

MSAB

Trusted Partner in Digital Forensics



Year-end report 2023

Year-end report 2023

January – December 2023

Summary October - December 2023

- Net sales amounted to SEK 116.9 (106.6) million, an increase of 10 percent compared to the same period last year. Adjusted for currency fluctuations, growth amounted to 8 percent.
- EBIT amounted to SEK 4.9 (7.7) million, corresponding to an EBIT margin of 4.2 (7.2) percent.
- EBIT adjusted for restructuring expenses and other non-recurring expenses amounted to SEK 20.9 million, corresponding to an EBIT margin of 18 percent.
- Profit after tax amounted to SEK 0.9 (6.3) million.
- Earnings per share before/after dilution amounted to SEK 0.05 (0.34).
- Cash flow from operating activities amounted to SEK 27.4 (43.3) million.

Summary January - December 2023

- Net sales amounted to SEK 416.9 (363.0) million, an increase of 15 percent compared to the same period last year. Adjusted for currency fluctuations, growth amounted to 11 percent.
- EBIT amounted to SEK 40.9 (18.8) million, corresponding to an EBIT margin of 9.8 (5.2) percent.
- EBIT adjusted for restructuring expenses and other non-recurring expenses amounted to SEK 67.7 million, corresponding to an EBIT margin of 16 percent.
- Profit after tax amounted to SEK 30.0 (17.1) million.
- Earnings per share before/after dilution amounted to SEK 1.62 (0.92).
- Cash flow from operating activities increased to SEK 75.0 (49.8) million, primarily driven by the period's result, but also by a positive change in working capital.

Significant events during the period

- On 1 October, Peter Heuman took over as the Company's new CEO. Through this recruitment, the Board seeks to accelerate global expansion and realise the full potential of MSAB's global operations.
- In October 2023, MSAB received an order for SEK 10 million from a federal authority in North America. The order was for renewal and upgrade of MSAB's advanced extraction software XRY Pro.
- In December 2023, MSAB received a second, larger order from North America worth just over SEK 17 million for renewal of extraction and analysis software, XRY and XAMN respectively, as well as for peripheral equipment.

SEK **116.9** million

Net sales, October – December 2023

10 %

Net sales growth,
October – December 2023

SEK **14.1** million

Cash flow for the period,
October – December 2023

	OCT - DEC 2023	OCT - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Net sales, MSEK	116.9	106.6	416.9	363.0
EBIT, MSEK	4.9	7.7	40.9	18.8
EBIT-margin, %	4.2	7.2	9.8	5.2
Earnings per share before/ after dilution, SEK	0.05	0.34	1.62	0.92
Cash flow from operating activities, MSEK	27.4	43.3	75.0	49.8
Return on equity 12 months, %	26.4	16.6	26.4	16.6
Return on capital employed 12 months, %	40.1	27.4	40.1	27.4
Cash flow from operations / per share, SEK	1.48	2.33	4.06	2.68
Equity per share, SEK	6.27	6.29	6.27	6.29

CEO's comments

I have now been at MSAB for three months and after discussions with customers, employees and partners, I can confirm that we have a stable market position with sought-after products and solutions for mobile forensics. The launch of XRY Pro in 2023 demonstrates this, where we have strengthened our position with existing customers and gained a number of new customers.

With a good 2023, we have a stable financial foundation to stand on. During the fourth quarter, net sales reached SEK 116.9 million and a total of SEK 416.9 million for the year. This represents a currency-adjusted revenue growth of 11%, which strengthens our financial and market position.

Going forward, it is important that we focus on development in areas such as modernization, efficiency and market adaptation to ensure our long-term growth. We also need to focus on making our organization more customer centric. During the past quarter, we have therefore initiated measures to strengthen our leadership culture with a focus on growth and change.

My discussions with customers in different markets have highlighted their challenges related to management of large amounts of data, cloud adoptions, and technical complexity in digital forensics. We see these challenges as future opportunities that require us to continuously adapt and develop our services in tune with the customer's needs. Our priority is to efficiently allocate resources and investments to develop and broaden our product offering across the entire digital forensics value chain. In addition to that, we will also focus on developing and adapting our sales organization to correlate with how we see the industry developing in the future.



Another focus area is communication with the market. We need to provide more clarity on what we do for our customers, both today and in the long term. It should be clear where we focus and how well we deliver on our plans. We have also started to review how our business models are translated into our financial reporting.

Overall, 2023 was a year with good growth but also a year of major changes. We are now facing a period where continued modernization and building capacity is crucial. It is a challenging but exciting road ahead where our upcoming strategy will serve as a guiding star.

Stockholm, January 2024

Peter Heuman
CEO MSAB

Financial overview

October – December 2023

NET SALES

Consolidated net sales increased 10 percent during the period to SEK 116.9 (106.6) million. Adjusted for currency fluctuations, growth was 8 percent.

Sales of license renewals increased 5 percent compared with the corresponding period last year, while new sales increased 15 percent. In terms of both license renewals and new sales, it was EMEA that stood out in a positive light. Continuing efforts in North America contributed to a couple of larger orders during the quarter. XRY Office remained the primary source for income growth, where our new product packaging XRY Pro has been well received by the market.

OPERATING EXPENSES

Cost of goods for resale amounted to SEK 10.2 (24.2) million. There were no sales of hardware only during the period. Cost of goods for resale was impacted in part by currency effects and varies as a rule with the product mix. The gross margin for the quarter amounted to 91 percent.

Other external expenses amounted to SEK 23.5 (18.7) million. Expenses of a non-recurring nature reached SEK 7 million for the period. Other administrative expenses continued to decline as they did in previous quarters when compared with corresponding quarters the previous year.

Personnel expenses amounted to SEK 74.4 (52.6) million. Restructuring expenses during the period amounted to SEK 9 million. Salary revision, new hires and the closure of the EU project Formobile are other factors that affected the comparison with the previous period.

Depreciation amounted to SEK 3.8 (3.3) million.

EBIT

EBIT for the quarter was SEK 4.9 (7.7) million, corresponding to an EBIT margin of 4.2 (7.2) percent. EBIT adjusted for restructuring expenses and other posts of a non-recurring nature amounted to SEK 20.9 million, corresponding to an EBIT margin of 18 percent.

NET FINANCIAL INCOME/EXPENSE

Net financial income/expense amounted to SEK -2.9 (-0.2) million for the quarter. Net financial income/expense consists primarily of revaluation of cash and cash equivalents in foreign currencies where USD, EUR and GBP are the Group's largest translation currencies for consolidated sales, while SEK is the largest currency for the Company's expenses.

PROFIT/LOSS AFTER TAX

Profit/loss for the quarter amounted to SEK 0.9 (6.3) million.

CASH FLOW

Cash flow for operating activities amounted to SEK 27.4 (43.3) million for the period. Cash flow before changes in working capital contributed SEK 2.6 (11.1) million to the positive cash flow and the change in working capital of SEK 24.8 (32.2) million. Focus on cash flow and expense control continues.

Investment for the period amounted to SEK 0.4 (0.0) million.

EMPLOYEES

On 31 December 2023, there were 211 (187) employees. The average number of employees for the period was 212 (190).

THE PARENT COMPANY

Net sales for the Parent Company amounted to SEK 86.0 (80.2) million for the period. EBIT for the period amounted to SEK -0.6 (5.0) million.

Financial development, quarterly



Oct - Dec 2023

Net sales

116.9 MSEK

EBIT

4.9 MSEK

EBIT

4%

Financial overview

January – December 2023

NET SALES

Consolidated net sales for the period increased 15 percent to SEK 416.9 (363.0) million. Adjusted for currency fluctuations, growth amounted to 11 percent.

New sales increased 16 percent while license renewals increased 14 percent compared to the previous year. All regions demonstrated growth in new sales compared with the previous year. Europe and Asia demonstrated growth in license renewals, while North America and Oceania experienced a temporary trend where multi-year licenses were sold during the previous year.

OPERATING EXPENSES

The weakening of the Swedish krona vis-à-vis USD, EUR and GBP affected expense levels in Swedish kronor during the period.

Cost of goods for resale amounted to SEK 40.0 (56.8) million. The gross margin for the period amounted to 90 percent, an increase over the previous year's gross margin of 84 percent. Cost of goods for resale were affected in part by currency fluctuations and varies as a rule with the product mix, which consisted of a lower proportion of hardware compared with the previous year.

Other external costs amounted to SEK 75.7 (70.0) million. Expenses of a non-recurring nature amounted to SEK 11 million during the period. Other administrative expenses declined compared to the previous year.

Personnel expenses were SEK 245.2 (204.2) million. Restructuring expenses during the period amounted to SEK 16 million. Salary revision, new hires and the closure of the EU project Formobile are other factors that affected the comparison with the previous period.

Depreciation amounted to SEK 15.2 (13.1) million.

EBIT

EBIT for the period amounted to SEK 40.9 (18.8) million, corresponding to an EBIT margin of 9.8 (5.2) percent. EBIT adjusted for restructuring

expenses and other posts of a non-recurring nature amounted to SEK 67.7 million, corresponding to an EBIT margin of 16 percent.

NET FINANCIAL INCOME/EXPENSE

Net financial income/expense amounted to SEK -2.2 (2.7) million for the period. Net financial income/expense consists primarily of revaluation of cash and cash equivalents in foreign currencies and was positively affected by the weakening of the Swedish krona vis-à-vis USD and EUR, the Group's two largest translation currencies, and GBP.

PROFIT/LOSS AFTER TAX

Profit/loss after tax amounted to SEK 30.0 (17.1) million for the period.

CASH FLOW

Cash flow from operating activities amounted to SEK 75.0 (49.8) million for the period. Operating activities contributed SEK 42.6 (26.4) million to the positive cash flow, while the change in working capital contributed SEK 32.4 (23.4) million.

Total cash flow for the period amounted to SEK 31.2 (36.1) million, including dividends paid in the second and fourth quarter totalling SEK 27.7 million.

Investments for the period amounted to SEK 0.6 (1.7) million.

LIQUIDITY AND FINANCIAL POSITION

Cash and cash equivalents at the end of the period amounted to SEK 132.9 (104.4) million.

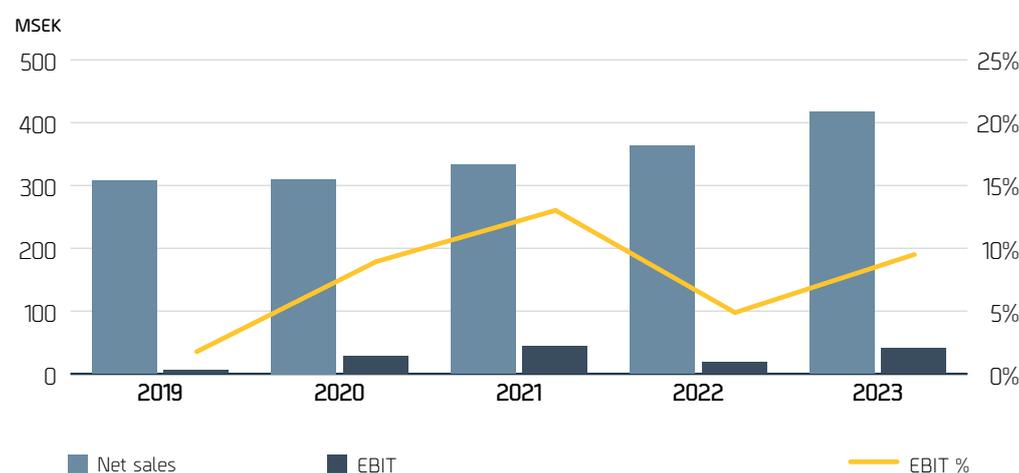
EMPLOYEES

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

THE PARENT COMPANY

The parent company's net sales for the period amounted to SEK 314.6 (273.2) million. The operating profit for the period amounted to SEK 26.2 (12.3) million.

Financial development



Jan - Dec 2023

Net sales

416.9 MSEK

EBIT

40.9 MSEK

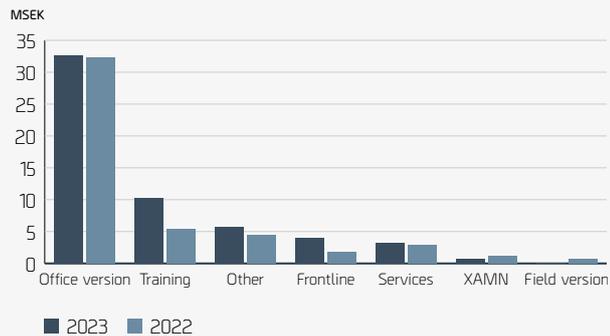
EBIT

10%

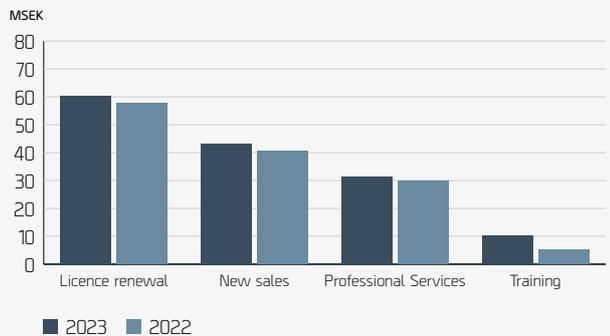
Financial overview

October - December 2023

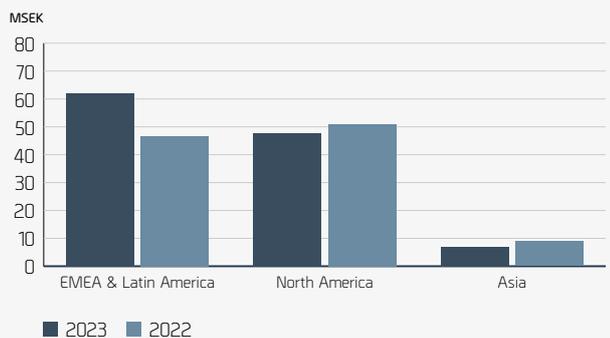
Distribution of new sales



Net sales per type of revenue

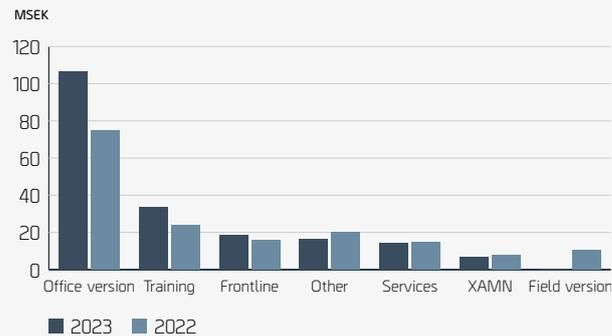


Turnover by region

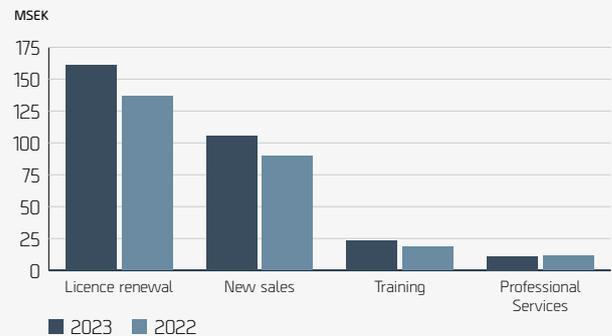


January - December 2023

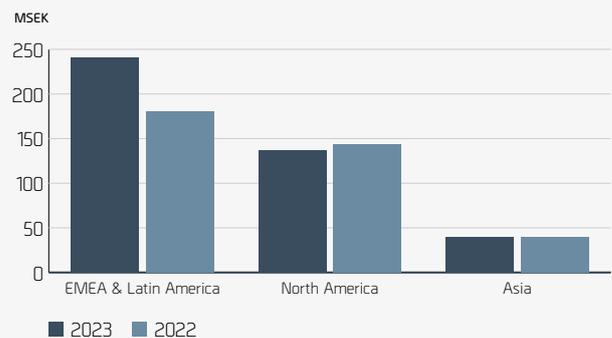
Distribution of new sales



Net sales per type of revenue



Turnover by region



Market comments

MARKET COMMENTS

The total order intake showed healthy growth in all regions during the fourth quarter of 2023 and sales increased by 10% compared to the corresponding period last year. Sales for 2023 increased by 15% compared to 2022.

During the last few years, the digital forensics industry has seen several consolidations between competitors and it is clear that customers are faced with an increasing complexity of forensic technologies and are actively looking for alternatives to ensure they have the best possible solutions for their work.

Both existing and new customers have shown strong interest in MSAB's XRY Pro product which was launched during 2023 with top end exploits for digital forensic users. Sales in existing customer segments have increased and reinforced the MSAB market position as a top tier provider in forensic labs worldwide.

MSAB has a clearly differentiated market offering in XRY Pro, contributing to strengthening MSAB's market position. The company expects this positive shift in market perception to continue in 2024 with several newly launched unique features such as 'RAM Dumping'.

EMEA & LATIN AMERICA

EMEA markets demonstrated growth during the fourth quarter and throughout the year, particularly in Europe and the UK which continued to perform well with significant year on year growth. Government budget challenges in Germany due to recent legal rulings meant that many existing customer budgets were

put on hold in Q4, the outcome of which will be seen in 2024. In Italy there is significant interest from multiple law enforcement agencies, with corresponding increases in sales year on year.

NORTH AMERICA

In the USA MSAB signed two major federal level deals in Q4. The first was an order from a federal agency to upgrade their forensic IT infrastructure to XRY Pro. The second from a long-time customer for the existing product range. Canada saw significant growth in Q4 sales from existing framework agreements.

ASIA & OCEANIA

Fourth quarter sales in the region were solid, primarily due to larger sales volumes to the Australian government. The fourth quarter was in general positive for both Australia and New Zealand contributing to a solid year of growth. In India there are positive indications of sales growth with an increased number of orders and customers.



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.

ANNUAL GENERAL MEETING (AGM)

The AGM will take place in Stockholm on Tuesday, 14 May 2024. A notice to convene the AGM will be published on MSAB's website in good time before the meeting. Shareholders who wish to have a matter considered at the AGM must submit a written request to the Board latest Tuesday, 26 March 2024.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

No significant events have occurred since year-end.

DIVIDEND

In order to ensure maximum financial flexibility, the Board of Directors intends to get back regarding dividend for 2023 in conjunction with the notice to attend the Annual General Meeting for 2024 at the latest.

FINANCIAL CALENDAR

Annual report 2023	2024-04-26
Interim report January–March 2024	2024-04-30
AGM 2024	2024-05-14
Interim report April–June 2024	2024-07-19
Interim report July–September 2024	2024-10-29
Year-end report 2024	2025-01-28

QUARTERLY DATA

	2023				2022				2021				2020
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales, MSEK	116.9	108.0	104.7	87.4	106.6	93.7	87.1	75.6	108.5	89.6	64.6	70.4	66.7
EBIT, MSEK	4.9	25.1	2.7	8.2	7.7	8.7	2.7	-0.2	16.2	24.0	-1.9	6.0	-4.0
EBIT–margin, %	4.2	23.2	2.6	9.3	7.2	9.2	3.1	-0.3	15.0	26.7	-2.9	8.5	-6.0
Earnings after tax, KSEK	0.9	19.5	2.9	6.7	6.3	6.8	2.7	1.4	12.7	18.6	-2.9	6.5	-7.0
Earnings per share, SEK	0.05	1.06	0.16	0.36	0.34	0.37	0.15	0.07	0.69	1.00	-0.16	0.35	-0.38
Cash flow from operating activities, MSEK	27.4	1.9	21.7	24.0	43.3	0.0	1.0	5.5	10.5	-10.8	1.1	9.4	47.2
Return on equity, %	0.8	16.2	2.8	6.2	6.1	7.2	3.4	1.4	14.1	21.2	-4.3	7.8	-8.5
Return on capital employed, %	5.1	21.9	4.5	8.9	9.6	11.5	6.0	2.9	20.3	27.7	-2.1	10.8	-4.3
Equity ratio, %	41.6	45.6	41.4	43.2	40.2	50.7	47.4	45.8	43.9	44.4	38.5	49.7	46.8
Cash flow from operations/per share, SEK	1.48	0.10	1.17	1.30	2.33	0.00	0.05	0.30	0.60	-0.60	0.10	0.50	2.56
Equity per share, SEK	6.27	7.02	5.99	6.65	6.29	6.02	5.41	5.02	4.90	4.20	3.10	5.30	4.78

CONSOLIDATED INCOME STATEMENT IN SUMMARY

MSEK	OCT - DEC 2023	OCT - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Net sales	116.9	106.6	416.9	363.0
Operating income	116.9	106.6	416.9	363.0
Cost of goods sold	-10.2	-24.2	-40.0	-56.8
Other external costs	-23.5	-18.7	-75.7	-70.0
Personnel costs	-74.4	-52.6	-245.2	-204.2
Depreciation of fixed assets	-3.8	-3.3	-15.2	-13.1
Total operating cost	-112.0	-98.9	-376.1	-344.2
Operating profit – EBIT	4.9	7.7	40.9	18.8
Financial income	1.0	2.2	5.6	9.5
Financial expenses	-3.9	-2.4	-7.9	-6.8
Profit/loss before tax	2.0	7.5	38.7	21.5
Tax	-1.1	-1.2	-8.7	-4.3
Net profit/loss after tax	0.9	6.3	30.0	17.1
Attributable to owners of the Parent Company	0.9	6.3	30.0	17.1
Earnings per share, SEK	0.05	0.34	1.62	0.93

STATEMENT OF COMPREHENSIVE INCOME

MSEK	OCT - DEC 2023	OCT - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Net profit/loss after tax	0.9	6.3	30.0	17.1
Currency translation differences	-5.4	-1.2	-2.5	8.2
Total comprehensive income	-4.5	5.1	27.5	25.3
Comprehensive income for the period attributable to the shareholders of the parent company	-4.5	5.1	27.5	25.3

CONSOLIDATED BALANCE SHEET IN SUMMARY

MSEK	31 DEC 2023	31 DEC 2022
ASSETS		
Tangible assets	1.3	1.5
Assets with right to use	47.6	59.4
Total non-current assets	48.9	60.9
Inventories	9.1	8.7
Accounts receivable – trade	72.9	97.1
Other current assets	14.6	17.6
Cash and cash equivalents	132.9	104.4
Total current assets	229.4	227.8
TOTAL ASSETS	278.3	288.8
EQUITY AND LIABILITIES		
Equity	115.9	116.1
Total equity	115.9	116.1
Long term leasing liabilities related to assets with right to use	32.2	41.9
Total long term liabilities	32.2	41.9
Accounts payable – trade	6.7	12.3
Current tax liability	2.4	7.4
Leasing liabilities related to assets with right to use	13.3	13.6
Other current liabilities	107.7	97.4
Total current liabilities	130.2	130.8
TOTAL EQUITY AND LIABILITIES	278.3	288.8

CHANGE IN EQUITY IN SUMMARY

MSEK	31 DEC 2023	31 DEC 2022
Opening balance	116.1	90.8
Profit/loss for the period	27.5	25.3
Dividend	-27.7	-
Equity at the end of the period	115.9	116.1

CASH FLOW STATEMENT IN SUMMARY

MSEK	OCT - DEC 2023	OCT - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Profit after paid tax and non-cash items	2.6	11.1	42.6	26.4
Working capital changes	24.8	32.2	32.4	23.4
Cash flow from operating activities	27.4	43.3	75.0	49.8
Investments in fixed assets	-0.4	-0.0	-0.6	-1.7
Cash flow from investing activities	-0.4	-0.0	-0.7	-1.7
Dividend paid to shareholders	-9.2	-	-27.7	-
Amortization of leasing liability	-3.7	-3.5	-15.4	-12.0
Cash flow from financing activities	-13.0	-3.5	-43.1	-12.0
CASH FLOW FOR THE PERIOD	14.1	39.8	31.2	36.1
Cash at the beginning of the period	124.8	66.6	104.4	66.0
Exchange rate difference in cash	-6.0	-2.0	-2.7	2.3
Cash at the end of the period	132.9	104.4	132.9	104.4

SEGMENT REPORTING

MSEK	EMEA & Latin America		North America		Asia		Total	
	OKT - DEC 2023	OKT - DEC 2022	OKT - DEC 2023	OKT - DEC 2022	OKT - DEC 2023	OKT - DEC 2022	OKT - DEC 2023	OKT - DEC 2022
Product sales	53.6	41.9	44.5	48.7	5.5	7.9	103.6	98.4
Training & other services	8.4	4.8	3.3	2.4	1.6	1.0	13.3	8.1
Total	62.0	46.6	47.8	51.0	7.1	8.9	116.9	106.6
Recognized at a certain point in time	52.6	39.7	42.6	46.7	5.6	7.6	100.8	94.0
Recognized over time	9.4	6.9	5.2	4.3	1.5	1.4	16.1	12.6
Total	62.0	46.6	47.8	51.0	7.1	8.9	116.9	106.6

MSEK	EMEA & Latin America		North America		Asia		Total	
	JAN - DEC 2023	JAN - DEC 2022	JAN - DEC 2023	JAN - DEC 2022	JAN - DEC 2023	JAN - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Product sales	210.5	155.5	125.8	131.8	33.3	37.1	369.6	324.5
Training & other services	30.0	24.4	11.3	11.3	6.1	2.7	47.4	38.5
Total	240.5	180.0	137.1	143.2	39.4	39.8	417.0	363.0
Recognized at a certain point in time	204.3	152.4	116.3	124.5	33.3	34.1	353.9	311.0
Recognized over time	36.2	27.6	20.8	18.7	6.1	5.8	63.1	52.0
Total	240.5	180.0	137.1	143.2	39.4	39.8	416.9	363.0

PARENT COMPANY INCOME STATEMENT IN SUMMARY

MSEK	OCT - DEC 2023	OCT - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Net sales	86.0	80.2	314.6	273.2
Operating income	86.0	80.2	314.6	273.2
Cost of goods sold	-10.2	-24.2	-40.0	-56.8
Other external costs	-15.8	-10.8	-50.6	-46.8
Personnel costs	-57.3	-37.3	-184.8	-145.8
Depreciation of fixed assets	-3.2	-2.9	-13.0	-11.4
Operating cost	-86.6	-75.2	-288.5	-260.9
Operating profit – EBIT	-0.6	5.0	26.2	12.3
Net financial items	-3.0	-0.1	-2.8	2.8
Profit/loss before tax	-3.6	4.9	23.3	15.1
Tax	0.7	-3.3	-5.1	-3.3
Net profit/loss after tax	-3.0	1.6	18.3	11.8

STATEMENT OF COMPREHENSIVE INCOME

MSEK	OCT - DEC 2023	OCT - DEC 2022	JAN - DEC 2023	JAN - DEC 2022
Net profit/loss after tax	-3.0	1.6	18.3	11.8
Total comprehensive income	-3.0	1.6	18.3	11.8

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	31 DEC 2023	31 DEC 2022
ASSETS		
Tangible assets	0.9	0.9
Assets with right to use	44.2	53.9
Shares in group companies	0.4	0.4
Total fixed assets	45.5	55.2
Inventories	9.1	8.7
Accounts receivable – trade	31.6	24.3
Other current assets	37.8	39.9
Cash and cash equivalents	48.2	61.1
Total current assets	126.7	134.0
TOTAL ASSETS	172.1	189.3
EQUITY AND LIABILITIES		
Share capital	3.8	3.8
Share premium	20.3	20.3
Restricted equity	24.1	24.1
Statutory reserve	7.8	7.8
Profit brought forward	27.9	37.3
Non-restricted equity	35.7	45.1
Total equity	59.8	69.2
Long term leasing liabilities related to assets with right to use	30.9	38.4
Total long term liabilities	30.9	38.4
Accounts payable – trade	5.5	10.0
Current tax liability	0.0	6.2
Short term leasing liabilities related to assets with right to use	11.2	11.5
Other current liabilities	64.7	53.9
TOTAL EQUITY AND LIABILITIES	81.4	81.7
SUMMA EGET KAPITAL OCH SKULDER	172.1	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
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total assets, MSEK	278.3	284.0	267.4	284.5	288.8	219.2	210.9	202.2	206.5	174.0	149.1	177.4	188.7
Accounts payables, MSEK	-6.7	-4.9	-8.7	-3.8	-12.3	-7.8	-5.8	-3.9	-11.0	-7.1	-5.5	-5.2	-6.0
Tax liabilities, MSEK	-2.4	-2.5	-1.6	-1.9	-7.4	-9.0	-7.5	-7.5	-9.9	-5.3	-1.1	-2.0	-1.1
Leasing liabilities related to assets with right to use	-45.6	-48.5	-51.9	-52.2	-55.5	-7.9	-10.8	-13.3	-10.0	-10.6	-13.3	-16.3	-27.0
Other liabilities, MSEK	-107.7	-98.6	-94.6	-103.8	-97.4	-83.3	-86.7	-84.8	-85.0	-73.8	-71.8	-75.8	-66.3
Capital employed, MSEK	115.9	129.5	110.6	122.8	116.1	111.1	100.0	75.0	90.6	77.2	57.5	78.2	88.3
Average capital employed, MSEK	116.0	120.3	105.3	98.9	103.3	94.2	78.8	76.6	89.5	87.4	67.4	75.2	82.2



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. 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 January 25, 2024 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 phones, tablets, and similar. The Company develops high quality, intuitive software that has become the de facto standard at many authorities and organisations for the purpose of securing evidence in criminal investigations. The products can be complemented with tools for administration and reporting, as well as a wide range of training with certification for legally sound 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 justice system. MSAB has clear growth strategies combined with a business model that entails scalability and a high degree of recurring revenue through license renewals.

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 strengthen its market position. The Company's belief is that the need for professional tools for extracting and analysing data from digital devices will continue to increase. MSAB is mainly focused on organic growth but in some cases evaluates acquisitions.

Through its direct sales and distributors on various markets, MSAB is represented in more than 100 countries globally.

WHO?

MSAB assists law enforcement authorities – the police, military, migration, corrections, customs, and others – 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 18 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 digital devices such as mobile phones, tablets, and vehicles, as well as products that can unlock digital devices, extract information and then decrypt it.

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. MSAB strives to ensure the Company complies with the environmental requirements in the different markets where the Company operates.

MSAB's offering

Together, MSAB's products and services provide mobile forensic solutions that make it easier for law enforcement agencies to secure digital evidence on mobile phones based on a legally sound process.

The solutions work together to ensure the best possible working practices and outcomes for users as: police officers in the field, investigators, digital forensic experts in laboratories, analysts, court officials, and others.

SOFTWARE

XRY

Extract more data, in less time, with full integrity

XAMN

Analyze your data faster, easier, with greater precision.

XEC

Manage and monitor your mobile forensic tools and activities

SERVICES



Strategy



Implementation



Training



Support



Access Services



PLATFORMS



MSAB Office



MSAB Field



MSAB Kiosk



MSAB Tablet



MSAB Express



MSAB Raven