Interim Financial Report 2025

74Software

Contents

1 Half-year management report

Key events in the first half of 2025

The key events in the first half of 2025 were as follows:

- Group H1 2025 revenue of €344.0m, up 6.5% organically and 6.2% in total;
- Strong H1 across both brands – Axway up 8.9% to €160.8m and SBS up 5.0% to €184.2m;
- Marked improvement in margin on operating activities, up 585bps to 12.0% of revenue (€41.3m);
- ARR increased year-on-year by 11.8% at Axway and 10.9% at SBS, further strengthening recurring revenues.

74Software: Sustained Momentum Reinforces Long-Term Objectives

	Half-year 2025		Half-year 2024 Proforma 6M AXW + 6M SBS		Half-year 2024 Reported Axway Standalone	
	€m	*% of Rev.*	*€m*	*% of Rev.*	*€m*	*% of Rev.*
TOTAL REVENUE	**344.0**		**323.9**		**148.7**	
GROSS PROFIT	**228.1**	**66.3%**	**206.8**	**63.9%**	**104.7**	**70.4%**
PROFIT ON OPERATING ACTIVITIES	**41.3**	**12.0%**	**19.9**	**6.1%**	**17.1**	**11.5%**
OPERATING PROFIT	**19.5**	**5.7%**	**2.6**	**0.8%**	**8.3**	**5.6%**
NET PROFIT	**5.8**	**1.7%**	**-15.6**	**-4.8%**	**2.8**	**1.9%**
EARNINGS PER SHARE	**0,20 €**		**-0,54 €**		**0,13 €**	

Patrick Donovan, Chief Executive Officer, declared:

"Our H1 results confirm our strong start to the year and demonstrate both the strength of our strategic direction and our ability to execute in-line with our stated plans. As noted in our Q1 press release, the solid early execution front-loads part of the year's commercial activity— especially in the Axway business. We remain fully committed to our full-year guidance and, more broadly, to our 2027 and 2028 ambitions. Axway is now firmly established as a subscription-first business, while SBS is rapidly scaling its modular banking platforms and expanding its SaaS footprint. With recurring revenue accelerating and capital deployment tightly managed, 74Software is becoming a more structured, resilient, and forward-looking group — built to deliver long-term value creation."

Comments on business activity in the first half of 2025

74Software delivered a strong first-half performance, confirming its ability to execute on its strategic roadmap and capitalise on the operational integration initiated following the transaction closing in September 2024. Revenue growth was solid in both brands, while profitability improved as planned — reflecting the strength of the Group's model and the improved execution driven by Axway's infrastructure software expertise and SBS's leadership in banking software.

Following a particularly dynamic Q1, the second quarter allowed the Group to consolidate its gains, maintain commercial selectivity, and further shift toward a recurring, scalable revenue model. Axway has now largely transitioned, while SBS continues to advance its own transformation, expanding SaaS deployments and rebalancing its revenue mix in favor of product revenue. Key highlights for the period include:

- **Axway** recorded a strong first half, with consistent growth across all product lines. Nearly 60 new customers were signed during the period (+20% year-on-year), with new-name deals accounting for around one-third of Q2 bookings. Large-scale projects gained momentum, including six contracts exceeding €1 million signed in Q2 alone. Demand for cloud-based delivery continued to rise, with Axway-managed deployments representing 40% of Q2 bookings and 35% over the first half. This shift was broad-based, with steady adoption across all geographies and industry verticals.
- **SBS** also reported strong results, with product revenue now accounting for 75% of total revenue, up from 67% in H1 2024 — marking significant progress in the company's shift toward a software-led model. Growth was supported by all product lines, including solid license activity in integrated platforms, components, and financing solutions, as well as continued expansion of modular offerings. The company has now contracted more than 230 SaaS regulatory reporting services, reinforcing adoption across its client base. During the period, SBS welcomed several new clients and completed the first SaaS deployment of its digital engagement platform in Europe. Two additional implementations are scheduled for the third quarter in Africa, where demand is driven by microfinance and Islamic banking. The company's progress was also recognised through multiple industry awards highlighting its leadership in compliance, payments, and digital banking.

The Group enters H2 with improving visibility, disciplined execution, and a clear focus on delivering its full-year objectives. Integration of support functions between Axway and SBS is now largely complete, and joint commercial initiatives are steadily expanding across selected regions.

Comments on operational performance in the first half of 2025

Half-year Revenue Breakdown by Portfolio Brand

€m / %	H1 2025	H1 2024 Proforma	H1 2024 Restated	Total Growth	Organic Growth
Axway Scope	160.8	148.7	147.6	8.1%	8.9%
SBS Scope	184.2	175.2	175.4	5.1%	5.0%
Consolidation	-1.0	0.0	0.0	—%	—%
74SOFTWARE	**344.0**	**323.9**	**323.0**	**6.2%**	**6.5%**

In the first half of 2025, the Group generated revenue of €344.0 million, reflecting total growth of 6.2% and organic growth of 6.5% year-on-year. This performance was supported by both brands, with Axway contributing €160.8 million in revenue and organic growth of 8.9%, and SBS contributing €184.2 million with 5.0% organic growth (compared to proforma H1 2024).

Half-year Revenue Breakdown by Type

€m / %	H1 2025	H1 2024 Proforma	H1 2024 Restated	Total Growth	Organic Growth
Product revenue	**280.0**	**248.7**	**248.1**	**12.6%**	**12.9%**
Recurring revenue	**258.0**	**229.3**	**228.7**	**12.5%**	**12.8%**
o/w Maintenance & Support	*91.5*	*96.2*	*96.0*	*-4.9%*	*-4.7%*
o/w Customer-managed Subscription	*98.7*	*76.6*	*76.5*	*28.8%*	*29.0%*
o/w Own-managed Subscription	*67.8*	*56.5*	*56.2*	*20.0%*	*20.6%*
Licenses revenue	**22.1**	**19.4**	**19.4**	**13.5%**	**13.7%**
Services revenue	**64.0**	**75.2**	**74.9**	**-14.9%**	**-14.6%**
TOTAL REVENUE	**344.0**	**323.9**	**323.0**	**6.2%**	**6.5%**

In the first half of 2025, **Product revenue** reached €280.0 million, up 12.9% organically, reflecting strong execution across both Axway and SBS. The Group continued to benefit from rising demand for subscription-based offers, with both customer-managed and own-managed subscriptions posting growth above 20%. Maintenance revenue declined as anticipated, while license activity increased but remained low at 6.4% of total revenue. Product revenues accounted for 81% of total revenue (up from 77% in H1 2024) and recurring revenues were at 75% of total revenue (up from 71% in H1 2024), confirming 74Software's successful transition toward a product- and subscription-led model.

Axway generated €143.3 million in product revenue, up 10.5% organically. Recurring activities made nearly the entire contribution, driven by a 29.5% increase in customer-managed subscriptions and 6.8% growth in own-managed deployments, reflecting continued momentum in hybrid environments. License revenue decreased by 34.9% as the company continues to phase out new license sales. Maintenance and support dropped by 20.6% due to the continued shift of the customer base towards subscription models. Services revenue was slightly lower, down 2.2%, and represented 11% of Axway's total.

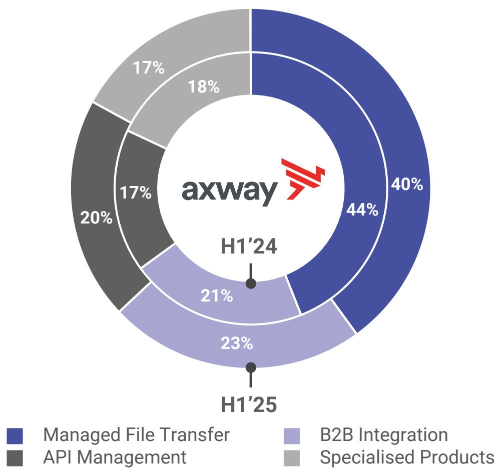
SBS recorded €137.7 million in product revenue, up 16.3% organically, with strong performance across all product categories. Own-managed subscriptions rose by 35.2%, customer-managed subscriptions by 25.5%, and maintenance and support increased by 4.2%, supported by a growing installed base. License revenue climbed 21.2%, reflecting continued expansion of integrated and lending solutions. Recurring revenue now represents 64% of SBS's business (up from 58% in H1 2024), with services accounting for 25% and licenses for 11%. This illustrates SBS's continued shift from a service-led to a product-led business model.

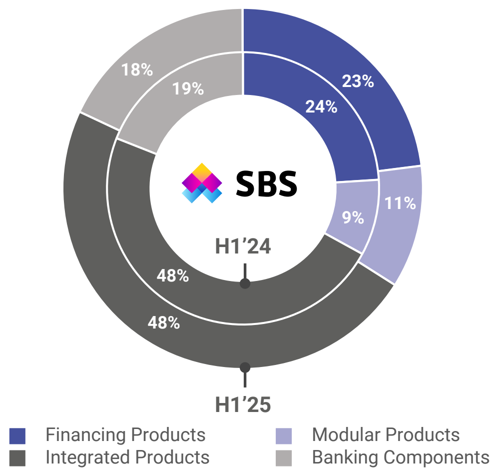
Group-wide, Services generated €64.0 million in the first half, or 18.6% of total revenue, down 14.6% compared to last year. This decrease mainly reflects SBS's repositioning, while Axway's service contribution remained stable. The difference in service trends between the two businesses stems from their respective models. Axway relies on lighter implementation cycles, whereas SBS delivers more comprehensive banking transformation programs.

At the end of June 2025, ARR for Axway stood at €255.9 million, reflecting an organic growth of 11.8% year-on-year. SBS also continued to expand its ARR to €233.3 million, up 10.9% organically year-on-year. These solid performances confirm the effectiveness of both companies' strategic repositioning and reinforce the Group's revenue predictability and resilience.

Comments on product line performance in the first half of 2025

Half-year Revenue Breakdown by Product Line





Axway, a recognized leader in application infrastructure and middleware, delivered solid momentum in the first half of 2025. All product lines contributed to growth, supported by strong commercial execution and increasing demand for cloud-based solutions:

- **Managed File Transfer** remained a key contributor despite a normalisation of activity following an exceptional 2024. The gradual erosion of legacy maintenance was more than offset by strong momentum in managed deployments, confirming the sustained value of Axway's hybrid approach.
- **B2B Integration** delivered robust gains across the board, benefiting from growing demand for managed solutions and early signs of successful cross-sell with SBS. The product line also saw improvements in both subscription and service revenue.
- **API Management** accelerated sharply, supported by strong commercial execution and increased adoption of its integration and engagement modules. The Fusion extension also contributed positively, confirming the platform's potential.
- **Specialised Products**, including the Financial Accounting Hub, maintained steady momentum through targeted compliance and finance use cases. Recent wins via ecosystem partnerships reinforced Axway's positioning with key accounts.

SBS, a trusted provider of banking and financing software, posted solid growth in all product lines, confirming the strength of its modular and targeted approach as it continues its shift toward a product-led model:

- **Financing Products** maintained a steady trajectory, reflecting stable demand in wholesale auto finance and UK mortgage service. Activity remained resilient despite longer decision cycles in certain regions.
- **Modular Products** continued to gain traction, primarily driven by momentum in instant payments and the regulatory reporting platform. Cross-sell into the integrated base gained pace, confirming the appeal of modular architectures.
- **Integrated Products** delivered consistent performance, with solid customer retention and ongoing functional improvements. In some markets, modular alternatives are beginning to complement legacy platforms, paving the way for more composable setups. SBS' market-leading product in Africa continues to perform strongly, adding new customers as well as increasing share of wallet in its installed base.
- **Banking Components** continued to gain momentum, particularly in payments, lending, and cards. The strength of customer relationships across key accounts in France continues to drive upsells.

Comments on profit on operating activities in the first half of 2025

	H1 2025		H1 2024 Proforma		Change	
	€m	% of Rev.	€m	% of Rev.	€m	Basis Points
Product revenue	280.0	81.4%	248.7	76.8%	+ 31,3	+ 461
Services revenue	64.0	18.6%	75.2	23.2%	- 11,2	- 461
Total revenue	**344.0**		**323.9**		**+ 20,1**	
Total costs of revenue	**115.9**		**117.1**		**- 1,2**	
Gross profit	**228.1**	**66.3%**	**206.8**	**63.9%**	**+ 21,2**	**+ 245**
o/w product gross profit	*217.9*	*77.8%*	*191.7*	*77.0%*	*+ 26,2*	*+ 75*
o/w services gross profit	*10.2*	*15.9%*	*15.2*	*20.2%*	*- 5,0*	*- 422*
Operating expenses	**186.8**	**54.3%**	**186.9**	**57.7%**	**- 0,1**	**- 341**
o/w research & development	*93.2*	*27.1%*	*95.0*	*29.3%*	*- 1,8*	*- 224*
o/w sales & marketing	*62.8*	*18.3%*	*62.3*	*19.2%*	*+ 0,5*	*- 96*
o/w general & administrative	*30.8*	*8.9%*	*29.6*	*9.1%*	*+ 1,1*	*- 20*
Profit on operating activities	**41.3**	**12.0%**	**19.9**	**6.1%**	**+ 21,4**	**+ 585**
Net Capitalisation of R&D	*8.4*	*2.4%*	*9.1*	*2.8%*	*-0.8*	*-39*
in % of gross R&D	*8.2%*		*8.8%*		*-0.5%*	

In H1 2025, profit on operating activities reached €41.3 million, representing a margin of 12.0% of revenue, compared with 6.1% in H1 2024. This sharp improvement reflects strong gross profit expansion, driven by a more favourable revenue mix and tight cost control across operating expenses with all lines showing year-on-year efficiencies. Gross margins increased—particularly at Axway—thanks to strong bookings in customer-managed subscriptions, which generated significant upfront revenue at high margins.

Comments on net profit for the first half of 2025

	H1 2025		H1 2024 Proforma		H1 2024 Published Axway Standalone	
	€m	% of Rev.	€m	% of Rev.	€m	% of Rev.
PROFIT ON OPERATING ACTIVITIES	**41.3**	**12.0%**	**19.9**	**6.1%**	**17.1**	**11.5%**
Share-based expenses	-6.7		-2.4		-2.9	
Amortisation of allocated intangibles	-6.2		-7.1		-1.7	
PROFIT FROM RECURRING OPERATIONS	**28.4**	**8.3%**	**10.5**	**3.2%**	**12.5**	**8.4%**
Other operating income and expenses	-8.9		-7.9		-4.1	
OPERATING PROFIT	**19.5**	**5.7%**	**2.6**	**0.8%**	**8.3**	**5.6%**
Cost of financial debt	-9.0		-8.9		-2.7	
Other financial income and expenses	-2.2		-2.0		-0.9	
Income tax expenses	-2.5		-7.2		-2.0	
NET PROFIT	**5.8**	**1.7%**	**-15.6**	**-4.8%**	**2.8**	**1.9%**
Earnings per share	0,20 €		-0,54 €		0,13 €	

Profit from recurring operations reached €28.4 million, after accounting for the amortisation of allocated intangibles and share-based expenses. This marks a substantial improvement from the H1 2024 proforma figure of €10.5 million.

Share-based expenses increased, reflecting the inclusion of SBS in the new long-term incentive program, the Group's strong share price performance, and higher employer social security rates in France. The purchase price allocation (PPA) related to the SBS acquisition has now been finalised. Amortisation of allocated intangibles has been restated for 2024 on a pro forma basis and is expected to total €12–13 million for full-year 2025.

After including other operating income and expenses, such as restructuring charges and non-recurring items totaling €8.9 million, operating profit amounted to €19.5 million, compared with €2.6 million on a proforma basis in H1 2024.

Net profit for the half-year came to €5.8 million (1.7%), a significant turnaround from the €15.6 million loss recorded on a proforma basis in the prior year.

Basic earnings per share stood at €0.20, compared with a loss of €0.54 per share in the first half of 2024 (proforma).

Financial position at 30 June 2025

74Software made strong progress in its deleveraging effort during H1 2025. Free cash flow was particularly robust, supported by seasonal inflows from maintenance and subscription renewals, as well as the first-time implementation of a factoring program on selected receivables. Unlevered free cash flow reached €76.4 million, enabling €42 million in debt repayments and boosting cash balances. As a result, net debt stood at €191.8 million (before IFRS 16), with a leverage ratio of 1.83x and a gearing ratio of 0.37x—achieving the full-year leverage target of below 2.0x well ahead of schedule. This deleveraging is expected to reduce interest expenses going forward. Due to seasonal patterns in cash collection, the leverage ratio is expected to remain below 2.0x through year-end, though without material further improvement.

Shareholders' equity stood at €512.8 million (72.8% of total capital) at 30 June 2025.

Change in the workforce

At 30 June, 2025, the Group employed 4,679 full-time equivalents, compared with 4,787 at year-end 2024. This 2.6% reduction reflects the rigorous and constant management of employees within both Axway and SBS, in line with the Group's operating efficiency priorities.

2025 Targets & Outlook

Following a strong first half, 74Software confirms its full-year 2025 guidance, underpinned by solid execution and front-loaded bookings. The Group continues to target revenue growth between 2% and 4%, reaching approximately €700 million, with an operating margin between 14% and 16%. Due to the first-time introduction of the factoring program, unlevered free cash flow is now expected to be at least 10% of revenue, and the leverage ratio is projected to remain below 2.0x.

Looking ahead, 74Software reiterates its ambition to surpass €750 million in revenue by 2027 with an operating margin above 17%, and to reach around 20% by 2028 — in line with its trajectory toward a scalable, profitable, and product-led growth model.

Main risks and uncertainties for the second half of 2025

The level and nature of the risks to which the Group is exposed are unchanged on the risk factors presented on pages 39 to 58 of the 2024 Universal Registration Document.

Events after the reporting period

Between 1 July 2025 and the date of the Board of Directors' meeting held on 24 July 2025, there were no other significant events likely to impact the financial statements.

Glossary – Alternative Performance Measures

- Axway ARR: Annual Recurring Revenue – Expected annual billing amounts from all active maintenance and subscription agreements.
- SBS ARR: Annual Recurring Revenue – Monthly recurring revenue (MRR) for the last month of the reporting period multiplied by 12. Where contracts are affected by seasonality or contracted volume-based elements, the last 12 months of revenue are aggregated in determining ARR. Expected recurring revenue from contracts signed but not yet active are not included in ARR.
- 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 amortisation of allocated intangible assets.
- Proforma: Proforma measures assume the acquisition of SBS happened at the beginning of the respective reporting period.
- Restated revenue: Revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.
- Unlevered free cash flow: Free cash flow before exceptional items and before net interest expense.

2 Condensed interim consolidated financial statements

Consolidated income statement

(in thousands of euros)	Notes	H1 2025	H1 2024
Revenue	**3 and 4**	**343,987**	**148,658**
Employee costs	5.1	-209,477	-89,628
External expenses	6	-78,627	-35,764
Taxes and duties		-5,788	-1,457
Depreciation and amortisation, provisions and impairment		-11,189	-5,910
Other current operating income and expenses		2,378	1,225
Profit on operating activities		**41,285**	**17,124**
As a % of revenue		***12.0%***	***11.5%***
Share-based payment expense	7	-6,652	-2,933
Amortisation of allocated intangible assets		-6,190	-1,739
Profit from recurring operations		**28,443**	**12,453**
As a % of revenue		***8.3%***	***8.4%***
Other operating income and expenses	8	-8,902	-4,116
Operating profit		**19,541**	**8,337**
As a % of revenue		***5.7%***	***5.6%***
Cost of net financial debt	9.1	-9,029	-2,669
Other financial income and expenses	9.2	-2,219	-927
Income tax expense	10	-2,477	-1,953
Profit for the year from continuing operations		**5,816**	**2,788**
Profit for the year		**5,816**	**2,788**
As a % of revenue		***1.7%***	***1.9%***
of which attributable to non-controlling interests		20	-1
of which attributable to owners of the Company		**5,796**	**2,789**

Net income per share – attributable to owners of the Company

(in euros)	Notes	H1 2025	H1 2024
Basic earnings per share	11	**0.20**	**0.13**
Diluted earnings per share	11	**0.19**	**0.13**

Consolidated statement of comprehensive income

(in thousands of euros)	H1 2025	H1 2024
Consolidated profit for the year	**5,816**	**2,788**
Other comprehensive income:		
Actuarial gains and losses on pension plans	-602	130
Tax impact	156	-34
Sub-total items that will not be reclassified subsequently to profit or loss	**-447**	**97**
Share attributable to non-controlling interests	-4	—
Exchange differences on translating foreign operations	-26,068	6,322
Change in fair value of foreign exchange derivative instruments	-2,710	—
Tax effects on currency-related derivative financial instruments	684	—
Sub-total items that may not be reclassified subsequently to profit or loss	**-28,098**	**6,323**
Total other comprehensive income, net of tax	**-28,545**	**6,419**
TOTAL COMPREHENSIVE INCOME	**-22,729**	**9,207**
of which attributable to non-controlling interests	17	-1
OF WHICH ATTRIBUTABLE TO OWNERS OF THE COMPANY	**-22,745**	**9,208**

Consolidated statement of financial position

Assets

(in thousands of euros)	Notes	30/06/2025	31/12/2024[1]
Goodwill	12.1	523,083	545,273
Intangible assets		132,090	129,650
Property, plant and equipment		20,890	19,414
Lease right-of-use assets	13.1	53,925	45,856
Non-current financial and other assets		14,363	16,792
Deferred tax assets		31,890	32,231
Non-current assets		**776,241**	**789,216**
Inventories and work in progress		6,334	4,535
Trade receivables and related accounts	14	246,702	293,532
Other current receivables		116,966	97,399
Cash and cash equivalents	16	58,522	41,437
Current assets		**428,523**	**436,904**
TOTAL ASSETS		**1,204,765**	**1,226,120**

Equity and liabilities

(in thousands of euros)	Notes	30/06/2025	31/12/2024[1]
Share capital		59,492	59,492
Capital reserves		223,714	223,714
Consolidated and other reserves		223,662	209,905
Profit (loss) for the year		5,796	40,612
Equity – share attributable to owners of the Company		**512,665**	**532,279**
Non-controlling interests		**116**	**109**
TOTAL EQUITY	**15**	**512,781**	**533,832**
Financial debt – long-term portion	16 and 17	233,776	264,365
Lease liabilities – long-term portion	13.2	51,896	44,904
Deferred tax liabilities		29,497	28,851
Retirement benefits and similar commitments		34,699	34,866
Other non-current liabilities including long-term provisions		5,444	5,461
Non-current liabilities		**355,312**	**378,447**
Financial debt – short-term portion	16 and 17	16,539	27,380
Lease liabilities – short-term portion	13.2	10,588	9,447
Trade accounts payable		34,124	28,672
Deferred income	18	138,206	88,631
Other current liabilities	19	137,214	159,710
Current liabilities		**336,672**	**313,841**
TOTAL LIABILITIES		**691,984**	**692,288**
TOTAL EQUITY AND LIABILITIES		**1,204,765**	**1,226,120**

(1) *The consolidated financial statements presented include the adjusted opening balances at 1 January 2025. These adjustments follow the amendment to the SBS purchase price allocation. For further information, please refer to Note 1.4 "Adjustments to the opening consolidated financial statements at 1 January 2025".*

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
AT 30/06/2024	**43,267**	**113,380**	**-13,362**	**175,280**	**37,280**	**355,845**	**11**	**355,856**
Capital transactions	16,225	110,334	—	1,704	—	128,263	—	128,263
Share-based payments	—	—	—	2,727	—	2,727	—	2,727
Transactions in treasury shares	—	—	515	44	—	559	—	559
Ordinary dividends	—	—	—	—	—	—	—	—
Changes in scope of consolidation	—	—	—	—	—	—	—	—
Other movements	—	—	—	-38	—	-38	3	-35
Transactions with shareholders	**16,225**	**110,334**	**515**	**4,437**	**—**	**131,511**	**3**	**131,514**
Profit for the year	—	—	—	37,823	—	37,823	86	37,908
Other comprehensive income	—	—	—	—	8,545	8,545	9	8,554
Total comprehensive income for the period	**—**	**—**	**—**	**37,823**	**8,545**	**46,367**	**95**	**46,462**
AT 31/12/2024[1]	**59,492**	**223,714**	**-12,847**	**217,539**	**45,825**	**533,724**	**109**	**533,832**
Capital transactions	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	4,497	—	4,497	—	4,497
Transactions in treasury shares	—	—	1,785	-4,633	—	-2,849	—	-2,849
Ordinary dividends	—	—	—	—	—	—	—	—
Changes in scope of consolidation	—	—	—	—	—	—	—	—
Other movements	—	—	—	76	-38	38	-10	28
Transactions with shareholders	**—**	**—**	**1,785**	**-60**	**-38**	**1,687**	**-10**	**1,677**
Profit for the year	—	—	—	5,796	—	5,796	20	5,816
Other comprehensive income	—	—	—	—	-28,541	-28,541	-4	-28,545
Total comprehensive income for the year	**—**	**—**	**—**	**5,796**	**-28,541**	**-22,745**	**17**	**-22,729**
AT 30/06/2025	**59,492**	**223,714**	**-11,062**	**223,275**	**17,245**	**512,665**	**116**	**512,781**

(1) *The consolidated financial statements presented include the adjusted opening balances at 1 January 2025. These adjustments follow the amendment to the SBS purchase price allocation. For further information, please refer to Note 1.4 "Adjustments to the opening consolidated financial statements at 1 January 2025".*

Consolidated statement of cash flows

(in thousands of euros)	Notes	H1 2025	H1 2024
Consolidated profit (including share attributable to non-controlling interests)		**5,816**	**2,788**
Net charges to depreciation, amortisation and provisions		16,694	3,289
Unrealised gains and losses relating to changes in fair value		1,634	—
Share-based payment expense	7	4,497	2,518
Gains and losses on disposal		455	1,548
Cash from operations after cost of net financial debt and tax		**29,096**	**10,142**
Cost of net financial debt	9.1	9,029	2,669
Income tax expense (including deferred tax)	10	2,477	1,953
Cash from operations before cost of net financial debt and tax (A)		**40,602**	**14,764**
Tax paid (B)		-5,962	-2,292
Changes to operating working capital requirements (including liabilities related to employee benefits) (C)		55,000	2,550
Net cash from operating activities (D) = (A + B + C)		**89,640**	**15,022**
Purchases of intangible assets and PP&E		-14,849	-2,929
Proceeds from sale of intangible assets and PP&E		-7	12
Impact of changes in the scope of consolidation	12	—	-15
Change in loans and advances granted		94	141
Other cash flows from investing activities		589	44
Net cash from (used in) investing activities (E)		**-14,173**	**-2,747**
Proceeds from the exercise of stock options		—	—
Purchases and proceeds from disposal of treasury shares	7	-2,489	-2,152
Dividends paid to shareholders of the parent company		—	—
Proceeds from borrowings	16	—	63,000
Repayment of borrowings	16	-42,296	-68,135
Change in lease liabilities	13	-7,281	-3,231
Net interest paid (including finance leases)		-7,799	-2,202
Other cash flows relating to financing activities		1,798	96
Net cash from (used in) financing activities (F)		**-58,067**	**-12,624**
Effect of foreign exchange rate changes (G)		**-1,359**	**142**
Net change in cash and cash equivalents (D + E + F + G)		**16,212**	**-206**
Opening cash position		40,381	16,530
Closing cash position		56,593	16,323

The closing cash position is equal to Cash and cash equivalents less bank overdrafts.

Notes to the condensed consolidated financial statements

Contents of the financial statements notes

Note 1 Accounting policies

The condensed interim consolidated financial statements for the half-year ended 30 June 2025, together with the accompanying notes, were prepared under the responsibility of the Board of Directors and approved at its meeting of 24 July 2025.

1.1 Basis of preparation of the condensed interim consolidated financial statements

The consolidated financial statements for the half-year ended 30 June 2025 were prepared in accordance with IAS 34, Interim Financial Reporting, the IFRS published by the IASB (International Accounting Standards Board) and adopted by the European Union. This standard is available on the European Commission website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm

The accounting policies underlying the preparation of the condensed interim consolidated financial statements for the half year ended 30 June 2025 are identical to those adopted for the consolidated financial statements for the year ended 31 December 2024 and described in Chapter 5, Note 1 of the 2024 Universal Registration Document filed on 24 March 2025 with the French Financial Markets Authority (AMF) under no. D. 25-0139 and available on the Company's website at https://www.74software.com/investor-relations, except for the new standards and interpretations applicable from 1 January 2025 and presented in Note 1.2.

These condensed interim consolidated financial statements are presented in thousands of euros, unless indicated otherwise.

1.2 Application of new 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 2025 are as follows:

- amendment to IAS 21, *Lack of exchangeability*, of mandatory application from 1 January 2025, on how to determine the spot rate of a currency at the measurement date when it lacks exchangeability;

The amendments to IAS 21 have no material impact on the condensed interim consolidated financial statements and no disclosures are therefore provided in the notes to the consolidated financial statements.

1.3 Amendment of the SBS purchase price allocation

On 2 September 2024, the Group acquired SBS.

The purchase price allocation was not definitive at 31 December 2024. During the first half of 2025, the Group identified and recognised customer bases valued at €51.3 million and technologies valued at €67.3 million in intangible assets and the related deferred tax liability. Customer bases are amortised over a period of 13 years and technology assets over a period of 10 years.

The provisional allocation of the SBS purchase price is broken down in Note 12.1, Changes in goodwill.

The adjustment was recognised at the acquisition date and therefore modified the 2024 comparative data.

In the published consolidated financial statements for the year ended 31 December 2024, the Group identified and recognised, on a temporary basis, customer bases valued at €78.0 million and amortised over 13 years, and technologies valued at €105.2 million and amortised over 10 years.

1.4 Adjustments to the opening consolidated financial statements at 1 January 2025

As disclosed in Note 1.3, "Amendment of the SBS purchase price allocation", adjustments to SBS allocated intangible assets were recognised at the acquisition date and therefore modified 2024 comparative data.

Adjusted consolidated statement of financial position

The following assets and liabilities were adjusted in the 2024 consolidated financial statements and therefore the opening balances for the 2025 consolidated financial statements:

- Goodwill (+) €47.9 million
- Intangible assets (-) €62.6 million
- Equity (+) €1.4 million
- Deferred tax liabilities (-) €16.2 million

At the date of acquisition of SBS, the value of identified and recognised intangible assets decreased by €64.6 million and the related deferred tax liabilities decreased by €16.7 million. Goodwill therefore increased by €47.9 million.

In addition, the impact of amortisation of these allocated intangible assets between the date of acquisition of SBS and the closing date at December 31, 2024, decreased by €1.9 million and the related deferred tax liabilities decreased by €0.5 million. The 2024 profit for the year therefore increased equity by €1.4 million.

2024 Consolidated statement of financial position – Adjusted

Assets

(in thousands of euros)	31/12/2024 adjusted	31/12/2024 published
Goodwill	545,273	497,356
Intangible assets	129,650	192,302
Property, plant and equipment	19,414	19,414
Lease right-of-use assets	45,856	45,856
Non-current financial and other assets	16,792	16,792
Deferred tax assets	32,231	32,231
Non-current assets	**789,216**	**803,951**
Inventories and work in progress	4,535	4,535
Trade receivables and related accounts	293,532	293,532
Other current receivables	97,399	97,399
Cash and cash equivalents	41,437	41,437
Current assets	**436,904**	**436,904**
TOTAL ASSETS	**1,226,120**	**1,240,855**

Equity and liabilities

(in thousands of euros)	31/12/2024 adjusted	31/12/2024 published
Share capital	59,492	59,492
Capital reserves	223,714	223,714
Consolidated and other reserves	209,905	209,905
Profit (loss) for the year	40,612	39,167
Equity – share attributable to owners of the Company	**533,724**	**532,279**
Non-controlling interests	**109**	**109**
TOTAL EQUITY	**533,832**	**532,388**
Financial debt – long-term portion	264,365	264,365
Lease liabilities – long-term portion	44,904	44,904
Deferred tax liabilities	28,851	45,031
Retirement benefits and similar commitments	34,866	34,866
Other non-current liabilities including long-term provisions	5,461	5,461
Non-current liabilities	**378,447**	**394,627**
Financial debt – short-term portion	27,380	27,380
Lease liabilities – short-term portion	9,447	9,447
Trade accounts payable	28,672	28,672
Deferred income	88,631	88,631
Other current liabilities	159,710	159,710
Current liabilities	**313,841**	**313,841**
TOTAL LIABILITIES	**692,288**	**708,468**
TOTAL EQUITY AND LIABILITIES	**1,226,120**	**1,240,855**

Adjusted Consolidated income statement

Profit for the year is adjusted in the 2024 consolidated financial statements in the amount of (+) €1.4 million:

- Amortisation of allocated intangible assets (+) €1.9 million
- Deferred tax (-) €0.5 million
- Profit for the year (+) €1.4 million

2024 Consolidated income statement – Adjusted

(in thousands of euros)	2024 Adjusted	2024 Published
Revenue	**461,878**	**461,878**
Employee costs	-266,778	-266,778
External expenses	-94,733	-94,733
Taxes and duties	-4,057	-4,057
Depreciation and amortisation, provisions and impairment	-11,660	-11,660
Other current operating income and expenses	3,076	3,076
Profit on operating activities	**87,725**	**87,725**
As a % of revenue	***19.0%***	***19.0%***
Share-based payment expense	-6,140	-6,140
Amortisation of allocated intangible assets	-6,612	-8,560
Profit from recurring operations	**74,974**	**73,026**
As a % of revenue	***16.2%***	***15.8%***
Other operating income and expenses	-11,653	-11,653
Operating profit	**63,321**	**61,373**
As a % of revenue	***13.7%***	***13.3%***
Cost of net financial debt	-10,158	-10,158
Other financial income and expenses	-4,565	-4,565
Income tax expense	-7,901	-7,398
Profit for the year from continuing operations	**40,696**	**39,251**
Profit for the year	**40,696**	**39,251**
As a % of revenue	***8.8%***	***8.5%***
of which attributable to non-controlling interests	84	84
of which attributable to owners of the Company	**40,612**	**39,167**

Net income per share – attributable to owners of the Company

(in euros)	2024 Adjusted	2024 Published
Basic earnings per share	**1.73**	**1.67**
Diluted earnings per share	**1.68**	**1.62**

Note 2 Key events and scope of consolidation

Changes in the scope of consolidation

a. Deconsolidated entities

No entities were deconsolidated in the first half of 2025.

b. Newly-consolidated entities

No entities entered the scope of consolidation in the first half of 2025.

Notes to the consolidated income statement

Note 3 Segment reporting

Pursuant to IFRS 8, segment reporting is based on internal management information used by 74Software's Management. The Group is managed on a basis that reflects both its businesses and the geographical spread of its activities. The sectors presented correspond to two divisions: Axway and SBS. The Group is a dual sector entity in that revenue and profit on operating activities can be calculated for each of the two divisions. The chief operating decision maker regularly reviews the following information:

Axway division

- revenue by business and by geographical area; and
- consolidated Profit on operating activities.

SBS division

- revenue by business and by geographical area; and
- consolidated Profit on operating activities.

3.1 Revenue by business line

Axway

(in thousands of euros)	H1 2025		H1 2024	
Product revenue	**143,286**	**89.1%**	**130,502**	**87.8%**
Renewable contracts	**141,591**	**88.1%**	**127,859**	**86.0%**
Maintenance & support	*27,248*	*16.9%*	*34,642*	*23.3%*
Cust-managed software	*86,981*	*54.1%*	*67,283*	*45.3%*
Own-managed software	*27,362*	*17.0%*	*25,935*	*17.4%*
License	**1,696**	**1.1%**	**2,642**	**1.8%**
Services	**17,484**	**10.9%**	**18,157**	**12.2%**
TOTAL AXWAY REVENUE	**160,771**	**100%**	**148,658**	**100%**

In H1 2025, Customer Managed Subscription contracts generated upfront revenue of €51.9 million recognised on the signature of these contracts, up 31.7% on the first half of 2024 (€39.4 million).

SBS

(in thousands of euros)	H1 2025		H1 2024 proforma	
Product revenue	**137,702**	**74.8%**	**118,246**	**67.5%**
Recurring revenue	**117,323**	**63.7%**	**101,441**	**57.9%**
Maintenance & support	*64,231*	*34.9%*	*61,581*	*35.1%*
Customer-managed software	*11,720*	*6.4%*	*9,337*	*5.3%*
Own-managed software	*41,372*	*22.5%*	*30,522*	*17.4%*
Licenses	**20,379**	**11.1%**	**16,805**	**9.6%**
Services	**46,474**	**25.2%**	**56,993**	**32.5%**
TOTAL SBS REVENUE	**184,176**	**100%**	**175,239**	**100%**

Axway and SBS

(in million of euros)	H1 2025				H1 2024 proforma			
	Axway 6 months	SBS 6 months	Group adjust-ments	74S published	Axway 6 months	SBS 6 months	Group adjust-ments	74S published
Product revenue	**143**	**138**	**-1**	**280**	**131**	**118**	**–**	**249**
Recurring revenue	**142**	**117**	**-1**	**258**	**128**	**101**	**–**	**229**
Maintenance & support	*27*	*64*	*–*	*91*	*35*	*62*	*–*	*96*
Cust-managed software	*87*	*12*	*–*	*99*	*67*	*9*	*–*	*77*
Own-managed software	*27*	*41*	*-1*	*68*	*26*	*31*	*–*	*56*
Licenses	**2**	**20**	**–**	**22**	**3**	**17**	**–**	**19**
Services	**17**	**46**	**–**	**64**	**18**	**57**	**–**	**75**
TOTAL AXWAY & SBS REVENUE	**161**	**184**	**-1**	**344**	**149**	**175**	**–**	**324**

The Group's main clients do not account for more than 10% of revenue individually. 74Software's dependency on its main clients is low.

3.2 Revenue by region

Axway

(in thousands of euros)	H1 2025		H1 2024	
Europe	78,150	48.6%	80,352	54.1%
of which France	*35,666*	*22.2%*	*41,712*	*28.1%*
of which UK	*6,869*	*4.3%*	*6,465*	*4.3%*
Americas	67,040	41.7%	60,195	40.5%
of which United States	*60,800*	*37.8%*	*57,440*	*38.6%*
Middle East & Africa	2,702	1.7%	–	–%
Asia & Pacific	12,878	8.0%	8,111	5.5%
TOTAL AXWAY REVENUE	**160,771**	**100%**	**148,658**	**100%**

SBS

(in thousands of euros)	H1 2025		H1 2024 proforma	
Europe	130,911	71.1%	122,673	70.0%
of which France	*64,673*	*35.1%*	*57,957*	*33.1%*
of which UK	*39,918*	*21.7%*	*38,343*	*21.9%*
Americas	6,270	3.4%	5,427	3.1%
of which United States	*5,243*	*2.8%*	*4,785*	*2.7%*
Middle East & Africa	40,430	22.0%	39,305	22.4%
Asia & Pacific	6,565	3.6%	7,835	4.5%
TOTAL SBS REVENUE	**184,176**	**100%**	**175,239**	**100%**

Axway & SBS

(in million of euros)	H1 2025				H1 2024 proforma			
	Axway 6 months	SBS 6 months	Group adjust-ments	74S published	Axway 6 months	SBS 6 months	Group adjust-ments	74S published
Europe	78	131	-1	208	80	123	–	203
of which France	*36*	*65*	*-1*	*99*	*42*	*58*	–	*100*
of which UK	*7*	*40*	–	*47*	*6*	*38*	–	*45*
Americas	67	6	–	73	60	5	–	66
of which United States	*61*	*5*	–	*67*	*57*	*5*	–	*62*
Middle East & Africa	3	40	–	43	–	39	–	39
Asia & Pacific	13	7	–	19	8	8	–	16
TOTAL AXWAY & SBS REVENUE	**161**	**184**	**-1**	**344**	**149**	**175**	**–**	**324**

3.3 Segment results

Axway

(in thousands of euros)	H1 2025		H1 2024	
Revenue	160,771	100 %	148,658	100 %
Gross profit	120,478	74.9 %	104,748	70.5 %
Profit on operating activities	26,668	16.6 %	17,124	11.5 %

SBS

(in thousands of euros)	H1 2025		H1 2024 proforma	
Revenue	184,176	100 %	175,239	100 %
Gross profit	107,579	58.4 %	102,117	58.3 %
Profit on operating activities	14,617	7.9 %	2,810	1.6 %

Axway & SBS

(in million of euros)	H1 2025				H1 2024 proforma			
	Axway 6 months	SBS 6 months	Group adjust-ments	74S published	Axway 6 months	SBS 6 months	Group adjust-ments	74S published
Revenue	161	184	-1	344	149	175	–	324
Gross profit	120	108	–	228	105	102	–	207
PROFIT ON OPERATING ACTIVITIES	**27**	**15**	**–**	**41**	**17**	**3**	**–**	**20**

Note 4 Revenue

4.1 Revenue by business line

The breakdown by business line is presented in Note 3.1, Revenue by business line.

4.2 Revenue by geographical area

The breakdown by region is presented in Note 3.2, “Revenue by region”.

Note 5 Employee costs

5.1 Breakdown of employee costs

(in thousands of euros)	H1 2025	H1 2024
Salaries	162,470	72,713
Social security contributions	50,298	18,329
Research tax credits	-4,383	-2,075
Employee profit-sharing	952	455
Net expense for post-employment and similar benefit obligations	140	206
TOTAL EMPLOYEE COSTS	**209,477**	**89,628**

Employee costs represent 60.9% of H1 2025 revenue, up on H1 2024 (60.3%).

They increased 134% in absolute terms due to the integration of SBS activities. The average number of employees increased accordingly from 1,468 at 30 June 2024 to 4,710 at 30 June 2025.

Research tax credits total €4.4 million at 30 June 2025, up €2.3 million, and comprise €2.1 million for Axway and €2.3 million for SBS.

Axway expensed Research & Development expenditure of €32.6 million in H1 2025 (20.3% of revenue), compared to €31.2 million in H1 2024 (21.0% of revenue). SBS R&D expenditure totalled €60.6 million (32.9% of revenue). For the entire Group scope, R&D expenditure totalled €93.2 million, representing 27.1% of first-half revenue. Finally, SBS capitalised development expenses of €9.2 million in H1 2025.

SBS impact: employee costs total €116.9 million in H1 2025.

5.2 Workforce

Number of employees at 30 June	H1 2025	H1 2024
France	1,498	430
International	3,181	1,041
TOTAL	**4,679**	**1,471**

The 3,208 increase in employee numbers at 30 June 2025 is mainly due to the inclusion of SBS’s workforce.

SBS impact : SBS had 3,242 employees at the reporting date.

Average number of employees	H1 2025	H1 2024
France	1,493	431
International	3,218	1,037
TOTAL	**4,710**	**1,468**

The 3,242 increase in the average number of employees is mainly due to the inclusion of SBS’s workforce.

SBS impact: SBS had an average of 3,267 employees during the half-year.

Note 6 Purchases and external expenses

(in thousands of euros)	H1 2025	H1 2024
Purchases of subcontracting services	35,146	11,280
Purchases not for inventory of equipment and supplies	1,955	1,555
Purchases and change in stock of merchandise	2,163	132
TOTAL PURCHASES	**39,264**	**12,967**

SBS purchases totalled €25.4 million in the first half of 2025, while Axway purchases totalled €13.8 million, up 6.8% on the first half of 2024, in line with revenue growth. Purchases of subcontracting services mainly comprise cloud hosting costs that were considerable given the growth in the Subscription activity.

74Software reported a gross margin of 66.3% in the first half of 2025.

Axway's gross margin is 74.9% at the end of June 2025, up significantly year-on-year (70.5%). SBS's gross margin for 6 months' activity is 58.4% in the first half of 2025.

The foreign exchange impact was negligible (€0.2 million) in the half year.

SBS impact: purchases total €25.4 million at 30 June 2025.

(in thousands of euros)	H1 2025	H1 2024
Rent and rental charges	11,967	4,097
Lease expenses – IFRS 16 adjustment	-7,699	-2,378
Maintenance and repairs	8,455	6,503
External personnel	468	25
Remuneration of intermediaries and fees	4,760	3,497
Advertising and public relations	3,473	1,385
Travel and entertainment	7,062	2,458
Telecommunications	874	661
Sundry	10,002	6,547
TOTAL EXTERNAL EXPENSES	**39,363**	**22,798**

Axway external expenses totalled €25.1 million, up 10% compared to 30 June 2024. This increase is in line with the Group's new structure.

SBS impact: external expenses total €14.2 million at 30 June 2025.

Note 7 Share-based and similar payment expenses

A new free share grant plan was set up in H1 2025. On 26 February 2025, the Board of Directors approved the "LTI PLAN NEXUS" plan involving the grant of 344,200 shares, including 53,000 shares to the Chief Executive Officer, Patrick Donovan, and the Deputy Chief Executive Officer, Eric Berry. The plan will vest between February 2025 and March 2028 and includes presence and performance conditions.

Other current plans are described in Note 5.4 of Chapter 5 "Consolidated financial statements" of the 2024 Universal Registration Document.

Expenses relating to free performance share grant plans totalled €6.7 million in H1 2025, including employer social security contributions of €2.2 million, compared to €2.5 million in H1 2024, excluding SBS from the scope. The increase in employer contributions includes an additional cost of €0.8 million tied to the increase in the social package rate from 20% to 30%.

The July 2022 "LTI PLAN ACHIEVE" free share grant plan was settled on 31 March 2025, with the presentation of 204,166 shares to the Axway Leadership team, members of the Executive Committee and other individuals considered key for the Group. 30,000 shares were presented to the Chief Executive Officer, Patrick Donovan.

Note 8 Other operating income and expenses

(in thousands of euros)	H1 2025	H1 2024
Expenses related to business combinations (fees, commission, etc.)	190	2,400
Net restructuring and reorganisation costs	8,863	400
Other operating income and expenses	-152	1,300
TOTAL	**8,902**	**4,100**

In the first half of 2025, 74Software performed several material non-current transactions representing a total expense of €8.9 million, as follows:

1. restructuring plan (€9.0 million): led by SBS Belgium (€6.4 million), SBS France (€1.1 million), SBS UK (€0.5 million), SBS Tunisia (€0.5 million) and Axway India (€0.4 million);
2. expenses relating to the acquisition of Sopra Banking Software's activities (€0.2 million).

Other operating income and expenses comprise a positive adjustment to Workday Cloud implementation costs of (+) €0.2 million.

Note 9 Financial income and expense

9.1 Cost of net financial debt

(in thousands of euros)	H1 2025	H1 2024
Income from cash management	-160	-44
Interest expense	-7,384	2,361
Cost of net financial debt	**7,544**	**2,317**
Net interest on lease liabilities	1,486	352
TOTAL COST OF NET FINANCIAL DEBT	**9,029**	**2,669**

The cost of net financial debt increased €6.4 million, mainly due to the increase in debt related to the financing of the SBS acquisition, which represented costs of €5.5 million in the first half of 2025.

Interest related to the use of the Revolving Credit Facility (RCF) totalled €1.6 million.

In addition, the discounting of the DXchange earn-out represented a financial expense of €0.2 million in the period.

9.2 Other financial income and expenses

(in thousands of euros)	H1 2025	H1 2024
Foreign exchange gains and losses	**1,229**	**792**
Reversal of provisions	5	-1
Other financial income	-179	0
Total foreign exchange gains/losses and other financial income	**1,056**	**791**
Charges to provisions	-0	-0
Discounting of retirement benefit commitments	448	136
Change in the value of derivatives	—	—
Other financial expenses	715	—
Total other financial expense	**1,163**	**137**
TOTAL OTHER FINANCIAL INCOME & EXPENSE	**2,219**	**927**

Financial expenses also include research tax credit financing costs of €0.5 million in H1 2025.

Note 10 Income tax expense

(in thousands of euros)	H1 2025	H1 2024
Current tax	1,885	2,808
Deferred tax	592	-856
TOTAL INCOME TAX EXPENSE	**2,477**	**1,953**

The Group effective tax rate is 29.87% in H1 2025, compared to 41.19% in H1 2024.

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.

At 30 June 2025, additional tax losses were recognised compared to 31 December 2024 for an immaterial amount (€0.7 million gross). The Group considered it prudent to review future profit forecasts to the end of 2025 to take account of the tax impact of the acquisition of SBS.

74Software France

As deferred tax liabilities totalled €17.6 million, the Group recognised a deferred tax asset of the same amount. The net deferred tax position of 74Software SA is therefore nil at 30 June 2025 in keeping with the approach adopted at 31 December 2024.

Axway Inc.

Tax losses recognised in the United States are capitalised in the amount of €77.4 million (US$90.7 million), representing a total deferred tax asset of €16.2 million.

The Group capitalised a limited amount of additional tax losses in the half year compared to 31 December 2024 ($0.8 million gross), because of declining future taxable profits due to the impact of R&D cost capitalisation in the tax calculation.

Axway Ireland

At 31 December 2024, the Group did not expect any gradual improvement in taxable profits and consumption of prior year tax losses in the medium term.

No tax losses are capitalised at 30 June 2025.

SBS France

At 31 December 2024, the Group considered it prudent to delay the capitalisation of tax losses until after 31 December 2024, after taking into account the possible creation of a tax group with 74Software SA. This possibility will be assessed in the second half of 2025.

No tax losses are capitalised at 30 June 2025.

Other subsidiaries

At 30 June 2025, the Group did not capitalise any additional tax losses compared to 31 December 2024.

Note 11 Earnings per share

(in euros)	H1 2025	H1 2024
Net income – attributable to owners of the Company	5,795,908	2,789,155
Weighted average number of ordinary shares outstanding	29,746,194	21,633,597
Weighted average number of treasury shares	559,874	688,155
Weighted average number of ordinary shares outstanding	29,186,320	20,945,442
BASIC EARNINGS PER SHARE	**0.20**	**0.13**

(in euros)	H1 2025	H1 2024
Net income – attributable to owners of the Company	5,795,908	2,789,155
Weighted average number of ordinary shares outstanding	29,186,320	20,945,442
Weighted average number of securities taken into account in respect of dilutive items	861,366	766,166
Weighted average number of shares taken into account to calculate diluted net earnings per share	30,047,686	21,711,608
DILUTED EARNINGS PER SHARE	**0.19**	**0.13**

Notes to the consolidated statement of financial position

Note 12 Goodwill

12.1 Changes in goodwill

Movements in the first half of the year were as follows:

(in thousands of euros)	01/01/2025[1]	Acquisitions	Adjustments on business combinations	Disposals	Impairment	Translation adjustments	Other movements	30/06/2025
Axway	307,956	—	—	—	—	-20,326	—	287,629
SBS	237,317	—	-1,863	—	—	—	—	235,454
TOTAL	**545,273**	**—**	**-1,863**	**—**	**—**	**-20,326**	**—**	**523,083**

SBS – 74Software acquired SBS's activities on 2 September 2024.

Pursuant to IFRS 3, goodwill arising on the acquisition of SBS will become definitive at the end of the allocation period on 1 September 2025.

The allocation process performed by the Group in the first half of the year therefore led to the recognition of technology and customer bases in the amount of €67.3 million and €51.3 million, respectively, which will be amortised over 10 and 13 years.

The provisional goodwill breaks down as follows:

(in thousands of euros)	At 30/06/2025
Purchase price	108,365
Present value of earn-outs	6,836
Acquisition cost	**115,201**
Repayment of SBS financial debt	195,346
Enterprise value	**310,547**
Acquisition cost	**115,201**
Net assets acquired, excluding existing goodwill	-208,224
Allocated intangible assets, net of deferred tax	87,972
Total net assets acquired and net liabilities assumed	**-120,253**
GOODWILL (SBS)	**235,454**

The acquisition of SBS did not include an earn-out over and above the earn-out already paid. The enterprise value of SBS is €310.5 million and €304.4 million net of cash acquired.

SBS provisional net assets are as follows:

The Group finalised the valuation of SBS technologies and customer bases at 30 June 2025.

(in thousands of euros)	Carrying amount in the seller's accounts	Restatements	Fair value
Intangible assets	64,950	53,641	118,591
Property, plant and equipment	9,246	—	9,246
Long-term investments	1,918	—	1,918
Lease right of use assets	31,278	480	31,758
Deferred tax assets	11,031	—	11,031
Current assets	169,194	-17,295	151,899
Cash and cash equivalents	6,159	—	6,159
Financial liabilities	-195,350	—	-195,350
Lease liabilities	-33,375	-304	-33,679
Provisions for pensions and related commitments	-20,614	-2,786	-23,400
Provisions for risks and expenses >1 year	-2,085	-807	-2,892
Other non-current liabilities	-323	—	-323
Deferred tax liabilities	-4,496	-17,570	-22,067
Current liabilities	-174,251	1,109	-173,143
NET ASSETS ACQUIRED	**-136,719**	**16,466**	**-120,253**

(1) *The consolidated financial statements presented include the adjusted opening balances at 1 January 2025. These adjustments follow the amendment to the SBS purchase price allocation. For further information, please refer to Note 1.4 "Adjustments to the opening consolidated financial statements at 1 January 2025".*

12.2 Impairment tests

In accordance with IAS 36, the Group has taken into account the latest economic information available at the interim reporting date. Uncertainties related to US trade tensions and tariff policy could indirectly impact some of our markets.

At this stage, no specific indications of impairment loss have been identified for the Group's cash-generating units (CGUs) in relation to these tariff risks.

Nevertheless, the Group is closely monitoring developments in the political and economic environment and reserves the right to reassess the recoverable amount of its assets in the event of a significant change in macroeconomic conditions during the second half of the year.

At 30 June 2025, the revenue and operating financial performance of each of these CGUs are in line with Management expectations.

In the absence of any indication of impairment loss in the first half of 2025, the Group did not perform any impairment tests at 30 June 2025.

At 30 June 2025, the Group's market capitalisation on NYSE Euronext was €1,178 million (i.e. €1,201 million less 2% estimated disposal costs), above the Group's consolidated equity of €513 million at the same date.

It is recalled that impairment tests conducted at 31 December 2024 using a discounted cash flow approach produced the following valuations:

- Axway CGU: €688 million
- SBS CGU: €543 million

Sensitivity analyses were performed assuming a change in the WACC of ±1%, instead of the usual change of ±0.5%. These alternative scenarios did not lead to the recognition of an impairment loss on intangible assets.

Note 13 Leases

13.1 Lease right-of-use asset by category

(in thousands of euros)	Leased properties	Leased vehicles	Leased IT facilities	Total
Gross value				
31 December 2024	**67,783**	**9,068**	**8,570**	**85,421**
Change in scope of consolidation	–	–	–	–
Acquisitions	16,462	569	–	17,031
Disposals – assets scrapped	-6,368	-1,111	–	-7,480
Other movements	161	-132	–	30
Translation adjustments	-2,954	-114	–	-3,068
30 JUNE 2025	**75,085**	**8,280**	**8,570**	**91,934**
Depreciation				
31 December 2024	**-28,376**	**-4,951**	**-6,238**	**-39,565**
Change in scope of consolidation	–	–	–	–
Charges	-4,618	-1,032	-692	-6,342
Disposals – assets scrapped	5,156	1,023	–	6,179
Other movements	326	311	–	638
Translation adjustments	1,049	31	–	1,080
30 JUNE 2025	**-26,462**	**-4,617**	**-6,930**	**-38,009**
Net value				
31 December 2024	**39,407**	**4,117**	**2,332**	**45,856**
30 JUNE 2025	**48,623**	**3,662**	**1,640**	**53,925**

13.2 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	**62,484**	**10,588**	**51,896**	**10,133**	**9,693**	**7,729**	**6,530**	**17,810**

Note 14 Trade receivables

(in thousands of euros)	30/06/2025	31/12/2024
Trade receivables	112,924	190,858
Provision for doubtful receivables	-18,402	-18,452
Trade receivables – net value	**94,522**	**172,407**
Customer contract assets	152,180	121,126
TOTAL TRADE RECEIVABLES	**246,702**	**293,532**

Net trade receivables, expressed in days sales outstanding, corresponded to 121 days at 30 June 2025, down on the end of 2024 (145 days).

Axway's DSO is 154 days. DSO is high due to the "Customer Managed" business model, where 50% of the contract is recognised immediately ("upfront fees") while collection is spread over the contract's multi-year term. It is important to note that Axway's receivables schedule shows a high level of collection.

The decrease in Trade Receivables was due to more favourable seasonality of collections during the half year.

DSO is 90 days at 30 June 2025.

Factoring agreement covering trade receivables

74Software signed a factoring agreement with BNP Paribas Factor in the first half of 2025.

As part of this trade receivables assignment program, the Group occasionally assigns receivables from various subsidiaries to financial institutions, transferring substantially all the associated risks and rewards. These transactions meet the criteria of firm sales under IFRS 9, and the corresponding proceeds are recorded in operating cash flows. At 30 June 2025, assigned trade receivables totalled €12.5 million.

Maturity of trade receivables

Maturity of Axway 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	35,782	27,001	4,491	1,739	858	1,333	280	79

Maturity of SBS 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	77,142	73,331	349	277	516	1,484	725	460

Note 15 Equity

15.1 Changes in the share capital

At 31 December 2024, the share capital stood at €59,492,388, and comprised 29,746,194 fully paid-up shares with a par value of €2.00 each.

At 30 June 2025, the share capital stood at €59,492,388, and comprised 29,746,194 fully paid-up shares with a par value of €2.00 each.

15.2 Dividends

The 74Software SA General Meeting held on 20 May 2025 to approve the 2024 financial statements, decided not to distribute a dividend.

15.3 Transactions in treasury shares

At 30 June 2025, treasury shares with a value of €11.1 million are deducted from consolidated equity. They comprise 480,629 shares, including 465,117 shares acquired by 74Software for delivery as share-based payments and 15,512 shares held under the market-making agreement.

Note 16 Financial debt – Net debt

Net debt is €191.8 million at 30 June 2025, compared to €250.3 million at 31 December 2024 and breaks down as follows:

(in thousands of euros)	Current	Non- current	30/06/2025	31/12/2024
Bank borrowings	13,842	229,184	243,025	284,897
Other financial debt	765	4,592	5,357	6,677
Bank overdrafts	1,256	–	1,256	171
Financial debt	**15,863**	**233,776**	**249,639**	**291,746**
Cash equivalents	-9,267	–	-9,267	-4,802
Cash	-48,578	–	-48,578	-36,635
NET DEBT	**-41,982**	**233,776**	**191,793**	**250,308**

Reconciliation with the cash flow statement

Opening bank borrowings	**284,897**	**86,843**
Cash flow movements		
■ Proceeds from borrowings	–	264,123
■ Repayment of borrowings	-42,296	-68,264
Non-cash movements	424	2,195
Closing bank borrowings	**243,025**	**284,897**

Comments on cash and cash equivalents

Cash equivalents consist of short-term monetary investments and short-term deposits. These investments present a negligible risk of change in value. They are managed by the Group's Finance Department and meet the principles of prudence defined internally. Cash and cash equivalents (excluding bank overdrafts) of €57.8 million at 30 June 2025 are held €16.4 million by the parent company and €41.4 million by subsidiaries.

Comments on financial debt

At 30 June 2025, bank borrowings total €249.6 million.

Bank loans secured to finance the acquisition of SBS activities total €188 million and €184.2 million net of financing costs. €12.0 million was repaid in H1 2025 in accordance with the repayment schedule.

At 30 June 2025, €68 million of the €125 million multi-currency revolving credit facility (RCF) remained available, representing a utilisation rate of 46%. The RCF is drawn €57 million. In the first half of 2025, the Group repaid a €30 million drawdown.

In addition, the Group recognised a debt of €5.1 million in respect of the variable earn-out payable to the seller of DXchange in India.

16.2 Bank covenants

The financial covenants are met at 30 June 2025.

(in thousands of euros)	30/06/2025	31/12/2024	
Net debt	191,793	250,308	R1 < 3,00
Consolidated EBITDA	104,694	87,204	
Leverage Ratio: Net debt / Consolidated EBITDA	**1.83**	**2.87**	
Net debt	191,793	250,308	R3 < 1,00
Equity	519,363	539,952	
Gearing Ratio: Net debt / Equity	**0.37**	**0.46**	

Relevant debt outstandings total €245 million and no objective evidence suggests that the Group will be unable to comply with the covenants.

Two financial ratios, calculated using the published consolidated financial statements, on a 12-month sliding basis, must be met under the covenants:

- "net debt/consolidated EBITDA" ratio below 3.00 throughout the term of the loan;
- "net debt/equity" ratio below 1.00 throughout the term of the loan;
- Net debt for the purposes of calculating these ratios does not include IFRS 16 lease liabilities;
- 74Software consolidated EBITDA is calculated over twelve rolling months. For the period from July to December 2024, SBS EBITDA is based on proforma EBITDA.

16.3 Financial risk management: Interest rate risk

In the first half of 2025, the Group decided to hedge part of its interest rate risk on Term Loan A by subscribing to a series of caps and floors designated as cash flow hedges.

At 30 June 2025, 74Software had hedged a nominal amount of €81 million, with a fair value impact of €0.2 million, recorded in other comprehensive income.

Note 17 Change in net debt

(in thousands of euros)	30/06/2025	31/12/2024
Net debt at 1 January (A)	**250,308**	**75,590**
Cash from operations after cost of net financial debt and tax	**29,096**	**63,012**
Cost of net financial debt	9,029	10,158
Income tax expense (including deferred tax)	2,477	7,398
Cash from operations before cost of net financial debt and tax	**40,602**	**80,568**
Income taxes paid	-5,962	-11,743
Changes in working capital requirements	55,000	-37,128
Net cash from operating activities	**89,640**	**31,697**
Change related to investing activity	-14,856	-11,887
Lease payments	-7,281	-8,043
Net interest paid	-7,799	-9,472
Available net cash flow	**59,704**	**2,295**
Impact of changes in the scope of consolidation	—	-304,403
Financial investments	94	127
Dividends	—	—
Share capital increase for cash	—	128,263
Purchase and proceeds from disposal of treasury shares	-2,489	-1,716
Other changes	2,566	301
Total net change during the year (B)	**59,875**	**-175,133**
Impact of changes in exchange rates	-1,359	415
Net debt at 30 June (A - B)	**191,793**	**250,308**

Unlevered FCF	74Software	74Software
(in thousands of euros)	**30/06/2025**	**31/12/2024**
Available net cash flow	59,704	2,295
Net interest paid	7,799	9,472
Reorganisation and restructuring costs paid	8,888	14,568
Unlevered FCF	**76,391**	**26,335**

The Group reported a strong performance in H1 2025, combining EBITDA of €43.7 million with a positive change in working capital requirements (WCR) representing a net cash inflow of €55.0 million. The change in Axway working capital requirements represented a net cash inflow of €25.6 million, an increase of €23.1 million on H1 2024, while the change in SBS WCR represented a net cash inflow of €29.4 million.

Cash inflows are traditionally higher in the first half of the year than the second half. This is due to the collection of invoices for the renewal of maintenance and subscription contracts generating significant cash inflows at the beginning of the year.

The trade receivables factoring program and tax credit financing facility improved WCR by €12.5 million and €4.3 million, respectively.

Axway free cash flow (FCF) amounted to €44.1 million, up significantly from €6.7 million in H1 2024. SBS FCF is €15.6 million at 30 June 2025.

No dividends were paid during the period.

Taking into account net interest paid (€7.8 million) and restructuring costs (€8.9 million), 74Software generated unlevered free cash flow of €76.4 million in H1 2025, representing 22.2% of revenue. The Group expects unlevered FCF to be significantly lower at 31 December 2025 (around 10% to 12%) as receipts are traditionally less favourable in the second half of the year.

Net debt was €191.8 million at 30 June 2025.

Note 18 Current deferred income

(in thousands of euros)	30/06/2025	31/12/2024
Customer contract liabilities	138,206	88,631
TOTAL CURRENT CUSTOMER CONTRACT LIABILITIES	**138,206**	**88,631**

Current deferred income, representing customer contract liabilities, is presented in Note 7.6 to the 2024 Universal Registration Document. Movements reflect:

- the recognition of prior-year deferred income in revenue;
- the transfer of prior-year non-current deferred income to current deferred income;
- the emergence of new liabilities as a result of services invoiced but not yet fulfilled.

To avoid the overstatement of asset and liability accounts, deferred income concerning trigger events after 1 January (1 January 2025 for this period) and the corresponding trade receivables not settled at the previous reporting date (31 December 2024) were offset in the balance sheet at 31 December 2024. There was no offset at 30 June.

Some current customer contract liabilities at 31 December 2024 were recognised in revenue in the first half of 2025.

Compared to 31 December 2024, current deferred income increased mainly due to the reverse offsetting of deferred income at 30 June 2025 and the signature of Axway Managed subscription contracts.

In addition, SBS's business model, comprising a significant share of Maintenance activity, ensures significant advance customer cash receipts during the first half of 2025.

Note 19 Other current liabilities

(in thousands of euros)	30/06/2025	31/12/2024
Amounts payable on non-current assets	584	30
Advances and payments on account received for orders	658	310
Employee-related liabilities	68,271	91,617
Tax-related liabilities	42,697	40,779
Income tax	15,497	16,820
Other liabilities	9,504	10,155
Provisions for restucturing	4	759
TOTAL OTHER CURRENT LIABILITIES	**137,214**	**159,710**

The decrease in Employee-related liabilities is due to the seasonal nature of commission and bonuses provided at 31 December 2024, which exceed those provided for at 30 June 2025.

Other information

Note 20 Related-party transactions

Agreements entered into with parties related to the Axway Group were identified in Chapter 4.2 “Regulated agreements and assessment of everyday transactions” in 74Software’s 2024 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on 24 March 2025, under no. D. 25-0139 and available on the Company’s website at https://www.74software.com/investor-relations. The 74Software 2024 Universal Registration Document also includes the Statutory Auditors’ report on regulated agreements.

To date, excluding those agreements described in the 2024 Universal Registration Document, to the best of the Company’s knowledge, there were no new 74Software Group related-party agreements in H1 2025 likely to have a material impact on the Company’s financial position or results during the period.

Note 21 Off-balance-sheet commitments and contingent liabilities

The Group’s off-balance sheet commitments are granted or received by 74Software SA and its subsidiaries. Commitments have not significantly changed since 31 December 2024.

In the first half of 2025, the group signed a new lease agreement for eight years for offices in the Trinity Tower located in the Paris La Défense business district.

With the exception of this agreement, commitments have not significantly changed since 31 December 2024.

At 30 June 2025, the Group complies with the covenants and commitments defined in current bank loans and the current syndicated credit facility (see Note 16, Financial debt - Net debt).

Note 22 Exceptional events and legal disputes

To the best of the Group’s knowledge, and notwithstanding the information provided herein, at the date of this report, no disputes or litigation known or ongoing are likely to have a significant negative impact on the Group’s financial position.

Note 23 Events after the reporting period

There were no significant events likely to impact the financial statements between 1 July 2025 and the Board of Directors’ meeting on 24 July 2025.

Statutory Auditors' report on the interim financial statements

This is a translation into English of the Statutory Auditors' report on the interim financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code (*code monétaire et financier*), we have:

- conducted a limited review of the accompanying condensed interim consolidated financial statements of 74Software for the period from 1 January to 30 June 2025;
- verified the information provided in the half-year management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France.

A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared in all material respects in accordance with IAS 34, as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-year management report commenting on the condensed interim consolidated financial statements that were the subject of our limited review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

The Statutory Auditors

Forvis Mazars SA	**Aca Nexia**
Levallois - Perret, 29 July 2025	Paris La Défense, 29 July 2025
Jérôme Neyret	Olivier Juramie
Partner	Partner

Declaration by the person responsible for the interim financial report

“I declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the half-year ended have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, and profit or loss of the 74Software Group and of all the entities included in the scope of consolidation, and that this Interim financial report provides a fair review of the significant events that occurred in the first six months of the fiscal year and their impact on the financial statements, and of the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.”

Paris La Défense, 29 July 2025

Patrick Donovan
Chief Executive Officer

74Software

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Design and production
Ruban Blanc
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Photo credits: Getty Images

74Software

Mission-Critical Software for a Data-Driven World

74Software is home for leading brands with mission-critical enterprise applications and infrastructure software serving a growing range of markets and geographies – each with their own identities and value propositions.

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