

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.

24 July 2024



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

Half Year Trading Update

Strong growth in revenue, ARR and pipeline supports continued momentum into H2 2024

[Corero \(AIM: CNS\) \(OTCQB: DDOSE\)](#) the distributed denial of service ("DDoS") protection specialists, provides the following trading update for the six months ended 30 June 2024¹ ("H1 2024").

Financial Highlights

- Revenue growth of 16% to \$12.2 million (H1 2022: \$10.5 million)
- Annualised Recurring Revenues² ("ARR") grew 12% to \$17.2 million (H1 2023: \$15.3 million)
- Gross margin of 91% (H1 2023: 91%)
- EBITDA of \$0.7 million (H1 2023: loss of \$0.2 million)
- Record cash balance of \$7.9 million (H1 2023: \$6.2 million)

The Group has delivered a strong trading performance across H1 2024, reflecting significant progress against the accelerated growth go-to-market strategy announced on 25 April 2024, with continued growth which provides a solid underpinning for the full year results.

The Group achieved revenue growth of 16% to approximately \$12.2 million (H1 2023: \$10.6 million), underpinned by material customer wins, including competitive displacements and contract renewals and expansions. With strong contract momentum across H1 2024, Corero continues to experience high demand for its SmartWall ONE™ DDoS protection solutions and the pipeline is at record levels.

Order intake³, which reflects revenues recognised over the lifetime of each of the contracts, increased 10% to \$14.2 million for H1 2024 (H1 2023: \$13.0 million), demonstrating the positive impact of the Company's targeted investment in its sales and marketing activities. Strategic regional expansion saw new deals secured in eight countries across four continents as Corero further broadened its global footprint, a key pillar of the Group's growth strategy. In addition to renewing important long-standing customer agreements and successfully upselling into the Group's existing customer base, Corero added ten new direct customer wins in H1 2024 in addition to new deals from alliance partners, driven by the Group's award-winning DDoS protection software solution and mitigation services.

ARR increased 12% to \$17.2 million as at 1 July 2024 (ARR at 1 July 2023: \$15.3 million), driven by robust growth in Corero's software subscription-based products and DDoS Protection-as-a-Service ("DDPaaS") offering. The Group's ARR importantly underpins higher levels of revenue predictability for the business going forward.

The Company expects to report an EBITDA⁴ for H1 2024 of approximately \$0.7 million (H1 2023: loss of \$0.2 million). There are no adjusting items to report in 2024 EBITDA.

Corero's cash balance as at 30 June 2024 was \$7.9 million (31 December 2023: \$5.2 million; H1 2023: \$6.2 million) and is at a record level. The Group has no outstanding debt following the early repayment in full of a bank term loan facility in H1 2023.

The Company expects to report its unaudited interim results for the six months ended 30 June 2024 in late September 2024.

Carl Herberger, Chief Executive Officer at Corero, commented:

"I am pleased to report that our enhanced growth strategy has already delivered results, including several major new customer wins resulting in an increase in revenue and ARR. These achievements underscore the robustness of our business model and the sustained demand for our cutting-edge DDoS protection solutions.

"Further, our momentum is building as we enter the second half of the year, which positions us well to capitalise on new opportunities and drive further growth. The strong financial performance in H1 2024 and record pipeline reaffirms our confidence in achieving our full-year targets."

¹ All numbers for the six months ending 30 June 2024 disclosed within this announcement are management estimates based on current information and are unaudited.

² 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 ("DDPaS") contracts.

³ Order intake is defined as orders received from customers in the period.

⁴ EBITDA is defined as earnings before interest, tax, depreciation, and amortisation.

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About Corero Network Security

Corero Network Security is a leading provider of DDoS protection solutions, specialising in automatic detection and protection solutions with network visibility, analytics, and reporting tools. Corero's technology protects against external and internal DDoS threats in complex edge and subscriber environments, ensuring internet service availability. With operational centres in Marlborough, Massachusetts, USA, and Edinburgh, UK, Corero is headquartered in London and listed on the London Stock Exchange's AIM market (ticker: CNS) and the US OTCQB market (OTCQB: DDOSF).

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

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