender, age and disability. Through training and innovation with customers.	**Satisfy customers:** Customer Success 360° programme and customer satisfaction survey - NPS tool. Innovation, quality of products and supports, co-design, customer experience, digital sovereignty - ISO 27001.	**Commit to a low carbon trajectory:** measure, reduce and offset the impacts of our activities on the environment.
Increase employee engagement: annual internal survey and monitoring of the engagement indicator.	**Ensure digital security:** security of data, activities and digital exchanges in internal applications and the cloud.	**Master the scope 1 and 2 carbon footprint:** consumption of internal and external resources – energy, paper, digital exchanges – GHG assessment.
Provide a fulfilling working environment: agile working methods, accessibility and efficiency of premises, internal communication, monitoring psycho-social risks.	**Conduct projects with ethic**s: governance code, Ethics charter, whistle-blowing procedure, Global Compact SDG commitment.	**Measure the full scope 3 carbon footprint:** include all suppliers in the carbon measure.
Communicate the corporate strategy, particularly CSR.	**Sustainable purchasing:** ethical tools integrated into contracts by type of supplier or partner.	**Comply with regulations,** and particularly the European Taxonomy.
Involve employees in all three Axway CSR commitments.		

Axway governance and CSR system

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

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



CSR publications, tools and reference guides

Publications

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

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

Ethical tools and charters, to materialise and share commitments. Axway has implemented formalised processes, tools and documents in the following areas:

- human rights, ethics and anti-corruption: commitment to the United Nations Global Compact, Ethics charter, whistle-blowing system, training;
- customer satisfaction: customer satisfaction surveys and NPS indicator, training;
- employee engagement and well-being: annual internal survey, social performance measurement;
- digital security: charters, standards and internal and external security and cybersecurity training programmes;
- sustainable purchasing: supplier assessment through the contractual legal and ethical process and assessment of the carbon impact of the main suppliers;
- stock market: Securities Trading Code of Conduct;
- data privacy: data privacy measures, in particular in contractual procedures and on Axway websites;
- environment: annual carbon assessment;
- Corporate responsibility: materiality matrix and audit of CSR indicators;
- Governance: compliance with Middlenext Code of Corporate Governance recommendations.

CSR indices, assessments and standards

Each year, Axway completes various CSR assessments and standards, including in 2022:

- **Gaïa**, ESG assessment and stock market index;
- **EcoVadis**, CSR performance and sustainable purchasing assessment platform;
- **CDP** – Climate Disclosure Project, since 2022;
- **ISO/IEC 9001 and 27001, AICPA SOC2 standards**, quality and security audit.

CSR reference guides

ADEME: methodology and guidance issued by the French Agency for ecological transition for calculating the carbon impact of activities -*for more information*;

SDGs: United Nations Sustainable Development Goals - *for more information*.

Axway's CSR commitments - Employer, Societal and Environmental - correspond to 12 of the 17 Sustainable Development Goals - SDGs - defined by the United Nations:

Axway's CSR Targets

Since 2021, Axway has set CSR targets around three commitments: Employer, Societal and Environmental. The Company has set specific quantifiable objectives for each commitment, specifying the deadlines. The objectives and their respective progress are summarised below:

CSR TARGETS → 2023/ 2028

EMPLOYER
- Employee Engagement Score > 70% in 2023
- 33% of women in total headcount in 2023
- +25% of people with disabilities in France in 2023

SOCIETAL
- Net Promoter Score > 40 in 2023
- Gold EcoVadis ranking in 2023
- 4 local programmes in female digital education by end of 2023

ENVIRONMENTAL
- 2 Cyber Clean-Up Days by end of 2023
- Carbon neutrality by 2028

Employee CSR training programmes

Target achieved *Work in progress*

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

3.2.1 Progress with Employer targets

Targets set in 2021	2022 context and programme	2021 Baseline	2022 Score	2023 Target
Employee Engagement >70% by end-2023	Annual employee survey	66%	**61%**	>70%
33% of women in total workforce by end-2023	Strengthening recruitment and retention processes	30%	**31%**	33%
+25% of people with disabilities in the French workforce by end-2023	Strengthening recruitment and process for recognising disability status	1.72%	**1.82%**	+25%

3.2.2 Main Employer indicators

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

Workforce	**2022**	**2021**	**2020**
Total workforce at the year end (in FTE, incl. fixed-term contracts)	1,525	1,712	1,888
Permanent workforce at the year end (in FTE)	1,495	1,689	1,812
Non-permanent workforce at the year end (in FTE, fixed-term contracts, temporary staff, apprentices, etc.)	30	23	n/a
Average workforce (in FTE, incl. fixed-term contracts, temporary staff, etc.)	1,618	1,799	1,890
Payroll (in millions of euros – incl. social security contributions)	197	186	197

Workforce by geographical area	**2022**	**2021**	**2020**
Americas	25%	25%	26%
France	28%	27%	26%
Rest of Europe	42%	44%	45%
Asia/Pacific	5%	4%	4%

Workforce by area of expertise	**2022**	**2021**	**2020**
Customer Success Organisation	50%	44%	42%
o/w Sales	*31%*	*15%*	*13%*
Research & Development	32%	42%	45%
Other	18%	14%	13%

Number of employees by age range*	**2022**	**2021**	**2020**
Average age	43	42	41
Under 30	11%	13%	n/a
30 to 44 years	47%	51%	n/a
45 to 54 years	24%	23%	n/a
55 years and over	18%	13%	n/a

** Axway changed the age ranges in 2021.*

Gender diversity	**2022**	**2021**	**2020**
Women	31%	30%	29%
Men	69%	70%	71%

Employees with disabilities	**2022**	**2021**	**2020**
Number of employees recognised with disabilities	8	8	n/a
Recognition in progress	1	n/a	n/a

Type of employment contract	**2022**	**2021**	**2020**
Fixed-term employment contract	1%	2%	4%
Permanent employment contract	99%	98%	96%

Employee engagement	2022	2021	2020
Internal survey participation rate	72%	79%	86%
Employee engagement score	61%	66%	69%

Employee seniority	2022	2021	2020
Average seniority in years	9	8	7

Internal transfers	2022	2021	2020
Number of internal transfers	82	181	371

Employee training	2022	2021	2020
Total number of training hours	20,983	29,915	24,176
Average number of training days per employee	1.97	1.86	1.50

Recruitment and Attrition	2022	2021	2020
Number of recruitments	202	204	247
Attrition rate	25%	21%	13%
Net change in workforce at constant scope	-10.9%	-9.3%	n/a

3.2.3 Employer programmes in 2022

3.2.3.1 Promote diversity and ensure non-discrimination of talent

The software publishing industry, by its global dimension and international training standards, recruits people from all continents and multiple cultures based solely on their expertise. The digital industry attracts talent from a wide range of fields: scientific, artistic, literary or self-taughtpeople trained in digital communities.

While the digital sector is pushing back sector barriers and revolutionising business practices, business models and management through innovation, it is facing a talent shortage. Recruitment is a constant challenge for market players.

At the same time, it is proving difficult to improve the gender balance and the number of women in digital training courses remains low throughout the world. Similarly, access to employment for people with disabilities remains limited and a range of insertion programmes is developing slowly and in different ways across countries.

Axway is committed to upholding ethical and social values by supporting diversity among its employees and stakeholders. The Company has set targets for 2023 supported by programmes aiming to increase the number of women in teams and promote the recruitment of people with disabilities.

Diversity and non-discrimination

Gender equality

Target: 33% of women in total workforce by end-2023

General policy

Axway adheres to strict ethical rules on non-discrimination and implements programmes to reduce inequality in the 19 countries where it operates. It complies with the laws of each country where it operates and is committed to promoting diversity and non-discrimination, particularly among its employees.

Training and internal information campaigns increase awareness of diversity, anti-harassment and ethics best practices in the conduct of business.

Programmes in 2022

Axway, already positioned above the industry average, has set the target of increasing the percentage of women in its workforce from 30% in 2021 to 33% in 2023.

In France, for a number of years, Axway has published the equality index introduced by the Ministry for Labour - *more information* -.

In the United States, Axway complies with the Equal Employment Opportunity programme - *more information* -.

In 2022, work focused on:

- producing a quantitative inventory and analysing the number of women in the workforce by country, business, qualification, hierarchical positioning and individual performance level;
- identifying actions and lines of communication that can promote the recruitment and retention of female employees;
- preparing an internal mentoring pilot project for female employees to be implemented in 2023;
- working with associations and organisations promoting digital careers to women (for more information see the Societal section of this document);
- sharing programmes during internal communication events by Executive Management.

% of women in the workforce	2022	2021	2020
Total workforce	31%	30%	29%
Board of Directors	43%	43%	43%
Executive Committee	29%	25%	22%
Managers (at least one person to manage)	26%	15%*	28%
% of women recruited	27%	33%	28%

** 2021 data was wrongly calculated based on the total workforce.*

People with disabilities

Target +25% in France

General policy

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

The Company has set the target of increasing the percentage of employees with disabilities by 25% in France between 2021 and end-2023.

Two focus areas should enable this target to be achieved:

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

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

Handicap 2021-2023 agreement and scheme:

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

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

Programmes in 2022

Strengthen the programme

In 2022, Axway strengthened its programme to highlight the skills of people with disabilities.

In France, Axway took part in several initiatives:

- HanDigital Week 2022 events to reduce prejudice and highlight people's expertise rather than their disability;
- the live show "Laugh at disability? Lilia Benchabane dares", followed by discussions with the comic;
- the Disability Café to raise awareness of disability and communicate on the Company's disability policy,
- a DuoDay, conducted for several years now, in France and other European countries (Belgium, Finland, Portugal, Germany, Luxembourg), which pairs a person with disabilities and a volunteer professional in companies, local authorities and associations. In 2022, Axway welcomed a person with a disability as part of DuoDay.

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

- analysis of local regulations in each country on recognising disability;
- analysis of internal processes to identify employees with disabilities;
- raising the awareness of local HR managers;
- inventory of local initiatives for people with disabilities in external local organisations;
- analysis of communication and recruitment materials on disability issues.

In addition, consideration is being given to Axway seeking a label recognising its status as a disability-friendly company.

Disability training and tools

Training sessions:

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

Communicating on disability and recruitment:

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

People with disabilities key figures (France & USA)	2022	2021	2020
% of people recognised with disabilities in the workforce in France	1.82%	1.72%	n/a
Number of employees recognised with disabilities	8	8	n/a
Number of people in the process of being recognised as a disabled worker in France	1	1	n/a
Number of training modules or disability awareness sessions	6	n/a	n/a
Number of disability awareness-raising sessions held in the year	2	2	n/a
Number of additional days leave granted to employees with caregiver status	6	6	n/a
Number of employees with caregiver status	10	8	7

3.2.3.2 Recruit highly sought-after talent

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

In 2022, Axway continued to be attractive, with 202 new recruits – excluding acquisitions – across all positions and in all countries where Axway has employees. In addition, the June 2022 acquisition of DXchange.io, a company based in Hyderabad, India, led to the integration of 20 employees.

Recruitment	Actions in 2022
General policy	Axway's recruitment policy is conducted in accordance with the Employer commitment of non-discrimination and promoting diversity as described at the beginning of this Chapter. For several years, Axway has been developing a programme to attract young talent through numerous initiatives, including: 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 by offering numerous internships each year. Axway also uses specialised recruitment platforms, such as Welcome to the Jungle, Internships, apprenticeships, work-study contacts: Each year, Axway offers internships, apprenticeships and work-study contacts in several countries, allowing young people to complete their learning during or after their studies. Many of these young people receive job offers at the end of this experience, Three years/Three professions programme: In 2022, Axway continued its "3 years/3 professions" programme in France during which work-study students and apprentices successively discover the Research and Development, Services and Customer Support professions. Created in 2015, this programme has already welcomed 16 work-study students. In 2022, one student from this programme was hired by Axway at the end of their apprenticeship. **Recruiting under permanent employment contracts** Axway recruits almost exclusively on permanent contracts, except for temporary replacements. The share of permanent employment contracts increased again in 2022 and now represents 99% of contracts, despite the uncertain economic context.
Co-opting candidates	To promote co-optation and make its employees its ambassadors, the Company continued its programme of encouraging employees to suggest members of their networks join Axway. 28 employees were co-opted.
Talent Acquisition	Thanks to its Talent Acquisition team located in the various countries where it operates, Axway recruited a variety of profiles, mainly engineers and sales staff.
Partnerships	The partnerships entered into with the specialised platforms help strengthen Axway's employer brand and visibility as an employer of choice.
Young talent and experienced employees	Given the nature of Axway's business, almost all young hires are from higher education institutions. When hiring older employees, professional experience and expertise are the key recruitment criteria.

Recruitment by geographical area	2022	2021	2020
Total number of people recruited	202	204	247
Americas	26%	27%	27%
France	25%	22%	18%
Rest of Europe	39%	47%	50%
Asia/Pacific	10%	4%	5%

Recruitment by age range	2022	2021*	2020
Total number of people recruited	202	204	247
Average recruitment age	35	37	36
Under 30	33%	26%	n/a
30 to 44 years	48%	53%	n/a
45 to 54 years	12%	15%	n/a
Over 55	7%	6 %	n/a

** Axway changed the age ranges in 2021.*

Interns and apprentices	2022	2021	2020
Number of interns in the workforce	9	2	6
Number of work-study students / apprentices	17	9	22
Hires following an internship or work-study contract	4	4	2

3.2.3.3 Incorporate employee expectations

Since 2016, Axway has regularly organised "Axway Voice Survey" engagement surveys among its employees. The objective is to measure employee engagement using the Employee Engagement Score and to identify global or local areas for improvement so as to roll-out related action plans.

In addition to the annual survey, exchanges are organised throughout the year:

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

These exchanges continued in 2022 and again allowed discussions on Axway's strategy and innovations. They also offered an opportunity to inform employees about the systems deployed. The Chief Executive Officer organised close to 20 discussion sessions in the year, known as "CEO Office Hours", with each session bringing together an average of 300 employees. Discussions focused in particular on Axway's strategy, working methods, the use of premises, CSR programmes and the Company's carbon impact.

Executive Management also communicates quarterly with all employees during a global virtual meeting, on the presentation to the market of the Company's results.

Employee engagement indicator

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

Engagement survey methodology

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

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

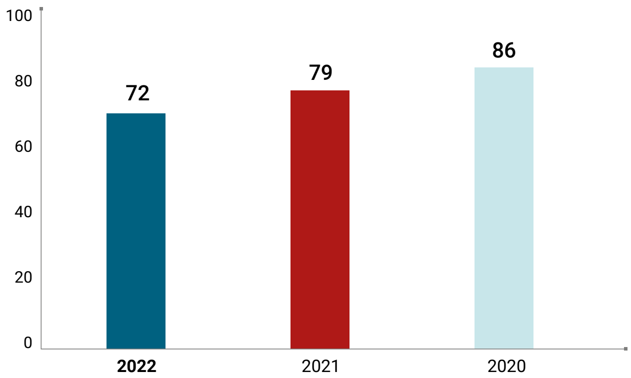
After five editions, the questionnaire was revised and some questions were clarified to take account of changes in the Company's organisation and strategy. The survey's sixth edition took place from 1 to 13 February 2023.

Sixth edition of the Axway Voice Survey

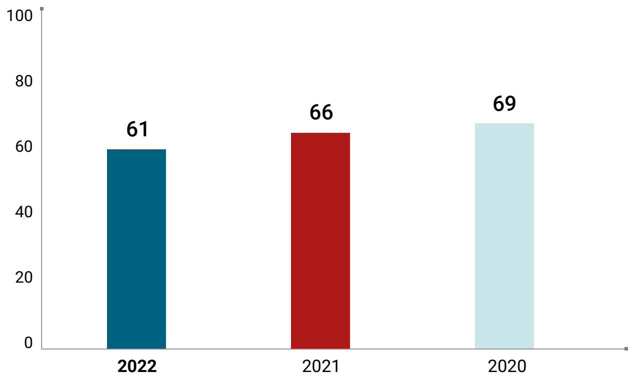
72% of employees participated in the survey, which showed an engagement score of 61%.

In a context of the reorganisation and greater concentration of our product portfolio and despite a slight fall, the employee engagement rate reflects employee commitment to Axway and their conviction that the Company has the necessary resources to continue implementing its strategy.

Internal survey participation rate (%)



Employee engagement rate (%)



The Employee Engagement survey is an essential measurement tool for managing the Company and offers employees another opportunity to make their voices heard.

3.2.3.4 Develop the talent and experience of each employee

In the digital sector, skills development is achieved both through training and sharing experience. Experience is gained within teams and with customers, partners and suppliers and also with societal organisations where digital transformation is rapidly being deployed.

Skills development

General policy	**Axway University** is Axway's major talent development internal portal. The training offering focuses on the activities critical to Axway's success: technical expertise, upskilling the sales teams, personal development and management, business ethics and security.
	Actions in 2022
Axway University	The training offering comprises both face-to-face and e-learning formats. Axway University uses a Learning Management System (LMS) training platform accessible to customers, partners and employees. Employees can also access training courses free of charge and from anywhere in the world via "Jive", Axway's internal social network.

A total of 20,983 hours of training were provided in 2022 to 1,931 employees [1], i.e. an average of 1.97 days per trained employee, up significantly year-on-year.

Training sessions	2022	2021	2020
Total number of training hours	20,983	29,915	24,176
% of e-learning	62%	77%	93%
Number of employees trained [1]	1,931	2,297	2,292
Average number of training days per employee	1.97	1.86	1.50
Number of interns trained [2]	13,556	38,258	20,142
Training budget *(in euros)*	750,000	750,000	n/a
Dedicated training intranet space	yes	yes	yes
Training or awareness-raising on Environment issues	1 cyber clean-up	n/a	n/a
Anti-harassment training	461	n/a	n/a
Training session on equality, parity and gender stereotypes	8	n/a	n/a
Health and safety training/programmes	58	n/a	n/a
Employee initiatives supported by Axway promoting sport activities	yes	yes	yes
Business ethics training – number of employees trained	325	n/a	n/a
Anti-corruption training – mandatory for all employees	yes	yes	yes
IT security/cybersecurity training - number of employees trained	1,530	1,678	1,472
Anti-corruption document shared with employees	yes	yes	yes
Customer satisfaction training			
Customer satisfaction training (number of participants)	50	n/a	n/a

(1) Including employees who left the Company during the year, but who had taken a training course.
(2) Refers to the concept of "intern", an employee who has followed several training courses in the year is therefore included several times.

Develop to continue learning

Mobility **General policy**	To meet the expectations expressed by employees in the first employee engagement surveys, Axway pursued its voluntary internal mobility policy for all employees. All internal mobility offers (excluding jobs that are exceptionally confidential) can be viewed by all employees. By going to the internal network's "Make your Move" career page, employees can access the application portal. In addition, every Friday, the internal newsletter publishes three to five offers, maximising their visibility. The internal mobility policy and the rules for benefiting from it are available in various formats and distributed on a regular basis.
Actions in 2022	In 2022, opportunities for new positions opened in the new management structure for Axway's strategic product lines. Overall, 82 employees moved internally in 2022, either via a promotion or a change in position.

Access to progress

In 2022, Axway continued the new global approach of continuous performance management launched in 2019 and based on constant dialogue between employees and managers.

Talent appraisal	Actions in 2022
Talent Review	For the fourth year in a row, Axway set up and carried out a global talent review covering the entire workforce, to appraise and discuss the performance and potential of each employee. Carried out collectively and shared by managers and Human Resources managers, this annual exercise, 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.
Professional interview	Since 2014 and in accordance with French law, Axway also conducts a professional interview every two years in France. This meeting between the employee and a Human Resources professional allows the employee to consider his or her professional development paths, both in terms of qualifications and employment and provides an opportunity to discuss his or her aspirations.
Develop one's managerial expertise	In 2022, 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, in 2020 the Company designed training modules to introduce teams to these best management practices. New managers are therefore also invited to follow these modules. Supplementing this approach, the Conversation/Feedback/Recognition (CFR) system encourages ongoing dialogue and regular feedback between managers and employees throughout the year.
Grow thanks to the Axway community	Axway's teams in 19 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 aimed at all employees and is the Company's internal space for discussion. Organised by spaces and communities, it provides a range of information: internal resources, employee information, tools, customer references and product catalogues. It was particularly valuable during the pandemic. • **The Griffin Digest**: this weekly internal electronic newsletter distributed by the Internal Communications 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 below.
Keep informed of the strategy by Executive Management	• **CEO Office Hours**: launched in 2022, these meetings, organised in digital format, can be freely accessed and allow questions to be asked directly to the Chief Executive Officer and the members of the Executive Committee who are present. The topics focus on Axway's strategy, operational issues, and Company news. Around twenty meetings were held in 2022, each of which brought together nearly 300 people. • **Communications from Executive Management** and various members of the Executive Committee continued in 2022, at a weekly, monthly or quarterly pace, depending on current events. In addition to economic performance and developments in offerings, new themes were discussed this year, primarily engaging dialogue with employees on CSR issues, the carbon impact and programmes on increasing the number of women and people with disabilities in the workforce. • **Executive Roadshows**: in-person and virtual meetings organised by Executive Management members with employees by country. The acquisition of DXchange in June 2022 was a special event, to welcome the 20 employees of the company located in Hyderabad, India.

Talent reviews and career interviews	2022	2021	2020
Number of Talent Reviews in the year	1,615	1,703	1,812
Number of Talent Reviews conducted as a % of the total workforce	96%	94%	96%
Professional interviews (conducted two-yearly)	yes	yes	n/a
Number of employees who benefited from managerial skills training during the year	285	368	n/a

3.2.3.5 Recognise and promote talent

Axway's objective is to write a shared history with its employees and build team loyalty around a long-term project. This shared history is evidenced by the average seniority at Axway (9 years), in a particularly volatile and competitive employment market.

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.

Recognise talent	Actions in 2022
General policy	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.
Employee shareholder	To involve employees in the Company's transformation project, Axway has performed two free share grant plans covering all employees. 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 at that date, subject to the condition that they remain employed by Axway for a period of three years, i.e. until 2022. As a result, Axway shares vested to 1,270 employees this year. Overall, Axway employees hold 2.14% of the Axway share capital vs. 0.96% in 2021 as indicated in Chapter 7 of this document.
Attractive financial conditions	In 2022, as in previous years, Axway paid salary increases in accordance with an individualisation policy, applied in a fair and identical manner in all countries where Axway operates.
Attractive employment conditions	In France, employees are eligible for profit-sharing according to the provisions of a new agreement signed for the period 2021-2023 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.
Include CSR indicators in compensation	Some CSR indicators, relating in particular to employee and customer satisfaction, as well as Axway's environmental policy, are gradually being introduced into the compensation policy.

Benefits specific to Axway (non-exhaustive)	2022	2021	2020
Average seniority of employees (number of years)	9	8	7
Number of employees rewarded for their seniority	111	541	n/a
% share capital held by employees at 31 December	2.14%	0.96%	0.84%

Compensation components specific to Axway	2022	2021	2020
Existence of variable compensation tied to Company performance, depending on the position held	yes	yes	yes
Inclusion of a CSR indicator in the Chief Executive Officer's variable compensation	yes	yes	yes
% of employees receiving variable compensation tied to customer satisfaction – NPS	62.0%	61.7%	60.0%
% of employees receiving variable compensation tied to employee engagement – Top management	2.1%	n/a	n/a
% of employees receiving variable compensation tied to Axway's carbon footprint reduction programme	Chief Executive Officer	n/a	n/a
% of employees receiving profit-sharing – France	100%	100%	100%

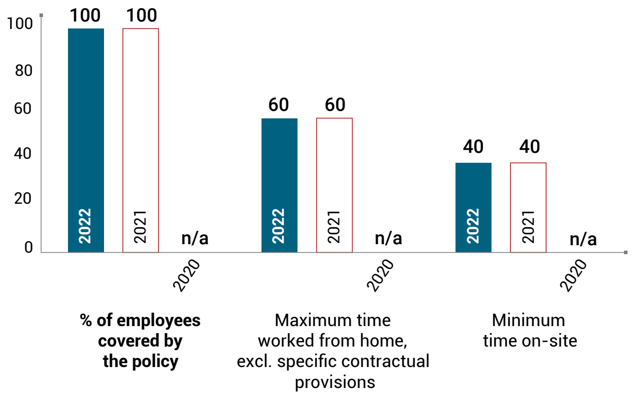
3.2.3.6 Quality of work life

Agile working methods: Future of Work

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

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

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



This flexibility is mainly founded on:

- constant coordination between employees and managers to define together the days employees work from home in line with team activities;
- freedom to work remotely from a private location several days in a row;
- collaborative digital tools that enable continuous team dialogue and work in identical conditions on site and remotely.

This working-time policy was recorded in a professional agreement in France in October 2021 and in Germany in January 2022.

A Flex Office policy was rolled-out in Romania in 2022, to better optimise the premises in conjunction with the new agile and sustainable working model.

Agile working methods	2022	2021	2020
% of employees who have received training in good home working practices	100%	100%	100%
% of employees equipped to work effectively remotely	100%	100%	100%

Working time

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

Part-time work

In 2022, 2.42% of Axway employees worked part-time, mostly within the scope of parental leave.

Part-time contracts	2022	2021	2020
Total % of employees working part-time	2.42%	2.45%	1.80%

Additional leave

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

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

Health and safety

Axway is a global company with employees in 19 countries and complies with local and international health and safety regulations. It implements procedures that comply with local and international regulations. Details of these local procedures are generally recorded in an Employee Handbook given to employees and available on Jive, the internal social network.

Health and safety policy summarised by indicator	2022	2021	2020
Health and Safety Committee – France	yes	yes	yes
Health and Safety Procedures (global scope)	yes	yes	yes
Installation and equipment for employees (global scope)	yes	yes	yes
Physical and psycho-social risks linked to working from home taken into account (global scope)	yes	yes	yes
Health check, depending on the country and the services included in healthcare contracts	yes	yes	yes
Health care coverage, depending on the country and the services included in the healthcare contracts	yes	yes	yes
Health and Security Intranet space (global scope)	yes	yes	yes
Family caregivers – scheme (France)	yes	yes	yes
Equipment safety audit (France)	yes	yes	yes
Actions to promote physical and sporting activities (global scope)	yes	yes	yes
Information on Future of work flexibility scheme (global scope)	yes	yes	yes

Health and safety information

Consolidation scope and indicators: the safety indicators concern all Axway sites and 100% of employees. 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. 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 approach conducted in close conjunction with occupational health doctors, site managers and the Health, Safety and Working Conditions Committee – CHSCT (where one exists).

No collective agreements were signed on health and safety issues.

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

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

Maintain low absenteeism

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

Absences	2022	2021	2020
Absenteeism rate	2.54%	2.08%	n/a
Sickness	0.97%	0.93%	0.96%
Workplace accidents/occupational illness	0.01%	0.01%	0.01%
Maternity-Paternity-Adoption	1.35%	1.02%	1.00%
Family events	0.17%	0.13%	0.07%
Individual training account – CIF (France)	0.00%	0.00%	0.02%

Encourage a healthy and balanced lifestyle in suitable and welcoming premises

Axway is committed to providing its employees with a safe and healthy workplace. With this aim, Axway has implemented a well-established occupational health and safety policy for several years.

Welcoming premises for a harmonious working environment

Changes in working practices, the highly developed use of digital conferencing tools and the flexibility of working from home or at the office have changed the use of Company premises.

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

A balance must be found to take account of new uses. Several subjects were analysed in 2022 and this will continue in 2023:

- rationalise the surface area of premises according to their occupancy rate;
- rethink the workplace layout – offices and workspaces – to promote quality of life at work while guaranteeing communication between employees and the experience of teams at work;
- keep common areas to enable get-togethers between teams.

The study was launched in 2022 and will continue in 2023. The Bucharest office was the first to be renovated with a "Flex office" concept, based on the presence and needs of employees.

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

Social Dialogue

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

03

Structure / Scope	Country	Collective agreement	% of employees
Axway Software: Social and Economic Committee since 4 October 2019, elected for four years. Three trade unions (CGT, CFDT and Traid-Union) are represented on the Committee.	France	• Amendment to the 2021-2023 profit-sharing agreement; • Future of Work home office agreement; • Agreement on home office arrangements	28.00%
Axway Gmbh: three Plant Committees and a Central Works Council.	Germany	• GBV, Bonus plan • GBV, Commission plan • GBV, Remote Work Agreement • GBV, Secret Server • Local Works Council Agreements – 2021 (three locations): • BV, Compensation – Distributing Policy • BV, On Call Duty	4.32%
		Collective bargaining agreement	
Axway Software	- France		28.00%
Axway Software do Brasil	- Brazil		1.70%
Axway GmbH	- Germany		4.32%
Axway Belgium sa	- Belgium		0.91%

Human Resource external service providers

The ethics and human rights policy is presented for signature to external service providers and particularly Human Resources service providers

3.2.4 2023 Employer ambitions

Axway constantly implements an improvement process to develop its employer responsibility in line with its commitments and its strategy.

For 2023, Axway's employer engagement targets remain unchanged:

EMPLOYER

- **Employee Engagement Score > 70%** in 2023
- **33% of women in total headcount** in 2023
- **+25% of people with disabilities** in France in 2023

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

Axway's CSR materiality matrix, updated every year based on surveys conducted with stakeholders, makes it possible to build programmes and deploy responsible and sustainable practices to meet the expectations of the various parties in the Company's ecosystem. Societal programmes conducted in 2022 focused in priority on customer satisfaction and the deployment of Axway's CSR commitments to its stakeholders and particularly its suppliers. Axway also developed its programmes promoting access to digital training and careers, through educational and social projects in line with the Employer targets described above.

3.3.1 Progress with Societal targets

Targets set in 2021	2022 context and programme	2021 Baseline	2022 Score	2023 Target
Net Promoter Score above 40 by end-2023	Continuous monitoring of customer NPS.	29	35	**>40**
EcoVadis Gold label by end-2023	Annual assessment by EcoVadis.	61/100	61/100	**72/100**
Four female digital education programmes by end-2023	Revival and activation of programmes in different countries.	Three programmes to reactivate.	Six active programmes.	**Target attained and continuation of programmes.**

3.3.2 Programmes in 2022

3.3.2.1 Customers: further increase satisfaction

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

Customer satisfaction

2023 Target: NPS >40

General policy and actions in 2022	
Customer Success approach	The Customer Success structure is central to Axway's business model. It accounted for 31% of the Company's workforce in 2022. Its goal is to dialogue constantly with customers to propose the most tailored and scalable solutions and services in line with their expectations. This department is headed by the Chief Customer Officer, a member of the Axway Executive Committee. Metrics are presented each year to the Board of Directors and the Appointments, Governance and Corporate Responsibility Committee, as well as to employees during internal sessions.

Customer satisfaction

2023 Target: NPS >40

Customer satisfaction indicator

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

NPS classifies customer satisfaction in three categories: Detractors, Passives and Promoters. It is based on an iterative process that includes a survey, feedback to customers and constant dialogue with customers throughout the year. It also uses customer management tools such as customer 360° dashboards and customer success plans to provide tracking reports, enrich marketing databases, and launch campaigns, meetings, and training.

Customer expectations expressed through these mechanisms are used to guide Axway software design and research and development.

The main expectations expressed by customers are:

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

Customer dialogue

Dialogue with Axway customers is also organised around events alternating face-to-face meetings and remote conferences.

In 2022, several major events brought together a very large number of customers:

- 53 Customer Engagement events;
- 11 Customer Advisory Boards (CABs);
- 42 User Groups, including 10 face-to-face events.

Involving 1,004 customers representing 401 companies:

- occasional surveys were used to assess customer well-being in business relationships with Axway;
- the on-line Axway Customer Community was expanded, with over 4,600 participants by the end of 2022;
- a "virtual contact" training course was launched to share good practices in video conferencing, including with customers.

In addition, the "Idea" portal dedicated to exchanging best practices with customers, received 677 new product ideas. In polls, 5,155 votes were cast to select the best ideas proposed.

Training based on customer expectations

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

These are described in the Training section of this Chapter.

Customer programmes	2022	2021	2020
Customer satisfaction indicator at 31 December 2022	35	29	25
Permanent customer survey and monitoring data in a 360° Dashboard survey	yes	yes	yes
CSR question in the customer satisfaction survey	yes security	yes security	n/a

3.3.2.2 Share Axway's practices and values with all stakeholders

Target: Silver to Gold in 2023

Sharing Axway's CSR performance with its stakeholders

EcoVadis label

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

The EcoVadis platform also allows Axway to share its CSR profile with current and prospective customers and suppliers.

In 2022, Axway retained its Silver rating thanks to a score of 61/100.

Axway aims to improve its performance and achieve the Gold label by the end of 2023.

Calls for tenders and CSR performance

Axway's pre-sales teams are receiving an increasing number of customer questionnaires relating to Axway's CSR commitments, metrics and targets. The CSR profile and the scores obtained in the indexes are therefore shared in the tendering procedures.

Sharing Axway's CSR performance with customers	2022	2021	2020
EcoVadis assessment overall score out of 100	61	61	60
Customer training	yes	yes	yes
CSR questionnaires received from customers in 2022 by EcoVadis	10	n/a	n/a

3.3.2.3 Societal organisations: have a positive impact in our ecosystem

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

In 2022, societal initiatives supported Axway's employer commitments:

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

Sharing digital skills

2023 Targets: continue four programmes

	Actions in 2022
Increase the number of women in digital careers and training	Four partnerships were initiated in 2022, with the participation of Axway employees, to promote digital careers and training to women and young girls in schools and universities promoting diversity of profiles. In particular, these partnerships make it possible to welcome interns and work-study students in the Company. In France, with Ada Tech School, a coding school based in Paris and Nantes that offers a curriculum adopting an alternative approach to teaching and no entry qualification requirements, including for people seeking to retrain *-more information-*. In Ireland, with Scoil Chaitriona Cailini, a school for young girls participating in the Irish inclusive education programme -more information-. In the USA, through two programmes: • CREST (Center for Research, Engineering, Science, and Technology), a training programme offered by Paradise Valley High School to its students - *more information* -; • The WISE programme (Women in Science and Engineering) at Arizona State University for the development of leadership and technological careers for women - *more information*. Several other initiatives already supported by Axway have been strengthened: The Elles Bougent association aims to promote exciting scientific and technical professional paths to schoolgirls and female students in France. It seeks to demonstrate how these careers are accessible to women through testimonials and mentoring by women that have chosen these professions. Axway sponsors participated in two events in 2022 - *more information* -. Professional Women's Network, a women's professional network that promotes women engineers who communicate their passion and wish to inspire vocations. The partnership between PWN and Axway enabled 11 female employees from Europe to participate in discussions organised by the network and thus raise awareness of Axway. Five Axway employees in France have benefited from PWN's mentoring programme since October 2022 *-more information-*.
Promote the insertion of people with disabilities recruited in digital careers	In France Axway is a partner of Club Handicap & Entreprises 92. This club brings together business representatives and people with disabilities to help them find a job. In 2022, workshops were held to address various employment-related topics for people with disabilities. These included help with returning to work after a long absence due to illness, recourse to disabled self-employed workers, vocational guidance and rehabilitation services, finding suitable businesses for temporary workers, DYS disorders, digital inclusion, presentation of the social fragility barometer, challenges and good practices for club companies, as well as prevention and occupational health -more information-.
Innovate and share expertise within digital professional bodies	Axway is a member of professional organisations and participates in digital expertise exchange projects. These organisations and projects include: • Numeum: Axway contributes in particular to digital sector surveys and workshops; • *Talents du Numérique* (Digital Talent): Axway welcomes students at its premises who are considering continuing their studies in the digital field and participates in workshops to promote and develop digital innovation for all and the more vulnerable groups *-more information-*; • France API : Axway jointly organised the first edition of the API trade fair in France *-more information-*; • Collectif API Thinking: a French API Think Tank of APIs bringing together 79 companies to create a discussion forum and a technological vision *-more information-*; • Sopra Next's Ecosystems Experience days: a collaborative experience around the APIs of tomorrow, opening up new perspectives for digital careers; • Apidays: global API event which celebrated its tenth anniversary in 2022 and with which Axway has partnered since its creation - *more information-*.

3.3.2.4 Shareholders & investors: information availability and transparency

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

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

The Company makes a dedicated website available to shareholders and investors, that contains all publications and information that could be useful to them. Shareholders and investors are invited to subscribe to Axway's e-mailing list to receive the latest Company news directly.

Shareholders and investors have access to a range of resources including:

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

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

Gaïa non-financial rating

As each year, Axway's non-financial performance is assessed by EthiFinance as part of the Gaïa Research rating review.

Gaia Rating Index	2022	2021	2020
Total rating for 2021, 2020, 2019 campaigns published the following year.	67	63	63

** Assessment based on prior year data and 2021 updated by Gaia.*

3.3.2.5 Partners: integrate sustainable indicators

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

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

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

In 2022, the global partner satisfaction survey confirmed their strong commitment to Axway, with a score of 59 versus 49 in 2021.

Partner satisfaction	2022	2021	2020
NPS score	59	49	53

3.3.2.6 Suppliers

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

3.3.3 Sustainable purchasing: enrich the supplier system

Axway's purchasing system has always integrated tools, charters and processes to contribute to business ethics, the fight against corruption, data security and the protection of individuals while respecting the laws of each country of operation.

For the past three years, Axway has been progressively completing its purchasing system to implement ever more sustainable processes. In 2022, further work was carried out to strengthen the sustainable purchasing system.

Sustainable Purchasing		2023 Target
General policy	The sustainable purchasing procedure covers 100% of purchase agreements, which are reviewed by the Legal Department and include social responsibility clauses. The procedures are known and available on Jive, the Company's internal social network. The Legal Department discusses each purchase with the Business Unit and ensures that clauses similar or referring to the Axway Ethics charter are included and signed by the supplier or partner. The ethical tools and charters are shared with Axway's suppliers. Social and environmental responsibility clauses depending on the type of supplier are tailored to the category of service provider: purchases for internal use, purchases for external use, Original Equipment Manufacturers (OEMs), external products embedded in our offerings. The Purchasing platform centralises and secures the signing of supplier contracts and allows the Legal Department to control supplier selection. Audits and periodic inspections of purchasing procedures, performed by Axway's Internal Audit Department, are presented to the Audit Committee.	Strengthen the sustainable purchasing system Integrate new CSR indicators
	Actions in 2022	
System	Analysis of the purchasing system with a view to integrating CSR indicators into supplier selection.	
Supplier mapping	Mapping of Axway's main suppliers by type of purchase.	
Measuring the carbon impact of supplier purchases	Based on purchasing categories by supplier, selection of the top 100 suppliers to measure the carbon impact.	100% of suppliers
New CSR indicators to be included in contracts	Adaptation of supplier contracts to incorporate the following environmental statements: • Axway's carbon neutral ambition (for 2028) to which the supplier must adhere. • undertaking from the supplier to provide Axway with the CO_2 equivalent of the relevant purchases (annually or on request).	Main supplier contracts
New tools to share	• supplier carbon equivalent questionnaire; • CSR report and 2028 carbon neutral commitment.	Sustainable purchasing charter

The objective for 2023 is to improve integration of CSR criteria into Axway's purchasing process.

This work will involve several inventories, changes in tools and the gradual involvement of individuals concerned by the purchasing process.

Work to be undertaken in 2023 includes:

- inventory Axway's sustainable charters and tools already included in contracts;
- identify the percentage of suppliers who have signed Axway's business ethics charter;
- identify the percentage of suppliers targeted by contracts containing social and human rights clauses;
- identify the percentage of suppliers targeted by contracts that should contain environmental impact measurement clauses;
- publish the sustainable purchasing charter;
- analyse supplier diversity criteria for inclusion in the system;
- analyse the percentage of suppliers who have undergone an on-site CSR audit;
- develop sustainable purchasing training sessions for buyers;
- analyse possible actions to promote diversity in the supply chain;
- include suppliers assessed in the Green Taxonomy.

3.3.4 Ethical and sustainable tools

Axway's ethical and sustainable commitments are formally documented in tools and processes defined by recognised organisations, or audited by independent third parties.

Independent organisations to which Axway adheres:

- Middlenext code;
- membership of Euronext Paris;
- United Nations Global Compact – active communication;
- CDP – Climate Disclosure Project;
- Gaia rating;
- EcoVadis – annual assessment of governance, social, sustainable purchasing and environmental performance.

All charters and commitments are available on Axway's website under the heading Ethics & anti-corruption.

Tools and procedures, trust in our business relationships

Ethics charter

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

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

Fight against corruption

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

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

Corruption risk mapping: Axway Internal Audit Department has formally documented a map of corruption risks that is updated annually.

In addition, Axway has a gifts policy as part of the fight against fraud and corruption.

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

Declaration on the fight against modern slavery

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

All Axway's charters and commitments are available on its website.

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.

To this end, a dedicated e-mail address (axway.ethics.notification@axway.com) is used to collect all reports, whatever their nature. The whistle-blowing procedure and the e-mail address can be accessed by all on the Axway *website*.

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

Ethics and Anti-Corruption reports	2022	2021	2020
Number of reports received	1	0	1
Number of reports processed	1	0	1

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

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

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

Digital security

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

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

Security risk management and the related system is described in Chapter 2 of the 2022 Universal Registration Document.

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

For customers:

- ISO 27001 certification
- SOC2 Type II audit
- GDPR personal data protection policy
- 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
- audit
- continuity of internal systems that can be accessed at any time from anywhere in the world
- continuity of cloud services for our customers

For employees:

- security of exchanges between Axway's internal systems
- security of information contained in the Company's information system
- security of systems used for remote working
- business continuity plan based on the ability of all teams and departments to work from home
- internal training

Initiated in the context of COVID-19 in 2021 and continued in 2022:

- 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

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

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

Digital Security training

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

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

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

	2022		2021		2020	
Security training	**number**	**hours**	**number**	**hours**	**number**	**hours**
Annual security training	1,530	2,382	3,726	2,029	2,944	2,208

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

3.3.5 Societal ambitions

Axway will roll out the societal commitment programmes described in this Chapter across the Company's entire scope and with the participation of employees over the coming years based on the following priorities:

For 2023 the objectives are unchanged:

SOCIETAL

- **Net Promoter Score > 40** in 2023
- **Gold EcoVadis ranking** in 2023
- **4 local programmes** in female digital education by end of 2023

3.4 Environmental Commitment: contribute to climate change mitigation

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

Encouraged by regulatory developments, the Company has learned much from the annual carbon assessments, which gradually strengthen the involvement of management and employees in the approach. Accordingly, at the end of 2021, under the impetus of the Chief Executive Officer, Axway embarked on a trajectory aimed at reducing its CO_2 emissions as much as possible by 2028.

2022 was a new step in the implementation of this environmental commitment. Work made it possible to clarify the carbon assessment data and scopes, improve the measurement of CO_2 emissions, particularly with suppliers, solicit new internal correspondents and communicate with employees to gradually initiate reduction measures.

Axway is therefore implementing a carbon system consistent with the climate targets set by the Paris Agreements, without resorting at this stage to financing third-party carbon offset, reduction or sequestration projects.

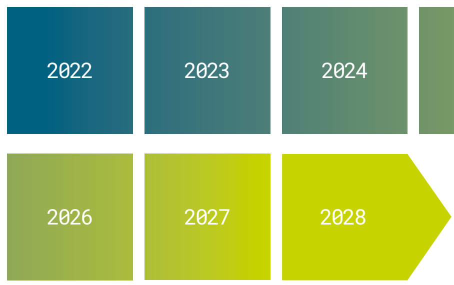
3.4.1 Emission reductions

Initial roadmap for a low carbon trajectory

Axway has identified the key stages of its low carbon trajectory for the next three years, i.e. an initial horizon of 2025 which will be a major milestone. To this end, the Company has determined the necessary operational system, the tools to be developed and the skills to be acquired to achieve its objectives.

Axway also strengthened its methodology and reporting by drawing on the most reputed rating guidelines and labels. Axway therefore applies the ADEME reference guide and coefficients to calculate its carbon emissions. In 2022, the Company contributed for the first time to the Carbon Disclosure Project (CDP) and will analyse the interest of integrating SBTi guidance in 2023.

Carbon trajectory



The following table summarises the work undertaken in 2022 and identified for 2025 :

2022	2023	2024	2025
Measurement		**Measurement and reduction**	
Measurement of scope 1 and 2 and partially 3 CO_2 direct and indirect emissions from internal activities. Inclusion of top 100 suppliers, representing 75% of total purchases, measured in CO_2 equivalent ADEME monetary ratio.	Extension of the CO_2 measurement scope to include scope 3 with 100% of suppliers (ADEME monetary ratio).	Comprehensive measure of all emissions for all Axway activities by gradually including the various stakeholders.	Axway global operational measurement and reduction system.
Initial analyses with a view to reducing emissions for internal activities.	Launch of reduction programmes for internal activities. Initial analyses of the impact of Axway products used by its customers.	Continuation of reduction programmes for internal activities. Mapping of emissions tied to Axway products and used by its customers.	Initial contributions to offset or carbon capture programmes.
Creation of a dashboard to collect data and monitor emissions.	Improve tools and dashboard for managing programmes with a view to reducing emissions.	Centralised measurement and reduction tools by activity and emission source.	Integration of environmental criteria into purchasing choices relating to Axway product development.

2022	2023	2024	2025
Measurement		**Measurement and reduction**	
Sustainable purchasing: analysis of the system.	Launch of a new sustainable purchasing system and update of tools shared internally and with suppliers.	Integration of environmental indicators into contractual purchasing tools.	100% of suppliers included in the sustainable purchasing process.
Green Taxonomy: proportion of so-called "sustainable" sales, OpEx and CapEx for climate change mitigation and adaptation.	Green Taxonomy: proportion of so-called "sustainable" sales, OpEx and CapEx for the six environmental objectives.	Gradual inclusion of alignment criteria in Axway's CapEx and OpEx investment decision process.	
CDP: initial response to the simplified questionnaire based on 2021 data.	CDP: contribution to the full questionnaire. SBTi: analyse with a view to committing to this standards base.	SBTi: progress with the project to integrate this standards base.	SBTi: progress with the project to integrate this standards base.
Internal team dedicated to the carbon programme	Changes in regulations or standard bases, particularly CSRD.	CSRD: changes in regulations or standard bases.	CSRD: changes in regulations or standard bases.
Communication with all employees. First global Axway Cyber Clean-Up.	Employee involvement in environmental programmes. Second cyber clean-up. Training sessions.	Interest in creating a CSR and Low-Carbon Community internally or with certain stakeholders.	Analyses for innovation or co-innovation to reduce CO_2 emissions with employees or customers.

3.4.2 Environmental: 2023-2028 objectives

Targets set in 2021	2022 context and programmes	2021 Baseline	2022 Score	2023 Target
10% reduction in paper consumption in 2022 *vs.* 2019.	Target achieved *vs.* 2019, last reference year without health restrictions.	544 reams	383 reams	Expansion of the programme
Two cyber clean-up days by end-2023.	Target achieved for 2022, first day organised.	0 days	1 day	1 day
Contribution to carbon neutrality by 2028.	More comprehensive measurement, first reduction initiatives.	1,302 T eq. CO_2 (scopes 1 and 2)	1,422 T eq. CO_2 (scopes 1 and 2)	1,361 T eq. CO_2 (scopes 1 and 2)

3.4.3 2022 external assessments

Axway contributes annually to indexes and programmes assessing its Environmental Commitment. These declarative studies allow Axway to measure programme progress and compare them to available benchmarks.

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

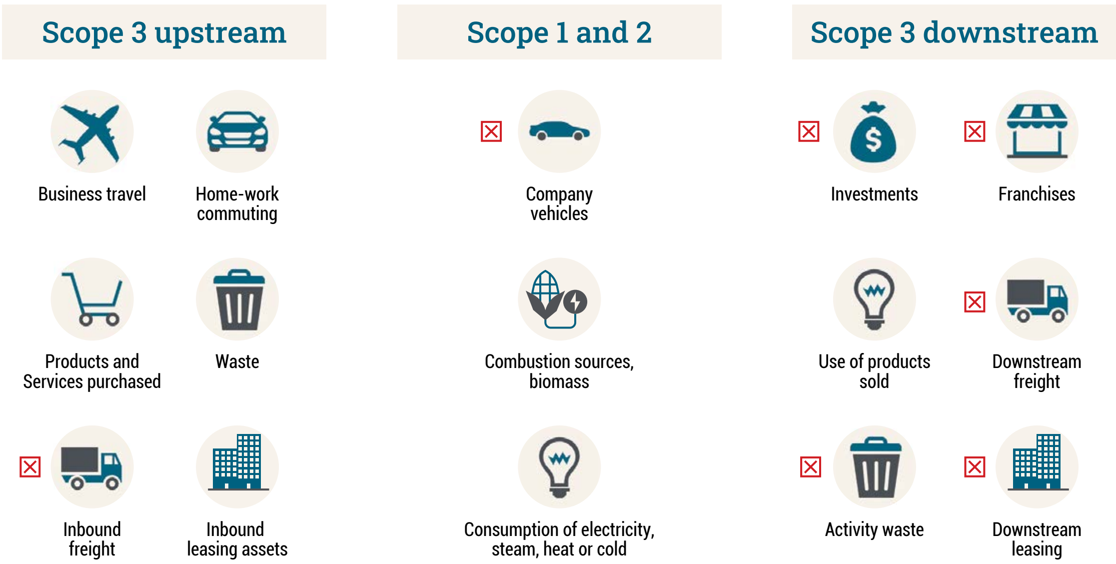
Environmental Assessments	2022	2023 Target
Carbon assessment, ADEME methodology	Scope 1, 2, 3 partial	Scope 1, 2, 3 full
Gaia Rating	Environment score 71 *vs.* 54 Y-1	Environment score + full scope 3.
EcoVadis	Environment score 70/100 *vs.* 70 Y-1	Environment score + full scope 3.
CDP	First questionnaire in 2022 based on 2021 data	Full questionnaire
Science Based Targets (SBTi)	-	Assessment of SBTi indicators for commitment to the approach.

3.4.4 Programmes in 2022

Axway strengthened the measurement of its environmental impact in 2022. The mapping of emission sources and new carbon data collection methods improved the system.

Mapping of CO_2 emission sources in Axway's activities

Initial mapping of Axway's CO_2 emission sources



Sources of emissions for which Axway is not eligible. Company vehicles are included in Assets under inbound leasing as they are not owned by Axway. Regarding Investments, Axway does not hold any minority interests in other companies.

Scope of CO_2 emission measures for activities:

Axway's carbon assessment is conducted in six countries, which together represent 95% of the Company's surface area, 78% of its workforce and 7 % of revenue: USA, France, Germany, Romania, Bulgaria and Ireland.

Work carried out in 2022

Using the emissions mapping, work in 2022 focused on collecting more comprehensive data relevant to measurements. This measurement work consolidates the system which would be rolled-out in 2023 based on the objectives presented in this table.

Emission sources	Actions in 2022	2023 Target
Upstream scope 3		
Business travel	Full measurement of CO_2 equivalent for business travel by collecting data at the source from local travel agencies or transport companies.	**Rationalisation of business travel.**
Home-work commuting	Inclusion of this emission source.	**Employee survey for an initial impact measurement.**
Products and services purchased	Direct data collection or assessment using the ADEME monetary ratio for the top 100 Axway suppliers for purchases of scope 3 products and services.	**Strengthening of the impact measurement.**
Waste collection, recycling and circular economy	Inventory by country.	Standardisation of waste collection and recycling systems in the six countries of the scope, to integrate our business in the circular economy.

Emission sources	Actions in 2022	2023 Target
Inbound leasing assets	Business vehicles: inventory of the business vehicle fleet, vehicle type, fuel consumption. Measurement of CO_2 equivalent. Initial contract analyses.	Opportunity study of shift to electric vehicles.
Scopes 1 and 2		
Company vehicles	Inclusion of vehicle fuel.	Vehicle policy.
Consumption of electricity, steam, heat or cold	Measurement of emissions and by resource type. Initial contract analyses.	Analysis of green contracts.
Scope 3		
Investments	Not considered at this stage.	To be reassessed.
Use of products sold	Not measured, initial internal discussions.	Initial measurement of the impact of Axway products.
Downstream leasing	Not considered in 2022.	To be reassessed.

Throughout the data collection process, the CSR team was able to improve the tools and processes to stabilise them and a sustainable data collection system in Axway's various countries and departments.

Specific actions were therefore undertaken in the following areas:

System	Actions in 2022
Steering	• Improvements to the data collection system • Selection and initial testing of an emissions calculation platform • Appointment of a manager by activity • Design of a programme monitoring dashboard • Involvement of new employees
Working from home	The home office system leads to a structural reduction in energy consumption at premises and transport.
Use of premises	An internal discussion session was led by the Chief Executive Officer on the use of premises and related expectations as part of considerations on rationalising office space.
Heating and air conditioning	As a tenant at all its sites, Axway seeks to optimise energy performance. When leases are renewed, the premises are equipped with modern heating and air-conditioning systems meeting current environmental standards. For example, the French site at Paris La Défense has a high-performing air conditioning and heating network which operates using the county's waste (Enertherm). Operating hours were programmed for the heating system which is switched off in the evening and on weekends. This automatically led to a reduction in energy consumption. Overall, a comparison of two years of activity under normal conditions (2019 and 2022), shows a 9% reduction in energy consumption from 5,898 to 5,376 MWh.
Video conferencing	In general, the use of video conferencing is recommended and has continued to increase as people work from home.
Electronic signature	Electronic signature tools are widespread and significantly used.
Employee IT equipment	Standard employee equipment – work stations, office equipment – is renewed on average every 3 years. In France, as part of the roll-out of the Future of Work policy, Axway entered into a partnership with a leasing company which provides supplies and equipment useful for home working.
Donation of equipment	Computer equipment donations help extend the life of equipment. Equipment is offered to employees for their personal use or to non-profit associations.
Computer servers on Axway sites	For the hosting of proprietary or customer data, Axway enters into service contracts with leading market players committed to sustainable initiatives. In France, Axway has outsourced the machine room for production applications and is supported by a service provider with an eco-friendly label.

Key figures for actions in 2022

Electronic signature	2022	2021	2020
Number of files signed	16,555	19,572	9,671
Number of pages signed	76,642	97,247	46,571

Paper reams ordered			
France	210	197*	150
USA	98	152	163
Romania	0	75	50
Bulgaria	25	15	40
Ireland	0	5	10
Germany	50	100	40
Total	**383**	**544**	**453**

** The amount of 195 published in 2021 has been corrected.*

Waste collection (in kg) (France)			
Plastic	487	186	64
Ink cartridges	36	0	13
Paper & cardboard	3,575	3,429	2,823
Cans	0	0	5
Bulky waste	177	8	91
Waste electrical and electronic equipment	567	254	239
Total in kg	**4,842**	**3,869**	**3,235**
Donations of IT equipment, computers, screens, etc. (in units)	622	656	360

3.4.5 Carbon assessment

3.4.5.1 Greenhouse gas emission assessment methodology (BEGES)

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 Company's activities on the environment.

The BEGES was completed by an independent service provider with a Bilan Carbone® license issued by the Association Bilan Carbone (ABC) for 2022. It was drawn up based on the updated official greenhouse gas emissions assessment in accordance with version 5 of the assessment production methodology published in July 2022 by the French Ministry for Ecological Transition. The methodology is aligned with the GHG Protocol methodology.

Axway’s reporting uses CO_2 metric tons equivalent (carbon dioxide), as its measurement unit, that is taking into account all greenhouse gases responsible for climate change.

Regarding energy consumption only, the assessment period for year Y extends from 1 October Y-1 to 30 September Y, and this since Axway began measuring its scope 1 and 2 emissions (permanence of methods). For other items, the period is the calendar year.

Geographic scope and network of correspondents: *Six mains countries where Axway operates, representing 80% of the total surface area of premises: France, United States, Germany, Romania, Bulgaria, Ireland.*	**GHG assessment period:** from 1 October Y-1 to 30 September Y.

3.4.5.2 Axway 2022 carbon assessment results: scopes 1 and 2

The carbon report identifies greenhouse gas emissions of 1,287 (T eq. CO_2):

Greenhouse gas emissions

- Direct greenhouse gas emissions in CO_2 metric tons equivalent amounted to 130 T eq. CO_2;
- indirect greenhouse gas emissions associated with the production of imported electricity, heat or steam, in CO_2 metric tons equivalent amounted to 1,157 T eq. CO_2;
- and finally, other indirect GHG emissions (line power losses) in CO_2 metric tons equivalent amounted to 135 T eq. CO_2.

Thus, total GHG emissions by the Axway Group within the scope defined above totalled 1,422 T eq. CO_2. The 2020 and 2021 assessments were updated with current emission factors, as recommended by the Ministry in its methodology.

Carbon footprint and intensity

The reported carbon footprint on which Axway can act directly through its policy is therefore 1,287 T eq. CO_2. Estimated carbon intensity is obtained by dividing the carbon footprint in absolute terms by revenue, *i.e.* 4.09 T eq. CO_2/€ million of revenue.

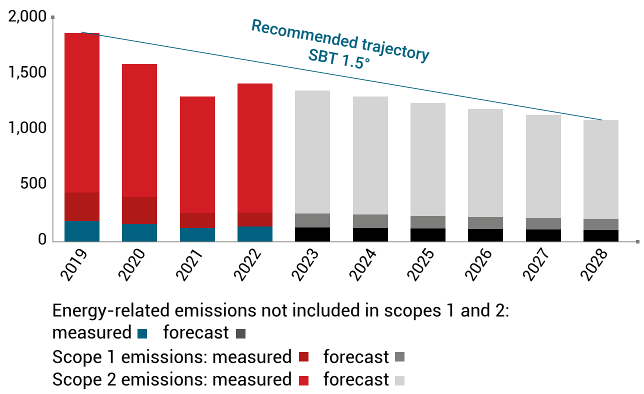
Reported carbon footprint (absolute value)

Scopes 1 & 2
1,287
T eq CO_2

Estimated carbon intensity (scopes 1 and 2)

4.09
T eq CO_2/
Revenue
in € million

Historical analysis of energy-related emissions



The above graph presents trends in scope 1 and 2 emissions plus energy-related emissions not included in scopes 1 and 2 but closely linked to them since 2019.

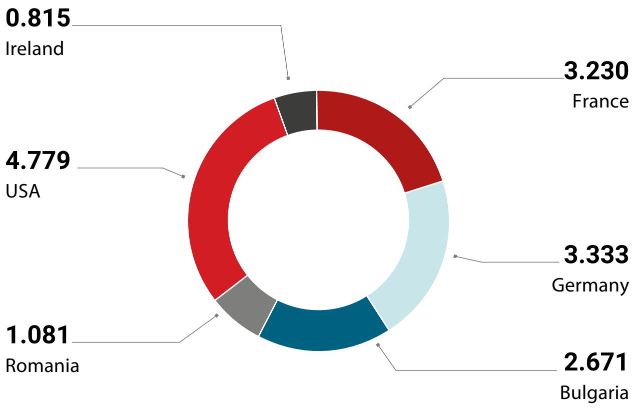
The decrease observed in 2020 and 2021 is largely due to the various lockdowns and travel restrictions related to the COVID-19 pandemic. While in 2021 remote working was still recommended in many countries and favoured by employees, in 2022 a gradual return to a regular presence at the office was noted.

The observed increase of 8.6% (+110 T eq. CO_2) between 2022 and 2021 would not therefore appear to reflect Axway's true trajectory. If we compare 2022 to 2019 as the last reference year, we observe a 24% decrease in emissions (-453 T eq. CO_2) which more accurately reflects the impact of remote working as a common practice for all Axway employees.

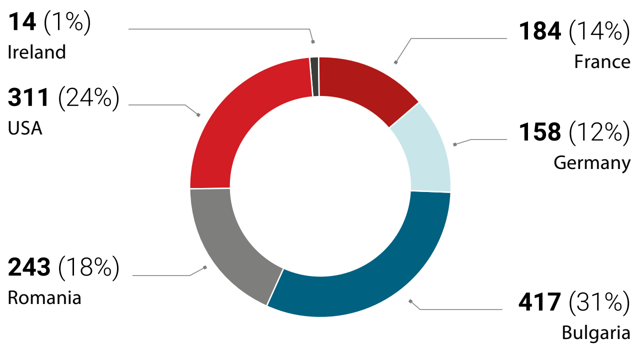
This result can be considered alongside a 1.5°C SBT (Science Based Targets) trajectory, for a reduction in emissions of around 4.2% per year. This projection allows the Company to model and plan its action plans more concretely.

3.4.5.3 Breakdown of 2022 carbon assessment results

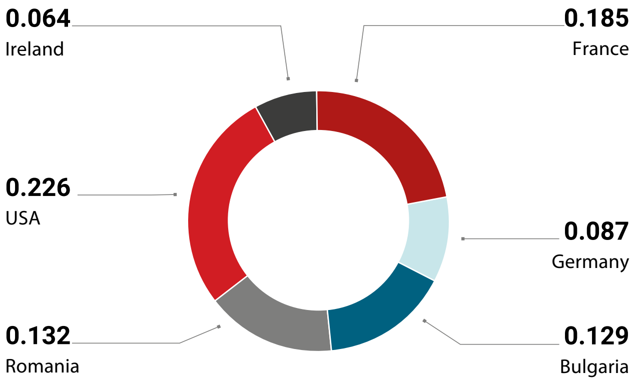
Breakdown of greenhouse gas (GHG) emissions in T eq. CO_2 by person and country



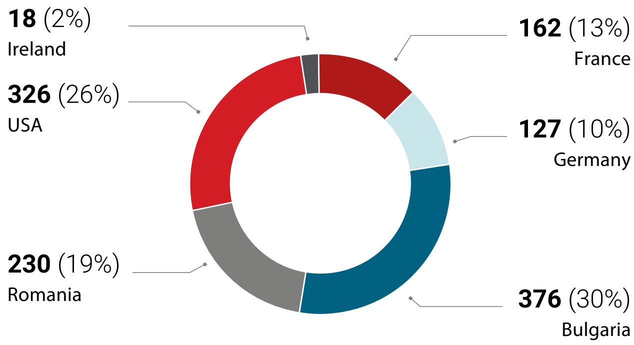
Breakdown of greenhouse gas (GHG) emissions by country 2022



Breakdown of greenhouse gas (GHG) emissions in T eq. CO_2 by m^2



Breakdown of greenhouse gas (GHG) emissions by country in 2021

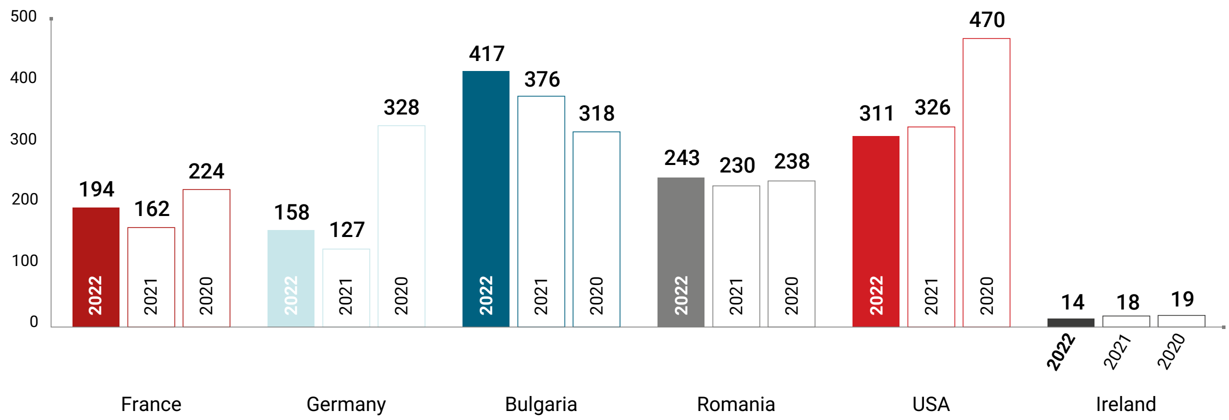


Change in greenhouse gas emissions in T eq. CO_2

* The USA amount published in 2021 has been corrected.

By country from 2020 to 2022

In 2022, scope 1 and 2 emissions increased in France, Germany and Bulgaria where employees returned partially to the office after two years of COVID.



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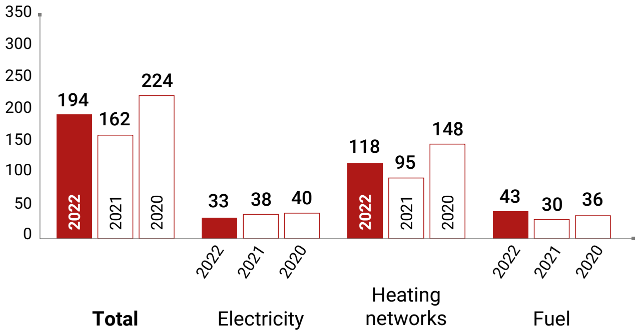
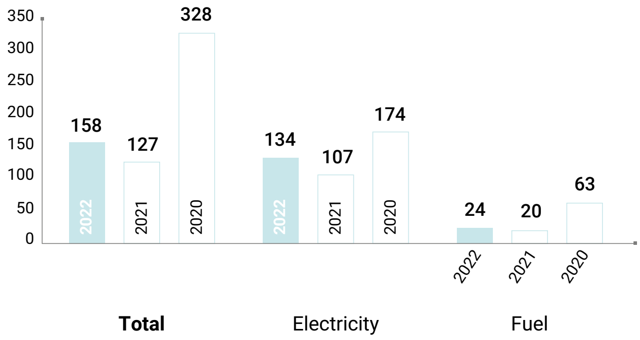
Change in greenhouse gas emissions in T eq. CO_2

France



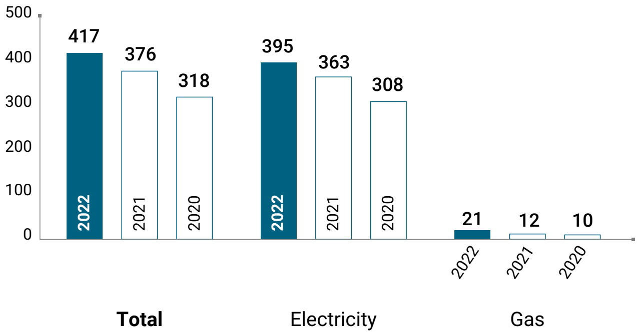
Change in greenhouse gas emissions in T eq. CO_2

Germany



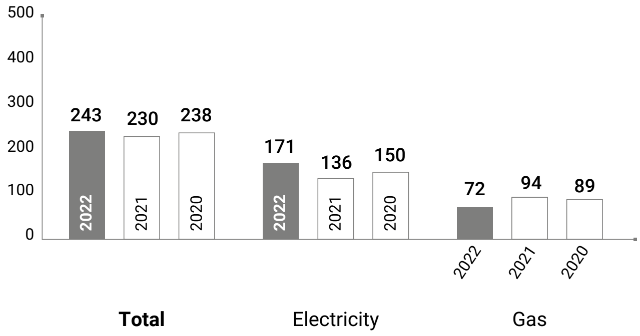
Change in greenhouse gas emissions in T eq. CO_2

Bulgaria



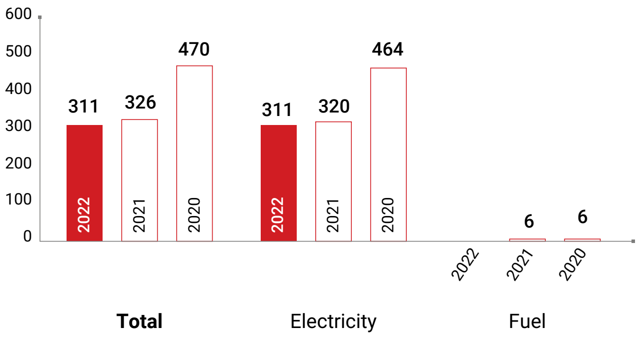
Change in greenhouse gas emissions in T eq. CO_2

Romania



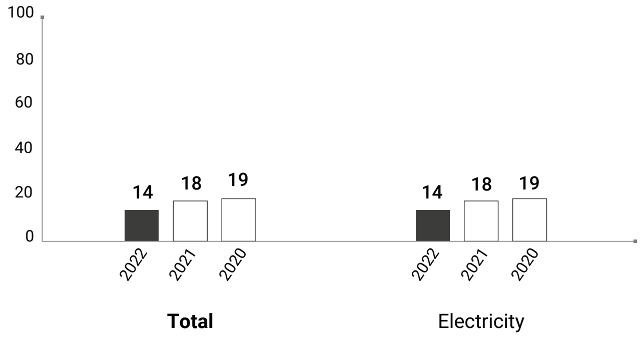
Change in greenhouse gas emissions in T eq. CO_2

USA (Phoenix)



Change in greenhouse gas emissions in T eq. CO_2

Ireland



3.4.5.4 Axway 2022 carbon assessment results: scope 3

Upstream scope 3

Axway's upstream scope 3 analysis focuses on emission sources presented in the mapping, namely:

- business travel;
- purchase of products and services;
- paper consumption and waste collection;
- depreciation of computer equipment assets (keyboards, monitors, computers, etc.).

Extension of upstream scope 3 analysis in 2022

In 2021, for the first year, Axway performed a scope 3 analysis of its purchases of products and services used in activities. The top 50 suppliers essential to our operations were selected for this first analysis. They mainly concerned purchases of services, such as advisory services, communication, telecommunications, business travel and sub-contracting, as well as purchases of software licenses and subscriptions and IT sub-contractingservices. This limited first analysis enabled Axway to address the issue of scope 3 emissions. The Company realised that few suppliers were communicating on their own carbon footprint. Monetary ratios were therefore used.

At the end of 2022, measurement of the impact of purchases was extended to the top 100 suppliers, representing 75% of Axway's purchases. A monetary ratio approach was again adopted due the lack of available actual data.

In addition, several other emission sources were added or clarified to measure 2022 scope 3 emissions, and particularly the impact of business travel and leased assets.

Axway aims to improve its measurement of scope 3 emissions each year.

Categories of products and services measured in scope 3

As a software publisher, IT purchases represent a significant portion of Axway's expenses. The most important purchasing items include:

- data hosting;
- software;
- integration or advisory services;
- IT hardware;
- premises;
- marketing services and resources.

Upstream scope 3 emissions therefore represent 10,351 T eq. CO_2 in 2022.

Emission source	Clarification	2022 in T eq. CO_2
Purchase of products and services	For 100 suppliers (75% of purchases).	9,003
Fixed assets	For IT hardware depending on their accounting depreciation period.	423
Waste	France.	2
Business travel	Plane and train (6 countries).	923
Total		**10,351**

Downstream scope 3

As the study did not encompass emissions resulting from the use of products sold by Axway, there are currently no emissions included in downstream scope 3 emissions.

Summary of scopes 1 and 2 and upstream scope 3

Reported carbon footprint (absolute value)	Estimated carbon intensity (scopes 1 and 2)	Carbon footprint – Emissions (upstream scope 3)	Estimated carbon intensity (upstream scope 3)
Scopes 1 & 2 **1,287** T eq CO_2	**4.09** T eq CO_2/ Revenue in € million	**10,351** Teq CO_2	**33** T eq CO_2/ € million of revenue

3.4.5.5 Low carbon target: build a stronger measurement base for concrete actions

This first measurement base, which is relatively comprehensive for upstream scope 3 emissions, will be expanded in 2023 to include all purchases of products and services. Axway's main suppliers will be contacted to gather their emission factors more efficiently and obtain real data where possible.

The analysis of commuter travel based on an employee survey will further refine this measure.

With regard to downstream scope 3 emissions, that is the footprint for Axway products and services used and installed at customer premises, we can estimate, for an initial approach, that the carbon footprint mainly relates to host servers. This footprint is therefore probably already included in Axway's carbon footprint or that of the customer through their purchases.

According to the ADEME definition, a company cannot claim to be carbon neutral but can contribute to the neutrality ambitions of a region. Axway contributes to this momentum by measuring its emissions, implementing reduction actions and through its desire to limit as much as possible its residual emissions.

3.4.5.6 Green Taxonomy

Regulatory context

In order to promote transparency and a long-term vision of economic activities and direct capital flows to sustainable investments, the European Union established a common classification system for company activities enabling the identification of economic activities considered sustainable. This system is defined in European Regulation (EU) 2020/852 of 18 June 2020, known as the "Taxonomy Regulation".

From fiscal year 2022, companies must publish the proportion of revenue, capital expenditure and operating expenditure associated with economic activities that are:

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

For 2022, information is required for only two of the six environmental objectives, those of climate change mitigation and adaptation.

No comparative data is required for 2021 with respect to alignment.

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

Scope

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

The financial data was taken from the 31 December 2022 accounts. Revenue and capital expenditure figures can be reconciled with the financial statements.

Financial indicator calculation methodology

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

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

Revenue by activity

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

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

Axway activities concerned

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

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

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

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

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

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

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

Finally, the Group confirmed its commitment to contributing to carbon neutrality in 2028.

Axway identified its eligible activities with respect to the climate change mitigation and adaptation objectives (the "Climate objectives").

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

- **Activity 8.1 "Data processing, hosting and related activities":** a portion of Axway Managed revenue corresponds to this activity. However, any hosting activity performed using third party infrastructures is excluded from the application scope of the Taxonomy. As Axway sub-contracts its Axway Managed and Customer Managed hosting services (Software as a Service portion), the related Group activities are not currently eligible under activity 8.1;
- **Activity 8.2 "Data-driven solutions for GHG emissions reductions":** the nature of Axway's offering would not appear to directly meet the definition of this article. However, as Axway is a digital transformation player, certain projects could be eligible provided they are supported by specific analyses demonstrating substantial greenhouse gas emission savings.

  At this stage, the Group has not recognised the eligibility of its revenue under activity 8.2.

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

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

Axway has not therefore recognised its revenue as eligible with regard to this environmental objective.

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

To conclude, Axway's economic activities do not substantially contribute to these first two environmental objectives. The proportion of revenue associated with eligible and aligned sales is therefore nil in fiscal year 2022. The proportion of revenue associated with eligible sales was nil in fiscal year 2021.

The regulatory model for 2022 revenue is presented below:

(in thousands of euros)

				Substantial contribution criteria					
Economic activities	**Code(s)**	**Absolute revenue**	**Proportion of revenue**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**
		Amount	**%**	**%**	**%**	**%**	**%**	**%**	**%**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
n/a		0	0.0%	0.0%	0.0%	n/a	n/a	n/a	n/a
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	n/a	n/a	n/a	n/a
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
n/a		0	0.0%						
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0 %						
TOTAL (A.1 + A.2)		**0**	**0.0%**	**0 %**	**0 %**	**n/a**	**n/a**	**n/a**	**n/a**
B. Taxonomy-non-eligible activities									
Revenue of Taxonomy-non-eligible activities (B)		314,031	100%						
License		11,584	4%						
Subscription		153,984	49%						
Maintenance		111,161	35%						
Services		37,303	12%						
TOTAL (A + B)		**314,031**	**100%**						

DNSH criteria ('Do No Significant Harm')										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy -aligned proportion of revenue, year N	Taxonomy -aligned proportion of revenue, year N-1	Category (enabling activity or)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	n/a	n/a	n/a
N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**				
N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0.0%**	**N/A**	**N/A**	**N/A**

Non-eligibleactivities refer to note 3.1 to the Consolidated Financial Statements.

Capital Expenditure – CapEx

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

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

Axway eligible CapEx in 2022 accounted for 41.7% of total CapEx of €3.0 million (see Notes 8.4 and 9.1 to the Consolidated Financial Statements). In 2021, eligible CapEx accounted for 38.1% of total CapEx of €3.7 million.

In 2022, the Group assessed whether its investments complied with the technical screening criteria and concluded that 2022 CapEx did not contribute substantially to the achievement of one of the two green taxonomy climate objectives. The Group did not therefore conduct any additional investigations concerning the Do Not Significant Harm (DNSH) criteria and compliance with minimum social safeguards.

Eligible activity	Technical screening criteria for the climate change mitigation objective
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	(a) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: (i) until 31 December 2025, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO_2/km (low- and zero-emission light-duty vehicles); (ii) from 1 January 2026, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero; (b) for vehicles of category L, the tailpipe CO_2 emissions equal to 0g CO_2eq./km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.
7.7 Acquisition and ownership of buildings	For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.
8.1 Data processing, hosting and related activities	The activity has implemented all relevant practices listed as: expected practices in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC document CLC TR50600-99-1 “Data centre facilities and infrastructures – Part 99-1: Recommended practices for energy management”. The implementation of those practices is verified by an independent third-party and audited at least every three years. The global warming potential (GWP) of refrigerants used in the data centre cooling system does not exceed 675.

The regulatory model for 2022 CapEx is presented below:

(in thousands of euros)

				Substantial contribution criteria					
Economic activities	**Code(s)**	**Absolute CapEx**	**Proportion of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**
		Amount	**%**	**&**	**%**	**%**	**%**	**%**	**%**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
6.5. Transport by motorbikes, passenger cars and light commercial vehicles		0	0%	0%	0%	n/a	n/a	n/a	n/a
7.7. Acquisition and ownership of buildings		0	0%	0%	0%	n/a	n/a	n/a	n/a
8.1. Data processing, hosting and related activities		0	0%	0%	0%	n/a	n/a	n/a	n/a
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	n/a	n/a	n/a	n/a
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
6.5. Transport by motorbikes, passenger cars and light commercial vehicles		146	5%						
7.7. Acquisition and ownership of buildings		793	26%						
8.1. Data processing, hosting and related activities		315	10%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,254	42%						
TOTAL (A.1 + A.2)		**1,254**	**42%**	**0 %**	**0 %**	**n/a**	**n/a**	**n/a**	**n/a**
B. Taxonomy-non-eligible activities									
Revenue of Taxonomy-non-eligible activities (B)		1,751	**58%**						
TOTAL (A + B)		**3,005**	**100%**						

DNSH criteria (Do No Significantly Harm')										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy -aligned proportion of CapEx, year N	Taxonomy -aligned proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	n/a	n/a	n/a
n/a						n/a	0%	n/a	n/a	n/a
						n/a	**0%**	n/a	n/a	n/a
							0%	0%	0%	0%
n/a	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**0%**	**0%**	**0%**	**0%**

Operating Expenditure – OpEx

Operating expenditure is defined as direct costs that cannot be capitalised and includes research and development expenditure, building renovation costs, maintenance and repair costs, lease payments expensed in the income statement and all other expenditure relating to the everyday maintenance of assets. It represents the denominator for the OpEx KPI calculation for a total of €72.0 million in 2022, compared to €71.0 million in 2021.

Research and Development expenditure totalled €57.2 million in 2022 and is not eligible as the revenue to which it relates is not eligible.

Eligible Group operating expenditure mainly concerns short-termleases of private cars.

The proportion of eligible Axway operating expenditure in 2022 was 0.03 %, compared to 0.02% in 2021.

The regulatory model for 2022 OpEx is presented below:

DNSH criteria

(in thousands of euros)

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		Amount	%	%	%	%	%	%	%
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)		0	0%						
Activity 2		0	0%	0%	0%	n/a	n/a	n/a	n/a
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	n/a	n/a	n/a	n/a
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
6.5. Transport by motorbikes, passenger cars and light commercial vehicles		25	0%						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		25	0%						
TOTAL (A.1 + A.2)		**25**	**0%**						
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities (B)		72,456	**100%**						
TOTAL (A + B)		**72,481**	**100%**						

	DNSH criteria (Do No Significantly Harm')										
	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy -aligned proportion of OpEx, year N	Taxonomy -aligned proportion of OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	n/a	n/a	n/a
								0%	n/a	n/a	n/a
								0%	n/a	n/a	n/a

03

3.4.6 2023-2028 Environmental targets

Building on Axway's 2022 programmes and new measures implemented to contribute to climate change mitigation, the Company will continue to make progress in 2023 and beyond.

Communication with employees, their training and their commitment will become increasingly important in the coming years, helping to create value for all in the interests of the environment.

2023-2028 Objectives and key figures

ENVIRONMENTAL

- **2 Cyber Clean-Up Days** by end of 2023
- **Carbon neutrality** by 2028

Summary of Axway's CSR commitments, indicators and key figures by stakeholder

Commitment	Programme	Indicator	2022 Performance	2023 Objective: quantitative or qualitative	SDG	Stakeholder: Employees	Customers	Suppliers	Partners	Shareholders & Investors	Societal Organisations
Social-Employer	Employee engagement	AVS	61%	70%	SDG 8	x					
	Diversity	% of women in the workforce	31%	33%	SDG 5 SDG 10	x					x
		% of people with disabilities (France)	1.82%	+25%	SDG 10	x					x
	Talent development	Number of training days per employee	1.97%	Further growth	SDG 4	x	x		x		
	Fulfilling work environment	*Future of Work*, balance on-site/home working	60/40%	60/40%	SDG 3 SDG 8	x					
	Social Dialogue	Official bodies, agreements and communication	Permanent	Permanent	SDG 8	x					x
	Communicating the strategy	Frequent Executive Management meetings with employees	Permanent	Permanent	SDG 8	x					
Societal	Digital security	Certificates Number of training sessions Process	Ongoing programmes	Ongoing programmes	SDG 8	x	x	x	x	x	x
	Sharing digital skills	Increased number of women and people with disabilities	4 programmes	4 programmes	SDG 5 SDG 10	x					x
	Customer and partner satisfaction	NPS indicator, customers	35	40	SDG 8	x	x		x		
		NPS indicator, partners	59	Further growth							
		EcoVadis rating	61/100	72/100							
		Recognition of business analysts	Gartner & Forrester	Further growth							
	Leading projects with ethics and responsibility	Sustainable purchasing system	Partial	Main suppliers	SDG 8 SDG 16	x	x	x	x	x	x
		Sustainable Purchasing charter	Draft	Finalised							
		Ethics charter, Anti-modern slavery	Existing	Existing							
		Whistle-blowing procedure	Existing	Existing	SDG 8 SDG 16	x	x	x	x		
		Middlenext Code Securities Trading Code of Conduct Euronext Paris listing	Existing	Existing	SDG 8 SDG 16				x		
Environmental	**Carbon trajectory**	Scopes 1, 2 and 3	1,287 T eq. CO2 scopes 1 and 2; 10,351 T eq. CO_2 scope 3	Reduction	SDG 13 SDG 15	x	x	x	x	x	x
		Reduction In paper	10% reduction	New materials							
		Recycling	99%	100%							
	Engaging employees in the carbon trajectory	Cyber clean-up	1	1							
		Business travel	Measured	Reduce							
	Green Taxonomy	Revenue, CapEx, OpEx	2 environmental objectives	6 environmental objectives							

** Sustainable Development Goals.*

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

Materiality matrix

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

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

Employee information

Scope of consolidation and indicators

The workforce shown in the "Workforce" and "Workforce by Geographical Area" tables corresponds to the total number of employees at 31 December 2021. The indicators chosen are those used for personnel management and Axway's employee-related issues. They reflect the results of the Human Resources policy.

In addition, Axway has not defined any circular economy targets.

Carbon assessment

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

Scope 1: direct emissions

Scope 1 encompasses greenhouse gas emissions caused directly by the manufacture of a product or a service. For example, if the manufacture of a product requires the use of oil, fuel combustion or if its production generates $C0_2$ or methane emissions, all these emissions are accounted for in Scope 1. These are referred to as direct emissions.

Scope 2: indirect emissions caused by energy consumption

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

Scope 3: other indirect emissions

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

Information excluded

The following information (required by Article L. 225-102.1 of the French Commercial Code) was excluded as not applicable to Axway's activities: fight against food waste, fight against food insecurity, respect for animal welfare, and sustainable food.

Certificate of disclosure by an Independent Third Party

Verifying auditor's report

Year ended 31 December 2022

Dear Shareholders,

Further to a request by Axway Software SA (hereinafter the "entity") and in our capacity as an independent third party ("third-party") certified by COFRAC under number 3-2013 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures aimed at issuing a reasoned opinion expressing a moderate assurance conclusion on the historical information (observed or extrapolated) in the non-financial performance statement prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we conducted, as described in the section "Nature and scope of our procedures" and the information we gathered, 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.

Preparation of the Non-Financial Performance Statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, the main aspects of which are presented in this Statement.

Limits inherent in the preparation of the Information

As indicated in the Statement of the Method of preparing the carbon assessment, the Information on CO2 equivalent emissions may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions and/or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

The Executive Board is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- 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, as well as the information set-out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy).
- implementing the internal controls it deems necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared in accordance with the Group Guidelines as referred to above.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a moderate 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 historical information (observed or extrapolated) provided pursuant to Article R. 225-105 I, paragraph 3 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.

As it is our responsibility to issue an independent conclusion on the Information prepared by Management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

Our procedures described below were performed in accordance with the provisions of Articles A. 225-4 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes, CNCC) relating to this engagement in lieu of an audit programme and ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of ethics for statutory auditors. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory texts, ethical rules and professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work was carried out by a team of three people between 25 October 2022 and 15 March 2023 and took a total of 5 days/person.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted five interviews with people responsible for preparing the Statement, mainly representing Executive Management, administration and finance, risk management, compliance, human resources and the environment.

Nature and scope of our procedures

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

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our moderate assurance conclusion:

- we obtained an understanding of the activities of all the companies included in the consolidated scope and the description of the main risks;
- 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;
- we verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2;
- we verified that the Statement presents the business model and a description of 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 relating to the main risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For certain risks, such as anti-corruption, our procedures were conducted at consolidating entity level, while for the other risks, our procedures were conducted at consolidating entity level and on a selection of entities;
- 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, within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in the Appendix,
- we implemented:
  - analytical procedures consisting in verifying the proper consolidation of the data collected and the consistency of any changes in data,
  - substantive tests, by sampling or other selection methods, 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 62% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the companies included in the consolidated scope.

The procedures performed in a moderate assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Lyon, 15 March 2023

FINEXFI
Isabelle Lhoste

Partner

1] Societal data: Axway Software SA Group. Social data: Axway Software SA Group. Environmental data: France (Axway SAS, Axway Distribution), Romania (Axway Romania Srl), United States (Axway Inc.), Bulgaria (Axway Bulgaria EOOD), Germany (Axway GmbH)

APPENDIX

Quantitative information verified:

Societal information:

- Net Promoter score
- Gaïa rating

Environmental information:

- Contribution to carbon neutrality by 2028 - Scopes 1 and 2
- Reported carbon footprint (absolute value) - Scopes 1 and 2
- Change in greenhouse gas emissions in T eq. CO_2 - France
- Change in greenhouse gas emissions in T eq. CO_2 - Romania
- Change in greenhouse gas emissions in T eq. CO_2 - USA
- Carbon footprint– Emissions (upstream scope 3)
- Number of files signed
- Number of pages signed
- Paper reams ordered (Group)
- Waste collection (in kg) (France)
- Number of Cyber Clean-Up Days organised

Employee information:

- Total workforce at 31 December 2022
- Workforce by geographical area
- Number of employees by age range
- Gender diversity
- Internal survey participation rate
- Employee engagement score
- Average seniority in years
- Total number of training hours
- % of e-learning
- % of women in the workforce
- Recruitment by age range
- % of employees on part-time contracts

Qualitative information verified:

- EcoVadis certification
- Ethics Charter
- Securities Trading Code of Conduct
- Whistle-blowing procedure
- Company Savings Plan agreement
- Mobility agreement
- Gender equality index

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
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.	12	Profile 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)	35	Chapter 2 Risk factors
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). **Comment:** 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).	35	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) **Comment:** Support for the Global Compact. Adhesion to the Middlenext Code	57	
GP6 **(A. R. 225-105.1 III-)**	Without prejudice to the disclosure requirements applicable to the report provided for in Article L. 225100, 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).		Axway website
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. **Comment:** Certificate of disclosure and opinion of fairness concerning social, societal and environmental information.	101	
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).		

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS	
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 French Council of State (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 French Council of State. 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**		
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I.a) 2.1	Recruitment	59	
I.a) 2.2	Redundancies		Non material
I.a) 3.1	Compensation	68	
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I.c) 1	Health and safety conditions at work	70	
I.c) 2.1	Frequency and seriousness of workplace accidents	70	
I.c) 2.2	Occupational diseases		Non material
I.d)	**Relations with employees**	71	
I.d) 1	Organisation of social dialogue, in particular the procedures for informing staff, consulting and negotiating with them	71	
I.d) 2	Review of collective agreements, particularly in the area of health and safety at work	71	
I.e)	**Training**	65	
I.e) 1	Training policies implemented, including environmental protection policies.	65	
I.e) 2	Total number of training hours	65	
I.f)	**Equal treatment**	61	
I.f) 1	Measures taken in favour of gender equality	61	
I.f) 2.1	Measures taken in favour of employment	63	
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I.f) 3	Anti-discrimination policy	61	
Environmental information			
II.a)	General environmental policy	81	

Article 225 and Decrees of 19/08/2016 and 09/08/2017		Axway NFPS	
II.a) 1.1	Organisation of the Company to take environmental issues into account	81	
II.a) 1.2	Environmental evaluation or certification procedures		EcoVadis
II.a) 2	Resources dedicated to the prevention of environmental risks and pollution		Non material
II.a) 3	Provisions and guarantees for environmental risks **Comment:** Axway is not affected by this point due to its tertiary activity.		
II.b)	Pollution		Non material
II.b) 1.1	Prevention, reduction, repair measures: AIR		Non material
II.b) 1.2	Prevention, reduction, repair measures: WATER		Non material
II.b) 1.3	Prevention, reduction, repair measures: SOIL		Non material
II.b) 2	Consideration of any form of contamination specific to any activity, notably sound and light disturbances		Non material
II.c)	**Circular economy**	83	
II.c).i)	Waste prevention and management	83	
II.c).i) 1	Measures of prevention, recycling, reuse, other forms of waste recovery and disposal	83	
II.c).i) 2	Actions in the fight against food waste **Comment:** The premises in La Defense (France) have a company restaurant committed to the fight against food waste (2).		Non material
II.c).ii)	Sustainable use of resources		
II.c).ii) 1.1	Water consumption **Comment:** Axway uses only water for sanitary purposes in its tertiary activity. The premises are equipped with efficient technology in this area.		Non material
II.c).ii) 1.2	Water supply in keeping with local constraints **Comment:** Axway does not operate in countries where the use of water is restricted.		
II.c).ii) 2.1	Raw material consumption		Non material
II.c).ii) 2.2	Measures taken to improve efficiency of use **Comment:** Axway only uses paper and office supplies for its tertiary activity.		
II.c).ii) 3.1	Energy consumption	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 **Comment:** Axway is not affected by this point due to its tertiary activity. Axway leases its premises and does not carry out any construction work.		Non material
II.d)	**Climate change**	83	
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 **Comment:** Scope: France, Germany, Bulgaria, Romania, USA (Phoenix), Ireland	89	
II.d) 2	Adaptation to the consequences of climate change		Non material
Comment II.d)2: *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 multi-modal 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	90	

Article 225 and Decrees of 19/08/2016 and 09/08/2017			Axway NFPS
II.e)	**Protection of biodiversity**		Non material
II.e) 1	Measures implemented to protect and conserve biodiversity **Comment:** Axway is not affected by this point due to its tertiary activity.		Non material
Societal information			
III.a)	**Societal commitments in favour of sustainable development**	80	
III.a) 1	The impact of the Company's activity in terms of employment and local development	63	
III.a) 2	The impact of the Company's activity on neighbouring or local communities **Comment:** Axway is not affected by this point due to its tertiary activity.		Non material
III.a) 3	Relationships with the Company's stakeholders and the methods of dialogue with them	55	
III.a) 4	Partnership and corporate patronage initiatives	74	
III.b)	**Subcontractors and suppliers**	76	
III.b) 1	Integration of social and environmental criteria in the purchasing policy	76	
III.b) 2	Integration of social and environmental responsibilities in relations with suppliers and subcontractors	74	
III.c)	Fair practices	78	
III.c)	Measures taken for consumer health and safety **Comment:** 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.		Non material
Information on the fight against corruption and tax evasion (3)			
	Actions taken to prevent corruption	78	
Information on actions in favour of human rights			
V.a)	Promoting and complying with the Fundamental Conventions of the International Labour Organisation (ILO) **Comment:** Adhesion to the Global Compact	57	
V.a) 1	Respecting freedom of association and the right to collective bargaining **Comment:** Axway is committed to these issues through its adhesion to the Global Compact, but does not have any operations in countries considered high risk		Non material
V.a) 2	Elimination of employment and professional discrimination **Comment:** Axway is committed to these issues through its adhesion to the Global Compact, but does not have any operations in countries considered high risk		
V.a) 3	Elimination of forced or compulsory labour **Comment:** Axway is committed to these issues through its adhesion to the Global Compact, but does not have any operations in countries considered high risk		
V.a) 4	Effective abolition of child labour **Comment:** Axway is committed to these issues through its adhesion to the Global Compact, but does not have any operations in countries considered high risk		
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.

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Corporate governance AFR / NFPS

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

4.1 Composition and procedures of the management and supervisory bodies

The Company is a public limited company (*société anonyme*) with a Board of Directors. It is governed by applicable French laws and regulations and its Articles of Association. The Board of Directors determines the overall business strategy of the Company, supervises its implementation and meets as often as the Company's interests require it to do so, at the request of its Chairman.

Furthermore, on 22 June 2015, the Board of Directors decided to separate the functions of Board Chairman and Chief Executive Officer.

The main provisions of the Articles of Association [(1)] relating to members of the Board of Directors and management bodies can be consulted on our Investors web page at https://investors.axway.com/en/bylaws-regulations-agreements

4.1.1 Composition of the Board of Directors

The Board of Directors comprises a minimum of three and a maximum of eighteen members. During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting; they are all eligible for re-election. Directors are appointed for a term of four (4) years.

The Board of Directors elects a Chairman from among its members, who must be a natural person for the appointment to be valid. The Board of Directors can dismiss him at any time.

Diversity is a point of specific concern in the composition of the Board of Directors:

With regards to independence, the Board seeks, each year, during the review of its composition, to ensure a good balance between independent and non-independentmembers.

With regards to parity, the aim is to move towards an equal number of men and women. Parity is also sought in the specialist committees.

The desire for Board members of different nationalities reflects the search for multicultural diversity. Finally, a diversity of skills is also a major factor in the composition of the Board of Directors. The essential skills to guarantee the good functioning of the Board of Directors include experience in the software publishing sector, financial expertise, expertise in international environments, as well as corporate governance expertise in listed family companies, to favour the leverage of assets for profitable and sustainable growth.

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

(1) Unless indicated otherwise, references to the Articles of Association in this Chapter concern the Articles of Association adopted by the Board of Directors' meeting of 23 June 2011 and last updated at the Board of Directors' meeting of 27 January 2022.

The Board of Directors comprises the following members:

Pierre Pasquier, Chairman of the Board of Directors and Director

Address:

Sopra Steria Group SA

PAE Les Glaisins

Annecy-le-Vieux

74940 Annecy

France

Date of 1st appointment:

22/12/2001

Date of most recent renewal:

General Meeting of 5 June 2019 and Board of Directors' meeting of the same day.

Attendance rate:

Board of Directors: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience

Pierre Pasquier has over 50 years' experience in digital services and managing an international company. He founded Sopra group in 1968 with his partners and is Chairman of the Board of Directors.

A mathematics graduate from the University of Rennes, Pierre Pasquier began his career with Bull and was involved in the creation of Sogeti, before leaving to found Sopra. Recognised as a pioneer in the sector, he asserted from the outset the company's entrepreneurial spirit, aimed at serving major customers through innovation and collective success.

Pierre Pasquier steered the deployment of Sopra in its vertical markets and internationally. The 1990 IPO, the successive growth phases and the transformational merger with the Steria group in 2014, ensured the independence of the company in a changing market.

In 2011, Pierre Pasquier led the IPO of the subsidiary Axway Software, remaining Chairman of the Board of Directors.

He was Chairman and Chief Executive Officer of Sopra group until 20 August 2012, when the duties of Chairman and Chief Executive Officer were separated.

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

Offices and duties held during the fiscal year:

In Axway

- Director;
- Chairman of the Board of Directors;
- Director or company officer of non-French subsidiaries or sub-subsidiaries of Sopra Steria Group.

Outside Axway

- Chairman of Sopra Steria Group SA;
- Director or company officer of non-French subsidiaries or sub-subsidiaries of Sopra Steria Group;
- CEO of Sopra GMT.

Offices expired during the past five years:

None.

Kathleen Clark-Bracco, Vice-Chairwoman of the Board of Directors and Director

Address:

Sopra Steria Group SA

6, avenue Kleber

75116 Paris

France

Date of 1st appointment:

28/04/2011 Director

24/10/2013 Vice-Chairwoman

Date of most recent renewal:

General Meeting of 5 June 2019 and Board of Directors' meeting of the same day.

Attendance rate:

Board of Directors: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Compensation Committee: 100%

Experience :

After a Master in Literature at the University of California (Irvine), Kathleen Clark 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.

Offices and duties held during the fiscal year:

In Axway

- Director;
- Vice-Chairwoman of the Board of Directors.

Outside Axway

- Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group;
- Deputy CEO of Sopra GMT;
- Corporate Development Director Sopra Steria Group

Offices expired during the past five years:

None.

Veronique de la Bachelerie, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of her duties in Axway Software)

Date of 1st appointment:

24/02/2015

Date of most recent renewal:

General Meeting of 5 June 2019 and Board of Directors' meeting of the same day.

Attendance rate:

Board of Directors: 88%

Audit Committee: 100%

Experience:

Véronique de la Bachelerie was appointed a director following the resignation of Françoise Mercadal Delasalles. She retired on 1 February 2023 but began her career as a financial auditor before joining the Société Générale Group in 1987, where 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 held various terms of office as director within the subsidiaries of the Société Générale Group in Luxembourg, Switzerland, Monaco and Tunisia. From June 2018 to November 2022 she managed Société Générale Consulting and Transformation, 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.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director or company officer of Société Générale Group non-French subsidiaries;
- Chairwoman of the Audit Committee and member of the Investment Committee of the ESCP Foundation.

Offices expired during the past five years:

- Deputy Director of SGBT;
- Director of the Luxembourg stock exchange;
- President of AFCI (French Association of Internal Consultants);
- Director of AIMC (American Association of Internal Management Consultants);
- Executive Director of Société Générale Consulting and Transformation.

Pierre-Yves Commanay, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of his duties in Axway Software)

Date of 1st appointment:

06/06/2018

Date of most recent renewal:

General Meeting of 24 May 2022

Attendance rate:

Board of Directors: 88%

Compensation Committee: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience :

Pierre-YvesCommanay has been a member of the Sopra Steria Group SA Executive Committee since 2009. At the beginning of April 2019, he was charged with developing consulting activities in the United Kingdom and he heads the Continental Europe division since 2011.

He has also had previous roles within the Group, which he joined in 1991. In particular, he headed the Research & Development division of a Software entity, before being appointed to develop the activities of Sopra UK as CEO of this subsidiary from 2009 to 2012. As Industrial Director of Sopra group India Pvt Ltd, Pierre-YvesCommanay was responsible for setting up the Group's offshore platform.

Pierre-Yves Commanay is a graduate of the University of Lyon (DESS postgraduate diploma in Management) and the University of Savoie (Master's degree in Information Technology).

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director of Sopra GMT.

Offices expired during the past five years:

None.

Hervé Déchelette, Director

Adress:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of his duties in Axway Software)

Date of 1st appointment:

28/04/2011

Date of most recent renewal:

General Meeting of 5 June 2019

Attendance rate:

Board of Directors: 100%

Audit Committee: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience :

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 is a graduate of the École Supérieure de Commerce de Paris business school and is a French chartered accountant.

Offices and duties held during the fiscal year:

In Axway	Outside Axway
• Director.	• None.

Offices expired during the past five years:

None.

Nicole-Claude Duplessix, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of her duties in Axway Software)

Date of 1st appointment:

06/06/2017

Date of most recent renewal:

General Meeting of 25 May 2021

Attendance rate:

Board of Directors: 75%

Compensation Committee: 100%

Experience :

Nicole-Claude Duplessix's varied professional background provides a wealth of experience in IT. Nicole-Claude Duplessix started her career with the leading HR software publisher in France, ADP GSI, before joining the Sopra Steria Group. Her early work there was in HR consulting for Sopra Steria Group customers. She then supported the commitment made by Sopra Steria and its subsidiaries to its key customers in a number of industries. For seven years until the end of 2019, she was delegated by Executive Management to work on security for critical projects in complex and multicultural environments, as well as the integration of new companies acquired by the Sopra Steria Group.

With this wealth of experience in the Sopra Steria Group, Nicole-Claude Duplessix strengthens the Board's expertise in investments and acquisitions, ethics and human resource management.

Offices and duties held during the fiscal year:

In Axway	Outside Axway
• Director.	• None.

Offices expired during the past five years:

None.

Emma Fernandez, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of her duties in Axway Software)

Date of 1st appointment:

21/06/2016

Date of most recent renewal:

General Meeting of 5 June 2019

Attendance rate:

Board of Directors: 100%

Compensation Committee: 100%

Experience :

Emma Fernandez has significant experience as a senior executive in the technology sector and particularly in ICT, security and defence, transport and traffic. She has occupied various positions during the past 25 years with Indra, in areas such as strategy, innovation and the development of new offerings, talent management, communication and product branding, public affairs, corporate governance, and corporate social and environmental responsibility, as well as mergers and acquisitions. Currently, she advises and promotes major companies and start-upswhose core business is IT.

Emma Fernandez has an engineering degree in telecoms from the Polytechnic University of Madrid and obtained an MBA from IE.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director of Metrovacesa SA;
- Director of Effect Consultoria y soluciones digitales SL;
- Director of Open Bank SA;
- Director of Gigas Hosting SA.

Offices expired during the past five years:

- Director of ASTI Mobile Robotics Group SL (16/10/2017 to 02/08/2021);
- Director of Grupo Ezentis SA (28/06/2016 to 26/06/2020);
- Director of Sopra group SA (19/01/2017 to 12/06/2018);
- Director of Kleinrock Advisors SL (until 2018).

Michael Gollner, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of his duties in Axway Software)

Date of 1st appointment:

24/05/2012

Date of most recent renewal:

General Meeting of 25 May 2021

Attendance rate:

Board of Directors: 100%

Audit Committee: 80%

Experience :

With an MA in international studies from the University of Pennsylvania and an MBA from the Wharton School, Michael Gollner began his career in investment banking with Marine Midland Bank from 1985 to 1987, Goldman Sachs from 1989 to 1994 and Lehman Brothers from 1994 to 1999. In 1999, he joined Citigroup Venture Capital, which later became Court Square Capital, as Managing Director Europe. He founded an investment company, Operating Capital Partners, in London in 2008. As Managing Partner, Michael Gollner accompanies the development of a portfolio of companies, most often in the technologies, media or cable sectors.

Michael Gollner founded Madison Sports Group in 2013 and was the Executive Chairman. He was also the founding shareholder of Levelset in 2012 and a director. Mr. Gollner sold his investments in these two companies in 2021.

Michael Gollner brings to the Board his Anglo-Saxonfinancial insight and significant investment in the operating activities of the companies he manages or assists.

Offices and duties held during the fiscal year:

In Axway

- Director

Outside Axway

- Director of Sopra Steria Group SA.

Offices expired during the past five years:

- Director of Levelset, Inc. (November 2021);
- Executive Chairman of Madison Sports Group Limited (July 2020).

Helen Louise Heslop, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of her duties in Axway Software)

Date of 1st appointment:

21/06/2016

Date of most recent renewal:

General Meeting of 5 June 2019

Attendance rate:

Board of Directors: 88%

Audit Committee: 100%

Experience :

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

In particular, she has been Chief Financial Officer of several GE Capital subsidiaries and regions in France, Thailand and Sweden and led the Aviva group European transformation project.

She is currently a director of several companies in the banking and insurance sector in the United Kingdom.

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

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director of Hiscox Insurance Company Limited;
- Director of Aegon in the UK;
- Director of Silicon Valley Bank;
- Director of Wefox in Switzerland.

Offices expired during the past five years:

- Promontoria MMB.

Pascal Imbert, Director

Address:

Wavestone Tour Franklin

100-101, Terrasse Boieldieu 92085 Paris La Défense Cedex France

Date of 1st appointment:

28/04/2011

Date of most recent renewal:

General Meeting of 5 June 2019

Attendance rate:

Board of Directors: 100%

Compensation Committee: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience :

Pascal Imbert began his career in Télésystemes' Research & Development department in 1980, with the Orange/France Télécom subsidiary. In 1990, he co-founded the consulting firm Wavestone. Today, he continues to lead its development as Chairman and Chief Executive Officer. Wavestone is a management and information systems consulting firm, which assists major companies and institutions with their transformation when faced with competition, digital and sustainable development challenges. Wavestone has been listed on the Euronext Paris market since 2000.

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

He was Chairman of Middlenext, an association representing midcaps in France, from 2010 to 2014. He teaches master classes at major engineering and management schools.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Chairman and Chief Executive Officer of Wavestone.

Offices expired during the past five years:

- None.

Yann Metz-Pasquier, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of his duties in Axway Software)

Date of 1st appointment:

06/06/2018

Date of most recent renewal:

General Meeting of 24 May 2022

Attendance rate:

Board of Directors: 100%

Audit Committee: 100%

Experience :

Yann Metz-Pasquier cofounded Upfluence, an all-in-one affiliate & influencer marketing cloud platform dedicated to eCommerce, in San Francisco (CA) in 2013. He was Chief Financial Officer from 2013 to 2016 and is still a Director of the company. In 2018, Yann Metz-Pasquier joined Sopra Banking Software as head of Corporate Development for North America.

He then served as Chief Marketing Officer from 2018 to 2022. Since 2021, Yann Metz-Pasquier has been the General Manager (Executive Vice-President) of the global business unit in charge of Digital Banking solutions at Sopra Banking Software.

Yann holds a Master of Business Administration (MBA) from Harvard Business School (May 2018). He is a Chartered Financial Analyst (CFA) and graduated in 2011 from the Catholic University of Lyon (ESDES) with a Master's in Management.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director of Sopra GMT;
- Director of Upfluence Inc.;
- Board Observer at Algoan.

Offices expired during the past five years:

- Board Observer at Axway until 6 June 2018.

Marie Hélène Rigal-Drogerys, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of her duties in Axway Software)

Date of 1st appointment:

06/06/2018

Date of most recent renewal:

General Meeting of 24 May 2022

Attendance rate:

Board of Directors: 100%

Audit Committee: 100%

Experience :

A science graduate, Marie-Hélène Rigal-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 focused her career on consulting, as consultant partner at Ask-Partners. As an advisor to the Chairman of the École Normale Supérieure of Lyon, since 2009, she has accompanied, both internally and externally, companies and organisations in their transition to new models within transformation ecosystems.

She also uses her expertise in her duties as Director of Sopra Steria Group and Chairwoman of its Audit Committee and as an Expert member of the Advisory Board of IMT Mines Albi-Carmaux engineering school and as a director at Chapter Zero France, a climate forum for business directors.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director of Sopra Steria Group SA;
- Expert member of the Advisory Board of IMT Mines Albi-Carmaux engineering school;
- Director of Chapter Zero France.

Offices expired during the past five years:

- Advisor to the Chairman - École Normale Supérieure Lyon site policy.

Hervé Saint-Sauveur, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of his duties in Axway Software)

Date of 1st appointment:

28/04/2011

Date of most recent renewal:

General Meeting of 5 June 2019

Attendance rate:

Board of Directors: 100%

Audit Committee: 100%

Experience :

Hervé Saint-Sauveurwas 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-Sauveurjoined 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 graduate of both the École Polytechnique and the École Nationale de la Statistique et de l'Administration Économique engineering schools.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- None.

Offices expired during the past five years:

- Director of Sopra Steria Group SA.

Yves de Talhouët, Director

Address:

Axway Software

Tour W, 102, Terrasse Boieldieu 92085 Paris La Défense Cedex France (only in the context of his duties in Axway Software)

Date of 1st appointment:

31/07/2012

Date of most recent renewal:

General Meeting of 5 June 2019

Attendance rate:

Board of Directors: 100%

Compensation Committee: 100%

Appointments, Governance and Corporate Responsibility Committee: 100%

Experience :

Yves de Talhouët has been the Chairman of Faiencerie de Gien since 2014. He was previously Chief Executive Officer of EMEA HP from May 2011 and Chairman and CEO of HP France from 2006. Prior to that, from 1997 to 2004, he was Vice-PresidentSouth Europe, Middle East and Africa at Schlumberger SEMA, before two years spent at Oracle France from 2004 to 2006 as Chairman and CEO. He was also Chairman of Devotech, a company that he created.

Yves de Talhouët is a graduate of the École Polytechnique and École Nationale Supérieure des Télécommunications engineering schools and the Paris Political Science Institute.

Offices and duties held during the fiscal year:

In Axway

- Director.

Outside Axway

- Director of KWERIAN (formerly TWENGA);
- Director of Tinubu;
- Director of Sopra Steria Group SA;
- Chief Executive Officer of TABAG;
- Board Observer of Castillon;
- Chairman of Faïenceries de Gien (2014).

Offices expired during the past five years:

- CEO of EMEA HP;
- Director of Devoteam.

Changes in the composition of the Board of Directors in the year ended 31 December 2022

Appointments	-
Re-appointments	Marie-Hélène Rigal-Drogerys Pierre-Yves Commanay and Yann Metz-Pasquier
Non-renewal	-
Resignations	-
Cooptations	-

Board of Directors

Director	Photo	Age	Nationality	Independent Director	Number of offices in other listed companies	Audit Committee	Appointments, Gouvernance and Corporate Responsability Committee	Compensation Committee	General Meeting dat of expiry of term of office	Shares in the Company held personally
Pierre Pasquier		87	French		1		M		2023	0
Kathleen Clark Bracco		55	American French		1		P	M	2023	7,355
Pierre-Yves Commanay		57	French		0		M	M	2026	2,816
Hervé Déchelette		77	French	I	0	M	M		2023	22,734
Nicole-Claude Duplessix		63	French		0			M	2025	1,540
Emma Fernandez		59	Spanish	I	1			M	2023	0
Michael Gollner		63	American British	I	1	M			2025	100
Helen Louise Heslop		53	British	I	1	M			2023	0
Pascal Imbert		64	French	I	1		M	P	2023	340
Véronique de la Bachelerie		63	French	I	0	M			2023	0
Yann Metz-Pasquier		34	French		0	M			2026	11,877
Marie-Hélène Rigal-Drogerys		52	French	I	1	M			2026	0
Hervé Saint-Sauveur		78	French	I	0	P			2023	900
Yves de Talhouët		64	French	I	1		M	M	2023	0

I Independant Directors   P Chairman/Chairwoman   M Member

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-Pasquierand Pierre Pasquier;
- Pierre-YvesCommanay and Pierre Pasquier;
- Yann Metz-Pasquierand Pierre-YvesCommanay.

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 (55.69%) and 65.53% of its voting rights (see Chapter 7, Section 7.2). Sopra GMT therefore exercises considerable influence over the Company's business, strategy and development.

Furthermore, a framework assistance agreement was entered into with Sopra GMT, under which Sopra GMT provides a considerable number of services involving the Axway Software strategy and the potential synergies with Sopra Steria Group (see Chapter 4, Section 4.2). Pursuant to the procedure applicable to regulated agreements, this agreement, and its extension, were submitted to the Board of Directors and the General Shareholders' Meeting for approval prior to being signed.

To the best of the Company's knowledge, these relationships are not liable to constitute conflicts of interest.

It should also be noted that:

- Axway's Board of Directors includes nine (9) independent directors, selected at its meeting held on 26 January 2023, 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 members of the Board of Directors undertake to report, prior to each Board meeting and depending on the agenda, any potential conflicts of interest and to not take part in deliberations or votes on any subjects where they have a conflict of interest.

	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due on the termination of service or a change of duties		Indemnities relating to a non-compete clause	
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: 6 April 2018		X		X	X			X

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 2022:

Category(1)	Name	Position	Transaction type(2)	Transaction date	Number of securities	Unit price	Transaction amount
Chief Executive Officer	Patrick Martin Donovan	CEO	D	28/07/2022	23,729	€18.50	€438,986,50

(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.

4.1.2 Procedures of the Board of Directors

The Board of Directors' organisation and working procedures are governed by:

- Articles L. 225-17 *et seq.* of the French Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation;
- Articles 14 to 21 of the Articles of Association governing the organisation and procedures of the Board of Directors. The Articles of Association currently incorporate the recommendations of the 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 representatives.

The Articles of Association and the internal regulations are available on the Company's website at the following link: *https://investors.axway.com/en/bylaws-regulations-agreements*.

4.1.2.1. Role entrusted to the Chairman of the Board of Directors

Pursuant to the provisions of Article L. 225-51 of the French Commercial Code and Title 3 of the Company's internal regulations, the role of the Chairman of the Board of Directors includes:

- organising and directing the work of the Board of Directors;
- setting the dates and agenda of the Board of Directors' meetings;
- ensuring the smooth running of the Company's management bodies and the application of best governance practices; as well as
- ensuring that directors are able to carry out their duties; and
- ensuring that they have the required information, in addition to performing the duties described below.

His duties comprise governance of corporate strategy, potential acquisitions, investor relations and certain subjects classified as strategic. These strategic subjects share the need to prepare Axway's future for the long-term.

To accomplish all these tasks, the Chairman is supported by Group resources, as well as a permanent team of five people, including four very experienced individuals, employed in the holding company, Sopra GMT. These resources enable the Board to oversee management and ensure the smooth running of the Company. This team was formed during the spin-off/stock market listing of the Company, by transferring to the holding company, managers who had spent most of their working life in the Group and had in-depth knowledge of all its inner workings. This team assists both Axway Software and Sopra Steria Group and, in addition to separately supporting each of the two companies, oversees the exploitation of synergies and above all the sharing of best practices. The terms of reference for this team and the principle of rebilling the Company for costs incurred are covered by a framework support agreement approved by the General Shareholders' Meeting under the regulated agreements process and reviewed annually by the Board of Directors.

4.1.2.2. Role entrusted to the Vice-Chairman of the Board of Directors

It is recalled that the Board of Directors, at its meeting of 24 October 2013, decided, based on the recommendations of the Appointments, Governance and Corporate Responsibility Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity and secure the succession. Accordingly, it was decided to amend the internal regulations of the Board of Directors. At their meeting of 26 January 2023, 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 role of the Vice-Chairman is defined in the internal regulations. It is to ensure the continuity of the Company's operations in the event the Chairman is temporarily or permanently unable to exercise his duties within the Board of Directors.

The Vice-Chairman is appointed for a duration that cannot exceed his term of office as a director. His term of office may be renewed without any limitation. He can be dismissed at any time by the Company's Board of Directors.

The Vice-Chairman assists the Chairman in preparing and holding Board of Directors' meetings and, in particular, preparing the agenda and documentation submitted to the directors. This list is not exhaustive and may be modified at the Chairman's discretion.

The Vice-Chairman may represent the Company at conferences organised by third parties (including, but not limited to, potential investors) and/or seminars to which the Company is invited as well as any other events involving the Company.

In such circumstances, the Vice-Chairman does not have any of the powers conferred by law on the Chairman and may not engage the Company with third parties in any way whatsoever unless he has received a delegation of authority in accordance with applicable laws and regulations.

The Vice-Chairman may attend Company Committee meetings if his presence is required at such meetings.

The Vice-Chairman only chairs Board of Directors' meetings in the absence of the Chairman. In this case, he shall have the powers conferred on the Chairman of the Board of Directors by law, the Articles of Association and prevailing regulations.

Should the Chairman be temporarily unable to exercise his duties within the Board of Directors, the Vice-Chairman will replace him during this temporary absence.

4.1.2.3. Meetings of the Board of Directors

a. Number of meetings held during the fiscal year and attendance of members of the Board of Directors

In accordance with its internal regulations, the Board of Directors is required to meet at least four times each year.

An annual calendar of meetings including a provisional agenda is established by the Board and may be modified should any specific events justify a change in the agreed schedule.

The Board of Directors met eight times in 2022. The attendance rate was 96%.

It should be noted that the absence of three directors solely concerned the exceptional meeting held on 19 January 2022 for which the notice of meeting was issued late. For all ordinary meetings on the calendar, the attendance rate for the Board of Directors was 98%.

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

b. Issues discussed

The main issues discussed in 2022 included the following:

- strategy and the corporate project;
- acquisition and disposal operations;
- the 2022 budget and major guidelines;
- approval of the financial statements for the year ended 31 December 2021;
- approval of the interim financial statements for the first half of 2022;
- approval of forward-looking financial and management information documents;
- quarterly results and related financial reports;
- workplace and wage equality;
- social and environmental responsibility objectives;
- the composition of the Board and its Committees;
- the procedures of the Board of Directors: amendment of the self-assessment questionnaire;
- more in-depth implementation of the ethics and anti-corruption internal systems;
- qualification of directors as independent;
- company officer compensation;
- members of the Board compensation;
- grant of free shares to Company employees;
- analysis of the minority shareholders vote at the 2022 General Meeting;
- monitoring of legal developments: Taxonomy and Waserman law.

c. Access to information by members of the Board of Directors

The internal regulations state that:

- each member of the Board shall receive any information required for the performance of his duties and can request any documents he deems pertinent;
- in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and prior reflection, provided that confidentiality guidelines allow for communication of this information;
- the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning significant events or operations for the Company. This information shall include copies of all press releases issued by the Company.

d. Training

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 2022.

In addition, following the review of the Middlenext Code of Corporate Governance and particularly the new recommendation no. 5 and based on the recommendations of the Appointments, Governance and Corporate Responsibility Committee, directors approved:

1. a shared space made available to members of the Board and Management containing, by topic, the applicable regulatory texts, presentations made or documents communicated to Board and/or Committee meetings on issues relating to corporate governance and/or impacting the Company's activities. This space is kept up-to-date by the Legal Department and the Company Secretary;
2. the provision of training modules to directors on Axway products *via* the Axway University platform.

4.1.2.4 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 2022, the self-assessment questionnaire was revised to incorporate the changes in content discussed by the Board of Directors and thereby integrate fundamental subjects and particularly social and environmental responsibility, parity and strategy.

Finally, the results of the self-assessment of the Board of Directors' procedures in fiscal year 2022 were presented to and discussed during the Board of Directors' meeting of 26 January 2023.

The 100% participation rate and the average mark obtained for each question leads to the conclusion that the Board is highly satisfied with both its procedures and the work of its Committees. Nonetheless, a few areas for improvement were suggested, such as deepening the strategy by product line or maintaining expertise in Axway products.

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 26 January 2023. Its members are:

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

The Committee meets at least four times per year (in a full year) and devotes at least two meetings to the half-year and full-year financial statements, respectively.

The members of the Audit Committee have in-depth economic and/or industry knowledge as detailed in Chapter 4, Section 4.1 ("Composition and procedures of the management and supervisory bodies"). This enables them to fully investigate all issues submitted to them by the Company. 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 duties include the following:

- to review the financial statements, including the Green Taxonomy;
- to monitor the system for the preparation and processing of the accounting, financial and non-financial information and review the financial statements;
- to supervise the effectiveness of internal control and risk management procedures;
- to monitor internal audit and its procedures;
- to monitor the statutory audit of the Group's financial statements by the Statutory Auditors;
- to ensure compliance with the independence requirement for Statutory Auditors;
- to supervise and monitor the anti-corruption procedure.

In addition, the Audit Committee:

- issues, where appropriate, a recommendation on the Statutory Auditors proposed for appointment by the General Meeting; it also issues a recommendation to the Board when renewal of the Statutory Auditor(s)' term of office is proposed under the conditions defined by regulations;
- monitors the Statutory Auditor's performance of its engagement and takes into account the findings and conclusions of the *Haut Conseil du commissariat aux comptes* following the conduct of reviews;
- reports regularly to the Board on the performance of its assignments, the results of the statutory audit of the financial statements, how this audit contributed to the integrity of the financial information and the role it played in the process. It immediately notifies the Board of any problems encountered.

The Committee met five times in 2022 in the presence of the Statutory Auditors. The attendance rate was 100%.

The main items of business at these meetings were:

- to review the consolidated and parent company financial statements for the year ended 31 December 2021;
- to review the financial statements for the first half of 2022;
- impairment tests;
- to monitor internal audit procedures:
  - to review the 2022 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 2022;
- to monitor Statutory Auditor procedures:
  - to review the conclusions of Statutory Auditor procedures,
  - to review the Statutory Auditors' report to the Audit Committee,
  - to review the drafting of key audit matters,
  - to pre-approve non-audit services,
  - to validate the engagement budget and review the audit plan;
- to review the general risk map;
- to review the draft Universal Registration Document and notably the Risk factors Section and the report on corporate governance;
- to monitor the implementation project for the new financial information system;
- to review the Company's IT security policy.

The Committee met with the Statutory Auditors in the absence of management. It also met with the head of internal audit under the same conditions.

Various operating and functional Group managers were also interviewed to inform Audit Committee members and improve their understanding of different operating issues.

4.1.3.2 Appointments, Governance and Corporate Responsibility Committee

The Appointments, Governance and Corporate Responsibility Committee was created by a decision of the Board of Directors on 22 May 2012. The internal regulations of the Board of Directors define the Committee's operating procedures and powers. The Appointments, Ethics and Governance Committee's current composition was confirmed by the Board of Directors' meeting of 26 January 2023. Its members are:

- Kathleen Clark Bracco (Chairwoman);
- Pierre-Yves Commanay;
- Hervé Déchelette;
- Pascal Imbert;
- Pierre Pasquier;
- Yves de Talhouët.

The Appointments, Governance and Corporate Responsibility Committee is comprised of the Chairman of the Board of Directors and three to six Board members who are appointed by the Board of Directors. The Committee may be convened when requested by its 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 2022. The attendance rate was 100%.

In 2021, following the review by Middlenext of its Code of Corporate Governance, the Company decided to comply with the new recommendation no. 8. In this respect, the Appointments, Ethics and Governance Committee was designated as the reference committee for social and environmental responsibility issues given the assignments already assigned to it. It was also decided to rename the Committee the Appointments, Governance and Corporate Responsibility Committee.

In 2022, its main duties were:

- to conduct the assessment of the Board of Directors' activities;
- to verify the application of rules of ethics and good governance in the Company and its subsidiaries;
- to assess the status of the independent members of the Board of Directors pursuant to the Board's decisions on this subject, particularly through the conflict of interest annual review procedure;
- to inform and propose changes that it deems useful or necessary to support the operations or composition of the Board of Directors and its Committees;
- to assess corporate responsibility commitments, notably through an annual review of the Non-Financial Performance Statement;
- to prepare the agenda of the General Meeting of 24 May 2022;
- to take into account any legal and regulatory changes during the fiscal year;
- to comply with recommendation no. 5 on providing training to members of the Board and Management;
- to review documents prepared pursuant to regulations and the Articles of Association;
- to prepare the deliberations of the Board of Directors on professional and employee equality;
- to assess the proper performance of the Company's internal whistle-blowing procedure;
- to ensure the application of the internal verification procedure for current and regulated agreements.

4.1.3.3 Compensation Committee

The Compensation Committee was created by a decision of the Board of Directors on 22 May 2012. The internal regulations of the Board of Directors define the Committee's operating procedures and powers. The Compensation Committee's current composition was confirmed by the Board of Directors' meeting of 26 January 2023. 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 2022. The attendance rate was 100%.

In 2022, its main duties were:

- to prepare the company officer compensation policy;
- to propose the fixed and variable compensation including non-financial criteria and benefits granted to company officers;
- to verify the application of rules defined for calculating their variable compensation;
- to verify the quality of the information provided to shareholders on compensation, benefits and options granted to company officers;
- to prepare the free share grant policy and verify the implementation of related plans;
- to prepare decisions concerning employee savings.

4.1.4 Executive officers

4.1.4.1 Office

First name, last name and business address	Office	Date of first appointment and date of expiry of term of office	Offices and duties held in the Group during the past five years	Offices and duties held outside the Group during the past five years
Pierre Pasquier **Business address:** Sopra Steria Group SA PAE Les Glaisins Annecy-le-Vieux 74940 Annecy France	Chairman of the Board of Directors	**1st appointment:** 22 December 2001	**Offices and duties currently held:** (Chapter 4, Section 4.1.2)	**Offices and duties currently held:** (Chapter 4, Section 4.1.2)
		Expiry of term of office: General Meeting convened to approve the financial statements for the year ending 31 December 2022	**Expired offices and duties:** (Chapter 4, Section 4.1.2)	**Expired offices and duties:** (Chapter 4, Section 4.1.2)
Patrick Donovan **Business address:** Axway 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254. USA	Chief Executive Officer	**1st appointment:** 6 April 2018	**Offices and duties currently held:** Chief Executive Officer of Axway Software; Director of Group subsidiaries; CEO of Group subsidiaries.	**Offices and duties currently held:** - **Expired offices and duties:** -

4.1.4.2 Role of the Executive Officers

Given the challenges associated with the constantly changing markets in which Axway operates and its need to be adaptable, the separation of offices appeared to be the most appropriate organisation. The governance structure entrusts the Chairman with steering and strategy and the Chief Executive Officer with operations, while at the same time setting up close cooperation and permanent dialogue between the management bodies.

The Board of Directors, at its meeting of 24 October 2013, decided, based on the recommendations of the Appointments, Governance and Corporate Responsibility Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity and secure the succession. This succession plan is reviewed by the Board at least once every two years and, in this respect, it was reviewed during the Board of Directors' meeting of 26 January 2023.

The Chairman of the Board of Directors devoted a considerable amount of time to his duties throughout the year. His activities involved managing the work of the Board and performing additional tasks required by the Axway's business.

The Chairman's duties, which have in common the preparation of Axway's long-term success, comprise governance of corporate strategy, potential acquisitions, investor relations and certain subjects classified as strategic.

The various matters for which the Chairman is responsible require detailed knowledge of operational realities and thus a very close relationship with Executive Management and the Executive Committee. This is achieved by sharing information and consulting on decisions to be taken, with a view to implementing the medium-term strategic plan and monitoring execution of these decisions over time.

The separation of the duties of Chairman and Chief Executive Officer is based on the definition of the roles formalised in the Board of Directors' internal regulations, respect of the rights of the Chairman and Chief Executive Officer and a long-term relationship of trust between the holders of these offices. Under these conditions, the current method of governance adds flexibility to the Company's management, safeguards decision-making and ensures that the necessary tasks will be quickly carried out to manage Axway Software's strategic challenges.

4.1.4.3 Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and applicable laws, the Articles of Articles of Association and the deliberations of the Board of Directors with regard to his appointment and the internal regulations.

He represents the Company in its dealings with third parties.

The Chief Executive Officer chairs the Group's Executive Committee (ExCom).

The Chief Executive Officer, assisted, where necessary, by one or more Deputy Chief Executive Officers, has authority over the Group as a whole and directs its operating activities.

He assists in preparing the strategy as part of the approach steered by the Chairman of the Board of 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 the internal organisation or operations, with powers delegated to the Chairman by the Board of Directors;
- financial matters:
  - financial transactions that have or could have a future material impact on the parent company financial statements or the consolidated financial statements,
  - any procedural commitment, treaty, settlement or compromise, in the case of litigation, for an amount exceeding €1 million.

4.2 Regulated agreements and assessment of everyday agreements

4.2.1 Agreements approved in previous years which had continuing effect during the year

The sole agreement approved in previous years with continuing effect during the year ended 31 December 2022 is described below:

Agreement between Axway Software and Sopra GMT

The support agreement between Sopra GMT on the one hand, and the Company and Sopra Steria Group SA on the other, defines Sopra GMT's role as the financial holding company for these two companies. This agreement, which was initially entered into on 1 July 2011, for a period of two (2) years and then renewed in July 2013, has been amended to make it an open-ended agreement, which may be cancelled by giving twelve (12) months prior notice, in writing. This agreement aims to improve strategic planning and general policy coordination between the Sopra Steria Group and the Company, in particular, by developing synergies subsequent to the spin-off of Axway Software, as well as providing the Company with support and consultancy services.

The Board of Directors' meeting of 26 January 2023 unanimously approved (with abstention of relevant directors) (i) the continuation of the authorisation previously granted and (ii) the payment of €1,167,536.64 to Sopra GMT for services rendered in the year ended 31 December 2022.

4.2.2 Assessment procedure for everyday agreements and implementation during the year ended 31 December 2022

Axway has implemented an internal procedure to regularly assess whether everyday agreements between the Group and related persons are effectively on an arm's length basis.

This procedure satisfies the provisions of Article L. 22-10-12 of the Pacte Law and was brought into effect by the Board of Directors' decision of 22 October 2019.

Under this procedure, the Axway Legal Department:

- regularly updates the list of related parties to take account of all changes in duties and/or offices and any statements or preliminary reports made by related parties to the Board of Directors or the Legal Department;
- reviews all draft everyday agreements likely to be entered into with identified related parties following a preliminary report to the Board of Directors and/or the Legal Department. In this respect, the Legal Department is authorised to review agreements at its own initiative if it considers necessary. This 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 for 2022. The Legal Department delivered its report which did not highlight any reclassifications of everyday agreements as regulated agreements as they satisfied all the criteria enabling them to be classified as everyday agreements concluded at arm's length.

On 26 January 2023, the Board of Directors took note of this report and the proper implementation of the everyday agreement verification procedure for 2022.

4.2.3 Statutory Auditors' special report on regulated agreements

This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

General Meeting approving the financial statements for the year ended 31 December 2022

To the General Meeting of Axway Software,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the General Meeting, if any.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the General Meeting

Agreements authorised and concluded during the year

We hereby inform you that we have not been advised of any agreement authorised and concluded during the year to be submitted to the approval of the General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

Agreements approved in previous years which had continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by General Meetings of prior years, had continuing effect during the year.

Assistance agreement signed with Sopra GMT

The agreement between Sopra GMT, on the one hand, and your Company and Sopra Steria Group, on the other hand, defines the role of lead holding company assumed by Sopra GMT with respect to your Company and Sopra Steria Group. Under this tripartite agreement, Sopra GMT is responsible for coordination and assistance for both of these companies, while striving to develop, as much as possible, the various synergies between them.

These services are reinvoiced by Sopra GMT to the two companies on the basis of actual time and money spent to successfully supply the services, plus 7%. The two-year agreement signed on 1 July 2011 was renewed in July 2013 for an indefinite period, and is subject to 12-months termination notice.

Sopra GMT invoiced €1,167,536.64, excluding taxes, in respect of this agreement for fiscal year 2022.

On 27 January 2022, your Board of Directors reviewed this agreement and decided to maintain it for the fiscal year ended 31 December 2022.

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, 17 March 2023

The Statutory Auditors

Mazars	Aca Nexia
Jérôme Neyret	Sandrine Gimat
Partner	Partner

4.3 Code of Corporate Governance

The Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and midcaps updated in September 2021 (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 presented 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 2022, the application status of the Code's recommendations is as follows:

	Purpose of the recommendation	Applied
1	Board member ethical requirements	Yes
2	Conflicts of interest	Yes
3	Composition of the Board - Independent directors	Yes
4	Board member information	Yes
5	Board member training	Yes*
6	Organisation of Board and Committee meetings	Yes
7	Creation of Committees	Yes
8	Introduction of a CSR special committee	Yes
9	Introduction of Board internal regulations	Yes
10	Selection of directors	Yes
11	Term of office of Members of the Board	Yes
12	Directors' compensation	Yes
13	Introduction of an assessment of the Board's work	Yes
14	Relations with shareholders	Yes
15	Axway diversity and equity policy	Yes
16	Definition and transparency of the compensation of executive officers	Yes
17	Preparation of succession plans for senior executives	Yes
18	Combination of employment contract and directorship	Yes
19	Severance pay	Yes
20	Supplementary pension plan	Yes
21	Stock options and free share grants	Yes
22	Watch-points	Yes

Application of recommendations

Recommendation no. 5

Following the update of the Code in 2021, directors were made aware of the need to prepare a three-year training plan and committed to doing so over the year.

The Company's Legal Department currently monitors developments and keeps Board members and Management informed of all regulatory changes relating to corporate governance and/or impacting the Company's activities. An annual summary of legal developments is also prepared, highlighting major legislative changes during the year and their implementation and enabling expected upcoming developments to be anticipated.

From a review of the subjects covered by Middlenext in its directors training catalogue since 2021, it would appear that Axway directors and senior executives had the opportunity to raise and discuss all these subjects during Board and Committee meetings in 2021 and 2022.

With regard to specific matters relating to the Company's activities, each new product is explained to directors by Executive Management during Board and Committee meetings.

Given the measures already implemented for directors and their experience and seniority in Axway, we indicated in 2021 that we partially complied with this recommendation.

In 2022, additional measures were implemented for Board members and management, with the provision of:

1. a shared space containing, by topic, the applicable regulatory texts, presentations made or documents communicated to Board and/or Committee meetings on issues relating to corporate governance and/or impacting the Company's activities. This space is kept up-to-date by the Legal Department and the Company Secretary;
2. training modules on Axway products *via* the Axway University;
3. a catalogue of additional training courses provided by third-party bodies.

Given the above, Axway complies fully with recommendation no. 5 of the Middlenext Code.

4.4 Compensation and benefits

4.4.1 Compensation components paid or awarded to executive officers in respect of the year ended 31 December 2022

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 24 May 2022.

4.4.1.1 Compensation components paid or awarded to directors in respect of their duties for the year ended 31 December 2022

The Company's Combined General Meeting of 24 May 2022, in the 7th 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 2022.

The following table presents the compensation paid to directors for their duties in respect of the past three fiscal years.

Summary of compensation referred to in Article L. 22-10-14 of the French Commercial Code and other compensation received by company officers for their duties in Axway

Company officer	Amounts due in fiscal year 2022*	Amounts due in fiscal year 2021*	Amounts due in fiscal year 2020*
Pierre Pasquier			
Compensation(1)	19,518	19,028	18,996
Other compensation			
Hervé Saint-Sauveur			
Compensation(1)	32,172	33,725	33,460
Other compensation			
Hervé Déchelette			
Compensation(1)	28,202	28,733	28,654
Other compensation			
Pascal Imbert			
Compensation(1)	28,947	28,733	28,702
Other compensation			
Kathleen Clark Bracco			
Compensation(1)	28,947	28,595	28,702
Other compensation			
Pierre-Yves Commanay			
Compensation(1)	22,382	23,880	21,908
Other compensation			
Nicole-Claude Duplessix			
Compensation(1)	15,817	18,196	18,996
Other compensation			
Véronique de la Bachelerie			
Compensation(1)	21,637	19,692	23,801
Other compensation			
Michael Gollner			
Compensation(1)	21,751	24,019	23,801
Other compensation			
Yves de Talhouët			
Compensation(1)	24,232	23,880	23,849
Other compensation			
Yann Metz-Pasquier			
Compensation(1)	23,488	24,019	23,801
Other compensation			
Emma Fernandez			
Compensation(1)	19,518	19,166	18,996
Other compensation			
Helen Louise Heslop			
Compensation(1)	21,637	24,019	22,192
Other compensation			
Marie-Hélène Rigal-Drogerys			
Compensation(1)	21,751	14,313	14,143
Other compensation			
TOTAL	**330,000**	**330,000**	**330,000**

** The amounts stated in this table are gross amounts in euros.*
(1) Compensation referred to in Article L.22-10-4 of the French Commercial Code.

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 2022

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 24 May 2022 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	€19,518	Compensation referred to in Article L. 22-10-14 of the French Commercial Code is calculated in accordance with the compensation policy applicable to directors.
Benefits in kind	-	Not applicable

4.4.1.3 Compensation components paid or awarded to the Chief Executive Officer in respect of his duties for the year ended 31 December 2022

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 24 May 2022 are as follows:

Compensation paid or granted during the year then ended	Amounts or accounting valuation submitted to vote	Presentation
Fixed compensation	€522,293 (Gross amount paid)	
Annual variable compensation	€803,287 (Gross amount to be paid after approval by General Meeting) (including, where necessary, the deferred portion of this compensation)	Variable compensation is based on quantitative criteria: • 70% based on the combination of organic growth and operating profitability. This percentage may be increased to 140% in the event of notable outperformance; non-financial qualitative criteria: • 5% based on the employee engagement indicator; • 5% based on the NPS customer satisfaction indicator; • 5% based on the drafting of a plan to achieve carbon neutrality; a strategic qualitative criteria: • 15% based on refocusing the product portfolio on profitable and/or growing business offerings.
Free share grant	Shares = €519,000 (Accounting valuation)	30,000 performance share rights (representing potentially 0.14% of the Company's share capital), subject to the effective presence of the Chief Executive Officer and certain criteria based on the combination of organic revenue growth and operating profitability and growth in Amplify API revenue. This grant was performed pursuant to the 33rd resolution adopted by the Combined General Meeting of 5 June 2019.
Severance pay and indemnities for a change of duties	No indemnities are payable in respect of the fiscal year	
Benefits in kind	-	Not applicable

4.4.1.4 Summary of compensation received by executive officers in respect of recent fiscal years

In accordance with position-recommendation 2014-14 amended on 25 July 2019 and the recommendations of the new 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)	2022	2021	2020
Pierre Pasquier			
Compensation payable in respect of the fiscal year	157,518	157,028	156,996
Valuation of multi-year variable compensation awarded during the fiscal year			
Valuation of options awarded during the fiscal year			
Valuation of free shares granted			
Patrick Donovan			
Compensation payable in respect of the fiscal year	1,325,580	578,487	989,056
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	519,000	804,000	1,950,000
Free shares granted under the Free Share Grant Plan (number of shares)	30,000	30,000	100,000

Summary of the compensation received by each executive officer in respect of their duties in Axway

	2022		2021	
(gross amounts in euros)	Amount due	Amount paid	Amount due	Amount paid
Pierre Pasquier				
Fixed compensation	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)	19,518	19,028	19,028	18,996
Value of benefits in kind				
TOTAL	**157,518**	**157,028**	**157,028**	**158,663**
Patrick Donovan				
Fixed compensation(2)	522,293	522,293	465,022	465,022
Variable compensation(2)(3)	803,287	113,465	113,465	490,133
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	-	-	-	-
Value of benefits in kind	-	-	-	-
TOTAL	**1,325,580**	**635,758**	**578,487**	**972,551**

(1) Fixed compensation and compensation referred to in Article L. 22-10-14 of the French Commercial Code are paid by Axway Software.
(2) Fixed and variable compensation and benefits In kind are paid by Axway Inc., in US dollars. The exchange rate used for this table at 31 December 2022 was €1 = $1.05305 and the rate applied at 31 December 2021 was €1 = $1.18274.
(3) Variable compensation is 70% dependent on quantitative criteria and 30% dependent on qualitative criteria. Rule of 40 (R40) criteria are applied to determine the amount of variable compensation based on quantitative criteria. The attainment levels for each of these 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 €130,000 in respect of his duties, in addition to compensation referred to in Article L. 22-10-14 of the French Commercial Code in respect of his office of €14,400 for 2022. 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 €26,891 for 2022.

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 2022, no stock options were granted to executive officers.

Stock options exercised during the fiscal year by each executive officer

No stock options granted to executive officers were exercised during the fiscal year ended 31 December 2022. Prior to his appointment, the Company's current Chief Executive Officer, Patrick Donovan, was the Group's Chief Financial Officer and, as such, was granted subscription options as part of the stock option plans allocated to key executives.

Past free share grants

	2022 Plan	2021 Plan	2020 Plan
	LTI ACHIEVE	LTI FOCUS	LTI BEYOND
Date of General Meeting	24/05/2022	05/06/2019	05/06/2019
Date of Board of Directors' meeting	26/07/2022	27/07/2021	27/07/2020
Total number of free shares granted, of which to:	265,000	240,000	295,000
Patrick Donovan, Chief Executive Officer	**30,000**	**30,000**	**100,000**
Share vesting date	31 March 2025	31 March 2024	31 March 2023
Lock-in period end date	30% of shares to be held until cessation of duties	30% of shares to be held until cessation of duties	30% of shares to be held until cessation of duties
Number of shares vested at 31 December 2022	N/A	N/A	N/A
Cumulative number of shares cancelled or lapsed	N/A	N/A	N/A
Number of free shares remaining at the reporting date	30,000	30,000	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 quantitative objectives.

The Board of Directors also takes account of the salary policy decided by the Group and decisions concerning the fixed and variable compensation of Executive Committee members. It considers, where appropriate, employee share ownership or long-term incentive measures for all employees or management of the Company and its subsidiaries and sets the presence and performance conditions.

The Board determines the quantitative criteria to be taken into account for variable and share-based compensation (at the recommendation of the Compensation Committee), as well as any qualitative criteria, where applicable. It ensures the precise definition of criteria. For the quantitative criteria, it generally sets a threshold below which variable compensation is not paid, a target enabling the payment of 100% of the planned compensation for the criteria and a cap where this amount can be exceeded. Performance is assessed by comparing actual results with the objective, broken down by threshold-target-cap.

At the beginning of the year, the Compensation Committee notes the rate of attainment of quantitative objectives for the previous year and assesses the attainment of qualitative objectives. To this end, it interviews the Chairman of the Board of Directors and familiarises itself with any information that could assist this assessment.

4.4.2.2 Compensation policy for the Board of Directors

Pursuant to recommendation R.12 of the 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 2023 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, Governance and Corporate Responsibility 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 2023, 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 executive officer;
- the duties and responsibilities associated with the position;
- the compensation of other Company senior executives;
- market practice;
- company interest;
- strategy and long-term success of the Group.

The annual review policy affords a greater understanding of the challenges faced by an industry sector that is undergoing constant change and is characterised by its extremely high level of seasonality.

There is no specific supplementary retirement scheme for senior executives outside the common law system.

a. Compensation policy for the Chairman of the Board of Directors

The compensation of the Chairman of the Board of Directors is determined each year by the Board of Directors, based on the recommendations of the Compensation Committee, and essentially comprises fixed compensation in addition to his compensation for his duties of director.

The Board of Directors' meeting of 26 January 2023 decided not to propose a change to the compensation policy of the Chairman of the Board of Directors.

Fiscal year 2023 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 2023 at the level set since fiscal year 2018, that is fixed gross compensation of €138,000.

In the event of the appointment of a new Chairman, the Board of Directors will determine his/her compensation, at the recommendation of the Compensation Committee, in accordance with the compensation policy detailed above.

b. Compensation policy for the Chief Executive Officer

The compensation of the Chief Executive Officer is determined each year by the Board of Directors, based on the recommendations of the Compensation Committee.

The Board of Directors therefore proposes an increase in the Chief Executive Officer's total compensation which has not changed in the last three years.

The 13.6% proposed adjustment takes account of the successful transformation of the Company in the past year.

Fiscal year 2023 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 2023 fixed compensation if objectives are attained and up to 175% of fixed compensation in the event of notable outperformance, conditional on the attainment of: • quantitative criteria: ◦ 65% based on the combination of organic growth and operating profitability. This percentage may be increased to 130% in the event of notable outperformance; • non-financial qualitative criteria: ◦ 10% based on the employee engagement indicator. This percentage may be increased to 20% in the event of notable outperformance; ◦ 5% based on the NPS customer satisfaction indicator; ◦ 5% based on the preparation of a plan to monitor the supplier portfolio; • a strategic qualitative criteria: ◦ 15% based on the 2024 product strategy. Precise 2023 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 the term of office. No guaranteed minimum.
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	Not applicable (unless appointed to the Company's Board of Directors. Offices exercised in Axway's subsidiaries do not give rise to compensation).
Other benefits in kind	Not applicable
Severance pay/indemnities for a change in duties	The maximum amount of these indemnities is one year's fixed and variable salary. The payment of this severance pay is 50% dependent on Axway organic growth and 50% dependent on Axway Group operating profit. These severance payments are only due in the event of the Chief Executive Officer's forced departure from the Company. No severance payments shall be due if (i) the Chief Executive Officer leaves his position at his own initiative, or (ii) in the event of gross negligence or serious misconduct, or (ill) in the event of a wrongful act which is unrelated to his position, or (iv) in the event of the Chief Executive Officer's departure for the Sopra Steria Group.
Non-compete indemnities	Not applicable
Supplementary pension plan	Not applicable

Fixed compensation

Each year, the Board of Directors decides the compensation of the Chief Executive Officer, based on the recommendations of the Compensation Committee.

Gross fixed annual compensation for the fiscal year ending 31 December 2023 would be US$625,000.

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.

Variable compensation seeks to align the Chief Executive Officer's compensation with Axway's annual performance and promote the implementation of its strategy.

Gross variable compensation for the fiscal year ending 31 December 2023, if objectives are attained, would be US$625,000.

The split between quantitative and qualitative criteria (70% and 30% in 2022) was changed to 65% and 35%, respectively, in 2023 to give greater weight to criteria tied to the long-term performance of the Company and particularly criteria tied to Social, Environmental and Strategic considerations.

In exceptional circumstances (*e.g.* an exogenous shock), the Board of Directors may derogate from application of the compensation policy if this derogation is temporary, in the Company's interest and necessary to ensure the long-term success and viability of the Company. This derogation could be applied if Axway's results require the suspension of the normal application of the variable compensation system for Executive Committee members. The Compensation Committee would therefore examine the Chief Executive Officer's position and could propose to the Board of Director to derogate from the compensation policy by deciding an increase in the variable compensation calculation. This possibility would be contingent on a two-thirds majority vote by the Board of Directors. It is recalled that this derogation would be subject to the *ex post* approval of shareholders at the next General Meeting.

Stock options, performance shares or any other long-term compensation

It was proposed that the Chief Executive Officer benefit from the incentive schemes set up by Axway, regardless of the incentive vehicle used. Hence, the schemes may be performance share plans, free share plans or any other vehicle designed to build management loyalty in the medium and long term. This compensation is in the Company's interest and contributes to its commercial strategy and long-term success.

The decision to grant stock options and/or free shares to the Chief Executive Officer will be decided within the limits set by the authorisation granted by the General Meeting and the conditions set by prevailing legal provisions and the 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 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

	2022	2021	2020	2019	2018
Chairman of the Board of Directors					
Compensation of the Chairman of the Board of Directors (in euros)	138,000	138,000	138,000	138,000	138,000
Ratio with average compensation (World)	1.5	1.6	1.7	1.7	1.7
Ratio with median compensation (World)	1.9	2.0	2.1	2.1	2.2
French minimum wage (annual - in euros)	7.0	7.2			
Chief Executive Officer					
Compensation of the Chief Executive Officer (in euros)	1,044,585	930,044	963,054	675,320	640,162
Ratio with average compensation (World)	11.4	11.0	11.6	8.3	7.9
Ratio with median compensation (World)	14.7	13.6	14.4	10.4	10
French minimum wage (annual - in euros)	52.9	48.8			
Employees					
Average compensation (excluding company officers - World) (in euros)	91,356	84,491	82,700	81,223	80,276
Median compensation (excluding company officers - World) (in euros)	70,994	68,286	66,441	64,648	63,803
French minimum wage (annual - in euros)	19,744	19,074			
Performance criteria (in millions of euros)					
(Revenue)	314	286	297	300	283.8
(Operating profit/(loss))	46.3	32.9	30.8	14.3	18.2

The equity ratios are prepared based on fixed and theoretical variable amounts, determined at 31 December of the relevant year for each of the past five years:

- for employees, all employees present in the workforce at 31 December of the relevant year and holding a permanent employment contract were included in the calculations. Compensation amounts were restated on a full-time equivalent basis. As Axway has a strong international culture with employees present in 18 countries, the decision was made to retain the scope of the Company and its subsidiaries when examining this ratio;
- for the Chairman of the Board of Directors, account was taken of fixed compensation amounts;
- for the Chief Executive Officer, fixed and theoretical variable compensation amounts at 31 December of the relevant year, published annually in the relevant Registration Documents or Universal Registration Documents were included in the calculations. Compensation amounts were restated on a full-time equivalent basis. The position of Chief Executive Officer was held by two different individuals during the five-year calculation period, both of whom were based and paid in the United States. This is also the case for the current Chief Executive Officer. All the Chief Executive Officers were paid in US dollars. Compensation amounts are presented in the table in euros. Euro/dollar exchange rates at 31 December of each year (as presented in the relevant reference documents or Universal Registration Documents) were applied in preparing the table:
  - at 31 December 2018, €1 = $1.18095,
  - at 31 December 2019, €1 = $1.11947,
  - at 31 December 2020, €1 = $1,1422,
  - at 31 December 2021, €1 = $1.18274,
  - at 31 December 2022, €1 = $1.05305.

4.4.4 Description of free share grants

I. 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 set-up by the Company.

The Combined General Meeting of 6 June 2018, in its seventeenth 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 of the French Commercial Code) of the Company and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code, or to certain categories of such employees or officers;
2. resolved that the total number of 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, pursuant to the aforementioned General Meeting, set the conditions and criteria for the grant of free shares under a 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 of the French Commercial Code subject to meeting the various conditions detailed below, it being specified that at 16 January 2019, the date of free grant of the 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:
- this LTI ExCom plan is implemented over a period of three (3) years for employees. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each employee beneficiary at the end of this three (3) year period,
- presence condition:
  - each beneficiary must, throughout the vesting period, be an employee within the meaning of Article L. 225-197-1 of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code,
  - the shares vested will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created.

b. Free share grant plan for Worldwide employees

The Board meeting of 20 February 2019, in application of the aforementioned resolution, 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 performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 20 February 2019, the date of free grant of the performance shares, the value of the Company's share was €12.67 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
- the LTI Worldwide Plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
- presence condition:
  - each beneficiary must, throughout the vesting period 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 affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code,
  - the shares vested will be existing shares held by the Company and/or shares that have been newly created,
  - 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. 22-10-60 of the French Commercial Code.

c. LTI AOA free share grant plan

The Board meeting of 5 June 2019, pursuant to the authorisation granted by the Combined General Meeting of 5 June 2019 in its thirty-thirdresolution, 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 detailed below, it being specified that at 24 July 2019, the date of free grant of the performance shares, the value of the Company's share was €13.10 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
  - the LTI AOA free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
    - presence condition:
      - each beneficiary must, throughout the vesting period, be an employee or company officer within the meaning of Article L. 225-197-1 of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2of the French Commercial Code;
    - performance condition:
      - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
      - for the AOA Plan, it is based on organic growth in the amount of Company signatures and profit on operating activities;
    - guaranteed minimum (non-applicable to the Chief Executive Officer):
      - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
    - performance shares will only vest if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares vested will be existing shares held by the Company at the end of the rights vesting period and/or shares that have been newly created;
- 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. 22-10-60of the French Commercial Code.

II. Free shares granted during the fiscal year ended 31 December 2020

The Combined General Meeting of 5 June 2019 in its thirty-thirdextraordinary resolution:

- authorised the Board of Directors to perform free grants, on one or more occasions, at its choice, of either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2of the French Commercial Code, or to certain categories of such employees or officers;
- decided that this authorisation cannot confer entitlement to a number of shares representing more than 4% of the Company's share capital (assessed at the date of the Board of Directors grant decision), it being specified that, where applicable, this number shall be increased by the additional amount of shares to be issued to preserve, in accordance with the law or any other applicable contractual agreement, the rights of holders of securities granting access to the Company's share capital.

LTI Beyond free share grant plan

The Board meeting of 27 July 2020, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a Plan involving 295,000 performance shares (the LTI Beyond 2020 Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 295,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 27 July 2020, the date of free grant of the performance shares, the value of the Company's share was €19.50 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
  - the LTI Beyond free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
    - presence condition:
      - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code;

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- performance condition:
  - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
  - for the Beyond Plan, it is based on the organic growth in the amount of Company signatures and profit on operating activities;
- guaranteed minimum (non-applicable to the Chief Executive Officer):
  - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
- performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;

- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;
- this free grant of performance shares is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 225-197-6of the French Commercial Code.

III. Free shares granted during the fiscal year ended 31 December 2021

LTI Focus free share grant plan

The Board meeting of 27 July 2021, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a plan involving 240,000 performance shares (the LTI Focus Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 240,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 27 July 2021, the date of free grant of the performance shares, the value of the Company's share was €26.80 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
  - the LTI Focus free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
  - presence condition:
    - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2 of the French Commercial Code;
  - performance condition:
    - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
    - for the Focus plan, it is based on organic growth in revenue, the profit margin and growth in the Company's "Amplify API" revenue;
  - guaranteed minimum (non-applicable to the Chief Executive Officer):
    - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
  - performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;
- this free share grant is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 2210-60 of the French Commercial Code.

IV. Free shares granted during the fiscal year ended 31 December 2022

The Combined General Meeting of 24 May 2022 in its 19th extraordinary resolution:

- authorised the Board of Directors to perform free grants, on one or more occasions, at its choice, of either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2of the French Commercial Code, or to certain categories of such employees or officers;

- decided that this authorisation cannot confer entitlement to a number of shares representing more than 4% of the Company's share capital (assessed at the date of the Board of Directors grant decision), it being specified that, where applicable, this number shall be increased by the additional amount of shares to be issued to preserve, in accordance with the law or any other applicable contractual agreement, the rights of holders of securities granting access to the Company's share capital.

LTI Achieve free share grant plan

The Board meeting of 26 July 2022, in application of the aforementioned resolution, set the conditions and criteria for the grant of free shares under a plan involving 265,000 performance shares (the LTI Achieve Plan). The main characteristics of this plan are as follows:

- a free grant of a total of 235,000 rights to performance shares in favour of employees and the Chief Executive Officer of the Company subject to meeting the various conditions detailed below, it being specified that at 26 July 2022, the date of free grant of the performance shares, the value of the Company's share was €18.50 per share. This grant will only be finalised if all of the conditions have been fulfilled at the end of the vesting period:
  - the LTI Achieve free share plan has a vesting period of three (3) years for employees and the Chief Executive Officer. Subject to fulfilment of the cumulative conditions detailed below, the shares will vest to each beneficiary at the end of this three (3) year period:
    - presence condition:
      - each beneficiary must, throughout the vesting period for these rights to the free grant of performance shares, be an employee or executive officer within the meaning of Article L. 225-197-1-II of the French Commercial Code or retired from the Company or the companies or economic interest groups affiliated with the Company within the meaning of Article L. 225-197-2of the French Commercial Code;
    - performance condition:
      - the performance condition as defined in the plan will determine the number of performance shares that vest to the beneficiary based on the performance criteria assessed over three consecutive fiscal years,
      - for the Achieve plan, it is based on organic growth in Company revenue and profit margin (operating profitability), it being noted that this condition will be assessed for each of the performance criteria by the average annual attainment rate for these criteria based on the objectives (threshold and target) set by the Board of Directors during the initial Board meetings each year following the publication of results;
    - guaranteed minimum (non-applicable to the Chief Executive Officer):
      - each plan beneficiary will obtain annually, regardless of the final results of the performance conditions for the year in question, at least 50% of performance shares. If, at the end of the year in question, over 50% of the performance conditions are fulfilled, the plan beneficiary will be granted the higher number of performance shares,
    - performance shares are only deemed to have vested if the following two conditions are met (i) the vesting period has expired and (ii) the presence condition is satisfied;
- the shares delivered will be existing shares held by the Company at the end of the vesting period and/or shares that have been newly created at the latest at the end of the vesting period;
- this free share grant is open to all employees, including the Chief Executive Officer. Accordingly, an incentive bonus was paid to employees in order to comply with the laws and regulations in force and, in particular, Article L. 2210-60 of the French Commercial Code.

During the fiscal year ended 31 December 2022, the Company and its affiliates did not set up any new share subscription option plans.

In addition to free share grants, the following tables indicate options exercised during the year by executive officers and the top 10 employees that are not company officers.

Stock options exercised during the fiscal year by each executive officer

Name of executive officer	Plan no. and date	Number of options exercised during the fiscal year	Exercise price
Patrick Donovan	n/a	n/a	n/a
Total	**n/a**	**n/a**	**n/a**

Stock options granted to the top 10 employees (non-company officers) and options exercised by them	Total number of options granted/shares subscribed or purchased	Weighted average price *(in euros)*	Plan no. 1	Plan no. 2
Options granted during the fiscal year by the issuer and any company within the option grant scope to the 10 employees of the issuer, and of any company within this scope, who received the highest number of options granted (aggregate information)	n/a	n/a	-	-
Options held on the issuer and the companies referred to above, exercised during the fiscal year by the 10 employees of the issuer and these companies, who purchased or subscribed the highest number of options.(aggregate information)	n/a	n/a	n/a	n/a

Describe API, MFT, and B2B integration for 2023 in 3 words. 🖥️

Adoption, clouds, security 🙌

Consolidated financial statements AFR

5.1 Consolidated income statement

(in thousands of euros)	Notes	2022	2021	2020
Revenue	**4.1**	**314,031**	**285,548**	**297,234**
Employee costs	5.1	-191,441	-180,629	-189,891
External expenses	4.2	-65,180	-60,144	-63,260
Taxes and duties		-2,684	-3,291	-2,626
Depreciation, amortisation, provisions and impairment	4.3	-11,415	-10,748	-12,660
Other current operating income and expenses		2,964	2,173	2,051
Profit on operating activities		**46,273**	**32,908**	**30,847**
as % of revenue		***14.7%***	***11.5%***	***10.4%***
Share-based payment expense	5.4	-3,388	-4,352	-5,067
Amortisation of allocated intangible assets	4.4	-5,497	-8,626	-8,162
Profit from recurring operations		**37,388**	**19,930**	**17,618**
as % of revenue		***11.9%***	***7.0%***	***5.9%***
Other operating income and expenses	4.5	-83,790	-2,652	24
Operating profit		**-46,402**	**17,278**	**17,642**
as % of revenue		***-14.8%***	***6.1%***	***5.9%***
Costs of net financial debt	11.1	-2,068	-1,302	-1,413
Other financial income and expense	11.2	1,021	541	-2,657
Income tax expense	6.1	7,408	-6,913	-5,095
Profit for the year from continuing operations		**-40,041**	**9,604**	**8,478**
Profit for the year		**-40,041**	**9,604**	**8,478**
as % of revenue		***-12.8%***	***3.4%***	***2.9%***
of which share attributable to non-controlling interests		4	2	-2
of which share attributable to owners of the Company		**-40,045**	**9,602**	**8,476**

Net income per share – attributable to owners of the Company

(in euros)	Notes	2022	2021	2020
Basic earnings per share	**13.9**	**-1.85**	**0.45**	**0.40**
Fully diluted earnings per share	**13.9**	**-1.85**	**0.43**	**0.38**

5.2 Statement of comprehensive income

(in thousands of euros)	Notes	2022	2021	2020
Consolidated profit for the year		**-40,041**	**9,604**	**8,478**
Other comprehensive income:				
Actuarial gains and losses on pension plans	5.3	541	797	-600
Tax impact		-123	-216	170
Sub-total items that will not be reclassified subsequently to profit or loss		**418**	**581**	**-430**
Share attributable to non-controlling interests		-	0	0
Exchange differences on translating foreign operations	13.7	14,446	18,646	-20,471
Sub-total items that may not be reclassified subsequently to profit or loss		**14,446**	**18,646**	**-20,471**
Total other comprehensive income net of tax		14,864	19,227	-20,901
Total comprehensive income		**-25,177**	**28,831**	**-12,423**
of which share attributable to non-controlling interests		4	2	2
of which share attributable to owners of the Company		**-25,181**	**28,830**	**-12,425**

5.3 Consolidated statement of financial position

Assets

(in thousands of euros)	Notes	31/12/2022	31/12/2021	31/12/2020
Goodwill	8.1	297,792	348,326	330,306
Intangible assets	8.3	8,685	15,073	23,356
Property, plant and equipment	8.4	12,469	14,272	15,421
Lease right-of-use assets	9.1	20,139	23,545	28,935
Non-current financial and other assets	7.1	11,810	8,817	8,622
Deferred tax assets	6.4	23,062	14,616	16,289
Non-current assets		**373,956**	**424,650**	**422,929**
Trade receivables	7.2	148,149	105,102	88,085
Other current receivables	7.3	30,642	27,806	32,167
Cash and cash equivalents	11.3	18,321	25,355	16,165
Current assets		**197,112**	**158,263**	**136,417**
Total assets		**571,068**	**582,913**	**559,346**

Equity and liabilities

(in thousands of euros)	Notes	31/12/2022	31/12/2021	31/12/2020
Share capital		43,267	43,267	42,702
Capital reserves		113,380	113,380	111,541
Consolidated and other reserves		211,204	205,965	192,744
Profit for the year		-40,045	9,602	8,476
Equity – share attributable to owners of the Company		**327,807**	**372,215**	**355,463**
Non-controlling interests		**9**	**5**	**4**
Total equity	**13**	**327,816**	**372,220**	**355,466**
Financial debt – long-term portion	11.4	84,594	60,097	37,270
Lease liabilities – long-term portion	9.2	23,468	27,198	32,162
Deferred tax liabilities	6.4	2,680	3,870	2,298
Other non-current liabilities including long-term provisions	7.4	9,013	9,772	10,761
Non-current liabilities		**119,755**	**100,937**	**82,490**
Financial debt – short-term portion	11.4	3,213	1,718	2,942
Lease liabilities – short-term portion	9.2	5,774	6,167	5,625
Trade accounts payables	7.5	11,271	10,899	13,778
Deferred income	7.6	55,628	55,826	54,692
Other current liabilities	7.7	47,612	35,145	44,353
Current liabilities		**123,497**	**109,755**	**121,390**
Total liabilities		**243,252**	**210,693**	**203,880**
Total equity and liabilities		**571,068**	**582,913**	**559,346**

5.4 Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Reserves and consolidated profit	Other comprehensive income	Attributable to: owners of the Company	Attributable to: non-controlling interests	Total
Equity at 31 December 2020	**42,702**	**111,540**	**-714**	**196,869**	**5,065**	**355,463**	**4**	**355,466**
Capital transactions	565	1,840	-	-284	-	2,121	-	2,121
Share-based payments	-	-	-	3,635	-	3,635	-	3,635
Transactions in treasury shares	-	-	-9,108	-110	-	-9,217	-	-9,217
Ordinary dividends	-	-	-	-8,623	-	-8,623	-	-8,623
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other movements	-	-	-	16	-9	7	-0	7
Transactions with shareholders	**565**	**1,840**	**-9,108**	**-5,365**	**-9**	**-12,077**	**-0**	**-12,077**
Profit for the year	-	-	-	9,602	-	9,602	2	9,604
Other comprehensive income	-	-	-	-	19,227	19,227	0	19,227
Total comprehensive income for the year	**-**	**-**	**-**	**9,602**	**19,227**	**28,830**	**2**	**28,831**
Equity at 31 December 2021	**43,267**	**113,380**	**-9,822**	**201,106**	**24,283**	**372,215**	**5**	**372,220**
Capital transactions	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	3,467	-	3,467	-	3,467
Transactions in treasury shares	-	-	-2,124	-12,070	-	-14,194	-	-14,194
Ordinary dividends	-	-	-	-8,492	-	-8,492	-	-8,492
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other movements	-	-	-	40	-49	-9	0	-8
Transactions with shareholders	**-**	**-**	**-2,124**	**-17,054**	**-49**	**-19,227**	**0**	**-19,227**
Profit for the year	-	-	-	-40,045	-	-40,045	4	-40,041
Other comprehensive income	-	-	-	-	14,864	14,864	0	14,864
Total comprehensive income for the year	**-**	**-**	**-**	**-40,045**	**14,864**	**-25,181**	**4**	**-25,177**
Equity at 31 December 2022	**43,267**	**113,380**	**-11,946**	**144,008**	**39,098**	**327,807**	**9**	**327,816**

5.5 Consolidated statement of cash flows

(in thousands of euros)	Notes	2022	2021	2020
Consolidated net income (including share attributable to non-controlling interests)		**-40,041**	**9,604**	**8,478**
Net charges to depreciation, amortisation and provisions		16,544	20,181	19,940
Share-based payment expense	5.4	3,475	3,731	4,405
Gains and losses on disposal		81,858	216	15
Cash from operations after cost of net financial debt and tax		**61,836**	**33,731**	**32,838**
Costs of net financial debt	11.1	2,068	1,302	1,413
Income tax expense (including deferred tax)	6.1	-7,408	6,913	5,095
Cash from operations before cost of net financial debt and tax (A)		**56,496**	**41,946**	**39,346**
Tax paid (B)		-2,559	-2,780	-3,516
Changes to operating working capital requirements (including liabilities related to employee benefits) (C)	12.2	-40,978	-26,224	-23,706
Net cash from operating activities (D) = (A + B + C)		**12,960**	**12,941**	**12,124**
Purchases of intangible assets and PP&E	8.4	-2,316	-2,825	-7,746
Proceeds from disposals of intangible assets and PP&E		-2	4	-
Impact of changes in the scope of consolidation	8.1	-8,910	-	-400
Change in loans and advances grand		84	-81	-26
Other cash flows from investing activities		40	69	61
Net cash from (used in) investing activities (E)		**-11,104**	**-2,833**	**-8,111**
Proceeds from the exercise of stock options	13.3	-	2,026	649
Purchases and proceeds from disposal of treasury shares	13.2	-13,741	-9,500	-201
Dividends paid to shareholders of the parent company	13.6	-8,492	-8,623	-
Proceeds from borrowings	11.4	32,820	60,000	-
Repayment of borrowings	11.4	-12,109	-38,457	-2,360
Change in lease liabilities	4.2	-7,239	-6,680	-4,444
Net interest paid (including finance leases)		-1,239	-590	-657
Other cash flow relating to financing activities		551	98	-851
Net cash from (used in) financing activities (F)		**-9,449**	**-1,726**	**-7,864**
Effect of foreign exchange rate changes (G)		700	664	-1,059
Net change in cash and cash equivalents (D + E + F + G)		**-6,893**	**9,047**	**-4,911**
Opening cash position		25,197	16,151	21,062
Closing cash position	11.3	18,308	25,197	16,151

5.6 Notes to the consolidated financial statements

Contents

This is the twelfth publication for the Axway Group since its IPO on the NYSE Euronext in Paris on 14 June 2011.

The Board of Directors' meeting of 22 February 2023 approved the consolidated financial statements of the Group for fiscal year 2022.

The Notes to the 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 2022 as presented below.

Our accounting principles are written in blue against a beige background to identify them clearly, as follows:

"Accounting policies, judgements and estimates".

The following table summarises the accounting policies, judgements and estimates disclosed in the Notes to the consolidated financial statements:

Notes	Accounting policies, judgments and estimates		
(1.0)	Accounting policies	(8.1)	Goodwill
(1.3)	Impacts of environmental risks 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	(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 2022 were prepared in accordance with IFRS standards as adopted by the European Union. These standards are available on the European Commission website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm.

The financial statements were prepared mainly on a historical cost basis, except for employee benefits, share-based payments, financial debt and derivatives, which are measured at fair value.

1.2 Application of new standards and interpretations

1.2.1 New mandatory standards and interpretations

The new standards, amendments to existing standards and interpretations adopted by the European Union and of mandatory application in fiscal years beginning on or after 1 January 2022 are as follows:

- amendments to IAS 16, *Property, plant and equipment,* Proceeds before intended use;

- amendment to IAS 37, *Onerous contracts*, Costs of fulfilling a contract;
- amendments to IFRS 3, Reference to the conceptual framework;
- IFRS annual improvements (2018-2020 cycle);
- IAS 41, *Taxation in fair value measurements*;
- IFRS 1, *Subsidiary as a first-time adopter*;
- IFRS 9, *Fees in the "10 per cent" Test for Derecognition of Financial Liabilities*;
- IFRS 16, *Lease incentives*.

1.2.2 Standards and interpretations published by the IASB and adopted by the EU but not applied in advance

The Group has elected not to apply in advance the texts published by the IASB and endorsed by the European Union, with an application date after 1 January 2022. The main standards, amendments and interpretations concerned are:

- amendments to IAS 1, Disclosure of accounting policies, of mandatory application from 1 January 2023, regarding improvements to the relevance and quality of disclosures presented in IFRS financial statements and the notes thereto;
- amendments to IAS 8, Definition of accounting estimates, of mandatory application from 1 January 2023, clarifying the definition of a change in accounting estimate to facilitate distinguishing in practice between a change in accounting estimate and a change in accounting policy. At this stage, the Group does not expect these amendments to have a material impact;
- improvements to IFRS 17, *Insurance contracts*, of mandatory application from 1 January 2023, on the accounting treatment of insurance and investment contracts. The Group does not expect this change to have a material impact.

1.2.3 Standards and interpretations published by the IASB, not adopted by the EU and not applied in advance

The Group has elected not to apply in advance the texts published by the IASB and not yet endorsed by the European Union, with an application date after 1 January 2022. The main standards, amendments and interpretations concerned are:

- amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture, regarding the contribution of a non-monetary asset to an associate or joint venture. Application of this amendment has been deferred. The Group does not expect this change to have a material impact.
- amendments to IFRS 17, Initial application of IFRS 17 – *Comparative information,* of mandatory application from 1 January 2023, regarding comparative information to be presented on initial application of IFRS 17. The Group does not expect this change to have a material impact.

1.3 Impact of the war In Ukraine on the consolidated financial statements for the period

The Axway Group has no legal entities in Ukraine, Russia or Belarus.

Revenue realised directly in these countries with local customers or indirectly with local partners totalled less than €0.2 million in 2022 and €0.2 million in 2021.

In 2022:

- the Group terminated commercial contracts existing at the end of 2021;
- the Group did not record an increase in provisions for trade receivables in respect of receivables in Ukraine or Russia;
- the Group did not identify any liquidity risk due to its low exposure in these markets;
- group financing is not impacted by the war in Ukraine;
- the remeasurement of transactions denominated in foreign currencies is not impacted as receivables in these countries are denominated in euros;
- energy purchases and hosting costs are not significantly impacted at this stage;
- group off-balance sheet commitments are not impacted as the Group does not have any off-balance sheet commitments in these countries;
- the recognition of deferred tax assets in accordance with IAS 12, *Income taxes*, is not impacted, as future Group profits are not jeopardised by this war in Ukraine;
- Impairment tests on non-financial assets are not impacted. Given Axway's low exposure to these markets, the main operating and financial assumptions underlying Impairment tests at 31 December 2022 have not been amended.

1.4 Impacts of environmental risks on the consolidated financial statements

The Group considers that, at this stage, climate change does not have any impact on its financial statements, in particular given the nature of its activities. Furthermore, its trajectory aimed at reducing Group emissions as much as possible by 2028 does not have a material impact on its accounts in 2022.

1.5 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.

1.5.1 Significant assumptions and accounting estimates

Accounting policies, judgements and estimates

The main assumptions and accounting estimates liable to leave scope for material adjustments to the carrying amount of assets and liabilities in subsequent periods are as follows:

Notes	Critical accounting policies
(4.1)	Revenue recognition
(5.3)	Measurement of retirement benefit commitments
(6.0)	Measurement of deferred tax assets
(8.1)	Measurement of goodwill
(10.0)	Measurement of provisions

1.5.2 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.

1.6 Format and translation of financial statements

1.6.1 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 *Autorite des normes comptables* (French Accounting Standards Authority) on the format of consolidated financial statements prepared in accordance with international accounting standards.

The format of the income statement has been adapted to improve the presentation of the Company's performance: a line item *Profit on operating activities* has been positioned before *Profit from recurring operations*. This indicator is used internally by Management to assess the Company's performance. It is equal to *Profit from recurring operations* before:

- the share-based payment expense for share subscription 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 debt. EBITDA is equal to *Profit on operating activities*, excluding charges to depreciation, amortisation and provision included in this latter indicator.

1.6.2. 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	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Pound sterling	0.8528	0.8596	0.8897	0.8869	0.8403	0.8990
Swedish krona	10.6296	10.1465	10.4848	11.1218	10.2503	10.0341
Romanian leu	4.9313	4.9215	4.8383	4.9495	4.9490	4.8683
Bulgarian lev	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
US dollar	1.0531	1.1827	1.1422	1.0666	1.1326	1.2271
Australian dollar	1.5167	1.5749	1.6549	1.5693	1.5615	1.5896
Hong Kong dollar	8.2451	9.1932	8.8587	8.3163	8.8333	9.5138
Singapore dollar	1.4512	1.5891	1.5742	1.4300	1.5279	1.6218
Yuan (China)	7.0788	7.6282	7.8747	7.3582	7.1947	8.0225
Real (Brazil)	5.4399	6.3779	5.8943	5.6386	6.3101	6.3735
Swiss franc	1.0047	1.0811	5.8943	0.9847	1.0331	6.3735
Indian rupee	82.6864	87.4392	84.6392	88.1710	84.2292	89.6605

c. Translation of foreign currency transactions

Accounting policies, judgements and estimates

- Transactions denominated in foreign currencies are translated to entities' functional currencies at rates applying on the transaction date;
- Foreign exchange gains and losses arise either on settlement or on the translation of foreign currency denominated monetary assets and liabilities at closing rates. They are recognised in profit or loss, with the exception of amounts recognised directly in shareholders' equity with respect to cash flow hedging or hedging of the net investment in a foreign operation.

Note 2 Methods and scope of consolidation

2.1 Consolidation methods

Accounting policies, judgements and estimates

Axway Software is the consolidating company.

The companies over which Axway Software has full control are fully consolidated. The Group controls an issuer when it is exposed to or is entitled to variable returns due to its ties with the issuer and has the ability to affect the amount of these returns due to its authority over the entity. The Group therefore controls an issuer if, and only if, the following conditions are satisfied:

- the Group has authority over the issuer; and
- the Group is exposed to or is entitled to variable returns due to its ties with the issuer; and
- the Group has the ability to exercise its authority over the issuer in such a way as to affect the amount of the returns it obtains from it.

Axway Software does not exert significant influence or joint control over any entity.

Axway Software Group does not, directly or indirectly, control any *ad hoc* company.

Inter-company transactions, as well as unrealised balances and profits on transactions between Group companies are eliminated on consolidation.

The financial statements of all consolidated companies are prepared to 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group.

The scope of consolidation is presented in Note 17.

2.2 Principal acquisitions

Newly-consolidated entities

On 15 June 2022, Axway Software acquired the entire share capital of DXchange Technologies Private Limited in India. DXchange Technologies Private Limited holds the entire share capital of its subsidiary DXvmt Technologies Private Limited in India.

DXchange Technologies Private Limited's activities are consolidated in the Axway financial statements from 30 June 2022.

In 2021, the Group created a subsidiary in Switzerland, Axway Switzerland Sarl DXvmt, to distribute Axway technologies and services in Switzerland. It commenced activity in the second half of 2021.

2.3 Other changes in scope

Deconsolidated entities

No entities were deconsolidated in 2022 and in 2021.

2.4 Comparability of the financial statements

No *pro forma* information is required in 2022.

Note 3 Segment reporting

Accounting policies, judgements and estimates

Pursuant to IFRS 8, segment reporting is based on internal management information used by Axway's Management. The Group is classified as a single sector group as it is not possible to determine profit on operating activities by activity sector based on either a regional or business analysis. The chief operating decision maker regularly reviews:

- revenue by business line: License, Subscription, Maintenance and Services; and
- geographical revenue for three regions (Europe, the Americas and Asia-Pacific); and
- consolidated Profit on operating activities.

3.1 Revenue by business line

(in thousands of euros)	2022		2021		2020	
License	11,584	3.7%	18,568	6.5%	25,780	8.7%
Subscription	153,984	49.0%	114,205	40.0%	97,287	32.7%
Maintenance	111,161	35.4%	118,955	41.7%	138,194	46.5%
Services	37,303	11.9%	33,820	11.8%	35,972	12.1%
Total revenue	**314,031**	**100.0%**	**285,548**	**100.0%**	**297,234**	**100.0%**

In 2022, Customer Managed Subscription contracts generated upfront revenue of €78.7 million recognised on the signature of these contracts, up 52.8% on 2021 (€51.5 million). Upfront revenue totalled €44.0 million in 2020.

It is noted that the Syncplicity and Mailgate activities, sold during the year, generated revenue of €3.1 million and €6.6 million in 2022.

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

3.2 Revenue by region

(in thousands of euros)	2022		2021		2020	
France	91,601	29.2%	81,429	28.5%	93,472	31.4%
Rest of Europe	68,409	21.8%	67,419	23.6%	62,348	21.0%
USA	126,897	40.4%	114,675	40.2%	121,532	40.9%
Rest of Americas	6,370	2.0%	4,699	1.6%	3,746	1.3%
Asia/Pacific	20,754	6.6%	17,325	6.1%	16,135	5.4%
Total revenue	**314,031**	**100.0%**	**285,548**	**100.0%**	**297,234**	**100.0%**

3.3 Non-current assets by region

(in thousands of euros)	2022		2021		2020	
France	90,178	25.7%	93,709	22.9%	98,484	24.2%
International	260,716	74.3%	316,395	77.1%	308,156	75.8%
Total non-current assets*	**350,894**	**100.0%**	**410,105**	**100.0%**	**406,640**	**100.0%**

** Excluding financial instruments, deferred tax assets, and assets with respect to post-employment benefits.*

Note 4 Operating profit

In 2022, Axway generated revenue of €314.0 million, up 5.5% organically and 10.0% in total. Profit on operating activities was €46.3 million, representing 14.7% of revenue, compared with 11.5% in 2021.

This performance exceeded initial expectations and the Group therefore published a press release informing the market on 26 January 2023 entitled "*Axway Software: Upward revision of 2022 annual targets*".

As in the previous three years, the Subscription activity showed very strong growth in 2022. With full-year revenue of €154.0 million, the activity's growth rate reached 34.8% in total and 31.0% organically. The Subscription activity now represents 49% of Axway's total revenue. While revenue recognised from Axway Managed contracts continued to increase at a dynamic but linear pace, with growth of around 20%, revenue from Customer Managed contracts rose by a very strong 52%. For the year, the annual value of new subscription contracts (ACV) signed reached €49.3 million, up 44% compared to 2021. Additionally, upfront revenue from Customer Managed subscription contracts accounted for €78.7 million in 2022 (€51.5 million in 2021)

Maintenance revenue was €111.2 million in 2022, down 6.6% overall and 11.1% organically. With a very good renewal rate of 95% over the year, the planned decline in business was mainly due to the drop in license signatures and the migration of several customers to all-inclusive subscription contracts.

The consolidation scope changed following the different product portfolio rationalisation operations carried out, representing a negative scope effect of €4.1 million. Exchange rate fluctuations positively impacted revenue by €16.1 million, mainly due to the appreciation of the US dollar against the euro.

Profit on operating activities improved for the third year in a row, finishing at €46.3 million for the period, or 14.7% of revenue, compared to 11.5% in 2021. Operating expenses as a percentage of revenue have significantly decreased thanks to optimised cost management.

In summary, the following points are of note in 2022:

- steady growth in Subscription revenue, strategic progress and new customer acquisition in 2022;
- increase in the share of revenue from renewable contracts to 84.0% at the end of 2022, compared to 81.7% one year earlier. Axway ARR (Annual Recurrent Revenue) of €196.5 million, up 12.5% at constant scope and exchange rates compared to the end of 2021;
- increase in *Profit on operating activities* to €46.3 million, representing 14.7% of revenue, compared to 11.5% in 2021;
- gross margin up slightly to 70.9% compared to 2021 (70.8%) with the transformation of the business model;
- optimisation of operating expenses. Operating expenses as a whole fell as a percentage of revenue, from 59.3% overall in 2021 to 56.2% in 2022.

  Sales and marketing costs totalled €93.2 million (29.7% of revenue), down on 2021 (31.2% of revenue).

  Research & Development expenses totalled €57.3 million, or 18.3% of revenue, compared to 19.4% in 2021.

  General expenses totalled €25.9 million or 8.2% of revenue, compared to 8.8% in 2021.

4.1 Revenue

4.1.1 Revenue recognition

Accounting policies, judgements and estimates

Revenue is recognised in accordance with IFRS 15, *Revenue from Contracts with Customers.*

Services provided within the scope of the Group's software package operations include:

- the right of use under license of software packages;
- Software as a Service Subscription services;
- maintenance;
- ancillary services: installation, settings, adaptation, training.

a. In general, separate contracts are concluded with customers for licenses and maintenance on the one hand, and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

I. License revenue

License revenue is recognised immediately on delivery, as license sale agreements constitute, in substance, a sale of rights. Delivery is considered to have taken place when all contractual obligations have been fulfilled. They are fulfilled when any remaining services to be provided are insignificant and are not liable to challenge the customer's acceptance of goods supplied or services.

II. Maintenance revenue

Maintenance revenue is recognised *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, the Customer Managed offering, which satisfies growing customer demand, is subject to a specific revenue recognition method detailed below.

The Customer Managed offering is a Hybrid Integration Platform offer sold to customers as a range of services including:

- on-premise components, hosted by the customer;
- Software as a Service components, hosted by Axway.

Three separate performance obligations have therefore been identified: License, Maintenance and Subscription. Pursuant to IFRS 15, revenue is recognised using three different methods.

I. On-premise services

On-premise services are recognised on delivery, that is on the transfer of control of the on-premise license. These components are hosted by the customer, in the same way as traditional licenses. Revenue is therefore recognised using the same model as for traditional on-premise licenses, that is:

- a license component (performance obligation recognised in full on the transfer of control and the provision of the keys); and
- a maintenance component (performance obligation recognised over the contract term).

II. Software as a Service Subscription services

Software as a Service related services such as updates, maintenance and hosting by Axway are recognised on a straight-line basis over the contract term (single performance obligation).

The contract transaction price is allocated to each performance obligation based on list prices. If the contract transaction price includes a discount on the list price, this discount is applied proportionally to the revenue allocated to each performance obligation comprising the contract.

c. Contracts comprising distinct performance obligations (license, maintenance, ancillary services, etc.) may sometimes be negotiated on a fixed-price basis

In this situation, the contract transaction price is allocated to each performance obligation as follows: revenue attributable to the license is equal to the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services.

The fair value of the other components is determined based on list prices applied in the case of a separate sale or alternatively, based on selling prices determined based on Management's best estimates. The residual amount attributed to the license is recognised at the time of delivery.

d. In fairly rare instances, ancillary services may be considered essential to the operation of a software package or the delivery of the Software as a Service solution

This may arise on the sale of software packages for very complex projects, where completion may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Quality Department. It is accounted for using the percentage of completion method described in paragraph e. below.

Where preliminary work is performed that is considered essential to the implementation of the Software as a Service solution, the contract is considered as a whole and revenue is recognised progressively over the contract term as described in paragraph **b.** above.

e. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised as they are performed, *i.e.* in general at the time of invoicing.

Operations are reviewed at each reporting date:

- services rendered but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised in revenue and are recorded in the balance sheet under *Trade receivables* in *Customer contract assets;*

- services billed but not yet fully rendered are deducted from invoiced revenue and recorded in the balance sheet in *Deferred income*.

f. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised based on a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

g. Contract balances in the Statement of financial position

Services rendered but not yet, or only partially, invoiced are recorded in the balance sheet under *Trade receivables* in *Customer contract assets*. Services billed but not yet fully rendered (Customer contract liabilities) are recorded in the balance sheet in *Deferred income* for the portion less than one year and in *Other non-current liabilities* for the portion more than one year. Customer contract assets and liabilities are presented net for each individual contract.

h. Assets recognised in respect of costs of obtaining or fulfilling contracts with customers

Costs of obtaining contracts: sales commission on Subscription revenue

The costs of obtaining a contract are capitalised if two conditions are met: the costs would not have been incurred if the contract had not been obtained and they can be recovered. Sales commission can therefore be capitalised if it is specifically and uniquely tied to obtaining the contract and it is not granted on a discretionary basis.

The costs of obtaining a contract are capitalised and deferred in Prepaid expenses (*Other current receivables*) and released to profit and loss to match revenue recognition. They never result in the recognition of revenue.

Costs of fulfilling a contract: Subscription contract preparation phase

The costs of fulfilling or implementing a contract are costs directly related to the contract. They are necessary to satisfying performance obligations in the future and are expected to be recovered. They do not meet the criteria defined in the general principles to constitute a separate performance obligation.

Subscription contracts require preparation phases (functional integration, implementation of the technical environment) in order to access a target operating phase. These phases do not represent separate performance obligations but are costs of implementing the contract. They are capitalised and recognised in Prepaid expenses (*Other current receivables*).

The costs of fulfilling or implementing a contract are capitalised and deferred in Prepaid expenses (*Other current receivables*) and released to profit and loss to match revenue recognition. They never result in the recognition of revenue.

4.1.2 Revenue by business line

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

4.1.3 Revenue by geographical area

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

4.2 Purchases and external expenses

4.2.1 Purchases

(in thousands of euros)	2022	2021	2020
Purchases of subcontracting services	25,010	25,839	20,508
Purchases not for inventory of equipment and supplies	1,736	485	1,005
Purchases and change in stock of merchandise	197	274	8,454
Total purchases	**26,942**	**26,597**	**29,968**

Purchases are stable (+€0.3 million) on 2021.

They are down 6.5% (-€1.9 million) on 2021 at constant exchange rates, due to better control over costs of sale and particularly costs relating to Subscription revenue.

The gross margin is 70.90% in 2022, up slightly on 2021 (70.80%).

4.2.2 External expenses

(in thousands of euros)	2022		2021		2020	
Rent and rental charges	9,856	25.8%	8,472	25.3%	10,346	31.1%
Lease expenses – IFRS 16 adjustment	-6,395	-16.7%	-5,486	-16.4%	-7,131	-21.4%
Maintenance and repairs	10,282	26.9%	9,410	28.0%	8,244	24.8%
External structure personnel	70	0.2%	95	0.3%	64	0.2%
Remuneration of intermediaries and fees	6,973	18.2%	6,123	18.3%	6,318	19.0%
Advertising and public relations	4,350	11.4%	4,939	14.7%	4,135	12.4%
Travel and entertainment	3,286	8.6%	1,769	5.3%	1,913	5.7%
Telecommunications	1,645	4.3%	1,651	4.9%	2,607	7.8%
Sundry	8,171	21.4%	6,576	19.6%	6,796	20.4%
Total external expenses	**38,238**	**100.0%**	**33,547**	**100.0%**	**33,292**	**100.0%**

External expenses are up on 2021. Breaking with the last two fiscal years, expenses relating to marketing events and business travel were not impacted by COVID lockdowns in 2022. Significant increases were therefore noted in travel expenses of +€1.5 million in 2022.

In addition, foreign exchange effects, especially those related to the US dollar, generated additional external charges of €1.5 million. At constant exchange rates, external expenses increased by €3.2 million (9.2%).

4.3 Depreciation and amortisation, provisions and impairment

(in thousands of euros)	2022	2021	2020
Amortisation of intangible assets	353	588	780
Depreciation of property, plant and equipment	4,188	4,254	4,234
Depreciation of Right-of-use – IFRS 16	5,486	5,562	6,576
Depreciation and amortisation	**10,026**	**10,404**	**11,590**
Impairment of current assets net of unused reversals	974	282	935
Provisions for contingencies and losses net of unused reversals	415	62	135
Provisions and impairment	**1,389**	**344**	**1,070**
Total depreciation and amortisation, provisions and impairment	**11,415**	**10,748**	**12,660**

The application of IFRS 16 led to a charge to depreciation of right-of-use assets of €5.5 million in 2022. This charge is comparable to the €5.6 million recognised in 2021.

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 €5.5 million in 2022, comprising €1.8 million in respect of customer bases and €3.7 million in respect of Technologies (see Note 8.3). In 2021, amortisation totalled €8.6 million, including €4.2 million for customer bases and €4.4 million for Technologies.

In 2022, the intangible assets relating to the Syncplicity and Mailgate businesses were sold and amortisation was charged up to the date of disposal. This represents a decrease in amortisation compared to 2021 of €0.3 million.

In 2021, the Group recognised an impairment of €1.8 million on the Syncplicity customer base. In addition, it was decided to stop marketing Appcelerator Titanium, leading to the recognition of an impairment of €0.4 million.

4.5 Other operating income and expenses

In 2022, the Group performed several material non-current transactions representing a total expense of €83.8 million, as follows:

- derecognition of Syncplicity goodwill in the amount of -€77.3 million;
- sale of Syncplicity leading to the recognition of a capital loss on intangible assets acquired of -€4.0 million and the rebilling of current contracts and related costs to the buyer for +€2.1 million;
- sale of Mailgate leading to the recognition of a capital loss on intangible assets acquired of -€0.3 million and the rebilling of current contracts and related costs to the buyer for +€0.3 million;
- sale of Streamdata generating an impairment of -€0.5 million;
- restructuring operations in France, the United Kingdom, Switzerland, China and the United States for -€2.6 million;
- DXchange acquisition costs of -€1.0 million.

In addition, the Group recorded the cost of configuring the Workday Cloud ERP system in *Other operating expenses*. These costs of configuring the solution to meet Axway's specific requirements are configuring and customisation services. They are non-recurring and material and total €0.3 million at 31 December 2022.

The IFRS IC decision on "Configuration or Customisation Costs in a Cloud Computing Arrangement" was applied at the end of December 2021 based on the best interpretation of the text. Accordingly, these costs of €0.3 million were expensed during the year.

The Group did not record any material non-recurring operating income or expenses in 2021.

Note 5 Employees and commitments towards employees

5.1 Employee costs

(in thousands of euros)	2022	2021	2020
Salaries	159,185	150,690	160,098
Social security contributions	36,406	35,080	36,653
Research tax credits	-5,545	-6,295	-8,056
Employee profit sharing	1,071	844	1,012
Net expense for post-employment and similar benefit obligations	324	311	184
Total employee costs	**191,441**	**180,629**	**189,891**

Employee costs represent 61.0% of 2022 revenue, down on 2021 (63.3%). They rose +6.0% in absolute terms. At constant exchange rates, employee costs are stable at +0.9% compared to 2021.

While variable compensation rose due to increased revenue, the rationalisation of the organisational structure and strategic refocusing helped contain employee costs in 2022. The average number of employees fell from 1,799 in 2021 to 1,641 in 2022.

5.2 Workforce

Number of employees at 31 December	2022	2021	2020
France	437	466	483
International	1,088	1,246	1,405
Total	**1,525**	**1,712**	**1,888**

Average number of employees	2022	2021	2020
France	452	474	483
International	1,189	1,325	1,407
Total	**1,641**	**1,799**	**1,890**

5.3 Retirement benefits and similar commitments

Accounting policies, judgements and estimates

a. Short-term employee benefits and defined-contribution post-employment benefits

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, under *Employee costs*. As the Group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined-benefit post-employment plans and other long-term employee benefits

These plans relate mainly to France, for the payment of retirement termination payments in accordance with collective bargaining agreements. The collective agreement applicable to Axway Software SA does not indicate a ceiling for retirement benefits.

The Group, which provides for the cost of the future benefits based on the conditions below, bears the defined-benefit plans directly.

The Group uses the projected unit credit method to determine the value of its defined-benefit obligation. Under this method each period of service gives rise to an additional unit of benefit rights and each unit is valued separately to obtain the final obligation.

The above calculations incorporate various actuarial assumptions relating to matters such as the estimated periods of future service of employees, future salary levels, life expectancy and employee turnover.

The resulting benefit obligation is then discounted using an appropriate interest rate for first-rate corporate bonds denominated in the payment currency and with a maturity approximating the estimated average maturity of the benefit obligation.

A change in these estimates and hypotheses may lead to a significant change in the amount of the commitment.

The amount of the provision recognised for retirement benefits and similar commitments corresponds to the present value of the defined-benefit obligation. Actuarial gains and losses result from changes in the value of the discounted defined-benefit obligation and include on the one hand, the effects of differences between previous actuarial assumptions and actual data, and on the other hand, the effect of changes in actuarial assumptions.

Actuarial gains and losses are recognised in full in shareholders' equity for all of the Group's defined-benefit plans, pursuant to IAS 19 revised.

There are no pension commitments, medical coverage, or long service awards. No new benefits or changes in regime resulting from legal, collective-bargaining or contractual provisions occurred during the fiscal year.

Retirement provisions primarily concern the defined-benefit plan in France which is not financed by plan assets.

In France, the defined-benefit plan relates to the payment of retirement termination benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement on retirement plans, as amended in 2004 pursuant to the retirement reform measures introduced by the Law of 21 August 2003. The provision for retirement benefits is assessed on an actuarial basis.

Retirement benefits and similar commitments break down as follows:

(in thousands of euros)	01/01/2022	Changes in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other movements	Actuarial gains (losses)	31/12/2022
France	6,771	-	518	-166	-	-	-436	6,686
Germany	39	-	43	-186	-	134	-	30
Bulgaria	132	-	9	-	-	-0	-95	46
Total retirement benefit and similar commitments	**6,941**	**-**	**571**	**-353**	**-**	**134**	**-531**	**6,762**
Impact (net of expenses incurred)								
Profit from recurring operations			493		-			
Net financial income			78		-			
Total			**571**		**-**			

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:

	31/12/2022	31/12/2021	31/12/2020
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	3.90%	1.10%	0.44%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	65 years	65 years	65 years
Mortality table	INSEE 2017-2019	INSEE 2016-2018	INSEE 2016-2018

Turnover tables are established for each relevant company by five-year age brackets and are updated at each year-end to reflect data on employee departures for the past five years. From 2022, the calculation of retirement termination payments under the collective bargaining agreement changed in France. This was the result of an amendment to the Syntec collective bargaining agreement aligning the calculation of retirement termination payments with that of redundancy compensation, by including bonuses provided for in the employment contract in the basic salary.

The updating of five-year workforce turnover rates and assumptions relating to departure procedures increased the commitment by +€257 thousand.

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 statement of income
At 31 December 2020	**7,190**	**7,190**	**214**
Changes in scope of consolidation	-	-	-
Past service cost	525	525	525
Net interest expense	33	33	33
Benefits paid to employees	-189	-189	-189
Other movements	-	-	-
Actuarial gains (losses)	-787	-787	-
At 31 December 2021	**6,771**	**6,771**	**368**
Changes in scope of consolidation	-	-	-
Past service cost	463	463	463
Net interest expense	76	76	76
Benefits paid to employees	-166	-166	-166
Other movements	-	-	-
Actuarial gains (losses)	-457	-457	-
At 31 December 2022	**6,686**	**6,686**	**373**

e. Analysis of actuarial gains (losses) recognised for Axway Software

Actuarial gains (losses) result solely from changes in the present value of the obligation, in the absence of plan assets.

These gains (losses) include the effects of changes in actuarial assumptions and the difference between actuarial assumptions applied and actual experience.

An actuarial gain of €457 thousand was recognised for Axway Software in 2022.

Experience adjustments on Axway Software plan liabilities are presented in the table below:

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Current value of defined benefit obligations	6,686	6,771	7,190
Experience adjustments on plan liabilities	257	-61	-100
Experience adjustments on plan liabilities *(as % of commitments)*	3.84%	-0.91%	-1.38%

The following table presents a breakdown by maturity of Axway Software's retirement benefits commitment in France, discounted at 3.90%:

(in thousands of euros)	31/12/2022
Present value of theoretical benefits to be paid by the employer:	
• Less than one year	452
• from 1 to 2 years	305
• from 2 to 3 years	215
• from 3 to 4 years	347
• from 4 to 5 years	540
• from 5 to 10 years	2,441
• from 10 to 20 years	1,751
• More than 20 years	636
Total commitment	**6,686**

f. Sensitivity testing of the discount rates for Axway Software retirement benefits

A +/-4.00 point change in the discount rate would impact Axway Software retirement benefit liabilities in the amount of -€1,868 thousand/+€3,367 thousand, respectively.

5.4 Share-based payments

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 estimated changes in employee turnover).

The fair value of free shares is determined on the date of grant based on the market price of the share adjusted to take into account the characteristics and conditions of the share grant. This amount is not reassessed later in the event of changes in the fair value.

The expense corresponding to the benefit granted to employees in the form of free shares is recognised in net profit using the straight-line method over the vesting period under the heading *Share-based payment expense*.

The Group had no share subscription option plans at 31 December 2022. These plans expired on 18 November 2021.

In 2022, an expense of €3.4 million (€4.4 million in 2021) was recognised in respect of free shares granted to employees, including the Chief Executive Officer, including employer social security contributions of -€0.1 million.

The new plan granted in 2022 represents an expense of €0.5 million for the period. Current free share grant plans are presented below:

Plans	LTI Plan AOA – 2019	PAGA 2019 – Axway	Free Share Grant Plan Comex	LTI Plan BEYOND -2020	LTI Plan FOCUS -2021	LTI Plan ACHIEVE -2022
Description	Free shares granted to the Axway leadership team, members of the Executive Comittee 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 shares granted to the Axway leadership team, members of the Executive Comittee and other individuals considered key for the Axway Group		
Date granted	July-19	Jan-19	Jan-19	July-20	July-21	July-22
Number of shares that may be granted	325,000	363,800	75,000	295,000	240,000	265,000
Performance measurement duration	3 years	3 years	3 years	3 years	3 years	3 years
Performance measurement period	Jan-19 to Dec-21	Jan-19 to Feb-22	Jan-19 to Jan-22	Jan-20 to Dec-22	Jan-21 to Dec-23	Jan-22 to Dec-24
Vesting period	July-19 to March-22	Jan-19 to Feb -22	Jan-19 to Jan-22	July-20 to March-23	July-21 to March-24	July-22 to March-25
Presence-based conditions	Present in Group throughout the vesting period (applicable for all LTI plans)					
Performance-based conditions	Level of performance (organic growth of signs and Profit on operating activities)	N/A	N/A	Level of performance (organic growth in signatures and Profit on operating activities)	Level of performance (Rule of 40 – organic growth in signatures plus Profit on operating activities and API Amplify revenue growth)	Level of performance (organic growth in signatures and Profit on operating activities)
Number of potential shares that may be granted at 1 January 2022	176,077	242,200	50,000	215,000	188,683	-
Number of shares granted in 2022	-	-	-	-	-	265,000
Number of shares cancelled in 2022	-	8,200	-	14,289	51,528	4,584

Plans	LTI Plan AOA – 2019	PAGA 2019 – Axway	Free Share Grant Plan Comex	LTI Plan BEYOND -2020	LTI Plan FOCUS -2021	LTI Plan ACHIEVE -2022
Total number of shares vested in 2022	176,077	234,000	50,000	-	-	-
Number of potential shares that may be granted at 31 December 2022	-	-	-	200,711	137,155	260,416
Income/(expense) recognised in the income statement for the fiscal year in thousands of euros	**-285**	**-8**	**-7**	**-1,657**	**-1,000**	**-518**

Patrick Donovan received 100,000, 100,000, 30,000 and 30,000 shares respectively under the LTI AOA, LTI Beyond, LTI Focus and LTI Achieve plans, as Chief Executive Officer of the Group. The corresponding expense in 2022 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)	31/12/2022	31/12/2021	31/12/2020
Short-term employee benefits[(1)]	1,794	1,046	1,457
Share-based compensation benefits	1,021	572	895
Total compensation of senior executives	**2,814**	**1,618**	**2,352**

(1) Short-term employee benefits include the fixed and variable components of compensation, as well as benefits in kind and directors' fees.

2022

The Board of Directors' meeting of 22 February 2023 recommended the payment of variable compensation of €803.3 thousand to Patrick Donovan for fiscal year 2022. This variable compensation will be voted on by the General Meeting scheduled for 11 May 2023, based on an amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

The General Meeting of 24 May 2022 set the amount of directors' fees to be shared among directors at €330 thousand.

Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2022.

2021

The Board of Directors' meeting of 22 February 2022 recommended the payment of variable compensation of €113 thousand to Patrick Donovan for fiscal year 2021. This variable compensation will be voted on by the General Meeting scheduled for 24 May 2022, based on an amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

The General Meeting of 25 May 2021 set the amount of directors' fees to be shared among directors at €330 thousand.

Share-based compensation benefits concern the valuation of services rendered by Patrick Donovan and compensated through the grant of performance shares in 2021.

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 was voted on by the General Meeting of 25 May 2021, based on the amount proposed by the Board of Directors, after taking account of the Compensation Committee's recommendations.

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.

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)	2022	2021	2020
Current tax	-2,622	-2,951	-2,859
Deferred tax	10,030	-3,962	-2,235
Total income tax expense	**7,408**	**-6,913**	**-5,095**

In 2022, the current tax expense concerns primarily Axway Gmbh in Germany for €1.6 million. The entity in France was not profitable in 2022 and the current tax expense represents the CVAE corporate value-added contribution of €0.3 million. In the United States, Axway Inc is profitable and the current tax expense is limited to State taxes of €0.4 million.

In 2022, the deferred tax expense changed significantly due to:

- the definition of tax planning based on a new transfer pricing policy applicable from 2023. Deferred tax assets were therefore recognised in respect of tax losses carried forward in loss making Group subsidiaries in 2022 in the amount of +€10.1 million;
- the reversal of a deferred tax liability on Syncplicity goodwill, representing a gain of €2.5 million;
- the recognition of a deferred tax liability (IFRS 15) on temporary timing difference relating to IFRS 15 for -€2.6 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)	2022	2021	2020
Net income	-40,041	9,604	8,478
Income tax expense	7,408	-6,913	-5,095
Profit (loss) before tax	-47,449	16,517	13,572
Theoretical tax rate	**25.83%**	**27.37%**	**28.92%**
Theoretical tax expense	**12,256**	**-4,521**	**-3,925**
Reconciliation			
Permanent differences	-8,140	1,300	-939
Impact of non-capitalised losses for the year	-335	-2,642	-4,008
Use of non-capitalised tax loss carry forwards	3,148	2,352	2,037
Impact of research tax credits	1,432	1,723	2,330
CVAE reclassification (net of tax)	-412	-352	-617
Capitalisation of prior year tax loss carry forwards	3,076	-3,594	1,574
Tax rate differences – France/Other countries	-3,523	-1,858	-487
Other	-95	679	-1,059
Actual tax charge	**7,408**	**-6,913**	**-5,095**
Effective tax rate	**15.61%**	**41.85%**	**37.54%**

The reconciliation of the theoretical and effective tax expense is based on the tax rate payable in France at Group parent company level. This rate comprises the corporate tax rate of 25.00%, plus the social contribution on profits of 3.3% representing an overall rate of 25.83%.

In 2022, the effective tax rate is 15.61%, down on 2021 (41.85%).

6.3 Tax impact of gains and losses recognised directly in other comprehensive income

	2022			2021			2020		
(in thousands of euros)	Gross	Tax impact	Net	Gross	Tax impact	Net	Gross	Tax impact	Net
Foreign exchange differences on net investments in subsidiaries	4,208	-	4,208	4,027	-	4,027	-5,687	-	-5,687
Calculated by difference	10,238	-	10,238	14,620	-	14,620	-14,784	-	-14,784
Translation adjustments	14,446	-	14,446	18,646	-	18,646	-20,471	-	-20,471
Actuarial gains and losses on pension plans	541	-123	418	797	-216	581	-600	170	-430
Total	**14,987**	**-123**	**14,864**	**19,444**	**-216**	**19,227**	**-21,071**	**170**	**-20,901**

6.4 Deferred tax assets and liabilities

6.4.1 Breakdown by maturity

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Deferred tax assets (DTA)			
• less than one year	6,105	1,077	-596
• more than one year	16,983	13,540	16,885

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Total DTA	**23,088**	**14,616**	**16,289**
Deferred tax liabilities (DTL)			
• less than one year	-235	-1,121	-645
• more than one year	-2,471	-2,748	-1,652
Total DTL	**-2,706**	**-3,870**	**-2,298**
Net deferred tax	**20,382**	**10,747**	**13,991**

Short-term deferred tax assets mainly relate to the intended use of tax loss carry-forwards in 2023 by Axway Inc., Axway Ireland and Axway Software SA.

Long-term deferred tax assets mainly relate to the intended use of tax loss carry-forwards by Axway Inc., Axway Ireland and Axway Software SA.

The other tax rates applied are prevailing tax rates at 31 December 2021 and particularly a tax rate of 21% for Axway Inc., 6.25% in Ireland and 25.83% in France.

6.4.2 Change in net deferred tax

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
At 1 January	10,747	13,991	17,235
Changes in scope of consolidation	-888	-	-
Tax – income statement impact	10,030	-3,962	-2,235
Tax – shareholders' equity impact	-113	-215	168
Foreign exchange gains and losses	606	934	-1,176
Other	1	-	-2
At 31 December	**20,382**	**10,747**	**13,991**

The income tax impact in the income statement of €10.0 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 €0.1 million.

Foreign exchange gains of €0.6 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)	31/12/2022	31/12/2021	31/12/2020
Differences related to consolidation adjustments			
Actuarial gains and losses	-336	-224	-21
Amortisation of revalued software packages	229	610	1,123
Fair value of amortisable allocated intangible assets	-811	-4,047	-4,232
Discounting of employee profit-sharing	0	2	12
Tax-driven provisions	-	-	-30
Capitalised tax losses	15,706	11,973	10,411
Customer contract assets (IFRS 15)	-16,126	-13,563	-10,134
Assets and liabilities on lease commitments (IFRS 16)	232	260	273

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Other	-1,201	45	-175
Temporary differences from tax returns			
Provision for retirement benefits	2,078	1,986	1,893
Provision for "Organic" tax	20	23	24
Capitalised tax losses	19,685	13,267	14,432
Provisions for contingencies (Group)	1,856	1,369	1,109
Other	905	414	415
Total	**20,382**	**10,747**	**13,991**

Tax losses capitalised on consolidation

Tax losses of €15.7 million capitalised on consolidation are attributable €12.8 million to Axway Software. In addition, tax losses of the nine subsidiaries were capitalised on consolidation in the amount of €2.9 million, based on the tax planning and the new transfer pricing policy.

Tax losses capitalised in the Company accounts

Tax losses capitalised in the parent company financial statements are attributable to Axway Inc. in the United States and Axway Ireland for €19.7 million, up on 31 December 2021 (€13.3 million).

Forecasts of future taxable profits, justifying the capitalisation or not of tax losses, were determined on the basis of substantiating evidence, with detailed estimates in a five-year business plan for the US subsidiary and a three-year business plan for the Irish subsidiary.

Business plans were prepared for all group entities. In summary, they mainly concern Axway Software SA, Axway Inc. and Axway Ireland:

Axway Software SA: As deferred tax liabilities total €22.3 million, the Group recognised a deferred tax asset of the same amount. The net deferred tax position of Axway Software SA is therefore nil at 31 December 2022. With the application of the transfer pricing policy, we expect a gradual improvement in taxable profits and consumption of prior year tax losses in the medium term.

Axway Software SA reported a tax loss of €17.6 million for 2022, mainly due to diverging revenue recognition methods between the IFRS accounts and the local accounts for the Customer Managed activity. These differences represented €55.2 million at the end of 2022. This revenue will primarily be recognised in the local accounts in 2023, 2024 and 2025.

Axway Inc.: tax losses recognised in the United States are capitalised in the amount of €85.9 million out of a total of €136.3 million, including research and development tax credits. Tax losses carried forward were capitalised based on expected taxable profits over the coming five years and represent a deferred tax asset of €18.0 million.

Axway Inc. reported a taxable profit of US$11.4 million for 2022.

From 2022, the Group applies the tax option provided in Section 59(e) of the US Internal Revenue Code for the capitalisation for tax purposes of research and development expenses which is now mandatory. At the end of 2021, the Group had not modelled this option in its forecasts, adopting a prudent approach, as ongoing discussions at US Internal Revenue Service level could call into question the mandatory nature of this clause.

This tax obligation enables Axway Inc. to generate additional taxable profits and to support the deferred tax asset recognised on tax losses carried forward at the end of 2022.

Axway Ireland: tax planning and the new transfer pricing policy described in Note 6.1 of this Chapter enabled the capitalisation of tax losses at 31 December 2022 in respect of expected taxable profits over the next three years. The Group considered it appropriate to restrict the future profit horizon for the capitalisation of losses to three years.

6.4.4 Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Tax losses carried forward	28,163	31,791	24,610
Temporary differences	-	-	-
Total	**28,163**	**31,791**	**24,610**

6.5 Maturity of tax losses carried forward

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Y+1	1,945	18,592	9,935
Y+2	401	9,077	15,917
Y+3	3,440	401	8,560
Y+4	1,664	3,440	1,732
Y+5 and subsequent years	139,084	95,576	101,199
Tax losses carried forward with a maturity date	146,533	127,086	137,343
Tax losses which may be carried forward indefinitely	160,764	126,153	90,542
Total	**307,297**	**253,239**	**227,886**
Deferred tax basis – portion used	174,609	110,253	108,475
Deferred tax basis – unused portion	132,687	142,986	119,410
Deferred tax – capitalised	35,391	25,241	24,842
Deferred tax – not capitalised	28,163	29,393	24,610

At 31 December 2022, deferred tax assets not recognised on tax losses carried forward amounted to €28.2 million and concerned the following entities: Axway Inc. in the United States (€10.6 million), Axway Software in France (€8.6 million), Axway Srl in Italy (€2.7 million), Axway Brazil (€2.7 million), Axway Romania (€1.5 million) and Axway Ireland (€1.0 million).

Axway Software

At 31 December 2022, capitalised tax losses totalled €12.8 million, while tax losses available for carry forward not capitalised totalled €33.3 million (tax base).

At 31 December 2021, capitalised tax losses totalled €11.2 million, while tax losses available for carry forward not capitalised totalled €22.3 million (tax base).

Axway Inc.

At 31 December 2022, capitalised tax losses totalled US$19.2 million, while tax losses available for carry forward not capitalised totalled US$53.8 million (tax base).

At 31 December 2021, capitalised tax losses totalled US$15.0 million, while tax losses available for carry forward not capitalised totalled US$59.4 million (tax base).

Axway Inc. tax losses carried forward essentially resulted from the acquisition of Cyclone in 2006, Tumbleweed Communications Corp, in 2008, Systar Inc. in 2014 and Appcelerator Inc. in 2016. These losses are subject to an overall time limit (20 years) as well as an annual limit on their use (US$8.1 million) imposed by US tax regulations following a change in shareholding structure.

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 2002 and 2022. At 31 December 2022, we estimate the total amount of research tax credits available for offset against taxable profits at US$64.4 million (tax 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, US$13.5 million in tax credits could be used between 2025 and 2042.

Note 7 Components of working capital requirements and other financial assets and liabilities

7.1 Non-current financial and other assets

Accounting policies, judgements and estimates

The Group classifies its financial assets into the following categories:

- assets measured at fair value through other comprehensive Income
- assets measured at fair value through profit and loss; and
- assets measured at amortised cost.

Classification depends on the purposes for which financial assets are acquired. Based on the management model, management decides on the appropriate classification at the time of initial recognition and reassesses this classification at each interim or annual reporting date.

The financial assets recognised by the Group are as follows:

a. Assets measured at fair value through other comprehensive income

This category comprises equity investments which the Group has elected to irrevocable classify in this category.

Changes in the fair value of these assets are recognised directly in equity and cannot be reclassified subsequently to the income statement. These assets are not impaired.

The Group currently holds no assets classified in this category.

b. Assets measured at fair value through profit and loss

This category consists of non-derivativefinancial assets that the Group has elected not to measure at fair value through other comprehensive income. It comprises financial assets held for trading (assets acquired primarily with a view to resale in the near term) and mainly investment securities and other cash equivalents. Changes in the fair value of assets of this category are recognised in the income statement in *Other financial income and expense*.

c. Assets measured at amortised cost (loans and receivables)

Loans and receivables are non-derivativefinancial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group remits funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value then subsequently measured at amortised cost using the effective interest method.

The Group has identified within this category:

- long-termloans and receivables classified in non-currentfinancial assets; and
- short-termcommercial receivables and other similar amounts. Current trade receivables are initially measured at the nominal value invoiced which generally equates to the fair value of the consideration to be received. Current trade receivables are described in Note 7.2.

d. Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets. The Group assess the credit risk associated with loans and receivables on issue. They may subsequently be impaired if the Group expects their expected recoverable amount to be less than their net carrying amount. Impairment of commercial receivables is recognised in the income statement and reversed in the event of a favourable change in the recoverable amount in Profit on operating activities. Impairment of loans and deposits is recorded in *Other financial income and expense.* The procedure for the impairment of commercial receivables is presented in Note 7.2.

The Group's non-currentfinancial and other assets mainly consist of loans and receivables.

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Loans and receivables	2,140	2,710	2,297
Non-current prepaid expenses	9,669	6,108	6,326
Total non-current financial and other assets	**11,810**	**8,817**	**8,622**

Non-current prepaid expenses consist of costs of obtaining contracts as presented in Note 4.1. They total €9.7 million at 31 December 2022 compared to €6.1 million at 31 December 2021.

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Other non-current receivables	319	819	502
Deposits and other non-current financial assets	1,821	1,890	1,794
Total loans, deposits and other non-current financial assets – net value	**2,140**	**2,710**	**2,297**

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 material.

Other non-current receivables concern the market-making agreement with Kepler.

7.2 Trade receivables

Accounting policies, judgements and estimates

This line item comprises short-term commercial receivables and other similar amounts.

Current trade receivables are initially measured at the nominal value invoiced which generally equates to the fair value of the consideration to be received. The impact of discounting would be negligible given that the Group's average credit period is sixty days.

The credit risk analysis pursuant to IFRS 9, *Financial instruments*, does not identify any significant impact.

The nature of the Group's customers, which exhibit a low credit risk, and the policy of recording a systematic impairment for receivables beyond a certain maturity, enables the Group to take account of the credit risk on trade receivables. Trade receivables are impaired as follows: 50% for invoices past due more than six 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 2023 for this period) and the corresponding trade receivables not settled at the reporting date (31 December 2022) were offset in the balance sheet.

Services rendered but not yet, or only partially, invoiced are recorded in the balance sheet under *Trade receivables* in *Customer contract assets* (see Note 4.1).

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Trade receivables	65,982	50,350	50,783
Provision for doubtful receivables	-1,680	-1,026	-1,686
Trade receivables-net value	**64,302**	**49,324**	**49,097**
Customer contract assets	83,847	55,778	38,988
Total	**148,149**	**105,102**	**88,085**

DSO for Trade receivables: 155 days

Net trade receivables, expressed in days sales outstanding, corresponded to 155 days at 31 December 2022, up compared to the end of 2021 (121 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: 68 days

DSO is 68 days, up on fiscal year 2021 (57 days). This increase is due to the recognition of significant receivables that could not be settled before the year end.

DSO for Customer contract assets: 87 days

Movements during the period in customer contract assets reflect the emergence of invoicing rights transforming customer contract assets into trade receivables and revenue recognition leading to the emergence of new customer contract assets (Customer Managed Subscriptions).

The DSO for this line item at 31 December 2022 is 87 days, compared to 63 days at 31 December 2021. This increase is due to strong growth in Customer Managed revenue in 2022.

7.2.1 Maturity of trade receivables

(in thousands of euros)	Carrying amount	Of which: not 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	65,982	50,170	7,419	2,950	2,499	912	1,462	570

7.2.2 Changes in provisions for doubtful receivables

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Impairment of trade receivables at start of period	1,026	1,686	1,413
Charges	931	516	934
Reversals	-283	-1,231	-610
Changes in scope of consolidation	-	-	-
Translation adjustments	7	55	-50
Impairment of trade receivables at end of period	**1,680**	**1,026**	**1,686**

7.3 Other current receivables

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Employees and social security bodies	649	427	500
Tax receivables (other than income tax)	10,166	10,190	14,701
Income tax	1,615	1,633	1,479
Other receivables	2,545	2,403	2,713
Advance lease payments – IFRS 16	-20	-20	-22
Prepaid expenses	15,687	13,173	12,796
Total other current assets	**30,642**	**27,806**	**32,167**

Tax receivables total €10.2 million and mainly concern research tax credits obtained in France (€5.5 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 which are presented in Note 4.1.

Tax receivables: research tax credit

CIR research tax credit receivables are sold to Credit 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)				Repaid by the tax authorities:	
Fiscal year	**Year of CIR financed**	**Amount of CIR financed**	**CIR receivable finance company**	**Year**	**Amount**
CIR research tax credit repaid by the tax authorities					
2014	2011	5,793	Natixis	2015	In the amount expected
	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

(in thousands of euros)				**Repaid by the tax authorities:**	
2016	2015	8,993	Natixis	2019	In the amount expected
2017	2016	9,068	Credit Agricole	2020	In the amount expected
2018	2017	10,216	Credit Agricole	2021	In the amount expected
2019	2018	7,890	Credit Agricole	2022	In the amount expected
CIR research tax credit not yet repaid by the tax authorities					
2020	2019	8,254	Credit Agricole	-	-
2021	2020	7,960	Credit Agricole	-	-
2022	2021	6,295	Credit Agricole	-	-

At 31 December 2022, receivables sold to Credit Agricole and not yet repaid by the tax authorities total €22,510 thousand.

Analysis of the derecognition of research tax credit receivables

The main criteria for derecognition is the transfer of substantially all the risks and rewards associated with the receivable. While the credit risk and late payment risk are effectively transferred to Credit Agricole, the tax risk is not transferred. In the event the French State challenges the amounts reported, our contract with Credit Agricole provides for the reimbursement of the rejected research tax credits.

Our analysis demonstrated that derecognition is acceptable in that the tax risk is considered immaterial. Axway Software was the subject of two tax audits covering fiscal years 2009 to 2011 and fiscal years 2014 to 2016. These audits did not identify any adjustments to the research tax credit amounts reported. The methods for determining projects and expenditure eligible for research tax credits and their review by our teams are unchanged since these tax audits.

On this basis, we consider that the financing of transferred research tax credits can be derecognised.

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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)	**31/12/2022**	**31/12/2021**	**31/12/2020**
Other non-current debts	205	205	743
Customer contract liabilities – non-current	929	1,524	1,667
Sub-total other non-current liabilities	**1,133**	**1,729**	**2,410**
Other provisions for contingencies and losses – non-current	7,880	8,043	8,351
Total other non-current liabilities including non-current provisions	**9,013**	**9,772**	**10,761**

Movements concern Maintenance revenue and reflect:

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

The majority of non-current deferred income at 31 December 2021 was transferred to current deferred income in 2022.

Provisions for retirement termination benefits total €6.8 million (see Note 5.3 b) and are recorded in *Other provisions for contingencies and losses*. Provisions for contingencies and losses of €0.3 million (see Note 10) and provisions for other long-term employee benefits in Italy of €0.8 million are also included in *Other provisions for contingencies and losses*.

7.5 Trade accounts payables

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Trade payables	2,606	2,245	2,918
Accrued expenses	8,664	8,654	10,860
Total trade accounts payables	**11,271**	**10,899**	**13,778**

7.6 Current deferred income

Accounting policies, judgements and estimates

Current deferred income, representing customer contract liabilities, is presented in Note 4.1. Movements reflect:

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

To avoid the overstatement of asset and liability accounts, the Group offset the following items in the balance sheet:

- deferred income concerning periods after 1 January following the reporting date (1 January 2023 for this period); and
- the corresponding trade receivables not settled at the reporting date (31 December 2022).

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Customer contract liabilities	55,628	55,826	54,692
Total current customer contract liabilities	**55,628**	**55,826**	**54,692**

The majority of customer contract liabilities at 31 December 2021 were recognised in revenue in 2022.

Deferred maintenance income decreased €3.7 million in one year. It is down €2 million at constant exchange rates in line with the expected attrition on these contracts as part of the transformation of the business model.

Deferred Subscription income increased €3.9 million between 2021 and 2022. This increase is consistent with the growth in Subscription activities ("Axway Managed").

7.7 Other current liabilities

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Amounts payable on non-current assets	-	125	276
Advances and payments on account received for orders	101	85	105
Employee-related liabilities	34,314	24,945	34,122
Tax-related liabilities	7,511	6,313	5,840
Income tax	968	1,151	1,369
Other liabilities	4,678	2,525	2,640
Total other current liabilities	**47,573**	**35,145**	**44,353**

The increase in employee-related liabilities is due to the increase in provisions for bonuses and commission in respect of material contracts signed at the year end. Other liabilities comprise restructuring costs payable of €0.4 million.

Note 8 Property, plant and equipment, and intangible assets

8.1 Goodwill

Accounting policies, judgements and estimates

Goodwill

For each business combination, the Group may elect to recognise under balance sheet assets:

- either partial goodwill (corresponding only to its percentage ownership interest);
- or full goodwill (also including the goodwill corresponding to non-controlling interests).

This choice is made individually for each acquisition. The business combination method is presented in Note 8.1.2.

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss, after having verified that all assets and liabilities were correctly identified.

Goodwill is allocated to a single cash-generating unit for the purpose of impairment testing under the conditions detailed in Note 8.2.2. Tests are performed whenever there is an indication of impairment loss and systematically at the reporting date (31 December).

Business combinations

The Group applies IFRS 3 (revised) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that does not constitute a business combination is recognised in accordance with the standards applicable to these assets (IAS 38, IAS 16 and IFRS 9).

Since IFRS 3, revised, entered into mandatory effect on 1 January 2010, the Group applies the following principles:

- transaction costs are immediately expensed under Other operating expenses when they are incurred;
- for each business combination, the Group determines whether to opt for recognition of "full goodwill", *i.e.* including the share of goodwill attributable to non-controlling interests at the acquisition date (measured at fair value), or "partial goodwill", which amounts to measuring the share of goodwill attributable to non-controlling interests in proportion to those interests' share in the fair value of the identifiable net assets acquired;
- any potential price adjustment is estimated at its fair value on the acquisition date. This initial measurement can be adjusted subsequently through goodwill only where there is new information relating to circumstances existing at the acquisition date, and the new measurement is made during the measurement period (12 months). Any adjustment to the financial liability recognised after the measurement period in respect of earn-outs, where it does not meet these criteria, is recognised through Group comprehensive income.

All business combinations are recognised by applying the acquisition method, which consists of:

- measuring and recognising at fair value at the acquisition date the identifiable assets acquired and liabilities assumed. The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- measuring and recognising at the acquisition date the difference referred to as "goodwill" between:
  - the sum of the purchase price for the company acquired plus the amount of any non-controlling interests in that entity, and
  - the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group effectively obtains control of the company acquired.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of components of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any components serving as consideration for any transaction separate from the attainment of control.

If the initial accounting of a business combination can only be determined provisionally before the end of the reporting period in which the combination was performed, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values following completion of initial accounting within 12 months of the acquisition date.

8.1.1 Changes in goodwill

The principal movements in 2021 and 2022 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2020	**338,958**	**8,652**	**330,306**
Acquisitions	-	-	-

(in thousands of euros)	Gross value	Impairment	Net
Translation adjustments	17,982	-38	18,020
31 December 2021	**356,940**	**8,613**	**348,326**
Acquisition of DXchange	12,431	-	12,431
Disposal of Syncplicity	-77,269	-	-77,269
Translation adjustments	14,163	-140	14,303
31 December 2022	**306,265**	**8,473**	**297,792**

8.1.2 Determining goodwill for business combinations

DXchange – Axway Software acquired the entire share capital of DXchange Technologies Private Limited in India on 15 June 2022. The Axway Group also acquired, through DXchange, the entire share capital of the subsidiary DXvmt in India.

Axway Software completed this transaction for a consideration of €8.9 million, paid in 2022. In addition, the Group recognised a financial liability of €4.8 million corresponding to a variable earn-outpayable based on sales over the next five years.

At this stage, work to identify the assets acquired and liabilities assumed has enabled the identification, measurement and recognition of business software in the amount of €3.6 million.

Pursuant to IFRS 3, goodwill arising on the acquisition of DXchange will become definitive at the end of the allocation period on 15 June 2023.

Provisional goodwill currently breaks down as follows:

(in thousands of euros)	At 31/12/2022
Acquisition price	8,910
Present value of earn-outs	4,802
Acquisition cost	**13,712**
Net assets acquired, excluding existing goodwill	-817
Intangible assets allocated, net of deferred tax	2,098
Goodwill (DXchange)	**12,431**

DXchange provisional net assets are as follows:

(in thousands of euros)	Carring amount in the seller's accounts	Restatements	Fair value
Intangible assets	618	3,011	3,629
Property, plant and equipment	8	-	8
Current assets	91	-	91
Cash and cash equivalents	0	-	0
Financial liabilities	-902	-	-902
Differed tax liabilities	-0	-913	-914
Current liabilities	-631	-	-631
Net assets acquired	**-817**	**2,098**	**1,281**

Syncplicity – The Group completed the rationalisation of its product portfolio in 2022. The Syncplicity activity was sold in October 2022. Goodwill relating to this activity was therefore removed from balance sheet assets through the recognition of an operating expense of €77.3 million.

No acquisitions were performed in 2020 and 2021.

8.1.3 Translation adjustments

Changes in exchange rates on goodwill relate mainly to fluctuations in the euro against the following currencies:

Change euro/currency (in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
USD	15,813	18,459	-20,421
SEK	-1,510	-415	777
Other currencies	-0	-23	-26
Total	**14,303**	**18,020**	**-19,670**

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 (CGUs) to which assets are allocated. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Axway Group 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, Streamdata.io in France in 2019, DXchange in India in 2022.

All of the products developed, whether internally through research and development or resulting from acquisitions are integrated in a common technical platform.

The Axway Group has therefore developed a catalogue of largely independent products through acquisitions and investment in research and development. Purchased products were developed and integrated with other purchased products or products developed internally.

Axway products do not target a specific market. There is no active market for each Group asset. All Group products target all markets in which Axway operates. All Group assets target all Group customers wherever they are located. Our customers are often international groups who purchase Axway products for all their subsidiaries.

In view of the global nature of products and markets, a breakdown by country of the contribution to Axway Group's results would not be meaningful. Cash inflows from business in different countries are not therefore considered to be separate from cash inflows generated by the activities of other countries. Axway as a whole is therefore considered as the smallest grouping of assets that generates broadly independent cash inflows. Since Axway operates as a global software developer on a global market, the Group is treated as a single cash-generating unit for the purposes of impairment testing.

Axway has chosen to operate as a global software developer whose main markets are the USA and Europe. We are positioned in a highly integrated business sector: the development and marketing of a suite of infrastructure software enabling data exchange within and outside companies. Our sales teams are organised by country, region, vertical, programme or expertise within or outside a country's traditional borders. Our Marketing Department is responsible for strategic management and the go-to-market for all of Axway, supporting marketing campaigns conducted at both global and local level. The product development teams and the customer support teams are located across nine countries, with each team responsible for several products. Our intellectual property, both purchased and developed, is constantly integrated into new product offerings or the unified platforms. We do not therefore monitor any separate cash-generating units, other than at consolidated level. The Group is therefore treated as a single cash-generating unit for the purposes of impairment testing.

Methods for measuring value-in-use

In accordance with IAS 36, where the carrying amount of a cash-generating unit to which goodwill has been allocated is tested for impairment and exceeds its fair value less costs to sell (or where it is not possible to determine the fair value less costs to sell), the carrying amount of the CGU is compared to its value-in-use.

The value-in-use is determined by discounting future cash flows (DCF method).

In order to reflect, over an appropriate period, the impacts of the transformation of our economic model, from a model based on the sale of licenses to a Subscription model, a five-year business plan was drafted. A declining growth rate was then applied progressively over the extrapolation period as authorised by IAS 36.33 (c). In this way, the perpetual growth rate is not immediately applicable after the five-year business plan. The perpetual growth rate is applied to the terminal value calculated based on the last year of the extrapolation period.

The discounted cash flow method is applied using forecast five-year business plans and trend assumptions for working capital and investment.

The terminal value of the CGU was calculated based on the last flows modelled, using two major financial parameters: the perpetual growth rate and the discount rate.

By discounting these cash flows we obtain the enterprise value. The equity value is then calculated by deducting debt and adding cash and cash equivalents.

Measurement of impairment losses

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to the income statement in *Other operating income and expenses*. Impairment losses on goodwill cannot be reversed.

Axway's fair value based on its market capitalisation at 31 December 2022 is €360.2 million (€353.0 million less 2% selling costs), which exceeds the value of consolidated equity.

Pursuant to IAS 36, *Asset impairment*, Axway's value in use need not necessarily be determined at 31 December 2022. Nonetheless, in accordance with AMF recommendations and to further strengthen its transparency, Axway determined its value in use again at 31 December 2022.

The Group considers that the transformation of its business model to a Subscription-based model launched in 2018 automatically led to a reduction in cash flows generated in the initial implementation phase. At the same time, the Group noted volatility in its share price on the markets in recent months. Finally, macro-economic conditions, with an increase in inflation and interest rates, impact future cash flows. The Group therefore considers that it is necessary to calculate the value in use using the discounted cash flow method at 31 December 2022.

The IAS 36 asset *Impairment test* methodology described below was adapted to the level of risk. This methodology is based on the definition of a single scenario estimated by Management.

Test carried out

The business plans mainly comprise internal data defined by Axway management based on their knowledge of the markets where Axway operates and taking account of the economic outlook.

These assumptions are compared each year with actual performance. If actual Group performance differs significantly from performance forecast in the business plans, for better or worse, the business plan assumptions are revised for subsequent years.

Following on from the *Impairment test* performed in 2018 covering a ten-year period (2019 to 2028), the 2022 *Impairment test* is based on a six-year period (2023 to 2028), comprising a five-year business plan (2023 to 2027) and a one-year extrapolation period (2028).

In accordance with the Group methodology, detailed above, the 2022 *Impairment test* on non-current assets grouped together in the Axway cash-generating unit, was performed in three stages:

1. **for years 1 to 5:** the scenario presented by Axway in its *Impairment tests* is based on a business plan with a revenue mix more favourable to Axway Managed over the medium term than Customer Managed.

   It is recalled that under the Axway Managed model revenue is recognised over the contract term, while under the Customer Managed model approximately 50% of revenue is recognised on contract signature and the remainder is spread over the contract term.

   Impairment tests were performed based on the following operating assumptions:

   - organic revenue growth of between 2% and 3.5% per year,

- increase in Profit on operating activities, with a range of 15% to 20% over the period 2023 to 2027;

1. **for year 6:** an extrapolation period, based on a one-year projection of 2027 cash flows (2028), using an annual growth rate declining progressively in the sixth year;
2. **from year 7 onward:** cash flows are calculated by applying a perpetual growth rate of 1.83% to the last modelled flow in 2028. This rate reflects forecast long-term real economic growth, adjusted for forecast long-term inflation.

For fiscal year 2022, the value-in-use calculated according to the discounted cash flow method amounted to €624.1 million, with a discount rate of 9.20% and a perpetual growth rate of 1.83%. The discount rate is the result of the uniform average of analysts' weighted average cost of capital components and intermediary approaches. The perpetual growth rate is equal to the uniform average of analysts' rates.

		Discount rate		
Value *(in millions of euros)*		**8.70%**	**9.20%**	**9.70%**
Perpetual growth rate	**1.43%**	644.5	597.5	556.2
	1.83%	675.6	624.1	579.1
	2.23%	710.6	653.7	604.4

The recoverable amount of Axway's CGU is therefore €624.1 million and corresponds to its value-in-use taking into account the net debt.

The carrying amount of the Axway CGU is the amount of its consolidated shareholders' equity at 31 December *i.e.* €327.8 million, re-stated for IFRS 16 impacts. On this basis, the recoverable amount is higher than the carrying amount, and it is not therefore necessary to recognise any impairment of the goodwill and intangible assets allocated to the Axway cash-generating unit at 31 December 2022.

At 31 December 2022, the headroom is €296 million calculated as follows.

Value in use – Business plan	
Value of capital tested	**328**
Net debt	**99**
Capital employed tested	**427**
Value in use	**723**
Headroom	**296**

Impairment tests comprise net debt increased to include lease liabilities (€29.2 million).

For fiscal year 2021, Impairment testing led to the retention of goodwill values. The recoverable amount of Axway's CGU was €771.0 million. Market capitalisation less costs to sell was €570.3 million compared to consolidated shareholders' equity of €372.2 million.

Impairment testing carried out at the end of 2020, 2021 and 2022 did not lead to the recognition of an impairment loss.

Sensitivity tests on the discount rate

In addition to these sensitivity tests, the Group considers that a 5.40 point increase in the discount rate would be necessary for the recognition of the first euro of impairment.

8.3 Other intangible assets

Accounting policies, judgements and estimates

Assets purchased separately

Assets purchased separately comprise software packages recorded at purchase cost and amortised on a straight-line basis over one to ten years depending on their estimated useful lives.

Assets acquired as part of a business combination

These assets comprise software packages, customer bases, brands and distributor relations. They are recognised at fair value on the allocation of the purchase price of entities acquired in business combinations. These assets are amortised on a straight-line basis over 5 to 15 years, depending on their estimated useful lives.

Assets generated internally

In application of IAS 38, *Intangible assets:*

- all research expenses are recognised as charges in the year they are incurred;
- software package development costs are capitalised if the six following conditions are satisfied:
  - it must be technically feasible to complete development of the intangible asset so that it will be available for use or sale,
  - the Group must have the intention of completing development of the intangible asset and of using or selling it,
  - the Group must be able to use or sell the intangible asset,
  - the Group must be able to demonstrate that the intangible asset will generate probable future economic benefits,
  - the Group must provide adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
  - the Group must be able to measure reliably the expenditure attributable to the intangible asset during its development.

No development expenses for software packages are recognised under intangible assets if any one of the above conditions are not met.

In view of the specific nature of the software development business, the determining criteria is the technical feasibility of completing the product and the manner in which the asset will generate probable future economic benefits.

The risks and uncertainties inherent to software development do not allow the technical feasibility of a product to be demonstrated before a demo version that can be shown to a prospective customer is available. The differences between a demo version and the final version are generally minor, which means that the costs incurred in this development phase, which may be capitalised, are not significant.

Changes in intangible assets are presented below:

(in thousands of euros)	Customer base	Technologies	Brands	Other	Total
Gross value					
31 December 2020	**40,538**	**44,573**	**236**	**19,509**	**104,857**
Translation adjustments	1,572	2,557	20	210	4,358
Acquisitions	-	-	-	14	14
Disposals	-	-	-	-1,075	-1,075
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-
31 December 2021	**42,110**	**47,130**	**256**	**18,658**	**108,154**
Translation adjustments	1,406	2,047	16	239	3,709
Acquisitions	-	-	-	124	124
Disposals	-4,748	-12,567	-	-	-17,315
Other movements	-	-	-	-	-
Changes in scope of consolidation	-	3,524	-	-	3,524
31 December 2022	**38,768**	**40,135**	**272**	**19,020**	**98,194**
Amortisation					
31 December 2020	**31,701**	**29,755**	**236**	**19,809**	**81,501**
Translation adjustments	1,408	1,804	20	200	3,432
Charges	4,232	4,394	-	608	9,234
Reversals	-	-	-	-1,086	-1,086
Other movements	-	-	-	-	-

(in thousands of euros)	Customer base	Technologies	Brands	Other	Total
Changes in scope of consolidation	-	-	-	-	-
31 December 2021	**37,341**	**35,954**	**256**	**19,530**	**93,081**
Translation adjustments	1,323	1,606	16	151	3,095
Charges	1,777	3,720	-	352	5,850
Reversals	-	-	-	-1	-1
Other movements	-3,659	-7,996	-	-860	-12,515
Changes in scope of consolidation	-	-	-	-	-
31 December 2022	**36,782**	**33,284**	**272**	**19,173**	**89,510**
Net value					
31 December 2021	**4,769**	**11,176**	**-**	**-872**	**15,073**
31 December 2022	**1,986**	**6,851**	**-**	**-153**	**8,685**

This line item mainly includes intangible assets (customer bases, technologies, brands) allocated during the purchase price allocation process following business combinations. Amortisation of these allocated intangible assets is recorded in *Profit from recurring operations*.

Other movements reflect the sale of the Syncplicity and Mailgate activities in 2022 and the discontinuation of the Streamdata technology (see Note 4.4).

Allocated intangible assets break down as follows:

	Residual period of amortisation (in years)
Tumbleweed – Technologies *(purchased in September 2008)*	0.4
Systar – Technologies *(purchased in April 2014)*	1.3
Systar – Customer base *(purchased in April 2014)*	3.3
Appcelerator – Technologies *(purchased in January 2016)*	2.1
DXchange – Technologies *(purchased in June 2022)*	9.0

No expenditure incurred in developing the Group's solutions and software packages was capitalised, either in 2022 or in previous years.

In 2022, research and development expenditure recognised in the income statement totalled €57.3 million, or 18.2% of revenue.

In 2021, research and development expenditure recognised in the income statement totalled €55.3 million, or 19.4% of revenue.

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 is not renewed are also included in disposals.

	Expected useful lives of various PP&E categories
Fixtures and fittings	3 to 10 years according to the lease terms
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 2020	**13,899**	**29,286**	**43,186**
Translation adjustments	465	643	1,108
Acquisitions	281	2,425	2,706
Disposals	-297	-7,040	-7,337
Other movements	-666	666	-
Changes in scope of consolidation	-	-	-
31 December 2021	**13,682**	**25,981**	**39,663**
Translation adjustments	347	351	698
Acquisitions	402	1,664	2,066
Disposals	-132	-861	-992
Other movements	-	-	-
Changes in scope of consolidation	-	10	10
31 December 2022	**14,299**	**27,145**	**41,445**
Depreciation			
31 December 2020	**4,804**	**22,960**	**27,765**
Translation adjustments	74	547	622
Charges	1,339	2,915	4,254
Reversals	-	-	-
Other movements	-222	-7,028	-7,249
Changes in scope of consolidation	-	-	-
31 December 2021	**5,996**	**19,395**	**25,391**
Translation adjustments	50	263	314
Charges	1,381	2,820	4,201
Reversals	-	-	-
Other movements	-109	-823	-932
Changes in scope of consolidation	-	-2	-2
31 December 2022	**7,318**	**21,653**	**28,971**
Net value			
31 December 2022	**7,687**	**6,585**	**14,272**
31 December 2022	**6,981**	**5,493**	**12,473**

In 2022, Group investments in property, plant and equipment totalled €2.1 million and concerned IT facilities (central systems, workstations and networks) for €1.7 million.

Note 9 Leases

Accounting policies, judgements and estimates

Leases are recognised in the balance sheet at the lease start date, which is the date at which the lessor makes the underlying asset available to the lessee. Leases lead to the recognition of a *Lease right-of-use asset* in balance sheet assets and a *Lease liability* in balance sheet liabilities.

The lease liability is equal to the present value of future minimum lease payments discounted over the lease term at either the implicit rate in the lease, or the incremental borrowing rate of the lessee. The contract term takes into account firm periods and any renewal or termination options that are reasonably certain to be exercised.

At the lease start date, the lease right-of-use asset is equal to the lease liability. This value is potentially corrected for any initial direct costs incurred to obtain the contract, payments in advance, advantages received from the lessor at that date and any costs that the lessee will be required to incur to dismantle and remove the underlying asset.

Future minimum lease payments include fixed lease payments, variable lease payments that depend on an index or a rate, residual value guarantees and the price of exercising a purchase option and termination or non-renewal penalties, where the Group reasonably expects to exercise or not exercise these options. Certain of these amounts may change during the course of the lease, resulting in an upward or downward revaluation of the lease liability and the right-of-use asset. The payments do not include any service components potentially included in the lease which continue to be expensed to income.

In the balance sheet, *Lease liabilities* are split between current and non-current liabilities. Lease right-of-use assets are depreciated on a straight-line basis over the lease term or the useful life of the underlying asset, if the lease transfers ownership of the asset to the lessee or if the lessee is reasonably certain to exercise a purchase option.

In the income statement, depreciation is included in *Depreciation and amortisation, provisions and impairment* under *Profit on ordinary activities*. The net interest on the lease liability is presented separately in *Other financial income and expense*.

In the statement of cash flows, depreciation is included in Depreciation and amortisation, provisions and impairment under Net cash from (used in) operating activities. The change in the lease liability (lease payments made) and the net interest on the lease liability are recorded under Net cash from (used in) financing activities.

Finally, by exception, short-term leases of a period of less than 12 months and leases of low value assets with an individual value of less than US$5,000, are expensed directly to income and not therefore restated in the balance sheet. Similarly, variable lease payments based on use of the underlying asset or revenue generated by use of the underlying asset are expensed directly to income.

9.1 Lease right-of-use asset by category

(in thousands of euros)	Leased properties	Leased vehicles	Total
Gross value			
31 December 2021	**39,242**	**1,145**	**40,387**
Changes in scope of consolidation	-	-	-
Acquisitions	793	146	939
Disposals – assets scrapped	-3,378	-241	-3,619
Other movements	465	147	612
Translation adjustments	839	-4	835
31 December 2022	**37,962**	**1,192**	**39,154**
Depreciation			
31 December 2021	**-16,087**	**-755**	**-16,842**
Changes in scope of consolidation	-	-	-
Charges	-5,171	-315	-5,486

(in thousands of euros)	Leased properties	Leased vehicles	Total
Disposals – assets scrapped	3,249	223	3,471
Other movements	8	113	121
Translation adjustments	-281	2	-279
31 December 2022	**-18,281**	**-733**	**-19,015**
Net value			
31 December 2021	**23,156**	**389**	**23,545**
31 December 2022	**19,681**	**459**	**20,139**

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	More than 5 years
Lease liabilities	29,242	5,774	23,468	6,028	5,171	4,458	1,593	6,218

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)	01/01/2022	Changes in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other movements	31/12/2022
Provisions for disputes	535	-	415	-45	-	-	905
Provisions for guarantees	130	-	10	-	-	0	140
Other provisions for contingencies	116	-	3	-	-13	3	109
Sub-total provisions for contingencies	**781**	**-**	**428**	**-45**	**-13**	**3**	**1,154**
Tax provisions	-	-	-	-	-	-	-
Restructuring provisions	-	-	437	-	-	-3	435
Other provisions for losses	108	-	1	-19	-	-	90
Sub-total provisions for losses	**108**	**-**	**439**	**-19**	**-**	**-3**	**525**
Total	**889**	**-**	**866**	**-64**	**-13**	**0**	**1,679**

(in thousands of euros)	01/01/2022	Changes in scope of consolidation	Charge for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other movements	31/12/2022
Impact (net of expenses incurred)							
Profit from recurring operations			427		-13		
Operating profit			437		-		
Net financial income			2		-		
Income tax expense			-		-		
Total			**866**		**-13**		

- provisions for disputes relate to labour arbitration proceedings and employee severance payments (€905 thousand at 31 December 2022);
- provisions for guarantees reflect an obligation to our customers in Germany to cover potential guarantee risks for €140 thousand;
- other provisions for contingencies cover costs relating to premises in Germany and the United States for a total of €109 thousand;
- restructuring provisions total €435 thousand, including €313 thousand in France and €82 thousand in the USA;
- other provisions for losses comprise seniority provisions in Germany for €90 thousand.

10.2 Contingent liabilities

Accounting policies, judgements and estimates

To the extent that a loss or liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group in commitments given.

There are no contingent liabilities at 31 December 2022.

Note 11 Financing and management of financial risks

11.1 Cost of net financial debt

(in thousands of euros)	2022	2021	2020
Income from cash management	40	69	61
Interest expense	-1,382	-560	-665
Costs of net financial debt	**-1,342**	**-491**	**-604**
Net interest on lease liabilities	-725	-811	-809
Total cost of net financial debt	**-2,068**	**-1,302**	**-1,413**

In 2022, interest expenses primarily concern interest on the Revolving Credit Facility (RCF), as well as research tax credit financing costs of €652 thousand in 2022.

The discounting of the DXchange earn-out represented a financial expense of €125 thousand in 2022.

11.2 Other financial income and expense

Accounting policies, judgements and estimates

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies.

Foreign exchange gains and losses relating to inter-company loans are considered an integral part of the Group's net investment in the foreign subsidiaries in question. These foreign exchange gains and losses are recorded as a separate component of equity under the heading *Translation reserves* in accordance with IAS 21.

(in thousands of euros)	2022	2021	2020
Foreign exchange gains and losses	**1,891**	**643**	**-2,503**
Reversal of provisions	-1	-2	-2
Other financial income	184	43	0
Total foreign exchange gains/losses and other financial income	**2,074**	**685**	**-2,505**
Charges to provisions	-0	-0	-1
Discounting of retirement benefit commitments	-78	-90	-120
Change in the value of derivatives	121	127	178
Other financial expenses	-1,096	-181	-209
Total other financial expenses	**-1,053**	**-144**	**-152**
Total other financial income & expense	**1,021**	**541**	**-2,657**

A breakdown of the line item *Discounting of retirement benefit commitments* is presented in Note 5.3

11.3 Cash and cash equivalents

Accounting policies, judgements and estimates

Cash and cash equivalents comprise cash, bank demand deposits, other highly liquid investments with initial maturities not exceeding three months and bank overdrafts. Bank overdrafts are included in *Financial debt – short-term portion.*

In accordance with IAS 7, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

UCITS classified by the AMF (French Financial Markets Authority) as “monetary” and “short-term monetary” are presumed to satisfy the four key criteria already mentioned. Eligibility of the other cash UCITS as “cash equivalents” has not been presumed: an analysis of compliance with the four criteria cited is required.

Cash equivalents are recognised at fair value; changes in fair value are recognised in the income statement in *Other financial Income and expense.*

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), investment securities that meet the definition of cash equivalents, bills of exchange presented for collection and due before the reporting date and temporary bank overdrafts.

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Cash	18,325	25,355	16,165
Cash and cash equivalents	**18,321**	**25,355**	**16,165**
Bank overdrafts	-14	-153	-14
Total	**18,308**	**25,202**	**16,151**

Cash and cash equivalents (excluding bank overdrafts) of €18.3 million at 31 December 2022 are held €2.2 million by the parent company, €6.3 million by Axway Inc. in the United States and €9.8 million by the other subsidiaries.

Among the other subsidiaries, entities in Brazil and China hold cash of €1.6 million and €0.5 million respectively at 31 December 2022, compared to €1.9 million and €0.6 million at 31 December 2021. 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;
- other various financial debts;

these mainly concern earn-out clauses representing a change in the initial acquisition price of a company;

The portion of financial debt due within 12 months from the reporting date is classified in current liabilities.

(in thousands of euros)	Current	Non-current	31/12/2022	31/12/2021	31/12/2020
Bank borrowings	3,295	79,332	82,627	61,731	40,217
Other financial debt	-82	5,262	5,179	-70	-20
Bank overdrafts	-	-	-	153	14
Financial debt	**3,213**	**84,594**	**87,806**	**61,815**	**40,211**
Cash and cash equivalents	-18,321	-	-18,321	-25,355	-16,165
Net debt	**-15,109**	**84,594**	**69,485**	**36,459**	**24,046**

Reconciliation with the cash flow statement

Opening bank borrowings	**61,731**	**40,217**	**42,569**
Cash flow movements:			
• Proceeds from borrowings	32,820	60,000	-
• Repayment of borrowings	-12,109	-38,457	-2,360
Non-cash flow movements	185	-29	8
Closing bank borrowings	**82,627**	**61,731**	**40,217**

At 31 December 2022, bank borrowings total €82.6 million and comprise:

- a draw down on the Revolving Credit Facility (RCF) in the amount of €81.9 million;
- another bank borrowing with BPI of €0.7 million.

In addition, the Group recognised a debt of €4.8 million in respect of the variable earn-out payable to the seller of DXchange in India.

Comments on the RCF

At 31 December 2022, €43.1 million (34%) of the €125 million RCF was available.

Three further drawdowns were performed on the RCF in 2022: two draw-downs denominated in euros totalling €15 million and one draw-down in US dollars of US$18 million. In addition €10 million was repaid in 2022.

In 2021, two further drawdowns were performed on the RCF. In September 2021, the Group performed an initial drawdown of €10 million. This was followed by a second drawdown of €50 million in November 2021, after repayment of the €36 million drawdown performed in November 2017.

Comments on other bank borrowings

The €5 million loan from BPI France, contracted in July 2016, is being repaid in line with its seven-year repayment schedule. It is not subject to any financial covenants. The Group repaid €1 million in 2022 and outstanding capital at 31 December 2022 is €750 thousand.

At 31 December 2022, Axway also sold €5.6 million of its "CIR" research tax credits to Credit Agricole. This assignment of receivables was deconsolidated (see Note 7.3).

Comments on other financial debts relating to the earn-out

The Group recognised a debt of €4.8 million in respect of the variable earn-out payable to the former shareholders of DXchange in India. This earn-out was valued based on a 5-year progressive business plan for the DXchange technology covering the period 2023 to 2027. This earn-out may therefore vary upwards or downwards depending on actual revenue generated by the purchased technology. The earn-out will be paid progressively over the period 2024 to 2028. Future amounts were discounted at a rate of 9.0% at the acquisition date.

The earn-out was discounted again at 31 December 2022 in the amount of +€0.1 million.

11.5 Bank covenants

Revolving Credit Facility (RCF)

Axway Software has a multi-currency Revolving Credit Facility (RCF) contracted with six banks.

This 5-year €125 million financing seeks to increase Axway's financial flexibility while guaranteeing its capacity to finance an external growth strategy.

This RCF agreement was initially signed in July 2014. It was followed on 30 January 2019 by an "Amendments and maturity extension" agreement reducing the margin scale and relaxing the financial covenants, after approval by the Board of Directors on 25 October 2018. The initial maturity of July 2021 was extended to January 2024 and then to January 2026. The renegotiation of the agreement in 2022 enabled a further extension of the maturity to April 2027.

This financing offers the Group increased flexibility for acquisitions of less than €50 million, with no prior documentation now required. In addition, the most recent renegotiation in 2022 provides Axway with more leeway with regards to limits on dividend distributions.

The Revolving Credit Facility (RCF) retains a central role in the Axway Group's strategy for financing future acquisitions. It is an extremely flexible financing tool, enabling dynamic cash management.

During the drawdown period, interest is payable at Euribor plus a spread adjusted every six months to reflect the change in the Net debt/EBITDA ratio. Net debt for the purpose of this ratio does not include employee profit-sharing liabilities or debt resulting from the application of the IFRS 16 standard applicable since 2019.

These lines are subject to a use and non-use fee.

Note that from application of the new 2022 loan agreement, the Group must comply with two bank covenants, compared to three previously.

Bank covenants and financial ratios at 31 December 2022

(in thousands of euros)		**2022**	**2021**	**2020**	
Net debt		69,485	36,459	24,046	
EBITDA		49,897	35,829	36,584	R1 < 3
Ratio R1:	**Net debt / EBITDA**	**1.39**	**1.02**	**0.66**	
Net debt		69,485	36,459	24,046	
Shareholders' equity		334,904	378,856	359,941	R3 < 1
Ratio R3:	**Net debt / Shareholders' equity**	**0.21**	**0.10**	**0.07**	

Two financial ratios must be met under the covenants:

- "net debt/EBITDA" ratio must be below 3.0 throughout the term of the loan;
- "net debt/shareholders' equity" ratio must be below 1.0 throughout the term of the loan.

At 31 December 2022, the two financial ratios are met under the covenants.

11.6 Financial instruments recorded in the balance sheet

Accounting policies

Derivatives are initially recognised at fair value on the date of signing the contract. They are later revalued at their fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates a number of derivatives such as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet or of firm forward commitments (fair value hedge); or
- hedges of a specific risk associated with an asset or liability recognised or a future, highly probable transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The fair value of a hedging derivative instrument is classified as:

- a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; and
- a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Changes in the fair value of derivative instruments that qualify for hedge accounting impact shareholders' equity.

Derivatives held for trading purposes are classified as current assets or liabilities if settled within a year of the reporting date, otherwise they are classified under non-current assets or liabilities. The Group also classifies derivatives as speculative instruments when they cannot qualify as designated and effective hedging instruments within the meaning of IFRS 9. The changes in their fair value are recorded in the income statement in Other financial income and expense.

a. At 31 December 2022

	31/12/2022		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 and loss	Derivatives at fair value through shareholders' equity
Financial assets	11,810	11,810	-	-	11,810	-	-	-	-
Trade receivables	148,149	148,149	-	-	148,149	-	-	-	-
Other current receivables	14,955	14,955	-	-	14,955	-	-	-	-
Cash and cash equivalents	18,321	18,321	18,321	-	-	-	-	-	-
Financial assets	**193,235**	**193,235**	**18,321**	**-**	**174,914**	**-**	**-**	**-**	**-**
Financial debt – long-term portion	84,594	84,594	-	-	-	84,594	0	-	-
Lease liabilities – long-term portion	23,468	23,468	-	-	-	-	23,468	-	-
Other non-current liabilities	9,013	9,013	-	-	9,013	-	-	-	-
Financial debt – short-term portion	3,213	3,213	-	-	-	3,213	-	-	-
Lease liabilities – short-term portion	5,774	5,774	-	-	-	-	5,774	-	-
Trade accounts payables	11,271	11,271	-	-	11,271	-	-	-	-
Other current liabilities	47,612	47,612	-	-	47,573	-	-	-	-
Financial liabilities	**184,944**	**184,944**	**-**	**-**	**67,856**	**87,806**	**29,243**	**-**	**-**

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 2021

(in thousands of euros)	31/12/2021 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 and loss	Derivatives at fair value through shareholders' equity
Financial assets	8,817	8,817	-	-	8,817	-	-	-	-
Trade receivables	105,102	105,102	-	-	105,102	-	-	-	-
Other current receivables	14,633	14,633	-	-	14,633	-	-	-	-
Cash and cash equivalents	25,355	25,355	25,355	-	-	-	-	-	-
Financial assets	**153,908**	**153,908**	**25,355**	**-**	**128,552**	**-**	**-**	**-**	**-**
Financial debt – long-term portion	60,097	60,097	-	-	-	60,097	-	-	-
Lease liabilities – long-term portion	27,198	27,198	-	-	-	-	27,198	-	-
Other non-current liabilities	9,772	9,772	-	-	9,772	-	-	-	-
Financial debt – short-term portion	1,718	1,718	-	-	-	1,718	-	-	-
Lease liabilities – short-term portion	6,167	6,167	-	-	-	-	6,167	-	-
Trade accounts payables	10,899	10,899	-	-	10,899	-	-	-	-
Other current liabilities	35,145	35,145	-	-	35,133	-	-	-	-
Financial debt	**150,997**	**150,997**	**-**	**-**	**55,804**	**61,815**	**33,366**	**-**	**-**

11.7 Management of financial risks

11.7.1 Credit risk

Credit risks are detailed in Note 7.2, Trade receivables, in the paragraphs "Maturity of trade receivables" and "Changes in provision for doubtful receivables".

11.7.2 Liquidity risk

According to the definition given by the French Financial Markets Authority (AMF), liquidity risk arises when assets have a longer term than liabilities. This can result in an inability to repay short-term debt if the Company is unable to sell the asset in question or obtain bank credit lines.

The following table shows contractual cash flows of consolidated net debt before discounting at 31 December 2021:

(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	82,627	95,011	3,610	2,863	2,856	2,856	82,826	-
Other financial debt	5,179	8,318	14	682	197	899	2,271	4,256
Bank overdrafts	-	-	-	-	-	-	-	-
Financial debt	**87,806**	**103,329**	**3,623**	**3,545**	**3,053**	**3,755**	**85,097**	**4,256**
Cash and cash equivalents	-18,321	-18,321	-18,321	-	-	-	-	-
Consolidated net debt	**69,485**	**85,008**	**-14,698**	**3,545**	**3,053**	**3,755**	**85,097**	**4,256**

11.7.3 Market risks

a. Interest rate risk

The Group Finance Department, in liaison with partner banking institutions, manages interest rate risk.

Hedging of borrowings

No hedges were entered into in 2020, 2021 or 2022.

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 2022:

a. At 31/12/2022	*Interest rate*	**31/12/2022**	**Less than a 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	18,321	18,321	-	-	-	-	-
	Floating rate	-	-	-	-	-	-	-
Financial assets	**Fixed rate**	**18,321**	**18,321**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bank borrowings	Fixed rate	-500	-500	-	-	-	-	-
	Floating rate	-82,127	-2,795	-2,955	-2,606	-2,517	-71,253	-
Other financial debts	Fixed rate	-682	-	-682	-	-	-	-
	Floating rate	-4,497	82	-	-146	-609	-1,406	-2,419
Bank overdrafts	Fixed rate	-	-	-	-	-	-	-
	Floating rate	-	-	-	-	-	-	-
Financial debt	**Fixed rate**	**-1,182**	**-500**	**-682**	**-**	**-**	**-**	**-**
	Floating rate	**-86,624**	**-2,713**	**-2,955**	**-2,752**	**-3,126**	**-72,659**	**-2,419**
Net position before hedging	**Fixed rate**	**17,139**	**17,821**	**-682**	**-**	**-**	**-**	**-**
	Floating rate	**-86,624**	**-2,713**	**-2,955**	**-2,752**	**-3,126**	**-72,659**	**-2,419**
Net exposure after hedging	**Fixed rate**	**17,139**	**17,821**	**-682**	**-**	**-**	**-**	**-**
	Floating rate with cap and floor	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**-86,624**	**-2,713**	**-2,955**	**-2,752**	**-3,126**	**-72,659**	**-2,419**

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 2022, 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	CHF	Other	Total
Assets	4,036	-	4,024	1,789	5,707	32,213	-	3,330	51,100
Liabilities	217	250	1,462	-434	119	21,536	157	307	23,614
Net position before hedging	**3,818**	**-250**	**2,562**	**2,223**	**5,589**	**10,676**	**-157**	**3,024**	**27,485**
Net position after hedging	**3,818**	**-250**	**2,562**	**2,223**	**5,589**	**10,676**	**-157**	**3,024**	**27,485**

Sensitivity analysis

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	CHF	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	5%	-
Net impact on profit	**191**	**-12**	**128**	**111**	**279**	**534**	**-8**	**151**	**1,374**
Impact on shareholders' equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Current accounts

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	CHF	Other	Total
Assets	-	-	1,223	1,402	-	40,986	-	-	43,611
Liabilities	2,515	-	856	-	1,122	21,501	-	825	26,819
Net position before hedging	**-2,515**	**-**	**368**	**1,402**	**-1,122**	**19,484**	**-**	**-825**	**16,791**
Net position after hedging	**-2,515**	**-**	**368**	**1,402**	**-1,122**	**19,484**	**-**	**-825**	**16,791**

Sensitivity analysis

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	CHF	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	5%	-
Net impact on profit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impact on shareholders' equity	**-126**	**-**	**18**	**70**	**-56**	**974**	**-**	**-41**	**840**

c. Equity risk

The Group does not hold any shares for investment purposes or stakes in listed companies.

At 31 December 2022, Axway Software held 41,497 treasury shares, acquired under the terms of the share buyback programmes authorised by the General Meeting at an average price of €16.47, for a total of €0.7 million.

At 31 December 2022, Axway Software also held 609,191 treasury shares, acquired under the terms of the share buyback programmes authorised by the General Meeting to remunerate free share grant plans, at an average price of €18.49, for a total of €11.3 million.

All transactions in treasury shares are recognised directly in shareholders' equity. The impact at 31 December 2021 was -€14.2 million (see Statement of changes in consolidated shareholders' equity).

Given the small number of treasury shares held (3.01% 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)	31/12/2022	31/12/2021	31/12/2020
Net debt at 1 January (A)	**36,459**	**24,046**	**21,566**
Cash from operations after cost of net financial debt and tax	**61,836**	**33,731**	**32,838**
Costs of net financial debt	2,068	1,302	1,413
Income tax expense (including deferred tax)	-7,408	6,913	5,095
Cash from operations before cost of net financial debt and tax	**56,496**	**41,946**	**39,346**
Income taxes paid	-2,559	-2,780	-3,516
Changes in working capital requirements	-40,978	-26,224	-23,706
Net cash from operating activities	**12,959**	**12,941**	**12,124**
Change related to investing activity	-2,318	-2,821	-7,746
Lease payments	-7,239	-6,680	-4,444
Net interest paid	-1,239	-590	-657
Available net cash flow	**2,163**	**2,850**	**-723**
Impact of changes in the scope of consolidation	-13,694	-	-400
Financial investments	84	-81	-26
Dividends	-8,492	-8,623	-
Share capital increase for cash	-	2,026	649
Other changes	-13,787	-9,248	-921
Total net change during the year (B)	**-33,726**	**-13,077**	**-1,421**
Impact of changes in exchange rates	700	664	-1,059
Net debt at 31 December (A-B)	**69,485**	**36,459**	**24,046**

12.2 Reconciliation of WCR with the cash flow statement

The change in WCR represented a cash outflow of -€41.0 million in 2022 compared to -€26.2 million in 2021.

This deterioration in WCR remains due to the change in business model. In 2022, the significant volume of Customer Managed contracts and particularly those signed at the end of the year, did not generate a cash inflow. The change in WCR comprises the following effects:

- the €27.3 million increase in customer contract assets relating to the Customer Managed Subscription offer in 2022;
- the €8.2 million decrease in deferred income on client projects due to maintenance contract attrition, which remains higher than Axway Managed Subscription contract signatures.

In addition to the impact of the change in business model, we note:

- the level of collections, with trade receivables impacting WCR by -€8.2 million;
- the costs of obtaining contracts paid in advance (commission), impacting WCR by -€6.2 million;
- the +€10.6 million increase in current liabilities, mainly due to the increase in the provision for variable compensation.

To complete this analysis:

- an analysis of DSO is presented in Note 7.2, Trade receivables;
- an analysis of the derecognition of research tax credit receivables is presented in 7.3, Other current receivables.

(in thousands of euros)	2022	2021	Net change	Of which: Items not included in WCR	Of which: WCR items	Change in WCR items without cash impact		Impact on Cash flow statement
						Foreign exchange	Other	
Non-current assets	**9,669**	**6,108**	**3,562**	**-**	**3,562**	**88**	**-**	**-3,473**
Trade receivables and related accounts	148,149	105,102	43,047	-	43,047	1,711	5,773	-35,563
• Trade receivables	64,302	49,324	14,978	-	14,978	975	5,765	-8,238
• Customer contract assets	83,847	55,778	28,069	-	28,069	736	8	-27,325
Other current receivables	30,642	27,806	2,836	-	2,854	282	-104	-2,658
Current assets	**178,791**	**132,908**	**45,883**	**-**	**45,900**	**1,993**	**5,669**	**-38,221**
Total assets	**188,460**	**139,016**	**49,445**	**-**	**49,462**	**2,081**	**5,669**	**-41,695**
Non-current liabilities	**-1,911**	**-2,489**	**578**	**-**	**578**	**-103**	**-507**	**-1,189**
Trade payables	-11,271	-10,899	-371	-	-371	-1,844	-	-1,473
Advances and payments on account received for orders	-101	-85	-16	-	-16	1	-1	16
Other current liabilities	-45,203	-33,362	-11,841	86	-11,927	-664	-1,075	10,595
Current liabilities	**-112,202**	**-100,172**	**-12,030**	**86**	**-12,116**	**-4,746**	**-5,871**	**1,906**
Total liabilities	**-114,113**	**-102,661**	**-11,452**	**86**	**-11,538**	**-4,849**	**-6,379**	**717**
Total WCR	**74,347**	**36,355**	**37,993**	**86**	**37,924**	**-2,768**	**-710**	**-40,978**

12.3 Other cash flows

Net cash from operating activities amounted to €13.0 million in 2022, with cash from operations before cost of net financial debt and tax of €56.5 million. The application of IFRS 16 had a favourable impact of €6.4 million on this line item.

Net cash used in investing activities of -€11.1 million mainly comprises the acquisition of DXchange in India for €8.9 million.

Net cash from (used in) financing activities totalled -€9.5 million. Three main flows explain this change:

- dividend payments for -€8.5 million;
- the share buyback programme for -€13.7 million;
- the change in bank borrowings for +€20.7 million.

In addition, the change in IFRS 16 lease liabilities represented a flow of €7.2 million.

Note 13 Equity and earnings per share

Changes in consolidated shareholders' equity are presented in Chapter 5.4, Statement of changes in consolidated shareholders' equity.

13.1 Changes in the share capital

At 31 December 2021, the share capital stood at €43,267,194, and comprised 21,633,597 fully paid-up shares with a par value of €2.00 each.

The Group did not issue any new shares in 2022.

At 31 December 2022, the share capital therefore stood at €43,267,194, comprising 21,633,597 fully-paid up shares with a par value of €2.00 each.

13.2 Transactions in treasury shares

Accounting policies

All Axway shares held by the parent company or one of its subsidiaries are deducted from shareholders' equity at their acquisition cost.

At 31 December 2022, treasury shares with a value of €14.2 million, are deducted from consolidated equity. They consist of 766,497 shares including 41,497 shares held under the market-making agreement and 725,000 Axway shares purchased on the market for delivery as share-basedpayments (see Note 5.4). All these treasury shares will be granted to beneficiaries in 2023, 2024 and 2025.

13.3 Share subscription option plans

The option exercise period for the 2011 and 2013 grant plans expired on 18 November 2021. At 31 December 2021, there remained no options outstanding under these plans.

13.4 Free share plans

An expense of €3.4 million was recorded in 2022 in respect of free share grant plans (see Note 5.4), including employer social security contributions of -€0.1 million. The expense excluding employer social security contributions was taken to Group equity in the amount of €3.5 million.

13.5 Capital reserves

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Share issue, merger and contribution premiums	113,380	113,380	111,541
Legal reserve	4,245	4,245	4,245
Total	**117,625**	**117,625**	**115,786**

13.6 Dividends

The General Meeting of Axway Software held on 24 May 2022 to approve the 2021 financial statements approved a dividend of €0.40 per share, representing a total distribution of €8.5 million.

This dividend was paid on 8 June 2021.

The distribution of a dividend of €0.40 per share will be proposed to the 2023 General Meeting held to approve the 2022 financial statements, representing a total dividend distribution of €8.7 million based on the number of shares outstanding at 31 December 2022.

13.7 Translation reserves

In accordance with the principles disclosed in Note 1.5.2., translation reserves comprise translation gains and losses between the functional currencies of the Group entities and the presentation currency and the impact of net investment hedges of foreign operations. Movements are recognised in *Other comprehensive income*. These translation reserves are also impacted by divestments of foreign operations.

At 31 December 2021, translation reserves broken down by currency as follows:

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
USD	43,247	26,470	6,877
SEK	-4,842	-3,017	-2,546
RON	-504	-498	-429
Other currencies	257	757	1,164
Total	**38,158**	**23,712**	**5,066**

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 Group 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)	2022	2021	2020
Net income – attributable to owners of the Company	-40,044,593	9,602,221	8,477,560
Weighted average number of ordinary shares outstanding	21,633,597	21,525,209	21,293,843
Basic earnings per share	**-1.85**	**0.45**	**0.40**

(in euros)	2022	2021	2020
Net income – attributable to owners of the Company	-40,044,593	9,602,221	8,477,560
Weighted average number of ordinary shares outstanding	21,633,597	21,525,209	21,293,843
Weighted average number of securities taken into account in respect of dilutive items	598,282	895,010	1,064,832
Weighted average number of shares taken into account to calculate diluted net earnings per share	22,231,879	22,420,219	22,358,675
Fully diluted earnings per share	**-1.85**	**0.43**	**0.38**

The only dilutive instruments are the share subscription options and the free share grant plans presented in Note 5.4.

Only potentially dilutive ordinary shares were considered in the calculation of diluted earnings per share. At 31 December 2022, there were no ordinary shares with an accretive effect.

Note 14 Related-party transactions

14.1 Transactions with Sopra Steria Group, Sopra Steria Group affiliate companies and Sopra GMT

The tables below detail the transactions between the Axway Group and Sopra Steria Group SA, the companies of the Sopra Steria Group, and the GMT holding company.

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Transactions with Sopra-Steria group			
Sale of goods and services	2,051	2,927	3,244

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Purchase of goods and services	-90	-207	-128
Operating receivables	480	1,145	961
Operating payables	53	-5	-
Transactions with Sopra Steria Group affiliates			
Sale of goods and services	3,310	2,895	4,320
Purchase of goods and services	-8,331	-7,295	-7,616
Operating receivables	2,832	1,241	2,333
Operating payables	-1,368	-1,077	-1,514
Transactions with Sopra GMT			
Purchase of goods and services	-1,295	-1,018	-435
Operating payables	80	-291	-24

Sub-contracting purchases from Sopra India totalled €7.3 million in 2022, up on 2021 (€6.1 million). Other purchases from Sopra Steria group entities are stable year-on-year at €2.4 million.

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

There are no relationships with other related parties to be taken into consideration.

Note 15 Off-balance sheet commitments

15.1 Contractual obligations given

The Group leases some of its IT facilities, office fixtures and fittings and premises under operating lease contracts. The rental charges for the above totalled €9.9 million in 2022, €8.5 million in 2021 and €10.3 million in 2020.

At 31 December 2021, future minimum annual payments under non-cancellable leases not included in the valuation of IFRS 16 lease liabilities were as follows:

(in thousands of euros)	Operating leases
2023	1,656
2024	883
2025	861
2026	1,353
2027	215
2028 and beyond	817
Total minimum future lease payments	**5,786**

15.2 Commitments given related to recurring operations

(thousands of euros)	Commitment per period: Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2022	31/12/2021	31/12/2020
Bank guarantees/deposits on leased premises	-	287	-	287	328	328
Other guarantees	-	110	-	110	107	103
Collateral, guarantees, mortgages and sureties	-	177	-	177	177	177
Severance pay for termination of CEO's duties	-	-	709	709	667	616
Total	**-**	**574**	**709**	**1,283**	**1,279**	**1,224**

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 (€709 thousand euro equivalent at the exchange rate at 31 December 2022).

15.3 Commitments received – Covenants and Bank overdrafts

(in thousands of euros)	31/12/2022	31/12/2021	31/12/2020
Unused multi-currency revolving credit facility	43,124	65,000	89,000
Unused overdraft line	20,000	20,000	20,000
Total commitments recognised	**63,124**	**85,000**	**109,000**

Axway Software has a €125 million multi-currency revolving credit facility. €43.1 million of this facility was available at 31 December 2021 (see Note 11.4).

Commitments received include an unused overdraft line of €20 million held by Axway Software.

Two financial ratios must be met under the covenants associated with the revolving credit facility. These ratios are detailed in Note 11.5 on bank covenants.

At 31 December 2022, the Group complied with all the covenants and commitments included in this contract including the following points:

- the impacts of IFRS 16 are excluded from these ratios;
- the net debt figure used in these calculations does not include employee profit-sharing liabilities;
- consolidated EBITDA, as detailed below:

(in thousands of euros)	
Profit on operating activities *(Source URD – Section 5.1 Consolidated income statement)*	46,273
Depreciation, amortisation, provisions and impairment *(Source URD – Section 5.1 Consolidated income statement)*	11,415
Net expense for post-employment and similar benefit obligations (provision for retirement commitments) *(source URD – Note 5.1 Employee costs)*	324
Other operating income and expenses *(Source URD – Section 5.1 Consolidated income statement)*	-83,790
Other operating income and expenses, Consolidation capital loss on intangible assets (non-cash) *(Source URD – Note 4.5 Other operating income and expenses)*	82,069
Lease payments (IFRS 16 impact) *(Source URD – Note 4.2. 2 External expenses)*	-6,395
Consolidated EBITDA	**49,897**

15.4 Pledges, guarantees and surety

No pledge, guarantee or surety had been granted by Axway at 31 December 2022.

Note 16 Events after the reporting period

Between 1 January 2023 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 2022

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.	USA	100%	100%	FC
Axway Pte Ltd	Singapore	100%	100%	FC
Axway Software China	China	100%	100%	FC
Axway Ltd	Hong Kong	100%	100%	FC
Axway Pty Ltd	Australia	100%	100%	FC
Axway Switzerland	Switzerland	100%	100%	FC
DXchange	India	100%	99.99%	FC
DXvmt	India	100%	100%	FC

FC Full Consolidation.

Note 18 Audit fees

Fees for Statutory Auditors and members of their networks

	Mazars						Auditeurs & Conseils Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Statutory audit, certification and review of the individual company and consolidated financial statements												
• Issuer	198	147	124	39%	33%	31%	155	132	112	73%	70%	65%
• Fully consolidated subsidiaries	294	250	263	59%	56%	66%	46	46	50	22%	24%	29%
Sub-total	**492**	**396**	**387**	**98%**	**88%**	**97%**	**201**	**178**	**162**	**95%**	**95%**	**94%**
Non-audit services												
• Issuer*	10	44	10	2%	10%	3%	10	10	10	5%	5%	6%
• Fully consolidated subsidiaries	-	9	-	0%	2%	0%	-	-	-	0%	0%	0%
Sub-total	**10**	**52**	**10**	**2%**	**12%**	**3%**	**10**	**10**	**10**	**5%**	**5%**	**6%**
Total	**502**	**448**	**397**	**100%**	**100%**	**100%**	**211**	**188**	**172**	**100%**	**100%**	**100%**

* *Including: the report on regulated agreements, the review of the management report, the audit completion letter, the certificate on financial ratios, the Workday 2021 project and the review of implementation of EU Green Taxonomy regulations.*

5.7 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This *Statutory Auditors' report includes information required by French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.*

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2022

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 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements Section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for Statutory Auditors, for the period from 1 January 2022 to the date of our report, and specifically we did not provide any prohibited non-auditservices referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

In accordance with the requirements of Articles L. 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, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Revenue recognition for licenses and Customer Managed Subscription contracts

(Note 4.1.1 to the consolidated financial statements)

Risk identified

The Group's activity comprises several business lines including license sales and sales of Customer Managed Subscription contracts. At 31 December 2022, the Group's licensing revenue amounted to €11.6 million, representing 3.7% of consolidated revenue. Customer Managed Subscription revenue amounted to €154 million, representing 49% of consolidated revenue.

As a rule, licensing revenue is recognised immediately upon delivery, which is considered completed when all contractual obligations have been fulfilled, *i.e.* when any remaining services to be provided are non-material and not liable to call into question the customer's acceptance of goods supplied.

Sometimes, contracts comprising multiple components (license, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis. In this situation, the amount of revenue attributable to the license is equal to the difference between the total contract amount and the fair value of the other performance obligations.

Customer Managed Subscription contracts are a hybrid offer comprising three separate performance obligations: License, Maintenance and Subscription. The contract price must be allocated to each performance obligation and revenue is recognised in accordance with the method applicable to each obligation.

In this context, the audit risks concern in particular the correct separation of fiscal years and the rules and procedures for apportioning revenue to the different performance obligations.

Revenue recognition for these business lines is considered a key audit matter in view of their material significance in the Group's financial statements, and, in particular, their impact on operating profit.

Our response

Our audit approach is based on the assessment of the internal control procedures put in place by the Group in order to verify the measurement, comprehensiveness and proper separation of fiscal years for licensing revenue and Customer Managed Subscription, as well as substantive audit procedures.

Our work included the following, in particular:

- reviewing the design of internal control and testing the effectiveness of key controls in the revenue recognition 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 €348.3 million at 31 December 2021, and at €297.8 million at 31 December 2022, 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 2022, the impairment test performed did not identify any impairment loss on the goodwill recognised.

The determination of the recoverable amount of goodwill, which is particularly material with regard to the balance sheet total, relies very largely on management judgement; this concerns in particular the definition of the cash generating units, the perpetual growth rate adopted for the cash flow forecasts and the discount rate applied. We therefore considered the measurement of goodwill and the implementation of impairment tests as a key audit matter.

Our response

Our work included the following, in particular:

- examining the compliance of the methodology applied by the Group with current accounting standards and, in particular, ascertaining whether the allocation of the assets to the sole CGU identified is comprehensive;
- verifying that fair value less costs to sell is based on the closing share price;
- assessing the reasonableness of the assumptions used to determine future cash flows with regard to operating data and in light of the economic and financial context in which the Group operates;
- assessing, with the support of our valuation experts, the consistency of all components of the perpetual growth rate and discount rate;
- analysing the sensitivity of the value-in-usedetermined by management to changes in the main assumptions adopted.

Lastly, we verified the appropriateness of disclosures in Notes 8.1 and 8.2.

Recoverability of deferred tax assets in respect of tax loss carryforwards

(Note 6.4 to the consolidated financial statements)

Risk identified

At 31 December 2022, eligible tax losses carried forward amounted to €307.3 million. The Group recognised deferred tax assets in the balance sheet amounting to €35.4 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-useof the sole CGU;
- we reviewed the various taxation rates used to determine the deferred tax assets, notably in France and the United States.

Lastly, we verified the appropriateness of disclosures in Note 6.4.

Specific verifications

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the Group management report. It is specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein, which should be reported on by an independent third party.

Other legal and regulatory verifications or information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, Iof the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Both Aca Nexia and Mazars were appointed Statutory Auditors of Axway Software by the General Meeting of 18 December 2000.

At 31 December 2022, ACA Nexia and Mazars had held office as auditors for 22 continuous years, of which 12 years since the Company's securities were admitted for trading on a regulated market.

Responsibilities of management and those charged with governance for the 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 judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

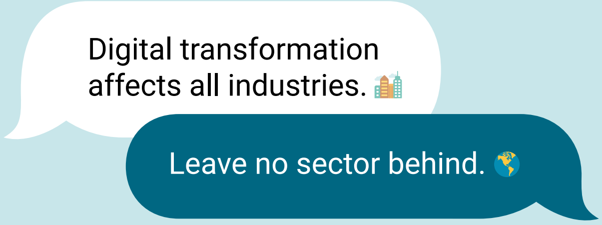
Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris, 17 March 2023

The Statutory Auditors

Aca Nexia	Mazars
Sandrine Gimat	Jérôme Neyret
Partner	Partner



Annual financial statements AFR

6.1 Balance Sheet

Assets (in thousands of euros)		2022	2021	2020
Intangible assets		43,599	46,643	49,250
Property, plant and equipment		4,191	5,002	5,795
Financial investments		286,677	285,587	283,320
Non-current assets	**(note 6.3.2.1)**	**334,466**	**337,232**	**338,365**
Trade receivables		84,218	77,184	64,162
Other receivables, prepayments and accrued income		15,910	20,700	28,262
Marketable securities and Cash and cash equivalents		13,445	18,848	3,073
Current assets	**(note 6.3.2.2)**	**113,572**	**116,732**	**95,497**
Total assets		**448,039**	**453,964**	**433,862**

Equity and liabilities (in thousands of euros)		2022	2021	2020
Share capital		43,267	43,267	42,702
Premiums		113,380	113,380	111,541
Reserves		75,577	84,230	93,054
Retained earnings		-11,080	-3,399	14,847
Net profit (loss) for the year		-8,038	-7,843	-18,163
Tax-driven provisions		-	-	-
Equity	**(note 6.3.2.3)**	**213,106**	**229,636**	**243,981**
Provisions	**(note 6.3.2.4)**	**20,765**	**37,163**	**20,774**
Financial debt		131,156	109,203	91,899
Trade accounts payables		27,747	30,958	24,131
Tax and employee-related payables		21,815	16,373	21,640
Other liabilities, accruals and deferred income		33,449	30,631	31,437
Liabilities	**(note 6.3.2.5)**	**214,168**	**187,165**	**169,107**
Total equity and liabilities		**448,039**	**453,964**	**433,862**

6.2 Income Statement

(in thousands of euros)		2022	2021	2020
Net revenue	**(note 6.3.3.1)**	181,820	167,254	156,707
Other operating income		1,686	2,287	1,845
Operating income		**183,506**	**169,541**	**158,551**
Purchases consumed		84,159	76,515	69,378
Employee costs		63,529	61,764	61,703
Other operating expenses		34,676	33,812	34,707
Taxes and duties		2,884	2,888	2,478
Depreciation, amortisation, provisions and impairment		7,404	6,872	7,033
Operating expenses		**192,652**	**181,850**	**175,299**
Operating profit (loss)		**-9,146**	**-12,309**	**-16,748**
Financial income and expense	**(note 6.3.3.3)**	10,863	4,082	-3,637
Pre-tax profit (loss) on ordinary activities		**1,717**	**-8,227**	**-20,385**
Exceptional income and expense	**(note 6.3.3.4)**	-14,341	-4,669	-4,938
Employee profit-sharing and incentive schemes	**(note 6.3.3.5)**	-958	-755	-904
Income tax expense	**(note 6.3.3.6)**	5,545	5,807	8,064
Net profit (loss)		**-8,038**	**-7,843**	**-18,163**

6.3 Notes to the 2022 annual financial statements

6.3.1 Significant events, accounting policies and valuation rules

6.3.1.1 Significant events

Free share plan

Each year, Axway Software SA distributes free shares to employees subject either to a condition of presence or a condition of presence and performance conditions.

In March 2022, the LTI AOA, WW free share and Executive Committee plans expired and the shares were delivered. An employee expense of €403 thousand was recognised in respect of these shares.

For the plans expiring in 2023 and beyond, it was decided to continue purchasing shares on the stock market *via* CM-CIC. The cost of this transaction at 31 December 2022 is €23.3 million. As Axway Software SA cannot bear this cost alone, the subsidiaries will be rebilled based on the number of free shares granted to their employees, as was done in March 2022 for a total of €9 million.

A provision of €8.6 million was recorded for the purchase of treasury shares for distribution under the free share plans. Accrued income of €6.9 million was recognised between Axway Software and its subsidiaries as of 31 December 2022.

DXchange Technologies Private Limited

In June 2022, Axway Software acquired DXchange Technologies Private Limited and its subsidiary in India. DXchange Technologies Private Limited will be liquidated in June 2023. The subsidiary will be retained to house the employees. The share capital of the company is €9.8 million.

Sale of Mailgate

On 16 September, Axway Software sold its Mailgate technology to MailGate LLC. The asset was removed from the accounts for a gross value of €4.5 million and amortisation of €3.8 million. An earn-out clause was agreed with the buyer, linking part of the price paid to the future performance of the company.

6.3.1.2 Accounting policies and valuation rules

The annual financial statements were drawn up pursuant to French legal and regulatory provisions as defined in ANC Regulation no. 2020-05 of 24 July 2020 issued by the *Autorité des Normes Comptables* (French Accounting Standards Authority), updated for additional regulations issued 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 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 was amortised on a straight-line basis over 3, 5 or 10 years and has been amortised in full.

The Cyclone and Tumbleweed software was recognised at purchase cost, as calculated by an independent expert in the USA. The Cyclone software is amortised over six years for accounting purposes and one year for tax purposes. The Tumbleweed software was amortised over 12 years for accounting purposes and has been amortised in full. The Mailgate technology acquired with Tumbleweed was sold on 16 September 2022.

The LiveDashboard software which was amortised over 8 years for accounting purposes has been amortised in full.

The intellectual property contributed by Systar was amortised in full by the end of 2014 and the intellectual property contributed by Streamdata.io is amortised over 10 years for accounting purposes. Customer support for the technologies contributed by Streamdata terminated on 31 May 2022.

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 and 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-transfercarrying amount.

Depreciation is calculated on a straight-line basis over the useful economic lives of each non-current asset category as follows:

Fixtures and fittings	5 to 10 years
Equipment and tooling	3 to 5 years
Furniture and office equipment	5 to 10 years

Equity investments

On initial recognition, equity investments are recognised at their acquisition or subscription price.

The carrying amount of equity investments corresponds to their value-in-use.

Impairment is recognised if the value-in-use of equity investments, which includes the net assets of subsidiaries and an analysis of the growth and profitability outlook, is lower than the carrying amount in the financial statements. The analysis of the growth outlook may involve an estimate based on discounted cash flows. In this case, cash flows are determined on the basis of available data and five-year forecasts. A perpetual growth rate of 1.8% is applied from the start of the sixth year. The cash flows resulting from these forecasts are then discounted using a rate of 9.4%.

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;
- services revenue is generally recognised on a time spent basis and is recognised when the services are performed. Services are sometimes provided under fixed-price contracts, in which case they are recognised using the percentage-of-completion method described in paragraph e. below.

b. Services provided under a Software as a Service contract

The supplier transfers control of the service progressively to the customer and hence, recognises revenue progressively: "the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs".

c. Contracts comprising separate services (license, maintenance, ancillary services, etc.) may sometimes be negotiated on a fixed-price basis

In this situation, the contract transaction price is allocated to each service as follows: revenue attributable to the license is equal to the difference between the total contract amount and the fair value of its other services, *i.e.* maintenance and ancillary services. The fair value of the other components is determined when possible based on list prices applied in the case of a separate sale or alternatively, based on selling prices determined by management founded on best estimates. The residual amount attributed to the license is recognised at the time of delivery.

d. In fairly rare instances, ancillary services may be considered essential to the operation of a software package or the delivery of the Software as a Service solution

This may arise on the sale of software packages for very complex projects, where completion may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Quality Department. It is accounted for using the percentage of completion method described in paragraph **e**. below.

Where preliminary work is performed that is considered essential to the implementation of the Software as a Service solution, the contract is considered as a whole and revenue is recognised progressively over the contract term as described in paragraph **b.** above.

e. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, *i.e.* in general at the time of invoicing.

Operations are reviewed at each reporting date:

- services rendered but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised in revenue and are recorded in the balance sheet under *Trade receivables* in *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 3.90%, a salary increase rate of 2.50% and an average five-year turnover rate of between 0 and 17.4% depending on the age bracket, not including resignations. The male-female mortality table used for our forecasts is the INSEE 2017-2019 table. Among the other assumptions, we adopted a retirement age of 65 at the initiative of employees and a social security contribution rate of 47%. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Axway Software uses the corridor method.

Amendment no. 1 of 31/03/2022 to Appendix 1 of Amendment no. 46 of the French National Collective Agreement for technical design and engineering offices, engineering consultants and consulting firms, modified the calculation method for retirement benefits. From now on, account must be taken of variable compensation provided for in the employment contract (bonuses, commission, holiday bonuses, 13th month salary).

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 2022	**50**	**32,055**	**56,410**	**38,830**	**5,667**	**133,013**
Acquisitions	-	-	6	-	-	6
Intangible assets under construction	-	-	-	-	-	-
Disposals	-	-	-4,841	-	-	-4,841
At 31 December 2022	**50**	**32,055**	**51,575**	**38,830**	**5,667**	**128,177**
Amortisation						
At 1 January 2022	**50**	**32,055**	**50,989**	**35**	**3,239**	**86,369**
Charge	-	-	1,728	-	538	2,266
Reversal	-	-	-4,057	-	-	-4,057
At 31 December 2022	**50**	**32,055**	**48,660**	**35**	**3,777**	**84,578**
Net value						
At 1 January 2022	**-**	**-**	**5,420**	**38,795**	**2,428**	**46,643**
At 31 December 2022	**-**	**-**	**2,914**	**38,795**	**1,890**	**43,599**

Software development costs totalled €17,185 thousand in fiscal year 2022 and were expensed in full (see Note 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.

The Mailgate technology was removed from intangible assets for a net amount of €307 thousand and the Streamdata V1.0 product stream asset was removed for a net amount of €476 thousand.

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 9.4% and a perpetual growth rate of 1.8% 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 2022	**11,419**	**3,409**	**1,204**	**16,032**
Acquisitions	677	45	1	723
Capitalisation of Y-1 PP&E under construction	-	-	-	-
PP&E under construction	-	-	-	-
Assets scrapped	-276	-	-	-276
Disposals	-	-	-	-
At 31 December 2022	**11,820**	**3,454**	**1,205**	**16,480**
Depreciation				
At 1 January 2022	**8,728**	**1,667**	**635**	**11,030**
Charge	1,067	346	114	1,527
Reversal	-268	-	-	-
At 31 December 2022	**9,527**	**2,013**	**749**	**12,289**
Net value				
At 1 January 2022	**2,691**	**1,742**	**569**	**5,002**
At 31 December 2022	**2,293**	**1,442**	**456**	**4,191**

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 2022	**247,041**	**57,866**	**2,246**	**307,153**
Acquisitions/Increase	9,876	10,378	437	20,691
Disposals/Decrease	-	-18,024	-506	-18,530
At 31 December 2022	**256,916**	**50,221**	**2,177**	**309,314**
Impairment				
At 1 January 2022	**19,950**	**1,612**	**4**	**21,566**
Charge	1,018	43	14	1,075
Reversal	-	-	-4	-4
At 31 December 2022	**20,968**	**1,655**	**14**	**22,638**
Net value				
At 1 January 2022	**227,090**	**56,254**	**2,243**	**285,587**
At 31 December 2022	**235,948**	**48,566**	**2,163**	**286,677**

Details concerning equity investments are provided in the “Subsidiaries and equity investments” table presented in Note 4.7.

a. Gross amounts

In 2022, movements in equity investments concern the June 2022 acquisition of a new entity DXchange Technologies Private Limited with share capital of €9,858 thousand; and an €18 thousand share capital increase by our subsidiary, Axway Distribution France.

The decrease in receivables from equity investments is mainly due to the decrease in receivables from our subsidiaries Axway Inc. of -€17,648 thousand and Axway Romania of -€375 thousand. Conversely, receivables from our subsidiaries Axway Ireland and Axway UK increased +€4,571 thousand and +€2,961 thousand, respectively.

The decrease in Loans and other non-current financial assets is due to a decrease in Other long-term receivables of -€500 thousand, despite the +€361 thousand increase in the balance on the market-making agreement with Kepler for market-making in Axway Software SA shares.

b. Impairment

DXchange Technologies Private Limited shares were impaired in the amount of €1 million in line with the independent third party valuation of the assets to be transferred to Axway Software following its liquidation in June 2023.

Axway Distribution France shares were also impaired in the amount of the share capital increase of €18 thousand.

An additional impairment of €43 thousand was recorded on the Axway Do Brasil current account following its increase at the end of 2022.

The €14 thousand 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)	2022	2021	2020
Non-Group customers	29,380	25,490	30,324
Accrued income	48,818	46,620	27,509
Group customers	13,315	10,528	10,583
Doubtful receivables	72	72	61
Provision for doubtful receivables	-7,367	-5,526	-4,315
Total	**84,218**	**77,184**	**64,162**

Trade receivables are recognised in assets at net value. Impairments concerned Doubtful receivables and the Axway Do Brasil and Axway Software China receivables. Accrued income increased €2.2 million due to inter-company accrued income (+€1.9 million) and non-group accrued income (+€0.3 million).

Other receivables, prepayments and accrued income

(in thousands of euros)	2022	2021	2020
Income tax	5,545	6,295	7,960
Withholding tax	0	0	0
VAT	706	1,040	1,368
Other receivables	959	778	1,751
Prepaid expenses	5,802	5,492	5,187
Unrealised foreign exchange losses	2,899	7,096	11,996
Total	**15,910**	**20,700**	**28,262**

Research Tax Credit – transferred receivables

(in thousands of euros)	Nominal sold	Amount received	Commission	Year of sale	Expected repayment date	Receivable extinguished	Stock at 31/12/2022
2019 research tax credit	8,254	8,129	125	2,020	15.05.2023	No	8,254
2020 research tax credit	7,960	7,834	126	2,021	15.05.2024	No	7,960
2021 research tax credit	6,295	5,643	653	2,022	15.05.2025	No	6,295
Total	**22,510**	**21,605**	**904**				**22,510**

Impairment of current assets

(in thousands of euros)	Amount at start of year	Charge	Reversal	Amount at end of year
Impairment of trade receivables	5,526	1,841	0	7,367
Total	**5,526**	**1,841**	**0**	**7,367**

The charge for the period concerns receivables from our subsidiaries Axway Software Do Brazil (€1.7 million) and Axway Software China (€0.1 million).

6.3.2.3 Shareholder's equity

Share capital

Axway Software share capital was €43,267,194 at 31 December 2022 and comprised 21,633,597 shares with a par value of €2.

The Company holds 41,497 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 2022	**43,267**	**113,380**	**4,245**	**79,985**	**-7,843**	**-**	**-3,399**	**229,636**
Appropriation of 2021 earnings	-	-	-	-	7,843	-	-7,843	-
Share capital increase	-	-	-	-	-	-	-	-
Dividend payment	-	-	-	-8,653	-	-	162	-8,492
Options exercised	-	-	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	-8,038	-	-	-8,038
At 31 December 2022	**43,267**	**113,380**	**4,245**	**71,332**	**-8,038**	**-**	**-11,080**	**213,106**

No options were exercised in 2022.

Share subscription option plans

The option exercise period for the 2011 and 2013 grant plans expired on 18 November 2021. At 31 December 2021, there remained no options outstanding under these plans.

6.3.2.4 Provisions for contingencies and losses

(in thousands of euros)	Amount at start of year	Charge	Reversal (used provisions)	Reversal (unused provisions)	Amount at end of year
Provisions for disputes	535	415	45	-	905
Provisions for foreign exchange losses	7,096	2,922	-	7,096	2,922
Provisions for retirement benefits	7,638	518	166	-	7,989
Restructuring provisions	-	313	-	-	313
Tax provisions	291	-	291	-	0
Provision for stock options	21,603	8,635	21,603	-	8,635
Total	**37,163**	**12,803**	**22,106**	**7,096**	**20,765**

Provisions were recorded chiefly in relation to financial risks on retirement benefit commitments, foreign exchange losses, Human Resources disputes, as well as litigation related to the tax audit.

Axway Software provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement on retirement plans, as amended in 2004 pursuant to the retirement reform measures introduced by the Law of 21 August 2003.

The total commitment for retirement benefits amounted to €7,989 thousand. Actuarial differences not recognised on the balance sheet at year-end 2022 totalled €1,303 thousand (see Note 1.2).

A contract was signed with CM-CIC to perform share buybacks on the stock market for the purpose of employee free share grant plans. Since 2021, we have purchased 1,069,268.00 shares for a total of €23.2 million. In March 2022, we delivered shares with a value of €11.9 million.

A charge of €8.6 million was recognised at the end of 2022 for the purchase of treasury shares for distribution under the free share plans. The provision of €21.6 million recognised at the end of 2021 was reversed in full.

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	60,000	31,876	10,000	81,876
Bank loans	1,887	-	1,137	750
Employee profit-sharing fund	498	-	498	-
Loans from equity investments	46,737	7,210	5,887	48,060
Accrued interest on financial debt	81	471	81	471
Total	**109,203**	**39,557**	**17,603**	**131,156**

Axway Software contracted a multi-currency €125 million revolving credit facility with six banks in July 2014, which it renewed until April 2022. This credit facility was secured to finance acquisitions as well as the Group's general funding needs. It is not amortised and the initial maturity of July 2021 was extended to April 2027.

During the drawdown period, interest is payable at Euribor plus a spread adjusted every six months to reflect the change in the ratio: Net debt/EBITDA.

This facility is subject to a use and non-usefee. The two ratios provided in the credit facility agreement were complied with at 31 December 2022.

An additional drawdown of US$18 million (€17.1 million) was performed in July 2022 and the RCF drawdowns of €50 million and €10 million in 2021 were renewed for €61 million and €4 million, respectively, to cover the buyback of treasury shares for the purposes of the free share grant plan and finance the acquisition of DXchange Technologies Private Limited.

We also repaid €1 million on the 2015 BPI loan during the year.

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)	2022	2021	2020
Trade accounts payable – Non-Group	2,296	1,625	2,743
Accrued expenses	21,299	22,682	18,525
Trade accounts payable – Group	4,152	6,651	2,863
Total	**27,747**	**30,958**	**24,131**

Tax and employee-related payables

(in thousands of euros)	2022	2021	2020
Employee-related payables	9,062	5,540	8,021
Social security bodies	7,050	5,431	6,942
Withholding tax	365	352	356
Income tax	0	0	0
VAT	5,223	4,952	6,222
Other taxes	116	98	98
Total	**21,815**	**16,373**	**21,640**

The marked increase in employee-related payables at the end of 2022 is due to the +€5 million increase in provisions for bonuses and commission, including social security contributions.

Other liabilities, accruals and deferred income

(in thousands of euros)	2022	2021	2020
Customer payments on account	213	545	258
Amounts payable on non-current assets	300	295	446
Group and associates	0	0	0
Other liabilities	1,310	685	1,200
Deferred income	30,233	28,421	28,878
Unrealised foreign exchange gains	1,393	685	655
Total	**33,449**	**30,631**	**31,437**

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)	2022	2021	2020
License	2.0%	5.2%	4.9%
Support and maintenance	34.6%	41.2%	58.4%
Integration and training services	26.5%	24.6%	27.1%
Subscription	36.9%	29.0%	9.6%
Revenue	**100.0%**	**100.0%**	**100.0%**

2022 revenue of €181.8 million includes €115.9 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 March 2022.

Compensation paid in 2022 to governing and management bodies totalled €157 thousand.

6.3.3.3 Net financial income (expense)

(in thousands of euros)	2022	2021	2020
Dividends received from equity investments	8,839	-	1,823
Interest on bank borrowings and similar charges	-1,361	-516	-516
Interest on employee profit-sharing	-11	-44	-80
Discounting of retirement benefits (provision)	-76	-33	-72
Losses on receivables from equity investments	-	-	-822
Interest received and paid on Group current accounts	334	280	373
Foreign exchange gains and losses (including provisions)	4,891	4,601	-5,434
Charges net of reversals to financial provisions, before foreign exchange impact	-1,075	-56	1,238
Other financial income and expense	-677	-151	-146
Net financial income (expense)	**10,863**	**4,082**	**-3,637**

A breakdown of dividends received is presented in the table of subsidiaries and associates (see Note .4.7).

6.3.3.4 Exceptional items

In 2022, the net exceptional loss of €14,341 thousand mainly comprises:

- commercial debt waivers of €12.4 million;
- restructuring costs of €995 thousand;
- free shares delivered in March 2022 for €11.9 million;
- acquisition costs incurred this year of €420 thousand;
- the net carrying amount of intangible assets sold of €783 thousand;
- expenses relating to the implementation of the Workday software of €509 thousand;
- provisions for contingencies and losses relating to free shares purchased and to be purchased for €8.7 million and provision reversals of -€21.6 million;
- the provision for accrued income concerning free shares to be granted to subsidiaries of €1.6 million;
- expense transfers concerning free shares granted to French employees of €690 thousand;
- the reversal of the provision for 2019 withholding tax of €291 thousand.

6.3.3.5 Employee profit-sharing

A profit-sharing agreement was signed in June 2018 in accordance with Articles L. 3311-1 *et seq.* of the French Labour Code (*Code du Travail*) for a period of three years. This agreement was renewed on 30 June 2021 and will expire at the end of 2023.

Employee profit-sharing of €953 thousand was recognised for fiscal year 2022.

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 Géneral des Impots*) 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 2022 in the amount of €5,545 thousand.

Breakdown of tax between recurring and exceptional income

(in thousands of euros)	2022	2021	2020
Tax on recurring operations	-	-	128
Tax on exceptional items	-	-	-
Tax audit	-	488.41	
Additional contribution	-	-	-
Research tax credits	-5,545	-6,295	-8,056
Other tax credits	-	-	-
Total income tax expense	**-5,545**	**-5,807**	**-7,928**

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	86	-	-	7	78	-
• Construction levy	187	-	-	9	178	-
• To be deducted thereafter						
• Provision for retirement commitments	7,638	-	352	-	7,989	-
• Other	-	-	-	-	-	-
Temporary non-taxable income						
• Net short-term capital gains	-	-	-	-	-	-
• Capital gains on mergers	-	-	-	-	-	-
• Deferred long-term capital gains	-	-	-	-	-	-
Expenses deducted (or income taxed) for tax purposes and not yet recorded in the accounts						
• Deferred charges	-	-	-	-	-	-
• Unrealised foreign exchange gains	685		708	-	1,393	
Total	**8,192**		**1,060**	**16**	**9,639**	
II. Items to be charged						
Tax losses carried forward	**66,184**	**-**	**17,636**		**66,184**	**-**
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 year
Non-current assets			
Receivables from equity investments	50,221	-	50,221
Other non-current financial assets	2,177	1,002	1,175
Current assets			
Doubtful or disputed receivables	72	-	72
Other trade receivables	91,513	91,513	-
Employee-related receivables	230	230	-
Social security bodies	1	1	-
VAT	706	706	-
Tax credits	5,545	-	5,545
Other taxes	-	-	-
Other receivables	713	713	-
Prepayments and accrued income	8,701	8,372	329
Total	**159,878**	**102,536**	**57,342**

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 years
Bank debt			
• 2 years maximum at outset	471	471	-
• More than 2 years maximum at outset	82,626	82,626	-
Other financial debt	-	-	-
Group and associates	48,060	-	48,060
Trade accounts payables	27,747	27,747	-
Employee-related receivables	9,062	9,062	-
Social security bodies	7,050	7,050	-
State and public bodies			
• Withholding tax	365	365	-
• VAT	5,223	5,223	-
• Other taxes	116	116	-
Amounts payable on non-current assets	300	300	-
Other liabilities	1,523	1,523	-
Accruals and deferred income	31,626	31,626	-
Total	**214,168**	**166,109**	**48,060**

6.3.4.2 Accrued income and expenses

(in thousands of euros)

Accrued income	
Trade accounts payable – Credit notes receivable	672
Trade receivables – Sales invoice accruals	48,818
Tax and social security receivables	676
Total	**50,166**
Accrued expenses	
Accrued interest	471
Trade accounts payable – Purchase invoice accruals	21,299
Trade receivables – Credit notes to be issued	810
Tax and employee-related payables	14,445
Other liabilities	170
Total	**37,194**

Tax and social security receivables correspond to VAT on purchase invoice accruals of €613 thousand and VAT on credit notes to be issued of €62 thousand.

Tax payables mainly correspond to VAT on sales invoice accruals of €462 thousand and amounts payable to the French State, including the CVAE corporate value-added contribution for €14 thousand and the C3S contribution for €78 thousand. Employee-related payables mainly comprise provisions for paid leave (€2.6 million) and bonuses payable (€8.9 million), including social security contributions.

6.3.4.3 Workforce

The average workforce in 2022 totalled 452 employees and the number of employees at 31 December 2022 was 437.

6.3.4.4 Statutory Audit fees

Audit fees of €271 thousand are recorded in the income statement, including €237 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.

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	287
Bank guarantees for completion bonds	110
Bank guarantees guaranteeing payment of tax liabilities	177
Bank guarantees guaranteeing payment of supplier invoices	None
Unfunded retirement commitments (actuarial gains/losses)	-1,303
Guarantees given to subsidiaries to guarantee tender bids	None
Guarantees given to subsidiaries to guarantee leases	None
CEO severance compensation	709
Collateral, mortgages and sureties	None
Interest rate hedging instruments	None
Exchange rate hedging instruments	None

Bank guarantees

In May 2013, a guarantee of €103 thousand was arranged for our Puteaux 3 premises. An initial guarantee of €41 thousand was lifted on 30 November 2022 and a second guarantee of €62 thousand will be lifted on 10 December 2024.

Bank completion bonds stood at €110 thousand at 31 December 2022.

Guarantees of €177 thousand were established in August 2014 to guarantee the payment of tax liabilities. We will request the lifting of this guarantee in 2023.

Retirement commitments

At the end of 2022, the unfunded part of actuarial gains on retirement commitments stood at €1,303 thousand.

Severance pay

Severance pay for the Chief Executive Officer was set at US$756 thousand (or €709 thousand at the dollar exchange rate on 31 December 2022).

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	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)	112,748	(36,577)	99.998%	148,270	148,270	1,401,784	14,171,152	43,019	-
Axway GmbH (Germany)	425,000	22,611,547	100%	23,038,194	23,038,194	-	28,131,203	3,727,369	6,820,000
Axway Srl (Italy)	98,040	(17,930)	100%	98,127	98,127	-	4,961,090	130,818	
Axway software Iberia (Spain)	1,000,000	(63)	100%	1,000,000	1,000,000	-	3,501,940	340	-
Axway Nordic (Sweden)	8,991	768,907	100%	20,706,081	848,062	-	4,093,149	68,594	-
Axway Inc. (United States)	3	112,148,639	100%	154,946,354	154,946,354	39,034,815	185,826,099	16,954,364	-
Axway BV (Netherlands)	18,200	(3,505)	100%	200,000	200,000	-	4,614,189	13,772	-
Axway Belgium (Belgium)	1,000,000	(18,712)	99.9%	999,000	999,000	-	9,623,546	123,004	-
Axway Romania Srl (Romania)	10,605	3,448,375	100%	1,972,250	1,972,250	-	15,332,579	1,422,961	-
Axway SAS (France)	45,000	(21,469)	100%	45,000	-	892	-	(2,143)	-
Axway Pte Ltd (Singapore)	139,860	535,877	100%	1	1	-	9,473,147	244,633	259,796
Axway Ltd (Hong Kong)	12,025	547,313	100%	1	1	-	3,002,138	87,441	-
Axway Pty (Australia)	63,723	38,795	100%	1	1	-	8,828,828	98,078	531,656
Axway Software China (China)	1,543,671	(1,543,593)	100%	1	1	-	1,881,854	5,273	-
Axway Bulgaria EOOD (Bulgaria)	2,556	1,097,985	100%	979,846	979,846	-	13,649,630	865,106	1,227,101
Axway Distribution France (France)	51,000	(16,673)	100%	52,800	-	6,500	-	(1,311)	-
Axway Ltd (Ireland)	180,891	130,843	100%	42,841,900	42,841,900	7,675,024	22,858,056	(79,342)	-
Axway Software Do Brasil (Brazil)	9,850	(7,974,203)	99.991%	12,543	-	1,648,454	7,105,863	(874,347)	-
Axway Switzerland (Switzerland)	20,311	179	100%	18,210	18,210	453,218	1,234,820	41,821	-
DXchange (India)	1,134	(243,741)	99.99%	9,857,648	8,857,648	-	-	(18,474)	-
DXvmt (India)	11	(515,073)	100%	-	-	-	538,895	59,681	-

6.4 Summary Axway Software SA results for the past five fiscal years

(in euros)	2022	2021	2020	2019	2018
Share capital at end of fiscal year					
Share capital	43,267,194	43,267,194	42,702,132	42,450,762	42,450,762
Number of ordinary shares outstanding	21,633,597	21,633,597	21,351,066	21,225,381	21,225,381
Number of bonds convertible into shares					
Transactions and results for the fiscal year					
Revenue excluding VAT	181,819,914	167,254,376	156,706,577	163,568,230	157,202,173
Profit (loss) before tax, employee profit-sharing and incentive schemes, depreciation, amortisation and provisions	-22,153,401	8,853,621	-15,140,745	12,541,571	19,905,290
Income tax	-5,444,850	-5,806,999	-8,063,764	-7,559,470	-6,559,179
Employee profit-sharing and incentive schemes due for the fiscal year	958,358	754,623	903,829	714,193	555,044
Profit (loss) after tax and employee profit-sharing, depreciation, amortisation and provisions	-8,037,822	-7,843,108	-18,162,775	14,828,878	22,812,473
Distributed earnings	8,653,439	8,653,439	8,540,426	0	8,490,152
Earnings per share (including treasury shares)					
Profit (loss) after tax and employee profit-sharing, but before depreciation, amortisation and provisions	-0.77	0.68	-0.37	0.91	1.22
Profit (loss) after tax and employee profit-sharing, depreciation, amortisation and provisions	-0.37	-0.36	-0.85	0.70	1.07
Dividend per share	0.40	0.40	0.40	0.00	0.40
Employee data					
Average number of employees during the fiscal year	452	477	483	489	477
Total payroll for the fiscal year	44,387,071	43,808,036	41,973,124	38,739,302	39,316,093
Total benefits paid for the fiscal year (social security, employee welfare, etc.)	19,127,031	17,927,150	19,729,625	17,603,997	17,086,210

6.5 Statutory Auditors' report on the annual financial statements

This is a translation into English of the Statutory Auditors' report on the annual financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2022

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 2022.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2021 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 deontologie) for Statutory Auditors, for the period from 1 January 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of our assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the 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 annual 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 2022, 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.

06

Revenue recognition

(Note 1.2 to the annual financial statements)

Risk identified

The Company's activity comprises several business lines including the sale of licenses, maintenance and support services, integration and training services and finally subscriptions.

As disclosed in Note 1.2 "Revenue recognition" to the annual financial statements, the revenue recognition method depends on the nature of the services rendered and particularly:

- License revenue is recognised immediately upon delivery, which is considered completed when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are non-material and not liable to call into question the customer's acceptance of goods supplied.
- Software as a service subscription revenue is recognised progressively as Axway transfers control of the service.
- Maintenance revenue is recognised on a time-apportioned basis.
- Services revenue is generally recognised on a time spent basis and is recognised when the services are performed. Services are sometimes provided under fixed-price contracts, in which case they are recognised using the percentage-of-completionmethod.
- Where contracts comprise multiple components (license, maintenance, related services, etc.), revenue is generally recognised by applying the above methods after allocating the different revenue amounts to each activity. The amount of revenue attributable to the license is equal to the difference between the total contract amount and the actual value of its other component services: maintenance, related services.

In this context, the audit risks concern in particular the correct separation of fiscal years and the rules and procedures for apportioning revenue to contracts with multiple components.

We considered revenue recognition to be a key audit matter given Management judgements and estimates underlying revenue and the diversity of Axway activities as a software publisher.

Our response

Our audit approach is based on the assessment of the internal control procedures put in place by the Company in order to verify the measurement, occurrence and proper separation of fiscal years for revenue and on substantive audit procedures.

Our work included the following, in particular:

- Assessing internal control procedures, identifying the main manual or automatic controls relevant to our audit and testing their design and operating efficiency;
- Conducting analytical audit procedures by type of service rendered, particularly by analysing revenue trends;
- For a sample of contracts selected using a multi-criteria approach:
  - Assessing the revenue recognition method for each activity identified;
  - Verifying application of the procedure for allocating the price of multi-component contracts to the different components of these contracts;
  - Reconciling accounting data with the operational monitoring of the businesses and contractual data;
  - Examining proof of contract invoicing and settlement;
  - Examining proof of delivery and completion.
- Assessing the appropriateness of the disclosures in the notes to the annual financial statements.

Measurement of equity investments

(Notes 1.2 and 2.1 to the annual financial statements).

Risk identified

Equity investments recognised in assets total €235.9 million at 31 December 2022, 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-useis 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-useof 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-useof 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-useof the equity investments, such as the perpetual growth rate or the discount rate.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents provided to shareholders on the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and consistency with the financial statements of the payment period disclosures required by Article D. 441-6 of the French Commercial Code (*code de commerce*).

Corporate governance information

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4,L.22-10-9and L. 22-10-10of the French Commercial Code (*code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9of 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. 22-10-11of the French Commercial Code (*code de commerce*), we have verified their compliance with the underlying documents which have been communicated to us. Based on our work, we have no comment to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2,I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Both ACA Nexia and Mazars were appointed Statutory Auditors of Axway Software by the General Meeting of 18 December 2000.

At 31 December 2022, ACA Nexia and Mazars had held office as auditors for 22 continuous years, of which 12 years since the Company's securities were admitted for trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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. 823-10-1of 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 annual 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. 822-10to L. 822-14of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris, 17 March 2023

The Statutory Auditors

Aca Nexia	Mazars
Sandrine Gimat	Jérôme Neyret
Partner	Partner

Customers want their digital services in the market faster.

They're always right.

Axway Software share capital and shares AFR

Axway share ownership supports the Company's performance and sustainability strategic project.

Share capital held by leading shareholders favours stable but flexible governance decisions, while the increase in employee share ownership encourages employee engagement.

The market-making agreement entrusted to an investment service provider since Axway's IPO, seeks to increase the fluidity of transactions in the Company's shares in the secondary market.

7.1 General information

Axway Software was listed on the regulated Euronext market in Paris on 14 June 2011.

Axway Software shares are listed on Euronext Compartment B and are eligible for inclusion in equity saving plans (PEA and PEA-PME) and for the Deferred Settlement Service (SRD).

On 31 December 2022, Axway Software's share capital consisted of 21,633,597 shares with a par value of two (2) euros each, fully paid up, amounting to €43,267,194. The total number of exercisable voting rights attached to the share capital at 31 December 2022, taking account of the existence of double voting rights and the absence of voting rights on treasury shares, was 35,809,394.

Changes in share capital for the fiscal year ended 31 December 2022 are detailed in Section 7.3 ("Changes in share capital") of this Chapter 7.

On 31 December 2022, if all free shares had been issued, this would have resulted in the issuance or purchase of 719,582 shares.

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 December 2022				
Shareholders	**Number of shares held**	**% of share capital**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of exercisable voting rights**
Sopra Steria Group SA	6,913,060	31.96%	13,826,120	13,826,120	38.61%
Sopra GMT(1)	4,503,321	20.82%	9,006,642	9,006,642	25.15%
Pasquier family group(1)	22,970	0.11%	42,350	42,350	0.12%
Odin family group(1)	292,059	1.35%	477,912	477,912	1.33%
Management(2)	317,877	1.47%	518,760	518,760	1.45%
Shareholders' agreement between the Founders, the Managers and Sopra Steria Group SA	*12,049,287*	*55.70%*	*23,871,784*	*23,871,784*	*66.66%*
Public(3)	8,933,622	41.30%	11,937,610	11,937,610	33.34%
Treasury shares	650,688	3.01%	650,688	0	0%
Total	**21,633,597**	**100%**	**36,460,082**	**35,809,394**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders".

(2) Managers who have signed the shareholders' agreement with Sopra GMT and the Pasquier and Odin family groups.

(3) Calculated by deduction.

To the best of the Company's knowledge, only Caravelle, Lazard Frères Gestion and Long Path Partners held more than 5% of the share capital at 31 December 2022, holding 2,572,458, 1,172,900 and 1,139,700 shares, respectively, representing 11.89%, 5.42% and 5.27% of the share capital.

There were no material changes in the Company's share capital structure in 2022.

	At 31 December 2021				
Shareholders	**Number of shares held**	**% of share capital**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of exercisable voting rights**
Sopra Steria Group SA	6,913,060	31.96%	13,826,10	13,826,120	38.32%
Sopra GMT(1)	4,503,321	20.82%	9,006,642	9,006,642	24.96%
Pasquier family group(1)	22,970	0.11%	42,350	42,350	0.12%
Odin family group(1)	292,059	1.35%	477,912	477,912	1.32%
Management(2)	316,177	1.46%	524,319	524,319	1.45%
Shareholders' agreement between the Founders, the Managers and Sopra Steria Group SA	*12,047,587*	*55.69%*	*23,877,343*	*23,877,343*	*66.18%*
Public(3)	9,229,824	42.66%	12,202,183	12,202,183	33.82%
Treasury shares	356,186	1.65%	356,186	0	0%
Total	**21,633,597**	**100%**	**36,435,712**	**36,079,526**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group are referred to collectively as the "Founders".
(2) Managers who have signed the shareholders' agreement with Sopra GMT and the Pasquier and Odin family groups.
(3) Calculated by deduction.

	At 31 December 2020				
Shareholders	**Number of shares held**	**% of share capital**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of exercisable voting rights**
Sopra Steria Group SA	6,913,060	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%
Management(2)	340,952	1.60%	566,474	566,474	1.57%
Shareholders' 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(3)	9,229,476	43.23%	12,166,819	12,166,819	33.66%
Treasury shares	36,978	0.17%	36,978	0	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) Managers who have signed the shareholders' agreement with Sopra GMT and the Pasquier and Odin family groups.
(3) Calculated by deduction.

The share capital of Sopra GMT, the holding company of Axway and Sopra Steria, is held as follows:

Sopra GMT's share ownership structure	31/12/2022		31/12/2021	
Shareholders	**Shares**	**% of share capital**	**Shares**	**% of share capital**
Pasquier family group	318,050	68.47%	318,050	68.27%
Odin Family group	132,050	28.43%	132,050	28.34%
Sopra Steria Group active and retired managers	12,604	2.71%	12,604	2.71%
Treasury shares	1,823	0.39%	3,170	0.68%
Total	**464,527**	**100%**	**465,874**	**100%**

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 3% or 4% of the share capital or voting rights shall inform the Company in the same manner and based on the same calculation methods as those set forth by law for declarations that legal thresholds have been crossed*" (Article 28 of the Articles of Association).

In a letter received on 4 July 2022, Moneta Asset Management, acting on behalf of the fund it manages, declared it had increased its interest above the threshold of 3% of Axway's share capital on 29 June 2022. In a further letter on 14 September 2022, Moneta Asset Management declared it had decreased its interest below the threshold of 3% of Axway's share capital on 12 September 2022. At this date, Moneta Asset Management held 583,164 shares representing 2.70% of the share capital and 1.60% of the voting rights of Axway.

In a letter received on 2 December 2022, Long Path Partner, LP, acting on behalf of Long Path Partners Smaller Companies Fund, LP that it manages, declared it had increased its interest above the threshold of 5% of Axway's share capital on 28 November 2022. At this date, Long Path Partner held 1,095,185 shares representing 5.06% of the share capital and 3.00% of the voting rights of Axway.

7.2.2 Approximate number of shareholders

At 31 December 2022, Axway Software had 1,442 registered shareholders who owned 15,281,773 shares and held 30,099,067 voting rights, *i.e.* 70.64% of the shares making up the share capital, and 82.55% of total theoretical voting rights.

On the basis of the most recent data available to the Company, there are around 4,200 shareholders.

7.2.3 Employee share ownership

At 31 December 2022, pursuant to the provisions of Article L. 225-102 of the French Commercial Code, Company shares held by its employees or by employees of its affiliates, within the meaning of Article L. 225-180 of the French Commercial Code, were as follows:

- 2,970 shares under a company savings plan;
- 10,452 shares through mutual funds;
- 449,619 shares held directly in registered form following the set-up of free share plans in accordance with the provisions of Article L. 22-10-59 of the French Commercial Code;

representing a total of 463,041 shares or 2.14% of the Company's share capital at 31 December 2022.

However, no shares are held by employees and/or former employees of the Company or its affiliates within the meaning of Article L. 225-180 of the French Commercial Code through mutual funds.

Furthermore, to increase employee engagement in the long-term corporate project, Axway has granted free shares on several occasions to all employees:

- following Axway's IPO in June 2011, the Board of Directors' meeting of 14 February 2012 approved the grant of 45 shares to each employee. The shares became available following vesting periods of two to four years according to the country;
- on 22 February 2019, 200 free shares were granted to all employees at that date, subject to the condition that they remain employed by Axway for a period of three years.

7.2.4 Shareholders' agreements notified to the stock market authorities

A shareholders' agreement to act in concert with respect to Sopra Steria Group was entered into for a period of two years on 7 December 2009 between Sopra GMT, the Pasquier and Odin family groups and a group of managers. This agreement is renewed tacitly every two years. The clauses of the agreement were extended to Axway Software's shares pursuant to the amendment of 27 April 2011.

Sopra GMT, leading shareholder and holding company of Sopra Steria Group and Sopra Steria Group also act in concert with respect to Axway Software.

With respect to the Company, this involves:

- an undertaking by the parties to act in concert so as to implement joint policies and, in general, approve any major decisions;
- an undertaking by the parties to act in concert in connection with the appointment and reappointment of members of the Company's management bodies, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT;
- an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal of more than 0.20% of the share capital or voting rights of the Company;
- an undertaking by the parties to act in concert to adopt a common strategy in the event of a public offer for the Company's shares;
- a pre-emption right for the Odin and Pasquier family groups and Sopra GMT in the event of a sale of the Company's shares by (i) a manager (first rank pre-emption right for Sopra GMT, second rank pre-emption right for the Pasquier family group, third rank pre-emption right for the Odin family group, fourth rank pre-emption right for Sopra Developpement) and (ii) Sopra Developpement (first rank pre-emption right for Sopra GMT, second rank pre-emption right for the Pasquier family group, third rank pre-emption right for the Odin family group). The pre-emption exercise price will be equal to (x) the agreed price between the transferor and the transferee in the event of an off-market sale, (y) the average for the last ten trading days prior to notification of the sale in the event of a market sale and (z), in other cases, the value adopted for the shares in connection with the transaction.

7.2.5 Control of the Company

Sopra GMT, the holding company of Axway Software and Sopra Steria, exercises control over the Company due to its direct and indirect holding (under the shareholders' agreement) of over half of the share capital (55.70%) and 66.66% of exercisable voting rights. In its role as holding company, Sopra GMT exercises considerable influence over the Company's business, strategy and development. However, the Company does not believe that there is a risk that control will be exercised in an abusive manner since:

- the Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and mid-caps as updated in September 2021, because of its compatibility with the size of the Company and its capital structure;
- the duties of the Chairman and Chief Executive Officer have been separated since the Company's IPO. This separation of offices was renewed during the appointment of the current Chief Executive Officer;
- on the recommendation of the Company's Appointments, Governance and Corporate Responsibility Committee and in compliance with the applicable Middlenext Code of Corporate Governance, 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 26 January 2023;
- the directors are bound by the obligation to protect the interests of the Company and comply with the rules set out in the Securities Trading Code of Conduct, the internal regulations of the Board of Directors and the Ethics charter, as well as the rules contributing to good governance as defined in the 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, including the Green Taxonomy, monitoring the efficiency of the internal control and risk management systems, monitoring the statutory audit of the financial statements and verifying compliance with the requirement for the Statutory Auditors to be independent (see Chapter 4). The creation of an Audit Committee comprised 86% of independent directors prevents 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, renamed the Appointments, Governance and Corporate Responsibility Committee in 2021, whose tasks include examining the independence of directors and situations of conflict of interest.

The General Shareholders' Meeting of 4 June 2014 introduced double voting rights for the Company, in accordance with legislative changes. The implementation of double voting rights enables the Company to strengthen the stability of its share ownership and thus focus on mid- and long-term projects.

7.3 Changes in the share capital

Date	Transaction type	Share capital after the transaction *(in euros)*	Par value	Number of shares		Contributions	
				Created	Total	Par value	Premiums or reserves
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	20,549,666	-	-
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	-	-

Date	Transaction type	Share capital after the transaction *(in euros)*	Par value	Number of shares		Contributions	
				Created	Total	Par value	Premiums or reserves
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	-	-
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	-	-
01/2021	Capital increase by exercise of options	42,710,432	€2	4,150	21,355,216	-	-

Date	Transaction type	Share capital after the transaction *(in euros)*	Par value	Number of shares		Contributions	
				Created	Total	Par value	Premiums or reserves
02/2021	Capital increase by exercise of options	42,715,432	€2	2,500	21,357,716	-	-
03/2021	Capital increase by exercise of options	43,023,590	€2	12198	21,511,795	-	-
04/2021	Capital increase by exercise of options	43,087,170	€2	31790	21,543,585	-	-
05/2021	Capital increase by exercise of options	43,118,020	€2	15425	21,559,010	-	-
06/2021	Capital increase by exercise of options	43,138,520	€2	10250	21,569,260	-	-
07/2021	Capital increase by exercise of options	43,145,120	€2	3,500	21,572,560	-	-
08/2021	Capital increase by exercise of options	43,152,320	€2	3,400	21,576,160	-	-
09/2021	Capital increase by exercise of options	43,166,120	€2	6,900	21,583,060	-	-
10/2021	Capital increase by exercise of options	43,204,820	€2	19350	21,602,410	-	-
11/2021	Capital increase by exercise of options	43,267,194	€2	31187	21,633,597	-	-

7.4 Shares held by the Company or on its behalf - share buyback programme and market-making agreement

At 31 December 2022, Axway held 650,688 treasury shares, representing 3.01% of the share capital. At this date, Axway held 41,497 shares under a market-making agreement and 609,191 shares under a buyback program.

7.4.1 Transactions carried out in 2022 under the share buyback programme

In fiscal year 2022, Axway acquired, under the authorisations granted to the Board of Directors by the General Meeting of 24 May 2022, 725,000 of its own shares by implementing the buyback programme. These shares were acquired at an average price of €18.92 per share, *i.e.* a total cost of €13,715,938. The trading costs incurred by Axway amounted to 0.1% of the total gross cost plus the tax on financial transactions.

These shares were purchased to cover undertakings given by Axway in connection with employee performance share plans.

7.4.2 Transactions carried out in 2022 under the market-making agreement

From 14 June 2011 and for 12-month periods subject to tacit renewal, the Company has entrusted Kepler Cheuvreux with the implementation of a market-making agreement in accordance with the various resolutions approved by the General Meetings. Under this agreement, Kepler Cheuvreux trades on the stock market on behalf of Axway Software in order to ensure trading liquidity and stock price stability and avoid price fluctuations not justified by underlying market trends.

At 31 December 2022, Axway Software held 41,497 shares under its market-making agreement. In 2022, the Company did not enter into any derivative transactions covering its shares and did not buy or sell any shares by exercising derivatives or on their expiry.

Initially, the Company set aside €1 million for the implementation of its market-making agreement.

This agreement was amended following the entry into effect of European Regulation (EU) 596/2014 of the European Parliament and of the Council of 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 11 May 2023

Pursuant to Articles 241-2 *et seq.* of the AMF General Regulations and L. 451-3 of the French Monetary and Financial Code, and in accordance with European regulations as well as AMF decision 2018-01 of 2 July 2018, this description covers the objectives and terms and conditions of the Axway Software share buyback programme that will be submitted for authorisation to the General Meeting of 11 May 2023.

No more than €101,677,906, excluding acquisition costs, may be allocated to this share buyback programme for a maximum of 2,163,360 shares. It was also decided that the Company may not directly or indirectly hold over 10% of its share capital.

The authorisation to set up the share buyback programme will be granted to the Board of Directors for a period of 18 months from the date of the Combined General Meeting of 11 May 2023 (see Chapter 8, Section 8.2, ("Explanatory statement and proposed resolutions")) to fulfil the following objectives:

(a) cover Company share purchase option plans benefiting (some or all) employees and/or (some or all) qualifying company officers of the Company and of companies or groupings that are or will be affiliated to it as per the terms and conditions of Article L. 225-180 of the French Commercial Code;

(b) grant ordinary shares to qualifying company officers, employees and former employees, or certain categories thereof, of the Company or of the Group under profit sharing schemes or a company savings plan in accordance with the law;

(c) grant free shares under the scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and qualifying company officers, or to certain categories thereof, of the Company and/or of companies and economic interest groups affiliated to it under the terms of Article L. 225-197-2 of the French Commercial Code and, more generally, to grant ordinary Company shares to those employees and company officers;

(d) retain ordinary shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, in line with market practices permitted by the *Autorité des Marchés Financiers*;

(e) deliver shares upon exercise of rights attached to securities granting entitlement by means of conversion, exercise, redemption, exchange, presentation of a warrant or by any other means, immediately or in the future, to Company shares as well as carrying out any transactions required to cover the Company's obligations with respect to these securities, in compliance with stock market regulations and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors;

(f) enable market making in ordinary shares *via* an investment services provider under a market-making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des Marchés Financiers*, it being noted that the number of ordinary shares bought back in this respect shall, for the purposes of calculating the 10% limit, equal the number of ordinary shares bought back, less the number of ordinary shares sold during the period of this authorisation;

(g) cancel all or some of the ordinary shares bought back, so long as the Board of Directors has a valid authorisation from the Extraordinary General Meeting allowing it to reduce the share capital by cancelling ordinary shares bought back under an ordinary share buyback programme.

Points a, b and c benefit from a conclusive presumption of legality pursuant to European Regulation (EU) 596/2014 of the European Parliament and of the Council of 14 April 2014 on market abuse and the Commission Delegated Regulation (EU) 2016/908 of 26 February 2016 supplementing Regulation (EU) 596/2014. Point (f) benefits from a conclusive presumption of compliance based on AMF decision 2018-01 of 2 July 2018.

However, the Company may not use this resolution and continue with its buyback programme in compliance with legal and regulatory provisions (and, in particular, the provisions of Articles 231-1 *et seq.* of the AMF General Regulations) during a public tender offer or public exchange offer made by the Company.

7.5 Delegations granted by General Meetings to increase the share capital

The table below summarises valid delegations at 31 December 2022 granted by the General Shareholders' Meeting in accordance with Article L. 225-37-4 paragraph 3 of the French Commercial Code.

I. Delegations of authority granted by the Combined General Meeting of 25 May 2021

Delegation of authority granted to the Board of Directors to increase the share capital by capitalising reserves, profits, share premiums or other items (15th resolution)

Date of General Meeting granting the delegation of authority	25 May 2021
Duration of delegation of authority	26 months
Expiry date	25 July 2023
Total amount for which the delegation of authority is granted *(in euros)*	20,000,000(1)
Use made of this delegation of authority during the fiscal year	-
Remaining balance *(in euros)*	20,000,000

(1) This threshold is independent and separate from the share capital increase thresholds potentially arising from the issue of ordinary shares or securities granting access to share capital authorised by the other resolutions and capped by the 19th resolution adopted by the Combined General Meeting of 25 May 2021.

Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to ordinary shares with retention of preferential subscription rights and/or of securities conferring entitlement to the allocation of debt securities (16th resolution)

Date of General Meeting granting the delegation of authority	25 May 2021
Duration of delegation of authority	26 months
Expiry date	25 July 2023
Total amount for which the delegation of authority is granted *(in euros)*	20,000,000(1) 200,000,000(1) (debt securities)
Use made of this delegation of authority during the fiscal year	-
Remaining balance *(in euros)*	20,000,000 200,000,000

(1) This amount Is deducted from the par value limit for share capital increases provided in the 19th resolution adopted by the Combined General Meeting of 25 May 2021.

Authorisation granted to the Board of Directors to increase the amount of the initial issue, in the event of an issuance of ordinary shares or securities granting access to ordinary shares, with retention or cancellation of preferential subscription rights, decided pursuant to the 16th resolution adopted by the General Meeting of 25 May 2021 and the 12th and 13th resolutions adopted by the General Meeting of 3 June 2022 (17th resolution)

Date of General Meeting granting the delegation of authority	25 May 2021
Duration of delegation of authority	26 months
Expiry date	25 July 2023
Total amount for which the delegation of authority is granted	Ceilings set by the 12th, 13th and 16th resolutions
Use made of this delegation of authority during the fiscal year	-
Remaining balance *(in euros)*	20,000,000 200,000,000

Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities granting access to ordinary shares in consideration for contributions in kind granted to the Company and consisting of equity securities or securities granting access to share capital, outside of a public exchange offer (18th resolution)

Date of General Meeting granting the delegation of authority	25 May 2021
Duration of delegation of authority	26 months
Expiry date	25 July 2023
Total amount for which the delegation of authority is granted	10% of share capital(1)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	10% of share capital(1)

(1) This amount is deducted from the threshold set in the 19th resolution adopted by the Combined General Meeting of 25 May 2021.

Overall limit on issue authorisations, with retention or cancellation of preferential subscription rights (19th resolution)

Date of General Meeting granting the delegation of authority	25 May 2021
Duration of delegation of authority	26 months
Expiry date	25 July 2023
Total amount for which the delegation of authority is granted *(in euros)*	20,000,000 200,000,000 (debt securities)(1)
Use made of this delegation of authority during the fiscal year	-
Remaining balance *(in euros)*	20,000,000

(1) Total maximum par value amount of share capital increases that may be decided pursuant to the 16th and 18th resolutions adopted by the Combined General Meeting of 25 May 2021 and the 12th and 13th resolutions adopted by the Combined General Meeting of 3 June 2020.

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 (20th resolution)

Date of General Meeting granting the delegation of authority	25 May 2021
Duration of delegation of authority	26 months
Expiry date	25 July 2023
Total amount for which the delegation of authority is granted	3% of the share capital at the date of the General Meeting(1)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	3% of the share capital at the date of the General Meeting(1)

(1) This threshold is independent and separate from the share capital increase thresholds potentially arising from the issue of ordinary shares or securities granting access to share capital authorised by the other resolutions of the Combined General Meeting of 25 May 2021.

II. Delegations of authority granted by the Combined General Meeting of 24 May 2022

Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities, where applicable, granting access to ordinary shares or conferring entitlement to the allocation of debt securities and/or securities granting access to ordinary shares, with cancellation of preferential subscription rights, through an offering referred to in Section I of Article L. 411-2 of the French Monetary and Financial Code (15th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	10,000,000(1) 100,000,000(1) (debt securities)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	10,000,000(1) 100,000,000(1) (debt securities)

(1) This amount is deducted from the par value limit for share capital increases provided in the 18th resolution adopted by the Combined General Meeting of 24 March 2022.

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to share capital and/or debt securities, with cancellation of preferential subscription rights, through a public offering (excluding the offers set out in Section 1 of Article L. 411-2 of the French Monetary and Financial Code), and/or in consideration for securities as part of a public exchange offering (16th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	20,000,000(1) 200,000,000(1) (debt securities)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	20,000,000(1) 200,000,000(1) (debt securities)

(1) This amount is deducted from the par value limit for share capital increases provided in the 18th resolution adopted by the Combined General Meeting of 24 March 2022.

Delegation of authority to the Board of Directors to increase the amount of the initial issue, in the event of an issuance of ordinary shares or securities granting access to share capital with cancellation of preferential subscription rights, decided pursuant to the 15th and 16th resolutions of this General Meeting (17th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	Ceilings set by the 15th and 16th resolutions, respectively
Use made of this delegation of authority during the fiscal year	-
Remaining balance	20,000,000(1) 200,000,000(1) (debt securities)

(1) This amount is deducted from the par value limit for share capital increases provided in the 18th resolution adopted by the Combined General Meeting of 24 March 2022.

Overall limit on issue authorisations, with retention or cancellation of preferential subscription rights (18th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted *(in euros)*	20,000,000(1)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	20,000,000(1)

Authorisation granted to the Board of Directors to grant free shares, existing or to be issued, to eligible employees or company officers (19th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	38 months
Expiry date	24 July 2025
Total amount for which the delegation of authority is granted	4% of the Company's share capital on the date of the grant decision by the Board of Directors
Use made of this delegation of authority during the fiscal year	1.22% of the Company's share capital on the date of the grant decision by the Board of Directors
Remaining balance	2.78% of the Company's share capital on the date of the grant decision by the Board of Directors

Authorisation granted to the Board of Directors to grant share subscription or purchase options to employees or company officers (20th resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	38 months
Expiry date	24 July 2025
Total amount for which the delegation of authority is granted	1% of the number of shares comprising the Company's share capital on the date of the grant decision by the Board of Directors
Use made of this delegation of authority during the fiscal year	-
Remaining balance	1% of the number of shares comprising the Company's share capital on the date of the grant decision by the Board of Directors

Delegation granted to the Board of Directors to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company savings plan (21st resolution)

Date of General Meeting granting the delegation of authority	24 May 2022
Duration of delegation of authority	26 months
Expiry date	24 July 2024
Total amount for which the delegation of authority is granted	3% of the share capital at the date of the General Meeting(1)
Use made of this delegation of authority during the fiscal year	-
Remaining balance	3% of the share capital at the date of the General Meeting(1)

(1) This threshold is independent and separate from the share capital increase thresholds potentially arising from the issue of ordinary shares or securities granting access to share capital authorised by the other resolutions of the Combined General Meeting of 24 March 2022.

7.6 Share subscription options

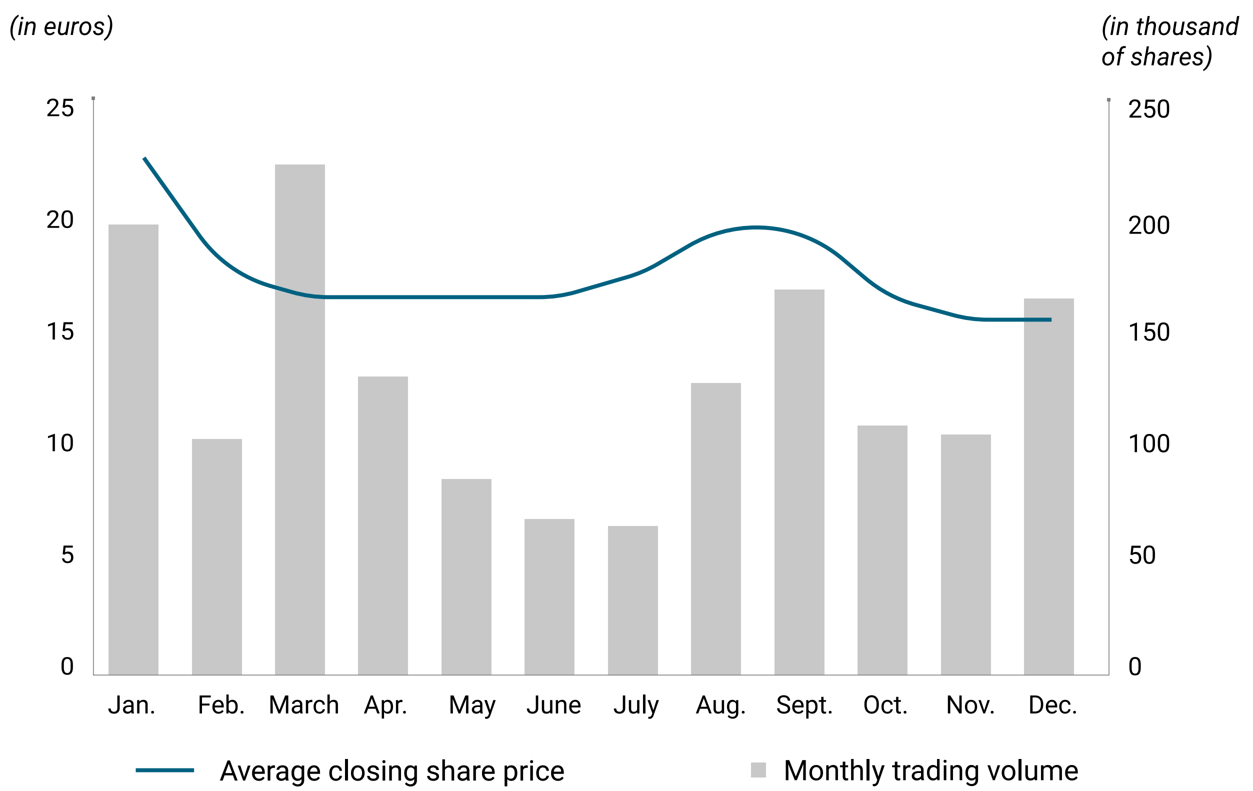
The table below summarises the status at 31 December 2022 of share subscription option plans granted by Axway to its employees:

	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position at 31/12/2022	
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 N° 3 -2011 stock option plan, maximum issue of 1,033,111 shares*											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2021	63,675	€14.90	-	-7,325	-56,350	-	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2021	66,375	€14.90	-	-7,325	-59,050	-	€14.90
28/03/2013	131,250	€15.90	28/09/2015	18/11/2021	12,201	€15.90	-	-	-12,201	-	€15.90
28/03/2013	131,250	€15.90	28/03/2018	18/11/2021	13,049	€15.90	-	-	-13,049)	-	€15.90
TOTAL PLANS	**1,394,850**				**155,300**		**-**	**-14,650**	**-140,650**	**-**	

** Increased to 1,295,611 following an amendment in June 2013.*

7.7 Share price and trading volumes

AXW.PA share monthly average price and volumes



Share price trends in 2022

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 2022	27.10	04 Jan. 2022	17.00	28 Jan. 2022	17.45	23.26	22.83	202,182	4,205,877	21
February 2022	19.10	14 Feb. 2022	16.70	01 Feb. 2022	18.55	18.08	18.12	105,513	1,854,306	20
March 2022	18.60	01 Mar. 2022	15.15	11 Mar. 2022	16.80	16.81	16.78	228,769	3,913,952	23
April 2022	17.40	29 Apr. 2022	16.65	05 Apr. 2022	17.40	16.83	16.84	133,963	2,257,370	19
May 2022	17.40	13. May 2022	16.60	17 May 2022	17.00	17.08	17.07	87,617	1,500,730	22
June 2022	18.00	30 Jun. 2022	16.90	20 Jun. 2022	17.80	17.28	17.30	69,849	1,208,452	22
July 2022	19.00	29 Jul. 2022	17.65	01 Jul. 2022	19.00	18.21	18.27	66,821	1,236,179	21
August 2022	21.20	26 Aug. 2022	18.75	05 Aug. 2022	21.00	19.97	20.06	130,747	2,614,128	23
September 2022	21.00	13 Sept. 2022	16.50	29 Sept. 2022	16.90	19.78	19.64	172,644	3,515,300	22
October 2022	17.75	18 Oct. 2022	15.45	31 Oct. 2022	15.70	16.91	16.87	111,963	1,828,097	21
November 2022	16.35	21 Nov. 2022	15.60	03 Nov. 2022	16.20	15.98	16.01	108,106	1,742,159	22
December 2022	17.00	29 Dec. 2022	15.20	12 Dec. 2022	16.65	16.12	16.12	169,326	2,742,357	21

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 specific dividend distribution policy, in favour of an annual assessment by the Board of Directors.

The Axway Board of Directors' meeting on 22 February 2023, decided to propose to the next General Shareholders' Meeting the payment of a divided of €0.40 per share.

7.9 Rights, privileges and restrictions attached to each category of shares outstanding

7.9.1 Rights and obligations attaching to shares (Article 12 of the Articles of Association)

1. "Each share gives the right to a portion of the earnings, corporate assets and liquidation surplus in proportion to the percentage of the share capital it represents. It moreover carries voting and representation rights at General Meetings, as well as the right to be kept informed about the Company's performance and to receive certain corporate documentation when and in the manner provided for by law and in the Articles of Association.
2. Shareholders are only liable for corporate liabilities up to the amount of their contributions.

   The rights and obligations stay with the share regardless of who owns it.

   Ownership of a share implies acceptance of the Company's Articles of Association and the decisions of General Meetings.
3. Whenever a certain number of shares is required to exercise any particular right, owners not holding that number shall be personally responsible for grouping together, or potentially buying or selling the required number of shares."

Moreover, it is specified that since the General Meeting of 4 June 2014 a double voting right is attached to shares held by shareholders that meet the conditions specified in paragraph 4 of Article 31 of the Articles of Association, available on the Axway website at the following link.

7.9.2 Indivisibility of shares - Bare ownership - Beneficial ownership (Article 13 of the Articles of Association)

1. "Shares are indivisible with respect to the Company. Joint owners of undivided shares are represented at General Meetings by one of them or by a sole agent. In the event of a dispute, the agent is appointed by the courts at the request of the joint owner who acts first.
2. Voting rights are held by beneficial owners in Ordinary General Meetings and by bare owners in Extraordinary General Meetings. Nevertheless, shareholders may agree to share voting rights at General Meetings in any way they see fit. The Company is notified of the agreement by registered letter and shall be required to apply this agreement for any meeting held any time from one month following the sending of this letter. Nevertheless, the bare owner is entitled to participate in all General Meetings. His voting rights can never be completely eliminated. The beneficial owner cannot be denied the right to vote on decisions involving the appropriation of earnings. Voting rights of pledged securities are exercised by the owner."

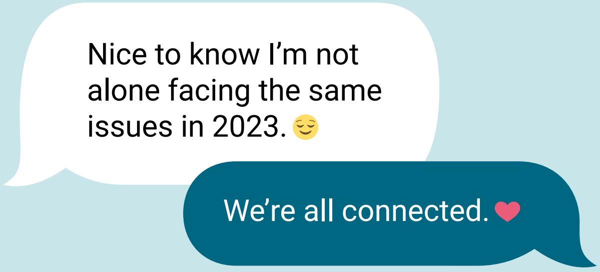
7.10 Information on takeover bids pursuant to Article L. 22-10-11 of the French Commercial Code

1. The Company's share capital structure is set out in Chapter 7, Section 7.2 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 7.2.4 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 7.2 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 7.2.4 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 7.5 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.



Combined General Meeting of 11 May 2023

The Chairman of the Board of Directors, committed to sustainably aligning the interests of the Company and those of shareholders, seeks to establish a frequent dialogue with shareholders in close conjunction with the Chief Executive Officer. Accordingly, in fiscal year 2022, in addition to the General Meeting, shareholders were invited to attend all presentations of Axway's results as well as a "Capital Markets Meeting" by video-conference. A recording of these meetings can be viewed on the Company's website at the following link: https://investors.axway.com.

Similarly, the Board of Directors, under the impetus of its Chairman and Executive Management, analysed voting results at the Combined General Meeting of 24 May 2022. This analysis showed that minority shareholders, for the most part, followed the voting recommendations of the Board of Directors.

In addition, the procedures for shareholders to attend the General Meeting are presented in Articles 25 and 34 of the Articles of Association, which may be consulted on the Axway investors website.

8.1 Agenda AFR

Ordinary General Meeting

1. Approval of the annual financial statements for the year ended 31 December 2022 - Approval of non-tax deductible expenses and charges.
2. Approval of the consolidated financial statements for the year ended 31 December 2022.
3. Appropriation of earnings for the year and setting of the dividend.
4. Reappointment of Pierre Pasquier as director.
5. Reappointment of Kathleen Clark-Bracco as director.
6. Reappointment of Emma Fernandez as director.
7. Reappointment of Yves de Talhouët as director.
8. Fixed annual sum to be allocated to members of the Board of Directors.
9. Approval of the compensation policy for the Chairman of the Board of Directors.
10. Approval of the compensation policy for the Chief Executive Officer.
11. Approval of the compensation policy for members of the Board of Directors.
12. Approval of the information set out in Section I of Article L. 22-10-9 of the French Commercial Code.
13. Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Pierre Pasquier, Chairman of the Board of Directors.
14. Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Patrick Donovan, Chief Executive Officer.
15. Authorisation granted to the Board of Directors, for a period of 18 months, to buy back shares in the Company under the mechanism set out in Article L. 22-10-62 of the French Commercial Code.

Extraordinary General Meeting

16. Authorisation granted to the Board of Directors, for a period of 26 months, to cancel treasury shares bought back by the Company under the mechanism set out in Article L. 22-10-62 of the French Commercial Code.
17. Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by capitalising reserves, profits and/or share premiums.
18. 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.
19. Authorisation to increase the amount of issues provided for in the twenty-third resolution presented to this General Meeting.
20. Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares and/or securities granting access to share capital, up to a maximum of 10% of the share capital, in consideration for contributions in kind comprising equity securities or securities granting access to share capital, outside of a public exchange offer.
21. Overall limit on authorisation ceilings set in the eighteenth and twentieth resolutions of this General Meeting and the fifteenth and sixteenth resolutions of the General Meeting of 24 May 2022.
22. Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares and/or securities granting access to share capital, with cancellation of preferential subscription rights, for members of a company savings plan pursuant to Articles L. 3332-18 *et seq.* of the French Labour Code.

Ordinary General Meeting

23. Powers to perform legal formalities.

8.2 Explanatory statement and proposed resolutions

Dear shareholders,

We have convened a Combined General Meeting on Thursday, 11 May 2023 to present the consolidated and parent company financial statements for the fiscal year ended 31 December 2022, 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 2022, we present the annual management report, included in the Universal Registration Document filed with the AMF.

This Board of Directors' report seeks to explain the contents of the resolutions submitted for your approval, and indicate the vote recommended by the Company's Board of Directors.

8.2.1 Resolutions presented for the approval of the Ordinary General Meeting

a) Approval of the accounts proposed by the Board of Directors (1st to 3rd resolutions)

EXPLANATORY STATEMENT

In light of the Statutory Auditors' reports and the Board of Directors' management report, shareholders are asked to:

- approve the annual financial statements for the fiscal year ended 31 December 2022, showing a loss of €8,037,822.68 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 2022, showing a consolidated net loss, Group share, of €40,040,966.90 and the transactions reflected in these financial statements and/or summarised in these reports **(2nd resolution)**; and
- approve the appropriation of earnings and the proposed dividend per share of a gross amount of €0.40 with an ex-dividend date of 5 June 2023 and a payment date of 7 June 2023 **(3rd resolution)**.

It is recalled that Article 37 of the Articles of Association sets out the following rules for the appropriation and distribution of earnings:

The income statement summarises the income and expenses for the fiscal year and, after deductions for amortisation, depreciation and provisions, shows the profit for the year. Any prior losses are deducted from the profit for the year, along with at least five per cent for allocation to the legal reserve. This allocation ceases to be mandatory when the legal reserve represents one-tenthof the share capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings. The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all discretionary, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned by the General Meeting between all shareholders in proportion to the number of shares held.

Furthermore, the General Meeting may resolve to distribute sums deducted from available reserves, by expressly indicating the reserves from which the deductions are to be made. However, dividends are first deducted from the profit for the year.

Except in the event of a share capital reduction, no distribution may be carried out to shareholders where shareholders' equity is, or would subsequently be, less than the minimum amount of share capital plus reserves not enabling a distribution, pursuant to the law or the Articles of Association. Revaluation surpluses may not be distributed. Some or all of them may be incorporated into the capital.

Any losses shall, following approval of the financial statements by the General Meeting, be carried forward to be set against earnings in subsequent fiscal years, until fully used up.

First resolution

Approval of the annual financial statements for the year ended 31 December 2022 - 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 2022, approves the annual financial statements as presented at this date showing a net loss of €8,037,822.68.

The General Meeting specifically approves the overall amount of €42,599 for expenses and charges referred to in Section 4 Article 39 of the French General Tax Code, it being noted that no tax was borne in respect of these expenses.

Second resolution

Approval of the consolidated financial statements for the year ended 31 December 2022

The General Meeting, after reviewing the Board of Directors' and Statutory Auditors' reports on the consolidated financial statements for the year ended 31 December 2022, approves these consolidated financial statements as presented showing a net loss (Group share) of €40,040,966.90.

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 2022:

Initial amount	
• Net loss for the year	- €8,037,823
• Retained earnings	- €11,079,919
Appropriation	
• Legal reserve	€0
• Other reserves (1)	- €8,653,439
• Dividends	€8,653,439
• Retained earnings	- €19,117,741

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-dividenddate will be 5 June 2023.

The dividends will be paid on 7 June 2023.

In the event of a change in the number of shares conferring entitlement to dividends compared to the 21,633,597 shares comprising the share capital at 31 December 2022, the overall dividend amount would be adjusted accordingly and the amount allocated to retained earnings would be determined based on dividends actually paid.

(1) Reminder: the Company must hold reserves, other than the legal reserve, of an amount at least equal to the value of treasury shares (Article L. 225-210 of the French Commercial Code)

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:

	Revenue eligible for deduction		Revenue not eligible for deduction
For the fiscal year	**Dividends**	**Other distributed revenue**	
2019[1]	-	-	-
2020	€8,540,426 *i.e.* €0.40 per share	-	-
2021	€8,653,439 *i.e.* €0.40 per share	-	-

(1) A dividend was not distributed In respect of fiscal year 2019 due to the exceptional circumstances relating to the COVID-19 pandemic.

b) Renewal of terms of office (4th to 7th resolutions)

EXPLANATORY STATEMENT

The Board reminds shareholders that the terms of office of Kathleen Clark-Bracco, Emma Fernandez, Helen Louise Heslop, Véronique de la Bachelerie, Pierre Pasquier, Hervé Déchelette, Pascal Imbert, Hervé Saint-Sauveurand Yves de Talhouët expire at the end of the next General Meeting. Some of these offices cannot be renewed as the directors are no longer independent.

The Board, in favour of reducing the number of its members and wishing to retain a range of expertise and to represent the Company's main shareholder, Sopra GMT, asks shareholders to approve the reappointment of Kathleen Clark-Bracco, Emma Fernandez, Pierre Pasquier and Yves de Talhouët.

On the recommendation of the Appointments, Governance and Corporate Responsibility Committee, the Board considers that, amongst the directors whose reappointment is proposed, Emma Fernandez and Yves de Talhouët qualify as independent with regard to the independence criteria set out in the Middlenext Code adopted by the Company as its reference Code for corporate governance issues. In this respect, it is stated in particular that these individuals have no business relations with the Group.

The Board considers that it will continue to have all the expertise necessary to perform its duties, despite having a reduced team of nine members.

Director's name	**Experience in the software publishing and IT services sector**	**Financial expertise**	**International dimension**	**Independent**	**Attendance rate at Board and Committee meetings**
Kathleen Clark Bracco 55 years old	✓		✓		100%
Emma Fernandez 59 years old	✓	✓	✓	✓	100%
Pierre Pasquier 87 years old	✓	✓	✓		100%
Yves de Talhouët 64 years old	✓	✓	✓	✓	100%

Fourth resolution

Reappointment of Pierre Pasquier as director

The General Meeting decides to reappoint Pierre Pasquier 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 2027.

Fifth resolution

Reappointment of Kathleen Clark-Bracco as director

The General Meeting decides to reappoint Kathleen Clark-Bracco 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 2027.

Sixth resolution

Reappointment of Emma Fernandez as director

The General Meeting decides to reappoint Emma Fernandez 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 2027.

Seventh resolution

Reappointment of Yves de Talhouët as director

The General Meeting decides to reappoint Yves de Talhouët 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 2027.

c) Company officer compensation (8^{th} to 14^{th} resolutions)

EXPLANATORY STATEMENT

In the 8^{th} resolution, the General Meeting will be asked to maintain the fixed annual amount to be allocated to directors at €330,000 in respect of the current fiscal year, until a new decision is made.

In addition, the General Meeting will be asked to approve the compensation policy for all company officers **(resolutions 9 to 11)**. Shareholders are asked to refer to Chapter 4, Section 4.4.2 of the Universal Registration Document, “Compensation policy”, to review this information.

The General Meeting will also be asked to approve the fixed, variable and exceptional components of total compensation, and benefits of all kind paid during the year or awarded in respect of the same fiscal year to all company officers **(resolutions 12 to 14)**. Shareholders are asked to refer to Chapter 4, Section 4.4.1 of the Universal Registration Document to review this information.

Eighth 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.

Ninth resolution

Approval of the compensation policy for the Chairman of the Board of Directors

The General Meeting, acting pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy for the Chairman of the Board of Directors presented in the Report on corporate governance presented in the 2022 Universal Registration Document in paragraph 4.4.2.3 a).

Tenth resolution

Approval of the compensation policy for the Chief Executive Officer

The General Meeting, acting pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy for the Chief Executive Officer presented in the Report on corporate governance presented in the 2022 Universal Registration Document in paragraph 4.4.2.3 b).

Eleventh resolution

Approval of the compensation policy for members of the Board of Directors

The General Meeting, acting pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy for members of the Board of Directors presented in the Report on corporate governance presented in the 2022 Universal Registration Document in paragraph 4.4.2.2.

Twelfth resolution

Approval of the information set out in Section I of Article L. 22-10-9 of the French Commercial Code

The General Meeting, acting pursuant to Article L. 22-10-34 I of the French Commercial Code, approves the information set out in Section I of Article L. 22-10-9 of the French Commercial Code disclosed in the Report on corporate governance presented in the 2022 Universal Registration Document in paragraph 4.4.1.

Thirteenth resolution

Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Pierre Pasquier, Chairman of the Board of Directors

The General Meeting, acting pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Pierre Pasquier, Chairman of the Board of Directors, presented in the Report on corporate governance presented in the 2022 Universal Registration Document in paragraph 4.4.1.2.

Fourteenth resolution

Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Patrick Donovan, Chief Executive Officer

The General Meeting, acting pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of total compensation and benefits of all kind paid during the year or awarded in respect of the same fiscal year to Patrick Donovan, Chief Executive Officer, presented in the Report on corporate governance presented in the 2022 Universal Registration Document in paragraph 4.4.1.3.

d) Share buyback programme (15th resolution)

EXPLANATORY STATEMENT

During the last General Meeting, the Board of Directors was authorised to implement a share buyback programme for the Company's shares. As this authorisation will soon expire, shareholders are asked to renew it for a further period of 18 months (*i.e.* until 11 November 2024 inclusive), to enable the Board to again purchase shares in the Company, on one or more occasions and at the times it determines (except during a public tender offer period).

These buybacks may be carried out on and/or off market, on a multilateral trading system, with a systematic internaliser or over the counter, in particular by means of acquisition or disposal of share blocks, or the use of derivatives. We would recall that in any event, share purchases carried out in this manner must not result in the Company holding more than 10% of the shares making up the Company's share capital on the date such purchases are made.

Share buybacks may be performed for the following objectives, without this list being exhaustive:

- enabling secondary market making or ensuring the liquidity of Axway Software shares. To this end and pursuant to the delegation granted until now to the Board, a market-making agreement was signed by the Company with Kepler Cheuvreux;
- retaining shares that are bought back for subsequent exchange or use as consideration in acquisitions;
- providing coverage, as was the case this year, of free share grant plans (or similar plans) for employees and/or company officers of the Group. A record of all statements of share buyback transactions can be consulted on our investor website at https://investors.axway.com/en/regulated-information;
- cancelling any shares purchased, pursuant to the authorisation granted or to be granted by the Combined General Meeting.

These buybacks may be performed for all objectives listed in the fifteenth resolution presented to this General Meeting and, more broadly, any other objective which is authorised or will be authorised by the regulations in force.

The maximum share buyback price in connection with the share buyback programme would be set at €47 per share, representing a maximum total amount of €101,677,906 that the Company may devote to share purchases (excluding acquisition costs).

Fifteenth resolution

Authorisation granted to the Board of Directors, for a period of 18 months, to buy back shares in the Company under the mechanism set out in Article L. 22-10-62 of the French Commercial Code.

The General Meeting, after reviewing the Board of Directors' report, authorises the latter, for a period of eighteen months, pursuant to Articles L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, to buy back the Company's shares on one or more occasions, and at the times it determines, up to a maximum number of shares representing no more than 10% of the number of shares making up the share capital at the date of this General Meeting, where applicable, adjusted to take into account potential share capital increase or decrease transactions which might take place during the term of the programme.

This authorisation supersedes the authorisation granted to the Board of Directors by the General Meeting of 24 May 2022 in its fourteenth ordinary resolution.

The acquisitions may be performed with a view to:

- enabling secondary market making or ensuring the liquidity of Axway Software shares through an investment services provider *via* a market-making agreement that complies with regulations, it being noted that the number of shares used to calculate the aforementioned limit is equal to the number of shares bought back, less the number of shares sold;
- retaining shares that are bought back for subsequent exchange or use as consideration in mergers, demergers, contributions or acquisitions;
- providing coverage of share purchase option plans and/or free share plans (or similar plans) for employees and/or company officers of the Group, including affiliated economic interest groups and companies as well as granting shares through a group or company savings plan (or similar plan), Company profit-sharing and/or all forms of assigning shares to employees and/or company officers of the Group, including affiliated economic interest groups and companies;
- providing coverage of securities conferring entitlement to the grant of shares in the Company in view of regulations in force;
- cancelling any shares purchased, pursuant to the authorisation granted or to be granted by the Combined General Meeting;
- pursuing any other objective which is authorised or will be authorised by the regulations in force.

The share buybacks can take place *via* any means, including the acquisition of blocks of shares, and at the times the Board of Directors determines. Unless previously authorised by the General Meeting, the Board of Directors may not use these delegated powers during a public tender offer by a third party for the Company's shares, up to the end of the tender period.

The Company reserves the right to use optional mechanisms or derivatives in line with applicable regulations.

The maximum purchase price is set at €47 per share. In the event of a share capital transaction, particularly the split or reverse split of shares or the allocation of bonus shares to shareholders, the amount indicated above will be adjusted in the same proportion (multiplying coefficient equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares after the transaction).

The maximum transaction amount is set at €101,677,906.

The General Meeting grants full powers to the Board of Directors to perform these transactions, to decide upon the terms and conditions, to enter into all agreements and to complete all the required formalities.

8.2.2 Resolutions presented for the approval of the Extraordinary General Meeting

a) Resolutions concerning the cancellation of shares (16th resolution)

Pursuant to the cancellation objective provided for in the 15th resolution presented to this General Meeting, shareholders are 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. 22-10-62 of the French Commercial Code (purchase authorisation explained above), up to 10% of the share capital calculated on the cancellation decision date, less any shares cancelled in the previous twenty-four months. This authorisation would be granted for a period of twenty-six (26) months.

Sixteenth resolution

Authorisation granted to the Board of Directors, for a period of 26 months, to cancel treasury shares bought back by the Company under the mechanism set out in Article L. 22-10-62 of the French Commercial Code

The General Meeting, pursuant to Article L. 22-10-62 of the French Commercial Code, having reviewed the Board of Directors' and Statutory Auditors' reports:

1. authorises the Board of Directors 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 full 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.

b) Resolutions concerning financial delegations (17th to 21st resolutions)

EXPLANATORY STATEMENT

The delegations of authority granted to the Board of Directors on 25 May 2021 to increase the share capital by capitalising reserves, profits and/or share premiums, to increase the share capital with retention of preferential subscription rights and to increase the share capital in consideration for contributions in kind, expire on 25 July 2023.

The statement of current delegations and authorisations granted by the General Meeting to the Board of Directors and the statement of delegations and authorisations used by the Board of Directors is presented in Section 7.5 of the 2022 Universal Registration Document.

The Board of Directors therefore asks shareholders to renew these existing delegations of authority for a period of twenty-six (26) months, by approving resolutions 17 to 21 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, issue premiums or other amounts that may be capitalised and issuing shares and granting bonus shares, or increasing the par value of existing ordinary shares, or a combination of these two methods (**17th resolution**), (ii) by issuing ordinary shares and/or securities granting access to share capital and/or debt securities, with retention of preferential subscription rights (**18th resolution**), (iii) by issuing ordinary shares 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, when the provisions of Article L. 22-10-54of the French Commercial Code are not applicable, outside of a public exchange offer (**20th resolution**).

The issue ceilings applicable to issues performed pursuant to resolutions 17, 18 and 20 would be as follows:

- €20 million par value for share capital increases that may result from the 17th and 18th resolutions, 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;
- the nominal amount of Company debt securities that may be issued pursuant to the 18th resolution presented to this General Meeting may not exceed €200,000,000;
- the par value amount of ordinary shares that may be issued pursuant to the 20th resolution may not exceed 10% of the Company's share capital (as of the date of use of this delegation by the Board);
- it being noted that all share capital increases likely to result from resolutions 18 and 20 of this General Meeting and resolutions 15 and 16 of the General Meeting of 24 May 2022 would be subject to an overall maximum par value ceiling of €20 million as set forth in the 21st resolution of this General Meeting and that the overall maximum nominal amount of Company debt securities that may be issued pursuant to the 18th resolution of this General Meeting and resolutions 15 and 16 of the General Meeting of 24 May 2022 would be €200,000,000.

In addition, pursuant to the terms of the 19th resolution presented for your vote, the Board of Directors could also decide, for each of the issues performed pursuant to the 18th resolution of this General Meeting, to increase the number of ordinary shares and/or securities granting access to ordinary shares of the Company, under the conditions provided for in Articles L. 225-135-1and R. 225-118 of the French Commercial Code, subject to the ceilings set by the General Meeting. Accordingly, the number of securities may be increased in the 30 days following the closing of the subscription up to a maximum of 15% of the initial issue and at the initial issue price, subject to the ceilings set by the General Meeting.

Seventeenth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by capitalising reserves, profits and/or share 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 determines, by capitalising reserves, profits, premiums or other amounts that may be capitalised, and issuing shares and granting bonus shares or increasing the par value amount of existing ordinary shares, or a 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 share capital increases pursuant to this resolution may not exceed the par value amount of €20,000,000, without taking into account the par value amount of share capital increases 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.

Eighteenth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities granting access to share capital and/or debt securities, with retention of preferential subscription rights

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. delegates to the Board of Directors the authority to issue, 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 securities granting access to share capital and/or debt securities;
2. sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;
3. 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 share capital increases 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 overall maximum par value amount of ordinary shares set in the twenty-first resolution.

   The nominal amount of Company debt securities that may be issued pursuant to this delegation may not exceed €200,000,000.

   This amount is deducted from the maximum nominal amount of debt securities set in the twenty-firstresolution;
4. should the Board of Directors use this authorisation for the issues indicated in 1) above:
   - decides that the issue(s) of ordinary shares or securities granting access to share capital will be reserved in preference for shareholders who can subscribe in priority,

- 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-tenthof 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.

Nineteenth resolution

Authorisation to increase the amount of issues provided for in the eighteenth resolution presented to this General Meeting

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, decides that for each of the ordinary shares or securities issues pursuant to the eighteenth resolution of this General Meeting, the number of securities to be issued may be increased in accordance with the conditions set forth in Articles L. 225-135-1and R. 225-118 of the French Commercial Code, and up to the limit of the ceilings determined by the General Meeting.

The authorisation granted by the General Meeting of 24 May 2022 in its seventeenth resolution will remain in effect for issues decided pursuant to the resolutions referred to that have not expired.

Twentieth resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares and/or securities granting access to share capital, up to a maximum of 10% of the share capital, in consideration for contributions-in-kind comprising equity securities 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. 22-10-54of 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.

   This amount is deducted from the overall maximum par value amount of ordinary shares set in the twenty-first resolution;
4. 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-tenthof the new share capital amount following each increase, amend the Articles of Association accordingly, and carry out the necessary formalities;
5. acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.

Twenty-first resolution

Overall limit on authorisation ceilings set in the eighteenth and twentieth resolutions of this General Meeting and the fifteenth and sixteenth resolutions of the General Meeting of 24 May 2022

The General Meeting, having reviewed the Board of Directors' and Statutory Auditors' reports, sets at:

- €20,000,000, the overall par value amount of shares that may be issued, immediately or in the future, pursuant to the eighteenth and twentieth resolutions of this General Meeting and the fourteenth and sixteenth resolutions of the General Meeting of 24 May 2022, it being specified that, where applicable, the par value amount of the share capital increase required to safeguard, in accordance with law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital will be added to this amount;
- €200,000,000 overall nominal amount of Company debt securities that may be issued pursuant to the eighteenth resolution of this General Meeting and the fifteenth and sixteenth resolutions of the General Meeting of 24 May 2022.

c) Resolutions concerning employee share-based incentive schemes (22nd resolution)

EXPLANATORY STATEMENT

Shareholders are asked to approve the 22nd resolution to comply with the provisions of Article L. 225-129-6 of the French Commercial Code, under the terms of which as Extraordinary General Meetings are required to vote on delegations of authority that may lead to a share capital increase for cash, immediately or in the future, they must also vote on delegations of authority in favour of members of a company savings plan.

Shareholders are asked to delegate to the Board of Directors the authority, as they see fit, to increase the share capital, on one or more occasions, by issuing ordinary shares and/or securities of the Company, with cancellation of preferential subscription rights, reserved for members of a company savings plan. The maximum share capital increase amount in view of this delegation would be set at 3% of share capital, it being specified that this amount would be independent and separate from any other share capital increase ceiling. Where applicable, the par value amount of the share capital increase required to safeguard, in accordance with law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital will be added to this amount. This delegation would be granted for a period of twenty-six (26) months.

Twenty-second resolution

Delegation of authority granted to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares and/or securities granting access to share capital, with cancellation of preferential subscription rights, for members of a company savings plan pursuant to Articles L. 3332-18 *et seq.* of the French Labour Code

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code:

1. delegates its authority to the Board of Directors, at its discretion, to increase the share capital on one or several occasions, by issuing ordinary shares or securities granting access to the Company's shares to members of one or several Group or company savings plans established by the Company and/or its French or non-French affiliates within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code;
2. cancels, in favour of these individuals, preferential subscription rights to shares and securities which could be issued under this delegation;
3. sets the period of validity of this delegation at twenty-six months, commencing the date of this General Meeting;
4. limits the maximum par value amount of the increases resulting from this delegation to 3% of the share capital on the date of the Board of Directors' decision to perform this increase. This amount is separate from any other ceiling on share capital increases. The par value amount of share capital increase required to safeguard, in accordance with law and, where applicable, contractual provisions setting forth other safeguard measures, the rights of holders of various types of securities granting access to the Company's share capital will be added to this amount;
5. decides that the price of shares to be issued, pursuant to 1) of this delegation, may not be more than 30% lower, or 40% lower if the lock-up period indicated in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is equal to or longer than ten years, than the average listed price of the share during the 20 trading sessions preceding the decision determining the subscription start date, nor higher than this average;
6. decides, pursuant to the provisions of Article L. 3332-21 of the French Labour Code, that the Board of Directors can provide for the free allocation, to the beneficiaries defined in the first paragraph above, of shares to be issued or already issued, or other securities granting access to the

Company's share capital to be issued or already issued, for (i) the employer contribution which could be paid pursuant to the regulations of the Group or company savings plan, and/or (ii) where applicable, the discount, and could decide, if issuing new shares for the discount and/or employer contribution, to capitalise the reserves, profits or premiums required to pay up the shares;

7. acknowledges that this delegation supersedes, from this day forth, the unused portion of any previous delegation with the same purpose, where applicable.

The Board of Directors may or may not implement this delegation, take all measures and perform the required formalities.

8.2.3 Resolutions presented for the approval of the Ordinary General Meeting

Powers to perform legal formalities (23rd resolution)

EXPLANATORY STATEMENT

Finally, shareholders are asked to confer full powers on the bearer of an original, a copy or an extract from the minutes of the General Meeting of 11 May 2023 for the purposes of carrying out all legal or administrative formalities consecutive to this General Meeting. The Board considers that the resolutions presented for your approval are consistent with the interests of the Company and contribute to the development of its business.

Twenty-third resolution

Powers to perform legal formalities

The General Meeting grants full powers to the holder of an original, copy or excerpt of these minutes to perform all legal filing and posting formalities.

The Board of Directors

Preparation and control of the Universal Registration Document and certification of the person responsible for the Universal Registration Document

Name and position of the person responsible for the Universal Registration Document

Patrick Donovan, Chief Executive Officer

Axway Software – 16220 N Scottsdale Rd. Suite 500, Scottsdale AZ 85254, USA

Persons responsible for auditing the financial statements

Principal Statutory Auditors

Cabinet Aca Nexia

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.

Aca Nexia is a member of the Paris Regional Statutory Auditors' Association *(Compagnie régionale des Commissaires aux comptes de Paris)*.

Cabinet Mazars

61, rue Henri-Regnault, 92400 Courbevoie

Represented by Mr. Jérôme Neyret.

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)*.

Certification of the person responsible for the Universal Registration Document

I hereby declare, after having taken all reasonable measures for this purpose, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and it contains no omission likely to affect its meaning.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and of all entities within the scope of consolidation.

I hereby declare that the management report included in this Document and detailed in the cross-reference table gives a true and fair view of the business performance, results and financial position of the Company and of all entities within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified the financial and accounting information provided in this Universal Registration Document and that they have read the document as a whole.

Phoenix, 24 March 2023

Patrick Donovan

Chief Executive Officer

General remarks

This Universal Registration Document also includes:

- the annual financial report, which must be prepared and published by all listed companies within four months of the closing date of each fiscal year, pursuant to Article L. 452-1-2of the French Monetary and Financial Code and Article 222-3of 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. 225-100and 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 2021:
   - the Axway consolidated financial statements for fiscal year 2021 and the Statutory Auditors' report on the consolidated financial statements presented in the Registration Document filed on 24 March 2022 (on pages 119 to 172 and 173 respectively),
   - the Axway Software financial statements for fiscal year 2021 and the Statutory Auditors' report on the financial statements presented in the Registration Document filed on 24 March 2022 (on pages 177 to 191 and 192).
2. for fiscal year 2020:
   - the Axway consolidated financial statements for fiscal year 2020 and the Statutory Auditors' report on the consolidated financial statements presented in the Registration Document filed on 18 March 2021 (on pages 139 to 197 and 198 respectively).
   - the Axway Software financial statements for fiscal year 2020 and the Statutory Auditors' report on the financial statements presented in the Registration Document filed on 18 March 2021 (on pages 205 to 222 and 223 respectively).

Glossary

Unless indicated otherwise, in this Universal Registration Document:

- the term “**Company**” refers to Axway Software;
- the terms “**Group**”, “**Axway**” and “**Axway Group**” refer to the Company and its subsidiaries;
- the terms “**Sopra**” or “**Sopra Steria**” refer to “Sopra Steria Group”.

Sector acronyms and terms specific to Axway

Amplify™: Amplify™ is the registered trademark for Axway’s hybrid integration offering. Amplify™ leverages the proven capabilities of Axway’s API management platform, enhanced with powerful integration tooling, support for complex organisational structures and integrations with its market leading MFT and B2B solutions.

API: Application Programming Interface: IT solution enabling applications to communicate and exchange services and data.

B2B: Business to Business Integration: automation of business and communication processes between at least two companies.

Cloud computing: process that consists in using remote IT servers or applications over internet networks.

CSP: Content Services Platform: software enabling users to create, share, collaborate and store content.

DevOps: range of practices helping software developers (Dev) and IT operations professionals (Ops) to work together by automating the software delivery process and infrastructure changes.

EDI: Electronic Data Interchange: the computer-to-computer interchange of strictly formatted messages.

EFSS: Enterprise File Synchronization & Sharing: service enabling users to save files in the Cloud and/or on-premise and access them from all their devices.

ERP: Enterprise Resource Planning: information system enabling the daily management and monitoring of all of a business’ information and operating services.

HIP - Hybrid Integration Platform: single integration platform enabling the creation of application and data networks adapted to each customer’s technology and structure.

Horizontal software: software solution able to target the needs of all types of customers, independent of their business sector.

IOT - Internet Of Things: refers to the growing number of devices connected to the Internet that enable physical assets to communicate digitally.

iPaaS: Integration platform as a Service: suite of cloud services enabling the development, execution and governance of integration flows.

Low-code: low code development allows developers to design applications rapidly with minimal manual coding. A low-code platform contains a suite of pre-built functions and tools that easily complement developers’ needs.

MFT: Managed File Transfer: software or platform that manages the secure transfer of data between devices via a network.

No-code: No code solutions are designed for non-developers who do not know or do not need to know programming languages to use and develop a software. A no code platform integrates all key functions users need to develop applications.

On-Premise: refers to the use of a company’s own server and IT environment.

PaaS: Platform as a Service: a cloud computing model where a cloud service provider proposes hardware and software tools as services over the Internet, enabling the user to develop applications.

SaaS: Software as a Service: cloud-based software distribution model.

Alternative Performance 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 tons of CO_2 (T eq. CO2).

LMS: Learning Management System: software that accompanies and manages a training process or learning path.

Materiality matrix: analysing materiality enables the most relevant issues for the Company and its stakeholders to be identified and ranked. Issues are presented in a graph identifying their importance for the Company and its stakeholders.

NFPS: Non-Financial Performance Statement.

Sustainable Development Goals (SDGs) are used to identify the seventeen objectives set by the United Nations Member States for 2030. Governments and civil society have defined targets in a wide range of areas around three founding principles: end poverty in all its forms everywhere, protect the 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

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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.

Corporate Governance Report Cross-Reference Table

This Universal Registration Document includes all required disclosures in the Corporate Governance Report as set out in Articles L.225-37 *et seq.* and L. 11-10-8 *et seq.* of the French Commercial Code.

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