



Unrivalled Intelligence for Cyber Defense Teams

Intrusion Overview

Second Quarter 2024 Update

Intrusion

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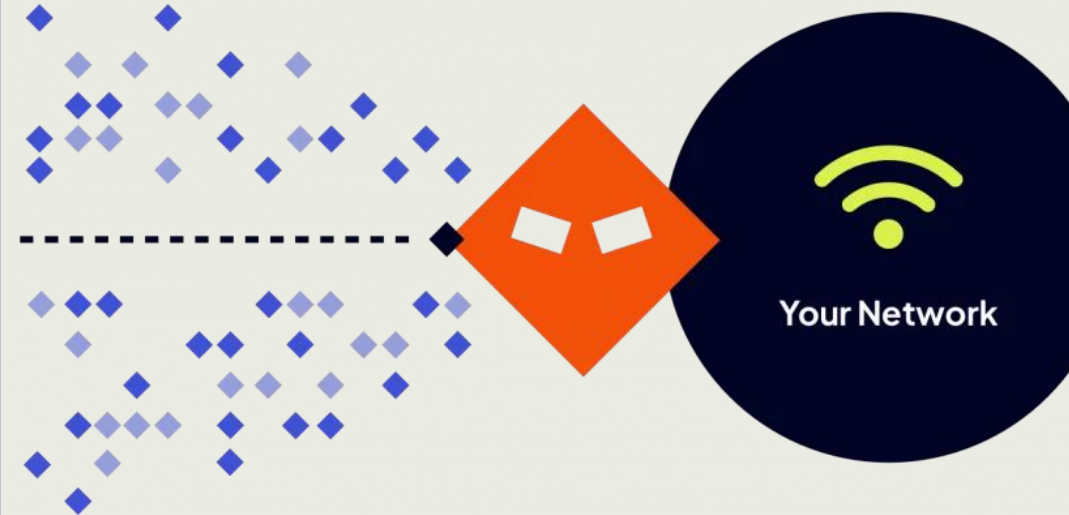


What We Do...

- ◆ Protect against threats that are leaking through or evading other parts of the cybersecurity stack already in place
- ◆ Identify threats relevant to the customer's environment in real time
- ◆ Block malicious connections automatically – and without creating false alerts
- ◆ Analyze BOTH incoming and outgoing traffic

195.211.77.68

Port: 0808
Risk Level: 4
Status: **Blocked**
Reason: Ransomware domain



A Cyber Threat Intelligence Engine 30 Years in the Making



Proprietary Threat Intelligence

from decades of networking
and government cyber
threat consulting



Unique Risk Assessment

based on a combination of
reputation, behavior, manual analysis,
and historical records



Patented Data Mining and Network Flow Analysis

allows near 100% packet capture at
high speeds



Largest Known IP-Related Database

with historical data on
over 8.5 billion IPs

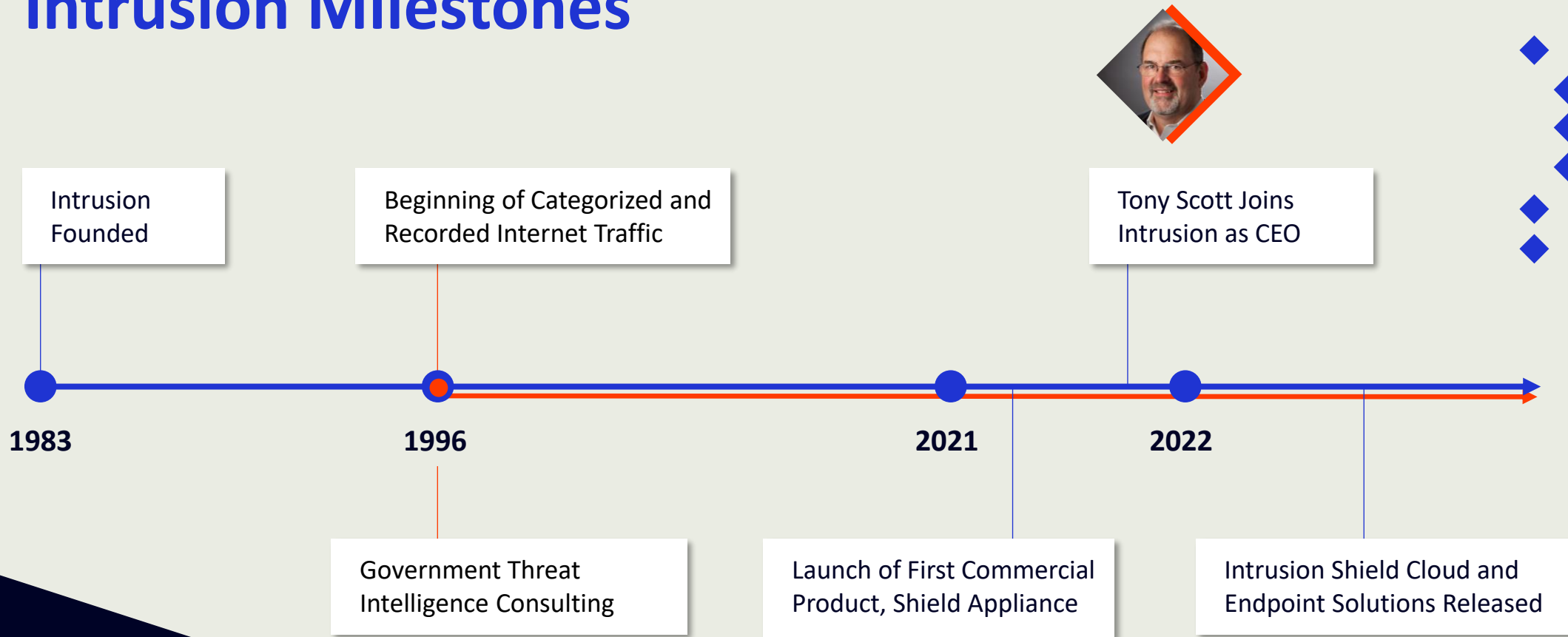
Intrusion

**8.5+ billion
IPs**

Proprietary
database with
history and intel
on billions of IPs
and hostnames

Competitors

Intrusion Milestones



30 years
of securing networks,
threat hunting, and analysis expertise



Tony Scott, CEO

- ◆ CIO | Federal Government
- ◆ CIO | Microsoft
- ◆ CIO | The Walt Disney Company
- ◆ CIO | VMware
- ◆ CTO | General Motors
- ◆ Inducted into CIO Magazine's "CIO Hall of Fame"
- ◆ Renowned speaker and panelist



vmware®



Experienced Leadership



Tony Scott
President & CEO



Kimberly Pinson
CFO



Joe Head
CTO



Andrew Wildrix
VP, Business Development



Blake Dumas
VP, Engineering



Mike McClure
VP, Consulting



Reasons to Invest in Intrusion

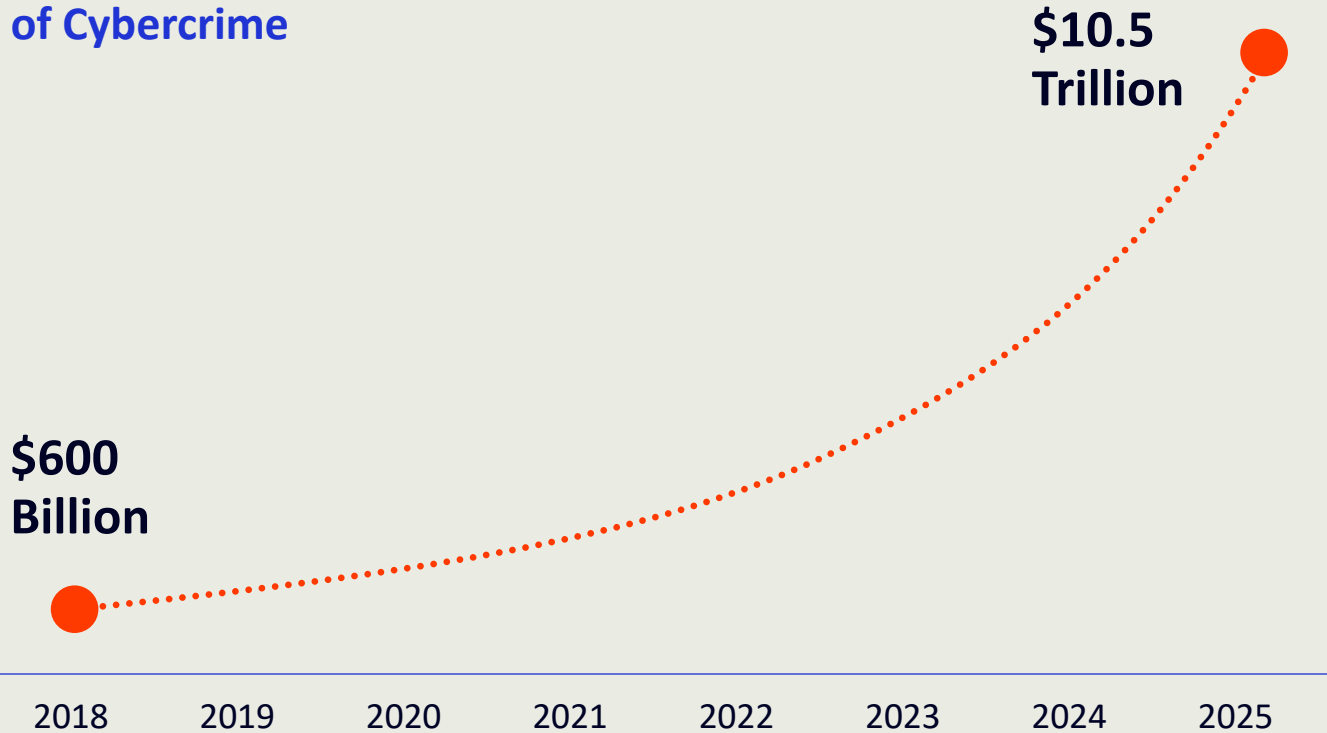
- 1 New and experienced management team brings an **emphasis on execution and profitable growth**
- 2 Intrusion's **proprietary database and IP** have historically been under-monetized
- 3 **New cloud and endpoint solutions** significantly expand the product portfolio and total addressable market
- 4 Transition to **recurring revenue model**, selling through the channel and MSPs, MSSPs, and VARs
- 5 **Long-term roadmap established for product growth** building on core technology assets



Large and Growing Demand

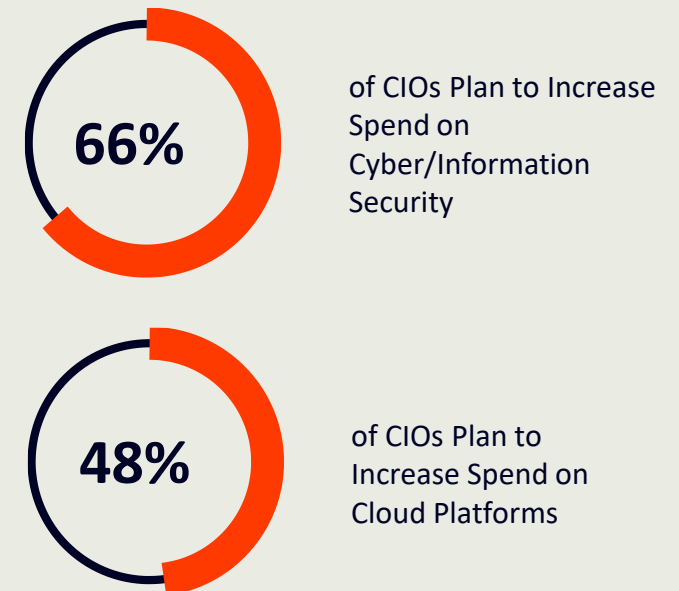
Cyberattacks are increasing despite growing investment in security infrastructure

Economic Impact of Cybercrime



Source:
2018: The Economic Impact of Cybercrime: No Slowing Down by Center for Strategic and International Studies (CSIS) McAfee
2019-2025: Cybersecurity Ventures

Spend on Cybersecurity Over Time



Source: Gartner



Industry Changes

Massive global need for a solution to protect against Zero-Day and Malware attacks

Cyber Threats

Companies are **attacked every 39 seconds**.⁽¹⁾

Current cyber environment creates two blind spots: **overconfidence** and the **proliferation of alerts** that are not meaningful.

Lack of Qualified Staff

62% of organizational cybersecurity teams are **understaffed**.⁽²⁾

78% lack confidence in their company's cybersecurity posture, prompting 91% to increase budgets.⁽³⁾

93% of SecOps teams cannot address all security alerts in same day; 83% claim staff has **alert fatigue**.⁽⁴⁾

Increased Complexity

94% of malware observed used was **polymorphic** to help avoid detection.⁽⁵⁾

61% of successful attacks use a **Zero-Day**.⁽⁶⁾

34% of successful attacks use **malware-free** techniques.⁽⁶⁾

Sources:

1) University of Maryland 2) ISACA State of Cybersecurity 3) Insight Enterprises Inc. 4) Webroot Threat Report 5) 2020 State of SecOps & Automation report 6) Watchguard



Customers and Segments

Customers across all industries rely on Intrusion Shield to enable a proactive cyber threat intelligence department



Financial Institutions

Manage vast amounts of client data, which can be at risk for ransomware and are subject to increasing scrutiny by government agencies.



Medical Community

Every appliance that collects patient data has open ports that can be ransomed and exploited, requiring a greater cybersecurity infrastructure.



Hospitality

House vast amounts of sensitive customer data resulting in increased cybersecurity costs.



Government

Local, State and Federal Governments under increased pressure to protect citizens data from increase cyber attacks.



Product Differentiation

Highly differentiated solution leveraging largest known IP-related threat intelligence dataset

◆ Historical Data

Leverage the largest known IP dataset of 8.5 billion IP addresses and domain names

◆ Automated Analysis

Operationalize decades of threat intelligence to understand what IP address owners are doing over time

◆ Association

Layer in a reputational and behavior analysis tool that allows intrusion to make connections between known and unknown IPs that may be nefarious

◆ Behavior Updates

Constantly update behavioral algorithms to create an updated behavioral rule set. This behavioral ruleset creates a unique ability and an unrivaled level of threat intelligence



See all inbound and outbound blocks

See the real-time list of all blocked connections.

Drill down on an individual connection to see more details like why it was blocked, risk level, etc.

The screenshot shows the 'Intrusion' dashboard with the 'Traffic' tab selected. The main area displays 'All Shield Traffic' with a table of blocked connections. The table columns are: Status, Risk, VLAN, Client IP, Client Hostname, Server IP, Server Hostname, Requested, Direction, Responses, First Seen, and Last Seen. The first four rows show blocked connections to various domains like shadesofsolveig.com, antiguagaming.gov.ag, clevercloudit.com, and doubledowninteractiv... All are marked as 'Killed' with a risk level of 4. Below the table, a 'Details' panel is expanded for the first entry, showing client and server information, DNS records (QNAME, Domain, CNAME, Answer(s)), location (Client Location: Local, Server Location: US), and a risk assessment (Risk Source, Risk Level: 4, Risk Class: High Risk Category, Risk Description: This domain was killed because it has content that has been categorized as high risk content: malware distribution, gambling, pornography, illegal activity, hacking, etc.).

Status	Risk	VLAN	Client IP	Client Hostname	Server IP	Server Hostname	Requested	Direction	Responses	First Seen	Last Seen		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		shadesofsolveig.com	Inbound	10	2022-07-21 00:45:03	2022-07-21 09:45:04		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		www.antiguagaming.gov.ag	Inbound	10	2022-07-21 00:45:02	2022-07-21 09:45:02		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		www.clevercloudit.com	Inbound	10	2022-07-21 00:45:08	2022-07-21 09:45:08		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		www.doubledowninteractiv...	Inbound	10	2022-07-21 00:45:03	2022-07-21 09:45:04		
Details				DNS			Location		Risk				
Client IP: 172.16.133.6				QNAME: www.doubledowninteractive.com			Client Location: Local		Risk Source: www.doubledowninteractive.com				
Client Hostname: jsrvr27.jaalam.net				Domain: doubledowninteractive.com			Server Location: US		Risk Level: 4				
Server IP: 8.8.8.8				CNAME: doubledowninteractive.com			Risk Class: High Risk Category						
Server Hostname:				Answer(s): 98.129.229.166			Risk Description:						
This domain was killed because it has content that has been categorized as high risk content: malware distribution, gambling, pornography, illegal activity, hacking, etc.													
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		www.horsebook.com	Inbound	10	2022-07-21 00:45:02	2022-07-21 09:45:02		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.4.4		www.narrowbanding.com	Inbound	10	2022-07-21 00:45:01	2022-07-21 09:45:02		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		www.valianttrust.com	Inbound	10	2022-07-21 00:45:06	2022-07-21 09:45:07		
Killed	4		192.168.1.138		192.168.1.1		cdn.accutics.net	Internal	20	2022-07-21 00:30:10	2022-07-21 09:30:09		
Killed	4		172.16.133.93		172.16.128.202		dailyfantasysports.sportsb...	Internal	10	2022-07-21 00:45:02	2022-07-21 09:45:02		
Killed	4		172.16.133.93		172.16.128.202		referrals.sportsbook.ag	Internal	10	2022-07-21 00:45:02	2022-07-21 09:45:02		
Killed	4		172.16.133.93		172.16.128.202		sportsbook.com	Internal	10	2022-07-21 00:45:02	2022-07-21 09:45:02		
Killed	4		172.16.133.45		172.16.128.202		www.narrowbanding.com	Internal	10	2022-07-21 00:45:01	2022-07-21 09:45:02		
Killed	4		172.16.133.93		172.16.128.202		www.sportsbook.ag	Internal	10	2022-07-21 00:45:02	2022-07-21 09:45:02		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		b3.mookie1.com	Inbound	10	2022-07-21 00:45:03	2022-07-21 09:45:04		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		ib.mookie1.com	Inbound	10	2022-07-21 00:45:03	2022-07-21 09:45:04		
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8		premium.mookie1.com	Inbound	10	2022-07-21 00:45:02	2022-07-21 09:45:03		

Find out where connections are coming from

An interactive map shows you what countries your business is communicating with the most.

The screenshot shows the 'Intrusion' dashboard with the 'Traffic' tab selected. The 'Traffic Map' displays a world map where countries are color-coded by connection volume. A legend on the right indicates the following categories:

- > 1 (Yellow)
- > 1 thousand (Light Orange)
- > 1 million (Orange)
- > 1 billion (Dark Orange)
- > 1 trillion (Red)

Summary statistics on the right:

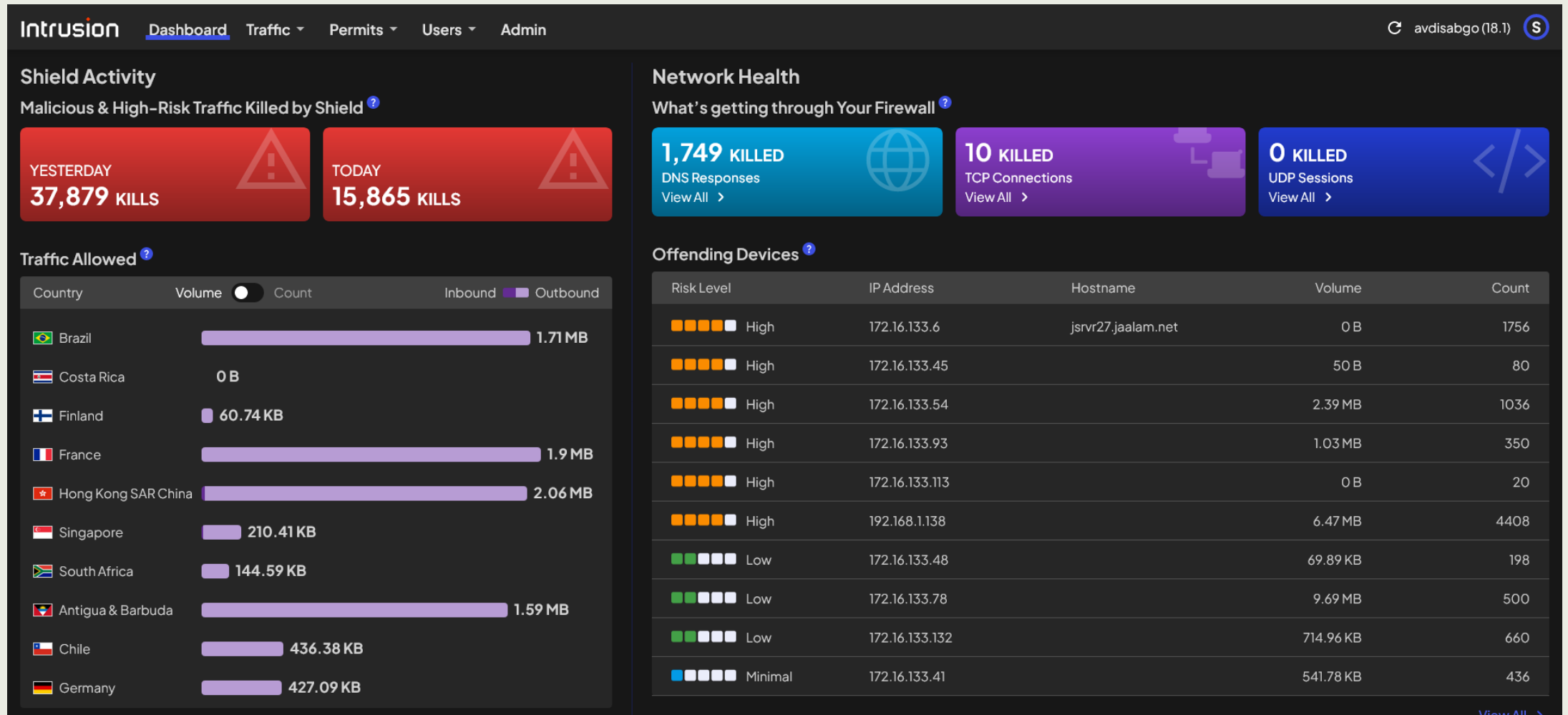
- World: Count: 9,265,850; Count Killed: 15,865
- Local: Count: 675,785; Count Killed: 4,995

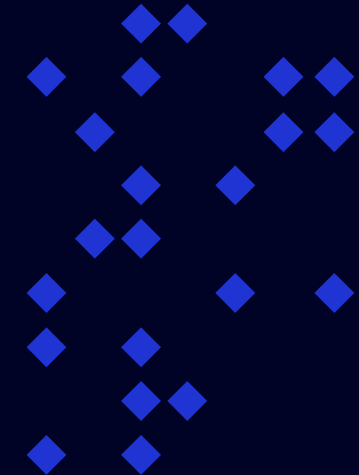
Navigation and filters at the bottom include: Search for anything, Search, Filter, Sort, Download, Add Permit, DNS Responses, TCP Connections, and UDP Sessions.

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Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.4.4	www.narrowbanding.com		Inbound	10	2022-07-21 00:45:01	2022-07-21 09:45:02
Killed	4		172.16.133.6	jsrvr27.jaalam.net	8.8.8.8	www.valianttrust.com		Inbound	10	2022-07-21 00:45:06	2022-07-21 09:45:07
Killed	4		192.168.1.138		192.168.1.1	cdn.accutics.net		Internal	20	2022-07-21 00:30:10	2022-07-21 09:30:09

Identify the top offending devices

Quickly see which devices have the most malicious connection attempts to prioritize remediation efforts.





Financial Information



Financing

◆ Issuance of Common Stock

◇ ATM

- \$4.7M sales Fiscal Year 2023
- \$3.3M sales YTD Q2 2024
- \$6.7M remaining capacity at June 30, 2024

◇ Offerings

- \$2.6M Private Placement November 2023
- \$2.6M Private Placement April 2024
- \$0.6M Warrant Inducement April 2024

◇ 3(a)(9) Exchanges

- \$0.8M aggregate exchange of senior debt in Q4 2023 and Q1 2024

◇ Standby Equity Purchase Agreement (SEPA)

- In July 2024, entered into a \$10M SEPA with Streeterville Capital

◆ Issuance of Preferred Stock

◇ 3(a)(9) Exchange

- \$9.3M aggregate exchange of senior debt in Q1 2024 for newly designated Series A Preferred Stock

(\$ in millions)	as of 6/30/24
Cash and cash equivalents	\$1.5
Notes payable	\$0.5
Net equity	\$2.9



Cap Table as of 6/30/24

Total common stock outstanding	5,440,240	
Shares held by affiliates (management and 10% holders)	1,509,655	27.7%
Shares held by non - affiliates	3,930,585	
Warrants outstanding	3,193,703	
Average exercise price	\$ 4.29	
Average remaining term	4.77 Yrs	
Options outstanding (including management affiliates)	43,353	
Average exercise price	\$ 61.07	
Average remaining term	7.95 Yrs	
Restricted stock awards (including management affiliates)	433	
Fully dilutive shares outstanding	8,677,729	



Income Statement Snapshot

(in millions, except EPS)	1Q'22	2Q'22	3Q'22	4Q'22	FY'22	1Q'23	2Q'23	3Q'23	4Q'23	FY'23	1Q'24	2Q'24
Revenue	\$1.8	\$2.1	\$2.2	\$1.4	\$7.5	\$1.3	\$1.5	\$1.5	\$1.3	\$5.6	\$1.1	\$1.5
Gross Margin (%)	50.8%	55.5%	54.6%	62.6%	55.5%	76.1%	77.5%	77.9%	78.7%	77.6%	80.0%	77.8%
Operating Expenses	\$4.9	\$5.1	\$5.0	\$5.4	\$20.5	\$5.1	\$4.1	\$3.8	\$3.5	\$16.4	\$3.4	\$3.1
Operating Income (Loss)	(\$4.1)	(\$4.0)	(\$3.8)	(\$4.5)	(\$16.3)	(\$4.0)	(\$2.9)	(\$2.7)	(\$2.8)	(\$12.0)	(\$2.5)	(\$2.0)
GAAP EPS	(\$4.2)	(\$4.2)	(\$3.0)	(\$5.0)	(\$16.4)	(\$4.4)	(\$3.0)	(\$2.8)	(\$1.8)	(\$11.5)	(\$0.94)	(\$0.53)
Weighted Average Share Count	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.5	1.2	1.8	4.3



Balance Sheet Snapshot

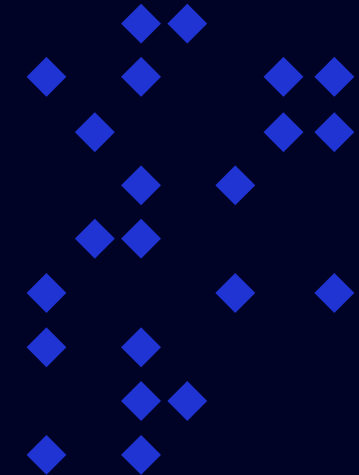
(\$ in millions)	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24	2Q'24
Current Assets	\$9.1	\$10.7	\$5.4	\$1.3	\$0.9	\$0.9	\$1.1	\$0.7	\$2.6
Noncurrent Assets	\$3.4	\$3.7	\$3.8	\$3.9	\$3.7	\$3.8	\$5.1	\$5.0	\$4.8
Total Assets	\$12.5	\$14.4	\$9.3	\$5.2	\$4.7	\$4.7	\$6.2	\$5.7	\$7.4
Current Liabilities	\$10.5	\$13.7	\$13.2	\$13.8	\$14.8	\$15.7	\$14.3	\$5.4	\$3.1
Noncurrent Liabilities	\$3.9	\$1.2	\$0.2	\$0.2	\$0.2	\$0.5	\$1.5	\$1.5	\$1.4
Total Liabilities	\$14.4	\$14.9	\$13.5	\$14.0	\$15.0	\$16.2	\$15.7	\$6.9	\$4.5
Stockholders' Equity	(\$1.9)	(\$0.5)	(\$4.2)	(\$8.8)	(\$10.3)	(\$11.5)	(\$9.5)	(\$1.2)	\$2.9





Thank you

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