

**The DDoS Protection and
Service Availability Specialists**

At a Glance

Corero is Dedicated to Improving the Security and Availability of the Internet

Through the deployment of innovative Denial of Service (“DoS”) and Distributed Denial of Service (“DDoS”) protection solutions.

We are specialists in automatic detection and mitigation solutions, that include network visibility, analytics, and reporting tools. Corero’s technology provides scalable protection capabilities against DDoS attacks, in even the most complex edge and subscriber environments, ensuring internet service availability and uptime.

We protect thousands of organisations worldwide, across many verticals. Our customers are primarily internet service providers, hosting providers, cloud providers and SaaS providers.

Our technology is deployed internationally and, through our own teams and strategic partners, we continue to expand our footprint.

2025 Highlights

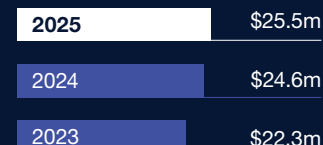
BOOKINGS

\$33.8m



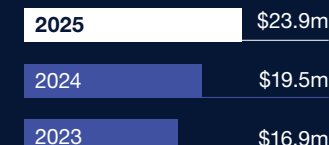
REVENUE

\$25.5m



ARR¹

\$23.9m



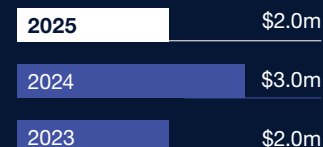
GROSS MARGIN

90.1%



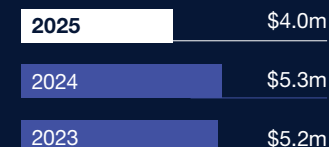
ADJUSTED EBITDA²

\$2.0m



NET CASH

\$4.0m



Financial highlights

- + Revenue increased by 4% to \$25.5 million (FY 2024: \$24.6 million).
- + Annualised Recurring Revenues (‘ARR’)¹ up 23% to \$23.9 million as at 1 January 2026 (1 January 2025: \$19.5 million).
- + Order intake³ increased by 20% to \$33.8 million (FY 2024: \$28.2 million).
- + Gross margins of 90.1% (FY 2024: 91.3%).
- + Adjusted EBITDA² of \$2.0 million (FY 2024: \$3.0 million).
- + Net cash at 31 December 2025 of \$4.0 million (FY 2024: \$5.3 million).

Operational highlights

- + Customer contract renewal rate of 98% (FY 2024: 97%) demonstrating both the quality of Corero solutions and customer service.
- + ARR increased to \$23.9 million (FY 2024: \$19.5 million), underpinning future revenues and reinforcing the importance of Corero’s solutions for our customers.
- + The Group remains committed to ongoing investment across its technology platform and resource expansion to strengthen its market-leading position.
- + New product innovation continues to support ongoing new business momentum.

1 ARR is defined as the normalised annualised recurring revenues and includes recurring revenues from contract values of annual support, software subscription and from DDoS Protection-as-a-Service (‘DDPaaS’) contracts

2 Adjusted EBITDA is defined as Earnings before interest, tax, depreciation and amortisation and adjusted for share based payment charge and one-off restructuring costs in the period

3 Order intake is defined as orders received from customers in FY 2025

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We are Corero

Market-Leading Service Availability Protection with Unique Technology and Innovation

Our mission

Corero ensures businesses stay online by stopping cyberattacks before they cause downtime, protecting revenue and customer trust.

We make every network resilient.

DDOS – PROTECTION WITHOUT THE DOWNTIME

What we do

-  Protect business resilience in the event of a DoS or DDoS attack.
-  Eliminate the need for operator intervention by automatically mitigating over 98% of DDoS attacks.
-  Enable service providers to create additional revenue streams by offering added-value DoS/DDoS protection services.

Why we do it

To make the internet a safer place by protecting organisations from financially and reputationally damaging DoS and DDoS attacks and the downtime they cause.

Enabling Corero customers to **sleep better at night** knowing they have a flexible, adaptive solution that delivers automatic attack discovery and rapid mitigation.

How we do it

1

Intelligent, automation-led, business resiliency platform that protects from DoS and DDoS attacks in near real time.

2

Flexible and highly scalable software-only or hardware deployment options to meet the needs of any business.

3

Comprehensive visibility with reporting and alerting for clear, actionable intelligence on network traffic and attack activity.

3

GLOBAL OFFICES

50

CHANNEL PARTNERS

400

LIVE CUSTOMER DEPLOYMENTS

98%

RENEWAL RATE



Our vision

An internet connected world where every business, application and individual is protected from DoS and DDoS attacks.



Our purpose

To defend our customers from cybersecurity attacks that impact their service availability.



Our focus

Maintain our superior technological performance while delivering sustainable, long-term value to our stakeholders.



Our values

Our values underpin the strategy. These are lived to become the culture:

- + Customers First
- + Technology Leadership and Innovation
- + Operational Excellence
- + Integrity
- + Employee Empowerment and Teamwork

Attack Landscape

Rising Threats, Loss of Service and Reputational Damage

Corero's best-in-class DDoS solutions are a critical pillar of modern cybersecurity

In an increasingly digital world, reliance on always-on digital services is leaving organisations more vulnerable than ever to the threat of DoS and DDoS attacks. Simple to execute yet highly disruptive, these attacks overwhelm networks and systems, preventing legitimate users from accessing services and inflicting significant reputational damage, operational downtime, and financial losses.

Businesses are now facing up to 11 DDoS attempts a day, with attacks becoming a constant operational reality rather than sporadic events. Against this backdrop, DDoS protection is a critical component of modern cybersecurity to ensure service availability by stopping attacks before any operational impact occurs.

Increasingly sophisticated Denial-of-Service threats

The potential impact of DoS and DDoS attacks is expanding rapidly as these attacks remain relatively easy to launch, with attackers continuing to discover more sophisticated types of attack. Emerging technologies are also intensifying the threat landscape. For example, AI allows attackers to automate attacks and adapt them in real-time to imitate legitimate traffic, whilst the growth of IoT devices, which are often insecure, provide attackers with botnets that can amplify attacks. Coupled with the faster speeds and higher bandwidth of 5G networks, attacks can take place more quickly and with greater intensity, making them harder to detect and defend against and reinforcing the need for advanced and adaptive mitigation solutions.

New threats

Professionalism in DDoS attacks

Evasive attack techniques such as pulse attacks, sprays, and multi-vectors, designed to exploit weak or manual defences.

High Packet Rate attacks

Originating from compromised devices being controlled by botnets. Even basic IoT devices can send devastating packet rates.

Reconnaissance attacks

Probe for weaknesses ahead of the main attack and check on effectiveness at attack time.

Weaponised encrypted traffic (TLS)

Make malicious traffic look legitimate, increasing the strain on traditional detection and mitigation tools.

➤ [Read more here: www.corero.com/lp-report-threat-intelligence-report-2026/](https://www.corero.com/lp-report-threat-intelligence-report-2026/)

\$10.3Bn

DDOS MARKET VALUE BY 2031,
GROWING FROM \$5.4BN IN 2026

➤ www.mordorintelligence.com

\$100,000

COST FOR EVERY HOUR A DDOS ATTACK
PERSISTS

➤ [www.marketsandmarkets.com/
PressReleases/ddos-protection-
mitigation.asp](https://www.marketsandmarkets.com/PressReleases/ddos-protection-mitigation.asp)

11

DDOS ATTACKS FACED BY
ORGANISATIONS EACH DAY, UP 37%
SINCE 2018

Market Context

Enhanced Legislation Driving DDoS Solution Needs Globally

Governments and regulators are enhancing cybersecurity regulations, transforming DDoS protection into a legal requirement rather than a discretionary defence measure.

Global regulatory landscape

UK - Cyber Security and Resilience Bill

In November 2025, the UK extended the scope of the bill to include digital service providers, managed service providers, data centres, and organisations delivering essential or nationally significant services. The bill entails stricter cybersecurity requirements for high-risk organisations.

➤ Read more here: <https://www.isc2.org/Insights/2025/12/UK-Cyber-Security-and-Resilience-Bill>

EU - Digital Operational Resilience Act (DORA)

DORA mandates continuous ICT risk management, resilience testing, and structured incident reporting for banks, insurers, and payment providers within the EU, to ensure that financial institutions can respond to cyber attacks.

➤ Read more here: <https://www.esma.europa.eu/esmas-activities/digital-finance-and-innovation/digital-operational-resilience-act-dora>

US - Cyber Incident Reporting for Critical Infrastructure Act (CIRCIA)

In the US, the CIRCIA Act requires critical infrastructure operators to report cyber incidents within 72 hours, covering sectors such as utilities, transportation, and communications.

➤ Read more here: <https://iapp.org/news/a/the-clock-starts-soon-preparing-for-circia>

US - Cybersecurity Maturity Model Certification (CMMC)

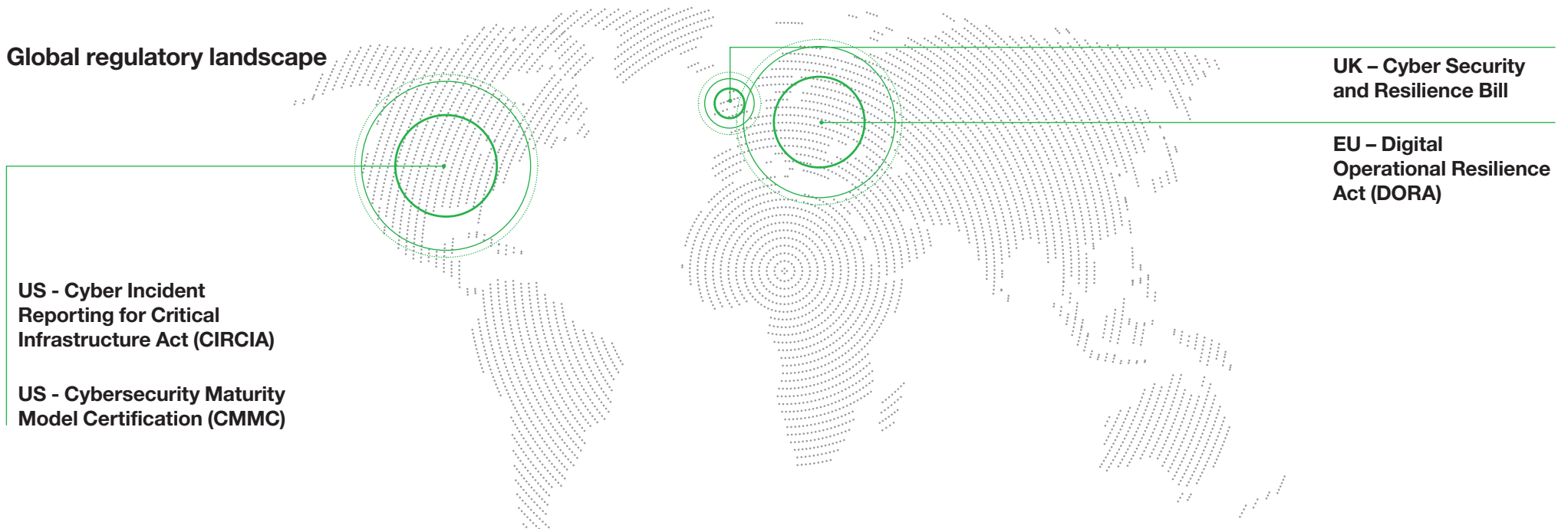
Developed by the Department of Defence, this compliance programme ensures that defence contractors have adequate cybersecurity safeguards throughout the supply chain before being awarded US contracts.

➤ Read more here: <https://www.learningtree.co.uk/blog/mastering-cmmc-compliance-timelines/>



Market Context continued

Global regulatory landscape



US - Cyber Incident Reporting for Critical Infrastructure Act (CIRCIA)

US - Cybersecurity Maturity Model Certification (CMMC)

UK – Cyber Security and Resilience Bill

EU – Digital Operational Resilience Act (DORA)

An evolving marketplace and emerging threats

Regulatory shifts can be attributed to the vulnerability of organisations across a range of sectors, although concerns predominantly surround businesses within critical infrastructure, deemed to be essential to public and economic stability and national security.

Critical infrastructure such as public sector organisations, financial services, and nationally significant infrastructure are frequent targets for DDoS attacks due to their visibility and reliance on continuous service availability, highlighting the importance of advanced cybersecurity systems.

~77%

PROPORTION OF CYBER ATTACKS IN THE EU THAT ARE DDOS ATTACKS

www.enisa.europa.eu/news/etl-2025-eu-consistently-targeted-by-diverse-yet-convergent-threat-groups?

~38%

PUBLIC ADMINISTRATION TOP SECTOR FOR HACKTIVISTS DDOS ATTACKS IN EU

www.enisa.europa.eu/news/etl-2025-eu-consistently-targeted-by-diverse-yet-convergent-threat-groups?

Data and security

Regulators increasingly require sensitive data and critical services to be hosted and protected domestically, accelerating the onshoring of data centres and security services. National data centres are now considered strategic assets, attracting greater regulatory scrutiny due to their higher threat exposure.

The growth of AI in data centre operations is also increasing risk and therefore demand for comprehensive service availability solutions. AI requires low-latency connectivity and uninterrupted availability, meaning that as data centres scale, network traffic volumes increase and are therefore more attractive targets for DoS and DDoS attacks.

These regulatory shifts designed to ensure the security of critical infrastructure are therefore driving demand for advanced DoS and DDoS mitigation, thereby accelerating international deployment across public and private fields.

\$383.8Bn

GLOBAL DATA CENTRE MARKET 2025, ESTIMATED CAGR ~11% TO 2033

www.grandviewresearch.com/industry-analysis/data-center-market-report

~38%

NORTH AMERICA DATA CENTRE MARKET SHARE. ASIA-PACIFIC FASTEST GROWING MARKET

www.grandviewresearch.com/industry-analysis/data-center-market-report

Our Solution

Corero's Service Availability Protection Platform

Comprehensive visibility and availability-impacting cyberattack defence extending our market-leading DDoS solution

For providers

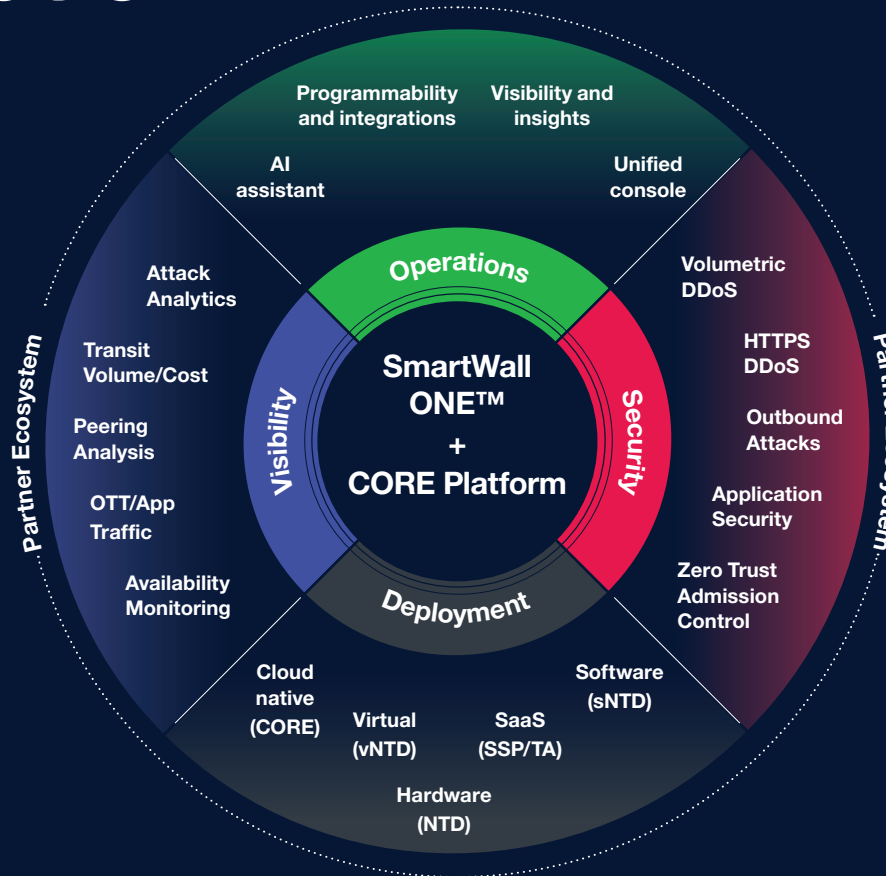
ISPs, Hosters, SaaS, CDNs and MSPs/MSSPs protecting their infrastructure and the availability of end-user customers.

Optional revenue-generating model

To end-user customers with an attractive ROI.

For Enterprises

Finance, Healthcare, Retail, Gaming, Education and Government ensuring always-available applications and services.



Expanding our market beyond DDoS

Capabilities from adjacent markets aligned to service availability

Traffic Observability and Analytics

Optimising inbound traffic to maintain capacity, optimise costs and manage traffic by type.

Market size: ~\$4.5Bn in 2026 at ~11% CAGR

Application and API Protection

Defending against brute force, account creation, scraping and other DoS attacks that impact availability.

Market size: ~\$6-8Bn in 2026 at ~15% CAGR

Performance Monitoring

Visibility and reporting on application/service latency and uptime.

Market size: ~\$10Bn in 2026 at ~13% CAGR

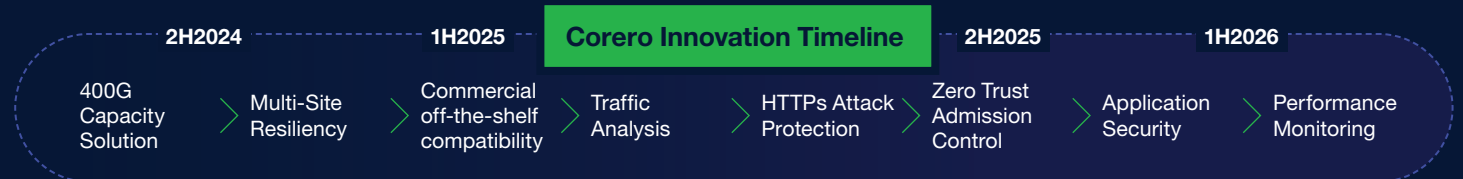
Zero trust

Simple to deploy edge layer that ensures remote access availability by defending against Bots, unwanted traffic sources and DDoS plus, optional revenue-generating service to end customers with attractive ROI.

Market size: ~\$49Bn in 2026 at ~15% CAGR



Corero's product innovation has been recognised as market-leading by an independent industry analyst.



Our Partners

Scaling Growth Through Strategic Alliances

Corero's alliance strategy is designed to accelerate global growth by embedding our technology within the platforms and infrastructure already trusted by major enterprises and service providers. To complement its direct sales, Corero partners with global technology leaders whose networks, cloud platforms, and infrastructure already support critical digital services worldwide.

Through these alliances Corero gains expanded routes to market, faster customer adoption, and access to large enterprises and service provider ecosystems. Our partners integrate Corero's real-time DDoS protection into their platforms, enabling customers to benefit from best-in-class solutions delivered through providers they already trust. This approach allows Corero to scale efficiently whilst strengthening customer resilience across industries including financials services, telecommunications, healthcare and critical infrastructure.



GTT's partnership with Corero enhances our ability to safeguard critical digital infrastructure. Together we deliver greater resilience and service availability through real-time DDoS protection embedded into GTT's industry leading, global Tier 1 network.

Tom Major, SVP, Product Management, GTT

Alliance Platforms Driving Scalable Security: Akamai Technologies

Corero and Akamai provide a hybrid defence architecture that combines upstream cloud-scale protection with Corero's real-time on-premises mitigation at the network edge.

This partnership allows organisations to protect against both large-scale volumetric attacks and highly targeted application-layer threats, whilst maintaining the performance and availability required for critical digital services and AI-intensive operations.

Strategically, the partnership extends Corero's reach through one of the world's largest cloud security platforms, enabling broader enterprise adoption globally.

Strategic alliances remain a core pillar of Corero's growth strategy, enabling the Group to scale distribution, accelerate adoption, and deliver mission-critical service availability protection to organisations worldwide.

Why Strategic Alliances Matter

- + Expanded market access
- + Accelerated revenue growth
- + Scalable distribution
- + Customer confidence

Integrated Security Ecosystem

Corero powered by Akamai

- + SmartWall ONE Cloud Backup Solution

Akamai powered by Corero

- + Akamai Prolexic On-Prem
- + Akamai Prolexic Hybrid – now with full TLS/HTTPS DDoS inspection across L3, L4, and L7

HPE Juniper powered by Corero

- + SmartWall ONE MX/PTX router integration

These integrations allow Corero technology to be deployed seamlessly within existing networks and cloud environments used by global enterprise and service providers.

Key Global Alliances



By combining Corero's real-time on-premises DDoS mitigation with our market-leading cloud platform, we provide financial institutions unified protection, seamless operations, and the agility they need to stay resilient against evolving threats.

Ankita Kharya, Director of Product Management, Akamai Infrastructure Security

Our Strategy

Driving Growth through Global Expansion and Cutting-Edge Innovation



Expanding

Expand global footprint

Significant new deals and partnerships driven by a restructured sales and marketing team.

Progress made in 2025

- + Continued investment in the sales team
- + Regional customer success and partner addition in LATAM
- + Refocused successful UK go-to-market activities

15

GLOBAL SALES TEAM



Leading

Leading with innovation

Continued R&D investment is driving new product development and enhancements of existing offerings across on-premises, hybrid, and cloud environments.

Development of the CORE platform offers additional new products to support our existing customers and opens additional markets in which to expand.

Progress made in 2025

- + CORE platform with 5 customer sales in the year
- + Bare metal hardware capability implemented
- + Performance monitoring capability enhanced
- + Transport Layer Security ('TLS') capability launched, enhancing our Enterprise customer offering

17%

EXPECTED MARKET GROWTH

> Read more about our global expansion on page 07

> Read more about our products on page 06

Our Strategy continued

Leveraging our Partnerships with a Disciplined Financial Focus



Leveraging

Partnership leverage

Relationships with key alliance partners such as Akamai, HPE Networking, and GTT are supporting regional expansion.

Progress made in 2025

- + First European bank signed through Akamai
- + Two tier-1 TelCos signed through HPE in APAC
- + Tier-1 bank signed through HPE in LATAM
- + Continued growth through GTT

3

STRATEGIC ALLIANCE PARTNERS



Focusing

Financial discipline

Focused on financial health, cash generation, controlled investment, and profitability.

Progress made in 2025

- + Cash profile altered in year due to change in sales mix away from upfront purchases to subscription
- + Returned to cash generation in H2 2025
- + Continued investment in R&D
- + Operational expenses realigned in H2 2025 to match change in revenue model

\$25.5m

REVENUE 2025

> Read more about our partnerships on page 07

> Read more about in our Financial Review on page 14

CEO's Review

Solid Full Year Performance, Accelerated H2 Growth



Carl Herberger
Chief Executive Officer

The Group delivered a solid financial performance across 2025, noting the challenges in the first half of the year, with revenues of \$25.5 million (FY 2024: \$24.6 million) and Adjusted EBITDA of \$2.0 million (FY 2024: \$3.0 million). This modest revenue growth, due to lower than expected growth in H1, reflects a period of change for the business as customers accelerated their adoption of DDoS Protection-as-a-Service (“DDPaaS”) and subscription solutions. This resulted in a reduction in upfront appliance and licence sales, which the business has absorbed across FY 2025, and a corresponding acceleration of ARR.

Pleasingly, our sales teams saw a marked increase in activity across H2, reversing the H1 trend, resulting in a better-than-expected performance across a number of financial KPIs. In addition, this shift towards a more subscription-based recurring revenue model generates more revenue predictability and visibility for the business going forward.

ARR, a key financial metric for Corero, continues to benefit from this trend, increasing by 23% to \$23.9 million (FY 2024: \$19.5 million). Order intake also strengthened, supported by strong momentum across H2 2025, increasing by 20% to \$33.8 million (FY 2024: \$28.2 million). Sales of new products released in 2025 was also encouraging, with over 40 units of Corero’s next generation 400GB platform enhancement and five new customer wins for the CORE platform solution.

In October 2025, Corero secured a renewal and significant expansion order with a key customer: a leading US cloud computing provider with a total contract value of \$6.8 million. Providing DDoS protection solutions to the customer’s current and planned data centre portfolio, the contract consists of a \$3.1 million renewal (of all existing contracts) and \$3.7 million expansion, which will be delivered and recognised on a subscription basis over the three-year contract term.

Corero reported net cash at the year end of \$4.0 million (FY 2024: \$5.3 million), with the business delivering positive cash generation in H2 2025.

The Group secured a £1.5 million overdraft facility in 2025 to support short-term financing needs. This facility has not been used to date and the Group has no outstanding debt.

Corero remains at the forefront of DDoS protection and innovation, delivering best-in-class solutions that strengthen the digital resilience of our global blue chip client base. Our commitment to product innovation has contributed to Corero’s strong customer retention and solidified our competitive differentiation. Market-leading product development across 2025 has also allowed us to grow our market footprint. We also expanded our geographic footprint in 2025 and we have gained particular customer traction in Latin America and the Middle East, where rapid digitalisation is driving demand for Corero’s product offering.

As the landscape for cybersecurity protection continues to be more acute in the face of increasingly sophisticated attacks and legislative changes, the demand for comprehensive DDoS solutions remains robust. The Group is therefore well-placed to capitalise on providing market-leading DDoS solutions through both organic and partner-driven new business activities.

RENEWAL RATE

98%

CORE PLATFORM DEALS CLOSED

5

CEO's Review continued

Strategic Priorities

Corero is focussed on increasing its DDoS defence market share globally and remains committed to four key strategic pillars:

- + **Expand global footprint and partnership ecosystem** - leveraging alliance and channel partnerships to grow presence across key regions, including Latin America, the Middle East and APAC
- + **Investing in sales and marketing initiatives** - increasing targeted marketing activity and spend, and hiring experienced personnel in new geographies
- + **Securing client renewals and realising upsell opportunities** - maintaining or improving on the excellent 98% customer retention rate, delivering price increases for renewals and extensions as standard, and continuing to diversify the product mix
- + **Accelerating market competitiveness** - actively targeting competitor displacements in key geographies, and launching new product innovations and add-on features aimed at attracting new customers and maintaining product superiority

To this end, we continue to step up our commitment to building stronger partnership channels, which management believe has the potential to unlock significant new customer opportunities. Central to this is an ongoing focus on product development to maintain product superiority. Ongoing channel investment remains closely aligned to this as the business seeks to maintain the sales momentum building in new geographic markets.

FASTER DDOS MITIGATION THAN COMPETITORS

20x

LEADER IN THE 2025 SPARK MATRIX FOR DDOS MITIGATION

Operational Review

As part of the Group's reinvigorated go-to-market strategy and following targeted sales investment, Corero is focused on generating new business opportunities globally and leveraging alliance and channel partnerships to secure new routes to market and revenue streams. The business had notable success growing its footprint in Latin America in 2025, having secured a number of new customer wins.

New Alliance and channel partnerships secured across FY 2025 include:

- + Channel partner TechEnabler secured a new contract to implement Corero's SmartWall ONE solution for a leading telecommunications provider in Brazil, replacing the incumbent provider
- + Strategic expansion of partnership with HPE to sell Corero's full portfolio of DDoS protection solutions to HPE's customers, opening up new opportunities with tier-one telecommunication providers and enterprises
- + Secured Certified Partner status with World Wide Technology (WWT), a leading global technology integrator with deep expertise in cybersecurity

Highly Scalable Partner Ecosystem Across Geographies

- + Strategic partnerships strengthening new business pipeline and accelerating expansion into new geographies
- + Accelerate growth through new and enhanced partnership agreements to sell Corero's full product mix of DDoS solutions

Ongoing Investment in R&D and People

- + Continuous R&D supports product enhancements and leadership across Corero's market-leading offering
- + Experienced management team with extensive market and competitor knowledge and experience

Expanding Our Market

- + Enhancing our DDoS Enterprise offering with Transport Layer Security
- + Broader service availability capabilities via CORE Platform

Strong Balance Sheet Strength

- + Debt-free aligned with accelerated ARR growth
- + Shift to recurring revenue model has resulted in good visibility of revenues for FY 2026 and beyond

Customer deals secured during FY 2025 include:

- + Customer renewal and significant expansion order with a leading US cloud computing provider, delivering DDoS protection solutions to its current and planned data centre portfolio – contract value of \$6.8 million
- + Significant \$1.5 million expansion of TierPoint relationship, deploying Corero's next-generation CORE solution
- + 3-year, \$1.2 million partnership with Forte Telecom - one of the largest telecommunications providers in Rio de Janeiro, Brazil
- + 5-year, \$1.2 million expansion of its partnership with Lightedge, extending Corero's protection across its data centres and replacing an existing provider
- + \$0.8 million contract renewal and extension with partner TechEnabler, a leading technology service provider in Brazil
- + \$0.3 million deal with Cooper Health incorporating Corero's new CORE Zero Trust Admission Control capabilities across its almost 14,000 employees across three hospitals
- + 3-year agreement with a leading European banking and insurance customer through our Alliance Partner, Akamai, to deliver a DDPaaS contract worth \$0.6 million in total contract value to Corero
- + Corero's first Tier 1 Telco customer signed in APAC, through our Alliance Partner, HPE

COMPETITIVE DISPLACEMENT OF MAJOR VENDORS

9

400G SMARTWALL ONE ENHANCEMENT UNITS DEPLOYED

40+

CEO's Review continued

Sales and Marketing Investment

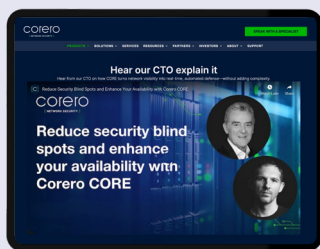
During 2025, Corero maintained its investment in both sales and marketing, alongside supporting proactive activities to further strengthen its channel partner relationships.

This blended approach supports our strategic intent to broaden the Group's sales footprint globally, alongside generating incremental cross and upsell opportunities across our existing customer base.

Marketing resources were primarily targeted for lead generation programmes including regional tradeshows, content syndication campaigns, webinars, and sponsored social media content.

Increased investment played a pivotal role in growing Corero's market reach and generating new customer traction throughout the year, particularly in regions such as Latin America and the Middle East where we are already generating significant sales traction.

Successful launches of new products in 2025, including Corero's next generation 400GB platform and the CORE platform solution, will also enable Corero to capitalise on new market opportunities with an expanded product portfolio.



➤ [Learn more about our CORE at corero.com/core](https://corero.com/core)

DDoS Addressable Market and Market Drivers

Compared to other forms of cybercrime, DDoS attacks are relatively low-risk yet high-impact, and malicious actors are increasingly aware of the significant damage they can inflict on companies through DDoS strikes, both from a financial and reputational standpoint. With organisations facing an average of 11 attacks per day (up 37% since 2018), these are no longer episodic events, but an operational reality. As attacks become more complex, aided by increased access to AI and machine-learning, organisations are continuing to seek comprehensive availability protection.

The rapid growth of the global DDoS mitigation market shows no sign of abating. Latest research indicates that the market will be valued at \$15.94 billion by 2030 (2025: \$7.21 billion), growing at a CAGR of 17.23% over the next five years. Corero operates within a significant segment of this overall market and estimates that the total addressable market for its principal SmartWall ONE solution exceeds \$2.0 billion.

Against the evolving threat landscape, legislative changes are enforcing stricter adherence to cybersecurity obligations. In response to growing cyber threats, the EU's Digital Operational Resilience Act (DORA) has reinforced the importance of robust network and DDoS protection. Within the UK, the Cyber Security and Resilience Bill requires organisations to demonstrate that they can withstand cyber disruption, subjecting higher-risk organisations to stricter compliance measures. US regulation continues to emphasise the expectation for preventative cybersecurity controls.

Companies across industry sectors are therefore taking an increasingly proactive approach to their DDoS defence capabilities to mitigate the rapidly evolving DDoS landscape. Hacktivism associated with Russia's invasion of Ukraine has exacerbated the DDoS attack threat level in Europe. Attacks are also widespread in other key regions where Corero is actively growing its influence – including the Middle East and Latin America as a result of digital expansion and increasing connectivity across these regions.

Demand for resilient and adaptable DDoS defence solutions also remains high in North America, where Corero has its highest customer and sales footprint. Hacktivism following geopolitical events also continues to represent a significant threat, with DDoS attacks in the US surging 800% following the US military action targeting Iran's nuclear facilities.

➤ <https://www.techradar.com/pro/security/mr-hamza-mysterious-team-bangladesh-and-keynous-led-a-massive-surge-in-ddos-on-us-businesses-following-an-attack-on-iran?utm>.

Corero remains well-placed to leverage current market demand and the ever-increasing need for service availability.

Outlook

Corero exited 2025 with strong sales momentum having generated good sales growth in the second half of the year. Our sales pipeline remains strong, supported by a combination of our sales and marketing efforts alongside our growing partner network.

Global demand for DDoS protection continues to grow, and the Group remains focused on elevating its status as an effective and affordable solutions provider capable of combatting the most hostile of DDoS attacks.

Corero remains well-placed to capitalise on the global growth in cybersecurity threats. Following a strong second half in 2025, supported by a robust pipeline, sustained growth in the DDoS threat landscape and market demand, the Board remains confident in the prospects of the Group to deliver ongoing progress, notwithstanding ongoing global economic uncertainty.

Carl Herberger
Chief Executive Officer

23 March 2026

BARE METAL/COTS DEALS CLOSED

8

NEW LOGOS WON

26

CUSTOMER DEPLOYMENTS

400

CHANNEL PARTNERS

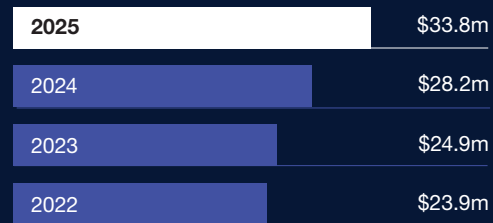
50

KPIs

Financial KPIs

BOOKINGS

\$33.8m (+20%)



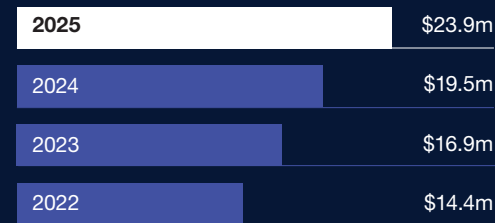
REVENUE

\$25.5m (+4%)



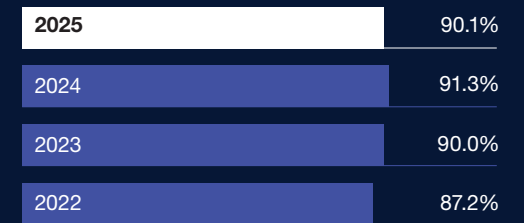
ARR

\$23.9m (+23%)



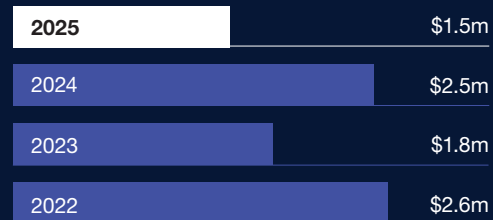
GROSS MARGIN

90.1%



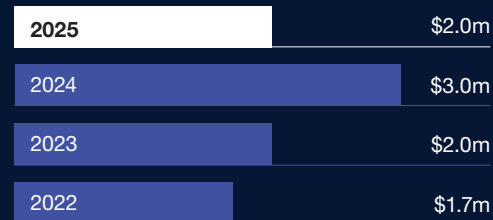
EBITDA

\$1.5m



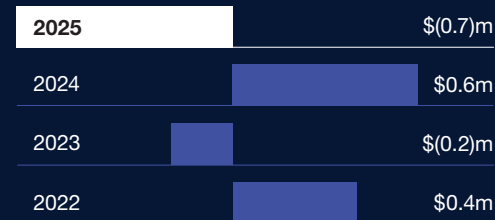
ADJUSTED EBITDA

\$2.0m



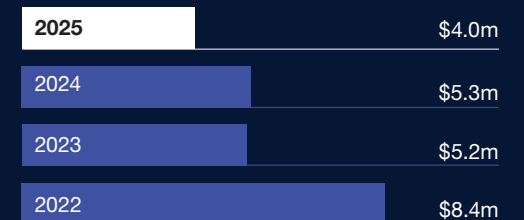
NET PROFIT/(LOSS) BEFORE TAX

\$(0.7)m



NET CASH

\$4.0m



Financial Review

Accelerated ARR Growth Delivering Strong Outlook



ARR increased 23% in the year to \$23.9 million... driven by a marked change in customer buying preference towards subscription-based solutions.

Revenue

Revenue in 2025 increased by 4% to \$25.5 million (2024: \$24.6 million) with Annualised Recurring Revenues¹ (“ARR”) increasing by 23% in the year to \$23.9 million as at 1 January 2026 (1 January 2025: \$19.5 million), driven by a marked change in customer buying preference towards subscription-based solutions.

Gross Margins

The Group’s gross margin remained strong in 2025 at 90% (2024: 91%) consistent with the software-led nature of Corero’s solutions and continued operational discipline.

¹ ARR is defined as the normalised annualised recurring revenues and includes recurring revenues from contract values of annual support, software subscription and from DDoS Protection-as-a-Service (“DDPaaS”) contracts.

Operating Expenses

Underlying operating expenses, excluding foreign exchange movements on intercompany balances and before depreciation and amortisation, increased by \$1.3 million to \$21.2 million (2024: \$19.9 million). Investment in sales and marketing activities continued during the year to accelerate lead generation. Full year operating expenses were lower than originally planned as cost containment measures were implemented in the second half of 2025 to realign the cost base with the revised revenue forecast following the half-year results.

Depreciation and amortisation

Operating expenses included a depreciation charge of \$0.5 million (2024: \$0.4 million) and an amortisation charge for research and development (“R&D”) of \$1.7 million (2024: \$1.6 million).

Capital expenditure

During the year, the Group accelerated its product innovation, with R&D investment of \$3.5 million (2024: \$3.2 million); \$0.1 million of this increase was incremental spend with the remainder a reallocation of existing resources. Corero’s product portfolio expanded significantly during 2025, with a number of complimentary new products available for sale. R&D output efficiency has increased due to the proficient use of AI tools in development processes.

Capital expenditures in property plant and equipment were \$1.3 million (2024: \$0.8 million), with the increase related to the right of use asset capitalised following renewal of the Marlborough office lease during 2025.

² Adjusted EBITDA is defined as Earnings before interest, tax, depreciation and amortisation and adjusted for share based payment charge and one-off restructuring costs in the period.

Share based payments

The charge for share based payments amounted to \$0.3 million in 2025 (2024: \$0.5 million).

Finance income

Net finance income for the year was \$0.0 million (2024: net income \$0.1 million).

Profitability

The Group reported Adjusted EBITDA² of \$2.0 million in 2025 (2024: \$3.0 million), at an 8% margin (2024: 12% Adjusted EBITDA margin).

The Group reported a loss before tax of \$0.7 million (2024: profit \$0.5 million), with earnings per share (0.1) cents per share (2024: 0.1 cents per share).

Operating cash and cash equivalents

The change in sales mix and increased proportion of deferred customer billing changed the cash cycle in 2025 as fewer customers bought products defined by upfront payment. As a result, the overall net cash position reduced in the year. However, an increased focus on cash management and growth in H2 2025 sales orders delivered positive cash generation in the second half of the year. This accelerated shift in customer behaviour will transition the business towards a more predictable, subscription-led revenue model as we move into 2026.

Net cash, defined as cash at bank less total borrowings, was \$4.0 million at 31 December 2025 (2024: \$5.3 million).

The Group secured a £1.5 million overdraft facility in 2025 to support short-term financing needs. This facility has not been used to date and there was no outstanding debt as at 31 December 2025.

Chris Goulden

Chief Financial Officer

23 March 2026



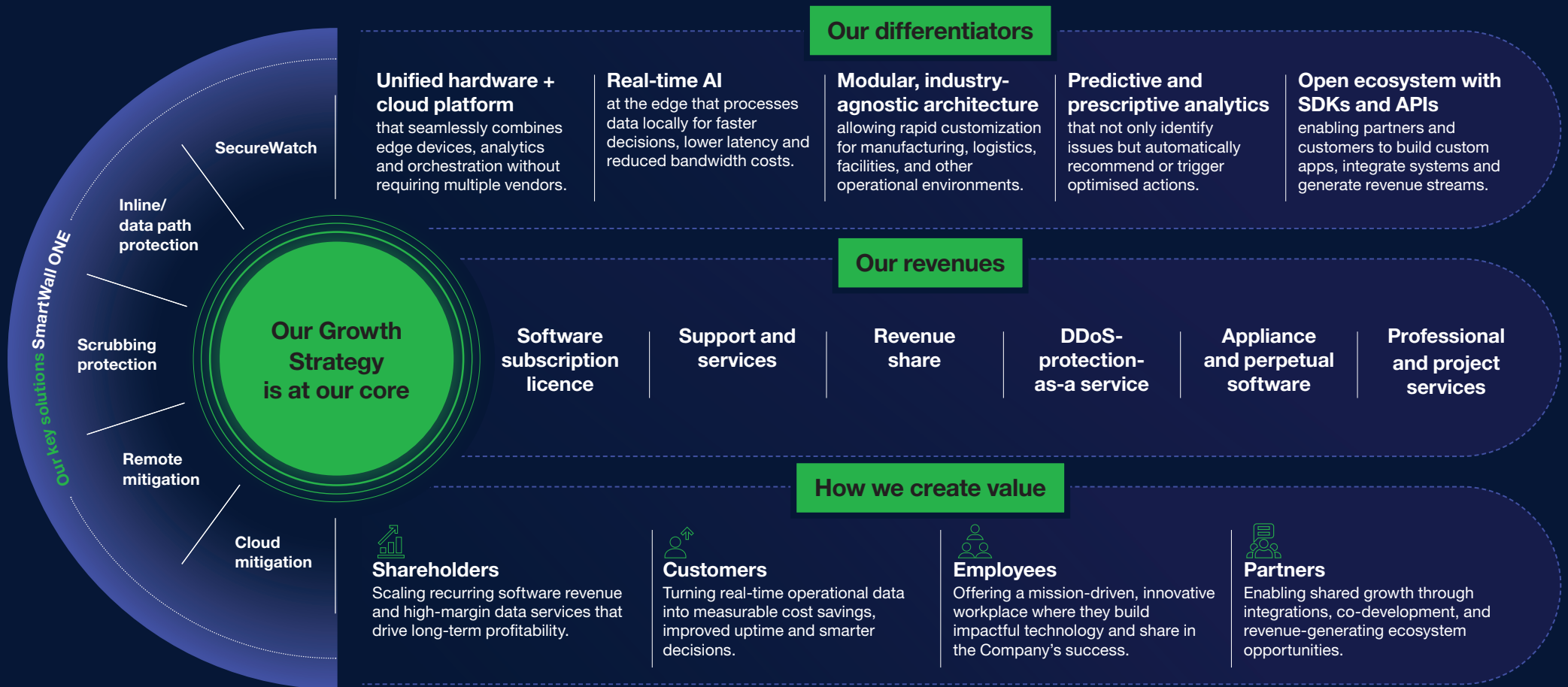
Chris Goulden

Chief Financial Officer

Our Model

A Customer-driven Business Model

Corero's technology provides scalable protection capabilities against DDoS threats, in even the most complex edge and subscriber environments, ensuring internet service availability and uptime.



Strategy in Action

Stronger Together: Leveraging Strategic Partnerships to Expand Global Footprint

In January 2025, Corero partnered with Forte Telecom, one of the largest Brazilian telecommunications providers supporting a range of small internet service providers across Brazil.

Through this partnership, Forte Telecom seamlessly deployed Corero's SmartWall ONE technology directly into its own network infrastructure to create the Forte Cleanpipe. Corero successfully replaced the incumbent provider.

The Forte Cleanpipe powered by Corero is an industry-leading solution – proactive, always-on, and ensures all incoming and outgoing traffic is clean. Forte Telecom can now provide sub-second mitigation to its customer base, with threats identified and neutralised instantly, ensuring service availability and resilience against cyberattacks.



I know how important it is for Brazilian businesses to have reliable service and peace of mind when protecting their networks. We have lived the same challenges our customers face, and with Corero we will deliver the protection, responsiveness, and trust they need to operate with confidence. We are proud to promote access to this technology for Brazilian companies. Now we will see scrubbing centers, protected transit services, MSSP platform providers, and cloud mitigation services deployed throughout the country using Corero technology. This is an important step in the fight against DDoS.

Sérgio Simas, CEO at Forte Technology

A mutually beneficial partnership model



Increased routes to market for rapid expansion of geographic footprint



Partners can offer the same level of security and reliability as larger providers without needing the same extensive resources



Strengthening Corero's reputation as a trusted provider of secure, seamless connectivity for all

Strategy in Action continued

Digital Resilience and Compliance: Corero Chosen by Leading Bank

Why the bank chose Corero

One of the top 20 banks in Europe sought to improve its cybersecurity and meet strict requirements under the European Union's Digital Operational Resilience Act (DORA). A bank with a strong focus on retail and private banking clients, the customer seamlessly integrated Corero's offering into existing security architecture to fulfil their evolving needs.

In addition to meeting DORA regulatory compliance for the EU financial sector, the customer required uninterrupted DDoS protection as a major financial institution in its home country.

As well as fulfilling these needs, Corero was selected to provide high availability across multiple data centres, and for services in continuous monitoring and incident response.

Corero's impact

The contract was finalised three months after initial contact, demonstrating Corero's commitment to moving quickly without sacrificing precision. Corero performed a rigorous evaluation, lab testing, and security validation without disrupting the bank's operation. Powered by 400G-capable appliances, the bank can absorb and mitigate large-scale attacks with ease.

400G capable appliances

TO HELP THE BANK ABSORB AND MITIGATE
LARGE-SCALE ATTACKS

The benefits

Direct alignment with operational priorities and compliance standards

High availability with fully managed 24/7 protection

Joint delivery with Akamai for seamless cloud and on-prem integration

A multi-year agreement ensuring long-term protection

Strength through partnership

Corero and Akamai worked closely with the customer's technical, legal, and procurement teams to ensure seamless delivery. The flexibility and reliability of the solution positions it for future expansions to additional sites.

Strategy in Action continued

From 6 Minutes to 18 Seconds: TierPoint and the Proof of Performance

In April 2024, Corero announced a strategic partnership with TierPoint LLC, a leading provider of hybrid IT platform solutions in the US, replacing its legacy solutions provider in the process. Corero has since successfully integrated its solutions into TierPoint's infrastructure, significantly enhancing its DDoS protection and mitigation capabilities to benefit both TierPoint and its 1,000+ US customers.

TierPoint had grown increasingly frustrated with its existing DDoS protection solution, with frequent disruptions and slow mitigation times jeopardising customer trust. Corero's solutions, including its market-leading SmartWall ONE product, performed so well in a testing phase that TierPoint decided to switch provider to Corero even while still under contract with the incumbent vendor.

Corero's impact

By offering highly automated, real-time threat detection, Corero has materially reduced TierPoint's mitigation time during DDoS attacks from 6 minutes to just 18 seconds. This reinforces the robust capabilities of Corero's DDoS protection solutions and has enabled TierPoint to vastly improve its core service offering to customers.

Additionally, Corero's ability to integrate directly with TierPoint's Juniper routers has enabled a 'protective mesh' that has bolstered defences without requiring additional hardware investment, highlighting the value and adaptability of Corero's solution.

↓ 95%
REDUCTION IN TIME TO MITIGATE ATTACKS

20x faster
THAN TIERPOINT'S PREVIOUS PROVIDER

Key benefits to TierPoint



Enhanced defence with existing hardware



Real-Time protection



Collaborative partnership



Significant cost savings



Our time to mitigation for DDoS attacks went from six minutes with previous solutions to 18 seconds with Corero, ensuring that our customers experience uninterrupted services, even during attacks. Corero has helped us turn a complex challenge into a competitive differentiator.





Paul Mazzucco, Chief Information Security Officer

Engaging with our Stakeholders

Enhancing engagement with stakeholders is key to our success



The Board recognises that maintaining strong relationships with Corero’s key stakeholders is essential to long-term success and supports the Directors’ duties under Section 172 of the Companies Act 2006. Engagement with stakeholders helps ensure that Corero’s strategy and decision-making remain aligned with stakeholder priorities and the Group’s core values.

Our stakeholders

	Customers
	Shareholders
	Partners
	Employees

	Customers
Why they matter →	Customers are central to Corero’s growth, reputation and recurring revenue. Their trust underpins long-term success.
What matters to them →	Reliable protection from evolving DDoS threats, high availability, responsive support and continuous innovation.
Corero’s engagement →	Daily interaction through account management, tenders, technical briefings, deployments and ongoing customer support. Executive engagement at industry and Corero-hosted events.
The Board’s engagement and oversight →	The Board reviews customer performance metrics, retention trends, competitive positioning and product strategy to ensure evolving needs are met.
Values alignment →	Customers First Technology Leadership & Innovation Operational Excellence
Key events in the year →	Leadership engagement with customers through industry conferences, customer events such as Quarterly Business Reviews, and Corero events such as Sales Kick Off and Security Leadership Summit events. Corero employees interact with customers every day through the sales process, technical presentations, deployment, and ongoing customer support.

Engaging with our Stakeholders continued

	 Shareholders	 Partners	 Employees
Why they matter →	Shareholders own the business and provide the capital required to invest in innovation, scale operations and deliver strategic growth.	Partners extend Corero's route to market, strengthen distribution and support scalable global growth.	Employees drive innovation, operational delivery and customer success. Talent retention is critical in the cybersecurity market.
What matters to them →	Sustainable financial performance, clear strategy execution, strong governance and transparent reporting.	Market-leading technology, commercial clarity, enablement support and collaborative long-term relationships.	Career development, inclusive culture, wellbeing support, competitive benefits and open communication.
Corero's engagement →	Regular communication via annual/interim reports, regulatory announcements, investor presentations, press releases and direct engagement.	Structured partner relationship management, training, joint go-to-market initiatives and adherence to the Partner Code of Conduct.	Regular 'All Hands' meetings, engagement surveys, development opportunities and wellbeing initiatives.
The Board's engagement →	The Board attends the AGM, supports investor dialogue and considers shareholder feedback in strategic and governance discussions.	The Board receives updates on partner performance and strategic alliances; senior management conducts regular reviews of key relationships.	The Board monitors workforce metrics, culture and engagement, and attends employee forums where appropriate.
Values alignment →	Integrity Operational Excellence	Technology Leadership & Innovation Operational Excellence Integrity	Employee Empowerment & Teamwork Integrity Operational Excellence
Key events in the year →	Senior leadership and Executive Directors participate in UK and US investor conferences and maintain an active investor relations programme. The Executive Directors meet with shareholders at investor roadshows and forums.	Ongoing executive engagement with strategic partners to support joint growth opportunities.	Employee engagement and wellbeing sessions held during the year, alongside annual appraisal and goal-setting processes.

Section 172 Statement

Section 172(1) of the UK Companies Act 2006 (s172 considerations) sets out the factors that need to be considered by Corero's Directors when discharging their duty to promote the success of the Group. This includes considering both the interests of all key stakeholders and the longer-term consequences of such decisions.

This section outlines, through use of cross reference to other sections of this report, how Directors have implemented the s172 considerations and how the Board has considered the various stakeholder groups throughout the year in its actions to promote the success of the Group for the benefit of its stakeholders.

s172 consideration	Examples	Page
(a) The likely consequences of any decision in the long term	Key Board decisions in 2025 which will have long-term implications for the Group included continued allocation of capital to the development of the industry-leading SmartWall ONE solution and further investment in new products to broaden the Corero addressable market, such as CORE and Transport Layer Security (TLS). These decisions will enhance Corero's competitive positioning and deliver future revenue growth.	6, 14, 62
(b) The interests of the Company's employees	While most decisions relating to employees are taken by the Group's Executive Directors and at the management level, Directors receive regular updates on employees' views and people-related issues that impact the wider Group. The Directors attended a number of employee events during the year including the Sales Kick Off event in early 2025 and also spent time with employees on various occasions throughout the year.	20, 25
(c) The need to foster the Group's business relationships with suppliers, customers and others	Leaders across the organisation are expected to maintain high standards of business in all that they and their teams do, particularly engagement with customers and suppliers. Where a business relationship can be supported by a Director, Directors work collaboratively with management to support such discussions to ensure strong relationships are fostered to support the growth and success of the Group.	7, 15 - 19
(d) The impact of the Group's operations on the community and the environment	Outside of the key operational hubs, the Group is a remote-first employer for much of the workforce, allowing flexibility for employees while maintaining a growing global presence. An increasing number of Corero customers now purchase software only solutions, therefore reducing the Group's environmental impact. The Board is cognisant of the impact of employee travel on the environment and looks to balance the benefits of in person meetings and events with that of the environmental impacts.	24 - 27
(e) The desirability of the Group maintaining a reputation for high standards of business	The Board recognises that maintaining a strong reputation for integrity, reliability and responsible business practices is fundamental to the Group's long-term success. As a cybersecurity provider protecting critical digital infrastructure, Corero's reputation for trusted technology, high service standards and ethical conduct is essential to maintaining the confidence of customers, partners and shareholders. The Board promotes a culture of transparency, accountability and compliance across the organisation, supported by appropriate governance frameworks, policies and internal controls, and believes that maintaining these standards supports sustainable long-term value creation.	32 - 36
(f) The need to act fairly between members of the Group	Jens Montanana is Corero's largest shareholder, owning 36.57% of the Company's shares at 31 December 2025. Jens has been a Non-Executive Director and Chair since 2010, and is therefore not an independent member of the Board. Richard Last has been Non-Executive Director since 2008 – the Board has reconsidered Richard's independence and are satisfied that he remains independent. The Corero Board includes a further two independent Non-Executive Directors, two non-independent Non-Executive Directors, and also two Executive Directors who bring their own perspective and input from across the business. The above structure ensures that decisions are made fairly with all shareholders in mind.	32 - 36

Principal Risks and Uncertainties

Risk management overview

Corero's Risk Management Framework outlines the Board's approach to risk and helps the organisation manage risk so it can successfully achieve its strategy. The Risk Management Framework is owned by the Board, applies globally and is embedded in day-to-day management and governance processes. The framework is subject to ongoing review and approval by the Board annually.

Risk management

Management maintains a comprehensive risk register where key risks are documented and assessed – significant risks are identified, along with the probability of those risks occurring, their potential impact and the plans for managing and mitigating each of those risks.



The Board

On an ongoing basis, the Board reviews the risk assessment and effectiveness of the Group's internal control system, comprising financial, operational and compliance controls, to ensure that Corero's Risk Management Framework identifies and addresses all relevant risks in order to execute and deliver the Group's strategy.



Controls

The Group operates a series of controls to meet its needs. These controls include, but are not limited to, the annual strategic planning and budgeting process, a clearly defined organisational structure with authorisation limits, reviews by senior management of monthly financial and operating information including comparisons with budgets, and forecasts. Given the size of the Group, the Board has concluded it is not appropriate to establish a separate, independent internal audit function.

The Board will keep this under review.



The Directors

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness, whilst the role of management is to implement policies on risk management and control. Corero's system of internal control is designed to manage, rather than eliminate, identified risks to the Group's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.



The ARCC

The Audit, Risk and Compliance Committee ('ARCC') reviews the effectiveness of internal controls. The ARCC receives reports from management and observations from the external auditors concerning the system of internal control and any material control weaknesses. Significant risk issues, if any, are referred to the Board for consideration. The Corero Risk Register, Auditor's report, assessment of the effectiveness of the internal control system and key judgements report for the Annual Report and Accounts are tabled and reviewed by the ARCC.

Our key business risks are

- 1 Revenue growth
- 2 Technology change and competitive threats
- 3 Attracting and retaining talent
- 4 Market awareness
- 5 Political and economic landscape risks
- 6 AI-development and security internally, product and external threats

Principal Risks and Uncertainties continued

Corero's Key Business Risks

1

Revenue growth

Corero's strategy depends on delivering sustained revenue growth to support continued investment in product development, sales and marketing. Failure to achieve anticipated order intake or revenue growth could constrain the Group's ability to execute its strategic objectives. Revenue growth depends on the Group's ability to identify and address customer needs and to develop effective go-to-market and partner relationships.

Mitigation includes:

- + Prioritising and strengthening key relationships with Alliance and Channel partners to build sales momentum
- + Targeting service providers and enterprises requiring scalable, real-time DDoS protection
- + Aligning sales execution, lead generation and product development with market demand
- + Active pipeline management and performance monitoring

2

Technology change and competitive threats

The DDoS mitigation market is competitive and subject to rapid technological change. Attack methodologies continue to evolve, and competitors may introduce new products or capabilities that challenge Corero's positioning. Maintaining technology leadership is critical to sustaining customer trust and market relevance.

Mitigation includes:

- + Continued investment in R&D and product innovation across Corero's product portfolio including the CORE platform
- + Development of machine learning and AI-driven defence mechanisms
- + Ongoing competitive analysis and customer feedback integration

3

Attracting and retaining talent

The cybersecurity market is highly competitive for skilled professionals. The Group's ability to innovate and execute its strategy depends on attracting and retaining talent across engineering, sales, security operations and business development. Failure to do so could impact product development and growth plans.

Mitigation includes:

- + Competitive remuneration benchmarking
- + Investment in professional development
- + Flexible working practices
- + Focus on inclusive and collaborative culture

4

Market awareness and brand positioning

Corero is a leader and innovator in adaptive, cost-effective DDoS protection and competes against larger, established vendors. Insufficient brand awareness or ineffective market positioning could limit growth opportunities and customer acquisition.

Mitigation includes:

- + Targeted digital marketing and demand generation investment
- + Clear differentiation around real-time mitigation and service availability
- + Partner-led route-to-market expansion

5

Political, economic and supply chain risks

Macroeconomic volatility, geopolitical developments and regulatory changes may influence customer behaviour, operating costs and supply chain stability. For example, potential tariff developments and employment-related regulatory changes may impact cost structures in key markets.

Mitigation includes:

- + Active monitoring of political and economic developments
- + Close collaboration with suppliers and partners
- + Forecasting and scenario planning, maintaining operational flexibility

6

Artificial Intelligence risk and opportunity

Artificial intelligence is reshaping both cybersecurity threats and defensive capabilities. AI-driven attacks may increase in sophistication, while customers expect enhanced AI-enabled protection. The Group must manage the responsible internal use of AI while advancing AI capabilities within its products.

Mitigation includes:

- + Continued investment in AI within Corero's solutions with strong governance oversight of internal AI adoption
- + Monitoring of AI-related threat evolution with focus on ethical and secure innovation

Sustainability and Environmental, Social and Governance (ESG) Report

As a global cybersecurity group, Corero plays an important role in enabling the resilience of critical digital infrastructure worldwide

Building a Secure and Sustainable Digital Future

Corero recognises that long-term value creation depends not only on financial performance, but also on responsible environmental, social and governance practices. As a global cybersecurity business specialising in real-time DDoS protection, Corero plays an important role in enabling the resilience of critical digital infrastructure worldwide.

The Board is committed to ensuring that sustainability considerations are embedded within the Group's strategy, culture and operational decision-making. This ESG section outlines Corero's approach to responsible business, aligned with the Group's corporate values and the expectations of stakeholders including customers, employees, investors, regulators and partners.

ESG Governance, Oversight and Ethics

The Board provides oversight of Corero's ESG priorities and ensures that sustainability considerations are integrated into long-term strategy, risk management and corporate governance frameworks. Corero recognises that trust, resilience and integrity are fundamental to sustainable business success and that cybersecurity plays an important role in maintaining trust in digital systems. The Group supports responsible technology deployment and contributes to a safer online environment for organisations and communities.

Corero's ESG approach is supported through:

- + Board-level accountability for ESG matters
- + Strong ethical standards and compliance processes
- + Transparent stakeholder communication
- + Ongoing enhancement of ESG disclosures in line with market expectations

Corero is committed to the fundamental values of integrity, transparency and accountability. The Group has a zero-tolerance policy with regard to bribery and corruption with adequate reporting mechanisms in place. Corero adopts and enforces an Ethics and Anti-Bribery Policy to record the ethical way in which business is conducted and to make group-wide ethical standards clear to everyone. This includes stakeholders with whom we do business, which includes resellers, agents and distributors and customers. Corero provides training to all its employees on Anti-Bribery and Corruption.

Sustainability and Environmental, Social and Governance (ESG) Report continued

Corero's Values-Driven ESG Strategy

Corero's ESG strategy is guided by the Group's core values, which shape culture, decision-making and long-term priorities.



Customers First

Corero's purpose is to protect customers from disruptive cyberattacks and ensure continuity of service in an increasingly connected world. Corero's customers, and their customers, depend on secure, reliable and high-performance cybersecurity solutions to safeguard their operations.

Corero is committed to:

- + Delivering real-time protection against evolving threats
- + Maintaining high standards of customer support and responsiveness
- + Building trusted, long-term partnerships based on transparency and performance

By enabling resilience and protecting service availability across global networks, Corero supports the sustainability of the digital economy.



Technology Leadership & Innovation

Innovation is central to Corero's ability to deliver sustainable value. The Group continues to invest in advanced cybersecurity technologies that address the increasing scale and sophistication of DDoS attacks, along with innovation in new products.

Key focus areas include:

- + Continuous enhancement of Corero's SmartWall ONE product suite and intelligent mitigation solutions
- + Innovation and development of Corero's CORE ecosystem and new product suite
- + Research and development to support evolving customer needs
- + Efficient, software-led security approaches that reduce unnecessary infrastructure burden

Corero's innovation contributes to strengthening global cyber resilience and supports secure digital transformation.



Operational Excellence

Corero is committed to disciplined operations and continuous improvement across the business. Operational excellence supports sustainable growth, risk management and stakeholder confidence.

Corero's approach includes:

- + Robust internal controls and governance structures
- + Responsible supplier and partner oversight
- + Scalable operational processes aligned with customer expectations
- + Continuous improvement in ESG-related performance monitoring
- + Using AI to enhance efficiency of operations and product development

Corero recognises that operational resilience is essential in both cybersecurity and sustainability contexts.



Integrity

Integrity underpins Corero's governance framework and ethical culture. As a trusted cybersecurity provider, the Group places strong emphasis on transparency, accountability and compliance across all markets in which it operates.

Governance priorities include:

- + High standards of business ethics and anti-corruption compliance
- + Commitment to regulatory adherence in global jurisdictions
- + Responsible data privacy and information security practices
- + A culture of openness and accountability

Corero's reputation is built on trust, and integrity remains a cornerstone of long-term sustainability.



Employee Empowerment & Teamwork

Corero's employees are critical to delivering innovation and customer success. The Group is committed to fostering a collaborative, inclusive and supportive workplace where employees are empowered to contribute and develop.

Social priorities include:

- + Professional development and continuous learning
- + Employee wellbeing, engagement and retention
- + Diversity, inclusion and equal opportunity
- + A teamwork-driven culture across global operations

Corero recognises that sustainable performance depends on motivated and empowered employees.

Sustainability and Environmental, Social and Governance (ESG) Report continued

ESG Reporting Framework

Corero reports its sustainability and ESG performance with reference to the UN Sustainable Development Goals (SDGs) as appropriate to the Group's mission and impact. Corero continues to strengthen ESG reporting as regulatory requirements and stakeholder expectations evolve.

UN SD Goals

How Corero contributes

Good health and wellbeing



Ensuring healthy lives and promoting wellbeing at all ages is essential to sustainable development. Corero is committed to its people and their wellbeing; the Group has a supportive and collaborative culture and promotes wellbeing through a number of initiatives throughout the year, as well as flexible working policies.

Quality education



Obtaining a quality education is the foundation to improving people's lives and sustainable development. Corero's DDoS protection is favoured by many research and educational network customers as a secure way to deliver and promote their objectives.

Decent work and economic growth



Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards. The United Nations Development Programme (UNDP) supports governments to design and deploy digital and AI systems that are safe and inclusive, and which strengthen capacity and empower countries to lead their own digital futures. Corero's DDoS protection solutions work to protect digital and online ecosystems globally, enabling companies, providers and remote workers to be protected online.

Industry, Innovation and Infrastructure



Investment in infrastructure and innovation are crucial drivers of economic growth and development. Technological progress is key to finding lasting solutions to both economic and environmental challenges. With innovation being a key focus, Corero is well positioned to support progress in the development of safe critical infrastructure.

Peace, justice and strong institutions



Conflict, insecurity, weak institutions and limited access to justice remain a great threat to sustainable development. Corero's solutions provide cyber protection against nefarious activities from individuals, criminals and state-sponsored terrorist groups. Corero's vision is an Internet connected world where every business, application and individual is protected from DDoS attacks.

Sustainability and Environmental, Social and Governance (ESG) Report continued

Responsible Business and Stakeholder Engagement

Corero recognises that long-term success depends on strong relationships with its key stakeholders, including customers, partners, employees, shareholders and regulators. Stakeholder priorities are considered as part of the Group's annual planning process, and engagement strategies are implemented to support effective dialogue and informed decision-making.

Customer and partner feedback is gathered on an ongoing basis, while shareholder engagement is maintained through regular investor relations activities and industry conferences. Employees are kept informed through Group-wide communications, including 'All Hands' meetings. In 2025, Corero engaged with customers and partners at its Security Leadership Summit and participated in investor events in the US and UK including the Planet Microcap conference in Las Vegas, and the Canaccord Annual Growth Summits in Boston and London.

Employees, Diversity and Inclusion

Corero's employees are central to delivering its strategy. The Company is committed to attracting and retaining high-quality talent and maintaining an inclusive, performance-driven culture. Corero operates an Equal Opportunities Policy designed to ensure fair treatment across recruitment, development and promotion. The Group supports a diverse and international workforce and promotes an environment where employees are respected and able to contribute fully.

Employees are regularly updated on Group performance and strategic priorities. Corero also offers a range of benefits, including flexible working arrangements, enhanced parental leave, private medical insurance and wellbeing support.

Environmental Sustainability

Corero is committed to promoting sustainability. As a software-focused cybersecurity organisation, Corero's direct environmental footprint is relatively limited compared with more carbon-intensive industries. However, the Group acknowledges its responsibility to monitor and reduce environmental impacts across operations and the broader value chain. Corero aims to lead, promote and follow good sustainability practices, to carry out its operations in a way which manages and minimises any adverse environmental impacts from business activities. For many years Corero has operated a flexible remote working policy and the Group aims to mitigate unnecessary travel and the impact on climate change. Corero also models responsible procurement and lifecycle awareness of IT equipment, and there are no company cars.

Corero's solutions are deployed by thousands of organisations worldwide to protect against cyber disruptions that could have significant economic, health, wellbeing and environmental impacts. These threats may originate from individuals, organised groups, criminal enterprises or state-sponsored actors. By safeguarding digital infrastructure and ensuring service continuity, Corero supports the resilience of critical services and the wider digital economy.

Corero's mission is to protect organisations from cyber threats in an increasingly interconnected world. Through responsible governance, empowered employees, innovative technology and environmental awareness, Corero is committed to building a secure and sustainable future for all stakeholders.

In accordance with Section 414D(1) of The Companies Act 2006, The Strategic Report on pages 4 to 27 is signed by order of the Board.

Emma Rockey

Company Secretary

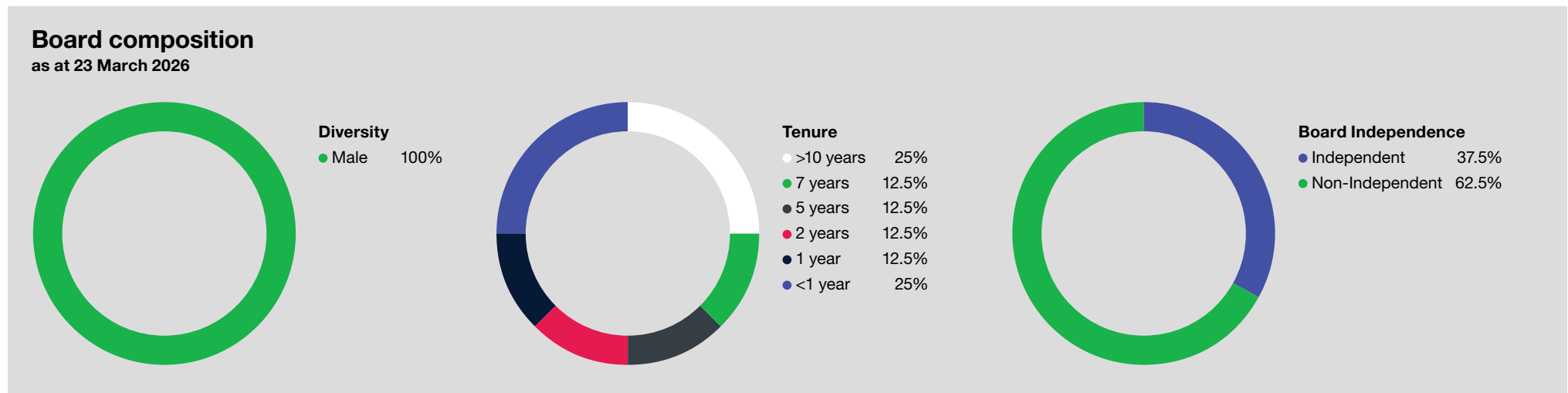
23 March 2026

Governance at a Glance

Board members	Board Attended	Board Committees			Relevant Experience						
		Audit & Risk	Remuneration	Nomination	Technology	Cybersecurity	Sales and marketing	People	International	Governance	Finance
Jens Montanana	■ ■ ■ ■ ■ ■ ■ ■	N/A	■ ■ ■ ■	■	■	■	■	■	■	■	
Richard Last	■ ■ ■ ■ ■ ■ ■ ■	■ ■	■ ■ ■ ■	■	■			■	■	■	■
Peter George	■ ■ ■ ■ ■ ■ ■ ■	N/A	■ ■ ■ ■	■	■	■	■	■	■		
Andrew Miller	■ ■ ■ ■ ■ ■ ■ ■	■ ■	N/A	■	■	■		■	■	■	■
Robert Scott	■ ■ ■ ■ ■ □ □	■ ■	■ ■ ■ ■	■	■	■	■	■	■	■	
Jeremy Nicholls ¹	N/A	N/A	N/A	N/A	■	■	■	■	■		
Carl Herberger	■ ■ ■ ■ ■ ■ ■ ■	N/A	N/A	N/A	■	■	■	■	■		
Chris Goulden ²	■ ■ ■ ■ ■	N/A	N/A	N/A	■			■	■	■	■
	See pages	38	39	39							

1 Appointed Director on 30 January 2026
 2 Appointed Director on 1 April 2025

Key
 □ Meetings held ■ Chair ■ Number of meetings attended ■ Experience



Board of Directors



Jens Montanana

Non-executive Chairman

Committees

N R

Appointed

6 August 2010

Experience

Jens is the founder and CEO of Datatec Limited, established in 1986 and listed on the Johannesburg Stock Exchange since 1994. From 1989 to 1993 Jens also served as the UK Managing Director and Vice-President of US Robotics Inc., which was acquired by 3Com. In 1993, he co-founded US start-up Xedia Corporation in Boston, an early pioneer of network switching and IP bandwidth management. Xedia was acquired by Lucent Corporation in 1999 for \$246 million. He has served on various boards and sub-committees of public companies.

Current appointments

CEO of Datatec Limited and Director of various Datatec Limited subsidiary companies.



Richard Last

Independent Non-executive Director*

Committees

A N R

Appointed

22 May 2008

Experience

Richard has over 20 years' senior experience in information technology having worked at board level for a number of publicly quoted and private companies in the technology sector. He is a Fellow of the Institute of Chartered Accountants in England and Wales ('FCA').

* Richard Last is a Corero shareholder and has been a Non-executive Director of the Company for over 10 years; his independence has been considered by the Board. The Board is satisfied that Richard Last operates in an independent manner and is independent

Current appointments

Chairman of Tribal Group plc, a technology company, and Iomart Group Plc, a cloud solutions company. Richard is also a Director of a number of private companies.



Peter George

Independent Non-executive Director

Committees

N R

Appointed

3 January 2019

Experience

Peter George is a US-based executive with over 30 years' experience in the IT networking and cybersecurity industry. He has a 20-year successful track record as CEO of leading IT network and security companies and provides sales, marketing and operating leadership experience to the Board.

Until late 2024, Peter was the CEO of Evolv Technology, a US based leader in human security screening. Peter led Evolve through its early-stage growth, its public offering on the Nasdaq in 2021 and to over \$100m of ARR revenue and a market leadership position. Prior to that he was President and CEO of empow cybersecurity, a market innovator in AI, machine learning and advanced security analytics. Between 2008 and 2017, he was President and CEO of Fidelis Cybersecurity, a leading US-based Advanced Threat Defense business. Before joining Fidelis, Peter was President and CEO of Crossbeam Systems, a market leader in Unified Threat Management. Prior to that he was the President of Nortel Networks' enterprise business (Nortel acquired Bay Networks) where he was responsible for leading a \$2 billion and 5,000 employee voice and data business in EMEA.

Current appointments

None

Board of Directors continued

**Andrew Miller**

Non-Independent Non-executive Director

Committees

A N

Appointed

1 June 2020

Experience

Andrew Miller was until 31 May 2020 the CFO of the Company, having joined Corero in August 2010. Since then he has held a number of roles including CFO of Mycom, a telecoms SaaS provider, CFO and COO of C5 Capital Limited, an investment firm investing in the secure data ecosystem including cybersecurity, cloud infrastructure and data analytics space, CFO of the Haven Group, a cybersecurity services provider, and is currently the CFO (interim) of Napier AI, a FinTech compliance SaaS provider.

Prior to joining Corero Andrew was with the Datatec Limited group in a number of roles between 2000 and 2009 including the Logicalis Group Limited ('Logicalis') Operations Director and Corporate Finance and Strategy Director. Prior to this, Andrew gained considerable corporate finance experience in London with Standard Bank, West Deutsche Landesbank and Coopers & Lybrand. Andrew trained and qualified as a chartered accountant and has a bachelor's degree in commerce from the University of Natal, South Africa. Andrew is a Chartered Accountant with over 20 years' experience in the technology industry.

Current appointments

None.

**Rob Scott**

Independent Non-executive Director

Committees

A N R

Appointed

17 April 2024

Experience

Rob Scott currently serves as CEO of Trilio inc, leveraging his extensive industry expertise and strong connections with venture capital and private equity firms. He is also the co-founder of Let's Go Racing, a consultancy that forges winning partnerships between innovative brands and motorsport teams to drive commercial success. He is also a member of the Customer Advisory Board at Fortinet, a global leader in cybersecurity.

Previously, Rob served as CEO of Cygiant, Inc., a cybersecurity services provider that specialised in helping organisations hunt, detect, and respond to cyberthreats. After its acquisition by SilverSky, he transitioned to the role of Chief Strategy Officer with a focus on strategic partnerships. Rob also led Bradford Networks, a network security company later acquired by Fortinet, and Clique Intelligence, a software platform for data sharing and collaboration. Earlier in his career, he held the role of Vice President of Worldwide Sales and Marketing at HP ProCurve Networking, joining through its 2008 acquisition of Colubris Networks Inc., where he served as President and CEO.

Current appointments

Managing Director of Avidbank Holdings Inc, Chairman and Director of Trilio Data Inc

**Jeremy Nicholls**

Non-Independent Non-executive Director

Committees

N

Appointed

30 January 2026

Experience

Jeremy Nicholls is a senior sales leader with over 35 years of experience in security, networking, and unified collaboration technologies. Jeremy has held global leadership roles across channel, alliance, and direct sales with leading international technology organisations. His career includes global positions at industry-leading companies including Kentik, Arbor Networks, Ericsson, and Polycom, where he has delivered revenue growth, expanded market presence, and built strategic partnerships that strengthen long-term business performance.

Current appointments

None

Board of Directors continued



Carl Herberger
Chief Executive Officer

Appointed

1 January 2024

Experience

Carl Herberger, CEO of Corero Network Security, brings over 25 years of cybersecurity leadership experience. As an internationally recognized expert, he has held executive roles at security companies including Radware, Evolve IP, Allied InfoSecurity, and most recently as Principal Security Consultant and virtual CISO.

Among his many achievements, Carl received the Technology Executive of the Year award in 2019 and helped establish the US Air Force's first cyber warfare unit during his time as an intelligence officer. As CEO, he leverages his deep expertise across all facets of cybersecurity to lead Corero's corporate strategy and help Corero's customers manage risk and build resilient systems capable of withstanding today's cyber threats.

Current appointments

Director of Trustle Inc, a technology company.



Chris Goulden
Chief Financial Officer

Appointed

1 April 2025

Experience

Chris joined Corero as CFO in May 2024 and is responsible for finance, operations and Group functions. Chris has over 20 years' experience in finance and operational roles across international B2B service environments.

Prior to joining Corero Chris spent 13 years at CBRE Global Workplace Solutions, a US-listed global Facilities Management and Property Services provider, in a number of senior international finance roles.

Before that, Chris spent three years at BNP Paribas, a leading European bank, supporting a number of divisions based out of London.

Chris trained at EY and is a fellow of the Association of Chartered Certified Accountants and completed his MBA in 2018.

Current appointments

Director of Corero Network Security (UK) Ltd and Corero Group Services Ltd.



Emma Rockey CA
Group Financial Controller and Company Secretary

Appointed

15 July 2024

Experience

Emma joined Corero as Group Financial Controller in August 2023, and brings 20 years of finance, technical and governance expertise to the Group. Emma trained at EY and subsequently moved to Melbourne, Australia with the firm. Her previous experience includes senior finance and governance roles at SEEK Ltd, an ASX50 global and highly acquisitive \$1bn group, PKF Melbourne, a top 10 professional services firm, Control Bionics Ltd, a newly-listed ASX medTech group, and Ascential plc, the global intelligence and events group. Emma qualified as a chartered accountant with EY in 2008 and is a member of the Institute of Chartered Accountants of Scotland.

Current appointments

Director of Corero Network Security (UK) Ltd and Corero Group Services Ltd.

Chairman's Corporate Governance Introduction

The Board remains committed to maintaining high standards of corporate governance, enhancing shareholder value, and engaging in an open and transparent manner with all of the Group's stakeholders.

Board Commitment to Governance

The Board is committed to maintaining strong standards of corporate governance, supporting Corero's long-term sustainable growth and delivering value for shareholders.

As a global cybersecurity business, Corero plays an important role in enabling the resilience of critical digital infrastructure worldwide. In this context, effective governance is fundamental to maintaining stakeholder trust, ensuring operational resilience and supporting responsible decision-making.

Operating in an industry where reliability, integrity and responsiveness are critical, the Board maintains oversight of:

- + the Company's risk management framework
- + operational resilience and service continuity
- + data protection, privacy and regulatory compliance
- + internal controls and risk mitigation processes
- + ethical standards and responsible business conduct

The Board recognises that trust is central to Corero's long-term success and that governance standards must evolve in line with the changing threat landscape and stakeholder expectations. In line with best practice for AIM companies, the Board supports and applies the principles of the QCA Corporate Governance Code. Details of the Group's governance framework, policies and procedures are set out in the following pages.

Board leadership and effectiveness

The Board recognises that its effectiveness depends on maintaining the appropriate balance of skills, experience, independence and sector expertise. This is particularly important given the pace of change and complexity within the global cybersecurity market.



We recognise the importance of our values and how we live them within our culture. The Board undertakes informal enquiries of employees to ensure our values are upheld and promoted to maintain a healthy corporate culture.

Jens Montanana, Chairman

The Board promotes a culture of open debate and constructive challenge, ensuring that the Company's management team are appropriately supported and held accountable in the execution of strategy, risk management and operational delivery.

In 2025, the Board continued to strengthen the Group's governance focusing on:

- + strategic oversight and execution against long-term objectives
- + monitoring of key operational and financial performance indicators
- + risk management and internal control effectiveness
- + cyber resilience and infrastructure robustness
- + the Board's composition and skills

The Board was encouraged by the progress made during the year, including continued alignment between the Board and executive leadership team and improvements in governance processes.

The Board also recognises the importance of diversity of background, experience and perspective, and this will remain an ongoing area of focus.

Our culture and values

Corero's culture and values underpin the way the organisation operates and are essential to maintaining the trust of customers, partners, employees and shareholders. In an industry where integrity, accountability and resilience are fundamental, the Board takes an active interest in ensuring that these values are embedded across the organisation and reflected in leadership behaviours and decision-making.

Board meetings held at Corero's office locations in both the UK and the US provide opportunities for Directors to engage directly with employees, supporting a culture aligned with the Company's mission.

Board composition

Chris Goulden, Chief Financial Officer, joined the Board of Directors as an Executive Director on 1 April 2025.

Ashley Stephenson resigned as a director on 30 September 2025 and retired from the Group on 31 December 2025. I would like to thank Ashley, who has been instrumental in developing Corero's industry leading DDoS protection solutions during his twelve years at the Company, for his service and contribution to Corero.

Following the financial year end, Jeremy Nicholls joined the Board as a Non-Executive Director on 30 January 2026, further strengthening the Board's experience and oversight.

Stakeholder engagement

The Board recognises that long-term success depends on strong and transparent relationships with Corero's key stakeholders, including shareholders, customers, partners, suppliers, employees and regulators.

During 2025, the Executive Directors maintained regular dialogue with shareholders through investor meetings and attending investor conferences in both the UK and the US.



The Board recognises that to remain effective it must ensure that it has the right balance of skills, experience, knowledge and independence to enable it to discharge its duties and responsibilities.

Jens Montanana, Chairman

Further details of stakeholder engagement undertaken during 2025 are set out on pages 19 to 20.

I would like to thank our shareholders for their continued support, and to acknowledge the professionalism and dedication of Corero's employees and partners.

Looking further ahead

During 2025, Corero continued to make progress across its strategic priorities, strengthening its commercial execution, operational foundations and product capabilities. We are particularly proud of the significant product development in 2025 for both the SmartWall ONE and CORE solutions which continue to support Corero's market-leading product offering. With increasing global demand for robust and scalable cybersecurity solutions, the Board remains confident that Corero is well positioned to capitalise on favourable market dynamics in the DDoS protection market.

The Board will continue to focus on delivering sustainable growth while maintaining the highest standards of governance, transparency and accountability. In an environment of evolving cyber threats, the Board recognises that resilience, integrity and trust are fundamental to Corero's long-term value creation.

Jens Montanana

Chairman

23 March 2026

QCA Code Compliance

As an AIM-listed company, Corero adopts the principles of the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') and has reviewed these principles during the year, to ensure compliance with the updated 2023 QCA Code. The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long-term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by good communication to promote confidence and trust. The following explains how Corero follows those QCA Code principles:

<p>1 Establish a purpose, strategy and business model which promote long-term value for shareholders</p>	<p>Corero's purpose is clear – to maximise shareholder value through sustainable revenue growth driven by market-leading solutions and Intellectual Property – defending customers from cybersecurity attacks that impact their service availability.</p> <p>The Group's strategy is focused on being the leader in real-time, high performance DDoS protection and scaling the business for profitability through revenue growth.</p> <p>Corero's business model is focused on providing scalable protection capabilities against DDoS threats, ensuring internet service availability and uptime.</p>	<p>For more information please see pages 2, 3, 8, 9 and 15.</p> <p>Refer to Strategic Report.</p>	<p>4 Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success</p>	<p>Engaging with, and understanding, the views and issues raised by all of our key stakeholders forms a key part of the Board's decision-making process. The Company invests in and engages regularly to develop and strengthen the relationships it has with each stakeholder group, to understand their needs and requirements.</p> <p>Through structured meetings and discussions, Directors are made aware of the interests of Corero's stakeholders and the key matters affecting them. This enables full context for consideration of the Group's strategy and decision-making.</p>	<p>For more information please see pages 19, 20, 24 to 27.</p>
<p>2 Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The Board and Corero's management team recognises the importance of culture and demonstrating our values across the organisation, and the importance that employees play in upholding these values.</p> <p>Corero upholds an established compliance framework to regulate its activities in respect of business conduct. All new employees undertake mandatory training on ethics, anti-bribery and anticorruption, fraud, non-facilitation of tax evasion, data protection, cybersecurity threats and other key topics, and compliance is closely monitored, with update training throughout the year.</p>	<p>For more information please see pages 24 to 27.</p> <p>Refer to Values.</p>	<p>5 Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation</p>	<p>The Board recognises its responsibility for effective risk management, and how this impacts the ability for the Group to achieve its strategic goals. Day-to-day management of risk is managed through the processes and controls in place throughout the Group, and the positive culture embedded across the organisation.</p> <p>The Audit, Risk and Compliance Committee (ARCC) review the internal control environment assessment and provide guidance to the management team.</p>	<p>For more information please see pages 22 and 23.</p>
<p>3 Seek to understand and meet shareholder needs and expectations</p>	<p>The CEO and CFO communicate regularly with shareholders, investors and analysts, including at the Group full year and half-yearly results roadshows. The Board is available at the AGM to communicate with shareholders.</p>	<p>For more information please visit: http://www.corero.com/about/investor-relations.</p>			

QCA Code Compliance continued

<p>6 Establish and maintain the board as a well-functioning, balanced team led by the Chair</p>	<p>The Board has a well-established Chair along with three established Committees: Audit, Risk and Compliance Committee; Nomination Committee; and Remuneration Committee. Additional sub-committees of the Board are appointed for such purposes and periods as the Board may consider appropriate. The composition and experience of the Board is reviewed primarily by the Nomination Committee.</p> <p>On appointment, each Non-executive Director receives a letter of appointment setting out, among other things, their term of appointment and the expected time commitment for their duties. The Board has appropriate independent representation, and a good balance of skills between the Executive and the Non-executive Directors. The Board recognises the lack of gender and ethnic diversity at the current time.</p>	<p>For more information please see pages 28 to 32, 35 to 39.</p>	<p>8 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The Board considers the effectiveness and relevance of its contributions, any learning and development needs and the level of scrutiny of the senior management team. An annual Board effectiveness review is undertaken to enable the Board to assess its strengths and areas for development.</p>	<p>For more information please see page 37.</p>
<p>7 Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The Board is responsible for the Group's overall strategic direction and management, and for the establishment and maintenance of a framework of delegated authorities and controls to ensure the efficient and effective management of the Group's operations. The Board is satisfied that the necessary controls and resources exist within the Group to enable these responsibilities to be met.</p> <p>All Directors are professionally active. Each has demonstrated that they possess the appropriate skills, capabilities and experience for the roles they perform, including as members of the various Board Committees. The Board is satisfied that its current composition includes an appropriate balance of skills, experience and capabilities, including experience of the cybersecurity market, international markets and growth organisations, governance and finance experience.</p> <p>From time to time the Board invites its professional advisors to Board meetings for legal and regulatory updates. Each Director can discuss any development needs with the Chair at any time.</p>	<p>For more information please see pages 28 to 32, 35 to 39.</p>	<p>9 Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture</p>	<p>The Board, via the Remuneration Committee, reviews the remuneration policy periodically to ensure it is adequate and fit for purpose. Balancing the competitive requirements to attract the best talent into the organisation as well as ensuring incentives are appropriate and aligned with the short-term and long-term strategies of the Group.</p>	<p>For more information please see page 37, 39.</p>
			<p>10 Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders</p>	<p>The investors section of our website includes our Annual Report, results, presentations, notice of AGM and results of the AGM and general meetings.</p>	<p>For more information please visit: http://www.corero.com/about/investor-relations.</p>

Corporate Governance Report

Board composition and responsibilities

The Board sets Corero's overall strategic direction, reviews management performance and ensures that the Group has the necessary financial and human resource in place to meet its objectives. Operational management is delegated to the Chief Executive Officer. The Chair has overall responsibility for adherence to the QCA code, and ensures this through effective chairing of Board meetings, and regular review of the Group's governance processes and procedures.

At the date of this report, the Board comprises the Non-executive Chair (who is non-independent), three independent Non-executive Directors, two non-independent Non-executive Directors and two Executive Directors.

In line with the new QCA code, all Directors will be offering themselves for re-election at the forthcoming AGM. Jeremy Nicholls' appointment will also be subject to shareholder approval at the forthcoming AGM as a newly-appointed Director.

The Corero Board members' biographies and their relevant experience, capabilities and skills and are set out on pages 29 to 31.

Board balance and independence

The composition of the Board is reviewed regularly. Appropriate training, briefings, and inductions are available to all Directors on appointment and subsequently as necessary, taking into account existing qualifications and experience.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including operational, commercial and technology expertise and experience. All members of the Board have more than 20 years' technology experience through investing in and working for a range of companies from start-ups to large established technology companies, with complementary financial, commercial, sales and marketing skills.

The skills and experience of the Board are summarised on page 28.

The Board is cognisant of the lack of gender diversity and plans to address this as the Group grows through its recruitment policy.

All Directors are able to take independent legal advice in relation to their duties, if necessary, at the Group's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary. The Directors keep their skills up to date through a combination of their other roles (if applicable), attending appropriate training courses and seminars funded by the Group if appropriate, and by reading widely.

There are no external advisers to the Board or any of its Committees, other than the Company's nominated advisors and brokers (Canaccord Genuity and Zeus).

Corero's Non-executive Chairman, Jens Montanana, is a material shareholder with an equity interest in Corero of 36.57% at 23 March 2026. His interests are strongly aligned with all shareholders and he is not considered independent.

Richard Last is a Corero shareholder with a 0.88% equity interest in Corero at 23 March 2026 and has been a Non-executive Director of the Company for over 10 years. His independence has been considered by the Board. The Board is satisfied that Richard Last operates in an independent manner and is independent.

Employment and service agreements

The Director employment and service contracts are summarised below:

- + Carl Herberger and Chris Goulden, both Executive Directors, have employment agreements which provide for the payment of six months' base salary if the agreement is terminated by the Company without cause.
- + The Non-executive Directors' letters of appointment are for 12-month terms and provide that the appointment may be terminated by either party giving to the other not less than three months' notice.
- + Jeremy Nicholls, via Vantage Surveys Ltd, has a contract with Corero Group Services Ltd (CGS) whereby CGS pays a fixed consulting fee of £5,000 per month for a six month period in return for services to the Group.

Non-executive Directors, per their letters of appointment, have a time commitment to the Company of not less than 12 days per annum including the attendance of Board and Committee meetings and the Company AGM. In addition, Non-executive Directors are expected to devote appropriate preparation time ahead of each meeting.

Corporate Governance Report continued

Board responsibilities

The Board meets, virtually or in person, at least once a quarter; additional meetings or conference calls are held as required throughout the year. Each Director is provided with sufficient information to enable them to consider matters in good time for meetings and to discharge their duties properly.

The Board also ensures that the principal goal of the Group is to create shareholder value, while having regard to other stakeholder interests, and takes responsibility for setting the Group's values and standards.

The Board has a formal schedule of matters reserved to it for consideration and approval.

These include:

- + Responsibility for the overall strategy and management of the Group.
- + Approval of strategic plans and budgets and any material changes to them.
- + Approval of the acquisition or disposal of subsidiaries and major investments, projects and contracts.
- + Changes relating to the Group's capital structure.
- + Delegation of the Board's powers and authorities.

Financial matters and internal controls

- + Oversight of the Group's operations ensuring competent and prudent management, sound planning and maintenance of adequate accounting and other records.
- + Approval of the annual and interim financial statements and accounting policies.
- + Approval of the dividend policy.
- + Ensuring an appropriate system of internal control and risk management is in place.

Corporate governance

- + Review of the management structure and senior management responsibilities.
- + With the assistance of the Remuneration Committee, approval of remuneration policies.
- + Consideration of the independence of the Non-executive Directors.
- + Receiving reports and feedback from the Group's shareholders.
- + Approval of stock exchange regulatory news service announcements.

The Board receives regular briefings on the Group's performance (including commentary and analysis), key issues and risks affecting the Group's business.

The Group maintains liability insurance for its Directors and Officers. The Group has also entered into indemnity agreements with the Directors, in terms of which the Group has indemnified its Directors, subject to the Companies Act limitations, against any liability arising out of the exercise of the Directors' powers, duties and responsibilities as a Director or Officer.

In the year ended 31 December 2025, the Board met, virtually or physically, on six scheduled occasions; further meetings and conference calls were held as and when necessary. Details of Directors' attendance at scheduled meetings in the year to 31 December 2025 is shown on page 28.

Directors' conflict of interest

The Group has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of the Directors, and changes to these commitments and interests are reported, and discussed, at Board meetings.

Evolution of the Group's governance framework

The Board will, on an ongoing basis, and as the Group's business develops and grows, review the appropriateness of the governance framework, including the composition of the Board and the need for an internal audit function, to ensure the Group delivers on its strategy and goals whilst maintaining appropriate governance structures.

Board Performance and Remuneration Policy

Introduction

An annual Board effectiveness review is undertaken to enable the Board to assess its strengths and areas for development. This review is conducted internally.

The Remuneration Committee's ('RC') remit is to measure the performance of, and determine the remuneration policy relating to Directors and senior employees. To support this responsibility, it has access to professional advice. Taking the performance factors into account, it then makes recommendations to the Board.

To assist the work of the RC, the views of the CEO and CFO are also invited where appropriate. However, they do not participate in any decision related to their own remuneration.

The Nomination Committee reviews and recommends nominees as new Directors to the Board. Senior management appointments are required to be approved by the RC.

The Group is committed to the governing objective of maximising shareholder value over time. Each year the remuneration framework and the packages of the Directors are reviewed to ensure they continue to support this objective.

The Group operates in the cybersecurity industry which is a market with significant growth potential. It is also a competitive market with a number of companies who are significantly larger than Corero. The Group's Executive Director remuneration policy is designed to attract and retain Directors of the calibre required to maintain the Group's position in its marketplace. This is maintained through the use of bonus and share option schemes, as follows.

Bonus

A cash bonus designed to incentivise specific short-term financial goals. Goals and objectives are set for the Executive Directors based on key financial performance metrics. In 2025, the Chief Executive Officer had bonus targets for Revenue (50%) and EBITDA (25%); the Chief Financial Officer had bonus targets for Revenue (25%), EBITDA (25%) and Cash (25%). In addition, each Executive Director had a specific KPI which makes up the final 25% of their bonus. The Chief Executive Officer on-target bonus is set at 100% of base salary and the Chief Financial Officer on-target bonus is set at 50% of base salary.

Share options

Share options are granted to encourage and reward delivery of the Group's long-term strategic objectives and provide alignment with shareholders through the use of share-based incentives.

All share-based incentives offered to Directors have a three-year vesting schedule, with one-third vesting on the first anniversary of the grant/start date, a further third on the second anniversary of the grant/start date and the final third the third anniversary of the grant/start date. Share options are granted with an exercise price set at the higher of market price or such other price as determined by the RC.

Conflicts of interest

The members of the RC do not have any conflicts from cross-directorships that relate to the business of the Committee. The members of the RC do not have any day-to-day involvement in the running of the Group.

Board changes

On 1 April 2025, Chris Goulden was appointed to the Board of Directors. His appointment was approved by shareholders at the AGM on 16 June 2025.

Ashley Stephenson resigned as a director on 30 September 2025 and retired from the Group on 31 December 2025.

On 30 January 2026, Jeremy Nicholls was appointed to the Board of Directors. Jeremy's appointment will be subject to shareholder approval at the forthcoming AGM.

Given Corero's size, the Group does not have internal succession candidates for the Executive Directors. In the event an Executive Director replacement is required, the Group would seek to recruit a replacement through a recruitment search process. The Board is satisfied that the Group's middle management will ensure that Corero's business is not adversely impacted in the period between an Executive Director leaving and a replacement being recruited.

› Read more about our Board on pages 28 to 31.

Board Committee Reports

Audit, Risk and Compliance Committee ('ARCC') Report

The Audit, Risk and Compliance Committee are responsible for:

- + Reviewing the Group's interim and year end results announcements, and the Annual Report and Accounts;
- + Determining the application of the financial reporting and internal control and risk management procedures; and
- + Assessing the scope, quality and results of the external audit.

The ARCC members comprise Andrew Miller, who is the Committee Chair, and members Richard Last and Rob Scott, and meets at least twice a year. The Company's Chief Financial Officer and Group Financial Controller, and the Company's external auditors attend the meetings.

In the year ended 31 December 2025, the ARCC met on two occasions. The attendance of individual Committee members at ARCC meetings is shown on page 28.

The key financial reporting judgements relating to the financial statements for the year ended 31 December 2025 which the ARCC have considered and discussed with the auditors, include:

	Financial Statements note
Going concern basis for financial statements	2.2
Revenue recognition	2.4
Capitalisation of development costs	2.9 and 10

The ARCC is satisfied with the treatment in the financial statements and the disclosure in the notes.

➤ Read more about our Audit, Risk and Compliance Committee meeting attendance on page 28.

Committee focus and activities in 2025

The ARCC's activities during the year, based on its terms of reference, are set out below:

- + Reviewed the scope and results of the external audit, its cost effectiveness and the objectivity of the auditors through review of documentation and reporting provided to the Committee, direct discussion with the Audit Partner, and discussion with Company management directly involved with the external audit. The current auditors, MHA, have been in place for two financial years and have reconfirmed their independence.
- + Reviewed, prior to publication, the interim financial statements, preliminary results announcement, the annual financial statements and other information included in the Annual Report.
- + Considered the regulatory, technical and operational risks of the Group and ensured these risks are properly assessed, monitored and reported on and the appropriate policies and procedures are in place.
- + Assessed management's assurance of the control framework through review and discussion with the Group's finance function, and review of the external auditor report on the internal control environment.
- + Consideration as to the effectiveness of the risk and control framework and that control processes are operating effectively through discussion with key management and the external auditors.

Board Committee Reports *continued*

Remuneration Committee ('RC') Report

The Remuneration Committee are responsible for:

- + Policy for the remuneration of the Executive Directors and senior management;
- + Setting the remuneration of the Executive Directors;
- + Determining the payment of bonuses to Executive Directors; and
- + Approving the Group's bonus and incentive arrangements for employees.

The RC comprises Rob Scott (Chair) and members Peter George, Jens Montanana and Richard Last. The RC meets at least twice a year.

In the year ended 31 December 2025, the RC met on three scheduled occasions; further meetings and conference calls were held as and when necessary. The attendance of individual Committee members at scheduled RC meetings is shown on page 28.

> Read more about our Remuneration Committee meeting attendance on page 28.

Committee focus and activities in 2025

The RC's activities during the year, which are based on its terms of reference, are set out below:

- + Reviewed the performance of the Executive Directors and set the remuneration of the Executive Directors.
- + Determined the payment of bonuses to Executive Directors and approved the Group's bonus and incentive arrangements for employees.
- + Ensured the Group's share option schemes were operated properly and approved the share option grants to Executive Directors and employees.
- + Interviewed senior management candidates prior to offers being made by the Group.

The remuneration of the Chairman and Non-executive Directors is decided upon by the Board.

Details of Directors' remuneration for the year ended 31 December 2025 is set out in note 22 of the financial statements.

Nomination Committee ('NC') Report

The Nomination Committee are responsible for:

- + Reviewing the composition, structure and size of the Board;
- + Assessing the leadership needs of the Group; and
- + Recommending nominees as new Directors to the Board.

The NC comprises Jens Montanana (Chair), Richard Last, Peter George, Andrew Miller and Rob Scott. The NC meets as required.

In the year ended 31 December 2025, the NC met once to approve the nomination of Chris Goulden to the Board of Directors. A meeting was also held in January 2026 to recommend and approve the appointment of Jeremy Nicholls to the Board of Directors.

The NC's activities during the year, which are based on its terms of reference, are set out below:

- + Reviewed the composition, structure, and size of the Board.
- + Reviewed the leadership needs of the Group

> Read more about our Nomination Committee meeting attendance on page 28.

Directors' Report

Group results

The Group's Income Statement on page 49 shows a loss for the year of \$0.7 million (2024: profit of \$0.5 million).

Going concern

The financial position and cash flows are described in the Financial Review on page 14. An indication of likely future developments affecting the Company is included in the Strategic Report on pages 4 to 27.

The Directors have prepared detailed income statement, balance sheet and cash flow projections for the period to 31 March 2027 ('going concern assessment period'). The cash flow projections have been subjected to sensitivity analysis of the revenue, cost and combined revenue and cost levels which demonstrate that the Group and Company will maintain a positive cash balance through the going concern assessment period. As part of the sensitivity analysis, the Directors have noted that should the forecasted revenues not be achieved, mitigating actions can be taken to address any cash flow concerns. These actions include the deferral of capital expenditure, reduction in marketing and other variable expenditure alongside a hiring freeze.

The Directors have also considered the geopolitical environment, including inflationary fluctuations in some of our key markets, tariff risk and ongoing conflicts and instability around the world. Whilst the impact on the Group is currently considered to be not material, the Directors remain vigilant and ready to implement mitigation action in the event of a downturn in demand or an impact on operations. During the first half of 2025, the Group was impacted by geopolitical uncertainty. The Board and management took action in the year to reduce the cost base, providing evidence that the Group has the ability to respond to risks should they arise.

On this basis, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Dividends

The Directors have not recommended a dividend (2024: \$nil).

Share capital

The issued share capital of the Company, together with details of movements in the Company's issued share capital during the financial period are shown in note 20 to the financial statements. As at the date of this report, 512,165,134 ordinary shares of 1p each ('ordinary shares') were in issue and fully paid with an aggregate nominal value of \$7.1 million.

The market price of the ordinary shares at 31 December 2025 was 9.55p and the shares traded in the range 8.5p to 20.6p during the year (as at 31 December 2024 was 19.7p and the shares traded in the range 8.0p to 27.5p during the year 31 December 2024).

Issue of shares powers at the AGM

At the AGM held on 16 June 2025, shareholders granted authority to the Board under the Articles and section 551 of the Companies Act 2006 (the 'Act') to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount of £750,275.96.

Also at the AGM held on 16 June 2025, shareholders granted authority to the Board under the Articles and section 570(1) of the Act to exercise all powers of the Company to allot equity securities wholly for cash up to an aggregate nominal amount of £512,165.13 without application of the statutory pre-emption rights contained in section 561(1) of the Act.

Substantial shareholdings

The Company has been notified of the following holdings that are 3% or more of the Group's ordinary share capital as at 6 March 2026:

Ordinary shares of 1 pence each	Number	%
Jens Montanana*	187,300,406	36.57
Sabvest Capital Holdings Ltd	57,500,000	11.23
Caraway Group, Inc.	51,000,000	9.96
Juniper Networks, Inc.	49,179,772	9.60
Herald Investment Management Ltd	42,507,121	8.30
Peter Kennedy Gain**	16,378,246	3.20

* of which 33,674,846 are held in the name of JPM International Limited, which is wholly owned by Jens Montanana, and 125,871,751 are held in the name of The New Millennium Technology Trust of which Jens Montanana is a beneficiary.

** of which 4,900,000 shares are held in the name of Draper Gain Investments Ltd.

Directors' shareholdings

	23 March 2026		31 December 2025		31 December 2024	
	Number	%	Number	%	Number	%
Jens Montanana	187,300,406	36.57	187,300,406	36.57	187,300,406	36.57
Peter George	–	–	–	–	–	–
Richard Last	4,500,000	0.88	4,500,000	0.88	4,500,000	0.88
Andrew Miller	1,091,437	0.21	1,091,437	0.21	1,091,437	0.21
Rob Scott	–	–	–	–	n/a	n/a
Jeremy Nicholls	–	–	n/a	n/a	n/a	n/a
Carl Herberger	1,835,122	0.36	1,697,122	0.26	1,344,497	0.26
Ashley Stephenson	n/a	n/a	n/a	n/a	38,000	0.01
Chris Goulden	360,887	0.07	360,887	0.07	n/a	n/a

Directors' indemnities

The Company has qualifying third-party indemnity provisions in place for the benefit of its Directors. These remain in force at the date of this report.

Directors' Report continued

Directors and Directors' interests

The Directors who served in office during the year and up to the date of this report and their interests in the Company's shares were as above.

The biographical details of the current Directors of the Company are set out on pages 29 to 31.

Details of the share options held by Directors are shown in note 24 to the financial statements.

Financial risk management objectives and policies

The Group's business activities expose it to a variety of financial risks. The policies for managing these risks are described below:

- + Liquidity risk – arises from the Group's management of working capital and finance charges. It is a risk that the Group will encounter difficulty in meeting its financial obligations, details of which are set out in note 17, as they fall due. Liquidity risk is managed by the Finance function. Annual budgets are agreed by the Board, enabling the Group's cash flow requirements to be anticipated.
- + Credit risk – arises from cash and cash equivalents and from credit exposures to the Group's customers including outstanding receivables and committed transactions. Credit risk is managed with regular reports of exposures reviewed by management, and due diligence processed completed ahead of new contracts being signed.

The Group does not set individual credit limits but seeks to ensure that customers enter into legally enforceable contracts that include settlement terms that demonstrate the customers' commitment to the transaction and minimise this risk exposure.

The amounts of trade receivables presented in the Statement of Financial Position are shown net of allowances for doubtful accounts estimated by management based on prior experience and their assessment of the current economic environment (note 14).

The Group has no significant concentration of credit risk, with exposure spread over a number of customers.

The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with acceptable credit ratings assigned by international credit rating agencies.

- + Currency risk – there was no material impact from trading currency risk on the Group's profit or loss for the year from exchange rate movements, as foreign currency transactions are entered into by Group companies whose functional currency is aligned with the currencies in which it transacts. Exchange rate risks do arise in relation to GBP-denominated obligations of the Group given the invoicing currency of the Group is US dollar denominated. The Group has not currently implemented a policy to hedge foreign currency movements due to focus being on operational efficiencies and treasury management in 2025. However management and the Board continue to consider implementation of a hedging policy to enhance predictability of costs in the Group's UK subsidiaries. US-denominated funds received by the Group's US subsidiary have been used to fund that subsidiary during 2025. The Group keeps this policy under review based on the expected timing of US dollar and GBP operational funding requirements.

The principal risk which applies to the Parent Company's financial statements is the risk that the returns generated by the subsidiaries might not support the carrying value of the cost of the investments in subsidiaries. The carrying value is tested at least annually for impairment and, if necessary, impaired as appropriate.

Capital management

The Group monitors its available capital, which it considers to be all components of equity against its expected requirements.

The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to ensure that sufficient funds can be raised for investing activities. In

order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or sell assets. The Group does not review its capital requirements according to any specified targets or ratios.

Treasury management

The objectives of Group treasury policies are to ensure that adequate financial resources are available for development of the business while at the same time managing financial risks. Financial instruments may be used to reduce financial risk exposures arising from the Group's business activities and not for speculative purposes.

The Group's treasury activities are managed by the Group Financial Controller who reports to the Board on the implementation of the Group treasury policy.

Environment

The Group's activities are primarily office-based and as such the Directors believe that there is no significant environmental impact arising from the Group's activities. The Group complies with local WEEE regulations. No environmental performance indicators are therefore included within this report. The Group's environmental policy states: 'We endeavour to recycle appropriate materials where possible and to efficiently use natural resources and energy supplies so as to minimise our environmental impact. We will comply with the relevant statutes and legislation. Furthermore, employees are encouraged to be environmentally aware. Company cars are not provided.'

Research and development

The development of computer software is an integral part of the Group's business and the Group continues to develop its software in response to user demand, and particularly the changing IT security threat landscape.

During the year the Group enhanced the features and functionality of its existing products, and invested in new and continuing research and development of the CORE platform. A capital investment of \$3.5 million (2024: \$3.2 million) was made during the year. Amortisation of \$1.7 million (2024: \$1.6 million) and costs not capitalised of \$1.7 million (2024: £1.6 million) were charged to the Group Income Statement during the year.

Employees

The quality and commitment of the Group's employees has played a major role in the Company's continued progress. This has been demonstrated in many ways, including strong customer satisfaction, the development of new product offerings and the flexibility employees have shown in adapting to changing business requirements. The Group operates sales commission, incentive bonus plans and share option plans to provide incentives for achievements which add value to the business.

Annual General Meeting

Notice of the AGM together with details of the business to be considered will be sent to shareholders in due course.

Auditors

In so far as each Director is aware:

- + there is no relevant audit information of which the Group's auditors are unaware; and
- + the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post Year End Events

There have been no events that have occurred after the balance sheet date which require disclosure.

By order of the Board

Emma Rockey
Company Secretary
23 March 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards. The Directors have chosen to prepare the Company financial statements in accordance with applicable United Kingdom accounting standards, including FRS 101 Reduced Disclosure Framework ('FRS 101'). Under company law the Directors must not approve the financial statements unless they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM.

In preparing these financial statements, the Directors are required to:

- + select suitable accounting policies and then apply them consistently;
- + make judgements and estimates that are reasonable and prudent;
- + state whether they have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- + prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.



The Directors have chosen to prepare the Company financial statements in accordance with applicable United Kingdom accounting standards, including FRS 101 Reduced Disclosure Framework.

Independent Auditor's Report

to the members of Corero Network Security plc

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Corero Network Security plc. For the purposes of the table on pages 44 to 45 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Corero Network Security plc and its subsidiaries (the “Group”). The “Parent Company” is defined as Corero Network Security plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

Opinion

We have audited the financial statements of Corero Network Security plc for the year ended 31 December 2025.

The financial statements that we have audited comprise:

- + the Consolidated Income Statement
- + the Consolidated Statement of Comprehensive Income
- + the Consolidated Statement of Financial Position
- + the Consolidated Statement of Cash Flows
- + the Consolidated Statement of Changes in Equity
- + Notes to the financial statements, including material accounting policies
- + the Company Statement of Financial Position
- + the Company Statement of Changes in Equity and
- + Notes to the company financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the group's financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- + give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- + the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- + the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- + have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- + obtaining an understanding of the Group's business model, sources of funding and principal risks that could affect the Group's ability to continue operating;
- + evaluating the Directors' assessment of the Group's ability to continue as a going concern, including reviewing the cash flow forecasts prepared by management for the assessment period;
- + testing the mechanical accuracy of the forecast models and assessing the reasonableness of key assumptions, including revenue growth, operating expenditure and development spending, by comparison to historical performance, approved budgets and other available information;
- + considering the Group's available financial resources and liquidity position and assessing whether the Group is expected to have sufficient funds to meet its liabilities as they fall due during the going concern assessment period;
- + evaluating the sensitivity analysis prepared by management to assess whether reasonably possible changes in key assumptions would result in a breach of available liquidity; and
- + reviewing board minutes, management accounts and other information available subsequent to the balance sheet date to identify any events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.		
Materiality	2025	2024	
Group	\$450k	\$450k	1.8% of revenue (2024: 1.8% of revenue)
Parent Company	\$445k	\$445k	1% of gross assets capped below group materiality (2024: 1% of gross assets capped below group materiality)
Key audit matters			

Independent Auditor's Report continued

to the members of Corero Network Security plc

Group	<ul style="list-style-type: none"> + Risk of fraud in revenue recognition - recurring (cut-off and accuracy) + Capitalisation of development costs – recurring (existence and valuation)
Parent Company	<ul style="list-style-type: none"> + Carrying value of investments and impairment assessment - recurring (valuation)

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk of fraud in revenue recognition (*cut off and accuracy*)

Key audit matter description

The Group generated revenue of \$25.5m (2024: \$24.6m) (Note 4) during the year through the sale of the following products and services:

- + appliance and perpetual software licenses;
- + software subscription licenses for a defined term;
- + support services for a defined term;
- + installation and training services;
- + DDoS Protection as-a-Service ('DDPaaS') for a defined term; and
- + SecureWatch Managed Service (enhanced security monitoring services) for a defined term.

Auditing standards require us to presume that there is a risk of fraud in revenue recognition. Revenue is also a key performance metric for users of the financial statements and this may create an incentive for management to recognise revenue in an inappropriate reporting period or record fictitious or inaccurate transactions.

In addition to this presumed fraud risk, revenue recognition was considered to be one of the most significant matters in our audit due to the nature of the Group's revenue streams and the judgement involved in applying IFRS 15 "Revenue from Contracts with Customers."

The Group generates revenue from multiple streams including appliance and perpetual software licences, software subscriptions, support services, and DDoS Protection as a Service (DDPaaS) arrangements. Certain contracts contain multiple performance obligations requiring the allocation of transaction price using stand alone selling prices (SSPs) in accordance with IFRS 15.

This introduces judgement in identifying performance obligations and allocating revenue across bundled arrangements. In addition, a portion of revenue is recognised at a point in time, creating a risk that revenue may be recognised in the incorrect reporting period.

Given the significance of revenue to the Group's financial performance, the complexity arising from multiple revenue streams and bundled arrangements, and the judgement required in applying IFRS 15, we considered revenue recognition to be one of the most significant assessed risks of material misstatement in the audit.

How the scope of our audit responded to the key audit matter

Our audit work included, but was not limited to the following:

- + we evaluated the Group's revenue recognition policies against the requirements of IFRS 15 Revenue from Contracts with Customers, including assessing the identification of performance obligations and the timing of revenue recognition across the Group's different revenue streams;
- + we inspected a sample of customer contracts, including CORE contracts and other significant enterprise licence or network agreements (ELA/ENA), to assess performance obligations and the timing of revenue recognition;
- + we tested a sample of revenue transactions to supporting documentation, including customer contracts, invoices and delivery evidence, to confirm that revenue recognised was consistent with contractual terms and recorded accurately;
- + we performed year-end cut-off testing for point-in-time revenue streams;
- + for contracts containing multiple performance obligations, we recalculated management's allocation of revenue between obligations using the Group's stand-alone selling price methodology and assessed whether this was applied consistently; and
- + we performed journal entry testing to target revenue related entries.

Key observations communicated to the Group's Audit Committee

Based on our audit work, nothing has come to our attention that indicates that the Group's revenue recognition accounting policy is not in line with the requirements of IFRS 15, or that revenue has not been recognised in accordance with the Group's revenue recognition policy.

Independent Auditor's Report

to the members of Corero Network Security plc

Capitalisation of development costs (*existence and valuation*)

Key audit matter description	<p>The Group capitalises development expenditure (Note 10) relating to internally generated software in accordance with IAS 38 Intangible Assets.</p> <p>The determination of whether development costs meet the IAS 38 recognition criteria requires management judgement, particularly in assessing technical feasibility, future economic benefits and the reliable measurement of attributable costs. The Group capitalises employee and contractor costs associated with qualifying development projects using project tracking systems and management estimates of time allocation.</p> <p>During the year, capitalised development expenditure increased, reflecting continued investment in product enhancements and expansion initiatives, including the CORE platform and Threat Intelligence capabilities.</p> <p>Given the judgement involved in distinguishing development activities from research or maintenance activities, and in allocating employee time to qualifying projects, together with the level of audit effort and allocation of resources required to address this area, we determined this to be a key audit matter.</p>
How the scope of our audit responded to the key audit matter	<p>Our audit work included, but was not limited to the following:</p> <ul style="list-style-type: none"> + we obtained an understanding of the development lifecycle and capitalisation process through discussions with Engineering, Product Development and Finance teams; + we assessed whether development projects capitalised during the year met the recognition criteria under IAS 38 Intangible Assets, including consideration of technical feasibility, the expectation of future economic benefits and the availability of resources to complete the projects; + we tested a sample of capitalised payroll and contractor costs to supporting documentation, including payroll records, contracts and project allocation reports, to assess whether costs capitalised were directly attributable to qualifying development activities; + we challenged management's classification of development versus research or maintenance activities using project documentation and system evidence; and + we evaluated the reasonableness of employee time allocations used in the capitalisation process by comparing recorded allocations to development project documentation and through discussions with project managers and technical staff.
Key observations communicated to the Group's Audit Committee	<p>Based on our audit work, nothing has come to our attention that indicates that the application of the Group's accounting policy in respect of capitalised development costs is not in line with the requirements of IAS 38, or that costs have not been capitalised in accordance with the policy.</p>

Carrying value of investments and impairment assessment (*valuation*)

Key audit matter description	<p>The Parent Company holds \$60.9m (2024: \$57.6m) investments in subsidiaries which are carried at cost less impairment (Note 3 to the company financial statements). During the year, the Group reported a loss and the Group's market capitalisation was below the carrying value of its net assets, which represents an external indicator of impairment under IAS 36. As a result of these indicators, management performed an impairment assessment using a discounted cash flow model based on value-in-use calculations derived from forecast cash flows of the underlying trading entities.</p> <p>The impairment assessment requires significant judgement, particularly in determining forecast revenues and discount rates used within the valuation model.</p> <p>Given the judgement involved in the valuation methodology and key assumptions applied within the impairment model, together with the level of audit effort and allocation of specialist resources required to address this area, we determined this to be a key audit matter.</p>
How the scope of our audit responded to the key audit matter	<p>Our audit work included, but was not limited to the following:</p> <ul style="list-style-type: none"> + we evaluated management's impairment assessment and the value-in-use model used to support the investment valuation; + we tested the mechanical accuracy of the discounted cash flow model and assessed whether the methodology applied was consistent with IAS 36; + we engaged our valuation expert to assess the reasonableness of the discount rate and valuation methodology; + we assessed the reasonableness of key assumptions, including forecast revenue growth and operating margins, in the context of the Group's historical performance and current market conditions; and + we evaluated management's sensitivity analysis to determine whether reasonably possible downside scenarios would result in the carrying value of the investments exceeding their recoverable amount.
Key observations communicated to the Group's Audit Committee	<p>Based on our audit work, nothing has come to our attention that indicates that the application of the Parent Company's accounting policy in respect of investments in subsidiaries is not in line with the requirements of IAS 36, or that the level of impairment provision is not in accordance with the policy.</p>

Independent Auditor's Report continued

to the members of Corero Network Security plc

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Group

Overall Materiality	\$450,000 (2024: \$450,000)	1.8% (2024: 1.8%) of the Group's revenue	The Group's total revenue was deemed to be the appropriate benchmark for the calculation of Group materiality as this is a main measure by which the users of the financial statements assess the financial performance and success of the Group and is a key performance indicator identified by management.
Performance Materiality	\$315,000 (2024: \$315,000)	70% (2024: 70%) of the above materiality levels	Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
De Minimis reporting threshold	\$22,500 (2024: \$22,500)	5% of Overall Materiality	We agreed to report any corrected or uncorrected adjustments exceeding this threshold to the Audit Committee as well as differences below that in our view warranted reporting on qualitative grounds.

Parent Company

Overall Materiality	\$445,000 (2024: \$445,000)	0.6% (2024: 0.7%) of the Parent Company's gross assets	Gross assets were deemed to be the most appropriate benchmark to set materiality as the parent primarily holds investments in the group's subsidiaries. The materiality applied to the Parent Company was capped at below group materiality to mitigate the aggregated risk of material error on consolidation.
Performance Materiality	\$311,850 (2024: \$311,850)	70% (2024: 70%) of the above materiality levels	Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
De Minimis reporting threshold	\$22,275 (2024: \$22,275)	5% of Overall Materiality	We agreed to report any corrected or uncorrected adjustments exceeding this threshold to the Audit Committee as well as differences below that in our view warranted reporting on qualitative grounds.

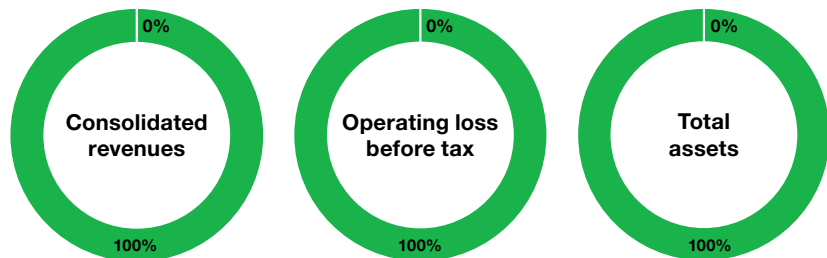
Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, we identified the UK and USA trading subsidiaries as principal business units within the Group.

Independent Auditor's Report

to the members of Corero Network Security plc



● Components for which audit procedures on the full financial information will be performed to defined component performance materiality.

● Audit procedures to be performed on classes of transaction and account balance to a specified performance materiality.

● Out of scope.

Full scope audits – Audits of the complete financial information of Corero Network Security plc, Corero Network Security (UK) Ltd, Corero Group Services Ltd and Corero Network Security Inc were undertaken. These entities were selected based upon their size or risk characteristics.

Coverage – We undertook testing across component entities that represent 100% audit coverage of the group's revenues, operating loss before tax and total assets.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- + the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- + the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- + adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- + the Parent Company financial statements are not in agreement with the accounting records and returns; or
- + certain disclosures of directors' remuneration specified by law are not made; or
- + we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

➤ **A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.**

This description forms part of our auditor's report.

Independent Auditor's Report continued

to the members of Corero Network Security plc

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- + We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, AIM listing rules and tax legislation.
- + We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- + We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks related to revenue recognition, the inappropriate capitalisation of development costs and impairment of investments.

Audit response to risks identified

In respect of the above procedures:

- + we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's audit committee and board meetings;
- + audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
 - testing journal entries using risk-based data analytics procedures, including those processed late in the reporting period or posted by infrequent users.
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - enquiry of management around actual and potential litigation and claims;
 - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to capitalisation of development costs and discounted cash flow models;
 - performing a retrospective review of prior year accounting estimates to evaluate potential management bias; and
 - performed substantive procedures on the recognition and existence of revenues and the capitalisation of development costs in the period.
- + the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- + we communicated relevant fraud risks and applicable laws and regulations to all engagement team members and remained alert to potential indicators of fraud or non-compliance throughout the audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Gandell, FCA

(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor
London, United Kingdom

23 March 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Consolidated Income Statement

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
Continuing operations			
Revenue	4	25,499	24,559
Cost of sales		(2,517)	(2,134)
Gross profit		22,982	22,425
Operating expenses	5, 22	(23,646)	(21,933)
Consisting of:			
Operating expenses before depreciation and amortisation		(21,489)	(19,925)
Depreciation and amortisation	10, 11, 12	(2,157)	(2,008)
Operating (loss)/profit	5	(664)	492
Finance income		47	99
Finance costs	5	(36)	(36)
(Loss)/profit before taxation		(653)	555
Taxation charge	6	(58)	(56)
(Loss)/profit after taxation	5	(711)	498
(Loss)/profit after taxation attributable to equity owners of the parent		(711)	498
Basic and diluted (loss)/earnings per share		Cents	Cents
Basic earnings per share	7	(0.1)	0.1
Diluted earnings per share	7	(0.1)	0.1
EBITDA	8	1,494	2,500
Adjusted EBITDA	8	2,020	2,984

The notes on pages 53 to 74 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
(Loss)/profit for the year	(711)	498
Other comprehensive (expense)/income:		
Items reclassified subsequently to profit or loss upon derecognition:		
Foreign exchange differences	260	(49)
Total comprehensive (expense)/income for the year attributable to the equity owners of the parent	(451)	449

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000
Assets			
Non-current assets			
Goodwill	9	8,991	8,991
Intangible assets	10	8,293	6,422
Property, plant and equipment – owned assets	11	1,230	944
Right of use assets	12	430	139
		18,944	16,496
Current assets			
Inventories	13	225	389
Trade and other receivables	14	9,699	11,290
Cash and cash equivalents		4,034	5,321
		13,958	17,000
Total assets		32,902	33,496
Liabilities			
Current liabilities			
Trade and other payables	15	(4,403)	(4,340)
Lease liabilities	12	(117)	(102)
Contract liabilities	18	(7,872)	(6,861)
		(12,392)	(11,303)
Net current assets		1,566	5,697
Non-current liabilities			
Lease liabilities	12	(341)	(48)
Contract liabilities	18	(1,617)	(3,481)
		(1,958)	(3,529)
Net assets		18,552	18,664

	Note	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000
Capital and reserves attributable to the equity owners of the parent			
Share capital	20	7,133	7,133
Share premium account	21	83,290	83,290
Capital redemption reserve		7,051	7,051
Share options reserve		2,830	2,491
Foreign exchange translation reserve		(1,754)	(2,014)
Accumulated profit and loss reserve		(79,998)	(79,287)
Total shareholders' equity		18,552	18,664

These financial statements were approved and authorised for issue by the Board of Directors on 23 March 2026 and signed on their behalf.

Chris Goulden Chief Financial Officer

The notes on pages 53 to 74 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000		Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
Operating activities			Cash flows from financing activities		
(Loss)/profit before taxation for the year	(653)	555	Net cash used in investing activities	(4,336)	(3,879)
Adjustments for movements:			Net proceeds from issue of ordinary share capital	–	994
Amortisation of capitalised development expenditure	1,658	1,588	Lease liability payments	(182)	(193)
Depreciation	586	467	Finance expense	(36)	(36)
Depreciation – leased assets	163	170	Net cash (used in)/generated from financing activities	(218)	765
Finance income	(47)	(99)	(Decrease)/increase in cash and cash equivalents	(1,565)	171
Finance expense	–	8	Effects of exchange rates on cash and cash equivalents	278	(10)
Finance lease interest costs	36	28	Cash and cash equivalents at 1 January	5,321	5,160
Share based payments expense	339	484	Cash and cash equivalents at 31 December	4,034	5,321
Cash generated from operating activities before movement in working capital	2,082	3,201			
Movement in working capital					
Decrease/(increase) in inventories	164	(293)			
Decrease/(increase) in trade and other receivables	1,591	(2,863)			
(Decrease)/increase in trade and other payables and contract liabilities	(790)	3,297			
Net movement in working capital	965	141			
Cash generated from operating activities	3,047	3,342			
Taxation paid	(58)	(56)			
Net cash generated from operating activities	2,989	3,286			
Cash flows from investing activities					
Investment in development expenditure	(3,529)	(3,190)			
Purchase of property, plant and equipment	(854)	(789)			
Finance income	47	99			
Net cash used in investing activities	(4,336)	(3,879)			

The notes on pages 53 to 74 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital \$'000	Share premium account \$'000	Capital redemption reserve \$'000	Share options reserve \$'000	Foreign exchange translation reserve \$'000	Accumulated profit and loss reserve \$'000	Total attributable to equity owners of the parent \$'000
1 January 2024	6,999	82,430	7,051	2,007	(1,965)	(79,785)	16,737
Profit for the year	–	–	–	–	–	498	498
Other comprehensive income	–	–	–	–	(49)	–	(49)
Total comprehensive income for the year	–	–	–	–	(49)	498	449
Contributions by and distributions to owners							
Issue of share capital – exercise of options	134	860	–	–	–	–	994
Share based payments	–	–	–	484	–	–	484
Total contributions by and distributions to owners	134	860	–	484	–	–	1,478
31 December 2024 and 1 January 2025	7,133	83,290	7,051	2,491	(2,014)	(79,287)	18,664
Loss for the year	–	–	–	–	–	(711)	(711)
Other comprehensive income	–	–	–	–	260	–	260
Total comprehensive income for the year	–	–	–	–	260	(711)	(451)
Contributions by and distributions to owners							
Share based payments	–	–	–	339	–	–	339
Total contributions by and distributions to owners	–	–	–	339	–	–	339
31 December 2025	7,133	83,290	7,051	2,830	(1,754)	(79,998)	18,552

The share capital comprises the nominal values of all shares issued. The share premium account comprises the amounts subscribed for share capital in excess of the nominal value, net of issuance costs. The capital redemption reserve comprises the amount transferred from deferred shares on redemption of the deferred shares.

The share options reserve represents the cost to the Group of share options. The foreign exchange translation reserve arises on retranslating the net assets of UK operations into US dollars. The retained earnings are all other net gains and losses and transactions with owners not recognised elsewhere.

The notes on pages 53 to 74 form part of these financial statements.

Notes to the Financial Statements

1. General information

Corero Network Security plc (Company number 02662978) is a public company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The functional currency of the Company entity is GBP.

Presentation currency

These consolidated financial statements are presented in US dollars ('\$') rounded to the nearest '\$'000 unless otherwise stated. US dollars represents the presentation currency of the Group as all commercial activity is denominated in US dollars as per industry standards.

The average \$-GBP ('GBP') exchange rates used for the conversion of the consolidated monthly income statements for the year ended 31 December 2025 was between 1.23 and 1.36 (2024: between 1.25 and 1.32). The closing \$-GBP exchange rate used for the conversion of the Group's assets and liabilities at 31 December 2025 was 1.35 (2024: 1.25).

2. Material accounting policies

2.1 Basis of preparation

The Group financial statements have been prepared in accordance with UK adopted International Accounting Standards ('UK adopted IFRS') and those parts of the Companies Act 2006 relevant to companies which report in accordance with UK adopted IFRS.

2.2 Going Concern

The Group financial statements have been prepared on a going concern basis.

The Directors have prepared detailed income statement, balance sheet and cash flow projections for a period of at least 12 months from the date of approval of these financial statements ('the going concern assessment period'). In making this assessment, the Directors have reviewed the Group's financial position, liquidity and cash flow forecasts, including the most recent Board-approved budgets and forecasts. These forecasts reflect management's expectations of future trading performance and include assumptions relating to revenue growth, operating margins, operating costs, and the Group's transition to a subscription-based revenue model.

The Directors have taken into account the current macroeconomic and geopolitical environment, including ongoing geopolitical tensions such as the conflict in Ukraine, instability in parts of the Middle East, and broader global trade and market volatility. The Directors note that the demand for cybersecurity solutions remains resilient, given the critical nature of network security and the increasing prevalence of cyber threats.

The Directors have also considered downside scenarios, including lower-than-forecast revenue growth and delays in customer procurement, together with mitigating actions available to management. These mitigating actions include the ability to manage discretionary expenditure and adjust the timing of investment, as demonstrated in prior periods.

In addition, the Group has access to a £1.5 million overdraft facility, which provides additional headroom to support working capital requirements during the going concern assessment period.

On this basis, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Basis of consolidation

The consolidated financial statements incorporate the results, assets, liabilities, and cash flows of the Company and each of its subsidiaries for the financial year ended 31 December 2025.

Subsidiaries are entities controlled by the Group. Control is deemed to exist when the Group has all of the following elements: a) power over the subsidiary, b) exposure or rights to variable returns from that subsidiary, and c) ability to use its power to affect the amount of the return from the subsidiary.

The results, assets, liabilities and cash flows of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Intra-group balances and transactions are eliminated on consolidation.

For the year ended 31 December 2025, Corero Group Services Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts under section 479A of the Act. The Company is included in the consolidated financial statements of Corero Network Security plc. The parent company, Corero Network Security plc, has provided a guarantee under section 479C of the Companies Act 2006 in respect of the subsidiary.

2.4 Revenue

The Group's revenue is derived from the following products and services:

- + the sale of hardware appliances and software licenses (perpetual and subscription-based);
- + subscription services, including DDoS Protection as-a-Service and Corero Observability & Resiliency Ecosystem 'CORE';
- + maintenance and support services;
- + installation and training services;
- + professional services, including installation and training and;
- + Project Services work under specific Statements of work (SOW)

Revenue is recognised when (or as) performance obligations are satisfied and control of the related goods or services transfers to the customer. For appliance sales, goods are shipped ex works (EXW) from Corero or its contract manufacturer, with control transferring at the point of shipment. For software licences delivered electronically, control transfers when the software is made available to the customer.

The Group's performance obligations and the timing of revenue recognition for each revenue stream are summarised in the table below:

Timing of revenue recognition	Revenue streams (note 4)	Nature of performance obligation / rationale
Point in time	Software license and appliance revenue	Revenue is recognised when control of the appliance or software license transfers to the customer (on dispatch for hardware under EXW terms, or upon activation / electronic delivery for software).
Over time (straight-line)	Subscription revenue (including as-a-service revenue), maintenance and support services revenue	Revenue is recognised over the contract term as the services are provided on an ongoing basis and the customer receives the benefit over that period.
Point in time (upon completion)	Installation, training and professional services	Revenue is recognised when the service has been completed and accepted, as the performance obligation is satisfied upon delivery of the service.

Project Services performed under specific Statements of Work (SOW) are assessed on a contract-by-contract basis to determine the appropriate pattern of revenue recognition. Revenue is recognised either at a point in time or over time depending on when control of the services transfers to the customer and the specific terms of the SOW.

Notes to the Financial Statements continued

2. Material accounting policies continued

2.4 Revenue continued

Determining the transaction price

The contract price is determined by reference to the Corero Sales Quotation or DDPaaS Agreement and is a fixed price. Certain DDPaaS contracts have an element of the transaction value or all of the transaction value determined by reference to a share of the customers' revenue generated from the Corero solution ('Revenue Share'). This Revenue Share revenue is recognised when the Revenue Share is determined.

Corero does not have any other variable consideration payable by the customer and does not pay any consideration to the customer. There is no provision for purchase price adjustments, right of return or price concessions.

Standard payment terms are generally 30 days from invoice date. The Group does not consider that its contracts contain a significant financing component.

Allocating amounts to performance obligations

For contracts containing only a single performance obligation (annual support services, DDPaaS and SecureWatch Managed Service) there is no requirement to make an allocation of the contract price.

For contracts containing multiple products, the transaction price is allocated to the separate performance obligations based on relative Standalone Selling Prices ('SSP'). The SSP is determined using defined price lists and historic customer discount rates.

Incremental costs of obtaining a contract

Deferred sales commission relating to the support and DDPaaS revenue from a new sales contract is recorded as a deferred commission asset and amortised over five years. Corero follows the requirements of the IFRS 15 standard with regards to the amortisation period which requires amortisation on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The expectation, supported by historic evidence, is that customers will generally renew their support contracts for more than three years with the additional expectation of follow-on hardware and software (and associated services) business from a significant number of existing customers. Based on this, and consistent with previous treatment, Corero has assessed that a reasonable period for capitalised sales commission to be amortised is five years. Periodic customer reviews will be undertaken to ascertain if there is any evidence that the value of the customer relationship has been negatively impacted, in which case the prepayment will be appropriately written down. Applying the practical expedient, Corero recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the prepayment that Corero otherwise would have recognised is one year or less.

Fulfilment costs

Corero's principal fulfilment costs relate to the costs of the Corero customer support team which delivers the customer support services, DDPaaS services and the SecureWatch Managed services. These costs are not separately allocated or identifiable against specific customers. Therefore, these costs are recognised in the period in which they are incurred in the Consolidated Income Statement.

Contract assets and liabilities

Contract assets arise when goods and services have been delivered and invoiced but payment is not yet due. Contract liabilities arise for future delivery of services which have been invoiced and payment is due. Contract liabilities are shown as deferred income in the Statement of Financial Position.

2.5 Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

2.6 Government grants

The Group receives Research and Development Expenditure Credits (RDEC) from HMRC in respect of qualifying research and development expenditure. RDEC is recognised when there is reasonable assurance that the Group will comply with the relevant conditions and that the credit will be received. The credit is recognised in the Consolidated Income Statement in the period in which the qualifying expenditure is incurred.

2.7 Cost of sales

Cost of sales includes all direct costs associated with revenue generation, including goods directly related to revenue, services delivery, operation costs, DDoS as-a-service depreciation and amounts charged by external third parties for services. Examples of such costs would include third-party appliance costs and third-party software licence costs.

2.8 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of each transaction. Foreign currency monetary assets and liabilities are retranslated using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss in the Consolidated Income Statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction.

In the consolidated financial statements, the net assets of the Group's UK operations are translated from GBP into US dollars at the exchange rate at the reporting date. Income and expense items are translated into US dollars at the average exchange rates for the period. The resulting exchange differences are recognised in the foreign exchange translation reserve and in Other Comprehensive Income.

2.9 Intangible assets

Internally generated intangible assets

The Group's internally generated intangible asset relates to its development expenditure.

Development expenditure is capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- + the technical feasibility of the product and its availability for use or sale has been ascertained;
- + adequate technical, financial and other resources are available to complete the development and sell or use the intangible asset;
- + the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- + it is the intention of management to complete the intangible asset and use it or sell it; and
- + the development costs can be measured reliably.

Expenditure not meeting these criteria, such as expenditure incurred on research, is expensed in the Consolidated Income Statement when it is incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortisation and any impairment losses. Amortisation is charged once the asset is capable of generating economic benefits.

Notes to the Financial Statements continued

2. Material accounting policies continued

2.9 Intangible assets continued

Amortisation

Intangible assets are amortised on a straight-line basis to reduce their carrying value to zero over their estimated useful lives. The following useful lives were applied during the year:

+ **Capitalised development expenditure** – five years straight line.

Amortisation costs are included within operating expenses in the Consolidated Income Statement. Methods of amortisation and useful lives are reviewed, and if necessary adjusted, at each reporting date.

2.10 Property, plant and equipment

Depreciation commences when an asset is available for use. Depreciation is calculated so as to write off the cost or value of an asset, net of anticipated disposal proceeds, over the useful life of that asset as follows:

+ **Leasehold improvements** – period of the lease (straight-line basis).

+ **Right-of-use assets** – period of the lease (straight-line basis).

+ **Computer equipment, Sales evaluation assets and DDoS Protection as-a-Service assets** – three years (straight-line basis).

+ **Fixtures and fittings** – five years (straight-line basis).

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost comprises the purchase cost of property, plant and equipment together with any directly attributable costs. Sales evaluation assets are used by customers during proof-of-concept trials. Sales evaluation assets are stated at cost less accumulated depreciation. When a sales evaluation asset is retained by a customer as part of a sale, the net book value of the sales evaluation asset is charged to cost of sales. Depreciation of DDoS Protection as-a-Service assets is charged to cost of sales.

Subsequent costs are included in an asset carrying value or are recognised as a separate asset when it is probable that future economic benefits associated with the additional expenditure will flow to the Group and the cost of the item can be measured reliably. All other costs are charged to the Consolidated Income Statement as incurred.

Methods of depreciation, residual values and useful lives are reviewed, and if necessary adjusted, at each balance sheet date.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and included in the Consolidated Income Statement.

2.11 Inventory

Inventory is stated at the lower of cost or net realisable value. Cost is computed using standard cost, which approximates to actual cost, on a first-in, first-out basis. Rapid technological change and new product introductions and enhancements could result in excess or obsolete inventory, the value of which may not be recoverable.

To minimise this risk, the Group evaluates inventory levels and expected usage on a periodic basis and records valuation allowances as required.

2.12 Impairment

At each reporting date, the Group assesses whether there is any indication that its assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs is determined.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. The recoverable amount is calculated using the present value of the future cash flows expected to be derived from an asset or CGU. This present value is derived using a discount rate that reflects current market assessments of the time value of money and of the risks specific to the asset for which future cash flow estimates have not been adjusted. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. That reduction is recognised as an impairment loss.

An impairment loss relating to assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Consolidated Income Statement.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGU's or groups of CGU's that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised for CGU's if the recoverable amount of the CGU is less than the carrying amount of the CGU. The impairment loss is allocated to reduce the carrying amount of the assets of the CGU by first reducing the carrying amount of any goodwill allocated to the CGU, and then reducing the carrying amounts of the other assets of the CGU pro rata.

If an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years.

A reversal of an impairment loss is recognised in the Consolidated Income Statement. Impairment losses on goodwill are not subsequently reversed.

Notes to the Financial Statements continued

2. Material accounting policies continued

2.13 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- + leases with a duration of 12 months or less; and
- + leases of low value assets.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received. The Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group uses that rate as a starting point to determine the incremental borrowing rate.

On initial recognition, the carrying value of the lease liability also includes:

- + amounts expected to be payable under any residual value guarantee;
- + the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- + any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- + lease payments made at or before commencement of the lease;
- + initial direct costs incurred; and
- + the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the lease.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Lease payments are analysed between capital and interest. The interest element is charged to the Consolidated Income Statement over the period of the lease. The capital element reduces the balance owed to the lessor.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

The total rentals payable under leases which are not recognised as a right-of-use asset and a lease liability (an 'operating lease') are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

2.14 Taxation

The tax expense represents the sum of current tax and deferred tax.

Current tax

Current tax is based on taxable profit for the year and is calculated using tax rates and laws enacted or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because items are taxable or deductible in periods different to those in which they are recognised in the financial statements (temporary differences), or because they are never taxable or deductible (permanent differences).

Deferred tax

Deferred tax on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes is accounted for using the balance sheet liability method.

Using the balance sheet liability method, deferred tax liabilities are recognised in full for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, if the temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit, it is not recognised as a deferred tax asset or liability.

Deferred taxation is measured at the tax rates and laws that are expected to apply when the asset is realised, or the liability settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

2.15 Post-retirement benefits

The Group makes contributions in respect of certain employees to defined contribution pension plans under which it is required to pay fixed contributions to Group and personal pension funds.

Contributions to the schemes are based on a proportion of the employees' earnings and are charged to the Consolidated Income Statement. The Group has no obligation beyond these contributions.

2.16 Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

The particular recognition and measurement methods adopted for the Group's financial instruments are disclosed below:

Trade and other receivables

Trade and other receivables are stated at their fair value at time of initial recognition, reflecting, where material, the time value of money. A provision for impairment of trade receivables is established when there is evidence that the Group has an expected credit loss over the lifetime of the assets based on historical trends. The simplified approach is used for assessing the expected credit loss on trade receivables, requiring the lifetime expected credit loss to be recorded as the provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

Notes to the Financial Statements continued

2. Material accounting policies continued

2.16 Financial instruments continued

Trade and other payables

Trade and other payables are not interest bearing and are stated at their fair value at time of initial recognition. Thereafter they are accounted for at amortised cost.

Debt obligations

Debt obligations include interest bearing bank borrowings which are stated at their fair value less transaction costs at time of initial recognition. Debt obligations are subsequently measured at amortised cost.

2.17 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of directly attributable issue costs.

2.18 Employee share option schemes

The Group operates an equity-settled share-based compensation plan. The fair value of the employees' services received in exchange for the grant of share options is measured at grant date and recognised as an expense on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is determined by reference to the Black-Scholes option pricing model. If a granted option is cancelled and regranted the increase in fair value of the granted option measured immediately before and after the cancellation and regrant is added to the value of the employee's service received in exchange for the grant. If an option grant is cancelled the previously recorded expense is credited to the Consolidated Income Statement.

At each reporting date, the Group revises its estimate of the number of options that are expected to become exercisable.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

2.19 Standards and Interpretations not yet effective

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

IFRS 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes.

The Group will adopt this standard from 1 January 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group accounting policies, the following judgements have had a significant effect on the amounts recognised in the financial statements:

Internally generated research and development costs

Management monitors progress of internal research and development projects. Judgement is required in distinguishing the research phase from the development phase. Development costs are recognised as an asset when all criteria are met and a project has passed the feasibility phase, whereas research costs are expensed as incurred. Management monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain.

Going concern

The Directors have reviewed the future profit and cash flow projections in conjunction with the current economic climate in order to express an opinion on the adequacy of working capital and the ability to continue as a going concern for the foreseeable future. The methodology contained in the projections is detailed in the note 2.2.

Standalone Selling Price – Revenue recognition

On a regular basis the Group analyses the selling prices for each deal compared to the current Standalone Selling Price ('SSP'). This analysis includes grouping similar deals based on qualitative factors such as customer profile, size, and region, together with a quantitative comparison to the then current SSP. SSP fair value prices are adjusted for future quarters if management identifies a pattern of variances of greater than 10% between actual selling prices and the then current SSP.

3.2 Key accounting estimates and assumptions

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of intangible assets

The Group tests goodwill at least annually for impairment, and whenever there is an indication that the asset may be impaired. All other intangible assets and property, plant and equipment are tested for impairment when indicators of impairment exist. Impairment is determined with reference to the higher of fair value less costs to sell and value in use. Fair value less costs to sell is estimated using discounted future cash flows. Significant assumptions are made in estimating future cash flows about future events including future market conditions, future growth rates and appropriate discount rates. Changes in these assumptions could affect the outcome of impairment reviews. Details of the main assumptions used in the assessment of the carrying value of the Group's CGU are set out in note 9.

Impairment of investments (applies to the Company financial statements only)

The Directors have reviewed the cost of investments in subsidiaries of the Company with reference to current and future trading conditions. The investment in subsidiaries has been reviewed with reference to a valuation based on a discounted free cash flow, in conjunction with the goodwill impairment review, which the Directors consider to be an appropriate valuation methodology.

Notes to the Financial Statements continued

4. Segment reporting

Operating segments

The Group is managed according to one business unit, Corero Network Security, which makes up the Group's reportable operating segment. This business unit forms the basis on which the Group reports its operating segment information to the Board, which management consider to be the Chief Operating Decision Maker ('CODM') for the purposes of IFRS 8 Operating Segments.

The Group's revenues from external customers for the country of the Group's domiciles and each individually material country (those comprising 10% or more of Group revenues) are as follows:

	2025 \$'000	2024 \$'000
United States	17,758	17,488
United Kingdom	3,473	1,756
Others	4,268	5,315
Total	25,499	24,559

Revenues from external customers are identified on the basis of invoicing systems and adjusted to take into account the difference between invoiced amounts and deferred revenue adjustments as required by IFRS.

In 2025, no individual customer accounted for over 10% of revenue. The Group's largest customer accounted for 8.4% of 2025 revenue (2024: largest customer accounted for 9.0% of revenue).

The revenue is analysed as follows for each revenue category:

	2025 \$'000	2024 \$'000
Software license and appliance revenue	8,266	10,066
Subscription revenue (including as-a-service revenue)	8,341	5,912
Maintenance and support services revenue	8,892	8,581
Total	25,499	24,559

The revenue is analysed by timing of delivery of goods or services as:

	2025 \$'000	2024 \$'000
Point in time delivery	8,266	10,066
Over time	17,233	14,493
Total	25,499	24,559

No unsatisfied performance obligations arise except from those revenues which are recognised over time. See note 18 for further details.

Non-current assets

The Group's non-current assets located in countries of domicile and in each material country are as follows:

	2025 \$'000	2024 \$'000
United States	18,147	16,153
United Kingdom	797	343
Total	18,944	16,496

Comparative information has been re-presented to reflect the classification of an intangible asset within the United States rather than the United Kingdom. This re-presentation had no impact on the Group's total assets, liabilities, equity, or results.

Contract balances

	Contract assets		Contract liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	1,892	2,783	10,342	7,483
Transfers in the period to/from trade receivables from/to contract assets	(4)	(891)	–	–
Amounts included in contract liabilities that were recognised as revenue in the period from the opening balance	–	–	(5,043)	(3,217)
Amounts included in contract liabilities that were recognised as revenue from amounts invoiced in the period	–	–	(11,438)	(11,275)
Amounts invoiced in the period and not recognised as revenue in the period	–	–	15,628	17,351
At 31 December	1,888	1,892	9,489	10,342

Notes to the Financial Statements continued

5. (Loss)/profit for the year

The following items have been included in arriving at the Group's (loss)/profit for the year before taxation:

	2025 \$'000	2024 \$'000
Finance expense – Clydesdale loan interest and fees	–	8
Finance expense – lease liability	36	28
Finance income	(47)	99
Research and development expenditure not capitalised	1,662	1,643
Inventory recognised as an expense in cost of sales	1,445	1,011
Lease expenses for short term leases	83	77
Research and Development expenditure credit	(385)	(245)
Amortisation of capitalised development expenditure (note 10)	1,658	1,588
Depreciation of property, plant and equipment (note 11)	337	250
DDoS Protection as-a-Service asset depreciation (note 11)	249	217

Auditor's remuneration

	2025 \$'000	2024 \$'000
Remuneration received by the Company's auditor for the audit of these Financial Statements	160	132
The audit of the financial statements of other Group companies	40	48
	200	180

6. Tax on (loss)/profit on ordinary activities

	2025 \$'000	2024 \$'000
Current tax (charge)/credit	(58)	(56)
Total	(58)	(56)

The tax assessed on the profit on ordinary activities for the year differs from the weighted average UK corporate rate of tax of 25% per the 2024/2025 governmental budgets (2024: 25.0%). The differences are reconciled below:

	2025 \$'000	2024 \$'000
Total tax reconciliation		
(Loss)/profit before taxation	(653)	555
Theoretical tax charge at UK Corporation tax rate 25% (2024: 25%)	(163)	138
Effect of:		
– expenditure that is not tax deductible	230	212
– R&D expenditure credits	(34)	(46)
– Tax losses and other temporary timing differences where deferred tax not recognised	54	(248)
– other timing differences	(29)	–
Taxation charge	58	56

Factors affecting future tax charges

As at 31 December 2025, the Group's cumulative fixed asset timing differences were \$128,000 (2024: \$129,000) and no deferred tax asset has been recognised in respect of these items.

Tax losses at 31 December 2025 amounted to \$87.1 million (2024: \$86.2 million). This comprised UK tax losses of \$16.5 million and US tax losses of \$70.6 million. The utilisation of US tax losses which are all attributable to Corero Network Security, Inc. is subject to the provisions of Section 382 of the United States Treasury Internal Revenue Code of 1986, as amended. Corero Network Security, Inc did not undergo an ownership change within the meaning of section 382 for the period 1 February 2017 to 31 December 2021, and thus \$10.1 million of the US tax losses are available at full value to set-off against future taxable profits. The utilisation of the remaining US tax losses of \$59.9 million will be subject to meeting the change of ownership test for the period prior to 1 February 2017. This test will be undertaken as and when these tax losses are required to offset against taxable profits of Corero Network Security, Inc. US tax losses expire 20 years from the end of the accounting period in which the loss arose.

UK tax losses arising in the period prior to 1 April 2017 can only be used against taxable profits of the same trade, after 1 April 2017 the losses can be used against total company profits.

Deferred tax assets of \$4.1 million (2024: \$3.7 million) relating to the UK tax losses (applying a tax rate of 25.0% to tax losses expected to unwind after 1 April 2023, the rate substantively enacted on 10 June 2021) and the deferred tax assets of \$14.8 million (2024: \$15.0 million) relating to the US tax losses and taxable temporary fixed asset differences (applying a tax rate of 21.0%) have not been recognised due to uncertainties as to the extent and timing of their future recovery.

Notes to the Financial Statements continued

7. Earnings per share

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year plus the number of ordinary shares to be issued from the exercise of attributable share options.

	2025 \$'000			2024 \$'000		
Basic Earnings per share						
From loss/profit for the year			(0.1)			0.1
Diluted Earnings per share						
From loss/profit for the year			(0.1)			0.1

	2025			2024		
	Loss \$'000	Weighted average number of 1p shares Thousand	Loss per share Cents	Profit \$'000	Weighted average number of 1p shares Thousand	Profit per share Cents
Basic (loss)/earnings per share						
From (loss)/profit for the year	(711)	512,165	(0.1)	498	509,096	0.1
Diluted (loss)/earnings per share						
Basic earnings per share	(711)	512,165	(0.1)	498	509,096	0.1
Dilutive effect of share options	–	–	–	–	56,383	–
Diluted earnings per share	(711)	512,165	(0.1)	498	565,479	0.1

8. Key performance measures

EBITDA and Adjusted EBITDA

Earnings before interest, tax, depreciation, and amortisation ('EBITDA') is defined as earnings from operations before interest, tax, depreciation, and amortisation charges. The following is a reconciliation of EBITDA and Adjusted EBITDA for the periods presented:

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
(Loss)/profit before taxation	(653)	555
Adjustments for:		
Finance income	(47)	(99)
Finance expense	–	8
Finance lease interest costs	36	28
Depreciation – owned assets	337	250
Depreciation – right of use assets	163	170
Amortisation of capitalised development expenditure	1,658	1,588
EBITDA	1,494	2,500
Reorganisation costs	187	–
Share based payment expense	339	484
Adjusted EBITDA – for Reorganisation costs and Share based payment expense	2,020	2,984

Notes to the Financial Statements continued

9. Goodwill Group

	\$'000
Cost	
At 1 January 2024	17,983
At 31 December 2024	17,983
At 31 December 2025	17,983
Impairment	
At 1 January 2024	(8,992)
At 31 December 2024	(8,992)
At 31 December 2025	(8,992)
Carrying amount	
At 1 January 2024	8,991
At 31 December 2024	8,991
At 31 December 2025	8,991

Goodwill is tested at least annually for impairment and when there are indications that goodwill might be impaired. Goodwill is allocated to the Group's single CGU, Corero Network Security ('CNS').

The recoverable amount for the CNS CGU was determined based on a discounted cash flow calculation to calculate value in use using cash flow projections over a five-year period (2024: five-year period). The discounted cash flow approach is a level 3 fair value calculation in the IFRS 13 fair value hierarchy.

The key assumptions for the discounted cash flow calculation are those regarding revenue growth and discount rates as summarised in the table below and commented on below:

	2025	2024
Forecast cash flow period	Years 1-2	Years 1-2
Extrapolated cash flow period	Years 3-5	Years 3-5
Cumulative annual growth rate ('CAGR') for revenue used for the forecast/extrapolated periods	17.1%	14.0%
Growth rates ('CAGR') used for the forecast/extrapolated periods:		
Year 1-2 (forecast period)	22.1%	14.0%
Years 3-5 (extrapolated period)	13.8%	14.0%
Revenue growth rate used beyond the extrapolated period	2.9%	3.3%
Discount rate	13.5%	13.7%

The pre-tax cash flows for the forecast period are derived from the most recent financial budget for the year ending 31 December 2026 ('2026 Budget') approved by the Board and the plan for the year ending 31 December 2027 ('2027 Plan'), with a sensitivity reflecting prior year experience and progress made in 2025 (10% applied to the 2026 Budget revenue and 10% to the 2027 Plan revenue). The extrapolation for the period 2028 to 2030 is based on management estimates (with the key assumptions set out below).

The future pre-tax cash flows are discounted by a WACC of 13.5% (2024: 13.7%).

The key assumptions underlying the cash flow projections and which the recoverable amount is most sensitive to are (i) the revenue growth rates forecast and extrapolated for the period 2028 to 2030 (ii) and the discount rate.

For the purposes of impairment testing, goodwill is allocated to the Group's single cash-generating unit ("CGU"), being the Corero Network Security CGU.

The recoverable amount of the CGU has been determined based on value in use, calculated using a discounted cash flow ('DCF') methodology. Management considers this to be the most appropriate approach given the nature of the Group's operations and the availability of reliable cash flow forecasts.

The cash flow forecasts assume a compound annual revenue growth rate ('CAGR') of 13.8% for the period 2028 to 2030 (2024: 14% for the period 2027 to 2029). The period 2031 onwards is included within the terminal value calculation (2024: 2030-2034). The forecasts reflect management's best estimates of future performance and incorporate assumptions regarding the Group's strategy, including accelerated go-to-market initiatives and continued investment in existing and new product offerings.

Management considers the assumed growth rates to be appropriate given the Group's strategic plans, market positioning and expected demand for its products and services. Revenue growth in years 1 and 2 of the forecast period reflects management's expectations of growth and the introduction of complementary products into additional markets. This is further supported by the increasing frequency and sophistication of DDoS attacks, which is driving sustained demand for DDoS detection and mitigation solutions and underpinning ongoing demand for the Group's products.

For years 3 to 5, revenue growth is assumed to reduce slightly to a compound annual growth rate of 13.8% (2024: 14%), reflecting management's expectations of continued strong performance over the medium term. The reduction compared to the prior year is minimal, and management continues to expect sustained growth in line with the Group's strategy and market opportunities.

Beyond the explicit five-year forecast period, a terminal growth rate of 2.9% has been applied (2024: 3.3%). This rate is considered reasonable and supportable, as long-term IT security spend has historically grown at or above general economic growth rates and does not exceed the long-term growth expectations for the markets in which the Group operates. (Source: https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2025-issue-2_9f653ca1-en.html)

The discount rate applied in the impairment assessment is based on a cost of equity calculated using the Capital Asset Pricing Model ('CAPM'), with reference to a risk-free interest rate, comparable company betas, an equity risk premium and a small company risk premium. The resulting pre-tax discount rate of 13.5% (2024: 13.7%) reflects market conditions at 31 December 2025, the risks specific to the CGU, and the fact that the Company had no debt at the reporting date. The discount rate reflects current market assessments of the time value of money and the risks specific to the Group.

As in prior years, the valuation of the CGU is sensitive to changes in key assumptions, including revenue growth, profitability and the discount rate, and there can be no assurance that forecast performance will be achieved. Sensitivity analysis has therefore been performed to assess the impact of reasonably possible changes in these assumptions. This analysis demonstrates that the recoverable amount continues to exceed the carrying amount of goodwill under all reasonably possible downside scenarios. Accordingly, management has not identified any reasonably possible change in key assumptions that would result in an impairment of goodwill at the reporting date.

Apart from the matters described above, management is not currently aware of any other reasonably possible changes that would require a material adjustment to the key assumptions used in determining the recoverable amount of the CGU.

Notes to the Financial Statements continued

10. Intangible assets

	Capitalised development expenditure \$'000
Cost	
At 1 January 2024	27,592
Additions	3,190
At 31 December 2024 and at 1 January 2025	30,782
Additions	3,522
Foreign Currency Translation	7
At 31 December 2025	34,311
Amortisation	
At 1 January 2024	(22,772)
Charge for year	(1,588)
At 31 December 2024 and at 1 January 2025	(24,360)
Charge for year	(1,658)
At 31 December 2025	(26,018)
Net book value	
At 31 December 2025	8,293
At 31 December 2024	6,422
At 1 January 2024	4,820

During the year ended 31 December 2025, \$3.5 million of costs were capitalised in relation to development expenditure (2024: \$3.2 million) and amortisation of \$1.7 million was charged (2024: \$1.6 million).

Capitalised development expenditure relates to ongoing development by the Group in the following areas:

- + SmartWall ONE product development - SmartWall ONE is a DDoS protection and analytics platform, deployed within customer environments. Development expenditure relates to continued enhancement and upgrade of the platform. The cost of qualifying development time is capitalised. \$2.1 million of costs were capitalised during 2025 (2024: \$2.3 million). The weighted average remaining amortisation period is 2.5 years.
- + Corero Observability & Resiliency Ecosystem (CORE) product development – CORE is a SaaS, cloud-based availability protection platform. Development expenditure during the year related to further build-out and enhancement of the CORE platform and its functionality. \$0.8 million of costs were capitalised during 2025 (2024: \$0.2 million). The weighted average remaining amortisation period is 4 years.
- + Threat Research Team (TRT) product development – Corero's TRT generates new intellectual property that improves existing products and services and is used by Corero's Engineering team to upgrade product capabilities. \$0.6 million of costs were capitalised during 2025 (2024: \$0.2million). The weighted average remaining amortisation period is 4 years.

Notes to the Financial Statements continued

11. Property, plant and equipment

	Computer Equipment \$'000	Sales evaluation assets \$'000	DDoS Protection as-a-Service assets \$'000	Fixtures and Fittings \$'000	Leasehold Improvements \$'000	Total \$'000
Cost						
1 January 2024	827	232	1,975	103	105	3,242
Additions	115	343	331	–	–	789
Disposals	(33)	(32)	(606)	–	–	(671)
Foreign currency translation	(2)	(1)	(12)	–	–	(15)
At 31 December 2024 and at 1 January 2025	907	542	1,688	103	105	3,345
Additions	100	257	497	–	–	854
Foreign currency translation	9	9	58	1	1	78
At 31 December 2025	1,016	808	2,243	104	106	4,277
Depreciation						
At 1 January 2024	(653)	(80)	(1,672)	(99)	(105)	(2,609)
Charge for year	(105)	(141)	(217)	(4)	–	(467)
Disposals	33	24	606	–	–	663
Foreign currency translation	1	7	4	–	–	12
At 31 December 2024 and at 1 January 2025	(724)	(190)	(1,279)	(103)	(105)	(2,401)
Charge for year	(117)	(220)	(249)	–	–	(586)
Foreign currency translation	(5)	(4)	(49)	(1)	(1)	(59)
At 31 December 2025	(846)	(414)	(1,577)	(104)	(106)	(3,047)
Net book value						
At 31 December 2025	170	394	666	–	–	1,230
At 31 December 2024	183	352	409	–	–	944
At 1 January 2024	174	152	303	4	–	633

DDoS Protection as-a-Service assets' depreciation is charged to cost of sales.

Notes to the Financial Statements continued

12. Leases

Right of use assets

	2025 \$'000	2024 \$'000
Right of use asset	671	707
Accumulated depreciation	(241)	(568)
Total carrying amount of Right of use assets	430	139

Reconciliation of the carrying amount of lease assets at the beginning and end of the current and previous financial years are set out below:

	2025 \$'000	2024 \$'000
Opening carrying amount	139	309
Additions	453	–
Depreciation	(162)	(170)
Closing carrying amount	430	139

The Group leases buildings for its offices under agreements of two to five years with, in some cases, options to extend. Options to extend current leases have not been included in lease calculations as the Group did not have sufficient certainty at the time of commencement of the lease as to whether such options would be taken up. On renewal, the terms of the leases will be renegotiated.

The Group leases office premises in Marlborough, Massachusetts, USA. During the year, the existing lease, which expired on 31 March 2025, was renewed. The renewed lease commenced on 1 April 2025 and runs until 31 March 2030. Upon renewal, the Group reassessed the lease term and recognised a new lease liability and corresponding Right of use asset of \$453,000. The carrying amount of the Right of use Asset at 31 December 2025 is \$387,000.

The Group has a lease agreement with Keysight Technologies for the lease of equipment. The lease has a contractual term of 36 months, ending on 31 July 2026, and is recognised as a Right of use asset with a corresponding lease liability. The carrying amount of the Right of use Asset at 31 December 2025 is \$43,000 (2024: \$118,000).

Lease liabilities

	2025 \$'000	2024 \$'000
At 1 January	150	315
Additions	453	–
Payments	(181)	(193)
Interest cost	36	28
At 31 December	458	150
	2025 \$'000	2024 \$'000
Within 1 year	117	102
Between 2 and 5 years	341	48
At 31 December	458	150

The Directors consider that the carrying amount of lease liabilities approximates to their fair value. All lease liabilities are held in US dollars within the Group.

13. Inventories

	2025 \$'000	2024 \$'000
Gross inventory	346	454
Less: provision for impairment	(121)	(65)
Net inventory	225	389

Net inventory comprises finished goods and raw materials. The value of inventory recognised as an expense in cost of sales was \$1.4 million (2024: \$1.0 million).

Notes to the Financial Statements continued

14. Trade and other receivables

	2025 \$'000	2024 \$'000
Trade and other receivables measured at amortised cost		
Trade receivables	2,099	4,407
Contract assets (note 4)	1,888	1,892
Less: provision for impairment of trade receivables	(294)	(314)
Net trade receivables	3,694	5,985
Other debtors	937	778
Total trade and other receivables measured at amortised cost	4,631	6,763
Non-financial assets		
Prepayments	3,035	2,922
Deferred commissions	2,033	1,605
Total trade and other receivables	9,699	11,290

None of the Group's trade and other receivables are secured by collateral or credit enhancements (2024: none).

The Group applies the simplified approach under IFRS 9 to measure expected credit losses, recognising a lifetime expected credit loss (ECL) for all trade receivables and contract assets. For the purposes of collective assessment, trade receivables and contract assets are grouped based on similar credit risk characteristics and ageing profiles. Expected loss rates are derived from the Group's historical credit loss experience over a two-year period prior to the reporting date and are adjusted, where appropriate, for current and forward-looking information.

The Group has identified gross domestic product growth, unemployment rates and inflation as the key macroeconomic factors relevant to assessing customer credit risk in the countries in which it operates. Based on this assessment, management concluded that forward-looking macroeconomic conditions during the expected collection period are not materially different from those prevailing at the time the receivables were originated, and accordingly no material adjustment to historical loss rates was required.

The Group assesses customer credit risk and creditworthiness on a case-by-case basis, taking into account customer payment history, contractual terms and ongoing collection activity. The Directors consider that the carrying value of trade and other receivables approximates their fair value.

During the year, a specific expected credit loss provision of \$0.3 million (2024: \$0.3 million) was recognised in respect of a small number of invoices that were considered to be at increased risk of non-payment at the reporting date. Expected credit losses on the remaining trade receivables were assessed on a collective basis and were not material. No further expected credit loss provisions were recognised or released during the year.

During the year, deferred commission of \$0.6 million was amortised (2024: \$0.5 million).

The table below presents the ageing profile of trade and other receivables at the reporting date, which management uses as part of its assessment of credit risk:

	61-90 days past due \$'000	91-120 days past due \$'000	121+ days past due \$'000
2025			
Expected credit loss rate	0.826%	1.240%	100%
Year end balances outstanding	137	21	1,142 ¹
Adjusted Year end balance	137	21	8
Expected credit loss allowance	1	–	8

¹ \$0.8 million of this amount relates to invoices with multi-year payment terms which are not yet due so have been excluded from any ECL provision calculations. \$0.3 million of this amount has been provided for already and so has been excluded from the calculations.

	61-90 days past due \$'000	91-120 days past due \$'000	121+ days past due \$'000
2024			
Expected credit loss rate	0.574%	0.574%	0.574%
Year end balances outstanding	166	72	2,088 ²
Adjusted Year end balance	166	72	60
Expected credit loss allowance	1	–	–

² \$1.7 million of this amount relates to invoices with multi-year payment terms which are not yet due so have been excluded from any ECL provision calculations. \$0.3 million of this amount has been provided for already and so has been excluded from the calculations.

The maturity profile of trade and other receivables is set out in the table below:

	2025 \$'000	2024 \$'000
In one year or less, or on demand	7,717	8,769
In more than one year, but not more than five years	1,982	2,520
	9,699	11,290

The analysis of trade and other receivables by foreign currency is set out in the table below:

	2025 \$'000	2024 \$'000
US dollars	5,649	8,429
UK pound	4,050	2,861
	9,699	11,290

The Group's foreign currency receivables are denominated in the functional currency of the subsidiaries in which they arise. There is no impact on the result for the year from exchange rate movements on such financial instruments.

Notes to the Financial Statements continued

15. Trade and other payables

	2025 \$'000	2024 \$'000
Trade payables	915	1,574
Other payables	334	114
Accruals	3,154	2,652
	4,403	4,340

None of the Group or Company's trade and other payables are secured by collateral or credit enhancements.

The Directors consider that the carrying amount of trade and other payables approximates their fair value. 67% (2024: 70%) of the trade and other payables are due in less than three months.

The analysis of trade and other payables by foreign currency is set out in the table below:

	2025 \$'000	2024 \$'000
US dollars	2,302	2,998
UK pound	2,101	1,342
	4,403	4,340

The Group's foreign currency payables are denominated in the functional currency of the subsidiaries in which they arise. There is no impact on the result for the year from exchange rate movements on such financial instruments.

16. Borrowings

There are no external borrowings held by the Group at 31 December 2025 (2024: nil). During the year, the Group, through its subsidiary Corero Network Security (UK) Ltd, entered into an overdraft facility of £1.5 million, which is repayable on demand and subject to annual review. The facility was undrawn throughout the year and at 31 December 2025.

The overdraft facility is secured by fixed and floating charges over substantially all of the assets of Corero Network Security (UK) Limited, Corero Group Services Limited and Corero Network Security Plc such that the assets of each entity are available as security for the obligations of the others under the facility. The facility is supported by a corporate guarantee from Corero Network Security Inc, whose assets are not subject to charge.

17. Financial instruments

The Group's financial instruments are categorised as shown below:

	Book Value 2025 \$'000	Book Value 2024 \$'000
Financial assets		
Trade and other receivables	4,631	6,763
Cash	4,034	5,321
	8,665	12,084
	Book Value 2025 \$'000	Book Value 2024 \$'000
Financial liabilities		
Trade and other payables	(4,110)	(4,340)
Lease liabilities	(458)	(150)
	(4,568)	(4,490)

For the purpose of this note, financial assets – trade and other receivables exclude prepayments and deferred commissions.

The Group manages liquidity and credit risk in line with the financial risk management objectives and policies as set out on pages 22 and 23.

At the present time the Group does not have significant exposure interest rate risk. There are no differences between the fair values and book values held by the Group

18. Contract liabilities

	2025 \$'000	2024 \$'000
Current	7,872	6,861
More than one year but less than five years	1,617	3,481
	9,489	10,342

The Group's contract liability balance will be recognised as revenue evenly over the remaining term of the service and support agreements in place. The service and support agreements expire at various times throughout the year with no particular seasonality.

Notes to the Financial Statements continued

19. Pensions

The Group's pension arrangements are operated through defined contribution schemes.

Defined contribution schemes

	2025 \$'000	2024 \$'000
Defined contribution pension costs	345	303

20. Share capital

Authorised share capital

The authorised share capital comprises 745,821,970 (2024: 745,821,970) ordinary shares of 1 penny ('p') (1.4 cents ('c')) each. The ordinary shares carry one vote per share and rank pari passu in all respects. Dividends are payable at the discretion of the Board and in accordance with applicable law. On a winding up, holders of ordinary shares are entitled to any surplus assets available for distribution after settlement of liabilities.

Issued ordinary share capital

	\$'000
1 January 2024	
501,528,468 ordinary shares of 1p each	6,999
300,000 ordinary shares of 1p each	4
7,000,000 ordinary shares of 1p each	88
500,000 ordinary shares of 1p each	6
1,000,000 ordinary shares of 1p each	13
1,833,333 ordinary shares of 1p each	23
3,333 ordinary shares of 1p each	–
31 December 2024	
512,165,134 ordinary shares of 1p each	7,133
31 December 2025	
512,165,134 ordinary shares of 1p each	7,133

21. Share premium

	\$'000
1 January 2024	82,430
Issued by way of option exercises	
300,000 ordinary shares of 4.25p each (5.4c)	16
7,000,000 ordinary shares of 4.25p each (5.4c)	375
500,000 ordinary shares of 5.75p each (7.2c)	36
1,000,000 ordinary shares of 12.0p each (15.0c)	150
1,833,333 ordinary shares of 12.0p each (15.4c)	283
3,333 ordinary shares of 5.75p each (7.5c)	–
31 December 2024	83,290
31 December 2025	83,290

Consideration received in excess of the nominal value is included in share premium, less registration, commission, and professional fees. Transaction costs amounted to \$nil during 2025 (2024: \$5,000).

22. Employees and Directors

Employee expenses, including Directors, during the period

	Total 2025 \$'000	Total 2024 \$'000
Wages and salaries	14,848	13,758
Social security costs	1,439	1,184
Share based payments	339	484
Other pension costs	345	303
	16,971	15,729

Average monthly numbers of employees (including Directors) employed

	2025 Number	2024 Number
Sales and marketing	31	29
Technical, support and services	49	48
Management, operations and administration	11	10
	91	87

Notes to the Financial Statements continued

22. Employees and Directors continued

Directors, being the Key Management Personnel

2025	Salary & fees \$'000	Bonus \$'000	Benefits \$'000	Pension \$'000	Subtotal \$'000	Options \$'000	Company National Insurance Contributions \$'000	Total 2025 \$'000
Directors								
Ashley Stephenson ¹	203	-	14	3	220	-	12	232
Andrew Miller	47	-	-	-	47	-	6	53
Carl Herberger	350	228	25	-	603	128	11	742
Jens Montanana	50	-	-	-	50	-	-	50
Peter George	40	-	-	-	40	-	-	40
Chris Goulden ²	189	82	1	11	283	41	44	368
Richard Last	40	-	-	-	40	-	5	45
Rob Scott	45	-	-	-	45	14	-	59
	964	310	40	14	1,328	183	78	1,589
2024	Salary & fees \$'000	Bonus \$'000	Benefits \$'000	Pension \$'000	Subtotal \$'000	Options \$'000	Company National Insurance Contributions \$'000	Total 2025 \$'000
Directors								
Ashley Stephenson	373	126	21	4	524	-	10	534
Andrew Miller	41	-	-	-	41	-	4	45
Carl Herberger	350	247	27	4	628	362	10	1,000
Jens Montanana	40	-	-	-	40	-	-	40
Peter George	43	-	-	-	43	-	-	43
Phil Richards ³	128	-	-	7	135	(3)	17	149
Richard Last	41	-	-	-	41	-	4	45
Rob Scott ⁴	33	-	-	-	33	-	-	33
	1,049	373	48	15	1,485	359	45	1,889

1 Ashley Stephenson resigned from the Board effective 30 September 2025 and his remuneration has been pro-rated accordingly.

2 Chris Goulden was appointed to the Board effective 1 April 2025 and his remuneration has been pro-rated accordingly.

3 Phil Richards resigned from the Board effective 12 July 2024 and his remuneration has been pro-rated accordingly.

4 Rob Scott was appointed to the Board effective 17 April 2024 and his remuneration has been pro-rated accordingly.

Notes to the Financial Statements continued

22. Employees and Directors continued

Bonus payments of \$310,000 were awarded to Directors in respect of the year to 31 December 2025 (2024: \$373,000).

Ashley Stephenson resigned as a Director on 30 September 2025, his remuneration has been included in the above table until the date of his resignation from the Board. Chris Goulden was appointed a Director on 1 April 2025; his remuneration has been included in the above table from date of appointment to the Board.

Carl Herberger and Chris Goulden both have employment agreements with a wholly owned subsidiary of the Company which provides for the payment of six months' base salary if the agreement is terminated by the Company without cause.

Andrew Miller has a non-interest-bearing Director's Loan of \$72,000 (2024: \$72,000) related to a contractual right (granted in March 2011) to purchase 140,000 ordinary shares in the Company from the Employee Share Ownership Trust at 40p per share pursuant to a grant made to him under the Deferred Payment Share Plan. The loan is repayable in August 2030.

23. Contingent liabilities

There are no contingent liabilities at 31 December 2025.

24. Share options

The Company has the following share option schemes:

- + Enterprise Management Incentive Scheme for its employees, which has been approved by HMRC.
- + Executive Enterprise Management Incentive Scheme, which has been approved by HMRC.
- + Unapproved Share Option Scheme.
- + Deferred Payment Share Plan.

Options granted have a three-year vesting period, vesting one third on the first anniversary of grant, one third on the second anniversary of grant and one third on the third anniversary of grant. Shares acquired on the exercise of an option may not be sold until the expiry of the second anniversary following the date of option grant. With the exception of options granted in April 2017 to Directors which include a revenue growth performance vesting condition, there are no vesting conditions for options granted.

If an option holder ceases to be in employment or hold office within the Group, options granted shall immediately lapse unless such cessation is because of the option holder's death; the option holder's ill health or disability; the company that employs the option holder ceasing to be under the control of the Company or such company ceasing to be within the Group; the transfer of sale of the undertaking or part-undertaking in which the option holder is employed to a person who is neither under the control of the Company nor within the Group; or any other reason that the Board in its absolute discretion shall determine.

On a cessation of employment or office as set out above, options shall be exercisable to the extent they have vested according to the terms of the option agreement and the provisions of the relevant share option scheme and must be exercised within 30 days following such cessation unless otherwise determined by the Board or if such cessation is by reason of death in which case the option holder's personal representatives must exercise the option within 12 months following the date of the option holder's death.

For option agreements granted post June 2020 and subject to the approval of the Board, where an option holder has, as at the date of the grant, been employed by a Group company for a period of at least three years and whose employment is terminated either: (a) by the Company other than for cause; or (b) by resignation on the part of the option holder, such option holder shall be entitled to retain the options granted under the option agreement following the effective date of the termination and such retained options shall continue to vest and be exercisable by the option holder in accordance with the vesting terms set out in the agreement.

Notes to the Financial Statements continued

24. Share options continued

Share options granted at 31 December 2025 were as follows:

Option holders	Date granted	Expiry date	Exercise price – pence (cents)	At 1 January 2025	Granted	Exercised	Forfeit/cancelled	At 31 December 2025
Enterprise Management Incentive Scheme								
Other Holders	April 2019	April 2029	8.4p (10c)	10,000	–	–	–	10,000
	April 2020	April 2030	4.2p (5c)	347,500	–	–	–	347,500
	June 2020	June 2030	5.3p (7c)	5,690,500	–	–	–	5,690,500
	September 2020	September 2030	7.8p (10c)	5,000	–	–	–	5,000
	October 2020	October 2030	9.0p (12c)	12,500	–	–	(5,000)	7,500
	January 2021	January 2031	13.0p (18c)	510,000	–	–	–	510,000
	September 2022	September 2032	10.8p (12c)	390,000	–	–	–	390,000
	April 2023	April 2033	6.8p (8c)	151,667	–	–	–	151,667
	April 2024	April 2034	9.0p (11c)	200,000	–	–	–	200,000
	September 2024	September 2034	19.3p (25c)	150,000	–	–	–	150,000
Executive Enterprise Management Incentive Scheme								
Andrew Lloyd	April 2017	April 2027	8p (10c)	2,083,333	–	–	–	2,083,333
Chris Goulden	May 2024	May 2034	12.5p (16c)	1,500,000	–	–	–	1,500,000
	April 2025	April 2035	16.7p (22c)	–	500,000	–	–	500,000
Unapproved French Share Option Scheme								
Lionel Chmielewsky	January 2021	January 2031	13.0p (18c)	333,333	–	–	(333,333)	–
Unapproved Share Option Scheme								
Jens Montanana	April 2017	April 2027	8p (10c)	994,000	–	–	–	994,000
	May 2018	May 2028	13.6p (18c)	425,000	–	–	–	425,000
	October 2018	October 2028	11.0p (14c)	400,000	–	–	–	400,000
Richard Last	April 2017	April 2027	8p (10c)	450,000	–	–	–	450,000
	June 2017	June 2027	13.6 (18c)	180,000	–	–	–	180,000
	October 2018	October 2028	11.0p (14c)	200,000	–	–	–	200,000
	January 2021	January 2031	13.0p (18c)	350,000	–	–	–	350,000
Andrew Lloyd	April 2017	April 2027	8p (10c)	580,001	–	–	–	580,001
	June 2017	June 2027	13.6 (18c)	200,000	–	–	–	200,000
Ashley Stephenson	June 2020	June 2030	5.3p (7c)	7,919,000	–	–	–	7,919,000
	January 2021	January 2031	13.0p (18c)	350,000	–	–	–	350,000
Andrew Miller	June 2020	June 2030	5.3p (7c)	5,775,000	–	–	–	5,775,000
Peter George	January 2019	January 2029	11.3p (15c)	750,000	–	–	–	750,000
	January 2021	January 2031	13.0p (18c)	350,000	–	–	–	350,000
Carl Herberger	November 2023	November 2033	9.0p (11c)	11,533,492	–	–	–	11,533,492
Rob Scott	April 2024	April 2034	11.8p (15c)	750,000	–	–	–	750,000
Other holders	September 2016	September 2026	22.5p (33c)	5,000	–	–	–	5,000
	October 2018	October 2028	11.0p (14c)	50,000	–	–	–	50,000
	September 2019	September 2029	2.5p (3c)	100,000	–	–	(100,000)	–
	April 2020	April 2030	4.2p (5c)	205,000	–	–	–	205,000

Notes to the Financial Statements continued

24. Share options continued

Option holders	Date granted	Expiry date	Exercise price – pence (cents)	At 1 January 2025	Granted	Exercised	Forfeit/cancelled	At 31 December 2025
	April 2020	April 2030	4.2p (5c)	50,000	–	–	(50,000)	–
	June 2020	June 2030	5.3p (7c)	4,423,500	–	–	–	4,423,500
	January 2021	January 2031	13.0p (18c)	410,000	–	–	–	410,000
	January 2022	January 2032	13.0p(18c)	10,000	–	–	–	10,000
	September 2022	September 2032	10.8p (12c)	200,000	–	–	(100,000)	100,000
	April 2023	April 2033	6.8p (8c)	245,000	–	–	(25,000)	220,000
	April 2024	April 2034	9.0p (11c)	500,000	–	–	(500,000)	–
	September 2024	September 2034	19.3p (25c)	500,000	–	–	–	500,000
	April 2025	April 2035	16.7p (22c)	–	600,000	–	–	600,000
	May 2025	May 2035	17.5p (23c)	–	100,000	–	–	100,000
				49,288,826	1,200,000	–	(1,113,333)	49,375,493

The closing mid-market price for the Company's shares at 31 December 2025 was 9.55p (12.9c) (2024: 19.70p (24.7c)) and the low and high for the year was 8.65p (11.6c) and 19.9p (26.6c) (2024: 8.0p (10.0c) and 27.5p (34.4c)). In the 12 months to 31 December 2025, no options were exercised (2024: 10,636,666) and 1,113,333 options were forfeited (2024: 3,787,333).

Notes to the Financial Statements continued

24. Share options continued

Share options granted at 31 December 2024 were as follows:

Option holders	Date granted	Expiry date	Exercise price – pence (cents)	At 1 January 2024	Granted	Exercised	Forfeit/cancelled	At 31 December 2024
Enterprise Management Incentive Scheme								
Other Holders	April 2019	April 2029	8.4p (10c)	10,000	–	–	–	10,000
	April 2020	April 2030	4.2p (5c)	347,500	–	–	–	347,500
	June 2020	June 2030	5.3p (7c)	5,990,500	–	(300,000)	–	5,690,500
	September 2020	September 2030	7.8p (10c)	5,000	–	–	–	5,000
	October 2020	October 2030	9.0p (12c)	12,500	–	–	–	12,500
	January 2021	January 2031	13.0p (18c)	510,000	–	–	–	510,000
	September 2022	September 2032	10.8p (12c)	390,000	–	–	–	390,000
	April 2023	April 2033	6.8p (8c)	155,000	–	(3,333)	–	151,667
	April 2024	April 2034	9.0p (11c)	–	200,000	–	–	200,000
	September 2024	September 2034	19.3p (25c)	–	150,000	–	–	150,000
Executive Enterprise Management Incentive Scheme								
Andrew Lloyd	April 2017	April 2027	8p (10c)	2,083,333	–	–	–	2,083,333
Phil Richards	April 2023	April 2033	6.8p (8c)	1,500,000	–	(500,000)	(1,000,000)	–
	September 2023	September 2033	7.1p (9c)	500,000	–	–	(500,000)	–
Chris Goulden	May 2024	May 2034	12.5p (16c)	–	1,500,000	–	–	1,500,000
Unapproved French Share Option Scheme								
Lionel Chmielewsky	June 2020	June 2030	5.3p (7c)	7,000,000	–	(7,000,000)	–	–
	January 2021	January 2031	13.0p (18c)	333,333	–	–	–	333,333
Unapproved Share Option Scheme								
Jens Montanana	April 2017	April 2027	8p (10c)	994,000	–	–	–	994,000
	May 2018	May 2028	13.6p (18c)	425,000	–	–	–	425,000
	October 2018	October 2028	11.0p (14c)	400,000	–	–	–	400,000
Richard Last	April 2017	April 2027	8p (10c)	450,000	–	–	–	450,000
	June 2017	June 2027	13.6 (18c)	180,000	–	–	–	180,000
	October 2018	October 2028	11.0p (14c)	200,000	–	–	–	200,000
	January 2021	January 2031	13.0p (18c)	350,000	–	–	–	350,000
Andrew Lloyd	April 2017	April 2027	8p (10c)	580,001	–	–	–	580,001
	June 2017	June 2027	13.6 (18c)	200,000	–	–	–	200,000
Ashley Stephenson	June 2020	June 2030	5.3p (7c)	7,919,000	–	–	–	7,919,000
	January 2021	January 2031	13.0p (18c)	350,000	–	–	–	350,000
Andrew Miller	June 2020	June 2030	5.3p (7c)	5,775,000	–	–	–	5,775,000
Peter George	January 2019	January 2029	11.3p (15c)	750,000	–	–	–	750,000
	January 2021	January 2031	13.0p (18c)	350,000	–	–	–	350,000
Carl Herberger	November 2023	November 2033	9.0p (11c)	11,533,492	–	–	–	11,533,492
Rob Scott	April 2024	April 2034	11.8p (15c)	–	750,000	–	–	750,000

Notes to the Financial Statements continued

24. Share options continued

Option holders	Date granted	Expiry date	Exercise price – pence (cents)	At 1 January 2024	Granted	Exercised	Forfeit/cancelled	At 31 December 2024
Other holders	May 2014	May 2024	25p (42c)	670,666	–	–	(670,666)	–
	September 2016	September 2026	22.5p (33c)	5,000	–	–	–	5,000
	October 2018	October 2028	11.0p (14c)	50,000	–	–	–	50,000
	September 2019	September 2029	2.5p (3c)	100,000	–	–	–	100,000
	April 2020	April 2030	4.2p (5c)	205,000	–	–	–	205,000
	April 2020	April 2030	4.2p (5c)	50,000	–	–	–	50,000
	June 2020	June 2030	5.3p (7c)	4,423,500	–	–	–	4,423,500
	January 2021	January 2031	13.0p (18c)	410,000	–	–	–	410,000
	January 2022	January 2032	13.0p(18c)	4,260,000	–	(2,833,333)	(1,416,667)	10,000
	September 2022	September 2032	10.8p (12c)	400,000	–	–	(200,000)	200,000
	April 2023	April 2033	6.8p (8c)	245,000	–	–	–	245,000
	April 2024	April 2034	9.0p (11c)	–	500,000	–	–	500,000
	September 2024	September 2034	19.3p (25c)	–	500,000	–	–	500,000
				60,112,825	3,600,000	(10,636,666)	(3,787,333)	49,288,826

Total number of options granted to Directors

	31 December 2025 Options granted	31 December 2024 Options granted	Relevant Share Option scheme
Ashley Stephenson	n/a	8,269,000	Unapproved Share Option Scheme
Andrew Miller	5,915,000	5,915,000	Executive Enterprise Management Scheme and Unapproved Share Option Scheme
Jens Montanana	1,819,000	1,819,000	Unapproved Share Option Scheme
Jeremy Nicholls	n/a	n/a	
Peter George	1,100,000	1,100,000	Unapproved Share Option Scheme
Richard Last	1,180,000	1,180,000	Unapproved Share Option Scheme
Rob Scott	750,000	750,000	Unapproved Share Option Scheme
Carl Herberger	11,533,492	11,533,492	Unapproved Share Option Scheme
Christopher Goulden	2,000,000	-*	Executive Enterprise Management Scheme
	24,297,492	30,566,492	

* In the prior year, Christopher Goulden was granted share options which are not included in the table above as he was not a Director at that time. Following his appointment as a Director in April 2025, his total share options are disclosed in the table above.

None of the Directors holding office at the balance sheet date exercised options during the year (2024: none).

Andrew Miller has a contractual right (granted in March 2011) to purchase 140,000 ordinary shares in the Company from the Employee Share Ownership Trust at 40p per share pursuant to a grant made to him under the Deferred Payment Share Plan.

Notes to the Financial Statements continued

24. Share options continued

Share-based payments

The Remuneration Committee ('RC') approves the grant of share options to employees of the Group under the Group's share option schemes.

Share options are granted with a fixed exercise price which is equal to the market price at the date of the grant or higher price determined by the RC. The share options granted are required to be exercised within 10 years from the date of grant. Share options are valued using the Black-Scholes option-pricing model.

The weighted average fair value of the options granted in the year was 7.6p (10c). The value of share options granted during the year was calculated using the Black-Scholes option pricing model. The following variables and ranges were used:

	2025	2024
Share price at date of grants	16.7p-17.5p (22c-23c)	9.0p-19.3p (11c-25c)
Exercise price	16.7p-17.5p (22c-23c)	9.0p-19.3p (11c-25c)
Expected volatility	45.5%-46.4%	41.5%-43.1%
Estimated years to exercise	4.0-5.0	4.0-5.0
Risk free interest rate	4.0%-4.1%	3.7%-4.2%

The table below provides information on all options outstanding at the end of the year:

	2025	2024
Weighted average remaining contractual life	5.3 years	6.3 years
Average remaining contractual life	6.3 years	6.8 years
Options exercisable	42,139,329	36,565,387
Exercise price range	2.5p-19.3p (3c-25c)	2.5p-19.3p (3c-25c)
Weighted average share price	7.7p (10.1c)	7.5p (9.4c)
Weighted average exercise price	7.8p (10.3c)	7.6p (9.6c)
Expected volatility	0.2%-75.6%	0.2%-75.6%
Risk free rate – 5-year gilt rate	-0.08%-4.2%	-0.08%-4.2%
Expected dividend yield	Nil	Nil

Volatility is calculated as the standard deviation of the closing daily share price over a period of 24 months prior to the grant date.

Operating expenses in the Group Income Statement included a charge of \$339,000 (2024: \$484,000) relating to employee share-based payments.

25. Related parties and transactions

There have been no equity placings or offers in the year ended 31 December 2025 or 2024.

The Directors consider the Group's key management personnel to be the Board of Directors of the Company whose compensation is detailed in note 22.

26. Events after the balance sheet date

There have been no events that have occurred after the balance sheet date which require disclosure.

Company Statement of Financial Position

As at 31 December 2025

	Note	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000
Assets			
Non-current assets			
Investments in subsidiaries	3	60,900	57,574
Amounts due from Group undertakings	4	8,117	-
		69,017	57,574
Current assets			
Trade and other receivables	4	146	5,977
Cash and cash equivalents		26	2,156
		172	8,133
Liabilities			
Current liabilities			
Trade and other payables	5	25	20
		25	20
Net current assets			
		147	8,113
Net assets			
		69,164	65,687
Total equity attributable to owners of the Parent			
Share capital		7,133	7,133
Share premium account		83,290	83,290
Capital redemption reserve		7,051	7,051
Share options reserve		2,482	2,143
Foreign exchange translation reserve		(10,761)	(15,781)
Accumulated profit and loss reserve		(20,031)	(18,149)
Total equity		69,164	65,687

The Company made a loss for the year 31 December 2025 of \$1,882,000 (2024: profit of \$7,720,000).

These financial statements were approved and authorised for issue by the Board of Directors on 23 March 2026 and signed on their behalf.

Chris Goulden

Chief Financial Officer

The notes on pages 77 to 79 form part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital \$'000	Share premium account \$'000	Capital redemption reserve \$'000	Share options reserve \$'000	Foreign exchange translation reserve \$'000	Accumulated profit and loss reserve \$'000	Total attributable to equity owners of the parent \$'000
1 January 2024	6,999	82,430	7,051	1,659	(14,764)	(25,869)	57,506
Profit for the year	–	–	–	–	–	7,720	7,720
Other comprehensive income	–	–	–	–	(1,017)	–	(1,017)
Total comprehensive income for the year	–	–	–	–	(1,017)	7,720	6,703
Contributions by and distributions to owners							
Issue of share capital – exercise of options	134	860	–	–	–	–	994
Share based payments	–	–	–	484	–	–	484
Total contributions by and distributions to owners	134	860	–	484	–	–	1,478
31 December 2024	7,133	83,290	7,051	2,143	(15,781)	(18,149)	65,687
Loss for the year	–	–	–	–	–	(1,882)	(1,882)
Other comprehensive income	–	–	–	–	5,020	–	5,020
Total comprehensive income for the year	–	–	–	–	5,020	(1,882)	3,138
Contributions by and distributions to owners							
Share based payments	–	–	–	339	–	–	339
Total contributions by and distributions to owners	–	–	–	339	–	–	339
31 December 2025	7,133	83,290	7,051	2,482	(10,761)	(20,031)	69,164

Notes to the Financial Statements

1. General information

Corero Network Security plc (Company number 02662978) is a public limited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The functional currency of the Company entity is GBP.

Presentation currency

These Company financial statements are presented in US dollars ("\$\$") rounded to the nearest \$'000 unless otherwise stated which represents the presentation currency of the Company.

The average \$-GBP ("GBP") exchange rates used for the conversion of the Consolidated Monthly Income Statements for the year ended 31 December 2025 was between 1.23 and 1.36 (2024: between 1.25 and 1.32). The closing \$-GBP exchange rate used for the conversion of the Group's assets and liabilities at 31 December 2025 was 1.35 (2024: 1.25).

2. Material accounting policies

2.1 Basis of preparation

The Company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The Company has taken advantage of the following disclosure exemptions:

The requirements of IFRS 2 Share-based payments, IFRS 7 Financial Instruments: Disclosures, IAS 7 Statement of Cash Flows, IAS 12 Income Taxes and IAS 24 Related Party Disclosures.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included an income statement in these financial statements. The Parent Company's loss for the year was \$1.9 million (2024: \$7.7 million profit).

2.2 Going concern

The financial statements have been prepared on a going concern basis.

The Parent Company is a holding company and does not trade in its own right. Its principal activities are the holding of investments in subsidiary undertakings and the provision of funding to Group companies.

At 31 December 2025, the Company has net assets of \$69.2 million. The Directors consider that the Company's financial position provides sufficient support for the Parent Company to cover the Company's expected level of expenditure for a period of at least twelve months from the date of approval of these financial statements.

The Directors are also not aware of any significant matters in the going concern period that could reasonably be expected to impact the going concern conclusion.

On this basis, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment provisions. Refer to note 3 in the Company Financial Statements for further details.

2.4 Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. The particular recognition and measurement methods adopted for the Company's financial instruments are disclosed below:

Other receivables

Other receivables are stated at their fair value at time of initial recognition, reflecting, where material, the time value of money.

Amounts due from Group undertakings

Intercompany receivables represent amounts due from other Group undertakings. These balances are measured at amortised cost. At each reporting date, the Group assesses whether the balances are recoverable, taking into account the financial position and forecast cash flows of the debtor entity. An impairment provision is recognised where necessary. Classification as current or non-current is based on the expected timing of settlement at the reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

Other payables

Other payables are not interest bearing and are stated at their fair value at time of initial recognition. Thereafter they are accounted for at amortised cost.

3. Investment in subsidiaries

	Investment in Corero Network Security, Inc. and Corero Network Security (UK) Limited \$'000	Investment in Corero Group Services Limited \$'000	Total \$'000
Cost			
At 1 January 2024	68,699	10,137	78,836
Foreign currency translation	(1,149)	(168)	(1,318)
At 31 December 2024 and at 1 January 2025	67,550	9,969	77,519
Foreign currency translation	5,150	753	5,903
At 31 December 2025	72,700	10,722	83,422
Impairment			
At 1 January 2024	(20,304)	(8,408)	(28,712)
Impairment charge	8,664	(373)	8,291
Foreign currency translation	337	139	476
At 31 December 2024 and at 1 January 2025	(11,303)	(8,642)	(19,945)
Impairment credit/(charge)	-	(1,070)	(1,070)
Foreign currency translation	(854)	(653)	(1,507)
At 31 December 2025	(12,157)	(10,365)	(22,522)
Net book value			
At 31 December 2025	60,543	357	60,900
At 31 December 2024	56,247	1,327	57,574
At 1 January 2024	48,395	1,729	50,124

Notes to the Financial Statements continued

3. Investment in subsidiaries continued

The Company owns:

- + 100% of the issued share capital of Corero Network Security, Inc. a company incorporated in Delaware, USA with the business address located at 293 Boston Post Road, Marlborough, MA 01752, USA. The principal business of Corero Network Security, Inc. consists of the development and sale of appliance and software security products and solutions.
- + 100% of the issued share capital of Corero Group Services Limited, a company incorporated and registered in England and Wales with the business address located at Salisbury House, 29 Finsbury Circus, London, EC2M 5QQ, England, United Kingdom. The principal business of Corero Group Services Limited consists of providing administration services to the Group.
- + 100% of the issued share capital of Corero Network Security (UK) Limited, a company incorporated and registered in England and Wales with the business address located at 3rd Floor, 53 Hanover Street, Edinburgh, EH2 2PJ and registered address at Salisbury House, 29 Finsbury Circus, London, EC2M 5QQ, England, United Kingdom. The principal business of Corero Network Security (UK) Limited consists of sale of appliances and software security products and solutions, providing development and marketing services on behalf of Corero Network Security, Inc.

Investment in Corero Network Security Inc. and Corero Network Security (UK) Limited

At 31 December 2025, the Directors have assessed the recoverable amount of the Company's investments in Corero Network Security Inc and Corero Network Security (UK) Limited using a discounted cash flow ('DCF') approach, which they consider to be the most appropriate and reliable method of estimating recoverable amount, as it reflects the future cash flows expected to be generated from the underlying operations.

The recoverable amount has been determined based on the combined cash flows of Corero Network Security Inc. and Corero Network Security (UK) Limited, which together represent the principal operating entities of the Group. The same cash flow forecasts and assumptions have been applied as those used in the Group goodwill impairment assessment, given that the recoverability of the Company's investments is supported by the same underlying operations. Key assumptions used in estimating recoverable amount are summarised in the table below and further explained in note 9 of the consolidated financial statements.

	2025	2024
Forecast cash flow period	Years 1-2	Years 1-2
Extrapolated cash flow period	Years 3-5	Years 3-5
Cumulative annual growth rate ('CAGR') for revenue used for the forecast/extrapolated periods	17.1%	14.0%
Growth rates ('CAGR') used for the forecast/extrapolated periods:		
Year 1-2 (forecast period)	22.1%	14.0%
Years 3-5 (extrapolated period)	13.8%	14.0%
Revenue growth rate used beyond the extrapolated period	2.9%	3.3%
Discount rate	13.5%	13.7%

The impairment assessment indicates that the recoverable amount of the Company's investments exceeds their carrying amount at 31 December 2025.

Sensitivity analysis has been performed on the key assumptions used in estimating recoverable amount. Management has considered reasonably possible changes in the key assumptions and the mitigating actions available to the Group and does not consider there to be a reasonably possible change in assumptions that would result in an impairment. However, with all other assumptions remaining constant, including growth in both COGS and operational expenditures, the model indicates that the business would need to achieve a compound annual growth rate ('CAGR') of 15% over the forecast period for the recoverable amount to remain above the carrying value. This growth rate is broadly consistent with the long-term growth expectations for the DDoS protection market, which is forecast to grow at a CAGR of 13.8%.

Apart from the matters described above, the Directors are not aware of any other reasonably possible changes that would require a material adjustment to the carrying value of the Company's investments at the reporting date.

Investment in Corero Group Services Limited

At 31 December 2025, the Directors performed an impairment assessment of the Company's investment in Corero Group Services Limited, in accordance with IAS 36 Impairment of Assets. Corero Group Services Limited does not generate independent cash inflows and its recoverable amount has therefore been assessed by reference to the net assets of the entity at the reporting date.

Based on this assessment, the recoverable amount of the investment has been determined to be equal to the net asset value of Corero Group Services Limited of \$0.4 million. As this amount is lower than the carrying value of the investment, an impairment charge of \$1.1 million has been recognised during the year to write the investment down to its recoverable amount.

4. Trade and other receivables

	2025 \$'000	2024 \$'000
Other debtors	87	80
Prepayments	59	35
Amounts due from subsidiaries	–	5,862
Total current trade and other receivables	146	5,977
Amounts due from subsidiaries	8,117	–
Total trade and other receivables	8,263	5,977

None of the Company's trade and other receivables are secured by collateral or credit enhancements (2024: none). The maturity profile of trade and other receivables is set out in the table below:

	2025 \$'000	2024 \$'000
In one year or less	146	5,977
In more than one year, but not more than five years	8,117	–
	8,263	5,977

The amounts due from subsidiaries are repayable on demand. During the year, the Company reclassified amounts due from group undertakings from current assets to non-current assets to reflect the expected timing of recovery. An expected credit loss ('ECL') assessment was performed, taking into account the financial position of the relevant group entities and their ability to settle the balances. The change in the expected timing of receipt does not represent an indicator of impairment, as the balances remain fully recoverable based on current forecasts and the ongoing support of the Group. Accordingly, no ECL provision has been recognised.

Notes to the Financial Statements continued

4. Trade and other receivables continued

The analysis of trade and other receivables by foreign currency is set out in the table below:

	2025 \$'000	2024 \$'000
US dollars	–	–
UK pound	8,263	5,977
	8,263	5,977

5. Trade and other payables

	2025 \$'000	2024 \$'000
Other payables	25	20
	25	20

None of the Company's trade and other payables are secured by collateral or credit enhancements.

The Directors consider that the carrying amount of other payables approximates their fair value. 100% (2024: 100%) of the trade and other payables are due in less than three months.

The analysis of trade and other payables by foreign currency is set out in the table below:

	2025 \$'000	2024 \$'000
US dollars	–	–
UK pound	25	20
	25	20

6. Related parties and transactions

Company key management compensation was \$nil (2024: \$nil) as the key management are employed by subsidiaries.

7. Share capital

Refer to Group disclosure note 20 for movements in share capital of the Company.

8. Share premium account

Refer to Group disclosure note 21 for movements in share premium of the Company.

9. Events after the balance sheet date

There have been no events that have occurred after the balance sheet date which require disclosure.

Glossary

AI	Artificial Intelligence	IoT	Internet of Things
AIM	Alternative Investment Market	ISP	Internet Service Provider
APAC	Asia Pacific region	ISA	International Standard on Auditing
API	Application Programming Interface	L3	Layer 3 – the Network layer
ARR	Annualised Recurring Revenues	L4	Layer 4 – the Transport layer
CAGR	Compound Annual Growth Rate	L7	Layer 7 – the Application layer
CDN	Content Delivery Network	LATAM	Latin American region
CGU	Cash-Generating Unit	MSP	Managed Service Provider
CNS	Corero Network Security	MSSP	Managed Security Service Provider
CORE	Corero Observability and Resiliency Ecosystem	NICs	Network Interface Cards
CPU	Central Processing Unit	NTD	Network Threat Defence
CSPs	Communication Service Providers	POPs	Points of Presence
DoS	Denial of Service	R&D	Research and Development
DDoS	Distributed Denial of Service	ROI	Return On Investment
DDPaaS	DDoS Protection as-a-Service	SOC	Security Operations Center
DPDK	Data Plane Development Kit	SSP	Stand-alone Selling Prices
DPI	Deep Packet Inspection	TA	Traffic Analysis
EBITDA	Earnings Before Interest, Tax, Depreciation, and Amortisation	TCO	Total Cost of Ownership
EU	European Union	TDD	SmartWall® Threat Defense Director
FCA	Financial Conduct Authority	TLS	Transport Layer Security
FRC	Financial Reporting Council	WAF	Web Application Firewall
FRS	Financial Reporting Standard	WAAP	Web Application and API Protection
HTTP	Hypertext Transfer Protocol	ZTAC	Zero Trust Admission Control
IAS	International Accounting Standards		
IFRS	International Financial Reporting Standards		

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Richard Last (Non-executive Director)
Peter George (Non-executive Director)
Andrew Miller (Non-executive Director)
Robert Scott (Non-executive Director)
Jeremy Nicholls (Non-executive Director)
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