GLOBES

Crossrider renamed Kape after switching to cybersecurity

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Launching Kape comes after the completion of a strategic transformation, CEO Ido Erlichman told "Globes."

Almost two years after being appointed CEO of **Crossrider plc** (AIM:**CROS.**), Ido Erlichman has completed a further phase in turning around the company, which will see it renamed in the coming days. On Tuesday, the company will officially become Kape Technologies plc and trade under the KAPE ticker on the London Stock Exchange.

Erlichman became CEO in June 2016 when the company's share price had fallen to a low of £0.27. Three months later, the share price began to climb and it currently stands at £0.765, an increase of 185%. Kape has 350 employees including 50 at its development center in Tel Aviv's Azrieli Sarona tower and the other 300 at its offices in London, Berlin and Bucharest.

Crossrider was founded in 2011 and completed an IPO on the London Stock Exchange in September 2014, raising $75 million at $250 million after money. Back

Nasdaq Oct	**S&P 500** Oct	**TA Bluet** Oct	**TA35** Oct	**USD/EUR** Oct	**NIS/EUR** Oct	**NIS/USD** Oct
27 21:06	27 21:06	27 17:31	27 17:24	27 21:21	27 21:21	27 21:21
+0.8% 15357.70	+0.16% 4582.01	-0.56% 569	-0.5% 1862.34	+0.16% 1.1613	0.0% 3.7025	-0.1% 3.1879

then, the company focus was on the advertising technology space, primarily Web-Apps tools. In December 2012, Teddy Sagi acquired the company for $37 million and in May and June 2014, Crossrider acquired three companies: Ajillion LLC, which developed business platforms in the cloud; Definitimedia, which developed an ad network, and Reimage, which developed a system for repairing operations systems.

After the significant change in the Ad-Tech industry, due to the shift in power of Facebook and Google, the company lost its main source of revenue and the stock price was significantly hit.

In October 2016, after Erlichman became CEO, the company went through a restructuring to return to growth. Crossrider also developed further the Reimage solution as well as acquiring DriverAgent, which had developed a device driver search and update service. The most recent acquisition was in March 2017 when the company bought Cyberghost, which develops VPN cybersecurity solutions.

"We have completely broken away from the ad-tech world and over the past year we have proven our major capabilities in cybersecurity that was demonstrated by the solid growth in top line and profitability" Erlichman said. "We have $70 million in cash for deals and we are looking into several acquisitions in the field. We also plan on expanding our team in all of our operational hubs."

Kape's (formerly Crossrider) 2017 report will be published later this week but in a preliminary announcement last month, the company reported that revenue had risen from $56.5 million in 2016 to $65.8 million last year. In the fourth quarter of 2017, the company launched a product to recover performance of Mac operating systems. The overall number of users for the four products that Kape owns and distribute includes 35 million and 900,000 premium subscribers.

Erlichman said, "When I joined the company, I was given a mandate by the board of directors and shareholders to lead a major strategic change and exit the core activities of ad-tech. The challenge confronting us at the time was to focus on the next growth target and the market which we understood that we have a significant advantage and added-value is the cybersecurity market for end user customers. The company's knowhow and

capabilities in the area of digital marketing allowed us to play a central role in a market that is consistently growing."

He continued, "In the past two years, we have implemented many processes including a change to a SaaS revenue model, which improved the quality of earnings and visibility of future revenues. We integrated the two companies that we acquired, the more significant of which was CyberGhost, a SaaS company in the field of digital privacy. CyberGhost is a wonderful example of a company that has successfully developed a unique technology but has only had organic growth without assimilating advanced user acquisition models. Our technologies and knowhow in this field, on a global scale, have significantly sped up CyberGhost's growth.

Kape's current work plan is to continue and drive organic growth as well as execute on targeted acquisitions. The decision to rename the company, explains Erlichman was due to the strong association to the past activities of the company as well as the need to enhance the consumer facing brand for the business. He said, "Launching Kape at this present time when we are realizing the synergies of all our products is not a coincidence."

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