

MSAB

Trusted Partner in Digital Forensics

Interim report
Q1 2023

Interim report Q1 2023

January – March 2023

Summary January – March 2023

- Net sales amounted to SEK 87.4 (75.6) million, an increase of 15.6 percent compared to the corresponding period last year. Currency-adjusted growth amounted to 11.0 percent.
- EBIT amounted to SEK 8.2 (–0.2) million, corresponding to an EBIT margin of 9.3 (–0.3) percent.
- Profit after tax amounted to SEK 6.7 (1.4) million.
- Earnings per share before/after dilution amounted to SEK 0.36 (0.07).
- Cash flow from operating activities increased to SEK 24.0 (5.5) million, in addition to the results for the period and driven primarily by a positive change in working capital.

Significant events during the period

- In March 2023, MSAB received an order for SEK 17 million from a new customer in northern Europe. This is the first deal of its kind for a solution that specifically focuses on strengthening the customer's possession of forensic technology for the benefit of witnesses and victims.
- On March 13, CEO Joel Bollö resigned but remains formally employed in the Company up to and including June 12, 2023, with limited duties during the transition period of three months. The Board has initiated the recruitment process for a new CEO who can accelerate global expansion and realise the full potential of MSAB's global operations. Mikael Falkovén, Head of Sales for EMEA, Latin America and Asia, has taken over as Acting CEO.
- MSAB's Nomination Committee proposes Peter Gille, former Board member, as Board Chairman and Andreas Hedskog, Jesper Kärbrink and Charlotte Stjerngren as new Board members. Current Board Chairman Bernt Ingman and Hanna Bilir have declined re-election.
- MSAB launched XRY Pro, a new, state-of-the-art tool that enables investigators to extract data from the most challenging and secure mobile phones. The XRY product suite now includes extraction and decryption for over 44,200 devices and 4,360 app versions.

35.4 %

Return on capital employed, rolling 12 months

24.0 MSEK

Cash flow from operating activities, Q1 2023

54 %

Percentage of net sales related to license renewals, rolling 12 months

	JAN - MAR 2023	JAN - MAR 2022	APR 2022 - MAR 2023	JAN - DEC 2022
Net sales, MSEK	87.4	75.6	374.7	363.0
EBIT, MSEK	8.2	–0.2	27.2	18.8
EBIT–margin, %	9.3	–0.3	7.3	5.2
Earnings per share before/ after dilution, SEK	0.36	0.07	1.21	0.92
Cash flow from operating activities, MSEK	24.0	5.5	68.4	49.8
Return on equity 12 months, %	20.8	31.1	20.8	16.6
Return on capital employed 12 months, %	35.4	57.1	35.4	27.4
Cash flow from operations / per share, SEK	1.30	0.30	3.70	2.68
Equity per share, SEK	6.65	5.02	6.09	5.58

CEO Comments

MSAB has had an active, successful first quarter 2023. We have signed several important contracts, participated in several major international branch events, and executed many customer activities together with distributors and on our own. Our product offering continues to develop robustly, particularly our extraction solution XRY, which now includes advanced software – XRY Pro – for forensic labs.

This has been the best first quarter in MSAB's history and we set a new record for consolidated net sales of SEK 87.4 million, compared to SEK 75.6 million last year, an increase of 15.6 percent. Profit after tax amounted to SEK 6.7 million, compared to SEK 1.4 million last year. Despite generally high inflation, the mix of products and services delivered and a restrictive approach to expenses contributed to the improved result.

Cash flow from operating activities increased to SEK 24.0 million, compared to SEK 5.5 million for the corresponding period 2022, primarily due to our intensified efforts with accounts receivable.

The mobile forensic industry remains one of the most rapidly evolving and fastest changing branches in the world. As suppliers to law enforcement agencies, the need to manage and develop new techniques which address customers' needs during process change and digital transformation is great. It requires legally secure processes and continuous development of our product offering and business model. MSAB's continuing growth also depends on competence development for existing personnel and that we quickly increase our pace of recruitment. Today we are looking for many new employees globally to secure the right competence and capacity.

Demand for our solutions is strong, but the company is still affected by component shortages and late deliveries from suppliers. We expect that this situation will improve during the last half of 2023.

The increase in European sales has been primarily driven by the British market. We are also seeing former customers rediscovering the strength in MSAB's product development over the last few years, which generates additional sales. Even countries in Asia are expanding, albeit from lower volumes. The North American market saw a relatively weak quarter, and several initiatives have been taken to grow this important market.

We see increased demand from defence and intelligence agencies. These segments must be able to handle mobile forensics out in the field; hence their interest in MSAB Frontline. Other agencies which use mobile phones to exercise authority, e.g. when identifying people at border controls or in migration/asylum cases, are also demonstrating an increased need.

The security threats we have seen over the last few years affects businesses as well as authorities. Last year, under strictly controlled forms, we completed several smaller deals to support organizations.



Being an established supplier of mobile forensic solutions in Europe benefits MSAB and creates opportunities. Authorities and companies are keen to work with ethical suppliers that adhere to EU legislation. In this we are the only commercial actor, which resulted in MSAB being chosen as partner in the EU-financed Formobile project. Our participation in the project, where the objective was creating an end-to-end mobile forensic investigation chain for the EU legal system, improving digital security while respecting fundamental human rights, has further strengthened MSAB's position.

I am convinced that MSAB's ethical profile and strong product offering will continue to generate appreciation from authorities and businesses.

Stockholm, April 2023

Mikael Falkovén, Acting CEO, MSAB

Financial overview

January – March 2023

NET SALES

Consolidated net sales rose 15.6 percent to SEK 87.4 (75.6) million. Growth adjusted for currency fluctuations was 11.0 percent.

License renewals and new sales represented the lion's share of growth in Europe for the period compared with last year. Growth in Europe was 33 percent, while Asia saw growth of 18 percent, albeit from lower levels. North America is reorganising the sales organisation; several new sales agents have been recruited to strengthen MSAB's presence, primarily in the southern and western USA. Compared with the same period last year, North America experienced negative growth: -27 percent. XRY Office remains the best-selling product for license renewals and new sales.

OPERATING EXPENSES

Cost of goods for resale amounted to SEK 5.2 (7.4) million. These costs are in part affected by currency fluctuations and vary as a rule according to the product mix sold. The period saw a smaller percentage of hardware sold compared with last year.

Other external expenses amounted to SEK 15.2 (15.8) million. Total costs came in at approximately the same level as previously. Local and travel costs and travel expenses have increased somewhat compared with last year, driven by inflation and higher levels of activity within sales and marketing, including more trips, training, and conferences. Expenses for IT and marketing have declined somewhat due to periodicity.

Personnel expenses amounted to SEK 55.1 (49.5) million. Wage drift contributed to the increase. Expense levels were also impacted by the weak Swedish krona vis-à-vis primarily USD and GBP as almost half of MSAB's salaries are paid in foreign currencies. Depreciation amounted to SEK 3.7 (3.1) million.

EBIT

EBIT for the quarter amounted to SEK 8.2 (-0.2) million, which corresponds to an EBIT margin of 9.3 (-0.3) percent.

NET FINANCIAL INCOME/EXPENSE

Net financial income/expense amounted to SEK 0.3 (1.6) million for the quarter. Net financial income/expense was comprised primarily of revaluation of cash and cash equivalents in foreign currencies, and was impacted positively by the weak Swedish krona mainly vis-à-vis the USD and EUR, which are the Group's two largest translation currencies, along with GBP.

PROFIT/LOSS AFTER TAX

Profit/loss after tax amounted to SEK 6.7 (1.4) million for the quarter.

CASH FLOW

Cash flow from operating activities amounted to SEK 24.0 (5.5) million for the period. Cash flow before changes in working capital contributed SEK 10.3 (2.3) million to the positive cash flow, while the change in working capital contributed SEK 13.7 (3.1) million. It is primarily a reduction in accounts receivable that contributed to the positive change in working capital. Total cash flow for the period amounted to SEK 20.3 (2.3) million. Investments for the period amounted to SEK 0.0 (0.3) million.

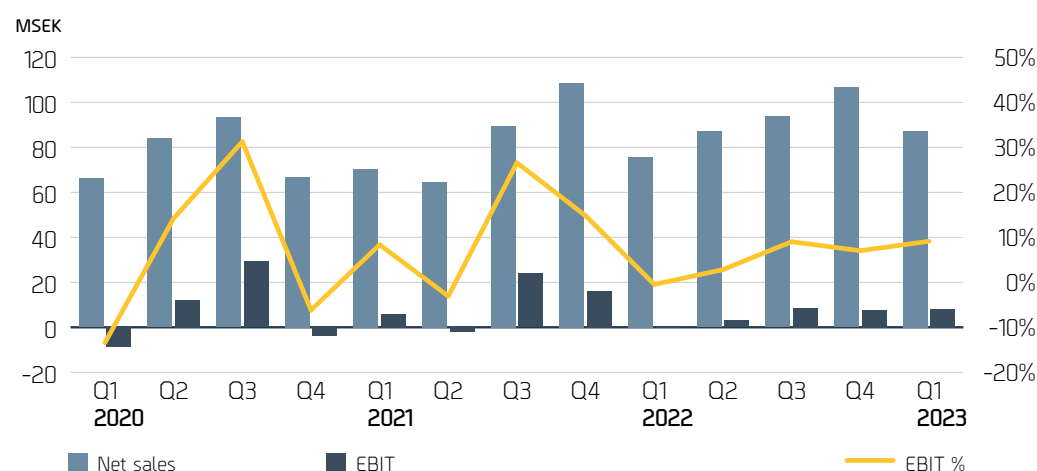
EMPLOYEES

As of 31 March 2023, there were 191 (190) employees. The average number of employees for the period was 190 (189).

THE PARENT COMPANY

The Parent Company's net sales for the period amounted to SEK 65.1 (53.8) million. EBIT for the period was SEK 6.0 (-3.0) million.

Financial development



Q1 2023

Net sales

87,4 MSEK

EBIT

8,2 MSEK

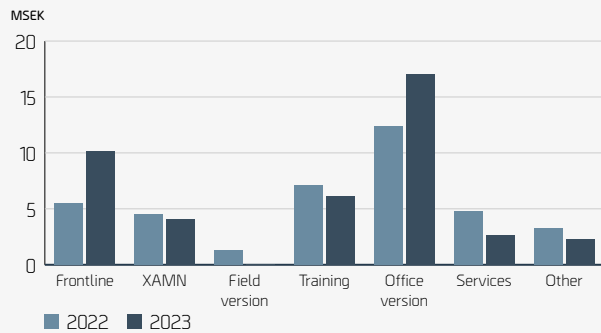
EBIT

9,3 %

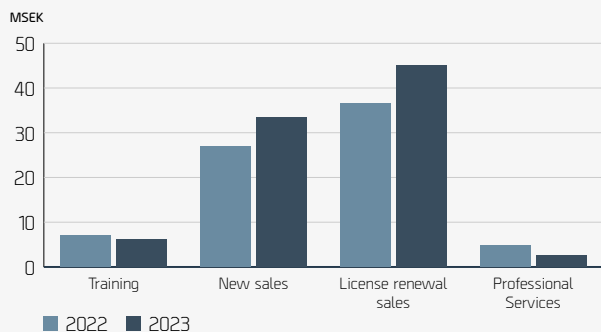
Financial overview

January - March 2023

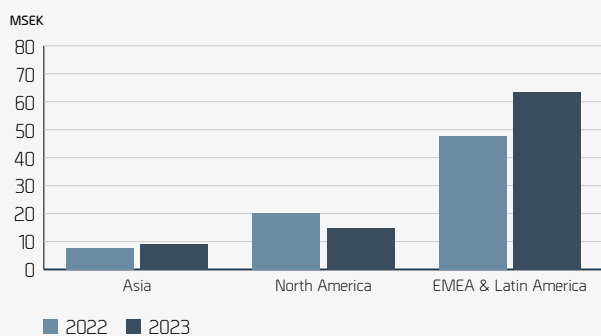
Distribution of new sales



Net sales per type of revenue



Turnover by region



Market comments

The total order intake experienced healthy growth during first quarter 2023, and turnover increased 15.6 percent compared with the same period 2022.

EMEA & LATIN AMERICA

The first quarter of 2023 was exceptional, with a strong order intake resulting in the company's highest first quarter revenues ever for the region. The order intake has been driven primarily by customers in the European market.

The demand for extraction and analysis software for gaining access to digital forensic data has become increasingly important for law enforcement agencies, while the demand for personal integrity and "cyber threat" must be simultaneously managed. These demands mean that MSAB's products and solutions are receiving ever greater attention from existing and potential customers.

Those MSAB solutions that offer process flow, that make extraction and analysis more effective for criminal investigators, and which make it easier for them to cooperate, are in great demand in several European countries. This has accelerated sales of the company's extraction product XRY and its analysis tool XAMN Pro. MSAB is being rewarded with increasing trust from existing customers globally in this area resulting in a high degree of license renewals.

The company's British operations continue to expand with larger orders to meet national law enforcement initiatives, as well as a high renewal rate and increased sales to existing customers.

During the quarter, the company received renewed trust from a national police agency in the Nordics to deliver the analysis software XAMN Pro to thousands of investigators.

In general, there is a high level of activity and great interest within the European market for managing digital forensic data, which benefits MSAB which can meet these needs.

NORTH AMERICA

The first quarter is normally characterised by lower income than for other quarters during the year, and the resignation of the CEO for the region led to certain challenges as the company reorganizes its sales team. To meet competitive challenges in the USA, MSAB recruited new sales managers who will focus their efforts on state and local police authorities, primarily in western and central USA.

Major institutions and law enforcement agencies in the region demonstrate interest in MSAB's end-to-end solutions, training, and tools for personnel on the front line, which bodes well for future growth. During the quarter, MSAB moved its storage from Mississippi to Washington DC, with closer proximity to the company's USA offices, in order to streamline work and deliveries to the region's largest customer.

ASIA & OCEANIA

The order intake in Asia has increased from relatively low levels, where demand is greatest for services and end-to-end solutions. The efforts the company has expended in Asia, especially in India and Japan, are attracting high levels of interest, which strengthens our confidence for expansion in the region over the next few years.

PRODUCTS

In March, the first major product launch of the year was finalised, and a prototype for import of CCTV as a test solution was ready for delivery to a major customer in the UK. This can increase the company's penetration of MSAB Kiosk in the country this year, and even to other regions in 2024.

MSAB's most advanced product, Advanced Acquisition Lab (AAL) is being integrated into the company's new extraction software XRY Pro. A special product launch is also underway with focus on adding Google Pixel support for generation 6 and 7 mobile phones.

Other comments

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.

The basic principle is that the Group reports revenue in the way that best reflects the transfer of control of the promised products and services to the customer. This takes place through the five step model defined under IFRS 15. The Company has two types of income: product sales, and training and other services.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

Through its operations, the Group is exposed to risks and uncertainty factors. These risks and uncertainties are the same for the Parent Company and the Group. Freight and commodity prices have affected the Company's expenses, and uncertainty regarding prices and delivery times remain. The Company has been impacted marginally by a shortage of certain components.

Significant risks and uncertainty factors are described in the 2022 Annual Report on page 38 and in Note 4 on pages 50–51.

SEASONAL EFFECTS

MSAB is not dependent on certain seasons in the usual sense of the term. 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 is reflected in sales such that the second half-year is stronger than the first.

RELATED PARTY TRANSACTIONS

Related party transactions consist primarily of intra-Group transactions. The same applies for the Parent Company. These are described in the 2022 Annual Report on page 60, Note 25.

AUDITOR REVIEW

This interim report has not been reviewed by auditors.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

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

FINANCIAL CALENDER

Annual Report 2022	2023-05-11
Interim Report April – June 2023	2023-07-20
Interim Report July – September 2023	2023-10-26
Year-end Report 2023	2024-01-25

QUARTERLY DATA

	2023	2022				2021				2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, MSEK	87.4	106.6	93.7	87.1	75.6	108.5	89.6	64.6	70.4	66.7	93.3	83.9	66.2
EBIT, MSEK	8.2	7.7	8.7	2.7	-0.2	16.2	24.0	-1.9	6.0	-4.0	29.4	12.1	-8.8
EBIT-margin, %	9.3	7.2	9.2	3.1	-0.3	15.0	26.7	-2.9	8.5	-6.0	31.5	14.4	-13.2
Earnings after tax, KSEK	6.7	6.3	6.8	2.7	1.4	12.7	18.6	-2.9	6.5	-7.0	21.4	10.4	-8.5
Earnings per share, SEK	0.36	0.34	0.37	0.15	0.07	0.69	1.00	-0.16	0.35	-0.38	1.16	0.56	-0.46
Cash flow from operating activities, MSEK	24.0	43.3	0.0	1.0	5.5	10.5	-10.8	1.1	9.4	47.2	-10.8	1.1	9.2
Return on equity, %	6.2	6.1	7.2	3.4	1.4	14.1	21.2	-4.3	7.8	-8.5	24.6	15.7	-9.7
Return on capital employed, %	8.9	9.6	11.5	6.0	2.9	20.3	27.7	-2.1	10.8	-4.3	34.5	21.7	-8.1
Equity ratio, %	43.2	40.2	50.7	47.4	45.8	43.9	44.4	38.5	49.7	46.8	47.5	41.2	38.2
Cash flow from operations/per share, SEK	1.30	2.33	0.00	0.05	0.30	0.60	-0.60	0.10	0.50	2.56	-0.15	-0.08	0.36
Equity per share, SEK	6.65	6.26	6.02	5.41	5.02	4.90	4.20	3.10	5.30	4.78	5.29	4.19	3.78

CONSOLIDATED INCOME STATEMENT IN SUMMARY

MSEK	JAN - MAR 2023	JAN - MAR 2022	APR 2022 - MAR 2023	JAN - DEC 2022
Net sales	87.4	75.6	374.8	363.0
Operating income	87.4	75.6	374.8	363.0
Cost of goods sold	-5.2	-7.4	-54.7	-56.8
Other external costs	-15.2	-15.8	-69.4	-70.0
Personnel costs	-55.1	-49.5	-209.8	-204.2
Depreciation of fixed assets	-3.7	-3.1	-13.7	-13.1
Total operating cost	-79.2	-75.8	-347.6	-344.2
Operating profit - EBIT	8.2	-0.2	27.2	18.8
Financial income	1.4	3.0	7.9	9.5
Financial expenses	-1.1	-1.4	-6.5	-6.8
Profit/loss before tax	8.5	1.4	28.5	21.5
Tax	-1.8	-	-6.1	-4.3
Net profit/loss after tax	6.7	1.4	22.4	17.1
Attributable to owners of the Parent Company	6.7	1.4	22.4	17.1
Earnings per share, SEK	0.36	0.07	1.21	0.89

STATEMENT OF COMPREHENSIVE INCOME

MSEK	JAN - MAR 2023	JAN - MAR 2022	APR 2022 - MAR 2023	JAN - DEC 2022
Net profit/loss after tax	6.7	1.4	22.4	17.1
Currency translation differences	0.2	0.5	7.9	8.2
Total comprehensive income	6.9	1.8	30.3	25.3
Comprehensive income for the period attributable to the shareholders of the parent company	6.9	1.8	30.3	25.3

CONSOLIDATED BALANCE SHEET IN SUMMARY

MSEK	31 MAR 2023	31 MAR 2022	31 DEC 2022
ASSETS			
Tangible assets	1.3	1.5	1.5
Assets with right to use	55.9	16.2	59.4
Total non-current assets	57.2	17.7	60.9
Inventories	9.1	9.0	8.7
Accounts receivable – trade	78.5	91.3	97.1
Other current assets	15.0	15.3	17.6
Cash and cash equivalents	124.8	68.9	104.4
Total current assets	227.3	184.5	227.8
TOTAL ASSETS	284.5	202.2	288.8
EQUITY AND LIABILITIES			
Equity	122.8	92.7	116.1
Total equity	122.8	92.7	116.1
Long term leasing liabilities related to assets with right to use	38.2	5.7	41.9
Total long term liabilities	38.2	5.7	41.9
Accounts payable – trade	3.8	3.9	12.3
Current tax liability	1.9	7.5	7.4
Leasing liabilities related to assets with right to use	14.1	7.6	13.6
Other current liabilities	103.8	84.8	97.4
Total current liabilities	123.5	103.8	130.8
TOTAL EQUITY AND LIABILITIES	284.5	202.2	288.8

CHANGE IN EQUITY IN SUMMARY

MSEK	31 MAR 2023	31 MAR 2022	31 DEC 2022
Opening balance	116.1	90.8	90.8
Profit/loss for the period	6.9	1.8	25.3
Dividend	–	–	–
Equity at the end of the period	122.8	92.7	116.1

CASH FLOW STATEMENT IN SUMMARY

MSEK	JAN - MAR 2023	JAN - MAR 2022	APR 2022 - MAR 2023	JAN - DEC 2022
Profit after paid tax and non-cash items	10.3	2.3	34.4	26.4
Working capital changes	13.7	3.1	34.0	23.4
Cash flow from operating activities	24.0	5.5	68.4	49.8
Investments in fixed assets	-	-0.3	-1.4	-1.7
Cash flow from investing activities	-	-0.3	-1.4	-1.7
Dividend paid to shareholders	-	-	-	-
Amortization of leasing liability	-3.8	-2.8	-13.0	-12.0
Cash flow from financing activities	-3.8	-2.8	-13.0	-12.0
CASH FLOW FOR THE PERIOD	20.3	2.3	54.1	36.1
Cash at the beginning of the period	104.4	66.0	68.9	66.0
Exchange rate difference in cash	0.2	0.5	1.9	2.3
Cash at the end of the period	124.8	68.9	124.8	104.4

SEGMENT REPORTING

MSEK	Asia		EMEA & Latin America		North America		Total	
	JAN - MAR 2023	JAN - MAR 2022	JAN - MAR 2023	JAN - MAR 2022	JAN - MAR 2023	JAN - MAR 2022	JAN - MAR 2023	JAN - MAR 2022
Product sales	7.6	6.9	58.8	38.3	12.2	17.6	78.6	62.8
Training & other services	1.6	0.8	4.7	9.4	2.5	2.6	8.8	12.8
Total	9.2	7.8	63.5	47.7	14.7	20.1	87.4	75.6
Recognized at a certain point in time	7.7	6.4	54.9	41.2	9.4	15.3	72.0	62.9
Recognized over time	1.5	1.4	8.6	6.5	5.3	4.8	15.4	12.7
Total	9.2	7.8	63.5	47.7	14.7	20.1	87.4	75.6

PARENT COMPANY INCOME STATEMENT IN SUMMARY

MSEK	JAN - MAR 2023	JAN - MAR 2022	JAN - DEC 2022
Net sales	65.1	53.8	273.2
Operating income	65.1	53.8	273.2
Cost of goods sold	-5.2	-7.4	-56.8
Other external costs	-10.4	-11.1	-46.8
Personnel costs	-40.2	-35.5	-145.8
Depreciation of fixed assets	-3.2	-2.8	-11.4
Operating cost	-59.0	-56.8	-260.9
Operating profit - EBIT	6.0	-3.0	12.3
Net financial items	0.3	1.7	2.8
Profit/loss before tax	6.3	-1.3	15.1
Tax	-1.4	-	-3.3
Net profit/loss after tax	4.9	-1.3	11.8

STATEMENT OF COMPREHENSIVE INCOME

MSEK	JAN - MAR 2023	JAN - MAR 2022	JAN - DEC 2022
Net profit/loss after tax	4.9	-1.3	11.8
Total comprehensive income	4.9	-1.3	11.8

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	31 MAR 2023	31 MAR 2022	31 DEC 2022
ASSETS			
Tangible assets	0.7	1.5	0.9
Assets with right to use	50.9	9.7	53.9
Shares in group companies	0.4	0.4	0.4
Total fixed assets	52.1	11.6	55.2
Inventories	9.1	9.1	8.7
Accounts receivable – trade	10.0	23.1	24.3
Other current assets	58.2	46.5	39.9
Cash and cash equivalents	44.8	25.3	61.1
Total current assets	122.1	104.0	134.0
TOTAL ASSETS	174.2	115.6	189.3
EQUITY AND LIABILITIES			
Share capital	3.8	3.8	3.8
Share premium	20.3	20.3	20.3
Restricted equity	24.1	24.1	24.1
Statutory reserve	7.8	7.8	7.8
Profit brought forward	42.2	23.3	37.3
Non-restricted equity	50.0	31.1	45.1
Total equity	74.1	55.2	69.2
Long term leasing liabilities related to assets with right to use	35.2	1.2	38.4
Total long term liabilities	35.2	1.2	38.4
Accounts payable – trade	3.2	2.8	10.0
Current tax liability	0.0	6.3	6.2
Short term leasing liabilities related to assets with right to use	12.0	5.8	11.5
Other current liabilities	49.7	44.3	53.9
TOTAL EQUITY AND LIABILITIES	64.9	59.2	81.7
SUMMA EGET KAPITAL OCH SKULDER	174.2	115.6	189.3

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.

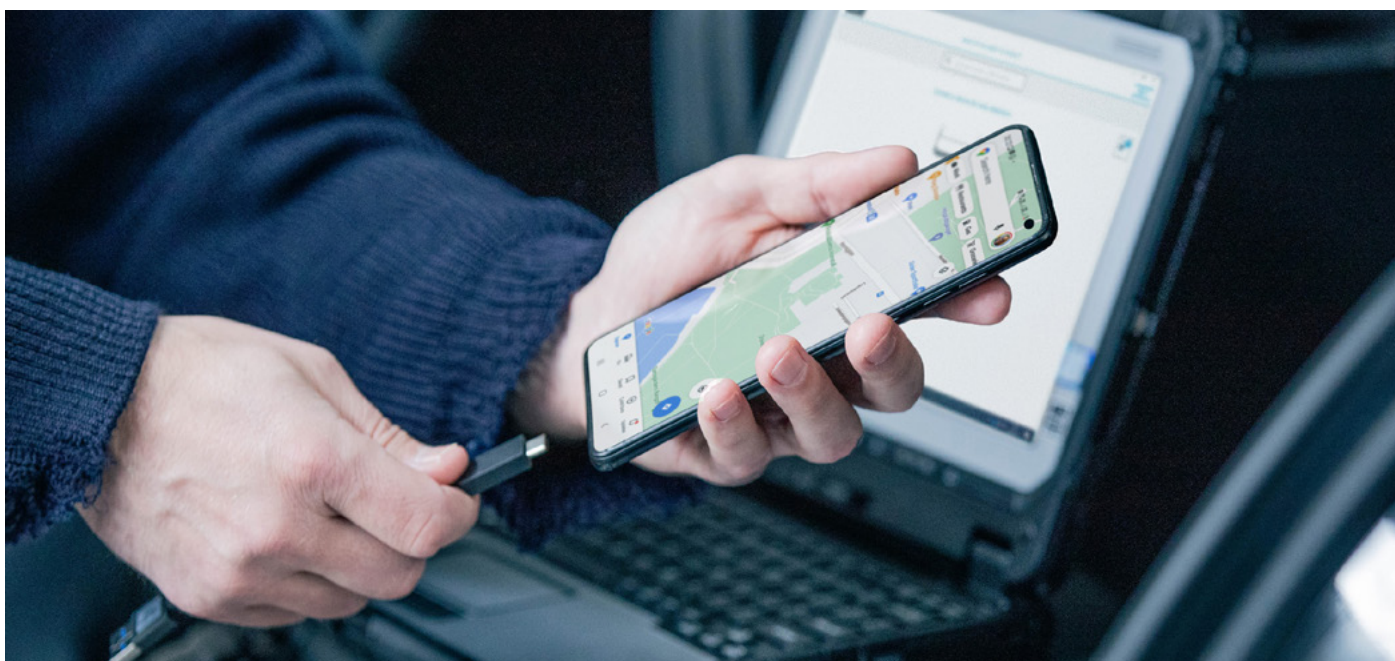
The key figures are based on reports on earnings, financial position, change in equity and cash flow. In cases where the key figures cannot be directly derived from the above reports, the derivation and calculation of these are shown below.

ALTERNATIVE METRICS	DEFINITIONS AND CALCULATIONS
Cash flow from operating activities per share	Cash flow from operating activities in relation to average outstanding shares before/after dilution.
Capital employed / Average capital employed	Capital employed 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
Earnings per share *	Profit/loss after tax in relation to average number of outstanding shares before/after dilution
Equity per share	Equity in relation to outstanding shares at the end of the period
Equity ratio %	Equity in relation to total assets
Net financial items	Net of financial income and expenses
Operating margin (EBIT margin) %	EBIT in relation to net sales
Operating profit (EBIT)	Earnings before interest and taxes
Return on capital employed 12 months %	EBIT plus financial items in relation to average capital employed.
Return on equity 12 months %	Profit/loss after tax in relation to average adjusted equity. Equity at the beginning of the period plus equity at the end of the period divided by two.
Revenue growth %	Net sales current period in relation to same period previous year

* Defined in accordance with IFRS

RECONCILIATIONS OF MEASUREMENTS THAT ARE NOT DEFINED UNDER IFRS

MSEK	2023	2022				2021				2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total assets, MSEK	284.5	288.8	219.2	210.9	202.2	206.5	174.0	149.1	177.4	188.7	205.8	188.0	182.8
Accounts payables, MSEK	-3.8	-12.3	-7.8	-5.8	-3.9	-11.0	-7.1	-5.5	-5.2	-6.0	-3.4	-4.3	-4.5
Tax liabilities, MSEK	-1.9	-7.4	-9.0	-7.5	-7.5	-9.9	-5.3	-1.1	-2.0	-1.1	-5.8	-1.1	-1.9
Leasing liabilities related to assets with right to use	-52.2	-55.5	-7.9	-10.8	-13.3	-10.0	-10.6	-13.3	-16.3	-27.0	-21.7	-24.3	-25.7
Other liabilities, MSEK	-103.8	-97.4	-83.3	-86.7	-84.8	-85.0	-73.8	-71.8	-75.8	-66.3	-77.1	-80.9	-78.4
Capital employed, MSEK	122.8	116.1	111.1	100.0	75.0	90.6	77.2	57.5	78.2	88.3	97.7	77.4	72.3
Average capital employed, MSEK	98.9	103.3	94.2	78.8	76.6	89.5	87.4	67.4	75.2	82.2	87.1	66.3	89.6



The information in this report is such that MSAB, Corporate ID number 556244–3050, is required to disclose in accordance with the EU's Market Abuse Regulation and information that Micro Systemation AB (publ) is obliged to make public in accordance with the Securities Market Act. This report is published in Swedish and English versions. In the event of discrepancies between the two reports, the Swedish version shall apply. The information in this report was submitted for publication on 27 April, 2023 at 08:00.

This report as well as previous financial reports and press releases are available on the Company's website www.msab.com.

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MSAB in brief

MSAB is a world leader within digital forensics for extraction and analysis of data from seized mobile devices. The Company develops high quality, intuitive software that has become the de facto standard for many customers for the purpose of securing evidence in criminal investigations. The products can be complemented with tools for reporting and a wide variety of training with certification for legally secure mobile 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 the Company's customers. MSAB has clear growth strategies combined with a business model that entails scalability and a high degree of recurring revenue.

MSAB operates within a market that is developing rapidly. Through long-term investment in product development, market presence and organic strength, MSAB is able to consolidate its market position. The Company's belief is that the need for professional tools for reading and analysing data from digital devices will continue to increase. MSAB is mainly focused on organic growth but in some cases evaluates acquisitions.

WHO?

MSAB assists law enforcement authorities – the police, military, migration, corrections, and customs – carry out their 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 15 countries and serves customers on all continents through its sales offices and via distributors.

WHAT?

The Company offers systems that extract and analyse data from devices such as mobile phones, tablets and drones, and products that can unlock digital devices, extract and decrypt information.

SUSTAINABILITY

The Company's business concept is to supply solutions that help law enforcement agencies streamline their work to secure evidence from digital devices. Hence the Company through its solutions strives to create a more legally secure society where more crimes are solved and prevented, which in turn means that the Company's entire existence is a major contribution to a sustainable society. Because the Company essentially develops software, its impact on the environment is limited, but the Board strives to ensure that the Company complies with environmental requirements in the different markets where the Company operates.

XRY

Extract

- ✔ Solutions for extracting data from mobile devices.
- ✔ Based on Windows operating system.
- ✔ Also extracts data from cloud-based storage.

XAMN

Analyse

- ✔ Software for reviewing, visualising and analysing data from mobile devices.
- ✔ After data is extracted via XRY solutions, XAMN analyses the data and identifies important information.

XEC

Manage

- ✔ Management and administrative tools designed to support managers and IT departments.
- ✔ XEC supports XAMN and XRY in large-scale administration, e.g. bulk export of digital data to new formats.