2021 Half-Year Results

Analysts Conference

July 27, 2021
Disclaimer

Forward-looking statements

This presentation contains forecasts that may be subject to various risks and uncertainties concerning the Company’s future growth and profitability. The Company highlights that signatures of its contracts, which represent investments for customers, are historically more significant in the second half of the year and may therefore have a more or less favorable impact on full-year performance.

Furthermore, activity during the year and/or actual results may differ from those described in this document as a result of a number of risks and uncertainties set out in the 2020 Universal registration document filed with the French Financial Markets Authority (Autorité des Marchés Financiers, AMF) on March 18, 2021, under number D.21-0147.

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2021 Half-Year Results

Agenda

1. Operational commentary on H1 2021
2. H1 2021 Financial Results
3. 2021 Targets and Ambition
4. Q&A Session
Operational commentary on H1 2021

Patrick Donovan
Chief Executive Officer
Vision & Mission

AXWAY ENABLES ENTERPRISES TO SECURELY OPEN EVERYTHING

We believe that in order to create the most value for your customers, partners, and employees, you need to Open Everything by securely integrating and moving data across a complex world of old and new.
Leveraging our strength

20-years of delivering value with our Core Solutions such as MFT, B2Bi, AISuite, Validation Authority and other specialized products

APIM based platform helping meet our customers needs and outcomes
Deployment of the new strategy

**MAINTAIN**
- Market leadership

**CUSTOMER EXPANSION**
- Net retention rate

**EXPAND**
- Market leadership

**NEW LOGOS**
- Growth rate

**CUSTOMER DELIGHT**
- NPS
Driving operating excellence

31  Net Promoter Score*
compared to 25 at the end of 2020

92%  Renewal Rate
in line with our historic Maintenance Renewal Rates

15%  Converted to Subscription
supports strong increase in Subscription Revenue

29%  Signature Growth
showing continued strong performance over 2020

* Alternative performance measures are defined in the glossary at the end of this document.
Early results of focused approach

- 20% Signature Growth
- 7% New and Cross-Sell Signatures

- 50% growth in new customers
- 51% Signature Growth
Customer examples

15 year North American bank agreed to modernize MFT solution

Large German bank expands significantly its capabilities and usage with their API first approach
Effective marketing investments

- 900+ customer and partner attendees
- €1.5m pipeline created (to date), 32% of marketing funnel engaged
- Event NPS = 49

- 13% increase in non-paid web visits
- 100+ customer peer reviews posted
- 20% increase in market awareness
Dynamic start to the year

€138.4m Revenue
compared to €136.6 million in H1 2020, an organic* growth of 5.2%

7.6% Profit on Operating activities
or €10.5m, compared to €2.5m (1.9%) in H1 2020

+45.0% Subscription Growth
or €51.8m vs. €35.7m in H1 2020

+40.6% ACV Growth
or €14.3m vs. €10.2m in H1 2020

* Alternative performance measures are defined in the glossary at the end of this document.
H1 2021
Financial Results
## Half-Year 2021 – Income Statement

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>138.4</td>
<td>136.6</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>42.7</td>
<td>47.3</td>
</tr>
<tr>
<td><strong>Gross Profit (% of Revenue)</strong></td>
<td>95.7</td>
<td>69.1%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>85.1</td>
<td>86.8</td>
</tr>
<tr>
<td>of which Sales and marketing</td>
<td>43.3</td>
<td>43.5</td>
</tr>
<tr>
<td>of which Research and development</td>
<td>29.0</td>
<td>30.4</td>
</tr>
<tr>
<td>of which General and administrative</td>
<td>12.9</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Profit on operating activities</strong></td>
<td><strong>10.5</strong></td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Profit from recurring operations</strong></td>
<td><strong>5.0</strong></td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>3.1</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>-1.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Net profit (% of Revenue)</strong></td>
<td><strong>1.8</strong></td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Net profit (in €)</strong></td>
<td>0.08</td>
<td>-0.28</td>
</tr>
</tbody>
</table>

*Alternative performance measures are defined in the glossary at the end of this document.*

**Organic Growth***: +5.2%

**Total Growth**: +1.3%

**Profit on Op. Activities**: €10.5m or 7.6% of Rev.

**Net Profit**: €1.8m or €0.08 per share
## Half-Year 2021 - Revenue by activity

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020 Reported</th>
<th>H1 2020 Restated*</th>
<th>Total Growth</th>
<th>Organic Growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td>License</td>
<td>9.3</td>
<td>10.0</td>
<td>10.5</td>
<td>-11.6%</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Subscription</td>
<td>51.8</td>
<td>35.7</td>
<td>37.2</td>
<td>+39.1%</td>
<td>+45.0%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>60.0</td>
<td>68.2</td>
<td>70.7</td>
<td>-15.1%</td>
<td>-12.0%</td>
</tr>
<tr>
<td>Services</td>
<td>17.3</td>
<td>17.6</td>
<td>18.2</td>
<td>-4.5%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Axway</td>
<td>138.4</td>
<td>131.6</td>
<td>136.6</td>
<td>+1.3%</td>
<td>+5.2%</td>
</tr>
</tbody>
</table>

*Alternative performance measures are defined in the glossary at the end of this document*

- Strong growth in the Subscription activity for more than 3 years
- Maintenance under pressure with decreasing License and migration to Subscription
- Services almost stable, with very different situations across geographies
### Half-Year 2021 - License & Maintenance

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020 Restated*</th>
<th>H1 2020 Reported</th>
<th>Organic Growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>License</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.3</td>
<td>10.0</td>
<td>10.5</td>
<td>-7.5%</td>
</tr>
<tr>
<td>of which Q1 21</td>
<td>3.8</td>
<td>3.7</td>
<td>3.9</td>
<td>+2.8%</td>
</tr>
<tr>
<td>of which Q2 21</td>
<td>5.4</td>
<td>6.3</td>
<td>6.6</td>
<td>-13.7%</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td>60.0</td>
<td>68.2</td>
<td>70.7</td>
<td>-12.0%</td>
</tr>
</tbody>
</table>

*Alternative performance measures are defined in the glossary at the end of this document*

- After benefiting from a favorable basis of comparison in Q1, the License activity was again under pressure in Q2
- As anticipated, Maintenance activity is down significantly due to lower License sales and the migration of value to Subscription
## Half-Year 2021 - Subscription

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020 Restated*</th>
<th>H1 2020 Reported</th>
<th>Organic Growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subscription</strong></td>
<td>51.8</td>
<td>35.7</td>
<td>37.2</td>
<td>+45.0%</td>
</tr>
<tr>
<td>of which Q1 21</td>
<td>23.7</td>
<td>14.8</td>
<td>15.7</td>
<td>+59.6%</td>
</tr>
<tr>
<td>of which Q2 21</td>
<td>28.1</td>
<td>20.9</td>
<td>21.5</td>
<td>+34.6%</td>
</tr>
</tbody>
</table>

*Alternative performance measures are defined in the glossary at the end of this document

- Very strong Subscription growth over H1 2021
- Upfront revenue in Subscription was €22.4m vs. €11.8m in H1 2020
## Half-Year 2021 - Signature Metric

- **Strong Signature Metric organic growth over H1 2021**
- **Strong ACV confirming the move to the subscription business model**

### Table: H1 2021 Weighted Signatures

<table>
<thead>
<tr>
<th></th>
<th>H1 2021 Signatures Value</th>
<th>Weighting Factor</th>
<th>Weighted New Signatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>License</td>
<td>9.3</td>
<td>1x</td>
<td>9.3</td>
</tr>
<tr>
<td>New Subscription (ACV*)</td>
<td>14.3</td>
<td>3x</td>
<td>42.9</td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2021 Weighted Signatures</td>
<td></td>
<td>52.2</td>
<td></td>
</tr>
<tr>
<td>Organic Growth*</td>
<td></td>
<td>+ 28.7%</td>
<td></td>
</tr>
</tbody>
</table>

*Alternative performance measures are defined in the glossary at the end of this document*
## Main Balance Sheet items at 30/06/2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>vs.</th>
<th>Value</th>
<th>vs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and equivalents</strong></td>
<td>€23.7m</td>
<td>€16.2m at 31/12/2020</td>
<td><strong>DSO</strong></td>
<td>94 days</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>€561.3m</td>
<td>€559.3m at 31/12/2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>€15.2m</td>
<td>€24.0m at 31/12/2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current deferred revenues</strong></td>
<td>€74.4m</td>
<td>€60.6m at 31/12/2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>€359.6m</td>
<td>€355.5m at 31/12/2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Cash flows & Covenants at 30/06/2021

<table>
<thead>
<tr>
<th></th>
<th>30/06/2021</th>
<th>30/06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit for the period</td>
<td>1.8</td>
<td>-6.0</td>
</tr>
<tr>
<td>Change in operating working capital requirements</td>
<td>7.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>22.3</td>
<td>10.6</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>16.1</td>
<td>4.9</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-2.6</td>
<td>-1.7</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>-12.5</td>
<td>-5.2</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>7.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Opening cash position</td>
<td>16.2</td>
<td>21.1</td>
</tr>
<tr>
<td>Closing cash position</td>
<td>23.7</td>
<td>24.3</td>
</tr>
</tbody>
</table>

- Free cash flow at June 30, 2021, was €16.1m, up €11.2m vs. H1 2020 (€4.9m)
2021 Targets and Ambition
LIMITED VISIBILITY

HETEROGENEOUS SITUATION ACROSS GEOGRAPHIES
Axway confirms its targets for 2021:
Organic revenue growth of between 2% and 4%
Profit on operating activities representing 11% to 13% of revenue
Medium-term ambition

2021 Guidance

Organic Revenue Growth between +2% and +4%

Profit on Operating Activities between 11% to 13% of total revenue

2023 Ambition

Revenue ≥ €500 million (including M&A)

Profit on Operating Activities ≥ 15%

Earnings per share ≥ €1
Thank you!
Let’s answer your questions
 appendices
# Half-Year 2021 - Revenue by geography

<table>
<thead>
<tr>
<th>[€m]</th>
<th>H1 2021</th>
<th>H1 2020 Restated*</th>
<th>H1 2020 Reported</th>
<th>Total Growth</th>
<th>Organic Growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>39.4</td>
<td>40.9</td>
<td>40.9</td>
<td>-3.7%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>33.9</td>
<td>29.7</td>
<td>29.6</td>
<td>+14.8%</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Americas</td>
<td>57.1</td>
<td>54.1</td>
<td>59.3</td>
<td>-3.7%</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>8.0</td>
<td>6.9</td>
<td>6.9</td>
<td>+16.7%</td>
<td>+16.3%</td>
</tr>
<tr>
<td>Axway</td>
<td>138.4</td>
<td>131.6</td>
<td>136.6</td>
<td>+1.3%</td>
<td>+5.2%</td>
</tr>
</tbody>
</table>

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72% International revenue vs. 70% in H1 2020

6% Asia/Pacific

28% France

41% Americas

25% Rest of Europe

72% International revenue vs. 70% in H1 2020
Half-Year 2021 - Change in Revenue

- **H1 2020 Revenue**: €136.6m
- **Scope effect**: Neutral (No changes)
- **Exchange rate effect**: €-5.0m (USD vs. €, BRL vs. €)
- **Organic growth**: +0.5%
- **H1 2021 Revenue**: €138.4m
Simplified Balance Sheet at 30/06/2021

<table>
<thead>
<tr>
<th></th>
<th>30/06/2021</th>
<th>30/06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>337.3</td>
<td>350.6</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>424.6</td>
<td>437.2</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>86.0</td>
<td>64.7</td>
</tr>
<tr>
<td>Other current assets</td>
<td>27.0</td>
<td>38.5</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>23.7</td>
<td>24.3</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>136.7</td>
<td>127.5</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>561.3</td>
<td>564.6</td>
</tr>
<tr>
<td><strong>Equity and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>359.6</td>
<td>360.1</td>
</tr>
<tr>
<td>Financial debt - long-term portion</td>
<td>36.8</td>
<td>39.2</td>
</tr>
<tr>
<td>Lease liabilities - long-term portion</td>
<td>29.3</td>
<td>20.8</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>14.1</td>
<td>13.5</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>80.2</td>
<td>73.5</td>
</tr>
<tr>
<td>Financial debt - short-term portion</td>
<td>2.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Lease liabilities - short-term portion</td>
<td>6.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>72.3</td>
<td>76.5</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>41.0</td>
<td>45.5</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>121.5</td>
<td>131.1</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>201.7</td>
<td>204.6</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>561.3</td>
<td>564.6</td>
</tr>
</tbody>
</table>

- Cash and cash equivalents at €23.7 million
- DSO at 94 days, vs. 70 days at 30/06/2020
- €15.2 million net debt
- Current deferred revenues at €74.4 million
### Changes in equity & Earnings per share at 30/06/2021

#### In millions of euros

<table>
<thead>
<tr>
<th></th>
<th>30/06/2021</th>
<th>30/06/2020</th>
<th>31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity at Beginning of Period</td>
<td>355.5</td>
<td>362.6</td>
<td>362.6</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>1.8</td>
<td>-6.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Dividends</td>
<td>-8.6</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Capital increase</td>
<td>1.2</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Other</td>
<td>2.7</td>
<td>1.5</td>
<td>4.2</td>
</tr>
<tr>
<td>Foreign exchange translation adjustments</td>
<td>7.1</td>
<td>1.9</td>
<td>-20.5</td>
</tr>
<tr>
<td><strong>Equity at End of Period</strong></td>
<td><strong>359.6</strong></td>
<td><strong>360.1</strong></td>
<td><strong>355.5</strong></td>
</tr>
</tbody>
</table>

#### In €

<table>
<thead>
<tr>
<th></th>
<th>30/06/2021</th>
<th>30/06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit for the period</td>
<td>1.8</td>
<td>-6.0</td>
</tr>
<tr>
<td>Weighted average number of shares excluding treasury shares</td>
<td>21,46M</td>
<td>21,27M</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>0.08</td>
<td>-0.28</td>
</tr>
<tr>
<td>Theoretical potential weighted average number of shares</td>
<td>22,35M</td>
<td>22,08M</td>
</tr>
<tr>
<td>Diluted earnings per share (in €)</td>
<td>0.08</td>
<td>-0.27</td>
</tr>
</tbody>
</table>
### Half-Year 2021 - Headcount

<table>
<thead>
<tr>
<th>Region</th>
<th>30/06/2021</th>
<th>31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>473</td>
<td>483</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>771</td>
<td>835</td>
</tr>
<tr>
<td>Americas</td>
<td>485</td>
<td>501</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>67</td>
<td>69</td>
</tr>
<tr>
<td><strong>Axway</strong></td>
<td><strong>1,796</strong></td>
<td><strong>1,888</strong></td>
</tr>
</tbody>
</table>
Shareholding structure at 30/06/2021

- 21,569,260 Shares outstanding
- 36,388,562 Voting rights

**Shares outstanding**
- Sopra Steria: 32.05%
- Sopra SRT: 20.88%
- Pasquier Family: 0.11%
- Odin Family: 1.38%
- axway Managers: 1.47%
- Public Shares: 44.09%
- Treasury Shares: 0.03%

**Voting rights**
- Sopra Steria: 38.00%
- Sopra SRT: 24.76%
- Pasquier Family: 0.12%
- Odin Family: 1.34%
- axway Managers: 1.44%
- Public Shares: 34.34%

**Shareholders' agreement**
- 55.88% of shares outstanding / 65.66% of voting rights

21,569,260 Shares outstanding
36,388,562 Voting rights
Alternative performance measures

- **Restated Revenue**: Revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.
- **Organic Growth**: Growth in revenue between the period under review and the prior period, restated for consolidation scope and exchange rate impacts.
- **Growth at constant exchange rates**: Growth in revenue between the period under review and the prior period restated for exchange rate impacts.
- **ACV**: *Annual Contract Value* – Annual contract value of a Subscription agreement.
- **TCV**: *Total Contract Value* – Full contracted value of a Subscription agreement over the contract term.
- **Signature Metric**: Amount of License sales plus three times the annual contract value (3xACV) of new Subscription contracts signed over a given period.
- **Net Signature Metric**: Signature metric net of the Maintenance attrition by migration to new Subscription contracts.
- **Profit on Operating Activities**: Profit from recurring operations adjusted for the non-cash share-based payment expense, as well as the amortization of allocated intangible assets.
- **NPS**: *Net Promoter Score* – Customer satisfaction and recommendation indicator for a company.
- **Employee Engagement Score**: Measurement of employee engagement through an independent annual survey.