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\$4M in Kyber cash

E-commerce security specialist set to focus on marketing, sales

By GEOFF MATTHEWS, Ottawa Sun

OTTAWA'S Kyberpass Corp. is ready to kick its marketing program into high gear thanks to a \$4-million US injection of venture capital, says a company executive.

The funding, announced yesterday, "will see us through to profitability in the next 12-18 months," said vice-president of marketing Robert Lendvai.

By then, the company should be ready for an initial public offering "or some other kind of liquidity event," Lendvai said.

It was the third major financing round for the security software specialist, which started with a seed round of \$3 million in 1997 and added another \$9 million early in 2000.

The newest investment was led by NB Capital Venture Partners of Toronto and Montreal, and includes Covington Capital and McLean Watson.

All three firms were existing investors.

Kyberpass specializes in security products for the banking and e-commerce sectors -- two areas in which demand is likely to continue to grow in the wake of last month's terror attacks in the U.S., said Lendvai.

"We have gone through an extended period of development," he said. "Now we're ready to focus on marketing and sales."

'VOTE OF CONFIDENCE'

The big push will be through systems integrators, he said, with Kyberpass seeking to have its software security solutions worked into systems designed for end users.

The company, he said, has already become the "de facto supplier" of e-security products for the world banking community.

Kyberpass employs 55 people, with all but about five of them in the Ottawa head office. The company dropped 15 workers earlier this year and is now at what Lendvai described as "a comfortable size" for the immediate future.

"The completion of this round of financing is a strong endorsement of our go-forward strategy and a resounding vote of confidence in our solutions," said Ron Walker, president and CEO of Kyberpass Corporation.

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