

13 July 2023

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

**Corero Network Security plc**  
("Corero" or the "Company")

**Half Year Trading Update**  
**Strong YOY revenue growth of 20%**  
**Repayment of bank debt in full**

Corero Network Security plc (AIM: CNS), a leading provider of distributed denial of service ("DDoS") protection solutions, provides the following trading update for the six months ended 30 June 2023<sup>1</sup> ("H1 2023").

The Group has traded strongly across H1 2023, in line with management expectations, with revenues expected to increase 20% to approximately \$10.6 million (H1 2022: \$8.8 million). This growth was driven by Corero securing a number of important customer wins for its SmartWall® DDoS protection solutions, including strong contract momentum in Q2 2023 with significant orders announced totalling \$6.0 million (average value per customer of \$597,000) over the course of the contracts. These customer contract wins across both Q1 2023 and Q2 2023 were announced by the Company on 13 April and 4 July respectively.

Corero's focus on its Ideal Customer Profile ("ICP") has significantly contributed to the growth in revenue for H1 2023, with the Company continuing to build its sales pipeline to maintain the momentum into H2 2023.

Order intake<sup>2</sup>, which reflects revenues recognised over the lifetime of each of the contracts, was up 13% to \$13.0 million for H1 2023 (H1 2022: \$10.9 million), demonstrating further traction from the Company's continued sales and marketing efforts.

Annualised Recurring Revenues<sup>3</sup> ("ARR") increased 13% to \$15.3 million as at 1 July 2023, (ARR at 1 July 2022: \$13.6 million), driven by robust growth in Corero's subscription-based products and DDoS Protection as-a-service ("DDPaaS"), which importantly underpins higher levels of earnings predictability for the business going forward.

The Company expects to report an adjusted EBITDA<sup>4</sup> profit for H1 2023 of c. \$0.2 million (H1 2022: \$0.0 million) and an EBITDA<sup>5</sup> loss for H1 2023 of c. \$0.2 million, which includes an unrealised foreign exchange loss of \$0.4 million (H1 2022: profit of \$0.9 million, which included an unrealised foreign exchange gain of \$0.9 million), reflecting Corero's ongoing investment in sales and marketing initiatives, which in turn is driving the growth of the business.

Corero's gross cash balance as at 30 June 2023 was \$6.2 million (31 December 2022: \$5.6 million; H1 2022: \$7.5 million). The Company used its strong balance sheet position to repay in full its bank term loan facility early, which will result in a saving in financing costs in H2 2023. As a result there is no outstanding debt as at 30 June 2023 (net cash: 31 December 2022: \$4.4 million; H1 2022: \$5.8 million). The total amount of bank term loan facility repaid during H1 2023 amounted to \$1.2 million.

The Company expects to report its unaudited interim results for the six months ended 30 June 2023 in late September 2023.

**Jens Montanana, Corero's Executive Chairman, said:**

*"I am extremely pleased with the momentum that we have built during the first half of 2023, securing a number of key customer wins in the period. The increase in revenue, order intake and ARR all demonstrate the fundamental strength of both Corero's business model and ongoing demand for our market-leading products.*

*"I am also delighted that with the strength of the Company's balance sheet we have been able to repay the outstanding term bank loan in full during the period.*

*"The performance in H1 2023 gives us confidence for the full year as we continue to focus on delivering on our growth strategy."*

<sup>1</sup> All numbers for the six months ending 30 June 2023 disclosed within this announcement are management estimates based on current information and are unaudited.

<sup>2</sup> Order intake is defined as orders received from customers in the period.

<sup>3</sup> ARR is defined as the normalised annualised recurring revenues and includes recurring revenues from contract values of annual support, software subscriptions including terms greater than one year, and from DDoS Protection-as-a-Service ("DDPaaS") contracts.

<sup>4</sup> Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortization, and unrealised foreign exchange differences on intercompany loans.

<sup>5</sup> EBITDA is defined as earnings before interest, tax, depreciation, and amortization.

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**About Corero Network Security**

Corero Network Security is a leading provider of distributed denial of service (DDoS) protection solutions. We are specialists in automatic detection and protection solutions, that include network visibility, analytics, and reporting tools. Corero's technology provides scalable protection capabilities against both external DDoS attackers and internal DDoS threats, in even the most complex edge and subscriber environments, ensuring internet service availability and uptime. Corero's key operational centres are in Marlborough, Massachusetts, USA, and Edinburgh, UK, with the Company's headquarters in London, UK. The Company is listed on the London Stock Exchange's AIM market under the ticker CNS.

For more information, visit [www.corero.com](http://www.corero.com), and follow us on [LinkedIn](#) and [Twitter](#).

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