Cyber Security1 AB (Publ)

Q3 2022 Interim Report
1 July – 30 September 2022

CYBER1 expansion plan increases revenue

Revenue 2022 YTD

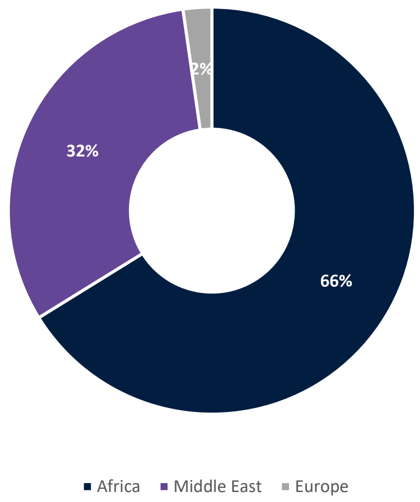
€ 30,442k (PY: € 25,413k)

Gross Margin

19% (PY: 27%)

EBITDA YTD

€ -2,562k (PY: €671k)



Group Performance

- Group revenue increased year on year by 21%, from €9.3m in Q3 2021 to €11.3m in Q3 of 2022.
- Gross margin for 2022 has come under pressure at 19% (2021 : 27%).
- Operating Expenditure for 2022 has increased by €2.2m compared to 2021, an increase of 35%. It is noted that the main reason for this increase is the investment in skilled resources to help the client engagement strategy, software and resources for the newly formed Secure Operating Centre (SOC).
- Group EBITDA loss of €2,562k, compared to a profit of €671k in 2021.

Our business at a glance

CYBER1 is a cyber security group that offers services and software solutions globally but primarily across the Middle East and Africa.

The company offers products and solutions in cyber security through partnerships with established developers of cyber security programs. CYBER1 also offers consulting services linked to software implementation and management.

The group operates across multiple public and private sector organisations including financial, government, healthcare, retail, insurance, manufacturing and hospitality and specialises in security, risk and compliance services that allows it to offer the best in payments, communications, network and e-commerce security.

CYBER1 has three main strategic segments:

The *Distribution* segment is our business area that focusses on the distribution of software to vendors. CYBER1 has skilled selling capabilities of vendor products into client's security infrastructures.

Many of the vendors are at the technological forefront of innovative security solutions and have been selected via CYBER1.

Advisory, involves implementation services linked to the clients' purchased solutions such as software programs. CYBER1 performs penetration testing to identify vulnerabilities in the system and information management to ensure that the right processes are in place.

Managed Services where we take care of the customers maintenance of their cyber security. CYBER1 monitors security in real time, 24 hours a day and offers customers a security operations center, which is managed from South Africa. The SOC model is based on safety products and associated personnel being gathered under one roof.

The **distribution** business including the newly acquired CSSA and CSAD succeeded in growing its revenue by **65%** to €15.2m, compared to €9.2m in 2021. The **Advisory and Managed Service** business grew its revenue (including internal sales) by **6%** to €16.9m, compared to €15.9m in the prior year.

Beyond the Quarter & Other News

On October 20th the CYBER1 Reseller division was rebranded as CYBER1 Solutions.

This announcement is in keeping with the global growth plans, as the company expands its footprint and aligns subsidiaries under one, cohesive brand. DRS, the Group's longest running subsidiary, was established in 1997 and during that time has enjoyed solid growth. In 2015 the company was acquired by top international cyber security advisory and solutions group, CYBER1. The corporation also holds Professional Technologies (ProTec), one of Kenya's leading network security and management solutions, as well as Cognosec Dubai, a leading and trusted multinational cyber security specialist. The group's strategy remains the same – to collaborate closely with, and support customers across Europe, the Middle East, Africa, and South America.

On September 30th, CYBER1 increased ownership of Cyber Security Africa Distribution Africa and Cyber Security South Africa to 100%. Cyber Security Africa Distribution (CSAD) is an industry-leading value-added Distributor with a single-minded focus – the mitigation of information security risk for their clients. The company focusses their attention on niche, generally complex and certainly relevant security solutions, aimed predominantly at enterprise and mid-market clients. CSAD provides services to the continent of Africa, ensuring invaluable local market knowledge and on-the-ground response. CSAD has presences in South Africa, Kenya, Nigeria, Ghana, Morocco, Egypt and Mauritius.

Cyber Security South-Africa (CSSA) is an industry-leading, value-added, Cyber Security Technology Distributor, backed by globally recognised international vendors. The company offers a comprehensive list of solutions, aimed at mitigating information security risk – working through trusted local channel partners. The consultative approach of firstly assessing the current Security Posture and level of maturity, ensures they understand the strategic vision and long-term goals of the end-user. Over the years, the team has built strong relationships at both the end user and partner level, which creates a significant advantage compared to the traditional distribution model that is apparent within South-Africa.

Total consideration payable for 50% of CSAD and 25% of CSSA on a debt free basis equates to €2.172m, including full release of seller's claims on the target companies.

From the desk of the President

Dear Shareholders,

Our last quarter has seen a number of positive and significant strategic chances within the company.

DRS and Protec, the company's longest running subsidiaries, marked their respective milestones with two excellent client and partner events in Johannesburg and Nairobi respectively, culminating in the rebranding of our entire reseller division as CYBER1 Solutions. Our two events demonstrated the strong relationships we have forged with our longstanding customers and vendors over the last 25 years. Whilst the threat landscape has evolved over time alongside new technological developments, our commitment in being their trusted partner has remained the same. In becoming CYBER1 Solutions, the strategic approach will collaborate closely and support customers across Europe, the Middle East, Africa, and South America under once consolidated approach, where a number of collaborations will ensure continued growth into the future.

Beyond the quarter, we announced that from the 1st of December 2022, Jayson O'Reilly has been appointed the Managing Director of CYBER1 Solutions Southern Africa (formerly DRS). Having worked with Jayson previously, his 24 plus years of experience in the cyber security industry will be crucial, as the team continues to help guide clients across the ever-growing and complex threat landscape. He has also worked within our environment and therefore is well placed to operate within the business effectively immediately, as we move into a historically important quarter for the company. I wish Jayson the very best in his new role and thank Mike Brown, the outgoing M.D for his work and efforts during a globally challenging environment and for guiding the company to its current position.

Within our Distribution segment, we were delighted within the quarter to complete the acquisitions of CSSA and CSAD fully into the CYBER1 family of companies. Both entities bring with them proven management experience and strong sales and technical capabilities. For our clients, our ability to enhance our existing area of expertise will certainly be benefitted, as well as the improved delivery overall across our leading technologies.

Both companies have started their first fully recognised financials in this quarter, with a combined profitability of €80k, with an exciting pipeline for the final quarter of the year still to come. Having been involved in the formation of these companies, their approach is very much aligned to the ethos of CYBER1, being client centric, as well as being truly vested in their success and cyber security resiliency.

All of these characteristics complements our current operations and as a Board and Executive team, we look forward to realising further synergies around the company into 2023.

Our headline expansion continues to progress within the quarter, realising 21% year over year revenue growth within the third quarter. Some of the investment costs in the Managed Service offering continues to carry over within the third quarter, as well as some exceptional items related to upskilling our sales team in line with our client engagement strategy.

The rollout of our market entry on the Managed Service investment is in a crucial phase of implementation, as we see this commercial stream as integral to the future success of CYBER1. Our business units have identified the key pipeline deals and renewals within their jurisdictions for the fourth quarter and are working towards a busy end to the financial year, to put the company on a strong platform moving into 2023.

Related to matters locally in Sweden, it was a pleasure to see our company represented at a number of investor events in Stockholm during, attending both the Mangold Insight Investor Day on Technology, as well as the Redeye's 8th Cyber security Seminar. Providing exposure of our unique offering and expertise to our listing base has been an important focus for 2022.

Our provisional objectives for 2023 were outlined, with a focus in increasing our commercial presence within Europe, the continued roll out of our manged services offering globally, as well as some key territory expansions that now can be realised with our completed acquisitions. With additional resources in place, we will continue to highlight the trusted relationships we have with some of the leading customers in the emerging market segmentation, as well as the forward looking approach to more established markets.

As we turn to the fourth quarter, our company is committed to progressing its offerings with the latest services and vendor partnerships, to ensure we can continue to be innovative amongst our competition. We are excited at the opportunities across our sectors moving into the final quarter, with some exciting engagements I look forward to updating at the end of the year.

Stockholm, 14 November 2022
Robert Brown
Group President
and Executive
Director

Key Financial Ratios

	Jul - Sept Q3 2022	Jul - Sept Q3 2021	Jan - Sept Q3 2022	Jan - Sept Q3 2021
	€'000	€'000	€'000	€'000
Group Income	11 325	8 246	30 442	16 052
Group Gross Margin	2 105	2 175	5 807	4 448
Group Gross Margin percentage	18.6%	26.4%	19.1%	27.7%
Cash flow from operations	60	136	-3 348	135
Operating Margin	-1 259	72	-2 969	269
Operating Margin percentage	-11.1%	0.9%	-9.8%	1.7%
Result after taxes	-1 221	3 927	-2 986	3 915
Earnings per share	-0.00098	0.012	0.00833	0.012

Business Overview

Market Update

The global economy is facing severe headwinds from inflation, low growth, increasing interest rates and geopolitical volatility.

Gloomy developments since early 2022 continue to set the global economy on a course of slower growth and higher inflation. Global real GDP growth is forecast to decline to 3.0% in 2022 and 2.9% in 2023, after a strong recovery of 6.2% recorded in 2021. Downside risks have increased, with uncertainties coming from various sources, including the ongoing war in Ukraine, geopolitical tension between China, Taiwan and the US, skyrocketing inflation, a sharp tightening of global financial conditions, and China's economic slowdown.

Nearly three quarters of business are wrestling with increased costs – in fact, this increased cost pressure is the highest number ever reported. Add to that figure that one in three businesses are worried about decreased income and virtually the same number are concerned with foreign exchange volatility.

Opportunities for Cyber Security

As cybercrimes continue to increase, organisations are investing heavily to improve and secure their digital infrastructures, hence driving the market growth.

Other factors that drive the growth of the global cybersecurity market include:

- Increasing number of cybercrimes and data breaches.
- Growth of Ransomware.
- Discovery of new security threats and attack vectors.
- Increased rate of business organizations investing in cybersecurity.
- Increasing global demand for cybersecurity professionals.
- Digital Transformation.
- Data Protection and Compliance Regulations.
- The Emergence of Disruptive Technologies such as Artificial Intelligence (AI) and Machine Learning (ML).
- Increasing sophistication in cyber threats.

In today's digital world, cybersecurity has become a critical component of every organization's sustainability, security and growth strategy. As companies continue to evolve, the demand for cybersecurity talent will only continue to grow in 2022 and beyond.

Contacts

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

CYBER1 is engaged in providing cyber resilience solutions and conducts its operations through presences in Sweden, Kenya, South Africa, United Arab Emirates and the UK. 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.

Outlook and financial Information

CYBER1 concluded its transaction with CSSA and CSAD taking its ownerships of these entities to 100 percent. This secures the company's ability to grow its revenue in and across Africa whilst maintaining its focus on growth in the Middle East.

CYBER1 continues to make significant investments in its cloud platform, managed service offering and skilled resources as it formalises its client engagement strategy. As expected, the business challenges, catalysed during 2020 still have a negative impact on the overall performance. While the jurisdictions we operate in have begun to see renewed signs of recovery, margin remains under pressure due to competition and price sensitivity coupled with rising inflation and increased operational costs. The company continues to take steps to ensure that areas of expertise reflect the current and future trends that our customers, particularly around remote working and potential cloud security services and solutions.

We expect to see the sustained year on year performance increases, as our entities continue to see levels of normality return coupled with the increased demand for cyber resilience capabilities.

Business trend July to September 2022

CYBER1 continues to grow revenue by double digits year on year.

We anticipate this growth trend to continue, aided by the investments made and the management of costs the group remains optimistic to meet its expected targets and growth aspirations for 2022. Q3 2022 operating costs have increased by €894k (36%) from the same period last year. CYBER1 continues to make significant investments in its managed service offering, skilled resources and cloud platform gearing itself for growth in the years to come. The group will continue to measure operational efficiencies ensuring that the business is able to meet its obligations as a listed company on Nasdaq First North Grow Market, whilst ensuring appropriate cash flow within the business be utilised for the benefit of future commercial endeavours.

Development of revenue and results

Double digit revenue growth continued in the third quarter and spanned across the groups main regions. The African region has seen a most of its larger tenders slip which they hope to take over the line before the end of the year. Revenue growth is as a result of the onboarding of new customers and the sustained renewal revenue making up 43 percent of the revenue number..

Earnings before interest and taxes on continuing operations (EBIT) decreased from Q3 2021 to €-1,2m (2021: €208k) mainly as a result of the investment spend and some large tender deals expected to close later in the year.

As a result of continued investment spend this year, the group has seen a net outflow of funds again this quarter. These cloud initiatives will enable greater growth into areas that will yield business development and sales competencies across the group. Keeping the Parent Company lean and efficient, we will continue to drive the company in continued profitability, driving shareholder value which is a key performance indicator for the board and the executive management.

Outlook

Development in the cyber security industry remains highly dynamic. Further public health and economic challenges may occur at any time, which would have an impact on CYBER1's geographic regions. CYBER1 continues to look at its operational and strategic objectives, to ensure that the second half of the financial year is adaptable to the continuing changes in macroeconomic trends.

The development in the last quarter of the year will be a decisive indicator of how quickly and sustainably the business can maintain and rebuild 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 2021 financial year and in the foreseeable future are described in detail in the 2021 Annual Report.

Southern Africa

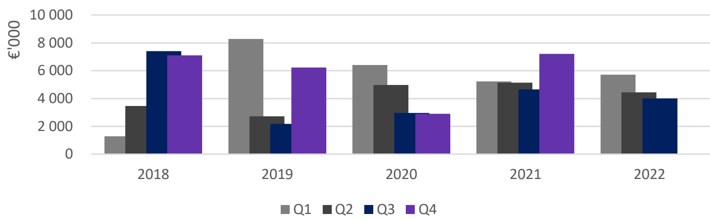
Revenue Q3	**€ 4,006,114**
Gross Margin	**24.8%**
EBITDA Q3	**€ - 776,623**

CYBER1 Solutions Southern Africa

During the third quarter of 2022, DRS was rebranded as CYBER1 Solutions (Southern Africa), shortly before celebrating 25 years of operations. In that time, the company continues to work with leading financial institutions, public sector departments and critical infrastructure. The entity closed €4.4m in revenue for the period, which is a decrease of 14 percent compared to the same period last year.

One significant new business transaction has slipped into the fourth quarter, as well as a larger renewal deal which is set to be closed within the next quarter. A number of new business wins included a seven-figure renewal for a leading African bank, as well as deals within a multinational insurance company.

Beyond the quarter, the subsidiary welcomed Jayson O'Reilly as the new Managing Director of the company. Jayson has over 24 years in executive sales roles within the cyber security industry. CYBER1 looks forward to supporting Jayson and his exciting strategic vision for the company moving forward.



There was further positive news, where our Southern African entity was recognised by Palo Alto Networks as a NextWave Diamond Innovator Status Partner. This recognition is underpinned by the high level of technical expertise, alongside their ability to successfully deliver their solutions to a wide range of clients. Existing customers accounted for 64 percent and new customers for 24 percent in software distribution. Managed services accounted for 12 percent of revenue.

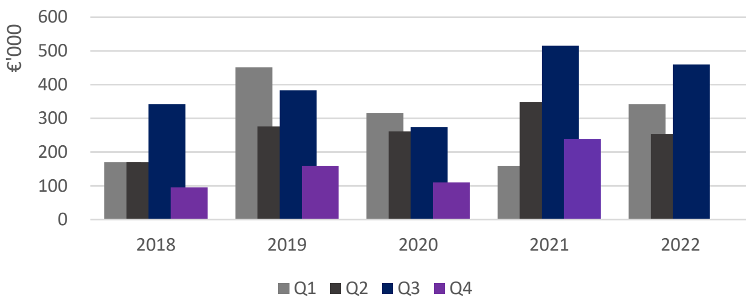
CYBER1 Solutions Southern Africa (formerly DRS) offers software distribution, advisory and managed services in African countries. The company's main customer segments are banking, government and insurance but also on medi-um and large companies in general

	Kenya
Revenue Q3	€ 459,686
Gross Margin	33.9%
EBITDA Q3	€ 23,852

CYBER1 Solutions Kenya

Similar to our South African entity Protec was rebranded as CYBER1 Solutions (Kenya), following a successful launch event in Nairobi.

During the third quarter of 2022, Protec's revenue amounted to €459k, which is a decrease of 10.8% percent compared to the same period last year. With a strong pipeline for q4, the entity has a number of new business deals to be realised during this period.



Renewals for the quarter were recorded as 65%, with 35% new business. Opportunities with the Manged Service offering are being identified within our existing customer base, as an additional revenue stream for the company.

CYBER1 Solutions Kenya, offers software distribution, advisory and managed services in African countries. The company's main customer segments are banking, fin tech, and insurance sector. CYBER1 Solutions Kenya is continuing to focus on their vendor realignment and industry engagement.

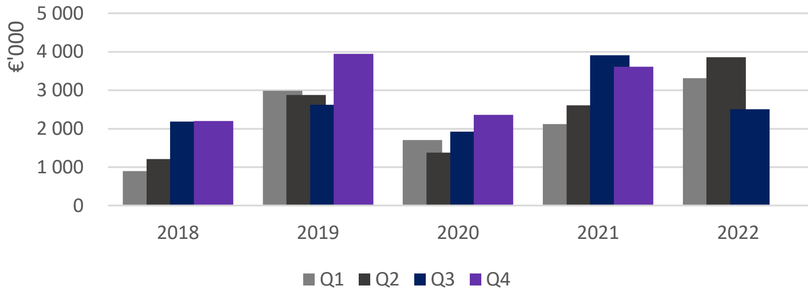
The company will look to increase their footprint into managed services and expansion into Uganda

Middle East and India

Revenue Q3	€ 2,507,137
Gross Margin	9.6%
EBITDA Q3	€ -531,766

Credence Security's revenue in the Middle East and India amounted to €2.5m in Q3 2022. New sales continue to be a large proportion of the sales for the quarter, with 69% new business alongside 31% sales that were renewals.

With several large deals slipping into Q4, there are a number of significant pipeline opportunities in what is historically the company's most prosperous quarter.



Marketing initiatives to drive new enterprise business sales have been a focal point for the quarter.

A number of key events were attended and organised to drive a strong pipeline for the rest of the year, including the International Police Expo in New Delhi. Roundtable and workshops were also conducted relating to Digital Forensics and Incidents Response and Data Privacy.

Key wins for the quarter included cyber security solutions for a government Ministry of Interior within the Middle East, solutions for a largescale smart city project in the Gulf, as well as a national authority related to Data and Artificial Intelligence.

The company's main customer segments are banking, government, insurance and oil & gas sectors.

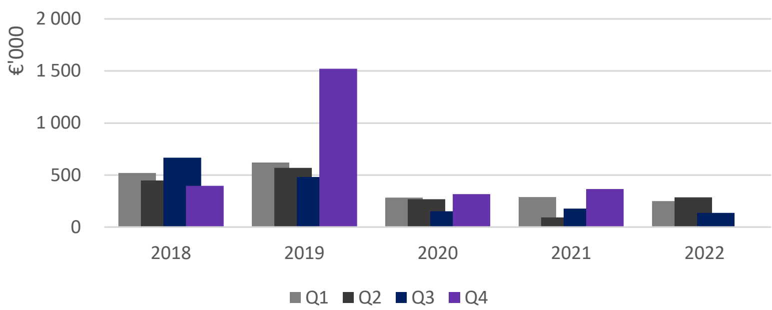
Southern Africa

Revenue Q3	**€ 137,775**
Gross Margin	**26.0%**
EBITDA Q3	**€ -14,690**

Credence Security South Africa

The business unit closed €137k of revenue during the period.

The focus on driving new business has yielded a strong 23% of newly acquired business in relation to the total revenue in the quarter, with the remaining balance of 77% demonstrating a proven success in the business delivery for it's clients.



Key wins for the quarter include forensics solutions for an African government department and national banking institution, as well as managed detection and response for a international media company.

Southern Africa

Revenue Q3	€ 1,057,839
Gross Margin	20%
EBITDA Q3	€ 25,630

During the third quarter of 2022, the company Cyber Security South Africa (CSSA) revenue amounted to €1m.

A strong development of new enterprise business, resulted in a 97% new business acquisition, versus 3% renewals. This quarter also reflected the most amount of deals ever closed by the company in a single quarter, whilst continuing to build a strong pipeline for the final part of the year. This significant client expansion will benefit the company through additional cross selling opportunities into new client infrastructures.

Additional technical certification in CyberArk during the quarter will strengthen the overall capabilities of the company, which can be further benefited across the group as a number of collaborative opportunities can be realised in other areas within the region. Key business wins included identity management solutions for a multinational telecommunications provider, as well as risk authentication for a large financial services institution.

The company's customer groups include, for example, financial, food and hospitality, government, healthcare, insurance, and retail. Darktrace provides cyber security AI, which protects from advanced threats, including ransomware, and cloud and SaaS attacks.

CYBER SECURITY AFRICA DISTRIBUTION

	Africa
Revenue Q3	€ 2,036,224
Gross Margin	21.5%
EBITDA Q3	€ 83,960

Cyber Security Africa Distribution (CSAD) has been fully included into CYBER1's financials for the first time. The company, led by experienced Managing Director Martin Britz, closed €2m in revenue for the period under review.

The company continued its investment during the quarter into its strategic vendor stack, with the hiring of three CyberArk engineers.

This increase in headcount amongst the wider strategic initiatives being implemented within CSAD, will further aid the delivery of the company's core offering to their clients.

Key wins for the quarter included identity management solutions for a large mining operation and a leading global insurance provider, as well as cyber security and network security solutions for a large financial services bank within Western Africa.

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: Anomali, Checkpoint, Cisco, CyberArk, Cye, Dark Trace, Entrust, Exterro, KnowBe4, Infocyte, Trellix, Microsoft, Mimecast, Palo Alto, Pulse Secure, Qush, Radware, Rapid7, Salt, Thales and Trustwave amongst others.

Cash Flow

The continued difficulties in the market environment coupled with rising costs and inflation places stress on the Groups' operational cash flow. The focus on operational efficiencies and the rights issue in the quarter have had a positive impact on the cash flow position enabling us to create working capital advantages in some of our group companies.

The Board continues to work on improving the Groups' cash position through operational cash flow and capital injections from outside sources that has proven to be successful so far.

FINANCIAL INFORMATION

Interim Report—Comparative Figures

The Q3 2022 report has not been formally reviewed by the Group's auditor.

Profit for the period

Group

Q3 2022 year revenues amounted to €11.3m (Q3 2021 : €9.3m)

EBITDA for Q3 2022 amounted to €-1,1m (Q3 2021 : €291k)

Loss before tax for Q3 2022 amounted to €1,2m (Q3 2021 : profit of €399k)

Depreciation and amortisation for Q3 2022 amounted to €132kk (Q3 2021 : €83k)

There was a Net Cash inflow for Q3 2022, which amounted to €672k (Q3 2021 : Net Cash inflow : €248k)

At the end of Q3 2022, the Group's cash balance amounted to €1.0m (Q3 2021: €849k)

Parent

The Parent Company's loss for Q3 2022 amounted to €13k (Q3 2021: profit of €35k)

Financial Position

Group

The Group's equity for end of Q3 2022 amounted to €4.8m (Q3 2021: €4.8m)

CYBER1 did not pay any dividends to shareholders during q3 2022, 2021 and prior to this period.

Parent

The equity for the parent company amounted to €7.5m at the end of Q3 2022 (Q3 2021, €2.4m) and €200k in cash or cash equivalent for Q3 2022 (Q3 2021 : €532k).

Taxation

Group

No provisional corporation tax was paid in Q3 2022.

Deferred Tax Credit has been recognised in the Group during 2021 and to date in 2022.

Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2020, 2021 or to date in 2022.

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

The Group's related parties include associated companies and key management personnel with significant influence over the Group. Key management personnel with significant influence over the Group are CYBER1 Board of Directors and members of the Group Management Team. Related parties' transactions are conducted at an arms-length basis.

The Groups subsidiaries in South Africa pay for office space rented via a company that is controlled by the Group's president. The Board of Directors considers that this rental charge is in line with market conditions.

CYBER1 announced on the 31st May 2021 the signing of a Sale and Purchase Agreements for acquisitions of 50 percent of Cyber Security South Africa (CSSA) and Cyber Security Africa Distribution (CSAD), which are part owned by CYBER1 Executive Director, Robert Brown. As with the financial and legal due diligence process, this was handled by the elected Board of Directors that excluded Robert Brown in his then capacity as CEO, as well as with two independent firms in South Africa to value and provide information on the acquisitions.

During the course of Q2 2022, CYBER1 acquired a further 25 percent of CSSA taking the ownership of CSSA to 75 percent.

The remaining 25 percent of CSSA and 50 percent of CSAD were purchased on 30th September 2022 taking ownership of both these entities to 100 percent.

CYBER1 has enlisted Non-Executive Director Pekka Honkanen, to provide an overview and contribution to the Company's long term corporate governance strategy focussing on Internal Audit. The scope ensures that best practises are evolving and being refined to the ever changing and cross-jurisdictional context that the Company sits within. The engagement through his consulting company (PHOY Solutions) falls outside the scope and remit Mr Honkanen has as a non-executive director under the Company's rules of procedure and articles of association.

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 by 30 September 2022 were: 1,021,313,480.

2023 Financial Calendar

Fourth Quarter Report 2022	:	10 February 2023
First Quarter Report 2023	:	23 May 2022
Publication of 2022 Annual Report	:	w/b 1 May 2023
AGM 2023	:	TBC
Half Year Report 2023	:	10 August 2023
Nine Month Report 2023	:	15 November 2023
Fourth Quarter Report 2023	:	9 February 2024

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.

Risk 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

Please contact:

Auditors

The 2022 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 Extraordinary Annual General Meeting 2022

The Annual General Meeting in Cyber Security 1 AB (publ), reg. no 556135–4811, was held on 25 May 2022, by way of postal voting procedure.

https://cyber1.com/corporate-governance

The AGM resolved to re-elect Johan Bolsenbroek (Chairman), Alan Goslar, Pekka Honkanen, Zeth Nyström and Robert Brown (Executive Director), as Board Members.

Other resolutions considered and passed

Remuneration to the board of directors and auditors
It was resolved on a fee of SEK 450,000 to the chairman of the board and a fee of SEK 400,000 to each of the other board members, and that the auditor shall be remunerated in accordance with current approved accounts.

Resolution on incentive program 2022 for the board of directors and issue and transfer of warrants
It was resolved to adopt an incentive program 2022 for the board of directors and issue and transfer of warrants in accordance with a proposal submitted by a shareholder, whereby upon full exercise 11,250,000 new shares may be issued in the company.
The incentive program in summary can be found below. Shareholder's complete proposals for resolutions can be found at https://cyber1.com/corporate-governance/ (Comprehensive proposal LTI 2022 Board (Swedish) / Comprehensive proposal LTI 2022 Board (English)).

- Each stock option entitles the participant to acquire one (1) share in the company

- The stock options will be granted without consideration to current and future board members.
- The program has a vesting period of 3 years (save for standard good leaver exceptions).
- In order for the stock options to vest, the company's (i) consolidated adjusted EBITDA per share and (ii) consolidated adjusted net revenue must, during a measurement period of in total twelve (12) calendar quarters, divided into three (3) sub-periods of four (4) calendar quarters each, have increased by an average of a certain minimum percentage point where the change is measured as the relative change in consolidated adjusted EBITDA per share and consolidated adjusted net revenue compared to the consolidated adjusted EBITDA per share and the consolidated adjusted net revenue during the four (4) calendar quarters immediately preceding the sub-period in question.
- Each stock option entitles the holder to acquire one (1) share in the company at an exercise price corresponding to 150 per cent of the volume-weighted average price for the company's share on Nasdaq First North during the period from and including 11 May 2022 up to and including 25 May 2022.

It was furthermore resolved to issue 11,250,000 warrants to the company to ensure the delivery of shares upon exercise of stock options under the incentive program.

Resolution on incentive program 2022 for employees and issue and transfer of warrants

It was resolved to adopt an incentive program 2022 for employees and issue and transfer of warrants in accordance with a proposal submitted by the board of directors, whereby upon full exercise 88,750,000 new shares may be issued in the company.
The incentive program in summary can be found below. The board's complete proposals for resolutions can be found at https://cyber1.com/corporate-governance/ (Comprehensive proposal LTI 2022 Staff (Swedish) / Comprehensive proposal LTI 2022 Staff (English)).

- Each employee stock option entitles the participant to acquire one (1) share in the company.
- The employee stock options will be granted without consideration to current and future employees of the company group.
- The program has a vesting period of three (3) years (save for standard good leaver exceptions) whereby a third of all stock options granted vests at each anniversary from grant.
- In order for the stock options to vest, the company's consolidated adjusted EBITDA per share must, during a measurement period of in total twelve (12) calendar quarters, divided into three (3) sub-periods of four (4) calendar quarters each, have increased by an average of certain minimum percentage point where the change is measured as the relative change in consolidated adjusted EBITDA per share compared to the consolidated adjusted EBITDA during the four (4) calendar quarters immediately preceding the sub-period in question.
- Each stock option entitles the holder to acquire one (1) share in the company at an exercise price corresponding to a per cent as set out below of the volume-weighted average price for the company's share on Nasdaq First North during the period from and including 11 May 2022 up to and including 25 May 2022 ("VWAP") as set out below.
    - First Sub-Vesting Period: 100 per cent of VWAP.
    - Second Sub-Vesting Period: 125 per cent of VWAP.
    - Third Sub-Vesting Period: 150 per cent of VWAP.

It was furthermore resolved to issue 88,750,000 warrants to the company to ensure the delivery of shares upon exercise of stock options under the incentive program.

Certification of Signatories

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

Johan Bolsenbroek, Chairman, Non-executive Board member

Alan Goslar, Non-executive Board member

Pekka Honkanen, Non-executive Board member

Zeth Nyström, Non-executive Board member

Robert Brown, President, Executive Board member

DETAILED FINANCIAL INFORMATION

BALANCE SHEET	GROUP			PARENT		
	30 September 2022	30 September 2021	31 December 2021	30 September 2022	30 September 2021	31 December 2021
	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS						
Non-current assets						
Property, plant and equipment	395	249	366	0	0	0
Right of use Asset	100	194	150	0	0	0
Intangible Assets	22	22	22	22	22	22
Investments in subsidiaries	-0	0	0	3 388	2 621	2 321
Investments in associates	878	0	1 229	2 432	0	1 229
Other Non-Current Assets	0	0	0	0	0	0
Goodwill	6 738	6 630	6 630	0	0	0
Total Non-current assets	**8 133**	**7 095**	**8 397**	**5 842**	**2 643**	**3 572**
Current Assets						
Inventory	202	6	6	0	0	0
Deferred tax asset	130	83	75	0	0	0
Intercompany loans receivable	-0	0		6 037	0	5 300
Trade and other receivables	20 794	13 464	18 713	1 299	5 353	323
Cash & Bank	1 030	849	872	200	532	210
Total Current Assets	**22 155**	**14 402**	**19 666**	**7 536**	**5 885**	**5 833**
TOTAL ASSETS	**30 289**	**21 497**	**28 063**	**13 377**	**8 528**	**9 405**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	267	186	186	267	186	186
Share premium	27 317	22 418	24 390	27 317	22 418	24 293
Retained Earnings	-22 362	4 211	-16 962	-20 083	3 098	-20 076
Other Reserves	0	-21 938	0	0	-23 219	0
Non Controlling Interest	-377	0	189	0	0	0
Total Equity	**4 845**	**4 877**	**7 803**	**7 501**	**2 483**	**4 403**
Non-current liabilities						
Interest-bearing liabilities	3 999	509	0	3 999	450	0
Total Non-current liabilities	**3 999**	**509**	**0**	**3 999**	**450**	**0**
Current liabilities						
Interim Debt	5 472	2 708	3 951	840	1 496	0
Lease liabilities	202	355	303	0	0	0
Bank Overdraft	623	0	1 404	0	0	0
Intragroup Debt	-0	0	0	337	300	445
Trade and other payables	13 676	11 707	13 775	689	3 722	4 557
Tax payable	141	408	239	11	77	0
Provisions	1 332	933	588	0	0	0
Total current liabilities	**21 445**	**16 111**	**20 260**	**1 877**	**5 595**	**5 002**
Total Liabilities	**25 444**	**16 620**	**20 260**	**5 876**	**5 595**	**5 002**
TOTAL DEBT AND EQUITY	**30 289**	**21 497**	**28 063**	**13 377**	**8 528**	**9 405**

Statement of comprehensive income (loss)	Jul - Sept 2022	Jul - Sept 2021	Jan - Sept 2022	Jan - Sept 2021	Jan - Dec 2021
	GROUP				
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Net Revenue	11 325	9 372	30 442	25 413	37 218
Cost of Sold Goods	-9 220	-6 694	-24 635	-18 440	-27 131
Gross Profit	**2 105**	**2 678**	**5 807**	**6 973**	**10 087**
Sales Costs	-2 201	-1 723	-6 109	-4 345	-6 348
Administration Costs	-1 031	-664	-2 259	-1 957	-2 964
Depreciation	-132	-83	-407	-202	-326
Total Operating Cost	**-3 364**	**-2 470**	**-8 775**	**-6 504**	**-9 638**
Operating Result	**-1 259**	**208**	**-2 969**	**469**	**449**
EBITDA	**-1 126**	**291**	**-2 562**	**671**	**775**
Financial income and costs					
Finance income	3	-1	-4	10	53
Finance costs	-45	-29	-116	-79	-122
Other financial items	80	137	118	3 801	3 869
Total Finance income and costs - net	**37**	**107**	**-2**	**3 732**	**3 800**
Share of net profit of associates accounted for using the equity method	**0**	**84**	-15	**84**	**129**
Result before tax	**-1 221**	**399**	**-2 986**	**4 285**	**4 378**
Tax (Period)					
Net income for the period, continuing operations	**-1 221**	**399**	**-2 986**	**4 285**	**4 378**
Net income	**-1 221**	**399**	**-2 986**	**4 285**	**4 378**
Net income (loss) attributable to:					
Owners of the Parent Company	-1 002	445	-2 384	4 229	4 345
Non-controlling interests	-219	-46	-602	56	33

	PARENT				
Statement of comprehensive income (loss)	**Jul - Sept 2022**	**Jul - Sept 2021**	**Jan - Sept 2022**	**Jan - Sept 2021**	**Jan - Dec 2021**
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Net Revenue	162	129	554	150	599
Cost of Sold Goods	0	0	0	0	0
Gross Profit	**162**	**129**	**554**	**150**	**599**
Sales Costs	-32	-25	-68	-1	-104
Administration Costs	-142	-153	-474	-242	-556
Depreciation	0	0	0	0	0
Total Operating Cost	**-174**	**-178**	**-542**	**-243**	**-660**
Operating Result	**-12**	**-49**	**13**	**-93**	**-61**
EBITDA	**-12**	**-49**	**13**	**-93**	**-61**
Financial income and costs					
Finance income	0	0	0		0
Finance costs	-0	0	-0	-1	-2
Other financial items	-0	0	-20	3 241	3 196
Total Finance income and costs - net	**-0**	**0**	**-20**	**3 240**	**3 194**
Share of net profit of associates accounted for using the equity method		**84**			
Result before tax	**-13**	**35**	**-7**	**3 147**	**3 133**

CASH FLOW ANALYSIS	Group Jul - Sept 2022	Jul - Sept 2021	Jan - Sept 2022	Jan - Sept 2021	Jan-Dec 2021
	€ '000	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	-1 221	411	-2 986	4 297	4 378
Other Non-Cash Items	-177	-134	-527	-2 277	
Changes in Working Capital	**1 458**	**-1 489**	**693**	**-2 695**	**-2 204**
Cash Flow from Operations	**60**	**-1 212**	**-3 348**	**-675**	**-950**
Paid Taxes	197	101	-139	-448	-615
Cash Flow from Operating Activities	**258**	**-1 111**	**-3 486**	**-1 123**	**-1 565**
Acquisition of subsidiaries	-0		0		-6
Investment in Associates			-129		-1 100
Acquisition of Fixed Assets	-44	-173	-371	-274	-189
Cash Flow from Investment Activities	**-45**	**-173**	**-500**	**-274**	**-1 295**
New share issues	3 102		2 991		1 744
Proceeds from ongoing share issue	0	1 656	0	1 656	0
Lease liabilities	-55	74	-61	73	0
Short Term Financing	-758	1 145	2 826	1 260	2 896
Cash Flow from Financing Activities	**2 290**	**2 875**	**5 756**	**2 989**	**4 640**
Change in cash and cash equivalents during the year					
Net change in cash, continuing operations	2 503	1 591	1 769	1 592	1 780
Net change in cash, discontinued operations	0	0	0	0	0
Foreign exchange translation adjustment	-2 344	-9	-1 612	-10	175
				0	
Opening Cash position	872	-733	872	-733	-733
Closing Cash Position	**1 031**	**849**	**1 030**	**849**	**872**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Jul - Sept 2022	Jul - Sept 2021	Jan -Sept 2022	Jan - Sept 2021
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**5 332**	**3 284**	**7 803**	**202**
Adjustment from acquisition analysis			0	0
Share Issues	2 470	1 656	2 470	1 656
Offset Issue				0
Profit from the Period	-1 221	399	-2 986	4 285
Other comprehensive income for the period, net of tax				-970
Foreign Exchange-Differential	-1 736	-462	-2 442	-296
Changes in equity during the period	**-487**	**1 593**	**-2 958**	**4 675**
Equity - Closing Balance	**4 845**	**4 877**	**4 845**	**4 877**

PARENT STATEMENT OF CHANGES IN EQUITY	Jul - Sept 2022	Jul - Sept 2021	Jan -Sept 2022	Jan - Sept 2021
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**4 403**	**788**	**4 403**	**-2 358**
Adjustment from acquisition analysis	-45			
Share Issues	2 470	1 656	2 470	1 656
				0
Profit from the Period	-13	35	-7	3 182
Other comprehensive income for the period, net of tax				
Foreign Exchange-Differential	686	4	635	3
Changes in equity during the period	**3 098**	**1 695**	**3 098**	**4 841**
Equity - Closing Balance	**7 501**	**2 483**	**7 501**	**2 483**

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 nine months ending 30 September 2022, 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 2020 (Annual Report 2020). Key developments in risks and uncertainties, including COVID-19, are described in the section Risks and uncertainties.

IASB has published amendments of standards that are effective as of 1 January 2020 or later. The standards have not had any material impact on the financial reports.

On 28 May 2020, IASB issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors. On 12 October 2020, the European Union has published a Commission Regulation endorsing of the Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions. The Amendments are effective for annual periods beginning on or after 1 June 2020.

IBOR transition

Where interest rate hedge accounting is applied CYBER1 is exposed to the STIBOR (Stockholm Interbank Offered Rate) reference rate for hedged instruments together with their hedging instruments. The change of reference rate due to the upcoming IBOR transition will, when implemented, affect future cash flows on interest income and interest expense but CYBER1 expects continued 100% effectiveness of the hedges and no net interest impact. CYBER1 will continue to monitor any changes to STIBOR as a reference rate and update, together with counterparties, the relevant financial contracts accordingly as and when these occur.

Items affecting comparability

CYBER1 reports an adjusted EBIT for comparison reasons. The result is adjusted for capital gains and losses from divestments and larger restructuring initiatives and impairments.

Loss of control of a wholly owned subsidiary with an interest retained

When the group disposes of a significant part of its interest, and therefore loses control, of a subsidiary, the group de-consolidates the subsidiary. If the retained interest in the entity fulfils the criteria of being an associate, it is accounted for at fair value at the disposal date, and subsequently accounted for using the equity method. The gain or loss of the transaction is the difference between the fair value of the consideration received as well as the fair value of the retained interest, and the carrying value of the former subsidiary's net assets (including any related goodwill) and is recorded in the income statement. Any portion of the gain or loss related to the re-measurement of the retained interest to fair value is disclosed separately.

Impact on the financial reporting due to COVID-19

Goodwill

During the reporting period to September 2022, CYBER1 has outlined the cash-generating units (CGUs) within the business area of CYBER1 Group. The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a five-year period, which are in turn based on the three-year plans prepared annually by each of the business areas and approved by CYBER1 Group Executive Management.

These plans are founded on the business areas' strategies and an analysis of the current and anticipated business climate, and the impact this is expected to have on the market in which the business area operates. A range of economic indicators, which differ for each market, and external and internal studies of these, are used in the analysis of the business situation. The forecasts form the basis for how the values of the material assumptions are established.

The assumptions mentioned below reflect past experience and are consistent with external information. The most material assumptions when determining the value in use include anticipated demand, growth rate, operating margin, working capital requirements and the discount rate.

The factor used to calculate growth in the terminal period after five years was 2% (in line with last year). Need of working capital beyond the five-year period is deemed to increase approximately as the expected growth in the terminal period. The discount rate consists of a weighted average cost of capital for borrowed capital and shareholders' equity. Since 2020 CYBER 1 calculates a pre-tax discount rate for each CGU. As of September, it varied between 9.3% and 13.5%. Last year all CGUs applied a pre-tax discount rate of 11% before tax. The specific risks of the CGUs have been adjusted for in the future cash flow forecasts.

Impairment tests were performed in 2021 in response to the Covid-19 pandemic. The testing of goodwill did not indicate any impairment requirement. Sensitivity in the calculations implies that the goodwill value would be maintained even if the discount rate was increased by 2 percentage points or if the long-term growth rate was lowered by 2 percentage points. The goodwill value would also be maintained, given an operating margin drop by 2 percentage points.

Inventory

As of 30 September 2022, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 30 September 2022, there are no indications on any significant impact related to the Covid-19 pandemic. Expected credit losses remain on a low level compared to twelve months rolling revenues.

DETAILED FINANCIAL INFORMATION

Note 2 – Operating segment information

Revenue and Segments

CYBER1 is located in three regions in Africa, Europe, and the Middle East, with more than 180 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 costs.

Revenue per Segment	Jul - Sept 2022	Jul - Sept 2021	Jan - Sept 2022	Jan - Sept 2021
	€ '000	€ '000	€ '000	€ '000
Africa	8 783	5 221	21 465	16 496
Middle East	3 049	3 929	10 231	8 656
Europe	286	129	738	319
Sub-Total including internal Sales	**12 117**	**9 279**	**32 433**	**25 471**
Internal sales eliminations	-792	-129	-1 992	-280
Segment Total	**11 325**	**9 150**	**30 442**	**25 191**

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:

Georgraphical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Sept 2022					
Africa	21 465	30%	-1 787	-8%	603
Middle East	10 231	18%	-785	-8%	-0
Europe	738	131%	10	1%	7 530
Core business	**32 433**	**27%**	**-2 562**	**-8%**	**8 133**
Eliminations	-1 992	611%	0	0%	0
Cyber1 Group	**30 442**	**21%**	**-2 562**	**-8%**	**8 133**

Georgraphical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Sept 2021					
Africa	16 496	2%	549	33%	389
Middle East	8 656	-41%	185	21%	52
Europe	319	-97%	-61	-191%	6 653
Core business	**25 471**	**-50%**	**673**	**26%**	**7 094**
Eliminations	-280	-1%	0	0%	
Cyber1 Group	**25 191**	**-51%**	**673**	**27%**	**7 094**

Georgraphical information - Current Year	Distribution	Advisory & Managed services	Jan - Sept 2022
	€ '000	€ '000	€ '000
Jan - Sept 2022			
Africa	5 662	15 803	21 465
Middle East	9 680	551	10 231
Europe	183	554	738
Including internal sales	**15 525**	**16 908**	**32 433**
Internal sales	-259	-1 733	-1 992
Total	**15 266**	**15 176**	**30 442**

Georgraphical - Prior year	Distribution	Advisory & Managed services	Jan - Sept 2021
	€ '000	€ '000	€ '000
Jan - Sept 2021			
Africa	558	15 938	16 496
Middle East	8 656	0	8 656
Europe	319	0	319
Including internal sales	**9 533**	**15 938**	**25 471**
Internal sales	-280	0	-280
Total	**9 253**	**15 938**	**25 191**

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 30 September 2022, to €600k (2021 : €1,5m).

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

Carrying value and fair value — as at September 2022

	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
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade receivables		20 794				20 794	20 794
Other non-current financial receivables						0	0
Other current assets and financial receivables					202	202	202
Prepaid expenses and accrued income					129	129	129
Cash and cash equivalents		1 030				1 030	1 030
Total assets	**0**	**21 824**	**0**	**0**	**330**	**22 154**	**22 154**
Loans and borrowings			1 521			1 521	1 521
Other non-current financial liabilities					3 951	3 951	3 951
Other current liabilities			966			966	966
Accrued expenses and deferred income					1 331	1 331	1 331
Trade payables			13 676			13 676	13 676
Total liabilities	**0**	**0**	**16 163**	**0**	**5 282**	**21 445**	**21 445**

Fair value measurement by level

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

Carrying value and fair value — as at September 2021

	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
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade receivables		13 378				13 378	13 378
Other non-current financial receivables					168	168	168
Other current assets and financial receivables					6	6	6
Prepaid expenses and accrued income					0	0	0
Cash and cash equivalents		849				849	849
Total assets	**0**	**14 227**	**0**	**0**	**174**	**14 401**	**14 401**
Loans and borrowings			4 453		355	4 808	4 808
Other non-current financial liabilities					406	406	406
Other current liabilities						0	0
Accrued expenses and deferred income					933	933	933
Trade payables			11 707			11 707	11 707
Total liabilities	**0**	**0**	**16 160**	**0**	**1 694**	**17 854**	**17 854**

Fair value measurement by level

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

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	30 September 2022				30 September 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
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	0	0	0	0	0	0	0	0
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Contingent considerations			15	15			45	45
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	0	0	15	15	0	0	45	45

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	**Q3 2022**	**Q3 2021**	**Full year 2021**
	€'000	€'000	€'000
Opening balance	45	16	0
Business combinations			
Payments	-45	-16	0
Reversals			
Revaluations	15	45	0
Translation differences			
Closing balance	**15**	**45**	**0**

No transfer in or out of level 3 or level 2 has been made during the quarter to March. 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 – Significant Events

During the quarter under review, CYBER1 concluded its acquisition of a further 25% of Cyber Security South Africa (CSSA) taking their ownership to 100% as well as the acquisition of a further 50% in Cyber Security Africa Distribution (CSAD) taking its ownership of this entity to 100%.

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.

No impairments have been deemed necessary in the current reporting period.

Note 6 - earnings per shares

Earnings per share	Jan - Sept 2022	Jan - Sept 2021
	€ '000	€ '000
Profit for the period	**-2 986**	4 286
Non-controlling interests	**-602**	56
Group share of profit	**-2 384**	4 230
Number of shares (weighted average)	**866 057 768**	529 846 141
Earnings per share	**-2.75**	8
Net income from continuing operations – attributable to the parent entity	**-2 384**	4 230

There has been no material change to the contractual obligations during the current reporting period.

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 Report 2021, Directors Report and the newly published Governance report.

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.

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 the period to June 2021. 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 2021.

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% in CYBER1 Solutions Southern Africa and CSSA.

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