

INTERIM REPORT

Image Systems AB (publ)

January–March 2022

Margins continue to improve

With a continued focus on change and streamlining, the Group's profitability continues to develop in a positive manner. Gross margin and EBITDA strengthened in the first quarter of 2022, while revenues remained in line with the previous year.

First quarter 2022 – January–March

- Order intake amounted to MSEK 42.7 (51.7).
- Revenue amounted to MSEK 34.4 (34.3).
- Gross margin amounted to 73 (72) percent.
- EBITDA amounted to MSEK 2.2 (0.5).
- Basic and diluted earnings per share amounted to SEK -0.04 (-0.05).

Q1

JANUARY –
MARCH 2022

Financial overview

MSEK	Jan-Mar 2022	Jan-Mar 2021	Year 2021
Order intake, MSEK	42.7	51.7	182.8
Order backlog, MSEK	83.6	60.4	72.0
Net sales, MSEK	34.4	34.3	158.7
Gross margin, %	73	72	68
EBITDA, MSEK	2.2	0.5	19.4
EBITDA margin, %	6.4	1.5	12.2
Operating profit (EBIT), MSEK	-3.1	-4.4	0.8
Cash flow from operating activities, MSEK	2.3	-1.5	15.7
Solidity, %	58	57	58
Average number of employees	76	84	82

About Image Systems

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 operates in Sweden, Finland and Norway and maintains sales offices in the United States, 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

A WORD FROM THE CEO



"Within Image Systems, we work towards clearly defined targets. Considering the product development under way in both our business areas, in combination with a strong underlying market, I am convinced that we as a group are heading in the right direction."

After a strong end to 2021, the Group is continuing its efforts to improve profitability. As such, we deliver a historically good first quarter in 2022, with an EBITDA of more than 6 percent. I note once again that our focus on cost control and efficiency improvements is steering the performance of the operations in a positive direction, as it has for a sustained period.

In the RemaSawco business unit, the high pace of change continued throughout the first quarter of 2022. A new organization was unveiled, with a view to enhancing the focus on a smaller number of profitable products and increasing the level of service to our customers. During the quarter, the business unit received a number of orders for its flagship products in X-ray inspection and board scanning. These product families are cornerstones of the ability to create digital fingerprints in sawmill production. They enable increased digitalization in sawmills, affording our customers the ability to become more efficient and hence more profitable.

Motion Analysis started the year with a continued strong order intake. At the same time, the business unit's revenue and EBITDA was burdened by the continued and recurring lockdowns in China. Deliveries that were planned to take place in the first quarter have now been re-scheduled to the second quarter instead.

Meanwhile, it is gratifying to see how well the increased presence with sales and support offices in the United States has started, and the North American market accounted for a significant proportion of the order intake for the quarter.

As a consequence of the war in Ukraine, we have reviewed our exposure to the Russian market. At present, the RemaSawco business unit has MSEK 8 worth of outstanding orders received from end customers in Russia last year and yet to be delivered. To ensure that we act responsibly, we monitor developments closely and have suspended new business with Russian end customers.

Prior to the 2022 Annual General Meeting, the Board of Directors of Image Systems announced an intention to change the company's name to Metronix AB. The change of name aims to better express the Group's vision to establish a centre of excellence in non-contact measuring technology and to more clearly distinguish between the brands of the Group and the subsidiaries.

As I sum up the first quarter of the year, my conclusion is that we in many ways are moving in the right direction, and we are delivering on the objectives set. Under the present circumstances, the performance of our companies should be considered acceptable. Nevertheless, I am not yet satisfied.

Johan Friberg
CEO and President

THE GROUP'S DEVELOPMENT IN THE FIRST QUARTER

Order intake, net sales and profit

Order intake amounted to MSEK 42.7 (51.7). Order backlog as of March 31, 2022, amounted to MSEK 83.6 (60.4).

Revenue amounted to MSEK 34.4 (34.3), of which MSEK 2.8 (2.2) related to capitalized development expenses.

Gross margin amounted to 73 (72) percent.

EBITDA amounted to MSEK 2.2 (0.5). Depreciation/amortization amounted to MSEK -5.3 (-4.9). 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 (-0.2).

Result after taxes amounted to MSEK -3.3 (-4.4).

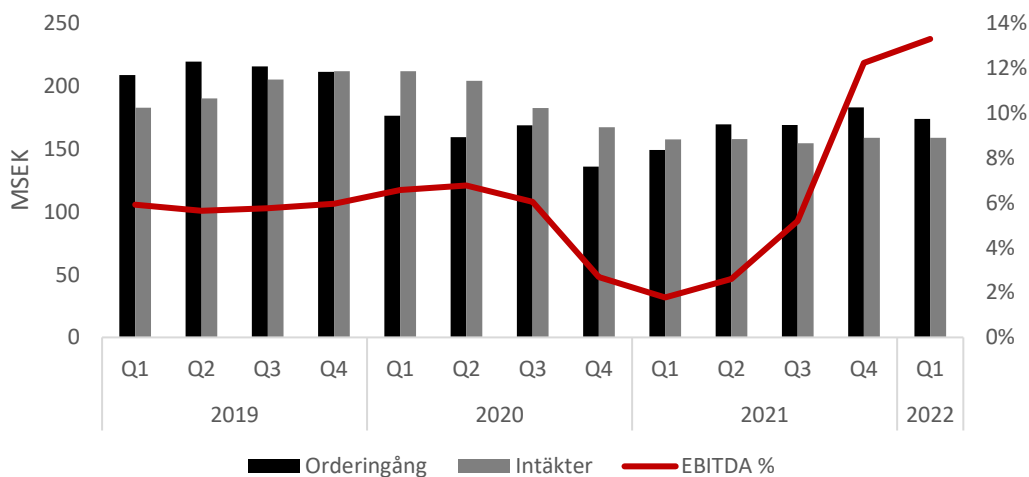
Financial position, investments and cash flow

The Group's investments in non-current assets amounted to MSEK 2.8 (2.2) of which MSEK 2.8 (2.2) is related to capitalized development projects.

Available liquid funds including undrawn overdraft facilities amounted to MSEK 21.7 (16.8) as of March 31, 2022.

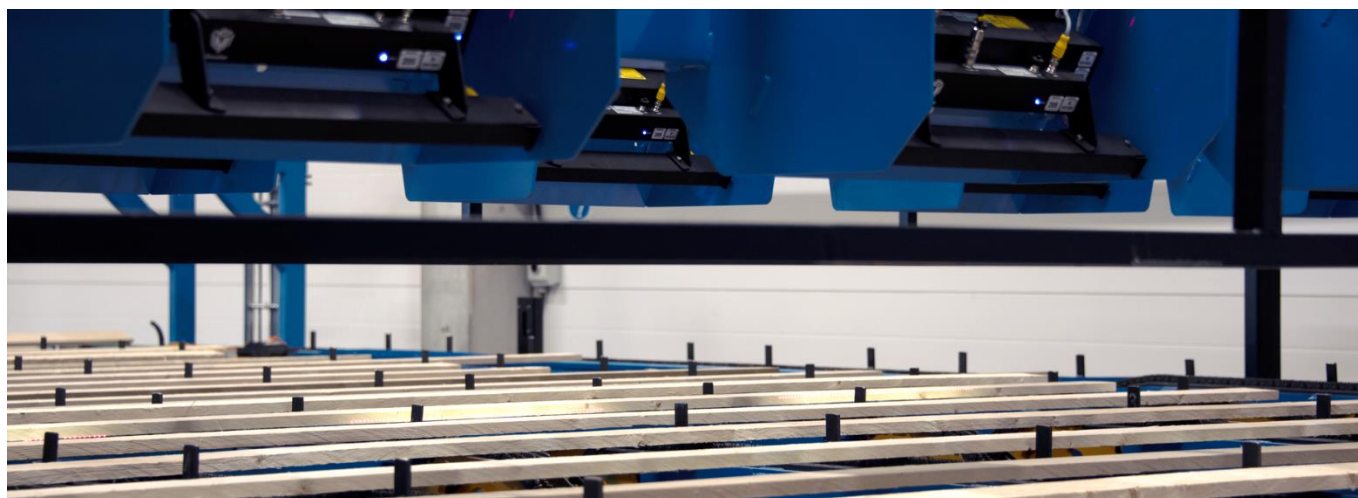
The operational cash flow amounted to MSEK -0.5 (-3.7). Solidity amounted to 58 (57) percent as of March 31, 2022. Net indebtedness amounted to 0.2 (0.3) times.

The Group's performance, rolling 12 months



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 first quarter

The sawmill industry continues to be characterized by intense activity. With market prices favouring sawmills, the high willingness to invest persists. During the quarter, Rema Sawco implemented the previously announced organizational change 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, and resulted in the phasing out of a number of older products during the quarter. RemaSawco's product portfolio is focused on creating scalability and key components for the digitalization of sawmills and the related processes.

The quarter's order intake of MSEK 34.4 is lower than in the previous year (44.7), but in line with expectations for an opening quarter. During the quarter, a second order for the company's X-ray scanner RS-LogProfiler3DX, for improved measurement accuracy and timber sorting, was received from AB Karl Hedin. Net sales increased by 5 percent to MSEK 27.1, and both gross margin and operating margin before depreciation/amortization improved significantly over the previous year as a result of the maintained cost control and efficiency improvements in the organization.

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Order intake, MSEK	34.4	44.6	155.6
Total revenue, MSEK	27.1	25.7	130.3
EBITDA, MSEK	0.9	-2.0	14.4
EBITDA margin, %	3%	<i>neg</i>	11%

Product development

During the period, the Company worked intensively to create new offerings to ensure that old products can be phased out in a manner that is coordinated and structured for our customers. The development of the new generation of 3D log scanning is drawing closer to a first release, which is expected in the second quarter on the Swedish market. In light of the ongoing phasing out of products, RemaSawco has also initiated a project to carry out a major upgrade of its existing log sorting system RS-715.

MOTION ANALYSIS

Motion Analysis' customer offering consists of software for the analysis of high-speed film, a niche where the company is the world leader. The software is sold under the product names TEMA and TrackEye. TEMA customers are predominantly found in the civil sector and TrackEye customers in defence-related testing and the aerospace industry.



Performance in the first quarter

Market conditions continue to improve as restrictions are lifted, and order intake increased compared with the corresponding period last year. The Chinese market has been subject to renewed lockdowns, however, which had a negative impact. The business unit received additional orders in the Digital Image Correlation segment from Israel, and positive effects from an improved market presence in the United States were observed.

Sales and EBITDA were burdened by the Chinese imposition of lockdowns in areas where Motion Analysis were planning to make deliveries during the quarter. These deliveries had to be postponed to the second quarter.

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Order intake, MSEK	8.3	7.1	27.2
Total revenue, MSEK	7.3	8.6	28.4
EBITDA, MSEK	2.0	3.3	8.3
EBITDA margin, %	27%	38%	29%

Product development

The Company's basic development under the new platform continues. The first release, which took place in the last quarter of 2021, was well received by customers. To further expand the scope of use of the Company's DIC product, new functionality was implemented during the period, including additional live-streamed data collection. This renders the DIC product more comprehensive by integrating third-party data into the analysis the customer is provided by the product.

OTHER INFORMATION

The Parent Company

The Parent Company's revenue amounted to MSEK 1.0 (0.9). Operating profit amounted to MSEK -0.7 (-0.8). Result after taxes amounted to MSEK -0.7 (-0.5). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.2 (0.0) as of March 31, 2022. The Parent Company's equity amounted to MSEK 138.9 (134.2) as of March 31, 2022, and solidity amounted to 93 (91) percent.

Significant events after the period

The Board of Directors has proposed that the Annual General Meeting resolves on a change of name 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 to more clearly distinguish between the brands of the Group and the subsidiaries.

Personnel

The average number of employees was 76 (84). The number of employees at the end of the period was 77.

Number of shares

The number of shares on March 31, 2022, amounted to 89,207,818.

Annual General Meeting

The Annual General Meeting will be held on May 5, 2022, at 13:00, by postal voting. The 2021 Annual Report has been published and is 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 2021 Annual Report. No significant new or changed risks or uncertainties have been identified during the quarter.

Audit

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

Financial Calendar

Annual General Meeting	May 5, 2022
Interim report April-June 2022	August 19, 2022
Interim report July-September 2022	November 11, 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

Linköping, May 05, 2022

The Board of Directors

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 5:00 PM on May 5, 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

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Sales revenue	31.6	32.1	152.2
Capitalized development costs	2.8	2.2	6.5
Total revenue	34.4	34.3	158.7
Raw materials and consumables	-9.4	-9.6	-49.0
Other external charges	-5.7	-5.0	-21.5
Personnel costs	-17.1	-19.3	-68.8
Depreciation/amortization of fixed tangible and intangible assets	-5.3	-4.9	-18.6
Other operating income	-	0.1	-
Other operating costs	0.0	-	0.0
Operating profit	-3.1	-4.4	0.8
Net financial items	-0.3	-0.2	-1.3
Profit before tax	-3.4	-4.6	-0.5
Tax	0.1	0.2	0.6
Profit/loss for the period	-3.3	-4.4	0.1
Of which attributable to the Parent Company shareholders	-3.3	-4.4	0.1
Earnings per share ¹⁾	-0.04	-0.05	0.00
Diluted earnings per share ¹⁾	-0.04	-0.05	0.00
Average number of shares	89,207,818	89,207,818	89,207,818
Average number of shares after dilution	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	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Profit/loss for the period	-3.3	-4.4	0.1
Other comprehensive income			
Translation differences	0.0	0.0	0.0
Tax relating to attributable items			
Total other comprehensive income	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-3.3	-4.4	0.1
Of which attributable to Parent Company shareholders	-3.3	-4.4	0.1

SEGMENT REPORTING

The Group, MSEK

Revenue	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
RemaSawco	27.1	25.7	130.3
Motion Analysis	7.3	8.6	28.4
Parent Company & consolidated items	-	-	-
Total revenue	34.4	34.3	158.7
EBITDA			
RemaSawco	0.9	-2.0	14.4
Motion Analysis	2.0	3.3	8.3
Admin & consolidated items	-0.7	-0.8	-3.3
EBITDA total	2.2	0.5	19.4
Depreciation/amortization of fixed tangible and intangible assets	-5.3	-4.9	-18.6
Operating profit	-3.1	-4.4	0.8
Net financial items	-0.3	-0.2	-1.3
Profit before tax	-3.4	-4.6	-0.5
Tax	0.1	0.2	0.6
Profit/loss for the period	-3.3	-4.4	0.1

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	March 31, 2022	March 31, 2021	December 31, 2021
Non-current assets			
Goodwill	36.1	36.1	36.1
Customer relations	27.0	34.1	28.5
Trademarks	0.7	1.8	1.0
Capitalized development costs	32.7	28.0	31.8
Tangible fixed assets	21.8	27.0	23.2
Deferred tax assets	19.1	19.1	19.1
Total non-current assets	137.4	146.1	139.7
Current assets			
Inventories	12.1	12.2	11.9
Trade receivables	27.6	20.8	22.1
Other receivables	8.3	10.6	15.5
Cash and cash equivalents	6.0	3.5	7.1
Total current assets	54.0	47.1	56.6
TOTAL ASSETS	191.4	193.2	196.3
Equity (attributable in full to Parent Company shareholders)	110.7	109.4	114.0
Non-current liabilities			
Borrowings from credit institutions	1.8	3.8	2.3
Lease liabilities	11.8	15.2	12.8
Deferred tax liabilities	6.5	7.1	6.6
Total non-current liabilities	20.1	26.1	21.7
Current liabilities			
Borrowings from credit institutions	4.5	11.0	4.6
Trade payables	16.5	11.2	16.1
Lease liabilities	5.2	5.2	5.2
Other current payables	34.4	30.3	34.7
Total current liabilities	60.6	57.7	60.6
TOTAL EQUITY AND LIABILITIES	191.4	193.2	196.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	March 31, 2022	March 31, 2021	December 31, 2021
Opening balance equity	114.0	113.8	113.8
Net profit for the year	-3.3	-4.4	0.1
Other comprehensive income for the period	0.0	0	0.1
Total comprehensive income for the period	-3.3	-4.4	0.2
Closing balance equity	110.7	109.4	114.0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Cash flow from operating activities before change in working capital	0.7	0.2	12.8
Change in working capital			
Increase (-)/Decrease (+) in inventories	-0.2	-0.7	-0.4
Increase (-)/Decrease (+) in operating receivables	1.8	0.2	-6.2
Increase (+)/Decrease (-) in current liabilities	0.0	-1.2	9.5
Total change in working capital	1.6	-1.7	2.9
Cash flow from operating activities	2.3	-1.5	15.7
Investing activities			
Acquisition of intangible fixed assets	-2.8	-2.2	-8.1
Acquisition of tangible fixed assets	-	-	0.0
Cash flow from investing activities	-2.8	-2.2	-8.1
Operating cash flow	-0.5	-3.7	7.6
Financing activities			
Increase (+) of borrowings	-	3.4	-
Decrease (-) of borrowings	-0.6	-	-4.3
Cash flow from financing activities	-0.6	3.4	-4.3
Cash flow for the period	-1.1	-0.3	3.3
Cash and cash equivalents at the beginning of the period	7.1	3.8	3.8
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	6.0	3.5	7.1

INDICATORS

The Group	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Order intake, MSEK	42.7	51.7	182.8
Order backlog, MSEK	83.6	60.4	72.0
Gross margin, %	73	72	68
EBITDA, MSEK	2.2	0.5	19.4
EBITDA, %	6.4	1.5	12.2
Operating margin, %	neg	neg	0.5
Profit margin, %	neg	neg	-0.3
Return on capital employed, %	neg	neg	0.4
Return on equity, %	neg	neg	0.7
Solidity, %	58	57	58
Debt/equity ratio	0.2	0.3	0.1
Net investments in non-current assets, MSEK	2.8	2.2	8.1
Depreciation/amortization of fixed assets, MSEK	5.3	4.9	18.6
Average number of employees	76	84	82
Number of shares at the end of the period, millions	89.21	89.21	89.21
Average number of shares, millions	89.21	89.21	89.21
Earnings per share calculated on the basis of average number of shares, SEK	-0.04	-0.05	0.00
Cash flow per share calculated on the basis of average number of shares, SEK	-0.01	-0.04	0.09
Equity per share calculated on the basis of number of shares at the end of the period, SEK	1.24	1.23	1.28

QUARTERLY OVERVIEW

The Group	2022	2021				2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Order intake, MSEK	42.7	51.7	32.7	46.7	51.7	37.7	33.4	26.3	38.5	70.3	24.1	43.3
Order backlog, MSEK	83.6	72.0	60.3	62.4	60.4	39.0	41.0	45.9	58.1	64.0	54.5	84.2
Revenue, MSEK	34.4	44.2	36.1	44.1	34.3	39.8	39.5	43.8	44.1	54.9	61.3	51.4
Gross margin, %	73	70	74	59	72	64	62	56	62	58	51	66
EBITDA, MSEK	2.2	7.5	7.8	3.6	0.5	-3.9	3.9	2.3	2.2	2.6	6.7	2.4
EBITDA, %	6%	17%	22%	8%	1%	-10%	10%	5%	5%	5%	11%	5%
Operating profit (EBIT), MSEK	-3.1	2.9	3.2	-0.9	-4.4	-8.4	0.1	-2.4	-2.2	-1.9	1.7	-1.3
Operating margin, %	neg	6.6	8.9	neg	neg	neg	0	neg	neg	neg	2.4	neg
Return on equity, %	neg	2.5	2.9	neg	neg	neg	neg	neg	neg	neg	1.1	neg
Solidity, %	58	58	60	54	57	59	59	56	57	56	55	58
Earnings per share, SEK	-0.04	0.03	0.04	-0.01	-0.05	-0.15	0.00	-0.02	-0.04	-0.03	0.02	-0.02
Cash flow per share, SEK	-0.05	0.06	0.08	-0.02	-0.04	-0.02	0.06	0.02	0.03	0.07	-0.18	-0.12
Equity per share, SEK	1.24	1.28	1.25	1.21	1.23	1.28	1.42	1.43	1.45	1.48	1.52	1.5
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

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	March 31, 2022	March 31, 2021	December 31, 2021
Revenue	1.0	0.9	3.4
Other external charges	-1.0	-0.9	-4.0
Personnel costs	-0.7	-0.8	-2.7
Other operating costs	-	-	-
Operating profit	-0.7	-0.8	-3.3
Net financial items	0.0	0.3	0.5
Profit before tax	-0.7	-0.5	-2.8
End-of-year adjustments	-	-	6.6
Tax	-	-	1.1
Profit/loss for the period	-0.7	-0.5	4.9

PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	March 31, 2022	March 31, 2021	December 31, 2021
Profit/loss for the period	-0.7	-0.5	4.9
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-0.7	-0.5	4.9

PARENT COMPANY'S CONDENSED BALANCE SHEET

MSEK	March 31, 2022	March 31, 2021	December 31, 2021
Non-current assets			
Shares in subsidiaries	131.2	131.2	131.2
Deferred tax assets	12	10.9	12.0
Total non-current assets	143.2	142.1	143.2
Current assets			
Receivables from Group companies	1.4	0.3	1.2
Other current receivables	4.3	5.0	4.0
Cash and cash equivalents	0.2	0.0	0.2
Total current assets	5.9	5.3	5.4
TOTAL ASSETS	149.1	147.4	148.6
Equity (attributable in full to Parent Company shareholders)	138.9	134.2	139.6
Current liabilities			
Trade payables	0.8	1.0	0.7
Liabilities to Group companies	8.4	11.1	7.1
Other current payables	1.0	1.1	1.2
Total current liabilities	10.2	13.2	9.0
TOTAL EQUITY AND LIABILITIES	149.1	147.4	148.6

PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Opening balance equity	139.6	134.7	134.7
Profit/loss for the period	-0.7	-0.5	4.9
Other comprehensive income for the period			
Total comprehensive income for the period	-0.7	-0.5	4.9
Closing balance equity	138.9	134.2	139.6

PARENT COMPANY'S CONDENSED CASH FLOW STATEMENT

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Cash flow from operating activities before change in working capital	-0.7	-0.8	-3.1
Change in working capital			
Increase (-)/Decrease (+) in receivables	-0.4	-0.6	0.6
Increase (+)/Decrease (-) in current liabilities	0.0	-0.6	-1.0
Total change in working capital	-0.4	-1.2	-0.4
Cash flow from operating activities	-1.1	-2.0	-3.5
Investing activities			
Acquisition of subsidiaries			-
Borrowings from (+)/to (-) subsidiaries	1.1	1.6	3.3
Cash flow from investing activities	1.1	1.6	3.3
Operating cash flow	0.0	-0.4	-0.2
Financing activities			
Increase (+) of borrowings	-	-	-
Decrease (-) of borrowings			
Cash flow from financing activities	0.0	0.0	0.0
Cash flow for the period	0.0	-0.4	-0.2
Cash and cash equivalents at the beginning of the period	0.2	0.4	0.4
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	0.2	0.0	0.2

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	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Operating profit	-3.1	-4.4	0.8
Depreciation/amortization of fixed tangible and intangible assets	5.3	4.9	18.6
EBITDA	2.2	0.5	19.4

NET DEBT

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Cash and cash equivalents	6.0	3.5	7.1
Lease liabilities	17.0	20.4	18
Interest-bearing liabilities	6.3	14.8	6.9
Net debt	17.3	31.7	17.8