



IronNet, Inc. (IRNT)

Expect Strong Growth In 3Q:F22 And Maintain Forecast Of \$44 Million For F2022, Which Is At The Midpoint Of Guided Range Of \$43-\$45 Million; Maintain \$17 Price Target, Moderate Risk Rating

	F2020		F2021		F2022E		F2023E	
		OLD		NEW	OLD	NEW	OLD	NEW
Apr.	N/A	N/A			(\$0.28)A		(\$0.14)	
July	N/A	N/A			(0.31)A		(0.16)	
Oct.	N/A	N/A			(0.11)		(0.16)	
Jan.	<u>N/A</u>	<u>N/A</u>			<u>(0.12)</u>		<u>(0.16)</u>	
EPS (FY)	(\$0.88)	(\$1.01)			(\$0.83)		(\$0.63)	
P/E (FY)					NM		NM	

Note: We calculate full year F2022 based on the assumed post-acquisition share count. EPS is based on a non-GAAP calculation that adjusts for one-time items and stock based compensation as an expense. Sum of quarterly EPS may not equal full year total due to rounding and/or change in share count. NR = Not Rated. Risk Ratings: H = Highly risky; M = Moderately risky.

Year	F2014	F2015	F2016	F2017	F2018	F2019	F2020	F2021	F2022E	F2023E
Rev.(Mil.)	N/A	N/A	N/A	N/A	N/A	N/A	\$23.2	\$29.2	\$44.0	\$110.1
GAAP EPS	N/A	N/A	N/A	N/A	N/A	N/A	(\$0.89)	(\$1.03)	(\$0.85)	(\$0.70)

Description: IronNet Cybersecurity Inc. (www.ironnet.com) develops advanced software and data analysis solutions to identify suspicious behavior on corporate and government networks. The company was founded in 2014 and is headquartered in McLean, VA.*IRNT is expected to refile 2Q:21 results as a merged entity

Release Date	Conference Call	Time (Eastern)	Contact	Co. Guidance	Consensus
December 15	December 15	5:00 PM	201-689-7807	n/a	(\$0.15)

- **We expect IRNT to report solid revenue growth in 3Q:F22 and think there is a lot of momentum in the business. In our view, the pull back in the shares provides an attractive entry point.**
- **While management does not provide quarterly guidance, the F2022 revenue guidance range is \$43 million-\$45 million. We project \$14.5 million for 3Q:F22 and \$17.0 million in 4Q:F22. This implies \$44 million in revenue for F2022, at the midpoint of the guidance range and implying a 50% increase year over year.**
- **Management has been very aggressive in marketing and with the increase in malicious cyberattacks, we believe IRNT is well positioned to gain shares in the \$25 billion market.**
- **We like IRNT's next generation detection and scoring of suspicious activity in real-time, which also provides a platform to share knowledge of common malicious activity. The company's strong management team is another positive, in our view.**
- **In our view, the balance sheet is adequate to rapidly scale the business against what we think is a sizable opportunity.**
- **We maintain our \$17 price target, which is based on 10x our F2025 revenue estimate of \$305 million. This calculation applies a discount rate of 15%, adds \$128 million of projected net cash, and uses 122 million as the share count.**
- **Our Moderately Risky rating is supported by the company's strong capital position.**

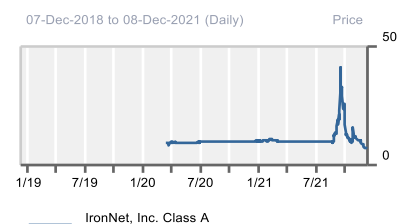
We project 3Q:F22 revenue of \$14.5 million, more than doubling sequentially. At the conclusion of 2Q:F22, management noted it saw some larger deals spill over into 3Q:F22 and provided a full year revenue guidance of \$43-\$45 million. 1H:F22 revenue amounted to \$12.5 million. We project 3Q:F22 revenue of \$14.5 million and 4Q:F22 revenue of \$17 million, which puts our estimate of \$44 million at the mid-point of the guidance range for the full year.

NR
Price Target: \$17
Price: \$7.39
Risk Rating: M

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Key Statistics

Analysts Covering	4
Market Cap (Mil)	\$620
Enterprise Value	\$173
52-Week Range (NYSE)	48-7
5-Year EPS CAGR	NM
Avg. Daily Trading Volume	7,224,00
Shares Out (Mil)	84.424
Float Shares (Mil)	30.778
Insider Ownership	49%
Institutional Holdings	13%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (F2023E)	(\$0.53)
FCF Yield (F2023E)	-7.2%
Net Cash Per Share (F2023E)	\$1.82
Price to Book Value	1.2x
Return on Equity (F2023E)	NM
Total Debt to Capital	Nil
Interest Coverage Ratio	N/A
Short Interest %	4.9%
Short Interest Days To Cover	1.1
Russell 2000	2,220
Russell 2000 – Last 12 Months	18.5%
IRNT – Last 12 Months	-20.2%



Recurring revenue declined slightly in 2Q:F22 to \$24.1 million from \$25.6 million in 1Q:F22; however, management noted it anticipates recurring revenue to double in 3Q:F22. We project R&D and sales and marketing to increase on an absolute level, but in relation to revenue, we project those expenses to decline. We project net loss per share to narrow to (\$0.11) from (\$0.31) in 2Q:F22. We anticipate discussions on the conference call to center around market opportunities, sales and marketing effort, new customer wins and expansion with existing clients. IRNT ended 2Q:F22 with 51 customers, up from 22 at the end of the same period last year. Management noted it expects the strong momentum to continue into 2H:F22. The company serves both private enterprises and the public sector including, among others, eight of the top ten energy companies, large investment managers, global consumer company and Department of Defense branches and U.S. State Agencies. With the executive order in place to encourage private and public sectors to collaborate in the fight against cybersecurity threats, we believe IRNT's solution is well positioned to address this approach.

Exhibit 1. IronNet, Inc. Sequential Quarterly Variance Table

(\$ in millions, except per share data)	2Q:F22A	3Q:F22E	\$ Change	Q/Q% Change
Revenue	6.1	14.5	8.4	139%
Gross Profit	4.3	10.3	6.0	142%
Gross Margin	70.1%	71.0%		
Operating Income (loss)	(\$17.0)	(\$12.5)	4.5	NM
Net Income (loss)	(\$17.2)	(\$12.5)	4.7	NM
Adj. Diluted EPS (loss per share)	(\$0.31)	(\$0.11)	0.21	NM

Sources: Company reports and Sidoti & Company, LLC estimates.

We think there has been a strong momentum in demand for IRNT's solution. Management has noted it is seeing larger deals in 2H:F22 and momentum from smaller deals growing which we attribute to customers being satisfied with the solution. Management has also noted an uptick in interest since it listed publicly through the SPAC merger in September and we note that founder General Keith Alexander has been very active in the media and in other forums marketing the company. We like the company's next generation cybersecurity solution that targets an addressable market of over \$25 billion. We also favor the company's customer acquisition strategy to win the most influential customer(s) in a peer group that can encourage or induce adoption to other companies in its field of influence. IRNT puts its customer base in two categories: (1) *Cornerstone customers* where it has identified 10,000+ potential customers and (2) the companies they could help influence are referred to as *Community customers*, which amount to 100,000+ of potential clients. This is exemplified by the recent win of a large Cornerstone customer that subsequently brought on their supply chain to the solution. During the third quarter, IRNT also added new customers to its space community, where it is seeing rapid growth of its collective defense community, with the addition of X-energy and Satelles. X-energy (private) is a nuclear reactor and fuel design engineering company that was recently awarded \$80 million for the U.S. Department of Energy's Advanced Reactor Demonstration Program. Satelles (private) is a low earth orbit (LEO) satellite-based positioning, navigation and timing (PNT) company that was one of six, and the only U.S., company that was awarded contracts by the European Union for demonstration of alternative PNT technologies. While IRNT was already a partner to Microsoft, it was recently invited to join the Microsoft Intelligent Security Association (MISA), which we think underscores the strength of IRNT's solution. While we expect IRNT to continue gain market share and grow revenue quite aggressively over the next years, we anticipate heavy re-investment in sales and marketing and R&D and expect the company to remain unprofitable.

The company is well positioned to fund its growth strategy, as we see it. IRNT concluded 2Q:F22 with \$14 million in cash and added about \$109 million in net proceeds from the business combination subsequent to the second quarter. There are about 13.8 million warrants outstanding with an \$11.50 strike price, potentially contributing about \$150 million of cash when exercised, assuming the capital is retained. We expect net cash of \$128 million (\$1.05 per share) at the end of F2025. Insiders holds about 64% of the shares outstanding with founder and Co-CEO, Gen. Keith Alexander (retired), holding about 13%.

Valuation	We maintain a \$17 price target and Moderately Risky rating on IRNT shares. We apply a 10x multiple to our F2025 revenue estimate of \$305 million to derive a \$17 price target. This calculation applies a 15% discount rate, adds \$128 million of projected net cash, and uses 122 million as the share count. Our Moderately Risky rating is supported by the company's strong capital position following the merger. As the company continues to successfully execute its customer acquisition strategy, we could become more constructive on our valuation of IRNT shares.		
Key Risks	Competition	Technological advances	Limited historical financials

IRONNET, INC.

Table 1: IronNet Income Statement
 (\$ in millions, except per share data)

	F2020	F2021	AprA	JulyA	Oct	Jan	F2022E	Apr	July	Oct	Jan	F2023E
Total revenue	\$23.2	\$29.2	\$6.4	\$6.1	\$14.5	\$17.0	\$44.0	\$21.9	\$23.6	\$31.3	\$33.2	\$110.1
Software, subscription, and support revenue	19.8	24.7	6.1	5.8	13.1	15.3	40.3	21.5	23.1	28.7	30.7	103.9
Professional services revenue	3.4	4.5	0.2	0.3	1.5	1.7	3.7	0.4	0.6	2.6	2.6	6.1
Total cost of revenue	6.6	7.0	1.9	1.8	4.2	4.9	12.9	5.7	6.2	8.9	9.3	30.0
Cost of product, subscription, and support	5.9	5.4	1.8	1.7	3.3	3.8	10.5	5.4	5.8	7.0	7.5	25.7
Cost of service revenue	0.7	1.6	0.2	0.1	0.9	1.1	2.4	0.3	0.4	1.8	1.8	4.3
Gross profit	16.6	22.2	4.4	4.3	10.3	12.1	31.1	16.3	17.5	22.5	23.9	80.1
Research and development	26.6	25.8	6.9	7.6	8.0	8.5	30.9	8.8	10.2	12.5	13.3	44.7
Sales and marketing	17.9	30.4	7.1	7.7	9.0	11.1	34.9	16.9	18.9	22.9	23.6	82.2
General and administrative	20.5	22.0	5.7	6.0	5.8	6.8	24.3	9.4	9.5	8.8	9.3	36.9
Total operating expenses	65.0	78.1	19.8	21.2	22.8	26.4	90.1	35.1	38.5	44.2	46.2	163.9
Operating income (loss) -EBIT	(48.4)	(55.9)	(15.3)	(17.0)	(12.5)	(14.3)	(59.0)	(18.8)	(21.0)	(21.7)	(22.3)	(83.8)
EBITDA	(47.4)	(54.7)	(15.1)	(16.7)	(12.2)	(14.0)	(58.0)	(18.5)	(20.7)	(21.4)	(22.0)	(82.6)
Adjusted EBITDA	(47.2)	(54.8)	(15.1)	(16.7)	(11.0)	(12.6)	(55.4)	(16.7)	(18.9)	(18.9)	(19.3)	(73.8)
Interest income/expense	0.0	0.0	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Other income/expense	0.5	(0.0)	0.0	(0.2)	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Earnings (loss) before taxes	(47.9)	(55.9)	(15.4)	(17.2)	(12.5)	(14.3)	(59.4)	(18.8)	(21.0)	(21.7)	(22.3)	(83.8)
Provision for income taxes	0.0	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (GAAP)	(47.9)	(56.0)	(15.5)	(17.2)	(12.5)	(14.3)	(59.4)	(18.8)	(21.0)	(21.7)	(22.3)	(83.8)
EPS (GAAP, Basic)	(\$0.89)	(\$1.03)	(\$0.28)	(\$0.31)	(\$0.12)	(\$0.14)	(\$0.85)	(\$0.16)	(\$0.18)	(\$0.18)	(\$0.19)	(\$0.70)
EPS (adjusted)	(\$0.88)	(\$1.03)	(\$0.28)	(\$0.31)	(\$0.11)	(\$0.12)	(\$0.83)	(\$0.14)	(\$0.16)	(\$0.16)	(\$0.16)	(\$0.63)
Basic shares outstanding	54.5	54.5	54.5	54.8	104.5	104.8	79.7	118.8	119.1	119.4	119.7	119.2
Diluted shares outstanding	54.5	54.5	54.5	54.8	104.5	104.8	79.7	118.8	119.1	119.4	119.7	119.2

	F2020	F2021	AprA	JulyA	Oct	Jan	F2022E	Apr	July	Oct	Jan	F2023E
% yoy change												
Total revenue	N/A	26.0%	-7.2%	-23.5%	N/A	N/A	50.4%	243.6%	288.9%	116.0%	95.5%	150.5%
Software	N/A	24.8%	13.8%	-13.9%	N/A	N/A	63.0%	250.0%	300.0%	120.0%	100.5%	158.2%
Service	N/A	33.1%	-83.8%	-75.4%	N/A	N/A	-18.3%	80.0%	80.0%	80.0%	50.0%	66.2%
Gross margin	N/A	33.8%	-11.6%	-36.7%	N/A	N/A	39.9%	266.3%	310.1%	118.2%	98.2%	157.9%
R&D	N/A	0.0%	-7.1%	10.3%	N/A	N/A	20.1%	27.2%	34.2%	57.1%	56.4%	44.6%
S&M	N/A	0.0%	-13.1%	-2.5%	N/A	N/A	14.8%	136.0%	145.9%	154.3%	113.5%	135.8%
G&A	N/A	0.0%	-1.4%	-3.3%	N/A	N/A	10.5%	64.7%	58.5%	51.2%	36.8%	52.1%
Total operating expenses	N/A	0.0%	-7.9%	1.5%	N/A	N/A	15.3%	77.4%	81.5%	94.0%	75.3%	81.9%
EBIT	N/A	0.0%	-6.7%	19.6%	N/A	N/A	5.6%	22.7%	24.1%	74.0%	55.9%	42.0%

	F2020	F2021	AprA	JulyA	Oct	Jan	F2022E	Apr	July	Oct	Jan	F2023E
% of revenue												
Software	85.3%	84.5%	96.2%	95.0%	90.0%	90.0%	91.6%	98.0%	97.7%	91.7%	92.3%	94.4%
Professional Services	14.7%	15.5%	3.8%	5.0%	10.0%	10.0%	8.4%	2.0%	2.3%	8.3%	7.7%	5.6%
Gross Margin	71.6%	76.0%	69.6%	70.1%	71.0%	71.0%	70.7%	74.2%	74.0%	71.7%	72.0%	72.8%
Software	70.2%	78.2%	71.4%	71.1%	75.0%	75.0%	73.9%	75.0%	75.0%	75.5%	75.5%	75.3%
Professional Services	79.4%	64.0%	23.3%	52.0%	35.0%	35.0%	35.6%	35.0%	30.0%	30.0%	30.0%	30.4%
R&D	114.7%	88.1%	108.1%	124.6%	55.0%	50.0%	70.4%	40.0%	43.0%	40.0%	40.0%	40.6%
S&M	77.2%	103.9%	112.1%	126.5%	62.0%	65.0%	79.3%	77.0%	80.0%	73.0%	71.0%	74.7%
G&A	88.4%	75.2%	89.7%	98.2%	40.0%	40.0%	55.3%	43.0%	40.0%	28.0%	28.0%	33.6%
Total operating expenses	280.2%	267.3%	309.9%	349.3%	157.0%	155.0%	205.0%	160.0%	163.0%	141.0%	139.0%	148.9%
EBIT	-208.6%	-191.3%	-240.3%	-279.2%	-86.0%	-84.0%	-134.3%	-85.8%	-89.0%	-69.3%	-67.0%	-76.1%
EBITDA	-204.2%	-187.3%	-236.7%	-275.5%	-83.9%	-82.2%	-131.9%	-84.4%	-87.8%	-68.3%	-66.1%	-75.0%

Notes:

Adjusted EBITDA deducts stock based compensation and other non-recurring expenses from EBITDA

Non-GAAP Net income deducts stock based compensation and other non-recurring expenses from GAAP net income

Model reflects IronNet Cybersecurity's financials

Sources: Company reports and Sidoti & Company, LLC estimates.

IRONNET, INC.

Table 2: IronNet Cash Flow Statement

(\$ in millions, except per share data)

	F2020	F2021	AprA	JulyA	OctE	JanE	F2022E	AprE	JulyE	OctE	JanE	F2023E
Net loss	(47.9)	(55.4)	(15.5)	(17.2)	(12.5)	(14.3)	(59.4)	(18.8)	(21.0)	(21.7)	(22.3)	(83.8)
Depreciation and amortization	1.0	1.2	0.2	0.2	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.2
Disposal of property and equipment	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bad debt expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee stock compensation	0.2	(0.0)	0.0	0.0	1.2	1.4	2.5	1.8	1.9	2.5	2.7	8.8
Accounts receivable	(0.2)	(3.4)	0.2	(1.4)	(4.4)	(1.3)	(6.9)	(0.4)	(0.7)	(3.3)	(0.8)	(5.3)
Deferred costs	0.6	(1.0)	(0.9)	1.2	(2.6)	(0.8)	(3.1)	(1.0)	(0.5)	(2.2)	(0.5)	(4.2)
Inventory	(1.5)	(0.2)	0.1	(0.2)	(2.0)	(0.8)	(2.9)	(1.5)	(0.5)	(2.3)	(0.6)	(4.9)
Prepaid expenses and other current assets	(0.2)	(0.6)	(0.7)	0.4	(1.7)	(0.8)	(2.7)	(1.5)	(0.5)	(2.3)	(0.6)	(4.9)
Deposits and other assets	(0.1)	0.1	(0.0)	(0.0)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Contract assets	(0.3)	0.4	0.2	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(1.2)	1.6	1.4	(1.6)	1.3	0.8	1.8	0.6	0.4	2.0	0.5	3.5
Accrued expenses	0.8	0.8	0.7	2.2	(0.5)	0.9	3.4	1.7	0.6	2.7	0.7	5.7
Income tax payable	0.0	0.1	0.1	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred rent	(0.1)	(0.2)	(0.0)	(0.0)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Deferred revenue	0.0	13.7	2.2	(2.6)	24.4	10.0	34.0	19.6	2.2	12.0	(10.4)	23.4
Net cash provided by operating activities	(48.8)	(42.7)	(12.1)	(19.1)	3.5	(4.6)	(32.3)	0.8	(17.9)	(12.3)	(31.1)	(60.4)
Purchases of property and equipment	(1.1)	(1.0)	(0.7)	(0.5)	(0.4)	(0.5)	(2.2)	(0.7)	(0.7)	(0.9)	(1.0)	(3.3)
Proceeds from the sale of fixed assets	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of investments	(11.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of investments	19.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from maturity of investments	17.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities	24.2	0.1	(0.7)	(0.5)	(0.4)	(0.5)	(2.2)	(0.7)	(0.7)	(0.9)	(1.0)	(3.3)
Proceeds from issuance of series B preferred stock	10.6	57.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from issuance of common stock	0.1	0.2	0.2	0.1	125.0	0.0	125.3	0.0	0.0	0.0	0.0	0.0
Proceeds from trust	0.0	0.0	0.0	0.0	11.7	0.0	11.7	0.0	0.0	0.0	0.0	0.0
Proceeds (repayments) of loans	0.0	5.6	0.0	15.0	(5.7)	0.0	9.3	(5.6)	0.0	0.0	0.0	(5.6)
Proceeds from stock subscription	0.0	0.1	0.1	0.2	(15.6)	0.0	(15.3)	0.0	0.0	0.0	0.0	0.0
Proceeds from warrant exercise	0.0	0.0	0.0	0.0	0.0	158.7	158.7	0.0	0.0	0.0	0.0	0.0
Other				(0.5)	(15.0)							
Net cash provided by financing activities	10.7	63.3	0.3	14.8	100.4	158.7	289.7	(5.6)	0.0	0.0	0.0	(5.6)
Effect of exchange rates on cash and equivalents	(0.0)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net change in cash and equivalents	(13.9)	20.7	(12.6)	(4.9)	103.5	153.6	255.2	(5.4)	(18.6)	(13.2)	(32.0)	(69.3)
Cash and equivalents, beginning of period	24.7	10.8	31.5	19.0	14.1	117.6	31.5	286.7	281.3	262.7	249.5	286.7
Cash and equivalents, end of period	10.8	31.5	19.0	14.1	117.6	271.2	286.7	281.3	262.7	249.5	217.4	217.4
FCF	(49.8)	(43.6)	(12.9)	(19.6)	3.1	(5.1)	(34.5)	0.2	(18.6)	(13.2)	(32.0)	(63.7)
FCF/Share	(\$0.91)	(\$0.80)	(\$0.24)	(\$0.36)	\$0.03	(\$0.05)	(\$0.43)	\$0.00	(\$0.16)	(\$0.11)	(\$0.27)	(\$0.53)

Sources: Company reports and Sidoti & Company, LLC estimates.

IRONNET, INC.

Table 3: IronNet Balance Sheet
(\$ in millions, except per share data)

	F2020	F2021	AprA	JulyA	OctE	F2022E	AprE	JulyE	OctE	F2023E
Cash and equivalents	10.8	31.5	19.0	14.1	117.6	271.2	281.3	262.7	249.5	217.4
Accounts receivable	1.2	1.6	0.4	0.3	3.3	3.9	5.0	5.4	7.2	7.6
Unbilled receivable	0.4	1.4	2.0	3.0	4.4	5.1	4.4	4.7	6.3	6.6
Related party receivable and loan receivables	1.7	3.6	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Account and loan receivables	3.3	6.7	6.4	7.8	12.2	13.5	13.9	14.6	18.0	18.8
Investments	1.4	0.0	0.0	0.0	1.0	2.0	0.0	0.0	0.0	0.0
Inventory	2.0	2.2	2.1	2.3	4.4	5.1	6.6	7.1	9.4	10.0
Deferred costs	1.1	2.1	3.0	1.7	4.4	5.1	6.1	6.6	8.8	9.3
Prepaid warranty	0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Prepaid expenses and other current assets	1.6	2.2	2.9	2.7	4.4	5.1	6.6	7.1	9.4	10.0
Total current assets	20.9	45.7	34.4	29.6	144.8	303.0	315.5	299.2	296.0	266.5
Deferred costs	2.1	2.1	2.1	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Property and equipment, net	3.2	2.8	3.3	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Prepaid warranty	1.5	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Deposits and other assets	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total assets	28.1	51.7	40.8	38.1	153.3	311.5	324.1	307.7	304.5	275.0
Accounts payable	1.6	1.9	3.3	3.1	4.4	5.1	5.7	6.1	8.1	8.6
Accrued expenses	1.8	2.6	3.3	5.5	5.1	6.0	7.7	8.3	11.0	11.6
Deferred revenue	7.9	12.5	14.2	14.7	21.8	25.5	32.9	30.7	31.3	24.9
Deferred rent	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Short-term PPP loan	0.0	3.5	5.6	5.6	0.0	0.0	0.0	0.0	0.0	0.0
Income tax payable	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other current liabilities	0.0	0.7	0.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Total current liabilities	11.5	21.4	27.3	44.8	47.1	52.5	62.2	61.1	66.4	61.1
Deferred rent	1.1	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Deferred revenue	12.4	21.6	22.1	18.9	36.3	42.5	54.8	59.1	70.5	66.5
Long-term PPP loan	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	25.0	46.7	51.0	65.2	84.2	95.8	117.8	121.0	137.7	128.4
Total shareholders' equity (deficit)	(118.1)	5.0	(10.2)	(27.1)	(69.1)	(215.7)	(206.3)	(186.7)	(166.9)	(146.6)
Total liabilities and shareholders' equity	28.1	51.7	40.8	38.1	153.3	311.5	324.1	307.7	304.5	275.0
<i>Metrics and Ratios</i>										
Net cash	10.8	26.0	13.4	8.5	117.6	271.2	281.3	262.7	249.5	217.4
Net cash per share	\$0.20	\$0.48	\$0.25	\$0.16	\$1.13	\$2.59	\$2.37	\$2.21	\$2.09	\$1.82
DSO	18.9	20.2	5.8	4.4	20.7	20.7	20.7	20.7	20.7	20.7

Sources: Company reports and Sidoti & Company, LLC estimates.

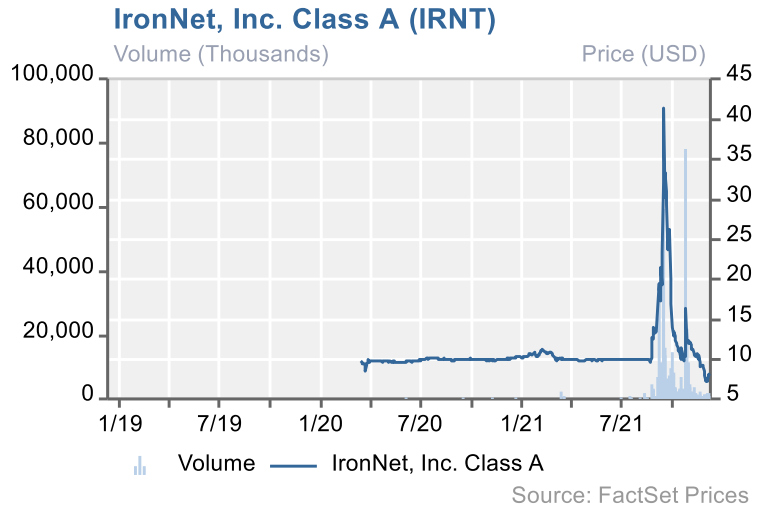
Appendix
Required Disclosures

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IronNet, Inc. (IRNT-\$7.39) NR Price Target: \$17 Risk Rating: M

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Initiation	7/20/21	10	NR	15	M
ACHG	8/2/21	10	NR	15	
PT	9/8/21	19.6		17	
PT	9/17/21	35.3		17	



Valuation	We maintain a \$17 price target and Moderately Risky rating on IRNT shares. We apply a 10x multiple to our F2025 revenue estimate of \$305 million to derive a \$17 price target. This calculation applies a 15% discount rate, adds \$128 million of projected net cash, and uses 122 million as the share count. Our Moderately Risky rating is supported by the company's strong capital position following the merger. As the company continues to successfully execute its customer acquisition strategy, we could become more constructive on our valuation of IRNT shares.		
Key Risks	Competition	Technological advances	Limited historical financials

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