Cyber Security 1 AB (Publ)

H1 2021 Interim Report

1 January – 30 June 2021

Profitable CYBER1 out of reconstruction

Revenue H1

€ 16,051k (PY: € 16,007k)

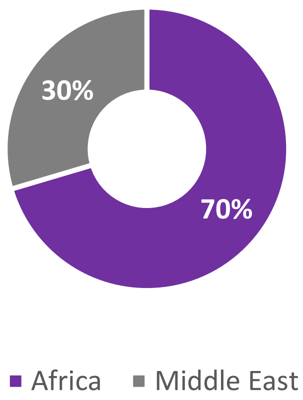
Gross Margin

28% (PY: 25%)

EBITDA

€ 387k (PY: €-1,959k)

Regional revenue



Group Performance

- H1 Group revenue has remained constant while the Group grew gross margin by 3% to 28%.
- Creating operating efficiencies across the Group continues to be a focal area for the company's executive management. The strategic actions implemented to date have positively affected the company's overall operating expenditure for 2021, resulting in a decrease of 32% to €4.1m, versus €6.1m in H1 2020. As indicated in previous reporting, the benefits of harmonisation initiatives are now taking effect within the organisation, increasing the overall profitability of the company. Following detailed analysis of company operations, the executive has implemented effective measures into the parent company and wider subsidiaries, ensuring tighter corporate governance controls. The wider benefits of these actions will lead to further investment into revenue generating opportunities for CYBER1, building greater scale and profitability as a result.
- Total Group revenue closed for CYBER1 during H1 2021 was €16m.
- H1 2021 Group EBITDA profit of €387k, compared to a loss of €-1.9m in H1 of 2020. This change has been a result of greater operational efficiencies that have been realised during the reconstruction process throughout the last twelve months, in addition to improved margins on service and additional revenue streams.
- Whilst the effect of the global pandemic are still ongoing, due to the increase utilisation of professional services and partnerships with vendor solutions, CYBER1 has seen an overall stronger margin blend for the business. Combined with the streamlined operations within the parent company and the subsidiaries, the company has been able to position itself positively for the coming financial year.

CYBER 1

H1 2021 Interim Report

Cyber Security 1 AB (Publ) 1 January – 30 June 2021

Our business at a glance

Our business has two strategic segments being Value added distribution (VAD) and Value added Resellers and Solutions (VAR)

- The **VAD** business succeeded in growing its revenue by **47%** to €5.1m
- The **VAR** business in Africa grew its revenue by **16%** to over €10m which assisted the middle east region navigate a tough H1.

Beyond the Quarter & Other News

- On May 17th 2021, CYBER1 announced that short term interim operating capital of 500k euros has been secured from existing shareholders. The lenders shall have the right, instead of cash repayments, to set off the loan claims against new shares and warrants on terms equal to the planned rights issue broadly outlined in a press release on 11th May 2021, where the rights issue is subject to certain developments around the composition filing and shareholders' approval at an extraordinary shareholders' meeting. The loan will constitute general rights of priority (Sw. allmän förmånsrätt) according to the Rights of Priority Act (Sw.förmånsrättslagen). Administrator Marcus Wenner, of the corporate restructuring proceedings, has approved the taking on of the loan by the Company.

- On May 27th, the CYBER1 announced subject to ratification at the AGM, resolved to carry out an issue of shares and warrants with preferential rights for existing shareholders of approximately EUR 1.774 million before issue costs. Upon full exercise of all warrants, the company may receive additional issue proceeds of approximately EUR 1.774 million before issue costs.

- On the 1st of June, CYBER1 appointed a new management structure, with Robert Brown being promoted into a newly created role of President, working closely with the board on strategy and commercials of the business. CYBER1 has appointed Peter Sedin as CEO, with a focus on our corporate governance structure, with a long-term view for business development within the Nordic markets. Following these appointment, Robert Brown was also appointed to the Board of Directors of CYBER1 at the AGM.

- On June 7th, the Stockholm District Court decided to adopt a compulsory composition agreement with a 75 percent debt write-down and to end the company reconstruction in CYBER1. The total amount subject to the compulsory composition agreement is 190,194,181.25 SEK. The write-down amount will be 14,176,378 EUR and a total of 4,725,454 EUR* is to be paid within one year as dividend to the creditors (based on 1 SEK=0.0993817 EUR). No such appeal was lodged within the three-week allotted period, making the composition legally binding as of the 28th of June 2021.

- On July 23rd, CYBER1 confirmed that the rights issue of units amounting to EUR 1.774 million which was made public on June 27, 2021 in Cyber Security 1 AB (publ), has been heavily oversubscribed. The subscription period ended on July 19, 2021. The Rights Issue was subscribed with 259 percent, of which approximately 94 percent was subscribed with unit rights and approximately 165 percent was subscribed without unit rights. Hence, the underwriting commitments will not be used. Through the Rights Issue, the Company obtains approximately EUR 1.774 million before issue costs.

From the desk of the President

Dear Shareholders,

It is a pleasure to update you on the significant progress the company has achieved over the last six months. I am delighted that CYBER1 has continued to further realise the potential success that we can achieve, based on strategic sales generation, and controlled and measure investment in costs to grow the business. This has been demonstrated in another profitable quarter for CYBER1 and a total half year EBITDA of €387k, a positive change of €2.35m year over year. Our operations have showcased smart investment, with a reduction of almost €2m compared to H1 2020, reflecting that the last 12 months has truly refocussed the business and set the company on a bright path ahead.

The ending of CYBER1 formally being under reconstruction on the 28th of June, was a milestone moment for the company. I provide my personal thanks to all CYBER1 staff, my fellow Board of Directors, our creditors for their support and the external advisors that we collaborated with during the process. We now have a company in place that has a strong awareness of its capabilities and where we can maximise opportunities. We are committed to prioritising our growth strategy through a process that is measured and informed. We have realised the untapped potential of further organic growth by working closer with the subsidiaries, particularly in Kenya and the wider African continent. Now, with the company able to set its own course once again, I am as enthused as ever to work with the business units and push the company to become a dominant player in the market for a variety of services and solutions.

Whilst the sales and operation side flourishes, I have also ensured that corporate governance is a particular focus as we embark on a sustained period of growth. Collaborating with the new CEO of CYBER1, Peter Sedin has provided a fresh viewpoint based on his extensive experience in consolidating and effectively running companies. I am delighted Peter has joined CYBER1 and look forward to working with him to strengthen our Nordic connection through commercial efforts and deeper investor relations.

Whilst we have achieved some tangible objectives for this year, more work is required to ensure that this is the start of many successful years for CYBER1 as a listed company in our many regions. We will continue, working in conjunction with our vendors, to identify new markets supporting our growth strategy, as well as mechanisms for solidifying existing markets. All of this can be achieved through the efforts of our fantastic staff, and I look forward working with them all to realise the true potential of CYBER1.

I look forward to updating our shareholders in the near future on our progress throughout the second half of 2021.

Stockholm, August 2021.

Robert Brown

Group President and Executive Director

Key Financial Ratios

	Apr - Jun Q2 2021	Apr - Jun Q2 2020	Jan - Jun H1 2021	Jan - Jun H1 2020	Jan - Dec 2020
	€'000	€'000	€'000	€'000	€'000
Group Income	8 246	6 882	16 052	16 007	27 356
Group Gross Margin	2 175	1 942	4 448	4 023	7 525
Group Gross Margin percentage	26.4%	28.2%	27.7%	25.1%	27.5%
Cash flow during the period	49	-564	48	-5 227	-2 822
Operating Margin	72	-768	269	-2 161	-13 875
Operating Margin percentage	0.9%	-11.2%	1.7%	-13.5%	-50.7%
Result after taxes	3 927	-817	3 915	-6 202	-13 875
Earnings per share	0.012	-0.008	0.012	-0.020	-0.040

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 2021 amounted to 348,890,226

Business Overview

Market Update

The cyber security industry continues to play a significant part in the many prominent headlines and updates. With the remote working trend set to stay for the foreseeable future, a number of new risks and threats have become apparent amongst small and largescale entities. This presents and opportunity to open markets for organisations to expand in, for example the work South Africa recently completed for the National Lottery in Peru.

In Sweden, Coop supermarket stores have been forced to close in July, due to the ongoing problems caused by a seismic ransomware attack originating from the United States. Over half of its 800 stores have experienced significant problems around the paying system caused by a third-party breach. The incident highlights the vulnerabilities that are present outside your own organisation and the due diligence company's must undertake before sharing sensitive data and information.

The European Commission has announced plans during the quarter, to build a collaborative Joint Cyber Unit, to battle and combat against large scale international cyber-attacks. Due to recent events in the US, the new agency with a dedicated team would be deployed rapidly to European countries during serious breaches of data and other cyber related incidences. European Commission vice-president Margaritis Schinas said last month's hack on US fuel supplies was 'the "nightmare scenario that we have to prepare against". The comments came in relation to a breach on Colonial Pipeline, causing the process to be offline for nearly a week which had a dramatic impact on panic buying and fuel shortages across the country.

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.

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

Reviewing the end of the second quarter for CYBER1, the company successfully came out of reconstruction and is a able to maintain a profitable EBITDA number. CYBER1 continues to assess its structure and enact positive changes in the Parent company and its subsidiaries. As expected, the business challenges, catalysed during 2020 still show a residual effect in the overall performance. The jurisdictions we operate in have begun to see positive signs of recovery from an economic and public health perspective. In addition, 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 varying year on year performance increase, as our entities continue to see levels of normality return through the spread and proliferation of the various vaccines that have been established.

The financial results this quarter are positively impacted by a realignment of additional services and higher margin solutions that have been delivered to customers.

Business trend April to June 2021

CYBER1's revenue increased by 20% compared to the same period last year, which was driven by large deals concluded in the middle east region.

We anticipate the steady gradual recovery to continue, aided by the streamlining of costs central business operations. Quarter two 2021 operating costs have almost halved from the prior year to €2.1m. By continuing to implement these efficiencies across the group it will ensure that the business is able to meet all of its obligations as a listed company on Nasdaq First North Grow Market, whilst ensuring appropriate cash flow within the business to be utilised for the benefit of future commercial endeavours.

Development of revenue and results

Some of the regions noted a muted revenue performance, which is not unexpected, whilst good growth has been seen from our Middle East region. The group has seen an improved weighting of revenue between the business segments, with improved revenue from the distribution business. The result from current operations before depreciation and amortisation (EBIDTA) turned over from a loss-making position of €-701m to a profit of €139k was largely impacted by the restructuring and impairment of UK operations, consistent margin and effective cost containment measures.

Earnings before interest and taxes on continuing operations (EBIT) increased to €3.9m (2020: -€249km). The composition haircut in CYBER1 has been recorded in the books of June 2021 contributing to this positive result. Results excluding the recognition of the haircut remain profitable. Due to the aforementioned restructure the company has been able to positively turn around its previously loss-making position. This quarters positive result further enforces a springboard for remainder of the year.

A number of operational efficiencies that have already been achieved. These initiatives will enable greater financial investment, into areas that will yield business development and sales competencies across the group. Combine with a lean and efficient Parent Company will drive the company towards future profitability, which is a key performance indicator for the board and the executive management.

Revaluation of the asset portfolio

During period 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 via a number of methods, whilst catering for the current demand and climate within the regions we operate in. As we enter quarter three of 2021, a number of exceptional costs items will not be recorded moving forward, as well as a number of operational efficiencies that have already been achieved. These initiatives will enable greater financial investment, into areas that will yield business development and sales competencies across the group. Combine with a lean and efficient Parent Company will drive the company towards future profitability, 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 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 2021 financial year and in the foreseeable future are described in detail in the 2020 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.

H1 2021 Interim Report

1 January – 30 June 2021

A CYBER 1 Company

Revenue

€ 10,386,364

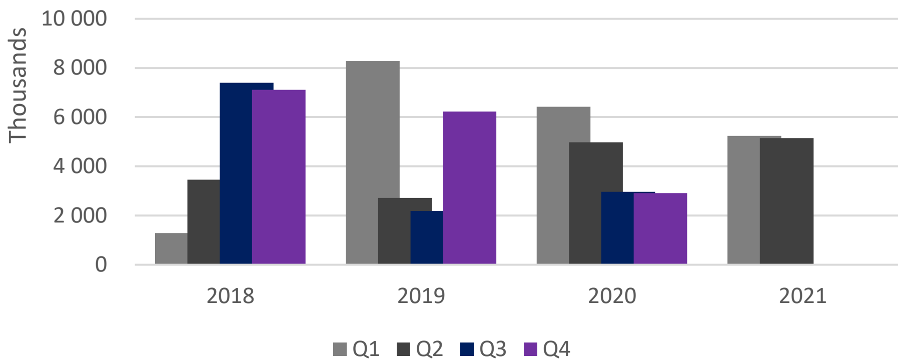
Gross Margin

30%

EBITDA

€ 474,012

DRS continued to build strong momentum into the financial year, recording revenue of €5.1m for Q2 versus €5.0m the previous year. DRS was able to communicate to the region through a number of marketing activities, around salient security topics that included the risk of working remotely and recognising social media as a viable attack vector. Whilst our H1 revenue is slightly behind versus prior year, we have focussed on delivering strong margin business which has been reflected in the improved gross margin for H1 2021. During Q2, we were recognised by one of our leading vendors in McAfee, in receiving the Enterprise and Revenue Partner Awards for 2020. Continuing to strengthen our relationships and performance with our product partners has been a fundamental component behind the success of the business. We aim to continue to deepen our relationships with our clients, by providing a tailored and multi-faceted strategy for their cyber security infrastructure. Q3 and Q4 possesses a number of exciting opportunities for the company, as we see the seasonality trend towards the end of the year becoming prominent for DRS. Our staff are enthused in achieving the objectives ahead and we look forward to updating the market in future reports on our progress.



Revenue

€ 4,738,043

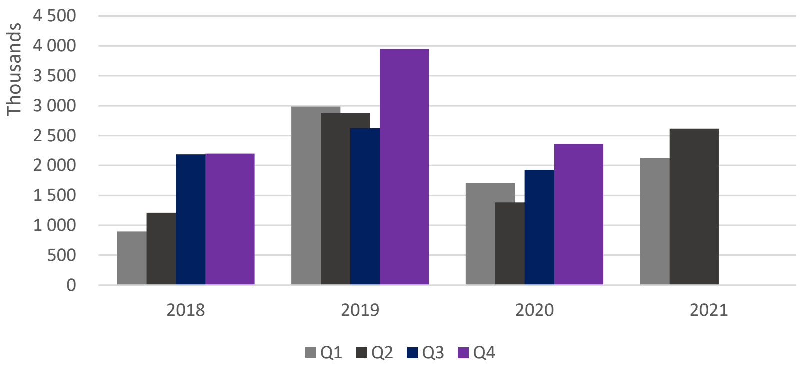
Gross Margin

18%

EBITDA

€ -123,627

Credence Security Middle East and India recorded a strong H1 performance, closing €4.74m for H1 and €2.62m for Q2. During the last quarter, the company was able to acquire 90% of its revenue through new business, as well as partnering with new vendors in Oxygen Forensics and Hytrust. Expanding our collaborations will ensure our offering is at the cutting edge of the latest innovative technology. This scale of growth was also able to improve the overall margin for the period. Our expanding new business was achieved by the largescale lead generating strategy that was implemented for Q2. Events included over 50 virtual workshops, 30 forensics fundamentals webinars and 20 training academy sessions, all designed to demonstrate Credence Security with possessing passion and knowledge for cyber security and digital forensics with our clients and vendor partners. During the quarter, our business launched our Channel Partner Portal, which will aim to increase the overall presence of the company within the ever growing partner community and drive new business forward. Key new wins for H1 included a national police governing body for digital forensics, a national navy supplying Digital Intelligence solutions and cybersecurity encryption solutions for a national central bank within the middle east.



CREDENCE SECURITY

Revenue

€ 380,088

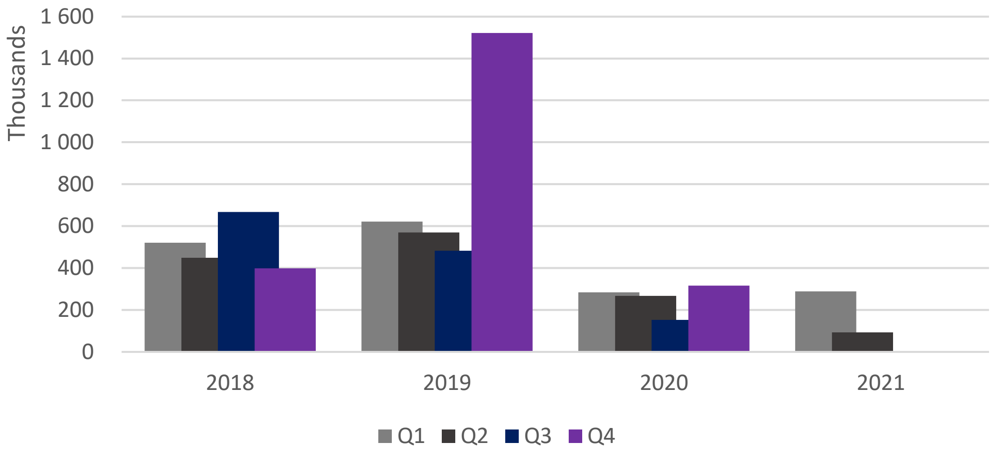
Gross Margin

38%

EBITDA

€ 55,288

Credence Security South Africa closed €380k in revenue for the H1 2021 reporting period. The company continues to work and collaborate with existing subsidiaries, in utilising the latest enterprise and consumer technology in the region. The company has been able to maintain strong Gross Margin above the industry average for a value-added distributor. The entity will focus on upscaling its sales pipeline, with the intent of maintaining this high margin blend for 2021.



A CYBER 1 Company

Revenue

€ 508,357

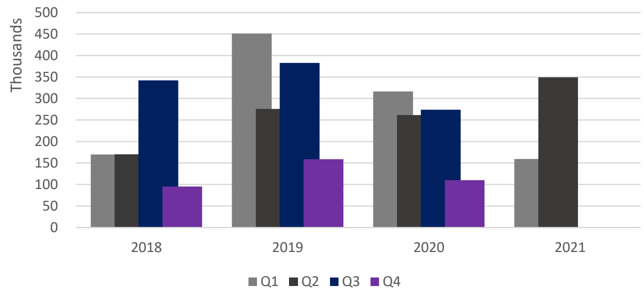
Gross Margin

36%

EBITDA

€ -50,136

Revenue in Q2 grew from €20.8m in Q1 to €45.2m in Q2, an increase of 117%. In the increase, 13 new customer logos were acquired bringing an increase of €15m (61%). In our effort to be vendor agonistic, we added 5 new logos in Q2, 2021 compared to 1 new vendor logo same time last year making a 39% growth in our vendor portfolio. We managed our costs by working closer with the distribution & vendors to get the best possible margins while also utilizing the means availed to us for margin enhancement like deal registrations. On operational costs, we adapted to equally source for best bargain and strict evaluation on our spending. Our concentration is on the spend that directly speaks to business stability and growth. We have also embraced use of tech to deliver online events at a fraction of the cost of a physical event and also looped in other players for cost sharing. We faced obstacles reeling from the effect of various pandemic waves and businesses remain very spend averse especially on new business where the meaningful return is to be found. Likewise even the renewal business is not as such spared and we did witness slow purchase decisions and also clients with purchase orders but lacking ability to pay. The net results of the aforementioned is slow cashflow to us. We have broken new ground in acquiring our first Palo Alto MSSP client and we believe that this is just the beginning of a success story in this space. We are glad that our Assurance service is gaining attraction.



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, CensorNet, Checkpoint, Cisco, Cyberark, Entrust, Everbridge, KnowBe4, Infocyte, McAfee, Microsoft, Mimecast, Palo Alto, Pulse Secure, Rapid7, Redseal, Solus, Thales and Trustwave amongst others.

Cash Flow

The difficulty in the market environment continues to negatively impact the operational cash flow. The changes to the group and creditors composition agreement for CYBER1 have been positive and will aid the cash flow position for the remainder of the year

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 2021 report has not been reviewed by the Group's auditor.

Profit for the period

Group

H1 2021 year revenues amounted to €16.1m (H1 2020 : €16.0m)

EBITDA for H1 2021 amounted to €387k (H1 2020 : loss of €1.9m)

Profit before tax for H1 2021 amounted to €3.9m (H1 2020 : loss of €2.3m)

Depreciation and amortisation for H1 2021 amounted to €118k (H1 2020 : €201k)

There was a Net Cash inflow for H1 2021, which amounted to €135k (Net Cash outflow H1 2020 : €3.1m)

At the end of H1 2021, the Group's cash balance amounted to €-598k (H1 2020: €-733k)

Parent

The Parent Company's profit for H1 2021 amounted to €3.1m (H1 2020: -€3.3m)

Financial Position

Group

The Group's equity for end of H1 2021 amounted to €3.4m (H1 2020: €517k)

CYBER1 did not pay any dividends to shareholders during Q2 2021, 2020 and prior to this period.

Parent

The equity for the parent company amounted to €788k at the end of H1 2021 (H1 2020, €-2.4m) and €64k in cash or cash equivalent (H1 2020 : €3k).

Investments

On May the 31st, CYBER1 signed Sale and Purchase Agreements for acquisitions of 50% of Cyber Security South Africa and Cyber Security Africa Distribution, on terms equal to the units issue presented by the Company in a press release on 27 May 2021 (the "Units Issue") where each unit shall comprise of one (1) ordinary share at EUR 0.01 and one (1) gratuitous warrant. The acquisition terms include exclusivity rights for CYBER1 to purchase remaining 50 percent of CSSA and CSAD before 30 September 2022.

The total consideration payable by CYBER1 for the transactions are EUR 635,000, and shall be executed by a new issue of 63,500,000 units in CYBER1 on terms equal to the Units Issue, where each unit shall comprise of one (1) ordinary share in the Company at EUR 0.01 and one (1) gratuitous warrant, and where each warrant entitles to subscription of one (1) new share in the Company at EUR 0.01 during the period 25 July 2022 – 8 August 2022 (the "Purchase Issue").

More information can be found by clicking on the press release here that was announced .

Taxation

Group

No provisional corporation tax was paid in H1 2021.

Deferred Tax Credit has been recognised in the Group during 2020 and to date in 2021.

Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2019, 2020 or to date in 2021.

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

CYBER1 announced on the 31st of May a signing of the Sale and Purchase Agreements for acquisitions of 50% of Cyber Security South Africa and Cyber Security Africa Distribution, 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.

Moving forward, confirmation of the remaining 50% will be dealt with by an acquisition sub-committee, that will have representatives from the Board of Directors that will exclude Robert Brown from this process. The exclusivity rights for CYBER1 to purchase the remaining 50 percent of CSSA and CSAD will last until 30th September 2022. The Board is confident that the Group President is able to exercise his duties appropriately as has been demonstrated through the initial due diligence process and through his commercial endeavours for the company.

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 June 2021 were: 348,890,226.

Please refer to Note 4 in relation to the rights issue and the future dilution effect.

2021 Financial Calendar

Publication of Annual Report 2020 w/b	31 May 2021
Annual Report Annual General Meeting	26 June 2021
Half Year Report	26 August 2021
Nine Month Report	29 October 2021
Fourth Quarter 2021 Report	1 February 2022

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:

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Auditors

The 2021 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 2020

The Annual General Meeting took place on the 29th of June, by way of postal voting procedure.

The following resolutions were made at the AGM:

Election of a new board member and re-election of existing board members..

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

The Board composition will now be: Johannes Bolsenbroek (Chairman), Alan Goslar, Pekka Honkanen and Zeth Nyström together with the newly elected Robert Brown.

https://cyber1.com/corporate-governance

Robert Brown (b. 1970)

Engagements in the below South African ventures:

X2A Group Holdings (CEO), My Cybercare, Al Hosani , Cyber Security South Africa , CSSA Endorsed, Lot 51 Of Wilde Spruit, Sea View Properties, Dynamic Recovery Services, Dynamic Recovery3 Holdings, Awake Investments, Two Robs Property Investments, Energy and Densification Systems, Rits Cybercare, Matopa Home Owners Association, Draper Brown Investments, The Vendor Connection

Previous Assignments	:	(2015—2019) CEO of Cyber Security 1 AB
	:	(1997—2015) CEO of Dynamic Recovery Services

Other resolutions considered and passed

Approval of the board of directors' resolution to issue shares and warrants by way of units with pre-emption rights

It was resolved to approve the board's decision to issue shares and warrants by way of units with pre-emption rights. The new issue includes a maximum of 174,445,113 units with pre-emption rights for existing shareholders.

Each unit comprises one (1) newly issued share in the company and one (1) warrant, which means that not more than 174,445,113 shares and not more than 174,445,113 warrants may be issued.

All resolutions from the AGM are set out in the minutes from the meeting, which will be available for download at

https://cyber1.com/corporate-governance/.

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		
	June 2021	June 2020	December 2020	June 2021	June 2020	December 2020
	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS						
Non-current assets						
Property, plant and equipment	277	75	177	0	0	0
Right of use Asset	260	334	273	0	0	0
Intangible Assets	22	26	22	22	26	22
Investments in subsidiaries	0	0	0	2 321	2 301	2 301
Goodwill	6 630	6 630	6 630	0	0	0
Total Non-current assets	**7 189**	**7 065**	**7 102**	**2 343**	**2 327**	**2 323**
Current Assets						
Inventory	6	6	452	0	0	0
Deferred tax asset	65	12	19	0	0	0
Trade and other receivables	11 633	12 422	15 257	5 057	5 699	6 403
Other Claims	0	115	88	0	0	0
Cash & Bank	-598	627	-733	64	3	3
Total Current Assets	**11 106**	**13 182**	**15 082**	**5 120**	**5 702**	**6 406**
TOTAL ASSETS	**18 295**	**20 247**	**22 184**	**7 463**	**8 029**	**8 729**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	91	91	91	91	91	91
Share premium	20 769	20 857	20 857	20 769	20 769	20 761
Period result	3 932	-7 882	-18 832	3 146	-3 390	-3 326
Other reserves	-21 359	-12 549	-1 825	-23 219	-19 884	-19 884
Total Equity	**3 433**	**517**	**291**	**788**	**-2 414**	**-2 358**
Capital and reserves attributable to owners						
Non-controlling interests			156			
Non-current liabilities						
Interest-bearing liabilities	488	0	0	449	0	
Total Non-current liabilities	**488**	**0**	**0**	**449**	**0**	**0**
Current liabilities						
Interim Debt	1 584	1 781	1 956	1 584	1 189	1 584
Lease liabilities	411	334	281	0	0	
Intragroup Debt	0	0	0	834	2 407	2 523
Trade and other payables	11 346	15 839	16 576	3 721	7 344	6 975
Tax payable	305	750	854	87	-147	-214
Provisions	730	1 026	2 225	0	-350	219
Total current liabilities	**14 375**	**19 730**	**21 893**	**6 226**	**10 443**	**11 087**
Total Liabilities	**14 863**	**19 730**	**21 893**	**6 675**	**10 443**	**11 087**
TOTAL DEBT AND EQUITY	**18 295**	**20 247**	**22 184**	**7 463**	**8 029**	**8 729**

Consolidated Income statement	Apr - June 2021	Apr - June 2020	Jan - June 2021	Jan - June 2020
	GROUP			
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	8 246	6 882	16 052	16 007
Cost of Sold Goods	-6 071	-4 941	-11 603	-11 984
Gross Profit	**2 175**	**1 941**	**4 448**	**4 023**
Sales Costs	-1 266	-1 514	-2 620	-3 382
Administration Costs	-769	-1 128	-1 441	-2 600
Depreciation	-67	-68	-118	-201
Total Operating Cost	**-2 103**	**-2 710**	**-4 180**	**-6 183**
Operating Result	**72**	**-769**	**269**	**-2 160**
EBITDA	**139**	**-701**	**387**	**-1 959**
Financial income and costs				
Finance income	11	5	11	5
Finance costs	-17	-23	-50	-70
Other financial items	3 862	538	3 686	-94
Total Finance income and costs - net	**3 855**	**520**	**3 647**	**-159**
Result before tax	**3 927**	**-249**	**3 915**	**-2 319**
Tax (Period)	0	0	0	0
Net income for the period, continuing operations	**3 927**	**-249**	**3 915**	**-2 319**
Discontinued operations				
Loss from discontinued operations	0		0	-3 882
Net income for the period, discontinued operations	**0**	**0**	**0**	**-3 882**
Net income	**3 927**	**-249**	**3 915**	**-6 201**
Net income (loss) attributable to:				
Owners of the Parent Company	3 926	-184	3 860	-5 598
Non-controlling interests	1	-65	102	-603

Statement of comprehensive income (loss)	Apr - June 2021	Apr - June 2020	Jan - June 2021	Jan - June 2020
	€'000	€'000	€'000	€'000
Net income (loss)	3 927	-249	3 915	-6 201
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	**51**		**17**	**-4 809**
Other items: impairement and restructuring and acquisition-related charges	**0**	**-1 680**		**-3 404**
Total comprehensive income (loss)	**3 979**	**-1 929**	**3 932**	**-14 414**

Consolidated Income statement	Apr - June 2021	Apr - June 2020	Jan - June 2021	Jan - June 2020	Jan - Dec 2020
	PARENT				
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Net Revenue	24	0	150	179	894
Cost of Sold Goods	0	0	0	0	0
Gross Profit	**24**	**0**	**150**	**179**	**894**
Sales Costs	-2	0	-1	0	-108
Administration Costs	-36	-2 662	-242	-3 600	-4 262
Depreciation	0	-3	0	-5	0
Total Operating Cost	**-38**	**-2 665**	**-244**	**-3 605**	**-4 370**
Operating Result	**-14**	**-2 665**	**-93**	**-3 426**	**-3 476**
EBITDA	**-14**	**-2 662**	**-93**	**-3 421**	**-3 476**
Financial income and costs					
Finance income	0	0	0	0	141
Finance costs	-0	34	-1	37	0
Other financial items	3 342	0	3 241	-12 306	-12 306
Total Finance income and costs - net	**3 341**	**34**	**3 240**	**-12 269**	**-12 165**
Result before tax	**3 327**	**-2 631**	**3 146**	**-15 695**	**-15 640**
Tax (Period)	0	0	0	0	0
Net income for the period	**3 327**	**-2 631**	**3 146**	**-15 695**	**-15 640**
Discontinued operations					
Loss from discontinued operations	0	0	0	0	
Net income for the period, discontinued	**0**	**0**	**0**	**0**	**0**
Net income	**3 327**	**-2 631**	**3 146**	**-15 695**	**-15 640**
Net income (loss) attributable to:					
Owners of the Parent Company	0	-2 631	0	-15 695	-15 640
Non-controlling interests	0	0	0	0	0

CASH FLOW ANALYSIS	Group				
	Apr - Jun 2021	Apr - Jun 2020	Jan - Jun 2021	Jan - Jun 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	3 979	-249	3 932	-2 320	-13 875
Adjustments non C/F items					
Depreciation	67		118		352
Composition Haircut	-3 876		-3 876		
Other non-Cash items	1 133	-157	1 508	37	8 504
Operating Cash Flow	**1 303**	**-406**	**1 682**	**-2 283**	**-5 020**
Decrease (+) / increase (-) in inventories	-0		446		-228
Decrease (-) / increase (+) in operating receivables	2 815		3 665		10 588
Decrease (+) / increase (-) in operating liabilities	-3 737		-5 230		-5 320
Changes in Working Capital	**-923**	**-1 753**	**-1 119**	**-3 518**	**5 041**
Cash Flow from Operations	**380**	**-2 159**	**563**	**-5 801**	**21**
Paid Taxes	-104	443	-549	0	-1 635
Cash Flow from Operating Activities	**276**	**-1 716**	**14**	**-5 801**	**-1 614**
Acqusition of subsidiaries					
Acqusition of Fixed Assets	35	-69	-18	-16	-356
Cash Flow from Investment Activities	**35**	**-69**	**-18**	**-16**	**-356**
New share issues					
Directly related costs to the listing					
Proceeds from ongoing share issue	-1	1 193	-89	1 193	
Dividend payment to minority					-227
Lease liabilities	53		129	-46	-254
Short Term Financing	-175	27	115	-557	-664
Cash Flow from Financing Activities	**-123**	**1 221**	**156**	**590**	**-1 144**
Change in cash and cash equivalents during the					
Net change in cash, continuing operations	187	-564	152	-5 227	-2 115
Net change in cash, discontinued operations	0		0	3 882	-1 131
Foreign exchange translation adjustment	-51	-193	-17	588	75
Opening Cash position	-733	1 384	-733	1 384	2 438
Closing Cash Position	**-597**	**627**	**-598**	**627**	**-733**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Apr - June 2021	Apr - June 2020	Jan - June 2021	Jan - Jun 2020
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**149**	**1 228**	**202**	**13 583**
Adjustment from acquisition analysis	-1		-89	
Share Issues		1 193		1 193
Profit from the Period	3 927	-249	3 915	-6 264
Other comprehensive income for the period, net of tax	-436	-1 680	-391	-8 057
Foreign Exchange-Differential	-207	25	-205	62
Changes in equity during the period	**3 284**	**-711**	**3 230**	**-13 066**
Equity - Closing Balance	**3 433**	**517**	**3 433**	**517**

PARENT STATEMENT OF CHANGES IN EQUITY	Apr - June 2021	Apr - June 2020	Jan - June 2021	Jan - Jun 2020
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**-2 421**	**-968**	**-2 358**	**12 097**
Adjustment from acquisition analysis	0		8	
Share Issues		1 184		1 184
Profit from the Period	3 327	-2 630	3 146	-15 695
Other comprehensive income for the period, net of tax				
Foreign Exchange-Differential	-119		-9	
Changes in equity during the period	**3 209**	**-1 446**	**3 146**	**-14 511**
Equity - Closing Balance	**788**	**-2 414**	**788**	**-2 414**

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 three months ending 30 June 2021, 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. The nominal value of outstanding exposures is EUR 1.58 million. 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 deconsolidates 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 June 2021, 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 December, 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 2020 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 June 2021, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 30 June 2021, 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

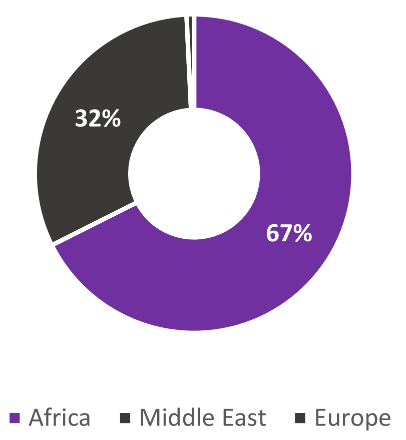
Note 2 – Operating segment information

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	Apr - Jun 2021	Apr - June 2020	Jan - Jun 2021	Jan - Jun 2020
	€ '000	€ '000	€ '000	€ '000
Africa	5 589	5 502	11 275	13 381
Middle East	2 618	1 380	4 738	3 086
Europe	63	0	189	402
Sub-Total including internal Sales	**8 270**	**6 882**	**16 202**	**16 869**
Internal sales eliminations	-24		-150	-862
Segment Total	**8 246**	**6 882**	**16 052**	**16 007**

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	Value Added Reseller (VAR)	Advisory & Managed services (VAD)	Jan - Jun 2021
	€ '000	€ '000	€ '000
Jan - Jun 2021			
Africa	10 895	380	11 275
Middle East		4 738	4 738
Europe		189	189
Including internal sales	**10 895**	**5 308**	**16 202**
Internal sales		-150	-150
Total	**10 895**	**5 157**	**16 052**

Georgraphical - Prior year	Value Added Reseller (VAR)	Advisory & Managed services (VAD)	Jan - Jun 2020
	€ '000	€ '000	€ '000
Jan - Jun 2020			
Africa	9 367	4 014	13 381
Middle East	2 900	186	3 086
Europe	223	179	402
Including internal sales	**12 490**	**4 379**	**16 869**
Internal sales		-862	-862
Total	**12 490**	**3 517**	**16 007**

Georgraphical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Apr - Jun 2021					
Africa	11 275	105%	479	4%	529
Middle East	4 738	243%	-124	-3%	71
Europe	189		32	17%	6 653
Core business	**16 202**	**135%**	**387**	**2%**	**7 254**
Eliminations	-150		0	0%	0
Cyber1 Group	**16 052**	**133%**	**387**	**2%**	**7 254**

Georgraphical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Apr - Jun 2020					
Africa	5 502	1	532	97%	281
Middle East	1 380	-47	-364	-264%	137
Europe		-97	-2 162		6 647
Core business	**6 882**	**-50**	**-1 994**	**-290%**	**7 065**
Eliminations		-2	35		
Cyber1 Group	**6 882**	**-52**	**-1 959**	**-285%**	**7 065**

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 September 30, 2020 to EUR 1,584 (1,467) million and the fair value to EUR 1,600 (1,526) 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."

The following table shows carrying value and fair value for financial instruments applying IFRS 9 per 30 June 2021

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 June 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		11 633				11 633	11 633
Other non-current financial receivables						0	0
Other current assets and financial receivables					6	6	6
Prepaid expenses and accrued income					950	950	950
Cash and cash equivalents		-598				-598	-598
Total assets	**0**	**11 035**	**0**	**0**	**956**	**11 992**	**11 992**
Loans and borrowings			1 584		411	1 994	1 994
Other non-current financial liabilities					305	305	305
Other current liabilities					1 584	1 584	1 584
Accrued expenses and deferred income					730	730	730
Trade payables			12 296			12 296	12 296
Total liabilities	**0**	**0**	**13 880**	**0**	**3 029**	**16 909**	**16 909**

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 June 2020

	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		12 422				12 422	12 422
Other non-current financial receivables						0	0
Other current assets and financial receivables					121	121	121
Prepaid expenses and accrued income					0	0	0
Cash and cash equivalents		627				627	627
Total assets	**0**	**13 049**	**0**	**0**	**121**	**13 170**	**13 170**
Loans and borrowings			1 189		334	1 523	1 523
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	**0**	**0**	**17 028**	**0**	**2 702**	**19 730**	**19 730**

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

DISTRIBUTION BY LEVEL WHEN MEASURED AT	30 June 2021				30 June 2020			
	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			16	16			12	12
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	**0**	**0**	**16**	**16**	**0**	**0**	**12**	**12**

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	**H1 2021**	**H1 2020**	**Full year 2020**
	€'000	€'000	€'000
Opening balance	12	16	84
Business combinations			
Payments	-12	-16	-84
Reversals			
Revaluations	16	12	16
Translation differences			
Closing balance	**16**	**12**	**16**

No transfer in or out of level 3 or level 2 has been made during the quarter to June 2021. 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

After the end of the second quarter

On July 1st, the company confirmed the remuneration to advisors in the company reconstruction and ongoing recapitalisation through issue of units. The total agreed remuneration of EUR 560,000 shall be settled against 56,000,000 new shares and 56,000,000 warrants of series 2021 to be issued in units on terms equal to the terms of the Rights Issue. More information can be found here.

On July 23rd, CYBER1 announced that the rights issue of units of approximately EUR 1.774 million was heavily oversubscribed. The Rights Issue was subscribed with 259 percent, of which approximately 94 percent was subscribed with unit rights and approximately 165 percent was subscribed without unit rights. Hence, the underwriting commitments will not be used. Through the Rights Issue, the Company obtains approximately EUR 1.774 million before issue costs. Through the Rights Issue, the number of shares in Cyber 1 will increase by 174,445,113 shares, from 348,890,226 shares to 523,335,339 shares, and the share capital will increase by EUR 45,704.619606, from EUR 91,308.621395 to EUR 137,013.24100. The Rights Issue results in a dilution of approximately 33.3 percent for the shareholders who have not participated in the Right Issue. Full information released can be found on our website .

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 - Jun 2020	Jan - Jun 2021
	€ '000	€ '000
Profit for the period	-2 319	**3 915**
Non-controlling interests	-603	**102**
Group share of profit	-1 716	**3 813**
Number of shares in ’000s (weighted average)	322 188 354	**348 890 226**
Earnings per share in €	-5	**11**
Net income from continuing operations – attributable to the parent entity	-1 716	**3 813**

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 and Sustainability Report 2020, Directors Report, section Risk and uncertainties.

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 March 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 2020.

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%

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