

2021 turnover up 15%

Strong international growth

- 581 new accounts opened during the year, expanding the client base by 44%;
- International turnover up 35% to €9.2 million, accounting for 40% of total Group turnover;
- €11.1 million generated from recurring business, representing 48% of turnover, subscription volumes doubled;
- “PAM for all” comprehensive offering providing secure access for all;
- €22.7 million gross cash and cash equivalents as of December 31, 2021, stable versus 2020;
- Launch of UNICORN25 plan to drive growth.

Paris, February 10, 2022 - WALLIX (Euronext ALLIX), a European cybersecurity software developer and expert in privileged access management (PAM), reports its full-year 2021 turnover.

Unaudited data, €000	2020	2021	Change
France	13,212	13,903	+5%
International	6,860	9,263	+35%
Consolidated turnover	20,072	23,166	+15%

Jean-Noël de Galzain, Chairman of the WALLIX GROUP Management Board, said: “We posted strong growth in 2021 and made significant progress on key indicators for the Group’s future developments. As a result, we strengthened our client acquisition rate with nearly 600 new accounts opened this year thanks to our comprehensive product portfolio and recognized technological leadership. The international segment, which currently accounts for 40% of our business, is growing strongly, driven by the global partner network we have built up. Our subscription offers increased sharply this year; this gradual transition towards a recurring business model, 48% of 2021 turnover, is a solid foundation for our medium-term growth ambitions.

While 2021 revenue growth was slightly curtailed towards the end of the year due to orders postponed to first half 2022, this did not undermine the Group’s excellent growth momentum nor alter the achievement of the targets we set under the UNICORN25 plan presented last December.

This bold strategy aims to address the security challenges thrown up by digital transformation. The need to open up access to digital systems, whether in organizations or in society, is inevitable and exponential. With our “PAM for all” vision, we support these structural changes worldwide by providing solutions to safeguard digital access whether for all users, and tomorrow for connected objects and industrial systems.

This is a great opportunity for WALLIX to upscale and become a world leader in protecting digital transformation and helping to build a trusted digital world. On completion of the plan in 2025, WALLIX aims to reach €100 million in turnover and become a key player in the European cybersecurity sector.”

Continued strong growth, particularly in the international segment

WALLIX maintained its growth trajectory in 2021 with turnover up 15% to €23.2 million. Sales were brisk throughout the year and a record number of new accounts were opened (581 new clients expanding the client base by 44%). However, this excellent performance was curbed, in terms of turnover, by the postponement of a number of major contracts signed in the second half of December, mostly in France, to 2022 due to the year-end resurgence of the health crisis (Omicron). WALLIX estimates orders carried over to the current fiscal year at around €2.0 million.

The relevance of WALLIX's expertise in business verticals (particularly healthcare and industry) and the expansion of the distributor and partner network (TechData in Spain and the UK, IT2Soft for Scandinavia) contributed strongly to business growth over the year.

Business growth by region:

- In France, still impacted by the health crisis, turnover rose 5% to €13.9 million. Growth in France was significantly curtailed by the year-end contract deferrals. Major contracts previously signed in France generated invoices totaling €6.5 million over the year. WALLIX estimates potential turnover from these key account supply contracts at €24.3 million over the next three years (2022-2024).
- International turnover rose 35% to €9.2 million in 2021, accounting for 40% of total business versus 34% in 2020. On the international front, WALLIX continued to invest in expanding its partner network in target markets (approx. 230 international partners) and observed a sharp upswing in the commercial pipeline provided by partners. WALLIX posted strong growth over the year in the European Union, UK and Africa-Middle East region. The Group signed an increased number of major contracts (billing > €100,000) in the international market, which generated invoices totaling €3.2 million for the year. WALLIX estimates potential turnover from supply contracts at €9.8 million over the next three years (2022-2024).

€11.1 million turnover from recurring business (up 31%) representing 48% of 2021 turnover

Unaudited data, €000	2020	2021	Change
Licenses ¹	9,459	10,467	+11%
Maintenance & Subscriptions ²	8,516	11,148	+31%
Professional services	2,097	1,552	-26%
Consolidated turnover	20,072	23,166	+15%

License sales were up 11% year on year, boosted by strong growth in international markets due to the contribution of the channel. 2021 turnover from subscription contracts (SaaS licenses and managed services) totaled €1.5 million, up over 90% from €0.8 million in 2020 demonstrating the growing success of this type of contract.

Combined with the impact of the increase in clients served on maintenance turnover, recurring business rose 31% in 2021 to 48% of total business compared to 42% in 2020, thereby improving visibility of the Group's business.

As of December 31, 2021, the Group estimates the future value of subscription contracts billed in 2021 at €6.6 million over three years, versus €3.9 million as of December 31, 2020.

Strategy underpinned by consistent financial strength

As of December 31, 2021, gross cash and cash equivalents amounted to €22.7 million versus €23.2 million as of December 31, 2020. The Group consumed no cash in H2 2021 (€22.7 million as of June 30, 2021).

This financial strength affords the Group the flexibility required to self-fund investments under the UNICORN25 plan and take advantage of acquisition opportunities.

¹ including equipment sales

² including managed services

Targeting improved operating margins in second half 2021 and strong growth through the UNICORN25 plan

Similarly to the first half of the year, WALLIX expects to see a further improvement in second semester operating earnings over the previous year. However, given the postponement of orders towards the end of the year, the Group does not expect to achieve operating breakeven for the period.

The current medium-term market outlook is particularly buoyant, forecasting average annual growth of 21% and expected to reach \$3.1 billion in 2025³. The acceleration of the digital transition due to new uses requires growing investment in access and identity protection to respond to the proliferation of cyberattacks and manage a growing number of identities for both individuals and objects.

Backed by UNICORN25 and its vision of “PAM for all”, WALLIX is positioning itself to deliver clients the promise of a secure digital transformation for everyone, anywhere and at any time. This strategy has three main building blocks:

- **PAM leadership:** WALLIX plans to extend its security technologies, primarily Bastion and BestSafe, beyond the sphere of privileged access users to include all at-risk users and workstations of an organization, offering them protection based on the principle of least privilege. This includes deploying 100% cloud solutions (Bastion for Cloud) to address the needs of cloud or native SaaS solution users, such as the retail and media sectors;
- **extension of the WALLIX offering to IAM:** WALLIX plans to help its clients manage adjacent issues related to identity and access management. To this end, WALLIX plans to develop additional identity-based solutions (Multi-Factor Authentication, IdaaS, IGA, SSO) in order to grow client value;
- **embedded cybersecurity:** in order to meet the future challenges of IT-OT convergence and the emergence of the Internet of Things, WALLIX is continuing to develop embedded cybersecurity solutions such as WALLIX Inside and the Oscar platform, winner of the Grand Défi Cyber.⁴ Backed by the initial partnerships with Fives and Schneider Electric, WALLIX Inside aims to offer manufacturers the opportunity to provide solutions secured by design and will be a powerful driver of profitable growth for WALLIX in the medium term.

Over the coming years, WALLIX aims to consolidate the Group’s leadership in Europe and significantly strengthen its foothold on the North American market, particularly in the United States, starting with the major partnership signed with Arrow Electronics in May. Besides geographical coverage, WALLIX plans to add new marketing models to its current “Channel” model (300 value-added resellers and distributors): a “global account management” practice with key accounts as well as a strategy of alliances with 4.0 industry players, shared service providers and tech partners to incorporate WALLIX cybersecurity solutions into the solutions they distribute.

The UNICORN25 plan has been scaled to enable WALLIX to reach turnover of €100 million by 2025 and an operating margin target towards the upper end of the sector. With UNICORN25, WALLIX is entering a new development phase that will enable it to consolidate its leadership in access and identity security and play a unifying role as a cybersecurity player guaranteeing protection for organizations in a digital world. WALLIX is currently positioning itself to meet the future needs of a fully digital world.

Next publication: Full-year 2021 results, March 24, 2022

³ According to KuppingerCole analysts

⁴ OSCAR is the winner of the “Grand Défi Cyber” call for projects launched as part of the national cybersecurity strategy driven by the French government’s Future Investment Program (PIA) and France Relance.



ABOUT WALLIX

A software company providing cybersecurity solutions, WALLIX is the European specialist in Identity and Access Security Solutions. WALLIX's unified solutions portfolio enables companies to meet today's data protection challenges. WALLIX solutions guarantee detection and resilience to cyberattacks, thus enabling business continuity. They also ensure compliance with regulatory requirements regarding access to IT infrastructure and critical data. The unified solutions portfolio is distributed through a network of more than 316 resellers and integrators around the world. Listed on Euronext (ALLIX), WALLIX supports more than 1,900 organizations in securing their digital transformation. WALLIX is a founding member of the HEXATRUST group and was included in Futur40, the first ranking of growth companies on the stock market published by Forbes France and is part of the Tech 40 index.

WALLIX affirms its digital responsibility and undertakes to contribute to the construction of a European digital space of trust, guarantor of the security and confidentiality of organizations' data but also for any individual concerned about the protection of their digital identity and the respect for his private life. Digital technology, whether for professional or personal use, must be ethical and responsible in order to experience a secure societal digital transformation that respects individual freedoms.

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