Cyber Security 1 AB (Publ)

H1 2022 Interim Report

1 January – 30 June 2022

CYBER1 maintains double digit revenue growth

Revenue H1 2022

€ 19,514k (PY: € 16,052k)

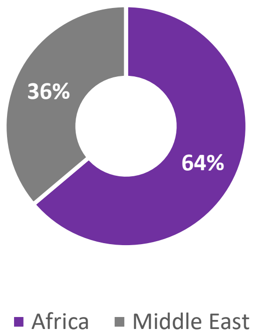
Gross Margin

21% (PY: 28%)

EBITDA YTD

€ -1,405k (PY: €386k)

Regional revenue



Group Performance

- H1 Group revenue increased year over year by 22%, from €16.0m in H1 2021 to €19.5m in H1 of 2022.
- Gross margin continues to come under pressure and has reduced by 7% year on year.
- H1 2022 Group EBITDA loss of €1,405k, compared to a profit of €386k in H1 of 2021.
- Operating Expenditure for H1 has increased by €1.6m compared to H1 2021, an increase of 38.6%. It is noted that the main reason for this increase is the investment in software, people and equipment for the newly formed Secure Operating Centre (SOC). Administrative costs have increased by 11.7% year on year.

Our business at a glance

CYBER1 is a cyber security group that offers services and software solutions globally but primarily across the Middle East and Africa. The company offers products and solutions in cyber security through partnerships with established developers of cyber security programs. CYBER1 also offers consulting services linked to software implementation and management.

The group operates across multiple public and private sector organisations including financial, government, healthcare, retail, insurance, manufacturing and hospitality and specialises in security, risk and compliance services that allows it to offer the best in payments, communications, network and e-commerce security.

CYBER1 has three main strategic segments:

The *Distribution* segment is our business area that focusses on the distribution of software to vendors. CYBER1 has skilled selling capabilities of vendor products into client's security infrastructures. Many of the vendors are at the technological forefront of innovative security solutions and have been selected via CYBER1.

***Advisor**y*, involves implementation services linked to the clients' purchased solutions such as software programs. CYBER1 performs penetration testing to identify vulnerabilities in the system and information management to ensure that the right processes are in place.

Managed Services where take care of the customers maintenance of their cyber security. CYBER1 monitors security in real time, 24 hours a day and offers customers a security operations center, which is managed from South Africa. The SOC model is based on safety products and associated personnel being gathered under one roof.

The **distribution** business succeeded in growing its revenue by **66%** to €8.8m, compared to €5.3m in first half of 2021. The **Advisory and Managed Service** business saw muted growth of **5%** to €11.4m, compared to €10.8m in the prior year.

Beyond the Quarter & Other News

April 28- CYBER1 subsidiary DRS upgrades its Mimecast partnership to elite status, the highest tier in the Global Reseller Program. The partnership development is an important milestone for the company, owing to the exponential rise in ransomware and email-based attacks over the past twelve months.

10 June- CYBER1 secured operating capital of €3,5m from shareholders for next stage of company's growth. The loan, of in total €3,5m, to the Company is arranged by SVE Group BV, a company closely associated with existing shareholder Sjan Van Ettekoven. The loan is enabling the Company to further accelerate key strategic growth initiatives as well as providing required funding of the Company's remaining obligations towards external creditors in the compulsory composition agreement of the Company's reconstruction process that gained legal effect on 28th of June, 2021

28 June- CYBER1 formally concludes reconstruction process, following the settlement of remaining creditors dividend. The Stockholm District Court confirmed a compulsory composition agreement, entailing a 75 percent write-down of the Company's subordinated debt (Sw; oprioriterade fordringar) relating to the time period before the commencement of the reconstruction in May 2020. From the composition agreement, the company has now settled the remaining 25 percent dividend. The total amount subject to the compulsory composition agreement was 190,194,181 SEK, with a write-down of 142,645,635 SEK and a composition dividend of 47,548,546 SEK.

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1 January – 30 June 2022

From the desk of the President

Dear Shareholders,

As the macroeconomic developments across the globe continue to unfold, the economic and political climates showcase a profound requirement for cyber security provisions more than ever.

On the national stage, Sweden alongside Finland continue their discussions around a potential accession to NATO. Allies reaffirmed NATO's defensive mandate and recognised cyberspace as a domain of operations in which NATO must defend itself as effectively as it does in other theatres of conflict. Collaboration with Sweden in this context will provide greater resources and investment around cyber defence, as well as an strengthening information exchange, training, research and exercises. Investment at a public level reflects the wider threat levels that are prominent within the private sector. For CYBER1, our role in providing resilient solutions is required more than ever in this developing landscape.

Within our local markets across EMEIA, the continued rise in digitisation provides opportunities for CYBER1 in both the public and private sectors. In the Middle East, the projection for the cybersecurity market in the Middle East is today estimated to be valued at 19.9 billion euros and is projected to grow to 44.8 billion euros by 2027. This level of investment is also beginning to crystallise further within the African markets. The continent has the world's fastest-growing rate of internet penetration, expecting that there will be over 1 billion mobile internet connections by the end of 2022. These markets continue to demand specialist and local expertise, to unlock the wider growth in these regions.

CYBER1 is a company that is able to combine the best solutions and services available, connecting thriving local businesses with the latest mitigations backed globally.

During the quarter, the company reached the milestone of completing the commitments around the reconstruction process, following the settlement of the creditors composition.

The journey in reimagining CYBER1 into the company it is today has been a truly transformational process for the business. We have a strong Board of Directors, Executive Management and staff, who are collaborating to achieve collective success. These features will be crucial as all of our resources will now be focused on growing the business.

As our topline expansion continues on track with 21%, our approach to acquire an expanded customer base is underpinned by a long-term strategy to generate sustainable profitability for the company. As our continued investment into our Secure Operating Centre takes shape, we strongly believe that this new model of sustainable re-occurring subscriptions will add strength to our commercial offering, whilst boosting our overall margin as a result. The short-term impact has equated to a reduction in overall EBITDA in H1 of 2022, primarily from the Q1 results flowing through into the half year point in time. However, our historical trends see that H2 is particularly strong, and the business units are all working to develop robust pipelines to execute for the second half of 2022.

I am delighted that CSSA has been incorporated into the company's financials with effect from 1 April 2022 following the additional acquisition taking the Group's ownership to 75 percent. Through Managing Director Toni Bowker and the wider staff within CSSA, the business has continued from strength to strength and will benefit CYBER1 with their relationships and deep expertise, particularly with our fellow South African entity in Credence Security South Africa. CSAD continues to be currently recorded as a profit from associate and we look forward to providing updates on developments in this area in due course.

The continued advancement in technology and the need for robust security infrastructures, provides considerable opportunities for the company within the cyber security industry and we are excited to see the implementation of our strategy for the remainder of 2022.

Stockholm, 9 August 2022
Robert Brown
Group President and Executive Director

CYBER 1

H1 2022 Interim Report

1 January – 30 June 2022

Key Financial Ratios

	Apr - June Q2 2022	Apr - June Q2 2021	Jan - Jun H1 2022	Jan - Jun H1 2021
	€'000	€'000	€'000	€'000
Group Income	9 872	8 246	19 514	16 052
Group Gross Margin	2 106	2 175	4 114	4 448
Group Gross Margin percentage	21.3%	26.4%	21.1%	27.7%
Cash flow from operations	-108	136	-2 136	135
Operating Margin	-1 047	72	-1 680	269
Operating Margin percentage	-10.6%	0.9%	-8.6%	1.7%
Result after taxes	-1 104	3 927	-1 735	3 915
Earnings per share	-0.00124	0.012	0.00833	0.012

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 June 2022 amounted to 710,802,055 (2021 : 340,890,226). The additional 361,911,829 relates to the rights issue in Q3 of 2021.

Business Overview

Market Update

All four major stock indices posted negative returns for the second straight quarter, and like in the first quarter, the tech-heavy Nasdaq underperformed primarily thanks to rising interest rates while the Dow Jones Industrial Average relatively outperformed. Also, like the first quarter, rising rates and growing fears of an economic slowdown fueled the continued rotation from high valuation, growth-sensitive tech stocks to sectors of the market that are more resilient to rising rates and slowing economic growth.

Internationally, foreign markets declined in the second quarter as the Russia-Ukraine war continued with no signs of a ceasefire in sight. However, foreign markets relatively outperformed U.S. markets as foreign central banks are expected to be less aggressive with future rate increases compared to the Fed. Emerging markets outperformed foreign developed markets thanks to high commodity prices (for most of the quarter) and despite rising global recession fears.

Opportunities for Cyber Security

The growing number of cyber-attacks, coupled to the increasing penetration of internet of things (IoT), bring your own devices (BYOD) and artificial intelligence (AI), are some of the factors driving the cybersecurity market. The ongoing pandemic has further increased the threat of cyber-attacks. According to the Global Threat Index, in 2020, cyber-criminals have exploited the pandemic to spread malicious activity, including various spam campaigns related to the spread of virus. It is worth highlighting that cybersecurity experts reported an increase of 30% cyber-attacks during the pandemic. Hackers are also using new techniques for carrying out cyber-attacks, including a form of machine learning that adapts to its environment in order to remain undetected. For instance, phishing attacks have become more sophisticated with the use of SMS and voice (vishing).

In Africa and the Middle East, including India, cyber security is a fast-growing industry and has received a lot of attention with the digitalisation of society. Traditionally, the Middle East has never been a significant target for cyberattacks. But in recent times, rapid digitalisation in countries like the United Arab Emirates, Saudi Arabia has triggered the number of connected devices, opening new gateways for cyberattacks. In India, there is now over 1.15 billion phones and more than 700 million internet users which makes it a large pool of digitally vulnerable targets. Africa has the world's fastest-growing rate of internet penetration. In 2022 it is expected that there will be over 1 billion mobile internet connections. Banks, investing platforms, and even working environments are all accessed via the internet, but much of the infrastructure is weak in many African countries and data transmission remains expensive. Lack of cyber security is making Africa a target for cyber criminals. In 2022, social media is expected to become a hotspot for attackers targeting enterprise professionals.

The pace of change is accelerating in cyber security. Companies are continuing to invest in technology to support remote and mobile working, enhance customer experience and generate value. At the same time, cybercriminals include highly sophisticated organizations that leverage integrated tools and capabilities with artificial intelligence and machine learning. In the next 3-5 years, McKinsey & Company expects three major cyber security trends:

- On-demand access to data and information platforms everywhere is growing, which increases the risk of a breach. Companies are storing more data on the cloud and are allowing access to different people and organizations, including third party suppliers.

- Hackers are using AI, machine learning, and other technologies to launch increasingly sophisticated attacks. For example, Emotet, an advanced form of malware targeting banks can change the nature of its attacks.

- Ever-growing regulatory landscape and continued gaps in resources, knowledge, and talent will outpace cyber security. Many companies are not sure how to identify and manage digital risks. Furthermore, regulators are increasing their guidance of corporate cyber security capabilities.

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 second quarter for CYBER1, the company continues to grow its revenue ensuring its strong foothold in Africa and the Middle East. CYBER1 has made significant investment in its cloud platform. 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 renewed 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 .

Business trend April to June 2022

CYBER1 continues to grow revenue by double digits year on year.

We anticipate this growth trend to continue, aided by the investments made and the management of costs the group is well positioned to meet its expected targets and growth aspirations for 2022. Q2 2022 operating costs have increased by €1,050k (50%) from the same period last year. Cyber1 continues to make significant investments in its managed service offering and cloud platform gearing itself for growth in the years to come. The group will continue to measure operational efficiencies ensuring that the business is able to meet its obligations as a listed company on Nasdaq First North Grow Market, whilst ensuring appropriate cash flow within the business be utilised for the benefit of future commercial endeavours.

Development of revenue and results

Double digit revenue growth continued in the second quarter and spanned across the groups main regions. The African region has seen a most of its larger tenders slip which they hope to take over the line before the end of the year. Revenue growth is as a result of the onboarding of new customers and the sustained renewal revenue making up 41 percent of the revenue number..

Earnings before interest and taxes on continuing operations (EBIT) decreased from Q2 2021 to €-1,405k (2021: €386k) mainly as a result of the investment spend and some large tender deals expected to close later in the year.

As a result of investment spend this year, the group has seen a net outflow of funds again this quarter. These cloud initiatives will enable greater growth into areas that will yield business development and sales competencies across the group. Keeping the Parent Company lean and efficient, 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 2021 Annual Report.

A CYBER 1 Company

Revenue H1

€ 10,157,277

Gross Margin H1

21%

EBITDA Q1

€ -1,161,181

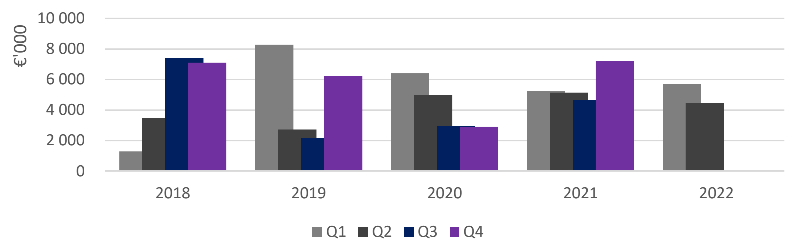
DRS focus on Africa

During the second quarter of 2022, DRS's revenue amounted to €4.4m, which is a decrease of 14 percent compared to the same period last year, this is mainly due to . Existing customers accounted for 60 percent and new customers for 25 percent in software distribution. Managed services accounted for 13 percent of revenue. Budget constraints across the country and the various sectors in which DRS operate have had a negative chain reaction on the top line revenue number and as a result of price wars the margin has been negatively impacted.

DRS offers software distribution, advisory and managed services in African countries. The company's main customer segments are banking, government and insurance but also on medium and large companies in general.

The investment in the Security Operations Center, SOC, is continuing and, among other things, a special office is now being established in South Africa to gather the group's joint resources under one roof. To further strengthen the SOC platform, special efforts have also been made within managed services and DevSecOps. By integrating application security principles and practices into software development and operations, teams can deliver new software and services at agile speed without compromising application security.

To increase sales, special efforts have been made to continue the team collaboration between sales, technical and marketing. The team will focus on increased face to face interaction, renewed engagement with legacy customers and a focus on the government sector as a result of increased activity.



Middle East and India

Revenue H1

€ 7,177,815

Gross Margin H1

21.7%

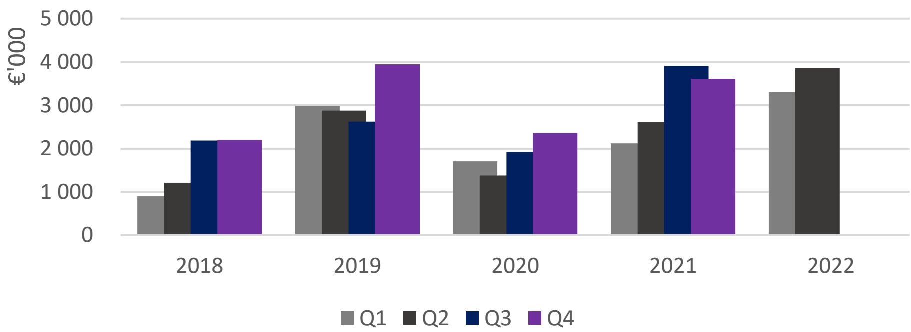
EBITDA H1

€ -253,822

Credence Security's operations in Middle East and India amounted to €3.8m in Q2 2022, which is an increase of 48 percent compared to the same period last year. New sales continue to dominate this region, accounting for 84 percent of revenue in the second quarter.

Credence Security offers software distribution in Middle East, and India. The company's main customer segments are banking, government, insurance and oil & gas sectors. As new sales make up a large proportion of the company's revenues, marketing efforts are particularly important. During the first half of the year, the company held a roadshow in nineteen cities in Africa, the Middle East and India. It provided an in-depth look at the security market and the biggest challenges facing the region's governments and businesses across the region.

The pipeline for Credence Security includes over two hundred opportunities and the company is positive about reaching its targeted growth during the remainder of the year. With a focus on professional services, the company is optimistic about returning to a profit state by the end of the next quarter.



CREDENCE SECURITY

Southern Africa

Revenue H1

€ 537,383

Gross Margin H1

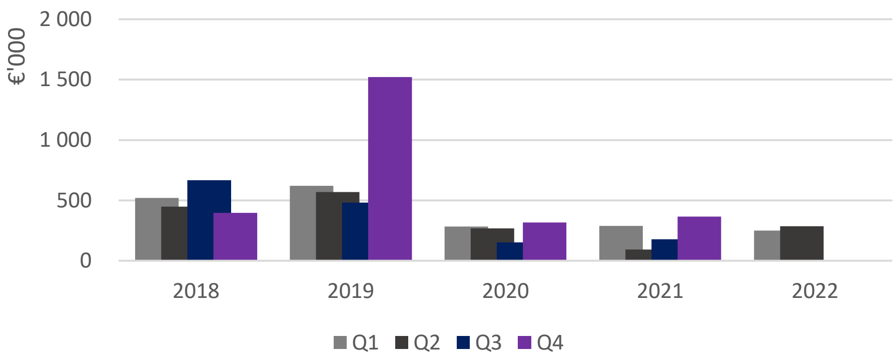
25%

EBITDA

€ 57,254

The operations in South Africa amounted to €287k, which is an increase of over 100 percent compared to Q2 of the previous year. New sales accounting for 55 percent of revenue in the second quarter successfully de-risking their client base. This business is now coordinated together with Cyber1's minority-owned company Cyber Security South Africa, CSSA.

The company's main customer segments are banking, government, insurance and oil & gas sectors. As new sales make up a large proportion of the company's revenues, marketing efforts are particularly important, such as roadshows.



Revenue H1

€ 596,471

Gross Margin H1

38%

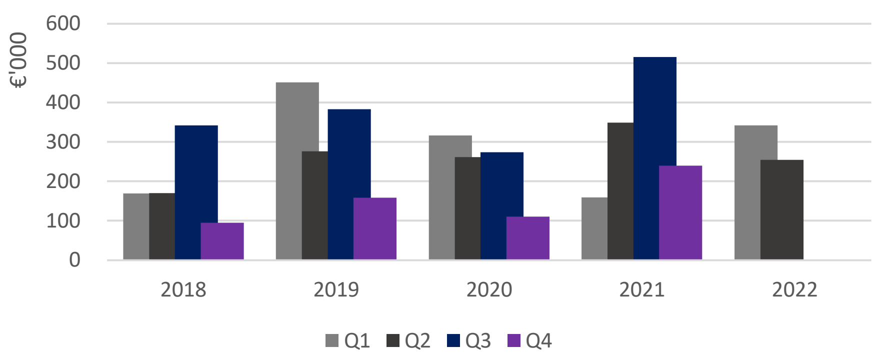
EBITDA H1

€ -68,750

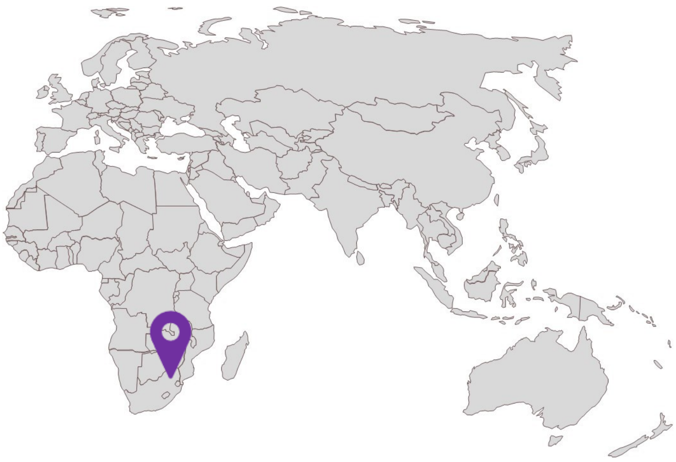
During the second quarter of 2022, Protec's revenue amounted to €255k, which is a decrease of 27 percent compared to the same period last year. With political uncertainty in the country at the moment due to local elections, the company has a whole suffered a severe economic slowdown. This coupled with budget reallocations several of the company's larger deals were lost during the quarter.

Protec, offers software distribution, advisory and managed services in African countries. The company's main customer segments are banking, fin tech, and insurance sector.

Protec is continuing to focus on their vendor realignment and industry engagement. The company will look to increase their footprint into managed services and expansion into Uganda.



CYBER SECURITY SOUTH AFRICA



Revenue H1

€ 1,057,839

Gross Margin H1

20%

EBITDA H1

€ 25,630

During the second quarter of 2022, Cyber Security South Africa (CSSA) revenue amounted to €1,058k, this is up by €200k on the prior year. Revenue in the Q2 favoured new business deals which equated to 63 percent of the Q2 revenue with renewal business making up the balance. CSSA successfully signed on some new Logo's during the quarter.

The company's customer groups include, for example, financial, food and hospitality, government, healthcare, insurance, and retail. Darktrace provides cyber security AI, which protects from advanced threats, including ransomware, and cloud and SaaS attacks.

Face to face interaction with Vendors has proven its worth with 28 deals closed over the quarter.

Minority owned companies increase in growth potential

Last year's acquisitions of 50 percent of Cyber Security South Africa, CSSA, and Cyber Security Africa Distribution, CSAD, are developing positively. The two companies have continued their organic growth expansion. CYBER1 has acquired a further 25 percent of CSSA and maintains the exclusive right to purchase the remaining 25 percent and 50 percent of CSSA and CSAD respectively until 30th September 2022.

Revenues in Q2 2022 amounted to €1.7m for CSAD, which was an increase of 27 percent compared to second quarter 2021. New customers account for 54 percent and existing customers for 38 percent of revenue in software distribution. Professional services accounted for 8 percent of revenue. The company's customer groups include energy, financial, government, parastatal (state-owned companies) and telecommunication.

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: Anomali, Checkpoint, Cisco, CyberArk, Cye, Entrust, Exterro, Dark Trace, KnowBe4, Infocyte, Trellix, Microsoft, Mimecast, Palo Alto, Pulse Secure, Radware, Rapid7, Salt, 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 H1 2022 report has not been formally reviewed by the Group's auditor.

Profit for the period

Group

H1 2022 year revenues amounted to €19,5m (H1 2021 : €16,0m)

EBITDA for H1 2022 amounted to €-1,4m (H1 2021 : €386k)

Loss before tax for H1 2022 amounted to €1,7m (H1 2021 : profit of €3,9m)

Depreciation and amortisation for H1 2022 amounted to €275k (H1 2021 : €118k)

There was a Net Cash outflow for Q2 2022, which amounted to €108k (Q2 2021 : Net Cash inflow : €136k)

At the end of H1 2022, the Group's cash balance amounted to €766k (H1 2021: €-598k)

Parent

The Parent Company's loss for H1 2022 amounted to €12k (H1 2021: profit of €3,3m)

Financial Position

Group

The Group's equity for end of H1 2022 amounted to €5,0m (H1 2021: €3,5m)

CYBER1 did not pay any dividends to shareholders during H1 2022, 2021 and prior to this period.

Parent

The equity for the parent company amounted to €4.1m at the end of H1 2022 (H1 2021, €788k) and €192k in cash or cash equivalent for H1 2022 (H1 2021 : €64k).

Taxation

Group

No provisional corporation tax was paid in H1 2022.

Deferred Tax Credit has been recognised in the Group during 2021 and to date in 2022.

Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2020, 2021 or to date in 2022.

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

The Group's related parties include associated companies and key management personnel with significant influence over the Group. Key management personnel with significant influence over the Group are CYBER1 Board of Directors and members of the Group Management Team. Related parties' transactions are conducted at an arms-length basis.

The Groups subsidiaries in South Africa pay for office space rented via a company that is controlled by the Group's president. The Board of directors considers that this rental charge is in line with market conditions.

CYBER1 announced on the 31st May 2021 the signing of a Sale and Purchase Agreements for acquisitions of 50 percent of Cyber Security South Africa (CSSA) and Cyber Security Africa Distribution (CSAD), 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 percent will be dealt with by an acquisition sub-committee, that will have representatives from the Board of Directors that will exclude Robert Brown.

During the course of Q2 2022, CYBER1 acquired a further 25% of CSSA taking the ownership of CSSA to 75%

The exclusivity rights for CYBER1 to purchase the remaining 25 percent of CSSA and 50 percent of CSAD will last until 30th September 2022. The Board is confident that the Group President can exercise his duties appropriately as has been demonstrated in the initial closing of the first 50 percent with 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 June 2022 were: 710,802,055.

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

2022 Financial Calendar

Fourth Quarter Report 2021	:	1 February 2022
First Quarter Report 2022	:	23 May 2022
AGM 2022	:	25 May 2022
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

Please contact:

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Auditors

The 2022 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 2022

The Annual General Meeting in Cyber Security 1 AB (publ), reg. no 556135–4811, was held on 25 May 2022, by way of postal voting procedure.

https://cyber1.com/corporate-governance

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.

Resolution on incentive program 2022 for the board of directors and issue and transfer of warrants
It was resolved to adopt an incentive program 2022 for the board of directors and issue and transfer of warrants in accordance with a proposal submitted by a shareholder, whereby upon full exercise 11,250,000 new shares may be issued in the company.
The incentive program in summary can be found below. Shareholder's complete proposals for resolutions can be found at https://cyber1.com/corporate-governance/ (Comprehensive proposal LTI 2022 Board (Swedish) / Comprehensive proposal LTI 2022 Board (English)).

- Each stock option entitles the participant to acquire one (1) share in the company

- The stock options will be granted without consideration to current and future board members.
- The program has a vesting period of 3 years (save for standard good leaver exceptions).
- In order for the stock options to vest, the company's (i) consolidated adjusted EBITDA per share and (ii) consolidated adjusted net revenue must, during a measurement period of in total twelve (12) calendar quarters, divided into three (3) sub-periods of four (4) calendar quarters each, have increased by an average of a certain minimum percentage point where the change is measured as the relative change in consolidated adjusted EBITDA per share and consolidated adjusted net revenue compared to the consolidated adjusted EBITDA per share and the consolidated adjusted net revenue during the four (4) calendar quarters immediately preceding the sub-period in question.
- Each stock option entitles the holder to acquire one (1) share in the company at an exercise price corresponding to 150 per cent of the volume-weighted average price for the company's share on Nasdaq First North during the period from and including 11 May 2022 up to and including 25 May 2022.

It was furthermore resolved to issue 11,250,000 warrants to the company to ensure the delivery of shares upon exercise of stock options under the incentive program.

Resolution on incentive program 2022 for employees and issue and transfer of warrants

It was resolved to adopt an incentive program 2022 for employees and issue and transfer of warrants in accordance with a proposal submitted by the board of directors, whereby upon full exercise 88,750,000 new shares may be issued in the company.
The incentive program in summary can be found below. The board's complete proposals for resolutions can be found at https://cyber1.com/corporate-governance/ (Comprehensive proposal LTI 2022 Staff (Swedish) / Comprehensive proposal LTI 2022 Staff (English)).

- Each employee stock option entitles the participant to acquire one (1) share in the company.
- The employee stock options will be granted without consideration to current and future employees of the company group.
- The program has a vesting period of three (3) years (save for standard good leaver exceptions) whereby a third of all stock options granted vests at each anniversary from grant.
- In order for the stock options to vest, the company's consolidated adjusted EBITDA per share must, during a measurement period of in total twelve (12) calendar quarters, divided into three (3) sub-periods of four (4) calendar quarters each, have increased by an average of certain minimum percentage point where the change is measured as the relative change in consolidated adjusted EBITDA per share compared to the consolidated adjusted EBITDA during the four (4) calendar quarters immediately preceding the sub-period in question.
- Each stock option entitles the holder to acquire one (1) share in the company at an exercise price corresponding to a per cent as set out below of the volume-weighted average price for the company's share on Nasdaq First North during the period from and including 11 May 2022 up to and including 25 May 2022 ("VWAP") as set out below.
  - First Sub-Vesting Period: 100 per cent of VWAP.
  - Second Sub-Vesting Period: 125 per cent of VWAP.
  - Third Sub-Vesting Period: 150 per cent of VWAP.

It was furthermore resolved to issue 88,750,000 warrants to the company to ensure the delivery of shares upon exercise of stock options under the incentive program.

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 June 2022	30 June 2021	31 December 2021	30 June 2022	30 June 2021	31 December 2021
	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS						
Non-current assets						
Property, plant and equipment	151	277	366	0	0	0
Right of use Asset	427	260	150	0	0	0
Intangible Assets	22	22	22	22	22	22
Investments in subsidiaries	0	0	0	3 032	2 321	2 321
Investments in associates	955	0	1 229	551	0	1 229
Other Non-Current Assets	388	0	0	388	0	0
Goodwill	6 738	6 630	6 630	0	0	0
Total Non-current assets	**8 681**	**7 189**	**8 397**	**3 993**	**2 343**	**3 572**
Current Assets						
Inventory	190	6	6	0	0	0
Deferred tax asset	124	65	75	0	0	0
Intercompany loans receivable	0	0		5 326	0	5 300
Trade and other receivables	17 271	11 633	18 713	505	5 056	323
Cash & Bank	766	-598	872	192	64	210
Total Current Assets	**18 351**	**11 106**	**19 666**	**6 023**	**5 120**	**5 833**
TOTAL ASSETS	**27 032**	**18 295**	**28 063**	**10 016**	**7 463**	**9 405**
DEBT AND EQUITY CAPITAL						
Equity Capital						
Share Capital	186	91	186	186	91	186
Share premium	24 390	20 769	24 390	24 293	20 769	24 293
Retained Earnings	-18 588	3 932	-16 962	-20 063	3 146	-20 076
Other Reserves	-470	-21 359	0	0	-23 218	0
Non Controlling Interest	-186	0	189	0	0	0
Total Equity	**5 332**	**3 433**	**7 803**	**4 416**	**788**	**4 403**
Non-current liabilities						
Interest-bearing liabilities	2 500	488	0	2 500	449	0
Total Non-current liabilities	**2 500**	**488**	**0**	**2 500**	**449**	**0**
Current liabilities						
Interim Debt	4 951	1 584	3 951	1 000	1 584	0
Lease liabilities	255	411	303	0	0	0
Bank Overdraft	1 601	0	1 404	0	0	0
Intragroup Debt	0	0	0	395	834	445
Trade and other payables	12 071	11 345	13 775	1 781	3 721	4 557
Tax payable	-53	305	239	-76	87	0
Provisions	375	730	588	0	0	0
Total current liabilities	**19 200**	**14 375**	**20 260**	**3 100**	**6 226**	**5 002**
Total Liabilities	**21 700**	**14 863**	**20 260**	**5 600**	**6 226**	**5 002**
TOTAL DEBT AND EQUITY	**27 032**	**18 295**	**28 063**	**10 016**	**7 463**	**9 405**

Statement of comprehensive income (loss)	GROUP			
	Apr - June 2022	Apr - June 2021	Jan - Jun 2022	Jan - Jun 2021
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	9 872	8 246	19 514	16 052
Cost of Sold Goods	-7 766	-6 071	-15 400	-11 604
Gross Profit	**2 106**	**2 175**	**4 114**	**4 448**
Sales Costs	-2 044	-1 267	-3 909	-2 620
Administration Costs	-970	-769	-1 611	-1 442
Depreciation	-139	-67	-275	-118
Total Operating Cost	**-3 153**	**-2 103**	**-5 794**	**-4 180**
Operating Result	**-1 047**	**72**	**-1 680**	**268**
EBITDA	**-908**	**139**	**-1 405**	**386**
Financial income and costs				
Finance income	3	10	-7	11
Finance costs	-40	-17	-71	-50
Other financial items	-16	3 862	38	3 686
Total Finance income and costs - net	**-53**	**3 855**	**-40**	**3 647**
Share of net profit of associates accounted for using the equity method	**-3**	**0**	-15	
Result before tax	**-1 104**	**3 927**	**-1 735**	**3 915**
Tax (Period)	0	0		
Net income for the period, continuing operations	**-1 104**	**3 927**	**-1 735**	**3 915**
Net income	**-1 104**	**3 927**	**-1 735**	**3 915**
Net income (loss) attributable to:				
Owners of the Parent Company	-881	3 926	-1 354	3 813
Non-controlling interests	-223	1	-381	102

Statement of comprehensive income (loss)	PARENT Apr - June 2022	Apr - June 2021	Jan - Jun 2022	Jan - Jun 2021
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	223	24	392	150
Cost of Sold Goods	0	0	0	0
Gross Profit	**223**	**24**	**392**	**150**
Sales Costs	-18	-2	-36	-1
Administration Costs	-197	-36	-328	-242
Depreciation	0	0	0	0
Total Operating Cost	**-214**	**-38**	**-364**	**-243**
Operating Result	**9**	**-14**	**28**	**-93**
EBITDA	**9**	**-14**	**28**	**-93**
Financial income and costs				
Finance income	0	0	0	
Finance costs	-0	-1	-0	-1
Other financial items	-21	3 342	-19	3 241
Total Finance income and costs - net	**-21**	**3 341**	**-19**	**3 240**
Result before tax	**-12**	**3 327**	**9**	**3 147**
Tax (Period)	0	0	0	0
Net income for the period	**-12**	**3 327**	**9**	**3 147**

CASH FLOW ANALYSIS	Group				
	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Jan-Dec 2021
	€ '000	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	-1 104	3 979	-1 735	3 932	4 378
Other Non-Cash Items		-2 743		-2 368	
Depreciation	-139	67	-275	118	326
Interest Paid	-40	0	-71	0	-255
Interest Received	3	0	-7	0	750
Decrease (+) / increase (-) in inventories	-202	-1	-202	446	446
Decrease (-) / increase (+) in operating receivables	1 650	2 815	2 590	3 665	-3 421
Decrease (+) / increase (-) in operating liabilities	-275	-3 737	-2 437	-5 230	771
Changes in Working Capital	**1 173**	**-923**	**-49**	**-1 119**	**-2 204**
Cash Flow from Operations	**-108**	**380**	**-2 136**	**563**	**-950**
Paid Taxes	-381	-104	-315	-549	-615
Cash Flow from Operating Activities	**-489**	**276**	**-2 452**	**14**	**-1 565**
Acquisition of subsidiaries	0		0		-6
Investment in Associates	0		-129		-1 100
Acquisition of Fixed Assets	-212	35	-327	-18	-189
Cash Flow from Investment Activities	**-212**	**35**	**-456**	**-18**	**-1 295**
New share issues					1 744
Proceeds from ongoing share issue	0	-2	0	-89	0
Lease liabilities	-55	53	-6	129	0
Short Term Financing	649	-175	2 808	115	2 896
Cash Flow from Financing Activities	**594**	**-124**	**2 802**	**155**	**4 640**
Change in cash and cash equivalents during the year					
Net change in cash, continuing operations	-106	186	-106	152	1 780
Net change in cash, discontinued operations	0	0	0	0	0
Foreign exchange translation adjustment		-51		-17	175
				0	
Opening Cash position	872	-733	872	-733	-733
Closing Cash Position	**766**	**-598**	**766**	**-598**	**872**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**7 107**	**149**	**7 803**	**202**
Adjustment from acquisition analysis	-470		-470	-88
Share Issues				0
Offset Issue				0
Profit from the Period	-1 104	3 927	-1 735	3 915
Other comprehensive income for the period, net of tax		-436		-391
Foreign Exchange-Differential	-201	-207	-266	-205
Changes in equity during the period	**-1 775**	**3 284**	**-2 471**	**3 231**
Equity - Closing Balance	**5 332**	**3 433**	**5 332**	**3 433**

PARENT STATEMENT OF CHANGES IN EQUITY	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**4 403**	**-2 421**	**4 403**	**-2 421**
Adjustment from acquisition analysis		1		1
Share Issues				0
				0
Profit from the Period	-12	3 327	9	3 327
Other comprehensive income for the period, net of tax				
Foreign Exchange-Differential	25	-119	4	-119
Changes in equity during the period	**13**	**3 209**	**13**	**3 209**
Equity - Closing Balance	**4 416**	**788**	**4 416**	**788**

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 June 2022, 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 deconsolidates 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 June 2022, 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 2021 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 June 2022, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 30 June 2022, 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	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021
	€ '000	€ '000	€ '000	€ '000
Africa	6 213	5 589	12 682	11 275
Middle East	3 869	2 618	7 187	4 738
Europe	268	63	452	189
Sub-Total including internal Sales	**10 349**	**8 270**	**20 321**	**16 202**
Internal sales eliminations	-477	-24	-807	-150
Segment Total	**9 872**	**8 246**	**19 514**	**16 052**

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

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

Georgraphical information - Current Year	Distribution	Advisory & Managed services	Jan - Jun 2022
	€ '000	€ '000	€ '000
Jan - Jun 2022			
Africa	1 595	11 087	12 682
Middle East	7 178	9	7 187
Europe	60	392	452
Including internal sales	**8 833**	**11 488**	**20 321**
Internal sales		-807	-807
Total	**8 833**	**10 681**	**19 514**

Georgraphical - Prior year	Distribution	Advisory & Managed services	Jan - Jun 2021
	€ '000	€ '000	€ '000
Jan - Jun 2021			
Africa	380	10 895	11 275
Middle East	4 738	0	4 738
Europe	189	0	189
Including internal sales	**5 307**	**10 895**	**16 202**
Internal sales	0	-150	-150
Total	**5 307**	**10 745**	**16 052**

Georgraphical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Jun 2022					
Africa	12 682	12%	-1 153	-9%	665
Middle East	7 187	52%	-266	-4%	21
Europe	452	139%	14	3%	7 995
Core business	**20 321**	**25%**	**-1 405**	**-7%**	**8 681**
Eliminations	-807	438%	0	0%	0
Cyber1 Group	**19 514**	**22%**	**-1 405**	**-7%**	**8 681**
	-0				

Georgraphical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Jun 2021					
Africa	11 275	2%	479	42%	529
Middle East	4 738	-41%	-124	-26%	71
Europe	189	-97%	32	169%	6 589
Core business	**16 202**	**-50%**	**387**	**24%**	**7 189**
Eliminations	-150	-1%	0	0%	
Cyber1 Group	**16 052**	**-51%**	**387**	**24%**	**7 189**

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 30 June 2022, to €1,601k (2021 : €1,467k).

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 June 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		17 089				17 089	17 089
Other non-current financial receivables						0	0
Other current assets and financial receivables					314	314	314
Prepaid expenses and accrued income					182	182	182
Cash and cash equivalents		766				766	766
Total assets	**0**	**17 856**	**0**	**0**	**496**	**18 351**	**18 351**
Loans and borrowings			1 550			1 550	1 565
Other non-current financial liabilities					3 951	3 951	3 951
Other current liabilities			1 601		119	1 720	1 720
Accrued expenses and deferred income					148	148	148
Trade payables			11 815			11 815	11 815
Total liabilities	**0**	**0**	**14 966**	**0**	**4 219**	**19 185**	**19 200**

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 June 2021

	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade receivables		11 633				11 633	11 633
Other non-current financial receivables						0	0
Other current assets and financial receivables					6	6	6
Prepaid expenses and accrued income					950	950	950
Cash and cash equivalents		-598				-598	-598
Total assets	**0**	**11 035**	**0**	**0**	**956**	**11 991**	**11 991**
Loans and borrowings			1 584		411	1 995	1 995
Other non-current financial liabilities					305	305	305
Other current liabilities					1 584	1 584	1 584
Accrued expenses and deferred income					730	730	730
Trade payables			12 296			12 296	12 296
Total liabilities	**0**	**0**	**13 880**	**0**	**3 030**	**16 910**	**16 910**

Fair value measurement by level

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

Financial instruments, level 2

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

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE	30 June 2022				30 June 2021			
	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			15	15			16	16
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	**0**	**0**	**15**	**15**	**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	**Q2 2022**	**Q2 2021**	**Full year 2021**
	€'000	€'000	€'000
Opening balance	16	3	0
Business combinations			
Payments	-16	-3	0
Reversals			
Revaluations	15	16	0
Translation differences			
Closing balance	**15**	**16**	**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 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 it is noted that Cyber1 completed the payments to the Creditors in terms of the composition agreement. In addition to this Cyber1 acquired a further 25% in Cyber Security South Africa (CSSA) taking their ownership to 75%.

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 - Jun 2022	2021
	€ '000	€ '000
Profit for the period	**-1 735**	3 915
Non-controlling interests	**-381**	102
Group share of profit	**-1 354**	3 813
Number of shares (weighted average)	**710 802 055**	348 890 226
Earnings per share	**-1.90**	11
Net income from continuing operations – attributable to the parent entity	**-1 354**	3 813

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 Report 2021, Directors Report and the newly published Governance report.

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 June 2021. The need for additional provisions for expected credit losses related to trade receivables and con2tract 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 2021.

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 DRS and 25% in CSSA.

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