

CYBER1 concludes 2023 with a strong fourth quarter

	2023	2022
Revenue		
Q4 2023	€ 18,833k	€ 16,241k
Gross Margin		
Q4 2023	€ 4,635k	€ 3,322k
EBITDA		
Q4 2023	€ 1,381k	- € 469k

Group Performance

Group revenue for Q4 2023 was €18,833k (Q4 2022: €16,241k) an improvement of 16% year on year. Several key strategic deals were closed during the last quarter of the year, ensuring that the company continued its headline growth through expansion of customers and additional upselling.

Year-to-date group revenue has increased by 13% year on year from €46,833k in 2022 to €52,754k in 2023. This overall growth achievement is significant, as the business has strategically focused on improving commercial engagements with clients, partners, distributors, and vendors respectively, ensuring that the business is growing in line with market trends.

This continues to be a combined achievement of organic growth together with customer acquisition and the deployment of new technologies. The group continues to maintain the benefits of their investment spend in 2022.

Gross margin for Q4 2023 YTD has been a significant success for the company, increasing overall by €2,646k (28%). This growth has been achieved through closer collaboration with our valued vendor portfolio, alongside a significant investment in professional services and SOC provisions.

Operating Expenditure for Q4 2023 YTD has continued the downward trend, decreasing in the financial year by €1,197k, when compared to 2022. This 9% reduction has been achieved through greater alignment within the distribution segment (Trinexia), followed by greater technology and staffing efficiencies being realised within Cyber1 Solutions South Africa.

Finally, EBITDA for the full year has shown a return to positive results, recording €624k for 2023. This result is an improvement of €3,721k from the prior year. A significant effort in achieving growth and investment in the right areas has led to the company being placed on a strong foundation on which to build in 2024.

Our business at a glance

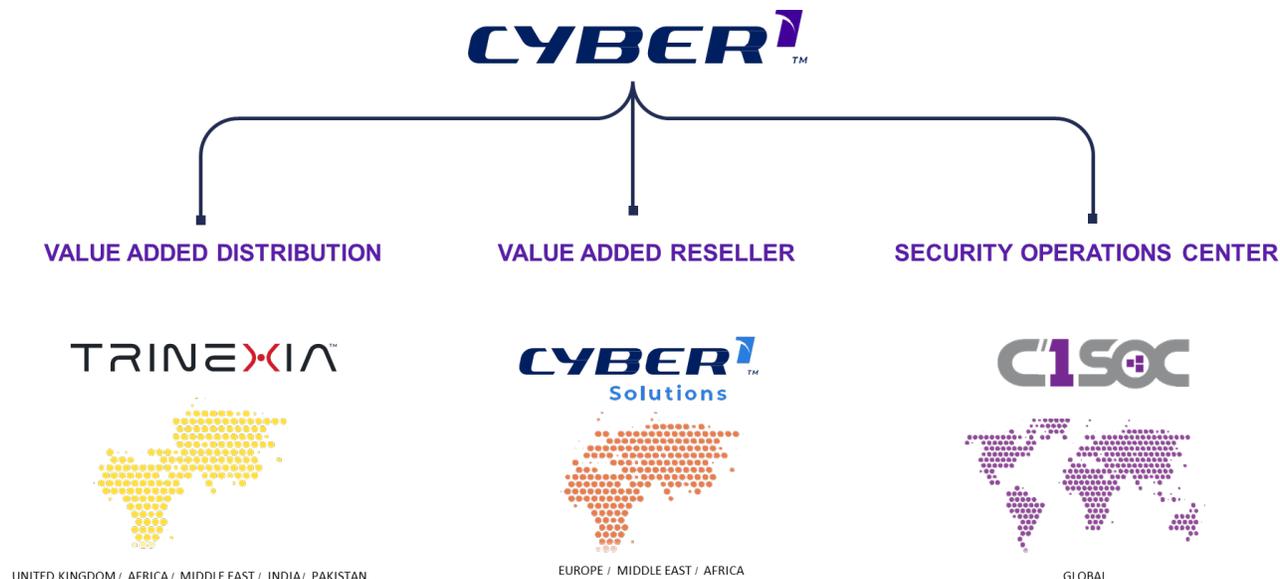
CYBER1 is a multi-product and multi-jurisdictional leader in cyber security advisory and solutions. We are uniquely placed to help customers achieve cyber resilience and thus safeguard reputation and value. Providing innovative and cost-effective services and solutions requires experienced staff. CYBER1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

CYBER1 is built on three main strategic business segments:

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

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

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



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

Beyond the Quarter and other news

CYBER1's largest subsidiary CYBER1 Solutions South Africa, has announced its recent attainment of a B-BBEE (Broad-Based Black Economic Empowerment) Level 1 status. B-BBEE is a vital framework in South Africa, designed to address historical inequalities and promote economic transformation. The rating system ranges from Level 8 (the lowest) to Level 1 (the highest), with Level 1 indicating the highest commitment to empowerment and diversity. This achievement demonstrates CYBER1 and its subsidiaries' dedication to advancing the economic empowerment of previously disadvantaged groups and fostering inclusivity. B-BBEE Level 1 status is measured under the amended Code of Good Practice and consists of five elements: ownership, management control, skills development, enterprise and supplier development, and socio-economic development.

At the start of 2024, CYBER1 announced that it had secured operating capital towards strategic growth initiatives of the Company, with a loan of €750,000 being arranged by Ivo van Laar Beheer B.V. The loan is enabling the Company to accelerate key strategic growth initiatives further.

Shortly afterward on the 6th of February, an additional €3,612,500 loan was arranged with Ivo van Laar Beheer B.V. The purpose of the New Loan is to secure repayment of €2.5m under a previous loan arrangement with SVE Group BV disclosed on 10 June 2022 ("Loan 1") (press release can be found here) and furthermore enables the Company to restructure interest obligations for Loan 1, as well as interest and repayment terms under an additional loan arrangement of €750k also with SVE Group BV, disclosed on 30 September 2022 (press release can be found here) ("Loan 2") (jointly the "Loan Restructuring Arrangement").

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

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

From the desk of the President

Dear Shareholders,

I am pleased to present CYBER1's fourth quarter earnings report for the period from 1st October 2023 to 31 December 2023. Historically within the Cyber Security industry, there are significant opportunities to be realised commercially during this part of the year, and in 2023, this was no different. I was incredibly pleased to see that the strategic decisions and greater collaboration across the group has yielded positive results for the company. This is a credit to all staff, who have strived to provide the best experience for our valued customers and vendors, whilst internally striving to be efficient in our approach.

During the fourth quarter of 2023, CYBER1 achieved total revenue of €18,833k. From a year-to-date perspective, we have shown strong overall growth of 13%. An integral focus for the business in 2023 has stemmed around improving our margin and profitability, through increased service delivery, C1 SOC sales, and alignment with vendors with strong commercial potential. As a result of our efforts, our Q4 gross margin has increased by 40% taking our 2023 full-year margin growth to 28%. With the greater alignment of our operating expenditure, we have decreased our cost base in Q4 by 15%, enabling investment into lead generation activities. The culmination of these efforts has yielded an EBITDA profit of €1,381k for Q4 and a full-year EBITDA profit of €624k. This is an EBITDA improvement of €3,721k further demonstrating 2023 as a financially strong year for the company.

Looking back at the last quarter and the year as a whole, we are proud of the progress that has been achieved and we are also excited at the opportunities to develop further as an organisation and within our three business lines.

CYBER1 Solutions has grown successfully within Europe and the Middle East, with new customers acquired, as well as new technologies onboarded. Our longest running entity C1 Solutions SA, has undergone a transformational improvement in its business approach through 2023, ensuring they are at the forefront of cyber security provisions and delivery in the region. The year of positives culminated in the appointment of Ethel Nyembe as Executive Director for Africa and I am looking forward to seeing the opportunities that can be realised through her strong business experience and acumen.

Within TRINEXIA, the African and South African companies have successfully embedded themselves into the organisation. With the additional distribution rights that have been achieved at the end of the year with key vendors such as Skyhigh Security and CyberArk, I am excited to see their progression and further expansion into their respective markets. The Middle East entity continues to improve and with the new team and management making positive strides in their vendor and partner enablement, we look forward to seeing the entity evolve further during 2024.

C1 SOC has had an extremely positive 2023 overall. The completion of the ISO 27001 certification has already benefited the organisation across its internal approach, as well as externally by increasing its route to new markets beyond Africa. Targeting across our regions in Europe and the Middle East are an important next step for the C1 SOC team. With several multi-year deals already achieved, we have been able to demonstrate our ability across a multitude of sectors, delivering tailor-made solutions with the latest technologies available through our dynamic and skilled team.

My thanks go to all stakeholders, from shareholders, staff, to vendors, partners and suppliers for making this year a success. We are not resting on the progress achieved to date and look forward to working close with you in the future.

The Group now turns to 2024, with CYBER1 continuing to focus on its main strategic growth initiatives, including our vendor engagements, C1 SOC proliferation, expansion of our DevSecOps sales, and development of our key partnerships.

We are very excited to build on a successful year and make 2024 the best year for the company in all areas, by driving excellence in all that we do.

Stockholm, 23 February 2024

Robert Brown



Key Financial Ratios

	Oct - Dec Q4 2023	Oct - Dec Q4 2022	Jan - Dec 2023	Jan - Dec 2022
	€'000	€'000	€'000	€'000
Group Income	18 833	16 241	52 754	46 833
Group Gross Margin	4 635	3 322	11 959	9 313
Group Gross Margin percentage	25%	20%	23%	20%
Cash flow from operations	363	-2 487	1 844	-4 591
Operating Margin	1 279	-611	205	-3 638
Operating Margin percentage	7%	-4%	0.4%	-7.8%
Result after taxes	841	-800	-447	-3 866
Earnings per share	-0.0100	-0.0366	-0.0100	-0.0366

Result per share refers to result per share attributable to equity owners of the parent company. There is no dilution of earnings per share. This report is published in English. The closing number of shares outstanding for the period 31 December 2023 amounted to 1,025,928,865 (2022: 1,021,313,480). The additional 4,615,385 relates to a supplier of services to the Company, with share payment made by set-off of invoice claims on the Company.

Business Overview

Market Update

As the world concludes a turbulent year from a geopolitical point of view, innovations around developing technologies have continued to accelerate at a high level of pace. The resulting developments around artificial intelligence (A.I) and its application in our everyday lives means organisations must be prepared to adopt these new capabilities, with a secure approach at the forefront of their implementation.

According to Google research, the five biggest cyber security trends in 2024 will harness a number of key global events as a base for cyberattacks (e.g. Summer Olympics), as well as the utilization of A.I in exploiting zero-day vulnerabilities. Nation state actors will also play a more prominent role in the utilization of state related attacks, with greater resources at their disposal the level of impact can be significantly more harmful.

Several key elections are taking place in 2024, with a staggering 40% of the global population participating in elections this coming year, most notably in the United States where the impact of potential disinformation spread online, can have a significant impact on the winning candidate and subsequent foreign policy approach.

In 2024, phishing techniques are advancing with the use of generative AI and large language models (LLMs) to create more convincing content. Errors in spelling, grammar, and cultural context become harder to detect, making phishing emails and messages more authentic. Additionally, attackers can scale their operations by leveraging personal data to tailor convincing emails. Meanwhile, generative AI prompts enable the creation of fake news and deepfake content, eroding public trust in online information sources. In summary, businesses must interweave their security approach into all aspects of their operations, in order to ensure that technologies can be harnessed in the most effective way possible, without increasing risks of data theft and exposure.

Opportunities for Cyber Security

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

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

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

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

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

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

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

Contacts

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

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

Outlook and Financial Information

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

Business trend January 2023 to December 2023

Through the planned investments made in 2022, CYBER1 saw both acquisitive and organic growth during 2023. CYBER1 continues to drive its strategic growth objectives to make our approach as efficient as possible, whilst realising sustainable long-term prosperity.

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

The group continues to streamline expenses and improve profitability, ensuring financial sustainability and long-term success. Q4 2023 operating costs have decreased by € 576k (15%) from the same period last year. The group is successfully implementing cohesive cost management protocols enabling the business to meet its obligations as a listed company on Nasdaq First North Grow Market. The group is optimistic that it can build appropriate cash flows within the business to be utilised for the benefit of future commercial endeavours.

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

Development of revenue and results

Revenue growth during the fourth quarter was significantly higher than the previous quarter, seeing the successful conclusion of several deals which rolled over from the third quarter. The group achieved their desired revenue growth as per the planned strategy which the group started implementing in 2022. The renewed focus on niche technologies continues to see growth in the margin currently at 23% (2022: 20%).

Earnings before interest and taxes on continuing operations (EBIT) for the year turned a profit of €205k compared to the loss in the prior year of € 3,638k. Net loss from discontinued operations amounts to €1,837k and is attributable to the operations of Cognosec Ltd and Cyber1 Ltd that were discontinued in this quarter. Overall, the result for the year amounted to a loss of €2,284k (2022: loss of €3,866k)

Outlook & Approach

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

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

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

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

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

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

Risk and opportunity report

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

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

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

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



Southern Africa

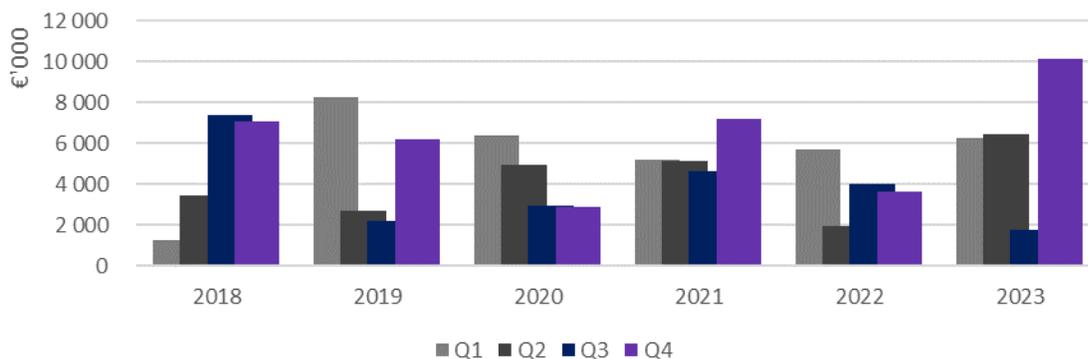
Revenue Q4	€ 10,155,048
Gross Margin	€ 2,985,970
EBITDA Q4	€ 1,582,602

CYBER1 Solutions Southern Africa

CYBER1 Solutions Southern Africa was able to close €10,155k for the Q4 period, recording a successful twelve months overall for the entity. The company’s revenue for Q4 has grown by 180%, when compared to the same period last year, underpinned by a combination of the closing of larger deals with public sector departments, combined with the conversion of some deals that slipped from Q3 into Q4. From a margin perspective, there has been a strong focus in 2023 surrounding additional services, as well as combining solutions to improve the overall margin acquired. There has also been a strong drive around innovative technologies around cloud security solution delivery to clients, which was achieved by investment in technical capabilities earlier in the year. This is now starting to create the desired effect of greater collaboration with customers around securing the use of cloud technologies, which is becoming a significant opportunity for the business to demonstrate value-add.

CYBER1 Solutions SA announced in the quarter that it has achieved its B-BBEE level 1 status. As indicated in the previous report, there is an expectation of additional upside to be generated moving into 2024.

The CYBER1 group was also delighted to announce the appointment of Ethel Nyembe as Executive Director of Africa. Nyembe joins the company after a long and successful career in banking. She spent the last 13 years at the Standard Bank Group, where she held several senior positions in retail banking, completing her time there as head of group card and payments.





East and West Africa

Revenue Q4	€ 385,992
Gross Margin	€ 113,383
EBITDA Q4	€ -26,610

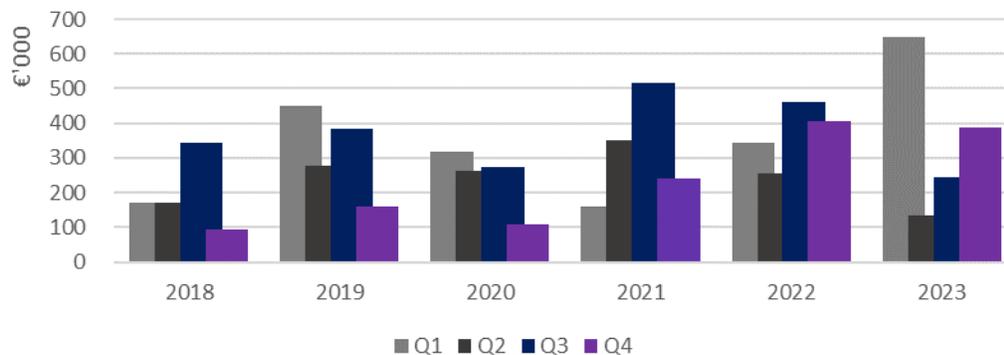
CYBER1 Solutions Kenya

CYBER1 Solutions East & West Africa, based in Nairobi Kenya, recorded revenue of €385k for Q4 2023.

Gross margin of 31% for Q4 was higher than anticipated and is because of the delivery of additional implementation services and engagements on renewals.

The company, moving into 2024, is focusing on further developing its presence in Uganda, which according to Statista is expected to show an annual growth rate (CAGR 2024-2028) of 15%, resulting in a strong market increase over the next four years. The team is also expanding its pre-sales and business development, to facilitate the lead generation internally within Kenya, as the region continues to be of strategic priority for business growth.

C1 Solutions Kenya continues to harness Ivanti, SALT and CrowdStrike and other key strategic vendors, in harnessing the latest technologies within the region, to drive security innovations.





CYBER¹ Solutions

	Europe and Middle East
Revenue Q4	€ 1,440,765
Gross Margin	€ 93,594
EBITDA Q4	€ -13,716

CYBER1 Solutions Europe and Middle East

CYBER1 Solutions EMEA expansion has continued to be strong towards the end of the year, recording revenue of € 1,440k for the quarter. Key vendors ranging from Cribl and Netskope were successfully delivered into a variety of security infrastructures, further entrenching our relationships with customers that have been acquired this year. This is reflected in the 90% new business recorded in Q4 of 2023.

Moving into 2024, the company is expanding its commercial team, to harness the lead generation opportunities that have been developed by the marketing efforts in the region. It is anticipated that this will have a benefit in customer acquisition and delivery of Security Operations Center (SOC) provisions within Europe and the Middle East. With the ISO 27001 certification, more opportunities can be realized in these regions within 2024.

The company will be participating in several events to continue the expansion of its local presence in Europe and the Middle East, including the addition of CISO roundtable discussions with industry leaders in financial services and other technology driven fields.



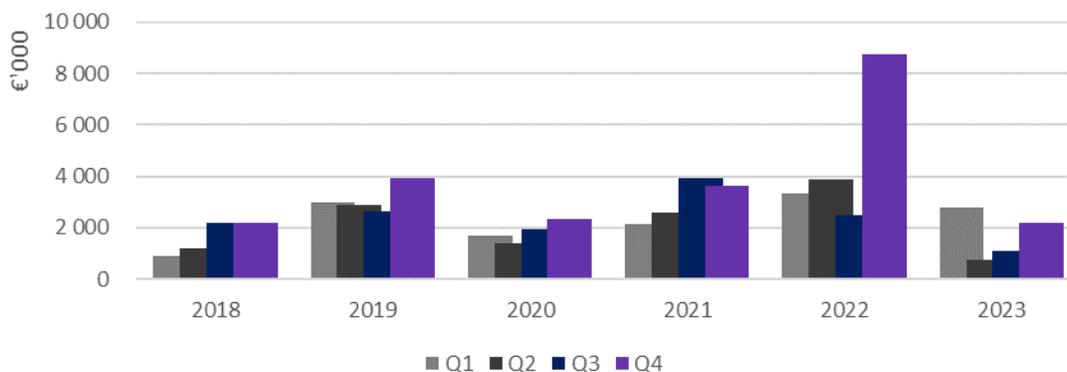
Middle East and India

Revenue Q4	€ 2,199,354
Gross Margin	€ 442,653
EBITDA Q4	€ -218,053

TRINEXIA Middle East and India

TRINEXIA Middle East has closed €2,199k for Q4 2023. The company has strategically evolved its vendor offering moving into 2024, to ensure that its approach is at the cutting edge of Cyber Security and digital forensics in the region. This is reflected in the 77% of new business for the quarter, as the shift of its approach begins to take effect. Margins have improved steadily as a percentage, as vendor engagements continue to progress, which has led to four vendors with exclusivity in certain regions, which will be crucial in driving overall growth.

The company participated in a number of workshops and CISO events across Qatar, United Arab Emirates and the Kingdom of Saudi Arabia. These events have already showcased a return on investment with deals being generated and closed in the first quarter of 2024.





Southern Africa

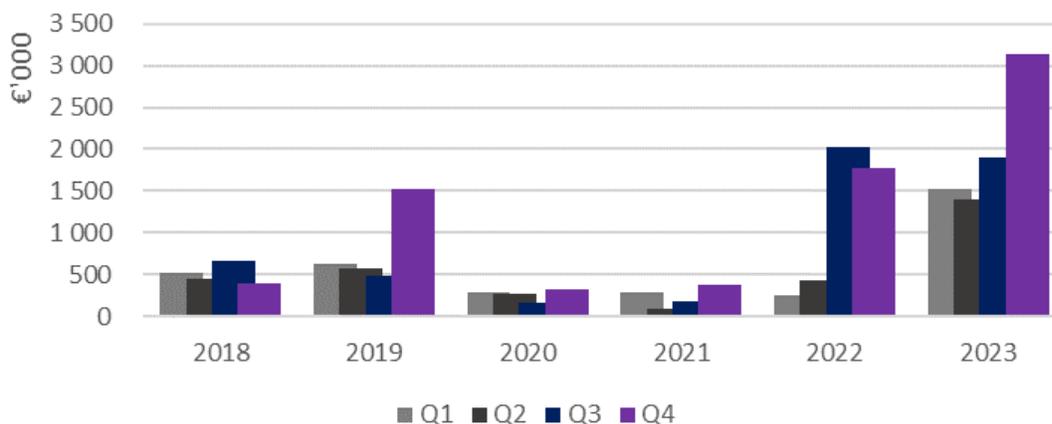
Revenue Q4	€ 3,143,778
Gross Margin	€ 482,532
EBITDA Q4	€ 83,756

TRINEXIA Southern Africa

TRINEXIA Southern Africa has closed off a successful year, recording €3,143k for the Q4 period. This year-on-year increase of 72% has been underpinned by a strong development of its core vendor offering, combined with investment in their technical capabilities, equating to greater conversion of deals where professional services come into discussions. This has led to improved margins and profitability for the company.

The inclusion of Skyhigh Security distribution in South Africa and Africa respectively, has added a significant vendor to their portfolio during the quarter, as well as new resources in technical being developed to help drive its value-added approach.

Moving into 2024, the company is continuing to invest in certification and training development, based on the general market trend of vendors acquiring additional technologies.



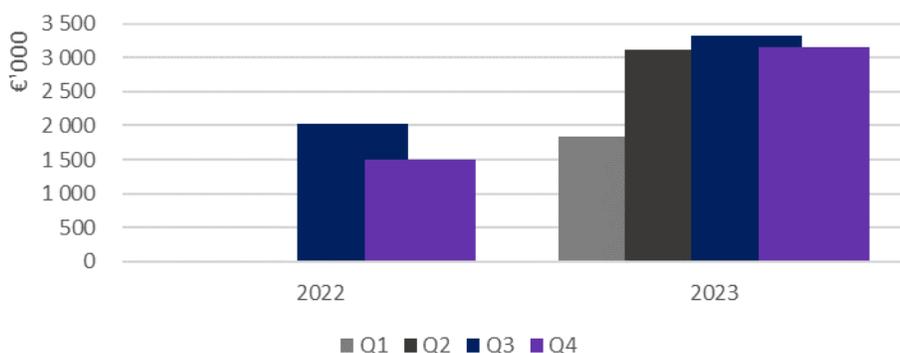


	Africa
Revenue Q4	€ 3,158,869
Gross Margin	€ 122,437
EBITDA Q4	€ 73,619

TRINEXIA Africa

TRINEXIA Africa concluded its year with a strong finish in Q4 2023, closing €3,158k of revenue for the period, including a significant uplift in EBITDA profitability for the year. The company has collaborated with several Tier-1 partners such as Thales security, as well as benefitting from the Skyhigh Security distribution rights. The company has achieved a healthy blend of new and renewal business, as well as its growing professional services component.

Moving into 2024, the company is continuing to further invest its area of coverage in Egypt, Morocco, Ethiopia, and the Ivory Coast, as key targets that will benefit from its cyber security offering. These areas will have additional investment and headcount, to realise opportunities in these regions, where rapid digitalisation and investment in cyber security provisions are taking place. The approach to date has demonstrated that the company can deliver successfully in the territory through a core vendor focus.



Customers

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

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

Technology Partners

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



Cash Flow

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

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

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

FINANCIAL INFORMATION

Interim Report—Comparative Figures

The Q4 2023 report has not been formally reviewed by the Group's auditor.

Profit for the period

Group

Q4 2023 revenues amounted to €18,833k (Q4 2022: €16,241k)

EBITDA for Q4 2023 amounted to €1,381k (Q4 2022: €-469k)

Profit before tax from continuing operations for Q4 2023 amounted to €841k (Q4 2022: €-800k)

Depreciation and amortisation for Q4 2023 amounted to €102k (Q4 2022: €142k)

There was a Net Cash outflow for Q4 2023, which amounted to €16k (Q4 2022: Net Cash outflow: €712k)

At the end of Q4 2023, the Group's cash balance amounted to €728k (Q4 2022: €747k)

Parent

The Parent Company's loss from continuing operations for Q4 2023 amounted to €104 (Q4 2022: loss of €3k)

Financial Position

Group

The Group's equity for end of Q4 2023 amounted to €3,704k (Q4 2022: €4,150k)

CYBER1 did not pay any dividends to shareholders during Q4 2023, 2022, and prior to this period.

Parent

The equity for the parent company amounted to €3,020k at the end of Q4 2023 (Q4 2022, €7,446k) and €13k in cash or cash equivalent for Q4 2023 (Q4 2022: €111k).

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 2023 were: 1,025,928,865.

2024 Financial Calendar

Fourth Quarter Report 2023	:	23 February 2024
Publication of 2023 Annual Report	:	3 May 2024
AGM 2024	:	24 May 2024
H1 Report 2024	:	10 August 2024
H2 Report 2024	:	27 February 2025

From 2024, the company will publish its interim results on a half yearly basis, in compliances with regulations on Nasdaq First North Growth Market.

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 2023 AGM resolved to elect RSM Stockholm AB, with Malin Lanneborn as auditor-in-charge, for the time up until the next annual general meeting in the company.

Election Committee and Extraordinary Annual General Meeting 2023

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

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

Other resolutions considered and passed

Remuneration to the board of directors and auditors

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

Number of board directors and deputy board directors and auditors

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

Income statements and balance sheets, dispositions in respect of the company's result in accordance with the adopted balance sheet and discharge of liability

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

New issue authorisation

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

Certification of Signatories

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

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

Johan Bolsenbroek, Chairman, Non-executive Board member

Alan Goslar, Non-executive Board member

Pekka Honkanen, Non-executive Board member

Zeth Nyström, Non-executive Board member

Robert Brown, President, Executive Board member

DETAILED FINANCIAL INFORMATION

BALANCE SHEET	GROUP	
	31 December 2023	31 December 2022
	€'000	€'000
ASSETS		
Non-current assets		
Property, plant and equipment	267	333
Right of use Asset	96	281
Intangible Assets	22	22
Investments in associates	0	749
Other Non-Current Assets	0	0
Goodwill	7 485	6 735
Total Non-current assets	7 870	8 120
Current Assets		
Inventory	99	151
Deferred tax asset	254	145
Trade and other receivables	16 805	23 500
Cash & Bank	728	747
Total Current Assets	17 886	24 543
TOTAL ASSETS	25 756	32 663
DEBT AND EQUITY CAPITAL		
Equity Capital		
Share Capital	267	267
Share premium	27 414	27 414
Retained Earnings	-23 723	-23 078
Non Controlling Interest	-254	-453
Total Equity	3 704	4 150
Non-current liabilities		
Interest-bearing liabilities	5 336	5 028
Total Non-current liabilities	5 336	5 028
Current liabilities		
Interim Debt	3 951	3 951
Lease liabilities	131	366
Bank Overdraft	449	1 610
Trade and other payables	10 132	16 070
Tax payable	-215	216
Provisions	2 268	1 272
Total current liabilities	16 716	23 485
Total Liabilities	22 052	28 513
TOTAL DEBT AND EQUITY	25 756	32 663

GROUP

Statement of comprehensive income (loss)	Oct - Dec 2023	Oct -Dec 2022	Jan - Dec 2023	Jan - Dec 2022
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	18 833	16 241	52 754	46 833
Cost of Sold Goods	-14 198	-12 919	-40 795	-37 520
Gross Profit	4 635	3 322	11 959	9 313
Sales Costs	-2 010	-2 404	-7 675	-8 460
Administration Costs	-1 244	-1 387	-3 660	-3 950
Depreciation	-102	-142	-419	-541
Total Operating Cost	-3 356	-3 933	-11 754	-12 951
Operating Result	1 279	-611	205	-3 638
EBITDA	1 381	-469	624	-3 097
Financial income and costs				
Finance income	6	130	13	151
Finance costs	-155	-148	-303	-310
Other financial items	-289	-171	-362	-54
Total Finance income and costs - net	-438	-189	-652	-213
Share of net profit of associates accounted for using the equity method	0	0	0	-15
Result before tax	841	-800	-447	-3 866
Tax (Period)	0	0	0	
Net income for the period, continuing operations	841	-800	-447	-3 866
Discontinued operations				
Loss from discontinued operations	-1 837	0	-1 837	0
Net income for the period, discontinued	-1 837	0	-1 837	0
Net income	-996	-800	-2 284	-3 866
Net income (loss) attributable to:				
Owners of the Parent Company	-1 343	-577	-2 407	-3 173
Non-controlling interests	346	-223	124	-693

GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Oct - Dec 2023	Oct - Dec 2022	Jan - Dec 2023	Jan - Dec 2022
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	3 255	5 259	4 150	7 803
Adjustment from acquisition analysis				
Share Issues	0	0	0	3 105
Offset Issue				
Profit from the Period	841	-800	-447	-3 866
Other comprehensive income for the period, net of tax	-1 837		-1 837	
Foreign Exchange-Differential	1 445	-309	1 838	-2 893
Changes in equity during the period	449	-1 109	-446	-3 654
Equity - Closing Balance	3 704	4 150	3 704	4 150

BALANCE SHEET	PARENT	
	31 December 2023	31 December 2022
	€'000	€'000
ASSETS		
Non-current assets		
Property, plant and equipment	1	0
Intangible Assets	22	22
Investments in subsidiaries	5 691	4 942
Investments in associates	0	749
Long term Intercompany loans receivable	1 413	0
Total Non-current assets	7 127	5 713
Current Assets		
Intercompany loans receivable	983	6 978
Trade and other receivables	381	410
Cash & Bank	13	111
Total Current Assets	1 377	7 499
TOTAL ASSETS	8 504	13 212
DEBT AND EQUITY CAPITAL		
Equity Capital		
Share Capital	267	267
Share premium	27 318	27 318
Retained Earnings	-24 565	-20 139
Total Equity	3 020	7 446
Non-current liabilities		
Interest-bearing liabilities	5 237	5 028
Total Non-current liabilities	5 237	5 028
Current liabilities		
Intragroup Debt	0	275
Trade and other payables	261	474
Tax payable	-22	-11
Provisions	7	0
Total current liabilities	246	738
Total Liabilities	5 484	5 766
TOTAL DEBT AND EQUITY	8 504	13 212

PARENT

Statement of comprehensive income (loss)	Oct - Dec 2023	Oct -Dec 2022	Jan - Dec 2023	Jan - Dec 2022
	€'000	€'000	€'000	€'000
Continuing operations				
Net Revenue	245	159	1 386	714
Cost of Sold Goods	0	0	-405	0
Gross Profit	245	159	981	714
Sales Costs	-60	1	-379	-56
Administration Costs	-194	-156	-561	-630
Depreciation	-0	0	-0	0
Total Operating Cost	-254	-156	-941	-687
Operating Result	-9	3	40	27
EBITDA	-9	3	40	27
Financial income and costs				
Finance costs	-85	1	-85	-16
Other financial items	-9	-8	-9	-28
Total Finance income and costs - net	-95	-7	-94	-44
Result before tax	-104	-3	-54	-17
Tax (Period)	0	0	0	0
Net income for the period, continuing operations	-104	-3	-54	-17
Discontinued operations				
Loss from discontinued operations	-4 408	0	-4 408	0
Net income for the period, discontinued	-4 408	0	-4 408	0
Net income	-4 511	-3	-4 461	-17

PARENT

PARENT STATEMENT OF CHANGES IN EQUITY	Oct - Dec 2023	Oct - Dec 2022	Jan - Dec 2023	Jan - Dec 2022
	€ '000	€ '000	€ '000	€ '000
Equity - Opening Balance	7 523	4 364	7 446	4 403
Adjustment from acquisition analysis		0		
Share Issues	0	3 105	0	3 105
Profit from the Period	-104	-3	-54	-17
Other comprehensive income for the period, net of tax	-4 408		-4 408	
Foreign Exchange-Differential	8	0	35	-45
Changes in equity during the period	-4 503	3 102	-4 426	3 043
Equity - Closing Balance	3 020	7 466	3 020	7 446

CASH FLOW ANALYSIS	Group			
	Oct - Dec 2023	Oct - Dec 2022	Jan - Dec 2023	Jan - Dec 2022
	€ '000	€ '000	€ '000	€ '000
Profit before income taxes	841	-800	-447	-3 866
Retained Earnings Adjustments	-37	0	-349	0
Other Non-Cash Items	-273	0	-358	10
Movements in Provisions	477	22	1 049	0
Depreciation	102	142	419	541
Interest Paid	-155	-148	-303	-310
Interest Received	6	130	13	151
Changes in Working Capital	-598	-1 833	1 821	-1 117
Cash Flow from Operations	363	-2 487	1 844	-4 591
Paid Taxes	-607	-37	-670	-233
Cash Flow from Operating Activities	-244	-2 524	1 174	-4 824
Investment in Associates	0	0	0	-276
Acquisition of Fixed Assets	-54	-282	-210	-514
Cash Flow from Investment Activities	-54	-282	-210	-790
New share issues	0	0	0	3 105
Lease liabilities	-59	171	-218	-65
Borrowings	-80	2 051	-40	5 028
Cash Flow from Financing Activities	-138	2 222	-258	8 068
Change in cash and cash equivalents during the year				
Net change in cash, continuing operations	-436	-585	706	2 454
Net change in cash, discontinued operations		0	0	0
Foreign exchange translation reserves	421	-127	-724	-2 579
Opening Cash position	744	1 459	747	872
Closing Cash Position	728	747	728	747

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 – General accounting principles

CYBER1 (the Group) consists of Cyber Security 1 AB (the Company) and its subsidiaries. Cyber Security 1 AB is a public company, incorporated in Sweden. The consolidated interim financial statements consist of the Group and the Parent company and Group's subsidiary companies. As a result of rounding differences, numbers or percentages may not add up to the total. These interim condensed consolidated financial statements for the twelve months ending 31 December 2023, have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2022 (Annual Report 2022). Key developments in risks and uncertainties, including COVID-19, are described in the section Risks and uncertainties.

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

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

IBOR transition

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

Items affecting comparability

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

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

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

goodwill) and is recorded in the income statement. Any portion of the gain or loss related to the re-measurement of the retained interest to fair value is disclosed separately.

Impact on the financial reporting due to COVID-19

Goodwill

During the reporting period to December 2023, CYBER1 has outlined the cash-generating units (CGUs) within the business area of CYBER1 Group. The recoverable amount of all 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 experiences and are consistent with external information. The most material assumptions when determining the value in use include anticipated demand, growth rate, operating margin, working capital requirements and the discount rate.

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

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

Inventory

As of 31 December 2023, there is no significant impact on the valuation of inventory related to the Covid-19 pandemic.

Expected credit losses

As of 31 December 2023, there are no indications of any significant impact related to the Covid-19 pandemic. Expected credit losses remain at a low level compared to twelve months rolling revenues.

Note 2 – Operating segment information**Revenue and Segments**

CYBER1 is located in three main regions, namely: Africa, Europe, and the Middle East, with more than 190 employees.

For management and reporting purposes, the Group is organised by these geographical areas.

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

Revenue per Segment	Oct- Dec 2023	Oct - Dec 2022	Jan - Dec 2023	Jan - Dec 2022
	€ '000	€ '000	€ '000	€ '000
Africa	17 166	7 761	45 629	29 226
Middle East	3 640	9 282	9 343	19 513
Europe	309	620	312	1 357
Sub-Total including internal Sales	21 116	17 663	55 285	50 096
Internal Sales and Eliminations	-2 283	-1 422	-2 530	-3 263
Segment Total	18 833	16 241	52 754	46 833

For management and reporting purposes, Cyber Security 1 AB is included in Group Shared Services. The corresponding information from earlier periods is restated. Transfer prices between operating segments are on an 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:

Geographical information - Current Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Dec 2023					
Africa	45 629	56%	1 372	3%	1 701
Middle East	9 343	-52%	-769	-8%	987
Europe	312	-77%	20	6%	7 159
Core business	55 285	10%	623	1%	9 846
Internal Sales and Eliminations	-2 530	-22%	0	0%	-1 976
Cyber1 Group	52 754	13%	623	1%	7 870

Geographical information - Prior Year	Revenue	Adjusted organic growth	EBITDA	EBITDA margin	Non-current assets
	€ '000	%	€ '000	%	€ '000
Jan - Dec 2022					
Africa	29 226	2%	-1 835	-63%	1 877
Middle East	19 513	-41%	-1 120	-57%	2 129
Europe	1 357	-97%	29	22%	8 925
Core business	50 096	-50%	-2 925	-58%	12 931
Internal Sales and Eliminations	-3 263	-1%	-172	53%	-4 811
Cyber1 Group	46 833	-51%	-3 098	-66%	8 120

Geographical information - Current Year	Distribution	Solutions	Next Gen SOC	Jan - Dec 2023
	€ '000	€ '000	€ '000	€ '000
Jan - Dec 2023				
Africa	19 400	26 042	188	45 629
Middle East	6 843	2 500	0	9 343
Europe	0	312	0	312
Including internal sales	26 243	28 854	188	55 285
Internal Sales and Eliminations				-2 530
Total				52 754

Geographical - Prior year	Distribution	Solutions	Next Gen SOC	Jan - Dec 2022
	€ '000	€ '000	€ '000	€ '000
Jan - Dec 2022				
Africa	8 942	20 284	0	29 226
Middle East	18 435	1 077	0	19 513
Europe	644	714	0	1 357
Including internal sales	28 021	22 075	0	50 096
Internal Sales and Eliminations		0	0	-3 263
Total				46 833

Note 3 - Financial instruments

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

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

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

CYBER1's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. CYBER1's financial liabilities consist mainly of loans, lease liabilities and accounts payable. For the category "Liabilities to financial institutions and similar liabilities" the reported value amounted, at 31 December 2023, to €449k (2022: €1,610k).

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 2023	
	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Trade receivables		16 664			142	16 805	16 805	
Other current assets and financial receivables					353	353	353	
Prepaid expenses and accrued income						0	0	
Cash and cash equivalents		728				728	728	
Total assets	0	17 391	0	0	495	17 886	17 886	
Loans and borrowings			3 951			3 951	3 991	
Other non-current financial liabilities					0	0	0	
Other current liabilities		449	27			475	475	
Accrued expenses and deferred income					2 268	2 268	2 268	
Trade payables			10 022			10 022	10 022	
Total liabilities	0	449	14 001	0	2 268	16 716	16 756	

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 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		23 500				23 500	23 500
Other current assets and financial receivables					296	296	296
Prepaid expenses and accrued income						0	0
Cash and cash equivalents		747				747	747
Total assets	0	24 247	0	0	296	24 543	24 543
Loans and borrowings			3 951			3 951	3 991
Other current liabilities		1 610	581			2 191	2 191
Accrued expenses and deferred income					1 272	1 272	1 272
Trade payables			16 070			16 070	16 070
Total liabilities	0	1 610	20 602	0	1 272	23 484	23 524

Fair value measurement by level

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

Financial instruments, level 2

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

DISTRIBUTION BY LEVEL WHEN MEASURED AT FAIR VALUE	31 December 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial assets	0	0	0	0	0	0	0	0
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedge accounting								
Contingent considerations			40	40			45	45
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting								
Total financial liabilities	0	0	40	40	0	0	45	45

Financial instruments, level 3

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

MOVEMENTS FINANCIAL INSTRUMENTS LEVEL 3			
Contingent considerations	Q4 2023	Q4 2022	Full year 2022
	€'000	€'000	€'000
Opening balance	0	0	0
Business combinations			
Payments	0	0	0
Reversals			
Revaluations	40	0	0
Translation differences			
Closing balance	40	0	0

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

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

Note 4 – Discontinued Operations

On 17 July 2023, CYBER1 liquidated two of its non-trading subsidiaries located in the United Kingdom, namely, Cognosec Ltd and Cyber1 Ltd.

CYBER1 has recognised the transaction and accounted for the disposal in Q4 2023, and the loss accounted for under discontinued operations in the income statement.

The profit and loss from the liquidation of the assets and liabilities classified as disposal are summarised as follows:

Discontinued Operations	Group Total	Parent Total
	€ '000	€ '000
Trade and other receivables	734	0
Intragroup Debt	4 538	4 408
Cash and cash equivalents	0	0
Trade payables and liabilities	-3 435	0
Divested net assets	1 837	4 408
Capital gain, excluding sales costs	0	0
Sales price	0	0
loss on divestment of discontinued operations	-1 837	-4 408
Total Income Statement impact	-1 837	-4 408

Note 5 – Impairments

Goodwill and Disposal of non-current assets

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

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

Note 6 – Earnings per share

Earnings per share	Jan - Dec	
	2023	2022
	€ '000	€ '000
Profit for the period	-447	-3 866
Non-controlling interests	114	-693
Group share of profit	-562	-3 173
Number of shares (weighted average)	1 023 621	866 058
Earnings per share	-0.0100	-0.0366
Net income from continuing operations – attributable to the parent entity	-562	-3 173

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

Note 7 - Significant risks and uncertainties

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

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

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

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

For further information regarding details on risk exposure and risk management, see the Annual Report 2022, Directors Report and the newly published Governance report.

Note 8 - Related parties Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company with the information given in the annual report 2022.

Other- Parent Company

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

Sweden

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64 Stockholm
Box 70396
107 24 Stockholm

Middle East & India

Trinexia DMCC
504 Swiss Tower, Cluster Y,
Jumeirah Lakes Towers (JLT), Dubai
United Arab Emirates

South Africa

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46A Wierda Rd West
Wierda Valley
Johannesburg
2146

South Africa

Trinexia (Pty) Ltd
4 Karen Street
Bryanston
Johannesburg
2191

South Africa

Cyber1 SOC (Pty) Ltd
Block H
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54 Peter Place Road
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Johannesburg
2191

Kenya

Cyber 1 Solutions
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5 President John Kennedy Street
Port Louis, Mauritius

United Kingdom

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Europe & Middle East

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