





## Comments from the CEO

Sales for the quarter amounted to SEK 89.6 million with an operating profit of SEK 24.0 million, which corresponds to an operating margin of 27%. The margin shows the strength of our business model where we have a gross margin of approximately 93%. If we increase sales, it has a major positive effect on the company's profit.

When we sell new systems, software and hardware are included. The hardware is a small part of the customer's cost but is crucial for connecting and managing the tens of thousands of digital devices we support.

The information we are receiving from our sub-contractors has never been so uncertain due to the prevailing, global shortage of components for certain electronics products. If our sub-contractors had been able to deliver according to plan, our third quarter sales would have surpassed our sales for the corresponding period in 2020.

However, we have our own warehouses and alternative suppliers for a large part of the hardware components we use. Which means that we will minimize future delivery delays.

The company's other external costs are slightly higher than in the corresponding period last year, but at the same time significantly lower than before the pandemic. This is due to more markets opening up and enabling physical meetings as well as participation in important trade fairs and other events.

We expect that these costs will continue to rise slightly as restrictions on travel are reduced, which is something we also welcome as it creates more opportunities to show what we can offer customers when it comes to both products and services.

The change we made in North America last year is starting to show results. Sales increased during the third quarter compared to last year, even though we are slightly behind so far this year, we are doing the right things with the right organization, and this will continue to have an effect.

The EMEA region is slightly lower during the third quarter but has grown so far this year and an important quarter for EMEA is the fourth quarter as many of the customers in the region have budget years that coincide with calendar years.

ASIA / CIS is a region that is declining compared to the previous year and this is largely a consequence of our more restrictive attitude in which countries we sell our solutions to. Unfortunately, several countries in the region have developed in a way that has made us actively choose not to deliver our solutions.

More and more countries are easing restrictions, which enable travelling. This means that several projects that were previously hindered or even paused can now be resumed and completed. It is primarily frontline projects that we know will be resumed.

The mobile forensic industry is rapidly changing in a positive direction. More and more authorities in the western world are being required to work according to certain standards in mobile forensics. Standards that enable our customers to decentralize the work of reading digital devices in a controlled and legally secure manner, in order to meet the enormous

need for secure evidence in digital devices. Being able to

secure the truth from digital devices and the owner's activity is indisputably important for law enforcement agencies. This is what MSAB is a world leader in. For several reasons, ever higher demands are placed on both which and how the information is secured from seized mobile phones.

For the past two years, MSAB has been a leading participant in a European initiative funded by the EU. The project is called "FORMOBILE" whose purpose is to ensure integrity and security through documented and standardized methods for reading mobile phones in Europe.

The project will run until the middle of next year and will result in new standards and higher requirements for European police, which MSAB not only meets but also worked with and developed.

Several important customers request strategic advice and assistance with the implementation and maintenance of our ECO systems.

This is exactly what we anticipated and prepared for early on when we started our professional services.

I view MSAB's future development positively and we will continue to support our customers in their important work to create a safer society through increasing quality and value in our products and services.

Stockholm, October 2021

Joel Bollö, Chief Executive Officer



## Revenue distribution

MSEK Jan-Sep 2021	Asia & CIS	EMEA & Latin America	North America	Total
Product sales	26.2	100.3	73.5	200.0
Training & other services	1.4	20.1	3.0	24.5
<b>Total</b>	<b>27.6</b>	<b>120.4</b>	<b>76.5</b>	<b>224.5</b>
Recognized at a certain point in time	24.7	107.0	69.7	201.4
Recognized over time	2.9	13.5	6.8	23.1
<b>Total</b>	<b>27.6</b>	<b>120.4</b>	<b>76.5</b>	<b>224.5</b>

MSEK Jan-Sep 2020	Asia & CIS	EMEA & Latin America	North America	Total
Product sales	34.1	101.6	78.3	214.0
Training & other services	3.5	19.8	6.1	29.4
<b>Total</b>	<b>37.6</b>	<b>121.4</b>	<b>84.4</b>	<b>243.4</b>
Recognized at a certain point in time	33.4	103.2	70.9	207.5
Recognized over time	4.2	18.2	13.5	35.9
<b>Total</b>	<b>37.6</b>	<b>121.4</b>	<b>84.4</b>	<b>243.4</b>

## Revenue distribution

MSEK Jul-Sep 2021	Asia & CIS	EMEA & Latin America	North America	Total
Product sales	4.9	36.4	38.6	79.9
Training & other services	0.6	8.1	0.9	9.7
<b>Total</b>	<b>5.5</b>	<b>44.5</b>	<b>39.5</b>	<b>89.6</b>
Recognized at a certain point in time	4.1	38.3	35.9	78.3
Recognized over time	1.4	6.2	3.7	11.3
<b>Total</b>	<b>5.5</b>	<b>44.5</b>	<b>39.5</b>	<b>89.6</b>

MSEK Jul-Sep 2020	Asia & CIS	EMEA & Latin America	North America	Total
Product sales	10.3	36.9	35.0	82.3
Training & other services	0.3	9.9	0.8	10.9
<b>Total</b>	<b>10.6</b>	<b>46.8</b>	<b>35.8</b>	<b>93.3</b>
Recognized at a certain point in time	9.1	40.2	31.4	80.8
Recognized over time	1.5	6.5	4.4	12.5
<b>Total</b>	<b>10.6</b>	<b>46.8</b>	<b>35.8</b>	<b>93.3</b>

## Net sales

Third quarter consolidated net sales declined –4.0 percent to SEK 89.6 (93.3) million. For the entire period net sales declined with –7.8 percent to SEK 224.5 (243.4) million. In local currencies, consolidated net sales declined –1.6 percent for the quarter and with –2.8 percent for the period. For comments on the income trend, see *Market Comments*, pages 13–15, along with the associated graphs.

## Expenses

Third quarter expenses for goods for resale amounted to SEK 6.6 (7.4) million and SEK 17.6 (20.8) million for the period. Expenses for goods for resale depend on the product mix sold. The lower expense for goods for resale for the quarter and the period are proportional to the decline in income compared with last year.

During the quarter, the Company experienced longer delivery times for goods for resale due to the component shortage for specific electronics components prevailing internationally. These delays have affected the Company’s ability to complete some deliveries, which in turn impacted sales for the quarter.

The gross margin for the quarter was 93 (92) percent and 92 (91) percent for the period.

Other external costs for the quarter, including depreciation, amounted to SEK 16.7 (12.5) million. That other external costs increased significantly in relation to the comparison period last year must at the same time be put into perspective to previous years where these costs were around SEK 18–19 million. During the third quarter of 2020, there were basically not possible to travel and no fairs/events at all due to the

ongoing pandemic. In previous quarterly reports for the year, the company has communicated that the cost base is expected to increase in the future as a result of the global restrictions on travel, etc. slowly starting be lifted and life slowly returns to normal.

During the quarter, the company was able to participate in a number of planned trade fairs and customer activities around the world, which resulted in a normalization of other external costs in relation to the previous years.

The Company welcomes this development as it means more opportunities to meet both prospective and existing customers in person, which is in many cases decisive in a branch that rests on a foundation of trust and integrity for building relations and ultimately closing deals.

For the period January–September, other external costs including depreciation amounted to SEK 45.0 (47.1) million.

Personnel costs for the quarter amounted to SEK 42.2 (44.0) million, a decline of 4.0 percent compared with last year. The lower personnel expenses are a direct result of a 7.4 percent reduction in the number of employees compared to last year. The company carried out a reorganization at the end of last year to review and streamline the organization, which is the main reason for the lower personnel costs. For the period, personnel costs amounted to SEK 133.8 (142.9) million.

The Company’s intention going forward is to continue recruiting new employees, primarily within development and sales in order to meet the increasing demand for the Company’s products and services. At the same time, the number of employees and personnel-related expenses are expected to continue at a lower level than for the previous year.



## Profit/loss

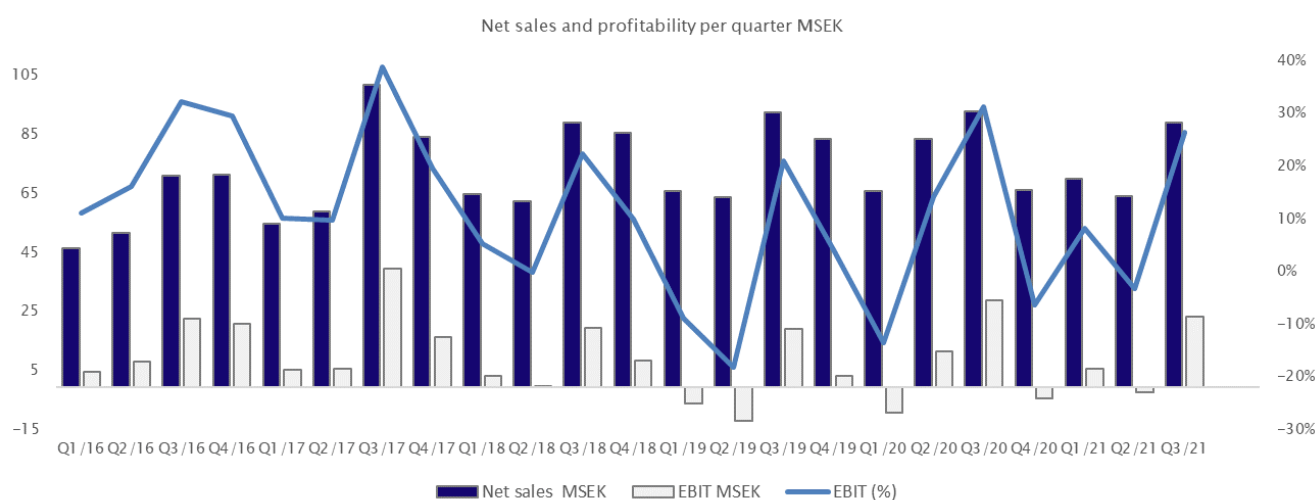
EBIT for the quarter amounted to SEK 24.0 (29.4) million, which corresponds to an EBIT margin of 26.7 (31.5) percent. For the period January–September, EBIT amounted to SEK 28.1 (32.6) million. EBIT for the quarter and the period are somewhat lower than for last year, which relates directly to lower sales. This decline is counter-balanced to a large degree by the lower expense base described earlier in this report.

Net financial income/expense was SEK -0.2 (-1.8) million for the quarter and SEK 0.0 (-2.0) million for the period and is comprised primarily of revaluation of cash and cash equivalents in foreign currencies. A weakening of SEK especially vis-a-vis USD and EUR benefits the Company as the lion's share of revenue is recognized in foreign currencies but consolidated and reported in SEK.

Profit/loss after tax for the quarter was SEK 18.6 (21.4) million and for the period SEK 22.2 (23.3) million.

## Fluctuations in sales and profit

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



# Financial position

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

## Consolidated balance sheet in summary

MSEK	30-sep		31-dec
	2021	2020	2020
<b>ASSETS</b>			
Intangible assets	0.0	0.0	0.0
Tangible assets	1.8	2.4	2.2
Assets with right to use	13.0	23.0	20.8
Deferred tax asset	-	0.2	-
Total non-current assets	14.7	25.6	23.0
Inventories	8.0	8.9	8.1
Accounts receivable – trade	76.1	95.2	46.1
Current tax asset	2.0	6.9	0.5
Other current assets	12.0	10.2	9.8
Cash and cash equivalents	61.3	59.0	101.2
Total current assets	159.3	180.1	165.7
<b>TOTAL ASSETS</b>	<b>174.0</b>	<b>205.8</b>	<b>188.7</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	77.2	97.7	88.3
Long term leasing liabilities related to assets with right to use	0.2	9.0	19.2
Accounts payable – trade	7.1	3.4	6.0
Current tax liability	5.3	5.8	1.1
Leasing liabilities related to assets with right to use	10.4	12.7	7.8
Other current liabilities	73.8	77.1	66.3
Total current liabilities	96.6	99.1	81.2
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>174.0</b>	<b>205.8</b>	<b>188.7</b>

## Change in equity in summary

MSEK	30-sep		31-dec
	2021	2020	2020
Opening balance	88.3	76.1	76.1
Profit/loss for the period	25.8	21.6	12.2
Dividend	-36.9	-	-
Equity at the end of the period	77.2	97.7	88.3



## Cash flow statement in summary

MSEK	Jul-Sep		Jan-Sep		12 months	Full year
	2021	2020	2021	2020	Oct-Sep	2020
Profit after paid tax and non-cash items	26.7	22.5	37.0	29.8	40.3	33.1
Working capital changes	-37.5	-25.3	-37.3	-25.0	6.7	19.0
Cash flow from operating activities	-10.8	-2.8	-0.3	4.8	46.9	52.0
Investments in fixed assets	0.3	-0.3	0.2	-0.5	0.1	-0.6
Cash flow from investing activities	0.3	-0.3	0.2	-0.5	0.1	-0.6
Dividend paid to shareholders	-	-	-36.9	-	-36.9	-
Amortization of leasing liability	-	-2.5	-5.5	-7.7	-8.4	-10.6
Cash flow from financing activities	-	-2.5	-42.4	-7.7	-45.3	-10.6
Cash flow for the period	-10.5	-5.6	-42.5	-3.4	1.7	40.8
Cash at the beginning of the period	70.8	64.8	101.2	63.9	59.0	63.9
Exchange rate difference in cash	1.0	-0.2	2.6	-1.5	0.6	-3.5
Cash at the end of the period	61.3	59.0	61.3	59.0	61.3	101.2

### Cash flow

Cash flow from operating activities for the quarter amounted to SEK -10.8 (-2.8) million.

Cash flow from operating activities for the period amounted to SEK -0.3 (4.8) million. This negative cash flow is in large attributable to the distribution of dividends amounting to SEK 36.9 (0) million decided at the Annual General Meeting held 11 May. Otherwise, the Company has a solid financial position with no loans, debts or established bad debt losses.

On 30 September, 2021 cash and cash equivalents amounted to SEK 61.3 (59.0) million. In addition to cash and cash equivalents, there was as of 30 September, 2021 an unutilised bank overdraft of SEK 10 million.

### The Parent Company

The Parent Company's net sales for the period January-September amounted to SEK 171.8 (180.4) million. EBIT for the period was SEK 22.9 (25.7) million. Investments for the period amounted to SEK 0.0 (0.5) million. The number of employees at the Parent Company at the end of the period was 139 (155).

Risks and uncertainty factors are the same for the Parent Company as for the Group. The Parent Company's net sales and EBIT essentially follow the Group's earnings trend. Hence comments about the consolidated profit/loss trend apply to the Parent Company as well.

## Parent company income statement in summary

MSEK	Jan-Sep		Jul-Sep	
	2021	2020	2021	2020
Net sales	171.8	180.4	70.8	74.7
Cost of goods sold	-17.0	-20.8	-6.5	-7.4
Other external costs	-24.4	-25.2	-9.1	-6.1
Personnell costs	-98.9	-100.5	-30.2	-30.6
Depreciation of fixed assets	-8.6	-8.3	-2.9	-2.8
<b>Total operating cost</b>	<b>-148.9</b>	<b>-154.7</b>	<b>-48.7</b>	<b>-46.9</b>
<b>Operating profit – EBIT</b>	<b>22.9</b>	<b>25.7</b>	<b>22.1</b>	<b>27.8</b>
Net financial items	0.1	-2.0	-0.1	-1.7
<b>Profit/loss before tax</b>	<b>23.0</b>	<b>23.7</b>	<b>21.9</b>	<b>26.1</b>
Tax	-5.1	-5.1	4.8	5.7
<b>Net profit/loss after tax</b>	<b>17.9</b>	<b>18.6</b>	<b>26.8</b>	<b>31.8</b>

## Statement of comprehensive income

MSEK	Jan-Sep		Jul-Sep	
	2021	2020	2021	2020
Net profit/loss after tax	17.9	18.5	26.8	31.8
Total comprehensive income	17.9	18.5	26.8	31.8

## Parent company balance sheet in summary

MSEK	30-sep	
	2021	2020
<b>ASSETS</b>		
Intangible assets	-	-
Tangible assets	1.8	2.4
Assets with right to use	12.5	22.0
Shares in group companies	0.4	0.4
Total fixed assets	14.7	24.8
Inventories	8.0	8.9
Accounts receivable – trade	21.6	25.5
Other current assets	52.0	63.2
Cash and cash equivalents	11.0	15.3
Total current assets	92.6	112.9
<b>TOTAL ASSETS</b>	<b>107.3</b>	<b>137.8</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	3.8	3.8
Share premium	28.1	28.1
<i>Restricted equity</i>	31.9	31.9
Statutory reserve	7.8	7.8
Profit brought forward	10.1	30.7
<i>Non-restricted equity</i>	17.9	38.5
Total equity	49.7	70.4
Long term leasing liabilities related to assets with right to use	0.6	9.0
Intercompany liabilities	0.9	-
Accounts payable – trade	6.4	3.2
Current tax liability	-	-
Short term leasing liabilities related to assets with right to use	9.6	11.4
Other current liabilities	40.0	43.8
Total current liabilities	56.9	58.4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>107.3</b>	<b>137.8</b>

## Other Comments

### Employees and organisation

On 30 September, 2021 there were 184 (204) employees at the Company. The average number of employees for the period was 189 (203).

### Seasonal effects

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

### Risks and uncertainty factors

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

MSAB monitors the development in regards to the coronavirus, Covid-19, and evaluates the extent to which this may affect the company's operations both in the short and long term. At present, the company's assessment is that the business has not been significantly affected. MSAB operates in a market that is relatively stable when it comes to market fluctuations, as the customers are primarily authorities around the world. The company's assessment is that this is part of the explanation why Covid-19 has not significantly affected the company's strategies, goals or outcomes. The opportunity to meet customers and stakeholders at conferences / fairs or in other contexts has, for many as MSB, just as for many others, been considerably made more difficult, even though it has begun to normalize somewhat during the third quarter.

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

### Related party transactions

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

### Accounting principles

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

### Annual General Meeting (AGM) 2022

The AGM will be held in Stockholm on 11 May, 2022. Shareholders who wish to have a matter considered at the AGM must submit a written proposal latest 4 February to ensure the matter is included in the Notice convening the AGM.

## Nomination Committee

The Nomination Committee is composed of the following members who represent the three shareholders with the most votes: David Zaudy, Christian Hellman and Erik Ivarsson.

The Nomination Committee is charged with submitting proposals for the AGM Chairman, Board members, Board Chairman, Board and Auditor fees, and proposals for the Nomination Committee procedure.

## Significant events since end of period

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

Stockholm, 28 October, 2021

Micro Systemation AB (publ)

Joel Bollö, Chief Executive Officer

## Financial Calendar 2021-2022

Interim Report January–December 2021	27 January 2022	8.00 am
Annual Report 2021	22 April 2022	8.00 am
Interim Report January–March 2022	28 April 2022	8.00 am
Annual General Meeting 2022	11 May 2022	6.00 pm

For more information, visit [msab.com](https://msab.com) or contact

Joel Bollö, CEO, phone +46-8 739 02 70

Daniel Nyholm, CFO, phone +46 709-968 333

# Market comments

The third quarter was characterised by a slow return to a more normal situation for many markets after almost two years with COVID-19-related restrictions. The Company has been able to participate in several branch-specific exhibitions around the world and visit prospective and existing customers in markets which have in principle been completely closed.

This has resulted in a gradual recovery, especially in the North American market which performed better for the quarter compared with last year. For the entire period January-September, sales are still at a lower level and the North American market has not developed in line with expectations from earlier quarters, mainly due to shutdowns and uncertainties over budgets for federal authorities, where the fiscal year runs from October to September. Recovery during the third quarter is therefore welcome and the conditions for a continuing positive trend for the last months of the year are good, provided that the market continues to open and that any possible component shortages do not result in further delays.

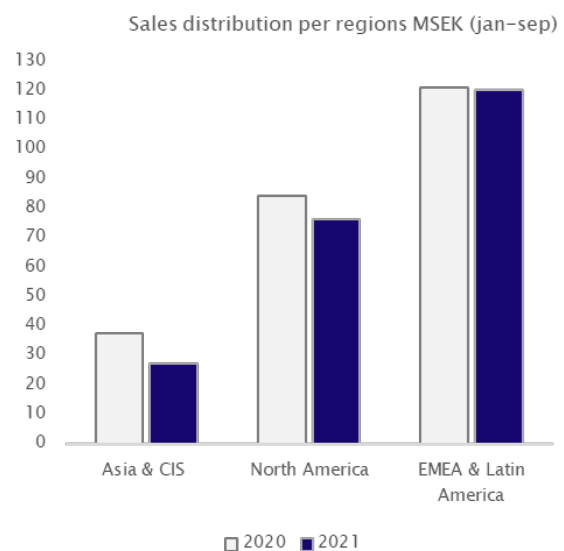
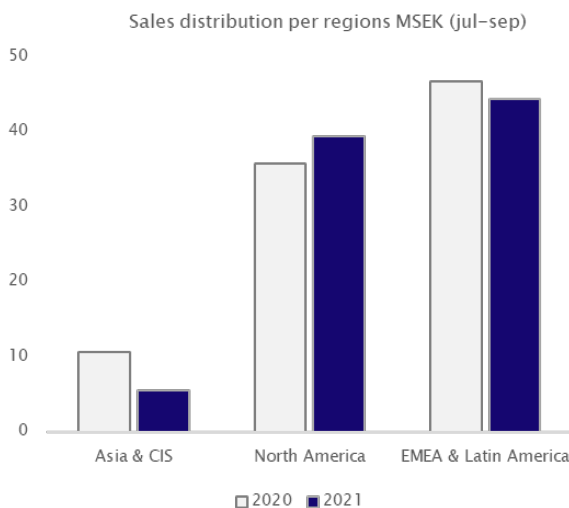
Delays in decisions for major forensic solutions and license renewals that the Company experienced in earlier quarters remain in part, even if the Company is receiving positive signals from several markets and customers related to these

The possibility of executing planned training and education has also been moving in a positive direction, although this is not reflected in third quarter figures. Several planned training sessions postponed during the year now have new dates scheduled, some already in Q4, but with the lion's share scheduled for Q1 2022.

The order intake has also rebounded. A new challenge has been the component shortage prevailing for certain electronics products, which has resulted in longer delivery times for some of the hardware the Company uses, for example, in sales of Kiosk or XRY Office.

Longer delivery times have meant that we have not been able to complete delivery of some orders during the quarter, which affected sales negatively. In a normal scenario, sales for the quarter would have exceeded sales for the corresponding period last year.

It is difficult at present to get an overview of the component shortage, and thus even for the risk for fourth quarter delays. The Company is working to find alternative components, and to build up a larger inventory of these to secure planned deliveries.



## Products

The market for mobile devices and apps is probably the fastest growing market in the world. XRY now supports almost 36,000 mobile phone profiles. MSAB's customers can now extract data from the latest versions of mobile phones and perform in-depth data analyses which means that crimes can be solved quicker.

The extraction solution **XRY** enables law enforcement agencies to show that they are taking all reasonable technical measures to minimise the risk for data breaches regarding personal information on mobile phones. With XRY, investigators and analysts can execute selective extractions, where only data from specific apps or data from specific time periods is extracted, to ensure that the fundamental rights of victims and witnesses are not violated.

The data that criminal investigators need can be specified in the settings, a so-called selective extraction, which makes a significant difference when it comes to personal integrity. If an investigator only needs data from a specific application, this can be done simply with XRY. This function can seem insignificant at first glance, but it is crucial for the principle of legal security to minimise any breach of witnesses' or victims' private life, as well as for upholding data protection regulations. Everything depends on witnesses being willing to share potentially interesting data with law enforcement agencies.

The need to understand the legal foundation for extracting digital evidence from mobile phones while simultaneously maintaining fundamental rights for privacy is becoming increasingly important within the digital forensics branch. For

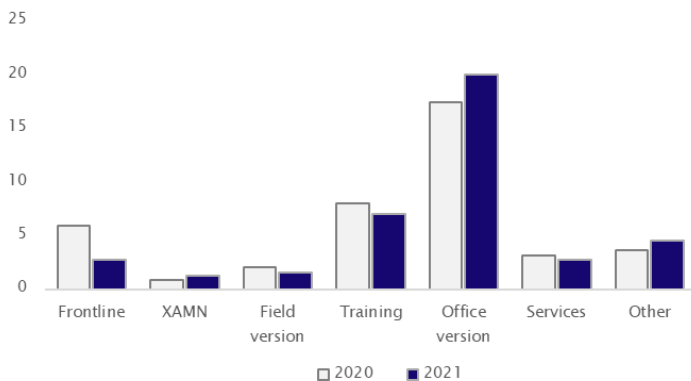
example, in the United Kingdom, one of MSAB's most important markets, the need for better data extraction techniques that reduce the amount of time that victims are deprived of their phones is under discussion. The ambition is to return phones to victims within 24 hours. The latest version of XRY supports the United Kingdom's ambition completely.

Additionally, new regulations for the police are being added to ensure that every request for information is necessary and stands in proportion to the investigation. Victims and witnesses often point out that the reason they disclose their personal information is that they would otherwise not get their cases tried.

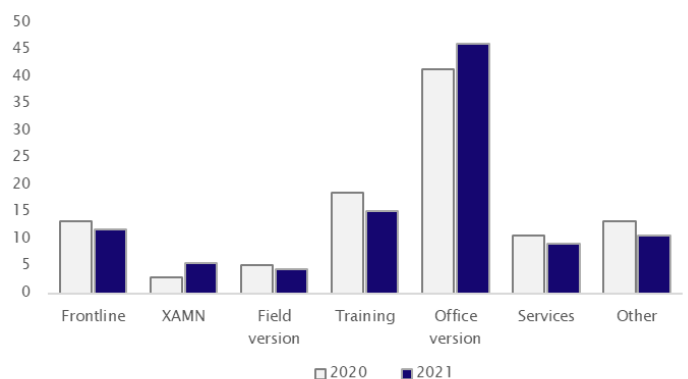
In terms of sales, XRY Office continues to be a driving force and - together with XAMN - sales exceeded last year's. At the same time, the Company sees a lot of interest in Frontline and Raven, both solutions that enable decentralization of forensic investigations by being able to carry them out directly at the crime scene instead of in the lab, in some cases. Raven is currently included in the "Other" category.

This interest is not yet reflected in an increase in sales for the year, which is due primarily to the time it takes to incorporate new products into customers' daily operations. However, we see both products as an important part of the Company's future long-term growth.

New Sales distribution MSEK, Jul-Sep



New Sales distribution MSEK, Jan-Sep

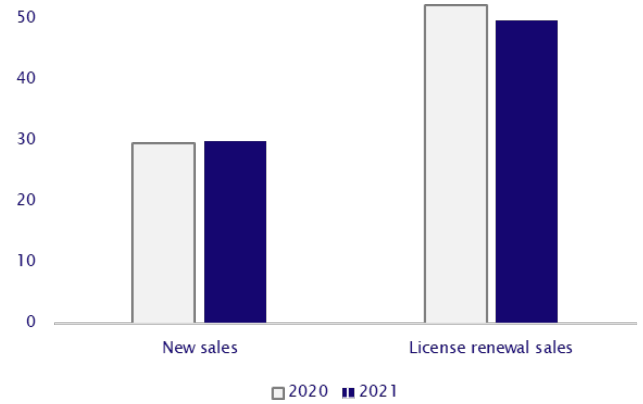


## Training

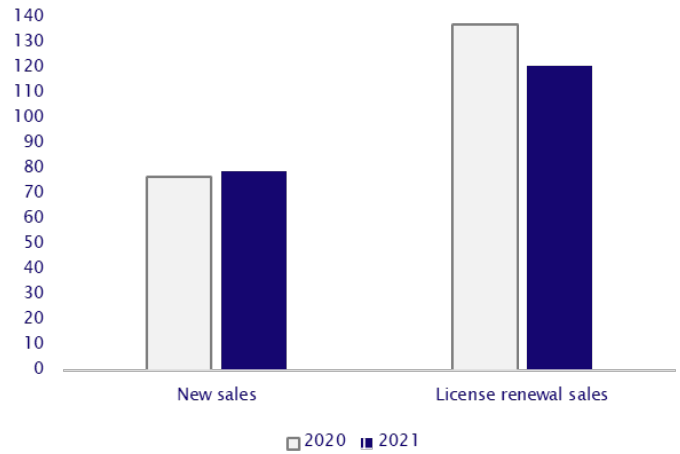
The pandemic has led to an increase in digital training, which has been an appreciated learning experience for the Company as well as customers. However, some customers require in-person training; hence income from training operations remains lower than for last year. Many planned trainings that were postponed because of the pandemic are now finding their way back into the calendar thanks to a lightening of restrictions in many countries. Many of these will be executed during the fourth quarter, with the lion's share being scheduled for Q1 2022.

Training operations generally correlate with the Company's other sales trends.

Product sales distribution (jul-sep)



Product sales distribution (jan-sep)



# Share and shareholders

## The Share

MSAB's B share was first listed in 1999 and has been listed on Nasdaq Stockholm Small Cap (ticker symbol: MSAB B) since December 2011. The Company's share price as of 30 September, 2021 was SEK 46.25 per share, corresponding to share capital of SEK 812 million calculated on the number of outstanding shares.

## Share capital

Share capital in MSAB at the end of the period amounted to SEK 3,834,400, with 19,172,000 shares with a nominal value of SEK 0.20. The Company has three classes of shares: Series A and B shares have equal rights to the Company's assets and profit; C shares do not entitle the holder to dividends. Every Series A share entitles the holder to ten votes and every Series B and C share entitles the holder to one vote. The number of shares in Series A is 1.000.000 and in Series B is 17.550.000. The number of Series C shares is 622.000, all held in treasury. Additionally, 81.596 Series B shares are held by the company.

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

## Dividend policy and dividend

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

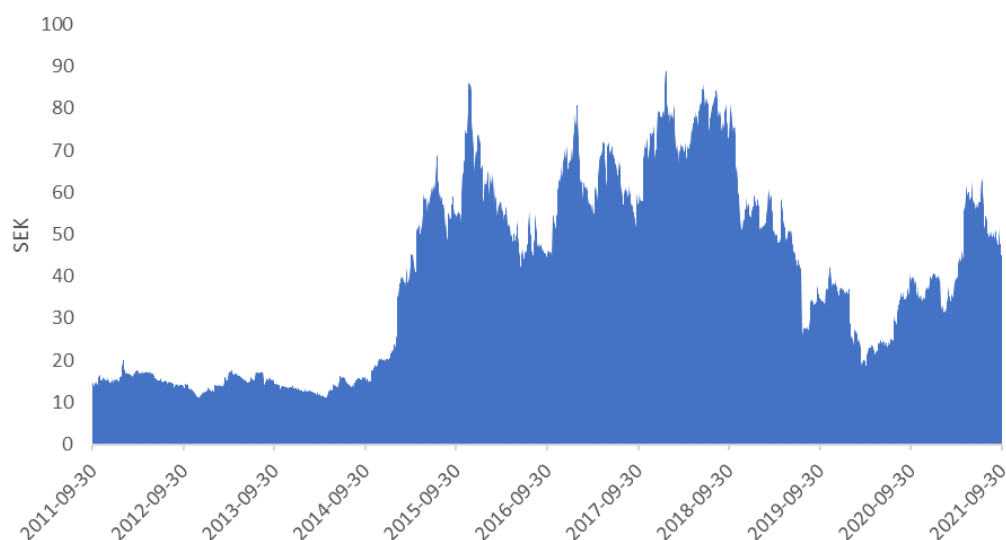
## Ownership

The number of shareholders as of 30 September was 4,495 (3,846).

## Information to shareholders

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

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





**MSAB (publ) largest shareholders per 30 September 2021**

Name	A-shares	B-Shares	C-shares	Capital	Votes	% Votes	% Capital
Aktiebolag Grenspecialisten	525 000	574 612	0	1 099 612	5 824 612	20,68	5,74
Edastra AB	347 500	1 143 592	0	1 491 092	4 618 592	16,39	7,78
Nordnet Pensionsförsäkringar AB	0	1 877 529	0	1 877 529	1 877 529	6,66	9,79
Strawberry Capital A/S	0	1 479 404	0	1 479 404	1 479 404	5,25	7,72
Cervantes Capital AB	127 500	0	0	127 500	1 275 000	4,53	0,67
Försäkringsbolaget Avanza Pension	0	1 253 480	0	1 253 480	1 253 480	4,45	6,54
Alcur Select	0	1 047 179	0	1 047 179	1 047 179	3,72	5,46
Öhman Sweden Microcap	0	843 313	0	843 313	843 313	2,99	4,40
Sijoitusrahasto Aktia Nordic Mic	0	750 000	0	750 000	750 000	2,66	3,91
Thomas Wernhoff	0	520 000	0	520 000	520 000	1,85	2,71
<b>Total 10 largest shareholders</b>	<b>1 000 000</b>	<b>9 489 109</b>	<b>0</b>	<b>10 489 109</b>	<b>19 489 109</b>	<b>69,18</b>	<b>54,71</b>
Micro Systemation AB	0	81 596	622 000	703 596	703 596	2,50	3,67
Other	0	7 979 295	0	7 979 295	7 979 295	28,32	41,62
<b>Total number of shares</b>	<b>1 000 000</b>	<b>17 550 000</b>	<b>622 000</b>	<b>19 172 000</b>	<b>28 172 000</b>	<b>100,00</b>	<b>100,00</b>

**Quarterly data**

	2021			2020				2019				2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, MSEK	89.6	64.6	70.4	66.7	93.3	83.9	66.2	84.0	93.3	64.1	66.3	86.2	89.4	63.0	65.3
EBIT, MSEK	24.0	-1.9	6.0	-4.0	29.4	12.1	-8.8	3.7	19.8	-11.5	-5.6	8.7	20.1	0.1	3.7
EBIT-margin, %	26.7	-2.9	8.5	-6.0	31.5	14.4	-13.2	4.4	21.2	-17.9	-8.6	10.1	22.5	0.2	5.6
Earnings per share, SEK	1.01	-0.16	0.35	-0.38	1.16	0.56	-0.46	0.07	1.03	-0.58	-0.23	0.40	0.79	0.07	0.24
Return on equity, %	21.2	-4.3	7.8	-8.5	24.6	15.7	-9.7	1.5	21.2	-15.4	-3.9	6.6	14.4	1.8	3.8
Return on capital employed, %	27.7	-2.1	10.8	-4.3	34.5	21.7	-8.1	4.8	23.2	-14.0	-3.2	9.5	20.7	3.3	6.5
Equity ratio, %	44.4	38.5	49.7	46.8	47.5	41.2	38.2	40.0	40.3	33.7	49.2	57.2	55.2	53.4	59.8
Cash flow from operations / per share, SEK	-0.58	0.06	0.51	2.56	-0.15	-0.08	0.36	0.57	0.73	0.04	-0.38	1.57	-0.69	-0.62	0.01
Equity per share, SEK	4.18	3.11	5.30	4.78	5.29	4.19	3.78	4.12	4.14	2.98	5.79	5.96	5.58	4.59	6.53

## Definitions

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

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

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

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

\* Defined under IFRS

### Reconciliations of measurements that are not defined under IFRS.

	2021				2020				2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total assets, MSEK	174.0	149.1	177.4	165.7	205.8	188.0	182.8	190.1	189.7	163.2	217.4	192.5	186.9
Accounts payables, MSEK	-31.8	-5.5	-5.2	-6.0	-3.4	-4.3	-4.5	-4.6	-5.5	-3.1	-3.9	-3.7	-4.5
Tax liabilities, MSEK	-5.3	-1.1	-2.0	-1.1	-5.8	-1.1	-1.9	-1.2	-0.8	-1.3	-0.9	-0.5	-6.9
Leasing liabilities related to assets with right to use	-10.6	13.3	-16.3	-27.0	-21.7	-24.3	-25.7	-28.3	-30.8	-33.1	-32.8	-	-
Other liabilities, MSEK	-73.8	-71.8	-75.8	-66.3	-77.1	-80.9	-78.4	-79.9	-76.2	-70.5	-72.8	-78.2	-72.4
Capital employed, MSEK	52.5	57.5	78.0	65.3	97.7	77.4	72.3	76.1	76.5	55.2	107.0	110.1	103.1
Average capital employed, MSEK	75.1	67.4	75.1	70.7	87.1	66.3	89.6	93.1	89.8	85.5	113.5	112.4	101.8

## Statement from the Board and CEO

The under-signed certify that this interim report provides, in accordance with current regulations, a fair and true overview of the Parent Company's and Group's operations, financial position and earnings, as well as describing the significant risks and uncertainty factors to which the Parent Company and the subsidiaries that comprise the Group are exposed.  
Stockholm, October 28, 2021

## Micro Systemation AB (publ)

Organisationsnummer 556244-3050

Bernt Ingman Chairman of the Board	Jan-Olof Backman Board member	Peter Gille Board member
---------------------------------------	----------------------------------	-----------------------------

Ann Hellenius Board member	Fredrik Nilsson Board member	Linda Nyberg Board member
-------------------------------	---------------------------------	------------------------------

Joel Bollö  
CEO

## Auditor's Review Report

### *Introduction*

We have conducted a review of the interim report for Micro Systemation AB (publ) for the period from 1 January, 2021 to 30 September, 2021. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### *Focus and scope of the review*

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of interim Financial Information performed by MSAB's chosen independent auditor. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially narrower in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Thus, conclusions based on a review do not give the same level of assurance as conclusions based on an audit.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act. Stockholm den 28 oktober 2021

Stockholm, 28 October, 2021

KPMG AB  
Mattias Lötborn  
Authorised Public Accountant

## MSAB in brief

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

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

### Business concept

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

### Strategies

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

#### *Product and service quality assurance*

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

#### *Market presence*

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

#### *License renewals*

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

### Growth

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

### Sustainability

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

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

## The Ecosystem of Mobile Forensics

**XRY**  
**Extract**  
Extract and recover forensic data.

**XAMN**  
**Analyze**  
Visualize and analyze data for examination.

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

[START YOUR FREE TRIAL](#)

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



Extract

Extract digital forensic data from mobile devices



Analyze

Review, Visualize and Analyze mobile data



Manage

Management tools for efficient processes