CYBER1 maintains focus on margin growth

	2023	2022
Revenue		
Q3 YTD	**€ 33,914k**	**€ 30,592k**
Gross Margin		
Q3 YTD	**€ 7,316k**	**€ 5,991k**
EBITDA		
Q3 YTD	**€ -760k**	**- € 2,607k**

Group Performance

Group revenue for Q3 2023 was €8,858k (Q3 2022: €11,325k). Quarterly revenues were aligned with anticipated pipeline conversion across the business units, combined with a total restructure in the Middle East region coupled with a few large key deals that have had delays in procurement, moving into the fourth quarter. In addition to this, numerous new clients have been onboarded into CYBER1 SOC (Next-Gen Security Operations Centre) with revenue being recognised from the fourth quarter.

Year to date Group revenue has increased (11%) year on year from €30,592k in Q3 2022 to €33,914k in Q3 of 2023. This continues to be a combined achievement of our own organic growth together with customer acquisition and the deployment of new technologies. The group continues to maintain the benefits of their investment spend in 2022.

Gross margin for Q3 2023 YTD has improved by €1,325k (22%) in the current period under review. This steady growth continues to be a combination of the groups refreshed strategy of the establishment and utilisation of the Next-Gen Security Operations Centre (SOC) offering, combined with innovative vendor partnerships to increase the company's margin.

Operating Expenditure for Q3 2023 YTD has significantly decreased (€603k) when compared to 2022, a decrease of 7% as part of its focused cost containment measures. Regardless of the delayed revenue growth in Q3 the business has an improved EBITDA result of € -760k compared to a loss in Q3 2022 of € 2,607k.

Material investment was made last year for the implementation of the company's strategy which is proving to be successful and on track with the company's objectives. CYBER1 continues to gain certifications and build further infrastructure and capabilities for its Next-Gen SOC having now achieved its ISO27001 certification, adding a new recurring revenue business model which is also starting to show a positive impact to the Group and ensuring a wider commercial scope for engagements in key target regions.

Our business at a glance

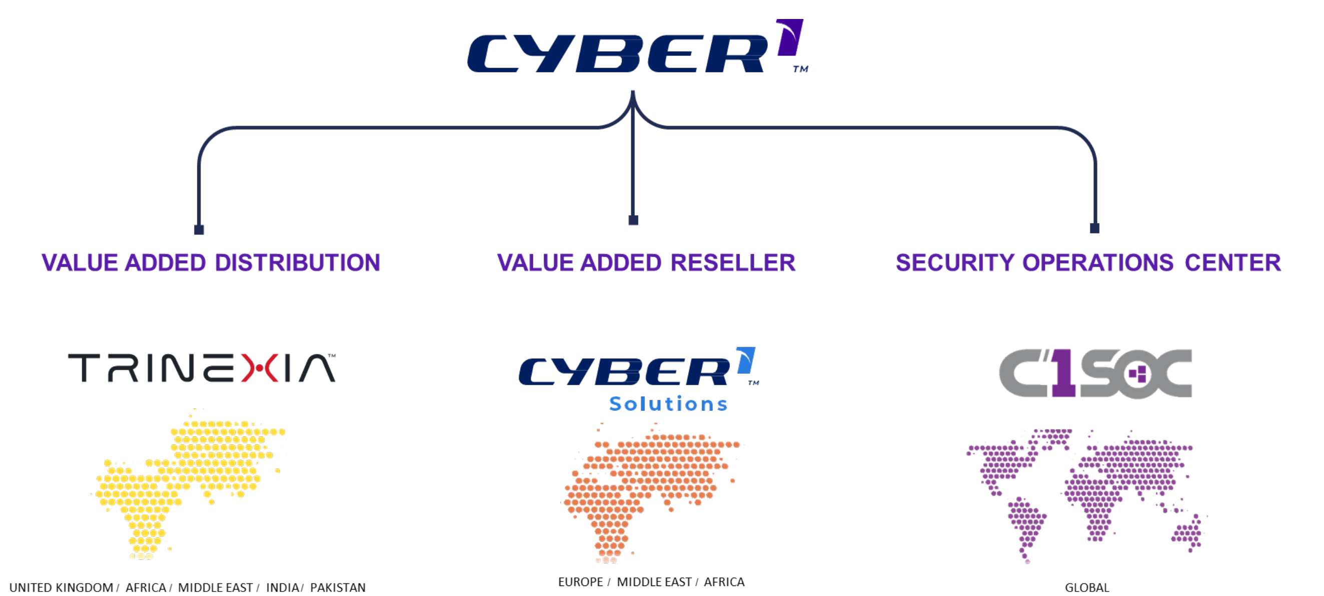
CYBER1 is a multi-product and multi-jurisdictional leader in cyber security advisory and solutions. We are uniquely placed to help customers achieve cyber resilience and thus, safeguard reputation and value. Providing innovative and cost-effective services and solutions requires experienced staff. CYBER1 Solutions employs a significant number of security-certified technical consultants, providing superior knowledge & comprehensive expertise. We have highly skilled and experienced technical teams located in our regional offices in Johannesburg, Cape Town, Nairobi, Dubai, and Europe.

CYBER1 is built on three main strategic business segments:

TRINEXIA is the trusted Cyber Security, Digital Forensics, Identity and access management and breach and attack simulation value added distributor of leading solutions across Europe, Middle East, Africa, Southern Africa, and India. We are consistently and successfully adding guidance and expertise to our partner community, where we design and deliver solutions that are customised to achieve the required results, whilst being renowned for our people, partnerships, and performance.

CYBER1 SOLUTIONS - Our solutions business delivers information security; IT risk management; fraud detection; DevSecOps; as well as a full range of managed services. We also provide bespoke security services across the spectrum, with a portfolio that ranges from the formulation of our customers' security strategies to the daily operation of end-point security solutions. To do this, we partner with world-leading security vendors to deliver cutting-edge technologies augmented by our wide range of professional services.

C1 SOC – Our Next-Gen security operations centre (SOC) – is equipped with the latest technologies and expertise that can help bolster the security posture of any organisation and has achieved its ISO certification. Building and maintaining your own SOC can be prohibitively expensive, and hard to manage without the right resources. Outsourcing this function gives your business a solution that puts a team of Cyber Security experts at your disposal 24/7 and won't break the bank.



Having highly skilled analysts on board to detect advanced threats and offer advanced managed detection and response services will enable your business to identify, respond to and mitigate these threats before they become a problem.

Beyond the Quarter and other news

CYBER1 Solutions SA, announced beyond the quarter, that it has achieved its B-BBEE level 1 status, confirming its commitment to economic sustainability and transformative role in South Africa. B-BBEE comprises various components aimed at increasing the numbers of Black people (being South African citizens who have been racially classified as African, Indian or other ethnicities) who manage, own and control the country's economy, and decreasing racially based income inequalities. Benefits of the B-BBEE level 1 status include significant revenue growth, access to finance funding for growth business opportunities, submission for cyber security related tenders by the company for government and non-government contracts, as well as highlighting the company's commitment to socio economic development initiatives.

CYBER1 formally closed its American Depositary Receipt programme, with shareholders having the option to convert their shares back to the listing in Nasdaq First North Growth Market or (market permitting) trading their shares. This facility was concluded on Monday, September 18, 2023. Shareholders with any queries can contact our public relations team on pr@cyber1.com.

For the latest quarterly independent insight information relating to CYBER1's market analysis, please access the following link:

https://mangold.se/bolag/cyber-security-1/ and https://mb.cision.com/Main/13355/3819992/2236302.pdf

From the desk of the President

Dear Shareholders,

I am pleased to present CYBER1's third quarter earnings report for the period from 1 July 2023 to 30 September 2023. We have made significant progress in several areas, demonstrating our dedication to continuous growth and innovation. This report highlights our achievements and sets the stage for the future.

During the third quarter of 2023, CYBER1 achieved total revenue of €8,858k. From a year-to-date perspective, we have shown strong overall growth of 11%, whilst tightening operational expenditure and focus on margins. This has led to an EBITDA improvement of nearly €2m versus Q3 YTD 2022. This sets CYBER1 in a strong position moving into Q4, which is traditionally the Group's strongest quarter.

Our commitment to operational excellence and value creation is evident in our improved margins. Our margin percentage equated to 19%, consistent with that of the same period last year. Maintaining this margin can be attributed to various factors, including the successful expansion of vendor partnerships across multiple entities and regions, the adoption of new cutting-edge technologies to enhance our offerings, and enhanced engagement with our vendors. These efforts have allowed us to optimize costs, improve operational efficiency, and offer even greater value to our customers.

The Company has been expanding its list of multi-year contracts, based on agreements that run as far as 2027. Increasing this type of engagement with our customers will ensure sales and business development focus can be allocated towards net new enterprise deals, as well as securing strategic renewals (twinned with upselling of additional solutions and services). Multi-year contracts from this quarter include those from our Next-Gen SOC, which will aid the organic expansion of the operations and service delivery, based on guaranteed future revenues.

CYBER1 Solutions continues to expand its footprint in Europe and the Middle East, demonstrating our ability to penetrate new markets and build valuable partnerships. Our operations in South Africa and Kenya have delivered robust results, showing resilience in their respective markets and building a strong pipeline of opportunities for the future.

Following a successful strategy meeting in Q3, the TRINEXIA entities across our regions are more aligned than ever, with a consolidated approach on key vendors and partners with significant focus on the Middle East, as well as concentrating on expertise within the entities. With scope for more focussed partner and vendor enablement across distribution, the offering will continue to grow into 2024.

C1 SOC has made significant progress since our last report, following the ISO 27001 certification. The business unit has continued to onboard customers on multi-year deals, including monitoring services for an African office of a global accounting firm and a Tier II financial institution.

As the Group moves into the final quarter of the year, CYBER1 continues to focus on its main strategic growth initiatives, including our vendor engagements, C1 SOC proliferation, expansion of our DevSecOps sales and development of our key partnerships.

During the last three quarters, the actions we've undertaken, coupled with our unwavering pursuit of excellence, means CYBER1 is well positioned to acquire further growth in the short and long term. Our exceptional team, consolidation of our market positioning, and a clear dedication to our vision and mission, fuels our unwavering confidence in delivering sustained expansion and nurturing a bright future for CYBER1.

I extend my sincere gratitude to our valued stakeholders for their unwavering support. Your trust in CYBER1's vision and mission remain the cornerstone of our pursuit of excellence.

As a unified team, we shall continue to forge robust cyber security environments for our clients, unwaveringly pursuing our mission to innovate with resilience.

Stockholm, 15 November 2023

Robert Brown

Key Financial Ratios

	Jul - Sept Q3 2023	Jul - Sept Q3 2022	Jan - Sept 2023	Jan - Sept 2022	Jan - Dec 2022
	€'000	€'000	€'000	€'000	€'000
Group Income	8 858	11 325	33 914	30 592	46 833
Group Gross Margin	1 666	2 104	7 316	5 991	9 313
Group Gross Margin percentage	19%	19%	22%	20%	20%
Cash flow from operations	-335	1 228	1 724	-3 289	-4 591
Operating Margin	-1 263	-1 261	-1 078	-3 007	-3 638
Operating Margin percentage	-14%	-11%	-3.2%	-9.8%	-7.8%
Result after taxes	-1 338	-1 246	-1 318	-3 067	-3 866
Earnings per share	-0.0100	-0.0285	-0.0100	-0.0285	-0.0031

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 2023 amounted to 1,025,928,865 (2022: 1,021,313,480). The additional 4,615,385 relates to a supplier of services to the Company, with share payment made by set-off of invoice claims on the Company.

Business Overview

Market Update

The trends within the cyber security industry, indicates that spending on global security and risk management continues to growth. According to Gartner, Worldwide end-user spending on security and risk management is expected to reach €201 billion in 2024, marking a 14.3% increase from the estimated spending of €176.40 billion in 2023.

Several factors are contributing to the growth in security and risk management spending, including the continuous adoption of cloud services, the evolving hybrid workforce, the use of generative AI (GenAI), and changing regulatory environments, that require organisations to adopt more secure practices. These factors are pushing organisations to enhance their security and risk management efforts.

Spending on data privacy and cloud security is projected to have the highest growth rates in 2024, with each segment increasing more than 24% year-over-year. This is due to increasing regulations affecting personal data processing and the expanding use of AI. Within emerging markets, cloud adoption is part of a wider rapid digitalization process that is taking place.

The growth in public cloud services is bolstering spending on cloud security tools. Spending on cloud access security brokers software (CASB) and cloud workload protection platforms (CWPP) is expected to reach €6.57 billion in 2024, a 24.7% increase from 2023. Demand for cloud-based detection and response solutions, such as endpoint detection and response (EDR) and managed detection and response (MDR), is also anticipated to rise.

Security services, including consulting, IT outsourcing, implementation, and hardware support, are expected to represent 42% of total security and risk management end-user spending in 2024. Spending on security services is forecasted to reach €84.45 billion in 2024, reflecting an 11% increase from 2023.

Opportunities for Cyber Security

To stay ahead of these evolving threats, companies must invest in comprehensive cyber security solutions, with a wider holistic strategy, employee training, and proactive threat hunting capabilities. The adoption of emerging technologies like AI and machine learning in security strategies can provide a competitive edge in defending against the ever-changing cyber threats.

The use of Artificial Intelligence and Machine Learning: AI and Machine Learning can be deployed to identify patterns of abnormal activity that could indicate the presence of a cyber-attack. This could enable organizations to detect and respond to threats more quickly and accurately. Our Next-Gen SOC uses the latest threat hunting and intelligence to detect against potential exploits.

Cloud-based security solutions can help to secure data and applications that are hosted in the cloud. This could include solutions such as cloud access security brokers (CASBs), which can provide visibility and control over data that is stored in the cloud. CYBER1 partners with leading CASB providers namely, Palo Alto Networks and Skyhigh Security.

Network security technologies such as virtual private networks (VPNs), network firewalls, and intrusion detection systems can be used to secure networks from cyber-attacks. This could help to prevent unauthorized access to sensitive data and systems. CYBER1 collaborates with innovative vendors such as Darktrace, Check Point and Palo Alto Networks in protecting networks from the latest threats.

One of the most effective ways to mitigate the risks posed by cyber-attacks is to provide employees with cybersecurity awareness training. This could help to raise awareness of the risks of cyber-attacks and educate employees on best practices for staying safe online. CYBER1 partners with KnowBe4 to help organisations enable their workforce to mitigate against an array of social engineering attacks.

By leveraging these cyber security technologies, organisations can significantly reduce the risks posed by cyber-attacks and protect their sensitive data and systems from unauthorized access, theft, and other forms of cybercrime.

Our most important recommendation is that you partner with a cyber security expert like CYBER1, regardless of the size of your organisation and industry vertical. We are able to build your security approach from the foundation, through augmentation of your existing security environment to comply with internationally recognised frameworks. Our approach ensures whatever your cyber security budget, we will be able to assist and provide maximised value add to your I.T infrastructure.

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

Through the strategic initiatives implemented during the course of 2022 and now during 2023, the company has seen greater collaboration across the business units within each of our three operating segments of the business. Demonstration of our extensive footprint with the newly acquired entities will greatly aid the company in negotiating stronger margins, larger scaled projects and additional professional services that can be delivered across our scope. Through its managed services offering, CYBER1 is aiming to increase its overall reoccurring revenue from greater service billing via the Next-Gen SOC. This will be complemented by the business that is secured over a multiyear partnership with customers yet to be delivered. Combining both components with new enterprise commercial deals will be a key objective for the group, to ensure consistent profitability.

Business trend January 2023 to September 2023

Through the planned investments made in 2022, CYBER1 saw both acquisitive and organic growth, compared to Q3 2022. CYBER1 continues to drive its strategic growth objectives to make our approach as efficient as possible, whilst realising sustainable long-term prosperity.

We do anticipate this growth trend to continue as the company maintains the focus to the more niche technical products and the proliferation of its Next-Gen SOC services, whilst developing its traditional business offering.

The group continues to streamline expenses and improve profitability, ensuring financial sustainability and long-term success. Q3 2023 operating costs have decreased by € 603k (7%) from the same period last year. The group is successfully implementing cohesive cost management protocols enabling the business to meet its obligations as a listed company on Nasdaq First North Grow Market. The group is optimistic that it can build appropriate cash flows within the business to be utilised for the benefit of future commercial endeavours.

CYBER1 will continue to make investments in its managed service offering, skilled resources, and cloud platform to aid the long-term success of the group.

Development of revenue and results

Revenue growth in the third quarter has been muted due to some revenue slipping into the fourth quarter. The group remains on track to deliver their desired revenue growth as per their planned group strategy which the group started implementing in 2022. The renewed focus on niche technologies continues to see a growth in the margin currently at 22% (2022: 20%).

Earnings before interest and taxes on continuing operations (EBIT) turned a loss of € 1,078k compared to the loss in the prior year of € 3,007k.

Outlook & Approach

CYBER1 maintains itself at the cutting edge of mitigations against threats and vulnerabilities in order to effectively protect its clients' data and systems. To achieve this, CYBER1 recommends customers take a proactive approach towards mitigating the latest threats.

CYBER1's approach recommends ensuring systems are regularly checked for vulnerabilities, and that all necessary updates are installed promptly.

To enhance its threat detection capabilities, our approach for resiliency revolves around investing in advanced tools and technologies such as machine learning and artificial intelligence type technologies. This will enable organisations to detect and respond to potential threats in real-time, before they can cause significant damage.

Adopting a multi-layered security approach, utilising a combination of technologies such as firewalls, intrusion detection and prevention systems, and data encryption will improve an overall security posture. This approach helps to ensure that even if one layer of security is breached, there are other measures in place to prevent attackers from gaining access to sensitive data.

Finally, providing regular security training for all employees and stakeholders ensures that staff are aware of the latest threats and how to respond to them. This will help to create a culture of security within the organization and ensure that everyone is working together to mitigate potential threats.

By taking these steps, CYBER1 can provide its clients with the highest level of protection against the latest cyber threats, while also maintaining its position as a leader in the cyber security industry.

Risk and opportunity report

CYBER1's risk policy is based on a 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.

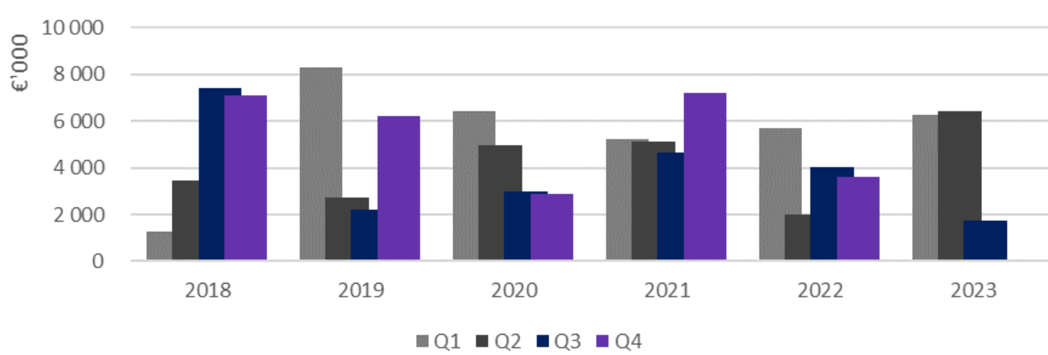
Risks and opportunities that may have a significant impact on our financial position and performance in the 2022 financial year and in the foreseeable future are described in detail in the 2022 Annual Report

	Southern Africa
Revenue Q3	€ 1,752,574
Gross Margin	€ 656,317
EBITDA Q3	€ -630,234

CYBER1 Solutions Southern Africa

CYBER1 Solutions Southern Africa was able to close €1,752k for the Q3 period. Overall, a few large key deals have slipped into Q4 as a result of customers procurement delays. The company's revenue, from a year-to-date point of view, is ahead by €315k compared to the prior year, as it moves into its busiest quarter of the year. The company has undergone a transformational change since Q3 2022, which has resulted in a positive EBITDA movement of €1,567k. This improvement has been underpinned by critical business development, additional upselling into existing customers and improved tracking of accounts. Building on the company's 24% of revenue deriving from services and Security Operations Centre (SOC) sales in the quarter, will ensure that the margin being generated continues to complement the revenue scale that is derived from renewals and new business.

CYBER1 Solutions SA announced beyond the quarter that it has achieved its B-BBEE level 1 status. Further growth will be factored in from this positive development, including greater access to tenders from both public and private sectors. The company has also participated in a number of lead-generating events throughout the quarter, including a Darktrace Executive Breakfast, bringing together industry experts and cyber security personnel from our valued customer base. The company also attended the Opentext Africa Summit, discussing the importance of cyber security when adopting new cloud technologies, as well as the role of A.I and how to safely adopt this within organisations.



	East and West Africa
Revenue Q3	€ 242,800
Gross Margin	€ 86,700
EBITDA Q3	€ -50,998

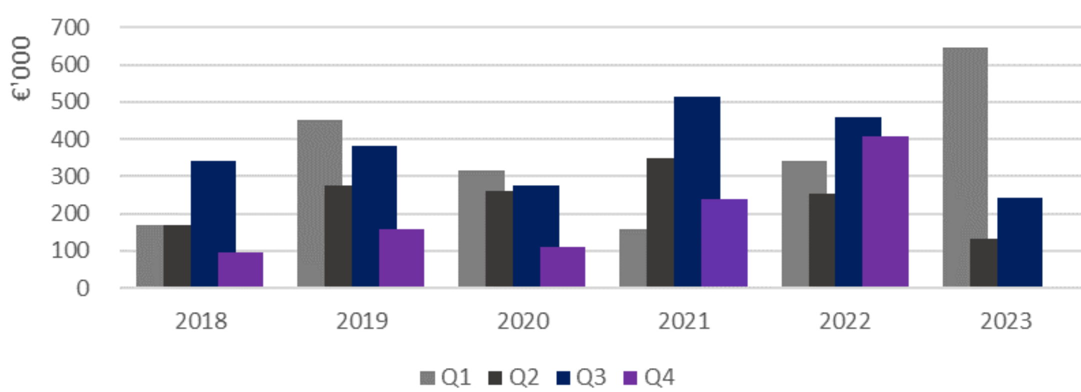
CYBER1 Solutions Kenya

CYBER1 Solutions East & West Africa, based in Nairobi Kenya, recorded €242k for Q3 2023.

Gross margin as a percentage increased from 34% in Q2 2022 to 36% in Q3 of 2023, through the delivery of additional implementation services and engagements on renewals.

The company has focused on continuing its growth objectives via its operations in Uganda, where the projected market in the jurisdiction is expected to growth 1% each year through to 2028. Operational support will be achieved from the main operating hub, based in Nairobi, as well as additional technical support available within the three entities based in South Africa (C1S South Africa, Trinexia South Africa and C1 SOC).

As the company celebrates its 25th year in operation, C1 Solutions Kenya continues to be a significant player in the market, driving innovation and leading in its approach in partnership with its key vendors, in Ivanti, SALT and Crowdstrike.



	EMEA
Revenue Q3	€ 459,160
Gross Margin	€ 22,816
EBITDA Q3	€ -65,189

CYBER1 Solutions EMEA

CYBER1 Solutions EMEA continues to make progress, through the development of its commercial operations within EMEA. Further engagements with innovative vendors such as Outseer, will further aid the company in penetrating the financial services and payments industries from a fraud prevention point of view. The entity closed €459k of revenue from the quarter, primarily through its customer base within Europe.

The company participated in several events to build its local presence in the UK, ranging from CISO Executive Dinners, cyber security awareness campaign, as well as building upon vendor relations with the likes of Cribl, CYE, SALT, Next DLP and many others.

The company also is building out its go to market offering around selling SOC services, with the recent ISO 27001 Certification being achieved. With existing customers already onboarded, there is a strong potential for providing services for additional offices in Europe, that we are already servicing in Southern Africa.

TRINEXIA™

	Middle East and India
Revenue Q3	€ 1,095,285
Gross Margin	€ 192,633
EBITDA Q3	€ -394,963

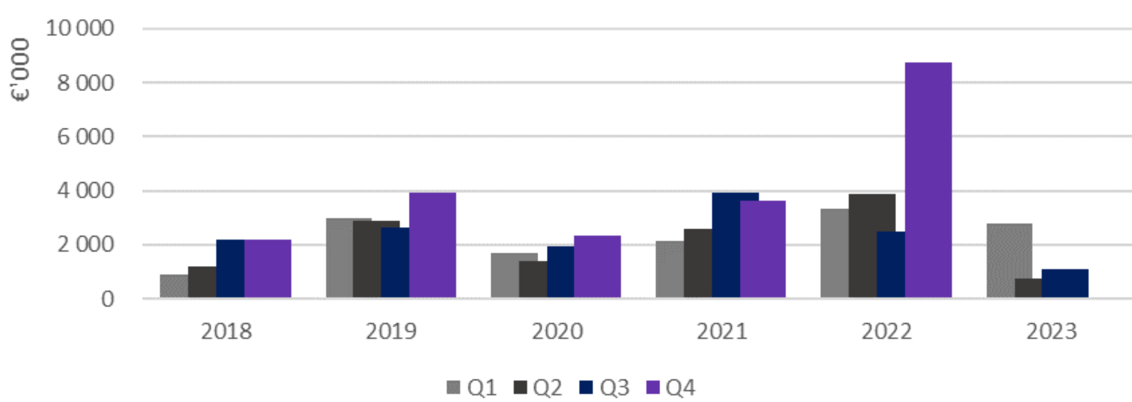
TRINEXIA Middle East

TRINEXIA Middle East has undergone a complete restructure aligning itself with the other distribution business within the Group, this resulted in a significant change in the revenue structure which will only be recognised toward the end the fourth quarter and into 2024.

TRINEXIA Middle East closed €1,095k of revenue for Q3 2023, deriving a high portion of its business from new enterprise customers at 70% for the quarter. The company has evolved its approach around its vendor alignment, ensuring its market offering meets the demands required in the region. This will aid in driving new business with potential for future upselling engagements.

A number of webinar's were completed around digital forensics and incident response, as well as in person workshops in India. Moving into Q4, the company has identified a number of CISO workshops as an opportunity to drive new business leads within the Kingdom of Saudi Arabia and the United Arab Emirates.

TRINEXIA Middle East moves in Q4 with regional spending increasing towards the end of the financial year. The company is working diligently to ensure that its Q4 closing, which is historically higher than all other quarters from a revenue perspective, is mapped out with its partner community.

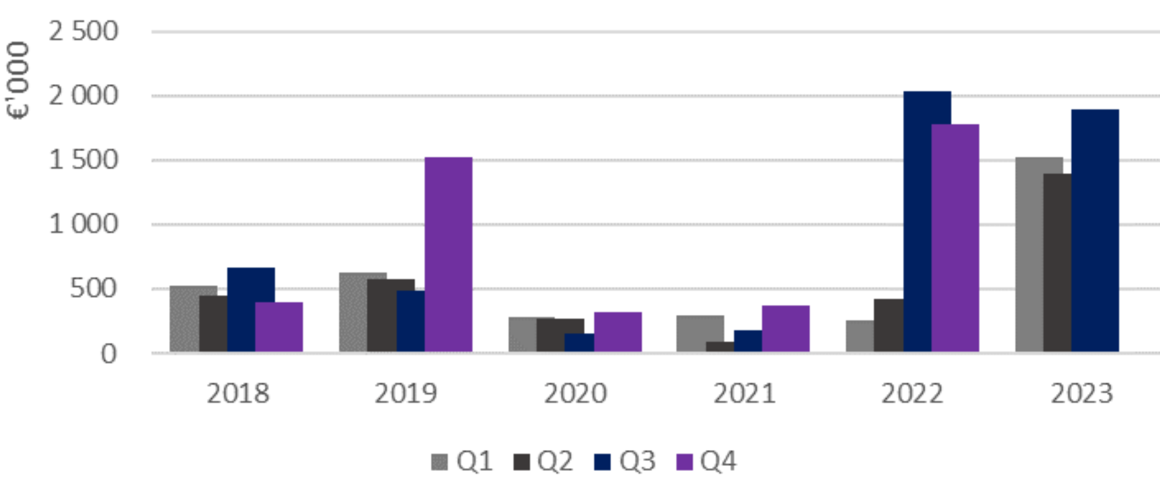


	Southern Africa
Revenue Q3	€ 1,898,335
Gross Margin	€ 236,604
EBITDA Q3	€ -25,905

TRINEXIA Southern Africa

TRINEXIA Southern Africa has built upon its strong first half of the year, achieving its highest quarter of the year to date, recording €1,898k in revenue. Trinexia Southern Africa recorded the highest number of commercial transactions in a single quarter, reflecting the partner enablement and close alignment with its strategic vendors. Given the strong new business expansion undertaken in 2022, a number of larger deals were successfully renewed during the quarter. Combined with its partnerships with its vendors, the company intends to combine its upselling during renewal discussions, with further new customers and net new business overall.

A strong internal drive for additional vendor certifications within the quarter, has ensured that the technical delivery is able to be further demonstrated during customer engagements. Further service margins can also be realised in the near term, as the capabilities with strategic vendors increases.



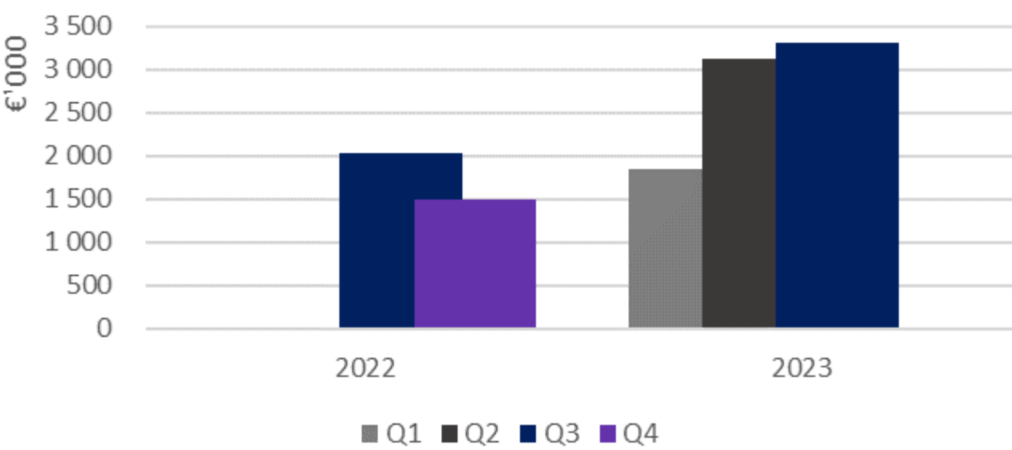
TRINEXIA™

	Africa
Revenue Q3	€ 3,318,689
Gross Margin	€ 618,958
EBITDA Q3	€ 98,404

TRINEXIA Africa

TRINEXIA Africa, continues to demonstrate strong momentum in Q3 2023, closing €3,318k of revenue for the period. The company has firmly established itself as one of the most commercially successful entities in the group, since its inclusion into CYBER1 twelve months prior. The company was able to improve its Q2 new business by an additional 10%, bringing its total new business sales at 63% for Q2 2023. This new business is extremely important, as it will allow additional service upselling, as well as deepening positive relationships within the partner community. The executives have been busy travelling to key vendors in the region, mapping out pipelines and partner enablement across Africa. Further onsite engagements were realised in Nigeria, Kenya and Ghana respectively, which alongside Ethiopia, Morocco and others, continue to bear strong success.

With the consolidation of key vendors, the company is vastly becoming a specialist in cyber security provisions across Africa and will continue its successful approach in actively engagement with its partner community, whilst identifying opportunities with vendors on where market penetration can be realised.



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 few partnerships are being established with Government entities, globally.

Technology Partners

The Group continues to expand its partner network and now include but not limited to the following technologies: Anomali, Checkmarx, Checkpoint, Cribl, CyberArk, Cye, Dark Trace, Exterro, Intel471, KnowBe4, Microsoft, Mimecast, Netscout Next DLP, Opentext, Palo Alto, Picus, Pulse Secure, Radware, Rapid7, Salt, Skyhigh, Thales, Trellix, Trustwave and Zerofox.

Cash Flow

The business continues to be subjected to competitive market conditions, macro environmental pressures, rising costs and inflation which does place stress on the Groups' free cash flow.

Improving cash flow remains a key priority for the business and the Board together with the management team are looking at streamlining cash flow efficiencies through optimised accounts receivable processes and expense reduction strategies which will help improve financial stability and grow operations.

As the business continues to maintain a profit, it is important to note that generating cash from profits can take time, as profits need to be reinvested and managed effectively to ensure that they translate into positive cash flow.

FINANCIAL INFORMATION

Interim Report—Comparative Figures

The Q3 2023 report has not been formally reviewed by the Group's auditor.

Profit for the period

Group

Q3 2023 revenues amounted to € 8,858k (Q3 2022: €11,325k)

EBITDA for Q3 2023 amounted to €-1,159k (Q3 2022: €-1,129k)

Profit before tax for Q3 2023 amounted to €-1,312 (Q3 2022: €-1,246k)

Depreciation and amortisation for Q3 2023 amounted to €104k (Q3 2022: €132k)

There was a Net Cash outflow for Q3 2023, which amounted to €12k (Q3 2022: Net Cash inflow: €280k)

At the end of Q3 2023, the Group's cash balance amounted to €502k (Q3 2022: €1,002k)

Parent

The Parent Company's profit for Q3 2023 amounted to €7k (Q3 2022: loss of €-19k)

Financial Position

Group

The Group's equity for end of Q3 2023 amounted to €3,255k (Q3 2022: €5,259k)

CYBER1 did not pay any dividends to shareholders during Q3 2023, 2022 and prior to this period.

Parent

The equity for the parent company amounted to €7,529k at the end of Q3 2023 (Q3 2022, €7,450k) and €53k in cash or cash equivalent for Q3 2023 (Q3 2022: €200k).

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 2023 were: 1,025,928,865.

2023 Financial Calendar

Fourth Quarter Report 2023	:	16 February 2024
First Quarter Report 2024	:	24 May 2024
Publication of 2023 Annual Report	:	3 May 2024
AGM 2024	:	TBC
Half Year Report 2024	:	16 August 2024
Nine Month Report 2024	:	15 November 2024
Fourth Quarter Report 2024	:	27 February 2025

Accounting Principles

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

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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CA@mangold.se
+46 8-503 015 50

Postal Address

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107 24 STOCKHOLM

Investor Relations

Please contact:
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Auditors

The 2023 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 2023

The Annual General Meeting in Cyber Security 1 AB (publ), reg. no 556135–4811, was held on 26 May 2023 in Stockholm, Sweden.

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

Other resolutions considered and passed

Remuneration to the board of directors and auditors
It was resolved on a fee of SEK 450,000 to the chairman of the board and a fee of SEK 400,000 to each of the other board members, and that the auditor shall be remunerated in accordance with current approved accounts.

Number of board directors and deputy board directors and auditors
It was resolved that the board of directors, for the period until the next annual general meeting has been held, shall consist of five ordinary board directors without deputy board directors and that one auditor without deputy auditors shall be appointed.

Income statements and balance sheets, dispositions in respect of the company's result in accordance with the adopted balance sheet and discharge of liability
The parent company's and the company group's income statements and balance sheets were adopted. It was resolved that the result for the financial year should be carried forward and that no dividend should be paid. The directors of the board and the CEOs who had assumed such functions during 2022 were discharged from liability.

New issue authorisation

It was resolved to authorise the board of directors to, until the next annual general meeting, with or without deviation from the shareholders' preferential rights, on one or several occasions, resolve to issue shares, convertible instruments and/or warrants. Payment may be made in cash and/or with a condition to pay in kind or by way of set-off, or other conditions. The issues are to be performed on market conditions, taking into account any discount on market terms. The reason for the authorisation and the reason for the possible deviation from the shareholders' preferential rights is to enable capital raisings for the acquisition of companies or businesses, or portions thereof, funding of the operations of the company as well as settlement of debt.

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		
	30 September 2023	30 September 2022	31 December 2022
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Property, plant and equipment	274	394	333
Right of use Asset	142	100	281
Intangible Assets	22	22	22
Investments in associates	0	0	749
Other Non-Current Assets	205	24	0
Goodwill	7 474	7 487	6 735
Total Non-current assets	**8 117**	**8 027**	**8 120**
Current Assets			
Inventory	15	171	151
Deferred tax asset	153	130	145
Intercompany loans receivable	0	0	0
Trade and other receivables	21 742	20 581	23 500
Cash & Bank	502	1 002	747
Total Current Assets	**22 411**	**21 885**	**24 543**
TOTAL ASSETS	**30 528**	**29 912**	**32 663**
DEBT AND EQUITY CAPITAL			
Equity Capital			
Share Capital	269	267	269
Share premium	27 340	27 281	27 414
Retained Earnings	-23 473	-21 642	-23 080
Other Reserves	-271	-273	0
Non Controlling Interest	-610	-375	-453
Total Equity	**3 255**	**5 259**	**4 150**
Non-current liabilities			
Interest-bearing liabilities	5 131	3 950	5 028
Total Non-current liabilities	**5 131**	**3 950**	**5 028**
Current liabilities			
Interim Debt	3 951	3 951	3 951
Lease liabilities	194	202	366
Bank Overdraft	688	623	1 610
Intragroup Debt	0	0	0
Trade and other payables	15 352	14 336	16 070
Tax payable	198	219	216
Provisions	1 761	1 372	1 272
Total current liabilities	**22 144**	**20 702**	**23 485**
Total Liabilities	**27 274**	**24 652**	**28 513**
TOTAL DEBT AND EQUITY	**30 529**	**29 910**	**32 663**

	GROUP				
Statement of comprehensive income (loss)	**Jul - Sept 2023**	**Jul - Sept 2022**	**Jan - Sept 2023**	**Jan - Sept 2022**	**Jan - Dec 2022**
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Net Revenue	8 858	11 325	33 914	30 592	46 833
Cost of Sold Goods	-7 191	-9 222	-26 598	-24 601	-37 520
Gross Profit	**1 666**	**2 104**	**7 316**	**5 991**	**9 313**
Sales Costs	-1 938	-2 197	-5 668	-6 056	-8 460
Administration Costs	-887	-1 035	-2 409	-2 542	-3 950
Depreciation	-104	-132	-318	-400	-541
Total Operating Cost	**-2 929**	**-3 364**	**-8 394**	**-8 998**	**-12 951**
Operating Result	**-1 263**	**-1 261**	**-1 078**	**-3 007**	**-3 638**
EBITDA	**-1 159**	**-1 129**	**-760**	**-2 607**	**-3 097**
Financial income and costs					
Finance income	6	3	7	22	151
Finance costs	-47	-69	-148	-184	-310
Other financial items	-8	81	-72	118	-54
Total Finance income and costs - net	**-49**	**15**	**-213**	**-45**	**-213**
Share of net profit of associates accounted for using the equity method	**0**	**0**	0	-15	-15
Result before tax	**-1 312**	**-1 246**	**-1 292**	**-3 067**	**-3 866**
Tax (Period)	-26	0	-26	0	
Net income for the period, continuing operations	**-1 338**	**-1 246**	**-1 318**	**-3 067**	**-3 866**
Net income	**-1 338**	**-1 246**	**-1 318**	**-3 067**	**-3 866**
Net income (loss) attributable to:					
Owners of the Parent Company	-1 118	-1 023	-1 096	-2 470	-3 173
Non-controlling interests	-221	-223	-222	-596	-693

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	**Jul - Sept 2023**	**Jul - Sept 2022**	**Jan - Sept 2023**	**Jan - Sept 2022**	**Jan-Dec 2022**
	€ '000	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**4 294**	**6 330**	**4 150**	**7 803**	**7 803**
Adjustment from acquisition analysis			**0**		0
Share Issues	**0**	0	**0**	**0**	3 105
Offset Issue					0
Profit from the Period	**-1 338**	-1 387	**-1 318**	-3 123	-3 866
Other comprehensive income for the period, net of tax					0
Foreign Exchange-Differential	**299**	315	**423**	579	-2 893
Changes in equity during the period	**-1 039**	**-1 072**	**-895**	**-2 544**	**-3 654**
Equity - Closing Balance	**3 255**	**5 258**	**3 255**	**5 259**	**4 150**

BALANCE SHEET	PARENT		
	30 September 2023	30 September 2022	31 December 2022
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Property, plant and equipment	1	0	0
Right of use Asset	0	0	0
Intangible Assets	22	22	22
Investments in subsidiaries	5 691	5 691	4 942
Investments in associates	0	0	749
Other Non-Current Assets	28	0	0
Long term Intercompany loans receivable	2 269	0	0
Total Non-current assets	**8 012**	**5 713**	**5 713**
Current Assets			
Intercompany loans receivable	5 601	6 452	6 978
Trade and other receivables	515	813	410
Cash & Bank	53	200	111
Total Current Assets	**6 169**	**7 465**	**7 499**
TOTAL ASSETS	**14 181**	**13 178**	**13 212**
DEBT AND EQUITY CAPITAL			
Equity Capital			
Share Capital	269	267	267
Share premium	27 340	27 281	27 318
Retained Earnings	-20 079	-20 099	-20 139
Other Reserves	0	0	0
Non Controlling Interest	0	0	0
Total Equity	**7 529**	**7 450**	**7 446**
Non-current liabilities			
Long term intercompany loans payable	1 025	0	0
Interest-bearing liabilities	5 028	3 950	5 028
Total Non-current liabilities	**6 054**	**3 950**	**5 028**
Current liabilities			
Intragroup Debt	0	254	275
Trade and other payables	610	1 396	474
Tax payable	-13	128	-11
Provisions	0	0	0
Total current liabilities	**598**	**1 778**	**738**
Total Liabilities	**6 651**	**5 727**	**5 766**
TOTAL DEBT AND EQUITY	**14 181**	**13 178**	**13 212**

	PARENT				
Statement of comprehensive income (loss)	**Jul - Sept 2023**	**Jul - Sept 2022**	**Jan - Sept 2023**	**Jan - Sept 2022**	**Jan - Dec 2022**
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Net Revenue	650	162	1 141	554	714
Cost of Sold Goods	-405	0	-405	0	0
Gross Profit	**245**	**162**	**736**	**554**	**714**
Sales Costs	-113	-21	-321	-57	-56
Administration Costs	-124	-142	-367	-474	-631
Depreciation	0	0	0	0	0
Total Operating Cost	**-237**	**-164**	**-688**	**-531**	**-687**
Operating Result	**8**	**-1**	**48**	**23**	**27**
EBITDA	**8**	**-1**	**48**	**23**	**27**
Financial income and costs					
Finance income	0	0	0	0	0
Finance costs	-0	-17	-0	-17	-16
Other financial items	-2	-0	1	-20	-28
Total Finance income and costs - net	**-2**	**-18**	**1**	**-37**	**-44**
Share of net profit of associates accounted for using the equity method	0	0	0	0	0
Result before tax	**7**	**-19**	**48**	**-13**	**-17**
Tax (Period)	0	0	0	0	**0**
Net income for the period	**7**	**-19**	**48**	**-13**	**-17**

PARENT STATEMENT OF CHANGES IN EQUITY	**Jul - Sept 2023**	**Jul - Sept 2022**	**Jan - Sept 2023**	**Jan - Sept 2022**	**Jan-Dec 2022**
	€ '000	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**7 523**	**4 364**	**7 446**	**4 403**	**4 403**
Adjustment from acquisition analysis		0			0
Share Issues	**0**	3 105	**0**	3 105	3 105
Profit from the Period	**7**	-19	**48**	-13	-17
Other comprehensive income for the period, net of tax					
Foreign Exchange-Differential	**0**	0	**35**	-44	-45
Changes in equity during the period	**7**	**3 086**	**83**	3 048	**3 043**
Equity - Closing Balance	**7 529**	**7 451**	**7 529**	**7 451**	**7 446**

CASH FLOW ANALYSIS	Group				
	Jul - Sept 2023	Jul - Sept 2022	Jan - Sept 2023	Jan - Sept 2022	Jan-Dec 2022
	€ '000	**€ '000**	**€ '000**	**€ '000**	**€ '000**
Profit before income taxes	-1 312	-1 246	-1 292	-3 067	-3 866
Retained Earnings Adjustments	1		-151	-654	0
Other Non-Cash Items	-9		-12	-83	10
Movements in Provisions		895	572	611	0
Depreciation	104	132	318	400	541
Interest Paid	-47	-69	-148	-184	-310
Interest Received	6	3	7	22	151
Changes in Working Capital	**921**	**1 531**	**2 430**	**-333**	**-1 117**
Cash Flow from Operations	**-335**	**1 228**	**1 724**	**-3 289**	**-4 591**
Paid Taxes	149	188	-67	-87	-233
Cash Flow from Operating Activities	**-186**	**1 416**	**1 657**	**-3 375**	**-4 824**
Acquisition of subsidiaries	0	0	0	0	0
Investment in Associates	0	-2 735	0	-2 269	-276
Acquisition of Fixed Assets	-16	-45	-157	-359	-514
Cash Flow from Investment Activities	**-16**	**-2 780**	**-157**	**-2 628**	**-790**
New share issues	0	3 102	0	2 955	3 105
Proceeds from ongoing share issue	0	0	0	0	0
Lease liabilities	-57	-55	-159	-117	-65
Borrowings	391	-746	-402	3 280	5 028
Cash Flow from Financing Activities	**334**	**2 302**	**-561**	**6 119**	**8 068**
Change in cash and cash equivalents during the year					
Net change in cash, continuing operations	131	939	939	115	2 454
Net change in cash, discontinued operations		0		0	0
Foreign exchange translation reserves	-142	-659	-1 182	14	-2 579
Opening Cash position	513	722	747	872	872
Closing Cash Position	**502**	**1 002**	**502**	**1 001**	**747**

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 six months ending 30 September 2023, 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 2022 (Annual Report 2022). 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 published a Commission Regulation endorsing 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. 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 2023, 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). The 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 in the future cash flow forecasts.

Impairment tests were performed 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 2023, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 30 September 2023, 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 main regions, namely: 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 Services and Group costs.

Revenue per Segment	Jul - Sept 2023	Jul - Sept 2022	Jan - June 2023	Jan - June 2022
	€ '000	€ '000	€ '000	€ '000
Africa	7 221	8 532	28 715	20 881
Middle East	1 554	3 049	5 703	10 231
Europe	71	123	248	183
Sub-Total including internal Sales	**8 847**	**11 704**	**34 666**	**31 295**
Internal Sales and Eliminations	10	-379	-752	-703
Segment Total	**8 858**	**11 325**	**33 914**	**30 592**

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

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

Georgraphical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Sept 2023					
Africa	28 715	38%	-287	-1%	1 877
Middle East	5 703	-44%	-538	-9%	2 129
Europe	248	35%	64	26%	8 925
Core business	**34 666**	**11%**	**-760**	**-2%**	**12 931**
Internal Sales and Eliminations	-752	7%	0	0%	-4 814
Cyber1 Group	**33 914**	**11%**	**-760**	**-2%**	**8 117**

Georgraphical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Sept 2022					
Africa	20 881	2%	-1 816	-87%	626
Middle East	10 231	-41%	-785	-77%	-0
Europe	183	-97%	-6	-35%	5 713
Core business	**31 295**	**-50%**	**-2 607**	**-83%**	**6 339**
Internal Sales and Eliminations	-703	-1%	0	0%	1 688
Cyber1 Group	**30 592**	**-51%**	**-2 607**	**-85%**	**8 027**

Georgraphical information - Current Year	Distribution	Solutions	Next Gen SOC	Jan - Sept 2023
	€ '000	€ '000	€ '000	€ '000
Jan - Sept 2023				
Africa	13 097	15 501	117	28 715
Middle East	4 644	1 059	0	5 703
Europe	248	0	0	248
Including internal sales	**17 989**	**16 560**	**117**	**34 666**
Internal Sales and Eliminations				-752
Total				**33 914**

Georgraphical - Prior year	Distribution	Solutions	Next Gen SOC	Jan - Sept 2022
	€ '000	€ '000	€ '000	€ '000
Jan - Sept 2022				
Africa	5 662	15 219	0	20 881
Middle East	9 680	551	0	10 231
Europe	183	0	0	183
Including internal sales	**15 525**	**15 770**	**0**	**31 295**
Internal Sales and Eliminations		0	0	-703
Total				**30 592**

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 payable. For the category "Liabilities to financial institutions and similar liabilities" the reported value amounted, at 30 September 2023, to €688k (2022: €623k).

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.

Carrying value and fair value — as at September 2023

	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade receivables		20 508			1 234	21 742	21 742
Other current assets and financial receivables					168	168	168
Prepaid expenses and accrued income						0	0
Cash and cash equivalents		502				502	502
Total assets	**0**	**21 009**	**0**	**0**	**1 402**	**22 411**	**22 411**
Loans and borrowings			3 951			3 951	3 991
Other current liabilities		688	391			1 079	1 079
Accrued expenses and deferred income					1 761	1 761	1 761
Trade payables			15 352			15 352	15 352
Total liabilities	**0**	**688**	**19 694**	**0**	**1 761**	**22 144**	**22 183**

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 2022

	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade receivables		20 581				20 581	20 581
Other current assets and financial receivables					302	302	302
Prepaid expenses and accrued income						0	0
Cash and cash equivalents		1 002				1 002	1 002
Total assets	**0**	**21 583**	**0**	**0**	**302**	**21 885**	**21 885**
Loans and borrowings			3 951			3 951	3 991
Other current liabilities		623	420			1 043	1 043
Accrued expenses and deferred income					1 372	1 372	1 372
Trade payables			14 336			14 336	14 336
Total liabilities	**0**	**623**	**18 707**	**0**	**1 372**	**20 702**	**20 742**

Fair value measurement by level

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

Financial instruments, level 2

The fair value of financial instruments that are not traded on an active market is 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	30 September 2023				30 September 2022			
	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			40	40			45	45
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	**0**	**0**	**40**	**40**	**0**	**0**	**45**	**45**

Financial instruments, level 3

The change during the quarter for instruments at level 3 refers to contingent considerations. Contingent considerations are valued at a 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 2023**	**Q3 2022**	**Full year 2022**
	€'000	€'000	€'000
Opening balance	0	0	0
Business combinations			
Payments	0	0	0
Reversals			
Revaluations	40	0	0
Translation differences			
Closing balance	**40**	**0**	**0**

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

There were no significant events during the quarter under review.

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 share

Earnings per share	Jan - Sept	
	2023	2022
	€ '000	€ '000
Profit for the period	**-1 318**	-3 067
Non-controlling interests	**-222**	-596
Group share of profit	**-1 096**	-2 470
Number of shares (weighted average)	**1 023 621**	866 058
Earnings per share	**-0.0100**	-0.0285
Net income from continuing operations – attributable to the parent entity	**-1 096**	-2 470

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, implementing and managing solutions that protect critical IT infrastructure, data assets, independent product advice and professional services across all cybersecurity application spaces.

The generally 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 Report 2022, Directors Report and the newly published Governance report.

Note 9 - 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 2022.

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% in CYBER1 Solutions Southern Africa, CYBER1 SOC and TRINEXIA Southern Africa.

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South Africa

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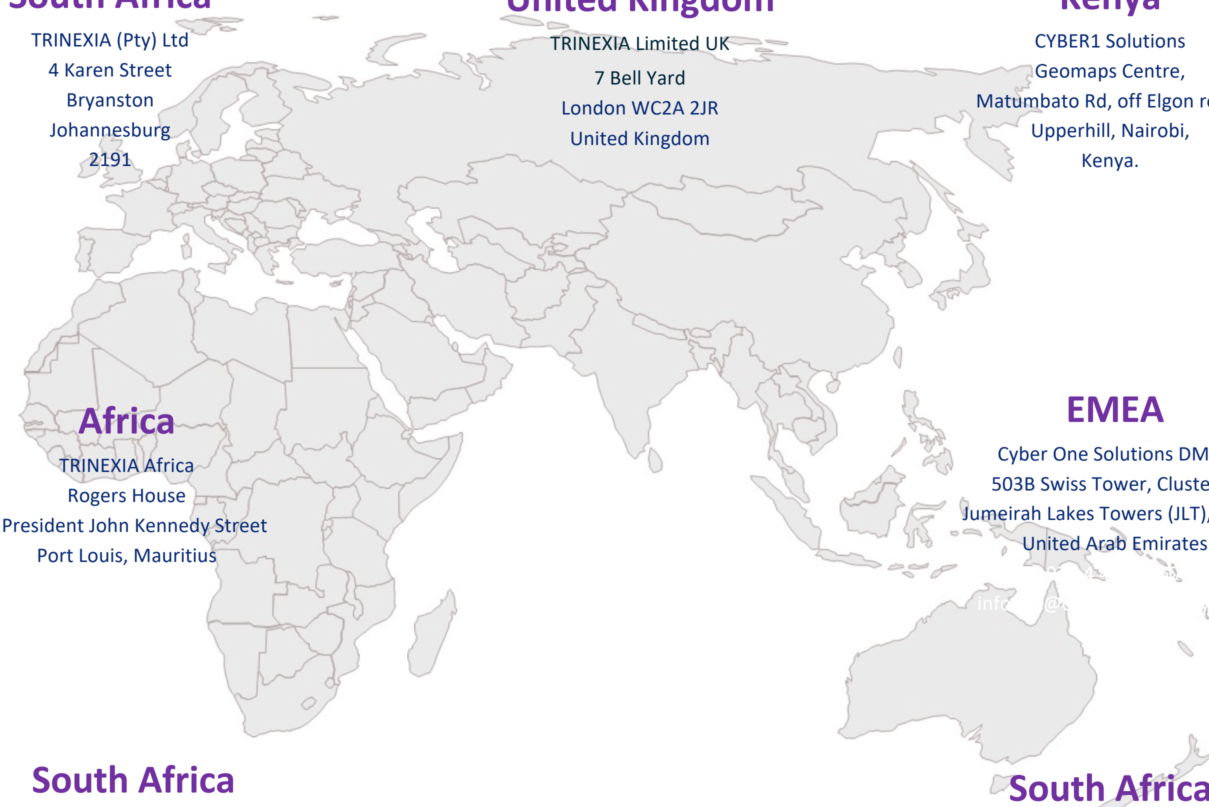

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