



Comments from the CEO

Increased profit for the first half of the year but sales decreased slightly. The result of a couple of unfortunate, coinciding factors.

The decline in sales is foremost attributable to North America. The major reorganisation that we implemented in the USA in the end of last year is starting to yield results and we have high hopes for the important US market going forward. We are doing the right things and winning the confidence of additional customers, although this is not yet reflected in our reported figures.

We are continuing to increase new sales in several important countries, and we have a very high degree of license renewals.

MSAB is a global company that helps improve the efficiency of

law enforcement agencies. Simultaneously, conditions world-wide are in a constant state of flux. Our products are extremely powerful, which means we must be selective about who we sell to.

We follow an ethical policy which means that we continually evaluate which countries and organisations we can deliver our solutions to. As a result, we are delivering to fewer regions than previously. This carries a negative impact on our sales in the short-term.

At the same time, we are entirely convinced that this is the correct decision and that it will benefit the Company long-term since this is something we know that the absolute majority of our customer base, law enforcement agencies globally, is putting an increased emphasis on. As we have always done.

The pandemic continues to affect MSAB.

Our experience of working under pandemic conditions has been both good and bad. One positive effect has been that the pandemic has taught us and our customers to work more efficiently in the digital environment, and we have become quite accomplished at working via webinars, and on-line conferences and meetings using Teams and other tools.

Our experience from the pandemic has been less positive when it comes to major system solutions. Our customers experience no problems buying or renewing licenses, complementing with new systems, etc. However, decisions for major integration solutions take time. We still have several customers who cannot execute their plans because of the pandemic. This is especially true for rollout of kiosk solutions.

Two years ago, we decided to improve our success in Japan. We hired a sales representative to start working the market.

Japan is probably the most detail-oriented culture we have worked in thus far. The Japanese have a reputation for not making hasty decisions and their review has been thorough. The police have gone through everything down to the tiniest detail. It is therefore especially gratifying that they have now placed a larger, initial order, one which gives the police throughout Japan access to XRY.

With XRY, they will be able to work smarter and more effectively, and above all they gain access to our unique features.

Japan exemplifies well that what we are doing on this market is right and unique. We know that customers that use our solutions become more efficient. We also know that it can take time for our customers to make decisions and cross the start line, but once the decision is made, it is highly likely that they will be customers for a long time. We have many customers today who made their original investments in XRY more than 15 years ago, and who remain loyal and steadfast customers.

A powerful motivating factor for the whole Company is the fantastic feedback we receive from customers who see us as a partner they can trust. Over time, we deliver pivotal value to

our customers, and we are world leaders at much of what we do.

I am convinced that MSAB will continue to grow, and that our solutions will be a critical component in ensuring our customers' success in their work, and for making our societies safer around the world.

We will continue to work hard, and focus on the future, and we know we are on the right path – not because we think so ourselves – but because our customers tell us we're good at what we do, that we are easy to work with, and that our products relative to our competitors are constantly improving. Our customers are, like us, looking forward to the pandemic ending soon so that together we can accelerate the pace on several new and exciting, major projects.

I am incredibly proud of the outstanding work MSAB does to contribute to a safer and more secure world, and our ambition will always be to continue to be world leaders at what we do.

Stockholm, July 2021

Joel Bollö, Chief Executive Officer

Improved earnings for first half-year despite lower sales

Comparative figures for profit/loss items refer to the previous year's corresponding period.

Consolidated income statement in summary

MSEK	Apr-Jun		Jan-Jun		12 months	
	2021	2020	2021	2020	Jul-Jun	2020
Net sales	64.6	83.9	134.9	150.1	290.7	310.1
Cost of goods sold	-6.2	-8.3	-11.0	-13.4	-26.0	-28.1
Other external costs	-11.6	-11.4	-22.3	-28.5	-49.8	-49.7
Personnel costs	-45.8	-49.1	-91.5	-98.9	-188.0	-191.3
Depreciation of fixed assets	-2.9	-3.0	-6.0	-6.0	-12.2	-12.3
Total operating cost	-66.4	-71.8	-130.8	-146.8	-276.0	-281.4
Operating profit – EBIT	-1.9	12.1	4.2	3.3	14.7	28.6
Financial income	0.5	0.7	3.5	2.3	3.2	3.5
Financial expenses	-2.5	-1.6	-3.3	-2.4	-10.7	-9.8
Profit/loss before tax	-3.9	11.2	4.3	3.2	7.2	22.3
Tax	1.0	-0.8	-0.7	-1.3	-4.3	-6.1
Net profit/loss after tax	-2.9	10.4	3.6	1.9	2.9	16.3
Earnings per share before dilution SEK	-0.16	0.56	0.19	0.10	0.97	0.88
Earnings per share after dilution SEK	-0.16	0.56	0.19	0.10	0.97	0.88

Statement of comprehensive income

MSEK	Apr-jun		Jan-Jun		12 months	
	2021	2020	2021	2020	Jul-Jun	2020
Net profit/loss after tax	-2.9	10.4	3.6	1.9	2.9	16.3
Currency translation differences	-0.5	2.5	2.5	-0.5	-7.1	-4.1
Total comprehensive income	-3.4	12.9	6.1	1.4	-4.2	12.2
Comprehensive income for the period attributable to the shareholders of the parent company	-3.4	12.9	6.1	1.4	-4.2	12.2

Segment reporting

MSEK Jan–Jun 2021	Asia & CIS	EMEA & Latin America	North America	Total
Product sales	21.3	63.9	34.9	120.1
Training & other services	0.7	12.0	2.1	14.8
Total	22.0	75.9	37.0	134.9

Recognized at a certain point in	19.2	62.5	30.2	111.8
Recognized over time	2.9	13.5	6.8	23.1
Total	22.0	75.9	37.0	134.9

MSEK Jan–Jun 2020	Asia & CIS	EMEA & Latin America	North America	Total
Product sales	23.8	64.9	43.2	132.0
Training & other services	3.2	9.9	5.3	18.3
Total	27.0	74.8	48.6	150.3

Recognized at a certain point in time	24.3	63.1	39.5	126.9
Recognized over time	2.7	11.7	9.1	23.4
Total	27.0	74.8	48.6	150.3

Net Sales

Consolidated net sales declined 23.0 percent during the quarter to SEK 64.6 (83.9) million. In local currencies, sales declined 18.1 percent. For information on revenue development, see section *Market Comments*, pages 12–14, and the associated graphs.

Expenses

Expenses for goods for resale for the quarter amounted to SEK 6.2 (8.3) million. Expenses for goods for resale depend on the product mix sold, and the lower cost is directly proportional to the lower revenues compared with last year. Historically, the gross margin averages approximately 90 percent. Since early 2020, the company has succeeded in raising its gross margin thanks to a combination of lower purchase prices for certain hardware, and a general rise in sale prices, which has meant an overall improvement in gross margin. The gross margin for the first half-year was 92 (91) percent.

Other external expenses for the quarter including depreciation amounted to SEK 14.4 (14.4) million. MSAB has been actively working with its cost base since last year, and this has improved efficiency throughout the entire company.

This has been accomplished without sacrificing quality or any other aspect of operations. As most branch-specific conferences and exhibitions have not taken place since early 2020 due to the ongoing pandemic, significantly fewer resources have been allocated for such activities. The level of external expenses that the company is reporting for the quarter, and which are in line with the previous year, are expected to increase during the second half of 2021 – if the world at large begins opening again, and travel becomes possible to a greater extent than was the case over the last 18 months. For the period January – June, other external costs, including depreciation, amounted to SEK 28.3 (34.5) million. Even if the expectation and hope is that external expenses will increase somewhat during the second half-year, the cost base is expected to remain lower moving forward than has been the case historically, both as it relates to revenues and to the total cost base for all operations.

Personnel expenses amounted to SEK 45.8 (49.1) million, or 6.7 percent lower than for last year. Lower personnel expenses are directly attributable to a decrease of 6.9 percent in the number of employees compared to last year. It remains the company's intention to recruit resources primarily within development and sales during the year to meet the increase in demand for the Company's products and services. At the same time, the number of employees and related expenses is expected to remain at levels lower than for the previous year.

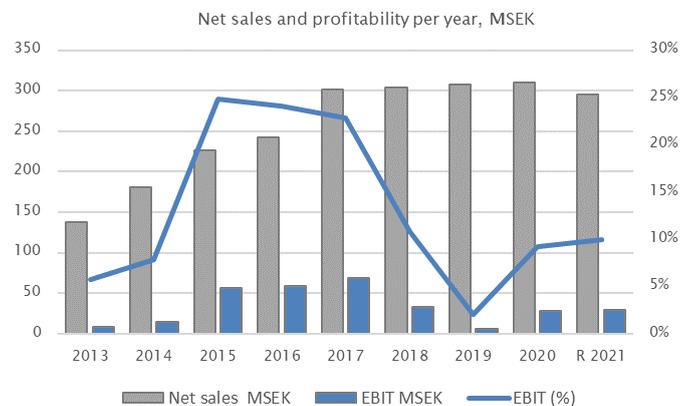
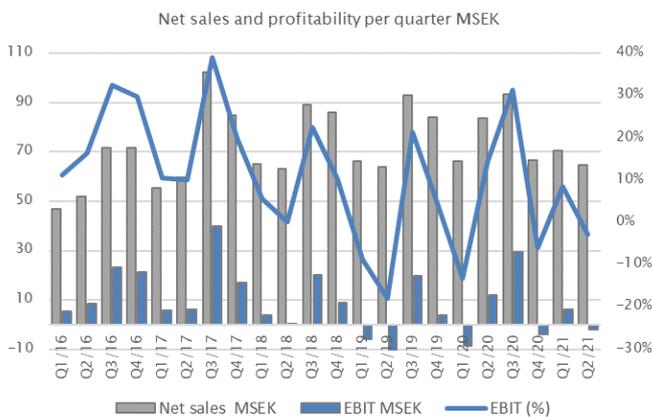
Profit/Loss

EBIT for the quarter amounted to SEK -1.9 (12.1) million, corresponding to an EBIT margin of -2.9 (14.4) percent. EBIT for the first half-year amounted to SEK 4.2 (3.3) million. That the profit/loss for the first half-year before and after tax is better than last year's despite a decline in sales depends on the expense efficiency efforts described above.

Net financial income/expense was SEK -2.1 (-0.9) million for the quarter and is comprised primarily of revaluation of cash and cash equivalents in foreign currencies. A weakening of the Swedish krona especially vis-a-vis the American dollar and the Euro benefits the Company as the lion's share of revenue is recognised in foreign currencies but consolidated and reported in Swedish kronor. Profit/loss after tax for the quarter was SEK -2.9 (10.4) million.

Fluctuations in sales and profit

Consolidated sales and profit both tend to fluctuate between quarters, primarily due to our customers' purchasing patterns and single, larger orders. This is illustrated in the diagram below, where the substantial variation between individual quarters is clearly visible for sales and profit. Viewed over a one-year period, the trend is more even and stable for sales and profit.



Financial position

Comparative values for balance sheet items refer to June 30, 2020.

Consolidated balance sheet in summary

MSEK	30-jun		31-dec
	2021	2020	2020
ASSETS			
Intangible assets	-	0.0	0.0
Tangible assets	2.0	2.5	2.2
Assets with right to use	15.3	25.9	20.8
Deferred tax asset	0.0	0.3	0.0
Total non-current assets	17.4	28.7	23.0
Inventories	7.2	9.5	8.1
Accounts receivable – trade	42.6	69.3	46.1
Current tax asset	2.0	6.0	0.5
Other current assets	1.4	9.7	9.8
Cash and cash equivalents	70.8	64.8	101.2
Total current assets	131.7	159.3	165.7
TOTAL ASSETS	149.1	188.0	188.7
EQUITY AND LIABILITIES			
Equity	57.5	77.4	88.3
Long term leasing liabilities related to assets with right to use	1.8	12.6	19.2
Accounts payable – trade	5.5	4.3	6.0
Current tax liability	1.1	1.1	1.1
Leasing liabilities related to assets with right to use	11.5	11.7	7.8
Other current liabilities	71.8	80.9	66.3
Total current liabilities	89.8	98.0	81.2
TOTAL EQUITY AND LIABILITIES	149.1	188.0	188.7

Change in equity in summary

MSEK	30-jun		31-dec
	2021	2020	2020
Opening balance	88.3	76.1	76.1
Profit/loss for the period	6.1	1.3	12.2
Dividend	-36.9	-	-
Equity at the end of the period	57.5	77.4	88.3

Cash flow statement in summary

MSEK	Apr-Jun		Jan-Jun		12 months	
	2021	2020	2021	2020	Jul-Jun	2020
Profit after paid tax and non-cash items	-3.4	12.2	10.3	7.4	36.0	33.1
Working capital changes	4.4	-13.8	0.2	0.4	18.8	19.0
Cash flow from operating activities	1.1	-1.6	10.5	7.8	54.7	52.0
Investments in fixed assets	-0.1	-0.2	-0.1	-0.3	-0.4	-0.6
Cash flow from investing activities	-0.1	-0.2	-0.1	-0.3	-0.4	-0.6
Dividend paid to shareholders	-36.9	-	-36.9	-	-36.9	-
Amortization of leasing liability	-2.7	-2.5	-5.5	-5.2	-10.9	-10.6
Cash flow from financing activities	-39.6	-2.5	-42.4	-5.2	-47.8	-10.6
Cash flow for the period	-38.7	-4.2	-32.0	2.3	6.5	40.8
Cash at the beginning of the period	111.1	71.5	101.2	63.9	64.8	63.9
Exchange rate difference in cash	-1.6	-2.5	1.6	-1.4	-0.5	-3.5
Cash at the end of the period	70.8	64.8	70.8	64.8	70.8	101.2

Cash flow

MSAB has a positive cash flow and a strong financial position. Cash flow from operating activities for the quarter amounted to SEK 1.1 (-1.6) million.

Cash flow for the period amounted to SEK -38.7 (-4.2) million. This negative cash flow is attributable to the distribution of dividends amounting to SEK 36.9 (0) million decided at the Annual General Meeting held 11 May.

As of 30 June, 2021, cash and cash equivalents amounted to SEK 70.8 (64.8) million. In addition to cash and cash equivalents, there was as of 30 June, 2021 an unutilised bank overdraft of SEK 10 million. The decrease in trade receivables is primarily attributable to active efforts relating to payment conditions and following up with customers to shorten the length of time before payments are received, thereby improving cash flow.

The Parent Company

The Parent Company's net sales for the period January - June amounted to SEK 101.0 (105.7) million. EBIT for the period was SEK 0.8 (-2.1) million. Investments for the period were SEK 0.0 (0.0) million. The number of employees at the Parent Company at the end of the period was 142 (153). Risks and uncertainty factors are the same for the Parent Company as for the Group. The Parent Company's net sales and EBIT essentially follow the Group's earnings trend. Hence comments about the consolidated profit/loss trend apply to the Parent Company as well.

Parent company income statement in summary

MSEK	Jan-Jun	
	2021	2020
Net sales	101.0	105.7
Cost of goods sold	-10.5	-13.4
Other external costs	-15.3	-19.0
Personnell costs	-68.7	-69.9
Depreciation of fixed assets	-5.8	-5.5
Total operating cost	-100.2	-107.8
Operating profit - EBIT	0.8	-2.1
Net financial items	0.2	-0.3
Profit/loss before tax	1.0	-2.4
Tax	-	-
Net profit/loss after tax	1.0	-2.4

Statement of comprehensive income

MSEK	Jan-Jun	
	2021	2020
Net profit/loss after tax	1.0	-2.4
Total comprehensive income	1.0	-2.4

Parent company balance sheet in summary

MSEK	30-jun	
	2021	2020
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	2.0	2.5
Assets with right to use	14.9	24.5
Shares in group companies	0.4	0.4
Total fixed assets	17.3	27.4
Inventories	7.2	9.5
Accounts receivable - trade	9.6	25.3
Other current assets	42.0	47.5
Cash and cash equivalents	12.5	10.3
Total current assets	71.3	92.6
TOTAL ASSETS	88.6	120.0
EQUITY AND LIABILITIES		
Share capital	3.8	3.8
Share premium	20.3	20.3
<i>Restricted equity</i>	24.1	24.1
Statutory reserve	7.8	7.8
Profit brought forward	-4.1	12.4
<i>Non-restricted equity</i>	3.7	20.2
Total equity	27.8	44.3
Long term leasing liabilities related to assets with right to use	2.2	12.3
Accounts payable - trade	4.8	4.1
Current tax liability	0.1	-
Short term leasing liabilities related to assets with right to use	10.7	10.7
Other current liabilities	43.1	48.6
Total current liabilities	58.7	63.4
TOTAL EQUITY AND LIABILITIES	88.6	120.0

Other comments

Employees and organisation

On 30 June, 2021 there were 189 (204) employees. The average number of employees during the period was 190 (203).

Seasonal effects

MSAB is not dependent on the seasons in the sense that is normally meant by the term seasonal effects. However, the majority of the Company's customers have a purchasing pattern that follows their budget period. Budget periods differ between countries, but most common in MSAB's largest markets is that they follow the calendar year or end on 30 September. Historically, this has been reflected in sales in such a way that the second half of the year is stronger than the first.

Risks and uncertainty factors

Through its operations, the Group is exposed to risks and uncertainty factors. Information on risks and uncertainties other than currency exposure due to foreign subsidiaries and the fact that most invoicing in Sweden is denominated in foreign currencies can be found in more detail in the 2020 Annual Report. The Annual Report is available on the Company's website.

MSAB is monitoring Corona virus and Covid-19 developments daily and is evaluating the extent to which these can impact the Company's operations in the short- and long-term. MSAB is monitoring developments regarding Corona virus Covid-19 and is evaluating the extent to which it can impact the Company's operations in the short- and long-term. It is currently not possible to assess the extent of impact on operations. MSAB is active on a market that is relatively stable when it comes to market fluctuations, as law enforcement authorities around the world represent the lion's share of the customer base. It is the Company's assessment that this partially explains why Covid-19 has not significantly impacted the Company's strategies, objectives, or results. The possibility of meeting customers and other stakeholders at conferences, exhibitions or other contexts has become

significantly more difficult, just as it has for many others. The Company identified these challenges early and largely adapted its operations to facilitate digital meetings and training, which has been appreciated by many customers. Because of the general uncertainty prevailing world-wide regarding the duration of the current circumstances, the Company is experiencing that customers need more time for their decision-making processes, something that has resulted in a postponement related foremost to new sales in some markets.

Related party transactions

The related party transactions of an ongoing nature that exist in the Company are almost exclusively intra-Group transactions. These are described in the 2020 Annual Report on page 51. Besides these agreements, there are no significant related party transactions.

Accounting principles

This report has been prepared for the Group in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Information as per IAS 34 is reported in notes and in other places throughout the report. The accounting principles adopted by the Group and the Parent Company are consistent with the accounting principles used to prepare the most recent annual report. For current financial assets and liabilities, the reported value is a reasonable estimate of fair value.

Significant events since end of period

No significant events have occurred since the end of the period.

Stockholm, 22 July, 2021

Micro Systemation AB (publ)

Joel Bollö, Chief Executive Officer

This report has not been reviewed by the Company's auditors.

Financial Calendar 2021

Interim report January–March	29 April	8.00 am
Annual General Meeting	11 May	6.00 pm
Interim Report January–June	22 July	8.00 am
Interim Report January–September	28 October	8.00 am
Interim Report January–December	27 January 2022	8.00 am

For more information, visit msab.com or contact

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Market comments

After a strong first quarter for EMEA & Latin America, the second quarter results came in somewhat weaker as several countries and significant markets struggle through a third wave of Covid-19.

This has made sales activities more difficult and delayed several decisions on major forensic solutions and license renewals during the quarter. The possibility to execute planned trainings and education was also affected. This is reflected in reported figures in the relation between new sales and license renewals, where new sales remain at higher levels than last year, but license renewals have been negatively affected relative to the previous quarter, where the degree of license renewal was higher than the corresponding period for the previous year, and in relation to the first half-year of last year.

However, the extensive and increasing interest in MSAB's products and services that we experience from existing and potential customers is undiminished. Openness for alternative business models on existing markets in western Europe and even an increase of enquiries from eastern Europe for products and solutions are also clear signals that the efforts made over recent years to our product portfolio are starting to bear fruit.

Our leading role in the EU project Formobile has given rise to considerable interest from participating countries and globally. XRY, the basic product for extracting mobile data, is also attracting great interest and strengthening MSAB's Ecosystem and what we refer to as solutions for Smart Analytics. During the quarter, we launched Raven, including outside of North America, and this, combined with the recently announced collaboration with Detego, further contributes to complementing our Frontline Forensics offering, which has created several new business opportunities in these regions.

The feared decline in sales in Asia has been largely offset by new business on existing markets, and a breakthrough on markets where we have been actively working for the last couple of years to gain a foothold. As a result, sales increased slightly in the region. This means that the shutdown of operations in Hong Kong and China has been somewhat compensated by other business during the second quarter, particularly through a major sale to a Japanese law enforcement agency, the first of its kind for MSAB. This sale will become an important reference for further expansion in Japan.

Demand remains strong in Asia. MSAB has export control requirements that it must meet for its products and services, regulated through the Swedish National Inspectorate for Strategic Products (ISP). Because the ISP must approve sales before they are finalised for certain markets, certain customers, and for certain products, a number of sales are delayed. Additionally, the stricter ISP restrictions that came into force in 2021 for several countries – many in Asia – can affect opportunities for expansion in the Asian region.

The great interest we see in the region, partly in new markets where we have built up a presence with local personnel over the last few years, especially India and Japan, is beginning to yield results. We saw this during the quarter, and there are strong opportunities for future growth.

The North American and the Australian market continue to slowly open, but Covid-19 continues to present challenges when it comes to physical meetings and complicates the decision-making within many of our customer segments. The USA leads in the resumption of business and is slowly returning to a more normal daily life, while we see challenges in Canada and Australia on the regional and national level, with new directives and closures.

These closures have affected sales negatively to a greater extent than we initially expected. However, since Q3 is by far the strongest quarter when it comes to the American market, we still have high hopes for recovery there, even if short-term uncertainty is somewhat greater.

An important and common factor for all customer segments in North America is that we have not lost potential business. The delays in decision-making processes, and the investment back-log that has built up across all customer segments during the pandemic, will need to be dealt with soon, which should mean improved growth and recovery in sales during the second half-year.

Products

During the quarter, MSAB's latest addition to the product portfolio – **Raven** – was launched globally. Raven is a portable product consisting of an advanced set of tools for mobile devices. The solution is designed specifically for users in the field who need to extract data quickly from mobile phones and turn it into actionable evidence.

Digital evidence must often be gathered when an incident occurs, or at a crime scene from witnesses and victims. Because few people are willing to surrender their mobile phone until the technical lab has extracted any possible evidence from it – something which can take days or weeks – Raven is the innovative solution for users in the field for quick and easy extraction of consent-based digital evidence.

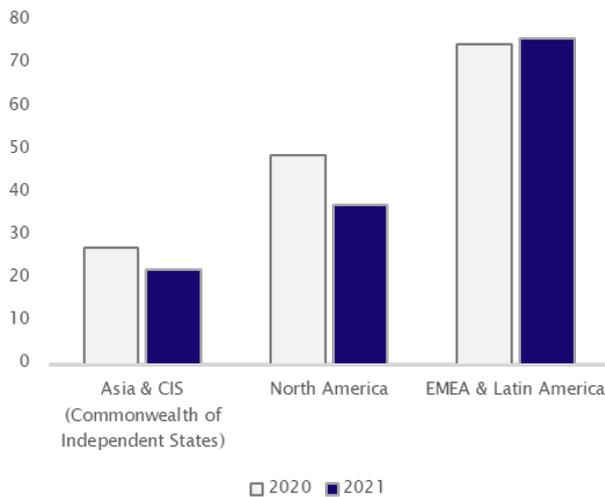
Raven is a collection of applications for Android OS devices such as mobile phones, tablets, and computers. Raven is built on the latest Android operating system as a collection of applications and compatible hardware that enables users to take advantage of the Android standard and device features and improve them with advanced, forensic data collection features by simply downloading all or a selection of Raven apps.

The Raven application suite consists of MobEX (mobile device extraction), SIMEX (SIM card extraction), FlashEX (Flash media extraction), and DronEX (drone extraction). Additionally, the analytical app ODIN enables users to quickly see the extracted results, check against watch lists, and identify the latest location information.

There have been four major updates to **XRY** during the quarter and it has gone from version 9.3 to 9.5. The updates contain a range of significant improvements, and it now supports complete physical extraction of data via MTK, Exynos and EDL. This is in addition to entirely new support for iOS15 Beta-1.

The number of mobile phone users in the world is increasing significantly, mobile devices are more secure

Sales distribution per regions MSEK (jan-jun)



Product sales distribution (jan-jun)



than ever, and for every new generation of mobile phone introduced, the data capacity increases. This presents a challenge for law enforcement organisations as it limits their access to critical evidence. To gain access to information, investigators must overcome these barriers. Through these releases, XRY enables this for the absolute majority of devices with the MTK chipset. Samsung Exynos-based devices have also been added.

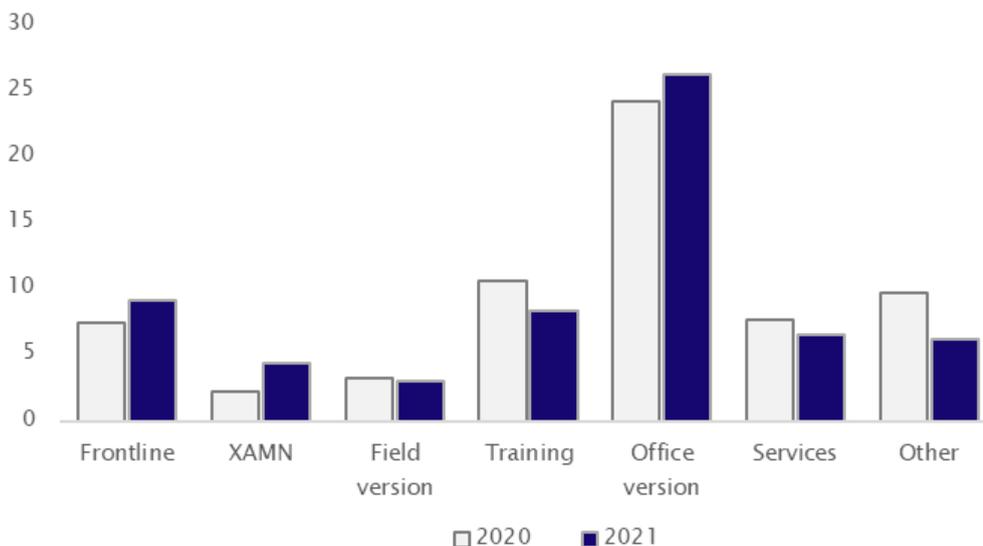
MSAB is on the cutting edge of developments when it comes to extracting data from locked and encrypted mobile devices. This is the key for solving more crimes – and for solving them faster.

Recently, MSAB also introduced additional filters in the analysis tool **XAMN** for simpler navigation between different types of data. Furthermore, an improved list view with dynamic artefact display and new report alternatives were also introduced.

Training

Revenues from training activities remain at a lower level compared with last year. Training operations generally correlate with the Company's overall growth in sales.

New sales distribution, MSEK (jan–jun)



The share and shareholders

The share

MSAB's B share was first listed in 1999 and has been listed on Nasdaq Stockholm Small Cap (ticker symbol: MSAB B) since December 2011. The Company's share price as of 30 June, 2021 was SEK 57.80 per share, corresponding to share capital of SEK 1.108 million calculated on the number of shares outstanding.

Share Capital

Share capital in MSAB at the end of the period was SEK 3.834.400, with 19.172.000 shares with a nominal value of SEK 0.20. The Company has three classes of shares: Series A and B shares have equal rights to the Company's assets and profit; C shares do not entitle the holder to dividends. Every Series A share entitles the holder to ten votes and every Series B and C share entitles the holder to one vote. The number of shares in Series A is 1.000.000 and in Series B is 17.550.000. The number of Series C shares is 622.000, all held in treasury. Additionally, 81.596 Series B shares are held by the company.

The latest change in share capital occurred in the third quarter of 2018 when MSAB completed a new share emission of 15.000 B shares related to conversion of a stock option program.

Dividend policy and dividend

The Board has adopted a dividend policy whereby at least 30 percent of the Company's reported profit shall be returned to shareholders if this is compatible with maintaining adequate equity for going concern.

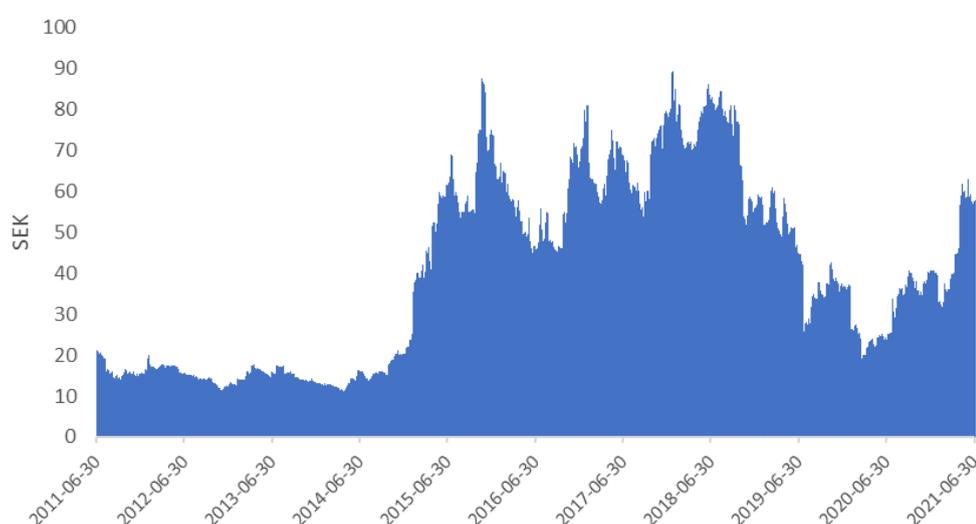
Ownership

The number of shareholders as of 30 June 2021 was 4.248 (3.418).

Information to shareholders

MSAB's website (msab.com) is the main information channel and all press releases and financial reports are published there. Press releases and reports can be received via email as they are published. Presentations, general information on the share, the Corporate Governance Report and financial data can also be found on the website.

Micro Systemation AB (publ) – share price development over time



MSAB (publ) largest shareholders as per June 30 2021

Name	A-shares	B-shares	C-shares	Capital	Votes	% Votes	% Capital
Aktiebolag Grenspecialisten	525 000	574 612	0	1 099 612	5 824 612	20,68	5,74
Eastra AB	347 500	1 143 592	0	1 491 092	4 618 592	16,39	7,78
Nordnet Pensionsförsäkringar AB	0	1 823 479	0	1 823 479	1 823 479	6,47	9,51
Försäkringsbolaget Avanza Pension	0	1 495 349	0	1 495 349	1 495 349	5,31	7,80
Strawberry Capital A/S	0	1 479 404	0	1 479 404	1 479 404	5,25	7,72
Cervantes Capital AB	127 500	0	0	127 500	1 275 000	4,53	0,67
Alcur Select	0	951 706	0	951 706	951 706	3,38	4,96
Öhman Sweden Microcap	0	843 313	0	843 313	843 313	2,99	4,40
Sijoitusrahasto Aktia Nordic Mic	0	750 000	0	750 000	750 000	2,66	3,91
Christian Axel Kock	0	553 459	0	553 459	553 459	1,96	2,89
Total 10 largest shareholders	1 000 000	9 614 914	0	10 614 914	19 614 914	69,63	55,37
Micro Systemation AB	0	81 596	622 000	703 596	703 596	2,50	3,67
Other	0	7 853 490	0	7 853 490	7 853 490	27,88	40,96
Totalt number of shares	1 000 000	17 550 000	622 000	19 172 000	28 172 000	100,00	100,00

Quarterly data

	2021		2020				2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Net sales, MSEK	64.6	70.4	66.7	93.3	83.9	66.2	84.0	93.3	64.1	66.3	86.2	89.4	63.0	
EBIT, MSEK	-1.9	6.0	-4.0	29.4	12.1	-8.8	3.7	19.8	-11.5	-5.6	8.7	20.1	0.1	
EBIT-margin, %	-2.9	8.5	-6.0	31.5	14.4	-13.2	4.4	21.2	-17.9	-8.6	10.1	22.5	0.2	
Earnings per share, SEK	-0.16	0.35	-0.38	1.16	0.56	-0.46	0.07	1.03	-0.58	-0.23	0.40	0.79	0.07	
Return on equity, %	-4.3	7.8	-8.5	24.6	15.7	-9.7	1.5	21.2	-15.4	-3.9	6.6	14.4	1.8	
Return on capital employed, %	-2.1	10.8	-4.3	34.5	21.7	-8.1	4.8	23.2	-14.0	-3.2	9.5	20.7	3.3	
Equity ratio, %	38.5	49.7	46.8	47.5	41.2	38.2	40.0	40.3	33.7	49.2	57.2	55.2	53.4	
Cash flow from operations/per share, SEK	0.06	0.51	2.56	-0.15	-0.08	0.36	0.57	0.73	0.04	-0.38	1.57	-0.69	-0.62	
Equity per share, SEK	3.11	5.30	4.78	5.29	4.19	3.78	4.12	4.14	2.98	5.79	5.96	5.58	4.59	

Definitions

MSAB presents certain financial metrics in the interim report that are not defined under IFRS. The company believes that these metrics provide valuable supplementary information to investors and the company's management as they allow for evaluation of the company's performance. Because not all companies calculate financial measures in the same way, these are not always comparable with metrics used by other companies. These financial metrics should therefore not be

regarded as replacements for metrics defined in accordance with IFRS. The table below presents the alternative key figures that have been deemed relevant.

The key figures are based on reports on earnings, financial position, change in equity and cash flow. In cases where the key figures cannot be directly derived from the above reports, the derivation and calculation of these are shown below.

Metrics not defined under IFRS	Definitions and calculations
EBIT	Earnings before interest and taxes.
EBIT-margin	EBIT in relation to net sales
Earnings per share*	Profit/loss after tax in relation to average number of outstanding shares.
Return on equity	Profit/loss after tax in relation to average adjusted equity
Return on capital employed	EBIT plus financial items in relation to average capital employed.
Equity ratio	Equity in relation to total assets.
Cash flow from operations / per share	Cash flow from operations in relation to average number of outstanding shares.
Equity per share	Equity in relations to outstanding shares at the end of the period.
Average adjusted equity	Average equity during 12 months-period. Opening plus closing shareholder's equity divided by two.
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 months-period. Capital employed at beginning of period plus capital employed at end of period divided by two.
Revenue growth, %	Sales current period in relation to same period previous year.
Net financial items	Net of financial income and expenses.

* Defined under IFRS

Reconciliations of measurements that are not defined under IFRS.

Capital employed

	2021			2020			2019			2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total assets, MSEK	149.1	177.4	165.7	205.8	188.0	182.8	190.1	189.7	163.2	217.4	192.5	186.9	158.3
Accounts payables, MSEK	-5.5	-5.2	-6.0	-3.4	-4.3	-4.5	-4.6	-5.5	-3.1	-3.9	-3.7	-4.5	-4.7
Tax liabilities, MSEK	-1.1	-2.0	-1.1	-5.8	-1.1	-1.9	-1.2	-0.8	-1.3	-0.9	-0.5	-6.9	-2.5
Leasing liabilities related to assets with right to use	13.3	-16.3	-27.0	-21.7	-24.3	-25.7	-28.3	-30.8	-33.1	-32.8	-	-	-
Other liabilities, MSEK	-71.8	-75.8	-66.3	-77.1	-80.9	-78.4	-79.9	-76.2	-70.5	-72.8	-78.2	-72.4	-35.2
Capital employed, MSEK	84.1	78.0	65.3	97.7	77.4	72.3	76.1	76.5	55.2	107.0	110.1	103.1	115.9
Average capital employed, MSEK	80.7	75.1	70.7	87.1	66.3	89.6	93.1	89.8	85.5	113.5	112.4	101.8	93.5

Statement from the Board and CEO

The under-signed certify that this interim report provides, in accordance with current regulations, a fair and true overview of the Parent Company's and Group's operations, financial position and earnings, as well as describing the significant risks and uncertainty factors to which the Parent Company and the subsidiaries that comprise the Group are exposed.

Stockholm, July 22, 2021

Micro Systemation AB (publ)

Corporate ID-number 556244-3050

Bernt Ingman
Chairman of the Board

Joel Bollö
Chief Executive Officer

Jan-Olof Backman
Board member

Peter Gille
Board member

Ann Hellenius
Board member

Fredrik Nilsson
Board member

Linda Nyberg
Board member

This report has not been reviewed by the Company's auditors.

MSAB in brief

MSAB is an international actor within the field of mobile forensics. The Company supplies systems for extraction and analysis of data from digital devices such as mobiles, tablets, and drones, as well as products which can unlock digital devices, extract information, and then decrypt it.

The Company stands for new ways of working to secure the chain of evidence - quicker, simpler, and more efficiently - and in this way creates great value for the Company's customers such as law enforcement agencies, the military, intelligence services, customs and migration authorities, and corrections. MSAB has clear growth strategies combined with a business model that entails scalability and a high degree of recurring revenues. The Company is represented in 17 countries and is listed on the Stockholm stock exchange.

Business concept

The Company's business concept is to deliver solutions that help law enforcement agencies worldwide to work more effectively in securing evidence recovered from digital devices.

Strategies

MSAB has identified several basic prerequisites that the Company sees as crucial for successful operations and thus for value creation for shareholders.

Product and service quality assurance

MSAB shall be the best provider of quality systems for extraction and analysis of data from digital devices. The ability to unlock digital devices, extract information and then decrypt it is central for MSAB's success. A strong development department is necessary to achieve this. It is not just about building advanced systems with a high degree of functionality. Adapting the systems to end users and situations is just as important. Quality also entails a high degree of delivery assurance and first-class support.

Market presence

To be the best provider within a geographic market, MSAB must understand users' needs and conditions at the local level. As of 2021, MSAB is represented in 17 countries with its own staff and in a further 60 countries via various partnerships. Through this representation on many geographic markets, either through its own establishments or via partners, proximity to existing and potential customers is created.

License renewals

Through annual product license renewals, MSAB creates the prerequisites for continuous investment in expanded support for new models of digital devices as well as new functions, thereby successively refining products for customers. The continuous development of phones and applications drives both MSAB and our customers to continuously update software. This is a strong driving force behind the high degree of license renewal.

Growth

MSAB operates on a market with a high level of underlying growth. By investing long-term in product development, market presence and organisational strength, MSAB consolidates its market position. The Company is convinced that the need for professional tools for recovery and analysis of data from digital devices will continue to rise. MSAB is mainly focused on organic growth but in some cases also evaluates acquisitions.

Sustainability

The Company's business concept is to deliver solutions that help law enforcement agencies be more effective in their work in recovering evidence from digital devices. This means that the Company, through its solutions, strives to create a more legally secure society where a greater number of crimes are solved and prevented, which in turn means that the Company's entire existence is a major contribution to a more sustainable society. Because the Company essentially develops software, the impact on the environment is limited, but the Board strives to follow the environmental requirements of the various markets where the Company is active.

<https://www.msab.com/products/>

The Ecosystem of Mobile Forensics

XRY
Extract
Extract and recover forensic data.

XAMN
Analyze
Visualize and analyze data for examination.

XEC
Manage
Efficient tools for management, administration and process related use.

[START YOUR FREE TRIAL](#)

Combined together, all of our products, platforms and services form a complete ecosystem of mobile forensics that protects our customers throughout the evidence chain. No matter what type of user, location, mobile device or environment; we have a tool designed to suit that particular need. These solutions work together in harmony to ensure best practice workflows for all stakeholders; from the field to the lab, through to the court room and beyond.



Extract

Extract digital forensic data from mobile devices



Analyze

Review, Visualize and Analyze mobile data



Manage

Management tools for efficient processes