

CYBER1 Secures Committed Capital Of Up To Euro €30 Million Over 36 Months



London, Dec 20, 2019 (Issuewire.com) - Cyber Security 1 AB (Publ) (the “**Company**”) (“**CYBER1**”) (Nasdaq First North: CYB1), an international leader in Cyber Security, Governance, Risk and Compliance services today announces it has successfully arranged funding of up to EURO €30 million. The package which comprises of an equity backstop of up to EURO €25 million and a further up to EURO €5 million as a PIPE investment into a potential business combination with a US based SPAC.

On the annual general meeting, held on 25 July 2019, the board of directors of Cyber1 was authorized to issue new equity instruments. The board of directors is now pleased to announce that Cyber1 has entered into a direct placement agreement (“**Agreement**”) with LDA Capital LLC (“**LDA Capital**”), a Los Angeles based private alternative investment group, which has agreed to provide the Company with up to EURO €30 million (“**Commitment Amount**”) in committed capital over the next 36 months.

The Commitment Amount will be divided into two main sections:

- “**Development Capital**” of up to EURO €25 million:

Company will use the funds to strengthen the business and the investment will allow the Company to, inter alia:

- improve cash flow;
- provide funding for its planned acquisitions; and
- use the funding as project / trade finance for advance funding of customer projects.

- Private Investment into Public Equity (“**PIPE**”) investment of up to EURO €5 million:

The funds, to be used specifically as support for a potential business combination between Cyber1 and a New York listed Special Purpose Acquisition Company (SPAC).

Development Capital

The Development Capital will be accessed by the Company in the form of a directed share subscription facility with an aggregate subscription price of up to EURO €25 million which allows the Company to drawdown funds during the 36-month term of the Agreement by, inter alia, issuing ordinary shares of the Company for subscription to LDA Capital. Any drawdown of funds by Cyber1 following the next annual general meeting is subject to that the shareholders of Cyber1 resolves, or authorizes the board of directors to resolve, to issue new equity instruments.

The Company will control the timing and maximum amount of the draw down under this facility and has the right, not the obligation, to draw down up to EURO €25 million, with each placement notice being a put option (“**Option**”) on LDA Capital dependent upon certain parameters such as the previous 10-day average trading volume of CYBER1 shares on Nasdaq First North Growth Market and with up to two placement notices each month during the term.

In addition to any shares LDA Capital will subscribe for under the Option, as additional consideration for LDA Capital entering into the Agreement, LDA Capital will receive 29,548,648 warrants to subscribe for one additional ordinary share each. Each Warrant will be exercisable at any time during a period of 3 years following issue with an exercise price of €0.43. No additional consideration will be paid for the warrants and the warrants will not be listed. The issue of any of warrants pursuant to the Agreement after the 2020 AGM will require specific approvals by the Cyber1 shareholders in the event that mandate provided to the Cyber1 board at the AGM 2019 is not renewed or extended as detailed below.

The Company shall pay LDA Capital, a commitment fee equal one and four fifths per cent (1.80%) of the Commitment Amount, payable from the proceeds of the first three drawdowns before the lapse of a period of twelve (12) months from the date of the Agreement and on every drawdown date, the Company will pay a financing expense equivalent to ten per cent (10%) of the subscription proceeds.

Any subscription by LDA Capital of shares through the exercise of the Option will be at a price set by the Company which will not carry any discount to the current market price.

LDA Capital has explicitly agreed to a prohibition on any short-selling of Cyber1 shares over the term of the Agreement.

The Board have chosen the method of fundraising provided by the Agreement as they believe it provides flexibility to enable exploitation of the opportunities to develop the business, despite the prevailing stock market conditions. The Company will control the actual amount and the timing of any investment under the Agreement over a period of thirty six (36) months, whilst having the opportunity to receive regular cash injections if considered appropriate and in the interests of the Company and its Shareholders. This should allow the Company to drip feed cash as requirements and opportunities occur, rather than fully diluting existing Shareholders immediately for an amount of cash that the Company may not need.

PIPE Investment

LDA Capital are committed to support the Company with its announced intention to seek a US listing and have therefore committed, subject to definitive investment terms, up to EURO €5 million PIPE for a potential SPAC business combination which will cornerstone the funding for this potential process.

Kobus Paulsen, CYBER1 Chairman, commented on the transaction:

"This agreement with LDA Capital continues the momentum, started with a strong third quarter for the Company. It gives CYBER1 alternatives as it secures funding for continued growth and development of the Company over the next few years. This capital commitment positions CYBER1 to continue with its business and strategic acquisition plans, improves the Group's cash flow and allows the Group to engage in some of the more significant Public and Private sector Cyber Security projects"

Warren P Baker III, Managing Partner of LDA Capital, commented on the transaction:

"This investment in CYBER1 constitutes an important element of our focus on cybersecurity, which remains one of the world's most persistent, difficult and costly problems facing businesses and government. We anticipate continued substantial investment in this sector in order to combat increasing threats from cyber-attacks. Indeed, cyber-attacks will accelerate, and company budgets for cybersecurity spending will grow, independent of broader macroeconomic factors. We expect CYBER1, with its unique presence in the cyber security and IoT domains, to be a central participant in the growth of effective defences against, and monitoring systems of cybercrime, and look forward to the company's rapid advancement on a global scale."

The board of directors' authorization to issue new equity instruments

On the annual general meeting in Cyber1, held on 25 July 2019, the board of directors was authorized to, until the next annual general meeting, with or without deviation from the shareholders' preferential rights and with the right to pay also in kind, by way of set-off, or with other conditions, on one or several occasion, to issue shares, warrants and convertibles. The authorisation is limited to 150,000,000 shares, or warrants or convertibles that entitle to subscribe for or convert into a corresponding number of shares.

Certified Adviser

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This information is information that CYBER1 is obliged to make public, pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 20.12.2019 at 16:30 CET.

About CYBER1

CYBER1 is engaged in providing cyber resilience solutions and conducts its operations through physical presences in Sweden, South Africa, the UK, Kenya, Germany, Austria, Turkey, Greece, Italy, the Ukraine and the United Arab Emirates. Listed on Nasdaq First North Growth Market (Nasdaq: CYB1.ST, and as an American Depositary Receipt (OTCQX: CYBNY), the Group delivers services and technology licenses to enhance clients' protections against unwanted intrusions, to provide and enhance cyber resilience and to prevent various forms of information theft. CYBER1 had revenues of 43.95m EUR in 2018. For further information, please visit www.cyber1.com/investors.

For further information please visit: www.cyber1.com

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

About LDA Capital:

LDA is a global alternative investment group with expertise in complex, cross border transactions. The firm was founded in 2018 with a focus on special situations in emerging private and public companies requiring capital solutions. The Founders have a 20-year business history together having collectively executed over 200 transactions in both the public and private markets. Both founders have dedicated their careers to international & cross border opportunities, having transacted in 42 countries with aggregate transaction values of over \$5 billion. LDA has sector expertise and industry concentration across Technology, Media & Telecom, Natural Resources, Healthcare, and emerging industries such as Cannabis, Fintech, and Blockchain.

Please visit www.ldacap.com for further information.

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