



## DATA443 RISK MITIGATION, INC. ATDS Stock Significantly Undervalued; Could Be M&A Target

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<b>DATA443 RISK MITIGATION, INC. (OTC – ATDS - \$0.29)</b>	
Price Target: \$3.65	Rating: Speculative Buy

### COMPANY SNAPSHOT

Formed in 2017, Data443 Risk Mitigation, Inc. provides cyber-data security protection, software and services. Growing privacy legislation such as the CCPA and GDPR are increasing the demand for capabilities delivered by The Company. The Company provides solutions that are designed to protect data via the cloud for sensitive data of all types. The Company's suite of products allowing its clients to create, share, and protect their data wherever it is stored. Its solutions are delivered by proprietary technologies and methodologies that it has developed and acquired, empowering its primary competitive advantage.

### KEY STATISTICS

Price as of 2/3/20	\$0.29
52 Week High – Low	\$3.00 - \$0.12
Est. Shares Outstanding	12.5M
Market Capitalization	\$4M
Average Volume	81,372
Exchange	OTCPK

### COMPANY INFORMATION

**Data443 Risk Mitigation, Inc.**

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### INVESTMENT HIGHLIGHTS

**Recent Moves Raise Value and De-Risks Opportunity.**  
 The ATDS CEO made the ultimate moves that demonstrate his 100% commitment to ATDS and its shareholders. Typically, these moves are rewarded with sustainable, higher stock prices. He personally entered into privately negotiated agreements on \$2M in principal convertible notes which enhance capital structure and cash flow. Moreover, it aids working capital, and M&A. Plus, changes in a \$1.7M note provides for further capital improvements. These events lift key overhangs on the stock and give ATDS favorable future flexibility.

**Enviably Corporate Success Has Been Overlooked.**  
 ATDS offers what is the longest running DRM platform for mobile. Moreover, in its open source solution, ATDS boasts over 30,000 users---this number rivals and exceeds some of the leading companies in the space. Clearly, many are ripe for conversion to paying customers and thousands are trusted relationships a highly valuable and hidden asset. New cloud-based, multi-functional and integrated offerings are slated to be introduced following a series of customer tests. This new integrated platform could generate \$1500/mo/per customer seeking comprehensive data and privacy solutions.

**ATDS Is Undervalued; Represents M&A Prospect.** We project revenue could approach \$1.8M for 2019 and possibly \$5M in 2020—the first full year that its three acquisitions will generate revenue and organic growth is demonstrated. This excludes potential 2H20 M&A. Based on these forecasts, ATDS is worth \$1.15 today and \$3.65 in a year based on current peer group valuations. Once additional M&A is executed, this target will likely have to be revised upward. In the meantime, ATDS is an attractive takeover candidate. It has a large open- source user base, broad customer base, and low relative industry valuation. An acquirer could buy ATDS and grab tech and market share for a fraction of the industry's valuations. Thus, current prices represent an attractive entry point.



## Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## ANALYST CERTIFICATION

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