Cyber Security1 AB (Publ)

Q4 Year-end 2022 Interim Report
1 October – 31 December 2022

CYBER1 achieves 38% revenue increase for Q4 2022, providing a platform for strategic growth into 2023

Revenue

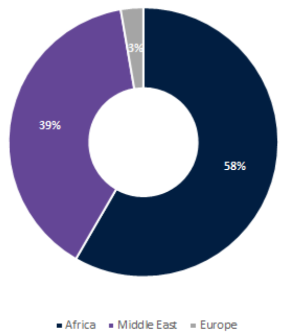
Q4 2022 € 16,242k (2021: € 11,779k)

Gross Margin

Q4 2022 20% (2021: 26%)

EBITDA

Q4 2022 € -463k (2021: €188k)



Group Performance

- Group revenue increased year on year by 38%, from €11,779k in Q4 2021 to €16,242k in Q4 of 2022. This has been achieved primarily through additional customer acquisition.

- Gross margin for Q4 was at 20%, reflecting the trend in the wider cyber security industry of downward pressure on margins. The company's strategy anticipated this and is addressing it by focusing on the establishment and utilisation of the Next-Gen Security Operating Centre (SOC) offering, combined with innovative vendor partnerships to increase the company's margin.

- Operating Expenditure for Q4 has increased by €905k compared to 2021, an increase of 30%. The increase reflects the investment in for the establishment and operation of the Next-Gen Security Operating Centre reference above. This has had an impact on EBITDA for the period, as shown above.

- Material investment has been made for the implementation of the company's strategy. CYBER1 has started the process for gaining accreditations and building further the infrastructure for its Next-Gen SOC, laying the foundation for a wider commercial scope for engagements in key target regions. CYBER1 has provided additional resources for technical capabilities across the Group, to facilitate newly acquired commercial territories for key vendors.

Our business at a glance

CYBER1 is a multi-product and multi-jurisdictional leader in cyber security advisory and solutions. We are uniquely placed to help customers achieve cyber resilience and thus, safeguard reputation and value.

Providing innovative and cost-effective services and solutions requires experienced staff. CYBER1 Solutions employs a significant number of security-certified technical consultants, providing superior knowledge & comprehensive expertise. We have highly skilled and experienced technical teams located in our regional offices in Johannesburg, Cape Town, Nairobi, Dubai and Europe.

CYBER1 has three main strategic segments:

TRINEXIA is the trusted Cyber Security, forensics, governance, risk and compliance value added distributor of leading solutions across Europe, Middle East, Africa, Southern Africa and India. We are consistently and successfully adding great value to our partner community, with our partners, we design and deliver intuitive, trusted and leading solutions that are customised to achieve the required results, whilst being admired for our people, partnerships and performance.

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

A robust **Next-Gen security operations centre (SOC)** that is well run, and equipped with the latest technologies and expertise can help bolster the security posture of any organisation. But building and maintaining your own SOC can be prohibitively expensive, and hard to manage without the right resources. Outsourcing this function gives your business a solution that puts a team of Cyber Security experts at your disposal 24/7, and won't break the bank.

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

Beyond the Quarter & Other News

CYBER1 Company Developments

At the end of 2022, CYBER1 was able to complete the global brand alignment of its main operating entities, a key milestone achieved for the company. Firstly, through the modernisation of the CYBER1 branding, the new direction of the company will centre around providing innovative and resilient solutions for our clients. This has been reflected on how our company will exert its values and its presentation to the industry, with a modern and forward thinking approach.

Within our reseller division, our three operating companies, Dynamic Recovery Services, Professional Technologies and Cognosec Dubai, have united as CYBER1 Solutions. The solidification of the companies under a common approach of innovation and excellence, will demonstrate the scope and scale of our offering across Europe, Middle East and Africa. The companies since 1997 have maintained deep relationships with their longstanding partners. It is our mission to consistently provide a high level of service to existing clients, as well as demonstrating value to future prospects.

The fourth quarter also saw the inclusion of the newly acquired companies in CSAD and CSSA, providing further scale and several strategic partners and vendors, that we continue to collaborate with into 2023. Under the leadership of Managing Directors Toni Bowker and Martin Britz, the management has provided strong synergies with the Group to date, which will be augmented further with the rebrand announcement. Further alignment within this division will continue into 2023, as the evident synergies between the companies are crystallised.

Finally, the investment of our Next-Gen Security Operating Centre has provided a foundation in which to now execute our full go to market strategy in our target jurisdictions. The end of the quarter saw further investment in highly skilled staff and technologies, to ensure our offering can provide the best visibility across a variety of security infrastructures on a global scale. Further progress has been made in beginning the process to add globally recognised certifications to the SOC, with the intent of ensuring best security practices for the benefit of our clients in regulated markets. With a number of achievements delivered in 2023, combined with a formalised strategy, the company now shifts towards the execution and implementation of its objectives, with the underlying intent to deliver innovative resilience in all of the company’s actions.

From the desk of the President

Dear Shareholders,

As the company closes on the last quarter of the financial year, we are able to stand back and reflect on a number of positives that have been achieved throughout the year.

Firstly, we are proud to have completed two acquisitions into the CYBER1 Group, expanding our presence across Africa and cemented ourselves further as a leader on this continent. The economies of scale outlined in the growth strategy have already led to increased distribution partnerships and further engagements on harnessing this platform and we look forward to extending this approach into 2023. .

The rebranding of the solutions and advisory companies as CYBER1 Solutions, has been extremely positive in the overall alignment of our branding. The clear divisions of TRINEXIA (Value Added Distribution) CYBER1 Solutions (Advisory Solutions) and our Next-Gen Security Operating Centre (C1 SOC) enables the company to implement its strategy, with a clear focus in our offering for our customers and vendor relationships.

Following the completion of the acquisitions of CSAD and CSSA during the end of the third quarter, we have undertaken a full rebrand of our Distribution Division, which at the end of January was rebranded as TRINEXIA. The origin of the name TRINEXIA stems from "Tri' the combination of the three business, known previously as Credence Security, Cyber Security South Africa and Cyber Security Africa Distribution. The second part originating from "Nexus" is the connection or series of connections, where we will work in connection with our solution partners, vendors and end clients in providing cyber security resilience. Combined, the name TRINEXIA will further integrate the division and will symbolise the growth plans we have as a company.

Our Nest-Gen Security Operating Centre (SOC) continues to make significant progress, as the company looks to gain strategic governance accreditations whilst exploring the opportunities of implementing this service across our existing client base, as well as identifying the global opportunities for this market.

The results from the quarter have seen an overall revenue increase of 38%. The acquisitions of further customers will provide an opportunity in 2023, to provide additional products and implementation services. Our ethos is always to be a trusted partner for our clients and therefore where there are opportunities to further assist in the resilience of our customers infrastructure, we will be there to support them. Initial expansion in technical expertise and the upfront costs of the SOC have affected the profitability for 2022, however we firmly believe that this investment is essential in achieving long term recurring revenues and to increase our margin across the Group. We have already proven the ability to deliver our SOC as a service globally, our intention is to expand our customer base and provide a highly skilled and accredited offering at an affordable price across several continents.

With the end of 2022, CYBER1 has already began to implement its strategic objectives for 2023 and beyond. The company's vision is to create the world's most resilient cyber security environments for our customers. To achieve this, our company intends to achieve this vision through four main approaches:

To expand into target territories, identifying markets where opportunities can be realised from existing clients, vendor partnerships, as well as referrals. We are able to harness the operational hubs across EMEA to support operational and technical requirements, making our route to new markets at a lower cost versus competitors.

To expand our SOC offering, utilising the lower running costs whilst delivering a highly capable security monitoring service through our experienced and skilled staff.

To engage with the latest innovative technologies on the market, demonstrating our strong sales platform to reach the leading clients in their respective fields within the private and public sectors across EMEA.

To expand into new business lines based on new trends within the market. The convergence of DevOps and cyber security (DevSecOps) is one such example of new areas of significant growth opportunities for CYBER1.

The aim of the above four strategic points is to fully harness the collective potential of our companies, to drive scalable organic growth. In doing so, our delivery to our customers will continue to be relevant and at pace with the ever-changing security threat landscape. The only constant in this industry is that there is continuous change. CYBER1 will ensure that we will provide innovative and resilient solutions into 2023 and beyond and I look forward to working with our stakeholders to achieve this.

Stockholm, 20 February 2023
Robert Brown
Group President and Executive Director

Key Financial Ratios

	Oct - Dec Q4 2022	Oct - Dec Q4 2021	Jan - Dec 2022	Jan - Dec 2021
	€'000	€'000	€'000	€'000
Group Income	16 242	11 779	46 683	37 218
Group Gross Margin	3 326	3 092	9 131	10 087
Group Gross Margin percentage	20%	26%	20%	27%
Cash flow from operations	-2 431	2 379	-4 395	-950
Operating Margin	-604	67	-3 517	449
Operating Margin percentage	-3.7%	0.6%	-7.5%	1.2%
Result after taxes	-795	11	-3 756	4 378
Earnings per share	-0.00066	0.012	-0.00364	0.008

Business Overview

Market Update

Global economic outlook deteriorates amid high inflation, rising interest rates and geopolitical risks

A confluence of worsening risks, crises and uncertainties over the course of 2022 have set the global economy on a path of weaker growth and surging inflation. Global real GDP growth is forecast to slow to 3.0% in 2022 and 2.3% in 2023, after a strong recovery of 6.0% recorded in 2021.

In Q4 2022, numerous downside risks cloud the global economic outlook: an ongoing global health crisis, as well as war and rising geopolitical tensions. Deteriorating economic conditions adversely impact advanced economies and additionally raise financial vulnerabilities for emerging and developing markets, as interest rates rise and the US dollar surges.

Rising rates, increased European energy insecurity and the lingering effects of Covid-19 are hitting growth almost everywhere.

Economic activity in several key emerging EMEA economies has visibly slowed and we expect worsening geopolitical and financial conditions will weigh on growth through the rest of the year and into early 2023, particularly in emerging Europe.

Opportunities for Cyber Security

As cybercrimes continue to increase, organisations are investing heavily to improve and secure their digital infrastructures, hence driving the market growth.

Other factors that drive the growth of the global cybersecurity market include:

- Increasing number of cybercrimes and data breaches.
- Growth of Ransomware.
- Discovery of new security threats and attack vectors.
- Increased rate of business organizations investing in cybersecurity.
- Increasing global demand for cybersecurity professionals.
- Digital Transformation.
- Data Protection and Compliance Regulations.
- The Emergence of Disruptive Technologies such as Artificial Intelligence (AI) and Machine Learning (ML).
- Increasing sophistication in cyber threats.

In today's digital world, cybersecurity has become a critical component of every organization's sustainability, security and growth strategy. As companies continue to evolve, the demand for cybersecurity talent will only continue to grow in 2022 and beyond.

Contacts

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

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

Outlook and financial Information

CYBER1 concluded its transaction with CSSA and CSAD taking its ownerships of these entities to 100 percent. This secures the company's ability to grow its revenue in and across Africa whilst maintaining its focus on growth in the Middle East.

CYBER1 continues to make significant investments in its cloud platform, managed service offering and skilled resources as it formalises its client engagement strategy. As expected, the business challenges, catalysed during 2020 still have a negative impact on the overall performance. While the jurisdictions we operate in have begun to see renewed signs of recovery, margin remains under pressure due to competition and price sensitivity coupled with rising inflation and increased operational costs. The company continues to take steps to ensure that areas of expertise reflect the current and future trends that our customers, particularly around remote working and potential cloud security services and solutions.

We expect to see the sustained year on year performance increases, as our entities continue to see levels of normality return coupled with the increased demand for cyber resilience capabilities.

Business trend October to December 2022

CYBER1 has been able to maintain its double digit revenue growth despite tough economic and competitive environments.

We anticipate this growth trend to continue, aided by the investments made and the focus turning to niche technical products. The group continues to manage the costs of the group and remains optimistic to meet its expected targets and growth aspirations for 2023. Q4 2022 operating costs have increased by €905k (30%) from the same period last year. CYBER1 continues to make significant investments in its managed service offering, skilled resources and cloud platform gearing itself for growth in the years to come. The group will continue to measure operational efficiencies ensuring that the business is able to meet its obligations as a listed company on Nasdaq First North Grow Market, whilst ensuring appropriate cash flow within the business be utilised for the benefit of future commercial endeavours.

Development of revenue and results

The double digit revenue growth continued in the forth quarter has been muted by the constant margin pressures experienced in 2022. The African region has seen most of its larger tenders slip which they hope to take over the line in the early part of 2023. Revenue growth is largely due to new deals accounting for 39% of Q4 2022 revenue.

Earnings before interest and taxes on continuing operations (EBIT) decreased from Q4 2022 to €-604k (2021: €67k) mainly as a result margin pressures coupled with continued investment spend.

As a result of continued investment spend this year, the group has seen a net outflow of funds again this quarter. These initiatives will enable sustainable growth into areas that will yield greater margin and sales competencies across the group. Keeping the Parent Company lean and efficient and focus on global operating efficiencies, we will continue to focus on driving shareholder value which is a key performance indicator for the board and the executive management.

Outlook

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

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

Risk and opportunity report

CYBER1's risk policy is based on the business strategy, which focuses on safeguarding the Group's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, as well as assessing and reducing them systematically are the responsibility of the Managing Board and a key task for all managers.

CYBER1 is subject to various risks on account of its international business activity. Provided that they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present; these risks are classified as acceptable. Opportunity and risk management at CYBER1 is closely linked by Group-wide planning and monitoring systems.

Opportunities are recorded in the annual operational plan and followed up as part of monthly financial reporting. Operational management in each country and the central Group departments are directly responsible for identifying and observing opportunities at an early stage.

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

Solutions

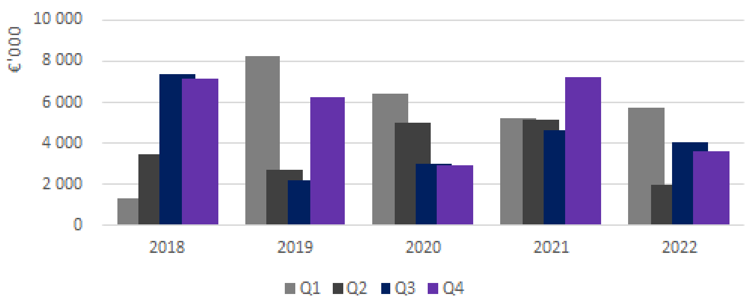
Southern Africa

Revenue Q4	**€ 3,624,923**
Gross Margin	**40%**
EBITDA Q4	**€ - 281,080**

CYBER1 Solutions Southern Africa

CYBER1 Solutions Southern Africa, finished the year closing €3,624k of revenue within Q4.

Despite a number of tenders and commercial deals slipping into 2023, the quarter saw a number of positive developments, including an expanded pipeline initiative, signing of new strategic partnerships, focus on customer activity, as well as a new strategic approach for 2023.



Following the successful internal and external brand launch events, the company is able to work alongside the other business units across EMEA, to harness the collective opportunities available under our new solutions brand.

Significant customer wins included two national tenders, as well as additional services and solutions to both financial services and government departments within Africa.

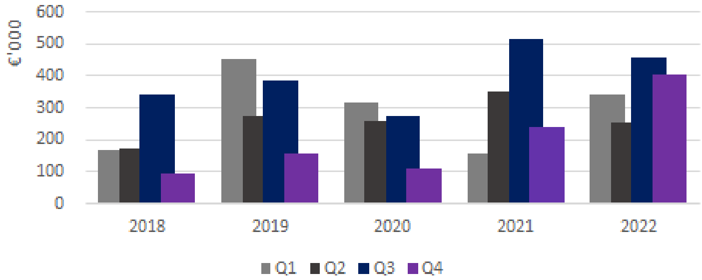
Kenya

Revenue Q4	**€ 406,208**
Gross Margin	**49%**
EBITDA Q4	**€ 51,787**

CYBER1 Solutions Kenya

CYBER1 Solutions East & West Africa, based in Nairobi Kenya, recorded €406k for the final quarter of the financial year.

The company has worked to deliver a number of thought leadership events in the region, hosting a successful DevSecOps event, bringing together a number of key market stakeholders around this area of development. Alongside the other solutions companies, greater harmonisation will continue to help deliver larger scale, multinational projects, demonstrating our scope as well as our depth in our collective technical skills and service capabilities.



Moving into 2023, the company will be looking at strategically placed expansion, where our operating hubs can be harnessed for expansion.

Key wins for the quarter included two of the largest telecommunications providers within Africa, as well as a long-term multi-year contract for a financial service institution.

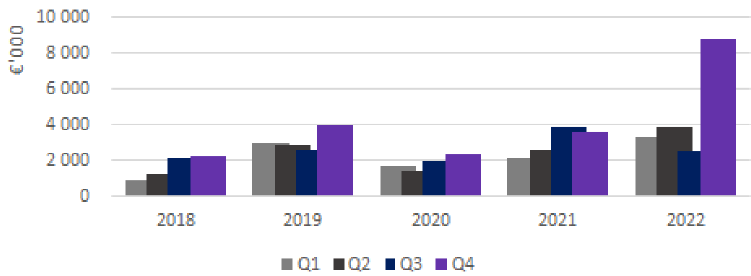
Middle East and India

Revenue Q4	**€ 8,755,434**
Gross Margin	**9%**
EBITDA Q4	**€ -457,889**

TRINEXIA Middle East, formerly known as Credence Security, recorded €8,755k within Q4, a 35% increase from the same quarter last year.

The company has achieved a new business for the quarter of 89%, ensuring there continues the be a healthy pipeline of commercial opportunities to further deeper relationships.

Notable wins for the quarter include several government authorities within the Middle East, as well as large forensics deals within the private and public sectors within the UAE.



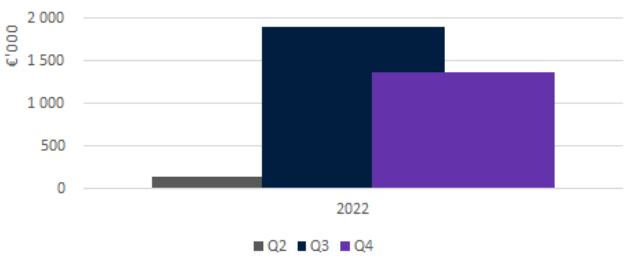
Company representatives of TRINEXIA attended a number of key events, including Black Hat Middle East and Africa and the Middle East Connect, a collaboration between the region's leading CISOs on how to combat evolving cyber threats across the Middle East.

The company's main customer segments are banking, government, insurance and oil & gas sectors.

Southern Africa

Revenue Q4	€ 1,364,617
Gross Margin	16%
EBITDA Q3	€ 9,572

TRINEXIA South Africa, formerly known as Cyber Security South Africa (CSSA) finished the year exceeding the previous year's performance, recording €1,364k of revenue for the quarter.



2022 was a hugely positive year overall for the company, with a strong team being built that is able to cater for a variety of strategic vendors. Included fully in the CYBER1 reporting from Q3 2022, the company alongside TRINEXIA Africa has already added significantly opportunities for cross collaboration, as well as an individual track record for performance.

Notable updates in the quarter included the appointment of Thales as distributor across Africa alongside TRINEXIA Africa. Key customer wins included one of Africa's largest banks, a national airport operator, as well as a large national retailer within South Africa.

	Africa
Revenue Q4	€ 1,502,610
Gross Margin	22%
EBITDA Q4	€ 7,928

TRINEXIA Africa, formerly known as Cyber Security Africa Distribution (CSAD), concluded Q4 with a strong performance of € 1,502k of revenue.

Through the additional security consultants hired at the end of the year, the company has continued to increase its professional services opportunities for its clients, achieving a 10% of total sales for the quarter coming from this offering.

Notable deals from the quarter included several leading financial institutions across Africa, with a blend of new business and renewals achieved that will assist the entity in further deepening its relationships with its customers.

Customers

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

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

Technology Partners

The Group continues to expand its partner network and now include but not limited to the following technologies: Anomali, Checkpoint, CyberArk, Cye, Dark Trace, Entrust, Exterro, KnowBe4, Trellix, Microfocus, Microsoft, Mimecast, Next DLP, Palo Alto, Pulse Secure, Radware, Rapid7, Salt, Thales, Trustwave and Zerfox.

Cash Flow

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

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

FINANCIAL INFORMATION

Interim Report—Comparative Figures

The Q4 2022 report has not been reviewed by the Group's auditor.

Profit for the period

Group

Q4 2022 year revenues amounted to €16,242k (Q4 2021 : €11,779)

EBITDA for Q4 2022 amounted to €-463k (Q4 2021 : €188k)

Loss before tax for Q4 2022 amounted to €795k (Q4 2021 : profit of €11k)

Depreciation and amortisation for Q4 2022 amounted to €142k (Q4 2021 : €121k)

There was a Net Cash outflow for Q4 2022, which amounted to €543k (Q4 2021 : Net Cash inflow : €2,079k)

At the end of Q4 2022, the Group's cash balance amounted to €775k (Q4 2021: €872k)

Parent

The Parent Company's profit for Q4 2022 amounted to €19k (Q4 2021: profit of €169k)

Financial Position

Group

The Group's equity for end of Q4 2022 amounted to €4,250k (Q4 2021: €7,803k)

CYBER1 did not pay any dividends to shareholders during Q4 2022, 2021 and prior to this period.

Parent

The equity for the parent company amounted to €7,506k at the end of Q4 2022 (Q4 2021, €4,403k) and €111k in cash or cash equivalent for Q3 2022 (Q4 2021 : €210k).

Taxation

Group

No provisional corporation tax was paid in Q4 2022.

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

Parent

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

Allocation of Profits

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

Transactions with related parties

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

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

CYBER1 announced on the 31st May 2021 the signing of a Sale and Purchase Agreements for acquisitions of 50 percent of Cyber Security South Africa (CSSA) and Cyber Security Africa Distribution (CSAD), which are part owned by CYBER1 Executive Director, Robert Brown. As with the financial and legal due diligence process, this was handled by the elected Board of Directors that excluded Robert Brown in his then capacity as CEO, as well as with two independent firms in South Africa to value and provide information on the acquisitions.

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

The remaining 25 percent of CSSA and 50 percent of CSAD were purchased on 30th September 2022 taking ownership of both these entities to 100 percent.

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

Share Information

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

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

Total number of registered shares by 31 December 2022 were: 1,021,313,480.

2023 Financial Calendar

First Quarter Report 2023	:	23 May 2022
Publication of 2022 Annual Report	:	w/b 1 May 2023
AGM 2023	:	TBC
Half Year Report 2023	:	10 August 2023
Nine Month Report 2023	:	15 November 2023
Fourth Quarter Report 2023	:	9 February 2024

Accounting Principles

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

Risk and Uncertainties

Inherent risks and uncertainties for CYBER1 consist primarily of:

Business risks concerning the delivery of contracted projects and payment.

Financial risks (such as risks related to currency, interest rates, counterparties, future capital), market risks (e.g. competition, changes in demand) and risks related to the local conditions in the countries in which the Group conducts its business infrastructure.

There are also risks of delays due to various disturbances in the delivery of contracted projects. Liquidity risk is managed through liquidity forecasting, which ensures sufficient funds are in place to meet the Group’s obligations and the overall strategy for the Group.

Certified Advisors

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

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Investor Relations

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Auditors

The 2022 AGM resolved to elect RSM Stockholm AB, with Malin Lanneborn as auditor-in-charge, for the time up until the next annual general meeting in the company.

Election Committee and Extraordinary Annual General Meeting 2022

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

https://cyber1.com/corporate-governance

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

Other resolutions considered and passed

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

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

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

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

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

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

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

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

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

Certification of Signatories

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

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

Johan Bolsenbroek, Chairman, Non-executive Board member

Alan Goslar, Non-executive Board member

Pekka Honkanen, Non-executive Board member

Zeth Nyström, Non-executive Board member

Robert Brown, President, Executive Board member

DETAILED FINANCIAL INFORMATION

BALANCE SHEET	GROUP		PARENT	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	€000	€000	€000	€000
ASSETS				
Non-current assets				
Property, plant and equipment	338	366	0	0
Right of use Asset	281	150	0	0
Intangible Assets	22	22	22	22
Investments in subsidiaries	51	0	3 388	2 321
Investments in associates	827	1 229	2 432	1 229
Other Non-Current Assets	0	0	0	0
Goodwill	6 735	6 630	0	0
Total Non-current assets	**8 254**	**8 397**	**5 842**	**3 572**
Current Assets				
Inventory	151	6	0	0
Deferred tax asset	135	75	0	0
Intercompany loans receivable	0	0	7 452	5 300
Trade and other receivables	24 039	18 713	409	323
Cash & Bank	775	872	111	210
Total Current Assets	**25 099**	**19 666**	**7 972**	**5 833**
TOTAL ASSETS	**33 354**	**28 063**	**13 813**	**9 405**
DEBT AND EQUITY CAPITAL				
Equity Capital				
Share Capital	267	186	267	186
Share premium	27 317	24 390	27 317	24 293
Retained Earnings	-20 398	-16 962	-18 264	-20 076
Other Reserves	-2 466	0	-1 814	0
Non Controlling Interest	-470	189	0	0
Total Equity	**4 250**	**7 803**	**7 506**	**4 403**
Non-current liabilities				
Interest-bearing liabilities	5 077	0	5 077	0
Total Non-current liabilities	**5 077**	**0**	**5 077**	**0**
Current liabilities				
Interim Debt	3 951	3 951	127	0
Lease liabilities	366	303	0	0
Bank Overdraft	1 610	1 404	0	0
Intragroup Debt	0	0	817	445
Trade and other payables	16 738	13 775	286	4 557
Tax payable	93	239	0	0
Provisions	1 270	588	0	0
Total current liabilities	**24 027**	**20 260**	**1 230**	**5 002**
Total Liabilities	**29 104**	**20 260**	**6 308**	**5 002**
TOTAL DEBT AND EQUITY	**33 354**	**28 063**	**13 813**	**9 405**

	GROUP			
Statement of comprehensive income (loss)	**Oct - Dec 2022**	**Oct - Dec 2021**	**Jan - Dec 2022**	**Jan - Dec 2021**
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	16 242	11 779	46 683	37 218
Cost of Sold Goods	-12 916	-8 687	-37 553	-27 131
Gross Profit	**3 326**	**3 092**	**9 131**	**10 087**
Sales Costs	-2 606	-2 001	-8 848	-6 348
Administration Costs	-1 182	-903	-3 251	-2 964
Depreciation	-142	-121	-549	-326
Total Operating Cost	**-3 930**	**-3 025**	**-12 647**	**-9 638**
Operating Result	**-604**	**67**	**-3 517**	**449**
EBITDA	**-463**	**188**	**-2 968**	**775**
Financial income and costs				
Finance income	15	9	11	53
Finance costs	-35	-36	-182	-122
Other financial items	-171	-66	-53	3 869
Total Finance income and costs - net	**-190**	**-93**	**-224**	**3 800**
Share of net profit of associates accounted for using the equity method	**0**	**37**	-15	129
Result before tax	**-795**	**11**	**-3 756**	**4 378**
Tax (Period)				
Net income for the period, continuing operations	**-795**	**11**	**-3 756**	**4 378**
Net income	**-795**	**11**	**-3 756**	**4 378**
Net income (loss) attributable to:				
Owners of the Parent Company	-680	46	-3 154	4 345
Non-controlling interests	-115	-35	-602	33

PARENT

Statement of comprehensive income (loss)	Oct - Dec 2022	Oct - Dec 2021	Jan - Dec 2022	Jan - Dec 2021
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	159	319	714	599
Cost of Sold Goods	0	0	0	0
Gross Profit	**159**	**319**	**714**	**599**
Sales Costs	1	-23	-56	-104
Administration Costs	-156	-164	-630	-556
Depreciation	0	0	0	0
Total Operating Cost	**-156**	**-187**	**-687**	**-660**
Operating Result	**3**	**132**	**27**	**-61**
EBITDA	**3**	**132**	**27**	**-61**
Financial income and costs				
Finance income	0	0	0	0
Finance costs	16	0	-2	-2
Other financial items	-0	0	-28	3 196
Total Finance income and costs - net	**15**	**0**	**-29**	**3 194**
Share of net profit of associates accounted for using the equity method		**37**		
Result before tax	**19**	**169**	**-2**	**3 133**
Tax (Period)	0	0	0	0
Net income for the period	**19**	**169**	**-2**	**3 133**

CASH FLOW ANALYSIS	Group			
	Oct - Dec 2022	Oct - Dec 2021	Jan - Dec 2022	Jan - Dec 2021
	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	-795	42	-3 756	4 378
Retained Earnings Adjustments			-409	
Other Non-Cash Items	203	1 535	1 000	0
NCI			21	
FX Gains of Losses	54		-32	
Changes in Working Capital	**-1 840**	**802**	**-1 231**	**-2 204**
Cash Flow from Operations	**-2 431**	**2 379**	**-4 395**	**-950**
Paid Taxes	-41	-151	-224	-615
Cash Flow from Operating Activities	**-2 472**	**2 228**	**-4 619**	**-1 565**
Acquisition of subsidiaries		-453	0	-6
Investment in Associates		0	-129	-1 100
Acquisition of Fixed Assets	-282	0	-660	-189
Cash Flow from Investment Activities	**-282**	**-453**	**-789**	**-1 295**
New share issues	0		3 001	1 744
Proceeds from ongoing share issue	0	89		0
Lease liabilities	171	29	110	0
Short Term Financing	2 040	186	4 878	2 896
Cash Flow from Financing Activities	**2 211**	**304**	**7 989**	**4 640**
Change in cash and cash equivalents during the year				
Net change in cash, continuing operations	-543	2 079	2 581	1 780
Net change in cash, discontinued operations	0	0	0	0
Foreign exchange translation reserves	-141	-474	-2 678	175
				0
Opening Cash position	1 459	-733	872	-733
Closing Cash Position	**775**	**872**	**775**	**872**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Oct - Dec 2022	Oct - Dec 2021	Jan -Dec 2022	Jan - Dec 2021
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**4 845**	**7 864**	**7 803**	**189**
Adjustment from acquisition analysis			0	**0**
Share Issues	0	89	2 470	**1 748**
Offset Issue				**1 880**
Profit from the Period	-795	11	-3 756	**4 378**
Other comprehensive income for the period, net of tax		31		**0**
Foreign Exchange-Differential	199	-192	-2 267	**-392**
Changes in equity during the period	-595	-61	-3 553	**7 614**
Equity - Closing Balance	**4 250**	**7 803**	**4 250**	**7 803**

PARENT STATEMENT OF CHANGES IN EQUITY	Oct - Dec 2022	Oct - Dec 2021	Jan -Dec 2022	Jan - Dec 2021
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	**7 501**	**3 640**	**4 403**	**-2 358**
Adjustment from acquisition analysis		-37		
Share Issues	0	635	2 470	**1 748**
				1 880
Profit from the Period	19	167	-2	**3 133**
Other comprehensive income for the period, net of tax				
Foreign Exchange-Differential	-14	-2	635	**0**
Changes in equity during the period	**5**	763	3 103	**6 761**
Equity - Closing Balance	**7 506**	**4 403**	**7 506**	**4 403**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 – General accounting principles

CYBER1 (the Group) consists of Cyber Security 1 AB (the Company) and its subsidiaries. Cyber Security 1 AB is a public company, incorporated in Sweden. The consolidated interim financial statements consist of the Group and the Parent company and Group's subsidiary companies. As a result of rounding differences, numbers or percentages may not add up to the total. These interim condensed consolidated financial statements for the nine months ending 31 December 2022, have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2020 (Annual Report 2020). Key developments in risks and uncertainties, including COVID-19, are described in the section Risks and uncertainties.

IASB has published amendments of standards that are effective as of 1 January 2020 or later. The standards have not had any material impact on the financial reports.

On 28 May 2020, IASB issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors. On 12 October 2020, the European Union has published a Commission Regulation endorsing of the Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions. The Amendments are effective for annual periods beginning on or after 1 June 2020.

IBOR transition

Where interest rate hedge accounting is applied CYBER1 is exposed to the STIBOR (Stockholm Interbank Offered Rate) reference rate for hedged instruments together with their hedging instruments. The change of reference rate due to the upcoming IBOR transition will, when implemented, affect future cash flows on interest income and interest expense but CYBER1 expects continued 100% effectiveness of the hedges and no net interest impact. CYBER1 will continue to monitor any changes to STIBOR as a reference rate and update, together with counterparties, the relevant financial contracts accordingly as and when these occur.

Items affecting comparability

CYBER1 reports an adjusted EBIT for comparison reasons. The result is adjusted for capital gains and losses from divestments and larger restructuring initiatives and impairments.

Loss of control of a wholly owned subsidiary with an interest retained

When the group disposes of a significant part of its interest, and therefore loses control, of a subsidiary, the group de-consolidates the subsidiary. If the retained interest in the entity fulfils the criteria of being an associate, it is accounted for at fair value at the disposal date, and subsequently accounted for using the equity method. The gain or loss of the transaction is the difference between the fair value of the consideration received as well as the fair value of the retained interest, and the carrying value of the former subsidiary's net assets (including any related goodwill) and is recorded in the income statement. Any portion of the gain or loss related to the re-measurement of the retained interest to fair value is disclosed separately.

Impact on the financial reporting due to COVID-19

Goodwill

During the reporting period to December 2022, CYBER1 has outlined the cash-generating units (CGUs) within the business area of CYBER1 Group. The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a five-year period, which are in turn based on the three-year plans prepared annually by each of the business areas and approved by CYBER1 Group Executive Management.

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

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

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

Impairment tests were performed in 2021 in response to the Covid-19 pandemic. The testing of goodwill did not indicate any impairment requirement. Sensitivity in the calculations implies that the goodwill value would be maintained even if the discount rate was increased by 2 percentage points or if the long-term growth rate was lowered by 2 percentage points. The goodwill value would also be maintained, given an operating margin drop by 2 percentage points.

Inventory

As of 31 December 2022, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 31 December 2022, there are no indications on any significant impact related to the Covid-19 pandemic. Expected credit losses remain on a low level compared to twelve months rolling revenues.

DETAILED FINANCIAL INFORMATION

Note 2 – Operating segment information

Revenue and Segments

CYBER1 is located in three regions in Africa, Europe, and the Middle East, with more than 150 employees. For management and reporting purposes, the Group is organised by these geographical areas.

The performance of these geographical areas is evaluated on a regular basis by CYBER1's Executive Team, consisting of among others, the Managing Directors of each geographical segment. In addition to the geographical areas, the Group operates Shared Services functions and central administration. These costs are reported separately as Group Shared Service and Group costs.

Revenue per Segment	Oct - Dec 2022	Oct - Dec 2021	Jan - Dec 2022	Jan - Dec 2021
	€ '000	€ '000	€ '000	€ '000
Africa	7 761	7 817	29 226	24 450
Middle East	9 282	3 639	19 513	12 391
Europe	620	333	1 357	653
Sub-Total including internal Sales	**17 663**	**11 789**	**50 096**	**37 494**
Internal sales eliminations	-1 421	-10	-3 413	-276
Segment Total	**16 242**	**11 779**	**46 683**	**37 218**

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

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

Georgraphical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Dec 2022					
Africa	29 226	20%	-1 835	-6%	524
Middle East	19 513	57%	-1 120	-6%	201
Europe	1 357	108%	29	2%	5 842
Core business	**50 096**	**34%**	**-2 925**	**-6%**	**6 567**
Eliminations	-3 413	1136%	-42	1%	1 688
Cyber1 Group	**46 683**	**25%**	**-2 968**	**-6%**	**8 254**

Georgraphical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Dec 2021					
Africa	24 450	2%	503	21%	471
Middle East	12 391	-41%	197	16%	44
Europe	653	-97%	75	115%	7 882
Core business	**37 494**	**-50%**	**775**	**21%**	**8 397**
Eliminations	-276	-1%	0	0%	
Cyber1 Group	**37 218**	**-51%**	**775**	**21%**	**8 397**

Georgraphical information - Current Year	Distribution	Advisory & Managed services	Jan - Dec 2022
	€ '000	€ '000	€ '000
Jan - Dec 2022			
Africa	8 942	20 284	29 226
Middle East	18 435	1 077	19 513
Europe	644	714	1 357
Including internal sales	**28 021**	**22 075**	**50 096**
Internal sales			-3 413
Total			**46 683**

Georgraphical - Prior year	Distribution	Advisory & Managed services	Jan - Dec 2021
	€ '000	€ '000	€ '000
Jan - Dec 2021			
Africa	918	23 532	24 450
Middle East	12 301	90	12 391
Europe	653	0	653
Including internal sales	**13 872**	**23 622**	**37 494**
Internal sales			-276
Total			**37 218**

Note 3 - Financial instruments

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

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

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

CYBER1's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. CYBER1's financial liabilities consist mainly of loans, lease liabilities and accounts payables. For the category "Liabilities to financial institutions and similar liabilities" the reported value amounted, at 31 December 2022, to €849k (2021 : €1,500k).

Carrying value and fair value

CYBER1 applies IFRS 9 to classify and measure financial instruments.

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

Level 1 - Quoted prices (unadjusted) in active markets

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

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

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

Disclosures on financial instruments

The following table shows the carrying amounts and fair values for the individual classes of financial instruments as well as the fair value hierarchy for the assets and liabilities that are measured at fair value in the balance sheet

Carrying value and fair value — as at December 2022

	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
	€000	€000	€000	€000	€000	€000	€000
Trade receivables		24 039				24 039	24 039
Other non-current financial receivables						0	0
Other current assets and financial receivables					285	285	285
Prepaid expenses and accrued income						0	0
Cash and cash equivalents		775				775	775
Total assets	**0**	**24 814**	**0**	**0**	**285**	**25 099**	**25 099**
Loans and borrowings			3 951			3 951	3 991
Other non-current financial liabilities					0	0	0
Other current liabilities			2 068			2 068	2 068
Accrued expenses and deferred income					1 270	1 270	1 270
Trade payables			16 738			16 738	16 738
Total liabilities	**0**	**0**	**22 757**	**0**	**1 270**	**24 027**	**24 066**

Fair value measurement by level

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

Carrying value and fair value — as at December 2021

	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
	€000	€000	€000	€000	€000	€000	€000
Trade receivables		18 713				18 713	18 713
Other non-current financial receivables						0	0
Other current assets and financial receivables					81	81	81
Prepaid expenses and accrued income					0	0	0
Cash and cash equivalents		872				872	872
Total assets	**0**	**19 585**	**0**	**0**	**81**	**19 666**	**19 666**
Loans and borrowings			3 951			3 951	3 951
Other non-current financial liabilities						0	0
Other current liabilities			1 946			1 946	1 946
Accrued expenses and deferred income					588	588	588
Trade payables			13 775			13 775	13 775
Total liabilities	**0**	**0**	**19 672**	**0**	**588**	**20 260**	**20 260**

Fair value measurement by level

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

Financial instruments, level 2

The fair value of financial instruments that are not traded on an active market are determined by means of available valuation techniques. Market information is used when available. The use of corporate-specific information is avoided whenever possible. If all important in-data required for a fair value valuation of an instrument is observable, the instrument is in level 2. Specific valuation techniques used in the valuation of financial instruments include, for example, listed market prices, fair value for interest-rate swaps, calculated as the present value of estimated future cash flows based on observable yield, fair value of currency forward contracts determined through the use of rates for currency foreign exchange contracts on the balance sheet date.

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE	31 December 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Contingent considerations			40	40			45	45
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	**0**	**0**	**40**	**40**	**0**	**0**	**45**	**45**

Financial instruments, level 3

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

MOVEMENTS FINANCIAL INSTRUMENTS LEVEL 3			
Contingent considerations	Q4 2022	Q4 2021	Full year 2021
	€'000	€'000	€'000
Opening balance	45	16	0
Business combinations			
Payments	-45	-16	0
Reversals			
Revaluations	40	45	0
Translation differences			
Closing balance	**40**	**45**	**0**

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

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

Note 4 – Significant Events

During the quarter under review, CYBER1 concluded the rebranding of its Distribution business which include Credence Security, the newly acquired Cyber Security South Africa Cyber Security Africa Distribution to TRINEXIA. The origin of the name TRINEXIA stems from "Tri' the combination of the three business, known previously as Credence Security, Cyber Security South Africa and Cyber Security Africa Distribution. The second part originating from "Nexus" is the connection or series of connections, where we will work in connection with our solution partners, vendors and end clients in providing cyber security resilience. Combined, the name TRINEXIA will further integrate the division and will symbolise the growth plans we have as a company.

Note 5 – Impairments

Goodwill and Disposal of non-current assets

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

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

Note 6 - earnings per shares

Earnings per share	Jan - Dec 2022	Jan - Dec 2021
	€ '000	€ '000
Profit for the period	**-3 756**	4 378
Non-controlling interests	**-602**	33
Group share of profit	**-3 154**	4 345
Number of shares (weighted average)	**866 057 768**	529 846 141
Earnings per share	**-3.64**	8
Net income from continuing operations – attributable to the parent entity	**-3 154**	4 345

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

Note 8 - Significant risks and uncertainties

As a decentralised company with operations across the Global, CYBER1 faces internal and external risks that may impact its ability to achieve strategic objectives and financial targets. The Group is active in the design, implements and manages solutions that protect critical IT infrastructure, data assets, independent product advice and professional services across all cybersecurity application spaces.

The general identified risks are mainly within the following categories: financial, operational, contract and assignment, IT, sustainability, governance and branding. CYBER1 has a risk management process in place which is part of the CYBER1 Model. Successful risk mitigation creates opportunities and competitive advantages.

CYBER1 Group operates in a broad range of geographical product and service markets in the highly competitive and regulated cyber security industry. CYBER1 has defined risk as anything that could have a material adverse effect on the achievement of CYBER1 Group's goals. Risks can be threats, uncertainties or lost opportunities relating to CYBER1's current or future operations or activities.

CYBER1 has an established risk management framework in place to regularly identify, analyse, assess and report business, financial as well as ethics and sustainability risks and uncertainties, and to mitigate such risks when appropriate. CYBER1 Group's risk universe consists of four categories and over thirty risk areas used to aggregate and categorise risks identified across the business within the risk management framework, see below.

For further information regarding details on risk exposure and risk management, see the Annual Report 2021, Directors Report and the newly published Governance report.

Note 9 – COVID-19

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

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

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

Note 10 - Related parties Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company with the information given in the annual report 2021.

Other- Parent Company

The consolidated figures in this report are presented at the consolidated level for Cyber1 AB. The Parent Company, Cyber Security 1 AB (corporate identity number 556135-4811), directly and indirectly holds 100% of the shares in all subsidiaries in the Group, except for the companies in South Africa, in which the non-controlling interest is 26% in CYBER1 Solutions Southern Africa and TRINEXIA Southern Africa.

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