Cybercom in words

COMPANY PRESENTATION AND SUSTAINABILITY REPORT 2013

CYBERCOM GROUP

Contents

Cybercom is an IT consulting company that assists leading companies and organisations to benefit from the opportunities of the connected world. The company's areas of expertise span the entire ecosystem of communications services. Cybercom's home market is the Nordic region, and in addition the company offers global delivery capacity for local and international business. Cybercom was founded in 1995 and has been listed on the NASDAQ OMX Stockholm exchange since 1999. www.cybercom.com

About the report

This report is Cybercom's combined annual report and sustainability report for 2013. It is presented in two parts, with the presentation of the company and the sustainability report to be found in "Cybercom in words", and the directors' report, financial statements and corporate governance report to be found in "Cybercom in numbers".

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and the corporate governance report complies with Chapter 6, Section 6 of the Annual Accounts Act and Point 10 of the Swedish Code of Corporate Governance. Cybercom's sustainability report is presented in accordance with GRI international guidelines for sustainability, Level C, Version G3.1. The reporting of key performance indicators for Cybercom, the GRI index, can be found on Pages 32–35 or at www.cybercom.com.

In 2012, Cybercom signed the UN Global Compact and complies with its ten principles for responsible business.

This report is Cybercom's annual communication about how we live up to and work with these principles.

2013 in brief

Key events

- In 2013, Cybercom turned all parts of the operations to profit.
- Cybercom made progress in efforts to strategically broaden the company's client base and further integrate all parts of the organisation.
- Cybercom expanded its focus on business in IT security and launched Compliance Portal, which supports innovative processes within regulatory compliance through interactive requirement management and indicates the security status of operations in real time. SL (Stockholm Public Transport) is one major client.
- The Finnish National Board of Education chose Cybercom for assignments relating to its web services for learning. The contract runs for four years.
- Cybercom was awarded a contract by the EIdentification Board for federation services for Swedish e-identification to assure the security of Swedes' digital identification.
- Smart Axiata, Cambodia's second-largest provider of mobile services, chose Cybercom for important mobile network optimisation.
- Cybercom opened a project office in Kista, Sweden, for several scrum teams in agile development together with Ericsson.
- Cybercom signed a new framework agreement with the Swedish Tax Agency located in Gothenburg, Solna and Östersund. The contract runs for one year with an option for a further year.
- Defence and security company Saab and Cybercom signed a framework agreement for consulting services in product development.
- Cybercom won business with Wireless Maingate for M2M and is developing a solution to enhance users' ability to measure and optimise their energy consumption.
- The 2013 AllBright Report named Cybercom the IT sector's top company in terms of women in management.
- Cybercom was awarded best IT workplace in 2013 in Poland.

In 2013, Cybercom turned all parts of the operations to profit.

62%

Cybercom's share performance in 2013

Key figures

MSEK	2011	2012	2013
Sales	1,481.0	1,339.2	1,195.1
Operating profit, EBIT	-125.4	-11.4	60.2
EBIT margin, %	-8.5	-0.9	5.0
Profit/loss for the period	-144.2	-53.1	41.5
Earnings per share, SEK	-4.0	-0.67	0.23
No. of employees	1,564	1,335	1,267

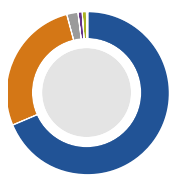
5%

EBIT margin

Created and distributed direct economic value

kSEK	2011	2012	2013
Revenue	1,481,075	1,399,202	1,195,135
Employee benefits	-950,222	-892,081	-793,840
Other external expenses	-464,840	-476,539	-314,732
Depreciation, amortisation and impairment	-190,817	-29,857	-26,199
Capital losses	-	-11,792	-
Net financial income/expense	-19,058	-16,354	-6,904
Tax	224	-25,314	-11,811
Charitable donations	-575	-352	-142
Dividends to shareholders	0	0	0
Total	**-144,213**	**-53,087**	**41,507**

Distributed value 2013



- Employee benefits, 66.42%
- Other external expenses, 26.33%
- Depreciation, amortisation and impairment, 2.19%
- Capital losses, 0.00%
- Net financial income/expense, 0.58%
- Tax, 0.99%
- Charitable donations, 0.01%
- Dividends to shareholders, 0.00%

Our clients' foremost business partner

Cybercom is an innovative IT consulting firm that was founded in Sweden in 1995. Today, we assist companies and organisations to benefit from the opportunities of the connected world and enhance their competitiveness.

We provide Connectivity

We see great potential in the development of the communications of the future. Where the interaction between people is increasing; where services and systems are meeting new needs; and where mobility is a given. We contribute to our clients' businesses with passion and we seek to be an integral and reliable partner. Technology, content and people are now interdependent. This involves everything from cars, planes, smart homes, alarms and mobile payment systems to complex telecom networks. All this is Connectivity, and is fundamentally about making services in our everyday life simpler and more effective.

Our clients

Cybercom works with a vision to be our clients' most trusted business partner in the connected world. Our clients are mainly in the telecom sector, the industrial and automotive sectors, the public sector, retail and media. These are leading platform developers, content providers, operators, application developers and manufacturers who need systems, applications, products and services to communicate with each other quickly, efficiently and securely – and in the right way. Alma Media Group, Ericsson, MTV Oy, Millicom, Outotec, SAAB AB, Sony Mobile, TeliaSonera, the Swedish Transport Administration and AB Volvo are our largest clients, accounting for 43 percent of our sales.

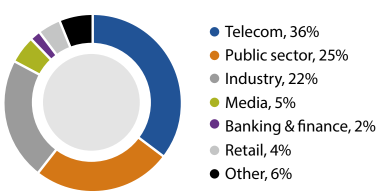
98%

of Cybercom's clients would recommend us

43%

of our sales come from our 10 largest clients

Sales by sector



Offering

Cybercom offers services in:

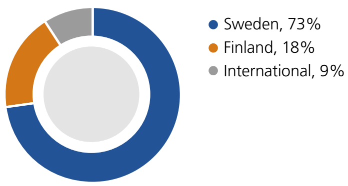
- Connectivity Management
- Connected Engineering
- Digital Solutions
- Secure Connectivity

Our assignments may be to develop services to meter and optimise energy consumption, to develop mobile applications or digital services that strengthen the links between businesses and their customers, to control lifts more efficiently, to develop methodology and process support for information and IT security, or simply to build a new mobile network.

Market

Cybercom's most significant market is the Nordic region, where we have operations in Sweden, Finland and Denmark. With additional presence in Poland, Dubai and Singapore, and a joint venture in India, we are present in a total of seven countries.

Sales by segment



Sustainability

Cybercom strives to be the sustainable IT consulting company. Sustainability issues are important to our clients, our shareholders and our employees. We take responsibility in our assignments as IT consultants towards our clients, society and the environment at large. We evaluate our business to ensure that we act ethically and in line with the UN Global Compact and its guidelines for sustainability and social responsibility. Ethics and morals should characterise our business. Business ethics are a standing item on the executive team's agenda.

Stronger on all levels

Backed by a new strategy, Cybercom has developed in the right direction in 2013. Our focus has been on profitability, and we are financially stronger than a year ago. With a five percent operating margin, we are halfway towards our long-term financial target. We have more goals* than this, and we continue to transform the company to generate greater value for our clients, employees and shareholders.

Strategic priorities for generating trusted business

We are following our strategy from 2012 – a foundation for Cybercom's long-term development. Cybercom has an established position in Connectivity and uses IT to benefit from the opportunities of the connected world. The market for Connectivity has a fantastic outlook and the sector is talking about more than 50 billion connected devices by 2020.

We operate in a global market with global competition. The key to our future lies in creating trusted business, in which we are our clients' business partner in Connectivity. We have therefore worked during the year to select a number of client accounts for which we can offer strategic importance to the client going forward and where we can grow our business to span our entire offering, all of our four business domains.

We are focusing on deeper cooperation with selected clients and we are working more closely with these clients. This creates better business knowledge and closer relationships from which we can benefit, not least in a capricious economy. Our strategic priorities include increasing the proportion of turnkey assignments and the proportion of blended delivery, where we benefit from the power of working together with our colleagues in Poland and India for supply in the Nordic countries. There are great opportunities here for Cybercom. Opportunities that during the year we did not manage to realise at the pace we wanted.

We have intentionally repositioned ourselves to better balance our client portfolio, mainly towards three areas, and we are now beginning to see a better balance between the public sector, industry and telecoms. This provides us with more stable development, and we are becoming less dependent on the economy in any single sector.

* Read more about Cybercom's goals and outcomes on Pages 12–13.

Our world

Our home market is the Nordic region, where we generate over 90 percent of our sales. This is our locomotive, and we have an established brand and good opportunities to grow our business. We also see good potential in the Polish market, where during the year we invested in establishing a growing local business. On top of this is our international Connectivity Management business, which is our expertise with operator clients in the Middle East, Asia and Africa. This is an important spice in Connectivity, a small ingredient that provides additional flavour, since our experience from this area is valuable in the ecosystem surrounding the connected world. This is often new and ground-breaking business, new markets, and unexpected services in unexpected places.

A sustainable and integrated business

During the year we improved our profitability and returned to profit in all of the group's business activities. We still have improvements to make, but we are now working in a more integrated manner, which has led to efficiency gains. This is how we will continue. Examples of this are improved HR procedures and clearer career paths, which are becoming increasingly important as our industry generally has higher staff turnover than previously. Employee mobility provides energy and new influences, but can also be costly.

The key to our future lies in creating a trusted business in which we are our clients' business partner in Connectivity.

Cybercom needs more young employees. We are well aware of the challenge facing the industry in terms of future skills supply. It is worrying that interest in technical education has declined among young people. We want to change this. Cybercom contributes in various contexts to increasing the interest of the younger generation in technology, and one example of this is our partnership with Sweden's national science centre in Gothenburg, Universeum.

Diversity is becoming increasingly important for our clients and for us. Diversity is positive since it creates dynamism. I am pleased that our management team is composed of 40 percent women and has members from three countries, since I regard the management as a role model in our efforts to increase diversity.

During the year, our sustainability efforts have been noted many times by our clients. This is a crucial part of our way forward. We distinguish ourselves among our competitors through our transparency and our GRI reporting, introduced in 2010. We have also signed the UN Global Compact. Its principles are self-evident for us and I am confident that it strengthens both our business and our employer brand.

Connectivity in itself is an amazing ingredient in sustainability. Connectivity allows us to improve efficiency, save energy, and to make services and support available to more people, regardless of where and when. It opens up democracy and makes everyday tasks easier and more content-rich for our clients and their clients. As an example, we develop services such as Cybercom Green Connectivity, which helps operators to save energy, and Cybercom Cloud, where we optimise the resource of server space and clients can scale up and down their virtual server capacity as needed. We develop systems to assure integrity and identification, and we help organisations and government agencies to increase their availability to users.

The potential of innovation

As we look forward, the future offers both opportunities and challenges. We are prepared. We have a strong organisation and a clear objective to increase our rate of change, to further improve our profitability, and to generate growth.

Market developments in the Nordic region in 2013 offered mixed signals in the short term, but the long-term trends that we outlined when we presented our strategy and chose to focus on Connectivity are now a reality for both businesses and the community, our clients. The Nordic market for the "internet of things" is expected to grow much faster than the global market in general. This holds promising potential for Cybercom, both geographically and technologically.

Finally, I would like to acknowledge the commitment we receive from our shareholders, the trust we receive from our clients and the passion I encounter among my colleagues, who are driven and attracted by the innovation at Cybercom. This holds good potential for the future.

Niklas Flyborg
President and CEO
Cybercom Group

Where we are

Nordic focus

Cybercom's operations extend across several geographical markets. Our home market is the Nordic region. Poland, India, Dubai and Singapore are international centres of expertise that partly support the Nordic business and partly represent their own specialised businesses.

1,267

Total number of employees in 2013

$

USD 1,900,000,000,000

In 2020, the market for the internet of things is expected to have expanded by USD 1.9 trillion.

5%

Within two years the IT and telecom sector is expected to account for 5% of global GDP.

x2

The Nordic market for machine-to-machine is expected to grow twice as fast as in the rest of the world.

2020
50 billion
connected devices

2015
25 billion
connected devices

2010
12.5 billion
connected
devices

16.5%

Emissions of greenhouse gases have the potential to decrease by 16.5% annually as a result of innovative solutions in the internet of things.

Sources: The Internet of Everything, Cisco IoE Value Index Study, 2013. Radargroup. Arthur D Little: http://www.telecompaper.com/news/nordic-m2m-market-set-to-grow-30-by-2017—998287. http://share.cisco.com/internet-of-things.html. GeSI SMARTer 2020: The Role of ICT in Driving a Sustainable Future.

Our strategy is shaped by the future

We live in a more connected society. This is obvious to most people these days. And things are changing rapidly. The situation suggests that there will be over 50 billion connected devices by 2020. As more devices are connected, there are growing numbers of sectors and companies that need reliable help to benefit from this connected ecosystem. This strengthens competitiveness, and saves money and resources.

It is becoming increasingly clear that senior managers need to think in new ways about their IT strategies and need to include connected machines and smart devices. Simultaneously, corporate IT budgets are increasingly being migrated to operating managers since IT is a natural and important part of their operations, business and service. It is in these opportunities in the global Connectivity market that Cybercom's strategy takes its root.

This is a world that is changing rapidly, and those who want to succeed better than others need to understand how to take advantage of the opportunities that are arising right now, and simultaneously be at the forefront in understanding what the challenges of tomorrow will look like.

This is also a world that nourishes ideas. As more and more devices communicate with each other, new and creative ways are born to capitalise on the opportunities created.

As more devices become connected the need increases for secure and reliable communication between the connected world and the physical world. It is on this crucial cornerstone that Cybercom's strategy rests. It is here that we are at our strongest and where the greatest potential exists. We summarise this using one word – Connectivity.

Market trends that create more business:

- Internet of things – new places and things are becoming connected, digitally represented, and can be verified/controlled regardless of location.
- Increased need for network capacity – mobile and data network operators need to maximise utility, and expand and upgrade their networks to meet increasing demand.
- Corporate delivery models – companies are investing in online solutions and e-commerce services to reach their customers.
- Security – in the wake of the NSA debate, the focus has been on protecting customer data. Security and privacy are high on the agenda for operators and established handset manufacturers.
- Productisation of IT – IT is increasingly becoming an industrialised service, more and more cloud based.
- Increased proportion of offshore – companies outsource IT to low cost countries.

We are changing the playing field

Cybercom is in a process of change and a new 3-year strategy was set out in 2012. Our vision is to be our clients' most trusted business partner in the connected world.

Nordic region in focus

Cybercom's operations extend across several geographical markets. Our focus is on our home market, the Nordic region. Poland, India, Dubai and Singapore are international centres of expertise that partly support the Nordic business and partly represent their own specialised businesses. We also follow many clients in global assignments from our home market. In 2013, we had assignments in more than twenty countries.

Integrated environment – integrated organisation

A central part of Cybercom's way of looking at the world is that it works best when all its components are interconnected and can communicate effectively with each other. The same goes for Cybercom's internal organisation. Therefore, efforts are underway to further tie together all parts of Cybercom as an integrated organisation, with a common sales organisation, common support functions and global delivery capabilities. This will best enable Cybercom's clients to benefit from our offering.

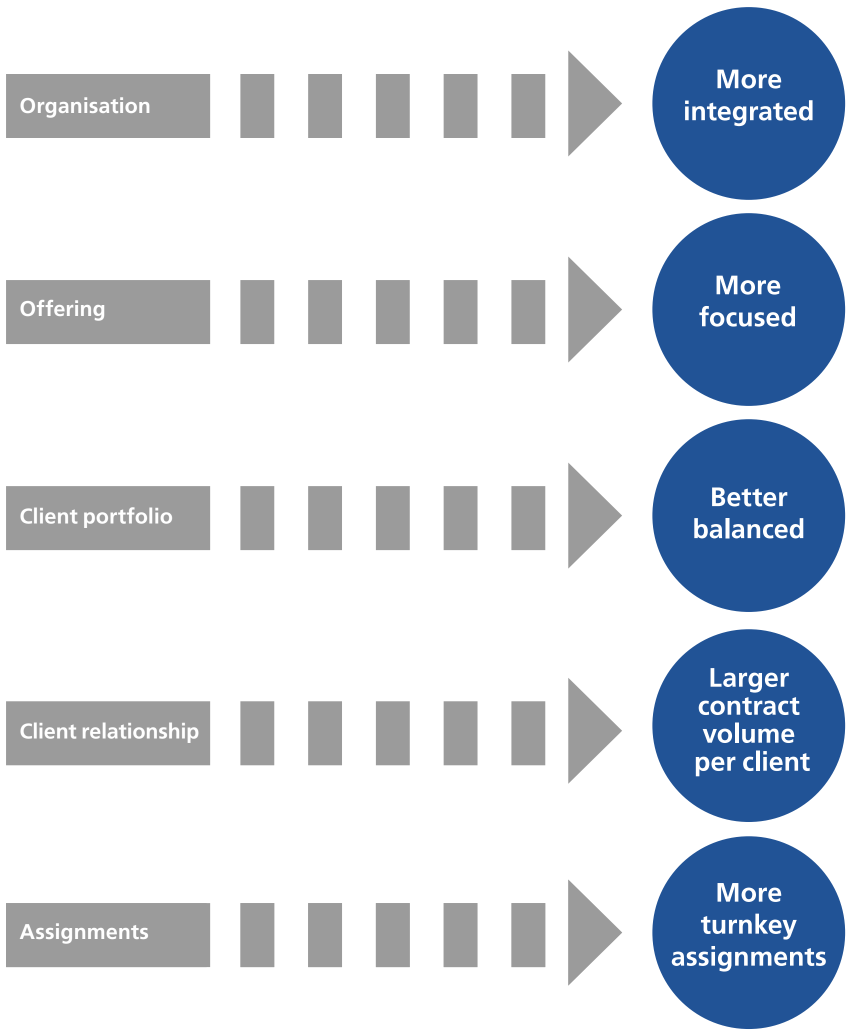
Larger assignments and balanced client portfolio

Cybercom has historically had many assignments in the telecommunications sector. Today Cybercom acts as a catalyst in new contexts where clients want to take advantage of mobility and connectivity. In recent years there has been a deliberate broadening of the client base, and in 2013 Cybercom has created a balanced portfolio of clients, primarily in the public sector, manufacturing industry, and telecoms.

In the past, Cybercom has often had a relatively small part of each client's business, but the aim is now to increase this proportion among strategic clients by selling Cybercom's complete offering and by delivering more turnkey solutions.

More focused work on key account management has been introduced during the year, with positive results. Our vision is to become our clients' most trusted partner, and to succeed with this Cybercom is therefore focusing on fewer clients than before, but the amount of business with each client should be larger, more efficient and more profitable. This will benefit both us and our clients.

Strategic shift by 2015



Targets and outcomes

On the right track

Cybercom should be regarded as the most well-known and respected brand in Connectivity among clients and employees, on the labour market, and among our shareholders. Over the next two years we will become a leading provider of Connectivity services in the Nordic market, combined with a valuable global delivery capability.

Financial targets

In 2011, the board established long-term financial targets for Cybercom. The priorities in 2013 have been profitability and the debt policy.

Target met | Positive development | Not applicable/no data | Target not met and/or negative development

Area	Description of target	Outcome 2013
Profitability (Positive development)	Cybercom shall be one of the more profitable companies among its closest comparable competitors and achieve an EBIT margin of 10 percent	EBIT margin was **5.0%** (-0.9). **5%**
Growth (Target not met and/or negative development)	Cybercom shall strive to achieve growth of 10 percent annually over the business cycle.	Sales decreased by **11.0%** (9.6).
Acquisition policy (Not applicable/no data)	Organic growth and profitability are the key objectives for Cybercom, but selective acquisitions that create value and contribute to growth will be assessed against this strategy.	There were no acquisitions during the year.
Debt policy (Target met)	Cybercom shall have net debt that does not exceed 30 percent of equity over time.	Net debt amounted to **10%** (19). **10%**
Dividend policy (Target not met and/or negative development)	Cybercom shall pay a dividend to its shareholders of at least 30 percent of net profit, provided that no special considerations exist with regard to the company's financial position or plans.	**0%.** Considering the company's ongoing work towards change, the board proposes to the AGM of May 7, 2014 that no dividend be paid for the financial year 2013.

Operating targets

Target met | Positive development | Not applicable/no data | Target not met and/or negative development

Area	Description of target	Outcome 2013
Client portfolio	Within the next two years we will have a balanced client portfolio with 30 percent of sales from telecom, 30 percent from the public sector and 30 percent from manufacturing industry.	 Telecom **36%** (40) Public sector **25%** (24) Industry **22%** (18) Other **17%** (18)
Client base	Within the next two years we will broaden the client base so that our ten largest clients account for no more than 35 percent of sales and so that no single client accounts for more than 15 percent of sales.	The ten largest clients accounted for **43%** (48) and the largest client accounted for **14%** (10) of sales.
Assignment types	We wish to achieve an even distribution of sales between consulting services and turnkey projects/solutions in our assignments.	Turnkey assignments and projects **38%** (39) Consulting services **62%** (61).
Our role as an employer	We wish to enhance the commitment of our employees by providing them with an attractive working environment, good terms and conditions, and opportunities for professional development. We are actively working to increase our diversity and to create a dynamic and innovative working environment. We measure this through a group-wide employee survey, called Cybercom People Voice, in which our long-term goal is 700 out of a possible 1,000 on the employee motivation index.	Our employee motivation index totalled **583**. **583**
Sustainable business	We wish to increase the amount of sustainable business with our clients. We measure this by looking at what business contributes to sustainable development and responsible use of resources through, for example, cost savings, efficiency and reduced use of resources that have a negative environmental impact.	At Cybercom's ten largest clients, approximately **20%** of assignments have contributed to improved sustainability through efficiency, cost savings or a reduced degree of exploitation of the earth's resources.
Business ethics	We want high ethics to be a part of our DNA and to permeate all our activities and all our business. Business ethics is a standing item on the executive team's agenda. In 2014, we will offer all employees the opportunity to gain certification in anti-corruption and Cybercom's code of conduct. We will measure and monitor the number of certifications in the group. We monitor the number of possible incidents in the group and the number of suppliers that have signed Cybercom's supplier code of conduct.	No data is currently is available for 2013 but will be collected during 2014. **"We want high ethics to be a part of our DNA and to permeate all our activities and all our business.**
Environmental impact	We wish to reduce our CO_2 emissions as a result of travel per revenue krona by 5 percent between 2011 and 2015.	Since 2011, CO_2 emissions as a result of travel per revenue krona have decreased by approximately 13%.

Connectivity – our core expertise

Cybercom provides businesses and organisations with assistance to benefit from the opportunities of the connected world, but precisely what these opportunities are and how this is achieved is always unique to each organisation and project.

We provide consulting services, strategy and advice, testing and quality assurance, security solutions, system development, system integration, system management and hosting.

Within these areas there are also a range of services specifically focused on helping clients to reduce their environmental footprint and to use their resources more efficiently and sustainably. Regardless of the offering, delivery can take place using both local resources and using global delivery capabilities.

Connected Engineering

45% Percentage of group sales

Connected devices – new business

Cybercom assists its clients to develop new products and services, and to build intelligence into products and systems. By getting to know the client's business and operations, Cybercom develops communication solutions that have clear potential to streamline processes and improve user experiences by allowing different devices to communicate with each other.

ASSIGNMENT CASE: Outotec is a company that helps organisations to utilise the earth's natural resources in a sustainable manner. Most of Outotec's customers are in the heavy manufacturing and energy sectors, and when Outotec needed help to find a solution to cool copper smelting furnaces more efficiently, it turned to Cybercom. Cybercom delivered a software solution that collects and analyses information about the cooling process and displays everything that happens in real time in a 3D model. Thanks to this insight, the people controlling the furnace can cool it with a more efficient use of resources and can also detect problems in the cooling process much more quickly.

Digital Solutions

42% Percentage of group sales

More services – to more people – around the clock

Cybercom's offering in digital solutions is quite simply about helping companies to benefit from digital opportunities in order to deepen relationships with their customers, enhance growth, reduce costs, improve productivity and become more profitable. Cybercom develops systems, online strategies, digital services and cloud-based solutions.

ASSIGNMENT CASE: SF Bio wanted to attract more people to go to the cinema by creating a digital and mobile link between movie theatres and moviegoers. Cybercom developed a mobile application that customers can use to book and purchase tickets, and to select seating in the cinema. The application, with a focus on good user experience, is also full of information about all the films being shown, and SF Bio can use the app to contact its customers with various offers. The app quickly became one of Sweden's most popular, and three times as many bookings are now made using the new app.

Connectivity Management

8% Percentage of group sales

Smoothing paths in the connected world

As people and devices increasingly communicate via networks, and data traffic is increasing in the world, Cybercom offers consulting, industrial analysis and security analysis in the context of utility maximisation, expansion and upgrading of networks or when developing new mobile networks.

ASSIGNMENT CASE: A central component of Cybercom's services in Connectivity Management is about customer experience management, which means helping operators to understand how their customers actually experience their services and how they can improve those services by using that insight. Cybercom collects feedback from operators' customers on how they feel about, for example, call quality and data traffic, and combines this with objective data from operators' networks about things such as local base stations and capacity in the network. Cybercom can then conduct reliable analysis and provide operators with advice on how they can optimise their networks for the user. Cybercom is currently helping mobile operator Tigo in Rwanda with this.

Secure Connectivity

5% Percentage of group sales

Safe and secure accessibility

Demands intensify for IT security as businesses, governmental authorities and organisations become digital and mobile, with ever more vital information in, for example, cloud services. Who should have access to the data, and what about privacy and confidentiality? How should we prioritise IT security versus availability? Cybercom helps its clients at an early stage to identify and minimise IT risk. Our experts analyse the risk of a cyber-attack, draw up security policies and compliance services, or give advice on how sensitive data can be protected.

ASSIGNMENT CASE: One organisation that demands a high level of both IT security and physical security is SL (Stockholm Public Transport), which is responsible for bus, light rail and subway traffic in Stockholm. Every day an enormous volume of data flows through its systems, and it is important that sensitive information is protected while information on departure times and delays needs to be accessible and constantly updated. To keep IT security at the high level required, without affecting the availability of public information, Cybercom helped SL to implement a decentralised security process.

Clients first

Our clients are important to us. This means that we conduct regular measurements of client satisfaction in relation to client orders. Every year we also conduct a group-wide client survey that forms the basis of our ongoing improvement. In 2013, 129 telephone interviews were conducted and 64 online questionnaires were answered.

The results show great loyalty, with 98 percent saying they would recommend Cybercom to others, and clients perceive Cybercom as a safe and fast-moving company. Our employees are very highly rated, and most agreed with the following statements:

→ We are easy to deal with
→ We keep our promises
→ We are passionate

We are easy to deal with

We keep our promises

We are passionate

Clients include: Alma Media, Ericsson, the Finnish National Board of Education, Millicom, MTV Media, SAAB, Sony Mobile, Outotec, the Swedish Traffic Administration, TeliaSonera, AB Volvo and Volvo Cars.

Photo: Verisure

The internet of things requires a completely new business model

Verisure's investment in the smart home has been a success. A Verisure system is installed somewhere in the world every thirty seconds. Verisure selected Cybercom as a strategic partner with both the right skills and adequate testing resources to address its new market.

Verisure (formerly Securitas Direct) has supplied security services and alarm products to Swedish households for over 25 years. When the smart home, or the "internet of things" as it's also called, stepped into the picture, not only their entire product portfolio changed, but also their business model.

"What makes us unique is that since 2005 we have developed our own ecosystem that makes it possible to fully integrate other companies' services and products with our offering, and with all the functions controlled via our app. Our classic services of intruder alarms, fire alarms and SOS are there, but we have understood that we need to have a comprehensive offering to be a strong player in the future," says Michael Peterson, Head of Corporate Communications and Media Relations at Verisure Innovation.

"The smart home" is usually something that sounds good in theory, but that seldom lives up to the epithet. But Verisure has something big going on.

"We are already present in hundreds of thousands of European homes, and these are already connected. And now we are also bringing in the services of our partners, who can start communicating via the platform. We already have a partnership with Assa Abloy, whose digital locks are fully integrated with our alarms. And we have Anticimex, with Verisure's sensors reading temperature and humidity so that customers are contacted by Anticimex if there is a problem with the indoor climate," explains Michael Peterson.

More collaborations are on the way. The Internet of things is not tomorrow's technology. The phenomenon is already here and it requires entirely new techniques. Cybercom proved to be the rock that Verisure could rely on when it started to look around for someone who could ensure that everything worked as it should. Cybercom's specialty field of Connected Engineering offered both the expertise and the equipment needed for this initiative.

"Product testing is cyclical and requires specialist knowledge. You have to know how to work systematically, and we cannot provide this type of skill and capability in-house. We decided on Cybercom for several reasons. Partly, it was that we were impressed by its Testcenter, and partly it was that they had several cases where they could demonstrate experience from areas such as the automotive and mobile phone industries," says Dan Hovang, Chief Technology Officer at Verisure.

Cost-effective testing

"Another good thing about outsourcing this type of testing is that an external provider takes approaches that we have not thought of. Cybercom is extremely thorough when it verifies designs. It makes sure that the logic of the product is 100 percent bulletproof," says Dan.

Would you like to know more about Cybercom and how we help our clients? Go to www.cybercom.com and find out about some of our exciting assignments!

Telenor – 400% better

Connected Engineering

Oman – quality control of telecom services

Connectivity Management

SL – Compliance Portal

Secure Connectivity

SF Bio – popular app

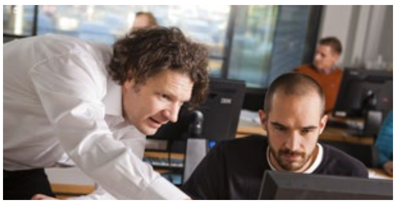
Digital Solutions, Connected Engineering

Real – PCI DSS – Security audit

Secure Connectivity

KONE – monitoring system – E-Link™

Connected Engineering



Outotec – virtual training

Connected Engineering

Sveaskog – Inatur.se

Digital Solutions

SAS – vulnerability scanning

Secure Connectivity

MTV MEDIA – TV campaign calculator

Digital Solutions

Mobile network in Rwanda

Connectivity Management

Kommunal – social intranet

Digital Solutions

Each employee is our success

Our ability to develop and retain key employees and to attract new qualified colleagues is an essential and highly strategic issue for Cybercom. It's about the company's development and competitiveness.

Thanks to the expertise of its employees, Cybercom is well equipped to meet challenges both today and in the future. Through our employees' great engagement, experience and desire to always do the best for the client, we have created an innovative environment that is based on community and passionate curiosity about what the future has to offer.

Based on our business goals and common values, we are creating an organisation in which continuous skills development, reward systems and feedback ensure a high level of motivation and understanding of the work we have ahead of us.

A workplace in which to thrive and develop

In our leadership and management of the business we focus on increasing motivation and engagement, on creating conditions conducive to work, and on ensuring that every employee, manager and team will develop in the right direction. Employees should thrive at Cybercom, have interesting assignments, be proud of their work, have confidence in their managers and feel positive community spirit with their colleagues.

Cybercom conducts long-term and dedicated HR activities at all levels of the company.

Through collaboration, we create an exchange of experiences and knowledge between consultants, assignments and the various parts of Cybercom. Training hours vary over the years and largely depend on the employee's needs and priorities. Employee skills training is continually monitored and summarised in annual performance and development plans.

In 2013, 81 (84) percent of employees attended performance reviews. The 243 who started their employment in 2013 have their first performance review in 2014.

We do not stand still

Cybercom began a journey of change in 2012 as the company's growth and profitability were not satisfactory. In 2013 we have developed according to the established plan, with positive results thanks to the company's employees, who all contributed to strengthening

Cybercom's three core values:

Innovation

1 We are innovative in the way we work and embrace new technology. We are results-oriented and always add value to the business. We are always in the forefront, we question, challenge, move boundaries and change industry standards.

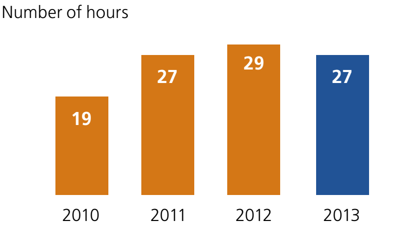
Passion

2 We are driven by a genuine passion and are proud of what we achieve. We are the gurus of our niches and always willing to go the extra mile to improve performance and enhance our clients' businesses. We deliver assured quality, on time and within budget.

Trust

3 We generate trust and confidence among our colleagues and clients by using common sense, clear thinking and doing what we say – always with respect for each other.

Hours of training per employee, 2010–2013



The average time spent on training has decreased by nearly 7 percent between 2012 and 2013.

the profitability. One of our most important goals is to improve employees' perception of Cybercom throughout the group. The regular employee survey, called Cybercom People Voice, is an important tool for measuring how employees view the change process, their work, their employer and their work situation. The 2013 survey shows good progress in improved results. Employee pride in Cybercom has increased by 14 percent, willingness to recommend Cybercom has increased by 5 percent, and employee engagement has increased by 5 percent compared with the previous survey conducted in 2011. In comparable categories we can clearly note that our employees see clearer career paths than before. This is important for us, but we can do even better. Our employee motivation index totalled 583 of a possible 1,000, which is some way below our long-term target of 700. However, we are confident that our ongoing work will improve this performance further in 2014.

Cybercom Poland – a successful concept

In September, Cybercom was named best IT workplace in Poland by IDG's Computer World AudIT Survey 2013. The study is based on employees anonymously providing feedback through a survey. Computer World's survey showed that our employees in Poland are the most satisfied with their working conditions, atmosphere and development opportunities, and that Cybercom is considered to be an innovative and dynamic organisation that offers services of the highest quality. Creating such a workplace is a team effort.

Diversity – a workplace for all

We wish to provide current and potential employees with a stimulating and engaging working environment, with equal career opportunities regardless of gender, ethnicity, age, sexual orientation or religion. Our ambition is that both genders are represented at every level of the organisation, and we therefore seek to achieve a gender balance in management ranks and more female consultants, as well as broader diversity in general. We want to offer a modern, healthy workplace where our employees feel pride and appreciation for the work done, and where we have fun along the way.

At the end of the year the number of employees in the group was 1,267 (1,335), of whom 16 (17) percent were female. One of the recruitment targets for 2014 is to increase the proportion of women at Cybercom. The percentage of female managers was 26 (27). The company's executive management has 4 women and 7 men.

Cybercom has a positive approach to parenting and works actively to make it possible to combine a career with parenthood, through measures such as both men and women being given the same opportunity to take parental leave and care for children. In Sweden, employees are given the economic capacity to take parental leave through the parental

Our employer branding is producing results

In Sweden, Cybercom has been named a Career Company 2014 and we are considered one of Sweden's most exciting companies in which to pursue a career for young professionals. 300 companies were nominated and surveyed, and 100 received an award.

"With a broad spectrum and variety of challenges, the Cybercom Group is an excellent springboard for both Young Professionals early in their careers and for more experienced employees. With continuous monitoring of employees' well-being and an extensive offering, Cybercom Group assures a long and exciting career which makes them a Career Company 2014."

Source: Dagens industri/Din karriär

supplement, which means that the employer reimburses up to 80 percent of monthly salary. During the year, 62 (89) employees were on parental leave in Sweden, of whom 49 men and 13 women, and of these, 45 men and 10 women received the parental supplement. In Finland there is a similar parental supplement, which 4 women and 16 men have received during 2013.

Healthy and fair

Cybercom prioritises active efforts for equal rights for everyone in the community in terms of jobs, opportunities for professional development, employment and other working conditions. This applies to all employees, regardless of where in the world they work. Cybercom demands that the organisation be imbued with high ethical standards. From 2014 we are monitoring this by measuring the number of employees who annually take part in online courses on anti-corruption issues and Cybercom's code of conduct. The code, based on the UN Global Compact, is a tool to clarify and drive the work forward. It also includes anti-corruption and ethics issues. The code of conduct also states that all employees, regardless of where they are located, should have access to a healthy and safe working environment.

Challenges outside the Nordic countries

In addition to the Nordic countries, Cybercom operates in Dubai, Singapore, Poland and India.

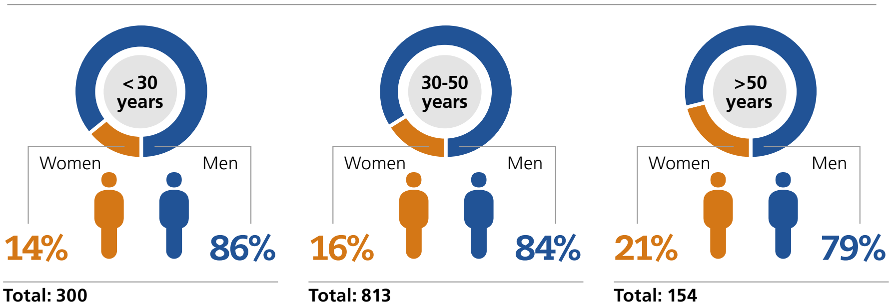
The operations in Poland, Singapore and Dubai are conducted by wholly owned subsidiaries, while activities in India are a joint venture, 50 percent owned by Cybercom, and where we are represented on the board.

According to the Human Rights Watch World Report 2013, which describes the risk of human rights violations in different countries, there is a risk of human rights violations in the United Arab Emirates (Dubai), notably restrictions on free expression and association. The risks in India and Singapore are related to discrimination based on gender, cast (India) or sexual orientation.

Anti-Corruption Portal – The Business Anti-Corruption Portal provides information about the risks in different countries of encountering bribery and corruption. According to the

"We wish to provide current and potential employees with a stimulating and engaging working environment, with equal career opportunities regardless of gender, ethnicity, age, sexual orientation or religion.

Gender distribution by age group



Number of employees by country 2013

Country	Sweden	Denmark	India	Poland	Finland	Dubai	Singapore	Total
Men	645 (690)	21(29)	39(51)	117 (79)	217 (229)	6 (2)	21(32)	**1,060 (1,110)**
Women	149 (167)	3 (3)	9 (7)	17 (13)	27 (32)	- (-)	2(3)	**207 (225)**
Total number of employees	794 (857)	24(32)	48 (58)	134 (92)	244 (261)	6 (2)	23(35)	**1,267 (1,335)**
Number of male managers	36 (37)	1 (1)	2 (6)	3 (3)	29 (33)	2 (1)	3	**75 (84)**
Number of female managers	18 (21)	- (-)	- (-)	3 (1)	3 (4)	- (-)	- (-)	**24 (26)**
Total number of managers	54 (58)	1 (1)	2 (6)	6 (4)	32 (37)	2 (1)	3 (3)	**99 (110)**

37 years

Average age of our employee

5 years

Average length of employment with Cybercom

11 years

Average sector experience of our employees

89%

Percentage of employees with a university degree

portal, bribery and corruption are widespread in India, even though efforts are being made to reduce corruption. Poland is a country in the former Eastern Europe, where the most progress is being made in the fight against corruption.

Cybercom's code of conduct was adapted in 2012 to also apply to suppliers. The code of conduct is based on the principles of the UN Global Compact on human rights, labour, the environment and anti-corruption. In 2013, we have structured our work of ensuring that all partners and suppliers sign our code of conduct, and the next step is ensuring compliance. This work will begin and be monitored in 2014. See the code in brief on Page 30.

Compensation and salary policy

Cybercom acts in accordance with the conventions and recommendations of the International Labour Organisation (ILO), and our remuneration exceeds minimum wage. The company's remuneration must be competitive and on market terms, as this is a very important factor in attracting and retaining skills. Cybercom supports the right to freedom of organisation and association. 81 percent of the employees are covered by collective bargaining agreements. In Sweden, around half of the employees are union members. For the entire number of employees it is a smaller proportion.

CSR ambassadors

One of Cybercom's goals is to increase the awareness of, and commitment to, our sustainability work. To achieve this we have appointed CSR ambassadors since 2010. These ambassadors are employees who, in addition to their regular duties, are tasked with becoming involved in Cybercom's sustainability efforts, and with developing these together with management and sustainability manager, and communicating about the work internally and externally.

Partnership with SOS Children's Villages

Cybercom is a knowledge-based company that conducts assignments in, for example, Rwanda, where we assist an operator with its mobile networks. Mobility in the third world enables enterprise among poor people, and internet access helps to spread knowledge. By supporting SOS Children's Villages in Rwanda, we can contribute to children's education in a country where we have ongoing projects.

The partnership has been ongoing since 2010, and Cybercom annually contributes approximately SEK 250,000–500,000. Payment of SEK 500,000 was made at the start of 2014. The money goes specifically to a school in Gikongoro, and is mainly used for a computer lab.

Partnership with the Swedish Childhood Cancer Foundation

Cybercom also works with the Swedish Childhood Cancer Foundation. Through an agreement with Eurocard, Cybercom donates SEK 135 for each credit card that Cybercom's employees use each year. In 2013, the total donation was SEK 85,000.

Employee key figures	2013	2012	2011
Number of employees at December 31	1,267	1,335	1,564
Average number of employees during the year	1,180	1,368	1,577
Gender distribution, male/female, %	84/16	83/17	82/18
Billable consultants, %	86	85	86
Average age, years	37	37	37
Average length of employment, years	5	5	4
Average sector experience of consultants, years	11	11	11
Sales per fulltime employee, SEKk	1,013	979	939
Staff turnover, %	19.2	20.4	19.9
Percentage of employees covered by collective bargaining, %	81	81	73
People voice index	583	–	–
Sick leave, %	2	2	2
Training hours per employee	27	29	27
Cost of external training	4,920	7,862	7,286

Our common future

”We wish to integrate sustainability issues even further into our offering to our clients – it is here that we can make the biggest difference. We already conduct a lot of work that may enhance the sustainability of our clients, and we can be better at making this visible, both externally and internally. Obviously employee issues are also important, not least when it comes to skills development, diversity and equality. Through further focus on these issues we can help increase diversity and equality in the IT industry for the benefit of ourselves, our clients and the community at large. High business ethics are important of course, and one activity during 2014 is to introduce web-based training on anti-corruption.

As a CSR ambassador, I meet many colleagues across the organisation and it is clear that these issues generate a great deal of engagement and interest – it’s all about our common future. Within my CSR assignment, I provide information about Cybercom’s sustainability initiatives and the principles of the UN Global Compact at different levels in the company. Together with management and other CSR ambassadors, I drive the dialogue about what is important to Cybercom from a sustainability perspective, how we can use our power of innovation, and where Cybercom as a company can make a difference.

Karin Oling, CSR ambassador, legal counsel and an employee for two years at Cybercom

Green light for more business

Cybercom's biggest contribution to a better environment is about offering innovative and climate-friendly solutions to clients.

Our services in Green IT include everything from helping mobile network owners to reduce their energy consumption by optimising their networks to creating the right conditions for telecommuting and paperless document management in workplaces, thus reducing companies' environmental impact by reducing paper use and reducing trips to and from the workplace. The whole of the public sector digital venture, with the shift towards e-services and from paper to e-forms has a significant impact on the environment and efficiency. Cybercom provides its expertise in this field. Another important aspect is that a uniform national e-identity is being introduced for all citizens in Sweden, an assignment in which Cybercom is playing an important role. Another key part of Cybercom's offering in Green IT is to manage other companies' servers via cloud solutions. We can conduct this work more energy efficiently than if each company were to operate its own servers. In 2013 we increased our quantity of sustainable business compared to 2012, which is an acknowledgment that we are well positioned in a world where clients are placing increasing demands on sustainable solutions.

In 2013 we launched Cybercom Cloud in Finland, and we have already won contracts from several clients. Cybercom Cloud offers the "Platform as a Service", which means that ordering of capacity is automated and thus provides a level of flexibility that appeals to clients. Associated services such as support and development generate additional business to Cybercom. Another important benefit that clients see is that data and content are stored in the Nordic countries.

Cybercom's internal environmental efforts

Air travel accounts for the largest share of Cybercom's carbon dioxide emissions and we therefore wish to reduce emissions from air travel per revenue krona by at least five percent between 2011 and 2015. In 2012 the

We make a difference through our clients

Tarmo Pajunen, consultant and CSR ambassador at Cybercom Finland

"As a consultant at Cybercom, I have the privilege of working with three things that interest me very much, namely IT, sustainability and great colleagues. I love the feeling I get when we have resolved a client's problem and at the same time contributed to better management of the Earth's resources. As far as I can, I try to always build more sustainability thinking into our offering and to get clients to seek more sustainable solutions.

A good example is our partnership with Alma Media in Finland, which publishes the magazine Kauppalehti. Cybercom provides Kauppalehti with a flexible cloud solution that enables it to both scale up and scale down its virtual server capacity as needed, saving both money and resources because it never consumes more capacity than actually needed.

company introduced an IT-based communication tool. This investment provided immediate results in the first year, and although emissions increased in 2013, they are lower than in 2011 and therefore in line with our target. The reason that the number of flights increased in 2013 is that our international operations increased their sales and won more business over several continents.

In addition to the IT-based communication tool, Cybercom conducts systematic efforts to reduce the group's impact on the environment. Some examples of actions are:

- Handling of old IT equipment which, when possible, is sold for reuse or otherwise goes to partners for recycling.
- Lights switched off by timer after business hours.
- Handling of discarded electronics products that are recycled where possible.
- All printers are set by default to duplex printing, and employees are encouraged to avoid using hard copies as far as possible.
- Recycling of paper and other waste.
- Procurement of products, consumables and services must, if possible, meet high environmental standards.
- Purchase of renewable electricity.
- Cybercom places requirements on suppliers of office materials and computers. These suppliers must meet the environmental requirements of TCO 95 and TCO 99, and the materials must be recyclable.

Environmental certification

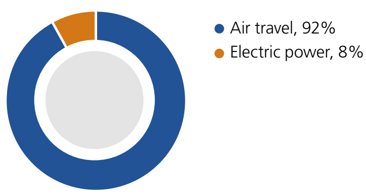
Cybercom is working with environmental certification of the company's activities in accordance with ISO14001. Cybercom is striving for all our businesses to eventually be certified, and work has begun. The focus in 2013 at the certified offices has been to train personnel through a web-based course from Eco Educate. We conducted an environmental survey during the first quarter to produce environmental mapping that formed the basis of the company's environmental efforts during the year. In conjunction with the survey we conducted a test called the Climate Account. The Climate Account is intended to raise people's awareness of their own individual climate impact in their daily lives, and how they can reduce it. Information about the development of internal environmental efforts is available to employees on the company intranet. Cybercom's ambition in the long-term is to achieve environmental certification for all operations.

Carbon dioxide emissions from air travel in relation to the company's sales

	2013	2012	2011	Change over two years
Carbon dioxide*	0.53 kg	0.34 kg	0.61 kg	-13%

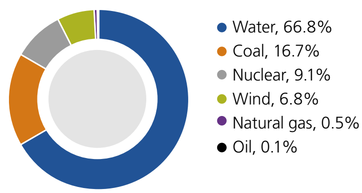
* Data excludes Cybercom's joint venture in India.

Carbon dioxide emissions, 2013



Energy use by energy source, 2013

Total energy use 2,437 MWh



13%

Reduction of Cybercom's CO_2 emissions from air travel per sales krona 2011–2013

Sustainability in brief

Cybercom – a sustainable IT company

We wish to grow with good profitability and also to take responsibility for how people, the environment and society are affected by our activities.

We use stakeholder dialogue to ensure that we act responsibly and in line with the expectations of stakeholders and the targets we have set ourselves. Learn more about our stakeholder dialogue on Page 27.

Responsibility is defined in our commitment to the UN Global Compact, our code of conduct and in our sustainability goals. Efforts to achieve the goals are a part of our business plan and help to achieve our vision. We have selected priorities in order to be able to make efforts in areas where we need to improve. Our focus areas for sustainability work are committed employees, a greater share of sustainable contracts with our clients, and high ethical standards in all our activities and in all our businesses. Read more about our goals and outcomes for 2013 on Pages 12–13.

Governance of initiatives

Cybercom's operations are led by management and governed by the company's code of conduct. Learn more about the company's governance in the corporate governance report, which can be found under "Cybercom in numbers". Sustainability initiatives are coordinated by the Head of Communications with the help of a team of annually selected CSR ambassadors, and are run operationally in the business areas.

Focus moving forward

Dialogue and exchange with our stakeholders is valuable to us. We use stakeholder and materiality analysis to identify key stakeholders and trust issues to focus on.

Stakeholders and materiality analysis for sustainability issues

We have already identified our employees, clients, shareholders and trade unions as our key stakeholders, based on how much they influence, or are influenced by, Cybercom.

During 2013 and early 2014, we conducted a number of interviews and surveys with employees in Sweden and Finland, with clients from various industries, with representatives of different shareholders, and with union representatives. The aim was to identify the main issues for Cybercom based on the sustainability issues that most affect, and are affected by, our business, and where we can make the greatest difference.

In addition to interviews and surveys, there are other forums and formats for dialogue with stakeholders. Shareholders have the opportunity to present comments to management and the board at shareholder meetings. Cybercom's employees can offer comments and ask questions of management through the employee survey and through contact with the CSR ambassadors. Employees can also discuss and find out about health and safety issues or business-related issues through the health and safety committees or their line manager. See other forums and formats for dialogue in the table below.

Results of materiality analysis

Based on the results of stakeholder dialogue, Cybercom's steering group on sustainability issues, which includes individuals from the executive management, has prioritised the most important sustainability issues.

Employees feel that training and clear career paths are important. It is also important to practice what you preach. The managers think that the question of how Cybercom increases engagement among employees is important, including how Cybercom's goals, visions and work in sustainability are integrated into the business offering.

Clients are setting clearer requirements through their codes of conduct for suppliers, with requirements such as working conditions, environmental issues and ethical issues.

From an investor perspective, it is important for Cybercom to be clear when it comes to business ethics and client privacy, and that the company focuses more on developing sustainable business for our clients.

Stakeholder group	Issues	Dialogue	Outcome
Clients	Offering, quality, delivery, security management, integrity, business ethics, working conditions, climate performance, procurement procedures	Client surveys, interviews	Sales training, operational systems in the Swedish business for quality, environmental and data security to be integrated throughout the group. System based on established standards ISO 9001 (quality) and ISO 14001 (environment) and to some extent ISO 27001 (information security)
Employees	Skills development, working environment, corporate culture, diversity and equality	Employee survey, interviews	Training, manager conferences, employee events/meetings on vision, values
Investors/shareholders	Profitability, corporate responsibility, business ethics	Annual general meeting, board work, interviews, investor meetings	Code of business ethics and conduct, sustainability report, corporate governance report
Suppliers	Suppliers' environmental efforts	Supplier code of conduct, procurement, negotiation	Compliance with code, sustainability focus
Trade unions	Labour rights, employment conditions, skills development, working environment, co-determination, board issues	Workplace meetings, board meetings, interviews/surveys	Support in wage bargaining and negotiations on layoffs

Overview of sustainability efforts

Governance and management

GOAL	OUTCOME 2013	DEVELOPMENT
Raising awareness of, and commitment to, our sustainability work: In order to increase internal awareness and commitment for our sustainability work, Cybercom has since 2010 appointed CSR ambassadors at the company. Our CSR ambassadors lead CSR issues both internally and externally, together with the company management.	CSR ambassadors and CSR managers give lectures and disseminate information internally across the organisation. Cybercom has been invited to give lectures externally such as in schools. This in turn has raised awareness of Cybercom's work externally, and has improved commitment to sustainability issues internally.	Cybercom has for the fourth consecutive year appointed CSR ambassadors who work with CSR issues. The purpose of this is that the ambassadors will help develop Cybercom's sustainability efforts and help to increase awareness of the company's sustainability efforts by writing blog posts and news items.
Establishing the code of conduct: Cybercom's values, norms and principles are set out in the code of conduct introduced in 2004 and revised in 2010 and 2013. In 2012, Cybercom also introduced a code of conduct for its suppliers and partners, called the "Suppliers Code of Conduct".	The code is continually used in induction meetings internally, and is appended to Cybercom's subcontractor contracts. The company has established a procedure for new suppliers to sign the code.	During the year the process to ensure that the code is signed has been verfied. The next step is to monitor that suppliers live up to the code through a web-based survey. This was not completed in 2013, but we are now working to complete it in 2014.
Establishing frameworks for employees and managers: To further establish Cybercom's vision and values, Cybercom has developed employee standards and leadership profiles, frameworks that reflect Cybercom's vision and values as the sustainable IT company.	The frameworks were established in the operations.	In 2014, Cybercom will further clarify and communicate its strategy work, its goals and the expectations the company has of its employees.
Using a business management system (BMS) as an integrated management system for quality, environment and information security: The system is based on the established standards ISO 9001 (quality) and ISO 14001 (environment) and to some extent ISO 27001 (information security).	ISO audit conducted with improved results.	In 2014, work will start to introduce BMS throughout the group and will eventually bring together the various national certifications into one single group-wide certification.

Environment

GOAL	OUTCOME 2013	DEVELOPMENT
Reducing travel emissions in relation to turnover: In the long run, to reduce travel emissions through the introduction of an IT-based conference and communication system.	CO_2 emissions per revenue krona increased between 2012 and 2013, but have still decreased by 13% compared to 2011 when we set the target for a reduction of at least 5% by 2015.	Cybercom will remain at a stable and low level in terms of CO_2 emissions.
Increasing Cybercom's positive environmental impact for clients: Identify services that can improve Cybercom's positive environmental impact among clients.	In 2013, Cybercom launched a cloud solution for the operation and management of platforms for companies and organisations, called Platform as a Service. The service is scalable and resource-efficient. Cybercom has more offerings with a particular sustainability perspective, such as Green Connectivity, whereby Cybercom helps network owners to become more energy efficient while reducing their energy costs. Another service is business effectiveness which is all about saving time and money.	Cybercom's goal for 2013 was to increase the amount of sustainable business. But the company does not yet have a well-developed system for measuring the amount of sustainable business across the group. The ambition is to develop this in 2014. We estimate that 20% of total sales with the ten largest clients could be defined as sustainable through efficiency gains, cost savings and resource reduction.

Employees and the workplace

GOAL	OUTCOME 2013	DEVELOPMENT
Improving employee motivation throughout the group: Conduct a group-wide employee satisfaction survey to capture how employees feel, develop and perceive Cybercom as a workplace in all countries where we operate.	In 2013, Cybercom conducted a group-wide employee survey in which the outcomes in 7 of 8 comparable questions have improved from 2011.	Based on the survey, management has identified the key areas for improvement and will introduce clear measures and monitor and communicate the outcomes. To improve the way we work, Cybercom's Stockholm operations will among other things move to activity-based offices. If this is successful, it will be used as a model for other offices.

Clients and suppliers

GOAL	OUTCOME 2013	DEVELOPMENT
Improving client satisfaction: Conduct a group-wide client satisfaction survey annually to find out what clients think of Cybercom and what the company can improve in relation to them.	A comprehensive survey was conducted with a clear improvement in results for comparable questions compared to the client survey in 2011. 98% of Cybercom's clients would be willing to work with Cybercom again and/or would recommend Cybercom to their business contacts.	In 2014, Cybercom intends to conduct a new group-wide client satisfaction survey with the aim of further improving the outcome compared with the 2013 survey.
Expanding Cybercom's social responsibility in the supply chain: To better secure good business ethics, integrity and data security throughout the chain, Cybercom adopted a code of conduct in 2012 for suppliers and partners.	Cybercom has urged new and existing suppliers and partners to sign. In 2013, the company did not yet have a well-developed system to measure or track how many have signed the code.	In 2014, Cybercom will establish a process to measure how many have signed and will monitor that suppliers are complying with the code.

Code of conduct in brief

Cybercom's Code of Conduct is based on the UN Global Compact and its principles on human rights, labour, the environment and anti-corruption. The code was introduced in 2004 and has over the years been adapted to the world we live in. Cybercom's board reviews the code annually. In 2012, a code was also drawn up for Cybercom's suppliers to sign.

1 Comply with laws, rules and regulations
All Cybercom employees are responsible for acting in compliance with laws and regulations applicable to Cybercom's operations and deliveries. In the event of an individual issue demanding it, they will seek legal advice. Cybercom applies the Swedish Code of Corporate Governance. Cybercom's share is admitted to trading on the NASDAQ OMX Stockholm exchange, and Cybercom follows the Rule Book for Issuers, NASDAQ OMX Stockholm. It is for Cybercom to ensure that all employees have the knowledge relevant for their work. Cybercom presents and reports financial and corporate information in compliance with applicable laws and regulations, including the International Financial Reporting Standards (IFRS).

2 Human rights
Cybercom respects human rights as laid down in UN conventions. Everybody in the organisation must show respect for the integrity and dignity of all people. Cybercom will not in any way contribute to the violation of human rights.

3 Labour law and working conditions
Cybercom supports freedom of association and the right to collective bargaining. Cybercom does not permit child labour. Cybercom applies the principle that a child is a person younger than 15 years of age unless national legislation states an older age, in which case the older age applies. Cybercom applies the definition of child labour as laid down by the International Labour Organisation (ILO).

Cybercom does not tolerate any forms of discrimination. All employees have equal rights and must never be subjected to unjust treatment due to gender, sexual orientation, ethnic origin or disability. All employees must show respect for each other and for Cybercom's business partners and will take responsibility for combating discrimination. Cybercom works unabatedly to combat discrimination. This permeates the company's policies and processes during, for example, recruitment, setting of wage rates, and skills enhancement.

Cybercom offers salaries that comply with the minimum wage, as laid down in national legislation, with correctly prepared employment contracts. Cybercom also ensures that working hours are compliant with local legislation. Cybercom seeks to give all employees time for rest.

Cybercom shall not in any way utilise forced labour and will always ensure that the working relationship between employee and organisation is at the employee's own free will.

4 Health and safety
Cybercom shall provide a healthy and safe workplace in compliance with internationally acknowledged standards. Cybercom works proactively to prevent accidents and work-related illnesses. All employees are offered health and safety training when and if required.

5 Environment
Our aim is to minimise the company's negative environmental impact. Cybercom respects the precautionary principle and seeks to actively contribute to reducing negative environmental impact through responsible measures and technological advancement. Cybercom is therefore in the process of environmentally certifying its offices. Cybercom always acts in compliance with laws and internationally recognised directives.

6 Prohibited business practices
Cybercom complies with the Swedish Anti-Corruption Institute's Code of Gifts, Rewards and other Benefits in Business, 1 September 2012, and works actively to combat corruption and unethical practices. Employees must not give or receive gifts, benefits or bribes that constitute a breach of this code. Cybercom is politically independent and does not sponsor political organisations. Cybercom is opposed to any form of money laundering and has taken the relevant measures to prevent financial transactions that are of criminal intent.

7 Promote accurate disclosure in financial reports and other public communications
Cybercom shall be transparent and provide relevant information when so required. This means that the company shall always provide fair and correct information. Cybercom's goal is for all communication to contribute to a stronger brand.

8 Properly use company assets and confidential information
All business decisions shall be made with the good of the company in mind. All consultants will be professional in their relationship with Cybercom and will not pursue competitive activities.

Client trust is of vital importance to Cybercom. All employees will treat client information in complete confidentiality. Information about Cybercom's clients may only be used in the implementation of the project in question. This confidentiality remains in force even after the project has been completed. Cybercom has clear guidelines for the handling of confidential information.

9 Protect our clients' and partners' confidential and patented information
Cybercom requires all employees to sign a confidentiality agreement in accordance with Cybercom's security policy. There are clear rules for the handling of, and access to, material belonging to Cybercom.

10 Take a professional pride in the consultancy role
Freedom with accountability and focus on the individual are important contributory factors in Cybercom being able to attract highly skilled staff. Cybercom seeks to offer all employees the opportunity for personal and professional development. A workplace that is open, creative and flexible sets the course for being able to offer clients professional and attractive products and services.

To sum up, Cybercom shall always conduct itself ethically in its dealings with all its stakeholders. Cybercom shall be characterised by professionalism and integrity. Cybercom's code of conduct is available in full at www.cybercom.com.

UN Global Compact

At the World Economic Forum in Davos in 1999, the UN's secretary-general, Kofi Annan, challenged the business community to take global responsibility. The secretary-general's initiative led to the formation of the Global Compact, which includes principles of human rights, labour rights, environmental issues and corruption in business. The principles are based on the UN Declaration of Human Rights, the ILO core conventions on human rights in the workplace, the Rio Declaration and the UN Convention against Corruption.

Human rights

Principle 1
Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2
make sure that they are not complicit in human rights abuses.

Labour

Principle 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4
the elimination of all forms of forced and compulsory labour;

Principle 5
the effective abolition of child labour; and

Principle 6
the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7
Businesses should support a precautionary approach to environmental challenges;

Principle 8
undertake initiatives to promote greater environmental responsibility; and

Principle 9
encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10
Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainability is about thinking for the long term

Cybercom has a unique opportunity to contribute to a world in which sustainability, long-term thinking and responsible use of resources are at the heart of the companies and organisations that operate in it. Through Connectivity, we can help our clients and our world to save both money and resources and to reduce their environmental impact, and we can ensure that working conditions at our suppliers meet the demands we make. Sustainability is about being aware of, and taking long-term responsibility for, how we affect our world.

Our own business does not have a particularly direct impact on the environment, but we still try to implement innovations and improvements in the areas that we can actually influence. I also believe that by focusing on increasing awareness and actively taking a stance we can eventually make a difference ourselves, and in addition make a positive effect on our world. We also work with SOS Children's Villages and support their activities to ensure that children have a safe and secure childhood. Contributing to knowledge development in a country where we have ongoing Connectivity Management projects feels important. Education is the foundation of a child's intellectual and social development and, not least, provides opportunities to escape poverty.

GRI index

This is Cybercom's fourth Sustainability Report and covers key events during the 2013 financial year.

Key to symbols of reporting scope

● Complete ◗ Partial ○ Not reported
CIW = Cybercom in words CIN = Cybercom in numbers W = Website

About Cybercom's Sustainability Report 2013

Cybercom has chosen to apply the Global Reporting Initiative (GRI) voluntary guidelines for reporting sustainability information, G3.1, at application level C. In drawing up the report Cybercom has taken into consideration GRI's ten reporting principles. The information contained in the Sustainability Report has not been audited by a third party, but Cybercom regards all the information in the 2013 Annual and Sustainability Reports, along with that on the company website, as being sufficient to meet GRI's information requirements at application level C.

The information provided refers to the entire group unless otherwise specified. Certain limitations of the performance indicators have been necessary based on relevance and access to reliable information.

Indicator	Reference	Description and or Table/Diagram	Reporting scope	Relationship with UN Global Compact's Principles 1-10	Comments
1. Vision and strategy					
1.1 CEO's comments	CIW 5-6, CIW 31	Interview with CEO Niklas Flyborg that starts on 5 and statement from the chairman of the board, Hampus Ericsson, on 31 in CIW.	●	Account of continued support for Global Compact.	
2. Organisation profile					
2.1 Name of the organisation	CIN 1	Cybercom Group AB.	●		
2.2 Primary brands, products and services	CIW 2-3, CIW 14-15	Summary 2-3 in CIW. The company's most important products are detailed in CIW 14-15.	●		
2.3 Operational structure	CIN 1 CIN 29	Description can be found in CIN 1 and 29, Note 13.	●		
2.4 Location of headquarters	CIN 48	Box 7574, 103 93 Stockholm, Sweden Visiting address: Lindhagensgatan 126, 112 51 Stockholm, Sweden.	●		
2.5 Countries in which the organisation operates	CIW 7	Cybercom operates in Sweden, Finland, India, Denmark, Singapore, Dubai and Poland.	●		
2.6 Nature of ownership and legal form	CIN 1, CIN 7	Cybercom Group AB is a market-listed company traded on the NASDAQ OMX Stockholm exchange.	●		
2.7 Markets	CIW 10	Cybercom's home market is the Nordic countries, but the company provides its services internationally. (More details in CIW 8-10.) Information about different sectors/clients 3, 7, 9-10 in CIW.	●		
2.8 Scale of the organisation	CIW 1	CIW 1 contains a description of the company's scope (sales SEK 1,195 m and 1,267 employees).	●		
2.9 Significant changes during the reporting period	CIW 1	CIW 1 summarises the company's events during the year.	●		No significant changes during the reporting period.
2.10 Awards received in reporting period	CIW 20	"Best IT workplace" Cybercom Poland.	●		
3. Report parameters					
Report profile					
3.1 Reporting period		Financial year 2013.	●		
3.2 Date of most recent report		Reporting for 2012 published April 2013.	●		
3.3 Reporting cycle		Annual.	●		

Indicator	Reference	Description and or Table/Diagram	Reporting scope	Relationship with UN Global Compact's Principles 1-10	Comments
3.4 Contact point for questions regarding the report or its contents	CIN 49	Kristina Cato, kristina.cato@cybercom.com.	●		
Report scope and boundary					
3.5 Process for defining report content	CIW cover, CIW 26-27	Information found on inside cover in CIW and CIW 26-27.	●		
3.6 Boundary of the report	CIW 32		●		
3.7 Limitations on the scope or boundary of the report	CIW cover	Information found on inside cover in CIW.	●		
3.8 Basis for reporting on joint ventures, subsidiaries, etc.	CIW 32 CIN 18 Note 1	CIW 32 under "About Cybercom's Sustainability Report 2013". Note 1, CIN 18 describes reporting principles in detail.	●		
3.10 Comparability with previous reports			●		No significant changes and therefore no corrections.
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report			●		The 2012 and 2013 report also includes air transport for employees in Singapore.
GRI table					
3.12 Table identifying the location of the Standard Disclosures in the report	CIW 32-35		●		
4. Governance, commitments and engagement					
Governance					
4.1 Governance structure	CIN 39-47	The company's board and management structure are detailed in the Corporate Governance Report 39-47 in CIN.	●	Activities and decisions taken for implementation of principles 1-10.	
4.2 The chairman of the board's role in the organisation	CIN 39-47	Chairman Hampus Ericsson is described on 42. He is not included in Cybercom's executive team.	●	Activities and decisions taken for implementation of principles 1-10.	
4.3 Independent and/or non-executive board members	CIN Corporate Governance Report 39-48	Information can be found on 39-46 in CIN.	●	Activities and decisions taken for implementation of principles 1-10.	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	CIN 48	Contact information and information about the AGM is presented in CIN, Corporate Governance Report 39-48.	●	Activities and decisions taken for implementation of principles 1-10.	
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	CIW 26, CIW 30	Information in CIW 26 and CIW 30.	●	Activities and decisions taken for implementation of principles 1-10.	UN Global Compact principles and guidelines.
Stakeholder engagement					
4.14 Stakeholder groups engaged by the organisation	CIW 27		●		
4.15 Basis for identification and selection of stakeholders with whom to engage	CIW 27		●		
4.16 Approaches to stakeholder engagement	CIW 27		●		
4.17 Key topics and concerns that have been raised through stakeholder engagement	CIW 27		●		

GRI index

Indicator	Reference	Description and or Table/Diagram	Reporting scope	Relationship with UN Global Compact's Principles 1-10	Comments
5. Economic performance indicators					
Economic performance					
EC1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	CIW 1	Table: Created and distributed direct economic value.	●		
EC2. Financial implications and other risks and opportunities for the organisation's activities due to climate change	CIW 24	CIW 24 describes how Cybercom's products and services create opportunities for companies that need to reduce their emissions of greenhouse gases.	◗	Principle 7	
EC3. Coverage of the organisation's defined benefit plan obligations	CIN 25-26 Note 3	Employee benefits are presented under Note 3, CIN 25-26.	●		
EC4. Significant financial assistance received from government			●		Cybercom has not received any significant financial assistance from government in 2013.
6. Environmental performance indicators					
Energy					
EN4. Indirect energy consumption by primary source	CIW 24-25		●	Principle 8	
EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	CIW 24	CIW 24 describes how Cybercom assists its clients to reduce their environmental impact.	◗	Principles 8 & 9	
EN7. Initiatives to reduce indirect energy consumption and reductions achieved	CIW 24-25	A list of some of Cybercom's methods for reducing energy use and environmental impact CIW 24-25.	◗		
Emissions, effluents and waste					
EN17. Other relevant indirect greenhouse emissions by weight	CIW 24-25	Table and graph: Cybercom Group's air travel, Table: Cybercom Group's total greenhouse gas emissions and carbon dioxide equivalents by energy source.	●	Principle 8	
EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved	CIW 24-25	A list of some of Cybercom's methods for reducing energy use and environmental impact CIW 24-25.	◗	Principles 7, 8 & 9	
7. Social performance indicators					
Employment and working conditions					
Employment					
LA1. Total workforce by employment type, employment contract, and region	CIW 21	Total staff by region can be found in CIW 21 Table: Workforce by country.	◗		
LA2	CIW 22	Table: Employee key figures 2013.	◗		

Indicator	Reference	Description and or Table/Diagram	Reporting scope	Relationship with UN Global Compact's Principles 1-10	Comments
Employee/management relations					
LA4. Percentage of employees covered by collective bargaining agreements	CIW 22		●	Principles 1 & 3	
Work environment (Health and safety)					
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	CIW 22	Table: Employee key figures 2013.	◗	Principle 1	Cybercom measures only absence due to illness, since other parameters required for the indicator are not relevant to our activities.
Training and education					
LA10. Average hours of training per year per employee by employee category	CIW 20	Heading: Training hours per employee, 2010-2013.	◗		No data divided by sex is available. All Cybercom's employees are given the same access to training.
LA12. Percentage of employees receiving regular performance and career development reviews	CIW 19		◗		No data divided by sex is available. All Cybercom's employees are given the same access to performance and career development reviews.
Diversity and equal opportunity					
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	CIN 25-26, CIN 42-45, CIW 21-22	CIN contains tables showing board and management on 25-26 and detailed information on 42-45. Employee information is in CIW 21-22, table: Gender distribution by age group.	●	Principles 1 & 6	Categorisation of employees by minority group and other indicators of diversity is not permitted under Swedish law.
Human rights performance indicators					
Non-discrimination					
HR4. Total number of incidents of discrimination and actions taken			●	Principles 1, 2 & 6	No cases of discrimination were reported in 2013.
Society performance indicators					
Anti-corruption					
SO3. Percentage of employees trained in organisation's anti-corruption policies and procedures	CIW 22		◗	Principle 10	
SO4. Actions taken in response to incidents of corruption.			●	Principle 10	No incidents of corruption or anti-competitive actions have arisen in 2013.
Product responsibility performance indicators					
PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	CIW 16		◗		
Customer integrity					
PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			●	Principle 1	No such incidents in 2013.

Definitions

CSR (Corporate Social Responsibility)
The concept of corporate social responsibility includes the responsibility a company takes for its activities, products and services, environmental, social and economic impact on society and stakeholders.

Swedish Childhood Cancer Foundation
The Swedish Childhood Cancer Foundation finances approximately 90 percent of all research projects related to childhood cancer in Sweden – entirely without subsidy from government or local authorities. This can only be achieved thanks to generous contributions from private individuals, companies and organisations.

Blended delivery
Delivery to clients is achieved through the collaboration of Cybercom's employees in several countries, for example from Sweden and India.

UN Global Compact
The Global Compact is the UN's strategic policy initiative to promote corporate social responsibility in the areas of human rights, labour rights, environment and anti-corruption. (www.unglobalcompact.org).

Sustainable development
The Brundtland Commission coined the term sustainable development in 1987 and it had an impact during the Rio Conference 1992. The parameter is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". The three dimensions of sustainable development – economic, social and environmental - should be coherent and mutually reinforce each other.

Global Reporting Initiative (GRI)
GRI is an international organisation that has developed global guidelines for how companies should report on their sustainability efforts. The framework includes indicators for the organisation, stakeholders and the economic, environmental and social aspects.

ILO
International Labour Organisation (ILO) is the UN specialised agency for employment and workplace issues. ILO seeks to promote social justice and internationally recognised human and labour rights.

Stakeholders
Stakeholders mean stakeholders who have mutual influence from and on activities of the company, its services and its processes, both directly and indirectly. For example, employees, shareholders, clients, consumers, suppliers and partners.

ISO 14001
An internationally recognised standard for certifying environmental management systems. ISO 14001 is the name of the standards dealing with environmental management. These standards in turn create an environmental management system that can be easily integrated into existing operations.

Carbon offsetting
A measure that provides a reduction of greenhouse gases equal to the emissions of greenhouse gases that the business would like to compensate for.

Carbon dioxide (CO_2)
Carbon dioxide occurs naturally in the atmosphere and is involved in photosynthesis and is also an effect of combustion.

SOS Children's Villages
SOS Children's Villages Sweden is a member association and part of the international umbrella organisation SOS-Kinderdorf International, which has its headquarters in Innsbruck, Austria. SOS Children's Villages is an independent, non-governmental organisation. The organisation takes care of orphaned and abandoned children and provides them a home, family and education.

Design and production Narva **Photography** Jann Lipka, Håkan Flank (p.3) **Translation** Albion Konsult Limited **Printing** Elanders, 2014

Boosting your performance

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Cybercom in numbers

ANNUAL REPORT 2013

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Directors' report

Financial statements

Corporate governance report

About this report

This report is presented in two parts. "Cybercom in numbers" contains the directors' report, financial statements and the corporate governance report. The presentation of the company and the sustainability report can be found in "Cybercom in words".

Cybercom's annual reports, year-end reports and interim reports are published in Swedish and English.
In the event of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Directors' report

The board and CEO of Cybercom Group AB (publ), corporate identity number 556544–6522, hereby submit their annual report and consolidated accounts for the period January 1, 2013 until December 31, 2013. All amounts are reported in SEK thousands, unless otherwise specified. Information in parentheses refers to the previous accounting year, that is to say 2012. Words such as "Cybercom", "the company", "the group", and similar expressions refer in all cases to the parent company, Cybercom Group AB, and its subsidiaries.

Operations and organisation

Cybercom is a Swedish IT consulting company that was founded in 1995, and has been listed on the NASDAQ OMX Stockholm exchange since 1999.

Cybercom assists leading companies and organisations to benefit from the opportunities of the connected world. The company's areas of expertise span the entire ecosystem of communications services, that is Connectivity. Cybercom's home market is the Nordic region, and in addition the company offers global delivery capacity for local and international projects. The group had 1,267 employees in seven countries at the end of 2013, and therefore has an excellent foundation from which to be able to provide companies and organisations, operating both nationally and internationally, with the tools to make their operations more efficient and to develop new products and services. Cybercom's largest client segments are telecoms, the public sector and manufacturing industry (see also Pages 8-18 under "Cybercom in words" for a more detailed description of Cybercom's operations, clients and market).

Cybercom's offering is organised into four areas: Digital Solutions, Connected Engineering, Connectivity Management and Secure Connectivity. In these areas the company offers strategic advice, testing and quality assurance, security solutions, system development, system integration, system management and hosting.

Cybercom's operations are organised into three geographical segments: Sweden, Finland and International, with International including the operations in Poland, Denmark, the international Connectivity Management business and a joint venture including centres of excellence in India.

Cybercom works actively and consciously with Corporate Social Responsibility (CSR) and strives to behave responsibly and in an ethical manner in all countries and in all contexts in which the group operates (see also Pages 19-35 under "Cybercom in words" for a complete description of Cybercom's CSR work).

Cybercom presents a separate corporate governance report that is separate from the statutory annual report. The corporate governance report includes information on the group's systems for internal control and risk management (see also Pages 39-47 in this document).

Sales and earnings

In 2013, the company turned all aspects of the business to profitability, built a stable financial platform, and, in the last quarter of the year, turned in to positive net recruitment. The plan for change that was established in 2012 is yielding results.

Work has continued to implement the strategy that the company established in the previous year, with a geographical focus, integration and uniformity, a broadening of our client base and a shared client offering. The company has adjusted its client portfolio, which means that the proportion of sales to the public sector has increased, while those to the telecom sector have decreased, entirely in line with the company's client strategy.

The structural changes that were implemented in the group during 2012 have provided the anticipated positive outcome. The Chinese operations were sold during the second quarter of 2012, the office in Romania was closed in the third quarter, and a cost-cutting programme was initiated in the fourth quarter. Total non-recurring costs related to these actions amounted to SEK 45.2 million in 2012, with SEK 11.8 million recognised as capital losses. The annual savings amounted to SEK 55 million, and most of these were realised in 2013.

The market was marked during the year by uncertainty in the macroeconomic environment in Europe. This affected the willingness of the company's clients in both telecoms and manufacturing to invest, particularly in Sweden and Finland. Within the public sector, however, demand has been relatively good but with intense competition and some pressure on prices. The company has strengthened its position in this sector in all markets.

Group sales decreased by 11 percent compared to the previous year, while operating profit turned from a loss of SEK 11.4 million (including non-recurring costs of SEK 45.2 million) to a profit of SEK 60.2 million. Profitability adjusted for restructuring costs and capital losses increased from 2.5% to 5.0%.

The decrease in sales is primarily related to the Swedish operations, where sales decreased by 14%. Changes among some of the company's major clients in telecoms, and postponed investment decisions by some of the clients in manufacturing industries, had a negative impact on sales. Demand from the public sector has been good, and in the last quarter of the year, the company's sales to this segment increased by 12% compared to the final quarter of the previous year. Despite the positive effects of the restructuring programme in the previous year, profitability in Sweden decreased compared to the previous year, from 6.0% (adjusted for restructuring costs) to 5.2%, due to the lower sales.

Operations in Finland stabilised after the previous year's negative impact of cutbacks in the telecommunications industry, and demonstrated growth of 2.5% and a profit margin of 3.7%, compared with a loss in the previous year. Good performance in the public sector compensated for a decline in telecoms and uncertainty among some export-dependent clients in the manufacturing industry.

In the International segment, the company increased its presence on the Polish market during the year, mainly by establishing services in Connectivity Management. The previous year's loss has turned into positive earnings, and profitability has increased from -4.9% (adjusted for restructuring costs) to 7.5%.

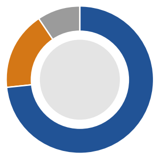
Negative currency effects primarily attributable to the depreciation of the EUR and USD against the SEK impacted sales by SEK -4.6 million and EBIT by SEK -0.8 million.

Earnings

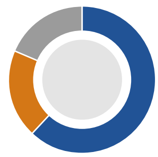
SEKm	2013	2012
Sales	**1,195.1**	**1,339.2**
Other external expenses	-314.8	-383.2
Restructuring costs	–	-33.4
Personnel expenses	-793.9	-892.4
Operating profit, EBITDA	**86.4**	**30.2**
Depreciation and amortisation	-26.2	-29.8
Capital loss disposal subsidiary	–	-11.8
Operating profit/loss, EBIT	**60.2**	**-11.4**
Financial items	-6.9	-16.4
Profit/loss before tax	**53.3**	**-27.8**
Tax	-11.8	-25.3
Profit/loss for the year	**41.5**	**-53.1**

The number of employees in the group at year end amounted to 1,267 (1,335). Cybercom has 68 fewer employees than in the previous year.

Sales by segment



Number of employees by segment



The average number of full-time employees decreased to 1,180 for the full year (1,368), while the number of billable employees (converted to full-time equivalents) decreased to 1,010 (1,163). Net sales per full-time employee were SEK 1,013 thousand (979). Net sales per full-time employee were influenced by a reduction in the proportion of volume delivered from low-cost countries.

EBITDA amounted to SEK 86.4 million (63.6 excluding restructuring costs), giving an EBITDA margin of 7.2 percent (4.7). EBIT amounted to SEK 60.2 million (33.8 excluding restructuring costs and capital losses), giving an EBIT margin of 5.0 percent (2.5).

Net financial items amounted to SEK -6.9 million (-16.4). This includes interest costs for bank loans of SEK -5.0 million (-7.8). The change to Cybercom's financing implemented in 2012, when the company raised SEK 116 million through a rights issue and replaced a factoring solution in the form of invoice sales with an overdraft facility, has resulted in significantly lower interest costs in 2013. Profit before tax amounted to SEK 53.3 million (-27.8). This means a net margin of 4.5 percent (-2.1).

For 2013, the group's effective tax rate was 22.2 percent (-90.9). Tax for the previous year was affected by non-recurring effects totalling SEK -25.6 million related to the revaluation of deferred tax assets and liabilities due to changes in corporation tax rates in Sweden and correction of deferred tax assets from previous years.

Tax expense is calculated using the current tax rate for the parent company and each subsidiary.

Cash flow and financial position

Consolidated cash flow (condensed)

SEKm	2013	2012
Cash flow from operating activities before change in working capital	33.6	16.8
Change in working capital	49.6	-117.5
Cash flow from operating activities	**83.2**	**-100.7**
Cash flow from investing activities	-14.9	-27.0
Cash flow from financing activities	-65.2	88.8
Year's cash flow	**3.1**	**-38.9**

Cash flow from operating activities

During the year cash flow from operating activities was SEK 83.2 million (-100.7). Cash flow before change in working capital was SEK 33.6 million (16.8). Payments of SEK 28.4 million related to the previous year's restructuring programme are included.

Working capital changed during the year by SEK 49.6 million (-117.5). Working capital in the previous year was negatively affected through a change in financing, when invoice sales were terminated and replaced with an overdraft facility.

Cash flow from investing activities

Cash flow from investing activities amounted to SEK -14.9 million (-27.0) in 2013. In addition to investments in property, plant and equipment and intangible assets, this includes an additional purchase consideration to Teleca of SEK -0.7 million (-4.5) for 50 percent of the tax effect Cybercom can utilise for tax depreciation on goodwill from transfer of assets, which was included in the acquisition of auSystems in 2007, and for 2012 a negative effect from the disposal of operations in China of SEK -7.4 million.

Net investments in property, plant and equipment amounted to SEK 12.2 million (10.4) in 2013 and include primarily computers and equipment for the group's data centres. Net investments in intangible non-current assets amounted to SEK 2.1 million (4.8), attributable to investments in administrative and production-related systems and, in 2013, also development of a cloud service solution at the group's data centre. Together these investments correspond to 1.2 percent (1.1) of sales in 2013.

Cash flow from financing activities

Cash flow from financing activities was SEK -65.2 million (88.8) in 2013. During the year, SEK 20 million of the company's long-term loan facility has been paid down, and utilisation of the overdraft facility was reduced to zero. During the fourth quarter of 2012, a rights issue was conducted with preferential rights for the company's shareholders of approximately SEK 126 million before transaction costs. The issue raised approximately SEK 66 million after a one-time amortisation of SEK 50 million and transaction costs of SEK 9.7 million.

Consolidated balance sheet (condensed)

SEKm	2013	2012
ASSETS		
Non-current assets	880.3	894.0
Working capital balance (assets)	323.0	437.6
Other assets	1.7	2.2
Cash and cash equivalents	23.7	20.3
Total assets	**1,228.7**	**1,354.2**
EQUITY AND LIABILITIES		
Equity	856.0	810.8
Interest-bearing liabilities	111.7	176.5
Working capital balance (liabilities)	250.8	347.3
Other liabilities	10.2	19.6
Total equity and liabilities	**1,228.7**	**1,354.2**

Working capital balance (assets) = non-interest bearing current receivables adjusted for tax assets.
Working capital balance (liabilities) = non-interest bearing liabilities adjusted for tax liabilities.

Non-current assets

Property, plant and equipment accounted for 3.0 percent (3.2) and intangible assets for 94.8 percent (94.2) of total non-current assets at December 31, 2013. Of the intangible assets, SEK 788.8 million (785.2) relates to goodwill (see also Note 10).

Working capital

Tied-up working capital was SEK 72.2 million (90.3) at December 31, 2013.

Liquidity

On December 31, 2013, group cash and cash equivalents amounted to SEK 23.7 million, compared with SEK 20.3 million at December 31, 2012. Unused overdraft facilities amounted to SEK 75 million.

Debt profile

Interest-bearing liabilities at December 31, 2013 amounted to SEK 111.7 million (176.5). Interest-bearing liabilities consist of the loan facility, which on December 31, 2013 amounted to SEK 105.0 million (125.0). The loan is amortised over its term until August 20, 2015. Also included are financial leasing of SEK 6.2 million (6.5), and for 2012 invoice factoring with a balance amounting to SEK 30.2 million. Cybercom has an overdraft facility of SEK 75 million which was unutilised at year-end (13.2). Cybercom's joint venture in India has a loan liability of SEK 0.5 million (1.6). Net debt amounted to SEK 88.0 million, a decrease from SEK 156.2 in the previous year.

Attaining certain key figures, covenants, is a prerequisite for loan financing. The key figures are based on factors such as Cybercom's profit/loss, net financial items and the debt/equity ratio. Cybercom continually analyses these key figures. The key figures were met at December 31, 2013.

Equity
Equity on December 31, 2013 stood at SEK 856.0 million (810.8) which corresponds to a 69.7 percent (59.9) equity/assets ratio. The rights issue in 2012 increased equity by SEK 118.4 million including the tax effect on transaction costs. Equity per share was SEK 4.74 SEK (4.49).

Employees

Employee data
- Average number of employees: 1,180 (1,368)
- Total number of employees on December 31: 1,267 (1,335)
- Gender distribution: 16 percent women, 84 percent men (17/83)
- Education level: 89 percent have university education (89)
- External training expense: SEK 4,920 thousand (7,862)
- Average age: 37 years (37)
- Average sector experience of consultants: 11 years (11)

Cybercom's values and employee philosophy
Cybercom's structural capital in the form of its employees' experience and expertise is the most critical factor in Cybercom's competitiveness. Cybercom therefore has a clear model for career and skills development. Cybercom encourages its employees to take initiative and to contribute to their own development, as well as the development of others and the company.

Retaining key employees and attracting new qualified employees is a strategic issue for Cybercom. To ensure Cybercom's continued profitability and growth, it is important to work with brand building activities and recruitment. The company works continuously with CSR issues, environmental and labour issues, leadership and professional development to ensure that Cybercom is an attractive employer.

The key to success is to maintain constant client focus and to share and to live up to our shared values of Innovation, Passion and Trust.

Innovation
We are innovative in the way we work and in the way we embrace new technology. We are results-oriented and always add value to the business. We are always in the forefront, we question, challenge, move boundaries and change industry standards.

Passion
We are driven by a genuine passion and are proud of what we achieve. We are the gurus of our niches and always willing to go the extra mile to improve performance and enhance our clients' business. We deliver assured quality, on time and within budget.

Trust
We generate trust and confidence among our colleagues and clients by using common sense, clear thinking and doing what we say – always with respect for each other.

Founded on these values, Cybercom has developed a set of criteria that each employee is expected to live up to:

Strong client focus
This means that the employee understands client needs, exceeds expectations and always with the objective of high client satisfaction. This can include delivery quality, eliminating defects and errors in time, continuous improvement of client service, as well as the ability to identify new business opportunities.

Team players
This means respecting others in both word and deed. Respecting other people's time and showing confidence in others' expertise and experience. Sharing knowledge and supporting colleagues with less experience. Encouraging their team and contributing to cooperation to help our clients conduct even better business.

Taking responsibility
At Cybercom, taking responsibility means understanding what is expected and at the same time keeping promises, delivering on commitments and taking responsibility for our actions. Taking responsibility is to have high integrity in all circumstances with respect for the rules and confidentiality requirements. Taking responsibility also means embracing new technology, new solutions and innovations, and continually developing.

Cybercom's leadership philosophy is based on managers – regardless of level and position – always ensuring that employees have the right conditions to do their work in a professional manner that contributes to client value.

A manager at Cybercom leads and runs the business and ensures that the organisation always delivers at the right time and with the right solutions. Cybercom will always honour promises made to the client and meet the agreed requirements.

Guidelines for remuneration to senior executives
The proposed guidelines for remuneration to senior executives are the same as the latest adopted guidelines presented in Note 3.

Risk and risk management

Cybercom is exposed to a number of risks that could affect the group's results and financial position. Cybercom continually evaluates, identifies, and manages the company's risks. The risks deemed most significant to the company are classified below as market, operational or financial risks.

Market and operational risks

Economic
The Nordic market for IT and consulting services is influenced by the general economic climate. A general weakening of the business environment can therefore rapidly affect demand for the company's services.

Client concentration
Cybercom's ten largest clients account for 43 percent (46) of the company's sales. Cybercom often has many simultaneous but independent projects with its large clients. Cybercom strives to achieve long working relationships with its clients and several have been clients for many years, and Cybercom has framework agreements with most of its major clients. The company strives to maintain a good balance between clients from different sectors and geographical areas to avoid excessive dependence on any one client. The company's ambition is that the ten largest clients should not account for more than 35 percent of sales, while no individual client should account for more than 15 percent of the company's revenues over time.

Price level and client contracts
An important component of business performance is the price level to the client. In cases where prices are negotiated regularly with the client, results are affected immediately in the event of a fall in market prices. For the portion of sales coming from clients with whom the company has signed a framework agreement, a re-negotiation of the agreement is necessary before Cybercom will be affected by changes in the price level. Another type of price risk is the fixed price contract or other contracts with the client, where Cybercom undertakes to provide a solution or service at a price agreed in advance. Cybercom therefore bears the risk of failure to correctly estimate the cost of delivering on the contract. Cybercom is constantly developing its procedures for assessing and controlling risks in client contracts.

Recruitment of skills
Cybercom's operations are dependent both on being able to attract and recruit skilled personnel, and on the staff maintaining their skills, continuing to develop and feeling motivated. Qualified consultants are a prerequisite for successfully implementing client projects and achieving client satisfaction. During certain periods there may be a shortage of labour and the company may have difficulty in recruiting. A high staff turnover or the loss of key people could therefore adversely affect the company. Cybercom actively works with environmental and labour conditions, leadership and skills development to ensure that the company is an attractive employer. In addition the company works with brand-building activities and recruitment, such as through participation in conferences, seminars and courses. The recruitment of skills to the Nordic markets is complemented with capacity from centres of excellence in Cybercom's Polish and Indian businesses.

Utilisation risk
Cybercom's revenues are largely dependent on the number of billable consultant hours. Reduced demand for consultant hours affects the utilisation rate and may have many causes, such as a softening economy and/or incorrect consultant expertise. There is also a risk in certain cases of a client terminating a project at short notice, which in turn means that Cybercom may not be able to immediately utilise the affected consultants on other assignments.

Bank contracts and client contracts
The company's loan agreements as well as some client contracts contain clauses that give the counterparty the opportunity to terminate the contract if a shareholder becomes obligated to make a mandatory bid for the company, or if there is a buy-out from the stock exchange or similar event. Some client contracts can also be terminated if the business is transferred to a competitor of the client. If contracts are terminated, this could adversely affect the company.

Financial risks

Cybercom has identified four financial risks that could affect its earnings:

Liquidity and financing risk

Cybercom is dependent on good liquidity and financing to be able to meet its obligations. The goal is that, irrespective of the market situation, the group must be able to meet its financial commitments at a reasonable cost. The group's policy is to minimise the need for borrowing by utilising excess liquidity in the group wherever possible through a cash pool linked to an overdraft facility. The liquidity risks for the group are managed centrally in the parent company based on analysis of the liquidity position and operating forecasts.

Loan financing is dependent on a number of key figures, covenants, being met, which involves a risk the company may be forced to renegotiate its financing. Cybercom monitors these covenants continually and takes the action deemed necessary to meet them. Cybercom meets the limits stated in the covenants.

Interest rate risk

Interest rate risk may lead to changes in fair values and cash flows. The fixed interest period is a key factor that affects the interest rate risk. The company's debt financing has three-month periods of interest, but was hedged to some extent using interest rate swaps in 2013. Their purpose is to ensure that the group's interest expense is easily foreseeable. Individual hedge accounting is not applied to interest rate swaps.

Currency risks

Cybercom is exposed to various types of currency risk. In certain projects, subsidiaries are exposed to currency risks. The primary method for managing this is by striving to achieve a balance between revenue and expenses and between assets and liabilities in each currency. When it is deemed favourable, a foreign exchange exposure may be hedged through suitable financial instruments, such as forward foreign exchange contracts. Cybercom's policy is to only hedge existing and well known foreign currency flows, principally certain client contracts. Cybercom does not hedge any forecasted currency flows.

The largest currency exposure in 2013 was to the EUR. The accounts only apply hedge accounting to net investments in foreign subsidiaries.

The parent company is mainly exposed to currency risks when translating assets and liabilities of foreign subsidiaries.

Client credit risks

Cybercom is exposed to higher risks in accounts receivable in certain markets and projects. These risks are managed through a combination of credit checks before the projects commence, and clear internal procedures for handling accounts receivable.

The management of financial risks is described in more detail in Note 26.

Share development and ownership structure

Cybercom's share

Cybercom's share was listed on the Stockholm stock exchange, now the NASDAQ OMX Stockholm exchange, on December 1, 1999. Cybercom's ticker symbol is CYBE.

At year end the Cybercom share was traded at SEK 2.43, compared with SEK 1.50 a year earlier. Cybercom's market capitalisation at year end was SEK 438 million. During 2013, the average trading volume of shares was approximately 421,000 per trading day. The average value of turnover has increased to SEK 814 thousand (642) per trading day. The highest quoted value was SEK 2.70, which was listed on October 17, 2013, and the lowest quoted value was SEK 1.37, on February 11, 2013. Cybercoms share price rose during the year by 62.0%, while the NASDAQ OMX Small Cap Index rose by 39.0% during the same period.

Share capital

Cybercom's share capital amounted to SEK 45.1 million (45.1) on December 31, 2013, distributed over 180,439,495 shares (180,439,495). All shareholders have equal right to a share in the company's assets and profits. The share's par value is 0.25 (0.25). The rights issue conducted during the previous year increased the company's number of shares by 144,351,596.

Dividends

Cybercom's dividend policy is to pay a dividend to its shareholders of at least 30 percent of net profit, provided that no special considerations exist with regard to the company's financial position or plans. Considering the company's ongoing programme of change, the board will propose to the annual general meeting of May 7, 2014 that no dividend be paid for the financial year 2013 (SEK 0 for financial year 2012).

Shareholders

At year end Cybercom had 4,272 shareholders, of which 90 percent were registered Swedish shareholders. The ten largest shareholders together owned almost 69 percent of Cybercom.

To the company's knowledge, no agreements exist between shareholders that restrict their right to transfer their shares.

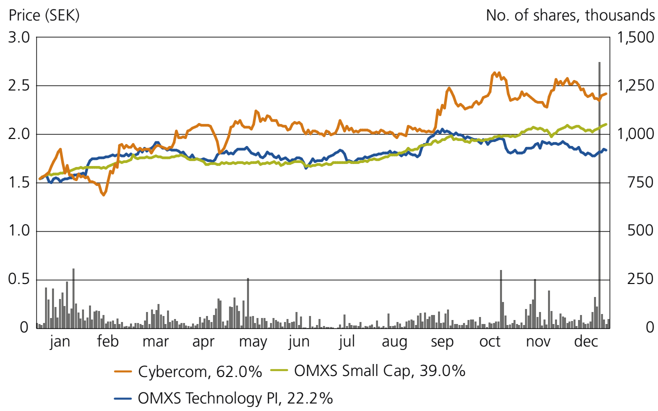
Largest shareholders by holding per December 31, 2013

Name	No. of shares	Holding %
JCE Group AB	69,826,450	38.70
Swedbank Robur Fonder	14,790,880	8.20
Didner & Gerge Aktiefond	8,223,895	4.56
SEB Life International Assurance	7,000,000	3.88
Försäkringsbolaget, Avanza Pension	6,629,254	3.67
Tequity AB	5,037,914	2.79
JCE Securities AB	4,726,160	2.62
Nordnet Pensionsförsäkring AB	4,079,253	2.26
Granit Småbolag	2,100,000	1.16
Sundman, Dag Olofsson	2,080,000	1.15
Total	**124,493,806**	**68.99**
Other	55,945,689	31.01
Total number of shares	**180,439,495**	**100.00**

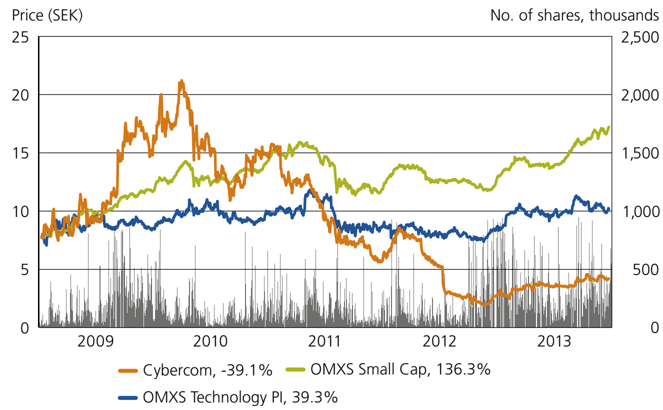
Share holdings grouped by size

Size of holding	No. of shareholders	Holding %
1–500	1,364	31.9
501–1 000	486	11.4
1 001–5 000	1,231	28.8
5 001–10 000	490	11.5
10 001–15 000	167	3.9
15 001–20 000	125	2.9
20 001 –	409	9.6
Total number of shareholders	**4,272**	**100.0**

Share price trend, 2013



Share price trend, 2009–2013



Outlook

Key IT trends driving Cybercom's development are the connected society, increased need for network capacity, changed corporate delivery models, productisation of IT and an increased proportion of offshore. The changes that Cybercom has introduced based on the company's strategy, with a focus on the Nordic region as the company's home market, a uniform client offering based on fewer but clearer offerings, and the ongoing shift towards a more balanced client portfolio, combined with the company's strengthened financial position mean that Cybercom is well equipped to benefit from these trends, and to continue to develop the business in order to achieve its strategic objectives and financial targets.

Cybercom does not publish forecasts.

Parent company

The operations of the parent company comprise mainly the management of group-wide functions for finance, investor relations, PR and marketing communications, legal, administration, internal systems and group-wide coordination of sales and personnel issues.

At the end of the period the parent company had 10 (14) employees. The average number of employees during the period was 10 (11).

- Sales amounted to SEK 36.0 million (39.5).
- Operating loss amounted to SEK -11.9 million (-12.9).
- Profit/loss after net financial items amounted to SEK 6.9 million (-11.7).
- The parent company's liquidity as of December 31, 2013 was SEK 38.1 million (2.1).
- Investments in property, plant and equipment and intangible non-current assets amounted to SEK 0.0 million (2.2).

The major improvements in terms of Profit after net financial items and Liquidity are mainly due to dividends received from group companies. See the "Directors' report" section for the group for more information about the parent company's operations, financial position and performance.

Proposed allocation of profit

These amounts are at the AGM's disposal:

Share premium reserve	688,061,005 SEK
Retained earnings	-183,304,534 SEK
Profit/loss for the year	-13,500,596 SEK
Total	**491,255,875 SEK**

The board of directors proposes the profit be appropriated as follows:

Carried forward	491,255,875 SEK
Of which to share premium reserve	688,061,005 SEK

Consolidated income statement

	Note	2013	2012
Net sales	2	1,172,760	1,318,176
Other operating income	2, 5	22,375	21,026
Employee benefits expense	3	-793,927	-892,433
Other external expenses	4, 27	-314,787	-416,539
Depreciation, amortisation and impairment losses	10, 11, 12	-26,199	-29,857
Capital gain/loss from disposal of subsidiaries	33	–	-11,792
Operating profit/loss		**60,222**	**-11,419**
Financial income	6	1,943	2,266
Financial costs	6	-8,847	-18,620
Profit/loss before tax		**53,318**	**-27,773**
Tax	8	-11,811	-25,314
Year's profit/loss		**41,507**	**-53,087**

Earnings per share

SEK	2013	2012
Earnings per share basic/diluted	0.23	-0.67

Consolidated statement of comprehensive income

	2013	2012
Year's profit/loss	**41,507**	**-53,087**
Other comprehensive income		
Items that have been or could be reclassified as year's profit/loss		
Translation differences in translating data in foreign operations	5,609	-8,145
Translation differences reclassified as year's profit/loss	-1,776	–
Currency risk hedging in foreign operations	–	2,353
Tax effect on currency risk hedging in foreign operations	–	-619
Year's other comprehensive income	**3,833**	**-6,411**
Year's comprehensive income	**45,340**	**-59,498**

Consolidated statement of changes in equity

	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
Opening balance, January 1, 2012	**36,088**	**855,476**	**522**	**-140,173**	**751,913**
Year's profit/loss	–	–	–	-53,087	-53,087
Other comprehensive income	–	–	-6,411	–	-6,411
New share issue	9,022	116,564	–	–	125,586
Issue costs	–	-7,185	–	–	-7,185
Closing balance, December 31, 2012	**45,110**	**964,855**	**-5,889**	**-193,260**	**810,816**
Year's profit/loss	–	–	–	41,507	41,507
Other comprehensive income	–	–	3,833	–	3,833
Issue costs	–	-111	–	–	-111
Closing balance, December 31, 2013	**45,110**	**964,744**	**-2,056**	**-151,753**	**856,045**

Consolidated balance sheet

	Note	Dec 31, 2013	Dec 31, 2012
Assets			
Non-current assets			
Goodwill	10	788,753	785,191
Other intangible non-current assets	11	45,301	56,669
Property, plant and equipment	12	26,612	26,356
Non-current financial assets	13, 14	81	1,025
Deferred tax assets	19	19,566	24,771
Total non-current assets		**880,313**	**894,012**
Current assets			
Accounts receivable	15, 25	289,236	364,786
Tax assets		1,678	2,225
Other receivables	16	17,658	52,184
Prepaid expenses	17	16,112	20,618
Cash and cash equivalents	31	23,665	20,339
Total current assets		**348,349**	**460,152**
Total assets		**1,228,662**	**1,354,164**
Equity and liabilities			
Equity	18		
Share capital		45,110	45,110
Other capital contributions		964,744	964,855
Translation reserve		-2,056	-5,889
Retained earnings including profit/loss for the year		-151,753	-193,260
Total equity		**856,045**	**810,816**
Non-current liabilities			
Deferred tax liability	19	7,480	13,985
Other non-current liabilities	20	70,657	112,813
Total non-current liabilities		**78,137**	**126,798**
Current liabilities			
Bank overdraft	21	–	13,161
Advances from clients		17,602	44,066
Restructuring provision	22	993	29,417
Accounts payable		65,403	89,959
Tax liabilities		2,689	5,656
Other current liabilities	23	84,556	103,409
Accrued expenses and deferred income	24	123,237	130,882
Total current liabilities		**294,480**	**416,550**
Total equity and liabilities		**1,228,662**	**1,354,164**
Pledged assets	28	1,024,770	847,223
Contingent liabilities	28	–	–

Consolidated cash flow statement

	Note	2013	2012
Operating activities			
Profit/loss before tax		53,318	-27,773
Adjustments for items not included in cash flow	31	-4,212	60,854
Income tax paid		-15,497	-16,315
Cash flow from operating activities before change in working capital		**33,609**	**16,766**
Increase/decrease accounts receivable		76,780	-137,001
Increase/decrease other current receivables		38,933	-1,376
Increase/decrease accounts payable		-24,736	-5,598
Increase/decrease other current liabilities		-41,356	26,478
Cash flow from operating activities		**83,230**	**-100,731**
Investing activities			
Investments in intangible non-current assets		-2,088	-4,803
Investments in property, plant and equipment		-12,238	-10,430
Sales of financial non-current assets		93	204
Acquisition of subsidiaries, net effect on cash and cash equivalents	32	-661	-4,511
Disposal of subsidiaries, net effect on cash and cash equivalents	33	–	-7,429
Cash flow from investing activities		**-14,894**	**-26,969**
Financing activities			
New share issue		-111	115,836
Borrowings		–	47,081
Amortisation of debt		-65,137	-74,087
Cash flow from financing activities		**-65,248**	**88,830**
Year's cash flow		**3,088**	**-38,870**
Cash and cash equivalents at year's start		20,339	62,376
Exchange difference in cash and cash equivalents		238	-3,167
Cash and cash equivalents at year's end		**23,665**	**20,339**

Income statement – parent company

	Note	2013	2012
Net sales		35,914	39,366
Other operating income	5	292	96
Operating income		**36,206**	**39,462**
Other external expenses	4	-24,613	-20,324
Employee benefits expense	3	-12,946	-21,327
Depreciation, amortisation and impairment losses	10, 11, 12	-10,298	-10,514
Other operating expenses	5	-225	-196
Operating expenses		**-48,082**	**-52,361**
Operating profit/loss		**-11,876**	**-12,899**
Profit/loss from interests in group companies and joint venture	6	19,024	4,759
Interest income and similar income items	6	342	1,572
Interest expense and similar expense items	6	-584	-5,138
Profit/loss from financial items		**18,782**	**1,193**
Profit/loss after financial items		**6,906**	**-11,706**
Appropriations	7	-27,384	-14,326
Tax on year's profit/loss	8	6,978	3,989
Year's profit/loss[1)]		**-13,500**	**-22,043**

1) Year's profit/loss corresponds with Year's comprehensive income.

Statement of changes in equity – parent company

	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Total equity
Opening balance, January 1, 2012	**36,088**	**178,962**	**578,793**	**-161,261**	**632,582**
Year's profit/loss[1)]	–	–	–	-22,043	-22,043
New share issue	9,022	–	116,564	–	125,586
Issue costs	–	–	-7,185	–	-7,185
Closing balance, December 31, 2012	**45,110**	**178,962**	**688,172**	**-183,304**	**728,940**
Year's profit/loss[1)]	–	–	–	-13,500	-13,500
Issue costs	–	–	-111	–	-111
Closing balance, December 31, 2013	**45,110**	**178,962**	**688,061**	**-196,804**	**715,329**

1) Year's profit/loss corresponds with Year's comprehensive income.

Balance sheet – parent company

	Note	Dec 31, 2013	Dec 31, 2012
Assets			
Intangible non-current assets	10, 11	39,059	49,171
Property, plant and equipment	12	436	583
Non-current financial assets	13	878,293	679,502
Deferred tax assets	19	15,452	8,179
Total non-current assets		**933,240**	**737,435**
Tax assets		104	156
Receivables from group companies		6,324	74,841
Other receivables	16	169	28
Prepaid expenses	17	686	938
Cash and bank balances	31	38,051	2,058
Total current assets		**45,334**	**78,021**
Total assets		**978,574**	**815,456**
Equity and liabilities			
Equity	18		
Share capital, 180,439,495 shares (180,439,495)		45,110	45,110
Statutory reserve		178,962	178,962
Total restricted equity		**224,072**	**224,072**
Share premium reserve		688,061	688,172
Retained earnings		-183,304	-161,261
Year's profit/loss		-13,500	-22,043
Total non-restricted equity		**491,257**	**504,868**
Total equity		**715,329**	**728,940**
Untaxed reserves	30	**5,012**	**11,205**
Non-current liabilities	20	686	1,535
Total non-current liabilities		**686**	**1,535**
Restructuring provision	22	–	634
Accounts payable		2,516	2,621
Liabilities to group companies		250,574	64,392
Other current liabilities	23	1,554	1,722
Accrued expenses and deferred income	24	2,903	4,407
Total current liabilities		**257,547**	**73,776**
Total equity and liabilities		**978,574**	**815,456**
Pledged assets	28	650,000	450,120
Contingent liabilities	28	–	–

Cash flow statement – parent company

	Note	2013	2012
Operating activities			
Profit/loss before tax		-20,478	-26,032
Adjustments for items not included in cash flow	31	37,048	21,723
Income tax paid		-244	3,898
Cash flow from operating activities before change in working capital		**16,326**	**-411**
Increase/decrease other current receivables		68,628	-14,200
Increase/decrease accounts payable		-104	-3,946
Increase/decrease other current operating liabilities		-48,707	-11,987
Cash flow from operating activities		**36,143**	**-30,544**
Investing activities			
Investments in intangible non-current assets		-25	-2,210
Investments in property, plant and equipment		-14	-13
Investments in subsidiaries		–	-6,357
Cash flow from investing activities		**-39**	**-8,580**
Financing activities			
New share issue		-111	115,836
Amortisation of debt		–	-56,383
Cash flow from financing activities		**-111**	**59,453**
Increase/decrease in cash and cash equivalents		**35,993**	**20,329**
Cash and cash equivalents at year's start		2,058	-18,271
Cash and cash equivalents at year's end		**38,051**	**2,058**

Five-year overview

Income statement, SEKm	2013	2012	2011	2010	2009
Operating income	1,195.1	1,339.2	1,481.0	1,528.9	1,751.6
Operating expenses	-1,108.7	-1,309.0	-1,415.6	-1,416.7	-1,607.5
Operating profit before depreciation, amortisation and impairment losses	**86.4**	**30.2**	**65.4**	**112.2**	**144.1**
Depreciation, amortisation and impairment losses	-26.2	-29.8	-190.8	-50.7	-321.8
Capital gain/loss disposal of subsidiaries	–	-11.8	–	–	–
Operating profit/loss	**60.2**	**-11.4**	**-125.4**	**61.5**	**-177.7**
Financial income	1.9	2.2	6.3	9.0	7.0
Financial costs	-8.8	-18.6	-25.3	-30.1	-34.3
Profit/loss before tax	**53.3**	**-27.8**	**-144.4**	**40.4**	**-205.0**
Tax	-11.8	-25.3	0.2	2.3	-4.1
Year's profit/loss from continuing operations	**41.5**	**-53.1**	**-144.2**	**42.7**	**-209.1**
Year's profit/loss from discontinued operations	–	–	–	0.9	-0.4
Year's profit/loss	**41.5**	**-53.1**	**-144.2**	**43.6**	**-209.5**

Balance sheet, SEKm	2013	2012	2011	2010	2009
Intangible non-current assets	834.1	841.9	856.6	1,028.3	1,082.4
Property, plant and equipment	26.6	26.4	32.4	39.7	48.3
Non-current financial assets	0.1	1.0	0.2	1.1	1.0
Deferred tax assets	19.5	24.8	45.7	52.2	61.4
Current assets, excl. cash and cash equivalents	324.7	439.8	309.4	292.7	358.9
Cash and cash equivalents	23.7	20.3	62.4	98.6	183.5
Total assets	**1,228.7**	**1,354.2**	**1,306.7**	**1,512.6**	**1,735.5**
Equity	856.0	810.8	751.9	930.6	906.9
Non-current liabilities	78.2	126.8	135.4	107.1	327.8
Current liabilities	294.5	416.6	419.4	474.9	500.8
Total equity and liabilities	**1,228.7**	**1,354.2**	**1,306.7**	**1,512.6**	**1,735.5**

Cash flow statement, SEKm	2013	2012	2011	2010	2009
Cash flow from operating activities	83.2	-100.7	36.2	76.8	128.4
Cash flow from investing activities	-14.9	-27.0	-30.6	-34.7	-26.5
Cash flow from financing activities	-65.2	88.8	-39.1	-121.0	-85.6
Cash flow from continuing operations	**3.1**	**-38.9**	**-33.5**	**-78.9**	**16.4**
Cash flow from discontinued operations	–	–	–	0.9	-0.5
Cash and cash equivalents at year's start	**20.3**	**62.4**	**98.6**	**183.5**	**169.7**
Exchange difference in cash and cash equivalents	0.3	-3.2	-2.7	-6.9	-2.1
Cash and cash equivalents at year's end	**23.7**	**20.3**	**62.4**	**98.6**	**183.5**

Five-year overview, continued

Key data and ratios	2013	2012	2011	2010	2009
Return on total capital, %	4.8	-0.7	-8.4	4.3	-9.1
Return on capital employed, %	6.4	-0.9	-11.3	5.8	-12.0
Return on equity, %	5.0	-6.8	-17.1	4.7	-22.0
Operating margin, %	5.0	-0.9	-8.5	4.0	-10.1
Net margin, %	4.5	-2.1	-9.8	2.6	-11.7
Equity/assets ratio, %	69.7	59.9	57.5	61.5	52.3
Net debt, %	10	19	19	14	21
Debt/equity ratio	0.1	0.2	0.3	0.2	0.4
Interest coverage ratio	7.0	-0.5	-4.7	2.3	-5.0

Employees	2013	2012	2011	2010	2009
Number of employees at year's end	1,267	1,335	1,564	1,727	1,818
Number of FTE employees, average	1,180	1,368	1,577	1,642	1,760
Number of FTE consultants, average	1,010	1,163	1,360	1,415	1,544
Sales per FTE employee, SEK thousand	1,013	979	939	931	995
Sales per FTE consultant, SEK thousand	1,183	1,152	1,089	1,080	1,134
Value added per FTE employee, SEK thousand	699	619	501	619	492

Share data, basic and diluted	2013	2012	2011	2010	2009
Number of shares at year's end	180,439,495	180,439,495	36,087,899	36,087,899	36,087,899
Equity per share, SEK	4.74	4.49	20.83	25.79	25.13
Average number of shares[1)]	180,439,495	79,383,831	55,850,320	55,850,320	52,051,497
Earnings per share, SEK[1)]	0.23	-0.67	-2.58	0.78	-4.03
Cash flow per share, SEK[1)]	0.46	-1.27	0.65	1.38	2.47
Dividend per share, SEK	0	0	0	0.50	0

1) Historical data relating to the average number of shares, earnings per share and cash flow per share have been recalculated in accordance with IAS 33. The recalculation effect arises since the subscription price was below the market price on the date the subscription rights were separated.

Notes

Note 1 – Accounting policies

Compliance with standards and laws
The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretive statements from the International Financial Reporting Interpretations Committee (IFRIC) that were approved for application within the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups was also applied.

The parent company applies the same policies as the group, except where otherwise stated below in the Parent company accounting policies section.

Valuation methods used in preparing the financial statements
Assets and liabilities are recognised at historical cost, apart from financial assets and liabilities that are derivatives; these are recognised at fair value.

Functional currency and presentation currency
The parent company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the parent company and the group. The financial statements are therefore presented in Swedish kronor rounded off to the nearest thousand, unless otherwise specified.

Judgements and estimates in the financial statements
Preparation of the financial statements using IFRS requires that company management make judgements, estimates, and assumptions that affect application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgements.

Cybercom regularly reviews estimates and assumptions. Changes to estimates are recognised in the period when the change is made if the change only affected that period. If the change affects current and future periods, it is recognised in the period when the change is made and in future periods.

Key sources of uncertainties in estimates
Sources of uncertainties in estimates stated below refer to those that involve a significant risk for material adjustment to the value of assets or liabilities in the coming financial year.

Goodwill impairment testing
Several assumptions about future conditions and estimates of parameters were made when calculating the recoverable amount of cash generating units for goodwill impairment testing. See Note 10 for a description. As stated in Note 10, changes to conditions for these assumptions and estimates could have a material effect on the value of goodwill.

Loss carry-forwards
The carrying amount of deferred tax assets for loss carry-forwards was assessed on the reporting date, and use of the loss carry-forwards against surpluses in future taxation was deemed probable.

Amended accounting policies
Amended IAS 1 Presentation of financial statements
This amendment relates to how items within other comprehensive income should be presented and means that items under "other comprehensive income" have been divided into two categories: items that have been, or may be, reclassified as profit and loss; and items that will never be reclassified as profit or loss. Items that have been, or may be, reclassified are translation differences and hedges for currency risk in foreign operations. The group has no items in the second category. Comparative figures are shown using the new presentation.

IFRS 13 Fair value measurement
A new uniform standard for measuring fair value and with enhanced disclosure requirements. The new disclosure requirements are described in Notes 25 and 26.

Amended IAS 36 Impairment of Assets
The amendment relates to disclosures of recoverable amounts of non-financial assets and means, inter alia, that the disclosure requirement for estimated recoverable amounts per (group of) cash generating unit with significant goodwill is eliminated. This amendment, which will be applied from 2014 at the latest, is applied early in this annual report. This means in practice that no additions are made to the disclosures of said recoverable value, in cases where impairment is not recognised, that arose in IAS 36 in conjunction with the initial application of IFRS 13 in 2013.

New and amended IFRSs and interpretations not yet applied
Some new or amended standards and interpretations will not be effective until coming financial years or later and were not applied early in preparing these financial statements. Cybercom is not planning early application of new standards or amendments effective for financial years after 2013. If new or amended standards and interpretations are not described below, Cybercom has assessed that they do not impact the financial reporting.

IFRS 9 Financial instruments
IFRS 9 Financial instruments is intended to replace IAS 39 Financial instruments: Recognition and measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities and hedge accounting. The first part addresses the classification and measurement of financial assets. Only two measurement categories will be available: one for fair value and another for amortised cost. Amortised cost is used for instruments in a business model whose objective is to receive the contractual cash flows which will constitute payments of principal and interest on the principal on specified dates. Other financial assets are recognised at fair value. IASB also published in October 2010 the parts of IFRS 9 relating to the classification and measurement of financial liabilities. Most of this is consistent with the previous rules in IAS 39. In November 2013, rules were published on hedge accounting. There is currently no fixed application date for IFRS 9. IASB indicates that the earliest application date will be January 1, 2018.

IFRS 11 Joint arrangements
New standard for reporting joint ventures and joint operations. The new standard will mainly involve two changes compared to IAS 31 Interests in joint ventures. One change is whether an investment is considered to be a joint operation or a joint venture. There are different accounting rules depending on which of the investments that exists. The second change is that a joint venture should be reported using the equity method, and the proportional method will not be permitted. Cybercom's investment is currently reported using the proportional method, and since it is deemed that the investment is a joint operation, IFRS 11 does not require a change for Cybercom. The standard is effective for financial years beginning from January 1, 2014 or later.

IFRS 12 Disclosures of interests in other entities
New standard for disclosures for investments in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is effective for financial years beginning from January 1, 2014, or later with retroactive effect.

Amended IAS 28 Investments in associates and joint ventures
The amended standard is broadly consistent with the previous IAS 28. The amendments concern the reporting when changes in ownership occur and significant or joint control ceases or not. The amendments apply for financial years beginning from January 1, 2014 or later.

Note 1, continued

Classifications

Non-current assets and non-current liabilities essentially comprise amounts expected to be recovered or paid more than twelve months after the reporting date.

Current assets and current liabilities essentially comprise amounts expected to be recovered or paid within twelve months after the reporting date.

Operating segments

An operating segment is a part of the group that runs operations from which the group may generate income and incur expenses and for which financial data are available. The company's most senior decision making executive follows up the results of an operating segment in order to evaluate it and allocate resources to the operating segment. See Note 2 for an additional description of the division into and presentation of operating segments.

Consolidation policies

Subsidiaries

Subsidiaries are companies over which Cybercom Group AB has a controlling influence. Controlling influence means, directly or indirectly, the right to draw up a company's financial and operational strategies with the aim of receiving economic benefits. When judging whether the group has controlling influence, potential shares with voting rights are accounted for, i.e., shares that can be used immediately or converted without delay.

Subsidiaries are recognised using the acquisition method. With this method, acquisition of a subsidiary is regarded as a transaction whereby the group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The acquisition cost on consolidation is established through an acquisition analysis in conjunction with the acquisition. The analysis establishes the acquisition cost of the participating interests or business and the fair value, on the acquisition date, of acquired identifiable assets and assumed liabilities and contingent liabilities. The acquisition cost for the subsidiary's shares and operations comprises the sum of fair values at the acquisition date for paid assets, incurred or assumed liabilities and for issued equity instruments submitted as payment in exchange for the acquired net assets. Transaction expenditures for acquisitions through 2009 are included in the cost, and transaction expenditures incurred after 2009 are expensed directly in the year's profit or loss. In business combinations in which the acquisition cost exceeds the fair value of acquired assets and assumed liabilities and contingent liabilities recognised separately, the difference is recognised as goodwill. Any negative difference is recognised directly in profit or loss for the year.

Subsidiaries' financial statements are included in the consolidated accounts from the acquisition date until the date on which the controlling influence ceases.

Joint ventures

In accounting terms, a joint venture is a company in which the group, through partnership agreements with one or more parties, has joint controlling influence on operational and financial governance. Holdings in joint ventures are consolidated in the group accounts using the proportional method. The proportional method means that group ownership of a joint venture's income, expenses, assets, and liabilities, is recognised in the consolidated income statements and balance sheets. This is performed by combining the joint owner's proportion of assets, liabilities, income, and expenses in a joint venture company item by item with equivalent items in the joint owner's consolidated accounts. Only equity earned after the acquisition is recognised in the group's equity. The proportional method is applied from the date when joint controlling influence is received and until the date it ceases.

Transactions eliminated in consolidation

Internal (intra group) receivables and liabilities, income and expenses, and unrealised gains or losses that arise from internal transactions between group companies are entirely eliminated in preparation of the consolidated accounts. Unrealised gains arising from transactions with joint ventures are eliminated to the degree that corresponds to the group's holding in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there are no impairment losses.

Foreign currency

Transactions in foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate that applied on the transaction date. The functional currency is the currency used in the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Exchange differences arising in the translations are recognised in the income statement. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate that applied on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated into the functional currency at the exchange rate that applied on the date they were valued at fair value.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other group surpluses and deficits, are translated from the functional currency of the foreign operation to the group's presentation currency, Swedish kronor, at the exchange rate applicable on the reporting date. Income and expenses in foreign operations are translated into Swedish kronor at an average rate that is an approximation of the exchange rates that applied on each transaction date. Translation differences arising in currency translation regarding foreign operations are recognised in other comprehensive income and are accumulated in the translation reserve in equity. In disposal of a foreign operation, the cumulative translation differences attributable to the operation from the translation reserve are realised in profit or loss for the year. Since 1 January 2004, the transition date to IFRS, translation differences have been recognised in the translation reserve.

Revenue

Rendering of service assignments

Revenue from service assignments is recognised in profit or loss for the year based on degree of completion on the reporting date. Degree of completion is established by assessing work done on the basis of inspections made. Revenue is not recognised if it is probable that the economic benefits will not flow to the group. If there are material uncertainties about payment, appurtenant expenses, or guarantees, and if the seller remains involved in the day-to-day management normally associated with ownership, then no revenue recognition occurs. Consulting revenue is the main source of group revenue and accounts for 98 percent of sales. Other revenue accounts for 2 percent of group sales. Revenue comprises the fair value of services sold, excluding value added tax and discounts and after elimination of intra group sales. Revenue is recognised as follows:

SERVICE ASSIGNMENTS ON RUNNING ACCOUNTS

Running account assignments are recognised as profit or loss as the services are rendered, i.e., revenues and expenses are recognised in the period in which they were earned or incurred. Earned but not invoiced fees on the reporting date are recognised as Time worked but not invoiced under the Other receivables heading.

FIXED PRICE SERVICES

If a fixed price service assignment outcome can be reliably estimated, the assignment's income and expenditure are recognised as revenue and expenses, respectively, relative to the assignment's degree of completion on the reporting date (the percentage of completion method). The number of utilised hours at the reporting date, in relation to the assignment's estimated total hours, mainly determines the percentage of completion.

If estimation of a service assignment's outcome is difficult (e.g., a project is in an early phase), but it is likely that the client will cover accrued expenses, then revenue is recognised at the reporting date at an amount corresponding to the assignment's accrued expenses, so no profit is recognised.

Note 1, continued

No revenue is recognised and accrued expenditure is reported as expenses if it likely that the client will not cover the expenses. An anticipated loss is recognised immediately as an expense, in as much as it can be estimated.

Invoiced fees in fixed price assignments for services not yet rendered are recognised as Advances from clients.

Leasing

See the section on leased assets under Property, plant, and equipment for classification of leases.

Operating leases

Costs pertaining to operating leases are recognised in the income statement on a straight line basis over the lease term. Incentives received in conjunction with signing a lease agreement are recognised in the income statement as a reduction of the leasing payments on a straight line basis over the lease term. Variable charges are expensed in the periods when they arise.

Financial leases

Minimum lease payments are allocated between interest expense and amortisation payment of the outstanding liability. Interest expense is allocated over the lease term so that an amount corresponding to a fixed interest rate for the liability recognised during each period is charged to each period. Variable charges are expensed in the periods when they arise.

Financial income and financial costs

Financial income comprises interest income on cash and cash equivalents and current investments, dividend income, foreign exchange gains and gains on changes in value of financial assets at fair value through profit or loss.

Interest income on financial instruments is recognised using the effective interest rate method. Dividend income is recognised when the right to receive the dividend has been established.

Financial costs comprise interest expenses, foreign exchange losses, losses on changes in value of financial assets at fair value through profit or loss, and losses on hedging instruments recognised in profit or loss for the year. Borrowing costs are recognised in profit or loss using the effective interest rate method.

The effective interest is the interest that discounts the estimated future payments to be received and made during a financial instrument's expected term to maturity, to the reported net value of the financial asset or liability. The calculation includes all fees that are paid or received by the parties to the contract and that form part of the effective interest, transaction costs, and all surplus and deficit values.

Taxes

Income taxes comprise current and deferred tax. Income taxes are reported in profit or loss for the year, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the related tax effect is recognised in other comprehensive income or in equity.

Current tax is payable or receivable for the current year, according to the tax rates enacted or substantially enacted at the reporting date. Current tax also includes adjustment of current tax attributable to earlier periods.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts and tax bases of assets and liabilities. Temporary differences are not considered for differences that arose in initial recognition of goodwill or arose in initial recognition of assets and liabilities that are not business combinations and which, at the time of the transaction, affect neither accounting nor taxable profit or loss. Valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and rules enacted or substantially enacted at the reporting date.

Deferred tax assets regarding deductible timing differences and loss carry-forwards are only recognised where it is deemed probable that they can be used. The value of deferred tax assets is reduced when their use is no longer deemed probable.

Any additional income tax that arises in conjunction with dividends is recognised when the dividend is recognised as a liability.

Financial instruments

Financial instruments recognised on the balance sheet include among assets cash and cash equivalents, loan receivables, derivatives, and accounts receivable as well as time worked but not yet invoiced. Among liabilities are accounts payable, derivatives, and borrowings.

Recognition on and derecognition from the balance sheet

A financial asset or financial liability is recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument. A receivable is recognised when the company has performed a service or supplied a product and the counterparty is contractually obliged to pay, even if an invoice has not yet been sent. Accounts receivable are entered on the balance sheet when an invoice is sent. A liability is entered when the counterparty has rendered a service or supplied a product and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognised when an invoice is received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, expire, or the company loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise expires. The same applies to a part of a financial liability.

A financial asset and a financial liability are offset and reported at the net amount on the balance sheet only when there is a legal offset right for the amounts and the intention is to settle the items at a net amount or to realise the asset and settle the liability simultaneously.

Classification and valuation

Financial instruments that are not derivatives are initially recognised at cost corresponding to the fair value of the instrument, plus transaction costs for all financial instruments apart from those in the category of financial assets at fair value through profit or loss; these are recognised at fair value excluding transaction costs. A financial instrument is classified on initial recognition based on, among other things, the purpose for which it was acquired. The classification determines how the financial instrument is valued subsequent to initial recognition.

Derivatives are initially recognised at fair value, so transaction costs have an impact on profit or loss for the period. Subsequent to initial recognition, derivatives are recognised as follows. If derivatives are used for hedge accounting, and to the extent that this is effective, changes in value of derivatives are recognised on the same line in profit or loss for the year as the hedged item. Even if hedge accounting is not applied, increases and decreases in the value of derivatives are recognised as income and expenses, respectively, in operating profit, or among financial items, based on the purpose of the derivative's use and whether this use relates to an operating item or a financial item. In hedge accounting, the ineffective portion is recognised in the same way as changes in the value of derivatives that are not used for hedge accounting. For interest rate swaps, the interest coupon is recognised as interest and any other change in value of the interest rate swap is recognised as other finance income or other finance costs.

Cash and cash equivalents comprise cash in hand, deposits held at call at banks and comparable institutions, and short term liquid investments that have maturities of less than three months from the acquisition date and that are subject to insignificant risk of changes in value.

Financial assets and liabilities at fair value through profit or loss

This category comprises financial assets and liabilities held for trading. Financial instruments in this category are continually measured at fair value, with changes in value recognised in profit or loss for the year. The category includes derivatives with a positive or negative fair value, except for derivatives that are an identified and effective hedging instrument.

Note 1, continued

Loan receivables and accounts receivable
Loan receivables and accounts receivable are non-derivative financial assets that have fixed or determinable payments and are not quoted on an active market. These assets are valued at amortised cost, which is determined using the effective interest rate calculated on the acquisition date. Accounts receivable are recognised at the amounts expected to be received, that is, less bad debts.

Other liabilities
This category contains loans and other financial liabilities, such as accounts payable; the liabilities are valued at amortised cost.

The group's financial assets and liabilities were allocated to the categories as described in Note 25 Financial assets and liabilities. Recognition of finance income and costs is also described in the above accounting policy for recognition of financial income and costs.

Derivatives and hedge accounting
The group's derivatives were acquired as economic hedges for the risks of interest rate and foreign exchange exposure faced by the group. Derivatives are initially recognised at fair value, so transaction costs have an impact on profit or loss for the period. Subsequent to initial recognition, derivatives are measured at fair value, and changes in value are stated as follows.

An unequivocal connection to the hedged item is required to meet the criteria for hedge accounting stated in IAS 39. The hedge must also effectively protect the hedged item, hedging documentation must be drawn up, and efficacy must be measurable. Gains and losses on hedges of cash flows and net investments are recognised in profit or loss for the year at the same time as gains and losses are recognised for the hedged items.

Cybercom only applies hedge accounting to hedging of net investments in foreign subsidiaries, so hedge accounting is not applied to interest rate swaps.

Receivables and liabilities in foreign currency
Foreign exchange forward contracts are used for the economic hedging of receivables or liabilities against exchange rate risk. Hedge accounting is not applied as protection against currency risk, because an economic hedge is reflected in the accounts by the underlying receivable or liability and the hedging instrument being recognised at the exchange rate on the reporting date and the exchange rate changes being recognised over profit or loss for the year.

Exchange rate changes regarding operating receivables and liabilities are recognised in operating profit, while exchange rate changes regarding financial receivables and liabilities are recognised among financial items.

Hedging exchange rate risk in foreign net investments
Investments in foreign subsidiaries (net assets including goodwill) were partially hedged by raising currency loans that were translated at the closing day rate on the reporting date. Translation differences on financial instruments used as hedging instruments when hedging net investment in a group company are recognised to the extent that the hedge is effective in other comprehensive income and are accumulated in the translation reserve in equity. This neutralises the translation differences that affect equity in consolidation of the group companies.

In disposal of a subsidiary, the cumulative change in value regarding the operation disposed of is transferred from the translation reserve in equity to profit or loss for the year.

Property, plant and equipment
Owned assets
Property, plant, and equipment are recognised in the consolidated accounts at cost, less accumulated depreciation and any impairment losses. Cost includes the purchase price and costs directly attributable to the asset to put it in place and in the right condition for the use for which it was acquired. Accounting policies for impairment are stated below.

The carrying amount of an item of property, plant, or equipment is derecognised from the balance sheet upon retirement or disposal of the asset or when no future economic benefits are expected from the asset's use, retirement, or disposal. Gains or losses that arise from an asset's disposal or retirement comprise the difference between the selling price and the carrying amount, less direct selling expenses.

Leased assets
Leases are classified as finance leases or operating leases. Finance leases are when the economic risks and rewards of ownership have been substantially transferred to the lessee. All other leases are classified as operating leases.

Assets leased under finance leases are recognised as non-current assets on the balance sheet and are initially measured at the lower of the leased item's fair value and the present value of the minimum lease payments at inception of the lease. The obligation to pay future lease charges is stated as non-current and current liabilities. The leased assets are depreciated over their individual useful lives, while lease payments are recognised as interest payments and liability repayments.

Assets leased under operating leases are not recognised as an asset on the balance sheet. Operating leases do not give rise to a liability.

Additional charges
Additional charges are only added to the cost if it is probable that the company will receive the future economic benefits associated with the asset and that the cost can be reliably calculated. All other additional charges are recognised as an expense in the period in which they arise.

Depreciation policies
Depreciation occurs on a straight line basis over the estimated useful life of the asset. Leased assets are also depreciated over their estimated useful life or if shorter over the contractually agreed lease term. Estimated useful lives:

– Buildings	50 years
– Computers	3–5 years
– Equipment	3–5 years

The depreciation methods used, residual values, and useful lives are reassessed at each year end.

Intangible assets
Goodwill
Goodwill is carried at cost, less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested at least once a year for impairment (see Impairment).

Research and development
Expenditure for research aiming to obtain new scientific or technical knowledge is recognised as a cost when it arises.

Development expenditure, where research findings or other knowledge are applied to create new or improved products or processes, is recognised as an asset on the balance sheet, if the product or process is technically and commercially usable and the company has sufficient resources to complete development and then use or sell the intangible asset. The carrying amount includes all directly attributable expenditure, such as material and services, employee benefits, registration of a legal right, amortisation of patents, and licences. Other development expenditure is recognised in profit or loss for the year as a cost when it arises.

Development expenditure recognised on the balance sheet is stated at cost, less accumulated amortisation and any impairment losses.

Other intangible assets
Other intangible assets comprise patents, licence rights, acquired client relationships, and acquired trademarks. They are recognised at cost, less accumulated amortisation and impairment losses (see Impairment).

Note 1, continued

Additional charges
Additional charges for capitalised intangible assets are only stated as an asset on the balance sheet if they increase the future economic benefits for the specific asset to which the charges refer. All other charges are expensed when incurred.

Amortisation policies
Amortisation is recognised in the income statement on a straight line basis over the estimated useful lives of intangible assets, unless such useful lives cannot be determined. The useful lives are reassessed at least once a year. Goodwill is tested for impairment annually and as soon as indications arise that the value of the asset has decreased. Intangible assets with determinable useful lives are amortised from the date on which they become available for use.

Estimated useful lives:

– Licence rights	4–5 years
– Acquired client relationships	10 years
– Acquired trademarks	10 years
– Patents	5 years
– Capitalised development costs	3 years

The useful lives are reassessed annually.

Impairment
The group's recognised assets are assessed on every reporting date to determine whether indications of impairment exist.

Impairment of property, plant, equipment, intangible assets, and interests in joint ventures
The recoverable amount of the asset is calculated (see below) if there is indication of impairment. The recoverable amount for goodwill is also calculated annually. If substantially independent cash flows to an individual asset cannot be established, and if the asset's fair value less selling expenses cannot be used, then assets are grouped in impairment testing to the lowest level at which substantially independent cash flows can be identified – this grouping is called a cash generating unit (CGU).

An impairment charge is recognised when the carrying amount of an asset or CGU exceeds the recoverable amount. Impairment loss is recognised in the income statement as an expense. When impairment has been identified for a CGU, the impairment loss is first allocated to goodwill. Then, a pro rata impairment loss is recognised for the other assets included in the unit.

The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating value in use, future cash flows are discounted using a discount rate that accounts for risk free interest and the risk associated with the specific asset.

Impairment of financial assets
On each reporting date, the company tests whether there is objective evidence that a financial asset is impaired. Objective evidence comprises observable past events that adversely affect the possibility of recovering the acquisition cost.

One observable event is a past-due receivable. Cybercom has set rules for bad debt management; impairment losses regarding past-due accounts receivable are recognised after individual assessment.

Reversal of impairment losses
Impairment losses on assets included in the application area for IAS 36 are reversed if there is both an indication that impairment has ceased and there has been a change in the assumptions that formed the basis of calculating the recoverable amount. Impairment losses on goodwill are never reversed. A reversal only occurs to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been stated, less depreciation or amortisation where applicable, had no impairment loss been recognised.

Impairment losses on loan receivables and accounts receivable recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after impairment loss was recognised.

Earnings per share
Calculation of earnings per share is based on group profit for the year attributable to the parent company's shareholders and the weighted average number of shares outstanding during the year. In calculating diluted earnings per share, the profit and the average number of shares are adjusted to account for effects of the diluting potential ordinary shares.

Employee benefits
Defined contribution pension plans
All pension solutions in the group are classified as defined contribution plans. Consequently, the company's obligation is limited to the contributions that it has committed itself to pay. In such cases the size of the employee's pension depends on the contributions that the company pays to the plan or to an insurance company and the contributions' return on capital. The employee thus bears the actuarial risk (that the remuneration will be lower than expected) and the investment risk (that the invested assets will not suffice to pay out the expected remuneration). The company's commitments regarding payments to defined contribution plans are recognised as an expense in the income statement as they are earned over time by the employee rendering services for the company.

Termination benefits
An expense for remuneration paid on termination of employment is only recognised if the company is demonstrably committed without realistic option of withdrawal to a detailed formal plan to terminate an employment contract before the normal end date. If benefits are offered to encourage voluntary redundancy, an expense is recognised if it is probable that the offer will be accepted and that the number of employees who will accept the offer can be reliably estimated.

Short-term employee benefits
Short-term employee benefits are calculated without discounting and are recognised as a cost when the related services are rendered.

A provision is reported for the expected cost of bonus payments when the group has an applicable legal or informal obligation to make such payments due to services being rendered by employees and the commitment can be reliably calculated.

Provisions
A provision differs from other liabilities because of prevailing uncertainty about payment date or the amount required to settle the provision. A provision is reported on the balance sheet when there is an existing legal or informal obligation due to a past event, it is probable that economic resources outflow will be required to settle the obligation, and the amount can be reliably estimated.

The amount allocated to a provision is the best estimate of what is required to settle the existing obligation on the reporting date. When the payment date has a material impact, provisions are calculated through discounting the expected future cash flow at an interest rate before tax that reflects current market estimates of the time value of money and, where applicable, the risks associated with the liability.

Restructuring
A provision for restructuring is reported when an established, detailed, and formal restructuring plan exists and the restructuring has either started or been publicly announced. No provision is made for future operating expenses.

Onerous contracts
A provision for onerous contracts is recognised when the benefits that the group expects to receive from a contract are lower than the unavoidable costs of fulfilling the contractual obligations.

Note 1, continued

Contingent liabilities

A contingent liability is recognised when a possible obligation due to past events exists and only one or more uncertain future events confirm occurrence of the obligation or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Parent company accounting policies

The parent company prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The board's statements for listed enterprises were also applied. RFR 2 means that, in the annual report for the legal entity, the parent company must apply all EU approved IFRSs and interpretations as far as possible within the framework of the Annual Accounts Act and the law on safeguarding pension commitments, and with regard to the connection between accounting and taxation. The recommendation states which exceptions from and additions to IFRSs must be applied.

Amended accounting policies

Unless otherwise specified below, changes in the parent company's accounting policies in 2013 are the same as stated above for the group.

Differences between the accounting policies of the group and parent company

Differences between the accounting policies of the group and parent company are stated below. The parent company's policies described below were applied consistently to all periods presented in the parent company's financial statements.

Classification and presentation

The parent company's income statement and balance sheet are presented in accordance with the Annual Accounts Act. The main difference to IAS 1 Presentation of financial statements applied in preparation of the group's financial statements is recognition of finance income, finance costs, and equity.

Subsidiaries and joint ventures

Interests in subsidiaries and joint ventures are recognised in the parent company using the cost method and include transaction costs directly attributable to the acquisition. Contingent considerations are recognised as before only when a likely and reliable amount can be calculated, and any reassessments of the value are recognised only on the balance sheet. In the consolidated accounts, contingent considerations are valued at fair value with any changes in value recognised in profit or loss.

The policies for impairment of shares in subsidiaries comply with the Impairment of property, plant, equipment, intangible assets, and interests in joint ventures section for the group.

Revenue

In the parent company's results, service assignments are recognised upon completion of the service. Revenues in the parent company are essentially intra-group services.

Financial guarantees

The parent company's financial guarantee agreements comprise surety. Financial guarantees mean that the company is obliged to compensate a debt instrument holder for losses incurred to the holder due to non-payment by a given debtor on the contractually agreed due date. When recognising financial guarantee agreements, the parent company applies a Swedish Financial Reporting Board rule that allows certain exceptions from the requirements stated in IAS 39. This rule applies to financial guarantee agreements issued to benefit subsidiaries, associates, and joint ventures. The parent company recognises financial guarantee agreements as provisions on the balance sheet when the company has an obligation that probably requires payment in order to be settled.

Financial instruments and hedge accounting

Due to the connection between accounting and taxation, Cybercom does not apply the IAS 39 rules in the parent company as a legal entity.

In the parent company, non-current financial assets are measured at cost, less any impairment losses.

The underlying receivables and liabilities in foreign currency that are protected from exchange rate fluctuations by forward contracts are measured at the spot rate on the date the forward contract is carried. The difference between the forward rate and the spot rate when the contract is entered into (forward premium) is distributed over the period of the forward contract. The distributed forward premium is recognised as interest income and interest expense, respectively. Interest rate swaps, which effectively hedge cash flow risk in interest payments on liabilities, are measured at the net of the accrued receivable on variable interest and accrued liability regarding fixed interest and the difference is recognised as interest expense and interest income, respectively. The hedge is effective if the economic significance of the hedge and the liability are the same, as if the liability had instead been stated at a fixed market interest rate when the hedging relationship commenced. Any premium paid for the swap contract is distributed as interest over the period of the contract.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised where the parent company has the exclusive right to determine the dividend amount and has decided on this amount before publishing the financial statements for the parent company.

Intangible non-current assets

GOODWILL

Goodwill that has an indeterminable useful life and is not subject to amortisation in the group is amortised in the parent company over a period of 10 years. The reason for the estimated useful life is that the acquisitions were important for Cybercom's formation and geographical coverage of the market.

Taxes

In the parent company, untaxed reserves are reported on the balance sheet without separate allocations to equity and deferred tax liability, unlike in the group. Similarly, the parent company's income statement does not include allocation of a proportion of appropriations to deferred tax expense.

Note 2 – Operating segments

2013 SEKm	Sweden	Finland	International	Group-wide & eliminations	Group
Revenue from external clients	**877.8**	**206.1**	**112.5**	**-1.3**	**1,195.1**
Revenue from other segments	7.7	2.0	29.8	-39.5	–
Segment EBITDA	**55.7**	**18.3**	**12.1**	**0.4**	**86.4**
Depreciation, amortisation and impairment losses	-9.9	-10.6	-1.4	-4.4	-26.2
Segment EBIT	**45.8**	**7.7**	**10.7**	**-4.0**	**60.2**
Financial items					-6.9
Profit/loss before tax					**53.3**
Non-current assets[1)]	**652.6**	**114.6**	**19.8**	**73.7**	**860.7**
Number of employees	**776**	**244**	**229**	**18**	**1,267**

1) Of which Sweden SEK 687.5 million, Finland SEK 114.6 million and other countries SEK 58.6 million. Relates to intangible non-current assets and property, plant and equipment. Group-wide includes EBIT for the parent company of SEK -5.6 million, of which restructuring cost SEK 0 million.

2012 SEKm	Sweden	Finland	International	Group-wide & eliminations	Group
Revenue from external clients	**1,022.8**	**200.4**	**117.9**	**-2.0**	**1,339.2**
Revenue from other segments	11.3	2.7	31.7	-45.7	–
Segment EBITDA	**54.2**	**-2.6**	**-7.9**	**-13.4**	**30.2**
Depreciation, amortisation and impairment losses	-10.8	-12.3	-2.2	-4.6	-29.8
Capital gain/loss disposal of subsidiary	–	–	–	-11.8	-11.8
Segment EBIT	**43.4**	**-14.9**	**-10.1**	**-29.8**	**-11.4**
Financial items					-16.4
Profit/loss before tax					**-27.8**
Non-current assets[1)]	**597.8**	**115.1**	**15.9**	**139.4**	**868.2**
Number of employees	**833**	**261**	**217**	**24**	**1,335**

1) Of which Sweden SEK 698.9 million, Finland SEK 115.1 million and other countries SEK 54.2 million. Relates to intangible non-current assets and property, plant and equipment. Group-wide includes EBIT for the parent company of SEK -14.9 million, of which restructuring cost SEK -0.6 million.

The management approach is used to divide group operations into operating segments based on the parts of the operations that group management follows up. The group's operations are organised in such a way that group management follows up the operating profit/loss generated by the group's segments. Each operating segment has a manager who is in charge of day to day operations and who regularly reports the outcome of the operating segment's performance to group management.

Segment Sweden refers to the operations in Sweden, which in 2012 also included the Indian operations. Segment Finland refers to the operations in Finland and the now discontinued operations in Romania. Segment International refers to the operations in Denmark, India, Poland and Singapore/Dubai, and up to April 2012 also the sold operations in China. The operations in India were previously integrated with the Swedish operations, but now also supply to other parts of Cybercom and are reported in the International segment. Comparison periods have been restated using the new segmentation.

Segment revenues consist essentially of consulting assignments and are similar.

The segments' operating profit/loss includes directly attributable items as well as items that can be allocated to the segments in a reasonable and reliable way. Group management does not follow up assets and liabilities on operating segment level. Non-current assets include intangible assets and property, plant and equipment.

Market prices determine group transfer pricing between the group's operating segments.

Revenue from external clients was allocated to the country from which the sales occurred. In 2013, revenue was generated from one major client totalling SEK 153.6 million (145.3), which is recognised in the Sweden (Sweden) operating segment.

Note 3 – Employees, employee benefits expense and remuneration to senior executives

Salaries and other remuneration, group	2013 Senior executives (11 individuals plus the board)	Other employees	2012 Senior executives (11 individuals plus the board)[1]	Other employees
Salaries and other remuneration	19,142	544,323	15,135	613,131
(of which variable)	*1,603*	–	–	–
Pension costs	3,723	61,003	2,500	70,471
Other social security costs	5,208	131,068	4,199	155,629
Total	**28,073**	**736,394**	**21,834**	**839,231**

1) Of which 5 individuals part of year.

2013	Basic salary, board fee	Variable pay[1]	Pension costs	Other social security costs	Total
CEO Niklas Flyborg	3,600	1,188	1,260	1,437	7,485
Other senior executives	4,920	194	1,232	1,845	8,191
Board chairman Hampus Ericsson	200	–	–	63	263
Board member Nicolas Hassbjer	250	–	–	79	329
Board member Jan-Erik Karlsson	200	–	–	62	262
Board member Thomas Landberg	275	–	–	86	361
Board member Dag Sundman	200	–	–	63	263
Total senior executives	**9,645**	**1,382**	**2,492**	**3,635**	**17,154**
Other employees	4,676	–	959	1,984	7,619
Total parent company	**14,321**	**1,382**	**3,451**	**5,619**	**24,773**

1) Of which SEK 900 thousand relates to variable pay for 2012.

2012	Basic salary, board fee	Variable pay	Pension costs	Other social security costs	Total
CEO Niklas Flyborg, part of year	3,000	–	1,042	1,196	5,238
Former acting CEO Petteri Puhakka, part of year	641	–	131	177	949
Other senior executives (4 individuals, of which 2 part of year)	3,695	–	466	1,274	5,435
Board chairman Hampus Ericsson	433	–	–	136	569
Former board chairman Jon Risfelt, part of year	250	–	–	79	329
Board member Margareta Alestig Johnson	250	–	–	79	329
Board member Jan-Erik Karlsson	200	–	–	63	263
Board member Thomas Landberg	275	–	–	86	361
Board member Dag Sundman	200	–	-	63	263
Total senior executives	**8,944**	**–**	**1,639**	**3,152**	**13,735**
Other employees	5,834	–	1,061	3,088	9,983
Total parent company	**14,778**	**–**	**2,700**	**6,240**	**23,718**

Note 3, continued

REMUNERATION TO SENIOR EXECUTIVES AT GROUP LEVEL

Board

According to a decision at the 2013 AGM, an annual fee is paid to the board members of SEK 200 thousand. In addition an annual fee is paid to members of the audit committee, of SEK 75 thousand to the chairman and SEK 50 thousand to other members. No special fee is paid to members of other board committees. Employee representatives do not receive any director's fees. There are no commitments for retirement benefits for external board members.

CEO

CEO Niklas Flyborg

In accordance with adopted guidelines for 2013, the CEO has been entitled to basic salary, variable pay, and other benefits. Variable pay has a set limit corresponding to 50 percent of basic salary. The CEO has a pension agreement with a premium calculated at 35 percent of basic salary. Upon termination by the company the CEO is entitled to 6 months' severance pay. If termination takes place more than 24 months from the start of employment, the CEO is entitled to 12 months' severance pay. Other benefits comprise healthcare insurance.

Other senior executives

During 2013, the group management included the CFO, the head of communications, the head of sales and the parent company head of HR and the heads of the five largest regions, as well as the head of blended delivery. Other senior executives were entitled to basic salary, variable pay, and other benefits. Variable pay is based on operational targets and is a maximum of 30 percent of basic salary, in accordance with the adopted guidelines. A contract has been entered into with the head of sales whereby the variable pay may amount to a maximum of 50 percent of basic salary. For 2013, variable payments totalling SEK 703 thousand (0) were made. Contractual pension provisions are solely premium based. Other benefits comprise healthcare insurance.

Average No. of employees	2013 Number	Of whom men[1]	2012 Number	Of whom men[1]
Sweden	743	82%	853	81%
Denmark	24	88%	33	91%
Dubai	6	100%	2	100%
Finland	229	89%	248	88%
India	45	81%	58	88%
China	–	–	42	–
Poland	115	87%	87	86%
Romania	–	–	9	–
Singapore	18	91%	35	91%
Group	**1,180**	**84%**	**1,368**	**83%**
of whom in parent company (Sweden)	10	40%	11	36%

1) Percentage of men at year end.

Senior executives	2013 No. on reporting date	Of whom men[1]	2012 No. on reporting date	Of whom men[1]
Group				
Board members	5	100%	5	80%
Other senior executives	11	64%	11	64%
Parent company				
Board members	5	100%	5	80%
Other senior executives	5	40%	5	40%

1) Percentage of men at year end.

Note 4 – Auditing fees

	Group		Parent company	
	2013	2012	2013	2012
Auditing within the audit assignment				
KPMG	934	1,077	619	900
Other auditing firms	145	96	–	–
Auditing besides the audit assignment				
KPMG	7	615	3	545
Other auditing firms	–	–	–	–
Tax consultation				
KPMG	14	3	–	–
Other auditing firms	8	7	–	–
Other services				
KPMG	180	634	111	607
Other auditing firms	–	–	–	–
Total	**1,288**	**2,432**	**733**	**2,052**

Fees related to the rights issue amount to SEK 0.1 million (0.5).

Note 5 – Other operating income and operating expenses

	Group		Parent company	
	2013	2012	2013	2012
Re-invoiced costs and rental income	21,851	20,709	–	–
Foreign exchange gains	524	317	292	96
Foreign exchange losses	–	–	-225	-196
Total	**22,375**	**21,026**	**67**	**-100**

The exchange differences refer to operating receivables and operating liabilities, respectively.

Note 6 – Financial items

Group	2013	2012
Interest income	1,056	1,898
Fair value profit derivatives	887	368
Foreign exchange gains	–	–
Financial income	**1,943**	**2,266**
Interest expense on liabilities recognised at accrued cost	-7,335	-16,329
Interest expense on liabilities carried at fair value	-778	-366
Fair value loss derivatives	-77	-76
Foreign exchange losses	-657	-1,849
Financial costs	**-8,847**	**-18,620**
Financial items	**-6,904**	**-16,354**

Parent company	2013	2012
Interest income	4	111
Interest income, group companies	156	1,289
Foreign exchange gains	182	172
Interest income and similar profit items	**342**	**1,572**
Interest expense	-25	-3,067
Interest expense, group companies	–	-905
Foreign exchange losses	-543	-716
Other finance costs	-16	-450
Interest expense and similar loss items	**-584**	**-5,138**

Profit/loss from interests in group companies and joint venture	2013	2012
Dividends	19,024	4,815
Impairment losses	–	-56
Total	**19,024**	**4,759**

Note 7 – Appropriations

Parent company	2013	2012
Change in excess depreciation/amortisation	396	82
Change in tax allocation reserve	5,798	5,191
Group contribution received	1	228
Group contribution paid	-33,579	-19,827
Total	**-27,384**	**-14,326**

Note 8 – Taxes

	Group		Parent company	
	2013	**2012**	**2013**	**2012**
Current tax	-12,937	-10,185	-290	-686
Tax attributable to prior years	-263	–	-5	–
Deferred tax attributable to prior years	1,895	-21,466	–	–
Deferred tax regarding temporary differences	1,110	-2,604	193	73
Deferred tax regarding loss carry-forwards	-1,616	8,941	7,080	4,602
Total	**-11,811**	**-25,314**	**6,978**	**3,989**

Tax regarding items recognised in other comprehensive income or directly in equity	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Tax effect of hedging currency risk in foreign operations in other comprehensive income	–	-619	–	–
Tax effect of issue expenses in equity	–	2,564	–	2,564
Total	**–**	**1,945**	**0**	**2,564**

Difference between tax in income statement and tax based on the parent company's tax rate	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Profit/loss before tax	53,318	-27,773	-20,478	-26,032
Tax per applicable rate	-11,730	7,304	4,505	6,846
Tax attributable to prior years	-263	-21,466	-5	–
Effect of changed tax rate	369	-4,070	–	-1,599
Tax at source on foreign dividends	-290	-686	-290	-686
Tax effect of non-deductible costs	-815	-4,423	-1,401	-1,784
Tax effect of tax-exempt revenue	648	50	4,186	1,277
Tax on standard interest, tax allocation reserves	-40	-123	-17	-65
Non-incurred prepaid tax	–	-837	–	–
Effect of foreign tax rates	310	-1,063	–	–
Tax on year's profit/loss as per income statement	**-11,811**	**-25,314**	**6,978**	**3,989**

Tax rates

The parent company's applicable tax rate is 22 percent (26.3). The group's effective tax rate is 22.2 percent (-90.9). Tax for 2012 was affected by non-recurring effects totalling SEK -25.6 million related to the revaluation of deferred tax assets and liabilities due to changes in corporation tax rates in Sweden and correction of deferred tax assets from previous years.

Note 9 – Earnings per share

Parent company	2013	2012
Share data, basic/diluted		
Earnings per share, SEK	0.23	-0.67
Equity per share, SEK	4.74	4.49
Number of shares at year's start	180,439,495	36,087,899
New share issues	–	144,351,596
Number of shares at year's end	180,439,495	180,439,495
Average number of shares	180,439,495	79,383,831

Historical data relating to the average number of shares and earnings per share have been recalculated in accordance with IAS 33 following the rights issue. The recalculation effect arises since the subscription price was below the market price on the date the subscription rights were separated.

Note 10 – Goodwill

Goodwill	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Opening cost of acquisition	1,140,691	1,154,996	63,051	63,051
Liquidated company	-6,785	–	–	–
Translation differences	13,772	-14,305	–	–
Closing accumulated cost of acquisition	**1,147,678**	**1 140,691**	**63,051**	**63,051**
Opening amortisation/ impairment loss	-355,500	-366,182	-27,847	-21,542
Year's amortisation	–	–	-6,305	-6,305
Liquidated company	6,785	–	–	–
Translation differences	-10,210	10,682	–	–
Closing accumulated amortisation/impairment loss	**-358,925**	**-355,500**	**-34,152**	**-27,847**
Carrying amount	**788,753**	**785,191**	**28,899**	**35,204**

Impairment testing

Group goodwill is tested for impairment once a year or whenever there are signs of a decline in value. This occurs by calculating the recoverable amount of cash generating units (CGUs), to which goodwill is allocated, by calculating the value in use. Future cash flows are discounted when calculating the value in use. The next section describes the assumptions and judgements made in conjunction with impairment testing.

The cash flow forecast and impairment test are made using detailed assumptions for the next five years for each cash generating unit, based on budgets and long-term targets adopted by the board. The number of forecast periods is assumed to be infinite, and annual growth rates in cash flows that occur after five years were estimated at 2 percent (2).

Future performance was calculated based on anticipated growth in sales and earnings in the current units. This is based on Cybercom's perception of volume growth and the trend of both hourly rates and project revenues, as well as its own competitiveness, which, in turn, is based in part on external analyses by independent research institutes combined with Cybercom's historical performance, market strategies, changes in client mix, and the like.

Since the operation's cash flows are forecasted without accounting for financial items, the interest rate applied to calculate the discounting of cash flows must reflect a weighted capital cost for equity and loan financing, i.e., the weighted average cost of capital (WACC).

The WACC totals to 10.5 percent (9.3) after tax, which was the discount rate used in the estimates. The discount rate before tax is 12.8 percent (11.5). The same WACC has been used for all cash-generating units since there is deemed to be an immaterial difference though application of different percentage rates.

The recoverable amount of all CGUs exceeds their carrying amount and Cybercom's assessment is that realistic changes in underlying assumptions would not lead to any need for impairment. Sensitivity analysis for Cybercom Sweden, which represents the major part of the company's surplus values, shows that the recoverable amount is in line with the carrying amount with a WACC after tax of less than the used with 1,6%-pts, a negative deviation regarding growth assumptions with 2%-pts, that is zero growth, or a negative deviation from the group's long-term profitability target of 2.4 percentage points.

No allowance is made in the sensitivity analysis for those measures that the company could take in terms of results to balance out a negative deviation in any of the above parameters. This means that the analysis should be interpreted with caution.

Goodwill distribution by CGU	2013	2012
Cybercom Sweden	652,807	652,807
Cybercom Singapore	38,283	38,283
Cybercom Denmark	11,410	10,997
Cybercom Finland	86,253	83,104
Total	**788,753**	**785,191**

Note 11 – Other intangible non-current assets

Group 2013	Own developed software	Client relationships	Trademarks	Patents
Opening cost	3,198	124,222	29,842	1,334
Year's capitalised costs	1,730	–	–	–
Translation differences	180	2,565	979	–
Closing accumulated cost	**5,108**	**126,787**	**30,821**	**1,334**
Opening amortisation and impairment	-3,198	-87,819	-28,909	-1,334
Year's amortisation	–	-8,091	-400	–
Translation differences	-121	-2,195	-979	–
Closing accumulated amortisation and impairment	**-3,319**	**-98,105**	**-30,288**	**-1,334**
Carrying amount	**1,789**	**28,682**	**533**	**0**

Group 2012	Own developed software	Client relationships	Trademarks	Patents
Opening cost of acquisition	4,538	126,800	30,826	1,334
Sales and retirement of assets	-1,218	–	–	–
Translation differences	-122	-2,578	-984	–
Closing accumulated cost of acquisition	**3,198**	**124,222**	**29,842**	**1,334**
Opening amortisation and impairment	-3,449	-81,771	-29,493	-1,307
Year's amortisation	-676	-8,106	-400	-27
Sales and retirement of assets	812	–	–	–
Translation differences	115	2,058	984	–
Closing accumulated amortisation and impairment	**-3,198**	**-87,819**	**-28,909**	**-1,334**
Carrying amount	**0**	**36,403**	**933**	**0**

Licence rights	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Opening cost of acquisition	44,019	40,451	23,143	20,933
Purchases	357	4,803	25	2,210
Sales and retirement of assets	-1,668	-394	–	–
Through disposal of subsidiaries	–	-191	–	–
Translation differences	665	-650	–	–
Closing accumulated cost of acquisition	**43,373**	**44,019**	**23,168**	**23,143**
Opening amortisation	-24,686	-20,188	-9,176	-5,150
Year's amortisation	-5,542	-5,402	-3,832	-4,026
Sales and retirement of assets	1,668	237	–	–
Through disposal of subsidiaries	–	188	–	–
Translation differences	-516	479	–	–
Closing accumulated amortisation	**-29,076**	**-24,686**	**-13,008**	**-9,176**
Carrying amount	**14,297**	**19,333**	**10,160**	**13,967**

Client relationships with a carrying amount of SEK 9.9 million (11.9) have a remaining amortisation period of 4 years (5) and client relationships with a carrying amount of SEK 18.8 million (24.5) have a remaining amortisation period of 3 years (4).

Note 12 – Property, plant and equipment

	Group		Parent company	
Equipment	**2013**	**2012**	**2013**	**2012**
Opening cost of acquisition	115,484	115,806	2,719	2,707
Purchases	12,576	11,453	14	53
Sales and retirement of assets	-3,373	-3,756	–	-41
Through disposal of subsidiaries	–	-4,930	–	–
Re-classification	–	-37	–	–
Translation differences	2,703	-3,052	–	–
Closing accumulated cost of acquisition	**127,390**	**115,484**	**2,733**	**2,719**
Opening depreciation	-91,478	-86,096	-2,136	-1,955
Year's depreciation	-11,809	-14,515	-161	-188
Sales and retirement of assets	2,726	2,590	–	7
Through disposal of subsidiaries	–	4,229	–	–
Translation differences	-2,247	2,314	–	–
Closing accumulated cost of acquisition	**-102,808**	**-91,478**	**-2,297**	**-2,136**
Carrying amount	**24,582**	**24,006**	**436**	**583**

The table for equipment includes non-current assets of SEK 6.2 million (6.5) classified as finance leases. See also Note 27 Leasing.

	Group	
Buildings	**2013**	**2012**
Opening cost of acquisition	2,482	2,741
Translation differences	-291	-259
Closing accumulated cost of acquisition	**2,191**	**2,482**
Opening depreciation	-132	-92
Year's depreciation	-47	-53
Translation differences	18	13
Closing accumulated depreciation	**-161**	**-132**
Carrying amount	**2,030**	**2,350**

Note 13 – Non-current financial assets

Group	**2013**	**2012**
Opening cost of acquisition	1,604	849
Purchases	–	872
Sales/amortisation	-936	-107
Translation differences	-2	-10
Closing accumulated cost of acquisition	**666**	**1,604**
Opening impairment loss	-579	-666
Year's impairment losses	-6	87
Closing accumulated impairment losses	**-585**	**-579**
Carrying amount	**81**	**1,025**

Parent company	**2013**	**2012**
Interests in group companies		
Opening cost of acquisition	1,141,338	1,134,925
Acquired group companies	650,000	–
Disposal of subsidiaries	-450,360	–
Shareholder contribution, net	–	6,413
Closing accumulated cost of acquisition	**1,340,978**	**1,141,338**
Opening impairment loss	-463,352	-463,296
Year's impairment loss	–	-56
Closing accumulated impairment loss	**-463,352**	**-463,352**
Book value interests in group companies	**877,626**	**677,986**
Book value interests in joint ventures	667	667
Financial investments	–	849
Carrying amount	**878,293**	**679,502**

In 2013, no impairment was necessary. Changes in interests in group companies relate to the mergers undertaken in the group in 2013. In 2012, an impairment loss of SEK 56 thousand was recognised related to a shareholder contribution to a non-operating subsidiary. In calculating the value in use of assets, a discounting rate of 10.5 (9.3) percent after tax (12.8 (11.5) percent before tax) was used.

			Capital and votes, %		No. of interests		Carrying amount	
Subsidiaries included in group	**Corporate identity No.**	**Registered office**	**2013**	**2012**	**2013**	**2012**	**Dec 31, 2013**	**Dec 31, 2012**
Cybercom Consulting AB[2)]	556497-0787	Stockholm	–	100	–	1,001	–	450,120
Cybercom Sweden AB	556254-0673	Stockholm	100	100	20,000,000	–	650,000	–
Cybercom do Brazil	15.191.686/0001-12	Brazil	0.1	0.1	–	–	–	–
Cybercom Romania Holding AB[2)]	556788-5909	Stockholm	–	100	–	–	–	–
Cybercom Romania S.R.L[1)]	19217664	Romania	–	100	–	–	–	–
Cybercom Group Stockholm AB	556551-4493	Stockholm	100	100	1,000	1,000	120	120
Cybercom IS/IT Services AB	556544-6225	Stockholm	100	100	–	1,000	–	120
Cybercom Poland Sp. Z o.o	0000036076	Poland	100	100	–	–	–	–
Cybercom Nord AB[2)]	556554-8673	Stockholm	–	100	–	1,000	–	120
Cyber Com Consulting A/S	25795938	Denmark	100	100	5,549	5,549	14,806	14,806
Cybercom Netcom Consultants AB	556359-1097	Stockholm	100	100	5,000	5,000	42,787	42,787
Cybercom Singapore PTE Ltd	199707629N	Singapore	100	100	–	–	–	–
Cybercom do Brazil	15.191.686/0001-12	Brazil	99.9	99.9	–	–	–	–
Cybercom Finland Oy	1516651-3	Finland	100	100	1,371,320	1,371,320	169,912	169,912
Carrying amount in parent company							**877,626**	**677,986**

1) Companies liquidated in 2013.
2) Companies merged in 2013. Cybercom Consulting AB with Cybercom Sweden AB, and Cybercom Romania Holding AB and Cybercom Nord AB with Cybercom Group Stockholm AB.

Note 14 – Interests in joint venture

The group has a 49.5 percent (49.5) holding in a joint venture in India called Cybercom Datamatics Information Solutions Ltd, corporate identity number U72900MH2000PTC123469, with its registered office in Mumbai. The following amounts are included in the consolidated income statement and balance sheet and constitute the group's 49.5 percent (49.5) share in the assets, liabilities, income, and costs of this joint venture.

Interests in joint venture	2013	2012
Assets		
Non-current assets	2,277	3,166
Current assets	11,178	12,563
	13,455	**15,729**
Liabilities		
Non-current liabilities	1,095	2,707
	1,095	**2,707**
Net assets	**12,360**	**13,022**
Income	9,130	11,682
Expenses	-6,014	-8,628
Year's profit	**3,116**	**3,054**

The current liabilities include a bank loan of SEK 481 thousand (1,695) for which the joint venture company's long-term investments and operating assets are pledged as collateral.

No contingent liabilities arise from the group's interest in this joint venture and the joint venture has no contingent liabilities.

Note 15 – Accounts receivable

	Group		Parent company	
	2013	2012	2013	2012
Accounts receivable	289,999	367,020	–	–
Bad debts				
Opening balance	-2,234	-19,154	–	–
Reversal of previously recognised impairment losses	1,293	4,915	–	–
Actual bad debt losses	928	8,378	–	–
Through disposal of subsidiaries	–	4,803	–	–
Year's impairment losses	-750	-1,372	–	–
Translation differences	0	196	–	–
Closing balance	**-763**	**-2,234**	**–**	**–**
Accounts receivable, net	**289,236**	**364,786**	**–**	**–**

Note 16 – Other receivables

	Group		Parent company	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Time worked but not invoiced	16,045	48,013	–	–
Other items	1,613	4,171	169	28
Total	**17,658**	**52,184**	**169**	**28**

Note 17 – Prepayments

	Group		Parent company	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Prepaid rents	598	645	–	10
Prepaid leasing fees	215	237	–	–
Prepaid insurance premiums	3,494	6,699	355	69
Prepaid services and fees	3,016	1,105	16	112
Prepaid interest expense	1,715	278	–	–
Prepaid licence fees	2,546	3,097	203	400
Prepaid data communication	2,387	504	–	–
Other items	2,141	8,053	112	347
Total	**16,112**	**20,618**	**686**	**938**

Note 18 – Equity

On December 31, 2013 the registered share capital stood at 180,439,495 shares (180,439,495). The shares' par value is 0.25 (0.25). All shares are fully paid.

The translation reserve contains all exchange differences that arise in translation of financial statements from foreign operations that have prepared their financial statements in a currency other than Swedish kronor, which is the currency in which the group's financial statements are presented. The translation reserve also contains exchange differences arising in revaluation of liabilities recognised as hedging instruments of a net investment in a foreign operation.

	Group	
Translation reserve in equity	2013	2012
Opening balance	-5,889	522
Hedging currency risk in foreign operations	–	2,353
Tax effect of hedging currency risk in foreign operations	–	-619
Translation differences reclassified as profit or loss	-1,776	–
Year's change in translation reserve	5,609	-8,145
Closing balance	**-2,056**	**-5,889**

Note 19 – Deferred tax

Deferred tax assets	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Non-deductible depreciation of equipment	1,107	2,199	–	–
Endowment insurance and employer's contribution	1,214	989	1,214	989
Provisions	1,111	3,704	–	23
Goodwill from net assets acquisition	24	142	–	–
Loss carry-forwards	15,206	16,912	14,238	7,167
Other	904	825	–	–
Total deferred tax assets	**19,566**	**24,771**	**15,452**	**8,179**
Deferred tax liabilities				
Accumulated excess amortisation	-212	-487	–	–
Tax allocation reserves	-1,064	-5,033	–	–
Trademarks	-118	-205	–	–
Client relationships	-6,086	-8,260	–	–
Total deferred tax liabilities	**-7,480**	**-13,985**	**–**	**–**
Deferred tax, net	**12,086**	**10,786**	**15,452**	**8,179**

Temporary differences exist in those cases where the carrying amounts and tax bases differ for assets or liabilities. Temporary differences regarding the items above resulted in deferred tax liabilities and deferred tax assets. Tax for 2012 is affected by non-recurring effects totalling SEK -25.6 million related to the revaluation of deferred tax assets and liabilities due to changes in corporation tax rates in Sweden and correction of deferred tax assets from previous years. The changes have been recognised in the year's comprehensive income, with the exception of tax on issue costs, which are recognised in equity, see Note 8.

Amounts on the balance sheet include	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Deferred tax assets used after 1 year	1,214	2,096	1,214	990
Deferred tax liabilities payable after 1 year	-5,250	-7,506	–	–

Change in deferred tax assets, net	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Opening balance, net	10,786	25,356	8,179	940
Through disposal of subsidiaries	–	-1,235	–	–
Change in year's comprehensive income	1,389	-15,748	7,273	4,675
Change directly against equity	–	2,564	–	2,564
Translation differences	-89	-151	–	–
Closing balance, net	**12,086**	**10,786**	**15,452**	**8,179**

Loss carry-forwards

Deferred tax assets for loss carry-forwards are recognised to the extent that it is likely these can be utilised against taxable revenues. The years in which these loss carry-forwards expire is shown below.

Expiration for loss carry-forwards	Group Loss carry-forward	Group Tax effect	Parent company Loss carry-forward	Parent company Tax effect
Unlimited useful life	70,381	15,206	64,830	14,263
Total	**70,381**	**15,206**	**64,830**	**14,263**

Note 20 – Other non-current liabilities

	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Bank loans	65,000	105,000	–	–
Financial leases	3,865	4,106	–	–
Liability to former shareholders of auSystems	1,107	1,982	–	–
Other	685	1,725	686	1,535
Total	**70,657**	**112,813**	**686**	**1,535**

The bank loans mature up until 2015 and are subject to 3 months' interest with interest based on STIBOR 3M.

Note 21 – Overdraft facility

Cybercom has an agreed overdraft facility of SEK 75 million (100), of which none was utilised at December 31, 2013 (previous year SEK 13.2 million).

Note 22 – Restructuring provision

Change in restructuring provision	Group 2013	Group 2012	Parent company 2013	Parent company 2012
Carrying amount at year's start	29,417	8,055	634	3,388
Provisions made during the year	–	33,397	–	634
Amounts used during the year	-28,448	-10,261	-634	-3,054
Unutilised amounts reversed during the year	–	-1,632	–	-334
Translation differences	24	-142	–	–
Total carrying amount at year end	**993**	**29,417**	**–**	**634**

A cost-cutting programme was implemented in 2012, leading to provisions of SEK 28.4 million and closure of the operations in Romania that resulted in a provision of SEK 5.0 million. Payments amounted to SEK 28.4 million (10.3) for the full-year. The anticipated payments for 2014 are SEK 1 million.

Note 23 – Other current liabilities

	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Bank loans	40,481	21,695	–	–
Factoring	–	30,190	–	–
Derivatives	584	1,386	–	–
Financial leases	2,338	2,392	–	–
VAT, tax at source	25,141	30,939	1,064	1,110
Other current liabilities	16,012	16,807	490	612
Total	**84,556**	**103,409**	**1,554**	**1,722**

The portion of the bank loan that matures within 12 months is subject to 3 months' interest with interest based on STIBOR 3M.

Note 24 – Accrued expenses and deferred income

	Group		Parent company	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Accrued salaries	12,112	9,486	–	–
Accrued holiday pay	54,279	60,762	758	786
Accrued social security costs	26,103	29,913	850	820
Accrued interest expense	156	862	–	–
Accrued external services	22,666	18,948	439	1,814
Other items	7,921	10,911	856	987
Total	**123,237**	**130,882**	**2,903**	**4,407**

Note 25 – Financial assets and liabilities

Financial assets and liabilities by measurement category.

Group Dec 31, 2013	Loan receivables and accounts receivable	Other liabilities	Financial assets and liabilities measured at fair value through profit or loss	Total carrying amount and fair value
Unlisted shares, MCL 3, Note 13	–	–	81	81
Accounts receivable, Note 15	289,236	–	–	289,236
Time worked but not invoiced, Note 16	16,045	–	–	16,045
Current investments, Note 31	7,782	–	–	7,782
Cash and bank, Note 31	15,883	–	–	15,883
Total	**328,946**	**–**	**81**	**329,027**
Non-current loans and lease liabilities, Note 20	–	68,865	–	68,865
Current loans and lease liabilities, Note 23	–	42,819	–	42,819
Accounts payable	–	65,403	–	65,403
Derivatives, MCL 2, Note 23	–	–	584	584
Accrued interest expense, Note 24	–	156	–	156
Total	**–**	**177,243**	**584**	**177,827**

Group Dec 31, 2012	Loan receivables and accounts receivable	Other liabilities	Financial assets and liabilities measured at fair value through profit or loss	Total carrying amount and fair value
Deposit rental contract, Note 13	49	–	–	49
Financial investment, MCL 2, Note 13	–	–	849	849
Unlisted shares, MCL 3, Note 13	–	–	127	127
Accounts receivable, Note 15	364,786	–	–	364,786
Time worked but not invoiced, Note 16	48,013	–	–	48,013
Current investments, Note 31	8,109	–	–	8,109
Cash and bank, Note 31	12,230	–	–	12,230
Total	**433,187**	**–**	**976**	**434,163**
Non-current loans and lease liabilities, Note 20	–	109,106	–	109,106
Current loans and lease liabilities, Note 23	–	24,087	–	24,087
Factoring, Note 23	–	30,190	–	30,190
Utilised overdraft facility, Note 21	–	13,161	–	13,161
Accounts payable	–	89,959	–	89,959
Derivatives, MCL 2, Note 23	–	–	1,386	1,386
Accrued interest expense, Note 24	–	862	–	862
Total	**–**	**267,365**	**1,386**	**268,751**

Measurement categories, levels (MCL)

The fair value of financial instruments is determined on the basis of three categories.
Level 1: Prices quoted in an active market for the same instruments.
Level 2: Directly or indirectly observable market data not included in level 1.
Level 3: Unobservable market data (inputs).

Establishing fair value

The next section summaries the main methods and assumptions used to establish the fair value of the financial instruments recognised.

Non-current receivables, loans to employees and securities

The fair value of unlisted financial assets is established by computing the future cash flows. The measurement assessment takes account of the value in the event of any completed transactions.

Financial investments, derivatives

The fair value of foreign exchange contracts and interest rate swaps is based on the measurement made by the brokering credit institution.

Accounts receivable and accounts payable

For accounts receivable and accounts payable, the carrying amount is considered to reflect the fair value.

Interest bearing liabilities, loans

The fair value of financial liabilities that are not derivatives is computed using future cash flows of capital amounts and interest discounted at the actual market interest rate on the reporting date.

Interest bearing liabilities, leasing

The fair value is based on the present value of future cash flows discounted at the market interest rate for similar leases.

Note 26 – Risk exposure and risk management

Cybercom is exposed to various kinds of financial risks through its operations.

Financial risks mean fluctuations in the company's profit or loss and cash flow due to changes in exchange rates, interest rates, refinancing risks and credit risks. The board drew up the group's finance policy for managing financial risks and the policy forms a framework of guidelines and rules. Responsibility for the group's financial transactions is managed centrally in the parent company. The overall goal is to minimise adverse impact on the group's results.

LIQUIDITY AND FINANCING RISK

Liquidity risk is the risk of the group having problems fulfilling its obligations that are linked to financial liabilities. The group has rolling 26 week liquidity planning that covers all group units in addition to the annual liquidity budget. This planning is updated weekly. Liquidity planning is used to manage the liquidity risk and to minimise the cost of financing the group. The aim is that the group will be able to fulfil its financial commitments in economic high and low periods, without significant unforeseeable costs and without risking the group's reputation. Group policy is to minimise the need for borrowing by using excess liquidity within the group through cash pools. The group previously made use of factoring in the form of invoice sales for certain large clients in Sweden. This was phased out during 2012. Liquidity risks to the group are managed centrally in the parent company.

Cybercom has an agreed overdraft facility of SEK 75 million, of which none was utilised at December 31, 2013 (13.2). Cybercom's had financial liabilities of SEK 177.8 million (268.8) at year end and the table below shows the maturity structure. Future amortisation and interest payments on the debt liability are calculated on the basis of exchange and interest rates on the reporting date.

		Dec 31, 2013				Dec 31, 2012			
Group	**Original currency**	**Total**	**0–1 year**	**1–3 years**	**3–5 years**	**Total**	**0–1 year**	**1–3 years**	**3–5 years**
Bank loans	SEK	**108,673**	42,558	66,115	–	**134,127**	23,818	110,309	–
Bank loans	INR	**481**	481	–	–	**1,695**	1,695	–	–
Derivatives	SEK	**584**	584	–	–	**958**	634	324	–
Bank overdraft	SEK	**–**	–	–	–	**13,161**	13,161	–	–
Factoring	SEK	**–**	–	–	–	**30,190**	30,190	–	–
Accounts payable	See table below	**65,403**	65,403	–	–	**89,959**	89,959	–	–
Financial lease liabilities	EUR/PLN	**6,572**	2,555	4,017	–	**7,165**	2,617	4,548	–
Total		**181,713**	**111,581**	**70,132**	**–**	**277,255**	**162,074**	**115,181**	**–**

Achievement of certain key figures, called covenants, is a prerequisite for loan financing. The key figures are based on Cybercom's profit or loss, net financial items and debt/equity ratio. Cybercom continually analyses these key figures. The company meets the requirements of the covenants.

MARKET RISK

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in the market price. IFRS defines three types of market risks: currency risk, interest rate risk, and other price risks. Interest rate and currency risks are the market risks that affect the group most.

Interest rate risk

Interest rate risk is the risk of the value of financial instruments varying due to changed market interest rates. Interest rate risk can lead to changed cash flows. The fixed interest term is a significant factor that affects interest rate risk. Three-month interest applies to Cybercom's debt financing. To hedge the uncertainty of highly probable predicted interest rate flows regarding borrowing at variable rates of interest, Cybercom uses interest rate swaps to some extent for which it receives interest at variable rates and pays fixed rate interest for the duration of the loan. On December 31, 2013, SEK 30 million (50) of the loan was hedged. A 100 basis-point change in interest on the reporting date would, based on the above table and before taking into account interest-rate swaps, impact the group's future profit or loss and equity by SEK 1.0 million (1.7), and after taking into account interest-rate swaps by SEK 0.8 million (1.3). The sensitivity analysis assumes that all other factors (such as exchange rates) remain unchanged.

Currency risk

The risk of fair values and cash flows of financial instruments fluctuating when the values of foreign currencies change is called currency risk. Cybercom is exposed to various currency risks. The main exposure occurs in the group's sales and purchases in foreign currencies. These currency risks comprise the risk of fluctuations in the value of accounts receivable and accounts payable, and the currency risk of expected and contracted payment flows. However, currency hedging takes place only to a very limited extent. These risks are called transaction exposure. Cybercom's policy is to only hedge existing and well-known currency flows, principally certain client contracts. Cybercom does not hedge any forecasted currency flows. Cybercom always strives wherever possible to match revenue and expenses in the same currency.

Translation of assets and liabilities of foreign subsidiaries to the parent company's functional currency also involves currency risks, known as translation exposure. Hedge accounting is used in the accounts when the prerequisites for this have been fulfilled. The group's income statement includes exchange differences of SEK -0.1 million (0.3) in operating profit or loss and exchange differences of SEK -0.7 million (-1.8) in financial items.

Transaction exposure

Cybercom's transaction exposure was distributed among these currencies on the reporting date, amounts in SEK thousand, revaluated to the exchange rate on the reporting date.

Note 26, continued

Currency	Dec 31, 2013 Accounts receivable	Other receivables	Accounts payable	Other liabilities	Total	Dec 31, 2012 Accounts receivable	Other receivables	Accounts payable	Other liabilities	Total
SEK	233,096	13,109	-54,791	-135,294	**56,120**	311,498	42,438	-75,716	-227,441	**50,779**
CHF	92	–	–	–	**92**	547	811	–	–	**1,358**
DKK	8,519	–	-1,477	-727	**6,314**	6,787	0	-1,074	-286	**5,427**
EUR	31,940	2,295	-6,357	-1,679	**26,199**	28,249	1,505	-9,970	-863	**18,921**
GBP	–	–	-25	-7	**-31**	–	–	–	–	**–**
INR	–	–	-9	-481	**-490**	–	–	-8	-1,695	**-1,703**
NOK	110	192	–	-9	**293**	304	286	–	–	**590**
PLN	3,298	24	-465	-32	**2,824**	1,329	72	-638	–	**763**
SGD	–	–	-104	–	**-104**	77	–	-140	–	**-63**
USD	12,181	450	-2,175	-614	**9,842**	15,995	1,630	-2,413	-40	**15,172**
Total	**289,236**	**16,069**	**-65,403**	**-138,843**	**101,059**	**364,786**	**46,742**	**-89,959**	**-230,325**	**91,244**

Sensitivity to transaction exposure

Based on transaction exposure on December 31, 2013, and excluding any foreign exchange hedges, Cybercom's profit or loss would have been affected by SEK 4.5 million (4.0) if exchange rates against Swedish kronor had changed by 10 percent.

Translation exposure

Foreign net assets in the group are distributed among the following currencies.

Sensitivity to translation exposure

Based on translation exposure on December 31, 2013, the group's equity would have been affected by SEK 21.8 million (21.7) if the Swedish krona had fluctuated by 10 percent against all those currencies to which Cybercom has translation exposure, including hedges but excluding any effects in equity as a result of translation of other items included in profit or loss for the year.

See also Note 1, Accounting policies, for information about hedge accounting.

Original currency	Dec 31, 2013 Net investment	Hedged net investment	Net exposure	Dec 31, 2012 Net investment	Hedged net investment	Net exposure
DKK	23,398	–	**23,398**	38,927	–	**38,927**
EUR	145,620	–	**145,620**	132,386	–	**132,386**
INR	12,359	–	**12,359**	13,021	–	**13,021**
PLN	10,155	–	**10,155**	9,606	–	**9,606**
RON	–	–	**–**	1,154	–	**1,154**
USD	26,322	–	**26,322**	21,734	–	**21,734**
Total	**217,854**	**–**	**217,854**	**216,828**	**–**	**216,828**

CREDIT RISK

The risk of Cybercom's clients not fulfilling their obligations, i.e. Cybercom not receiving payment from clients, is a client credit risk. Historically, Cybercom has had very low credit losses. The majority of the group's clients are well reputed companies and government agencies with high credit ratings. Cybercom's policy is to check the creditworthiness of its clients by obtaining data on clients' financial position from a credit rating agency. But Cybercom does not produce credit classifications from this data. Cybercom has set rules for bad debt management, and impairment of past-due accounts receivable takes place after individual assessment.

The maximum credit risk exposure corresponds with the carrying amount.

Ageing analysis, past due but not impaired receivables

	2013 Carrying amount	2012 Carrying amount
Accounts receivable, not past due	248,793	312,225
Past due 1–30 days	39,601	50,566
Past due 31–90 days	810	745
Past due >90 days	32	1,250
Total	**289,236**	**364,786**

Cybercom has no collateral at its disposal for past due accounts receivable.

Capital management

Cybercom defines its managed assets as the equity of the group. It is necessary for Cybercom to have a robust financial position and strong liquidity. This provides the financial flexibility and independence required to operate and manage the variations in the need for capital employed and benefit from business opportunities. Cybercom's capital structure and dividend policy are adopted by the board.

The management of capital structure aims to create a balance between equity, debt financing and liquidity so that Cybercom secures financing for the business at a reasonable capital cost. Cybercom aims to finance growth, normal investments and distributions to shareholders by generating sufficient positive cash flow from operations.

Dividend policy

Cybercom will pay a dividend to its shareholders of at least 30 percent of net profit, unless there are special considerations relating to the company's financial situation or plans. The board proposes that the annual general meeting endorse no dividend for financial year 2013 (SEK 0 per share 2012).

Debt policy

Cybercom will have net debt over time, not exceeding 30 percent of equity. In 2013 net debt was 10 percent (19) of equity.

Note 27 – Leasing

The nominal value of future minimum lease payments under non-cancellable operating leases is distributed per this table.

	Group		Parent company	
Operating leases	**2013**	**2012**	**2013**	**2012**
Payable within one year	34,306	35,537	14	41
Payable after one year but within five years	56,787	64,609	–	165
Payable after five years	389	339	–	41
Total	**91,482**	**100,485**	**14**	**247**

	Group		Parent company	
Operating leases	**2013**	**2012**	**2013**	**2012**
Lease expenses	45,642	51,748	33	66
Lease income from sub-leased items	1,266	3,080	–	–

Leasing contracts mainly comprise rental contracts for premises and a small number of office machines.

Expiration of non-cancellable financial leases is shown in the table.

	2013			2012		
Financial leases, group	**Minimum lease payment**	**Interest**	**Principal**	**Carrying amount**	**Interest**	**Principal**
Payable within one year	2,555	217	2,338	2,617	224	2,393
Payable after one year but within five years	4,017	154	3,865	4,548	436	4,105
Payable after five years	–	–	–	–	–	–
Total	**6,572**	**371**	**6,203**	**7,165**	**660**	**6,498**

	Group	
Financial leases	**2013**	**2012**
Variable charges included in the period's profit or loss	238	517

Note 28 – Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**2013**	**2012**	**2013**	**2012**
In the form of pledged assets for own liabilities and provisions				
Shares	824,770	617,033	650,000	450,120
Floating charges	200,000	200,000	–	–
Account receivable	–	30,190	–	–
Total pledged assets	**1,024,770**	**847,223**	**650,000**	**450,120**

The shares in Cybercom Sweden AB have been pledged as collateral for the obligations within existing loan agreements with Nordea. The group value of the pledge on December 31, 2013 was SEK 824.8 million. As contractually agreed, the lenders are entitled to realise the pledge if grounds for cancellation arise (event of default) and no agreement can be reached. The pledge can only be realised if an event of default still exists when realisation takes place. In addition, floating charges in Cybercom Sweden AB of SEK 200 million were pledged as collateral for the loan agreement.

At December 31, 2012, accounts receivable amounting to SEK 30.2 million were pledged as collateral for the obligations relating to invoice factoring in the Swedish operations. In 2013, this invoice factoring was terminated and there is no longer any pledge for this.

Note 29 – Related party transactions

Purchases and sales between group companies amounted to SEK 77.6 million (93.6) and mainly comprised services. Purchases and sales between group companies and joint venture totalled SEK 8.8 million (11.4). JCE Group is Cybercom's largest shareholder with a direct and indirect 42.1 percent (42.1) shareholding. Sales totalling SEK 0.3 million (0.8) took place to Consafe Logistics, a company in the JCE group.

Note 3 lists remuneration to senior executives.

Note 30 – Untaxed reserves

	Parent company	
	2013	**2012**
Tax allocation reserve, taxation 2008	–	5,798
Tax allocation reserve, taxation 2010	4,048	4,048
Accumulated excess depreciation/amortisation	964	1,359
Total	**5,012**	**11,205**

Note 31 – Cash flow statement

Cash and cash equivalents	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Current investments	7,782	8,109	–	–
Cash and bank	15,883	12,230	38,051	2,058
Cash and cash equivalents	**23,665**	**20,339**	**38,051**	**2,058**

Interests	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Interest received	2,039	2,065	160	1,403
Interest paid	-8,896	-18,330	-41	-4,842
Interests, net	**-6,857**	**-16,265**	**119**	**-3,439**

Adjustments for items not included in cash flow	Group Dec 31, 2013	Group Dec 31, 2012	Parent company Dec 31, 2013	Parent company Dec 31, 2012
Depreciation, amortisation and impairment losses	26,199	29,857	10,298	10,514
Change in untaxed reserves	–	–	-6,194	-5,273
Unrealised exchange differences	-739	-148	–	–
Fair value derivatives	-772	-390	–	–
Group contribution	–	–	33,578	19,598
Impairment of shares	–	–	–	56
Capital gain	158	11,792	–	–
Interest not paid/received	-610	-1,761	–	-418
Provisions	-28,448	21,504	-634	-2,754
Total	**-4,212**	**60,854**	**37,048**	**21,723**

Note 32 – Acquisitions of subsidiaries

In 2007 Cybercom acquired auSystems in Sweden, Denmark and Poland from Teleca with around 700 employees. In conjunction with the acquisition, an additional purchase price of SEK 21,954 thousand was entered as a liability. The additional consideration refers to 50 percent of the tax effect for amortisation of goodwill arising from the purchase of net assets in one of the acquired companies. In 2013, Teleca's portion of the tax effect was SEK 661 thousand (4,511), thus the corresponding part of the liability has been paid to Teleca. The remaining purchase price amounts to SEK 1.1 million.

Investing activities	2013	2012
Purchase price settled in cash	-661	-4,511
Effect of acquisition on group's cash and cash equivalents	**-661**	**-4,511**

Note 33 – Disposal of subsidiary

In 2012, Cybercom divested the Chinese operations with 126 employees with a negative consideration of SEK 1.4 million, which resulted in a capital loss of SEK 11.8 million. The transaction took place through a share transfer, whereby the purchaser took over all assets, client contracts, employment agreements and other obligations on June 6, 2012. The activities were included in Cybercom's financial information until April 2012.

There were no disposals during 2013.

Investing activities	2012
Cash settled purchase price	-1,367
Sales expenses	-2,866
Settlement outstanding assets/liabilities	-2,053
Total purchase price	**-6,286**
Cash and cash equivalents in divested subsidiary	-1,143
Effect on group's cash and cash equivalents from disposal	**-7,429**

Investing activities	2012
Intangible non-current assets	3
Property, plant and equipment	701
Deferred tax assets	1,235
Total non-current assets	**1,939**
Current assets	3,793
Cash and cash equivalents	1,143
Total current assets	**4,936**
Total assets	**6,875**
Non-current liabilities	–
Current liabilities	-1,369
Divested net assets	**5,506**

Capital gain/loss	2012
Negative purchase price	-1,367
Sales expenses	-2,866
Settlement outstanding assets/liabilities	-2,053
Total purchase price	**-6,286**
Divested net assets	-5,506
Capital gain/loss	**-11,792**

Assurance

The Board of Directors and the CEO hereby certify that the annual accounts were prepared in accordance with generally accepted accounting standards in Sweden, and that the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as defined in regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual accounts and the consolidated financial statements provide a fair presentation of the group and parent company's financial position and earnings. The directors' report provides a fair presentation of the group's and parent company's operations, financial position and earnings and describes significant risks and uncertainties facing the parent company and the companies included in the group.

Stockholm, March 28, 2014

Hampus Ericsson
Chairman of the Board

Nicolas Hassbjer
Board member

Jan-Erik Karlsson
Board member

Thomas Landberg
Board member

Dag Sundman
Board member

Robin Hammarstedt
Board member
employee representative

Henrik Lundin
Board member
employee representative

Niklas Flyborg
President and CEO

Our audit report was issued on March 28, 2014
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Independent auditor's report

To the annual meeting of the shareholders of Cybercom Group AB (publ), corporate identity number 556544-6522

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of Cybercom Group AB (publ) for the year 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 1–37.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts
The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The director's report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Cybercom Group AB (publ) for the financial year 2013.

Responsibilities of the Board of Directors and the CEO
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

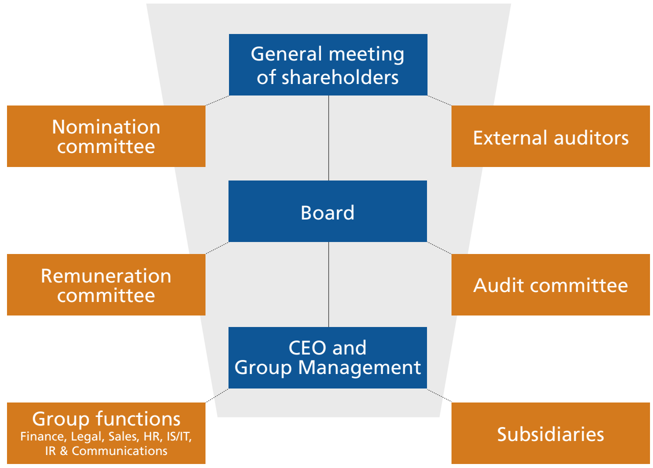
Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the directors' report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Stockholm, March 28, 2014
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Corporate governance report

Cybercom was founded in 1995. The group's parent company is Cybercom Group AB (publ) ("Cybercom"). Cybercom is a public company whose shares were admitted to trading on the NASDAQ OMX Stockholm exchange in 1999. The board of directors of Cybercom hereby presents the corporate governance report for 2013 as required by Chapter 6, Section 6 of the Swedish Annual Accounts Act and Point 10 of the Swedish Code of Corporate Governance.



This corporate governance report was adopted by the board in March 2014 and is an account of how corporate governance has been conducted at Cybercom during the financial year 2013. The auditor's opinion on the corporate governance report is included on page 47. The corporate governance report does not form part of the directors' report.

Principles of corporate governance

In addition to the principles of corporate governance imposed by law or regulation, Cybercom has since 2008 applied the Swedish Code of Corporate Governance (the "Code"), (see Swedish Corporate Governance Board website www.bolagsstyrning.se). As an issuer of shares admitted to trading on the stock exchange, Cybercom complies with NASDAQ OMX's Rule Book for Issuers (see NASDAQ OMX's website www.nasdaqomxnordic.com). The internal regulations for the company's governance consist of the articles of association, the board's rules (including instructions for the board committees), CEO instructions, instructions for financial reporting and other policies and guidelines.

Cybercom complies with the Code with the exception of point 7.3 since the company's audit committee comprises two and not three board members. An audit committee comprising two board members has been deemed to be adequate with regard to the company's size and the activities conducted.

Shareholders

Per December 31, 2013 the company had 4,272 shareholders.

Major share holdings

One shareholder in Cybercom has direct or indirect share holdings representing at least one tenth of the voting rights for all shares in the company, JCE Group, which at December 31, 2013 held 42.1 percent of the shares.

Voting rights

Cybercom's articles of association do not contain any limitations regarding how many votes each shareholder may cast at a general meeting.

Articles of association

The current articles of association (see company's website www.cybercom.com) were adopted at the extraordinary general meeting of October 1, 2012. The articles of association do not contain any specific provisions on the appointment and dismissal of board members or on amendments to the articles.

General meeting of shareholders

The general meeting of shareholders is the company's supreme governing body. It is at the meeting that shareholders have the opportunity to exercise their influence. A number of matters are reserved, in accordance with the Swedish Companies Act, for the general meeting to decide, such as adoption of the income statement and the balance sheet, distribution of profit, discharge of liability, election of board members and the appointment of auditors.

During the year the board may convene extraordinary general meetings. This happens for example if decisions must be taken in matters that can only be decided by a general meeting and it is not appropriate to wait until the next AGM.

Shareholders wishing to attend a general meeting must be registered as shareholders in the transcript or other copy of the entire share register, according to ownership status, five weekdays before the meeting, and notify the company of their intent to participate not later than on the date specified in the notice to the general meeting. This day may not be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not be earlier than the fifth weekday before the meeting.

Annual general meeting

Cybercom held its 2013 AGM on May 7 at Lindhagensgatan 126, Stockholm. Fifteen shareholders, representing almost 53 percent of votes and capital, attended the meeting. The chairman of the board, all board members, the chief executive officer and the company's auditors were present as required by the Code. The chairman of the nomination committee represented the nominations committee.

The AGM resolved to adopt the income statement and balance sheet for 2012, profit distribution, and discharged the CEO and the board from liability for the financial year. The annual general meeting resolved to amend the articles of association to modernise and update the company's business to ensure that all activities of the company are included. The AGM elected board members and appointed the nomination committee.

The 2014 AGM will be held at the corporate headquarters, Lindhagensgatan 126, Stockholm, Sweden on May 7.

Authorisation

There are currently no authorisations issued by the meeting of shareholders for the board to resolve that the company should issue new shares or acquire treasury shares.

Nomination committee

The AGM appoints the nomination committee and decides what tasks the committee will complete for the next AGM.

Until the 2013 AGM, the nomination committee consisted of Ulf Gillberg (JCE Group AB), Evert Carlsson (Swedbank Robur Fonder), Henrik Didner (Didner & Gerge Fonder) as representatives of Cybercom's three largest shareholders, and John Örtengren, as representative of minority shareholders, and Hampus Ericsson as chairman of the board, but without voting rights on the nomination committee. The chairman of the nomination committee is Ulf Gillberg.

In accordance with the decision of the AGM, the chairman of the nomination committee should be the board member who represents the largest shareholder in terms of votes, unless the members of the nomination committee decide otherwise.

Auditors

The auditing firm appointed by the 2013 AGM for a period of one year is KPMG AB. KPMG appointed authorised public accountant Åsa Wirén Linder as head auditor. On September 19, 2013 replaced KPMG authorised public accountant Åsa Wirén Linder with authorised public accountant Helena Arvidsson Älgne. A new appointment of auditing firm will take place at the 2014 AGM. The auditors are responsible, on behalf of the shareholders, for auditing the company's annual report and accounting records, as well as the administration of the company by the board and CEO. The auditor reports regularly to the board and to the AGM. Auditing fees are presented in Note 4.

Board of directors

Board composition

Until the 2013 AGM, the board consisted of Margareta Alestig Johnson, Jan-Erik Karlsson, Thomas Landberg, Dag Sundman and Hampus Ericsson, chairman. The 2013 AGM re-elected all the board members, with the exception of Margareta Alestig Johnson, who had declined re-election. Nicolas Hassbjer was elected as a new board member. Hampus Ericsson was re-elected as chairman of the board.

Schedule for ordinary board meetings

February	Year-end report
March	Corporate governance meeting – Agenda and notice of AGM, corporate governance report, annual report, review of insurance and pensions
May	Interim report first quarter Constituent board meeting, decisions on the board's work schedule, instructions to the CEO, and instructions for financial reporting, board's annual plan, and signatories
July	Interim report second quarter
September	Strategy meeting, financial targets, instructions for budgeting
October	Interim report third quarter
December	Budget meeting, business plan

Board independence

The opinion of the nomination committee, which is shared by the board, with regard to the independence of the board members in relation to the company, the company's management and shareholders is shown in the table on page 41. Accordingly, Cybercom fulfils the applicable requirements regarding board members' independence of the company, the management and the company's major shareholders.

Board work

The board's work is conducted based on the requirements of the Swedish Companies Act, the Code and other rules and regulations applicable to the company. The board works according to annually adopted rules of procedure and an annual schedule.

The company's CEO and CFO participate in board meetings. The board secretary is the company's general counsel. Other individuals from the executive team and group employees participate in board meetings to present specific issues as needed.

In 2013 the board met on 14 occasions in addition to the constituent meeting following the AGM (including once per capsulam). During the year the board has focused primarily on the company's strategy, business plan and budget, the company's financing, challenges in the telecom sector, internal controls and project management, measures to improve the rate of invoicing and review of large client tenders.

The board has met with the auditor without the presence of the CEO or other executive team members.

External evaluation of the board's and the CEO's work in 2013 has been achieved through a systematic and structured process which aimed to obtain a sound basis for the board's own development work. The board addressed the evaluation of CEO performance with no executive team members in attendance. The nomination committee has been informed of the results.

The board monitors management performance through monthly reports which include reports of financial results, key performance indicators, development of priority activities and so on. The board has also at several meetings received more detailed information on major change initiatives and various business units within the group.

The CEO presents an activity report at ordinary board meetings. A representative of a business area, region or group function is invited to the meetings to present their operations. The board holds briefings with the auditor to address reports from the auditor.

Board work in committees

The board has two committees: the audit committee and the remuneration committee. The committees' work is governed by the board's rules of procedure.

The board committees deal with the issues that fall within their respective area, and submit reports and recommendations that form the basis for the board's decisions. The committees have some decision-making mandate within the framework of the board's directives. Minutes of meetings of the committees are sent to the board.

Audit committee

The audit committee comprises Nicolas Hassbjer and Thomas Landberg, chairman.

In 2013, the audit committee held five minuted meetings. Meetings bring together the company's CFO, who also serves as the audit committee's secretary, and the group accounting manager. The company's auditor attended all audit committee meetings.

The committee has reviewed all interim reports and the annual report and all risk reports from the company's auditor. The committee has also focused on impairment testing of goodwill, issues regarding banking agreements, the company's payment terms and working capital, financial policies and financial governance.

Remuneration committee

The remuneration committee comprises Hampus Ericsson and Jan-Erik Karlsson, chairman. The meetings are attended by the CEO and the group head of HR, who also acts as the remuneration committee's secretary. During the year the committee has dealt with issues concerning remuneration to senior executives and "talent management".

In 2013, the remuneration committee held three minuted meetings.

Attendance by board members and committee members during the year is shown in the table below.

Name	Elected	Independent	Position	Committees	Board attendance	Audit committee attendance	Remuneration committee attendance	Fees SEKk[1]	No. of shares in Cybercom
Margareta Alestig Johnson	2010	No[2]	Board member and audit committee member until May 7, 2013	Audit	100%	100%			
Hampus Ericsson	2009	No[2]	Board chairman	Remuneration	100%		100%	200	76,048,105 (via legal entity)
Nicolas Hassbjer	2013	Yes	Board member and audit committee member since May 7, 2013	Audit	100%	100%		250	5,054,914 (via legal entity and includes related-party shares)
Thomas Landberg	2007	Yes	Board member and audit committee chairman	Audit	100%	100%		275	43,000
Dag Sundman	2012	Yes	Board member		93%			200	2,480,000 (of which 400,000 via legal entity)
Jan-Erik Karlsson	2012	Yes	Board member and remuneration committee chairman	Remuneration	86%		100%	200	500,000
Robin Hammarstedt	2008	No	Employee representative		86%			0	25,000
Henrik Lundin	2010	No	Employee representative		100%			0	0
Joakim Börjesson	2013	No	Deputy employee representative		100%			0	0
Cecilia Wedin	2012	No	Deputy employee representative		100%			0	0

1) Fee information is for the board year from the 2013 AGM until the 2014 AGM.
2) Non-independent in relation to major shareholders.

Directors

Hampus Ericsson
Chairman since 2012 and board member since 2009

Member remuneration committee and participant in nomination committee without voting rights

CEO and chairman JCE Group AB, the largest shareholder in Cybercom

Born: 1972

Education: Master of Science, Gothenburg School of Economics, BA International Business at Johnson & Wales University (USA)

Other assignments: Chairman Consafe Logistics AB, board member BRUKS Holding AB, Burntisland Fabrications Ltd, Consafe Invest AB and Green Circle Bio Energy Inc.

Previous assignments: Consafe Offshore AB, JCE Group AB and Enskilda Securities Corporate Finance

Expertise: Financing, M&As and business development

Cybercom holdings: 76,048,105 shares, issued call options corresponding to 460,000 shares (via legal entity)

Nicolas Hassbjer
Board member since 2013

Member audit committee, entrepreneur

Born: 1967

Education: Honorary PhD Information Technology

Other assignments: Chairman Tequity AB and Sydsvenska Handelskammaren, board member of Sigicom AB, eGain International AB, MagComp AB, Halmstad University and Almi Företagspartner group board

Previous assignments: Founder and CEO HMS Networks AB (publ), chairman iGenomatix Software GmbH and Intellicom Innovation AB and deputy chairman HMS Networks AB (publ)

Expertise: Growth companies, internationalisation, board work

Cybercom holdings: 5,054,914 (via legal entity and incl. related-party holdings)

Jan-Erik Karlsson
Board member since 2012

Chairman remuneration committee

Senior advisor, professional board member

Born: 1949

Education: Bachelor's degree

Other assignments: Board member IC Quality AB, Sevenco AB, Itera AS (Norway), Feelgood Svenska AB, BiTA Service Management AB

Previous assignments: CEO Capgemini Sverige AB and other senior positions in Capgemini group

Expertise: Leadership of international consulting organisations, sales and delivery of large and complex consulting contracts, mergers and restructuring of consulting operations

Cybercom holdings: 500,000

Thomas Landberg
Board member since 2007

Chairman audit committee

Senior advisor

Born: 1950

Education: Computer and electrical engineer, management training CEDEP/INSEAD and Duke University

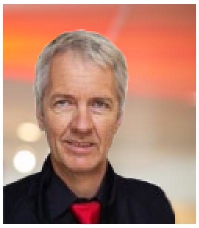
Other assignments: Chairman Ryssnäs AB

Previous assignments: CEO Unisys AB, CEO NCR Sweden, CEO AT&T Nordic AB, CEO Pricer AB (publ), CEO Ericsson Business Consulting AB, VP Ericsson Inc., VP Ericsson Ltd and Smarteq AB (publ)

Previous assignments: Unisys AB, Pricer AB (publ), AT&T Nordic AB, Intactix Inc., CTIA WIC, Edgecom Inc. and Ericsson Services Ltd

Expertise: International strategy and business development for IT and telecom sectors

Cybercom holdings: 43,000



Dag Sundman
Board member since 2012

Senior advisor, entrepreneur

Born: 1955

Education: MSc engineering physics, KTH Royal Institute of Technology, 2 year graduate courses in computer science, KTH Royal Institute of Technology

Other assignments: CEO Catsab Investment AS and other companies in this group

Tidigare uppdrag: CEO CATS AB, CEO OM/VPS, CEO HiQ Cats

Previous assignments: Madeo Sourcing Group (chairman)

Expertise: Management and development of profitable IT consulting companies, project management and calculation of fixed-price projects and contracts in IT consulting, detailed technical knowledge and computer science

Cybercom holdings: 2,480,000 (400,000 via legal entity)

Robin Hammarstedt
Employee representative appointed by unions 2008

Member JUSEK

Consultant at Cybercom Sweden AB

Born: 1970

Education: PTK's corporate board training and economics at university level

Previous assignments: Employee representative Teleca Networks AB

Cybercom holdings: 25,000

Henrik Lundin
Employee representative appointed by unions 2010

Member Akademikerföreningen

Consultant at Cybercom Sweden AB

Born: 1978

Education: PTK's corporate board training, computer engineer and MSc engineering in project management, both at Jönköping University

Previous assignments: Employee representative Mandator AB

Cybercom holdings: 0

Joakim Börjesson
Deputy for employee representatives appointed by unions 2013

Member Akademikerföreningen

Business developer at Cybercom Sweden AB

Born: 1969

Education: Henley Executive MBA, Grafiska Institutet, MSc

Previous assignments: –

Cybercom holdings: 0

Cecilia Wedin
Deputy for employee representatives appointed by unions 2012

Member Akademikerföreningen

Consultant at Cybercom Sweden AB

Born: 1966

Education: PTK's corporate board training, MSc, KTH Royal Institute of Technology

Previous assignments: –

Cybercom holdings: 0

Executive team

The board appoints the president. The president and CEO leads the work of the executive team and makes decisions in consultation with the rest of the executive team. On December 31, 2013 the executive team consisted of the president and CEO, the group's CFO, the company's communications director, head of sales, head of HR, head of blended delivery and the heads of the five largest regions.

The executive team participates in regular management meetings and business reviews under leadership of the CEO.

The executive team's control and monitoring is based on the board's established working procedures, instructions for the CEO and reporting instructions.

The executive team lead the daily operations primarily through policy instruments such as budgets, performance management and reward systems, regular reporting and monitoring and executive meetings as well as a delegated decision-making structure from the parent company to subsidiaries and regional management groups. Major corporate policies are the Cybercom Group Authorisation Principles, Cybercom Group Financial Policy, Cybercom Group Financial Manual, Cybercom Group Accounting Principles, Cybercom's Code of Business and Ethics and Cybercom's information policy. During the year the executive team has continued the implementation of the company's strategy. The focus has been on the areas of sales, talent management and operating efficiency.

Niklas Flyborg
President and CEO, Cybercom Group

Born: 1962

Education: MBA, Stockholm School of Economics

With Cybercom since: 2012

Previously: Capgemini, Mandator, Cell Network, Observer/Cision

Cybercom holdings: 200,000 shares, call options corresponding to 460,000 shares

Henrik Benckert
Head of Region South Cybercom Sweden

Born: 1974

Education: MSc computer technology, Lund University

With Cybercom since: 2005

Previously: WeSpot (C-Technologies), Sony Ericsson

Cybercom holdings: 15,000 shares

Kristina Cato
Head of Communications and Investor Relations Cybercom Group

Born: 1968

Education: MA, Uppsala University

With Cybercom since: 1999

Previously: Linköping University Hospital

Cybercom holdings: 28,490 shares

Piotr Ciski
MD Cybercom Poland and head of blended delivery

Born: 1974

Education: MSc, Lodz University and executive MBA, Warsaw University

With Cybercom since: 2008

Previously: Computaris Ltd., Gtech EE, Tieto

Cybercom holdings: 0 shares

Annika Eriksson
Head of Region Northeast Cybercom Sweden

Born: 1964

Education: Automatic data processing, university

With Cybercom since: 1999

Previously: NetRelations AB, Handelsbanken

Cybercom holdings: 3,600 shares

Conny Karlsson
MD Cybercom Singapore

Born: 1969

Education: MSc, Royal Institute of Technology and EMBA, Stockholm School of Economics

With Cybercom since: 2005

Previously: Netcom Consultants, Telia Research

Cybercom holdings: 17,500 shares

Petteri Puhakka
MD Cybercom Finland

Born: 1961

Education: Information technology

With Cybercom since: 2010

Previously: Tieto, Finland Post, Capgemini

Cybercom holdings: 37,410 shares

Bo Strömqvist
Head of Sales Cybercom Group

Born: 1964

Education: Degree in systems technology, Linköping University, Washington State University

With Cybercom since: 2012

Previously: Rational Software, IBM, TDC, Cision, Enea

Cybercom holdings: 40,000 shares

Johan Wallin
Head of Region Mid Cybercom Sweden

Born: 1964

Education: MSC computer systems, Chalmers

With Cybercom since: 2007

Previously: Ericsson, Teleca

Cybercom holdings: 15,000 shares

Cecilia Westerholm Beer
Head of HR Cybercom Group

Born: 1966

Education: MSc Human Resource Management, Uppsala University

With Cybercom since: 2013

Previously: EuroMaint, Fortum, Tumba Bruk, Manpower

Cybercom holdings: 0 shares

Camilla Öberg
CFO Cybercom Group

Born: 1964

Education: Degree in Economics and Business Administration, Stockholm School of Economics

With Cybercom since: 2012

Previously: Logica, WM-data, SEB, Lexicon and Swegro group

Cybercom holdings: 38,722 shares

Internal control of financial reporting

The board of directors is responsible for internal control as regulated in the Swedish Companies Act and the Code. Cybercom's corporate governance report contains a description of the most material aspects of the company's internal control and risk management systems, as stipulated by the Annual Accounts Act. Internal control of financial reporting aims to provide reasonable assurance of the reliability of external financial reporting and to ensure that this is prepared in accordance with legislation, applicable accounting standards, and other requirements for listed companies.

Control environment

The board bears overall responsibility for internal control of financial reporting. The control environment for financial reporting is based on a division of roles and responsibilities in the organisation, defined and communicated decision channels, instructions on powers and responsibilities as well as accounting and reporting policies. The board has appointed an audit committee which has the primary obligation of ensuring completion of the requirements set out by the Swedish Companies Act for this committee.

The internal control is integrated within the company's controller function. The board has evaluated the need to establish a special audit function. In its evaluation the board found that given the company's size internal controls can be performed in a required and satisfactory manner within the controller function and that there is no need for a special audit function in the company.

The board has adopted the board's instructions, the CEO's instructions and the financial reporting instructions, authorisation rules, Cybercom Group Financial Policy, Cybercom's code of business ethics and conduct and the information policy. In addition there are policies and guidelines in several areas of operational activity.

Risk assessment

As an integral aspect of their management assignment, the board and executive team work with risk assessment in a broad perspective, including but not limited to financial risks and key business risks. Risks have been regularly reported to the board. The board and the audit committee have regularly discussed a variety of risks and the company's risk management procedures during the year.

Control activity

The group's control activities such as authorisations and project approvals are based at the group level but are then handled primarily at the regional level in Sweden and in the subsidiaries in each other country. The application is also verified through spot checks in conjunction with internal audits.

Information

Information about internal policy documents for financial reporting is accessible to all relevant employees on Cybercom's intranet. Information and training regarding internal policy documents is also provided through activities addressed directly to those with financial responsibility and controllers, sales people and leaders within the group.

Monitoring

The board, the audit committee, the CEO, the executive team and the group companies monitor the company's financial reporting to safeguard the effectiveness of its internal controls. Monitoring includes the follow-up of each company's monthly financial reports in relation to budgets and targets, reviews of large tenders and deliveries, and follow-up and evaluation of internal audits conducted during the year.

Stockholm, March 28, 2014
The Board of Cybercom

Auditor's report on the corporate governance report

To the annual general meeting of the shareholders in Cybercom Group AB (publ), corporate identity number 556544-6522

The Board of Directors is responsible for the corporate governance report for the year 2013 on pages 39–46 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 28, 2014

KPMG AB

Annual general meeting

Shareholders of Cybercom Group AB (publ), 556544-6522, are given notice to attend the annual general meeting on Wednesday, May 7, 2014 at 4.00 pm at the company's head office at Lindhagensgatan 126, Stockholm, Sweden.

Registration

Shareholders wishing to participate in the AGM must be registered in the Euroclear Sweden AB register of shareholders by Wednesday, April 30, 2014, and must indicate their intention to participate in the AGM by Wednesday, April 30, 2014.

Notification of attendance can be made on the company's website www.cybercom.com, by phoning +46 8 578 646 00 between the hours of 10.00 am and 4.00 pm on working days, or in writing to Cybercom Group AB, Legal, Box 7574, 103 93 Stockholm, Sweden.

Please state you name, civil registration number or corporate identity number, address, daytime phone number, number of shares and any shareholder assistants (maximum two) in your registration.

Proxies

Shareholders wishing to be represented by proxy should, in plenty of time before the annual general meeting, submit a written and dated power of attorney (in the original) and, for a legal entity, registration certificate (or corresponding proof of authorised signatory) to Cybercom Group AB, Legal, Box 7574, 103 93 Stockholm, Sweden. Power of attorney forms are available on the company website www.cybercom.com or can be ordered by phone on +46 8 578 646 00.

Nominee-registered shares

Shareholders with nominee-registered shares must temporarily re-register the shares in their own name to be entitled to attend the meeting. This registration must be completed by Wednesday, April 30, 2014. Contact your nominee in plenty of time before this date.

Welcome!

Upcoming dates and investor relations

Financial reporting events

Interim report January – March 2014	May 5, 2014
Interim report January – June 2014	July 15, 2014
Interim report January – September 2014	October 24, 2014
Year-end report, January – December 2014	February 13, 2015

Analysts who cover Cybercom and the sector

Analyst	Company	Location	Phone
Anders Hillerborg	ABG Sundal Collier	Stockholm	+46 8 566 28 600
Mikael Laséen	Carnegie Investment Bank	Stockholm	+46 8 676 88 00
Viktor Lindeberg	Carnegie Investment Bank	Stockholm	+46 8 676 88 00
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