

YEAR-END REPORT

Image Systems AB (publ)

January–December 2021

Strong fourth quarter for Image Systems

The Group reports increased order intake as well as increased revenue for the fourth quarter 2021. As a result of previous cost savings and a focus on streamlining of projects, profitability also improved compared with the previous year. The Group continues to press ahead with the major programme of change in the RemaSawco business unit, aiming to achieve long-term improvements of scalability and profitability.

Fourth quarter 2021

- Revenue amounted to MSEK 44.2 (39.8).
- EBITDA amounted to MSEK 7.5 (-3.9).
- Operating profit amounted to MSEK 2.9 (-8.4).
- Result after taxes amounted to MSEK 2.6 (-13.0).
- Order intake amounted to MSEK 51.7 (37.7).
- Gross margin amounted to 70 (64) percent.
- Basic and diluted earnings per share amounted to SEK 0.03 (-0.15).

January–December 2021

- Revenue amounted to MSEK 158.7 (167.2).
- EBITDA amounted to MSEK 19.4 (4.6).
- Operating profit amounted to MSEK 0.8 (-12.9).
- Result after taxes amounted to MSEK 0.1 (-18.3).
- Order intake amounted to MSEK 182.8 (135.9).
- Order backlog amounted to MSEK 72.0 (39.0).
- Gross margin amounted to 68 (61) percent.
- Basic and diluted earnings per share amounted to SEK 0.00 (-0.21).

Q4

JANUARY –
DECEMBER
2021

A WORD FROM THE CEO



"After a strong end to the year, we are entering 2022 at a high pace of change. We continue to make investments in the development of products and optimization solutions, while the transition to a new business model is ongoing."

After a strong end to the year, with an EBITDA operating margin of approximately 17 percent in the fourth quarter, we can say that the Group's focus on cost savings and profitability has paid off. For the year as a whole, the Group reports an all-time-high EBITDA margin of 12 percent, thus approaching the long-term financial objective to reach an EBITDA of 15 percent.

Motion Analysis reported a weak fourth quarter, mainly attributable to a decline in sales volume. The business unit has continued to be hampered in its ability to travel globally and meet with customers over the past year. Despite these challenges, Motion Analysis reports a satisfactory operating margin of approximately 30 percent for the year as a whole. At the same time, we note that order intake is increasing compared with the previous years, which indicates a return to growth.

With gross margins that typically exceed 90 percent, Motion Analysis' profitability is directly linked to the volume of sales. Motion Analysis is, consequently, making efforts to streamline its sales process. During the fourth quarter, the Company opened a sales and support office in the United States. As previously disclosed, a transition to a subscription-based business model is under way, and management expects the operating margin to decline, initially. As the proportion of subscription sales increases, revenue streams will gradually become more consistent, and profitability will increase.

The Group's higher gross margin during the fourth quarter and the year as a whole is mostly attributable to RemaSawco's performance, as the business unit reports its best quarter ever with an EBITDA operating margin of

more than 20 percent. A favourable project mix, combined with lower fixed costs and a business volume in line with last year's, laid the foundation for an improvement in the full-year result of more than MSEK 16, corresponding to an EBITDA margin of over 11 percent.

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. During the year, a new CEO was appointed for RemaSawco, and we made fundamental changes to its management team. During the fourth quarter, we made the decision to refine the Company's product portfolio and invest in new product generations to increase the scalability of the business and enable expansion. The business unit has decided to undertake a reorganization to strengthen the focus on profitable products and enhance the service level to customers.

The business unit currently focuses on the development of a smaller number of cutting-edge products, which may have an impact on both sales and gross margin. In the long term, however, this will contribute to a higher operating profit for the Group.

We are entering 2022 at a high pace of change, making investments in both business areas. Coupled with good underlying conditions in the market, we believe that this will result in good opportunities for growth and strengthened profitability in the long run.

Johan Friberg
CEO and President

DEVELOPMENT IN THE FOURTH QUARTER

RemaSawco

RemaSawco reports its best quarter in company history to date, with an EBITDA operating margin of more than 20 percent. Profitability has increased as a result of several factors, including efficiency improvements in delivered projects with high margins and a favourable mix of projects. Previous cost savings, in the form of staff reductions, reduced costs for travel and marketing during the pandemic, and a one-off item after sales of stock due to a streamlining of the product portfolio, also contributes.

Order intake developed positively during the fourth quarter and increased compared with the corresponding period last year. The sawmill market has shown continued profitability over the year, and RemaSawco sees a more and more urgent need among sawmills to invest in production-optimizing equipment and software. In particular, there continues to be a strong interest in the board scanning segment, where RemaSawco offers the flagship product RS-BoardScanner.

During the fourth quarter, the Company started to refine the product portfolio by phasing out a large number of older products. For RemaSawco as a company, this will entail a shift, the purpose of which is to focus on innovation relating to new products and new technologies in sawmill digitalization and strengthen the maintenance offer.

During the quarter, the business unit has implemented management changes and initiated an internal restructuring to increase the pace of development and the customer satisfaction.

Motion Analysis

The business unit's transition to a subscription-based business model continues, and the pace has picked up somewhat compared with the previous quarters. Conditions have improved in all geographic markets of operation, and order intake increased over the previous year. Orders for two more Digital Image Correlation systems have been received from the Chinese market. This quarter's net sales and profit are lower compared with the previous year, which is explained by the continued challenges arising from the ongoing pandemic and the ongoing transition to a new business model.

During the fourth quarter, the company decided to recruit personnel in the United States. A local presence allows the Company to support sales and support activities in the American continent, and Motion Analysis now operates its own sales and support offices in the United States, France, Israel, and China. In the Company's assessment, the development of the sales model, involving increased digitalization of commercial transactions supported by local staff in both sales and support, creates the best conditions for customers.

FINANCIAL INFORMATION

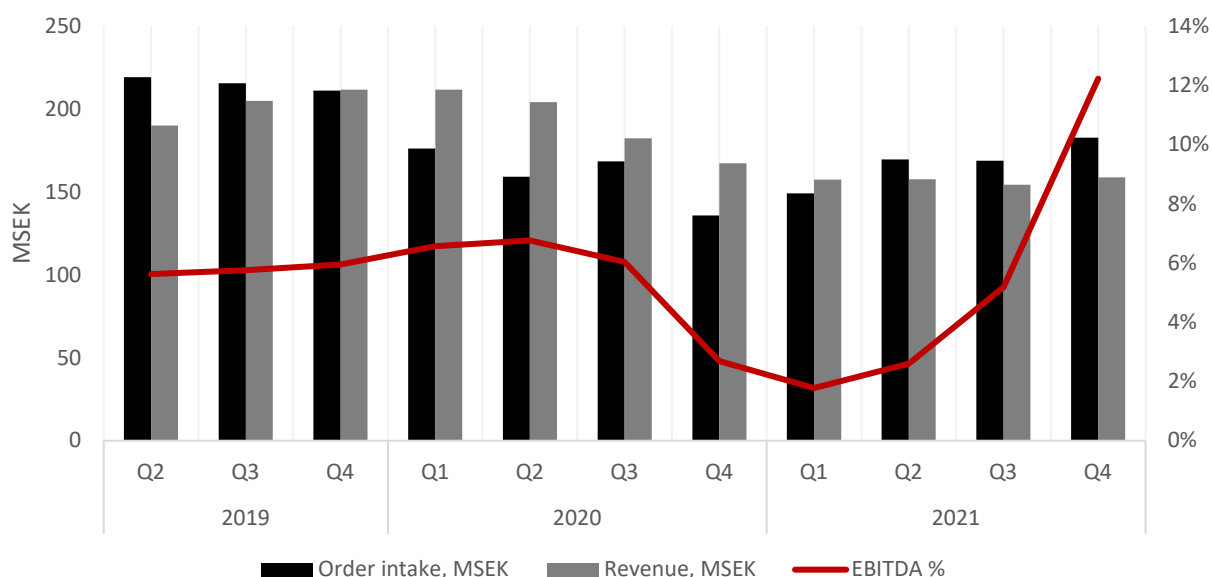
Fourth quarter

Order intake amounted to MSEK 51.7 (37.7). Order backlog as of December 31, 2021, amounted to MSEK 72.0 (39.0). Revenue amounted to MSEK 44.2 (39.8), of which 1.6 (1.4) related to capitalized development expenses. Gross margin amounted to 70 (64) percent. EBITDA improved by MSEK 11.4 and totaled MSEK 7.5 (3.9). Depreciation/amortization increased by MSEK 0.1 to MSEK 4.6 (4.5). Net financial items amounted to MSEK -0.5 (-2.3). Result after taxes amounted to MSEK 2.6 (-13.0). Revenue and EBITDA per business unit is presented on page 8.

January–December 2021

Order intake amounted to MSEK 182.8 (135.9). Order backlog as of December 31, 2021, amounted to MSEK 72.0 (39.0). Revenue amounted to MSEK 158.7 (167.2), of which 6.5 (4.5) related to capitalized development expenses. Gross margin amounted to 68 (61) percent. EBITDA improved by MSEK 14.8 and totaled MSEK 19.4 (4.6). Depreciation/amortization increased by MSEK 1.1 to MSEK 18.6 (17.5). Net financial items amounted to MSEK -1.3 (-3.5).

The Group's performance, rolling 12 months

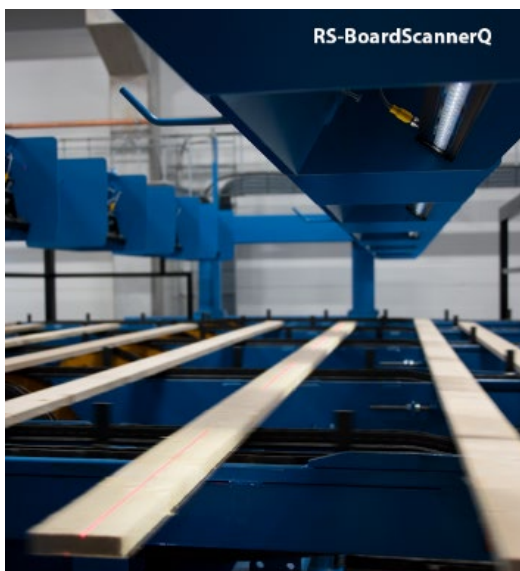


Investments and financial position

The Group's investments in non-current assets amounted to MSEK 8.1 (17.7) of which MSEK 7.9 (4.8) is related to capitalized development projects. Available liquid funds including undrawn overdraft facilities amounted to MSEK 22.6 (15.3) as of December 30, 2021. The operational cash flow amounted to MSEK 5.7 (8.4). Solidity amounted to 58 (59) percent as of December 31, 2021. Net indebtedness amounted to 0.1 (0.2) times.

RESEARCH AND DEVELOPMENT

RemaSawco



During the quarter, RemaSawco released the annual update of the RS-BoardScanner software. This updated software includes, among other things, improved algorithms to assess the strength of boards. The Company has implemented US requirement specifications in the RS-BoardScanner, which implies that sawmills exporting to the United States will be able to sell quality-sorted boards in accordance with US directives.

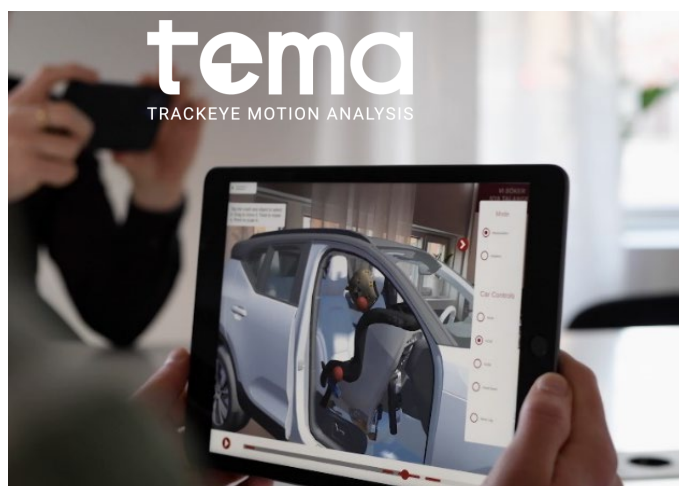
The development performed in Austria, in close cooperation with the customer, has resulted in an adaptation of the RS-BoardScanner that will enable upselling across the German-speaking markets. Moreover, RemaSawco continues the development of a new generation of products for 3D scanning of logs. This product is expected to be released in the Swedish market in 2022.

Motion Analysis

The Company's development of a new platform has now reached a first important milestone with the first delivery to a customer. In connection with the launch of the Company's new software platform, the product will also be rebranded in 2022 as we take the step from a software to a software platform. Integration with external software such as MatLab, Microsoft, and other leading software will gradually be interfaced with the new platform, which will be known as **tema** (TrackEye Motion Analysis).

The Company has also developed major upgrades in Digital Image Correlation, which is used to measure strength in materials testing.

Together with Visual Sweden, the Company has been involved in a study on 'Augmented Reality and Visualization', where application areas relevant for Motion Analysis' customer base were evaluated successfully.



THE PARENT COMPANY

The Parent Company's revenue amounted to MSEK 3.4 (4.2). Operating profit amounted to MSEK -3.3 (-5.9). Result after taxes amounted to MSEK 4.9 (-1.7). The Parent Company has received a group contribution of MSEK 6.6 from the subsidiary Image Systems Nordic AB. Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.2 (0.4) as of December 31, 2021. The Parent Company's equity amounted to MSEK 139.6 (134.7) as of December 31, 2021, and solidity amounted to 94 (92) percent.

SIGNIFICANT EVENTS AFTER THE PERIOD

No significant events have taken place since the end of the reporting period.

PERSONNEL

The average number of employees was 82 (90). The number of employees at the end of the period was 81.

NUMBER OF SHARES

The number of shares on December 31, 2021, amounted to 89,207,818.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 5, 2022, at 14:00, at the Company's premises at Snickaregatan 40 in Linköping, Sweden.

The annual report 2021 will be published in Week 15 and will then be available on the Company's website.

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 11 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 2020 Annual Report. No significant new or changed risks or uncertainties have been identified during the quarter.

This year-end report has not been reviewed by the Company's auditors.

Linköping, February 11, 2022

The Board of Directors

Upcoming report dates:

Annual Report 2021	April 2022
Interim report January-March 2022	May 5, 2022
Annual General Meeting 2022	May 5, 2022
Interim report April-June 2022	August 19, 2022
Interim report July-September 2022	November 11, 2022
Year-end report	February 10, 2023

The information in this report is disclosed pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on February 11, 2022, 08:00 a.m.

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

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Sales revenue	42.6	38.4	152.2	162.7
Capitalized development costs	1.6	1.4	6.5	4.5
Total revenue	44.2	39.8	158.7	167.2
Raw materials and consumables	-12.8	-14.3	-49.0	-64.5
Other external charges	-5.9	-7.9	-21.5	-24.6
Personnel costs	-18.0	-21.2	-68.8	-72.9
Depreciation/amortization of fixed tangible and intangible assets	-4.6	-4.5	-18.6	-17.5
Other operating income	-	-	-	-
Other operating costs	0.0	-0.3	0.0	-0.6
Operating profit	2.9	-8.4	0.8	-12.9
Net financial items	-0.5	-2.3	-1.3	-3.5
Profit before tax	2.4	-10.7	-0.5	-16.4
Tax	0.2	-2.3	0.6	-1.9
Profit/loss for the period	2.6	-13.0	0.1	-18.3
Of which attributable to the Parent Company shareholders	2.6	-13.0	0.1	-18.3
Earnings per share ¹⁾	0.03	-0.15	0.00	-0.21
Diluted earnings per share ¹⁾	0.03	-0.15	0.00	-0.21
Average number of shares	89,207,818	89,207,818	89,207,818	89,207,818
Average number of shares after dilution	89,207,818	89,207,818	89,207,818	89,207,818

¹⁾ Calculated on the basis of average number of shares

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Profit/loss for the period	2.6	-13.0	0.1	-18.3
Other comprehensive income				
Translation differences	0.0	0.0	0.0	0.0
Tax attributable to items that may be reclassified to profit/loss for the year				
Total other comprehensive income	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.6	-13.0	0.1	-18.4
Of which attributable to Parent Company shareholders	2.6	-13.0	0.1	-18.4

SEGMENT REPORTING

The Group, MSEK

Revenue	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
RemaSawco	38.7	32.9	130.3	132.6
Motion Analysis	5.5	6.9	28.4	34.6
Parent Company & consolidated items	-	-	-	-
Total revenue	44.2	39.8	158.7	167.2
EBITDA				
RemaSawco	8.1	-2.3	14.4	-2.2
Motion Analysis	0.3	1.2	8.3	12.7
Admin & consolidated items	-0.9	-2.8	-3.3	-5.9
EBITDA total	7.5	-3.9	19.4	4.6
Depreciation/amortization of fixed tangible and intangible assets	-4.6	-4.5	-18.6	-17.5
Operating profit	2.9	-8.4	0.8	-12.9
Net financial items	-0.5	-2.3	-1.3	-3.5
Profit before tax	2.4	-10.7	-0.5	-16.4
Tax	0.2	-2.3	0.6	-1.9
Profit/loss for the period	2.6	-13.0	0.1	-18.3

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Dec 31 2021	Dec 31 2020
Non-current assets		
Goodwill	36.1	36.1
Customer relations	28.5	36.1
Trademarks	1.0	2.2
Capitalized development costs	31.8	26.5
Tangible fixed assets	23.2	25.5
Deferred tax assets	19.1	19.1
Total non-current assets	139.7	145.5
Current assets		
Inventories	11.9	11.5
Trade receivables	22.1	17.3
Other receivables	15.5	15.2
Cash and cash equivalents	7.1	3.8
Total current assets	56.6	47.8
TOTAL ASSETS	196.3	193.3
Equity (attributable in full to Parent Company shareholders)	114.0	113.8
Non-current liabilities		
Borrowings from credit institutions	2.3	-
Lease liabilities	12.8	15.9
Deferred tax liabilities	6.6	7.2
Total non-current liabilities	21.7	23.1
Current liabilities		
Borrowings from credit institutions	4.6	11.4
Trade payables	16.1	16.3
Lease liabilities	5.2	3.8
Other current payables	34.7	24.9
Total current liabilities	60.6	56.4
TOTAL EQUITY AND LIABILITIES	196.3	193.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Dec 31 2021	Full year 2020
Opening balance equity	113.8	132.2
Net profit for the year	0.1	-18.3
Other comprehensive income for the period	0.1	0.0
Total comprehensive income for the period	0.2	-18.4
Closing balance equity	114.0	113.8

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Cash flow from operating activities before change in working capital	5.9	-11.8	12.8	-8.7
Change in working capital				
Increase (-)/Decrease (+) in inventories	0.6	1.9	-0.4	-1.1
Increase (-)/Decrease (+) in operating receivables	-9.3	14.6	-6.2	37.9
Increase (+)/Decrease (-) in current liabilities	10.4	7.4	9.5	-2.0
Total change in working capital	1.7	23.9	2.9	34.8
Cash flow from operating activities	7.6	12.1	15.7	26.1
Investing activities				
Acquisition of Group companies	-	-12.0		-12.0
Acquisition of intangible fixed assets	-1.9	-1.4	-8.1	-4.8
Acquisition of tangible fixed assets	-	-0.4	0	-0.9
Cash flow from investing activities	-1.9	-13.8	-8.1	-17.7
Operating cash flow	5.7	-1.7	7.6	8.4
Financing activities				
Increase (+) of borrowings	-	0.3	-	
Decrease (-) of borrowings	-2.2	-	-4.3	-7.8
Cash flow from financing activities	-2.2	0.3	-4.3	-7.8
Cash flow for the period	3.5	-1.4	3.3	0.6
Cash and cash equivalents at the beginning of the period	3.5	5.2	3.8	3.2
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	7.1	3.8	7.1	3.8

INDICATORS

The Group	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Order intake, MSEK	51.7	37.7	182.8	135.9
Order backlog, MSEK	72.0	39.0	72.0	39.0
Gross margin, %	70	64	68	61
EBITDA, MSEK	7.5	-3.9	19.4	4.6
EBITDA, %	17.0	-9.8	12.2	2.8
Operating margin, %	6.6	neg	0.5	neg
Profit margin, %	5.4	neg	-0.3	neg
Return on capital employed, %	1.5	neg	0.4	neg
Return on equity, %	2.5	neg	0.7	neg
Solidity, %	58	59	58	59
Debt/equity ratio	0.1	0.2	0.1	0.2
Net investments in non-current assets, MSEK	1.9	13.8	8.1	17.7
Depreciation/amortization of fixed assets, MSEK	4.6	4.5	18.6	17.5
Average number of employees	81	88	82	90
Number of shares at the end of the period, millions	89.21	89.21	89.21	89.21
Average number of shares, millions	89.21	89.21	89.21	89.21
Earnings per share calculated on the basis of average number of shares, SEK	0.03	-0.15	0.00	-0.21
Cash flow per share calculated on the basis of average number of shares, SEK	0.06	-0.02	0.09	0.09
Equity per share calculated on the basis of number of shares at the end of the period, SEK	1.28	1.28	1.28	1.28

QUARTERLY OVERVIEW

The Group	2021				2020				2019				2018	
	Q4	Q3	Q3	Q1	Q4	Q3	Q3	Q1	Q4	Q3	Q3	Q1	Q4	Q3
Order intake, MSEK	51.7	32.7	46.7	51.7	37.7	33.4	26.3	38.5	70.3	24.1	43.3	73.3	74.8	27.8
Order backlog, MSEK	72.0	60.3	62.4	60.4	39.0	41.0	45.9	58.1	64.0	54.5	84.2	98.5	65.8	40.8
Revenue, MSEK	44.2	36.1	44.1	34.3	39.8	39.5	43.8	44.1	54.9	61.3	51.4	44.1	48.2	46.3
Gross margin, %	70	74	59	72	64	62	56	62	58	51	66	60	59	63
EBITDA, MSEK	7.5	7.8	3, 6	0.5	-3.9	3.9	2.3	2.2	2.6	6.7	2.4	0.9	1.8	5.6
Operating profit (EBIT), MSEK	2.9	3.2	-0.9	-4.4	-8.4	0.1	-2.4	-2.2	-1.9	1.7	-1.3	-2.9	-1.1	2.2
Operating margin, %	6.6	8.9	neg	neg	neg	0	neg	neg	neg	2.4	neg	neg	neg	4.8
Return on equity, %	2.5	2.9	neg	neg	neg	neg	neg	neg	neg	1.1	neg	neg	neg	0.6
Solidity, %	58	60	54	57	59	59	56	57	56	55	58	57	62	34
Earnings per share, SEK	0.03	0.04	-0.01	-0.05	-0.15	0.00	-0.02	-0.04	-0.03	0.02	-0.02	-0.04	0.17	0.01
Cash flow per share, SEK	0.06	0.08	-0.02	-0.04	-0.02	0.06	0.02	0.03	0.07	-0.18	-0.12	0.12	-0.18	-0.24
Equity per share, SEK	1.28	1.25	1.21	1.23	1.28	1.42	1.43	1.45	1.48	1.52	1.5	1.52	1.56	1.82
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	55.22	38.23

DEFINITIONS

Income measures

EBITDA

Operating profit plus depreciation/amortization on tangible and intangible assets

Margins

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	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Revenue	0.8	1.1	3.4	4.2
Other external charges	-1.1	-1.4	-4.0	-4.5
Personnel costs	-0.7	-1.0	-2.7	-5.6
Other operating costs	-	-	-	-
Operating profit	-1.0	-1.3	-3.3	-5.9
Net financial items	0.1	-0.1	0.5	4.2
Profit before tax	-0.9	-1.4	-2.8	-1.7
End-of-year adjustments	6.6	-	6.6	-
Tax	1.1	-	1.1	-
Profit/loss for the period	6.8	-1.4	4.9	-1.7

PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Profit/loss for the period	6.8	-1.4	4.9	-1.7
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6.8	-1.4	4.9	-1.7

PARENT COMPANY'S CONDENSED BALANCE SHEET

MSEK	Dec 31, 2021	Dec 31, 2020
Non-current assets		
Shares in subsidiaries	131.2	131.2
Deferred tax assets	12.0	10.9
Total non-current assets	143.2	142.1
Current assets		
Trade receivables	-	-
Receivables from Group companies	1.2	-
Other current receivables	4.0	4.1
Cash and cash equivalents	0.2	0.4
Total current assets	5.4	4.5
TOTAL ASSETS	148.6	146.6
Equity (attributable in full to Parent Company shareholders)	139.6	134.7
Current liabilities		
Trade payables	0.7	0.4
Liabilities to Group companies	7.1	9.1
Other current payables	1.2	2.4
Total current liabilities	9.0	11.9
TOTAL EQUITY AND LIABILITIES	148.6	146.6

PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	Dec 31, 2021	Dec 31, 2020
Opening balance equity	134.7	136.4
Profit/loss for the period	4.9	-1.7
Other comprehensive income for the period		
Total comprehensive income for the period	4.9	-1.7
Closing balance equity	139.6	134.7

PARENT COMPANY'S CONDENSED CASH FLOW STATEMENT

MSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Cash flow from operating activities before change in working capital	-0.9	-2.4	-3.1	-5.1
Change in working capital				
Increase (-)/Decrease (+) in receivables	0.4	0.5	0.6	-0.6
Increase (+)/Decrease (-) in current liabilities	0.7	0.8	-1.0	0.3
Total change in working capital	1.1	1.3	-0.4	-0.3
Cash flow from operating activities	0.2	-1.1	-3.5	-5.4
Investing activities				
Acquisition of subsidiaries	-	-12.0	-	-12.0
Borrowings from (+)/to (-) subsidiaries	-0.2	13.4	3.3	17.7
Cash flow from investing activities	-0.2	1.4	3.3	5.7
Operating cash flow	0.0	0.3	-0.2	0.3
Financing activities				
Increase (+)/Decrease (-) of borrowings	-	-	-	-
Cash flow from financing activities	0.0	0.0	0.0	0.0
Cash flow for the period	0.0	0.3	-0.2	0.3
Cash and cash equivalents at beginning of the period	0.2	0.1	0.4	0.1
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	0.2	0.4	0.2	0.4

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	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Operating profit	2.9	-8.4	0.8	-12.9
Depreciation/amortization of fixed tangible and intangible assets	4.6	4.5	18.6	17.5
EBITDA	7.5	-3.9	19.4	4.6

NET DEBT

MSEK	Dec 31, 2021	Dec 31, 2020
Cash and cash equivalents	7.1	3.8
Lease liabilities	18.0	19.7
Interest-bearing liabilities	6.9	11.4
Net debt	17.8	27.3