

CYBER1 applies for composition hearings and outlines initial process for a rights issue and the exiting of the reconstruction

Cyber Security 1 AB (publ), 556135-4811 (the "Company") has today filed for composition hearings with the Stockholm District Court pursuant to the ongoing company reconstruction, with a proposal of a compulsory composition. The Company plans to carry out a rights issue as part of the initial steps for exiting the reconstruction process.

The Company entered the reconstruction process on the 12th of May 2020. (More information on the original release can be found [here](#)). The Board of Directors in conjunction with Marcus Wenner (the administrator), has made significant strides in the reconstruction of the parent company operations. The effects of the restructure will be further reflected to the market in the Q1 2021 Report, due for publication on the 21st of May 2021. Following an extensive dialogue with subordinated creditors of the Company, it has been concluded that a write-down of subordinated debt (Sw; oprioriterade fordringar) is required, to provide a foundation for accelerated growth. Today, 11th May 2021, the Company has therefore lodged an application for composition hearings (Sw; ackordsförhandling), including a composition proposal (Sw; ackordsförslag), with the Stockholm District Court.

Composition proposal

The composition proposal entails a twenty-five (25) per cent pay-out of the Company's subordinated debt accrued before the commencement of the reconstruction, equating to a write-down of seventy-five (75) per cent of the relevant debt. The proposed composition payments to subordinated creditors shall be made in cash within twelve months from the Stockholm District Court's decision on a compulsory composition agreement (Sw; offentligt ackord) has gained legal force. The Company will revert with separate press releases on the date of the composition hearing, as decided by the Stockholm District Court, and the court's decision on the composition agreement in due course.

Rights Issue

Subject to (i) the Stockholm District Court deciding on a compulsory composition agreement as above and (ii) shareholder's approval, the Company intends to carry out a rights issue of shares and gratuitous warrants (in units, where each unit carries one share and one warrant) with preferential rights for the Company's shareholders (the "Rights Issue"). The motive for the Rights Issue is to enable the Company to finance the above mentioned composition payments and to provide working capital for continued operations of the Company's reorganized business. Full terms of the Rights Issue, its implementation and related arrangements will be communicated in a notice to an extraordinary shareholders meeting ("EGM") in a separate press release as soon as practicably possible.

Commenting on the composition proposal and the wider process towards regained financial

viability, Chairman of CYBER1, Johan Bolsenbroek noted that: *"The Company has focused the last twelve months in resetting its approach at the parent company level. A number of key stakeholders internally and externally have worked diligently to enable the company to reach this important milestone and the final stages of the reconstruction process. More work will be required but I firmly believe that with the board, executive and close advisors in place, we are now positioned to conclude the reconstruction process in a sustainable fashion and start an important new chapter for the Company."*

For further information, please contact:

Public Relations Contact:

Mattias Tönnheim: Phone +46 (0) 704-41 19 14 E-mail: mattias@samurai-pr.se

Mangold Fondkommission AB is the Company's Certified Adviser.

Phone: +46 (0)8 503 015 50 E-mail: ca@mangold.se

About CYBER1

CYBER1 is engaged in providing cyber resilience solutions and conducts its operations through presences in Sweden, South Africa, United Arab Emirates, Kenya and the UK. Listed on Nasdaq First North Growth Market (Nasdaq: [CYB1.ST](#)), the Group delivers services and technology licenses to enhance clients' protections against unwanted intrusions, to provide and enhance cyber resilience and to prevent various forms of information theft. CYBER1 had revenues of €27.36m in 2020.

For further information, please visit www.cyber1.com/investors.

For all company filings and reports, please visit: <https://cyber1.com/cyber1-investor-information/>

This information is information that Cyber Security 1 is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-05-11 22:55 CEST.

Attachments

[CYBER1 applies for composition hearings and outlines initial process for a rights issue and the exiting of the reconstruction](#)