

Long Cast

ADVISERS L.L.C.

John D. Abouchar
Chairman, Cynergistek Inc.
27271 Las Ramblas, Suite 200
Mission Viejo, California 92691

September 15, 2018

Dear JD:

I am the owner, for myself and clients, of 100,000 shares of Cynergistek stock. I own these shares because I believe the market significantly undervalues the fast growing, high margin IT Security business that is over shadowed by its larger MPS cousin.

I write to urge the Board to maximize the valuation of the enterprise, and to ensure a strong, durable foundation for long term profitable growth, by selling the MPS business and expanding the pure play IT Security business through a reverse merger with a larger, highly regarded competitor.

I believe these steps would offer shareholders the potential for material value recognition, would provide customers the most focused service solutions and would ensure employees a more stable work environment within a fast growing high margin business.

I come to this conclusion upon the realization of three issues:

- Despite the best intentions of holding both MPS and IT Security under one-roof, we are too small and under-capitalized to invest in both concurrently.
- Every dollar we invest in IT returns substantially more than an investment in MPS so it makes no sense to allocate incremental capital into the low return, slower growth business.
- Mac, our CEO, who built, grew and *has already sold his business once*, wants to retire. We need to find a dynamic pubco ready, lights out CEO to shepherd the business through its next leg of growth.

The good news is, we have assets and optionality, and immediate value could be realized by selling the MPS business. In 2015, as a standalone pureplay MPS, "Auxilio" had a \$25M mkt cap on \$60M revenues and \$1.6M EBITDA. Today, that business, still around the same size but freed from public company expense, would be worth roughly the same to a strategic or a financial buyer.

Assuming a sale in that price range with the proceeds allocated to debt paydown, shareholders would be left with a fast growing, standalone IT Security / Consulting / Staffing business, with ~\$5M in EBITDA, trading at less than 6x Enterprise Value, undoubtedly on the low end of the valuation range for a company with strong FCF potential.

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ADVISERS LLC

CynergisTek	currently	w/MPS sold
Price / share	\$3.65	\$3.65
Shares	9,828	9,828
Market cap	35,871	35,871
Net debt / (cash)	18,545	(6,455)
EV	54,416	29,416
EBITDA	7,000	5,000
EV / EBITDA	7.8x	5.9x

From this foundation, I see three ways to grow our IT Cybersecurity / Consulting business into a larger pure play entity, providing broader solutions to more customers, potentially in allied verticals such as academia and government.

- Via slow, patient and organic growth
- Via a handful of “bolt on” acquisitions
- Via a reverse merger with larger well-respected competitor with an existing management team intent on consolidating the mid-sized market and benefitting from capital markets exposure.

All scenarios require thorough due diligence and carry risk, but I believe the last offers the most expedient way to satisfy growth, durability *and* succession planning.

I don't imagine I am telling you anything new. I came to these conclusions simply by contemplating the business and considering the best paths forward. I imagine the Board regularly does the same.

Whatever choice is made, I urge members of the Board to individually invest in the decided outcome with their own personal capital. We outside shareholders who endow our faith in Board decisions fairly deserve to see such mutual faith abided.

Sincerely / Avram Fisher
Long Cast Advisers, LLC

CC: Please distribute to the Board