CYBER1 Records 5.61m EUR for Q3 2020, whilst continuing positive developments in the reconstruction process

Group Performance

- Total Group revenue for CYBER1 equated to 5.61m EUR for Q3 2020. Following the half year results, the business has been able to reduce the prior year revenue gap down to 16.45% versus the previous year, from an original 30% in Q1 2020.
- Total year to date revenue for the Group equated to 21.62m EUR.
- Group Gross margin has increased year over year by 12%, from 28% in Q3 2019 to 40% in Q3 2020. A blend of additional services sold to clients, as well as more profitable vendor solutions being utilised has equated to one of the largest margin increases ever recorded within the company.
- Group operating expenditure has been reduced year over year by 4.8% on an organic basis, versus Q3 2019. Further quarterly results will see the benefit of these harmonisation initiatives, particularly due to a number of exceptional items incurred in Q1 2020 that will not be repeated in 2021.
- Group Q3 2020 EBITDA of -1.53m EUR, compared to a loss of -688k EUR in Q3 of 2019.
- During period to September 2020, the business was impacted by global lockdown measures as a result of the Covid-19 epidemic. In particular, the planned expansion into India was delayed. A number of strategic and commercial projects are still being affected by the ongoing measures. The company is working diligently to close the fourth quarter results, which are traditionally the largest percentage of our sales for a particular quarter. Subject to further lockdown measures, further closing of the revenue gap is expected in the fourth quarter.
- ***Items affecting comparability***- CYBER1 reported items affecting comparability of 12.1m EUR. This comprises of closure costs of -3.88m and -4.81m of goodwill impairment related to the divestment of Itway Greece and Turkey. In addition, a total of -3.40m EUR of costs related to the restructuring and impairment of investments in Cognosec Ltd. This has impacted the statement of income and comprehensive income.

Subsidiary Performance

- DRS recorded revenue of 2.97m EUR in Q3 2020, versus 2.19m EUR in Q3 2019. The year to date revenue of 14.36m EUR is 8.85% higher versus the same period in 2019.
- Credence Security Middle East & India recorded revenue of 1.93m EUR in Q3 2020, versus 2.63m EUR in Q3 2019. The Covid-related restrictions in the region have limited business expansion, however the entity is working to utilise its traditionally strongest quarter in Q4, to reduce the gap from the start of the year.
- Credence Security South Africa recorded Q3 revenue of 152k EUR in Q3 2020, versus 482k EUR in Q3 2019.
- Protec (Kenya) recorded Q3 revenue of 274k EUR in Q3 2020, versus 383k EUR in Q3 2019.

Beyond the Quarter & Other News

- After the quarter period, Advisor and Acting CEO Peter Gustafsson has been replaced with Robert Brown as CEO. Robert is a former CEO of Cyber Security 1 AB and Founder of Dynamic Recovery Services & Credence Security and is well positioned to manage the company through this important period.
- Beyond the quarter, non-executive Board Member Robert Blase confirmed he was unable to continue his duties as a Board Member and has stepped down.
- Cyber Security 1 AB (publ) held an EGM on 26 November 2020, by way of postal voting procedure. The EGM resolved to elect Pekka Honkanen and Zeth Nyström as new Board Members. The Board composition is confirmed as: Johannes Bolsenbroek (Chairman) and Alan Goslar together with the newly elected Pekka Honkanen and Zeth Nyström.
- CYBER 1 has requested an extension to the Swedish Courts for an additional three months to complete the reconstruction.

CEO Comments

Dear Shareholders,

I am delighted in my capacity as CEO to be writing this report to our valued shareholders. As the founder of Dynamic Recovery Services and a former CEO of Cyber Security 1 AB, the company is one I have personally invested a significant amount of time and effort into over the years and am excited to be adding my contribution to this executive team again.

The quarter has been one of focussing on the stabilisation of the parent company, whilst continuing to make progress in our commercial efforts amongst our subsidiaries. I have been working closely with the Managing Directors to prioritise and develop key vendor relationships and service offerings, to ensure we are at the cutting edge of demand with our offering.

This action has already begun to yield results, for example in DRS, the subsidiary has been able to stabilise and are now performing above prior quarter performance. Much work is still needed to be achieve across the company, but I am very much looking forward to collaborating with staff in fulfilling the potential of CYBER1.

With the reconstruction ongoing, the company continues to have positive engagement with creditors and shareholders alike, in working through to achieve a path forward.

I would like to pause and provide my thanks to the CYBER1 staff members. Having reacquainted with colleagues old and new, I am excited most of all in having the opportunity to work alongside a number of incredibly talented cyber security personnel in the industry, with deep understanding and passion for what we do day to day. To our clients, thank you for your continued trust in our services, we have your cyber security infrastructure at the very heart of all of our decisions, to ensure you are able to operate safely and continue to be in compliance with internal and external parameters. Moving into our traditionally highest performing quarter in Q4, I am excited to see how far we can close the gap and set the strong foundations for a prosperous 2021 and beyond.

Finally, my thanks to the shareholder base for your support and input, particularly through the reconstruction process. I like you as a shareholder, value this company greatly and see the potential for further growth in our commercial success and in the total value of this company.

Stockholm, October 2020.

Robert Brown

CEO of CYBER1

CYBER1 GROUP: Financial key-ratios	Jul-Sept Q3 2020	Jul-Sept Q3 2019	Jan-Sept YTD 2020	Jan-Sept YTD 2019	Jan-Dec FY 2019
Total Group Income €('000s)	5,609	11,395	21,616	44,525	68,731
Total Group Gross Margin €('000)	2,239	3,179	6,262	10,106	14,197
Total Group Gross Margin (percent)	40%	28%	29%	23%	21%
Cash Flow in the Period €('000s)	-2,367	430	-6,520	-3,218	-2,728
Operating Margin €('000s)	-1,591	-847	-3,752	-1,916	-1,156
Operating Margin (percent)	-28%	-7%	-17%	-4.3%	-2%
Result after Taxes €('000s)	-1,723	-734	-7,925	-1,680	-1,795
Earnings per share €*	-0.0053	-0.0018	-0.0384	-0.0042	-0.0035

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Result per share refers to result per share attributable to equity owners of the parent company. There is no dilution of earnings per share. This report is published in English. Average number of shares outstanding for the period 30 June 2020 amounted to 348, 890,226 (prior year number of shares outstanding 295,486,482). The additional 53,403,744 allocation were new offset shares that were issued to existing CYBER1 shareholders (38,769,247 & 14,634,497 respectively).

Contacts

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

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

As the globe manages with the wider COVID-19 challenges, further globalisation and the rise of prominent private organisations continue to bring a number of complex challenges to nation states, as well as potential flaws in popular technologies.

A security bug discovered within Amazon Alexa could have provided malicious users with access to personal information, as well as potentially sensitive conversation history. Researchers at cyber security vendor CheckPoint identified the flaw, which has now been swiftly rectified. With the rising proliferation of the Internet of Things (IoT), Amazon confirmed in January of this year that there were now hundreds of millions of devices with the Alexa platform across the world.

Members of Parliament in the UK have called for a full security review of TikTok before validating any potential move for the Chinese owned company to establish a new headquarters in the capital. Following President Donald Trump's threats to ban the popular app in the United States, the growing company is assessing the UK as a potential base. The Chinese Research Group, made up of a number of members of parliament are leading the calls for further scrutiny, having previously provided pressure on the government in relation to Huawei and wider investment of Chinese companies in nuclear power stations.

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

REVENUE PERFORMANCE BY SUBSIDIARY

€ '000s Overview Sales	*Jul-Sept* Q3 2020	Share %	*Jul-Sept* Q3 2019	Share %	*Jan-Sept* Q3 2020	Share %	*Jan-Sept* Q3 2019	Share %	*Jan-Dec* FY 2019	Share %
Credence (UAE)*	1,926	34%	2,626	23%	5,012	23%	8,489	19%	12,436	18%
Credence Security (South Africa) **	152	3%	482	4%	703	3%	1,673	4%	3,194	5%
Cognosec (South Africa)	2,968	53%	2,187	19%	14,357	66%	13,190	30%	19,411	28%
Cognosec (Kenya)	274	5%	383	3%	853	4%	1,110	2%	1,269	2%
Credence (Europe)****	0	0%	5,216	46%	223	1%	18,491	42%	30,702	45%
Cognosec (Europe)**	289	5%	501	4%	468	2%	1,572	4%	1,719	3%
Total	**5,609**	**100%**	**11,395**	**100%**	**21,616**	**100%**	**44,525**	**100%**	**68,731**	**100%**

*Credence UAE consists of Credence Security DMCC (Dubai) and Cognosec DMCC (Dubai)

**Credence Security (South Africa) consists of Credence SA and Intact

***Cognosec Europe consists of Cognosec Ltd (UK) Cognosec GmbH (Germany) Cognosec GmbH (Austria) and Credence Ltd (UK)

****Credence Europe consists of Credence UK

OUTLOOK AND FINANCIAL INFORMATION

Following a highly challenging second quarter, the third quarter of 2020 was characterised by stabilisation and a gradual recovery for several of our businesses. As expected, the recovery has been measured due to the various end-market segments and geographies being in different phases of normalisation. The strong margins delivered in the quarter are further evidence of our resilience and steps we have taken in this quarter, where we are building towards an even more agile and growth focused CYBER1.

The financial results this quarter are positively impacted by the strong performance of our operations in both our Value-Added Reseller (VAR) and Value-Added Distribution (VAD) segments. Consequently, value added reseller and value-added distribution increased its gross margin by +6.27% year over year, driven by strong revenue and order intake. However, this was partly offset by decline in the VAD market resulting from local access issues due to Covid-19, as well as record-high comparisons year on year.

Business trend January to September 2020

CYBER1’s revenue declined by -16.97%, which was driven by the continued weakness of value-added distribution segments. Overall, the significant improvement observed in June and early July was followed by flat sequential development through the low-activity summer months, which followed by an expected improvement in September.

We anticipate the gradual recovery to continue, but the market conditions will be uncertain until public health and economic outlook are demonstrated. We are continuing to shift our short-term savings toward permanent initiatives, to adjust to the suppressed demand also in the mid-term in value-added reseller and advisory spaces. This is being implemented through our decentralised operating model, as we look to invest and capitalise on the faster recovery and growth opportunities in other key verticals. Our adjusted operating margin reached -18.7% (2019: -3.48%) despite a 16.97% organic decline in revenues, with the rolling 12-month margin staying well above our margin target. The impact was largely as expected with the main headwinds coming from restructuring and streamlining of the UK operations, and declining (VAD) sales. At the same time, we have refused to stay reactive during the pandemic. Instead, the Company has pushed its transformation program forward, continuing to focus on cost management and capex to secure overall resilience in our cash flow.

Group-wide organic sales revenue fell by 17% to 21.62 million (previous year: 26.03m) in the nine months of the year. Excluding consolidation effects from the disposals of the Itways business activities in Greece and in Tuckey, the decline amounted to 51%. On a like-for-like basis, revenue in the Advisory and VAR segment recorded a moderate increase, while in the VAD business segment declined sharply at the previous year’s level in Asia and the Middle East.

VAD of organic aggregates were 79.28% below the previous year’s level at 5.94 million revenue (previous year: 28.65), while VAR integration and advisory remained only slightly below the previous year. Excluding consolidation adjusted effects, sales revenue declined by 1.22%.

Development of revenue and results

All the major regions noted a sequentially improved pace of recovery for the period compared to the second quarter. The segmental regions grew year over year by 6.27%, with a positive development of 28.97% noted in the period compared with the preceding year. Excluding of the consolidation of the Itway operations and exchange rate effects, had an overall negative impact on revenue and operating result. The result from current operations before depreciation and amortisation (EBIDTA) declined to €-3,490 million (previous year: €-1,451m); was particularly affected by the €3.3 million restructuring and impairment of UK operations, and drop in revenue related to COVID-19.

Earnings before interest and taxes (EBIT) declined to €-3.75 million (previous year: €-1.92m). Because of the aforementioned charges in the additional ordinary result, the relatively stable result from current operations could not be maintained, leading to a decrease in EBIT. The financial result rose by €-2.36 million to €-4.04 million (previous year: €-1.68 million). Net loss from discontinued operations amounts to €-3.88 million and is attributable to operations of the Itways Group that were discontinued in first quarter. Overall, the result for the period totalled €-7.92 million (previous year: €-1.68 million).

Revaluation of the asset portfolio

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

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

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.

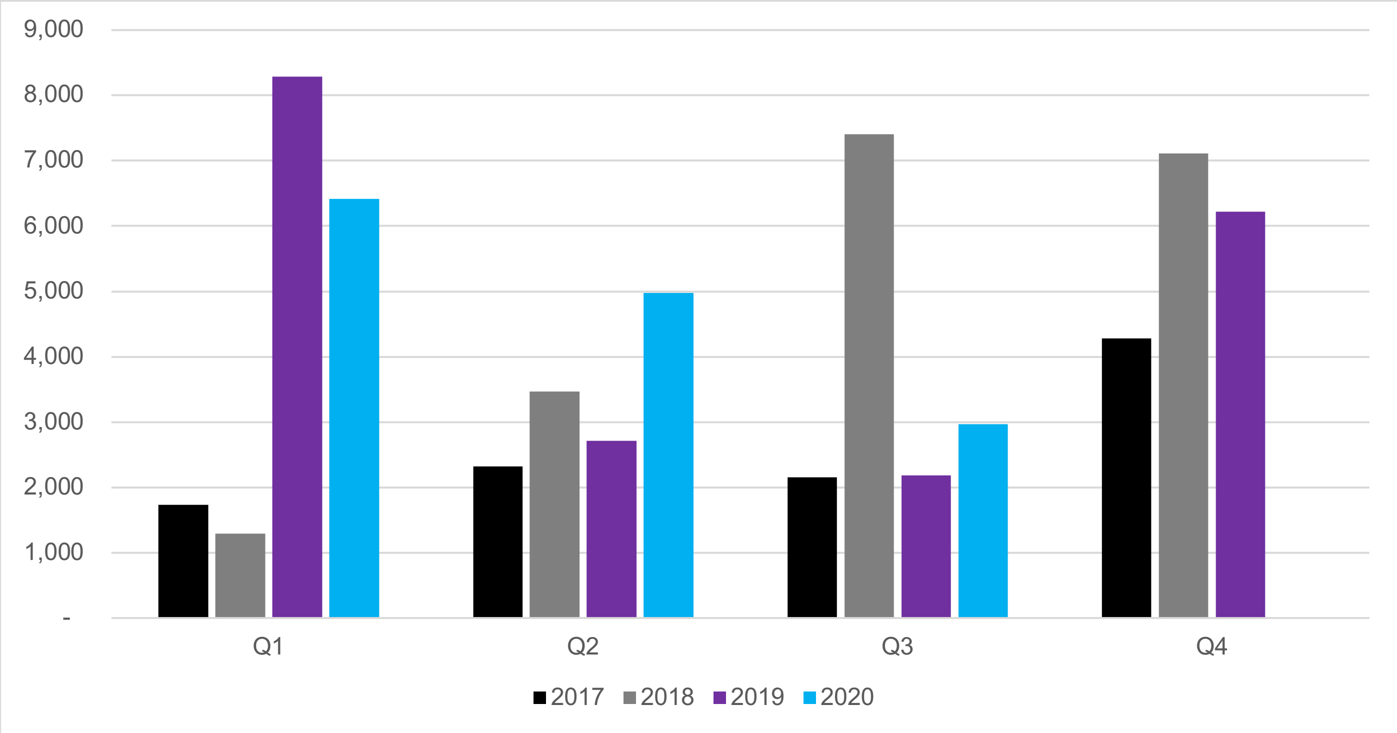
Risks and opportunities that may have a significant impact on our financial position and performance in the 2020 financial year and in the foreseeable future are described in detail in the 2019 Annual Report.

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

Forward-looking statements

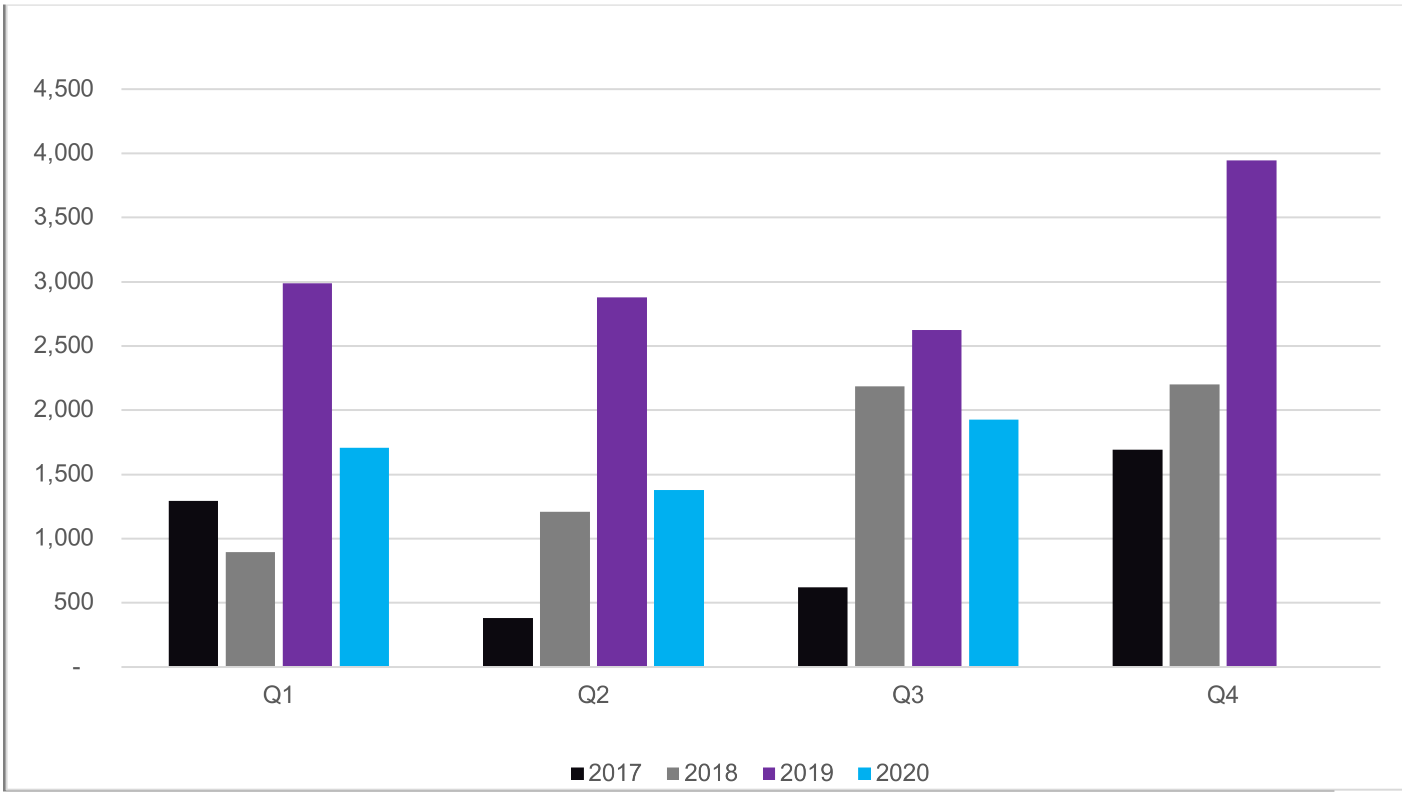
The 'Other Information' section includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programmes and intellectual property rights may affect future results. There are also external conditions such as the economic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

DRS (South Africa)



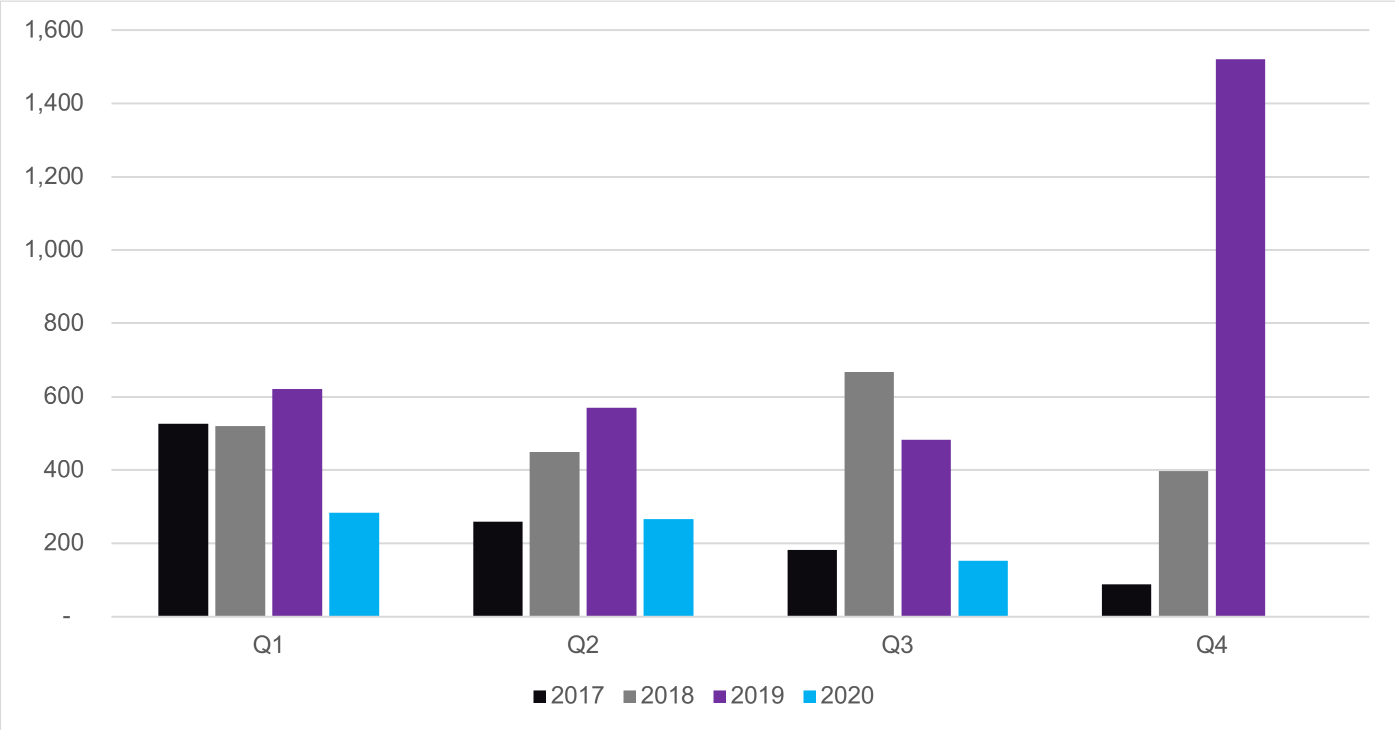
DRS has continued its strong performance, despite the jurisdictional challenges. The subsidiary closed 14.36m EUR for the year to date period up to September, a year over year increase of 8.85% (1.17m EUR). DRS has done exceptionally well to buck the trend of the wider of South African companies, who have been able to adjust to the wider challenges incredibly effectively during 2020.

Credence Security Middle East & India



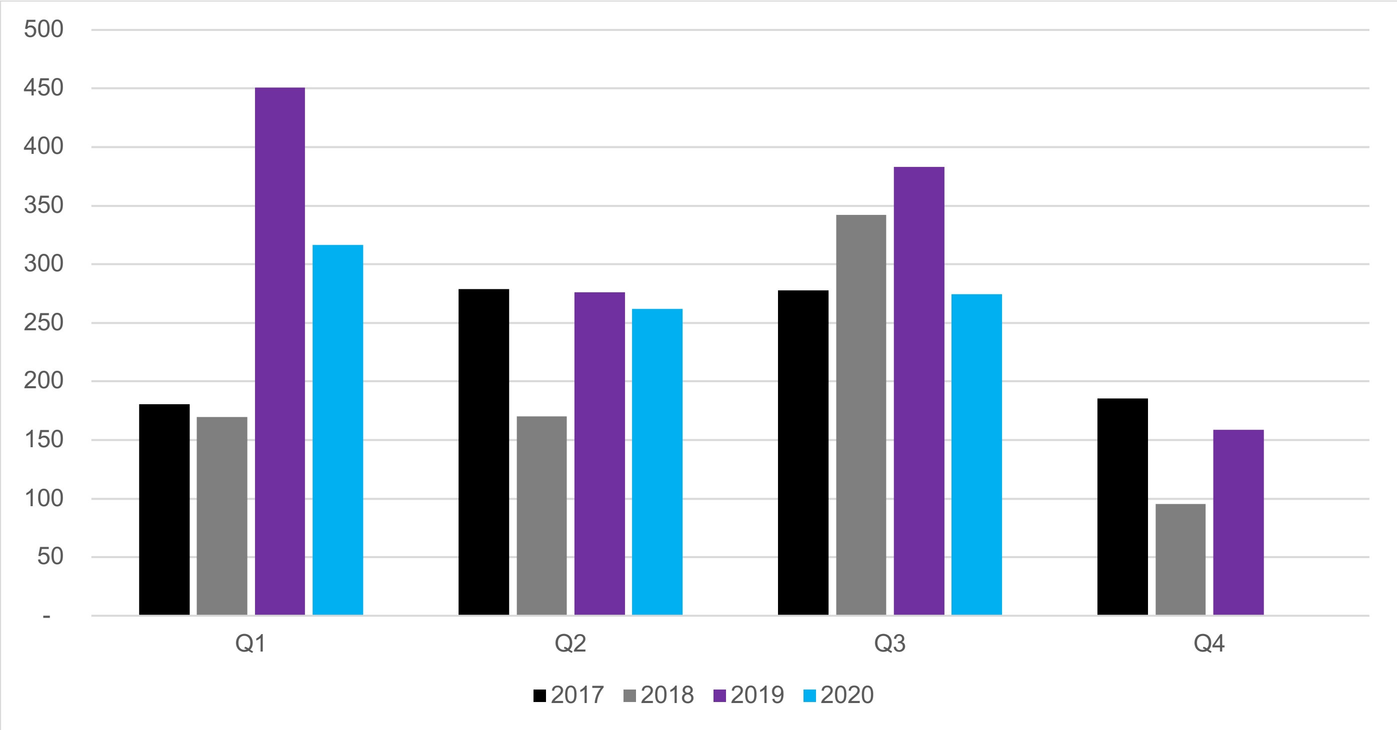
Credence Security Middle East and India recorded 1.93m EUR of revenue for the period. The entity has been incredibly active in collaborating with partners and potential leads, through the virtual Credence Security Roadshow. Important strategic deals were closed during the quarter, including a number of large financial services organisations in Saudi Arabia, focussing on payment systems security and encryption. In addition, a significant forensics lab project was secured with a government agency within the Middle East.

Credence Security (South Africa)



Credence Security South Africa closed 152k EUR in revenue for the Q3 period. The year over year delta is being carefully assessed by the management team, identifying a strong pipeline for the back end of the financial year to ensure any disruption to business can be mitigated in the long term. Looking at the previous quarter in 2019 there are a number of key renewables that are looking to close for the year.

Protec (Kenya)



Protec has continued to support its diverse client base, recording 274k EUR in revenue for the period. The business has collaborated with some of our south african entities in providing a number of new solutions across the group. The entity is focussed on closing out a strong 2020.

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 Q3 2020 report has not been reviewed by the Group's auditor.

PROFIT FOR THE PERIOD

Group

Q3 year revenues amounted to 5.61m EUR (Q3 2019 Revenue: 11.40m EUR).

Profit before tax for Q3 2020 amounted to -1.62m EUR (Q3 2019 profit of -706k EUR).

Profit after tax from continuing operations for Q3 2020 amounted to -1.62m EUR (Q3 2019 profit of -734k EUR).

Depreciation and amortisation for Q3 2020 amounted to 61k EUR, Q3 2019 Depreciation and Amortisation: -159k EUR.

There was a Net Cash Outflow for Q3 2020, which amounted to 2.37m EUR (Net Cash Outflow Q3 2019: 430k EUR).

At the end of Q3 2020, the Group's cash balance amounted to -424k EUR (Q3 2019: 1.83m EUR).

Parent

The Parent Company's profit for Q3 2020 amounted to 428k EUR (Q3 2019: -653k EUR).

FINANCIAL POSITION

Group

The Group’s equity for end of Q3 2020 amounted to 412k EUR (End of Q3 2019: 13.575m EUR).

CYBER1 did not pay any dividends to shareholders during Q3, 2020, 2019 and prior to this period.

Parent

The equity for the parent company amounted to -1.985m EUR at the end of Q3 2020 (End of Q3 2019, 13.88m EUR) and 63k EUR cash or cash equivalent (End of Q3 2019,3k EUR).

INVESTMENTS

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

During the quarter, 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 Q3 2020.

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

Parent

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

ALLOCATION OF PROFITS

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

TRANSACTIONS WITH RELATED PARTIES

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 30 September 2020 were: 348,890,226

2021 FINANCIAL CALENDAR

Fourth Quarter Report 2020	19 February 2021
First Quarter Report 2021	28 April 2021
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

2019 Annual Report

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

ACCOUNTING PRINCIPLES

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

PARENT COMPANY, CONTROL BALANCE SHEET

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

RISKS AND UNCERTAINTIES

Inherent risks and uncertainties for CYBER1 consist primarily of:

Business risks concerning the delivery of contracted projects and payment.

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

CERTIFIED ADVISORS

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

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INVESTOR RELATIONS ADVISORS

Please contact:

George Messum : george.messum@cyber1.com +4479 56589 186

or

Fredrik Sätterström : fredrik@cyber1.com , +4670 5101 022

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

Beyond the quarter, an 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

Cyber Security 1 AB (Publ) 556135-4811
www.cyber1.com
E-mail: info@cyber1.com

DETAILED FINANCIAL INFORMATION

Consolidated Income Statement

(Thousand Euros)	Jul-Sept 2020	Jul-Sept 2019	Jan-Sept 2020	Jan-Sept 2019
Continuing operations				
Net Revenue	5,609	11,395	21,616	44,525
Cost of Sold Goods	-3,370	-8,217	-15,354	-34,419
Gross Profit	**2,239**	**3,179**	**6,262**	**10,106**
Sales Costs	-1,525	-2,112	-4,908	-6,181
Administration Costs	-2,244	-1,755	-4,844	-5,377
Depreciation	-61	-159	-262	-464
Total Operating Cost	**-3,830**	**-4,025**	**-10,014**	**-12,022**
Operating Result	**-1,591**	**-847**	**-3,752**	**-1,916**
EBITDA	**-1,530**	**-688**	**-3,490**	**-1,451**
<u>Financial income and costs</u>		-	-	-
Finance income	1	206	6	527
Finance costs	-26	-65	-96	-162
Other financial items	-107		-201	-
Total Finance income and costs - net	**-25**	**141**	**-291**	**365**
Result before tax	**-1,616**	**-706**	**-4,043**	**-1,551**
Tax (Period)	-	-28	-	-129
Net income for the period, continuing operations	**-1,616**	**-734**	**-4,043**	**-1,680**
Discontinued operations				
Loss from discontinued operations	-		-3,882	-
Net income for the period, discontinued operations	**-**	**-**	**-3,882**	-
				-
Net income	**-1,616**	**-734**	**-7,925**	**-1,680**
Net income (loss) attributable to:				
Owners of the Parent Company	-1,275	-543	*-6,874*	-1,243
Non-controlling interests	-448	*-191*	*-1,051*	*-437*

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Statement of comprehensive income (loss)

(Thousand Euros)	Jul-Sept 2020	Jul-Sept 2019	Jan-Mar 2020	Jan-Dec 2019	Jan-Dec 2019
Net income (loss)	**-1,616**	**-734**	**-7,925**	**-1,680**	**-1,795**
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss, including reclassification adjustments:					
revaluation of gains and loss relating to intangible assets	**-**		**-4,809**	- -	**-**
Other items: impairment and restructuring and acquisition-related charges	**-**		**-1,724**	-	**-**
Total comprehensive income (loss)	**-1,616**	**-734**	**-14,458**	**-1,680**	**-1,795**
Total comprehensive income (loss) attributable to:					
Owners of the Parent Company	*-1,196*	-543	*-13,407*	-1,243	-1,435
Non-controlling interests	*-420*	*-191*	*-1,051*	*-437*	*-360*

Parent Company income statement

(Thousand Euros)	Jul-Sept 2020	Jul-Sept 2019	Jan-Sept 2020	Jan- Sept 2019	Jan-Dec 2019
Net Revenue	683	401	862	1,176	1,573
Cost of Sales	-	-	-	-	-484
Gross profit	**683**	**401**	**862**	**1,176**	**1,089**
Sales Costs	-30	-	-30	-	**-686**
Depreciation	-3	-3	-8	-8	-10
Administration costs	-293	-981	-3,893	-2,575	-3,587
Total Costs	**-325**	**-984**	**-3,931**	**-2,583**	**-4,284**
Operating result	**357**	**-583**	**-3,070**	**-1,407**	**-3,195**
Finance costs	71	-71	108	-43	-41
Result before tax	***428***	***-653***	***-2,961***	***-1,451***	***-3,236***
Tax	-	-	-	-	-
Result for the period	***428***	***-653***	***-2,961***	***-1,451***	***-3,236***

Parent Company statement of comprehensive income (loss)

(Thousand Euros)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net income (loss)	**428**	**-653**	**-2,961**	**-1,451**	**-3,236**
Tax on items that will not be reclassified to profit or loss	-	**-**	**-12,306**	**-**	**-**
Total comprehensive income (loss)	**428**	**-653**	**-15,267**	**-1,451**	**-3,236**

BALANCE SHEET	Group			Parent		
(Thousand Euros)	30 Sept 2020	30 Sept 2019	31 Dec 2019	30 Sept 2020	30 Sept 2019	31 Dec 2019
ASSETS						
Non-current assets						
Property, plant and equipment	80	201	182	-	-	-
Right-of-use-Asset	273	547	450	-		
Intangible Assets	24	4,508	4,400	24	34	31
Investments in subsidiaries	-	-	-	2,301	14,610	14,357
Goodwill	6,630	7,609	7,609	-	-	-
Total Non-current assets	**7,006**	**12,865**	**12,641**	**2,324**	**14,644**	**14,389**
Current Assets						
Inventory	6	445	225	-	-	-
Deferred tax asset	11	14	14	-	-	-
Share issue receivable	-	-	-	-	-	-
Short term receivable	-	-	-	-	-	-
Trade receivable	14,309	21,786	26,951	6,415	4,514	5,654
Other Claims	116	271	279	-	-	-
Cash & Bank	-424	1,834	2,438	63	3	3
Total Current Assets	**14,018**	**24,349**	**29,905**	**6,478**	**4,517**	**5,657**
TOTAL ASSETS	**21,025**	**37,214**	**42,547**	**8,802**	**19,161**	**20,046**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	91	87	77	91	87	77
Share premium	20,857	19,668	19,678	20,769	19,579	19,590
Ongoing share issue						
Period result	-7,925	-1,680	-1,795	-2,961	-1,451	-3,236
Other reserves	-12,611	-4,500	-4,378	-19,884	-4,334	-4,334
Total Equity	**412**	**13,575**	**13,583**	**-1,985**	**13,882**	**12,097**
Capital and reserves attributable to owners	412	13,575	13,583	-1,985	14,536	12,097
Non-controlling interests	335	*13,575*	*240*	-	*13,882*	-
Long-term Debt					**-**	
Interest-bearing liabilities	-	499	634	-		-
Short term debt						
Interim Debt	2,302	*1,494*	2,770	1,584	*968*	2,135
Lease liabilities	281	*565*	535	-	-	-
Intragroup Debt	-	-	-	2,409	*1,763*	2,346
Suppliers	15,677	*18,966*	21,896	7,513	*2,668*	3,253
Tax Debt	875	*1,556*	2,043	-169	*-119*	-132
Provisions	1,477	*558*	1,086	-549	*-0*	347
Total Liabilities	**20,612**	**23,639**	**28,964**	**10,788**	**5,279**	**7,949**

TOTAL DEBT AND EQUITY	**21,025**	**37,214**	**42,547**	**8,802**	**19,161**	**20,046**

CASH FLOW ANALYSIS (Thousand Euro)			**Group**		
	Jul- Sept 2020	**Jul- Sept 2019**	**Jan-Sept 2020**	**Jan-Sept 2019**	**Jan-Dec 2019**
Profit before income taxes	-1,616	-706	-4,043	-1,551	-895
Adjustments non C/F items	24	175	7	1,185	1,468
Operating Cash Flow	**-1,592**	**-531**	**-4,036**	**-366**	**573**
Paid Taxes	-	28	-	-213	12
Received finance payments - net	-	-	-	-	-
Changes in Working Capital	-972	938	-3,783	-4,097	-2,932
Cash Flow from Operating Activities	**-2,564**	**435**	**-7,820**	**-4,676**	**-2,347**
Acquisition of subsidiaries	-	-	-	-	-
Acquisition of Fixed Assets	-	-	-132	-783	-772
		-			
Cash Flow from Investment Activities	**-**	**-**	**-132**	**-783**	**-772**
New share issues	-	-	-	-	-
Directly related costs to the listing	-	-	-	-	-
Proceeds from ongoing share issue	-	-	1,193	816	816
Dividend payment to minority	-	-	-	-	-
Lease liabilities	-	-	-46	-46	-46
Short Term Financing	197	30	286	1,472	-378
Cash Flow from Financing Activities	**197**	**30**	**1,433**	**2,241**	**391**
Net change in cash, continuing operations	**-2,367**	**465**	**-6,520**	**-3,218**	**-2,728**
Net change in cash, discontinued operations	**-**	-	**3,882**	-	**-410**
Total net change in cash and cash equivalents	**-2,367**	**465**	**-2,638**	**-3,218**	**-3,138**
Opening Cash	1,834	1,320	1,834	5,924	5,924
Acquired cash	-	-			
FX-diff Period	108	49	380	-872	-349
Closing Cash Position	**-424**	**1,834**	**-424**	**1,834**	**2,438**

CASH FLOW ANALYSIS (Thousand Euro)	Jul- Sept 2020	Jul- Sept 2019	Parent Jan-Sept 2020	Jan-Sept 2019	Jan-Dec 2019
Profit before income taxes	428	-653	-2,961	-1,451	-3,236
Adjustments non C/F items	-71	5	147	8	303
Operating Cash Flow	**357**	**-648**	**-2,815**	**-1,443**	**-2,932**
Paid Taxes	-	-	-	-	-
Changes in Working Capital	-439	1,005	1,413	2,008	3,515
Cash Flow from Operating Activities	**-82**	**357**	**-1,402**	**566**	**582**
Acquisition of Fixed Assets	-	-	-	-	-
Payments related to acquisition of subsidiaries	-	-352	-	-352	-352
Sale of Fixed Assets	-	-	-	-	-
Cash Flow from Investment Activities	**-**	**-352**	**-**	**-352**	**-352**
New share issues	-	-	-		-
Directly related costs to the listing	-	-	-	-	-
Proceeds from ongoing share issue	-	-	1,193	813	813
Dividend payment to minority	-	-	-	-	-
Short Term Financing	142	-5	269	-1,027	-1,044
Cash Flow from Financing Activities	**142**	**-5**	**1,462**	**-214**	**-231**
Cash Flow from the Period	**60**	**1**	**60**	**0**	**0**
Opening Cash	3	3	3	3	3
FX-diff Period	-	-	-	-	-
Closing Cash Position	**63**	**3**	**63**	**3**	**3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Thousand Euros)	Jul-Sept 2020	Jul-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Jan-Dec 2019
Equity - Opening Balance	**517**	**14,116**	**13,583**	**14,904**	**14,673**
Adjustment from acquisition analysis				**-**	
Share Issues	1,193	-	1,193	816	816
Profit from the Period	64	-791	-6,304	-1,825	-1,493
Tax impact from deductible costs for ongoing share issue	-	-	-	-	
Other comprehensive income for the period, net of tax	-1,680	-	-8,119	-	-
Adjustment related to acquisition analysis	-		-	-464	-111
				-	
Foreign Exchange-Differential	318	250	59	145	-302
Changes in equity during the period	**-105**	**-541**	**-13,171**	**-1,328**	**-1,090**
Equity - Closing Balance	**412**	**13,575**	**412**	**13,575**	**13,583**

PARENT COMPANY CHANGES IN EQUITY CAPITAL (Thousand Euros)	Jul-Sept 2020	Jul-Sept 2019	Jan-Sept 2020	Jan- Sept 2019	Jan-Dec 2019
Equity - Opening Balance	**-2,414**	**14,536**	**12,098**	**14,520**	**14,520**
Adjustment from acquisition analysis	-	-	-12,306	813	-
Share Issue	-	-	1,184	-	813
Profit from the Period	428	-654	-2,961	-1,451	-3,236
Foreign Exchange-Differential	-	-		-	-
Changes in equity during the period	**428**	**-654**	**-14,083**	**-638**	**-2,423**
Equity - Closing Balance	**-1,985**	**13,882**	**-1,985**	**13,882**	**12,098**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 – General accounting principles

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

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 September 2020, CYBER1 has outlined the cash-generating units (CGUs) within the business area of CYBER1 Group The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a five-year period, which are in turn based on the three-year plans prepared annually by each of the business areas and approved by CYBER1 Group Executive Management.

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

The assumptions mentioned below reflect past experience and are consistent with external information. The most material assumptions when determining the value in use include anticipated demand, growth rate, operating margin, working capital requirements and the discount rate.
The factor used to calculate growth in the terminal period after five years was 2% (in line with last year). Need of working capital beyond the five-year period is deemed to increase approximately as the expected growth in the terminal period. The discount rate consists of a weighted average cost of capital for borrowed capital and shareholders' equity. Since 2020 CYBER 1 calculates a pre-tax discount rate for each CGU. As of September, it varied between 9.3% and 13.5%. Last year all CGUs applied a pre-tax discount rate of 11% before tax. The specific risks of the CGUs have been adjusted for in the future cash flow forecasts.

Impairment tests have been performed in the second and the third quarter of 2020 in response to the Covid-19 pandemic. The testing of goodwill did not indicate any impairment requirement. Sensitivity in the calculations implies that the goodwill value would be maintained even if the discount rate was increased by 2 percentage points or if the long-term growth rate was lowered by 2 percentage points. The goodwill value would also be maintained, given an operating margin drop by 2 percentage points.

Inventory

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

Expected credit losses

As of 30 September, 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 190 employees. For management and reporting purposes, the Group is organised by these geographical areas. The performance of these geographical areas is evaluated on a regular basis by CYBER1's Executive Team, consisting of among others the Managing Directors of each geographical segment. In addition to the geographical areas, the Group operates Shared Services functions and central administration. These costs are reported separately as Group Shared Service and Group cost.

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

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

Revenue per segment

EUR thousand	Jan - Sept 2020	Jan - Sept 2019	Full year 2019
Continuing operations			
Africa	16,892	16,576	26,558
Middle East	5,012	8,489	12,436
Europe	691	20,141	32,420
Including internal sales	**22,595**	**45,206**	**71,415**
Internal sales, elimination	-979	-681	-2,684
Segment total	**21,616**	**44,525**	**68,731**

Revenue split per category

EUR thousand	Value Added Reseller (VAR)	Advisory & Managed services (VAD)	Jan - Sept 2020
Continuing operations			
Jan-Sept 2020			
Africa	11,824	5,068	16,892
Middle East	4,765	247	5,012
Europe	223	468	691
	16,812	**5,783**	**22,595**
Internal sales	-979	-	-979
Total	**15,833**	**5,783**	**21,616**

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

EUR thousand	Value Added Reseller (VAR)	Advisory & Managed services (VAD)	Jan - Sept 2019
Continuing operations			
Jan-Sept 2019			
Africa	7,200	9,377	16,576
Middle East	8,149	340	8,489
Europe	18,491	1,650	20,141
	33,840	**11,366**	**45,206**
Internal sales	-603	-78	-681
Total	**33,237**	**11,288**	**44,525**

Geographical information

EUR thousand	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
Jan-Sept 2020					
Africa	16,892	2	628	37	247
Middle East	5,012	-41	-231	-46	115
Europe	691	-97	-3,951	-5,716	2,326
Core business	**22,595**	**-50**	**-3,554**	**-157**	**2,689**
Eliminations	-979	-1	64	-4	
Cyber1 Group	**21,616**	**-51**	**-3,490**	**-161**	**2,689**

EUR thousand	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
Jan-Sept 2019					
Africa	16,576	-26	46	3	452
Middle East	8,489	26	537	63	329
Europe	20,141	24	-2,052	-102	15,015
Core business	**45,206**	**-1**	**-1,468**	**-32**	**15,796**
Other Markets	-681	-1	17	-	-2,918
Cyber1 Group	**44,525**	**-**	**-1,451**	**-33**	**12,878**

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."

Disclosures on financial instruments

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

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

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Carrying value and fair value — as at September 2020

TEUR (€'000)	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
Trade receivables	-	14,309				14,309	14,309
Other non-current financial receivables	-	-	-	-	-	-	-
Other current assets and financial receivables	-	-	-	-	122	122	122
Prepaid expenses and accrued income	-	-	-	-	-	-	-
Cash and cash equivalents	-	(424)	-	-	-	(424)	(424)
Total assets	**-**	**13,885**	**-**	**-**	**122**	**14,007**	**14,007**
Loans and borrowings			1,584		281	1,865	1,881
Other non-current financial liabilities	-	-	-	-	875	875	875
Other current liabilities	-	-	-	-	1,584	1,584	1,584
Accrued expenses and deferred income	-	-	-	-	844	844	844
Trade payables	-	-	15,677	-	-	15,677	15,677
Total liabilities	**-**	**-**	**17,260**	**-**	**3,584**	**20,844**	**20,860**

Fair value measurement by level

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

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

Carrying value and fair value							as at September 2019
TEUR (€'000)	**Financial instruments measured at FVTPL**	**Financial assets measured at amortized cost**	**Other financial liabilities**	**Cash flow hedges measured at FVOCI**	**Other receivables and liabilities**	**Total carrying value**	**Estimated fair value**
Trade receivables	-	21,786				21,786	21,786
Other non-current financial receivables	-	-	-	-	-	-	-
Other current assets and financial receivables	-	-	-	-	271	271	271
Prepaid expenses and accrued income	-	-	-	-	-	-	-
Cash and cash equivalents	-	1834	-	-	-	1834	1834
Total assets	**-**	**23,620**	**-**	**-**	**271**	**23,891**	**23,891**
Loans and borrowings			1467		527	1994	2053
Other non-current financial liabilities	-	-	-	-	452	452	452
Other current liabilities	-	-	-	-	1669	1669	1669
Accrued expenses and deferred income	-	-	-	-	558	558	558
Trade payables	-	-	18966	-	-	18966	18966
Total liabilities	**-**	**-**	**20,433**	**-**	**3,206**	**23,639**	**23,698**

Financial instruments, level *2*

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

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE								
TEUR (€'000)	**September 30, 2020**				**September 30, 2019**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting	-	-	-	-	-	-		-
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	-	-	-	-	-	-		-
Total financial assets	**-**	**-**	**-**	**-**	**-**	**-**		**-**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting	-	-	-	-	-	-		-
Contingent considerations			16	16			59	59
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	-	-	-	-	-	-		-
Total financial liabilities	**-**	**-**	**16**	**16**	-	-	**59**	**59**

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	**Sept '2020**	**Sept '2019**	**Full year 2019**
Opening balance January 1	**59**	13	14
Business combinations	-	-	-
Payments	-59	-13	-14
Reversals	-	-	-
Revaluations	16	59	17
Translation differences	-	-	-
Closing balance	**16**	**59**	**17**

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

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

The divestment is due to be completed, however, CYBER1 have recognised transaction and accounted for the disposal in Q3'2020 financials and the proceed and capital gain to CYBER1 is Nil excluding exchange rate differences recycled from other comprehensive income. Itways Greece & Turkey are reported separately under discontinued operations in the income statement. The profit or loss from re-measurement of assets and liabilities classified as disposal are summarised as follows:

Net assets at the time of divestment

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

Income statement

Net income from discontinued operations

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

Note 5 – Impairments

Goodwill and Disposal of non-current assets

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

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

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

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

Impairment losses are shown in the additional ordinary expenses.

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

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

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

Note 6- earnings per shares

Earnings per share	January - September	
TEUR	2019	2020
Profit for the period	-1,679.8	**-4,043.1**
Non-controlling interests	-436.7	**-1,051.2**
Group share of profit	-1,243.0	**-13,407.1**
Number of shares in ’000s (weighted average)	293,861	**322,188**
Earnings per share in €	- 4.23	**-** **41.61**
Net income from continuing operations – attributable to the parent entity	-1,243.0	**-2,991.9**

Note 7- Contractual Obligations and Commitments

As of September 30, 2020, contractual obligations totalled EUR 20.844 million, of which EUR 1.680 million (equivalent to SEK 16 million) plus interests, related to a claim from Magnus Stuart. The increase in contractual obligations is mainly related to prior years’ unclaimed debts accrued and recognised as an expense in the financial statements.

Note 8 - Significant risks and uncertainties

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

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

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

CYBER1 Group's risk universe

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

Note 9 – COVID-19

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

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

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

Note 10 - Related parties Related party transactions

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

Other- Parent Company

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

Note 11 –Significant Events

During the Third Quarter

-On 17 August, CYBER1 announced that it had signed a Letter of Intent to acquire Cyber Security South Africa (CSSA) and Cyber Security Africa Distribution (CSAD).

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.

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

After the Third Quarter

-On 12 October, CYBER1 announced the appointment of the Robert Brown as CEO.

Brown will take over from Peter Gustafsson, who was appointed acting CEO on an interim basis on August 17, 2020 to lead the Company in the ongoing reorganisation process. Brown will play a central role in the restructuring, whilst at the same time, leverage his proven sales and management experience to drive commercial success across Europe, Middle East & Africa (EMEA).

The following board directors were appointed, resigned and ceased to be board members:
Alan Goslar (appointed), and
Robert Blase (resigned) on 12th October 2020.

On the 21st October 2020, CYBER1 announced a €120,000 loan secured from four existing shareholders to provide operating working capital to the ongoing restructuring process.

The loan is to be repaid by the Company in full by the 31st December 2022 and will not carry any interest for the first year of the term and any accrued interest thereafter is required to be paid only on the date of the final repayment of the loan at 4% p.a..

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CYBER 1

CYBER RESILIENCE