Cyber Security 1(Publ) AB 556135-4811
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Half Year Report Ending 30 June 2018 **August 31 2018**

CYBER1 H1 2018
20% Year on Year Revenue Growth
With New Acquisition Identified

Performance Overview

The first half of the year marked a significant milestone, with the rebranding of Cognosec AB to CYBER1 which will provide resellers, customers and investors with a clear understanding of who we are, our focus area and our intention to drive our brand globally to new clients who require leading, global, resilient cyber security and GRC solutions.

The momentum in the second quarter has positively impacted on the results demonstrated in this report, confirming that the demand for cyber security continues to be paramount to organisations and governments around the world. Our ethos in ensuring customers are cyber resilient has resonated in the variety of solutions and services that are being delivered, with organic growth being realised particularly within the Middle East and South Africa regions.

The integration and development of companies through selective acquisitions has made significant improvement within the European region and we intend to build on this growth through further harmonising of our operations and overall strategy for CYBER1. It is anticipated that the next set of acquisitions will continue to deliver strong growth, as we integrate the companies into the Group and leverage our existing experience and key employee skill set on a significantly larger scale around the globe.

CYBER1 is able to provide global coverage for its largest companies and international organisations. Through physical presences and remote applications we are able to cater for all forms of clients. With an established presence in Africa, Western Europe and the Middle East, combined with our rapid expansion into the rest of Europe and other targeted geographies, highlights our ability and scope to work with the most influential businesses and nations in facilitating their cyber resilience. Whether you are a large multinational corporation, government agency or an SME, we have the multi-jurisdictional expertise and knowledge, so that we can be your complete provider for all of your cyber security and regulatory needs.

Our two clear lines of product distribution and professional services, ensures we are able to meet the ever-increasing demand against cyber threats. Within Credence Security, we continue to build on our key vendor relationships in the Group, to provide full coverage of cyber security tools, to create complex, multi-layered and overall resilient solutions. In Cognosec, we have extensive accreditations and decades of industry experience, to highlight and immediately rectify vulnerabilities, in conjunction with our compliance offering within GDPR, PCI DSS, SWIFT and many more.

Within the quarter, WHIreland, a financial services company offering Corporate & Institutional Broking services conducted a research report into their estimations and projections for CYBER1 and the cyber security industry. To register for this information you can click here.

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RESULTS IN DETAIL

Total half year revenues across the Group have increased 19.97% (1.5m EUR), recording 9.01m EUR between January and June of 2018. This is due to subsidiaries demonstrating organic growth through new enterprise business and renewals underpinned by our strong client partnerships. In addition to this, key acquisitions have continued their performance after integrating successfully within the Group.

An increase in operating expenditure for H1 is due to the inclusion of three acquisitions, being Cognosec GmbH, Intact Ltd. and A-Tek Ltd. (now operating as Credence UK) at the beginning of 2018. The increased amount being 374k EUR, compared to H1 2017, to 5.65m EUR. It is anticipated that further integration and streamlining of operations will equate in a reduction of operating expenditure for the remainder of the year.

A planned shortfall in margins stretched the Group's cash position, pending debtor collections and unwinding of deposits. The total results for H1 2018 was a Group loss of -2.56m EUR (H1 2017: -2.18m EUR).

HIGHLIGHTS

- Credence Security UAE increased revenue by 26.3%, from 1.67m EUR in H1 2017, to 2.11m EUR in H1 2018.
- Cognosec South Africa increased revenue by 17.3%, from 4.05m EUR in H1 2017, to 4.75m EUR in H1 2018.
- Cognosec Europe increased revenues by 57.6%, from 535k EUR in H1 2017 to 843k EUR in H1 2018.
- Credence SA increased revenue by 23.3%, from 786k EUR in H1 2017 to 969k EUR in H1 2018.
- Group Revenue increased by 19.97%, from 7.51m EUR in H1 2017, to 9.01m EUR in H1 2018.
- Group Gross Margin increased 17.78%, from 3.15m EUR in H1 2017, to 3.71m EUR in H1 2018.
- Group Gross Margin for H1 2018 was 41% (H1 2017 Gross Margin: 42%).
- Beyond the quarter, CYBER1 entered into an Exclusive Agreement to acquire 100% of InfoNet (Infonet Bilgi Teknolojileri Ticaret Limited), a leading Cyber business with 2017 audited revenues of 20m EUR and EBITDA of 1m EUR.

CYBER1 GROUP: Financial key-ratios	Apr-Jun Q2 2018	Apr-Jun Q2 2017	Jan-Jun H1 2018	Jan-Jun H1 2017	Jan-Dec FY 2017	Jan-Dec FY 2016
Total Group Income €('000s)	5,831	3,745	9,010	7,505	17,193	14,636
Total Group Gross Margin €('000)	2,167	1,550	3,706	3,148	6,626	5,785
Total Group Gross Margin (percent)	37%	41%	41%	42%	39%	40%
Cash Flow in the Period €('000s)	120	-57	120	-1,505	-1,687	-1,869
Operating Margin €('000s)	-705	-1,264	-1,942	-2,125	-3,184	-3,022
Operating Margin (percent)	-12%	-34%	-22%	-28%	-22%	-21%
Result after Taxes €('000s)	-745	-1,330	-2,562	-2,176	-3,068	-3,668
Earnings per share €*	-0.0039	-0.0049	-0.0109	-0.0082	-0.0120	-0.0148

*Result per share refers to result per share attributable to equity owners of the parent company. There is no dilution of earnings per share. This report is published in English. Average number of shares outstanding for the period 30 June 2018 (Q2 2018) were 262,291,743 (Q2 2017 number of shares outstanding 257,179,500). The new share issue relates to two offset share issues (1,860,465 & 1,777,778) and the direct share issues for the acquisitions of A-tek Ltd. (924,000) and Intact Ltd. (550,000).

Contacts

For additional information, please contact: Tim Metcalfe or Miles Nolan, Investor Relations, IFC Advisory, CYBER1. Telephone: +44 203 934 6630.
E-mail: cyber1@investor-focus.co.uk

About CYBER1 (Nasdaq First North: CYB1.ST) (ADR program OTCQX: CYBNY)

CYBER1 (formerly known as Cognosec AB) is engaged in providing cyber resilience solutions and conducts its operations through physical presences in Sweden, South Africa, UK, Kenya, Germany, Austria, Turkey, Greece, Italy, Ukraine and the United Arab Emirates. Listed on Nasdaq First North (Nasdaq: CYB1.ST, formerly as Nasdaq: COGS.ST) and as an American Depositary Receipt (OTCQX: CYBNY), the Group delivers services and technology licenses to enhance clients' protections against unwanted intrusions, to provide and enhance cyber resilience and to prevent various forms of information theft. CYBER1 had revenues of 17.2m EUR in 2017 and 239 personnel at the end of Q2 2018. For further information, please visit www.cyber1.com/investors.

Comments by Robert Brown, CEO of CYBER1

Dear Shareholders,

I am pleased to present the half year report for 2018.

The rebranding of Cognosec AB to CYBER1, marks an extremely exciting time for the company and its employees. This significant moment in our history has followed key developments in our acquisition targets, in conjunction with our investor presence within the United States, through our American Depositary Receipt (OTCQX:CYBNY). Rebranding has provide a fresh mindset and approach throughout the Group and I am delighted to see that this momentum has carried through into Q2, with our subsidiaries utilising new and existing vendors and upscaling of our professional services to drive year on year revenue growth of 20%. As we build into our traditionally stronger quarters in the second half of the year, we are unwavering in our commitment to achieve stronger relationships with our clients and vendors.

Externally, cyber security continues to dominate many facets of the global agenda. With the General Data Protection Regulation being implemented on the 25th of May, our focus in the governance, risk and compliance space, in conjunction with our forensics and managed services, means we are able to meet the demands of our consumers quickly and thoroughly.

Shortly after the close of Q2, we announced an exclusive agreement to acquire InfoNet, who possess significant experience in providing cyber resilient solutions across the Financial Services, Telecommunications, Logistics, Education, Manufacturing, Energy and E*Commerce sectors. InfoNet will increase our market share within Turkey and around the region, providing a geographical bridge between our European and Middle Eastern offices.

Our relationships with our vendors continues to highlight our ability to reach new markets and customers. In tandem with our growing professional services offering, this enables us to cater for all types of organisations and business that are seeking cyber resilient solutions. Partnering with Checkpoint, McAfee (formerly Intel Security), RSAM and many others, means we are able to offer the right solutions, independently and with the client at the very centre of our approach.

I would like to thank the staff for their continued work during the second quarter and their commitment to ensuring that the momentum gathered continues to evolve positively into our bottom line. To the Board, a sincere thank you for your guidance and strategic delivery of our Group plans for greater growth. As we continue to see, our industry is facing a constant battle against new and evolving threats. CYBER1 is at the cutting edge of cyber resilience and we will continue to advise and facilitate our clients cyber security needs swiftly and efficiently.

Robert Brown, CEO CYBER1

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BUSINESS OVERVIEW

MARKETS

News within the world of cyber security continues to highlight the salient need for cyber resilience.

During the quarter, Tesla has begun litigation against a former employee, who the company claims has transferred a significant amount of company data to external parties. Chief Executive Elon Musk informed employees in a communication, that the extent of damage caused by ex-employee Martin Tripp was "extensive and damaging" to the company's operations. The breach highlights the dangers of how easily data can escape a company with robust resilience against only external parties. Companies have taken significant measures to reduce the risk of data leaks, IBM announced in May that they will ban and remove all external access memory devices across the company as a way of combatting these risks.

In the world of cryptocurrency, a leading crypto-coin exchange has ceased trading again after declaring that 27m EUR worth of coins were seized, causing the prices of Bitcoin, Ethereum and Ripple to drop drastically. Bithumb, based in Seoul, has experienced numerous breaches in recent months and raises further security questions around the industry.

CYBER1 offers an array of assurance and advisory services to clients. Our ability to provide a detailed and well performing managed service whilst being able to distribute vendor products, sets us apart from our competitors by offering global cyber technology architectures.

REVENUE PERFORMANCE BY SUBSIDIARY

€ '000s	***Apr-Jun***	**Share**	***Jan-June***	**Share**	***Apr-Jun***	**Share**	***Jan-June***	**Share**	***Jan-Dec***	**Share**
Overview Sales	**Q2 2017**	**%**	**H1 2017**	**%**	**Q2 2018**	**%**	**H1 2018**	**%**	**FY 2017**	**%**
Credence (UAE)*	381	10%	1,673	22%	1,209	21%	2,105	23%	3,986	23%
Credence Security (South Africa) **	259	7%	786	10%	449	8%	969	11%	1,056	6%
Cognosec (South Africa)	2,320	62%	4,050	54%	3,463	61%	4,753	53%	10,490	61%
Cognosec (Kenya)	279	7%	459	6%	170	3%	339	4%	923	5%
Cognosec (Europe)**	505	13%	535	7%	423	7%	843	9%	738	4%
Total	***3,745***	**100%**	**7,505**	**100%**	**5,714**	**100%**	**9,010**	**100%**	**17,193**	**100%**

*Credence UAE consists of Credence Security DMCC (Dubai) and Cognosec DMCC (Dubai)

**Credence Security (South Africa) consists of Credence SA and Intact

***Cognosec Europe consists of Cognosec Ltd (UK) Cognosec GmbH (Germany) Cognosec GmbH (Austria) and Credence Ltd (UK)

Other information

CYBER SECURITY 1 AB (PUBL) reports strong margin and revenue growth for the second quarter. GP margin was TEUR 2,169, an improvement of 29%, with the EBITA deficiency down from TEUR 1,222 to 687. Meanwhile sales rose by 20.0%

Market trend

The ongoing trends of globalisation, urbanisation and digitalisation continues to fuel demand for complex solutions. Extensive, disruptive transitions are taking place in several sectors, and the need for sustainable solutions has never been greater. The general market trend and demand were good in the second quarter and remained largely unchanged compared with the previous quarter. The market continues to perform well, with healthy demand in most of our segments. We have put in placed aggressive plans and strategies having worked with market research and investor analyst firm WH Ireland. With our three major recently announced acquisitions of ADVANTIO, ITWAY & INFONET along with our organic growth we have seen a pro-forma group forecast of €49.04 million revenue in 2018. The market for cyber protection services and products continues to be healthy in all three of our sectors (Product (or Distribution & System Integrator), Advisory & Managed Services).

Performance among the divisions

The Group showed strong revenue growth in H1 2018, delivering 16.3m EUR in revenue.

The **Distribution & System Integrator** Segment is delivering strong growth at almost 20 percent, with a good level of profitability. Positions have strengthened, where we are seeing robust performance. Initiatives have been stepped up to meet the recruitment need for professionals to accommodate the expansion of the business with the addition of new territories in Greece and Turkey through the acquisition of ITWAY subsidiaries in these regions.

The **Advisory** Division is exhibiting stable earnings and on a pro-forma basis having consolidated revenues with the recent acquisition of ADVANTIO. ADVANTIO is a company with expertise in penetrating testing, general advisory and cyber consulting services and has offices in Ireland, Italy and Ukraine. Meanwhile, we are seeing several interesting projects in both Europe and Africa in our advisory division.
With the recent announcement of the negotiations to acquire INFONET, this being both a Distribution & System Integrator and having an Advisory division we expect to see both segments supported through this addition to the Group.

The **Managed Services** Division is offering us the best growth potential as well as delivering strong and persistently good level of profitability and our plans going forward will be around how we develop this area of the business.

Implementation of strategy
We are working intensively on the implementation of the new strategy and are noticing progress in several areas. The strategy involves developing our business model to increase the value we deliver to our customers through project assignments, researched solutions and forecast model concepts. One example is the project assignment with WHI Ireland. The project is being carried out in a cross-functional partnership between WH Irelands experts and our team in research and forecast on our potential Performance.

Sustainability in focus
Our mission is to create sustainable engineering and design solutions, which is why sustainability is at the core of all our customer offerings. We work continually to increase our own level of expertise in, and awareness of sustainability issues. As an example, to increase value for our customers, we also strengthened our cyber offering further via the acquisition of three European-based IT niche companies, AVANTIO, ITWAY, as well as the acquisition of distribution and system integrator (DSI) IFONET, based in Turkey which also has an advisory division.

Looking back on the first half of 2018 we can state that we have achieved the highest half-year earnings ever, with Net Income amounting to 9,010 TEUR (7,505) and an GP margin of 3,706 TEUR (3,148). This paves the way for continued profitable growth and increased value for all our stakeholders.

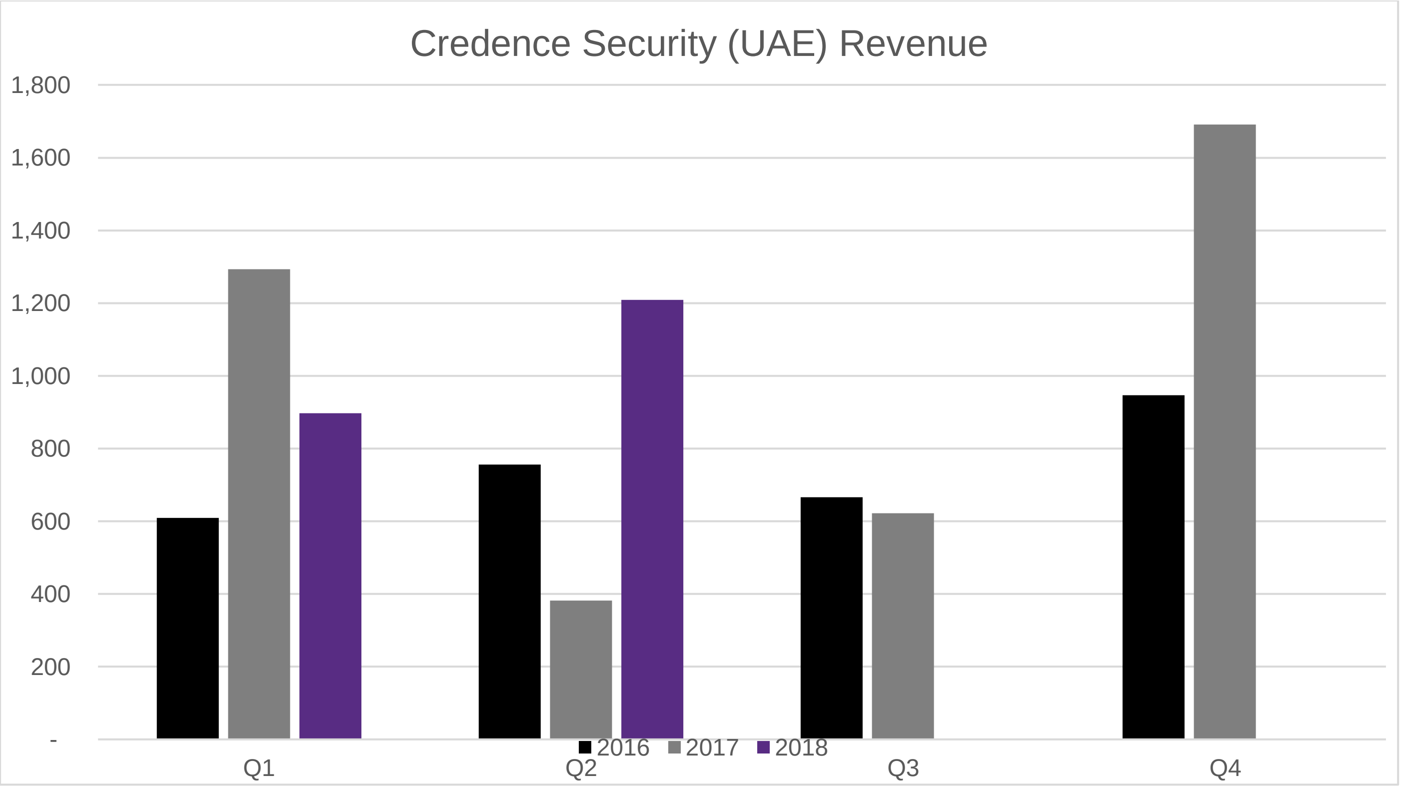
We will now continue our journey towards achieving our vision of supplying leading solutions for generations to come.

Forward-looking statements

This report includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programmes and intellectual property rights may affect future results. There are also external conditions such as the economic climate, political changes and competing research programmes that may affect CYBER 1's results. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, CYBER 1Company undertakes no obligation to update any of them in light of new information or future events.

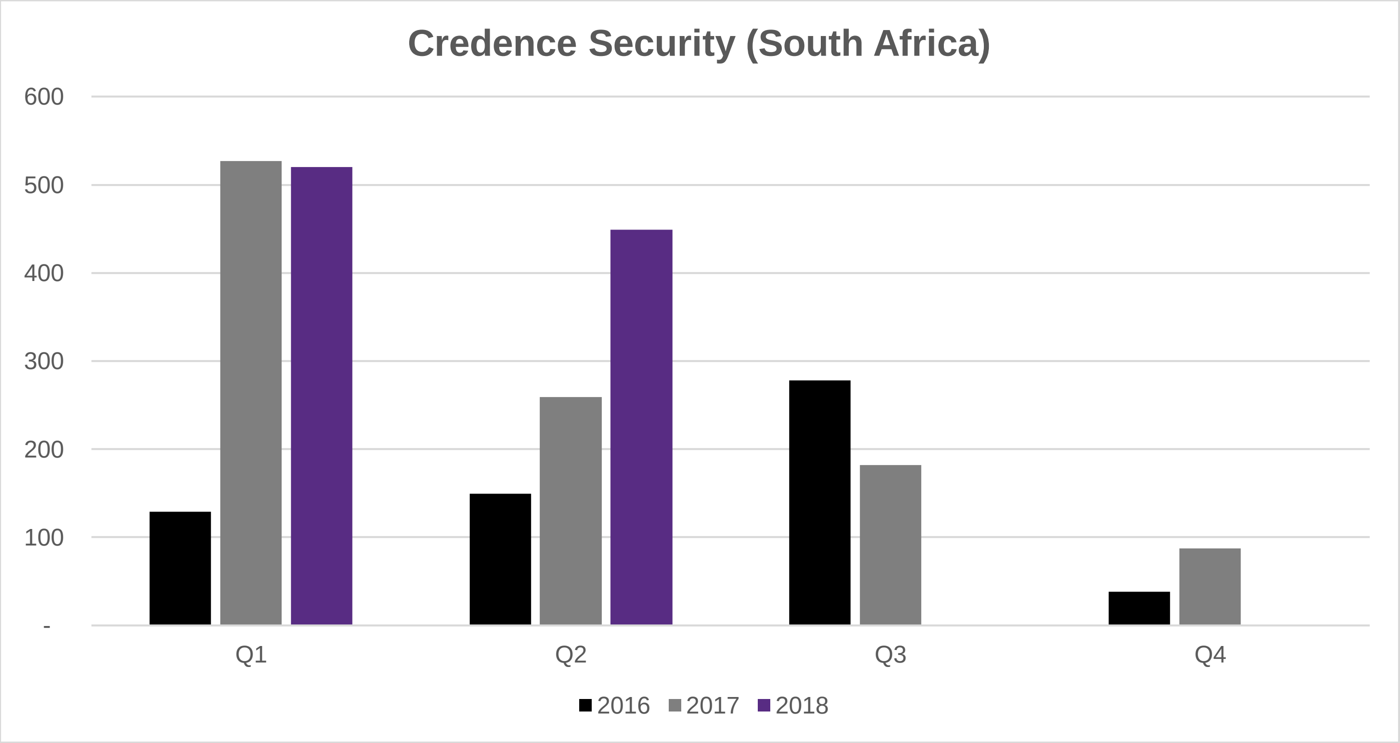
The information in this interim report CYBER SECURITY 1 AB (PUBL) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication at 15:00 CET on Friday 31 August 2018.

Credence Security (UAE)



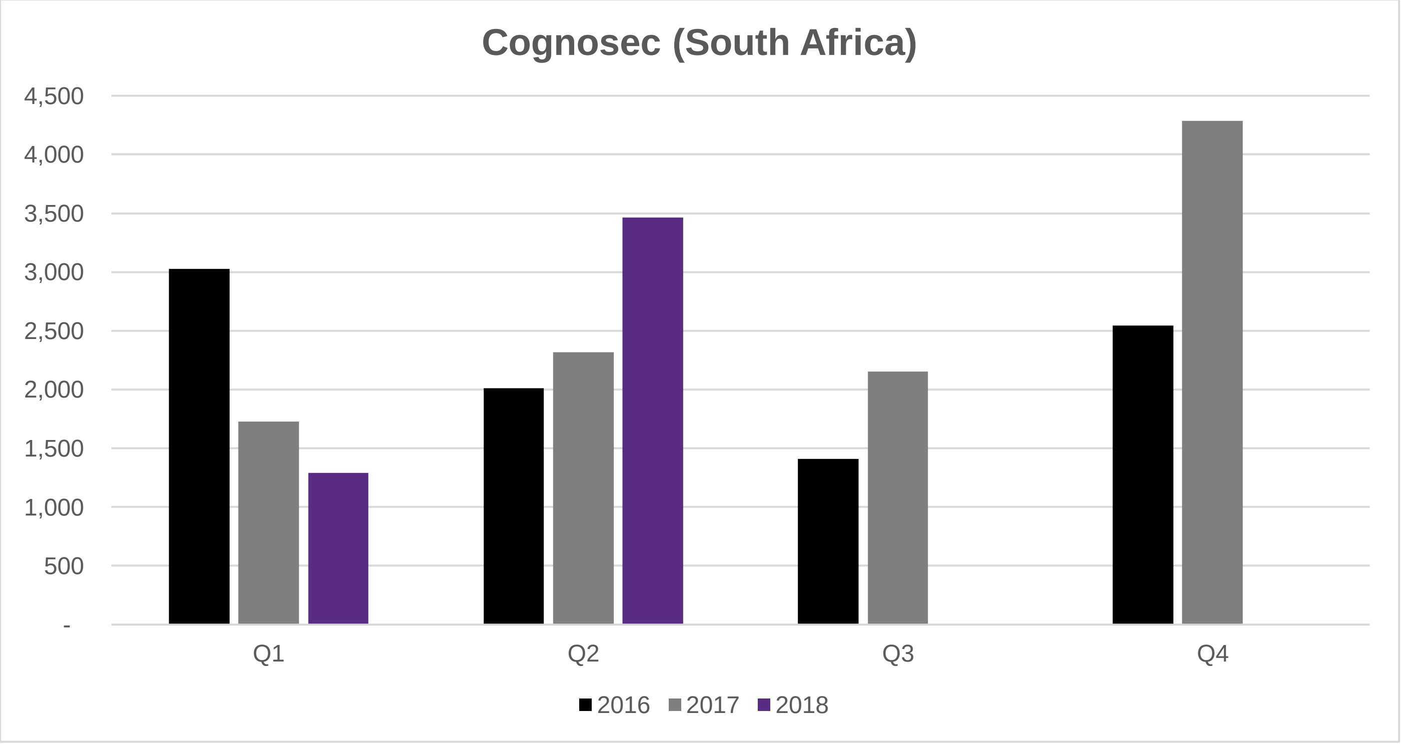
Credence Security UAE produced its best Q2 and H1 cumulative revenues since its integration within CYBER1 took place. Posting its third largest ever quarter of 1.21m EUR, combined with a strong Q1 equates to a 25.8% year on year revenue growth compared to the same period in 2017. Notable deals included providing solutions to Government departments in Saudi Arabia and the United Arab Emirates, a multinational ecommerce provider present in over fifty countries and a number of new financial services clients within the Middle Eastern region. A number of the deals closed included a blend of products, enabling Credence Security to demonstrate its value added approach and knowledge of a variety of tools and how they can be optimised for the end user.

Credence Security (South Africa)



Credence Security South Africa, similarly to the middle eastern subsidiary has posted its best ever Q2 and cumulative H1 numbers, posting a 23.28% year on year increase, from 786k EUR in 2017 to 969k EUR for year to date January to June in 2018. Following the progression within the sales team and other departments there is a key focus in upselling the streamlined and enhanced vendor portfolio to our trusted client base, as well as generating new clients across the region. Credence Security continues to work with Protec in expanding the respective operations within Africa as a whole, with a large focus on delivering net new business revenue for the Group.

Cognosec (South Africa)



Cognosec South Africa finished the half year by recording its largest Q2 revenue results since integrating within CYBER1. Cognosec South Africa increased revenue by 17.3% compared to H1 2017, from 4.05m EUR to 4.75m EUR. A number of notables deals across the subsidiary included a leading South African financial services firm and Government departments within South of Africa, on a national and regional level. Cognosec South Africa were recognised for their efforts in receiving a number of awards at the McAfee partner event, including Revenue and Enterprise partner of the year.

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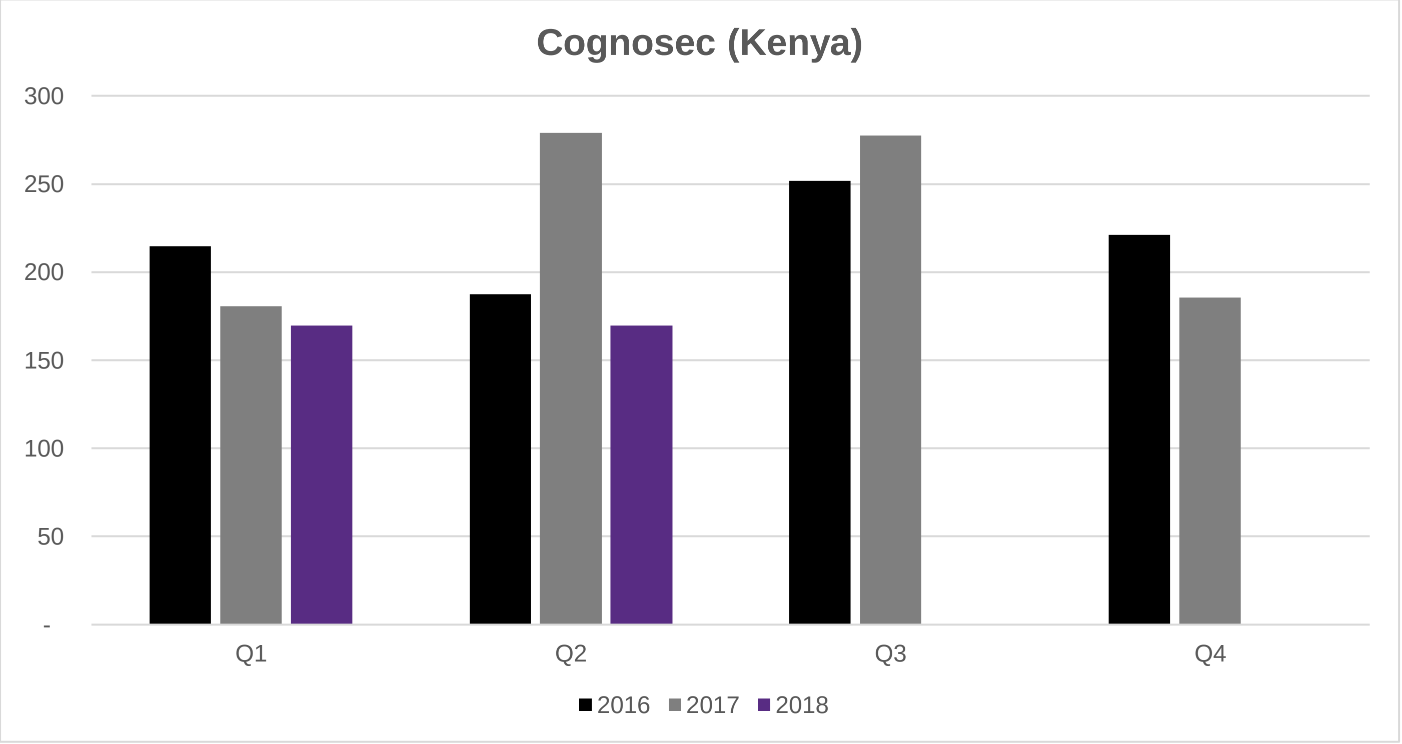
Cognosec (Kenya)

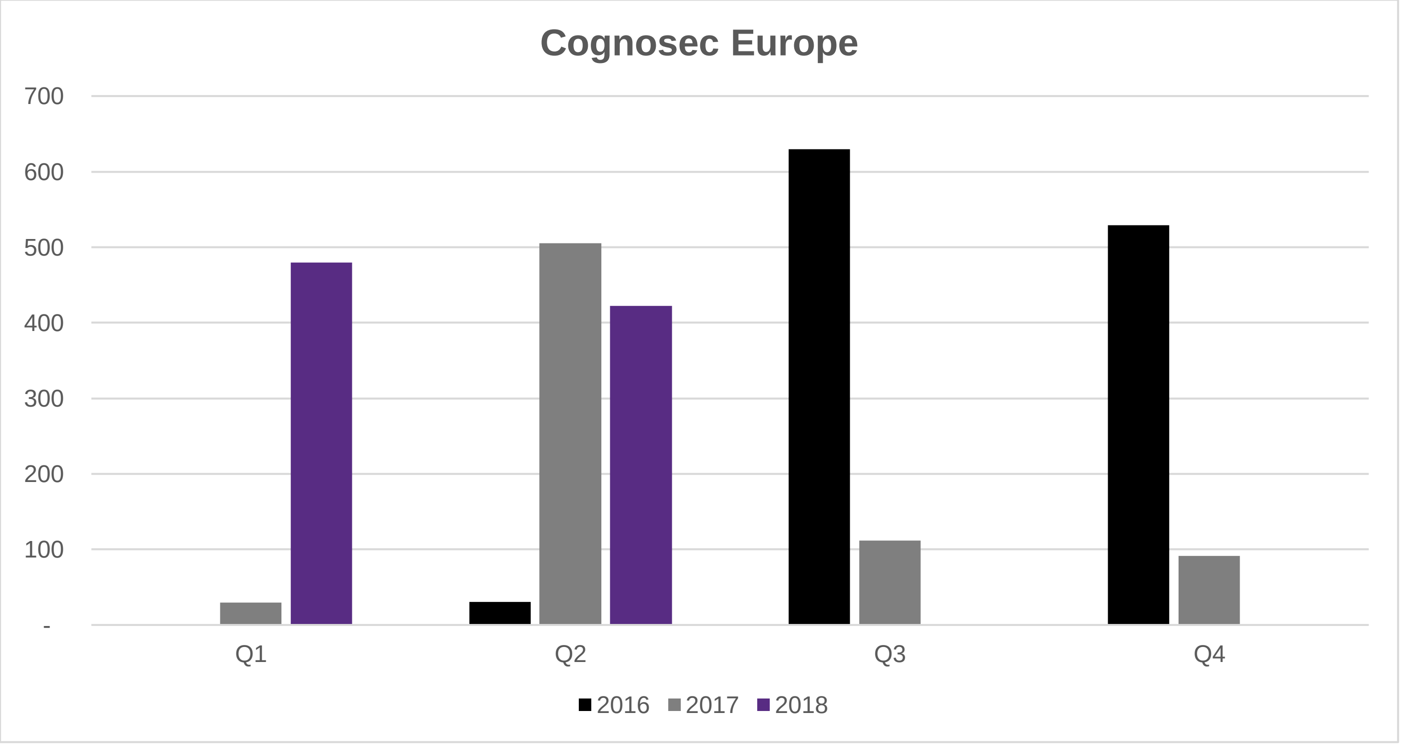


Cognosec Kenya finished the second quarter for 2018, closing 170k EUR of revenue.

Whilst this is behind Q2 revenue for 2017 the subsidiary has built a considerable pipeline within Eastern Africa, working closely with other subsidiaries within the Group to cross sell to existing partners. Notable deals for the quarter included providing cyber security solutions to two major banking groups and a large media group within Eastern Africa.

Cognosec (Europe)

Cognosec Europe continues to build strongly within the financial year for 2018, closing 843k EUR in revenue for H1, an increase of 57.57% compared to H1 2017. The professional service arm continues to provide key professional services to its clients, solidified by a large proportion of their revenue being repeat business. Cognosec Europe continues to upscale on its Managed Service offering, starting with a number of key partners to provide continuous monitoring of their cyber-vulnerability exposure.



CUSTOMERS

CYBER1's customers range from government departments, large-scale industrial organisations, financial institutions, companies operating across the TMT sectors, including national global communications carriers as well as smaller SME sector businesses. Long-term exclusive relationships are the norm, especially when it comes to the technology that they are using. Potential new clients are eager to learn about the services and successes that the Group have achieved and continue to implement. A number of partnerships are being established with Government entities, globally.

TECHNOLOGY PARTNERS

The Group continues to expand its partner network and now includes the following technologies: Access Data, Algosec, CensorNet, Checkpoint, Demisto, Digital Guardian, Everbridge, Fidelis, Infocyte, McAfee, Popcorn Training, Pulse Secure, Redseal, RSAM, Solus, Trustwave amongst others.

We continue to work closely with McAfee (formerly Intel Security) on an EMEA Strategy around offering services, having been appointed as a McAfee Support Partner.

CASH FLOW

Continued expansion of Cognosec South Africa and the European region affected the Q2 Operational Cash Flow negatively. Whilst working capital remains tight, the directors are confident that the business forecast will support continued liquidity.

The Board is working on improving the Group's cash position through operational cash flow and capital injections from outside sources and has so far been successful in this. The mandate given by the AGM last year will be utilised for some of these injections and the Board is confident that this will provide sufficient funds.

FINANCIAL INFORMATION

INTERIM REPORT: COMPARATIVE FIGURES

The H1 2018 report has not been reviewed by the Group's auditor.

PROFIT FOR THE PERIOD

Group

Second Quarter revenues amounted to 5.65m EUR (Q2 2017 Revenue: 3.75m EUR) an increase of 50.67%

Loss after tax for Q2 2018 amounted to -0.7m EUR (Q2 2017 loss: -1.33m EUR)

Depreciation and amortisation for H1 2018 amounted to 34k EUR, H1 2017 Depreciation and Amortisation: 35k EUR.

There was a Net Cash Outflow for H1 2018, which amounted to 120k EUR (Net Cash Outflow H1 2017 -1.5m EUR).

At the end of H1 2018, the Group's cash balance amounted to 437k EUR (H1 2017: 268k EUR).

Parent

The Parent Company's loss for H1 2018 amounted to - 231k EUR (H1 2017: -458k EUR).

FINANCIAL POSITION

Group

The Group's equity for end of H1 2018 amounted to 5.64m EUR (End of H1 2017: 3.31m EUR).

CYBER1 did not pay any dividends to shareholders during Q2, Q1 2018, 2017, 2016 or 2015.

Parent

The equity for the parent company amounted to 4.82m EUR at the end of H1 2018 (End of H1 2017, 3.28m EUR) and 3k EUR cash or cash equivalent (End of H1 2017, 2k EUR).

INVESTMENTS

The Group seeks to expand by way of profitable M&A activity.

CYBER1 announced the signing of a share sale and purchase agreement (SPA) pursuant to the acquisition of Advantio, which has closed in Q2 2018 subject to usual closing conditions.

Advantio is a specialist cyber resilience advisory company providing professional advisory services, managed solutions and its own inhouse developed SaaS security and compliance solutions along with multilingual support covering eighteen languages.

In addition to the above, CYBER1 announced the signing of an SPA related to the acquisition of 100% of the shares in ItWay Hellas SL SA & ItWay Turkyie LTD. The Greek business, headquartered in Halandri, Athens, is the sole distributor for market-leading cyber brands including Check Point, RSA & McAfee and generated around 30% of the combined businesses' revenues in the last financial year. The Turkish business, headquartered in Istanbul, Turkey, generates around 70% of the combined businesses' revenues and counts CyberArk, Algosec and Rapid7 amongst its sole distributor relationships. Between them, the businesses employ 23 full time personnel. Both organisations have evidenced strong growth records in their respective geography and are both profitable and balance sheet positive.

Beyond the quarter, CYBER1 entered into an exclusive agreement with InfoNet Bilgi Teknolojileri Ticaret Limited ("InfoNet") in Turkey, on a cash free, debt free basis, which is expected to close in Q4, 2018 subject to legal, financial and technology due diligence exercises.

InfoNet is a very well established and profitable Cyber Security Services and product business. InfoNet is registered in Turkey with offices in Istanbul and Ankara. The companies are recognised for its excellence as key cyber solution provider and boast several blue-chip clients amongst their customer rosters.

They are key partners for Check Point Software Technologies, Forcepoint, Kaspersky, Trend Micro and RSA Security along with some other leading security vendors selling their products through a robust and resilient network serving a solid corporate customer base.

TAXATION

Group

No provisional corporation tax was paid in Q2 2018.

Deferred Tax Credit has been recognised in the Group during 2018.

Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2018.

TRANSACTIONS WITH RELATED PARTIES

Cognosec South Africa, one of the Group's subsidiaries pay for office premises rented via a company that is controlled by the Group's CEO. The Board of Directors considers that the rental charge is in line with market conditions.

SHARE INFORMATION

Cyber Security 1 (Publ) (Trading as CYBER1) is a public company whose shares are traded on Nasdaq First North (CYB1.ST) and as an American Depositary Receipt on the OTC market (OTCQX:CYBNY).

The Company's share register is maintained by Euroclear Sweden AB.

Total number of registered shares at 30 June 2018 are: 262,291,743

FINANCIAL CALENDAR

Annual General Meeting 2018	June 28, 2018
Half Year Report	August 31, 2018
Nine Month Report	October 31, 2018
Publication of 2017 Annual Report	June 8, 2018

ACCOUNTING PRINCIPLES

The interim report has been issued in accordance with International Financial Reporting Standards requirements (“IFRS”).

RISKS AND UNCERTAINTIES

Inherent risks and uncertainties for CYBER1 consist primarily of:

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

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

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

INVESTOR EVENTS

CYBER1 participated in a number of non-deal roadshows in New York as part of our launch of the American Depositary Receipt on the OTC Markets (OTCQX:CYBNY).

CERTIFIED ADVISORS

Mangold Fondkommission AB is appointed as the Certified Advisor for CYBER1.

Address:
Box 55691
102 15 Stockholm
info@mangold.se
+46 8-503 015 50

INVESTOR RELATIONS ADVISORS

The Group appointed IFC as CYBER1's investor relations advisor.

For additional information, please contact: Tim Metcalfe or Miles Nolan, Investor Relations, IFC Advisory, CYBER1 Telephone: +44 203 934 6630.
E-mail: cyber1@investor-focus.co.uk

AUDITORS

PwC (Sweden) represented by Martin Johansson act as auditor for CYBER1 and the Group. This report has not been reviewed by the Company's Auditor.

ANNUAL REPORT

As indicated on the Financial Calendar, the 2017 Annual Report was published on June 8 2018. The document is available at https://cyber1.com/investors/ under the Financial Report section.

ELECTION COMMITTEE AND ANNUAL GENERAL MEETING

The Annual General Meeting took place on the June 28 2018.

Re-elected to the Board of CYBER1 were Jacobus Paulsen, Lord David Blunkett, Patrick Boylan, Neira Jones and Lord Anthony St John.

CYBER1 announced that Daryn Stilwell has also joined the Board as a Director. Mr Stilwell, with extensive legal experience within financial services and ecommerce industries serves as Group General Counsel for CYBER1.

The AGM decided in accordance with the proposal, to authorize the Directors of the Board to issue, at one or more occasions, with or without deviation from shareholders preferential rights, up to 50,000,000 new shares, convertible bonds and / or warrants.

CERTIFICATION AND SIGNATURES

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

The Board of Cyber Security 1 AB (Publ), corporate identity number 556135-4811

Jacobus Paulsen, Chairman
Patrick Boylan, Deputy Chairman & Ordinary Board member
Daryn Stilwell, Ordinary Board member & Group General Counsel
Lord David Blunkett, Ordinary Board member
Neira Jones, Ordinary Board member
Lord Anthony Tudor St John of Bletso, Ordinary Board member

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DETAILED FINANCIAL INFORMATION

GROUP PROFIT AND LOSS

(Thousand Euros)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
Net Revenue	5,654	3,745	9,010	7,505	17,193
Cost of Sold Goods	-3,485	-2,196	-5,304	-4,357	-10,567
Gross Profit	**2,169**	**1,550**	**3,706**	**3,148**	**6,626**
Sales Costs	-1,919	-1,559	-3,816	-3,133	-6,409
Administration Costs	-937	-1,259	-1,799	-2,106	-3,135
Depreciation	-16	5	-34	-35	-266
Total Operating Cost	**-2,872**	**-2,814**	**-5,648**	**-5,274**	**-9,810**
Operating Result	**-703**	**-1,264**	**-1,942**	**-2,126**	**-3,184**
EBITDA	**-687**	**-1,269**	**-1,909**	**-2,091**	**-2,918**
Financial income and costs	-	-	-	-	-
Finance income					16
Finance costs	-40	-44	-613	-51	-37
Total Finance income and costs - net	**-40**	**-44**	**-613**	**-51**	**-21**
Result before tax	**-743**	**-1,308**	**-2,556**	**-2,177**	**-3,205**
Tax (Period)	-0	-22	-6	-	137
Total result for period	**-743**	**-1,330**	**-2,562**	**-2,177**	**-3,068**
Attributable to Parent	-668	-1,253	-2,486	-2,108	-3,071
Minority interest	*-76*	*-77*	*-76*	*-68*	*2*
Earnings per share (€/share) attributable to owners of the parent	*-0.0026*	*-0.0049*	*-0.0096*	*-0.0082*	*-0.0119*

PARENT COMPANY PROFIT AND LOSS

(Thousand Euros)	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
Net Revenue	-	-	-	-	-
Cost of Sales	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Depreciation	-	-	-	-	-183
Administration costs	-115	-260	-232	-458	-663
Total Costs	**-115**	**-260**	**-232**	**-458**	**-846**
Operating result	**-115**	**-260**	**-232**	**-458**	**-846**
Finance costs	-	-	1	-	-10
Result before tax	***-115***	***-260***	***-231***	***-458***	***-856***
Tax	-	-	-	-	-
Result for the period	***-115***	***-260***	***-231***	***-458***	***-856***

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CASH FLOW ANALYSIS (Thousand Euro)	**Group**				
	Apr-Jun 2018	**Apr-Jun 2017**	**Jan-June 2018**	**Jan-June 2017**	**Jan-Dec 2017**
Operating Profit	-848	-1,264	-2,562	-2,125	-3,068
Adjustments non C/F items	-447	-5	-563	35	371
Operating Cash Flow	**-1,295**	**-1,269**	**-3,125**	**-2,091**	**-2,697**
Paid Taxes	-	-102	-	-172	-274
Received finance payments - net		-		-	
Changes in Working Capital	566	785	3,144	369	-755
Cash Flow from Operating Activities	**-729**	**-587**	**19**	**-1,894**	**-3,727**
Acquisition of subsidiaries	-	-	-91	-	-
Acquisition of Fixed Assets	-10	9	-674	9	-202
Payments related to acquisition of subsidiaries				-	
Cash Flow from Investment Activities	**-9**	**9**	**-764**	**9**	**-202**
New share issues	-	-	-	-	-
Directly related costs to the listing	-	-	-	-	-
Proceeds from ongoing share issue	-	-	-	-	-
Dividend payment to minority	-	-	-	-	-
Short Term Financing	858	520	865	607	2,243
Cash Flow from Financing Activities	**858**	**520**	**865**	**607**	**2,243**
Cash Flow from the Period	**120**	**-57**	**120**	**-1,278**	**-1,687**
Opening Cash	247	-86	265	1,363	1,363
Acquired cash					
FX-diff Period	70	-	52	184	589
Closing Cash Position	**437**	**-144**	**437**	**268**	**265**

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CASH FLOW ANALYSIS (Thousand Euro)	Parent				
	Apr-Jun 2018	Apr-Jun 2017	Jan-June 2018	Jan-June 2017	Jan-Dec 2017
Operating Profit	-150	-219	-375	-458	-856
Adjustments non C/F items	-	-	-1		183
Operating Cash Flow	**-150**	**-219**	**-376**	**-458**	**-673**
Paid Taxes	-	-	-		-274
Changes in Working Capital	-429	220	-158	-903	-411
Cash Flow from Operating Activities	**-579**	**1**	**-534**	**-1,361**	**-1,358**
Acquisition of Fixed Assets	-	-	-	-	-52
Payments related to acquisition of subsidiaries	-	-	-92	-	-459
Transfers to subsidiaries	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-
Cash Flow from Investment Activities	**-**	**-**	**-92**	**-**	**-511**
New share issues	-	-	-	-	-
Directly related costs to the listing	-	-	-	-	-
Proceeds from ongoing share issue	-	-	-	-	-
Dividend payment to minority	-	-	-	-	-
Short Term Financing	660	-	660	1,559	1,559
Cash Flow from Financing Activities	**660**	**-**	**660**	**1,559**	**1,559**
Cash Flow from the Period	**81**	**1**	**34**	**198**	**-310**
Opening Cash	3	1	3	12	12
FX-diff Period	-81	-	-34	-208	302
Closing Cash Position	**3**	**2**	**3**	**2**	**3**

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BALANCE SHEET	Group			Parent		
(Thousand Euros)	30 Jun 2018	30 June 2017	31 Dec 2017	30 Jun 2018	30 June 2017	31 Dec 2017
ASSETS						
Non-current assets						
Property, plant and equipment	215	160	133	-	-	-
Intangible Assets	111	20	52	52	-	52
Investments in subsidiaries	-	-	-	4,585	3,572	4,075
Goodwill	6,651	6,152	6,152	-	-	-
Other Long Term Claims		-	-		-	-
Total Non-current assets	**6,977**	**6,332**	**6,337**	**4,637**	**3,572**	**4,127**
Current Assets						
Inventory (PIP)	470	267	240	-	-	-
Deferred tax asset	4	217	152	-	-	-
Share issue receivable	-	-	-	-	-	-
Short term receivable	-	-	-	-	418	-
Trade receivable	8,030	3,703	7,102	2,239	-	82
Other Claims	405	596	84	-	-	1,556
Cash & Bank	437	268	265	3	2	3
Total Current Assets	**9,346**	**5,051**	**7,843**	**2,242**	**419**	**1,642**
TOTAL ASSETS	**16,323**	**11,383**	**14,180**	**6,879**	**3,992**	**5,769**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	71	70	70	71	70	70
Share premium	7,869	6,001	5,852	7,780	5,703	5,763
Ongoing share issue		-	-		-	-
Period result	-2,414	-2,271	-763	-375	-694	-838
Other reserves	118	-489	-510	-2,655	-1,801	-1,874
Total Equity	**5,644**	**3,311**	**4,649**	**4,820**	**3,278**	**3,121**
Capital and reserves attributable to owners	5,571	3,193	4,500	4,820	3,278	3,121
Non-controlling interests	73	*118*	*149*	-	-	-
Long-term Debt						
Short term debt						
Interim Debt		-	2,252		-	1,569
Short term credit facility	660	*144*	-	660	*12*	-
Intragroup Debt	888	-	-0	575	*745*	460
Suppliers	8,067	*6,729*	6,777	763	*-43*	572
Tax Debt	678	*219*	207	17	-	47
Provisions	386	*980*	294	44	-	-
Total Short Term Debt	**10,679**	**8,072**	**9,531**	**2,059**	**714**	**2,648**
TOTAL DEBT AND EQUITY	**16,323**	**11,383**	**14,180**	**6,879**	**3,992**	**5,769**

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CHANGES IN EQUITY CAPITAL
(Thousand Euros)

	Jan-June 2018	Jan-June 2017	Jan-Dec 2017
Equity - Opening Balance	**4,649**	**5,413**	**5,412**
Adjustment from acquisition analysis			-
Share Issues	2,018		-
Profit from the Period	-2,414	-2,176	-763
Tax impact from deductible costs for ongoing share issue			-
Adjustment related to acquisition analysis	1,566		-
			-
Foreign Exchange-Differential	-175	75	-
Changes in equity during the period	**995**	**-2,101**	**-763**
Equity - Closing Balance	**5,644**	**3,311**	**4,649**
Opening balance- Equity attributable to non-controlling interest	***149***	***147***	***147***
Dividend payment to minority		*-*	*-*
Currency effect minority		*-207*	*-*
Profit attributable to non controlling interest	*-76*	*-68*	*2*
Closing balance - Equity attributable to non controlling interest	***73***	***-128***	***149***
Closing balance - Equity attributable to shareholders of the parent company	***5,571***	***3,439***	***4,500***

CHANGES IN EQUITY CAPITAL

(Thousand Euros)

	Jan-June 2018	Jan-June 2017	Jan-Dec 2017
Equity - Opening Balance	**3,121**	**3,959**	**3,959**
Adjustment from acquisition analysis	57	-	-
Share Issue	2,018	-	-
Profit from the Period	-375	-458	-838
Foreign Exchange-Differential	-0	-223	-
Changes in equity during the period	**1,699**	**-681**	**-838**
Equity - Closing Balance	**4,820**	**3,278**	**3,121**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Corporate information

The interim condensed consolidated financial statements of Cyber Security 1 AB (Plc) and its subsidiaries (collectively, the Group) for the six months ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 31 August 2018.

Cyber Security 1 AB (Plc) (the Company) is public company, incorporated and domiciled in Sweden, whose shares are publicly traded. The registered office is located at P.O Box 3416, 103 90 Stockholm, Sweden. The Group is principally engaged in the provision of cybersecurity application distribution (sale and implementation) advisory and managed services globally.

1. Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regards to the Parent Company, RFR 2. Effective January 1, 2018, CYBER1 applies the following new or amended International Financial Reporting Standards (IFRS):

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

The nature and effect of the change from the adoption of IFRS 9

Financial Instruments brings about new principles regarding classification and measurement of financial assets and liabilities, introduces a new expected credit loss model for calculating impairment on financial assets, and implies new requirements for general hedge accounting aimed at simplifying and aligning with the Group's risk management strategies.

IFRS 9 does not have a significant impact on the Group's financial statement, as CYBER1's classification and measurement policies are consistent with the new standard, credit loss amounts are immaterial, and hedge accounting transactions are to be treated in a similar manner under the new standard as before.

The new standard is applied from January 1, 2018. Financial instruments for 2017 in this report are presented in accordance with previous standard, IAS 39.

The nature and effect of the change from the adoption of IFRS 15

IFRS 15 Revenue from Contracts with Customers:

The standard regulates revenue recognition and disclosure requirements relating to commercial agreements (contracts) in which the delivery of goods/services is divided up into separate identifiable performance obligations that are reported independently. The standard came into effect on January 1, 2018. A project has been carried out that has examined the following areas: sales of services, variable and fixed discounts, inspection of agreements and when control has been transferred to the customer. In summary, the conclusion was drawn that the new standard will not have any material impact on the CYBER1 Group's revenue recognition. Due to the non-material effects of the new standard, previous periods have not been restated.

New IFRSs and interpretations which have not yet been applied

IFRS 16 Leases, which will become effective in 2019 and replace IAS 17 Leases and the related Interpretations, is not expected to have a material impact on the Group's financial statements. Under IFRS 16, almost all lease contracts shall be recognised as a right-of-use asset and a lease liability measured at the present value of future lease payments. In the income statement, depreciation on the right-of-use asset and interest expense on the lease liability will be recognised instead of the lease payments recognised as cost when incurred. Lease contracts within the Group mainly pertain to real estate leases, such as office premises, warehouses and storages, which currently are reported as operating leases under the rules of IAS 17.

Other IFRS standards, amendments and interpretations to existing standards applicable as of January 1, 2019 or later are not expected to have a significant impact on the Group's financial result or position.

2. Disaggregation of revenue

The main revenue streams for the CYBER1 Group arise from rendering 'Professional services' (Advisory and Managed services) and Distribution & System Integration (DSI). The professional services of Advisory and Manged services are sold on their own in separately identified contracts with customers and the DSI are sold together as a bundled package of resale of software/or implementation services.

Revenue for the sale of Distribution & System Integration, Advisory and Managed services **are recognised at a point in time** when the control of the promised good or service is transferred to the customer at the expected consideration to be received for such delivery. The expected consideration recognised reflects estimates of potential outcome of variable considerations as well as expected reimbursements for product returns

Primary geographical markets analyses:

A **wide geographic** reach in Europe, Africa and the Middle East.

Operational Structure

The group has three key activities:

- Distribution & System Integration (DSI)
- Advisory/Consulting Services
- Managed Services

Revenue from contract with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

FOR THE SIX MONTHS END 30 JUNE

	2018			2017		
Primary geographical markets	**Distribution & System Integration**	**Advisory & Managed Services**	**H1 2018 Total segments**	**Distribution & System Integration**	**Advisory & Managed Services**	**H1 2017 Total segment s**
Revenue	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Africa	2,901	3,080	5,982	3,166	2,131	5,297
UAE	1,990	110	2,100	1,303	370	1,673
Europe	109	818	928	144	391	535
External customer sales	***5,001***	**4,009**	**9,010**	**4,613**	**2,892**	**7,505**

Timing of revenue recognition

Goods and services transferred at a point in time	5,001	4,009	9,010	4,613	2,892	7,505
Total revenue from contract with customers	***5,001***	**4,009**	**9,010**	**4,613**	**2,892**	**7,505**

Segment information

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 June 2018 and 2017, respectively:

FOR THE SIX MONTHS END 30 JUNE 2018

Segments	Distribution & System Integration	Advisory & Managed Services	Total segments	Adjustments and elimination	Consolidated
Revenue	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
External customer	5,183	4,121	9,304	(294)	9,010
Inter-segment	(182)	(112)	(294)	294	-
Total revenue	***5,001***	**4,009**	**9,010**	**-**	**9,010**
Results					
Segment gross margin	**1,726**	**1,958**	**3,684**	**22**	**3,706**

FOR THE SIX MONTHS END 30 JUNE 2017

Segments	Distribution & System Integration	Advisory & Managed Services	Total segments	Adjustments and elimination	Consolidated
Revenue	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
External customer	4,613	2,892	7,505	(503)	7,002
Inter-segment	503	118	621	(118)	503
Total revenue	***5,116***	**3,010**	**8,126**	**(621)**	**7,505**
Results					
Segment gross margin	**1,673**	**1,475**	**3,148**	**0**	**3,148**

Adjustments and eliminations

Finance income, finance costs, taxes and fair value gains and losses on certain financial assets and liabilities are not allocated to individual segments as these are managed on an overall group basis. These are included in adjustments and eliminations in the segment disclosures.

Reconciliation of profit	Months ended 2018	Months ended 2017
	€'000	**€'000**
Segment profit	3,706	3,148
Administrative expenses	(5,648)	(5,274)
Finance (net)	(72)	(51)
Inter-segment profit/(elimination)	(401)	(94)
Loss before tax	**(2,414)**	**(2,271)**

Seasonality of operations

Management has concluded that the business is not 'highly seasonal' in accordance with IAS 34.

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3. Business combinations

On January 1, 2018, CYBER1 recognised the 100 percent acquisitions of Cognosec GmbH Austria, Intact and Credence Security (UK) Ltd within the Group consolation.

Effect of acquisition

The table below presents the acquired assets and liabilities at fair values recognized in the Group's balance sheet at the acquisition date, including goodwill, and the effect from the acquisition on the Group's cash flow:

Reconciliation of profit	**Fair value reported in the Group**
(Thousand Euro)	
Property, plant and equipment	84
Intangible	68
Long-term receivables and other non-current assets	-
Inventory	225
Trade receivables and current assets	1,078
Total liquid funds	120
Trade liabilities and other current liabilities	1,329
Deferred tax liability	215
Net identifiable assets and liabilities	**32**
Group goodwill	478
Total consideration paid	510
Less acquired liquid funds	120
Net effects on Group's liquid funds from acquisition	**390**

The goodwill associated to the acquisition represents the opportunity for CYBER1 to broaden our product offer in line with our vision. No part of the goodwill value is expected to be deductible for tax purposes.

Acquisition costs are mainly pertaining to consultancy fees relating to the due diligence process. Acquisition costs are recognised in profit and loss as administration costs.

No contingent liabilities arising from the acquisition have been identified.