



Cybeats Provides Corporate Update; Achieves 213% Growth and \$700,000+ Average Enterprise Contract Size

- **MRR Growth** - 213% monthly recurring revenue (MRR)¹ growth YTD
- **Pilot conversion rate** - 85% of pilot evaluations have converted to license agreements, up from 75% in early 2023
- **Client profile** - 78% of *SBOM Studio* clients are Fortune 500 companies. The collective market capitalization of current commercial clients is over \$1 trillion
- **Average Contract Value** - Average *SBOM Studio* enterprise contract value is \$707,428, approximately 3 times larger than average enterprise SaaS product offerings²

TORONTO, September 5, 2023 – Cybeats Technologies Corp. (“Cybeats” or the “Company”) (CSE: CYBT, OTCQB: CYBCF) is pleased to provide an update on the business and commercial success in the Software Bill of Materials (“SBOM”) Management industry with its enterprise Software as a Service (“SaaS”) product, *SBOM Studio*³.

Cybeats is making significant commercial progress evidenced by Monthly Recurring Revenue (MRR)¹ growth, client retention and enterprise adoption. Cybeats has achieved 213% growth in MRR from January 1, 2023 through today. 30% of all *SBOM Studio* clients have increased their contract size, reflecting their increased product usage or purchasing additional product features. Cybeats’ pipeline includes several Fortune 500 that are moving through various stages of pilot evaluations. Cybeats has an 85% pilot-to-commercial license conversion rate – up from 75% at the beginning of 2023.

“We have built and commercialized a product that anticipated both markets’ needs and evolving cybersecurity regulations, and we are now servicing clients with a deep understanding of their challenges. One of the key advantages of Cybeats’ business is that the SBOM Studio platform services needs across industries, along with attractive unit economics and scalable revenue model,” said **Yoav Raiter, CEO, Cybeats.**

“Cybeats is achieving sizable growth, securing its position as the SBOM Management solution for several of the top 10 global leaders in both medical device manufacturing and industrial control systems sectors,” said **Bob Lyle, CRO, Cybeats.** *“We look forward to continuing to provide positive key performance metrics as we head into Q4 with the momentum from recent contract wins and positive market validation.”*

¹ MRR stands for Monthly Recurring Revenue. It is a normalized metric for SaaS businesses that delineates average revenue you can expect to earn in a month from paying customers

²<https://www.saastr.com/dear-saastr-whats-the-average-deal-size-for-saas-companies/#:~:text=Public%20SaaS%20companies%20that%20focus,ACV%20of%20about%20%24220k>

³ <https://www.cybeats.com/sbom-studio>



Cybeats' strategic focus has been on validating *SBOM Studio* in the Medical Device Manufacturing (MDM) and Industrial Control Systems (ICS) sectors. Cybeats has signed three of the global Top 10 MDMs⁴, and is currently engaged in pilot evaluations with several other global Top 10 MDMs.⁵ Cybeats has also signed four of the global Top 10 ICS leaders and building automation companies, and is currently engaged in pilot evaluations with other global ICS leaders.⁶ Cybeats aims to capture as many of the global ICS and global MDM industry leaders as possible.

In parallel, Cybeats is also now actively targeting the telecom sector, to include leading Mobile Equipment and Technology providers, and Mobile Network Operators (MNOs). This effort now includes two active pilots, both of which are among the largest MNOs and Mobile Network Equipment providers globally.

Gartner Spotlights - Cybeats

The Company has been named six times in recent 'Gartner Hype Cycle' reports. This indicates the bright future and the vital role of SBOM management, with their mainstream adoption predicted within 2 to 5 years. Specifically, Cybeats was cited in various 2023 Gartner 'Hype Cycle' Reports, to include: Hype Cycle for Application Security⁷, Hype Cycle for Open-Source Software⁸, Hype Cycle for Agile and DevOps⁹ and Hype Cycle for Software Engineering.¹⁰

Favourable Industry Regulation

The threats from supply chain attacks and vulnerabilities have increased exponentially by an average 742%¹¹ year-over-year growth rate between 2019 and 2022¹², posing significant challenges such as data breaches, operational inefficiencies, intellectual property loss, and even human safety threats. Regulated entities and government agencies worldwide are setting SBOMs as mandatory benchmarks, ensuring software components and dependencies remain transparent.

Target markets for Cybeats are experiencing pressures or mandates to adopt SBOM by respective regulatory oversight across industry. For example, the SBOM adoption in healthcare cybersecurity has

⁴ <https://www.breakingintodevice.com/blogs/medical-sales/top-medical-device-2022>

⁵ <https://www.cybeats.com/news/cybeats-signs-commercial-licence-with-global-top-5-medical-device-manufacturer>

⁶ <https://www.cybeats.com/news/cybeats-signs-commercial-licence-with-global-top-5-medical-device-manufacturer>

⁷ <https://lnkd.in/gf3-gkZc>

⁸ <https://lnkd.in/gAmb5fZp>

⁹ <https://lnkd.in/gkhtjbSE>

¹⁰ <https://lnkd.in/dQNnARnG>

¹¹ <https://blog.sonatype.com/2023-predictions-software-supply-chain-governance>

¹² <https://spectralops.io/blog/10-steps-to-take-now-to-reduce-supply-chain-risks/#:~:text=That's%20not%20to%20say%20open,to%20minimize%20supply%20chain%20risks.>



been fueled by the amended FD&C Act's section 524B - 'Ensuring Cybersecurity of Medical Devices' from earlier this year. Additionally, the telecom industry must now adhere to specific regulations such as FCC regulations, NDAA provisions, the pending EU Cybersecurity Act, UK Telecommunications (Security) Act, and NIST and GSMA guidelines. It is anticipated that SBOMs will be ubiquitous and adopted across many industries over the next few years.

About Cybeats

Cybeats is a cybersecurity company providing SBOM management and software supply chain intelligence technology, helping organizations to manage risk, meet compliance requirements, and secure their software from procurement to development and operation. Our platform gives customers comprehensive visibility and transparency into their software supply chain, enabling them to improve operational efficiency and increase revenue. Cybeats. Software Made Certain. Website: <https://cybeats.com>

SUBSCRIBE: For more information, or to subscribe to the Company's mail list, visit: <https://www.cybeats.com/investors>

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Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the commercialization plans for the products described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Company filings are available at sedar.com.