



March 27, 2019

MARKET STATISTICS	
U.S. Exchange:	OTCQX: CYBNY
Price on 3/26/2019:	\$1.61
Market Cap:	\$47,634,387
Shares Outstanding:	292,235,506
Float (Shares):	64,614,273
52 Week Range:	\$1.61 - 5.50
Industry:	Technology

Introduction

Cyber Security 1 (CYBER1) is a leading international cyber security firm that provides cyber resilience solutions to an ever-growing list of clients globally. The company’s work encompasses both public and private sector entities that span a number of industries.

CYBER1 delivers services and technology licenses for its clients that strengthen their protection against unwanted cyber attacks. Additionally, it provides and enhances a client’s cyber resilience, and CYBER1

prevents various forms of information theft worldwide.

The company has used its pro-growth acquisition strategy to expand operations into more than 10 countries across Europe, Africa and the Middle East.

CYBER1 is parlaying this M&A strategy into incredible growth as evidenced by a year-over-year (2017 to 2018) total annual revenue increase of 159 percent in its latest financial report. The dramatic increase was spurred on by back-to-back record quarterly revenues to close out the year.

OTCQX® In 2018, OTC Markets Group, Inc. welcomed CYBER1 to the U.S. financial markets when it began trading on the OTCQX® Best Market under the ticker symbol (OTCQX: **CYBNY**).

CYBER1 also trades in Stockholm, Sweden, where it’s listed on the NASDAQ First North exchange (NASDAQ First North: **CYB1**).

Company Overview

CYBER1, formerly known as Cognosec, is a low-float security headquartered in London, United Kingdom, and operating in more than 10 countries around the world in the lucrative cyber security space. The company is made up of a group (CYBER1 Group) of acquired and absorbed companies that work in concert to offer clients a full suite of tailored solutions that help them achieve cyber resilience against new and existing threats, and in turn, protecting the reputation and value of each of its clients worldwide.

With an expanding client list that includes some of the biggest names in business, CYBER1 just enjoyed a record 2018 in a number of areas, but specifically in both total quarterly and annual revenue growth. After record high total revenue in Q3, the company ended the year with an even more successful Q4.

The €21.43 million EUR (\$24 million U.S.) in fourth quarter revenue, which is a 238 percent increase over Q4 2017, helped CYBER1 record a total annual revenue of €44.54 million EUR or about \$50 million U.S.—a growth of 159 percent year over year (2017 to 2018) and an annual organic revenue growth of 67 percent year over year.

Due to the company's rapid growth in revenues, its expanding suite of services, and a mergers and acquisition (M&A) strategy that has it positioned as a leader on the world stage, CYBER1 is entering a new and critical phase in its evolution.

CYBER1 begins the next chapter with **Nick Viney**, the company's newly appointed **Chief Executive Officer**, who officially came on board on February 1, 2019, after a successful 7-year career at McAfee.



In addition to McAfee, Nick Viney's resume is comprised of several impressive senior management positions at a number of the world's largest global technology companies, including Microsoft, Google, eBay and Arthur Andersen.

He has closed some of the largest corporate and consumer cyber security deals over the last decade and managed a customer portfolio of nearly 150-million users.

The company further strengthened its leadership team on March 1, 2019, when Vivian Gevers was appointed to be the company's Chief Operating Officer.

In 2016, CYBER1 became a publicly traded security when it joined NASDAQ First North in Stockholm, Sweden. First North is NASDAQ's European growth market for companies looking to take that first step into the financial markets. The exchange was developed to offer a liquid market for early-stage companies to grow both financially and organically.

Two years later in 2018, CYBER1 began trading in the U.S. financial markets on the OTCQX® as a "penny stock exempt" (under SEC Rule [240.3a51-1](#)) American Depository Receipts or [ADR](#) Company. Company executives are exploring an opportunity to be listed on the U.S. NASDAQ exchange.

CYBER1 Group – Companies

Currently, CYBER1 employs 239 people around the world across a host of acquired or absorbed companies that make up the parent company (CYBER1) and are collectively known as the "CYBER1 Group." Those key contributors include:



Cognosec implements tools and utilizes its in-house knowledge that allows CYBER1 to simplify the complexity of its clients' Compliance, Audit, Risk and Security requirements. Through Cognosec, CYBER1's advisory team provides a highly accredited and technical skill base to assess vulnerabilities and achieve regulatory compliance with world governing standards, including PCI, SWIFT and other regulatory frameworks in ISO 27001 and NIST.



DRS specializes in providing innovation and agility in information security, IT Risk Management and IT Governance. Through DRS, CYBER1 provides its clients with security services from a suite of services that satisfy its customer's needs from the creation of security strategy to the daily operation of point security products. The company partners with market-leading technology providers to ensure the best supply of infrastructure as well as executing professional services, ensuring that the selected products are effectively implemented and operate efficiently in the business environment.



Professional Technologies, or **ProTec**, is the only company in Kenya that specializes in Network Security and Network Management Solutions. This includes Antivirus, Firewalls,

Content Filtering, Intrusion Prevention, and Application, Network and Security Management and Security Policy Consultancy.

ProTec is a leader in providing security solutions for computer based networked organizations, and its expertise has over a hundred leading corporations and other organizations in Kenya seeking assistance from ProTec to ensure that their mission-critical systems and information are secure.



Credence Security has 20 years of experience in the cyber security industry. Credence is the company where CYBER1 has its suite of 100-plus vendors that offer a mix of cyber security, forensics and GRC (Governance Risk and Compliance) solutions to CYBER1's clients.

Working closely with these leading IT security vendors including AccessData, Fidelis CyberSecurity, eSentire and Digital Guardian, Credence Security delivers cyber and IT security technologies and solutions that protect organizations against advanced persistent threats, malicious adversaries and internal malpractice.



Itway provides a complete list of Information Technology solutions that comprise the integration of application software, hardware, services, training and consulting that assist companies in making all of their corporate processes more efficient, competitive and safe. Itway has a proven track record in planning, building and distributing ICT products and creating solutions through a broad and consolidated network of Business Technology Partners.



Advantio, established in 2009, and announced as an acquisition by CYBER1 during the [course of 2018](#) combines professional services, technology, managed security services and multilingual support to provide a full spectrum of security solutions to organizations worldwide.

Advantio has been recognized as Europe's second largest QSA provider by VISA.

Specializing in securing payment data transactions by leveraging the fundamentals of its value proposition, consulting and the ZeroRisk software suite, Advantio is the security partner of choice for many different sized entities globally.

In early March 2019, **IntaForensics** was announced as the [company's latest acquisition](#). It's one of the fastest growing Digital Forensic Services providers in the world, and IntaForensics is one of only a handful of organizations that possesses the prestigious ISO/IEC 17025 Laboratory Standard.



IntaForensics developed and owns the award-winning LIMA Forensic Case Management solution, in use since 2009, enabling digital forensic, incident response and eDiscovery practices, regardless of an organizations size, to operate efficiently and effectively through its comprehensive end-to-end Case Management system.

IntaForensics clients include major Police Forces & public and private sector organizations across the globe.

CYBER1 – Global Expansion

While the company has a global reach with operations in Sweden, the United Kingdom, Ireland, Germany, Austria, Italy, Turkey, Greece, Ukraine, South Africa, Kenya, and the United Arab Emirates, it has no plans to stop there. In the last 2 years, CYBER1 has acquired or absorbed 13 different companies—an expansion that has dramatically extended its worldwide reach.

With CYBER1's rapid growth, investors should expect its footprint to continue to broaden throughout the world. The company announced that it expects to expand globally by way of profitable mergers and acquisitions (M&A) activity in what remains a highly fragmented market. To further that effort, CYBER1 continues to identify “not for sale” and niche companies to expand and consolidate its global presence.

CYBER1's CEO stated, “We have a pipeline of over twenty acquisitions at various stages, most recently with IntaForensics in the UK. We originate all of the deals that we complete here at CYBER 1, working closely with our Global Advisory Board in looking at current and new geographical areas that would add intrinsic value across our entire offering.

“To maintain such high organic growth into the future, as well as through acquisitions, leveraging our offering on a global scale will be key to unlocking that potential. Importantly, the companies we acquire understand how we can help

them accelerate their potential by empowering their business with greater scale than ever before.

“We value bringing those companies into the business and taking them on a collective journey with our initial subsidiaries that were part of our IPO, now at the heart of our organic growth. We look forward to working with our newer subsidiaries in realizing the same in 2019 and beyond.”

The CEO also stated that North America has been highlighted as a key area of expansion in 2019 with a number of targets being identified in collaboration with its M&A advisors, UC Capital.

“Looking at the American market is a natural evolution in CYBER1’s continued expansion. Working with our new Chairman of the Global Advisory Board, Joseph Grano Jr., who is the former CEO and Chairman of UBS Paine Webber and the Chairman of the U.S. Homeland Security Advisory Council, has been hugely beneficial in gaining an insight into this region. CYBER1 looks forward to working closely with Joe in utilizing his extensive knowledge and expertise within this market and how we can realize a strong and dynamic presence in 2019.

“More broadly, we continue to assess the long-term strategic objectives for CYBER1 over the next three to five years in relation to our listing as a publicly traded company. NASDAQ First North provides CYBER1 with a strong foundation that facilitates our increasing internal structure and corporate governance that has been required.

“Looking forward, and once further internal alignment has been realized, the CYBER1 board continues to assess the options surrounding our listing to ensure that CYBER1’s growth continues in the same trajectory it has previously experienced.”

CYBER1 – Solutions and Services

CYBER1 has customers all over the globe that range from public to private entities. The company’s impressive client list spans a host of various industries, including government, financial institutions, energy, large-scale industry, technology, media, telecom, travel, sports, and small and medium-sized businesses.

CYBER1’s *ideal client* is any enterprise, regardless of size, where there is an access or exit point installed, and company executives say that while they

specialize in providing solutions to those mid-market entities, they also work with larger-scale institutions from around the world.

Nick Viney says, “The reality of existing and developing cyber vulnerabilities means that size and scope don’t factor in when determining an organization’s potential susceptibility as they are all vulnerable to breaches of information.”

Shortly after Nick Viney was appointed as the new CEO, another formidable name was added to the list of businesses that CYBER1 is offering cyber security solutions for—the latest client is the world famous Formula 1.

In February 2019, CYBER1 announced an exclusive five-year partnership with Formula 1, the world’s premier motorsport series. The company will provide the motorsports legend with an array of cyber security solutions, designed to enhance and secure Formula 1’s infrastructure from potential cyber threats.

CYBER1 relies on long-term exclusive relationships, which are the norm in the industry especially when it comes to the technology that their clients are using. In the current climate, CYBER1 is taking advantage of potential new clients who are eager to learn about the services and successes that the company has achieved and continues to implement. The company says it’s in the process of establishing a number of partnerships with government entities all over the world.

CYBER1 has relationships with about 100 different vendors to help it best serve its clients, including Cisco, McAfee, Symantec, Palo Alto Networks, and Check Point Software Technologies. In addition, the company has 22 cyber-relevant accreditations.

The company offers a full suite of cyber security solutions:



When discussing CYBER1's approach with clients, the company's CEO said, "Our solution to achieve critical cyber resilience for our clients is to garner our knowledge and years of experience from our accredited staff and then combine this with the 100-plus vendor relationships we have accumulated.

"This ensures we have covered every area of established, emergent and future-proof technologies. We then tailor our specific cyber solutions to each individual client by putting together our real-life experience along with those of our vendors to give our client organizations the best available protection against an increasingly sophisticated network or single agent criminals."

CYBER1 – Cyber Security Market

When we talk about cyber security, we're talking about the industry's focus on protecting computers, networks, programs, and data from unauthorized and/or unintended access.

Cyber security has become increasingly important recently as governments, corporations, and people collect, process, and store vast amounts of confidential information and transmit that data across networks. Data breaches have become almost commonplace in recent years.

CYBER1's CEO, said of his company's work in the industry, "Cyber resilience is the practice of decreasing the threat of attacks before they arise, by ensuring that systems and services are wrapped in layers of almost impenetrable protection.

"While it is impossible to guarantee full protection against any unwanted intrusion, our aim is to provide the latest and most innovative solutions available to increase the presence of guardianship and reduce the reward to suspecting criminals."

In 2019, the worldwide information security market is forecast to grow 8.7 percent to \$124 billion according to Gartner, Inc. (NYSE: IT), the world's leading research and advisory company and a member of the S&P 500.

Global Market Insights agrees that the cyber security market is growing exponentially. Their research has the global cyber security market set to grow from its current market value of more than \$120 billion to over \$300 billion by 2024. Even the cyber security insurance market is growing. This segmented insurance market alone is a wake up call to all public and private entities to take cyber security seriously.

The insurance market was valued at \$5.48 billion in 2018, and it is expected to reach \$20.72 billion by 2024, registering a CAGR of 24.3%, during the forecast period (2019-2024).

In a new report released by Research and Markets, a number of changes in the way public and private entities are conducting operations are the very same things opening these businesses up to a laundry list of new cyber threats.

The report said, the trending digitalization, such as the cloud, Big Data, mobile technologies, Internet of Things (IoT), and artificial intelligence (AI), in ever more areas of business and society, and the growing connectivity of everything, have increased the workload of already strained IT teams.

Additionally, cloud computing is one of the most rapidly growing recent technologies, eliminating the traditional boundaries of IT, creating new markets, spurring the mobility trend, enabling advances in unified communications, which is another driver for the protections that cyber security firms are offering clients.

Cases of unauthorized stealing or accessing sensitive business data, like intellectual properties, employees' personal information, or even financial records, have been rising, which, in turn, are driving the rise in both the cyber security and cyber security insurance markets.

Gartner, too, discusses the pronounced growth in connectivity as one such driver behind the rapid growth of the global cyber security market. The research firm expects that by 2020 there will be 20.8 billion connected devices worldwide.

This increase, combined with businesses rapidly embracing cloud-based platforms and other networking technologies, is creating the ideal landscape for a substantial increase in the number of vulnerabilities that public and private entities face with various cyber threats.

A report from Business Insider Intelligence estimated that \$655 billion will be spent on cyber security initiatives to protect PCs, mobile devices, and IoT devices by 2020, of which \$386 billion will be spent on securing PCs, \$172 billion on securing IoT devices, and \$113 billion will be spent on securing mobile devices.

The cyber security market is propelled by this increasing need among businesses to minimize security risks, so whether it be securing PCs and mobile devices or securing IoT devices from vulnerabilities, spending is rising dramatically among

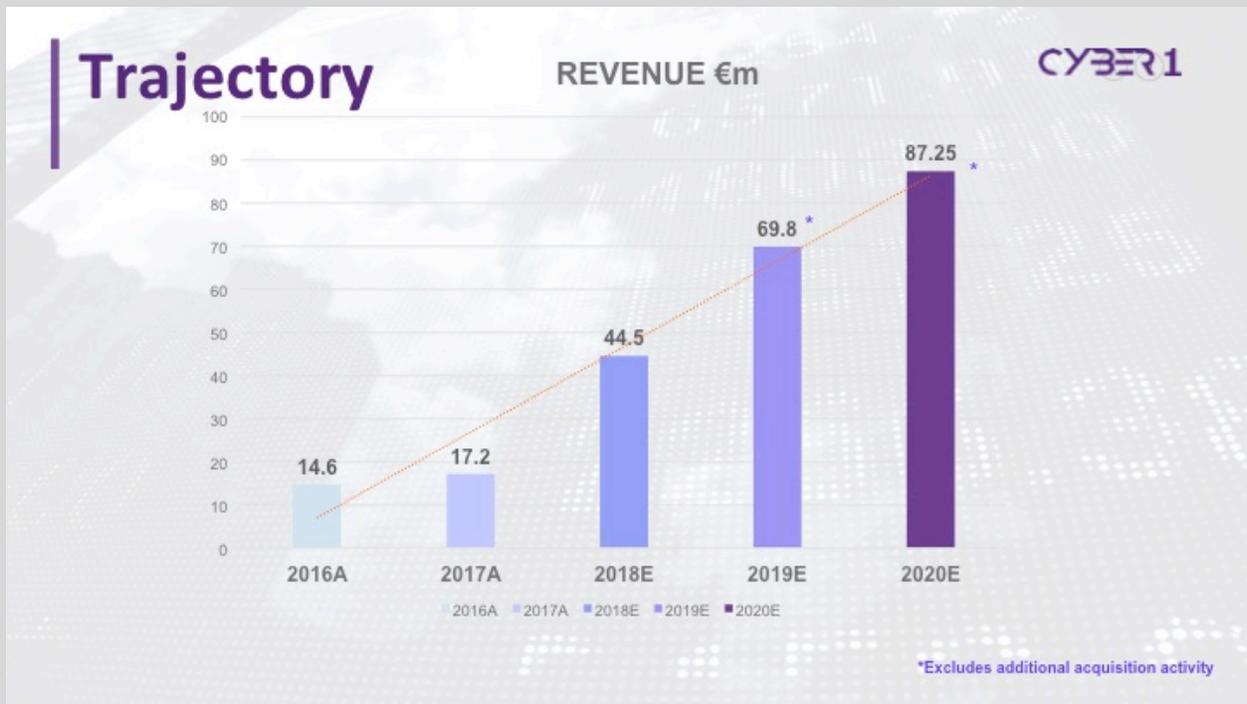
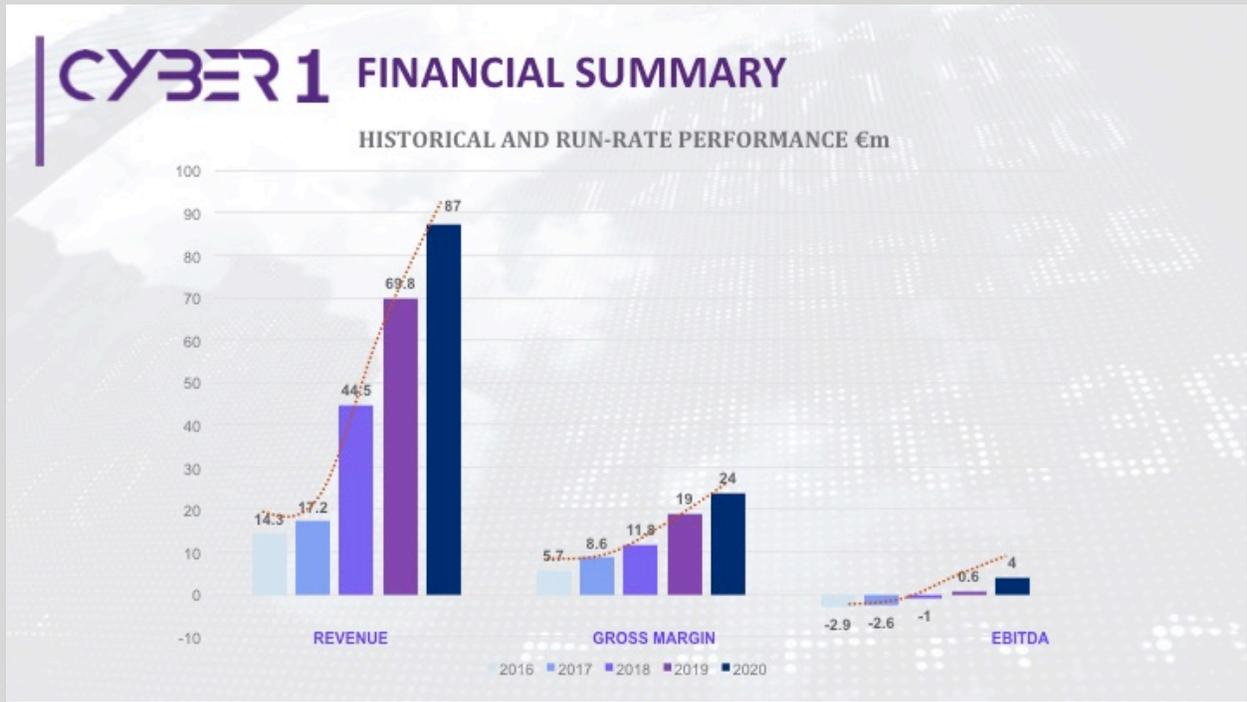
large corporations, government entities, healthcare facilities, schools, small and medium-sized businesses, etc.

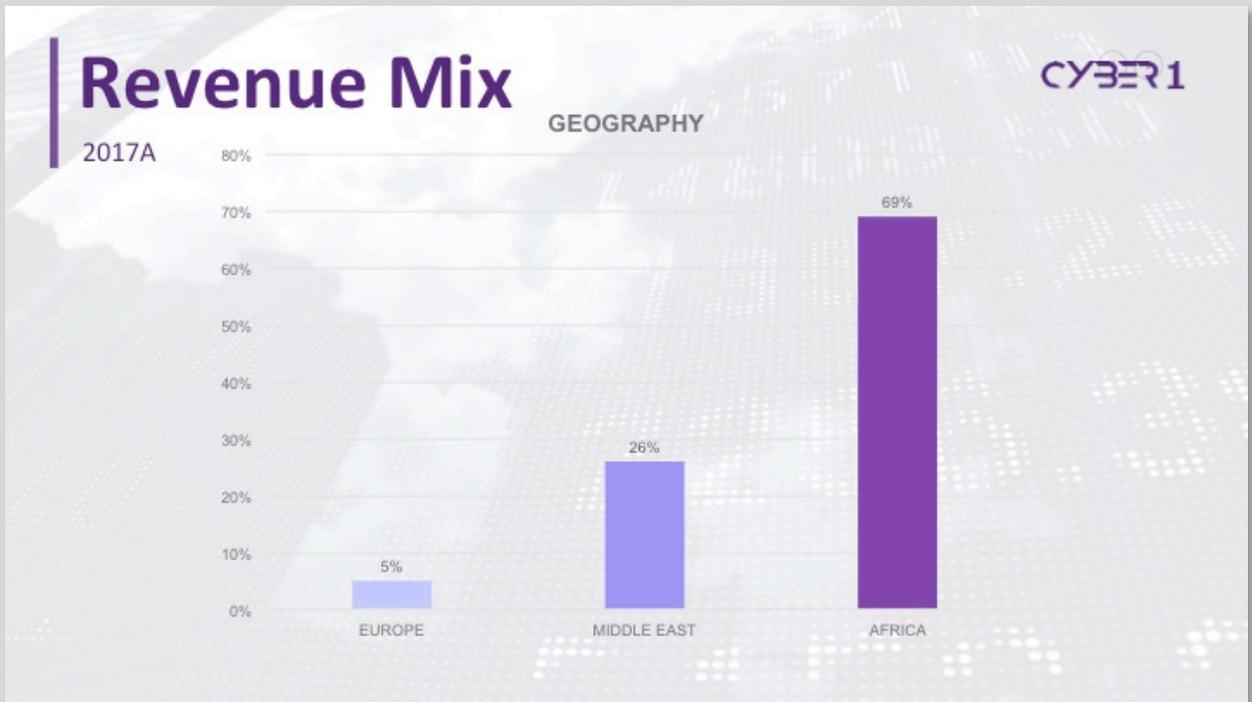
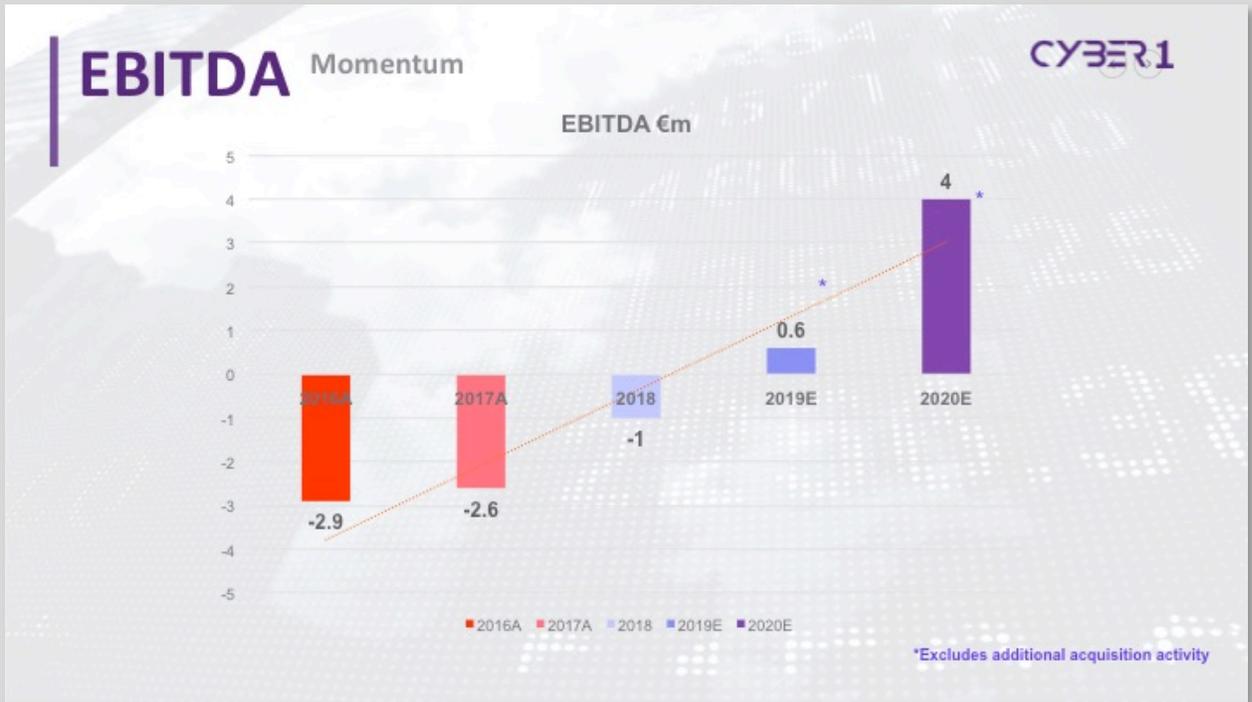
CYBER1 – Financials

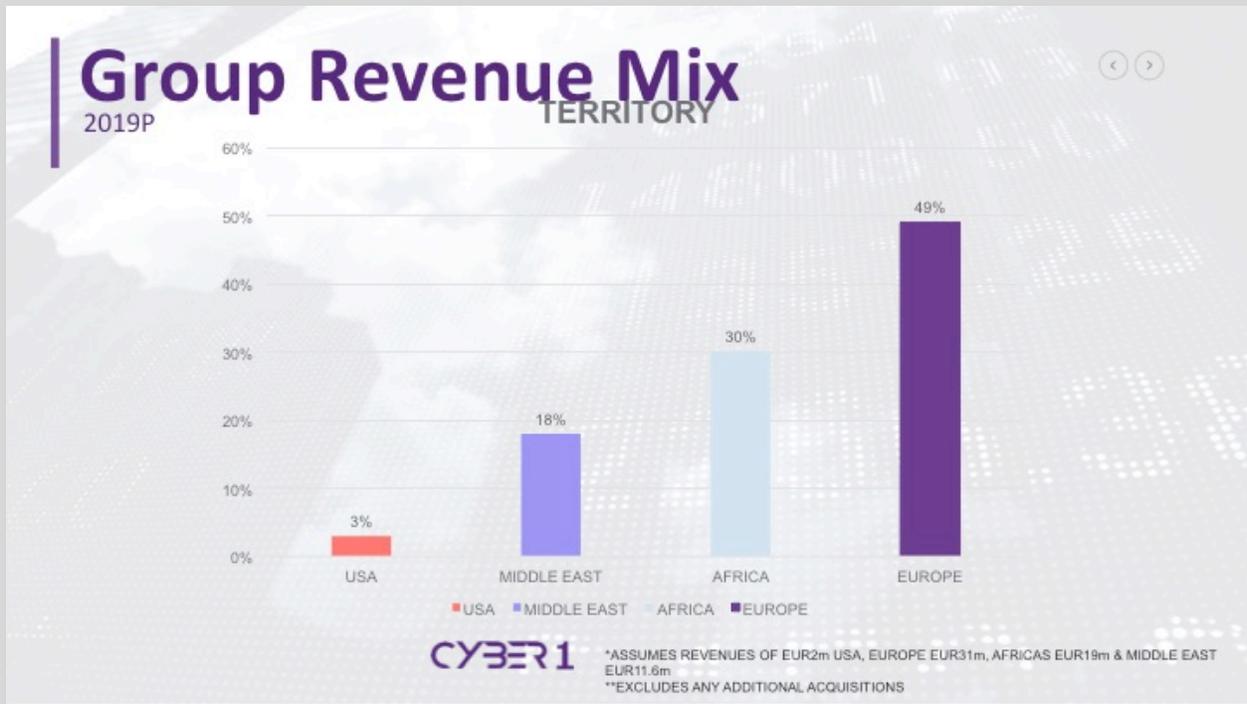
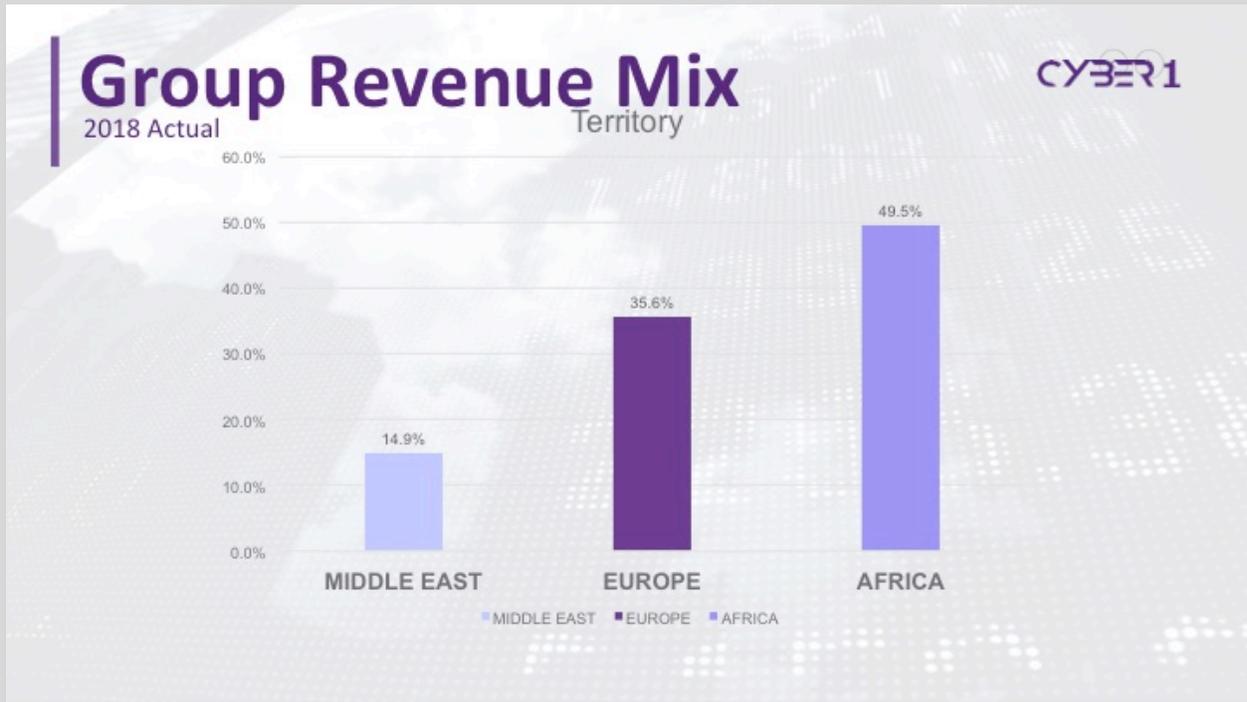
CYBER1's 2018 [Fourth Quarter Report released on February 28, 2019](#), offered continued good news about the company's growth. In looking at the continued growth to end 2018, Nick Viney said, "One point that we are extremely proud of is maintaining the 67-69 percent year to date organic revenue growth over the last two quarters. This is demonstrative of the internal opportunities that exist with our current client base and that they are seeking multiple solutions and services from us." Combined with CYBER1's acquisitions, the company achieved a total revenue growth of 159 percent, from €17.19 million EUR to €44.54 million EUR.

The CEO added, "Some of our acquisitions were only included from July 13th, so we will realize a full twelve-month revenue in 2019 also. It is not just revenue though that we are focused on. Excluding new acquisitions within 2018, we had an increase in operating expenditure of just 1%, which magnifies the organic growth story that we achieved in 2018 even further and credit must go to the business heads. Moving into 2019, we are optimistic in achieving further growth from current entities and through key acquisition targets." We've highlighted a few areas of growth and included several charts that summarize CYBER1's positive growth.

- Q4 2018 revenue totaled €21.43 million EUR, a 238% (up €15.1 million EUR) increase over Q4 2017 (€6.34 million EUR)
- Total annual revenue (2018) increased by 159% (up €27.35 million EUR) from €17.19 million EUR YTD Q4 2017 to €44.54 million EUR YTD Q4 2018
- Organic revenue increased by 67.4% (up €11.58 million EUR) from €17.19 million EUR YTD Q4 2017 to €28.77 million EUR YTD Q4 2018
- Credence Security increased revenue by 62.8% from €3.99 million EUR YTD Q4 2017 to €6.49 million EUR YTD Q4 2018
- Cognosec increased revenue by 83.7% (up €8.7 million EUR) from €10.49 million EUR YTD Q4 2017 to €19.2 million EUR YTD Q4 2018







CYBER1 – Outlook

CYBER1's CEO came to the company after spending a number of years in the cyber security and technology spaces where he gained significant experience working in leadership positions. He found himself in those leadership roles at companies that range from Google to Microsoft to eBay, and most recently at McAfee where he was responsible for Europe, the Middle East and Africa (EMEA) in the Consumer, Mobile and Small-Medium Business markets. While at McAfee, Nick Viney served as an executive in the enterprise space for UK, Ireland and Africa.

Speaking on his expertise in the industry and how his appointment to CEO combined with the expertise of the company's Board of Directors can work in concert to enhance CYBER1's mission, Mr. Viney said, "There are a number of similarities in terms of the areas of business and I look forward to driving the commercial strategy in new enterprise, while looking internally and achieving further robust internal governance across the existing and newly acquired companies.

"We take pride in having a Board of Directors with a variety of experiences and backgrounds that originate from either government or business roles and provide specific and strategic value to our offering within CYBER1."

The company's Chairman is also its founder—Kobus Paulsen. He leads a Board of Directors that combined offer a great deal of expertise across a wide range of areas in the cyber security industry.

Nick Viney said of CYBER1's Chairman, "Kobus Paulsen is a visionary in identifying, from the outset, the need for a resilient cyber security provider for any company. His methodology in acquiring companies at the right growth stage has been instrumental in our overall development. The buy and build strategy, twinned with our organic growth will continue to push the company forward as we look to take the next significant step in our journey."

In his statement to shareholders in the company's 2018 Fourth Quarter Report CYBER1's CEO said:

"Looking ahead to 2019, the ever-developing cyber threats highlight that cyber security continues to be a prominent topic. From C-Level Executives of large multinational corporations to individual SME businesses, the threats and

vulnerabilities are apparent for all, regardless of size and scope. This has been apparent in a number of organizations we work with that are seeking further solutions and services we provide, and in turn, creating a number of upselling opportunities.

“Additional solutions are already being realized in the last quarterly results with our largest clients around the ‘Group,’ who are seeking one provider for multiple services. An example of this was a multi-million euro upsell of additional services and products for a longstanding financial services client in South Africa, a model we intend to roll out further around the Group.

“CYBER1 is ready to meet the needs of our clients by providing our highly accredited staff, expertise in product solutions and overall implementation of strong, resilient security architectures.”

CYBER1 offers an array of assurance and advisory services to clients, and its ability to provide a detailed and well-performing managed service, while being able to distribute vendor products, sets the company apart from its competitors by offering global cyber-technology architectures.

CYBER1 is ideally positioned to take advantage of the explosive growth in the cyber security industry. It is a company that has the expertise needed to navigate the ever-changing technologies and cyber threats on the worldwide stage while offering a full suite of services to clients that is tailored to address a client's specific needs. The company's global footprint should allow it to enjoy its share of the industry's growing revenue for many years to come.

If an investor is looking for a ground-floor opportunity in the market, CYBER1 is it and it's a company that should certainly be in that conversation—it's new to the U.S. financial markets, it's a low-float security, its latest financials are showing great promise and it's a company that is proving itself across the globe as a burgeoning competitor in the cyber security market. It is for these reasons and the due diligence laid out in this report, that Stock Market Media Group has rated CYBER1 a Buy.

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