



# Cognosec AB

Ticker: COGS (NASDAQ Nordic)

## Corporate Profile

as of April 21, 2017

Cognosec AB is a NASDAQ Nordic exchange-listed holding company, headquartered in Stockholm Sweden, with operating subsidiaries in the UK, Austria, Germany, UAE, Kenya and South Africa. The Company is engaged in the field of cybersecurity and provides solutions that protect organizations and help them withstand significant cyber attacks. The Company also offers risk, compliance, and consulting services. 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, in 2004 the cybersecurity market was worth approximately \$3.5 Billion while today the market is expected to be worth approximately \$120 Billion, indicating a growth of almost 35 times over 13 years. 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. The Company does offer services for their product packages and also utilizes subsidiaries to service global accounts. Acquisition of companies who produce cybersecurity products could potentially increase revenue and strengthen the company offerings. Cognosec is 1 of 20 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 growing tremendously. IT officers at global firms are being forced to re-evaluate and rethink their company's cybersecurity strategies. According to a recent cybersecurity study in 2017 released by Forbes, a solid majority - 74% - of CIOs indicate cybersecurity was a higher priority in 2016 than in the previous year, and 82% of executives in Europe and North America said security investments will rise again in 2017. The survey continued to say that 64% of CEOs say they will boost spending to protect against known security threats in 2017. The top three technologies cited in the Forbes Insights/bMC survey as having the largest cybersecurity implications are public clouds, big data and mobile applications, each of which have seen high adoption rates in recent years and each of which Cognosec, and its subsidiaries are involved in (Source: Forbes, Insights/bMC Survey, 2017).

On September 22, 2016, the Company was listed on the Nasdaq First North Stockholm market. The Company raised nearly 5 Million Euros in conjunction with its initial public offering. This round of financing aids the Company's further expansion and liquidity thru its listing on the First North market. The financing and public listing should enable the Company to expand organically and grow via strategic acquisition. Nasdaq First North is an alternative marketplace operated by an exchange within the Nasdaq group. Companies on Nasdaq First North are not subject to the same rules as companies on the regulated main market and instead, are subject to less extensive regulations adjusted to small, growth companies. There remains a risk in investing in a Company on Nasdaq First North and may therefore offer higher risks than investing in a company on the main market. The Company may consider a dual listing in the United States on the OTC Markets later in the year, and is beginning to seek synergistic acquisitions in the US.

Income Statement	12/31/15	12/31/16	Balance Sheet	12/31/15	12/31/16	Cash Flow Statement	12/31/15	12/31/16
Revenue	16,791	14,636	Cash & cash equivalents	2,946	1,362	Operating Cash Flow	1,765	(4,025)
Gross Profit	5,848	5,785	Total Assets	15,937	6,358	Investing Cash Flow	(1,369)	(860)
Operating Profit / Loss	1,857	(2,713)	Total Debt	8,411	4,080	Financing Cash Flow	2,108	3,016
Net Income / Loss	1,450	(3,334)	Total Shareholder's Equity	7,527	2,415	Cash at end of period	2,946	1,362



Sector: Industrials  
Industry: Security & Protection Services  
Website: www.cognosec.se

### Key Statistics all figures quoted in EUR

1Eur = \$1.07 USD

Price 04/21/2017	0.34
52 Week High	0.52
52 Week Low	0.18
Avg. Vol (30day)	91,806
Market Cap (Interday)	87,410,000
Price/Sales (TTM)	5.97
Insider Ownership (%)	82.1
Shares Outstanding (Million)	257.2
Float (M)	46.00
EPS(ttm)	-0.01

Source: Nasdaq Nordic-www.nasdaqomxnordic.com

### Recent 2017 Highlights

- COGS announced April 5, 2017 that it signed a partnership agreement with CensorNet, a UK-based company that offers its USS Cybersecurity service in the Middle East, Africa, India and Pakistan. This partnership helps COGS with its strategic plan for global expansion.
- COGS announced on February, 17, Q4 2016 financial results, including record revenue for the quarter of EUR 4.28 M, up 32% compared to the third quarter.
- January 2017, COGS announced the Company entered into a definitive agreement to acquire UK-based A-tek Distribution Limited. A-tek specializes in the sale and digital distribution of cybersecurity solutions over the internet.
- The Company reported 2016 revenues of 14.6 Million Euro. The second half of 2016 showed a significant improvement in revenues.

### Corporate Contact Information

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