

## Clarification of the Group's strategy and plan to focus on digital services and solutions

**Paris, February 21, 2024 at 6:15 pm - Sopra Steria, a major tech player in Europe, announces its intention to sell most of Sopra Banking Software's operations to Axway Software, representing annual sales of around €340m, for an enterprise value of €330m. As part of this project, Sopra Steria also intends to sell 3.619 million of Axway shares to Sopra GMT, at a price of €26.5 per share for an amount of €95.9m.**

Sopra Steria is actively pursuing an independent model that creates sustainable value for its stakeholders. In this context, the Group is clarifying its strategy with the announcement of its intention to sell its banking software operations.

Sopra Banking Software was created in 2012 by capitalising on banking software assets from Sopra's legacy and several acquisitions that significantly enhanced its core banking and specialised credit offerings. The strategy developed by Sopra Banking Software is to be a high-value business software provider. It has more than 650 clients worldwide, including the 10 largest European banks and half of the banks in Africa. 250 banks in Europe use Sopra Banking Software's payment solutions.

This project fits Sopra Steria's ambition to strengthen its presence in Europe and to focus its investments on consulting and digital services in its strategic market verticals: financial services, defense & security, aerospace and public sector. The Group aspires to become a compelling European alternative to global players, in particular to provide solutions to its major European clients' digital sovereignty challenges.

In this respect, the project announced today would entail a global operation with two indivisible components: the sale by Sopra Steria to Axway Software of most of Sopra Banking Software's activities on the one hand, and the sale by Sopra Steria to Sopra GMT of 3,619 million of Axway securities on the other.

Regarding the disposal of the majority of Sopra Banking Software's activities to Axway Software, the scope in question generated around €340m of revenue during fiscal year 2023, which represents approximately 80% of Sopra Banking Software's entire business. Retained activities would consist of services or project activities for large banks or financial institutions which will continue to contribute to Sopra Steria's ambitions in the financial services market.

The contemplated disposal would be completed for an enterprise value of €330m.

Axway Software has announced its intention to finance part of the contemplated transaction through a capital increase with preferential subscription rights attached (rights issue). Sopra Steria would not subscribe to the rights issue but would sell all of its rights to Sopra GMT who indicated its intention, as part of the capital increase, to exercise its rights and those acquired from Sopra Steria, and to commit to subscribe any shares that would remain unsubscribed at the end of the allocation process.

As part of this project, Sopra Steria intends to sell 3.619 million of Axway shares out of the 6.914 million shares that it currently holds to Sopra GMT. This sale would be completed at a price of €26.5 per Axway share, for an

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amount of €95.9m, which represents a 4.7% premium on Axway's 6-month VWAP and a 2.9% discount on Axway's 3-month VWAP.

The valuation of Sopra Banking Software's activities (€330m enterprise value) and the Axway price per share (26.5€ per share) will be reviewed by an independent expert (Crowe HAF).

After these transactions, taking into account the capital increase of Axway and the sale by Sopra Steria to Sopra GMT of its preferential subscription rights, Sopra Steria would remain a shareholder of Axway with a stake of around 11% and would benefit from Axway's value creation through its residual shareholding. In addition, a new strategic partnership between the two companies would be established.

At Sopra GMT level, Sopra Steria's reference shareholder with 19.6 % of its share capital, the financing of these operations would be ensured by a capital increase reserved to a financial minority partner (One Equity Partners), with whom Sopra GMT is in advanced discussions to conclude a binding agreement<sup>1</sup>. Sopra GMT affirms its commitment and support to the success of Sopra Steria's enterprise project. Sopra Steria's capital structure remains unchanged.

The estimated accounting impacts on Sopra Steria include (i) a slight accretion on its operating margin rate on an annual basis and (ii) a decrease of its net financial debt by at least €425.9m and a stronger investment capacity to pursue its growth strategy, including through acquisitions, with strict financial discipline.

Sopra Steria granted exclusive rights to Axway and Sopra GMT to negotiate these transactions. At the end of these negotiations, the conclusion of binding agreements between Sopra Steria, Axway and Sopra GMT will remain subject to the approval of the boards of directors of the three companies, based on the reports of the independent experts, that will take place after information and consultation procedures with the employee representative bodies of the entities in question.

The goal is to complete these operations before the end of the second quarter of 2024 or, at the latest, during the third quarter of 2024. They would be subject to obtaining the necessary regulatory approvals, including a decision by the AMF on the absence of any obligation to file a tender offer<sup>2</sup>, and to the approval by the AMF of the prospectus to be submitted by Axway as part of its capital increase.

Société Générale acts as Financial Advisor to Sopra Steria Group. Crédit Agricole Corporate and Investment Bank acts as Financial Advisor to Axway. Messier & Associés acts as Financial Advisor to Sopra GMT.

**Pierre Pasquier, Chairman of Sopra Steria Group, stated:**

"The strategic review conducted since 2022 has led us to accelerate our transformation to adapt the company to a fast moving environment, ensure its development throughout Europe and reach a top level of performance within our industry. Our ambition is to make Sopra Steria a genuine European alternative to global players in the industry.

Developed since 2012 based on banking software assets from Sopra's history and acquisitions, Sopra Banking Software's software business is not central to the strategic priorities of a European digital services company like Sopra Steria. It is in this context and in line with the transformations already engaged, that today's announcement clarifies our strategy with the plan to focus our activities and investments on digital services and solutions in Europe.

In this new model, and in order to meet the challenges of an increasingly digital world where software plays a prominent role, it will be strategically important to develop a stronger partnership between Sopra Steria and Axway Software to support the digital transformation of our major clients in the financial services sector.

Sopra GMT is actively committed to the success of Sopra Steria's and Axway's enterprise projects in the long term. The project announced should create value for customers, employees and shareholders in both groups".

Fiscal year 2024 will be dedicated to building Sopra Steria's strategic plan for the 2025-2027 period. This plan will be presented during a Capital Market Day scheduled for the beginning of December 2024.

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<sup>1</sup> One Equity Partners would own around 20% of Sopra GMT's share capital.

<sup>2</sup> See below for the basis of the derogations that will be requested from the AMF.



## Analysts and Investors Meeting

A meeting with financial analysts and investors via a bilingual French / English webcast will take place on Thursday, February 22, 2024 at 8:30 a.m. Paris time.

- Registration for the French webcast: [here](#)
- Registration for the English webcast: [here](#)

Or by phone:

- French access number: +33 1 70 37 71 66
- English access number: +44 33 0551 0200

Practical information about this conference and its webcast diffusion can be found on the Group's website under the Investors section: <https://www.soprasteria.com/investors>

## Upcoming financial publications

Thursday, February 22, 2024 (before market opening): 2023 annual results publication.

Friday, April 26, 2024 (before market opening): Q1 2024 revenues publication.

Tuesday 21 May 2024 at 2:30 p.m.: General Meeting of Shareholders.

Wednesday, July 24, 2024 (after market close): publication of results for the first half of 2024.

Thursday, October 31, 2024 (before market opening): Q3 2024 revenues publication.

## Basis of the derogations that will be requested from the AMF

One Equity Partners would, as a result of its acquisition of a stake in Sopra GMT, indirectly in concert, exceed the thresholds of 30% of Sopra Steria's voting rights and 30% of Axway's share capital and voting rights. In connection with this acquisition, the AMF will be asked to grant waivers to the mandatory filing of a tender offer on Sopra Steria and on Axway on the basis of Articles 234-7, 1° and 234-7, 2° of the AMF's general regulation.

Sopra GMT, individually, (i) would, as a result of the acquisition of Axway shares from Sopra Steria, exceed the thresholds of 30% of Axway's share capital and voting rights and (ii) would, as a result of its participation in Axway's capital increase, increase its stake in Axway's share capital and voting rights by more than 1% within a period of less than twelve consecutive months; a waiver to the mandatory filing of a tender offer on Axway will also be requested from the AMF on the basis of article 234-9, 6° of the AMF's general regulation.

## Disclaimer

This document contains forward-looking information subject to certain risks and uncertainties that may affect the Group's future growth and financial results. Readers are reminded that license agreements, which often represent investments for clients, are signed in greater numbers in the second half of the year, with varying impacts on end-of-year performance. Actual outcomes and results may differ from those described in this document due to operational risks and uncertainties. More detailed information on the potential risks that may affect the Group's financial results can be found in the 2022 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 17 March 2023 (see pages 40 to 45 in particular). Sopra Steria does not undertake any obligation to update the forward-looking information contained in this document beyond what is required by current laws and regulations. The distribution of this document in certain countries may be subject to the laws and regulations in force. Persons physically present in countries where this document is released, published or distributed should enquire as to any applicable restrictions and should comply with those restrictions.



## About Sopra Steria

Sopra Steria, a major Tech player in Europe with 56,000 employees in nearly 30 countries, is recognised for its consulting, digital services and software development. It helps its clients drive their digital transformation and obtain tangible and sustainable benefits. The Group provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach. Sopra Steria places people at the heart of everything it does and is committed to putting digital to work for its clients in order to build a positive future for all. In 2023, the Group generated revenue of €5.8 billion.

### **The world is how we shape it.**

Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) – ISIN: FR0000050809

For more information, visit us at [www.soprasteria.com](http://www.soprasteria.com)

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