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# EDITED TRANSCRIPT

INTZ.OQ - Q3 2021 Intrusion Inc Earnings Call

EVENT DATE/TIME: NOVEMBER 11, 2021 / 10:00PM GMT

## CORPORATE PARTICIPANTS

**Anthony J. LeVecchio** *Intrusion Inc. - Executive Chairman & Principal Executive Officer*

**B. Franklin Byrd** *Intrusion Inc. - CFO*

**Gary Davis** *Intrusion Inc. - CMO*

**T. Joe Head** *Intrusion Inc. - Co-Founder & CTO*

## CONFERENCE CALL PARTICIPANTS

**Porter Ross Taylor** *ARS Investment Partners, LLC - Partner*

**Zachary Cummins** *B. Riley Securities, Inc., Research Division - Analyst*

**Joel William Achramowicz** *Shelton Group - MD of IR*

## PRESENTATION

### Operator

Good afternoon, and welcome to Intrusion's Third Quarter 2021 Financial Results Conference Call. (Operator Instructions) As a reminder, today's conference is being recorded for replay purposes.

I would now like to turn the call over to Joel Achramowicz of Shelton Group Investor Relations. Joel, please go ahead.

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**Joel William Achramowicz** - *Shelton Group - MD of IR*

Good afternoon, and welcome to Intrusion's Third Quarter 2021 Earnings Conference Call. I'm Joel Achramowicz, Managing Director of Shelton Group, Intrusion's Investor Relations firm. Joining me today are Intrusion Cofounder and CTO, Joe Head; CFO, Franklin Byrd; and CMO, Gary Davis. Also on today's call is Intrusion's Chairman of the Board, Tony LeVecchio, who will be available for questions after management's prepared remarks.

Before we begin, I want to remind you that today's conference call may contain forward-looking statements regarding future events, including but not limited to expectations for Intrusion's future business, financial performance and goals, customer and industry adoption of Shield technology, successfully bringing to market Intrusion's design pipeline, executing on its business plan, anticipated capital needs as well as the engagement of investment professionals to assist the company. These and all forward-looking statements are based on estimates, judgments, current trends and market conditions and involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements.

We encourage you to review the company's SEC filings, including the 2020 Form 10-K filed with the SEC on March 9, 2021, and other SEC filings made from time to time in which we may discuss risk factors associated with investing in Intrusion. All forward-looking statements are made as of the date of this call, Thursday, November 11, 2021. And except as required by law, we do not intend to update this information.

This conference call will be available for audio replay for at least 90 days in the Investor Relations section of Intrusion's website at [www.intrusion.com](http://www.intrusion.com).

With that, it's my pleasure to turn the call over to Franklin. Franklin, please go ahead.

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**B. Franklin Byrd** - *Intrusion Inc. - CFO*

Thanks, Joel, and thank you to everyone who's joined us on the call today. As mentioned in our last quarterly call, we expected our third quarter would be a period of transition due primarily to the effects of an aggressive hiring in the first half of the year that wasn't aligned with our projected

operating model. As such, early in the third quarter, we announced a reduction in force along with additional cost reduction initiatives and a new shelf registration and an ATM, at-the-market, stock sales program, which has been effective in raising capital.

Additionally, in the third quarter, we experienced a partial delay in some of our consulting revenues tied to the number of changes at the company. I'm happy to say that for the most part, these transition items have concluded and Q4 will show clear benefits from the changes that were made.

Now I'd like to review the company's third quarter results. Third quarter 2021 revenue was \$1.8 million compared to \$2.0 million in the second quarter and \$1.6 million in the third quarter of last year. Similar to past quarters, the majority of the third quarter revenue was derived from our consulting business, which was slightly lower from the prior quarter due to certain contract delays associated with the recent changes at the company. Revenues from Shield increased sequentially and represented approximately 13% of total revenue as compared to 7% last quarter. Gross margin in the third quarter was 62% as compared to 63% last quarter and 59% in the third quarter of 2020.

Third quarter operating expenses were \$7.2 million compared to \$6.9 million last quarter and \$2.3 million in the same quarter a year ago. The \$300,000 increase in operating expenses from the prior quarter was primarily due to head count payroll prior to the reduction in force, higher legal expenses associated with previously announced matters, Fall season trade show expenses, all of which were offset by a noncash credit and stock compensation and subsequent lower expenses for partial quarter, both as a result of the recent reduction in force. We expect next quarter's operating expenses to more materially reflect our cost reduction actions as we continue to focus on optimizing cash.

Net loss for the third quarter of 2021 was \$6.1 million or minus \$0.34 per share compared to a net loss of \$5.0 million or minus \$0.28 per share in the prior quarter and a net loss of \$1.4 million or minus \$0.10 per share in the third quarter of 2020.

Turning to the balance sheet. As of September 30, 2021, the company had cash and cash equivalents of \$7.2 million compared to \$9.3 million at the end of the second quarter. During the third quarter, we raised \$4.8 million in net proceeds from the issuance of new stock through our ATM facility that we put in place in August. As mentioned last quarter, this facility enables the company to periodically raise cash through issuing equity at market prices. Our intention is to use the facility in a measured way that minimizes dilution to our shareholders while providing capital as required. In addition to this facility, both the Board and the company continue to evaluate all potential options that are consistent with our goals of accelerating Intrusion's growth, achieving improved operating results as well as maximizing shareholder value.

Regarding the company's financial outlook for the fourth quarter. We are maintaining our policy of not providing quarterly financial guidance until such a time that we have greater visibility into our revenue ramp.

With that, I'd like to turn the call over to Joe Head, for a more detailed update on our business and our sales initiatives. Joe?

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Thank you, Franklin. Let's start with an update on our legacy and consulting business. Our base government business declined slightly this quarter due to some contract renewal delays, which are now behind us. Despite quarter-to-quarter fluctuations in this business, it's been a very solid base of business for us consisting of long-standing customers that are expected to continue renewing for years to come. And last quarter, we reported that we expected a few new program starts in the second half of the year. We expect that these new programs, along with increased spending rates on others, will contribute to a gradual upward trend on top of our historical run rate.

Now shifting to our Shield business. Over the past several quarters, we've made substantial progress on Shield. Most recently, we included a number of enhancements based on customer and market feedback that include the following.

One, a new executive dashboard, which shows what security issues Shield has prevented. We display 4 quadrants on the dashboard. Quadrant 1 is how many times Shield has blocked malicious traffic today and yesterday. Quadrant 2 is which machines are sending how much data to each foreign country, and you can now drill down to see details of each individual instance of communications. Quadrant 3 counts events that made it past your firewall that Shield caught. And Quadrant 4 shows you which machines on your network have transmitted traffic that Shield blocked and, in other words, machines that you should consider cleaning up.

Enhancement number 2 is enhanced daily reporting. We now offer a 3-day look-back on live views of traffic where previously it was an hour, and a variety of custom drill-downs and data export options to give threat analysts much more visibility into all kinds of traffic, the good, the bad and the suspicious.

And then finally, we've made major engine improvements that greatly refine our DNS protections and increase our speeds even as we have added more protection methods.

We also have made some key product discoveries as we worked with customers in Q3 that further show how Shield delivers value. For one, bad guys scan infrastructure and launch attacks on devices which are not behind a firewall. In this case, Shield blocks those incoming scans, connection attempts and zero days simply based on the source IP's reputation, showing value as part of a defense-in-depth security architecture.

Another example is around credentials theft, which people -- bad guys use to gain access to internal systems. Bad guys don't try this from their homes and businesses. Instead, they use virtual private hosts and other relay types to protect their identity while logging in and stealing data. In one case, Shield blocked 23 of 25 places bad guys tried to log in from, and these failures allowed the customer to isolate the stolen credentials and deactivate them.

Our lesson learned is that Shield has unique strengths in blocking inside-out connections but also deliver surprisingly good resistance to outside-in attacks due to its bidirectional Zero Trust approach based on reputation. We will continue to make refinements to Shield that meet our customers' needs.

And finally, we established an Advisory Board of cybersecurity experts and executives who will collectively serve to help us further refine and optimize our business. They are already opening doors for us and assisting us with new opportunities. On our new Advisory Board, we have Vice Admiral T.J. White, Greg Akers and Eric Jackson as our inaugural members. Greg Akers was the Senior Vice President and CTO of Advanced Security Research and Government as well as Chief Technology Officer within the Security and Trust Organization at Cisco. A major focus of this group was to expand security awareness and launch product resiliency initiatives throughout Cisco's development organization to deliver high-quality and secure products to customers. Before joining Cisco in '93, Akers' career included more than 15 years of designing, building and running large networks for Fortune 100 companies.

Eric Jackson, retired FBI Special Agent in charge of the Dallas field office had a career in law enforcement spanning almost 22 years, which included experiences fighting terrorism, fraud and cybercrime. Jackson currently serves as the Chief Security Officer and Risk Mitigation Executive for TBK Bank, SSB, with locations in Dallas, Iowa, Kansas, Colorado, Illinois and New Mexico.

Vice Admiral T.J. White, U.S. Navy retired, is a 30-year-plus national security practitioner, strategist and cyber operations expert leading joint military formations and combined intelligence community organizations. He's commanded at all levels within the Navy and Joint Service, most recently as the Commander, United States Fleet Cyber Command/United States TENTH Fleet/United States Navy Space Command and previously as the Commander, United States Cyber National Mission Force of USCYBERCOM.

These prominent individuals joined our Advisory Board because they know us and recognize that Shield delivers value like no other cybersecurity solution in the market. They're motivated to help us get the word out to the market and connect us to potential new customers and partners. I can't tell you how excited we are about these initial appointments. Their professional counsel and cybersecurity expertise will be of great value to us. Our plan is to add additional members to this important group in the future.

Now Gary will update you on sales and marketing.

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**Gary Davis - Intrusion Inc. - CMO**

Thank you, Joe. Notable achievements in Q3 include the addition of 5 new [Shield] (added by company after the call) customers. We also met with great success at GSX in Orlando this September. We onboarded new partners, Forequest, to extend our reach across EMEA and Brazil and, Liquid

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PC, as a conduit to the top-tier distributor CDW. We also continue to make progress on the thought leadership front with media coverage across TV, radio and online outlets.

As part of our recent efforts, we recognized the need to improve our sales structure while also implementing incentive programs to drive improved performance. As part of this process, we are actively hiring a new sales team with a strong deal-closing mindset and cybersecurity experience. Our hope is that we will have the new sales team onboard and delivering closed deals by early in Q1. And as part of this reassessment, we've also stepped up our work with our partners, working closely with them to better understand what we can do together to help them succeed selling Shield. In summary, we have a strong pipeline of opportunities and have already closed 4 new deals since the start of the fourth quarter.

Back to you, Joe.

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### **T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Thanks, Gary. We're glad to report traction in sales as we've made necessary changes to the sales organization and connected with new potential customers at trade shows via our marketing activities and Advisory Board connections. We received some great feedback on the new release of Shield based on first impressions. We expect this latest version will accelerate adoption by new customers.

With that, we'll open the call to your questions. Operator?

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## QUESTIONS AND ANSWERS

### **Operator**

(Operator Instructions) Your first question comes from the line of Zach Cummins with B. Riley Securities.

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### **Zachary Cummins - B. Riley Securities, Inc., Research Division - Analyst**

Franklin, just starting off, in terms of the OpEx run rate, I know a lot of the changes you made to really optimize that occurred in this quarter. But what sort of runway -- run rate, excuse me, are you assuming for Q4 of this year for OpEx?

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### **B. Franklin Byrd - Intrusion Inc. - CFO**

Appreciate that, Zach. And I think what I tried to convey last year -- last quarter is still true. And we kind of expected Q4 to be closer to our Q1 run rate with a couple of exceptions. So it will be a little bit higher than Q1, but we do have a bit more noncash stock compensation now with the ramp-up of employees. And we are experiencing some heavy legal costs right now, too. So try not to give the exact number, but it will be a little bit higher than Q1 but closer in line to Q1.

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### **Zachary Cummins - B. Riley Securities, Inc., Research Division - Analyst**

Understood. And Joe, can you talk about, I guess, some of the traction that you're seeing with Shield now? I mean nice to see it ramp up to 13% of total revenue during the quarter and secure 5 more customers. I mean can you give us a sense of kind of the industry that those customers are in? And kind of what are the areas where Shield is really standing out and driving a lot of interest?

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Well, we're still -- like Gary reported, we had 4 new customers. We've had some subsequent demos that have gone pretty well since then. The numbers are so small. I don't think I could zero in on an industry. We've got banking, education, DoD. We've got all kinds of -- what's that?

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**Gary Davis - Intrusion Inc. - CMO**

Manufacturing.

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Yes, manufacturing as well.

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**Gary Davis - Intrusion Inc. - CMO**

Not for profit.

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**Zachary Cummins - B. Riley Securities, Inc., Research Division - Analyst**

Got it. And in terms of...

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Really -- go ahead.

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**Zachary Cummins - B. Riley Securities, Inc., Research Division - Analyst**

Oh, sorry. Yes, I didn't mean to cut you off there. Sorry about that.

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

That's all right. You first, then I'll continue. I won't forget my thoughts.

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**Zachary Cummins - B. Riley Securities, Inc., Research Division - Analyst**

Oh, okay. Yes, I'll let you finish kind of talking about it on Shield. I mean -- and maybe I'll just pile one more on in there that both you and Gary can address in terms of changes to the sales force. I mean why was this kind of considered to be a necessary change to really kind of revamp that entire team and really refine the process there?

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

I think you look...

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**Gary Davis** - *Intrusion Inc. - CMO*

Yes, I'll take that one, Joe.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Yes. Sure, Gary.

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**Gary Davis** - *Intrusion Inc. - CMO*

It's -- for me, it's a very straightforward thing we had to do. It's easy to assess the effectiveness of your sales team. And when they aren't closing deals and making quota, then it's time to rethink their participation at the company. So certainly, we're also looking for, I think, a different mindset going forward. We're really looking hard for salespeople who have a strong closing mentality. They love to hunt. They love to get out and quote deals. And I think it's just -- we're looking for a different DNA in the people we're interviewing now to bring them into the company.

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**Zachary Cummins** - *B. Riley Securities, Inc., Research Division - Analyst*

Understood. And I guess just final question for me would be around kind of your legacy consulting business. It sounds like you also made some changes there. I mean can you just talk about maybe some of the changes that you're making? But it sounds like you have, I don't know, at least some pretty solid momentum there that should drive at least historical rates or maybe slightly above that as we think about it going forward.

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**B. Franklin Byrd** - *Intrusion Inc. - CFO*

Yes. This is Franklin. I'll start, and I'll turn it over to Joe who knows a lot more about it. I'm measuring it and he's driving it sometimes. But you're right, we had a little dip in our quarter here. We kind of took a pause on some of the activity there based on just some change of activity. But we do see momentum. We already had new orders in Q4. And we do see it returning to some of the historical levels, and we've already taken a snapshot of what we think it will be next year. And we're excited to see it moving up.

Joe?

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

I'd further say that your comment about that we've made changes in the legacy area, I would say that probably isn't true. So none of the staffing changed, so there were no cuts in that area. We -- like I said in my comments, we made -- we had a little blip in the quarter just due to slower renewal, and that is behind us now.

And so I'd say that we're going to see a tick-up -- a slight tick-up from historical run rates that have been reasonably flat for a long time. But we had one new program start that's already entered, and we're expecting another one that's been in the queue for a while. And like I said, it is unfortunately at the whim of the -- is there a CR or a real budget? We expect that -- will it go forward if there's a CR? That's an open question. We're thinking yes, but you never know.

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**Zachary Cummins** - *B. Riley Securities, Inc., Research Division - Analyst*

Got it. Got it. Well...

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

But anyway, maybe without it, we still have a slight tick-up. And then with -- yes. Go ahead.

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**Zachary Cummins - B. Riley Securities, Inc., Research Division - Analyst**

No, no, go ahead, Joe. Go ahead and finish your thought.

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**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

So yes, I would say there's a tick-up, and then also the gap we had, we'll end up making back that missed revenue as well over some period of time. So it's a pause that got made up.

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**Operator**

(Operator Instructions) Your next question comes from Ross Taylor with KRS Investment Corporation (sic) [ARS Investment Corporation].

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**Porter Ross Taylor - ARS Investment Partners, LLC - Partner**

Gentlemen, I'm trying to get a handle on whether the moves you've made with the sales force are basically a complete reset of what you had been doing or if roughly 10 months into the process, we are gaining and should be gaining more meaningful traction with the major customers and potential new business that we've been looking for earlier this year.

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**Gary Davis - Intrusion Inc. - CMO**

It's a reset. It's all but one was let go. And I think the thing of note is that even with those departures, we're still making meaningful progress on the sales front. It feels like we're getting a better pipeline, we're getting more commitments, we're getting more proofs of concept, and that we're getting more engagement than we had before.

Another thing that we've done is we've changed the incentive plan to make it be very deal focused, right? The one we had before really didn't give them the money until they pretty much hit their quotas. So we changed that to let them have a commission on everything that they bring in. So I think that was an important distinction as well.

And then finally, I think another important thing that we set out early in the year is we said we wanted to sign, I think, 100 partners before the end of the year. And then it became apparent that it was more of a quantity thing than a quality thing. So what we've aspired to do is to really lean into those partners that really want to work with us, right? Instead of just getting a logo on the website and not hearing from them again, we really want to make sure that we're being mindful of those partners who are committed to Shield and committed to our success and making sure that we're doing the same for them. So there's a lot of things that are -- have been changed and will continue to change, but I believe the changes that we've made are having the right impact already.

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**Porter Ross Taylor - ARS Investment Partners, LLC - Partner**

And how long do you think it takes to get this new sales force you have in place with meaningful traction? And I think that everyone, obviously -- previously, there have been pretty high expectations that haven't been met. They probably weren't necessarily meetable, but now you're kind of looking at this going, are we 6 months away from something? Do you think the sales force can start to show us something in the next 3 to 4 months? What kind of time horizon are we looking at?

**Gary Davis - Intrusion Inc. - CMO**

I feel strongly that we'll see some meaningful traction from the new sales team starting in Q1. They're stepping into a pipeline. It's not that they're going to have to come in and build their own pipelines. We'll have a pipeline to share with them because we've been building the pipeline all along and nurturing. And then it's just a matter of the distribution as well for people, making sure that we have the right business development and sales people focused on the right partners to make them successful as well. So I genuinely believe that everybody we're bringing on is going to have some level of success starting in Q1 for sure.

**Porter Ross Taylor - ARS Investment Partners, LLC - Partner**

You've received some fairly favorable feedback from third-party reviewers, and yet that hasn't yet translated into new business. What do you -- when people don't buy, what are they telling you as to why they're not buying?

**Gary Davis - Intrusion Inc. - CMO**

Well, the biggest thing that we see now is that Shield is a very different cybersecurity product. So a lot of what we're having to do is really inform and educate them on a different way of thinking about how to fix a problem. The good news is there's been a lot of discussion around this notion of Zero Trust that we've been talking about in a lot of our media mentions and our home page. And we really think there's an intersection at the category of Zero Trust, [work] access, where the category itself has an explicit way of how that's done, but the outcome is what Shield does.

So it's really the thing that we think we'll have a lot of success in going forward, is that -- and those companies, especially [bigger] companies that do category buying that are looking at that type of product will have a lot of success there. We also think we're going to have a lot of success in the IDPS displacement area because there's not a lot of innovation around IDPS, and there's a lot of companies that are thinking about replacing either their McAfee or Cisco product. And we think there's a lot of opportunity there for us to get some business as well. So yes, we -- getting the urge to say good things is always what you want, but it doesn't necessarily correlate to people signing a purchase order any faster than they would have anyway.

**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Thanks, Gary. And I'll -- yes, Ross, I'd also add, when you look at change in the sales force, I don't want to overlook the fact that we had other people working on the partner relationships and other people working on deals that we had in process, and they weren't being closed. So the lead guys are now me and Gary and Trent who have been here all along. And to some degree, me and Gary have upped our interaction with the major partners that we expect to perform well. And we've mentioned some of those in the narratives and releases.

So I think part of the thing you see is 0 closes going to 4 and then larger number since then, that's the effect of Gary and I leaning into those. And so it's not a matter of waiting on the new guys. Let's work with the partners we already have and keep it going.

**Porter Ross Taylor - ARS Investment Partners, LLC - Partner**

And do you see things like the issue with the federal government and the continuing resolution being a roadblock to getting something like perhaps a win with the DoD or some place where you actually have a lot of experience?

**T. Joe Head - Intrusion Inc. - Co-Founder & CTO**

Yes. We do. We just got one order from DoD. So that's positive. So I think that...

**B. Franklin Byrd** - *Intrusion Inc. - CFO*

[That's one of them], yes.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Right.

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**Porter Ross Taylor** - *ARS Investment Partners, LLC - Partner*

And you got a Shield order from DoD?

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Correct.

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**Porter Ross Taylor** - *ARS Investment Partners, LLC - Partner*

That's actually, I would think, fairly significant because I would tend to think -- I mean there is a school of thought around the company advanced by some that Shield is a divining rod.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Right.

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**Porter Ross Taylor** - *ARS Investment Partners, LLC - Partner*

And that you have DoD -- you just secured a DoD piece of business. That would to me be -- I mean the DoD doesn't mess around with things like this. So I would actually think that would be something that you would consider. I mean did you dance when you got that?

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Did what again?

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**B. Franklin Byrd** - *Intrusion Inc. - CFO*

Did we dance?

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Yes, I mean -- yes, that's -- yes, we did. We have a bell in the hall that we rang really loud, and then we took it off the wall and walked around. Some of the other guys did. I just sat in the office and made calls. So it is a bellwether event, and it won't be the last in that direction. We've got others in the queue.

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**Porter Ross Taylor** - *ARS Investment Partners, LLC - Partner*

Okay. I know you were kind of trying to go the opposite direction of the prior administration. But to be honest with you, to me, so much of what the story is, is getting proof of concept. And getting the Pentagon, getting a DoD contract tells me it's a major proof-of-concept approach because I know how seriously they take this issue. They are the greatest -- they are attacked more than anyone else in the world. And so next time, you don't have to be humble and wait for me to ask you.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Right. Yes. And I think it's a big deal. I mean if you asked around, like if you look at T.J. White and Akers and crew, all 3 of those guys have connections that we -- they call people at home that we barely know or don't know. And so I'd say that's -- we expect good things in our former space as well.

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**Gary Davis** - *Intrusion Inc. - CMO*

I apologize...

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**Porter Ross Taylor** - *ARS Investment Partners, LLC - Partner*

Yes.

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**Gary Davis** - *Intrusion Inc. - CMO*

No, for some reason, my call dropped, so I apologize. I came back in, so if I missed something, I apologize.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

No, you're good, Gary.

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**Porter Ross Taylor** - *ARS Investment Partners, LLC - Partner*

Yes. I mean, as I said, I think that as I said, it looks like you're starting to get someplace where you can get that meaningful traction that will actually show people that you've got a product that's real and that's been endorsed by people who are serious. And that would be, I think, a major positive, so congratulations.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Thanks, Ross. Appreciate the questions.

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**Operator**

(Operator Instructions) There are no further questions at this time. I would now like to turn the call back over to Mr. Joe Head.

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**T. Joe Head** - *Intrusion Inc. - Co-Founder & CTO*

Thanks, operator. And for you guys on the call, this is not just a quick wrap-up, so don't hang up. So before closing out the call, I want to quickly highlight that we're participating in a virtual road show with Alliance Global Partners this coming Monday. We'll also be attending Benchmark's

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Discovery Conference on December 2. Feel free to reach out to your respective sales reps at these firms or contact the Shelton Group if you're interested in meeting with us.

Now our Chairman, Tony LeVecchio, has a few comments he'd like to make.

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### **Anthony J. LeVecchio - Intrusion Inc. - Executive Chairman & Principal Executive Officer**

Thanks, Joe. One final update. I'm very pleased to announce to you today that we've appointed a new President and CEO, Tony Scott, who will start on Monday, November 15. A press release will be issued within the next 30 minutes announcing his appointment and giving a substantial detail on his background. Tony brings to Intrusion many years of cybersecurity experience, including serving as the Federal CIO for the U.S. government, CIO for multibillion-dollar corporations, such as VMware, Microsoft and The Walt Disney Company, as well as having served as a cybersecurity private consultant. As I mentioned, you can read more about his background and his qualifications in the release that will be sent out in the next 30 minutes. Both the Board and management team are very, very pleased to have Tony Scott join the company, and we're excited about the future of Intrusion under his leadership.

We thank you again for your support and interest in Intrusion. We look forward to speaking with you during our fourth quarter call and introducing you in the coming weeks and months to Tony Scott, our new CEO.

Operator, thank you, and you may now disconnect the call unless there's -- I can take another question if there's any other questions that people want to ask after that comment.

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### **Operator**

There are no further questions at this time. Ladies and gentlemen, this concludes today's conference call. You may now disconnect.

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