

CYBER 1

CYBER RESILIENCE

**INVITATION TO SUBSCRIBE FOR UNITS IN
CYBER SECURITY 1 AB (PUBL)**

Rights Issue
Subscription period 5 July – 19 July 2021

IMPORTANT INFORMATION

Information to investors

This Investment Memorandum (the "Memorandum") has been prepared in connection with the issue of units with preferential right for shareholders (the "Rights Issue" or the "Offer") in Cyber Security 1 AB (publ), reg. no. 556135-4811 (the "Company" or "CYBER1").

In this Memorandum the "Company" or "CYBER1" may also refer to CYBER1 and its subsidiaries, as the context requires. The Offer will be made by means of this Memorandum which has been prepared by CYBER1. The Memorandum is available in electronic form on the Company's website www.CYBER1.com and Mangold's website www.mangold.se. This Memorandum is not a prospectus and has not been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen).

The units, shares and/or warrants offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States of America (the "U.S." or the "United States") or under any securities law or local law in Canada and may not, in absence of registration or applicable exemption from registration be offered for sale or subscription, or be transferred in the U.S. or Canada, or to citizens or persons resident in such jurisdictions, or to or under commission by or for the benefit of U.S. Persons as defined in Regulation S in the Securities Act.

The Offer is, further, not directed to any person whose participation requires further Memorandums, prospectuses, registration or other actions than required under Swedish law. The Memorandum, application for subscription forms and any other documents related to the Offer may not be distributed in or into the U.S., Canada, Australia, New Zealand, South Africa, Hong Kong, South Korea, Singapore or Japan or any jurisdiction where the distribution or the Offer would require an action according to the previous sentence or would constitute a breach against laws or regulations in such jurisdiction. An application for subscription for units indirectly or directly in breach of the above may be deemed invalid.

Investments in the Company's shares or any other financial securities are associated with certain risks as further detailed in section "Risk factors" below. In making a decision to invest in the Company's shares or other financial instruments, an investor must rely on his or her own assessment of the Company, and the terms of the Offer, including the merits and risks involved, not relying solely on the information contained in this Memorandum. Neither the publication nor the distribution of the Memorandum does mean that the information contained in the Memorandum is up to date as of any time after the date of this Memorandum, or that the Company's operations, profits or financial position has remained unchanged after this date.

No person is or has been authorized by the Company to give any information or to make any representation or warranty in connection with the Offer other than contained in this Memorandum and, if given or made, such information, representation or warranty may not be relied upon as having been authorized by the Company and the Company accepts no liability with respect to any such information, representation or warranty. Further, no representation or warranty, expressed or implied, is made by any member of the board of directors of the Company or, except for what follows from applicable law and regulations, anybody else as to the correctness and/or completeness of any of the information contained in this Memorandum.

Any dispute arising from this Memorandum, the Offer or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with Swedish law without reference to any of its choice of law principles. The district court of Stockholm (Sw. Stockholms tingsrätt) shall be the court of first instance. The Memorandum has been prepared in English. It should also be noted that an investor bringing court action in connection with the information disclosed in this Memorandum may be obliged to pay for a translation of the Memorandum.

Forward-looking and market information

This Memorandum contains certain forward-looking statements reflecting the Company's current view of future events and financial and operational performance. Such forward-looking statements are associated with both known and unknown risks and circumstances beyond the Company's control. All statements in this Memorandum other than statements of historical or current facts or circumstances are forward-looking statements. Forward-looking statements are made in several sections of the Memorandum and can be identified by the use of terms or expressions such as "may", "could", "should", "anticipated", "estimated", "likely", "forecasted", "plans to", "aims to", or conjugations of such terms or similar terms. The "Risk factors" section below contains a description of some but not all factors that may cause the Company's future earnings and development to deviate significantly from those expressed or implied in any forward-looking statement. The forward-looking statements only apply as of the date of this Memorandum. The Company has no intent or obligation to publish updated forward-looking statements or any other information contained in this Memorandum based on new information, future events etc. other than required by applicable law, regulation or regulatory framework.

This Memorandum contains certain information regarding the market and the industry in which the Company operates and its position in relation to its competitors which may be based on third party information as well as the Company's estimates based on third party information. The Company has accurately reproduced such third-party information and, as far as the Company's board of directors is aware, no details have been omitted in a manner that would make the reproduced information inaccurate or misleading. However, the Company has not independently verified the correctness or completeness of any third-party information and therefore the Company cannot guarantee its correctness or completeness.

Presentation of financial information

Some amounts and percentages stated in the Memorandum have been rounded off and may therefore not always correctly add up. Other than when expressly stated in the Memorandum, no information in the Memorandum has been examined or audited by the Company's auditor.

Board statement

The Board of CYBER1 is responsible for the content of this Memorandum. The board of CYBER1 has taken all reasonable care to ensure that the information in the Memorandum, to the best of its knowledge, in accordance with the facts, contains no omission likely to affect its import.

Certain definitions

"Mangold" is referring to Mangold Fondkommission AB, reg. no 556585-1267. "Euroclear Sweden" is referring to Euroclear Sweden AB, reg. no. 556112-8074. EUR is referring to euro, KEUR is referring to thousand EUR and MEUR is referring to million EUR.

Nasdaq First North Growth Market

Nasdaq First North Growth Market ("Nasdaq First North") is an alternative marketplace operated by several exchanges within the Nasdaq Group. Companies on Nasdaq First North are not subject to the same rules as companies on the regulated main market. Rather, they are subject to a less extensive set of rules and regulations adjusted to fit small growth companies. The risk of investing in a company on Nasdaq First North, may therefore, be higher than investing in a company on the main market. All companies with shares traded on Nasdaq First North have a Certified Adviser that monitors that the rules are complied with.

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THE RIGHTS ISSUE IN BRIEF

CYBER1's Board of Directors has on 27 May 2021, subject to approval from the Annual General Meeting (which was obtained on 29 June 2021), resolved to carry out an issue of shares and warrants ("**Units**") with preferential rights for existing shareholders of 174,455,113 Units (the "**Rights Issue**"). Registered shareholders in CYBER1 on the record date on 1 July 2021 have a preferential right to subscribe for Units in relation to the existing shareholding in the Company. Shareholders in the Company receive one (1) unit right for each two (2) shares held on the record date. One (1) unit right entitle to subscription of one (1) Unit in the Company. Each Unit contains one (1) newly issued share and one (1) warrant of series 2021 issued free of charge.

The Rights Issue comprise a maximum of 174,445,113 Units and thus entails an issue of a maximum of 174,445,113 shares and a maximum of 174,445,113 warrants of series 2021.

Upon full subscription of Units, CYBER1 will receive approximately EUR 1.74 million before issue costs. Upon full exercise of all warrants, CYBER1 may receive additional issue proceeds of approximately EUR 1.74 million before issue costs.

The subscription price is EUR 0.01 per Unit, which corresponds to a subscription price of EUR 0.01 per share. Warrants are issued free of charge.

The Rights Issue is to 100 percent covered by an external guarantee undertaking from Bullet Capital AG, a Switzerland based privately held investment firm (www.bulletcapital.ch). The guarantee undertaking from Bullet Capital AG is not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangements.

Financial information	
Half Year Report 2021	26 August 2021
Nine Month Report 2021	15 November 2021
Fourth Quarter Report 2021	1 February 2022

Timetable	
Last day of trading including the right to receive unit rights:	29 June 2021
First day of trading excluding the right to receive unit rights	30 June 2021
Record date for participation in the Rights Issue:	1 July 2021
Subscription period:	5 July – 19 July 2021
Trading in unit rights:	5 July – 14 July 2021
Trading in BTU:	From 5 July until the Until Rights Issue has been registered with the Swedish Companies Registration Office (Bolagsverket)

Other information	
ISIN-code for the share:	SE0007604061
Market place for the share:	Nasdaq First North Growth Market
Ticker symbol:	CYB1.ST
ISIN-code for the unit rights:	SE0016276703
ISIN-code for the BTUs:	SE0016276711
Date of the Memorandum	2021-07-05

RISK FACTORS

An investment in shares of the Offer is associated with certain risks. CYBER1's business is affected, and may be affected, by numerous factors which are not possible for CYBER1 at all, or in part, to control. Such factors may adversely affect the Company's operations, profits and financial position in the future or may lead to a decrease of the share price and the investors could lose part or all of their investment. Certain risks are associated with the Company and others do not have any specific connection to the Company. Investors should carefully analyse the specific risk factors described below as well as other information in the Memorandum prior to deciding whether to make an investment in the Company or not.

Below is a description of a number of risks that may have an effect on the operations and future development of the Company. The order in which these risks are presented is not intended to indicate their likelihood of occurrence, significance or potential effect on the Company's operations, profits or financial position. The description of risk factors is not exhaustive and contains only examples of such risk factors which an investor should consider together with the other information provided in this Memorandum.

Further risk factors that are currently not known or not considered to be significant for the moment could also influence the Company's operations, profits and financial position. Additionally, there may be other risks that the Company is currently not aware of, or deems to be immaterial, but which later prove to be material. The value of an investment in the Company may be materially affected if any of the below risks materializes. Investors should make their own assessment of the significance of the below risk factors and other potential risk factors for the Company's operations and future development.

Risks related to the Company and its business

Risks related to key employees

CYBER1 success is underpinned by a client centric approach and ultimately the people within the organization that drives those relationships. Employees will establish strong relationships with both clients and vendor networks, particularly amongst senior executives within subsidiaries and the Swedish parent company. If one or more of these individuals leaves CYBER1 and they cannot be rapidly replaced, it is likely to have materially adverse effects on CYBER1's business, financial position and earnings. Furthermore, CYBER1's future growth largely depends on the Company's ability to recruit and retain qualified employees, particularly amongst the technical staff where there is a global shortage of cyber security professionals. The high level of competition in this area means that there is a risk that personnel cannot be recruited at all or that personnel cannot be recruited on reasonable terms and/or in a timely fashion.

Risks related to competitors, and new competing technologies

Whilst the Company does not offer any of its own proprietary technology it does as part of its business model act as a channel distributor and reseller of third-party cyber security products. The Company is able to establish agreements with new vendors but the risk of existing partnership technology becoming obsolete or suffering against competitive technology are present which can lead to materially adverse effects on CYBER1's business, financial position and earnings.

Risks related to certification and licensing

CYBER1 has a number of important certifications and licenses that enable CYBER1 to deliver products and offer their services in a number of jurisdictions. These certifications and licenses will need to be

maintained and renewed for to CYBER1 to continue to be commercially effective in those jurisdictions. A suspension, delay or loss of crucial certification or license may lead to materially adverse effects on CYBER1's business, financial position and earnings.

Trade secrets

CYBER1's business and market position is largely dependent on maintaining protection of the Company's trade secrets. Trade secrets are mainly protected by relevant legislation and customary contractual arrangements with employees, suppliers, customers and partners. In the event that the existing protective measures proves insufficient or if the compensation the Company may receive for trade secret breaches is insufficient to compensate for damage incurred, this may have materially adverse effects on CYBER1's business, financial position and earnings.

Risks related to emerging markets

CYBER1's business is growing strongly through establishments in new foreign markets. To establish CYBER1 in new countries and regions involves risks that are difficult to predict. Establishments abroad can be delayed and lead to loss of revenue, restrictions and / or additional taxes for operations.

New establishments in "frontier" and emerging markets may add additional political risks such as the possibility of war, tax increases, loss of subsidies, a change of policy in the market, the inability to control inflation, lack of foreseeable rule of law based governance and new laws on resource extraction. Major political instability could also lead to civil war and the closure of all or part of the relevant industry CYBER1 acts within. In addition, employees can either refuse or do not have the ability to perform their job. All above risks, if materialized, may have materially adverse effects on CYBER1's business, financial position and earnings.

Risks related to B-BBEE status

The Company's subsidiary Dynamic Recovery Services (DRS) has in South Africa a B-BBEE status (Broad Base Black Economic Empowerment), which requires DRS to maintain a number of criteria in order to retain this status. Should DRS fail to retain the B-BBEE status its business and results will be severely limited or rendered impossible with regard to submitting public tenders in South Africa which may have materially adverse effects on CYBER1's business, financial position and earnings.

Currency risks

The Company has revenues and expenses in multiple currencies. This exposes the Company to two main foreign currency risks.

First, transactions in currencies other than EUR (which is the Company's accounting and reporting currency) expose the Company for risks related to short-term currency fluctuations. Unfavorable exchange rate fluctuations will result in outstanding receivables or liabilities being depreciated or appreciated in relation to the Company's functional currencies, and thus impact the conversion to EUR. Secondly, the use of different functional and accounting currencies imposes long-term currency risks. Long-term weakening of the Company's functional currencies against the EUR results in revenues, expenses and income, including monetary assets, being reported at lower amounts in EUR.

All above may have materially adverse effects on CYBER1's business, financial position and earnings.

Global pandemic risks

The spread of cross-border diseases such as COVID-19 may have an operational effect on the

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.

Conflicts of interest risks

Robert Brown, Group President and board member in CYBER1 (appointed board member at the Annual General Meeting on 29 June 2021) owns, directly or indirectly, 57.5% percent of the shares in CSSA and CSAD. On 31 May 2021, CYBER1 announced that it has acquired 50 percent of all outstanding shares in CSSA and CSAD and retained exclusivity rights for CYBER1 to purchase the remaining 50 percent of CSSA and CSAD before 30 September 2022 (for further details on the acquisitions, see section *Acquisitions* below). Following the completion of the above transaction and receipt of the units issued to the seller, entities affiliated with Robert Brown will receive 36,512,500 shares and 36,512,500 warrants of series 2021 in the company.

Whilst it is the firm belief of the board that the above acquisitions will greatly benefit CYBER1 as a whole in both financial and strategic terms the above acquisitions poses some material conflict of interest risks for CYBER1 by way of Robert Brown's roles as Group President and board member as well as main seller in the above acquisitions.

The Company mitigates such risks by safeguarding that Robert Brown's main executive responsibilities as Group President will be focused on commercial activities at a subsidiary level, including business developments and commercial streamlining of the various group companies, including CSSA and CSAD. In his capacity as board member, Robert Brown will not be involved in deliberations or have the right to vote on any decisions relating to either the follow up evaluation of the above acquisitions, nor on the possible purchase of the remaining 50 percent of outstanding shares in CSSA and CSAD.

In light of the above measures, the board is confident that relevant conflict of interest matters relating to CSSA and CSAD and Robert Brown's position are appropriately mitigated.

Risks related to the shares and the Rights Issue

Trading on an unregulated market

The Company's shares are subject to trading on Nasdaq First North. Nasdaq First North is a multilateral trading facility (MTF) which does not have the same legal status as a regulated market. Companies with shares listed on Nasdaq First North are not obliged or required to comply with the same rules as companies with shares traded on a regulated market, but to less extensive rules and regulations. Such rules and regulations are preferably adapted for smaller and growth companies, for which reason an investment in a company listed on Nasdaq First North may imply more risk than an investment in a company with shares traded on a regulated market.

Currency risks

The Company's shares are traded in EUR and any dividend that may be paid on these shares will be paid in EUR. Investors with a reference currency other than EUR may therefore be adversely affected by a decline in the value of EUR in relation to the reference currencies of the respective investors. Such investors may also be affected by additional transaction costs arising from the exchange of EUR to other currencies.

Participation in future rights issues

If the Company issues new shares or other securities, generally, the shareholders have pre-emptive

right to subscribe for new shares in proportion to the number of shares held prior to the issuance. However, shareholders in countries other than Sweden may be subject to restrictions that prevent them from participating in such rights issues and/or restrict and impede their participation in other ways. To the extent that the Company's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares or other securities in any future rights issues, their proportional interest in the Company will be reduced and their holdings would be diluted and potentially decrease in value.

Share market conditions

The share market in general, and for smaller companies in particular, may be subject to significant price and volume fluctuations, which are not possible to predict out of the companies' developments or disclosed results. CYBER1 is not able to predict to what extent the interest in investing in the Company's shares will decrease, increase, or maintain. The bid and ask spread may from time to time be significant, making it difficult for shareholders to sell their shares and warrants in the Company at a moment and to a price deemed appropriate.

Future dividend

The amount of any future dividends is dependent upon future profit / loss, financial position, cash flow and working capital requirements. Distributable funds may not be available during certain fiscal years. There is a risk that the dividends will not be paid in the future. As long as no dividends are paid, the return of an investment in Units depends solely on the future price development of the Company's share and warrants of series 2021.

Dilution Risk

Current shareholders in the Company that choose to not participate in the Offer will be diluted. In addition to above, if CYBER1 issues new shares or other equity-related instruments to raise capital in the future it could reduce the proportionate ownership and voting rights as well as earnings per share for holders of shares in the Company.

Majority shareholders

The Company does not have one sole majority shareholder at the date of this Memorandum. However, it cannot be ruled out that a current or new shareholder, due to e.g. a directed share issues or transactions in existing shares, receives shares in the Company to such amount that it can exercise a significant influence over certain matters resolved on general meetings of shareholders, inter alia, appointing board of directors, profit distribution, proposal to merge, consolidate or sell all, or some, of the assets, as well as other company transactions. Also, such majority shareholder may prevent or make it difficult for CYBER1 to be acquired through a public takeover bid. A concentration of the ownership may be negative for other shareholders, which may have other interests than such majority shareholder.

INVITATION TO SUBSCRIBE FOR UNITS IN CYBER1

CYBER1's Board of Directors has on 27 May 2021, subject to approval from the Annual General Meeting (which was obtained on 29 June 2021), resolved to carry out an issue of shares and warrants ("Units") with preferential rights for existing shareholders (the "Rights Issue" or the "Offer").

Each Unit contains one (1) newly issued share and one (1) warrant of series 2021 issued free of charge. The Rights Issue comprise a maximum of 174,445,113 Units and thus entails an issue of a maximum of 174,445,113 shares and a maximum of 174,445,113 warrants of series 2021.

Upon full subscription of Units, CYBER1 will receive issue proceeds of approximately EUR 1.74 million before issue costs. Upon full exercise of all warrants, CYBER1 may receive additional issue proceeds of approximately EUR 1.74 million before issue costs.

The subscription price is EUR 0.01 per Unit, which corresponds to a subscription price of EUR 0.01 per share. Warrants are issued free of charge.

Terms of warrants of series 2021

Each warrant of series 2021 shall entitle to subscription of one (1) new share in the Company at a subscription price of 0.01 EUR.

Subscription of shares by exercise of warrants shall be made in accordance with the terms for the warrants from and including 25 July 2022 to and including 8 August 2022.

New shares issued pursuant to the exercise of warrants entitle to dividends for the first time on the first record date for dividend that take place after the issue of new shares has been registered with the Swedish Companies Registration Office (Bolagsverket) and been recorded in the share register kept by Euroclear Sweden.

Complete terms and conditions for the warrants ("Warrant terms 2021 Cyber Security 1 AB (publ)") are available on CYBER1's website, www.cyber1.com.

Shares and warrants are issued and allocated in the form of Units but, for clarity, the shares and warrants will upon registration of the Rights Issue with the Swedish Companies Registration Office (Bolagsverket) be separated and admitted to trading at Nasdaq First North as separate securities.

Offered securities and subscription period

The Offer refers to purchase of shares and warrants by way of Units issued in CYBER1 as set out above. The subscription price is EUR 0.01 per Unit, which corresponds to a subscription price of EUR 0.01 per share. Warrants are issued free of charge.

Units shall be subscribed for during the period 5 July – 19 July 2021.

Preferential subscription rights

The Company's shareholders have preferential right to subscribe for Units in the Offer in proportion to the number of shares they held on the record date. The record date for the right to participate in the Rights Issue is 1 July 2021. For every two (2) existing shares held on the record date shareholders will receive one (1) unit right. One (1) unit right entitles the holder to subscribe for one (1) Unit.

If not all units are subscribed for by exercise of unit rights, allotment of the remaining Units shall

be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for Units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of Units without exercise of unit rights, have exercised for subscription of Units; secondly, to those who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Units the subscriber in total has applied for subscription of Units; and thirdly, to those who have provided guarantee undertakings regarding subscription of Units, in proportion to such guarantee undertaking (where it is noted that Bullet Capital AG has undertaken to guarantee the full payment of the Rights Issue amount) . To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Dilution

Through the shares issued in the Rights Issue, the number of shares in Cyber 1 will increase by a maximum of 174,445,113 shares, from 348,890,226 shares to 523,335,339 shares, and the share capital will increase by a maximum of EUR 45,704.619606, from EUR 91,308.621395 to EUR 137,013.241001 which amounts to a dilution of approximately 33.3 percent for the shareholders who do not participate in the Rights Issue. In the event all warrants issued in the Rights Issue are fully exercised, the number of shares will increase by an additional 174,445,113 shares to a total of 697,780,452 shares and the share capital will increase by an additional EUR 45,704.619606 to EUR 182,818.478424. This corresponds to a further dilution from the warrants of 25 percent. Upon a fully subscribed Rights Issue and full exercise of the warrants, the total dilution can amount to a maximum of 50 percent

For more information on additional pending share and warrants issues and dilution effects, please see section *Legal considerations and supplementary information*.

Issue costs

The Company's Rights Issue-related costs are expected to amount to approximately EUR 100,000. The costs are attributable to the preparation of the Memorandum, legal services, issue administration and marketing expenses.

BACKGROUND AND RATIONALE

Introduction

CYBER1 was established in 2015, seeking to bridge an identified gap in the market by becoming an all-encompassing cyber security partner to leading private and public organizations. Through the acquisition of several leading regional companies in South Africa, Kenya and the United Arab Emirates, CYBER1 has been able to complement multiple years of client relationships and expertise with new and innovative technologies and solutions. Listing on Nasdaq Growth Market (Nasdaq: CYB1.ST), the Company has been able to demonstrate a strong and entrenched customer base, with a forward-thinking executive team and well experienced Board of Directors. With these representatives in place CYBER1 is seeking to realise the true synergistic opportunities that are available for the Company, as outlined by the strong Q1 2021 results. CYBER1 conducts its operations through presences in Sweden, South Africa, United Arab Emirates, Kenya and the UK.

CYBER1's mission

CYBER1 sees itself as a leader in providing complete cyber security solutions to authorities, organizations and companies in Africa, Europe and the Middle East. CYBER1's mission is to be the obvious choice for global organizations for their cyber security needs. CYBER1's products and services strive to be comprehensive and facilitate meticulous and tailored results for each customer's needs.

Strategy

CYBER1 works exclusively to protect digital information with companies and organizations. That information is protected, meaning that no unauthorized person can access it, whether intentionally or unintentionally to assimilate the information, destroy or corrupt / modify. The information shall be protected both when stored and when it is shipped. The weakest link is usually the transport of information. CYBER1 works with cyber security departments in a dynamic process, and this approach will characterize CYBER1's relationships with all customers. Cyber security can only be maintained through continuous work with the monitoring of threats, analyzing of own systems and continuous development. CYBER1 is working to deliver "360 degree" solutions, meaning that every cyber security system will never be better than its weakest individual component. "360 degree" covers both client organizational structures and information system structures. CYBER1 works with all appropriate stakeholders to become a natural supplier to its customers' cyber security systems. CYBER1 strives to deliver effective services and technologies to its customers. For this to be possible, CYBER1 systematically builds up experience, providing high expertise and access to new and effective technology. CYBER1 does not work directly with deliveries to individual consumers, but through collaboration, the goal is to preserve the privacy of individual consumers who are customers / users of CYBER1's customers. This is done by working to protect personal data, transaction data, bank accounts, credit card information, patient data, and other data to be protected from intrusion.

Use of proceeds

The use of proceeds from the Rights Issue will centre towards the settlement of the Company's external subordinated debt derived from the reconstruction process that has now been concluded (see more below under section *Company Reconstruction*).

The total external subordinated debt amount, following the 75 percent write down through the compulsory composition agreement (Sw; offentlig ackord) that was adopted by the Stockholm District Court on 7 June 2021, amounts to approximately EUR 3,564,736 EUR (SEK 36,253,366) and is due for payment no later than June 2022.

A WORD FROM OUR GROUP PRESIDENT

The topic of cyber security is more relevant today than ever. We are reminded daily about the vulnerabilities of our modern digital societies when we read about the latest hacker attacks, companies falling victims of ransomware, or leaks of sensitive information through industrial espionage causing irreparable damage. The covid-pandemic of 2020 has escalated the digitalization of our societies and companies and organizations have been forced to allow large amounts of employees to work remotely, sometimes for the first time, further increasing the need for cyber security solutions.

Our Approach

CYBER1's collaborates with clients, to remediate and protect against the latest attack vulnerabilities and to enable complex problems to be solved through sophisticated solutions. The company has long established close working relationships with its vendors and clients, providing the expertise to bridge the gap in demand and availability of experienced cyber security professionals within our markets.

Our team

CYBER1 retains a powerful and passionate variety of expertise across the group. Our technical specialists have acquired industry leading certifications and skills, enabling them together with sales and development to assess security environments effectively and advocate solutions for each unique environment. Our markets depend on the deeply entrenched relationships we hold with the globe's best of breed vendors, ensuring that the CYBER1 group as a whole are the gateway to some of the fastest growing regions. Our C-level executives are seasoned in harmonising acquisitions and providing strategy through consolidations. Finally, our influential and knowledgeable board of directors exercise their experience in managing and operating within a variety of blue-chip technology companies. This involvement within CYBER1 ensures that the strategic direction of the company around growth is measured and specific.



CYBER1 Group President & Executive Director, Robert Brown

Recent Profitability:

During the company reconstruction in 2020-2021, CYBER1, through a new board and management, repositioned its operational efficiencies and collaborated sales strategy. The effects of these initiatives have become apparent in the Company's most recent quarterly report (Q1 2021), demonstrating an increase of 5.9% in gross margin (total 28.7%), as well as a reduction of 40.3% in operating expenditure versus the prior year period. These components resulted in an EBITDA profit of €252k, a variance of €1.5m compared to the same period in 2020.

Organic growth, complemented with tailored acquisitions for boosting existing markets:

The Company's primary focus is to untap the potential synergies available across our vendor portfolio and professional service offering. The Company's existing client base through 2021 will be partnered with, to ensure that CYBER1 can be its single security partner, catering for all regulatory needs and security requirements. On 31 May 2021, CYBER1 announced initial acquisition stakes in two of the fastest growing and innovative cyber security companies within Africa. Cyber Security South Africa ("CSSA") and Cyber Security Africa Distribution ("CSAD"), had combined revenues in 2020 of €7.92m. The acquisition of these businesses complements the existing entities within CYBER1, with a number of clear synergistic opportunities to be realised, ranging from increased market share to deeper relationships with the leading vendor solutions across the globe. The Company has ensured that its approach of expanding operations within existing markets will ensure growth that is sustainable and measured.

Use of proceeds and future planning:

Through the reconstruction process, the company has been able to assess its operations and has achieved a dual effect of establishing closer ties to our Swedish listing through a number of leading providers, as well as streamlining several group overheads. This has equated to a positive effect on the overall profitability of the company, as indicated within the Q1 2021 report.

The final part of the reconstruction process will revolve around settling the legacy creditor position, marking a significant closing of this chapter for the company. CYBER1 is now embarking on a new and exciting approach, that will truly leverage the collective opportunities of its current and recent subsidiarity components.

This new and improved CYBER1 will provide us with a lean & efficient platform to resume our growth journey. It is my great belief that our key markets will provide both excellent organic growth opportunities and the possibility for strategic acquisitions over the coming years. From an investor perspective, CYBER 1 provides both the exposure towards the global trend of increased need for cyber security solutions as well as the growth opportunities in the African and Middle eastern markets. I would like to invite current and existing shareholders to participate in this share offering and to join us on this exciting journey we have in from of us.

Yours sincerely,

Robert Brown

Group President of CYBER1 & Executive Director

MARKET OVERVIEW

10.5 trillion 
 Cost of Cybercrime globally by 2025
 (cyber security ventures)

12.5% CAGR
 Cyber security market to growth to 403 Billion dollars by
 2027.
 (CE Pro)

18 million
 peak daily malware and phishing emails related to
 Coronavirus that Google blocked (Google)

15.4m
 Total number of DDoS attacks
 worldwide
 By 2023 (Cisco)



207
 Average time to identify a
 breach in 2020
 (IBM)



358%
 Increase of Malware attacks
 in 2020.
 (Help Net Security)

2.14m
 Phishing sites Google has
 registered, up 27% over 12
 months to January 2021
 (Tessian)

100%
 Of large companies globally will have a CISO position
 (Cyber Security Ventures)

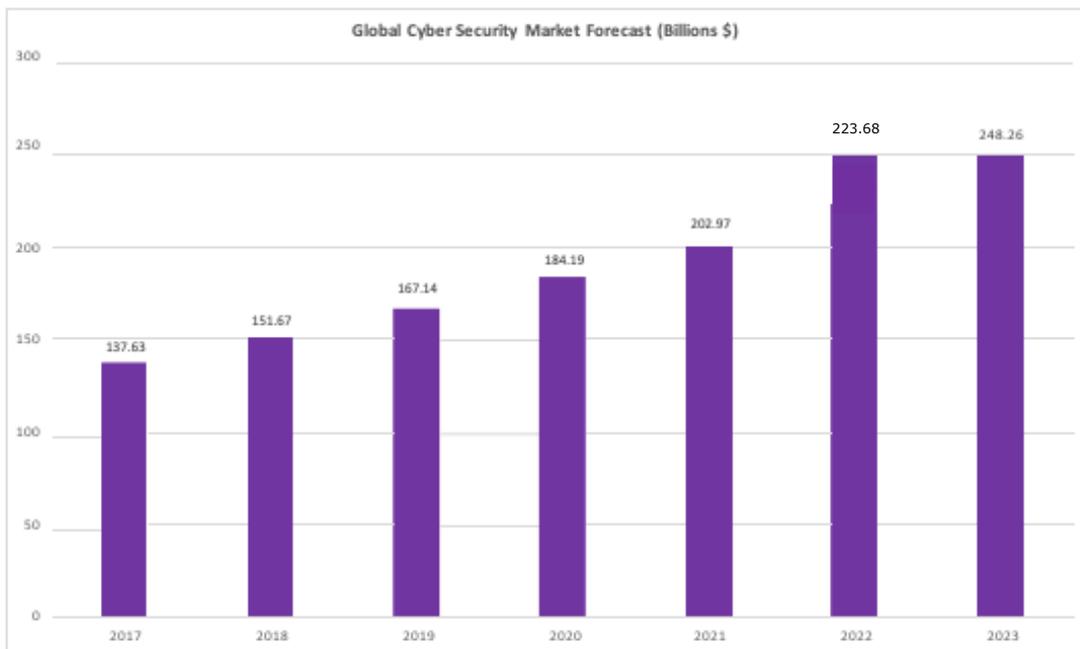


4 million
 unfilled cybersecurity jobs globally by the end of 2021.
 (Netsparker)



The cyber security industry has proven its ability to show exponential growth in recent years and looks set to continue that trend into the next decade. With the inevitable increase in utilising technology for our advantage, brings an equal level of risk exposure to our personal data and sensitive information.

According to Cyber Security Ventures, the cost of cybercrime globally will cost 10.5 trillion dollars by 2025. Based on recent year over year growth, this value is considerably more lucrative than the global trade of all illegal drugs combined in 2021. Whilst the types of attack threats that are being utilised are becoming more and more sophisticated, surprisingly many successful cyber security breaches are caused by attacks that are well known within the industry

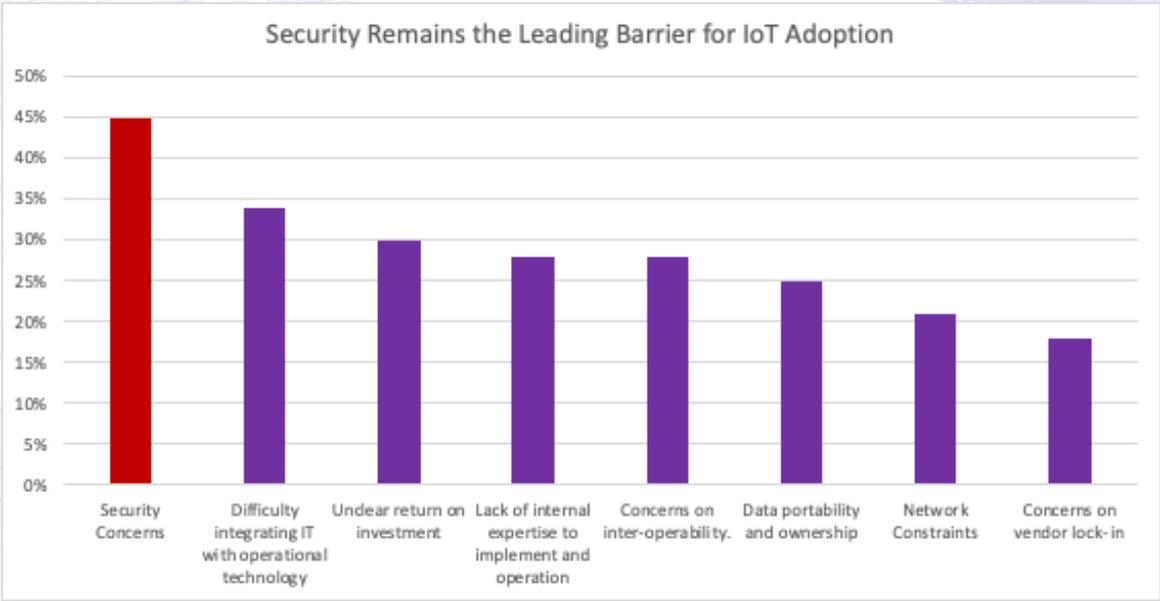


Source: Statista

This consistently growing cost of cybercrime across the world ensures that the market designed to protect and remediate against these threats will show an equal amount of development. Over the next six years the average compound annual growth rate of the cyber security market is conservatively estimated at 12.5%, reaching 418 billion dollars by 2028.

Proliferation of risk through new emerging technologies

The risk of further breaches is only set to increase with more of us around the world online and constant new developments within the Internet of Things (IoT) and Bring Your Own Devices (BYOD). Remote working became a focal point during the Covid-19 Pandemic also, where misinformation and phishing attacks became prevalent. According to Google during 2020, the company was blocking an estimated 18 million individual phishing emails in a single day.

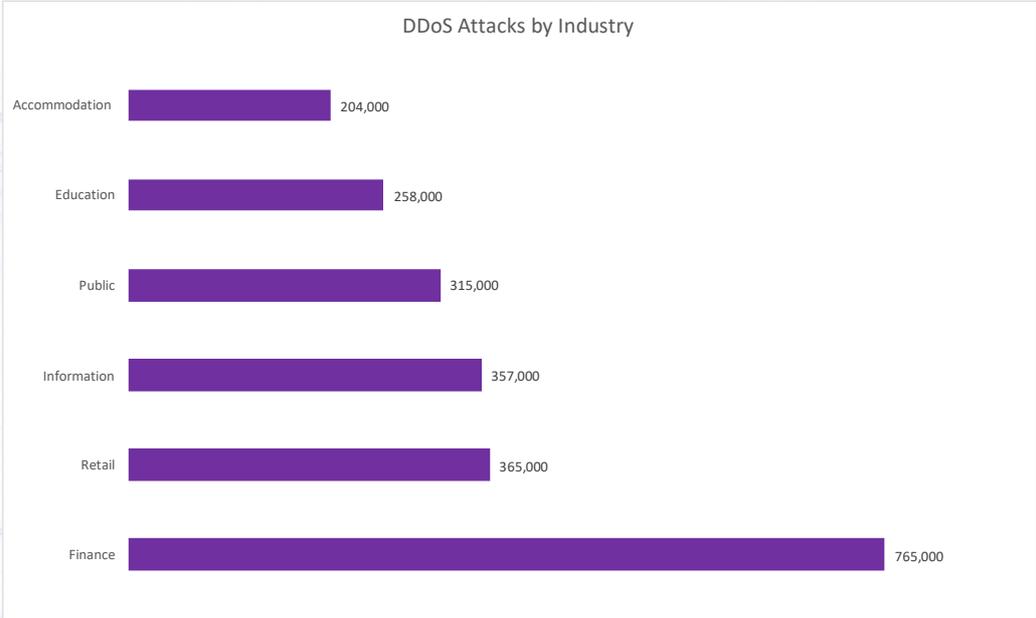


Source: Bain Consulting

The inevitable challenge around cyber security is the increasingly sophisticated attacks that are taking place, with IBM estimating that an average time for a company to identify

a breach is 207 days. During this time a significant amount of information can be stolen, causing a number of risks to companies both reputationally and financially.

Another factor in driving the growth of external cyber security providers is the underlying global shortage in qualified security professionals. It is estimated that there four million unfilled cyber security roles globally, fuelled by the overreliance on information technology professionals plugging this gap.



Source: Verizon

BUSINESS OVERVIEW

CYBER1 provides cyber security solutions to customers wanting to be resilient against new and existing threats. CYBER1 offers professional services, advisory and through a vendor network CYBER1 will help the customer select a suite of best-in-class products that enhances your reputation and company value.

CYBER1 At a Glance

CYBER1



Founded
2015

Revenue 2020
27m Euro



EMEA FOCUS



115

Vendor Relationship

137

Global Staff



★★★★
Over 26 years
experience in
the Leadership
team

Stockholm | Dubai | Johannesburg | London | Nairobi

Product Partners

Clients



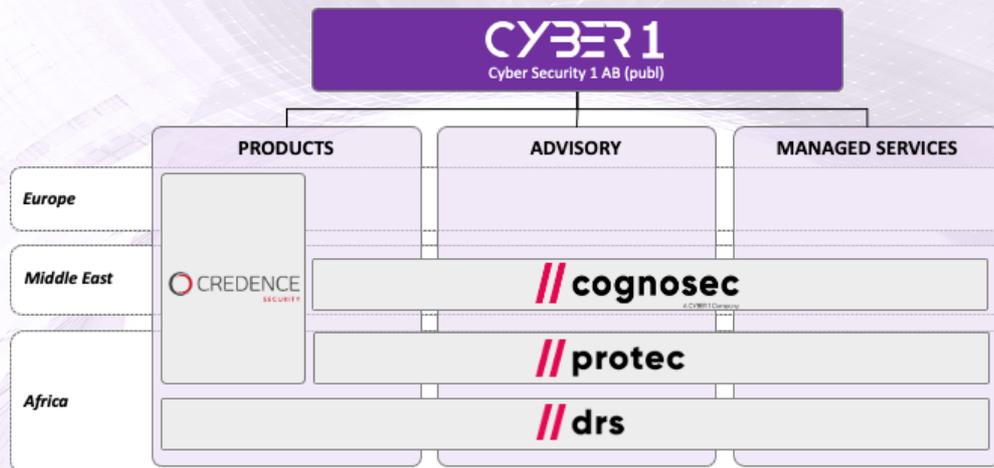
With offices across Europe, Middle East and Africa we are a multi-jurisdictional organization who can help the customer achieve resilience.

CYBER1 is able to assist organizations and partners with product solutions and services across physical and virtual landscapes, to counter developing cyber threats and attacks.

Through CYBER1's vast knowledge and expertise obtained during the twenty years of operation within cyber security, CYBER1 provides solutions to customers and partners who are seeking

resolutions to their ever-evolving cyber security needs. The Companies services include, penetration testing, application security audits, information systems security audits, data loss prevention, network security. CYBER1 are able to support the customer with their governance risk and compliance requirements and are able to build and manage Secure Operations Centers and SIEMs for companies wanting continuous surveillance.

Cyber Security 1 AB (publ) offers products and services through three business areas (Advisory, Products and Managed Services, spanning three continents (Europe, Middle East and Africa)).

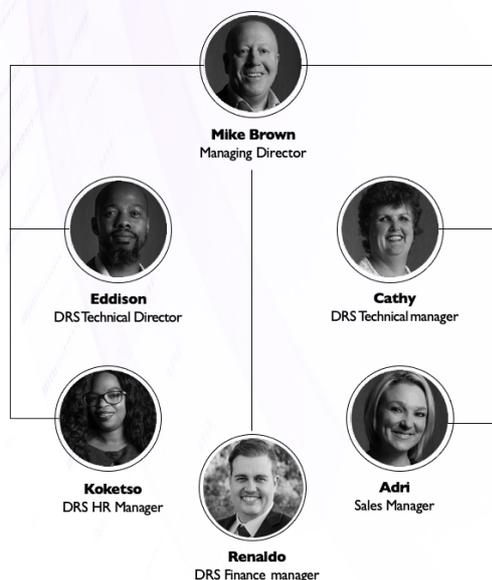


Subsidiaries and their presence

CYBER1’s business model is built around providing a complete cyber security offering for our customers. Depending on the customer requirements, we are able to offer resilient solutions at a subsidiary, regional and worldwide level.



DRS specializes in providing innovation and agility in information security, IT risk management and IT governance. DRS provides security services with a portfolio that satisfies customer needs, from the creation of security strategy to the daily operation of point security products. DRS partner with market-leading technology providers to ensure the best supply of infrastructure as well as executing professional services, ensuring that the selected products are effectively implemented and operate efficiently in the business environment.



Number of Staff:

83

**18.2 Million EUR
2020 Revenue**

Top Vendors:



Territory:

South Africa

**Physical Presence:
Johannesburg
/ Cape town**

Area of Expertise

- Longstanding client relationships, some 20+ years.
- Extensive technical capabilities.
- Strong sales and business development division, caters well for channel model in the region.



Professional Technologies Ltd, better known as ProTec, is the only company in Kenya that specialises in Network Security and Network Management Solutions. This includes AntiVirus, Firewalls, Content Filtering, Intrusion Prevention, and Application, Network and Security Management and Security Policy Consultancy. ProTec is a leader in providing security solutions for computer based networked organisations. As a result of their expertise over a hundred leading corporates and other organisations in Kenya seek assistance from ProTec to ensure that their mission critical systems and information are secure.



Number of Staff:

27

Territory:

Africa (East / West)

2020 Revenue:

963k

Physical Presence:

Nairobi & Uganda

TopVendors:

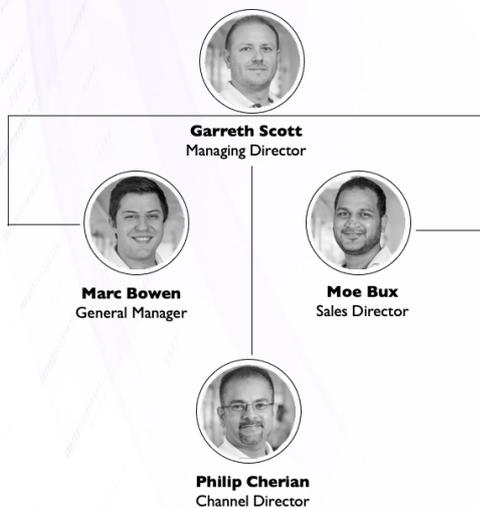


Strengths

- Long established company, client relationships 15+ years.
- Experienced Management
- Key government and financial services clients



Established in 1999, Credence Security, previously ARM, the regions speciality distribution company, specializes in IT security, Forensics and Incident Response. Working closely with leading IT security vendors including AccessData, Fidelis CyberSecurity, Entrust and NCipher, Credence Security delivers Cyber and IT Security technologies and solutions that protect organisations against advanced persistent threats, malicious adversaries and internal malpractice. A subsidiary of the UC Group, Credence Security Is headquartered in Dubai, UAE and serves enterprises across the Middle East, Africa and India through a network of over 70 resellers throughout the territory.



Number of Staff:

24

Territory:

**Europe
Middle East / UK**

2020 Revenue:

**8.07Million
Euro**

Physical Presence:

**UAE / India / UK
Kingdom of Saudi Arabia**

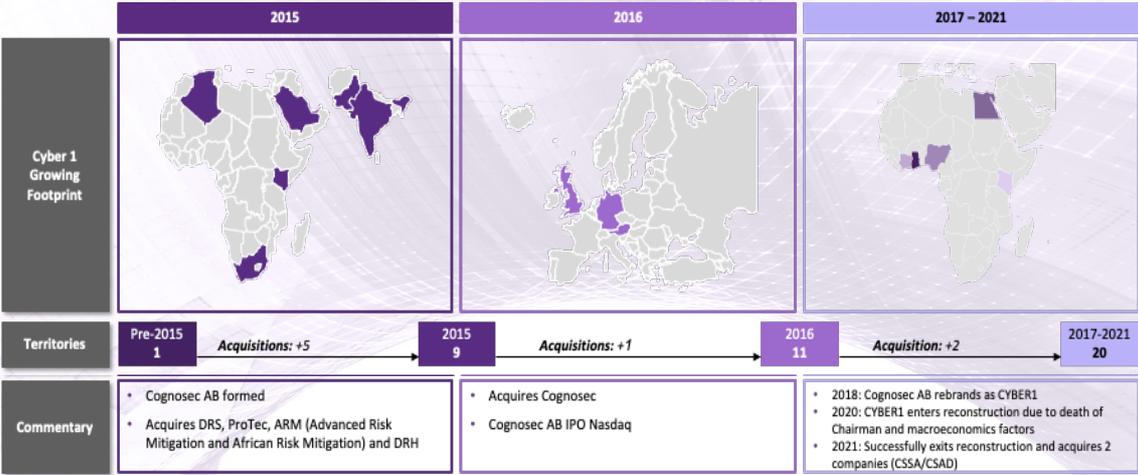
TopVendors:



Strengths

- Proven business development methodology (C.S Roadshow)
- Deep vendor knowledge amongst sales staff
- Digital forensics experts

Company History Summary



Detailed History

2015

- △ Cognosec AB is formed
- △ Acquires DRS, Dynamic recovery services Pty, founded in South Africa 1997
- △ Acquires Pro Tec, Professional Technology Pty, founded in Kenya 1998
- △ Acquires ARM, Advanced Risk Mitigation & African Risk Mitigation
- △ Acquires DRH

2016

- △ Acquires Cognosec
- △ Cognosec IPO on NASDAQ Stockholm
- △ Intel security awarded Cognosec security platinum partner status. The highest level attainable under the Intel security partnership program

2017

- △ Acquires A-Tech Distribution
- △ Acquires Intact software

2018

- △ Company rebrands from Cognosec AB to CYBER1.
- △ US listing. Level 1 ADR program. Trading under the symbol OTC Nasdaq, and ADR listing CYBXY

2019

- △ Company continued strong organic growth in revenue, realising total year growth of 27% with organic entities.
- △ Kobus Paulsen, Founder and Chairman and Major Shareholder, unexpectedly passed away in 2019

2020

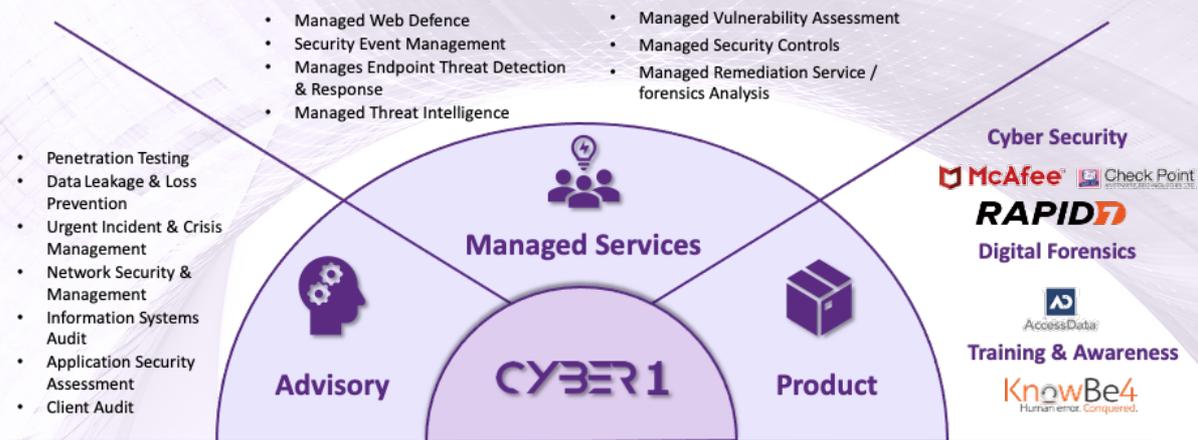
- △ COVID-19 pandemic strikes
- △ Company files for company reconstruction
- △ Conduct turnaround, reduce costs and trim the company
- △ New management, board of directors and interim CEO

2021

- △ Turnaround completed, ending reconstruction proceedings
- △ Two new acquisitions executed (50 % of CSAD and CSSA)
- △ New CEO
- △ New strategy focusing on growth and profitability

Cyber Security 1 - Products and services are distributed through three key Business Areas

Unique Blend of Product, Advisory and Managed Services



Business Area - Consulting and Advisory Services

CYBER1’s Consulting & Advisory Division works closely with internal teams, to amplify the security posture of technical environments. Through initial penetration testing, the team can swiftly identify vulnerabilities within sophisticated systems, followed by recommendations and a variety of products and solutions. Information Governance is an important component of CYBER1’s advisory services, ensuring organisations have the correct processes and procedures for when data breaches have been realized.

Consulting & Advisory Services

- **Ability to offer differentiated services to customers, through its consultants’ breadth of experience, and expertise building customer trust for the long term**

Key services		
• Penetration Testing	• Data Leakage and Loss Prevention	• Urgent Incident and Crisis Management
• Network Security and Management	• Information Systems and Client Audit	• Application Security Assessment

Key USPs		
 Risk identification and mapping	 Identify and mitigate security gaps	 Ensure no loss of data
 External intrusion attempt monitoring and prevention	 Systems up to date with latest technology	

Business Area - Managed Services

CYBER1's newest offering, Managed services provides a fully operated environment to detect and remediate ongoing threats. Partnering with one of the top cyber security providers, the company is able to monitor clients security threat levels in a 24/7 capacity. This scalable solution caters for a large proportion of clients who wish to collaborate and trust their environment with technical experts within the field, enabling them to focus on core business needs.

Managed Security Services

- Scalable solutions enabling customers to outsource all their security operations

Key services		
• Security Event Management	• Manages Endpoint Threat Detection and Response	• Managed Threat Intelligence
• Managed Security Controls and web defence	• Managed Remediation Service/forensics Analysis	• Managed Vulnerability Assessment

Key USPs		
 Real-time protection	 Regulatory Compliance	 Predictable Costs
 Improved Focus on Core Business	 24x7 Security Event Monitoring and Response	 Best Solution to Skill Shortage

Business Area - Products

All companies require a number of interconnected products, to cover all potential exposures to your security environment. CYBER1 ensures that the customer's overall streamlined solution means that the customer are able to receive the appropriate solutions that are the perfect fit for their environment, whilst ensuring minimal wastage or reduction of overlapping within competing solutions.

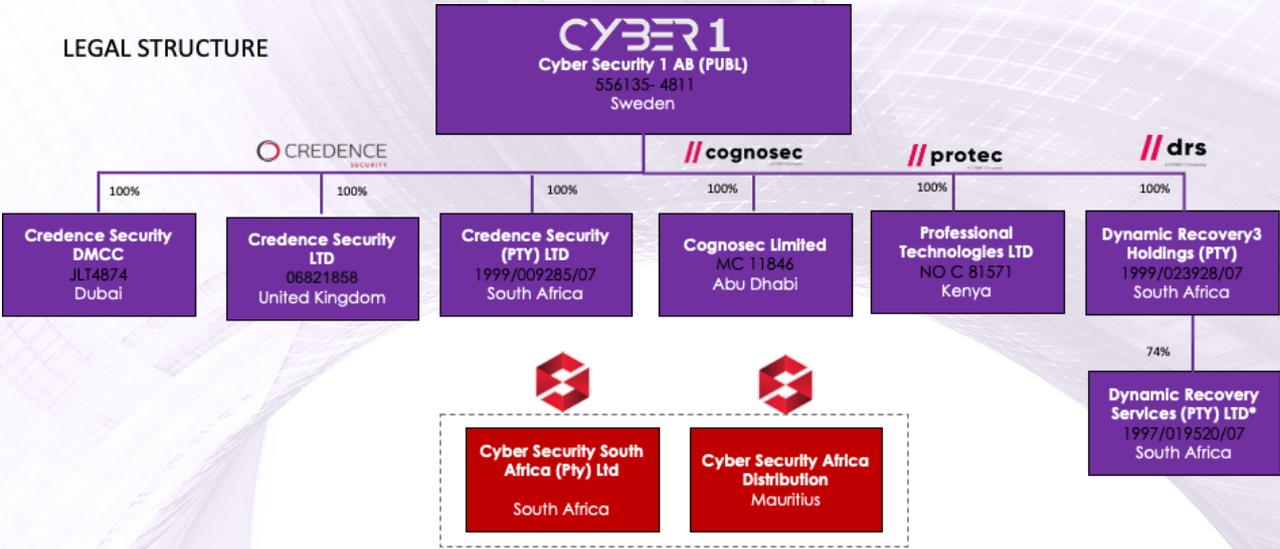
Value added distribution products

Ability to continuously offer customers a best-of-breed solution for all their cyber security needs, by utilising all vendor relationships

Key components	Cyber security	Digital forensics	Governance & risk compliance
Key offerings	<ul style="list-style-type: none"> • AntiVirus and endpoint security • Cyber threat intelligence • Data protection and classification • Digital resilience and analytics • Email security and encryption • Governance, risk and compliance • Incident response and post breach detection • Privileged access management • Security awareness training and orchestration 	<ul style="list-style-type: none"> • Audio analysis and enhancement • Data recovery • Digital forensics • Mobile forensics • Duplicators and imagers • Forensic hardware • Internet artefacts • Video analysis and enhancement • Incident response 	<ul style="list-style-type: none"> • Audit and exception management • Business continuity • Compliance and policy management • Enterprise risk management • Incident management • Regulatory change • Security incident response • Vendor risk management • Vulnerability management

Legal structure

LEGAL STRUCTURE



*As part of the company reconstruction efforts 2020/2021, two English entities are being closed (Cognosec LTD and CYBER1 LTD).

**Acquisitions communicated in May 2021 will add two new 50% held subsidiaries (Cyber Security South Africa and Cyber Security South Africa Distribution)

Acquisitions

Terms and condition of Acquisition

CYBER1 announced on 31 May 2021 the signing of Sale and Purchase Agreements ("SPA") regarding the purchase of 50 % of outstanding shares in CSSA and CSAD (jointly the "Target Companies"), two fast growing and innovative cyber security companies within Africa.

The Target Companies showcased an aggregate revenue in 2020 of EUR 7.92m, showing strong growth from 2019 of over 50%, and have continued the solid progress in Q1 2021 with aggregate non audited revenues of EUR 2.78m.

The total consideration payable by CYBER1 for the transactions are EUR 635,000 and shall be executed by a new issue of 63,500,000 units in CYBER1 on terms equal to the Units Issue. The issue, and thus the execution of the agreed consideration, was resolved by the annual general meeting on 29 June 2021. For more information on the terms of this issue, see section *Legal considerations and supplementary information*, sub-section *Resolutions resolved on the Annual General Meeting on 29 June 2021 ("AGM 2021")*.

The terms of the acquisitions also included exclusivity rights for CYBER1 to negotiate a purchase of the remaining 50 percent of the Target Companies in cash before 30 September 2022, where it is agreed that any payments shall be subordinated to the portion of the Company's debt that is subject to debt write down in the Company's reorganization. As of the date of this Memorandum, such exclusivity rights have not been utilized by CYBER1.

Cyber Security South-Africa (CSSA) is an industry-leading, value-added, Cyber Security Technology Distributor, backed by globally recognized international vendors. The company offers a comprehensive list of solutions, aimed at mitigating information security risk – working through trusted local channel partners. The consultative approach of firstly assessing the current Security Posture and level of maturity, ensures they understand the strategic vision and long-term goals of the end-user. Over the years, the team has built strong relationships at both the end user and partner level, which creates a significant advantage compared to the traditional distribution model that is apparent within South-Africa.

 Toni Bowker Managing Director	Number of Staff:	15	Physical Presence: Johannesburg Cape town
	 Nicholas Applewhite Account Manager		
 Donovan Moodley Bitdefender Country Manager	2020 Revenue:	2.64 Million Euro	Strengths <ul style="list-style-type: none">• Specialist in leading technologies• Strong vendor relationships• Upselling opportunities with existing CYBER1 companies
	TopVendors:		

Cyber Security Africa Distribution (CSAD) is an industry-leading value-added Distributor with a single-minded focus – the mitigation of information security risk for their clients. The company

focuses their attention on niche, generally complex and certainly relevant security solutions, aimed predominantly at enterprise and mid-market clients. CSAD provides services to the continent of Africa, ensuring invaluable local market knowledge and on-the-ground response. CSAD has presences in South Africa, Kenya, Nigeria, Ghana, Morocco, Egypt and Mauritius.

		
Femi Ibine Regional Manager English West Africa (Ghana)	Martin Britz Managing Director	Sâad Guessouss Regional Manager Maghreb and caretaking French West Africa (Morocco)
		
Susan Ndungu Regional Manager East Africa (Kenya)	Gina Sewpaul Business Unit Manager McAfee (Mauritius)	Gayle Britz Regional Manager SADC (SA)
		
Chijioke Nduaka Business Unit Manager CyberArk (Nigeria)	Madelein Meyer Sales Operations Manager (Germany)	

Number of Staff:

16

2020 Revenue:

5.27 Million Euro

Top Vendors:



Territory:

Rest of Africa

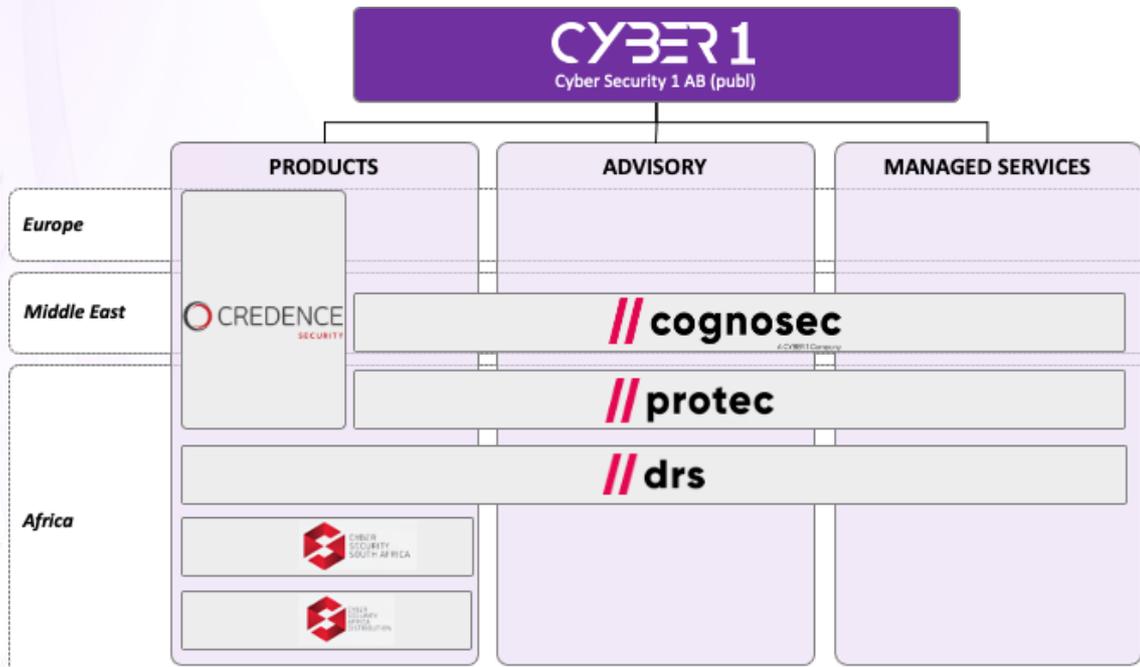
Physical Presence:

Morocco / Egypt / Kenya / Nigeria / Ghana / Mauritius / South Africa / Ivory Coast

Strengths

- Completing presence to CYBER1
- Strong regional presences in high growth markets
- Strengthening strategic vendor relationships across the region.

The acquisitions will broaden the product & services portfolio, and strengthen the market position on the African continent.



The 50 percent acquisition of these businesses complements the existing entities within CYBER1, with a number of clear synergistic opportunities to be realised, ranging from increased market share to deeper relationships with the leading vendor solutions across the globe. The Company has ensured that its approach of expanding operations within existing markets will ensure growth that is sustainable and measured.

Johan Bolsenbroek, Chairman of CYBER1 commented – “The Board is delighted to welcome CSSA and CSAD to the CYBER1 Group. Both entities bring with them a plethora of experience and proven credibility within the cyber security markets. Through the due diligence process, I have been extremely impressed with the ambition and direction of the companies, combined with the clear experience and expertise of the management. The Board looks forward to realising the collective potential of these entities in tandem with the existing CYBER1 companies, where we can further entrench the company’s position within the African markets.”

CEO of CSSA/CSAD Robert Brown commented: “I am extremely delighted that CSSA and CSAD are joining the CYBER1 family of companies. Having created the initial subsidiaries that form what CYBER1 has become today, having the opportunity to combine these high growth assets to the platform of CYBER1, will have a significant collective benefit. Utilising skills and expertise to drive organic growth from within will be the key to further profitability, as demonstrated by CYBER1’s positive Q1 results. I look forward to unlocking the synergies of the combined companies, that will further increase our presence in Africa and beyond.”

TERMS AND CONDITIONS

Investor information

Investors are encouraged to carefully review the investor information made available on the Company's website: www.cyber1.com, including this Memorandum.

The Rights Issue

Each Unit issued in the Offer contains one (1) newly issued share and one (1) warrant of series 2021 issued free of charge. The Rights Issue comprise a maximum of 174,445,113 Units and thus entails an issue of a maximum of 174,445,113 shares and a maximum of 174,445,113 warrants of series 2021.

Upon full subscription of Units, CYBER1 will receive issue proceeds of approximately EUR 1.74 million before issue costs. Upon full exercise of all warrants, CYBER1 may receive additional issue proceeds of approximately EUR 1.74 million before issue costs.

Preferential rights and Unit Rights

The Company's shareholders have preferential right to subscribe for Units in the Offer in proportion to the number of shares they held on the record date. The record date for the right to participate in the Rights Issue is 1 July 2021. For every two (2) existing shares held on the record date shareholders will receive one (1) unit right. One (1) unit right entitles the holder to subscribe for one (1) Unit.

If not all Units are subscribed for by exercise of unit rights, allotment of the remaining Units shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for Units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of Units without exercise of unit rights, have exercised for subscription of Units; secondly, to those who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Units the subscriber in total has applied for subscription of Units; and thirdly, to those who have provided guarantee undertakings regarding subscription of Units, in proportion to such guarantee undertaking (where it is noted that Bullet Capital AG has undertaken to guarantee the full payment of the Rights Issue amount). To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Shareholders who choose not to participate in the Offer will have their ownership diluted by approximately 33.3 percent. In the event all warrants are fully exercised, shareholders will experience further dilution from the warrants of 25 percent. Upon a fully subscribed Rights Issue and full exercise of the warrants, the total dilution can amount to a maximum of 50 percent. For more information on additional pending share and warrants issues and potential dilution effects, please see section *Legal considerations and supplementary information*.

Subscription price

The subscription price is EUR 0.01 per Unit, which corresponds to a subscription price of EUR 0.01 per share. Warrants are issued free of charge. No commission will be charged.

Record date

The record date for the right to participate in the Offer with preferential right is 1 July 2021. The last day of trading in the Company's share including unit rights is 29 July 2021. The first day of trading in the Company's share excluding unit rights is 30 July 2021.

Subscription period

Subscription for Units by using unit rights will take place from and including 5 July 2021 up until and including 19 July 2021.

Please note that upon expiry of the subscription period, unexercised unit rights will lapse and become worthless. Unexercised unit rights will be removed from the respective shareholder's VP account without Euroclear Sweden providing any separate notification.

The board of directors is entitled to extend the subscription period. Any such decision will be made at the latest in connection with the end of the subscription period. In the event of a decision to extend the subscription period, such decision will be made public through a press release.

Trading with unit rights

Trading in unit rights takes place on Nasdaq First North from and including 5 July 2021 up until and including 14 July 2021. Unit rights acquired during the above-mentioned trading period give, during the subscription period, the same right to subscribe for new Units as the unit rights that shareholders receive based on their holdings in the Company on the record date. The ISIN code for the unit rights is SE0016276703.

Issue statements and application forms

Directly registered shareholders

A pre-printed issue statement with an attached payment form will be sent to directly registered shareholders and representatives of shareholders who on the record date are registered in the share register maintained by Euroclear Sweden. The issue statement will state, inter alia, the number of unit rights received and the number of Units that may be subscribed for in the Offer. No securities notification stating the registration of unit rights on the shareholders' VP account will be distributed.

Shareholders included in the special list of pledge holders and nominees maintained in connection with the shareholders' register will not receive any issue statements but will be informed separately.

Nominee-registered shareholders

Shareholders whose holdings are nominee-registered at a bank or other nominee will not receive an issue statement or payment form. Subscription for and payment of Units in the Offer is to take place in accordance with the instructions from the respective bank or nominee.

Shareholder's resident in certain unauthorized jurisdictions

The allotment of unit rights and issue of BTU, new shares and/or warrants to persons resident in other countries than Sweden may be affected by securities legislation in such countries, see the introducing section "Important Information". Consequently, subject to certain exceptions, shareholders whose existing shares are directly registered on VP accounts with a registered address in USA, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea or in any other jurisdiction where participation in the Offer would require prospectus, registration or actions other than according to Swedish law or contravening laws or regulation in such country, will not receive any unit rights or be allowed to subscribe for Units in the Offer. The unit rights that would otherwise have been delivered to these shareholders will be sold and the sales proceeds, excluding a deduction for costs, will be paid to such shareholders. However, amounts below EUR 10 will not be paid.

Subscription with unit rights

Subscription for Units in the Offer based on unit rights shall take place during the period from and including 5 July 2021 up until and including 19 July 2021. Unutilized unit rights will be invalid after the end of the subscription period and thereby become worthless. After 19 July 2021, unutilized unit rights will be withdrawn from the respective shareholder's VP account without any notification from Euroclear Sweden.

In order not to lose the value of the unit rights, the holder must either:

- exercise the unit rights to subscribe for Units in the Offer no later than 19 July 2021, or in accordance with directions from the subscriber's nominee, or
- sell the unit rights that are not intended to be exercised for subscription by 14 July 2021.

Subscription by directly registered shareholders

Subscription for Units in the Offer with unit rights is to take place by a simultaneous cash payment, either by using the pre-printed payment form or using the special application form according to one of the following two options:

- The pre-printed payment form should be used if all unit rights according to the issue statement from Euroclear Sweden are to be exercised.

- The special application form "Special subscription form for subscription of units with unit rights" is to be used if unit rights have been transferred from another VP account, or for any other reason a different number of unit rights set out in the pre-printed issue report shall be used for subscription of Units. When a completed application form is submitted, payment must be made for the subscribed Units, through for instance Internet banking, bank giro or at a bank office.

The special application form must be received by Mangold no later than 15.00 CEST on 19 July 2021. Any application form sent by regular mail should therefore be sent in due time before the end of the subscription period. Only one application form per person or legal person will be considered. In case more than one application form is submitted, only the last application form received will be considered. Incomplete or incorrectly completed special application forms may be disregarded. Please note that subscription for Units is legally binding.

Completed application forms shall be submitted to:

Mangold Fondkommission AB
Emissioner/CYBER1
Box 55691
102 15 Stockholm
Telephone: +46 (0)8-503 015 95
Email: emissioner@mangold.se (scanned application form)

Application forms will be available for download on CYBER1's website, www.cyber1.com, and on Mangold's website, www.mangold.se, and can also be ordered from Mangold during office hours on telephone +46 (0)8-503 015 95.

Directly registered shareholders not resident in Sweden but eligible for subscription with unit rights

Directly registered shareholders that are not resident in Sweden but eligible for subscription for Units in the Offer with unit rights (i.e. which are not subject to the restrictions described above in the section "Shareholders resident in certain unauthorized jurisdictions"), who cannot use the printed payment form, may pay in EUR via a foreign bank in according to the instructions below:

Swedbank
SWIFT / BIC: SWEDSESS
IBAN Number: SE71 8000 0890 1143 7670 1472
Bank account number: 8901-1437670147-2

Upon payment, the subscriber's name, address, VP account number and payment identity stated on the issue statement must be quoted. Last day for payment is 19 July 2021.

If the number of unit rights to be exercised for subscription of Units differs from the number stated in the issue statement, the application form "Special subscription form for subscription of Units with unit rights" (Sw. *Särskild anmälningssedel för teckning av units med stöd av uniträtter*) is to be used, which is available on CYBER1's website, www.cyber1.com, and can be ordered from Mangold during office hours on telephone number +46 (0)8-503 015 95. Payment must be made in accordance with the instructions above. For payment identity, enter VP account number or personal identification number/organization number. The subscription form and payment shall be received by Mangold no later than on 19 July 2021.

Subscription by nominee-registered shareholders

Shareholders whose holdings are nominee-registered and who wish to subscribe for Units in the Offer with unit rights shall apply for subscription in accordance with the instructions from respective nominee.

Subscription without unit rights

Application to subscribe for Units without unit rights is to take place from and including 5 July, 2021 up until and including 19 July 2021. Subscription for Units without unit rights is made in the subscription form for subscription for units without preferential rights (Sw. *Anmälningssedel för teckning utan företräde*) which must be filled in, signed and sent to Mangold at the address above. Any payment shall not be made in connection with the subscription, but as set out below.

Application to subscribe for Units without unit rights must have been received by Mangold no later than 15.00 CEST on 19 July 2021. It is only allowed to submit one (1) subscription form for subscription for units without unit rights. In case more than one subscription form is submitted, only the most recently received form will be considered. Other such subscription forms will thus be discarded. Please note that subscription for Units is legally binding. If the deposit is linked to an endowment insurance account (Sw. *Kapitalförsäkring*) or an investment savings account (Sw. *Investeringssparkonto (ISK)*), please contact your nominee.

Subscriptions can also be made electronically with electronic identification in Sweden (i.e BankID). Please go to www.mangold.se/aktuella-emissioner/ and follow the instructions. In the case of subscription for Units without unit rights and other corporate events where participation is voluntary and the signatory has an own choice of participation, Mangold must collect information from you as a citizen of citizenship and identification codes. This follows from the securities trading regulations that entered into force on January 3, 2018. National ID (NID) must be collected if the natural person has a different citizenship than Sweden or additional citizenship in addition to Swedish citizenship. NID differs from country to country and corresponds to a national identification code for the country. For legal entities (companies), Mangold must have a Legal Entity Identifier (LEI). Mangold may be prevented from performing the transaction unless all required information is received.

Allotment of Units subscribed for without unit rights

If not all Units are subscribed for by exercise of unit rights, allotment of the remaining Units shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for Units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of Units without exercise of unit rights, have exercised for subscription of Units; secondly, to those who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Units the subscriber in total has applied for subscription of Units; and thirdly, to those who have provided guarantee undertakings regarding subscription of Units, in proportion to such guarantee undertaking (where it is noted that Bullet Capital AG has undertaken to guarantee the full payment of the Rights Issue amount) . To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Notification of any allotment of Units subscribed for without unit rights is made by the distribution of a settlement note. Payment must be made according to notice on the settlement note, no later than

three days after the dispatch of the settlement note. No notification will be sent to those who have not been allotted Units. If subscribed Units are not paid in due time, such Units may be transferred to another person. In case the selling price is lower than the price according to this Offer, the one who originally received the allocation of these Units may be liable for payment of all or part of the difference.

Paid subscribed Units (BTU)

After payment, Euroclear Sweden will distribute a notification confirming that paid subscribed Units (BTU) have been registered on the subscriber's VP account. The newly subscribed Units will be entered as BTU on the VP account until the Rights Issue has been registered by the Swedish Companies Registration Office, which is expected to occur during week 31 2021. Thereafter, BTU will be re-classified as regular shares and warrants. No notification will be issued in connection with such re-classification.

Trading with BTU

Trading with BTU is expected to take place on Nasdaq First North during the period from and including 5 June 2021 until the Rights Issue have been registered by the Swedish Companies Registration Office, which is expected to occur during week 31 2021. The ISIN code for BTU is SE0016276711.

Right to dividend

New shares issued pursuant to the exercise of warrants entitle to dividends for the first time on the first record date for dividend that take place after the issue of new shares has been registered with the Swedish Companies Registration Office (Bolagsverket) and been recorded in the share register kept by Euroclear Sweden.

Terms and conditions for warrants of series 2021

One (1) warrant of series 2021 entitles to subscribe for one (1) new share in the Company, during the period from and including 25 July 2022 to and including 8 August 2022 against cash payment of EUR 0.01 per share.

The warrants are intended to be admitted to trading on Nasdaq First North after final registration of the Rights Issue with the Swedish Companies Registration Office.

Announcement of the outcome of the Offer

The outcome of the Offer is expected to be published during week 29 2021, through a press release from CYBER1.

SELECTED FINANCIAL INFORMATION

THE SELECTED FINANCIAL INFORMATION BELOW IS RELATED TO THE FINANCIAL YEARS OF 2019 AND 2020 WHICH HAS BEEN DERIVED FROM THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS 2019 AND 2020. THE FINANCIAL INFORMATION FOR THE PERIOD JANUARY – MARCH 2021 HAS BEEN DERIVED FROM THE UNAUDITED INTERIM REPORT JANUARY – MARCH 2021.

The financial statements of the Parent Company have been prepared in accordance with the Annual Accounts Act (Sw. Årsredovisningslag (1995:1554)) and RFR 2 "Reporting in separate financial statements." RFR 2 requires the Parent Company to use the same accounting principles as for the Group, i.e., IFRS, to the extent allowed by RFR 2. There are no material differences between RFR 2 and IFRS.

The reporting currency for the consolidated financial statements and the parent company is Euro, which is the functional currency of the Parent Company. Unless otherwise indicated, all amounts are rounded off to the nearest thousand.

Consolidated income statement

(TEUR)	2021	2020	2020	2019
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
Net Sales	7,929	9,124	27,356	68,731
Cost of goods and services sold	-5,656	-7,043	-19,832	-54,534
Gross profit	2,274	2,081	7,525	14,197
Development, Sales, and Administrative Costs	-2,022	-3,340	-11,777	-14,711
Administrative Assessment*				
Depreciation/Amortization	-51	-134	-352	-643
Operating profit/loss	201	-1,392	-4,604	-1,157
Other financial items**				
Profit before taxes	38	-2,071	-4,963	-943
Taxes				
Profit/Loss for the period	38	-2,071	-4,963	-943
Key Ratios				
Gross Margin	29%	23%	28%	21%
Operating margin	2.5%	-15%	-17%	-2%
Earnings per share before and after dilution	0.0001	-0.0052	-0.0403	-0.0035
Average number of shares before and after dilution	348,890,226			

Consolidated balance sheet

(TEUR)	3/31/2021	12/31/2020	12/31/2019
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	92	183	182
Right-of-use-Asset	311	273	450
Intangible Assets	22	22	4 400
Investments in subsidiaries	-	-	-
Goodwill	6 630	6 630	7 609
Total Non-current assets	7 055	7 108	12 641
<u>Current Assets</u>			
Inventory	461	452	225
Deferred tax asset	20	18	14
Trade receivable	14 952	14 933	26 951
Other Claims	-	116	279
Cash & Bank	-237	-739	2 438
Total Current Assets	15 196	14 780	29 905
TOTAL ASSETS	22 251	21 888	42 547
<u>DEBT AND EQUITY CAPITAL</u>			
<u>Equity Capital</u>			
Share Capital	91	91	77
Share premium	20 857	20 857	19 678
Period result	38	-8 845	-1 795
Other reserves	-21 252	-12 617	-4 378
Total Equity	-266	-514	13 583
<i>Capital and reserves attributable to owners</i>	149	-514	13 583
<i>Non-controlling interests</i>	214	113	240
<u>Long-term Debt</u>			
Interest-bearing liabilities	-	-	634
<u>Short term debt</u>			
Interim Debt	1 584	2 430	2 770
Lease liabilities	433	281	535
Intragroup Debt	-0	178	-
Trade Payables	19 057	16 702	21 896
Tax Debt	373	614	2 043
Provisions	1 701	2 197	1 086
Total Liabilities	23 149	22 402	28 964
TOTAL DEBT AND EQUITY	22 883	21 888	42 547

Consolidated cash flow statement

	2021	2020	2020	2019
(TEUR)	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
Profit before income taxes	37	-2 071	-4 963	-895
Adjustments non C/F items	314	299	406	1 468
Operating Cash Flow	352	-1 772	-4 557	573
Paid Taxes	-241	-443	-1 429	12
Recieved finance payments - net	-	-	-	-
Changes in Working Capital	2 032	5 999	6 954	-2 932
Cash Flow from Operating Activities	2 142	3 785	968	-2 347
Acquisition of Fixed Assets	-14	-53	-132	-772
Cash Flow from Investment Activities	-14	-53	-132	-772
Proceeds from ongoing share issue	-	-	1 193	816
Lease liabilities	-151	-46	-253	-46
Short Term Financing	-846	-1 637	-1 012	-378
Cash Flow from Financing Activities	-997	-1 684	-72	391
Net change in cash, continuing operations	1 130	2 048	764	-2 728
Net change in cash, discontinued operations	-	-3 882	-3 882	-410
Total net change in cash and cash equivalents	1 130	-1 834	-3 118	-3 138
Opening Cash	-739	2 438	2 438	5 924
Aquired cash	-	-	-	-
FX-diff Period	4	781	-59	-349
Closing Cash Position	395	1 384	-739	2 438

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITOR

The board of directors of CYBER1 currently consists of five members elected for the period ending at the next Annual General Meeting.

The senior management of CYBER1 currently consists of Robert Brown (Executive board member and Group President), Peter Sedin (Group CEO), Vivian Gevers (Group COO), Gemma Theron (Group CFO), Simon Perry (Group CTO) Garreth Scott (Managing Director Credence Security U.A.E), Job Oloo McAgeng'o (Managing Director ProTec, East Africa) and Mike Brown (DRS).

The board of directors

The board of directors is the second-highest decision-making body of the Company after the shareholders' meeting and the highest executive body of the Company. According to the Swedish Companies Act, the board of directors is responsible for the organisation of the Company and the management of the Company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the board of directors appoints the CEO. Members of the board of directors are normally appointed by the annual shareholders' meeting for the period until the end of the next annual shareholders' meeting.

The table below sets out the members of the board of directors, their year of birth, their position, the year of their initial election and their shareholdings.

Board of Directors				
Name	Born	Position	Elected	Holdings*
Johan Bolsenbroek	1966	Chairman	2020	570,000 shares
Alan Goslar	1947	Board member	2020	None
Pekka Honkanen	1951	Board member	2020	None
Zeth Nyström	1946	Board member	2020	None
Robert Brown	1970	Board member	2021	191,344 shares

* Following the completion of the above transaction and receipt of the units issued to the seller, entities affiliated with Robert Brown will receive 36,512,500 shares and 36,512,500 warrants of series 2021 in the company.

Members of the Board



Johan Bolsenbroek, *Chairman of the board*

Born: 1966

Other assignments: Co-owner and CFO of Triangle Studios B.V. Owner & CEO of ScreenCheck International BV. **Previous assignments:** Managing Partner at BdRExecutive Partners B.V.

Education: MBA in International Business from the University of Georgia – Terry College of Business and a BBA in International business from Nyenrode Business Universiteit

Non independent in relation to larger shareholders and in relation to the Company.



Alan Goslar, *Member of the board*

Born: 1947

Other assignments: Dial Advisory Limited, Owner of Payment Advisory Management Services

Previous assignments: CEO Transactworld Ltd, Chairman of supervisory Board of Payon AG.

Education: University of the Witwatersrand

Independent of the Company and Group Management



Pekka Honkanen, *Member of the board*

Born: 1951

Other assignments: Senior Advisor of Enfuce Financial Services, Owner and Chairman of PHOY Solutions Ltd.

Previous assignments: Board Member of Poplatek Oy (Now Part of the Nets Group), Monitoring Group Expert Member for the Finnish Financial Supervisory Authority surrounding PSD2, as well as Chairman of Silverskin Information Security Ltd and senior roles within Visa International.

Education: M.Sc in computer science och economy from Turku University

Independent of the Company and Group Management



Robert Brown, *Member of the board, Executive Director*

Born: 1970

Other assignments: Director, CSSA & CSAD

Previous assignments: CEO, Dynamic Recovery Holding

Education: KES, South Africa

Non independent in relation to larger shareholders and in relation to the Company.

Members of the Board



Zeth Nyström, Member of the board

Born: 1946

Other assignments: Chairman of Trosa Fibernät AB, the Trosa municipality broadband provider. Member of the City Council of Trosa, Lay Judge for Svea Hovrätt.

Previous assignments: C.E.O, C.O.O

and C.M.O of Speedy Tomato AB (Now Telia Communications), Tess Brazil (now Telia), Europolitan AB (now Telenor) and Hi3G AB (now 3/Three telecommunications)

Education: Bachelor's degree in economics from Gothenburg University.

Independent of the Company and Group Management.

Senior Management



Robert Brown, Group President

Born: 1970

Other assignments: Director, CSSA & CSAD

Previous assignments: CEO, Dynamic Recovery Holding

Education: KES, South Africa

Shareholdings: see above.



Peter Sedin, Group CEO

Born: 1968

Other assignments: CEO & Founder, Asight AB.

Previous assignments: Board member, Scandinavian School of Brussels, Vice President at Volvo Construction.

Education: Global Executive MBA, Stockholm School of Economics, MSc Mechanical Engineering, Linköping University

Shareholdings: 0



Gemma Theron, Group CFO, CYBER1

Born: 1972

Other assignments: Chief Financial Officer, Cyber Security South Africa

Previous assignments: Financial Insight Lead, Standard Bank Group.

Education: University of South Africa. BCompt Accounting Sciences

Shareholdings: 0 shares



Vivian Gevers, Group COO

Born: 1982

Other assignments: N/A

Previous assignments: Managing Director, Credence Security Dubai.

Education: BCom in Management, University of South Africa

Shareholdings: 360,000 shares

Senior Management



Garreth Scott, MD, Credence Security U.E.A

Born: 1982

Other assignments: N/A

Previous assignments: Sales Director, Credence Security, International Channel Sales Manager AccessData.

Education: Kloof High School, KwaZulu-Natal

Shareholdings: 149,911 shares



Simon Perry, Group CTO, CYBER1

Born: 1982

Other assignments: CTO, Cyber Security South Africa & Cyber Security Africa Distribution

Previous assignments: Sales Engineer, McAfee

Education: Northcliff High

Shareholdings: 0 shares



Job Oloo McAgeng'o, MD, Protec, East Africa

Born: 1975

Other assignments: N/A

Previous assignments: Head of Technical, Professional Technologies Ltd

Education: Cherangani High School/ University of South Africa

Shareholdings: 6,625 shares



Mike Brown, MD, DRS

Born: 1965

Other assignments: Director Adams Brown Investments (PTY) Ltd, Director of Cammington (PTY) Ltd (Telecoms), Director Workflow managed Services (PTY) Ltd (Office Automation). Director of Cyber Security South Africa (PTY) Ltd.

Previous assignments: Previous Assignments: Marketing Director of Nashua Ltd from 2000 – 2007. Co -Founder and CEO of Broadlink (PTY) Ltd 2007 – 2018. Cyber Security South Africa, Director 2019 to present.

Education: Education: MBA, Oxford Brookes University

Shareholdings: 403,761 shares

Other information about the Board of Directors and senior management

All members of the Board and the senior management can be contacted via the Company's address:

Cyber Security 1 AB (publ)
C/O Sandra Mattson, Aspia AB

Box 6350
102 35 Stockholm, Sweden, Sweden.

None of the members of the board or the senior management have over the last five years, (i) been convicted of a fraud-related case, (ii) been subject to official incrimination and/or sanctions by statutory or regulatory authorities, or (iii) been prohibited by the courts from being a member of a board of directors or governing body, or otherwise to do business.

None of the members of the board or the senior managers has, at the date for this Memorandum, received any compensation from CYBER1, except for salary to the senior management. Further, none of the members of the board or the senior managers are entitled to any benefits in conjunction with the termination of an assignment as a board member or as a senior manager (other than that set out in provisions in the senior manager's employment contracts regarding employment benefits during the period of notice).

Auditor

The most recent auditor election was at the annual general meeting on 29 June 2021, when RSM Stockholm AB was re-elected as the Company's auditor with Malin Lanneborn as auditor-in-charge for the period until the end of the annual general meeting 2022.

RSM Stockholm AB's office address is Birger Jarlsgatan 57 B, 113 56 Stockholm, Sweden

CORPORATE GOVERNANCE

CYBER1 is a Swedish public limited company. The Company's corporate governance is based on Swedish law, internal rules and Nasdaq First North Growth Market Rulebook.

Following the Listing on Nasdaq First North, CYBER1 will neither be required to comply with the corporate governance rules of the Swedish Companies Act (Sw. Aktiebolagslagen 2005:551) applicable to companies which securities are admitted to trading on a regulated market, nor the Swedish Corporate Governance Code (Sw; Svensk kod för bolagsstyrning). This is due to the fact that Nasdaq First North is not considered to be a regulated market. However, it is the Company's ambition to conduct a review of its internal governance procedures in order to apply to the codes in the future.

Nasdaq First North is an alternative market, operated by the different exchanges within Nasdaq. It does not have the legal status as an EU-regulated market. Companies at Nasdaq First North are subject to the rules of Nasdaq First North and not the legal requirements for admission to trading on a regulated market.

General shareholders' meetings

The general shareholders' meetings are, in accordance with the Swedish Companies Act, the highest decision-making body of the Company, and at the general meetings the shareholders exercise their voting rights on key issues, including inter alia decisions regarding adoption of income statements and balance sheets, allocation of the Company's results, discharge from liability for the board of directors and the CEO, election of directors of the board and auditor and remuneration to the board of directors and auditor. In addition to the annual general meeting ("**AGM**"), extraordinary general shareholders' meetings ("**EGM**") may be convened. In accordance with the Company's articles of association, notice of the AGM and EGMs shall be made by announcement in the Official Swedish Gazette and by posting the notice on the Company's website. An announcement that the notice has been issued is published in Dagens Industri.

Right to attend general shareholders' meetings

All shareholders who are directly registered in the share register maintained by Euroclear Sweden six banking days before the general shareholders' meeting, and have notified the Company of their intention to participate (including any assistants) at the general meeting, no later than on the date stated in the notice of the general meeting, have the right to attend the general meeting and vote for the number of shares they hold. Shareholders may attend the general shareholders' meeting in person or by proxy and may also be accompanied by a maximum of two assistants. Shareholders can normally register for the general shareholders' meetings in several different ways, as stated in the notice of the general meeting. In addition, temporary legislation due to covid-19 as set forth in the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations, allows the Company to conduct general meetings by way of advance postal voting only (i.e. without physical presence at meetings).

Shareholder initiatives

Shareholders who wish to have a matter addressed at general shareholders' meetings must submit a written request to the board of directors. The board of directors must normally have received the request no later than seven weeks before the general shareholders' meeting.

Board of directors

According to the Company's Articles of Association, the Board of Directors shall consist of not less than three and not more than nine members, with at most six deputies. At the annual general meeting on 29 June 2021, 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 members without deputies.

The board of directors is the second-highest decision-making body of the Company after the shareholders' meeting and the highest executive body of the Company. According to the Swedish Companies Act, the board of directors is responsible for the organization of the company and the management of the company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the board of directors appoints the CEO. Members of the board of directors are normally appointed by the annual shareholders' meeting for the period until the end of the next annual shareholders' meeting. The board of directors of the Company currently consists of four directors elected at the shareholders' meeting, who are presented in greater detail in the section "Board of directors, senior management and auditor".

Chief Executive Officer

The CEO is appointed by the board of directors and has the primary responsibility for the day to day Management and operations of the Company. The division of work between the board and the CEO are set forth in the rules of procedure for the board and the instruction to the CEO. The CEO is also responsible for preparing reports and compiling information from the executive management for the meetings with the board of directors and for presenting such materials at the meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting of the Company and shall, accordingly, ensure that the board of directors receives adequate information to enable the board of directors to continuously evaluate CYBER1's financial position.

Remuneration to the board of directors

Fees and other remuneration to board members, including the chairman of the board, are decided at the annual general meeting. The annual general meeting on 29 June 2021 resolved that a fee of SEK 350,000 shall be paid to the chairman of the board and a fee of SEK 300,000 shall be paid to other members of the board for the period until the next annual general meeting.

Auditing

The auditor is to review the Company's annual report and accounting as well as the management of the board and the CEO. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the annual general meeting. In accordance with the Company's Articles of Association, the Company shall have one to two auditors and not more than two alternate auditors. The Company's auditor is presented in greater detail in the section *Board of directors, senior managers and auditor*.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

The Company's share capital shall, as set out in the Company's Articles of Association (as decided to be adjusted at the Annual General Meeting on 29 June 2021), not be less than EUR 80,000 and not more than EUR 320,000 and the number of shares shall be not less than 300,000,000 and not more than 1,200,000,000. At the date of the Memorandum, the share capital of CYBER1 amounts to EUR 91,308.621395, divided into 348,890,226 shares. The quota value is approximately EUR 0.000262 per share.

All shares have been issued in accordance with Swedish law. All issued shares have been fully paid and are freely transferrable. The shares are registered in a central securities depository, Euroclear Sweden, in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The Company's shares are subject to trading on Nasdaq First North. The shares are cleared through the electronic securities system operated by Euroclear Sweden. The ISIN for the shares is SE0007604061 and are traded under the ticker CYB1. The Company's certified adviser is Mangold Fondkommission AB.

No shares in CYBER1 are subject to mandatory offers, redemption rights or redemption obligation at the date of the Memorandum.

Share capital

The table below summarizes the share capital developments in the Company's ordinary share capital to the date of the Memorandum, including and assuming (in *italics*) full subscription and warrants exercise in both the Rights Issue and in the additional rights issues further detailed below in section *Additional Company decisions with dilution effects*.

Date	Event	Change in shares	Total shares	Change in Share Capital	Total Share Capital	Quota Value	Currency
31/05/2002	Redemption of shares	-7000	2,500	N/A	250,000	100.000	SEK
19/05/2015	Split 1 to 100 000	249,997,500	250,000,000		250,000	0.0010	SEK
19/05/2015	New issue shares (set-off)	362,000,000	612,000,000	362,000	612,000	0.0010	SEK
19/05/2015	Reverse Split 2 to 1	-306,000,000	306,000,000		612,000	0.0020	SEK
19/05/2015	Reverse Split 10 to 8	61,200,000	244,800,000		612,000	0.0025	SEK
24/03/2016	New issue of shares (set-off)	2,800,000	247,600,000	7,000	619,000	0.0025	SEK
07/07/2016	New issue of shares	9,579,500	257,179,500	23,949	642,949	0.0025	SEK
11/01/2017	Currency change	---	---	---	---		EUR
11/01/2018	New issue of shares (in kind)	924,000	258,103,500	241.82	67,548	0.000262	EUR
07/02/2018	New issue of shares (in kind)	550,000	258,653,500	143.94	67,692	0.000262	EUR
09/03/2018	New issue of shares (set-off)	1,860,465	260,513,965	486.91	68,179	0.000262	EUR
09/03/2018	New issue of shares (set-off)	1,777,778	262,291,743	465.27	68,644	0.000262	EUR
02/10/2018	New issue of shares (set-off)	16,666,666	278,958,409	4,361.86	73,006	0.000262	EUR
16/11/2018	New issue of shares (set-off)	13,277,097	292,235,506	3,474.77	76,481	0.000262	EUR
10/04/2019	New issue of shares (set-off)	400,000	292,635,506	104.68	76,585	0.000262	EUR
11/03/2019	New issue of shares (set-off)	240,000	292,875,506	62.81	76,648	0.000262	EUR
10/04/2019	New issue of shares (set-off)	2,000,000	294,875,506	523.42	77,172	0.000262	EUR
10/04/2019	New issue of shares (set-off)	402,976	295,278,482	105.46	77,277	0.000262	EUR
10/04/2019	New issue of shares (set-off)	208,000	295,486,482	54.44	77,332	0.000262	EUR
16/04/2020	New issue of shares (set-off)	38,769,247	334,255,729	10,146.36	87,478	0.000262	EUR
16/04/2020	New issue of shares (set-off)	14,634,497	348,890,226	3,830.02	91,308	0.000262	EUR
2021	<i>New issue of shares (the Offer)*</i>	<i>174,445,113</i>	<i>523,335,339</i>	<i>45,654.31</i>	<i>136,962</i>	<i>0.000262</i>	<i>EUR</i>
2021	<i>New issue of shares**</i>	<i>204,216,767</i>	<i>727,552,106</i>	<i>53,445.90</i>	<i>190,408</i>	<i>0.000262</i>	<i>EUR</i>
2022	<i>Warrants series 2021 (the Offer)***</i>	<i>174,445,113</i>	<i>901,997,219</i>	<i>45,654.31</i>	<i>236,062</i>	<i>0.000262</i>	<i>EUR</i>
2022	<i>Warrants series 2021****</i>	<i>204,216,767</i>	<i>1,106,213,986</i>	<i>53,445.90</i>	<i>289,508</i>	<i>0.000262</i>	<i>EUR</i>

*Assuming full subscription in the Rights Issue

** Assuming full subscription in the Board Issue, the Loan Repayment Issue, the Acquisition Issue and the Service Provider Issue (see further in section *Additional Company decisions with dilution effects*)

*** Assuming all warrants issued in the Rights Issue are fully exercised

**** Assuming (i) full subscription in the Board Issue, the Loan Repayment Issue, the Acquisition Issue and the Service Provider Issue (ii) all warrants thereby issued are fully exercised

Resolutions resolved on the Annual General Meeting on 29 June 2021

(“AGM 2021”)

Resolution on new issue of shares and warrants by way of units without preferential rights – payment of board fees

Marlo Finance BV proposed that the general meeting resolves on a new issue of 3,550,000 units without preferential rights for existing shareholders on the same terms as in the units issued in the ongoing Rights Issue. The new issue aims to settle outstanding board fees in accordance with the resolution on board compensation at the annual general meeting on June 30, 2020, totaling 35,500 EUR (the “**Board Issue**”). The Board Issue was resolved at the AGM 2021 as per the above proposal. Upon completion of the Rights Issue and assuming that all warrants issued in the Rights Issue are exercised into shares, the dilution from the Board Issue will amount to approximately 0.51 percent from issued shares and an additional approximately 0.51 percent of dilution upon full exercise of issued warrants in the Board Issue.

Resolution on new issue of shares and warrants by way of units without preferential rights – completion of acquisitions

On 31 May 2021, the Company announced in a press release that acquisition agreements have been entered into for the Company’s purchase of 50 percent of the shares in the South African companies Cyber Security South Africa Proprietary Limited and in Cyber Security Africa Distribution (jointly the “Target Shares”). The total consideration for the Target Shares amounts to EUR 635,000, which, subject to approval by the annual general meeting, shall be honoured by the issue of units on the same terms as in the units issued in the ongoing Rights Issue. In light of the above and the additional information concerning the acquisitions announced in the separate press release, the board of directors proposed that the general meeting resolves on a new issue of 63,500,000 units without preferential rights for existing shareholders (the “**Acquisition Issue**”). The Acquisition Issue was resolved at the AGM 2021 as per the above proposal. Upon completion of the Rights Issue and assuming that all warrants issued in the Rights Issue are exercised into shares, the dilution from the Acquisition Issue will amount to approximately 8.34 percent from issued shares and an additional approximately 7.70 percent of dilution upon full exercise of issued warrants in the Acquisition Issue.

Proposal to instruct the board of directors to establish incentive program

Marlo Finance BV proposed that the general meeting resolves to instruct the board of directors to establish an internationally viable incentive program for management and employees in the Cyber group during 2021 and to obtain the approval from the shareholders of the Company that may be necessary for its execution. At the date of this Memorandum, no actions has been taken by the board of directors towards creating such incentive program, and thus no potential dilution effects can be indicated.

Additional Company decisions with dilution effects

Commission to Rights Issue guarantor

On 27 May 2021, the Company announced in a press release the terms of the Rights Issue, including that the Rights Issue is covered by a guarantee undertaking from an external investor (Bullet Capital AG as set out above) corresponding to 100 percent of the issue proceeds and that the guarantee undertaking commission, adapted to the prevailing market situation, will either be paid in cash at ten (10) percent of the guaranteed amount, or through newly issued shares and warrants on terms equal to the Rights Issue corresponding to a value of fifteen (15) percent of the guaranteed amount, subject to the guarantor's decision. In case of full remuneration by way of units, 26,166,767 shares and 26,166,767 warrants will be issued to Bullet Capital AG ("**Guarantor Issue**"). Upon completion of the Rights Issue and assuming that all warrants issued in the Rights Issue are exercised into shares, the dilution from the Guarantor Issue will at maximum amount to approximately 3.61 percent from issued shares and an additional approximately 3.49 percent of dilution upon full exercise of issued warrants in the Guarantor Issue.

Rights issues to loan providers

On 17 May 2021, the Company announced in a press release that it had secured loans from certain existing shareholders of in total EUR 500,00 with a fixed interest of 10 % (50,000 EUR) and maturity of 90 days where lenders were granted the right, instead of cash repayments, to set off the loan claims against new shares and warrants on terms equal to the Rights Issue (planned but not decided at the date of the press release). In case of full repayment of the loan by way of shares and warrants, 55,000,000 shares and 55,000,000 warrants will be issued to the lenders ("**Loan Repayment Issue**"). Upon completion of the Rights Issue and assuming that all warrants issued in the Rights Issue are exercised into shares, the dilution from the Loan Repayment Issue will at maximum amount to approximately 7.31 percent from issued shares and an additional approximately 6.81 percent of dilution upon full exercise of issued warrants in the Loan Repayment Issue.

Rights issues to key partners in the turnaround/reconstruction and recapitalization of the Company's business

On the 2nd of July 2021, the Company announced in a press release that it had secured a model for remuneration to key partners/consultants that had provided crucial legal and management/strategy services to the Company relating to the company reconstruction (including business turnaround services) and the recapitalization of the Company as set out in the Rights Issue. The total amount due to such services providers was EUR 560,000 which was to be settled against 56,000,000 new shares and 56,000,000 warrants being issued on terms equal to the Rights Issue ("**Service Provider Issue**"). Upon completion of the Rights Issue and assuming that all warrants issued in the Rights Issue are exercised into shares, the dilution from the Service Provider Issue will at maximum amount to approximately 7.43 percent from issued shares and an additional approximately 6.92 percent of dilution upon full exercise of issued warrants in the Service Provider Issue.

Total dilution effects

Due to the Board Issue, the Loan Repayment Issue, the Acquisition Issue and the Service Provider Issue, and provided that the Guarantor Issue and the Loan Repayment Issue are fully subscribed, shareholders who choose not to participate in the Rights Issue will have their ownership diluted by approximately 68.4 percent, assuming that all warrants issued in the Rights Issue are exercised into shares. Shareholders who choose to fully participate in the Rights Issue and also exercise all warrants issued

and received in the Units into new shares, will, upon all other rights issues being executed as per above, have their ownership diluted by approximately 36.92 percent.

Ownership Structure

The table below lists all shareholders who held more than 5% of the capital and voting shares in the Company as of 31 May 2021.

Name	Number of shares held	% share of votes and capital
ABN AMRO SWEDEN CLIENT NON-TREATY	95,506,233	27.4%
UBS SWITZERLAND AG, W8IMY	61,545,952	17.3%
PERSHING, LLC, W9	46,869,815	13.4%
CREDIT SUISSE (SWITZERLAND)LTD	30,126,604	8.6%
SIX SIS AG, W8IMY	21,328,269	6.1%
MORGAN STANLEY & CO INTL PLC, W8IMY	17,768,948	5.1%
THE BANK OF NEW YORK MELLON, CORPORATION W9	17,489,490	5.0%
Total shareholders over 5%	290,635,311	82.9%
Total shareholders below 5%	58,254,915	17.1%
Total	348,890,226	100.0

Company Reconstruction

On 7 June 2021, the Company announced in a press release that the Stockholm District Court had adopted a compulsory composition agreement (Sw; offentlig ackord) with a 75 percent write down of the Company's subordinated debt and decided to end the ongoing company reconstruction proceedings. On the date of this Memorandum, the appeal period has lapsed for the above decisions by the Stockholm District Court without appeals being recorded, wherefore the decision to end the Company Reconstruction has gained final legal effect and the Company is no longer in company reconstruction.

Ongoing investments and commitments on future investments

On 31 May 2021, the Company announced in a press release the acquisition of 50 percent of the shares in the South African companies Cyber Security South Africa Proprietary Limited and in Cyber Security Africa Distribution (see above under section *Resolution on new issue of shares and warrants by way of units without preferential rights – completion of acquisitions*). As an integral part of the acquisitions terms, the Company was also granted exclusivity rights to negotiate a purchase of the remaining 50 percent of the shares in cash before 30 September 2022.

Agreements and transactions with related parties

See above information in (i) section *Conflicts of interest risks* and *Ongoing investments and commitments on future investments* regarding the agreements and transactions relating to CSSA and CSAD between the Company and board member and Group President Robert Brown, (ii) section *Resolution on new issue of shares and warrants by way of units without preferential rights – payment of board fees* regarding the issue of Units to board members and (iii) section *Rights issues to loan providers* regarding outstanding loans from and potential rights issues to certain shareholders. Beyond these transactions and transactions in the ordinary course of business such as board fees and remunerations to employees, no agreements and transactions between the Company and related parties are in effect or planned.

Employee Incentive Program

No employee incentive programs are currently in place. However, note above section *Proposal to instruct the board of directors to establish incentive program*.

In addition, the board of directors is currently assessing a claim from a former senior manager of the Company relating to an alleged obligation to issue 4,000,000 new shares under an older vested share option scheme. In case this claim can be deemed valid, the board of directors intend to have the shares issued accordingly during H2 2021, subject to approval at an extraordinary shareholders' meeting.

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