

## DATA443 RISK MITIGATION, INC.

### Pigs Get Fat, Hogs Get Slaughtered; ATDS Stock Poised for Major Rebound

Rob Goldman  
[rob@goldmanresearch.com](mailto:rob@goldmanresearch.com)

April 2, 2020

#### DATA443 RISK MITIGATION, INC. (OTC – ATDS - \$0.0401)

6-Month Price Target: \$0.77

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 4/1/20	\$0.0401
52 Week High – Low	\$1.90 - \$0.03
Est. Shares Outstanding	19.5M
Market Capitalization	\$.8M
Average Volume	406,293
Exchange	OTCPK

#### COMPANY INFORMATION

##### Data443 Risk Mitigation, Inc.

101 J Morris Commons Lane  
 Suite 105  
 Morrisville NC 27560  
 Web: [www.Data443.com](http://www.Data443.com)  
 Email: [ir@data443.com](mailto:ir@data443.com)  
 Phone : 919.858.6542

#### INVESTMENT HIGHLIGHTS

**Stock Oversold: Five Reasons Why.** These may be unusual times given the current COVID-19 pandemic, which explains in part, why ATDS stock has sold off so sharply. We believe savvy investors/traders will recognize huge upside and limited downside in ATDS. Here are 5 reasons why ATDS is poised to move dramatically higher.

**1. Business/Fundamentals Unchanged.** Despite the swift downturn in the economy, ATDS has experienced no reduction in business. Active sellers and debt holders trying to take advantage of the awful market have severely sold off the stock and we believe most of these sellers are gone and won't enjoy the future upside.

**2. ATDS is Built for this Economy.** With a distributed and growing remote workforce, the core email archiving, and classified docs for lawsuit e-discovery features of ATDS' key subsidiaries are more important than ever.

**3. The Numbers.** FY19 financials will be released soon and they will likely show revenue of \$1.5–\$1.9M—yet the market cap is around \$1M. Plus sales could reach \$5M this year—all demonstrating tremendous value.

**4. ATDS Growing Revenue.** Earlier this week ATDS announced an LOI to acquire the assets of Internet Software Sciences, which has 100,000 installs, and 1M active users. The firm is ripe for cross marketing of the core ATDS offering and could add \$250,000 in sales this year alone.

**5. New 6-Month Target of \$0.77.** Our new \$0.77 target reflects the average FY20E P/S multiple of key comps VRNS and SAIL, which have had only a small sell-off, relative to the misunderstood ATDS. At \$0.77, the stock would trade 3x FY20E sales, a 40% P/S discount to the comps. In January the stock traded at \$0.70 and we believe it will trade there again in 2H20. Even at a paltry 2x FY19E, the new floor should be \$0.14-\$0.19.



## 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

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

## DISCLAIMER

This *Opportunity Research* report was prepared for informational purposes only.

*Goldman Small Cap Research*, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored micro-cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile and may offer greater upside. Since 2018, *Goldman Small Cap Research* has been compensated by the Company in the amount of \$7600 for a research subscription service, including reports, alerts, updates, podcasts, and press release production and distribution, and \$2700 by a third party. All information contained in this report was provided by the Company via filings, press releases or its website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

Separate from the factual content of our articles about the Company, we may from time to time include our own opinions about the Company, its business, markets and opportunities. Any opinions we may offer about the Company are solely our own and are made in reliance upon our rights under the First Amendment to the U.S. Constitution, and are provided solely for the general opinionated discussion of our readers. Our opinions should not be considered to be complete, precise, accurate, or current investment advice. Such information and the opinions expressed are subject to change without notice.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings,

press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed. This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: [www.goldmanresearch.com](http://www.goldmanresearch.com)