

MSAB

Trusted Partner in Digital Forensics



Interim report
Q2 2024

Interim report - Q2 2024

April – June 2024

Summary April – June 2024

- Net sales amounted to SEK 79.1 (104.7) million, a decrease of –24.5 percent compared to the same period last year. Adjusted for currency fluctuations, growth was –25.2 percent.
- Operating profit (EBIT) amounted to SEK –3.5 (2.7) million, corresponding to an operating margin of –4.4 (2.6) percent.
- Profit after tax amounted to SEK –2.8 (2.9) million.
- Earnings per share before/after dilution amounted to SEK –0.15 (0.16).
- Cash flow from operating activities amounted to SEK 1.2 (21.7) million

Summary January – June 2024

- Net sales amounted to SEK 171.9 (192.1) million, a decrease of –10.5 percent compared to the same period last year. Adjusted for currency fluctuations, growth was –10.9 percent.
- Operating profit (EBIT) amounted to SEK –12.2 (10.9) million, corresponding to an operating margin of –7.1 (5.7) percent.
- Profit after tax amounted to SEK –10.4 (9.6) million.
- Earnings per share before/after dilution amounted to SEK –0.57 (0.52).
- Cash flow from operating activities amounted to SEK 20.0 (45.7) million.

Significant events during the period

- Peter Gille was appointed acting CEO on June 10th. Peter Heuman left his position at this time and the recruitment process to find a permanent CEO is ongoing. At the same time Jesper Kärrbrink was appointed Chairman of the Board.
- The Annual General Meeting appointed Helena Holmgren as a new member of the Board on May 14th. Rolf Rosenvinge declined re-election.
- A new Vice President of Sales for the APAC region was appointed to further support the positive market development in the region – he will start August 12th.
- On June 26th, the second major software release of the year was announced including improvements in the Company's extraction product XRY to support full file system-based extractions of all modern and updated unlocked Qualcomm-based devices on the market.

79.1 MSEK

Net sales, April – June 2024

95 %

Gross margin, April – June 2024

1.2 MSEK

Cash flow from operating activities, April – June 2024

	APR - JUN 2024	APR - JUN 2023	JAN - JUN 2024	JAN - JUN 2023	JUL 2023 - JUN 2024	JAN - DEC 2023
Net sales, MSEK	79.1	104.7	171.9	192.1	396.8	416.9
EBIT, MSEK	–3.5	2.7	–12.2	10.9	17.7	40.9
EBIT–margin, %	–4.4	2.6	–7.1	5.7	4.5	9.8
Earnings per share before/ after dilution, SEK	–0.15	0.16	–0.66	0.52	0.33	1.62
Cash flow from operating activities, MSEK	1.2	21.7	20.0	45.7	49.3	75.0
Return on equity 12 months, %	9.9	21.5	6.1	21.2	6.1	26.4
Return on capital employed 12 months, %	23.5	33.3	24.0	34.3	24.0	40.1
Cash flow from operations / per share, SEK	0.07	1.17	1.08	2.48	2.67	4.06
Equity per share, SEK	4.95	5.99	4.74	6.32	5.36	6.27

CEO comments

In terms of sales, it was a disappointing second quarter overall, but there were significant variations between the regions. The EMEA region did not deliver revenue in line with expectations which could be attributed to several factors. For example, some larger orders expected in the second quarter were delayed and will likely come in the second half of the year.

On a more positive note, in the APAC region India stood out in terms of revenue. We recently appointed a new Vice President of Sales for APAC to further solidify and compound this positive market development. In the Americas a significant Canadian renewals contract with law enforcement and government customers was secured with an order value of 13 MSEK, a good indication of the continued use and support of our product range.

One of my first actions on joining MSAB as the acting CEO was a deep dive into our product portfolio. My findings are that we have a very interesting portfolio today and an even more interesting roadmap for tomorrow. We have some great new products that we will introduce in the coming 6–24 months. In addition to this we will also accelerate investments in our current products to make them even more attractive for our customers. Based on the execution of these investments I am confident that MSAB has a very promising future and that we will see significant revenue results in the coming 12–24 months.

The first half of the year has been characterized by significant changes with the introduction of new structures and ways of working across the Company. In the first quarter, we established a new global sales organization, and during the second quarter, we restructured the development department to increase our capabilities and velocity in delivery to market. This restructuring is now complete, enabling us to turn our full attention to delivering value for our customers.

After just over one month as acting CEO I can conclude that MSAB enters the second half of the year with a stable financial position, despite lower sales overall for the quarter. We see some promising opportunities for the second half of the year, especially in regions EMEA and Americas.



I am extremely proud to have taken on this role and look forward to working closely with the Board of Directors on developing our company strategy and whilst we recruit a permanent CEO. I see many growth opportunities for MSAB in the market; the products and services we provide are needed by governments all over the world to support and protect society.

Stockholm, July 2024

Peter Gille
CEO MSAB

Financial overview

April – June 2024

NET SALES

The Group's net sales for the period amounted to SEK 79.1 (104.7) million, which corresponds to a decrease of 24.5 percent and 25.2 adjusted for currency fluctuations, compared with the corresponding period last year.

Americas delivered slightly lower revenues compared to the same period last year which included isolated hardware deals amounting to SEK 17.3 million. Software sales in the region were stable in the period. APAC's revenue in the period was also slightly lower than last year, but the region nevertheless shows a stable market development with India standing out in terms of revenue. Revenues in EMEA decreased by 36 percent compared to the corresponding period last year. This was partly driven by a couple of major multi-year contracts that were signed and recognized as revenue in the corresponding period last year, but also because orders that were expected to be signed in the quarter have not yet been decided. XRY Office continued to account for the majority of revenue.

OPERATING EXPENSES

Cost of goods sold amounted to SEK 3.6 (16.9) million. No pure hardware sales of a significant nature took place during the period. The gross margin amounted to 95 (84) percent. Cost of goods sold was partly affected by currency effects and generally varies with the product mix.

Other external costs amounted to SEK 20.8 (19.5) million. Other administrative expenses continue to decrease compared with the previous year, while consultancy costs increased during the period due to temporary staff vacancies.

Personnel costs amounted to SEK 54.7 (61.6) million. The restructuring initiated in the previous quarter has been completed and costs associated with this have been settled. A severance payment (SEK 4.8 million) to resigning CEO has been expensed in the period. Almost half of the company's salaries are paid in foreign currency, which has a positive impact on the cost level in the quarter as the Swedish krona has strengthened slightly against USD, GBP and EUR.

Depreciation amounted to SEK 3.5 (3.9) million.

EBIT

Operating profit for the quarter amounted to SEK -3.5 (2.7) million, corresponding to an operating margin of -4.4 (2.6) percent.

NET FINANCIAL INCOME/EXPENSE

Net financial items amounted to SEK -2.7 (0.5) million for the quarter. Net financial items consist mainly of revaluation of cash and cash equivalents in foreign currency, where USD, EUR and GBP are the Group's largest transaction currencies related to the Group's sales, while SEK is the largest currency for the company's costs.

PROFIT/LOSS AFTER TAX

Profit after tax for the quarter amounted to SEK -2.8 (2.9) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 1.2 (21.7) million in the period. Cash flow before changes in working capital amounted to SEK -7.5 (8.7) million, while the change in working capital amounted to SEK 8.8 (13.0) million.

A dividend of SEK 18.5 (18.5) million was paid during the period.

Investments for the period amounted to SEK 0.3 (0.2) million.

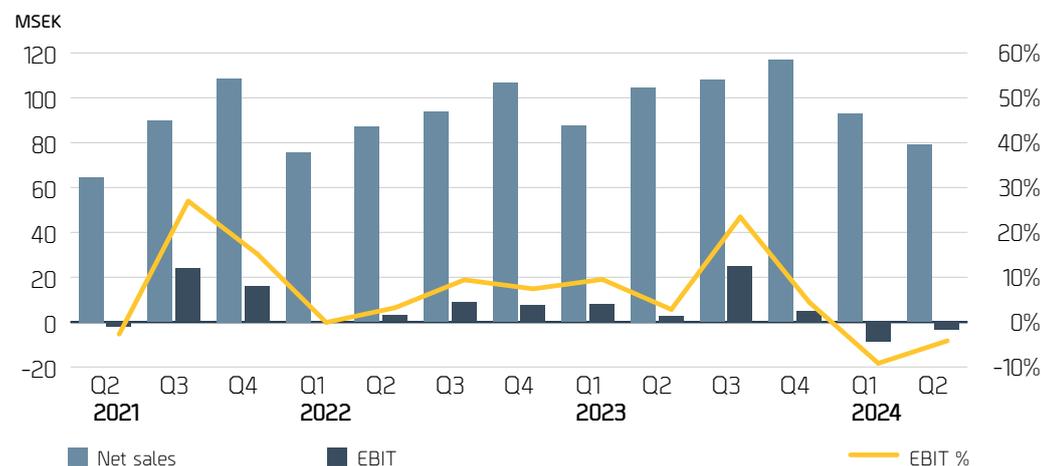
EMPLOYEES

On June 30, 2024 the number of employees was 195 (195). The average number of employees during the period was 197 (195).

THE PARENT COMPANY

The parent company's net sales for the period amounted to SEK 57.3 (81.4) million. Operating profit for the period amounted to SEK -7.1 (-0.8) million. Share dividends from subsidiaries amounted to SEK 40.6 million in the period.

Financial development, quarter



Apr - Jun 2024

Net sales

79.1 MSEK

EBIT

-3.5 MSEK

EBIT

-4.4%

Financial overview

January – June 2024

NET SALES

The Group's net sales decreased by –10.5 percent to SEK 171.9 (192.1) million during the period. Adjusted for currency fluctuations, the decrease amounted to –10.9 percent.

Sales growth in the Americas amounted to 14 percent with an improved gross margin and a higher share of software sales in the period compared to the corresponding period last year. APAC continued to show strong sales and market growth with a 90 percent increase over the previous year. In EMEA, where sales accounted for 50 percent of total sales, growth was negative in the period and decreased by 33 percent.

New sales increased by 7% while license renewals decreased by 17%. XRY Office continued to account for the largest share of new sales.

OPERATING EXPENSES

The strengthening of the Swedish krona against the USD, EUR and GBP had a positive impact on the cost level in Swedish kronor during the period.

Cost of goods sold amounted to SEK 9.5 (22.2) million. The gross margin amounted to 94 percent compared to 88 percent last year. Cost of goods sold is partly affected by currency effects and varies as a rule with the product mix, which during the period had a lower proportion of hardware compared with the previous year.

Other external costs amounted to SEK 36.5 (34.7) million. Increased costs for consultants to cover temporary staff vacancies during the period, while other administrative costs have decreased compared to the same period last year.

Personnel costs amounted to SEK 130.9 (116.7) million. Restructuring costs and severance payments have resulted in increased personnel costs compared to the previous year, as well as salary revision and new hires.

Depreciation amounted to SEK 7.2 (7.6) million.

EBIT

The operating result for the period amounted to SEK –12.2 (10.9) million, corresponding to an operating margin of –7.1 (5.7) percent.

NET FINANCIAL INCOME/EXPENSE

Net financial items amounted to SEK –1.1 (0.8) million for the period. Net financial items consist mainly of revaluation of cash and cash equivalents in foreign currency and have been negatively affected by the strengthening of the Swedish krona against USD, GBP and EUR, which are the Group's largest transaction currencies.

PROFIT/LOSS AFTER TAX

Profit after tax for the period amounted to SEK –10.4 (9.6) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 20.0 (45.7) million. The change in working capital amounted to SEK 31.8 (26.7) million.

Total cash flow for the period amounted to SEK –6.5 (19.4) million, including a dividend of SEK 18.5 (18.5) million paid during the period.

Investments for the period amounted to SEK 0.3 (0.2) million.

LIQUIDITY AND FINANCIAL POSITION

Cash and cash equivalents at the end of the period amounted to SEK 130.2 (127.1) million.

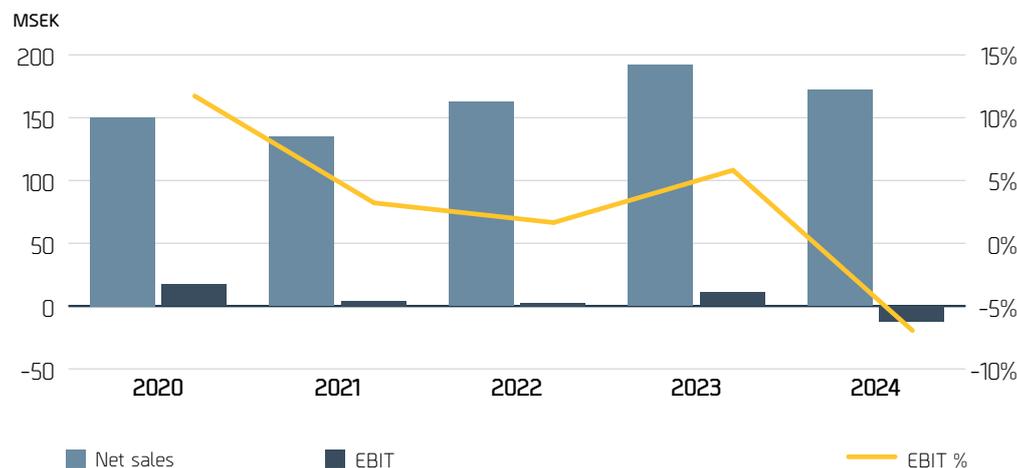
EMPLOYEES

On June 30, 2023, the number of employees was 195 (195). The average number of employees during the period was 202 (193).

THE PARENT COMPANY

The parent company's net sales for the period amounted to SEK 130.3 (146.5) million. Operating profit for the period amounted to SEK –17.8 (5.2) million. In the second quarter, SEK 40.6 million was distributed to the parent company from its subsidiaries.

Financial development, Q1-Q2



Jan - Jun 2024

Net sales

171.9 MSEK

EBIT

-12.2 MSEK

EBIT

-7.1 %

Market comments

Total order intake was stable for regions APAC and Americas in the second quarter and lower than expected in EMEA. Highlights included increased sales growth in India and a significant renewals contract with law enforcement and government customers in Canada.

XRY Pro continues to be positively received in the market with more customers choosing this solution. This product offers more advanced exploit methods indicating that customers are looking for more advanced solutions in the face of increasing technical complexity. The latest release for XRY, launched at the end of June, includes support for full file system-based extractions of all modern and updated unlocked Qualcomm-based devices on the market.

Overall, MSAB continues to see positive signs for market growth and widespread product adoption. The unique feature benefits available in core products XRY, XAMN & XEC continue to stand out for customers. Of note has been the reception to MSAB's unique ability to access mobile device RAM (Random Access Memory) to recover valuable artifacts compared to the competition. The Company has also seen signs of increased use of 'Frontline' solutions in both the APAC and Americas regions.

EMEA

In EMEA, sales were lower than expected for the second quarter. However, there is continued growth in some EMEA countries. In Sweden, there is a renewed interest for MSAB products and in Eastern Europe sales have increased during the quarter. Interest

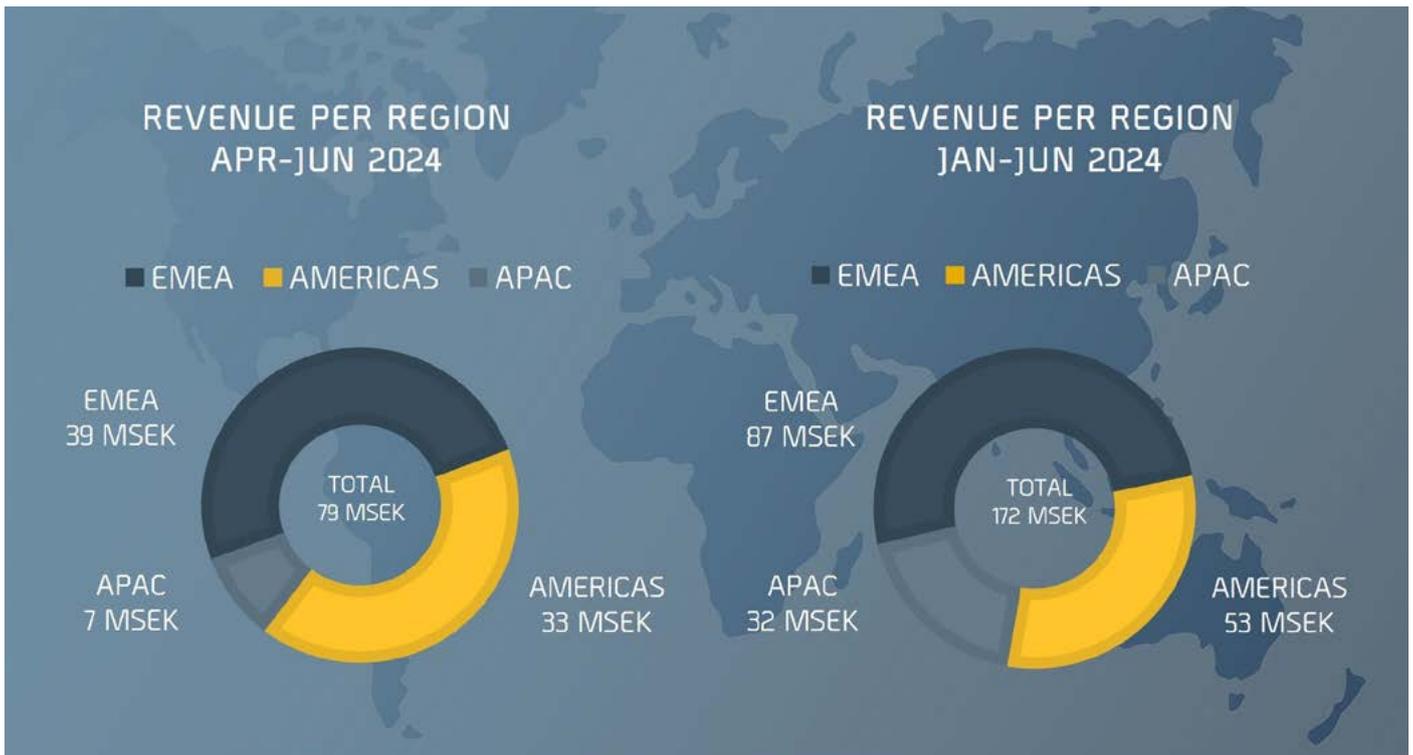
in MSAB's training offering continues with increased sales. MSAB continues to drive sales through new agreements with major law enforcement agencies that renew existing licenses and expand their existing license base.

AMERICAS

In the USA, for the second consecutive quarter, revenue from XRY Pro exceeded that of MSAB's most popular product XRY. This is an indication that customers are adopting more advanced solutions with increasing amounts of data to handle and a complex technical environment. There are positive signs of growth in the USA State & Local segment with increased sales to both existing and new customers. In Canada MSAB have signed a significant renewals contract with law enforcement and government customer segments.

APAC

In APAC order intake was stable for the quarter, where India stood out in terms of revenue. Customers in developing markets continue to recognize the value of digital forensics and interest in developing their capacity has increased significantly – this has, among other things, driven increased sales of the primary MSAB extraction tool XRY.



Other comments

ACCOUNTING PRINCIPLES

This interim report in brief for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Report. Disclosures in accordance with IAS 34 are provided both in notes and elsewhere in the interim report. The accounting policies applied for the Group and the Parent Company are consistent with those used in the preparation of the most recent annual report. For short-term financial assets and liabilities, the carrying amount is a reasonable approximation of fair value.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

The Group's activities expose it to risks and uncertainties. These risks and uncertainties are the same for the parent company and the group. Freight and raw material prices have impacted the company's costs and uncertainties in both prices and delivery times remain. The company has been marginally negatively affected by shortages of certain components.

Significant risks and uncertainties are described in the 2023 Annual Report on page 40 and in Note 4 on pages 56–58.

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 mainly refer to transactions between the parent company and its subsidiaries. These are described in the Annual Report 2023 on page 65 note 24.

AUDITOR REVIEW

This interim report has not been reviewed by the auditors.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

No events of a material nature have occurred after the end of the period.

FINANCIAL CALENDAR

Interim report July – September 2024	2024-10-29
Year-end report 2024	2025-01-28

QUARTERLY DATA

	2024		2023				2022				2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales, MSEK	79.1	92.8	116.9	108.0	104.7	87.4	106.6	93.7	87.1	75.6	108.5	89.6	64.6
EBIT, MSEK	-3.5	-8.7	4.9	25.1	2.7	8.2	7.7	8.7	2.7	-0.2	16.2	24.0	-1.9
EBIT-margin, %	-4.4	-9.4	4.2	23.2	2.6	9.3	7.2	9.2	3.1	-0.3	15.0	26.7	-2.9
Earnings after tax, KSEK	-2.8	-7.6	0.9	19.5	2.9	6.7	6.3	6.8	2.7	1.4	12.7	18.6	-2.9
Earnings per share, SEK	-0.15	-0.41	0.05	1.06	0.16	0.36	0.34	0.37	0.15	0.07	0.69	1.00	-0.16
Cash flow from operating activities, MSEK	1.2	18.8	27.4	1.9	21.7	24.0	43.3	0.0	1.0	5.5	10.5	-10.8	1.1
Return on equity, %	-2.8	-6.5	0.8	16.2	2.8	6.2	6.1	7.2	3.4	1.4	14.1	21.2	-4.3
Return on capital employed, %	-2.5	-5.0	5.1	21.9	4.5	8.9	9.6	11.5	6.0	2.9	20.3	27.7	-2.1
Equity ratio, %	36.0	40.2	41.6	45.6	41.4	43.2	40.2	50.7	47.4	45.8	43.9	44.4	38.5
Cash flow from operations/per share, SEK	0.07	1.02	1.48	0.10	1.17	1.30	2.33	0.00	0.05	0.30	0.60	-0.60	0.10
Equity per share, SEK	4.95	6.07	6.27	7.02	5.99	6.65	6.29	6.02	5.41	5.02	4.90	4.20	3.10

CONSOLIDATED INCOME STATEMENT IN SUMMARY

MSEK	APR - JUN 2024	APR - JUN 2023	JAN - JUN 2024	JAN - JUN 2023	JUL 2023 - JUN 2024	JAN - DEC 2023
Net sales	79.1	104.7	171.9	192.1	396.8	416.9
Operating income	79.1	104.7	171.9	192.1	396.8	416.9
Cost of goods sold	-3.6	-16.9	-9.5	-22.2	-27.3	-40.0
Other external costs	-20.8	-19.5	-36.5	-34.7	-77.5	-75.7
Personnel costs	-54.7	-61.6	-130.9	-116.7	-259.3	-245.2
Depreciation of fixed assets	-3.5	-3.9	-7.2	-7.6	-14.9	-15.2
Total operating cost	-82.5	-102.0	-184.1	-181.2	-379.1	-376.1
Operating profit - EBIT	-3.5	2.7	-12.2	10.9	17.7	40.9
Financial income	0.9	2.0	3.7	3.4	6.0	5.6
Financial expenses	-3.6	-1.5	-4.9	-2.6	-10.1	-7.9
Profit/loss before tax	-6.1	3.2	-13.3	11.7	13.5	38.7
Tax	3.3	-0.3	2.9	-2.1	-3.7	-8.7
Net profit/loss after tax	-2.8	2.9	-10.4	9.6	9.9	30.0
Attributable to owners of the Parent Company	-2.8	2.9	-10.4	9.6	9.9	30.0
Earnings per share, SEK	-0.15	0.16	-0.57	0.52	0.53	1.62

STATEMENT OF COMPREHENSIVE INCOME

MSEK	APR - JUN 2024	APR - JUN 2023	JAN - JUN 2024	JAN - JUN 2023	JUL 2023 - JUN 2024	JAN - DEC 2023
Net profit/loss after tax	-2.8	2.9	-10.4	9.6	10.0	30.0
Currency translation differences	0.7	3.2	4.4	3.4	-1.5	-2.5
Total comprehensive income	-2.2	6.1	-6.0	13.0	8.5	27.5
Comprehensive income for the period attributable to the shareholders of the parent company	-2.2	6.1	-6.0	13.0	8.5	27.5

CONSOLIDATED BALANCE SHEET IN SUMMARY

MSEK	30 JUN 2024	30 JUN 2023	31 DEC 2023
ASSETS			
Tangible assets	1.2	1.3	1.3
Assets with right to use	46.1	55.3	47.6
Total non-current assets	47.3	56.6	48.9
Inventories	7.8	12.4	9.1
Accounts receivable – trade	43.5	54.1	72.9
Other current assets	25.3	17.2	14.6
Cash and cash equivalents	130.2	127.1	132.9
Total current assets	206.8	210.8	229.4
TOTAL ASSETS	254.2	267.4	278.3
EQUITY AND LIABILITIES			
Equity	91.4	110.6	115.9
Total equity	91.4	110.6	115.9
Long term leasing liabilities related to assets with right to use	33.3	37.9	32.2
Total long term liabilities	33.3	37.9	32.2
Accounts payable – trade	5.4	8.7	6.7
Current tax liability	3.3	1.6	2.4
Leasing liabilities related to assets with right to use	11.1	14.2	13.3
Other current liabilities	109.8	94.6	107.7
Total current liabilities	129.5	119.0	130.2
TOTAL EQUITY AND LIABILITIES	254.2	267.4	278.3

CHANGE IN EQUITY IN SUMMARY

MSEK	30 JUN 2024	30 JUN 2023	31 DEC 2023
Opening balance	115.9	116.1	116.1
Profit/loss for the period	-6.0	13.0	27.5
Dividend	-18.5	-18.5	-27.7
Equity at the end of the period	91.4	110.6	115.9

CASH FLOW STATEMENT IN SUMMARY

MSEK	APR - JUN 2024	APR - JUN 2023	JAN - JUN 2024	JAN - JUN 2023	JUL 2023 - JUN 2024	JAN - DEC 2023
Profit after paid tax and non-cash items	-7.5	8.7	-11.8	19.0	11.8	42.6
Working capital changes	8.8	13.0	31.8	26.7	37.5	32.4
Cash flow from operating activities	1.2	21.7	20.0	45.7	49.3	75.0
Investments in fixed assets	-0.3	-0.2	-0.3	-0.2	-0.7	-0.6
Cash flow from investing activities	-0.3	-0.2	-0.3	-0.2	-0.7	-0.6
Dividend paid to shareholders	-18.5	-18.5	-18.5	-18.5	-27.7	-27.7
Amortization of leasing liability	-3.9	-3.9	-7.8	-7.6	-15.6	-15.4
Cash flow from financing activities	-22.4	-22.4	-26.3	-26.1	-43.3	-43.1
CASH FLOW FOR THE PERIOD	-21.4	-0.8	-6.5	19.4	5.3	31.2
Cash at the beginning of the period	152.7	124.8	132.9	104.4	127.1	104.4
Exchange rate difference in cash	-1.1	3.1	3.8	3.3	-2.2	-2.7
Cash at the end of the period	130.2	127.1	130.2	127.1	130.2	132.9

SEGMENT REPORTING

APRIL - JUNE MSEK	EMEA		AMERICAS		APAC		TOTAL	
	APR - JUN 2024	APR - JUN 2023						
Product sales	36.0	54.5	31.6	32.8	5.9	6.1	73.5	93.4
Training & other services	3.4	7.5	0.9	2.2	1.3	1.7	5.6	11.4
Total	39.4	62.0	32.5	35.0	7.2	7.8	79.1	104.7
Recognized at a certain point in time	30.7	53.6	26.9	29.4	5.3	6.3	62.9	89.3
Recognized over time	8.7	8.4	5.6	5.6	1.9	1.5	16.2	15.5
Total	39.4	62.0	32.5	35.0	7.2	7.8	79.1	104.7

JANUARY - JUNE MSEK	EMEA		AMERICAS		APAC		TOTAL	
	JAN - JUN 2024	JAN - JUN 2023						
Product sales	78.0	114.3	50.5	43.9	30.5	13.6	159.0	171.8
Training & other services	8.5	14.3	2.8	2.6	1.6	3.3	12.9	20.2
Total	86.5	128.6	53.3	46.5	32.1	16.9	171.9	192.1
Recognized at a certain point in time	69.1	112.3	42.9	34.8	29.3	13.9	141.3	161.0
Recognized over time	17.4	16.3	10.4	11.7	2.8	3.0	30.6	31.0
Total	86.5	128.6	53.3	46.5	32.1	16.9	171.9	192.1

PARENT COMPANY INCOME STATEMENT IN SUMMARY

MSEK	APR-JUN 2024	APR-JUN 2023	JAN - JUN 2024	JAN - JUN 2023	JAN - DEC 2023
Net sales	57.3	81.4	130.3	146.5	314.6
Operating income	57.3	81.4	130.3	146.5	314.6
Cost of goods sold	-3.6	-17.0	-9.5	-22.2	-40.0
Other external costs	-18.3	-13.3	-29.8	-23.7	-50.6
Personnel costs	-39.4	-48.7	-102.4	-88.9	-184.8
Depreciation of fixed assets	-3.1	-3.3	-6.4	-6.5	-13.0
Operating cost	-64.4	-82.3	-148.1	-141.3	-288.5
Operating profit – EBIT	-7.1	-0.8	-17.8	5.2	26.2
Dividends from group companies	40.6	-	40.6	-	-
Net financial items	-3.0	0.3	-1.7	0.6	-2.8
Profit/loss before tax	30.5	-0.5	21.1	5.8	23.3
Tax	4.0	0.2	4.0	-1.2	-5.1
Net profit/loss after tax	34.5	-0.3	25.1	4.6	18.3

STATEMENT OF COMPREHENSIVE INCOME

MSEK	APR-JUN 2024	APR-JUN 2023	JAN - JUN 2024	JAN - JUN 2023	JAN - DEC 2023
Net profit/loss after tax	34.5	-0.3	25.1	4.6	18.3
Total comprehensive income	34.5	-0.3	25.1	4.6	18.3

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	30 JUN 2024	30 JUN 2023	31 DEC 2023
ASSETS			
Tangible assets	0.8	0.8	0.9
Assets with right to use	38.0	50.6	44.2
Shares in group companies	0.4	0.4	0.4
Total fixed assets	39.3	51.8	45.5
Inventories	7.8	12.4	9.1
Accounts receivable – trade	45.5	28.6	31.6
Other current assets	20.2	34.6	37.8
Cash and cash equivalents	60.2	36.0	48.2
Total current assets	133.7	111.5	126.7
TOTAL ASSETS	173.0	163.4	172.1
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	34.4	23.5	27.9
Non-restricted equity	42.2	31.2	35.7
Total equity	66.4	55.3	59.8
Long term leasing liabilities related to assets with right to use	25.2	35.2	30.9
Total long term liabilities	25.2	35.2	30.9
Accounts payable – trade	3.6	3.1	5.5
Short term leasing liabilities related to assets with right to use	11.1	12.0	11.2
Other current liabilities	66.8	57.8	64.7
Total current liabilities	81.5	72.9	81.4
TOTAL EQUITY AND LIABILITIES	173.0	163.4	172.1

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 month-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	2024		2023				2022				2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total assets, MSEK	254.2	325.0	278.3	284.0	267.4	284.5	288.8	219.2	210.9	202.2	206.5	174.0	149.1
Accounts payables, MSEK	-5.4	-1.0	-6.7	-4.9	-8.7	-3.8	-12.3	-7.8	-5.8	-3.9	-11.0	-7.1	-5.5
Tax liabilities, MSEK	-3.3	-3.1	-2.4	-2.5	-1.6	-1.9	-7.4	-9.0	-7.5	-7.5	-9.9	-5.3	-1.1
Leasing liabilities related to assets with right to use	-44.3	-42.7	-45.6	-48.5	-51.9	-52.2	-55.5	-7.9	-10.8	-13.3	-10.0	-10.6	-13.3
Other liabilities, MSEK	-109.8	-166.2	-107.7	-98.6	-94.6	-103.8	-97.4	-83.3	-86.7	-84.8	-85.0	-73.8	-71.8
Capital employed, MSEK	91.4	112.0	115.9	129.5	110.6	122.8	116.1	111.1	100.0	75.0	90.6	77.2	57.5
Average capital employed, MSEK	101.0	117.4	116.0	120.3	105.3	98.9	103.3	94.2	78.8	76.6	89.5	87.4	67.4

Signatures of the Board

The Board of Directors and the CEO of Micro Systemation AB (publ) (MSAB) certify that the half-year report provides a fair and true view of the parent company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties that the parent company and its subsidiaries are facing.

Stockholm, July 19, 2024

JESPER KÄRRBRINK
Chairman of the Board

CHARLOTTE STJERNGREN
Board member

FREDRIK NILSSON
Board member

HELENA HOLMGREN
Board member

ANDREAS HEDSKOG
Board member

PETER GILLE
CEO

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. The information in this report was submitted for publication on July 19, 2024 at 08:00. This report is published in Swedish and English versions. In the event of discrepancies between the two reports, the Swedish version shall apply.

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 in forensic technology for extracting and analyzing data from seized mobile devices. The Company develops high-quality and user-friendly software that has become a de facto standard for many authorities and organizations aiming to secure evidence in criminal investigations. Products can be supplemented with tools for administration and reporting, as well as a wide range of training programs with certifications in forensic digital technology. The Company develops innovative solutions that make evidence retrieval faster, easier, and more efficient, thereby creating significant value for law enforcement agencies. MSAB has clear growth strategies combined with a business model that provides scalability and a high degree of recurring revenue through license renewals.

MSAB operates in a rapidly evolving market where law enforcement agencies worldwide face significant challenges. By investing long-term in research and product development, marketing, and sales efforts, MSAB can strengthen its market position. The Company believes that the need for professional tools for reading and analyzing data from mobile devices will continue to grow. MSAB is primarily focused on organic growth but also evaluates acquisitions in certain cases.

With its direct sales and distributors, MSAB is represented in over 100 countries globally.

WHO?

MSAB assists law enforcement agencies such as police, defense, migration authorities, corrections, customs, and others in conducting their investigations and missions. Typical users of MSAB's products include experts in digital forensics, investigators, analysts, and police officers in the field.

WHERE?

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

WHAT?

The Company offers systems that extract and analyze data from mobile devices such as cell phones, tablets, and vehicles, as well as products that manage and monitor the software and its usage.

SUSTAINABILITY

MSAB aims to contribute to sustainable development by actively and responsibly ensuring that its operations are conducted in a manner that upholds the Company's values and respects people, society, and the environment. The Company's most significant impact lies in how it can contribute to reducing crime and enhancing security in society. Since the Company primarily develops software, its environmental impact is limited. MSAB ensures that it complies with environmental requirements in the various markets where it operates.

MSAB's Offering

Together, MSAB's products and services create mobile forensic solutions that enable law enforcement agencies to secure digital evidence from mobile phones in accordance with a legally sound process.

The solutions collaborate to ensure the best possible working practices and results for users, including field police officers, investigators, digital forensic experts in laboratories, analysts, court officials, and others.

Software

		
Extracting more data, faster, while maintaining legal integrity	Analyzing data more quickly and easily, with higher precision	Managing and monitoring mobile forensic tools and their usage

Services

 Strategy	 Implementation	 Training
 Support	 Access Services	

Platforms

 MSAB Office	 MSAB Field	 MSAB Kiosk
 MSAB Tablet	 MSAB Express	 MSAB Raven