



## Cognosec completes acquisition of ITWAY's Cyber Security Value Added Distributor interests in Turkey and Greece

- Cognosec acquires 100% of ITWAY HELLAS SL SA & ITWAY TURKYIE LTD
- ITWAY Turkey and Greece dominate cyber product distribution markets.
- ITWAY Turkey and Greece revenues in 2017 were €26m\* with EBITDA of €1.9m\*
- Consideration of EUR10m comprises EUR2m cash and EUR8m value in Cognosec shares satisfied by the issue of 16,666,666 shares at €0.48.

\* Figures rounded to nearest whole number

Cognosec AB (publ) ("**Cognosec**"), (Nasdaq:**COGS** OTCQX:**CYBNY**), a leading provider of cyber security resilience with operations in Europe, Africa and the Middle East, signs Share Sale and Purchase Agreement ("**SPA**") with ITWAY S.p.A. ("**ITWAY**"), a public company listed on the stock exchange managed by Borsa Italiana S.p.A. ("**ITW.MI**"), to acquire its Turkish and Greek cyber security product Value Added Distributors, subject to usual closing conditions.

Cognosec today announces the signing of a SPA related to the acquisition by Cognosec AB of 100% of the shares in ITWAY HELLAS SL SA & ITWAY TURKYIE LTD with aggregate revenues in 2017 of €26m\* and EBITDA of €1.9m resulting in a Cognosec AB combined 2017 pro-forma revenue basis of €44m\*

The total consideration payable by Cognosec for the transaction is €10m consisting of €2m in cash with the balance made up of €8m in Cognosec AB new issue shares. The share consideration will be satisfied by the issue of 16,666,666 new shares resulting in 278,958,409 issued shares from 262,291,743 previously and a dilution of 6.35%. No external debt has been required to complete this transaction.

The sale by ITWAY of the Value Added Distribution (VAD) businesses in Greece and Turkey completes the divestment programme of their VAD businesses. The Greek business, headquartered in Halandri, Athens, is the sole distributor for market-leading cyber brands including Check Point, RSA & McAfee and generated around 30% of the combined businesses' revenues in the last financial year. The Turkish business, headquartered in Istanbul, Turkey, generates around 70% of the combined businesses' revenues and counts CyberArk, AlgoSec and Rapid7 amongst its sole distributor relationships. Between them, the businesses employ 23 full time personnel. Both organisations have evidenced strong growth records in their respective geography and are both profitable and balance sheet positive.

The acquisition of these businesses complements the recent acquisitions made by Cognosec already established in key synergistic geographies that both support and complement Cognosec's existing geographical and technological infrastructures.

The acquisition of the ITWAY businesses will also improve Cognosec's competitive advantage especially within further geographical footholds for aggressive expansion.

The transaction, as expected and previously announced, closed in Q2, 2018.

Kobus Paulsen, Chairman of Cognosec commented – "It is with great pleasure that we welcome the ITWAY businesses to the Cognosec Family. Andrea and his Teams in Greece and Turkey have built remarkable cyber businesses that have shown consistent CAGRs of 20% over the past few years. They have built impeccable reputations and strong, loyal and ever expanding customer bases. I am also sincerely looking forward to working closely with Andrea, moving forwards, as a key Strategic Advisor to Cognosec AB where, with his many years cyber-specific experience, he will assist me and my Teams in identifying profitable opportunities for both organic and, merger & acquisition led growth."

G. Andrea Farina, Chairman and CEO of ITWAY said: "We believe that Cognosec is the best option for the future of Value Added Distribution operations in Greece and Turkey. The clever vision of Kobus and the deep knowledge of the cybersecurity market of Cognosec AB, together with the highly ITWAY-relevant roles & footprints in the Greek and Turkish markets represent an exceptionally strong and consistent basis for both growth and leadership in the future. Meanwhile, we will also continue to strengthen our cooperation with Cognosec AB in our common development growth strategies."

### 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 20th June, 2018, at 08:00 CET.*

## **ABOUT COGNOSEC**

Cognosec AB (Publ) is engaged in providing cyber resilience solutions and in the prevention of cyber attacks. 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) and OTC-Nasdaq Intl. Designation (CYBNY), 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 EUR17.19m in 2017 and employed 173 personnel at the end of Q1 2018. For further information, please visit [www.cognosec.se](http://www.cognosec.se)