

ANNUAL REPORT 2023

PARTNERS,
INTEGRATIONS &
PLATFORMS –
**ENGINEERING
OUR GLOBAL
EXPANSION**

NetClean.





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NetClean at a Glance

ACCELERATING GROWTH TO SHAPE A SECURE FUTURE

The hybrid workplace has amplified organizations' vulnerability to security threats, and cyber-attacks are increasing by the hour, fueled by government-sponsored espionage, influence operations and criminal organizations. Most breaches today are caused by the human factor, and threat actors are continuously developing more innovative ways of accessing business-critical data. The need for organizations to protect their business is more critical than ever before, both for foreseen and unforeseen risks.

CSAM is a known threat that is consistently overlooked by all other security tools. With NetClean's solution, businesses bridge an existing security gap by identifying deliberate actions that can compromise both assets and people with illicit material. Our software acts as an early warning system for known threats.

To keep pace with the rising market demand for our solution, we are in the middle of implementing our focused strategy targeted to scale our business globally, while cybersecurity investments climb ever higher in the priorities of businesses.

OUR KEY MARKETS



ARR:
56m
SEK

ARR growth
5%

ARR share
of revenue:
96%

Integration with
Microsoft, IBM,
VMware and Splunk

EXPANDING GLOBAL REACH

STRENGTHENING CYBERSECURITY THROUGH STRATEGIC PARTNERSHIPS

A message from our CEO, Anna Borgström



I am thrilled to steer this exciting phase of NetClean's expansion, focusing strongly on transforming the company into a more integrated and strategically placed entity.

**ANNA BORGSTRÖM,
CEO**

In 2023, NetClean focused on strengthening and building upon the key strategies we initiated in 2022. We improved our market approach to better meet changing customer needs and market trends, based on our updated go-to-market strategy.

In 2021, we outlined our laser-focused strategy to grow globally. By 2022, we delivered on those commitments, strengthening our base by forming technology integrations with key partners like Microsoft, VMware, Splunk, and IBM. Moving into 2023, we've continued to leverage on those integrations. We laid the groundwork for growth by partnering with the right IT- and Security

Service partners that integrate our software into their security offerings, making businesses' cybersecurity strategies more comprehensive. The partnerships we built in 2023 not only strengthen customers' security measures but also broaden their defense against a spectrum of threats, including those overlooked by traditional security tools.

I am thrilled to steer this exciting phase of NetClean's expansion, focusing strongly on transforming the company into a more integrated and strategically placed entity. Our goal for 2024 is to fine-tune our operations and positioning to unlock significant growth opportunities globally.



INDUSTRY DEEP DIVE

In terms of the cyber security threats that exist today, staying one step ahead of the criminals, and opportunists who are constantly looking for a chance to strike is a never-ending task for businesses. From the hobby hacker seeking notoriety or attention to organized crime networks and state-sponsored entities, the issue of risk becomes more and more complex every day.

We have extensive expertise in vulnerabilities caused by illicit material and the internal risk of employees accessing child sexual abuse material (CSAM) is real and growing. In the era of geopolitical instability and hybrid workplaces, organizations face an escalating vulnerability to security threats. Cyberattacks are on the rise, with humans at the forefront of most breaches.

Threat actors continuously find new and innovative ways to access critical business data, and identifying an employee who consumes illicit material provides them with perfect leverage. Their compromised position can be exploited by these actors to extort sensitive data and gain unauthorized access to confidential information, potentially harming the company's interests and security.

In a unique survey¹ done by NetClean, which involved IT experts in five countries, we gained new insights into our field. The study showed that 64% of the organizations we looked into had encountered child sexual abuse material (CSAM) at least once in the past five years, and 57% had faced it multiple times.

Accessing CSAM often involves using unsecured networks, downloading files from unreliable sources, or engaging with malicious entities.

This behavior can introduce malware, viruses, or other security vulnerabilities into the company's IT infrastructure, posing a significant security risk.

Not every insider risk becomes an insider threat; however, every insider threat started as an insider risk. Research² shows that in a business setting, one in every 500 computers contains child sexual abuse material (CSAM), and along with CSAM, there's often other content that could harm the organization. Customers who have investigated CSAM incidents following a NetClean alert report that it's usually just the tip of the iceberg, and that a vast amount of other illicit material is often found.

Our seamless API integration with SIEM solutions and security platforms, along with our ready-made applications tailored for Splunk, Microsoft Sentinel, and IBM QRadar, enable organizations to tap into the full potential of these systems for in-depth data correlation. This approach significantly bolsters security, compliance, and operational efficiency, following a CSAM detection.

Furthermore, our strategic collaborations with leading managed security service providers, who incorporate our solutions into their XDR, MDR, or SOC offerings, empower businesses with an all-encompassing security solution. These integrations position NetClean's software as an integral component of the cybersecurity ecosystem, ensuring robust and comprehensive protection that is scalable.

¹ NetClean Insights 2021

² NetClean Report 2018

Milestones

2023

BUSINESS TRANSFORMATION:

The year marked a significant transformation for the company, focusing on innovation and adapting to a dynamic market to serve more customers effectively.

CUSTOMER RETENTION:

Emphasized the importance of nurturing existing relationships, leading to high customer satisfaction and low churn rates, contributing to business stability.

DISTRIBUTION EXPANSION:

Successfully established a solid distribution and sales network in a new market (UK), overcoming challenges and setting up a UK team for Q1 2024.

PRODUCT ROADMAP EXECUTION:

Expanded detection coverage, simplified deployment, and integrated the software with security apps for Microsoft Sentinel, Splunk, and IBM QRadar, aligning with the company's vision and strategy.

SALES STRATEGY:

Tuned the organisation and highlighted the need for flexibility and adaptability in amplifying sales efforts with partners to establish the software as an industry-leading cybersecurity solution.



The year marked a significant transformation for the company, focusing on innovation and adapting to a dynamic market to serve more customers effectively.

Strategic Partnerships

ADAPTING TO CHANGE

In the past year, our company has continued our transformation journey, necessitating the strategic reconfiguration of our sales department. We have, in a way that shows care and conscientiousness, focused on enhancing our organizational structure to create a sales and customer care unit that is perfectly aligned with our current goals and is flexible enough to quickly adapt to future market trends.

VALUING EVERY CONNECTION

Nurturing existing relationships and ensuring customer satisfaction are strategic investments in our current strategy. In 2023 our customer care team did an excellent job keeping our customers satisfied, which is also reflected in our low churn rate (2,6%). Our customer retention and loyalty serve as a buffer, providing a more predictable income source. Furthermore, positive endorsements from satisfied customers prove invaluable in acquiring new customers in new markets and are essential for our growth.

**JOHAN LÄRKSÄTER,
HEAD OF SALES AND
CUSTOMER SUCCESS**

“In today’s tricky business environment impacted by geopolitical instabilities and economic uncertainties, the significance of keeping our competitive edge and retaining our existing customer base cannot be overstated.”



NETCLEAN GROWTH POTENTIAL IN NEW MARKETS & TECHNOLOGY ENABLERS

With a robust business model, advanced technology, dedicated people, partners, and a diverse customer base that spans all industries in the Nordics, including the Public Sector, we are well-positioned for international expansion.

In recent years, the UK has become one of the leading markets for cybersecurity due to its strong digital economy, significant presence of technology firms, and the increasing awareness of cybersecurity threats across various sectors. The sheer size of the public and private sectors in the UK&I provides huge potential for NetClean and is our focus market for 2023 and 2024.

In 2023 our commercial team put a great deal of effort into laying the groundwork for success. During 2023 we partnered with firms like SCC and boxxe to bring our software to the market, offering it both as

a standalone security license and, more importantly, integrating it into managed security services where it fits naturally. Enhancing our partners' offerings with our unique value proposition increase customer value and facilitates quicker and easier utilization of our software.

At the end of the year, we got a local team in the UK in place to drive momentum in the market, and to support the onboarded partners mentioned above.

Core to our strategy is to become a natural part of the cybersecurity ecosystem. The technological steps we have taken to get there have been proven as NetClean easily aligns with world-leading security tools used by both partners and end customers. Our open integration framework and ready-to use apps for platforms like Microsoft Sentinel, IBM QRadar and Splunk simplify integration, fit smoothly into existing processes and are easy to use.

OSCAR PETERSSON,
HEAD OF STRATEGIC
ALLIANCES

“NetClean is set to grow significantly by using its strong business model and advanced technology to expand internationally. The UK, with its strong digital economy and increasing awareness of cybersecurity, is a key target market for 2023 and 2024.”





NEW UK PARTNERS

Our entry into the UK market through partnerships with top XDR and MSSP vendors reflects our dedication to expanding our reach and enhancing security.

These partnerships allow us to deliver advanced solutions that integrate smoothly into existing infrastructures, improving security for our customers in both public and private sectors.

boxxe
Tech Solutions





The partnership with NetClean introduces a new angle to enhance our robust security offerings in the UK market. Our collaboration seamlessly integrates NetClean's cutting-edge software with our managed security services, providing our customers with comprehensive protection against cyber threats and vulnerabilities, surpassing the capabilities of other tools available in the market.

ANDY BATTY,
SECURITY SALES SPECIALIST, BOXXE

ABOUT BOXXE

boxxe connect people in businesses across all sectors with hardware, software and managed IT services. Through 35 years of expertise, perfecting what works and tweaking what doesn't, boxxe implement flexible tech solutions, all underpinned by world-leading security and smart data management.

boxxe's range of services empower organisations, enhance teams, and provide tech solutions through strategic consultancy, enabling effective performance and transformation, accelerating growth, increasing productivity and reducing downtime. With a passion for sustainability, boxxe put people, their partners and the environment at the heart of everything they do.

ABOUT SCC

SCC unleashes the potential of IT for global businesses, as one of Europe's largest independent IT groups.

Operating out of 65+ locations in the UK, France, Romania, Spain and Vietnam, SCC delivers limitless IT solutions in partnership with the world's best technology vendors.

Customers depend on us more than ever before to keep their businesses and public services running smoothly as well as meeting their business outcomes whether its improving operational efficiency and productivity, increasing business agility or modernisation.

CTO's Statement

SCALABLE INNOVATIONS AND ENHANCED DETECTION

As a product company, continuous innovation and product enhancement are key components in driving our market leadership, delivering value to our customers and partners, and ensuring sustained growth.

SCALABLE INTEGRATIONS

This year, we kicked off with a public release of our webhook, built to facilitate seamless integrations with leading security platforms and SIEM solutions, such as Splunk, Microsoft Sentinel, and IBM QRadar. With these integrations in place, organizations can effortlessly utilize the capabilities of the platforms to enhance security, compliance, and operational management in the case of a CSAM incident.

ENHANCED SIGNATURE DATABASE

Our signature database is essential for our products as it forms the backbone of our detection capabilities.

With the continuous generation of new content, having a large and regularly updated signature database is a key component of the effectiveness of our detection system.

EMMA ROSELL, CHIEF TECHNOLOGY OFFICER

“In 2023, we focused on modernizing our signature workflow to better handle the increasing number of signatures. This work prepares our agents to manage the growing volume of signatures efficiently, making it possible to expand our network of sources over time. Moving forward, we’re committed to always looking ahead, ensuring each update keeps us at the forefront of technology.”



Our products

INTEGRATIONS FOR ENHANCED SECURITY

Over the past year, our focus has been on creating seamless integrations with top-tier security platforms, ensuring customers can seamlessly incorporate our products into their existing security setups. By integrating our software into SIEM, XDR, and SOC services, we empower users to correlate and analyze data from our software alongside other security applications in their current security setup. These integrations

are paving the way for NetClean's software to serve as a crucial component within the security infrastructure, alerting organizations to unusual activities and serving as an early warning system. Additionally, our partners' offerings have been expanded through the development of ready-to-use apps for platforms like Microsoft Sentinel, Splunk, and IBM QRadar, enhancing the overall value for the end customer.



NETCLEAN PROACTIVE WEBHOOK

The introduction of the NetClean ProActive webhook has streamlined the process of integrating NetClean ProActive into existing SIEM or security solutions. This enhancement facilitates a seamless connection and enables the collection of comprehensive data from various security solutions within the organization's IT security setup. The extended detailed view of the user and asset involved in an incident allows for deeper investigations and improves internal analyses. This integration not only broadens the understanding of incidents but also improves the overall efficacy of the organization's response and investigative processes.

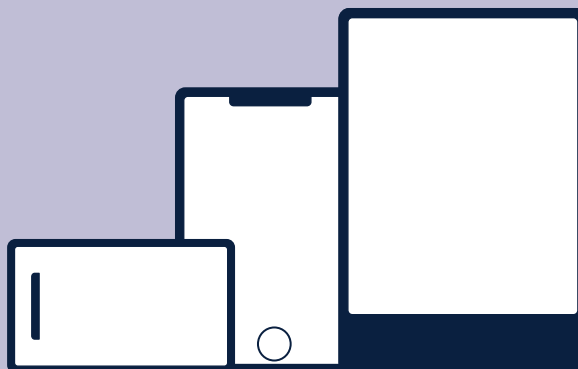
HOW OUR
PRODUCTS WORK

NETCLEAN **PROACTIVE**



NetClean ProActive finds images and videos that law enforcement have classified as child sexual abuse material. Designed to detect illegal content, rather than blocking entire URLs or specific file names like traditional filter solutions, ProActive uses advanced detection methods such as robust and binary hashing to protect devices in real time.

NETCLEAN **PROTECTIVE**



NetClean ProProtective offers an effective solution for blocking child sexual abuse material on mobile devices. By blocking access to URLs known to contain CSAM using a uniquely combined and continually updated URL list, ProProtective helps businesses stay ahead of the curve to tackle the issue of child sexual abuse.

NetClean partners

THE POWER OF COLLABORATION

AIXIO

FUJITSU

boxxe
Tech Solutions

netnordic 

 SCC

 Microsoft

itq [∞]

Insight 



At NetClean, we are actively developing partnerships with leading MSSPs to enhance our technology and services. These collaborations help us improve our offerings, streamline operations, and ensure our products integrate smoothly into the cybersecurity landscape. Through these partnerships, we help our joint customers to strengthen their defenses against insider risk and better protect organizational assets across different industries.

NetClean's strategic shift

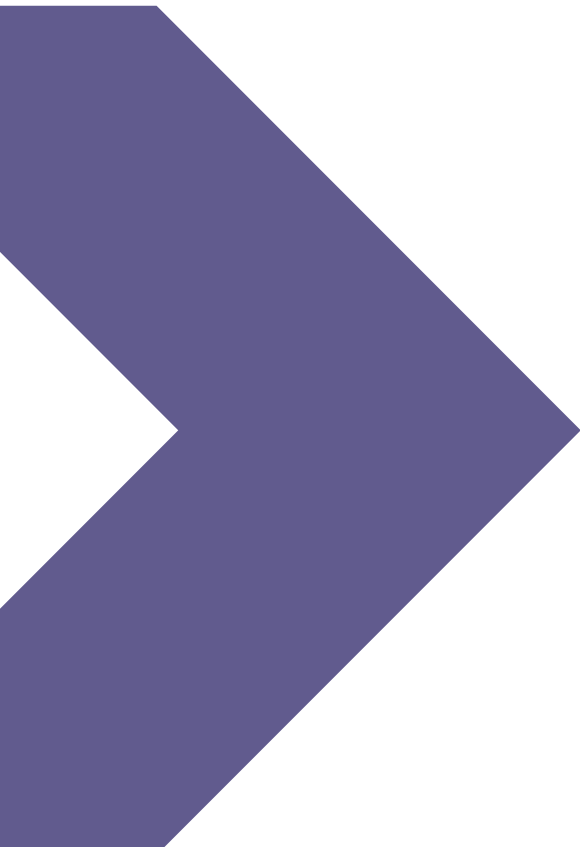
DRIVING A MORE HOLISTIC APPROACH TO CYBERSECURITY

Reflecting on the past year, it has become increasingly clear that the interplay between cybersecurity and geopolitics is more crucial than ever. The issue that many businesses have neglected is the cybersecurity vulnerabilities stemming from insider threats, particularly those involving child sexual abuse material (CSAM). This oversight is alarming as it opens the door for external threat actors to exploit these vulnerabilities, potentially compromising not just individuals and their devices, but entire organizational networks.

This situation underscores the urgent need for a holistic cybersecurity strategy, incorporating both rigorous forensic analysis and strategic enhancements to security measures. Such an approach is essential for mitigating insider risks and protecting against cyber threats.

NetClean is embarking on a targeted transformation journey, built upon three foundational pillars aimed at reinforcing our core capabilities, improving market perception, and driving scalable growth through strategic global partnerships. The goal of our strategy is to integrate our software within a broader security solution framework, thereby offering our partners' customers a level of protection against cyber threats and vulnerabilities that surpass what other market tools can provide. By including NetClean's product in their service offerings, our partners can offer enhanced security measures, streamlined operations, and a peace of mind in today's complex cyber threat landscape, which is increasingly influenced by geopolitical dynamics.

I am convinced that our product is timely and holds significant potential. I look forward to exploring the opportunities that await us.



NetClean is embarking on a targeted transformation journey, built upon three foundational pillars aimed at reinforcing our core capabilities, improving market perception, and driving scalable growth through strategic global partnerships. The goal of our strategy is to integrate our software within a broader security solution framework, thereby offering our partners' customers a level of protection against cyber threats and vulnerabilities that surpass what other market tools can provide.

PELLE GARÅ
CO-FOUNDER



Our Social Impact Story

SOCIAL IMPACT IS THE UNDERPINNING OF OUR BUSINESS

At NetClean, social impact is fundamental to what we do. Our products have a positive impact on society by combatting child sexual abuse material in spaces that are often overlooked in mainstream public security activities.

In addition, NetClean's products enable companies to take a decisive position in their approach to CSAM online. As ethical corporate citizens, businesses and organizations can stop CSAM in their IT environments and directly limit the revictimization that children suffer every time an image is shared.

This is tangible action that businesses can take to comply with policies and to act on the UN's Sustainable Development Goals – specifically SDG 16.2, which highlights ending “abuse, exploitation, trafficking and all forms of violence and torture against children”.



TARGET 16.2

PROTECT CHILDREN FROM ABUSE, EXPLOITATION, TRAFFICKING AND VIOLENCE

End abuse, exploitation, trafficking and all forms of violence against and torture of children.

Board of directors

Pelle Garå

Mattias
Shamlo

Joakim
Colliander

Robert Kula

Carl
Kistenmacher

MANAGEMENT REPORT

GENERAL ACTIVITIES

NetClean develops unique and world-leading cyber security software designed to identify known threats and vulnerabilities no other cyber security solutions detect. NetClean's product, ProActive can identify, report and help mitigate cyber risks created by "insiders" who misuse company computers and other devices.

The solution mitigates current weaknesses by identifying deliberate actions compromising company assets with illicit material. NetClean's software is installed on over one million company computers in over 100 countries worldwide.

ORGANIZATION

At the end of the financial year, NetClean had 29 employees, representing a 9 percent year-on-year decrease.

The company estimates to remain this number of employees during 2024. It also works with external partners and consultants. The Board of Directors consists of 5 members. The Board of Directors met 7 times during the year.

The Board of Directors and Chief Executive Officer of NetClean Technologies AB (NetClean), corporate registration number 559016-9040, hereby submit the Annual Report for the 2023 financial year (the company's ninth financial year).

OTHER INFORMATION ABOUT THE COMPANY

The company has no subsidiaries. Its registered office is in Gothenburg and business activities are conducted from the head office located at Hälsingegatan 10 in Gothenburg.

OWNERSHIP AND OPTIONS

The company had 18 shareholders as of December 31, 2023. NetClean Technologies AB is a 90,5 percent-owned subsidiary of Safer Society Group Sweden AB (corporate registration no. 556648-9992), which prepares the consolidated accounts. The company is a private limited

company and does not have any outstanding options.

MATERIAL EVENTS DURING AND AFTER THE FINANCIAL YEAR

Review of the past year.

As the global digitalization trend keeps increasing, the need for robust cybersecurity solutions is on top of all companies' mindsets. This goes for big corporations as well as small businesses. NetClean has identified a strategic opportunity to strengthen its offering by integrating their products into cyber security package solutions from world-leading cyber security

partners in the global market. These integrations will enable NetClean to scale and distribute their products faster and more efficiently.

In 2023, NetClean introduced and launched a revised product narrative that more explicitly aligns with cybersecurity imperatives, demonstrating enhanced efficacy within a global framework. This will facilitate a faster market expansion and secure future growth. Sales focus for 2023 has, on top of the Swedish market, been the BeNeLux countries and the United Kingdom (UK). During the year, NetClean's first Dutch customer was signed.

In the UK, the company has contracted dedicated sales resources and built strong relationships with the right partners to bring NetClean to the UK market.

Sales growth during 2023 was 6% which is in line with the change in sales strategy implemented during the year.

Outlook 2023

NetClean's implemented sales strategy lays a strong foundation for growth and development of their market offer.

The focus for 2024 will be on expansion mainly in the UK.

The company has a strong sales pipeline in the UK and is starting to see good progress. The new cyber security narrative has been very well received.

The current geopolitical landscape with increasing cyber security threats facing companies globally, will result in increased spending and investments in cyber security solutions. These trends position NetClean perfectly for future growth and success.

MANAGEMENT REPORT

FINANCIAL OVERVIEW	2023	2022	2021
Net sales	54 079	51 055	47 136
Profit after financial items	88	2 588	12 319
Equity	2 262	2 236	11 416
Total assets	63 326	65 418	77 453

CHANGES IN EQUITY	Share capital	Development expenditure fund	Profit/Loss brought forward	Profit/Loss for the year
Opening balance	150	9 671	-7 585	2 236
Dividends to shareholders				
Development expenditure fund		7 156	-7 156	0
Profit for the year			26	26
Closing balance	150	16 827	-14 715	2 262

ALLOCATION OF UNAPPROPRIATED EARNING FOR THE YEAR

The following unappropriated earnings are available for allocation at the annual meeting:

Profit/loss brought forward	-14 741
Profit for the year	26
	-14 715

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

To be carried forward	-14 715
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For details about the Company's results and financial position in general, the following income statement, balance sheet, cash flow statement and supplemental disclosures may be referenced. All amounts are in kilo Swedish kronor (kSEK) unless stated otherwise.

MANAGEMENT REPORT

INCOME STATEMENT	NOTE	2023-01-01	2022-01-01
	1	-2023-12-31	-2022-12-31
OPERATING INCOME			
Net sales		54 709	51 055
Capitalized work on own account		11 967	12 089
Other operating income		0	119
Total operating income		66 046	63 263
OPERATING EXPENSES			
Other external costs		-19 238	-23 828
Personnel costs	2	-35 916	-28 797
Depreciation and amortization of tangible and intangible fixed as- sets		-10 665 -94	-8 049 0
Other operating expenses		-65 913	-60 675
Total operating expenses		132	2 588
Operating profit/loss			
FINANCIAL ITEMS			
Interest expense and similar profit/loss items		-45	0
Total financial items		-45	0
Profit/Loss after financial items		88	2 588
YEAR-END APPROPRIATIONS			
Group contributions made		0	0
EARNINGS BEFORE TAX (EBT)		88	2 588
TAX			
Deferred tax		-62	-568
Net profit/Loss for the year		26	2 020

MANAGEMENT REPORT

BALANCE SHEET	NOTE	2023-12-31	2022-12-31
ASSETS	1		
FIXED ASSETS			
Intangible assets			
Capitalized expenses for development work and similar work	3	21 491	16 668
Concessions, patents, licenses, trademarks, and similar rights	4	5 333	8 533
Tangible assets			
Equipment, tools, and installations	5	1 206	1 459
Financial assets			
Deferred tax receivable	6	6 513	6 575
Other long-term debt	7	580	580
Total fixed assets		35 123	33 815
CURRENT ASSETS			
Current receivables			
Accounts receivable		24 478	20 733
Receivables from group companies		0	2 113
Current income tax receivables		0	0
Prepaid expenses and accrued income		2 815	1 629
Total current assets		27 293	24 475
Cash and bank balances		910	7 128
Total cash and bank balances		910	7 128
Total current assets		28 203	31 603
Total assets		63 326	65 418

MANAGEMENT REPORT

BALANCE SHEET	NOTE	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
EQUITY			
Share Capital (150)		150	150
Development expenditure fund		16 827	9 671
Profit/loss brought forward		-14 741	-9 605
Profit/loss for the year		26	2 020
Total equity		2 262	2 236
Current liabilities			
Accounts payable		1 145	2 179
Other liabilities		7 267	7 201
Prepaid income and accrued expenses	8	52 653	53 802
Total current liabilities		61 064	63 182
Total equity and liabilities		63 326	65 418

MANAGEMENT REPORT

CASH FLOW STATEMENT	NOTE	2023-12-31	2022-12-31
	1		
OPERATIONS			
Profit/loss after financial items		88	2 588
Non-cash items		10 665	8 049
Paid income tax		-1 047	196
Net cash flow from operations before changes in working capital		9 706	10 833
CHANGES IN WORKING CAPITAL			
Changes in current receivables		-1 967	9 603
Changes in current liabilities		-1 922	-3 094
Cash flow from changes in working capital		-3 889	6 509
Cash flow from operations		5 818	17 342
INVESTING ACTIVITIES			
Investment in tangible fixed assets		-68	-1 558
Investment in intangible fixed assets		-11 967	-12 089
Cash flow from investments activities		- 12 035	- 13 647
FINANCING ACTIVITIES			
Issue		0	0
Deposits		0	-580
Dividends paid		0	-11 200
Cash flow from financing activities		0	-11 780
Net increase/decrease in cash and cash equivalents		-6 218	-8 085
Cash and cash equivalents at the beginning of the year		7 128	15 213
Cash and cash equivalents at the year-end		910	7 128

NOTES

NOTE 1 - ACCOUNTING AND VALUATION PRINCIPLES

GENERAL INFORMATION

This annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:01 Annual Report and Consolidated Financial Statements (K3).

The accounting principles remain unchanged compared with previous years.

Receivables and liabilities in foreign currencies have been valued on the closing day. Exchange gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange gains and losses on financial receivables and liabilities are reported as financial items.

INTANGIBLE ASSETS

The company reports internally developed intangible assets pursuant to the capitalization model. Accordingly, all expenses pertaining to development of an internally developed intangible asset are capitalized and amortized during the asset's estimated useful life, provided BFNAR 2021:1 criterias are met.

REVENUE ACCOUNTING

Revenue from the sale of licenses and support packages is reported over the entire contract period.

Revenue from the sale of licenses is reported when delivery is completed, provided that no terms for cancellation with repayment are included in the underlying contract. Income-related support packages are relatively small and are reported at the same time as license income.

Ongoing service assignments at fixed prices are reported as revenue according to the respective completion level of the assignment, referred to as the percentage of completion. The percentage of completion is determined by measuring how much of the assignment that has been delivered in relation to the entire assignment. When the outcome can be calculated reliably, the revenue and attributable expenses are reported in the income statement based on the completion of the activities on the closing day.

If the financial outcome of an assignment cannot be

calculated reliably, revenue is reported only with an amount corresponding to the incurred commission costs likely to be replaced by the client. If it is likely that the total commission costs will exceed the total commission income from an assignment, the estimated loss is recognized as an expense immediately in the income statement.

The balance sheet compares reported income with the amounts invoiced to the customer during the same period. If the invoiced amounts exceed the reported income, the difference is a liability, which is reported as invoiced but unrealized revenue. If the income exceeds the invoiced amounts, the difference is a receivable, which is reported as earned but not invoiced income.

Revenue from hardware sales is reported upon delivery.

Revenue has been reported at the real value of what has been received or will be received and reported to the extent that it is likely that the economic benefits will be allocated to the company and the income can be calculated reliably.

NOTES

Remuneration in the form of interest or dividends is reported as income when it is likely that the company will receive the financial benefits associated with the transaction and when the income can be calculated reliably.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATION METHOD

The consolidated accounts have been prepared in accordance with the acquisition method. This means that identifiable assets and liabilities are reported at market value according to established acquisition analysis. If the acquisition value of the business exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is reported as goodwill.

SUBSIDIARY

The consolidated financial statements, excluding the parent company, include all companies for which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise holds the controlling influence and thus has the right to design the company's financial and

operational strategies in order to obtain economic benefits. A subsidiary's revenues and expenses are included in the consolidated financial statements from the date of acquisition until the date on which the Parent Company ceases to have a controlling influence over the subsidiary.

TRANSACTIONS BETWEEN GROUP COMPANIES

Intra-Group receivables and liabilities together with transactions between Group companies, in addition to unrealized gains, are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction corresponds to a write-down requirement. Changes in internal earnings during the fiscal year have been eliminated in the consolidated income statement.

FIXED ASSETS

Intangible and tangible fixed assets are reported at cost minus planned accumulated depreciation and any impairment losses.

Depreciation occurs linearly over the expected useful life, taking into account the significant residual value. The following depreciation rate is applied: 20%

FINANCIAL INSTRUMENTS

Financial instruments are valued according to the acquisition value. The instrument is recognized in the balance sheet when the company becomes party to the instrument's contractual terms. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the company has transferred virtually all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when liabilities have been cancelled or otherwise terminated.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are reported at cost minus any impairment losses. The acquisition value includes the purchase price paid for the shares as well as acquisition costs. Any capital injection is added to the acquisition value when incurred.

CUSTOMER RECEIVABLES / CURRENT RECEIVABLES

Customer receivables and current receivables are reported as current assets at the amount expected to be paid after deducting individually assessed doubtful receivables.

NOTES

LOANS PAYABLE AND TRADE PAYABLES

Loans payable and trade payables are initially recognized at cost minus transaction costs. If the reported amount differs from the amount to be repaid at the maturity date, the difference is recognized as interest expense over the term of the loan using the instrument's effective interest rate. As a result, at the maturity date, the reported amount and the amount to be repaid correspond.

SETTLEMENT OF FINANCIAL RECEIVABLES AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and reported as a net amount in the balance sheet only when a legal settlement right exists and when regulation of a net amount is considered to occur or when a current disposal of the asset and settlement of the liability is deemed to occur.

IMPAIRMENT TESTING OF FINANCIAL FIXED ASSETS

On each closing day, it is assessed whether there are indications of impairment of any of the financial assets. Impairment occurs if the decline in value is deemed to be permanent and is tested individually.

Operating leases are reported as an expense on a straight-line basis over the lease term.

INCOME TAXES

Total tax consists of current tax and deferred tax. Taxes are recognized in the income statement, except when the underlying transaction is reported directly to shareholders' equity, and associated tax effects are reported in equity.

CURRENT TAX

Current tax refers to income tax for the current fiscal year and the portion of previous taxable income tax which has not yet been reported. Current tax is calculated on the basis of the tax rate applicable on the closing day.

DEFERRED TAX

Deferred tax is income tax relating to future financial years as a result of past events. Accounting is carried out in accordance with the balance sheet method.

According to this method, deferred tax liabilities and deferred tax assets are reported on temporary differences arising between accounting value and tax values of assets and liabilities as well as for other tax deductions or deficits.

Deferred tax assets are offset against deferred tax liabilities only if they can be paid as a net amount. Deferred tax is calculated on the basis of the current tax rate at the closing day. Effects of changes in current tax rates are recognized during the period the change is enacted. Deferred tax assets are reported as financial fixed assets and deferred tax liability as provisions.

Deferred tax assets relating to tax losses or other future tax deductions are reported to the extent that it is probable that the deductions can be offset against future tax surpluses. Due to the relationship between accounting and taxation, the deferred tax liability is not reported separately as untaxed reserves.

EMPLOYEE BENEFITS

Employee benefits relate to all forms of remuneration that the company leaves to employees. Short-term benefits consist of wages, paid leave, paid absence, bonus and remuneration after termination of employment (pension). Short-term benefits are reported as cost and a liability when there is a legal or informal obligation to pay compensation as a result of an earlier event and a reliable

estimate of the amount can be made.

EMPLOYEE BENEFITS AFTER TERMINATION OF EMPLOYMENT

There are only defined contribution pension plans in the company. As defined contribution, plans are classified where fixed fees are paid and there are no obligations to pay in excess of these fees. Expenditure on defined contribution plans is reported as an expense during the period the employees perform the services that serve as the basis of the obligation.

CASH FLOW ANALYSIS

The cash flow statement is prepared according to the indirect method. The reported cash flow includes only transactions that have resulted in receipts or payments. Apart from cash items, the company classifies available balances with banks and other credit institutions, as well as short-term liquidity investments listed on a marketplace and shorter than three months from the date of acquisition, as liquid funds.

NOTES

NOTE 2 - EMPLOYEES AND PERSONNEL COSTS	2023	2022
AVERAGE NUMBER OF EMPLOYEES		
Women	15	15
Men	18	16
Total	33	31
SALARIES AND OTHER REMUNERATION		
Salaries	24 269	19 455
Total	24 269	19 455
SOCIAL SECURITY EXPENSES		
Pension costs	2 886	2 388
Other statutory and contractual social security expenses	8 162	6 760
Total	11 048	9 148
Total salaries, remuneration, social security expenses and pension costs	35 317	28 603
GENDER BALANCE AMONG SENIOR EXECUTIVES		
Proportion of women on the Board	0%	0%
Proportion of men on the Board	100%	100%
Proportion of women in senior managerial positions	50%	60%
Proportion of men in senior managerial positions	50%	40%
NOTE 3 - CAPITALIZED EXPENSES FOR DEVELOPMENT WORK AND SIMILAR WORK		
	2023-12-31	2022-12-31
ACCUMULATED ACQUISITION		
Opening acquisition value	23 750	11 661
Purchasing during the year	11 967	12 089
Closing accumulated acquisition values	35 717	23 750
ACCUMULATED DEPRECIATION		
Opening depreciation	-7 082	-2 332
Depreciation for the year	-7 143	-4 750
Closing accumulated depreciation	-14 226	-7 082
Closing carrying amount	21 491	16 668

NOTES

NOTE 4 - CONSESSIONS, PATENTS, LICENSES, TRADEMARKS, AND SIMILAR RIGHTS

	2023-12-31	2022-12-31
ACCUMULATED ACQUISITION		
Opening acquisition value	16 000	16 000
Purchasing during the year	0	0
Closing accumulated acquisition values	16 000	16 000
ACCUMULATED DEPRECIATION		
Opening depreciation	-7 467	-4 267
Depreciation for the year	-3 200	-3 200
Closing accumulated depreciation	-10 667	-7 467
Closing carrying amount	5 333	8 533

NOTE 5 - EQUIPMENT, TOOLS, AND INSTALLATIONS

ACCUMULATED ACQUISITION		
Opening acquisition value	1 558	0
Purchasing during the year	68	1 558
Closing accumulated acquisition values	1 627	1 558
ACCUMULATED DEPRECIATION		
Opening depreciation	-99	0
Depreciation for the year	-322	-99
Closing accumulated depreciation	-421	-99
Closing carrying amount	1 206	1 459

NOTE 6 - DEFERRED TAX ASSETS

Opening costs	6 574	7 142
New receivables	0	0
Outgoing receivables	-62	-568
Closing Accumulated Costs	6 513	6 575
Closing Carrying Amount	6 513	6 575

NOTES

NOTE 7 - DEPOSITS

2023-12-31

2022-12-31

ACCUMULATED ACQUISITION

Opening acquisition value	580	0
Deposits during the year	0	580
Closing accumulated acquisition values	580	580

NOTE 8 - ACCRUED EXPENSES AND PREPAID INCOME

Prepaid income	47 318	50 722
Accrued personnel costs	3 491	2 650
Other accrued expenses	1 843	430
Total	52 653	53 802

NOTE 9 - PARENT COMPANY

Name	Org.No	Residence
Safer Society Group Sweden AB	556648-9992	Göteborg

NOTE 10 - SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

Nothing to report.