



## Continued streamlining yields results

With a continued focus on streamlining and product development, the Group's operating activities deliver improved gross and EBITDA margins, despite declining order intake. This confirms once again that our chosen strategy is the right path for long-term profitable growth.

Second quarter April–June	Interim period January–June
<ul style="list-style-type: none"> <li>Order intake amounted to MSEK 20.5 (39.8)</li> <li>Net sales amounted to MSEK 44.7 (42.4)</li> <li>Gross margin amounted to 70 (64) percent</li> <li>EBITDA amounted to MSEK 4.8 (4.2)</li> <li>Earnings per share amounted to SEK 0.00 (-0.01)</li> </ul>	<ul style="list-style-type: none"> <li>Order intake amounted to MSEK 51.9 (82.5)</li> <li>Net sales amounted to MSEK 83.0 (74.0)</li> <li>Gross margin amounted to 70 (67) percent</li> <li>EBITDA amounted to MSEK 7.1 (6.4)</li> <li>Earnings per share amounted to SEK -0.07 (-0.04)</li> </ul>

## Financial overview

	Apr–June 2023	Apr–June 2022	Jan–June 2023	Jan–June 2022	Full year 2022
Order intake, MSEK	20.5	39.8	51.9	82.5	189.0
Order backlog, MSEK	52.2	82.7	52.2	82.7	81.9
Net sales, MSEK	44.7	42.4	83.0	74.0	171.1
Capitalized development costs	2.1	2.6	3.8	5.4	9.1
Gross margin, % <sup>(1)</sup>	70	64	70	67	67
EBITDA, MSEK	4.8	4.2	7.1	6.4	28.4
EBITDA margin, %	10.3	9.3	8.2	8.1	15.8
Operating profit (EBIT), MSEK	0.3	-0.5	-4.3	-3.6	9.1
Adjusted operating profit (EBIT) <sup>(2)</sup> , MSEK	0.3	-0.5	-2.0	-3.6	9.1
Profit after tax, MSEK	0.1	-0.6	-5.9	-3.9	8.6
Adjusted profit after tax <sup>(3)</sup> , MSEK	0.1	-0.6	-2.2	-3.9	8.6
Cash flow from operating activities, MSEK	-6.8	10.5	-10.8	14.0	32.2
Solidity, %	65	55	65	55	63
Average number of employees	68	75	67	75	72
Earnings per share	0.00	-0.01	-0.07	-0.04	0.10

<sup>(1)</sup> The definition of gross margin has changed since last year and is calculated as Net sales minus raw materials and consumables in relation to Net sales.

<sup>(2)</sup> The operating profit (EBIT) is affected by a one-off cost of MSEK 2.3 during the period January–June 2023.

<sup>(3)</sup> The profit after tax is affected by one-off costs of MSEK 3.7 during January–June, of which the operating profit is affected by MSEK 2.3 and net financial items by MSEK 1.4.



## A WORD FROM THE CEO

**Johan Friberg**, CEO and President

The second quarter developed in the same direction as the first quarter. The sawmill industry's market situation remains challenging, which is unfortunately reflected in a halving of RemaSawco's order intake. At the same time, our streamlining initiatives and product development projects are progressing according to plan, which positively impacts the Group's EBITDA.

The Group's net sales for the first half of the year show growth of approximately 12 percent compared to the previous year, and we report an improvement in the EBITDA of approximately 10 percent.

### **Challenging for the sawmill industry**

The sawmill industry is experiencing a global economic downturn, with lower supply and higher prices for raw materials. This, together with falling demand for sawn wood products, is having a negative impact on our customers' profitability. Therefore, making optimal use of raw materials and streamlining their operations is becoming increasingly important for our customers. This is precisely RemaSawco's mission – to enable its customers to optimize and streamline their operations with smart data analysis.

The sawmill industry is a sector of the future and one of the cornerstones of the green transition, where wooden construction is crucial. Investments are therefore necessary

for our customer's positioning in this market. The timing and pace of the necessary investments are currently difficult to assess but are significant for both RemaSawco and our customers' growth and profitability.

### **Motion Analysis grows profitably**

Although the second quarter showed a weaker order intake compared to the previous year, the market situation looks very promising for the Motion Analysis business unit. Developments at the beginning of the third quarter confirm this. We note a growth of 25 percent during the second quarter compared to the previous year and 33 percent for the half year. The business unit maintains good margins while sharply increasing investments in new products.

### **Group well equipped**

We are facing a period of uncertainty about when and at what pace the economy will turn around in the sawmill industry.

I am convinced that we have the right focus in terms of what we can influence, such as the development of new products to offer our customers. We have also developed our organization to better cope with challenging market conditions.

## THE GROUP'S DEVELOPMENT IN THE SECOND QUARTER

### Order intake, net sales, and profit

Order intake amounted to MSEK 20.5 (39.8). Order backlog as of June 30, 2023, amounted to MSEK 52.2 (82.7).

Net sales amounted to MSEK 44.7 (42.4). Capitalized development costs amounted to MSEK 2.1 (2.6) and relate to both business units.

Gross margin amounted to 70 (64) percent.

EBITDA amounted to MSEK 4.8 (4.2). Other external charges increased compared with the corresponding period last year, which mainly is attributable to the Group's increased pace of product development.

Depreciation/amortization amounted to MSEK -4.5 (-4.7). The decrease in depreciation/amortization is mainly due to the fact that trademarks and customer relations concerning the Motion Analysis business unit were fully depreciated/amortized in the previous year. Net financial items amounted to MSEK -0.4 (-0.3).

Result after taxes amounted to MSEK 0.1 (-0.6).

### Financial position, investments, and cash flow

The Group's investments in non-current assets during the quarter amounted to MSEK 2.2 (2.8) of which MSEK 2.1 (2.6) is related to capitalized development projects. Capitalization of development projects takes place in both business units.

The operational cash flow during the quarter amounted to MSEK -9.0 (6.8). Solidity as of June 30, 2023, amounted to 65 (55) percent. Net indebtedness amounted to 0.1 (0.1) times.

Available liquid funds including the undrawn part of the overdraft facilities amounted to MSEK 19.0 (27.7) as of June 30, 2023.

## THE GROUP'S DEVELOPMENT DURING THE INTERIM PERIOD

Order intake amounted to MSEK 51.9 (82.5). Order backlog as of June 30, 2023, amounted to MSEK 52.2 (82.7).

Net sales amounted to MSEK 83.0 (74.0) and capitalized development expenses amounted to MSEK 3.8 (5.4). Capitalization of development projects takes place in both business units.

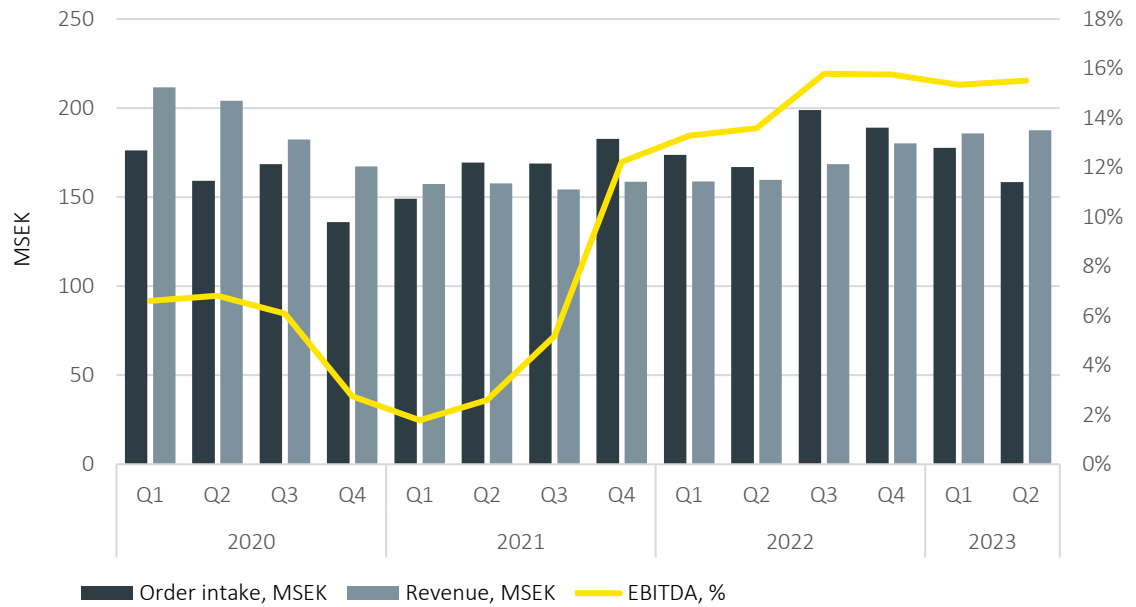
Gross margin amounted to 70 (67) percent.

EBITDA amounted to MSEK 7.1 (6.4). Depreciation/amortization amounted to MSEK -11.4 (-10.0), of which MSEK -2.3 (-) is attributable to a write-down in connection with the termination of a rental contract for office and production premises in Finland. The termination was carried out in order to reduce rental costs in the RemaSawco business unit when parts of the operation are centralized to the head office in Linköping, Sweden.

Net financial items amounted to MSEK -1.9 (-0.6). The change in net financial items is linked to a one-off item of MSEK -1.4 (-) for a write-down of a receivable from Digital Vision relating to the purchase price established when the business unit was divested in 2014.

Result after taxes amounted to MSEK -5.9 (-3.9).

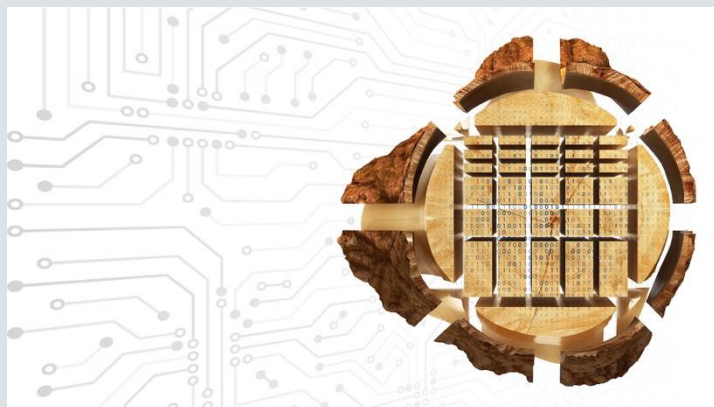
## ROLLING 12-MONTH ORDER INTAKE, REVENUE AND EBITDA



The Group has a rolling 12-month EBITDA margin of approximately 15 percent, which is the Group's long-term performance target. In order to maintain and then increase this level, especially sales growth is required.



**BUSINESS UNIT:  
REMA SAWCO**



RemaSawco provides solutions to optimize production in the sawmill industry. The product portfolio includes proprietary software that, with the help of laser, 3D scanning, X-ray, and automation, measures and analyzes timber and boards throughout the sawmill process to maximize value exchange, minimize waste, and thus increase customer profitability.

### Performance in the first half of the year

Net sales for the second quarter are in line with the previous year, while we slightly improve the operating profit before depreciation/amortization. The first half of the year has been characterized by a challenging market situation where demand for sawn wood products has been low and raw material prices have been high. As a consequence, many of our customers are reducing their production rates.

Due to the weak development in the construction industry and the general economic situation, many of our customers have been reluctant to make new investments, resulting in a significantly lower order intake in the first half of the year compared with the previous year. We expect demand to gradually recover as investments are necessary for long-term profitability. We note that our customers in the Nordic region intend to implement several upgrade projects, and we see a strong interest in RemaSawco's expanded and improved service offerings. We are facing a period of uncertainty about when and at what pace the economy will turn around.

	Apr-June 2023	Apr-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Order intake, MSEK	15.1	32.7	36.0	67.1	151.8
Net sales, MSEK	34.0	33.9	64.0	59.8	137.7
Capitalized development costs	0.9	1.1	1.7	2.3	4.2
EBITDA, MSEK	3.0	2.1	4.7	3.0	17.8
EBIDTA margin, %	8.6	6.0	7.2	4.8	12.5

### Product development

Basic development continued during the quarter in three main areas: harmonization of functionality, user interface, and product upgrades. We have developed new products in X-ray inspection and digital applications that have undergone qualification. The business unit maintains a high rate of investment in product development with the aim of creating scalability and developing key capabilities for the digitalization and optimization of sawmills and their processes.

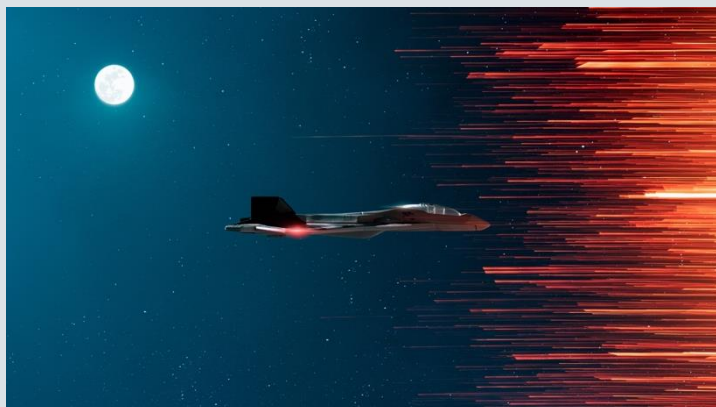
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SYSTEMS

## MOTION ANALYSIS

### BUSINESS UNIT:

## MOTION ANALYSIS



Motion Analysis 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 TrackEye®, where TEMA has most of its customers in the civil sector and TrackEye® within defense-related testing and the aerospace industry.

### Performance in the first half of the year

Market development remains good in the business unit. A slightly weaker order intake compared to the previous year was seen in the second quarter, due to a weaker order intake in the European market. The Asian and American markets account for the bulk of the quarter's order intake.

Net sales for the half year are more than 30 percent higher than the previous year, confirming the positive market development. Noteworthy deliveries during the quarter include a Digital Image Correlation (DIC) system to Israel and a number of major TrackEye® licenses for various test sites in the defense sector.

	Apr-June 2023	Apr-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Order intake, MSEK	5.4	7.1	15.9	15.4	37.2
Net sales, MSEK	10.7	8.5	19.0	14.2	33.4
Capitalized development costs	1.2	1.5	2.1	3.1	4.9
EBITDA, MSEK	3.9	3.5	5.5	5.5	15.2
EBIDTA margin, %	32.8	35.0	26.1	31.8	39.7

### Product development

During the quarter, the business unit continued the work of productizing the new platform focusing on a number of specific applications. Several customizations have been implemented, which will be integrated into the standard software in the future.

## **OTHER INFORMATION**

### **Parent Company**

The Parent Company's net sales for the second quarter amounted to MSEK 1.0 (1.0). Operating profit amounted to MSEK -2.1 (-1.4). Result after taxes amounted to MSEK -2.1 (1.3). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds, as of June 30, 2023, amounted to MSEK 0.0 (0.0). The Parent Company's equity as of June 30, 2023, amounted to MSEK 101.2 (137.6) and the solidity was 99 (92) percent.

### **Update of the Group's brand**

We have updated the Group's logo to distinguish it from the subsidiary Image Systems Motion Analysis. The logo, which combines the Group's colors in the shape of a camera shutter, symbolizes our expertise in advanced image processing and analysis.

### **Significant events after the period**

The Motion Analysis business unit receives a 7-year framework agreement from the French Ministry of Defense with a maximum value of approximately MSEK 32 and a TrackEye® order of around MSEK 1.1 for a test site in Italy.

### **Personnel**

The average number of employees was 68 (75). The number of employees at the end of the period was 69.

### **Number of shares**

The number of shares on June 30, 2023, 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 2022 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 2023	November 10, 2023
Year-end report 2023	February 9, 2024

## Long-term financial objectives

Image Systems aims to create long-term value growth 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 Chief Executive Officer confirm that the interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position, and performance and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

*Linköping, Sweden, August 23, 2023*

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 23, 2023.

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](mailto:johan.friberg@imagesystems.se)

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



## CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Apr–June 2023	Apr–June 2022	Jan–June 2023	Jan–June 2022	Full year 2022
Net sales	44.7	42.4	83.0	74.0	171.1
Capitalized development costs	2.1	2.6	3.8	5.4	9.1
<b>Total revenue</b>	<b>46.8</b>	<b>45.0</b>	<b>86.8</b>	<b>79.4</b>	<b>180.2</b>
Raw materials and consumables	-13.4	-15.3	-24.5	-24.7	-56.4
Other external costs	-10.0	-7.1	-19.3	-12.8	-26.5
Personnel costs	-19.0	-18.8	-36.2	-35.9	-69.7
Depreciation/amortization of fixed intangible and tangible assets	-4.5	-4.7	-11.4	-10.0	-19.3
Other operating income	0.4	0.4	0.3	0.4	-
Other operating costs	-	-	-	-	0.8
<b>Operating profit</b>	<b>0.3</b>	<b>-0.5</b>	<b>-4.3</b>	<b>-3.6</b>	<b>9.1</b>
Net financial items	-0.4	-0.3	-1.9	-0.6	-1.1
<b>Profit/loss before tax</b>	<b>-0.1</b>	<b>-0.8</b>	<b>-6.2</b>	<b>-4.2</b>	<b>8.0</b>
Tax	0.2	0.2	0.3	0.3	0.6
<b>Profit/loss for the period</b>	<b>0.1</b>	<b>-0.6</b>	<b>-5.9</b>	<b>-3.9</b>	<b>8.6</b>
Of which attributable to the Parent Company shareholders	0.1	-0.6	-5.9	-3.9	8.6
Earnings per share <sup>1)</sup>	0.00	-0.01	-0.07	-0.04	0.10
Diluted earnings per share <sup>1)</sup>	0.00	-0.01	-0.07	-0.04	0.10
Average number of shares, thousands	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8
Average number of shares after dilution, thousands	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8

<sup>1)</sup> Calculated on the basis of average number of shares

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Apr–June 2023	Apr–June 2022	Jan–June 2023	Jan–June 2022	Full year 2022
Profit/loss for the period	0.1	-0.6	-5.9	-3.9	8.6
<b>Other comprehensive income</b>					
Translation differences	0.0	0.0	0.2	0.0	0.3
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>0.1</b>	<b>-0.6</b>	<b>-5.7</b>	<b>-3.9</b>	<b>8.9</b>
Of which attributable to Parent Company shareholders	0.1	-0.6	-5.7	-3.9	8.9

## CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	June 30, 2023	June 30, 2022	Dec 31, 2022
<b>Non-current assets</b>			
Goodwill	36.1	36.1	36.1
Customer relations	21.5	25.9	23.7
Trademarks	0.0	0.5	0.0
Capitalized development costs	35.3	34.2	35.1
Tangible fixed assets	1.2	4.2	3.7
Right-of-use assets	10.2	15.1	13.8
Deferred tax assets	19.1	19.1	19.1
<b>Total fixed assets</b>	<b>123.4</b>	<b>135.1</b>	<b>131.5</b>
<b>Current assets</b>			
Inventories	17.3	12.1	13.6
Trade receivables	27.7	33.5	20.1
Other receivables	5.1	8.0	7.0
Cash and cash equivalents	6.6	10.5	22.5
<b>Total current assets</b>	<b>56.7</b>	<b>64.1</b>	<b>63.2</b>
<b>TOTAL ASSETS</b>	<b>180.1</b>	<b>199.2</b>	<b>194.7</b>
<b>Equity (attributable in full to Parent Company shareholders)</b>	<b>116.9</b>	<b>110.3</b>	<b>122.9</b>
<b>Non-current liabilities</b>			
Borrowings from credit institutions	0.0	1.4	0.4
Lease liabilities	4.6	9.8	8.5
Deferred tax liabilities	5.8	6.3	6.0
<b>Total non-current liabilities</b>	<b>10.4</b>	<b>17.5</b>	<b>14.9</b>
<b>Current liabilities</b>			
Borrowings from credit institutions	7.2	3.1	5.0
Trade payables	13.7	16.0	12.6
Lease liabilities	4.8	5.0	4.9
Other current payables	27.1	47.3	34.4
<b>Total current liabilities</b>	<b>52.8</b>	<b>71.4</b>	<b>56.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180.1</b>	<b>199.2</b>	<b>194.7</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	June 30, 2023	June 30, 2022	Full year 2022
Opening balance sheet equity	122.6	114.0	114.0
Net profit for the year	-5.9	-3.9	8.6
Other comprehensive income for the period	0.2	0.2	0.3
<b>Total comprehensive income for the period</b>	<b>-5.7</b>	<b>-3.7</b>	<b>8.6</b>
<b>Closing balance sheet equity</b>	<b>116.9</b>	<b>110.3</b>	<b>122.9</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT \*

MSEK	Apr–June 2023	Apr–June 2022	Jan–June 2023	Jan–June 2022	Full year 2022
<b>Cash flow from operating activities before change in working capital</b>	<b>4.8</b>	<b>4.1</b>	<b>5.4</b>	<b>6.0</b>	<b>27.4</b>
<b>Change in working capital</b>					
Change in inventories	-1.0	0.0	-3.6	-0.2	-1.7
Change in receivables	-3.6	-6.0	-6.0	-4.2	10.4
Change in current liabilities	-7.0	12.4	-6.6	12.4	-3.9
<b>Total change in working capital</b>	<b>-11.6</b>	<b>6.4</b>	<b>-16.2</b>	<b>8.0</b>	<b>4.8</b>
<b>Cash flow from operating activities</b>	<b>-6.8</b>	<b>10.5</b>	<b>-10.8</b>	<b>14.0</b>	<b>32.2</b>
<b>Investing activities</b>					
Acquisition of intangible fixed assets	-2.1	-2.8	-3.8	-5.6	-9.8
Acquisition of tangible fixed assets	-0.1		-0.2		-
Acquisition of right-of-use assets	-	-0.9	-1.2	-1.1	-2.6
<b>Cash flow from investing activities</b>	<b>-2.2</b>	<b>-3.7</b>	<b>-5.2</b>	<b>-6.7</b>	<b>-12.4</b>
<b>Operating cash flow</b>	<b>-9.0</b>	<b>6.8</b>	<b>-16.0</b>	<b>7.3</b>	<b>19.8</b>
<b>Financing activities</b>					
Change in borrowings	-0.1	-1.8	1.9	-2.3	-1.5
Amortization of lease liabilities	-1.5	-1.4	-3.0	-2.7	-5.5
Additional lease liabilities	0.0	0.9	1.2	1.1	2.6
<b>Cash flow from financing activities</b>	<b>-1.6</b>	<b>-2.3</b>	<b>0.1</b>	<b>-3.9</b>	<b>-4.4</b>
<b>Cash flow for the period</b>	<b>-10.6</b>	<b>4.5</b>	<b>-15.9</b>	<b>3.4</b>	<b>15.4</b>
Cash and cash equivalents at the beginning of the year	17.2	6.0	22.5	7.1	7.1
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at the end of the year</b>	<b>6.6</b>	<b>10.5</b>	<b>6.6</b>	<b>10.5</b>	<b>22.5</b>

\* Previous year's figures are reclassified.

## SEGMENT REPORTING

MSEK	Apr-June 2023	Apr-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Revenue					
RemaSawco	34.9	35.0	65.7	62.1	141.9
Motion Analysis	11.9	10.0	21.1	17.3	38.3
Parent Company & Group items	-	-	-	-	-
<b>Total revenue</b>	<b>46.8</b>	<b>45.0</b>	<b>86.8</b>	<b>79.4</b>	<b>180.2</b>
<b>EBITDA</b>					
RemaSawco	3.0	2.1	4.7	3.0	17.8
Motion Analysis	3.9	3.5	5.5	5.5	15.2
Admin & consolidated items	-2.1	-1.4	-3.1	-2.1	-4.6
<b>EBITDA total</b>	<b>4.8</b>	<b>4.2</b>	<b>7.1</b>	<b>6.4</b>	<b>28.4</b>
Depreciation/amortization of fixed intangible and tangible assets	-4.5	-4.7	-11.4	-10.0	-19.3
<b>Operating profit</b>	<b>0.3</b>	<b>-0.5</b>	<b>-4.3</b>	<b>-3.6</b>	<b>9.1</b>
Net financial items	-0.4	-0.3	-1.9	-0.6	-1.1
<b>Profit/loss before tax</b>	<b>-0.1</b>	<b>-0.8</b>	<b>-6.2</b>	<b>-4.2</b>	<b>8.0</b>
Tax	0.2	0.2	0.3	0.3	0.6
<b>Profit/loss for the period</b>	<b>0.1</b>	<b>-0.6</b>	<b>-5.9</b>	<b>-3.9</b>	<b>8.6</b>

## KEY INDICATORS

	Apr-June 2023	Apr-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Order intake, MSEK	20.5	39.8	51.9	82.5	189.0
Order backlog, MSEK	52.2	82.7	52.2	82.7	81.9
Gross margin, %	70	64	70	67	67
EBITDA, MSEK	4.8	4.2	7.1	6.4	28.4
EBITDA margin, %	10.3	9.3	8.2	8.1	15.8
Operating margin, %	0.6	neg	neg	neg	5.0
Profit margin, %	neg	neg	neg	neg	4.4
Return on capital employed, %	0.2	neg	neg	neg	4.7
Return on equity, %	0.1	neg	neg	neg	4.4
Solidity, %	65	55	65	55	63
Debt/equity ratio	0.1	0.1	0.1	0.1	0.0
Net investments in non-current assets, MSEK	2.2	3.7	5.2	6.7	12.4
Depreciation/amortization of fixed assets, MSEK	4.5	4.7	11.4	10.0	19.3
Average number of employees	68	75	67	75	72
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, SEK	0.00	-0.01	-0.07	-0.04	0.10
Cash flow per share calculated on the basis of average number of shares, SEK	-0.10	0.08	-0.18	0.08	0.22
Equity per share calculated on the basis of number of shares at the end of the period, SEK	1.31	1.24	1.31	1.24	0.0

## QUARTERLY OVERVIEW, THE GROUP

	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q 1 2 3	Q2 23
Order intake, MSEK	33.4	37.7	51.7	46.7	32.7	51.7	42.7	39.8	64.7	41.8	31.4	20.5
Order backlog, MSEK	41.0	39.0	60.4	62.4	60.3	72	83.6	82.7	96.8	81.9	74.9	52.2
Net sales, MSEK	38.5	38.4	32.1	42.6	34.9	42.6	31.6	42.4	43.1	54.0	38.3	44.7
Capitalized development costs, MSEK	1.0	1.4	2.2	1.5	1.2	1.6	2.8	2.6	1.8	1.9	1.7	2.1
Gross margin, %	62	63	70	59	74	70	70	64	71	64	71	70
EBITDA, MSEK	3.9	-3.9	0.5	3.6	7.8	7.5	2.2	4.2	12.7	9.3	2.3	4.8
EBITDA margin, %	10	-10	1	8	22	17	6	9	28	17	6	10
Operating profit (EBIT), MSEK	0.1	-8.4	-4.4	-0.9	3.2	2.9	-3.1	-0.5	8.1	4.6	-4.6	0.3
EBIT margin, %	0	neg	neg	neg	8.9	6.6	neg	neg	18.0	8.2	neg	1
Return on equity, %	neg	neg	neg	neg	2.9	2.5	neg	neg	6.8	3.7	neg	0.1
Solidity, %	59	59	57	54	60	58	58	55	59	63	62	65
Earnings per share, SEK	0.00	-0.15	-0.05	-0.01	0.04	0.03	-	-0.01	0.09	0.05	-0.07	0.00
Cash flow per share, SEK	0.06	-0.02	0.04	-0.02	0.08	0.06	0.01	0.08	0.01	0.13	-0.08	-0.10
Equity per share, SEK	1.42	1.28	1.23	1.21	1.25	1.28	1.24	1.24	1.33	1.38	1.31	1.31
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

## 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 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 tangible and intangible fixed 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 2023	Apr-June 2022	Jan-June 2023	Jan-June 2022	Full year 2022
Operating profit	0.3	-0.5	-4.3	-3.6	9.1
Depreciation/amortization of fixed tangible and intangible assets	4.5	4.7	11.4	10	19.3
<b>EBITDA</b>	<b>4.8</b>	<b>4.2</b>	<b>7.1</b>	<b>6.4</b>	<b>28.4</b>

### Net debt

MSEK	June 30, 2023	June 30, 2022	Dec 31, 2022
Cash and cash equivalents	6.6	10.5	22.5
Lease liabilities	9.4	14.8	13.4
Interest-bearing liabilities	7.2	4.5	5.4
<b>Net debt</b>	<b>10.0</b>	<b>8.8</b>	<b>-3.7</b>

## DEFINITIONS

### Income measures

**EBITDA** Operating profit plus depreciation/amortization on tangible and intangible assets.

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### Margins

**Gross margin, %** Net sales minus raw materials and consumables in relation to net sales.

**Operating margin, %** Operating profit in relation to net sales and capitalized development costs.

**Profit margin, %** Profit before tax in relation to net sales and capitalized development costs.

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### 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.

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### 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.

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### Other

**Net investments in non-current assets, MSEK** Net investments in both intangible and tangible fixed assets as well as financial assets during the period.

**Average number of employees** Average number of employees during the period.

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### 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 2023	Apr- June 2022	Jan- June 2023	Jan- June 2022	Full year 2022
Net sales	1.0	1.0	2.1	2.0	3.9
Other external costs	-1.6	-1.5	-2.8	-2.5	-4.9
Personnel costs	-1.5	-0.9	-2.4	-1.6	-3.6
Other operating costs	-	-	-	-	-
<b>Operating profit</b>	<b>-2.1</b>	<b>-1.4</b>	<b>-3.1</b>	<b>-2.1</b>	<b>-4.6</b>
Net financial items	0.0	0.1	-0.8	0.1	-50.4
<b>Profit/loss before tax</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-3.9</b>	<b>-2.0</b>	<b>-55.0</b>
Appropriations	-	-	-	-	20.5
Tax	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-3.9</b>	<b>-2.0</b>	<b>-34.5</b>

## PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Apr- June 2023	Apr- June 2022	Jan- June 2023	Jan- June 2022	Full year 2022
Profit/loss for the period	-2.1	-1.3	-3.9	-2.0	-34.5
Other comprehensive income	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-3.9</b>	<b>-2.0</b>	<b>-34.5</b>



## PARENT COMPANY'S CONDENSED BALANCE SHEETS

MSEK	June 30, 2023	June 30, 2022	Dec 31, 2022
<b>Non-current assets</b>			
Shares in subsidiaries	82.8	132.8	82.8
Deferred tax assets	12.0	12.0	12.0
<b>Total fixed assets</b>	<b>94.8</b>	<b>144.8</b>	<b>94.8</b>
<b>Current assets</b>			
Trade receivables	-	-	-
Receivables from Group companies	5.4	-	8.8
Other current receivables	1.9	4.3	3.0
Cash and cash equivalents	0.0	0.0	0.3
<b>Total current assets</b>	<b>7.3</b>	<b>4.3</b>	<b>12.1</b>
<b>TOTAL ASSETS</b>	<b>102.1</b>	<b>149.1</b>	<b>106.9</b>
<b>Equity (attributable in full to Parent Company shareholders)</b>	<b>101.2</b>	<b>137.6</b>	<b>105.1</b>
<b>Current liabilities</b>			
Trade payables	0.3	0.3	0.6
Liabilities to Group companies	-	10.5	-
Other current payables	0.6	0.7	1.2
<b>Total current liabilities</b>	<b>0.9</b>	<b>11.5</b>	<b>1.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>102.1</b>	<b>149.1</b>	<b>106.9</b>

## PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	June 30, 2023	June 30, 2022	Full year 2022
Opening balance equity	105.1	139.6	139.6
Profit/loss for the period	-3.9	-2.0	-34.5
Other comprehensive income for the period			
<b>Total comprehensive income for the period</b>	<b>-3.9</b>	<b>-2.0</b>	<b>-34.5</b>
<b>Closing balance equity</b>	<b>101.2</b>	<b>137.6</b>	<b>105.1</b>

## PARENT COMPANY'S CONDENSED CASH FLOW STATEMENTS

MSEK	Apr- June 2023	Apr- June 2022	Jan- June 2023	Jan- June 2022	Full year 2022
<b>Cash flow from operating activities before change in working capital</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-4.0</b>	<b>-2.0</b>	<b>-5.1</b>
<b>Change in working capital</b>					
Change in receivables	0.7	0.1	1.1	-0.3	1.1
Change in current liabilities	-1.3	-0.9	-0.8	-0.9	-0.1
<b>Total change in working capital</b>	<b>-0.6</b>	<b>-0.8</b>	<b>0.3</b>	<b>-1.2</b>	<b>1.0</b>
<b>Cash flow from operating activities</b>	<b>-2.7</b>	<b>-2.1</b>	<b>-3.7</b>	<b>-3.2</b>	<b>-4.1</b>
<b>Investing activities</b>					
Change in borrowings to/from subsidiaries	2.6	1.9	3.4	3.0	4.2
<b>Cash flow from investing activities</b>	<b>2.6</b>	<b>1.9</b>	<b>3.4</b>	<b>3.0</b>	<b>4.2</b>
<b>Operating cash flow</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.1</b>
<b>Financing activities</b>					
Change in borrowings	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash flow for the period</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.1</b>
Cash and cash equivalents at the beginning of the period	0.1	0.2	0.3	0.2	0.2
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at the end of the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>