CYBER1 Records H1 Revenues of 16m EUR, Whilst Making Positive Progress in the Reconstruction Process

Group Performance

- Total Group revenue for CYBER1 equated to 16.01m EUR for H1 2020. Following the first quarter results, the business has been able to reduce the prior year revenue gap by 11.9%, from an original 30% in Q1 2020.
- Group Gross margin has increased year over year by 4%, from 21% in H1 2019 to 25% in H1 2020. An increase in services delivered to clients remotely, combined with an improved product mix has equated to a margin that has grown versus H1 2019.
- Group operating expenditure for the half year period has been reduced year over year by 9% on an organic basis, versus H1 2019. Further quarterly results will see the benefit of these harmonisation initiatives around the subsidiaries and head office, over the next six months of the financial year.
- Group H1 2020 EBITDA of -1.96m EUR, compared to a loss of -764k EUR in H1 of 2019.

In H1 2020, the business was impacted by global lockdown measures as a result of the Covid-19 epidemic. In particular, the planned expansion into India was delayed. Subject to further lockdown measures, a recovery is expected in the second half of the financial year which is historically the stronger trading period for the Group's subsidiaries. The Group has not applied for or received any governmental reliefs with respect to the ongoing Covid-19 epidemic.

- ***Items affecting comparability***- CYBER1 reported items affecting comparability of 12.1m EUR. This comprises of closure costs of -3.88m and -4.81m of goodwill impairment related to the divestment of Itway Greece and Turkey. In addition, a total of -3.40m EUR of costs related to the restructuring and impairment of investments in Cognosec Ltd. This has impacted the statement of income and comprehensive income.

Subsidiary Performance

- DRS recorded half yearly revenue of 11.39m EUR in H1 2020, versus 11.00m EUR in H1 2019.
- Credence Security Middle East & India recorded revenue of 3.09m EUR in H1 2020, versus 5.86m EUR in H1 2019. The Covid-related restrictions in the region have limited business expansion, however the entity is working to utilise its third and fourth quarter to recoup some of the initial loss of revenue from the first half of the year.
- Credence Security South Africa recorded half yearly revenue of 551k EUR in H1 2020, versus 1.19m EURin H1 2019.
- Protec (Kenya) recorded half year revenues of 578k EUR in H1 2020, versus 727k EUR in H1 2019.
- Local economic and public health responses to Covid-19 have impacted the business in H1 2020. Especially CYBER1 businesses in the Middle East and India have had to delay their growth plans. However, management continues to believe in the longer term opportunity in these markets based on CYBER1's existing vendor and services portfolio.

Beyond the Quarter & Other News

- CYBER 1 AB continues through the Reconstruction. Dialogue with existing shareholders and creditors has been positive despite the challenges of Covid 19 and the subsequent difficulties in facilitating the process. The Board of Directors has requested that the Court provides an extension to the Reconstruction process, to ensure all stakeholders have been accurately engaged and analysed through the process.
- CYBER1 called an EGM, which will take place on the 27th of August.
- The Board of Directors have implemented a Control Balance Sheet, in accordance with the Swedish Companies Act. Following a review by the Company's Auditor RSM Stockholm AB without comments, the Company is able to demonstrate that its registered Share Capital is intact.
- After the quarter period, Thomas Bennett resigned from his position as a board member.
- CYBER1 appointed Peter Gustafsson as Acting CEO to the company, to support the ongoing Reconstruction process and further stabilisation of the business.

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CEO Comments

Dear Shareholders,

As all businesses continue to adapt to the new environment, born out of the spread of COVID-19, CYBER1 has maintained its clear focus towards facilitating its array of clients. Importantly, this approach has been achieved whilst maintaining a close and personal relationship with our key stakeholders, in this time of greater remote interactions.

With the reconstruction process ongoing, the company is pushing forward towards maximising the business opportunities from the upcoming two quarters, with significant intent and purpose. As an executive group, we have to refocus with key strategic vendors and partners, as well as further facilitating our professional service offering, to provide a strong margin blend that will positively affect our financial reporting. From a strategic perspective, I am working closely with the board to stabilise the company and to enable the execution of our sales strategy for 2020 and also 2021.

I would like to thank the CYBER1 staff members for continuing our vision and strategy under significant external pressures whilst maintaining their focus on client and vendor relationships. I am excited to see how we can push to achieve success in 2020 and move closer to achieving some of our objectives.

To our customers, my thanks for utilising our services and we are here to support you and your security environments wherever we can assist. We take great pride in our value driven relationships and look forward to extending this into 2020 and beyond.

Finally, I look forward to working in partnership with our shareholder base during the reconstruction process, as well as further afield in supporting the company's vision and future trajectory.

Stockholm, August 2020.

Peter Gustafsson

Acting CEO of CYBER1

CYBER1 GROUP: Financial key-ratios	Apr-Jun Q2 2020	Apr-Jun Q2 2019	Jan-June H1 2020	Jan-June H1 2019	Jan-Dec FY 2019
Total Group Income €('000s)	6,882	13,504	16,007	33,130	68,731
Total Group Gross Margin €('000)	1,942	2,908	4,023	6,928	14,197
Total Group Gross Margin (percent)	28%	22%	25%	21%	21%
Cash Flow in the Period €('000s)	-564	1,062	-5,227	-3,649	-2,728
Operating Margin €('000s)	-768	-759	-2,161	-1,069	-1,156
Operating Margin (percent)	-11%	-6%	-14%	-3%	-2%
Result after Taxes €('000s)	-249	-817	-6,202	-946	-1,795
Earnings per share €*	-0.0008	-0.0020	-0.0020	-0.0024	-0.0035
Basic earnings per share, EURO					
.- of which continuing operations	-0.0008	-0.0020	-0.0020	-0.0024	-0.0035
Diluted earnings per share, EURO	-0.0008	-0.0020	-0.0020	-0.0024	-0.0035
Basic weighted average number of outstanding millions	**293.9**	322.2	**322.2**	293.9	293.9
Diluted weighted average number of outstanding millions	293.86	322.19	322.19	293.86	293.86

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 2020 amounted to 348, 890,226 (prior year number of shares outstanding 295,486,482). The additional 53,403,744 allocation were new offset shares that were issued to existing CYBER1 shareholders (38,769,247 & 14,634,497 respectively).

Contacts

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

About CYBER1 (Nasdaq First North Growth Market: CYB1.ST)

CYBER1 is engaged in providing cyber resilience solutions and conducts its operations through physical presences in UK, Sweden, Kenya, South Africa, United Arab Emirates and the United States. Listed on Nasdaq First North Growth Market (Nasdaq: CYB1.ST), 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. For further information, please visit www.cyber1.com/investors.

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BUSINESS OVERVIEW

MARKETS

As COVID-19 continues to be a prominent feature around the world within the public health, political and economic spheres, a number of vulnerabilities continue to be exploited. Following the drastic shift in the working patterns and environments has meant a number of industries have been adversely affected.

Beyond the quarter, the United Kingdom has condemned Russia Intelligence Services for allegedly gathering information on vaccination research into combating COVID-19. The United Kingdom's National Cyber Security Centre (NCSC) and Canada's Communications Security Establishment (CSE) have worked in collaboration with the US Intelligence Agency to confirm that the alleged perpetrator "APT29", a cyber espionage group, is almost certainly part of the Russian Intelligence Services.

It has been revealed that the unprecedented hacking of a number of high-profile Twitter accounts originated from a successful spear-phising attack on employees. Presidential candidate Joe Biden and Microsoft Co-Founder Bill Gates were some of the influential accounts that had been successfully compromised in promoting a Bitcoin Scam that netted almost 90,000 euros in the process. Despite a significant budget on information security infrastructure, the reality of these types of attacks is that they can be easily circumnavigated by breaches such as these and damage reputations of companies in a severe manner.

In light of the increased cyber threats related to COVID-19, the European Union Council has extended its sanction regime until May 2021, to facilitate greater scrutiny and punishment for potential cyber-attacks on key infrastructures such as healthcare and national elections. Examples of sanctions include asset freezing and travel bans whilst determining wider punishment through the legal process. The sanctions were adopted in May 2019, to enable the E.U to impose restrictive measures to deter and respond to cyber-attacks.

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 Overview Sales	*Jan-June* H1 2020	Share %	*Jan-June* H1 2019	Share %	*Jan-Dec* FY 2019	Share %
Credence (UAE)*	3,086	19%	5,863	18%	12,436	18%
Credence Security (South Africa) **	551	3%	1,191	4%	3,194	5%
Cognosec (South Africa)	11,390	71%	11,003	33%	19,411	28%
Cognosec (Kenya)	578	4%	727	2%	1,269	2%
Credence (Europe)****	223	1%	13,275	40%	30,702	45%
Cognosec (Europe)***	179	1%	1,071	3%	1,719	3%
Total	**16,007**	**100%**	**33,130**	**100%**	**68,731**	**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)

****Credence Europe consists of Credence UK

OUTLOOK AND FINANCIAL INFORMATION

The quarter has brought unprecedented challenges for CYBER1, and regions where it operates in have also endured the COVID-19 pandemic. We have embarked on a number of initiatives and restructuring programmes, aiming to leap within digitalisation and strategically focus our geographical footprint. Despite the challenges, our strategy of growth and operating model has provided us with the ability to deliver critical services whilst managing operational costs and investments. The financial results this quarter are positively impacted by the strong performance of our operations in our Value Added Reseller (VAR) and advisory segment. Value Added Distribution (VAD), as expected, remains the most challenged segment we operate within.

Business trend January to June 2020

The Company saw a full quarter of the COVID-19 impact which had a negative effect of EUR 1.9 million on underlying EBITDA at Group level (EUR 701 thousand in Q2 and EUR 1.2 million in Q1). The impact was largely as expected with the main headwinds coming from restructuring and streamlining of the UK operations, and declining (VAD) sales. At the same time, we have refused to stay reactive during the pandemic. Instead, the Company has pushed its transformation program forward, continuing to focus on cost management and capex to secure resilience in cash flow.

Group-wide organic sales revenue fell by 19% to 16.01 million (previous year: 19.8m) in the first half of the year. Excluding consolidation effects from the disposals of the Itways business activities in Greece and in Tuckey, the decline amounted to 52%. On a like-for-like basis, revenue in the Advisory and VAR segment recorded a moderate increase, while in the VAD business segment declined sharply at the previous year's level in Asia and the Middle East.

VAD of organic aggregates were 45% below the previous year's level at 3.86 million revenue (previous year: 7.05), while VAR integration and advisory remained only slightly below the previous year. Excluding consolidation adjusted effects, sales revenue declined by 0.05%.

Development of revenue and results

Group gross margin decreased by 41.9% in comparison with the previous year to €4.023 million (previous year: €6.928m). Excluding consolidation of the Itway operations and exchange rate effects, the decline amounted to 31.5%. Changes to the scope of consolidation and exchange rate effects of €-1.1 million had a negative impact on the operating result. The result from current operations before depreciation and amortisation (EBIDTA) declined to €-1,959 million (previous year: €-764k); was particularly affected by the €1.7 million restructuring and impairment of UK operations, and drop in revenue related to COVID-19.

Earnings before interest and taxes (EBIT) declined to €-2.32 million (previous year: €-845k). Because of the aforementioned charges in the additional ordinary result, the relatively stable result from current operations could not be maintained, leading to a decrease in EBIT. The financial result rose by €-1.37 million to €-2.32 million (previous year: €-946 thousand). Net loss from discontinued operations amounts to €-3.88 million and is attributable to operations of the Itways Group that were discontinued in first quarter. Overall, the result for the period totalled €-7,882 million (previous year: €-946 thousand).

Revaluation of the asset portfolio

In the second quarter of 2020 and as a consequence of the coronavirus pandemic, CYBER1 carried out an extensive review of the business prospects of all of the Group's significant local business units. CYBER1 conducted an impairment test of its asset portfolio on this basis. The examination led to non-impairments of goodwill and of other intangible assets and property, plant and equipment.

Our strategy of growth, modernisation and responsible business has provided us with the ability to deliver critical services and manoeuvre in these demanding times. Going forward, we will use this experience to further enhance the execution of our modernisation journey. For 2020, we expect a low single digit percent decline in VAR and VAD revenues, stable organic EBITDA and around 12% EBIT to sales. We will continue to focus on cost management and Opex to secure resilience in cash flow.

Outlook

Development in the cyber security industry remains highly dynamic. A further wave of infections may occur at any time, which would have an impact on CYBER1's geographic regions. Against this backdrop, it is still not possible to estimate the full effect of the public health and economic challenges on the Company results for 2020. CYBER1 continues to look at its operational and strategic objectives, to ensure that the second half of the financial year is adaptable to the global spread of the Covid-19 epidemic and the continuing changes in macroeconomic trends.

The development in the second half of the year will be a decisive indicator of how quickly and sustainably the business can return to pre-crisis levels. CYBER1 anticipates that business activity in individual core markets may benefit in the medium term from infrastructural and other economic stimulus programmes announced by governments.

Risk and opportunity report

CYBER1's risk policy is based on the business strategy, which focuses on safeguarding the Group's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, as well as assessing and reducing them systematically are the responsibility of the Managing Board and a key task for all managers. CYBER1 is subject to various risks on account of its international business activity. Provided that they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present; these risks are classified as acceptable. Opportunity and risk management at CYBER1 is closely linked by Group-wide planning and monitoring systems. Opportunities are recorded in the annual operational plan and followed up as part of monthly financial reporting. Operational management in each country and the central Group departments are directly responsible for identifying and observing opportunities at an early stage.

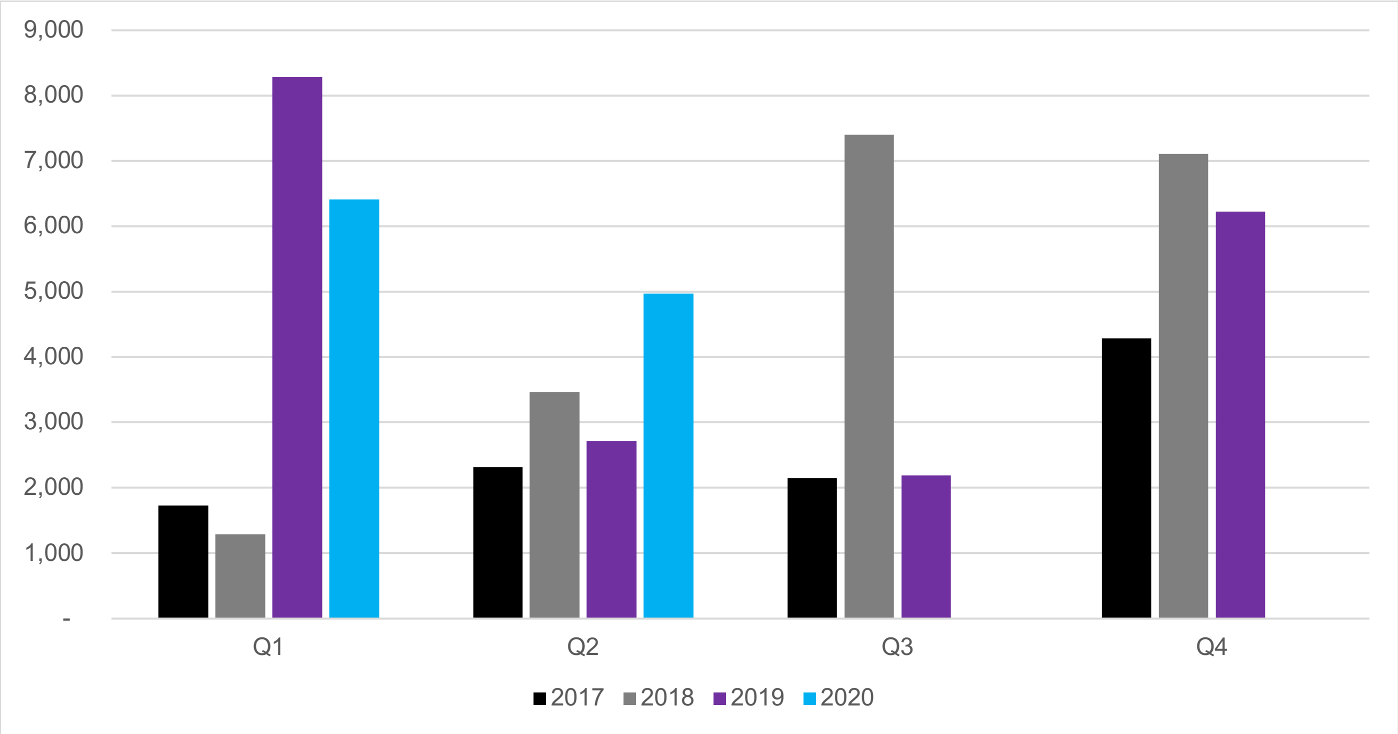
Risks and opportunities that may have a significant impact on our financial position and performance in the 2020 financial year and in the foreseeable future are described in detail in the 2019 Annual Report.

The COVID-19 pandemic has plunged the global economy into a deep crisis. Even though there are already initial signs of recovery in some countries, the risk of further economic disruption remains high due to a renewed rise in the number of infections. Nevertheless, in a holistic view of individual risks and the overall risk situation, the Company, from today's perspective, does not expect identifiable risks that could threaten the existence of the Group or any other apparent significant risks.

Forward-looking statements

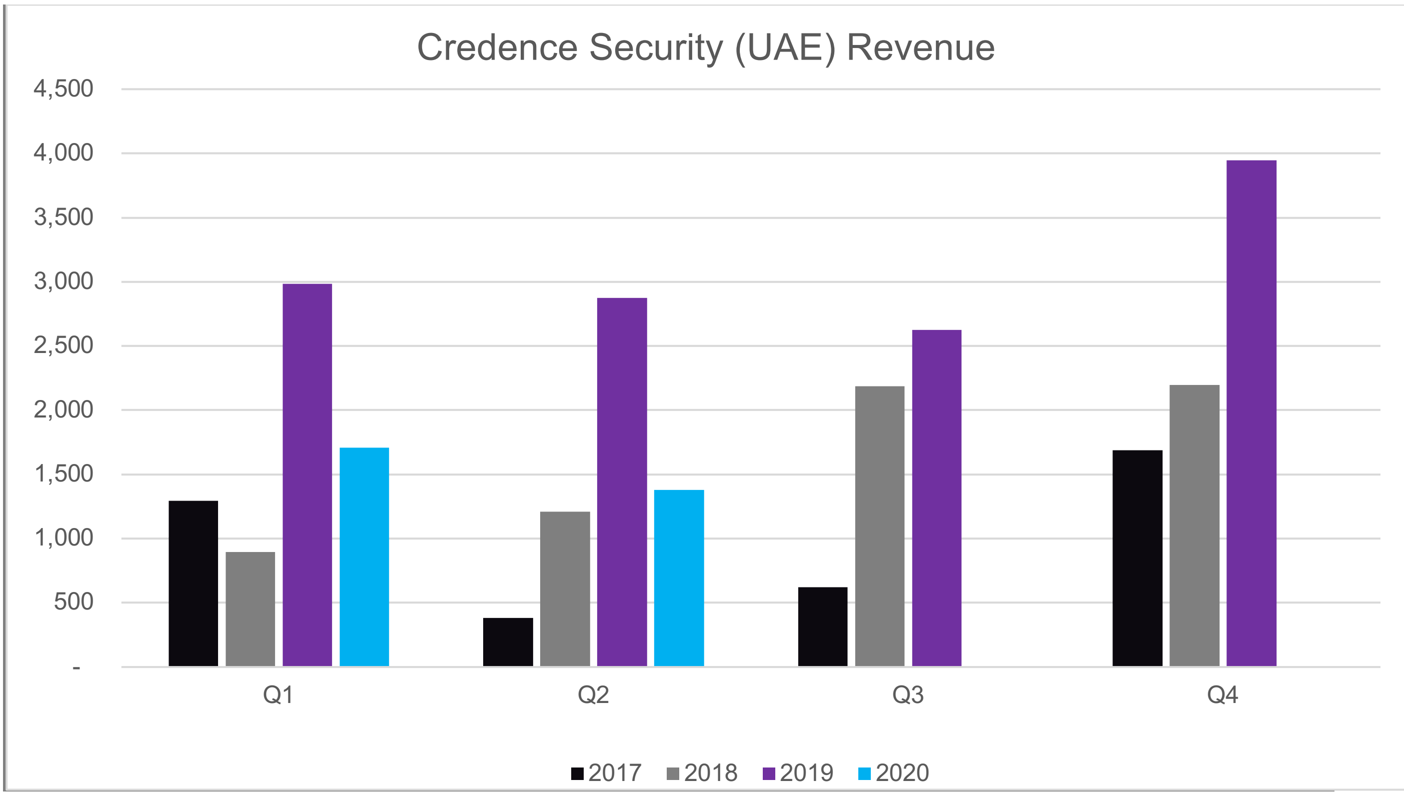
The 'Other Information' section includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programmes and intellectual property rights may affect future results. There are also external conditions such as the economic climate, political changes and competing research programmes that may affect CYBER1's results. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, CYBER1 Company undertakes no obligation to update any of them in light of new information or future events

DRS (South Africa)



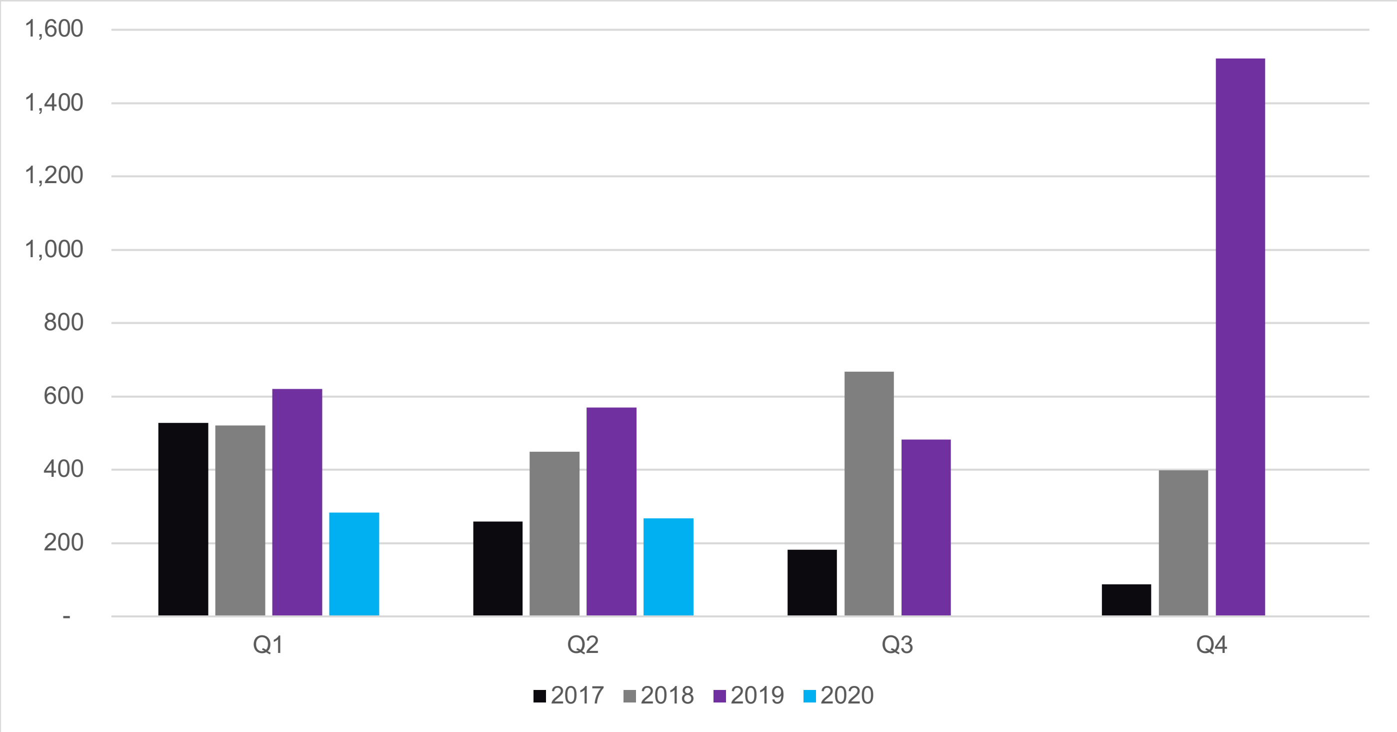
DRS has continued its strong performance, despite the jurisdictional challenges. The subsidiary closed 11.39m EUR for H1 2020, a year over year increase of 4% (387k EUR) versus the previous year's reporting period. DRS is well positioned to record another positive year of progress and credit must be attributed to the management team and subsidiary staff, in servicing their clients and adapting well to the environment.

Credence Security Middle East & India



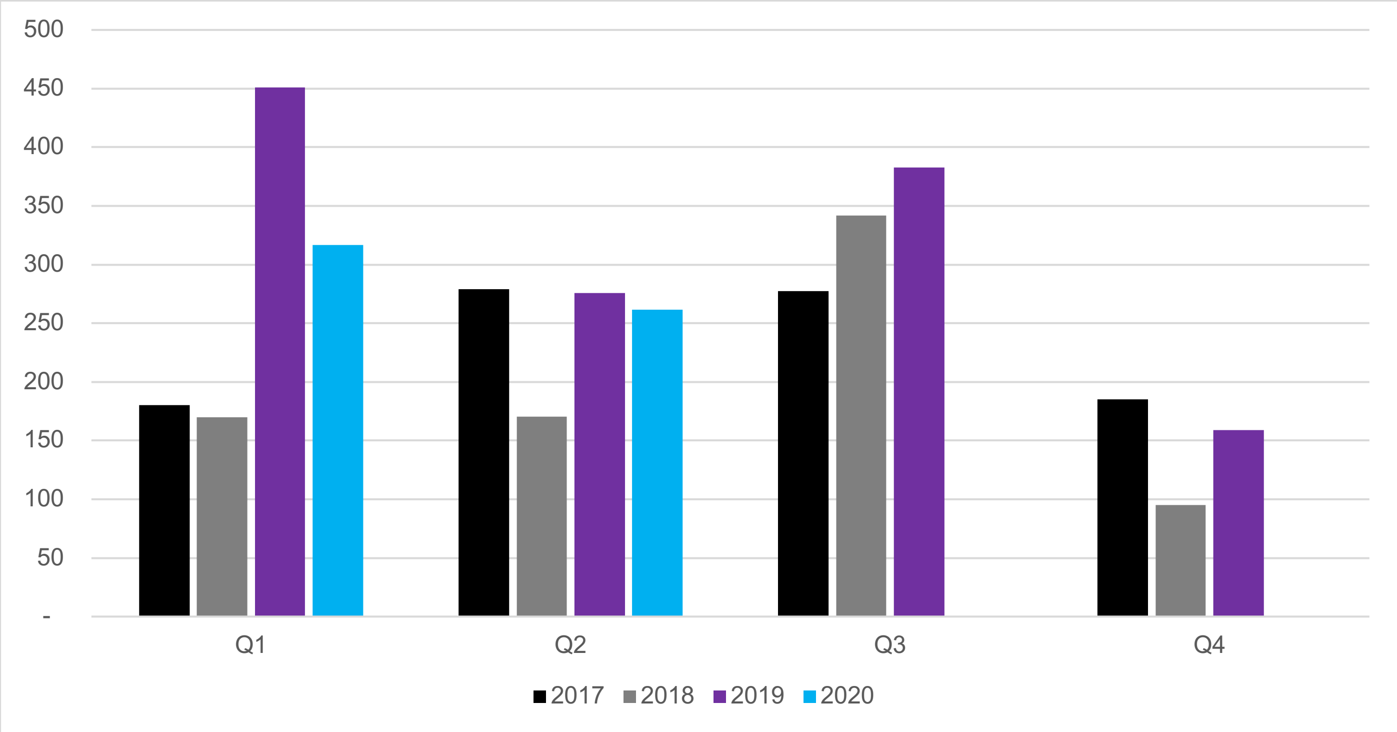
Credence Security Middle East and India recorded 3.09m EUR of revenue for the period. The entity has refocussed its previous expansion plans in target jurisdictions, focussing on its core offering whilst the region stabilises. It is anticipated that the following quarters (particularly Q4) will provide a platform to capitalise on new opportunities for the business.

Credence Security (South Africa)



Credence Security South Africa closed 551k EUR in revenue for the first half year period. The year over year delta is being carefully assessed by the management team, identifying a strong pipeline for the back end of the financial year to ensure any disruption to business can be mitigated in the long term.

Protec (Kenya)



Protec has continued to support its diverse client base, recording 578k EUR in revenue for the period. The business has adapted to the environment and is well positioned to continue acquiring new customers whilst upselling into existing infrastructures as it moves into one of its historically strongest quarters.

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CUSTOMERS

CYBER1's customers range from government departments, large-scale industrial organisations, financial institutions, companies operating across the TMT sectors, national global communications carriers as well as 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, Cisco, Cyberark, Demisto , Everbridge, Fidelis, Galvanize, KnowBe4, Infocyte, McAfee, Popcorn Training, Pulse Secure, Rapid7, Redhat, Redseal, Solus, Thales, Trustwave amongst others.

CASH FLOW

The difficulty in the market environment and changes to the scope of consolidation due to divestment and restructured of the European regions have affected the Operational Cashflow negatively in the period.

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.

FINANCIAL INFORMATION

INTERIM REPORT: COMPARATIVE FIGURES

The H1 2020 report has not been reviewed by the Group's auditor.

PROFIT FOR THE PERIOD

Group

First half year revenues amounted to 16.01m EUR (H1 2019 Revenue: 33.13m EUR).

Profit before tax for H1 2020 amounted to -2.32m EUR (H1 2019 profit of -845k EUR).

Profit after tax from continuing operations for H1 2020 amounted to -2.32m EUR (H1 2019 profit of -946k EUR).

Depreciation and amortisation for H1 2020 amounted to -201k EUR, H1 2019 Depreciation and Amortisation: -306k EUR.

There was a Net Cash Outflow for H1 2020, which amounted to 1.35m EUR (Net Cash Outflow H1 2019: 3.65m EUR).

At the end of H1 2020, the Group's cash balance amounted to 627k EUR (H1 2019: 1.32m EUR).

Parent

The Parent Company's loss for H1 2020 amounted to -3.39m EUR (H1 2019: -797k EUR).

FINANCIAL POSITION

Group

The Group's equity for end of H1 2020 amounted to 517k EUR (End of H1 2019: 14.12m EUR).

CYBER1 did not pay any dividends to shareholders during H1, 2020, 2019 and prior to this period.

Parent

The equity for the parent company amounted to -2.414m EUR at the end of H1 2020 (End of H1 2019, 14.54m EUR) and 3k EUR cash or cash equivalent (End of H1 2019,3k EUR).

INVESTMENTS

The Group seeks to expand by way of profitable M&A activity in what remains a highly fragmented market.

The Company continues to identify a number of acquisition targets. The approach for CYBER1 is to assess various forms of companies that can complement and add to their overall offering in the Product and Professional and Managed Service space.

TAXATION

Group

No provisional corporation tax was paid in Q2 2020.

Deferred Tax Credit has been recognised in the Group during 2019 and to date in 2020.

Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2018, 2019 or to date in 2020.

ALLOCATION OF PROFITS

As indicated in the Financial Position section no dividends were paid to shareholders, therefore no allocation of profit was required for the period of reporting.

TRANSACTIONS WITH RELATED PARTIES

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company with the information given in the annual report 2019.

SHARE INFORMATION

Cyber Security 1 AB (Publ) (Trading as CYBER1) is a public company whose shares are traded on Nasdaq First North Growth Market (CYB1.ST)

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

Total number of registered shares at 30 June 2020 are: 348,890,226

2020 FINANCIAL CALENDAR

Nine Month Report	October 30, 2020

The projected 2021 Calendar will be published in the Q3 2020 report.

2019 Annual Report

The 2019 Annual Report was published during the second quarter, and is available at www.cyber1.com/investors under the “Financial Report” Section.

ACCOUNTING PRINCIPLES

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

PARENT COMPANY, CONTROL BALANCE SHEET

The Board of Directors have implemented a Control Balance Sheet, in accordance with the Swedish Companies Act. Following a review by the Company’s Auditor RSM Stockholm AB without comments, the Company is able to demonstrate that its registered Share Capital is intact.

RISKS AND UNCERTAINTIES

Inherent risks and uncertainties for CYBER1 consist primarily of:

Business risks concerning the delivery of contracted projects and payment.

Financial risks (such as risks related to currency, interest rates, counterparties, 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.

CERTIFIED ADVISORS

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

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INVESTOR RELATIONS ADVISORS

IFC act as CYBER1's external investor relations advisor.

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

Direct contact or general matters relating to CYBER1 please contact:

George Messum : george.messum@cyber1.com +447956589186

or

Fredrik Sätterström

Phone: +46 (0)70 510 10 22

AUDITORS

The 2020 AGM resolved to elect RSM Stockholm AB, with Malin Lanneborn as auditor-in-charge, for the time up until the next annual general meeting in the company.

ELECTION COMMITTEE AND ANNUAL GENERAL MEETING 2020

The annual general meeting of Cyber Security 1 AB (publ) (the "Company") was held on the 30th of June 2020.

The AGM resolved on, for the period until the next annual general meeting has been held, re-election of Daryn Stilwell and Antoine Karam (confirmed as Chair), Frank Kamsteeg, Corné Melissen, Robert Blase and Thomas Bennett.

The AGM decided in accordance with the proposal, to issue at one or more occasions, with or without deviation from shareholders preferential rights, up to 150,000,000 new shares, convertible bonds and / or warrants.

On 17th of August 2020 it was announced that Thomas Bennett had resigned from his position on the Board of Directors. Please refer to Note 11.

CERTIFICATION AND SIGNATURES

The Board of Directors 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

Antoine Karam, Chairman, Non-executive Board member
Daryn Stilwell, Executive Board member
Frank Kamsteeg, Non-executive Board member
Corné Melissen Non-executive Board member
Robert Blase Non-executive Board member

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DETAILED FINANCIAL INFORMATION

Consolidated Income Statement

(Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Continuing operations				
Net Revenue	6,882	13,505	16,007	33,130
Cost of Sold Goods	-4,941	-10,597	-11,984	-26,202
Gross Profit	**1,942**	**2,908**	**4,023**	**6,928**
Sales Costs	-1,514	-2,067	-3,382	-4,069
Administration Costs	-1,128	-1,444	-2,600	-3,622
Depreciation	-68	-156	-201	-306
Total Operating Cost	**-2,710**	**-3,667**	**-6,184**	**-7,997**
Operating Result	**-768**	**-759**	**-2,161**	**-1,069**
EBITDA	**-701**	**-604**	**-1,959**	**-764**
<u>Financial income and costs</u>		-	-	-
Finance income	5	9	5	321
Finance costs	-23	18	-70	-98
Other financial items	538		-94	-
Total Finance income and costs - net	**519**	**28**	**-159**	**224**
Result before tax	**-249**	**-731**	**-2,320**	**-845**
Tax (Period)	-	-85	-	-101
Net income for the period, continuing operations	**-249**	**-817**	**-2,320**	**-946**
Discontinued operations				
Loss from discontinued operations	-	-	-3,882	-
Net income for the period, discontinued operations	**-**	**-**	**-3,882**	**-**
Net income	**-249**	**-817**	**-6,202**	**-946**
Net income (loss) attributable to:				
Owners of the Parent Company	*-184*	-604	*-5,599*	-700
Non-controlling interests	-65	*-212*	*-603*	*-246*

Statement of comprehensive income (loss)				
(Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Net income (loss)	**-249**	**-817**	**-6,202**	**-946**
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss, including reclassification adjustments:				
revaluation of gains and loss relating to intangible assets	**-**	**-**	**-4,809**	**-**
Other items: impairment and restructuring and acquisition-related charges	**-1,680**	**-**	**-3,404**	**-**
Total comprehensive income (loss)	**-1,929**	**-817**	**-14,415**	**-946**
Total comprehensive income (loss) attributable to:				
Owners of the Parent Company	*-1,864*	-604	*-13,812*	-700
Non-controlling interests	-65	*-212*	*-603*	*-246*

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Parent Company income statement

(Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	TYD Jan-Jun 2019	Jan-Dec 2019
Net Revenue	-	384	179	775	1,573
Cost of Sales	-	-	-	-	-484
Gross profit	**-**	**384**	**179**	**775**	**1,089**
Sales Costs	-	-	-	-	**-686**
Depreciation	-3	-3	-5	-5	-10
Administration costs	-2,662	-485	-3,600	-1,594	-3,587
Total Costs	**-2,665**	**-487**	**-3,606**	**-1,599**	**-4,284**
Operating result	**-2,665**	**-103**	**-3,427**	**-825**	**-3,195**
Finance costs	34	25	37	27	-41
Result before tax	***-2,630***	***-78***	***-3,390***	***-797***	***-3,236***
Tax	-	-	-	-	-
Result for the period	***-2,630***	***-78***	***-3,390***	***-797***	***-3,236***

Parent Company statement of comprehensive income (loss)

(Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net income (loss)	**-2,630**	**-78**	**-3,390**	**-797**	**-3,236**
Tax on items that will not be reclassified to profit or loss	-	**-**	**-12,306**	**-**	**-**
Total comprehensive income (loss)	**-2,630**	**-78**	**-15,695**	**-797**	**-3,236**

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BALANCE SHEET (Thousand Euros)	Group 30 Jun 2020	Group 30 Jun 2019	Group 31 Dec 2019	Parent 30 Jun 2020	Parent 30 Jun 2019	Parent 31 Dec 2019
ASSETS						
Non-current assets						
Property, plant and equipment	75	166	182	-	-	-
Right-of-use-Asset	334	634	450	-	-	-
Intangible Assets	26	4,585	4,400	26	37	31
Investments in subsidiaries	-	-	-	2,301	14,560	14,357
Goodwill	6,630	7,609	7,609	-	-	-
Total Non-current assets	**7,064**	**12,994**	**12,641**	**2,327**	**14,596**	**14,389**
Current Assets						
Inventory	6	558	225	-	-	-
Deferred tax asset	12	14	14	-	-	-
Short term receivable	-	-	-	-	-	-
Trade receivable	12,422	20,868	26,951	5,699	4,128	5,654
Other Claims	115	232	279	-	-	-
Cash & Bank	627	1,320	2,438	3	3	3
Total Current Assets	**13,183**	**22,992**	**29,905**	**5,702**	**4,131**	**5,657**
TOTAL ASSETS	**20,247**	**35,986**	**42,547**	**8,029**	**18,727**	**20,046**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	91	87	77	91	87	77
Share premium	20,857	19,668	19,678	20,769	19,579	19,590
Ongoing share issue	-	-	-	-	-	-
Period result	-7,882	-946	-1,795	-3,390	-797	-3,236
Other reserves	-12,549	-4,694	-4,378	-19,884	-4,334	-4,334
Total Equity	**517**	**14,116**	**13,583**	**-2,414**	**14,536**	**12,097**
Capital and reserves attributable to owners	517	15,483	13,583	-2,414	14,536	12,097
Long-term Debt						
Interest-bearing liabilities	-	**-**	634	-	-	-
Short term debt						
Interim Debt	1,781	*2,119*	2,770	1,189	*968*	2,135
Lease liabilities	334	*633*	535	-	-	-
Intragroup Debt	-	-	-	2,407	*1,337*	2,346
Suppliers	15,839	*16,752*	21,896	7,344	*1,980*	3,253
Tax Debt	750	*1,703*	2,043	-147	*-93*	-132
Provisions	1,026	*664*	1,086	-350	--	347
Total Liabilities	**19,730**	**21,871**	**28,964**	**10,443**	**4,192**	**7,949**
TOTAL DEBT AND EQUITY	**20,247**	**35,986**	**42,547**	**8,029**	**18,727**	**20,046**

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CASH FLOW ANALYSIS (Thousand Euro)	Group Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Profit before income taxes	-249	-731	-2,320	-845	-895
Adjustments non C/F items	-157	-2	37	1,010	1,468
Operating Cash Flow	**-406**	**-734**	**-2,283**	**164**	**573**
Paid Taxes	443	89	-	-241	12
Received finance payments - net	-	-	-	-	-
Changes in Working Capital	-1,753	-164	-3,518	-5,186	-2,932
Cash Flow from Operating Activities	**-1,716**	**-809**	**-5,801**	**-5,263**	**-2,347**
Acquisition of subsidiaries	-	-	-	-	-
Acquisition of Fixed Assets	-69	-30	-16	-752	-772
Cash Flow from Investment Activities	**-69**	**-30**	**-16**	**-752**	**-772**
New share issues	-	-	-	-	-
Proceeds from ongoing share issue	1,193	16	1,193	816	816
Dividend payment to minority	-	-	-	-	-
Lease liabilities	-	-	-46	-46	-46
Short Term Financing	27	1,885	-557	1,596	-378
Cash Flow from Financing Activities	**1,221**	**1,901**	**590**	**2,366**	**391**
Net change in cash, continuing operations	**-564**	**1,062**	**-5,227**	**-3,649**	**-2,728**
Net change in cash, discontinued operations	-	-	**3,882**	-	**-410**
Total net change in cash and cash equivalents	**-564**	**1,062**	**-1,345**	**-3,649**	**-3,138**
Opening Cash	1,384	1,113	1,384	5,924	5,924
Acquired cash	-	-			
FX-diff Period	-193	-855	588	-955	-349
Closing Cash Position	**627**	**1,320**	**627**	**1,320**	**2,438**

CASH FLOW ANALYSIS (Thousand Euro)	Apr-Jun 2020	Apr-Jun 2019	Parent Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Profit before income taxes	-2,630	-77	-3,390	-797	-3,236
Adjustments non C/F items	-32	-3	217	-	303
Operating Cash Flow	**-2,662**	**-79**	**-3,173**	**-797**	**-2,932**
Paid Taxes	-	-	-	-	-
Changes in Working Capital	1,478	50	3,826	-238	3,515
Cash Flow from Operating Activities	**-1,184**	**-29**	**653**	**-1,035**	**582**
Acquisition of Fixed Assets	-	-	-	-	-
Payments related to acquisition of subsidiaries	-	-	-	-	-352
Cash Flow from Investment Activities	**-**	-	**-**	**-**	**-352**
Proceeds from ongoing share issue	1,193	-	1,193	813	813
Dividend payment to minority	-	-	-	-	-
Short Term Financing	-9	22	-1,846	222	-1,044
Cash Flow from Financing Activities	**1,184**	**22**	**-653**	**1,035**	**-231**
Cash Flow from the Period	**-**	**-6**	**-**	**-**	**-**
Opening Cash	3	3	3	3	3
FX-diff Period	-	6	-	-	-
Closing Cash Position	**3**	**3**	**3**	**3**	**3**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Equity - Opening Balance	**1,228**	**14,673**	**13,583**	**14,673**	**14,673**
Adjustment from acquisition analysis					
Share Issues	1,193	-	1,193	816	816
Profit from the Period	-249	-817	-6,264	-946	-1,493
Tax impact from deductible costs for ongoing share issue	-		-	-	-
Other comprehensive income for the period, net of tax	-1,680		-8,057	-	-
Adjustment related to acquisition analysis	-	-		-515	-111
Foreign Exchange-Differential	25	259	62	88	-302
Changes in equity during the period	**711**	**-558**	**-13,066**	**-558**	**-1,090**
Equity - Closing Balance	**517**	**14,116**	**517**	**14,116**	**13,583**

PARENT COMPANY CHANGES IN EQUITY CAPITAL (Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Equity - Opening Balance	**-967**	**14,520**	**12,098**	**14,520**	**14,520**
Adjustment from acquisition analysis	-	-	-12,306	813	-
Share Issue	1,184	93	1,184	-797	813
Profit from the Period	-2,630	-78	-3,390	-	-3,236
Foreign Exchange-Differential	-		-	-	-
Changes in equity during the period	**-1,447**	**15**	**-14,511**	**16**	**-2,423**
Equity - Closing Balance	**-2,414**	**14,536**	**-2,414**	**14,536**	**12,098**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 – General accounting principles

CYBER1 (the Group) consists of Cyber Security 1 AB (the Company) and its subsidiaries. Cyber Security 1 AB is a public company, incorporated in Sweden. The consolidated interim financial statements consist of the Group and the Parent company and Group's subsidiary companies. As a result of rounding differences, numbers or percentages may not add up to the total. These interim condensed consolidated financial statements for the six months ending 30 June 2020, have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2019 (Annual Report 2019). Key developments in risks and uncertainties, including COVID-19, are described in the section Risks and uncertainties.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019. For information about standards, amendments to standards and interpretations effective from 1 January 2020, please refer to note 1 in the Group's Annual Report 2019. None of the standards, amendments or interpretations effective from 1 January 2020 has a significant impact on the Group's consolidated interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. A lessee may apply the amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. EU has not yet approved the amendment. Management anticipates that the amendment will be adopted when approved by the EU, and that early application will be elected by the Group.

Other application of new accounting standards

The following new or amended IASB standards and interpretations were applicable for the first time in these interim consolidated financial statements:

– *The amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform* provide certain reliefs for hedge accounting in connection with the IBOR reform. These reliefs have the effect that the IBOR reform should not cause hedge accounting to terminate. The amendments did not have any impact on the financial position and performance of the Group.

– *The amendments to IFRS 3 Business Combinations* provide a concrete definition of a business and introduce an optional concentration test. This test permits a simplified assessment of whether acquired business activities and assets represent a business or not. The amendments did not have any impact on the financial position and performance of the Group.

Note 2 – Operating segment information

Revenue and Segments

CYBER1 is located in three regions in Africa, Europe, and the Middle East, with more than 190 employees. For management and reporting purposes, the Group is organised by these geographical areas. The performance of these geographical areas is evaluated on a regular basis by CYBER1's Executive Team, consisting of among others the Managing Directors of each geographical segment. In addition to the geographical areas, the Group operates Shared Services functions and central administration. These costs are reported separately as Group Shared Service and Group cost.

For management and reporting purposes, CYBER1 will be included in Group Shared Services from 1 January 2020. The corresponding information from earlier periods is restated. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Disaggregation of revenue in the following table, revenue is disaggregated by major revenue streams divided into the reportable segments as shown below:

Revenue per segment

EUR thousand	Jan - Jun 2020	Jan - Jun 2019	Full year 2019
Continuing operations			
Africa	13,381	13,249	26,558
Middle East	3,086	5,863	12,436
Europe	402	14,371	32,420
Including internal sales	**16,869**	**33,483**	**71,415**
Internal sales, elimination	-862	-353	-2,684
Segment total	**16,007**	**33,130**	**68,731**

Revenue split per category

EUR thousand	Value Added Reseller (VAR)	Advisory & Managed services VAD	Jan-Jun 2020
Continuing operations			
Jan-June 2020			
Africa	9,367	4,014	13,381
Middle East	2,900	186	3,086
Europe	223	179	402
	12,490	**4,379**	**16,869**
Internal sales	-862	-	-862
Total	**11,628**	**4,379**	**16,007**

No single customer makes up more than 10% of the total revenue.

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EUR thousand	Value Added Reseller (VAR)	Advisory & Managed services VAD	Jan - Jun 2019
Continuing operations			
Jan-June 2019			
Africa	5,670	7,579	13,249
Middle East	5,599	265	5,863
Europe	13,275	1,096	14,371
	24,543	**8,940**	**33,483**
Internal sales	-328	-25	-353
Total	**24,215**	**8,915**	**33,130**

Geographical information

EUR thousand	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
Jan-Jun 2020					
Africa	13,381	1	532	40	281
Middle East	3,086	-47	-364	-118	137
Europe	402	-97	-2,162	-5,381	2,329
Core business	**16,869**	**-50**	**-1,995**	**-118**	**2,747**
Eliminations	-862	-2	35	-4	
Cyber1 Group	**16,007**	**-52**	**-1,959**	**-122**	**2,747**

EUR thousand	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
Jan-Jun 2019					
Africa	13,249	7	245	18	5,466
Middle East	5,863	9	382	65	943
Europe	14,371	15	-1,390	-97	8,390
Core business	**33,483**	**20**	**-764**	**-23**	**12,652**
Eliminations	-353	-	-	-	3
Cyber1 Group	**33,130**	**20**	**-764**	**-23**	**12,655**

Note 3 - Financial instruments

CYBER1 is exposed to a number of financial market risks that the Group is responsible for managing under the finance policy approved by the Board of Directors. The overall objective is to have cost-effective funding in the Group companies. The financial risks in the Group are managed, to a limited extent, through the use of financial instruments. The main exposures for the Group are liquidity risk, interest rate risk and currency risk.

Derivatives for currency hedging are measured at fair value, according to level 2, in compliance with IFRS 13. Other financial instruments are measured at their carrying amounts.

The significant financial assets and liabilities are shown below. According to CYBER1's assessment, there is no significant difference between the carrying amounts and fair values

CYBER1's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. CYBER1's financial liabilities consist mainly of loans, lease liabilities and accounts payables. For the category "Liabilities to financial institutions and similar liabilities" the reported value amounted at June 30, 2020 to EUR 1,523 (2,119) million and the fair value to EUR 1,535 (2,167) million.

Carrying value and fair value

CYBER1 applies IFRS 9 to classify and measure financial instruments.

Cyber Security 1 AB uses the following valuation techniques of the fair value hierarchy in determining the fair values of the financial instruments:

Level 1 - Quoted prices (unadjusted) in active markets

Level 2 - Inputs other than quoted prices that are observable, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The accounting principles related to financial liabilities are essentially unchanged compared with previous years. CYBER1 has updated its accounting principles related to expected credit losses and has, in accordance with the standard, implemented the "expected loss model."

Disclosures on financial instruments

The following table shows the carrying amounts and fair values for the individual classes of financial instruments as well as the fair value hierarchy for the assets and liabilities that are measured at fair value in the balance sheet.

The following table shows carrying value and fair value for financial instruments applying IFRS 9 per June 30, 2020

Carrying value and fair value as at June 2020

TEUR (€'000)	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
Trade receivables	-	12,422				12,422	12,422
Other non-current financial receivables	-	-	-	-	-	-	-
Other current assets and financial receivables	-	-	-	-	121	121	121
Prepaid expenses and accrued income	-	-	-	-	-	-	-
Cash and cash equivalents	-	627	-	-	-	627	627
Total assets	**-**	**13,050**	**-**	**-**	**121**	**13,171**	**13,171**
Loans and borrowings			1,189		334	1,523	1,535
Other non-current financial liabilities	-	-	-	-	750	750	750
Other current liabilities	-	-	-	-	592	592	592
Accrued expenses and deferred income	-	-	-	-	1,026	1,026	1,026
Trade payables	-	-	15,839	-	-	15,839	15,839
Total liabilities	**-**	**-**	**17,028**	**-**	**2,702**	**19,730**	**19,742**

Fair value measurement by level

TEUR (€'000)	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	-	-	-
Derivative financial liabilities	-	-	-	-

The following table shows carrying value and fair value for financial instruments applying IFRS 9 per June 30, 2019

Carrying value and fair value as at June 2019

TEUR (€'000)	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
Trade receivables	-	20,868				20,868	20,868
Other non-current financial receivables	-	-	-	-	-	-	-
Other current assets and financial receivables	-	-	-	-	232	232	232
Prepaid expenses and accrued income	-	-	-	-	-	-	-
Cash and cash equivalents	-	1320	-	-	-	1320	1320
Total assets	**-**	**22,189**	**-**	**-**	**232**	**22,421**	**22,421**
Loans and borrowings			1594		525	2119	2167
Other non-current financial liabilities	-	-	-	-	506	506	506
Other current liabilities	-	-	-	-	1829	1829	1829
Accrued expenses and deferred income	-	-	-	-	664	664	664
Trade payables	-	-	16752	-	-	16752	16752
Total liabilities	**-**	**-**	**18,346**	**-**	**3,525**	**21,871**	**21,919**

***Financial instruments, level** 2*

The fair value of financial instruments that are not traded on an active market are determined by means of available valuation techniques. Market information is used when available. The use of corporate-specific information is avoided whenever possible. If all important in-data required for a fair value valuation of an instrument is observable, the instrument is in level 2. Specific valuation techniques used in the valuation of financial instruments include, for example, listed market prices, fair value for interest-rate swaps, calculated as the present value of estimated future cash flows based on observable yield, fair value of currency forward contracts determined through the use of rates for currency foreign exchange contracts on the balance sheet date.

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE								
TEUR (€'000)	**June 30, 2020**				**June 30, 2019**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting	-	-	-	-	-	-		-
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	-	-	-	-	-	-		-
Total financial assets	**-**	**-**	**-**	**-**	**-**	**-**		**-**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting	-	-	-	-	-	-		-
Contingent considerations			12	12			48	48
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	-	-	-	-	-	-		-
Total financial liabilities	**-**	**-**	**12**	**12**	-	-	**48**	**48**

Financial instruments, level 3

The change during the quarter for instruments at level 3 refers to contingent considerations. Contingent considerations are valued at the fair value based on data available such as conditions set forth in the purchase agreement and current assessments of the estimated fulfilment of the conditions.

MOVEMENTS FINANCIAL INSTRUMENTS LEVEL 3			
Contingent considerations	**Jun '2020**	**Jun '2019**	**Full year 2019**
Opening balance January 1	**48**	13	14
Business combinations	-	-	-
Payments	-48	-13	-14
Reversals	-	-	-
Revaluations	12	48	17
Translation differences	-	-	-
Closing balance December 31	**12**	**48**	**17**

No transfer in or out of level 3 or level 2 has been made during the quarter to June 2020. The recognised amounts are regarded as reasonable estimates for all items measured at carrying value in the balance sheet, except for loans and borrowings, as these amounts have a long time to maturity. The fair value of loans and borrowings differ from their carrying value as a consequence of changes in the market interest rates. Items not valued at fair value in the balance sheet are measured at amortised cost.

Note 4 – Divestment and Discontinued Operations

On April 16, 2020, CYBER1 announced that Itway S.P.A reassumed ownership of the subsidiaries Itway Turkey and Itway Greece. As part of the transaction, the parties agreed that Cyber1 paid a total of MEUR 2.6m in cash and delivered a total of 16, 666, 666 Cyber1 shares at €0.48 per share to Itway S.p.A; pursuant to the agreements underpinning the transactions. Despite having delivered on certain aspects CYBER1 was hoping for prolong extension, and in the end unfortunately, due to unsuccessful negotiations with Itway S.p.A, ultimately not able to honour certain post-completion conditions of the transaction. Itway S.p.A have therefore, in accordance with the terms of the agreements, notified the Company of their immediate exercise of the option to reacquire the assets

The divestment is due to be completed, however, CYBER1 have recognised transaction and accounted for the disposal in H1'2020 financials and the proceed and capital gain to CYBER1 is Nil excluding exchange rate differences recycled from other comprehensive income. Itways Greece & Turkey are reported separately under discontinued operations in the income statement. The profit or loss from re-measurement of assets and liabilities classified as disposal are summarised as follows:

Net assets at the time of divestment

EUR in thousand		**Itways June 30, 2020**
Other intangible assets		361
Tangible assets		39
Capitalized contract costs		
Deferred tax assets		10
Inventories		218
Current receivables		9,499
Cash and cash equivalents		1,134
Non-current provisions		-492
Trade payables and liabilities		-6,887
Divested net assets		**3,882**
Capital gain, excluding sales costs		1
Sales price		**3,883**
loss on divestment of discontinued operations		-2,748
Less: cash in divested operations	Less: cash in divested operations	-1,134
TOTAL CASH FLOW EFFECT		1
cash consideration from divestment of discontinued operations		1

Income statement

Net income from discontinued operations

EUR in thousands, except per share data	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jan-Dec 2018
Net revenue	-	-	30,593	14,465
Expenses and other operating income, net	-	-	-29,027	-13,449
Operating income	**-**	**-**	**1,565**	**1,015**
Financial items, net	-	-	51	-1
Income after financial items	**-**	**-**	**1,616**	**1,014**
Income taxes	-	-	-353	-263
Net income before gain/loss on disposal	**-**	**-**	**1,263**	**751**
Loss of divestment of discontinued operations	-3,882	-	-	-
Net income from discontinued operations	**-3,882**	**-**	**1,263**	**751**

Note 5 – Impairments

Goodwill and Disposal of non-current assets

An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally performed annually within the Cyber Security 1 AB Group, in the fourth quarter once the operational three-year plan has been prepared or if there are indications for impairment. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs. As a result of the coronavirus pandemic and the increase in the cost of capital, and the group restructuring programme, the Group recognised a total impairment of goodwill of €6.5 million in connection with the impairment testing procedures performed.

This impairment test relates to the CGUs Greece, Turkey, United Kingdom, South Africa, Kenya, UAE, and Group Services, where the carrying amount exceeded the recoverable amount in accordance with the value-in-use method.

The impairment of the CGUs United Kingdom, and Group Services mainly resulted from a significantly weaker development of results as well as an increased cost of capital due to the adjustment of the market risk premium and the rise in the country risk premiums.

The impairment of the CGU Greece and Turkey resulted from the Group's revised strategic development programme.

Impairment losses are shown in the additional ordinary expenses.

For the aforementioned CGUs, management believes there are reasonably possible changes in the sustainable growth rate or in the operational plan as the basis for cash flow estimates or the weighted average cost of capital that could also cause the carrying amount to exceed the recoverable amount. The goodwill of these CGUs amounts to a total of €6.5 million.

During the reporting period, an investment impairment of EUR 1.724 million was recognised in Cognosec Limited, United Kingdom. It was related to a reassessment of the estimated future cash generation, reflecting a lower starting point following last year's decline in profitability. After the impairment, the value attached to the Cognosec Limited operation was nil on a debt free basis, derived from the value in use calculation with a pre-tax WACC of 11 percent. In addition, an impairment of EUR 4.8 million was recognised related to Itways disinvestment. As CYBER1 revised its strategy, and is now targeting more focused growth, goodwill and customer relationship intangible attached to the Itways Greece and Turkey acquisition has been written off.

With a reduction of 1.9 percentage points in the growth rate, a WACC increase of 0.9 percentage points, or a decline of 11.0% in the planned result (EBIT) for each year of planning as well as in the terminal value, the recoverable amount for all other CGUs continues to exceed the carrying amount.

Note 6- earnings per shares

Earnings per share	January - December	
TEUR	2019	2020
Profit for the period	-946.1	**-2,320.1**
Non-controlling interests	-246.0	**-603.2**
Group share of profit	-700.1	**-12,132.1**
Number of shares in '000s (weighted average)	293,861	**322,188**
Earnings per share in €	- 2.38	**- 37.66**
Net income from continuing operations – attributable to the parent entity	-700.1	**-1,716.9**

Note 7- Contractual Obligations and Commitments

As of June 30, 2020, contractual obligations totalled EUR 19.730 million, of which EUR 1.680 million (equivalent to SEK 16 million) plus interests, related to a claim from Magnus Stuart. The increase in contractual obligations is mainly related to prior years' unclaimed debts accrued and recognised as an expense in the financial statements.

Note 8 - Significant risks and uncertainties

As a decentralised company with operations across the Global, CYBER1 faces internal and external risks that may impact its ability to achieve strategic objectives and financial targets. The Group is active in the design, implements and manages solutions that protect critical IT infrastructure, data assets, independent product advice and professional services across all cybersecurity application spaces. The general identified risks are mainly within the following categories: financial, operational, contract and assignment, IT, sustainability, governance and branding. CYBER1 has a risk management process in place which is part of the CYBER1 Model. Successful risk mitigation creates opportunities and competitive advantages.

CYBER1 Group operates in a broad range of geographical product and service markets in the highly competitive and regulated cyber security industry. CYBER1 has defined risk as anything that could have a material adverse effect on the achievement of CYBER1 Group's goals. Risks can be threats, uncertainties or lost opportunities relating to CYBER1's current or future operations or activities. CYBER1 has an established risk management framework in place to regularly identify, analyse, assess and report business, financial as well as ethics and sustainability risks and uncertainties, and to mitigate such risks when appropriate. CYBER1 Group's risk universe consists of four categories and over thirty risk areas used to aggregate and categorise risks identified across the business within the risk management framework, see below.

For further information regarding details on risk exposure and risk management, see the Annual and Sustainability Report 2019, Directors Report, section Risk and uncertainties.

CYBER1 Group's risk universe

Strategic & emerging risks	**Financial risks**	**Operational & societal risks**	**Legal & regulatory risks**
Risks that can have a material impact on the strategic objectives arising from internal or external factors	Risks that can cause unexpected variability or volatility in net sales, margins, earnings per share, returns or market capitalization	Risks that may affect or compromise execution of business functions or have an impact on society	Risks related to legal or governmental actions that can have a material impact on the achievement of business objectives

Note 9 – COVID-19

The spread of cross-border diseases such as COVID-19 may have an operational effect on CYBER1 Group due to, among other things, mobility restrictions and lockdown measures, change in consumption, usage patterns, potential disruptions in the supply chain of CYBER1's service offerings, products and solutions, maintenance of infrastructure and access to resources as well as impact on employees. From the latter part of March and through second quarter, we have seen impact from the global spread of COVID-19 on our performance, as mobility restrictions and lockdown measures were implemented in all countries CYBER1 operates in. In addition, the weaker economic outlook and uncertain geopolitical situation has also led to increased volatility in the foreign exchange markets, exposing us to currency fluctuations, as well as increased the risk for additional tax pressure in some countries. A major risk is the duration of the COVID-19 impact. For comments on the impact on CYBER1's business and financial results, please refer to pages 4-5.

In light of the effects on financial results and outlook, CYBER1 has assessed whether there are indicators of impairment of cash-generating units (CGUs) *with or without goodwill* and associated companies in accordance with IAS 36 *Impairment of Assets.* The Group has not recognised any impairments of CGUs with or without goodwill or associated companies during first half of 2020. The need for additional provisions for expected credit losses related to trade receivables and contract assets has also been assessed. The level of provisions remains fairly stable.

Local authorities have implemented economic relief measures in all of CYBER1's markets. The impact on CYBER1 has not been material, except for a positive impact on cash flows from delayed payments of business taxes.

Note 10 - Related parties Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company with the information given in the annual report 2019.

Other- Parent Company

The consolidated figures in this report are presented at the consolidated level for Cyber1 AB. The Parent Company, Cyber Security 1 AB (corporate identity number 556135-4811), directly and indirectly holds 100% of the shares in all subsidiaries in the Group, except for the companies in South Africa, in which the non-controlling interest is 26%

Note 11 – Events After the End of the Second Quarter

On August 17, 2020 it was announced that Daryn Stilwell has stepped down as CEO for the CYBER1 Group with immediate effect. He is replaced by Peter Gustafsson as Acting CEO to lead the Company in the ongoing reconstruction process and to further stabilise the business.

Daryn Stilwell remains as a member of the Board and Thomas Bennett resigned from his position as a board member.

The Board of Directors have implemented a Control Balance Sheet, in accordance with the Swedish Companies Act. Following a review by the Company's Auditor RSM Stockholm AB without comments, the Company is able to demonstrate that its registered Share Capital is intact.

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CYBER 1

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