

Annual report

2002



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Read more about our operation in a separate publication entitled *Our operation 2002*. Besides the information in this list, you'll find customer cases that describe problems and the solutions that Cybercom offers its customers.

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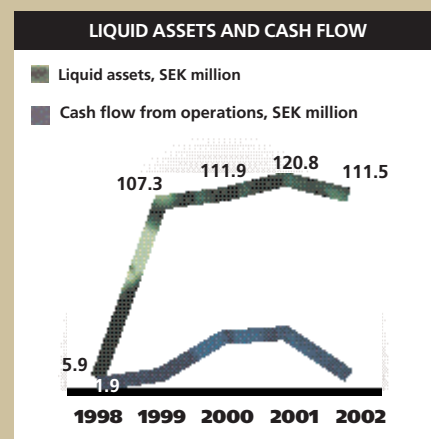
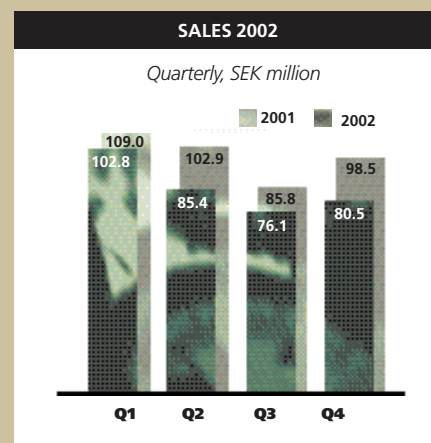
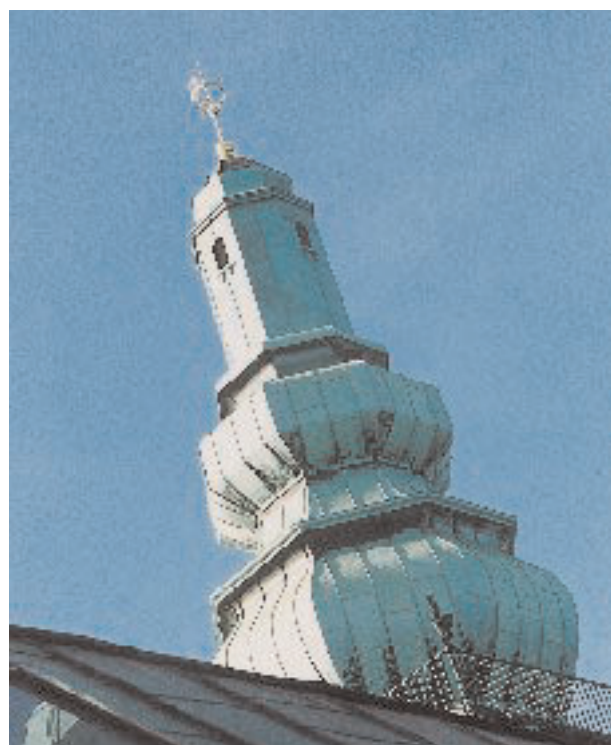
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Important events for Cybercom in 2002–2003

In 2002:

11 January: Cybercom's general meeting approved the new warrant programme to strengthen ties with key people and to attract and retain qualified staff.

5 February: Cybercom announced that it intended to acquire Stratum Project Management, a UK consultancy; the acquisition was then implemented. This strengthens Cybercom's market position in banking and finance with customers such as Reuters, the Royal Bank of Scotland, Coutts, LIFFE, Kleinwort Benson, and Cable & Wireless.

7 February: Year-end 2001 closing report issued. Sales in 2001 reached SEK 396.2 million, an 11% increase compared to 2002.

20 March: Extraordinary annual general meeting approved acquisition of Stratum, now called Cyber Com Stratum Consulting Ltd.

9 April: Cybercom ran a survey for Sweden's Internet banks. Results revealed that simplicity and functionality are more important than price and security. Results are based on 19,200 responses from Internet bank customers.

15 April: Ericsson and Tetra Laval demonstrated a show of faith by renewing frame agreements with Cybercom.

16 April: January–March financial report issued. Cybercom's profitability continues; operating margin before goodwill was 7.1%.

15 May: The Alecta insurance company and Cybercom signed a frame agreement that extends and strengthens a long-term customer partnership.

21 May: Cybercom releases analysis of the annual, Internet-bank survey (11 banks were compared and evaluated; 19,200 Internet-bank customers contributed). The banks' services are attractive, but procedures are too complicated. Simple payment services are most important to the customers. So the need to develop e-giro and e-invoice functions is huge.

25 June: Cybercom and AstraZeneca signed a frame agreement, which is for two years and applies to all business areas within AstraZeneca operations in Sweden. Going forward, UK projects might be a possibility.

12 August: ASSA ABLOY selected Cybercom as a supplier of a new internal purchasing system.

14 August: January–June financial report issued; operating profit before goodwill was SEK 3 million or 1.6%.

14 August: Sony Ericsson selected Cybercom for an application management project.

1 September: Mats Johansson was appointed CFO for the group and is on the group's executive team.

7 October: Cybercom signed a contract with Medtronic Physio-Control in Europe. Cybercom is delivering CyberMate PreHospital, an e-document system for ambulance journals.

16 October: January–September financial report issued. Operating profit before goodwill was SEK 3.2 million. Positive trend continues for International BA.

In 2003:

15 January: Svenska Handelsbanken signed a contract with Cybercom for implementing the BankID service.

3 February: Rolf Carlström assumed his post as new e-business BA manager.

5 February: Year-end 2002 closing report issued. Operating profit before restructuring costs and goodwill was SEK 11.5 million or 3.3%.

5 February: Cybercom announced its intentions to take over the Mind Finance AB operation. Negotiations were finalised, and Mind AB's extraordinary general meeting approved the deal. Integration of Mind Finance AB operations and staff into Cybercom began on 1 March 2003.

World events 2002

✦ At the stroke of midnight, 300 million residents in the EMU had a new currency. Interest in the euro was enormous, even in non-EMU countries. ✦ Two years of dismal stock-exchange trends and dwindling savings tried people's patience. At the year's start, many wondered if or when recession would end and if the stock market would perform better. ✦ Shock was the first reaction when US giants Enron and World Com were exposed for "creative" bookkeeping. These scandals launched discussions worldwide about corporate governance issues.

✦ Many IT companies experienced some rough sailing. Ericsson's losses increased; Michael Treschow, the new board chairman initiated enormous changes. ✦ Jan Stenbeck, renowned Swedish entrepreneur, died. ✦ At year-end 2002 and early 2003, risk for war in Iraq increases. Many accuse Saddam Hussein of being a security risk in the entire Middle East. All eyes turn to Sweden's Hans Blix who manages the UN's weapons inspection team.

2002	Q1	Q2	Q3	Q4	JAN-DEC
KEY FIGURES, THE GROUP	2002	2002	2002	2002	2002
Sales, SEK million	102.8	85.4	76.1	80.5	344.8
Operating profit before goodwill, SEK million	7.2	-4.3	0.2	-2.7	0.4
Margin, %	7.1	-5.0	0.3	-3.4	0.1
Operating profit/loss, SEK million	4.0	-7.5	-3.0	-6.0	-12.5
Operating margin, %	3.9	-8.8	-3.9	-7.5	-3.6
Profit/loss after financial items, SEK million	5.1	-6.3	-1.8	-5.2	-8.2
Shareholders' equity, SEK million	244.1	236.4	234.7	231.5	231.5
Equity/assets ratio, %	68.2	71.5	75.7	73.6	73.6
Return on shareholders' equity, %	3.9	-3.7	-4.0	-4.2	-4.2
Number of employees at period's end	311	307	294	280	280

2001	Q1	Q2	Q3	Q4	JAN-DEC
KEY FIGURES, THE GROUP	2001	2001	2001	2001	2001
Sales, SEK million	109.0	102.9	85.8	98.5	396.2
Operating profit before goodwill, SEK million	11.0	2.2	3.5	4.3	21.0
Margin, %	10.1	2.1	4.1	4.4	5.3
Operating profit/loss, SEK million	8.3	-0.6	0.8	3.6	12.1
Operating margin, %	7.6	-0.6	0.9	3.7	3.1
Profit/loss after financial items, SEK million	9.6	-4.7	2.1	4.7	11.7
Shareholders' equity, SEK million	222.7	218.7	221.2	223.5	223.5
Equity/assets ratio, %	68.4	68.8	71.9	72.2	72.2
Return on shareholders' equity, %	9.2	0.0	1.8	2.3	2.3
Number of employees at period's end	303	320	315	300	300

Now, the PROJECT continues

We took bold steps that resulted in a repositioned company. We have successfully become a more focused operation. The real winners are our customers and shareholders, which have invested in an enterprise that became stronger than others in many ways.

Cybercom is a strong company with many top-notch employees. In a year plagued by gloomy recession, we developed the organisation, focused our business concept, fine-tuned our sales efforts, and received a greater show of confidence from our key customers. These accomplishments are the results of many dynamic initiatives, so we're ready for the year ahead. We've already noticed that our strategies fulfil changed market demands. And we're now prepared to shift into a higher gear.

Cybercom has always operated by this motto: "a sound, profitable foundation takes precedence over anything else" – a given for us, even in 2002. Despite our assertiveness, we maintained solid, positive cash flow. In times like these, this is something to be proud of. But we're not just sitting well financially. We have a great team of committed, experienced employees and executives. And during 2002, several new first-rate employees and customers came over to our side.

POSITIVE REPOSITIONING

In 2002, we dared to mainly focus on three industries and to develop attractive offerings. This strategy repositioned the company in these markets: telecom, finance, and pharmaceuticals, where we're on the leading edge of IT trends. Cybercom's 2002 sales in these areas reached 85%.

We know the challenges that these industries face, and we can propose solutions that enable competitive business opportunities for our customers. Customer relations and understanding our customers' businesses are critical success factors. And because we have a flexible organisation, we can provide unrivalled solutions in a short time. For our customers, time to market and reduced cost are critical survival factors.

RELIABILITY, A SIGN OF QUALITY

Using IT, Cybercom facilitates development of its customers' businesses. We think this is the way IT should be used. Clever IT solutions are of no value unless they generate added value for customers. Thanks to our combined technology and industry expertise, we can help our cus-

tomers do even better business. The number of solution-based projects that we took on during 2002 increased considerably. We've noticed that we've become a key partner for our customers, because we're part of their business development. We've also noticed that these types of partnerships are becoming more important because customers use fewer suppliers, which is positive for us.

OPERATION IN EUROPE

In early 2002, Cybercom acquired a profitable, renowned consultancy in London. During the year, it became apparent that we were becoming an international company. Our operations in Denmark and the UK developed as planned, when we launched operations in those markets.

Cybercom now has offices in three European countries, but our operation extends beyond them. We have projects running in nine countries, and we're expanding geographically as we follow our customers around the globe – activities that are aligned with our strategy.

We were also able to use the dismal IT-market climate to recruit, increase, and strengthen our force of consultants. We managed to attract key people from other IT companies.

In early 2003, we acquired Mind Finance AB, which strengthens our offerings in the finance market.

During the past year, Cybercom became more prominent through its uncompromising work with acquisitions and industry-focus strategies, while cultivating new customers and deepening relations with existing customers.

As we move into 2003, we can see that our choices were correct. After a year characterised by recession, Cybercom has a strong cash flow, and its organisation is well adapted for creating solutions that develop its customers' businesses – a stabilising factor that makes our employees and executives feel secure. This is something that will benefit our customers and owners – by focusing 100 percent on our businesses.

We're proud that we dared to implement these assertive strategies in 2002. I look forward to the remainder of 2003 when those of us at Cybercom will take on and conquer new challenges.



Mats Alders, president and CEO

Strategies and goals

Group strategies and goals cover three main areas:

Customers and markets

Business partner: the natural choice for telecom, finance, and pharmaceutical companies.

Solutions: increase the number of solution-delivery deals.

International: expand the operation via selected market segments in Europe, through customer assignments and establishing new units.

Consultants and staff

Specialists: the IT expert for telecom, finance, and pharmaceuticals.

Experience: continuing professional training and development and recruitment of experienced consultants.

Skill development: increase capabilities in project management, technology, and industry-specific business solutions.

Culture and organisation

Results oriented: deliver on time for the specified cost.

Flexibility: continue to develop the business culture and co-operation based on the "small-scale internally, large-scale externally" concept.

Attractive: the most desirable employer for experienced IT industry consultants.

Business concept

Creating IT solutions that develop business operations for customers in telecom, finance, and pharmaceuticals.

Vision

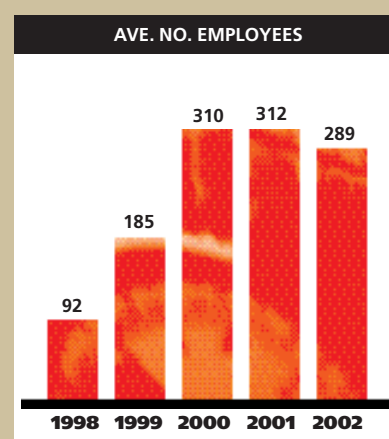
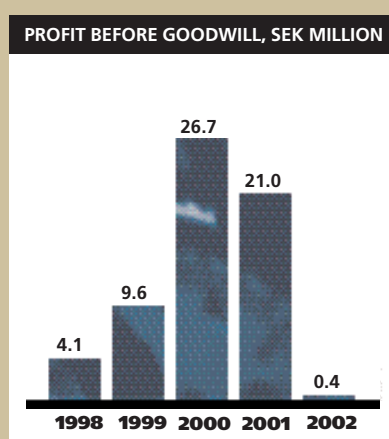
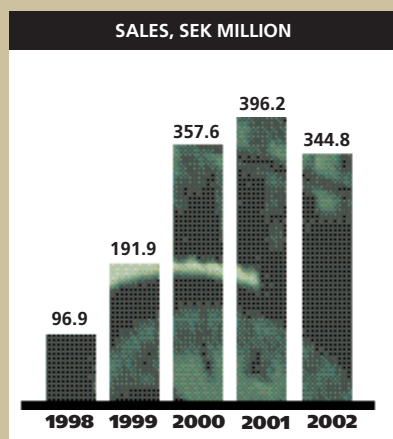
To be a leading player in delivering IT solutions that develop businesses for European customers that primarily operate within telecom, finance, and pharmaceuticals.

Cybercom will be a preferred partner that uses IT solutions to help customers realise their business strategies.



Group financial performance summary

PROFIT AND LOSS STATEMENT, SEK THOUSAND	2002	2001	2000	1999	1998
Operating income	344 847	396 179	357 556	191 893	96 860
Operating expense	-338 657	-368 933	-320 604	-178 570	-91 144
Scheduled depreciation	-5 793	-6 236	-6 162	-3 765	-1 628
Items affecting comparability	-	-	-4 117	-	-
Operating profit before goodwill	397	21 010	26 673	9 558	4 088
Goodwill	-12 933	-8 840	-6 405	-714	-
Operating profit/loss	-12 536	12 170	20 268	8 844	4 088
Financial income	5 476	4 754	3 321	6 180	46
Financial expenses	-1 172	-5 165	-154	-496	-399
Profit/loss after financial items	-8 232	11 759	23 435	14 528	3 735
Taxes	-1 227	-6 852	-8 472	-14	-1 694
Minority share of income for the year	3	5	22	3	118
Profit/loss for the year	-9 456	4 912	14 985	14 517	2 159
BALANCE SHEET, SEK THOUSAND					
ASSETS	2002	2001	2000	1999	1998
Intangible fixed assets	121 012	83 307	75 858	9 302	-
Tangible fixed assets	9 863	11 287	11 270	10 325	5 634
Financial fixed assets	3 680	2 958	5 657	1 754	232
Total other current assets	68 360	91 177	89 919	50 047	29 863
Liquid assets	111 537	120 802	111 921	107 317	5 930
Total assets	314 452	309 531	294 625	178 745	41 659
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	231 488	223 523	195 386	137 367	12 886
Provisions	4 308	5 856	20 146	919	461
Interest-bearing liabilities	11 212	-	-	-	2 424
Non-interest-bearing liabilities	67 444	80 152	79 093	40 459	25 888
Total shareholders' equity and liabilities	314 452	309 531	294 625	178 745	41 659
CASH FLOW, SEK MILLION					
Cash flow from current activities	7.0	31.4	28.7	7.0	1.9
Cash flow from investment activities	-17.1	-23.4	-44.1	-13.2	-5.1
Cash flow from financing activities	1.4	0.9	20.0	107.6	8.5
Change in liquid assets	-8.7	8.9	4.6	101.4	5.3
Liquid assets at year's start	120.8	111.9	107.3	5.9	0.6
Translation difference	-0.6	-	-	-	-
Liquid assets at period's end	111.5	120.8	111.9	107.3	5.9



CYBERCOM GROUP

KEY FIGURES	2002	2001	2000	1999	1998
Total capital, SEK million	314.5	309.5	294.6	178.7	41.7
Employed capital, SEK million	247.0	229.3	215.5	138.3	15.8
Shareholders' equity, SEK million	231.5	223.5	195.4	137.4	12.9
Return on total capital, %	-2.3	5.6	10.0	13.6	14.6
Return on employed capital, %	-3.1	7.6	13.4	19.5	37.6
Return on shareholders' equity, %	-4.2	2.3	9.0	19.3	23.5
Operating margin before goodwill %	0.1	5.3	7.5	5.0	4.2
Operating margin, %	-3.7	3.1	5.7	4.6	4.2
Net margin, %	-2.4	3.0	6.6	7.6	3.9
Acid test ratio	2.7	2.6	2.6	3.9	1.4
Equity/assets ratio, %	73.6	72.2	66.3	76.9	30.9
Debt/equity ratio	0.0	0.0	0.0	0.0	0.2
Net debt/equity ratio	-0.4	-0.5	-0.6	-0.8	-0.3
Share of risk-bearing capital, %	75.0	74.2	73.2	77.4	32.0
Interest coverage ratio	-8.2	3.3	82.9	30.3	10.4
Working capital in relation to net sales, %	0.3	2.8	3.0	5.0	4.1
Capital turnover rate, multiple	1.1	1.3	1.5	1.7	3.5
Investments, SEK million	54.0	24.5	42.2	19.3	5.1
Ave. no. of employees	289	312	310	185	92
No. of employees at period's end	280	300	285	270	128
Ave. no. of consultants	236	252	263	157	75
Net sales per employee, SEK thousand	1193	1 270	1 153	1 037	1 053
Net sales per consultant, SEK thousand	1461	1 572	1 360	1 222	1 291
Value added per employee, SEK thousand	715	742	722	756	779
Salaries and remunerations excluding social security costs, SEK million	167.0	162.4	150.7	97.0	50.1
SHARE DATA	2002	2001	2000	1999	1998
No. of shares at period's end	9 251 777	8 757 279	8 439 803	7 882 875	5 682 875
No. of shares at period's end, full dilution	9 251 777	8 757 279	9 417 032	8 532 875	6 182 875
Shareholders' equity per share, SEK	25.02	25.52	23.15	17.43	2.27
Shareholders' equity per share with full dilution, SEK	25.02	25.52	21.67	16.10	2.08
Ave. no. of shares	9 169 361	8 696 703	8 212 315	5 991 208	5 498 306
Ave. no. of shares with full dilution	9 251 777	8 757 279	9 198 839	6 553 708	5 714 973
Earnings per share, SEK	-1.28	0.56	1.82	2.42	0.37
Earnings per share with full dilution, SEK	-1.28	0.56	1.78	2.21	0.36
Cash flow per share with full dilution, SEK	0.76	3.34	3.22	1.07	0.33

Dilution effects are only considered in instances when profit per share or shareholders' equity per share declines.

Definitions

Acid-test ratio Current assets excluding stock divided by current liabilities.

Ave. no. of consultants Average number of employed consultants based on monthly figures and adjusted for part-time employment.

Ave. no. of employees Average number of employees based on monthly figures and adjusted for part-time employment.

Ave. no. of shares Calculated as a weighted average for each year according to the Swedish Society of Financial Analysts' recommendations.

Billing rate Number of invoiced hours as a percentage of hours worked by income earners (the period's hours minus holidays and sick days).

Capital employed Balance sheet total minus non-interest-bearing liabilities.

Cash flow per share Current cash flow divided by average number of shares after full dilution.

Debt/equity ratio Interest-bearing liabilities divided by shareholders' equity.

Earnings per share Profit after financial items minus tax divided by average number of shares.

Earnings per share after full dilution Earnings per share is calculated as though warrants had already been exercised, according to RR18.

Equity/assets ratio Shareholders' equity as a percentage of the balance sheet total.

Interest coverage ratio Profit/loss after financial items plus financial expenses divided by financial expenses.

Net debt/equity ratio Net interest-bearing liabilities divided by shareholders' equity.

Net interest-bearing liabilities Interest-bearing liabilities minus interest-bearing assets.

Net margin Profit/loss after financial items as a percentage of net sales.

Net sales per employee/consultant

Net sales for the period divided by the average number of employees or consultants.

Operating margin Operating profit/loss as a percentage of net sales.

Rate of capital turnover Net sales divided by average balance sheet total.

Return on capital employed Profit/loss after financial items plus financial expenses as a percentage of the average capital employed.

Return on shareholders' equity Profit/loss after financial items minus tax as a percentage of average shareholders' equity.

Return on total capital Profit/loss after financial items plus financial expenses as a percentage of the average balance sheet total.

Share of risk-bearing capital Shareholders' equity plus deferred tax (including minority) as a percentage of the balance sheet total.

Shareholders' equity Shareholders' equity includes 72% of the untaxed reserves.

Shareholders' equity per share

Shareholders' equity divided by the number of shares at the period's end.

Value added per employee Operating profit/loss plus labour costs divided by the average number of employees. Labour costs are salary expenses plus a standard 35% for social security costs.

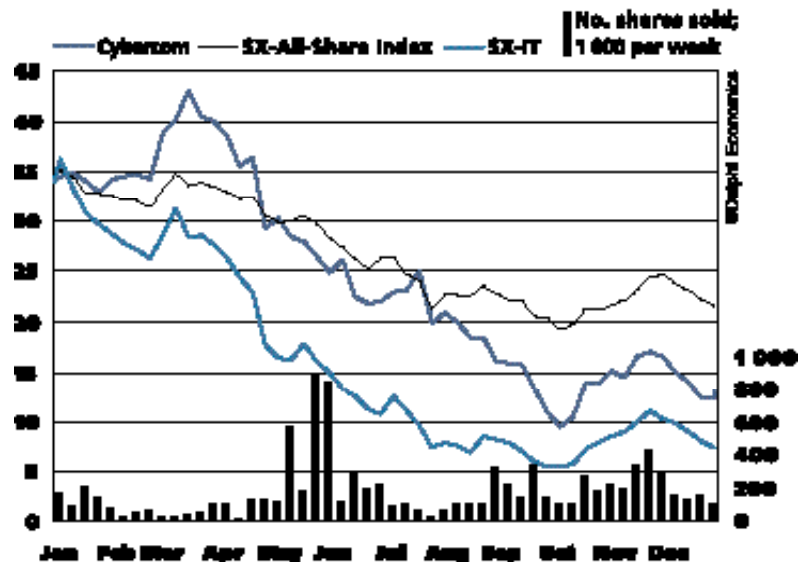
Working capital Current assets minus liquid assets and current liabilities.

Share capital and ownership structure

THE SHARE IN 2002

On 1 December 1999, Cybercom B shares were listed on the Stockholm Stock Exchange O list. In August 2000 Cybercom's series A shares (not issued) and series B shares were reclassified as shares without classification. So Cybercom has only one type of share. At the AGM, each person who is eligible to vote can vote using all the shares he or she owns and is included without limitations in the vote register.

On 31 December 2002, Cybercom's share capital was SEK 9,251,777, which was divided among an equal number of shares. At year-end, the share price was SEK 13, which yields a stock market value of SEK 120 million.

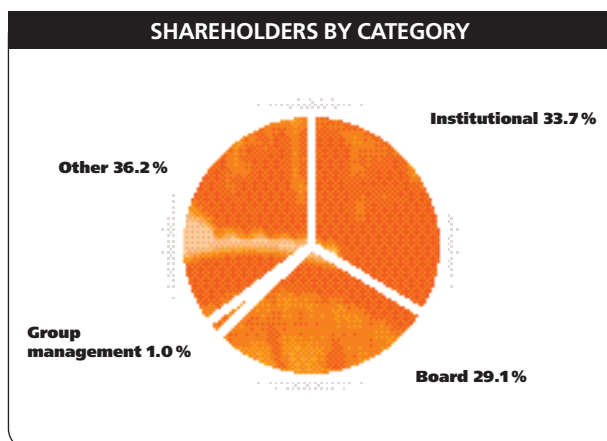


INCREASE IN SHARE

Year	Transaction	amount, SEK	Nominal no. of shares	Future Price, SEK	Total no. shares	capital, SEK	Total share capital, SEK
1997	Company construction	100	1 000	-	1 000	100 000	100 000
1998	Split 5000:1	0.02	4 999 000	-	5 000 000	-	100 000
1998	New issue 1)	0.02	515 000	13.60	5 515 000	10 300	110 300
1998	New issue 2)	0.02	110 300	16.32	5 625 300	2 206	112 506
1998	New issue 3)	0.02	57 575	16.32	5 682 875	1 152	113 658
1999	Share dividend issue	1	-	-	5 682 875	5 569 218	5 682 875
1999	New issue 4)	1	300 000	35.00	5 982 875	300 000	5 982 875
1999	New issue 5)	1	100 000	40.00	6 082 875	100 000	6 082 875
1999	New issue 6)	1	100 000	45.00	6 182 875	100 000	6 182 875
1999	New issue	1	1 700 000	62.00	7 882 875	1 700 000	7 882 875
2000	New issue 7)	1	111 428	210.00	7 994 303	111 428	7 994 303
2000	New issue 8)	1	350 000	23.50	8 344 303	350 000	8 344 303
2000	New issue 9)	1	95 500	41.50	8 439 803	95 500	8 439 803
2001	New issue 9)	1	53 000	41.50	8 492 803	53 000	8 492 803
2001	New issue 10)	1	101 521	98.50	8 594 324	101 521	8 594 324
2001	New issue 7)	1	145 455	87.00	8 739 779	145 455	8 739 779
2001	New issue 11)	1	17 500	51.50	8 757 279	17 500	8 757 279
2002	New issue 7)	1	227 274	32.90	8 984 553	227 274	8 984 553
2002	New issue 12)	1	267 224	34.61	9 251 777	267 224	9 251 777
2003	Fully subscribed warrants	1	162 483	33.50	9 414 260	162 483	9 414 260
2004	Fully subscribed warrants	1	500 000	44.50	9 914 260	500 000	9 914 260
2005	Fully subscribed warrants	1	162 483	33.50	10 076 743	162 483	10 076 743

- 1) New issue directed at Intertech Ltd, Torsten Jungner, and Melina AB
- 2) New issue directed at Peter Törnquist and Lars Ahlman
- 3) New issue directed at Peter Törnquist and Peter Karaszi
- 4) New issue directed at Pir New World Media AB
- 5) New issue directed at Lingfield AB
- 6) New issue directed at the 6th AP fund

- 7) New issue directed at Intra-X Data AB's shareholders
- 8) New issue after exercise of warrants (warrant programme 1)
- 9) New issue after exercise of warrants (warrant programme 2)
- 10) New issue directed at StreamIT AB's shareholders
- 11) New issue after exercise of warrants (warrant programme 3)
- 12) New issue directed at Stratum Project Management Ltd's shareholders



OWNERSHIP STRUCTURE

NAME	NO. SHARES & CAPITAL	SHARE OF VOTES, %
Pekka Seitola via company and private	1 316 025	14.2
Per Bergström via company	1 314 025	14.2
SEB Allemansfond Småbolag	392 050	4.2
Den Norske Bank ASA CLIENTS	352 500	3.8
SIS Segaintersettle AG	346 050	3.7
3I Euro Tech Trust Plc	255 000	2.8
Carlson Småbolagsfond	149 000	1.6
Östersjöstiftelsen	142 700	1.5
Aragon Time-Fond	127 500	1.4
John Baun	120 251	1.3
Maxine Smeaton	120 251	1.3
Nordea Bank S A	113 350	1.2
SEB EB-Stiftelsen	100 000	1.1
Lannebo Småbolag Select	100 000	1.1
JP Morgan Chase Bank	99 337	1.1
Other	4 203 738	45.5
Total	9 251 777	100.0

Source: VPC AB December 30 2002

HOLDINGS SHAREHOLDING SIZE CLASS	NO. OF SHARES IN THE CLASS	%	NO. OF OWNERS	%
1-100	139 914	1.5	2 272	41.5
101-500	565 035	6.1	2 002	36.5
501-1 000	557 903	6.0	641	11.7
1 001-5 000	1 045 007	11.3	453	8.3
5 001-10 000	351 798	3.8	48	0.9
10 001-50 000	818 043	8.8	41	0.7
50 001-100 000	1 027 375	11.1	12	0.2
100 001-	4 746 702	51.3	12	0.2
Total	9 251 777	100.0	5 481	100.0

Source: VPC AB December 30 2002

SHAREHOLDERS

At year-end, there were 5481 shareholders, and 4274 (78%) of these shareholders owned 500 shares or less. Large institutional shareholders owned 33.7%; the company's board members (including the company's founder) owned 29.1%; company executives – 1%; and other shareholders – 36.2%. Foreign shareholders owned 21.9%.

DIVIDEND POLICY

The board set a goal of securing Cybercom's continued growth. Regard must always be made to the group's investment needs and financial position before dividend-related decisions are made.

WARRANTS

Cyber Com Consulting Group Scandinavia AB issued 7 debenture loans with detachable warrants to the board and

employees in the group. The loan was issued to Cyber Com Consulting Uppsala AB, which sold the warrants to authorised warrant holders. Each warrant entitles the holder to subscribe to one share in Cybercom. On 31 December 2002, there was one outstanding warrant programme in the group. In 2002, the programme issued 500,000 warrants. Subscription to shares can occur during the 1 February–4 March 2004 period at a price of SEK 44.50 per share.

DIRECTED NEW ISSUE AND WARRANT ISSUE TO STRATUM PROJECT MANAGEMENT LIMITED SHAREHOLDERS

The 18 March extraordinary general meeting decided to increase the company's share capital through a new share issue of 267,224 shares. The right to subscribe to these shares was given to Stratum Project Management Limited shareholders – a deviation from shareholders' preferential rights. The dilution effect of the issued shares is equivalent to 29% of the capital and the votes. The same meeting decided to authorise the company to issue two loans, nominally at SEK 1 each, through issue of two debentures, each of which is linked to 162,483 detachable warrants for new subscription of shares in the company. The loans' issue price must be 100% of the loans' nominal value.

With deviation from shareholders' preferential rights, Cyber Com Consulting Uppsala AB has the sole right to subscribe to the loan for further transfer to holders of warrants issued by Stratum for purchasing shares in Stratum. Warrant holders can subscribe to one new share in Cybercom for a nominal SEK 1. SEK 33.50 shall be paid for each subscribed share. The first subscription period is from 1 July-31 August 2003 for one of the loans linked to warrants; for the second loan linked to warrants, the period is



from 1 January-28 February 2005.

The meeting also authorised Cyber Com Consulting Uppsala AB to issue the previously specified warrants to those who have call options issued by Stratum – in exchange for relinquishing their rights as specified with the call options.

SHARE INFORMATION, GROUP

AMOUNT IN SEK	JAN-DEC 2002	JAN-DEC 2001
Before dilution		
Profit/loss per share, SEK	-1.28	0.56
Shareholders' equity per share, SEK	25.02	25.52
No. of shares at period's end	9 251 777	8 757 279
Ave. no. of shares	9 169 361	8 696 703
After dilution		
Profit/loss per share, SEK	-1.28	0.56
Shareholders' equity per share, SEK	25.02	25.52
No. of shares at period's end	9 251 777	8 757 279
Ave. no. of shares	9 251 777	8 757 279
<i>Dilution effects are only considered in instances when profit per share or shareholders' equity per share declines.</i>		



Culture, organisation, and capital structure

Cybercom's organisation is built on the small-scale internally and large-scale externally concept.

The group consists of several subsidiaries that form three business area (BA) units.

The parent company's operation primarily consists of staff functions, e.g., finance, communications, marketing, administration, and internal systems.

To best represent different organisation levels and staff functions within the group, Cybercom's executive team consists of the president and CEO, BA managers, the CFO, and subsidiary managers.

The organisation strives to be:

- Results oriented: to deliver on time at the specified cost.
- Flexible: to further develop the business culture and co-operate according to the aforementioned concept.
- The most attractive employer for experienced consultants in the IT industry.

GOVERNANCE

Results from different units within the group are followed up monthly, using finance and time reports that are compared to budgets, forecasts, and the operation's report. A jointly used HR inventory tool is used to determine training needs, facilitate sales, and staff project groups.

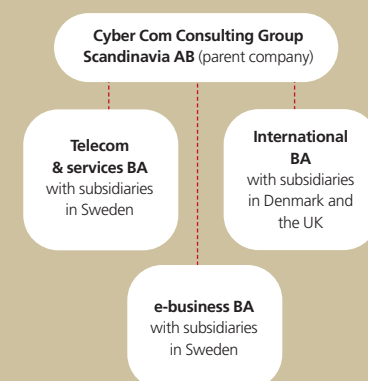
Environment and equal opportunity

Cybercom follows environment, equal opportunity, and workplace policies.

Common sales process

Cybercom worked on refining its sales process during 2002, with the goal to successfully:

- Specialise so that the company is perceived as



a natural partner for customers that operate within telecom, finance, and pharmaceuticals.

- Increase the number of solutions-oriented business deals.
- Expand the operation within selected market segments throughout Europe via customer assignments and establishment of more operations.

Fine-tuned sales activities

Cybercom refined its sales process to meet tough market conditions and to work with adapting and improving its offerings. The entire group implements the same process and shares the same sales system and tools. Cybercom uses the team-sales method, with plans and account managers, for its selected markets. This ensures that even more sales reps have knowledge of each customer. Sales teams extend across internal units and target each key area, i.e., telecom,

finance, and pharmaceuticals. They are well versed in their selected industries, possess requisite knowledge and experience, and work continuously with joint education initiatives to keep updated and to provide attractive offers. Consequently, Cybercom sales reps have expertise and networks that overlap.

Multiple skills/capabilities

Cybercom strives to be an attractive employer for experienced IT consultants. Cybercom's employees have, on average, 13 years of industry experience, which they spontaneously share within group-wide forums and seminars. This sharing is possible because all professional groups in the company have extensive experience, so knowledge exchanges occur simply and quickly at a high level – without needing to repeat basic facts. Workshops are set up to present experiences from different types of assignments and projects. A cross-functional team was formed to work with customised training and certification such as:

- Operations know-how within our targeted markets.
- The latest, relevant information technology, e.g., BizTalk via Microsoft.NET, Java, or different system-development components and enterprise application integration (EAI).
- Project management.
- The rational unified process (RUP).

Orientation programme

Entrepreneurialism and professionalism are top priorities, and capabilities, involvement, and openness are key words for Cybercom's employees. This is strengthened in an orientation programme in which the company's culture and policies are explained, discussed, and developed.

Factors that can affect the company

Business involves opportunities and risks; the same applies to share ownership. Below are several factors that can affect Cybercom's development. They aren't presented in a prioritised order; they aren't necessarily comprehensive nor do they cover all factors in detail.

ACQUISITION

Cybercom plans to expand organically and via acquisitions. Expansion will occur within telecom, finance, and pharmaceuticals to strengthen the company's position in those markets. Foreign and domestic acquisitions increase demands on the organisation. Integrating new companies and employees involves risk. During the year, Cybercom acquired several companies and operations; this experience led to a thoroughly developed plan for integrating acquired companies.

RECRUITMENT AND SKILLS

Consultants constitute Cybercom's most important asset. Qualified consultants are a requirement for enabling the company to achieve its growth and profitability goals. During 2002, the company recruited fewer consultants than in previous years. Cybercom has always had stringent capabilities' requirements, and this became even more obvious because of the current market situation. Cybercom continuously works to be an attractive employer and to ensure that the company has access to the right skills. In 2002, the turbulent IT market enabled Cybercom to recruit several consultants with cutting-edge capabilities and extensive experience.

COMPETITORS

Cybercom competes with other IT consultancies that serve the telecom, finance, and pharmaceutical segments in Europe – a very competitive market. Tougher competition can lead to price-cutting and lower growth opportunities. Our focus makes us a strong niche player within our targeted segments and thus highly competitive.

BUSINESS CYCLE

The business cycle drives customers' willingness to invest. Often, IT investments are strategically important and are prioritised even during recession. When the economy heads toward the trough, customers prefer to lower their dependencies on consultants rather than on employees. Cybercom consciously chose to work with customers in its three targeted areas to reduce its dependency on trends within a single industry. To minimise the risk of becoming victim to economic trends and unwillingness to invest in reinforcing capabilities, the company developed more total solution-oriented services, such as application management and support. Cybercom's presence in several geographic locations

strengthens its operations when economic conditions vary among countries.

SUPPLIERS

As a service consultancy, Cybercom bases its solutions on standard products and systems. The company isn't dependent on just one supplier but works with many different suppliers.

CUSTOMERS

Cybercom's 10 largest customers account for about 69% of sales. For many years, Cybercom has had stable, long-term customer relations and works constantly to develop long-term relations with all its customers.

CURRENCY EFFECT

Cybercom has customers in many countries, so different currencies affect the bottom line. But this has very little effect on us because most sales are in Swedish crowns.

FORECASTS

Customers' decision-making processes can be complex and take time. So it's difficult for Cybercom to forecast sales and profit. A delayed project can have considerable effects on sales and profit during a specific calendar year. But each month, Cybercom carefully monitors orders and revenues within its subsidiaries in all countries.

SENSITIVITY ANALYSIS

These factors affect Cybercom's profit:

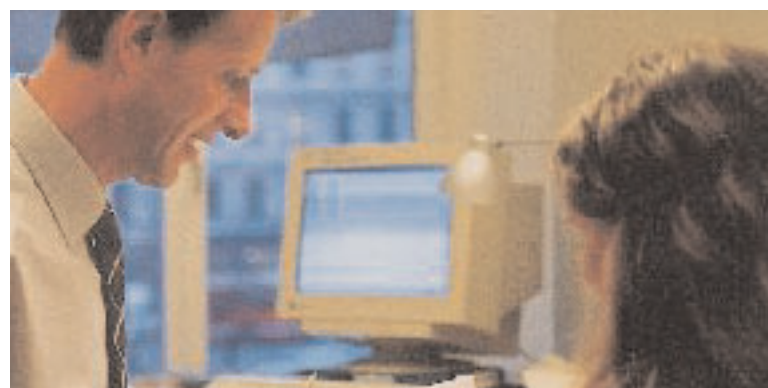
- Proportion of solution-based assignments.
- Rates paid by customers.
- Amount/degree of invoicing.
- Number of consultants.

These items show effects from a 1% change in operating profit, calculated on the outcome for 2002:

+/- 1%, in SEK million	
Price paid by customer	2.7
Amount/degree of invoicing	2.4
No. of consultants	0.7

These effects are independent of each other and are dependent on other factors not changing.

To lower sensitivity to the above factors, Cybercom restructured its operation in 2002 to accommodate solution-based assignments. So our capabilities and effectiveness in delivering solutions affect profitability more than hourly/invoicing rates or the number of consultants.



The directors' report 2002

The board and president of Cyber Com Consulting Group Scandinavia AB (publ.), corporate ID number 556544-6522, hereby submit their annual report for the 1 January 2002–31 December 2002 period.

- The directors' report
- Profit and loss statements, group and parent company
- Balance sheet, group and parent company
- Cash flow statement and notes.

All amounts are reported in SEK thousands. Numbers enclosed in parentheses refer to the previous year.

Despite the tough market situation, 2002 was a good year for Cybercom. Stronger relations with key customers, continued development of our offerings to the market, and conscious cost monitoring provide a strong base for future operations.

LARGER PROPORTION OF SOLUTIONS

Cybercom has become an important supplier for its customers. We increased the number of solution-based assignments, comprehensive projects, and other commitments. So the proportion of assignments related to providing capabilities/skills was reduced. The proportion of solution-based assignments was close to 40% of sales in 2002. This gave Cybercom a more stable position, and sensitivity to IT market variation was reduced. Proof of this was demonstrated when our most important customers signed frame agreements or long-term partnership agreements with Cybercom – a big win, despite tough competition from many other companies.

Cybercom employs several of the industry's most experienced consultants. The market climate enabled us to find the most capable professionals, and we continue to have an elite team. In 2002, the average number of years of consulting experience rose from 12 to 13.

INTERNATIONALISATION CONTINUES

Cybercom is a European consultancy with offices in Denmark, Sweden, and the UK. Our customers' challenges within the IT area often take on an international dimension. We intend to follow our customers to new markets. Right now, we work for different customers in nine countries.

STRONG FINANCES, ABOVE-AVERAGE FINANCIAL PERFORMANCE

Outsiders have said that Cybercom was too boring. We've always followed the accelerate-and-brake-at-the-same-time principle. Profitability has been more important than growth. This sound economic principle contributes to our strong financial position. After an unbroken stretch of profitability, we broke even in the 2002 operating year. We consider this a success in a year when many of our industry colleagues were drastically affected. So going forward, Cybercom is in a very good starting position, even if an insecure market climate still exists.

THE OPERATION

The Cybercom Group is a European consulting company that strengthens its customers' operations by delivering business-generating IT solutions. Cybercom was founded in 1995; since 1999, the company has been listed on the Stockholm stock exchange. Today, the company has offices in Denmark, Sweden, and the UK and projects in nine countries.

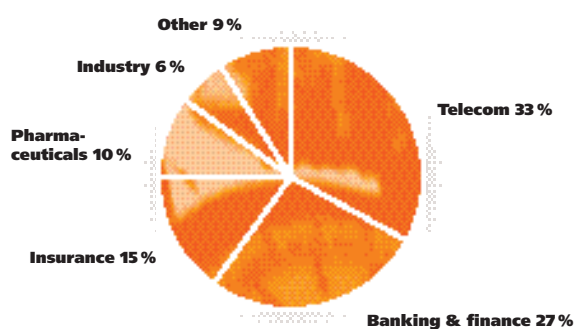
Cybercom's customers primarily operate in:

- Telecom: fixed and mobile operators, service providers, and product development companies.
- Finance: insurance companies, banks and other players on the financial market.
- Pharmaceuticals: knowledge-intensive companies that focus on R&D.

For many years, Cybercom has had stable customer relations, which were strengthened during 2002 through longer, more comprehensive assignments. Customer requirements are shifting more and more to solutions, and Cybercom increasingly develops this type of business with, for example, ASSA ABLOY, Reuters, Sony Ericsson, and TeliaSonera. During the year, Cybercom signed frame agreements with key customers such as Alecta, Apoteket, AstraZeneca, Ericsson, IBX, Regeringskansliet, Statskontoret, Tele2, TeliaSonera, and Tetra Laval. Other customers include 3 (Hutchison), AFA, Länsförsäkringar, Nordea, OM, Royal Bank of Scotland, and Saab Tech.

Often, Cybercom's work involves application management and complete projects. The company focuses on customers' front-end systems, i.e., development of new products and services plus support for more effective sales and marketing.

CYBERCOM'S SALES BY INDUSTRY



PARENT COMPANY

Besides a small part of the consulting operation, the parent company primarily manages group-wide staff functions, such as finance, administration, communications, investor relations, and PR.

Competitors

Cybercom operates in a market with several direct competitors. Here are the primary competitors that work in markets that affect several of our BAs: Accenture, Cap Gemini Ernst & Young, HiQ, Teleca, TietoEnator, and WM-Data.

TELECOM & SERVICES BUSINESS AREA (BA)

The Telecom & services BA covers Cybercom's operation in Sweden, primarily within telecom and certain parts of the pharmaceutical and insurance industries.

MSEK=SEK million	Q1 2002	Q2 2002	Q3 2002	Q4 2002	Jan-Dec 2002	Jan-Dec 2001
Sales	61.7	48.5	41.9	47.0	199.1	264.5
Operating profit before goodwill	6.3	0.0	0.4	1.1	7.8	33.4
Margin, %	10.2	0.0	1.0	2.3	3.9	12.6
Ave. no. of employees	125	126	128	113	117	131

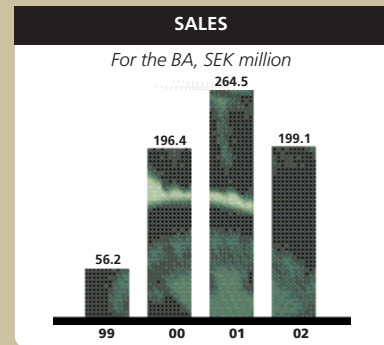
THE OPERATION This BA focuses on telecom operators' business-support systems, billing, complex e-business solutions, development of new mobile products, and broadband services.

IMPORTANT EVENTS TeliaSonera is an important customer. Throughout the years, Cybercom has had different billing and customer-care assignments and projects. In early 2002, Cybercom delivered a major project – a portal that was developed for Telia Sweden's enterprise customers. Cybercom signed a long-term contract (application management) with Sony Ericsson for the mobile division's Web sites that interface with consumers. During

the year, Ericsson designated Cybercom as a preferred supplier.

MARKET The BA's high-tech enterprise customer base expanded – thanks to new orders from Sony Ericsson (product development), Bombardier, and Micronic. New customers include 3 (Hutchison) in Austria and Sweden. Länsförsäkringar and AFA are important insurance industry customers.

A FEW CUSTOMERS TeliaSonera, Sony Ericsson, AFA, Länsförsäkringar, Apoteket, SNPAC, and Flextronics.



E-BUSINESS BA

This BA covers Cybercom's operations in Sweden, primarily in insurance, banking, and finance and some activity in pharmaceuticals and industry.

MSEK	Q1 2002	Q2 2002	Q3 2002	Q4 2002	Jan-Dec 2002	Jan-Dec 2001
Sales	32.7	25.5	20.9	24.6	103.7	156.3
Operating profit before goodwill	-1.6	-6.1	-4.4	-4.9	-17.0	0.0
Margin, %	-4.9	-23.9	-21.1	-19.9	-16.4	0.0
Ave. no. of employees	128	119	105	102	113	143

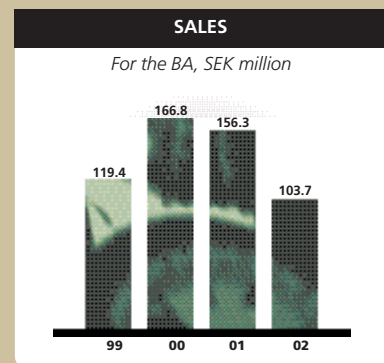
THE OPERATION The BA offers IT solutions that develop businesses – plus solutions for Internet-based service development, financial information services, and product development. For example, Cybercom delivers e-business solutions, CRM systems, and security solutions. The company has had long-term partnerships with leading hardware and software vendors and uses their products when the products can function as effective components in new systems.

IMPORTANT EVENTS In 2002, the BA signed frame agreements with Alecta, AstraZeneca, and the Tetra Laval Group. Cybercom developed CyberMate PreHospital, which is an electronic documentation system for ambulance journals. Cybercom and Medtronic Physio-Control in Europe entered a

partnership agreement in which Cybercom is designated as supplier of the system that complements Medtronic's LIFEPAK® 12. An ASSA ABLOY assignment involves delivery of an e-business solution for internal purchasing. During 2003, Cybercom will integrate all ASSA ABLOY's subsidiaries worldwide.

MARKET Cybercom's focus on the insurance market was strengthened through several assignments within private life insurance and retirement pensions, for example, with Alecta and SPP.

A FEW CUSTOMERS Handelsbanken, Riksskatteverket, ASSA ABLOY, Alecta, SPP, AstraZeneca, Medtronic, and OM.



INTERNATIONAL BA

Starting in Q1 2002, Cybercom had a new BA called International, which covers the company's operations in Denmark and the UK. The BA enables Cybercom to acquire frame agreements with multinational customers that operate in its targeted markets.

MSEK	Q1 2002	Q2 2002	Q3 2002	Q4 2002	Jan-Dec 2002	Jan-Dec 2001
Sales	17.5	17.5	18.8	17.5	71.3	2.4
Operating profit before goodwill	3.0	1.6	3.8	2.8	11.2	-5.2
Margin, %	17.1	9.1	20.2	16.0	15.7	N/a
Ave. no. of employees	35	37	39	41	38	9

THE UK Cybercom delivered larger projects that involve:

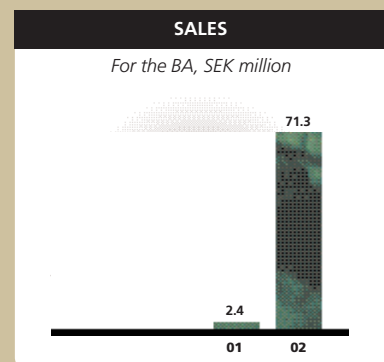
- Financial services distributed via the Internet.
- Integration of complex systems that support collecting, processing, packaging, and displaying financial information; trading; Internet banking and payment systems; and new media and information management.

DENMARK The operation in Denmark started in 2001. After about a year, it could report black figures in Q3 and strong growth. The BA offers IT solu-

tions that develop businesses – plus solutions for Internet-based service development, e-business solutions, CRM systems, and security solutions.

MARKET Cybercom works to expand its international customer base within its targeted markets: telecom, finance, and pharmaceuticals.

A FEW CUSTOMERS Reuters, Royal Bank of Scotland, Nordea, UBS, Danske Bank, and Mærsk.



DIRECTORS' REPORT 2002

IMPORTANT EVENTS DURING THE FINANCIAL YEAR

ACQUISITION OF STRATUM PROJECT MANAGEMENT LTD

The 18 March extraordinary general meeting approved Cybercom's acquisition of Stratum Project Management Ltd, a UK consulting company (now called Cyber Com Stratum Consulting Ltd). The company was launched in 1995; it employs about 20 people. It primarily operates on the banking, finance, and telecom markets and implements larger projects that involve integration of complex support systems and distribution of financial services via the Internet. Its customers include Reuters, the Royal Bank of Scotland, Coutts, and UBS, among others. The company has been profitable since its start.

The purchase price consisted of two parts: fixed and supplementary. The supplementary part is based on Cyber Com Stratum Consulting's financial performance during 2002-2004 and Cybercom's share trends at each transaction point. For 2002, SEK 19.1 million was paid. The amount for the 2003-2004 period is expected to be considerably lower than in 2002. Cybercom financed the acquisition through:

1. A new issue of Cybercom shares (267,224) and a call switch with Cyber Com Stratum Consulting Ltd, for 324,966 warrants in Cybercom.
2. Cash payment and issue of a promissory note.

The fixed price is expected to generate goodwill worth about SEK 29 million.

INTERNATIONAL, A NEW BUSINESS AREA

As a result of establishing a UK operation through Cyber Com Stratum Consulting Ltd, the company decided to build the new International BA. This BA covers Cybercom's operations in Denmark and the UK. All comparable figures for the previous year were adjusted, so Denmark's financial outcome was eliminated from the Telecom & Services BA.

PERSONNEL

Cybercom's employees know a lot about operations in the company's targeted industries and have extensive IT experience, on average 13 years per consultant. During 2002, the average number of employees in the group was 289 (312). At year-end, the average number of employees in the group was 280, a decrease of 20 persons during the year.

PROFIT/LOSS AND POSITION

During 2002, group sales reached MSEK 344.8 (396.2), a 13% reduction compared with 2001. Operating profit before goodwill stood at MSEK 0.4 (21.0), which yields a 0.1% (5.3) margin. Operating loss after goodwill stood at MSEK 12.5 (+12.1), which yields a -3.6% (3.1) operating margin. Of all group sales in 2002, solutions-related assignments accounted for 39% (20%), which is an increase compared to 2001.

To deal with competitive market conditions, Cybercom became more efficient in 2002 and restructured its organisation. The entire group resolutely monitored fixed and varying costs; this led to corrective measures within the Swedish operation, whose costs are reported in the 2002 year-end financial report.

Note: operating income, excluding restructuring costs and goodwill reached MSEK 11.5, which yields a 3.3% margin. Restructuring primarily required a response to changed market demands for solutions. The company's initiatives proved successful because an increased percentage of group sales was related to such assignments.

The negative market situation affected Cybercom's three business areas to varying degrees. The E-business and Telecom & Services BAs were hit hardest. The International BA maintained strong finances, and the operation in Denmark, which was launched in 2001, succeeded in reporting positive figures starting in Q3, after just one year of operation.

Increased focus on Cybercom's key customers within the telecom, finance, and pharmaceuticals markets strengthened existing customer relations and led to new customers. Customers now demand fewer suppliers that can take greater responsibility through close partnerships. Cybercom has very close co-operation with key customers. The difficult IT market situation enabled Cybercom to recruit several consultants who have cutting-edge expertise and extensive experience within the three targeted markets; this led to positive business breakthroughs.

Net financial items for 2002 stood at MSEK 4.3 (-0.4). Loss after net financial items was MSEK -8.2 (+11.7), which yields a -2.4% (3.0) net margin.

Cash flow from running operations was MSEK 7.0 (31.4) for all of 2002.

FINANCIAL POSITION

As of 31 December 2002, equity was MSEK 231.5 (223.5), which yields an equity/assets ratio of 73.6% (72.2). Shareholders' equity per share reached SEK 25.02 (25.52).

During Q3, the subscription period ended for one of Cybercom's warrant programmes that targeted group employees. The subscription price was set at SEK 144. Because the Cybercom share demonstrated weak trends, no subscription rights (400,000 in total) were used for new share subscriptions.

INVESTMENTS

For the year, investments in:

- Intangible fixed assets reached MSEK 51.0 (16.7).
- Tangible fixed assets reached MSEK 3.0 (7.8).

LIQUIDITY

On 31 December 2002, the group's liquid assets were worth MSEK 111.5 (120.8 on 31 December 2001).

PARENT COMPANY

Sales in 2002 reached MSEK 31.8 (32.4). Operating loss was MSEK 1.4 (-7.5). Loss after financial items was MSEK 7.3 (-1.8). The parent company's cash flow stood at MSEK 107.6 (114.7) on 31 December 2002. Investments worth MSEK 0.3 (0.7) in computers and other equipment were made during the year. At year-end, the number of employees in the parent company was 24 (29).



WARRANT PROGRAMME

The 11 January 2002 extraordinary general meeting decided that Cybercom should take out one new subordinated loan for at most SEK 10,000 through issue of debenture, with at most 500,000 detachable warrants for new share subscription. Cyber Com Consulting Uppsala AB, a wholly owned subsidiary, has preferential right to subscribe to the debenture linked to the detachable warrants. Each warrant is immediately detachable from the debenture and entitled to subscription of one share in the company. Each share costs a nominal fee of SEK 1, which means that the company receives a share capital injection of at most SEK 500,000 – if fully subscribed. The meeting also approved a Cyber Com Consulting Uppsala AB transfer of warrants to Cybercom group employees. The dilution effect from full subscription is about 5.3% of the capital and votes. The new issue subscription period is from 1 February 2004 to 4 March 2004. The subscription price is SEK 44.50. So far, about 75% of the subscription rights was used.

OWNERSHIP STRUCTURE

The 10 largest owners of Cyber Com Consulting Group Scandinavia AB as of 30 December 2002:

	No. shares & capitals	Share of votes, %
Pekka Seitola via company and private	1 316 025	14.2
Per Bergström via company	1 314 025	14.2
SEB Allemansfond småbolag	392 050	4.2
Den Norske Bank ASA Clients	352 500	3.8
SIS Segaintersettle AG	346 050	3.7
3I Euro Tech Trust PLC	255 000	2.8
Carlson Småbolagsfond	149 000	1.6
Östersjöstiftelsen	142 700	1.5
Aragon Time-Fond	127 500	1.4
John Baun	120 251	1.3
Total of top 10	4 513 101	48.8
Other	4 736 676	51.2
Total	9 251 777	100.0

At year's end, the number of shares were 9,251,777 with full dilution.

MANAGEMENT

The board has seven members. According to the board-adopted rules of procedure, the board is responsible for decisions relating to strategy, property acquisitions, and policy. According to the Swedish Companies Act, the board is responsible for group organisation and management. Throughout the financial year, the board held 10 meetings. Board activities comply with the rules of procedure, which are considered and set by the board and president. The company's auditor participates in the board meeting in which the books are closed, to report any observations made during the audit. During the year, the group's executive team consisted of four persons. During the annual budget process, the board and executive team set the framework for operations and laid the foundation for strong decentralising of the group's activities. Joint policy documents set the framework for control and follow-up.

IMPORTANT EVENTS AFTER YEAR-END

TAKEOVER OF MIND FINANCE AB OPERATIONS

Mind Finance AB's operation consists of about 30 employees; it is an IT and business development consultancy that mainly operates within banking, finance, and insurance. Important customers include AMF Pension, Bankgirocentralen, FöreningsSparbanken, KPA, Nordea, ICA, OM, and SEB. With takeover of Mind Finance AB, we strengthen our market position in Sweden for the e-business BA. The acquisition is expected to yield positive results for Cybercom. Goodwill is estimated to reach SEK 2–4 million.

FRAME AGREEMENTS

A frame agreement was signed with Svenska Handelsbanken (a Swedish bank) for implementing the BankID service. Cybercom is one of the few IT companies with which TeliaSonera has contracted in 2003. And an earlier frame agreement with Ericsson was extended until June 2003 – pending Ericsson's plans to outsource its IT operation.

NEW BA MANAGER

Starting in Q1 2003, Rolf Carlström was the new e-business BA manager and a member of Cybercom's executive team.

FUTURE TRENDS

Market conditions will remain tough, so 2003 market trends are hard to forecast. Cybercom has adapted its organisation and service offerings to meet the trends. The company focuses more on solutions – primarily for its targeted markets: telecom, finance, and pharmaceuticals. The turbulent IT market has enabled Cybercom to recruit more consultants who possess top-notch capabilities and extensive experience in these markets. The company's goal is to grow within its areas of strategic focus – organically and through acquisitions.

PROPOSED APPROPRIATIONS

These funds are at the disposal of the AGM:

Unrestricted equity, SEK 41,731,461

The board and president recommend that profits be distributed as follows:

Carried forward to a new account SEK 41,731,461

Group unrestricted equity, according to the consolidated balance sheet, is 12,931,000. Allocations to the restricted reserves are not necessary.

Market share

Cybercom operates in an IT services market valued at SEK 77 billion in Denmark, Finland, Sweden, and the UK. Of this amount, about 35 billion lies within Cybercom's three targeted industries. In Sweden, Cybercom has a market share of 2-3%, depending on the focus area. The above statistics are based on Cybercom's calculations; Eito statistics were used as a base.

Profit and loss statement

SEK IN THOUSANDS	NOTE	THE GROUP		PARENT COMPANY	
		2002	2001	2002	2001
Operating income					
Sales	22	344 476	394 794	31 728	32 232
Other operating income		371	1 385	109	166
Total operating income		344 847	396 179	31 837	32 398
Operating expense					
Other external expenses	22,23,24	-102 256	-116 330	-17 598	-18 741
Personnel expenses	2,22	-236 401	-252 603	-14 579	-19 972
Write-offs	9	-18 726	-15 076	-1 019	-1 139
Total operating expense		-357 383	-384 009	-33 196	-39 852
Operating profit/loss		-12 536	12 170	-1 359	-7 454
Profit/loss from financial investments					
Profit/loss from shares in group company	3	-139	-	-10 162	2 324
Profit/loss from other securities and receivables	4	76	-5 012	-	-
Interest income and similar income items	5	5 400	4 754	5 493	4 689
Interest expenses and similar items	6	-1 033	-153	-1 276	-1 337
Total profit/loss from financial items		4 304	-411	-5 945	5 676
Profit/loss after financial items		-8 232	11 759	-7 304	-1 778
Allocations	7	-	-	3 548	-7 779
Taxes on the year's income	8	-1 227	-6 852	-314	2 084
Minority share in the year's profit	16	3	5	-	-
Profit/loss for the year		-9 456	4 912	-4 070	-7 473
SHARE INFORMATION					
AMOUNT IN SEK					
BEFORE DILUTION		2002	2001		
Profit or loss/share, SEK		-1.28	0.56		
Shareholders' equity/share, SEK		25.02	25.52		
No. of shares at period's end		9 251 777	8 757 279		
Ave. no. of shares		9 169 361	8 696 703		
AFTER DILUTION					
Profit or loss/share, SEK		-1.28	0.56		
Shareholders' equity/share, SEK		25.02	25.52		
No. of shares at period's end		9 251 777	8 757 279		
Ave. no. of shares		9 251 777	8 757 279		

Dilution effects are only considered in instances when profit per share or shareholders' equity per share declines.

Balance sheet

SEK IN THOUSANDS	NOTE	THE GROUP		PARENT COMPANY	
		2002	2001	2002	2001
ASSETS					
FIXED ASSETS	9				
Intangible fixed assets					
License rights		167	567	-	-
Accumulated expenses for software development		3 028	-	-	-
Goodwill		117 817	82 740	-	-
Total intangible fixed assets		121 012	83 307	-	-
Tangible fixed assets					
Equipment		9 863	11 287	1 546	2 312
Total tangible fixed assets		9 863	11 287	1 546	2 312
Financial fixed assets					
Shares in group company	10,11	-	-	178 592	115 421
Other long-term securities holdings	12	190	208	-	-
Other long-term receivables	17	3 490	2 750	250	-
Total financial fixed assets		3 680	2 958	178 842	115 421
TOTAL FIXED ASSETS		134 555	97 552	180 388	117 733
CURRENT ASSETS					
Current receivables					
Accounts receivable		41 838	57 001	19	118
Receivables from group companies		-	-	41 752	35 572
Income taxes recoverable		-	-	2 509	-
Other receivables		659	379	2	5 437
Prepaid expenses and accrued income	13	25 863	33 797	3 692	6 194
Total current receivables		68 360	91 177	47 974	47 321
Short-term investments					
Other short-term investments		40 000	59 434	40 000	59 434
Total short-term investments		40 000	59 434	40 000	59 434
Cash and bank deposits		71 537	61 368	67 624	55 235
TOTAL CURRENT ASSETS		179 897	211 979	155 598	161 990
TOTAL ASSETS		314 452	309 531	335 986	279 723

Balance sheet continued...

		THE GROUP		PARENT COMPANY	
SEK IN THOUSANDS	NOTE	2002	2001	2002	2001
SHAREHOLDERS' EQUITY and LIABILITIES					
SHAREHOLDERS' EQUITY	14				
Restricted equity					
Share capital		9 252	8 757	9 252	8 757
Share premium reserve		195 808	178 276	198 804	179 489
Other statutory reserves/reserve fund		13 497	18 106	1 699	1 698
Total restricted equity		218 557	205 139	209 755	189 944
Unrestricted equity					
Retained earnings/accumulated profit		22 387	13 472	45 801	56 460
Profit/loss for the year		-9 456	4 912	-4 070	-7 473
Total unrestricted equity		12 931	18 384	41 731	48 987
TOTAL SHAREHOLDERS' EQUITY		231 488	223 523	251 486	238 931
Untaxed reserves	15	-	-	7 659	11 207
Minority interests	16	-	-	-	-
Provisions	17				
Provisions before tax		4 308	5 856	-	-
Total provisions		4 308	5 856	-	-
Long-term liabilities					
Other liabilities	18	11 212	235	11 009	64
Total long-term liabilities		11 212	235	11 009	64
Current liabilities					
Advances from customers		76	1 789	-	-
Accounts payable		14 065	14 993	2 588	1 296
Payable to group company		-	-	39 105	8 118
Tax liability		-	4 194	-	5 890
Other liabilities	19	31 150	29 630	20 581	9 542
Accrued expenses and deferred income	20	22 153	29 311	3 558	4 675
Total current liabilities		67 444	79 917	65 832	29 521
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		314 452	309 531	335 986	279 723
PLEDGED ASSETS AND CONTINGENT LIABILITIES					
Pledged assets	-	-	-	-	-
Contingent liabilities	21	561	699	561	699

Cash flow statement

SEK IN THOUSANDS	NOTE	THE GROUP		PARENT COMPANY	
		2002	2001	2002	2001
CURRENT OPERATIONS					
Operating profit/loss before financial items		-12 536	12 170	-1 359	-7 454
Write-offs		18 726	15 076	1 019	1 139
Other items not affecting liquidity		-	2 858	-10 162	-2 877
		6 190	30 104	-10 502	-9 192
Interest received		6 295	3 830	6 517	3 758
Dividends received		-	-	0	5 231
Interest paid		-894	-155	-1 269	-1 334
Income tax paid		-21 301	-12 547	-7 728	-4 698
Cash flow from current operations before changes in working capital		-9 710	21 232	-12 982	-6 235
Increase/decrease accounts receivable		29 506	3 630	99	361
Increase/decrease other current receivables		6 620	3 389	3 802	27 571
Increase/decrease accounts payable		-1 276	-880	1 291	-2 608
Increase/decrease other current operating liabilities		-18 129	4 061	1 741	20 059
Cash flow from current operation		7 011	31 432	-6 049	39 148
INVESTMENT ACTIVITIES					
Investments in intangible fixed assets	25	-3 028	0	-	-
Investments in tangible fixed assets	25	-2 980	-7 772	-307	-707
Sales of tangible fixed assets		-	1 003	156	144
Acquisition of subsidiaries	27	-11 038	-16 639	-34 206	-28 556
Sales of subsidiaries	28	-83	-	1 260	-
Cash flow from investment activities		-17 129	-23 408	-33 097	-29 119
FINANCING OPERATIONS					
New share issue		1 411	857	495	857
Received/paid group contributions		-	-	31 605	12 634
Cash flow from financing operations		1 411	857	32 100	13 491
Increase of liquid assets		-8 707	8 881	-7 046	23 520
Liquid assets at year's start		120 802	111 921	114 669	91 149
Translation difference		-558	0	0	0
Liquid assets at year-end	26	111 537	120 802	107 623	114 669



NOTES TO FINANCIAL STATEMENTS

Notes

■ NOTE 1 Accounting and valuation principles

The annual accounts were created according to the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations and statements. From 1 January 2002, the company applies RR15 (intangible assets), RR17 (write-downs), RR19 (operations under liquidation), RR21 (loan expenses), and RR23 (information on affiliates).

Consolidated accounts

The consolidated accounts include companies in which the parent company directly or indirectly holds more than 50% of the shares. The acquisition method was used to prepare the consolidated accounts, so acquisition cost of shares in subsidiaries is eliminated against acquired shareholders' equity. Any difference between acquisition value of the subsidiary's shares and its shareholders' equity, at the time of acquisition, is booked as goodwill. When a subsidiary is acquired during the year, the subsidiary's income and expenses are only included in the consolidated profit and loss statement for the time after the acquisition. When a subsidiary is sold during the year, profit/loss is included for the period of ownership, and its income and expenses are reported in the consolidated profit and loss statement.

Capital gains/losses are estimated within the group as the difference between the selling price and the consolidated value of the subsidiary's net assets. Receivables and liabilities within the group, and associated unrealised profits and losses and transactions between companies within the group, are eliminated in their entirety in the consolidated statements. When converting profit and loss statements and balance sheets of foreign subsidiaries, all subsidiaries' assets and liabilities are converted using the closing day rate, while profit and loss statements are converted using the average exchange rate. Shareholders' equity was converted at the historical rate. Translation differences have had no impact on profit/loss, but are booked directly to shareholders' equity.

Revenue recognition

Service assignments on running accounts

Running-account assignments are recognised as profit/loss at the rate that the assignments are performed, i.e., revenues and expenses are reported for the period in which they were earned or incurred. Non-invoiced revenue earned on the balance sheet date is reported as accrued income.

Fixed-price services

When a fixed-price, service-assignment outcome can be reliably estimated, then the assignment's revenue and expenses are reported as revenue or expenses, respectively, in relation to the assignment's degree of completion on the balance sheet date (percentage of completion method). The number of used hours on the balance sheet date, in relation to the assignment's estimated total, mainly determines the percentage of completion. If estimation difficulties occur (e.g., a project is in an early phase), and if the customer will cover accrued expenses, then income is reported on the balance sheet date at an amount that corresponds to the assignment's accrued expenses. And no profit is shown. If an assignment's profit/loss cannot be reliably estimated, then only anticipated customer-defrayed expenses are reported as income. If the customer probably won't pay the accrued expenses, then no income is reported. Suspected loss is booked immediately as an expense, in as far as it can be estimated. Assignments performed on a fixed-price basis currently represent a minor share – 9% (8%) – of the company's net sales. Charges on fixed-price assignment invoices, for services not yet performed, are reported as advances from customers.

Loan expenses

Loan expenses affect profit/loss for the period to which they refer.

Appropriations and untaxed reserves

The consolidated accounts do not include appropriations for untaxed reserves. Deferred tax on untaxed reserves is estimated without discounting, based on the actual tax expense for the next year. So for 2002, 28% of the untaxed reserves relate to deferred tax and 72% to shareholder's equity.

Fixed assets

Intangible fixed assets

Intangible fixed assets are valued at acquisition value with deductions for estimated residual value (normally 0) and scheduled, accumulated depreciation. Scheduled depreciation is based on the acquisition value of the fixed assets. Depreciation is based on the economic lifespan of the assets; these depreciation/write-off rates were applied:

License rights:	4 years
Accumulated software development expenses:	3 years
Goodwill:	10 years

For tax purposes, write-off of license rights occurs at the highest allowed amount, according to the deduction rule.

Tangible fixed assets

Inventory is valued at acquisition value, with scheduled deductions for accumulated depreciation. Scheduled depreciation is based on fixed assets' acquisition value and economic lifespan of the assets. This depreciation/write-off rate applies to:

Computers and other inventory: 3–5 years

For tax purposes, depreciation of this equipment occurs at the highest allowed amount, according to the deduction rule. Depreciation in excess of plan for the parent company is reported as an appropriation, and accumulated excess depreciation is reported as untaxed reserves.

Write-downs

Preliminary evaluation of cash-generating units was done on acquired companies, according to RR17 (write-downs). For an acquisition, indirect effects on another group company are accounted for.

Receivables

Receivables are valued individually, and requisite allowances are made.

Receivables and liabilities in foreign currencies

Current receivables and liabilities were converted using the closing day rate. Exchange-rate differences for receivables and liabilities are reported in the profit and loss statement under financial items, while exchange-rate differences are under operating profit/loss.

Deferred tax

The balance sheet method was used to calculate deferred tax on all temporary differences that arose between reported and tax-based values of assets and liabilities. Temporary differences primarily arose through changes in untaxed reserves and tax-related deficits. Deferred prepaid tax regarding tax-related deficit or other tax-related deduction is reported to the extent that it's probable that the deduction can be applied against future tax surpluses. The parent company reports deferred tax on untaxed reserves as part of the untaxed reserves because of the connection between accounting and taxation.

Group contributions

Cybercom follows the Swedish Financial Accounting Standards Council's statement on reporting of group contributions. So the reporting of group contributions is based on the contributions' financial implications and consequences. Group contributions paid and received, to minimise the group's tax, are reported as a decrease/increase in unrestricted equity.

Cash flow statement

The indirect method is used to develop the cash flow statement. Reported cash flow covers only transactions that lead to incoming or outgoing payments. Liquid assets include, besides cash and bank balances, current financial investments that (1) are exposed to only an insignificant risk of value fluctuations and (2) are traded in an open market in which amounts are known, or (3) have a term shorter than three months from time of acquisition.

■ NOTE 2 Personnel

Salaries and other remuneration payroll overheads and pension costs totalled:

	Group		Parent company	
	2002	2001	2002	2001
Salaries and other remuneration				
Board, CEO, and deputy managing director	24 761	27 606	2 308	2 372
Other employees	141 793	133 690	7 313	9 273
Total	166 554	161 296	9 621	11 645
Social costs				
Pension costs, CEO, and deputy managing director	4 007	4 899	522	926
Pension costs, other personnel	13 724	15 360	803	621
Other social costs incl. employees' contributions	45 842	56 303	3 513	4 089
Total	63 573	76 562	4 838	5 636

	International	
	2002	2001
Salaries and other remuneration	40 259	11 962
Social costs	63	16
Total	40 322	11 978

Ave. no. of employees	Group		Parent company	
	2002	2001	2002	2001
Sweden	251	303	21	25
UK	23	-	-	-
Denmark	15	9	-	-
Company total	289	312	21	25
Proportion women, %	23%	23%	67%	69%

■ NOTE 3 Profit/loss from shares in group company

	Group		Parent company	
	2002	2001	2002	2001
Loss on sale of subsidiaries	-139	-	-149	-
Anticipated dividend	-	-	-	5 230
Write-downs	-	-	-10 013	-2 906
Total	-139	-	-10 162	2 324

■ NOTE 4 Profit from other securities and receivables that are fixed assets

	Group		Parent company	
	2002	2001	2002	2001
Write-down of receivables	76	-12	-	-
Write-down of other shares	-	-5 000	-	-
Total	76	-5 012	-	-

■ NOTE 5 Interest income and similar income items

	Group		Parent company	
	2002	2001	2002	2001
Interest	5 400	4 139	5 493	4 689
Exchange-rate differences	-	615	-	-
Total	5 400	4 754	5 493	4 689

■ NOTE 6 Interest expenses and similar items

	Group		Parent company	
	2002	2001	2002	2001
Interest	-894	-153	-1 269	-1 335
Exchange-rate differences	-139	-	-7	-2
Total	-1 033	-153	-1 276	-1 337

■ NOTE 7 Other allocations

	Parent company	
	2002	2001
Difference between booked depreciations and scheduled depreciations	-	275
Change in accrued fund	3 548	-8 054
Total	3 548	-7 779

■ NOTE 8 Tax expense

	Group		Parent company	
	2002	2001	2002	2001
Tax on the year's taxable income	-3 817	-6 977	-	-6 765
Adjustment because of received group contributions	-	-	-1 239	8 849
Tax assignable to earlier years	309	-	675	-
Deferred tax	2 281	125	250	-
Total	-1 227	-6 852	-314	2 084

	Group		Parent company	
	2002	2001	2002	2001
The year's deferred tax cost or recoverable tax				
Deferred tax cost regarding temporary differences	1 548	-2 159	-	-
Deferred recoverable tax regarding temporary differences	470	730	250	-
Earlier non-reported prepaid tax for unused loss deduction	263	1 554	-	-
Deferred taxes in the profit and loss statement	2 281	125	250	-

The group

Deferred tax costs for changes in opening temporary differences regarding untaxed reserves.
Deferred recoverable tax primarily for capital insurance provision.

Parent company

Deferred recoverable tax primarily for capital insurance provision.

	Group		Parent company	
	2002	2001	2002	2001
Taxes regarding items directly booked against shareholders' equity				
Tax effect from group contributions	-	-	-1 239	8 849
Total	-	-	-1 239	8 849

	Group		Parent company	
	2002	2001	2002	2001
Difference between the group's tax cost and tax cost based on current tax rate				
Reported profit/loss before taxes	-8 232	11 759	-3 756	-9 557
Taxes according to current tax rate	2 305	-3 293	1 052	2 676
Adjustments because of shareholder's contributions	-	-	-2 803	-814
Goodwill	-3 622	-2 475	-	-
Tax assignable to earlier years	309	-	675	-
Tax effect from other non-deductible costs	-730	-2 638	-220	-1 243
Tax effect from revenue not subject to tax liability	248	-	983	1 465
Used, earlier, non-reported prepaid tax for loss deduction	252	1 451	-	-
Effect from foreign tax rates	11	103	-	-
Tax on the year's profit/loss according to the profit and loss statement	-1 227	-6 852	-314	2 084

Tax rate

The group's and parent company's tax rate was 28%. The group's effective tax rate was -15% (+58%). The parent company's effective tax was -8% (+22%).

■ NOTE 9 Fixed assets

Intangible fixed assets	Group	
License rights	2002	2001
Opening acquisition value	1 600	1 600
Closing accumulated acquisition value	1 600	1 600
Opening write-offs	-1 033	-633
The year's write-offs	-400	-400
Closing accumulated write-offs	-1 433	-1 033
Closing scheduled residual value	167	567

Accumulated software development expenses	Group	
	2002	2001
Opening acquisition value	-	-
The year's capitalised expenses, internal development	1 890	-
The year's capitalised expenses, purchases	1 138	-
Closing accumulated acquisition value	3 028	-
Opening write-offs	-	-
The year's write-offs	-	-
Closing accumulated write-offs	-	-
Closing scheduled residual value	3 028	-

Goodwill	Group	
	2002	2001
Opening acquisition value	96 817	80 127
The year's acquisitions	48 010	16 690
Closing accumulated acquisition value	144 827	96 817
Opening write-offs	-14 077	-5 236
The year's write-offs	-12 933	-8 841
Closing accumulated write-offs	-27 010	-14 077
Closing scheduled residual value	117 817	82 740

Scheduled, booked, residual value consists of:

Cyber Com Intra-X AB	53 241
Cyber Com StreamIT AB	19 461
Cyber Com Stratum Consulting Limited	45 115
Total	117 817

NOTES TO FINANCIAL STATEMENTS

Tangible fixed assets Inventory and equipment	Group		Parent company	
	2002	2001	2002	2001
Opening acquisition value	23 793	20 257	4 585	4 043
Purchases	5 445	7 879	307	707
Sales and disposals	-5 500	-4 343	-230	-165
Closing accumulated acquisition value	23 738	23 793	4 662	4 585
Opening write-offs	-12 506	-8 987	-2 273	-1 190
Sales and disposals	4 418	2 317	176	56
Purchases	-394	-	-	-
The year's write-offs	-5 393	-5 836	-1 019	-1 139
Closing accumulated write-offs	-13 875	-12 506	-3 116	-2 273
Closing scheduled residual value	9 863	11 287	1 546	2 312

NOTE 10 Shares in group company

	Parent company	
	2002	2001
Opening acquisition value	126 689	72 639
Purchases	64 431	51 144
Sales	-1 260	-
Shareholders' contributions	10 013	2 906
Closing accumulated acquisition value	199 873	126 689
Opening write-downs	-11 268	-8 362
The year's write-downs	-10 013	-2 906
Closing accumulated write-downs	-21 281	-11 268
Closing scheduled residual value	178 592	115 421

NOTE 11 Participations in subsidiaries

	Share of capital and votes	No. of shares	Book value
Cyber Com Consulting Stockholm AB	100.0%	1 001	120
Cyber Com Consulting Innovation Stockholm AB	100.0%	1 000	120
Cyber Com Consulting 603 AB	100.0%	1 000	120
Cyber Com Consulting Uppsala AB	100.0%	1 000	120
Cyber Com Consulting Business Uniware AB	100.0%	1 000	120
Cyber Com Consulting Business Solutions AB	100.0%	1 000	120
Cybercom Group Stockholm AB	100.0%	1 000	120
Cyber Com Consulting EC AB	100.0%	1 000	120
Cyber Com Consulting ER AB	100.0%	1 000	120
Cyber Com Consulting ConcentIT AB	100.0%	1 000	120
Cyber Com Consulting Communications i Stockholm AB	100.0%	1 000	120
Cyber Com Consulting CoreTech Stockholm AB	100.0%	1 000	120

NOTE 12 Other long-term securities

	Group	
	2002	2001
Opening acquisition value	208	5 191
Write-down	-	-5 000
Translation difference	-18	17
Closing accumulated acquisition value	190	208
Closing scheduled residual value	190	208

NOTE 14 Change in shareholders' equity

Group 2001	Share capital	Share premium reserve	Ongoing new issue	Restricted reserves	Non-restricted equity	Total
Opening shareholders' equity according to established balance sheet	8 440	152 928	2 200	6 818	24 534	194 920
Effect of accounting principle change	-	-	-	466	-	466
Opening shareholders' equity adjusted according to new accounting principle	8 440	152 928	2 200	7 284	24 534	195 386
New issues	317	25 394	-2 200	-	-	23 511
Issue of subscription rights	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-
Change in translation difference	-	-46	-	57	-297	-286
Allocation to reserve fund	-	-	-	142	-142	0
Adjustment of free and bound capital	-	-	-	10 623	-10 623	0
Result for the year	-	-	-	-	4 912	4 912
Amount at year-end	8 757	178 276	-	18 106	18 384	223 523

Global Communication Solutions Nordic AB	100.0%	1 000	120
Cyber Com Net Business Consulting AB	100.0%	1 000	120
Cyber Com Pir New World Media AB	100.0%	1 000	120
Cyber Com Consulting PM AB	100.0%	1 000	120
Cyber Com Consulting ProTech AB	100.0%	1 000	120
Cyber Com Consulting ProvidelT AB	100.0%	1 000	120
Cyber Com Consulting ConnectIT AB	100.0%	1 000	120
Cyber Com Mobile Communication Scandinavia AB	100.0%	1 000	120
Cyber Com Consulting Electronic Business AB	100.0%	1 000	120
Cyber Com Consulting AE BS AB	100.0%	1 000	120
Cyber Com Consulting I-Net Solutions AB	100.0%	1 000	120
Cyber Com Consulting Syd AB	100.0%	1 000	100
Cyber Com Intra-X AB	100.0%	1 000	80 289
Cyber Com StreamIT AB	100.0%	108 003	30 257
Cyber Com Consulting A/S	100.0%	5 000	755
Cyber Com Stratum Ltd	100.0%	100	64 431
Cyber Com I.T Consulting Ltd	90.0%		0
Total			178 592

Details of subsidiaries corporate ID numbers and sites:

	ID	Site
Cyber Com Consulting Stockholm AB	556497-0787	Stockholm
Cyber Com Consulting Innovation Stockholm AB	556535-3389	Stockholm
Cyber Com Consulting 603 AB	556538-0432	Stockholm
Cyber Com Consulting Uppsala AB	556544-6225	Stockholm
Cyber Com Consulting Business Uniware AB	556542-2127	Stockholm
Cyber Com Consulting Business Solutions AB	556544-6332	Stockholm
Cybercom Group Stockholm AB	556551-4493	Stockholm
Cyber Com Consulting EC AB	556554-3161	Stockholm
Cyber Com Consulting ER AB	556554-8673	Stockholm
Cyber Com Consulting ConcentIT AB	556563-8359	Stockholm
Cyber Com Consulting Communications i Stockholm AB	556566-1575	Stockholm
Cyber Com Consulting CoreTech Stockholm AB	556566-0452	Stockholm
Global Communication Solutions Nordic AB	556566-0445	Stockholm
Cyber Com Net Business Consulting AB	556567-9445	Stockholm
Cyber Com Pir New World Media AB	556571-9845	Stockholm
Cyber Com Consulting PM AB	556575-7589	Stockholm
Cyber Com Consulting ProTech AB	556578-2694	Stockholm
Cyber Com Consulting ProvidelT AB	556575-9783	Stockholm
Cyber Com Consulting ConnectIT AB	556579-4608	Stockholm
Cyber Com Mobile Communication Scandinavia AB	556577-1606	Stockholm
Cyber Com Consulting Electronic Business AB	556579-4582	Stockholm
Cyber Com Consulting AE BS AB	556576-8347	Stockholm
Cyber Com Consulting I-Net Solutions AB	556577-4717	Stockholm
Cyber Com Consulting Syd AB	556581-6674	Stockholm
Cyber Com Intra-X AB	556498-6825	Stockholm
Cyber Com StreamIT AB	556551-4568	Stockholm
Cyber Com Consulting A/S	25795938	Copenhagen
Cyber Com Stratum Consulting Ltd	3064392	London
Cyber Com I.T Consulting Ltd		London
Cyber Com I.T. Consulting Ltd		London

NOTE 13 Prepaid expenses and accrued income

	Group		Parent company	
	2002	2001	2002	2001
Prepaid rent	2 585	2 743	1 065	1 069
Accrued income	18 509	24 100	101	200
Accrued interest income	1 828	2 862	1 828	2 859
Other items	2 941	4 092	698	2 066
Total	25 863	33 797	3 692	6 194

Group 2002	Share capital	Share premium reserve	Ongoing new issue	Restricted reserves	Non-restricted equity	Total
Opening shareholders' equity according to established balance sheet	8 757	178 276	-	18 106	18 384	223 523
New issues	495	16 231	-	-	-	16 726
Issue of subscription rights	-	1 411	-	-	-	1 411
Issue costs	-	-111	-	-	-	-111
Change in translation difference	-	-	-	-74	-532	-606
Allocation to reserve fund	-	-	-	-	-	-
Adjustment of free and bound capital	-	-	-	-4 535	4 535	0
Result for the year	-	-	-	-	-9 456	-9 456
Amount at year-end	9 252	195 808	-	13 497	12 931	231 488

Parent company 2001	Share capital	Share premium reserve	Ongoing new issue	Restricted reserves	Non-restricted equity	Total
The year's opening amount	8 440	154 095	2 200	1 576	33 826	200 137
New issues	317	25 394	-2 200	-	-	23 511
Issue costs	-	-	-	-	-	-
Issue of subscription rights	-	-	-	-	-	-
Allocation to reserve fund	-	-	-	122	-122	0
Receive/submit group contribution	-	-	-	-	31 605	31 605
Tax consequences receive/submit	-	-	-	-	-8 849	-8 849
Result for the year	-	-	-	-	-7 473	-7 473
Amount at year-end	8 757	179 489	-	1 698	48 987	238 931

Parent company 2002	Share capital	Share premium reserve	Ongoing new issue	Restricted reserves	Non-restricted equity	Total
The year's opening amount	8 757	179 489	-	1 698	48 987	238 931
New issues	495	16 231	-	-	-	16 726
Issue costs	-	-111	-	-	-	-111
Issue of subscription rights	-	3 195	-	-	-	3 195
Allocation to reserve fund	-	-	-	-	-	-
Receive/submit group contribution	-	-	-	-	-4 424	-4 424
Tax consequences receive/submit	-	-	-	-	1 239	1 239
Result for the year	-	-	-	-	-4 070	-4 070
Amount at year-end	9 252	198 804	-	1 698	41 732	251 486

Share capital consists of 9,251,777 shares at a nominal value of SEK 1. In January 2002, a subordinated debenture loan was issued (warrant programme 6) with detachable subscription rights. The loan was issued to Cyber Com Uppsala AB, which in turn offered employees in the group the right to subscribe for these warrant. As of 31 December 2002, three outstanding warrant programmes remain. Warrant programme 6 was implemented during the winter of 2002 with these conditions:

Subordinated loan	SEK 10 000
Term of the loan	Due on demand
Interest	-
Number of subscription rights issued	500 000
Value of amount issued	SEK 3 195 000
Selling price	SEK 6.89
Subscription period	1 Feb 2004 - 4 Mar 2004
Subscription price	SEK 44.5

The Cyber Com Stratum Consulting warrant programme

The purchase consisted of two parts: a fixed part and a supplementary part that is based on Cyber Com Stratum Consulting's financial performance during 2002-2004. The acquisition was partially financed through (1) a new issue (267,224 Cybercom shares) and (2) through cash payment and issue of a promissory note. The first, warrant-programme subscription period is 1 July - 31 August 2003; the second is 1 January - 28 February 2004.

The subscription rate is SEK 33.50 for both programmes. The number of warrants is equally distributed between both programmes (162,483).

NOTE 15 Untaxed reserves

	Parent company 2002	Parent company 2001
Tax allocation reserve	7 659	11 207
Total	7 659	11 207

NOTE 16 Minority holding

	Group 2002	Group 2001
Opening receivable from minority	94	82
Minority share of year's profit	3	5
Translation difference	-	7
Closing receivable from minority	97	94
Opening write-down	-94	-82
Write-down of receivable from minority	-3	-12
Closing accumulated write-down	-97	-94
Closing minority holding	-	-

NOTE 17 Deferred tax

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Deferred tax liability				
Untaxed reserves				
Accumulated excess write-offs	-93	-77	-	-
Accrued fund	-4 215	-5 779	-	-
Total deferred tax liability	-4 308	-5 856	-	-
Deferred prepaid tax				
Restructuring reserves allocation	-	256	-	-
Non-deductible write-offs	924	507	105	-
Capital insurance allocation	678	337	141	-
Write-down of accounts receivable	71	96	4	-
Loss deduction	1 817	1 554	-	-
Total deferred prepaid tax	3 490	2 750	250	-
Deferred tax liability, net	-818	-3 106	250	-

NOTES TO FINANCIAL STATEMENTS

Temporary differences occur if reported assets or liabilities and tax-related values are different. Temporary differences regarding the following items resulted in deferred tax liability and deferred prepaid tax. Deferred prepaid tax and tax liability are offset when there is a legal offset right for current prepaid taxes and tax liabilities and when deferred taxes are processed by the same tax authority. After offsetting, these amounts were derived and reported in the balance sheet.

	Group		Parent company	
	2002	2001	2002	2001
Deferred prepaid tax	3490	2750	250	-
Deferred tax liability	-4308	-5856	-	-

Amounts in the balance sheet include:

	Group		Parent company	
	2002	2001	2002	2001
Deferred prepaid taxes used after more than 12 months	678	337	141	92
Deferred prepaid taxes to pay after more than 12 months	-4016	-4215	-	-

NOTE 18 Other long-term liabilities

	Group		Parent company	
	2002	2001	2002	2001
Special income tax on capital insurance	302	235	99	64
Debt to Stratum Project Management Ltd's shareholders	10 910	-	10 910	-
Total	11 212	235	11 009	64

NOTE 19 Other current liabilities

	Group		Parent company	
	2002	2001	2002	2001
Tax-related liabilities	4 465	13 644	997	1 408
Accrued social fees	4 191	4 090	236	298
Unpaid amount for acquired subsidiary	19 060	7 477	19 060	7 477
Other current liabilities	3 434	4 419	288	359
Total	31 150	29 630	20 581	9 542

NOTE 20 Accrued expense and prepaid income

	Group		Parent company	
	2002	2001	2002	2001
Accrued salaries	3 372	6 727	639	1 440
Accrued holiday pay	5 361	6 013	350	499
Accrued social security costs	2 547	3 994	325	637
Accrued external service	3 629	8 033	2 069	1 771
Accrued restructuring costs	3 760	-	75	-
Other items	3 484	4 544	100	328
Total	22 153	29 311	3 558	4 675

NOTE 21 Contingent liabilities

	Group		Parent company	
	2002	2001	2002	2001
Rental guarantees	-	138	-	-
Guarantees	561	561	-	-
Contingent liabilities for the benefit of other group companies	-	-	561	699
Total contingent liabilities	561	699	561	699

NOTE 22 Purchases and sales among group companies

The share of the year's purchases and sales between the parent company and group companies are:

	Parent company	
	2002	2001
Purchase of consultancy services (in relation to operating costs excluding personnel costs and depreciation).	1%	6%
Sale of internal services related to administration and management expenses	94%	92%

Executives' compensation

In 2002, salary and other remuneration paid to Mats Alders, president and CEO, in the parent company was SEK 2,081,000. A pension provision of 30% of gross salary is made for the current president and CEO. A provision of 20% of gross salary and a guaranteed bonus are made for one of the senior executives. A provision of 25% (each) of gross salary is made for two additional executives. Other senior executives are covered by pension insurance schemes equivalent to the ITP plan (supplementary pension for employees in industry and commerce). If the company cancels the CEO's contract, then besides a

salary during the six-month notification period, the CEO is entitled to severance pay equal to six months' salary. If the company cancels other executive's contracts, then a 6-24 notification period applies, and no severance pay is granted.

The board receives SEK 460,000; of this amount, SEK 100,000 goes to the board chairman. The remaining SEK 360,000 is divided among the other board members. Payment is made during 2003. SEK 3,113,000 in salaries and remunerations is paid to other executives.

This affects four persons, of which two have worked part of the year. Remunerations and benefits for executives are determined as follows: each year, the AGM sets the board's compensation. The board sets (1) the CEO's annual salary and benefits, for which the board chairman is ultimately responsible, and (2) other executives' salaries. Executives' salaries and compensation consist of two parts: fixed and variable. The fixed part is comparable to the person's base salary; the variable part is based on achieved objectives during the year. One of the executives has no variable compensation.

Other transactions

No other transactions with associates, according to RR23, occurred during 2002.

NOTE 23 Auditors' fees

Fees for auditing and consultancy services performed by the company's auditors were:	Group		Parent company	
	2002	2001	2002	2001
Audit				
Öhrlings PricewaterhouseCoopers	776	894	776	894
PricewaterhouseCoopers, DK and UK	177	-	-	-
Other consulting				
Öhrlings PricewaterhouseCoopers	70	181	70	181
Total auditors' fees	1 023	1 075	846	1 075

Beside customary audits, auditing services include all necessary consultation, work related to observation of the audit or other tasks related to the audit.

NOTE 24 Operational leasing

Leasing fees paid in the year for operational leasing were SEK 11,974,000 for the group. The nominal value of future contracted leasing fees is:

	Group
In SEK thousand	
Year 2003	9 065
Year 2004	5 845
Year 2005 and forward	214

NOTE 25 Acquisition of tangible and intangible fixed assets

The year's total investments in tangible and intangible fixed assets are:

	Group		Parent company	
	2002	2001	2002	2001
Intangible fixed assets				
The year's investments	-51 038	-16 690	-	-
Group value of fixed assets in new subsidiaries	48 010	16 690	-	-
Effect on liquid assets from the year's investments	-3 028	0	-	-
Effect on liquid assets in investment operations	-3 028	0	-	-
Tangible fixed assets				
The year's investments	-3 969	-7 879	-307	-707
Group value of fixed assets in new subsidiaries	989	107	-	-
Effect on liquid assets from the year's investments	-2 980	-7 772	-307	-707
Effect on liquid assets in investment operations	-2 980	-7 772	-307	-707

NOTE 26 Liquid assets

	Group		Parent company	
	2002	2001	2002	2001
Current investments	40 000	59 434	40 000	59 434
Cash and bank deposits	71 537	61 368	67 623	55 235
Liquid assets	111 537	120 802	107 623	114 669

■ NOTE 27 Acquisitions of subsidiary

Stratum Project Management Ltd. was acquired on 1 January 2002. Total value of acquired assets and liabilities, purchase price, and effect on the group's liquid assets was:

	Group	
	2002	2001
Intangible fixed assets	48 010	16 690
Tangible fixed assets	989	107
Other current assets	28 519	28 951
Provisions	-	-497
Current liabilities	-13 087	-5 698
Total purchase price	64 431	39 553
Unpaid part of purchase amount	-29 969	-7 477
Payment with issue of own shares	-16 726	-22 655
Liquid assets in acquired company	-14 175	-3 619
Effect on the group's liquid assets from the year's acquisition	3 561	5 802
Amortisation of liabilities regarding acquisitions in previous years	7 477	10 837
Total cash flow referring to investments in subsidiary	11 038	16 639

■ NOTE 28 Sales subsidiary

During the previous year, 11 subsidiaries were dissolved. The total value of the sold assets and liabilities, purchase prices, and effect on the group's liquid assets was:

	Group	
	2002	2001
Other current assets	1 194	-
Current liabilities	56	-
Loss from disposal	-139	-
Total purchase amount	1 111	-
Liquid assets in the sold subsidiaries	-1 194	-
Total cash flow referring to sale of subsidiaries	-83	-

Stockholm, 28 February 2003

Mats Alders
President and CEO

Gert Schyborger
Board chairman

Per Bergström

Lars Persson

Kerstin Ryer

Pekka Seitola

Christer Sandahl

Peter Törnqvist

Auditor's report

To the general meeting of
Cyber Com Consulting Group Scandinavia AB (publ.)
Swedish corporate identity no.: 556544-6522

I audited the annual accounts, the consolidated accounts, the accounting records, and the administration of the board of directors and the president of Cyber Com Consulting Group Scandinavia AB (publ.) for the 2001 financial year. These accounts and the administration of the company are the responsibility of the board and the president. Based on my audit, my responsibility is to express an opinion of the annual accounts, the consolidated accounts, and the administration.

I conducted my audit according to generally accepted auditing standards in Sweden. These standards require me to plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts; it also includes assessing the accounting principles used and their application by the board and the president, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As supporting evidence for my statement on

discharge from liability, I examined significant decisions, actions taken, and circumstances of the company – to be able to determine the liability, if any, to the company of any board member or the president, and whether they have in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act, or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion that is stated below.

The annual accounts and the consolidated accounts were prepared according to the Swedish Annual Accounts Act and thus provide an accurate picture of the company's and the group's results and position, according to generally accepted auditing standards in Sweden.

I recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the group, allocate the profit of the parent company according to the proposal in the Directors' report, and discharge the board members and the president from liability for the financial year.

Stockholm, 3 March 2003.

Ulf Pettersson
Authorised public accountant

Cybercom's strengths according to the board

1. Gert Schyborger, *1940

Board member and chairman since 2000. Managing director of Saab AB. Other boards: MSC AB (chairman), Enlight Interactive AB (chairman), Technology Nexus AB, DIAB AB, and Dotcom Solutions AB. *Cybercom holdings:* Shares: 5,000. Warrants: 10,000.

What factors enable Cybercom's success in its key markets? Listen and learn and with that, understand customers' needs.

2. Kerstin Ryer, *1948

Board member since 2000. Managing director HumanPartner AB. Other boards: Nova 100, WANT AB, and Idur AB. *Cybercom holdings:* Shares: 450. Warrants: 15,000.

What factors enable Cybercom's success in its key markets? Cybercom is a professional, capable, focused company. This influences its employees and is the primary success factor. In addition, its employees are extremely pleasant to work with. This makes success even greater.

3. Peter Törnquist, *1953

Board member since 1998 and chairman between 1998–2000. Managing director, CVC Capital Partners. Other boards: Technology Nexus AB (chairman) and Ultra Sonus AB. *Cybercom holdings:* Shares: 62,725. Warrants: 15,000.

What factors enable Cybercom's success in its key markets? The company's experienced, qualified employees who can put themselves into customers' positions to understand problems and offer solutions that fulfil customers' needs – not just consulting hours.

4. Per Bergström, *1958

Board member since 1997 and deputy chairman. Founder, CEO and president between 1997 and 2000. Other boards: working board chairman, TIMECUT AB. Board chairman, Cyber Venture Capital AB. *Cybercom holdings:* Shares: 1,314,025. Warrants: 20,000.

What factors enable Cybercom's success in its key markets? In 2003, a trimmed Cybercom will continue to increase its proportion of solution sales and thus further reduce its dependence on hourly consulting and seasonal variations. I believe that Cybercom will receive breakthrough orders for its CyberMate PreHospital product, which will successively reposition the company as a total supplier in a product market that will generate increased consulting utilisation and continuous license revenue. Taken together, this means that



Cybercom will climb toward goals and remain a stable, attractive workplace.

5. Lars Persson, *1956

Board member since 1998. Senior advisor, Telenor. Other boards: Turn to Törn AB. *Holdings in Cybercom:* Shares: 0. Warrants: 20,000.

What factors will enable Cybercom's success in its targeted markets? Thanks to talented employees and good management, Cybercom has weathered the recession storm and stands well equipped for the future. The company successfully went from hourly consulting to solutions' sales, which has been confirmed via steady business from large customers.

6. Christer Sandahl, *1944

Board member since 2000. Executive chairman, MyTravel Northern Europe AB. Other boards: Proffice AB, Rival AB, MyTravel Group plc, and others. *Cybercom holdings:* Shares: 0. Warrants: 15,000.

What factors enable Cybercom's success in its key markets? Cybercom is one of the winners in a restructured consulting industry. With a slim organisation, genuine capabilities, and a broad market base, the company has enormous opportunities to strengthen its market position.

7. Pekka Seitola, *1958

Founder and board member since 1997. Other boards: Biet Konsult AB, TIMECUT AB, Eye Control Technology AB, and Trebis AB. *Cybercom holdings:* Shares: 1,316,025. Warrants: 20,000.

What factors enable Cybercom's success in its key markets? Cybercom's main success factors are its employees, their professionalism, their desire to assume responsibility, and their willingness to accept change. This enables the company to quickly adapt to new market conditions.

* Year of birth

Corporate governance

Corporate governance or corporate governance issues are in focus worldwide. According to Gert Schyborger, Cybercom's board chairman, these issues are dealt with like this:

"Naturally, the board thinks that corporate governance issues are important. Cybercom's board and executives consciously and continuously work with corporate governance in the company. At the 2002 AGM, an informal nomination committee was appointed and will develop guiding principles for the company's board members so that Cybercom has a relevant professional profile. The company's informal remuneration committee strives for the best possible conditions so that benefits/perks issues are treated in an objective, thoroughly thought-through manner. Regarding an audit committee, we have not appointed any such persons because we think that this is unnecessary, considering the company's size. And we have a well-functioning co-operation with the company's auditor."

Cybercom's strengths according to its executives

1. Mats Alders, *1958

President and CEO. CFO between 1998 and 2000 and vice president between 1999 and 2000. Employed since 1998. BS in economics and market economy. Previous jobs: CelsiusTech, Tele2, and TietoEnator. *Cybercom holdings*: Shares: 25,400. Warrants: 20,000.

What are Cybercom's strong points in 2003? We enter 2003 with confidence. Our highly skilled employees and strong customer relations provide us with excellent opportunities for many attractive business deals.

2. Mats Johansson, *1957

CFO. Employed since 2002. BS in economics from the Stockholm School of Economics. Previous jobs: Merkantidata, TietoEnator, Forcenergy, and Industrivärden. *Cybercom holdings*: Shares: 0. Warrants: 5,000.

How does Cybercom stand financially in 2003? Cybercom is in a very good financial position. This gives us room to continue expansion of our total-solution offerings to key customers and enables strategic acquisitions of IT companies in telecom, finance, and pharmaceuticals.

3. Rolf Carlström, *1956

E-business BA manager. Employed since 2002. MS. Previous jobs:

Atello, Sweden's technical-scientific attaché in London, and AU-System. *Cybercom holdings*: Shares: 0. Warrants: 5 000.

Where do Cybercom's strengths lie within financial services in 2003? Cybercom's capabilities, solutions, and industry expertise strengthens and develops our customers' businesses. Now the challenge is to take advantage of all opportunities – given our good market position.

4. Bo Olofsson, *1944

CEO Cyber Com Intra-X. Employed since 2000. BS. Previous jobs: TietoEnator and Intra-X. *Cybercom holdings*: Shares: 0. Warrants: 0.

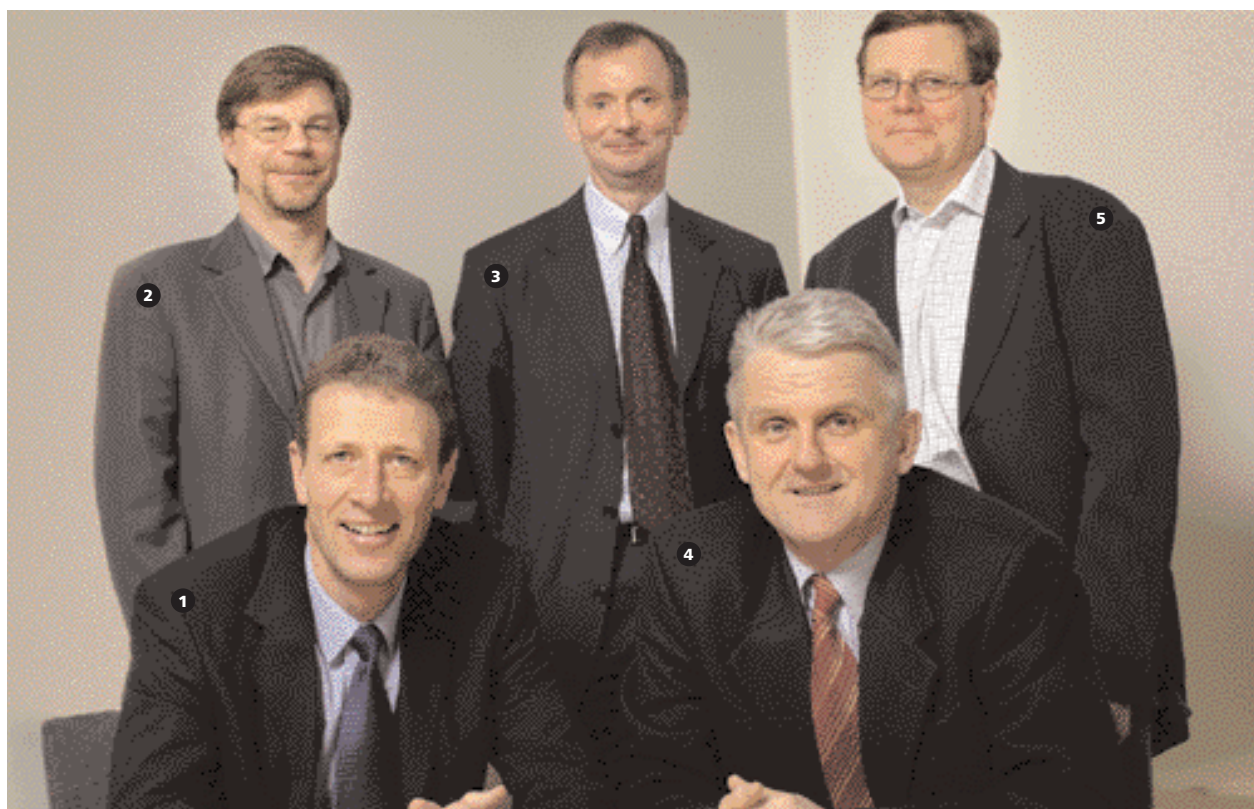
What are Cybercom's strengths in 2003? Cybercom is well equipped for the market that will see a positive turnaround in 2003.

5. Bengt Levin, *1955

Manager, Telecom & Services and International BAs. Employed since 2000. MS. Previous jobs: TietoEnator and his own operation. *Cybercom holdings*: Shares: 1,500. Warrants: 15,000.

What are Cybercom's strengths within telecom in 2003? Our specialisation and the fact that the company is a fast mover. In 2003, we're cultivating many business deals with international customers.

* Year of birth



Work plan, nomination, remuneration, and audit

Cybercom's board has a work plan that forms the foundation for board activities and regulates divisions of responsibility between the board and Cybercom's CEO. According to the plan, the board takes decisions on appointment of the CEO, the main organisation, long-term financial planning, operation plans, budgeting, and annual reports, among other things. The board establishes instructions to the CEO and instructions on reporting; the CEO is responsible for planning and implementation of such reporting, according to board decisions and the company's ongoing administration. During the year, the board held 10 meetings.

Nomination committee

In 2002, Cybercom's board appointed an informal,

three-member nomination committee, which reflects the company's different ownership categories. The members are:

1. Gert Schyborger, Cybercom's board chairman.
2. John Örtengren, representative of smaller shareholders, via Sweden's shareholder association.
3. Per Bergström, one of Cybercom's two founders, board member, and representative of larger shareholders.

The committee presents its recommendations to the AGM.

Remuneration committee

Cybercom's board appointed an informal, two-member committee from Cybercom's board:

1. Gert Schyborger, Cybercom's board chairman.
2. Kerstin Ryer, board member and managing director of HumanPartner AB. Previously HR director of If Skadeförsäkring AB, with many years of experience in developing remuneration principles and terms of employment. This committee works with setting salaries and other employment conditions for Cybercom's CEO and executives.

Audit committee

Cybercom did not appoint an audit committee. Throughout the year, the board received reports from the company's auditor, who reviewed the company's internal and external reports that fulfil stock-exchange requirements on listed companies.



Forthcoming reports

- January - March, issued on: Tuesday, 15 April 2003
- January - June, issued on: Wednesday, 13 August 2003
- January - September, issued on: Tuesday, 21 October 2003
- Year-end 2003, issued on: February 2004

Annual general meeting

The AGM of Cyber Com Consulting Group Scandinavia AB will be held on Tuesday, 15 April 2003 at 4 p.m. in the company's main office at Norrmalmstorg 16 in Stockholm. Participant registration starts at 2 p.m.

Shareholders who wish to participate in the AGM must:

- Be registered in the VPC AB share database by Friday, 4 April 2003.
- Have sent notification (and the number of participants) to the company's main office by 9 April 2003 by 5 p.m. at the latest.

By 4 April 2003 at the latest, shareholders, whose shares are registered through banks or other managers, must temporarily register the shares in their own names if they want to participate in the AGM. This type of registration must be filed with VPC AB in sufficient time before 4 April.

Notification

Notification of attendance must be submitted in writing to Cyber Com Consulting Group Scandinavia AB, Box 7574, 103 93 Stockholm (write AGM notification on the envelope). Notification of attendance can also be done by phone: +46 8 578 646 00, fax: +46 8 578 646 10, or e-mail: info@cybercomgroup.com. Specify all names, addresses, phone numbers, Swedish civil registration numbers (or corporate ID numbers), and number of shares.

Dividends

The board and CEO propose no dividends for the 2002 financial year. See the company's dividend policy on page 9.

Cyber Com Consulting Group Scandinavia AB

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