



CROSSWORD
CYBERSECURITY

Full Year 2020 Results & Update Investor Presentation

May 2021

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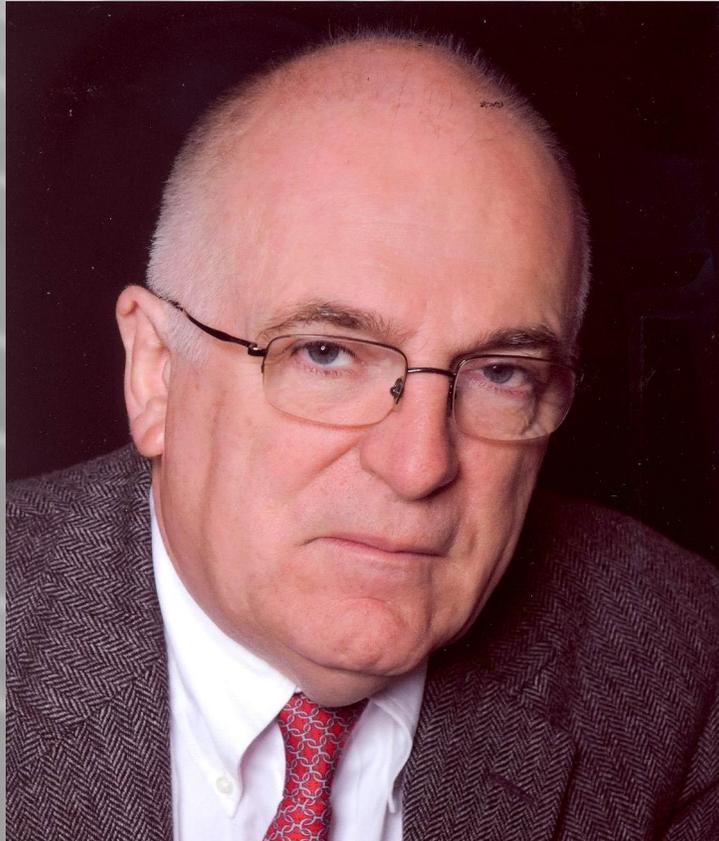
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CROSSWORD CYBERSECURITY PLC



Sir Richard Dearlove KCMG OBE
Chairman, Crossword Cybersecurity Plc

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

Management Team



Tom Ilube CEO

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 CFO

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.



**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. In his two most recent roles before joining Crossword he was Advising Worldpay on their separation from RBS, and founded Xendpay, a Fintech startup, where he was COO.



**Stuart Jubb
MD Consulting**

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
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, the global innovation and engineering consulting firm.

- ❑ Delivered 25% revenue growth, despite the toughest economy in recent memory
- ❑ Revenues from product and consulting expanded by 39%
- ❑ Rizikon Pro for SMEs was launched July 2020, transforming the sales model with a much shorter sales cycle and impressively high conversion from trials to commitments
- ❑ Agreement signed March 2020 with Satisnet, leading IT Security reseller, expanding partner program alongside Leonardo, the global defence contractor and NCC, the leading cyber security provider
- ❑ 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

”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

- ❑ Awarded InnovateUK grant of £157,612 to investigate the issues around effective Manufacturing Supply Chain risk management and possible solutions (award Dec 20, income receivable in 2021)
- ❑ Consulting 2020 recurring revenue 2.5 times 2019 recurring revenue
- ❑ 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
- ❑ First consulting client in the Sultanate of Oman, worked with Sultan Qaboos University and the UK Oman Digital Hub
- ❑ Dr Robert Coles, ex-KPMG Partner, took on the role as Non-Executive Chair of Crossword Consulting Limited, the Group's consulting subsidiary
- ❑ Sean Arrowsmith joined as Crossword's first Group Sales Director, having an immediate impact on our product sales model

” *Now is an excellent time to deepen private sector cyber security solutions in Oman, and engage in knowledge exchange and training in the region as Crossword seeks to support Oman's Vision 2040 cyber goals. During 2020, Crossword saw strong revenue growth of 25%, including our first project in Oman. We are delighted to be partnering with the Rawahy Group in the creation of Crossword Cybersecurity LLC, giving us a permanent presence with which to meet the cyber security needs of organisations in Oman and across the Gulf region.* ”

- Tom Ilube, CEO

2021 – Scaling Up

- ❑ £1.6m equity fundraise completed Feb 21
- ❑ Chartered Institute of Information Security (CII Sec) to offering CII Sec 10,000 members free access to Rizikon Pro, with an easy upgrade to full functionality
- ❑ Rolling out further membership programmes
- ❑ Over 250 business customers using Rizikon, a 10 fold increase in 6 months – with thousands of suppliers creating Rizikon accounts
- ❑ Supporting University of Glasgow with its PRC (Privacy Risk and Compliance) Project, in creating a new software product aimed at Privacy Governance
- ❑ IASME, the National Cyber Security Centre's sole Cyber Essential Partner, delivering Counter Fraud Fundamentals certification using Rizikon
- ❑ MOU with Al-Rawahy Holdings of Sultanate of Oman
- ❑ Product portfolio increased with the addition of Identiproof, following acquisition of Verifiable Credentials Limited
- ❑ Tara Cemlyn-Jones and Robert Coles joining the Board

” *Crossword Cybersecurity is delighted to be working with the University of Glasgow to help commercialise this exciting research. It's particularly satisfying to help a team we know from our work on CyberASAP take further steps along the road to commercial success.* ”

- Jake Holloway, Chief Product Officer

2021 – Scaling Up – Verifiable Credentials Limited



- ❑ Verifiable Credentials Limited (VCL) has been acquired by Crossword
- ❑ VCL is a young, pre-revenue University of Kent spin-out created by Prof. David Chadwick
- ❑ David is a global expert on digital identities and credentials, and one of the co-authors of a new W3C standard on verifiable credentials
- ❑ Digital credentials include tickets, membership cards, access cards, certificates that can be held digitally, including on mobile devices. **Verifiable** credentials are very secure, forgery and misuse resistant, and maintain the user's privacy
- ❑ VCL's product, Identiproof, allows organisations to issue verifiable credentials from their systems to holders in a secure wallet, and allows them to be verified e.g. at a boarding gate, on an employers web site etc
- ❑ For Crossword, this is about acquiring a new product, Identiproof- and being joined by a global expert and thought leader in a rapidly growing segment of the market
- ❑ We will initially target the opportunities in Education, in relation to Business Credentials and for Staff Passports

” VCL has unique knowledge and a fantastic product in the new era of W3C verifiable credentials – which can and should power COVID certificates as well as all manner of digital, secure and privacy-respecting credentials, certificates, tickets and proofs of ownership. ”

- Tom Ilube, CEO

” Identiproof is unique in the market and with Crossword's great structure, connections and sales team – we're expecting to achieve excellent revenue growth. ”

- Professor David Chadwick, Product Director

- ❑ 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
- ❑ Identifproof development and commercialise to be a market leader in verifiable credentials based systems
- ❑ Establish 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

Cyber-Security – the Opportunity

Global cyber security market size was \$153b in 2020, with CAGR to 2028 forecast to be 12% (Fortune Business Insights)

UK Government estimated UK Cyber Security market to be worth £8.3 billion in 2019

EU Cyber Security market is projected to exceed \$65 billion by 2025 (helpnetsecurity)

£6.07tn estimated global cost of data breaches by 2022

In PwC CEO Survey nearly a third of CEOs stated that they plan to increase investment in cybersecurity and data privacy by double digits over the next three years

Strong Leadership Team

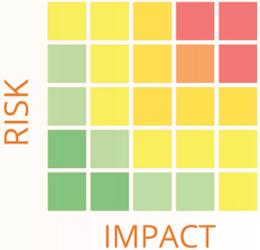
- ❑ Chair Sir Richard Dearlove KCMG OBE, former head of MI6, Chair of Trustees of University of London
- ❑ CEO and founder Tom Ilube CBE, Non-Exec Director BBC, Non-Exec of WPP plc, ex-Goldman Sachs, PwC, former CIO Egg Banking plc, Advisory Fellow St Anne's College & Honorary Fellow Jesus College, Oxford
- ❑ Advisory Board: Dr. Robert Coles, Professor Nick Jennings, General Sir Nick Houghton
- ❑ 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

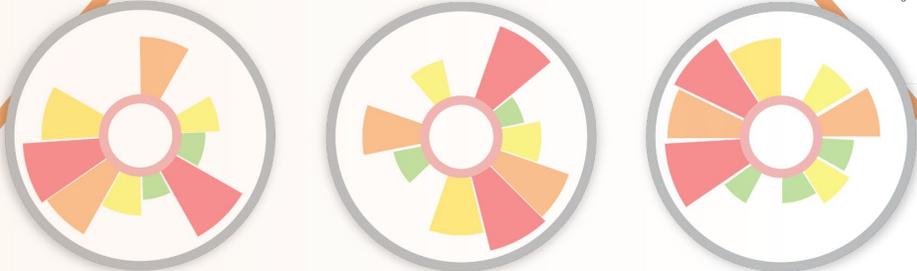
| Product | Description |
|--------------------------|--|
| Rizikon Assurance | Enterprise-class Supplier Risk & Assurance SAAS product – originated from City, University of London |
| Nixer CyberML | Product/Service based on machine-learning based Application protection against credential attacks. Using algorithms developed with Imperial College London |
| Identiproof | verifiable credentials compatible middleware and wallet technology– originated from University of Kent |
| Consulting | Cyber Security Consulting |
| ByzGen Ltd. | Crossword provide product development services to a Blockchain systems business that Crossword co-created from ideas generated at Warwick University and EPFL, Switzerland |
| CyberOwl Ltd | Intrusion early warning system from Coventry University, business that Crossword co-created, now focussed on maritime cyber security. Crossword own minority stake. |

Rizikon Assurance

ASSURANCE
FRAMEWORK
DASHBOARD



THIRD-PARTY
SCORECARDS



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 |

creditsafe

THIRD-PARTY
ASSURANCE
PORTAL



INTELLIGENT
QUESTIONNAIRES



COMMUNICATIONS
& ATTACHMENTS



AUTOMATION



ASSESSMENT REPORTS

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



| | Rizikon Enterprise | Rizikon Pro | Rizikon with Partners |
|--------------------|--|---|---|
| Launched | Sept 2019 | July 2020 | |
| Features | Question sets, 360 degree Supplier Scorecard, Creditsafe Integration | Modular, out of the box, online subscription | Bespoke |
| Target Market | Medium to Large, complex enterprises | Small to Medium, enterprises | Defence, Government, Critical National Infrastructure |
| Sales Cycle | 6 – 18 months | 6 – 12 weeks | 1 – 2 years |
| Typical Deals Size | £10-50k pa recurring | £1.5k - £6k p.a. (or monthly payment) recurring | Five/six figures plus p.a recurring |
| Marketing | Outbound sales activity | Inbound, digital campaigns, direct, membership bodies | Partners/Direct |

250+ business customers using Rizikon

- ❑ Over 250 Rizikon users, 10 fold increase in 6 months
- ❑ Successful offer of Rizikon Pro to 10,000 members of the Chartered Institute of Information Security (CII Sec)
- ❑ Rolling out further membership programmes
- ❑ Clients across multiple sectors
- ❑ IASME, the National Cyber Security Centre's sole Cyber Essential Partner, delivering 2 certifications using Rizikon



CAMMELL LAIRD



PETERBOROUGH
CITY COUNCIL



Kinnerton



Stevenage
BOROUGH COUNCIL



Intelliflo



NUVIA



Barron
McCann



East
Herts
Council



IASME
CONSORTIUM

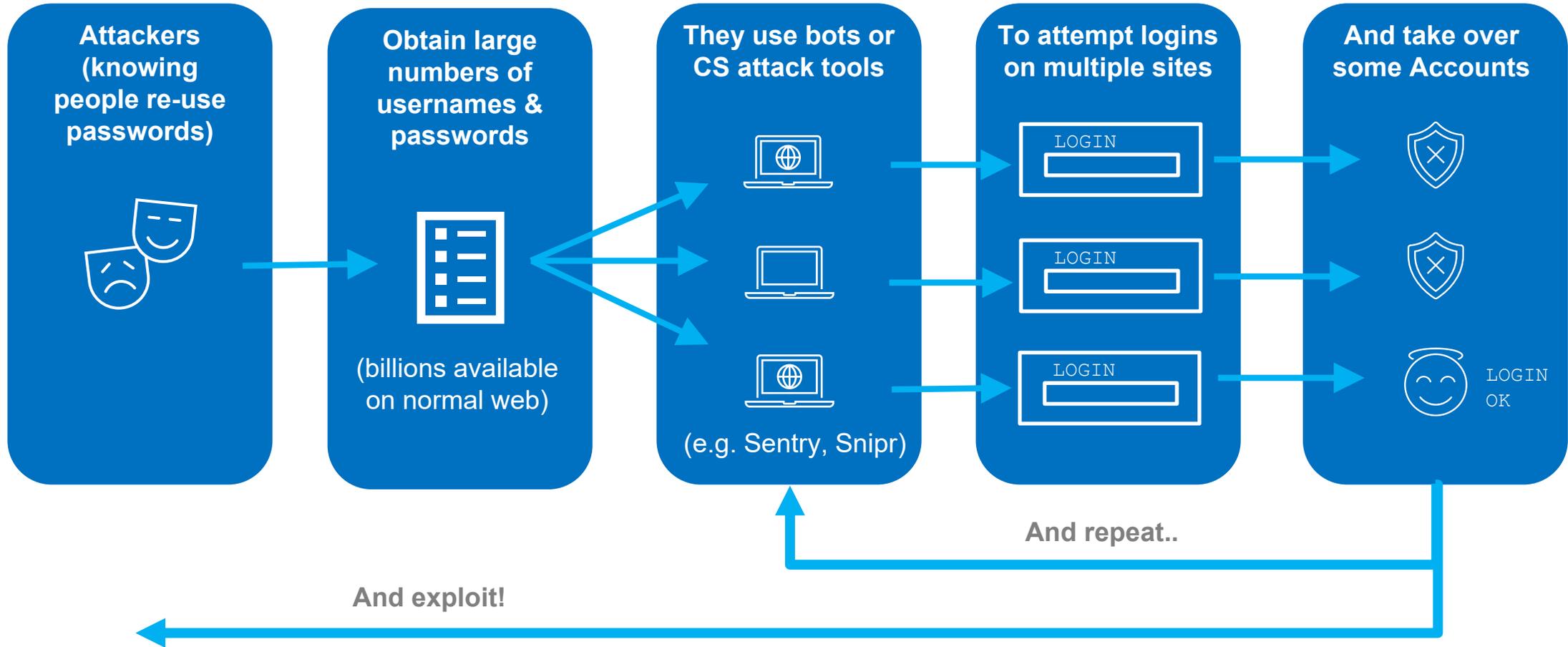


NMC Nursing &
Midwifery
Council



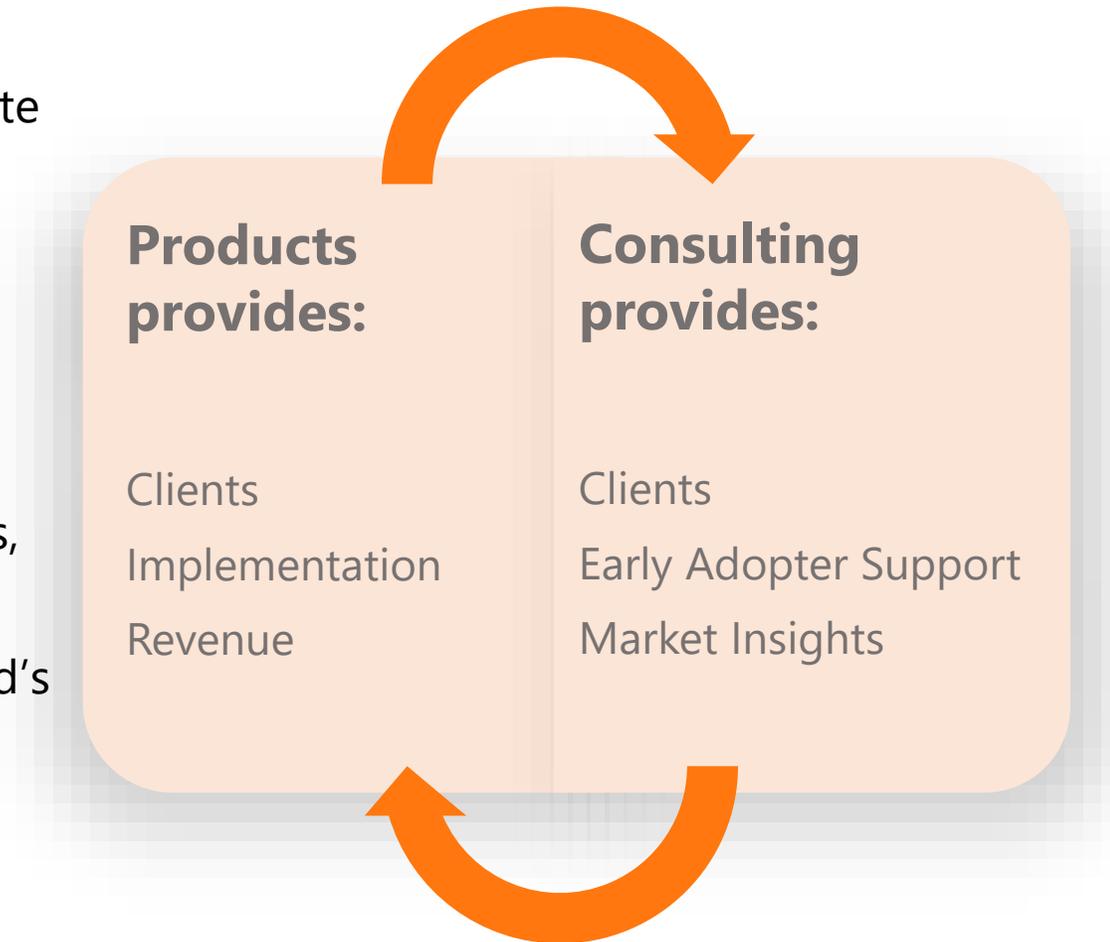
- ❑ Combination of Service stack and plug-in technology. Large scale implementations under discussion: airline, insurance
- ❑ 256% growth in credential stuffing attacks during 2020. 80% of successful hacks start with credential stuffing attacks. Existing application protection solutions help, but not 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 to learn more

What is Credential Stuffing?



Consulting

- ❑ Strategic to our product business and vice versa
- ❑ Worked with over 70 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
- ❑ 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; London & Krakow, Poland
- ❑ Total staff of 43
- ❑ Engaged with 40+ universities
- ❑ Rizikon V2 launched Sept 2019
- ❑ Rizikon Pro launched July 2020
- ❑ Nixer CyberML launched Nov 2019
- ❑ Verifiable Credentials Limited acquired May 2021
- ❑ 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

| | Notes | 12 Months ended 31st December 2020 £ | 12 Months ended 31st December 2019 £ | |
|--|-------|--|--|---|
| Revenue | 2 | 1,627,611 | 1,305,055 | |
| Cost of Sales | 3 | <u>(1,582,194)</u> | <u>(1,431,648)</u> | |
| Gross Profit (Loss) | | 45,416 | (126,593) | - |
| Other operating income-research & development tax credits | | 209,647 | 171,623 | |
| Administrative expenses | 3,4 | (2,320,675) | (2,217,370) | |
| Finance income-bank interest receivable and foreign exchange | | (3,205) | 8,357 | |
| Finance costs-other interest payable | 6 | (204,679) | (24,351) | |
| Gain on remeasurement of financial liabilities | 19 | <u>-</u> | <u>92,764</u> | |
| Loss for the year before taxation | | (2,273,497) | (2,095,570) | |
| Tax expense | 8 | (4,840) | (5,878) | |
| Loss for the Year | | <u>(2,278,336)</u> | <u>(2,101,448)</u> | |
| Other Comprehensive Income | | | | |
| Items that may be reclassified to profit or loss: | | | | |
| Foreign exchange translation Gain / (Loss) | | 9,595 | (5,354) | |
| Total Comprehensive Loss | | <u>(2,268,741)</u> | <u>(2,106,802)</u> | |
| Loss for the period attributable to: | | | | |
| Owners of the parent | | (2,249,707) | (2,101,448) | |
| Non-controlling interests | | <u>(28,629)</u> | <u>-</u> | |
| Total Loss for the Year / Period | | <u>(2,278,336)</u> | <u>(2,101,448)</u> | |
| Total comprehensive loss for the period attributable to: | | | | |
| Owners of the parent | | (2,240,112) | (2,106,802) | |
| Non-controlling interests | | <u>(28,629)</u> | <u>-</u> | |
| Total Comprehensive Loss | | <u>(2,268,741)</u> | <u>(2,106,802)</u> | |

Statement of Financial Position as at 31 December



| | Notes | Group 2020 £ | Company 2020 £ | Group 2019 £ | Company 2019 £ |
|---|-------|--------------------|----------------------|--------------------|----------------------|
| Non-Current Assets | | | | | |
| Tangible assets | 9 | 6,699 | 3,144 | 15,438 | 10,918 |
| Right of Use assets | 10 | 63,365 | 35,248 | 203,062 | 133,726 |
| Investments in subsidiaries | 12 | 0 | 458,164 | - | 11,017 |
| Unlisted investment | 11 | 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 | 13 | 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 | 15 | 256,605 | 256,605 | 234,061 | 234,061 |
| Share premium account | 15 | 8,518,391 | 8,518,391 | 7,515,744 | 7,515,744 |
| Other reserves | 18 | 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 | 14 | 929,038 | 794,187 | 613,311 | 516,302 |
| Total current liabilities | | 929,038 | 794,187 | 613,311 | 516,302 |
| Long Term Liabilities | | | | | |
| Loan | 24 | 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 |

A grayscale photograph of two business professionals shaking hands over a desk. The image is semi-transparent, serving as a background for the text and logo. The handshake is the central focus, with one person's hand on top of the other's. The background shows a blurred office setting with papers and a chair.

Thank you