

Recurring business gathers pace, up 32.6% as of September 30, 2023 driven by the roll-out of the subscription model

- Monthly recurring revenue up 32.6%;
- Annual recurring revenue of €18.6 million as of September 30, 2023, representing 74% of 2022 turnover;
- Trajectory towards profitable growth in 2024 confirmed.

Paris, November 16, 2023 - WALLIX (Euronext ALLIX), a European cybersecurity software developer and expert in privileged access management (PAM), announces its business performance for Q3 2023.

| Unaudited data, €000 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
|---------------------------|----------------|---------------|--------------------|
| Monthly recurring revenue | 1,287 | 1,415 | 1,550 |
| Change over 12 months | +26.4% | +26.1% | +32.6% |



Jean-Noël de Galzain, Chairman and Chief Executive Officer of the WALLIX GROUP, said: “With monthly recurring revenue up nearly 33%, the shift towards a subscription-based model is gathering pace, driven by existing clients and a strong and steady increase in new business. The development of the subscription model ensures a long-term revenue stream and better financial visibility, which is one of the priorities of our business strategy. The fact that we have been able to maintain consolidated revenue growth of over 20% during this process shows how well we are managing this transformation via a prudent and gradual approach.

Thanks to the groundwork done on transforming our business model and strengthening our equity, WALLIX has everything it needs to pursue its development plan, gain market share and contribute to the construction of a global competitive and innovative

cybersecurity portfolio in terms of digital Identity and Access Security. We will remain particularly active in the industrial cybersecurity market, an area which is lagging well behind in terms of cyber equipment and in which WALLIX has a particularly strong competitive edge thanks to its PAM and IAM solutions dedicated to the OT.Security environment.

Considering these factors, we are confirming our solid growth targets for 2023 and 2024 with a view to reaching operating breakeven in 2024.”

Accelerated growth in recurring revenue, solid business growth

Monthly recurring revenue (MRR) as of September 30, 2023 totaled €1.6 million, up 32.6% versus September 30, 2022 after respective increases of 26.4% and 26.1% as of March 31 and June 30, 2023.

On an annual basis, recurring business amounted to €18.6 million as of September 30, 2023, representing 73.9% of 2022 consolidated turnover, up 13.3 percentage points over one year.

Consolidated turnover for the nine months ended September 30 amounted to €20.9 million, up 24% and up 27% excluding Russia, driven by sustained demand from medium-sized companies and an accelerating number of major projects in the industrial sector. Third quarter growth amounted to 20%, and 22% excluding Russia, with Q3 turnover at €7.0 million.

Sales momentum is particularly strong in the industrial cybersecurity market, notably in France and the Middle East/Africa region, where the Group has signed major contracts in the transport, energy and agrifood sectors.

Consolidated since May 16, 2023, Kleverware contributed turnover of €0.3 million for the period.

Reorganization, strengthened financial structure and confirmation of medium-term targets

The WALLIX Group’s upsizing initiative is being supported by the organizational streamlining of the sales and marketing departments initiated in 2023 and driven by the new Chief Revenue Officer appointed at the beginning of the year. The purpose of the reorganization is to judiciously accelerate the transformation towards a subscription model while maintaining strong short-term business growth and leveraging the means to optimize the sales margin. This structure supports the WALLIX three-tier sales model balanced between a global and local approach to the Company’s markets.

The Group also strengthened its financial structure via a €10.5 million fundraiser during the first half and the recent signing of a €2.5 million eight-year Recovery Loan with repayment deferred for four years. This gives WALLIX a solid financial springboard from which to confidently pursue its roadmap towards becoming a European leader in identity and access cybersecurity.

Backed by this sustained growth momentum and the continued strengthening of recurring business, the Group is confirming its ambition to improve earnings as from the second half of 2023 and achieve operating breakeven in 2024.

Next publication: Full-year 2023 turnover, February 8, 2024



ABOUT WALLIX

WALLIX is the European specialist in access and digital identity security and the world leader in PAM (Privileged Access Management). Its technologies enable organizations to meet today's challenges in IT network protection and data security. They also provide detection and resilience to cyberattacks and protect organizations' digital assets in addition to maintaining business continuity of IT systems, in the cloud, and in industrial networks. These technologies simplify compliance with regulatory requirements for access to critical IT infrastructure and data. With its PAM4ALL, PAM4OT, and Trustelem solutions, WALLIX helps its customers modernize their information systems and put cybersecurity at the service of their digital transformation. The company relies on a network of certified distributors, resellers, and integrators to support more than 2,000 organizations worldwide in all sectors of the economy. The company is listed on Euronext (ALLIX). The founders and managers, as well as the investment structure Thierry Dassault Holding are the historical reference shareholders.

OT.security by WALLIX is a brand dedicated to the security of digital access and identities in industrial environments.

WALLIX affirms its digital responsibility and is committed to contributing to the construction of a trusted European digital space, guaranteeing the security and confidentiality of data for organizations as well as for individuals concerned about the protection of their digital identity and privacy. Digital technology, whether for professional or personal use, must be ethical and responsible in order to pursue a secure societal digital transformation that respects individual freedoms.

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