

Quarterly Report Ending September 2016

Stockholm, 18th October 2016

Continued investments for growth and solid progress in Europe

The third quarter showed underlying revenue growth in key areas with revenues of EUR 3.3m, up 3% on the previous quarter, despite deferral of two substantial contracts into Q4 2016. The newly created European businesses showed good progress with revenues of EUR630k in the quarter. Continued investments in resources and headcount were made to build the business and meet demand. Headcount rose 29% versus the previous year.

- Revenues grew to EUR 3.3m, up 3% compared to previous quarter
- European operations began revenue generation: EUR 630k in the quarter
- Two substantial contracts expected in Q3 rolled into Q4 2016
- Gross profit margin for the quarter improved to 38% (Q3 2015: 33%)
- Resources and headcount grew substantially to build the business and meet demand
- Q3 Group Operating loss amounted to EUR1.37m (Q3 2015: a profit EUR 1.00m)
- Quarterly Earnings per share amounted to EUR -0.0048 (Q3 2015: EUR 0.0041)
- The Group employed 107 (Q3 2015: 83) people at the end of the period, up 29%
- The Group remained debt free and had EUR 1.98m in cash and cash equivalents at the end of the period

COGNOSEC GROUP: Financial key-ratios	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
	Q3 2016	Q3 2015	2016 to Q3	2015 to Q3	FY 2015
Total Group Income €('000s)	3 238	5 883	10 356	12 253	16 791
Cash Flow in the Period €('000s)	- 2 098	-829	-868	-96	2 504
Operating Margin €('000s)	- 1 372	1 000	-1 776	1 693	1 857
Operating Margin (percent)	-42%	17,0%	-17,1%	13,8%	11,1%
Result after Taxes €('000s)	- 1 228	1 016	-1 810	1 710	1 450
Earnings per share €*	- 0,0048	0,0041	-0,0075	0,0062	0,0059

* Result per share refers to result per share attributable to equity owners of the parent company. There is no potential dilutive effect on the earnings per share.

**This interim report is a translation of the original interim report, which was submitted in Swedish. In any and all legal considerations, the interim report in Swedish serves as Cognosec AB (Publ) official report.

Contacts

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About Cognosec AB (ticker: COGS)

Cognosec AB (publ) is engaged in cyber security and conducts its operations in Sweden, South Africa, UK, Kenya, Germany, Austria and the United Arab Emirates. Listed on Nasdaq First North (ticker: COGS), the Group delivers services and technology licences to enhance their clients' protection against unwanted intrusion and to prevent various forms of information theft. Cognosec had revenues of EUR 16.79m in 2015. For further information, please visit www.cognosec.se

Comments by Robert Brown, CEO of Cognosec AB

This is the first quarterly report as a listed company on Nasdaq First North and the second quarterly report I comment in my role as CEO. I am pleased to say we continue to see a strong demand for our cybersecurity solutions and that we grow headline revenues in the business while investing for further growth in our markets.

The market for cybersecurity is increasingly global, complex and visible. A number of very high-profile breaches and data issues in the media bring this increasingly to people's attention, including Yahoo's recent loss of 500 million user accounts.

We also see this in the demand for our products and services that we deliver to our customers and increasingly they desire scalable and robust long-term solutions.

Against that background, I am hugely proud to report that the Group was listed on Nasdaq First North exchange on 22 September 2016. This brings a very different dynamic to our business: transparency immediately adds credibility and it offers us a superb platform for our growth internationally. Since our listing, we have attracted many new shareholders which I see as an endorsement for our business and our strategy.

I would like to thank our professional advisors and the Board sincerely for their efforts in making that possible. It has been a very important step on our journey.

With that behind us, the team now focused wholly on our strategy to deliver growth and profitability.

The financial performance in the quarter itself underpins several key elements of our business: firstly, our business model is lumpy in nature due to the timing of large projects and should not be evaluated on a quarterly basis. This quarter, two extremely sizable tendered contracts in South Africa slipped into Q4 2016. I expect these to be deferred rather than lost. Secondly, we are still in a build-up phase in certain parts of our business and are investing heavily to capture future growth opportunities. I am very happy to say that our European operations have started solid revenue generation after only 6 months.

Once again, whilst there are always lots to activity and immediate additional costs for an ambitious company, I am pleased with the overall progress of the business, particularly in relation to developing our European operations.

Our partnership with the Cyber Essentials Direct Ltd – owners of the Cyber Highway – a unique online portal that provides companies with a cost-effective and efficient route to successful implementation of the UK Government's Cyber Essentials Certification scheme, was announced on 13 October. This partnership will help drive Cognosec's European expansion into offering our services direct to growing businesses.

Our other area of ambition is to scale the business through M&A activity, and we are making good progress with this strategy.

As ever, I remain thankful to all our stakeholders for their continued commitment and support and assure them of our best intentions and efforts to grow our business.

Robert Brown
CEO

BUSINESS OVERVIEW

MARKETS

Cybercrime continues to escalate globally. Estimates from the World Economic Forum's 2016 Global Risks Report suggest this costs the world economy c.\$445 billion in 2016 — more than the market cap of Amazon (\$397 billion) or Facebook (\$368 billion). High-profile targets are under constant threat and the need for cybersecurity products and services expands.

Announced in September 2016, Yahoo's loss of at least 500 million user accounts highlights the scale of the potential damage.

Cognosec's unique offering combining full service, products, hardware and implementation solutions addresses this market, targeting primarily preventative measures, but remediates appropriately.

PROJECTS AND DELIVERIES

Expansion into European markets has begun in earnest. Having established several subsidiary entities in early 2016, with their associated costs, they have begun revenue generation. See separate section on Subsidiary Sales Performance below.

As announced in our Press Release dated 13 October 2016, our partnership with the Cyber Essentials Direct Ltd – owners of the Cyber Highway – a unique online portal that provides companies with a cost-effective and efficient route to successful implementation of the UK Government's Cyber Essentials Certification scheme. This will help drive Cognosec's European expansion into offering our services direct to growing businesses.

SUBSIDIARY SALES PERFORMANCE

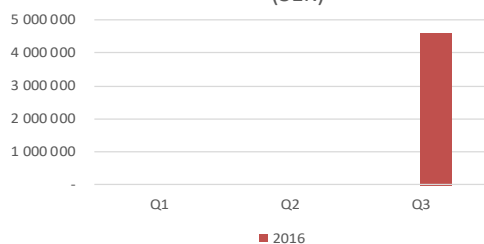
Cognosec Europe

Formed in 2016, the first 4 European subsidiaries, U AE, UK, German, Sweden, are all now revenue-generating.

Cognosec Nordic / Sweden generated SEK 4.5m (Q2 2016: *nil*). Cognosec GmbH EUR30k (Q2 2016: *nil*).

Similarly, in the UK, revenues have grown to £91k (Q2 2016: £26k). Core profitability in Cognosec South Africa has been maintained, despite roll over of several contracts expected to close in Q3 2016.

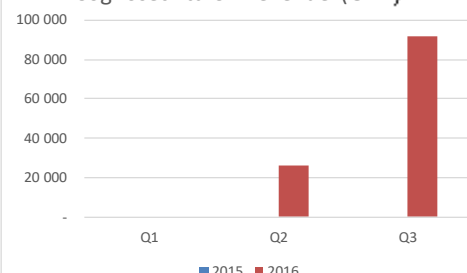
Cognosec Nordic Sweden Revenue (SEK)



Cognosec GmbH Germany Revenue (EUR)

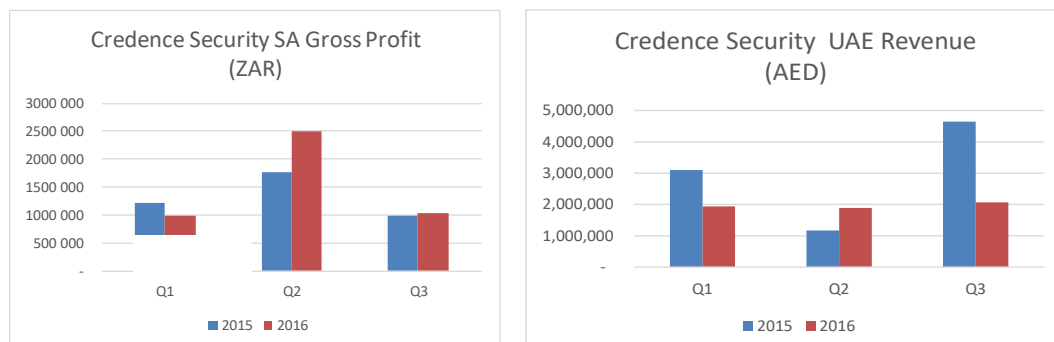


Cognosec Ltd UK Revenue (GBP)



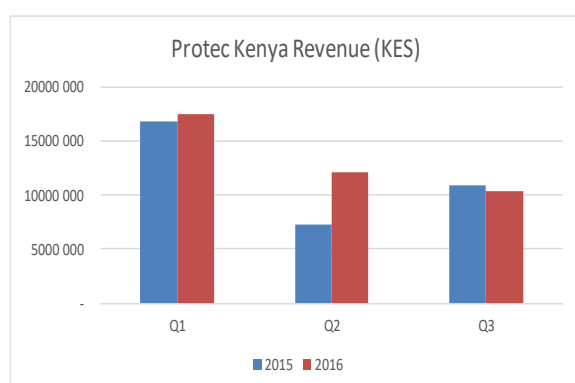
Credence Security

Credence Security in South Africa and UAE continues to make solid progress.



Protec Kenya

Revenues in Kenya remained consistent with last Q3 2015.



CUSTOMERS

Our Customers range from government departments, large-scale industrials to financial institutions as well as smaller SME sector businesses. Long-term exclusive relationships are the norm, and many wish that their names remain confidential especially when it comes to the technology that they are using, however they are willing to discuss with potential new clients about the service and success that we have achieved in their accounts

TECHNOLOGY PARTNERS

The Group has expanded its partner network to now include technologies AccessData, Beachhead, Digital Guardian, eSentire, Everbridge, Fidelis, Redseal, Risk Vision, Solus amongst others.

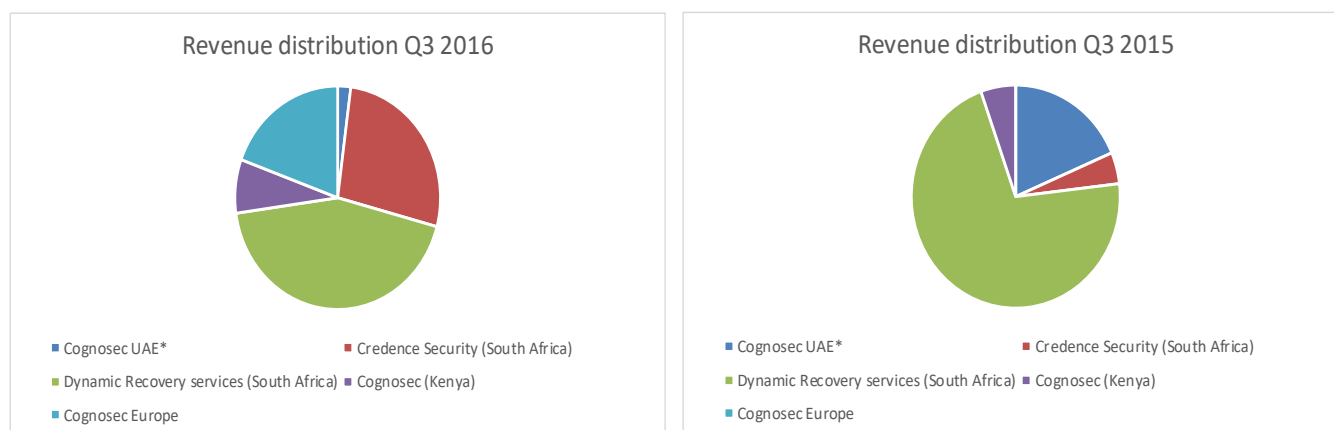
We are working closely with Intel on an EMEA Strategy around offering services.

CONSOLIDATED ORDER BOOK

Our clients are understandably highly sensitive to disclosure of their names. We are not presenting any detailed information under this head for the operations during the first fifteen months. However, the order book is growing in overall size, as well as the size and length of engagements.

SALES DIVERSIFICATION

A key strategy is to diversify the group's revenues across geographies. This is being achieved, with additional revenues generated out of Europe.



CASHFLOW

Cash flows for the period were impacted by the following transactions:

- Additional acquisition related payments to the sellers of EUR 386k were made.
- Payments of EUR 220k for directly related costs to completing the listing on First North.
- Q3 operational cash flow was impacted from the expansion in EU and United Arab Emirates. Payments of EUR 588k related to Europe and EUR 310k for expanding the operations in United Arab Emirates.

Adjusted for these effects, cash flow for Q3 was negative EUR 763k.

The key reasons for the negative adjusted operational cash flow is a result of trading losses from the previously established operations in Dubai due to weak demand and head office costs that are indirectly related to the listing. The directors are confident that operations in United Arab Emirates will return to profitability. Head office costs are expected to be lower going forward as indirect costs related to the listing are non-recurring.

As such, the directors are confident that overall liquidity is sufficient for the group in the coming 12 months.

FINANCIAL INFORMATION

PROFIT FOR THE PERIOD

Group

Net sales for the Third Quarter amounted to EUR 3.24m (Q3 2015: *EUR 5.88m*). Loss after tax for the Third Quarter amounted to EUR 1.23m (Q3 2015: *profit EUR1.02m*). Profit attributable to the minority interest amounts to EUR 2k (Q3 2015 *EUR 22k*).

Depreciation and amortisation for the Third Quarter amounted to EUR 64k (Q3 2015: *EUR 10k*). Cash flow for the Third Quarter amounted to negative EUR 2.01 m (Q3 2015: *EUR 829k*).

Parent

The Parent Company's loss for the third quarter amounted to EUR 423k (Q3 2015: *EUR 52k*).

FINANCIAL POSITION

Group

The Group had at 30 September 2016, cash and cash equivalents of EUR 1.98m (Q4 2015: *EUR 2.95m*). The equity ratio was 59% (Q4 2015: *47%*).

The Group's equity amounted to EUR 3.71m (Q4 2015: *EUR 7.53m*), which represents 0.014 EUR/share (Q4 2015: *0.03 EUR/share*).

During the twelve months of 2015 and the first nine months of 2016 the Group has not paid any dividends to shareholders of the parent. A dividend related to 2014 of EUR 48k was paid to the minority interest.

At 30 September 2016 Cognosec Group had no liabilities to banks or credit institutions.

Parent

The previously ongoing share issue to the listing on Nasdaq First North was completed during Q3 2016, 9 579 500 new shares in Cognosec AB (Publ) were issued. The capital raised through this issue amounted to EUR 4.79m. Directly related listing costs incurred during 2016 amounted to EUR0.22m. Directly related listing costs incurred in 2015 was EUR 416k. Total directly related costs to the listing therefore amounted EUR 636k.

INVESTMENTS

Group

No Investments were made by the group's subsidiaries.

Goodwill is subject to depreciation of 10% per annum. The Group seeks to expand by way of profitable M&A activity.

Parent

The parent company has during the first nine months of 2016 made payments related to the acquisition of its subsidiaries that arose from contractual obligations. These payments amounted to EUR 860k.

Other than these acquisition related payments no investments were made during the nine first nine months of 2016 (Q3 2015: *nil*).

TAXATION

Group

Provisional corporation tax of EUR 34k was paid in the Third quarter of 2016 (Q3 2015: *nil*). Year to date provisional tax payments of EUR 92k has been paid by the group's subsidiaries.

The tax charge in the profit and loss account is net of:

EUR 154k current tax charge on subsidiaries profits before tax, taxed at the local rate of corporation tax.

EUR 157k reversal of the deferred tax charge of EUR 222k recognised in 2015 for profits in Credence Security DMCC (Dubai). Cognosec AB is liable for income tax on unremitted profits from its subsidiary in Dubai due to Swedish controlled foreign company (CFC) legislation. The tax liability which arose in 2015 has been reduced by EUR 157k which is the amount of this entity's tax effected loss in 2016.

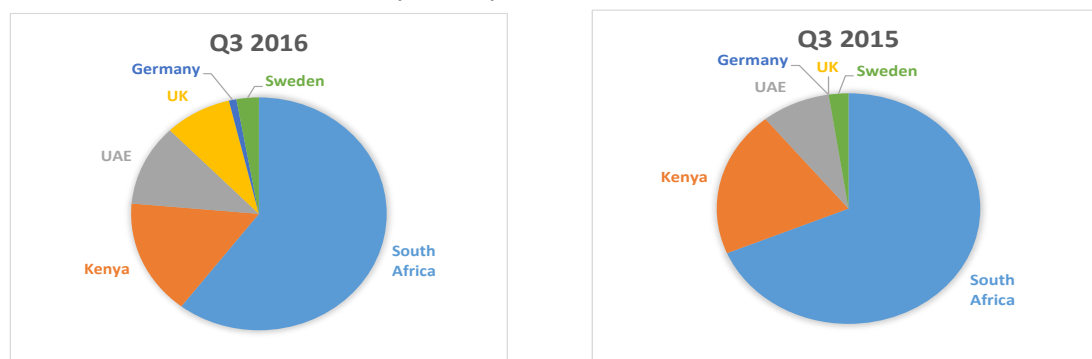
Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2016.

HUMAN RESOURCES

The Group's average number of staff as of 30 September 2016 was 107 (Q3 2015: 83). Cognosec AB has a CEO, a CFO and an IR-Officer.

Staff distribution across the Group's companies:



TRANSACTIONS WITH RELATED PARTIES

UC Group Ltd which is controlled by Cognosec's principal owner, JA Paulsen, currently provides services to Cognosec. The cost amounts up to and including 30 September 2016 to nil.

The Groups subsidiaries in South Africa have for the first 9 months of 2016 paid EUR 78k for office premises rented via a company that is controlled by the Group's CEO. The Board of Directors considers that the rental charge is in line with market conditions.

SHARE INFORMATION

Cognosec AB (Publ) is a public company whose shares are traded on Nasdaq First North (ticker: COGS).

The Company's share register is maintained by Euroclear Sweden AB. Total number of registered shares at 30 September 2016 was 257 179 500.

There is no potential dilutive effect on the earnings per share.

INVESTOR EVENTS

Cognosec AB's management will speak at Investor seminars which are arranged by Aktiespararna (Swedish Shareholders' Association) in Gothenburg on the 14 November 2016 and in Stockholm on the 28 November 2016.

FINANCIAL CALENDAR

Interim Report Fourth Quarter 2016	24 February 2017
Interim Report First Quarter 2017	28 April 2017
Annual General Meeting 2017	31 May 2017
Interim Report Second Quarter 2017	24 August 2017
Interim Report Third Quarter 2017	28 October 2017

ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012: 1 on Annual report, and consolidated financial statements (K3) as well as the Swedish Securities Market Act.

The K3 financial reporting framework is similar to International Financial Reporting Standard's (IFRS) for Small and Medium enterprises. The parent company has in preparation of this interim report applied the same accounting and valuation principles as the Group. The Group will change accounting standard to IFRS shortly. The first financial report expected to be issued in accordance with IFRS is the Q4 2016 report.

For further details of the Group and the parents accounting principles refer to detailed accounting principles described in the annual accounts for 2015.

RISKS AND UNCERTAINTIES

Inherent risks and uncertainties for Cognosec consists primarily of;

Business risks concerning the delivery of contracted projects and payment of these.

Financial risks (such as risks related to currency, interest rates, counter-parties, future capital), market risks (e.g. competition, changes in demand) and risks related to the local conditions in the countries in which the Group conducts its business infrastructure and the risk of delays due to various disturbances in the delivery of contracted projects.

Liquidity risk is managed through liquidity forecasting which ensures sufficient funds are in place to meet the group's obligations and the overall strategy for the group.

A detailed description of risks and risk management can be found in this section of the annual report for 2015.

INVESTOR EVENTS

Cognosec AB's management will speak at Investor seminars which are arranged by Aktiespararna (Swedish Shareholders' Association) in Gothenburg on the 14 November 2016 and in Stockholm on the 28 November 2016.

AUDITORS

PwC (Sweden), represented by Martin Johansson, act as the auditor for Cognosec AB (Publ) and the Group. This report has been reviewed by the Company's auditor in accordance with International Standard on Review Engagements 2410 (ISRE 2410).

CERTIFIED ADVISOR

Mangold Fondkommission AB is the Certified Advisor for the Company and is also liquidity provider for the shares listed on Nasdaq First North.

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ELECTION COMMITTEE AND ANNUAL GENERAL MEETING

At the Annual General Meeting on the 31 May 2016 it was decided that an election committee should be formed and that it shall consist of the 4 largest shareholders.

The annual general meeting authorised the board of directors to increase the share capital by up to 125 000kr or 50 000 000 shares. Serving directors were reappointed at the Annual General meeting.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the period end.
 The election committee will be formed during October 2016; this will be announced via a press release.

CERTIFICATION AND SIGNATURES

The Board of Directors and the CEO certifies that the summarized interim report gives a true and fair view of the financial information in this report.

The Board of Cognosec AB (Publ), corporate identity number 556135-4811

Stockholm, October 18th, 2016

Jacobus Paulsen
 Chairman

Robert Brown
 CEO

Lord David Blunkett
 Ordinary board member

Patrick Boylan
 Ordinary board member

Daniel Holden
 Ordinary board member & CFO

Neira Jones
 Ordinary board member

Magnus Stuart
 Ordinary board member

Anna Petre
 Ordinary board member

Björn Elowsson
 Ordinary board member

Dusyant Patel
 Alternative Director

DETAILED FINANCIAL INFORMATION

GROUP PROFIT AND LOSS

(Thousand Euros)

Group

	Jul-Sep 2016	Jul -Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Net Revenue	3 238	5 883	10 356	12 253	16 791
Cost of Sold Goods	-1 998	-3 924	-6 381	-7 982	-10 943
Gross Profit	1 240	1 959	3 975	4 271	5 848
Sales Costs	-1 532	-587	-3 352	-1 748	-2 432
Administration Costs	-1 016	-362	-2 235	-788	-1 474
Depreciation	-64	-10	-164	-43	-85
Total Operating Cost	-2 612	-959	-5 751	-2 579	-3 991
Operating Result	-1 372	1 000	-1 776	1 692	1 857
EBITDA	-1 308	1 010	-1 612	1 735	1 942
Financial income and costs					
Finance income	39	16	-	19	51
Finance costs	-	-	-37	-2	-
Total Finance income and costs - net	39	16	-37	17	51
Result before tax	-1 332	1 016	-1 813	1 709	1 908
Tax (Period)	104	-	3	-	-458
Total result for period	-1 228	1 016	-1 810	1 709	1 450
<i>Attributable to Parent</i>	-1 231	994	-1 937	1 520	1 242
<i>Minority interest</i>	2	22	127	189	207
<i>Earnings per share (€/share) attributable to owners of the parent</i>	-0,0048	0,0041	-0,0075	0,0062	0,0059

**PARENT COMPANY
PROFIT AND LOSS
(Thousand Euros)**

	Jul-Sep 2016	Jul -Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Net Revenue	-	-	-	-	-
Cost of Sales	-	-50	-8	-50	-53
Gross profit	-	-50	-8	-50	-53
Depreciation	-18	-	-54	-	-
Administration costs	-416	-	-625	-	-
Total Costs	-433	-	-678	-	-
Operating result	-433	-50	-686	-50	-53
Finance costs	11	-2	11	-2	-2
Result before tax	-423	-52,0	-676	-52	-55
Tax	-	-	-	-	-
Result for the period	-423	-52,0	-676	-52	-55

BALANCE SHEET

(Thousand Euros)

	Group			Parent		
	30 Sep 2016	30 Sep 2015	31 Dec 2015	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS						
Non-current assets						
Property, plant and equipment	125	99	104	-	-	-
Intangible Assets	20	73	73	19	73	73
Investments in subsidiaries	-	-	-	3 781	1 089	1 817
Goodwill	1 715	350	936	-	-	-
Other Long Term Claims	1	323	-	-	311	-
Total Non-current assets	1 860	845	1 113	3 800	1 473	1 890
Current Assets						
Inventory (PIP)	187	1 360	463	-	-	-
Deferred tax asset	-	-	-	-	-	222
Share issue receivable	-	-	3 908	-	-	3 908
Short term receivable	-	-	-	543	39	124
Trade receivable	2 147	6 215	7 206	-	1	-
Other Claims	460	673	301	142	-	-
Cash & Bank	1 978	244	2 946	687	20	916
Total Current Assets	4 772	8 492	14 824	1 373	61	5 170
TOTAL ASSETS	6633	9337	15937	5173	1534	7060
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	70	66	66	70	66	66
Share premium	3 632	1 400	5 731	4 778	1 400	5 983
Ongoing share issue	-	-	-	-	-	-
Translation reserve	-	648	1 729	-	-63	-
Other reserves	-	994	-	-51	-	-153
Total Equity	3 701	3 108	7 526	4 797	1 403	5 896
<i>Capital and reserves attributable to owners</i>	3 399	2 802	7 203			
<i>Non-controlling interests</i>	303	306	323			
Long-term Debt						
Short term debt						
Interim Debt	-	-	605	376	75	544
Intragroup Debt	-	-	-	-	56	620
Suppliers	2 447	6 022	6 885	-	-	-
Tax Debt	250	109	-	-	-	-
Provisions	234	98	921	-	-	-
Total Short Term Debt	2 931	6 229	8 411	376	131	1 164
TOTAL DEBT AND EQUITY	6 633	9 337	15 937	5 173	1 534	7 060

CASH FLOW ANALYSIS**(Thousand Euro)****Group**

	Jul-Sep 2016	Jul -Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Operating Profit	-1 372	1 000	-1 776	1 693	1 857
Adjustments non C/F items	-	-	-	42	65
Operating Cash Flow	-1 372	1 000	-1 776	1 735	1 922
Paid Taxes	-34	-1	-92	-1	-91
Recieved finance payments - net	-	-	-	-	-2
Changes in Working Capital	-86	-1 702	-1 156	-1 702	-64
Cash Flow from Operating Activities	-1 492	-703	-3 024	33	1 765
Acquisition of subsidiaries	-	-	-	-1 439	-1 369
Acquisition of Fixed Assets	-	-126	-	-126	-
Payments related to aquisition of subsidiaries	-386	-	-860	-	-
Cash Flow from Investment Activities	-386	-126	-860	-1 565	-1 369
New share issues	-	-	3 284	1 439	1 400
Directly related costs to the listing	-220	-	-220	-	-
Proceeds from ongoing share issue	-	-	-	-	870
Dividend payment to minority	-	-	-48	-	-
Amortization of Debt	-	-	-	-2	-162
Cash Flow from Financing Activities	-220	-	3 016	1 437	2 108
Cash Flow from the Period	-2 098	-829	-868	-96	2 504
Opening Cash	4 192	1 321	2 946	20	20
Aquired cash	-	-	-	348	348
FX-diff Period	-116	-248	-100	-28	74
Closing Cash Position	1 978	244	1 978	244	2 946

CASH FLOW ANALYSIS**(Thousand Euro)****Parent**

	Jul-Sep 2016	Jul -Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Operating Profit	-433	-52	-686	-52	-53
Adjustments non C/F items	-	2	-	2	50
Operating Cash Flow	-433	-50	-686	-50	-3
Paid Taxes	-	-	-	-	-
Changes in Working Capital	94	125	-424	86	19
Cash Flow from Operating Activities	-339	75	-1 110	36	16
Acquisition of Fixed Assets	-	-75	-	-75	-1 369
Payments related to aquisition of subsidiaries	-386	-	-860	-1 400	-
Transfers to subsidiaries	-1 322	-	-1 258	-	-
Sale of Fixed Assets	-	-	-	-	-
Cash Flow from Investment Activities	-1 708	-75	-2 182	-1 475	-1 369
New share issues	-	-	3 284	1 439	1 400
Directly related costs to the listing	-220	-	-220	-	-
Proceeds from ongoing share issue	-	-	-	-	870
Dividend payment to minority	-	-	-	-	-
Amortization of Debt	-	-	-	-	-
Cash Flow from Financing Activities	-220	-	3 064	1 439	2 270
Cash Flow from the Period	-2 267	-	-228	-	917
Opening Cash	3 035	20	916	20	20
FX-diff Period	-80	-	-	-	-21
Closing Cash Position	687	20	687	20	916

CHANGES IN EQUITY CAPITAL

(Thousand Euros)

Group

	Jul-Sep 2016	Jul -Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Equity - Opening Balance	5 925	1 978	7 526	143	143
Costs directly related to IPO share issue	-	-	-220	-	-416
Share Issues	-	-	-	1 439	6 439
Profit from the Period	-1 228	1 016	-1 810	1 709	1 450
Tax impact from deductible costs for ongoing share issue	-	-	-	-	91
Adjustment related to final acquisition analysis	-	-	-	-	164
Removal of receivable from dividend paid 2014 but approved 2016	-	-	-1 400	-	-
Foreign Exchange-Differential	-996	114	-395	-489	-345
Changes in equity during the period	-2 224	1 130	-3 825	2 659	7 383
Equity - Closing Balance	3 701	3 108	3 701	2 802	7 526
Opening balance- Equity attributable to non controlling interest	442	284	323	116	116
Dividend payment to minority	-	-	-48	-	-
Currency effect minority	-141	-	-99	-	-
Profit attributable to non controlling interest	2	22	127	190	207
Closing balance - Equity attributable to non controlling interest	303	306	303	306	323
Closing balance - Equity attributable to shareholders of the parent company	3 399	2 802	3 399	2 496	7 203

CHANGES IN EQUITY CAPITAL

(Thousand Euros)

Parent

	Jul-Sep 2016	Jul -Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Equity - Opening Balance	5 421	1 455	5 896	16	16
Costs directly related to IPO share issue	-	-	-220	-	-416
Share Issue- Under registration	-	-	-	1 439	6 439
Profit from the Period	-423	-52	-676	-52	-55
Foreign Exchange-Differential	-202	-	-204	-	-88
Changes in equity during the period	-625	-52	-1 100	1 387	5 880
Equity - Closing Balance	4 797	1 403	4 797	1 403	5 896



Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Cognosec AB (publ) as of 30 September 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance the Swedish Annual Accounts Act.

Stockholm, 18 October 2016

PricewaterhouseCoopers

Martin Johansson

Authorized Public Accountant