XORLAB AG – REDEFINING ENTERPRISE EMAIL DEFENSE

Company snapshot

- xorlab AG was founded in 2015 by a team of entrepreneurs and security researchers from ETH Zurich. The company won two renowned startup and technology awards, Venture Kick and Security Rockstars, and was recognized as a Top 100 Swiss Startup in 2016, 2017, 2018 and 2019.
- In 2017, xorlab attracted first reference customers (private bank Julius Bär & software company Netcetera Group). Several renowned Swiss companies are currently evaluating xorlab's email defense platform.
- In Fall 2018, xorlab successfully closed a seed financing round of CHF 1.935m. Next to Zürcher Kantonalbank and Hasler Stiftung, several high-profile business angels invested in the company.
- In 2019, xorlab established distribution partnerships with leading security reseller Avantec and Swiss phishing simulators Advact and Lucy.
- Thanks to these partnerships and strong demand from banks and financial institutions, xorlab expanded its pipeline and is well on its way to generating above CHF 750k in revenue this year (up from 153k in 2019).
- xorlab has 9 employees and is based in Zurich, Switzerland.

Market overview

- More than 90% of hacks start with an email. Cyber attacks such as WannaCry and NotPetya demonstrated the devastating consequences of successful hacks. Global shipping company Maersk for example reported damages of approx. USD 300bn, FedEx reported USD 400bn and Merck USD 870bn.
- Existing defense controls fail to protect enterprises from email attacks and investments into modern email defense systems are growing. The global email security market is expected to reach approx. USD 6.8bn by 2025, up from 2.76bn in 2019, with 16.2% CAGR 2019-2025.
- xorlab helps enterprises build continuous and proactive defense against sophisticated and targeted email attacks and does so by uniquely leveraging the signals their employees generate in their daily communication.

Customer benefits & ROI

- *Reduced risk of breach through proactive protection*: xorlab heavily utilizes data extracted from local communication patterns to defend against attacks. This enables truly proactive defense, independent of past attack knowledge.
- *Cost savings through automation*: A recent study performed after one of our customers (6000 employees) was hit by a phishing attack puts cost savings in the region of CHF 225-360k p.a.

Investment highlights

- *Revolutionary concept:* The company has proven in its customer deployments that its unique approach to email defense is much more effective than competing solutions.
- *Market validation*: xorlab has 5 customers and 20+ leads in various stages of the sales process. Verticals with highest demand are financial services, services & logistics, and healthcare.
- *Go-to-market*: xorlab's defense platform addresses several security use cases from filtering to response automation and as such offers many ways to enter new customer segments. The company's current focus (next 12-18mo) is on establishing a strong position in the DACH region.
- *Strong team and advisors*: The founders are driven leaders with a clear vision for redefining email security. They've built a high-performing team of experts in software & security engineering, business development, and operations, and brought on leaders in their field as advisors & board members.

Investment opportunity

- In order to streamline deployment, scale distribution, and explore new markets, xorlab is currently doing a financing round of CHF 2-3 million.
- Exit in 4-6 years by trade sale to large security vendor (eg. Cofense, Cisco) or Cloud email provider (eg. Microsoft).