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Press release
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Axway Software: Very strong start to the year in Q1 2023

- Annual Recurrent Revenue (ARR)¹ of €196.8m, up 12.3% on end-March 2022
- Quarterly revenue up 10.3% organically and 7.3% overall
- Very strong growth in revenue from the Subscription activity over the quarter (+53.1%)
- Acquisition of the Belgian company AdValvas specialized in electronic invoicing

Axway (Euronext: AXW.PA) recorded a very strong start to 2023 during the first 3 months of the year. Following the exceptional performance achieved in Q4 2022, the company once again outperformed expectations in terms of revenue in Q1. Over the period, the company's activity grew strongly thanks to further acceleration of its subscription-based offerings, which in all their forms continue to convince numerous customers around the world.

With a continued focus on customer engagement and satisfaction through a streamlined product portfolio, Axway continues to build a growing and profitable business model that offers progressively more visibility to all its stakeholders. Thanks to highly flexible engagement methods that support customers at their own pace and according to their needs, Axway's installed base is now clearly accelerating its transition to the cloud. This is reflected in a significant increase in the value of bookings, which were up 176% in the quarter compared to Q1 2022.

As announced April 19th, Axway finalized the acquisition of the Belgian company AdValvas, a European expert in electronic invoicing processes. This new acquisition strengthens Axway's position as a leader in B2B integration by providing the company with additional capabilities in the area of invoicing and compliance. These include integrated support for the European PEPPOL invoicing network and the e-commerce VAT reform in France, as well as several other B2G (Business-to-Government) and B2B e-invoicing mandates worldwide. Due to the relative size of this acquisition compared to Axway as a whole, details of the transaction have not been disclosed.

Finally, Axway is pleased to announce the return of its annual Axway Summit series of events. In Q2 2023, the company will bring together its customers, partners and team members at 3 major regional events in Brussels, Scottsdale and Sao Paulo to present the latest developments in its markets and technologies with the world's most advanced companies and experts in the field.

Patrick Donovan, Axway's Chief Executive Officer, said:

"I am extremely pleased that we have been able to continue our momentum from Q4 2022 into Q1 2023. The Axway team continues to meet its goals and exceed expectations, not only in terms of bookings and revenue, but also in many of our key initiatives. Given the comparatively weaker first 3 quarters of 2022, we had budgeted for a strong start in 2023. This momentum is confirmed and should continue over the first semester. When taking into account the record set in the 4th quarter of 2022, the bar will be higher at the end of the year. The good launch of 2023 allows us to confidently confirm the revenue guidance made for the full year and I currently see that we should be towards the upper end of our margin forecast. On the M&A side, the recently announced acquisitions of AdValvas and DXchange.io (completed last summer) continue to expand the capabilities of our product portfolio, further enhancing the value we bring daily to our customers."

¹ See Glossary and Alternative Performance Measures

Comments on Q1 2023 activity

Axway Software: Consolidated revenue

1 st Quarter 2023 (€m)	Q1 2023	Q1 2022 Restated*	Q1 2022 Reported	Total Growth	Organic Growth	Constant Currency Growth
Revenue	71.8	65.1	66.9	7.3%	10.3%	5.2%

* Revenue at 2023 scope and exchange rates

In Q1 2023, Axway's revenue was €71.8m, up 10.3% organically and 7.3% in total. Currency fluctuations had a positive impact of €1.3m on quarterly revenue, mainly due to the appreciation of the US Dollar against the Euro. The scope effect for the quarter was negative by €3.1m following the different product portfolio rationalization operations finalized in H2 2022.

Axway Software: Revenue by business line

1 st Quarter 2023 (€m)	Q1 2023	Q1 2022 Restated*	Q1 2022 Reported	Total Growth	Organic Growth
License	2.1	3.5	3.7	-42.6%	-39.5%
Subscription	37.8	24.7	26.4	43.1%	53.1%
Maintenance	22.5	27.9	27.9	-19.5%	-19.6%
Services	9.5	9.0	9.0	6.1%	5.4%
Axway Software	71.8	65.1	66.9	7.3%	10.3%

* Revenue at 2023 scope and exchange rates

Revenue from the **License** activity was €2.1m for the first 3 months of 2023 (3% of total revenue), an organic decrease of 39.5% compared to the same period in the previous year. After several years of contraction due to the rise of subscription-based offers, license sales should gradually stabilize during the year.

The **Subscription** activity once again posted very strong growth during the quarter, with revenue of €37.8m, representing organic growth of 53.1% compared to Q1 2022. Continuing its growth momentum across the major product lines in Axway's portfolio, the activity represented 53% of the company's total revenue for the period. Revenue recognized under Axway Managed contracts continued to grow at a steady and sustained pace, while Customer Managed revenue was again up sharply. During the quarter, the annual value of new subscription contracts (ACV) signed was €8.7m, up 28% on the previous year. Upfront revenues from new or renewed Customer Managed subscription contracts represented €16.3m for the quarter.

In line with forecasts, Axway's **Maintenance** activity generated revenue of €22.5m in the first quarter of 2023 (31% of total revenue), down 19.6% organically. This is due, as in previous quarters, to the continued migration of historical customers to subscription-based offerings.

At the end of March 2023, Axway's ARR (Annual Recurring Revenue) was €196.8m, up 12.3% on a like-for-like basis compared to the end of March 2022. This indicator, which combines recurring revenue from all active maintenance and subscription contracts, including, where applicable, upfront subscription revenue recognized on a monthly basis, provides good visibility into the predictability of Axway's business model. During the quarter, revenue from renewable contracts represented 84% of total revenue.

The **Services** activity grew organically by 5.4% in the first 3 months of the year, with revenues of €9.5m (13% of total revenue). After the good performance of 2022, the growth dynamic continued over Q1 2023 thanks to continued effective management of sales prices and assignments, particularly in Europe and the United States, where demand has been strong.

Axway Software: Revenue by geographic area

1 st Quarter 2023 (€m)	Q1 2023	Q1 2022 Restated*	Q1 2022 Reported	Total Growth	Organic Growth
France	24.7	17.9	18.1	36.2%	38.3%
Rest of Europe	13.5	12.6	13.2	1.7%	6.9%
Americas	30.9	29.3	30.3	1.9%	5.2%
Asia/Pacific	2.8	5.3	5.3	-46.8%	-47.4%
Axway Software	71.8	65.1	66.9	7.3%	10.3%

* Revenue at 2023 scope and exchange rates

Revenue in **France** amounted to €24.7m in Q1 2023, representing 34% of total revenue. The activity increased significantly by 38.3% organically thanks to growth of nearly 180% in the Subscription activity, which benefited from several large renewal deals and a good performance in the Services activity.

The **Rest of Europe** region achieved organic growth of 6.9% in Q1 2023, with revenues of €13.5m, or 19% of total revenues. The good resilience of license sales combined with growth of over 30% in the Subscription activity over the period helped to offset the decline in Maintenance.

The **Americas** (USA and Latin America) generated revenues of €30.9m in Q1 2023 (43% of total revenue), with total growth of 1.9% and organic growth of 5.2%. This good performance reflects the strength of the Subscription activity and in particular the Customer Managed offers, which grew by more than 50%.

In **Asia/Pacific**, Axway's revenue amounted to €2.8m (4% of total revenue) for the quarter, representing an organic decline of 47.4% compared to Q1 2022, a high comparison basis due to the signing of several Subscription contracts that, at the time, generated significant upfront revenue.

Financial position at March 31, 2023

At March 31, 2023, Axway had cash of €25.1m and net debt of €62.7m.

Axway highlights that, if necessary, it has additional financing capacity available under its existing revolving credit facility.

2023 Targets & Outlook

For 2023, following the good performance of the first quarter, Axway confirms its annual objectives of organic revenue growth of between 0 and 3% and further improvement of profit on operating activities to reach 15 to 18% of revenue.

Axway's medium-term ambitions remain:

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

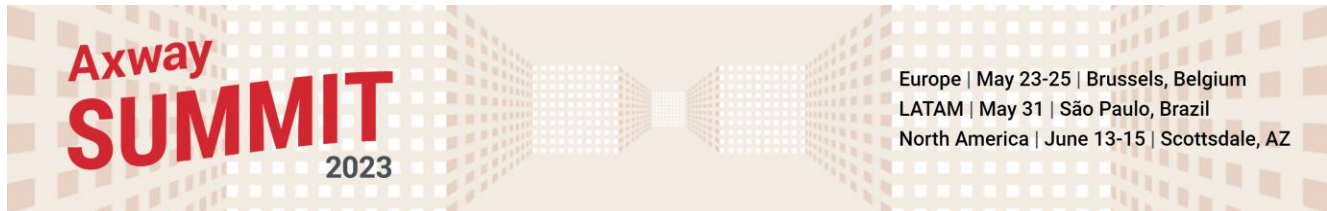
Financial Calendar

Thursday, May 11, 2023, 2:30 p.m. (UTC+1): Annual Shareholders' Meeting

Wednesday, July 26, 2023, after market closing: Publication of 2023 Half-Year Results

Tuesday, July 26, 2023, 6:30 pm (UTC+2): 2023 Half-Year Results Virtual Analyst Conference

Thursday, October 26, 2023, before market opening: Publication of Q3 2023 Revenue



Glossary and Alternative Performance Measures

ACV: *Annual Contract Value* – Annual contract value of a subscription agreement.

ARR: Annual Recurring Revenue – Expected annual billing amounts from all active maintenance and subscription agreements.

Employee Engagement Score: Measurement of employee engagement through an independent annual survey.

Growth at constant exchange rates: Growth in revenue between the period under review and the prior period restated for exchange rate impacts.

NPS: Net Promoter Score – Customer satisfaction and recommendation indicator for a company.

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 amortization of allocated intangible assets.

Restated revenue: Revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.

TCV: *Total Contract Value* – Full contracted value of a subscription agreement over the contract term.

Disclaimer

This press release contains forward-looking statements that may be subject to various risks and uncertainties concerning Axway's growth and profitability, notably in the event of future acquisitions. Axway highlights that signature of contracts, which represent investments for customers, are more significant in the second half of the year and may therefore have a more or less favorable impact on full-year performance. In addition, Axway notes that potential acquisition(s) could also impact this financial data. 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 2022 Universal Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*, AMF) on March 24, 2023. The distribution of this document in certain countries may be subject to prevailing laws and regulations. Natural persons present in these countries and in which this document is disseminated, published, or distributed, should obtain information about such restrictions, and comply with them.

About Axway

Axway enables enterprises to securely open everything by integrating and moving data across a complex world of new and old technologies. Axway's API-driven B2B integration and MFT software, refined over 20 years, complements Axway Amplify, an open API management platform that makes APIs easier to discover and reuse across multiple teams, vendors, and cloud environments. Axway has helped over 11,000 businesses unlock the full value of their existing digital ecosystems to create brilliant experiences, innovate new services, and reach new markets. Learn more at axway.com

Appendices (1/1)

Axway Software: Impact on revenue of changes in scope and exchange rates

1 st Quarter 2023 (€m)	Q1 2023	Q1 2022	Growth
Revenue	71.8	66.9	7.3%
Changes in exchange rates		+1.3	
Revenue at constant exchange rates	71.8	68.2	5.2%
Changes in scope		-3.1	
Revenue at constant scope and exchange rates	71.8	65.1	10.3%

Axway Software: Changes in exchange rates

1 st Quarter 2023 For 1€	Average rate Q1 2023	Average rate Q1 2022	Change
US Dollar	1.073	1.122	+ 4.5%