

Acceleration of growth in H1 2023 and significant increase in recurring business

- *EMEA business: return to record growth rates of nearly 33% (excluding Russia) and significant increase in monthly recurring business;*
- *Enhanced offering: expansion into the identity and access governance segment with the acquisition of Kleverware and launch of the SaaS version of WALLIX PAM4ALL;*
- *OT segment: signing of several contracts with key accounts in Europe.*

Paris, July 20, 2023 - WALLIX (Euronext ALLIX), a European cybersecurity software developer and expert in privileged access management (PAM), reports its unaudited H1 2023 turnover.

Unaudited data, €000	H1 2022	H1 2023	Change
Consolidated turnover	11,034	13,943	+26.4%
Consolidated turnover excluding Russia	10,671	13,791	+29.2%

Jean-Noël de Galzain, Chairman and Chief Executive Officer of the WALLIX GROUP, said: “First half 2023 marked a return to organic hypergrowth for WALLIX, in line with our strategic plan and goals. Sales momentum was particularly strong in our traditional markets of Europe and Africa/Middle East (excluding Russia), up 33%, particularly among medium-sized companies and with a growing number of major projects in the industrial sector. The strengthening of our sales organization during the year created fresh impetus within the company’s sales model, aligning the various departments around common objectives, in line with our reseller, integrator and distributor partners, giving us confidence in our ability to scale up and sustain the rhythm in future.

During the period, we continued to enhance our offering with the launch of SaaS Remote Access, the WALLIX PAM4ALL solution for secure management of mobility and remote access in companies. We also acquired Kleverware to expand our offering, opening up the strategic segment of identity and access governance, and more broadly that of cloud infrastructure security. Innovation remains a key growth driver for WALLIX.

In the current environment, we remain on the lookout for external growth opportunities that would strengthen WALLIX’s offering, skills or positioning in its target markets. The recent fundraiser of over €10 million gives us the financial flexibility we need to continue stepping up our development in buoyant cybersecurity markets and boost our capacity to support the transformation of the industrial sector, which is still poorly equipped for cyber protection and in which WALLIX intends to develop WALLIX Inside digital solutions.”

Acceleration of business in the first half

Business growth accelerated in the first half, with sales up 26.4% to €13.9 million (up 29.2% excluding Russia). These high growth rates are achieved while shifting our business model to a subscription model guarantees recurring business and improved financial visibility while weighing on short-term turnover recognition.

Consolidated since May 17, 2023, Kleverware contributed turnover of €204,000.

Over the period as a whole, the pace of client acquisition remained brisk, with 225 contracts signed, bringing the number of active contracts to 2,525 at June 30, 2023. This is the result of buoyant business with small and medium-sized companies, with solid

momentum from the partner network. The first half also saw an upturn in business in key accounts, particularly in the European operational technology (OT) sector. This confirms the relevance of the Group's offering, already acclaimed by leading market analysts Gartner and Kuppingercole, for securing industrial systems and networks in organizations in sensitive sectors.

Business growth by region:

- Business in France accelerated further during the first half, with turnover up 25.8% to €8.5 million. Over the period as a whole, sales momentum largely remained brisk among small and medium-sized businesses, particularly in the most sensitive sectors such as healthcare and industry.
- The Europe, Middle East, Africa (**EMEA**) segment excluding France was extremely dynamic with €5.1 million revenue. Excluding Russia, the region posted hypergrowth of 46.9% with record sales in Italy, Spain and Benelux, where turnover more than tripled, and continued solid growth in Africa/Middle East.
- The **USA and Rest of World** region, not yet significant for the Group, accounts for only 2.8% of Group turnover with €388 thousands revenue.

Continued growth in recurring business

Unaudited data, €000	H1 2022	H1 2023	Change
Annual recurring revenue (ARR)	13,464	16,987	+26.2%

Monthly recurring revenue (MRR) for the first half totaled €1.4 million, up 26.2% versus H1 2022, representing €17.0 million in recurring business on an annual basis.

Meanwhile, license sales were up 34.3%, reflecting the upturn in business investment needed to cope with the expansion of cloud solution deployments across all organizations, and regulatory compliance requirements.

An eventful first half

WALLIX posted an excellent performance in the first half, confirming the target of accelerating organic growth for 2023 announced by the Group in its 2022 annual results press release. EMEA excluding Russia, representing 96% of the Group's business, returned to hypergrowth rates despite the significant rise in recurring business that gives an increasingly high level of visibility on future business.

In line with the Group's strategy, WALLIX continued to enhance its offering resulting in two major events: entry into the identity and access governance segment with the acquisition of Kleverware, and the launch of SaaS Remote Access.

With the acquisition of **Kleverware**, a European specialist in digital identity and access governance, WALLIX has strengthened its offering in the booming cloud infrastructure cybersecurity market. This is a strategic move since it gives the Group access to CIEM technology (Cloud Infrastructure Entitlement Management) that is emerging as the go-to standard for access management and application of the "least privilege" principle in cloud infrastructures. This development is a significant growth driver insofar as it targets the cloud services market estimated at \$600 billion and growing 20% per year.

SaaS Remote Access was launched in the second quarter of 2023. This is the SaaS version of the WALLIX PAM4ALL solution and it has already been part of a co-development with WALLIX's strategic partner Axians (VINCI Energies), with the launch of WaaSA - Wallix as a Service by Axians. WaaS is now operating in Axians' data centers in France, and fully meets the needs of Essential Service Operators, the majority of which are Axians clients, who are required to implement sovereign solutions for securing and tracking all access in order to comply with the NIS2 directive by 2024.

OT segment is a growth driver for WALLIX which holds recognized positioning thanks to its **OT.security** solution on this segment. Business momentum was extremely strong in the first half, with the signing of several major OT contracts in Europe. For instance, WALLIX has signed a contract with one of the world's largest producers and distributors of domestic appliances and televisions to secure remote access by third-party suppliers to its OT systems in its Italian plants. The Group has also been chosen by German company Viastore, an international supplier of logistics systems used in over 3,000 distribution centers worldwide, to provide its clients with secure access to its systems.

WALLIX's strategy is to continue developing and enhancing its solutions by adding complementary technological building blocks, and to develop its expertise to ensure future growth, both organically and through targeted acquisitions thanks to the recent fundraiser of over €10.5 million.

WALLIX thus reaffirms its ambition of sustaining its growth momentum to create a European Cybersecurity Champion and reach operating breakeven by 2024.

Next publication: H1 2023 results, October 12, 2023

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.

www.wallix.com | info@wallix.com

PRESS CONTACT

WALLIX

Charlène MOUGEOT - Communication Manager
cmougeot@wallix.com

FINANCIAL COMMUNICATION

ACTUS Finance & Communication

Investor Relations - Hélène DE WATTEVILLE
+33 1 53 67 36 33 / wallix@actus.fr

Press Relations - Déborah SCHWARTZ
+33 6 27 09 05 73 / dschwartz@actus.fr

APPENDIX

Turnover by geographical area

Unaudited data, €000	H1 2022	H1 2023	Change
France	6,737	8,479	+25.8%
EMEA outside France	3,716	5,076	+36.6%
EMEA outside France and Russia	3,353	4,924	+46.9%
USA and Rest of World	581	388	-33.1%
Consolidated turnover	11,034	13,943	+26.4%
<i>Consolidated turnover excluding Russia</i>	10,671	13,791	+29.2%

Turnover by activity

Unaudited data, €000	H1 2022	H1 2023	Change
Licenses ¹	3,622	4,863	+34.3%
Maintenance & Subscriptions ²	6,600	8,200	+24.2%
Professional services	813	880	+8.3%
Consolidated turnover	11,034	13,943	+26.4%
Annual recurring revenue (ARR)	13,464	16,987	+26.2%

¹ including equipment sales

² including managed services