

A person wearing a dark jacket with reflective stripes and a cap is looking at a smartphone at night. The scene is dimly lit, with a bright light source in the background creating a bokeh effect. The person's face is partially illuminated by the phone's screen.

MSAB

Annual Report 2023

Contents



3	MSAB in brief	44	Board of Directors
4	The year in brief	45	CEO and operational management
6	Comments by the CEO	46	Economic report Group
8	Market	49	Economic report Parent company
10	Business concept	52	Notes
13	Strategy	67	Five-year overview
16	Offering	68	Signatures
18	Regions	69	Audit Report
24	Research and development	72	Definitions
29	Sustainability report	73	Addresses & Annual General Meeting
35	The share and shareholders	74	History
38	Report of the Directors		
41	Corporate Governance Report		

Financial calendar 2024

Interim Report for January–March: 30 April 2024

Annual General Meeting: 14 May 2024 at 7 pm

Interim report for April–June: 19 July 2024

Interim Report for July–September: 29 October 2024

Year-end Report 2023: 28 January 2025

Investor relations contacts

Peter Heuman, CEO
peter.heuman@msab.com

Tony Forsgren, CFO
tony.forsgren@msab.com

Micro Systemation AB

Box 17111
Hornsbruksgatan 28
SE-104 62 Stockholm
Tel. +46 (0)8 739 02 70

MSAB in brief

MSAB is a world leader in forensic technology for extracting and analysing data from seized mobile devices. The company develops high-quality, intuitive software that has become the de facto standard for the purpose of securing evidence in criminal investigations. The products can be complemented with reporting tools and a wide range of training courses with certification for legally secure forensics.



The company develops innovative approaches that facilitate faster, simpler and more efficient ways to secure evidence and in ways that create a high degree of value for law enforcement agencies. MSAB has clear growth strategies combined with a business model that provides scalability and a high degree of recurring revenue.

Who?

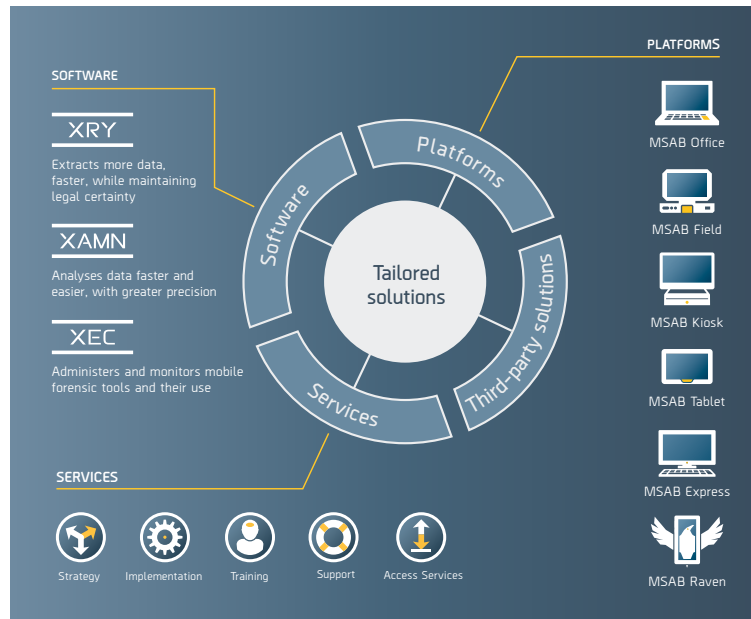
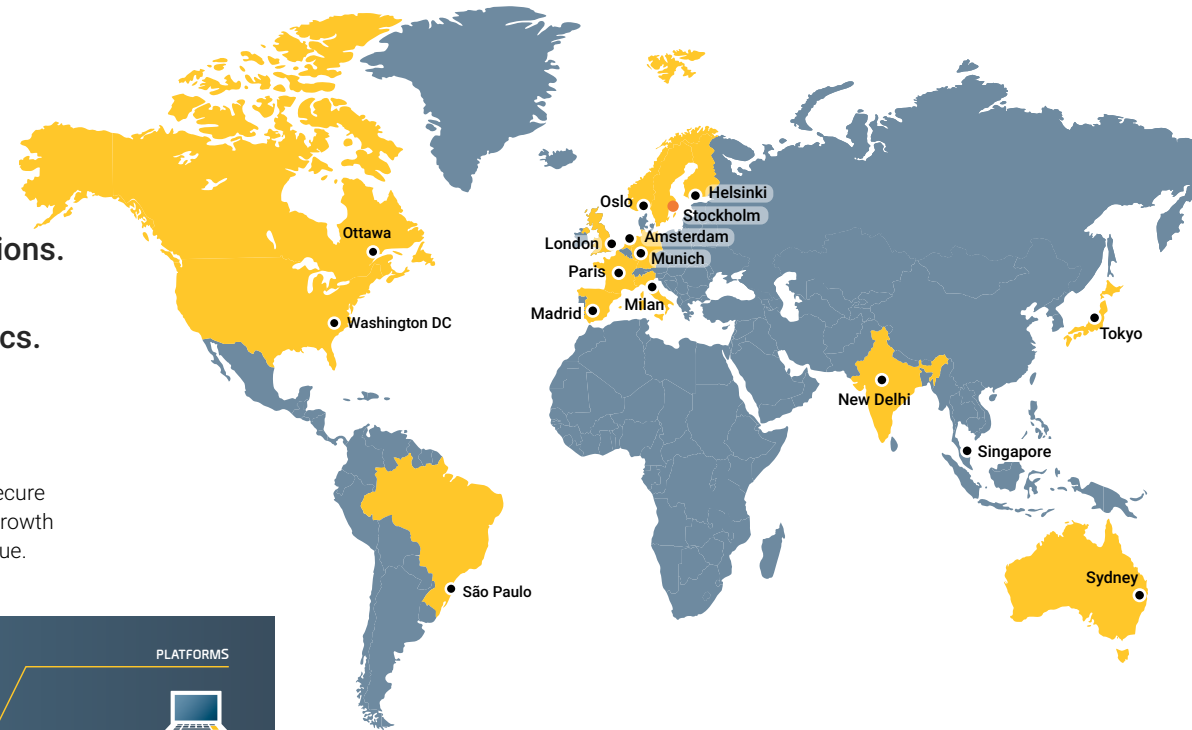
MSAB assists law enforcement authorities such as the police, defence, migration, corrections and customs to carry out their investigations and missions. Typical users of MSAB's products are experts within digital forensics, investigators, analysts, and police officers in the field.

Where?

MSAB is represented in 16 countries and serves customers on all continents through its sales offices and via distributors.

What?

The company offers system solutions that extract data from mobile phones and other devices, analyse data and manage and monitor the software and its use.



Licence-based revenue model

MSAB's core business consists of licensing software and system solutions for more effective law enforcement. When a licence expires, the customer must renew it in order to ensure they have the latest version. Software that is not updated quickly becomes obsolete.

Proportion of recurring revenue

53%

XRY supports

46,000+

mobile devices and more than 4,500 app versions

The year in brief

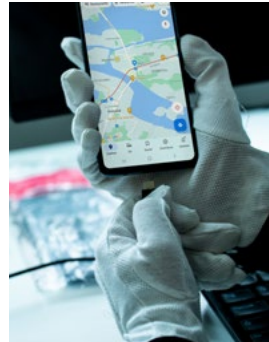
The year 2023 was a solid one financially for MSAB. The Group's net sales for the year of SEK 417 million (363) are the company's highest ever, representing growth of 15 percent. Currency-adjusted growth was 11 percent.

Q1 The first quarter

In March, MSAB receives an order worth just over SEK 17 million from a new northern European customer. The deal is the first of its kind for a solution that specifically strengthens a customer's forensics capacity for the benefit of witnesses and victims.

Joel Bollö, CEO of MSAB for 21 years, steps down and Mikael Falkovén, Head of Sales for EMEA, Latin America and Asia, takes temporary charge as acting CEO.

MSAB launches XRY Pro, a new state-of-the-art tool that enables investigators to extract data from even the most challenging and secure mobile phones.

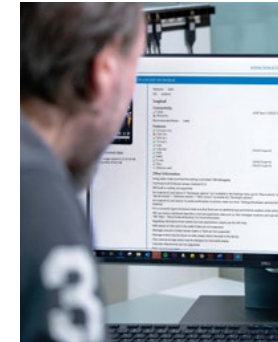


Q2 The second quarter

Stable order intake is a feature of the quarter. New sales continue to increase on most of the company's markets, with an unusually high degree of licence renewal. MSAB receives large orders in the form of licence renewals with multi-year contracts from France, Germany and the UK, as well as a large training order from the UK.

At the Annual General Meeting on 11 May, Peter Gille, previously a member of the Board, takes over as the new Chair of the Board of MSAB. At the same time, three new members are also elected to the Board: Andreas Hedskog, Jesper Kärrbrink and Charlotte Stjerngren.

The second major product launch of the year is announced at the end of June, with industry-leading support for UNISOC devices. BFU (Before First Unlock) support for UNISOC devices and a distributed "brute forcer" to gain access to locked phones in XRY Pro are the highlights of the launch.



Q3 The third quarter

An agreement is signed with a major US federal authority to upgrade its existing digital forensics infrastructure to XRY Pro. MSAB also regains a local government authority as a customer on the US market. Sales of XRY Pro, which was launched in the first quarter, form part of several major orders during the quarter.

Two police forces in EMEA extend their existing licences, expand the licence base and order training services for Frontline. MSAB also receives an order for training from an agency that wants to support its users who work on serious sexual offences at national level.

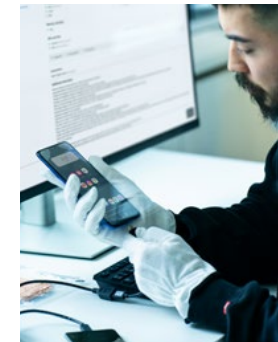


Q4 The fourth quarter

Peter Heuman takes up the post of new CEO of MSAB. His mission is to accelerate the company's global expansion and realise the full potential of MSAB's business, which spans across 100 markets.

MSAB is awarded two significant contracts by federal authorities in North America. The orders, totalling SEK 10 and 17 million respectively, are for renewals and upgrades to MSAB's advanced extraction software, XRY Pro.

The authorities want to achieve improved access to more versions of mobile phones for their users. The fourth major product launch in 2023 is announced in mid-December. This supports mobile phones with the iOS 17.1 and 17.2 operating systems as well as devices with Qualcomm chipsets from 2018–2020.



Key performance indicators

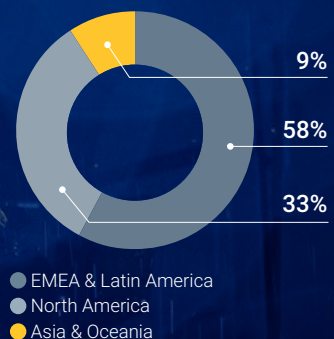
	2023	2022	2021
Net sales, SEK million	416.9	363.0	333.0
Net sales growth, %	11.0	9.0	7.4
Operating profit, SEK million	40.9	18.8	44.3
Operating margin, %	16.0	5.2	13.3
Equity ratio, %	41.6	40.2	44.0
Cash flow from operating activities per share, SEK	4.06	2.68	0.60
Return on equity, %	25.87	16.60	38.89
Earnings per share, SEK	1.62	0.92	1.89
Equity per share, SEK	6.27	6.29	4.90
Average number of employees	200	190	188

Net sales 2023

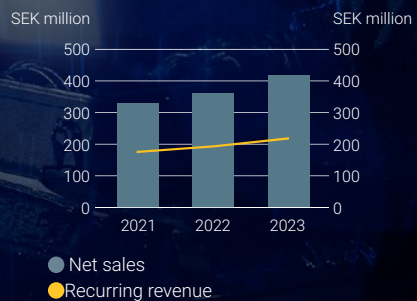
417

SEK million

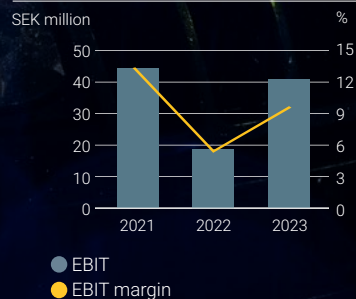
Sales by region



Net sales and recurring revenue



EBIT and EBIT margin



Moving forward with focus on customer needs

It was a solid financial year for MSAB in 2023 and having spent my first few months with the company, I can see that we have a stable market position and strong demand for our products and solutions. We are showing our strength again – our growth in digital forensics continues.



Stronger financial and market positions

Net sales for the year of SEK 417 million were the company's highest ever, representing value-adjusted sales growth of 11 percent. The past year has been characterised by stable growth in profitability, which is the result of the company's commitment and ability to create value for our stakeholders.

The digital forensics market is being driven by a steady rise in the number of crimes where greater use is made of digital tools. Globally, the market is expected to grow by around 8–12 percent per year. This brings great opportunities for MSAB as our customers look for new solutions and working methods that make their job easier.

There are several fundamental factors that make the digital forensics market both exciting and dynamic. In this niche software industry, we have relatively few global competitors and also comparatively high barriers to entry for potential new players. Our customers are financially reliable, which is a great advantage of course. As a company, we serve an important purpose in society by actively and responsibly helping our customers to improve safety in society. The combination of these different perspectives provides many opportunities in an industry that is founded on a good purpose.

Stable sales during the year

All markets – EMEA & Latin America, Asia and Oceania, and North America – showed good growth during the year, with particularly positive results in the USA and the UK. We have strengthened our financial and market positions since 2022, but we can do more. The improvement work we have begun includes the new regional sales organisation structure with three regions and a global manager for all sales.

During the year, we signed several major contracts with prestigious customers within policing, defence and other law enforcement agencies in EMEA and North America. The year was characterised by stable order intake, with new sales continuing to increase on most markets and an excellent level of licence renewals with multi-year contracts in countries including France, Germany and the UK.

The company launched XRY Pro in April and this has formed part of several major orders received during the year. In the third quarter, we signed an agreement with a major US federal authority to upgrade its existing digital forensics infrastructure to XRY Pro. During the final quarter of the year, MSAB was also awarded two significant contracts by federal authorities in North America.



” The digital forensics market is being driven by a steady rise in the number of crimes where greater use is made of digital tools. Globally, the market is expected to grow by around 8–12 percent per year. This brings great opportunities for MSAB as our customers look for new solutions and working methods that make their job easier.

Customer satisfaction remains high and we receive regular feedback from customers who say that we deliver what we promise and are readily available. They also appreciate doing business with a European company that maintains a high level of business ethics.

Our customers are facing increasing complexity

Law enforcement using digital forensics is affected by a number of trends that are being driven by the rapid development of digital technologies and the increasing use of digital devices. Law enforcement agencies all over the world are facing considerable challenges.

Today, our customers need to handle huge volumes of data and the shortage of time available to analyse the content means there is growing demand for effective mobile forensics tools. The range we offer, with the XRY Pro extraction tool and the XAMN analysis tool meets these needs, but we have to continue developing new innovations in line with customer needs. That is why the modernisation work we have begun in relation to products and development will be vital for the future.

XRY Pro, which was launched in April and has been very well received by the market, is the tool for forensic scientists who need to examine the latest phones and require the very latest exploits. These exploits help our customers to keep up with the latest technology and gain access to the data they need.

There is also growing demand for decentralised solutions as digital forensic labs are no longer able to process all the devices brought in for criminal investigations. Our Frontline solutions are becoming increasingly important for the distribution and streamlining of our customers' work.

Sustainability – helping to make society safer

We contribute to sustainable development by actively and responsibly ensuring that we run our business according to our values. Here too, we continue to professionalise how we work with one another within the company as well as with our customers. Our most important impact, of course, is in how we can help our customers to make society safer.

It is of the utmost importance to us as a company that our products and solutions are not used in a way that could cause harm and that our solutions are sold only to those countries that are authorised for export by the Swedish Inspectorate of Strategic Products (ISP).

Legislation in our various markets is both changing and demanding and we must be able to guarantee that our solutions comply with the legal processes that are in place in the countries where we operate. The digital evidence obtained must stand up in court.

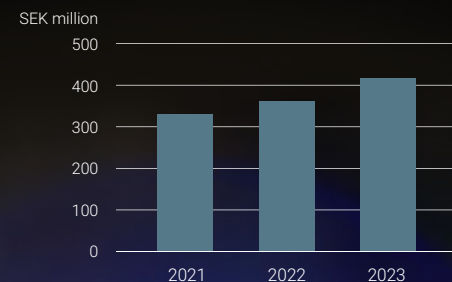
For future strength

The challenges that our customers face in the form of technical complexity, handling large volumes of data and the need for cloud services are something that we see as future opportunities which require us to continuously adapt and develop our services to meet our customers' needs.

To ensure our long-term growth, we are focusing on modernisation, greater efficiency and market adaptation. We will allocate resources and investments effectively to develop and broaden our product offering across the entire digital forensics value chain. Overall, 2023 was a year of good growth but also one of major internal changes. We are now entering a period where continued modernisation and market adaptation will be vital.

Peter Heuman
CEO of MSAB

Net sales



Five trends driving the digital forensics market

Law enforcement using digital forensics is affected by a number of trends that are being driven by the rapid development of digital technologies and the increasing use of digital devices. Here are some of the major trends affecting law enforcement using digital forensics.



Global market growth

Law enforcement agencies the world over are facing major challenges. The market is driven by rising crime in various sectors as a result of the widespread use of, for example, smartphones and the Internet of Things (IoT). Increasing urbanisation, growing populations and technological development are other factors driving growth on the digital forensics market.

More challenges

Law enforcement agencies are facing other challenges, in addition to the above trends. For example, many criminals are using advanced encryption methods and anonymisation tools to conceal their online activities. The use of blockchain technology and cryptocurrencies by criminals has also presented new challenges for law enforcement agencies. Trans-

actions made using cryptocurrencies can be difficult to trace, and digital forensics must be adapted to handle these technologies. This presents challenges for law enforcement agencies, of course, who need help from companies such as MSAB to develop advanced technologies to overcome these obstacles and continue gathering evidence. AI and machine learning are gradually coming to the fore in automating processes and analysing large volumes of data. This includes the ability to also identify patterns in large data sets in order to detect and prevent crime.

To summarise, the field of digital forensics is constantly evolving in order to keep up with the changes and challenges facing the digital world. A combination of technical expertise, cooperation and continued development of tools and methods is vital for effectively fighting crime using digital forensics.

Competitors and products

	Data extraction for experts	Data extraction for non-experts	Data decoding	Data analysis	Data management	DEMS*
MSAB	XRY, XRY Pro	Frontline, Raven	XRY, XAMN	XAMN Pro	XEC	–
Cellebrite	UFED for PC, UFED Premium	Responder	Physical Analyzer	Physical analyzer	Commander	Pathfinder
Magnet	Graykey	–	Axiom, ArtifactIQ	Axiom, Review	Atlas	Atlas
Oxygen	Forensic Detective	–	Forensic Detective	Forensic Detective	–	–

* Digital evidence management system

The four main players in mobile forensics offer the products above for data extraction, data decoding, data analysis, data management and digital evidence management systems.

→ Market trends in the mobile forensics industry

Trends	What the trend means	How MSAB is affected	What MSAB is doing	Market data
Abundance of data	There are enormous volumes of data and not enough time for law enforcement agencies to analyse the content of digital devices.	There is great demand for effective mobile forensics tools that support the legal securing of evidence.	MSAB supplies the extraction tool XRY for opening locked phones, extracting data and decoding it. The company also supplies the analysis tool XAMN, which is designed to enable more rapid filtering of data and presentation of multiple files in a single case for faster review. XAMN can also decode encrypted mobiles.	In May 2023, there are close to seven million apps available for download on Google Play, Apple App Store and Amazon App Store. There is explosive growth in the volume of digital devices, the volume of data per device, the volume of data traffic and in the increase in the number of devices that are seized by the police. <i>statista.com</i>
Need for scalable forensic solutions	Digital forensic labs are not able to process all the digital devices seized for criminal investigations.	Demand for solutions for non-specialists is increasing.	The company offers MSAB Frontline, a decentralised solution with pre-programmed workflows for users who are not specialists in digital forensics.	There are 30–60 investigators for every IT forensic officer in the police lab. If more people are able to provide investigators with digital evidence, more crimes can be investigated faster.
Lack of IT training and of IT forensic officers in the police	The number of police officers with adequate training in mobile forensics does not meet the needs for crimes that need to be solved using digital evidence.	Strong demand for knowledge in order to perform extraction and analysis on digital devices.	MSAB provides training courses on mobile forensics and stresses the need for investment in effective digital tools for staff.	“There is a risk of digital evidence being overlooked because of fragmented police training and coordination.” <i>University of Exeter, 17 September 2021</i>
Privacy	Victims of crime and witnesses care about their privacy. Sometimes crimes are not reported because the victims and witnesses must hand over their mobile phones and risk having their lives exposed.	There is a need for selective extraction, obtaining only relevant data within a certain time scale from mobile phones.	For many years, MSAB has been the sole supplier to offer selective extraction, which has become increasingly important as new legislation in some countries requires the controlled use and review of data from mobile phones.	42 percent of rape victims withdraw their reports because they do not want to hand over their mobile data. <i>Victims' Commissioner 2020</i>
Evidence requirements	Data obtained from digital devices must be credible and verifiable in order to serve as evidence in court.	Strong demand for secure file formats, i.e. it must not be possible to manipulate the data in a court case.	MSAB offers a secure file format (.xry), with password protection and strong encryption which, together with detailed log files, creates a complete verification chain.	“Mobile phones are probably the single most important piece of evidence you will find at a crime scene today” <i>James B Comey, former Director of the FBI</i> “The single most important challenge in criminal law over the past decade is, in my opinion, the greater use of mobile devices by criminals to plan, carry out and communicate about crimes.” <i>Cyrus R Vance, Attorney, New York</i>

BUSINESS CONCEPT

MSAB's mission is to lead the digital forensics industry in the ethical and responsible extraction and analysis of data – from crime scene to court room – to help create a safer world. The company does this by being one step ahead in developing solutions that consistently set new industry standards and with a strong focus on delivering results.



From crime scene
to court room

Business concept that helps make the world safer

MSAB has solutions for extracting data from mobile phones that provide secure and reliable evidence in investigations for law enforcement agencies. An ethical approach, from crime scene to court room, helps our customers make the world a safer place.



Vision

MSAB provides every investigation with digital forensics solutions – for a safer world.

Business concept

MSAB's mission is to lead the digital forensics industry in the ethical and responsible extraction and analysis of data – from crime scene to court room – to help create a safer world. The company does this by being one step ahead in developing solutions that consistently set new industry standards and with a strong focus on delivering results.

→ Business model

MSAB's business model is based on the needs of the market and it shapes the company's goals, strategies and governance. These, together with its core values, establish the company's offering and create value for the company's customers, employees, partners, shareholders and society in general.

Market trends

- › Abundance of data
- › Need for scalable forensic solutions
- › Lack of IT training and of IT forensic officers in the police
- › Privacy requirements
- › Evidence requirements

MSAB

- › Strategic product development with a complete range of software for extracting, analysing, managing and reporting results within digital forensics
- › Market presence – customers all over the world, own staff in 15 countries
- › Licence renewal model
- › Strategic partnerships and projects
- › Distributors – Carefully selected partners who complement and resell MSAB's solutions
- › Decentralised responsibility and authority
- › Personnel – 200 employees with specialist expertise in mobile forensics
- › Core values – we are innovative, we are ethical and we deliver results

Value created

- › **Customers** – Attractive offering, effective and sustainable digital forensics solutions
- › **Employees** – Attractive workplace with opportunities for development (“Great Place to Work” certification)
- › **Partners** – Long-term business relationships and responsible business practices
- › **Shareholders** – Profitable growth and dividends
- › **Society** – Jobs and digital forensics solutions that help to create a safer and more legally secure world

Values

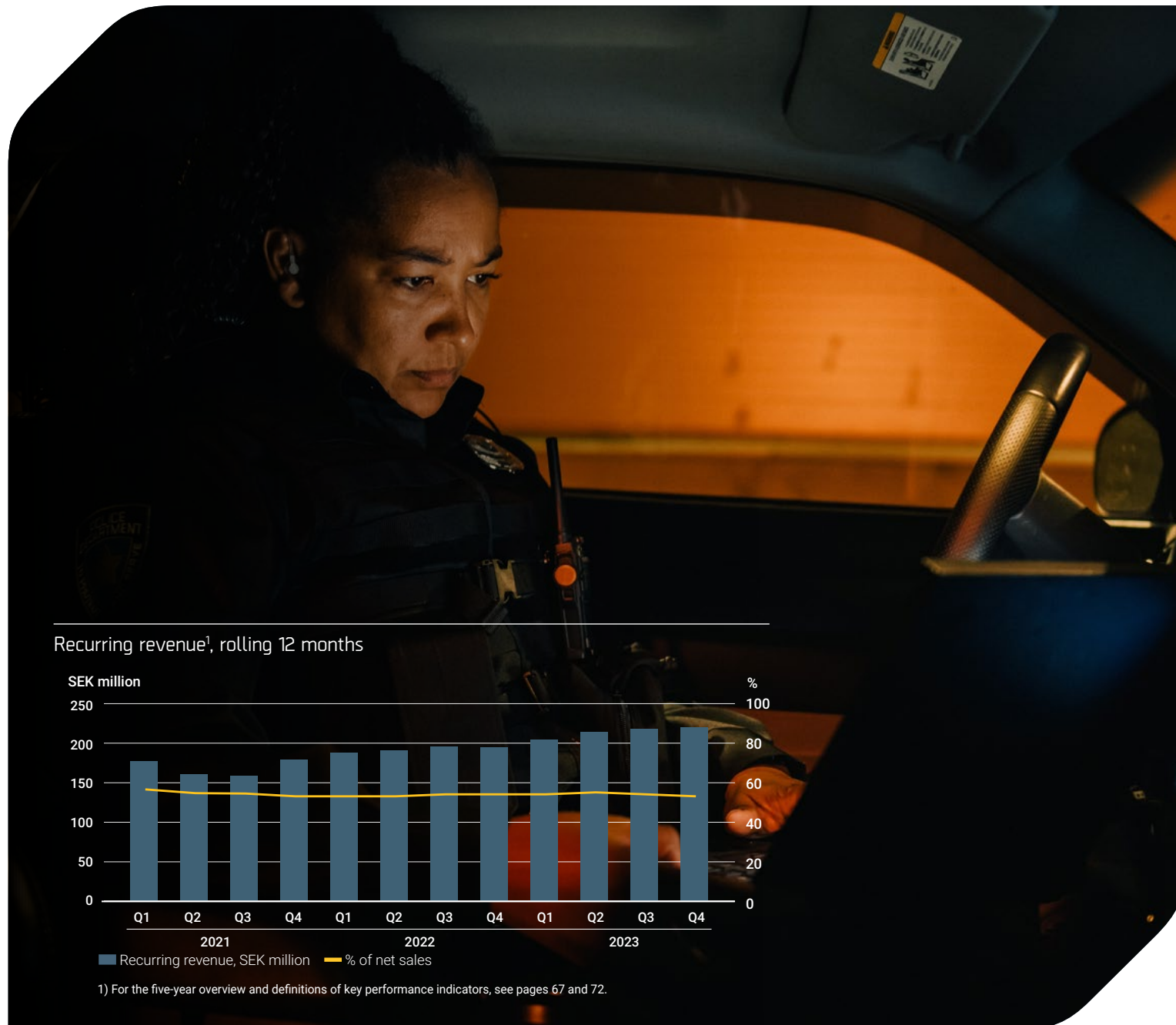
MSAB has defined three core values that guide the company in its everyday work, in its actions, decisions and choices:

- We are innovative
- We are ethical
- We deliver results

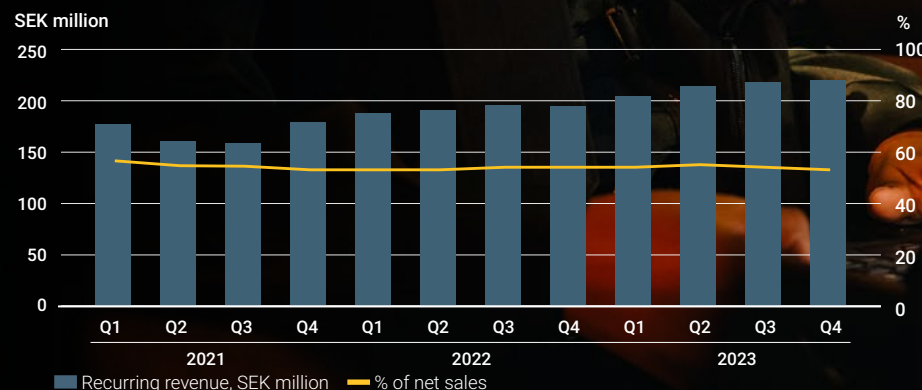
Business and revenue model

- MSAB's core business consists of licensing system solutions and software to law enforcement agencies.
- A start-up package from MSAB contains a licence and different types of hardware depending on the product.
- The product platforms Kiosk, Tablet, Field and Raven include a physical platform (hardware) with pre-installed software.
- The length of a licence varies depending on what the customer wants. The licence period varies between one and three years, with one year being the most common option.
- A licence includes continuous updates to the software.
- When a licence expires, the customer must renew it in order to ensure it continues to contain the latest version of MSAB's software. In this way, the customer is guaranteed the latest solutions implemented for data extraction from the majority of telephone manufacturers and operating systems. This is a powerful driving force for our customers to renew their licences and gives MSAB a high percentage of recurring revenue.

As MSAB's core business consists essentially of software, increased sales generate a relatively small increase in costs. Thus, MSAB has a scalable revenue model where an increase in sales to a large extent increases revenue.



Recurring revenue¹, rolling 12 months



1) For the five-year overview and definitions of key performance indicators, see pages 67 and 72.

Foundations for growth

MSAB's fundamentals create major value for customers, shareholders, employees and society and are vital for successful mobile forensics operations.



Customers

MSAB is a long-term partner that works closely with its customers, providing continuity and security. Through local representation with its own staff, the company is able to identify and understand the needs of customers at an early stage and so create the conditions for a profitable and efficient business. MSAB sells to democratic countries with growth potential, where the company is able to strengthen the judiciary system and ensure that the products are used in a legally secure and ethical manner.

Employees

Through well-established core values, clear goals and development opportunities, the company wants to create the best conditions for employees to deliver their very best. A workplace that stimulates cooperation, innovation and efficiency is vital for the company's success. By working constantly to achieve this goal, the company continues to strive to be an even more attractive workplace where employees want to stay.

Society

MSAB creates sustainable products and solutions with long service lives for customers. The company takes existing development and adds new and innovative improvements that enhance the attractiveness of the offering. MSAB takes environmental, ethical and quality factors into account when choosing who to sell to and who to buy components from.

Shareholders, investors and partners

The company's business model, innovative product development and a turnkey solution for the judiciary system provide MSAB with the conditions for stable and profitable growth. Investments in in-house product development and an efficient organisation generate a good return for the company's shareholders.

Product development

MSAB prioritises the development of customer-oriented system solutions in digital forensics that help create a safer society. The company builds advanced systems with a high degree of functionality, with customised systems for end users and which are

suitable for different applications. The company is committed to quality, with a high degree of delivery reliability and first-class support. By employing qualified developers who are able to gain access into the latest versions of phones, MSAB maintains a position at the forefront of the technology. The company helps its customers to access information in a legally secure manner – where the chain of evidence of data can be secured from crime scene to court room. The company safeguards the privacy of suspects, victims and witnesses through selective extraction, where only relevant data is obtained.

Profitability

MSAB is paid for the value and benefit of what it delivers. The company's high gross margin and licence renewal model generate profitable growth. The company reinvests profits in product development to help it remain at the forefront of the technology. MSAB has a strong financial position and achieves a long-term positive cash flow by balancing revenue and expenses and by investing in areas where the company can be profitable within a couple of years. Its sales focus, market prioritisation, solution sales, cost efficiency, reduced customer churn and effective business models all help MSAB to increase its profitability.



→ Decentralised phone extraction improves clear-up rates

To avoid long investigation times, forensic labs deal only with the most difficult phones, while police officers in the field and at police stations perform more straightforward extractions.

Tools for frontline personnel

MSAB Frontline is a solution designed for non-expert users. Pre-programmed workflows give law enforcement agencies access to digital evidence directly at the crime scene, while also protecting the privacy of witnesses and victims.

Best chance of clearing up crimes

Today, 90 percent of criminal investigations contain a digital element, such as data from seized mobile phones. Gaining access to important information in the first few hours of an investigation can significantly increase the chances of solving a crime. For this to happen, however, law enforcement agencies need the right tool that provides digital evidence more quickly and easily and in accordance with a legally secure process that stands up in court.

Police authorities in all countries face the same challenges

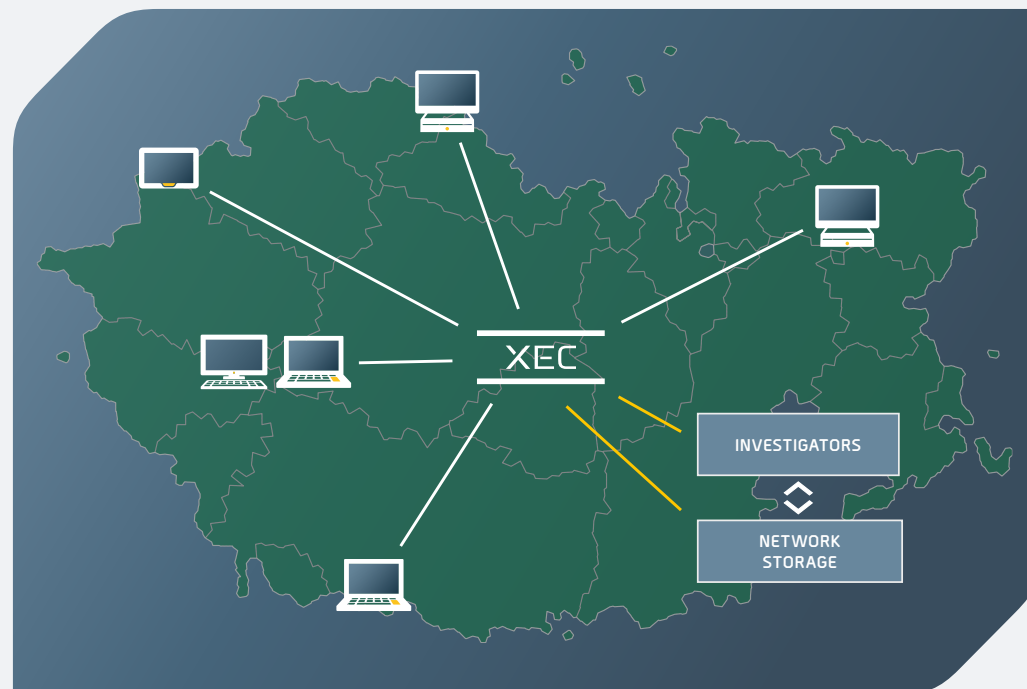
The challenges faced by law enforcement agencies are usually similar. The organisations need to be more cost-effective, carry out criminal investigations more quickly, ensure data quality and establish adequate processes for securing evidence. Generally this means:

- extracting and decoding data from mobile devices as soon as possible after a crime has been committed in order to quickly extract, analyse and identify usable evidence
- having staff with the right skills who successfully perform data extractions and analyses, on site and at the right time, in order to quickly produce digital evidence

- following up to ensure that investments in digital forensics help to achieve targets
- ensuring that processes, data quality and forensic integrity comply with the legislation in the country in question and that the methodology used is consistent.

Burden on digital forensic labs relieved by frontline personnel

MSAB Frontline helps law enforcement agencies secure digital evidence for volume crimes. The decentralised solution enables front-line personnel, employees locally and in the field, to extract data from the most common phones. This can mean securing evidence in cases of drug dealing, domestic violence, stalking, etc., but also documenting data from the phones of suspects, witnesses or victims. It is currently rare for investigators to have access to digital evidence for these types of crime, at the lower end of the criminal scale, because the digital forensic labs are overloaded. MSAB's Frontline solution enables less experienced personnel to perform extractions because the workstations used (MSAB Kiosk) contain workflows that guide the user through the performance of extractions and analysis. The workflows are tailored to each individual organisation and relevant areas of application as well as current policies, processes and legislation. Only those phones that require more complicated extraction technology and phones involved in high-priority criminal investigations, such as murder, rape and terrorism, are processed in the lab. This new, decentralised working method gives the organisations faster access to digital evidence and enables them



When the Frontline solution is implemented in networks, MSAB Manage – XEC provides significant efficiency gains through centralised management, as well as fast and secure data access.

to use the technology in a much larger number of criminal cases.

Network solution provides users with real-time data

MSAB Frontline's platforms can be connected to the

main network at the local sites, enabling effective system management and data access. This allows all investigators, even in different geographical locations, to access data in real time. MSAB Manage – XEC provides effective administration of users and the network of workstations. XEC manages all MSAB

software in the systems, ensures that updates are made and keeps track of workflows, users and what can be done in the tools. Managers and administrators can also obtain reports from XEC providing statistics on the use of the systems, the number of criminal investigations and the types of crime handled in the systems.

Extending the use of Frontline solutions beyond the digital forensic labs has contributed to:

- digital evidence being produced more quickly and reduced investigation times
- the use of digital evidence in more criminal cases, increasing the likelihood of clearing up crimes.
- more crimes being prevented through faster access to digital evidence. This is a key part of the crime prevention work of agencies.
- investigators being able to focus on other cases and solve more crimes, as investigation times and trials are speeded up
- the costs of investigations and trials are reduced.

A holistic approach to mobile forensics

In the "Digital Forensic Science Strategy 2020", a UK police authority states that digital forensics, once a niche technology used only by highly qualified experts, is now so important to criminal investigations that a new strategic approach is required. This not only means technical tools but also new ways of organising the work and increasing competence through process support and training. MSAB has unique experience in implementing Frontline projects both small and large in different types of organisation. In the 10 years that MSAB has been helping its

customers to implement decentralised extraction from mobile phones, the company has developed both a methodology and a service offering. Customer organisations are now able to benefit from all of the best practice that has been developed over this decade, such as the structure of process support, roll-out plans and skills planning.

Training vital for solving crimes

Digital forensics is a field in continuous development at an incredibly rapid pace. This presents a major challenge in terms of developing and retaining skills in both experts and front-line personnel. MSAB offers a comprehensive training programme for all types of users of mobile forensics. Its classroom training for forensic officers and Frontline users is of the highest quality in the industry. Sometimes there is a need to train a large number of employees in a short space of time and in this event online training and Train the Trainer (TtT) programmes are available. With TtT, MSAB trains the internal trainers at the customer organisation and gives them access to training materials and ongoing further training. The statistics generated by MSAB Manage – XEC can also be used as a basis for the continuous evaluation and optimisation of the training.



Offering for both labs and the front line

MSAB has designed a complete forensic offering to provide law enforcement agencies with the tools they need to carry out criminal investigations more effectively. The forensic labs are able to focus on the most difficult phones while police officers and other users can process the straightforward majority of phones out in the field or at the station.



Integrated mobile forensics

A mobile device contains enormous quantities of data. At a time when practically all investigations and all intelligence operations rely on digital evidence, data is often the most critical factor. Having the right digital forensic tools at the right time can make a big difference to law enforcement agencies. Effective tools speed up investigations, reduce the number of unsolved cases and increase efficiency in terms of the number of phones examined. The tools also enable organisations to control the management and storage of the digital evidence in investigations.



Extract, analyse and manage data

MSAB's offering consists of products, solutions and services. The product families are XRY, XAMN and XEC.

- MSAB Extract – XRY is software that extracts, decrypts and enriches data from mobile devices. The software is based on the Windows operating system and also extracts data from cloud-based storage.
- MSAB Analyze – XAMN is software used for decrypting, enriching, reviewing, visualising and analysing data from mobile devices. After the data has been extracted using XRY, XAMN analyses the data and identifies important information.
- MSAB Manage – XEC is a management and administrative tool designed to support managers and IT departments. The tool supports XAMN and XRY.

MSAB Frontline for decentralised extraction

In most investigations, evidence, such as mobile phones, is sent to a forensic lab where experts in digital forensics access the phones, extract and decode data so that it is made available to the investigators handling the case. Forensic laboratories all over the world are currently overloaded with phones and they are unable to handle all the digital evidence they receive. MSAB Frontline eases the burden on labs by enabling police officers in the field to process the mobile phones directly at the crime scene or locally, for example at the police station.

- MSAB Frontline is a solution for the decentralised extraction and analysis of data from mobile phones.

Platforms for different applications

MSAB's customers within law enforcement, defence, border control, corrections and other agencies need

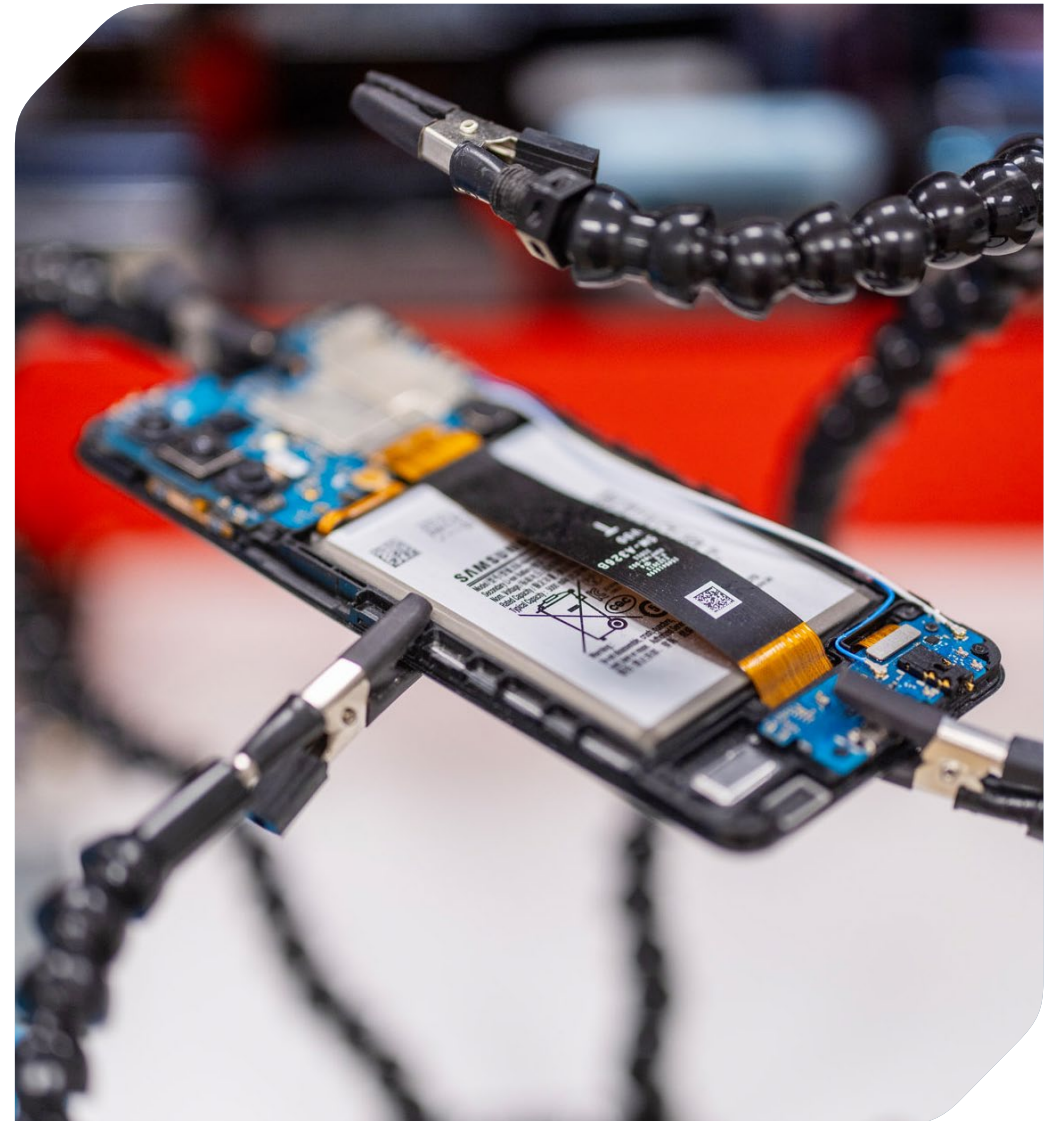
different platforms. At various times, software is needed on different hardware platforms, which may be open or turnkey.

- MSAB Office, MSAB Field, MSAB Kiosk, MSAB Tablet, MSAB Express and MSAB Raven are six platforms containing packaged solutions. The open platforms, Office and Field, are designed for Windows computers with point and click interfaces. Turnkey platforms such as Kiosk and Tablet are user-friendly touchscreen products. MSAB Kiosk, Tablet and Express have locked workflows that can be made ISO 17025-compliant and MSAB Raven is a platform used for performing extractions in the field.

Services that solve challenging cases

Optimising business processes is as important as the technology used. MSAB is therefore helping law enforcement organisations globally to exploit the full potential of mobile forensics. Customers are given help with everything from defining strategy to implementing processes that streamline the work of all users of the digital mobile forensic tools.

- MSAB Strategy, MSAB Implementation, MSAB Training, MSAB Support and MSAB Access Service are services that form part of specific product and solution sales, but which can be ordered separately.



EMEA & Latin America Region

EMEA is MSAB's home market. The region grew by 11 percent and the company envisages further growth as interest in the company's products and services continues to increase.



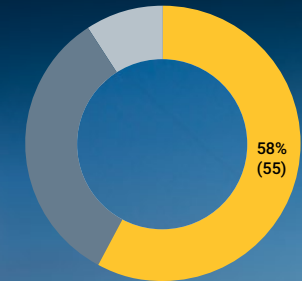
Customers	<ul style="list-style-type: none"> • Law enforcement • Defence • Border control • Tax authorities 	<ul style="list-style-type: none"> • Corrections • Migration authorities • Private companies
Demand for product/solution	<ul style="list-style-type: none"> • XRY • XRY Pro • Frontline including XEC 	<ul style="list-style-type: none"> • XAMN Pro • Training
Challenges	<ul style="list-style-type: none"> • Launch Frontline solutions to reduce backlogs, streamline processes and workflows and offer privacy protection for individuals when using MSAB's tools. • Present potential efficiency gains such as improved crime statistics on the introduction of mobile forensic solutions and digital transformation. • Provide training on the XAMN analysis tool to improve the knowledge and analytical capacity of investigators in clearing up crimes. 	
Priorities for 2024	<ul style="list-style-type: none"> • Use existing customers as references and expand solution sales to more segments. Establish the company higher up the value chain and move from product sales to solution sales. • Expand capacity to provide enterprise solutions as well as cloud-based capacity. • Include training at the onboarding stage. • Provide training on the capacity in XEC and offer solutions that improve and simplify the work of process owners and managers. • Participate in research projects, such as the EU project ForMobile. • Collaborate with trusted partners. 	

In 2024, the region will change its name to EMEA.

→ **EMEA: All EU countries, United Kingdom, Norway and Switzerland**

Latin America: Argentina, Brazil, Chile, Ecuador, El Salvador and Peru

Sales in EMEA & Latin America



→ French customer chooses MSAB for data extraction from burner phones

French law enforcement agency aims to prevent crime and ensure nationwide security.

Each month, data is extracted from around 300 mobile phones across the organisation, which consists of more than 25,000 employees, 190 units and 10 labs. The Chief Investigator is responsible for the technical sources and services within digital forensics, while the Head of Digital Forensics is in charge of all forensics installations.

Challenge

The organisation has wrestled with a variety of challenges day in, day out. A few years ago, however, the agency's senior management stated that the mobile phones involved in an investigation are of critical importance, as virtually every crime involves a mobile device. This insight made a huge difference to the organisation's labs. From then on, every mobile phone would be seized for extraction and analysis.

Now all the case details from various types of offences are available in internal systems, including the specific information that investigators should look for. Mobile phones are often locked, so investigators have to force their way into the devices in order to extract data. The digital forensics specialists who extract data from the phones have the extraction software installed on their computers. Depending on the difficulty of the cases, one or more software programs are used to compare the results.

Solution

In order to meet its goals, the organisation's budget was multiplied several times to enable more digital forensics experts to be hired and the right tools to be implemented. Employing the right people and giving them the right training has been crucial to achieving the organisation's goals. Even the most skilled

“The help that MSAB provides is fast and accurate. The team is always available and keen to help whenever we need them.”

people, including technical specialists, have received extensive training from a professional instructor. As a result, all lab staff are now more skilled and better trained in their respective fields. It has also been decided to tailor the training to specific crimes in the future and to implement an improved training programme.

The French law enforcement agency's preferred extraction tool for burner phones is MSAB Office, which includes XRY for extraction and XAMN for analysis. In 95 percent of cases, various elements are extracted and analysed from each phone, such as: video, media, internet connections, phone calls and messages.

The digital forensics specialists also verify the accuracy of the results and normally use XAMN to open the case and ensure that there is evidence available.

Sometimes the evidence is tagged and annotated in order to facilitate the investigator's work. The digital forensics experts also usually assist the investigators with certain functions and analysis work in XAMN, depending on the difficulty of the case and the technical knowledge of the investigator. In more complex cases, the entire extraction and analysis may be carried out by two people in order to ensure the best possible results. Once the extraction is complete, the XRY files are exported via secure network servers. In some cases, the digital forensics expert



is also required to assist in court by describing how the evidence was found or simply explaining certain terms and methods.

Customer value

In its mission to fight crime, the organisation occasionally seeks assistance from MSAB in the form of technical support, customer service or training. “The help that MSAB provides is fast and accurate. The team is always available and keen to help whenever we need them,” says the Head of Digital Forensics.

The agency's experts are also particularly satisfied with MSAB's decoding during the data extraction process itself.

“The decoding in XRY is better than other tools because it produces more data, and when we put it

into XAMN we obtain even more data from the analysis,” continues the Head of the Digital Forensics unit.

Another reason why French law enforcement agencies are choosing to work with MSAB is that it is a European company and, more importantly, a reliable one.

“We sometimes find it difficult to trust other suppliers when it comes to privacy and the safeguarding of human rights, and these days you have to know and trust your data. There is also the question of where the data is stored – with some suppliers you cannot be sure that data is protected from the country where the supplier operates. We do not want authorities in other countries to be able to examine the data in our French investigations, for example,” concludes the Head of Digital Forensics.

North America Region

This region is potentially MSAB's largest market and it shows growing demand for mobile forensics solutions.



Customers	<ul style="list-style-type: none"> • Law enforcement • Defence • Border control • Corrections
Demand for product/solution	<ul style="list-style-type: none"> • Frontline • Raven • XRY • XAMN • XRY Pro • Training • Professional Services
Challenges	<ul style="list-style-type: none"> • Customer support for specific North American phones • Easy and cost-effective storage of digital evidence • Broad fragmentation and large geographical spread of law enforcement agencies in the USA
Priorities for 2024	<ul style="list-style-type: none"> • Focus on sales of products and solutions to all segments • Further develop sales activities to increase reach in existing sales channels • Participate in conferences and events, organise more online meetings • Increase growth within defence, as well as local, state and federal authorities • Provide effective front-line solutions to reduce investigation delays • Promote MSAB's full range for the easy and cost-effective storage of evidence • Highlight how features of MSAB's products protect the privacy of victims and witnesses
<p><i>In 2024, the region will change its name to Americas.</i></p>	



→ XRY Pro helped Canadian authorities solve a critical murder investigation

Nowadays police rely on access to evidence from digital devices in order to solve crimes, but this was not always the case.

As a detective with the Kingston Police in Ontario, Canada, Derek Frawley has experienced the transition to digital evidence. He worked in law enforcement for over 28 years and from 2009 led the computer and mobile phone forensics team for the police service. He had not planned to learn digital forensics, but a career-changing accident made him change focus, and this new area of responsibility was a natural transition.

"Ever since I can remember, I've had a knack for building computers. It was a hobby of mine. So when the need arose for digital forensics at the Kingston Police, I was the person willing and able to fill that void. That's how I made the move from tactical policing to digital forensics."

Challenge

When Derek worked in the digital forensics unit of the Kingston Police, he was responsible for investigating many challenging cases. One case in particular tested the limits of his unit's capabilities.

"There had been a murder and we had a suspect in custody. The clock was ticking and we eventually obtained a decision from a higher court, the kind of decision that would give us access to the suspect's phone. But it was only for a certain length of time, so there was a rush to do what we needed to do and then return the phone. Basically, we had a four-day window to extract the information from the phone without the suspect realising it was missing."

The challenges were just beginning.

"We were caught in a trap. First of all, we didn't even know what kind of phone it was, because we hadn't even been given it. When we finally received the phone, a modern Samsung device, we discov-

ered that we had no support for it so we had no tools to gain access to the phone. At that specific time at least, there was no tool in our arsenal – and we had a lot of tools – that supported that particular phone. On top of all that, the decision only gave us four days to extract data from the phone. We contacted several police forces for help with the phone because it was such a vital piece of evidence and we were approaching a critical deadline. We tried several tools, but none of them could unlock and extract the contents of the phone."

In a murder investigation such as this, most of the evidence needed to obtain a conviction is on the phone, so we knew we had to find a solution. And quickly.

Solution

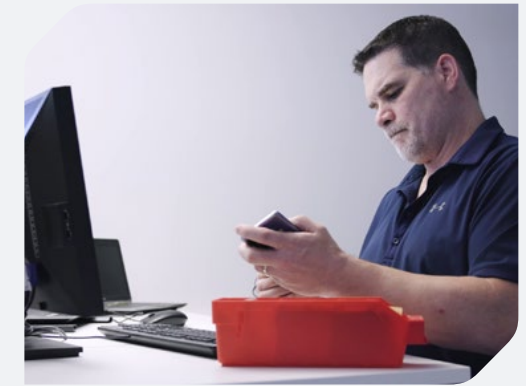
In a race against time and under increasing pressure, Frawley's team tried a solution from MSAB.

"I contacted MSAB's technical support on a Wednesday and explained the urgency and complexity of the situation. By Friday – just two days later – we had a working solution in place. MSAB put their efforts into finding a solution for us and did so in record time. They worked tirelessly and developed an "exploit" for the device, which was not supported at the time. We were able to extract the information from the phone and obtain all the evidence we needed."

The evidence ultimately played a vital role in ensuring a successful outcome in court.

Customer value

Despite all the challenges, the combined expertise at MSAB found a solution.



"It was an extraordinary turn of events. Getting a solution from MSAB specifically developed for our case in under three days was not only impressive but also vital to our investigation. XRY Pro proved to be the missing piece of the puzzle. It was so fast, effective and productive – it exceeded all our expectations."

– Derek Frawley, former Detective Constable with the Kingston Police

"It was an extraordinary turn of events. Getting a solution from MSAB specifically developed for our case in under three days was not only impressive but also vital to our investigation. XRY Pro proved to be the missing piece of the puzzle. It was so fast, effective and productive – it exceeded all our expectations."

Derek Frawley sums up his positive experience with XRY Pro:

"With XRY Pro, we have been able to extract much more information from many more phones faster

and there are more devices that we seem able to access.

The decoding is fantastic and the software is easy for investigators to use."

The success of this murder investigation underlines the importance that cutting-edge tools such as XRY Pro have for modern law enforcement. It is also through the unwavering commitment of professionals such as Derek Frawley and the team at MSAB that justice is served and our world becomes a little safer every day.

Asia & Oceania Region

In the Asia & Oceania region, MSAB’s extraction solution XRY has been the most successful to date. In particular, growth on the Australian market has doubled thanks to successfully supplying technology to the country’s defence industry.



Customers	<ul style="list-style-type: none"> • Law enforcement • Defence • Border control • Tax authorities 	<ul style="list-style-type: none"> • Corrections • Migration authorities • Private companies
Demand for product/solution	<ul style="list-style-type: none"> • XRY • XRY Pro • Frontline including XEC 	<ul style="list-style-type: none"> • XAMN Pro • Training
Challenges	<ul style="list-style-type: none"> • Launch Frontline solutions to reduce backlogs, streamline processes and workflows and offer privacy protection for individuals when using MSAB’s tools. • Present potential efficiency gains such as improved crime statistics on the introduction of mobile forensic solutions and digital transformation. • Provide training on the XAMN analysis tool to improve the knowledge and analytical capacity of investigators in clearing up crimes. 	
Priorities for 2024	<ul style="list-style-type: none"> • Use existing customers as references and expand solution sales to more segments. Establish the company higher up the value chain and move from product sales to solution sales. • Expand capacity to provide enterprise solutions as well as cloud-based capacity. • Include training at the onboarding stage. • Provide training on the capacity in XEC and offer solutions that improve and simplify the work of process owners and managers. • Participate in research projects, such as the EU project ForMobile. • Collaborate with trusted partners. 	

In 2024, the region will change its name to APAC.

→ **Asia:** Japan, Singapore, India and South Korea
Oceania: New Zealand and Australia

Sales in Asia & Oceania

Percentage	Count
9%	11

→ MSAB helps Osaka Customs protect Japan's borders

Challenge

Osaka Customs operates on the front line, tackling a wide range of illegal products that people are attempting to smuggle into Japan. Whether it's drugs, weapons, fake copies of famous brands or untaxed goods that are making their way in by air or sea, customs officials keep a vigilant watch to guard Japan's borders against all types of illegal smuggling.

Osaka Customs is a nationwide organisation that has 10,000 employees. Its various specialist departments include a digital forensics team that is responsible for the digital devices seized by customs officers. Every year, this department extracts data from around 1,000 mobile phones, computers and tablets, revealing valuable insights from these seized devices.

Makoto Toda is both a deputy supervisory investigator and head of the forensic lab, where nine digital forensics experts, including analysts, perform this work.

The biggest challenge for the digital forensic lab is gaining access to the phones and other devices. The manufacturers of phones, computers and tablets are constantly increasing the level of security of the phones that Toda's department works with. Devices that they used to be able to open several years ago cannot be accessed today.

Nowadays, it is possible to unlock around 80 percent of phones with the cooperation of the suspected smugglers. In 20 percent of cases, however, the phone has to undergo brute forcing, a method that involves testing thousands of different password combinations to unlock the phone. The next step involves extracting the data. This can be quick and easy, but the information obtained can look very

strange in its original form and so it needs to be decoded. Then you can start analysing the content.

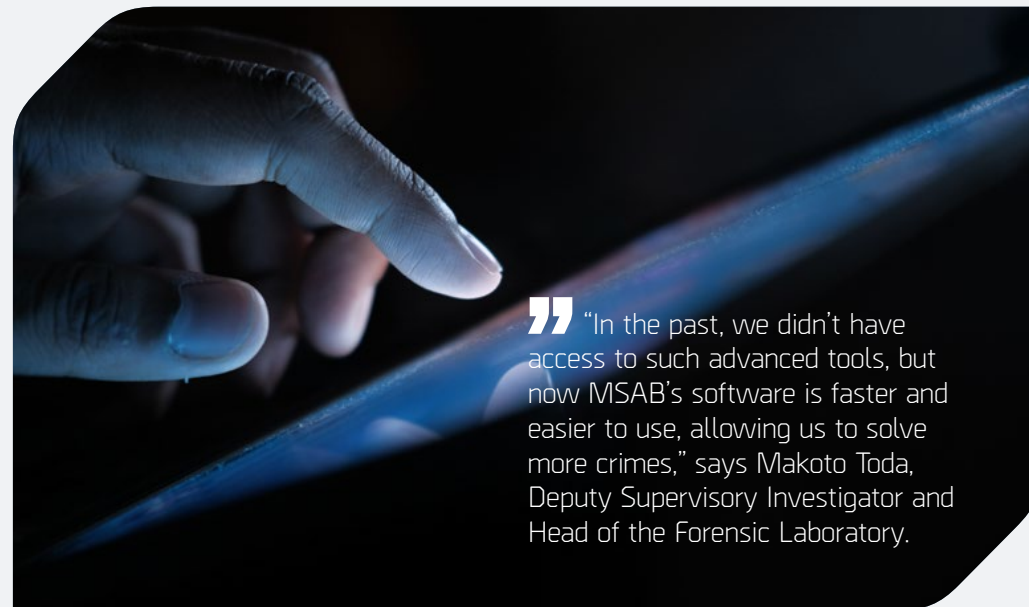
The most common phones seized by Japanese customs are various versions of the iPhone, around 50 percent, and the Samsung Galaxy, also around 50 percent. The phones that Japanese Customs cannot handle, around 200 phones a year, are passed to private suppliers whose staff specialise in gaining access to the most advanced devices.

Solution

To overcome these challenges, Toda's digital forensics department purchased MSAB Office, a platform that includes both the extraction tool XRY and the analysis tool XAMN. Each member of the unit relies on this software, which is installed on separate computers in the lab to ensure that they operate independently without any connection to external networks.

The nine people who work in the digital forensic lab follow the same procedure for all the phones they handle each year. They open the seized devices, extract the relevant data from them and then decode the content. All the information is then passed to the investigation department, which has over 100 investigators analysing the data to obtain the digital evidence that can exonerate or convict a suspect. The lab staff often also help the investigators to analyse the content of the phones.

Toda says that he would like to try XRY Pro, MSAB's most advanced and capable software, which was launched in April 2023, so that the law enforcement agencies can gain access to even more phones.



“In the past, we didn't have access to such advanced tools, but now MSAB's software is faster and easier to use, allowing us to solve more crimes,” says Makoto Toda, Deputy Supervisory Investigator and Head of the Forensic Laboratory.

Customer value

As it is becoming more difficult to gain access to phones due to the increasingly advanced encryption of digital devices, Osaka Customs has received valuable support from MSAB's products.

“In the past, we didn't have access to such advanced tools, but now MSAB's software is faster and easier to use, allowing us to solve more crimes,” says Makoto Toda. “MSAB's products have been a great help in solving our problems, and their support staff are very knowledgeable and helpful.”

There are three main reasons why the Japanese customs authorities work with MSAB:

- Speed of MSAB Extract – XRY
- The ability to perform multiple extractions at the same time
- MSAB gains access to phones that others can't.

“We are also keen on the seminars and workshops that MSAB offers to update us on all the new product features,” continues Makoto Toda. “In terms of what else we would like to see, it is the MSAB Access Service and MSAB's On-Demand Training (ODT) being made available in Japanese and MSAB continuing to develop innovative features that make our digital forensics work easier.”

MSAB accelerates R&D

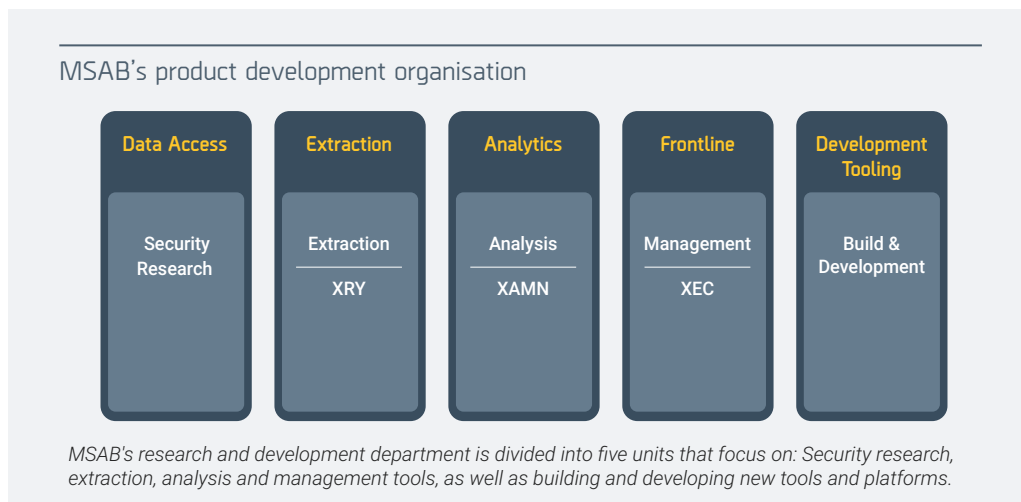
The company carries out extensive research and development to consolidate the company's position as a world leader in mobile forensics.



To maintain its position as one of the world's leading suppliers of digital forensics, MSAB focuses on being the best at extracting, decrypting and analysing data from mobile phones. For over 20 years, the company has stayed ahead of the competition through continuous innovation and product development in a number of areas. In 2002, MSAB began working with law enforcement agencies globally in earnest. Every day that has passed since then, it has become increasingly complex to extract data from phones. The reason is that mobile phone manufacturers and app developers are doing everything they can to close security loopholes, making it increasingly difficult to access phones. How long this game of cat and mouse will last is hard to say, but in the long term it is expected that mobile phone data will be delivered using Warrant Returns services, where operators including Facebook, Google and other cloud service providers disclose user data under legal obligation. Today, the police use the Warrant Returns functions in MSAB's software, XRY (for extraction) and XAMN (for analysis), when they are unable to access data from a phone.

Breakthroughs in product development

During the year, MSAB made several major breakthroughs in product development, partly in the form of investigators now having access to larger amounts of data through extraction and decoding and partly because MSAB can handle more versions of mobile phones and apps. MSAB has listened carefully to user feedback and incorporated it into new software to ensure that the product really meets the needs of



law enforcement agencies. A product named XRY Pro was launched in early April and is the most advanced solution for locked and encrypted devices. The new tool has advanced access capabilities, enabling forensic investigators to access some of the most challenging and secure mobile phones. Another highly regarded innovation was the introduction of broad support for locked UNISOC devices. BFU (Before First Unlock) support for UNISOC devices and a distributed "brute forcer" (to gain access to locked phones), were implemented in XRY Pro at the end of June. In early October, in the third major product update of the year, a host of new features and improvements were unveiled for XRY, including support for iOS 17 and Android 14. In XAMN, the popular Berla iVe format for vehicle and mobile data was made available for import, while the map function and geographical data underwent a complete overhaul.

Local and global recruitment

It is extremely important for MSAB to be at the very forefront of research and development in the industry. MSAB must be the best at unlocking phones and extracting, decoding and analysing the data extracted. To achieve this and to benefit from local expertise, the company has a development centre in Sweden. The company's global presence aids recruitment of specialist roles which are filled by also recruiting from other countries. The specialist expertise that MSAB is looking for is highly sought after globally and the company therefore also needs to adapt its offering to make it attractive to these candidates. Attracting and retaining developers is a challenge for MSAB, as it is for the vast majority of companies in the tech industry. That is why the company has also strengthened its HR organisation and invested in new tools that will facilitate recruitment,

as well as actively worked with Employer Branding to both attract new developers and encourage existing ones to stay. Most of the developers are at MSAB's head office in Stockholm, where the majority of global product development takes place.

Strategic research and product development is organised into five sections: Security Research, Extraction – XRY, Analysis – XAMN, Management – XEC and Build & Development. In 2023, the workforce totalled around one hundred people.

Idea generation and competitive intelligence

New product ideas and product plans are developed through a continuous idea generation process and regular reviews. MSAB uses a systematic process for new product development combined with detailed life cycle management of the different products, where all products have a strategy from initial launch, through product improvements, to the end of the product life cycle. The development teams are also recruited and assembled on the basis of these processes and strategies. The company's product organisation has channels for input from customers and competitors in order to develop competitive products. The development teams examine the input through the company's other departments such as Technical Support, Training, Sales and Professional Services. The requests are then considered by the product committee and the development team, which decide what to prioritise in the short and long terms. Other channels for competitive intelligence include various forums where forensic experts, primarily within the police, can comment, obtain assistance and ask questions to suppliers about specific products and functions. These forums enable MSAB to see which questions are being asked to competitors and also understand which functions need to be improved.

→ Employees who work in R&D

This was the first impression that Wendy, one of our exceptional software developers, had when she joined MSAB. It still holds true today, after almost two years at the company – more so than ever in fact.

Wendy Wong is a developer in MSAB's Devices team. The path that led her to this team and this company has crossed continents and spanned various software areas. Every step of the way, her journey has been driven by an unceasing quest for knowledge.

It all began with a deep-seated love of science and maths, which, combined with her passion for working with hardware, set the wheels in motion. And so her passion for software development was born.

How did she get here?

Everyone follows their own unique path to find their calling.

"As a child, I was drawn to creativity and I enjoyed building things. While my siblings were busy playing Street Fighter on the Super Nintendo, I helped my dad to make arcade sticks for the ultimate gaming experience. I suppose this early fascination with building and tinkering with hardware laid the foundation for my future career," recalls Wendy.

"I have also loved algebra and calculus throughout my academic life. When I was finishing high school and thinking about my next steps, I was looking through the range of diploma programmes when one course in particular caught my eye – a combination of computer science and computer mathematics. I was smitten straight away. That's how my journey as a software developer began."

This was when Wendy was back home in Malaysia.

After completing her Master's degree, Wendy worked as a university lecturer for a few years. "Being a lecturer was interesting. I enjoyed sharing my knowledge with the students and helping to make them ready for the world of work. However,

the nature of the role meant I had limited time for practical coding. I felt that something was missing and that's when I started looking for software development opportunities."

A new chapter

It didn't take Wendy long to find a job in the fintech industry in Kuala Lumpur. However, after two years there, Wendy and her husband made the bold decision to uproot their lives and embark on a journey that would take them to Sweden, a country full of professional opportunities for software developers like them.

Wendy's software development career took an exciting turn when she settled in Sweden, which ultimately led her to MSAB.

MSAB: the next phase

When Wendy stumbled across MSAB, a company she'd never heard of before, her response was just what you'd expect from a developer looking for a role with deeper meaning. Unbeknownst to her, one of the world's top digital forensics companies originated from, and was headquartered in, Stockholm. Her first reaction said it all: "Wow! This is incredible! There is a software company like this in Sweden and I can actually be part of it!" Before she joined the company, she had no background or experience in the field of security or mobile forensics.

"It was quite a steep learning curve. I often found myself in situations where I couldn't understand the technical jargon, such as deciphering the acronyms FBE and FDE or understanding the mechanism for extracting data from devices. I had lots of questions and encountered many unfamiliar concepts. However, with time and commitment, I learned and I became able to work independently."

Despite having almost eight years of previous experience in software development, Wendy quickly realised that her learning days were far from over.



“If you really love challenges and continuous learning, then MSAB is the perfect place.”

– Wendy Wong, developer in MSAB's Devices team

This field is so niche and evolving so quickly that you can't stop learning if you want to keep up.

How MSAB compared with her other job

When Wendy moved from Malaysia to Sweden, one of the first things she noticed was the difference in work cultures.

"Here at MSAB, there is a great deal of trust and confidence in the employees and the quality of their work. This allows us to do work that is aligned with

our interests and our opinion matters. In addition, all of my colleagues are very talented and committed to their work. It is a unique working environment compared with other places."

Growing in a niche industry

The road to expertise is paved with little victories and moments of frustration, but it is in these situations that we find the motivation to tackle the ever-changing complexity of the work.

"When I joined MSAB, creating a new dumper was a major achievement. Now it's not as much of a milestone because I've learned how to do it." Every achievement is a big one when you start working in a new field. As you learn and adapt, though, the things that once seemed extraordinarily complex become relatively simple.

On working in mobile forensics software development

"It's interesting because there is always a new challenge." The field of digital forensics is anything but static; it thrives on the continuous flow of technology and data. "We have a responsibility to constantly identify groundbreaking security vulnerabilities and create innovative solutions to extract invaluable digital evidence. This puts us in a league of our own, set apart from other software areas."

Wendy's role in her team is what keeps her so engaged

"My main responsibility is developing a software tool that unlocks and extracts content from mobile phones to support mobile forensic investigations. To do this, I need to understand exploitation mechanisms and I also need to master software architecture so as to ensure a robust product and high-quality delivery. I really like the synergy between these two aspects."

Learning, growing and establishing contacts

"At MSAB there is a constant desire to share knowledge and you will always have continuous opportunities to learn." MSAB's supportive community is what sets it apart from other companies.

Wendy stresses the value of direct interaction. "In our field, hardware plays a key role, so regular days in the office are a necessity. Fortunately, MSAB's offices are centrally located, with a beautiful seafront

promenade and plenty of leisure and dining options for lunch breaks. Our time in the office is also useful for holding productive discussions and meetings. This hybrid way of working creates a well-balanced and efficient working environment."

Balancing work and parenthood

"The flexibility offered by MSAB is really beneficial for family life." As a working parent, Wendy knows the juggling act that this often requires. "The flexibility of my job allows me to embrace the joys of parenthood,

which is not always possible in other places. With the freedom to manage my own time, I can spend quality time with my child and maintain a healthy work-life balance. The confidence that the management team has in us is invaluable. This is incredibly important, particularly when you are raising a child."

Wendy's advice for professional fulfilment

At MSAB, Wendy has seen the attraction of long-term growth first hand. "Some of my colleagues have been here for several years and they still face

new challenges every day. You never get bored." This industry thrives on change and innovation, making it an ideal place to work for those looking for continuous growth.

"If you enjoy challenges and have a passion for continuous learning, MSAB is the perfect place for you," reiterates Wendy.



→ Employees who work in R&D

For Gustav Björk, team leader of the Android group in MSAB's Smartphone team, simple jobs are not enough. He finds it more fun to take on complex challenges. It's all about continuous learning and improvement. He is more interested in professional development than in having a comfortable, easy office job.

Fortunately enough, he has come to the right place.

How it all began

Gustav Björk comes from a game development background – this was what he specialised in at college and it is his first great passion. When he started looking for a job in 2020, however, the cards fell differently.

He decided to explore other software development opportunities.

It didn't take too long for him to come across MSAB, where he started working two years ago. For a young developer, the promise and challenge of decoding apps and understanding and investigating app data sounded like too much of a fun and appealing opportunity to miss. "So, I jumped on board and have been with the company ever since," says Gustav, as he recounts his journey to MSAB.

Choosing MSAB: A smaller company with greater impact

MSAB is not a small company – we have over 200 employees spread around the world. Compared with some of the giants out there, however, we are still quite modest in size. And this has an effect on how employees are treated within the organisation. At our workplace, we pride ourselves on creating a personable atmosphere, where trust is at the heart of how we work.

It didn't take Gustav long to realise that this was what drew him to MSAB. "It's a smaller company. I felt that this was somewhere I could have greater

influence and also a little more freedom." The opportunity to make a more significant contribution and enjoy a little more independence was far too good to miss.

Why do routine coding when you can do reverse engineering instead?

For many developers, their everyday work involves routine coding and system maintenance. Some are perfectly happy with that. Others, such as Gustav, are looking for something more. They are looking to develop their abilities in areas such as cryptography, reverse engineering and other specialist skills that don't often come up in a typical software job.

"One of the most fun things we do is reverse engineering. I don't know of many other jobs in software engineering where you actually get to do this and can implement it in your normal workflow. So I really see this as an opportunity to learn more about this kind of thing and gain more technical knowledge."

Keep it challenging – that's what makes it fun

Gustav loves projects that are challenging and interesting. It requires a certain amount of finesse to solve the tasks on Gustav's desk and the pride he takes in his work is clear to see. Who wants simple challenges that can be easily solved in a conventional manner? Not this guy.

"I guess I'm most proud of the projects where I've built most of the decoding for a specific app," he says. "I'm a fan of any problem that requires reverse engineering, because these are not your ordinary challenges that are easy to solve just by doing simple investigations and looking at data. Simple tasks are overrated."

Contributing to innovation

Gustav's role extends beyond the boundaries of everyday software development. He recognises



” If I were working on something that I didn't find challenging or enjoyable, I wouldn't keep doing it. It's essential for every developer, I think, to find work fun.”

– Gustav Björk, team leader of the Android group in MSAB's Smartphone team

the huge impact that his work has and this is not a responsibility he takes lightly.

"I think we are in a company that is small enough for the decisions we make to affect how things will look in the future. The decisions my colleagues and I make will actually have an impact on both the product and the market. And that influences many of the things I do."

Gustav sees further evidence of this whenever he travels on business to speak at industry events or customer conferences.

"I met some customers at an event and they seemed really engaged with our products. They asked many questions and gave me a lot of feedback, which I took on board. I want to help them make our tools as good as possible." For someone who is directly involved in making the MSAB tools as extraordinary as they are, it is an incredible opportunity to hear this kind of feedback first hand. It's fun to actually get out there and talk to people and hear their opinions, and it helps keep me motivated to make the best possible product. We think a lot about how this will

be interpreted, what it will look like, and how can we report this data so there are no misconceptions about what it means. And seeing what kind of impact the product has keeps me motivated."

Never a dull moment

Hardly two days are the same when you are a developer working in digital forensics.

Every morning, Gustav picks a task from his lists and starts investigating. "It could be a bug of some kind or a new feature that the company wants to add. I look at the background information for that particular task and find out exactly what is required and expected. If necessary, I generate suitable test data. Then I start working, investigating and seeing how I can look at the data and how I can translate it into code that will analyse the data and give us the information we need."

Gustav also combines his work as a developer with being a team leader. "Managing the team and collaborating with other teams is a much more social activity of course. I organise meetings and daily stand-ups and I am involved in the recruitment process, so there is never a dull moment."

On the work-life balance

It is not unusual for developers to have slightly blurred boundaries between work and private life. Gustav has a refreshing take on this.

"I think it is important to realise that you are employed to do a certain number of hours per day, and you do those hours. And you do them well. And then, outside of that time, you should not do anything work-related and you should not stress about work stuff." It's not always easy, as Gustav himself concedes. "I think it is important to have an employer who understands that you are doing the best you can. And once the working day is done, you will deal with things the next day. This is how it is at MSAB. I

don't feel pressured into working overtime or to do work stuff in my free time."

And speaking of life outside work...

"I do program in my spare time too, but mostly games. I go cycling on country roads, do a little photography, hang out with friends, drink beer, play board games, video games, and other stuff."

Despite programming all day at work, Gustav still enjoys doing it in his spare time too. As he explains: "It's a different kind of programming; the one I do

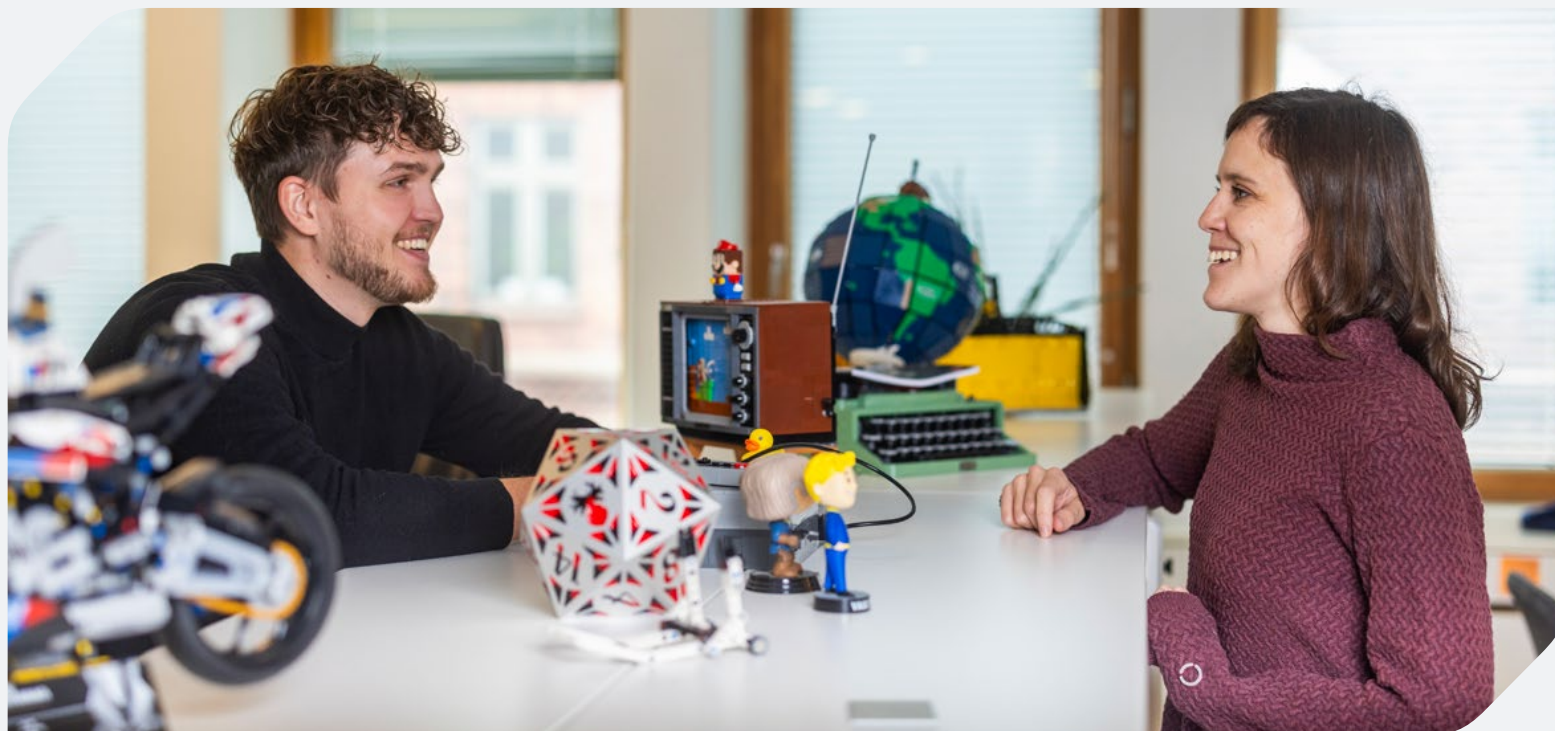
every day at work is not the same as the one I choose to do in my free time. And it keeps my hobby alive."

Why MSAB?

"I really like the people," says Gustav. "And everyone I talk to at MSAB praises the sense of community at the company. I am very pleased that we are such a sociable bunch. We do things outside of work, and the company plans activities after work, which I really like. And there's such a friendly culture. Everyone is

so understanding and I don't feel pressurised. I feel that I am trusted, which is also important to me."

For Gustav Björk, it's all about tackling challenges head-on, finding fun in complexity and, above all, delivering results. And guess what? 'Delivering results' just happens to be one of MSAB's core values. It's funny how our team here really embodies these values, isn't it? We're not just a company; we're a bunch of people who love what we do and it shows in what we deliver.



Sustainability

MSAB will contribute to sustainable development by actively and responsibly ensuring that operations are conducted in a manner which upholds MSAB's values and with respect for people, society and the environment. The company's most significant impact lies in its ability to reduce crime and enhance safety in the community.

Sustainability

We aim to reduce crime and increase security

MSAB contributes to sustainable development by actively and responsibly ensuring that operations are conducted on the basis of MSAB's values and with respect for people, society and the environment. The company's most significant impact lies in its ability to reduce crime and enhance safety in the community.



MSAB's main business is software development and its sustainability work focuses primarily on ethical and social issues. The company's solutions have a limited environmental impact, part of which is attributable to the purchase of hardware. Most of this is purchased in Asia, where it must be ensured that all products are RoHS-certified. This certification ensures, among other things, that production of the components meets the environmental requirements adopted by the EU.

MSAB has customers all over the world

To manage the global customer base, the company has local representation in 17 countries and partners with local distributors in more than 80 countries. Some meetings require a physical presence from various MSAB representatives, which can entail travel. To minimise the company's environmental impact from travel, the use of alternative forms of communication, such as telephone and videoconferencing, is preferred. Other important environmental aspects within the Group are resource and energy issues, as well as the handling of some waste products. Aspects that the company considers in its daily work include: avoiding unnecessary waste of resources, taking care of waste responsibly and recycling materials, considering environmental issues when choosing or designing office space and

complying with environmental legislation in each market where the company operates.

Sustainability governance

MSAB has a number of policies and compliance programmes for ensuring compliance with applicable legislation and ethical guidelines that the company has adopted for its operations. MSAB sells dual-use items and these are covered by export licence requirements. MSAB has a compliance programme that includes due diligence measures and internal procedures for ensuring that the company complies with the licence conditions. An important part of this work is also continuously evaluating and adapting the compliance programme in relation to MSAB's products, export control legislation and external events. MSAB has a zero-tolerance policy on discrimination, harassment, corruption, fraud, bribery and similar misconduct and this is expressed in the company's code of conduct, which forms an integral part of the business. The code of conduct and other internal policies also stipulate that MSAB's business must promote human rights and the principles expressed in the UN Global Compact. Employees who experience discrimination or harassment, or who suspect any other form of misconduct, are encouraged to report this immediately to the company management.

Policy	Purpose	Responsibility
Code of Conduct	Describes the company's commitment to comply with laws and regulations and to maintain a high level of business ethics in all operations and in the conduct of employees.	Management group
Employee handbook	Informs employees about internal company procedures relating to health and safety, gender equality, diversity and business ethics.	HR
Health and safety policy	Describes the procedures and measures implemented in the company's systematic work environment management in order to create a safe and healthy workplace.	Management group
Safety Committee policy	Describes the organisation and participation of the Safety Committee in the planning of health and safety work.	Management group
Anti-discrimination policy	Promotes equal rights and opportunities for all employees and describes the measures taken by the company to prevent and counteract the occurrence of discrimination.	Management group
Whistleblowing policy	Promotes a transparent and highly ethical business environment and enables employees to report potential misconduct to the company.	Legal
Communications policy	Establishes guidelines for the company's internal and external communication.	Management group
Data and IT security	Protects employees, customers and the business from hacking and similar incidents.	IT

” Of the 17 global goals for sustainable development adopted by the UN in 2015, MSAB focuses its work mainly on Goal 16: Peaceful and Inclusive Societies, Goal 5: Gender Equality, Goal 8: Decent Work and Economic Growth, and Goal 9: Sustainable Industry, Innovation and Infrastructure.

– Erik Sandgren, Legal Council, MSAB.



Increased efforts for a good work environment

MSAB has further strengthened its processes and collaboration on work environment issues during the year. This includes, for example, greater involvement in work environment management of more employees in managerial positions and increased efforts to inform employees about MSAB's work environment goals.

Responsibility for environmental and quality work ultimately rests with the company management, although operational responsibility has been delegated to line managers, where the Production, IT, Training and Support units principally take care of day-to-day quality and sustainability work.

UN Global Goals provide the foundation

The 17 global goals for sustainable development (SDGs), which were adopted by the UN in 2015 to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030, provide the foundation for MSAB's work to improve sustainability. MSAB supports all of the SDGs but focuses its work on Goal 5: Gender Equality, Goal 8: Decent Work and Economic Growth, Goal 9: Sustainable Industry, Innovation and Infrastructure, and Goal 16: Peaceful and Inclusive Societies, with

Goal	How MSAB is working to achieve the goal	
 <p>Goal 16 Peaceful and Inclusive Societies</p>	<p>MSAB has a business model where sustainability issues are integrated in its operations. The company aims to strengthen the rule of law and promote human rights and it is in a position to contribute to this in many different ways. MSAB has a code of conduct that excludes many countries because of human rights abuses. The company takes a more restrictive approach to the sale of its products than is required under EU and Swedish export regulations. MSAB also places stringent requirements on customers who purchase mobile forensic products. They are expected to undergo qualified training and pass knowledge tests to ensure that they use the products professionally and live up to accepted international standards for digital forensic work. Once</p>	<p>customers have successfully completed their training, they have at their disposal a very powerful product and the skills to investigate and combat corruption, bribery, fraud, violent crime, child abuse, human trafficking and other serious crime. In this way, MSAB contributes to Goal 16. MSAB operates in many countries and has a responsibility to be a positive force for sustainability and good social development. MSAB's commitment applies in particular to the most vulnerable in society, such as children who are living in extreme poverty. For a long time now, MSAB has been involved in Project VIC, a non-profit organisation whose technology is used by thousands of law enforcement agencies all over the world to rescue children from sexual exploitation.</p>
 <p>Goal 5 Gender Equality</p>	<p>MSAB strives to recruit the best people, whatever their background, and this has contributed to the company's broad diversity. MSAB has guidelines for the equal treatment of its employees to counter discrimination for positions or tasks on the basis of gender, religion, age, sexual orientation or ethnicity. During the year, the company updated its equal treatment policy and further strengthened its procedures in this area. MSAB focuses strongly on being an attractive and inclusive employer that promotes diversity and equality. To this end, the company has achieved GPTW (Great Place To Work) certification. To be certified, the company must score at least 70 out of 100 in an evaluation known as a "Culture Audit", which includes questions</p>	<p>on trust, employee potential, values, effective leadership and innovation. Certification lasts for 12 months and is also based on the responses given by the company's employees in GPTW's Trust Index employee survey. MSAB works to maintain and develop its position as an attractive and inclusive employer in four areas:</p> <ul style="list-style-type: none"> • Networking and skills development, soft values and technological development • Sustainable leadership development • Work balance • Employee survey and improvement areas

the latter having a strong link to the company's core operations.

Products and sustainability

To ensure compliance with the quality and sustainability requirements of law enforcement agencies all over the world, delivery checks are carried out on all

products. For software, product development takes place according to a process that includes checks and alpha and beta testing. Before a new software version is released, it has also been tested by a selection of customers. Hardware undergoes a quality assurance process, both when third-party hardware is purchased and when the company develops its own hardware

using components from subcontractors. Several stages of quality control are performed before the products are delivered to the customer. MSAB's CE labelling ensures that all requirements placed on the components used in the products are met. Service contracts with customers also stipulate who is responsible if a product fails to work satisfactorily.

Carefully selected suppliers

MSAB is an international company and chooses to work with reputable global suppliers who place great importance on sustainability, such as UPS, Dell and Panasonic. When procuring production, other factors are also taken into account, such as quality, production method, components, delivery times and price. It is on the basis of these parameters that a contract is awarded to a particular supplier. A pre-production series is then manufactured to check that the product meets the requirements and a framework agreement is then signed with the selected manufacturer. When shipping the products to the end customer, the deliveries are planned and coordinated centrally to achieve better transportation, with shipments optimised to contain full loads. One of the sustainable initiatives at MSAB is the transition to cloud-based services. Several operators share storage space and electricity supply, which reduces the climate impact. MSAB also has a contract with a company in the United Kingdom for recycling metal.

Short product life cycle provides opportunities

MSAB is continuously developing new hardware and software and exploring opportunities for identifying new, high-quality, climate-smart approaches. One example pioneered by MSAB is the "Spider Cradle", which is produced locally using 3D robotics and then manufactured using a 3D printer. This is a "cradle", where the mobile phone's circuit board is clamped with a rotating function to give technicians better access to attach needles to specific points on mobile phones. This new approach, which replaces an old technique that involved soldering components to the circuit board, is a good example of a reduced environmental impact.

Ethical approach

Preventing the risk of misuse of MSAB's solutions is

Goal

How MSAB is working to achieve the goal



Goal 8 Decent Work and Economic Growth

MSAB promotes sustainable growth and working conditions in line with Agenda 2030. During the year, MSAB continued its participation in the EU's research and innovation funding programme, Horizon 2020. This framework programme brings together research and innovation with a focus on scientific quality, industrial leadership and societal challenges. The Formobile project is an example of how MSAB has made a significant contribution to establishing a strong research environment in Europe for cutting-edge research in mobile forensics, creating jobs and prosperity. During the year, MSAB has evaluated the opportunities for contributing to several similar projects. MSAB has also collaborated with the European Academy of Forensic

Science (EAFS), an organisation for forensic scientists in Europe. At the EAFS annual conference in Stockholm, MSAB gave several presentations on innovation and customer case studies within the field of digital forensics. One of the hallmarks of MSAB is its positive approach of employing people who are aged 20 or younger and who want or need to enter the world of work early without an academic education. MSAB also offers internships and summer jobs to students on an ongoing basis. By giving young people an early insight into a leading high-tech business, MSAB is able to promote the employment, education and training of young people.



Goal 9 Sustainable Industry, Innovation and Infrastructure

MSAB has a stable and sustainable infrastructure that promotes the development of the company's products and solutions. This infrastructure can be used by all development teams and must maintain a high level of quality. It has been constructed to rise to the challenges of the future and to achieve efficient resource use. MSAB develops software and has a low environmental impact compared with companies that manufacture physical products. The hardware components purchased by the company have undergone a quality assurance process to ensure that the company identifies the best options in terms of production

location, transport and quality. MSAB purchases quality products that will not need to be replaced in the near future. The use of the phones purchased for research, testing and support purposes is coordinated between different development teams in order to keep purchasing costs down. MSAB's continuous growth has resulted in a strong increase in the number of people working in development over the years, reaching approximately 100 people at year-end, which corresponds to roughly half of the total number of employees.

a top priority for the company and a central part of MSAB's corporate culture. Risk management relating to sales and exports takes place using various internal processes and working methods. These include training and awareness-raising activities for employees who come into contact with sales and exports in various ways. The company has processes and procedures at many levels that involve the review and control of pending transactions. Human rights are protected by MSAB having access to external modern tools for performing background

checks on customers and the company also monitors changes to legislation and sanctions lists. A sale can be stopped if a purchase request is deemed to be suspicious. MSAB also continuously evaluates its business partners in various countries with regard to risk and compliance. All customers contractually undertake to use MSAB's products in accordance with international human rights standards.

MSAB has policies and a compliance programme in order to comply with export control legislation and which are designed to enable due diligence mea-

asures to be applied in order to manage risks relating to exports. MSAB also uses competitive intelligence to monitor developments in various regions, including country reports on human rights and democracy published by the Swedish Ministry for Foreign Affairs. MSAB's risks as a result of changes to export control legislation are limited because the business focuses on customers in regions that can be expected to be granted a licence from the Swedish authorities in the long term and the very long term.

Our employees help make the world safer

MSAB's core values of innovation, ethics and results are deeply embedded in the organisation and guide our day-to-day work towards the shared vision of providing every investigation with digital forensics solutions – for a safer world.



Policies on work environment and equal treatment

A number of new policies have been drawn up or updated during the year, particularly in the areas of work environment and equal treatment. These policies contain enhanced internal processes relating to MSAB's systematic work environment management, including more detailed examinations of the work environment, documented risk assessments and measures and action plans to eliminate, control or reduce risks in the work environment. There is also more intensive collaboration between employers, employees and safety officers, for example with regard to changes to premises and the planning of such. At the heart of work environment management is the desire for more employees to be involved and to have different responsibilities. The company has also updated its equal treatment policy. This relates in particular to the procedures used when the company is investigating any risks of discrimination, as well as its preventive work to eliminate various forms of victimisation.

Automation of HR processes

A human resources management system (HRM) was implemented during the year that is used to automate the company's HR processes, such as recruitment,

onboarding, performance management and administration of benefits. The system is designed to help MSAB streamline its HR activities using a self-service portal, a search system and an integrated results management system, for example.

Attracting and retaining talent

During the year, the HR and marketing department developed an Employer Branding concept. The entire tech industry, in which MSAB operates, faces real challenges finding talent and so additional efforts are needed to promote MSAB as a workplace. The work carried out here has highlighted the culture, values and mission of the company. Employee testimonials have described what it is like to work for a company that helps law enforcement agencies globally to make the world a safer place. This work has helped to attract and retain talent, further enhance the company's good reputation and differentiate the company through its strong purpose-driven brand. A strong employer brand will also help MSAB to cut its recruitment costs by reducing the need to continually advertise vacancies. MSAB has also implemented new recruitment tools and engaged external resources that focus solely on recruiting new developers.

Values

→ MSAB has defined three core values that guide the company in its everyday work – in its actions, decisions and choices.



We are innovative

We are pioneers in mobile forensics and have been singularly focused on creating quality solutions that will empower our customers in making a safer world. But it doesn't stop there. We have an inquisitive and outward-looking nature, searching for new ideas and input to create and sustain an innovative company culture. We also seek to understand how well we are performing, both as individuals and as teams, to nurture and develop our people's innovative sides.



We are ethical

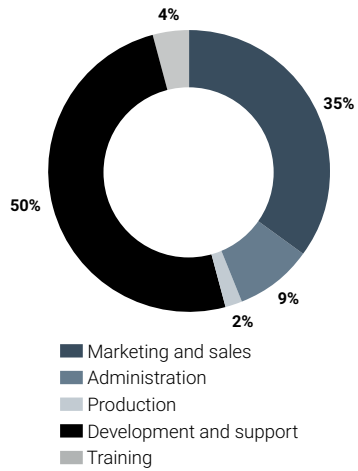
Integrity is our guiding principle. No matter what the pressure on us may be, we will ensure that all of our business activities are undertaken within a framework of responsibility, ethical values and support for the rule of law. We support our customers to be successful in their work and take responsibility for providing them with the best possible digital forensic solutions. In addition to making ethically sound decisions we demonstrate transparency in our business operations, we are honest and a trusted business partner.



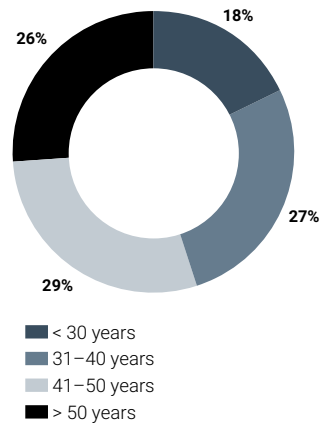
We deliver results

We pride ourselves on delivering top-notch customer service and always putting our customers' needs first. By identifying the challenges and opportunities in our sector, we remain proactive and strive to generate quality solutions – continually evolving our thinking, whilst staying true to our core values. We also advocate the sharing of knowledge with our customers, employees and partners, ensuring they have all the resources they need to develop and achieve good results.

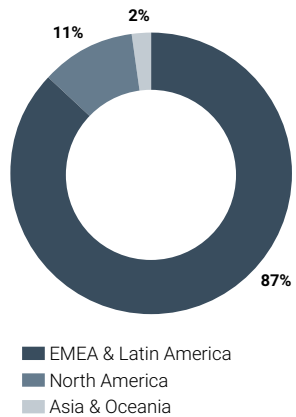
Employees by function



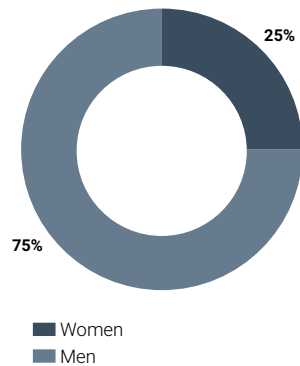
Age distribution



Employees by region



Gender distribution



The share and shareholders

Micro Systemation's class B share is listed on Nasdaq Stockholm Small Cap (ticker: MSAB B). The share price on the last trading day of the year, 29 December 2023, was SEK 64.30 and market capitalisation was SEK 1,233 million.



Share capital

As at 31 December 2023, the company's share capital amounted to SEK 3,834,400, represented by 19,172,000 shares with a quotient value of SEK 0.2. The company has three classes of shares, wherein holders of class A and B shares are entitled to equal rights to the company's assets and profit, but holders of class C shares are not entitled to any share in dividends. Holders of class A shares are entitled to ten votes per share, while holders of class B and C shares are entitled to one vote per share. There are 1,000,000 class A shares and 17,550,000 class B shares. There are 622,000 class C shares, all of which are held in treasury. Additionally, 81,596 class B shares are held in treasury.

Share ownership

The total number of shareholders as at 31 December 2023 was 4,463 compared with 4,352 the previous year. The ten largest shareholders in MSAB as at 31 December 2023, as recorded in Euroclear's share register, are listed in the table on the following page.

Share price trend

During the year, the share price fluctuated between SEK 34.85 and SEK 64.30, finishing at SEK 64.30 on the last trading day of the year. During the year, MSAB's share price increased by 84.5 percent. MSAB's market capitalisation at year-end was SEK 1,233 million.

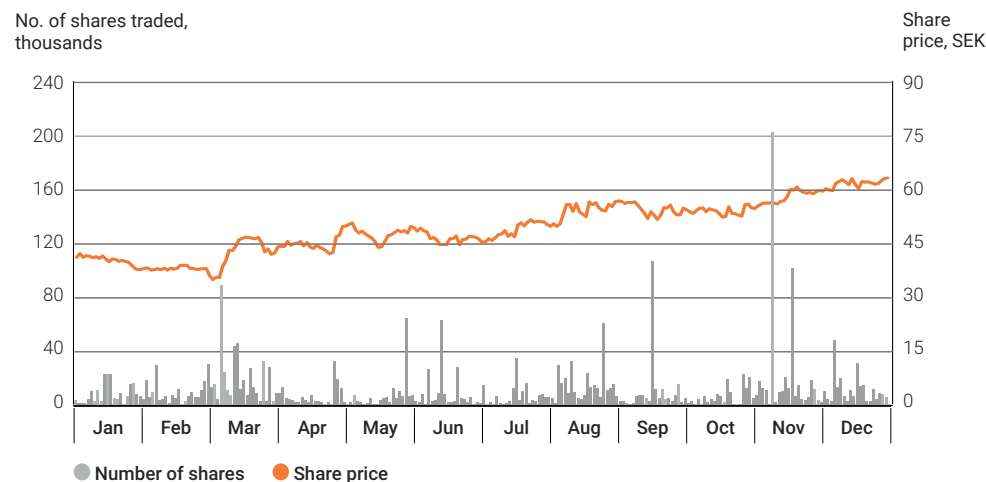
Dividend policy

At least 30 percent of the company's reported earnings are returned to shareholders, on the proviso that this is compatible with maintaining an adequate amount of liquidity for planned operations. For 2023, the Board of Directors proposes a total dividend of SEK 1.50 (1.50) per share, divided into two payments.

Share price trend and volumes 2019-2023



Share price trend and volumes 2023



Largest shareholders in MSAB (publ) as at 31 December 2023

Name	No. of class A shares	No. of class B shares	No. of class C shares	No. of shares	Share of capital, %	No. of votes	Share of votes, %
Aktiebolag Grens Specialisten	525,000	676,346	0	1,201,346	6.27	5,926,346	21.04
Edastra AB	347,500	1,143,592	0	1,491,092	7.78	4,618,592	16.39
Alcur Select	0	3,405,128	0	3,405,128	17.76	3,405,128	12.09
Nordnet Pensionsförsäkringar AB	0	1,925,671	0	1,925,671	10.04	1,925,671	6.84
Strawberry Capital A/S	0	1,281,308	0	1,281,308	6.68	1,281,308	4.55
Cervantes Capital AB	127,500	0	0	127,500	0.67	1,275,000	4.53
Öhman Sweden Microcap	0	843,313	0	843,313	4.40	843,313	2.99
Sijoitusrahasto Aktia Nordic Mic	0	750,000	0	750,000	3.91	750,000	2.66
Försäkringsbolaget Avanza Pension	0	677,685	0	677,685	3.53	677,685	2.41
Thomas Wernhoff	0	500,000	0	500,000	2.61	500,000	1.77
Total for 10 largest shareholders	1,000,000	11,203,043	0	12,203,043	63.65	21,203,043	75.27
Micro Systemation AB	0	81,596	622,000	703,596	3.67	703,596	2.50
Other shareholders	0	6,265,361	0	6,265,361	32.68	6,891,966	22.23
Total outstanding shares	1,000,000	17,550,000	622,000	19,172,000	100.00	28,798,605	100.00

Ownership structure, 31 December 2023

Holding	No. of shareholders	Class A shares	Class B shares	Class C shares	% of capital	% of votes
1–500	3,436	0	382,296	0	1.99	1.36
501–1,000	404	0	327,206	0	1.71	1.16
1,001–5,000	445	0	1,011,240	0	5.27	3.59
5,001–10,000	82	0	613,958	0	3.2	2.18
10,001–15,000	26	0	329,447	0	1.72	1.17
15,001–20,000	7	0	134,869	0	0.7	0.48
20,001–	63	1,000,000	14,750,984	622,000	85.4	90.06
Total	4,463	1,000,000	17,550,000	622,000	100	100

Share capital events up to 31 December 2023

Year	Month	Transaction	Changes in no. of shares	Total no. A shares	Total no. B shares	Total no. C shares	Total no. outstanding shares	Quotient value	Change in share capital, SEK	Total share capital, SEK
1984	June	Formation of the company		5,000			5,000	10.0		50,000
1998	February	Bonus issue 1:1	5,000	10,000			10,000	10.0	50,000	100,000
1998	November	Split 50:1	490,000	500,000			500,000	0.2		100,000
1998	November	New share issue	205,000	500,000	205,000		705,000	0.2	41,000	141,000
1998	December	Bonus issue		500,000	205,000		705,000	1.0	564,000	705,000
1999	March	Split 5:1	2,820,000	2,500,000	1,025,000		3,525,000	0.2		705,000
1999	March	Reclassification		1,970,000	1,555,000		3,525,000	0.2		705,000
1999	December	New share issue	705,000	1,970,000	2,260,000		4,230,000	0.2	141,000	846,000
2000	October	Conversion	200,000	1,970,000	2,460,000		4,430,000	0.2	40,000	886,000
2004	March	New share issue 3:1	13,290,000	1,970,000	15,750,000		17,720,000	0.2	2,658,000	3,544,000
2007	November	Reclassification		1,000,000	16,720,000		17,720,000	0.2		3,544,000
2011	June	New share issue	922,000	1,000,000	16,720,000	922,000	18,642,000	0.2	184,400	3,728,400
2014	June	Reclassification		1,000,000	17,020,000	622,000	18,642,000	0.2		3,728,400
2016	March	New share issue	440,000	1,000,000	17,460,000	622,000	19,082,000	0.0	88,000	3,816,400
2018	July	New share issue	30,000	1,000,000	17,490,000	622,000	19,112,000	0.2	6,000	3,822,400
2018	August	New share issue	45,000	1,000,000	17,535,000	622,000	19,157,000	0.2	9,000	3,831,400
2018	September	New share issue	15,000	1,000,000	17,550,000	622,000	19,172,000	0.2	3,000	3,834,400

Annual Report

The Board of Directors and CEO of Micro Systemation AB (publ), corporate ID number 556244-3050, hereby submit the Annual Report for the Group and the parent company for 2023.

Annual Report

Report of the Directors

Operations

MSAB works with product development, sales and marketing of solutions in the area of digital forensics. MSAB was founded in 1984. Its class B shares have been listed since 1999 and have been on Nasdaq Stockholm since December 2011. MSAB is a world leader in mobile forensic technology for extracting and analysing data from seized mobile telephones. The company develops high-quality, easy-to-use system solutions that have become de-facto standards for securing evidence in criminal investigations. The products can be complemented with reporting tools and a wide range of training courses with certification for legally secure digital forensics. The products are shipped worldwide and supported over 46,000 versions of mobile telephones, more than 460 apps and more than 4,500 app versions at the end of 2023. The need to read data from seized mobile phones is continuously increasing and so is the demand for MSAB's products.

Significant events in 2023

In 2023, MSAB managed to maintain a high level of sales due to a higher level of activity in terms of customer meetings and trade fairs, a number of product development initiatives and the launch of XRY Pro. MSAB signed several strategically important contracts that will result in closer involvement with existing, new and returning customers.

Joel Bollö, CEO of MSAB for 21 years, resigned in March and was temporarily replaced by Mikael Falkovén, formerly Head of Sales, until 1 October, when Peter Heuman took over as the new CEO. April saw the launch of XRY Pro, a new state-of-the-art tool that enables investigators to extract data from even the most challenging and secure mobile phones. MSAB received large orders in the form of licence renewals with multi-year contracts in Europe.

At the Annual General Meeting on 11 May, Peter Gille, a member of the Board, took over as the new Chair of the Board. Three new members were also elected to the Board: Andreas Hedskog, Jesper Kärrbrink and Charlotte Stjerngren.

During the autumn, MSAB received several large orders for Frontline training services from European authorities. At the end of the year, the company signed two major renewal contracts with North American authorities. The company launched four major product updates during the year and at the end of 2023 provided support for over 46,000 versions of mobile phones and 4,500 app versions.

Profit/loss and financial position

For definitions of key performance indicators see page 73, and for the five-year overview see page 68.

	2023	2022	2021
Net sales, SEK million	416.9	363.0	333.0
Operating profit, SEK million	40.9	18.8	44.3
Operating margin, %	9.8	5.2	13.3
Profit/loss before tax, SEK million	38.7	21.5	44.2
Balance sheet total, SEK million	278.3	288.8	206.7
Equity ratio, %	41.6	40.2	44.0
Return on equity, %	25.87	16.6	38.9
Average number of employees	200	190	188

Comments on the financial performance

Net sales

Consolidated net sales for the year increased by 15 percent to SEK 416.9 million (363.0). Currency-adjusted growth was 11 percent. Compared to the previous year, growth was 33.6 percent in Europe, -4.3 percent in North America and -1.0 percent in Asia. New sales as well as licence renewals increased compared to the previous year, by 16 percent and 14 percent respectively. For further comments about revenue developments during the year, see the "Markets" section.

Operating expenses

The weakening of the Swedish krona against the USD, EUR and GBP during the period had a negative impact on the cost level in Swedish kronor. Cost of goods sold totalled SEK 40.0 million (56.8). These costs generally vary in line with the product mix. Other external costs

amounted to SEK 75.7 million (70.0). The cost increase is mainly attributable to a higher level of activity in sales and marketing, including more travel, training and conferences. Personnel expenses were SEK 245.2 million (204.2). The cost level was affected by the weakening of the Swedish krona, especially against the USD and GBP, as approximately 46 percent of the company's salaries are paid in foreign currency. Wage drift also contributes to increased costs. Amortisation/depreciation amounted to SEK 15.2 million (13.1).

Operating profit/loss

EBIT for the year was SEK 40.9 million (18.8), corresponding to an EBIT margin of 9.8 percent (5.2).

Net financial items

Net financial items amounted to SEK -2.2 million (2.7) for the period. Net financial items consist mainly of the revaluation of cash and cash equivalents in foreign currency and were affected negatively by the strengthening of the Swedish krona, especially against the USD and EUR, which are the Group's two largest transaction currencies together with GBP.

Profit/loss after tax

Profit after tax for the year amounted to SEK 30.0 million (17.1).

Cash flow

Cash flow from operating activities amounted to SEK 75.0 million (50.8). Operating activities contributed SEK 42.6 million (26.4) to the positive cash flow, while the change in working capital contributed 32.4 million (24.4). Total cash flow for the period amounted to SEK 31.2 million (36.1). Investments for the period amounted to SEK 0.6 million (0.9).

Liquidity and financial position

Cash and cash equivalents at the end of the year totalled SEK 132.9 million (104.4).

Markets

The company had a relatively high level of sales during the year. Net sales amounted to SEK 416.9 million (363.0), an increase of 15 percent compared to the same period in the previous year.

EMEA & Latin America

The first quarter of 2023 was a good quarter with a strong order intake, which resulted in the highest revenue ever in the region for the company's first three months. The company's business in the UK continues to expand due to major orders to meet national law enforcement needs, as well as higher renewal rates and additional sales to existing customers. A national police force in the Nordic region buys the analytical software XAMN Pro for thousands of investigators. Continuing high order intake and several major licence renewals in the second quarter, resulting in record sales compared to all previous second quarters in individual financial years.

The order intake is mainly driven by France, Italy and the UK, with the delivery of multi-year renewal contracts to national authorities in the respective countries. The introduction of XRY Pro increases interest in MSAB's products and services in the entire region and forensic labs choose to upgrade their existing solutions with the extraction software. The company received a breakthrough order for training from a major law enforcement agency in the UK.

Overall, sales in the third quarter were slightly lower than expected. There were in particular fewer licence updates than expected, due to customer requests to bring forward licence renewals to the second quarter.

In the fourth quarter, the company received orders from authorities in both the UK and France and a large order from Italy.

North America

The region normally has lower revenues in the first quarter compared to other quarters, which was also the case in 2023. The departure of the Marketing Director in the region gave rise to some challenges, as the company underwent a reorganisation of the sales team. To

meet the competitive challenges in the United States, the company recruited new salespeople to focus on state and local law enforcement agencies, particularly in western and central USA.

During the second quarter, there was great interest in XRY Pro in organisations in the US and Canada, not least among specialists in the forensic labs. In the US, the company supplied a large number of devices to national security and defence agencies. In the US, a state local police department also returned as a customer and a large order was placed by a federal agency that chose to upgrade its forensic IT infrastructure to XRY Pro. Demand for XRY Pro was particularly high in forensic labs in the region.

In the fourth quarter, MSAB is awarded two significant contracts by federal authorities in North America. The orders, totalling SEK 10 and 17 million respectively, are for renewals and upgrades to MSAB's advanced extraction software, XRY Pro. The authorities want to achieve improved access to more versions of mobile phones for the organisations' users.

Asia & Oceania

The order intake in Asia increased from relatively low levels in the first quarter, as a result of demand for services and end-to-end solutions in particular. Sales in the second quarter were slightly lower than expected in the region. The focus in Asia continues to be on sales to those countries where MSAB holds an export licence from the ISP (Inspectorate for Strategic Products).

Sales in the region increased in the third quarter, mainly due to a large contract with a government agency in Australia. The region also had excellent utilisation of previously purchased products, indicating that MSAB's products were the first choice. In Asia, an initial order was also signed with a government agency in India.

In the fourth quarter, the region had continued success with its business in Australia and India in particular, which exceeded expectations.

Research and development

During the year, MSAB launched four major product updates. The updated MSAB Extract - XRY extraction solution supported over 46,000 versions of mobile phones and over 4,500 app versions by the end of the year. April saw the launch of XRY Pro, a new state-of-the-art tool that enables investigators to extract data from even the most challenging and secure mobile phones. The analysis tools XAMN Pro and XEC also had significant product updates. The new features give digital forensic specialists access to an increased amount of data, including from the latest mobile devices.

Financial position

The equity/assets ratio at year-end was 41.6 percent (40.2). Cash flow from operating activities for the year amounted to SEK 75.0 million (50.8). A dividend of SEK 1.50 was paid during the year. Cash flow for the year totalled SEK 31.2 million (36.0). The total dividend for the year was SEK 27.7 million (0). Cash and cash equivalents at the end of the period totalled SEK 132.9 million (104.4).

Parent company

The parent company's net sales for the period were SEK 314.6 million (273.2). EBIT for the period was SEK 26.1 million (12.3).

Employees

On 31 December 2023, there were 211 (187) employees. The average number of employees during the period was 200 (190).

Profit-sharing

In 2006, the Board launched a profit-sharing programme for all employees except the CEO. The programme aims to motivate, stimulate and reward employees for efforts that lead to an improvement in the company's results.

Incentive programme

At the end of 2023, there were no incentive programmes in place.

Corporate Governance Report

The company has chosen to prepare the Corporate Governance Report in accordance with Chapter 6, Section 8 of the Swedish Annual Accounts Act (ÅRL), see pages 42-44.

Environmental impact

The Group does not carry out any activities requiring a permit under the applicable environmental regulations.

Sustainability

Sustainability information is provided in the Group's 2023 Sustainability Report, which is on pages 29-34 of this Annual Report and has been prepared by MSAB (publ), corp. ID no. 556244-3050, registered head office in Stockholm.

Guidelines on remuneration to senior executives in 2023

The company shall offer remuneration and other employment conditions that enable the company to recruit, motivate and retain senior executives with the competencies the company needs to execute its strategy and achieve its operational objectives.

Remuneration to senior executives shall be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Compliance with the criteria for the payment of variable cash remuneration shall be measurable over a period of one year. The variable cash remuneration may amount to a maximum of 50 percent of the fixed annual cash salary for the CEO and other senior executives. The variable cash remuneration shall be linked to predetermined and measurable criteria that may be financial or non-financial. Such criteria may consist of individualised quantitative or qualitative targets. The criteria shall be designed to promote the company's financial performance, business strategy and long-term goals.

The Board of Directors is responsible for the assessment of variable cash remuneration to the CEO. With regard to the variable cash remuneration paid to other

executives, the assessment of this is the responsibility of the CEO. Additional variable cash remuneration may be paid in exceptional circumstances, provided that such exceptional arrangements are time-limited and are made only at the individual level for the purpose of retaining an executive, or as remuneration for exceptional work over and above the person's regular duties. Such remuneration may not exceed an amount equal to 25 percent of the fixed annual cash salary and shall not be paid more than once a year per individual. Any such remuneration shall be subject to approval by the Board of Directors. For the CEO, pension benefits shall be of the defined-contribution type, in accordance with ITP1. For other senior executives, pension benefits shall be of the defined-contribution type, in accordance with ITP 1. Variable cash remuneration shall not be pensionable.

Other benefits may include, for example, reimbursement of dental and medical care costs (including medicines), medical insurance and use of a company car. Such benefits may be paid to the CEO to a limited extent, in accordance with general practice. The CEO and the company can terminate the former's contract of employment with a mutual notice period of 6 months. In the case of termination of employment being made by the company, the CEO is entitled to a severance payment equivalent to 12 times the fixed monthly salary. Severance pay does not give rise to holiday entitlement or occupational pension contributions, and is not offset against other income. In the case of termination of employment by the company of other senior executives, a mutual notice period of a maximum of six months applies. For further information on remuneration, see Note 8.

Share

The share capital of MSAB totals SEK 3,834,400, represented by 19,172,000 shares with a quota value of SEK 0.20. The company has three classes of shares, with holders of class A and B shares being entitled to equal rights to the company's assets and profits, but holders of class C shares not being entitled to any share dividends.

In the event of the company being liquidated, assets shall be distributed equally over all shares regardless of class. In the case of class C shares, however, the holder shall not be entitled to an amount higher than one corresponding to the quota value of the share. Holders of class A shares are entitled to ten votes per share, while holders of class B and C shares are entitled to one vote per share. There are 1,000,000 class A shares and 17,550,000 class B shares. There are 622,000 class C shares, all of which are held in treasury. The number of class B shares held in treasury is 81,596. Shareholders attending the Annual General Meeting (AGM) are entitled to vote using the full number of shares they hold, without any restrictions. Holders of class A shares can by way of a written request to the company's Board of Directors request that their class A shares be converted to class B shares. Class C shares held in treasury can by decision of the Board be converted to class B shares.

The Board has the right to resolve on a reduction of the share capital, although not to below the minimum capital stipulated in the Articles of Association, through redemption of all class C shares. Upon redemption, holders of class C shares are obliged to accept a price corresponding to the share's quota value. MSAB's Articles of Association include a record day provision and the company's shares are registered with Euroclear, meaning that Euroclear administers the company's share register and that no share certificates are issued for the company's shares. All shares are denominated in Swedish kronor. In accordance with the Swedish Companies Act, shareholders have preferential rights to subscribe for new share issues and other equity-based securities, but such preferential rights can be waived at the discretion of the AGM.

Shares in MSAB are not under any offer made as a result of mandatory bids, redemption rights or redemption obligations. No public takeover bids for the company's shares were made during the current or previous fiscal years. The company has no knowledge of any agreements between shareholders that might result in the restriction of transfer of shares. The Arti-

cles of Association have no specific provisions on the appointment or dismissal of Members of the Board, or on amendment of the Articles of Association.

No significant agreements exist to which the company is part, and which would come into effect, be amended or expire if control of the company changed as a result of a public offer. There are no agreements between the company and members of the Board or other employees that prescribe compensation for termination of employment as a result of a public takeover bid. There are three shareholders who, through their direct shareholdings in the company, each represent at least one tenth of the voting rights of all the shares in the company, see page 37 List of major shareholders.

Significant risks and uncertainty factors

MSAB's success is to a major extent linked to its ability to recruit, develop, motivate and retain engineers and other highly-skilled personnel. Within the IT branch, there is fierce competition for qualified personnel. MSAB has a relatively small development department and is thus dependent on a small number of key individuals. Another potential risk is that any fault in the company's products could lead to claims for compensation and damages.

However, the Board is of the view that the company has sufficient insurance cover for product liability, such that any direct risk should be regarded as limited. Of the total sales, over 90 percent are revenues in foreign currencies. To reduce currency risk, MSAB from time to time uses currency hedging in line with the financial policy established by the Board.

At year-end 2023, no currency hedging was in place.

Outlook

The digital evidence market is fast-moving and competition is fierce, as there are many providers looking to get a foothold in the industry. The digital forensics industry overlaps with e-discovery and cyber security, with market participants that were previously complementary possibly eventually becoming competitors. MSAB has a broad range of products and services for

law enforcement agencies around the world, which is made possible by extensive investment in research and development. MSAB continues to strengthen its position as a leading provider of mobile forensic technology, in two areas in particular – extraction (XRY) and Frontline solutions. Developments in advanced encryption and increasing amounts of data will accelerate and MSAB shall continue to strengthen the ability of law enforcement bodies to obtain data without having to compromise with regard to privacy. How digital evidence is secured while still respecting human rights will be crucial.

The large increase in the volume of mobile devices in criminal investigations will mean that a large proportion of the field staff have to assist in reading phones, which will increase demand for MSAB's products.

The trend is that authorities in democratic countries care about the security of society and therefore often buy from European companies that have a high level of trust, which will benefit MSAB.

Proposal for distribution of unappropriated profit

The following unappropriated profit is available to the Annual General Meeting (in SEK):

Retained profit	9,577,805
Share premium reserve	7,770,400
Profit/loss for the year	18,281,175
Total	35,629,830

Proposal of the Board of Directors and the CEO:

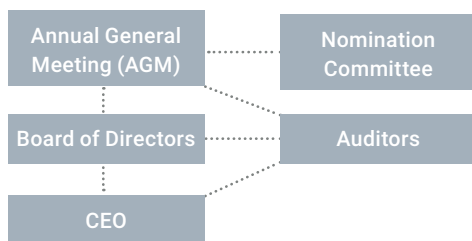
distributed to shareholders (SEK 1.50 per share)	27,702,606
to be carried forward	7,927,224
Total	35,629,830

The proposed dividend of SEK 28 million, or SEK 1.50 per share, corresponds to 92 percent of the Group's profit for 2023. In its dividend proposal, the Board of Directors took into account the company's financial position, cash flow and future prospects.

Corporate Governance Report

MSAB applies the revised Swedish Corporate Governance Code as of 1 January 2020. The corporate governance at MSAB is based on Swedish legislation, and the regulations and recommendations set out by relevant organisations such as the Swedish Corporate Governance Board, Nasdaq Stockholm, the Swedish Securities Council and others. Corporate Governance is conducted via the AGM, the Board of Directors ("the Board") and the Chief Executive Officer (CEO). The company's auditors, appointed by the AGM, review the financial statements and the administration of the company as conducted by the Board and CEO.

The Nomination Committee prepares proposals to the AGM on the election and remuneration of the Board and auditors. The Code is built on the principle of comply or explain, which means that a company that applies the revised Swedish Code may deviate from its provisions provided that each deviation can be explained in a satisfactory manner.



Annual General Meeting (AGM)

The AGM is the company's highest decision-making body. The company complies with the Swedish Companies Act with regard to how the AGM is organised, how shareholders exercise their rights and what decision-making powers the AGM has. The Annual General Meeting was held on 11 May 2023 at Hotel Diplomat, Strandvägen 7C, Stockholm. Resolutions at the AGM included:

- adoption of the income statement and balance sheet, as presented in the Annual Report, and discharging of Members of the Board and the CEO from liability

- distribution to the shareholders of SEK 1.50 per share as a dividend, totalling SEK 27,702,606
- re-election of the Board members Peter Gille, Fredrik Nilsson and Rolf Rosenvinge and election of Andreas Hedskog, Jesper Kärrbrink and Charlotte Stjerngren as new ordinary members of the Board. Peter Gille was appointed the Chair of the Board
- election of KPMG AB with Mattias Lötbörn as Auditor-in-Charge for the period up to the conclusion of the next AGM
- adoption of the Nomination Committee's proposal for non-employee Board member remuneration of SEK 250,000 and remuneration of SEK 500,000 for the Chair of the Board
- adoption of the Board's proposal for guidelines and the Board's Remuneration Report regarding remuneration for senior executives
- adoption of the Board's proposal authorising the Board to make decisions regarding issuance of shares, share warrants and convertibles
- adoption of the Board's proposal authorising the Board to make decisions about the transfer of shares held in treasury
- approval of the proposal to amend the Articles of Association
- approval of the Nomination Committee's proposal regarding principles for appointing the Nomination Committee and instructions to the Nomination Committee.

The full minutes of the AGM are available on the company's website, [msab.com](https://www.msab.com).

Share ownership

The company's class B share (MSAB) is listed on the Nasdaq Stockholm exchange. There are 1,000,000 class A shares and 17,550,000 class B shares. There are 622,000 class C shares, all of which are held in treasury. Holders of class A shares are entitled to ten votes per share, while holders of class B and C shares are entitled to one vote per share.

Nomination Committee

In accordance with the resolution passed by the 2023 Annual General Meeting, MSAB's Nomination Committee shall have three members. At the end of the third quarter of 2023, the Chair of the Board of Directors shall contact the three largest shareholders in terms of votes and offer them the opportunity to each appoint a member of the Nomination Committee. The composition of the Nomination Committee shall be published no later than six months before the Annual General Meeting of the company. In connection with its assignment, the Nomination Committee shall fulfil the corporate governance tasks that according to the revised Swedish Code are incumbent on the Nomination Committee and prepare and submit proposals to the Annual General Meeting regarding, among other things, the Board of Directors, members of the Board, Chair of the Board, auditor and their fees. Proposals shall also be made regarding possible remuneration for committee work and regarding the election and remuneration of an external auditor.

The mandate of the Nomination Committee also includes proposing the Chair of the Annual General Meeting and defining the appointment procedure for the members of the Nomination Committee. These members shall be announced at least six months before the ordinary general meeting.

Nomination Committee for the 2024 Annual General Meeting

In accordance with the resolution passed by the 2023 Annual General Meeting, MSAB's Nomination Committee shall have three members. At the end of the third quarter of 2023, the Chair of the Board of Directors shall contact the three largest shareholders in terms of votes and offer them the opportunity to each appoint a member of the Nomination Committee. The composition of the Nomination Committee shall be published no later than six months before the Annual General Meeting of the company. In connection with its assignment, the Nomination Committee shall fulfil the corporate governance tasks that according to the revised Swedish Code are incumbent on the Nomination

Committee and prepare and submit proposals to the Annual General Meeting regarding, among other things, the Board of Directors, members of the Board, Chair of the Board, auditor and their fees. Proposals shall also be made regarding possible remuneration for committee work and regarding the election and remuneration of an external auditor.

The mandate of the Nomination Committee also includes proposing the Chair of the Annual General Meeting and defining the appointment procedure for the members of the Nomination Committee. These members shall be announced at least six months before the ordinary general meeting. The Nomination Committee for the AGM 2024 consists of Erik Ivarsson (appointed by AB Grens specialisten), David Zaudy (appointed by Cervantes Capital AB) and Christian Hellman (appointed by Edastra AB).

The Board of Directors and its work during 2023

The Board of Directors has six members. The Board is ultimately responsible for how the company is organised and for administration of the company's affairs. Information about the business and its economic and financial status is provided regularly at Board meetings. As part of the internal control of financial information, the Board reviews financial year-end reports, interim reports and annual reports, and poses control questions about the process descriptions and procedures prepared by senior management. The CEO and the Board Chair communicate frequently regarding the business. The Board is also responsible for ensuring that appropriate policies are drawn up and implemented within the organisation. The distribution of tasks between Board members, the Board Chair and CEO are defined in the following written instructions:

- the rules of procedure for the Board
- the distribution of tasks between the Board and CEO
- the instructions to the CEO.

Evaluation of the Board and the CEO

For 2023, the Board and its work was evaluated using a web-based Board evaluation carried out by an external

provider, where Board members individually and anonymously state an opinion on statements regarding the Board as a whole, the Chair of the Board, the CEO's work on the Board and their own work performance. The aim of the evaluation is to identify the effectiveness of the Board and address areas of focus, as well as the need for specific skills or changes in working methods. The evaluation was presented to the Nomination Committee and formed the basis for proposals for the Board of Directors and remuneration levels. Furthermore, the Nomination Committee interviewed all the members of the Board.

In addition, within the framework of the regular work of the Board, the Board has continuously evaluated the CEO during the year. The Board continuously evaluates the CEO's performance within the framework of the regular work of the Board.

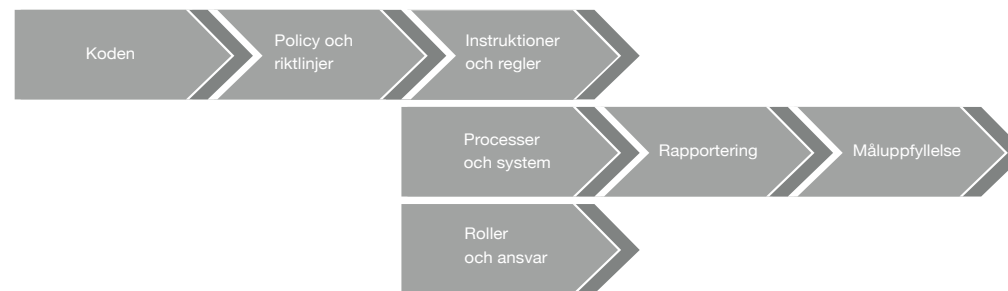
Attendance at the year's Board meetings was as follows:

Board of Directors 2023	Position	Elected	Independent	Attendance
Peter Gille	Chair	2020	Yes	10 of 10
Bernt Ingman*	Chair	2021	Yes	4 out of 4
Fredrik Nilsson	Member of the Board	2021	Yes	10 of 10
Rolf Rosenvinge	Member of the Board	2022	Yes	10 of 10
Hanna Bliir*	Member of the Board	2022	Yes	4 out of 4
Andreas Hedskog**	Member of the Board	2023	Yes	5 of 6
Jesper Kärrbrink**	Member of the Board	2023	Yes	6 of 6
Charlotte Stjerngren**	Member of the Board	2023	Yes	6 of 6

* Left the Board at the 2023 AGM

** Elected to the Board at the 2023 AGM

Corporate Governance



Board independence

The Board considers itself to be independent of the major shareholders, management and company. The Board has not established special committees for remuneration and auditing as the company and Board employ relatively few people. These issues are dealt with by the Board as a whole. The Board has discussed the company's focus, product development, growth, future strategy and other significant operational issues. MSAB works actively according to targets set by the Board, communicated to operational units via the CEO and management.

Senior management

The CEO is responsible for preparing and implementing MSAB's strategies for achieving agreed targets.

The CEO oversees regular meetings with operational management teams, and with a team dedicated to product development issues. Meetings are also regularly convened for the entire company, or certain departments, to disseminate information and review activities with the company's employees.

Auditors

At the 2023 AGM, the audit firm KPMG was elected as the company's external auditor for the period until the next AGM. Mattias Lötbörn is the Auditor-in-Charge. The auditor reports the conclusions to the Board annually and meets with the Board without management presence, in

accordance with the revised Swedish Code of Corporate Governance.

Internal control

The Board has overall responsibility for effective internal control of the company. The CEO is responsible for ensuring that a process and organisation are in place that assure internal control and the quality of the financial reporting to the Board and the market.

The essential components of the company's internal control structure are the control environment itself, risk assessment, control activities and monitoring.

Control environment

The basis of MSAB's control environment is the corporate culture established at the company. MSAB works actively to communicate the company's values to ensure that high morals, ethics and integrity permeate the organisation. The framework for internal control is built on the company's guidelines, instructions, policy documents and the accountability and authority regulations that have been adapted to the organisation.

Sustainability

MSAB's mission is to deliver solutions world-wide that empower law enforcement agencies to effectively secure evidence recovered from digital devices. This means that, through its solutions, the company strives to

create a more legally secure society where more crimes are cleared up and prevented. In this way, the company's entire existence is a major contribution to a sustainable society. Since the company is essentially engaged in developing software, its impact on the environment is limited. However, the Board also strives to ensure that the company complies with the environmental requirements in the various markets in which the company operates.

Risk assessment

Risks relating to the financial reporting are evaluated and monitored continuously by the Board and management. Risks are assessed at both the company and functional level for critical processes, including the IT environment. The company's accounting is characterised by precautionary principles and management strives to limit financial risks. In addition, the management's objective is that the company's IT environment should be reliable and risk-minimised, and that the company's business systems should be fit-for-purpose, given the nature of the company's operations. The company strives to maintain strong control of the production flow, such as by ensuring that all development and design takes place within the company's organisation, and that all designs are proprietary. The company is not dependent upon any single supplier, although some production is external. MSAB's business operations are affected by a number of business risks that impact on the company's earnings and financial capacity. When assessing future developments, it is important to weigh opportunities for growth in profitability against risks. The most significant risks identified relating to business operations are currently:

- exposure in various foreign currencies. The value of the Swedish krona relative to relevant currencies fluctuates, which creates uncertainties in forecasting future revenue in Swedish kronor. More than 90 percent of the company's total sales are for export, while approximately 62 percent of its costs are in Swedish kronor
- competition for customers is intensifying, and the company is working continuously on product improvements

and packaging to meet customer requirements for the best tools

- the speed of technological advance and the launch rate of new and more advanced mobile phones is placing ever higher demands on development resources
- legal risks.

Control activities

Several control activities are performed in the day-to-day business processes to ensure that any errors or deviations in financial reporting are prevented, detected and corrected. The aim is to operate an authorisation structure where the same individual cannot perform and control the same task. Finance personnel are also involved in ongoing dialogue with subsidiaries and make visits to monitor and ensure that routines and policies are adhered to in accordance with Group management instructions.

Monitoring

The CEO reports monthly to the Board through a report covering the trend of the Group's earnings compared to budget and the previous year, as well as the Group's financial position. MSAB does not have a separate audit function, i.e. an internal audit, as the company is relatively small. The Board's view is that the company's business model, current structure and scope do not require such a function. The function is instead performed by Group management and the Group's finance department, with support from the external auditors. An ongoing dialogue is maintained between the company and its external auditor, and the controls performed by Group management are currently assessed as adequate in ensuring that the internal control is of a good standard. This assessment will be evaluated continuously and reviewed again in 2024.

Remuneration for the Board of Directors and senior executives

The Nomination Committee prepares proposals for remuneration payable to the Board. The fees are presented to the AGM for approval and are paid to Members of the Board who are not company employees. The amounts for remuneration to the Board, shown by fiscal year, are reported in Note 8.

Principles of remuneration

Remuneration to the Board Chair and other Members of the Board is subject to approval by the AGM. The overall principles governing remuneration to senior executives are based on position, individual performance and the Group's profits, and that the remuneration should be competitive. Total remuneration to senior executives shall consist of fixed salary and variable remuneration based on attainment of incentive-based performance targets. In addition, conditions apply governing termination and severance pay. Senior executives refers to a person who together with the Chief Executive Officer comprised the Group management during 2023. More information on the Group management is available on page 45. In addition to senior executives, the Group also has an operational management team, whose remuneration principles do not differ from those described above for senior executives.

Auditor's opinion on the Corporate Governance Report

Issued at the Annual General Meeting of Micro Systemation AB (publ), Corporate ID number 556244-3050, on 14 May 2024.

Auditor's opinion on the Corporate Governance Report

To the Annual General Meeting of shareholders in Micro Systemation AB (publ), Corporate ID number 556244-3050

Tasks and responsibilities

The Board of Directors is responsible for the Corporate Governance Report for 2023, on pages 41-43, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

Our review was conducted in accordance with FAR's recommendation RevR 16 Auditor's Review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus to, and is substantially lesser in scope than, an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the review has provided us with sufficient grounds for our opinions.

Opinion

A Corporate Governance Report has been prepared. Information in accordance with Chapter 6 Section 6(2) items 2-6 of the Annual Accounts Act and Chapter 7 Section 31(2) of the same Act are consistent with the Annual Report and the consolidated financial statements and agree with the Swedish Annual Accounts Act.

Stockholm, 23 April 2024

KPMG AB
Mattias Lötborn
Authorised Public Accountant

Board of Directors



Board Chair

Peter Gille

Independent in relation to the company, senior management and major shareholders.

Born: 1962

Education: Uppsala University (Computer Science) and Executive MBA at École des Ponts Business School.

Current position: General Manager North Europe, Dedalus.

Previous positions: CEO Cambio, Oracle, CEO Nexus Technology.

Member of the Board since: 2020

Shareholding: 8,000 class B shares

Other Board assignments: Swecare foundation, XMReality AB, Kvalprak AB.



Member of the Board

Andreas Hedskog

Independent in relation to the company, senior management and major shareholders.

Born: 1974

Education: MA University of Cambridge; OPM Harvard Business School; Reserve Officer Mj Swedish Defence University; SERA IHEDN.

Current position: Board assignments

Previous positions: Entrepreneur who founded 4C Strategies (4C Group AB publ), CEO 2000-2011, Chief Product Officer 2011-2022, Chair of the Board 2011-present.

Member of the Board since: 2023

Shareholding: 11,000 class B shares

Other board assignments: Hedskog Equity AB, Haeve AB, Newbury Pharmaceuticals, Säkerhets- och Försvarsföretagen, Snigel Design AB, Stiftelsen Scur, deputy on the Board of Bold Communication Sweden AB.



Member of the Board

Jesper Kärrbrink

Independent in relation to the company, senior management and major shareholders.

Born: 1964

Education: Business Administration Örebro University.

Current position: Adviser and member of the Board

Previous positions: CEO Mr Green Ltd, Euroflorist AB, Eniro AB, Svenska Spel, AB, Bonniers Veckotidningar, Bonnier Interaktiv, Metro International, Östersunds-Posten.

Member of the Board since: 2023

Shareholding: 10,000 class B shares

Other board assignments: Internet Vikings Holding AB, FUBUKI AB, TBGE Holding AB, Infostat AB, Random State AB, Oodash AB.



Member of the Board

Fredrik Nilsson

Independent in relation to the company, senior management and major shareholders.

Born: 1967

Education: MSc Engineering, Lund University.

Current position: Vice President of the Americas Axis Communications.

Previous positions: Senior positions at Axis Communications.

Member of the Board since: 2021

Shareholding: 30,000 class B shares

Other board assignments:

Various board positions for the Security Industry Association, an industry organisation that brings together leading experts in the security industry in the US.



Member of the Board

Rolf Rosenvinge

Independent in relation to the company, senior management and major shareholders.

Born: 1974

Education: Officers' College.

Current position:

Founder and CEO, Paliscope.

Previous positions: Partner PwC, responsible for the Swedish cyber security business operations and member of the EMEA Cyber leadership team as well as several Nordic and international leadership roles within General Electric (GE).

Member of the Board since: 2021

Shareholding: 0

Other board assignments:

Member of the Board of Paliscope AB and Chair of CyberInsights AB (wholly owned subsidiary of Paliscope AB).



Member of the Board

Charlotte Stjerngren

Independent in relation to the company, senior management and major shareholders.

Born: 1976

Education: MBA, Stockholm School of Economics and law degree, Stockholm University.

Current position:

Partner and investor relations advisor at Cord Communications.

Previous positions: Over ten years of experience as a financial analyst at the investment bank Carnegie, specialising in telecoms, IT and small caps. Broad experience as a financial journalist, including as editor-in-chief at the EFN financial channel.

Member of the Board since: 2023

Shareholding: 10,000 class B shares

Other Board assignments:

Note AB.

CEO and operational management



Chief Executive Officer

Peter Heuman

Training: Chalmers University of Technology, Stanford University.

Employed since: 2023

Previous experience: CEO Done Management & Systems, SVP Sales & Marketing Tele2 Netherlands, member of the Board Flowplayer and iConectiv (US).

Shareholding: 0



CFO

Tony Forsgren

Education: Master of Science in Business and Economics University of Gothenburg Business School.

Employed since: 2023

Previous experience: Green Cargo, Lantmännen, Gränges, Kraft foods, Fujitsu, Cycleurope, KPMG (CPA).

Shareholding: 0



CTO (Acting)

Elis Kulberg

Education: MSc Industrial Engineering & Management, KTH Stockholm.

Employed since: 2024

Previous experience: Engineering management & enterprise architect roles in the fintech, healthcare & telecom industries.

Shareholding: 0



SVP Operations (Acting)

Stefan Larsson

Education: Economy master's degree Mälardalen University & Uppsala University.

Employed since: 2023

Previous experience: Green Cargo, Svenska Spel, ICA.

Shareholding: 0



SVP Sales

Mike Dickinson

Education: Britannia Royal Navy College.

Employed: 2009

Previous experience: Management positions at Mouchel and Reliance. Former police officer and naval officer.

Shareholding: 0



SVP Marketing

Kim Sjölund

Education: University of Brighton.

Employed since: 2024

Previous experience: Management positions in marketing & communication: Ericsson, DeLaval International, NCC, Karolinska University Hospital.

Shareholding: 0



SVP People & Culture

Marina Hedberg

Education: HR bachelor's degree, Stockholm University.

Employed since: 2022

Previous experience: Recruiter SJR, Recruitment Consultant ANTS, Recruiter & Consultant Envoi.

Shareholding: 0

Mikael Falkovén was acting President and CEO until the end of September 2023.

Group

Income statement

Group (SEK th.)	Note	2023	2022
Net sales	5	416,949	362,977
Operating income		416,949	362,977
Goods for resale		-40,010	-56,839
Other external expenses	6,7	-75,708	-70,004
Personnel expenses	8	-245,205	-204,200
Depreciation/amortisation	13	-15,155	-13,136
Operating expenses		-376,078	-344,179
Operating profit/loss		40,871	18,798
Financial income	9	5,647	9,489
Financial expenses	10	-7,866	-6,834
Net financial items		-2,219	2,655
Profit/loss before tax		38,652	21,453
Tax	11	-8,655	-4,323
Profit/loss for the year		29,997	17,130
Profit/loss for the year attributable to:			
Holders with non-controlling interests		-	-
Holders of shares in parent company		29,997	17,130
Earnings per share before dilution, SEK	12	1.62	0.92
Earnings per share after dilution, SEK		1.62	0.92
Total no. shares outstanding before dilution, thousands		18,468	18,468
Total no. shares outstanding after dilution, thousands		18,468	18,468
Average no. shares outstanding before dilution, thousands		18,468	18,468
Average no. shares outstanding after dilution, thousands		18,468	18,468

Statement of comprehensive income

Group (SEK th.)	2023	2022
Profit/loss for the year	29,997	17,130
Other comprehensive income:		
Translation differences	-2,454	8,163
Comprehensive income for the year	27,543	25,293
Comprehensive income for the year attributable to parent company shareholders	27,543	25,293

Balance sheet

Group (SEK th.)	Note	31/12/2023	31/12/2022
ASSETS			
Equipment, tools and installations	13	1,311	1,495
Deferred tax assets		–	–
Right-of-use assets		47,594	59,436
Total non-current assets		48,905	60,931
Finished goods and goods for resale		9,072	8,726
Trade receivables	15	72,867	97,085
Other receivables		7,559	8,905
Prepaid expenses and accrued income	16	6,999	8,722
Cash and cash equivalents	17	132,928	104,386
Total current assets		229,425	227,824
TOTAL ASSETS		278,330	288,755
EQUITY AND LIABILITIES			
Share capital	18	3,834	3,834
Other contributed capital		28,058	28,058
Reserves		9,548	12,002
Retained profit including profit/loss for the year		74,470	72,176
Total equity attributable to parent company's shareholders		115,909	116,070
Long-term lease liability, right-of-use assets	7	32,240	41,904
Total non-current liabilities		32,240	41,904
Trade payables		6,708	12,309
Tax liabilities	11	2,415	7,462
Short-term lease liability, right-of-use assets	7	13,346	13,566
Other liabilities		14,628	12,679
Accrued expenses and deferred income	19	93,084	84,765
Total current liabilities		130,181	130,781
TOTAL EQUITY AND LIABILITIES		278,330	288,755

Changes in equity

Group (SEK th.)	Share capital	Other contributed capital	Translation reserve	Retained profit	Total equity
2023					
Opening balance, equity 01/01/2023	3,834	28,058	12,002	72,176	116,070
Comprehensive income for the year			-2,454	29,997	27,543
Comprehensive income for the year	–	–	-2,454	29,997	27,543
Transactions with shareholders:					
Dividend				-27,703	-27,703
Closing balance, equity 31/12/2023	3,834	28,058	9,548	74,470	115,909
2022					
Opening balance, equity 01/01/2022	3,834	28,058	3,839	55,046	90,778
Comprehensive income for the year			8,163	17,130	25,294
Comprehensive income for the year	–	–	8,163	17,130	25,294
Transactions with shareholders:					
Dividend					-
Closing balance, equity 31/12/2022	3,834	28,058	12,002	72,176	116,070

Statement of cash flows

Group (SEK th.)	Note	2023	2022
Operating activities			
Profit/loss before tax		38,652	21,453
Adjustments for non-cash items	20	14,286	16,494
Income tax paid		-10,291	-11,583
Cash flow before change in working capital		42,647	26,364
Changes in inventory		-346	-944
Changes in operating receivables		25,792	7,371
Changes in operating liabilities		6,913	17,996
Cash flow from operating activities		75,006	50,787
Investing activities			
Investments in current assets		-640	-893
Cash flow from investing activities		-640	-893
Financing activities			
Dividends paid		-27,703	-
Amortisation, lease liability		-15,425	-13,846
Cash flow from financing activities		-43,128	-13,846
Cash flow for the year		31,238	36,048
Cash and cash equivalents at the beginning of the year		104,386	65,970
Translation differences in cash and cash equivalents		-2,696	2,368
Cash and cash equivalents at year-end	17	132,928	104,386

Parent company

Income statement

Parent company (SEK th.)	Note	2023	2022
Net sales	5	314,632	273,175
Operating income		314,632	273,175
Goods for resale		-40,010	-56,839
Other external expenses	6,7	-50,644	-46,848
Personnel expenses	8	-184,824	-145,794
Depreciation/amortisation	13	-13,005	-11,394
Operating expenses		-288,483	-260,875
Operating profit/loss		26,149	12,300
Other interest income and similar items	9	4,364	9,256
Interest expenses and similar items	10	-7,168	-6,461
Net financial items		-2,804	2,795
Profit/loss before tax		23,345	15,095
Tax	11	-5,064	-3,341
Profit/loss for the year		18,281	11,754

Statement of comprehensive income

Parent company (SEK th.)	2023	2022
Profit/loss after tax	18,281	11,754
Comprehensive income for the period	18,281	11,754

Balance sheet

Parent company (SEK th.)	Note	31/12/2023	31/12/2022
ASSETS			
Equipment, tools and installations	13	891	937
Right-of-use assets	7	44,178	53,893
Total non-current assets		45,069	54,830
Participations in Group companies	14	404	404
Total non-current financial assets		404	404
Finished goods and goods for resale		9,072	8,726
Trade receivables	15	31,601	24,328
Intra-Group receivables	15	26,183	24,039
Tax asset		2,234	5,757
Other receivables		3,179	2,158
Prepaid expenses and accrued income	16	6,236	7,925
Cash and bank balances		48,169	61,087
Total current assets		126,674	134,020
TOTAL ASSETS		172,147	189,254

Balance sheet

Parent company (SEK th.)	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Restricted Equity			
Share capital	18	3,834	3,834
Statutory reserve		20,288	20,288
Non-restricted equity			
Share premium reserve		7,770	7,770
Retained earnings		9,578	25,527
Profit/loss for the year		18,281	11,754
Total equity		59,751	69,173
Long-term lease liability, right-of-use assets	7	30,796	38,402
Total non-current liabilities		30,796	38,402
Trade payables		5,510	9,998
Intra-Group liabilities		118	–
Tax liabilities		–	6,205
Short-term lease liability, right-of-use assets	7	11,337	11,546
Other liabilities		6,305	7,723
Accrued expenses and deferred income	19	58,330	46,207
Total current liabilities		81,600	81,679
TOTAL EQUITY AND LIABILITIES		172,147	189,254

Changes in equity

Parent company (SEK th.)	Restricted Equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Profit for the year	
2023						
Opening balance, equity 01/01/2023	3,834	20,288	7,770	25,527	11,754	69,173
Appropriation of profit from preceding year				11,754	-11,754	-
Profit/loss for the year					18,281	18,281
Comprehensive income for the year	-	-	-	-	18,281	18,281
Transactions with shareholders:						
Dividend				-27,703		-
Closing balance, equity 31/12/2023	3,834	20,288	7,770	9,578	18,281	59,751

Parent company (SEK th.)	Restricted Equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Profit for the year	
2022						
Opening balance, equity 01/01/2022	3,834	20,288	7,770	-4,199	29,726	57,419
Appropriation of profit from preceding year				29,726	-29,726	-
Profit/loss for the year					11,754	11,754
Comprehensive income for the year	-	-	-	-	11,754	11,754
Transactions with shareholders:						
Dividend						-
Closing balance, equity 31/12/2022	3,834	20,288	7,770	25,527	11,754	69,173

Statement of cash flows

Parent company (SEK th.)	Note	2023	2022
Operating activities			
Profit/loss before tax	20	23,345	15,095
Adjustments for non-cash items	20	13,005	11,394
Income tax paid		-1,541	-6,888
Cash flow before change in working capital		34,809	19,601
Changes in inventory		-346	-944
Changes in operating receivables		-8,749	10,633
Changes in operating liabilities		3,165	10,586
Cash flow from operating activities		28,880	39,876
Investing activities			
Investments in current assets		-639	-398
Cash flow from investing activities		-639	-398
Financing activities			
Dividends paid		-27,703	-
Amortisation, lease liability		-13,455	-11,899
Cash flow from financing activities		-41,158	-11,899
Cash flow for the year		-12,918	27,579
Cash and cash equivalents at the beginning of the year		61,087	33,508
Cash and cash equivalents at year-end	17	48,169	61,087

Notes

Note 1 General information

Micro Systemation AB (publ) "MSAB", with Corporate ID no. 5562443050, is a listed company registered in Sweden with its head office in Stockholm. The postal address of the head office is Box 17111, 104 62 Stockholm. The street address is Hornsbruksgatan 28. The company and its subsidiaries ("the Group") are engaged in product

development and marketing of software solutions in mobile digital forensics. A description of the Group's composition is provided in Note 15. MSAB's class B shares have been listed since 1999 and have been on Nasdaq Stockholm since December 2011.

Note 2 Significant accounting policies

The consolidated accounts for MSAB have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and the IFRIC Interpretations applicable for periods starting 1 January 2023 or later. Furthermore, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. In the consolidated financial statements, items have been measured at historical cost, except for certain financial instruments, which have been measured at fair value. Significant accounting policies are described below.

Changes in accounting policies due to new or amended IFRS

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures of accounting policies. The amendments mean that companies only have to disclose information about significant accounting policies. The purpose of the amendments is to enhance the usefulness of disclosures about the accounting policies that are used, by describing only significant policies, with these descriptions explaining how the company applies the policies in its specific circumstances. The Group has reviewed the accounting

policies described in the Annual Report and adjusted them accordingly. Other amendments to IFRS that became effective in 2023 have not had a material impact on the Group.

New IFRS not yet adopted

New and amended IFRS for future adoption are not expected to have any material effect on the company's financial statements.

Consolidated financial statements

The consolidated financial statements include the parent company and the companies in which the parent company exercises a controlling interest (subsidiaries). The Group exercises a controlling influence over a company when the Group is exposed, or has the right, to variable returns from its investment in the company and can use its influence to affect the size of the returns. Normally, a controlling influence exists when a parent company directly or indirectly holds more than 50 percent of votes in another company. A controlling influence may also be exercised in ways other than through shareholdings. In determining the existence of a controlling interest, potential voting rights and whether de facto control exists are taken into account. The results for subsidiaries acquired

or disposed of during the year are included in the consolidated income statement from and until, respectively, the date on which the transaction takes place, i.e. when controlling influence commences or ceases.

If accounting policies applied in subsidiaries differ from the Group's, the subsidiary's accounting is adjusted to ensure consistency with the policies applied by the other Group companies.

Internal transactions between Group companies and intra-Group balances are eliminated in the preparation of the consolidated financial statements. A non-controlling interest is the portion of earnings and net assets in a partly-owned company that accrues to other owners. A portion of non-controlling interests is included in profit or loss in the consolidated income statement after tax. The portion of net assets is included in equity in the consolidated balance sheet but reported separately from equity attributable to the parent company's shareholders.

Business combinations

Subsidiaries are accounted for using the acquisition method. In this method, acquisition of a subsidiary is treated as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value, on the date of acquisition, of identifiable assets and liabilities assumed and any non-controlling interests.

Transaction costs incurred, with the exception of transaction costs attributable to the issue of equity instruments or debt instruments, are recognised directly in profit or loss for the year.

In the case of business combinations where the consideration transferred, any non-controlling interest and the fair value of the previously owned share (in the case of incremental acquisitions) exceed the fair value of acquired assets and liabilities recognised separately, the difference is recognised as goodwill. When the difference is negative, in what is termed a bargain purchase, this is recognised directly in the profit or loss for the year.

A non-controlling interests is recognised by statement of the non-controlling interest's share of a proportional share of the recognised fair value of assets, liabilities and

contingent liabilities. Upon acquisition of shares from non-controlling interests, any differences between the historical cost of acquisition of the shares acquired and the fair values of acquired, identifiable assets and liabilities is recognised directly against equity.

Revenue

The basic principle is that MSAB recognises revenue such as to represent the transfer of promised goods or services to customers in an amount that reflects the consideration the company expects to be entitled to in exchange for the goods or services. This is done via the five-step model defined in IFRS 15:

Step 1 Identify the contract

Step 2 Identify the performance obligations

Step 3 Determine the transaction price

Step 4 Allocate the transaction price to each performance obligation

Step 5 Recognise revenue when (or as) the company fulfils its performance obligations

The company has two types of revenue: product sales; and training and other services.

Product sales

A product sale consists of a licence to use MSAB's software and some type of hardware, depending on which platform the customer chooses to use. The customer contract also includes the right to receive support and any software updates released during the licence period. In MSAB's view, the company has the following performance obligations: current hardware, a software licence, the right to receive support and any software updates released during the licence period. Hardware and software are usually priced as a package and the transaction price is defined in the contract. Hardware and software licences are delivered immediately on receipt of an order. These performance obligations are regarded as being met at the time of delivery, whereupon the revenue is recognised. Performance obligations for support and

updates apply from the time of delivery and are fulfilled over time during the licence period. A licence period is usually between one and three years, with one year being the most commonly used option.

The transaction price for the various performance obligations has been assessed on the basis of their relative sales price using a method based on expected costs plus a profit margin. In the company's judgement, this method is the fairest one for allocating the portion of the transaction price that is attributable to future performance obligations. Monitoring is performed on an ongoing basis to ensure that the calculation is fair. A contract liability for support and updates is recognised at the time of invoicing, after which income is recognised on a straight-line basis during the licence period. Payment terms for product sales are normally 30 days. Note 5 describes what proportion of the company's performance obligations is fulfilled at a certain point in time and what proportion is fulfilled over time. Furthermore, the note specifies the company's total contract liabilities and how much of the opening balance was recognised as revenue during the year. The maturity structure of the contract liability is recognised, indicating the point in time when the closing balance of the contract liability will be recognised as revenue.

Training and other services

A sale of training or other service commits MSAB to deliver a service. The performance obligation consists of MSAB delivering training to the customer, in many cases on their premises. The transaction price is defined in the contract. The performance obligation is regarded as being fulfilled when the training has been completed, whereupon the revenue from the training operation is recognised in the period when the service was performed. Payment terms for training and other services are normally 30 days.

Dividends and interest income

Dividend income is recognised when shareholders' right to receive payment has been confirmed. Interest income is recognised over the term using the effective interest method. The effective interest renders the present value of all future receipts and payments during the fixed interest term equal to the recognised value of the receivable.

Government grants received

Government grants received are recognised in the income statement and accrued in the same way as the expenses

they are intended to compensate. Government grants attributable to operating expenses are offset against those expenses.

Lease contracts

When a contract is entered into, the Group determines whether the agreement is, or includes, a lease. A contract is, or includes, a lease if the contract confers the right to determine for a certain period the use of an identified asset in exchange for compensation.

The Group recognises a right-of-use asset and a lease liability on commencement of the lease. The right-of-use asset is initially measured at historical cost, which consists of the initial amount of the lease liability plus lease payments paid at or before the date of commencement plus any initial direct expenses. The right-of-use asset is amortised on a straight-line basis from the date of commencement to the end of the asset's useful life or the end of the lease term, whichever is the shorter. In the Group's case, this is normally the end of the lease term.

The lease liability – which is divided into long-term and short-term portions – is initially measured at the present value of the remaining lease payments during the expected lease term. The lease term consists of the non-terminable period plus additional periods in the contract if at the commencement date it is deemed reasonably certain that these will be used.

Lease payments are normally discounted at the Group's marginal borrowing rate, which, in addition to the Group's/company's credit risk, reflects the respective contract's lease term, currency and quality of the underlying asset as intended collateral.

The amount of the liability is increased by adding the interest expense for each period and reduced by deduction of the lease payments. The interest expense is calculated by multiplying the amount of the liability by the discount rate.

In the case of leases with a term of 12 months or shorter, or with an underlying asset of low value, i.e. less than SEK 50,000, the right-of-use asset and lease liability are not recognised.

Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

Items included in the financial statements for the various entities within the Group are recognised in the currency used in the primary financial environment where the respective entity conducts its operations (functional

currency). In the consolidated financial statements, all amounts are translated to Swedish kronor (SEK), which is the parent company's functional currency and reporting currency. Transactions in foreign currencies are translated into the functional currency in each respective entity using the exchange rates prevailing on the transaction date. On every balance sheet date, monetary items in foreign currencies are recalculated using the exchange rate on the balance sheet date. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate on the date when the fair value was established. Non-monetary items measured at historical cost in a foreign currency are not translated.

Exchange rate differences are recognised in the income statement in the period in which they occur, except for transactions that constitute hedges which meet the conditions for hedge accounting for cash flow or for net investment, where profit and loss are recognised in other comprehensive income. When preparing the consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated to Swedish kronor at the exchange rate on the balance sheet date. Revenue and expense items are translated using the average exchange rate for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rate on the transaction date is used instead.

Any translation differences are recognised in equity and in other comprehensive income. When a foreign subsidiary is disposed of, any translation differences arising are recognised in the income statement as part of the capital gain. Goodwill and adjustments to fair value arising on acquisition of a foreign operation are treated as assets and liabilities in that operation, and are translated at the exchange rate on the balance sheet date.

Employee remuneration

Employee remuneration in the form of salaries, paid vacation, paid sick leave, pensions, etc. are recognised as they are earned. Pensions and other post-employment benefits are classified as defined-contribution or defined-benefit pension plans.

Profit-sharing

The Group recognises the expected cost of profit-sharing payments when the company has a legal or constructive obligation to make such payments due to prior events and the obligation can be reliably calculated. The Group recognises a liability and cost for profit-sharing based on 5 percent of consolidated profit before tax. Profit-sharing

payments fall due for payment within 12 months after the end of the period in which the employees perform the services, and are therefore recognised as a current liability.

Defined-contribution pension plans

At MSAB, only defined contribution pension plans are operated. MSAB pays fixed fees for these plans to a separate and independent legal entity. The Group has no commitment to pay any further fees. The consolidated profit or loss is charged with expenses as the benefits are earned, which normally coincides with the point in time when the premium is paid.

Taxes

Tax expense consists of the total of current and deferred taxes.

Current tax

Current tax is calculated on the taxable profit for the period. Taxable income differs from the recognised profit/loss in the income statement, in that it has been adjusted for non-taxable income and non-deductible expenses, and for revenue and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated in accordance with tax rates enacted or substantively enacted on the balance sheet date.

Deferred tax

Deferred tax is reported in accordance with the balance sheet method. In principle, deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences to that extent that the amount is likely to be offset against future taxable surpluses. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill or if it occurs as a result of a transaction that is the initial recognition of an asset or liability (which is not a business combination), and which at the time of the transaction affects neither recognised nor taxable profit.

Deferred tax liabilities are recognised for taxable temporary differences attributable to investments in subsidiaries and associated companies, except in the cases where the Group can control the timing of the reversal of the temporary differences, and it is likely that such reversals will not take place in the foreseeable future. Deferred tax assets attributable to deductible temporary differences for such investments and interests are only recognised to the extent that it is likely that the amounts

can be used against future taxable surpluses, and such use is likely to occur within the foreseeable future.

The carrying amount for deferred tax assets is reviewed at every balance sheet date and is reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available to be used, in whole or part, to offset the deferred tax asset. Deferred tax is calculated at the tax rates expected to apply for the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) enacted or substantively enacted as per the balance sheet date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority, and where the Group intends to settle the tax by a net amount.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or revenue in the income statement, except when the tax is attributable to transactions that are recognised in other comprehensive income or directly in equity. In such cases, the tax shall also be recognised in other comprehensive income or directly in equity. If the tax is attributable to a business acquisition or merger, the tax effect is taken into account when calculating goodwill or when determining the size of any excess amount that arises if the fair value of the acquired share of the acquirer's identifiable assets, liabilities and contingent liabilities exceed the historical cost of the business combination.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairments. Historical cost includes the purchase price, costs directly attributable to the acquisition and expenses for preparation of the asset until it is ready for use.

Subsequent costs are only included in the asset or recognised as a separate asset when it is likely that future financial benefits attributable to the item will flow to the Group and the historical cost of same can be measured reliably. All other costs for repairs and maintenance, and any other expenses, are recognised in the income statement in the period in which they are incurred. Depreciation of property, plant and equipment are expensed so that the asset's value less the estimated residual value at end of the useful life is amortised on a straight-line basis which is estimated at:

Equipment, tools and installations 5 years

Research and development

Research and development expenditure is expensed as incurred. Expenditure incurred in development projects is recognised as intangible assets when the following criteria are met:

- It is technically possible for the company to complete the intangible asset so that it can be used.
- Management intends to complete the intangible asset and use or sell it.
- The conditions necessary to use or sell the intangible asset are in place.
- It can be demonstrated how the intangible asset will generate likely future financial benefits.
- There are adequate technical, financial, and other resources necessary to complete development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditure that does not meet these conditions is recognised as incurred. Development expenditure previously recognised as an expense is not recognised as an asset in any subsequent period. Capitalised development expenditure is recognised as intangible assets and is amortised, from the point in time when the asset is ready for use, on a straight-line basis over the period of its useful life.

Inventory

Inventory is recognised at the lower of historical cost or net realisable value. Historical cost is determined using the first-in, first-out method (FIFO). The historical cost of finished goods consists of raw materials and direct labour costs. The net realisable value is the estimated selling price in the ordinary course of business, less the variable costs necessary to make the sale. No part of inventory has been pledged as collateral for loans or other liabilities.

Financial instruments

A financial asset or liability is recognised in the balance sheet when the company becomes party to the instrument's contractual terms and conditions. A financial asset is derecognised from the balance sheet when the contractual rights are exercised, when it matures or when the company no longer has control over it. A financial liability is derecognised from the balance sheet when the contractual obligation is fulfilled or otherwise extinguished. A financial asset (other than trade receivables that do not

have a significant financing component) or financial liability is measured at fair value at initial recognition, plus, in the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue. A trade receivable without a major financing component is measured at the transaction price.

Classification and valuation of financial assets

In accordance with IFRS 9, financial assets are classified into categories according to the business model for management of the assets and according to the characteristics of the contractual cash flows. The latter refers to the way in which the agreed terms for the financial asset at certain times gives rise to cash flows that consist solely of payments of principal and interest on the outstanding capital amount. The company only has financial assets classified as financial assets measured at amortised cost.

Financial assets measured at amortised cost: assets held, according to the business model, to collect contractual cash flows that solely consist of payments of principal and interest on the outstanding capital amount.

Impairment of financial assets

The provision for losses from trade receivables and contractual assets is always measured at an amount corresponding to expected loan losses over the remaining life of the receivable. During the assessment, account is taken of quantitative and qualitative information and analysis based on the Group's historical experience and credit assessment and including forward-looking information. See also the section on Credit Risk and Note 15 Trade receivables.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and recognised in a net amount on the balance sheet where there is a legally enforceable right to offset, and where there is an intention to settle items on a net basis or to realise the asset and settle the liability.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, and other current, liquid investments that are easily converted to cash and that carry an insignificant risk of value change. To be classified as a cash equivalent, the maturity must not exceed three months from the time of acquisition. Cash and bank balances are measured at amortised cost. Because bank balances are payable on

demand, the amortised cost corresponds to the nominal amount.

Financial liabilities – classification and subsequent valuation

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. All of the company's financial liabilities are classified as measured at amortised cost. Subsequent measurement of other financial liabilities is performed at amortised cost using the effective interest method. Interest expenses and exchange rate gains and losses are recognised in profit or loss. Gains or losses on derecognition from the accounts are also recognised in profit or loss.

Impairment losses on property, plant and equipment and intangible assets, as well as on interests in associates and joint ventures

The Group's recognised assets are assessed at each balance sheet date to determine whether there is any indication of impairment. IAS 36 is applied to impairment losses on non-financial assets recognised in accordance with IFRS 9, assets for sale and disposal groups recognised in accordance with IFRS 5, investment properties recognised at fair value in accordance with IAS 40, inventories, managed assets used to finance employee benefits, biological assets and deferred tax assets. In the case of exempt assets as described above, the carrying amount is assessed according to the relevant standard.

If an indication of impairment is found, the recoverable amount for the asset is calculated (see below). In addition, for goodwill, other intangible assets with an indefinite useful life and intangible assets that are not yet ready for use, the recoverable amount is calculated annually. If it is not possible to determine substantially independent cash flows for an individual asset, and its fair value less selling costs cannot be used, the assets are grouped for impairment testing at the lowest level where substantially independent cash flows can be identified, a "cash-generating unit".

An impairment loss is recognised when the carrying amount for an asset or cash-generating unit (group of units) exceeds the recoverable amount. An impairment loss is recognised as an expense in profit or loss for the year. When impairment is identified for a cash-generating unit (group of units), the impairment charge is in the first instance allocated to goodwill.

A proportional write-down of other assets included in the unit (group of units) is then applied.

The recoverable amount is the higher of either fair value less selling costs or value in use. When calculating the value in use, future cash flows are discounted by a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset.

An impairment of assets within the scope of IAS 36 is reversed if there is both an indication that the impairment no longer exists and there has been a change in the assumptions used to calculate the recoverable amount. However, impairment of goodwill is never reversed. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less amortisation where appropriate, if no impairment loss has been applied.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation that arises from past events, the existence of which is confirmed only by one or more uncertain future events beyond the Group's control or if there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required or this cannot be estimated with sufficient reliability.

Classification and forms of presentation

For the parent company, the income statement and balance sheet are prepared in accordance with the schedules in the Annual Accounts Act, while the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement are based, respectively, on *IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows*. The differences from the consolidated financial statements that arise in the parent company's income statement and balance sheet relate mainly to the recognition of financial income and expenses and equity.

Earnings per share

Earnings per share before dilution are calculated on the Group's profit or loss for the year attributable to the owners of the parent company and on the weighted average number of shares outstanding during the year. In calculating diluted earnings per share, earnings and the average number of shares are adjusted to reflect the effects of potential ordinary shares, which during periods reported originate from share options acquired by employees at market prices based on a valuation according to the

Black & Scholes model. The dilution arising from the share options occurs when the strike price is less than the current share price.

Provisions

A provision differs from other liabilities in that there is uncertainty as to the date of payment or the amount of the payment required in order to settle the provision. A provision is recognised in the statement of financial position when there is an existing legal or constructive obligation as a result of a past event, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made in the amount that is the best estimate of what will be required to settle the existing obligation at the balance sheet date. Where the effect of when payment is made is material, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical data on warranties and a weighting of possible outcomes in relation to the probabilities associated with the outcomes.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits that the Group is expected to receive from a contract are lower than the unavoidable costs of fulfilling the obligations under the contract.

Accounting principles for the parent company

The parent company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that to the greatest extent possible the parent company is required to apply all IFRS adopted by the EU within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and to take into account the relationship between accounting and taxation. The differences between the accounting policies of the parent company and the Group are described below:

Shares in subsidiaries

Shares in subsidiaries are recognised in accordance with the historical cost method. Acquisition-related costs for subsidiaries, which are expensed in the consolidated financial statements, are included as part of the historical cost of participations in the subsidiary. The carrying amount for participations in subsidiaries is tested for impairment when there are indications of an impairment.

Financial instruments

The parent company has elected not to apply IFRS 9 to financial instruments. However, some of the principles of IFRS 9 are still applicable – for example, regarding impairment, posting/cancellation, criteria for applying hedge accounting and the effective interest method for interest income and interest expenses.

In the parent company, non-current financial assets are measured at accrued historical cost less any impairment, and financial current assets according to the lowest-value principle. For financial assets recognised at amortised cost, the impairment rules stated in IFRS 9 are applied.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised if the parent company has the sole right to decide the size of the dividend and the parent company has decided on the size of the dividend before the parent company has published its financial statements.

Note 3 Estimates and judgements in the financial statements

Preparation of financial statements to conform with IFRS requires that the company management makes certain assessments, estimates and assumptions that affect the application of accounting policies and the recognised amounts for assets, liabilities, revenue and costs. The actual results may differ from these estimates and assumptions.

These estimates and assumptions are reviewed regularly. Changes in the estimates are recognised in the period when a change is made if the change only affects that period, or in the period the change is made and future periods if the change affects both current and future periods. At year-end, special attention is focused on measurement of trade receivables, which are considered to be the company's single most important asset. Provision for future credit losses in connection with trade receivables

is made in accordance with IFRS 9, based on historical experience and credit evaluation, including forward-looking information, as described in Note 15. The Group recognises revenue in accordance with IFRS 15 - Revenue from Contracts with Customers, the IFRS standard that deals with revenue recognition. The basic principle is that a company recognises revenue in a way that reflects the transfer of promised goods or services to the customer, in the amount that the company considers itself entitled to receive in exchange for the goods or services. In accordance with the description in Note 2, transaction prices are allocated for future performance obligations to deliver support and product updates based on the resources required to fulfil these obligations. This forms the basis for measurement of the various sub-components with a bearing on revenue recognition.

Note 4 Financial risk management and financial instruments

The overall objective of MSAB's financial risk management is to identify and control the Group's financial risk. MSAB's Board of Directors is ultimately responsible for exposure, management and monitoring of the Group's financial risks. The frameworks that apply to exposure, management and monitoring of financial risks is established by the Board. The most significant financial risks to which the Group is exposed are market, liquidity, and credit risks. Market risks consist primarily of currency risk and interest rate risk.

Market risks

Currency risk

Currency risk refers to the risk that the Group's profit and equity are negatively impacted by changes in exchange rates. Exposure to currency risk arises from payment flows (transaction exposure) in foreign currencies and from translation of balance sheet items in foreign currencies, as well as from recalculation of the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency, Swedish kronor (translation exposure).

Transaction exposure

Transaction exposure arises in connection with MSAB's export sales. Of the Group's total sales in 2023, approximately 98 percent (99) were related to exports or were sales through foreign subsidiaries in foreign currencies. Inflows in foreign currencies consist primarily of euros (EUR), British pounds (GBP) and American dollars (USD). The majority of purchases of goods and services are in Swedish kronor (SEK). The net exposure in relation to the inflow of payments in foreign currencies is thus considerable. MSAB applies hedge accounting from time to time and uses forward contracts to minimise major currency fluctuations. At year-end 2023, the company held no forward contracts.

Translation exposure

Translation exposure arises primarily when translating asset and liability items in foreign currencies, and when income statements and balance sheets for foreign subsidiaries are translated to SEK. Exchange rate fluctuations may have negative impact on the Group's equity and profit. The table below shows the Group's and parent company's net currency exposure on closing day (foreign currencies translated to SEK thousand in the table):

Market risks, SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Currency				
AUD	2,751	6,522	790	2,875
CAD	3,570	733	2,996	591
EUR	29,261	16,831	29,161	16,908
GBP	6,609	5,008	6,577	5,350
SGD	170	1,208	1,359	1,432
USD	28,826	65,176	15,653	18,213
JPY	396	169	-36	1,561
Total trade receivables in foreign currencies	71,583	95,647	56,500	46,929
SEK	1,284	1,438	1,284	1,438
Total trade receivables	72,867	97,085	57,784	48,367

A change of +/- 5 percent in the relevant exchange rates relative to the Swedish krona would have an impact on the consolidated profit/loss for the respective currencies on the balance sheet date as follows: USD 1,441 (3,259), EUR 1,463 (842), GBP 330 (250) SEK thousand. For the parent company, the corresponding impact on profit/loss would be: USD 783 (911), EUR 1,458 (845), GBP 329 (267) SEK thousand.

Interest rate risks

Interest rate risks consist of the risk of a negative impact on the consolidated income statement and cash flow as a result of changes in market interest rates. MSAB has no interest-bearing liabilities and interest rate risk is primarily limited to the Group's surplus liquidity, which is placed in interest-bearing bank accounts and other fixed-income investments. Surplus liquidity is to be invested at a low risk with short, fixed-interest rate periods, as per the Board's instructions. Against that background, the Group has elected to place excess liquidity in different bank accounts, mainly at SEB.

Liquidity and financing risk

Liquidity risk is the risk that the Group is impacted negatively by inadequate management and control of liquidity and payment flow. Financing risk refers to the risk of the Group not being able to raise enough cash to meet its obligations.

Liquidity and financing risk are currently very low. The Group has good liquidity and a high earnings capacity. The Group's surplus liquidity is placed in bank accounts.

On that basis, liquidity preparedness is high and there is currently no need for external credit to finance operations or create liquidity. The duration and distribution of contractual payment obligations related to the Group and parent company's financial liabilities are shown in the table on the next page:

2023	Group					Parent company				
	Within 3 months	3–12 months	1–5 years	More than 5 years	Total	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Liquidity and financing risk, SEK thousand										
Trade payables	6,708	–	–	–	6,708	5,628	–	–	–	5,628
Lease liability	3,404	9,934	32,247	–	45,585	2,904	8,434	30,794	–	42,133
Accrued expense	8,584	29,790	3,606	–	41,980	5,170	29,118	3,503	–	37,791
Other liabilities	6,315	4,943	–	–	11,257	5,821	484	–	–	6,305
Total	25,011	44,666	35,800	–	105,531	19,524	38,036	34,299	–	91,857

2022	Group					Parent company				
	Within 3 months	3–12 months	1–5 years	More than 5 years	Total	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Liquidity and financing risk, SEK thousand										
Trade payables	12,309	–	–	–	12,309	9,998	–	–	–	9,998
Lease liability	3,392	10,175	41,904	–	55,470	9,601	28,802	11,547	–	49,949
Accrued expense	62,030	22,735	–	–	84,765	2,584	22,256	–	–	24,840
Other liabilities	12,679	–	–	–	12,679	7,722	–	–	–	7,722
Total	90,410	32,910	41,904	–	165,224	29,904	51,058	11,547	–	92,509

Credit risk

Credit risk refers to a counterparty not being able to meet their contractual obligations vis-à-vis the Group, resulting in a financial loss. The Group's exposure to credit risk arises in the main from trade receivables. Sales of MSAB's products are conducted either directly to the end-customer or via partners.

End-customers consist almost exclusively of government criminal investigation agencies. Given the category of customers which the company addresses, the risk of non-payment due to insolvency is very low. To limit the Group's exposure to credit risk, a credit rating is performed for every new customer. The financial situation of existing customers is also monitored on an ongoing basis to identify warning signals at an early stage. A credit rating is always performed before the company enters into any new sales partnership, after which the partner's financial situation is continuously monitored to identify warning signals. The Group may also establish credit limits for

partners, or require bank guarantees for larger contracts. To further minimise credit risk, the Group can also choose to invoice an end-customer directly, and instead allow the sales partner to invoice MSAB for their commission. The risk of future credit losses is continuously assessed, leading to changes to provisions for doubtful trade receivables. See also Note 15 Trade receivables. Credit risk also arises when the company's surplus liquidity is invested in various types of financial instrument. In accordance with the Board's instructions, surplus liquidity is placed in interest-bearing bank accounts or interest-bearing securities/fixed-income funds. Eligible parties are the Swedish State and banks, whose credit rating has been assessed by the company. The Group's lending to banks is covered by the government deposit guarantee, which amounts to EUR 100,000 per bank. The Group's and the parent company's maximum exposure to credit risk is matched by the book values of all financial assets and is shown in the above-right table:

Credit risk, SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Trade receivables	72,866	97,085	57,784	48,367
Other receivables	3,604	8,905	6,358	2,158
Cash and cash equivalents	132,928	104,386	48,169	61,087
Maximum exposure to credit risks	209,398	210,376	112,311	111,612

Concentration risk

Trade receivables consist primarily of a small number of major customers with a high credit rating. The ten largest customers accounted for 41 percent (35) of the total revenue. Approximately 56 percent (47) of the Group's sales are made in the European market, of which the UK represents the single largest geographical exposure. North America accounts for 33 percent (40) of sales. The majority of the company's customers operate in the judicial sector. The purchasing process may differ between countries, where procurement is conducted centrally in some and decision-making is local in others. Similarly, procurement is conducted from within certain branches of the military. In such cases, customers can be referred to centrally procured purchasing companies, meaning that in a given period, purchasing companies may account for a relatively high proportion of the company's net sales.

Procurement through purchasing companies is ongoing and varies from year to year. In practice, this means that in any given year, purchasing companies may account for more than 10 percent of total net sales. In the past year, no single customer accounted for 10 percent or more of the company's total net sales. In Note 15 Trade receivables, an age analysis of the Group's and the parent company's trade receivables is provided.

Management of capital risks

MSAB defines its managed capital as the aggregate of consolidated net liabilities and equity. Because the Group currently has no loans, the managed capital is the Group's consolidated equity. At year-end 2023, consolidated equity was SEK 115,909 thousand (116,070). The

company's objectives regarding its capital structure is to secure its ability to sustain operations, generate returns for shareholders and benefit to other stakeholders and to ensure that the capital structure is optimal as regards cost of capital. Dividends to shareholders, redemption of shares, issuance of shares and sales of assets are examples of measures the Group can take to adjust its capital structure. The Board has adopted a dividend policy whereby no less than 30 percent of the company's reported earnings are returned to shareholders, on the proviso that this is compatible with maintaining an adequate amount of liquidity for planned operations. The Board has adopted a dividend policy whereby no less than 30 percent of the company's reported earnings are returned to shareholders, on the proviso that this is compatible with maintaining an adequate amount of liquidity for planned operations.

Classification and valuation of financial instruments

Booked values of financial assets and liabilities by valuation category are in accordance with IFRS 9 (see Note 2) and the classification of financial assets and fair values are shown in the table below.

	Group		Parent company	
	2023	2022	2023	2022
Classification of financial instruments, SEK thousand				
Financial assets measured at amortised cost				
Trade receivables – contractual assets	72,867	97,085	57,784	48,367
Cash and cash equivalents – other assets	132,928	104,386	48,169	61,087
Accrued income	2,190	8,722	1,914	7,925
Total financial assets	207,985	210,193	107,867	117,379
Financial liabilities				
Other financial liabilities				
Trade payables	6,708	12,309	5,510	9,998
Lease liability	45,585	55,470	42,133	49,948
Accrued expenses	41,980	28,973	37,791	24,840
Total financial liabilities	94,273	96,752	85,434	84,786

There have been no reclassifications between the above valuation categories during the period. For all the financial assets and liabilities, the carrying amount is a reasonable estimate of fair value.

	Group		Parent company	
	2023	2022	2023	2022
Net profit/loss for financial instruments, SEK thousand				
Trade receivables and other financial receivables				
Currency gains	0	795	0	800
Currency losses	-1,183	-79	-1,187	-1
Other financial liabilities				
Currency gains	3,821	8,782	3,549	8,558
Currency losses	-5,086	-6,562	-4,461	-6,149
Total	-2,448	2,936	-2,099	3,208

Note 5 Operating income

Group	EMEA & Latin America*	North America	Asia & Oceania	Total
Revenue distribution 2023, SEK thousand				
Product sales	210,418	125,737	33,283	369,439
Training and other services	30,041	11,344	6,125	47,510
Total	240,459	137,082	39,408	416,949
Performance obligations fulfilled at a certain point in time	204,249	116,308	33,331	353,882
Performance obligations fulfilled over time	36,210	20,774	6,077	63,061
Total	240,459	137,082	39,408	416,949
* Of which Sweden, SEK 3,900,000				
** The distribution is based on the customer's domicile.				
Revenue distribution 2022, SEK thousand				
Product sales	155,547	131,838	37,081	324,466
Training and other services	24,427	11,346	2,738	38,511
Total	179,974	143,184	39,819	362,977
Performance obligations fulfilled at a certain point in time	152,396	124,526	34,064	310,987
Performance obligations fulfilled over time	27,577	18,658	5,755	51,990
Total	179,974	143,184	39,819	362,977

* Of which Sweden, SEK 4,881,000

Parent company	EMEA & Latin America*	North America	Asia & Oceania	Total
Revenue distribution 2023, SEK thousand				
Product sales	191,048	82,999	25,487	299,533
Training and other services	15,109	–	–	15,109
Total	206,157	82,999	25,487	314,632
Performance obligations fulfilled at a certain point in time	183,792	82,999	25,381	292,172
Performance obligations fulfilled over time	22,365	–	106	22,470
Total	206,157	82,999	25,487	314,632

Revenue distribution 2022, SEK thousand

Product sales	144,487	87,937	28,875	261,299
Training and other services	11,875	–	–	11,875
Total	156,363	87,937	28,875	273,175
Performance obligations fulfilled at a certain point in time	139,582	87,937	28,711	256,230
Performance obligations fulfilled over time	16,781	–	164	16,944
Total	156,363	87,937	28,875	273,175

Contractual liabilities**– performance obligations over time**

MSAB has performance obligations for support and product updates that are fulfilled over a licence period. The company recognises these performance obligations as contractual liabilities, and these are taken up as revenue on a straight-line basis over the licence period. See also the section on revenue in Significant accounting policies.

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Opening balance, contractual liabilities	55,791	44,781	21,333	17,410
Of opening balance, taken up as revenue during the year	-44,677	-39,478	-16,813	-12,905
Additional contractual liabilities during the year	40,030	50,488	16,018	16,828
Closing balance, contractual liabilities	51,144	55,791	20,539	21,333
Of which				
Current liabilities	40,945	44,792	16,305	16,778
Non-current liabilities	10,199	10,999	4,234	4,555
Total	51,144	55,791	20,539	21,333

Revenue for remaining performance obligations

Revenue for remaining performance obligations as per 31 December 2023 is expected to be recognised as follows:

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
2023	–	46,179	–	16,778
2024	40,945	6,999	16,305	3,285
2025	7,254	2,612	3,298	1,270
2026 and beyond	2,945	–	936	–
Total	51,144	55,791	20,539	21,333

Distribution of the Group's non-current assets The Group's non-current assets are split between: EMEA & Latin America SEK 45.745 million (60.931), of which Sweden SEK 45.069 million (54.831), Asia & Oceania SEK 14 thousand (0), North America SEK 3.146 million (0).

Information on intra-group purchasing and sales

Purchases and sales from the parent company to other Group companies amounted to SEK 178.567 million (162.211) in sales and SEK 0 (0) in purchases.

Segment reporting

The company sells and markets a small number of products which are for the most part packaged and sold to the same customers. The company's operations and management are organised by function, e.g. development, support, sales and administration. The company's internal monitoring is currently organised at aggregated level only. Geographical areas are only monitored with regard to sales in the countries or regions concerned. As a result, the Group does not recognise operating segments in its financial statements.

Note 6 Auditor's fees, reimbursement of auditor's expenses

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Audit assignment, KPMG	1,040	800	1,040	800
Auditing services other than audit assignment, KPMG	371	370	371	370
Auditing services, other	98	125	–	–
Total	1,509	1,295	1,411	1,170

Note 7 Leasing

Property leases

The Group leases office premises in Sweden, the UK and the USA. The leases for office premises in Sweden have a term of five years with an option for an extension of three years at a time and a period of notice of nine months. In calculating its lease liability, the Group has not taken the extension option into account. The leases on the office premises include lease payments based on changes in price indices and also require the Group to pay fees relating to property taxes accruing to the lessor. These amounts are fixed annually.

Other leases

The Group leases cars and other technical equipment with lease terms of one to three years. In some cases, the Group has an option to purchase the asset at the end of the lease term. In others, the Group guarantees the residual value of the leased asset at the end of the lease term. Options to extend are included only to an insignificant extent. The Group also leases machinery and IT equipment with lease terms of one to five years, where the leases are for short terms and/or are of low value. The Group has elected not to recognise right-of-use assets and lease liabilities for such leases.

Group	2023			2022		
	Buildings	Fixtures and fittings	Total	Buildings	Fixtures and fittings	Total
SEK thousand						
Opening balance, historical cost	63,914	2,904	66,818	40,254	2,734	42,988
Additional rights-of-use	–	2,928	2,928	58,691	798	59,489
Completed rights-of-use	-2,814	-1,761	-4,575	-35,042	-628	-35,670
Exchange rate difference	-212	–	-212	11	–	11
Closing balance, accumulated historical cost	60,888	4,072	64,959	63,914	2,904	66,818
Opening balance, depreciation	-5,671	-1,711	-7,382	-29,298	-1,412	-30,710
Planned depreciation for the year	-13,046	-1,245	-14,291	-11,415	-872	-12,287
Sales/disposals	2,817	1,422	4,239	35,042	573	35,615
Exchange rate difference	69	–	69	–	–	–
Closing balance, accumulated depreciation	-15,830	-1,535	-17,365	-5,671	-1,711	-7,382
Closing balance, planned residual value	45,057	2,537	47,594	58,242	1,193	59,436

Parent company	2023			2022		
	Buildings	Fixtures and fittings	Total	Buildings	Fixtures and fittings	Total
SEK thousand						
Opening balance, historical cost	53,706	2,902	56,608	37,450	2,734	40,184
Additional rights-of-use	–	2,928	2,928	51,298	797	52,095
Completed rights-of-use	1	-1,759	-1,758	-35,042	-629	-35,671
Closing balance, accumulated historical cost	53,707	4,072	57,779	53,706	2,902	56,608
Opening balance, depreciation	-1,004	-1,710	-2,714	-26,482	-1,411	-27,893
Planned depreciation for the year	-11,063	-1,245	-12,308	-9,564	-872	-10,436
Sales/disposals	–	1,421	1,421	35,042	573	35,615
Closing balance, accumulated depreciation	-12,067	-1,535	-13,601	-1,004	-1,710	-2,714
Closing balance, planned residual value	41,641	2,537	44,178	52,701	1,192	53,893

Cost disclosures, fiscal year, SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Amortisation of right-of-use assets	11,779	12,287	9,796	10,436
Interest expense, lease liability	2,051	53	1,979	53
Lease expense, short-term leases	203	118	–	–
Leasing expense, low-value assets	135	376	135	376
Cost of variable lease payments	4,043	1,726	2,372	1,026

Cash flow disclosures, fiscal year ending 31 December 2023, SEK thousand	Group	Parent company
	Total cash outflow, leases	15,425

Note 8 Salaries, other remuneration and social security contributions

	2023		2022	
	Total	of which men	Total	of which men
Average no. of employees				
PARENT COMPANY				
Sweden	156	118	147	117
GROUP COMPANIES				
USA	21	13	19	5
United Kingdom	16	14	16	14
Canada	2	–	2	–
Australia	2	2	2	2
Singapore	2	2	3	3
Japan	1	1	1	1
Total	200	150	190	142

Gender representation, senior executives	2023		2022	
	Total	of which men	Total	of which men
Parent company and Group				
Members of the Board	6	5	5	4
Other senior executives	9	7	10	8
Total	15	12	15	12

Salaries and remuneration, SEK thousand	2023		2022		Total 2022
	Senior executives	Other	Senior executives	Other	
Parent company					
Salaries and remuneration	19,153	104,566	123,719	14,639	82,701
Pension expenses	3,250	8,479	11,729	2,240	10,168
Other social security contributions	6,027	33,128	39,155	4,154	25,881
Total	28,430	146,173	174,603	21,033	118,750
Subsidiaries					
Salaries and remuneration	2,682	48,011	50,693	6,200	43,406
Pension expenses	217	1,350	1,567	224	1,368
Other social security contributions	336	3,632	3,968	457	3,020
Total	3,235	52,993	56,228	6,881	47,794

Pension expenses relate to the amount recognised as an expense for defined-contribution plans in the income statement and associated payroll tax.

Remuneration to the Board of Directors, CEO and senior executives in 2023, SEK thousand	Salaries/Board fees	Pension costs	Other benefits
Board:			
Bernt Ingman, Chair of the Board****	500		
Peter Gille, Member of the Board	250		
Fredrik Nilsson, Member of the Board	250		
Hanna Bilir, Member of the Board****	250		
Rolf Rosenvinge, Member of the Board	250		
Total Board	1,500		
Joel Bollö, CEO*	5,881	781	40
Mikael Falkovén, Acting CEO**	764	202	18
Peter Heuman, CEO***	825	169	6
Other senior executives (7 people)	10,183	2,098	181
Total parent company	19,153	3,250	245
Other senior executives in subsidiaries (1 person)	2,682	217	336
Total Board, CEO and other senior executives	21,835	3,467	581

Remuneration to the Board of Directors, CEO and senior executives in 2022, SEK thousand	Salaries/Board fees	Pension costs	Other benefits
Board:			
Bernt Ingman, Chair of the Board	500		
Peter Gille, Member of the Board	250		
Fredrik Nilsson, Member of the Board	250		
Hanna Bilir, Member of the Board	250		
Rolf Rosenvinge, Member of the Board	250		
Total Board	1,500		
Joel Bollö, CEO	3,432	544	76
Other senior executives (8 people)	9,446	1,696	185
Total parent company	14,378	2,240	261
Other senior executives in subsidiaries (2 people)	6,200	224	
Total Board, CEO and other senior executives	20,578	2,464	261

* Resigned in 2023, the salary base includes 3,337 as severance pay

** Acting CEO Mar-Sep 2023

*** Employed Oct 2023

**** Left the Board in 2023

Principles of remuneration

Remuneration to the Board Chair and other Members of the Board is decided by the AGM.

The overall principles governing remuneration to senior executives are based on position, individual performance and the Group's profits, and that the remuneration should be competitive. Total remuneration for senior executives shall consist of fixed salary, and variable salary in the form of incentives based on performance targets. In addition, conditions apply governing termination and severance pay. The term senior executives refers to 7 people who together with the Chief Executive Officer comprised the Group management during 2023.

Variable remuneration

MSAB operates a profit-sharing programme, in which five percent of the Group's profit before tax is distributed to employees other than the CEO. This total includes social welfare contributions and the allocation shall not exceed three months of salary.

Pensions

The contractual retirement age for the CEO and other senior executives is 65 years. The pension premium for

the CEO complies with the rules for a defined-contribution pension plan pursuant to ITP1. Other senior executives employed by the parent company also have defined-contribution pension plans pursuant to ITP1, and for 2023 pension premiums amounted to an average of 21 percent of basic salaries. Variable remuneration is not pensionable, either for the CEO or for other senior executives. All pensions are unvested, that is, they are not conditional upon future employment.

Severance pay

At year-end 2023, the CEO had a fixed annual salary of SEK 3,300,000. In addition, the CEO has variable remuneration of a maximum of 6 months' salary (SEK 1,650,000) linked to the company's growth and profitability targets. In the event of termination of employment, the CEO is entitled to compensation corresponding to twelve months of fixed salary. The company pays social security contributions on severance pay. Severance pay is not offset against other income. The notice period for the company regarding other senior executives is up to 6 months, although the company shall observe any longer period of notice defined in the Swedish Employment Protection Act (1982:80).

Note 9 Financial income

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Interest income	1,690	78	679	69
Exchange rate gains	3,958	9,411	3,686	9,187
Total financial income	5,647	9,489	4,364	9,256

Note 10 Financial expenses

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Interest expenses	2,062	15	1,990	58
Exchange rate losses	5,804	6,819	5,179	6,403
Total financial expenses	7,866	6,834	7,168	6,461

Note 11 Tax

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Current tax	-8,655	-4,323	-5,064	-3,341
Total recognised tax expense	-8,655	-4,323	-5,064	-3,341
Reconciliation of tax for the year				
Profit/loss before tax	38,652	21,453	23,345	15,095
Tax at standard tax rate in Sweden, 20.6% (20.6)	-7,962	-4,419	-4,808	-3,109
Effect of different tax rates in foreign operations	-437	328	-	-
Non-taxable income	-	-	0	-
Non-deductible expenses	-256	-232	-256	-232
Tax expense	-8,655	-4,323	-5,064	-3,341
Average tax rate, %	22.4	20.2	21.7	22.1

Note 12 Earnings per share

Earnings per share before and after dilution is calculated by dividing profit attributable to the parent company's shareholders by the weighted number of ordinary shares outstanding during the year. Number of shares is indicated in thousands.

Group (SEK th.)	2023	2022
Profit for the year after tax, SEK thousand	29,997	17,130
Average no. of shares before/after dilution	18,468	18,468
Earnings per share in SEK, before/after dilution	18,468	18,468
Earnings per share before dilution, SEK	1.62	0.92
Earnings per share after dilution, SEK	1.62	0.92

Note 13 Inventory, equipment, fixtures and fittings

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Opening balance, historical cost	13,178	12,141	11,765	11,366
Purchases	641	1,037	627	399
Sales/disposals	-3,576	-	-3,484	-
Closing balance, accumulated historical cost	10,244	13,178	8,907	11,765
Opening balance, depreciation	-11,683	-10,644	-10,826	-9,868
Planned depreciation for the year	-848	-1,039	-685	-958
Sales/disposals	3,598	-	3,495	-
Closing balance, accumulated depreciation	-8,933	-11,683	-8,016	-10,826
Closing balance, planned residual value	1,311	1,495	891	937

Note 14 Shares in group companies

Parent company (SEK th.)	Number of shares	Capital and voting rights, %	Book value	Domicile	Equity	Profit/loss
Micro Systemation Ltd	1	100	0	England	12,381	3,644
MSAB Incorporated	3,000	100	6	USA	34,072	3,370
Mico Systemation Canada Inc.	100,000	100	0	Canada	2,527	744
Micro Systemation Pty Ltd	100	100	1	Australia	4,806	782
MSAB Pte Ltd	1,000	100	6	Singapore	2,402	373
MSAB Japan K.K.	100	100	391	Japan	-95	172
Total			404			

Note 15 Trade receivables

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Trade receivables	75,204	98,558	57,844	48,367
Reserve for doubtful trade receivables	-2,337	-1,473	-60	-
Total	72,867	97,085	57,784	48,367
Trade receivables, age analysis, SEK thousand				
Not yet due	41,467	83,943	47,908	42,455
Overdue 30 days	22,750	6,307	2,332	1,069
Overdue 31–60 days	8,150	426	7,795	55
Overdue 61–90 days	879	2,745	114	137
Overdue > 90 days	-380	3,663	-365	4,650
Total	72,867	97,085	57,784	48,367

Overdue trade receivables totalled SEK 33.737 million (13.142). Total provisions for doubtful trade receivables amounted to SEK 2.339 million (1.473). Confirmed bad debt losses amounted to SEK 0 (0). In management's judgement, the carrying amount for trade receivables corresponds to fair value. The company has calculated provisions for bad debt losses with a probability of default on the payment, based on historical bad debt losses. The company's customers consist to a great extent of law enforcement agencies that pay the amounts they owe, although delays are not uncommon due to

extensive, cumbersome administration. As a result, the company assesses the likelihood of default as applied to trade receivables as a whole, since the maturity structure in itself says nothing about the risk of non-payment. For the years 2016-2023, the Group has had no confirmed bad debt losses. Adjustments are made on the basis of the assumption that the risk of payments not being made increases as sales rise. The company notes that there was no change in 2023 regarding the customer types that would justify an adjustment to the future probability.

Note 16 Prepaid expenses and accrued income

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Pre-paid rent	244	-	244	-
Pre-paid insurance premiums	1,565	963	1,565	963
Pre-paid inventory purchases	412	722	135	722
Accrued income	1,779	3,723	1,779	3,723
Other items	2,999	3,314	2,513	2,517
Total	6,999	8,722	6,236	7,925

Note 17 Cash and cash equivalents

Cash and cash equivalents consist only of the cash available in the Group's standard bank accounts. Net book value for these assets is deemed to correspond to their fair value.

Note 18 Share capital

The share capital of MSAB totals SEK 3,834,400, represented by 19,172,000 shares with a quota value of SEK 0.20. The company has three classes of shares, wherein holders of class A and B shares are entitled to equal rights to the company's assets and profit, but holders of class C shares are not entitled to any share in dividends. In the event of the company being liquidated, assets shall be distributed equally over all shares regardless of class. However, each class C share shall not be

entitled to an amount higher than one corresponding to the quota value of the share. Holders of class A shares are entitled to ten votes per share, while holders of class B and C shares are entitled to one vote per share. There are 1,000,000 class A shares and 17,550,000 class B shares. There are 622,000 class C shares, all of which are held in treasury. The number of class B shares held in treasury is 81,596.

Note 19 Accrued expenses and deferred income

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Accrued vacation pay	14,102	13,277	13,327	12,798
Accrued bonuses	7,639	6,502	5,172	3,584
Accrued social fees	6,180	5,135	6,180	5,135
Deferred income	51,144	55,791	20,539	21,367
Other items	14,019	4,060	13,113	3,323
Total	93,084	84,765	58,330	46,207

Note 20 Adjustments for non-cash items

SEK thousand	Group		Parent company	
	2023	2022	2023	2022
Depreciation/amortisation	15,156	13,136	13,005	11,394
Unrealised exchange rate fluctuations	-870	3,358	-	-
Total	14,286	16,494	13,005	11,394
Interest received	1,689	194	678	36
Interest paid	-	-	-	-

SEK thousand	OB 2023	Cash flow	Non-cash changes in new leases	CB 2023
Reconciliation of liabilities arising from financing activities, Group				
Lease liabilities	55,470	-15,425	5,541	45,586
Total		-15,425		45,586

SEK thousand	OB 2023	Cash flow	Non-cash changes in new leases	CB 2023
Reconciliation of liabilities arising from financing activities, parent company				
Lease liabilities	49,948	-11,926	4,111	42,133
Total		-11,926		42,133

SEK thousand	OB 2022	Cash flow	Non-cash changes in new leases	CB 2022
Reconciliation of liabilities arising from financing activities, Group				
Lease liabilities	9,938	-13,971	59,503	55,470
Total		-13,971		55,470

SEK thousand	OB 2022	Cash flow	Non-cash changes in new leases	CB 2022
Reconciliation of liabilities arising from financing activities, parent company				
Lease liabilities	9,808	-11,997	52,137	49,948
Total		-11,997		49,948

Note 21 Dividends

Dividends to shareholders were paid at SEK 1.50 (0) per share and totalled SEK 27.703 million (0). For the 2023 financial year, the Board of Directors proposes a dividend of SEK 1.50 per share, to be paid on two occasions.

Note 22 Pledged assets and contingent liabilities

SEK thousand	2023	2022
Group		
Mortgage on rental guarantee	2,265	2,265
Total	2,265	2,265
Parent company		
Mortgage on rental guarantee	2,265	2,265
Total	2,265	2,265

Pledges relate to a performance guarantee for payment of rent for the head office in Stockholm. MSAB has no contingent liabilities.

Note 23 Appropriation of profit

SEK	2023	2022
Available for appropriation (SEK)		
Retained profit from the previous year	9,577,805	25,526,936
Share premium reserve	7,770,400	7,770,400
Profit/loss for the year	18,281,175	11,753,475
Total	35,629,380	45,050,811
Proposed dividend	27,702,606	27,702,606
To be carried forward	7,927,224	17,348,205
Total	35,629,380	45,050,811

Note 24 Related parties

Related party relationships

The parent company has a related party relationship with its subsidiaries, see Note 14. Information about remuneration to senior executives, see Note 8.

	Year	Sales of goods/services to related parties	Interest from related parties	Receivable from related parties 31 December	Liability to related parties as of 31 December
Summary of related party transactions, parent company, SEK thousand					
Subsidiaries					
Micro Systemation Ltd	2023	70,548	–	6,577	–
MSAB Incorporated	2023	70,555	–	14,497	–
Mico Systemation Canada Inc.	2023	12,444	–	2,996	–
Micro Systemation Pty Ltd	2023	12,556	–	790	–
MSAB Pte Ltd	2023	10,418	–	1,359	–
MSAB Japan K.K.	2023	2,046	–	-36	–

	Year	Sales of goods/services to related parties	Interest from related parties	Receivable from related parties 31 December	Liability to related parties as of 31 December
Summary of related party transactions, parent company, SEK thousand					
Subsidiaries					
Micro Systemation Ltd	2022	46,155	–	5,350	–
MSAB Incorporated	2022	79,243	–	12,230	–
Micro Systemation Canada Inc.	2022	8,694	–	591	–
Micro Systemation Pty Ltd	2022	18,816	–	2,875	–
MSAB Pte Ltd	2022	7,038	–	1,432	–
MSAB Japan K.K.	2022	2,265	–	1,561	–

Related party transactions are priced on market terms.

Note 25 Events after the end of the financial year

No significant events have occurred since the end of the financial year.

Five-year overview

	2023	2022	2021	2020	2019
Income statement, SEK thousand					
Net sales	416,949	362,977	332,960	310,057	307,632
Operating expenses	-376,078	-344,179	-288,632	-281,425	-301,285
Operating profit/loss	40,871	18,798	44,328	28,632	6,347
Net financial items	-2,219	2,655	-113	-6,318	1,115
Profit/loss before tax	38,652	21,453	44,215	22,314	7,462
Tax	-8,655	-4,323	-9,392	-6,052	-2,368
Profit/loss for the year	29,997	17,130	34,823	16,262	5,094
Balance sheet, SEK thousand					
Non-current assets	48,905	60,931	13,797	22,949	33,210
Other current receivables	96,497	123,438	126,775	64,491	92,974
Cash and cash equivalents	132,928	104,386	65,970	101,286	63,950
Total assets	229,425	288,755	206,542	188,726	190,134
Equity	115,909	116,070	90,778	88,296	76,057
Provisions	0	0	0	0	0
Other current liabilities	162,421	172,685	115,764	100,430	114,077
Total equity and liabilities	278,330	288,755	206,542	188,726	190,134
Cash flow, SEK thousand					
Cash flow before changes in working capital	42,647	26,364	59,839	33,080	17,627
Changes in working capital	32,359	24,423	-49,632	18,960	171
Cash flow from operating activities	75,006	50,787	10,207	52,039	17,799
Cash flow from investing activities	-640	-893	-158	-635	-1,499
Cash flow from financing activities	-43,128	-13,846	-48,398	-10,567	-53,226
Cash flow for the year	31,238	36,048	-38,349	40,837	-36,926

	2023	2022	2021	2020	2019
Key performance indicators					
Net sales, SEK million	416.9	363.0	333.0	310.1	307.6
Net sales growth, %	14.9	9.0	7.4	0.8	1.2
Operating profit, SEK million	40.9	18.8	44.3	28.6	6.3
Operating margin, %	9.8	5.2	13.3	9.2	2.1
Earnings per share*, SEK (after dilution)	1.62	0.92	1.89	0.88	0.10
Return on equity, %	25.9	16.6	38.9	19.8	5.5
Return on capital employed, %	40.1	27.4	55.8	32.2	12.9
Equity ratio, %	41.6	40.2	44.0	46.8	40.0
Liquidity ratio, %	175.8	126.9	159.8	157.0	132.0
Net worth per share, SEK	6.30	6.30	4.90	4.80	4.10
Dividend per share, SEK	1.50	1.50	0.00	2.00	2.20
Cash flow from operating activities per share, SEK	4.06	2.68	0.60	2.80	1.00

Reconciliation of measurements not defined as per IFRS	2023	2022	2021	2020	2019
Capital employed, SEK million					
Total assets	278.3	288.8	206.5	188.7	190.1
Trade payables	-6.7	-12.3	-11.0	-6.0	-4.6
Current tax liabilities	-2.4	-7.5	-9.9	-1.1	-1.2
Lease liability, right-of-use assets	-13.4	-13.6	-8.7	-7.8	-11.8
Other liabilities	-107.5	-97.4	-72.9	-66.3	-79.9
Capital employed	148.1	158.0	104.0	107.5	92.6
Average capital employed	153.1	131.0	105.8	100.1	101.4

Signatures

The consolidated financial statements and Annual Report of Micro Systemation AB (publ) for the 2023 fiscal year were approved for publication by the Board of Directors and the Chief Executive Officer on 23 April 2024. The consolidated financial statements and Annual Report will be put before the Annual General Meeting for adoption on 14 May 2024.

The Board of Directors and the Chief Executive Officer hereby give their assurance that the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and RFR2.2, that it provides a true and fair view of the company's financial position and results, that the Report of the Board of Directors gives a true and fair

view of the Group's business activities, financial position and results and describes the significant risks and uncertainties to which the company is exposed.

The Board of Directors and the Chief Executive Officer hereby give their assurance that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, that they give a true and fair view of the Group's financial position and results, and that the Report of the Board of Directors gives a true and fair view of the development of the Group's business activities, and describes the significant risks and uncertainties to which the companies in the Group are exposed.

Stockholm, 23 April 2024

Peter Gille
Board Chair

Peter Heuman
Chief Executive Officer

Andreas Hedskog
Member of the Board

Jesper Kärrink
Member of the Board

Fredrik Nilsson
Member of the Board

Rolf Rosenvinge
Member of the Board

Charlotte Stjerngren
Member of the Board

Our Audit Report was submitted on 23 April 2024

KPMG

Mattias Lötbörn
Authorised Public Accountant

Audit Report

To the Annual General Meeting of shareholders in Micro Systemation AB (publ), Corp. ID no. 556244-3050.

Report on the annual report and the consolidated financial statements

Opinions

We have performed an audit of the Annual Report and consolidated financial statements of Micro Systemation AB (publ) for the year 2023. The Annual Report and consolidated financial statements of the company are included on pages 38-68 of this document.

In our opinion, the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as at 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as per 31 December 2023 and its financial performance and cash flow for the year, in accordance with the IFRS Accounting Standards, as adopted by the EU, and the Swedish Annual Accounts Act. The Report of the Board of Directors is consistent with other parts of the Annual Report and the consolidated financial statements.

We therefore recommend that the Annual General Meeting of shareholders adopt the income statements and balance sheets of the parent company and the Group.

Our opinions in this Report on the annual report and the consolidated financial statements are consistent with the content in the supplementary report submitted to the parent company's Board of Directors in accordance with Article 11 of the EU Accounting Regulation (537/2014).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibilities section. We are independent of the parent company and the Group in accordance with

professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements. This means that to the best of our knowledge and belief, no prohibited services as outlined in Article 5.1 of the Accounting Regulation (537/2014) have been provided to the audited company, its parent company, if appropriate, or any companies with controlled interests within the EU.

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

Key audit matters

Key audit matters are those which in our professional judgement were most significant for the audit of the Annual Report and the consolidated financial statements for the period under review. These matters were addressed in the context of our audit of, and in forming our opinion on, the Annual Report and consolidated financial statements as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

See Note 5 and the accounting policies on pages 52-55 of the Annual Report and consolidated financial statements for detailed information and a description of the area.

Description of the area

Net sales for the 2023 financial year totalled SEK 417 million (363) and were generated primarily from sales of goods, but also some services. We have identified this as a key audit area as the company's revenue is a significant item that in some cases consists of an amalgamation of products and services. If a pledge regarding a good or service meets the criteria for being "distinct", then it is a performance undertaking that is to be reported separately from other goods and services in the agreement. Revenue is recognised when control of underlying goods or services for a performance commitment has been transferred to the customer. Identification of distinct pledges

(performance obligations) depends on management's assessment and may significantly impact on when the consolidated net sales are reported, which affects consolidated profit and financial position.

How the area has been addressed in the audit

Our audit measures included but were not limited to:

- evaluation of the Group's principles for revenue recognition and review of compliance with these for each material revenue stream
- gaining of an understanding of essential transaction flows and, for these, evaluation of the Group's significant controls for managing the risk of errors in the financial reporting
- for a selection of individual revenue transactions, verification that revenue was reported at the established fair value for each sub-component and in the period when the Group fulfilled its commitments
- We have also verified the completeness of the underlying facts and circumstances presented in the disclosures in the Annual Report
- and assessed the adequacy of the information in terms of its comprehensiveness.

Information other than the Annual Report and the consolidated financial statements

This document also contains information other than the Annual Report and the consolidated financial statements, which can be found on pages 2-36 and 69-75. The other information also consists of the Remuneration Report that we obtained prior to the date of this Audit Report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion as regards the annual accounts and consolidated accounts does not include this information and we offer no opinions to corroborate this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether

the information is materially inconsistent with the annual accounts and consolidated accounts. In this review, we also consider knowledge otherwise obtained during the audit and assess whether the information appears to be materially misstated.

If, based on the work performed relative to this other information, we conclude there is a material misstatement, we are required to report this. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for preparation of the Annual Report and the consolidated financial statements, and for ensuring they provide a true and fair view as per the Swedish Annual Accounts Act, and for the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for the internal controls they deem necessary to ensure that the Annual Report and consolidated financial statements do not contain any material misstatement, whether due to fraud or error.

In preparing the annual accounts and the consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, when appropriate, conditions that may affect the ability to continue operating, and to use the going concern basis of accounting. The going concern basis of accounting is not applied, however, if the Board of Directors and the Chief Executive Officer intend to liquidate the company, discontinue operations or do not have any realistic alternative to either of these actions.

Auditor's responsibilities

Our objective is to obtain a reasonable degree of assurance that the Annual Report and the consolidated financial statements as a whole do not contain any material

misstatement, whether due to fraud or error, and to issue an auditor's report that contains our opinions. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if such exists. Misstatements may arise from fraud or error and are considered material if they individually or in the aggregate can reasonably be expected to impact the financial decisions of users who base their decisions on the Annual Report and the consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the Annual Report and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of the part of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- draw a conclusion on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting when preparing the Annual Report and the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in the Audit Report to the related disclosures in the Annual Report and the consolidated financial statements, or, if such disclosures are inadequate, to modify our opinion on the Annual Report and the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the Audit Report. However, future events or conditions may cause the company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure, and content of the Annual Report and the consolidated financial statements, including the disclosures, and whether the Annual Report and the consolidated financial statements represent the underlying transactions and events in a manner that provides a fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information for the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of, among other matters, the planned scope and timing of the audit. We must also inform the Board of significant audit findings, including any significant deficiencies in internal control that we have identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate threats or safeguards that have been implemented.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the Annual Report and the consolidated financial statements, including the most important assessed risks for material misstatement that are therefore the key audit matters. We describe these areas in our Audit Report unless laws or other regulations prevent disclosure of the matter.

Report on other legal and regulatory requirements

Auditor's review of the management and proposal for the appropriation of the company's profit or loss Opinions

In addition to our audit of the annual accounts and the consolidated financial statements, we also performed an audit of the Board of Directors and the Chief Executive Officer's administration of Micro Systemation AB (publ) for the 2023 financial year, and for the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting appropriate the profit in accordance with the proposal in the Report of the Board of Directors, and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the fiscal year.

Basis for opinion

We conducted the audit in accordance with generally accepted accounting standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements.

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

Responsibilities of the Board of Directors and Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriation of the company's profit or loss. In the event of a dividend being proposed, this includes an assessment of whether the dividend is justifiable considering the requirements that the company's and the Group's type of operations, size and risks place on the parent company's and the Group's equity, capital, consolidation requirements, liquidity and financial position in general.

The Board of Directors is responsible for the company's organisation and for the administration of the compa-

ny's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that accounting, management of assets, and the company's financial affairs are otherwise controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration in accordance with the Board of Directors' guidelines and instructions, including taking necessary measures to ensure that the company's accounting is conducted in full compliance with the law and that assets are managed in a reassuring manner.

Auditor's responsibilities

Our objective as regards the audit of the administration, and hence our opinions on discharge of liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect has:

- undertaken any action or been guilty of any negligence which can give rise to liability for the company, or
- has in any other way acted in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective with the audit of the proposed appropriation of the company's profit or loss, and thereby our opinion on this, is to assess with a reasonable degree of assurance whether the proposal complies with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect actions or negligence that may result in liability for the company, or whether the proposal for the appropriation of the company's profit or loss does not comply with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The review of the management and the proposed appropriation of the company's profit or loss is based primarily on the audit of the accounts. Any

additional audit procedures performed are based on our professional assessment based on risk and materiality. This means that our review focuses on such procedures, matters, and conditions that are material to the business and where deviation and infringement would have special significance to the company's situation. We examine and test decisions taken, documentation supporting decisions, actions taken, and other conditions that are relevant to our statement on discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriation of the company's profit or loss, we examined the Board of Director's reasoned statement and a selection of supporting documents for this in order to be able to assess whether the proposal is consistent with the Swedish Companies Act.

The auditor's review of the ESEF Report Opinions

In addition to our audit of the Annual Report and the consolidated financial statements, we have also verified that the Board of Directors and the CEO prepared the Annual Report and the consolidated financial statements in a format that permits uniform electronic reporting (the ESEF Report) in accordance with Chapter 16 Section 4a of the Securities Market Act (2007:528) for Micro Systemation AB (publ) for 2023.

Our review and opinion relate only to the statutory requirement.

In our view, the ESEF Report has been prepared in a format that essentially allows for uniform electronic reporting.

Basis for opinion

Our review was conducted in accordance with FAR's recommendation RevR 18 Auditor's Review of the ESEF Report. Our responsibilities under that recommendation are further described in the Auditor's responsibilities section. We are independent of Micro Systemation AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and Chief Executive Officer

It is the responsibility of the Board of Directors and the CEO to ensure that the ESEF Report has been prepared in accordance with Chapter 16 Section 4a of the Securities Market Act (2007:528), and that there are such internal controls as the Board of Directors and the CEO determine are necessary to enable the preparation of an ESEF Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our task is to express an opinion with reasonable assurance, on the basis of our review, as to whether the ESEF Report has been prepared, in all material respects, in a format that complies with the requirements of Chapter 16 Section 4a of the Securities Market Act (2007:528). RevR 18 requires us to plan and perform our audit procedures to obtain reasonable assurance that the ESEF Report has been prepared in a format that meets these requirements.

Reasonable assurance is a high degree of assurance but is not a guarantee that a review performed in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement if such exists. Misstatements may arise from fraud or error and are considered material if they individually or in the aggregate can reasonably be expected to impact the financial decisions of users who base their decisions on the ESEF Report.

The audit firm applies the International Standard on Quality Management 1, which requires the company to design, implement and manage a quality management system including policies or procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The audit includes obtaining evidence, through a variety of procedures, as to whether the ESEF Report has been prepared in a form that permits consistent

electronic reporting of the Annual Report and the consolidated financial statements. We choose which actions to take, including by assessing the risks of material misstatement in the reporting, whether due to irregularities or mistakes. In this risk assessment, we take into account the parts of the internal control that are relevant to how the Board and the CEO produce the documentation for the purpose of designing review measures that are appropriate in the circumstances, but not for the purpose of making a statement about the effectiveness of the internal control. . The review also includes conducting an evaluation of the appropriateness and reasonableness of the Board of Directors' and the CEO's assumptions.

The audit procedures mainly include validation that the ESEF Report has been prepared in a valid XHTML format and a reconciliation of the ESEF Report with the audited annual accounts and consolidated financial statements.

An audit also includes assessing whether the consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and notes in the ESEF report have been labelled with iXBRL, in accordance with the ESEF Regulation.

KPMG AB, Box 382, SE-101 27, Stockholm, Sweden, was appointed as the auditor for Micro Systemation AB (publ) by the Annual General Meeting held on 11 May 2023. KPMG AB or auditors working at KPMG AB have been the company's auditors since 2019.

Stockholm, 23 April 2024

KPMG AB

Mattias Lötbörn

Authorised Public Accountant

Definitions

Return on equity

Profit/loss after tax in relation to average adjusted equity.

Use: Earning capacity of equity demonstrates the total return on shareholders' capital from an accounting perspective and reflects business profitability and financial leverage. The measure is mainly used to analyse shareholder profitability over time.

Return on capital employed

EBIT (operating profit) plus financial income in relation to average capital employed. **Use:** Earning capacity of capital employed demonstrates how well the business uses capital tied up in operations. Used to measure consolidated profitability over time.

EBIT (operating profit)

Net sales less operating expenses.

Use: Indicates the company's profitability in operating activities.

EBIT margin (operating margin)

EBIT (operating profit) in relation to net sales.

Use: Indicates the degree of profitability in operating activities.

Equity per share

Equity in relation to the number of shares at the end of the period.

Use: Measures the company's net value per share.

Net financial items

Net financial income and expenses.

Use: Net reporting of financial income and expenses – provides a simplified view of their impact on profit/loss.

Average equity

Average equity during a 12-month period. Equity at the beginning of the period plus equity at the end of the period divided by two.

Use: Measures the company's net value.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of outstanding shares after dilution.

Use: Measures the company's cash generation relative to the number of shares, i.e. from a shareholder perspective.

Liquidity ratio, %

Current assets less goods for resale in relation to current liabilities.

Use: An indicator of the company's short-term solvency.

Sales growth, %

Increase or decrease in sales expressed as a percentage relative to the corresponding period of the previous year.

Use: An indicator of the demand trend for the company's products.

Earnings per share*

Profit/loss after tax in relation to average number of outstanding shares after dilution.

Use: Measure of the company's profitability after tax per share. This indicator is greatly significant when evaluating share value.

Equity ratio

Equity in relation to total assets.

Use: This key figure demonstrates the proportion of assets financed through equity and can be used as an indicator of the company's long-term solvency.

Net worth per share, SEK

Assets less liabilities in relation to the number of outstanding shares.

Use: An indicator of the company's net value from a shareholder perspective.

Capital employed/average capital employed

Capital employed is calculated as total assets less non-interest-bearing liabilities. Average capital employed is calculated as capital employed over a 12-month period. Capital employed at the beginning of the period plus capital employed at the end of the period divided by two.

Use: Capital consists of those funds made available to the company by shareholders and lenders. It shows the net capital invested in operating activities plus financial assets.

Recurring revenue

Refers to revenue from licence renewals, i.e. when a licence expires, a customer can choose to renew the licence, which generates revenue.

Use: Recurring revenue is an important aspect of the company's business model and provides financial stability. This key figure indicates to what degree revenue is of a recurring nature.

Addresses

Parent company

Micro Systemation AB Head Office

Box 17111
Hornsbruksgatan 28
SE-104 62 Stockholm
Sweden
Tel. +46 (0)8 739 02 70

Subsidiaries

MSAB Inc

241, 18th Street
South Suite 202
Arlington, VA 22202
USA
Tel. +1 703 750 0068

Micro Systemation Ltd

2nd Floor East
Central Point 25-31
London Street,
Reading, RG1 4PS
United Kingdom
Tel. +44 (0)808 234 2450

Micro Systemation Canada Inc

340 March Rd
Suite #400
Ottawa, Ontario, K2K 4E2
Canada
Tel. +1 613 851 0068

Micro Systemation Pty Ltd

PO Box 488 Forestville 2087
24 Jimada Avenue
Frenchs Forest, NSW 2086
Australia
Tel. +61 (0)424 908 439

MSAB Pte Ltd

260 Orchard Road
#07-01/04, The Heeren
Singapore 238855
Singapore

MSAB Japan K.K.

Zip code 106-0032
Roppongi 1-10-3-901,
Roppongi
Minato-ku, Tokyo
Japan
Tel. 03 5544 8516

MSAB is also represented in:

MSAB France

Tel. +33 1 53 30 79 42

MSAB Germany

Tel. +49 800 1827441

MSAB Italy

Via Grassi 17
22063, Cantù (CO)
Italy
Tel. +39 339 567 3597

MSAB Spain

28049, Madrid
Spain
Tel. +34 659 072 700

MSAB Brazil

Tel. +55 11 999375255

MSAB India

Business Sweden,
c/o Embassy of Sweden,
Nyaya Marg, Chanakya Puri,
New Delhi - 110021
Tel. +91 11 46067100

Norway

Finland

Netherlands

Annual General Meeting (AGM)

Financial information

Annual reports, interim reports and other press release information may be ordered from Micro Systemation AB, Hornsbruksgatan 28, SE-117 34 Stockholm, Sweden; by phone on +46 (0)8 739 02 70; by e-mail at info@msab.com; or at msab.com.

Annual General Meeting 2024

The Annual General Meeting will be held in Stockholm at 7.00 pm on 14 May 2024. The notice convening the meeting will be issued no later than four weeks before the AGM in Post and Inrikes Tidningar and will also be posted on the company's website www.msab.com. In addition, an advertisement will be placed in the Svenska Dagbladet newspaper declaring that the notice has been issued.

Shareholder contact

Tony Forsgren, CFO
Email: tony.forsgren@msab.com

Financial Calendar 2024

Interim Report for January–March: 30 April 2024
Interim Report for January–June: 19 July 2024
Interim Report for January–September: 29 October 2024
Year-end Report 2024: 28 January 2025

Milestones in the history of MSAB

2023

XRY Pro, a new state-of-the-art tool that enables investigators to extract data from even the most challenging and secure mobile phones, is launched. Peter Heuman takes over as the new CEO and replaces Joel Bollö, who was CEO of the company for 21 years.

2022

MSAB has received a further boost from one of the largest federal agencies in the US and been given a major order. The order includes more than 500 mobile phone extraction software licences and related installation hardware and accessories. New software, XAMN Pro, is also launched, with a complete set of analysis functions.

2021

MSAB is the first market participant to offer support for iOS 15 and a special tool for customised forensic reports. The company also announces support for recent versions of Samsung, Motorola and Xiaomi phones with the Qualcomm chip, which is in great demand in, for example, North America. MSAB signs significant business deals in markets such as the US, France and the UK, and increases sales by 7.4 percent.

2020

In late 2020, XRY is released with iOS 14 support, with MSAB being the first market participant to offer this. XRY can now also extract data from locked LG Qualcomm devices. XAMN Horizon with artificial intelligence (AI) now enables smarter identity matching and effective monitoring of group interaction, and provides massive improvements to the network support in XEC.

2019

In late 2019, XRY 8.2.2 is released, enabling physical bypassing of the Samsung Galaxy A/J/S series and providing streamlined Checkm8 support for iOS. XRY now supports 29,000 mobile devices and applications. XAMN 4.5 is released with a new shortcut button that allows users examining an image to quickly find similar images.

2018

XAMN 4.0 and XAMN Horizon are launched, with time-saving functions for presenting and analysing mobile data. XRY now supports 26,000 mobile devices and applications. XRY Drone is introduced. XEC Directors is further developed to allow users to manage and control both XAMN and XRY in the system.

2017

XEC Director and XAMN Elements are launched. MSAB announces a strategic partnership with Nuix relating to the latter's leading digital investigation platform. XAMN 2.0 is launched, which helps users analyse mobile forensic data faster and with greater accuracy and adds automatic image recognition. With regular new updates, XRY support is extended to additional mobile devices, including drones.

2016

MSAB introduces the MSAB Ecosystem to meet the needs of investigative agencies for a complete solution of mobile forensic tools. A strategic partnership is announced with Berla, a provider of forensic vehicle technology, which manufactures the iVE forensic system.

2015

The company is rebranded from Micro Systemation AB to MSAB. XRY now supports more than 16,000 models and is sold to over 100 countries worldwide. MSAB launches forensic training in Advanced Acquisition and Advanced Apps Analysis designed for professional users who need to reach the next level of knowledge understanding.

2014

MSAB's Kiosk is launched for law enforcement agencies that have higher requirements regarding handling large volumes of mobile phones. The company launches support for non-standard mobile devices with the XRY PinPoint solution. The company establishes a new office and appoints a sales manager in Australia to make sales directly to customers in Australia and New Zealand.

2013

XAMN, a mobile forensics analytics product, is launched. In the same year, the company receives a large order from both federal and state law enforcement agencies in the US.

2010

MSAB receives the largest order ever in the company's history, from the US government. Shortly after that, the company receives another order from the same customer for double the number of units and North America becomes MSAB's single largest market. By around that time, over 97 per cent of all the police forces in the UK have acquired an XRY.

2004

A new share issue is carried out to finance a global launch of the new XRY product, which is the first ever dedicated product in the area of forensics for mobile devices. The first sales are made in the UK.

2002

Joel Bollö takes over as CEO from Henrik Tjernberg and talks begin with the Swedish police about forensic tools for reading the content of mobile phones.

1984

Micro Systemation, founded by Bo Eriksson, is a technology consulting company specialising in advanced data communications. Henrik Tjernberg is appointed chairperson in the following year.

MSAB is a world leader in forensic technology for extracting and analysing data from seized mobile devices. The company develops high-quality, easy-to-use software that helps law enforcement agencies, such as police forces, defence organisations and customs agencies, carry out their duties. The products, which have become a de-facto standard for securing evidence in criminal investigations, can be complemented with reporting tools and a wide range of training courses with associated certification in forensic science.

The company serves customers in more than 100 countries worldwide, through its own sales offices and through distributors. MSAB is listed on Nasdaq Stockholm under the ticker name: MSAB B.

[Read more about MSAB here](#)

[Read more about MSAB's products here](#)

MSAB

Trusted Partner in Digital Forensics