Cyber Security 1 AB (Publ)

Q1 2021 Interim Report
January 1 – March 31, 2021

CYBER1 turns a profit in Q1 as it continues to build margin growth and streamline operations

Group Performance

- Group Gross margin has increased year on year by 5.9% which equates to a gross margin of 28.7% in Q1 2021.
- Group operating expenditure has been reduced significantly, due to the successful implementation of operational efficiencies across the group. This has resulted in a decrease of over 40.3% to €2.07m, versus the €3.47m in Q1 2020. As indicated in previous reporting, the benefits of harmonisation initiatives have now taken effect within the organization, increasing the overall profitability of the company. Following analysis of company operations, the executive has implemented effective measures into the parent company and wider subsidiaries, that have increased greater efficiency and tighter corporate governance controls. Further quarterly results will aim to see these benefits of the harmonisation initiatives to the profitability of the company.
- Total Group revenue closed for CYBER1 during Q1 2021 was €7.93m.
- Group EBITDA profit of €252k, compared to a loss of €-1.26m in Q1 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.

Subsidiary Performance

- DRS recorded revenue of €5.2m EUR in Q1 2021, versus €6.4m in Q1 2020.
- Credence Security Middle East & India recorded revenue of €2.1m in Q1 2021, versus €1.7m in Q1 2020.
- Credence Security South Africa recorded Q1 2021 revenue of €286k in Q1 2021, versus €284k in Q1 2020.
- Protec (Kenya) recorded Q1 2021 revenue of €159k, versus €317k in Q1 2020.

Beyond the Quarter & Other News

- Beyond the quarter, CYBER1 filed for the composition hearings with the Stockholm District Court, pursuant to the ongoing company reconstruction, with a proposal of a compulsory composition. The Company plans to carry out a rights issue as part of the initial steps for exiting the reconstruction process.
- Following the Company's press release on 11th May 2021 informing on the Company's application for a composition hearing (Sw; ackordsförhandling) aiming at concluding the reconstruction process, the court has decided that the composition hearing will take place on the 7th of June 2021, at 15:00 local time at Scheelegatan 7, Stockholm.
- 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.

CEO Comments

Dear Shareholders,

It is a pleasure to announce that CYBER1 has recorded a profit in the first quarter in conjunction with numerous other positive developments for the company. Looking back on the 12th of May 2020, CYBER1 was in a challenging position, magnified by the wider ramifications of the global pandemic and subsequent economic landscape. As a result of these factors we have taken the last twelve months to re-position the parent company operations. Our focus during the first quarter for 2021 has been on ensuring strong margins are being attained, combined with seeing the benefits of strengthening our corporate governance in Sweden and further improving the reporting and internal analytics for the business. These endeavours have begun to reflect in the results and I am pleased on the significant contributions from so many components of the business.

Whilst overall revenue is lower than the same period last year, we have achieved a 6% growth in our overall gross margin for the quarter. This is a testament to our renewed approach to vendor solutions, as well as our service revenue underpinned by our talented teams. Combined with the efficient measures implemented at the parent company level, we have generated our best ever EBITDA results in a single reporting period. This has been possible through the constant reduction of year-on-year costs, providing the foundation to focus on sustainability and growth that is measured. CYBER1's strong and stable approach in running the organisation has ensured first and foremost, that we have the necessary ability to grow at a rate that is reflective of the global market and to ensure we do not overstretch in our expansion plans.

Together with the strong results, filing of the composition hearings is another milestone for the company which we have managed to achieve. CYBER1 has dedicated considerable time and effort working with the administrator to ensure our operations are compliant as well as providing essential insight into our sales and business development sections.

This has resulted in a greater connection with Sweden, with our financial accounting and corporate governance now stronger than ever. I extend my personal thanks to the Board Members and key staff who have focussed on this particular workstream during the reconstruction.

Whilst the regions continue to deal with the effects of the pandemic, I have been exceptionally proud of how resilient our organisation has shown itself to be time and time again. We have enabled employees to operate and thrive, which filters through into their approach with our valued clients. My appreciation goes out to each of them for their all-round positive energy that they bring to the company.

Whilst a number of milestones have been achieved during this quarter, there is still considerable work to be done to ensure that we can continue this trajectory for the business. Fundamentally, our aim is to grow organically and expand from a position of strength in markets where we have a proven track record. It is this approach that will ensure the company will thrive and provide the essential services and solutions that are paramount to our customer's security needs.

We as a company look forward to building on these results, to ensure 2021 can be reflective of the efforts and perseverance of the company and its employees.

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

Stockholm, May 2021.

Robert Brown

KEY FINANCIAL RATIOS

CYBER1 GROUP: Financial key-ratios	Jan - Mar Q1 2021	Jan - Mar Q1 2020	Jan - Dec FY 2020
Total Group Income (€000)	7 929	9 124	27 356
Total Group Gross Margin (€000	2 274	2 081	7 525
Total Group Gross Margin (%)	29%	23%	28%
Cash Flow in the Period (€000)	498	-2 048	764
Operating Margin (€000)	200	-1 392	-4 604
Operating Margin (%)	2,5%	-15%	-17%
Result after Taxes (€000)	38	-5 953	-8 845
Earnings per share €*	0,0001	-0,0052	-0.0403

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 31 March 2021 amounted to 348,890,226.

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.

BUSINESS OVERVIEW

MARKETS

The start to 2021 has seen a number of developments within the cyber security markets, as the globe continues to adjust to the changing attack vectors within government entities and private organisations.

It was announced this quarter that Sweden has become the latest Nordic country to establish its own National Cyber Security Centre (NCSC). The Swedish government has allocated SEK440m to fulfil the projected costs from 2021 to 2025, focussing on strengthening the efforts to protect key national infrastructures, as well as setting industry standards within the region. Defence Minister Peter Hultqvist commented that: "The digitised world we live in means we need to take more effective measures to improve our overall capacity to protect Sweden and Swedish interests," he said. "We need to do this while reducing our vulnerabilities."

The establishment of this is timely, given the number of security vulnerabilities that have been revealed. Most notably, Microsoft has been susceptible to a number of never-before-seen hacking techniques to infiltrate the email systems of a number of global organisations. Whilst software updates have been implemented for these "zero-day' vulnerabilities, the impact has been wide reaching, with reports in the U.S alone of more than 30,000 US organisations being affected.

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

REVENUE PERFORMANCE BY SUBSIDIARY

Revenue Overview by Subsidiary	Jan-Mar Q1 2020	Share %	Jan-Mar Q1 2021	Share %	Jan-Dec FY 2020	Share %
	€ '000	%	€ '000	%	€ '000	%
Credence (UAE)*	1 706	19%	2 120	27%	7 375	27%
Credence Security (SA) **	284	3%	286	4%	1 019	4%
Dynamic Recovery Services (SA)	6 417	70%	5 238	66%	17 265	62%
Professional Services (Kenya)	317	4%	159	2%	962	4%
Credence (Europe)***	223	2%	126	1%	234	1%
Cognosec (Europe)****	179	2%	-	0%	501	2%
Total	**9 124**	**100%**	**7 929**	**100%**	**27 356**	**100%**

*Credence UAE consists of Credence Security DMCC (Dubai) and Cognosec DMCC (Dubai)
**Credence Security (South Africa) consists of Credence SA and Intact
***Credence Europe consists of Credence UK
****Cognosec Europe consists of Cognosec Ltd (UK)

OUTLOOK AND FINANCIAL INFORMATION

Reviewing the end of the first quarter for CYBER 1, the company has turned its loss-making position into a profit. It 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. This has equated to a combined growth in both our Value-Added Reseller (VAR) and Value-Added Distribution (VAD) gross margin by 5% year over year.

Business trend January to March 2021

CYBER1's revenue declined by -13% compared to the same period last year, which was driven by a combination of a number of large multi-year deals closed in the previous year and the continued impact of Covid-19. The gross margin has, however, increased by 5.9% year on year.

We anticipate the gradual recovery to continue, aided by the streamlining of costs central business operations. Quarter one 2021 operating costs have significantly reduced by 40% to €2m. 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 €1.2m to a profit of €252k was largely impacted by the restructuring and impairment of UK operations, and increase in margin.

Earnings before interest and taxes on continuing operations (EBIT) increased to €201k (2019: -€1.4m). Due to the aforementioned restructure the company has been able to positively turn around its previously loss-making position. Prior year loss from discontinued operations amounts to €3.88 million and is attributable to operations of the Itways Group that were discontinued in first quarter of 2020. Overall, the result before tax for the period totalled €33k (2019 : -€5.9 million). This quarters positive result creates a springboard for remainder of the year.

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 two 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 iniatives 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. Against this backdrop, it is still not possible to estimate the full effect on the Company results for 2020. CYBER1 continues to look at its operational and strategic objectives, to ensure that the second half of the financial year is adaptable to the 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.

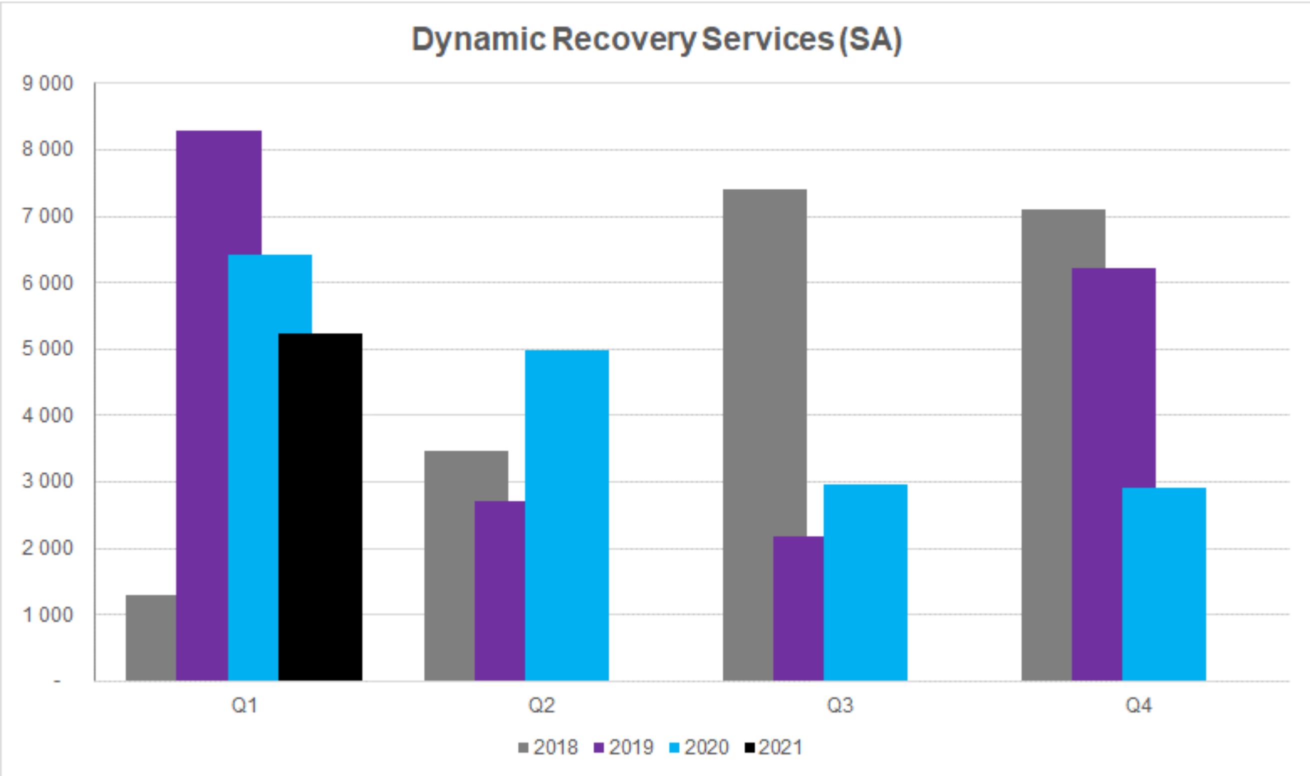
Risks and opportunities that may have a significant impact on our financial position and performance in the 2021 financial year and in the foreseeable future are described in detail in the 2020 Annual Report.

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.

Forward-looking statements

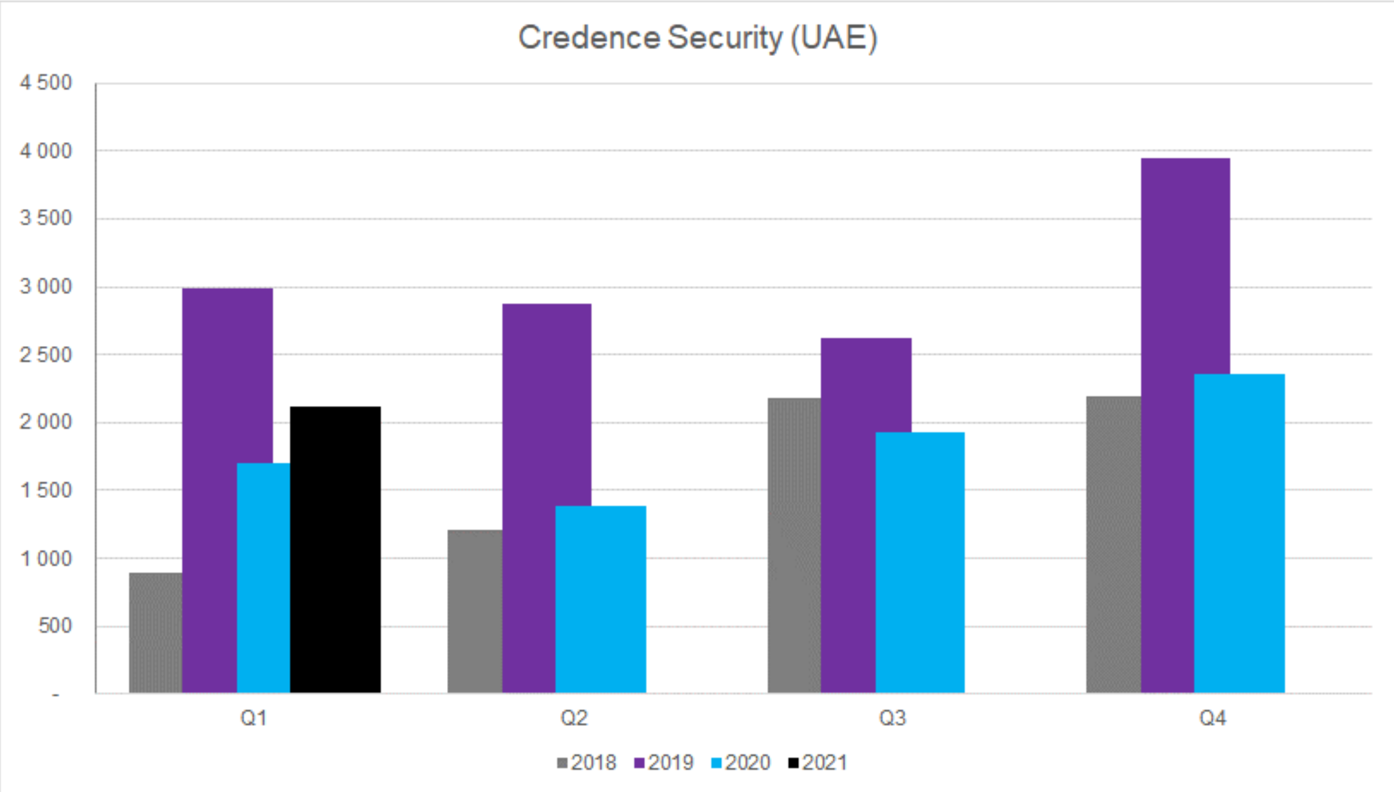
The 'Other Information' section includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programmes and intellectual property rights may affect future results. There are also external conditions such as the economic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

DRS (South Africa)



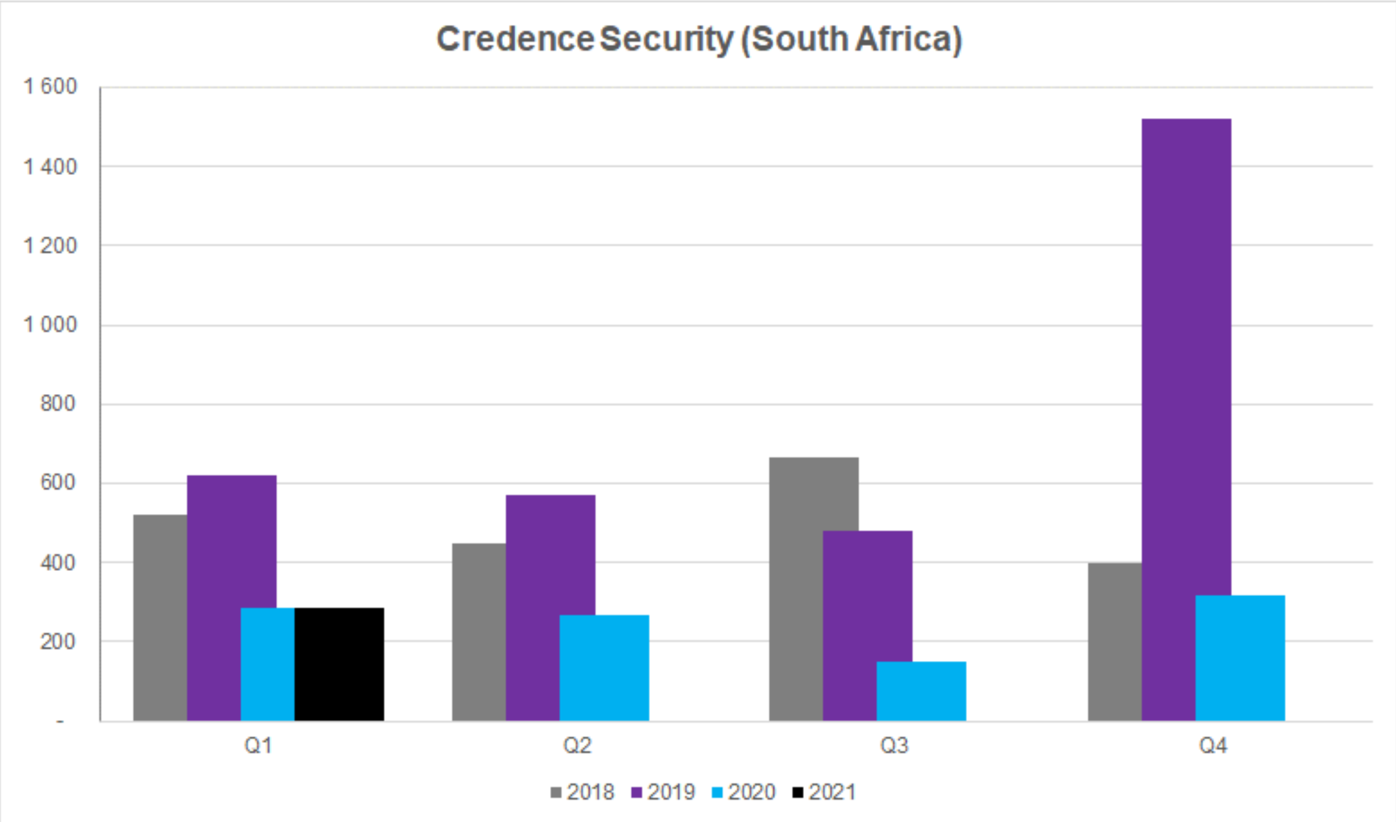
DRS has started 2021, with Q1 revenue of €5.24m for the period. The business has been enabled to close a number of business deals within the government sector, as well as expanding its offering within the financial services vertical. For 2021, DRS is engaging in the development of a number of new professional services solutions, that can be scaled up into existing clients both in South Africa and remotely into jurisdictions across Africa. As seen with the positive margin improvement within CYBER1, the subsidiary is looking to build on these re-occurring revenue streams, to complement the number of largescale opportunities they are engaging in.

Credence Security Middle East & India



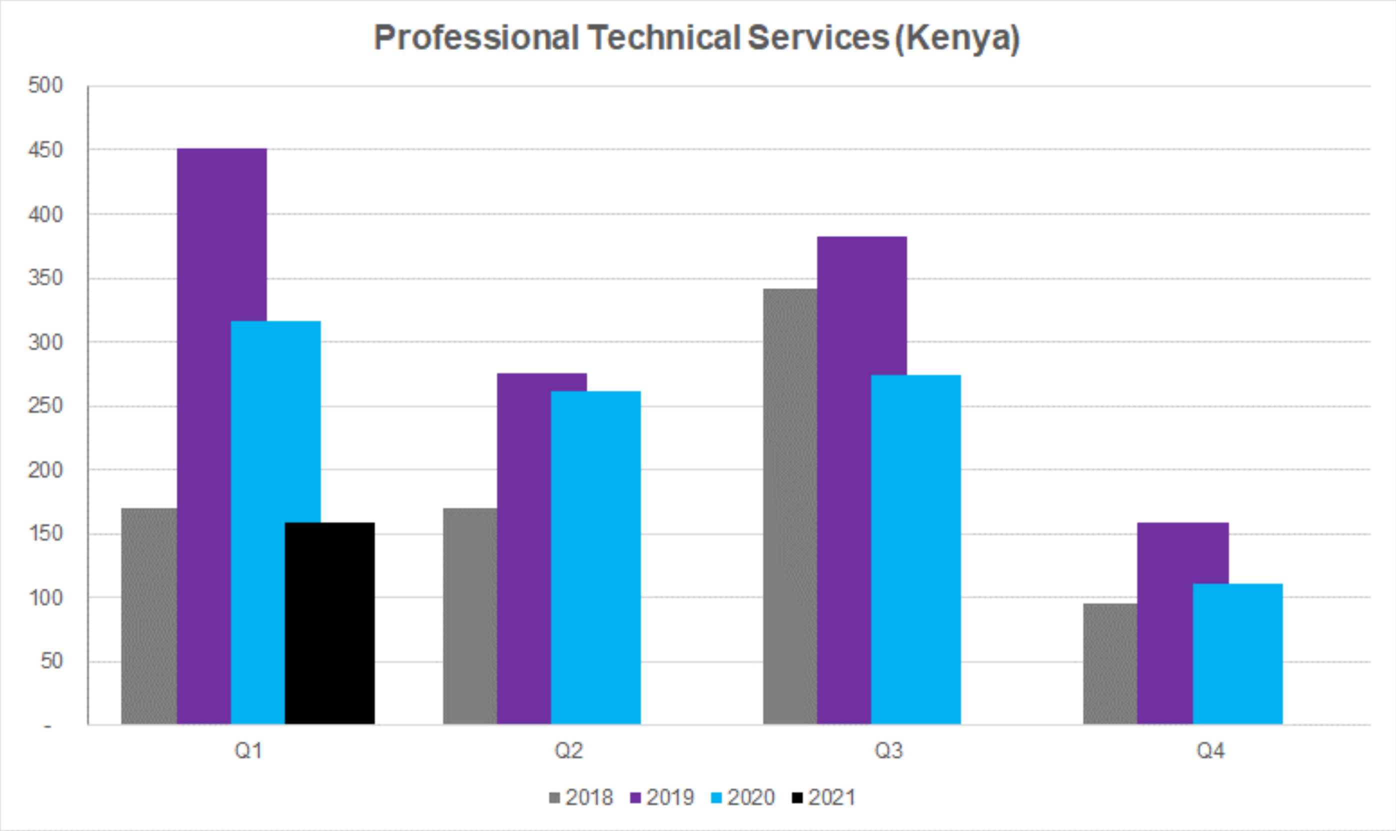
Credence Security Middle East and India recorded €2.76m of revenue for the period, a year over year increase of 16.95%. The entity has started brightly for the quarter, conducting a number of workshops, forensic fundamentals webinars and thought leadership training academy sessions. These engagements have been consistent in driving strong pipeline generation and despite not being able to conduct the in-person Credence Security Roadshow, the virtual engagements have been hugely successful in achieving the same levels of activity. Investment in resources in the digital forensics space will yield a number of additional opportunities for the company, unlocking further expertise and solutions that can be delivered to the benefit of our client base.

Credence Security (South Africa)



Credence Security South Africa closed €287k in revenue for the Q1 2021 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 a strong Gross Margin of 30% for the period, which is 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.

Protec (Kenya)



Protec has started 2021 with revenue of €159k for the period. Similar to Credence Security South Africa, despite the reduction in revenue, the subsidiary has achieved a high Gross Margin of 39%, demonstrated by its service engagement with a number of its long-established customers. New enterprise expansion is the focus for Protec in 2021, where collaborating closely with DRS and other entities within Africa will aim to yield positive results within the financial year for the company.

CUSTOMERS

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

TECHNOLOGY PARTNERS

The Group continues to expand its partner network and now includes the following technologies: Access Data, Algosec, CensorNet, Checkpoint, Cisco, Cyberark, Demisto , Everbridge, Fidelis, Galvanize, KnowBe4, Infocyte, McAfee, Popcorn Training, Pulse Secure, Rapid7, Redhat, Redseal, Solus, Thales, Trustwave amongst others.

CASH FLOW

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

The Board is working on improving the Group's cash position through operational cash flow and capital injections from outside sources and has so far been successful in this.

FINANCIAL INFORMATION

INTERIM REPORT: COMPARATIVE FIGURES

The Q1 2021 report has not been reviewed by the Group's auditor.

PROFIT FOR THE PERIOD

Group

Q1 2021 year revenues amounted to €7.9m (Q1 2020 : €9.1m)

Profit before tax for Q1 2021 amounted to €38k (Q1 2020 loss of €5.9m).

Profit after tax from continuing operations for Q1 2021 amounted to € 38k (Q1 2020 : loss of € 2m).

Depreciation and amortisation for Q1 2021 amounted to €51k (Q1 2020 : €134k).

There was a Net Cash inflow for Q1 2021, which amounted to €498k (Net Cash inflow Q1 2020 : €2m).

At the end of Q1 2021, the Group's cash balance amounted to -€237k (Q1 2020: €1.3m).

Parent

The Parent Company's profit for Q1 2021 amounted to -€182.5k (Q1 2020: -€759).

FINANCIAL POSITION

Group

The Group's equity for end of Q1 2021 amounted to €149k (Q1 2020: €1.2m).

CYBER1 did not pay any dividends to shareholders during Q1 2021, 2020 and prior to this period.

Parent

The equity for the parent company amounted to -€2.1m at the end of Q1 2021 (Q1 2020, -€967k) and €47k cash or cash equivalent (Q1 2020 : €3k).

INVESTMENTS

During the last half of 2020, the company signed a Letter of Intent to acquire Cyber Security South Africa and Cyber Security Africa Distribution.

Cyber Security South Africa has operations and headquarters in South Africa, while Cyber Security Africa Distribution has operations in Ghana, Kenya, Nigeria, Morocco, Egypt and Mauritius and is headquartered in Mauritius. A due diligence process is underway and has been initiated before a potential acquisition. As of June 30, the two companies had a combined turnover of around EUR 7 million at a rolling annual rate.

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

TAXATION

Group

No provisional corporation tax was paid in Q1 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 has announced a Letter of Intent to acquire two subsidiaries in Cyber Security South Africa and Cyber Security Africa Distribution. The Board have provided a confirmed separation of responsibilities, with Robert Brown focussing specifically on commercial activities at a subsidiary level of the business. The Board is working with two independent firms in South Africa on the financial and legal due diligence. The Board is confident that the CEO is able to exercise his duties whilst the due diligence process is underway and that a fair value for the company will be realised.

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 31 March 2021 were: 348,890,226

2021 FINANCIAL CALENDAR

Publication of 2020 Annual Report	w/b 31 May 2021
Annual General Meeting	25 June 2021
Half Year Report	26 August 2021
Nine Month Report	29 October 2021

2020 Annual Report

The 2019 Annual Report was published during the second quarter of 2020 and is available at www.cyber1.com/investors under the "Financial Report" Section.

As indicated on the 2021 Financial Calendar, the publication of the 2020 Annual report is due on the week beginning the 31st of May 2021.

ACCOUNTING PRINCIPLES

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

PARENT COMPANY, CONTROL BALANCE SHEET

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

RISKS AND UNCERTAINTIES

Inherent risks and uncertainties for CYBER1 consist primarily of:

Business risks concerning the delivery of contracted projects and payment.

Financial risks (such as risks related to currency, interest rates, counterparties, future capital), market risks (e.g. competition, changes in demand) and risks related to the local conditions in the countries in which the Group conducts its business infrastructure. There are also risks of delays due to various disturbances in the delivery of contracted projects. Liquidity risk is managed through liquidity forecasting, which ensures sufficient funds are in place to meet the Group's obligations and the overall strategy for the Group.

CERTIFIED ADVISORS

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

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INVESTOR RELATIONS ADVISORS

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AUDITORS

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

ELECTION COMMITTEE AND EXTRAORDINARY/ ANNUAL GENERAL MEETING 2020

Extraordinary General Meeting took place on the 26th of November, by way of postal voting procedure.

The following resolutions were made at the EGM:

Election of new board members.

The EGM resolved to elect Pekka Honkanen and Zeth Nyström as new Board Members. The Board composition will now be: Johannes Bolsenbroek (Chairman) and Alan Goslar together with the newly elected Pekka Honkanen and Zeth Nyström.

Pekka Honkanen, born 1951, has extensive experience within the cybersecurity, payments and technology industries. Mr Honkanen is currently a Senior Advisor of Enfuce Financial Services, as well as Owner and Chairman of PHOY Solutions Ltd. Previous assignments include Board Member of Poplatek Oy (Now Part of the Nets Group), Monitoring Group Expert Member for the Finnish Financial Supervisory Authority surrounding PSD2, as well as Chairman of Silverskin Information Security Ltd and senior roles within Visa International. Mr Honkanen has demonstrated competency within the risk management and global regulatory spaces, in addition to his aptitude for corporate strategy and governance. Mr. Honkanen holds a M.Sc in computer science och economy from Turku University. Pekka Honkanen holds no shares in the Company and is independent of the Company, its management and the Company's larger shareholders.

Zeth Nyström, born 1946, has demonstrated strong competence in a number of executive management and board positions, specialising in strategy and management across a number of global enterprises. Mr Nyström is currently Chairman of Trosa Fibernät AB, the Trosa municipality broadband provider, as well as serving as Board Director for Clayster AB, an Internet of Things (IoT) company specializing in mobile billing and technology infrastructure. Mr Nyström also serves as a Lay Judge for Svea Hovrätt, as well as being a Member of the City Council of Trosa. Previous assignments include 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). Zeth Nyström holds a bachelor's degree in economics from Gothenburg University. Zeth Nyström holds no shares in the Company and is independent from the Company, its management and the Company's larger shareholders.

All resolutions from the EGM are set out in the minutes from the meeting, which will be available for download at https://cyber1.com/corporate-governance/.

CERTIFICATION AND SIGNATURES

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

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

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

DETAILED FINANCIAL INFORMATION

Consolidated Income statement	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Continuing operations			
Net Revenue	7 929	9 124	27 356
Cost of Sold Goods	-5 656	-7 043	-19 832
Gross Profit	**2 274**	**2 081**	**7 525**
Sales Costs	-1 354	-1 868	-6 088
Administration Costs	-668	-1 472	-5 689
Depreciation	-51	-134	-352
Total Operating Cost	**-2 073**	**-3 474**	**-12 128**
Operating Result	**201**	**-1 392**	**-4 604**
EBITDA	**252**	**-1 259**	**-4 252**
Financial income and costs			
Finance income	-	1	6
Finance costs	-38	-47	-220
Other financial items	-125	-632	-145
Total Finance income and costs - net	**-163**	-679	-359
Result before tax	**38**	**-2 071**	**-4 963**
Tax (Period)	-	-	-
Net income for the period, continuing operations	**38**	**-2 071**	**-4 963**
Discontinued operations			
Loss from discontinued operations	-	-3 882	-3 882
Net income for the period, discontinued operations	-	**-3 882**	**-3 882**
Net income	**38**	**-5 953**	**-8 845**
Net income (loss) attributable to:			
Owners of the Parent Company	28	-5 415	-7 554
Non-controlling interests	10	*-538*	*-1 290*

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Statement of comprehensive income (loss)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Net income (loss)	38	-5 953	-8 845
Other comprehensive income (loss)	-	-	-
Items that will not be reclassified to profit or loss, including reclassification adjustments:			
revaluation of gains and loss relating to intangible assets		**-4 810**	**-4 812**
Other items: impairement and restructuring and acquisition-related charges		**-1 724**	**-1 705**
Total comprehensive income (loss)	38	-12 487	-15 362
Total comprehensive income (loss) attributable to:			
Owners of the Parent Company	28	-11 948	-14 071
Non-controlling interests	10	*-538*	-1 290

Parent Company income statement	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Net Revenue	126 378	179	894
Cost of Sales	-	-	-
Gross profit	**126 378**	**179**	**894**
Sales Costs	-	-	-29
Depreciation	-	-3	-10
Administration costs	-307 612	-938	-4 164
Total Costs	**-307 612**	**-941**	**-4 202**
		-	-
Operating result	**-181 233**	**-762**	**-3 308**
		-	-
Finance costs	-1 348	3	141
Result before tax	**-182 581**	**-759**	**-3 167**
		-	-
Tax	-	-	-
Result for the period	**-182 581**	**-759**	**-3 167**

Parent Company statement of comprehensive income (loss)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Net income (loss)	**-181 233**	**-759**	**-3 167**
Tax on items that will not be reclassified to profit or loss		-12 306	-12 306
Total comprehensive income (loss)	**-181 233**	**-13 065**	**-15 473**

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BALANCE SHEET	Group			Parent		
	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Mar 2021	31 Mar 2020	31 Dec 2020
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
ASSETS						
Non-current assets						
Property, plant and equipment	92	168	183	-	-	-
Right-of-use-Asset	311	351	273	-	-	-
Intangible Assets	22	29	22	22	29	22
Investments in subsidiaries	-	-	-	2 301	2 301	2 301
Goodwill	6 630	6 630	6 630	-	-	-
Total Non-current assets	**7 055**	**7 178**	**7 108**	**2 323**	**2 330**	**2 323**
Current Assets						
Inventory	461	6	452	-	-	-
Deferred tax asset	20	3	18	-	-	-
Trade receivable	16 604	14 023	14 933	6 662	5 791	6 431
Other Claims	-	113	116	-	-	-
Cash & Bank	-237	1 384	-739	47	3	2
Total Current Assets	**16 848**	**15 531**	**14 780**	**6 709**	**5 794**	**6 434**
TOTAL ASSETS	**23 903**	**22 708**	**21 888**	**9 032**	**8 124**	**8 756**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	91	77	91	91	77	91
Share premium	20 857	19 678	20 857	20 769	19 590	20 769
Period result	38	-2 071	-8 845	-183	-759	-3 167
Other reserves	-21 252	-16 456	-12 617	-23 099	-19 875	-19 884
Total Equity	**-266**	**1 228**	**-514**	**-2 421**	**-968**	**-2 191**
Capital and reserves attributable to owners	149	1 228	-514	-2 191	-967	-2 191
Non-controlling interests	214	208	113	-	-	-
Long-term Debt						-
Interest-bearing liabilities	-	-	-	-	-	-
Short term debt						-
Interim Debt	1 584	2 970	2 430	1 584	2 344	1 584
Lease liabilities	433	365	281	-	-	-
Intragroup Debt	2 508	-	178	2 558	2 421	2 523
Trade Payables	17 569	15 934	16 702	7 334	4 130	6 836
Tax Debt	373	829	614	-23	-149	-214
Provisions	1 701	1 382	2 197	-	347	219
Total Liabilities	**24 169**	**21 480**	**22 402**	**11 453**	**9 092**	**10 947**
TOTAL DEBT AND EQUITY	**23 903**	**22 708**	**21 888**	**9 032**	**8 124**	**8 756**

CASH FLOW ANALYSIS	Group		
	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Profit before income taxes	37	-2 071	-4 963
Adjustments non C/F items	314	299	406
Operating Cash Flow	**352**	**-1 772**	**-4 557**
Paid Taxes	-241	-443	-1 429
Recieved finance payments - net	-	-	-
Changes in Working Capital	1 399	5 999	6 954
Cash Flow from Operating Activities	**1 510**	**3 785**	**968**
Acqusition of Fixed Assets	-14	-53	-132
Cash Flow from Investment Activities	**-14**	**-53**	**-132**
Proceeds from ongoing share issue	-	-	1 193
Lease liabilities	-151	-46	-253
Short Term Financing	-846	-1 637	-1 012
Cash Flow from Financing Activities	**-997**	**-1 684**	**-72**
Net change in cash, continuing operations	**498**	**2 048**	**764**
Net change in cash, discontinued operations	**-**	**-3 882**	**-3 882**
Total net change in cash and cash equivalents	**498**	**-1 834**	**-3 118**
Opening Cash	-739	2 438	2 438
Aquired cash		-	-
FX-diff Period	4	781	-59
Closing Cash Position	**-237**	**1 384**	**-739**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Equity - Opening Balance	**-514**	**13 583**	**13 583**
Adjustment from acquisition analysis			
Share Issues	-	-	1 193
Profit from the Period	33	-5 953	-8 786
Tax impact from deductible costs for ongoing share issue	-	-	-
Other comprehensive income for the period, net of tax	626	-6 534	-6 445
Adjustment related to acquisition analysis	-	-	-
Foreign Exchange-Differential	4	132	-59
Changes in equity during the period	**664**	**-12 355**	**-14 097**
Equity - Closing Balance	**149**	**1 228**	**-514**

PARENT COMPANY CHANGES IN EQUITY CAPITAL	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000
Equity - Opening Balance	**-2 191**	**12 098**	**12 098**
Adjustment from acquisition analysis		-12 306	-12 306
Share Issue		-	1 184
Profit from the Period		-759	-3 167
Foreign Exchange-Differential		-	-
Changes in equity during the period	**-**	**-13 065**	**-14 289**
Equity - Closing Balance	**-2 191**	**-967**	**-2 191**

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

Impact on the financial reporting due to COVID-19

Goodwill

During the reporting period to March 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 31 March 2021, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 31 March 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.

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.

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.

Revenue per segment	Jan - Mar 2021	Jan - Mar 2020	Full year 2020
	€ '000	€ '000	€ '000
Continuing operations			
Africa	5 686	7 720	20 464
Middle East	2 120	1 706	7 375
Europe	126	402	735
Including internal sales	**7 932**	**9 828**	**28 574**
Internal sales, elimination	-3	-703	-1 218
Segment total	**7 929**	**9 124**	**27 356**

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

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

Revenue split per category	**Value Added Reseller (VAR)**	**Advisory & Managed services (VAD)**	**Jan - Mar 2021**
	€ '000	€ '000	€ '000
Continuing operations			
Jan - Mar 2021			
Africa	3 980	1 706	5 686
Middle East	1 484	636	2 120
Europe	88	38	126
Including internal sales	**5 553**	**2 380**	**7 932**
Internal sales	-3	-	-3
Total	**5 550**	**2 380**	**7 929**

Revenue split per category	**Value Added Reseller (VAR)**	**Advisory & Managed services (VAD)**	**Jan - Mar 2020**
	€ '000	€ '000	€ '000
Continuing operations			
Jan - Mar 2020			
Africa	5 404	2 316	7 720
Middle East	1 580	125	1 706
Europe	223	179	402
Including internal sales	**7 207**	**2 620**	**9 828**
Internal sales	-703	-	-703
Total	**6 504**	**2 620**	**9 124**

Geographical information

Georgraphical information	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	€ '000	€ '000	€ '000	€ '000
Jan - Mar 2021					
Africa	5 686	-26	435	77	332
Middle East	2 120	24	-96	-45	89
Europe	126	-69	-88	-698	2 324
Core business	**7 932**	**-19**	**251**	**32**	**2 745**
Eliminations	- 3	6	-	0,01	-
Cyber1 Group	**7 929**	**-13**	**251**	**32**	**2 745**

Georgraphical information	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	€ '000	€ '000	€ '000	€ '000
Jan - Mar 2020					
Africa	7 720	-20	67	9	361
Middle East	1 706	-43	-243	-142	159
Europe	402	-39	-1 092	-2 717	2 332
Core business	**9 828**	**-26**	**-1 268**	**-129**	**2 852**
Eliminations	-703	-4	9	-9	-
Cyber1 Group	**9 124**	**-30**	**-1 259**	**-138**	**2 852**

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 31 March 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 March 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	-	16 604				16 604	16 604
Other non-current financial receivables	-	-	-	-	-	-	-
Other current assets and financial receivables	-	-	-	-	461	461	461
Prepaid expenses and accrued income	-	-	-	-	-	-	-
Cash and cash equivalents	-	- 237	-	-	-	- 237	- 237
Total assets	-	**16 367**	-	-	**461**	**16 828**	**16 828**
Loans and borrowings	-	-	1 584	-	433	2 016	2 016
Other non-current financial liabilities	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	373	373	373
Accrued expenses and deferred income	-	-	-	-	-	-	-
Trade payables	-	-	17 569	-	-	17 569	17 569
Total liabilities	-	-	**19 152**	-	**806**	**19 958**	**19 958**

Fair value measurement by level	Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000
Derivative financial assets	-	-	-	-
Derivative financial liabilities	-	-	-	-

The following table shows carrying value and fair value for financial instruments applying IFRS 9 per 31 March 2020.

Carrying value and fair value						as at March 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	-	14 023				14 023	14 023
Other non-current financial receivables	-	-	-	-	-	-	-
Other current assets and financial receivables	-	-	-	-	120	120	120
Prepaid expenses and accrued income	-	-	-	-	-	-	-
Cash and cash equivalents	-	1 384	-	-	-	1 384	1 384
Total assets	-	**15 407**	-	-	**120**	**15 527**	**15 527**
Loans and borrowings	-	-	365	-	-	365	367
Other non-current financial liabilities	-	-	-	-	829	829	829
Other current liabilities	-	-	-	-	2 344	2 344	2 344
Accrued expenses and deferred income	-	-	-	-	626	626	626
Trade payables	-	-	15 934	-		15 934	15 934
Total liabilities	-	-	**16 299**	-	**3 799**	**20 098**	**20 101**

Fair value measurement by level	Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000
Derivative financial assets	-	-	-	-
Derivative financial liabilities	-	-	-	-

***Financial instruments, level** 2*

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

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE	31 March 2021				31 March 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	-	-	-	-	-	-		-
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting	-	-	-	-	-	-		-
Contingent considerations			0	0			3	3
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	-	-	-	-	-	-		-
Total financial liabilities	-	-	0	0	-	-	3	3

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	Q1 2021	Q1 2020	Full year 2020
	€000	€000	€000
Opening balance January 1	**3**	17	84
Business combinations	-	-	-
Payments	-3	-17	-84
Reversals	-	-	-
Revaluations	0	3	16
Translation differences	-	-	-
Closing balance December 31	**0**	**3**	**16**

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

Note 4 – Divestment and Discontinued Operations

CYBER1 recognised the disinvestment of the subsidiaries Itway Turkey and Itway Greece in Q1 2020 and the proceeds and capital gain to CYBER1 is Nil excluding exchange rate differences recycled from other comprehensive income. Itways Greece & Turkey are reported separately under discontinued operations in the income statement.

Net income from discontinued operations	Jan-Mar 2021	Jan-Mar 2020	2020	2019
	€ '000	€ '000	€ '000	€ '000
Net revenue	0	0	0	30 593
Expenses and other operating income, net	0	0	0	-29 027
Operating income	**0**	**0**	**0**	**1 565**
Financial iems, net	0	0	0	51
Income after financial items	**0**	**0**	**0**	**1 616**
Income taxes	0	0	0	-353
Net income before gain/loss on disposal	**0**	**0**	**0**	**1 263**
Loss of divestmentof discontinued operations	0	-3 882	-3 882	0
Net income from discontinued operations	**0**	**-3 882**	**-3 882**	**1 263**

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 - Mar	
		2020	2021
		€ '000	€ '000
Profit for the period	-	2 071	**38**
Non-controlling interests	-	538	**10**
Group share of profit	-	11 948	**28**
Number of shares in '000s (weighted average)		295 486	**348 890**
Earnings per share in €	-	40,44	**0,08**
Net income from continuing operations – attributable to the parent entity	-	1 533	**28**

Note 7- Contractual Obligations and Commitments

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 2019, Directors Report, section Risk and uncertainties.

CYBER1 Group's risk universe

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

Note 9 – COVID-19

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

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%

Note 11 –Significant Events

During the first Quarter

On the 12th of February 2021, the company applied for an extension on the reconstruction for an additional three months, which was subsequently approved on the 4th of March 2021 up until the 12th of May 2021.

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