

cyan AG acquires majority stake in I-New Unified Solutions AG, significantly expanding its international reach to Mobile Virtual Network Operators (MVNOs)

Munich / 10 July 2018. cyan AG, a leading European provider of innovative white labeled IT security solutions for end customers of telecommunications providers (MNOs/MVNOs), banks and insurance companies as well as gaming and cryptocurrency platforms, is acquiring a 76.81 % stake in I-New Unified Mobile Solutions ("I-New"), a leading provider of technology and service solutions and MVNO platforms. I-New has 11 locations on 5 continents with around 40 Mobile Virtual Network Operators (MVNO) with around 5.5 million end customers. Clients of I-New include Virgin Mobile, with its activities in Colombia, Chile, Mexico and Peru, and Skinny in New Zealand.

cyan is acquiring the shares from Austrian based Novomatic AG. The total volume of the transaction amounts to EUR 17.1 million, of which EUR 13.6 million amount for the acquired shares including taking over existing financing lines of banks. EUR 3.5 million will be paid via an earn-out model depending on earnings development of I-New in 2019, 2020 and 2021.

A binding purchase agreement was concluded today, which has already been approved by the Supervisory Board of cyan AG. Closing shall take place on 30 July 2018.

The purchase price is to be financed with the company's own funds and by bank financing. Corresponding financing commitments have already been made by the banks.

cyan AG expects the transaction to have significant revenues and earnings effects as early as 2018 as well as significant synergy potentials, which are to be fully exploited within the next 24 months. In particular, through the acquisition of I-New, cyan will be able to significantly expand its international reach to MVNOs and should save up to two years relative to the alternative of gradual development of the market through its own customer acquisition activities.

Based on the combined revenue expectations, cyan expects at least EUR 20 million in pro forma revenues in 2018 and at least EUR 35 million in 2019. Overall, the Group aims to generate an EBITDA of at least EUR 7 million in 2018 and at least EUR 20 million in 2019 on a conservative forecast basis with only moderate synergy effects.

Michael Sieghart, CFO
cyan AG

Information and Explanation of the Issuer to this News:

About cyan AG

cyan is a leading European provider of intelligent, white labeled IT security solutions with more than 25 years of experience in the area of IT security. cyan's holding company is based in Munich, Germany. The main business areas of the company are mobile security solutions for the end customers of mobile network operators and fixed line internet service providers (MNO, ISP), mobile virtual network operators (MVNO), the insurance and financial services sector and government institutions. cyan's solutions can easily be integrated into the existing

infrastructure of business partners and introduced to the market via a revenue share model. In addition, data protection is assured through full integration into the customer's own network environment.

cyan operates its own research and development center and maintains close links to universities, international research institutes, security, financial and social organizations. This close collaboration ensures the early recognition of trends and technical developments for integration into cyan's products.

Further information is available at www.cyansecurity.com

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