



2023 earnings: fundamentals strengthened by latest round of investments to combine growth, recurring business and profitability in 2024

- Record full-year turnover of over €30 million in 2023, up 20%;
- Over 65% recurring business, up 6 percentage points;
- Gross cash and cash equivalents of nearly €18 million, up over €4 million year-on-year;
- Improvement in recurring operating expenses/turnover ratio;
- Operating profit expected in H2 2024.

Paris, March 21, 2024 - WALLIX (Euronext ALLIX), a European cybersecurity software developer and expert in identity and access management (IAM) and privileged access management (PAM), announces its earnings for the 2023 financial year¹.

Jean-Noël de Galzain, Chairman and Chief Executive Officer of WALLIX Group, said: “2023 was a pivotal year ending a phase of investment designed to enhance our offering and strengthen our teams across the 16 countries in which the Company currently operates.

We are entering 2024 stronger than ever, backed by a WALLIX digital identity and access management software suite that constitutes a leading offering in PAM, tailored to digital and SaaS environments and the protection of corporate industrial network access. OT security is a booming sector linked to the digitization of industrial environments that requires considerable investment in cybersecurity by design.

Our subscription revenue is rising sharply in France and abroad, backed by a solid foundation of nearly 3,000 active contracts at the beginning of the year and an ecosystem of 300 partners. All of this serves to solidify our business model underpinned by a strengthened financial position. After two years of considerable efforts, it's time for profitability in 2024 !

The cybersecurity market is expected to grow significantly in Europe and worldwide, bolstered by the implementation of the NIS2 Directive in 2024, along with the DORA regulation in the financial sector and the IEC 62443 standards for industrial communication networks. We will capitalize on investments made in order to provide clients with long-term support in their transformation and post an operating profit in the second half of 2024 by combining revenue growth with optimizing operational efficiency.

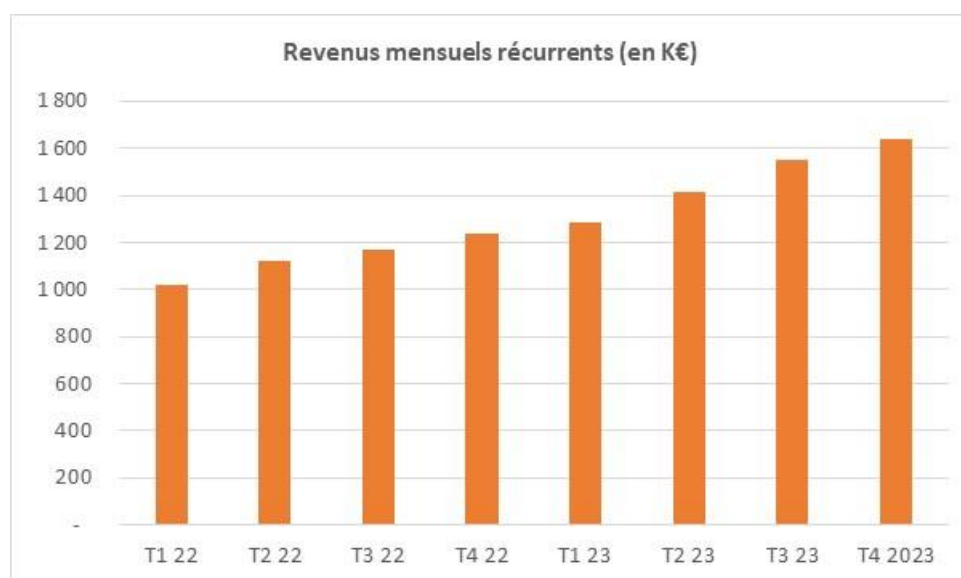
Beyond innovation and the ability to increase companies' digital resilience, our shared aim is henceforth to generate sustained organic growth in recurring business and continuously improve operating profit by becoming the European cornerstone in digital access and identity cybersecurity.”

¹ The full-year consolidated financial statements were approved by the Board of Directors on March 21, 2024. The statutory auditors have audited the financial statements and the annual financial report will be published by April 30, 2024.

Profit & Loss statement

€000	2022	2023
French GAAP		
Turnover	25,179	30,180
Total operating income	30,956	35,127
Operating profit/(loss) excluding non-recurring items	(7,133)	(7,651)
Non-recurring expenses		(1,845)
Operating profit/(loss)	(7,133)	(9,496)
Net financial income/(expense)	(285)	(278)
Non-recurring income/(expense)	418	(161)
Tax income/(expense)	998	1,401
Net profit/(loss)	(6,002)	(8,534)

Accelerated growth in recurring revenue, solid business growth



At December 31, 2023, monthly recurring revenue (MRR) amounted to €1.6 million, with growth continuing to accelerate, up 32.9% compared to the previous year. On an annual basis, recurring business amounted to €19.7 million, representing 65.2% of 2023 turnover compared to 58.9% in 2022.

2023 turnover was up 19.9% at €30.2 million. Consolidated since May 16, 2023, Kleverware contributed €0.5 million to 2023 turnover.

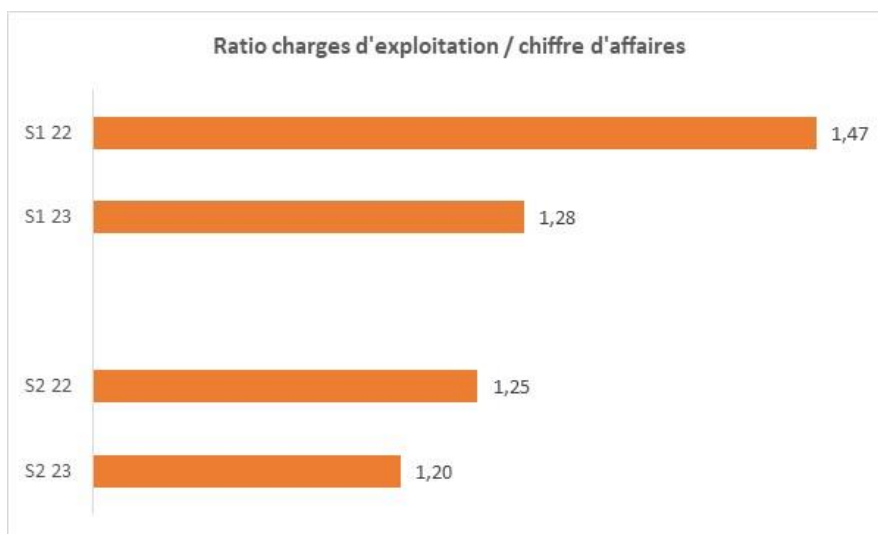
Over the year as a whole, the pace of business acquisition remained very

brisk, with the number of active contracts up 29%, representing 656 contracts won in one year. At December 31, 2023, the Group held a portfolio of nearly 3,000 active contracts, with a retention rate of over 95%.

Improvement in the operating expenses/turnover ratio before non-recurring expenses

During the 2023 financial year, the Group incurred non-recurring expenses of €1.8 million, mainly related to restructuring costs resulting from the reorganization of the sales and marketing teams.

Excluding non-recurring items, operating expenses (before depreciation, amortization and provisions) remained under control. The ratio of operating expenses to turnover improved significantly in both H1 and H2 2023 compared to the same periods in 2022.



Increase in cash and cash equivalents

During the year, WALLIX successfully completed a €5.5 million capital increase and a €5 million convertible bond issue, and signed a €2.5 million Recovery Loan, thereby covering the Group's operating financing requirements (€3.5 million) and investments (€5.2 million) mainly related to capitalized development costs.

At 2023 year-end, the Group posted a solid financial position enabling it to pursue the next stages of its development, bolstered by gross cash and cash equivalents of €17.6 million, up €4.1 million year-on-year.

Net cash and cash equivalents stood at €8.9 million compared to shareholders' equity of €15.1 million.

On course towards strong growth in recurring revenue and profitability in 2024

WALLIX has reached critical mass and is backed by a solid foundation of nearly 3,000 active contracts guaranteeing a considerable level of recurring business. This upsizing initiative allows the Group to enter a new development phase combining business ramp-up with return on investment, with the aim of generating strong, recurring and profitable growth driven by a five-point performance plan:

- **Enhance** the value of the client base by expanding the basket of existing clients;
- **Support** key accounts in rolling out their projects, backed by the newly established Enterprise team;
- **Leverage** WALLIX One, the new SaaS platform, to integrate PAM more fully into company operations and place it at the center of Zero Trust cybersecurity architecture;
- **Optimize** the pricing policy, particularly by leveraging all of the solutions marketed in subscription mode;
- **Reduce** the overall amount of operating purchases and investments by around 10%.

WALLIX is therefore confident in its ability to maintain strong recurring business growth and generate operating profit as from H2 2024.

Next publication: 2024 Q1 revenue, April 11, 2024

Next Event: Cyber Vision Day by WALLIX, May 21, 2024 (digital meeting)



ABOUT WALLIX

WALLIX is a European cybersecurity software developer and world leader in the Identity and Access Management market. With a strategy based on innovation and agility, WALLIX's mission is to simplify cybersecurity for its clients worldwide. The WALLIX range of solutions is distributed by a network of over 300 resellers and integrators worldwide, and WALLIX supports nearly 3,000 organizations across more than 90 countries in securing their digital transformation.

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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APPENDICES

Consolidated balance sheet (in €000)

ACTIF	31/12/2023	31/12/2022
Immobilisations incorporelles	19 211	17 879
dont écarts d'acquisition	5 158	4 802
Immobilisations corporelles	1 470	1 170
Immobilisations financières	649	600
Actif immobilisé	21 330	19 648
Stocks	6	25
Clients et comptes rattachés	14 026	12 721
Autres créances et comptes de régularisation - IDA	5 474	5 133
Trésorerie et VMP	17 629	13 547
Actif circulant	37 136	31 426
Total de l'actif	58 465	51 074

PASSIF	31/12/2023	31/12/2022
Capital	655	596
Primes	54 691	49 501
Réserves consolidées	-32 415	-26 356
Ecart de conversion	18	-108
Résultat part du groupe	-8 534	-6 002
Actions propres	-329	-127
Subventions d'investissement groupe	998	
Avances conditionnées	46	
Capitaux propres	15 129	17 504
Intérêts minoritaires		
Provisions pour risques et charges	1 490	865
Emprunts et dettes financières	8 954	1 956
Fournisseurs et comptes rattachés	1 833	2 616
Autres dettes et comptes de régularisation - IDP	31 059	28 133
Total du passif	58 465	51 074



Profit & Loss statement (in €000)

	31/12/2023	31/12/2022
Chiffre d'affaires	30 180	25 179
Autres produits d'exploitation	4 948	5 777
Achats & variations de stocks	-287	-326
Autres charges d'exploitation	-10 765	-9 113
Impôts et taxes	-492	-631
Charges de personnel	-27 818	-23 805
Dotations aux amortissements et aux provisions	-5 262	-4 214
Résultat d'exploitation avant dotations aux amortissements et dépréciations des écarts d'acquisition	-9 496	-7 133
Dotations aux amortissements des écarts d'acquisition		
Résultat d'exploitation après dotations aux amortissements et dépréciations des écarts d'acquisition	-9 496	-7 133
Charges et produits financiers	-278	-285
Charges et produits exceptionnels	-162	418
Impôts sur les résultats	1 401	998
Résultat net des entreprises intégrées	-8 534	-6 002
Quote-part dans les résultats des entreprises mises en équivalence		
Résultat net de l'ensemble consolidé	-8 534	-6 002
Intérêts minoritaires		
Résultat net (Part du groupe)	-8 534	-6 002
Résultat par action (en euros)	-1,295	-1,013
Résultat dilué par action (en euros)	-1,295	-1,013
Nombre d'actions à la clôture	6 480 670	5 955 810
Nombre moyen pondéré d'action sur la période	6 588 985	5 924 105

Cash flow statement (in €000)

	31/12/2023	31/12/2022
Résultat net des sociétés intégrées	-8 534	-6 002
- Amortissements et provisions (1)	4 886	3 649
- Variation des impôts différés		
- Plus-values de cession d'actif	-8	-7
Marge brute d'autofinancement des sociétés intégrées	-3 655	-2 361
- Variation du besoin en fonds de roulement lié à l'activité (2)	177	71
Flux net de trésorerie généré par l'activité	-3 478	-2 289
- Acquisitions d'immobilisations	-4 722	-5 743
- Cessions d'immobilisations	31	178
- Incidence des variations de périmètre (3)	-468	-245
Flux net de trésorerie lié aux opérations d'investissement	-5 158	-5 810
- Augmentation de capital en numéraire et primes d'émission	5 243	
- Emissions d'emprunts	8 643	11
- Remboursements emprunts	-1 161	-1 098
Flux net de trésorerie lié aux opérations de financement	12 724	-1 088
- Incidence des variations de change	-7	15
Variation de la trésorerie	4 081	-9 172
Trésorerie d'ouverture	13 546	22 718
Trésorerie de clôture	17 627	13 546
<p>(1) hors provisions sur actif circulant (2) essentiellement variation des créances et des dettes liées à l'activité (3) Prix d'achat des titres diminué de la trésorerie acquise</p>		
Analyse de la trésorerie de clôture		
Valeurs mobilières de placement	993	993
Disponibilités	16 636	12 554
Découverts bancaires	-2	-1
Trésorerie nette	17 627	13 546