

## **Cognosec AB Q1 2018**

### **Listing in New York coupled with strong revenue growth in Europe and two exclusive strategic acquisition agreements**

**Cognosec AB (Publ) (“Cognosec” or the “Group”) announces today its first quarter interim report for 2018, which can be found [here](#).**

This set of Q1 2018 results highlights the continual need for cyber resilience, amidst evolving advances in online vulnerabilities. Cognosec AB has begun 2018 with a clear statement of development and growth, both organically and through mergers and acquisitions.

Cognosec AB's mission statement, is to deliver continual cyber resilience for critical business infrastructures. Our strategy for building advance services in the advisory sector is coming to fruition. Cognosec Europe has invested significantly in technologies surrounding our managed services offering and the result this quarter has developed revenue in this area. Within Cognosec South Africa, core growth has been made and despite a cyclical renewal deal being delayed to the following quarter, the region continues to harness its deep relationships with customers and years of established presence in the region.

At the beginning of 2018 Cognosec AB implemented its first step in expanding its shareholder base into the United States. Working closely with Bank of New York Mellon (our Depositary Receipt sponsor) we have provided access to a level 1 ADR for investors, a significant milestone for the Group. In addition we received formal acceptance to become a member of Nasdaq's International Designation program. This offers a unique partnership with Nasdaq, that provides member companies with Nasdaq's visibility offering, allowing for greater access to US investors and potentially increased liquidity.

Through extensive strategic discussions at the end of 2017 there is clarity and direction in what is to be achieved in 2018, aligned with key personnel coming on board and executing the operational and strategic delivery of our objectives. Secondly, the signing of two exclusive agreements, outlines a meticulous approach for our medium and long term growth. Our modus operandi in this context is that we carefully select not for sale, financially sound companies that fit with the right ethos and values of Cognosec AB. The companies identified have made significant strides in the cyber security arena and their key personnel are those we strongly identify with in terms of ethics, success and willingness to improve the cyber security landscape for the better. Importantly, they fit seamlessly into our product distribution and professionals services spaces and these types of companies continue to be an area of extensive analysis for potential M&A in the future.

Total year revenues across the group have decreased by 10.7% (405k EUR) to 3.35m EUR, due to a key cyclical renewal not being completed by the end of Q1. Significant year on year revenue growth has been realised in Europe, due to the formal inclusion of Cognosec GmbH Austria, as mentioned in the 2016 Annual Report. Operating expenditure within the Group has increased 12.89% to 2.77m EUR, this is due to a number of acquisitions beginning the process of integration within the group, it is our intention that further streamlining of operations and systems will reduce the operating expenditure of the new subsidiaries.



## HIGHLIGHTS

- Two Exclusive agreements to acquire companies that specialise in professional services and value added distribution. Companies identified recorded a combined 2017 revenues of 28m EUR and 2.4m EUR EBITDA.
- Three new offices identified for opening in the Netherlands, Croatia and Hong Kong.
- The Group employed 173 staff at the end of Q1 2018, up 27% compared to Q1 2017 (136).
- Cognosec Europe closed revenues of 480k EUR for Q1, 1500% up on the previous year (30k EUR).
- Group Revenue of 3.35m EUR for Q1 2018 (Q1 2017: 3.79m EUR), a decrease of 10.7% year on year.
- Q1 2018 Gross Margin decreased -3.9% to 1.53m EUR (Q1 2017 1.59m EUR).
- Group Gross Margin for Q1 2018 was 46% (Q1 2017 Gross Margin: 43%).
- Cognosec AB accepted to Trade on OTCQX market as a Level 1 A.D.R (OTCQX: CYBNY).

## Certified Adviser

Mangold Fondkommission AB is the Company's Certified Adviser.

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*This information is information that Cognosec AB is obliged to make public, pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 27 April, 2018, at 18:00 CET*

## ABOUT COGNOSEC

Cognosec AB (Publ) is engaged in providing cyber resilience solutions and conducts its operations through physical presences in Sweden, South Africa, UK, Kenya, Germany, Austria and the United Arab Emirates. Listed on Nasdaq First North (Nasdaq: COGS.ST) and as an American Depositary Receipt (OTCQX: CYBNY), the Group delivers services and technology licences to enhance clients' protections, against unwanted intrusions, to provide and enhance cyber resilience and to prevent various forms of information theft. Cognosec AB had revenues of 17.2m EUR in 2017 and employed 173 personnel at the end of Q1 2018. For further information, please visit [www.cognosec.se](http://www.cognosec.se)