

Member FINRA/SIPC

Toll-Free: 866-928-0928 ♦ www.DawsonJames.com ♦ 101 North Federal Highway - Suite 600 ♦ Boca Raton, FL 33432

Alarum Technologies Ltd. (ALAR) – Neutral

April 7, 2023

Reports Full Year 2022 - \$3.8M Remaining on Balance Sheet

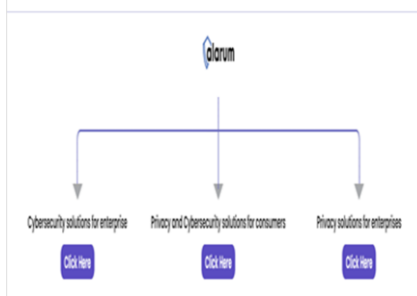
Safe-T group reported full-year results in-line with the pre-released figures. \$18.7M in revenues translated into a loss of \$13.1M. We are concerned that the company's cash balance is low, with just \$3.8M remaining on the balance sheet. We remain neutral-rated.

Jason H. Kolbert
 Managing Director and Senior Analyst
 jkolbert@dawsonjames.com

The company in the press release highlighted the following: (adapted):

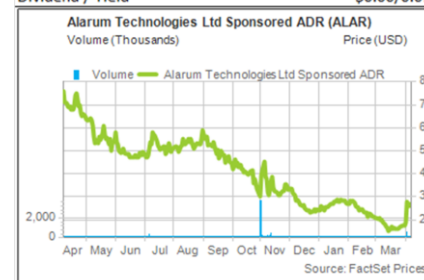
- NetNut entered the end-to-end retail AI data market.
- NetNut strengthened its presence in the price comparison market with new travel-industry customers.
- Cybersecurity: NetNut enabled its new enterprise cybersecurity customers to identify potential cyber-attacks.
- NetNut launched its new mobile IP Proxy network with sales to the first three customers.
- NetNut's network doubled usage volume within one month with more than 36 billion requests processed.
- E-commerce: NetNut successfully gained increased traction among E-commerce customers in preparation for November 2022 shopping events.
- Anti-fraud solution: NetNut won three new leading customers to use its advanced solution for advertising fraud detection, mitigation, and prevention.

Current Price	\$2.71
Price Target	NA



The diagram shows Alarum at the top, branching into three categories: Cybersecurity solutions for enterprise, Privacy and Cybersecurity solutions for consumers, and Privacy solutions for enterprises. Each category has a 'Click Here' button below it.

Source: Alarum	
Stock Data	
52-Week Range	\$1.46 - \$7.80
Shares Outstanding (mil.)	32
Market Capitalization (mil.)*	\$7
Enterprise Value (mil.)	\$3
Debt to Capital	-
Book Value/Share	NA
Price/Book	NA
Average Three Months Trading Volume (K)	7
Insider Ownership	21.0%
Institutional Ownership	1.4%
Short interest (mil.)	0.0%
Dividend / Yield	\$0.00/0.0%



CyberKick Ltd.– the Company's Consumer Internet Access solutions:

- The Company's consumer privacy platforms reached over five million downloads.
- Alarum's privacy application ranked among the top 10 privacy applications in the App Store.
- Expanded consumer privacy solution portfolio with new application for Android users.
- Launched its consumer privacy solution for Microsoft Windows.

Valuation: We provide a model out to 2030. Near term growth over the next few years is in our opinion, critical for the company to establish itself as a viable niche market premium alternative to the generic products available today. We use a 30% risk rate in our Free Cash Flow to the Firm (FCFF), discounted EPS (dEPS), and Sum-of-the-Parts (SOP) models, which are then equal-weighted and averaged to achieve a target valuation. With that said, as a Neutral rated stock we do not publish a price target.

Risks to our thesis include: (1) IP; (2) Dependence on partners; (3) Development of the target markets (4) Acquisition and Integration (5) Intellectual Capital (6) Foreign Company (Israel) (7) Dilution Risks. We review these risks in the Risks Analysis section of this report.

Risk Analysis: **Risks to our thesis** include: (1) IP; (2) Dependence on OEM suppliers; (3) Development of the target markets (4) Acquisition and Integration (5) Intellectual Capital (6) Foreign Company (Israel) (7) Dilution Risks. In addition, some of the additional risks as outlined in company filings includes:

- If the IT security and IPPN industries do not continue to develop as is anticipated, the company's sales may not grow as forecast;
- Research and development efforts may not produce successful nor competitive products or enhancements to existing products. This could impact revenues;
- New Customer acquisition – The company's growth is dependent on the acquisition of new customers, and the sale of additional products and services to existing customers cannot be assured.
- The company itself faces risks associated with cyber attackers or other data thieves. A successful attack could hurt public perception of the company's products, and services could be harmed;
- The company depends on partners, channel partners, including systems integrators, distributors, and value-added resellers, to generate a significant portion of their revenue. If the company fails to maintain successful relationships with their OEM and channel partners, or if its channel partners fail to perform, the company's ability to market, sell and distribute its solutions could be limited, and its business, financial position, and operations could suffer.
- The company may acquire other businesses, which could require significant management attention, disrupt the company's core business, dilute shareholder value, and adversely affect results of operations;
- Alarum faces business disruption and related risks resulting from COVID-19, which could impact their business and the results of their operations.
- The company must maintain effective patent rights for its products. Failure to do so could impact the ability to compete, i.e.; If the company is unable to protect the confidentiality of its trade secrets or know-how, such proprietary information may be used to compete against the company.
- If the company is unable to maintain effective proprietary rights for its products, it may not be able to compete effectively in its markets. If its unregistered trademarks and trade names are not adequately protected, it may not be able to build name recognition in the target markets of interest, and the business may be affected. Trademarks or trade names may be challenged, infringed, circumvented, or declared generic or determined to be infringing on other marks.
- The intellectual property rights of third parties could adversely affect the company's ability to commercialize its products, and the company might be required to litigate or obtain licenses from third parties in order to develop or market its product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms.

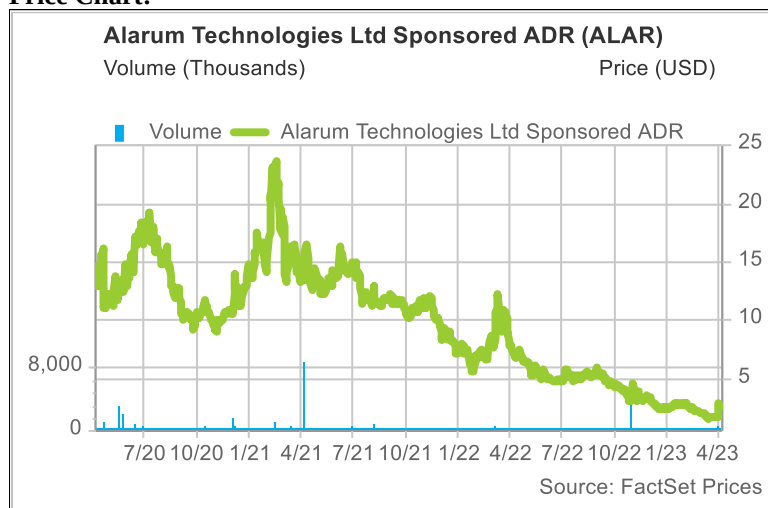
Exhibit 1. Income Statement

Alarum : Income Statement (\$000)														
YE December	2021A	2022A	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Product Revenues (Consumer & Enterprises)	10,281	18,779	6,479	6,760	7,042	7,324	28,169	35,000	50,000	75,000	90,000	120,000	140,000	140,000
Total Product Revenues	10,281	18,779	6,479	6,760	7,042	7,324	27,605	34,300	49,000	73,500	88,200	117,600	137,200	137,200
Product Sales & Royalties & Milestones	10,281	18,779	6,479	6,760	7,042	7,324	27,605	34,300	49,000	73,500	88,200	117,600	137,200	137,200
Expenses														
Cost of goods sold	5,145	8,652	1,944	2,028	2,113	2,197	8,282	10,290	14,700	22,050	26,460	35,280	41,160	41,160
Research and Development	4,771	4,033	974	1,016	1,059	1,101	4,235	4,446	4,669	4,902	5,147	5,405	5,675	5,959
Selling & Marketing	8,348	12,187	2,915	3,042	3,169	3,295	12,674	13,181	13,709	14,257	14,827	15,420	16,037	16,679
General & Adminastrative	6,858	6,792	1,625	1,695	1,766	1,837	7,064	7,346	7,640	7,946	8,264	8,594	8,938	9,295
Total expenses	25,122	23,551	7,457	7,782	8,106	8,430	32,254	35,264	40,717	49,155	54,698	64,699	71,810	72,454
Operating income (Loss)	(14,841)	(13,424)	(979)	(1,021)	(1,064)	(1,106)	(4,170)	(465)	8,803	24,887	34,067	53,489	66,003	64,746
Financial Income (expense)	445	327												
Tax Benefit	153	-54												
Total other income	598	-54	-	-	-	-	0	0	-	-	-	-	-	-
Pretax Income	(13,125)	(13,151)	(979)	(1,021)	(1,064)	(1,106)	(4,170)	(465)	8,803	24,887	34,067	53,489	66,003	64,746
Income Tax Benefit (Provision)	-	-	-	-	-	-	-	(46)	1,761	7,466	12,945	20,326	25,081	24,603
Tax Rate	0%	0%	0%	0%	0%	0%	0%	10%	20%	30%	38%	38%	38%	38%
GAAP Net Income (loss)	(13,125)	(13,151)	(979)	(1,021)	(1,064)	(1,106)	(4,170)	(418)	7,042	17,421	21,121	33,163	40,922	40,143
Deemed Dividend on Preferred Stock														
GAAP-EPS	(0.48)	(0.42)	(0.03)	(0.03)	(0.03)	(0.03)	(0.13)	(0.01)	0.21	0.52	0.62	0.96	1.17	1.13
GAAP EPS (dil)	(0.48)	(0.30)	(0.02)	(0.02)	(0.02)	(0.02)	(0.09)	(0.01)	0.14	0.34	0.41	0.64	0.78	0.75
Weighted shares basic	28,022	31,675	32,385	32,417	32,449	32,482	32,433	32,856	33,284	33,718	34,157	34,603	35,054	35,510
Weighted shares dil	28,022	43,687	48,577	48,626	48,674	48,723	48,650	49,284	49,926	50,577	51,236	51,904	52,580	53,266

Source: Dawson James estimates, company reports

Important Disclosures:

Price Chart:



Price target and rating changes over the past three years:

Initiated – Buy – January 31, 2022 – Price Target \$6.0
 Update Report – February 17, 2022 – Price Target \$6.0
 Update Report – March 29, 2022 – Price Target \$6.0
 Update Report – April 22, 2022 – Price Target \$6.0
 Update Report – May 23, 2022 – Price Target \$6.0
 Update Report – July 6, 2022 – Price Target \$6.0
 Update Report – August 31, 2022 – Price Target \$6.0
 Update Report – September 22, 2022 – Price Target \$6.0
 Rating Change – Buy to Neutral October 28, 2022 – Price Target NA
 Update Report – January 20, 2023 – Price Target NA
 Update Report – January 26, 2023 – Price Target NA
 Update Report – April 7, 2023 – Price Target NA

Dawson James Securities, Inc. (the "Firm") is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

The Firm does not make a market in the securities of the subject company(s). The Firm has not engaged in investment banking relationships with the subject company in the prior twelve months as a manager or co-manager of a public offering and has not received compensation resulting from those relationships. The Firm may seek compensation for investment banking services in the future from the subject company(s). The Firm has received any other compensation from the subject company(s) in the last 12 months for services unrelated to managing or co-managing a public offering.

Neither the research analyst(s) whose name appears on this report nor any member of his (their) household is an officer, director, or advisory board member of these companies. The Firm and/or its directors and employees may own securities of the company(s) in this report and may increase or decrease holdings in the future. As of March 17, 2023, the Firm as a whole did not beneficially own 1% or more of any class of common equity securities of the subject company(s) of this report. The Firm, its officers, directors, analysts, or employees may affect transactions in and have long or short positions in the securities (or options or warrants related to those securities) of the company(s) subject to this report. The Firm may affect transactions as principal or agent in those securities.

Analysts receive no direct compensation in connection with the Firm's investment banking business. All Firm employees, including the analyst(s) responsible for preparing this report, may be eligible to receive non-product or service-specific monetary bonus compensation that is based upon various factors, including total revenues of the Firm and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.

Although the statements in this report have been obtained from and are based upon recognized statistical services, issuer reports or communications, or other sources that the Firm believes to be reliable, we cannot guarantee their accuracy. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Information about valuation methods and risks can be found in the "Valuation" and "Risk Analysis" sections of this report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. This report is offered for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. Additional information is available upon request.

Ratings Definitions:

- 1) **Buy:** The analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months.
- 2) **Neutral:** The analyst believes the price of the stock is fairly valued for the next 12-18 months.
- 3) **Sell:** The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies, followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Current as of 17-Mar-23

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	25	69%	1	3%
Market Perform (Neutral)	11	31%	2	6%
Market Underperform (Sell)	0	0%	0	0%
Total	36	100%	3	9%

Analyst Certification:

The analyst(s) whose name appears on this research report certifies that 1) all of the views expressed in this report accurately reflect his (their) personal views about any and all of the subject securities or issuers discussed; and 2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report; and 3) all Dawson James employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service-specific monetary bonus compensation that is based upon various factors, including total revenues of Dawson James and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.