Safeguarding the open society

This document is only a translation of the Swedish original version of the Cognosec Annual Report 2015. Only the Swedish original version of the Annual Report 2015 is legally binding and if the translation does not match the original Swedish version, the Swedish original version will always prevail. Shareholders and analyst should always obtain information from the Annual Report 2015 in its entirety and in the original Swedish language before making any analysis, conclusions, or decisions on various aspects of content.

cognosec

CONSOLIDATED KEY FIGURES

All figures stated in the annual report in thousands of euros unless otherwise stated.

Net Sales	16 791,2 TEUR
Profit before financial items	1856,9 TEUR
Profit before tax	1907,9 TEUR
Profit after tax	1449,6 TEUR
Operating margin before financial items	11,1%
Operating margin before tax	11,4%
Operating margin after tax	8,6%
Solidity	47,2%
Employed capital	7526,3 TEUR
Debt-to-equity-ratio	0 %
Net debt	0 TEUR
Equity per share	0,031 EUR
Cash flow of Operations	1765,5 TEUR
Cash flow of Operations, Euro per share	0,0072 EUR
Profit before tax, Euro per share	0,01 EUR
Profit after tax, Euro per share	0,01 EUR
Number of shares at the end of period	244 800 000
Employees at the end of period	83

INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Held on Monday, 31 May at 15:00 on Cognosec AB's head office at Birger Jarlsgatan 12 in Stockholm.

Registration

Shareholders who wish to attend the Annual General Meeting must be registered in the Euroclear Sweden AB share register no later than May 24, 2016 and registered for participation at the Annual General Meeting of the company via email ir@cognosec.ab. The notification shall be given no later than Monday, May 30th, 2016.

Information about Annual General Meeting

Information about the Annual General Meeting. Announced through post and the newspaper; Dagens Industry and at Cognosec's website www.cogosec.se.

Dividend

The Board of Directors proposes that no dividends will be paid for the financial year 2015.

The calendar for Financial information

Interim Report January-March 2016 2016-06-16
Interim Report April-June 2016 2016-08-26
Interim Report July-September 2016 2016-10-28
Interim Report October-December 2016 (full year) 2017-02-24
Annual Report 2016 2017-04-28

Financial, and other relevant information can be obtained from Cognosec AB, Box 3416 103 68 Stockholm. Considering the environment one can use the service on the website and subscribe to the electronic subscription. www.cognosec.se

Investor Relations

Magnus Stuart, Investor Relations Contact Email: IR1 @ cognosec. see Tel: +46 706211350
Ana Petre, Investor Relations Contact Email: ir2 @ cognosec. see Tel: +46 733144113

cognosec

DATA OF INTEREST

16,8 Cognosec Group's turnover in 2015 of MEUR. An increase of 6.8 million compared with the pro forma financial statements 2014.

170 Billion USD is the forecasted estimate in 2020 for the global cyber-security market.

9,8 percent is the estimated annual growth for the global cyber-security market by 2020.

20 percent is the estimated annual growth for the cyber-security market in Africa by 2020.

2016-04-04 From this date, the authorities are obliged to report cyber-security incidents. Seven incidents were reported during the first week.

TABLE OF CONTENT

The figures speak for themselves: **We are growing – and we are making profit**

As the new CEO of Cognosec AB, I am proud of 2015 and eager for 2016. I am very pleased that in 2015 became our best year so far. Total revenue for the Group amounted to 16,8 MEUR with pre-tax profits of 1,9 MEUR, which show an increase of 6,8 MEUR in revenue and 1,7 MEUR in pre-tax profits when compared to the Proforma financials for 2014. The figures speak for themselves: Cognosec Group is an exception among the cyber-security companies: We are growing, and we are profitable.

The core of Cognosec is offering licensed technology. It provides a high degree of repetitiveness in our business. What you buy today is something that you want to renew tomorrow given high functionality.

Cognosec Group is the partner that everyone wants to be with. Intel and a number of other large companies have made us its ”preferred partner”. This helped us to grow in 2015 and will be even more important in 2016. We have managed to consolidate and expand our business in the payment industry. Based in South Africa, we have received prestigious customers. A strategic partnership has been established with Boston Consulting Group, together with a partner.

This year will be a year where we focus on further expansion. “Penetration Testing” will increase sharply, as well as, the “Managed Security Services”.

Our business benefits from laws and regulations that sets higher demands on companies to increase their cyber security. New infrastructure investments in East Africa also increase the demand for higher cyber-security. We see continued high activity in the United Arab Emirates.

Cognosec’s initial public offering is successfully completed and fully subscribed as per the prospectus. Together with self-generated capital, this provides significant financial muscle for Cognosec. During 2016 operations will expand in Sweden, in addition to new establishments in the UK and in Germany. Cognosec already have cooperation with entities in Austria, which will be transferred into ownership in 2016.

Everything did not go as we had hoped. While the business integration worked as scheduled, apart from some delays. However the formal integration of Cognosec GMBH took longer than expected. I expect that Cognosec GMBH will fully be integrated into the Group during the first six months in 2016. If Cognosec GMBH had been part of the Group formally in 2015, then had net sales, before deduction of minority interest, had been »

Robert Brown, ceo.

The figures speak for themselves:
We are growing – and we are making profit

1.75 million higher. The overall sales had then been 18.6 million EUR.

Our initial public offering did successfully perform in accordance with the prospectus the company published.; however, we underestimated the administrative complexities for foreign shareholders to register the signed and paid shares. Lack of payments from subscribers posed considerable delay. A replacement subscriber came in to replace the delayed subscribed and the issue became fully paid-up. Unfortunately this process took too long time. We were also poor at communicating this to our shareholders, which we apologize for.

We are going to become better at informing our shareholders and other interests in 2016.

The plan is for Cognosec to grow rapidly, both organically and through acquisitions. At the same time we must grow strategically. Although we are a relatively small organization, we have activities in several countries. In 2016 we will have operations in four European countries, two African and one in the Middle East. Even though we are active in many different countries, we have so far had the advantage of working in principle in the same time zone. It has made it easy to communicate both with customers and internally. Although it may change in 2016, it is important that we keep that good communication together. Additional time zones shall not impair the quality of communication, whether internally or with our customers. We must take advantage of what each country's competitive advantage so that we can supply it with high quality and cost effective services. Growth with 68 per cent last year suggests that high growth is realistic.

We are, as I mentioned earlier, operating in many different countries. We represent many different cultures in terms of governance and leadership. It is important that we show respect for each other's cultural identity and that we also keep listening and learning towards each other.

I am sometimes asked if Cognosec is a Swedish company. Personally, I have dual citizenship in South Africa and in the UK. My visit to Stockholm have become increasingly frequent and it will continue in 2016. Sweden and Stockholm is a a good location with a high technological level of development and an ”early adapter” behavior of both businesses and individuals. I have learned that Alfred Nobel was one of the first who established a multinational group with roots in Sweden. I hope we can learn a little of Nobel when we are creating our multinational group, based in Sweden. We are not a company with a specific resident. Cognosec is a global company, with headquarters in Stockholm.

We think, given that we are successful with our acquisition strategy, it is possible that within five years to have a substantially larger revenue. The acquisitions we analyze will bring its own IPR. Over time, I expect that we will build a portfolio of unique and proprietary products that we own through subsidiaries.

One thing we must stick to: Cognosec Group customers are companies, B2B, and not B2C (Consumer led). This has been a successful strategy in the past and we shall continue on this path.

We know that you always have to listen, work, perform and create quality for the customer - otherwise there may be a grinding halt. We listen, understand and try to learn. It makes us successful. We protect our customers' freedom to act; converse, store and exchange information, we cherish in this way the society stays open.

I want to thank all the loyal, professional employees for fantastic efforts in 2015. ■

Robert Brown, Johannesburg, April 2016

A 360-degree Company **with a unique market position**

Cognosec has customers in a wide range of industries, from banking, payment services, finance and administration, health, manufacturing, retail and games, travel, hotel and caterers. The client list grows with more and more card companies, e-commerce, payment service companies, government agencies and others.

Cognosec usually called a 360-degree company, a company that understand the customer's needs and can cover all threats, wherever they come. What Americans call "A one-stop-shop".

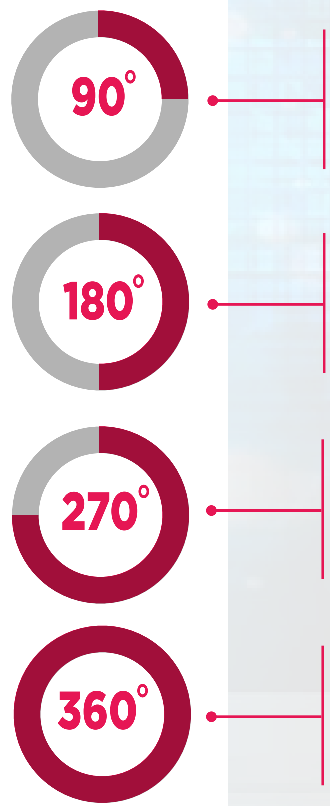
Cognosec has acquired a unique market position by reaching the maximum requirements, complex cyber-security, globally. The operation consists of:

• Review, penetration testing and detection of threats (Assess)
• Independent advisory and consultancy services in cyber-security. In this area we are also working to formulate policies, guidelines and "compliance" (Advise)
• Implementation and licensing of software and hardware solutions in cyber-security Cognosecs offers a uniquely broad portfolio of solutions and has a collaboration with the most qualified players in each subregion. It can be anything from children pornography filters to firewalls and recognition. (Integrate)
• Managed Security Services (MSS). (Operate)

Cognosec see the client's overall cyber-security architecture, testing system robustness, follow up and look over any deviations or attacks. Cognosec sells licenses against intrusions such as firewalls and Endpoint Protection. RiskIQ is also a great product by mapping corporate digital footprint ensures customers are downloading the right app, and apps and websites are not cut or copied.

Cognosec also offers Managed Security Services, remote or on site. Remote-services most in demand by smaller companies that want protection, and ongoing updates at the lowest cost by Cognosec's Security Operation Center. On site services demanded by major customers. Cognosec offers service around the clock. In Cognosec's consulting services include Penetration Services and social engineering-services, thus systematic attempt to break down customers' security systems technical or practically, to detect security holes. ■

360-DEGREES



ACCESS
Review and threat detection.

ADVISE
Independent advice and consulting services in protection.

INTEGRATE
and licensing.

OPERATE
Managed Security Services.

A growing market
Increased requirements on Authorities

Cognosec's market is growing for several reasons. Customers with foresight has already started the review of its cyber-security. In other cases because they have been compromised. In addition, Now a third reason: authorities require cyber security both in Sweden, the EU directives, and on Cognosec's core market of South Africa, increasingly required by regulators on companies to maintain good cyber-security. The requirements are approaching the ISO 27001 norm. Since April 4 2016 Sweden authorities have to report cyber-attacks for community preparedness, MSB. Already after one week had seven serious attacks reported.

Mobile usage also drives. The mobile phone is increasingly more of a value carrier and a device that needs more protection. More and more transactions are made on the phone. Sweden is perhaps the first country in the world to practically stop using cash, but many other countries are following the same direction. 2015 was conceived as the first year of smartphones and traditional mobile phones sold as much in Africa. Approximately 100 million pieces of each. During the next five years calculated a sharp increase in the smart-sales to 150 million units per year by 2020. 58 percent of Kenyans use mobile phone for payment purposes. The mobile phone has become a part of the banks payment network, a strong trend that places new demands on security.

The more data stored in the cloud creates opportunities and several problems - theft of data, corruption of data, interception of communications via the cloud - that cannot only be solved with simple encryption. Encryption is only a part in the protection of cloud services. Perhaps 20 percent of all information in encrypted today, a figure that must increase.

To recruit staff when demand for cyber-security is growing so quickly is a challenge. Cognosec has been able to recruit dozens of well-qualified people in Europe, which is a good achievement.

The rapid development and fierce competition in cyber-security, where products and services, the shorter lifespan, requires adaptability, which Cognosec somewhat smaller company demonstrated that it has, and strong business intelligence, a challenge which the Group is prepared to meet.

A number of large banks, insurance companies and international organizations have chosen Cognosec as its supplier. Intel named Cognosec the first company in the world as Intel Service Delivery Partner Specialisation. This confirms Cognosec's unique skills to implement Intel products and demonstrates our position as market leader. Cognosec is one of the few companies in Europe that certified as both QSA, Qualified Security Assessor and ASV, Approved Scanning Vendor, according to Payment Card Industry Data Security Standard (PCI DSS), the security standards managed by the International PCI Security Standards Council. The certification verifies Cognosec's skills to perform analysis of cyber-threats. In the industry there are a number of scale-advantages that requires the company to grow quickly enough. Cognosec is growing – while the Group creates profit, which is unusual. ■

A GLOBAL COMPANY

South Africa is the body **of a powerful expansion**

Cognosec's vision is to become the market leader in cyber-security on emerging markets with a strong presence in European markets. Our mission is to be "A one-stop shop", a full-service building for cyber-security. The company provides licenses based both on their own and others' IPR (Intellectual Properties Rights). In addition, the company offers qualified cyber-security.

The DRS group was founded in 1997 in South Africa. It began as a relatively simple anti-virus service company which has grown into a multifaceted cyber-security group. In South Africa Cognosec is known under the names DRS and Credence Security. The company expanded to Kenya during the name Professional Tech, and the United Arab Emirates, as Credence Security.

The next step will be to establish a presence in Europe under the Group name Cognosec, with offices in Germany and the UK. Cognosec already has functional collaboration in Austria. The full implementation of Cognosec GmbH in Austria will further strengthen the group.

2015 generated 72 percent of consolidated sales in South Africa, 23 percent in the United Arab Emirates and 5 percent in Kenya. The Group has 83 employees and a turnover in 2015 of 16.8 million. Europe will account for between 15-20 percent of revenues within a year or two.

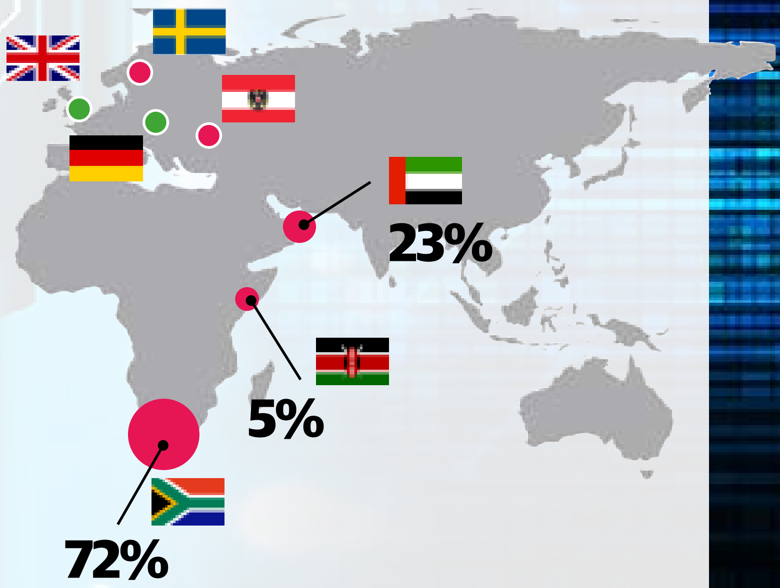
Cognosec benefits both from the developing markets very rapid growth and the high skills available on the European markets. Particularly Sweden and Austria and excels in terms of cyber-innovations.

Cognosec expects to continue to grow rapidly in the African markets. The cyber-security market in African countries is growing about 20 percent annually, compared to about half in Europe, according to Marketsand-Markets.

Cognosec is a market leader in South Africa and has won large government contracts and has the opportunity to comment on the regulations and legislation. South Africa as well as other BRICS countries have been affected by the low commodity prices, but it requires »

COUNTRIES WE OPERATE IN

- Already established operations
- Ongoing establishment of new operations



South Africa	United Arab Emirates	Kenya
Population: 54 million	**Population:** 6 million	**Population:** 46 million
GDP growth: 1,4%	**GDP growth:** 3%	**GDP growth:** 6,5%
GDP/Capita: 13 400 USD	**GDP/Capita:** 67 000 USD	**GDP/Capita:** 3 300 USD
Inflation: 4,8%	**Inflation:** 3,7%	**Inflation:** 6,4%

Source: CIA World Factbook, 2015

//cognosec

South Africa is the body **of a powerful expansion**

a relatively small commodity price rise for the BRICS countries to increase its economy substantially. The span of the South African economy exposes companies to very varied threats, which in turn gives Cognosec broad knowledge that can be exported further within the group. Generally, the presence of Cognosec in various markets is an advantage: 'experience and services may be outsourced or produced where it is most advantageous.

Kenya is a small, but important and very rapidly expanding market. Kenya's GDP will grow by 6 percent per year, the country which is liberalized quickly, is a center for banking in Africa, as well as a bridgehead to East Africa, and where infrastructure is expanding rapidly. More and more poor people acquire a mobile phone, access banking services and are integrated into the economy. The mobile payment services is growing rapidly which leads to increased risks and create a larger market for Cognosec.

The UAE has a very high GDP and is one of the Arab world's most open and stable countries. Nasdaq have a stock market in Dubai and the real estate market is international. Emirates attract a lot of capital. Emirates Airlines is one of the world's largest airline. It has an advanced financial and travel industry, where Cognosec is active and has a number of strong customers.
In Sweden Cognosec is gradually building a center of excellence while the company in 2016 begins sales in the country. ■

Johannesburg.

Nairobi.

Dubai.

cognosec

THE BOARD

KOBUS PAULSEN
Chairman of the board
Kobus strength is overall management and strategy. He has led a successful management buyout of Brain Ware Europe. He founded the UC Group in April 1999. He previously held senior positions within the media group Mirror in London, where he was responsible for interactive strategies in TV and digital media. Shareholding: 215 million shares.

NEIRA JONES
Member of the board
Neira is chairman of the Advisory Board for Mobile Innovator Ensygnia & The Global Advisory Board for the Centre of Strategic Cybercrime & Security Science. Founder, Board Member and advisory board member for GiveADayUK. Nominated to "Acquiring Personality of the Year 2013, "Infosecurity Europe Hall of Fame alumni since 2011. Holds no shares or optionsin the company. Independent to the company.

MAGNUS STUART
Member of the Board
Magnus Stuart is the CEO of Selena Oil & Gas Holding AB (publ.), Was former President and CEO of Ginger Oil AB (publ). Magnus Stuart has founded and been Managing Director of Ven-Capital AB Capital Investment AB Öresund between 1998 and 2000, Custos Venture Partners 2000-2002. He is currently Chairman of Alnair AB, and Investment AB Green cape. Shares: 300 000 Stock options: 800,000 shares.

PATRICK BOYLAN
Member of the board
Patrick was previously CEO of Cognosec. Also senior Advisor to the UC Group. More than 25 years experience as a senior executive of international financial services and cyber security. Has previously worked as the CEO of Card Services and e-Ventures NatWest Group. Previous role as a member of the Group management in MasterCard. Shareholding: 3 130 406 shares, private and company.

BJÖRN ELOWSSON
Member of the board
Bjorn is active in Catella Bank and a member of its board. He has previously had long experience with the debit card business in Swedbank. Holds no shares or options in the company. Independent in relation to the company.

ANNA PETRE
Member of the board
Anna is currently head of the legal activities of Swedish Chamber of Commerce in Gothenburg. Before this Anna led the work of the Agency Contacts Saab Automobile. Holds no shares or options. Independent to the company.

LORD DAVID BLUNKETT
Member of the board
David Blunkett's former MP (1987-2015) and Interior Minister (2001-2004) in Great Britain. David is former honorary chairman of Information Systems Security Association (ISSA-UK) Advisory Board. He is chairman of the International Cyber Security Protection Alliance (ICSPA). Shareholding: 750 000 shares.

DANIEL HOLDEN
Member of the board
has a long track record in the multinational financial activities. His strength is strategy and control and an ability to put Finance function in a commercial context. Daniel has extensive leadership experience, key stakeholder relationships, commercial management, general management, IT, business transformation, business integration and restructuring. Daniel is lawyer and FCA accountant. Shareholding: 1 001 000 shares.

DUSYANT PATEL
is currently senior advisor to Radio Innovation, Match Maker Ventures. Manager of Telia Soneras innovation department. Dusyant have experience as CEO, and has held several various business development and executive positions in Ericsson and Sony Ericsson. He Holds no shares or options in the company. Independent to the company.

* All shareholdings are per the 16 May 2016.

Safeguarding the open society

cognosec

MANAGEMENT

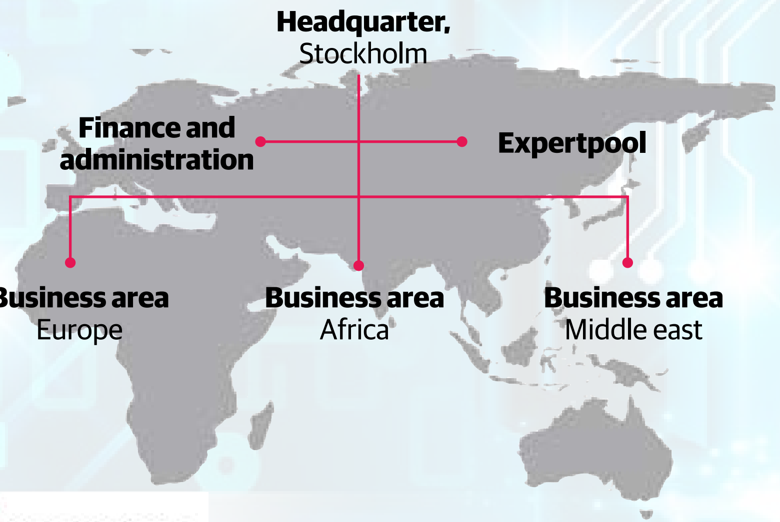
ROBERT BROWN
CEO
Robert Brown is a veteran in the cyber-security industry with a wide experience as an exper, leader, business developer and entrepreneur. Brown is mainly stations in Johannesburg. He is Cognosec's CEO and also responsible for the African business area.
Shareholding:
5 443 910 shares.

VIVIAN GEVERS
CEO for UAE
Vivian Gevers is stationed in the United Arab Emirates (UAE). She is the CEO of the subsidiary Credence Security in Dubai and especially responsible for developing the important customer base towards banking and the financial sector in the Arab world.
Shareholding: 360 278 shares.

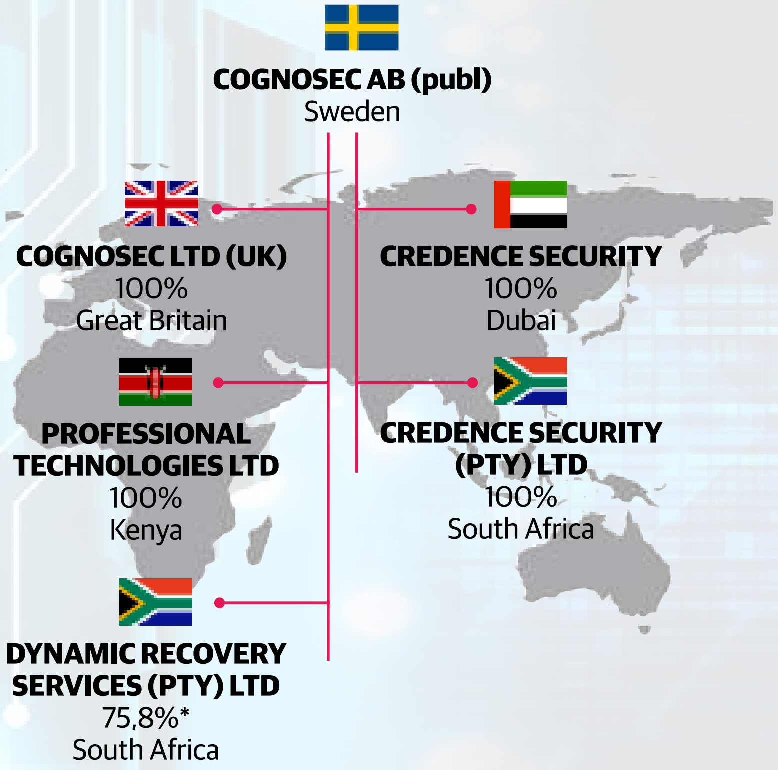
DANIEL HOLDEN
CFO
Daniel Holden has a long track record in the multinational financial activities. His strength is strategy and control and an ability to put Finance function in a commercial context. Daniel has extensive leadership experience, key stakeholder relationships, commercial management, general management, IT, business transformation, business integration and restructuring. Daniel is a qualified lawyer and and FCA accountant. Shareholding: 1 001 000 shares.

* All shareholdings are per the 16 May 2016.

OPERATIONAL STRUCTURE OF THE GROUP



THE LEGAL STRUCTURE OF THE GROUP



*The company is covered by the South African Black Economic Empowerment regulation (53/2003) or (" BBBEE") which is a requirement the company needs to meet if it wants to tender to governmental and public organisations. This requirement results in Cognosec AB only owning 75,8% of the company with the remained being owned by trust. The trust cannot sell its holding in the company, however the trust has right to receive dividend payments corresponding to its share in the company.

The threat is increasing: **Cyber-security is worth 105 billion dollars**

Cyber-security is one of the most serious threats to our national security and the economy ”said US President in 2009. (”Remarks by the President on Securing our Nation’s cyber infrastructure, ”The White House, Washington, DC, May 29, 2009). the threats have not decreased since then. And they are many: They range from disgruntled former employees to terrorists who want to sabotage, steal intellectual property, blackmail staff, and prepare intrusion or even to commit physical damage.

More mundane threats are disorders that damage customer confidence, and that business secrets intentionally or unintentionally lost to competitors. Many crimes never reach the public domain, as firms do not talk about safety concerns that criminals made them painfully aware of. Even worse, they might breach the companies without even getting noticed. But the most worrisome threats exploit human weaknesses, when criminals extract passwords, simply by calling up and pretending to be someone else who is entitled to the password.

At the same time more and more e-commerce more incentive cyber-criminals. More user data available to steal. Customers and staff require greater transparency which gives greater risks. Mobile devices are becoming more and creates more holes in corporate IT infrastructure. Some cyber-crimes focus on blocking files and then require businesses to ransom for the attack to cease, is now in almost an industrial scale. The American health care company MedStar Health Inc. subjected in April 2016 to extortion by hackers who disrupted the operations, according to The Associated Press. The new e-currency bitcoin, whose owners cannot be traced, facilitates business. On 19 March blocked a number of newspapers’ websites in Sweden by attacking newspapers Server service suppliers.

The perpetrators can be organized criminals, political groups or even government organizations.

The most common cyber-crimes are fraud, trade with illegal services, violent crimes where the perpetrator uses the internet to plan the crime, phishing and skimming. Also covered in cyber –crime is to plant malware, con- »

The threat is increasing: **Cyber-security is worth 105 billion dollars**

duct payment fraud and false invoices, social engineering, network attacks and criminal business.

Countermeasures can be simple, such as limiting the number of people with access to certain services, or divide and store sensitive information on different devices so that whoever succeed muscle cannot steal everything at once. More advanced cyber-security is based systematically selecting fixed assets which are prone to risks and why, and how they could be damaged or stolen. Most large companies recognizes this and has strengthened its cyber-security dramatically in recent years. Too rigorous systems are also business risks. They can make the business so slow and difficult to impair the services offered. Most companies' cyber-security work is focused on keeping the "crown jewels" locked up and to preserve business secrets so that the business can expand. This is the defensive cyber-security. Next generation cyber-security will focus more on integrating cyber security as a central part of the strategic business development. You have to combine strong growth, transparency, reasonable openness, and flexibility with a high level of security. Here is tomorrow challenge

The global cyber-security industry is considered to be worth about 105 billion USD today, and is estimated to be worth 170 billion USD in 2020, according to MarketsandMarkets. For the cyber-security of the Internet of Things (IoT) security can be added another 29 billion USD 2020, according to Forbes magazine.The costs of cyber-crime is expected to quadruple over the next few years and rach 2000 billion USD in 2019, up from 500 Billion USD 2015. ■

Market for cyber security

Value in Billion USD and Growth to 2020

	2015	2020	Growth %
Global	105	170	9,8%
Europe	27	37	6,8%
Africa	0,9	2,3	20%

Market for Cybersecurity testing

Value in Billion USD and Growth to 2019

	2019	Growth %
Global	4,96	14,9%

Market for MSS (Managed Security Services)

Value in Billion USD and Growth to 2020

	2020	Growth%
Global	29,9	15,8%

//cognosec

Managements' administration report

Details of the Company's business

The Company has during the fiscal year of 2015 changed its name from of AB Leturia to Cognosec AB (publ), (organisation number: 556135-4811).

In connection with the decision to change name, the Company has also amended its Articles of Association. The details on business, under the new Articles of Association, is henceforth "to develop, market and sell solutions to increase safety on the internet, to selling products and services in this area, through own organisation and through associated companies, subsidiaries, agents and partners, to pursue such activities through associates and subsidiaries, to manage business and property, to engage in strategic consulting, to performing parent Company business and related business."

The Company has changed the status of Company incorporation from private to public company. The Company's shares have also been covered by a centralised share depository provision and the Company's share register is henceforth kept a managed by Euroclear.

Consolidated earnings for the twelve months through to December 31, 2015 amounted to 1 449,6 TEUR, of which TEUR 206,7TEUR refers to income attributable to minority shareholders. Consolidated shareholders' equity at December 31 amounted to 7 526,3 TEUR of which 322,8 TEUR relate to equity attributable to minority shareholders.

The Parent Company's loss for the 12 months up to and including December 31, 2015 amounted to 55.0 TEUR. Equity in the Parent Company amounted to 5896,0 TEUR.

Related party transaction

Transactions with related parties have all been executed on market terms and are further described in Note 17.

Share data

As of December 31, 2015, the Company has a total of 244 800 000 issued shares. The quota value amounts to 0, 0025 SEK or 0.000278 EUR per shares. For more information about the Company's shares, see Note 10.

At 31 December 2015 Kobus Paulsen owned 96,67% of the shares (236 674 500 shares) in Cognosec AB. This has not been adjusted to reflect share transactions that were detailed in the prospectus that the company prepared in 2015.

Significant events during the 12 months ending 31 December 2015

Cognosec AB acquired with full access, per January 1, 2015, the wholly owned subsidiaries Advanced Risk Mitigation Ltd. (Dubai), African Risk Mitigation Pty Ltd (South Africa), and Professional Technologies Ltd (Kenya). Cognosec Ltd in England was acquired on 21st August.

At the same date, the Company acquired with full access, 75.8% of the capital and voting rights in Dynamic Recovery Services Pty Ltd (South Africa).

Additional consideration for purchase of subsidiaries recognised as a result of audited financial information (This additional consideration is now reflected amount reflected in the financial information of the annual accounts 2015) Payment of this additional consideration will occur during Q2 2016.

Advanced Risk Mitigation Ltd of Dubai and the African Risk Mitigation Pty Ltd in South Africa changed their respective names to Credence Security Ltd in Dubai and to Credence Security Pty Ltd in South Africa.

Cognosec AB submitted its prospectus, including a rights issue of 10 million shares for a value of EUR 5 M and a share swap of the Company's main shareholders Kobus Paulsen of the Company's shares.

The Prospectus was approved on 28 September 2015. A prospectus supplement was approved on November 18, 2015. Both the prospectus and supplementary prospectus were subsequently approved for use (EU regulation on Passportation of Prospectus) in the Netherlands, Germany, and United Kingdom.

The Group signed a multi-year agreement with a major South African Bank for a value of about 5.5M. The Company also signed a number of significant permanent new customer contact.

Öhrlings Price Waterhouse was appointed as auditor for Cognosec AB and for the Group. Martin Johansson was appointed as the senior statutory auditor.

Significant events after the balance sheet date

After the 31 December 2015, the following new Directors and deputy directors have been appointed; Bjorn Elowsson (Director) Anna Petre (Director) Dusyant Patel (Deputy Director). Patrick Boylan has left his position as CEO but remains a director of the board. Robert Brown was appointed as CEO for the Group by the board.

The remaining shares subscribed in Cognosec AB's new share issue have essentially been paid in April 2016.

Board and managing director

The Company's Board of Directors consists per December 31, 2015 of the following members: Kobus Paulsen (Chairman), Magnus Stuart, Lord David Blunkett, Patrick Boylan, Neira Jones and Daniel Holden.

As of December 31, 2015, Patrick Boylan was serving as the Company's CEO.

Annual general meeting

The annual general meeting (AGM) is scheduled for May 31st 2016.

Proposed appropriation of the current year results

The below funds and proposed treatment of them is to be decided at the company's annual general meeting.

Free equity	5 884 800 EUR
Current year loss (Parent Company)	(55 000) EUR
TOTAL	**5 829 800 EUR**

The board proposes that the available funds are carried forward

To be brought forward	**5 829 800 EUR**

Consolidated profit and loss

	Note	12 Monts to 31 December 2015
Net sales	4	**16 791,2**
Cost of goods sold		**(10 943,0)**
Gross profit		**5 848,2**
Sales related expenses	5	**(2 432,0)**
Administration expenses	5	**(1 454,8)**
Operating expenses		**(104,5)**
Operating profit		**1 856,9**
Financial items:		
Interest income and similar items		**51,0**
Profit after financial items		**1 907,9**
Current year tax	8	**(458,3)**
Profit after tax		**1 449,6**
Attributable to		
Equity holders of the Parent		**1 242,9**
Non-controlling interest		**206,7**

Consolidated statement of financial position

	Note	31 december 2015
Fixed assets		
Intangible assets		
License agreements	9	**72,9**
Goodwill	7, 9, 10	**935,5**
Total intangible assets		**1008,4**
Tangible fixed asset		
Fixtures and fittings		**103,7**
Total tangible assets		**664,5**
Current assets		
Short term receivables		
Inventory		**463,3**
Trade receivables		**7 205,5**
Receivable for subscribed shares	2	**3 908,0**
Other receivables		**165,1**
Prepaid expenses	11	**136,4**
Total short term receivables		**11 878,3**
Cash and Bank	16	**2 946,4**
Total current assets		**14 824,7**
Total assets		**15 936,8**
Equity		
Share capital		**66,2**
Other contributed capital		**5 730,2**
Other equity including retained earnings		**1 407,1**
Equity attributable to		
Equity holders of the Parent	12	**7 203,5**
Non-controlling interest	12	**322,8**
Total equity		**7526,3**
Current liabilities		
Trade payables		**6885,0**
Other payables	15	**920,6**
Accrued expenses and deferred income	14	**604,6**
Total current liabilities		**8410,5**
Total equity and liabilities		**15 936,8**
Collateral posted	11	**20**

Consolidated statement of changes in equity

	Note	Share-capital	Share premium	Currency-reserve	Retained earnings	Owners of the Parent	Non-controll-ing interest	Total equity
2014-12-31		**27,1**	**0**	**0**	**0**	**27,1**	**0**	**27,1**
Acquired Non-controlling interest						**0,0**	**116,1**	**116,1**
Current year profit					**1 242,9**	**1 242,9**	**206,7**	**1 449,6**
Adjustment from final acquisition analysis					**164,2**	**164,2**		**164,2**
Currency translation				**(345,3)**		**(345,3)**		**(345,3)**
Ongoing share offering	2		**5 000,0**			**5 000,0**		**5 000,0**
Costs related to ongoing share offering			**(416,0)**			**(416,0)**		**(416,0)**
Tax recognised over equity related to tax deductible costs for IPO costs also recognised over equity			**91,5**			**91,5**		**91,5**
Offset issue	10	**39,1**				**39,1**		**39,1**
Directed share issue	10		**1 400,0**			**1 400,0**		**1 400,0**
2015-12-31		**66,2**	**6 075,5**	**(345,3)**	**1 407,1**	**7 203,5**	**322,8**	**7 526,3**

Consolidated statement of cash flows

	Note	12 months to 31 December 2015
Continuing operation		
Operating profit		**1 856,9**
Adjustments for non-cash items in the operating profit		**65,3**
Paid interest		**(2,3)**
Paid corporation tax		**(90,8)**
Cash flow from continuing operations before changes in Operating capital		**1 829,1**
Changes in short term receivables and payables		**(63,6)**
Cash flow from continuing operations		**1 765,5**
Cash flow from investment activities		
Acquisition of licence agreements		
Acquisition of subsidiaries	10	**(1 369,2)**
Cash flow from investment activities		**(1 369,2)**
Cash flow from financing activities		
Completed share issues	12	**1400,0**
Ongoing share offerings	16	**870,0**
Repaid debt		**(162,0)**
Cash flow from financing activities		**2 108,0**
Increase in cash and cash equivalents		**2 504,3**
Cash and cash equivalents at 01/01/2015		**19,7**
Acquired cash and cash equivalents		**348,3**
Foreign exchange effect		**74,1**
Cash and cash equivalents at 31/12/2015		**2 946,4**

Parent Company profit and loss

	Note	Financial year 2015	Financial year 2014
Sales		**0,0**	**0,4**
Cost of goods sold		**0,0**	
Gross profit		**0,0**	**0,4**
Operating expenses		**0,0**	
Administrative expenses		**(53,1)**	**(5,5)**
Operating loss		**(53,1)**	**(5,1)**
Financial items:			
Interest expense and similar items		**(1,9)**	**0,0**
Loss after financial items		**(55,0)**	**(5,1)**
Current year tax	8	**0,0**	**0,0**
Net loss		**(55,0)**	**(5,1)**

Parent Company Statement of financial position

	Note	Per 31 december 2015	Per 31 december 2014
Fixed assets			
Intangible assets			
License agreement	9	**72,9**	
Financial assets			
Investment in subsidiaries	10	**1 816,7**	
Total fixed assets		**1 889,6**	**0**
Short term receivables			
Other receivables			
Prepaid expenses	11	**123,9**	**1,4**
Deferred tax asset receivable	8	**222,0**	
Receivable for ongoing share issue	2	**3 908,4**	
Cash and cash equivalents	15	**915,7**	**19,7**
Total short term receivables		**4 984,0**	**21,1**
Total assets		**7 059,6**	**21,1**
Equity	12		
Share capital		**66,2**	**27,1**
Share premium (registered and unregistered)		**5 983,2**	**0**
Other equity including current year profit		**(153,4)**	**(11,4)**
Total equity		**5 896,0**	**15,7**
Sort term liabilities			
Trade payables		**620,0**	
Other liabilities	15	**253,7**	
Accrued expenses	14	**289,9**	**5,4**
Total short term liabilities		**1 163,6**	**5,4**
Total equity and liabilities		**7 059,6**	**21,1**
Posted collateral	11	**20**	**7,2**

Parent Company Statement of changes in equity

	Note	Share-capital	Share premium	Other equity including retained earnings	Total equity
Equity at 2014-12-31		**27,1**	**0**	**(11,4)**	**15,7**
Current year loss				**(55,0)**	**(55,0)**
Offset share issue	10	**39,1**			**39,1**
Offset share issue registered in 2016	10		**1399,2**	**0,8**	**1400,0**
Ongoing share issue	2		**5 000,0**		**5 000,0**
Currency effects				**(87,8)**	**(87,8)**
Equity at 2015-12-31	10	**66,2**	**5 983,2**	**(153,4)**	**5 896,0**

Parent Company Statement of cash flows

	Note	Financial year 2015	Financial year 2014
Continuing operations			
Operating profit		**(53,1)**	**(5,1)**
Adjustments for non-cash flow items		**50**	**1,1**
Cash flow from continuing operations before changes in working capital		**(3,1)**	**(4)**
Decrease in working capital		**19,6**	**0**
Cash flow from continuing operations		**16,5**	**(4)**
Investments activity			
Acquisition of shares in subsidiaries	10	**(1369,2)**	**0**
Cash flow from investment activity		**(1369,2)**	**0**
Financing activities			
Funds received from ongoing share issue	15	**870,0**	**0**
Funds received from directed issue	12	**1 400,0**	**0**
Cash flow from financing activities		**2 270,0**	**0**
Increase in cash and cash equivalents		**917,3**	**0**
Cash and cash equivalents at the start of the year		**19,7**	**23,7**
Foreign exchange effect		**-21,3**	**0,0**
Cash and cash equivalents at the end of the year	16	**915,7**	**19,7**

cognosec

Notes to the annual accounts

Accounting policies and explanatory notes to the financial statements for the year ended 31 December 2015

Note 1 Accounting policies

General information

Cognosec ABs standalone (parent company) and consolidated financial statements are prepared in accordance with the Swedish annual accounts act, the Swedish Accounting Standards Board's general recommendations; BFNAR 2012:1 Annual accounts and consolidated financial statements (K3). The principles of K3 is similar to IFRS for SMEs, there are however amendments and differences due to Swedish law, specific established Swedish accounting precedence as well as adjustments to accommodate Swedish tax law.

The current group structure was formed in 2015; therefore, no consolidated comparative financial information is presented.

The parent company applied BFNAR 2008:1 Annual accounts for smaller companies' (K2) prior to 2015. At 1 January 2015 the parent company changed its accounting standards to BFNAR 2012:1 Annual accounts and consolidated financial statements (K3). The Transition from BFNAR 2008:1 (Annual accounts for smaller companies') to BFNAR 2012:1 Annual accounts and consolidated financial statements (K3) did not result in any adjustments of opening balances.

The parent company's trading activity prior to 2015 was so limited that it is considered to have been dormant. Due to statutory requirements for the parent company comparative financial information is presented for its primary financial statements and related notes.

The reporting currency for the consolidated financial statements and the parent company is Euro.

Consolidation

Cognosec AB establishes the consolidated reporting. Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. (Refer to note 10).

The consolidated annual accounts are based on the purchase method in combinations with results in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill. Goodwill is tested for impairment annually but is also depreciated over 10 years as required by established Swedish accounting precedence.

Inter-company transactions, balances and unrealised gains on transactions between the parent company and its subsidiaries, are eliminated in full.

Foreign subsidiaries prepare their financial statements in foreign currency. On consolidation their balance sheets and income statements are translated at the closing rate and the average exchange rate for the reporting period.

The resulting exchange differences are recognised as cumulative exchange differences in equity.

Foreign currencies

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is also the parent company and the group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss as a financial item. Reporting of sales per category of sales and geographical markets.

The groups category of sales is divided into the following categories

Sale of software licenses and computer hardware, Cyber security consulting services.

The sales are reported for each country the group has operations in. The group have operations in South Africa, Kenya, United Arab Emirates, The United Kingdom.

Detailed sales reporting is provided in Note 4.

Sales

Revenue and cost from the sale of the Company's product and services are recognised when the risks and benefits are transferred from seller to buyer in accordance with the agreed terms of sale.

Consultancy services at a fixed price are paid in relation to the stage of completion at the balance sheet date (percentage of completion). Completion of an assignment is determined by costs incurred to date with the estimated total expenditure. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent that corresponds to the contract costs incurred that are likely to be recoverable. An anticipated loss on an assignment is reported immediately as a cost.

Other incomes

Interest income is recognised as it is earned. Dividends are recognised when the right to receive the dividend is assured.

Leasing agreements

Leases in which the economic benefits and risks associated with the leased asset are retained by the lessor are classified as operating leases.

There are no financial leases in the Group

Remuneration to staff, management and the board of directors

Short term remuneration

Short-term benefits in the group are made up of salary, social security contributions, paid vacation, paid sick leave, health care and bonuses. Short-term benefits are recognised as an expense and a liability when there is a legal or constructive obligation to pay the compensation.

Post-employment benefits

The Group provide staff with defined contribution pension plans. In a defined contribution plan fixed contributions are paid to the pension plan provider. No other obligation exists for these defined contribution pension plans. Cost arising from the defined contribution pension plans is recognised as and when the staff perform their service.

Termination benefits

Termination benefits are payable when any company within the Group decides to terminate employment before the normal retirement date or when an employee accepts an offer of voluntary redundancy in exchange for such compensation. If compensation does not give rise to any future economic benefit, a provision and a corresponding expense is recognised once there is a legal or constructive obligation to make such compensation. The compensation is valued at the best estimate of the amount required to settle the obligation.

Income tax

Current taxes are measured at the tax rates prevailing at the balance sheet date. Deferred taxes are measured using tax rates and tax rules which they are expected to become current at.

Deferred tax liabilities on temporary differences arising from investments in subsidiaries are not recognised when the Parent Company can control the reversal of such differences, and that a reversal is noted considered likely in the foreseeable future.

Deferred tax assets relating to carryforward tax losses are only recognised to the extent that it is probable they can be used against future taxable profits. Deferred income tax assets and liabilities are only offset when there is a legal right and intention to settle them on a net basis. Current tax, as well as changes in deferred tax, is recognised in the income statement unless the tax is attributable to an event or transaction which is recognised directly in equity. In such case the tax effect will also be recognised in equity.

The subsidiary in Dubai is affected by Swedish CFC (Controlled foreign corporation). Taxable profits in this subsidiary is fully taxed in Sweden regardless of any distributions to Cognosec AB. Cognosec AB shows current tax from these CFC related profits in its income statement to the extent there is tax deductible costs that they can be off setted against. In the consolidated income statement all current tax from CFC profits is recognised in the income statement.

Intangible assets

Intangible assets are recognised at cost less accumulated depreciation and impairment losses. In consolidated financial statements the activation model of internally generated intangible assets is applied. Depreciation is made in linear over the estimated useful life. Goodwill is amortised over the period of 10 years.

Fixtures and fittings

Equipment is recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Expenditures for repairs and maintenance are recognised as expenses.

Capital gain or capital loss on the disposal of an asset is recognised as Other Income or Operating Expense.

Equipment is depreciated systematically over the asset's estimated useful life. Straight line depreciation over a period of 5-years is applied to all fixtures and fittings.

Write down of assets other than financial assets

When there is an indication that an asset's value has decreased, an impairment test is made. If the assets recoverable value is lower than the book value, the asset is written down to its recoverable amount. When assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). In the income statement impairment losses and reversals of impairment are recognised in the function in which the asset is used.

Financial instruments

Financial instruments are recognised under the Swedish GAAP rules of K3 Chapter 11, which means that valuation is based on acquisition cost.

Financial instruments that are recognised in the balance sheet include receivables, and other receivables, short-term investments, accounts payable, loans and derivatives. The instruments are recognised when the Company becomes party to the instrument's contractual terms.

Financial assets are derecognised when the rights to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all risks and rewards associated with ownership. Financial liabilities are derecognised when the obligations have been settled or otherwise terminated.

Trade and other receivables
Receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as fixed assets. Receivable are recorded at the amount expected to be paid after deductions for individually assessed doubtful receivables. Receivables which are interest free or bear interest which deviates from the market and have a maturity exceeding 12 months, reported at a discounted present value and time value change is recognised as interest income in the income statement.

Borrowings and payables
Borrowings are recognised initially at cost, net of transaction costs (amortised cost). If different to the carrying amount of the sum to be repaid at maturity, the difference is recognised as interest expense over the term of the loan, using the instrument's effective interest rate. Thereby conforming the maturity date, the carrying amount and the amount to be repaid. Short-term payables are recognised at cost.

Derivatives
Derivative instruments consist of currency forward contracts for managing currency risks. Hedge accounting is not applied. Derivatives with positive values are continuously measured in accordance with the lowest value principle, derivatives with a negative value are measured at the negative value. The changes in value that arise in the context of lower of cost and changes to the negative value, are recognised immediately in the income statement. Change in value of forward exchange contracts are recognised in Other Operating Expenses in the income statement.

Offsetting a financial asset and financial liability
Financial assets and financial liabilities are offset and recognised by the net amount in the balance sheet only when the legal right exists and the regulation of a net amount takes place or at the simultaneous sale of the asset and settlement of the liability referred to.

Impairment testing of financial assets
At each balance sheet date, financial assets are tested, for any indication of impairment exists. Impairment is recognised if the impairment is deemed to be permanent. Impairment losses are recognised in the income statement under item Other Expenses. The need for impairment are tested individually for all financial assets that are essential. Examples of indications of impairment are adverse economic conditions or adverse changes in industry conditions in companies whose shares Cognosec AB have invested in. Impairment of assets measured at amortised cost is calculated as the difference between the asset's carrying amount and the present value of management's best estimate of future cash flows discounted at the asset's original effective interest rate. For assets with variable rate of interest on the balance sheet date, current interest rate as the discount rate.

Provisions
Provisions are made when there is a legal or constructive obligation and a reliable estimate of the amount can be made. The Company calculates the present value of obligations that are expected to be settled after more than twelve months. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for restructuring are made when there is a specific and detailed restructuring plan and the persons concerned have been informed.

Group companies are not responsible for the cost of any exploitation of software or hardware warranties as these are handled by the party that owns the software rights, or the party that manufactured the hardware.

Provisions are made for onerous customer contracts. Provisions are made at the lower of the net sales less unavoidable costs or for the cost of terminating the contract.

Statement of Cash flows

Cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that involve cash receipts or disbursements.

Cash and cash equivalents include, in addition to bank deposits and cash on hand such assets that are; Short term deposits and other short-term liquid investments which are regularly traded in a marketplace and has a maturity of less than three months from the date of acquisition. Restricted cash is not classified as cash equivalents. Changes in restricted cash are reported in investing activities.

Parent company accounting policies

Same accounting policies are used by the Parent Company except for the following exceptions:

The same accounting and valuation principles applied in the Parent Company and the Group, except in the cases listed below.

Yearend adjustments

Changes in untaxed reserves are reported as appropriations in the income statement.

Group contributions are reported as appropriations. Group contributions paid to subsidiaries is recognised, as an increase in the carrying value of investments in subsidiaries.

Tangible fixed assets

The Parent Company made no provisions for restoration costs related to the acquisition of tangible assets. Instead, the principle that the provision for restoration costs is done gradually.

Shares in and participation in subsidiaries

Shares in subsidiaries are carried at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital and Group is capitalised when they left. Dividends from subsidiaries are recognised as income.

Equity

Equity is divided into restricted and unrestricted equity, in accordance with the Swedish Annual Accounts Act division.

Costs directly related to the acquisition of capital is not recognised in the income statement but recognised in equity.

Cash and cash equivalents

The Parent Company has funds in a trust account of the Company's financial advisor. These are classified as part of cash in the balance sheet and cash flow statement.

Note 2 Estimates and judgements

Cognosec makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of material adjustments to the carrying values of assets and liabilities within the next year are outlined below.

Estimates regarding the total cost that is directly related to the ongoing new share issue and planned listing of its shares has been made.

Cost of this issue and the related listing amounts to 416,0 TEUR. Of the total amount of 416,0 TEUR 216.7 to TEUR are accrued expenses is expected but not yet invoiced.

There was no indication in connection with the signing of the annual report that the expected accrued expenses were substantially wrong. Any adjustment between the accrued expense and the cost can be determined after the issue is completed, will be recognised as an adjustment to the cost of the issue.

Note 3 Risks and risk management

The Group is exposed to a variety of risks and uncertainties. Significant risks to which the Group is exposed to and the measures applied to reduce those described below. The two types of risk to which the Group is exposed to are principally market risk and financial risk.

Market Risks

Risks related to key personnel

The success of Cognosec is based on a few key people and their knowledge, experience and creativity. If one or more of these individuals leave Cognosec and they cannot be rapidly replaced, this is likely to result in negative impacts to the business. Cognosec's future growth depends largely on the Company's ability to both to attract new, and to retain qualified employees. Competition for staff in the Cyber Security field means that there is a risk that personnel cannot be recruited or that personnel cannot be recruited on reasonable terms. This risk threatens growth for the Company and its ability to delivery.

Risk management of risks related to key employees

The Group manages the risks related to key employees, by offering attractive terms of employment and attractive training of employees. In addition, the risk is minimised by ensuring interesting, challenging and stimulating work and attractive employment benefits.

Risks related to competitors, and new competing technologies

Cognosec have a number of competitors that have the potential to affect the Company's operations. There are companies that compete with the same or similar products and / or services as Cognosec. In addition, innovation and product development by competitors is a risk in the business. As a consequence, the range of services Cognosec provides risk becoming obsolete and reduces the attractiveness of the Company's customers.

Risk management of risks related to competitors, and new competing technologies

The Group reduces this risk by working by contracting a range of different software and hardware providers to ensure multiple sources, and by providing employees with adequate training and certifications in order to have an offer that meets market expectations ever changing needs.

Risks related to certification and licensing

Cognosec has a number of important certifications and licenses that will enable the Group to conduct audits, risk assessment and to execute its business. These certifications and licenses need to both to be renewed and also extended to be obtained for new geographic areas as the Group expands. If these are not obtained for renewal or replaced as new applications the consequence affects the ability of subsidiaries' operations and ultimately the Group's expansion plans.

Risk management of risks related to certification and licensing
The Group reduces this risk by applying for new- or re-certifications and licenses in good time and checking that all requirements are met for the unknown.

Risks related to reputation and brand
Cognosec depend on its reputation and the strength of its trademark and brand. These are important for both new and existing customers in their choice of supplier. Quality problems, operational or logistical problems and the loss of existing customers or supplier may lead to damage on Cognosecs brand and reputation damage to existing Customers. Cognosec can also be negatively affected if employees or persons linked to the Group commits unethical, criminal (including but not limited to, violations of applicable anti-corruption- or anti-bribe regulation) or in breach of the Group's internal guidelines and policies which could lead to customers and suppliers associate with the group takes measures, which could have a negative impact on Cognosec's brand and reputation.

Risk management of risks related to reputation and brand
Cognosec reputation and brand are protected by careful management focusing only on providing quality services and products and to closely monitor services and product deliveries.

Risks related to business secrets
Cognosec operations and market position are largely dependent on the maintenance of Group's corporate secrets. Cognosecs corporate secrets are mainly protected by relevant legislation and customary contractual settlements with employees, suppliers, customers and partners. If protection from insurance policies, legislation and agreements are insufficient to compensate for damage that the Group would incur on its business secrets, should these fall into outside knowledge, Cognosec operation, financial position and earnings may be adversely materially affected.

Risk management of risks related to business secrets
This risk is reduced by the Group's management practice and disclosure of business security policies.

Risks related to the establishment of new markets
Cognosec business is growing through entering new markets. To establish it in new countries and in regions in the new jurisdictions, involves various risks that are difficult to identify and predict. To additionally expand overseas entails risks for delays and as consequence of this the loss of potential revenues, increased costs, restrictions, additional taxes, charges or fees. The establishment of a new market in itself is a risk. There is always some uncertainty whether a plan will succeed or can be implemented as decided. This may have an impact on business sales, financial position and results.

Risk management of risks related to entering new markets
Before operations established in new markets made detailed market studies and plans of establishment to ensure that the establishment can be implemented and achieve such strategic goals.

Risks related to the lack of corporate governance and business control
Emerging markets have sometimes weaker corporate governance system whereby other organisations, sometimes with support from authorities and governments, are given a greater say in governance of the company than its shareholders. Moreover, in countries with restrictions on the acquisition and management, does not provide genuine incentives to maintain job security.

Risk management of risks related to the lack of corporate governance and business control
The Group limits this risk by continuous monitoring of the subsidiaries and places extensive requirements on subsidiaries' management, governance and reporting.

Risks related to political circumstances
Political risk is the uncertainty about the negative consequences of a company depending on decisions in the political sphere. Developed countries tend to follow principles of free market with discipline and a low degree of government intervention, while companies operating in emerging markets are at risk of being nationalised through politically motivated decisions. Some additional political factors that contribute to political risk are: risks of war, sudden tax increases, loss of subsidies, changes in market policies, local inability to control inflation, and laws on resource extraction. Major political instability can locally lead to civil war and widespread disruption of business: Workers can either refuse or no longer have the ability to perform their duties.

Risk management of risks related to political circumstances
The Group manages this risk by diversifying operations to countries other than Kenya and South Africa, where some political risk is considered finding that the group's total business is not dependent on activity in these countries.

Risks related to the Broad-Based Black Economic Empowerment (South Africa)
The subsidiary, Dynamic Recovery Services in South Africa has a so-called "Broad Base Black Economic Empowerment status" (BBBEE), which requires that the Company to maintain a number of criteria in order to retain this status. Failure in this area implies that BBBEE status can no longer be maintained, which can render the ability to submit public tenders in South Africa, to be severely limited or rendered impossible.

Risk management of risks related to Broad Base Black Economic Empowerment (South Africa)
A comprehensive effort undertaken by the Dynamic Recovery Services management to ensure that the requirements of BBBE meet.

Financial Risks

Risks related to currencies
The group has revenues and expenses in multiple currencies. Mainly ZAR, AED, GBP, EUR and SEK. The Group's accounting currency is the EUR. The Group is exposed to two main foreign currency risks;
Risks related to short-term currency fluctuations
Short-term currency fluctuations between the subsidiaries' functional currency and in the case of transactions occurred in currencies other than the subsidiary's functional currency or Euro (which is the Group's accounting currency). Unfavorable exchange rate fluctuations resulting in outstanding receivables or liabilities will be depreciated or appreciated in relation to the subsidiary's functional currency, and thus impact the conversion to the Euro.

Risk management of risks related to short-term currency fluctuations
To reduce this risk Cognosec operates hedges of essential but not all currency exposures through forward exchange contracts.

Risks related to the long-term weakening of the subsidiaries' currencies against the Euro
Long-term weakening of the subsidiaries' functional currencies against the Euro resulting in reported revenues, expenses and income from these subsidiaries is reported at the lower amount in Euro.

Risk management of risks related to the long-term weakening of the subsidiaries' currencies against the euro
The Group's geographical extension reduces the risk of a single currency's long-term weakening against

the Euro. A long-term strengthening of the euro is limited to some extent by some of the Group's subsidiaries have both revenues and costs in Euro (even if they have a functional currency)

Risks related to disputes
The group may be involved in disputes in the normal course of business and at risk of becoming subject to claims in lawsuits regarding contracts, product liability or other claims. These are time-consuming and disrupt normal operations. Disputes may also result in receivables not recovered or the cost of the damages incurred.

Risk management of risks related to disputes
The Group limits this risk by using well-designed contracts, obtaining legal advice when ambiguity is present, and by taking out comprehensive insurance policies.

Risks related to liquidity
The Group's liquidity is partly due to the Group's overall financing as well as financial and operational commitment, contractual as well, but also constructive. Uncertainties related to the recoverability of receivables and the timing of recovery of these influences together with the timing of payments for commitments. Unfavorable timing of receipts and disbursements, as well as non-recoverable receivables may affect the Group's liquidity in such a way that the group cannot be considered a "going concern" which could hinder the Group's operations.

Risk management of risks related to liquidity
Overall financial planning including the preparation and monitoring of budgets for the subsidiaries and the Group, together with detailed liquidity forecasts at Group and subsidiary level will help to reduce liquidity risk.

Cash and cash equivalents of the Group as at 12.31.2015 of 2 946.4 TEUR deemed by the board to be sufficient for the Group to meet the group going conditions.

Note 4 Sales per categories of sales and geographical market

The group's sales are divided in the following sales categories:

	Group 2015	
Sale of software licenses and computer hardware	**14 603,8**	87%
Revenue from consulting services	**2 187,4**	13%
Total	**16 791,2**	100%

Sales per geographic market:

	Group 2015	
Kenya	**798,7**	4,6%
South Africa	**12 063,5**	71,9%
United Arab Emirates	**3 929,0**	23,5%
Total	**16 791,2**	100%

Not 5 Staff

Salaries and salary related costs

	Salaries and other remuneration	Salary overheads
Parent Company	37,2	0
Subsidiaries	2 390,6	45,8
Group	**2 427,5**	**45,8**

	Salaries and other remuneration	Salary overheads
Board of directors, CEO and key management	221,8	3,3
Other staff	2 205,7	42,5
Group	**2 427,5**	**45,8**

Remuneration to the Board reflects invoiced consulting services. Compensation for Robert Brown (first in 2016 formally elected as the CEO) amounted to 184.6 TEUR in 2015. Patrick Boylan was the CEO received no compensation in 2015 the time he was both director and CEO.

Average number of staff

Average number of staff 2015	**Woman**	**Men**	**Total**
Parent Company*	0	2	2
Total Parent Company	0	2	2
Subsidiaries			
South Africa	7	50	57
Kenya	2	15	17
United Arab Emirates	2	5	7
Subsidiaries	11	70	81
Total	11	72	83

*The Parent Company had no employees during 2015; except of two board members who performed duties on behalf of the Company on consulting contracts.

Board members and key management

At 31 December 2015	**Woman**	**Men**	**Total**
Group			
Board members	1	5	6
CEO and key management	1	1	2
Parent Company			
Board members	1	5	6
CEO and key management	1	1	2

Note 6 Audit and consulting fees

	Group 2015	Parent Company 2015	Parent Company 2014
PwC			
Group and statutory audit fee	75,8	75,8	
Audit fees other than group or statutory audit	54,2	54,2	
Tax advise	0	0	
Other consulting fees	0	0	
Anoroc Revision AB			
Statutory audit fee	10	10	3,2
Total	**130,0**	**130,0**	**3,2**
Subsidiary auditors			
Statutory audit fee	18,0		
Audit fees other than statutory audit fee	6,0		
Tax advise	0		
Other consulting fees	0		
Total	**24,0**		
Total	**154,9**		

Note 7 Depreciation, amortisation and write-downs

Depreciation of tangible fixed assets amounted to 31, 5 TEUR, such depreciations in the Parent Company amounted to zero Euro. Depreciation of intangible fixed assets amounted to 54,2 TEUR, and in the Parent Company zero EUR.

Not 8 Tax

	Group 2015	Parent Company 2015	Parent Company 2014
Current tax recognised via the income statement	403,5	12,1	0
Current tax recognised outside the income statement	(91,5)	209,9	0
Total current tax	**312,0**	**222,0**	**0**
Profit before tax	**2 457,0**	**(55,0)**	**0**
Current tax from CFC profits recognised over the income statement (22% tax)	313,5	222	
Deferred tax income related to CFC-profit (22%)		(222)	
Current tax in subsidiaries	144,5	0	0
Tax shown in income statement	**458,3**	**0**	**0**
Tax recognised over equity			
Tax effect from deductible costs not recognised in the income statement for relating to IPO costs recognised outside the income statement	(91,5)	(91,5)	
Tax recognised via equity	**(91,5)**	**222,0**	
Tax recognised via the income statement and over equity	**366,8**	**222,0**	

cognosec

The parent company recognises and pays tax on CFC (Controlled foreign corporation) taxable profits from its wholly owned subsidiary in Dubai since this company is affected by Swedish CFC taxations rules according to Swedish corporate income tax legislation; Chapter 39 7a §.

Note 9 Intangible assets

Licence agreement	Group 2015	Parent Company 2015	Parent Company 2014
Opening balance	0	0	0
Acquisition of license agreement*	**72,9**	**72,9**	**0**
Closing balance	**0**	**0**	**0**
Accumulated amortisations brought forward	0	0	0
Current year amortisations	0	0	0
Accumulated amortisation carried forward	**0**	**0**	**0**
Net value License agreements	**72,9**	**72,9**	**0**

* Acquisition of the concession agreement relates to intellectual property from a partnership agreement that is entered into with Cognosec GmbH. The purchase price for all shares in Cognosec GmbH of TEUR 39,0 has been paid up. The shares have not been transferred to Cognosec AB. These will be written off in full during 2016 when Cognosec AB have full access to at least 75,1% of Cognosec GmbH's shares.

Goodwill	Group 2015
Opening balance Goodwill	0
Goodwill recognised from acquisitions	989,7
Acquired Goodwill carried forward	**989,7**
Opening balance accumulated amortisations	0
Current year amortisation	54,2
Closing balance accumulated amortisations	**54,2**
Net value Goodwill	**935,5**

Impairment testing of goodwill

In addition to goodwill being amortised over 10 years, Goodwill is tested annually for impairments. At the impairment test, the smallest units are identified, that can be identified as cash generating units (CGU). Cash flow generating units are identified as the subsidiaries within the Group.

Cash flow forecasts for each CGU based on the Group's budget for the first year of the forecast, then apply assumptions that are not greater than inflation and the growth rate of the country where the CGU is located. Future cash flows are discounted to present value by applying a risk-weighted discount rate. Risk-weighted discount rate for the cash-generating units is determined by the return target which the Group has set for each cash generating unit.

As the Group or its subsidiaries have no short - or long-term debt, the cost of borrowing in the calculation of the discount rate is not taken into account. Applied discount rates are between 15-25%. Performed impairment test does not indicate the existence of any impairment of goodwill.

Note 10 Financial assets

Shares in subsidiaries	Parent Company 2015	Parent Company 2014
Opening balance shares in subsidiaries	**0**	**0**
Acquisition	**1 816,7**	**0**
Closing balance shares in subsidiaries	**1 816,7**	**0**

Shares in subsidiaries are composed as follows:

Subsidiary name Company	Registration number	Place of incorporation	Share of votes	Share of capital
Cognosec Ltd	224746800	London, UK	100%	100%
Credence Security UAE	DMCC JLT 4874	Dubai, UAE	100%	100%
Profesional Technologies Ltd	NO.C 81571	Kenya	100%	100%
Dynamic Recovery Services Pty Ltd	1997/019520/07	South Africa	75,6%	75,6%
Credence Security Pty Ltd	1999/009285/07	South Africa	75,6%	75,6%

Acquired subsidiaries

During the year, four significant acquisitions were made by the Parent Company. These have been included in the consolidated financial statements from the date that Cognosec AB received control over the acquired Companies. This occurred on 1 January 2015, as this was the agreed access date for the acquired shares. From the date of acquisition, the acquired companies represented 100% of the Groups net sales and 101.6% (because the Parent Company had a loss) of consolidated profit after amortisation of goodwill on consolidation (goodwill amortisation of TEUR 37.8 was charged to the Group's results 1 449,6 TEUR).

The preliminary acquisition analysis, which was established in connection with the acquisitions of subsidiaries have been adjusted. Final acquisition analysis which was developed in the preparation of the financial statements includes two adjustments:

• The fair value of the minority share of net assets is included in the final acquisition analysis which means that the fair value of recognised net assets has been increased with an amount of 116,0 TEUR.

• The cash purchase price agreed was 280 TEUR higher than previously reported.

• Additional contingent consideration of 446,7 has been included in the total consideration based on audited financial information for 2015.

The effect of these two changes is that total goodwill has increased with the difference between the agreed purchase price paid and the acquired net assets relating to minority interests. This increases recognised Goodwill by 611,6 TEUR. The Parent Company's balance sheet recognises an increase of values on shares in subsidiaries by 734,7 TEUR when no minority interest is reported in the Parent Company's balance sheet.

Final Acquisition analysis:

	Dynamic recovery services Ltd (South Africa)	**Credence Security (South Africa)**	**Credence Security (UAE)**	**Profesional Technologies Ltd (Kenya)**	**Totalt**
Fair value acquired assets	2 443,7	328,8	2 023,9	678,4	5 474,9
Fair value acquired liabilities	(1 960,0)	(311,2)	(1 900,2)	(476,4)	(4 647,9)
Fair value of acquired net assets	**483,7**	**17,6**	**123 697**	**202,1**	**827,0**
Distribution	58%	2%	15%	24%	100%
Allocation of consideration And net assets acquired					
assets acquired	**483,7**	**17,6**	**123,7**	**202,1**	**827,0**
Purchase consideration	**1248,4**	**29,1**	**204,8**	**334,5**	**1816,7**
Goodwill	**764,7**	**11,5**	**81,1**	**132,5**	**989,7**

Cognosec Ltd was acquired on the 21 August 2015 as a dormant company from UC Group Ltd for 1 EUR. No acquisition analysis has been prepared as it is not considered as a significant acquisition.

Note 11 Prepaid expenses and deferred revenue

	Group 2015	Parent Company 2015	Parent Company 2014
Prepaid rent	**39,1**	**39,1**	**0**
Other prepaid rent	**96,6**	**84,1**	**0**
Total	**136,4**	**123,9**	**0**

Prepaid expenses include a rent deposit of €20,0 which is also presented as posted collateral.

Note 12 Share capital

Per the 31 December 2015 the Parent Company's share is comprised of 244.8 million shares or 612KSEK , each with a quota value of 0, 0025 SEK or 0.000278 EUR per share and with one vote. Cognosec AB was registered with EUR as the Company's currency; however, this redenomination of the currency of the share capital from SEK to EUR occurs on January 1st, 2017.

A completed but not yet registered offset issue of 2,8m shares was approved and settled but not yet registed. It was registered in 2016, after which the total share capital amounts to 247,6 million shares or 619KSEK, with a quota value of 0, 0025 SEK or 0.000278 EUR per share and with one vote. The share capital detailed in the annual accounts is the share capital which was registered on the 31 December 2015.

In order to facilitate the analysis of changes in 2015 in capital, both as is presented in the balance sheet and in the consolidated statement of changes in equity, these have been recalculated based on to the exchange rate between SEK and EUR per December 31, 2015. The rate used at yearend 2015, is 9.23 SEK per EUR.

Analysis of changes in number of shares and in share capital is made in SEK (current value for quota-value denomination of share capital).

Type of change in number of shares or share capital:

	Change in number of shares	Shares outstanding	Nominal value SEK/share	Change in share capital SEK	Share-capital	Change in share premiun	Share premium
Shares outstanding/ sahre capital 1 january 2015		**250 000**	**1,00**		**250 000**		
Share split 1 till 1000	249 750 000	250 000 000	0,001		250 000		
Offset share issue	362 000 000	612 000 000	0,001	362 000	612 000		
Reverse split 2 till 1	-306 000 000	306 000 000	0,0020		612 000		
Reverse split 10 till 8	-61 200 000	244 800 000	0,0025		612 000		
Directed share issue	2 800 000	247 600 000	0,0025	7 000	619 000	12 915 000	12 915 000
Shares outstanding/ Share capital 31 December 2015		**247 600 000**	**0,0025**		**619 000**		**12 915 000**

Analysis of change in number of shares and share capital in Euro (Currency for denomination of the Company's shares is SEK until the 1 January 2017 when it will be redenominated to Euro).

Type of change in number of shares or share capital

	Change in numbers of shares	Shares outstanding	Nominal value EUR/share	Change in share capita EUR	Share capital EUR	Change in share premiun EUR	Share premium EUR
Shares outstanding/ Share capital 1 January 2015	0	250 000	0,108342		27 085,6		
Share split 1 till 1000	249 750 000	250 000 000	0,000108		27 085,6		
Offset share issue	362 000 000	612 000 000	0,000108	39 219,9	66 305,5		
Reverse split 2 till 1	-306 000 000	306 000 000	0,000216		66 305,5		
Reverse split 10 till 8	-61 200 000	244 800 000	0,000271		66 305,5		
Directed share issue	2 800 000	247 600 000	0,000271	758,4	67 063,9	1 399 242,6	1 399 242,6
Shares outstanding/ Share capital 31 December 2015		**247 600 000**	**0,000271**		**67 063,9**		**1 399 242,6**

Note 13 Short term credit facility

Neither the Parent Company nor group subsidiaries had any utilised or unutilised credit facilities as per 31 December 2015.

Note 14 Accrued costs and prepaid revenue

	Group 2015	**Parent Company 2015**	**Parent Company 2014**
Accrued costs related to the listing	**216,7**	**216,7**	
Other accrued costs	**387,9**	**72,9**	5,4
Total	**604,6**	**289,6**	**5,4**

Note 15 Other liabilities

	Group 2015	**Parent Company 2015**	**Parent Company 2014**
Current tax liabilities	**276,5**	**222,0**	
Other liabilities	**196,5**	**31,7**	
Liability to sellers of subsidiaries	**447,6**		
Total	**920,6**	**253,7**	

Current tax in the parent company relates to CFC profits for the wholly owned subsidiary in Dubai which profits are fully taxed in Sweden regardless of any distributions having been made to the parent company.

Note 16 Cash and cash equivalents

	Group 2015	Parent Company 2015	Parent Company 2014
Banks deposits	**2 946,4**	**915,7**	**19,7**
Cash and cash equivalents in the cash flow analysis	**2 946,4**	**915,7**	**19,7**

Neither the Parent Company nor any consolidated subsidiaries within the Group had any short-term investments classified as cash equivalents in 2015.

Reported cash flow from ongoing issue is the net receipt of funds of 1, 000.0 TEUR minus directly related transaction costs which the Company paid about 130.0 TEUR.

Note 17 Related party transactions

Transactions with related parties that have been executed on market terms

During the year, the Parent Company acquired intangible assets of 72,9 TEUR that include domain name brands and more from UC Group Ltd, a company controlled by Cognosecs principal owner J A Paulsen. The Parent Company and the consolidated balance sheet recognise this amount by the cost of the asset. The fair value of this asset is estimated to be this amount of value.

The subsidiaries in South Africa rent an office space in a building which is owned by Robert Brown. The office spaces are leased at market terms.

Transactions between Group Companies

The Parent Company has no purchase- or sales transactions made with any of the Group's subsidiaries.

Transactions between subsidiaries in 2015 amounted to 1 688.8 TEUR. The transactions related to distribution of software licenses through distribution agreement between the Groups subsidiaries in South Africa and with other subsidiaries in the Group.

As of December 31, 2015 there were no liabilities or receivables between Cognosec AB and subsidiaries of the Group.

Signatures of the CEO, Board and the Groups' auditor

Stockholm 2016-05-16

Jacobus Paulsen
Chairman

Robert Brown
CEO

Neira Jones
Board member

Lord David Blunkett
Board member

Björn Elowsson
Board member

Anna Petre
Board member

Patrick Boylan
Board member

Daniel Holden
Board member

Magnus Stuart
Board member

Our audit opinion was issued on 16 May, 2016
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of Cognosec AB (publ), corporate identity number 556135-4811

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Cognosec AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 14–39.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and the consolidated accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Cognosec AB (publ)s and the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Other information

The audit of the annual report 2014 has been performed by another auditor who has submitted an audit opinion dated 5 June 2015 with unmodified opinions in the Report on the annual accounts.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Cognosec AB (publ) for the year 2015.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the result be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 16 May 2016

Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant