



COGNOSEC AB SUPPORT SERVICES FOR INITIAL COIN OFFERINGS AND PROJECTS BASED ON DISTRIBUTED LEDGER TECHNOLOGY

London United Kingdom – 14 December 2017 - Cognosec AB (the “**Company**”) (NASDAQ First North: COGS), an international leader in Cybersecurity, GRC, SWIFT and PCI services is pleased to announce the launch of its service offering aiming to support Initial Coin Offerings (“**ICOs**”) and projects based on Distributed Ledger Technology (“**DLT**”).

After several months of infrastructural preparation, Cognosec now offers a suite of services around the blockchain and cryptocurrency space. These include the following:

- Assurance services for blockchain-based projects;
- ICO consultancy, including auditing of smart contracts, as well as utilising expert advice in relation to legal and regulatory obligations; and
- Security around cryptocurrency storage and transfer for companies and cryptocurrency exchanges.

Blockchain as the most recognisable form of DLT is well on the way to real-world implementation, and Cognosec will be able to provide auditing and assurance services to companies in this space. One of the first large-scale applications of blockchain technology is likely to be in financial services, and here Cognosec will be able to draw on its wealth of experience in this sector, having dealt with entities ranging from Fintech start-ups to large multinational banks, to provide optimal assurance services.

In addition, with the market value of cryptocurrencies reaching in excess of US\$400bn in 2017 from US\$40bn at the beginning of the year (a 1000% increase), Cognosec wishes to utilise its existing technical expertise to provide security for investors and companies in this rapidly-growing space. The security of cryptocurrency exchanges and offline wallets has long been a concern for investors and companies, and this is another area in which Cognosec is well-positioned to provide assurance.

In the field of ICOs, the astronomic growth in the popularity of this new method of fund-raising has been accompanied by a great deal of uncertainty, both in the area of smart contracts and the secure auditing of these, in addition to the uncertain regulatory climate surrounding these vehicles.

Cognosec is able to offer smart contract auditing as part of an end-to-end service, taking a company considering an ICO from the inception stage to successful launch and post-completion.

Cognosec CTO, Oliver Eckel, commented:

“Although the growth in the blockchain, cryptocurrency and ICO spheres has been remarkable and looks set to increase with, among other things, the advent of Bitcoin Futures trading, as well as more and more large companies developing partnerships within the blockchain space (such as Microsoft and IBM), there remain a number of serious security issues.

For investors, the safety of cryptocurrency exchanges and wallets on which the keys to coins are stored, is a real concern. There have been many high-profile cases of hacking this past year. The same is true of ICOs, and in addition to this, any service based on a proprietary blockchain will need to be rigorously tested before going live.

With Cognosec’s extensive technical expertise and knowledge on blockchain technology, our experience of dealing with large multinational companies in areas as diverse as banking, technology, healthcare and government, and specifically on PCI DSS and Swift compliance, digital currencies and blockchain is an obvious space for us to enter: the demand is there, it is growing exponentially, and we have the means and capacity to satisfy it.

Following on from this demand, Cognosec is also fully aware of the expertise needed and so will be engaged in a number of research projects in 2018 undertaken with a leading university in Austria to ensure that Cognosec has access to and is able to offer opportunities of immediate employment to young people wanting to work in this new and exciting area following the completion of their studies.”

Cognosec Chairman, Kobus Paulsen, further commented:

“As a NASDAQ-listed multinational technology company, we have watched the tremendous growth in the blockchain sector over the past several years and this year in particular, and have taken steps to prepare accordingly.

We are an established, accredited cyber security company with an acute awareness of the legal and regulatory landscape surrounding blockchain and its application, and our qualification and expertise are multi-jurisdictional.

The growth that has occurred is remarkable, but with this increased growth will come a greater need for protection for companies as this space matures. Security, in relation to blockchain projects, ICOs and cryptocurrency wallets and exchanges will only become more important as more institutional investment enter this space.

Cognosec is uniquely positioned to guide our clients, whether they are small businesses or large multinationals, through the blockchain space as these technologies and products become a fact of everyday life.

Through our network of expertise and relationships throughout the technology and regulatory space, we are able to provide an end-to-end solution that is tailored to individual clients' needs."

Certified Adviser

Mangold Fondkommission AB is the Company's Certified Adviser.

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ABOUT COGNOSEC

Cognosec AB (Publ) is engaged in providing cyber resilience solutions and in cyber-attack prevention. The business conducts international operations from offices in Sweden, South Africa, the UK, Kenya, Germany, Austria and the United Arab Emirates. Listed on Nasdaq First North (Nasdaq:COGS), Cognosec delivers services and bespoke technologies to enhance public and private sector organisations' protections against unwanted intrusions and designs holistic, organisation-wide solutions to prevent diverse and increasing forms of information and identity theft. Cognosec had revenues of EUR14.64m in 2016 and employed 140 personnel at the end of Q3 2017. For further information, please visit www.cognosec.se