



Cognosec AB

Ticker: **CYBNY** (OTCQX) and (COGS:NASDAQ Nordic)

Corporate Profile

as of April 26, 2018

Cognosec AB, (The "Company" or "Cognosec"), is headquartered in London, with operating subsidiaries in the UK, Austria, Germany, UAE, Kenya and South Africa. The Company is engaged in the field of cybersecurity and provides cyber resilience solutions and prevents cyber attacks. The Company also offers risk, compliance, and consulting services and delivers these services alongside bespoke technologies to enhance public and private sector organizations' protections against unwanted intrusions. The Company designs holistic, organization-wide solutions focused on preventing diverse and increasing forms of information and identity theft. The Company operates across multiple public and private sector organizations including government, health care, retail, insurance, manufacturing and hospitality.

Managed by Chairman Kobus Paulsen, and Chief Executive Officer Robert Brown, Cognosec is in line to become a major cybersecurity service company in a market that is booming. According to a market report by Cybersecurity Ventures, today's market is expected to be worth approximately \$120 Billion US. The report anticipates a continuation in market growth through 2021 of approximately 12-15 percent annual growth (Source: Cybersecurity Ventures, 2017 Q1 report).

Cognosec consists of two business segments - software distribution / systems integration and managed services. The Company generates 80% of its revenue from product renewals, with contracts lasting on average 3-5 years, and 20% from advisory services. The Company provides bundled packages of software and integrates cybersecurity options for clients looking to solve multiple security issues. The Company is primarily a products based company and valuations are based on this premise. Cognosec does offer services for their product packages and also utilizes subsidiaries to service global accounts. Acquisition of companies who produce cybersecurity products is a way to potentially increase revenue and strengthen the company offerings. Recently the Company announced a pending acquisition of ADVANTIO, which is a consulting and cyber distribution firm in Dublin with 2017 revenues of €2.8 Million Euros, with a transaction value of €12 Million Euros; and the pending acquisition of Itway Hellas SL SA & Itway Turkey LTD, with 2017 revenue of €26 Million Euros, with a transaction value of €10 Million Euros. These pending acquisitions will allow for immediate expansion of the Company's services to new territories. Cognosec is one of twenty companies fully licensed to offer a full range of products to properly offer full package solutions for cybersecurity on a global level. The global world of IT is fast growing and the industry is expanding tremendously.

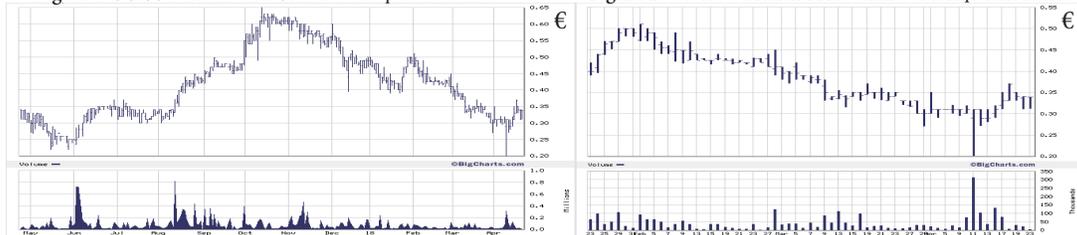
In September 2016, the Company listed its shares on the Nasdaq First North Stockholm market, where it raised nearly €5 Million Euros in conjunction with its initial public offering. On March 19, 2018 the Company began its dual listing on the OTCQX Market under symbol CYBNY. The Company's listing was in conjunction with a Level 1 ADR offering on a 1 for 10 basis. The US listing should enable the Company attract a wider shareholder base.

The Company finished the 2017 year with a 17.5% increase in revenue, posting €17.2 million vs. €14.6 million revenues in the prior year. Net loss was slightly lower and total assets rose. With the new pending acquisitions, the increase in revenue should well position Cognosec for rapid growth in 2018 and beyond.

Income Statement	12/31/17	12/31/16	Balance Sheet	As of	12/31/16	Cash Flow Statement	12/31/17	12/31/16
Revenue	€ 17,193	14,636	Cash & cash equivalents	265	1,362	Operating Cash Flow	(3,346)	(4,025)
Gross Margin %	39	40	Total Assets	14,180	9,493	Investing Cash Flow	(202)	(860)
Operating Profit / Loss	(3,184)	(3,022)	Total Debt	9,531	4,081	Financing Cash Flow	1,862	3,016
Net Income / Loss	(3,068)	(3,668)	Total Shareholder's Equity	4,649	5,412	Cash at end of period	265	1,362

Figure 1 COGS 1 Year Price Chart - Nasdaq Nordic Market

Figure 2: COGS 3 Month Price Chart - Nasdaq Nordic Market



Sector: Industrial Technology
Industry: Security & Protection Services

Website: www.cognosec.se

Key Statistics *figures quoted in USD*

1 ADR = 10 Shares

Price - ADR	04/25/2018	4.14
52 Week High		5.50
52 Week Low		4.06
Avg. Vol (30day)		57
Market Cap (m)		105.9
Price/Sales (TTM)		6.51
Insider Ownership (%)		82.1
Shares Outstanding (Million)		257.2
EPS (ttm)		-0.01

Source: OTC Markets and Yahoo Finance

Recent 2018 Highlights

- April 9, 2018, The Company announced the signing of a Heads of Terms agreement pursuant to the pending acquisition of ADVANTIO. The pending acquisition is expected to close in Q2 of 2018 with a transaction value of €12 M Euros. ADVANTIO is a Dublin-registered company and specializes in Cyber Resilience consultancy.
- April 3, 2018, The Company announced it has entered into a pending exclusive agreement to acquire ITWAY's Cyber security distributor. The Company is acquiring 100% of the shares with aggregate revenues in 2017 of 26M Euros, EBITDA of €1.9 M Euros and transaction value of €10 M Euros.
- March 19, 2018, The Company's ADR shares began trading on the OTCQX Markets.
- Feb 28, 2018, The Company announced its interim results for the year ended 2017 posting revenues of €17.19 Million, a gain of 17.5 % over the prior year.
- Feb 06, 2018, The Company announced that its ADR filing was accepted by the SEC. BNY Mellon will act as the depository bank. This enables US based investors to more easily acquire shares in non US companies.

Corporate Contact Information

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