

INTERIM REPORT JANUARY–JUNE 2022

Image Systems AB (publ)

Sustainable improvement of margins

The Group's strategy to establish a centre of excellence in non-contact measuring technology calls for a conversion of activities as well as a heavy emphasis on product development. Under these conditions, the Group continues to deliver margin improvements, in terms of both the gross margin and the EBITDA margin, which strengthens our conviction that the chosen strategy is the right way forward to achieve profitable growth in the long term.

Second quarter April–June

- Order intake amounted to MSEK 39.8 (46.7).
- Net sales amounted to MSEK 45.0 (44.1).
- Gross margin amounted to 66 (59) percent.
- EBITDA amounted to MSEK 4.2 (3.6).
- Basic and diluted earnings per share amounted to SEK -0.01 (-0.01).

Interim period January–June

- Order intake amounted to MSEK 82.5 (98.4).
- Net sales amounted to MSEK 79.4 (78.4).
- Gross margin amounted to 69 (64) percent.
- EBITDA amounted to MSEK 6.4 (4.1).
- Basic and diluted earnings per share amounted to SEK -0.04 (-0.06).

Q2

JANUARY–JUNE
2022

Financial overview

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Order intake, MSEK	39.8	46.7	82.5	98.4	182.8
Order backlog, MSEK	82.7	62.4	82.7	62.4	72.0
Net sales, MSEK	45.0	44.1	79.4	78.4	158.7
Gross margin, %	66	59	69	64	68
EBITDA, MSEK	4.2	3.6	6.4	4.1	19.4
EBITDA margin, %	9.3	8.2	8.1	5.2	12.2
Operating profit (EBIT), MSEK	-0.5	-0.9	-3.6	-5.3	0.8
Earnings per share, SEK	-0.01	-0.01	-0.04	-0.06	0.00
Cash flow from operating activities, MSEK	9.1	0.3	11.4	neg	15.7
Solidity, %	55	54	55	54	58
Average number of employees	75	84	75	83	82

“Our goal is to build a Group with good growth and profitability by maintaining a focus on measurement technology, software and recurring revenue.”



A WORD FROM THE CEO

The second quarter for the Group has progressed in line with expectations. Net sales and earnings were on par with the previous year's levels. Order intake was about 15 percent below the previous year, which is explained by the ongoing streamlining of the product portfolio in the RemaSawco business unit. The phasing out of older product generations is a strategic decision, where our aim is to focus on a reduced number of profitable products that will offer our customers greater opportunities to digitalize their sawmills. In the short term, this may have a slight negative impact on the volume of sales. This is offset by enhanced profitability in the product mix sold.

The Motion Analysis business area showed strong performance during the quarter, with increased sales and improved EBITDA margin.

Healthy demand

We received a number of orders for both business areas during the second quarter, which consolidates our strategic approach. RemaSawco has signed a framework agreement with Moelven Timber that can generate orders up to SEK 27.4 million. The first order was awarded after the end of the quarter.

As restrictions are lifted around the world, traveling to customers can resume. This is of benefit to the operations in Motion Analysis. The growth in recurring revenue, which is one of the long-term objectives of Motion Analysis, is slowly establishing a positive trend.

Focus on change

The Group's strategic objective for RemaSawco is to create the leading Nordic systems supplier in measurement technology, data analysis and optimization solutions for the sawmill industry. As previously disclosed, the needed transformation is now under way in RemaSawco. This transformation is progressing as expected and has already shown positive results. Reaching the ambitious targets will, among other things, require an adjustment of competence. In the long term, this will create favorable conditions for continued margin improvements.

First half of the year

We are continuously improving margins with regard to both projects and sales of products in the Group, and I note that both the Group's gross margin and EBITDA margin have strengthened. Gross margin improved by approximately 5 percentage points to 69 percent, while the EBITDA margin improved by approximately 3 percentage points to 8.1 percent for the first half of the year. The first six months of the year can be summarized by noting that we now can check off a number of milestones of our strategy. We have many more to go, and we are keeping up a good pace to achieve them as well. Our EBITDA margin is steadily moving in a positive direction, and our order book is growing and consists of projects with good profitability.

Johan Friberg
CEO and President

THE GROUP'S DEVELOPMENT IN THE SECOND QUARTER

Order intake, net sales and profit

Order intake amounted to MSEK 39.8 (46.7). Order backlog as of June 30, 2022, amounted to MSEK 82.7 (62.4).

Net sales amounted to MSEK 45.0 (44.1), of which MSEK 2.6 (1.5) related to capitalized development expenses across both business units.

Gross margin amounted to 66 (59) percent.

EBITDA amounted to MSEK 4.2 (3.6). Other external expenses increased compared with the corresponding period last year, which mainly is attributable to the Group's ongoing trademark investments and costs relating to the ongoing organizational changes in RemaSawco. As pandemic-related restrictions are lifted, activities such as travel also increase. Personnel costs temporarily rose in the second quarter due to the organizational change.

Depreciation/amortization amounted to MSEK -4.7 (-4.5). The increase in depreciation/amortization is explained by the onset of depreciation for a number of development projects that were completed. Net financial items amounted to MSEK -0.3 (-0.5).

Result after taxes amounted to MSEK -0.6 (-1.3).

Financial position, investments and cash flow

The Group's investments in non-current assets amounted during the quarter to MSEK 2.8 (1.9) of which MSEK 2.6 (1.5) is related to capitalized development projects. Capitalization of development projects takes place in both business areas.

The operational cash flow amounted during the quarter to MSEK 6.3 (-1.6). Solidity amounted to 55 (54) percent as of June 30, 2022. Net indebtedness amounted to 0.1 (0.3) times.

Available liquid funds including undrawn overdraft facilities amounted to MSEK 27.7 (15.1) as of June 30, 2022.

THE GROUP'S DEVELOPMENT DURING THE INTERIM PERIOD

Order intake amounted to MSEK 82.5 (98.4). Order backlog as of June 30, 2022, amounted to MSEK 82.7 (62.4).

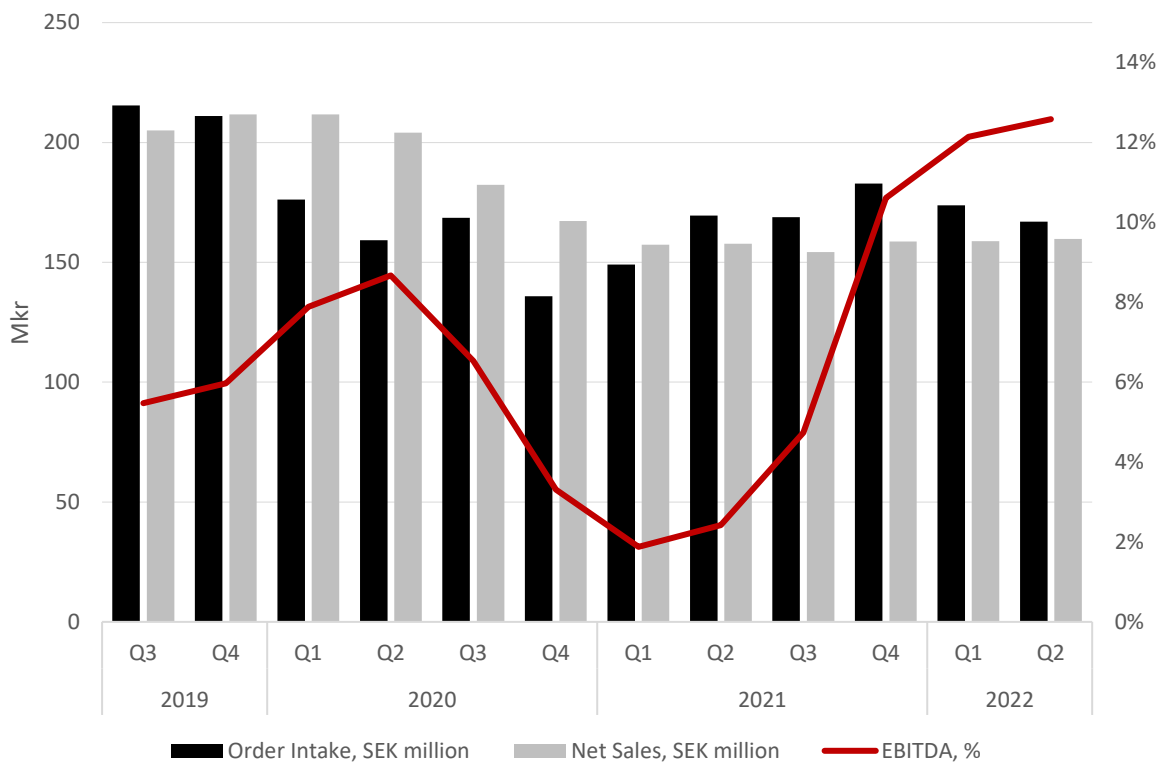
Net sales amounted to MSEK 79.4 (78.4), of which MSEK 5.4 (3.7) related to capitalized development expenses. Capitalization of development projects takes place in both business areas.

Gross margin amounted to 69 (64) percent.

EBITDA amounted to MSEK 6.4 (4.1). In the previous year, the operating profit was burdened by a one-off item of MSEK 1.4 for pension costs in RemaSawco. Depreciation/amortization amounted to MSEK -10.0 (-9.4). Net financial items amounted to MSEK -0.6 (-0.7).

Result after taxes amounted to MSEK -3.9 (-5.7).

The Group's performance, rolling 12 months



The Group has seen a positive trend in performance for several quarters, which clearly suggests that the strategy laid down is leading to sustainable results. Several initiatives and measures with clearly defined objectives have been taken, creating the conditions for efficiencies. At the same time, the Group continuously focuses on product development in order to build a Group with both growth and profitability.

REMASAWCO

RemaSawco supplies measurement and optimization systems for the sawmill industry. The product range, based on proprietary measuring products and software, addresses everything from timber intake, sorting, sawmill lines and board handling to modern automation solutions.



Performance in the second quarter

The sawmill industry continues to be characterized by a high level of activity. The rate of investment has remained unchanged, and we are seeing continuing strong interest in RemaSawco's product portfolio. RemaSawco is currently implementing the organizational change that was decided on and disclosed during the first quarter, which aims to strengthen the focus on profitable products and enhance the level of customer service. The streamlining of the product portfolio continues according to plan by way of phasing out older products. This has resulted in several customer requests to replace the discontinued products. The conversion aims to create scalability and key components for the digitalization of sawmills and related processes.

The order intake of MSEK 32.7 during the second quarter is lower than in the previous year (39.7) but in line with the company's expectations considering RemaSawco's ongoing restructuring process. The orders received by RemaSawco during the quarter included a major order of MSEK 16.7 from Moelven, covering products from throughout the product portfolio. Thanks to the high pace of change currently, the Company has already managed to develop a strong comprehensive solution for the key customers. Net sales of MSEK 35 are somewhat below the previous year's levels (37.2). Operating margin before depreciation/amortization is somewhat lower compared with the corresponding period in the previous year, but in line with expectations.

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Order intake, MSEK	32.7	39.7	67.1	84.3	155.6
Net sales, MSEK	35.0	37.2	62.1	62.9	130.3
EBITDA, MSEK	2.1	2.6	3.0	0.6	14.4
EBITDA margin, %	6.0	7.0	4.8	1.0	11.1

Product development

An intensive effort is under way to create replacement products for our key customers to substitute all products currently being phased out. During the period, RemaSawco developed its solution for digital fingerprinting between timber sorting and board sorting further, and we consequently obtained final acceptance from our customers. The upgrade of RemaSawco's existing log sorting system RS-715 is proceeding as planned.

MOTION ANALYSIS

Image Systems offers its customers software for the analysis of high-speed film, a niche where the company is world leading. The software is sold under the product names TEMA and Track Eye. TEMA customers are predominantly found in the civil sector and TrackEye customers in defense-related testing and the aerospace industry.



Performance in the second quarter

Motion Analysis reports a quarter in line with expectations. Motion Analysis' order intake was evenly distributed across North America, Europe and Asia.

Net sales for the quarter were positively affected by the delivery to China that was postponed due to lockdowns during the previous quarter. The positive trend in the EBITDA margin is explained by a favorable product mix. Market conditions remain strong, and operations benefit from once again having the option of traveling to customers. Our assessment is that the current world situation with increased defense spending may favor sales of the Company's products in the long run.

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Order intake, MSEK	7.1	7.0	15.4	14.1	27.2
Net sales, MSEK	10.0	6.9	17.3	15.5	28.4
EBITDA, MSEK	3.5	1.8	5.5	5.1	8.3
EBITDA margin, %	35.0	26.5	31.8	32.9	29.2

Product development

During the quarter, the Company focused on finalizing a new generation DIC system (Digital Image Correlation), which also was delivered to the customer. In addition, Image Systems' wide-ranging efforts to develop a new software platform entered its next intensive phase during the period, in which the development of 3D and 3D-related functionality will be implemented as platform modules. Moreover, a major release of the Company's TrackEye product was rolled out to all existing customers.

OTHER INFORMATION

The Parent Company

The Parent Company's net sales amounted to MSEK 2.0 (1.7). Operating profit amounted to MSEK -2.1 (-1.6). Result after taxes amounted to MSEK -2.0 (-1.4). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.0 (0.0) as of June 30, 2022. The Parent Company's equity as of June 30, 2022, amounted to MSEK 137.6 (133.3), and solidity was 92 (90) percent.

Significant events after the period

During the second quarter, a framework agreement was concluded with Moelven Timber, which can generate a business volume of up to MSEK 27.4. After the end of the quarter, a first order of MSEK 4.4 under the framework agreement was received from one of the Group's sawmills, Moelven Dalaträ,

The Annual General Meeting resolved on a name change to Metronix AB (publ). The change of name aims to better express the Group's vision to establish a centre of excellence in non-contact measuring technology and more clearly distinguish between the brands of the Group and the subsidiaries. Work on the name change is under way, and a new website will be presented as the name change becomes effective.

Personnel

The average number of employees was 75 (84). The number of employees at the end of the period was 75.

Number of shares

The number of shares on June 30, 2022, amounted to 89,207,818.

Accounting policies

Image Systems applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The interim report for the Image Systems Group is prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Disclosure in accordance with IAS 34, Interim Financial Reporting, is provided in notes as well as elsewhere in the interim report.

The interim report for the Parent Company, Image Systems AB, is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Financial Reporting Board's recommendations RFR 2 Accounting for Legal Entities.

Image Systems applies the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures. Definitions of indicators are provided on page 15 and relevant reconciliations on page 14.

Risks and uncertainties

The Group's significant risks and uncertainties include business risks related to agreements with customers and suppliers as well as other external factors such as currency fluctuations. The Group's significant financial and business-related risks are discussed at depth in the management report and under Note 3 in the 2021 Annual Report. No significant new or changed risks or uncertainties have been identified during the quarter.

Audit

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

Financial Calendar

Interim report July-September 2022 November 9, 2022
Year-end report 2022 February 10, 2023

Long-term financial objectives

Image Systems aims to create long-term increase in value for its shareholders. To achieve this, the Board of Directors has set long-term financial objectives:

EBITDA	>15%
Solidity	>50%
Dividend	20% of the profit after taxes

The Board of Directors and the CEO confirm that this interim report provides a true and fair view of the Parent Company's and the Group's operations, financial position and performance and describes material risks and uncertainties faced by the Parent Company and the companies belonging to the Group.

Linköping, August 19, 2022

Anders Fransson
Chairman of the Board

Jörgen Hermansson
Director

Catharina Lagerstam
Director

Jan Molin
Director

Matilda Wernhoff
Director

Annika Ölme
Director

Johan Friberg
Chief Executive Officer

The information in this report is disclosed pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 8:00 AM on August 19, 2022.

Financial reports are available on the Company's website <http://www.imagesystemsgroup.se>

Questions will be answered by:

Johan Friberg, CEO and President, telephone +46(0)13-200 100, e-mail johan.friberg@imagesystems.se

Image Systems AB, Snickaregatan 40, 582 26 Linköping, Sweden. Corporate registration number 556319-4041

ABOUT US

Image Systems is a Swedish high-technology company that develops and markets software and systems in non-contact measurement technology. The operations are conducted in two business units, RemaSawco and Motion Analysis, with customers in a large number of industry segments worldwide. The Group has about 80 employees across Sweden, Finland and Norway and maintains sales offices in the United States, France, Israel and China. The head office is located in Linköping, Sweden. The share is listed on Nasdaq Stockholm's Small Cap list. www.imagesystemsgroup.se

Condensed consolidated income statement

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Net sales	42.4	42.6	74.0	74.7	152.2
Capitalized development costs	2.6	1.5	5.4	3.7	6.5
Total revenue	45.0	44.1	79.4	78.4	158.7
Raw materials and consumables	-15.3	-17.6	-24.7	-27.2	-49.0
Other external charges	-7.1	-5.5	-12.8	-10.5	-21.5
Personnel costs	-18.8	-17.3	-35.9	-36.6	-68.8
Depreciation/amortization of fixed tangible and intangible assets	-4.7	-4.5	-10.0	-9.4	-18.6
Other operating income	0.4	-	0.4	-	-
Other operating costs	-	-0.1	-	0.0	0.0
Operating profit	-0.5	-0.9	-3.6	-5.3	0.8
Net financial items	-0.3	-0.5	-0.6	-0.7	-1.3
Profit before tax	-0.8	-1.4	-4.2	-6.0	-0.5
Tax	0.2	0.1	0.3	0.3	0.6
Profit/loss for the period	-0.6	-1.3	-3.9	-5.7	0.1
Of which attributable to the Parent Company shareholders	-0.6	-1.3	-3.9	-5.7	0.1
Earnings per share ¹⁾	-0.01	-0.01	-0.04	-0.06	0.00
Diluted earnings per share ¹⁾	-0.01	-0.01	-0.04	-0.06	0.00
Average number of shares, thousands	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8
Average number of shares, thousands after dilution	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8

Condensed consolidated statement of comprehensive income

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Profit/loss for the period	-0.6	-1.3	-3.9	-5.7	0.1
Other comprehensive income					
Translation differences	0.0	0.1	0.0	0.1	0.0
Tax relating to attributable items					
Total other comprehensive income	0.0	0.1	0.0	0.1	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-0.6	-1.3	-3.9	-5.7	0.1
Of which attributable to Parent Company shareholders	-0.6	-1.3	-3.9	-5.7	0.1

1) Calculated on the basis of average number of shares

Condensed consolidated balance sheet

MSEK	June 30, 2022	June 30, 2021	December 31, 2021
Non-current assets			
Goodwill	36.1	36.1	36.1
Customer relations	25.9	32.2	28.5
Trademarks	0.5	1.5	1.0
Capitalized development costs	34.2	29.3	31.8
Tangible fixed assets	19.3	25.9	23.2
Deferred tax assets	19.1	19.1	19.1
Total non-current assets	135.1	144.1	139.7
Current assets			
Inventories	12.1	13.2	11.9
Trade receivables	33.5	30.0	22.1
Other receivables	8.0	11.9	15.5
Cash and cash equivalents	10.5	2.2	7.1
Total current assets	64.1	57.3	56.6
TOTAL ASSETS	199.2	201.4	196.3
Equity (attributable in full to Parent Company shareholders)	110.3	108.1	114.0
Non-current liabilities			
Borrowings from credit institutions	1.4	3.1	2.3
Lease liabilities	9.8	14.8	12.8
Deferred tax liabilities	6.3	6.9	6.6
Total non-current liabilities	17.5	24.8	21.7
Current liabilities			
Borrowings from credit institutions	3.1	12.0	4.6
Trade payables	16.0	23.2	16.1
Lease liabilities	5.0	5.2	5.2
Other current payables	47.3	28.1	34.7
Total current liabilities	71.4	68.5	60.6
TOTAL EQUITY AND LIABILITIES	199.2	201.4	196.3

Condensed consolidated statement of changes in equity

MSEK	June 30, 2022	June 30, 2021	Full year 2021
Opening balance equity	114.0	113.8	113.8
Net profit for the year	-3.9	-5.7	0.1
Other comprehensive income for the period	0.2	0.0	0.1
Total comprehensive income for the period	-3.7	-5.7	0.2
Closing balance equity	110.3	108.1	114.0

Condensed consolidated cash flow statement

MSEK	Apr-June 2021	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Cash flow from operating activities before change in working capital	5.8	3.0	6.5	3.2	12.8
Change in working capital					
Change in inventories	0.0	-1.0	-0.2	-1.7	-0.4
Change in receivables	-6.1	-10.2	-4.3	-10.0	-6.2
Change in current liabilities	9.4	8.5	9.4	7.3	9.5
Total change in working capital	3.3	-2.7	4.9	-4.4	2.9
Cash flow from operating activities	9.1	0.3	11.4	-1.2	15.7
Investing activities					
Acquisition of intangible fixed assets	-2.8	-1.8	-5.6	-4.0	-8.1
Acquisition of tangible fixed assets	-	-0,1	-	-0.1	0.0
Cash flow from investing activities	-2.8	-1.9	-5.6	-4.1	-8.1
Operating cash flow	6.3	-1.6	5.8	-5.3	7.6
Financing activities					
Increase of borrowings	-	0.3	-	3.7	-
Decrease of borrowings	-1.8	-	-2.4	-	-4.3
Cash flow from financing activities	-1.8	0.3	-2.4	3.7	-4.3
Cash flow for the period	4.5	-1.3	3.4	-1.6	3.3
Cash and cash equivalents at the beginning of the period	6.0	3.5	7.1	3.8	3.8
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	10.5	2.2	10.5	2.2	7.1

Segment reporting

MSEK

	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Revenue					
RemaSawco	35.0	37.2	62.1	62.9	130.3
Motion Analysis	10.0	6.9	17.3	15.5	58.4
Parent Company & consolidated items	-	-	-	-	-
Total revenue	45.0	44.1	79.4	78.4	188.7
EBITDA					
RemaSawco	2.1	2.6	3.0	0.6	14.4
Motion Analysis	3.5	1.8	5.5	5.1	8.3
Admin & consolidated items	-1.4	-0.8	-2.1	-1.6	-3.3
EBITDA total	4.2	3.6	6.4	4.1	19.4
Depreciation/amortization of fixed tangible and intangible assets	-4.7	-4.5	-10.0	-9.4	-18.6
Operating profit	-0.5	-0.9	-3.6	-5.3	0.8
Net financial items	-0.3	-0.5	-0.6	-0.7	-1.3
Profit before tax	-0.8	-1.4	-4.2	-6.0	-0.5
Tax	0.2	0.1	0.3	0.3	0.6
Profit/loss for the period	-0.6	-1.3	-3.9	-5.7	0.1

Key indicators

	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Order intake, MSEK	39.8	46.7	82.5	98.4	182.8
Order backlog, MSEK	82.7	62.4	82.7	62.4	72.0
Gross margin, %	66	59	69	64	68
EBITDA, MSEK	4.2	3.6	6.4	4.1	19.4
EBITDA margin, %	9.3	8.2	8.1	5.2	12.2
Operating margin, %	neg	neg	neg	neg	0.5
Profit margin, %	neg	neg	neg	neg	neg
Return on capital employed, %	neg	neg	neg	neg	0.4
Return on equity, %	neg	neg	neg	neg	0.7
Solidity, %	55	54	55	54	58
Debt/equity ratio	0.1	0.3	0.1	0.3	0.1
Net investments in non-current assets, MSEK	2.8	1.9	5.6	4.0	8.1
Depreciation/amortization of fixed assets, MSEK	4.7	4.5	10.0	9.4	18.6
Average number of employees	75	84	75.4	82.5	82
Number of shares at the end of the period, millions	89.21	89.21	89.21	89.21	89.21
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21
Earnings per share calculated on average number of shares, SEK	-0.01	-0.01	-0.04	-0.06	0.00
Cash flow per share calculated on average number of shares, SEK	0.07	-0.02	0.07	-0.06	0.09
Equity per share calculated on the number of shares at the end of the period, SEK	1.24	1.21	1.24	1.21	1.28

Quarterly overview, the Group

	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20
Order intake, MSEK	39.8	42.7	51.7	32.7	46.7	51.7	37.7	33.4
Order backlog, MSEK	82.7	83.6	72	60.3	62.4	60.4	39.0	41.0
Net sales, MSEK	45.0	34.4	44.2	36.1	44.1	34.3	39.8	39.5
Gross margin, %	66	73	70	74	59	72	64	62
EBITDA, MSEK	4.2	2.2	7.5	7.8	3.6	0.5	-3.9	3.9
EBITDA margin, %	9%	6%	17%	22%	8%	1%	-10%	10%
Operating profit (EBIT), MSEK	-0.5	-3.1	2.9	3.2	-0.9	-4.4	-8.4	0.1
EBIT margin, %	neg	neg	6.6	8.9	neg	neg	neg	0
Return on equity, %	neg	neg	2.5	2.9	neg	neg	neg	neg
Solidity, %	55	58	58	60	54	57	59	59
Earnings per share, SEK	-0.01	-0.04	0.03	0.04	-0.01	-0.05	-0.15	0.00
Cash flow per share, SEK	0.07	-0.05	0.06	0.08	-0.02	-0.04	-0.02	0.06
Equity per share, SEK	1.24	1.24	1.28	1.25	1.21	1.23	1.28	1.42
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21

Relevant reconciliations of non-IFRS indicators, the Group

Alternative indicators

In addition to the financial indicators that are prepared in accordance with the IFRS, Image Systems presents financial indicators outside the scope of the IFRS, such as EBITDA and Net debt.

These alternative indicators are considered to be important results and performance indicators for investors and other readers of the interim report. The alternative indicators should be regarded as complementary information and not as a substitute for the financial information presented in accordance with the IFRS.

Image Systems' definitions of these measures that are not defined by the IFRS are provided in the "Definitions" section of this report.

Other companies may use other definitions, and the measures may therefore not be comparable to similar indicators used by other companies.

EBITDA

Image Systems considers EBITDA to be a relevant measure for investors to be able to comprehend profit generation before investments in fixed tangible and intangible assets.

Net debt

Image Systems considers Net debt to be a relevant measure for investors to be able to comprehend the indebtedness of the Group.

Operating result before depreciation/amortization

EBITDA

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2021	Jan-June 2021	Full year 2021
Operating profit	-0.5	-0.9	-3.6	-5.3	0.8
Depreciation/amortization of fixed tangible and intangible assets	4.7	4.5	10.0	9.4	18.6
EBITDA	4.2	3.6	6.4	4.1	19.4

Net debt

MSEK	June 30, 2022	June 30, 2021	December 31, 2021
Cash and cash equivalents	10.5	2.2	7.1
Lease liabilities	14.8	20.0	18.0
Interest-bearing liabilities	4.5	15.1	6.9
Net debt	8.8	32.9	17.8
Equity	110.3	108.1	114.0

Definitions

Income measures

EBITDA

Operating profit plus depreciation/amortization on tangible and intangible assets

Margins

Gross margin, %

Total revenue minus raw materials and consumables in relation to total revenue

Operating margin, %

Operating profit in relation to net sales.

Profit margin, %

Profit before tax in relation to net sales.

Return

Return on average capital employed, %

Operating profit plus interest income in relation to average capital employed. Capital employed comprises the balance sheet total less non-interest-bearing liabilities.

Return on average equity, %

Profit/loss for the period in relation to average equity.

Capital structure

Solidity, %

Equity at the end of the period in relation to the balance sheet total.

Debt/equity ratio, times

Interest-bearing liabilities at the end of the period minus cash and cash equivalents in relation to equity.

Net debt, MSEK

Interest payable minus cash and cash equivalents.

Other

Net investments in non-current assets, MSEK

Net investments in both intangible and tangible assets

as well as financial assets during the period.

Average number of employees

Average number of employees during the period.

Data per share

Number of shares at the end of the period, in millions

Number of shares outstanding at the end of the period.

Average number of shares, millions

Average number of shares during the period.

Earnings per share, SEK

Result after taxes divided by the average number of shares.

Cash flow per share, SEK

Operating cash flow divided by the average number of shares.

Equity per share, SEK

Equity divided by the number of shares at the end of the period.

Parent Company's condensed income statement

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Net sales	1.0	0.8	2.0	1.7	3.4
Other external charges	-1.5	-1.0	-2.5	-1.9	-4.0
Personnel costs	-0.9	-0.6	-1.6	-1.4	-2.7
Other operating costs	-	-	-	-	-
Operating profit	-1.4	-0.8	-2.1	-1.6	-3.3
Net financial items	0.1	-0.1	0.1	0.2	0.5
Profit before tax	-1.3	-0.9	-2.0	-1.4	-2.8
Appropriations	-	-	-	-	6.6
Tax	-	-	-	-	1,1
Profit/loss for the period	-1.3	-0.9	-2.0	-1.4	4.9

Parent Company's condensed statement of comprehensive income

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Profit/loss for the period	-1,3	-0.9	-2.0	-1.4	4.9
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1.3	-0.9	-2.0	-1.4	4.9

Parent Company's condensed balance sheet

MSEK	June 30, 2022	June 30, 2021	December 31, 2021
Non-current assets			
Shares in subsidiaries	132.8	131.2	131.2
Deferred tax assets	12.0	10.9	12.0
Total non-current assets	144.8	142.1	143.2
Current assets			
Trade receivables	-	-	-
Receivables from Group companies	-	0.6	1.2
Other current receivables	4.3	4.7	4.0
Cash and cash equivalents	0.0	0.0	0.2
Total current assets	4.3	5.3	5.4
TOTAL ASSETS	149.1	147.4	148.6
Equity (attributable in full to Parent Company shareholders)	137.6	133.3	139.6
Current liabilities			
Trade payables	0.3	0.2	0.7
Liabilities to Group companies	10.5	13.4	7.1
Other current payables	0.7	0.5	1.2
Total current liabilities	11.5	14.1	9.0
TOTAL EQUITY AND LIABILITIES	149.1	147.4	148.6

Parent Company's condensed statement of changes in equity

MSEK	June 30, 2022	June 30, 2021	Full year 2021
Opening balance equity	139.6	134.7	134.7
Profit/loss for the period	-2.0	-1.4	4.9
Other comprehensive income for the period			
Total comprehensive income for the period	-2.0	-1.4	4.9
Closing balance equity	137.6	133.3	139.6

Parent Company's condensed cash flow statement

MSEK	Apr-June 2022	Apr-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
Cash flow from operating activities before change in working capital	-1.3	-0.8	-2.0	-1.6	-3.1
Change in working capital					
Change in receivables	0.1	0.2	-0.3	-0.4	0.6
Change in current liabilities	-0.9	-1.4	-0.9	-2.0	-1.0
Total change in working capital	-0.8	-1.2	-1.2	-2.4	-0.4
Cash flow from operating activities	-2.1	-2.0	-3.2	-4.0	-3.5
Investing activities					
Change in borrowings to/from subsidiaries	1.9	2.0	3.0	3.6	3.3
Cash flow from investing activities	1.9	2.0	3.0	3.6	3.3
Operating cash flow	-0.2	0.0	-0.2	-0.4	-0.2
Financing activities					
Change in borrowings	-	-	-	-	-
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Cash flow for the period	-0.2	0.0	-0.2	-0.4	-0.2
Cash and cash equivalents at the beginning of the period	0.2	0.0	0.2	0.4	0.4
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	0.0	0.0	0.0	0.0	0.2