



# CYBER 1

Delivering Innovative Resilience

## **CORPORATE GOVERNANCE REPORT 2021**

### CYBER SECURITY 1 AB

[www.cyber1.com](http://www.cyber1.com)

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## **1. OVERVIEW OF CYBER1'S CORPORATE GOVERNANCE IN 2021**

### **1.1. Introduction**

Cyber Security 1 AB (556135-4811) ("CYBER1") is a Swedish public limited liability company listed in Stockholm (NASDAQ First North market). It is a holding company that directly or indirectly owns the operating subsidiaries constituting the CYBER1 Group ("CYBER1 Group"). Mangold Fondkommission AB was the Nasdaq First North certified advisor to CYBER1 in 2021.

The CYBER1 Group finds corporate governance a stabilizing force facilitating the commercial objectives to bloom. Sound corporate governance enhances transparency creating trust and reliability, which are core values of CYBER1. We further believe that solid corporate governance unites all stakeholders providing synergies to achieve and exceed the set goals. Because of this, we are committed to continuously developing and improving internal processes.

This Corporate Governance & Compliance Report ("the Report") covers 1 January 2021 - 31 December 2021. This Report complies with the Annual Accounts Act (1995:1554), Swedish Corporate Governance Code and other applicable regulations. It provides overall transparency in the CYBER1 Group's corporate governance and compliance, including the company's management. The Report has been reviewed by, and includes a statement from, CYBER1's auditors.

### **1.2. Summary of 2021: the Corporate Governance perspective**

The year 2021 was still heavily influenced by the corporate restructuring approved by the Stockholm District Court on May 12th, 2020. The aftermath of the CYBER1 restructuring continued throughout 2021. In addition to the corporate restructuring, CYBER1 initiated multiple acquisition processes during 2021. These processes required additional efforts to synchronize the acquired companies to the Group on legal, operational, and cultural levels and close the acquisition processes cleanly. The restructuring and acquisitions provide both challenges and opportunities. CYBER1 tackles the challenges and utilizes the opportunities to maximize the value to the shareholders.

#### **2021 Main Calendar Events**

<b>1.5.</b>	Publication of the Q1 Interim Report
<b>29.6.</b>	Annual General Meeting
<b>29.6.</b>	Confirmation: Formal Conclusion of the Reconstruction
<b>1.6.</b>	New Management Structure, New President, New CEO
<b>26.8</b>	Publication of the H1 Interim Report
<b>8.11.</b>	Publication of the Q3 Interim Report

### 1.3. Regulatory Grounds

CYBER1's regulatory environment consists of external and internal norms. Consequently, CYBER1 complies with multiple external and internal regulations, including the applicable rules on corporate governance.

#### External Rules

Examples of the key external regulations include Swedish law, applicable EU law, NASDAQ Rules, including the Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code, The Swedish Financial Supervisory Authority's supplementary regulations, Swedish Financial Reporting Board's guidelines and suggestions, Swedish Corporate Governance Board's guidelines and suggestions.

#### Internal Rules

CYBER1 has adopted and continuously developed its internal rules to ensure sound compliance with the external regulations and promote commercial capabilities. The internal regulations include, among other things, Articles of Association and CYBER1's internal Policies and Guidelines. As an example of external regulation turning into an internal rule ensuring compliance, CYBER1 Board created and adopted Board Workflow -rules to set the frame for the Board working process to comply with one of the corporate governance requirements specified in the Swedish Companies Act. The internal rules contain the instructions regarding the division of work between the Board and the CEO. Rules further describe the reporting lines and obligations and have established instructions for the financial reporting. The Board reviews the Board Workflow rules when it deems necessary but not less frequently than annually.

### 1.4. Compliance with the Swedish Corporate Governance Code

CYBER1 complies with the Swedish Corporate Governance Code, which has the comply or explain -approach to the rules. The table below elaborates on how CYBER1 applies the rules and where the application differentiates from the Code requiring explanation.

Rule	Comply	If non-compliance, reason, and explanation of the adopted solutions
<b>1 The shareholders' meeting</b>	CYBER1 <b>Complies</b> with <b>exception</b> listed on the right-side column.	Exception regarding the Nomination Committee (Rule 1.3). For more, see below (Rule 2)
<b>2 The nomination committee</b>	<b>Noncompliance</b> as the Nomination Committee was not appointed in 2021 by the General Meeting.	CYBER1 did not have a Nomination Committee in 2021 because, during the reconstruction, CYBER1 adopted a solution in accordance with the good market practice, where the largest shareholder acts as the nominator. For more, see section 2.4.
<b>3 The tasks of the board of directors</b>	CYBER1 <b>Complies</b> .	
<b>4 The size and composition of the board</b>	CYBER1 <b>Complies</b> .	
<b>5 The tasks of directors</b>	CYBER1 <b>Complies</b> .	
<b>6 The chair of the board</b>	CYBER1 <b>Complies</b> .	
<b>7 Board procedures</b>	CYBER1 <b>Complies</b> .	

<b>8 Evaluation of the board of directors and the chief executive officer</b>	CYBER1 <b>Complies.</b>	
<b>9 Remuneration of the board and executive management<sup>1</sup></b>	CYBER1 <b>Complies.</b>	
<b>10 Information on corporate governance and sustainability</b>	CYBER1 <b>Complies.</b>	

In accordance with the Code (Rule 10.2, subsection 8), CYBER1 hereby notifies that it does not have any infringement of the stock exchange rules applicable to the company or any breach of good practice on the securities market reported by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year.

### 1.5. Principles, Mission & Core Values

In addition to the **principles** provided by the law and regulations, CYBER1 follows the principles set out in this Report in accordance with the core values of the company. CYBER1's **Mission** is to Deliver Innovative Resilience (Into the Future).

The **Core Values** of CYBER1 constitute the foundation of its culture, guiding all interaction, decisions, and work in and around CYBER1. CYBER1's Core Values utilize the acronym of R.E.P.E.A.T (Resilience, Ethical, Passionate, Excellence, Accountable, Trust).

## CYBER1 CORE VALUES



### 1.6. Corporate Governance Model

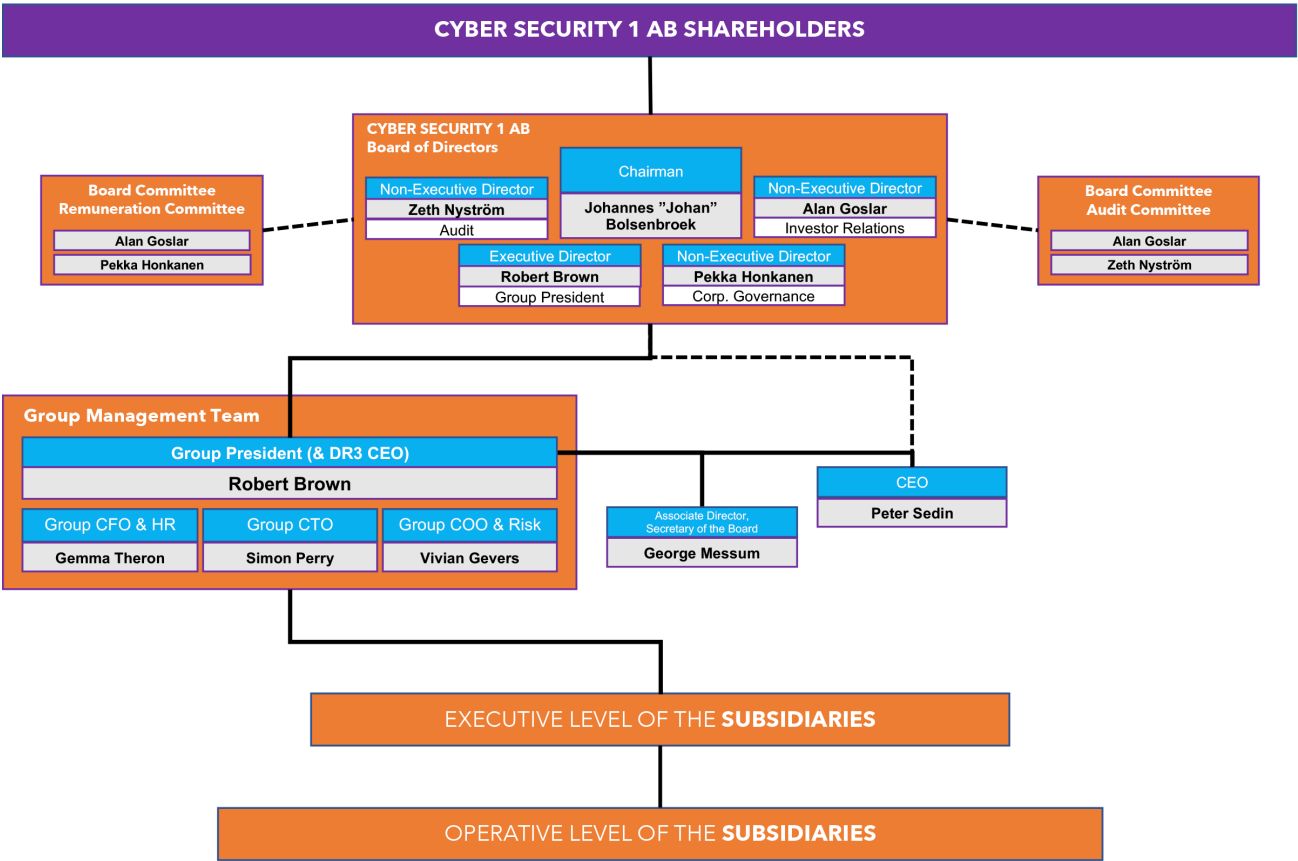
**Shareholders** may exercise their rights at the **General Meetings** of CYBER1, the parent company of the CYBER1 Group, pursuant to applicable laws and the Articles of Association of the company. The General Meeting appoints the **Board of Directors**. The Board, in turn, appoints the **CEO** and the **Group Management Team** ("GMT"), including the **Group President**, who acts as the Chairman

for the GMT. The Board and the GMT are two separate organs. Group Management Team and the CEO form the Executive Management of the Group.

The Board is responsible for the overall strategic decisions of the company upon the propositions of the Group Management Team, **Board committees**, or other respective organs. The CYBER1's GMT is responsible for preparing the Group Strategy, daily operative management, and all other applicable ongoing operative items. The Group President leads the management of the commercial operations of the Group. The CEO manages the daily management of the Cyber Security 1 AB in accordance with the guidelines provided by the Board.

To facilitate this, CYBER1 Group has in place adequate working procedures both at the level of the Board of Directors and within the management as described in this Report.

Operative Governance Structure Chart




## 1.7. Group Legal Structure

In addition to the Parent Company, Cyber Security 1 AB, the Group consists of directly or indirectly and wholly or partly owned subsidiaries. The South African BBBEE (Broad-Based Black Economic Empowerment) impacts the legal structure and governance of the South African operations.


### BBBEE in South Africa

To streamline the processes while also promoting and facilitating sustainability in the form of the BBBEE compliance in South Africa, subsidiaries of CYBER1 have organized the legal structure through the Dynamic Recovery3 Holdings Company. This further enables to contribute to the BBBEE, allowing CYBER1 to participate in public tenders expanding the range of potential business.

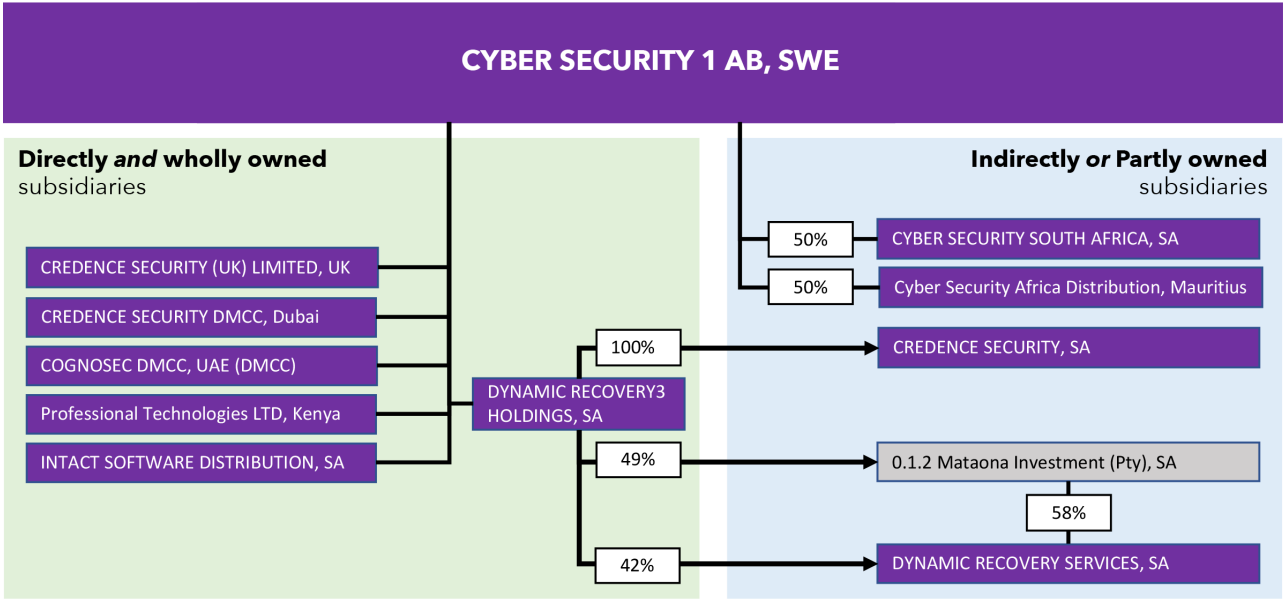
#### The *directly* and *wholly* owned subsidiaries:

						
Name of the Company	DYNAMIC RECOVERY3 HOLDINGS	CREDENCE SECURITY DMCC	COGNOSEC DMCC	Professional Technologies	CREDENCE SECURITY SOUTH AFRICA (INTACT SOFTWARE DISTRIBUTION)	CREDENCE SECURITY (UK) LIMITED
Domicile	South Africa	UAE, Dubai	UAE (DMCC)	Kenya	South Africa	UK
Company Registration Number	M1999023928	JLT-68399	DMCC-075632	NO.C 81571	K2011103356	6821858

#### The *indirectly* or *partly* owned subsidiaries:

					
Name of the Company	CREDENCE SECURITY	Matoana Investment (Pty) Ltd	DYNAMIC RECOVERY SERVICES	CYBER SECURITY SOUTH AFRICA	Cyber Security Africa Distribution
Domicile	South Africa	South Africa	South Africa	South Africa	Mauritius
Company Registration Number	M1999009285	2018/373589/09	M1997019520	K2017522498	C158696
CYBER1's ownership %	100% Through Dynamic Recovery3 Holdings.	49% Through Dynamic Recovery3 Holdings.	42% Through Dynamic Recovery3 Holdings. 58% Through Matoana Investment.	50% in 2021. In the future, after completion of the acquisition process, 100%.	50% in 2021. In the future, after completion of the acquisition process, 100%.

Legal Structure Chart





**"ONE SIZE FITS ALL"**

DOES **NOT** APPLY TO CYBER SECURITY  
SOLUTIONS.

CYBER1

## 2. THE GENERAL MEETING, SHARES, AND SHAREHOLDERS

### 2.1. General Meeting

**The General Shareholders' meetings are**, in accordance with the Swedish Companies Act, the highest decision-making body of the Company. At the general meetings, the shareholders exercise their voting rights on key issues, including, inter alia, decisions regarding the adoption of income statements and balance sheets, allocation of the Company's results, discharge from liability for the board of directors and the CEO, election of directors of the board and auditor and remuneration to the board of directors and auditor. In addition to the annual general meeting ("AGM"), extraordinary general shareholders' meetings ("EGM") may be convened.

CYBER1 delivers the **Notice of a General Meeting** by an announcement in the Swedish Official Gazette and Dagens Industri. Notice of an Annual General Meeting and Extraordinary General Meeting where an amendment to the Articles of Association is to be dealt with, is issued not earlier than six and no later than four weeks before the meeting. Notice of an Extraordinary General Meetings is issued no earlier than six and no later than two weeks before the meeting.

Under Swedish law, the **Annual General Meeting is held** within six months of the end of the financial year. The registered office in the Articles of Association is in the municipality of Stockholm, Sweden. Consequently, pursuant to the Swedish Companies Act, the CYBER1 **Annual Meeting location** is normally in Stockholm, Sweden, but where extraordinary circumstances so require, the general meeting may be held at another location.

**In 2021**, after considering the authorities' recommendations, CYBER1 decided to promote safety during the covid-19 -pandemic. The General Meeting was held through postal voting on the 29th of June, without physical attendance of shareholders, representatives, and third-party parties. Shareholders were able to exercise their voting rights only by post before the meeting. This was in line with sections 20 and 22 of the Act (2020:198) on temporary exceptions to facilitate general meetings in companies and other associations. The Swedish Corporate Governance Board supported the approach by communicating in March 2020 that such an approach is not considered a deviation from the Code.

**The decisions of the AGM 2021** included, among others:

- No dividends shall be paid.
- Board of Directors fees:
  - o SEK 300,000 for each Ordinary board member.
  - o SEK 350,000 for the chairman of the board.
- Directors' fees to be partly paid in the form of shares.
- The auditor shall be paid in accordance with current approved accounts.
- Re- election of board members Alan Goslar, Johannes Bolsenbroek, Pekka Honkanen and Zeth Nyström.
- New election of board member Robert Brown.
- RSM Stockholm AB was re-elected as auditor, Malin Lanneborn continuing to be the principal auditor.
- Amendment of the Articles of Association.
- Issuance 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. This entails that the Company's share capital may increase by not more than 91,409.239212 EUR of which not more than 45,704.619606 EUR refers to an increase due to an issue of shares, and not more than 45,704.619606 EUR refers to an increase due to an issue of warrants.

- Issuance of new shares totaling 35,500 EUR for the purpose of board compensation in accordance with the resolution on board compensation at the annual general meeting on June 30, 2020.
- Issuance of new shares and warrants by way of units without preferential rights for completion of acquisitions with the total consideration for the Target Shares amounts to 635,000 EUR.
- establish an internationally viable incentive program

Following the Code, the company chair, each member of the Board (in any case not less than as many members of the Board as are required for a quorum), the CEO, and the company's auditors are to be present at General Meeting. Given the international ownership of CYBER1, following the Code, the minutes of the meeting is translated into English. CYBER1 further follows a practice where a shareholder, or a proxy representative of a shareholder, who is neither a member of the Board nor an employee of the company verifies and signs the minutes of the shareholders' meeting. Relevant documents are available with the Company and on the Company's webpage, [www.cyber1.com](http://www.cyber1.com), not less than three weeks before the general meeting.

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the Company, the Board shall provide information at the general meeting in respect of any circumstances which may affect the assessment of a matter on the agenda or of the financial situation of the Company. A request for such information shall be made in writing by e-mail to the CEO of Cyber: [peter.sedin@cyber1.com](mailto:peter.sedin@cyber1.com).

**CYBER1's Annual General Meeting 2022** will be held on the **25<sup>th</sup> of May 2022**. For further information, please see CYBER1's website, [www.cyber1.com](http://www.cyber1.com).

## **2.2. Shares**

CYBER1 has issued one class of shares, series A. At the General Meeting, one share gives one vote. There are in total 710,802,055 shares in the Company, representing 710,802,055 votes. The Cyber Security 1 AB share register is managed by Euroclear (Sweden AB). All shares carry equal rights in the assets and earnings of the company.

There are no limitations on how many votes each shareholder can cast at a general meeting (besides the given limitation arising from the number of the owned shares). There are no known agreements between shareholders that could result restrictions on the transfer of shares. No uncommon restrictions on the transfer of shares on the basis of a provision of the law or the instruments of incorporation exist.

## **2.3. Shareholders**

According to the share register, on December 31, 2021, CYBER1 had 1,984 shareholders. On that date, the largest shareholders of the company were:

Name of the Shareholder	Number of Shares	% Of the Ownership in 31.12.2021
ABN AMRO SWEDEN CLIENT NON-TREATY	156 054 364	21.9%
SAXO BANK A/S CLIENT ASSETS	102 718 677	14.4%
SIX SIS AG, W8IMY	72 621 230	10.2%
MANGOLD FONDKOMMISSION AB	63 500 000	8.9%
UBS SWITZERLAND AG, W8IMY	62 085 763	8.7%
Other Shareholders	253,822,021	35.9%
<b>Total</b>	<b>710,802,055</b>	<b>100%</b>

## 2.4. Nomination Committee

In 2021, no nomination committee was appointed. Consequently, CYBER1 adopted the good market practice where the largest shareholder makes the propositions. Pursuant to the Code, the tasks of the nomination committee include propositions on:

- 1) Candidates for the post of the chair and other members of the board.
- 2) Fees and other remuneration to each member of the board.
- 3) The statutory external auditor for election.
- 4) Auditor remuneration.

In the General Meeting 2021, the largest shareholder, Marlo Finance BV, proposed that:

- 1) For the period until the next annual general meeting has been held, the re-election of board members Alan Goslar, Johannes Bolsenbroek, Pekka Honkanen and Zeth Nyström and the new election of Robert Brown.
- 2) Fees to the board of directors shall be SEK 300,000 each and SEK 350,000 to the chairman of the board.
- 3) RSM Stockholm AB is re-elected as auditor, who has informed that if the general meeting resolves in accordance with the proposal, Malin Lanneborn will be appointed to continue to be the principal auditor.
- 4) The auditor shall be paid in accordance with current approved accounts.

The propositions by Marlo Finance BV were based on building continuity with two existing board members, whilst enhancing competence within the Nordic region around corporate governance practices and longer-term strategic initiatives. Marlo Finance BV was presented with the work experience and credentials of the board members proposed prior to their nomination to the Board. The new members had previously collaborated.

In 2022, the Board of CYBER1 will prepare a proposition for the AGM 2023 to decide that the AGM 1) appoints the Nomination Committee and 2) the Committee adopts the Nomination Committee Process.

## 3. BOARD OF DIRECTORS

### 3.1. Role of the Board, Chair, and Directors

**The Board** is responsible for CYBER1's organization and the strategic plan. Board appoints, evaluates, and, if necessary, dismisses the chief executive officer. The Board oversees the management of the company's operations conducted by the Group Management Team. The Board is responsible for accepting the Group's long-term development and strategy upon the proposition

of the Group Management Team. The Board also oversees and evaluates the Group's operations and takes responsibility for the other duties outlined in the Swedish Companies Act and other applicable regulations, including defining the appropriate guidelines and policies to ensure long-term value creation, risk control protocols, legal compliance, and sound external communication. Robert Brown serves in the Board of Directors as an executive member and in the GMT as a Group President, fulfilling the Code's requirement that no more than one elected member of the board may be a member of the executive management of the company or a subsidiary.






**The chair** has a particular responsibility to ensure that the work of the board is well organised and conducted efficiently. The chair also oversees the implementation of the decisions.

Pursuant to the Code, **Directors** devote the necessary time and care and ensure they have the competence required, to effectively safeguard and promote the interests of CYBER1 and its shareholders. The Board divides tasks and particular areas of focus for each member, for example, throughout the committees. Furthermore, directors in their roles oversee that CYBER1 pursues its goals in accordance with the Group Strategy and, while striving towards success, pay attention broadly to the operative environment. This means considerations relating, for example, to sustainability, equality, and compliance. Each director acts independently and with integrity in the interests of CYBER1 and all its stakeholders.

### 3.2. Size and Composition of the Board

The board has a size and composition enabling it to manage CYBER1's affairs efficiently and with integrity.

According to the Articles of Association, the Board of Directors shall consist of not less than three and not more than nine members, with a maximum number of six deputies. Pursuant to the AGM Decision, aligning with the Articles of Association, CYBER1 has five members of the Board and no deputy members.

					
	<b>Johan Bolsenbroek</b> <i>Chairman of the Board</i>	<b>Robert Brown</b> <i>Executive member, Group President</i>	<b>Alan Goslar</b> <i>Member of the Remuneration committee and the Audit committee</i>	<b>Pekka Honkanen</b> <i>Member of the Remuneration committee</i>	<b>Zeth Nyström</b> <i>Member of the Audit committee</i>
<b>Born</b>	1966	1970	1947	1951	1946
<b>Role in the Board</b>	<i>Non independent in relation to larger shareholders and in relation to the Company.</i>	<i>Non independent in relation to larger shareholders and in relation to the Company.</i>	<i>Independent of the Company and Group Management</i>	<i>Independent of the Company and Group Management</i>	<i>Independent of the Company and Group Management.</i>
<b>Education</b>	MBA in International Business from the University of Georgia – Terry College of Business and a BBA	KES, South Africa	University of the Witwatersrand	M.Sc in computer science and economy from Turku University	Bachelor's degree in economics from Gothenburg University

	in International business from Nyenrode Business Universiteit				
<b>Member of the Board since</b>	Chairman of the Board since 2020.	Ordinary Board member since 2021.	Ordinary Board member since 2020	Ordinary Board member since 2020	Ordinary Board member since 2020
<b>Other positions and board memberships</b>	Co-owner and CFO of Triangle Studios B.V. CEO of ScreenCheck International Group	Director, CSSA & CSAD	Dial Advisory Limited, Owner of Payment Advisory Management Services	Senior Advisor of Enfuze Financial Services, Owner, and Chairman of PHOY Solutions Ltd.	Chairman of Trosa Fibernät AB, the Trosa municipality broadband provider. Member of the City Council of Trosa, Lay Judge for Svea Hovrätt.
<b>Principal working experience</b>	Managing Partner at BdR Executive Partners B.V.	CEO of Dynamic Recovery Holdings, CEO of Cyber Security 1 AB	CEO Transactworld Ltd, Chairman of supervisory Board of Payon AG	Board Member of Paytrail Oy and Poplatek Oy (both now Part of the Nets Group) Chairman of Silverskin Information Security Ltd. Senior roles within Visa International and OP Financial Group.	C.E.O, C.O.O and C.M.O of Speedy Tomato AB (Now Telia Communications), Tess Brazil (now Telia), Europolitan AB (now Telenor) and Hi3G AB (now 3/Three telecommunications)
<b>Holdings in CYBER1 (Euroclear, December 30, 2021)</b>	1 750 000 shares	287 016 shares	1 200 000 shares	355 909 shares	300 000 shares

### 3.1. Board's Composition and Attendance at meetings

Meetings between January 1 and December 31, 2021. In 2021, the Board held 36 meetings in total.

Name	Role or Position	Number of Board meetings Participated
<b>Johan Bolsenbroek</b>	Chairman of the Board	<b>35</b>
<b>Robert Brown</b>	Executive Director Group President	<b>24</b> invited in capacity as CEO, <b>11</b> as a Board Member
<b>Alan Goslar</b>	Member of the Remuneration and Audit Committees	<b>36</b>
<b>Pekka Honkanen</b>	Member of the Remuneration Committee	<b>36</b>
<b>Zeth Nyström</b>	Member of the Audit Committee	<b>36</b>
<i>Invitations to the Board meetings</i>		
<b>Peter Sedin</b>	Chief Executive Officer	<b>7</b>
<b>George Messum</b>	Board Secretary	<b>36</b>

## Secretary of the Board



**George Messum**  
Secretary of the Board,  
Associate Director

The Board appointed Associate Director, **George Messum**, to act as the Secretary of the Board in 2021

The Secretary of the Board supports the Board by assisting before, during, and after the Board meetings and other Board-related matters and projects.

<b>Born</b>	1991
<b>Education</b>	MSc Software & Systems Security, University of Oxford. BA International Relations, Loughborough University
<b>In the Position since</b>	Secretary of the Board member since 2021
<b>Other positions and board memberships</b>	n/a
<b>Principal working experience</b>	Citigroup, Trust Payments
<b>Holdings in CYBER1 (Euroclear, December 30, 2021)</b>	0 shares

### 3.1. Board work & Fees

#### Board work

In 2021, a total of thirty-seven (36) minuted Board meetings were held. The board acts according to the Board Workflow constituting Rules of Procedure with a recurring structure with predetermined main points. The agenda, including informational material and decision-making documentation prior to Board meetings, were customarily sent in the Board Pack well in advance before each meeting.

CYBER1 continuously assesses the risks relating to conflicts of interest in its work. Following the applicable laws, directors are disqualified from participating in any decision regarding agreements between themselves and CYBER1. The same applies to agreements between CYBER1 and any third party or legal entity in which the Board member has an interest that may be contrary to the interests of CYBER1.

In line with the Code, a majority of the Board members elected by the AGM are independent in relation to CYBER1 and Group management. Also, at least two of the Board members, who are independent in relation to CYBER1 and Group management, are independent in relation to the company's major shareholders. The composition of CYBER1's Board of Directors fulfils the independence requirements of the Code.

#### Board Fees

Remuneration to Board members was proposed by the largest shareholder, Marlo Finance BV, for resolution by the AGM. The Board fees are SEK 300,000 for each Ordinary board member and SEK 350,000 for the chairman of the board.

### 3.2. Board Committees

According to the Board Workflow and in line with the Swedish Corporate Governance Code, the Board delegates responsibilities within the Board. Board delegates some of the tasks to the Board Committees. Consequently, the Board Committees prepare reports and recommendations as well as provide follow-up reports on decisions and actions taken by the Board. CYBER1 Board appointed a Remuneration Committee (Alan Goslar and Pekka Honkanen) and an Audit Committee (Alan Goslar and Zeth Nyström). The Committees are confirmed following the next Board meeting following the EGM.

#### 3.2.1. Remuneration Committee

The Remuneration Committee consists of **Alan Goslar** and **Pekka Honkanen**. The committee held meetings in 2021 surrounding executive remuneration. For 2022, the committee aims to work with the operational management and identify areas where the company can attract and importantly retain key employees. The main tasks of the Remuneration Committee consist of reviewing and preparing, for resolution by the Board, proposals on salary and other remuneration, including retirement compensation, for the Group Management Team and CEO. The Committee also reviews and prepares resolutions to be made by the Board, proposals to the AGM on Guidelines for remuneration and remuneration adjustments to the Group Management and Executive Team. Remuneration Committee does this by analyzing trends impacting on remuneration, other legislative changes, disclosure rules and the general global executive remuneration environment.

During the year 2021, the Remuneration Committee initiated a Group wide review and re-assessment of human resource management systems to ensure the stable internal grounds on top of which the incentive programs may be built upon. The assessment further facilitated the harmonization work in the Group during the post-acquisition and post-restructuring phase. Remuneration Committee also initiated the Incentive Program to be established in 2022.

#### 3.2.2. Audit Committee

The Audit Committee consist of **Alan Goslar** and **Zeth Nyström**. The Committee held meetings in 2021 surrounding executive remuneration. The main tasks of the Audit Committee consist of maintaining and enhancing the efficiency of contacts with the Group's auditor and exercising supervision over procedures for accounting and financial reporting. The company's auditors participated in the Audit Committee's meetings, where the Committee and the auditors jointly discussed and established the audit scope.

### 3.3. Self-Evaluation of the Board

The performance and assessment of the Board build upon the Board Workflow, constituting the inflow of data regarding the participation of the board member and the content of the participation. With the Board Workflow, different objectives and areas of focus are distributed among the Board. The outcomes are measurable and traceable, forming the grounds for assessment of the members of the Board. This aims to improve Board's working methods and efficiency. The outcome of the evaluation was communicated to the largest shareholder acting on behalf of the nomination committee.



MOST WANT **PROTECTION.**  
PROVIDES **RESILIENCE.**

CYBER1

## 4. EXECUTIVE MANAGEMENT

Executive management of CYBER1 consists of CEO and Group Management Team. The operative management and executive decisions take place in the Group Management Team which is led by the Group President as illustrated in the operative chart above [see page 6].

### 4.1. CEO



**Peter Sedin**  
CEO

<b>Born</b>	1968
<b>Education</b>	Global Executive MBA, Stockholm School of Economics, MSc Mechanical Engineering, Linköping University
<b>In the Position since</b>	Chief Executive Officer since 2021
<b>Other positions and board memberships</b>	CEO & Founder, Asight AB
<b>Principal working experience</b>	Board member, Scandinavian School of Brussels, Vice President at Volvo Construction
<b>Holdings in CYBER1 (Euroclear, December 30, 2021)</b>	150,000 shares

As of the 1st of June 2021, The Board appointed **Peter Sedin** as Chief Executive Officer (CEO) of CYBER1.

The CEO coordinates and manages the regulatory and compliance environment of CYBER1 in accordance with the applicable regulations and, consequently, directions given by the Board.

Similarly to the board members, the CEO's performance and assessment build upon the CEO's defined role and responsibilities as well as different objectives and areas of focus. The outcomes are measurable and traceable, forming the grounds for the Board to assess the CEO's performance.

### 4.2. Group Management Team

Group Management Team is the operative organ in the Group managing the day-to-day business. The Board of Directors appoints the Group Management Team and the Group President to manage the Group as the Chairman of the Team. In his role, the Group President reports to the Board of Directors, and his primary duty is the day-to-day management of the Group's operations. The Group President acts as the Chairman of the Group Management Team and, in that role, leads the work of the Group Management Team. In 2021, Group Management Team consisted of four members. The President, the Chief Operations Officer (COO), the Chief Financial Officer (CFO), and the Chief Technical Officer (CTO). The role and responsibilities of the Group President have been described below.

#### 4.2.1. Group President

The Group President, **Robert Brown**, is responsible for formulating reports and the documentation of the decision-making in accordance with the applicable rules. The President takes necessary actions to ensure that the company's accounting complies with the applicable laws and to ensure that the company's funds are managed in a satisfactory manner. It is, therefore, the President's responsibility to ensure that the company has efficient internal controls and procedures for ensuring that the established principles for financial reporting and internal control are applied. Group President participates in the Board meetings as an ordinary board member.

#### 4.2.2.COO

COO, **Vivian Gevers**, is responsible for designing, defining, and implementing strategies and policies, managing the group risk function, as well as overseeing the day-to-day administrative and operational functions of the business. COO promotes CYBER1 culture, values, and mission. The COO reports directly to the Group President.

#### 4.2.3.CFO





CFO, **Gemma Theron**, is responsible for group finance, including tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions. As a group CFO, she also supervises the Group HR function. CFO reports directly to the Group President.

#### 4.2.4.CTO

CTO, **Simon Perry**, is responsible for research and development, project management, product and service quality and business development from the scientific and technological perspectives. As a group CTO, his duty is to enable CYBER1 to reach its financial and marketing goals using an innovative tech approach. CTO reports directly to the Group President.

### 4.3. Composition of the Group Management Team

As of 31 December 2021, the Group Management Team consisted of four members, all contracted by one of the Group companies and appointed to the GMT position by the CYBER1 Board of Directors. Members of the GMT serve on an ongoing basis. For the Financial Year 2021, the Board appointed the following members to the GMT:

	 <b>Robert Brown</b> <i>Group President</i>	 <b>Vivian Gevers</b> <i>COO</i>	 <b>Gemma Theron</b> <i>CFO</i>	 <b>Simon Perry</b> <i>CTO</i>
<b>Born</b>	1970	1982	1972	1982
<b>Education</b>	KES, South Africa	BCom in Management, University of South Africa	University of South Africa. BCompt Accounting Sciences	Northcliff High
<b>Member of the Board since</b>	Group President since 2021	Chief Operating Officer since 2019	Chief Financial Officer since 2021	Chief Technical Officer since 2021
<b>Other positions and board memberships</b>	Director, CSSA & CSAD	N.A.	Chief Financial Officer, Cyber Security South Africa	Chief Technical Officer, Cyber Security South Africa
<b>Principal working experience</b>	CEO of Dynamic Recovery Holdings, CEO of Cyber Security 1 AB	Managing Director, Credence Security Dubai	Financial Insight Lead, Standard Bank Group	Sales Engineer, McAfee
<b>Holdings in CYBER1 (Euroclear, December 30, 2021)</b>	287 016 shares	360,000 shares	0 shares	19,750 shares

#### 4.1. Associate Director

In addition to the CEO and Group Management Team, CYBER1's executive management includes the Associate Director, **George Messum**, to assist in running the management of the Group. Mr Messum was appointed as Associate Director in 2019 and primarily supports the Executive team on strategy creation and subsequent implementation of Board and Executive initiatives. The Associate Director works externally with the company's Certified Advisor on matters related to compliance with Nasdaq First North Growth Market. In 2021, the board appointed Mr George Messum to act as Board Secretary in addition to his duties as Associate Director.

### 5. AUDITORS

#### 5.1. External Auditor

CYBER1's auditors are elected by the Annual General Meeting. **RSM Stockholm AB** was re-elected as an auditor in the Annual General Meeting 2021. **Malin Lanneborn** was appointed to continue to be the principal auditor. In accordance with the Decision of the AGM, the auditor shall be paid in accordance with current approved accounts. In 2021, the Board met with the CYBER1's statutory auditor without the chief executive officer or any other member of the executive management present.

#### 5.2. Internal Auditor

The Group Management Committee and Board of Directors continuously monitor the company's internal control in conjunction with external and internal financial reporting. Regarding the financial reporting, the Audit Committee monitors the efficiency of the internal controls and risk management. For more on Audit Committee, please see above [page 14]. Under these circumstances, the Board of Directors has chosen not to establish a specific internal audit function in 2021.

### 6. REMUNERATION

CYBER1 has implemented formal processes for deciding on the remuneration of members of the board and the executive management. The main responsibility for this is on the Remuneration Committee (see section "remuneration committee", page 14) and as described on the largest shareholder taking actions in the absence of the Nomination Committee.

CYBER1 follows the grandfather principle where remuneration is not decided by the direct supervisor but the supervisor of the supervisor. In cooperation with the corporate governance team, the Group HR collaborate to ensure that the remuneration and other terms of employment of members of the Board and the executive management are designed to ensure that the company has access to the competence required at a cost appropriate to the company. Furthermore, the adoption of internal procedures, including software solutions, enables to follow that the taken measurements have the intended effects on the company's operations

### 7. RISK MANAGEMENT

For the expected future developments from the risk and uncertainties perspective, CYBER1 closely follows the development of the global covid-19 crisis and its direct and indirect consequences. CYBER1 simultaneously expects the international markets to continue to witness vast turbulence

while the role of the cyber security industry will likely grow due to this turmoil. The global uncertainties impact the markets and, consequently, the clients. This puts many companies before a challenging task where they should make intelligent decisions on resource allocation in an unpredictable market situation. Under these uncertainties and for companies facing these difficulties, CYBER1 aims to provide suitable solutions benefitting all parties.

The Board of Directors is responsible for ensuring that an efficient system for internal control and risk management exists. CYBER1 has implemented functions to enable monitoring and assessment of risks. In 2021, COO Vivian Gevers managed CYBER1 Group's risk management process. Risk Management is designed to ensure that critical business risks are effectively identified, assessed, and mitigated so that they do not affect the company's ability to achieve its business objectives. In 2021 the risk management process did not face significant changes. In 2022, the COO will provide a complete update on risk management and risk status to the Board. As a follow-up of the update, CYBER1 will review and, where necessary, update the risk management processes.

## **8. INTERNAL CONTROL**

Pursuant to the Companies Act and the Code, the Board is accountable for securing that CYBER1 maintains sufficient internal controls and keeps itself continually informed of how the company's system for internal control fulfils its purpose. In 2021, the internal control system was based on the previous organic framework harnessing flexibility. In 2021, CYBER1 identified internal control, including organisational structures, roles and responsibilities, reporting lines and requirements, the delegation of authority, external reporting, and authorities as focus points of improvement. Consequently, CYBER1 took multiple actions to clarify, define, and enhance internal control. The CFO of CYBER1 is responsible for ensuring the reliability of the financial reports. The accuracy and reliability are ensured by focusing on the accuracy of data entry, cross-referencing and working together with internal and external experts who review the reliability of the reports. The control mechanisms for financial information include internal cross-checking and reviews conducted by internal and external advisors and experts. The financial reporting is structured according to the applicable laws and regulations. For more on financial risk management, see the Annual Report 2021.

In relation to the operative structure and internal control, CYBER1 initiated a review and clarification process of the company's roles and responsibilities to increase efficiency and cover potential operational gaps. The review of the roles and responsibilities relates to the assessment of the governance of the human resources. CYBER1 identified the need for a Group-wide review and will proceed with it in 2022. CYBER1 created a new Group Corporate Governance Calendar to help the Board and executives to manage the complete year cycle. The Board created and adopted a compressed Board Calendar, including regular updates and recurring items. As part of the calendar process, the Board initiated a creation process of a new Year-End-Process to assist in managing the overall Group year-end-process, including financial reports and subsidiary management all the way to the annual report of the parental company. The defined roles describing the responsibilities formalize further the routines to ensure compliance with the reporting and other obligations.




CYBER1 Board chose not to establish the internal audit function during the year 2021 as the tasks were managed as described in this report. The audit committee managed most of the tasks belonging to the internal audit function. The Board measured that the financial reports and overall

reporting to the Board functioned adequately with the adopted tools, such as the implemented Corporate Governance Calendar, having implemented all external reporting dates and designed processes to meet the reporting requirements. For 2022, the Board proposes establishing an internal audit function.

## 9. HUMAN RESOURCES

The CFO leads CYBER1 Groups Human Resources ("HR") functions. CFO delegates the daily management to the respective human resources personnel within the subsidiaries. CFO reports to the Board on HR matters.

### The average number of personnel and gender distribution

	 <b>Average number</b>	 <b>Woman</b>	 <b>Men</b>
<b>CYBER1</b>	1	0	1
<b>CYBER1 Group</b>	169	59	110
<b>CYBER1 Directors</b>	5	0	5
<b>CYBER1 Senior Executives</b>	5	2	3

## 10. RESEARCH & DEVELOPMENT

CYBER1 conducts research and development into identifying the latest security trends and challenges clients face. The company utilizes its expertise in cyber security to ascertain the best security products and services to be utilized via our key partnerships. Our research projects, in collaboration with our customers and other partners, are a vital part of product development when we prepare for meeting future demands. The company employees possess industry-leading accreditations, which enables thorough decision-making rationale on the types of cybersecurity services that are utilized. This process of analyzing new technological solutions, combined with a review of existing partnerships, ensures that CYBER1's efforts in its research and development positively correlate to its performance with its clients.

## 11. ENVIRONMENT, CLIMATE & SUSTAINABILITY

CYBER1 conducts environment, climate, and sustainability analysis as part of the risk assessment. CYBER1 contributes to the environmental work within its business operations and sphere of influence. With the contribution, CYBER1 aims to contribute to the environmental work to promote a sustainable society, producing constant advancement, preventing pollution, and accomplishing sustainable profitability and a positive brand.

CYBER1 follows and expects everyone it partners with to follow, at a minimum level, the national laws, and regulations of the country in which the party operates, including norms relating to the environment, climate, and sustainability. In its internal work, CYBER1 prioritizes the health, safety

and wellbeing of employees, consultants, and business partners. We aim to achieve zero work-related accidents and illnesses.

Cyber 1 Board oversees the assessment of the environment and climate-related risks and opportunities. As part of the risk assessment conducted by the COO, the management assesses and reports on the issue to the Board. Consequently, the Board can react similarly to any other risks or opportunities and, by doing this, also manage climate-related risks and opportunities.

Global sustainability topics touch us in our business activities. With business operations worldwide, including countries classified as high-risk countries from an environmental, human rights or corruption perspective, CYBER1 works to ensure that we pursue our business with a focus on our core values promoting sustainability. As a framework, CYBER1 uses the 17 Sustainable Development Goals (SDGs) by the United Nations and specifically the BBEE framework in South Africa.

In 2022 CYBER1 increasingly focuses on the environment, climate, and sustainability to promote its corporate social responsibility while supporting its global business activities. This includes, among others, reviewing the long-term Corporate Social Responsibility plan. With this, CYBER1 aims to promote good working conditions, a sustainable environment, good ethics, and uphold human rights.

## 12. CORPORATE GOVERNANCE PROCESS

### 12.1. Reporting

CYBER1 informs shareholders annually regarding corporate governance functions in the company and how the company applies the Swedish Corporate Governance Code. Communication regarding corporate governance matters happens primarily with the Corporate Governance Report. CYBER1 communicates financial information by publishing quarterly and annual reports and other required financial disclosures. CYBER1 publishes reports on the website: [www.cyber1.com](http://www.cyber1.com).

### 12.2. Corporate Governance & Compliance Project

In 2021, after the reconstruction process and acquisitions, CYBER1 identified the need for reviewing all, updating multiple and creating many new internal policies and guidelines for the different Group levels and organs to strengthen internal control and coherency. Consequently, Board initiated a Corporate Governance and Compliance Project (the "Project") to review the overall corporate governance and compliance status of the Group, and to identify points of focus.

In 2021 the Project consisted of three members. On September 1st, 2021, The Board appointed Mr **Pekka Honkanen**, a non-executive member of the Board, to lead and supervise the Project. To obtain more resources for the long-term Project, CYBER1 contracted with PHOY, Pekka Honkanen's consulting company. PHOY's legal counsel Mr **Paavo Paukamainen** was assigned to conduct the work with Mr Honkanen. From CYBER1's executive side, associate director, Mr **George Messum**, was in the Project team managing the day-to-day operations and implementation of the updates according to the Boards decisions.

Among many other items, CYBER1 reviewed and updated the legal structure charts as well as Group company internal ID system to increase readiness to promptly comply with the regulatory requirements and requests from authorities, standardise the internal communication and create tools for any future needs relating to the legal structure of the Group. Based on the reviewed legal structure and ID system, CYBER1 continued to review and analyse the operative structure of the Group. This process continues in 2022 with external advisors and internal management consulting. As an outcome, the Board approved the revised operative structure chart for CYBER1.

The Board of Directors approves all updated or created policies and guidelines, ensuring these align with the Group values and strategy. The process continued throughout the end of 2021, continuing in 2022.

As a conclusion, within the CYBER1, standardization and documentation of the internal processes took steps forward during 2021 setting the grounds for 2022.

## 13. AUDITOR'S REPORT ON THE GOVERNANCE REPORT

### REVISORS YTTRANDE OM BOLAGSSTYRNINGSRAPPORTEN



Till bolagsstämman i Cyber Security 1 AB (publ), org.nr 556135-4811

#### Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för bolagsstyrningsrapporten för år 2021 och för att den är upprättad i enlighet med årsredovisningslagen.

#### Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 16 *Revisorns granskning av bolagsstyrningsrapporten*. Detta innebär att vår granskning av bolagsstyrningsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för våra uttalanden.

#### Uttalande

En bolagsstyrningsrapport har upprättats. Upplysningar i enlighet med 6 kap. 6 § andra stycket punkterna 2–6 årsredovisningslagen samt 7 kap. 31 § andra stycket samma lag är förenliga med årsredovisningen och koncernredovisningen samt är i överensstämmelse med årsredovisningslagen.

Stockholm den 4 maj 2022

RSM Stockholm AB

Malin Lanneborn  
Auktoriserad revisor



# **CYBER 1**

## **CORPORATE GOVERNANCE REPORT 2021**

**CYBER SECURITY 1 AB**  
PART OF THE ANNUAL REPORT 2021

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