

March 4, 2022



# Argus Research Updates Equity Report Coverage on Tego Cyber Inc.

**LAS VEGAS, NV / ACCESSWIRE / March 4, 2022** /Tego Cyber Inc. (OTCQB:TGCB), an emerging developer of proactive cyber threat intelligence applications and solutions, today announced that Argus Research, an independent investment research firm, updated its Equity Report coverage on Tego Cyber Inc.

[Click Here](#) to view Full **Argus Equity Report**

Excerpts & Highlights from the Report as conveyed by Argus Analyst Steve Silver, follow:

## **BUSINESS DESCRIPTION**

Tego Cyber is a cybersecurity threat intelligence company. Its main product, the Tego Threat Intelligence Platform, seamlessly integrates with existing cybersecurity software platforms through the Tego Guardian app. Unlike cybersecurity products that provide data about a potential threat in only a broad manner, Tego Guardian utilizes a proprietary process to compile raw cyber-threat intelligence and then analyze and deliver data that is contextual, timely, informative, and importantly, actionable by the client. Importantly, the value proposition of the platform is its utilization of data science to compare a threat intelligence with client data already being aggregated to correlate and then identify threat exposures.

Cybersecurity threats have been growing over time and are front of mind for many companies. In recent years, there has been a significant increase in the number of cyber incursions, which has led to large data and financial losses for companies. The types of devices that are subject to attack include common workplace PCs and laptops attached wirelessly and remotely to Wi-Fi, VPNs and LANs, tablets, cellphones, and IoT (Internet of Things) devices.

Cyber threats have also been increasing in complexity. What started out as simple "phishing" attacks has evolved into more-complicated and sophisticated events. Ransomware, where malware installed on a device locks that device until a ransom is paid, has also become much more prevalent. According to Cybersecurity Ventures, cybercrime inflicted damages of \$6 trillion globally in 2021 and is expected to grow to \$10.5 trillion by 2025; that equates to a CAGR (compound annual growth rate) of 15%. According to Accenture, security breaches have increased by 11% since 2018, and 67% since 2014. A University of Maryland study estimated that cyber criminals attack a connected computer every 39 seconds, or 2,244 times a day.

The overall cybersecurity market is currently valued at \$156 billion and is expected to grow at an 11% CAGR through 2025, to \$241 billion, according to industry intelligence researcher Gartner Group. The cybersecurity threat intelligence business is a subset of the market, and currently is estimated to be valued at approximately \$10.9 billion and is expected to grow at

a CAGR of 8.2% through 2025 to a value in excess of \$16 billion, according to MarketsandMarkets. In our view, Tego is operating in an attractive and rapidly growing area of technology.

Tego's initial commercial focus for its Tego Guardian application is its integration with the Splunk SIEM (Security Information and Event Management) platform. Splunk is a technology company based in San Francisco that provides software for monitoring, searching, and analyzing machine-generated data. It is a Nasdaq-100 company with a recent market capitalization near \$20 billion. The Splunk platform collects, analyzes and correlates high volumes of network and other machine data in real-time. Splunk is the leading SIEM provider in the world and is used by 92 of the Fortune 100 companies. Currently, Splunk has more than 15,000 customers and has been adding around 450 enterprise clients per quarter. Tego Guardian is currently available for download on SplunkBase, Splunk's app store. Tego will generate revenue by licensing Tego Guardian. When a user downloads the app from SplunkBase, it will seamlessly integrate into their existing Splunk SIEM platform. Once a client has downloaded and installed Tego Guardian, following a free two-week trial, they will be required to pay an annual license fee to activate the full version.

Tego Cyber's revenue model is based on "SaaS" (Software as a Service), under which its clients receive services for an annual license fee. Tego has set a target penetration of Splunk's subscriber base of 3.33% over a three-year period, which would represent a potential gross revenue opportunity of \$37.5 million (net revenue of \$31.8 million). Tego is using a hybrid strategy of inside sales combined with a channel partner program to drive penetration among Splunk subscribers. The company recently signed a channel-as-a-service contract with Vation Ventures to develop a comprehensive long-term go-to-market strategy and channel partner program.

In our view, Tego is well positioned to commercialize its Guardian application on additional cyber platforms. Its growth strategy is to expand integrations with companies that are found on the Gartner Magic Quadrant and Forrester research reports, which represent those companies with the largest industry market share. Tego Cyber has set a goal to make Tego Guardian available for integration with the top 10 SIEM platforms, including Elastic, Devo, AT&T Cybersecurity, IBM QRadar, Exabeam, Google Chronicle, and LogRhythm, over the next two years.

We are encouraged by its progress towards this goal, as we expect Tego Guardian to enter beta testing on Elastic Security's SIEM platform, during the current fiscal quarter. Elastic has over 16,000 paying subscribers, including 34% of the Fortune 2000, each of which represents a potential new user of Tego Guardian.

## **COMPETITIVE ADVANTAGE**

In our view, Tego Cyber's platform has several competitive advantages. First, its ability to provide cybersecurity data enrichment represents a potential value-add over other marketed products. Tego Guardian provides detailed context, the "who, what, where, and when" of potential threats. In contrast, similar applications often identify that an attack has occurred, but do not provide additional context. As such, in these latter cases, it is up to the client's cybersecurity team to correlate threats and establish needed actions.

Tego Guardian automates this process, saving time and money, increasing the ROI of

cybersecurity tools an enterprise may already be using. The dashboards on Tego Guardian, which are integrated with existing cybersecurity platforms, allow a cybersecurity team to see quickly what threats have been detected within the environment, the categorization of the threat, and which assets in the environment have been affected by the threat.

Tego Guardian leverages data that customers already possess, and allows enterprises to not only look forward, but retrospectively, to see if there has been exposure to threats. When an IP address, URL, server name, or other individual indicator of compromise (IoC) is added to public and private blacklists, an adversary has likely already moved on. Looking for recurrences of such IoCs going forward has been industry standard practice. However, looking back to search for questionable IoCs to see if a customer had exposure during the time, they were in use by an adversary is crucial to determining past impact and then coordinating remediation. We view Tego Cyber's ability to provide such data as a key differentiator for the Guardian platform.

As mentioned earlier, the company's first commercial version of Tego Guardian was launched in October 2021 on the Splunk SIEM platform. The product went from concept to commercialization in less than two years, including successful pilot and beta testing. The company was able to design an application swiftly to fill a void in the current cybersecurity landscape. In so doing, it added significant value to existing security platforms, while providing an ease of integration and a low price point. We expect the company will be able to build a customer base rapidly.

We think that Tego Cyber has positioned its Guardian platform well for successful commercial penetration, as its \$75,000 license fee is well below its peers. By pricing below a threshold that tends to delay contracts and implementation timelines across larger enterprises, Tego should be able to carve out a niche within the robust and still-growing Splunk user base over the next few years, and ultimately, broadly across the leaders of the global SIEM marketplace.

We like Tego's seasoned management team, with many years of experience in software, security, and information systems, as well as important relationships that can help fuel growth. The company recently bolstered its team with the retention of industry expert Amy Looper of Relativity Sells to assist in executing a go-to-market strategy and building long-term client relationships. Tego also added Brett Watkins, founder of GlobalSec Partners LLC, under a consulting agreement. Mr. Watkins, who has over two decades of diverse experience investigating computer intrusions and international terrorism cases with the FBI prior to founding GlobalSec in 2016, will lead expanded business development activities for the Tego Threat Intelligence Platform within select industries.

## **ANALYST COMMENTARY: EARNINGS**

Tego Cyber trades on the OTCQB, under the symbol TGCB. In February 2022, the company announced results for its fiscal 2022 second quarter (ended December 31, 2021). During the quarter, the company recorded a modest \$1,050 in consulting revenue, which reflected its largely pre-commercial status. However, Tego Cyber expects to begin generating revenues from the sale of Tego Guardian in the quarter ending March 31, 2022.

Tego Cyber has forecasted gross revenue of \$37.5 million by the end of a three-year plan within its Splunk integration efforts. With its target penetration of 3.33% of Splunk's current

subscriber base, prospects to capitalize on Splunk's continued growth, and Tego's below-peer average license fee rate, we see potential for its forecasts to prove conservative. We think Tego's investments to ramp up its sales and marketing team, develop new channel programs, and integrate Tego Guardian across the top 10 SIEM platforms in the next two years, positions the company to achieve robust sales growth in the coming years, and increased awareness and attention from investors.

As of December 31, 2021, Tego Cyber had \$990,000 in cash on its balance sheet and a working capital surplus of \$1,120,000. The company has estimated a monthly cash burn rate of only \$100,000 for calendar 2022. Subsequent to its fiscal 2021 year-end (June 30, 2021), Tego paid off \$22,600 in long-term debt, leaving it debt-free, and enhanced its balance sheet through a series of investments. We view its current working capital ratio of 27:1 favorably, as it should enable Tego to execute on its growth strategy

As of December 31, 2021, Tego had 25.1 million shares outstanding, with additional warrants for 3.0 million shares that are currently "in the money" and likely to be exercised - which will bring in additional funding capital. We think that Tego's financial position would enable the company to utilize equity-based financing, if needed, on favorable terms.

## **RECENT DEVELOPMENTS**

Over the past year, Tego Cyber has achieved several milestones that enabled the commercial launch of its threat-intelligent platform and Tego Guardian app. In October 2021, the company announced its successful integration on the Splunk platform, which is now available for direct download by Splunk users through Splunk's app store. Tego has started expanding its dedicated sales and marketing team to market Tego Guardian to Fortune 2000 enterprises that use the Splunk SIEM platform.

During the second half of 2021, Tego's channel partner initiative (designed to foster profitable relationships with leading cybersecurity consultants and solution providers) was bolstered by its retention of industry expert Amy Looper of Relativity Sells to assist in executing a go-to-market strategy. Tego also entered into a consulting agreement with Brett Watkins, founder of GlobalSec Partners LLC, who has over two decades of diverse experience investigating computer intrusions and international terrorism cases with the FBI prior to founding GlobalSec.

### **About Tego Cyber Inc.**

Tego Cyber Inc. (the "Company") was created to capitalize on the emerging cyber threat intelligence market. The Company has developed a cyber threat intelligence application that integrates with top end security platforms to gather, analyze, then proactively identify threats to an enterprise network. The *Tego Guardian* threat intelligence application takes in vetted and curated threat data and after utilizing a proprietary process, the platform compiles, analyzes, and then delivers that data to an enterprise network in a format that is timely, informative, and relevant. The threat data provides additional context including specific details needed to identify and counteract threats so that security teams can spend less time searching for disparate information. The first version of the application will integrate with the widely accepted Splunk SIEM to provide real-time threat intelligence to macro enterprises using the Splunk architecture. The Company plans on developing future versions of the *Tego Guardian* application for integration with other established SIEM systems and platforms

including: Elastic, IBM QRadar, AT&T Cybersecurity, Exabeam, and Google Chronical. For more information, please visit [www.tegocyber.com](http://www.tegocyber.com).

### **Forward-Looking Statements**

The statements contained in this press release, those which are not purely historical or which depend upon future events, may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements regarding the Company's expectations, hopes, beliefs, intentions or strategies regarding the future constitute forward-looking statements. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements because of various factors. All forward-looking statements included in this press release are based on information available to the Company on the date hereof and the Company assumes no obligation to update any such forward-looking statement. Prospective investors should also consult the risks factors described from time to time in the Company's Reports on Forms 10-K, 10-Q and 8-K and Annual Reports to Shareholders.

### **Tego Contact:**

Tego Cyber Inc.  
8565 S Eastern Avenue, Suite 150  
Las Vegas, Nevada 89123  
USA  
Tel: 855-939-0100 (North America)  
Tel: 725-726-7840 (International)  
Email: [info@tegocyber.com](mailto:info@tegocyber.com)  
Web: [tegocyber.com](http://tegocyber.com)  
Facebook: [facebook.com/tegocyber](https://facebook.com/tegocyber)  
LinkedIn: [linkedin.com/company/tegocyber](https://linkedin.com/company/tegocyber)  
Twitter: [twitter.com/tegocyber](https://twitter.com/tegocyber)

### **Tego Investor Relations:**

Crescendo Communications, LLC  
Tel: 212-671-1020  
Email: [TGCB@crescendo-ir.com](mailto:TGCB@crescendo-ir.com)

### **About Argus Research Corp. [www.argusresearch.com](http://www.argusresearch.com)**

Headquartered in NYC, Argus Research is an independent equity research firm (est. 1934) - providing fundamental and quantitative research coverage on more than 1,600 companies across all 11 sectors of the S&P 500, as well as macroeconomic and equity market forecasts, thematic research, model portfolios and pre-IPO research. In addition, Argus now provides sponsored research solutions for small & mid-cap companies seeking coverage. Our Institutional Asset Management, Bank Trust, sell-side advisor and self-directed investor clients value Argus's proprietary equity research methodology, analysis and commentary. Argus's Equity Research & earnings estimates are available on major research / earnings estimate aggregator platforms, including Bloomberg, Refinitiv, Factset and S&P Global.

**For more information re: Argus Research Services please contact:**

Darrell Stone  
646-747-5438  
[dstone@argusresearch.com](mailto:dstone@argusresearch.com)

Argus Research Co. has received a flat fee from the company discussed in this report as part of a Sponsored Research agreement between Argus and the company. No part of Argus Research's compensation is directly or indirectly related to the content of this assessment or to other opinions expressed in this report. Please refer to the full Argus report and the disclaimer for complete disclosures.

**SOURCE:** Tego Cyber Inc.

View source version on accesswire.com:  
<https://www.accesswire.com/691476/Argus-Research-Updates-Equity-Report-Coverage-on-Tego-Cyber-Inc>