LITCHFIELD HILLS RESEARCH

Cycurion, Inc.

NASDAQ - CYCU

August 19, 2026

Cycurion Makes Notable Progress with Better Results, Closed Acquisitions and New Contract

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- Second quarter gross margin reached 29.1% in 2Q from 6.1% a year ago, as business mix improved and the $2.2 million annual cost-savings program began to show through.
- Now closed acquisitions of Secuvant and Digital Ally add roughly $8.5 million of annual revenue, while adding higher-margin cybersecurity, recurring services and public-safety technology businesses.
- A new $54.6 million, 10-year state HHS contract adds major revenue visibility, with more than $5 million of expected annual revenue and work scheduled to begin in November.
- We forecast revenue increasing to $28.6 million in 2027 from $15.1 million in 2025, while gross-margin expansion and operating leverage steadily narrow the Adjusted EBITDA loss.
- Our $7 target equals 7.4x 2027E which would still be less than half the multiple of cybersecurity comps. Effectively, the added contributions from acquisitions more than made up for the dilution incurred acquiring them.

Rating	Buy	
Target Price	$7.00	
Ticker Symbol	CYCU	
Market	NASDAQ	
Stock Price	$0.73	
52 wk High	$15.88	
52 wk Low	$0.26	
Shares Outstanding:	25.8	M
Public Market Float:	10.7	M
Avg. Daily Volume	17.2	M
Fully diluted market capitalization	$19.0	M
Institutional Holdings:	2.3%	
Dividend Yield:	0.0%	

Earnings Per Share	**Normalized to exclude unusual items**			
FYE - December	**2025**	**2026E**	**2027E**	**2028E**
1Q - March	($7.41)	($0.47) A	($0.05)	($0.03)
2Q - June	($4.46)	($0.41) A	($0.06)	($0.03)
3Q - September	($1.59)	($0.05)	($0.06)	($0.03)
4Q - December	($2.01)	($0.05)	($0.06)	($0.03)
Year	**($13.42)**	**($0.54)**	**($0.23)**	**($0.11)**
Revenue ($mm)	**15.1**	**17.2**	**28.6**	**32.9**
EV/Rev	1.5X	1.3X	0.8X	0.7X
EBITDA ($mm)	**(4.6)**	**(3.9)**	**(2.5)**	**0.4**

Risks/Valuation

- **Execution Risk:** The primary risk is the pace of backlog conversion into recognized revenue and cash flow, particularly given historical revenue volatility.
- **Liquidity and Dilution Risk:** As a newly public micro-cap with a small float, the stock remains volatile and may require additional capital before reaching sustained profitability.
- **Valuation Support**: At current levels, CYCU trades at a significant discount to cybersecurity peers on an EV/revenue basis, supporting our $7 price target as backlog conversion improves visibility.

Company description: Cycurion, Inc. is a cybersecurity services provider focused on advisory consulting, managed security services, and SaaS-based protection solutions for state and local governments, regulated institutions, and small businesses. The company was formed through a series of acquisitions and became publicly traded in February 2025 via a SPAC merger. Cycurion's offerings address critical vulnerabilities in under-resourced organizations increasingly exposed to ransomware, data breaches, and operational disruptions.

Cycurion Makes Notable Progress with Better Results, Closed Acquisitions and New Contract

Cycurion is executing a clear transformation from a lower-margin government IT services provider into a higher-margin cybersecurity and public-safety technology platform. Three developments in the second and third quarters of 2026 have materially improved the outlook:

1. Gross margin expansion to 29.1% in Q2 2026 from 6.1% in the year-ago period, supported by mix shift and $2.2 million of annualized cost savings.
2. Two closed acquisitions — Secuvant (June 2, 2026) and Kustom Entertainment's video-solutions business (August 3, 2026) — that together add approximately $8.5 million of higher-margin annualized revenue.
3. A landmark $54.6 million, 10-year contract expected to contribute more than $5 million in annual recurring revenue, with work scheduled to begin in November 2026.

Management has pointed to an approximate $30 million revenue run-rate. Our model reaches $28.6 million in 2027E under conservative timing (HHS contribution modeled from 1Q 2027). Even after the substantial share issuance that lifted the common share count from roughly 5.51 million at June 30 to 25.84 million by August 10, Cycurion trades at a deep discount to cybersecurity peers on both current and forward EV/Revenue multiples. We rate the shares Buy with a $7.00 price target. The target applies a still-conservative multiple relative to peer averages while reflecting the improved scale, margin trajectory, and contract visibility.

Second quarter revenue was essentially flat year-over-year but beat our estimate. The 15% sequential increase from Q1 reflected a partial quarter of an acquisition. Gross margin expansion was the standout result. The nearly five-fold improvement reflects a deliberate shift toward higher-margin engagements, disciplined cost management, and early benefits from the $2.2 million annualized cost-savings program implemented earlier in 2026.

Adjusted EBITDA loss narrowed. Primary add-backs included stock-based compensation, transaction-related expenses, and a non-cash loss on debt settlement. Cash at June 30 stood at $1.87 million. Subsequent warrant inducement proceeds of approximately $4.5 million gross and acquisition-related cash movements leave the company with improved near-term liquidity. The quarter demonstrated that the operational turnaround is underway. Margin expansion is driven by mix and structural cost reduction rather than one-time items.

Secuvant Adds Scale and Margin to Managed Security

Secuvant closed on June 2 adding an enterprise cybersecurity and risk-management business focused on managed security services, threat and vulnerability management, compliance, cyber risk management, SOC-as-a-Service, incident response, and related advisory services.

The company was founded in 2014 by Ryan Layton to provide enterprise-grade cybersecurity services to small, midsize, and large businesses. Its website emphasizes the idea that "cyber risk is business risk," and the company has built its offering around the Secuvant Cyber7 methodology. It serves private-sector customers across multiple verticals, including construction, agriculture, financial services, utilities, manufacturing, and critical infrastructure.

The key technology asset is Panoptic, Secuvant's threat visibility and vulnerability prioritization platform. Panoptic is designed to help organizations identify, prioritize, and remediate cybersecurity vulnerabilities while providing continuous risk visibility and reporting. Secuvant also brings its cyberRPM tools and a managed-services delivery model that Cycurion expects to combine with its ARx platform.

Consideration is approximately $2.875 million, consisting of:

- $875,000 in cash - structured installments: $350k at closing
- $300k 60 days later
- $225k 120 days later
- 888,888 shares of Series I Convertible Preferred Stock valued at $2.0 million at issuance.

In addition, Secuvant equity holders are eligible for contingent earn-out payments over a three-year period (2026–2028). The earn-out includes guaranteed annual payments of $100,000 plus performance-based amounts tied to gross profit from certain revenue streams (paid 50% cash / 50% common stock). The acquisition is expected to contribute $3.0 million of annualized revenue and $1.5 million of EBITDA. That marks an important step toward Cycurion's goal of moving away from lower-margin consulting work and toward technology-enabled recurring revenue. We model a full $750k quarterly contribution to Managed Security beginning in 3Q26. Partial contribution already appeared in Q2 Managed Security revenue.

Digital Ally Adds an Enormous Number of New Public Sector Clients

Kustom Entertainment's Digital Ally video solutions segment adds a different, but potentially complementary, capability. The business is best understood as a public-safety video and digital evidence platform. Its products include body-worn cameras, in-car video systems, and evidence-management software for law enforcement and security customers. This places the business in the same broad product market as competitor Axon Enterprise (AXON – NASDAQ), formerly known as Taser International.

For Cycurion, the strategic value is that Digital Ally brings an installed base of police and public-safety customers, recurring software and service revenue, and a natural extension into new product areas. Body-camera and in-car video systems are no longer just hardware products. They are networked, cloud-connected, data-heavy systems that require secure storage, access control, chain of custody, compliance, auditability, analytics, and integration with broader public-safety technology environments.

That creates a logical connection with Cycurion's broader security platform. Public-safety video and digital evidence management overlap with cybersecurity, identity, data governance, digital investigations, and secure communications. If integrated well, Digital Ally's installed base could give Cycurion a direct channel into police departments and other public-safety customers, while Cycurion could add cybersecurity, secure communications, cloud, and investigative capabilities around its video and evidence platform.

The acquisition expands Cycurion's government and public-sector footprint. According to management, Digital Ally brings roughly 1,000 customers, most of them police departments. That customer base should fit naturally with Cycurion's existing public-sector work, including large municipalities such as the City of Chicago and public-health customers reached through its NACCHO relationship. One of the projects Cycurion has done for Chicago has involved upgrades to the city's 911 system and training — we see this as particularly synergistic with Digital Ally. We also note that Cycurion's ownership of SLG Innovations is structured so that SLG can maintain its minority business status, so it should be able to sell Digital Ally products under minority business mandates from municipalities.

Final amended terms:

- Cash: $1.25 million (including a $250k non-refundable extension payment made around July 23).
- Secured promissory note: $4.25 million at 7% interest, three-year maturity.
- Series H Preferred Stock: $600,000 stated value (12% cumulative dividend, convertible at $1.45), issued in place of the originally contemplated warrants.
- Contingent earn-out: up to $1.0 million based on performance milestones.

Management expects more than $5 million in annual revenue and over $1.2 million in EBITDA. Pre-close disclosures referenced approximately $5.1–$5.5 million. Pro-forma materials indicated roughly 51% gross margins and positive EBITDA contribution. The business is expected to contribute established contracts and recurring subscription revenue.

We recently met Kustom Entertainment CEO Stan Ross, and he was enthusiastic about the transaction. His perspective is that Kustom's future is increasingly in live entertainment, music festivals, ticketing, and event production, while the legacy video business belongs with a more strategic security technology owner. Ross also has a personal connection to the Kustom name. His father, Bud Ross, was a pioneer in guitar amplifiers and founded Kustom Amplifiers in the 1960s. That music background helps explain why Kustom Entertainment is now focusing on music. For Cycurion, the attraction is different. While the video business is not core to Kustom's future, but it is strategic for Cycurion as the company uses it to expand into public safety, body-worn cameras, in-car video, digital evidence, secure video, and cybersecurity-enabled public safety.

We model the full $1.275 million quarterly run-rate into Managed Security beginning 4Q26. These are established operating businesses, so we do not assume a prolonged ramp. Together the two acquisitions add roughly $8.5 million of higher-margin annualized revenue and improve the company's overall margin and EBITDA profile.

The Largest Contract in Company History

In late July 2026 Cycurion secured its largest contract in company history: a $54.6 million, 10-year award through a partnership with a top-5 global consulting firm. The work supports the modernization and secure operation of a major state Health & Human Services system.

- Expected annual revenue exceeds $5 million.
- Work is scheduled to commence in November 2026.
- The engagement is multi-year and recurring in nature.

Updated Forecast Suggests $32 Million in Revenue and Positive EBITDA in 2028

We begin conservatively begin recognizing HHS contribution only in 1Q 2027 and phase it in gradually ($1.0M / $1.1M / $1.2M / $1.3M across the four quarters of 2027) on top of a 10% organic growth rate applied to the Advisory Consulting base.

As of early August 2026, Cycurion is actively pursuing 122 open opportunities representing approximately $34 million in potential first-year contract value, including approximately $11 million in late-stage pursuits. The company has already closed 41 new awards year-to-date in 2026.

It also recently hired a new Chief Revenue Officer who is building out his team. Rick Finfera joined Cycurion as Chief Revenue Officer in February 2026. His role is straightforward: professionalize the sales effort, expand client relationships, and drive sustainable revenue growth. The company has reported improved contract momentum in 2026, including a multi-year engagement with a Fortune 500 partner supporting a major government agency.

For Cycurion, the CRO role is more than a sales title. The company is trying to move from project-based cybersecurity services toward a model that includes recurring managed services, proprietary platforms, cross-selling, and commercial expansion. That requires a more disciplined go-to-market organization. We view Finfera's arrival and the early evidence of improved commercial discipline as important supports for the organic growth assumptions embedded in our model, particularly the acceleration we assume in Advisory Consulting and Managed Security beyond the contribution of the two acquisitions and the HHS contract.

- **Advisory Consulting** - 2026: modest sequential growth after Q2 actual. 2027: HHS contribution layered on a 10% organic base. 2028: 15% growth.
- **Managed Security** - 2Q26 actual: $183,887 (includes partial Secuvant). 3Q26: $750k (full Secuvant). 4Q26 onward: $750k Secuvant + $1.275M Kustom = $2.025M base, then 10% organic growth from 3Q27 and 15% in 2028.
- **Software as a Service** - Remains de minimis. All Kustom contribution is currently modeled in Managed Security until clearer segment reporting is available.
- **Total Revenue Forecast** - This places 2027 roughly $1.4 million below management's approximate $30 million run-rate claim — an intentional conservative buffer.

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Higher-Margin Revenue Should Drive Operating Leverage

Gross Margin: Q2 2026 actual 29.1%. 2H26 ramp toward 35–40%. 2027: 40%. 2028: 45%. The path is supported by the mix shift to managed security and video/evidence solutions (Kustom pro-forma ~51% GM), the wind-down of lower-margin legacy work, and the $2.2 million cost-savings program.

SG&A / Operating Leverage: Absolute SG&A rises with the acquisitions but declines as a percentage of revenue (high-50s percent in late 2026 → ~50% in 2027 → mid-40s percent in 2028). The $2.2 million annualized savings provide meaningful operating leverage as revenue scales.

Adjusted EBITDA: 2026E remains negative (integration and scale-up costs). 2027E shows narrowing losses. 2028E turns modestly positive under current assumptions. We keep stock-based compensation at a steady $500k per quarter and do not assume aggressive further cost cuts beyond the already-announced program.

Share Count Evolution

- June 30, 2026: 5.51 million common shares.
- 5.98 shares via equity line of credit
- August 10, 2026: 25.84 million (warrant inducement exercise of 3.34 million shares at $1.35 plus equity-line activity and debt-for-equity exchanges).
- New inducement warrants: 5.012 million at $1.65 (issued to Armistice Capital Master Fund Ltd.; exercisable only after stockholder approval; expire five years after the approval date).
- Preferred equity (as-converted): approximately 3.98 million shares (Series I from Secuvant 888,888; Series H including the Kustom portion; plus residual older series).

Fully diluted shares (primary case): ~31.0 million. Preferred Equity (dollar value for EV bridge): $5.295 million. Minority Interest: $(4.575) million deficits. Pro-forma Cash (current): ~$4.6 million after warrant proceeds and acquisition cash payments. At the $7.00 target price (assuming exercise of the 5.012 million warrants and inclusion of the related ~$8.27 million cash proceeds), pro-forma EV rises to approximately $211 million, or roughly 7.4x 2027E revenue.

	Current	Target
Share Price	$0.73	$7.00
Reported Shares outstanding (8/10/2026)	25.84	25.84
Armistice warrants - pro forma		5.01
Common Shares Outstanding pro forma	25.84	30.85
Pro forma Market Capitalization	$18.96	$215.97
(+) Total Debt	$7.29	$7.29
(+) Minority Interest	(4.57)	(4.57)
(+) Preferred Equity	5.30	5.30
(-) Cash & Equivalents - pro forma	(4.60)	(12.87)
ENTERPRISE VALUE (EV)	**$22.38**	**$211.11**
2027E Revenue	$28.62	$28.62
EV/Revenue	**0.8x**	**7.4x**

Source: Litchfield Hills Research and Company reports

Our comps table is at the end of this report. Cybersecurity peers trade at an average 13.9x forward revenue multiple. At our $7 target, Cycurion would trade at about a 50% discount to the group while growing significantly faster (2027E growth 67% versus peer average mid-teens). After accounting for the recent dilution, Cycurion remains cheaper than the peer set on both current and target multiples indicating that the shares issued for acquisitions are driving shareholder value. The $7 target implies a still-discounted multiple relative to growth and the strategic repositioning.

Catalysts Could Make Delisting Process a Moot Issue

Cycurion received a Nasdaq delisting notice in July 2026 after the stock traded below $1.00 for 31 consecutive business days. Because the company completed a 1-for-30 reverse split in October 2025, it was ineligible for the standard 180-day compliance period. The company timely requested a hearing before the Nasdaq Hearings Panel. The hearing is scheduled for August 20, 2026 at 10:00 a.m. Eastern. The request has stayed the delisting action pending the Panel's final written decision. The stock continues to trade on the Nasdaq Capital Market under the symbol CYCU.

Typical Panel process and timing: Hearings are generally scheduled within approximately 45 days of the request. The Panel issues a written decision after the hearing (not necessarily on the hearing date itself). The Panel has discretion to grant an exception, commonly providing additional time (often up to 180 days from the determination) for the company to regain compliance by maintaining a closing bid price of at least $1.00 for a minimum of 10 consecutive business days. In our opinion, Cycurion has multiple levers to pull to achieve this and avoid delisting or a reverse split:

1. Receive a 180-day exemption
2. Activate the share buyback program
3. Report a settlement re the pending litigation, which would benefit the share price
4. Record results consistent with our forecast

On August 17 the Board authorized a $500,000 share repurchase program over the next 12 months. Management cited the undervaluation and the improved outlook from the acquisitions and contract as justification. While the authorization is modest relative to the share count, it provides a tool to support the stock price and signals confidence. The company has the cash to execute this authority. The authorization would cover just under 700k shares which is less than one days average volume. Nonetheless this activity should provide some support for the stock price.

As we have noted in prior reports, in March 2026 an unauthorized and fraudulent press release was disseminated via ACCESS Newswire falsely stating that Cycurion had entered into a definitive agreement to acquire a Washington, D.C.-based cybersecurity firm. The company has since discovered that a massive number of short sale orders were in place at the open that day, suggesting coordination between traders and the party who posted the press release. Many were posted and cancelled within nanoseconds, which is a common illegal trading pattern. In April Cycurion initiated legal action seeking millions of dollars in damages against ACCESS Newswire and other John Does. Discovery is ongoing. Apparently, the name of the party submitting the release is now known. We expect Cycurion to amend the complaint to include him, as well as the investment firms and market makers behind the allegedly illicit trading. Any recovery would represent non-operating upside not reflected in our base-case financial model. While the matter is being contested in court, in our opinion, Cycurion will likely garner a significant settlement. Should it settle with one or more parties to remove them from the case, we think this would be a catalyst.

The final catalyst is good old-fashioned fundamentals. As we outline in this report, the combination of closed acquisitions and new hires bringing on new contracts should drive significantly higher revenue and close the EBITDA gap gradually until it turns positive in 2028. Given the preponderance of trading activity driven by quant funds, which are largely driven by reported fundamentals, we think this will give the company a good chance at meeting the Nasdaq $1 requirements within the expected 180-day exemption period.

Cycurion, Inc.

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Cycurion Income Forecast

			2026E					2027E					2028E		
Fiscal years ended December 31	1QA	2QA	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
Advisory Consulting	3,244,770	3,569,982	3,600,000	3,700,000	14,114,752	4,569,247	5,026,980	5,160,000	5,370,000	20,126,227	5,254,634	5,781,027	5,934,000	6,175,500	23,145,161
Year-over-year growth	-15.4%	-22.7%	-5.7%	5.5%	-6.0%	40.8%	40.8%	43.3%	45.1%	42.6%	15.0%	15.0%	15.0%	15.0%	15.0%
Managed Security	22,500	183,887	763,230	2,061,993	3,031,610	2,049,750	2,052,276	2,114,553	2,268,192	8,484,771	2,357,213	2,360,117	2,431,736	2,608,421	9,757,486
Year-over-year growth	-28.6%	93.8%	6246.0%	6031.4%	2589.4%	9010.0%	1016.1%	177.1%	10.0%	179.9%	15.0%	15.0%	15.0%	15.0%	15.0%
Software as a Service	1,350	3,207	3,000	3,000	10,557	3,000	3,528	3,300	3,300	13,128	3,450	4,057	3,795	3,795	15,097
Year-over-year growth	-56.8%	-12.7%	-3.2%	-6.3%	-19.4%	122.2%	10.0%	10.0%	10.0%	24.4%	15.0%	15.0%	15.0%	15.0%	15.0%
Total Revenue	**3,268,620**	**3,757,076**	**4,366,230**	**5,764,993**	**17,156,919**	**6,621,997**	**7,082,784**	**7,277,853**	**7,641,492**	**28,624,126**	**7,615,297**	**8,145,201**	**8,369,531**	**8,787,716**	**32,917,744**
Year-over-year growth	-15.5%	-22.3%	13.9%	62.7%	13.4%	102.6%	88.5%	66.7%	32.5%	66.8%	15.0%	15.0%	15.0%	15.0%	15.0%
Sequential growth	-7.7%	14.9%	16.2%	32.0%		14.9%	7.0%	2.8%	5.0%		-0.3%	7.0%	2.8%	5.0%	
Total cost of revenue	2,580,262	2,663,739	2,838,049	3,458,996	11,541,046	3,973,198	4,249,670	4,366,712	4,584,895	17,174,475	4,188,413	4,479,861	4,603,242	4,833,244	18,104,759
As a percent of revenue	78.9%	70.9%	65.0%	60.0%	67.3%	60.0%	60.0%	60.0%	60.0%	60.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Gross margin	688,358	1,093,337	1,528,180	2,305,997	5,615,873	2,648,799	2,833,113	2,911,141	3,056,597	11,449,650	3,426,883	3,665,341	3,766,289	3,954,472	14,812,985
As a percent of revenue	21.1%	29.1%	35.0%	40.0%	32.7%	40.0%	40.0%	40.0%	40.0%	40.0%	45.0%	45.0%	45.0%	45.0%	45.0%
SG&A	2,743,695	2,641,320	2,401,426	3,170,746	10,957,187	3,310,999	3,541,392	3,638,926	3,820,746	14,312,063	3,426,883	3,665,341	3,766,289	3,954,472	14,812,985
As a percent of revenue	83.9%	70.3%	55.0%	55.0%	63.9%	50.0%	50.0%	50.0%	50.0%	50.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Stock compensation expense	315,833	336,722	400,000	400,000	1,452,555	500,000	500,000	500,000	500,000	2,000,000	500,000	500,000	500,000	500,000	2,000,000
Operating income	**(2,371,170)**	**(1,884,705)**	**(1,273,246)**	**(1,264,749)**	**(6,793,870)**	**(1,162,200)**	**(1,208,278)**	**(1,227,785)**	**(1,264,149)**	**(4,862,413)**	**(500,000)**	**(500,000)**	**(500,000)**	**(500,000)**	**(2,000,000)**
As a percent of revenue	-72.5%	-50.2%	-29.2%	-21.9%	-39.6%	-17.6%	-17.1%	-16.9%	-16.5%	-17.0%	-6.6%	-6.1%	-6.0%	-5.7%	-6.1%
Interest income	14,236	3,506	-	-	17,742	-	-	-	-	-	-	-	-	-	-
Interest expense	(204,852)	(227,941)	(300,000)	(300,000)	(1,032,793)	(300,000)	(300,000)	(300,000)	(300,000)	(1,200,000)	(300,000)	(300,000)	(300,000)	(300,000)	(1,200,000)
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	(1,930,427)	-	-	(1,930,427)	-	-	-	-	-	-	-	-	-	-
Pretax income	(2,561,786)	(4,039,567)	(1,573,246)	(1,564,749)	(9,739,348)	(1,462,200)	(1,508,278)	(1,527,785)	(1,564,149)	(6,062,413)	(800,000)	(800,000)	(800,000)	(800,000)	(3,200,000)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	**(2,561,786)**	**(4,039,567)**	**(1,573,246)**	**(1,564,749)**	**(9,739,348)**	**(1,462,200)**	**(1,508,278)**	**(1,527,785)**	**(1,564,149)**	**(6,062,413)**	**(800,000)**	**(800,000)**	**(800,000)**	**(800,000)**	**(3,200,000)**
Net income margin	-78.4%	-107.5%	-36.0%	-27.1%	-56.8%	-22.1%	-21.3%	-21.0%	-20.5%	-21.2%	-10.5%	-9.8%	-9.6%	-9.1%	-9.7%
Non-controlling interest	433,324	283,793	283,793	283,793	1,284,703	100,000	100,000	100,000	100,000	400,000	100,000	100,000	100,000	100,000	400,000
Net Income to Common	**(2,128,462)**	**(3,755,774)**	**(1,289,453)**	**(1,280,956)**	**(8,454,645)**	**(1,362,200)**	**(1,408,278)**	**(1,427,785)**	**(1,464,149)**	**(5,662,413)**	**(700,000)**	**(700,000)**	**(700,000)**	**(700,000)**	**(2,800,000)**
Diluted shares outstanding	4,561,976	9,065,675	24,765,675	24,815,675	15,802,250	24,865,675	24,915,675	24,965,675	25,015,675	24,940,675	25,065,675	25,115,675	25,165,675	25,215,675	25,140,675
Seq change			15,700,000	50,000		50,000	50,000	50,000	50,000		50,000	50,000	50,000	50,000	
Diluted EPS	**($0.47)**	**($0.41)**	**($0.05)**	**($0.05)**	**($0.54)**	**($0.05)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.23)**	**($0.03)**	**($0.03)**	**($0.03)**	**($0.03)**	**($0.11)**
Adjusted EBITDA															
Net Income	(2,561,786)	(4,039,567)	(1,289,453)	(1,280,956)	(8,454,645)	(1,362,200)	(1,408,278)	(1,427,785)	(1,464,149)	(5,662,413)	(700,000)	(700,000)	(700,000)	(700,000)	(2,800,000)
Addback:															
Income taxes	-	-	-	-	-	-					-				
Interest income	(14,236)	(3,506)	-	-	(17,742)	-	-	-	-	-	-	-	-	-	-
Interest expense	204,852	227,941	300,000	300,000	1,032,793	300,000	300,000	300,000	300,000	1,200,000	300,000	300,000	300,000	300,000	1,200,000
Other (expense)/income	-	1,930,427	-	-	1,930,427	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction/ one-time expense	-	165,237	-	-	165,237	-	-	-	-	-	-	-	-	-	-
Loss on debt settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation	315,833	336,722	400,000	400,000	1,452,555	500,000	500,000	500,000	500,000	2,000,000	500,000	500,000	500,000	500,000	2,000,000
Adjusted EBITDA	**(2,055,337)**	**(1,382,746)**	**(589,453)**	**(580,956)**	**(3,891,375)**	**(562,200)**	**(608,278)**	**(627,785)**	**(664,149)**	**(2,462,413)**	**100,000**	**100,000**	**100,000**	**100,000**	**400,000**

Source: Company reports and Litchfield Hills Research

Litchfield Hills Research

Cycurion, Inc.

NASDAQ - CYCU

Cycurion Comps

Ticker	Company	Price Last	Cap $ millions	EV $ millions	2025 Rev. $mils	2026E Rev. $mils	2027E Rev. $mils	Growth vs. 2027E	EV/Rev. 2026E
CYCU	Cycurion, Inc.	$0.73	$18.96	$22.38	15.13	17.16	28.62	66.8%	0.8x
CYCU	Cycurion, Inc. @ target price	$7.00	$215.97	$211.11	15.13	17.16	28.62	66.8%	7.4x
CHKP	Check Point Software Technologies Ltc	$127.01	12,968	11,127	2,565	2,725	2,802	2.8%	4.0x
CRWD	CrowdStrike Holdings, Inc. Class A	$213.90	217,806	222,926	3,954	4,812	5,944	23.5%	37.5x
FTNT	Fortinet, Inc.	$155.85	114,349	112,748	5,956	6,800	8,111	19.3%	13.9x
NET	Cloudflare Inc Class A	$307.01	109,320	112,744	1,670	2,168	2,868	32.3%	39.3x
OKTA	Okta, Inc. Class A	$143.24	24,896	23,718	2,610	2,919	3,199	9.6%	7.4x
PANW	Palo Alto Networks, Inc.	$375.76	306,244	314,625	8,028	9,222	11,418	23.8%	27.6x
QLYS	Qualys, Inc.	$183.31	6,342	5,899	608	669	735	9.9%	8.0x
RPD	Rapid7 Inc.	$12.37	834	1,118	844	860	839	-2.4%	1.3x
S	SentinelOne, Inc. Class A	$21.82	7,480	8,041	821	1,001	1,200	19.9%	6.7x
SAIL	SailPoint, Inc.	$18.59	10,544	10,374	862	1,071	1,270	18.6%	8.2x
TENB	Tenable Holdings, Inc.	$35.29	3,887	4,548	900	999	1,078	7.9%	4.2x
ZS	Zscaler, Inc.	$184.44	29,826	29,756	2,168	2,673	3,331	24.6%	8.9x
Average								**15.8%**	**13.9x**
CYCU vs. Comps								**4.2x**	**0.1x**

Source: Company reports and Litchfield Hills Research

LITCHFIELD HILLS RESEARCH

Cycurion, Inc.

NASDAQ - CYCU

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