



PRESS RELEASE

Stockholm, 26 August 2016

First half-year report 2016

Strong underlying growth driven by continued investments

Cognosec AB (publ) ("Cognosec" or "The Company"), a leading supplier of solutions within Cyber Security with operations in Europe, Africa and the Middle East, today announces its first half-year report for 2016.

First half of 2016 showed strong underlying revenue growth with revenues of EUR 8.9m, up 37% on the previous year at constant foreign currency rates. Performance was particularly strong in South Africa and the Middle East, with revenues emerging in the newly created European businesses. Growth was driven by continued investments in the operational, technical and sales capabilities of the Group with headcount rising 33% versus previous year. Underlying operating profit (excluding European operations and at constant foreign currency rates) was EUR 0.593m.

January – June 2016

- Underlying revenues grew EUR 2.44m to EUR 8.91m, up 37% year on year
- Gross profit margin increased to 38% (H1 2015: 36%)
- Underlying operating profit was EUR 593k (EUR 692k), assuming no foreign currency exchange differences and excluding costs for the European expansion
- Currency effects impacted revenues negatively with EUR 1.69m
- Total Group loss, including all new entity costs, amounted to EUR 582k (H1 2015 profit EUR 694k)
- Earnings per share amounted to EUR -0.0027 (H1 2015 EUR 0.0021)
- The Group remained debt free
- Awarded Intel Partner of the Year EMEA 2015, announced at Intel's annual EMEA conference
- New European sales pipeline at multi-million Euro levels from a zero base



FOR MORE INFORMATION, PLEASE CONTACT:

Magnus Stuart

IR-contact, Cognosec AB

Email: magnus.stuart@cognosec.com

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 26, August, 2016, at 14.00 CET.

ABOUT COGNOSEC

Cognosec AB (publ) is engaged in cyber security solutions and conducts its operations in Sweden, South Africa, UK, Kenya, and the United Arab Emirates. The Group delivers services and technology licences to enhance clients' protection against unwanted intrusion and to prevent various forms of information theft. Cognosec employs 110 people and had revenues of EUR 16.8 million in 2015. For more information, please visit www.cognosec.se