



# Investor Presentation

February 2021

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# Management Team



Tom Ilube

Tom is founder and CEO of Crossword. He is also a Non Executive Director of the BBC and a Non-Exec Director of the world's largest FTSE100 advertising agency, WPP plc. Tom was until recently Managing Director of Consumer Markets at Callcredit Information Group, the private equity backed UK credit reference agency sold to GTCR of Chicago in 2014.



Mary Dowd

Mary 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 with operations in London, Hong Kong, Malta, New York, Boston and San Francisco.



Stuart Jubb

Stuart joined Crossword from KPMG where he was Associate Director, Defence & Security. Prior to that he was Chief Operating Officer of a global consulting team of over 200 in KPMG Advisory. Stuart spent nine years as an officer in HM Forces, after Sandhurst, serving in Afghanistan, NATO and elsewhere.



Sean Arrowsmith

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, the global innovation and engineering consulting firm.



# **CROSSWORD CYBERSECURITY PLC**

British cyber security business commercialising  
knowledge developed in world class universities  
into products and services

## Summary

- ❑ 2020 results in line with market expectations of 25% growth
- ❑ Rizikon Pro for SMEs launched July 2020, transforming the sales model with a much shorter sales cycle and impressively high conversion from trials to commitments
- ❑ MOU signed with Chartered Institute of Information Security (CIISec) to offer CIISec 10,000 members free access to Rizikon Pro, with an easy upgrade to full functionality
- ❑ Innovate UK Grant awarded with Liverpool John Moores University, to investigate the issues around effective Manufacturing Supply Chain risk management
- ❑ International reach; in conversation with multiple major Government and private sector organisations in Oman and have completed our first project there with Sultan Qaboos University, managed by the UK-Oman Digital Hub backed by the British Embassy

” Crossword emerged from a challenging 2020 in great shape, meeting market expectations of 25% revenue growth. We are looking forward to an exciting year ahead, accelerating roll out of Rizikon Pro, securing major consulting clients, adding to our cyber security product portfolio, and expanding internationally. We expect the revenue growth rate to more than double in 2021- Tom Ilube, CEO ”

## 2020 Update

- ❑ Delivered 25% revenue growth, despite the toughest economy in recent memory
- ❑ Revenues from product and consulting expanded by 39%
- ❑ Closing cash of £958k
- ❑ IASME, the National Cyber Security Centre's sole Cyber Essential Partner, delivering IOT device security certification using Rizikon
- ❑ Crossword working with Verifiable Credentials Ltd on its Innovate UK funded project to allow NHS laboratories to issue Covid-19 immunity certificates
- ❑ Consulting extended its recurring revenue vCISO service, gaining further traction in the Insurance industry and other sectors. Commenced work on a major project for one of the world's largest, global S&P500 insurance brokers
- ❑ Consulting 2020 recurring revenue 2.5 times 2019 recurring revenue
- ❑ Changes to working practices, such as remote working, heightened focus on cybersecurity risks.

*”Recent global events including COVID-19, Brexit, trade wars and ESG matters are drawing attention to the importance of supply chain management, and shining a torch on poor resilience, and the unknown risks organisations are carrying in their supply chains. The release of Rizikon Pro addresses the demand from smaller organisations to assess supply chain risk in a cost effective way, helping them identify where to invest resources to reduce risk and build resilient supply chains, with the same success as our enterprise customers.”*

- Sean Arrowsmith, Group Sales Director

## 2021 Outlook

- ❑ Expect revenue growth to more than double in 2021
- ❑ Rapid roll out of Rizikon Pro, on the back of partnerships and membership deals
- ❑ Growth by acquisition and organically
- ❑ Expect to add at least one additional product to our cyber security product portfolio, possibly through acquisition or licencing
- ❑ Considering establishing an overseas subsidiary in Oman and anticipate starting to roll out our products and services in the region
- ❑ Actively exploring the possibility of acquiring a cyber security consulting company, to bring in additional clients and capability as well as boosting revenue

” Crossword’s Consulting division has been going from strength to strength, building a strong franchise in insurance, legal and financial services sectors in particular and significantly growing our proportion of vCISO recurring revenue. ”

- Stuart Jubb, MD Crossword Consulting



## Top 5 Data breaches in 2020

- Credential Stuffing
- Ransomware Attack
- Phishing
- Phone Spear Phishing
- Data Breaches
- Malware

**Magellan**  
HEALTH®



## Strong Leadership Team

- ❑ Chair Sir Richard Dearlove KCMG OBE, former head of MI6, Chair of Trustees of University of London
- ❑ CEO and founder Tom Ilube CBE, Non-Exec Director BBC, Non-Exec of WPP plc, ex-Goldman Sachs, PwC, former CIO Egg Banking plc, Advisory Fellow St Anne's College & Honorary Fellow Jesus College, Oxford
- ❑ Advisory Board: Dr. Robert Coles, Professor Nick Jennings, General Sir Nick Houghton & Dr. Una-May O'Reilly (MIT)
- ❑ Group Sales Director, Sean Arrowsmith, joined Jan 2020. 20 years sales experience, building consulting and product sales teams in information security at Altran World Class Centre (IRM Ltd), Siemens Insight Consulting
- ❑ Managing Director, Consulting, Stuart Jubb, former KPMG Director in Defence & Security, following 9 years as an Officer in HM Forces

## Products

Product	Description
Rizikon	Enterprise-class Third-party Risk Assurance – originated from City, University of London
Nixer CyberML	Machine-learning based Application protection
Consulting	Cyber Security Consulting
CyberOwl	Intrusion early warning system from Coventry University
ByzGen	Blockchain systems for Defence & Intelligence, from ideas generated at Warwick University and EPFL, Switzerland

# **RIZIKON** is a secure, encrypted SaaS platform putting organisations in control of managing risks in their supply chain



Launched

## **Rizikon Enterprise**

Sept 2019

Features

Question sets, 360 degree Supplier Scorecard, Creditsafe Integration

Target Market

Medium to Large, complex enterprises

Sales Cycle

6 – 18 months

Typical Deals Size

£10-50k pa recurring

Marketing

Outbound sales activity

## **Rizikon Pro**

July 2020

Modular, out of the box, online subscription

Small to Medium, enterprises

6 – 12 weeks

£1.5k - £6k p.a. (or monthly payment) recurring

Inbound, digital campaigns, direct, membership bodies

12

## **Rizikon with Partners**

Bespoke

Defence, Government, Critical National Infrastructure

1 – 2 years

Six figures plus p.a recurring

Partners

« Previous

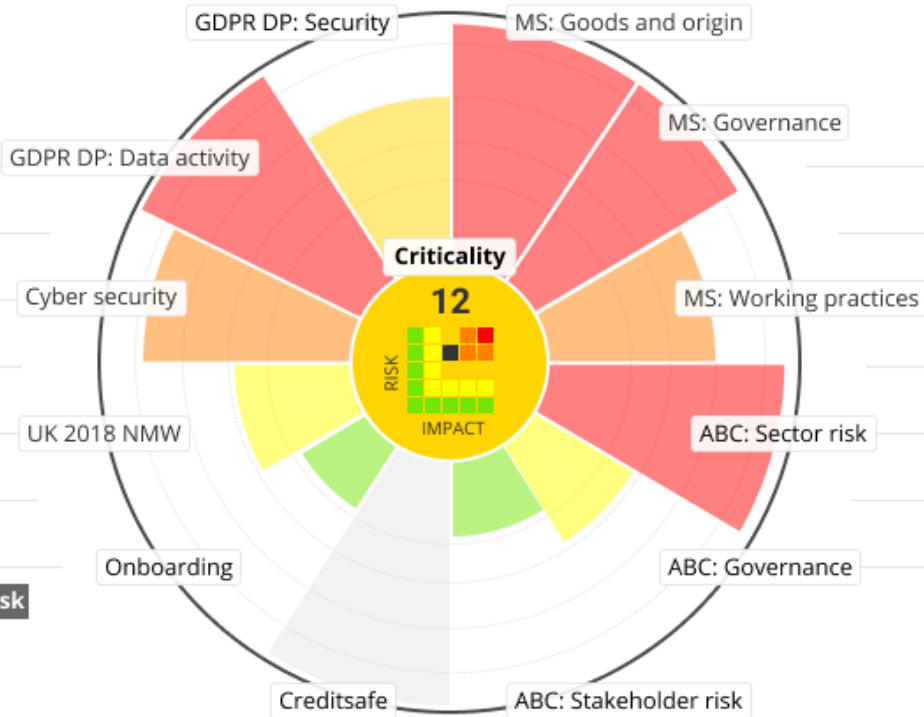
Crossword Cybersecurity

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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	ISO 9001 V. high risk Approved supplier



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





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

# Revenue and Client growth – Rizikon Traction

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- ❑ UK market size estimated at £300m per annum
- ❑ Clients are from multiple sectors
- ❑ Large Partner led opportunities
- ❑ Potential to roll out to thousands of SME clients over the coming years with Rizikon Pro



- ❑ Cyber crime, fraud, ATOs, cyber-human hacking, and malicious user behaviour happen on an industrial scale
- ❑ Existing application protection solutions help, but not enough
- ❑ Enterprises and SaaS vendors need to build the ability to learn how to distinguish normal user behaviour from malicious activity into their applications
- ❑ Machine-learning applied to User Behaviour isn't easy or quick, and requires new skills and tools. This led to Nixer CyberML
- ❑ Visit [www.nixer.io](http://www.nixer.io) to learn more



## Credential Stuffing & Account Takeovers Services and Products

User Names & Passwords (Billions) + Web Proxies (Millions) + Cheap Credential Attack Tools = ATOs (100's of millions) = GDPR problems

Crossword Cybersecurity have been investigating automated attacks ranging from DDoS to highly automated credential attacks for over five years - how to detect them and how to protect systems and users against them. An almost unlimited volume of breached user-name and password combinations can be found on the web. These combined with using Web Proxies and Credential attack tools such as Snipr, SentryMBA and STORM make launching credential stuffing attacks easier and cheaper than ever. Which is exactly why Credential Attacks are the foundation of cybercrime – feeding the industrial hackers with the access rights and easily monetised Account Take Overs (ATOs) that they need. Credential leaks are potentially the biggest source of GDPR fines.

- ❑ Strategic to our product business and vice versa
- ❑ Worked with over 50 clients across multiple sectors to date
- ❑ CREST accredited for penetration testing services
- ❑ Multiple Rizikon Assurance driven, third party risk consulting opportunities
- ❑ Launched vCISO proposal in 2019





# Revenue and Client Growth - Consulting

- ❑ Clients are across sectors; Insurance, Professional Services, Financial Services, Nuclear, Technology
- ❑ Work commenced on a major project for one of the world's largest, global S&P500 insurance brokers.
- ❑ 2020 recurring revenue 2.5 times 2019 recurring revenue.

# Facts and Figures

- ❑ Founded Mar 2014; Admitted to AIM Dec 2018
- ❑ 2 offices; Richmond, Surrey & Krakow, Poland
- ❑ Total staff of 35
- ❑ Engaged with 40+ universities
- ❑ Rizikon V2 launched Sept 2019
- ❑ Rizikon Pro launched July 2020
- ❑ Nixer CyberML launched Nov 2019
- ❑ Strong product revenue growth; 2020 revenue growth of 25%; Product and Consulting revenue growth of 39% in 2020. Revenue growth rate to more than double in 2021
- ❑ Consulting work commenced on a major project for one of the world's largest, global S&P500 insurance brokers.

**Consolidated Statement of Comprehensive Income**

	Unaudited 6 Months to 30 June 2020	Audited 12 Months to 31 December 2019	Unaudited 6 Months to 30 June 2019
	£	£	£
Revenue	674,008	1,305,055	570,757
Cost of Sales	(791,237)	(1,431,648)	(667,023)
Gross Profit (Loss)	(117,229)	(126,593)	(96,266)
Other operating income-research & development tax credits	-	171,623	18
Administrative expenses	(1,148,020)	(2,185,170)	(972,888)
Share based payments	(26,608)	(32,200)	2,990
Finance income-bank interest receivable	1,079	8,357	2,462
Finance costs-other interest payable and foreign exchange	(106,269)	(24,351)	(8,597)
Financial Instrument stated at amortised cost		92,764	
Loss for the year/period before taxation	(1,397,047)	(2,095,570)	(1,072,280)
Tax expense	(2,410)	(5,878)	(2,360)
Loss for the Year / Period	(1,399,457)	(2,101,448)	(1,074,640)
Other Comprehensive Income			
Items that may be reclassified to profit or loss:			
Foreign Exchange Translation Gain (Loss)	6,264	(5,354)	(2,955)
<b>Total Comprehensive Loss</b>	<b>(1,393,193)</b>	<b>(2,106,802)</b>	<b>(1,077,595)</b>
Loss for the period attributable to:			
Owners of the parent	(1,374,575)	(2,101,448)	(1,074,640)
Non-controlling interests	(24,882)	-	-
<b>Total Loss for the Year / Period</b>	<b>(1,399,457)</b>	<b>(2,101,448)</b>	<b>(1,074,640)</b>
Total comprehensive loss for the period attributable to:			
Owners of the parent	(1,368,311)	(2,106,802)	(1,077,595)
Non-controlling interests	(24,882)	-	-
<b>Total Comprehensive Loss</b>	<b>(1,393,193)</b>	<b>(2,106,802)</b>	<b>(1,077,595)</b>
Earnings Per Share	(0.29)	(0.45)	(0.23)
Diluted Earnings Per Share	(0.26)	(0.40)	(0.22)
All results are derived from continuing operations			

## Interim Statement of Financial Position as at 30 June 2020

	Unaudited Group 30 June 2020 £	Audited Group 31 December 2019 £	Unaudited Group 30 June 2019 £
<b>Non-Current Assets</b>			
Tangible assets	11,775	15,438	9,690
Right to Use Asset	133,688	203,062	273,656
Investments in other unlisted investment	31	31	31
<b>Total non-current assets</b>	<b>145,494</b>	<b>218,531</b>	<b>283,377</b>
<b>Current Assets</b>			
Trade and other receivables	432,543	606,953	447,915
Tax receivable	17,627	19,345	12,140
Cash and cash equivalents	1,550,317	1,514,166	1,294,491
<b>Total current assets</b>	<b>2,000,487</b>	<b>2,140,463</b>	<b>1,754,546</b>
<b>TOTAL ASSETS</b>	<b>2,145,981</b>	<b>2,358,994</b>	<b>2,037,924</b>
<b>EQUITY</b>			
Share Capital	256,605	234,061	234,039
Share premium account	8,518,391	7,515,744	7,514,670
Other reserves	155,434	128,826	93,636
Retained earnings	(8,722,924)	(7,428,818)	(6,402,010)
Translation of foreign operations	(5,103)	(11,367)	(8,968)
Attributable to owners of the parent	202,402	438,447	1,431,367
Non-controlling interests	(91,051)	-	-
<b>Total equity</b>	<b>111,352</b>	<b>438,447</b>	<b>1,431,367</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	561,852	522,286	529,810
Tax payable	151,498	91,024	76,747
<b>Total current liabilities</b>	<b>713,350</b>	<b>613,311</b>	<b>606,557</b>
<b>Long Term Liabilities</b>			
<b>Loan</b>	<b>1,321,279</b>	<b>1,307,236</b>	-
<b>Total long term liabilities</b>	<b>1,321,279</b>	<b>1,307,236</b>	-
<b>Total Liabilities</b>	<b>2,034,629</b>	<b>1,920,547</b>	<b>606,557</b>
<b>Total Equity &amp; Liabilities</b>	<b>2,145,981</b>	<b>2,358,994</b>	<b>2,037,924</b>



A grayscale photograph of two business professionals shaking hands over a desk. The man on the left is wearing a suit and tie, and the woman on the right is wearing a light-colored blouse. The background is blurred, showing office equipment and other people. A semi-transparent orange rectangle is centered over the handshake, containing the text "Thank you".

# Thank you