Press release

secunet Security Networks AG: 2016 Annual Financial Statement, Profit Distribution and Forecast

[Essen, 16 March 2017] secunet Security Networks AG (ISIN DE0007276503, WKN 727650), a leading German supplier of high-quality, reliable IT security, and IT security partner to the Federal Republic of Germany, publishes its Annual Financial Statement and Annual Report for the 2016 financial year today.

In the 2016 financial year, secunet Group revenue increased by 27%, from 91.1 million euros in the previous year to 115.7 million euros. This has been achieved as a result of strong growth in product business (sales of merchandise, licenses, maintenance and support) as well as increases in revenue from services (consulting).

Revenue rose for both secunet divisions (Public Sector and Business Sector), with the majority of growth achieved in the Public Sector division.

The Public Sector division offers customers the SINA product family, alongside a wide selection of products and services connected with IT security for public-sector customers (including IT security consultancy and training; products and consultancy on the subject of electronic passports; advanced border control solutions; and the ELSTER electronic tax return system). Compared to the previous year, revenue in Public Sector rose by 27%, or 21.0 million euros: from 79.2 million euros to 100.2 million euros. The proportion of secunet Group revenue attributable to the Public Sector division for the 2016 financial year amounted to 87% (previous year: 87%). Public sector customers in Germany and abroad, as well as from international organisations, therefore continue to constitute the focus target group for secunet.

Revenue in Business Sector increased by 30% or 3.6 million euros, rising from 11.9 million euros in the previous year to 15.5 million euros. The Business Sector division offers (consulting) services and solutions

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to meet the specific requirements of companies in the private sector. Its main target groups are critical infrastructure providers and operators, as well as the automotive industry. The Business Sector contribution to the Group's revenue remains unchanged from the previous year, at 13%.

secunet Group earnings before interest and taxes (EBIT) increased by 59% compared to the previous year, rising from 8.6 million euros to 13.7 million euros. This improvement in EBIT resulted primarily from significantly increased revenue in the product business. Expenses grew only by a disproportionately low amount compared to revenue. At the same time, good capacity utilisation in the consultancy sector had a positive effect.

secunet Group generated a Group net income of 9.2 million euros in the 2016 financial year, corresponding to an increase of 3.1 million euros or 51% compared to the previous year (6.1 million euros). Diluted and undiluted earnings per share in 2016 stood at 1.43 euros, compared with 0.94 euros in the previous year.

Net income for secunet Security Networks AG for the year increased from 5.5 million euros in 2015 to 9.4 million euros in 2016. Shareholders in secunet AG have benefited from this positive trend: at the Annual General Meeting – due to take place on 4 May 2017 in Essen, Germany – the Supervisory Board and Management Board of secunet Security Networks AG will recommend that a dividend of 0.58 euros be paid out for each no-par value share that is entitled to dividend (previous year: 0.34 euros).

"We offer our customers high-quality, trustworthy IT security that is tailored to their needs. In the 2016 financial year, the secunet Group achieved an outstanding result using this strategy," says Dr Rainer Baumgart, CEO of secunet Security Networks AG.

The secunet Group order book in accordance with IFRS, amounts to 70.8 million euros at the end of 2016 and has therefore increased by

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55% or 25.1 million euros, as compared to the figure of 45.7 million euros at 31 December 2015.

The secunet AG Management Board's expectations for the 2017 financial year are conservative. The Bundestag elections may be followed by preliminary budget management, which may in turn restrict acquisitions. Taking into account the potential dampening effect of this factor, and in view of the very good business results already achieved in 2016, the Management Board expects that revenue for the coming 2017 financial year will be slightly lower than that of the previous year. In line with its revenue development expectations, the secunet AG Management Board expects a moderate decline in EBIT for the 2017 financial year compared to the previous year, as well as a slightly lower EBIT margin.

More information can be found at www.secunet.com. Next date in the financial calendar: 3 May 2017: Publication of the Quarterly Group Communication regarding the period ending 31 March 2017.

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About secunet

secunet is one of the leading German providers of high-quality IT security. Over 400 experts work in the areas of cryptography, eGovernment, business security and automotive security, and develop innovative products in these fields in addition to highly secure and reliable solutions. Many DAX companies as well as numerous authorities and organisations are among secunet's national and international customers, which number over 500 in total. secunet is an IT security partner of the Federal Republic of Germany and a partner of the German Alliance for Cyber Security.
secunet was founded in 1997 and achieved revenues of 115.7 million euros in 2016. secunet Security Networks AG is listed on the Prime Standard of the German Stock Exchange.

Further information can be found at www.secunet.com.

Disclaimer

This press release contains predictive statements. Predictive statements are statements that do not describe facts of the past; they also include statements regarding our assumptions and expectations. Any statement in this press release that conveys our intentions, assumptions, expectations or predictions (and the assumptions on which they are based) is a predictive statement. These statements are based on planning, estimates and forecasts that are currently available to the management of secunet Security Networks AG. Predictive statements therefore only apply to the day on which they were made. We assume no obligation to update such statements with regard to new information or future events.