



Project Wave

July 2021

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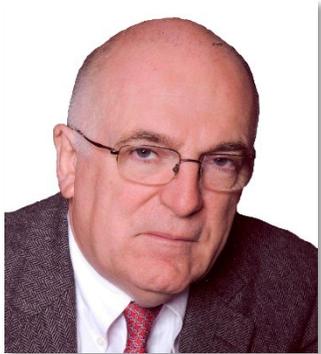
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Experienced leadership team



Sir Richard Dearlove Chairman

Sir Richard, Chairman, is the former Head of the Secret Intelligence Service (MI6). He is Chair of Trustees of the University of London, and amongst other things, Chair of Ascot Underwriting.



Tom Ilube CEO

Tom is founder and CEO of Crossword, with over 30 years experience in the tech industry. He is a Non-Exec Director of the FTSE100 advertising agency, WPP plc and incoming Chair of the Rugby Football Union.



Mary Dowd CFO

Mary is a chartered accountant and was most recently Chief Operating Officer for Europe, the Middle East and Africa, and previously Chief Financial Officer at Cordium Consulting Group Limited, a leading provider of governance, risk and compliance services.



Stuart Jubb MD Consulting

Stuart joined Crossword from KPMG where he was Associate Director, Defence & Security. Stuart spent nine years as an officer in HM Forces, after Sandhurst, serving in Afghanistan, NATO and elsewhere.



Jake Holloway Chief Product Officer

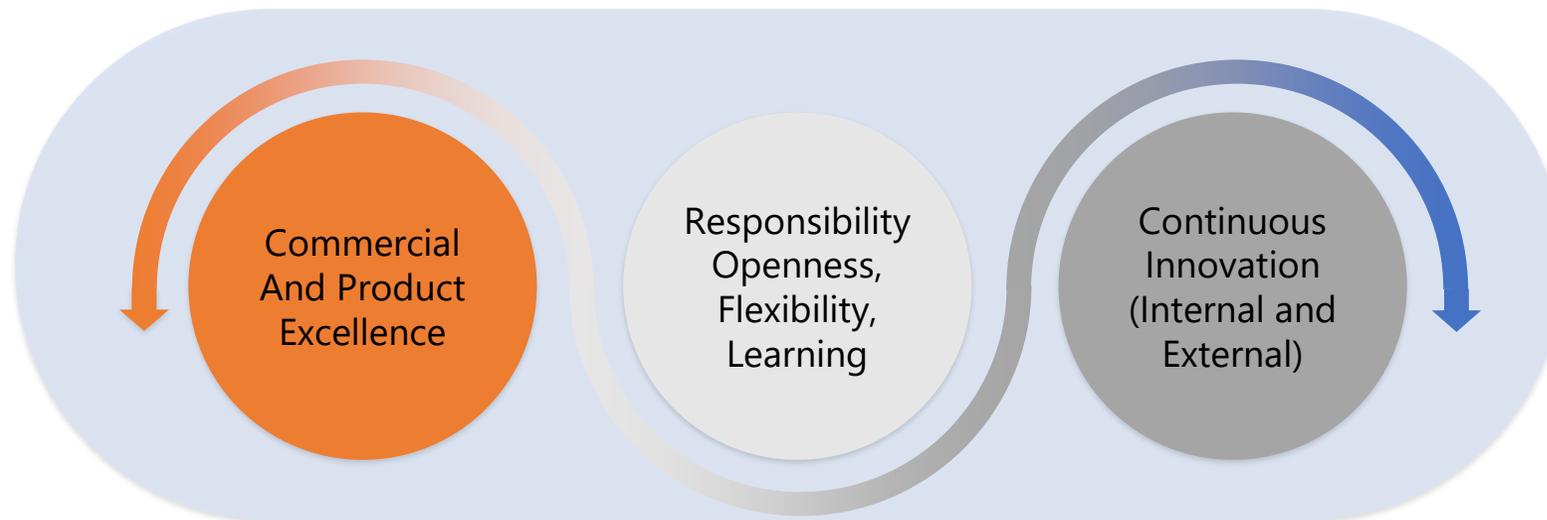
Jake has over 30 years of experience in IT across a wide range of industries and roles - including as CTO and Head of Product for two well-known software houses.



Sean Arrowsmith Group Sales Director

Sean has over 20 years sales experience in cyber/information security and technology. He was previously Group Sales Director at IRM Ltd, the World Class Centre in Cyber Security of Altran Technologies SA..

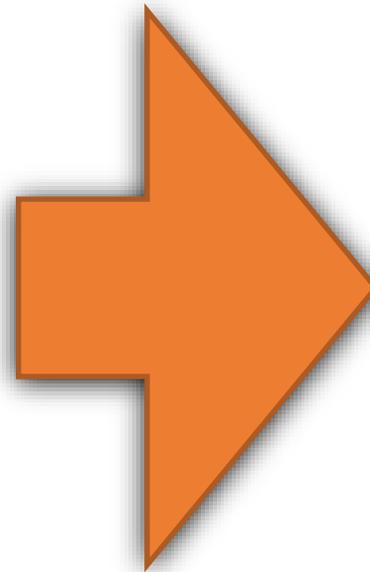
We reduce cyber risks for our clients by providing a portfolio of innovative products and services, powered by university and other research-driven insights.



Propose to raise up to £5m (EIS Advance Assurance June 2021)

What We've Done

- ❑ 2020 results in line with market expectations of 25% growth
- ❑ Signed MOU with CII Sec and launched Rizikon into their 10,000 member base
- ❑ 300+ organisations using Rizikon today, assessing over 3,750 suppliers (tenfold increase in the last 6 months)
- ❑ Acquired Verifiable Credentials Limited in May 2021; added 'Identiproof' to product portfolio
- ❑ Built a product portfolio of three cyber security products: Rizikon, Nixer & Identiproof
- ❑ Signed HOTs with Al-Rawahy Holdings to partner with Crossword in the Gulf region



What We Intend To Do

- ❑ Meet market expectations of 50% revenue growth in 2021
- ❑ Roll out Rizikon across the 5,500 strong membership base of two more membership bodies, where we have signed or are about to sign agreements
- ❑ Target over 1,000 organisations using Rizikon to assess over 10,000 suppliers by end 2022
- ❑ Pilot Rizikon with a global Aerospace, Defence and Security company that has over 6,000 suppliers
- ❑ help clients understand the Credential Stuffing problem, and solve it proportionately and with maximum automation, using Nixer CyberML
- ❑ Complete the acquisition of a recurring-revenue, threat intelligence and monitoring company, with whom we have signed HOTs
- ❑ Complete our cyber security product portfolio with the development/acquisition of two more products by end 2022
- ❑ launch Crossword in Oman in H2/2021 in partnership with Al-Rawahy Holdings

Executive Summary



Timetable

| | |
|-----------------------------------|------------|
| Marketing | 7-16 July |
| Bookbuild | 19/20 July |
| Letters out/back | 21-23 July |
| Announcement of Placing results | 26 July |
| Settlement / Admission new shares | 30 July |

Use of Funds £5m

| | |
|---|-------|
| Non-EIS Qualifying Acquisition | £1.1m |
| EIS Qualifying | |
| Sales and Marketing | £1.5m |
| Product Development and Support | £1.4m |
| Geographical Expansion | £0.1m |
| Working Capital & Running Costs (including costs of the placing) | £0.9m |

Example Dashboard

SUMMARY

ASSESSMENTS

ORGANISATIONS

CONTACTS

Tools ▾

Fiona ▾

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Crossword Cybersecurity

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KEY INFORMATION

| | |
|-----------------------|---|
| Impact | Medium (3) |
| Turnover (last year) | £1,333,121 |
| Certificate A renewal | 12/03/2019 |
| Certificate B renewal | 04/11/2019 |
| Relationship manager | John James |
| Company type | Private Ltd. |
| Location | London |
| Categories | <div style="display: flex; gap: 5px;"> ISO 9001 V. high risk Approved supplier </div> |

RISK DETAILS

| | |
|----------------------------------|--------------------------------------|
| Insurance cover | Low |
| H&S investigations | Yes |
| GDPR relevant | Yes |
| Processing data | Outside EU |
| ISO 27001 | No |
| Cyber Essentials | Yes |
| MS statement | Available |
| MS high risk goods and locations | Palm oil, Syria, Footballs, Pakistan |

| | Pro | Enterprise | With Partners |
|--------------------------|---|--|---|
| Launched | July 2020 | Sept 2019 | |
| Features | Modular, Out of the Box, online subscription | Question sets, 360-degree Supplier Scorecard, Creditsafe Integration | Bespoke |
| Target Market | SMEs | Medium to Large, complex enterprises | Defense, Government, Critical National Infrastructure |
| Sales Cycle | 6 – 12 weeks | 6 – 18 months | 1 – 2 years |
| Typical Deal Size | £3k - £5k pa recurring | £10k-50k pa recurring | Five/six figures plus p.a recurring |
| Marketing | Membership bodies, Inbound, digital campaigns | Outbound Sales Activity | Partners/Direct |

- ❑ Circa 300 organisations making use of Rizikon to assure 3,750 suppliers. Tenfold increase in 6 months.

Memberships – the opportunity

- ❑ CII Sec campaign proved the model, leading to more than two hundred new users and:
 - ❑ pilot with FTSE100 telecom company
 - ❑ opportunity with London insurance market association to drive improvement in risk and efficiency
- ❑ One further agreement signed with ICAEW, and one about to be signed, with membership bodies for rollout of Rizikon Pro, total reach of 5,500.
 - ❑ Sponsoring ICAEW Live, supporting the guidance for spotting and addressing Modern Slavery in supply chains
 - ❑ Imminent membership body agreement offer includes Cyber Essentials Self Assessment and upgrade to Cyber Essentials accreditation
- ❑ Five advanced stage discussions with other membership bodies, four further early stage discussions

Partnerships - multiple bid opportunities and client wins with Leonardo, Satisnet, NCC

Zeus - £157k Innovate Grant for feasibility study with Liverpool John Moores University into a new way of managing supply chain risk. Interviewed 30 end-user organisations and ran in-depth focus groups in Nuclear and Automotive sectors. Potential to create a new product that revolutionises supply chain risk management.

lasme, the National Cyber Security Centre's sole Cyber Essential Partner – 40 revenue generating partners have used Rizikon to certify IOT and Counter-Fraud risks ⁸

Rizikon is achieving significant traction across multiple industry sectors



NMC Nursing &
Midwifery
Council



PETERBOROUGH
CITY COUNCIL



Barron
McCann



CAMMELL LAIRD



Intelliflo

And also:

- Luxury Car Manufacturer
- Government Department
- Housing Association
- Multi Academy Trust
- Top 30 Accountancy Firm
- UK Rail ROC
- FTSE 250 Chemical
- Chemical Corporation
- Menswear Group
- Professional Body
- Financial Services Consulting
- Industrial Products
- Air Technology
- Housing Provider
- Health Technology
- Cleaning Company
- Sports Betting
- Medical Equipment
- Consultancy
- Charity

Nixer CyberML addresses the growing problem of credential stuffing

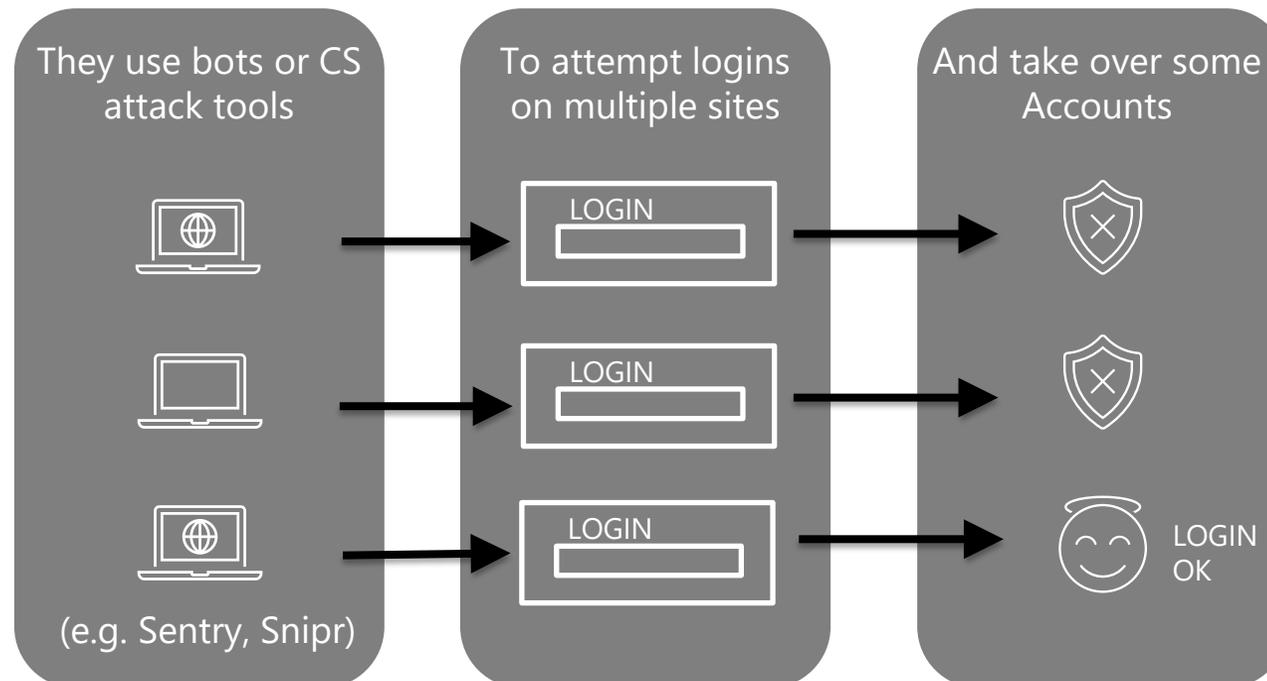
- ❑ In Q1 of 2020, Akamai saw 26.9 billion credential stuffing attempts — a 256% increase over Q1 of 2019
- ❑ Over 80% of hacking-related breaches involved the use of lost or stolen credentials
- ❑ Existing application protection solutions help, but not enough, because it is a complex problem to address, requiring real-time analysis to distinguish normal user behaviour from malicious activity
- ❑ Nixer CyberML applies Machine-learning to User Behaviour Analysis to detect and prevent credential stuffing and other 'account takeover' attacks
- ❑ Enterprises and SaaS vendors will build this capability into their applications using Nixer CyberML



Attackers obtain large numbers of usernames & passwords

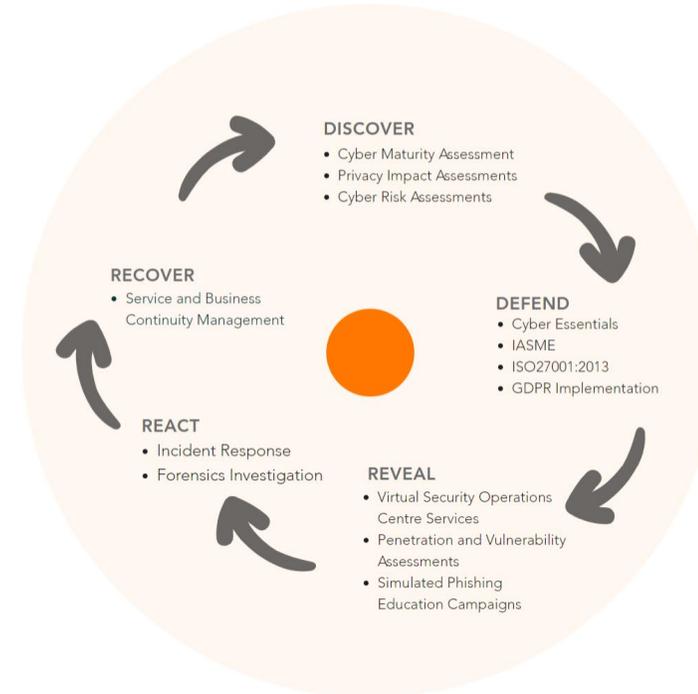


(billions available on normal web)



- ❑ The world is moving rapidly from physical certificates to digital credentials of all types, across sectors ranging from digital ticket sales (festivals, concerts, exhibitions), insurance, compliance certificates (standards, accreditations), education and many more
- ❑ These digital credentials must be verifiable to prevent fraud. Hundreds of millions of digital credentials will be produced by all sorts of organisations each year. W3C published a global standard to address this emerging industry need
- ❑ Professor David Chadwick, global authority in this domain and co-author of the W3C verifiable credentials standard, created Verifiable Credentials Limited (VCL) as a University of Kent spin out to implement the W3C standard in a product called Identiproof
- ❑ Crossword supported VCL via the Government based CyberASAP III programme, and helped craft a 'go to market' strategy
- ❑ Seeing the huge potential in this market, Crossword decided to acquire VCL. We completed the acquisition in May, adding Identiproof as Crossword's 3rd product and onboarding Professor Chadwick and his team
- ❑ Crossword is now actively taking Identiproof to market as well as continuing product development. We are currently working on several public sector tenders directly and with partners, as well as talking to several commercial businesses, including one global training provider that issues over 750,000 certificates a year, on how they might use the identiproof platform to issue verifiable digital certificates

- ❑ Innovative services across the whole cyber consulting lifecycle including discover, defend, reveal, react, recover services
- ❑ High quality consulting team from ex-Big Four Directors and former military and blue chip system integrator backgrounds
- ❑ Strategic to our product business, providing market insights and the product business provide consulting opportunities
- ❑ CREST accredited for penetration testing services
- ❑ Multiple Rizikon Assurance driven, third party risk consulting opportunities
- ❑ Launched recurring revenue vCISO (virtual Chief Information Security Officer) proposition in 2019



- ❑ Worked with over 75 clients across multiple sectors to date, including Insurance, Professional Services, Financial Services, Nuclear, Technology
- ❑ Working for one of the world's largest, global S&P500 insurance brokers and several FTSE 250 companies
- ❑ 2020 recurring revenue 2.5 times 2019 recurring revenue
- ❑ Approximately 60% of 2021 revenue will be recurring
- ❑ Margin growth following achievement of critical mass

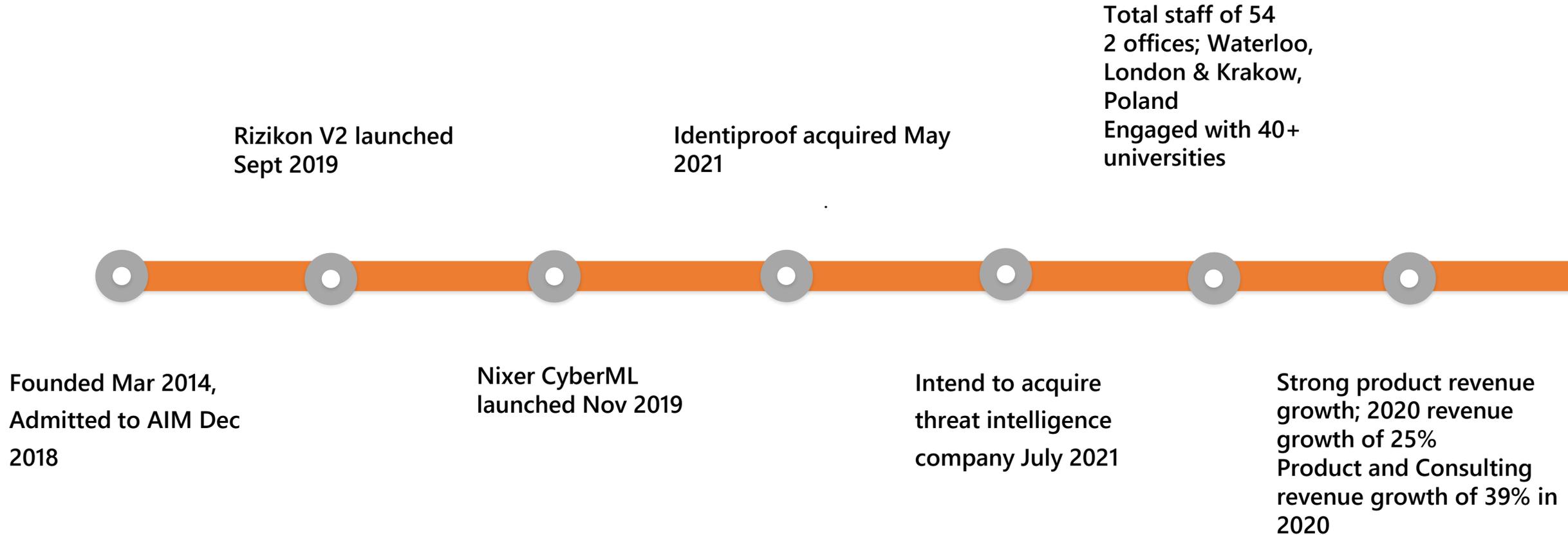


Acquisition of a threat intelligence and monitoring services company

- ❑ Crossword has signed HOTs to acquire a threat intelligence services company, with the intention to complete alongside the placing
- ❑ Total price of £1.8m, in a mixture of cash and shares, £1.35m payable and £0.45m conditional on performance, payments are upfront, deferred and earnout
- ❑ This price is a revenue multiplier of 2.25 on the unconditional payment
- ❑ The target company brings the additional capability of threat intelligence and monitoring services, using its sophisticated in-house platform
- ❑ It will bring circa 30 new clients to Crossword, primarily financial sector organisations, taking the total number of fee paying consulting clients to over 100
- ❑ The company is currently breakeven, with 75% recurring revenue
- ❑ Cross sell opportunities are being explored, alongside operating synergies

- ❑ UK-Oman Comprehensive Agreement and the Joint Defense Agreement by the UK and Oman governments builds further on decades of digital partnership, with commitments to “Deepening cooperation on cyber security and sharing expertise in developing secure and resilient information management and communications technology.” Digital Transformation is a key priority for the Government of Oman
- ❑ Crossword management has long term connections with Oman at a senior level
- ❑ Crossword conducted a successful consulting project with Sultan Qaboos University in late 2020
- ❑ We signed a MOU to partner with the Al-Rawahy Group, a prominent Omani family to establish a subsidiary in the Sultanate of Oman as our Gulf region HQ
- ❑ Crossword will be the majority shareholder. Al-Rawahy Group will provide start up capital, shared facilities, local knowledge and relationships
- ❑ Crossword has signed a MoU with a major Omani managed service provider to agree to roll out Rizikon in Oman in the second half of 2021

Timeline of events



Crossword Cybersecurity plc 2020 Accounts

| Consolidated Statement of Comprehensive Income | 12 Months ended 31st December | 12 Months ended 31st December |
|--|-------------------------------------|-------------------------------------|
| | 2020 £ | 2019 £ |
| Revenue | 1,627,611 | 1,305,055 |
| Cost of Sales | (1,582,194) | (1,431,648) |
| Gross Profit (Loss) | 45,416 | (126,593) |
| Other operating income-research & development tax credits | 209,647 | 171,623 |
| Administrative expenses | (2,320,675) | (2,217,370) |
| Finance income-bank interest receivable and foreign exchange | (3,205) | 8,357 |
| Finance costs-other interest payable | (204,679) | (24,351) |
| Gain on remeasurement of financial liabilities | - | 92,764 |
| Loss for the year before taxation | (2,273,497) | (2,095,570) |
| Tax expense | (4,840) | (5,878) |
| Loss for the Year | (2,278,336) | (2,101,448) |
| Other Comprehensive Income | | |
| Items that may be reclassified to profit or loss: | | |
| Foreign exchange translation Gain / (Loss) | 9,595 | (5,354) |
| Total Comprehensive Loss | (2,268,741) | (2,106,802) |
| Loss for the period attributable to: | | |
| Owners of the parent | (2,249,707) | (2,101,448) |
| Non-controlling interests | (28,629) | - |
| Total Loss for the Year / Period | (2,278,336) | (2,101,448) |
| Total comprehensive loss for the period attributable to: | | |
| Owners of the parent | (2,240,112) | (2,106,802) |
| Non-controlling interests | (28,629) | - |
| Total Comprehensive Loss | (2,268,741) | (2,106,802) |

Crossword Cybersecurity plc 2020 Accounts

Statement of Financial Position as at 31 December

| | Group | Company | Group | Company |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2020 | 2019 | 2019 |
| | £ | £ | £ | £ |
| Non-Current Assets | | | | |
| Tangible assets | 6,699 | 3,144 | 15,438 | 10,918 |
| Right of Use assets | 63,365 | 35,248 | 203,062 | 133,726 |
| Investments in subsidiaries | 0 | 458,164 | - | 11,017 |
| Unlisted investment | 31 | 31 | 31 | 31 |
| Intercompany receivable greater than one year | 0 | 653,316 | - | 598,000 |
| Total non-current assets | 70,095 | 1,149,902 | 218,531 | 753,692 |
| Current Assets | | | | |
| Trade and other receivables | 497,912 | 275,680 | 626,298 | 581,680 |
| Cash and cash equivalents | 958,341 | 824,667 | 1,514,166 | 1,452,085 |
| Total current assets | 1,456,253 | 1,100,347 | 2,140,463 | 2,033,765 |
| TOTAL ASSETS | 1,526,348 | 2,250,249 | 2,358,994 | 2,787,456 |
| EQUITY | | | | |
| Attributable to the owners of the Company | | | | |
| Share Capital | 256,605 | 256,605 | 234,061 | 234,061 |
| Share premium account | 8,518,391 | 8,518,391 | 7,515,744 | 7,515,744 |
| Other reserves | 181,618 | 181,618 | 128,826 | 128,826 |
| Retained earnings | (9,598,055) | (8,835,874) | (7,428,818) | (6,914,714) |
| Translation of foreign operations | (1,772) | - | (11,367) | - |
| Attributable to owners of the parent | (643,213) | 120,740 | 438,447 | 963,918 |
| Non-controlling interests | (94,799) | - | - | - |
| Total equity | (738,012) | 120,740 | 438,447 | 963,918 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade and other payables | 929,038 | 794,187 | 613,311 | 516,302 |
| Total current liabilities | 929,038 | 794,187 | 613,311 | 516,302 |
| Long Term Liabilities | | | | |
| Loan | 1,335,322 | 1,335,322 | 1,307,236 | 1,307,236 |
| Total long term liabilities | 1,335,322 | 1,335,322 | 1,307,236 | 1,307,236 |
| Total Liabilities | 2,264,360 | 2,129,509 | 1,920,547 | 1,823,538 |
| Total Equity & Liabilities | 1,526,348 | 2,250,249 | 2,358,994 | 2,787,456 |

- ❑ We expect to **meet market expectations** of revenue growth of 50% in 2021, more than double 2020's growth rate
- ❑ **Rapid roll out of Rizikon Pro**, on the back of partnerships and membership deals, aiming to end the year with circa five hundred organisations using Rizikon
- ❑ Complete the **acquisition of the threat intelligence and monitoring company**, to bring in additional clients, capability and revenue
- ❑ Bring our new Identiproof cyber security **product to market** alongside making commercial progress with our machine learning Nixer CyberML platform
- ❑ **Establish an international subsidiary in Oman** and launch Rizikon, Nixer CyberML and Identiproof and our consulting services in the Gulf region
- ❑ **Securing our Executive team** by implementing a Long Term Incentive Plan (LTIP) for key Executives below the CEO, adhering to Investment Association guidelines, total under option not exceeding 10% share capital at any time