

Data443 Reports 112% Revenue Increase, 57% Reduction in Net Loss for Fiscal Year 2023

RESEARCH TRIANGLE PARK, N.C., April 18, 2024 (GLOBE NEWSWIRE) -- **Data443 Risk Mitigation, Inc.** (OTCPK: ATDS) ("Data443" or the "Company"), a data security and privacy software company for "All Things Data Security," today announced its results for the fiscal year ended December 31, 2023.

Business Accomplishments and Highlights in Fiscal Year 2023 and to date:

- Recognized as a Sample Vendor in the Data Discovery category in three Gartner® Hype Cycle™ Reports for 2023.
- Data443's Ransomware Recovery Manager named "Best of Inexpensive Protection" and "Best for Kiosks" in "The Best Ransomware Protection for 2023" by PC Magazine.
- Data443® Antivirus Protection Manager™ received VB100 certification.
- Achieved an overall 98% customer renewal rate.

Acquisitions

- Acquired select assets from Cyren Ltd. ("Cyren"), specifically Cyren's proprietary technology and intellectual property related to threat intelligence, URL categorization and email security services. The acquisition enables Data443 to enhance its existing product portfolio, leverage its growing AI & ML capabilities with significant raw data and accelerate the development of next-generation solutions.

Deal Win Short Summary

- Secured an additional contract win from one of its largest fintech clients, which processes over 75 billion transactions amounting to more than \$9 trillion annually.
- Secured an additional contract win with a long-time, multinational fintech client that provides payment technology and services to merchants, issuers and consumers, annually transferring over 10 million sensitive files for thousands of partners.
- Secured an additional contract win worth \$484,000 from one of the 'Big Four' U.S.-based banks.
- Issued over 40 new contract agreements for the Cyren product set to some of the world's leading ISP, MSP, firewall/router, zero trust, SASE and online gaming organizations.

Strategic Advances

- Executed long term partnership agreement with Varist ehf. for continued distribution and new licensing of Varist's Malware Detection Engine and new cloud-based Hybrid Analyzer.
- Received strategic onboarding investment in the form of consumption discounts and professional services cost offsets from Amazon AWS to consolidate Data443's growing infrastructure, data security lakes and privacy-sensitive hosting operations.
- Existing product mappings to new category for Data Security Posture Management (DSPM) requirements.
- Data443 joined Amazon as a technology partner for AI & ML usecases, global high-speed and fault tolerant distribution of hundreds of millions threat indicators on a daily basis.
- Data443 joined invite-only Microsoft Security Co-Pilot partner suite to further research and deploy AI-based capabilities leveraging Data443's data classification and discovery capabilities.

Product Updates

- Released the latest update to Data443's award-winning Ransomware Recovery Manager product offering, which includes advanced features designed to help businesses and individuals to recover from ransomware attacks.
- Bundled antivirus and ransomware protection to Data443's Enhanced File Transfer/Managed File Transfer

(EFT/MFT) solution, Data Placement Manager (DPM). Data443's DPM securely processes thousands of sensitive data files on an hourly basis for its clients around the globe, with clients experiencing up to 99.999% uptime.

- Refactoring of Cyren product set to leverage global data security lake for advanced use cases, including automated classifications via AI LLM's.

Management Commentary:

Data443's CEO & Founder Jason Remillard commented, "As we reflect on the accomplishments in 2023, Data443 continues to demonstrate resilience, innovation and steadfast commitment to our customers in the data security and privacy industry. Throughout 2023, we achieved significant milestones and garnered notable recognition.

Strategic acquisitions have always been instrumental in fortifying our market presence and enriching our product suite. The integration of select assets from Cyren Ltd. exemplifies our commitment to augmenting our capabilities and accelerating the development of cutting-edge solutions. This strategic expansion, combined with our unwavering focus on client satisfaction, is underscored by our commendable 98% customer renewal rate—a testament to the trust and value our clientele place in our offerings.

Fiscal year 2023 saw significant contract wins from prominent entities within the fintech sector, reflecting the industry's confidence in our solutions. These victories, alongside our relentless pursuit of product innovation, including deploying advanced features within our Ransomware Recovery Manager and enhancing our Enhanced File Transfer/Managed File Transfer solution, have helped scale our growth trajectory.

Looking ahead, we remain steadfast in our mission to establish pioneering standards in data security and privacy, foster innovation, and empower enterprises to navigate the ever-evolving threat landscape confidently. We believe that together, we are not merely adapting to change but shaping the future of data security," concluded Mr. Remillard.

Fiscal Year 2023 Financial Highlights:

- Total revenues were \$5,578,942 for the year ended December 31, 2023, an increase of 112% from \$2,627,123 for the year ended December 31, 2022.
 - The Company attributes its increase in revenue to its acquisition of intellectual property, accounts receivable, and other assets from the assets of Cyren Ltd.
 - Data443 continues to see organic growth in increased consumption of its services that contain storage or volume components, matching its expectations and as reflected in its continuing ARR growth.
- General and administrative expenses for the year ended December 31, 2023, were \$5,951,386, compared to \$5,552,936 for the year ended December 31, 2022, an increase of 7%. The increase in general and administrative expenses was primarily due to an increase in costs to integrate assets we acquired and expand sales, along with an increase in professional service fees.
- Net loss decreased 57% from \$9,713,467 for the year ended December 31, 2022 to \$4,046,851 for year ended December 31, 2023.
 - The net loss was mainly derived from an operating loss of \$2,586,602 and interest expense of \$6,417,407 and settlement of debt of \$4,913,181. The net loss for the year ended December 31, 2022 was mainly derived from an operating loss of \$3,676,128, and interest expense of \$5,979,456 and loss on change in fair value of derivative liability of \$57,883.

Liquidity:

As of December 31, 2023, Data443 had assets of cash in the amount of \$84,570 and other current assets in the amount of \$339,235, as compared to cash of \$1,712, and other current assets in the amount of \$123,182 as of

December 31, 2022.

About Data443 Risk Mitigation, Inc.

Data443 Risk Mitigation, Inc. (OTCPK: ATDS) provides software and services to enable secure data across devices and databases, at rest and in flight/in transit, locally, on a network or in the cloud. We are All Things Data Security™. With over 10,000 customers in over 100 countries, Data443 provides a modern approach to data governance and security by identifying and protecting all sensitive data regardless of location, platform or format. Data443's framework helps customers prioritize risk, identify security gaps and implement effective data protection and privacy management strategies.

Forward-Looking Statements

This press release contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by use of terms such as "expect," "believe," "anticipate," "may," "could," "will," "should," "plan," "project," "intend," "estimate," "predict," "potential," "pursuant," "target," "continue" or the negative of these words or other comparable terminology. Statements in this press release that are not historical statements, including statements regarding Data443's plans, objectives, future opportunities for Data443's services, future financial performance and operating results, and any other statements regarding Data443's future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance, or regarding the anticipated consummation of any transaction, are forward-looking statements. These statements are not guarantees of future performance and are subject to numerous risks, uncertainties and assumptions, many of which are difficult to predict or are beyond Data443's control. These risks, uncertainties and assumptions could cause actual results to differ materially from the results expressed or implied by the statements. They may relate to the outcome of litigation, settlements and investigations; actions by third parties, including governmental agencies; volatility in customer spending; global economic conditions; inability to hire and retain personnel; loss of, or reduction in business with, key customers; difficulty with growth and integration of acquisitions; product liability; cybersecurity risk; anti-takeover measures in the Company's charter documents; and the uncertainties created by global health issues, such as the ongoing outbreak of COVID, and political unrest and conflict, such as the invasion of Ukraine by Russia. These and other important risk factors are described more fully in the Company's reports and other documents filed with the Securities and Exchange Commission ("the SEC"), including in Part I, Item 1A of the Company's Annual Report on Form 10-K filed with the SEC on April 17, 2024, and subsequent filings with the SEC. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to the Company on the date hereof. Except as otherwise required by applicable law, Data443 undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

"DATA443" is a registered trademark of Data443 Risk Mitigation, Inc.

All product names, trademarks and registered trademarks are property of their respective owners. All company, product and service names used in this press release are for identification purposes only. Use of these names, trademarks and brands does not imply endorsement.

For further information:

Follow us on LinkedIn: <https://www.linkedin.com/company/data443-risk-mitigation-inc/>

Follow us on YouTube: <https://www.youtube.com/channel/UCZXDhJcx-XgMBhvE9aFHRdA>

Sign up for our Investor Newsletter: <https://data443.com/investor-email-alerts/>

To learn more about Data443, please watch the Company's video introduction on its YouTube channel:

<https://youtu.be/1Fp93jOxFsg>

Investor Relations Contact:

Matthew Abenante

ir@data443.com

919.858.6542



4/18/2024 8:15:00 AM