

CYBER1 REPORTS THIRD PROFITABLE QUARTER

Revenue Q3 2021

€ 9,372k (PY: € 5,609k)

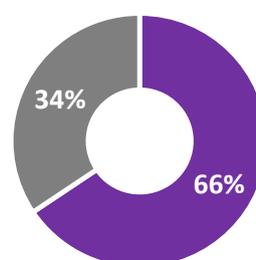
Gross Margin YTD

28% (PY: 29%)

EBITDA YTD

€ 673k (PY: €-3,490k)

Regional revenue



■ Africa ■ Middle East

Group Performance

- Q3 Group revenue increased year over year by 67.1% (€3.7m), from €5.6m in Q3 2020 to €9.3m in Q3 of 2021.
- Q3 2021 Group EBITDA profit of €290k, compared to a loss of €-1.5m in Q3 of 2020.
- Cyber1 Group recorded year to date EBITDA profit of €671k, compared to a loss of €-3.49m in the same period last year. This change has been a result of increased revenue growth, in conjunction with the streamlining of operating expenditure, implemented at the start of 2021 by the CYBER1 Executives and Board of Directors.
- Operating Expenditure for Q3 2021 has been reduced €1.3m compared to Q3 2020, a reduction of 35.1%. These efficiencies primarily at the parent company level have improved overall cashflow for the underlying companies, enabling investment into revenue generating initiatives such as the launch of the CYBER1 Managed Services offering.
- As travel restrictions have begun to slowly reduce during the quarter, CYBER1 has been able to resume travelling to meet its strategic clients and vendors, solidifying the pipeline generation for the end of Q4 2021, whilst building the foundations for a strong outlook for 2022.

Our business at a glance

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

- ◆ The **VAD** business succeeded in growing its revenue by **60%** to €9.2m.
- ◆ The **VAR** business in Africa grew its revenue by **37%** to over €15m.



Beyond the Quarter & Other News

CYBER1 announced on the 25th of August the launch of its Managed Security offering, through the opening of its Secure Operating Centre. CYBER1 is taking the next step with the launch of SOC as a cloud service. In addition to gathering modern technology solutions, such as machine learning, from all conceivable suppliers under one umbrella, a modern CYBER1 SOC as a service provides benefits such as increased automation, faster action in security incidents, fewer false alarms, increased transparency in both policy and specific security solutions and support for security experts with the aim of helping the experts to perform even better work, not to replace them.

CYBER1's new SOC services include:

- Tools for dealing with security incidents, vulnerabilities, investigating threats and for more detailed analyzes and investigations (so-called forensics).
- Formulate security policies and processes for implementing them.
- Management of logs.
- Monitoring and alarms.
- Access to external information about security threats.
- Assessment of cyber security and monitoring of availability of IT resources.

Following the launch of the SOC services, CYBER1 was delighted to announce on the 3rd of September the successful expansion into new regions, following the launch of its Managed Service offering.

The Company has collaborated with a national lottery and business partner Nexlot, based in Peru. This initial partnership enables CYBER1 to demonstrate value across the organization's security infrastructure, providing an opportunity for other solutions and services that further remediate against a number of vulnerable endpoints. In addition, CYBER1 is now also delivering these services in existing markets, through our trusted and established business units in these regions.

"For CYBER1, a measured expansion with our Managed Services solutions provides a scalability that meets the market demands, and that ensures investments in resources are related to a rise in growth." says Robert Brown Corporate President and Executive Board member at CYBER1.

From the desk of the President



Dear Shareholders,

I am delighted to announce the results of the third quarter for 2021, demonstrating a third successive profitable quarter for the company, all within 2021. With the subsidiary units bearing significant conversion from their pipeline generation, this achievement is magnified further when considering many initiatives were conceived during remote or virtual engagements. Targeting investment in our operating expenditure has begun to yield significant return in both the short and long term for CYBER1, with increases in technical headcount benefitting our service capabilities.

We were excited to announce during the quarter the launch of our CYBER1 Managed Services Offering. This is an important milestone in the company's evolution, as we are now able to offer our services on a global scale. The launch of our SOC has already begun to open CYBER1's footprint into new clients and markets, for example our coverage now includes South America for the very first time. This opens the opportunity for extending our breadth through a scalable solution that will provide future re-occurring earnings for the company. Most importantly, it enables our team to monitor, detect and mitigate threats on a 24 by 7, 365 days a year capacity.

We are also hugely excited to include Cyber Security South Africa (CSSA) and Cyber Security Africa Distribution (CSAD) into our reporting, following the 50% acquisition of the companies as announced on the 31st of May. Following the completion of the terms, the entity has been incorporated as an associate entity, recognising 50% of their business performance for the month of September. Both Managing Directors in Toni Bowker & Martin Britz, bring with them significant cyber security expertise across Africa and further afield and I am excited to see how further collaboration within the group can be realised.

In addition to the many positives from the quarter, we were for the first time able to meet as an executive in South Africa in October, another important milestone achieved when considering the many restrictions that have been placed. It was pleasing to see our Managing Directors from CSSA and CSAD collaborating with the existing business heads, including several members of the board that were present. We discussed a number of important strategic initiatives for the company, including the direction of where we wish to go and the process in achieving this has become very clear from the time spent together. We look forward to providing updates to our valued shareholders on these growth strategies in the coming quarters.

Continuing to complement our new growth with increased corporate governance projects, I am delighted that one of our board members in Pekka Honkanen, has been enlisted to harness his many years of board and executive experience to work with CYBER1 and all of its companies, to further ensure that we are going beyond our regulatory and listing requirements, both in Sweden and in our local jurisdictions.

We now turn to the fourth quarter for the company, which is historically strong for CYBER1. The company is committed to rounding off what has been the most profitable year in CYBER1's history, ensuring we have a strong and stable foundation to project forward into 2022. With the team continuing to further collaborate and work in harmony, more opportunities are being realised each day. With our service division expanding under the guidance of our CTO Simon Perry, we now possess market leading capability that has the scope to provide a scalable and profitable return to the business.

My continued thanks to all of our stakeholders that continue to contribute to this new course of action for the Company and we are, as a collective, excited to see where CYBER1 finishes for 2021.

Stockholm, November 2021.

Robert Brown

Group President and Executive Director

Key Financial Ratios

	Jul - Sept Q3 2021	Jul - Sept Q3 2020	Jan - Sept YTD 2021	Jan - Sept YTD 2020	Jan - Dec 2020
	€'000	€'000	€'000	€'000	€'000
Group Income	9 372	5 609	25 413	21 616	27 356
Group Gross Margin	2 678	2 239	6 973	6 262	7 525
Group Gross Margin percentage	28.6%	39.9%	27.4%	29.0%	27.5%
Cash flow during the period	1 582	-2 367	1 582	-6 520	-2 822
Operating Margin	207	-1 591	469	-3 752	-13 875
Operating Margin percentage	2.2%	-28.4%	1.8%	-17.4%	-50.7%
Result after taxes	314	-1 723	4 285	-7 925	-13 875
Earnings per share	0.0006	-0.0053	0.0080	-0.0384	-0.0398

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. The closing number of shares outstanding for the period 30 September 2021 amounted to 710,802,055.

Business Overview

Market Update

The cyber security industry continues to dominate many aspects of the private and public sector spheres.

Microsoft has announced that users are now able to remove all use of passwords associated with their accounts, replacing instead with an authenticator application or other more sophisticated biometric access. Microsoft Security vice-president Vasu Jakkal wrote: "Passwords are incredibly inconvenient to create, remember, and manage across all the accounts in our lives. We are expected to create complex and unique passwords, remember them, and change them frequently - but nobody likes doing that." Common vulnerabilities with passwords are magnified when users have the same type of password across multiple accounts, making it easier for malicious hackers to gain access through brute force or dictionary type attacks. Replacing passwords with other types of authentications does not create absolute security, but certainly provides more complex challenges to gaining access to users accounts.

Apple issued an emergency software update after discovery of a zero-click malware. Discovered by Canadian internet security watchdog Citizen Lab, the malware is the first of its kind that has been caught and analysed, where the victim's device has been hacked into without the user downloading or accessing a malicious link or document. Ivan Krstic, head of Apple security engineering and architecture, said: "Attacks like the ones described are highly sophisticated, cost millions of dollars to develop, often have a short shelf life, and are used to target specific individuals." Experts in the security field have cautioned that these types of attacks are highly targeted and should not be a concern for the general public, yet the vulnerabilities that have been highlighted are likely still to cause alarm.

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

Contacts

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

CYBER1 is engaged in providing cyber resilience solutions and conducts its operations through presences in Sweden, Kenya, South Africa, United Arab Emirates and the UK. Listed on Nasdaq First North Growth Market (Nasdaq: CYB1.ST), the Group delivers services and technology licenses to enhance clients' protections against unwanted intrusions, to provide and enhance cyber resilience and to prevent various forms of information theft. For further information, please visit www.cyber1.com/investors.

Outlook and financial Information

Reviewing the end of the third quarter for CYBER1, the company successfully came out of reconstruction and is able to maintain a profitable EBITDA number. CYBER1 continues to assess its structure and enact positive changes in the Parent company and its subsidiaries. As expected, the business challenges, catalysed during 2020 still show a residual effect in the overall performance. The jurisdictions we operate in have begun to see positive signs of recovery from an economic and public health perspective. In addition, the company continues to take steps to ensure that areas of expertise reflect the current and future trends that our customers, particularly around remote working and potential cloud security services and solutions. We expect to see the varying year on year performance increase, as our entities continue to see levels of normality return through the spread and proliferation of the various vaccines that have been established.

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

Business trend July to September 2021

CYBER1's revenue increased by 67.1% compared to the same period last year, which was driven by large deals concluded in the Middle East and African regions.

We anticipate the steady gradual recovery to continue, aided by the streamlining of costs and central business operations. Q3 2021 operating costs have reduced by €1.5m (35.1%) from the same period last year to €2.4m. By continuing to implement operating efficiencies across the group it will ensure that the business continues to meet its obligations as a listed company on Nasdaq First North Growth Market, whilst ensuring appropriate cash flow within the business 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 €-1.5m to a profit of €290k was largely impacted by the restructuring and impairment of UK operations, consistent margin and effective cost containment measures.

Earnings before interest and taxes on continuing operations (EBIT) increased to €399k (2020: €-1.7m). The share of profit from associate of €84k has been included from September 2021 following the conclusion of the 50% acquisition in CSSA and CSAD.

As a result of many operational efficiencies having already been achieved, the group has seen a positive impact on the groups cash flow position. These initiatives will enable greater financial investment into areas that will yield business development and sales competencies across the group. Combined with a lean and efficient Parent Company, we will continue to drive the company in continued profitability, driving shareholder value which is a key performance indicator for the board and the executive management.

Outlook

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

The development in the last quarter of the year will be a decisive indicator of how quickly and sustainably the business can maintain and rebuild to pre-crisis levels. CYBER1 anticipates that business activity in individual core markets may benefit in the medium term from infrastructural and other economic stimulus programmes announced by governments.

Risk and opportunity report

CYBER1's risk policy is based on the business strategy, which focuses on safeguarding the Group's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, as well as assessing and reducing them systematically are the responsibility of the Managing Board and a key task for all managers. CYBER1 is subject to various risks on account of its international business activity. Provided that they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present; these risks are classified as acceptable. Opportunity and risk management at CYBER1 is closely linked by Group-wide planning and monitoring systems. Opportunities are recorded in the annual operational plan and followed up as part of monthly financial reporting. Operational management in each country and the central Group departments are directly responsible for identifying and observing opportunities at an early stage.

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



A CYBER 1 Company

Revenue Q3

€ 4,656,828

Gross Margin Q3

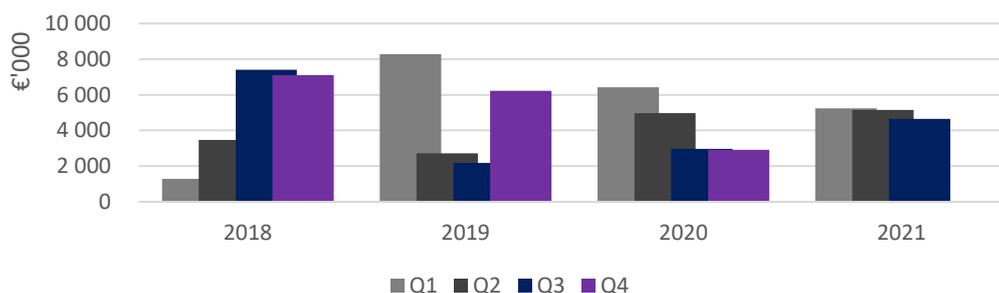
31%

EBITDA Q3

€ -88,840



DRS has recorded revenue growth of 57%, from €2.9m in Q3 2020 to €4.6m in Q3 of 2021. The improvements have been a result of the continued proliferation of its service offering, that it is able to complement with its partnerships with leading vendors within the region. The technical team in DRS continues to innovate a combination of solutions for its clients, thereby improving its ability to cater across a wider range of demands within information security. These efforts have culminated in the company being recognised for its efforts around security awareness, with the confirmation that DRS is now the number 1 reseller of KnowBe4 in South Africa. DRS continues to advance its offering around DevSecOps and managed services, which will only further improve the company's ability to meet the needs of its clients, who have shown an increased demand for faster, more automated approach by CISO's. Key wins for the quarter included a blend of key renewals and new business, further entrenching our relationship with our financial services clients, as well as accumulating new business within existing environments, as a reflection of our investment in their security infrastructures. New customers within the telecommunications and energy sectors further highlights the positive work being delivered in this region





Revenue Q3

€ 3,910,418

Gross Margin Q3

21%

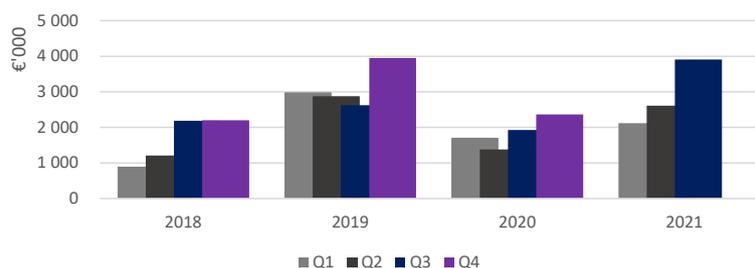
EBITDA Q3

€ 314,166



Credence Security Middle East and India recorded its best Q3 performance in the last four years, closing €3.9m in revenue for the quarter, a 94% increase versus the previous year. The business continued its trend of expansion and growth, generating 80% of its sales from the quarter from new enterprise business. Credence Security is looking forward to providing further solutions where required for these new clients, as the business continues to organically increase its footprint across the Middle East. With restrictions in the region unlocking, Credence Security is delighted to be attending and hosting a number of in person events, which are important for driving lead generation and wider pipeline.

The Credence Security Partner Summit and Roadshow is to be held across the region for at the beginning of 2022. The company is looking towards closing off a strong 2021, whilst identifying channel breadth expansion and growth within India, Qatar and the Kingdom of Saudi Arabia. Key wins for the quarter included digital security solutions for an armed forces division in the Middle East, a leading commercial bank in K.S.A and threat detection for an artificial intelligence firm within the U.A.E.





Revenue Q3

€ 178,102

Gross Margin Q3

31%

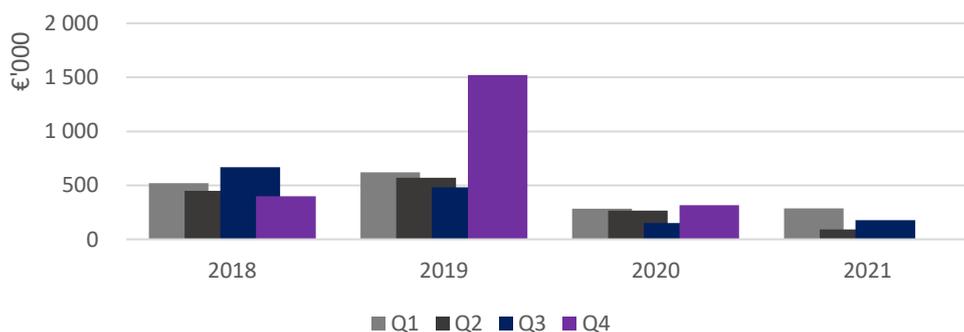
EBITDA

€ 13,986



Credence Security closed €178k for Q3 2021, an improvement of 11.8% versus prior year. The company has focussed on strategizing its revenues towards the forensics space, with key vendors such as Access Data/Exterro and Magnet at the core of their offering. Credence Security S.A are looking at overall expansion of its enterprise business lines, through closer collaboration with the new acquisitions of CSSA & CSAD. Ensuring that the company is a specialist with key vendors will ensure that expertise and specialist knowledge is at the heart of their offering.

As the company looks to close off 2021, priorities around increasing higher margin business will be key, as well as securing exclusive distribution for a number of strategic vendors. These components will provide a strong foundation in which to build an exciting growth phases for Credence Security South Africa.





Revenue Q3

€ 515,578

Gross Margin Q3

53%

EBITDA Q3

€ 148,852

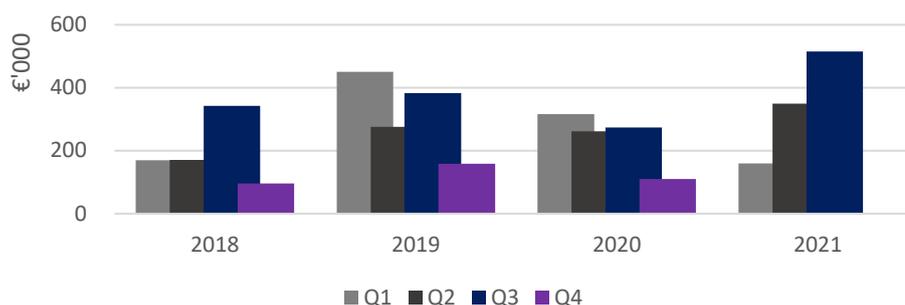


Protec recorded substantial revenue growth in Q3 2021 taking our revenue from €1.9m in Q3 2020 to €3.9m which equates to an 88% increase.

For the same period under review, our recorded gross profit was €271k. This was as a result of an increase in services offering pushing our gross profit to a handsome 53%.

We have focussed on minimising our expenses whilst remaining operationally efficient.

The benefit of increased service offering coupled with underspending has assisted in realising a net profit before tax of €110k. We had significant deal closures with leading Kenyan commercial banks in the quarter which gave us improved market penetration and provided additional sustainability for future periods, and also helped us settle outstanding credit from suppliers.



Customers

CYBER1's customers range from government departments, large-scale industrial organisations, financial institutions, companies operating across the TMT sectors, national global communications carriers as well as SME sector businesses. Long-term exclusive relationships are the norm, especially when it comes to the technology that they are using.

Potential new clients are eager to learn about the services and successes that the Group have achieved and continue to implement. A number of partnerships are being established with Government entities, globally.

Technology Partners

The Group continues to expand its partner network and now includes the following technologies: Access Data, CensorNet, Checkpoint, Cisco, CyberArk, Entrust, Everbridge, KnowBe4, Infocye, McAfee, Microsoft, Mimecast, Palo Alto, Pulse Secure, Rapid7, Solus, Thales and Trustwave amongst others.



Cash Flow

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

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

FINANCIAL INFORMATION

Interim Report—Comparative Figures

The Q3 2021 report has not been reviewed by the Group's auditor.

Profit for the period

Group

Q3 2021 year revenues amounted to €9.3m (Q3 2020 : €5.6m)

EBITDA for Q3 2021 amounted to €290k (Q3 2020 : loss of €1.5m)

Profit before tax for Q3 2021 amounted to €399k (Q3 2020 : loss of €1.7m)

Depreciation and amortisation for Q3 2021 amounted to €83k (Q3 2020 : €61k)

There was a Net Cash inflow for Q3 2021, which amounted to €1,5m (Q3 2020 : Net Cash outflow : €2.3m)

At the end of Q3 2021, the Group's cash balance amounted to €849k (Q3 2020: €-424k)

Parent

The Parent Company's profit for Q3 2021 amounted to €35k (Q3 2020: €428k)

Financial Position

Group

The Group's equity for end of Q3 2021 amounted to €4.8m (Q3 2020: €412k)

CYBER1 did not pay any dividends to shareholders during Q3 2021, 2020 and prior to this period.

Parent

The equity for the parent company amounted to €2.4m at the end of Q3 2021 (Q3 2020, €-1.9m) and €532k in cash or cash equivalent for Q3 2021 (Q3 2020 : €63k).

Investment

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

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

CYBER1 looks forward to working in closer collaboration with CSSA and CSAD, to unlock future growth and increased market share within Africa .

Taxation

Group

No provisional corporation tax was paid in Q3 2021.

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

Parent

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

Allocation of Profits

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

Transactions with related parties

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

Moving forward, confirmation of the remaining 50% will be dealt with by an acquisition sub-committee, that will have representatives from the Board of Directors that will exclude Robert Brown from this process. The exclusivity rights for CYBER1 to purchase the remaining 50 percent of CSSA and CSAD will last until 30th September 2022. The Board is confident that the Group President is able to exercise his duties appropriately as has been demonstrated in the initial closing of the first 50% a strong ability to unlock opportunities for growth across all units.

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

Share Information

Cyber Security 1 AB (Publ) (Trading as CYBER1) is a public company whose shares are traded on Nasdaq First North Growth Market (CYB1.ST)

The Company's share register is maintained by Euroclear Sweden AB.

Total number of registered shares by 30 September 2021 were: 710,802,055.

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

2021/2022 Financial Calendar

Fourth Quarter 2021 Report	:	1 February 2022
First Quarter Report 2022	:	23 May 2022
Publication of 2021 Annual Report	:	w/b 2nd May 2022
AGM 2022	:	TBC
Half Year Report 2022	:	9 August 2022
Nine Month Report 2022	:	14 November 2022
Fourth Quarter Report 2022	:	20 February 2023

Accounting Principles

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

Parent Company, Control Balance Sheet

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

Risk and Uncertainties

Inherent risks and uncertainties for CYBER1 consist primarily of:

Business risks concerning the delivery of contracted projects and payment.

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

Certified Advisors

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

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Investor Relations

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Auditors

The 2021 AGM resolved to elect RSM Stockholm AB, with Malin Lanneborn as auditor-in-charge, for the time up until the next annual general meeting in the company.

Election Committee and Extraordinary Annual General Meeting 2021

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

The following resolutions were made at the AGM:

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

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

The Board composition will now be: Johannes Bolsenbroek (Chairman), Alan Goslar, Pekka Honkanen and Zeth Nyström together with Robert Brown, who was elected to the Board of Directors at the AGM and now operates as the Executive Director and Group President for CYBER1.

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

Robert Brown (b. 1970)

Engagements in the below South African ventures:

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

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

Other resolutions considered and passed

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

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

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

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

Certification of Signatories

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

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

Johan Bolsenbroek, Chairman, Non-executive Board member

Alan Goslar, Non-executive Board member

Pekka Honkanen, Non-executive Board member

Zeth Nyström, Non-executive Board member

Robert Brown, President, Executive Board member

DETAILED FINANCIAL INFORMATION

BALANCE SHEET	GROUP			PARENT		
	30 September 2021	30 September 2020	31 December 2020	30 September 2021	30 September 2020	31 December 2020
	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS						
Non-current assets						
Property, plant and equipment	249	80	177	0	0	0
Right of use Asset	194	273	273	0	0	0
Intangible Assets	22	24	22	22	24	22
Investments in subsidiaries	0	0	0	2 621	2 301	2 301
Goodwill	6 630	6 630	6 630	0	0	0
Total Non-current assets	7 094	7 007	7 102	2 643	2 325	2 323
Current Assets						
Inventory	6	6	452	0	0	0
Deferred tax asset	83	11	19	0	0	0
Trade and other receivables	13 378	14 309	15 257	5 353	6 415	6 403
Other Claims	86	116	0	0	0	0
Cash & Bank	849	-424	-733	532	63	3
Total Current Assets	14 402	14 018	14 994	5 885	6 478	6 406
TOTAL ASSETS	21 496	21 025	22 096	8 528	8 803	8 729
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	186	91	91	186	91	91
Share premium	22 418	20 857	20 857	22 418	20 769	20 761
Period result	4 211	-7 925	-18 832	3 098	-2 961	-3 326
Other reserves	-21 938	-12 611	-1 914	-23 219	-19 884	-19 884
Total Equity	4 877	412	202	2 484	-1 985	-2 358
<i>Capital and reserves attributable to owners</i>						
<i>Non-controlling interests</i>			156			
Non-current liabilities						
Interest-bearing liabilities	509	0	0	449	0	0
Total Non-current liabilities	509	0	0	449	0	0
Current liabilities						
Interim Debt	2 708	2 303	1 956	1 496	1 584	1 584
Lease liabilities	355	281	281	0	0	0
Intragroup Debt	0	0	0	300	2 409	2 523
Trade and other payables	11 707	15 677	16 576	3 722	7 513	6 975
Tax payable	408	875	854	77	-169	-214
Provisions	933	1 477	2 226	0	-549	219
Total current liabilities	16 110	20 613	21 893.8	5 595	10 788	11 087
Total Liabilities	16 619	20 613	21 894	6 044	10 788	11 087
TOTAL DEBT AND EQUITY	21 496	21 025	22 096	8 528	8 803	8 729

GROUP

Consolidated Income statement	Jul - Sept	Jul - Sept	Jan - Sept	Jan - Sept
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	9 372	5 609	25 413	21 616
Cost of Sold Goods	-6 694	-3 370	-18 440	-15 354
Gross Profit	2 678	2 239	6 973	6 262
Sales Costs	-1 723	-1 525	-4 345	-4 908
Administration Costs	-665	-2 244	-1 957	-4 844
Depreciation	-83	-61	-202	-262
Total Operating Cost	-2 472	-3 830	-6 503	-10 014
Operating Result	207	-1 591	469	-3 752
EBITDA	290	-1 530	671	-3 490
Financial income and costs				
Finance income	-1	1	10	6
Finance costs	-29	-26	-79	-96
Other financial items	137	-107	3 801	-201
Total Finance income and costs - net	108	-132	3 731	-291
Share of net profit of associates accounted for using the equity method	84	0	84	0
Result before tax	399	-1 723	4 285	-4 043
Tax (Period)	0	0	0	0
Net income for the period, continuing operations	399	-1 723	4 285	-4 043
Discontinued operations				
Loss from discontinued operations	0		0	-3 882
Net income for the period, discontinued operations	0	0	0	-3 882
Net income	399	-1 723	4 285	-7 925
Net income (loss) attributable to:				
Owners of the Parent Company	445	-1 275	4 229	-6 874
Non-controlling interests	-46	-448	56	-1 051

GROUP

Statement of comprehensive income (loss)	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020
	€'000	€'000	€'000	€'000
Net income (loss)	399	-1 723	4 285	-7 925
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	11		11	-4 809
Other items: impairment and restructuring and acquisition-related charges	0	0		-1 724
Total comprehensive income (loss)	410	-1 723	4 295	-14 458

Consolidated Income statement	PARENT				
	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020	Jan - Dec 2020
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Net Revenue	129	683	280	862	894
Cost of Sold Goods	0	0	0	0	0
Gross Profit	129	683	280	862	894
Sales Costs	-25	-30	-26	-30	-108
Administration Costs	-154	-293	-396	-3 893	-4 262
Depreciation	0	-3	0	-8	0
Total Operating Cost	-178	-326	-422	-3 931	-4 370
Operating Result	-49	357	-143	-3 069	-3 476
EBITDA	-49	360	-143	-3 061	-3 476
Financial income and costs					
Finance income	0	0	0	0	141
Finance costs	0	71	-1	108	0
Other financial items	0	0	3 242	-12 306	-12 306
Total Finance income and costs - net	0	71	3 241	-12 198	-12 165
Share of net profit of associates accounted for using the equity method	84	0	84	0	0
Result before tax	35	428	3 182	-15 267	-15 640
Tax (Period)	0	0	0	0	0
Net income for the period	35	428	3 182	-15 267	-15 640
Discontinued operations					
Loss from discontinued operations	0	0	0	0	
Net income for the period, discontinued operations	0	0	0	0	0
Net income	35	428	3 182	-15 267	-15 640
Net income (loss) attributable to:					
Owners of the Parent Company	0	428	0	-15 267	-15 640
Non-controlling interests	0	0	0	0	0

CASH FLOW ANALYSIS	Group				
	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	411	-1 616	4 297	-4 043	-13 875
Adjustments non C/F items	-134	24	-2 277	7	8 856
Operating Cash Flow	277	-1 592	2 020	-4 036	-5 020
Decrease (+) / increase (-) in inventories	-0		446		-228
Decrease (-) / increase (+) in operating receivables	-1 849		1 729		10 588
Decrease (+) / increase (-) in operating liabilities	360		-4 870		-5 320
Changes in Working Capital	-1 488	-971	-2 695	-3 785	5 041
Cash Flow from Operations	-1 211	-2 563	-675	-7 821	21
Paid Taxes	101	0	-448	0	-1 635
Cash Flow from Operating Activities	-1 110	-2 563	-1 123	-7 821	-1 614
Acquisition of subsidiaries					
Acquisition of Fixed Assets	-173	0	-274	-132	-356
Cash Flow from Investment Activities	-173	0	-274	-132	-356
New share issues					
Directly related costs to the listing					
Proceeds from ongoing share issue	1 656	0	1 656	1 193	
Dividend payment to minority					-227
Lease liabilities	74		73	-46	-254
Short Term Financing	1 145	197	1 260	286	-664
Cash Flow from Financing Activities	2 875	197	2 989	1 433	-1 144
Change in cash and cash equivalents during the year					
Net change in cash, continuing operations	1 592	-2 366	1 593	-6 520	-2 115
Net change in cash, discontinued operations	0		0	3 882	-1 131
Foreign exchange translation adjustment	-11	108	-11	380	75
Opening Cash position	-733	1 834	-733	1 834	2 438
Closing Cash Position	848	-424	849	-424	-733

CASH FLOW ANALYSIS	Parent				
	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020	Jan-Dec 2020
	€ '000	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	35	428	3 182	-2 961	-13 875
Adjustments non C/F items	-384	-71	-4 061	147	8 856
Operating Cash Flow	-349	357	-879	-2 814	-5 020
Decrease (+) / increase (-) in inventories	0		0		-228
Decrease (-) / increase (+) in operating receivables	-297		-1 050		10 588
Decrease (+) / increase (-) in operating liabilities	1		3 253		-5 320
Changes in Working Capital	-296	-440	2 203	1 412	5 041
Cash Flow from Operations	-645	-83	1 324	-1 402	21
Paid Taxes	-10	0	-291	0	-1 635
Cash Flow from Operating Activities	-655	-83	1 033	-1 402	-1 614
Acquisition of subsidiaries					
Acquisition of Fixed Assets	0	0	0	0	-356
Cash Flow from Investment Activities	0	0	0	0	-356
New share issues					
Directly related costs to the listing					
Proceeds from ongoing share issue	1 744	0	1 752	1 193	0
Dividend payment to minority					-227
Lease liabilities	0		0	0	-254
Short Term Financing	-622	142	-1 862	269	-664
Cash Flow from Financing Activities	1 123	143	-109	1 462	-1 144
Change in cash and cash equivalents during the year					
Net change in cash, continuing operations	468	60	924	60	-2 115
Net change in cash, discontinued operations	0		0	0	-1 131
Foreign exchange translation adjustment	61	0	-395	0	75
Opening Cash position	3	3	3	3	2 438
Closing Cash Position	532	63	532	63	-733

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	3 284	517	202	13 583
Adjustment from acquisition analysis				
Share Issues	1 656	1 193	1 656	1 193
Profit from the Period	399	64	4 285	-6 304
Other comprehensive income for the period, net of tax		-1 680	-970	-8 119
Foreign Exchange-Differential	-462	318	-296	59
Changes in equity during the period	1 593	-105	4 675	-13 171
Equity - Closing Balance	4 877	412	4 877	412

PARENT STATEMENT OF CHANGES IN EQUITY	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	788	-2 413	-2 358	12 098
Adjustment from acquisition analysis	-84		1 668	
Share Issues	1 744	0	0	1 184
Profit from the Period	35	428	3 182	-15 267
Other comprehensive income for the period, net of tax				
Foreign Exchange-Differential	1		-9	
Changes in equity during the period	1 696	428	4 842	-14 083
Equity - Closing Balance	2 484	-1 985	2 484	-1 985

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 – General accounting principles

CYBER1 (the Group) consists of Cyber Security 1 AB (the Company) and its subsidiaries. Cyber Security 1 AB is a public company, incorporated in Sweden. The consolidated interim financial statements consist of the Group and the Parent company and Group's subsidiary companies. As a result of rounding differences, numbers or percentages may not add up to the total. These interim condensed consolidated financial statements for the three months ending 30 September 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 September 2021, CYBER1 has outlined the cash-generating units (CGUs) within the business area of CYBER1 Group. The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a five-year period, which are in turn based on the three-year plans prepared annually by each of the business areas and approved by CYBER1 Group Executive Management.

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

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

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

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

Inventory

As of 30 September 2021, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 30 September 2021, there are no indications on any significant impact related to the Covid-19 pandemic. Expected credit losses remain on a low level compared to twelve months rolling revenues.

DETAILED FINANCIAL INFORMATION

Note 2 – Operating segment information

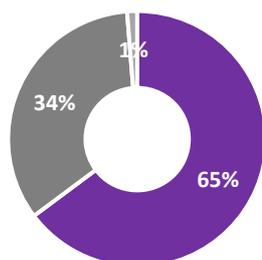
Revenue and Segments

CYBER1 is located in three regions in Africa, Europe, and the Middle East, with more than 180 employees. For management and reporting purposes, the Group is organised by these geographical areas. The performance of these geographical areas is evaluated on a regular basis by CYBER1's Executive Team, consisting of among others, the Managing Directors of each geographical segment. In addition to the geographical areas, the Group operates Shared Services functions and central administration. These costs are reported separately as Group Shared Service and Group costs.

Revenue per Segment	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020
	€ '000	€ '000	€ '000	€ '000
Africa	5 221	3 394	16 496	16 892
Middle East	3 929	1 926	8 656	5 012
Europe	129	289	319	691
Sub-Total including internal Sales	9 280	5 609	25 471	22 595
Internal sales eliminations	-129		-280	-979
Segment Total	9 150	5 609	25 191	21 616

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.

Regional revenue



■ Africa ■ Middle East ■ Europe

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

Geographical information - Current Year	Value Added Reseller (VAR) € '000	Advisory & Managed services (VAD) € '000	Jan - Sept 2021 € '000
Jan - Sept 2021			
Africa	15 938	558	16 496
Middle East		8 656	8 656
Europe		319	319
Including internal sales	15 938	9 533	25 471
Internal sales		-280	-280
Total	15 938	9 253	25 191

Geographical - Prior year	Value Added Reseller (VAR) € '000	Advisory & Managed services (VAD) € '000	Jan - Sept 2020 € '000
Jan - Sept 2020			
Africa	11 824	5 068	16 892
Middle East	4 765	247	5 012
Europe	223	468	691
Including internal sales	16 812	5 783	22 595
Internal sales	-979	0	-979
Total	15 833	5 783	21 616

Geographical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Sept 2021					
Africa	16 496	-2%	549	3%	389
Middle East	8 656	73%	185	2%	52
Europe	319	-54%	-61	-19%	6 653
Core business	25 471	13%	673	3%	7 094
Eliminations	-280	-71%	0	0%	0
Cyber1 Group	25 191	17%	673	3%	7 094

Geographical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Sept 2020					
Africa	16 892	2%	628	37%	247
Middle East	5 012	-41%	-231	-46%	115
Europe	691	-97%	-3 951	-5718%	2 326
Core business	22 595	-50%	-3 554	-157%	2 688
Eliminations	-979	-1%	64	-65%	
Cyber1 Group	21 616	-51%	-3 490	-161%	2 688

Note 3 - Financial instruments

CYBER1 is exposed to a number of financial market risks that the Group is responsible for managing under the finance policy approved by the Board of Directors. The overall objective is to have cost-effective funding in the Group companies. The financial risks in the Group are managed, to a limited extent, through the use of financial instruments. The main exposures for the Group are liquidity risk, interest rate risk and currency risk.

Derivatives for currency hedging are measured at fair value, according to level 2, in compliance with IFRS 13. Other financial instruments are measured at their carrying amounts.

The significant financial assets and liabilities are shown below. According to CYBER1's assessment, there is no significant difference between the carrying amounts and fair values

CYBER1's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. CYBER1's financial liabilities consist mainly of loans, lease liabilities and accounts payables. For the category "Liabilities to financial institutions and similar liabilities" the reported value amounted at September 30, 2020 to EUR 1,584 (1,467) million and the fair value to EUR 1,600 (1,526) million.

Carrying value and fair value

CYBER1 applies IFRS 9 to classify and measure financial instruments.

Cyber Security 1 AB uses the following valuation techniques of the fair value hierarchy in determining the fair values of the financial instruments:

Level 1 - Quoted prices (unadjusted) in active markets

Level 2 - Inputs other than quoted prices that are observable, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The accounting principles related to financial liabilities are essentially unchanged compared with previous years. CYBER1 has updated its accounting principles related to expected credit losses and has, in accordance with the standard, implemented the "expected loss model."

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

	Financial instrument s measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade receivables		13 378				13 378	13 378
Other non-current financial receivables					168	168	168
Other current assets and financial receivables					6	6	6
Prepaid expenses and accrued income						0	0
Cash and cash equivalents		849				849	849
Total assets	0	14 227	0	0	175	14 402	14 402
Loans and borrowings			4 453		355	4 807	4 852
Other non-current financial liabilities					406	406	406
Other current liabilities						0	0
Accrued expenses and deferred income					933	933	933
Trade payables			11 707			11 707	11 707
Total liabilities	0	0	16 159	0	1 694	17 853	17 898

Fair value measurement by level

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

Carrying value and fair value as at September 2020

	Financial instrument s 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		14 309				14 309	14 309
Other non-current financial receivables						0	0
Other current assets and financial receivables					122	122	122
Prepaid expenses and accrued income					0	0	0
Cash and cash equivalents		-424				-424	-424
Total assets	0	13 885	0	0	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	0	0	17 261	0	3 584	20 845	20 861

Financial instruments, level 2

The fair value of financial instruments that are not traded on an active market are determined by means of available valuation techniques. Market information is used when available. The use of corporate-specific information is avoided whenever possible. If all important in-data required for a fair value valuation of an instrument is observable, the instrument is in level 2. Specific valuation techniques used in the valuation of financial instruments include, for example, listed market

DISTRIBUTION BY LEVEL WHEN MEASURED AT	30 September 2021				30 September 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial assets	0	0	0	0	0	0	0	0
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Contingent considerations			45	45			16	16
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	0	0	45	45	0	0	16	16

Financial instruments, level 3

The change during the quarter for instruments at level 3 refers to contingent considerations. Contingent considerations are valued at the fair value based on data available such as conditions set forth in the purchase agreement and current assessments of the estimated fulfilment of the conditions.

MOVEMENTS FINANCIAL INSTRUMENTS LEVEL 3			
Contingent considerations	Q3 2021	Q3 2020	Full year 2020
	€'000	€'000	€'000
Opening balance	16	59	84
Business combinations			
Payments	-16	-59	-84
Reversals			
Revaluations	45	16	16
Translation differences			
Closing balance	45	16	16

No transfer in or out of level 3 or level 2 has been made during the quarter to September 2021. The recognised amounts are regarded as reasonable estimates for all items measured at carrying value in the balance sheet, except for loans and borrowings, as these amounts have a long time to maturity.

The fair value of loans and borrowings differ from their carrying value as a consequence of changes in the market interest rates. Items not valued at fair value in the balance sheet are measured at amortised cost.

Note 4 – Significant Events

After the end of the second quarter

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

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

Note 5 – Impairments

Goodwill and Disposal of non-current assets

An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally performed annually within the Cyber Security 1 AB Group, in the fourth quarter once the operational three-year plan has been prepared or if there are indications for impairment. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs.

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

Note 6- earnings per shares

Earnings per share	Jan - Sept	
	2020	2021
	€ '000	€ '000
Profit for the period	-4 043	4 286
Non-controlling interests	-1 051	56
Group share of profit	-2 992	4 230
Number of shares in '000s (weighted average)	322 188 354	529 846 141
Earnings per share in €	-9	8
Net income from continuing operations – attributable to the parent entity	-2 992	4 230

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

Note 8 - Significant risks and uncertainties

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

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

For further information regarding details on risk exposure and risk management, see the Annual and Sustainability Report 2020, Directors Report, section Risk and uncertainties.

Note 9 – COVID-19

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

In light of the effects on financial results and outlook, CYBER1 has assessed whether there are indicators of impairment of cash-generating units (CGUs) with or without goodwill and associated companies in accordance with IAS 36 Impairment of Assets. The Group has not recognised any impairments of CGUs with or without goodwill or associated companies during the period to March 2021. The need for additional provisions for expected credit losses related to trade receivables and contract assets has also been assessed. The level of provisions remains fairly stable.

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

Note 10 - Related parties Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company with the information given in the annual report 2020.

Other- Parent Company

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

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CYBER 1